CEMA Economic Experts
FRENCH MARKET

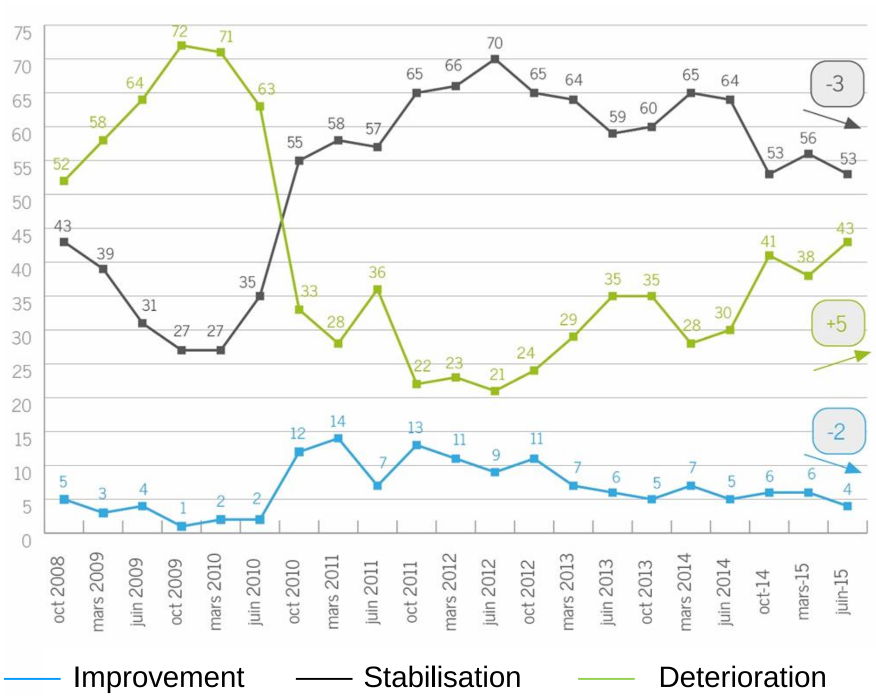
1. Agricultural situation
   - general climate / impact
   - latest incomes and outlook for sectors
2. Sales status 2015
   - tractors
   - harvesting machines
   - others
3. New order situation
4. General forecast 2016 for the market (in total, referring to value in Euro)
5. Other special topics in the market (e.g. tax changes)

CEMA Economic Experts
FRENCH MARKET

1. Agricultural situation:

Evolution of financial situation

- Only a small majority of farmers report a stable financial situation (2/3 in 2013-2014)
- The share of farmers with a deteriorating situation has again increased to 43% at the end of June 2015.



Source: FNSEA Barometer – June 2015

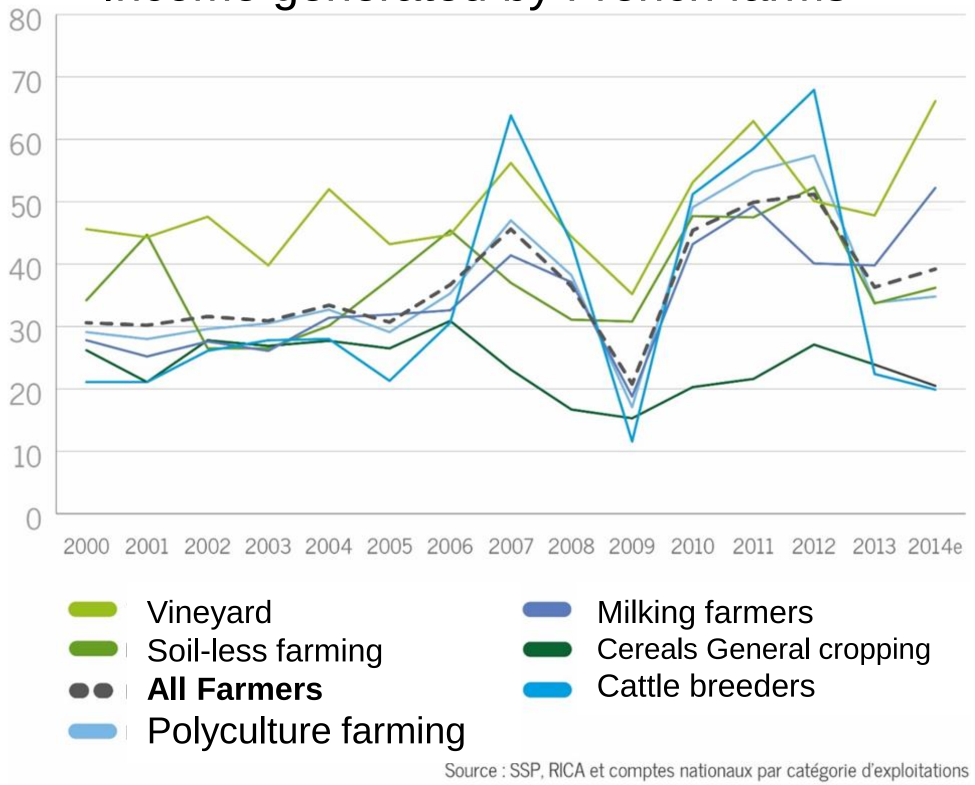
CEMA Economic Experts
FRENCH MARKET

1. Agricultural situation:

<u>Latest incomes and outlook for sectors</u>

- Average farm incomes increased by 8%. Divergences are observed by types of farming :
  - Winemakers and milking farmers recorded the highest growth, more than 30%
  - Stabilty for soil-less farmers and polyculture farmers.
  - Cereals and cattle breeders experienced another decrease, by -10%

Income generated by French farms

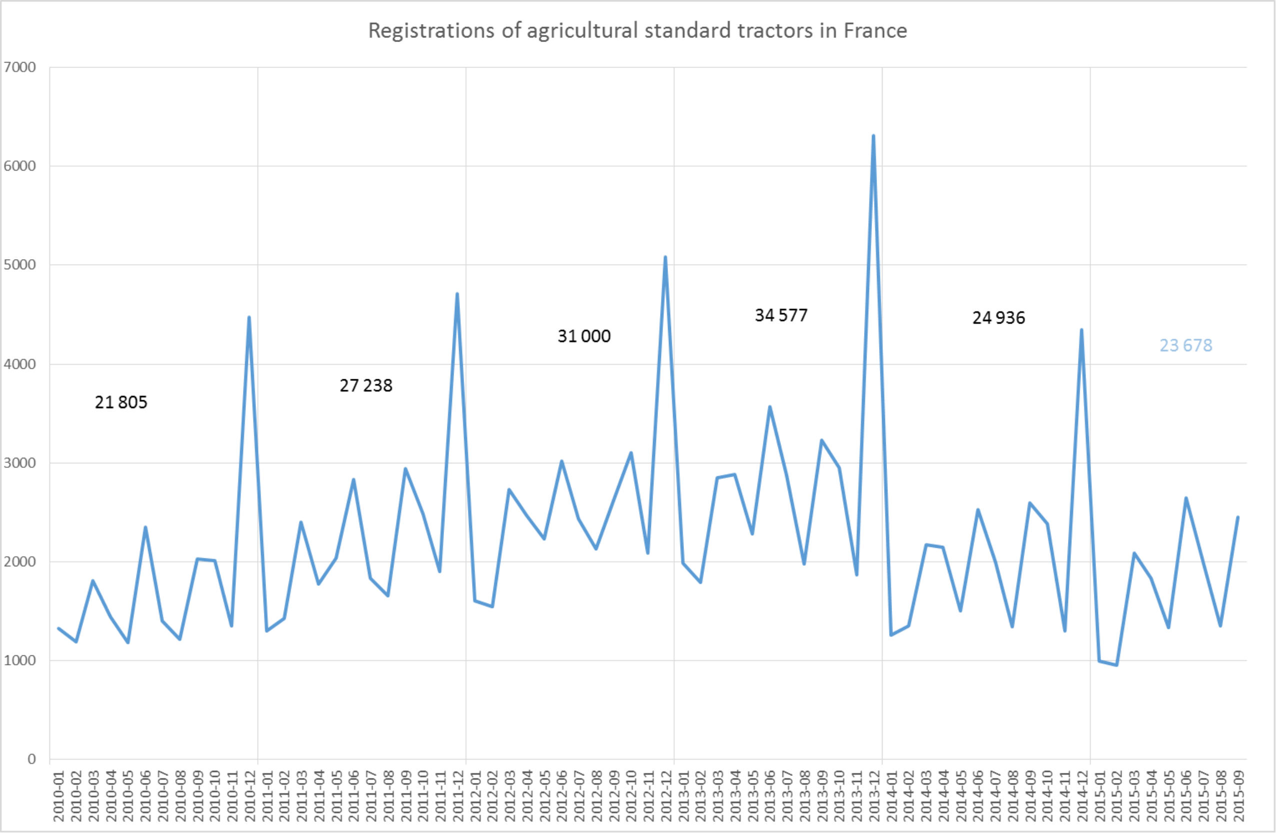


Source: SSP (Statistical Office of the French Agriculture Ministry), Accounts for Agriculture

CEMA Economic Experts
FRENCH MARKET

2. Sales status 2015: Tractor Registrations

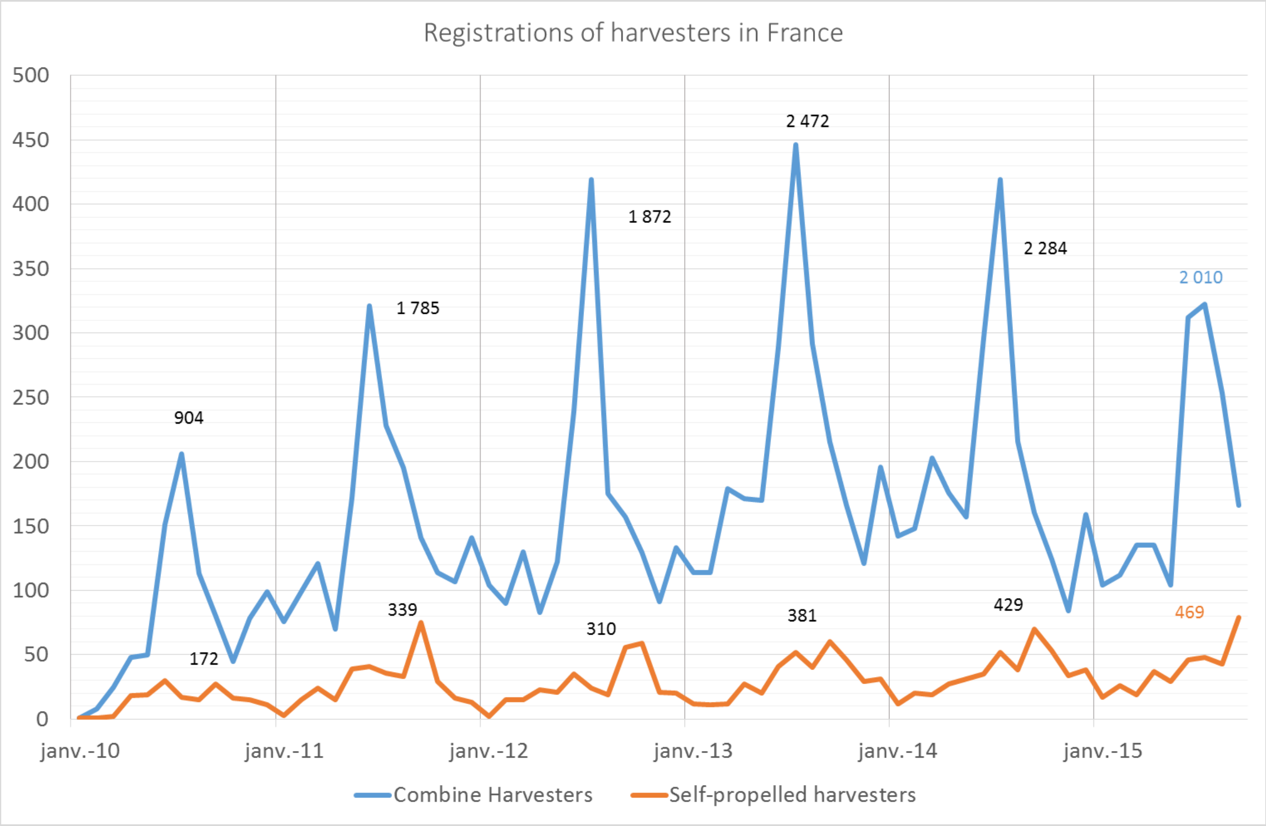
Having risen 11.4% to 34,577 registrations in 2013, a new record level surpassing 2008's previous best, the tractor market fell 28%, with 24,936 standard tractors registered in France in 2014. At the end of September 2015, the market is down 15% (12 months period) and only down by 7% on the first 3 quarters.



CEMA Economic Experts
FRENCH MARKET

2. Sales status 2015: Harvesters Registrations

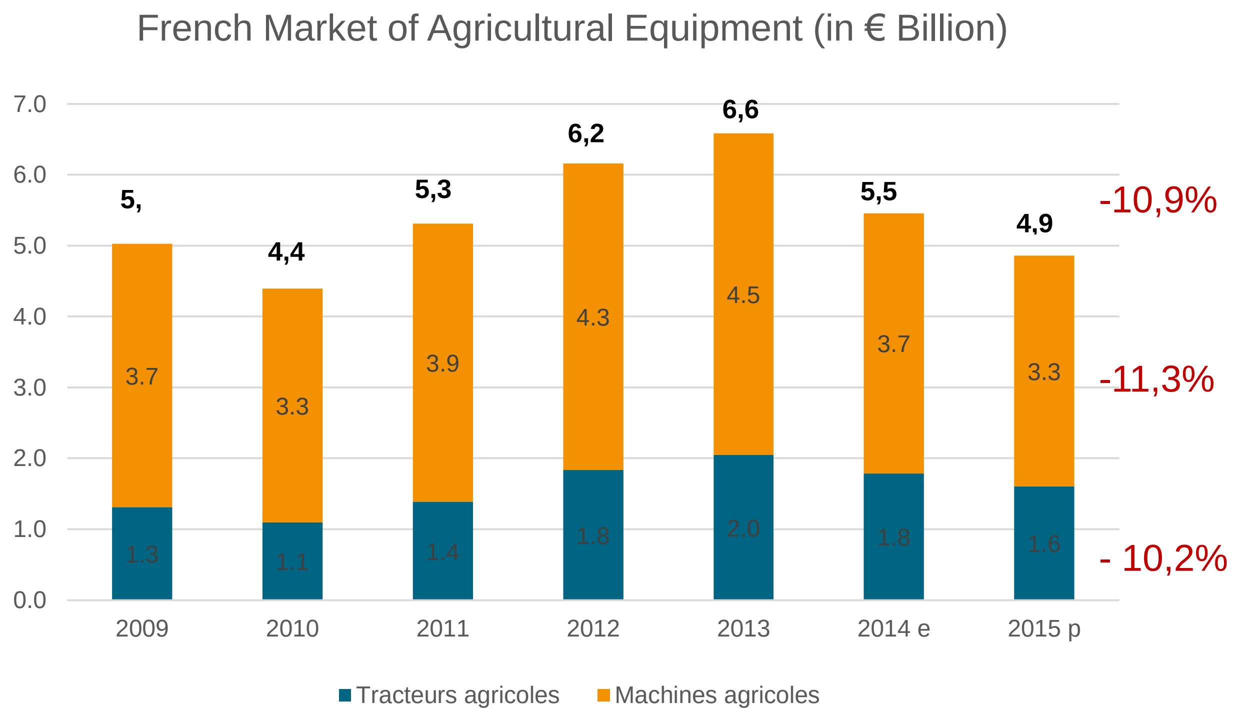
Combine harvester-threshers accounted for a total of 2,284 registrations in 2014, down 7.5% on 2013 levels. Registrations of other self-propelled harvesters rose by 11.8%, with 426 units registered in 2014 compared to 381 units in 2013. While combine harvesters registration decreased by 16% at the end of September 2015, registrations of other self-propelled harvesters are going up.



CEMA Economic Experts
FRENCH MARKET

3. New order situation

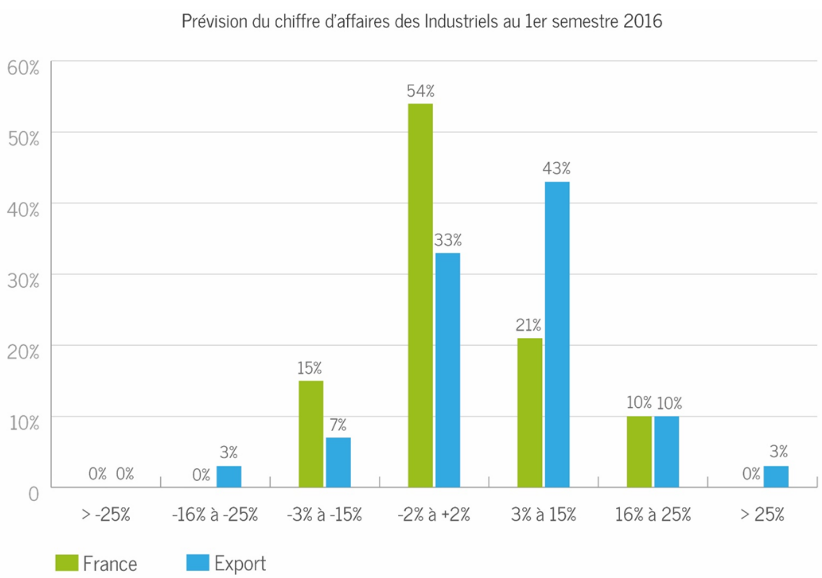
No change on the forecast made at the beginning of the year. The French market is likely to contract again, this time by -11%. It is therefore set to reach €5bn, a level 14% below 2010.



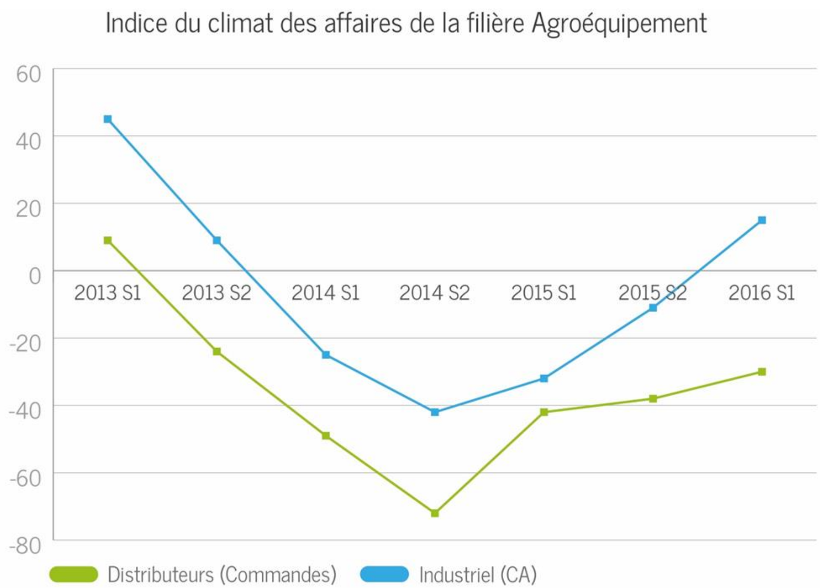
CEMA Economic Experts
FRENCH MARKET

4. Turnover forecast fro the 1st semester 2016

Once a year, survey conducted by AXEMA and SEDIMA (Association of Dealers)
Forecast (left chart) and balance of opinions (rightchart)



Source : AXEMA, enquête réalisée en sept/oct 2015



Source : AXEMA, SEDIMA, enquête réalisée en sept/oct 2015

CEMA Economic Experts
FRENCH MARKET

5. Other special topics in the market

- **Fiscal Incentive for productive investment**
  - 1 year
  - Some products are not concerned (trailers)
- **Delay of payments :**
  - Law: 60 days from the bill date
  - Derogation : 45 days end of months
  - Waiting for the publication of a decree for the sector, 110 days to pay manufacturers (some products excluded)