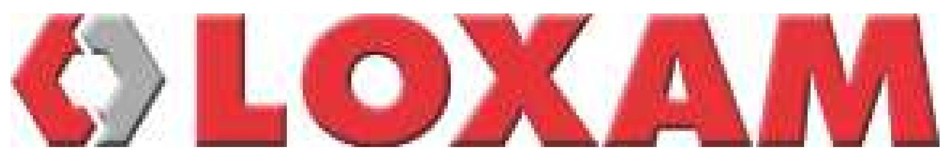

INVESTOR REPORT December 31, 2013

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DEFINITIONS

In this document:

- "Company" means LOXAM S.A.S., and "we", "us", "our" and "our group" refer to LOXAM S.A.S. and its consolidated subsidiaries, unless the context requires otherwise;
- "EBITDA" means operating income plus depreciation of fixed assets;
- "Adjusted EBITDA" means EBITDA plus non-recurring costs;
- "Free cash flow" means EBITDA (before capital gains on fleet disposals) plus the proceeds from disposals of fixed assets less the following: (i) gross capital expenditures, (ii) finance income and expense, (iii) income taxes (excluding deferred taxes), (iv) increases in working capital requirement and (v) miscellaneous items.
- "Gross book value" means the total acquisition cost of the fleet equipment;
- "Gross debt" means loans and debt owed to credit institutions, bonds, lease liabilities, bank overdrafts and other financial debt, plus accrued interest on debt;
- "Net debt" means gross debt less cash and cash equivalents (cash plus marketable investment securities);
- "Organic" and "like-for-like" mean to changes in revenues for the period indicated compared to the prior comparable period, excluding changes in the scope of consolidation; and
- "Utilization rate" means the number of days that our equipment is actually rented in a given period divided by the number of business days in such period, weighted on the basis of our reference rental value of the equipment.

NOTICE

All financial information in this report has been prepared in accordance with French GAAP and is presented in million of euros. This financial information has been subject to an audit by our statutory auditors.

In this document, we use certain non-GAAP measures, such as EBITDA, free cash flow or net debt, as we believe they and similar measures are widely used by certain investors as supplemental measures of performance and liquidity. These non-GAAP measures may not be comparable to other similarly titled measures of other companies and may have limitations as analytical tools. Non-GAAP measures such as EBITDA, free cash flow and net debt are not measurements of our performance or liquidity under French GAAP and should not be considered to be alternatives to operating income or any other performance measures derived in accordance with French GAAP. They should not be considered to be alternatives to cash flows from operating, investing or financing activities as a measure of our liquidity as derived in accordance with French GAAP.

Rounding adjustments have been made in calculating some of the financial and other information included in this document. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

This document contains certain statements that are forward-looking. These statements refer in particular to the Company's forecasts, projections, future events, trends or objectives that are naturally subject to risks and contingencies that may lead to actual results materially differing from those explicitly or implicitly included in these statements. Such forward-looking statements are not guarantees of future performance. The Company, as well as its affiliates, directors, advisors, employees and representatives, expressly disclaim any liability whatsoever for such forward-looking statements. The Company does not undertake to update or revise the forward-looking statements that may be presented in this document to reflect new information, future events or for any other reason and any opinion expressed in this document is subject to change without notice.

This document does not constitute, or form part of, an offer or invitation to sell or purchase, or any solicitation of any offer to purchase or subscribe for, any securities of the Company in any jurisdiction whatsoever. This document shall not form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

Change in accounting policy

No change in accounting policies has occurred since the end of the previous financial year. However, a change was made to our presentation of the cash-flow statement for clarity reasons.

For financial year ended December 31, 2013, when a finance lease agreement is signed, a negative cash flow from investing activities and a positive cash flow from financing activities is recognized in the cash-flow statement. Previously, these movements were not recognized in our cash flow statement.

To make it easier for the reader, a "2012 restated" column has been added to our cash flow statement with 2012 figures if this presentation change had been applied.

CONSOLIDATED FINANCIAL STATEMENTS SUMMARY

Consolidated Income Statement *(in millions of euros)*	**Year ended December 31,**	
	2012	**2013**
Revenues	**828.1**	**804.7**
Other operating income	47.3	49.0
Purchases consumed	(96.0)	(97.1)
Personnel expenses	(216.3)	(210.1)
Other operating expenses	(264.6)	(279.1)
Taxes and duties	(15.7)	(14.7)
Depreciation, amortization and provisions	(172.7)	(146.3)
Operating income	**110.0**	**106.3**
Financial income and expense	(30.2)	(44.4)
Exceptional income and expense	0.2	(0.0)
Income tax	(30.8)	(23.4)
Amortization or depreciation of goodwill and intangible assets	(3.0)	(0.0)
Consolidated net income	**46.3**	**38.4**
Minority interests	(0.1)	(0.1)
Net income, group share	**46.3**	**38.5**

Consolidated balance sheet *(in millions of euros)*	**As of**	
	December 31, 2012	**December 31, 2013**
Intangible assets and goodwill	927.1	926.1
Tangible assets	343.2	409.6
Financial investments	5.0	5.6
Fixed assets	**1,275.3**	**1,341.2**
Inventory and work-in-progress	17.9	16.9
Trade receivables and related accounts	194.9	203.0
Other receivables and accruals	19.6	36.9
Marketable investment securities	50.1	128.0
Cash	11.7	12.7
Current assets	**294.2**	**397.5**
TOTAL ASSETS	**1,569.5**	**1,738.7**

Provisions for contingencies and charges	23.1	23.1
Loans and financial debt	840.0	983.0
Supplier payables and related accounts	69.7	75.8
Other liabilities and accruals	132.8	119.3
Shareholders' equity, group share	503.6	537.3
Minority interests	0.3	0.3
TOTAL LIABILITIES AND EQUITY	**1,569.5**	**1,738.7**

Consolidated condensed cash-flow statement	**Year ended December 31,**		
(in millions of euros)	**2012**	**2012 restated[a]**	**2013**
Cash flow from operations	202.2	202.2	125.6
Cash flow from investing activities	(89.9)	(119.2)	(180.3)
Cash flow from financing activities	(114.8)	(85.5)	139.3
Change in cash and cash equivalents	**(2.5)**	**(2.5)**	**84.7**
Cash and cash equivalents at the end of the period	**58.1**	**58.1**	**55.7**

(a) See "change in accounting policy" in the Notice

BUSINESS

Overview

We are a leading European equipment rental group focused primarily on the construction and civil engineering sectors with 611 branches as of December 31, 2013,including the branches acquired through Dansk Lift of which 512 were located in France.

LOXAM activity is split in three business divisions:

- Generalist France division, which includes equipment for earth moving (backhoes and loaders), aerial work (booms and scissors), handling (forklifts and tele-handlers), compaction (compactors and rollers), and building (concrete mixers and saws), as well as hand-operated tools such as power drills, chainsaws and jackhammers. As of December 31, 2013, our generalist network included 450 branches. We rent generalist equipment under our LOXAM Rental, brand;
- Specialist France division, which includes high-access equipment, modular shelters, large compressors and generators, heavy compaction equipment, suspended platforms and scaffolding. As of December 31, 2013, our specialist network in France includes 62 branches. We rent specialist equipment in France under several specific brands, such as LOXAM Access, LOXAM TP, LOXAM LEV, LOXAM Module, LOXAM Power ,LOXAM Laho TEC, and LOXAM Event; and
- International division, which comprises our specialist and generalist equipment offerings in 12 other countries (Denmark, Norway, Sweden, Belgium, the Netherlands, Germany, Spain, the United Kingdom, Ireland, Switzerland, Luxembourg and Morocco) with a network of 99 branches as of December 31, 2013.

In addition to offering over 1,000 different types of generalist and specialist equipment and tools for rent, we also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. As of December 31, 2013, our rental fleet consisted of approximately 180,000 pieces of equipment (excluding accessories) with an estimated replacement value of €1.8 billion.

We generated revenues of €804.7 million and adjusted EBITDA of €244.5 million for the year ended December 31, 2013, representing an adjusted EBITDA margin of 30.4%. In 2013, our generalist France, specialist France and international divisions represented approximately 68%, 17% and 15% of revenues, respectively.

As of December 31, 2013, we had the largest rental network in Europe with 611 branches, of which 512 were located in France. Our branches are deeply embedded in the local markets in which they operate, and we emphasize building and maintaining close relationships with clients at the local level. Our decentralized business model allows us to adapt our equipment fleet at the branch level in order to meet our clients’ needs in various markets, offering them a value-added alternative to owning and maintaining equipment in-house. Our dense network in France allows us to meet customer demand by moving equipment across branches.

Competitive Strengths

We believe that the following competitive strengths have been instrumental in our success so far and provide the foundation for our future growth:

Market leader with dense local network and strong brand recognition

We are the largest equipment rental service provider in Europe based on 2013 revenue, and operate a network of 611 branches across 13 countries. In France, our largest market, we are the industry leader, with a national market share of 18% in 2013 (assuming a total market size of €3.81 billon as communicated by the DLR the French rental association in its 2013 report on the French rental market), and we estimate that we are consistently one of the two largest players in most of the regions and metropolitan areas where we are active. As of December 31, 2013, our network included 450 generalist branches and 62 specialist branches in France, as well 99 branches in 12 other countries. The density of our network allows us to maintain close relationships with clients at the local level, which we see as an important competitive advantage in understanding our clients’ needs and winning profitable business.

The Loxam brand benefits from strong recognition in France. Many of our professional customers consider Loxam to be a trusted partner in their day-to-day operations, principally as a result of our reliability in terms of service and fleet availability across a wide range of products. Our portfolio of clients in our generalist France business includes approximately 100,000 different customers.

Diversified business model

Our business model and size result in a significant diversification in terms of offering, customers, end markets and regions.

With a total of over 182,000 machines representing approximately 1,000 references and a replacement value of €1.8 billion, we offer the largest fleet on the European market. Our fleet addresses all client needs for earth moving, aerial work, handling, compaction, energy, modular and building equipment. Our fleet is continuously evolving as we seek to meet the increasingly sophisticated technical aspects of our clients' operations and pursue opportunities to target new sectors. Our expanding product offering allows us to act as a one-stop shop with full and comprehensive rental solutions and to diversify our client portfolio.

Our broad and diversified customer base includes construction, industrial and specialist customers, from small business and craftsmen to large international groups. Most of our largest customers operate multiple divisions, meaning that all of our business is carried out directly between our local branches and the local counterpart of these large groups, which highlights the high level of customer diversification. Typically, the selection of rental equipment provider is made locally by the construction site supervisor, and the key factors in this decision are proximity, product offering and reliability. Our key clients show significant loyalty and generate significant recurring revenue, as the same ten clients have been our ten largest customers in France, our largest market, in every fiscal year since 2007.

Strong financial track record

As demand for our products is affected by the construction cycle, we have gained a significant amount of experience in managing risks and tracking signs of market slowdown and recovery. We continuously monitor market indicators such as GDP growth, construction activity, as well as information generated from our local branches and our customers, to gain insight on future short- and medium-term demand for our services. This allows us to make decisions with regard to our operating cost structure in a timely manner in response to changes in our end markets. This constant adaptation to market conditions has helped us maintaining our high level of profitability, with EBITDA margins consistently above 30% since 2006.

Our understanding of the business cycles affecting our industry and a close monitoring of our own set of key internal indicators, such as the age and utilization rates of the different products in our fleet, also allow us to make appropriate decisions with respect to our capital expenditure programs.

Flexibility and responsiveness of our network

Loxam's reactivity and flexibility are driven by our dense branch network and are supported by a well-trained and motivated workforce, a standardized premium rental equipment fleet and the rollout of a unique IT system.

Our branches are deeply embedded in local markets in which they operate, and we emphasize building and maintaining close relationships with clients at the local level to better anticipate their needs. Our business model provides a large autonomy for regional and branch managers in spending their respective budget allocations, which allows us to adapt our equipment fleet at the branch level to accurately address local demand.

Across our rental fleet, we aim to obtain standardized equipment from our suppliers by providing them with uniform specifications. A standardized fleet lowers maintenance costs and reduces training time for our staff. It also makes it easier to share spare parts between branches and transfer equipment from one branch to another, resulting in greater fleet utilization.

In 2012 we began the process of consolidating our French generalist networks with the goal of reducing back-office costs and harmonizing general corporate procedures. To accomplish this we merged the Laho, Louers de France and Locarest companies into Loxam. We then placed the Laho and Loxam Rental units under one management and the Loueurs de France and Locarest units under another, all within Loxam. Following that initial reorganization, during the autumn of 2013, we placed all of our generalist branches under a single management structure operating in 18 regions of France. Since January 1, 2014 , our generalist division operates under a single brand, Loxam Rental, to capitalize on the strength of the Loxam

brand. We believe this consolidation should generate cost and revenue synergies through better coordination of commercial activities and capital expenditures, enabling the pooling of resources, improved exchanges of staff and equipment among branches and savings in back-office and marketing costs and enhancing branch positioning.

In 2013 we finished the roll-out of an enterprise resource planning (ERP) system in our international network that we believe should allow us to implement the Loxam model for equipment rental in all of our business units.

Experienced and proven management team

Our senior management team is led by Mr. Gérard Déprez, our president and CEO and controlling shareholder, who has over 26 years of experience with Loxam. The members of our management committee all have significant industry experience. Since our inception in 1967, we have never had a loss, written-off equity or breached debt covenants, even in difficult market conditions such as those in 2009.

Our Strategy

We intend to pursue the following key elements of our business strategy:

Continuously refine our network coverage to capture profitable growth

We will continue to focus on generating profitable growth through the optimization of our branch network at the local, national and international levels.

We aim to defend our national leadership position in France on the back of strong market shares in all the local markets in which we are active. We continue to monitor the efficiency of our network through regular reviews of the profitability of each individual branch and the utilization rates of our fleet. We are able to open new branches in dynamic areas while reducing our presence where demand is weaker.

In complement to our organic growth, we will continue our selective acquisition strategy, where we are seeking to strengthen our leading market position, increase the density of our network and reach a critical size to run profitable operations at a local level. The fragmentation in the market will allow us to complete acquisitions at attractive prices and act as a market consolidator going forward. Our successful acquisition and integration track record validates the EBITDA and margin-accretive potential of our acquisition strategy going forward.

Further diversify our end markets

We will continue to leverage our know-how and expertise of our customers' needs to strengthen our leadership position in the equipment rental industry. We also intend to remain at the forefront of innovation in the industry and leverage our reputation for quality, safety, reliability and environmental commitment evidenced by our ISO 9001, ISO 14001 and MASE certifications. Our offering is supported by a clear brand strategy to position Loxam as market leader in the generalist segment through the Loxam brand, a reference brand in the construction market, and in every construction specialist sub-segment with the development of specialized business units such as Loxam Access, Loxam LEV, Loxam Module, Loxam Power, Loxam TP, Loxam Event and Loxam Laho TEC.

We will continue our strategy of diversifying our end markets, such as focusing on renovation, which is less cyclical than the overall construction market. We intend also to grow our exposure to other end markets beyond construction, such as manufacturing, local municipalities, event organizers, landscaping, retail, petro-chemical and facilities management.

Managing lifecycle and performances of our rental equipment

We will continue to actively monitor the size, quality, age, composition and efficiency of our rental fleet. We are committed to the disciplined management of our fleet to optimize utilization and profitability by:

- Leveraging our scale to negotiate fleet purchase prices and develop customized services and bespoke equipment addressing Loxam's requirements in terms of quality and low maintenance costs.
- Using our comprehensive information systems to increase our utilization rate and yield; we will continue redeploying assets within our branch network, optimizing pricing, adjusting our fleet mix on a real time basis and maintaining

fleet quality and diversification; we will focus our primary investments in the most active markets where our fleet has a higher utilization rate and where we expect stronger market trends;

- Continuing a rigorous maintenance program by tracking the servicing history of each piece of equipment; and
- Seeking to remove older or idle equipment from our fleet at optimal times.

Continue to adapt our financial discipline to business cycles

Our management's experience in equipment rental gives us a long-term vision of cyclicality in the construction and public works industries and thus of demand for our equipment. We plan to continue using this experience to help us identify the inflection points in the business cycle, when we must decide whether to reduce capital investments and apply cash to debt repayment or make further expenses to meet a growing market demand. We intend to continue managing our operations with a clear focus on EBITDA as well as free cash flow generation.

Products and Services

In 2013, total equipment rental accounted for approximately 70% of total revenues. Rental services accounted to approximately 23% of total revenues and retail activity amounted to 7% of total revenues.

Most of our rentals are short-term (often less than one week), although we are also expanding our offerings under longer-term rental contracts. For example, our "mini-leases" (one to three years) offer clients the ability to personalize equipment and use it for a longer period while having us handle maintenance and repair.

Generalist France

Our generalist rental offering in France offers equipment principally used in construction and civil engineering projects. These projects encompass a wide range of activities, including new buildings in the residential, industrial, commercial and governmental sectors, renovation, utilities, roadwork and infrastructure. We also provide equipment for general industrial, landscaping and other activities. We rent generalist equipment under a unique brand : Loxam Rental, which operates in a broad range of sectors.

Our main product lines include:

- earth moving equipment, including backhoes, loaders, dumpers and excavators, which are designed for digging, lifting, loading and moving material and are frequently used in construction and civil engineering projects;
- aerial work platforms, including booms, scissors and vehicle-mounted platforms, which are mechanical elevation equipment used in various activities, including general industrial and service works and facility management;
- handling equipment, such as forklifts and telehandlers, which are used to lift and transport materials and are often used in the construction, manufacturing and warehousing industries;
- compaction equipment, including compactors, rammers and rollers, which are used to compact soil, gravel, concrete or asphalt in the construction of roads and foundations or to reduce the size of waste material;
- energy equipment, including compressors and generators, which are used to power machinery or construction sites;
- building equipment, such as concrete mixers and saws; and
- other equipment, including scaffolding, trucks, pumps, site surveillance systems, traffic management equipment and hand-operated tools such as power drills, chainsaws, and jackhammers, among others, mainly used in construction and renovation projects.

Specialist France

Our specialist equipment rental offerings in France serve specific client needs in terms of performance (such as power or reach) or quantity of equipment (such as modular shelters). Our different lines of specialist equipment are marketed and rented through dedicated business units, as described below:

- high-access elevation equipment, with or without operators, rented by Loxam Access and Loxam LEV, includes truck-mounted booms, telescopic and articulated booms and other platforms for reaching significant heights, used in construction, landscaping, events and by utilities and media customers;
- modular shelters, rented by Loxam Module, include portable accommodation, workspaces and containers, often used on major construction or civil engineering sites, for special events, for schools, administrative offices and for other applications;
- large compressors and generators and temperature control units, rented by Loxam Power, include air compressors used to provide power to construction machinery and electrical generators that convert mechanical energy into electrical energy to power heavy machinery or to provide electricity where the grid is not available, as well as welding and pumping equipment;
- heavy civil engineering equipment, rented by Loxam TP, is used for excavating, grading and compacting, principally for earthworks, road and railway construction, landscaping and demolition;
- temporary suspended platforms, mobile and fixed scaffolding, modular portable formwork and lifting equipment, rented by Loxam Laho TEC.

We continue to add new products to our rental catalogue, including temperature controls and cooling equipment, deconstruction equipment and accessories, bi-energy equipment (such as shovels and access equipment) and site elevators, reflecting our ongoing innovation initiative and response to customer needs.

International

In addition to our generalist and specialist offerings in France, we offer equipment rental in Denmark, Belgium, the Netherlands, Germany, Spain, the United Kingdom, Ireland, Switzerland, Luxembourg and Morocco. Recently, the acquisition of Dansk Lift has enabled us to establish a presence in Norway and Sweden.

Internationally, in addition to our generalist offer in a number of countries, we also offer specialist equipment in certain markets, including: high-access elevation equipment in the United Kingdom, Ireland and Denmark, high access elevation equipment and power equipment in the Netherlands, and modular shelters in Belgium and Denmark. All our businesses trade under the Loxam brand, apart from our Joint Venture in Morocco which trades under the Atlas Rental brand.

Rental services and retail

In all of our divisions, we offer a variety of services that complement and support our rental offerings. Rental services, which accounted for approximately 23% of total revenues in 2013, include transportation of equipment to a site and assembly (representing approximately 52% and 6% of rental services revenue in 2013 respectively), damage waivers, which act like a product warranty against theft and breakage (approximately 15%), rebilling of other services such as equipment maintenance (approximately 15%), and fuel (approximately 12%).

We also sell supplies, personal safety equipment and similar goods to customers. Retail activity accounted for approximately 7% of total revenues in 2013.

Customers

We have a broad customer base of approximately 150,000 clients across all divisions, ranging from large international companies to individuals. Our customers operate in many sectors, including residential, industrial, commercial and governmental construction, civil engineering such as transportation and infrastructure, utilities, building renovation, distribution, logistics, retail, environmental, events and media. A significant portion of our customers are large construction and civil engineering groups with national operations. These customers operate through a large number of divisions with whom our relationships are established locally at the branch level by our branch managers and sales executives (and supported by key accounts managers at our headquarters), providing multiple entry points in our contacts with customers and contributing to the diversification and stability of our customer base.

Our network of branches and our specialist equipment offerings enable us to provide tailored and attentive service to local and regional customers, while our developed full-service infrastructure allows us to effectively service large national and international customers. Our top ten customers in France, all of which operate in the civil engineering, construction or

utilities sectors, accounted for approximately 30% of our revenues in France for 2012. We are also developing our base of smaller customers, including small- and medium-sized enterprises (SMEs) and craftsmen.

Sales and Marketing

Our sales and marketing organization operates at three levels: (i) locally, at the branch level; (ii) regionally, through commercial managers operating under the regional managers; and (iii) centrally, through our dedicated sales and marketing team. In addition, we maintain an in-house call center staffed only with experienced sales staff, providing additional points of contact for our customers.

To stay informed about local markets, sales agents track rental opportunities in the area through industry reports and local contacts. In addition, our specialist branches, due to the nature of the equipment they supply, are often in contact with customers at the early phases of large construction or civil engineering projects, which creates opportunities for cross-selling and cross-promotion that also benefit our generalist branches. We also offer training programs for our customers at all of our branches, which improves customer satisfaction and loyalty.

We have also implemented marketing and service initiatives at a centralized level to prioritize strong relationships with our customers. These initiatives include:

- Loxcall, our dedicated call center that provides a one-stop service to clients by phone and coordinates order fulfillment through our branches, with guaranteed equipment availability;
- Loxam Drive, a service that allows customers to use our website to reserve any piece equipment in our catalog, to be collected at the branch of the customer’s choice within 24 hours;
- loyalty programs, such as Locpass, which targets SMEs, and Loxcity, which targets public authorities;
- Loxam Global Solutions, a turn-key solution for major industrial sites, which can provide for a dedicated fleet of equipment, an on-site branch and optimized local service; and
- Loxam app for smart phones that allows customers to geo-locate the branch closest to them, request a quote and book equipment from their phones.

We also leverage our quality, safety and environmental certifications, including ISO 14001 for environmental commitment, ISO 9001 for service quality and MASE for employee safety (in French refineries and petrochemical industries for instance), which are factors used by some of our larger customers in selecting their rental partners.

Rental Fleet

We have a well-maintained fleet consisting of approximately 180,000 pieces of equipment (excluding accessories) as of December 31, 2013, with approximately 130,000 pieces of equipment in our generalist France division, approximately 20,000 in our specialist France division and approximately 30,000 in our international division. We strive to offer a large variety of equipment and our rental fleet is one of the most extensive fleets in the European market, representing over 1,000 different types of generalist and specialist equipment and tools. Our fleet had a replacement value of €1.8 billion as of December 31, 2013.

Our combined fleet is composed of the following principal equipment ranges and equipment types:

- earth moving: excavators, backhoes, loaders, dumpers;
- aerial work platforms: booms, scissors, van mount, truck mount;
- handling: forklifts and telehandlers;
- compaction: compactors, rammers, rollers;
- energy: compressors, generators, coolers;
- modular: modular spaces, containers; and

- building and other: concrete mixers, scaffolding, pumps, tools and other equipment, such as trucks and traffic management.

Fleet management

We follow a decentralized approach with respect to fleet management. Each branch manages its own equipment with the objective of maximizing its own revenues. We monitor fleet utilization and other metrics to measure branch performance and maintain appropriate inventory levels and to manage fleet allocation across our networks as well as capital expenditures. Our ERP RentalMan platform, which has been customized to enhance our operating efficiency and equipment turnover rate by providing real time access to inventory data, enables us to track the location and availability of our equipment at our branches.

Maintenance and daily checks of equipment in the fleet are performed at each branch. Minor repairs and parts replacement, such as windshields, tires and hydraulic fittings, are outsourced to approved specialized suppliers, while major repairs are performed by manufacturer-approved dealers.

Most of the equipment in our fleet is depreciated on a straight-line five-year basis.

Suppliers

We purchase the equipment in our rental fleet from large, recognized vendors, We have no long-term agreements with our fleet suppliers and no volume commitments or exclusivity clauses apply to these relationships. In 2012, our largest fleet suppliers included Ammann, Haulotte and Manitou.

We also purchase goods and services, principally non-fleet vehicles and equipment, fuel, lubricants, insurance and transportation, as well as the goods sold in our retail activities, from a number of third party suppliers.

Our Network of Branches

As of December 31, 2013, we had a network of 611 branches, primarily located in Western Europe. The table below shows the number of branches we operate in each country:

Country	Number of branches as of December 31, 2013
France	512
Denmark	25
Belgium	15
Germany	14
The Netherlands	11
United Kingdom	10
Spain	8
Switzerland	7
Ireland	1
Luxembourg	1
Morocco	1
Norway	4
Sweden	1
Total	611

A typical branch includes a branch manager, a rental consultant, a sales representative, one or more mechanics and one or more drivers. At the regional level, technical managers, commercial managers and administrative managers support the branches in their region, under the oversight of a regional manager.

Our branch network is dynamic, and in any given year we both open and close a number of branches.

In Automn 2013, we placed all our generalist branches under a single management structure operating through 18 regions in France. Since January 1, 2014 the generalist division operated under a single brand, Loxam Rental to capitalize on the stronger brand of our portfolio. We believe this consolidation should generate revenue synergies through better coordination of commercial activities and capex spend, enable the pooling of resources, improved exchanges of staff and equipment among branches, savings of back office and marketing costs and enhanced branch positioning.

Branch ownership and leasing

We lease the vast majority of our facilities in order to maintain flexibility in growing and developing our network and to be able to respond to demographic and other changes in the areas where we operate and the customers we serve. In 2013, our real estate rental expense was €43.7 million, compared to €42.7 million for 2012.

Employees

As of December 31, 2013 we had 4,328 employees (including apprentices and trainees), nearly all of which were salaried personnel. At this date, approximately 86% of our employees were based in France.

Developing quality rental equipment staff is one of our priorities and staff training plays a key role in ensuring a consistent customer experience across our branches and the adoption of common internal procedures. Our group-wide training center is available to all members of our staff and provides training in areas such as customer relations, sales methods, group processes, regulation, quality and environmental management, technical expertise and management.

Information Technology

Our IT strategy is designed to reinforce our overall business strategy, and in particular, to facilitate the management of our fleet and improve synergies as we expand our network. Our IT team maintains our hardware and services the software we use. We also use dedicated software such as Salesforce (CRM), Sidetrade (accounts management) and Kyriba (treasury management) for specific purposes and therefore work with external support teams provided by the publishers of these software.

We recently completed implementing the ERP RentalMan platform in our international business after rolling it out in France in 2012. RentalMan, published by Wynne Systems, is a dedicated, unified rental system that links all aspects of our fleet management and back office in real time and is one of the main software applications used by key players in the equipment rental industry. RentalMan enhances our operating efficiency and equipment turnover rate by providing real-time access to inventory data, including the availability and location of equipment. RentalMan also enables branch managers to access information on day-to-day performance, search the entire rental fleet for needed equipment, quickly determine the closest location equipment and arrange for delivery to customers' work sites. We are now one of the only international equipment rental networks to have consolidated all of its branches across multiple countries under a unified platform.

Intellectual Property

We use a variety of trade names and trademarks in our business, but only the trademark "Loxam", which enjoys high brand recognition in France and other European countries, is material to our business. The "Loxam" trademark is protected in the countries where we do business, including France and the other members of the European Economic Community.

Corporate and Social Responsibility

We are subject to comprehensive local, national and European Community-level environmental and safety laws and regulations, but our operations generally do not raise significant environmental risks, and we take steps to minimize these risks to the extent possible.

With respect to our commitment to Social & Environmental Responsibility, we undertook an ambitious project to obtain ISO 14001 certification for all of our European branches, which was achieved in February 2010 and renewed as of January 1,

2013. We are the first equipment rental company to be awarded this certification on such a scale, demonstrating our high level of commitment and know how. We have also obtained MASE certification for employee safety.

Currently there is no pending or likely environmental or safety issue that could have a material adverse effect on our business.

Insurance

We maintain the types and amounts of insurance customary in our industry and adequate to our operations. Our group insurance policies, locally supplemented as needed, comprise in particular our automotive fleet policy, civil liability policy, multi-risk industrial policy, direct or indirect loss crime and data policy.

Legal Proceedings

We are party to certain pending legal proceedings arising in the ordinary course of business, none of which is material to our operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with our consolidated financial statements and the notes thereto. Our financial statements included herein have been presented in euros and prepared in accordance with French GAAP.

Overview

We are a leading European equipment rental group focused primarily on the construction and civil engineering sectors with 611 branches as of December 31, 2013, of which 512 were located in France. We are organized in three business divisions:

- Generalist France division, which includes equipment for earth moving (backhoes and loaders), aerial work (booms and scissors), handling (forklifts and tele-handlers), compaction (compactors and rollers), and building (concrete mixers and saws), as well as hand-operated tools such as power drills, chainsaws and jackhammers. As of December 31, 2013, our generalist network included 450 branches. We rent generalist equipment under our LOXAM Rental brand;
- Specialist France division, which includes high-access equipment, modular shelters, large compressors and generators, heavy compaction equipment, suspended platforms and scaffolding. As of December 31, 2013, our specialist network in France includes 62 branches. We rent specialist equipment in France under several specific brands, such as LOXAM Access, LOXAM TP, LOXAM LEV, LOXAM Module, LOXAM Power ,LOXAM Laho TEC, and LOXAM Event.
- International division, which comprises our specialist and generalist equipment offerings in 12 other countries (Denmark, Norway, Sweden, Belgium, the Netherlands, Germany, Spain, the United Kingdom, Ireland, Switzerland, Luxembourg and Morocco) with a network of 99 branches as of December 31, 2013.

In addition to offering over 1,000 different types of generalist and specialist equipment and tools for rent, we also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. As of December 31, 2013, our rental fleet consisted of approximately 180,000 pieces of equipment (excluding accessories) with an estimated replacement value of €1.8 billion.

We generated revenues of €804.7 million in 2013, representing a decrease of 2.8% compared to revenues of €828.1 million in 2012 that resulted primarily from lower volumes in the French construction market, which were exacerbated by unusually poor weather conditions in the first quarter of 2013, before a catch-up effect generated better construction activity in the second half of the year. In 2013, approximately 68% of our revenues were generated from our generalist France division and approximately 17% were generated from specialist France division, with our international division contributing approximately 15%. In 2012, our generalist France, specialist France and international divisions represented approximately 68%, 17% and 15% of revenues, respectively.

We generated Adjusted EBITDA of €244.5 million in 2013, representing a decrease of 10.6% compared to €273.6 million in 2012. Our Adjusted EBITDA margin was 30.4% in 2013 compared to 33.0% in 2012. The decrease in EBITDA margin reflected primarily the particularly weak first quarter of 2013, during which we decided to maintain the level of our French branch network and fleet in anticipation of the catch-up that ultimately occurred later in the year.

Our operating income decreased by 3.3% in 2013 to €106.3 million from €110.0 in 2012. The decrease was lower than that of Adjusted EBTIDA as a result of a 14.9% decrease in depreciation charges, which resulted from our 5 year straight line depreciation policy and the low levels of fleet capital expenditures made in 2009.

Net income, group share decreased by 16.8% to €38.5million in 2013 from €46.3 million in 2012, reflecting both the decrease in operating income as well as a significant increase in financing costs following the issuance of an aggregate principal amount of €300.0 million of senior subordinated notes in January 2013, partially offset by a decrease in our income tax expenses.

The proceeds from the issuance of these senior subordinated notes enabled us to repay €150.0 million of bank debt and provided us with resources for general corporate purposes, including the pursuit of opportunities for acquisitions. We realized our first such acquisition in December 2013 when we acquired Dansklift (described below).

We increased capital expenditures relating to our fleet, from €126.6 million in 2012 to €189.8 million in 2013, using drawdowns under our bilateral financing agreements. The increase reflected our decision to rejuvenate our fleet in France, and to prepare for anticipated improvements in our international markets.

Key Factors Affecting Results of Operations

Our results of operations are primarily affected by factors that impact the equipment rental industry generally, particularly cyclicality and economic conditions affecting the construction and civil engineering sectors, and our management of capital expenditures in response to changes in the cycle. Our results of operations can also be significantly affected in the short-term by one-time factors such as weather conditions in our principal market. Our results of operations are also affected by the expansion of our rental network through the opening and closing of branches and acquisitions. These factors are described in greater detail below..

Cyclicality and economic conditions

Demand for our products is dependent on the industries in which our customers operate, the general economy, the stability of the global credit markets and other factors. The construction and civil engineering sectors in France and in Europe generally, which are the primary markets for our rental equipment, are cyclical industries with activity levels that tend to increase during periods of economic growth and decline during economic downturns. Demand for our products is correlated to conditions in these industries and in the general economy.

Conditions in the construction and civil engineering markets have an impact on both the utilization rate of our equipment and on prices. As demand increases, utilization follows and we can then, subject to fixed pricing arrangements, choose to allocate equipment to customers who are willing to pay higher prices. When demand decreases, the opposite occurs, and we may reduce prices to preserve utilization levels. Demand can be affected by short-term factors that affect utilization rates and prices for a brief period, such as the adverse weather conditions in Europe in the first quarter of 2013, or by general economic trends that can have an impact (positive or negative) over a longer period. We seek to manage the impact of medium- and long-term trends through the adjustment of our investments in new equipment, increases or decreases in sales of our equipment, and the management of our branch network. Each of these factors is discussed in more detail below.

Investment in new equipment and asset sales

The management of our level of capital expenditure, by increasing or decreasing the amount of investment in our fleet, is an important factor in our results of operations and cash flow. Decisions about investment in new equipment are based on the condition and remaining useful life of our existing equipment as well as on our views of future demand. We sell assets in our fleet when we believe that these assets have reached the end of their useful life because they have become obsolete or when the cost of maintaining them in proper condition for customer use is too high. We also sell assets in our fleet before the end of their useful life if we believe a decline in demand in a given market is likely to last for a significant period of time. We believe that our experience in the rental equipment market allows us to recognize inflection points (the points at which demand is poised to level off or change direction) in the cycles affecting the construction and civil engineering sectors, so that we can increase investment just before the bottom of the cycle (before we expect demand to expand) and decrease investment just before the top of the cycle (before we expect demand to contract). We believe that our anticipation of trends in the construction and civil engineering cycle has helped us to control our levels of investment and related debt, and thus maintain strong levels of cash flow and positive net income during the periods under review.

The allocation of investments in our rental fleet is determined by the type of equipment and the requirements of our business units. Following the onset of the global financial crisis, we significantly reduced our investments in new equipment and increased our asset sales, primarily during the 2009 fiscal year, when our investments were only €28.1million, a fraction of our normal level of investments. More recently, while we have restored our overall investments to what we view as more normal levels, we have reduced our investments and increased asset sales in the Spanish market as a result of a sharp decline in the Spanish domestic construction market. Apart from Spain, we have started to increase our fleet investments significantly in 2013, with a view to rejuvenating our fleet and positioning our international businesses for a potential rebound in market demand in 2014 and in the coming years. We expect to continue this investment policy in 2014.

Changes in our rental network

Changes in the size of our rental network as a result of opening or acquiring new branches and closing existing ones can have a significant impact on our revenues from one period to the next. This change in scale affects the comparability of our results during those periods by increasing both revenues and expenses.

We adapt our network in line with changes in the cycle by expanding existing branches or opening new branches in areas that meet certain criteria in terms of size and client activity and closing or consolidating existing branches that are less profitable. Branch opening decisions are driven by factors such as the coordination of the overall network, the specificity of a particular market, the competitive environment and our development in the specialist division. Decisions to close or consolidate branches are influenced by changes in the local market, for example due to the closing of a major construction or industrial site, or the proximity of branches whose clients could be served by a single location, which may occur as the result of an acquisition. In some cases we will relocate an existing branch to take advantage of changes in demographics, urban planning or infrastructure.

The following table shows the number of branches we have opened or acquired, and the number of branches we have closed or consolidated, during the periods under review.

	Branches opened or acquired		Branches closed or consolidated		Total branches at period end	
	France	International	France	International	France	International
2013(*)	12	12	10	1	512	99
2012	5	2	15	3	510	88
2011	5	2	—	1	520	89

*In December 2013, we acquired Dansklift, including Dansklift A/S, operator of 6 branches in Denmark, Safelift AS, operator of 4 branches in Norway and Safelift AB, operator of 1 branch in Sweden.

In 2012 we began the process of consolidating our French generalist networks with the goal of reducing back-office costs and harmonizing general corporate procedures. To accomplish this we merged the Laho, Loueurs de France and Locarest companies into Loxam. We then placed the Laho and Loxam Rental units under one management and the Loueurs de France and Locarest units under another, all within Loxam. Following that initial reorganization, during the autumn of 2013, we placed all of our generalist branches under a single management structure operating in 18 regions of France. Since January 1, 2014 , our generalist division operates under a single brand, Loxam Rental, to capitalize on the strength of the Loxam brand. We believe this consolidation should generate cost and revenue synergies through better coordination of commercial activities and capital expenditures, enabling the pooling of resources, improved exchanges of staff and equipment among branches and savings in back-office and marketing costs and enhancing branch positioning. In 2013 we finished the roll-out of an enterprise resource planning (ERP) system in our international network that we believe should allow us to implement the Loxam model for equipment rental in all of our business units.

Operating Expenses

Our business, like that of all equipment rental groups, is capital-intensive with a relatively high level of fixed costs, principally related to the depreciation of our equipment fleet, as well as other operating expenses that are fixed for short or long periods of time, such as certain personnel charges and rent on real estate. The management of our costs is an important factor in our results of operations and cash flow. To the extent possible we seek to deploy our fleet so as to match increases and decreases in demand. We believe that the merger of our two French generalist networks should allow us to operate more efficiently and that the rollout of our new ERP system, described above, should allow us to optimize use of our fleet.

Acquisitions

We make acquisitions from time to time to take advantage of opportunities for consolidation, to increase the density of our network in our existing markets or to enter new geographical or specialist markets. During the periods under review, we made the following acquisitions:

- In December 2013, we acquired an 85% controlling interest in Dansklift, a Danish rental company with revenues totaling €16 million in 2013, including Dansklift A/S, operator of 6 branches in Denmark, Safelift AS, operator of 4 branches in Norway and Safelift AB, operator of 1 branch in Sweden.
- On May 31, 2012, we acquired three business units from the Mediaco group in France: Medialoc, a generalist rental business in Carcassonne, Mediaco Modules System (MMS), a specialist in modular shelter rental, and the assets of MSO, a specialist in access equipment rental in Toulouse (all these activities were subsequently merged with our existing branches);
- On September 22, 2011 we acquired 100% of the Locarest group with approximately 65 branches largely in eastern France;
- On May 1, 2011, we acquired 100% of Stammis, a Dutch company with five generalist branches in northern Holland, which we subsequently merged with our other operations in The Netherlands;
- On March 1, 2011 we acquired six branches located in the Ile-de-France and Picardy regions of France from Regis Location, which we subsequently merged into our Loxam Rental network; and
- In January 2011 we created a new subsidiary in Morocco in partnership with Stockvis, a Moroccan industrial group. The subsidiary, which is named Atlas Rental and rents equipment under the Loxam brand, is 51% owned by us.

Seasonality

As noted above, our revenues and operating income are significantly dependent on construction and civil engineering activity in the areas where our branches are located. Construction activity tends to decrease in the winter and during extended periods of inclement weather and increase in the summer and during extended periods of mild weather. This results in lower demand for our rental equipment in the first quarter on average compared to the rest of the year.

Explanation of Key Line Items from the Income Statement

The following is a summary description of certain line items from our income statement.

Revenues include the fees paid by customers to rent equipment and revenue from related services such as transportation, fuel, damage waivers and the cost of repair and maintenance services charged back to our customers, as well as, to a lesser extent, the retail activities at our branches.

Other operating income principally includes capital gains on disposals of fleet assets, write-backs of provisions on current assets (which mainly correspond to recoveries of written-down debt) and real estate rent paid by subtenants.

Purchases consumed includes (1) the cost of goods purchased for resale in our retail activity, as well as the cost of fuel and maintenance parts that are rebilled to customers; and (2) the cost of parts used by the workshops in our branches to maintain our equipment.

Personnel expenses relates primarily to the salaries, social security charges and profit sharing expenses for our employees.

Other operating expenses include (1) external expenses that are directly related to our rental activity, such as transportation, subcontracted maintenance costs, re-rent (subleasing equipment from external renters to fill customer orders when there is not sufficient quantity at our branches) and costs associated with temporary workers; (2) external expenses related to the group, such as rent on real estate and related expenses, general administrative expenses (including insurance, advisory fees, communications and IT), advertising expenses and other management costs; (3) losses on bad debts; and (4) capital losses on fleet disposals. Under French GAAP accounting principles, our other operating expenses also include the costs associated with our financing transactions, such bank commissions and fees, and the costs associated with our bond issuance realized in January 2013.

Taxes and duties relates mainly to property taxes and local taxes (the CET or *Contribution Economique Territoriale*) paid in France.

Depreciation, amortization, and provisions principally includes depreciation of fixed assets (fleet and non-fleet), as well as provisions on current assets. Most of the equipment in our fleet is depreciated on a straight-line five-year basis. Our fleet equipment is almost always fully depreciated when we dispose of it.

Financial income primarily includes interest income on cash balances, while ***financial expense*** comprises interest charges on bank loans and hedging expenses.

Income tax consists of current and deferred taxes calculated in accordance with the relevant tax laws in force in the jurisdictions in which we operate. As of December 31, 2013, the corporate tax rate in France was 38%. We are also subject to tax rates in the other countries in which we operate, which ranged from 12.5% to 34% as of that date.

Amortization or depreciation of goodwill and intangible assets consists of provisions for amortization of goodwill, depreciation of market share or other intangible assets related to impairment tests conducted on a yearly basis, and recognition of negative goodwill.

Results of operations

The following table sets out our results of operations for the years ended December 31, 2011, 2012 and 2013 and the quarters ended December 31, 2012 and 2013.

We have not consolidated Dansk Lift accounts in our 2013 accounts as this company was acquired late December. Also, given its small size compared to Loxam, it has been decided not to provide pro forma accounts for 2013.

Consolidated Income Statement	**Year ended December 31,**			**Quarter ended December 31,**	
(in millions of euros)	**2011**	**2012**	**2013**	**2012**	**2013**
Revenues	**806.6**	**828.1**	**804.7**	**207.6**	**213.3**
Other operating income [1]	49.7	47.3	49.0	12.7	15.7
Purchases consumed	(97.1)	(96.0)	(97.1)	(25.6)	(28.6)
Personnel expenses	(192.3)	(216.3)	(210.1)	(58.4)	(56.5)
Other operating expenses	(271.4)	(264.6)	(279.1)	(73.9)	(74.8)
Taxes and duties	(14.9)	(15.7)	(14.7)	(4.0)	(3.7)
Depreciation, amortization and provisions	(172.0)	(172.7)	(146.3)	(41.3)	(37.0)
Operating income	**108.8**	**110.0**	**106.3**	**17.0**	**28.4**
Financial income and expense	(31.5)	(30.2)	(44.4)	(7.4)	(10.3)
Exceptional income and expense	(1.2)	0.3	(0.0)	(0.3)	0.2
Income tax	(24.9)	(30.8)	(23.4)	(4.8)	(6.6)
Amortization or depreciation of goodwill and intangible assets	(11.5)	(3.0)	(0.0)	(0.0)	(0.0)
Consolidated net income	**39.7**	**46.3**	**38.4**	**4.5**	**11.7**
Minority interests	(0.1)	(0.1)	(0.1)	0.0	(0.0)
Net income, group share	**39.8**	**46.3**	**38.5**	**4.5**	**11.7**

(1) Other operating income include write-backs of provisions on current assets amounting to €23.2 million, €14.6 million and €15.5 million in 2011, 2012 and 2013 respectively, and capital gains on fleet disposals amounting to €11.6 million, €15.4 million, €18.5 million in 2011, 2012 and 2013, respectively.

We consider revenues, EBITDA and Adjusted EBITDA (defined below) to be key metrics in analyzing our business. We do not present financial information by segment in our financial statements, but we consider our business to have three divisions: generalist France, specialist France and international. Each of our branches is assigned to one of these divisions, and as of December 31, 2013 we had 450 branches in generalist France, 62 in specialist France and 99 in international. The following table sets out these key figures in each of the generalist France, specialist France and international divisions for the years ended December 31, 2011, 2012 and 2013. Adjusted EBITDA is a non-GAAP financial measure.

	Year ended December 31,			**Quarter ended December 31,**	
(in millions of euros)	**2011 [5]**	**2012**	**2013**	**2012**	**2013**
Revenues [1]					
Generalist France	556.2	571.0	546.6	141.5	144.1
Specialist France	128.4	138.1	138.3	35.4	36.7

(in millions of euros)	Year ended December 31, 2011 [5]	2012	2013	Quarter ended December 31, 2012	2013
France	**684.6**	**709.1**	**684.9**	**176.9**	**180.8**
International	122.0	118.9	119.8	30.7	32.5
Total revenues	**806.6**	**828.1**	**804.7**	**207.6**	**213.3**
Adjusted EBITDA [2]					
Generalist France [3]	187.9	186.3	164.7	37.9	40.4
Specialist France [3]	50.5	49.6	47.3	11.4	12.1
France	**238.4**	**235.9**	**212.0**	**49.3**	**52.5**
International	35.2	36.2	30.9	9.0	8.9
Real Estate [4]	1.5	1.5	1.7	0.4	0.4
Total adjusted EBITDA	**275.1**	**273.6**	**244.5**	**58.7**	**61.8**
Adjusted EBITDA margin	*34.1 %*	*33.0%*	*30.4%*	*28.3%*	*29.0%*

Notes:

(1) To present generalist and specialist revenues generated in France by division, we aggregate the revenue of each branch assigned to that division. Rebates correspond to the rebates that we provide annually to certain large clients. Revenues for generalist France and specialist France are presented prior to the allocation of these rebates.

(2) To present specialist and generalist EBITDA generated in France by division, we allocate rebates pro rata based on revenues, which are accounted for centrally, and then allocate direct expenses (which represent a majority) directly to a given branch. Indirect expenses are allocated centrally or regionally and are then allocated to a given branch according to a factor that is based on that branch's revenues, the gross value of its equipment or the rental value of its equipment.

(3) Adjusted EBITDA corresponds to EBITDA excluding certain costs that we do not consider to be representative of the results of our ongoing business operations, particularly costs associated with putting in place new financings (in contrast, ongoing bank commissions are not excluded from Adjusted EBITDA). In 2011, Adjusted EBITDA excludes the costs paid in connection with refinancing our syndicated loan and the Locarest loan representing a total amount of €10.2 million. In 2012, Adjusted EBITDA excludes €7.2 million of costs provided in relation to the issue of senior subordinated notes that was ultimately realized in January 2013. In 2013, adjusted EBITDA excludes, €5.2 million of costs related to the issuance of senior subordinated notes in January 2013. These costs were allocated to the Generalist France division.

(4) Real estate EBITDA correspond to rental income from real estate held by the group that is not assigned to a division.

(5) In 2011, the branches in our Loxam Lahotec network, which had revenues of €8.6 million and EBITDA and Adjusted EBITDA of €1.8 million, were recorded in our generalist France division,. Starting on January 1, 2012, the branches in our Loxam Lahotec network are recorded in our specialist France division following our decision to build a dedicated network for this activity.

Year ended December 31, 2013 compared to year ended December 31, 2012

Construction Market in France and Europe in 2013

In France, the volume of the construction market is estimated to have decreased by approximately 3% in 2013 according to the latest report of Euroconstruct, dated December 2013. The decrease was largely due to a drop in new residential construction that reflected primarily hesitancy on the part of professionals in the residential construction market pending the release of details of the new Duflot tax measures (tax measures favoring home ownership being a major market driver). The non-residential construction market also decreased, although to a lesser degree, due to lower capital spending by both private and government customers, partially offset by a moderate increase in construction by municipalities in the run-up to local elections in March 2014. Major infrastructure projects that will continue for some time (in particular ongoing large railway infrastructure projects in the Western and Southern parts of France) buoyed the civil engineering market in France.

The French construction market was also severely affected by unusually harsh weather conditions in the first quarter of 2013. Both non-residential construction and civil engineering rebounded in the second half of 2013, as part of a general catch-up

in activity in the second half of the year following the very weak first quarter. The volume of the market was still down overall in 2013 as compared to 2012.

The difficult weather conditions also affected the construction market in the other European markets that we serve. Those markets also rebounded in the second half of the year. For the full year, growth was recorded in Denmark, Germany, and Switzerland. The Spanish market continued to suffer and so did the Dutch market.. More modest declines were recorded in the Belgian civil engineering market and the United Kingdom non-residential construction market to which our business units are respectively more exposed.

Revenues and Other Operating Income

Revenues

Our revenues decreased by 2.8% to €804.7 million in2013 from €828.1 million in 2012. The decrease inrevenues was mainly due to the weak construction market in France, partially offset by the 0.8% growth (1.5% at constant currency exchange rates) in revenues of our international division. The bad weather in the first quarter of 2013 resulted in a shift in demand and activity towards the second half of 2013 in France as well as in our international businesses, but because of the catch-up effect, it had no significant overall impact on our full-year revenues compared to 2012, which instead reflected the full-year performance of the construction sector in our markets. In the second half of 2013, our French business benefitted from the catch-up effect, while our international business showed a noticeable improvement beyond a mere catch-up. This growth in activity led to an increase in our fleet utilization rate, while our overall business levels also benefitted from the increased capital expenditures that provided us with a larger fleet to meet the increased demand. The weak activity at the beginning of the year (mainly caused by difficult weather conditions) also resulted in lower pricing of our contracts, as our framework agreements with larger customers are typically negotiated at the beginning of the year.

Revenues from our generalist France division decreased by 4.3% in 2013 to €546.6 million as compared to €571.0 million in 2012. This decrease was mainly due to the weak construction environment in France and the drop in rental revenue in the first and second quarters of 2013, partially offset by a subsequent catch-up in activities during the third and fourth quarters. Generalist France represented 67.9% of total revenues in 2013 compared to 68.9% in 2012.

Revenues from our specialist France division increased by 0.1% to €138.3 million in 2013 compared to €138.1 million in 2012. Our specialist France division outperformed the construction environment thanks to capital expenditures in our fleet, increased revenues from LOXAM TP given its participation in large-scale civil engineering projects, and the expansion of Loxam Laho TEC's network. The specialist France division represented 17.2% of total revenues in 2013, compared to 16.7% in 2012.

International revenues increased by 0.8% to €119.8million in 2013 compared to €118.9 million in 2012.At constant exchange rates, the revenue growth rate reached 1.5% in 2013 compared to 2012. Germany, Switzerland and Denmark benefited from both catch-up activity following the prolonged winter as well as healthy growth in their construction markets in the second half of 2013. Our International division represented 14.9% of total revenues in 2013, compared to 14.4% in 2012.

Other operating income

Other operating income increased by 3.4% to €48.9 million in 2013 from €47.3 million in 2012, principally due to an increase in net gains on fleet disposals.

EBITDA and Adjusted EBITDA

EBITDA decreased by 10.1% to €239.4 million in 2013from €266.4 million in 2012, and EBITDA margin decreased to 29.7% in 2013 from 32.2% in 2012. Adjusted EBITDA decreased by 10.6%, to €244.5 million in 2013 from €273.6 million in 2012. Adjusted EBITDA margin decreased to 30.4% in 2013 from 33.0% in 2012. The difference between EBITDA and Adjusted EBITDA reflected the costs associated with our January 2013 senior subordinated notes issuance, of which €5.2 million were recorded in 2013 and €7.2 million were recorded in 2012.

The decline in margins reflected several factors. Margins in the first quarter of 2013 were affected by the lower revenues that resulted from the poor weather conditions, and our relatively high proportion of fixed costs. We decided not to reduce our network and fleet size in anticipation of the catch-up that ultimately occurred, but we were unable to fully recover the margins lost in the first part of the year. Margins in the second half of the year were affected by an increase in equipment maintenance and transport sub-renting costs directly linked to the surge in activity in the second half of the year. Margins for the year generally were also affected by lower prices negotiated at the beginning of 2013.

Each of our divisions generated lower EBITDA and Adjusted EBITDA. EBITDA from our generalist France division decreased by 10.9% to €159.5 million in 2013 from €179.1 million in 2012. All of our bond issuance costs were allocated to our generalist France division. Adjusted EBITDA of this division was €164.7 million in 2013, representinga decline of 11.6%

compared to €186.3 million in 2012. EBITDA and Adjusted EBITDA were identical in our other divisions. EBITDA and Adjusted EBITDA from our specialist France division decreased by 4.7% to €47.3 million in 2013 compared to €49.6 million in 2012; and EBITDA and Adjusted EBITDA from our international division decreased by 14.7% to €30.9 million in 2013 compared to €36.2 million in 2012.

Operating Expenses

Purchases consumed

Purchases consumed increased by 1.1% to €97.1 million in 2013 compared to €96.0 million in 2012, reflecting overall increased sales activity (concentrated in the second half of the year, following the slowdown in the first half of the year).

Personnel expenses

Personnel expenses decreased by 2.9% to €210.1 million in 2013 from €216.3 million in 2012 due to a decrease in social charges following the implementation of a new law providing a relief for certain social charges ("*Credit d'Impôt Compétitivité Emploi*") which went into effect on January 1, 2013, and lower provisions for bonus and profit sharing given the decrease in our profitability in 2013.

Other operating expenses

Other operating expenses increased by 5.5% to €279.1 million in 2013 from €264.6 million in 2012. The increase resulted mainly from higher equipment transport costs resulting from the increase of our rental volumes in the second half of the year. Our maintenance costs also rose in the second half as a result of the increase in our fleet utilization. Additionally, our costs relating to sub-rental of equipment also increased as we resorted to sub-rental more frequently as demand picked up in the second half of the year, notably in our international business. Other operating expenses also included €5.2 million and €7.2 million in 2013 and 2012, respectively, of costs associated with the senior subordinated notes issuance in January 2013.

Depreciation, amortization, and provisions

Depreciation, amortization, and provisions decreased by 15.3% to €146.3 million in 2013 compared to €172.7 million in 2012. This is the consequence of our 5 year straight line depreciation policy, as the fleet capital expenditures made in 2008 are now fully depreciated, and our current depreciation charges reflect the significant decrease of our fleet capital expenditures that occurred in 2009 and 2010 in light of economic conditions.

Financial income and expense

Net financial expense increased by 47.0% to €44.4 million in 2013 from €30.2 million in 2012, mainly due to the additional interest cost of the €300 million in aggregate principal amount of senior subordinated notes issued in January 2013.

Income tax

Income tax decreased by 27.3% to €23.4 million in 2013 from €30.8 million in 2012 principally as a result of the decrease in pre-tax income.

Amortization or depreciation of goodwill and intangible assets

We did not record any amortization or depreciation of our goodwill and intangible assets in 2013, while in 2012 we recorded €3.0 million in net charges. In 2012, we recorded a €3.2 million impairment charge in respect of the goodwill of our Spanish subsidiary, which was then fully depreciated in our consolidated accounts.

Net income, group share

Net income decreased by 16.8% to €38.5 million in 2013 from €46.3 million in 2012 as a result of factors described above.

Quarter ended December 31, 2013 compared to quarter ended December 31, 2012

Revenues

Revenues increased by 2.8% to €213.3 million in thefourth quarter of 2013 from €207.6 million in thefourth quarter of 2012. Our French business benefitted from the catch-up effect, while our international business showed a noticeable improvement beyond a mere catch-up. This growth in activity led to an increase in our fleet utilization rate, while our overall business levels also benefitted from the increased capital expenditures that provided us with a larger fleet to meet the increased demand.

Revenues from our Generalist France division increased by 1.8% in the fourth quarter of 2013 to €144.1million as compared to €141.5 million in the fourth quarter of2012. This increase was fuelled by an increase in our volume while prices remained at the same level as in Q3 2013. Generalist France represented 67.6% of total revenues in the fourth quarter of 2013 compared to 68.2% in the fourth quarter of 2012.

Revenues from our Specialist France division increased by 3.8% to €36.7 million in the fourth quarterof 2013 as compared to €35.4 million in the fourth quarter of2012. The performance of our Specialist division was in-line with the construction environment with the exception of LOXAM TP whose revenues rose at it is involved in large civil engineering projects. The Specialist France division represented 17.2% of total revenues in the fourth quarter of 2013, compared to 17.1% in the fourth quarter of 2012.

International revenues increased by 6.1% to €32.5 million in the fourth quarter of 2013 compared to €30.7 million in the fourth quarter of 2012. Germany, Switzerland and Denmark benefited from both catch-up activity following the prolonged winter as well as healthy growth in their construction markets. Our International division represented 15.2% of total revenues in the fourth quarter of 2013, compared to 14.8% in the fourth quarter of 2012.

Other operating income

The increase of Other operating income by 23.6% to €15.7 million in the quarter ended December 31, 2013 from €12.7 million in the quarter ended December 31 2012is mainly due to an increase in capital gains on fleet disposals.

Purchases consumed

Purchases consumed increased by 11.7% to €28.6 million for the quarter ended December 31, 2013 compared to €25.6 million for the quarter ended December 31, 2012. This increase was the consequence of the dynamic retail sales achieved in Q4.

Personnel expenses

Personnel expenses decreased by 3.3% to €56.5 million in the quarter ended December 31, 2013 from €58.4 million in the quarter ended December 31, 2012, mainly due to decreased social charges following implementation of a new law providing a relief for certain social charges ("*Credit d'Impôt Compétitivité Emploi*") as well as a decrease in bonus and profit sharing due to lower profitability for the full year.

Other operating expenses

Other operating expenses increased by 1.1% to €74.8million in the fourth quarter of 2013 from €73.9 million in the fourth quarter of 2012. The increase was fuelled mainly by transport expenses which rose as the increase of activity was driven by an increase of our volume.

Depreciation, amortization, and provisions

Depreciation, amortization, and provisions reached a low level at €37.0 million in the quarter ended December 31, 2013 decreasing by 10.4% from €41.3 million in the quarter ended December 31, 2012. This is the consequence of our 5 year depreciation policy as the fleet capital expenditure made in 2008 are now fully depreciated.

Financial income and expense

Due to the additional interest cost of the senior subordinated notes issued in January 2013, net financial expense increased by €2.9 million to €10.3 million in the quarter ended December 31, 2013, compared to €7.4 million in the quarter ended December 31, 2012.

Income tax

Income tax expense increased by 37.5% to €6.6 million in the quarter ended December 31, 2013, compared to €4.8 million in the quarter ended December 31, 2012, mainly due to the increase of pre-tax profit by 9.7% to €18.3 million in the quarter ended December 31, 2013 from €9.3 million in the quarter ended December 31, 2012.

Amortization or depreciation of goodwill and intangible assets

During the fourth quarter of 2013 no impairment of intangible assets was recorded.

Net income

As a result of the various factors described above, net income increased by 160% to €11.7 million in the quarter ended December 31, 2013 compared to €4.5 million in the quarter ended December 31, 2012.

Liquidity and Capital Resources

Cash is used to pay for working capital requirements, taxes, interest payments, capital expenditures, acquisitions and to service our indebtedness in accordance with repayment schedules.

Our sources of financing consist mainly of the following:

- cash generated from our operating activities;
- borrowings under our syndicated credit facilities (which are fully drawn down, other than the revolving credit facility described below), bilateral facilities and finance leases; and
- net proceeds from our senior subordinated notes and any other securities that we may issue in the future.

As of December 31, 2013, we had €300.0 million principal amount outstanding of senior subordinated notes issued in January 2013, €211.0 million outstanding under our syndicated credit facilities after repayment of €150.0 million in January 2013 and of €32.0 million during the third quarter of 2013. We also had outstanding debt under bilateral facilities in a total amount of €378.8 million and finance leases in a total amount of €83.1 million. Cash and cash equivalents on our balance sheet amounted to €140.7 million as of December 31, 2013 compared to €61.8 million as of December 31, 2012. This significant increase in cash is the result of the issuance of the senior subordinated notes in January 2013, enabling us to fund growth projects.

We typically fund our annual capital expenditures with drawdowns under our bilateral facilities. We negotiate the amount of funding with a number of banks on an annual basis. We also have a €75.0 million revolving credit facility, which we may use for general corporate purposes. As of December 31, 2013, this revolving credit facility was not drawn.

Capital expenditures

Our capital expenditures consist principally of investments in fixed assets (i.e., our equipment fleet). We determine and allocate our budget for capital expenditures on an annual basis. Decisions about investment in new equipment are based in significant part on our views of future demand. During growth cycles we may decide to invest in our business by replacing aging or end-of-life equipment and by expanding the total size of the fleet, while in downturns we tend to reduce capital expenditures and conserve cash.

The table below shows our fleet investments for the last five years:

	Year Ended December 31,				
	2009	2010	2011	2012	2013
	(in millions of euros)				
Purchases of rental equipment	28.1	96.4	164.9	126.6	189.8
Purchases of non-rental equipment[(1)]	9.2	11.3	12.5	12.3	12.4
Gross capital expenditures	37.3	107.7	177.4	138.9	202.2
Proceeds from disposals of rental equipment	51.9	22.6	14.4	20.9	21.2
Proceeds from disposals of non-rental equipment	4.2	1.9	2.0	1.4	1.2
Proceeds from disposals of fixed assets	56.1	24.5	16.4	22.3	22.4
Net fleet capital expenditures[(2)]	(23.8)	73.8	150.5	105.7	168.6
Net capital expenditures[(3)]	(18.8)	83.2	161.0	116.6	179.8

Notes:

(1) Non-rental equipment principally includes equipment used in our workshops, equipment used to outfit or maintain our branches, and information technology.

(2) Net fleet capital expenditures is purchases of rental equipment less proceeds from disposals of rental equipment.

(3) Net capital expenditures is gross capital expenditures less proceeds from disposals of fixed assets.

In 2013, gross capital expenditures increased to €202.2 million, compared to €138.9 million in 2012 and €177.4 million in 2011. Fleet capital expenditure amounted to €189.8 million in 2013 compared to €126.6 million in 2012 and €164.9 million in 2011. The increased investments in our fleet in 2013 reflected our decision to increase investments in our fleet with the goal of rejuvenating our fleet and diversifying our asset base. The increased capital expenditure in the fleet of our international business division also reflected the improvement during 2013 in certain international markets, such as Denmark Germany and Switzerland. This increase in investments followed years in which we have maintained cautious levels of capital expenditure in light of difficult or uncertain market conditions in Europe, most notably France, following the downturn affecting the construction and civil engineering sectors in 2009.

In 2013, the gross book value of disposed rental equipment was €98.0 million, compared to €96.8 million in 2012 and €85.1 million in 2011.

Cash flow

The following is a discussion of our cash flow from operations, cash flow from investing activities and cash flow from financing activities for the years ended 2013, 2012 and 2011. Cash flow from operations include the fluctuations in our working capital requirements. In addition to typical variations in our accounts receivables and payables, working capital is also affected by the level of income tax debt or credit at the end of the year and by payables to fleet suppliers. Cash flow from investing activities consists of our net capital expenditures, i.e., capital expenditures less the proceeds from the sale of the equipment retired from operations, as well as the cash impact of external acquisitions. Cash flow from financing activities reflects the net issuance of new debt or equity, less debt repayments and dividend payments.

Year ended December 31, 2013 compared to year ended December 31, 2012

The following table presents a summary of our cash flow for the year ended December 31, 2013 as compared to the year ended December 31, 2012:

	Year Ended December 31,	
	2012 (restated)	**2013**
	(in millions of euros)	
Cash flow from operations	202.2	125.6
Cash flow from investing activities	(119.2)	(180.3)
Cash flow from financing activities	(85.5)	139.3
Change in cash and cash equivalents	(2.5)	84.7

Cash flow from operations

Net cash provided by operations decreased to €125.6million in 2013 compared to €202.2 million in 2012 Before changes in working capital requirements, net cash provided by operations was €153.1 million in 2013, including a cash advance to Dansklift amounting to €9.2 million, and €186.4 million in 2012 due to the lower profitability in 2013. Changes in working capital had a negative impact of €18.2 million in 2013, excluding the cash advance to Dansklift, following a positive impact of €15.8 million in 2012. Two main factors caused the increase in working capital requirements in 2013. First, the timing of income tax deposits (which must cover the yearly corporate income tax) resulted in a change from a tax payable of €7.2 million as of December 31, 2012, to a tax receivable of €3.6 million as of December 31, 2013. Second, deliveries of fixed assets purchased in 2013 were made earlier than was the case in 2012, resulting in earlier payment cycles resulting in our payable to fixed asset suppliers decreasing by €8.2 million as of December31, 2013 compared to December 31, 2012.

Cash flow from investing activities

Net cash used in investing activities increased to €180.3 million in 2013 compared to €119.2 million in 2012 due to the increase in purchases of fixed assets. Purchases of fixed assets in 2013 amounted to €202.2 million, of which our rental fleet accounted for €189.8 million. In 2012, purchases offixed assets amounted to €138.9 million, of whichour rental fleet accounted for €126.6 million. Cash from fixed asset disposalsamounted to €22.4 million in 2013 compared to €22.3 million in 2012, most of which related to our rental fleet.

Cash flow from financing activities

Net cash provided by financing activities was €139.3 million in 2013 compared to net cash used in financing activities of €85.5 million in 2012.

In 2013, we issued €492.5 million of debt, including the issuance of €300.0 million principal amount of 7.375% senior subordinated notes due 2020 in January 2013, €138.1million drawn under new bilateral facilities put in place in 2013 and €54.4 million of new finance leases. In 2012, we borrowed €116.2 million under our bilateral facilities tofinance mainly fixed assets, and we entered into finance leases in an amount of €29.3 million.

In 2013, we repaid €348.3 million of debt. We useda portion of the net proceeds of the issuance of the senior subordinated notes to repay €150.0 million under our syndicated credit facilities. We also repaid €32.0 million under our syndicated facilities, €150.4 million under our bilateral facilities and €15.9 million under our finance leases at maturity. We repaid €230.9 million of indebtedness in 2012 whichrelated to our syndicated credit facilities, bilateral facilities and leasing debt.

EBITDA and Adjusted EBITDA

We define EBITDA as operating income plus depreciation of fixed assets. We define Adjusted EBITDA as EBITDA excluding certain charges that we consider not to be reflective of our ordinary operating activities. However, other companies may present EBITDA differently than we do. We present EBITDA and Adjusted EBITDA as additional information because we believe it is helpful to investors in highlighting trends in our business. EBITDA is not a measure of financial performance under French GAAP and should not be considered as an alternative to operating income as an indicator of our operating performance or any other measures of performance derived in accordance with French GAAP.

The following table presents a reconciliation of EBITDA and adjusted EBITDA to operating income and net income for the periods indicated.

(in millions of euros)	**Year ended December 31,**			**Quarter ended December 31,**	
	2011	**2012**	**2013**	**2012**	**2013**
Adjusted EBITDA	**275.1**	**273.6**	**244.5**	**58.7**	**61.7**
Excluded charges relating to new financings	(10.2)	(7.2)	(5.1)	(4.2)	0.0
EBITDA	**264.9**	**266.4**	**239.4**	**54.5**	**61.7**
Depreciation of fixed assets	156.1	(156.4)	(133.1)	(37.5)	(33.3)
Operating income	**108.8**	**110.0**	**106.3**	**17.0**	**28.4**
Financial income and expense	(31.5)	(30.2)	(44.4)	(7.4)	(10.3)
Exceptional income and expense	(1.2)	0.3	(0.0)	(0.3)	0.2
Income tax	(24.9)	(30.8)	(23.4)	(4.8)	(6.6)
Amortization or depreciation of goodwill and intangible assets	(11.5)	(3.0)	-	-	-
Consolidated net income	**39.8**	**49.3**	**38.5**	**4.5**	**11.7**

Adjusted EBITDA amounted to €244.5 million in 2013 compared to €273.6 million in 2012, with an adjusted EBITDA margin of 30.4%. Adjusted EBITDA amounted to €61.7 million in the quarter ended December 31, 2013 compared to €58.7 million in the quarter ended December 31, 2012.

Adjusted EBITDA from our generalist France division amounted to €164.7 million in 2013, compared to €186.3 million in 2012. Our adjusted EBITDA margin for generalist France was 30.1%. Adjusted EBITDA from our generalist France division amounted to €40.4 million in the quarter ended December 31, 2013, compared to €37.9 million in the quarter ended December 31, 2012.

Adjusted EBITDA from our specialist France division amounted to €47.3 million in 2013, compared to €49.6 million in 2012. Our adjusted EBITDA margin for specialist France was 34.2%. Adjusted EBITDA from our specialist France division amounted to €12.1 million in the quarter ended December 31, 2013 compared to €11.4 million in the quarter ended December 31, 2012.

Adjusted EBITDA from our international division amounted to €30.9 million in 2013, compared to €36.2 million in 2012. Our adjusted EBITDA margin for international was 25.8%. Adjusted EBITDA from our international division amounted to €8.9 million in the quarter ended December 31, 2013, compared to €9.0 million in the quarter ended December 31, 2012.

Free cash flow

We define free cash flow as EBITDA less net capital expenditures, financial income and expense, taxes (excluding deferred taxes), capital gains on fleet disposals and certain other income and expenses and changes in working capital requirement. Free cash flow is presented before the payment of dividends to shareholders, capital increases and acquisitions. We present free cash flow as additional information because we believe it is helpful to investors in highlighting trends in our business. However, other companies may present free cash flow differently than we do. Free cash flow is not a measure of financial performance under French GAAP and should not be considered as an alternative to operating income as an indicator of our operating performance or any other measures of performance derived in accordance with French GAAP.

For the years ended December 31, 2013, 2012 and 2011, free cash flow was €(49.6) million, €85.9 million and €59.6 million, respectively. The decrease in free cash flow in 2013 compared to 2012 reflected increased net capital expenditures, higher financial expenses (resulting from the senior subordinated notes issued in January 2013) and higher working capital

requirement. The increase in free cash from in 2012 compared to 2011 reflected lower net capital expenditures and higher net gains on fleet disposals.

The following table presents a reconciliation of free cash flow to EBITDA for the periods indicated.

	Year Ended December 31,			Quarter ended December 31,	
	2011	2012	2013	2012	2013
	(in millions of euros)				
EBITDA	**264.9**	**266.4**	**239.4**	**54.4**	**61.7**
Net capital expenditures	(161.0)	(116.6)	(179.8)	(42.6)	(42.9)
Financial income and expense	(31.5)	(30.2)	(44.4)	(7.4)	(10.3)
Taxes[(1)]	(24.2)	(34.0)	(24.6)	(3.5)	(7.5)
Net gains on fleet disposals	(10.0)	(15.4)	(18.5)	(4.0)	(6.8)
Other income and expenses	(0.4)	(0.4)	1.2	0.1	0.5
Change in working capital requirement [(2)]	21.8	16.1	(22.9)	18.4	19.1
Free cash flow[(3)]	**59.6**	**85.9**	**(49.6)**	**15.4**	**13.8**

Notes:

(1) Corresponds to taxes immediately payable (i.e., excluding deferred taxes).

(2) Excluding the cash advance to Dansklift amounting to €9.2 million in 2013, and excluding change in accrued interests on loans and change in other financial debt, which together totaled €-1.4 million in 2011, €-0.3 million in 2012 and €4.6 million in 2013.

(3) Before payment of dividends, capital increases and acquisitions.

Net debt

We define net debt as gross debt less cash and cash equivalents (cash plus marketable investment securities). Net debt is presented as additional information because we believe that netting cash against debt may be helpful to investors in understanding our financial liability exposure. However, other companies may present net debt differently than we do. Net financial debt is not a measure of financial performance under French GAAP and should not be considered as an alternative to any other measures of performance derived in accordance with French GAAP.

The following table presents a reconciliation of net debt to amounts included in the consolidated balance sheet as of the dates indicated.

	As of December 31,		
	2011	2012	2013
	(in millions of euros)		
Senior subordinated notes	--	--	300.0
Bank loans	887.7	784.1	589.8
of which syndicated credit facilities	*475.0*	*393.0*	*211.0*
of which bilateral loans	*412.7*	*391.2*	*378.8*
Accrued interest on debt securities and loans	2.7	3.4	8.9
Lease liabilities	22.2	44.6	83.1
Other financial debt	2.7	1.6	0.8
Bank overdrafts	4.9	6.2	0.4
Loans and financial debt (gross debt)	**920.2**	**840.0**	**983.0**
Cash	(35.1)	(11.7)	(12.7)
Marketable investment securities	(27.9)	(50.1)	(128.0)
Cash and cash equivalents	**(63.0)**	**(61.8)**	**(140.7)**
Adjustments to cash and cash equivalents[(1)]	--	--	(9.2)
Net debt	**857.2**	**778.2**	**833.1**

Notes:

(1) Cash adjustment related to a cash advance of €9.2 million to the new acquired Dansklift company, not consolidated in the balance sheet.

From December 31, 2012 to December 31, 2013, net debt increased from €778.2 million to €833.1, reflecting the negative free cash flow of €49.6 million and the dividend payment to Loxam shareholders and acquisitions totalling €5.5 million. We have also added back in our cash position the amount we loaned to Dansklift as part of the refinancing of this company on closing of the acquisition, as Dansklift is not consolidated in our 2013 financial statements.

Net debt decreased to €778.2 million as of December31, 2012 from €857.2 million as of December 31, 2011, as a result of net cash provided by operations of €208.8million in 2012, less capital investments in the rental fleet and other investments (net of disposals) of €116.6 million, areduction of debt on investments (€6.3 million) and the impact of changes in the scope of consolidation of €6.8 million (relatedto the acquisition of the Mediaco business).

Debt maturity profile

The table below provides the maturity profile of our outstanding indebtedness, as of December 31, 2013.

(in millions of euros)	**Total**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020 and later**
Syndicated credit facilities	211.0	47.0	72.0	92.0	—	—	—	—
Bilateral loans	378.8	125.2	109.8	74.9	46.6	21.9	0.1	0.2
Lease liabilities	83.1	20.2	20.0	20.8	14.7	7.4	—	—
Loans and financial debt owed to credit institutions	**672.9**	**192.4**	**201.8**	**187.7**	**61.3**	**29.3**	**0.1**	**0.2**
Other financial debt	0.8	0.1	0.1	0.3	0.3	—	—	—
Senior subordinated notes	300.0	—	—	—	—	—	—	300.0
Total debt [(1)]	**973.7**	**192.5**	**201.8**	**188.0**	**61.6**	**29.3**	**0.1**	**300.2**

Note:

(1) Excluding accrued interest on debt securities and loans and bank overdraft

Hedging Policy

In the ordinary course of our business, we are exposed to market risks arising from fluctuations in interest rates and exchange rates. To manage these risks effectively, we enter into hedging transactions and use derivative financial instruments to mitigate the adverse effects of these risks. In addition, pursuant to the terms of our syndicated credit facilities, we are required to hedge at least 75.0% of the debt drawn under the syndicated facilities at all times. We do not enter into financial instruments for trading or speculative purposes.

As of December 31, 2013, 56.0% of our loans and other financial debt were at variable rates, mostly linked to EURIBOR. We use derivative financial instruments, especially swaps (some of which have a cancellation option exercisable by the bank counterparty), from time to time, to reduce our net exposure to variable rates on our outstanding indebtedness. As of December 31, 2013, these derivative financial instruments covered a notional amount of €328.5 millionagainst three month EURIBOR for a maximum term of 10 years. For the year ended December 31, 2013, these instruments covered an average of €566.6 million at an average fixed rate of 2.42%, compared to an average of €673.5 million at an average fixed rate of 2.50% for the year ended December 31, 2012.

The table below sets out our hedging levels for the periods indicated.

	As of December 31,		
	2011	**2012**	**2013**
	(in millions of euros, except percentages)		
Bank loans	887.7	784.2	589.9
Amount hedged	687.4	674.7	328.5
% hedged	77%	86%	55.7%
Average rate (after hedging)	3.08%	2.50%	2.42%

The large majority of our revenues, expenses and obligations are denominated in euros. However, we are exposed to limited foreign exchange rate risk, primarily in respect of Danish krone, pounds Sterling, Swiss francs and Moroccan dirham. Our foreign exchange rate derivative financial instruments as of December 31, 2013 covered current liabilities denominated in British Pounds for GBP 12.4 million and in Danish krones for DKK 20.0 million.

Critical Accounting Policies and Estimates

French GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates and assumptions are based on the information available at the time of preparation of the financial statements and affect the published amounts. Actual results may differ from these estimates.

We consider the following policies and estimates to be the most critical in understanding the assumptions and judgments that are involved in preparing our financial statements and the uncertainties that could affect our financial results, financial condition and cash flows. A more detailed description of the accounting rules and methods that we apply is provided in the note "Accounting Rules and Policies" to our consolidated financial statements.

Goodwill

Goodwill is the difference between the acquisition cost of securities and (i) the overall value of the assets and liabilities identified and (ii) the market shares (*parts de marché*) at the acquisition date. The cost of acquisition includes expenses directly related to the acquisition, as well as the discounted value of the debt in cases where payment is deferred or made in installments. Goodwill is amortized on a straight-line basis, over a term that factors in the assumptions selected, and the goals established and documented at the time of the acquisition. This term shall not exceed 20 years.

Market shares (parts de marché)

In the case of the acquisition of an operating company that was acquired with a view to increasing the group's market shares (*parts de marché*), by expanding the coverage of the branch network (which has been the case for all companies acquired to date), a separate asset, market shares (*parts de marché*), is recognized on a separate line under intangible assets. The value of that asset is assessed according to the results generated, the development of the company and its ability to build customer loyalty thorough national agreements. This market share item (*parts de marché*) is not amortized, but its value is tested every year and when the group identifies evidence of impairment. The test consists of comparing the net book value of the market shares (*parts de marché*) with future cash flows, as determined on the basis of medium-term plans. Where the net book value is higher than the value of the discounted cash flows, a provision for impairment is recognized.

Other intangible assets

Other intangible assets (mainly software) are shown at their acquisition cost on the balance sheet, excluding financial expenses. They are depreciated on a straight-line basis over three years.

Tangible assets

Tangible assets are shown at their historic acquisition cost. Impairment charges are calculated according to the straight-line method, based on the useful life of the assets. In the case of equipment, the useful life is two to seven years. Most of the equipment in our rental fleet is depreciated on a straight-line basis over five years.

According to the rules determined by CRC Regulations 2002-10 and 2004-06, French companies' tangible assets must be broken down into individual components with different useful lives. However, we have not identified any assets in our pool that are likely to be subject to a breakdown by component. The useful lives of our equipment are very close to the usage values for these assets. The characteristic features that are specific to the rental sector do not enable residual values for all equipment to be determined on a consistent and accurate basis.

Leases

Some fixed assets are subject to lease agreements, under the terms of which we assume the benefits and risks of ownership. In this case, we record the value of the leased asset under the assets portion of the balance sheet and the corresponding financial liability under the liabilities portion of the balance sheet. The fixed asset is depreciated according to our established policies and the asset's economic useful life. The liability is amortized over the length of the lease agreement. Other fixed assets are subject to lease agreements whereby we do not assume the benefits and risks of ownership. In that case, the rental charges are expensed as incurred.

Provision for contingencies and charges

Provision for contingencies and charges includes provisions for retirement benefits, deferred taxes, long-service awards and other contingencies and charges that are justified by certain or probable risks, and have been estimated on a case-by-case basis.

We use the following procedures for calculating provisions for retirement benefits: (1) benefits are calculated by factoring in age, seniority, life expectancy, and the staff turnover ratio; (2) acquired benefits are capped at 3.5 months' salary for employees who have worked for the company for over 30 years; and (3) the provision is then discounted at the 10-year interest rate, in order to take into account the length of time between the employee's age and their retirement at 65. For companies joining the Group, the amount of the portion relating to the years before their inclusion in the scope of consolidation, net of tax, is deducted from opening shareholders' equity.

Change in accounting policy

No change in accounting policies has occurred since the end of the previous financial year. However, a change was made to our presentation of the cash-flow statement for clarity reasons.

For financial year ended December 31, 2013, when a finance lease agreement is signed, a negative cash flow from investing activities and a positive cash flow from financing activities is recognized in the cash-flow statement. Previously, these movements were not recognized in our cash flow statement.

To make it easier for the reader, a "2012 pro forma" column has been added to our cash flow statement with 2012 figures if this presentation change had been applied.

APPENDIX:
AUDITED FINANCIAL STATEMENTS

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BALANCE SHEET

ASSETS (€ '000s)	12.31.2013 (audited)	12.31.2012 (audited)
Fixed assets	**1,341,234**	**1,275,284**
Goodwill	193	235
Intangible assets	925,868	926,824
Tangible assets	409,566	343,193
Financial investments	5,607	5,032
Current assets	**397,465**	**294,236**
Inventory and work-in-progress	16,940	17,882
Trade receivables and related accounts	202,970	194,928
Other receivables and accruals	36,896	19,560
Marketable investment securities	127,966	50,127
Cash	12,692	11,739
Total assets	**1,738,699**	**1,569,520**

LIABILITIES AND SHAREHOLDER'S EQUITY (€ '000s)	12.31.2013 (audited)	12.31.2012 (audited)
Shareholders' equity	**537,269**	**503,565**
Equity capital	258,223	258,223
Additional paid-in capital	1,882	1,882
Reserves and retained earnings (1)	277,164	243,460
Minority interests	**283**	**359**
Provision for contingencies and charges	**23,078**	**23,106**
Debt	**1,178,069**	**1,042,490**
Loans and financial debt	982,987	840,040
Suppliers payables and related accounts	75,827	69,678
Other liabilities and accruals	119,256	132,772
Total liabilities and shareholders' equity	**1,738,699**	**1,569,520**
(1) Including net income for the period	*38,513*	*46,344*

(€ '000s)	**12.31.2013 (12 months)**	**12.31.2012 (12 months)**
Revenues	804,723	828,056
Other operating income	48,966	47,268
Total revenues	**853,689**	**875,324**
Purchases consumed	97,117	96,033
Personnel expenses	210,098	216,265
Other operating expenses	279,128	264,581
Taxes and duties	14,729	15,741
Depreciation, amortization and provisions	146,319	172,744
Operating income	**106,299**	**109,960**
Financial income and expense	-44,398	-30,151
Current income before tax and exceptional items	**61,900**	**79,809**
Exceptional income and expense	-33	271
Income tax	-23,386	-30,758
Net income from consolidated companies	**38,481**	**49,322**
Amortization or depreciation of goodwill and intangible assets	-42	-3,035
Consolidated net income	**38,439**	**46,287**
Minority interests	-75	-56
Net income, group share	**38,513**	**46,344**
Earnings per share in euros	*1.49*	*1.79*

CASH FLOW STATEMENT

		(€ '000s)	12.31.2013 (12 months) (audited)	12.31.2012 (12 months) (audited)
Cash flows from operating activities				
	Net income from consolidated companies		38,481	49,322
Elimination of expense and income that have no cash impact or are unrelated to the operations				
-	Change in deferred taxes		-1,279	-3,252
+	Amortization, depreciation and provisions		134,635	155,919
-	Gains on disposals of fixed assets		-18,785	-15,570
=	Gross operating cash flow from consolidated companies		153,052	186,419
-	Change in WCR relating to business operations		-27,442	15,755
=	**Cash flows from operating activities**	**A**	**125,610**	**202,174**
Cash flows from investing activities				
-	Purchase of fixed assets		-202,176	-109,617
+	Proceeds from disposal of fixed assets		22,371	22,306
Impact of changes in scope of consolidation				
-	Cost of securities		-451	-1,846
+	Cash acquired on new consolidations		-	-763
=	**Cash flows from investing activities**	**B**	**-180,256**	**-89,920**
Cash flows from financing activities				
-	Dividends paid to parent company shareholders		-4,906	-4,856
-	Dividends paid to non-controlling shareholders of consolidated companies		-	-
+	Capital increase in cash		-	4,775
+	Issuance of loans		492,524	116,200
-	Repayment of loans		-348,310	-230,919
=	**Cash flows from financing activities**	**C**	**139,308**	**-114,800**
	Change in cash and cash equivalents	**A+B+C**	**84,663**	**-2,546**
	Opening cash and cash equivalents (including overdrafts on current accounts)		55,663	58,134
	Closing cash and cash equivalents (including overdrafts on current accounts)		140,280	55,663
	Effect of exchange rate differences		46	-75
			84,663	**-2,546**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Significant events of the period

The Group issued €300 million in bonds in January 2013, and used €150 million of the proceed to do a partial repayment of the syndicated loan facility.

The Group acquired 85% of the shares from the Dansklift group at the end of December 2013, composed of :

- Dansklift A/S, company operating 6 branches in Denmark,
- Safelift as, company operating 4 branches in Norway,
- Safelift ab, company operating 1 branch in Sweden.

At the same time, a shareholder's current account was granted by the Group to Dansklift as substitute of debt bank financing amouting to DKK68.5 million.

Accounting rules and policies

The consolidated financial statements comply with generally accepted French accounting principles, specifically with respect to the enactment of Regulation 99-02 by decree on June 22, 1999, which was issued by the French Accounting Committee (CRC).

Consolidation scope and methods

As the parent company has exclusive control over all Group companies, all the companies are fully consolidated, with the exception of companies acquired at the end of December 2013. Because of the short time period to achieve consolidated accounts, it wasn't possible to obtain statutory accounts of the 3 entities to include it in the consolidation. The shares have been recognised in "Other investments".

All the consolidated companies close their statutory accounts on December 31.

The financial statements are denominated in thousands of euros.

*1. **Currency translation method***

Assets and liabilities in foreign currencies are translated into euros according to the closing rate method :

- Assets and liabilities accounts are translated at the closing rate prevailing at the closing date.
- income and expenses are translated at the average exchange rate used for the period.
- Translation differences arising from opening balance sheet and from income statement are recorded directly within equity.

Exchange rates applied for the period ended 12.31.2013 (euro against foreign currency) :

	UNITED KINGDOM	SWITZERLAND	DENMARK	MOROCCO
Closing rate	0.83370	1.22760	7.45930	11.23570
Average rate	0.84925	1.23092	7.45791	11.15019

2. *Elimination of intercompany transactions*

All transactions between Group companies have been eliminated, as well as any income or loss generated internally.

3. *Change in accounting policies*

No change in accounting policies has occurred since the end of the previous financial year. However, a change in the cash flow statement presentation occurred : previously when a lease agreement was signed, no cash flow was recognized in the cash flow statement in the cash flow from investing and from financing activities. These cash flows are now recognized in both items.

4. *Goodwill and intangible assets*

4.1. *Goodwill*

Goodwill is the difference between the acquisition cost of the shares and the overall value of the assets and liabilities, and market share identified at the acquisition date.

The acquisition cost includes expenses directly related to the acquisition, as well as the discounted value of the debt in cases where payment is deferred or spread.

Furthermore, assets and liabilities that can be identified at the acquisition date are valued at fair value, which may result in recognizing goodwill.

Goodwill is amortized on a straight-line basis, over a period that considers the assumptions selected, and the objectives established and documented at the time of the acquisition. This period does not exceed 20 years.

4.2. *Other intangible items*

In the case of operating companies that have been acquired in order to increase the Group's market share by increasing its network of branches (which is the case for all the companies acquired), a separate asset is recognised on a separate line (market share) under intangible assets. The market share value is assessed based on the results generated by these companies, their development, and their ability to increase their customer loyalty through national agreements.

Market share is not amortized, but its value is tested annually and when the Group identifies evidence of impairment. The impairment test on market share consists in comparing its carrying amount with future cash flows, as determined on the basis of medium-term plans. When the carrying amount of the market share is higher than the value of the discounted cash flows, an impairment loss is recognized.

Other intangible assets are recorded at their acquisition cost on the balance sheet, excluding financial expenses.

As at December 31, 2013, the Group has not identified any impairment over the past 12 months.

4.3. Analyses and variations

No variations occurred after the acquisition of the Dansklift Group at year end as its accounts have not been integrated.

5. Tangible assets

Tangible assets are shown at their historical acquisition cost, less accumulated depreciation.

Depreciation is calculated on a straight-line basis over the useful life of the assets.

The main useful lives used are as follows:

- Buildings.. 10 to 20 years
- Building fixtures and fittings .... 5 to 20 years
- Plant, equipment and tools.. 1 to 7 years
- Other tangible assets .... 2 to 5 years

The depreciation and amortization rules applied by the Company comply with current professional practices.

According to the rules determined by CRC Regulations 2002-10 and 2004-06, the tangible assets of French companies must be broken down into individual components with different useful lives. We have not identified any asset likely to be subject to a breakdown by component.

So the Group did not review its accounting depreciation and amortization schedules as part of the application of CRC Regulations 2002-10 and 2004-06.

The features specific to the leasing profession do not allow us to assess residual values for all the equipment on a consistent and accurate basis.

6. Borrowing costs

The fees related to the issuance of the bond are fully recognized in other operating expenses.

7. Finance leases

Some fixed assets are subject to lease agreements, under the terms of which the Group assumes the benefits and risks of ownership. In this case, the assets are adjusted in order to recognize and classify the value of the leased items under fixed assets and the corresponding financial liability under liabilities. The fixed asset is depreciated according to the Group's policy and its economic useful life. The liability is amortized over the term of the lease agreement.

8. Financial investments

Investments held in the fully-consolidated companies are eliminated in consolidation. They are replaced by the assets, liabilities, and net financial position of the companies concerned.

The gross values of the investments in non-consolidated companies are assessed at their historical acquisition cost.
Provision for impairment losses, if any, are determined in relation to market value.

9. Inventories

Inventories are valued at weighted average cost, or at the last known purchase price.
A write-down of inventory is recognized when the realisable value is lower than the book value.

10. Receivables and payables

Receivables and payables are valued at their nominal amounts. An allowance for bad and doubtful receivables is recognized when the recoverable amount of receivables is lower than their book value.
Transactions in foreign currencies are translated at the exchange rate on the transaction date.
Gains and losses arising from the translation of balances at the closing rate are recorded in the income statement.

11. Marketable securities

The historical cost of the marketable securities reported on the balance sheet is compared with their market value at the closing date. If the recoverable value falls below the market value, an impairment loss is recognized.

12. Provision for contingencies and charges

This item includes provisions for pension for jubilee awards commitments, deferred taxes liabilities, and other provisions for contingencies and charges that are justified by certain or probable risks, and have been estimated on a case-by-case basis.

Calculation terms for pension provisions:

- Benefits are calculated based on age, seniority, life expectancy, and the staff turnover ratio.
- Acquired benefits are capped at 3.5 months' salary for employees who have worked for the company for over 30 years.
- The calculated provision is then discounted at the 10-year interest rate (2.21%), in order to take into account the length of time between the employee's age and their retirement at 65.
- Social security charges at a rate of 44% have been recognised.

Actuarial gains and losses are recognised through the income statement.

Group companies that are included in a defined contribution scheme pay their contributions to pension management funds and are not subject to this restatement.

13. Other operating income

Other operating income primarily includes provision reversals, expense transfers, net gains on rental equipment disposals, and the property rents invoiced.

14. Extraordinary income

Net extraordinary income consists of net gains on the disposal of fixed assets, excluding rental equipment disposals, and of non-recurring events in the operation of the business.

15. Income tax

The income tax charge for the period comprises both current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is also recognised in equity.

Current tax corresponds to the accumulated income tax payable on the taxable income of all the group's companies. There are two tax consolidation schemes in the Group : one for the French companies, and one for the Danish companies.

Deferred taxes result from:

- temporary differences between the tax base and the accounting base;
- consolidation adjustments.

Deferred tax is calculated using the liability method, at the tax rate in effect at the beginning of the next financial year.

Deferred tax assets and liabilities are offset against each other at the company level.

In case of tax losses, deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against these losses in a close future, or if it is possible to offset deferred tax assets with deferred tax liabilities.

16. Currency and interest-rate derivatives

- ***Exchange rate risk:***

  The foreign currency hedging agreements in place at December 31, 2013 covered receivables of GBP 12,410 K and of DKK 20,000 K.

- ***Interest-rate risk:***

  The Group uses derivatives to reduce its net exposure to interest rate risk when it determines conditions are appropriate to mitigate risks based on market expectations. The group enters into "swap" agreements to hedge such risk.

  At December 31, 2013, these interest-rate hedging instruments covered a notional amount of €328,500 Kagainst the 3-month EURIBOR for a maximum term of 10 years.

The income and expense generated by interest rate swaps is recorded in the income statement on a *pro rata* basis.

17. Minority interests

This is the non-controlling shareholders' interest in the financial position and results of the consolidated subsidiaries.

18. Related parties

No material transactions were entered into otherwise than at arm's length.

SCOPE OF CONSOLIDATION

	Country	% control	% held	Held by	Consolidation method
French companies					
SAS LOXAM	**France**	**100%**	**100%**	**Parent company**	**full**
SAS LOXAM Module	France	100%	100%	LOXAM	full
SAS LOXAM Power	France	100%	100%	LOXAM	full
Foreign companies					
LOXAM Access UK	UK	100%	100%	LOXAM	full
LOXAM GMBH	Germany	100%	100%	LOXAM	full
LOXAM S.A.	Switzerland	100%	100%	LOXAM	full
LOXAM S.A.	Belgium	100%	100%	LOXAM	full
LOXAM RENTAL SARL	Luxembourg	100%	100%	LOXAM	full
LOXAM Ltd	Ireland	100%	100%	LOXAM	full
LOXAM Alquiler	Spain	100%	100%	LOXAM	full
LOXAM BV	Netherlands	100%	100%	LOXAM	full
Atlas Rental	Morocco	100%	51%	LOXAM	full
LOXAM Holding A/S	Denmark	100%	100%	LOXAM	full
LOXAM A/S	Denmark	100%	100%	LOXAM Holding A/S	full
DANSKLIFT A/S	Denmark	100%	85%	LOXAM A/S	Nc (*)
SAFELIFT as	Norway	100%	85%	DANSKLIFT A/S	Nc (*)
SAFELIFT ab	Sweden	100%	85%	DANSKLIFT A/S	Nc (*)
Real estate companies					
SCI Bagneux	France	100%	100%	LOXAM	full
SCI Est Pose	France	100%	100%	LOXAM	full
SAS LOXAM Grande Armée	France	100%	100%	LOXAM	full
EURL Norleu	France	100%	100%	LOXAM	full
SCI Tartifume	France	100%	100%	LOXAM	full
SCI Thabor	France	100%	100%	LOXAM and LOXAM Power	full
MAILLOT 13	France	100%	100%	LOXAM	full

(*)Nc = Not consolidated (year end acquisition, the financial statements were not obtained on time for the consolidation).

The polish company S.P. ZOO exited the scope of consolidation in 2013 following the liquidation.

FIXED ASSETS

(€ '000s)

GROSS AMOUNT	12.31.12	Change in scope	Increases	Decreases	Transfers	Translation adjustments	12.31.13
Goodwill	847						847
Intangible assets	972 648		1 171	167	240	-4	973 888
Tangible assets (1)	1 581 072		200 646	102 703	-240	-1 042	1 677 733
Financial investments	5 032		810	235			5 607
TOTAL	**2,559,599**		**202 627**	**103 105**		**-1 046**	**2 658 075**
(1) inc. rental equipment	1,409,915		189,781	98,007	-466	-949	1,500,274
(2)inc. Dansklift shares not consolidated			451				451

DEPRECIATION AND AMORTIZATION	12.31.12	Change in scope	Increases	Decreases	Transfers	Translation adjustments	12.31.13
Goodwill	612		42				644
Intangible assets	45,824		2,366	167		-3	48,020
Tangible assets (1)	1,237,878		130,714	99,541		-884	1,268,167
Financial investments							
TOTAL	**1,284,314**		**133,122**	**99,708**		**-887**	**1,316,841**
(1) inc. rental equipment	1,108,329		120,269	95,248	-393	-819	1,132,138

INVENTORIES

NET AMOUNT *(€ '000s)*	**12.31.13**	**12.31.12**
Spare parts and consumables	5,931	6,347
Finished goods	-	-
Trade	11,009	11,535
TOTAL INVENTORIES	**16,940**	**17,882**

TRADE RECEIVABLES AND RELATED ACCOUNTS

(€ '000s)	**12.31.13**	**12.31.12**
Gross amount	226,062	223,544
Allowance for bad and doubtful receivables	-23,092	-28,616
TOTAL TRADE RECEIVABLES AND RELATED ACCOUNTS	**202,970**	**194,928**

OTHER RECEIVABLES AND ACCRUALS

(€ '000s)	**12.31.13**	**12.31.12**
Deferred tax assets (1)	935	1,238
Cash advances outside of the Group	9,188	-
Other receivables (2)	24,169	16,246
Prepaid expenses	2,604	2,076
TOTAL	**36,896**	**19,560**

(1) Deferred tax assets include only temporary differences.

(2) The cash advances outside of the group are related to the Dansklift Group not consolidated as at 12.31.13

(3) The other net receivables have a maturity of less than one year.

SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (GROUP SHARE)

(€ '000s)	CAPITAL	PREMIUMS	CONSOLIDATED RESERVES	RESULT FOR THE FINANCIAL YEAR	TRANSLATION DIFFERENCES	TOTAL SHAREHOLDERS' EQUITY
Position at 12.31.2011	**255,573**		**162,964**	**39,779**	**-1,203**	**457,113**
2012 movements:						
Capital increase	2,650	1,882				4,531
Appropriation of earnings			39,779	-39,779		
Distributions			-4,856			-4,856
Other changes			-6	46,344	439	46,777
Position at 12.31.2012	**258,223**	**1,882**	**197,881**	**46,344**	**-764**	**503,565**
2013 movements:						
Appropriation of earnings			46,344	-46,344		
Distributions			-4,906			-4,906
Other changes				38,513	97	38,610
Position at 12.31.2013	**258,223**	**1,882**	**239,319**	**38,513**	**-667**	**537,269**

PROVISIONS FOR CONTINGENCIES AND CHARGES

(€ '000s)	**12.31.12**	**Change in scope**	**Additions**	**Reversals**	**Other**	**12.31.13**
Provision for contingencies	2,668		1,683	1,025	-1	3,325
Provisions for charges (1)	6,264		1,442	545		7,160
Provisions for deferred tax liabilities (2)	14,174				-1,582	12,592
TOTAL	**23,106**		**3,125**	**1,570**	**-1,583**	**23,078**
(1) Inc. pension commitments	5,177		547	6		5,718

(2) The provisions for deferred tax liabilities are mainly related to temporary differences.

OTHER LIABILITIES AND ACCRUALS

(€ '000s)	**12.31.13**	**12.31.12**
Tax and social security liabilities	82,373	87,344
Debt on fixed assets	23,666	31,897
Other liabilities	11,796	11,975
Prepaid income	1,421	1,556
TOTAL	**119,256**	**132,773**

LOANS AND FINANCIAL DEBT

(€ '000s)

Maturity schedule	12.31.13	Less than one year	Between 1 and 5 years	Over 5 years
Senior subordinated notes	300,000	-	-	300,000
Syndicated loans	211,000	47,000	164,000	-
Other bank loans	378,843	125,239	253,252	353
Financial lease liabilities	83,083	20,233	62,849	-
Other financial debt (1)	10,061	9,406	655	-
LOANS AND FINANCIAL DEBT AT 12.31.2013	**982,987**	**201,878**	**480,756**	**300,385**
LOANS AND FINANCIAL DEBT AT 12.31.2012	**840,040**	**255,595**	**583,965**	**480**

(1) Other financial debt includes interest accrued on loans, bank overdrafts, and deposits and guarantees received.

Breakdown between fixed and floating-rate debt	12.31.13	12.31.12
Floating-rate debt	589,931	785,647
Fixed-rate debt	392,346	47,852
Bank overdrafts	378	6,203
Other	332	337
TOTAL	**982,987**	**840,040**

INCOME TAX

(€ '000s)

BREAKDOWN OF THE INCOME TAX CHARGE	12.31.13	12.31.12
Current tax	-24,665	-34,010
Deferred tax	1,279	3,252
TOTAL	**-23,386**	**-30,758**

ANALYSIS OF THE INCOME TAX CHARGE	12.31.13	12.31.12
Consolidated income before tax, C.I.C.E. and amortization of goodwill	58,138	80,079
THEORETICAL TAX CHARGE	**-22,092**	**-28,909**
	(38%)	*(36.1%)*
Tax rate differences	1,684	202
Impact of previously unrecognized tax losses	-371	-549
Use of tax losses previously unrecognized	118	367
Impact of permanent temporary differences	2,593	-1,967
Tax credits	62	82
Tax on dividends France	-147	-
Other	-47	16
ACTUAL TAX CHARGE	**-23,386**	**-30,758**

HEADCOUNT

Average of the period	2013	2012
Executives	780	750
Supervisors and employees	3,475	3,512
Apprentices and occupational contracts	70	88
TOTAL	**4,325**	**4,350**

The number of employees in the Group as at December 31, 2013was 4,328 (excl. Dansklift), including 3,734 in France and 577 in International.

DIRECTORS'REMUNERATION

Management remuneration is not provided, as it would lead to the indirect disclosure of individual remuneration.

OFF-BALANCE SHEET COMMITMENTS

(€ '000s)	**12.31.13**	**12.31.12**
Commitments given:		
- Property rental guarantee granted to banks	9,780	9,780
- Interest-rate hedging derivatives	328,500	674,650
TOTAL COMMITMENTS GIVEN	**338,280**	**684,430**
Commitments received:		
- Bank guarantee received for payment of a property rental	6,919	6,919
- Other bank guarantees received	200	200
TOTAL COMMITMENTS RECEIVED	**7,119**	**7,119**

Other commitments given to secure the bank loans recognized on the balance sheet:

- Guarantee from the Loxam parent company for the subsidiaries' loans amounting to €397 K at 12.31.2013.

- Pledge of the Loxam Power and Loxam Module shares, and of the Loxam brand as guarantee for the syndicated facilities.

- Dailly assignment of intercompany receivables by the Loxam parent company for the amount of €14,747 K, as a guarantee for the syndicated loan.The Dailly receivables are amortized according to the same schedule as the liabilities that they guarantee.

- The Group has committed to comply with certain financial ratios and standard legal covenants at June 30 and December 31 every year, by signing a syndicated loan agreement. The financial ratios are met at 12.31.2013

- Dailly assignment of receivables amounting to 120% of the credit revolving outstanding by the Loxam parent company. As at 12.31.2013, no receivables was transferred under Dailly assignment as the credit revolving is undrawn.

Other miscellaneous commitments:

Under the terms of a delegation of authority granted by the Company's General Meeting on July 29,2011, the Chairman issued 3,165,713 Series 1 warrants (BSA 1) and 22,391,550 Series 2 warrants (BSA 2) in a decision dated February 28, 2012.

The Series 1 and Series 2 warrants were fully subscribed by the beneficiaries, and both subscription agreements recording the definitive completion of the transaction were approved on 2 April 2012.

The Series 1 and Series 2 warrants were issued free of charge and simultaneously. The Series 1 and Series 2 warrants may be exercised over a period that expires on 12.31.2022. The exercise of one Series 1 warrant entitles the holder to subscribe to one ordinary share in the Company, i.e. a maximum of 3,165,713 ordinary shares in the event that all 3,165,713 Series 1 warrants are exercised.

The exercise of one Series 2 warrant entitles the holder to subscribe to one-seventh of an ordinary share, which means that the exercise of seven series 2 warrants will be required in order to subscribe to one A or B share, depending on the case, i.e. a maximum of 3,198,793 A and B shares (depending on the case) in the event that all 22,391,550 Series 2 warrants are exercised.

In the period from 30 June 2015 until 30 June 2017, the Group has a share purchase option, and the Minority Shareholders have share sell option related to the 15% of Dansklift shareholdings owned by the Minority Shareholders. If the Group decides to exercise its share purchase option, the Minority Shareholders shall be obliged to sell their shareholdings. If the Minority Shareholders decide to exercise their share sell option, the Group shall be obliged to purchase the shareholdings. In addition, if the Group decides to merge Dansklift with an affiliate before the 30 June 2015, it might exercice its share purchase option at any time.