2010 ANNUAL REPORT

THE MATERIAL-HANDLING REFERENCE

Manitou

The material-handling reference

MANITOU
GROUP

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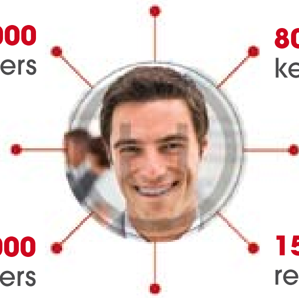
GROUP PROFILE

Manitou, the material-handling reference

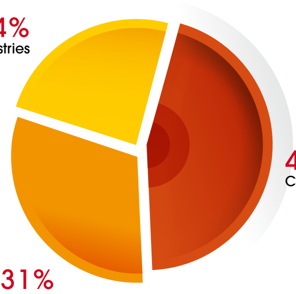
Founded by the Braud family 60 years ago, Manitou, whose heart lies in Ancenis (Loire-Atlantique - France), is today based in countries throughout the world. Its leadership in material handling (all-terrain or industrial forklift-trucks, aerial work-platforms, compact loaders, warehousing equipment, etc.) revolves around the following 'business model':



SALES
838 M€

68%
OF SALES ARE MADE INTERNATIONALLY

Sales per market segment



3 product divisions
Rough Terrain Handling (RTH), Industrial Material Handling (IMH) and Compact Equipment (CE)

4 sales regions
France, Europe, the Americas and the rest of the world

3 markets
Construction, Agriculture and Industries

3 trades
Designer, Assembler, Distributor

5 brands
Manitou®, Gehl®, Mustang®, Loc®, Edge®

2 international logistical centres
of spare parts

Tomorrow will not be like yesterday. It will be new and it will depend on us. It is less to be discovered than invented.

Gaston Berger

Message from the Chairman of the Board of Directors

In line with commitments made in 2009, and accompanying the turnaround of the Company, we made progress on several governance-related issues. By strengthening the role and responsibilities of the specialised committees, we both improved the Board's work and optimised its flow. We also adopted MiddleNext, the new corporate governance code so perfectly suited to the new Manitou we are striving to build. And we worked hard to ensure and organise the long-term sustainability of the family ownership structure. Completed in February 2011, this project marks the family shareholders' solemn commitment to the Company and its future development.

Manitou is getting better every day, and the Board of Directors is lending its full force to the process, in full support of management. New challenges await us and we are confident that the best way to tackle them is to prepare ourselves by restoring confidence to our shareholders, our partners and our employees.

Marcel Braud
Chairman of the Board of Directors

THE BOARD OF DIRECTORS

1 Marcel Braud, Chairman
2 Jacqueline Himsworth, Vice-Chairwoman
3 Gordon Himsworth
4 Sébastien Braud
5 Christopher Himsworth
6 Serge Ghysdael
7 Joël Goulet*
8 Dominique Bamas*
9 Pierre-Henri Ricaud*

* Independent members in accordance with MiddleNext recommendations.

GOVERNANCE

Message from the President and CEO

2010 has been the year of the rebound for Manitou: an increase of 60% in orders, sales up 23%, financial recovery, recovery and integration of Gehl, return to full employment and even interim employment. In hindsight, the journey from the dark hours of 2009 was great, and provided real encouragement to all those together with Manitou on a day-to-day basis: dealers, users, suppliers, employees, shareholders, partners. Permit me to thank them here for their trust and support.

Now we need to confirm our recovery and stand up to another growth cycle where much remains uncertain - but how could it be otherwise? With a wealth of experience and know-how, Manitou must also achieve certain reforms and move on from the past to forge a new future. The time is right. After «Manitou Next!» in 2010, «Manitou Up!» applies to 2011 to define the conditions for growth:

- To create it, establishing bridgeheads in new markets;
- To stimulate it, breaking the barrier of sales networks in mature countries;
- To facilitate it, by changing our processes from reactive to proactive,
- To guarantee it, by balancing power and precision over the three elements of cost - quality – time limits.

The stakes are high, as high as the potential. And the constraints are no smaller, with a network of suppliers that struggles - on a worldwide basis - to find the necessary capacity and stamina, with constantly changing and complicated standards and regulatory environments, with the continued volatility of raw materials which impacts everyone, from our industrial suppliers to our agricultural customers, with unforeseeable uncertainties, such as the recent events in Japan. But the environment is improving and, after two years of challenge, we appreciate our good fortune every day.

We want to be ambitious and realistic, improving the day-to-day and inventing the future. We're confident in our strength and resolve to improve even more. We are intact and, at the same time, fresh in our passion for our business and our customers.

The train has left the station and it will be another great ride.

Jean-Christophe Giroux
President and CEO

THE EXECUTIVE COMMITTEE

1 Jean-Christophe Giroux, President and CEO

2 Christian Caleca, Deputy Managing Director and President of the RTH (Rough Terrain Handling) Division

3 Jean Louis Hervieu, President of the IMH (Industrial Material Handling) Division

4 Daniel L. Miller, President of the CE (Compact Equipment) Division

5 Hervé Rochet, Financial Director

6 Hervé Saulais, General Secretary

7 Jérôme Tertrais, Human Resources Director

> Get back to basics and think strategically.
>
> *René Char*

68% OF SALES ARE MADE INTERNATIONALLY

24
subsidiaries in the world

10
production sites

2 778
employees in the world

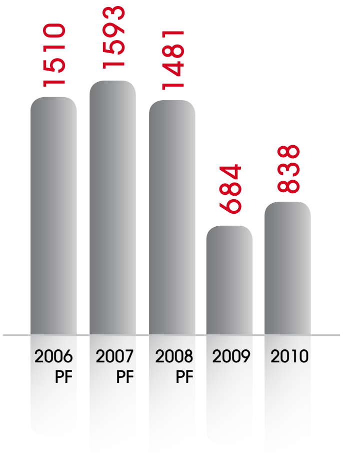
Manitou is present in 120 countries

With a network of nearly 1,400 dealers, the Manitou Group distributes its products worldwide under the Manitou®, Gehl®, Mustang®, Edge® and Loc® brands.

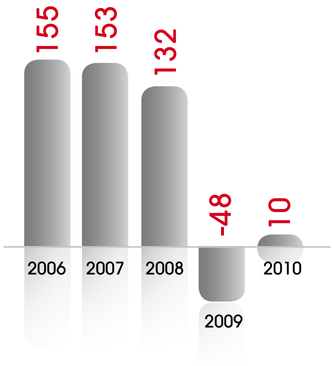
KEY FIGURES

YEAR
OF THE REBOUND

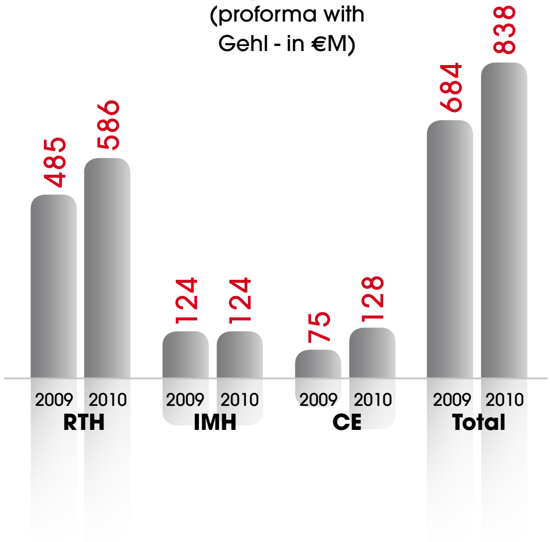
Sales (proforma with Gehl - in €M)



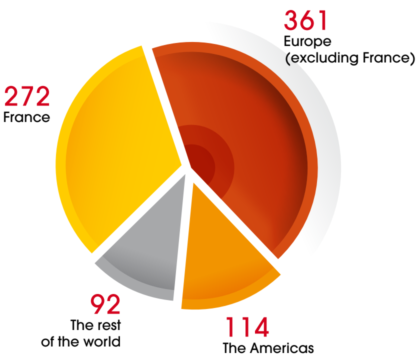
EBITDA (in €M)



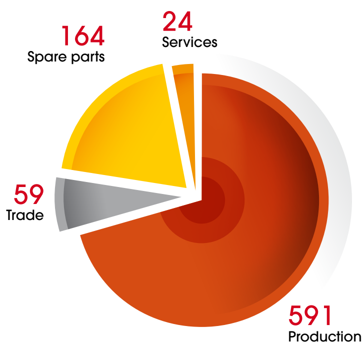
Sales per division (proforma with Gehl - in €M)



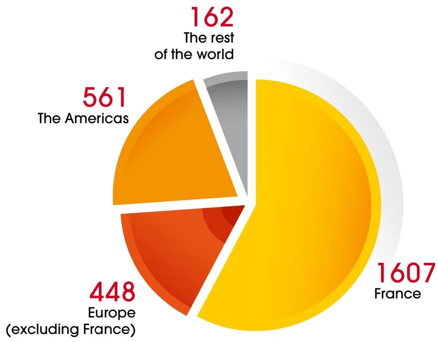
Sales by geographic region (in €M)



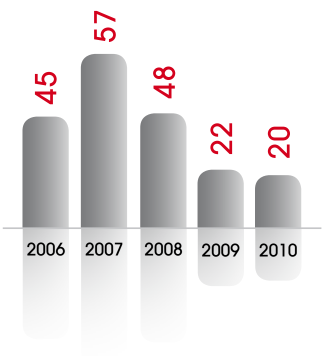
Sales by nature (in €M)



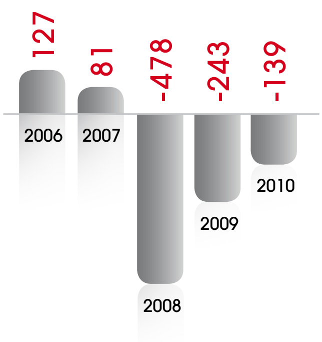
Workforce per geographical zone (in number of people)



Investments (in €M)



Net (debt) cash position (in €M)



MANITOU UP!

Manitou's recovery, beyond the return to profit, also means revisiting our processes to set a new standard of business and operating performance. «Manitou Up!» is a claim to raise the bar, for ourselves and all our customers.

Jean-Christophe Giroux
President and CEO

ENLISTING THE GROUP IN A NEW GROWTH CYCLE

Following 2010, which came as a transition and recovery after the brutal crisis of 2009, the beginning of a new growth cycle should permit Manitou to confirm its recovery and return to a healthier and more profitable situation. By submitting an operating plan targeted at promoting growth based on 4 primary objectives, a strong message was given both to networks, and to employees and shareholders, concerning the group's ambition to continue its development on a sustained and controlled basis.

CAPTURING GROWTH

DELIVERING GROWTH

JANUARY 2010

«Manitou Next!»
International Convention

MARCH

Introduction
of a super-compact model,
the MT625, launched
in April at the Bauma

APRIL

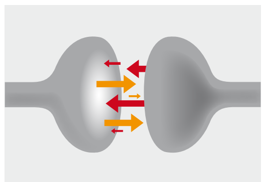
Industrial and workforce
reorganisation in France

APRIL

Reciprocal agreement
with the Terex/Genie
Group

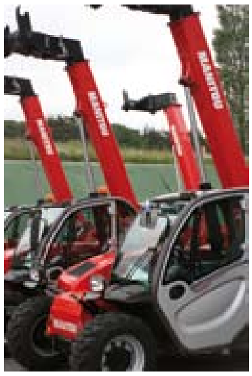
MAY

The Synapse plan:
Industry network in the Loire
Valley (subcontractors
and suppliers)



JUNE

The “Red Series”
initiative: Batch
production of models



JUNE

Launch of the Gehl®
and Mustang®
articulated forklifts

JULY

Agreement with
Toyota Industries

2010 ANNUAL REPORT

JOURNAL OF THE YEAR 2010

SEPTEMBER
The DLL Agreement
Refinancing of U.S. debt

SEPTEMBER
Unification of sales forces
in the Americas

OCTOBER
Introduction of the Manitou
solution - Application
of the EN 15000 standard

NOVEMBER
Suppliers' convention
in Ancenis

NOVEMBER
New business model
in China

JANUARY 2011
The «Manitou Up!»
International
Convention

2010: TANGIBLE PROGRESS CONFIRMING THE RECOVERY

2010 was a year of transition following the 2009 crisis. It was used to put in place the strategy deployed earlier this year at the «Manitou Next!» international convention and prepare the Group to enter a new growth cycle: launch of new products, industrial reorganization, partnerships, supplier support, new production methods, sales and marketing synergies... There has been a wide range of progress with as much promise for the future. As we enter a new cycle, introduced at the «Manitou Up!» convention, the outlook is encouraging, but rich in challenges in an environment which remains fragile.

SALES
€586M
OR 70% OF TOTAL SALES
WORKFORCE:
1,712 EMPLOYEES

RTH DIVISION

RETURN TO GROWTH
UNDER MIXED CONDITIONS

"The Rough Terrain Handling (RTH) division has restored profitable growth, visible in all our markets and for all our applications. We are working hard with our suppliers and subcontractors to meet the twin challenges of the supply chain and major changes in standards."

Christian Caleca, President of the RTH Division

The main product lines in the RTH division are:

- The MT (construction) and MLT (Agriculture) fixed frame telescopic forklift-trucks, with 5 to 18 meters lifting height and 2.3 to 4 tons capacity,
- MRT rotating telescopic forklift-trucks (14 to 30 meters lifting height and 4 to 5 tons capacity),
- The MVT and MHT heavy load telescopic forklift-trucks, particularly suited for work in mines and quarries, for example,
- All-terrain personnel access platforms, both internal combustion and electrical models including articulated platforms, vertical VJR or scissored XED with heights ranging from 5.70 to 20 meters.

RTH develops and manufactures its products at the Ancenis, Candé and Laillé (France) and Castelfranco (Italy) plants. Spread throughout the research departments of these various entities, 130 engineers are at the service of RTH to develop the products of tomorrow.

As the historical business of the group,

rough terrain handling (RTH) remains its first activity. The division develops handling and personnel-lifting equipment for the construction (roofers, carpenters, masons, etc.) and agriculture (livestock, grain, etc.) markets, for industrial applications such as mining and waste processing, and for institutional clients (armies, UN, etc.). Very attentive to its end-customers, the Manitou Group is focusing increasingly on understanding their needs and increasing reliability and performance.

Review of 2010 and outlook for 2011

In 2010, special attention was paid to product quality with the establishment of more stringent procedures at all levels of the manufacturing cycle. On the supply side, while relations with suppliers were strained in 2009 and business relationships therefore worsened, discussions were resumed to identify the best ways to end the crisis, both for Manitou and its partners. However, the lengthening of lead times often associated with procurement problems remains one of the division's major concerns, as it could penalise the production of new products recently launched and highly anticipated by customers (e.g. the MT and MLT 625) The Group's ability to adapt to these constraints is one of the main challenges the RTH division faces in its effort to restore growth and sustainable profitability.

SALES

€128M

OR 15% OF TOTAL SALES
WORKFORCE:
561 EMPLOYEES

CE DIVISION

A DRAMATIC TURNAROUND
THAT MUST BE MADE PERMANENT

"The Compact Equipment division had a pivotal year in 2010 by maintaining its focus on strengthening the foundations to drive long-term growth. We expanded our presence in international markets, broadened our product offering with the successful launch of new products and positioned ourselves to capitalize on the market recovery."

Dan Miller, President of the CE Division

The main product lines in the CE Division are:

- Skid-steer loaders,
- Mini excavators,
- Compact loaders,
- Articulated loaders,
- Telescopic forklift trucks.

These products are manufactured under the brand names Gehl® and Mustang® in the United States at the Yankton and Madison plants. Their robustness, ease of use and lifting capacity make them particularly suitable for the construction and agricultural markets.

Materialized by Manitou's October 2008 acquisition of Gehl, the partnership between the two companies has always been based on the complementarity of the products and the networks. When the Group reorganised in 2009, all of Gehl's operations were combined into a Compact Equipment division, just like the RTH and IMH divisions.

Beyond the complementary product range, many synergies initiated in 2009 were set in place in 2010, both internally (purchasing, R&D, production, etc.) and with our distribution networks, on a country-by-country basis.

Review of 2010 and outlook for 2011

In 2010, several factors enabled the CE division to take full advantage of the economic rebound, in terms of both sales and margins:

- Implementation of the new management team following the right-sizing of the division's whole administrative structure;
- Implementation of a new business model in the United States based on the strengthening of foundations and synergies between Gehl and Manitou's sales forces;
- Debt consolidation in the United States, ending the restrictive covenants on the subsidiary;
- Launch of a new range of articulated loaders.

The division's biggest challenge in 2011 remains, however, its ability to approach breakeven, which is strongly linked to the resumption of orders from major rental companies and the upturn in the U.S. market for telescopic products.

SALES

€124M

OR 15% OF TOTAL SALES

WORKFORCE:

285 EMPLOYEES

IMH DIVISION

SOLID PROGRESS DESPITE THE MANY CHALLENGES FACING THE GROUP

"2010 was a busy year!
By increasing Research & Development staff, reorganizing our production facilities and enhancing the quality of our product offering, we set in place the tools necessary for both growth and improved profitability."

Jean Louis Hervieu, President of the IMH Division

The IMH (Industrial Material Handling)

division positions the Group in the world's largest handling market. The IMH division develops handling equipment for industrial use and associated handling fleet management services, produces masts for Toyota Europe and distributes Toyota equipment in France.

The main product lines in the IMH division are:

- Manitou® masted semi-industrial and industrial forklifts, including electric forklifts from 1.5T to 3T and internal combustion forklifts with a capacity of 1.5T to 7T.
- Toyota® masted internal combustion and electrical forklifts, distributed in France by Compagnie Française de Manutention (CFM), with a capacity of 1 T to 8 T.
- Manitransit® truck-mounted forklifts with capacities of 2.5 T and 2.7 T.
- Manilec® warehousing equipment, also distributed under the LOC brand, including electric pallet trucks, stackers, order pickers, industrial tractors, retractable mast forklifts etc.

IMH develops these products (excluding the Toyota equipment) at three different sites, in Ancenis, Beaupréau and Hangzhou. Providing real answers to handling problems on stabilized soils and inside warehouses, this equipment is proposed along with a range of services including financing, maintenance and leasing.

Review of 2010 and outlook for 2011

While revenue was flat year on year, many projects were carried out during 2010 to prepare for the challenges ahead in a sector that remains key for the Group:

- Finalisation of a new range of small and medium tonnage forklift-trucks
- Transfer of warehousing activities from Paris region to the Beaupréau facility, changing the division's entire industrial model
- Launch of three new models of truck-mounted forklifts EURO III (series K)
- Preparation of two new models of truck-mounted forklifts for the poultry market

The Group should start to reap the first benefits of these initiatives in 2011, and see an increase in the IMH division's market share.

SALES
€272M
OR 32% OF TOTAL SALES

TESTIMONY

We have been working with Manitou for years and have virtually all of the equipment in their construction range: from the smallest to the largest, each machine provides a precise solution to our needs for versatility, power or compactness, and comfort or reliability. Investing in a Manitou means investing for the long term.

Michel Bouchereau,
Chief Executive Officer
Etablissements Bouchereau
Manitou customer in France

Through its origins, corporate culture and development, France is Manitou's historical market and provides almost one third of the Group's total sales. Although heavily impacted by the crisis, the network of French dealers - whose relationship with the manufacturer dates back several generations - saw their business improve in 2010, thanks mainly to a construction market buoyed by increased construction permit applications and housing starts. This network of entrepreneurs, all specialised in handling equipment, has also benefited from Manitou's long-time partnership with Toyota in France. A balancing factor in our dealers' sales activities, this specificity makes it a unique distribution model in our businesses. The contribution from associated activities such as the rental, servicing and sale of used equipment has also allowed dealers to better withstand the impact of economic fluctuations on new equipment sales.
In addition to the encouraging early signs observed on rental customers - whose orders increased significantly during the second half - the success of

FRANCE

ROBUST MODEL
AT THE START OF A NEW CYCLE

the telescopic forklift-truck launched in April and the continuing success of the MRT rotating models contributed to the sales performance of this operating segment.

Less impacted by the general rebound and penalized by the longer lead-times on some models, the agricultural market has experienced more moderate sales growth. After seeing sales to the industrial sector weaken considerably in 2009, delivery volumes were sharply higher in 2010, allowing the Group to take back market share in France. In this sector where marketing techniques are based increasingly on “full service” and finance leases, sales have profited fully from these cross-selling opportunities. The distribution of the Mustang® line of equipment in France has been reorganized by assigning it to the Manitou dealer network, as from July 2010, thus rounding out their product offering.

While there were tangible signs of a sustainable recovery in 2011, confirmed by the acceleration of sales at the end of 2010, the major challenge during the year will undoubtedly be the Group’s ability to deliver products to customers with acceptable lead-times, dependant directly on our suppliers’ lead-times in delivering the components.

SALES

€361M

OR 43% OF TOTAL SALES (EXCLUDING FRANCE)

TESTIMONY

We chose to partner with Manitou: the Group is one of the most powerful leaders in the world of telescopic forklifts. By cooperating with Manitou we have expanded our product offering by adding dependable, high quality, innovative equipment that meets our customers' needs.

Andrey Bunetskul, UST
Dealer in Russia

With a historical presence in Europe through a dense network of dealers, Manitou has acquired a prominent place in mature European markets. More recently, the establishment of beachheads in Eastern Europe has allowed the Group to identify new sources of growth and expand its distribution network.

In 2010, following a crisis that affected virtually all European markets, sales trends split Europe into two clearly defined regions, north and south. Germany, Russia and Poland posted remarkable sales increases in every market (construction, agriculture and industry), while Portugal, Spain and, to a lesser extent, Italy suffered tremendously from the general stagnation of their construction and manufacturing sectors. The mature United Kingdom market, which contributes a significant portion of total sales in Europe, was able to maintain a level of activity similar to that of 2009.

CONTRASTING SITUATIONS
BETWEEN NORTH AND SOUTH

In 2010, Gehl's European operations continued the momentum begun last year by doubling the number of dealers and increasing sales by 50% year on year. The synergies created with Manitou's traditional networks have also begun to pay benefits, and should accelerate compact equipment sales even further in 2011.

SALES

€114M

OR 14% OF TOTAL SALES

TESTIMONY

TM Roldan has been using Manitou equipment since 1997. We have over 50 of them in our rental fleet, primarily masted forklifts. In addition to the excellent quality of service, sales support and after-sales service and attention given to the customer by the dealer Gruas San Blas (exclusive Manitou distributor in Argentina), Manitou's main assets are its quality, dependability and reliability. Nothing beats a Manitou for handing 1.5 million tons of citrus fruit representing some 3.3 million cases, or 3,000 cases/day during the harvest season!

Miguel Roldan,
Chief Executive Officer, TM Roldan
Manitou customer in Argentina

With a long-time presence in South and North America and several manufacturing and marketing units since acquiring Gehl in 2008, the Manitou Group continued to merge the sales teams of Gehl and Manitou North America - whose complementarity had been deferred on account of the crisis - providing true synergies and progress in this vast and highly diverse region.

Overall, sales increased by 58%, although there were disparities between the various activities and markets. More affected than in Canada or Latin America, the construction market in the United States has been slow to show signs of recovery despite an upturn in rental orders at year end, leaving hope for better developments in 2011.

This also resulted in better performances in sales of skidsteers, which are very popular in the North American market, compared with those of telescopic forklifts.

Boosted by rising milk and cereal prices, the agricultural market, on the other hand, has experienced good

THE AMERICAS

STRENGTHENING THE FOUNDATIONS

growth across all of North America, including Canada and Latin America. In the networks, dealers recorded historically low levels of inventories, with a strong positive impact on their profitability. In 2011, in addition to the growth prospects manifest since late 2010 in the United States and Canada, the promise that some Latin American markets are expanding should help to shore up the progress already achieved in this sales region.

SALES

€92M

OR 11% OF TOTAL SALES

TESTIMONY

The Gehl equipment is sturdy and reliable and has provided genuine innovation to the Korean market.

YK Construction Equipment Co Ltd, Korea
Mr. Chae, Chairman

This sales region includes very diverse countries, both in terms of their economies and in terms of their appetites for the Manitou product ranges. In those areas whose economies are very different, both in terms of development and often in terms of their dependence on exchange rates, some positive trends should be noted concerning the dedicated territories, such as Australia, where demand for agricultural equipment experienced good growth. Construction remained flat in these areas, large investments having been made in previous years (South Africa, Australia). However, strong global demand for electricity is expected to require significant investment in handling equipment.

MIDDLE-EAST, AFRICA, ASIA-PACIFIC

OUTLOOKS AND AMBITIONS FOR THE NEW MARKETS

Service to mining companies should also continue its growth and provide numerous opportunities in the upcoming years. The demand for construction products in all of the Middle-East countries has remained steady despite some new tender offers in the fourth quarter for the CE division's products, mainly compact forklifts which are sturdy and versatile products, well adapted to the working conditions

In addition, the two huge countries, India and China, gradually opened up to the use of sophisticated machines despite their low cost and abundant labour. Manitou's presence in these countries has been amplified in 2010 and our products have furthered the use of new technologies in these new markets. The group also participated in major trade shows in this area and received a very receptive welcome for the equipment presented.

CONSTRUCTION

AGRICULTURE

MARKETS

THREE MARKETS,
AND AN INFINITE NUMBER OF APPLICATIONS

INDUSTRIES

By basing its offer on the identification of solutions related directly to user needs, the Manitou Group has developed a range of products that perfectly meets the requirements of market sectors as diverse as agriculture, construction and industry. In addition to the equipment itself, Manitou also offers these sectors a very wide range of accessories to increase both the versatility of the machine and its value to the user.


GEHL


MTOU
MANITOU

THREE PROFESSIONS CREATING VALUE

DESIGNER

Product innovation is key to a successful development strategy

Its relentless pursuit of innovation allows Manitou to anticipate market requirements by designing products perfectly suited to its customers' needs. In addition, by optimizing the sourcing of components for the entire Group and selecting only the best upstream partners, the Group is recognized for the quality and reliability of its products. Manitou®, Gehl®, Mustang®, Loc® and Edge® equipment all enjoy unchanging competitive advantages appreciated by all users.

ASSEMBLER

High-performance production facilities, with a tremendous degree of flexibility

To adapt to fluctuations in demand and the specificities of their markets, the Manitou Group has built its productive capacity around three ideas:

- Development of expertise in the manufacture of structural assemblies, such as chassis, booms and masts;
- Flexibility and responsiveness of its supply chain, to optimize production and minimize the use of subcontracting and the sourcing of third-party components;
- Use of efficient assembly and mounting facilities.

DISTRIBUTOR

The strength of a network of independent distributors

The Manitou Group has always focused on establishing reliable and powerful local networks. Nearly 1,400 dealers and distributors in 120 countries, all specialized in handling equipment, now carry the Group's brands and share a common commitment. The qualifications of this network of specialists are now universally recognized in all of Manitou's operating segments. Providing a crucial link with the dealerships, sales administration units set in place within each entity ensure equipment is routed and delivered as quickly as possible to every corner of the globe.

A market evolving towards services

By offering a comprehensive range of services through its networks, from financing to equipment maintenance, and helping them transform their businesses, the Group is able to meet customers' increasingly prevalent demand for suitable, customized services that allow them to optimize the use of their equipment.

HUMAN RESOURCES

ACCOMPANYING THE GROUP IN A NEW GROWTH CYCLE

Structuring the organization

To accompany the new organization put in place in 2009, and to adapt human resources coherently, the Group implemented a structured process for the assessment of supervisory positions and management, «Job grading". Thus, more than 300 positions have been subject to a comprehensive review based on analytical criteria which are common to the group and recognized outside of the company. By following the evolution of the group and providing meaning to the organization, this system not only ensures the consistency of human resource policy but also provides a benchmark for the entire organization (procedures manual on the assignment of authority, etc.) It provides the means to compare Manitou with the best practices for human resources on the market.

Besides that, the legal structures of the French production sites have been simplified, permitting the implementation of a single human resourse policy, which should promote mobility and unite teams.

In general, the group's organization by division, sales region and support function has also been pushed down to the managerial level, thus simplifying decision-making and ensuring greater harmony and cohesion.

Restoring motivation and promoting internal communication

Strongly challenged by the crisis due to the departure of a large number of the Group's key employees (2009 voluntary redundancy plan), the teams had to adjust to smaller staffs as well as to organizational changes, but also demonstrate their flexibility in an increasingly complex environment. Concerned about stimulating the motivation of its staff and in support of the management teams, the group has, on one hand, extended its policy of variable compensation to all of its managers and executives and, on the other, put in place a profit sharing scheme based on operating criteria for all employees at the French entities.

Finally, in order to develop internal communications throughout the Group and promote the exchange of information between the various entities, the group has implemented an intranet which is accessible to all employees. New means for easier access to information by production workers will be gradually deployed.

Promoting mobility and supporting change

After more than a year of right-sizing headcount and structures to adapt to the decrease in business activity, partial lay-offs ended as of March 2010. In the second half, the outlook for new hiring saw the light of day as well as the increased presence of temporary employees to reinforce the production teams.

In order to proactively plan the recovery and provide the organizations the necessary resources, a process of "Personnel and Organizational Review" has been initiated to foresee and promote mobility, to develop succession plans and to identify young high potential employees.

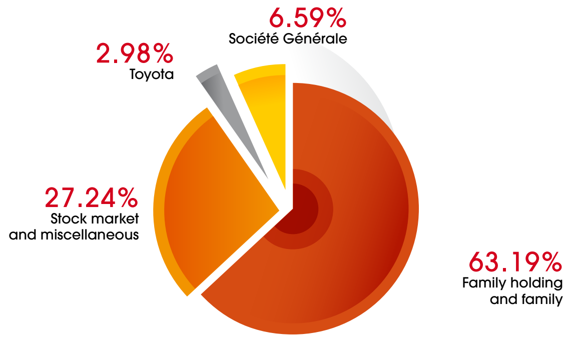
In addition, a training program for nearly 800 operators was introduced in France, first of all, to reduce the impact of partial lay-offs, and secondly, to help employees adapt to new quality requirements.

MANITOU ON THE STOCK EXCHANGE

SHAREHOLDER STRUCTURE AND MARKET SHARE PERFORMANCE

Main Shareholders

- SFERT SA: 42,06 %
- Marcel Braud: 9,82 %
- Jacqueline Himsworth: 5,07 %
- Ancemat: 5,03 %
- GENEVAL (Société Générale): 6,59 %
- Toyota: 2,98 %



MANITOU is listed on the NYSEEURONEXT Paris Stock Exchange

- EUROLIST compartiment B
- ISIN code: FR0000038606
- Nominal value: €1
- Transaction unit: 1

The capital and shareholding on 31.12.09

- Amount of capital: €37,567,540
- Total number of shares: 37,567,540
- Total number of voting rights: 37,064,880 (excluding self-held securities)

Stock Market Indices

- CAC Mid & Small • CAC Small
- CAC All-Tradable • NEXT 150

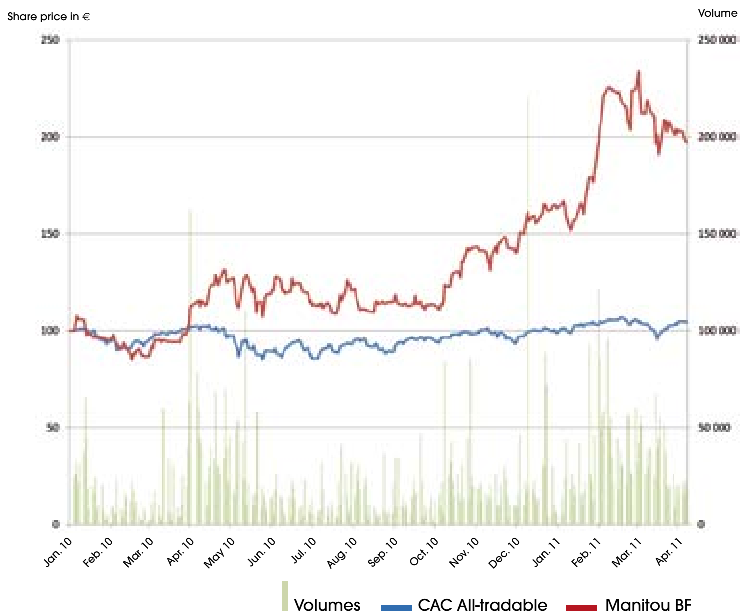
Share management

- Establishment in charge of the securities service: Société Générale Securities Services
- Market-making contract: Portzamparc Société de Bourse SA

Person responsible for the financial information

- Hervé Rochet - Financial Director

Manitou share price evolution in value and in volume (from 01/01/10 to 30/04/11)



SHARE PRICE IN €	2006	2007	2008	2009	2010
Higher	39.30	48.70	31.90	12.74	17.69
Lower	30.50	29.54	7.50	3.48	8.91
Closing prices of the year	38;00	31.25	8.15	10.38	17.31
Evolution over the year	+ 4.8 %	- 17.8 %	- 73.9 %	+ 27.4 %	+ 66.7 %
Evolution of the CAC MID 100 over the year	+ 29.8 %	- 1.9 %	- 42.2 %	+ 37.8 %	+ 18.8 %
Evolution of the SBF 250 over the year (CAC All-tradable as from March 2011)	+ 18.2 %	+ 0.6 %	- 43.1 %	+ 23.9 %	+ 0.4 %
Evolution of the Next 150 over the year	+ 25.0 %	+ 1.8 %	- 49.2 %	+ 53.2 %	+ 22.0 %
Stock exchange capitalization on 31.12 in millions of euros	**1,437**	**1,182**	**308**	**390**	**650**
Average Daily Exchanges	27,128	27,077	44,584	45,544	20,731
Number of shares exchanged over the year	6,877,886	6,904,754	11,413,488	11,659,292	5,348,601
Number of shares	37,809,040	37,809,040	37,809,040	37,567,540	37,567,540
Adjusted number of shares	37,809,040	37,809,040	37,809,040	37,567,540	37,567,540
Turnover rate of shares	18.2 %	18.3 %	30.2 %	30.8 %	14.1 %

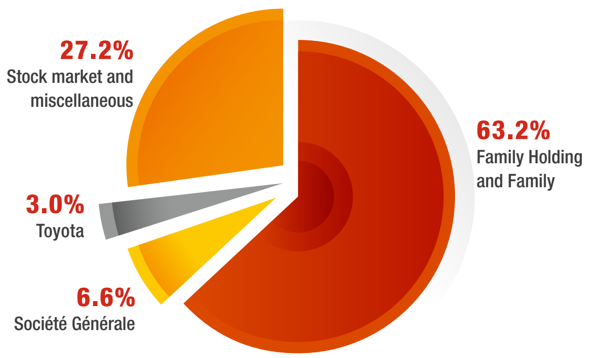
1. MANITOU AND THE GROUP

1.1 KEY FIGURES

MAIN CONSOLIDATED FIGURES

In millions of euros	2010	2009
Sales	838	684
Net operating income from ordinary activities	4	(81)
Net operating income	2	(146)
Net income attributable to Parent Company	(17)	(131)
Shareholders' equity	333	334
Total balance sheet assets	800	857
Dividend (in euros)	0	0
Cash flow from operating activities	(7)	(35)
Net financial debt	139	243
Total headcount as at 31 December	2,778	2,643

SHAREHOLDER'S STRUCTURE AS AT 31.12.2010



Market capitalisation as at 31.12.2010: €650m

Share price on 31.12.2010: €17.31

Number of shares: 37,567,540

Indices: CAC MID & SMALL, CAC SMALL, CAC ALL-TRADABLE, CAC ALL-SHARES, NEXT 150

Eligible for DSS long-only (Deferred Settlement Service)

1.2 BACKGROUND AND HIGHLIGHTS

BACKGROUND

1945 "Braud Mécanique Générale" company formed in Ancenis in the Loire Atlantique region.

1958 Development and marketing of first all surface forklift truck and creation of Manitou brand.

1970's

Creation of a distribution subsidiary in the United Kingdom; start of the Group's international expansion in Italy, etc.

Began distributing Toyota industrial forklift trucks in France.

1980's

The Group refocuses its activities on the design and production of handling equipment.

The Group establishes itself in the USA.

1981 Launch of first telescopic forklift for construction.

1984 Manitou BF IPO on the Paris "Second Marché" stock exchange.

1989 Launch of first telescopic forklift for agriculture.

1990's

The Group continues its international expansion (Benelux, Germany, Spain, Portugal, Singapore and South Africa).

1995 Creation in Ancenis of a JV with the Toyota group, intended to assemble the Japanese manufacturer's industrial forklift trucks for the European market.

Launch of the first range of aerial work platforms and all terrain truck-mounted forklifts.

2000's

The Group continues its international expansion (Canada, Australia, China, Poland, Russia, Chile, Romania and India).

Manitou signs a product cross-distribution agreement with Gehl Company in the US and acquires a 14.9% stake in Gehl.

Manitou celebrates its 200,000th forklift truck.

2008 Manitou launches a takeover bid for the 85% of shares in Gehl not already held by it. The bid is announced one week before the collapse of Lehman Brothers bank. Gehl becomes a wholly-owned subsidiary of Manitou BF at the end of the offer period and is included in the consolidated financial statements with effect from 1.11.2008. The transaction is intended to strengthen the Group's presence in North America and leverage complementary product portfolios.

Manitou celebrates the 50 years of the Manitou forklift truck.

2009 Operating in a very challenging economic environment, the Group must simultaneously confront three major crises:

– An economic crisis of unparalleled proportions with a 54% fall in like-for-like sales, making it necessary to adapt the Group's businesses to this brutal downturn.

– A financial crisis that forces the Group to renegotiate financing for its new US subsidiary, and subsequently for the Parent Company, in challenging conditions.

– A governance crisis that leads the founding families to withdraw from the Group's operational management in order to focus on governance and strategy and recruit an executive externally, Jean-Christophe Giroux. The Group is also restructured into three divisions so as to better meet the needs of its various markets.

Immediately following these changes, on 17.12.2009 the Company changes its legal form to establish a Board of Directors within which Marcel Braud assumes the role of Non-Executive Chairman, and Jean-Christophe Giroux becomes Chief Executive Officer.

2009 was also the year in which Gehl celebrated its 150th birthday – an outstanding age for an American company.

2010 The year of the rebound.

The Group experiences a rebound of 23% in sales and returns to a breakeven level of operating profit. Gehl's American syndicated loan, which was very sensitive during the 2008-2009 crisis, is fully reimbursed. Gehl has since been funded by its Parent Company.

HIGHLIGHTS 2010

January '10	Manitou Next! Definition of the Manitou strategic plan
March	New MT625. Compact telescopic dedicated to construction
April	Announcement of the industrial and social reorganization of French industrial sites
April	Reciprocal agreement with Genie/Terex on the distribution of aerial work platform equipment.
May	"Synapse" plan. Support for the subcontractor supplier network in the Loire region in France.

June Red Series Initiative. Launch of 12 leading models in batch production.

June New Gehl articulated loader launched in the U.S.

July Agreement with Toyota Industries. Sale of Manitou's stake in TIE without calling into question the agreements for the distribution and assembly of masts.

August Change in governance code, adoption of the MiddleNext code.

September Refinancing of Gehl by Manitou BF in replacement of U.S. bank pool and new end-users financing agreement in the U.S. with DLL.

September Launch of synergy plans for Gehl and Manitou sales organisations.

October EN15000. New standard for blocking aggravating movements on telescopic machines (EU).

November RTH IMH divisions' Suppliers Convention.

November New model in China. Repositioning of strategy and operations.

January '11 Manitou Up! whose ambition is to mobilise the Group around two axes:

- a focus on capturing growth through the creation of new sources of growth and through the stimulation of existing markets;

- a focus on the ability to deliver growth through a greater forecasting culture and an improvement in the predictability of operations.

1.3 MAIN GROUP BUSINESSES

Since 2009, the Group's activities have been split into three business sectors grouped together in divisions:

– "RTH – Rough Terrain Handling" division, specialising in all terrain handling equipment,

– "IMH – Industrial Material Handling" division, focussing on industrial handling equipment,

– "CE – Compact Equipment" division, specialising in compact equipment.

Each of these divisions is structured around the Company's three areas of expertise as a designer, assembler and distributor of handling products.

Complementary activities such as the sale of spares or attachments and the provision of services like third party fleet management, training, etc., are represented within each division.

DIVISION RTH – ROUGH TERRAIN HANDLING

Equipment for the construction sector

This division's products mainly consist of Manitou masted forklift trucks and Maniscopic fixed and rotating telescopic forklift trucks. These trucks work within a height range of between 4 and 30 metres and can lift loads weighing up to five tonnes.

They are mainly used by tradesmen (builders, roofers, etc.) and regional, national and international hire companies working in the residential and non-residential construction and renovation sectors. These users are looking for straightforward, multi-purpose products whose handling capabilities make them ideal for efficiently distributing materials across sites. A wide range of attachments is available for our telescopic forklift trucks, enabling them to be used for a broad range of applications.

Manitou offers the most complete product range meeting all of these sectors' needs.

The equipment utilisation ratio is of the order of 500 hours a year.

Access platforms

The Maniaccess range for personal and material lifting forms part of the RTH division. The Group designs and markets vertical, articulated and scissor access platforms. Platforms are powered by internal combustion for outdoor use and electrically powered for indoor use. A range of "bienergy" articulating aerial work platforms equipped with an internal combustion engine which permits their batteries to be recharged without the need to use on-site transformers.

The vast majority of platforms are marketed through regional, national and international hire companies, making this a very cyclical business.

Equipment for the agricultural sector

Equipment made for the agriculture sector is designed to withstand intensive daily use. It consists of five to ten metre telescopic forklift trucks, which can be fitted with a multitude of attachments for carrying out day-to-day tasks (scraping animal houses, cleaning, feeding cattle, handling straw / hay bales, loading and unloading materials : wheat, mais, sugar beet… etc). For example, stockbreeders use telescopic forklift trucks for around 1,500 hours a year more than they use tractors.

Manitou is constantly improving the performance and builds quality of its forklift trucks in order to meet the ever-increasing demands of its customers. Most customers own their own equipment, and are looking for machinery with a high level of comfort on a par with that offered by their tractors and combine harvesters. Equipment intended for agricultural use is therefore equipped with cab suspension, air conditioning and the JSM, a Manitou-designed joystick that can be used to control the full range of handling functions with the fingertips.

"Performance" all terrain trucks

Based on its high performance all terrain equipment, the Company offers specialist handling solutions to the environmental, mining and industrial sectors, as well as to institutional customers like armed forces and organisations like the UN, civil protection bodies, etc. The highest performing equipment can lift loads of up to 21 tonnes to a height of ten metres.

IMH DIVISION – INDUSTRIAL MATERIAL HANDLING

Industrial and semi-industrial forklift trucks

The IMH division designs and distributes a wide range of products for use in industrial handling:

– semi-industrial masted forklift trucks for use both in outdoor environments on unstable ground (pavements, gravelled surfaces, etc.) and inside buildings and warehouses,

– industrial forklift trucks powered by internal combustion or electrically powered, and intended for indoor or outdoor use on stable ground,

– truck-mounted forklifts enabling drivers to load, unload and handle cargo.

The division also distributes Toyota industrial forklifts in France.

Depending on their use, forklifts may be powered by internal combustion (diesel or gas) or electrically powered.

Warehousing equipment

Warehousing equipment is intended for warehouse handling activities. A wide range of different variables mean that equipment can be adapted to a range of uses. The IMH division has a high level of expertise in the specific materials sector. It distributes warehousing equipment under the Toyota (France only), Loc and Manilec brands.

Mast manufacture

The mast is the core component of a forklift truck. The wide range of potential uses means the frontal masts of a forklift must be adapted to meet users' needs. The main variables relate to height and lifting capacity.

Masts are manufactured for the Group's internal purposes as well as for Toyota Industrial Equipment, based in Ancenis.

Fleet management

In its desire to meet the operational needs of certain key account customers, the IMH division directly manages the maintenance of some of its own fleets of industrial forklift trucks. The most significant maintenance contracts relate to the maintenance of the handling equipment fleet at the PCA Peugeot Citroën factories in Rennes and Aulnay-sous-Bois in France.

CE DIVISION – COMPACT EQUIPEMENT

The CE division designs, assembles and distributes compact handling equipment. The breadth of its product catalogue means that distributors have access to an attractive and complementary range designed to meet the full scope of end users' needs. All CE division products are marketed under the Gehl and Mustang brands. A full range of attachments is also available under the Edge brand.

Skid steer loaders

Skid steer loaders are highly agile and versatile compact handling products. They are steered by locking the wheels on one side of the loader, giving them a 360° on the spot turning circle. Their small size means they can be used in cluttered environments. These straightforward, robust machines accept multiple attachments, enabling them to be used for a wide range of purposes.

Skid steer loaders are mainly used in the construction and agriculture sectors. Some machines are mounted on caterpillar tracks rather than wheels, making them particularly agile on soft ground.

Telescopic forklift trucks

The Compact Equipment division's range of telescopic forklift trucks consists exclusively of straightforward, robust equipment adapted to the North American market. Customers for such products mainly consist of national and regional rental companies.

Articulated loaders

The articulated loaders designed, assembled and marketed by Gehl are multi-purpose devices which can be used for handling and load recovery activities. The range of products developed by the division is focussed on low-capacity, compact equipment.

Mini excavators

The division distributes a range of mini excavators sourced from a third party supplier. This type of equipment, which is particularly aimed at the public works sector, is maintained as a complement to the division's own product range.

1.4 INFORMATION ABOUT THE MAIN SUBSIDIARIES AND GROUP ORGANISATION CHART

MAIN GROUP SUBSIDIARIES

Manitou Costruzioni Industriali Srl

Via Emilia – Cavazzona

41013 Castelfranco – Italy

Wholly-owned subsidiary of Manitou BF

Business : design, assembly and distribution of rough terrain fixed and rotating telescopic forklift trucks, as well as heavy duty forklifts. The company also distributes all the Group's products in Italy.

Per IFRS	2010	2009
Sales	€145.5M	€85.9M
Net income	€7.2M	€0.5M
Headcount as at 31.12	235	241

Gehl Company Inc.

One Gehl Way

West Bend Wisconsin 53095 – Etats-Unis

Wholly-owned subsidiary of Manitou BF

Business: design, assembly and distribution of compact equipment through a global network of independent distributors: mini-loaders, telescopic forklifts, articulated loaders and mini excavators.

The company, whose head office is in West Bend, Wisconsin, has two production subsidiaries in Yanktown and Madison, South Dakota.

Within the United States, Gehl also offers end user sales financing solutions under the Gehl Finance label.

That offer, which was originally self-financed, was totally externalized to a third party financial partner.

Per IFRS	2010	2009
Sales	€117.6M	€61.3M
Net income	€(10.4)M	€(92.0)M
Headcount as at 31.12	491	416

Manitou UK Ltd

Ebblake Industrial Estate

Verwood – Dorset BH 31 6BB – Royaume-Uni

99.4% owned subsidiary of Manitou BF

Business: The distribution of Group products in the United Kingdom and Ireland.

Per IFRS	2010	2009
Sales	€58.3M	€57.3M
Net income	€0.9M	€1.3M
Headcount as at 31.12	40	39

Compagnie Française de Manutention SAS

510, Boulevard Pierre et Marie Curie

44152 Ancenis Cedex

Wholly-owned subsidiary of Manitou BF

Business: Exclusive distribution of Toyota brand industrial forklifts and Toyota and Manitou warehousing equipment in France, and maintenance of a fleet of industrial forklifts for PCA Peugeot Citroën at Rennes and Aulnay sous Bois (from 2010).

Per IFRS	**2010**	**2009**
Sales	€56.7M	€46.1M
Net income	€0.4M	€(1.1)M
Headcount as at 31.12	126	118

Manitou Deutschland GmbH

Dieselstr. 34

61239 Ober Mörlen

Wholly-owned subsidiary of Manitou BF

Business: Distribution of RTH and IMH division products in Germany and Austria.

Per IFRS	**2010**	**2009**
Sales	€46.9M	€27.5M
Net income	€1.3M	€0.6M
Headcount as at 31.12	19	21

GROUP ORGANISATION CHART AS AT 31.12.2010

PARENT COMPANY

MANITOU BF SA
Share capital 37 567 540 EUR
430, rue de l'Aubinière
44150 ANCENIS, France

SUBSIDIARIES

FULLY CONSOLIDATED SUBSIDIARIES

100%	**COMPAGNIE FRANCAISE DE MANUTENTION** Share capital 1 320 000 EUR 510, bd Pierre et Marie Curie - 44150 ANCENIS, France		
100%	**CIE INDUSTRIELLE DE MATERIELS DE MANUTENTION** Share capital 1 800 000 EUR Route de Challain-la-Potherie - 49440 CANDE, France		
100%	**MLM** Share capital 1 800 000 EUR Av. du Vert-Galant - 95130 SAINT-OUEN-L'AUMONE, France		
100%	**AUMONT BSBH** Share capital 1 747 200 EUR ZA Bout de Lande - 35890 LAILLE, France		
100%	**GEHL COMPANY Inc.** Share capital 361 101 000 USD WEST BEND, Wisconsin, Etas-Unis	100%	**GEHL POWER PRODUCTS, Inc** Share capital 100 USD YANKTON, South-Dakota, USA
		100%	**MUSTANG MANUFACTURING COMPANY, Inc.** Share capital 15 USD OWATONNA, Minnesota, USA
		100%	**COMPACT EQUIPMENT ATTACHMENTS, Inc.** Share capital 1 USD CEDARBURG, Wisconsin, USA
		100%	**GEHL EUROPE GmbH** Share capital 1 950 000 EUR NEUENKIRCHEN, Germany
		100%	**GEHL RECEIVABLES II, LLC** Share capital 1 000 USD WEST BEND, Wisconsin, USA
		100%	**GEHL FUNDING, LLC** Share capital 1 000 USD WEST BEND, Wisconsin, USA
100%	**MANITOU NORTH AMERICA Inc.** Share capital 63 900 USD WACO, Texas, USA		
99,4%	**MANITOU UK Ltd.** Share capital 230 000 GBP VERWOOD, United-Kingdom	100%	**PLEDGEMEAD** Share capital 10 000 GBP VERWOOD, United-Kingdom
100%	**MANITOU COSTRUZIONI INDUSTRIALI Srl** Share capital 5 000 000 EUR CASTELFRANCO EMILIA, Italy	100%	**OMCI ATTACHMENTS Srl** Share capital 50 000 EUR CASTELFRANCO EMILIA, Italy
98%	**MANITOU BENELUX SA** Share capital 500 000 EUR PERWEZ, Belgium	100%	**DE LADDERSPECIALIST B.V.** Share capital 117 418 EUR GOES, Netherland
100%	**MANITOU PORTUGAL SA** Share capital 600 000 EUR VILLA FRANCA, Portugal	57%	**EPL CENTRO** Share capital 50 000 EUR POMBAL, Portugal
100%	**MANITOU DEUTSCHLAND GmbH** Share capital 800 000 EUR OBER-MÖRLEN, Germany		
100%	**MANITOU ASIA PTE Ltd.** Share capital 400 000 SGD SINGAPORE		
100%	**MANITOU SOUTHERN AFRICA PTY Ltd.** Share capital 796 875 ZAR SPARTAN EXTENSION, South Africa		
86%	**MANITOU AUSTRALIA PTY Ltd.** Share capital 400 000 AUD ALEXANDRIA, Australia		
100%	**MANITOU HANGZHOU MATERIAL HANDLING Co Ltd.** Share capital 5 400 000 USD HANGZHOU, China		
100%	**SL MANITOU MANUTENCION ESPANA** Share capital 200 000 EUR MADRID, Spain		
100%	**CHARIOTS ELEVATEURS MANITOU CANADA Inc.** Share capital 20 000 CAD MONTREAL, Canada		
100%	**MANITOU VOSTOK LLC** Share capital 350 000 RUB BELGOROD, Russia		
100%	**MANITOU POLSKA Sp z.o.o.** Share capital 200 000 PLN OBORKINI, Poland		
99,6%	**MANITOU TR** Share capital 250 000 000 000 TRL ISTANBUL, Turkey		

ASSOCIATES

49%	**MANITOU FINANCE FRANCE SAS** Share capital 25 656 000 EUR PUTEAUX, France
49%	**MANITOU FINANCE Ltd.** Share capital 2 000 000 GBP BASINGSTOKE, United-Kingdom
30,4%	**ALGOMAT** Share capital 20 000 000 DZD ALGER , Algeria
50%	**HANGZHOU MANITOU MACHINERY EQUIPMENT Co Ltd.** Share capital 3 600 000 USD HANGZHOU, China

38,7% (held by COMPAGNIE FRANCAISE DE MANUTENTION)

ACTIS LOCATION
Share capital 62 000 EUR
ANCENIS, France

1.5 PROPERTY, PLANT AND EQUIPMENT

EXISTING PROPERTY, PLANT AND EQUIPMENT

The main wholly owned buildings are:

Country	Location	Approximate surface in square meters	Main functions
France	Ancenis, 44	82,000	Group headquarters, divisional headquarters and research centre for the RTH division. Assembly of telehandlers and masted forklift trucks.
	Ancenis, 44	28,000	Logistics centre for spare parts.
	Candé, 49	9,000	Research centre and production centre for aerial work platforms.
	Laillé, 35	10,000	Production centre for compact telescopic forklifts.
	Beaupréau, 49	8,000	Divisional headquarters IMH, IMH Research centre, assembly platform for masted forklift trucks, truck mounted forklifts and warehousing equipment.
Italy	Castelfranco, ER	18,600	Research centre and assembly platform for high capacity and rotating telehandlers.
United States	West Bend, WI	14,000	Headquarters and research centre for the Compact Equipment division.
	Madison, SD	24,000	Production centre for skidsteers.
	Yankton, SD	16,900	Production centre for telehandlers and the compact equipment division.
	Waco, TX	11,600	Assembly site for masted forklift trucks and truck mounted forklifts.

2. MANAGEMENT REPORT

2010 was the year of the rebound, with new orders up 60% year on year. This increase was initially the result of 2009 catch-up effects which were subsequently combined with improving market conditions. Sales increased by 23% to €838 million. Growth was particularly strong in those divisions that had been hardest hit in 2009, namely the CE division (+71% in 2010 versus -66% in 2009) and the RTH division (+21% in 2010 versus -53% in 2009). After two years of crisis, the RTH, CE and IMH divisions reported sales that were respectively 43% and 45% below 2008 pro forma sales. The same decline was observed regarding the sales regions of France, Europe excluding France, and the Americas (down 45% each).

During the year, the Group also turned the page on its financial problems by:

– Returning to operating profitability, reporting net operating income on ordinary activities of €2 million as compared to a net operating loss of €146 million in 2009.

– Reducing its net debt by 43% to €139 million from €243 million at the end of 2009, following a 49% reduction in 2009 from a high of €478 million at the end of 2008. That reduction was accompanied by the refinancing of Gehl and the restructuring of the Group's financing arrangements.

– Continuing to reduce its working capital which decreased by 14% during which time sales increased by 23%.

Taking into account interest and tax expenses, net income attributable to the Parent Company was -€16.7 million, as compared to a net loss of €131.3 million in 2009.

In spite of the difficulties known at the time this report was signed, the business outlook does not jeopardise the Group's continuing operations which should continue to benefit from improved market conditions in 2011. The actions implemented in 2010, the continuing optimisation of processes in 2011, the Group's commercial positioning, its capital structure and the commitment of its staff make up the essential assets to permit Manitou to emerge from the crisis stronger.

2.1 BUSINESS REVIEW

2.1.1 SALES PERFORMANCE

2.1.1.1 CONSOLIDATED SALES

After experiencing an unprecedented crisis in 2008-2009, the capital goods business sector in which Manitou operates saw a significant recovery in 2010.

Destocking in dealer networks and reductions in rental company fleets, which had deprived the Group of direct access to a portion of end user demand, gradually came to an end in the course of the year. Moreover, this stabilisation was accompanied by an upturn in business in the construction, agriculture and industry sectors. Sales reached €838 million, up 23% as compared to 2009.

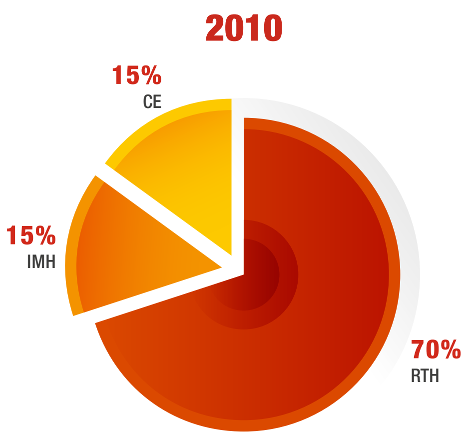
Since 2009, the Group has been structured into three sales divisions, with shared sales forces organised into four geographical regions.

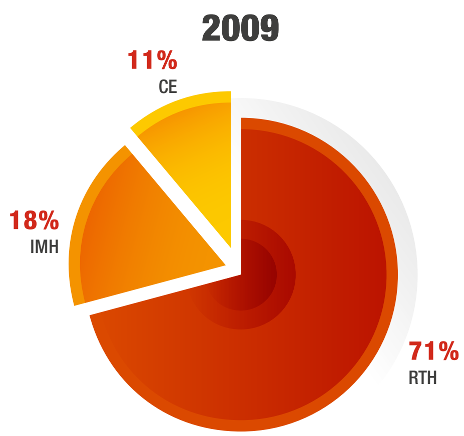
SALES PERFORMANCE BY DIVISION AND GEOGRAPHICAL REGION

In millions of euros and as a percentage of total

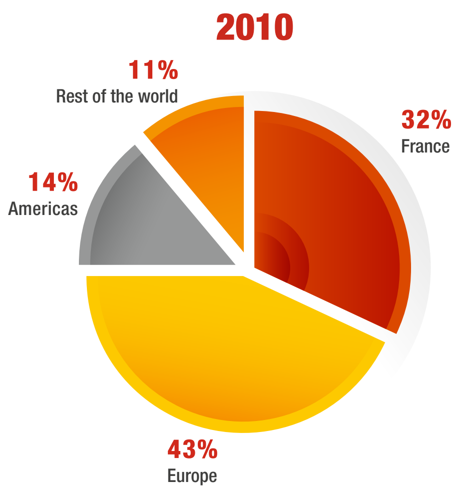
2010 sales						2009 sales				
France	Europe	USA	Other regions	Total	M€ % of total	France	Europe	USA	Other regions	Total
184 *22%*	302 *36%*	30 *4%*	72 *9%*	586 *70%*	RTH	163 *24%*	250 *37%*	23 *3%*	49 *7%*	485 *71%*
88 *10%*	24 *3%*	4 *0%*	8 *1%*	124 *15%*	IMH	79 *11%*	27 *4%*	5 *1%*	13 *2%*	124 *18%*
1 *0%*	34 *4%*	80 *10%*	12 *1%*	128 *15%*	CE	1 *0%*	23 *3%*	45 *7%*	6 *1%*	75 *11%*
272 *32%*	361 *43%*	114 *14%*	92 *11%*	838 *100%*	Total	243 *35%*	300 *44%*	72 *11%*	69 *10%*	684 *100%*

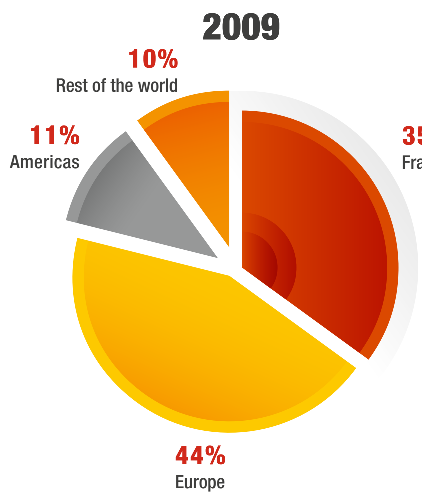
CONSOLIDATED SALES BY DIVISION





CONSOLIDATED SALES BY GEOGRAPHICAL REGION





2.1.1.2 SALES PERFORMANCE BY DIVISION

SALES PERFORMANCE – ROUGH TERRAIN HANDLING (RTH) DIVISION

The RTH (Rough Terrain Handling) division markets handling and personnel lifting equipment to the construction, agriculture, industrial (e.g. mining) and environmental sectors, as well as to institutional customers, armed forces, etc. In 2010, it accounted for 70% of Group sales, and recorded a 21% increase relative to 2009.

A recovery in sales of construction equipment was accentuated by an end to destocking by distributors and sales of surplus equipment by leasing companies.

After falling sharply from mid-2009 onwards, the agricultural business benefited as clients renewed their equipment from the second half of 2010, ending the year slightly up.

Finally, growth in the spare parts business confirmed a return to extended, more intensive use of equipment.

RTH division: Performance in France

In France, the division reported sales of €184 million, up 12% as compared to 2009. The upturn in business was concentrated in the construction sector as a result of an end to destocking by dealers and restocking orders from leasing companies. In agriculture, business decreased slightly, partly as a result of an extension in the order book towards the end of the year. Over the year, dealers have adjusted their marketing to the development of the "Red Series" machines concept which now represent nearly 50% of volumes delivered.

RTH division: European performance

Sales increased by 21% to €302 million. With the benefit of a recovery in the economic environment, business in Germany and Northern Europe saw a significant upturn, particularly in construction. In Russia, an improvement in the country's economic situation and conditions for access to borrowing also led to a significant increase in business. Sales in the United Kingdom, which was less affected by the crisis than its peers in 2009, remained flat in 2010, though with a contrast between the construction sector, which saw renewed growth, and the agricultural sector, which was adversely impacted by a very gloomy environment and lengthening equipment delivery timescales. In Spain, which was heavily impacted when the real estate bubble burst, the Group returned to growth as a result of stepping up its development efforts in the agricultural and industrial markets. This trend differs from the situation in Portugal, which is suffering from a decline in its economy, particularly in the construction sector.

RTH division: Performance in North and South America

The division's business in North and South America mainly consists of the distribution in the US and Canada of masted forklift trucks assembled at the Waco plant in Texas and telescopic forklifts imported from Europe. The South American business is focused on the distribution of European telescopic forklifts.

Sales totalled €30 million in 2010, up 31% as compared to the prior year.

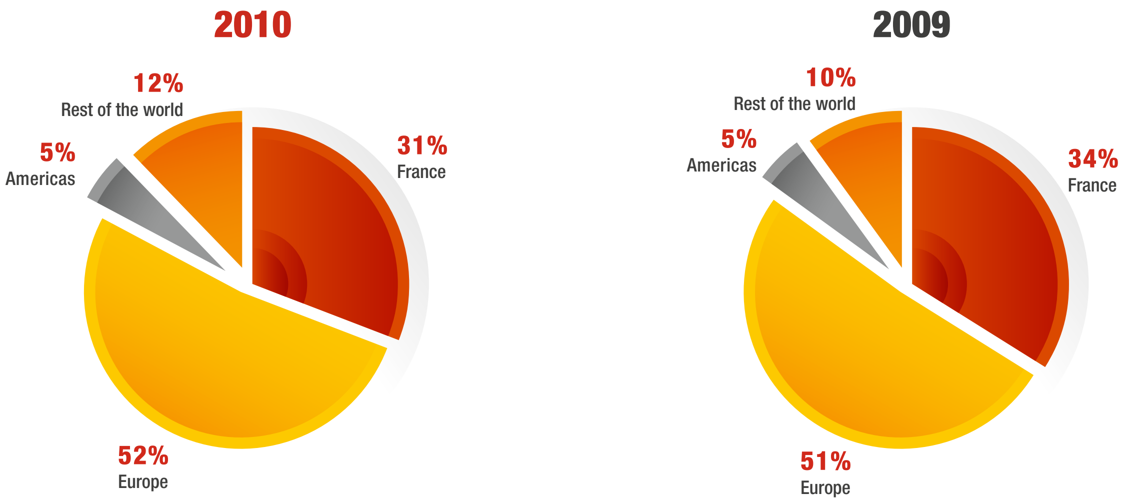
The Group continued to be adversely impacted by the depressed economic environment in the United States, while sales in Canada and South America recovered sharply in the agricultural and construction sectors respectively.

RTH division: Performance in other world regions

Sales increased by 46% as compared to 2009, to €72 million.

The most significant developments took place in the India/Southeast Asia/China region and South Africa, which benefited respectively from an increased openness to rough terrain handling equipment and from the wider distribution of such equipment in all business sectors.

RTH DIVISION SALES BY GEOGRAPHICAL REGION



SALES PERFORMANCE – INDUSTRIAL MATERIAL HANDLING (IMH) DIVISION

The IMH division markets handling and warehousing equipment for industrial use and associated fleet management services, as well as manufacturing masts for Toyota on a subcontracted basis. It accounted for 15% of Group sales in 2010, amounting to €124 million, representing flat performance relative to 2009.

IMH division: French performance

Sales of €88 million were recorded, an increase of 12% as compared to 2009, spread across three different businesses:

– The distribution business for Toyota industrial forklifts, Manitou semi-industrial and truck-mounted forklifts and Toyota and Manitou warehousing equipment recorded business growth of 18% in the year;

– The subcontracted mast manufacturing business on behalf of Toyota saw growth of 13%;

– Finally, service activities, which mainly consist of handling equipment fleet management on behalf of Peugeot Citroën Automobile, short-term leasing services, as well as the sale of spares, saw a decline driven by the spare parts business. During the course of the year, the division won a contract to supply and manage handling equipment for the Peugeot Citroën Automobile site at Aulnay-sous-Bois. This five-year contract, which has the potential to be renewed for a further three years, also entailed a €7 million investment in equipment.

IMH division: European performance

European sales totalled €25 million, down 11% as compared to 2009. The division's European business remained flat in the distribution of forklift trucks and declined in warehousing in Portugal and the Benelux countries, as well as in the distribution of spare parts and miscellaneous services across all regions.

IMH division: Performance in North and South America

The division's business mainly consists of the distribution in the US and Canada of masted semi-industrial and truck-mounted forklifts assembled at the Waco plant in Texas and the distribution of Manitou industrial forklifts in South America.

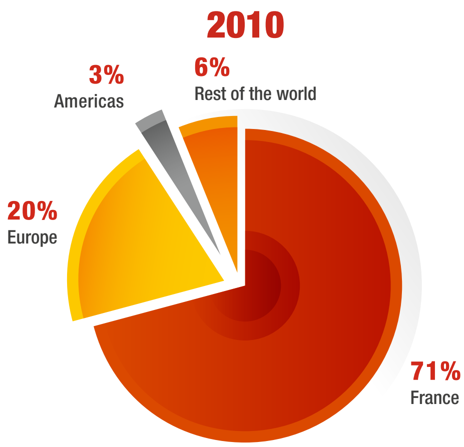
2010 sales were €4 million, down 18% relative to 2009, with the decline mainly arising from the spare parts distribution business.

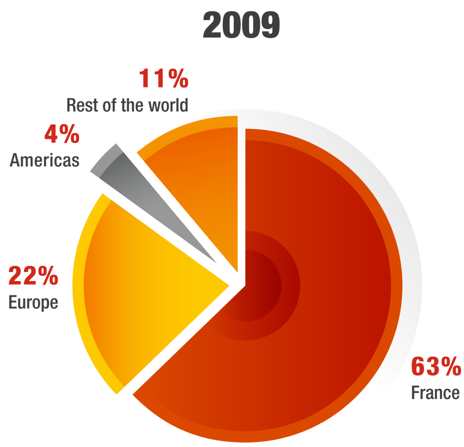
IMH division: Performance in other world regions

The division's sales in other world regions arise from the distribution of Manitou masted and industrial forklifts, together with complementary products sourced from third party suppliers. Its business is mainly generated in Southern Africa and Australia.

Sales were down 40% relative to 2009 at €8 million, with 38% of this decline arising from the discontinuation of the distribution of a range of wholesale products in South Africa in the course of 2009.

IMH DIVISION SALES BY GEOGRAPHICAL REGION





SALES PERFORMANCE – COMPACT EQUIPMENT (CE) DIVISION

The Compact Equipment division markets compact handling equipment to the construction and agriculture sectors under the Gehl, Mustang and Edge brands. It encompasses all the activities of Gehl, acquired by Manitou at the end of 2008. In 2010, the division accounted for 15% of Group sales, and reported a 71% rebound in its business relative to 2009.

CE division: Performance in North and South America

After a bad year in 2009, the division experienced a technical recovery, with sales up 79% to €80 million. This increase in sales arose from an end to large-scale destocking by distributors in 2009 and a less depressed agricultural environment as a result of rising milk and grain prices. The stabilisation of Gehl's financial arrangements also helped restore dealers' and end users' confidence in the brand's long-term success.

A new sales financing agreement for end users with an external financing organisation also provided the United States market with a more sustainable sales tool that's easier for the Group to manage.

Finally, the combination of Gehl's and Manitou North America's sales teams at the end of the year laid the foundations for improved geographical coverage and more efficient customer service.

CE division: French performance

The division reported sales of €1 million, representing growth of 23% relative to 2009. It reorganised its distribution channels during the year, enabling traditional Manitou dealers to access the division's products from July 2010 onwards.

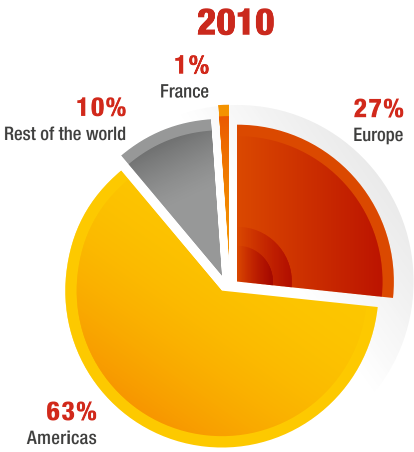
CE division: European performance

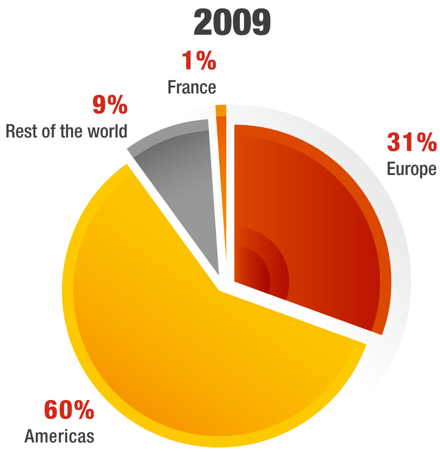
The division reported sales of €35 million in 2010, representing growth of 50% relative to 2009. Growth was driven by improved access to borrowing by Russian buyers, an improvement in Italian and German business and a strengthening of distribution in Northern Europe. Synergies arising from the network of traditional Manitou dealers also began to bear fruit.

CE division: Performance in other regions

Sales grew by 90% in the year to €13 million as a result of an improvement in the economic environment and commercial synergies in respect of the distribution of CE products through Manitou's traditional networks, opening up access to new markets. Growth is driven by expansion in South Africa and Southeast Asia, as well as a more favourable environment in the Middle East.

COMPACT EQUIPMENT DIVISION SALES BY GEOGRAPHICAL REGION





2.1.2 SALES BY BUSINESS SECTOR

The Group designs, assembles and distributes products aimed at the construction, agriculture and industrial markets.

– **In the construction sector,** the market experienced a significant upturn as a result of an end to destocking by dealers and the reselling of surplus equipment by leasing companies. In spite of this technical improvement, underlying construction markets remained flat throughout the year. The residential sector showed no signs of any improvement across all continents, with the exception of Germany and Scandinavia in the second half of the year. After generating no business for the Group in 2009, leasing companies began to restock their fleets. Those orders, which bore no comparison to previous levels of business seen in 2007-2008, accounted for 4% of consolidated sales.

2010 sales in the construction market represented 45% of total consolidated sales as compared to 42% in 2009.

– **In the agricultural sector,** demand gradually improved, driven by equipment renewals, an improvement in milk prices in Europe and the United States, and a return to improved access to borrowing in Eastern Europe, the Ukraine and Russia. With its end user markets much more focused on breeding and milk, the Group saw little benefit from soaring grain prices, which triggered an increase in the price of supplies for breeders.

2010 sales in the agricultural sector represented 31% of total consolidated sales as compared to 34% in 2009.

– **In the industrial sector,** where the Group's presence extends across businesses as diverse as manufacturing, the wood industry, waste reprocessing and materials transformation, there was a widespread fall in investment in capital goods.

The industrial sector accounted for 24% of consolidated sales in 2010, unchanged relative to 2009.

2.2 FINANCIAL RESULTS

2.2.1 CONSOLIDATED INCOME STATEMENT

In millions of euros	2010	2009	2008 *	2008**
Sales	**838.3**	**684.1**	**1 481.0**	**1 277.7**
Gross profit	278.1	192.2	ND	403.5
% of sales	33.2%	28,1%	ND	31,6%
Net operating income from ordinary activities	**4.3**	**(81.1)**	**ND**	**96.6**
% of sales	0.5%	(11,8)%	ND	7,6%
Restructuring costs & Impairment of assets	(2.2)	(64.8)	ND	(51.6)
Net operating income	**2.0**	**(145.9)**	**13.0**	**45.0**
Net income attributable to Parent Company	(16.7)	(131.3)	(17.0)	4.1

* Pro forma including Gehl data for 12 months

** Including Gehl as of November 1, 2008

After a terrible year in 2009, the Group saw a 23% rebound in sales by the end of 2010. This improvement in the economic environment enabled the Group to return to operating profitability, generating net operating income from ordinary activities of €4.3 million, as compared to an €81.1 million loss in 2009. Furthermore, the Group reduced its net loss from €131.3 million in 2009 to €16.7 million in 2010.

Its gross profit margin rose by 5.1 percentage points to 33.2%. This 4.4 percentage point improvement was attributable to the end of exceptional impacts in 2009 arising from programmes to help dealers reduce their inventories (+1.5 percentage points), the negative effect of the proportion of added value included in changes in inventory (+2.2 percentage points) and the impact of revaluing Gehl's inventory of finished products at fair value (in line with IFRS 3) when it was acquired in 2008 (+0.7 percentage points).

Other improvements totalling 0.7 percentage points enabled the Group to close out the year with a high gross margin. This situation arose from a significant weighting within the Group's spare parts business activities (as a result of machine sales continuing to be below their usual levels), continuing limited business from leasing companies, favourable trends in the purchase prices of commodities renegotiated in 2009 and bought in 2010, and the revaluation of currencies other than the euro, in particular the South African rand and the Australian dollar.

Personnel expenses increased by €15.1 million to €130.0 million. €10.5 million of this increase arose from the phasing out of temporary layoffs at production sites, offset by an €8.5 million reduction arising from headcount reductions performed in 2009. Other changes resulted from the reactivation of variable compensation (+€9.4 million), increases in salaries, social security contributions and pensions (+€2.6 million), and finally, an unfavourable exchange rate trend (+€1.1 million).

External expenses increased by 12% to €114.0 million, driven by a €4.3 million increase in variable external expenses to €54 million and a €7.8 million increase in fixed external expenses as a result of deferrals and drastic cost control measures in 2009.

Given the slowdown in investment over the past two years, amortisation and depreciation charges decreased by 8% to €33 million.

A total of €25.1 million in provisions were reversed, consisting of €17.7 million of provisions for liabilities and charges related to warranties and pension liabilities and €7.4 million in the write-off of current assets.

Other operating income and expenses of €14.5 million consisted of €20.4 million in pension expenses and losses on receivables covered by the reversal of provisions described in the previous paragraph.

Net operating income before tax and non-recurring items was €4.3 million, compared with a loss of €81.1 million in 2009. Operating profit returned to a breakeven situation in 2010, representing 0.5% of sales.

Non-recurring items totalling €2.2 million mainly related to redundancy costs in connection with the Saint Ouen l'Aumône (Val d'Oise) warehousing business in the Paris region for employees who opted out of the Group's project to relocate this business to the Beaupreau site (Maine-et-Loire). That project should be completed in the second half of 2011.

Net operating income after non-recurring items was €2.0 million as compared to -€145.9 million in 2009.

Net financial income showed a €5.0 million decrease in interest expenses as a result of the reduction in the Group's net debt. Interest income of €8.4 million mainly consisted of interest on receivables related to sales financing in the United States.

The Group's improved profitability resulted in a net tax expense of €7.1 million arising from its profitable subsidiaries. As a result of losses recorded at Gehl, the Group did not recognise any deferred tax assets related to that subsidiary's loss carry forwards.

The Group's share of income from associates improved from a loss of €1.1 million in 2009 to a profit of €1.1 million in 2010. This improvement resulted from the deconsolidation in July 2010 of Toyota Industrial Equipment, which provided a €1.7 million negative contribution in 2009, in addition to a €0.6 million increase in the profitability of Manitou Finance France.

Net income attributable to the Parent Company was -€16.7 million, compared with -€131.3 million in 2009.

2.2.2 INCOME STATEMENT BY DIVISION

In millions of euros	RTH	IMH	CE	**2010**	RTH	IMH	CE	**2009**
Sales	**586.5**	**123.8**	**128.1**	**838.3**	**485.2**	**123.8**	**75.1**	**684.1**
Gross profit	203.0	36.1	39.0	278.1	151.1	39.2	1.8	192.2
% of sales	34.6%	29.2%	30.5%	33.2%	31.1%	31.7%	2.5%	28.1%
Net operating income from ordinary activities	**25.8**	**(3.6)**	**(18.0)**	**4.3**	**(18.6)**	**(3.6)**	**(58.7)**	**(81.1)**
% of sales	4.4%	(2.9)%	(14)%	0.5%	(3.8)%	(2.9)%	(78)%	(11.8)%
EBITDA from ordinary activities	39.5	0.4	(27.8)	12.2	2.2	3.9	(42.0)	(35.9)
Restructuring & impairment	(0.2)	(2.0)	0.0	(2.2)	(9.8)	(4.1)	(50.9)	(64.8)
Net operating income	**25.6**	**(5.6)**	**(18.0)**	**2.0**	**(28.5)**	**(7.8)**	**(109.6)**	**(145.9)**

EBITDA: net operating income +/- increases - reversals in depreciation and amortization charges +/- increases - reversal in operating provisions and provisions for liabilities and charges.

RTH (ROUGH TERRAIN HANDLING) DIVISION INCOME STATEMENT

The division saw its sales grow by almost 21%. The gross profit margin increased by 3.5 percentage points to 34.6%, with 2.1 percentage points of this increase arising from an end to the effects of the 2009 crisis (destocking discounts and the impact of inventory changes) and 1.4 percentage points arising from an improvement in economic factors in 2010, primarily consisting of an improvement in purchase prices and foreign exchange trends.

Net operating income on ordinary activities recovered to a margin of 4.4%, driven by an upturn in business, an improved gross margin and control over operating costs.

EBITDA reached 6.7% of sales, up from 0.5% in 2009.

Net operating income was €25.6 million, compared to a €28.5 million loss in 2009, confirming the division's return to full profitability as of 2010 onwards.

IMH (INDUSTRIAL MATERIAL HANDLING) DIVISION INCOME STATEMENT

The IMH division's sales remained flat relative to 2009 at €123.8 million, and were slightly up on a like-for-like basis taking into account the fact that the division stopped distributing a product line in South Africa in 2009 (with a 4% impact).

The increase in equipment sales was offset by a decline in the warehousing and spare parts businesses. The services business continued to grow as the division succeeded in signing a contract to manage the equipment fleet for the Peugeot Citroën Automobile plant at Aulnay.

The gross profit margin, at 29.2%, was eroded by simultaneous pressure on selling and purchase prices and a less favourable product mix. In spite of these constraints, the division managed to generate the same level of operating profitability, recording an operating loss of €3.6 million, identical to 2009.

CE (COMPACT EQUIPMENT) DIVISION INCOME STATEMENT

The CE division experienced a very significant upturn in business following a year of record decreases in 2009. After being impacted in 2009 by items associated with the Gehl acquisition and the exceptional effects arising from the 2009 crisis, the gross profit margin increased 28 percentage points to a relatively normal level of 30.5%. While still below its breakeven point given the size of its industrial and commercial facilities, the division significantly reduced its operating loss from €109.6 million in 2009 to €18.0 million in 2010.

2.2.3 FINANCIAL STRUCTURE

Receivables on sales financing for end users are mainly related to the financing programme for Gehl's end users. These are reported as €73 million in assets (including both the current and the non-current portion), and decreased by 42% over the course of the year as contracts either expired or were repaid in advance. In September 2010, Gehl entered into a partnership with DLL Financials to set up a new sales financing programme for end-users excluded from the consolidation because they are without recourse. This development means that the Group will no longer have to carry this type of financing on its own balance sheet as of October 1, 2010. The remaining balance of receivables related to sales financing will gradually decline in line with the term limits on existing contracts or advance repayments. Furthermore, refinancing of these types of receivables with credit institutions was reduced by 32% in the course of 2010, and represents remaining debt of €52 million in respect of agreements with limited recourse clauses. The balance of the €73 million in receivables and the €52 million in refinancing of those receivables makes up an asset of €21 million in positive future cash flows (assuming no change in doubtful accounts).

The working capital requirement (WCR) excluding sales financing receivables fell by 14% to €233 million despite an increase in sales of 23%. This unusual situation was a result of increasing use of supplier credit, which grew by €62 million (78%) in the year as a result of the gradual upturn in production at industrial sites, with this increase exceeding the €31 million increase in customer accounts receivables (up 19%). It should also be noted that the net value of inventory fell by €6 million in the year to €221 million as a result of the continuing reduction in the inventory of finished products, raw materials and components. Expressed as number of days' sales, the working capital requirement was down from 144 days in 2009 to 100 days in 2010, representing a 31% improvement – which nonetheless did not reach the level expected by the Group.

Shareholders' equity was flat relative to 2009 at €333 million. The €16.7 million loss for the year was almost fully offset by €12 million in exchange rate differences on foreign business, €1.2 million in IFRS valuation differences and €2.9 million in movements of treasury shares. Shareholders' equity represents 41.6% of total balance sheet assets.

After already being halved in 2009, net debt fell by 43% in the year to €139 million. Gearing fell from 73% in 2009 to 42% in 2010.

Cash assets were down 25% at €54 million, which contributed to maintaining a significant level of liquidity for the Group.

The debt incurred to acquire Gehl fell by 31% to €118 million as a result of a €32.9 million excess cash flow clause related to the 2009 period and €27.3 million in amortisation corresponding to the 2010 annuity repayment.

Gehl's US financing facilities were restructured in 2010.

– The securitisation programme was completely refinanced in May 2010 via a limited-recourse assignment of receivables related to sales financing, which increased by 8% in the year to a balance of €52 million. This debt should no longer be recharged as a result of Gehl putting in place an external sales financing programme in September 2010. The refinancing of the securitisation programme had a €0.4 million impact on the income statement.

– The US syndicated loan, which was in default at the end of 2009, was refinanced in full by Manitou BF in September of 2010. Gehl's on-going activities are now directly financed by the Parent Company up to a maximum of $45 million. The refinancing of the syndicated loan had a €1 million impact on the income statement, corresponding to the amortisation of associated residual expenses which, in accordance with IFRS, had been recorded as a deduction against the associated debt in the course of successive renegotiations.

2.2.4 CASH FLOW FROM INVESTMENTS AND OPERATIONS

Investments made in 2010 totalled €20 million as compared to €22 million in 2009. Excluding a €7 million exceptional investment in respect of the new contract to manage the industrial handling equipment fleet for the Peugeot Citroën Automobile plant at Aulnay-sous-Bois, investment was virtually halved relative to 2009. It consisted of €5 million of investments in intangibles (€4 million in capitalised research and development expenses and €1 million in software expenses and associated services) and €8 million in tangible assets, consisting of €1 million in buildings, €2 million in industrial plant, €3 million in the rental fleet (excluding PCA) and €2 million in miscellaneous fixed assets.

EBITDA (recurring net operating income +/- amortisation and depreciation charges/reversals +/- provisions for current assets charges/reversals +/- provisions for liabilities charges/reversals), representing cash flow from operating activities, amounted to €12.2 million, compared with a €35.9 million negative flow in 2009. This reflects the return to profitability of the continuing operations. Taking into account interest and tax expenses, operating cash flow was €7.3 million negative, after having been €35.3 million negative in 2009. Changes in the working capital requirement and receivables on sales financing resulted in a positive cash flow of €98.6 million, which was consumed by €99.8 million in financing cash flows to reduce the Group's debt. Investment cash flows of €12.7 million consisted mainly of €19.8 million in tangible and intangible investments; €4.3 million was invested in buying out minority interests in subsidiaries and increasing Manitou Finance France's shareholders' equity. Investment cash flows were reduced by €11.5 million by way of the July 2010 sale of the Group's 20% interest in Toyota Industrial Equipment.

2.2.5 MANITOU BF PARENT COMPANY

INFORMATION IN ACCORDANCE WITH LOCAL STANDARDS

Benefiting from the upturn in business, sales grew 25.8% to €545.0 million, enabling the Company to return to positive net operating income of €5.2 million, compared with a loss of €26.4 million in 2009. The Company ended the year close to breakeven, with a net loss of €2.6 million, compared with the prior year's loss of €99.3 million.

The return to positive operating cash flow of €31.1 million together with the continued reduction in the working capital enabled the company to reduce its debt by 12% and its net debt to €129.5 million.

Manitou BF also absorbed BTMI on December 31, 2010. BTMI, located in Beaupréau (Maine-et-Loire), assembled masted and truck-mounted forklifts for Manitou BF. The Beaupréau site is intended to become the IMH division's headquarters and main production centre. The merger was carried out by way of a universal transfer of assets, resulting in BTMI's balance sheet being absorbed into Manitou BF's balance sheet as at December 31, 2010.

FIGURES IN ACCORDANCE WITH IFRS

Under IFRS, Manitou BF's main income statement indictors consisted of sales of €543.2 million, recurring net operating income of €1.2 million and net income of €12.4 million.

MANITOU BF SALES

Manitou BF generates 90% of its business from the production and distribution of the RTH division's products, with the remaining 10% concentrated in the IMH division. The RTH division's business grew by 30%, while the IMH division recorded a 2% decrease. By region, sales grew by 10% in France, 41% in Europe, 14% in the Americas and 41% in other regions. Sales of spare parts and accessories totalled €112.3 million, an increase of 8% during the full-year period.

MANITOU BF RESULTS

The gross profit margin increased by 0.9 percentage points to 29.3%. This increase arose from a favourable trend in purchase prices and exchange rates and a negative variance in the product mix (a decline in the weighting of spare parts) and selling prices.

The rebound in business made it necessary to reactivate a large number of projects and operating activities, leading to an 18.8% increase in external purchases to €86.7 million, with almost one third of that amount arising from renewed expenses related to temporary staff.

Salaries and social security contributions rose by 3.5% to €59.8 million, mainly driven by the phasing out of temporary layoffs (+€4.8 million), the reactivation of variable compensation (+€3.5 million) and the full-year impact of the voluntary redundancy plan implemented in July of 2009 (-€5.2 million).

Amortisation and depreciation charges were affected by the drastic reduction in investment since 2008, decreasing by 9.2% to €27.8 million.

Net operating income was €5.2 million, compared with a net operating loss of €26.4 million in 2009.

The net financial expense of €12.0 million consisted of €20.7 million in dividends received from subsidiaries, €23.1 million in provision charges regarding the overall impairment of investments in associates, €5.4 million in interest expenses on borrowing, €1.1 million in net foreign exchange losses and €3.1 million in miscellaneous expenses.

Exceptional income of €6.5 million consisted of a €7.6 million capital gain on the sale of shares in Toyota Industrial Equipment, €5.3 million in the reversals of provisions related to treasury shares, a €3.9 million charge in respect of additional amortisation for tax purposes, a €0.6 million charge in respect of an on-going tax audit of the Company and €1.9 million in other miscellaneous expenses.

After deducting €3.5 million related to voluntary profit-sharing (based on operational criteria) and €1.2 million in tax income (consisting of a €2.9 million carry-back and a €0.25 million research tax credit net of a €1.9 million additional tax assessment), the Company recorded a net loss of €2.6 million as compared with a net loss of €99.3 million in 2009.

ACQUISITION OF HOLDINGS AND CONTROLLING INTERESTS

In connection with put options on existing minority shareholdings, Manitou BF acquired 10% of Manitou Portugal in the first half of 2010, bringing the company into full ownership by the Group; in the second half of the year, Manitou BF acquired 6% of Manitou Australia, increasing its holding from 80% to 86% as at December 31, 2010. Manitou BF also made a non-financial contribution to Hangzhou Manitou Machinery Equipment Co Ltd, increasing its holding from 40% to 50%. This company, which is now jointly controlled, was consolidated using the equity method as at December 31, 2010.

2.2.6 BUSINESS AND RESULTS OF THE MAIN ASSOCIATES

MANITOU FINANCE FRANCE

This company, which is 49% owned by Manitou BF and 51% by BNP Paribas Leasing Solutions, serves to offer financing, leasing and long-term leasing solutions to end users of Manitou and Toyota products in France.

The company financed sales of €49.4 million in 2010, down 18% on 2009. It recorded net income of €1.9 million, €0.9 million of which was reflected in the Group's financial statements using the equity accounting method.

MANITOU FINANCE LTD

This company, which is 49% owned by Manitou BF and 51% by BNP Paribas Leasing Solutions, serves to offer financing, leasing and long-term leasing solutions to end users of Manitou products in the United Kingdom as well as solutions for financing dealers' inventories.

The company financed sales of €7.1 million in 2010, generating net income after tax of €0.5 million, €0.2 million of which was reflected in the Group's accounts using the equity accounting method.

2.2.7 CHANGES DURING THE YEAR IN SUBSIDIARIES, ASSOCIATES AND BRANCHES

SALE OF MANITOU BF'S 20% INVESTMENT IN TOYOTA INDUSTRIAL EQUIPMENT S.A.

Manitou and Toyota Industries have signed on 20.07.2010 a share transfer agreement on Manitou's remaining 20% into TIE (Toyota Industrial Equipment) SA for a €11.3m value in cash. As a result, Toyota Industries has taken over full ownership of its French-based manufacturing operations, provided, however, that it does not compromise in any way the triple partnership between Toyota Industries and Manitou, with Manitou manufacturing forklift masts for TIE, Manitou reselling Toyota trucks in France (on an exclusive basis), and Toyota holding 3% of Manitou share capital.

2.2.8 OTHER INFORMATION ON THE 2010 FINANCIAL YEAR

NEW INDUSTRIAL ORGANIZATION IN FRANCE

In April of 2010, Manitou presented a new industrial and social organisation project in France to its Group Committee. This project adheres to the Group's three strategic keywords 'Clarify, Simplify and Amplify' in that it:

– Clarifies the missions of each industrial site, by defining the critical mass centres of excellence around local skills, professions, and new operational issues;

– Simplifies the organisation by merging the legal entities Aumont BSBH, CIMM, BTMI and MLM into Manitou BF, in order to reduce the administrative framework, improve the flow of compensation practices and encourage mobility;

– Amplifies the reactivity, responsibility and productivity of the sites at a time when the company is distancing itself further from the crisis of industrial under-activity of 2009.

This project aims to consolidate and reinforce each of the activities concerned and it neither questions their ambitions nor challenges their proportions or geographical situation. However, it proposes the reorganisation of the line of warehousing products, currently established in Saint-Ouen-l'Aumône (Val d'Oise), to the site of Beaupréau (Maine et Loire). This reorganisation aims to guarantee the durability of this activity on a critical mass site entirely dedicated to the IMH (Industrial Material Handling) Division, while functionally integrating it into the Group's structures.

The first phase of the project was completed on December 31, 2010 when BTMI, located in Beaupréau, was merged with Manitou BF by way of a universal transfer of assets.

Upcoming project phases consist of the merger into Manitou BF, by way of a universal transfer of assets, of Aumont BSBH on January 31, 2011 and CIMM in the second half of 2011. Furthermore, MLM's warehousing equipment development and assembly business will be transferred on a phased basis, in steps, from the Saint Ouen l'Aumône site (Val d'Oise) to Beaupréau (Maine-et-Loire), with the operation due to be completed in the second half of 2011.

TEREX AWP AND MANITOU SIGN RECIPROCAL SUPPLY & MARKETING AGREEMENT

In April of 2010, Terex Aerial Work Platforms (AWP) and Manitou announced a reciprocal supply and marketing agreement under which, specified aerial work platform equipment will be supplied to each party, which also will assume responsibility for after-market support.

The agreement, initially implemented in Europe (for units complying with EC standards), will be extended to other geographical regions in 2011.

PROGRESS OF IT IMPLEMENTATIONS IN PROCESS

In its desire to optimise its technical, industrial and commercial processes, Manitou BF continued with its strategic project to overhaul its information systems by implementing integrated enterprise resource planning (ERP) software.

After implementing the first modules in 2007, the Parent Company is continuing the roll-out this product. The management of spare parts and services is expected to be migrated onto the ERP system in the first half of 2011. The tool will then be rolled-out to all Group subsidiaries on a phased basis.

In 2010, the Group also initiated a project to modernise its financial and operating reporting tools. As early as 2011, the project should result in an overhaul of internal and external business monitoring reports evolving from the reporting of accounts by nature to a functional presentation.

NON-DEDUCTIBLE EXPENSES COVERED BY ARTICLES 39-4 AND 39-5 OF THE FRENCH GENERAL TAX CODE

In accordance with the provisions of Article 223 quater of the French General Tax Code, the financial statements for the year just ended include an amount of €298,983 corresponding to amortisation and depreciation charges and that portion of directors' attendance fees that cannot be deducted for tax purposes.

INFORMATION ON MANITOU BF'S SUPPLIER PAYMENT TERMS

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, you are informed that the balance of supplier payables as at the end of the year just ended may be broken down by due date as follows:

In € thousands	**Balance at 31.12.2010**	**Balance at 31.12.2009**
Payable within 30 days	33,808	20,073
Payable within 45 days		
Payable within 60 days	37,010	11,021
Payable within over 60 days	4,778	2,734

INFORMATION ON ACCOUNTING STANDARDS AND CONSOLIDATION METHODS

The Group's financial statements for the year ended 31.12.2010 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted within the European Union.

In presenting and publishing its financial statements for the year ended 12.31.2010, the Group used the same accounting principles as for the 2009 financial statements under IFRS.

With the exception of Manitou Finance Ltd, Manitou Finance France SAS, Algomat, Actis Location SAS and Hangzhou Manitou Machinery Equipment, which were recognised using the equity accounting method, all companies were fully consolidated.

The Group also implemented new software at the end of 2010 to consolidate operational data. Its implementation will be extended to cover the consolidation of financial data with effect from April of 2011. This migration will be accompanied by a redesign of internal and external reporting formats, in particular moving from the presentation of the income statement by nature to a presentation by function.

2.2.9 2011 OUTLOOK

As constraints are much more on the supply than the demand side, both sales growth and margins continue to be very difficult to forecast. With sales up 20% relative to 2010, Manitou's objective is to generate an operating margin of between 2 and 4% and positive full-year net income.

The financial statements were prepared by applying the going concern principle based on the following fundamental assumptions for 2011:

– predicted growth of 20% as compared to 2010,
– an operating margin of between 2 and 4%
– positive full-year net income

It should, however, be emphasised that there are uncertainties inherent in the above assumptions being realised.

2.3 RESEARCH AND DEVELOPMENT

INFORMATION ON RESEARCH AND DEVELOPMENT

In accordance with its strategy, the Group continues to invest in innovation and product improvements. Its development teams are spread across six design departments, and represent more than 8% of Group headcount. Development projects relate, on the one hand, to technical innovation and the development of new concepts, and on the other hand, to the development of existing ranges in order to prepare for regulatory changes.

Key future regulatory changes are as follows:

– As of 2012: phased switch to either Euro III B or Tier 3B standards on polluting emissions, with implementation dates linked to engine power.

– As of 2014: phased switch to either Euro IV or Tier 4 standards on polluting emissions, with implementation dates linked to engine power.

The switch to new standards on polluting emissions is combined with flexibility clauses enabling manufacturers to put together a quota of machines with engines meeting the old standards. Quotas are determined on the basis of the average engine sizes of the same type sold over the previous three years.

Constraints associated with switching to the new standards mean that the Group will need to create inventories of old engines so as to better manage the transition period.

DEVELOPMENT EXPENSES OVER TIME

	2010		2009	
In millions of euros and as a % of sales for the year	Amount	% of sales	Amount	% of sales
Capitalised expenditures	3.6	0.4%	3.8	0.6%
Uncapitalised expenditures and amortisation expense	12.7	1.5%	11.8	1.7%
Total	**16.3**	**1.9%**	**15.6**	**2.3%**

INFORMATION ON PATENTS AND LICENCES

The Group holds a range of patents protecting the innovations used within its various design departments.

The total number of active patents at the end of the year was 73.

2.4 POST CLOSING EVENTS

REORGANIZATION OF THE FAMILY CONTROL OF MANITOU

The Board of Directors met on 08.02.2011 to deliberate a draft of the proposed reorganization of the family ownership structure submitted by the family shareholders of Manitou. A Memorandum of Understanding between family members provides for the merger-absorption of the family holding (SFERT) by Manitou, the signing of a comprehensive shareholder agreement and contributions of shares and cash.

These transactions will strengthen Manitou, with a confirmed and future-proof family control, and also with €46,2m of net assets contributed by SFERT through the merger. They will also stabilize family shareholders thanks to simplified holding structures and facilitated transmission to younger generations.

These transactions should take place during H1'11 and provide the following outcome:

– Family shareholders will continue to act in concert, and will hold approximately 65% of Manitou share capital (versus 63% previously) although the final picture will depend on the valuation work for the merger.

– With terms of 6 years following the merger-absorption of SFERT by Manitou, the family pact will notably provide for the commitment of family shareholders to hold a number of shares equal to 40% of the Manitou shares outstanding at the time of the merger and provide for Manitou's governance to remain unchanged.

– As per the merger, SFERT will contribute Manitou all of its net assets, including €36M of cash and cash equivalents, and 100% of Lucas G. share capital (a leader in cattle-breeding equipment with €14M revenue in 2010).

The project foresees the ratification of all the terms of the transaction at the Extraordinary Shareholders' Meetings to be held in the first half of 2011.

ACQUISITION OF SAVIM

On March 22, 2011, Manitou acquired 75% of SAVIM (Société Audoise de Véhicules Industriels et de Manutention), its dealer in Southern France (in the Aude, Hérault and Pyrénées Orientales départements), with the aim of securing its long-term presence in the region. This transaction does not undermine the Group's strategy of distributing its products through independent dealers, and forms part of a transitional phase due to end on December 31, 2012, with an interim phase during which two thirds of the company's share capital will be held by Manitou and one third by the minority shareholder.

SAVIM generated €9 million in sales in 2010 with a headcount of 37 employees.

MERGER OF GEHL AND MANITOU NORTH AMERICA

With the aim of rationalising its North American operations, the Group merged Gehl with Manitou North America at the end of March 2011. The new grouping has been renamed Manitou Americas, and markets the full range of products belonging to the Gehl, Manitou, Mustang and Edge brands.

THE CONTINUATION OF THE INDUSTRIAL AND CORPORATE REORGANIZATION IN FRANCE

In the framework of this project, the Group merged Manitou BF with Aumont BSBH on January 31, 2011, and is set to merge CIMM and MLM with Manitou BF prior to the end of 2011.

2.5 EXCEPTIONAL EVENTS

The events in Japan expose the Group to the risk of supply disruptions, which could directly or indirectly affect 25% of Group sales. As of this writing, it has not been possible to accurately determine the actual risk exposure.

3. RISK FACTORS AND RISK MANAGEMENT

The section "Risk factors and risk management" is included in section 7.9 of the consolidated financial statements

The Company has carried out a review of risks that could have a material adverse impact on its business, financial position or performance (or its ability to achieve its objectives). It does not believe there to be any material risks other than those presented here.

3.1 FINANCIAL RISKS

Financial risks are controlled, measured and supervised by the respective Finance Departments at the Parent Company and each subsidiary. All decisions of a strategic nature on the policy for hedging the Group's financial risks are managed by the Finance Department through a Financial Hedging Management Committee.

Note 7.9 of the consolidated financial statements refers to this paragraph on financial risks.

3.1.1 LIQUIDITY RISK

The Finance Department is responsible for the Group's financing and liquidity at the lowest possible cost. Long-term financing facilities are essentially concentrated at the Parent Company.

The Manitou Group has lines of credit available, mainly within Manitou BF. These facilities amounted to €127 million at 31.12.2010, of which €14 million were used at 31.12.2010.

The credit agreement between Manitou BF and the bank consortium includes borrowing clauses with covenants based on ratios or "Material Adverse Change" or "Event of Default" which could restrict the ability to use these facilities or affect their expiry dates. The contracts include "negative pledge" clauses relating to assets not provided as security and accompanied by an exemption threshold.

The use of certain facilities is contingent upon cross guarantees being put in place with creditors.

Financing by Manitou BF to its subsidiary Gehl is limited to a ceiling amount of $45 million.

ASSETS AND LIABILITIES ASSOCIATED WITH FINANCING ACTIVITIES: MATURITY SCHEDULE AS AT 31 DECEMBER

Facility *In millions*	**Beneficiaries**	Due on 12.31.2010	Amount in local currency	Amount in euros	Used as of 12.31.10	Less than 1 year	1 to 5 years	Over 5 years
Term Loan A	Manitou BF	No	116	116	116	27	89	
Revolving facility B	Manitou BF	No	40	40				
Revolving facility C *	Manitou BF	No	45	34	8	8		
Multicurrency ($/€)								
Overdrafts	Manitou BF							
Limited Recourse	Gehl	No	69	52	52	42	10	
Other	Divers	No		53	6	6		
Group Total				**295**	**182**	**83**	**99**	

* $45M or the euros equivalent.

The bank margin applied fluctuates from 70 to 300 basis points for the lines A and B and from 65 to 250 basis points for the line C, based on the level of the leverage ratio ranging from 0.5 to 3.5.

SUMMARY OF CONDITIONS ATTACHED TO BORROWING FACILITIES

Facility	Signatory	Main contractual clauses			
		2010	**H1 2011**	**H2 2011**	**> 2011**
Facility A / B	Manitou BF	Gearing < 1 Excess Cash Flow Cap on investments Cap on acquisitions ≥ €25m in cash as at Dec 2010 Not available to Gehl Cash Cover > 0.8	Gearing < 1 Excess Cash Flow Cap on investments Cap on acquisitions Not available to Gehl Leverage < 6	Gearing < 1 Excess Cash Flow Cap on investments Cap on acquisitions Not available to Gehl Leverage < 4.2	Gearing < 1 Excess Cash Flow Cap on investments Cap on acquisitions Not available to Gehl Leverage < 3.0 to 2.5
Facility C	Manitou BF	As A & B Receivables cross guarantee covering Manitou BF receivables Gehl funding of ≤ $ 45m	As A & B Receivables cross guarantee covering Manitou BF receivables Gehl funding of ≤ $45m	As A & B Receivables cross guarantee covering Manitou BF receivables Gehl funding of ≤ $ 45m	As A & B Receivables cross guarantee covering Manitou BF receivables Gehl funding of ≤ $45m

Note 7.6 “Current and non-current financial liabilities” in the notes to the consolidated financial statements provide a detailed breakdown of all Group debts.

3.1.2 INTEREST RATE RISK

The Group’s interest rate management policy is overseen and controlled by the Parent Company’s Finance Department with the aim of protecting future cash flows and reducing the volatility of financial charges. The Group uses the different instruments available in the market, in particular interest rate swaps. The main sources of interest rate risk exposure for Manitou BF and its subsidiaries and associates are:

Manitou BF and its subsidiaries and associates are mainly exposed to interest rate risk through the following:

CREDIT FACILITIES

The Group has financial debt contracted for the acquisition of Gehl and to finance its operations. These commitments are based on floating interest rates. The risk of changes in interest rates has been partly hedged using various instruments (floating/fixed interest rate swaps and floating/floating interest rate swaps).

It cannot be ruled out that interest rates on the unhedged portion of borrowings could increase in the future. This could have a negative impact on the Manitou Group’s net income and financial situation.

TABLE OF HEDGING COVERAGE AND SENSITIVITY OF ACQUISITION DEBT

Hedging on acquisition debt	**Hedging rates**			**Impact of a +/- change 0.5% interest rate***
	Fixed coverage	Cap	Total	
31.12.2010	74%	26%	100%	€0.2M
31.12.2011	51%	17%	68%	€0.2M
31.12.2012	37%		37%	€0.1M

* Based on the Euribor 1 month rate of 0.847% effective at December 31, 2010

SALES FINANCING

This activity is carried out through Gehl Company and the joint-ventures Manitou Finance Ltd. and Manitou Finance France SAS and remains particularly sensitive to changes in financing and refinancing rates. The main risk linked to this activity lies in the capacity to match the financing and refinancing rates.

3.1.3 CURRENCY RISK

The Group endeavours to minimise each entity's foreign exchange risk relative to its functional currency. The Group's Finance Departments hedge the most significant flows for the net amount of their exposure to foreign currencies after taking into account purchases made in foreign currencies.

In 2010, the Manitou Group invoiced around 26% of its sales in foreign currencies, mainly the US dollar (12.4%), the British pound (6.9%), the South African rand (3.0%) and the Australian dollar (2.2%), other currencies being the Singapore dollar, the Chinese yuan and the Russian rouble. In 2010, currency hedges consisted mainly of forward sales of British pounds and Australian dollars.

A significant movement in exchange rates could affect the Manitou Group's results through the resulting currency translation impact as well as via the pressure that it may bring to bear on selling prices in some geographic regions.

The sensitivity analysis has been constructed based on outstanding current liabilities, debt, cash and cash equivalents and financial assets available for sale as of 31.12.2010 for the major currencies used by the Group within the framework of its business.

The sensitivity corresponds to a change of plus or minus 5% of the relevant currencies as compared to their closing rate.

	USD/EUR	**GBP/EUR**	**AUD/EUR**
In millions of euros	+5%	+5%	+5%
Sales financing receivables	911	264	300
Debt	94	(81)	73
Cash and cash equivalents	215	132	(18)
Impact on earnings	**1,220**	**315**	**355**

3.1.4 CREDIT RISK

Credit risk is the risk that a counterparty might default on its contractual commitments or the collection of its receivables.

The Group is exposed to credit risk by virtue of its operating and financing activities. Its maximum exposure to credit risk is represented by the value of financial assets set out in the balance sheet and detailed below.

In millions of euros	**2010**	**2009**	**2008**
Sales financing receivables	73	125	208
Trade and related receivables	188	157	306
Other receivables	30	13	17
Cash and cash equivalents	54	72	57
Total	**345**	**367**	**588**

MANAGEMENT OF CREDIT RISK ARISING FROM SALES FINANCING RECEIVABLES FROM END USERS (GEHL)

This risk is managed by Gehl's cash management department, which is independent of the company's sales department. Procedures are in place defining the department's operating methods, valuation rules and levels of delegated authority. The financing of Gehl's sales has been outsourced to a partner bank as of October 2010. Receivables reported as assets on Gehl's balance sheet are only related to contracts existing prior to that date and are gradually declining as they reach their due dates. Nevertheless, the Group reserves the possibility of realizing refinancing transactions on receivables with recourse.

The management of bad debts is subject to strict procedures and files are individually monitored. The objective of that procedure is to permit repayment of the unpaid amounts or quickly recover the associated equipment through amicable or legal means.

CREDIT RISK MANAGEMENT

Customer risk is managed by each entity's finance department. The largest of these departments have dedicated credit management teams. Each entity puts in place management procedures, measurement instruments and impairment rules in relation to its customer receivables. The most sensitive cases are monitored and handled in conjunction with the Parent Company's credit management department.

In most entities, credit risk is partly or fully covered by credit insurance. Credit risk may also be offset or limited using specific guarantees or security.

You are also reminded that the Group has a highly fragmented customer base, with no single customer representing more than 1.6% of total consolidated sales.

The Finance Department also assures that counterparty collection risks are spread over leading financial institutions.

3.2 OPERATIONAL RISKS

The Group is exposed to risks linked to the existence of economic cycles in its various markets, risks associated with an increase in the price of commodities, components and energy, and risks associated with customers in respect of that portion of its receivables not covered by credit insurance.

3.2.1 SUPPLIER RISKS

The Group specialises in the design and assembly of handling equipment. Purchases of commodities and components, which represent around 70% of Group sales, have a preponderant impact on the Group's industrial expertise and profitability.

Limitations in the capacity of certain suppliers' production facilities, or their lack of sufficient resources to finance their development or to overcome any volatility in their business, represent risks for the Parent Company and its subsidiaries.

The management of supplier risk is organised around the following key activities:

– financial grading of key suppliers based on analysis of financial information,

– mapping suppliers to measure their criticality,

– completion of monitoring audits by the purchasing and quality departments to check available capacity and suppliers' ability to meet the Group's needs in terms of quality, costs and timescales,

– a plan to substitute or double up on the most sensitive supplies.

Those suppliers considered the most critical are regularly reviewed by a Supplier Risk Committee, which includes the President of the RTH Division, the Purchasing Director, the Corporate Secretary, the head of legal and the supplier risk manager.

Operational and financial difficulties encountered by suppliers since the 2009 crisis have increased Manitou's exposure to the risk of dependence vis-à-vis its suppliers. The main difficulties are concentrated in France. In this context, Manitou initiated the plan "Synapse" in collaboration with all the administrative, financial and economic authorities of the Pays de la Loire region in order to strengthen the handling industry sector revolving around the Group's production sites. The operation's objective is to help suppliers identify ways to strengthen their financial position as well as to diversify their economic development: the search for new markets, product diversification, etc.

The events in Japan expose the Group to risks of a cut-off of supplies that, either directly or indirectly, could amount to 25% of the Group sales. It was not possible to accurately determine the actual risk exposure at the date that this report was produced.

3.2.2 RISKS ASSOCIATED WITH COMMODITY AND COMPONENT PRICES

Since the price of commodities and components represents a preponderant proportion of the cost price of the equipment it manufactures, the Group is significantly exposed to fluctuations in its purchasing costs. Any significant and lasting increase in the cost of obtaining supplies of commodities and components could endanger the Company's profitability.

The Group does not make use of commodity hedging, for the following reasons:

A finished product consists of between 1,500 to 2,000 basic components. The portion of added value provided by suppliers in the unit value of each component varies greatly depending on the level of processing incorporated into each article.

This very diffuse spectrum, which is associated with change order clauses or the renegotiation of purchase prices by suppliers, alters the correlation of purchase price changes as compared to changes in commodity prices.

3.2.3 INDUSTRIAL AND ENVIRONMENTAL RISKS

The main industrial risks are mainly limited to those that could result from fire or explosion at a specific site. The Group has 10 plants around the world, specialized by product range, and two central distribution platforms for spare parts. Its main production units are the Ancenis site in France, the Castelfranco site in Italy and the Yankton and Madison sites in the United States. The Ancenis centre occupies multiple buildings, some of which are several kilometres apart.

Significant resources have been put in place at the main manufacturing sites and the Spare Parts & Logistics Centre to guard against these risks and contain their immediate effects.

Environmental management of the Ancenis site was defined by a prefectural regulation in 2008. It is also stated that the storage and management of hazardous materials is generally to be performed by third party service providers which specialize in that field.

PRODUCT QUALITY RISK

The equipment manufactured by the Group uses complex technologies such as on-board hydraulics and electronics. To control the quality and reliability of their manufactured goods, the Group's main plants are endowed with an ISO 9001 - certified quality insurance system that ensures the quality and reliability of the manufactured equipment.

For new products, a product approval plan was implemented to control the quality of components and ensure compliance with reliability and safety specifications.

The plan to strengthen the quality of the RTH division's products, which began in 2009 and was further promoted in 2010, led to an increase in the level of requirements on suppliers as well as on production and assembly teams.

Despite the substantial resources implemented, the Group cannot guarantee that there will be no delays or errors of designs or industrial development or assembly faults in existing or future ranges. Should these occur, they would affect the Group's net profit and financial position.

DEPENDENCY ON THE PROPER OPERATION OF THE INFORMATION SYSTEMS

Most functions and organisational processes rely on tools, software packages and technical infrastructures that are interconnected between the various sites. The main risks concern the interruption of IT services, data confidentiality and integrity, and the Group's capacity to manage the implementation of its new IT tools.

In 2006, the Group decided to reconstruct its IT systems through the implementation of an integrated information system. Launched in batches as of 2007, the new system supports the main activities of the Parent Company and its French manufacturing facilities. In early 2011, it will be extended to the management of spare parts and services after which it will be gradually implemented at certain distribution subsidiaries.

3.2.4 BUSINESS RISKS

RISK OF NON-RENEWAL OF LARGE CONTRACTS

At 31.12.2010, the Manitou Group had two major contracts that, if not renewed upon expiry, could affect its financial situation and operating income. These contracts are:

– a contract for the subcontracted assembly of masts on behalf of TIE SA that generated net sales of €13.7 million in 2010. In place since 1995, the assembly contract was renewed in July 2007 to cover the entire production life cycle of Toyota's Tonero forklift-trucks. Without prejudging the life of the Tonero range, the life of previous series was in the region of 6 to 7 years. A new version of masts will also be launched during 2011 as a replacement of the existing generation;

– a contract for the distribution in France of Toyota's industrial handling equipment awarded to the subsidiary Compagnie Française de Manutention (CFM). This distribution contract as been in force since 1972 and was renewed in June of 2009 for the period up to December 2012. In 2010, CFM generated net sales of €56.7 million and reported net income of 0.4M euros.

COUNTRY RISK

The Manitou Group markets its products in more than 120 countries through a network of independent dealers. An economic, financial, banking or political crisis could have a negative impact on the Group's financial situation and operating income.

3.2.5 LEGAL RISK

REGULATIONS AND THE REGULATORY ENVIRONMENT

The Group designs, assembles and distributes high technology products that meet the standards set by administrative authorities as well as national and supranational organizations.

Changes in standards and regulations permanently undermine equipment design and require initiating significant investments related to product development.

LITIGATION RISK

Several Group companies are currently involved in disputes or legal proceedings. To the best of its current knowledge, the Group believes that its provisions are sufficient to cover the current risks.

3.3 OTHER RISKS

TAX RISK

Manitou BF and its subsidiaries prepare their tax returns with the help of chartered accountants or tax consultants. However, these methods do not provide an absolute guarantee that there will be no risk of tax adjustments, particularly in relation to the technical interpretation of certain tax exemption criteria and rules.

DEPENDENCE ON PERSONS IN KEY POSITIONS AND QUALIFIED PERSONNEL

The Group's success is in large part dependent upon the on-going contribution of its Board of Directors, its Executive Committee and the Company's teams of experts.

If one or more members of the Board of Directors or the Executive Committee or highly qualified personnel were to leave, this could have a negative impact on the Group's business. In order to limit this risk, the Group operates an employee policy aimed at retaining, developing and promoting qualified staff.

3.4 INSURANCE COVERAGE

The Group takes out public liability and property damage insurance with top tier insurers. The Group has increased the coordination of insurance policies by the Parent Company in order to optimise premiums and improve the level of coverage obtained. In particular, the Group has had a "master" public liability policy covering virtually all subsidiaries, including Gehl. This master policy operates as a backup for cover provided under locally-obtained policies.

At the time of signing this report, the amount of public liability coverage was 30 million euros per claim per policy year. Property damage policies are usually of the "all risks with exceptions" type and for amounts corresponding to the risks identified.

The Group takes out other insurance policies, in particular to cover credit risk, the vehicle fleet and personnel.

4. SUSTAINABLE DEVELOPMENT

4.1 EMPLOYEE INFORMATION

INFORMATION ON EMPLOYEE POLICY

In accordance with Article R 225-104 of the French Commercial Code, Manitou Group discloses "the manner in which the Company deals with the social and environmental consequences of its business". Unless otherwise indicated, the reporting scope is the entire Group.

STAFF LEVELS, BREAKDOWN AND CHANGES

At 31.12.2010, the Group, i.e. the Parent Company and its subsidiaries, employed a total of 2,778 people, an increase of 135 positions as compared to 2009. The increase in headcount was primarily concentrated in the America regions and the rest of the world.

The 2009 crisis led the Group to adjust its workforce to the new economic environment while maintaining its expertise and its ability to rebound following the disturbance. The favourable climate of the dialogue with employees within which the 2009 restructuring took place permitted everyone to quickly turn the page and concentrate all of the Group's energies on the gradual recovery of business in 2010. The acceleration of order intake during 2010 gradually led to the end of the part time layoffs at the various assembly sites and the return of the temporary production workers.

The breakdown of staff at 31.12.2010 by company and region reported the following trends:

	2009	%	2010	%	Change	% Change
France	1,576	60%	1,607	58%	31	2%
Europe	465	18%	448	16%	(17)	(4)%
Americas	489	19%	561	20%	72	15%
Rest of the world	113	4%	162	6%	49	43%
Total employees	**2,643**	**100%**	**2,778**	**100%**	**135**	**5%**
Temporary employees	**21**	**1%**	**326**	**12%**	**305**	
Total employees & temporaries	**2,664**		**3,104**		**440**	

The breakdown of employees as at 31.12.2010 by contract type and professional category showed the following trends:

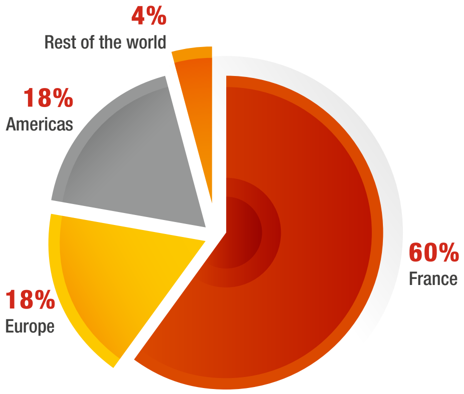
	2009				2010				Change	
	Headcount	Temporaries	Total	%	Headcount	Temporaries	Total	%	Change	% Change
Operators	1,177	1	1,178	45%	1,218	295	1,513	44%	335	28%
Direct production workers	**1,177**	**1**	**1,178**	**45%**	**1,218**	**295**	**1,513**	**44%**	**335**	**28%**
Operators	78		78	3%	90	1	91	3%	13	17%
Employees	208	5	213	8%	246	5	251	9%	38	18%
Managers	87		87	3%	87	1	88	3%	1	1%
Indirect production workers	**373**	**5**	**378**	**14%**	**423**	**7**	**430**	**15%**	**52**	**14%**
Operators	57		57	2%	82	1	83	3%	26	46%
Employees	597	11	608	23%	603	21	624	22%	16	3%
Managers	439	4	443	17%	452	2	454	16%	11	2%
Non-production workers	**1,093**	**15**	**1,108**	**41%**	**1,137**	**24**	**1,161**	**41%**	**53**	**5%**
Operators	1,312	1	1,313	50%	1,390	297	1 687	50%	374	28%
Employees	805	16	821	30%	849	26	875	31%	54	7%
Managers	526	4	530	20%	539	3	542	19%	12	2%
Total	**2,643**	**21**	**2,664**	**100%**	**2,778**	**326**	**3,104**	**100%**	**440**	**17%**

Changes in the number of full-time equivalent employees at 31.12.2010:

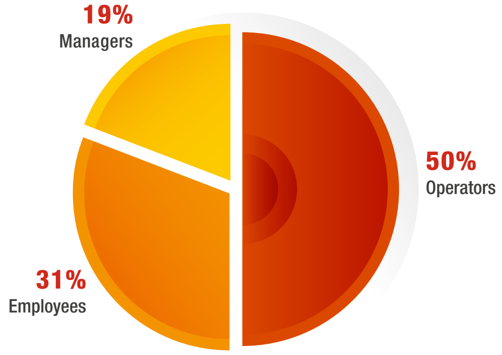
Full-time equivalent	2009	2010	Change
Permanent contracts	2,333	2,365	32
Temporary contracts	21	326	305
Total full time equivalent	**2,354**	**2,691**	**337**

Breakdown of staff

Permanent employees by region



Permanent and temporary employees



WORKING ARRANGEMENTS, WORKING TIME AND ABSENTEEISM

Working arrangements and working time

Employees' working arrangements at the 10 manufacturing sites and all commercial companies comply with the legal framework on working time, which vary from country to country.

In a standardised economic environment, full-time staff in France not working shifts work 1,607 hours a year.

Since 2009, changes in the economic environment led the Group to significantly reduce operating hours at its manufacturing sites in order to adjust production levels to market demand. Shutdown periods were organised on a country-by-country basis in line with local legislation. In 2010, the sites gradually returned to full time operations in line with the improvements in the level of business activity.

COMPENSATION POLICY AND GENDER EQUALITY

Compensation policy

In 2010, personnel costs represented 15.5% of the Group's sales, with a total of 130 million euros, of which 32 million euros corresponding to employer's social welfare contributions.

Breakdown of personnel costs at Group level:

In € thousands and as a %	2010		2009	
Wages and salaries	92,981	71.5%	86,263	75.1%
Employer's social security contributions	32,245	24.8%	28,668	24.9%
Employee profit-sharing and incentive schemes	4,236	3.3%	176	0.2%
Stock-option plans	587	0.5%	197	0.2%
Total	**130,049**	**100.0%**	**114,910**	**100.0%**

The Group aims to implement a competitive compensation policy with the right balance between satisfying its employees and economic performance. This is an essential issue and is managed carefully as compensation levels have a direct impact on the cost price of the products. The Group's compensation policy is based on a long-term approach that takes into account responsibilities assumed and individual performances to achieve common objectives.

In order to improve the consistency, motivation and management of career plans, during the second half of the year the Group performed a complete review of the compensation structure applicable to management employees. The positions of nearly 400 executives at the Group's entities have been defined and positioned according to grids (grading). The split of compensation between fixed and variable components was defined for each grade, and compensation levels were systematically compared with statistics for each country. The differences in compensation identified between Group and market practices will guide changes in salary policy and career plans in the coming years. The criteria for determining variable targets were also overhauled, with the new criteria due to be applied for the first time in 2010. This "grading" process will continue to be refined during the 2011 period.

Gender equality (Parent Company)

At 12.31.2010, women made up 16.84% of the company's workforce. The differences in average wages for women relative to men were as follows:

As a %	2010	2009
Production staff and equivalent	(7.8)%	(7.7)%
Supervisory staff	n.a.	n.a.
Office and technical staff	(5.7)%	(6.2)%
Management and equivalent	(21.5)%	(15.7)%

The negative difference is attributable to the length of service, and accordingly the levels of experience and responsibility, which is lower for women than for men. The compensation policy is strictly identical for men and for women in all staff categories.

PROFESSIONAL RELATIONS AND COLLECTIVE AGREEMENTS

Main agreements entered into within French companies:

– Salary policy amendments 2009, 2010, 2011 and on the organization of working time.

– Profit sharing agreement for the French entities. The new profit-sharing agreement signed for the period 2010, 2011 and 2012 provides for the criteria for determining the profit sharing to be based on operating and financial criteria.

– Agreement on the employment of seniors through which the Company has established the objective of maintaining the percentage of workers aged 50 and over to over 15% of the total workforce. The agreement provides the means to proactively foresee career changes through so-called mid-career professional interviews, improvements in working conditions and the prevention of adverse working conditions, end of career arrangements and the transition between work and retirement and, finally, to provide guidance.

– Agreement on the methods for the proposed transfer of business activities of the company MLM located in Saint Ouen l'Aumône (Val d'Oise) to the Beaupréau (Maine et Loire) site. This agreement provides measures related to support for the transfer, profession conversion training and assistance in starting a business.

Significant work was undertaken in the year to maintain employee dialogue and create optimum conditions for plans to succeed.

A long-term partial working agreement was entered into with the Government to improve compensation paid to employees temporarily laid off from the Group's French companies. This agreement also stipulated that paid leave entitlement would be maintained and that time off in lieu arrangements would be managed more flexibly.

In addition, there are numerous information and consultation channels which can be used to develop communication within the Group. These include company magazines, daily, weekly and monthly team meetings, and meetings with employee representatives and company managers.

An intranet platform was also implemented within the Group to enable all employees to have real time information on their own work environment, that of the organization within which their work environment is based and on the Group.

HUMAN RESOURCES DEVELOPMENT AND TRAINING (PARENT COMPANY)

The Company has continued to develop employee skills. During the period, efforts were focused on four priority subject matters:

- The strengthening of skills in the framework of mobility made following the voluntary departure plans in 2009.

- The continuation of training related to qualification skills such as “Joint Qualification Certificate of Metallurgy (or CQPM in French)” initiated in late 2009. The project permitted the company to provide 11 days of training to more than 700 workers and supervisors.

- The continuation of training related to the prevention of occupational hazards.

- The continuation of training assistance for the launch of the ERP system which occurred in 2009.

HEALTH AND SAFETY

The Group continued the action already undertaken to improve staff safety and the comfort and efficiency of workstations.

The main measures taken by the Parent Company related to training and informing permanent and temporary staff and heightening their awareness of safety issues. Further preventive measures were adopted to identify as accurately as possible the risks incurred by operators and to give these employees an active role in ensuring their own safety. On-the-job training continued during the year, bringing together newcomers and experienced operators with the aim of heightening risk awareness.

SUBCONTRACTING (PARENT COMPANY)

Subcontracted services linked to industrial production accounted for 5%, on average, of the production workforce in 2010 as compared to 8% in 2009.

4.2 ENVIRONMENTAL POLICY

ENVIRONMENTAL POLICY

As required under Article R 225-105 of the French Commercial Code supplemented by the decrees and application orders of 20.02.2002 and 30.04.2002, the Manitou Group discloses "information on the manner in which the Company deals with the environmental consequences of its business".

Manitou, fully aware of the importance of environmental issues, has included in its strategic vision a commitment to seeking "sustainable and profitable development". Moreover, in 2008, it joined the United Nations "Global Compact" project through which the Group undertakes to implement new initiatives to safeguard the environment.

Manitou BF obtained ISO 14001 certification for the Ancenis manufacturing site in June 2007 and will start certification procedures at the other industrial plants over the coming years.

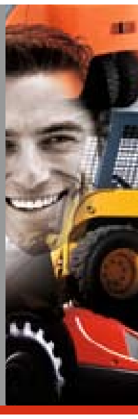
The Ancenis site is a classified installation that is subject to authorisations applicable to Classified Installations for Environmental Protection (French Environment Code). The environmental policy for the site was drafted based on the Manitou Group's strategic vision and the Health, Safety and Environment Charter.

Analysis of environmental sensitivity and of the site's main impacts on the environment identified water as a very sensitive area given the site's proximity to rivers, waterways and marshes and the extent of impermeable surfaces, and identified nature as another very sensitive area given the proximity to natural areas of ecological, flora and fauna interest as well as a major bird sanctuary. The site's activities also show average to high sensitivity to noise due to their proximity to urban areas. A detailed action plan was drawn up in order to limit the effects of the activity on each sensitive area.

The Group's environmental policy focuses on improving waste management, reducing waste, reducing water and energy consumption, training staff in environmental issues, adding to the panel of key suppliers that are certified or in the process of obtaining certification, and improving the site's average environmental performance.

ANNUAL REPORT 2010

5. CORPORATE GOVERNANCE



5.1 GOVERNANCE IN 2010

In its meeting of August 31, 2010, the Manitou Board of Directors decided to adhere to the 'MiddleNext Code of Corporate Governance for mid-caps which was released in December of 2009, for which the guidelines (recommendations and issues to monitor) better correspond to its profile than the AFEP/MEDEF code, to which the Company has adhered up to now.

PRECISE ORGANISATION OF THE BOARD OF DIRECTORS

All of the operating procedures of the Board of Directors have been laid down in rules of procedure that call for the Board to be organised around three specific committees:

- Strategic Committee
- Compensation Committee
- Audit Committee

The Group included a Development Committee until September 2010. The termination of that function was motivated by the systematic treatment of that Committee's topics by the Board.

OPERATIONAL ORGANISATION OF THE GROUP IN THREE DIVISIONS

Since 2009, the Group has been organized around three divisions to better apprehend the specificities of the markets in which they each operate.

– "RTH – Rough Terrain Handling" division, which specialises in all terrain handling equipment.

– "IMH – Industrial Material Handling" division, which is focussed on industrial handling equipment.

– "CE – Compact Equipment" division, specialising in compact equipment.

5.1.1 ACTIVITIES OF THE BOARD OF DIRECTORS AND ITS SPECIALISED COMMITTEES

The activities of the Board and its committees are detailed in the Chairman's report on internal control.

5.1.2 BOARD OF DIRECTORS OF MANITOU BF

The Company is administered by a nine-member Board of Directors. Each director is appointed for a four-year term. The Board of Directors appoints from among its members a Chairman of the Board of Directors, who must be a natural person.

MARCEL BRAUD

Nationality: French

- Chairman of the Board of Directors (non-executive)
- Chairman of the Strategic Committee
- Chairman of the Development Committee

Other offices held in Group companies:

- Co-manager of HB-Braud Holding (France)

JACQUELINE HIMSWORTH

Nationality: French

- Vice Chairman of the Board of Directors
- Chairman of the Audit Committee
- Member of the Development Committee

Other offices held in Group companies:

- Chairman and CEO of SFERT SA (France)
- Manager of Ancemat, an association

Other offices held in non-Group companies:

- Manager of Coliphin
- Manager of H2O Capital
- Manager of Trinity Capital
- Manager of Sonafin

GORDON HIMSWORTH

Nationality: British

- Member of the Board of Directors
- Member of the Strategic Committee
- Substitute member of the Development Committee

Other offices held in Group companies:

- Director of SFERT SA (France)
- Director of Manitou UK (UK)
- Director of Pledgemead Ltd. (UK)
- Director of Manitou Finance Ltd. (UK)

Other offices held in non-Group companies:

- Chairman and CEO of SAEMIA SA (France)
- Manager of "6 rue Poupard Davyl" Ancenis SCI (France)

SÉBASTIEN BRAUD

Nationality: French

- Member of the Board of Directors
- Member of the Strategic Committee
- Substitute member of the Development Committee

Other offices held in non-Group companies:

- Chairman of Actiman SAS

CHRISTOPHER HIMSWORTH

Nationality: French

- Member of the Board of Directors
- Member of the Compensation Committee
- Substitute member of the Strategic Committee

Other offices held in non-Group companies:

- Manager of Menskin SARL (France)

JOËL GOULET

Nationality: French

- Member of the Board of Directors as an independent director
- Chairman of the Compensation Committee
- Member of the Strategic Committee

Other offices held in non-Group companies:

- Chairman of the Supervisory Board HMY International (France)
- Manager A.R.S. Consulting
- Board member of Shanghai Yongguang Commercial Equipment Co Ltd (China)
- Board member of Sichuan Yongguang Commercial Equipment Co Ltd (China)
- Member of the Supervisory Board of Financière Groupe Pommier
- Member of the Financial Monitoring Committee of Financière Groupe Pommier

SERGE GHYSDAEL

Nationality: Belgium

- Member of the Board of Directors
- Member of the Compensation Committee

Other offices held in Group companies:

- Director of De Ladderspecialist BV (Netherlands) until 26.05.2010

Other offices held in non-Group companies:

- Director of Equicom SA (Luxembourg)

DOMINIQUE BAMAS

Nationality: French

- Member of the Board of Directors as an independent Director
- Substitute member of the Audit Committee

Other offices held in non-Group companies:

- Managing Director of Axereal (cooperatives union)
- Managing Director of Axereal Participations (SASU)
- Managing Director of Epis-Centre (cooperatives union)
- Managing Director of Berry Silos (cooperatives union)
- Managing Director of Agralys (cooperatives union)
- Chairman of Centre Grains (SASU)
- Chairman and CEO of Granit Negoce (SA)
- Representative Board member of Granit Services de Silos du Sud (SAS)
- Chairman of TPR (SASU)
- Chairman of SMTP (SASU)
- Representative of Aria-Grains de Fertiberry (SAS)
- Deputy Managing Director of Ariane (SA)
- Chairman of TNA (SAS)
- Board member of Force Centre (SA)
- Chairman of Cantin (SAS)
- Chairman of Semblancay (SA)
- Chairman of Ariane Meunerie (SASU)
- Chairman of AXIANE MEUNERIE (SASU)
- AXIANE MEUNERIE Manager of SCI du GRILLON (SCI)
- AXIANE MEUNERIE Manager of SCI d'ANAST (SCI)
- AXIANE MEUNERIE Manager of SCI de MANEROS (SCI)
- AXIANE MEUNERIE Chairman of LE COUTELET (SCI)
- Chairman of MOULIN CALIX (SAS)
- Chairman of MOULIN DE LA GARE (SASU)
- Board member of RATARSTVO I STOCARSTVO (foreign company)
- Board member of Sté Conserves du Blaisois (SA) (foreign company)
- Board member of PPK (foreign company)
- Board member of EBLY (SAS)
- Chairman of MOULIN NEMOURS (SASU)
- Chairman of MOULIN FINISTERE (SASU)
- Chairman of Ets A. HEBERT (SASU)

- Chairman of AMO MOULIN DU TEMPLE (SASU)
- Chairman and Chief Executive of MFS (SA)
- Chairman of BOORTMALT INTERNATIONAL (foreign company)
- Chairman of BOORTMALT n.v. (foreign company)
- Chairman of BOORTMALT OVERSEAS (foreign company)
- Chairman of COPAGEST (foreign company)
- Chairman of BOORTMALT INDIA (foreign company)
- Chairman of SLAVONIJA SLAD (foreign company)
- Chairman of FORCE CENTRE (SASU)
- Chairman of AGRALYS THOREAU (SASU)
- Chairman of JEAN LOUIS BOULET (SASU)
- Managing Director of JEAN LOUIS BLANC (SARL)
- Chairman of ETABLISSEMENTS MORIZE (SASU)
- Chairman of Ghlin (Belgium company)
- Chairman of BELGOMAT (Belgium company)
- Director Boortmalt UK
- Director Minch Sales Ltd
- Director Minch Malt Ltd
- Director GLOBAL GMP MALTING SERVICES LTD
- Director W.B. NUNN
- Director ZADKINE LTD
- Director PAULS MALT

PIERRE-HENRI RICAUD

Nationality: French

- Member of the Board of Directors as an independent Director
- Member of the Audit Committee
- Substitute member of the Compensation Committee

Other offices held in non-Group companies:

- Managing Director of the Financial and Strategic Consulting Firm PRAGMA
- Board member of Segula Technologies

5.1.3 INDEPENDENCE OF BOARD MEMBERS

In August of 2010, the Group adhered to the MiddleNext Code of Corporate Governance which is better adapted to mid-cap companies. The independence of board members is assessed as according to the criteria of that code of governance.

5.1.4 EVALUATION OF THE BOARD OF DIRECTORS AND OF THE SPECIALISED COMMITTEES

The Board performed an internal evaluation of its operation. Each Director and the Chief Executive presented their assessment on the basis of a questionnaire structured on the MiddleNext governance code and discussed in the Board meeting of January 10, 2011.

The assessment focused on the functioning of the Board and its committees regarding their preparation, conduct and follow-up.

These contributions have been analysed and summarized by an independent Board member, identifying strengths and weaknesses and areas for improvement. The report was discussed at the Board meeting on March 30, 2011.

5.1.5 EXECUTIVE MANAGEMENT

JEAN-CHRISTOPHE GIROUX

Nationality: French

- President & Chief Executive Officer of Manitou BF

Other offices held in Group companies:

- Representative of Manitou BF, Chairman of CFM SAS (France)
- Representative of Manitou BF, Chairman of MLM SAS (France)
- Chairman of Chariots Elévateurs Manitou Canada Inc. (Canada)
- Chairman of Gehl Company (USA)
- Chairman of Manitou North America (USA)
- Director of Manitou Costruzioni Industriali Srl (Italy)
- Director of Manitou Australia (Australia)

5.1.6 OTHER INFORMATION REGARDING THE EXECUTIVE MANAGERS

The following information is also specified:

Jacqueline Himsworth, Marcel Braud, Gordon Himsworth, Sebastien Braud and Christopher Himsworth are all related by family ties.

It is specified that Sebastien Braud is the Chairman of Actiman SAS, a Manitou Group dealer.

5.2 MANAGEMENT BODIES AT 30.03.2011

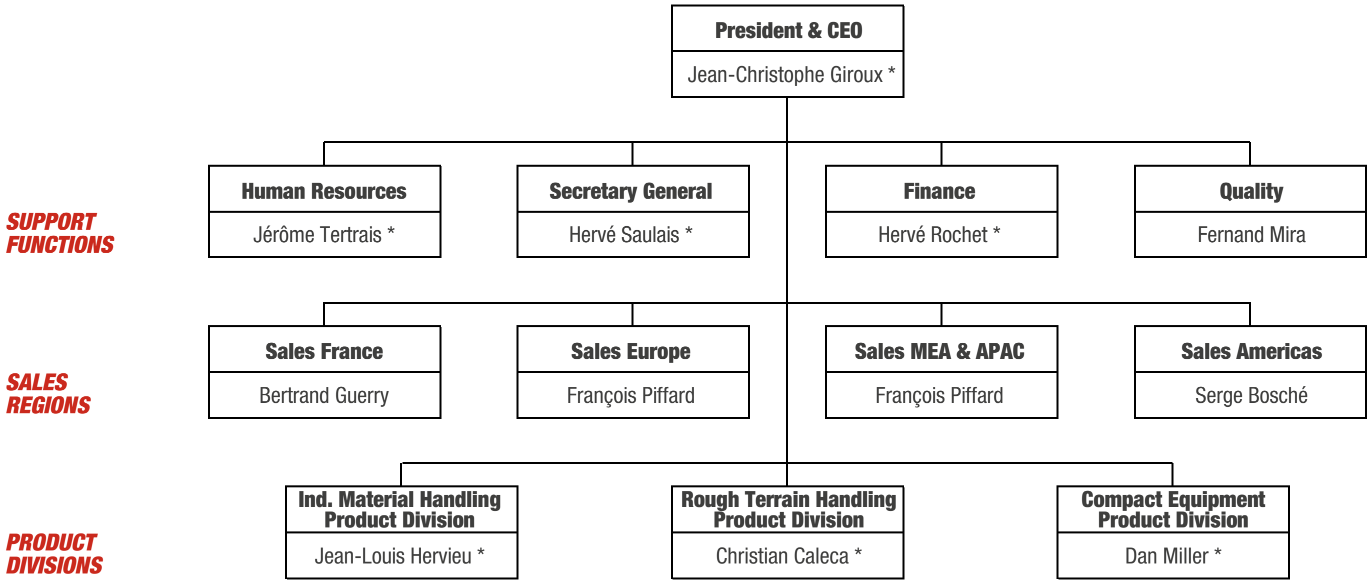
GROUP EXECUTIVE COMMITTEE

The Executive Committee is composed of 7 members:

- President & Chief Executive Officer
- President, Rough Terrain Handling division
- President, Industrial Material Handling division
- President, Compact Equipment division
- Chief Financial Officer
- General Secretary
- Director of Human Resources

The Executive Committee meets once a week and several times a year during seminars.

GROUP ORGANISATIONAL CHART



* Member of Manitou Executive Committee (ComEx)

Each product division has its own specialised management bodies that are each organised and function in their own way.

5.3 COMPENSATION OF THE SUPERVISORY, ADMINISTRATIVE AND MANAGEMENT BODIES

5.3.1 EXECUTIVE COMPENSATION

COMPENSATION OF CORPORATE OFFICERS

In compliance to the provisions of Article L.225-102-1 paragraph 2 of the French Commercial Code, details of the total compensation and benefits-in-kind paid to each corporate officer during the year are provided below.

In accordance with the MiddleNext code, the level of executive compensation is based on the seven following principles: completeness, balance, benchmarks, consistency, readability, measurement and transparency.

Table 1: Summary of compensation and stock options allocated to each corporate officer

Jean Christophe Giroux *President and Chief Executive Officer since December 17, 2009* *(President of the Executive Committee from June 2, 2009 to December 17, 2009)*	**2009 in €**	**2010 in €**
Performance-based compensation (detailed in table 2)	300,229	805,538
Value of options granted during the financial year (detailed in table 4)		178,777
Value of performance shares granted during the financial year (detailed in table 6)		
TOTAL	**300,229**	**984,315**
NB : Jean Christophe Giroux joined Manitou on June 2, 2009		

Christian Caleca *President, RTH Divisions as of December 17, 2009* *(Executive Vice President of Manitou BF from March 20, 2009 to December 17, 2009)*	**2009 in €**	**2010 in €**
Performance-based compensation (detailed in table 2)	287,204	Non-board member
Value of options granted during the financial year (detailed in table 4)		
Value of performance shares granted during the financial year (detailed in table 6)		
TOTAL	**287,204**	

Marcel Claude Braud *President of the Executive Committee of Manitou BF (through 02.06.2009)*	**2009 in €**	**2010 in €**
Performance-based compensation (detailed in table 2)	1,055,917	
Value of options granted during the financial year (detailed in table 4)		
Value of performance shares granted during the financial year (detailed in table 6)		
TOTAL	**1,055,917**	

Bruno Fille *Executive Vice President of Manitou BF (through 30.09.2009)*	**2009 in €**	**2010 in €**
Performance-based compensation (detailed in table 2)	826,812	
Value of options granted during the financial year (detailed in table 4)		
Value of performance shares granted during the financial year (detailed in table 6)		
TOTAL	**826,812**	

Table 2: Compensation of each executive corporate officer

	2009 in €		**2010 in €**	
Jean Christophe Giroux *President & Chief Executive Officer since December 17, 2009* *(President of the Executive Committee from June 2, 2009 to December 17, 2009)*	Amounts due	Amounts paid	Amounts due	Amounts paid
- Director's fee	208,636	208,636	360,000	360,000
- Fixed salary				
- Variable salary	90,000		316,800	120,000
- Variable substitute compensation			122,334	92,456
- Attendance fees				
- Benefits in kind	1,593	1,593	6,404	6,404
TOTAL	**300,229**	**210,229**	**805,538**	**578,860**

	2009 in €		**2010 in €**	
Christian Caleca *President, RTH Divisions as of December 17, 2009* *(Executive Vice President of Manitou BF from March 20, to December 17, 2009)*	Amounts due	Amounts paid	Amounts due	Amounts paid
- Director's fee	13,500	13,500	Non-board member	
- Fixed salary	223,634	223,634		
- Variable salary	45,000			
- Employee savings plan				
- Attendance fees				
- Benefits in kind	5,070	5,070		
TOTAL	**287,204**	**242,204**		

Marcel Claude Braud *President of the Executive Committee of Manitou BF until June 2, 2009*	**2009 in €** Amounts due	Amounts paid	**2010 in €** Amounts due	Amounts paid
- Director's fee	76,353	76,353		
- Fixed salary	190,152	190,152		
- Variable salary		52 500		
- Employee savings plan		9,422		
- Additional compensation	783,532	336,968		783,532
- Attendance fees		457		
- Benefits in kind	5,880	5,880		
TOTAL	**1,055,917**	**671,732**		**783,532**

Bruno Fille *Executive Vice President of Manitou BF until September 30, 2009*	**2009 in €** Amounts due	Amounts paid	**2010 in €** Amounts due	Amounts paid
- Director's fee	15,720	15,720		
- Fixed salary	244,927	244,927		
- Variable salary				
- Employee savings plan				
- Additional compensation	561,413	561,413		
- Attendance fees				
- Benefits in kind	4,752	4,752		
TOTAL	**826,812**	**826,812**	**none**	**none**

5.3.2 COMPENSATION OF DIRECTORS, OFFICERS AND EXECUTIVES

Table 3: Attendance fees and other compensation received by non-executive corporate officers

Board Member		Attendance fees 2009 in €	Attendance fees 2010 in €
Marcel Braud	Manitou BF attendance fees	17,375	39,000
	Compensation Manitou BF	199,311	115,000
	Compensation SFERT	101,400	104,000
	Other compensation	11,706	
Jacqueline Himsworth	Manitou BF attendance fees	17,375	108,000
	Compensation Manitou BF	96,656	
	Compensation SFERT	101,400	104,000
	Other compensation	11,706	457
Gordon Himsworth	Manitou BF attendance fees	17,375	39,000
	Other compensation	11,706	457
Sébastien Braud	Manitou BF attendance fees	10,135	39,000
	Other compensation		
Joël Goulet	Manitou BF attendance fees	25,375	45,000
	Other compensation		
Georges-Henri Bernard	Manitou BF attendance fees	31,765	0
	Other compensation		
Serge Ghysdael	Manitou BF attendance fees		0
	Other compensation		
Dominique Bamas	Manitou BF attendance fees		30,000
	Other compensation		
Christopher Himsworth	Manitou BF attendance fees		45,000
	Other compensation		
Pierre-Henri Ricaud	Manitou BF attendance fees		54,000
	Other compensation		
TOTAL		**656,285**	**722,914**
Total Manitou BF only		386,602	514,000

As of 2010, payments for fees attributed through attendance tokens are now paid annually instead of quarterly.

Table 4: Share subscription or purchase options allocated during the year to each corporate officer by the issuer or by any other Group company

In accordance with the approval provided by the Combined Ordinary and Extraordinary Shareholders' Meeting of December 17, 2009, a stock option attribution plan was granted on May 19, 2010.

This option attribution plan was valued at its fair value at the attribution date in the consolidated financial statements. The main criteria for the valuation and recording of rights associated with this new plan are detailed in note 13.4 of the Company's notes to the financial statements.

Options allocated to each executive corporate officer during the year by the issuer or any other Group company	N° and date of plan	Type of option	Value of options using the valuation method used for the consolidated financial statements (IFRS2)	Number of options allocated in 2010	Strike price	Exercise period
Jean Christophe Giroux	Plan dated 19.05.2010	Subscribed	€178,777	68,400	€13.16	8 years

One quarter of the options are vested on each anniversary of the date granted subject to a condition of presence, a condition of an annual increase in the share price on the anniversary date, and, as of the 2012 period, a rate of return on the shares which is defined as based on dividends paid by the Company.

Table 5: Share subscription or purchase options exercised during the year by each corporate officer

Pursuant to Article 223-26 of the AMF regulations, the following transactions involving Manitou BF shares were carried out by members of the management or supervisory bodies during the year (number of shares):

Options exercised by executive corporate officers	N° and date of plan	Number of options exercised during the year	Strike price In €
NONE			

Table 6: Performance shares allocated to each corporate officer

Performance shares allocated to each Executive corporate officer during the year by the issuer or any other Group company	N° and date of plan	Number of shares allocated during the year	Value of shares using the valuation method used for the consolidated financial statements	Acquisition date	Availability date
NONE					

Table 7: Performance shares unblocked for each corporate officer

Performance shares unblocked for each executive corporate officer	N° and date of plan	Number of shares unblocked during the year	Acquisition terms and conditions
NONE			

OTHER REGULATORY INFORMATION

Executive corporate officer	Work contract		Supplementary pension scheme		Compensation or benefits due on termination of office or change of function		Indemnity relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Jean Christophe Giroux President of the Executive Committee of Manitou BF Date term started: 02.06.2009 Date term expired: 17.12.2009		X		X	X		X	
Jean Christophe Giroux President & Chief Executive Officer Date term started: 17.12.2009 Date term expires: 17.12.2013		X		X	X		X	

Non-compete clause of Jean-Christophe Giroux

Jean-Christophe Giroux is obliged to refrain from competing with the Group in France, the UK and Germany during the 12 months following the end of his term of office. In return, he will be paid a monthly stipend for a period of one year following the termination of his term of office, equal to 50% of the fixed monthly compensation he received during the last month prior to the termination of his term of office. The Company reserves the right to waive the non-compete clause in writing before the end of his term of office or at the latest within fifteen days after its termination, which action shall relieve the Company of its stipend-payment obligation as provided for above. The stipend mentioned above is compliant with the agreements referred to in Articles L.225-90-1 and subsequent of the French Commercial Code.

Compensation of Jean-Christophe Giroux

– On 02.06.2009, and subject to the authorization of the Ordinary Shareholders' Meeting of the Company, the Supervisory Board granted Jean-Christophe Giroux, for a period of three consecutive years and, for each of them, on condition of attainment of performance criteria set by the Board of Directors, financial instruments giving access to Manitou's capital (such as stock grants, stock options or a combination of the two in a ratio of four stock options for each stock grant), with the understanding that this annual grant will be worth 225,000 euros.

– On 02.06.2010, the Supervisory Board granted Jean-Christophe Giroux gross annual variable pay equal to a maximum of 66.67% of the gross fixed compensation paid during the year. A minimum variable compensation in the form of a bonus of 90,000 euros, gross, in respect of 2009 is guaranteed under the condition of continued employment at the end of the financial year. For 2010 and subsequent years, the variable compensation is based on several quantitative and qualitative criteria including type, weighting, and quantified objectives.

Jean-Christophe Giroux's entire compensation package was adopted at the time of his appointment by the Supervisory Board on June 2, 2009 and approved by the Shareholders' Meeting of June 4, 2009. Those conditions were reiterated by the Board of Directors on December 17, 2009 and approved by the Shareholders' Meeting of June 24, 2010 when the legal form of the Company was changed.

– On 02.06.2009, the Supervisory Board, referring to the AFEP-MEDEF recommendations of October 2008 and the provisions of Article L.225-90-1 of the French Commercial Code, set the severance package of Jean-Christophe Giroux at two years of annual fixed and variable compensation if termination occurs during the first 18 months of his term of office, and at one year of annual fixed and variable compensation when termination occurs after these 18 months have passed. This severance indemnity would be payable only in the event of non-renewal, of revocation of his appointment for any reason other than gross or wilful misconduct, or forced departure following a change of control of the Company.

The payment of this indemnity is contingent upon the recognition by the Board of the payment of at least 50% of variable compensation at least once during the previous two full year periods, or the latest full year period closed. The conditions and benefits related to Jean-Christophe Giroux were approved at the Shareholders' Meeting of June 4, 2009 and reiterated at the Shareholders' Meeting of June 24, 2010.

ADDITIONAL INFORMATION ON THE COMPENSATION OF CORPORATE OFFICERS

The variable component of the compensation paid in 2010 was based on the income from ordinary activities achieved in 2009.

Moreover, in 2010, Jean-Christophe Giroux received variable compensation which replaced the attribution of stock options that would have been granted to him for fulfilling his mandate during his first year of activity and that the Company could not respect. In order to fulfil the Company's commitment, the Board of Directors meeting on 24.06.2010 decided to authorize the granting of variable compensation, for which the conditions are similar to the conditions defined for the stock options and, if those conditions are fulfilled, the amount of which is indexed to the value of shares on the bonus payment date, in order to permit him to receive an amount equal to the benefit he would have received had he received shares. The allocation of such compensation shall be spread over a period of four years, as was the attribution of the stock options it replaces. That amount is reported in the table detailing Jean-Christophe Giroux's compensation under the title variable substitute compensation (valued on the basis of the last 20 days of Manitou share prices as at 31.12.2010).

5.4 AUDITORS

5.4.1 STATUTORY AUDITORS

Deloitte & Associés, member of the Rennes Regional Company of statutory auditors, represented by Mr Thierry de Gennes, Partner,

Impasse Augustin Fresnel, 44801 Saint-Herblain

Appointed on 07.06.2007.

Expiry of term of office: the Shareholders' Meeting called to rule on the financial statements for the year ended 31.12.2012

RSM Secovec, member of the Rennes Regional Company of statutory auditors, represented by Mr Jean-Michel Picaud, Partner,

213, route de Rennes, BP 60277, 44702 Orvault Cedex

Appointed on 07.06.2007.

Expiry of term of office: the Shareholders' Meeting called to rule on the financial statements for the year ended 31.12.2012

5.4.2 ALTERNATE AUDITORS

Alain Pons, alternate auditor for Deloitte & Associés, member of the Versailles Regional Company of statutory auditors.

Appointed on 07.06.2007.

Expiry of term of office: the Shareholders' Meeting called to rule on the financial statements for the year ended 31.12.2012.

Patrick Messus, alternate auditor for RSM SECOVEC, member of the Rennes Regional Company of Statutory Auditors.

Appointed on 07.06.2007.

Expiry of term of office: the Shareholders' Meeting called to rule on the financial statements for the year ended 31.12.2012.

5.4.3 FEES PAID TO THE STATUTORY AUDITORS AND THEIR NETWORK

The fees incurred in 2010 by Manitou BF and its fully consolidated subsidiaries for the assignments entrusted to the college of Statutory Auditors, their respective networks and their colleagues, are detailed in note 20 of the notes to consolidated financial statements.

5.5 OTHER INFORMATION

5.5.1 INFORMATION REGARDING THE GROUP'S INTERNAL CONTROL SYSTEM

Information regarding the Group's internal control system is included in the report of the Chairman of the Board of Directors on the functioning of the Board and internal control.

5.5.2 INFORMATION REGARDING THE WORKS COUNCIL

The information contained in this report and the individual Parent Company and consolidated financial statements of Manitou BF have been submitted to the works council for review, as required by law.

ANNUAL REPORT 2010

6. MANITOU AND ITS SHAREHOLDERS

6.1 GENERAL INFORMATION CONCERNING THE ISSUER

NAME

Manitou BF

REGISTERED OFFICE

430, rue de l'Aubinière

BP 10 249

44158 Ancenis Cedex – France

Telephone + 33 (0)2 40 09 10 11

LEGAL FORM

French limited liability corporation with a Board of Directors and governed by the provisions of the French Commercial Code and the decree of 24.07.1966 relating to trading companies.

DURATION OF THE COMPANY

The Company was formed on 23.09.1957 and registered with the Nantes business registry on the same date. The company's duration was set at 99 years starting from 03.06.1980.

CORPORATE PURPOSE

The Company's purpose in France and all other countries covers:

All industrial and commercial operations relating to:

– The operation of any industrial and commercial establishments with the aim of representation, concession, manufacture, purchase, sale, rent, import or export of any civil engineering and lifting equipment, as well as any agricultural or industrial equipment and spare parts that are directly or indirectly related;

– The creation, acquisition, renting, leasing, installation or operation of any establishments or plants;

– The purchase, acquisition, operation or sale of any processes or patents concerning these activities;

– The Company's direct or indirect participation in all commercial, industrial or financing operations that may relate to the corporate purpose, notably involving the formation of new companies, limited partnership contributions, mergers, alliances or joint-ventures, or otherwise;

– And more generally, all financial, commercial, industrial or civil operations or operations involving moveable or immovable property that may be directly or indirectly related to one of the specified purposes, or to any other similar or related purpose.

REGISTRY NUMBER AND APE CODE

RCS number and APE code

857 802 508 RCS Nantes

Code APE 292 D – NAF 2822Z

FINANCIAL YEAR

The financial year covers a period of 12 months starting on 1 January and ending on 31 December of each year.

STATUTORY ALLOCATION OF PROFIT

Net income for the year as recorded in the annual financial statements, after deducting overheads and other social security charges, all asset depreciation and amortisation and all provisions for commercial or industrial risks, constitutes the net profit.

The distributable profit corresponds to the net profit for the year less any prior-year losses and amounts to be taken to reserves pursuant to the law or to the Company's Articles of Association plus any profits brought forward.

The Shareholders' Meeting may resolve to distribute amounts taken from available reserves; in this case, the decision expressly indicates the specific reserve accounts from which these amounts are to be deducted.

Apart from the case of a capital reduction, no distribution can be made to shareholders when the net assets are, or would become as a result of such distribution, less than the amount of the capital plus reserves that the law or articles of association prevent from being distributed.

6.2 GENERAL INFORMATION ON THE SHARE CAPITAL OF MANITOU BF

SHARE CAPITAL

At 31.12.2010, the share capital amounted to €37,567,540 and consisted of 37,567,540 shares with a par value of €1 each. All shares were fully paid-up and all shares ranked pari-passu.

NON-REPRESENTIVE SHARE CAPITAL

None

CHANGE IN SHARE CAPITAL

No changes in the Company's share capital took during the 2010 fiscal period.

CAPITAL INCREASE SCHEDULED FOR 2011

The reference shareholders announced the reorganization of the family control of Manitou on 02.08.2011 through the merger of the Company with its holding company SFERT SA. This transaction, which is described in Note 2.1.4 in the Notes to the Financial Statements and is subject to approval by the Extraordinary Shareholders' Meeting on June 9, 2011, will result in the creation of 1,980,284 new common shares and an increase in the Group's net equity of €46.2M.

A document E outlining the terms of the transaction and approved by the AMF will be made available to shareholders in early May 2011.

Summary of delegations of authority to increase capital granted by the Shareholders' Meeting

Date	Type	Purpose	Duration	Utilisation of this authorization during the year
17.12.2009	Delegation of authority	allocate free grants of existing shares or shares to be issued to Group employees and directors and officers, or certain among them, in an amount not to exceed 2% of the Company's capital and charged on an overall ceiling of €8 million.	30 months	Not used
24.06.2010	Delegation of authority	reduce the share capital by cancelling treasury shares in an amount up to 10% of the Company's total capital.	30 months	Not used
24.06.2010	Delegation of authority	grant options to subscribe or purchase shares in an amount up to 450,000 shares, and charged to an overall ceiling of €8 million.	30 months	Not used

Breakdown of share capital and voting rights at 12.31.2010

	2010 **% of capital**	**2010** **% of voting rights**
SFERT (holding company owned by the Braud and Himsworth families)	42.06%	42.45%
Marcel Braud	9.82%	9.92%
Jacqueline Himsworth	5.07%	5.12%
Ancemat	5.03%	5.08%
HB Holding Braud	0.35%	0.36%
Other family shareholders	0.85%	0.86%
GENEVAL (Société Générale Group)	6.59%	6.65%
Toyota	2.98%	3.01%
Treasury shares	0.91%	-
Employee shareholdings	0.79%	0.80%
Other	25.54%	25.77%
Total	**100.00%**	**100.00%**

OWNERSHIP AND CONTROL

Manitou is controlled by the Braud and Himsworth families who together hold 63.2% of share capital. The Manitou Board of Directors includes three independent Directors out of a total of nine Directors in the spirit of the MiddleNext Code of Corporate Governance, and the functions of the Chief Executive Officer are separated from those of the Chairman of the Board of Directors and performed by Jean-Christophe Giroux who is independent of the Braud and Himsworth families.

The merger by absorption of Manitou BF with its Parent Company SFERT SA will result in an increase in the percentage of the families' holdings from 63.23% to 65.07%.

THE EXISTANCE OF AGREEMENTS FOR WHICH THE IMPLEMENTATION COULD RESULT IN A CHANGE IN CONTROL

None

OWNERSHIP THRESHOLDS

Under Article L. 233-7 of the Commercial Code, any person or entity, acting alone or with others, who has just obtained a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% or 95% of share capital and voting rights of the Company, must inform the Company and the AMF with a letter indicating the total number of shares and voting rights held within five trading days of crossing the threshold. Threshold crossings reported to the AMF are publically disclosed by the AMF. This information is also transmitted within the same time frame and under the same conditions whenever the equity investment or voting rights fall below the thresholds referred to above. If not declared according to regulations, the shares exceeding the fraction that should have been declared in accordance with the legal provisions mentioned above are denied voting rights at any Shareholders' Meeting held up to the completion of two periods following the date of the correcting declaration.

Article 9 of Manitou's corporate statutes further provides that any person or entity that, either directly or indirectly and either alone or with others, crosses (either upwards or downwards), the threshold of 2.5% of the capital or voting rights of the Company (or any multiple of that threshold) must notify the Company by registered letter with confirmation of receipt, within fifteen days of crossing that threshold, specifying their identity as well as the persons acting together with them. This requirement also applies to shares held in accordance with the seventh paragraph of Article L. 228-1 of the French Commercial Code, for the total of all shares held in a custodian account to which that holder is registered.

In case of non-compliance with the requirement to disclose statutory thresholds, the sanctions provided for in Article L. 233-14 of the Commercial Code shall apply, provided that such request, submitted by one or more shareholders holding at least 3% of the capital or voting rights is recorded in the minutes of the Shareholders' Meeting.

DIVIDEND DISTRIBUTION POLICY

In light of the economic situation, the Board of Directors will not ask shareholders to approve the distribution of dividends for the full-year period ended December 31, 2010. The Company nonetheless foresees the possibility of distributing dividends in the medium term.

HISTORICAL DIVIDEND INFORMATION

In accordance with Article 243 bis of the French General Tax Code, the amounts of dividends distributed during the last three years and the corresponding tax credits in euros are reported below:

Period	Number of shares	Net Dividend
2007	37,809,040	1.05
2008	37,809,040	0
2009	37,567,040	0

6.3 PUBLICLY AVAILABLE DOCUMENTS

Legal documents relating to the Company may be reviewed at the registered office, 430 rue de l'Aubinière, 44150 Ancenis and on the Manitou website at www.manitou.com, including:

– Manitou's corporate charter and statutes;

– All reports, correspondence and other documents, historical financial information;

– Manitou's historical financial information and those of its subsidiaries for each of the two fiscal periods preceding the disclosure of this document.

6.4 MANITOU SHARE DATA

SHARE LISTING

Manitou's shares have been listed since April 1984.

Manitou's shares are listed in section B of Euronext Paris.

SHARE CODES AND TICKERS

ISIN Code: FR0000038606

MNO: MTU

REUTERS Code: MANP.PA

BLOOMBERG Code: MTU.FP

Indices up to March 21, 2011	Indices as of March 21, 2011
SBF 250	CAC ALL-TRADABLE
NEXT 150	NEXT 150
CAC ALL SHARES	CAC ALL SHARES
CAC MID & SMALL 190	CAC MID & SMALL
CAC MID 100	CAC SMALL
CAC INDUSTRIALS	CAC INDUSTRIALS
CAC IND. ENGIN.	CAC IND. ENGIN.

Eligibility of Manitou shares for the DSS (Stock exchange orders with Deferred Settlement Service) Long only

SHARE PRICE PERFORMANCE AND TRADING VOLUMES

Month	Volume	Highest €	Lowest €	Month end	Market capitalisation (M€)
January **2009**	396,156	9.02	6.15	6.30	238
February	504,792	6.50	5.16	5.60	212
March	1,426,484	5.64	3.48	4.85	183
April	2,268,883	10.27	4.31	8.41	318
May	576,194	8.61	7.00	8.10	306
June	930,930	9.19	6.27	8.46	320
July	1,345,254	10.42	7.78	9.31	352
August	1,295,882	12.74	9.23	12.07	456
September	1,139,336	12.31	9.90	11.16	422
October	872,135	11.53	9.10	9.90	374
November	294,899	10.45	9.50	9.50	359
December 2009	608,347	10.47	9.30	10.38	390
Total/ Highest/ Lowest	**11,659,292**	**12.74**	**3.48**		
January **2010**	422,838	11.10	10.07	10.30	387
February	195,872	10.15	9.00	9.45	355
March	421,540	10.43	9.21	10.99	413
April	908,697	13.86	11.91	13.39	503
May	626,910	13.45	11.38	12.85	483
June	249,532	13.40	12.17	12.37	465
July	285,031	13.07	11.53	13.10	492
August	298,059	12.80	11.62	12.24	460
September	317,490	12.29	11.76	12.05	453
October	568,304	15.15	11.76	15.29	574
November	334,706	15.61	13.90	15.05	565
December 2010	719,622	17.50	14.92	17.50	657
Total/ Highest/ Lowest	**5,348,601**	**17.50**	**9.00**		

Source NYSE Euronext

7. ANNUAL SHAREHOLDERS' MEETING ON 09.06.2011

OVERVIEW OF THE RESOLUTIONS

7.1 AGENDA FOR THE ORDINARY ANNUAL SHAREHOLDERS' MEETING

FIRST RESOLUTION

(Approval of the 2010 annual financial statements)

The Shareholders' Meeting, having reviewed the report of the Chairman of the Board of Directors regarding the composition - in application of the principle of a balanced representation of the genders - and the conditions of preparation and organisation of the duties of the Board, and the internal control and risk management procedures set in place by the Company; the report of the Board of Directors on the annual financial statements and the related management report; and the reports of the Statutory Auditors on the annual financial statements for the full year 2010 period, approve as presented the annual financial statements for said fiscal year, including the balance sheet, income statement and notes, as well as all transactions reflected in said financial statements and summarised in said reports.

SECOND RESOLUTION

(Approval of the 2010 consolidated financial statements)

The Shareholders' Meeting, having reviewed the report of the Chairman of the Board of Directors regarding the composition - in application of the principle of a balanced representation of the genders - and the conditions of preparation and organisation of the duties of the Board, and the internal control and risk management procedures set in place by the Company; the report of the Board of Directors on the consolidated financial statements and the related management report; and the reports of the Statutory Auditors on the consolidated financial statements for full year 2010 period, approve as presented the consolidated financial statements for said fiscal year, including the balance sheet, income statement and notes, as well as all transactions reflected in said financial statements and summarised in said reports.

THIRD RESOLUTION

(Approval of agreements and commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements for Ordinary Shareholders' Meetings, and having reviewed the Statutory Auditors' special report on agreements and commitments subject to the provisions of Articles L.225-38 and L.225-40 to L.225-42 of the French Commercial Code, approves all of the provisions of said report as well as all new agreements mentioned therein, approved by the Board of Directors during the full year period ended December 31, 2010.

FOURTH RESOLUTION

(Allocation of results for the fiscal year)

1. The Shareholders' Meeting, having fulfilled the quorum and majority requirements for Ordinary Shareholders' Meetings, notes that the financial statements as at December 31, 2010 and approved at the present Meeting show a loss for the full year period of 2,631,409.21 euros, the allocation of which is now submitted for the approval of the Meeting.

2. The Shareholders' Meeting resolves to allocate the loss for the fiscal year in the following manner:

– Allocation to Retained earnings: 2,631,409.21 euros

As provided by law, the Shareholders' Meeting notes that the following dividends have been paid in respect of the three full year periods preceding 2010:

Fiscal year	Number of shares on which dividends paid	Dividend per share (in euros)	Total (in millions of euros)
2007	37,809,040	1.05	39.7
2008	37,809,040	0	0
2009	37,567,040	0	0

All of the amounts set out in the "dividend per share" column of the above table are eligible for the 40% tax allowance provided for in Article 158-3-2 of the French General Tax Code or, at the beneficiary's option, the 19% one-time withholding tax provided for in Article 117 quater of the French General Tax Code.

FIFTH RESOLUTION

(Authorisation to be given to the Board of Directors to trade in the Company's shares)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements applicable to Ordinary Shareholders' Meetings, and having reviewed the Board of Directors' report, authorises the Board of Directors, with the option of sub-delegating this authority as provided by law, in accordance with the provisions of Articles L.225-209 et seq. of the French Commercial Code, to purchase or arrange the purchase of the Company's shares for the following purposes:

– to implement any Company stock option plan, under the terms of Articles L.225-177 et seq. of the French Commercial Code, or any similar plan; or

– to allocate or sell shares to employees as part of a profit-sharing scheme or company or group employee savings plan (or similar plan) as provided by law, and in particular Articles L.3332-1 et seq. of the French Labour Code; or

– to allocate stock grants under the terms of Articles L.225-197-1 et seq. of the French Commercial Code; or

– generally speaking, to honour obligations related to stock option plans or other allocations of shares to employees or directors and officers of the issuer or to a related company; or

– to deliver shares when rights attached to securities giving access to the Company's share capital are exercised, by way of redemption, conversion, exchange, presentation of a warrant or in any other way; or

– to cancel all or any portion of shares thus repurchased; or

– to deliver shares (for purposes of exchange, payment or other) in connection with an external growth, merger, spin-off or capital contribution transaction; or

– to allow an investment services provider to make a secondary market or provide liquidity for Manitou shares under the terms of a liquidity agreement that is compliant with the code of ethics recognised by the French Financial Markets Authority (Autorité des Marchés Financier, or AMF).

This programme is also intended to enable the use of any market practice that may come to be accepted by the French Financial Markets Authority, and, more generally, any other activity that is compliant with all applicable regulations. In such a case, the Company shall inform its shareholders by means of a press release.

The following restrictions shall apply to purchases of shares by the Company:

– the number of shares bought by the Company throughout the term of the buyback programme may not exceed 10% of the shares constituting the Company's share capital at any given time. This percentage shall be applied to total share capital adjusted for any transactions affecting it subsequent to this Shareholders' Meeting – i.e. for indicative purposes, 3,756,754 shares as at December 31, 2010. It is specified that (i) the number of shares acquired with a view to their being held and subsequently delivered in connection with a merger, spin-off or capital contribution may not exceed 5% of the Company's share capital; and (ii) where shares are repurchased in order to improve liquidity under the conditions established in the general regulations of the French Financial Markets Authority, the number of shares used to calculate the 10% limit set out in this paragraph shall correspond to the number of shares purchased less the number of shares resold throughout the period of the authorisation.

– the number of shares held by the Company at any given time shall not exceed 10% of the shares constituting the Company's share capital as at the date in question.

Shares may be acquired, sold or transferred at any time within the limits authorised by all applicable legal and regulatory provisions (except during a public offer period) and by any means, on regulated markets, by way of multilateral trading systems or systematic internalisers or over the counter, including via block purchases or sales (with no limit on the proportion of the buyback programme that may be completed using this method), takeover or share exchange bids or by using options or other forward financial instruments traded on regulated markets, by way of multilateral trading systems or systematic internalisers or over the counter, or by delivering shares after issuing securities giving access to the Company's share capital by way of conversion, exchange, redemption, the exercise of a warrant or any other means, either directly or indirectly via an investment services provider.

The maximum share purchase price under the terms of this resolution shall be 40 euros per share (or the equivalent value on the same date in any other currency); this maximum price shall only apply to purchases decided on as from the date of the present Meeting and not to any future transactions entered into under the terms of an authorisation granted at a previous Shareholders' Meeting and under which shares are to be purchased subsequent to the date of the present Meeting.

In the event of any change in the par value of shares, any capital increase by way of capitalisation of reserves, any allocation of bonus shares, share split or merger, distribution of reserves or any other assets, any repayment of equity, or any other transaction relating to the Company's equity, the Shareholders' Meeting grants the Board of Directors the power to adjust the aforementioned maximum purchase price to reflect the impact of those transactions on the value of shares.

The total amount allocated to the share buyback programme authorised above may not exceed 150 million euros.

This authorisation shall supersede any authority previously granted to the Board of Directors to trade in the Company's shares, as from the date of this Meeting and up to the amount of any unused portion of such an authority. It shall be valid for a period of 18 months from the date of the present Meeting.

The Shareholders' Meeting grants all powers to the Board of Directors, which may choose to sub-delegate those powers as provided by law, to decide to put this authorisation into effect, to clarify its terms and procedures as required, to implement the buyback programme, and, in particular, to place exchange orders, enter into agreements in connection with the keeping of registers of share purchases and sales, allocate or reallocate the shares so acquired to their intended purposes in accordance with the applicable legal and regulatory conditions, define the terms and conditions under which any rights of the holders of securities or options will be protected, in accordance with legal, regulatory or contractual provisions, disclose any required information to the French Financial Markets Authority (Autorité des Marchés Financiers), any other authority that might replace it or any other competent authority, complete any other formalities, and, generally speaking, take all necessary action.

7.2 AGENDA FOR THE EXTRAORDINARY SHAREHOLDERS' MEETING

SIXTH RESOLUTION

(Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing – with pre-emptive subscription rights – shares and/or securities giving access to the Company's share capital and/or securities entitling the holder to a distribution of debt securities)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements applicable to Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code, and in particular of Article L.225-129-2 of said Code, and with the provisions of Articles L.228-91 et seq. of said Code:

1. delegates to the Board of Directors, which may choose to sub-delegate it as provided by law, their authority to decide to increase the Company's share capital on one or more occasions, in France or abroad, in any proportion and at any time it sees fit, by way of a public offering, either in euros or in any other currency or monetary unit established by reference to more than one currency, by issuing shares (with the exception of preferred shares) or securities giving access to the Company's share capital (whether new or existing shares) either in return for consideration or free of charge, governed by Articles L.228-91 et seq. of the French Commercial Code, it being specified that those shares or other securities may be subscribed in cash or by offsetting claims against the Company or by capitalising reserves, earnings or premiums; or, under the same conditions, the authority to decide to issue securities entitling the holders to a distribution of debt securities governed by Articles L.228-91 et seq. of the French Commercial Code;

2. delegates to the Board of Directors, which may choose to sub-delegate it as provided by law, their authority to decide to issue securities giving access to the share capital of companies in which it directly or indirectly holds more than half the equity;

3. resolves to apply the following limits to any authorised capital increases in cases where the Board of Directors makes use of the present delegation of authority:

– the maximum nominal value of any capital increases carried out immediately or in the future under the terms of the present delegation is set at 8 million euros, it being specified that the maximum total nominal value of any capital increases carried out under the terms of this delegation and those delegations granted under resolutions eight, nine, ten and eleven submitted to the present Meeting is set at 8 million euros;

– to these limits shall be added, if applicable, the nominal value of any additional shares to be issued, in the event of new corporate financial transactions, to protect the rights of the holders of securities giving access to the Company's share capital.

4. sets the validity period of the delegation of authority covered by this resolution at twenty six months, as from the date of the present Meeting.

5. in the event that the Board of Directors makes use of this delegation:

– resolves that any issues will give preference to existing shareholders, who will be able to irreducibly subscribe new shares in exact proportion to the number of shares they already hold;

– formally notes that the Board of Directors has the power to introduce the right to reducibly subscribe a number of shares;

– formally notes that this delegation of authority automatically entails the waiver by shareholders, in favour of the holders of securities giving access to the share capital of the Company issued, of any pre-emptive subscription rights to which those securities confer an immediate or future entitlement;

– formally notes that, in accordance with Article L.225-134 of the French Commercial Code, where a capital increase is not fully taken up by way of irreducible and, if applicable, irreducible subscriptions, the Board of Directors may make use of one or several of the following powers, as provided by law and in the order it decides:

- the power to limit the capital increase to the amount of subscriptions received, subject to that amount being equal to at least three-quarters of the agreed increase;
- the power to freely allocate all or a portion of any shares or, in the case of securities giving access to the Company's share capital, all or a portion of those securities whose issue was approved but which were not subscribed;
- the power to offer to the public all or a portion of any unsubscribed shares or, in the case of securities giving access to the Company's share capital, all or a portion of any unsubscribed securities, on either a French or foreign financial market;

– resolves that the Company may also issue stock warrants by allocating bonus warrants to the holders of existing shares, it being specified that the Board of Directors shall have the power to decide that any fractional allocation rights shall not be negotiable and that the corresponding securities shall be sold.

6. resolves that the Board of Directors shall have all powers, which it may choose to sub-delegate as provided by law, to put this delegation of authority into effect, in particular so as to:

– approve the capital increase and establish the securities to be issued;

– approve the value of the capital increase, the issue price and the value of any issue premium that might be required;

– establish the date and terms of the capital increase, together with the type, number and characteristics of the securities to be created; also approve, in the case of bonds or other debt securities (including securities entitling the holder to a distribution of debt securities covered by Article L.228-91 of the French Commercial Code), whether or not they are subordinated (and, if applicable, their seniority, in accordance with the provisions of Article L.228-97 of the French Commercial Code), set their interest rates (including fixed rate, variable rate, zero coupon or index-linked interest) and, if applicable, stipulate mandatory or optional situations in which interest will not be paid, stipulate their term (whether fixed or open-ended), whether or not the par value of the securities in question may be increased, together with any other terms of issue (including the attachment of any security or guarantees) or repayment (including redemption in exchange for Company assets); if applicable, these securities may be accompanied by warrants giving the holder the right to receive a distribution of or purchase or subscribe bonds or other securities representing debts, or giving the Company the power to issue debt securities (whether of a similar form or not) in payment of interest, the payment of which has been suspended by the Company, or taking the form of complex bonds as defined by stock market authorities (e.g. by virtue of their redemption or remuneration criteria or other rights such as index-linking or option rights); and, throughout the term of the securities in question, amend the terms set out above in compliance with applicable formalities;

– establish the method by which any shares or securities giving access to the Company's share capital to be issued immediately or in the future are to be paid up;

– if applicable, define the terms for exercising rights (including, if applicable, conversion, exchange and redemption rights, including in return for Company assets such as securities already issued by the Company) attached to any shares or securities to be issued and, in particular, determine the date (which may even be in the past) from which the new shares will provide beneficial ownership, as well as any other terms and conditions applicable to the capital increase;

– stipulate the terms under which the Company will, if applicable, have the power to buy or trade, at any time or during predetermined periods, any securities issued or to be issued immediately or in the future, whether in order to cancel them or not, as provided by law;

– allow the option of potentially suspending the exercise of rights attached to those securities in accordance with all legal and regulatory provisions;

– at its sole initiative, charge any expenses incurred in connection with capital increases against premiums pertaining to those capital increases, and deduct from those premiums any amounts required to fund the legal reserve;

– determine and apply any adjustments intended to reflect the impact of corporate actions carried out by the Company, including in particular changes in the par value of shares, capital increases by way of capitalisation of reserves, bonus share distributions, share splits or mergers, distributions of dividends, reserves, premiums or any other assets, repayment of equity, or any other transaction affecting the Company's equity or share capital (including in the event of a public offering and/or change of control), and stipulate any other terms to ensure, if applicable, that the rights of holders of securities giving access to the Company's share capital are protected (including by means of cash adjustments);

– note the completion of each capital increase and make any corresponding changes to the Company's by-laws;

– generally speaking, enter into any agreement, including in particular agreements to ensure that planned issues are successfully completed, take all steps and complete all formalities required for the issue, listing and financial servicing of securities issued under the terms of this authorisation and for the exercise of any associated rights.

7. notes that this authorisation cancels any previous authority with the same purpose – i.e. any authority relating to capital increases with pre-emptive subscription rights, covering securities and transactions referred to in this resolution – with effect from the date of this Meeting and up to the amount of any unused portion of such an authority.

8. notes that, should the Board of Directors make use of the authority delegated to it under the terms of this resolution, the Board shall report on the use to which this authority is put at the next Ordinary Shareholders' Meeting, in accordance with all laws and regulations.

SEVENTH RESOLUTION

(Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing – without pre-emptive subscription rights – shares and/or securities giving access to the Company's share capital and/or securities entitling the holder to a distribution of debt securities)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements applicable to Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code, and in particular of Articles L.225-129-2, L.225-135, L.225-136 and L.225-148 of that Code, and with the provisions of Articles L.228-91 et seq. of that Code:

1. delegates to the Board of Directors, which may choose to sub-delegate it as provided by law, their authority to decide to increase the Company's share capital on one or more occasions, in France or abroad, in any proportion and at any time it sees fit, by way of a public offering, either in euros or in any other currency or monetary unit established by reference to more than one currency, by issuing shares (with the exception of preferred shares) or securities giving access to the Company's share capital (whether new or existing shares) either for consideration or free of charge, governed by Articles L.228-91 et seq. of the French Commercial Code, it being specified that those shares or other securities may be subscribed in cash or by offsetting claims against the Company or by capitalising reserves, earnings or premiums; or, under the same conditions, the authority to decide to issue securities entitling the holders to a distribution of debt securities governed by

Articles L.228-91 et seq. of the French Commercial Code. In particular, these securities may be issued in return for securities given to the Company as part of a share exchange bid carried out in France or abroad in accordance with local rules (e.g. as part of a 'reverse merger' as practised in English-speaking countries) involving securities meeting the criteria set out in Article L.225-148 of the French Commercial Code.

2. delegates to the Board of Directors, which may choose to sub-delegate it as provided by law, their authority to decide to issue shares or securities giving access to the Company's share capital following the issue, by companies in which the Company directly or indirectly holds more than half the share capital or companies which directly or indirectly hold more than half of the Company's share capital, of securities giving access to the Company's capital.

This decision automatically entails the waiver by the Company's shareholders, in favour of the holders of any securities issued by Group companies, of any pre-emptive rights to subscribe shares or securities giving access to the Company's share capital in the Company to which those securities give an entitlement;

3. delegates to the Board of Directors, which may choose to sub-delegate it as provided by law, their authority to decide to issue securities giving access to the share capital of companies in which it directly or indirectly holds more than half the equity;

4. resolves to apply the following limits to any authorised capital increases in cases where the Board of Directors makes use of this authority:

– the maximum nominal value of any capital increases carried out immediately or in the future under the terms of this authority is set at 8 million euros, it being specified that this limit shall be applied against the total limit set out in Paragraph 3 of the sixth resolution submitted to this Meeting or, if applicable, against the total limit stipulated by any similar resolution that might replace the aforementioned resolution throughout the validity period of this authority; and

– to these limits shall be added, if applicable, the nominal value of any shares to be issued, in the event of new corporate actions, to protect the rights of the holders of securities giving access to the Company's share capital.

5. sets the validity period of the delegation of authority covered by this resolution at twenty six months, as from the date of the present Meeting;

6. resolves to remove shareholders' pre-emptive rights to subscribe the securities covered by this resolution. Under the terms of Article L.225-135, Paragraph 2, the Board of Directors will, however, still have the power, for a period and under terms to be determined by it in accordance with applicable legal and regulatory provisions and in respect of all or part of any issue carried out, to grant shareholders a priority subscription period not giving rise to the creation of negotiable rights and in proportion to the number of shares held by each shareholder [irreducible], and which may potentially be supplemented by a reducible subscription, it being specified that any securities not subscribed in this way will be placed by way of a public placement in France or abroad;

7. formally notes that, where the whole of an issue is not taken up by subscriptions, including subscriptions by shareholders if applicable, the Board may limit the transaction to the amount of subscriptions received, subject to that amount being equal to at least three-quarters of the agreed issue amount;

8. formally notes that this delegation of authority automatically entails the express waiver by shareholders, in favour of the holders of the securities giving access to the Company's share capital issued, of any pre-emptive subscription rights to which those securities confer an entitlement;

9. formally notes that, in accordance with Article L.225-136, Paragraph 1, Sub-Paragraph 1 of the French Commercial Code:

– the issue price of directly issued shares shall be at least equal to the minimum amount stipulated in regulatory provisions applicable at the issue date (at the current time, 5% less than the weighted average price from the last three trading days on the Euronext Paris regulated market prior to the date on which the subscription price of the capital increase is set), after correcting this average for any difference in record dates, if applicable;

– the issue price of securities giving access to the Company's share capital and the number of shares to which the conversion, redemption or, more generally, transformation of each security giving access to the Company's share capital may grant entitlement shall be such that the amount immediately collected by the Company, plus any amount liable to be collected by it subsequently, shall, for each share issued as a result of those securities being issued, be at least equal to the minimum subscription price defined in the previous paragraph.

10. resolves that the Board of Directors shall have all powers, which it may choose to sub-delegate as provided by law, to put this delegation of authority into effect, in particular so as to:

– approve the capital increase and establish the securities to be issued;

– approve the value of the capital increase, the issue price and the value of any issue premium that might be required;

– establish the date and terms of the capital increase, together with the type, number and characteristics of the securities to be created; also decide, in the case of bonds or other debt securities (including securities entitling the holder to a distribution of debt securities covered by Article L.228-91 of the French Commercial Code), whether or not they are subordinated (and, if applicable, their degree of subordination, in accordance with the provisions of Article L.228-97 of the French Commercial Code), set their interest rates (including fixed rate, variable rate, zero coupon or index-linked interest) and, if applicable, stipulate mandatory or optional situations in which interest will not be paid, stipulate their term (whether fixed or open-ended), whether or not the par value of the securities in question may be increased, together with any other terms of issue (including the attachment of any security or guarantees) or repayment (including redemption in exchange for Company assets); if applicable, these securities may be accompanied by warrants giving the holder the right to receive a distribution of or purchase or subscribe bonds or other securities representing debts, or giving the Company the power to issue debt securities (whether of a similar form or not) in payment of interest, the payment of which has been suspended by the Company, or taking the form of complex bonds as defined by stock market authorities (e.g. by virtue of their redemption or remuneration criteria or other rights such as index-linking or option rights); and, throughout the term of the securities in question, amend the terms set out above in compliance with applicable formalities;

– establish the method by which any shares or securities giving access to the Company's share capital to be issued immediately or in the future are to be paid up;

– if applicable, define the terms for exercising rights (including, if applicable, conversion, exchange and redemption rights, including in return for Company assets such as treasury shares or securities already issued by the Company) attached to any shares or securities giving access to the Company's share capital to be issued and, in particular, determine the date (which may even be in the past) with effect from which the new shares will be vested, as well as any other terms and conditions applicable to any capital increase;

– stipulate the terms under which the Company will, if applicable, have the power to buy or trade, at any time or during predetermined periods, any securities issued or to be issued immediately or in the future, whether in order to cancel them or not, as provided by law;

– allow the option of potentially suspending the exercise of rights attached to securities issued in accordance with all legal and regulatory provisions;

– where securities are issued in return for securities offered as part of a share exchange bid, establish a list of securities involved in the exchange, stipulate the conditions of issue, the exchange ratio and, if applicable, the amount of any cash balance to be paid without the price calculation methods set out in Paragraph 9 of this resolution being applied, and determine the terms of issue, as part of either a share exchange bid, an alternative acquisition or exchange bid, a single bid to buy or exchange the securities in question for securities and cash, a primary takeover or share exchange bid combined with a subsidiary takeover or share exchange bid, or any other form of public offering complying with all applicable laws and regulations;- at its sole initiative, charge any expenses incurred in connection with capital increases against premiums pertaining to those capital increases, and withdraw from those premiums any amounts required to fund the legal reserve;

– make any adjustments intended to reflect the impact of corporate actions carried out by the Company, including in particular changes in the par value of shares, capital increases by way of capitalisation of reserves, bonus share distributions, share splits or mergers, distribution of reserves or any other assets, repayment of equity, or any other transaction affecting the Company's equity or share capital (including by way of a public offering and/or change of control), and stipulate the terms under which, if applicable, the rights of the holders of securities giving access to the Company's share capital will be protected;

– note the completion of each capital increase and make any corresponding changes to the Company's by-laws;

– generally speaking, enter into any agreement, including in particular agreements to ensure that planned issues are successfully completed, take all steps and complete all formalities required for the issue, listing and financial servicing of securities issued under the terms of this delegation and for the exercise of any associated rights.

11. formally notes that this authority cancels any previous authority with the same purpose – i.e. any overall authority relating to capital increases by way of public offering without pre-emptive subscription rights, covering securities and transactions referred to in this resolution – with effect from the date of this Meeting and up to the amount of any unused portion of such an authority;

12. formally notes that, should the Board of Directors make use of the authority delegated to it under the terms of this resolution, the Board of Directors shall report on the use to which this authority is put at the next Ordinary Shareholders' Meeting, in accordance with all laws and regulations.

EIGHTH RESOLUTION

(Delegation of authority to the Board of Directors to decide to increase the Company's share capital by way of capitalisation of premiums, reserves, earnings or other)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements applicable to ordinary shareholders meetings, having reviewed the Board of Directors' report and in accordance with the provisions of Article L.225-130 of the French Commercial Code:

1. delegates to the Board of Directors, which may choose to sub-delegate it as provided by law, their authority to decide to increase the Company's share capital on one or more occasions, in any proportion and at any time it sees fit, by way of capitalisation of premiums, reserves, earnings or other which can be capitalised under the terms of the law and the Company's by-laws, by issuing new shares, increasing the par value of existing shares or using a combination of both these methods. The maximum nominal value of any capital increases carried out on this basis may not exceed 8 million euros, it being specified that this limit shall be applied against the total limit set out in Paragraph 3 of the sixth resolution submitted to this Meeting or, if applicable, against the total limit stipulated by any similar resolution that might replace the aforementioned resolution throughout the validity period of this authority;

2. where the Board of Directors makes use of this authority, the shareholders delegate to the latter all powers, which may be sub-delegated as provided by law, to put this authority into effect, in particular so as to:

– set the amount and nature of any amounts to be capitalised, determine the number of new shares to be issued and/or the amount by which the par value of existing shares will be increased and determine the date (which may even be in the past) with effect from which the new shares will be vested or the date on which the par value of existing shares will be increased;

– where bonus shares are distributed, decide that any fractional rights will not be negotiable and that the corresponding shares will be sold, with all amounts arising from the sale being allocated to the holders of those rights as provided by all laws and regulations;

– make any adjustments intended to reflect the impact of corporate actions carried out by the Company, including in particular changes in the par value of shares, capital increases by way of capitalisation of reserves, bonus share distributions, share splits or mergers, distribution of reserves or any other assets, repayment of equity, or any other transaction affecting the Company's equity or share capital (including by way of a public offering and/or change of control), and stipulate the terms under which, if applicable, the rights of the holders of securities giving access to the Company's share capital will be protected;

– note the completion of each capital increase and make any corresponding changes to the Company's by-laws;

– generally speaking, enter into any agreement, take any steps and complete any formalities required for the issue, listing and financial servicing of securities issued under the terms of this authority and for the exercise of any associated rights;

3. notes that this authority cancels any previous authority with the same purpose – i.e. any authority relating to capital increases by way of capitalisation of premiums, reserves, earnings or other - with effect from the date of this Meeting and up to the amount of any unused portion of such an authority. It shall be valid for a period of twenty six months from the date of this Meeting.

NINTH RESOLUTION

(issue of shares or securities giving access to the Company's share capital without pre-emptive subscription rights in return for in-kind contributions consisting of shares or securities giving access to the Company's share capital)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements applicable to Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code, and in particular of Article L.225-147, Paragraph 6 of that Code:

1. authorises the Board of Directors, which may choose to sub-delegate this authority as provided by law, to carry out one or more capital increases, up to a maximum of 10% of the Company's share capital at any given time (with this percentage being applied to the amount of share capital adjusted for any transactions affecting it subsequent to this Shareholders' Meeting – i.e. for indicative purposes, 3,756,754 shares as at December 31, 2010), in return for in-kind contributions offered to the Company and consisting of shares or securities giving access to the Company's share capital, where the provisions of Article L.225-148 of the French Commercial Code are not applicable, by carrying out one or more issues of shares (excluding preferred shares) or securities giving access to the Company's share capital, it being specified that the maximum nominal value of any capital increases to be carried out immediately or in the future under the terms of this resolution shall be applied against the maximum nominal value of capital increases without pre-emptive subscription rights authorised under Paragraph 4 of the seventh resolution submitted to this Meeting and against the total limit set out in Paragraph 3 of the sixth resolution or, if applicable, against any limits stipulated in similar resolutions which might replace the aforementioned resolutions during the validity period of this authority;

2. resolves that the Board of Directors shall have all powers, which it may choose to sub-delegate as provided by law, to put this resolution into effect, in particular so as to:

– decide to carry out a capital increase in return for an in-kind contribution and determine the securities to be issued;

– define a list of securities to be offered, approve the valuation of the securities offered, determine the issue conditions for securities to be issued in return for those offered, as well as, if applicable, the amount of any cash balance to be paid, approve the granting of specific benefits and reduce the valuation of the assets offered or remuneration paid for specific benefits, if those making the offer give their consent;

– determine the characteristics of the securities given in return for those offered, and determine the terms under which, if applicable, the rights of the holders of securities giving access to the Company's share capital will be protected;

– at its sole initiative, charge any expenses incurred in connection with capital increases against premiums pertaining to those capital increases, and withdraw from those premiums any amounts required to fund the legal reserve;

– note the completion of each capital increase and make any corresponding changes to the Company's by-laws;

– generally speaking, take any steps and complete any formalities required for the issue, listing and financial servicing of securities issued under the terms of this authority and for the exercise of any associated rights;

3. formally notes that this authority supersedes any previous authority with the same purpose – i.e. any authority to issue shares or securities giving access to the Company's share capital without pre-emptive subscription rights in return for in-kind contributions consisting of shares or securities giving access to the Company's share capital – with effect from the date of this Meeting and up to the amount of any unused portion of such an authority. It shall be valid for a period of twenty six months from the date of this Meeting.

TENTH RESOLUTION

(Delegation of authority to the Board of Directors to grant share subscription or purchase options)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements applicable to Extraordinary Shareholders' Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report:

1. authorises the Board of Directors, under the terms of the provisions of Articles L.225-177 to L.225-185 of the French Commercial Code, which authority it may choose to sub-delegate as provided by law, to carry out one or more grants of options entitling the holder to subscribe new shares to be issued by the Company by way of a capital increase, as well as options entitling the holder to purchase Company shares arising from buybacks carried out by the Company as provided by law, to members of staff chosen from among employees and officers and directors of the Company or any companies or combinations of companies related to it under the conditions set out in Article L.225-180 of the aforementioned Code;

2. resolves that any subscription or purchase options granted under the terms of this authorisation may not entitle the holder to a total number of shares with a par value greater than 450,000 euros, and that the nominal value of any capital increases arising from the exercise of share subscription options granted under the terms of this authority shall be applied against the total limit set out in Paragraph 3 of the sixth resolution submitted to this Meeting or, if applicable, against the total limit stipulated by any similar resolution that might replace the aforementioned resolution throughout the validity period of this authority;

3. resolves that the price to be paid when share subscription or purchase options are exercised shall be determined by the Board of Directors on the date on which those options are granted, and that (i) where subscription options are granted, this price may not be less than 95% of the Company's average share price quoted on the Euronext Paris regulated market during the twenty trading days preceding the date on which the subscription options are granted, and (ii) where share purchase options are granted, this price may not be less than either the value indicated in (i) above or 95% of the average purchase price of shares held by the Company under the terms of Articles L.225-208 and L.225-209 of the French Commercial Code. If the Company carries out any of the transactions set out in Articles L.225-181 or R.225-138 of the French Commercial Code, the Company shall, under the conditions set out in regulations in force at that time, take the necessary steps to protect the interests of beneficiaries, including, if applicable, by adjusting the number of shares that may be obtained by exercising options granted to those beneficiaries to reflect the impact of that transaction;

4. notes that this authorisation entails the express waiver by shareholders, in favour of the beneficiaries of subscription options, of any pre-emptive rights to subscribe shares issued as and when subscription options are exercised. Any increase in share capital resulting from the exercise of subscription options shall be deemed to have been fully completed simply by virtue of the notice that options have been exercised, together with their subscription warrants and associated payments, which may be made in cash or offset against claims against the Company;

5. consequently, the Shareholders' Meeting grants all powers to the Board of Directors to put this resolution into effect, in particular so as to:

– define the list of beneficiaries or categories of beneficiaries of options and the number of options allocated to each;

– stipulate the terms and conditions of those options, and in particular:

- the validity period of the options, it being specified that they must be exercised within a maximum of eight years;
- the exercise date(s) or period(s) of the options, it being understood that the Board of Directors may (a) bring forward the option exercise dates or periods, (b) allow the options to continue to be exercisable or (c) amend the dates or periods during which shares obtained by exercising those options may not be sold or converted to bearer form;
- any clauses forbidding the immediate resale of all or part of the shares, subject to the lock-up period not exceeding three years from the option being exercised, it being specified that, in the case of options granted to corporate officers or directors, the Board of Directors must either (a) decide that those options may not be exercised by their holders until such time as they no longer hold their office, or (b) stipulate the number of shares they are required to keep in registered form until such time as they no longer hold their office;
- if applicable, limit, suspend, restrict or prohibit the exercise of options or the sale or conversion into bearer form of shares obtained by exercising options, during certain periods or with effect from certain events, which decision may apply to all or part of the options or shares in question or to some or all of the beneficiaries in question;
- establish the record date, even retroactively, of new shares arising from the exercise of subscription options;

6. resolves that the Board of Directors shall also have all powers, which it may choose to sub-delegate as provided by law, to certify the completion of capital increases up to the amount of shares actually subscribed by exercising subscription options, amend the Company's by-laws accordingly, and, by its sole decision and if it deems appropriate, charge any expenses incurred in connection with capital increases against premiums pertaining to those capital increases, and withdraw from those premiums any amounts required to bring the legal reserve up to one tenth of the new amount of capital after each increase, complete any formalities required for the shares thus issued to be quoted, notify any bodies and take any other action that may be necessary;

7. resolves that this authorisation shall supersede any authority previously granted to the Board of Directors to grant share subscription options, with effect from the date of this Meeting and up to the amount of any unused portion of such an authority. It shall be valid for a period of twenty six months from the date of this Meeting.

ELEVENTH RESOLUTION

(Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing shares or securities giving access to the Company's share capital reserved for the members of employee savings schemes without the latter being entitled to pre-emptive subscription rights)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements applicable to Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of Articles L.225-129-2, L.225-129-6 and L.225-138-1 of the French Commercial Code and Articles L.3332-18 to L.3332-24 of the French Labour Code:

1. delegates to the Board of Directors, which may choose to sub-delegate it as provided by law, their authority to decide to increase the Company's share capital, up to a maximum of 0.4% of the share capital as at the date of the Board of Directors' decision, by issuing shares or securities giving access to the Company's share capital reserved for the members of one or more employee savings schemes (or any other scheme for whose members a capital increase may be reserved under equivalent conditions under the terms of Articles L.3332-1 et seq. of the French Labour Code or any similar law or regulation) set up within a French or foreign company or group of companies falling within the consolidation scope or combination of the Company's financial statements in accordance with Article L.3344-1 of the French Commercial Code. This resolution may be used for the purposes of applying leverage formulas, and the maximum nominal value of any capital increases carried out immediately or in the future under the terms of this authority shall be applied against the total limit set out in Paragraph 3 of the sixth resolution submitted to this Meeting or, if applicable, against the total limit stipulated by any similar resolution that might replace the aforementioned resolution throughout the validity period of this authority;

2. sets the validity period of the authority to issue securities covered by this resolution at twenty six months with effect from the date of this Meeting;

3. resolves that the issue price of new shares or securities giving access to the Company's share capital will be determined under the conditions laid down in Articles L.3332-18 et seq. of the French Labour Code and will be at least equal to 80% of the Reference Price (as defined below), or 70% of the Reference Price where the scheme lock-up period in accordance with Articles L.3332-25 and L.3332-26 of the French Labour Code is greater than or equal to ten years. For the purposes of this paragraph, the Reference Price shall be the average opening quoted price of the Company's shares on the Euronext Paris regulated market over the twenty trading days preceding the date on which the decision is made to set the opening date for subscription by the members of a company or group employee savings scheme (or similar scheme);

4. authorises the Board of Directors to allocate to the aforementioned beneficiaries, free of charge and in addition to any shares or securities giving access to the Company's share capital to be subscribed in cash, existing or future shares or securities giving access to the Company's share capital making up all or part of any discount relative to the Reference Price and/ or constituting an additional employer's contribution, it being specified that the benefit arising from such an allocation may not exceed the legal and regulatory limits applicable under the terms of Articles L.3332-10 et seq. of the French Labour Code;

5. resolves to withdraw shareholders' pre-emptive rights to subscribe shares and securities giving access to the Company's share capital issued under the terms of this authority in favour of the aforementioned beneficiaries. Furthermore, where shares or securities giving access to the Company's share capital are distributed free of charge to the aforementioned beneficiaries, shareholders waive all rights to those shares or securities giving access to the Company's share capital, including any portion of reserves, earnings or premiums that is capitalised by virtue of the free distribution of those securities under the terms of this resolution;

6. authorises the Board of Directors, under the conditions set out in this authority, to sell shares to the members of a company or group employee savings scheme (or similar scheme) as set out in Article L.3332-24 of the French Labour Code. The par value of any shares sold at a discount to the members of one or more employee savings schemes covered by this resolution shall be applied against the limits set out in Paragraph 1 above;

7. resolves that the Board of Directors shall have all powers, which it may choose to sub-delegate as provided by law, to put this delegation of authority into effect subject to the limits and conditions set out above, in particular so as to:

– determine the legally allowed list of companies whose beneficiaries as defined above may subscribe any shares or securities giving access to the Company's share capital so issued and, if applicable, receive shares or securities giving access to the Company's share capital distributed free of charge;

– decide that subscriptions may be made either directly by beneficiaries who are members of a company or group employee savings scheme (or similar scheme) or via company investment funds or other structures or entities allowed for by applicable legal and regulatory provisions;

– determine any criteria, including in particular length of service criteria, to be met by the beneficiaries of capital increases;

– stipulate the opening and closing dates for subscriptions;

– set the amounts of any issues to be carried out under the terms of this authorisation and, in particular, determine their issue prices, dates, periods, terms and conditions for subscription, payment, delivery and vesting of securities (which may even be at an earlier date), share allocation rules in the event of oversubscription and other terms and condition of issue, subject to applicable legal and regulatory limits;

– where shares or securities giving access to the Company's share capital are distributed free of charge, stipulate the type, characteristics and number of shares or securities giving access to the Company's share capital to be issued and the number to be distributed to each beneficiary, and determine the dates, periods and terms and conditions of distribution of those shares or securities giving access to the Company's share capital, subject to applicable legal and regulatory limits, and, in particular, choose either to use all or part of the shares or securities giving access to the Company's share capital thus distributed to make up for any discount to the Reference Price defined above, or to apply the equivalent value of those shares or securities giving access to the Company's share capital against the total amount of the additional employer's contribution, or to combine these two options;

– where new shares are issued, apply the amounts required to pay up those shares against reserves, earnings or premiums, as applicable;

– note the completion of capital increases up to the value of shares actually subscribed;

– if applicable, charge any expenses incurred in connection with capital increases against premiums pertaining to those capital increases, and withdraw from those premiums any amounts required to bring the legal reserve up to one tenth of the new amount of share capital resulting from each of those capital increases;

– enter into any agreements and, either directly or indirectly via an authorised agent, complete all procedures and formalities, including formalities subsequent to capital increases and corresponding changes to the Company's by-laws;

– generally speaking, enter into any agreement, including in particular agreements to ensure that planned issues are successfully completed, take any steps and decisions and complete any formalities required for the issue, listing and financial servicing of securities issued under the terms of this authority and for the exercise of any associated rights, as well as any other formalities subsequent to capital increases;

8. resolves that this authorisation shall supersede any authority previously granted to the Board of Directors to increase the Company's share capital by issuing shares or securities giving access to the Company's share capital reserved for the members of employee savings schemes with pre-emptive subscription rights waived in favour of the latter, with effect from the date of this Meeting and up to the amount of any unused portion of such an authority.

TWELFTH RESOLUTION

(Approval of the Company's absorption by merger of SFERT)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements applicable to Extraordinary Shareholders' Meetings, and having reviewed:

– the draft agreement for the merger-absorption of SFERT by the Company dated March 30, 2011, under whose terms and in respect of the merger SFERT will contribute all of its assets and liabilities to the Company, retroactively to January 1, 2011 for accounting and tax purposes, subject to the satisfaction of the conditions precedent provided for in Chapter 4 of the merger agreement;

– the Board of Directors' report to this Shareholders' Meeting;

– the prospectus established in connection with the merger and approved by the French Financial Markets Authority (Autorité des Marchés Financiers); and

– the reports of the expert appraiser for the merger on the terms of the merger and the value of the contributions;

- approves all of the stipulations contained in the merger agreement and consequently, subject to the satisfaction of the conditions precedent provided for in Chapter 4 of the merger agreement, the merger by absorption of SFERT by the Company, its appraisal and its compensation;
- approves the appraisal of the contributions (it being specified that the contribution value used shall be the accounting value), which amounts, on the basis of SFERT's financial statements as at December 31, 2010 as approved by the shareholders of SFERT on June 9, 2011 and after factoring in the capital reduction of SFERT in an amount totalling 14,300,000 euros (premium included) approved by its Extraordinary Shareholders' Meeting of April 18, 2011, to:

- Value of assets contributed:	201,473,751 euros
- Total value of liabilities assumed:	434,185 euros
- Net assets contributed:	201,039,566 euros
- Adjustment of assets related to SFERT's capital reduction:	14,300,000 euros
TOTAL	**186,739,566 euros**

- approves the compensation of the contributions made in respect of this merger by an exchange ratio of 45.83 shares of the Company for each 1 share of SFERT.

The merger-absorption transaction will be completed on the day of this Meeting, subject to the satisfaction of the conditions precedent set out in Chapter 4 of the merger agreement.

As a result of the foregoing, the Shareholders' Meeting:

– resolves that, upon final completion of the merger, the capital of the Company will be increased by the amount of 17,782,040 euros, from 37,567,540 euros to 55,349,580 euros, through the creation of 17,782,040 new shares, with a par value of 1 euro per share, all fully paid up and providing beneficial ownership as from the date of the final completion of the merger, it being specified that for the SFERT shares whose ownership has been stripped, the rights stripped shall be transferred to the shares of the Company issued in consideration of the merger via the principle of equitable subrogation. Consequently, these new shares will entitle their holder to any distribution of dividends approved subsequent to their being issued. They will be subject to all statutory and regulatory provisions, and be fully fungible with the existing shares. The Company will request that Euronext Paris admit the new shares issued to trading;

– approves, under the condition precedent of the final completion of the merger-absorption that is the subject of this resolution, the amount of the merger premium (comprising the difference between the value of the net assets contributed, i.e. 201,039,566 euros, and the value of the capital increase carried out in consideration of the contribution, i.e. 17,782,040 euros), which will be credited to an "Issuance, merger, contribution premium" account in an amount, following the allocation of the distribution of the 14,300,000 euros referred to above, of 168,957,526 euros, to which both the existing and new shareholders will be entitled. The line "Issuance, merger, contribution premium" will therefore be increased from 438,710 euros to 169,396,236 euros;

– resolves, if necessary, to take from the "Issuance, merger, contribution premium" account the amount needed to be added to all reserves, including the legal reserve or regulatory-type provisions resulting notably from the application of the favourable tax regime to which the merger is subject [as well as the amount needed to reconstitute the accelerated depreciation recorded in SFERT's financial statements];

– authorises the Board of Directors to charge to the "Issuance, merger, contribution premium" account all expenses, taxes and fees resulting from the merger, as well as those resulting from the increase of the Company's capital and the final completion of the merger;

– resolves that, in the event of any fractional rights, those SFERT shareholders not owning a sufficient number of shares to exercise all their rights will be responsible for selling or buying the necessary number of shares, and failing that, will renounce the rights attached to the fractional shares.

THIRTEENTH RESOLUTION

(Reduction of share capital unrelated to losses by cancelling treasury shares held following the completion of the merger)

The Extraordinary Shareholders' Meeting, having fulfilled the quorum and majority requirements applicable to Extraordinary Shareholders' Meetings, and having listened to the reading of the Board of Directors' report and the Statutory Auditors' report on the reduction of share capital unrelated to losses:

– notes that the assets contributed to the Company in connection with the merger discussed in the previous resolution included 15,801,756 shares of the Company's stock that it cannot keep;

– resolves, subject to the final completion of the merger discussed in the previous resolution and the absence of objections by creditors in connection with the capital reduction that is the subject of this resolution or the definitive resolution of these objections, to reduce the share capital of the Company by 15,801,756 euros, decreasing it from 55,349,580 euros to 39,547,824 euros, by cancelling all of the 15.801.756 treasury shares contributed by SFERT to the Company in connection with the merger discussed in the previous resolution;

– resolves that the difference between the carrying amount of such shares in SFERT's accounts (140,566,493 euros) and their par value (15,801,756 euros), i.e. 124,764,737 euros, be allocated on a pro rata basis to the line "Issuance, merger, contribution premium". The line "Issuance, merger, contribution premium" will therefore be decreased from 169,396,236 euros to 44,631,499 euros.

The reduction of share capital that is the subject of this resolution will be carried out subject to the final completion of the merger of SFERT by the Company discussed in the previous resolution and to the absence of objections by the creditors of the Company following the twenty (20) day period referred to in Article L.225-205 of the French Commercial Code or, in the event any such objections should be expressed, following the definitive resolution of these objections.

Following the final completion of this reduction of capital, the share capital of the Company will be equal to 39,547,824 euros, consisting of 39,547,824 fully paid-up shares with a par value of 1 euro per share.

Accordingly, the Shareholders' Meeting gives all powers to the Board of Directors for the purposes of:

– noting the absence of any objections by creditors or the definitive resolution of these objections or, in the event any objections are expressed, taking all measures necessary to resolve any such claims and, accordingly, noting the final completion of the capital reduction resolved under the terms of the present resolution and the corresponding modification of the by-laws;

– signing all documents necessary to carry out the capital reduction; and

– ensuring the completion of all legal formalities, including the recording of the transaction with the tax authorities.

FOURTEENTH RESOLUTION

(Recognition of the Company's absorption by merger of SFERT)

The Extraordinary Shareholders' Meeting, having fulfilled the quorum and majority requirements applicable to Extraordinary Shareholders' Meetings, and having listened to the reading of the draft agreement for the merger-absorption of SFERT by the Company dated March 30, 2011, the Board of Directors' report, the Statutory Auditors' report on the reduction of share capital unrelated to losses, the minutes of the March 2, 2011 meeting of the Board of Directors of SFERT, the minutes of SFERT's Extraordinary Shareholders' Meetings of April 18, 2011 and June 6, 2011;

after having recalled that the conditions precedent set out in Chapter 4 of the merger agreement are:

– the approval of the financial statements as at December 31, 2010 by SFERT's Shareholders' Meeting;

– the completion of SFERT's capital reduction under the conditions described in Chapter I, Article II B of the merger agreement;

– the approval by SFERT's Extraordinary Shareholders' Meeting of the proposed merger and the early dissolution, without liquidation, of that company; and

– the approval by the Company's Extraordinary Shareholders' Meeting of the merger and the capital increase and reduction resulting from that merger;

notes, as a result of the twelfth and thirteenth resolutions, and having reviewed the aforementioned documents justifying the fulfilment of the conditions precedent set out in Chapter 4 of the merger agreement, that all such conditions precedent have been fulfilled.

Consequently, the Shareholders' Meeting notes the final completion of the merger by absorption of SFERT by the Company under the terms of the merger agreement, and the resulting increase of the Company's share capital in the amount of 17,782,040 euros, increasing the latter from 37,567,540 euros to 55,349,580 euros, via the creation of 17,782,040 new shares with a par value of 1 euros per share, fully paid-up and providing beneficial ownership as from the day of this Meeting, it being specified that the Company's share capital shall be reduced by the amount of 15,801,756 euros following the cancellation of the treasury shares resulting from the merger and provided for in the thirteenth resolution hereinabove.

FIFTEENTH RESOLUTION

(Modification of Article 6 of the by-laws concerning share capital)

In the light of the twelfth, thirteenth and fourteenth resolutions, the Shareholders' Meeting resolves, subject to the recognition by the Board of Directors of the completion of the reduction of capital referred to in the fourteenth resolution hereinabove, to amend Article 6 of the Company's by-laws as follows:

"Under the terms of a resolution dated June 9, 2011 the Extraordinary Shareholders' Meeting has resolved:

– to increase the share capital of the Company by an amount of 17,782,040 euros in consideration of the merger by absorption of SFERT by the Company;

– to reduce the share capital of the Company by 15,801,756 euros, from 55,349,756 euros to 39,547,824 euros, by cancelling the 15,801,756 treasury shares received as a result of the final completion of said merger.

Under the terms of a resolution dated [July 4, 2011], the Board of Directors of the Company, as delegated by the Extraordinary Shareholders' Meeting of 9 June 2011, has noted the final completion of the capital reduction in an amount of 15,801,756 euros via the cancellation of the 15,801,756 treasury shares received as a result of the final completion of said merger;

the share capital of the Company is now set at 39,547,824 euros. It consists of 39,547,824 fully paid-up shares with a par value of 1 euro per share."

SIXTEENTH RESOLUTION

Modification of Article 16 of the by-laws concerning the functioning of the Board of Directors)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements applicable to Extraordinary Shareholders' Meetings and reviewed the Board of Directors' report, resolves to modify Article 16 by adding the following sentence at the end of the second paragraph:

"By exception, any decision of the Board of Directors (including the setting of the agenda and the adoption of resolutions to be submitted to the Shareholders' Meeting and the use of delegations of authority granted by the Shareholders' Meeting) regarding a dilutive transaction from a financial or voting rights standpoint (including the issuance of non-voting shares, the establishment of double voting rights or the establishment of preferred dividends) must be approved by at least three-fourths of the members of the Board of Directors either present or represented."

The other provisions of Article 16 remain unchanged.

SEVENTEENTH RESOLUTION

(Modification of Article 20 of the by-laws concerning Shareholders' Meetings)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements applicable to Extraordinary Shareholders' Meetings and reviewed the Board of Directors' report, resolves to modify Article 20, Paragraph 6 as follows:

"Shareholders may, as provided by all laws and regulations, send their proxy and voting form by mail for any Shareholders' Meeting, either in paper form or by electronic transmission."

The other provisions of Article 20 remain unchanged.

EIGHTEENTH RESOLUTION

(Powers to complete formalities)

The Shareholders' Meeting grants all powers to the holder of an original version, copy or excerpt of the minutes of these proceedings to complete all filings, publicity notices and other formalities for which that person is responsible.

ANNUAL REPORT 2010

8. FINANCIAL STATEMENTS

8.1 CONSOLIDATED FINANCIAL STATEMENTS

8.1.1 STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

In € thousands	Notes	31.12.2010	31.12.2009
Sales	Note 18	838,309	684,111
Changes in inventories of finished goods and work in progress		6,228	(52,099)
Goods and raw materials consumed		(566,486)	(439,845)
Personnel cost	Note 22	(130,049)	(114,911)
External cost		(114,034)	(101,920)
Taxation		(7,378)	(8,160)
Amortisation		(33,023)	(35,978)
Provisions and depreciations		25,144	(9,049)
Other operating income and expenses	Note 21	(14,461)	(3,213)
RECURRING OPERATING RESULT		**4,250**	**(81,063)**
Impairment of assets	Note 5	0	(51,429)
Other non-recurring income and expenses		(2,241)	(13,360)
CURRENT OPERATING INCOME		**2,009**	**(145,853)**
Financial income		8,445	18,187
Financial expenses		(21,101)	(35,812)
Net financial expenses	Note 23	**(12,656)**	**(17,625)**
CONSOLIDATED INCOME (LOSS) BEFORE TAX		**(10,647)**	**(163,477)**
Income taxes	Note 17	(7,115)	33,313
Share of profits of associates	Note 6	1,097	(1,080)
NET INCOME (LOSS)			
Group share		**(16,681)**	**(131,320)**
Minority interests		**17**	**76**

Earnings per share (in euros)

Earnings per share	Note 1	**(0.45)**	**(3.55)**
Fully diluted earnings per share	Note 1	**(0.45)**	**(3.55)**

OTHER COMPONENTS OF COMPREHENSIVE INCOME AND EXPENSE

In € thousands	**31.12.2010**	**31.12.2009**
INCOME (LOSS) FOR THE YEAR	**(16,664)**	**(131,244)**
Adjustments in the fair value of available-for-sale financial assets	0	0
Of which booked to equity	0	0
Of which transferred to income of the year	0	0
Translation differences arising on foreign activities	12,040	(1,151)
Group share	11,962	(1,241)
Minority interests	78	90
Actuarial gains (losses) on defined benefits plans	(658)	981
Group share	(658)	981
Minority interests	0	0
Interest rates hedging instruments	906	(383)
Group share	906	(383)
Minority interests	0	0
TOTAL GAINS AND LOSSES BOOKED IN EQUITY	**12,288**	**(553)**
TOTAL INCOME AND EXPENSE FOR THE PERIOD	**(4,376)**	**(131,797)**
GROUP SHARE	(4,471)	(131,963)
MINORITY INTERESTS	95	166

The other components of comprehensive income and loss are presented net of associated taxes. Income taxes relating to actuarial gains and losses on pension liabilities and interest rate hedges are detailed in note 17.1

8.1.2 STATEMENT OF FINANCIAL POSITION

ASSETS

In € thousands	Notes	31.12.2010	Net value 31.12.2009
NON-CURRENT ASSETS			
GOODWILL	Note 3	1,257	1,257
INTANGIBLE ASSETS	Note 3	31,757	32,394
PROPERTY, PLANT AND EQUIPMENT	Note 4	150,042	159,898
INVESTMENTS IN ASSOCIATES	Note 6	19,355	26,331
NON-CURRENT FINANCIAL ASSETS	Note 7	714	3,472
NON-CURRENT FINANCE CONTRACT RECEIVABLES	Note 10	18,335	61,023
OTHER NON-CURRENT ASSETS		3,776	621
DEFERRED TAX ASSETS	Note 17	5,966	5,826
		231,201	**290,821**
CURRENT ASSETS			
INVENTORIES & WORK IN PROGRESS	Note 8	221,037	226,645
TRADE RECEIVABLES	Note 9	187,763	157,319
NON-CURRENT FINANCE CONTRACT RECEIVABLES	Note 10	54,196	63,802
OTHER RECEIVABLES			
Current income tax	Note 17	26,187	32,463
Other receivables	Note 12	25,379	13,390
CURRENT FINANCIAL ASSETS	Note 7	364	300
CASH AND CASH EQUIVALENTS	Note 7	54,105	72,078
		569,031	**565,997**
TOTAL ASSETS		**800,233**	**856,818**

LIABILITIES AND EQUITY

In € thousands	Notes	31.12.2010	Net value 31.12.2009
Share capital	Note 13	37,568	37,568
Share premiums		439	439
Treasury shares		(9,679)	(14,439)
Consolidated reserves		333,830	466,502
Translation differences		(12,817)	(24,776)
Net profit (loss) – Group share		(16,681)	(131,320)
SHAREHOLDERS' EQUITY		**332,659**	**333,973**
MINORITY INTERESTS		**177**	**331**
TOTAL EQUITY		**332,836**	**334,304**
NON-CURRENT LIABILITIES			
DEFERRED TAX LIABILITIES	Note 17	14,423	14,926
NON-CURRENT PROVISIONS	Note 14	30,635	36,773
NON-CURRENT LIABILITIES			
Loans and other financial liabilities	Note 7	104,245	141,901
OTHER NON-CURRENT LIABILITIES		1,159	3
		150,461	**193,604**
CURRENT LIABILITIES			
CURRENT PROVISIONS	Note 14	20,051	26,330
TRADE ACCOUNTS PAYABLE	Note 16	142,145	79,824
OTHER CURRENT LIABILITIES			
Current income tax	Note 17	6,826	3,681
Other liabilities	Note 16	58,798	45,697
CURRENT FINANCIAL LIABILITIES	Note 7	89,116	173,377
		316,936	**328,910**
TOTAL LIABILITIES		**800,233**	**856,818**

8.1.3 SHAREHOLDERS' EQUITY

CHANGES IN SHAREHOLDERS' EQUITY

In € thousands	Share capital	Share pre-miums	Treasury shares	Reserves (1)	Group net profit	Translation differences	Reva-luation surplus	TOTAL SHARE-HOLDERS' EQUITY (Group share)	Minority interests	TOTAL EQUITY
Balance at 31.12.2008	**37,809**	**439**	**(21,009)**	**466,722**	**4,126**	**(23,535)**	**908**	**465,460**	**3,599**	**469,059**
Income for the year 2008				4,126	(4,126)			0		0
Income for the year 31.12.2009					(131,320)			(131,320)	76	(131,244)
Dividends								0	(427)	(427)
Change in translation difference						(1,241)		(1,241)	90	(1,151)
Valuation difference under IFRS				(591)				(591)		(591)
Treasury shares	(241)		6,570	(4,734)				1,595		1,595
Actuarial (gain) losses on defined benefits plan				981				981		981
Change in consolidation scope & other								0	(3,785)	(3,785)
Shareholders' agreements (2)				(911)				(911)	777	(134)
Balance at 31.12.2009	**37,568**	**439**	**(14,439)**	**465,592**	**(131,320)**	**(24,776)**	**908**	**333,973**	**331**	**334,304**
Income for the year 2009				(131,320)	131,320			0		0
Income for the year 31.12.2010					(16,681)			(16,681)	17	(16,664)
Dividends								0	(120)	(120)
Change in translation difference						11,962		11,962	78	12,040
Valuation difference under IFRS				1,171				1,171		1,171
Treasury shares			4,760	(1,858)				2,902		2,902
Actuarial (gain) losses on defined benefits plan				(658)				(658)		(658)
Change in consolidation scope & other				(22)				(22)	(77)	(99)
Shareholders' agreements (2)				12				12	(52)	(40)
Balance at 31.12.2010	**37,568**	**439**	**(9,679)**	**332,917**	**(16,681)**	**(12,814)**	**908**	**332,659**	**177**	**332,836**

(1) Of wich Parent Company's reserves :

Legal reserve	3,781
Other reserves	338,334
Retained earnings	21,111

(2) The impact of shareholders' agreements on the equity at 31.12.2010 amounts to €(343) thousand

8.1.4 CASH FLOW STATEMENT

	In € thousands	31.12.2010	31.12.2009
INCOME (LOSS) FOR THE YEAR		**(16,664)**	**(131,244)**
Less share of profits of associates		(1,097)	1,080
Elimination of income and expense with no effect on operating cash flow and not linked to operating activities			
+	Amortisation and depreciation	33,024	35,977
+/-	Provisions	(23,431)	63,330
-	Change in deferred taxes	104	(4,418)
-	Income from asset disposal	(12,202)	(1,276)
+	Net book value of asset disposal	12,586	1,208
+/-	Other	381	89
EARNINGS BEFORE DEPRECIATION & AMORTISATION		**(7,300)**	**(35,254)**
Changes in cash flows from operating activities			
+/-	Change in inventories	17,957	170,419
+/-	Changes in trade receivables	(28,484)	143,066
+/-	Change in finance contracts receivables	66,355	69,472
+/-	Change in other operating receivables	(4,261)	(8,598)
+/-	Change in trade accounts payable	61,203	(62,145)
+/-	Change in other operating liabilities	16,298	(15,845)
+/-	Change in liabilities linked to finance contracts receivables	(30,487)	(72,743)
CASH FLOW FROM OPERATING ACTIVITIES		**91,281**	**188,372**
Changes in cash flows from investing activities			
+	Proceeds from sale of property, plant and equipment	705	839
+	Proceeds from sale of long-term investments	11,497	1,059
-	Purchases of intangible assets	(4,890)	(6,393)
-	Purchases of property, plant and equipment	(14,951)	(15,160)
-	Acquisition of subsidiaries or minority interests	(1,337)	(37,218)
-	Increase in capital of associates	(2,967)	0
+	Dividends received from associates	0	592
+/-	Change in fixed assets suppliers	(729)	(7,379)
CASH FLOW FROM INVESTING ACTIVITIES		**(12,672)**	**(63,660)**
Changes in cash flows from financing activities			
-	Dividends paid	(120)	(427)
+/-	Purchase / sale of treasury shares	1,927	154
+/-	Change in financial liabilities	(101,568)	(87,951)
+/-	Change in current financial assets	(64)	(46)
CASH FLOW FROM FINANCING ACTIVITIES		**(99,825)**	**(88,270)**
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS		**(21,216)**	**36,442**
Cash, cash equivalents and bank overdrafts at beginning of the year		72,060	34,380
Exchange gains / (losses) on cash and bank overdrafts		1,934	1,238
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT END OF THE YEAR		**52,778**	**72,060**
CURRENT FINANCIAL ASSETS (REMINDER)		**364**	**300**

During the financial year, the Group paid €3,166 thousand in current taxes (see note 17.1).

8.1.5 INFORMATION ON OPERATING SEGMENTS

After acquiring Gehl at the end of 2008, the Manitou Group defined new operating segments that were set in place during financial year 2009.

The Group is now organised into three divisions:

- Division RTH (Rough Terrain Handling): assembly and distribution of rough terrain handling equipment.
- Division IMH (Industrial Material Handling): assembly and distribution of industrial handling and storage equipment.
- Division CE (Compact Equipment): assembly and distribution of compact equipment (assembled for Gehl).

INCOME STATEMENT BY DIVISION

31.12.2010 *In € thousands*	Rough Terrain Handling (RTH)	Industrial Material Handling (IMH)	Compact Equipment (CE)	**Total**
Sales	586,474	123,766	128,069	838,309
Gross margin	202,953	36,121	39,001	278,075
Personnel cost	(83,860)	(20,711)	(25,478)	(130,049)
External expenses	(80,008)	(13,743)	(20,283)	(114,035)
Amortisation	(21,240)	(5,527)	(6,256)	(33,023)
Provisions	5,313	743	11,658	17,714
Provisions for depreciation	2,288	769	4,373	7,430
Other operating income and expense	362	(1,220)	(21,004)	(21,862)
RECURRING OPERATING RESULT	**25,809**	**(3,569)**	**(17,991)**	**4,250**
Impairment of assets				0
Other non recurring expenses	(210)	(2,031)		(2,241)
CURRENT OPERATING INCOME (LOSS)	**25,599**	**(5,600)**	**(17,991)**	**2,009**
EBITDA	**38,063**	**(34)**	**(27,765)**	**10,263**

31.12.2009 *In € thousands*	Rough Terrain Handling (RTH)	Industrial Material Handling (IMH)	Compact Equipment (CE)	**Total**
Sales	485,248	123,762	75,101	684,111
Gross margin	151,072	39,247	1,848	192,167
Personnel cost	(76,188)	(21,213)	(17,510)	(114,911)
External expenses	(72,523)	(14,306)	(15,091)	(101,920)
Amortisation	(20,606)	(6,847)	(8,524)	(35,977)
Provisions	7,561	1,363	3,345	12,269
Provisions for depreciation	(7,761)	(2,025)	(11,531)	(21,317)
Other operating income and expense	(248)	75	(11,201)	(11,374)
RECURRING OPERATING RESULT	**(18,693)**	**(3,706)**	**(58,664)**	**(81,063)**
Impairment of assets		(1,422)	(50,007)	(51,429)
Other non recurring expenses	(9,776)	(2,643)	(942)	(13,362)
CURRENT OPERATING INCOME (LOSS)	**(28,469)**	**(7,771)**	**(109,613)**	**(145,854)**
EBITDA	**(7,415)**	**1,078**	**(41,955)**	**(48,292)**

EBITDA: net operating income +/- increases - reversals in depreciation and amortisation charges +/- increases - reversal in working capital provisions and provisions for risks.

SALES BY DIVISIONS AND SALES AREAS

31.12.2010

Division	France	Europe	Americas	Rest of the world	Total
RTH	183,679	301,522	29,609	71,639	586,450
IMH	87,544	24,496	3,824	7,925	123,789
CE	933	34,498	80,186	12,452	128,070
Total	**272,156**	**360,517**	**113,620**	**92,016**	**838,309**

31.12.2009

Division	France	Europe	Americas	Rest of the world	Total
RTH	163,450	250,027	22,685	49,059	485,221
IMH	78,483	27,424	4,669	13,213	123,789
CE	758	23,018	44,768	6,557	75,101
Total	**242,691**	**300,469**	**72,122**	**68,829**	**684,111**

8.1.6 STRUCTURE OF MANITOU GROUP AS AT 31.12.2010

PARENT COMPANY

MANITOU BF SA
Share capital 37 567 540 EUR
430, rue de l'Aubinière
44150 ANCENIS, France

SUBSIDIARIES

FULLY CONSOLIDATED SUBSIDIARIES

100%	**COMPAGNIE FRANCAISE DE MANUTENTION** Share capital 1 320 000 EUR 510, bd Pierre et Marie Curie - 44150 ANCENIS, France	38,7%	**ACTIS LOCATION** Share capital 62 000 EUR ANCENIS, France
100%	**CIE INDUSTRIELLE DE MATERIELS DE MANUTENTION** Share capital 1 800 000 EUR Route de Challain-la-Potherie - 49440 CANDE, France		
100%	**MLM** Share capital 1 800 000 EUR Av. du Vert-Galant - 95130 SAINT-OUEN-L'AUMONE, France		
100%	**AUMONT BSBH** Share capital 1 747 200 EUR ZA Bout de Lande - 35890 LAILLE, France		
100%	**GEHL COMPANY Inc.** Share capital 361 101 000 USD WEST BEND, Wisconsin, Etas-Unis	100%	**GEHL POWER PRODUCTS, Inc** Share capital 100 USD YANKTON, South-Dakota, USA
		100%	**MUSTANG MANUFACTURING COMPANY, Inc.** Share capital 15 USD OWATONNA, Minnesota, USA
		100%	**COMPACT EQUIPMENT ATTACHMENTS, Inc.** Share capital 1 USD CEDARBURG, Wisconsin, USA
		100%	**GEHL EUROPE GmbH** Share capital 1 950 000 EUR NEUENKIRCHEN, Germany
		100%	**GEHL RECEIVABLES II, LLC** Share capital 1 000 USD WEST BEND, Wisconsin, USA
		100%	**GEHL FUNDING, LLC** Share capital 1 000 USD WEST BEND, Wisconsin, USA
100%	**MANITOU NORTH AMERICA Inc.** Share capital 63 900 USD WACO, Texas, USA		
99,4%	**MANITOU UK Ltd.** Share capital 230 000 GBP VERWOOD, United-Kingdom	100%	**PLEDGEMEAD** Share capital 10 000 GBP VERWOOD, United-Kingdom
100%	**MANITOU COSTRUZIONI INDUSTRIALI Srl** Share capital 5 000 000 EUR CASTELFRANCO EMILIA, Italy	100%	**OMCI ATTACHMENTS Srl** Share capital 50 000 EUR CASTELFRANCO EMILIA, Italy
98%	**MANITOU BENELUX SA** Share capital 500 000 EUR PERWEZ, Belgium	100%	**DE LADDERSPECIALIST B.V.** Share capital 117 418 EUR GOES, Netherland
100%	**MANITOU PORTUGAL SA** Share capital 600 000 EUR VILLA FRANCA, Portugal	57%	**EPL CENTRO** Share capital 50 000 EUR POMBAL, Portugal
100%	**MANITOU DEUTSCHLAND GmbH** Share capital 800 000 EUR OBER-MÖRLEN, Germany		
100%	**MANITOU ASIA PTE Ltd.** Share capital 400 000 SGD SINGAPORE		
100%	**MANITOU SOUTHERN AFRICA PTY Ltd.** Share capital 796 875 ZAR SPARTAN EXTENSION, South Africa		
86%	**MANITOU AUSTRALIA PTY Ltd.** Share capital 400 000 AUD ALEXANDRIA, Australia		
100%	**MANITOU HANGZHOU MATERIAL HANDLING Co Ltd.** Share capital 5 400 000 USD HANGZHOU, China		
100%	**SL MANITOU MANUTENCION ESPANA** Share capital 200 000 EUR MADRID, Spain		
100%	**CHARIOTS ELEVATEURS MANITOU CANADA Inc.** Share capital 20 000 CAD MONTREAL, Canada		
100%	**MANITOU VOSTOK LLC** Share capital 350 000 RUB BELGOROD, Russia		
100%	**MANITOU POLSKA Sp z.o.o.** Share capital 200 000 PLN OBORKINI, Poland		
99,6%	**MANITOU TR** Share capital 250 000 000 000 TRL ISTANBUL, Turkey		

ASSOCIATES

49%	**MANITOU FINANCE FRANCE SAS** Share capital 25 656 000 EUR PUTEAUX, France		
49%	**MANITOU FINANCE Ltd.** Share capital 2 000 000 GBP BASINGSTOKE, United-Kingdom		
30,4%	**ALGOMAT** Share capital 20 000 000 DZD ALGER , Algeria		
50%	**HANGZHOU MANITOU MACHINERY EQUIPMENT Co Ltd.** Share capital 3 600 000 USD HANGZHOU, China		

8.1.7 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

COMPANY IDENTITY

Manitou BF SA is a French public limited company (Société Anonyme) with a Board of Directors, with capital of €37,567,540 consisting of 37,567,540 fully paid shares with a par value of €1 per share. The shares, which had been listed in compartment A of NYSE Euronext Paris, have been listed in compartment B since 21.01.2009.

The Parent Company's registered office, which is also the Group's main production site, is located at:

430 rue de l'Aubinière - BP 10249 - 44158 - Ancenis Cedex France.

The Company is registered with the Nantes trade and companies registry under number:

857 802 508 RCS Nantes - SIRET: 857 802 508 00047 - APE code: 292 D - NAF code: 2822Z.

SHARES AND CAPITAL

The Company's shares are listed in Compartment B of Euronext Paris. At 31.12.2010, the free float consisted of 13,827,816 shares corresponding to 36.81% of the share capital.

APPROVAL OF THE FINANCIAL STATEMENTS

The Manitou Group's consolidated financial statements were approved by the Board of Directors on 26.04.2011.

2010 HIGHLIGHTS

January '10	Manitou Next! Definition of the Manitou strategic plan
March	New MT625. Compact telescopic dedicated to construction
April	Announcement of the industrial and social reorganization of French industrial sites
April	Reciprocal agreement with Genie/Terex on the distribution of aerial work platform equipment
May	"Synapse" plan. Support for the subcontractor supplier network in the Loire region in France
June	Red Series Initiative. Launch of 12 leading models in batch production.
June	New Gehl articulated loader launched in the U.S.
July	Agreement with Toyota Industries. Sale of Manitou's stake in TIE without calling into question the agreements for the distribution and assembly of masts.
August	Change in governance code, adoption of the MiddleNext code.
September	Refinancing of Gehl by Manitou BF in replacement of U.S. bank pool and new end-users financing agreement in the U.S. with DLL.
September	Launch of synergy plans for Gehl and Manitou sales organisations.
October	EN15000. New standard for blocking aggravating movements on telescopic machines (EU).
November	RTH IMH divisions' Suppliers Convention.
November	New model in China. Repositioning of strategy and operations.
January '11	Manitou Up! Whose ambition is to mobilise the Group around two axes: - a focus on capturing growth through the creation of new sources of growth and through the stimulation of existing markets. - a focus on the ability to deliver growth through a greater forecasting culture and an improvement in the predictability of operations.

CHANGES IN THE CONSOLIDATION SCOPE

Within the framework of a "put" on minority interests, during the first half of 2010 Manitou BF acquired 10% of Manitou Portugal which is now 100% Group owned, and, in the second half, 6% of Manitou Australia, raising its investment from 80% to 86% as at 31.12.2010.

Manitou BF also increased its investment in Manitou Hangzhou Machinery Equipment Co Ltd in the form of a capital contribution by way of a transfer of assets, increasing its investment from 40% to 50%. That company is now under joint control and has been consolidated using the equity method as of 31.12.2010.

Finally, in July of 2010, Manitou BF sold its 20% stake in Toyota Industrial Equipment S.A. to Toyota Industries. That transaction permits Toyota to recover full control of its French plant, however, does not in any way bring the partnership between the two groups into question.

GOING CONCERN PRINCIPLE

The constraints being much more supply-side than related to demand, business forecasts remain very sensitive, both in terms of the growth in sales as well as margin forecasts. With sales up 20% as compared to 2010, Manitou's objective is to provide an operating margin of 2 to 4% and positive net income for the full-year period.

The financial statements were prepared in accordance with the going concern principle, based on the following structural assumptions for 2011:

– forecast growth rate of 20% in sales as compared to 2010,

– operating margin of 2 to 4%,

– positive net income for the full-year period.

It should be emphasized that inherent uncertainties exist regarding the achievement of the assumptions mentioned above.

NOTE 1 : ACCOUNTING PRINCIPLES

NOTE 1.1 STANDARDS AND INTEPRETATIONS APPLIED

Manitou Group financial statements for the year ended 31.12.2010 have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union on the date of preparation.

The following standards, interpretations and amendments applicable to periods beginning on or after January 2010 and published in the Official Journal on 31.12.2010 have also been applied for the first time:

– Revised IFRS 3 "Business Combinations" and Revised IAS 27 "Consolidated and Separate Financial Statements" applicable for the financial periods beginning on or after 01.07.2009,

– Amendment to IAS 39 "Financial Instruments: Presentation of items eligible for hedging", effective for the periods beginning on or after 01.07.2009,

– Amendment to IFRS 2 "Share-Based Payment" related to the accounting for plans settled in cash within a group applicable for the periods beginning as of 01.01.2010;

– Annual Improvements to IFRS of April 2009 applicable to the periods beginning on or after 01.01.2010,

– Interpretations IFRIC 15 « Agreements for the Construction of Real Estate », IFRIC 16 « Hedges of a Net Investment in a Foreign Operation », IFRIC 17 « Distributions of Non-cash Assets to Owners » and IFRIC 18 « Transfers of Assets from Customers », which are all applicable for periods beginning on or after 01.01.2010 for the first and on or after 01.07.2009 for the following.

The initial application of these standards, amendments and interpretations had no material impact on the financial statements at 31.12.2010.

New texts adopted by the European Union applicable in advance:

The Manitou Group has not opted for early application of the following standards published in the Official Journal and, for which application is not required at 31.12.2010:

– Revised IAS 24 "Related Party Disclosures"

– amendment to IFRIC 14 related to the asset ceiling under defined benefit plans, minimum funding requirements and their interaction (IAS 19),

– IFRIC 19 interpretation, "Extinguishing liabilities with equity instruments".

These standards and interpretations will be applicable for the periods beginning on 01.01.2011. The Group does not currently expect the adoption of these new standards, interpretations and amendments to have a material impact on the consolidated financial statements.

NOTE 1.2 VALUATION RULES

The consolidated financial statements have been prepared under the historical cost convention, except for some categories of assets and liabilities that are measured at fair value in accordance with IFRS. These categories of assets and liabilities are detailed in the notes below.

The preparation of the financial statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense as well as some of the information disclosed in the notes to the financial statements. Estimates and assumptions are reviewed regularly to take into account past experience and other considerations that could influence the amounts reported in the financial statements. The Audit Committee also exercised its best judgment when applying the Group accounting methods.

The main items affected by estimates and assumptions are as follows:

– recoverable amount and useful life of intangible assets and property, plant and equipment (see notes 1.6 to 1.8),

– provisions, notably in respect of warranty obligations and litigation (see note 1.16),

– post-employment benefits (see note 1.17),

– valuation of stock-options (see note 1.15),

– shareholders' agreements with minority shareholders (see note 1.12),

– fair value of sales financing receivables (see note 1.11).

NOTE 1.3 CONSOLIDATION METHODS

Manitou BF and the companies over which Manitou BF directly or indirectly exercises exclusive control (the subsidiaries) are fully consolidated.

The companies in which Manitou BF directly or indirectly exercises significant influence (associates) are consolidated using the equity accounting method.

Since November 2010 and the capital contribution through the transfer of assets made by Manitou BF, HMME is jointly owned by Manitou BF and its partner, Hangcha. The Manitou Group has opted for the consolidation of companies under joint control (joint ventures) using the equity method and has therefore consolidated HMME according to that method at 31.12.2010.

With the exception of Manitou Finance France SAS, Manitou Finance Ltd., Algomat, Actis Location and of Hangzhou Manitou Machinery Equipment Co Ltd, which are equity accounted, all companies where fully consolidated.

The financial statements of all the companies were consolidated on the basis of financial statements for the year ended 31.12.2010.

Manitou Group does not have any special purpose entities. No deconsolidation structure was put in place in 2010, or in the preceding years.

NOTE 1.4 PRESENTATION OF FINANCIAL STATEMENTS

Recurring operating income

Operating income includes the total of all revenues and expenses associated with the Group's business, whether they result from continuing operations or from decisions, transactions or one-time events.

However, operating income from continuing operations excludes the following items:

– any impairment recorded;

– restructuring costs;

– other transactions on consolidated shares.

The factors used in determining recurring operating income are consistent with the CNC recommendation 2009-R.03.

NOTE 1.5 FOREIGN CURRENCY TRANSLATION

Translation of the financial statements of foreign entities

The financial statements of Group companies whose functional currency is different from the reporting currency are translated as follows:

– assets and liabilities: at the exchange rate prevailing on each balance sheet date,

– income and expenses in the income statement: at the average exchange rate for the period.

Any associated translation differences are recognised as a separate component in shareholders' equity.

On consolidation, exchange gains or losses on net investments in foreign activities are recognised in shareholders' equity. When a foreign entity is sold, these translation differences are recognised in the income statement in gains and losses on disposal.

Any goodwill and fair value adjustments arising on the acquisition of a foreign activity are treated as assets and liabilities of the foreign activity and are translated at the closing exchange rate.

No Manitou Group company conducts its activities in a hyperinflationary economy.

Translation of transactions in foreign currency

Transactions denominated in a currency other than the reporting currency are translated using the exchange rate prevailing on the transaction date.

At each balance sheet date, assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing on the balance sheet date. Any translation differences are recognised through the income statement with the exception of translation differences arising on available-for-sale financial assets and net investments in foreign companies.

The amounts recognised in the income statement are recorded in:

– financial income or expense in the case of translation differences on financial transactions,

– other operating income and expense in the case of translation differences on other transactions.

NOTE 1.6 BUSINESS COMBINATION AND GOODWILL

Identifiable assets acquired, identifiable liabilities and contingent liabilities assumed during a business combination are initially measured at their fair value on the acquisition date in accordance with the recommendations of IFRS 3 (Revised).

The amount by which the acquisition cost exceeds the fair value of the share of assets acquired and liabilities assumed is recognised as goodwill.

Goodwill is not amortised. It is tested for impairment at least once a year and more frequently if there is any evidence of impairment (see Note 1.9).

Goodwill arising on the acquisition of shareholdings in associates is included in the value of these equity interests in the balance sheet.

NOTE 1.7 INTANGIBLE ASSETS

Development costs are recognised as an asset when all the following criteria are met:

– the product or process is clearly identified and the costs attributable to this product or process can be separately identified and accurately measured;

– the product or process constitutes a new item or a substantial improvement to an existing product or process;

– the technical feasibility of making the product or process available for use can be demonstrated;

– the Company has the intention of producing and marketing the product or process or using it itself;

– there is a market for the product or process or, if it is to be used internally, its usefulness to the Company can be demonstrated;

– adequate resources exist and are available.

These costs comprise notably the payroll costs of staff assigned directly to the projects, the share of overheads dedicated to the development activity and the costs of external research and prototypes.

Development costs incurred as from the date that the decision is taken to develop and industrialise the product or process through to testing and manufacturing phases on a pilot basis are recognised as intangible assets. Amortisation of this asset begins once the development has been completed and the asset is ready to be brought into service.

Costs incurred in the context of implementing an integrated information system (ERP) are recognised as an asset for the part relating to the detailed design of the project and to programming, testing and documentation when there is a probability that the future economic benefits attributable to the asset will benefit the entity and if the cost of the asset can be accurately measured and monitored.

Costs relating to preliminary studies, functional analysis and user training are expensed in the period in which they are incurred.

Measurement subsequent to initial recognition: IAS 38 offers the possibility of revaluing all or some of the intangible assets after the transition date. The Group decided not to use this option.

Amortisation is calculated based on the estimated useful life of the assets using the straight-line method. The basis for amortisation corresponds to the difference between the cost of the asset and its residual value, considered to be zero for amortisable assets. The main amortisation periods are as follows:

– business goodwill: 5 years,

– patents: 5 years,

– software: 3 years,

– complex information systems - ERP: 7 years,

– development costs: 5 years.

NOTE 1.8 PROPERTY, PLANT AND EQUIPMENT

Initial recognition

The gross value of property, plant and equipment corresponds to the historical acquisition or production cost.

As regards the component-based approach, the Group currently applies the following principles:

– with regard to buildings, these have been split into “construction” (outer walls and roof) and “technical facilities” (partition walls, electrical and compressed air installations, etc.), which are depreciated over different periods (20 to 30 years for construction components and 10 years for technical facilities);

– as regards industrial equipment and other property, plant and equipment with a significant unit value (more than €50 thousand), depending on the nature of the components and the useful life of each, those components whose unit value is more than 15% of the total value of the asset are recorded separately so that a different depreciation period can be applied.

Depreciation is based on the estimated useful life of each category of assets and is calculated using the straight-line method. The basis for depreciation corresponds to the difference between the cost of the asset and its residual value, considered to be zero for depreciable assets. The main depreciation periods are as follows:

– constructions: 20 to 30 years depending on the quality of the buildings,

– site installations and facilities: 10 years,

– industrial equipment: 3 to 7 years depending on the type of equipment,

– industrial tools and moulds: 3 years,

– vehicles: 4 years for light vehicles, 5 years for large commercial vehicles,

– office and computer equipment: between 3 and 5 years depending on the type of equipment,

– office furniture: 10 years.

Leased equipment

– Equipment on finance leasing contracts to Group companies is capitalised when the unit value exceeds €15 thousand.

– Equipment on finance leasing contracts to customers is not capitalised, whether it concerns equipment previously capitalised or subject to a finance or operating lease. These assets are presented as receivables for an amount equal to the net investment in the lease.

– Equipment on operating leasing contracts to customers is recognised in the appropriate asset category within property, plant and equipment.

NOTE 1.9 IMPAIRMENT OF NON-CURRENT ASSETS

Assets with no set useful life, such as goodwill, are not amortised and are tested annually for impairment. Amortised assets are examined at the end of each financial year in order to identify any signs of impairment.

Whenever there is any sign of internal or external loss of value, the recoverable value of the asset is measured at the level of asset group (Cash Generating Unit) to which it belongs.

At the level of Manitou Group, the main Cash Generating Units correspond to the following units: manufacture and sale of handling equipment, manufacture of masts, the Group Spare Parts Centre and the financing of sales of handling equipment to end-customers. The Cash Generating Units are integrated within the operating segments defined by the Group.

The recoverable value of a group of assets corresponds to the higher of its fair value after deducting any disposal costs and its value in use. The value in use corresponds to the expected discounted future cash-flows generated by utilisation of the Cash Generating Unit in question.

Estimated cash-flows are taken from the five-year plans approved by the Executive Committee. The underlying assumptions used to prepare these plans notably include trends in the markets in which the Cash Generating Units operate, trends in the selling prices for the Group's products and in the purchase prices of materials and components. The discount rate corresponds to the weighted average cost of capital established by the Group, 9.7% in 2010, which may be supplemented by a risk premium for markets outside Europe and the United States.

When the recoverable value is less than the carrying amount, an impairment amount is recognised in operating income with a corresponding deduction from the value of the asset or group of assets concerned.

NOTE 1.10 INVENTORIES

The methods used for valuing inventories and calculating inventory write-downs comply with IAS 2. Inventories have been valued on the following bases:

– goods for resale: valued at the weighted average purchase price,

– raw materials: valued at the weighted average purchase price,

– semi-finished goods, work-in-progress and finished goods: valued at the actual production cost (actual cost of raw materials, machines and labour).

Work in progress and finished goods are valued on the basis of a normal level of activity.

Provisions for impairment of inventories have been recognised when the value of goods and merchandise has fallen below their cost price.

NOTE 1.11 MEASUREMENT AND RECOGNITION OF FINANCIAL ASSETS

1.11.1 Sales financing receivables

Sales financing receivables are measured at amortised cost by applying the effective interest rate method. If there is objective evidence of a loss in value, impairment is recognised in profit and loss. The amount of the loss has been reported in the income statement.

1.11.2 Available-for-sale securities

Shares in companies that Manitou Group does not control or does not have significant influence over are classified as "available-for-sale securities". These securities are valued at their fair value at the balance sheet date and any changes in fair value are recognised in consolidated reserves.

Impairment is recognised through profit and loss when there is an objective indication of loss of value. A significant or lasting fall in the fair value of these securities to below their historical cost constitutes an objective sign of impairment.

1.11.3 Cash and cash equivalents

"Cash and cash equivalents" comprises cash, bank deposits and very-short-term investments with capital guarantees. All these items are stated at fair value with any resultant gain or loss being recognised in the income statement.

1.11.4 Short term financial assets

Short-term financial assets are stated at fair value with any resultant gain or loss being recognised in the income statement.

NOTE 1.12 MEASUREMENT AND RECOGNITION OF FINANCIAL LIABILITIES

1.12.1 Borrowings and other financial liabilities

Borrowings are initially recorded at their fair value, net of any directly attributable transaction costs. At each balance sheet date, these borrowings are measured at amortised cost using the effective interest rate method. Financial expenses thus comprise interest as well as a portion of the costs incurred over the term of the borrowing.

1.12.2 Valuation of shareholders' agreements (minority put options)

Manitou BF SA has entered into agreements setting out the terms and conditions for the purchase of shares held by the minority shareholders in fully-consolidated subsidiaries. In the absence of a specific standard or interpretation, the fair value of the commitment given to the minority shareholders is recognised as a financial liability with a corresponding deduction from minority interests and, for any amount in excess of the value of minority interests, from the Group share of shareholders' equity.

The change in the financial liability relating to the movement from one financial year to another in the fair value of the commitment given to the minority shareholders is also recognised as a financial liability with a corresponding deduction from minority interests and, for any amount in excess of the amount of minority interests, from the Group share of shareholders' equity.

The Shareholder agreements were valued at €3,274 thousand as of 31.12.2009 and €2,554 thousand as of 31.12.2010.

▸ NOTE 1.13 DERIVATIVES FINANCIAL INSTRUMENTS AND HEDGES

1.13.1 Measurement

Derivatives are initially recognised at fair value on the date that the derivative agreement is entered into. They are subsequently remeasured at fair value at each balance sheet date.

The fair value of forward currency agreements and options is estimated based on market conditions. The fair value of interest rate derivatives is represented by the amount that the Group would receive or pay to unwind the existing contracts at the balance sheet date.

1.13.2 Documentation

On inception of the transaction, the Group documents the relationship between the hedging instrument and the item hedged, along with its hedging policy. The Group also documents its assessment of the effectiveness of the hedging relationship on inception of each transaction and at each balance sheet date on both an historical and forecast basis.

1.13.3 Recognition

The method used to recognise the profit or loss arising on the remeasurement at fair value depends on whether or not the derivative is designated as a hedging instrument and, where applicable, the nature of the item being hedged.

All derivatives used by the Group are designated as cash flow hedging instruments. Consequently:

Recognition of hedges

– The effective portion of changes in the fair value of derivatives meeting the criteria for cash flow hedges is recorded in equity. The cumulative amounts recognised in equity are recycled in the income statement when the hedged item affects profit or loss.

– The ineffective portion of changes in fair value is recorded directly in the income statement.

Classification in the income statement

– The gain or loss relating to the ineffective portion or the effective portion recycled in gain or loss on forward currency transactions is recorded in "Other operating income and expense" (hedging of operating cash flows).

– The gain or loss relating to the ineffective portion or the effective portion recycled resulting from swaps or interest rate caps is recorded as financial gains or losses in the income statement.

▸ NOTE 1.14 TREASURY SHARES

Own shares held by the Group are deducted from equity as their acquisition cost, regardless of their future allocation (IAS 32).

When these shares are sold, the sale price is recognised directly as an increase in the Group share of equity and, when the proceeds are received, in cash and cash equivalents. As such, no profit or loss is recognised in the income statement for the year.

▸ NOTE 1.15 STOCK-OPTIONS

1.15.1 Manitou BF stock-options

In accordance with IFRS 2, stock options granted to employees, directors and officers of the Group after 07.11.2002 have been measured at their fair value at the grant date, defined as the date on which the Board of Directors (or the Executive Board for years prior to 2009) agrees to grant the options to the employees or directors and officers concerned.

Stock-options have been valued using a binomial model based on the following assumptions measured at the allocation date of each stock-option plan:

– exercise price,

– share price on the allocation date,

– estimated life,

– risk-free rate, which corresponds to the estimated life of the options (zero coupon, long-term government bond),

– estimated volatility,

– dividend payout rate per share.

These assumptions are described in Note 13.4 to the consolidated financial statements.

The stock-options' fair value, as calculated above, is recognized on a straight-line basis over the whole vesting period (4 years).

1.15.2 Option to purchase shares granted in an unlisted company and including a clause allowing Manitou BF SA to repurchase the share

A stock option plan including a clause for the repurchase of the shares by Manitou BF has been granted in a Manitou Group subsidiary. In accordance with IFRS 2, the Group has recognised an expense representing the benefit allocated, with an offsetting balance sheet entry in financial liabilities, and the shares concerned have not been treated as minority interests.

NOTE 1.16 PROVISIONS

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recorded whenever the Group has a present obligation to a third party that is likely or certain to result in an outflow of resources in favour of this third party with no expected inflow for at least an equivalent amount.

Warranties

A provision is recorded to cover the estimated cost of the warranty on equipment and spare parts when it is sold to the networks or to end-customers. It covers the contractual guarantee as well as any possible extension after examination on a case-by-case basis. The provision is calculated based on projections using historical statistical data.

A provision may also be recorded in the case of recall of specific equipment to correct a significant or dangerous dysfunction. In such cases, the provision is calculated by applying the unit cost of upgrading the installed base of equipment in question.

Restructuring measures / termination benefits

The estimated cost of restructuring measures and termination benefits is recognised as a provision when such measures have been covered in a detailed plan and have been announced or work has started on their implementation.

NOTE 1.17 EMPLOYEE BENEFITS

The Group has a number of defined contribution and defined benefit pension plans.

– The **defined contribution plans** relate to post-employment benefit schemes in respect of which the Group pays contributions to an independent entity. The Group has no legal or implied obligation to pay additional contributions if the plan assets are not enough to pay the benefits due in respect of past service. The contributions are charged to personnel costs in the year in which they are paid.

– The commitments relating to **defined benefit plans** and their costs are calculated according to IAS 19 using the projected unit credit method. The benefit commitments are valued based on specific demographic and economic assumptions for each entity. They are discounted to their present value using a discount rate based on interest rates of first-grade bonds. The categories of defined benefit plans in existence within Manitou Group and the main assumptions used are described in Note 15 to the consolidated financial statements.

Actuarial gains and losses generated by revisions made to assumptions used are recognised in reserves at 31.12.2010 (SORIE method).

The net charge for the year corresponds to the cost of the services provided, the cost of undiscounting and the expected return on plan assets.

NOTE 1.18 INCOME TAXES

In accordance with IAS 12 "Income taxes", deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability and its tax value, using the liability method. Deferred tax assets and liabilities are systematically recognised. Deferred tax assets are amortised according to the probability of them being realised in the future.

Within a given tax entity, deferred tax assets and liabilities are offset when the entity is legally entitled to offset its current tax assets and liabilities.

The 2010 Finance Act, passed 30.12.2009, eliminated the French local business tax (taxe professionelle) as from 2010 and replaced it with two new contributions:

– the Corporate Real Estate Levy (Cotisation Foncière des Entreprises, or CFE), based on the land rental values included in the current business tax;

– the Corporate Value-Added Levy (Cotisation sur la Valeur Ajoutée des Entreprises, or CVAE), based on the added value resulting from the Parent Company financial statements.

Following the tax change mentioned above, the Group reviewed the accounting treatment for tax in France under IFRS, taking account the latest available analyses of the accounting treatment for taxes and duties, including those provided by the IFRIC.

The Group considered that the tax change mentioned above led in reality to the local business tax being replaced by two new different types of contributions:

– the CFE, which is based on property rental values and which may, where appropriate, be capped at a percentage of added value, has significant similarities with the business tax and, like the latter, is recognised as an operating expense;

– the CVAE, which according to Group's analysis meets the definition of an income tax as set out in IAS 12.2 ("Taxes Due on the Basis of Taxable Profits"). For the purposes of its analysis, the Company took account notably of IFRIC's decisions to reject the addition of the topic to its agenda in March 2006 and May 2009 on the question of the scope of IAS 12 "Income Taxes". The IFRIC noted that to fall within the scope of IAS 12, a tax must be calculated on the basis of a net amount equal to income less expenses, and that this net amount may be different from the reported net profit. The Group found that CVAE met the conditions mentioned in this conclusion, since added value is the intermediate result that is systematically used, under French tax rules, as the calculation basis for the amount of CVAE due.

The Group also considered that the CVAE shared similarities with certain other taxes and duties abroad, such as the Italian IRAP, already analysed by the issuers concerned as falling within the scope of IAS 12.

In accordance with the provisions of IAS 12, the total amount of current and deferred expenses related to the CVAE is reported as "Taxes" in the income statement.

NOTE 1.19 TREATMENT OF SUBSIDIES

State subsidies are recognised when there is reasonable assurance that such subsidies will be received and that the Group will be in a position to comply with the conditions for the granting of such subsidies.

Subsidies relating to depreciable assets are initially recognized as a liability in the balance sheet and transferred to the income statement in proportion to the depreciation of these assets.

The research tax credit is recorded as an operating grant, in operating income for the period.

NOTE 1.20 OPERATING SEGMENT DATA

The Group is since end of 2009 organised into three divisions:

Rough Terrain Handling (RTH): assembly and distribution of rough terrain handling equipment.

Industrial Material Handling (IMH): assembly and distribution of industrial handling and storage equipment.

Compact Equipment (CE): assembly and distribution of compact equipment.

In accordance with IFRS 8, the information by operating segments is prepared on the basis of the operational reports submitted to the Group's management.

This information is prepared in accordance with the IFRS applicable to consolidated financial statements. They include notably the following items:

– sales,

– operating income,

which are the performance indicators used for the divisions.

NOTE 1.21 SALES

Sales include all revenues from sales of products manufactured within the Group, as well as from trading activities and the provision of services. Sales are stated net of value added tax, returned goods, discounts and rebates and after elimination of intra-Group sales.

Sales of products are recognised when the risks and rewards associated with the products are transferred to the buyer, i.e. when these are made available to the distribution network in the case of independent dealers or on delivery to the customer in the case of direct sales. The margin is recognized immediately.

NOTE 1.22 CALCULATION OF EARNINGS PER SHARE

Earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share are calculated by adjusting the profit attributable to ordinary shareholders of Manitou BF and the weighted average number of ordinary shares in issue to take into account all the potentially dilutive ordinary shares.

NOTE 2 : CHANGES IN SCOPE

NOTE 2.1 LIST OF CHANGES IN SUBSIDIARIES

2010	Activity	Acquisition date	% control beginning of the year	% acquired	% sold	% control end of the year
Manitou UK (RU)	Distribution	03 & 04/2010	98.7%	0.7%		99.4%
Manitou Portugal	Distribution	21/06/2010	90.0%	10.0%		100.0%
Manitou Australia	Distribution	13/09/2010	80.0%	6.0%		86.0%
TIE (France)	Production	20/07/2010	20.0%		20.0%	
HMME (Chine)	Distribution	26/11/2010	40.0%	10.0%		50.0%

In the framework of existing minority puts, during the first half on 2010, Manitou BF acquired 10% of Manitou Portugal 100% of which is now held by the Group, and in the second half, 6% of Manitou Australia, raising its stake from 80% to 86% as at 31.12.2010. Manitou BF also made a contribution of assets to Manitou Hangzhou Machinery Equipment Co Ltd, increasing its stake from 40% to 50%. That company is now under joint control and has been consolidated at 31.12.2010 using the equity method.

Finally, in July of 2010, Manitou BF sold its 20% stake in Toyota Industrial Equipment S.A. to Toyota Industries for 11.5 million euros. That transaction permits Toyota to regain full control of its French factory.

In addition, Manitou BF also merged with its fully owned subsidiary BTMI (TUP). That transaction has no impact on the consolidated financial statements.

NOTE 3 : GOODWILL AND INTANGIBLE ASSETS

NOTE 3.1 CHANGE IN CARRYING AMOUNT

Gross value

In € thousands	**31.12.2009**	Addition	Disposal	Change in scope & other	Translation difference	**31.12.2010**
Goodwill	**56,908**				**4,672**	**61,580**
Development costs	23,738	3,574	142		62	27,233
Trademarks	22,993				956	23,949
Other intangible assets	50,808	1,316	65	2	2,674	54,735
Total intangible assets	**97,539**	**4,891**	**207**	**2**	**3,692**	**105,917**

Depreciation and impairment

In € thousands	**31.12.2009**	Increase	Decrease	Change in scope & other	Translation difference	**31.12.2010**
Goodwill	**55,651**				**4,672**	**60,323**
Development costs	6,574	2,688	142	55	1	9,177
Trademarks	22,993				956	23,949
Other intangible assets	35,578	3,018	28	(54)	2,520	41,033
Total intangible assets	**65,145**	**5,705**	**170**	**2**	**3,477**	**74,160**

Net value

In € thousands	**31.12.2009**	**31.12.2010**
Goodwill	**1,257**	**1,257**
Development costs	17,164	18,058
Trademarks		
Other intangible assets	15,230	13,700
Total intangible assets	**32,394**	**31,757**

The primary intangible investments in 2010 were related to development costs.

No impairment losses or reversals on the amortization of intangible assets were recognized in 2010 (see Note 5).

Impairment losses on intangible assets excluding goodwill at 31.12.2010 were as follows:

In € thousands	**31.12.2010**
Development costs	189
Trademarks	23,949
Other intangible assets	23,319
Total intangible assets	**47,457**

NOTE 3.2 BREAKDOWN OF GOODWILL AS AT 31.12.2010

		Net value
In € thousands	**31.12.2009**	**31.12.2010**
Manitou Portugal SA	70	70
EPL Algarve		
EPL Centro	6	6
Manitou Hangzhou Machinery Handling		
Gehl		
DLS	964	964
BTMI	9	9
CIMM	34	34
OMCI	174	174
TOTAL	**1,257**	**1,257**

NOTE 3.3 IMPAIRMENT OF GOODWILL

Goodwill was tested for impairment in accordance with the principles detailed in note 1.9. Those tests did not result in the recording of any further impairment losses.

The primary criteria used in preparing impairment tests are detailed in note 5.

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

Gross value

In € thousands	**31.12.2009**	Acquisitions	Disposals	Translation difference	Change in scope & other	**31.12.2010**
Land	23,072			295	13	23,380
Buildings	119,832	891		2,173	87	122,983
Plant and equipment	123,857	4,169	373	1,702	1,235	130,591
Other property, plant and equipment	50,330	8,937	1,645	1,498	(3,328)	55,791
Property, plant and equipment in progress	1,094	947		64	(1,325)	780
Amounts paid in advance	34	7			(18)	23
TOTAL	**318,219**	**14,951**	**2,018**	**5,732**	**(3,336)**	**333,548**

Depreciation

In € thousands	**31.12.2009**	Increases	Reversals	Translation differencet	Change in scope & other	**31.12.2010**
Land	4,470	376		15		4,861
Buildings	48,121	5,685		490		54,296
Plant and equipment	74,458	14,066	359	444	8	88,615
Other property, plant and equipment	31,273	7,191	1,003	781	(2,509)	35,734
Property, plant and equipment in progress						
Amounts paid in advance						
TOTAL	**158,321**	**27,318**	**1,362**	**1,731**	**(2,502)**	**183,506**

Net value

In € thousands	**31.12.2009**	**31.12.2010**
Land	18,602	18,519
Buildings	71,711	68,687
Plant and equipment	49,399	41,975
Other property, plant and equipment	19,058	20,058
Property, plant and equipment in progress	1,094	780
Amounts paid in advance	34	23
TOTAL	**159,898**	**150,042**

Investments during the period were mainly related to the rental fleet (€10 million). These investments, which were primarily made within the IMH division, are mainly associated with the €7 million contract for handling signed in early 2010 with PSA Aulnay.

NOTE 5 : IMPAIRMENT OF INTANGIBLE AND TANGIBLE ASSETS

Given the continuing evidence of impairment of the CGU Compact Equipment, the Group performed an impairment test which did not lead to an additional write-off for impairment nor reversal of depreciation at 31.12.2010.

The net value of the cash generating unit Compact Equipment at 31.12.2010 was compared to probable future cash flows. In cases where the recoverable amount found is less than the net carrying amount of the CGU under review, an impairment loss is recorded against operating income and as an offset to the value of the asset or group of assets concerned. When the recoverable amount represented by the future cash flows is less than the fair value of the assets or the groups of asset concerned, they are maintained at their fair value.

In assessing the fair value of tangible assets, the Group places reliance upon internal and external estimates.

As stated in note 1.9, the following criteria were used to determine the most likely future cash flows:

– the discount rate used was the weighted average cost of capital, which is equal to 9.7% as at 12.31.2010 versus 10.6% at 31.12.2009;

– the perpetual growth rates used is 2%

The main assumptions used for determining the weighted average cost of capital are:

	31.12.2010	31.12.2009 (reference)
Risk-free rate	3.60%	3.50%
Risk premium	5.80%	6.01%
Tax rate	34.43%	34.43%
Pre-tax interest rates	Euribor 3M + 300bps	Euribor 3M + 300bps

Cash flows determined on this basis amounted to €102 million for a total net value of the CGU of €101 million. The sensitivity of cash flows to changes in discount rates and growth assumptions is detailed in the table below.

In € thousands	Cash flow impact
Discount rate for cash flow of +0.5%	(7,619)
Growth rate to infinity -0.5%	(624)
Rate of operating profit on the ending value -0.5%	(7,941)

Because the amount of any impairment losses recorded is limited to the fair value of assets that make up the CGU under consideration, changes in assumptions would have no impact on the impairment amount recorded.

NOTE 6 : INVESTMENTS IN ASSOCIATES

NOTE 6.1 CHANGE IN EQUITY INTERESTS

In € thousands	31.12.2009	Share of earnings	Dividends	Change	Translation difference	31.12.2010
TIE SA	11,822	70		(11,893)		
Manitou Finance France SAS	10,693	920		2,967		14,581
Manitou Finance Ltd.	2,156	230			68	2,454
Algomat	206	31			8	246
Actis Location	44	2				46
Hangzhou Manitou Machinery Equipment	1,408	(156)		573	203	2,028
TOTAL	**26,331**	**1,097**		**(8,352)**	**279**	**19,355**

NOTE 6.2 SHARE OF EARNINGS AND EQUITY OF ASSOCIATES

	Earnings		Equity	
In € thousands	31.12.2010	31.12.2009	31.12.2010	31.12.2009
TIE SA	70	(1,667)		7,954
Manitou Finance France SAS	920	283	2,010	1,089
Manitou Finance Ltd.	230	335	971	674
Algomat	31	41	172	132
Actis Location	2	(1)	21	19
Hangzhou Manitou Machinery Equipment	(156)	(71)	807	414
TOTAL	**1,097**	**(1,080)**	**3,981**	**10,282**

NOTE 6.3 SIGNIFICANT FINANCIAL INFORMATION BY COMPANY

	31.12.2010					
In € thousands	Activity	Sales	Net income	Total assets	Net assets	Percent Ownership
TIE SA (from Jan. 1 to June 30, 2010)	Production	58,402	352	82,963	58,250	
Manitou Finance France SAS	Financing	10,270	1,878	175,420	29,757	49.0%
Manitou Finance Ltd.	Financing	1,998	469	22,677	5,007	49.0%
Algomat	Distribution	102	102	2,060	809	30.4%
Actis Location	Distribution	293	5	245	119	38.7%
Hangzhou Manitou Machinery Equipment	Production	1,802	(312)	4,469	4,057	50.0%

In € thousands	Activity	Sales	Net income	Total assets	Net assets	Percent Ownership 31.12.2009
TIE SA	Production	104,043	(8,335)	77,669	57,898	20.0%
Manitou Finance France SAS	Financing	12,848	579	196,568	21,823	49.0%
Manitou Finance Ltd.	Financing	2,642	684	27,998	4,400	49.0%
Algomat	Distribution	179	134	1,974	679	30.4%
Actis Location	Distribution	452	(3)	220	114	38.3%
Hangzhou Manitou Machinery Equipment	Production	1,307	(187)	3,861	3,520	40.0%

NOTE 7 : FINANCIAL INSTRUMENTS

NOTE 7.1 RECONCILIATION OF BALANCE-SHEET LINES - ASSETS

31.12.2010

In € thousands	Available for sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss	Total 31.12.2010
Non-current financial assets (Note 7.2)	14		700	714
Current financial assets ((Note 7.3)			364	364
Cash and cash equivalents (Note 7.4)			54,105	54,105
Finance contracts receivable - non-current (Note 10)		18,335		18,335
Other non-current assets		3,776		3,776
Trade receivables (Note 9)		187,763		187,763
Finance contracts receivable - current (Note 10)		54,196		54,196
Other current receivables (Note 12)		25,379		25,379
TOTAL	**14**	**289,448**	**55,169**	**344,632**

31.12.2009

In € thousands	Available for sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss	Total 31.12.2009
Non-current financial assets (Note 7.2)	13		3,458	3,471
Current financial assets ((Note 7.3)			300	300
Cash and cash equivalents (Note 7.4)			72,078	72,078
Finance contracts receivable - non-current (Note 10)		61,023		61,023
Other non-current assets		621		621
Trade receivables (Note 9)		157,319		157,319
Finance contracts receivable - current (Note 10)		63,802		63,802
Other current receivables (Note 12)		13,390		13,390
TOTAL	**13**	**296,154**	**75,836**	**372,003**

NOTE 7.2 NON-CURRENT FINANCIAL ASSETS

In € thousands	31.12.2009	Change	Fair value	Translation difference	Change in scope & other	Gross value 31.12.2010
Available-for-sale shares:						
- Other shares	20					20
Other non-current financial assets	3,458	(3,134)		295	82	700
TOTAL	**3,478**	**(3,134)**		**295**	**82**	**720**

In € thousands	Provision 31.12.2009	Provision 31.12.2010	Net value 31.12.2009	Net value 31.12.2010
Available-for-sale shares:				
- Other shares	6	6	13	14
Other non-current financial assets			3,458	700
TOTAL	**6**	**6**	**3,472**	**714**

NOTE 7.3 CURRENT FINANCIAL ASSETS

Marketable investment securities were valued at fair value as at 31.12.2010

In € thousands	Net value 31.12.2010	Net value 31.12.2009
Miscellaneous	364	300
TOTAL	**364**	**300**

NOTE 7.4 CASH AND CASH EQUIVALENTS

In € thousands	Net value 31.12.2010	Net value 31.12.2009
Cash	32,172	46,173
Money market funds & other	21,933	25,905
TOTAL	**54,105**	**72,078**

NOTE 7.5 RECONCILIATION OF BALANCE-SHEET LINES - LIABILITIES

At 31.12.2010, the various categories of financial liabilities were as shown in the table below. They are described in Note 7.6 below.

In € thousands	**31.12.2010**	**31.12.2009**
Non-current financial liabilities (Note 7.6)	104,245	141,901
Other non-current liabilities	1,159	3
Current financial liabilities (Note 7.6)	89,116	173,378
Trade payables (Note 16)	142,145	79,824
Other current liabilities (Note 16)	58,798	45,697
TOTAL	**395,462**	**440,803**

NOTE 7.6 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The measurement and recognition principles are set out in Note 1.12.

		Current
In € thousands	**31.12.2010**	**31.12.2009**
Short-term financing and bank overdrafts	2,688	18
Bank borrowings	37,173	107,860
Finance lease liabilities	4,274	4,694
Financial liability linked to securitisation programme note 10)		28,460
Financial liability linked to limited recourse sales (note 10)	41,490	28,619
Derivatives liability - rate		
Other borrowings	937	453
TOTAL	86,562	170,103
Shareholders' agreements and stock-option plan liabilities (cash settled)	2,554	3,274
TOTAL	**89,116**	**173,377**

				Non current
In € thousands	**31.12.2010**	1 to 5 years	over 6 years	**31.12.2009**
Short-term financing and bank overdrafts				
Bank borrowings	84,310	84,310		105,444
Finance lease liabilities	6,499	6,499		9,005
Financial liability linked to securitisation programme (note 10)				
Financial liability linked to limited recourse sales (note 10)	10,372	10,372		19,079
Derivatives liability - rate	2,788	2,788		8,179
Other borrowings	276	276		193
TOTAL	104,245	104,245		141,901
Shareholders' agreements and stock-option plan liabilities (cash settled)				
TOTAL	**104,245**	**104,245**		**141,901**

Bank borrowings mainly include a syndicated amortisable term loan with an initial value of €210 million, set up to finance the acquisition of Gehl and recorded for an amortised cost of €111 million (€26 million in short-term financial debt and €84 million in medium- and long-term financial debt) as at 31.12.2010. In May of 2010, the Group provided an advance repayment of €33 million, the reimbursement amount in accordance with the "excess cash flow" contract clause.

Debts related to the financing of accounts receivable (securitization and discounting with recourse) were fundamentally restructured during the period. In May of 2010, Gehl sold a third of its sales financing contracts to a third party financial institution for a total of 36 million US dollars. The proceeds of these sales with limited recourse permitted, inter alia, the reimbursement of the entire balance of the securitization program which was fully amortized at 31.12.2010.

7.6.1 Features of the main bank borrowings

31.12.2010

In € thousands	Current	Non-current	Currency	Expiry date	Effective rate
Syndicated loan - France (1)	25,941	84,310	EUR	T3/2013	5.71%
Syndicated loan - France (1)	7,484		USD	T1/2011	2.76%
Limited recourse sales	41,490	10,372	USD	variable	5.76%

31.12.2009

In € thousands	Current	Non-current	Currency	Expiry date	Effective rate
Syndicated loan - France (1)	65,480	105,302	EUR	T3/2013	5.22%
Syndicated loan - USA (2)	37,059		USD	T2/2011	8.36%
Securitisation - USA (3)	28,460		USD	Amort.	4.93%
Limited recourse sales	28,619	19,079	USD	variable	5.95%

The bank borrowings include primarily:

(1) A €210 million syndicated amortising term loan set up to finance the acquisition of Gehl.

This credit agreement relates to a loan of €210 million initially and payable on a linear basis over a five year period, a revolving line of credit for €40 million, plus a multi-currency line of credit for 45 million USD or the equivalent in euros with a secured guarantee against the company's accounts receivables.

The credit agreement is subject to the following covenants:

– gearing ratio (net debt(1)/equity) of less than one over the life of the credit;

– decreasing leverage ratio (EBITDA (2)/net debt), applicable as of 30.06.2011, (<6 at 30/6/2011, 4.2 at 31.12.2011, between 3 and 2.5 afterwards)

– cash cover ratio (cash flow/debt service) > 0.8 at 31.12.2010.

– cash above €25m at 31.12.2010.

At 31.12.2011, the ratio of net debt to equity (gearing) stood at 41% according to the credit agreement criteria.

(1) Under the terms of the loan agreement, net debt and shareholders' equity have been restated for impacts related to the shareholder agreements.

(2) EBITDA: operating income before depreciation, amortisation and asset impairments.

(2) - The syndicated loan carried by Gehl for the USD equivalent of €36.6 million as at 31.12.09 was fully repaid in the second half of 2010. Manitou BF can now finance its subsidiary directly up to the limit of USD45 million drawable solely on the multi-currency line.

As a consequence of that repayment, the residual amount of associated expense reduced the value of the debt. That reduction was recorded in the income statement in the amount of 1.3 million USD.

(3) - The Gehl securitization program was fully repaid during the year. The repayment of the securitization debt and the related swap has led to the unwinding of the variable interest rate swap by a fixed rate with which it was associated. The impact of the securitization program repayment on the 2010 financial statements is immaterial (USD481 thousand).

7.6.2 amounts due to financial institutions

Amounts due to financial institutions can be analysed as follows:

	31.12.2010		31.12.2009	
In € thousands	Amount Authorised	Amount used	Amount Authorised	Amount used
Short-term financing and bank overdrafts	47,357	2,688	57,054	5,316
Finance lease liabilities	10,773	10,773	4,694	4,694
Financial liability linked to securitisation programme			28,460	28,460
Other bank borrowings				
- Term loan	122,080	120,196	193,895	186,673
- Revolving loan	73,851	7,671	149,917	26,632

NOTE 7.7 DERIVATIVES

Manitou Group decided to manage the interest rate risk on the Gehl acquisition borrowing (€210 million repayable at variable Euribor from 04.09.2008 to 04.09.2013) so as to lock in as much as possible of its financial expenses. As part of this policy, the Group entered into interest rate swaps and caps.

These derivatives are designated as cash flow hedges and were considered to be highly effective as at 31.12.2010.

			31.12.2010
In € thousands	Fixed rate paid (average)	Notional	Fair value at 31.12.2010
Less than 1 year	2.96%	56,000	
1 to 2 years	3.74%	30,000	
2 to 5 years			
Total notional amount at 31.12.10		**86,000**	**(2,818)**

			31.12.2009
In € thousands	Fixed rate paid (average)	Notional	Fair value at 31.12.2009
Less than 1 year	2.96%	72,000	
1 to 2 years	3.69%	30,000	
2 to 5 years	3.74%	30,000	
Total notional amount at 31.12.09		**132,000**	**(4,170)**

As mentioned in note 7.6.1, the swap contract associated with the securitization program was terminated during the period.

As at 31.12.2010, the Group held contracts for the forward sale of foreign currencies intended to hedge future cash flows denominated in US dollars, GBP and AUD in euros amounting to €25 million. The hedge was not considered to be effective as defined in IFRS. The change in the fair value of these instruments, i.e. a loss of €0.2 million, was thus recorded in profit or loss.

▸ NOTE 7.8 ANALYSIS OF SENSITIVITY TO EXCHANGE RATE MOVEMENTS

Sensitivity to exchange rate movements was determined based on receivables, liabilities, cash and available-for-sale financial assets as at 31.12.2010 for the main currencies in which the Group operates.

Sensitivity corresponds to an increase or decrease of more than 5% in the exchange rates concerned relative to the year-end exchange rate.

In € thousands	USD/EUR +5%	GBP/EUR +5%	AUD/EUR +5%
Receivables	911	264	300
Liabilities	94	(81)	73
Cash and cash equivalents	215	132	(18)
Effect on income	**1,220**	**315**	**355**

▸ NOTE 7.9 FINANCIAL RISK MANAGEMENT

Information relating to financial risk management is provided in paragraph 3.1 of the management report.

NOTE 8 : INVENTORIES

Gross value

In € thousands	**31.12.2009**	Reclass/ scope	Movement	Translation diff	**31.12.2010**
Raw materials	87,018	38	(2,717)	1,296	85,635
Work in progress	15,833		4,939	249	21,021
Finished goods	76,796	(162)	(6,343)	2,939	73,231
Goods	72,517	997	(13,836)	2,564	62,242
TOTAL	**252,165**	**872**	**(17,957)**	**7,049**	**242,130**

Provision

In € thousands	**31.12.2009**	Reclass/ scope	Movement	Translation diff	**31.12.2010**
Raw materials	8,497	(2,416)	3,233	318	9,632
Work in progress			162	0	163
Finished goods	3,647	1,079	(3,787)	26	964
Goods	13,376	1,337	(4,487)	107	10,334
TOTAL	**25,520**	**0**	**(4,879)**	**452**	**21,093**

Net value

In € thousands	**31.12.2009**	Reclass/ scope in	Movement	Translation diff	**31.12.2010**
Raw materials	78,522	2,454	(5,950)	978	76,004
Work in progress	15,833		4,776	249	20,858
Finished goods	73,150	(1,241)	(2,555)	2,913	72,267
Goods	59,141	(341)	(9,349)	2,457	51,908
TOTAL	**226,645**	**872**	**(13,078)**	**6,597**	**221,037**

NOTE 9 : TRADE RECEIVABLES

In € thousands		**31.12.2009**	Reclass/ scope in	Movement	Translation diff	**31.12.2010**
CURRENT						
Trade receivables - Gross	(Note 11)	170,740	46	25,959	6,546	203,292
Trade receivables - impairment	(Note 11)	13,422		1,303	804	15,529
Trade receivables - Net		157,319	46	24,656	5,742	187,763
NON-CURRENT						
Trade receivables - Gross				3,524		3,524
Trade receivables - impairment						
Trade receivables - Net				3,524		3,524
TOTAL		**157,319**	**46**	**28,180**	**5,742**	**191,287**

Outside the American market, the Group generally uses credit insurance or factoring to protect its trade receivables. In certain cases, based on the Group's knowledge of the customer, the amount due from a given customer may be higher than the amount covered.

In the American market and in accordance with sector practices, Gehl has stock financing agreements, known as floor plans, with its distributors for periods of up to nine months. Under these floor plans, the distributors must make payment for the machines as soon as they are sold to the end-customer and no later than on conclusion of the stock financing agreement. Distributors do not have any right to return the machines to inventories.

Past-due receivables are monitored on an individual basis. The criteria for impairment are mainly assessed customer by customer based on the age of receivables. Each entity performs that analysis based on the specificities of its markets.

Amounts recorded in respect of the creation and reversal of impairment provisions on trade receivables are included in the line item "Provisions" in the income statement..

Losses related to the write-off of receivables amounted to €3.4 million for the full-year 2010 period and were reported as "other operating income and expenses" in the income statement. These losses are almost entirely covered by the reversal of allowances for doubtful accounts on the line item "Provisions and depreciation" in the income statement.

NOTE 10 : SALES FINANCING RECEIVABLES

This line comprises receivables for financing granted to end-customers, either in the form of sales under finance leases or, in the case of Gehl, end-customer sales financing.

In € thousands		31.12.2009	Reclass/ scope in	Movement	Translation diff	31.12.2010
Gross						
Finance lease assets	(Note 11)	4,342		16	302	4,660
Financing granted to end customers	(Note 11)	146,356		(66,371)	11,957	91,941
Sales financing receivables - Gross		**150,698**		**(66,355)**	**12,259**	**96,602**
Impairment						
Finance lease assets	(Note 11)			14	0	14
Financing granted to end customers	(Note 11)	25,874		(3,868)	2,052	24,057
Sales financing receivables - Impairment		**25,874**		**(3,855)**	**2,052**	**24,071**
Net						
Finance lease assets		4,342		2	302	4,647
Financing granted to end customers		120,482		(62,503)	9,905	67,884
Sales financing receivables - Net		**124,824**		**(62,500)**	**10,207**	**72,531**
Of which						
Non-current						18,335
Current						54,196

The "financing granted to end customers" are mainly related to Gehl and include €49 million of receivables sold with limited recourse which were not removed from the balance sheet at 31.12.2010. The amount reported as a liability attributable to these sales with limited recourse transactions is mentioned in note 7.6.

At 31.12.2010, an impairment test was performed on receivables related to financing granted to end customers. The criteria for impairment are based on a customer by customer review for the most material receivables (the term material is partly defined based on the amounts and partly based on late payments). In addition, a write-off allowance amount is calculated based on historical statistical data for customers not analysed on a one-by-one basis.

Losses recorded in the 2010 period related to the financing granted to end customer receivables amounted to €8.2 million and were covered by the reversal of provisions for impairment.

An aging of the non-current receivables related to "Financing granted to end customers" follows:

In € thousands	31.12.2010	1 to 2 years	3 to 5 years
Finance lease assets - Net	2,412	1,723	689
Financing granted to end customers - Net	15,923	9,097	6,826
Receivables on financing granted to end customers - non-current portion	**18,335**	**10,820**	**7,515**

NOTE 11 : FINANCIAL ASSETS - ANALYSIS OF OVERDUE RECEIVABLES AND IMPAIRMENT

NOTE 11.1 ANALISIS OF OVERDUE RECEIVABLES AND RELATED PROVISIONS FOR IMPAIRMENT

In € thousands	Not due	< 30 days overdue	31 - 90 days overdue	91 – 120 days overdue	> 120 days overdue	31.12.2010 TOTAL
Trade receivables	160,845	14,057	9,810	3,132	15,448	203,292
Provisions for impairment on trade receivables	2,479	95	364	1,042	11,548	15,529
Trade receivables - net	**158,366**	**13,962**	**9,446**	**2,089**	**3,900**	**187,763**
Receivables on financing granted to end customers	36,398	9,074	6,107	1,187	15,910	68,677
Impairment - Receivables on financing granted to end customers	748	1,259	284	284	14,141	16,716
Receivables on financing granted to end customers - Net	**35,650**	**7,815**	**5,824**	**903**	**1,770**	**51,961**
Receivables on financing leases	2,235					2,235
Impairment on financing leases						
Receivables on financing leases - Net	**2,235**					**2,235**
TOTAL	**196,251**	**21,777**	**15,269**	**2,992**	**5,669**	**241,958**

NOTE 11.2 CHANGES IN IMPAIRMENT ON FINANCIAL ASSETS

	31.12.2009	Increases	Reversals used	Reversals not used	Reclassifi-cations/ Other	Translation difference	31.12.2010
Provisions for impairment on trade receivables	13,422	4,931	(3,374)	(254)		804	15,529
Impairment - Receivables on financing granted to end customers	25,874	4,372	(8,240)			2,052	24,057
Of which							
- Current	25,874						16,716
- Non-current							7,341
Impairment on financing leases	0	14					14

NOTE 12 : OTHER CURRENT RECEIVABLES

In € thousands	**31.12.2009**	Reclass/ scope in	Movement	Translation diff.	**31.12.2010**
Tax and social security receivables	5,775	1	7,456	16	13,248
Other receivables	3,123	(100)	2,342	66	5,431
Prepayments to suppliers	1,075		(290)	24	809
Prepaid expenses and accrued income	3,417	119	2,265	91	5,892
TOTAL	**13,390**	**20**	**11,772**	**197**	**25,379**

NOTE 13 : SHARE CAPITAL

NOTE 13.1 SHARE CAPITAL

The Combined Shareholders' Meeting of 17 December 2009 authorized the Board of Directors to reduce the share capital one or more times by the cancellation of treasury shares. The maximum number of shares to be cancelled by the company during a 24 month period is 10% of the shares which make up the share capital of the company.

The Combined Shareholders' Meeting of 17 December 2009 and 24 June 2010 authorized the Board of Directors to grant options in favour of employees and officers entitling the subscription of new shares, to grant options entitling the purchase of Company shares as well as the granting of free shares under the conditions provided by law.

NOTE 13.2 PROPOSED DIVIDENDS

The Board of Directors recommends that no dividends be paid in 2010.

NOTE 13.3 TREASURY SHARES

Number of shares	**31.12.2009**	% of share capital	**31.12.2010**	% of share capital
Held at opening (share repurchase programme)	**704,000**		**462,500**	
Shares purchased (Ordinary Shareholders' Meeting of 01.06.2006)				
Shares sold			(151,500)	
Share purchase options exercised				
Capital reduction through the cancellation of 241,500 treasury shares (Combined Shareholders' Meeting of 04.06.2009)	(241,500)			
Held at closing (share repurchase programme)	**462,500**	1.22%	**311,000**	0.82%
Hedging of purchase options				
Liquidity contract	40,160		31,624	
Treasury shares – Total	**502,660**	1.33%	**342,624**	0.91%

The cost of the shares purchased and the proceeds from the shares sold were respectively recognized as a reduction or increase in net equity.

Dividends are not attributed to treasury shares.

NOTE 13.4 STOCK-OPTION PLANS

In accordance to the authorization provided by the Shareholders Meeting of 17.12.2009, a stock option plan was granted on 19 May 2010.

In accordance with the principles set out in Note 1.15 in the Notes to the financial statements, the stock option plan was valued at its fair value at the grant date. The main criteria for the valuation and recording of the rights related to this new plan are as follows:

– a vesting period of 4 years from the date that shares are granted (purchase per one fourth);

– the condition of physical presence;

– internal conditions: if the yield per share or the dividend rate is below 3% at each plan anniversary of the date granted, no options for that portion is vested (non-applicable condition for the first fourth of the options);

– external conditions: if the change in share price is less than 5% at each anniversary date of the date granted, no options for that portion is vested;

– share price at the grant date: €12.44;

– exercise price of the options: Price set at €13.16 in accordance with plan rules;

– volatility: volatility observed over a 5 year period;

– expected dividends over a 4 year period;

– interest rate: risk-free rate defined at the grant date of the plan for a maturity of 1 to 5 years.

The initial valuation of the plan at the grant date amounted to €821 thousand. The cost recorded related to the plan amounted to €265 thousand at 31.12.2010.

314,200 options granted under this plan have been considered to be dilutive at 31.12.2010 given the conditions upon which they have been granted.

13.4.1 Characteristics

The main characteristics of the share purchase option plans are as follows:

Caracteristics	Maturity date	Expiry date	Number of beneficiaries (initial)	Average exercise price (in €)	**Number of options granted**
Plan of 14.06.2003	14.06.2007	14.06.2011	15	13.40	29,000
Plan of 05.08.2003	05.08.2007	05.08.2011	3	13.61	8,000
Plan of 20.09.2004	20.09.2008	19.09.2012	16	22.06	17,000
Plan of 13.12.2004	13.12.2004	13.12.2012	16	22.66	51,000
Plan of 05.09.2005	06.09.2009	05.09.2013	15	32.56	38,500
Plan of 19.12.2005	20.09.2009	19.12.2013	15	31.88	38,500
Plan of 10.07.2006	11.07.2010	10.07.2014	16	32.76	54,000
Plan of 21.08.2006	22.08.2010	21.08.2014	5	30.95	5,000
Plan of 26.04.2007	27.04.2011	26.04.2015	16	39.80	38,000
Plan of 10.10.2007	11.10.2011	10.10.2015	16	36.55	19,000
Plan of 19.05.2010	20.05.2014	19.05.2018	43	13.60	314,200
Options granted					**612,200**
Options expired – available shares			1		13,000
Total shares held					**311,000**

13.4.2 Change in the number of valid options

Units	**Number of options at 31.12.2009**	Options granted	Options exercised	Options expired	**Number of options at 31.12.2010**
Plan of 14.06.2003	29,000				29,000
Plan of 05.08.2003	8,000				8,000
Plan of 20.09.2004	17,500			(500)	17,000
Plan of 13.12.2004	52,500			(1,500)	51,000
Plan of 05.09.2005	40,000			(1,500)	38,500
Plan of 19.12.2005	40,000			(1,500)	38,500
Plan of 10.07.2006	58,000			(4,000)	54,000
Plan of 21.08.2006	5,000				5,000
Plan of 26.04.2007	41,000			(3,000)	38,000
Plan of 10.10.2007	20,000			(1,000)	19,000
Plan of 19.05.2010		314,200			314,200
Total	**311,000**			**(13,000)**	**612,200**
Weighted average price in the period					

13.4.3 Valuation of option plans

In accordance with the accounting principles set out in Note 1.15, at 31.12.2010 stock-option plans were valued at their fair value.

In € thousands	Plans 2010	Plans 2007	Plans 2006	Plans 2005	Plans 2004	Plans 2003	**TOTAL**
Initial value (after deduction of expired options)	821	916	706	801	793	767	**4,804**
2010 expense	265	229	93				**587**

The expense for the period is recorded as personnel expenses.

Assumptions

The main assumptions used for valuing and accounting for stock-option plans are as follows:

– exercise price: the price fixed by the plan's rules, i.e. the average price of Manitou shares over the 20 trading days immediately prior to the allocation date, discounted by 5%;

– volatility: historical volatility of the Manitou share over three years for all plans;

– dividend payout rate: average payout rate over the three years preceding the allocation date;

– estimated life of the option: 5 years;

– interest rate: risk-free rate over the life of the option measured on the grant date of each plan;

– vesting period: the vesting period is four years for all existing plans.

NOTE 14 : PROVISIONS

NOTE 14.1 BREAKDOWN OF PROVISIONS

	31.12.2010	Less than 1 year	More than 1 year
Provisions - excluding post-employment benefits			
Warranty provisions	15,719	12,940	2,779
Provisions for other risks	11,663	5,761	5,902
	27,382	18,701	8,681
Post-employment benefits (Note 15)	23,303	1,350	21,953
TOTAL	**50,686**	**20,051**	**30,635**

	31.12.2009	Less than 1 year	More than 1 year
Provisions - excluding post-employment benefits			
Warranty provisions	19,641	13,262	6,379
Provisions for other risks	15,380	7,484	7,896
	35,021	20,746	14,275
Post-employment benefits (Note 15)	28,083	5,585	22,498
TOTAL	**63,104**	**26,331**	**36,773**

NOTE 14.2 CHANGES IN PROVISIONS – EXCLUDING POST-EMPLOYMENT BENEFITS

In € thousands	**31.12.2009**	Increase	Release of provision used	Release of provision unused	Reclass./ change in scope	Translation difference	**31.12.2010**
Warranty provisions	19,641	10,269	12,796	1,131	(577)	314	15,719
Provisions for other risks	15,380	4,667	7,909	1,414	213	727	11,663
	35,021	14,935	20,706	2,546	(364)	1,041	27,382

Warranty

Provisions raised or written back in respect of warranties are recorded in “Provisions” in the income statement.

Other Risks

Other risks mainly relate to trade and labour disputes.

NOTE 15 : POST-EMPLOYMENT BENEFITS

NOTE 15.1 DEFINITION

Defined benefit plans that result in the recognition of a provision relate to:

– retirement or severance indemnities,

– other long-term benefits such as long-service awards,

– plans providing pensions and other retirement benefits for certain employees,

– a supplementary pension plan for certain management staff in the United States,

– a plan providing post-employment medical assistance and life insurance.

These defined benefit plans are for the most part covered by funds paid to insurance companies, valued at their fair value on the balance-sheet date.

The value of these funds is deducted from post-employment obligations valued in accordance with IAS 19.

NOTE 15.2 MEASUREMENT

15.2.1 Main assumptions used

	31.12.2010			
	France	United Kingdom	Italy	United States
Salaries increases	4.00%	n/a	n/a	4.04%
Pension increases	n/a	3.35%	n/a	n/a
Financial discounting rate	5.25%	5.50%	5.25%	5.00%
Expected rate of return on assets	4.00%	5.84%	n/a	6.56%

	31.12.2009			
	France	United Kingdom	Italy	United States
Salaries increases	4.00%	n/a	n/a	4.00%
Pension increases	n/a	3.45%	n/a	n/a
Financial discounting rate	5.30%	5.90%	5.30%	5.60%
Expected rate of return on assets	4.25%	6.47%	n/a	6.59%

A change of -0.5% in the discount rate would have the following impact on the actuarial liability (DBO) and the cost of an additional year (SC):

In € thousands	DBO	SC
France	697	55
United Kingdom	881	
Other Europe	52	
United States	2,517	15
Total	**4,147**	**70**

Assumptions in respect of salary increases correspond for each country to the sum of expected inflation and forecast individual salary increases.

The staff turnover and life expectancy rates used take into account the specific features of each country and each company. The staff turnover rate used varies according to the status and age of the persons concerned.

The rate used to discount obligations is determined based on the market rate for premium corporate bonds on the balance-sheet date.

The healthcare inflation rate used was 5.3% at 31.12.2010. A 1% change in healthcare inflation would have an impact of €102 thousand on the actuarial liability (DBO) and of €27 thousand on the cost of an additional year (SC).

For the calculation of retirement indemnities in France, the valuation is based on the employee's voluntary departure, which means that the obligation thus calculated includes social security charges. The rate of social security charges used for the valuation of the 2010 obligation ranged from 39% to 50% depending on the entity and the professional category concerned.

The retirement age used for calculation of retirement indemnities and supplementary pensions was determined based on the applicable legislation in each country.

15.2.2 Composition of plan assets (as a %)

As at 31.12.2010, the composition of plan assets was as follows:

	31.12.2010			
	France	United Kingdom	United States – excl. Gehl	United States - Gehl
Equity	15%	63%	73%	75%
Bonds	5%	12%	12%	13%
Property	80%	25%	3%	
Other			12%	12%
TOTAL	**100%**	**100%**	**100%**	**100%**

	31.12.2009			
	France	United Kingdom	United States – excl. Gehl	United States - Gehl
Equity	15%	63%	49%	80%
Bonds	80%	37%	16%	16%
Property	5%			
Other		0%	35%	4%
TOTAL	**100%**	**100%**	**100%**	**100%**

15.2.3 Reconciliation of balance-sheet lines

31.12.2010

In € thousands	France (End of service)	France Other	United Kingdom	Other Europe	United States	Total
Present value of the obligation	8,779	569	8,712	945	48,149	67,154
Fair value of the financial assets	6,416		8,698		26,817	41,931
Past services cost	2,065					2,065
(Provisions) Net assets recognised in balance sheet	(298)	(569)	(14)	(945)	(21,332)	(23,158)
				Of which:	Provision	(23,303)
					Assets	145

31.12.2009

In € thousands	France (End of service)	France Other	United Kingdom	Other Europe	United States	Total
Present value of the obligation	6,622	513	7,687	896	46,577	62,295
Fair value of the financial assets	6,202		7,201		20,874	34,276
(Provisions) Net assets recognised in balance sheet	(421)	(513)	(486)	(896)	(25,703)	(28,019)
				Of which: :	Provision	(28,083)
					Assets	64

15.2.4 Change in obligations and plan assets during the year

In € thousands	France	United Kingdom	Other Europe	United Sates	31.12.2010 Total
Obligation					
Opening	7,135	7,687	896	46,577	62,295
Current service cost	2,622	(64)	25	260	2,843
Interest cost	397	465	35	2,606	3,503
Benefits paid	(37)	(139)	(77)	(3,195)	(3,448)
Liquidation/curtailment	(258)			(4,703)	(4,961)
Scope entry					
Actuarial (gains) losses	(511)	521	66	2,948	3,024
Adjustment for translation differences		242		3,656	3,898
Closing	9,348	8,712	945	48,149	67,154
Plan assets					
Opening	6,202	7,201		20,874	34,276
Employer contribution	13	583		8,845	9,441
Benefits paid		(139)		(3,195)	(3,334)
Actual return on assets	201	829		3,398	4,428
Scope entry					
Liquidation				(4,703)	(4,703)
Adjustment for translation differences		224		1,598	1,822
Closing	6,416	8,698		26,817	41,931
Reconciliation of provision					
Opening	(934)	(486)	(896)	(25,703)	(28,019)
Charge for the year	(453)	23	(60)	(1,354)	(1,844)
Employer contribution	13	583		8,548	9,144
Benefits paid	37		77	297	411
SORIE	470	(117)	(66)	(1,034)	(747)
Scope entry					
Adjustment for translation differences		(17)		(2,086)	(2,103)
Closing	(868)	(14)	(945)	(21,332)	(23,158)

In € thousands		France	United Kingdom	Other Europe	United Sates	**31.12.2009** Total
Obligation						
	Opening	8,206	7,024	965	48,796	64,991
Current service cost		468	407		566	1,441
Interest cost		434		38	2,714	3,186
Benefits paid		(201)	(1,207)	(89)	(2,871)	(4,367)
Liquidation/curtailment		(1,581)	211		(2,663)	(4,033)
Scope entry						
Actuarial (gains) losses		(190)	742	(18)	1,674	2,208
Adjustment for translation differences			509		(1,639)	(1,129)
	Closing	7,136	7,687	896	46,577	62,296
Plan assets						
	Opening	6,143	5,991		19,467	31,601
Employer contribution		26	845		1,896	2,767
Benefits paid		(175)	(1,207)		(4,195)	(5,576)
Actual return on assets		208	1,135		4,435	5,777
Scope entry						
Adjustment for translation differences			436		(729)	(293)
	Closing	6,202	7,201		20,874	34,276
Reconciliation of provision						
	Opening	(2,063)	(1,033)	(965)	(29,329)	(33,390)
Charge for the year		969	(251)	(38)	879	1,558
Employer contribution		26	845		467	1,338
Benefits paid		27		89	105	221
SORIE		107	26	18	1,266	1,416
Scope entry						
Adjustment for translation differences			(73)		910	837
	Closing	(934)	(486)	(896)	(25,703)	(28,019)

The main changes which took place during the year were as follows.

United States:

Amendment to the plan at year-end 2010 related to the healthcare reform. Benefits have been increased, increasing the commitment amount by USD36 thousand (approximately 2%). The impact is a past services cost and is amortized as an expense over the length of the average remaining employment period. The annual depreciation related to the change of rights is thus estimated at $3 thousand and starts from the year 2011. Moreover, regarding the pension cap, pension rights of 3 beneficiaries were liquidated at the end of 2010 for a total of USD6,2 million. That settlement had no impact on income.

France:

In August of 2010, the collective agreement for the steel industry was modified with respect to retirement benefits (an increase in rights). The Manitou Group included that required change in the assessment of its commitments which resulted in an increase in pension commitments of approximately 32%. The impact is a cost of past services and is amortized as an expense over the length of the average remaining employment period. The annual amortization related to this change in rights is thus estimated at €98 thousand.

15.2.5 Breakdown of expense for the year

					31.12.2010
In € thousands	France	United Kingdom	Other Europe	United States	Total
Methodological adjustments					
Current service cost	516	(64)		232	684
Interest cost	397	465	60	2,607	3,529
Expected return on assets	(262)	(424)		(1,485)	(2,171)
Amortisation of actuarial gains and losses	19				19
Past services costs	42				42
Curtailments	(258)				(258)
Net charge	454	(23)	60	1,354	1,845

					31.12.2009
In € thousands	France	United Kingdom	Other Europe	United States	Total
Methodological adjustments					
Current service cost	468			566	1,034
Interest cost	434	407	38	2,714	3,593
Expected return on assets	(290)	(367)		(1,495)	(2,152)
Amortisation of actuarial gains and losses					
Cost of past services					
Curtailments	(1,580)	211		(2,663)	(4,032)
Net charge	(968)	251	38	(879)	(1,557)

NOTE 16 : OTHER CURRENT LIABILITIES

In € thousands	31.12.2009	Changes in scope & other	Movement	Translation diff.	31.12.2010
Trade payable & related liabilities	**79,824**	**(45)**	**61,912**	**454**	**142,145**
Tax and social security liabilities	23,520	288	14,779	183	38,770
Other operating liabilities	16,426	(525)	379	690	16,970
Deferred income	5,751	294	(3,412)	425	3,057
Other liabilities	**45,697**	**57**	**11,746**	**1,298**	**58,798**
TOTAL CURRENT LIABILITIES	**125,521**	**12**	**73,657**	**1,752**	**200,943**

NOTE 17 : INCOME TAXES

▸ NOTE 17.1 BALANCE-SHEET MOVEMENTS

In € thousands	31.12.2009	Result	Payment	Translation difference	Changes in scope & other (1)	31.12.2010
Current tax						
Assets	32,463					26,187
Liabilities	3,681					6,826
TOTAL	**28,782**	**(7,011)**	**(3,166)**	**765**	**(8)**	**19,361**
Deferred tax						
Assets	5,826					5,966
Liabilities	14,926					14,423
TOTAL	**(9,101)**	**(104)**		**216**	**531**	**(8,457)**

(1) Other changes in deferred and current taxes can be broken down as follows:

In € thousands	31.12.2010	31.12.2009
Taxes on cancellation / Sale of treasury shares	975	1,502
Deferred tax recognised in consolidated reserves- SORIE	87	(515)
Deferred taxes booked in equity - Interest rate hedging instruments	(476)	(12)
Other	(63)	(41)
TOTAL	**523**	**934**

NOTE 17.2 TAX RECOGNISED IN THE INCOME STATEMENT

Tax expenses recognised in the income statement comprise:

In € thousands	31.12.2010	31.12.2009
Current tax	7,011	(27,629)
Deferred tax for the period	(1,470)	(7,705)
Change in deferred tax rates	(12)	823
Impairment losses (+) and capitalization of unrecognized losses (-)	1,586	1,198
Total deferred tax	104	(5,684)
TOTAL	**7,115**	**(33,313)**

– The current tax charge corresponds to income tax due to the various tax authorities in respect of the financial year. These amounts are determined based on the tax rates and laws applicable in each of the countries concerned.

– The deferred tax charge is calculated using the method described in Note 1.18.

NOTE 17.3 RECONCILIATION OF THE THEORETICAL TAX CHARGE AND THE ACTUAL TAX CHARGE

In € thousands	31.12.2010	31.12.2009
Income before tax of fully consolidated companies	(10,647)	(163,477)
Tax rate in France	34.44%	34.44%
Theoretical tax charge for the year	(3,667)	(56,301)
Research tax credit and other tax credits	2	1,595
Other taxes	1,473	505
Impairment of assets		817
Permanent differences	739	627
Reduction in tax rates (current and deferred)		
Non capitalised loss carryforwards	7,984	17,246
Differences in tax rates in foreign countries and other	583	2,198
Total - income tax	**7,115**	**(33,313)**

As of mid-2010, Manitou BF has been subject to a tax audit related to the periods 2007, 2008 and 2009 which was still in process at 31 December 2010. The Company received a notification at the end of 2010 related to the 2007 period. The 2007 adjustments accepted by the company or which appear to be probable in nature resulted in the recording of a provision against current earnings and an additional tax expense which has been recorded as other taxes.

NOTE 17.4 DEFERRED TAX BASIS

Deferred taxes recorded arose from the following temporary differences:

In € thousands - Assets / (liabilities)	Temporary differences as at **31.12.2010**	Deferred taxes as at **31.12.2010**	Temporary differences as at **31.12.2009**	Deferred taxes as at **31.12.2009**
Intangible assets	(426)	(146)	(702)	(241)
Property, plant and equipment	(36,055)	(12,121)	(33,544)	(11,247)
Finance leases	(12,032)	(3,824)	(9,642)	(3,036)
Employee profit sharing				
Employee benefits	27,913	9,756	27,866	9,748
Provisions	12,095	4,055	7,263	2,554
Inventories	9,799	3,065	4,224	1,327
Others assets & liabilities	(1,467)	(585)	(1,001)	(460)
Other	(3,219)	(1,078)	(1,593)	(532)
Sub-total	(3,392)	(879)	(7,129)	(1,887)
Tax credits		474		
Tax losses carried forward		14,458		5,537
Unrecognised deferred tax assets		(22,510)		(12,750)
TOTAL		**(8,457)**		**(9,100)**

The loss carryforwards of tax entities which incurred losses in 2009 and 2010 have not resulted in the recognition of a deferred tax asset.

Deferred tax assets not recognized originally mainly concern Gehl for which collectability was limited to the amount of taxable temporary differences on which the loss carryforwards can be utilized.

NOTE 18 : BREAKDOWN OF SALES BY TYPE, DIVISION AND GEOGRAPHIC AREA

Sales by type

In € thousands	**31.12.2010**	**31.12.2009**
Sales of goods	815,896	663,464
Sales of services	22,413	20,647
TOTAL	**838,309**	**684,111**

Sales by division and geographic area (current scope)					**31.12.2010**
In € thousands	France	Europe	Americas	Rest of the world	**Total**
RTH	183,679	301,522	29,609	71,639	**586,450**
IMH	87,544	24,496	3,824	7,925	**123,789**
CE	933	34,498	80,186	12,452	**128,070**
TOTAL	**272,156**	**360,517**	**113,620**	**92,016**	**838,309**

					31.12.2009
In € thousands	France	Europe	Americas	Rest of the world	**Total**
RTH	163,450	250,027	22,685	49,059	**485,221**
IMH	78,483	27,424	4,669	13,213	**123,789**
CE	758	23,018	44,768	6,557	**75,101**
TOTAL	**242,691**	**300,469**	**72,122**	**68,829**	**684,111**

The Group's customer base is very dispersed, the largest customer representing no more than 1.6% of total sales.

NOTE 19 : RESTRUCTURING COSTS

In € thousands	**2010**	**2009**
Personnel costs related to restructuring	1,022	11,167
Other external costs related to restructuring	825	969
Addition to provision for restructuring costs	1,807	2,820
Recovery of provision for restructuring costs	(1,454)	(1,596)
Total	**2,200**	**13,360**

The restructuring costs recorded in 2010 mainly concern the transfer of the warehousing activity of MLM near Paris (95) to the site in Beaupréau (49). The restructuring was announced in April of 2010 and should be finalized during the second half of 2011.

NOTE 20 : AUDITOR'S FEES

In € thousands	DELOITTE & ASSOCIÉS Amount		%		RSM Secovec and members of the RSM international network Amount		%		Other Amount		%		Total Amount	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Audit														
– Audit and certification of company and consolidated financial statements														
- Parent Company	181	164	26%	33%	173	164	64%	80%					353	328
- Fully consolidated subsidiaries	498	333	71%	67%	98	40	36%	20%	85	267	93%	89%	681	640
– Other audits and services directly linked to the duties of the Statutory Auditors														
- Parent Company														
- Fully consolidated subsidiaries	19	0	3%	0%	0	0	0%	0%	6	31	7%	11%	25	32
Sub-total	697	497	100%	100%	271	204	100%	100%	91	298	100%	100%	1,059	999
Other services provided by the audit firms to fully consolidated subsidiaries														
Total	**697**	**497**			**271**	**204**			**91**	**298**			**1,059**	**999**

The Company believes that the information provided for by Article 222-8 of the AMF's general regulations and instruction no. 2006-10 will comply with the provisions introduced by decree no. 2008-1487 dated 30.12.2008.

NOTE 21 : OTHER OPERATING INCOME AND EXPENSE

In € thousands	Income 2010	Income 2009	Expense 2010	Expense 2009	Net 2010	Net 2009
Sale of assets	705	1,276	693	1,597	12	(321)
Foreign exchange gains & losses	5,239	8,642	5,192	7,426	48	1,216
Losses on receivables			11,627	7,992	(11,627)	(7,992)
Other	12,144	10,973	15,038	7,089	(2,894)	3,884
Total	**18,088**	**20,890**	**32,550**	**24,104**	**(14,461)**	**(3,213)**

Losses on receivables were covered by the reversal of allowances recorded on the line "depreciation and provisions" of the income statement.

Other operating expenses in 2010 include a charge of €8.8 million for payments made under defined contribution pension plans. That expense is also covered by a reversal of provisions recorded under "Depreciation and provisions" of the income statement. Other operating income includes €5.6 million related to the capitalization of development costs (R&D and IT systems).

NOTE 22 : PERSONNEL COSTS

In € thousands	**2010**	**2009**
Salaries, bonuses and commissions	91,431	84,798
Incentive schemes and employee profit sharing	4,236	176
Social security charges and other	34,382	29,937
Total	**130,049**	**114,911**

NOTE 23 : FINANCIAL INCOME AND CHARGES

In € thousands	**2010**	**2009**
Financial asset income	137	1,113
Other income	7,742	14,989
Interest rate swap	566	2,085
Total Income	**8,445**	**18,187**
Interest expenses on bank borrowings and other financial liabilities	15,399	23,502
Forward currency hedge premium (Gehl acquisition)		0
Interest rate swap	4,039	9,627
Other charges	1,663	2,683
Total Charges	**21,101**	**35,812**

NOTE 24 : RESEARCH AND DEVELOPMENT COSTS

Pursuant to IAS 38, all research costs, together with study and development costs other than those described in Note 1.7, are expensed during the year in which they are incurred. These costs amounted to €10,344 thousand in 2010 compared with €11,394 thousand in 2009.

NOTE 25 : OFF-BALANCE SHEET COMMITMENTS

In € thousands	**31.12.2010**	**31.12.2009**
Guarantees, securities and pledges (1)	11,899	43,872
Mortgages		
Other financial commitments (including forward sales)	27,963	7,486
Commitments to repurchase equipment (2)	38,612	44,503

(1) The new financing contract set up for Gehl in 2009 was secured by a claim on the company's trade receivables and inventories (€37 million as at 31.12.2009). That contract had terminated during the second half of 2010.

The establishment of the Gehl financing by drawing on Manitou BF line of credit was finalized with a guarantee on accounts receivable (€7.5M at 31.12.2010)

(2) Commitments to repurchase equipment are valued based on the agreed contractual repurchase price. Note that the market value of the said equipment is usually higher than the repurchase value.

NOTE 26 : RISK MANAGEMENT

The Manitou Group's risk management policy is described in the Management Report under "Risk Management".

NOTE 27 : INFORMATION RELATING TO INDIVIDUAL STAFF TRAINING RIGHTS (DROIT INDIVIDUEL A LA FORMATION)

In 2010, costs arising from individual rights to training were borne by the Group as part of the training programme when agreed between the employer and employee.

No provision was raised for training requests in respect of individual staff training rights that had not given rise to an agreement as at 31.12.2010 and which were attributable to the Company's legal obligation in terms of on-going professional training.

The individual rights of French employees that had not requested training totalled 156,446 hours as at 31.12.2010.

NOTE 28 : EMPLOYEES AS AT 31 DECEMBER

In number people	2010	2009
Manitou BF SA	1,282	1,198
Compagnie Française de Manutention	126	118
Cie Industrielle de Matériels de Manutention	61	63
MLM	70	81
Aumont-BSBH	72	73
BTMI		48
France	**1,611**	**1,581**
Manitou UK Ltd.	40	39
Manitou Costruzioni Industriali Srl.	235	241
OMCI Attachments Srl.	10	10
Manitou Benelux SA	19	21
DLS	7	10
Manitou Portugal SA	50	50
EPL Centro	9	9
Manitou Deutschland GmbH	19	21
Gehl Europe	27	34
Manitou Manutencion Espana SL	7	8
Manitou Vostok	15	12
Manitou Polska	9	8
Europe	447	463
Gehl Inc.	491	416
Manitou North America Inc.	65	67
Chariots Élévateurs Manitou Canada Inc.	3	4
Americas	**559**	**487**
Manitou Southern Africa Pty Ltd.	47	39
Manitou Australia Pty Ltd.	8	9
Manitou Asia Pte Ltd.	28	26
Manitou Hangzhou Machinery Handling	78	38
Rest of the world	161	112
TOTAL Group	**2,778**	**2,643**

NOTE 29 : TRANSACTIONS WITH RELATED PARTIES

NOTE 29.1 TRANSACTIONS WITH ASSOCIATES

	2010		2009	
In € thousands	Expense	Income	Expense	Income
Toyota industrial Equipment SA	145	7,254	128	12,227
Manitou Finance France SAS	388	1	524	128
Manitou Finance Ltd	349	46,039	475	48,732
Algomat		2,652	11	2,888
Actis location	19	190	114	190
Hangzhou Manitou Machinery Equipment Co Ltd			2,729	187

NOTE 29.2 TRANSACTIONS WITH THE PARENT COMPANY

	2010			2009		
In € thousands	Expense	Income	Acq. of shares	Expense	Income	Acq. of shares
SFERT	None	None	None	89		936

NOTE 29.3 TRANSACTIONS WITH INDIVIDUAL PERSONS

	2010			2009		
In € thousands	2010 interest	Balance as at 31.12.2010	Purchase price	2009 interest	Balance as at 31.12.2009	Purchase price
Current accounts with associates:						
Marcel Braud				0	0	0
Jacqueline Himsworth	13	430		11	294	294
Acquisition of participating interests:						
Marcel Braud			76			229
Jacqueline Himsworth						227
Gordon Himsworth						130
Marcel-Claude Braud			12			74
Bruno Fille			3			30

NOTE 29.4 COMPENSATION AND OTHER BENEFITS PAID TO CORPORATE OFFICERS

Total remuneration and benefits-in-kind paid to corporate officers in 2010:

2010

In € thousands	Salaries	Mandates	Additional payments	Options granted	Value of options granted	Options exercised	Provisions in the balance sheet and commitments
Non-executive directors	323	400					
Corporate officers	445	360	784	68,400	179	0	0
Members of the Executive Committee who are not corporate officers	1,095	0		92,300	241	0	966

2009

In € thousands	Salaries	Mandates	Additional payments	Options granted	Value of options granted	Options exercised	Provisions in the balance sheet and commitments
Non-executive directors	502	154					
Corporate officers	773	314	898	no grants	0	0	449
Members of the Executive Committee who are not corporate officers	1,116	14		no grants			2,260

NOTE 30 : POST-CLOSING EVENTS

NOTE 30.1 REORGANIZATION OF THE FAMILY CONTROL OF MANITOU

On 30.03.2011 the Board of Directors of Manitou and its holding company SFERT agreed to the terms of the draft agreement related to the absorption of SFERT by Manitou. The Boards have settled on the final parity of 45.83 Manitou shares for one SFERT share which was assessed as fair in the conclusions of the report provided by Ricol Lasteyrie as the mandated independent expert in the framework of the merger.

These transactions will strengthen Manitou, with a confirmed and futureproof family control, and also with €46,2M of net assets contributed by SFERT through the merger. They will also stabilize family shareholders thanks to simplified holding structures and facilitated transmission to younger generations.

These transactions should take place during H1'11 and provide the following outcome:

– Family shareholders will continue to act in concert, and will hold approximately 65% of Manitou share capital (versus 63% previously).

– With terms of 6 years following the merger-absorption of SFERT by Manitou, the family pact will notably provide for the commitment of family shareholders to hold a number of shares equal to 40% of the Manitou shares outstanding at the time of the merger and provide for Manitou's governance to remain unchanged.

– As per the merger, SFERT will contribute Manitou all of its net assets, i.e €46.2M, including €36.3M of cash and cash equivalents, €8.9M of Lucas G. net assets (a leader in cattle-breeding equipment) and €1M of other current assets and liabilities.

The project foresees the ratification of all the terms of the transaction at the Extraordinary Shareholders' Meetings to be held in the first half of 2011.

NOTE 30.2 ACQUISITION OF SAVIM

On March 22, 2011, Manitou acquired 75% of SAVIM (Société Audoise de Véhicules Industriels et de Manutention), its dealer in Southern France (in the Aude, Hérault and Pyrénées Orientales départements), with the aim of securing its long-term presence in the sector. This transaction does not undermine the Group's strategy of distributing its products through independent dealers and forms part of a transitional phase due to end on 31 December 2012, with an interim phase during which two thirds of the Company's share capital will be held by Manitou and one third by the minority shareholder.

NOTE 30.3 MERGER OF THE GEHL AND MANITOU NORTH AMERICA ENTITIES

With the aim of rationalising its North American operations, the Group has merged Gehl with Manitou North America at the end of March 2011. The new grouping has been renamed Manitou Americas and markets the full range of products belonging to the Gehl, Manitou, Mustang and Edge brands.

NOTE 30.4 THE CONTINUATION OF THE INDUSTRIAL AND CORPORATE REORGANISATION IN FRANCE

In the framework of this project, the Group merged Manitou BF with Aumont BSBH on 31 January 2011, and is set to merge CIMM and MLM with Manitou BF prior to the end of 2011.

8.2 STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2010

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report also includes information relating to the specific verification of information given in the management report. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2010, on:

– the audit of the accompanying consolidated financial statements of Manitou BF Group;

– the justification of our assessments;

– the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

– When closing the accounts, the Manitou Group was required to make estimates and formulate assumptions, notably as regarding the value of certain assets and liabilities and income and expense items (note 1.2 of the notes to the financial statements). We reviewed the appropriateness of the information provided in the notes to the financial statements and, notably, the valuation and depreciation and impairment methods for non-current assets. We also reviewed the consistency of the assumptions used by management, how these were reflected in the figures and the documentation available, all of which formed the basis for our assessment of the reasonableness of the estimates made.

– Note 1.16 of the notes to the consolidated financial statements presents the fact that your Group sets aside provisions with respect to guarantees provided to customers. Our procedures consisted of assessing the information and assumptions determined by management on which such accounting estimates are based, in reviewing, on a test basis, the Group's calculations and in comparing the accounting estimates of prior periods with the corresponding actual data. On these bases, we assessed the reasonableness of such estimates.

Accounting principles

– We have reviewed the accounting policies adopted by the Manitou Group in respect of commitments to purchase minority interests that are not covered by specific provisions in the IFRS as adopted by the European Union and we ensured that note 1.12.2 in the notes to the consolidated financial statements provides appropriate disclosure in this respect.

– We have reviewed the method used to capitalise development costs and to amortise such expenses and test their recoverable amount, and are satisfied that note 1.7 of the notes to the consolidated financial statements provides appropriate disclosure in this respect.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

SPECIFIC VERIFICATION

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Orvault and Nantes, 29 April 2011
The Statutory Auditors
French original signed by

RSM Secovec	Deloitte & Associés
Jean-Michel Picaud	Thierry de Gennes

8.3 PARENT COMPANY FINANCIAL STATEMENTS

8.3.1 INCOME STATEMENT

In € thousands	Notes	31.12.2010	31.12.2009
Operating Revenue (1):			
Sales of goods purchased		234,465	187,635
Sales of manufactured goods		304,792	240,511
Sales of services		5,700	4,930
Net sales	Note 18	**544,957**	**433,076**
Production taken to inventory and capitalised		8,516	(38,000)
Writeback of provisions, charges transferred		28,458	22,648
Other income		2,571	1,834
TOTAL		**584,502**	**419,558**
Operating expenses (2):			
Purchase of goods and inventory movement (goods for resale)		393,737	272,021
Other purchase and external charges		86,749	73,018
Taxes on other than income		6,674	5,549
Wages and social security charges		59,767	57,748
Depreciation and provisions		27,807	30,632
Provisions for contingencies and charges		3,366	5,509
Other expenses		1,251	1,507
TOTAL		**579,351**	**445,984**
OPERATING INCOME		**5,151**	**(26,426)**
Financial income (3)		25,024	18,937
Financial expense (4)		36,983	88,103
FINANCIAL RESULT	Note 19	**(11,959)**	**(69,166)**
INCOME FROM ORDINARY ACTIVITIES before tax		**(6,808)**	**(95,592)**
Non recurring income		24,709	8,349
Non recurring expenses		18,223	32,566
NET NON-RECURRING INCOME (LOSS)	Note 20	**6,486**	**(24,217)**
Employee profit sharing		3,538	0
Income tax	Note 21	(1,229)	(20,460)
NET INCOME		**(2,631)**	**(99,349)**
(1) Of which revenues relating to prior years			
(2) Of which expenses relating to prior years			
(3) Of which income from transactions with related parties		21,111	10,518
(4) Of which expenses on transactions with related parties		223	177

8.3.2 CASH FLOW STATEMENT

In € thousands		31.12.2010	31.12.2009
NET PROFIT		**(2,631)**	**(99,349)**
Elimination of charges and income not related to operations and not affecting cash flow			
+	Depreciations, amortisation and provisions (1)	46,059	98,417
-	Write-back of depreciation, amortisation and provisions (1)	(3,197)	(2,405)
-	Income from asset disposals	(11,813)	(183)
+	Net book value of asset disposals	4,189	243
-	Investment subsidies recognised in the income statement	(3)	(4)
-	Gain on merged assets	(552)	
WORKING CAPITAL FROM OPERATIONS		**32,052**	**(3,281)**
Impact of changes in cash position on operating receivables			
+/-	Change in inventories	(5,954)	100,292
+/-	Change in trade receivables	(30,940)	78,961
+/-	Change in other operating receivables	(22,376)	(12,585)
+/-	Change in trade accounts payable	44,035	(37,224)
+/-	Changes in other operating liabilities	29,538	(6,359)
CASH FLOW FROM OPERATING ACTIVITIES		**46,355**	**119,804**
Impact of charges in cash position on investing activities			
+	Disposals of intangible assets		
+	Disposals of property, plant and equipment	316	96
+	Disposals of long-term investments	11,497	87
-	Acquisition of intangible assets	(2,704)	(4,967)
-	Acquisition of property, plant and equipment	(4,096)	(5,716)
-	Acquisition of long-term investments	(5,016)	(35,364)
+/-	Changes in liabilities towards suppliers of non-current assets	(554)	(6,658)
+/-	Change in cash balance related to mergers	(75)	
CASH FLOW FROM INVESTING ACTIVITIES		**(632)**	**(52,522)**
Impact of changes in cash position on financing activities			
+	Increase in share capital		
-	Decrease in share capital		(1,908)
-	Dividends paid during the period		
+	Increase in borrowings	15,083	477
-	Repayment of borrowings	(68,013)	(34,362)
+/-	Changes in capital called but not paid in		
CASH FLOW FROM FINANCING ACTIVITIES		**(52,930)**	**(35,793)**
	Opening cash balance	40,917	9,428
	Closing cash balance	33,710	40,917
CHANGE IN CASH POSITION		**(7,207)**	**31,489**

(1) Excluding current assets

8.3.3 BALANCE SHEET

▪ BALANCE SHEET – ASSETS

In € thousands	Gross	Montant Brut	31.12.2010 Amortisation Deprec.	Net	31.12.2009 Net
NON-CURRENT ASSETS					
INTANGIBLE ASSETS (1)	Note 2	42,536	18,095	24,441	25,517
PROPERTY, PLANT AND EQUIPMENT	Note 3	163,136	105,037	58,099	64,923
FINANCIAL ASSETS (2)	Note 4	353,390	91,816	261,574	284,227
		559,062	**214,948**	**344,114**	**374,667**
CURRENT ASSETS					
INVENTORIES AND WORK IN PROGRESS	Note 6	110,109	12,389	97,720	91,687
Advance and payments on account		36		36	25
OPERATING RECEIVABLES (3)	Note 7	178,020	286	177,734	124,570
CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES	Note 9	38,507	4,194	34,313	40,917
ADJUSTMENT ACCOUNTS	Note 15	1,571		1,571	870
		328,243	**16,869**	**311,374**	**258,069**
Unrealised foreign exchange loss	Note 16	**397**		**397**	**58**
TOTAL		**887,702**	**231,817**	**655,885**	**632,794**
(1) Of which, lease rights					
(2) Of which due in less than one year				751	641
(3) Of which due in more than one year				0	0

BALANCE SHEET - LIABILITIES

In € thousands	Notes	31.12.2010 Net	31.12.2009 Net
SHAREHOLDERS' EQUITY	Note 10		
Share capital	Note 10	37,568	37,568
Additional paid-in capital		439	439
Revaluation reserve (4)	Note 17	908	908
Reserves and retained earnings		282,958	382,487
Net income for the year		(2,631)	(99,349)
Investment subsidies		80	3
Regulated provisions		27,233	23,631
		346,555	**345,687**
PROVISIONS FOR CONTINGENCIES AND CHARGES	Note 11	14,482	22,833
LIABILITIES (1)			
FINANCIAL LIABILITIES (2)	Note 12	163,772	187,464
CURRENT LIABILITIES	Note 12		
Trade accounts payable		98,104	53,984
Tax and social security liabilities		22,543	13,802
Other operating liabilities		7,864	5,742
OTHER LIABILITIES	Note 12	1,266	2,661
ADJUSTMENT ACCOUNTS	Note 15	0	407
		293,549	**264,060**
Unrealised foreign exchange gains	Note 16	**1,299**	**214**
TOTAL		**655,885**	**632,794**
(1) Of which due in more than one year		88,804	109,900
Of which due in less than one year		204,746	154,160
(2) Of which short-term bank loans and overdrafts		603	0
(3) Of which valuation differences		0	0

8.3.4 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

GENERAL INFORMATION

COMPANY IDENTITY

Manitou BF is a French limited company (Société Anonyme) governed by a Board of Directors. It has share capital of €37,567,540 made up of 37,567,540 fully paid-up shares with a par value of €1 each.

The Parent Company's registered office, which is also the Group's main production site, is located at:

430 rue de l'Aubinière BP 10 249 - 44158 Ancenis Cedex France

The Company is registered with the Nantes trade and companies registry under number:

857 802 508 RCS Nantes - SIRET : 857 802 508 00047 - Code APE: 292 D - Code NAF: 2822Z.

IDENTITY OF THE CONSOLIDATING PARENT COMPANY

S.F.E.R.T. SA with share capital of €8,020,000

318, rue Georges Clémenceau 44150 Ancenis

PREPARATION OF THE FINANCIAL STATEMENTS

The accounts of Manitou BF were approved by the Board on 02.03.2011.

COMMENTS ON THE NOTES TO THE BALANCE SHEET

The notes to the balance sheet (before affectation) feature:

Total assets of €655,885 thousand

The income statement showing:

- total income of €634,235 thousand,
- total charges of €636,866 thousand,
- net income of €(2,631) thousand.

The year under review began on 01.01.2010, ended on 31.12.2010 and consisted of 12 months.

The following notes (and tables) form an integral part of the financial statements.

SIGNIFICANT EVENTS DURING THE YEAR

During the year 2010, Manitou BF sold all of its investment (20%) in Toyota Industrial Equipment (TIE).

On 29 November 2010, Manitou BF, the only shareholder, decided to dissolve its subsidiary, BTMI, without liquidation fiscally effective retroactively as of 1 January 2010. The transfer of assets was effective on 31 December 2010, the deadline date for any opposition by creditors. The assets and liabilities of BTMI were recorded in the accounts of Manitou BF at their book value. This process of dissolution and asset absorption has been subject to the special tax treatment provided for in article 210 A of the French General Tax Code. Within the framework of this transaction, a gain on merged assets of €553K was recorded as financial income.

Moreover, Manitou BF purchased shares held by minority shareholders in its subsidiaries, Manitou Portugal, Manitou UK and Manitou Australia, increasing its ownership to 100%, 99.42% and 86% respectively.

Through the contribution of industrial assets, Manitou BF increased its ownership in the Chinese subsidiary by 10%, from 40% to 50% at 31 December 2010.

2010 HIGHLIGHTS

January '10	Manitou Next! Definition of the Manitou strategic plan
March	New MT625. Compact telescopic dedicated to construction
April	Announcement of the industrial and social reorganization of French industrial sites
April	Reciprocal agreement with Genie/Terex on the distribution of aerial work platform equipment
May	"Synapse" plan. Support for the subcontractor supplier network in the Loire region in France
June	Red Series Initiative. Launch of 12 leading models in batch production.
June	New Gehl articulated loader launched in the U.S.
July	Agreement with Toyota Industries. Sale of Manitou's stake in TIE without calling into question the agreements for the distribution and assembly of masts.
August	Change in governance code, adoption of the MiddleNext code.

September	Refinancing of Gehl by Manitou BF in replacement of U.S. bank pool and new end-users financing agreement in the U.S. with DLL.
September	Launch of synergy plans for Gehl and Manitou sales organisations.
October	EN15000. New standard for blocking aggravating movements on telescopic machines (EU).
November	RTH IMH divisions' Suppliers Convention.
November	New model in China. Repositioning of strategy and operations.
January '11	Manitou Up! Whose ambition is to mobilise the Group around two axes: - a focus on capturing growth through the creation of new sources of growth and through the stimulation of existing markets. - a focus on the ability to deliver growth through a greater forecasting culture and an improvement in the predictability of operations.

As in previous years, minority investments in associates are valued using the equity method in accordance with Article 332-4 of the French General Chart of Accounts (PCG). The accounting principles are described in note 1-4.

In compliance with these principles, the difference in equity value was negative at 31.12.2010 and an additional provision was recorded for the impairment of shares held for €23,058 thousand bringing the total provision to €91,816 thousand at 31.12.2010.

NOTE ON THE GOING CONCERN PRINCIPLE

As constraints are much more on the supply than the demand side, both sales growth and margins continue to be very difficult to forecast.

Manitou BF's financial statements were prepared in application of the going concern assumption, based on the following structural assumptions for 2011:

– forecast growth of 20% of Group sales compared to 2010
– Group operating margin of 2 to 4%
– positive net income for the full-year period.

It should be emphasized that there are inherent uncertainties in making the assumptions mentioned above.

NOTE 1 : ACCOUNTING PRINCIPLES

NOTE 1.1 GENERAL PRINCIPLES

The balance sheet and income statement have been prepared in accordance with French law and generally accepted accounting principles in France.

The basic valuation method used is the historical cost method. However, an adjustment was made in 1976 relating to property, plant and equipment, intangible assets and long-term equity interests.

It should nonetheless be noted that, in 1976, a revaluation was performed on land, buildings and equipment, intangible assets and investments in associates.

A number of points that could have a material impact are described below.

NOTE 1.2 CHANGE OF ACCOUNTING METHODS

No change in methods occurred during the year.

NOTE 1.3 NON CURRENT ASSETS

DEVELOPMENT COSTS

Pursuant to Article 311-3-1 of the French General Chart of Accounts (PCG) created by Article 2-6 of CRC 2004-06, the development costs incurred by the Company in 2010, relating to clearly identifiable individual projects with a serious chance of technical and commercial success have been capitalised, since the conditions for capitalisation specified by the PCG have been met. As this is a tax-preferred method, the Company opted for this accounting treatment in 2005.

All research, analysis and development costs other than those described above are expensed in the period in which they are incurred.

COMPUTER SOFTWARE

This concerns notably costs incurred in the context of implementing an ERP system for the part relating to the detailed design of the project, programming, testing and documentation.

Costs relating to preliminary studies, functional analysis and user training are expensed in the period in which they are incurred.

DEPRECIATION AND AMORTISATION OF NON-CURRENT ASSETS

In accordance with French accounting regulations CRC 2002-10 (as amended by CRC 2003-07) and CRC 2003-06, the accounting methods used for intangible assets and property, plant and equipment (excluding development costs) are as follows:

– the basis for depreciation corresponds to the difference between the cost of the assets and its residual value, considered to be zero for depreciable assets,

– depreciation periods have been adapted according to the estimated useful life of each category of goods and calculated using the straight-line method,

The main depreciation periods are as follows:

– goodwill: 5 years,

– patents: 5 years,

– software: 3 and 7 years for the ERP system,

– development costs: 5 years,

– constructions: 20 to 30 years depending on the quality of the buildings,

– site installations and facilities: 10 years,

– technical facilities: 10 years,

– industrial equipment: between 3 and 7 years depending on the type of equipment

– industrial tools and moulds: 3 years,

– vehicles: 4 years for light vehicles, 5 years for large commercial vehicles,

– office and computer equipment: between 3 and 5 years depending on the type of equipment,

– office furniture: 10 years.

The difference between tax amortisation as calculated using the reducing-balance method and using the straight-line method based on the estimated useful life is recorded in regulated provisions (excess tax depreciation). For development costs, as stipulated in the regulations, excess tax depreciation is recorded as from the date that the item is initially recognised as an asset.

IMPAIRMENT OF ASSETS

Intangible assets and property, plant and equipment must be tested for impairment as soon as there is evidence of a loss in value.

When there is evidence of a loss in value, an impairment test is carried out. The carrying amount, which is assessed based on the market and the usefulness of the asset to the Company, is determined by comparing the market value with the value in use.

▸ NOTE 1.4 INVESTMENTS

In order to harmonise the presentation of shareholders' equity in the Parent Company and the consolidated financial statements, in conformity with Article 3 of the Law of 03.01.1985 and Article 11 of the Decree of 17.02.1986, the Company has opted since the 1990 financial statements to state investments in companies over which it exercises exclusive control on the basis of the share of equity that these securities represent, which is determined under the accounting rules applied in the consolidated financial statements.

In accordance with Article 332-4 of the French Chart of Accounts, if at the year-end date the overall value of equity-accounted securities is less than the acquisition cost, the overall portfolio is written down. A provision for total portfolio risk is also raised if the total value on an equity-accounted basis is negative.

Acquisition costs are capitalised. In accordance with the prevailing tax laws, these acquisition costs are amortised on a straight-line basis over five years.

▸ NOTE 1.5 TREASURY SHARES

Manitou BF shares are recognised, on the day they are delivered, at their acquisition cost excluding transaction costs.

Own shares are recorded in "Marketable securities" when these securities are intended to be used in stock-option plans and in "Other long-term investments" in all other cases.

For the plans deemed to be exercisable (market value of the Company's shares is higher than the option exercise price) for which an outflow of resources is probable, the corresponding shares are classified in a specific account within « marketable securities ».

When the market value of Manitou shares falls below their acquisition price, an impairment write-down is recorded for the amount of the difference. No impairment is recorded for shares classified in long-term investments, which are intended to be cancelled, or for shares classified in the specific sub-account of marketable securities (plans deemed to be exercisable). These latter shares are included when calculating the liability determined as explained above.

In accordance with the opinion of the French National Accounting Council dated 06.11.2008 and Regulation 2008 - 15 of the French Accounting Regulation Committee published on 30.12.2008, the charge relating to stock-option plans for Manitou BF shares is amortised on a straight-line basis over the vesting period applicable to employees. It is recognised in the income statement within "Wages and social security" with a corresponding entry in "Provisions for charges" in the balance sheet.

For stock purchase plans, this charge corresponds to the difference between the portfolio value, net of impairment, of the shares allocated to these plans, and the corresponding exercise price if this is lower. For stock-option plans based on performance, it corresponds to the portfolio value of the shares allocated to these plans.

NOTE 1.6 INVENTORIES

Valuation

– Goods for resale: valued at the weighted average cost.

– Raw materials: valued at the weighted average cost.

– Semi-finished goods, work in progress and finished goods: valued at production cost (actual cost of raw materials, machines and labour).

Impairment

– Goods for resale: as in previous years, impairment is calculated statistically based on inventory turnover and probable loss of value.

– Raw materials: as in previous years, impairment is recognised for slow-moving items.

– Finished goods: impairment is calculated on an item-by-item basis and concerns mainly second-hand, demonstration, depot and low-turnover equipment, with impairment rates being determined by product group.

NOTE 1.7 RECEIVABLES AND LIABILITIES

Receivables and liabilities are recorded at their nominal value. An impairment provision is recognised when their recoverable value, measured on a case-by-case basis, falls below their carrying amount.

NOTE 1.8 PROVISIONS FOR CONTINGENCIES AND CHARGES

Provisions for contingencies and charges are raised when the Company has an obligation to a third party and it is probable or certain that it will face an outflow of resources to this third party with no corresponding benefit to the Company.

These provisions are estimated by taking into consideration the most likely assumptions on the balance sheet date.

NOTE 1.9 POST-EMPLOYEMENT COMMITMENTS

The commitment is calculated in accordance with the French National Accounting Council recommendation 2003-R-01 of 10.04.2003 implementing the provisions of IAS19. The calculation method used is the projected unit credit method, sometimes known as the method involving the distribution of benefits pro rata to length of service.

Post-employment commitments are measured by taking into account demographic and economic assumptions. They are discounted to their present value by applying a discount rate based on the interest rates paid on first-grade bonds. The categories of defined benefits plans used within Manitou BF, together with the main assumptions used, are described in Note 11 to the financial statements.

NOTE 1.10 LONG-SERVICE AWARD

In 2010, as in the previous year, this commitment was calculated in accordance with the French National Accounting Council recommendation 2003-R-01 of 01.04.2003 implementing the provisions of IAS 19.

NOTE 1.11 TRANSLATION OF TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling on the transaction date. At the balance sheet date, receivables and liabilities are translated at the closing exchange rate. The difference resulting from the recalculation of receivables and liabilities at the closing exchange rate is recognised in the balance sheet in translation differences. A provision is booked for any unrealised foreign exchange losses.

NOTE 2 : INTANGIBLE ASSETS

In € thousands	**31.12.2009**	CHANGES DURING THE PERIOD Acquisitions	Mergers	Reclassi-fication	Disposals	GROSS VALUE **31.12.2010**
Research and development costs (1)	6,351			2,191		8,542
Concessions, patents, licences	21,602	424	115	0		22,141
Goodwill	1,416		143			1,559
Other intangible assets	0					0
Intangible assets in progress (2)	10,205	2,280		(2,191)		10,294
Advance payments	0					0
TOTAL	**39,574**	**2,704**	**258**	**0**	**0**	**42,536**

In € thousands	**31.12.2009**	CHANGES DURING THE PERIOD Provisions	Mergers	Other decreases	AMORTISATION **31.12.2010**
Research and development costs	3,200	1,503	0		4,703
Concessions, patents, licences	9,441	2,423	109	0	11,973
Goodwill	1,416		3	0	1,419
Other intangible assets	0				0
Intangible assets in progress	0				0
Advance payments	0				0
TOTAL	**14,057**	**3,926**	**112**	**0**	**18,095**

In € thousands	**31.12.2009**	NET AMOUNT **31.12.2010**
Research and development costs	3,151	3,839
Concessions, patents, licences	12,161	10,168
Goodwill	0	140
Other intangible assets	0	0
Intangible assets in progress	10,205	10,294
Advance payments	0	0
TOTAL	**25,517**	**24,441**

(1) Research and development costs

As at 31.12.2009 development costs totalled €15,392 thousand, being €9,041 thousand for projects in progress and €6,351 thousand for completed projects.

Development costs incurred by the Company and capitalised in 2010 came to €1,594 thousand, bringing the total amount of capitalised development costs as at 31.12.2010 to €16,985 thousand. This amount consisted of €8,443 thousand for projects in progress and €8,542 thousand for completed projects.

All research costs, together with study and development costs other than those described above, are expensed in the year in which they are incurred. In 2010, these costs totalled €9,656 thousand compared with €6,843 thousand in 2009.

(2) Other intangible assets in progress

These represent assets in progress as at 31.12.2010 that were not yet brought into service on that date and totalled €10,294 thousand, corresponding to:

Development costs	8,444
ERP system	1,443
Other	407
TOTAL	10,294

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

		CHANGES DURING THE PERIOD				**GROSS AMOUNT**
In € thousands	**31.12.2009**	Acquisitions	Mergers	Reclassi-fication	Disposals	**31.12.2010**
Land	8,397	0	538			8,935
Building	30,443	11	1,980			32,434
Site facilities and installations	22,659	388	523			23,570
Technical facilities, plant & Equipment	84,069	3,222	724	282	1,271	87,026
Other installations and facilities	112		16			128
Vehicles	1,206		41		49	1,198
Other property, plant & equipment	9,376	292	122		163	9,627
Property, plant and equipment in progress	282	176	1	(265)		194
Advance payments	34	7		(18)		23
TOTAL	**156,578**	**4,096**	**3,945**	**0**	**1,483**	**163,136**

In € thousands	**31.12.2009**	CHANGES DURING THE PERIOD Provisions	Mergers	Other decreases	**DEPRECIATION** **31.12.2010**
Land	3,629	203	251		4,083
Building	12,221	1,365	813		14,399
Site facilities and installations	13,755	1,477	258		15,490
Technical facilities, plant & Equipment	52,948	8,653	688	971	61,318
Other installations and facilities	92	7	12		111
Vehicles	992	119	41	28	1,124
Other property, plant and equipment	8,015	555	105	163	8,512
TOTAL	**91,652**	**12,379**	**2,168**	**1,162**	**105,037**

In € thousands	**31.12.2009**	**NET AMOUNT** **31.12.2010**
Land	4,768	4,852
Building	18,222	18,035
Site facilities and installations	8,904	8,081
Technical facilities, plant & Equipment	31,121	25,709
Other installations and facilities	20	17
Vehicles	214	74
Other property, plant & equipment	1,361	1,114
Property, plant and equipment in progress	282	194
Advance payments	34	23
TOTAL	**64,926**	**58,099**

The main investments in 2010 relate to industrial facilities and equipment for €3,405K consisting primarily of trucks for leasing of €2,261K and of miscellaneous tools of €1,144K.

NOTE 4 : LONG-TERM INVESTMENTS

In € thousands	**31.12.2009**	Movements	CHANGES DURING THE PERIOD Revaluation	Mergers	Disposals	**GROSS VALUE** **31.12.2010**
Equity interest	16,045		3,421		3,868	15,598
Receivables related to LT share investments	0					0
Investments (Equity method) (1)	336,299	0	1,485	(743)		337,041
Loans	0				0	0
Other long-term investments	641		110		0	751
TOTAL	**352,985**	**0**	**5,016**	**-743**	**3,868**	**353,390**

(1) Information on equity investments (movements in 2010)

COMPANY	**31.12.2009**	Acquisitions 2010	Disposals 2010	Mergers	**31.12.2010**
C.F.M.	1,716				1,716
C.I.M.M.	1,789				1,789
M.L.M.	6,911				6,911
Aumont - BSBH	1,396				1,396
B.T.M.I.	743			743	0
Manitou UK Ltd	507	91			598
Manitou North America	4,967				4,967
M.C.I.	34,461				34,461
Manitou Benelux	631				631
Manitou Asia	1,309				1,309
Manitou TR	811				811
Manitou Portugal	1,673	1,290			2,963
Manitou Deutschland	801				801
Manitou Southern Africa	208				208
Chariots Elevateurs Manitou Canada	13				13
Manitou Australia	254	104			358
Manitou Hangzhou Material Handling	3,840				3,840
Manitou Manutencion	200				200
Manitou Vostok	10				10
Manitou Polska	53				53
Gehl	274,006				274,006
TOTAL	**336,299**	**1,485**	**0**		**337,041**

In 2010, the Company acquired of all shares it did not already own in Manitou Portugal.

		CHANGES DURING THE PERIOD		**IMPAIRMENT**
In € thousands	**31.12.2009**	Charges	Other reductions in value	**31.12.2010**
Investments in associates (2)	68,758	23,058		91,816
Other financial assets	0	0	0	0
TOTAL	**68,758**	**23,058**	**0**	**91,816**

(2) At the balance sheet date, the total value of these investments in associates was lower than their purchase price. In compliance with Article 332-4 of the French General Chart of Accounts (PCG), an additional provision of €23,058K was created during the 2010 period bringing the total provision to €91,816K at 31.12.2010

NOTE 5 : EQUITY-ACCOUNTED INVESTMENTS (IN € THOUSANDS)

COMPANY	31.12.2009 % held	31.12.2009 Book value (acqu.cost or value revised 1976)	31.12.2009 Value (IFRS)	31.12.2009 Value difference (IFRS)	31.12.2010 % held	31.12.2010 Book value (acqu.cost or value revised 1976)	31.12.2010 Value (IFRS)	31.12.2010 Value difference (IFRS)
CFM	100.00%	1,716	23,085	21,369	100.00%	1,716	23,530	21,814
CIMM	100.00%	1,789	3,417	1,628	100.00%	1,789	3,503	1,714
MLM	100.00%	6,912	1,471	(5,441)	100.00%	6,912	(2,599)	(9,511)
Aumont - BSBH	100.00%	1,396	2,995	1,599	100.00%	1,396	2,836	1,440
BTMI	100.00%	743	1,997	1,254		0	0	0
Manitou UK Ltd.	98.70%	507	11,909	11,402	99.42%	598	9,137	8,539
Manitou North America Inc.	100.00%	4,967	16,953	11,986	100.00%	4,967	18,440	13,473
Manitou Costruzioni Industriali	100.00%	34,460	70,511	36,051	100.00%	34,460	66,239	31,779
Manitou Benelux SA	98.00%	631	8,681	8,050	98.00%	631	7,741	7,110
Manitou Asia Pte Ltd.	100.00%	1,310	3,775	2,465	100.00%	1,310	4,725	3,415
Manitou TR	99.64%	811	19	(792)	99.64%	811	20	(791)
Empilhadores De Portugal	90.00%	1,673	9,950	8,277	100.00%	2,963	8,549	5,586
Manitou Deutschland Gmbh	100.00%	800	2,013	1,213	100.00%	800	2,369	1,569
Manitou Southern Africa Pty Ltd.	80.00%	208	7,884	7,676	80.00%	208	11,103	10,895
Chariots Elevateurs Manitou Canada Inc.	100.00%	13	72	59	100.00%	13	97	84
Manitou Australia Pty Ltd.	80.00%	254	1,422	1,168	86.00%	357	2,158	1,801
Manitou Hangzhou Material Handling	100.00%	3,840	2,409	(1,431)	100.00%	3,840	77	(3,763)
Manitou Manutencion Espana S.L.	100.00%	200	284	84	100.00%	200	311	111
Manitou Vostok	100.00%	10	205	195	100.00%	10	292	282
Manitou Polska	100.00%	53	142	89	100.00%	53	129	76
Gehl Company	100.00%	274,006	98,346	(175,660)	100.00%	274,006	86,568	(187,438)
TOTAL		**336,299**	**267,540**	**(68,759)**		**337,040**	**245,225**	**(91,815)**

NOTE 6 : INVENTORIES

	31.12.2009			31.12.2010		
In € thousands	Gross	Impairment	Net	Gross	Impairment	Net
Raw materials	30,279	2,554	27,725	33,221	4,393	28,828
Work in progress	10,122		10,122	12,586		12,586
Finished goods	19,192	2,421	16,771	21,013	392	20,621
Goods purchased for resale	47,060	9,991	37,069	43,288	7,604	35,684
TOTAL	**106,653**	**14,966**	**91,687**	**110,108**	**12,389**	**97,719**

NOTE 7 : OPERATING RECEIVABLES

	GROSS			IMPAIRMENT		
In € thousands	31.12.2009	Movements 2010	31.12.2010	31.12.2009	Movements 2010	31.12.2010
Trade and related receivables	77,003	31,029	108,032	247	39	286
Other receivables	4,878	4,742	9,620			
Sundry debtors	42,936	17,432	60,368			
Capital called and not paid in						
TOTAL	**124,817**	**53,203**	**178,020**	**247**	**39**	**286**

		NET
In € thousands	31.12.2009	31.12.2010
Trade and related receivables (1)	76,756	107,746
Other receivables	4,878	9,620
Sundry debtors	42,936	60,368
Capital called and not paid in	0	0
TOTAL	**124,570**	**177,734**
(1) of which commercial paper	441	604

NOTE 8 : BREAKDOWN OF RECEIVABLES

In € thousands	Gross	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Non-current				
Receivables linked to equity interests (1)	0			
Loans (1) (2)	0			
Other long-term investments	751	751		
Current				
Doubtful debtors	479	479		
Other trade receivables	107,553	107,553		
Personnel and related receivables	8	8		
Social security and related receivables	84	84		
Income tax	23,957		23,957	
Value added tax	6,218	6,218		
Sundry	3	3		
Group and associates (2)	36,249	36,249		
Other debtors	3,469	3,469		
Prepaid expenses	1,571	1,571		
TOTAL	**180,342**	**156,385**	**23,957**	**0**
(1) Loans granted during the year	0			
(1) Loans repaid during the year	0			
(2) Loans granted to associates	0			

NOTE 9 : CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES

Marketable securities were valued at their market value on 31 December. Units in money market funds were marked to market by a buy/sell transaction at the year end and accrued interest on other investments was recognised at the balance sheet date.

In € thousands	2009	2010
- Money market funds	25,905	21,933
(valued at market price on 31 December, acquisition value at that date)		
- Structured investment with capital guaranteed	0	0
- Certificate of deposit	0	0
- Mutual funds with capital guarantee (diversified funds) at the subscription price	0	0
- Depreciation of mutual funds with capital guarantee	0	0
- Treasury shares (1)	14,030	9,260
- Depreciation of treasury shares (1)	(9,474)	(4,194)
TOTAL MARKETABLE SECURITIES	**30,461**	**26,999**
- Cash and cash equivalent	10,456	7,314
TOTAL CASH, CASH EQUIVALENT AND MARKETABLE SECURITIES	**40,917**	**34,313**

(1) Own shares

During 2010, the company sold 151,500 shares for a total amount of €4,770 thousand. This transaction resulted in the realization of a capital loss of €2,943 thousand which was fully covered by the reversal of a provision of €3,178 thousand.

As at 31.12.2010, own shares held by the Company to cover allocations in respect of stock-option plans (311,000) were recorded in marketable securities at their acquisition cost of €9,260 thousand, i.e. an average price of €29.77 per share.

As at 31.12.2010, given that the market value of these shares was €16.78 per share and the exercise prices ranged from €13 to €36, it was considered unlikely that these plans would be exercised.

Consequently, the own shares held to cover stock-option plans suffered an impairment loss at 31.12.2010 of €4,194 thousand (the difference between the acquisition price and the market value of the shares as at 31.12.2010).

A full reversal of provision totalling €5,280 thousand was recognised in non-recurring income during the period. This reversal includes €3,178 thousand of impairment on the cancelled shares and €2,002 thousand on the readjustment of the portfolio value as at 31.12.2010.

NOTE 10 : SHAREHOLDERS'EQUITY

▸ NOTE 10.1 MOVEMENTS IN SHAREHOLDERS'EQUITY

In € thousands	Capital	Additional paid-in capital	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	Income for the year	Regulated provisions and subsidies	Total shareholders' equity
At 31.12.2009	**37,567**	**439**	**908**	**3,781**	**338,334**	**40,372**	**(99,349)**	**23,635**	**345,687**
Capital decrease in cash	0								0
Income for 2009						(99,349)	99,349		0
Dividends									0
Income for 2010							(2,631)		(2,631)
Valuation differences									0
Change in investment subsidies					(79)			76	-3
Change in provisions for investment					(79)			79	0
Change in provisions for price increase								(434)	(434)
Change in exceptional amortisation for the year					(22)			3,957	3,935
At 31.12.2010	**37,567**	**439**	**908**	**3,781**	**338,154**	**(58,977)**	**(2,631)**	**27,313**	**346,554**

▸ NOTE 10.2 SHARE CAPITAL

	Nominal value	Number of shares	Amount
Share capital at opening date	€1.00	37,567,540	€37,567,540
Capital increase			
Capital decrease	€1.00	0	€0
SHARE CAPITAL AT 31 DECEMBER	**€1.00**	**37,567,540**	**€ 7,567,540**

NOTE 11 : PROVISIONS

		INCREASE		RELEASE		
In € thousands	**31.12.2009**	Provisions	Mergers	Used	Not used	**31.12.2010**
Regulated provisions						
Provisions for price increases	1,976			434		1,542
Exceptional amortisation	21,656	6,698	22	2,763		25,613
Other regulated provisions	0		78			78
TOTAL	**23,632**	**6,698**	**100**	**3,197**	**0**	**27,233**
Provisions for contingencies and charges						
Disputes	7,014	1,644		1,320	2,224	5,114
Warranties granted to customers (1)	13,032	4,600		6,988	3,312	7,332
Foreign exchange losses	58	397		58		397
Other employee benefits (2)	420	42		0		462
Other provisions for risks (3)	2,308	0	21	1,136	123	1,070
Post-employment and similar obligations (4)	0	5	101	0		106
TOTAL	**22,832**	**6,688**	**122**	**9,502**	**5,659**	**14,481**
Provisions for impairment and depreciation						
Property, plant & equipment	1					1
Equity interests	68,758	23,058		0		91,816
Inventories and work in progress	14,967	11,409		9,768	4,219	12,389
Trade accounts	247	93		54		286
Other (5)	9,474	0		5,280		4,194
TOTAL	**93,447**	**34,560**		**15,102**	**4,219**	**108,686**
OVERALL TOTAL	**139,911**	**47,946**		**27,801**	**9,878**	**150,400**

Of which provisions and provisions reversed:	Additions	Recoveries
- operating	14,868	25,314
- financial	23,455	58
- exceptional	9,623	12,307

(1) Warranties

A provision is set aside to cover the estimated cost of warranties on machinery and spare parts at the time they are sold to either the networks or end customers. It covers the contractual warranty and any extension, after the risk is assessed either on a case by case basis or within the framework of campaigns. A statistical technique is employed to calculate the provision.

(2) Pensions and related obligations

This item corresponds to the accrual for long service awards.

(3) Other provisions for contingencies

This item includes a €811 thousand contingency provision on the shares of Manitou TR and a €239 thousand provision for charges to cover costs related to voluntary departures of employees under the terms of the agreements signed with the social partners.

(4) Provisions for pension obligations

Provisions for pension obligations were measured in accordance with the principles described in note 1.9. The following actuarial assumptions were used to calculate these commitments:

		2009	2010
Retirement age	- managers	63/65 years	62/67 years
	- other employees	60/61 years	62/67 years
			Gradual increase in the number of years subscribed to reach 42 years in 2016
Annual rate of salary increase		4.00%	4.00%
Discount rate		5.30%	5.25%
Return on plan assets		4.25%	4.00%
Mortality tables		TGH05/TGF05	TGH05/TGF05
Employee turnover	- managers	2.50%	2.50%
	- other employees	1.00%	1.00%

All actuarial gains and losses were recorded to the income statement.

In August of 2010, the collective agreement for the steel industry was modified with respect to retirement benefits (an increase in rights). The Manitou Group included that change in the assessment of its commitments which resulted in an increase in pension commitments of approximately 32%. The impact is a past services cost and is amortized as an expense over the length of the average remaining employment period. The annual amortization related to this change in rights is thus estimated at €35 thousand (1).

The change in pension provision was as follows:

In € thousands	2009	2010
Commitments - End of period	5,350	7,378
Plan assets at end of period	5,413	5,586
Financial position	63	(1,792)
Past service costs (change in collective convention 08.2010) (1)		1,787
(Provision) / amount prepaid	63	(5)

Analysis of the impact on results recorded in the financial statements in 2009 and 2010:

In € thousands	**2009**	**2010**
- Methodological adjustment		
- Service cost	315	363
- Discount cost	323	300
- Expected return on plan assets	(223)	(228)
- Curtailment	(1,274)	0
- Past services cost (1)	0	35
Subtotal	(859)	470
Transfer acquisition	33	0
Actuarial (profit) or loss calculated	(104)	(402)
TOTAL	**(930**	**68**

(5) Other

Impairment of treasury shares (see note 9)

NOTE 12 : BREAKDOWN OF LIABILITIES

In € thousands	Total	Less than 1 year	1 to 5 years	More than 5 years
Bank loans and borrowings (1)	124,636	35,832	88,804	
Other loans and borrowings	430	430		
Trade accounts payable and related payables	98,104	98,104		
Personnel and related liabilities	10,279	10,279		
Social security and related liabilities	8,575	8,575		
Income tax	0	0		
Value added tax	118	118		
Other duties and taxes	3,570	3,570		
Due to suppliers of non-current assets	940	940		
Group and associates	38,706	38,706		
Other liabilities	8,191	8,191		
Deferred income	0	0		
TOTAL	**293,549**	**204,055**	**89,494**	**0**
(1) Loans subscribed during the year	0			
(1) Loans repaid during the year	67,536			

The balance of bank loans and borrowings consists of a €210 million syndicated amortising term loan set up in 2008 to finance the acquisition of Gehl.

This credit agreement includes a €210 million loan to be paid-off on a straight-line basis over a five year period, a €40 million renewable line of credit, as well as a multi-currency line of credit of 45 million USD which is secured by the company's receivables. At 31.12.2010 the balance sheet included, first of all, the acquisition debt, and second, the multi-currency line of credit.

The main characteristics of the borrowing are as follows:

- Term: 5 years
- Interest rate: Euribor + 3%

The covenants associated with this contract are:

- gearing ratio (net debt(1)/equity) of less than one over the life of the loan;
- decreasing leverage ratio (EBITDA (2)/net debt), applicable as of 30.06.2011; (<6 at 30.06.2011, 4.2 at 31.12.2011, between 3 and 2.5 afterwards)
- cash cover ratio (cash flow / debt servicing) > 0.8 at 31.12.2010.
- cash and cash equivalents in excess of €25M at 31.12.2010.

As at 31.12.2010, the ratio of net debt to equity (gearing) came to 41%, as defined by the criteria in the credit agreement.

(1) Under the terms of the loan agreement, net debt and shareholders' equity are restated for impacts related to the shareholder agreements.

(2) EBITDA: operating income before depreciation and amortisation and asset impairments.

The Manitou Group decided to hedge the interest rate risk on the debt incurred to acquire Gehl in order to secure to cap financial expenses. Accordingly, Manitou set in place a swap, paying fixed interest rates and receiving variable rates, to cover a portion of the acquisition debt.

NOTE 13 : RELATED PARTIES

In € thousands	2009	2010
Investments	336,299	337,091
Receivables from investments		
Other shareholdings	16,022	15,575
Trade and related receivables	26,815	40,427
Other receivables	22,020	38,502
Trade and other accounts payable	12,644	20,944
Due to suppliers of non-current assets		
Other liabilities	10,293	38,706
Interest expense	177	223
Income from shareholdings	10,162	20,718
Other interest income	356	393

No transactions were performed outside of normal market conditions.

NOTE 14 : ACCRUED INCOME AND ACCRUED EXPENSES

NOTE 14.1 ACCRUED INCOME

In € thousands	2009	2010
Receivables from associates	0	0
Other long-term investments	0	0
Trade and related receivables	611	248
Other receivables	1,630	3,064
Cash and cash equivalents	4	1

NOTE 14.2 ACCRUED EXPENSES

In € thousands	2009	2010
Bank loans and borrowings	0	0
Other loans and borrowings	0	0
Trade and other accounts payable	20,955	22,937
Tax and social security liabilities	9,847	18,018
Due to suppliers of non-current assets	33	181
Other liabilities	6,067	7,209

NOTE 15 : DEFERRED INCOME AND PREPAID EXPENSES

In € thousands	Expense	Income
Operating expense / Income	1,571	0
Financial expense / Income		
Non-recurring expense / Income		
TOTAL	**1,571**	**0**

NOTE 16 : TRANSLATION DIFFERENCES ON LIABILITIES AND RECEIVABLES DENOMINATED IN FOREIGN CURRENCY

(Outside of EURO zone)

In € thousands	Assets (1)	Liabilities
Borrowings and financial debt	335	855
Trade debtors	58	375
Trade creditors	4	69
TOTAL	**397**	**1,299**

(1) Covered by a provision amounting to €397 thousand

NOTE 17 : VALUATION DIFFERENCES

In € thousands	31.12.2009	31.12.2010
Assets		
Land	354	354
Shareholdings	554	554
TOTAL	**908**	**908**
Liabilities		
Revaluation reserve (1976)	908	908
Other differences (equity valuation differences)	0	0
TOTAL	**908**	**908**

NOTE 18 : BREAKDOWN OF SALES

In € thousands	2010	2009
A – By activity		
Production (Manitou BF)	308,149	245,441
Spare parts trading	112,427	103,172
Equipment trading	124,381	84,463
TOTAL	**544,957**	**433,076**
B – By geographic region		
France	211,456	190,522
Export	333,501	242,554
TOTAL	**544,957**	**433,076**

NOTE 19 : FINANCIAL RESULT

In € thousands	Expense	Income
Dividends		20,717
Foreign exchange gains		2,564
Other income		1,742
Interest expenses on loans	5,404	
Foreign exchange losses	3,701	
Impairment of investments (1)	23,058	
Other expenses	4,821	
TOTAL	**36,984**	**25,023**

(1) Total impairment of investments (see notes 1.4 and 4).

NOTE 20 : NON-RECURRING INCOME (LOSS)

In € thousands	Expense	Income
Income on sales of shares (1)		11,497
Release of provision on treasury shares		5,280
Release of regulated provisions		2,763
Income related to tax audit (Note 21)		2,571
Other income		2,598
Net charges on sales of shares (1)	3,868	
Increase in regulated provisions	6,698	
Charges related to tax audit (Note 21)	3,170	
Other expense	4,486	
TOTAL	**18,222**	**24,709**

(1) TIE shares sold

NOTE 21 : INCOME TAX

NOTE 21.1 BREAKDOWN OF INCOME TAX

In € thousands	Income before tax	Tax	Income after tax
Ordinary income	(6,808)	(4,331)	(2,477)
Non recurring income and profit sharing	2,948	1,189	1,759
Tax arrears (1)	0	1,913	(1,913)
Net income	(3,860)	(1,229)	(2,631)

Manitou BF has been subject to a tax audit since mid-2010 related to the 2007, 2008 and 2009 fiscal periods and which was still in process at 31 December 2010. At the end of 2010 the Company received a notification related to the 2007 fiscal period. The 2007 adjustments accepted by the Company or probable in nature resulted in the recording of non recurring provisions or tax arrears.

Because of the losses incurred, the Company opted to claim a carry-back allowing it to record a receivable from the French treasury department equal to the income tax calculated on the loss. As such, €2,892 thousand was recorded on the balance sheet and as income in the income statement in 2010. The carry-back receivable thus increased to €23,096 thousand at 31.12.2010.

NOTE 21.2 RESEARCH TAX CREDIT

The research tax credit recognised in 2010 amounted to €250 thousand.

NOTE 21.3 - INCREASES AND REDUCTIONS IN THE FUTURE TAX LIABILITY

In € thousands	**Amount**	
NATURE OF TEMPORARY DIFFERENCES		
INCREASE		
Regulated provisions at 31.12.2010	27,233	
Other tax deductibles		
TOTAL	**27,233**	
INCREASE IN FUTURE TAX LIABILITY		**9,376**
DECREASE		
Provisions that are non-deductible for the year when recognised	3,930	
Other		
TOTAL	**3,930**	
REDUCTION IN FUTURE TAX LIABILITIES		**1,353**

NOTE 22 : FINANCE LEASES

There were no property finance leases as at 31.12.2010.

NOTE 23 : COMMITMENTS GIVEN

In € thousands	**Amount**
Discounted bills not yet due	
Guarantees, surety and pledges	3,242
Mortgages	
Shareholders' agreements	2,554
Forward currency sales	23,151
Interest rate swaps	254,000
Commitments to repurchase equipment (1)	19,059

(1) Commitments to repurchase equipment are valued based on the agreed contractual repurchase prices. Note that the market value of said equipment is usually higher than the repurchase value.

NOTE 24 : IMPACT OF EXCESS TAX DEPRECIATION

In € thousands	**Amount**
INCOME FOR THE YEAR	**(2,631)**
Income tax	(1,229)
INCOME BEFORE TAX	**(3,860)**
Change in regulated provisions	3,501
Other tax deductibles	
INCOME BEFORE TAX, EXCLUDING IMPACT OF EXCEPTIONAL TAX ITEMS	**(359)**

NOTE 25 : AVERAGE NUMBER OF EMPLOYEES

Employees	**2009**	**2010**
Management staff	239	216
Technical and supervisory staff	36	33
Office workers	278	280
Production workers	770	685
TOTAL	**1,323**	**1,214**

NOTE 26 : INFORMATION RELATING TO INDIVIDUAL STAFF TRAINING RIGHTS (D.I.F.)

In 2010, costs arising from individual rights to training were borne by the Company as part of the training programme when agreed between the employer and employee.

For information, the individual rights of all employees that had not requested training totalled 119,788 hours at 31.12.2010.

NOTE 27 : INFORMATION RELATING TO COMPENSATION PAID TO CORPORATE OFFICERS

All compensations and benefits-in-kind paid to corporate officers in 2010 are shown in the following table:

In € thousands or number of shares	Wages	Directors' fees	Additional payments	Stock-options granted	Stock-options exercised	Other provisions and commitments
Non executive Directors	115	399				
Corporate Officers	455	360	784	68,400	0	0

NOTE 28 : INFORMATION RELATING TO THE STATUTORY AUDITORS' FEES

The Company believes that the information provided for by Article 222-8 of the AMF's general regulations and instructions no. 2006-10, and provided in the notes to the consolidated financial statements, will comply with the provisions introduced by Decree no. 2008-1487 dated 30.12.2008.

NOTE 29 : POST-CLOSING EVENTS

NOTE 29.1 REORGANIZATION OF THE FAMILY CONTROL OF MANITOU

On 30.03.2011 the Board of Directors of Manitou and its holding company SFERT agreed to the terms of the draft agreement related to the absorption of SFERT by Manitou. The Boards have settled on the final parity of 45.83 Manitou shares for one SFERT share which was assessed as fair in the conclusions of the report provided by Ricol Lasteyrie as the mandated independent expert in the framework of the merger.

These transactions will strengthen Manitou, with a confirmed and futureproof family control, and also with €46,2m of net assets contributed by SFERT through the merger. They will also stabilize family shareholders thanks to simplified holding structures and facilitated transmission to younger generations.

These transactions should take place during H1'11 and provide the following outcome:

– Family shareholders will continue to act in concert, and will hold approximately 65% of Manitou share capital (versus 63% previously).

– With terms of 6 years following the merger-absorption of SFERT by Manitou, the family pact will notably provide for the commitment of family shareholders to hold a number of shares equal to 40% of the Manitou shares outstanding at the time of the merger and provide for Manitou's governance to remain unchanged.

– As per the merger, SFERT will contribute Manitou all of its net assets, i.e €46.2M, including €36.3M of cash and cash equivalents, €8.9M of Lucas G. net assets (a leader in cattle-breeding equipment) and €1M of other current assets and liabilities.

The project foresees the ratification of all the terms of the transaction at the Extraordinary Shareholders' Meetings to be held in the first half of 2011.

NOTE 29.2 ACQUISITION OF SAVIM

On March 22, 2011, Manitou acquired 75% of SAVIM (Société Audoise de Véhicules Industriels et de Manutention), its dealer in Southern France (in the Aude, Hérault and Pyrénées Orientales départements), with the aim of securing its long-term presence in the sector. This transaction does not undermine the Group's strategy of distributing its products through independent dealers and forms part of a transitional phase due to end on 31 December 2012, with an interim phase during which two thirds of the Company's share capital will be held by Manitou and one third by the minority shareholder.

NOTE 29.3 THE CONTINUATION OF THE INDUSTRIAL AND CORPORATE REORGANISATION IN FRANCE

In the framework of this project, the Group merged Manitou BF with Aumont BSBH on 31 January 2011, and is set to merge CIMM and MLM with Manitou BF prior to the end of 2011.

LIST OF EQUITY INTERESTS AND SUBSIDIARIES AT 31.12.2010

Regarding the valuation of investments in associates, (notes a.2.2 and b.4) the values presented in this table are calculated on the basis of IFRS.

COMPANY *In € thousands or other currency units*	Capital	Reserves and retained earnings before appro-priation	% of capital held	BOOK VALUE OF SHARES HELD Gross	Net	Accounted for by the equity method	Loans and advances granted and not yet repaid	Guaran-tees given	Sales before tax	Profit or Loss (-)	Dividends received
I - Detailled information											
A - SUBSIDIARIES (At least 50 % owned)											
	EUR	EUR		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
CFM	1,320	22,210	100.00%	1,716	1,716	23,530	5,124		56,680	429	
CIMM	1,800	1,666	100.00%	1,789	1,789	3,504	10,350		24,752	76	
MLM	1,800	(3,901)	100.00%	6,912	6,912	(2,599)	5,481		9,131	(3,200)	
Aumont - BSBH	1,747	1,086	100.00%	1,396	1,396	2,836	874		4,331	(175)	
MCI	5,000	65,206	100.00%	34,460	34,460	66,239			145,486	7,181	11,000
Manitou Benelux SA	500	7,433	98.00%	631	631	7,741			44,265	630	1,470
Manitou Portugal	600	7,869	100.00%	2,963	2,963	8,549			12,098	445	2,800
Manitou Deutschland Gmbh	800	1,547	100.00%	800	800	2,369			46,850	1,304	970
Manitou Manutencion Espana S.L.	200	111	100.00%	200	200	311			995	27	
	GBP	GBP							GBP	GBP	
Manitou UK Ltd.	230	8,480	99.42%	598	598	9,138			50,046	768	4,162
	USD	USD							USD	USD	
Gehl Company Inc.	361,101	(255,563)	100.00%	274,006	274,006	86,568	14,355		155,961	(13,808)	
Manitou North America Inc.	64	24,576	100.00%	4,967	4,967	18,440			17,925	257	
	SGD	SGD							SGD	SGD	
Manitou Asia Pte Ltd.	400	7,630	100.00%	1,310	1,310	4,725			17,188	407	
	TRL	TRL							TRL	TRL	
Manitou TR	250,000	(198,394)	99.64%	811	0	20			21,819	10,395	
	ZAR	ZAR							ZAR	ZAR	
Manitou Southern Africa Pty Ltd.	938	97,464	80.00%	208	208	11,103			247,889	18,099	316
	CAD	CAD							CAD	CAD	
Chariots Elev. Manitou Canada Inc.	20	109	100.00%	13	13	97	64		753	20	
	AUD	AUD							AUD	AUD	
Manitou Australia Pty Ltd.	400	2,896	86.00%	358	358	2,158			26,950	450	
	CNY	CNY							CNY	CNY	
Manitou Hangzhou Material Handling Co Ltd.	43,861	(40,854)	100.00%	3,840	3,840	77		5,205	40,657	(15,365)	
	RUB	RUB							RUB	RUB	
Manitou Vostok	338	11,566	100.00%	10	10	292			141,385	3,329	
	PLN	PLN							PLN	PLN	
Manitou Polska	200	315	100.00%	53	53	129			3,097	(331)	
B - EQUITY INTERESTS (10 to 50 %)											
	EUR	EUR							EUR	EUR	
Manitou Finance France SAS	25,656	4,101	49.00%	12,571	9,604				10,270	1,878	
	GBP	GBP							GBP	GBP	
Manitou Finance Ltd.	2,000	2,310	49.00%	1,482	1,482				1,714	402	
	DZD	DZD							DZD	DZD	
Algomat	20,000	60,422	30.40%	74	74				10,000	10,000	
	CNY	CNY							CNY	CNY	
Hangzhou Manitou Machinery Equipment	28,011	7,776	50.00%	1,448	994				16,169	(2,851)	
I I - General information											
A - SUBSIDIARIES not listed in paragraph I	None										
B - EQUITY INTERESTS not listed in paragraph I	None										

INVENTORY OF INVESTMENT SECURITIES

COMPANY *In number of units or shares or in € thousands*	Type / par Value	Currency	Number of units or shares	Initial book value in euros	Equity value in euro
CFM	Shares / 20	EUR	6,600	1,716	23,530
CIMM	Shares / 20	EUR	22,500	1,789	3,503
MLM	Shares / 16	EUR	112,500	6,912	(2,599)
Aumont - BSBH	Shares / 20	EUR	62,400	1,396	2,836
Manitou Finance France SAS	Shares / 1000	EUR	12,571	12,571	12,571
Manitou Uk Ltd.	Shares / 1	GBP	228,670	598	9,137
Manitou North America Inc.	Shares / 100	USD	639	4,967	18,440
MCI	Shares / 1	EUR	5,000,000	34,460	66,239
Manitou Benelux Sa	Units / 500	EUR	980	631	7,741
Manitou Asia Pte Ltd.	Shares / 1	SGD	400,000	1,310	4,725
Manitou TR	Shares / 10 000 000	TRL	24,910	811	20
Manitou Portugal	Shares / 5	EUR	120,000	2,963	8,549
Manitou Deutschland Gmbh	Shares / 800 000	EUR	1	800	2,369
Manitou Southern Africa Pty Ltd.	Units / 1	ZAR	750,000	208	11,103
Manitou Finance Ltd.	Units / 1	GBP	980,000	1,482	1,482
Algomat	Shares / 1 000	DZD	6,080	74	74
Chariots Elev. Manitou Canada Inc.	Shares / 1	CAD	20,000	13	97
Gehl Company	Shares / 361 101	USD	1	274,006	86,568
Manitou Australia Pty Ltd.	Shares / 1	AUD	344,000	358	2,158
Manitou Hangzhou Material Handling				3,840	3,840
Manitou Manutencion Espana S.L.	Shares / 1	EUR	200,000	200	311
Hangzhou Manitou Machinery Equipment				1,448	1,448
Manitou Vostok	Shares / 1			10	292
Manitou Polska	Units / 1	PLN	400	53	129
TOTAL				**352,616**	**264,563**

FIVE-YEAR FINANCIAL SUMMARY

Information *In €*	2006	2007	2008	2009	2010
I – AT 31 DECEMBER					
a) Share capital	37,809,040	37,809,040	37,809,040	37,564,540	37,564,540
b) Number of ordinary shares in issue	37,809,040	37,809,040	37,809,040	37,564,540	37,564,540
c) Number of convertible bonds					
II – RESULTS OF OPERATIONS					
a) Sales	936,556,089	1,041,265,194	1,036,837,302	433,075,596	544,957,041
b) Income before tax, amortisation, depreciation, provisions and employee profit sharing	122,282,642	131,304,463	93,037,984	(26,803,644)	26 250,479
c) Income tax	30,940,065	23,617,005	10,019,107	(20,460,145)	(1,228,671)
d) Income after tax, depreciation, amortisation, provisions and employee profit sharing	75,427,712	83,062,211	40,801,349	(99,348,904)	(2,631,409)
e) Dividends paid	39,699,492	39,699,492	0	0	0
III – PER SHARE DATA					
a) Income after tax, but before amortisation, depreciation, provisions and profit sharing	2.42	2.85	2.20	(0.17)	0.73
b) income after tax, amortisation, depreciation, provisions and profit sharing	1.99	2.20	1.08	(2.64)	(0.07)
c) Dividend paid per share	1.05	1.05			
IV – EMPLOYEE DATA					
a) Number of employees	1,297	1,367	1,458	1,323	1,214
b) Salaries and wages	41,595,594	45,311,254	48,557,081	41,126,453	41,987,074
c) Social security and benefits	17,197,376	18,822,484	20,043,791	16,621,998	17,779,581

8.4 THE STATUTORY AUDITORS' REPORT

8.4.1 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE PARENT COMPANY - YEAR ENDED 31 DECEMBER 2010

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2010, on:

– the audit of the accompanying financial statements of Manitou BF;
– the justification of our assessments;
– the specific procedures and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2010 and of the results of its operations for the year then ended in accordance with French accounting principles.

JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

– Note 1.4 presents the procedures used to measure the value of the Company's equity interests. Because of the mandatory application of IFRS for the preparation of the Group's consolidated financial statement, the equity used to value investments in associates in the Parent Company financial statements is calculated in application of these same standards.

– Note 11 discloses the fact that your company sets aside provisions in respect of guarantees given to customers. In particular, our work consisted of assessing the information and assumptions determined by management on which such accounting estimates are based, in reviewing, on a test basis, the Company's calculations and in comparing the accounting estimates of prior periods with the corresponding actual data.

On these bases, we assessed the reasonableness of such estimates.

Accounting principles

As part of our assessment of the accounting principles applied by your company, we have also reviewed the methods used to capitalize development costs and to amortize such expenses and test their recoverable amount, and are satisfied that note 1.3 provides appropriate disclosure in this respect.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

SPECIFIC PROCEDURES AND DISCLOSURES

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (Code de Commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Orvault and Nantes, 29 April 2011
The Statutory Auditors
French original signed by

RSM Secovec	Deloitte & Associés
Jean-Michel Picaud	Thierry de Gennes

8.4.2 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS
SHAREHOLDERS' MEETING HELD TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

8.4.2.1 AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

AGREEMENTS AUTHORIZED DURING THE YEAR

Pursuant to Article L. 225-40 of the French Commercial Code, the following agreements, which were previously authorized by the Board of Directors, have been brought to our attention.

AGREEMENTS WITH THE COMPANY LUCAS G

Lucas G is a company which is 100% owned by SFERT, which owns 42.06% of Manitou BF.

At its meeting of 24 June 2010, your Board of Directors authorized the collaboration between your company and Lucas G related to the following projects:

– The distribution by Manitou BF of an "articulated loader" manufactured by Lucas G. The distribution agreement signed on 1 November 2010, is an exclusive cross agreement according to which Lucas G concedes to Manitou BF exclusive rights, for all countries, to distribute these products, Manitou BF refraining from procuring the product from a third party or from producing it on its own. The contract has been concluded for a period of 3 years. Commercialization is scheduled to begin in the second quarter of 2011.

– The supply, by Lucas G to Manitou BF, of a range of attachments. The products concerned are shovels and buckets for agricultural and construction applications. This project had not started on the date of our report and has therefore had no impact on the 2010 period.

8.4.2.2 AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

AGREEMENTS APPROVED IN PRIOR YEARS

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

AGREEMENT WITH JACQUELINE HIMSWORTH (VICE-CHAIRMAN OF THE BOARD OF DIRECTORS AND THE PRESIDENT OF SFERT, WHICH OWNS 42.06% OF MANITOU BF)

Current account

The current account of Jacqueline Himsworth amounted to €429,943.60 (including interest and net of deductions) as at 31 December 2010. This current account bears interest at a rate of 3.82%. Interest expense incurred by your company in 2010 related to this current account amounted to €13,045.

CREDIT AGREEMENT WITH THE COMPANY GENEVAL, GROUPE SOCIETE GENERALE, A MANITOU SHAREHOLDER

On 4 September 2008, your company signed a credit agreement with the Societe Generale, acting as an agent (as such term is defined in this agreement) and with other banks and lending institutions. This agreement is for three lines of credit:

– a 5 year loan amounting to €210,000,000 ;

– two revolving credits of €40,000,000 and USD45,000,000.

It has been the subject of amendments dated 21 October 2008, 26 February 2009, 23 July 2009 and 16 September 2010. The loan balance amounted to €116,127,809 at 31 December 2010.

The balance of the revolving credit facility used as of 31 December 2010 amounted to€7,483,909. Interest expense incurred related to the €210 million loan amounted to €5,311,839. The contract is subject to the following restrictive covenants:

– gearing ratio (net debt/equity) of less than one over the life of the loan;

– a decreasing leverage ratio (EBITDA/net debt) as of 30/06/2011 (<6 at 30/06/2011, 4.2 at 31.12.2011, between 3 and 2.5 afterwards),

– cover cash ratio (cash flow/debt service)> 0.8 at 31.12.2010,

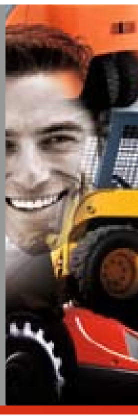
– cash in excess of €25 million at 31.12.2010.

Orvault and Nantes, 29 April 2011
The Statutory Auditors
French original signed by

RSM Secovec	**Deloitte & Associés**
Jean-Michel Picaud	Thierry de Gennes

ANNUAL REPORT 2010

9. ADDITIONAL INFORMATION



9.1 PERSON RESPONSIBLE FOR THE INFORMATION IN THE ANNUAL REPORT

Jean-Christophe Giroux, President and Chief Executive Officer

I hereby affirm that, to the best of my knowledge, the financial statements have been prepared in accordance with all applicable accounting standards and present a true and fair view of the assets, liabilities, financial position and performance of Manitou BF and all the companies included in its consolidation scope, and that the accompanying management report presents an accurate picture of the trends in its businesses, the results and the financial position of the Company and all the companies included in the consolidation scope as well as a description of the main risks and uncertainties they face.

Ancenis, April 29, 2011

Jean-Christophe Giroux

Chief Executive Officer

9.2 THE CHAIRMAN'S REPORT IN APPLICATION OF ARTICLE L.225-37 OF THE FRENCH COMMERCIAL CODE

To the Shareholders:

In accordance to article 117 of the Financial Security Act of August 1, 2003 and in application of the provisions of article L.225-37 of the French Commercial Code, I hereby present to you, in my capacity as Chairman of the Board of Directors, the report on the corporate governance, internal control and risk management procedures:

This report was prepared with the assistance of the Audit Committee and the head of internal audit and control, and approved by the Board of Directors on April 26, 2011.

9.2.1 CORPORATE GOVERNANCE

In its meeting on August 31, 2010, the Manitou Board of Directors decided to adhere to the 'MiddleNext' Code of Corporate Governance for mid-caps which was released in December of 2009, for which the guidelines (recommendations and issues to monitor) better correspond to its profile than the AFEP/MEDEF code, to which the company has adhered up to now. This information was communicated to the market on October 26, 2010 with the disclosure of the Q3 2010 sales. The code can be found on the website www.middlenext.com.

The Company's governance complies with all of the MiddleNext code recommendations. In addition, the Board took note of the items presented in the "points of vigilance" which are essential provisions of the code.

At its meeting of December 17, 2009, the Shareholders' Meeting adopted a mode of governance with a separation of functions between a non-executive Chairman of the Board of Directors and a Chief Executive Officer, the only executive officer who is also a corporate officer. This report details the three major powers of the governance, as defined by the MiddleNext code.

1. THE EXECUTIVE POWER: "THE CHIEF EXECUTIVE OFFICER"

The executive power of the Company is held by the Chief Executive Officer, a position provided for in the corporate by-laws and for which the powers are specified by the internal regulations. It does not cumulate the employment contract with the corporate office and all fixed and variable components of his compensation, including severance, pension and stock option grants are described in Chapter 5 of the management report concerning corporate governance. All of these items have been voted by the Board of Directors based on the recommendations of the Compensation Committee and are part of a good governance process in accordance with recommendations R1 to R5 of the MiddleNext code.

2. THE SUPERVISORY POWER: "THE BOARD OF DIRECTORS"

2.1. Composition of the Board of Directors

The Board of Directors, appointed by the Extraordinary Shareholders' Meeting of December 17, 2009, is composed of nine members. The term of office, provided for in the by-laws, is four years.

The Board of Directors includes one woman among its members, thereby complying with the law No. 2011-103 of January 27, 2011, and known as the Copé Zimmermann law, related to the equal representation of men and women on boards of directors and supervisory committees and to equal employment rights.

In addition, three members of the Board of Directors meet the independence criteria. The criteria evaluated in order to justify the independent nature are provided in recommendation R8 of the MiddleNext code. This independence is characterized by the lack of significant financial, contractual or family relations which might impair the independence of judgement.

The composition of the Board of Directors has not changed during the year 2010:

- Marcel Braud, Chairman
- Jacqueline Himsworth, Vice-Chairman
- Sébastien Braud
- Serge Ghysdael
- Gordon Himsworth
- Christopher Himsworth
- Joël Goulet, independent member
- Dominique Bamas, independent member
- Pierre-Henri Ricaud, independent member

2.2. Operation of the Board of Directors

At its meeting of December 17, 2009, the Board of Directors unanimously adopted undisclosed internal regulations which define the methods of its organization and operation. These regulations include the mission and operation of the Board of Directors and its specialized committees which have been established in accordance with the legal and statutory provisions. The regulations also clarify the roles and powers of the Chairman and executive management and the duties of each Director. As such, it includes a Directors' Charter detailing the rights and requirements to which the Manitou Directors are committed in the on-going concern for good corporate governance. These principles revolve around the duties of diligence, independence, transparency and confidentiality.

During the year 2010, the Board of Directors met 13 times. Throughout the year, the Group's business, strategic orientation and projects in process are reviewed. Group financing and, particularly, changes in Gehl's situation were recurring themes of the 2010 meetings.

The Board also visited Gehl's company headquarters in West Bend, Wisconsin and factories in Yankton and Madison, South Dakota. Besides that, at the request of Executive Management, the Chairman, Marcel Braud, made two trips abroad: the first trip was for one week in Japan for contacts with Toyota and the second trip in China, at the MHMH and HMME subsidiaries, in connection with their participation at the BAUMA trade fair in Shanghai.

Board meetings were held at the headquarters or, in exceptional circumstances, via a secure telephone line, as convened by the Chairman. The attendance rate, including occasional cases of representation by another Board member as provided for in the internal regulations, was 97%.

Each Board member and each employee representative convened was sent all documents and information prescribed by law and necessary to achieve their mission in sufficient time prior to the meetings.

The minutes of the Board meeting are systematically written and submitted to each member for approval.

The Statutory Auditors were invited to the Board meetings related to the review of the half-year and annual financial statements in accordance with Article L.823.17 of the French Commercial Code.

The directors are compensated in the form of tokens whose distribution is decided by the Board based on the opinion of the Compensation Committee, according to the Directors' attendance and the time they devote to their activities, including their participation in specialized committees. The Chairman receives special compensation under article L.225-47 of the French Commercial Code and presence tokens related solely to the Board chairmanship. The details for the total of all compensation are provided in Chapter 5 of the management report on corporate governance.

In accordance with its internal regulations pursuant to recommendation R15 of the MiddleNext code, the Board conducted an internal evaluation of its operation. Each Director and the Chief Executive presented their assessment on the basis of a questionnaire structured on the MiddleNext governance code and discussed in the Board meeting of January 10, 2011.

The assessment focused on the Board's operations and its committees with respect to their preparation, conduct and follow-up.

These contributions have been analysed and summarized by an independent Board member, identifying strengths and weaknesses as well as areas for improvement. The report was presented to the Board which was able to discuss the matter at its meeting on March 30, 2011.

2.3. Specialized committees

The Board of Directors includes specialized committees, responsible for examining matters within the scope of their assignment and to submit their views and recommendations to the Board.

2.3.1. The Audit Committee

The Audit Committee consists of Jacqueline Himsworth, President, and Pierre-Henri Ricaud. Dominique Bamas acts as an alternate member.

The primary responsibilities of the Audit Committee are to ensure:

– the accuracy and fair presentation of the financial statements and all financial disclosures:

- by reviewing the preliminary corporate and consolidated financial statements and the management report prior to the Board's review;
- by verifying the consolidation method and scope, and the relevance and consistency of the accounting standards;
- by reviewing the comments and adjustments proposed by the Statutory Auditors, and any disagreement between them and Executive Management;
- by regularly examining the Group's financial position, its cash position and its significant commitments;
- by remaining informed of the financial strategy and the conditions related to the Group's main financial transactions.

– the quality of internal control and risk management procedures:

- by assessing the effectiveness and the quality of the Group's internal control procedures;
- by establishing the annual audit plan and any audit assignment deemed necessary, and by studying the findings, recommendations and action plans established for each assignment;
- by reviewing the chapters of the management report on the Group's exposure to risks, and all associated controls;
- by informing themselves from the Company's executive management of any criticism related to the accounting records or internal control procedures, and the actions set in place;
- by being questioned by the Chairman of the Board or the Statutory Auditors about any event exposing the Group to a significant risk.

– the independence of the Statutory Auditors:

- by overseeing the selection procedure on behalf of the Parent Company, and reviewing all matters related to their appointment, revocation, or renewal;
- by annually reviewing their audit plans with them and the findings and recommendations resulting from their work;
- by annually reviewing the fees paid to the Group's Statutory Auditors and ensuring that they do not impede their obligation of independence;
- by pre-approving any assignment that might be entrusted to them which exceeds the scope of their legal due diligence.

The Audit Committee meets at least five times a year, usually in the presence of the Head of Internal Control and imperatively in the presence of the Statutory Auditors prior to the interim and annual closings. The Committee may at any time obtain from the latter any further information that might be useful to it in its duties and the Statutory Auditors are free to request meetings with the Committee.

In 2010, the Audit Committee met eight times. A report related to its reviews has been distributed to the Board of Directors.

In accordance with the recommendation of the AMF, it should be noted that the Audit Committee has not placed reliance upon the "Report of the Working Group on the Audit Committee" published July 26, 2010, the Audit Committee's reviews having already been planned prior to that date. Nonetheless, the Audit Committee's assignments cover many of the subject matters raised in that report.

2.3.2. The Compensation Committee

The Compensation Committee consists of Joel Goulet, Chairman, Serge Ghysdael and Christopher Himsworth. Pierre-Henri Ricaud serves as an alternate member of the Committee.

The main functions of the Committee are to prepare the Board's compensation-related work:

– for the Directors, by making proposals regarding the allocation of presence tokens in accordance with the criteria contained in the internal regulations, and the compensation awarded to any directors who may have been given ad-hoc assignments;

– for the Chief Executive Officer and the members of the Executive Committee:

- by making recommendations regarding all of their compensation, pension and health insurance schemes, benefits in-kind and other rights;
- by proposing rules concerning variable compensation that are consistent with the Group's strategy and all associated assessment methods, and overseeing their implementation;
- by ensuring compliance with the Company's requirements to fully disclose all such compensation, most notably in the annual report;
- by proposing a general policy for the granting of long-term instruments, taking into account the methods authorised by law and their consequences.

More broadly, the Committee is kept up-to-date at least once a year on the compensation policy in force within the Group for the various employee categories.

The compensation Committee met four times during the year 2010 and its work has been remunerated within the Board of Directors.

2.3.3. The Strategic and Development Committees

The Strategic Committee consists of Marcel Braud, Sebastien Braud, Gordon Himsworth and Joel Goulet. Christopher Himsworth serves as an alternate member of the Committee.

The main functions of the Committee are to support the Board in defining strategy and verify that the Company's executive management adheres to that strategy. It prepares the Board's work related to the strategic plan, any proposed strategic alliances, technological cooperation, industrial partnership, diversification, the portfolio of business activities and any major investments or divestments.

The Strategic Committee met twice in 2010, each time in the presence of the Chief Executive Officer.

The Development Committee consists of Marcel Braud and Jacqueline Himsworth. Sébastien Braud and Gordon Himsworth serve as alternate members of the Committee.

The Development Committee's objective is to access the status of the business and projects in process and to act as a liaison for the Board and regularly provide them with information. It met six times in 2010 with the executive management and was the subject of a report. As of 2011, excluding exceptions, these topics will be managed by the Board.

3. THE SOVEREIGN POWER: "THE SHAREHOLDERS MEETING"

Shareholders' meetings are convened as provided for by law. They are held at the headquarters or at any other location specified in the notice.

The terms for shareholder participation in the Shareholders' Meeting, defined in Article 20 of the by-laws, do not include any specific provisions.

Information concerning the capital of the Company is detailed in Chapter 6 of the management report entitled "Manitou and its shareholders."

9.2.2 RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES

Following the recommendation of the AMF on July 22, 2010 related to risk management and internal control procedures, it should be noted that, in writing this report, the company places reliance on the AMF framework, which was supplemented by its implementation guide for small and mid-caps.

In accordance with the AMF recommendation No. 2010-15 of December 7, 2010[1], the report's layout corresponds to the reference layout in order to ensure readability.

1. INTERNAL CONTROL OBJECTIVES

The internal control procedures used within Group companies are aimed at insuring:

– compliance with laws and regulations,

– the application of internal instructions and guidelines which are established by executive management,

– the effective functioning of processes, especially those intended to protect assets,

– the reliability of financial information,

and, in general, the processes which contribute to the management of the businesses, the efficiency of operations and the efficient use of resources.

Like any control system, these procedures cannot provide an absolute guarantee that all risks are prevented. These procedures are above all intended to reduce their probability and potential impact through the launching of appropriate actions.

In addition to the internal control objectives mentioned above, the Manitou Group's internal control is based upon a Code of Ethics launched in January of 2010. It provides the framework of reference guidelines for honest and responsible business behaviour based on both the collective principles which the Group has imposed upon itself as an institution as well as the individual behaviour to be respected by each employee.

2. ORGANIZATION

The internal control system is based on a clearly defined organization which was introduced in August of 2009 and which is split by product division, sales region and support functions. The Executive Committee, whose composition is described in detail in this report, meets every week with the CEO. The Presidents of the product divisions are supported by a Steering Committee which brings together all of the operating functions of their division.

This organization provides a framework which, through quarterly "Business Reviews", permits the control of the businesses and the achievement of objectives for each product division and each sales region.

In addition, in 2010, the Group updated its manual on the delegation of decision making and responsibilities which is applicable to all Group companies, and covers the following areas:

– legal and regulatory requirements, including health, safety and environmental protection,

– financial transactions, including off-balance sheet commitments,

– the budgeting process,

– sales and marketing,

– purchasing,

– management of land, building and equipment,

– human resources.

The internal control function is led directly by the head of internal control and auditing who, hierarchically, reports directly to the Group General Secretary and, functionally, to the Audit Committee, which underlines the independence implicit in the function.

3. THE DISSEMINATION OF INFORMATION

The internal dissemination of information which is relevant, reliable and timely permits everyone to respect their responsibilities.

The budget process and the production of accounting and financial information are both structured and structuring processes which permit the organization and sharing of information and strategic objectives within the Group.

3.1. The budget process

The budget exercise takes place in the fourth quarter of the financial year in process in order to have sufficient visibility of the business for the year and increased reliability on budget projections made for the upcoming year. The business assumptions are consolidated based on the information provided by all of the Group's sales and marketing managers and distributed to the Presidents of each product division and, subsequently, approved by the Executive Committee.

Based on the assumptions made and guidance provided by management, all legal entities in the Group create a budget which is reviewed by the relevant financial and operational management.

The Group performs a consolidation by legal entity and division, which is reviewed and approved by the Executive Committee prior to submission to the Board of Directors for approval.

1 AMF complementary report on corporate governance, executive compensation and internal control for small and mid-caps with reference to the MiddleNext code of corporate governance.

3.2. Production of accounting and financial information

The consolidation packages have been prepared by the subsidiaries in accordance with the Manitou Group finance manual and submitted to the consolidation department of the Parent Company. All of this work has resulted in the generation of the 2010 financial statements under IFRS.

The 2010 Parent Company and Group financial statements were prepared by the Chief Accountant, the Head of Consolidation and the Deputy Finance Director, assisted by a chartered accountant. They were validated by the Finance Director and the Chief Executive Officer and approved by the Board of Directors.

The consolidated financial statements and those of the Parent Company and the French subsidiaries have all been audited by the Group's Statutory Auditors. Each foreign subsidiary was audited in its own country. All of the financial statements and local auditors' audit comments were sent to the Group's Statutory Auditors and reviewed with the Finance Department.

The interim financial statements, prepared in accordance with IAS 34, are also subject to a limited review by the Statutory Auditors.

The Statutory Auditors presented a summary of their findings to the Audit Committee on February 25, 2011. The Board of Directors met on March 2, 2011 to approve the 2010 corporate and consolidated financial statements.

In addition, the Group implemented new consolidation software at the end of 2010. The implementation scope will be extended to the consolidation of financial data as of April 2011. During that migration, internal and external reporting formats will also be redesigned.

4. RISK MANAGEMENT

The risk management process within the Manitou Group was strengthened in 2010 through an update of the risk map.

That exercise, which was performed with the support of a consulting firm, permitted the 25 executives in the most significant positions within Group to consider the key risks facing the entire Group and as well as those more specific to their businesses. Its objective is to identify key risks, the degree to which they're controlled and to access their potential impact on the financial position or image of the Group.

The risk map is shared with the external auditors and reviewed by the Audit Committee.

This process of identification and risk analysis will lead to the update in 2011 of actions to be taken to hedge against the main risks identified. The piloting of risk management will be based upon the implementation of action plans by members of the Executive Committee, their review by the Audit Committee and their summary presentation to the Board.

The main risks to which the Manitou Group is exposed are presented in detail in the chapter "Risk Factors and Risk Management" in the management report.

5. CONTROL ACTIVITIES

Internal audits are conducted according to an audit plan which is established by the Audit Committee.

Three internal audits were performed in 2010:

– at the Italian subsidiary MCI, where general overhead expenses, personnel expenses and accounts receivable were reviewed,

– at the U.S. subsidiary Gehl, where variable selling expenses and accounts receivable management were reviewed,

– within the RTH division, where the management of warranties was reviewed.

The findings of each audit are provided to the Audit Committee and Executive Management. The reports, which contain recommendations and related action plans, are sent to the departments concerned, to executive management, the Statutory Auditors and the Chairman of the Board. None of the missions conducted in 2010 revealed significant weaknesses.

Moreover, specific monitoring of recommendations made in the audit reports during the last three years has been achieved during the year 2010 and presented to the Audit Committee, allowing it to monitor the efficiency of internal controls.

The work performed by the internal audit department is well coordinated with those of the Statutory Auditors by:

– regular exchanges between the internal audit and control manager and the Statutory Auditors,

– the distribution of the annual audit plan and, subsequently, each audit report issued;

– the participation of the manager of internal control in the closing audit discussions which are held to review the work of the Statutory Auditors (accounting processes and procedural reviews).

Marcel Braud

Chairman of the Board of Directors

9.3 STATUTORY AUDITORS' REPORT, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF MANITOU BF YEAR ENDED 31 DECEMBER 2010

PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE (CODE DE COMMERCE)

This is a free translation into English of the Statutory Auditors' report issued in French prepared in accordance with Article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Directors on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Manitou BF and in accordance with Article L.225-235 of French company law (Code de Commerce), we hereby report on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the French Commercial Code (Code de Commerce) for the year ended 31 December 2010.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by Article L.225-37 of the French Commercial Code (Code de Commerce), particularly in terms of corporate governance.

It is our responsibility:

– to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and

– to attest that this report contains the other disclosures required by Article L.225-37 of the French Commercial Code (Code de Commerce), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

INFORMATION ON THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

– obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;

– obtaining an understanding of the work involved in the preparation of this information and the existing documentation;

– determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L.225-37 of the French Commercial Code (Code de Commerce).

OTHER DISCLOSURES

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the French Commercial Code (Code de Commerce).

Orvault and Nantes, 29 April 2011
The Statutory Auditors
French original signed by

RSM Secovec	Deloitte & Associés
Jean-Michel Picaud	Thierry de Gennes

HISTORY

1958
Marcel Braud has the idea of reversing the driving seat of a tractor and adding a mast to it: the Manitou forklift-truck is born.

1970
Beginning of the internationalisation of the Group.

1972
Business partnership agreement signed with Toyota for the exclusive distribution of Toyota industrial forklift-trucks in France.

1981
Launch of the first Manitou telescopic forklift-truck.

1984
Introduction on the Stock-Exchange.

1993
Marketing of the first MRT rotating telescopic forklift-trucks.

1995
Development of business in aerial work-platforms.
Creation of a joint-venture with Toyota for the manufacturing of industrial forklift-trucks for Europe.

1996
Obtaining of the ISO 9001 certificate.

1998
Marcel Braud becomes President of the Supervisory Board; his son, Marcel-Claude Braud succeeds him to the head of the company as President of the Board of Directors.

2004
Manitou celebrates the 200,000th forklift-truck to be manufactured and sold worldwide.

2006
Manitou's turnover passes the billion euros mark.

2007
Manitou opens an international logistical centre of 22,000 m² and obtains the ISO 14001 certificate for the site in Ancenis.

2008
Take-over of the American company Gehl.

2009
Appointment of Jean-Christophe Giroux as President and CEO.
Change of governance and return to a Board of Directors.

2010
Reciprocal supply and marketing agreement for selected AWP-models signed with Terex / Genie.

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Manitou BF

French limited liability corporation with a Board of Directors
and share capital of 37,567,540 euros - RCS Nantes B857 802 508
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