

# 2008

---

## INTERIM FINANCIAL REPORT

Haulotte Group  
*Société Anonyme* (a French limited liability company)  
Share capital: €4,235,115.82;  
Registered office: La Péronière - 42152 l'Horme - France;  
Incorporated in Saint Etienne: No. RCS 332 822 485



*Haulotte Group has produced an interim financial report in compliance with article L.451-1-2 III of the French monetary and financial code (Code Monétaire et Financier) and articles 222-4 et seq. of the General Regulation of the French financial market authority (Autorité des Marchés Financiers).*

---

## Contents

- Interim management report
- Condensed consolidated interim financial statements
- Statutory auditors' limited review report
- Responsibility statement for the interim financial report



## Interim management report

### First half financial highlights

#### Consolidated revenue:

Sales by activity (€ millions)	H1 2008	H1 2007*	Change
Equipment sales	226.1	263.9	-14%
Rental	15.6	16.7	-7%
Services	17.0	13.4	+27%
Total	258.7	294.0	-12%

\*2007 sales restated to exclude the French rental business sold in January 2008

Net sales in the first half totalled €258.7 million compared with €294.0 million for the same period last year, down 12% (11% excluding the currency effect).

Strong gains in emerging countries (+22%) and Services (+27%) were not sufficient to offset the decline in Western Europe (-16%), reflecting the slowdown in the aerial work platforms market that was more pronounced than anticipated at the start of the year.

#### Consolidated earnings:

(€ millions)	H1 2008	H1 2007	Change.
Revenue	258.7	310.2	-16.6%
Current operating income	63.8	58.8	+8.6%
Income before taxes	62.9	57.5	+9.4%
Net income	52.2	37.3	+39.6%

Operating profit totalled €63.8 million or 24.7% of revenue compared with €58.8 million at 30 June 2007.

Current operating income and net income were impacted by non-recurring items and in particular a capital gain of approximately €30 million from the sale of the French rental business. Excluding the positive impact of this one-off item, the first-half EBITA margin declined significantly to 13%\* primarily in response to lower sales volumes.

\* excluding non-recurring items.



## Significant events of first-half period ended 30 June 2008

On 8 January 2008 Haulotte Group sold Lev, Lev Luxembourg and Royans Levage that in 2007 contributed €33 million to consolidated sales of the Group. In addition, Haulotte Group acquired an aerial platform rental company in Argentina.

On 3 March 2008, the Board of Directors approved the annual financial statements and recorded the capital increase resulting from the exercise of stock options resulting in a share capital of €4,476,420 divided by 34,434,000 shares.

On 18 April 2008, the Board of Directors voted to cancel 1,856,186 treasury shares. As a result, the share capital was reduced to €4,235,115.82 divided by 32,577,814 shares.

## Foreseeable trends for the remainder of the period

Given the weakness in the European market in the first half and the wait-and-see approach adopted by a number of equipment rental customers in response to more challenging economic trends, it is not possible to issue reliable forecasts for 2008. However, in this environment of rising raw material prices and the strong euro, we do not expect sales for 2008 to exceed the prior year nor a return to double-digit growth in net income (excluding non-recurring items).

To adapt to this new economic environment, the Group has already initiated a cost-reduction program targeting 10% of fixed costs in the second half. This plan does not concern efforts to prepare for our future expansion such as R&D or measures to increase production capacity in Romania to reinforce our ability to service the growth countries of Eastern Europe. This new manufacturing unit that represents an investment of €23 million will be operational in the 2009 first half.

Haulotte Group also announced the **acquisition of the US company Bil-Jax**, located in Archbold near de Detroit and specialized in the manufacture and sale of scaffolding and aerial work platforms.



With 300 employees, Bil-Jax had sales last year of approximately 80 M\$. This profitable company that is recognized for the quality of its products is present primarily in the US market that accounts for more than 90% of its sales.

This acquisition adds production capacity in the dollar zone, strengthens Haulotte Group's commercial presence in North America and further expands the offering available through its international commercial network with Bil-Jax's product range.

The Group has a solid financial position despite the significant increase in inventory at the end of June. On this date Haulotte Group had a remaining credit line of €255 million with a drawdown period recently extended to the end of 2009.

### **Major related-party transactions of the first six months**

Solem SA is a majority shareholder of Haulotte Group S.A., with 53.7% of the share capital 30 June 2007. Haulotte Group received income from Solem €15 thousand in the first six months of this year and was invoiced charges of €521 thousand by Solem during the same period.



## Condensed Consolidated Interim Financial Statements

### BALANCE SHEET— ASSETS

In thousands of euros

	Note	2008 June	2007 December
<i>Goodwill</i>		5,926	2,580
<i>Intangible assets</i>		4,863	5,354
<i>Property, plant and equipment</i>	4	80,532	62,475
<i>Financial assets</i>		839	849
<i>Investments in associates</i>			
<i>Deferred income tax assets</i>	7	11,974	8,042
<i>Trade receivables from financing activities &gt; 1 year</i>	5/6	32,258	47,109
<b>NON-CURRENT ASSETS (A)</b>		<b>136,391</b>	<b>126,409</b>
<i>Inventories</i>		209,850	130,272
<i>Trade receivables</i>	5/6	226,351	252,271
<i>Trade receivables from financing activities &lt; 1 year</i>	5/6	26,357	33,405
<i>Other debtors</i>		27,275	20,923
<i>Cash and cash equivalents</i>		34,410	47,696
<i>Financial derivative instruments</i>	8	6,156	4,759
<b>CURRENT ASSETS(B)</b>		<b>530,399</b>	<b>489,326</b>
<b>ASSETS HELD FOR SALE (C)</b>			41,900
<b>TOTAL ASSETS (A+B+C)</b>		<b>666,790</b>	<b>657,635</b>

Notes 1 to 25 constitute an integral part of these condensed consolidated financial statements



## CONSOLIDATED BALANCE SHEET - LIABILITIES & EQUITY

In thousands of euros

	Note	2008 June	2007 December
<i>Share capital</i>	9	4,237	4,476
<i>Share premium</i>	9	91,941	91,868
<i>Consolidated reserves and income</i>		237,684	219,476
<b><i>EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS (A)</i></b>		<b>333,862</b>	<b>315,821</b>
<i>Minority interests (B)</i>		711	699
<b><i>TOTAL EQUITY</i></b>		<b>334,573</b>	<b>316,520</b>
<i>Long-term debt</i>	12/13	102,674	115,768
<i>Deferred tax liabilities</i>	7	2,702	2,523
<i>Provisions</i>		1,860	1,717
<b><i>NON-CURRENT LIABILITIES (C)</i></b>		<b>107,236</b>	<b>120,008</b>
<i>Trade payables</i>		121,239	129,070
<i>Other payables</i>		37,654	39,982
<i>Current borrowings</i>	12/13	57,756	32,459
<i>Provisions</i>		5,992	4,817
<i>Financial derivative instruments</i>	8	2,339	3,534
<b><i>CURRENT LIABILITIES (D)</i></b>		<b>224,982</b>	<b>209,862</b>
<b><i>LIABILITIES HELD FOR SALE (E)</i></b>			<b>11,245</b>
<b><i>LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D+E)</i></b>		<b>666,790</b>	<b>657,635</b>

Notes 1 to 25 constitute an integral part of these condensed consolidated financial statements



## INCOME STATEMENT

In thousands of euros

	Note	2008		2007		Change/ 2007
		June		June		
<i>Sales and revenue</i>	19	258,660	100%	310,228	100%	-17%
<i>Cost of goods sold</i>	13	(179,159)	-69.3%	(208,749)	-67.3%	-14.2%
<i>Selling expenses</i>		(18,409)	-7.1%	(17,945)	-5.8%	2.6%
<i>General and administrative expenses</i>		(24,012)	-9.3%	(21,717)	-7.0%	10.6%
<i>Research and development expenditures</i>		(3,035)	-1.2%	(4,062)	-1.3%	-25.3%
<i>Exchange gains and losses</i>		(804)	-0.3%	1,289	0.4%	-162.4%
<i>Other operating income and expenses</i>	15	30,567	11.8%	(291)	-0.1%	
<b>CURRENT OPERATING INCOME</b>		<b>63,807</b>	<b>24.7%</b>	<b>58,752</b>	<b>18.9%</b>	<b>8.6%</b>
<i>Badwill/impairment of goodwill</i>						
<b>OPERATING INCOME</b>		<b>63,807</b>	<b>24.7%</b>	<b>58 752</b>	<b>18.9%</b>	<b>8.6%</b>
<i>Cost of net financial debt</i>	16	(1,178)	-0.5%	(1,223)	-0.4%	-3.7%
<i>Other financial income and expenses</i>		262	0.1%	(75)	0.0%	
<i>Income from equity-accounted associates</i>						
<b>INCOME BEFORE TAX</b>		<b>62,891</b>	<b>24.3%</b>	<b>57,454</b>	<b>18.5%</b>	<b>9.5%</b>
<i>Income tax</i>	17	(10,695)	-4.1%	(20,034)	-6.5%	-46.6%
<b>NET INCOME</b>		<b>52,196</b>	<b>20.2%</b>	<b>37 420</b>	<b>12.1%</b>	<b>39.5%</b>
<i>Attributable to parent company shareholders</i>		52,184	20.2%	37,334	12.0%	
<i>Attributable to minority interests</i>		12	0.0%	86	0.0%	
<i>Net earnings per share</i>	11	1.647		1.090		
<i>Net diluted earnings per share</i>	11	1.646		1.087		

Notes 1 to 25 constitute an integral part of these condensed consolidated financial statements



## CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros

	Note	2008 June	2007 December	2007 June
Net income		52,196	71,161	37,420
Stock option expenses			37	31
Allowances for depreciation and amortization		8,081	21,877	10,739
Changes in provisions (except for current assets)		1,350	1,076	358
Change in deferred tax		(1,323)	(93)	(544)
Gains and losses from disposals of fixed assets		(31,586)	(1,116)	(478)
<b>GROSS CASH FLOW FROM CONSOLIDATED OPERATIONS</b>		<b>28,718</b>	<b>92,941</b>	<b>47,527</b>
Changes in operating working capital	20	(54,143)	(69,752)	(36,302)
Changes in receivables from financing activities	21	5,927	18,306	10,474
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>(19,498)</b>	<b>41,495</b>	<b>21 699</b>
Acquisition of fixed assets		(27,297)	(32,926)	(17,127)
Proceeds from disposals of fixed assets, net of tax		1 571	3 456	1,869
Impact of changes in consolidation scope		38 880		
Changes in payables on fixed assets		217	(3,638)	451
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>13,371</b>	<b>(33,108)</b>	<b>(14,807)</b>
Dividends paid to parent company shareholders		(7,058)	(5,822)	(5,823)
Dividends paid to minority interests			0	
Cash capital increases		75	1 047	617
Loan issues		741	5 298	733
Repayment of borrowings		(1,735)	(10,159)	(2,990)
(Purchase/sale of treasury shares		(26,096)	(17,737)	134
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(34,073)</b>	<b>(27,373)</b>	<b>(7,329)</b>
<b>THE CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(40,200)</b>	<b>(18,986)</b>	<b>(438)</b>
Opening cash and cash equivalents	22	49,688	69,458	69,458
Effect of exchange rate changes		(325)	(784)	84
Closing cash and cash equivalents	22	9,163	49,688	69,104
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(40,200)</b>	<b>(18,986)</b>	<b>(438)</b>

Notes 1 to 25 constitute an integral part of these condensed consolidated financial statements



## Statement of changes in equity

In thousands of euros

			Reserves and income						Minority interests	Total
	Share capital	Share premium	Consolidated reserves	Profit of the period	Stock options	Treasury shares	Translation differences	Group share		
<b>Balance at 1 January 2007</b>	<b>4 456</b>	<b>90 841</b>	<b>118 800</b>	<b>60 392</b>	<b>214</b>	<b>(1 073)</b>	<b>(2 551)</b>	<b>271 080</b>	<b>631</b>	<b>271 710</b>
Appropriation of 2006 net income			60 392	(60 392)				0		0
Change in capital of the parent company	9	609						618		618
Profit of the period				37,334				37,334	86	37 420
Dividends paid by the parent company			(5,823)					(5,823)		(5 823)
Translation differences							(557)	(557)		(557)
Stock options					31			31		31
Treasury shares						(145)		(145)		(145)
Other changes								0	(92)	(92)
<b>Balance at 30 June 2007</b>	<b>4,465</b>	<b>91,450</b>	<b>173,369</b>	<b>37,334</b>	<b>245</b>	<b>(1,218)</b>	<b>(3,108)</b>	<b>302,538</b>	<b>625</b>	<b>303 162</b>
Change in capital of the parent company	11	418						429		429
Profit of the period				33,671				33,671	70	33 741
Translation differences							165	165		165
Translation of net investments in foreign operations							(3,395)	(3,395)		(3 395)
Stock options					6			6		6
Treasury shares						(17,592)		(17,592)		(17 592)
Other changes								0	4	4
<b>Balance at 31 December 2007</b>	<b>4,476</b>	<b>91,868</b>	<b>173,369</b>	<b>71,005</b>	<b>251</b>	<b>(18,810)</b>	<b>(6,338)</b>	<b>315,821</b>	<b>699</b>	<b>316 520</b>



	Reserves and income								Minority interests	Total
	Share capital	Share premium	Consolidated reserves	Profit of the period	Stock options	Treasury shares	Translation differences	Group share		
<b>Balance at 31 December 2007</b>	<b>4 476</b>	<b>91 868</b>	<b>173 369</b>	<b>71 005</b>	<b>251</b>	<b>(18 810)</b>	<b>(6 338)</b>	<b>315 821</b>	<b>699</b>	<b>316 520</b>
Appropriation of 2006 net income			71,005	(71,005)				0		0
Profit of the period				52,184				52,184	12	52,196
Change in capital of the parent company	(239)	73				239		73		73
Dividends paid by the parent company			(7,058)					(7,058)		(7,058)
Translation differences							(1,348)	(1,348)		(1,348)
Translation of net investments in foreign operations							(2,643)	(2,643)		(2,643)
Other changes								0		0
Treasury shares						(23,167)		(23,167)		(23,167)
<b>Balance at 30 June 2008</b>	<b>4,237</b>	<b>91,941</b>	<b>237,316</b>	<b>52,184</b>	<b>251</b>	<b>(41,738)</b>	<b>(10,329)</b>	<b>333,862</b>	<b>711</b>	<b>334,573</b>

Notes 1 to 25 constitute an integral part of these condensed consolidated financial statements



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

- Note 1 General information
- Note 2 Significant accounting policies
- Note 3 Charges in consolidation scope
- Note 4 Property, plant and equipment
- Note 5 Trade receivables and related accounts
- Note 6 Receivables by maturity
- Note 7 Deferred taxes
- Note 8 Fair value of derivative instruments
- Note 9 Share capital and premiums
- Note 10 Treasury shares
- Note 11 Earnings per share
- Note 12 Borrowings and financial debt
- Note 13 Payables by maturity
- Note 14 Cost of goods sold
- Note 15 Other operating income and expenses
- Note 16 Cost of net financial debt
- Note 17 Income tax
- Note 18 Effective income tax reconciliation
- Note 19 Segment information
- Note 20 Analysis of changes working capital
- Note 21 Analysis of changes in receivables from financing activities
- Note 22 Cash components
- Note 23 Off-balance sheet commitments
- Note 24 Contingent liabilities
- Note 25 Post-closing events



## Note 1 General information

Haulotte Group S.A. manufactures and distributes through its subsidiaries (forming the “Group”) people and material lifting equipment.

Haulotte Group also operates in rental market for this equipment.

Haulotte Group S.A. is a *Société Anonyme* (a French limited liability company) incorporated in Saint Etienne (France) with its registered office in L’Horme. The company is listed on Euronext Paris – Eurolist Compartment B (Mid Caps).

The condensed consolidated financial statements for the six-month period ended 30 June 2008 and the notes thereto were approved by the Board of Directors of Haulotte Group SA on 15 September 2008. Figures are stated in thousands of euros.

## Note 2 Significant accounting policies

IFRSs adopted to prepare the condensed consolidated interim financial statements of 30 June 2007 of Haulotte Group are the same used for the annual financial statements for the fiscal year ended 31 2007.

The condensed consolidated interim financial statements of 30 June 2008 December have been prepared in accordance with IAS 34 (interim financial reporting) that allows for the presentation of selected notes. These condensed consolidated interim financial statements must be read in conjunction with the 2007 annual financial statements.

The company has not applied in advance standards and interpretations not required on 30 June 2008. None of the IFRSs or IFRIC interpretations as adopted by the European Union, and applicable for periods starting 1 January 2008 are applicable to the Group's activities.

### Risk pool commitments:

Following the signature in the first half of an amendment to a risk pool agreement with the Group's banking partners, changes were made in the method for recognizing these guarantees. Henceforth, Haulotte Group recognizes under receivables from financing activities and financial liabilities, the maximum amount of recourse risk declared by the bank rather than the amount of capital outstanding. As a result, commitments recognized in the balance sheet at 30 June 2008 in connection with this agreement decline €7 million.



### **Note 3 Changes in consolidation scope**

#### **A –Acquisitions**

In January 2008, Haulotte Group S.A. acquired 100% of the shares of the Argentinean rental company, Horizon. This company is fully consolidated. After identifying the assets and liabilities of the companies and allocating the purchase price, goodwill of €3,346 thousand was recognized in the 2008 first half.

Horizon's contribution to consolidated revenue in the first half and to the total balance sheet is not significant.

#### **B –Disposal**

On 8 January 2008 Haulotte Group S.A. sold the equipment rental companies France LEV, LEV Luxembourg and Royans Levage. As this divestment was launched in December 2007, the assets and liabilities relating to these entities were presented separately in the balance sheet on 31 December 2007 under assets and liabilities held for sale.

A consolidated net capital gain of €31,348 thousand was presented under "Other operating income and expenses". All these entities contributed to first half consolidated sales at 30 June 2007 €16.2 million and equipment investments made by these entities with the Group totalled €3.7 million in the 2007 first-half.



#### Note 4 Property, plant and equipment

	31/12/2007	Changes in consolidation scope*	Increase	Decrease	Reclassifications	Translation adjustments	30/06/2008
- Land	5,522		0	0		(13)	5,509
- Buildings	16,549		533	(133)		2	16,951
- Plant machinery	18,380	180	1,193	(186)	18	(10)	19,575
- Equipment for rental	50,293	2,350	16,721	(2,743)	168	(2,120)	64,669
- Other PPE	8,443	10	966	(240)	(920)	(91)	8,168
- Fixed assets in progress	1,415		6,719	(8)		58	8,184
<b>Gross value</b>	<b>100,602</b>	<b>2,540</b>	<b>26,132</b>	<b>(3,310)</b>	<b>(734)</b>	<b>(2,174)</b>	<b>123,056</b>
- Accumulative depreciation/ Land	0						0
- Impairment/Buildings	6,309		503	(133)		2	6,681
- Impairment/Plant machinery	7,620	105	944	(140)		(1)	8,528
- Impairment/Equipment for rental	21,244		4,983	(1,624)	(170)	(654)	23,779
- Impairment/other PPE	2,953		817	(152)	(61)	(21)	3,536
<b>Accumulative depreciation and impairment</b>	<b>38,127</b>	<b>105</b>	<b>7,247</b>	<b>(2,049)</b>	<b>(231)</b>	<b>(674)</b>	<b>42,524</b>
<b>Net value</b>	<b>62,475</b>	<b>2,435</b>	<b>18,885</b>	<b>(1,261)</b>	<b>(503)</b>	<b>(1,500)</b>	<b>80,532</b>

\* Net values presented in the column "Changes in consolidation scope" reflect the fair value measurement of Horizon fully consolidated for the first time 1 January 2008.

The increase in "Equipment for rental" of €16.7 million concerned primarily the acquisition of aerial work platforms by rental companies: €12.5 million by UK Platforms LTD, €4.5 million by Nove.

Fixed assets in progress include investments of €53 million for the new production site in Romania by the subsidiary Haulotte Arges.



## Note 5 Trade receivables and related accounts

At 30/06/2008 :

	<i>Gross value</i>	<i>Provision</i>	<i>30/06/2008</i>
<b>Non-current assets</b>			
Receivables from financing activities at more than one year	32,258		32,258
<i>Including back-to-back credit and finance lease receivables</i>	<i>1,770</i>		<i>1,770</i>
<i>Including guarantees given</i>	<i>30,488</i>		<i>30,488</i>
<b>Subtotal</b>	<b>32,258</b>		<b>32,258</b>
<b>Current assets</b>			
Trade receivables and related accounts	239,704	13,353	226,351
Receivables from financing activities at less than one year	26,362	5	26,357
<i>Including back-to-back credit and finance lease receivables</i>	<i>9,150</i>	<i>5</i>	<i>9,145</i>
<i>Including guarantees given</i>	<i>17,212</i>		<i>17,212</i>
<b>Subtotal</b>	<b>266,066</b>	<b>13,358</b>	<b>252,708</b>
<b>Total</b>	<b>298,324</b>	<b>13,358</b>	<b>284,966</b>

At 31/12/2007:

	<i>Gross value</i>	<i>Provision</i>	<i>31/12/2007</i>
<b>Non-current assets</b>			
Receivables from financing activities at more than one year	47,109		47,109
<i>Including back-to-back credit and finance lease receivables</i>	<i>3,851</i>		<i>3,851</i>
<i>Including guarantees given</i>	<i>43,258</i>		<i>43,258</i>
<b>Subtotal</b>	<b>47,109</b>		<b>47,109</b>
<b>Current assets</b>			
Trade receivables and related accounts	263,634	11,363	252,271
Receivables from financing activities at less than one year	33,425	20	33,405
<i>Including back-to-back credit and finance lease receivables</i>	<i>13,361</i>	<i>20</i>	<i>13,341</i>
<i>Including guarantees given</i>	<i>20,064</i>		<i>20,064</i>
<b>Subtotal</b>	<b>297,059</b>	<b>11,383</b>	<b>285,676</b>
<b>Total</b>	<b>344,168</b>	<b>11,383</b>	<b>332,785</b>

In accordance with IAS 17 fair value of receivables from back-to-back equipment leases and finance leases represents the lower of the fair value of the item at the inception (cash sales price net of rebates) or the value discounted at the lease's implicit interest rate.

The fair value of receivables in connection with guarantees granted by Haulotte Group to the lending institution of the customer represents according to the lease agreement:

- The capital owed by Haulotte Group's customer to the financial situation;
- The maximum risk incurred by Haulotte Group S.A.

The receivables and corresponding payables are discharged as the client makes lease payments to the financial institution.



## Note 6 Receivables by maturity

	30/06/2008		
	Amount	Maximum 1 year	1-5 years
Trade receivables and related accounts	226,351	226,351	0
Trade receivables from financing activities	58,615	26,357	32,258
Other debtors	27,275	27,275	0
<b>Total</b>	<b>312,241</b>	<b>279,983</b>	<b>32,258</b>

	31/12/2007		
	Amount	Maximum 1 year	1-5 years
Trade receivables and related accounts	252,271	252,271	0
Trade receivables from financing activities	80,514	33,405	47,109
Other debtors	20,923	20,923	0
<b>Total</b>	<b>353,708</b>	<b>306,599</b>	<b>47,109</b>

## Note 7 Deferred taxes

Analysis of the source of deferred taxes:

	30/06/2008	31/12/2007
Deferred taxes from fair value adjustments of rental equipment	242	16
Deferred taxes from adjustments on finance leases and back-to-back leases	(815)	(600)
Deferred taxes from provisions for pension commitments	269	274
Deferred taxes from adjustments of internal margins on inventories of fixed assets	9,302	5,477
Deferred taxes from non-deductible provisions	3,292	2,736
Deferred taxes from differences in depreciation periods and R&D costs	(2,752)	(2,861)
Deferred taxes from tax losses	1,359	1,364
Deferred taxes on translation differences on net investments in foreign operations	(2,079)	(1,169)
Deferred taxes from other consolidation adjustments	(351)	(570)
Deferred taxes from other timing differences	804	853
<b>Total</b>	<b>9,272</b>	<b>5,519</b>

Deferred tax assets are offset by deferred tax liabilities generated in the same tax jurisdiction. Deferred taxes are recoverable within one year except those calculated on the fair value of rental equipment, provisions for retirement commitments, translation differences on foreign net investments and the amortization of development expenditures.



The change in net deferred tax in the first half is as follows:

<b>Deferred tax on 1 January 2008 (net)</b>	<b>5,519</b>
Income/(loss) from deferred taxes	1,323
Changes in consolidation scope	(374)
Tax allocated to equity (in connection with the losses on cancelled of treasury shares resulting from the reduction in capital )	2,922
Translation differences	(21)
Other changes	(97)
<b>Deferred tax on 30 June 2008 (net)</b>	<b>9,272</b>

## Note 8 Fair value of derivative instruments

Positive value of fair value derivatives:

	<i>30/06/2008</i>	<i>31/12/2007</i>
USD forward sales	4,359	3,475
Interest rate swaps	1,779	1,266
Other derivative financial instruments	18	18
<b>Total</b>	<b>6,156</b>	<b>4,759</b>

Negative fair value of derivative instruments:

	<i>30/06/2008</i>	<i>31/12/2007</i>
Interest-rate swaps	(2,346)	(3,534)
Other	7	
<b>Total</b>	<b>(2,339)</b>	<b>(3,534)</b>

## Note 9 Share capital and premiums

	<i>30/06/2008</i>	<i>31/12/2007</i>
Number of shares	32 590 264	34 434 000
Nominal value in euros	0.13	0.13
<i>Share capital in euros</i>	<i>4,236,734</i>	<i>4,476,420</i>
<i>Share premium in euros</i>	<i>91,941,135</i>	<i>91,868,191</i>

The decrease of €241 thousand reflects the cancellation of 1,856,186 treasury shares. In addition, 12,450 stock options were exercised in the 2008 first half (options granted to company employees on 2 July 2002). This resulted in an increase of €72.9 thousand recorded under share premium. A dividend of €0.22 per share was paid in the 2008 first half for fiscal 2007 for a total of €7,575 thousand.



## Note 10 Treasury shares

	30/06/2008	31/12/2007
Number of treasury shares	903,173	828,292
Treasury shares as a percentage of capital	2.77%	2.41%
Net book value of treasury shares	10,499	17,472
Market value of treasury shares*	8,372	16,963

\* Based on the market price on the last business day of the half-year period

In the 2008 first half, the Group purchased 2,110,101 shares and sold 179,034 shares generating a net capital loss of €1 515 thousand, that was eliminated in consolidated shareholders' equity. The Group also cancelled 1,856,186 treasury shares (cf. note 9).

## Note 11 Earnings per share

	June 2008	June 2007
<b>Net profit in thousands of euros</b>	<b>52,196</b>	<b>37,334</b>
Total number of shares	32,590,264	34,347,600
Treasury shares	903,173	104,136
<i>Number of shares to calculate basic earnings per share</i>	<i>31,687,091</i>	<i>34,243,464</i>
Number of stock options exercisable	37,710	128,560
Adjustment for stock option plans	24,837	103,655
<b>Number of shares used to calculate diluted earnings per share</b>	<b>31,711,928</b>	<b>34,347,119</b>
Earnings-per-share attributable to shareholders		
- Basic earnings per share	1.647	1.090
<b>- Diluted earnings per share</b>	<b>1.646</b>	<b>1.087</b>

## Note 12 Borrowings and financial debt

	30/06/2008	31/12/2007
<b>Non--current borrowings</b>		
Bank borrowings (> 1 year)	102,280	114,873
	<i>Including guarantees given</i>	<i>30,488</i>
	<i>Including back-to-back lease obligations</i>	<i>131</i>
Miscellaneous loans and borrowings	394	895
<b>Subtotal</b>	<b>102,674</b>	<b>115,768</b>
<b>Current borrowings</b>		
Convertible bonds		
Bank borrowings (< 1 year)	28,396	31,769
	<i>Including guarantees given</i>	<i>17,212</i>
	<i>Including back-to-back lease obligations</i>	<i>252</i>
Miscellaneous loans and borrowings	297	8
Bank overdrafts	29,064	683
<b>Subtotal</b>	<b>57,756</b>	<b>32,460</b>
<b>Total borrowings</b>	<b>160,430</b>	<b>148,228</b>



## Note 13 Payables by maturity

	30/06/2008			
	Gross amount	Less than one year	1 - 5 years	Greater than 5 years
Convertible bonds				
Bank borrowings	130,676	28,396	102,280	
<i>[including back-to-back lease obligations and other guarantees]</i>	48,083	17,464	30,619	
Miscellaneous loans and borrowings	29,754	29,360	394	
Downpayments received	6,939	6,939		
Payables to fixed asset suppliers	642	642		
Trade notes and accounts payable	121,239	121,239		
Tax and employee-related liabilities	21,682	21,682		
Other payables	7,778	7,778		
Prepaid income	614	614		
<b>Total</b>	<b>319,324</b>	<b>216,650</b>	<b>102,674</b>	<b>0</b>

	31/12/2007			
	Gross amount	Less than one year	1 - 5 years	Greater than 5 years
Convertible bonds	0			
Bank borrowings	146,642	31,769	114,873	
<i>[including back-to-back lease obligations and other guarantees]</i>	63,838	20,345	43,493	
Miscellaneous loans and borrowings	1,586	691	895	
Downpayments received	3,891	3,891		
Payables to fixed asset suppliers	434	434		
Trade notes and accounts payable	129,070	129,070		
Tax and employee-related liabilities	26,138	26,138		
Other	8,133	8,133		
Prepaid income	1,386	1,386		
<b>Total</b>	<b>317,281</b>	<b>201,513</b>	<b>115,768</b>	<b>0</b>

## Note 14 Cost of goods sold

	30/06/2008	30/06/2007
Production cost of sales	175,970	204,957
Change in inventory provisions	378	843
Warranty costs	2,728	2,949
Income paid on back-to-back lease arrangements	84	0
<b>Total</b>	<b>179,159</b>	<b>208,749</b>



## Note 15 Other operating income and expenses

	<i>30/06/2008</i>	<i>30/06/2007</i>
Gains from the disposal of assets	31,348	(38)
Net income from management operations	(11)	78
Net income from capital transactions	63	
Impairment of development expenditures	(14)	(511)
Allowances for contingencies and losses	(819)	180
<b>Total</b>	<b>30,567</b>	<b>(291)</b>

## Note 16 Cost of net financial debt

	<i>30/06/2008</i>	<i>30/06/2007</i>
Interest expense and financial charges	(3,272)	(2,778)
Fair value gains or losses	1,708	1,206
Financial income	387	349
<b>Total</b>	<b>(1,178)</b>	<b>(1,223)</b>

## Note 17 Income tax

	<i>30/06/2008</i>	<i>30/06/2007</i>
Current tax	(12,018)	(20,578)
Deferred tax	1,323	(544)
<b>Total</b>	<b>(10,695)</b>	<b>(20,034)</b>

Haulotte Group SA is the head of the French tax group that on 31 December 2007 included Haulotte France S.A.R.L, ABM Industries S.A.S. and Telescopelle S.A.S..

Haulotte UK Ltd is the head of a UK tax group that on 31 December 2007 included UK Platforms Ltd and UK Training Ltd.

Under the tax sharing agreements, taxes of companies are incurred by subsidiaries as if not included in a tax group.



## Note 18 Effective income tax reconciliation

The difference between the effective tax rate of 17.01% (34,87 % in June 2007) and the standard rate applicable in France of 34.43% in 2007 and 2008 breaks down as follows:

	30/06/2008		30/06/2007	
Profit of the period before tax	62,892		57,454	
<b>Theoretical income tax expense at applicable rate for the consolidating company</b>	<b>21,654</b>	<b>34.43%</b>	<b>19,781</b>	<b>34.43%</b>
Effect of differential in tax rates	(987)		(318)	
Effect of permanently non-deductible expenses on non-taxable income	49		98	
Effect of loss carryforwards not recognized	(39)		(60)	
Effect of the elimination of internal transactions on equity investments	(1,467)		(359)	
Effect of tax losses not resulting from the recognition of deferred taxes	1,659		866	
Effect of long-term capital gains not taxed at the full rate	(10,020)			
Effect of tax group and income tax credits				
Other	(154)		26	
<b>Effective tax expense</b>	<b>10,695</b>	<b>17.01%</b>	<b>20,034</b>	<b>34.87%</b>

## Note 19 Segment information

Analysis of sales by segment

By business segment

	30/06/2008		30/06/2007	
Sales of handling and lifting equipment	226,100	87%	264,793	85%
Rental of handling and lifting equipment	15,588	6%	31,990	10%
Services (1)	16,549	6%	12,530	4%
Interest income	423	0%	916	0%
<b>Consolidated sales</b>	<b>258,660</b>	<b>100%</b>	<b>310,228</b>	<b>100%</b>

(1) Notably spare parts and repairs

By geographical segment

	30/06/2008		30/06/2007	
- Europe	219,985	85%	278,604	90%
- Rest of the world	38,675	15%	31,624	10%
<b>Consolidated sales</b>	<b>258,660</b>	<b>100%</b>	<b>310,228</b>	<b>100%</b>

The regional breakdown of sales is based on the location of clients.

### Primary segment information -- results by business line

At 30 June 2008, the Group was organized into three main business units:

- The manufacture and sale of lifting equipment,
- Lifting equipment rental,
- Services (spare parts, repairs and financing).

The category "Other" covers items not included in the three Group's primary businesses as well as inter-segment activities.



30 June 2008	Manufacture and sale of equipment	Equipment rental	Services	Other*	Total
<b>Income statement highlights</b>					
<i>Business unit revenue</i>	236,180	16,383	17,345		269,908
<i>Sales between business units</i>	10,080	795	373		11,248
Sales to third parties	226,100	15,588	16,972		258,660
Operating profit	44,904	732	74	18,096	63,807
<b>Segment assets</b>					
Fixed assets	30,880	42,504	5,277	7,572	86,233
<i>of which intangible assets</i>	1,988	80	4	2,790	4,863
<i>of which property, plant and equipment</i>	28,892	42,424	5,272	3,943	80,532
<i>of which financial assets</i>				839	839
Trade receivables from financing activities			59,418	(804)	58,614
Inventories	199,574	1,365	8,912		209,850
Trade notes and accounts receivable	218,771	12,865	11,027	(16,311)	226,351
<b>Segment liabilities</b>					
Trade payables	76,414	19,670	17,666	7,489	121,239
Bank borrowings			48,083	82,593	130,676
<b>Other information</b>					
Amortization expenses and impairment	1,922	5,127	210	842	8,100
Non-financial capital expenditures	7,839	17,026	538	1,864	27,267



31 December 2007	Manufacture and sale of equipment	Equipment rental	Services	Other*	Total
<b>Income statement highlights</b>					
<i>Business unit revenue</i>	569,195	63,939	29,803	-	662,937
<i>Sales between business units</i>	12,162	866	1,777	-	14,805
Sales to third parties	557,033	63,073	28,026	-	648,132
Operating profit	131,288	5,375	4,173	(27,171)	113,665
<b>Segment assets</b>					
Fixed assets	23,192	61,066	6,958	7,099	98,316
<i>of which intangible assets</i>	3,041	74	5	2,252	5,372
<i>of which property, plant and equipment</i>	20,152	60,992	6,953	3,856	91,953
<i>of which financial assets</i>				991	991
Trade receivables from financing activities			82,068	(1,554)	80,514
Inventories	121,538	1,706	7,230		130,474
Trade notes and accounts receivable	242,443	22,687	12,415	(14,647)	262,898
<b>Segment liabilities</b>					
Trade payables	80,978	13,830	18,373	18,323	131,504
Bank borrowings	-	-	59,813	89,179	148,991
<b>Other information</b>					
Amortization expenses and impairment	4,431	15,842	262	1,327	21,862
Non-financial capital expenditures	9,131	17,458	1,712	4,289	32,591



30 June 2007	Manufacture and sale of equipment	Equipment rental	Services	Other*	Total
<b>Income statement highlights</b>					
<i>Business unit revenue</i>	270,638	32,397	14,061	-	317,097
<i>Sales between business units</i>	5,846	408	615	-	6,869
Sales to third parties	264,793	31,990	13,445	-	310,228
Operating profit	68,173	2,776	919	(13,116)	58,752
<b>Segment assets</b>					
Fixed assets	18,326	66,125	4,655	8,963	98,069
<i>of which intangible assets</i>	3,241	35	16	625	3,917
<i>of which property, plant and equipment</i>	15,085	66,090	4,639	7,021	92,835
<i>of which financial assets</i>				1,317	1,317
Trade receivables from financing activities			103,572	(3,329)	100,243
Inventories	98,598	2,582	6,744	216	108,141
Trade notes and accounts receivable	221,739	21,789	11,162	(6,898)	247,792
<b>Segment liabilities</b>					
Trade payables	102,804	12,386	13,517	360	129,067
Bank borrowings			78,783	83,380	162,163

Notes 20 to 22 provide information concerning changes presented in the cash flow statement.

## Note 20 Analysis of changes working capital

	30/06/2008	31/12/2007
Change in inventory	80,073	53,210
Change in trade receivables	(23,810)	40,721
Change in trade payables	8,232	(34,690)
Change in other payables and receivables	(10,352)	10,512
<b>Change in operating working capital</b>	<b>54,143</b>	<b>69,752</b>

## Note 21 Analysis of changes in receivables from financing activities

	30/06/2008	31/12/2007
Changes in gross trade receivables	(21,915)	(19,142)
Change in provisions for uncollected trade receivables	15	836
<b>Change in receivables from financing activities</b>	<b>(21,900)</b>	<b>(18,306)</b>



## Note 22 Cash components

	30/06/2008	31/12/2007
Cash on hand and deposit accounts	34,298	46 962
Money market funds and negotiable instruments	112	734
Positive fair value of financial instruments	6 156	4,759
<b>Cash and cash equivalents -- balance sheet</b>	<b>40,566</b>	<b>52 455</b>
Net cash from assets held for sale		<b>1,451</b>
Bank overdrafts	(29,064)	(684)
Negative fair value of financial instruments	(2 339)	(3,534)
<b>Cash and cash equivalents -- cash flow statement</b>	<b>9 163</b>	<b>49,688</b>

## Note 23 Off-balance sheet commitments

	30/06/2008	31/12/2007
Repurchase commitments*	11,323	8 229
Share of debt carried in the balance sheet secured by collateral**	105 621	81 669
Commitments given under repayment clauses***	1 076	1 171

\* Repurchase commitments cover guarantees for the residual values granted by the Group in connection with customer financing agreements.

\*\* Pledge of Haulotte Group S.A. goodwill and Haulotte UK shares as security for the €360 million syndicated loan agreement obtained in 2005 and 2006 of which €105 million had been drawn on 30 June 2008.

\*\*\* The commitment given under repayment clauses concerns a debt waiver granted by Solem.

## Note 24 Contingent liabilities

The Group is a party in litigation proceedings related to the normal conduct of its operations. The Group considers that its defence is adequate and that the consequences of this litigation will not have a material effect on the Group consolidated financial statements and income statements in light of the provisions that have been recorded even though it is not possible to provide assurances concerning the final outcome of this litigation.

In the 2008 first half, a supplier of Haulotte Group filed a claim for €7 million breach of its raw materials supply agreement. No provision was recorded in the financial statements for the period ended 30 June 2008, as the Group considers that this claim was without legal and financial merits and in addition was not justified by the supplier.



**Note 25 Post-closing events**

On 24 July 2008 Haulotte Group S.A. acquired through its subsidiary Haulotte US, 100% of the shares of the US company Bil-Jax, located in Archbold near Detroit and specialized in the manufacturing of scaffolding and aerial work platforms. With 300 employees, Bil-Jax had sales last year approaching \$US 80 million. This subsidiary will be consolidated in the second half of 2008.

No other material events have occurred after 30 June 2008.



## Statutory auditors' limited review report of the interim consolidated financial

*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 readers. This statement should consequently be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.*

To the shareholders:

In our capacity as Statutory Auditors, and in accordance with Article L 232-7 of the French commercial code, and L. 451-1-2 III and the French monetary and financial code, we performed:

- A limited review of the attached consolidated interim financial statements of Haulotte Group S.A. for the six-month period from 1 January 2008 to 30 June 2008;
- A verification of the information given in the interim management report.

These interim financial statements are prepared under the responsibility of, and have been approved by the Executive Board. It is our responsibility, on the basis of our review, to present our opinion on these financial statements.

### **I – Review of the financial statements**

We conducted our limited review in accordance with French professional standards. These standards require that we perform limited procedures to obtain reasonable assurance, below the level resulting from a full audit, that the interim consolidated financial statements do not contain any material misstatements. These procedures that involve principally meeting with management and conducting an analytical review thus provide a lower level of assurance than an audit.

Based on our review, nothing has come to our attention to suggest that the condensed interim financial statements do not comply in all material respects, with IAS 34, the IFRS as adopted by the European Union governing interim financial reporting.




## II – Specific verifications

We have also reviewed the information given in the interim report accompanying the condensed consolidated financial statements that were the subject of our limited review. We have nothing to report with respect to the fairness of such information and its conformity with the financial statements.

Lyon and Paris, 16 September 2008

Statutory auditors  
*French original signed by*

PricewaterhouseCoopers Audit



Philippe Guéguen

Jean Pierre Gramet



## Responsibility statement for the interim financial report

To the best of my knowledge, and in accordance with applicable reporting principles for interim financial reporting, the interim consolidated financial statements of Haulotte Group for the period ending 30 June 2008 give **a true and fair view of the assets, liabilities, financial position and profit or loss** of the Group and the interim management statement includes **a fair view of material events occurring in the first six months**, their impact on the interim financial statements, and **forecasted trends** for the Group.

L'Horme, 15 September 2008



Alexandre Saubot  
Chief Operating Officer

## Provisional investor calendar for 2008

- 2008 third-quarter sales: 23 October 2008
- 2008 annual sales: 22 January 2009

