



**EUROPEAN  
RENTAL  
ASSOCIATION**

# Annual Report 2009







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for next  
**ERA Convention**  
Prague  
26-27 May 2010



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## *Welcome letter by ERA PRESIDENT*

Dear Member, dear colleague,



As could be predicted last year, the equipment rental industry has in the first half of 2009 been affected by an unprecedented crisis, with an estimated average drop of activity of 10 to 15%.

This severe recession was caused both by an excessive offer of construction equipment and by a sudden slowdown in construction, which meant that our clients resorted less and less to rental. And the recession seems to be all the deeper that expansion was strong in the past 4-5 years.

The results of our first Rental Confidence Tracker show that company leaders in our industry believe that the recession in the rental industry should reach its lowest at the beginning of 2010. The upturn should become clearly visible in the 2011 accounts only. It stated that 81% of the 230 rental companies surveyed saw business down year-on-year, and 34% forecasted a reduction in CAPEX spending for 2010.

Of course, nobody can stand still in troubled times and all companies are re-considering their strategies to seize the new prospects any crisis brings along. In line with the theme of our annual convention in Manchester, "Investing in People", I would like to highlight once more that human resources are the most important assets of our companies and that employees, not fleet, will be the key to recovery.

The European Rental Association (ERA) for its part is definitely not standing still. It is very active at its level to prompt our industry to think forward or to resolve some of the issues our companies face on a daily basis but which can only efficiently be dealt with at European level. The association is now in its fourth year and has produced a set of important deliverables, which I am sure helped most of us to have a better overview of our industry or proved useful in different parts of our businesses. This annual report will provide you with a detailed insight on the ERA's achievements of the past months, but also on the projects its Committees will be working on in the year to come.

I look forward to meeting you all for our next Annual Convention, which will take place in Prague on 26 and 27 May 2010 under the themes "Rising Markets and/or Innovative Products".

Yours faithfully,

Gérard Déprez  
President of ERA





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## ECONOMIC OUTLOOK AND TRENDS IMPACTING THE RENTAL INDUSTRY

### Flashback on main events within the equipment rental industry



**A**cquisition activity in Europe had been very strong during 2007 and early 2008 as reported in our Annual Report 2008. Since mid-2008, fewer and smaller mergers and acquisitions have occurred:

#### *In the second part of 2008*

Riwal acquired Grupo Clem, a leading access rental company in Spain with €25 million in revenue, 1700 aerial platforms and 500 industrial forklifts.

Boels Verhuur acquired the rental business of the Belgian Bobcat dealer Vangaever, including the Cat-Rent operation and the BCL company. The total represented €10 million revenue and 9 depots.

Ashtead Group sold its specialist equipment division, Ashtead Technology, to a management buy-out team backed by private equity firm Phoenix Equity Partners for £95.6 million.

Algeco established portable accommodation rental businesses in Moscow and St. Petersburg, Russia.

GAM opened rental businesses in Mexico and Brazil, taking advantage of the forecasted infrastructure plans and the strong presence in those countries of the major Spanish construction companies.

Hertz entered China by setting up a subsidiary and beginning operations in Shanghai. Hertz said it wants to partner with local entities for green field expansion.

Atlas Copco acquired Aggreko's European oil-free air compressor rental business for €14.6 million, thereby expanding the Atlas Copco Specialty Rental division.

Aggreko acquired the rental power business of Cummins India for €4.6 million, in accordance with the group's strategy of focusing investment in growing markets.

#### *Early 2009*

In Moscow, Russia, Cramo and Rentakran ended their joint venture, with Cramo taking over full ownership of the rental operations.


GAM signed a 50/50 joint venture with Saudi Arabian construction and building materials group ETE in the Middle East, including Saudi Arabia, UAE, Qatar, Bahrain, Kuwait, Oman and Iraq.

Japanese rental company Kanamoto Co Ltd acquired the four rental subsidiaries of Narasaki Sangyo Co Ltd based in Sapporo representing together annual revenues of €26.6 million.

Hertz bought Rent One, a power equipment rental company in Cheste, Valencia, Spain.

## ECONOMIC OUTLOOK AND TRENDS IMPACTING THE RENTAL INDUSTRY

### Economic Outlook for the Rental Industry and Trends

 Due to the fluctuating credit markets, it remains difficult to accurately forecast the outlook for the industry, however some estimates have been published. According to Euroconstruct, European construction activity should fall by 7.5% in 2009, compared to a fall of 3.1% in 2008. This represents a significant downgrade from the previous forecast realised at the end of 2008, at -4.3%. Moreover, as actual figures prove to be constantly worse than forecasts since early 2008, there is still a legitimate doubt about this figure. Growth in construction is expected to return in Europe in 2011, although at a slow pace of 1.6%. In that context, civil engineering should fare best, followed by residential construction. Non-residential construction may have to wait more time to recover.

#### *Outsourcing agreements*

Large rental operators from Northern European markets continued to reach for more outsourcing agreements with major customers where the rental operator owns, maintains and supplies equipment:

- Speedy Hire took over the portable accommodation fleet of Carillion Asset Management plc and signed a 5 year partnership. Previously, Speedy Hire had acquired the tool and equipment rental business of AMEC, LSS.
- After buying the Danish's equipment division of Skanska, Cramo took over the rental division of JM Byggholt AS, one of Norway's top 10 contractors and signed a

7 year rental supply agreement.

#### *Diversification*

Diversifying equipment mix and broadening the customer base beyond construction has been an accelerating trend over the past year, led by the North American rental companies. Following RSC's example, United Rentals and Hertz Equipment Rental Corporation (HERC) have set up ambitious goals for the rate of turnover derived from the industry.

In Europe, UK rental companies concentrated in expanding the rental business beyond pure rental of equipment by adding additional services such as training, technical advice, fuel management.

#### *Penetration rate*

Traditionally, any recession accelerates the trend towards rental, with contractors responding to financial constraints and uncertain order books by outsourcing more of their equipment needs.

This unusual long period of slower activity should also have consequences on the rental penetration rates as the contractors should intensify the transfer of equipment ownership towards rental.

#### *Online rental companies*

Online rental companies are finding their way towards the traditional rental companies. These companies, like Erento and Zilok, let customers search for a wide range of products supplied by rental companies that subscribe to the service.

## KEYNOTE ADDRESSES

### Trends in the European Construction Industry



**M**ariusz Sochacki, President of Poland's PAB-PCR&F Institute and member of the Euro-construct forecasting group, told the Convention that the European construction industry was in for a tough time this year. The European Construction Research and Forecasting Group (Euro-construct) was set up in 1975 by a number of specialised research institutes and consulting organisations as a study group for construction analysis and forecasting.

Earlier this year the European Commission stated that the EU economy would contract by 4% over 2009, with growth increasing over 2010 as a result of fiscal and monetary stimulus measures now in place.

As a result, residential building is expected to fall 15%. Indeed there has been a large decline in production already as a result of turbulence on the financial market and the rapid limitation of the mortgage loans. This has resulted in freezing of new housing being built.

Non-residential work will also be affected with a drop of around 8%. Again problems can be attributed to accessing finance which has impacted the amount of investment falling 9%.

The only bright spot is the infrastructure sector, where 1.5% growth is expected due to finance from public sources and government support.

*Mariusz Sochacki,*  
President of Poland's PAB-PCR&F Institute





## KEYNOTE ADDRESSES

### Impact of the financial crisis on the Rental Industry

★ Jonathan Trower, managing director at Close Brothers Corporate Finance, told the Convention that there were now some signs that the appetite for credit was starting to recover, although he warned that finance will be more expensive than in the past.



*The lack of credit has lead companies to become conservative*

Mr. Trower said the uncertain macroeconomic situation made it difficult for banks to lend, although he sees signs of credit appetite returning. There is a variation in banks' outlook with government banks pressurised into lending, domestic commercial banks unsure if they can take advantage of limited competition, foreign banks only looking at domestic businesses, and investment banks waiting for market appetite for deals. Businesses have therefore been looking to lower their debt leverage and remain conservative.

Mr. Trower stated that as corporations will have to pay significantly more for debt in the future, the key things lenders will look for in rental companies include their ability to turn off capital expenditure, the nature

of the assets and the quality of management, and adds a conservative credit approach. Ancillary businesses will be critical in the future.

Jonathan Trower,  
Managing director at Close Brothers Corporate Finance



## KEYNOTE ADDRESSES

### Lobbying at ERA



**H**ans Craen, the ERA's Public Affairs Officer, provided the Convention with an overview of his activities. He reminded participants that 80% of all national legislation in EU countries is formed at EU level. As one of the 2500 interest groups represented in Brussels, the ERA therefore needs to ensure the voice is heard on issues affecting construction equipment rental.

*Having close links to the EU institutions is key*

He explained that through lobbying both the EU and the industry gain; the EU receives knowledgeable input that makes its legislation fair and realistic, while the industry helps to safeguard itself from stringent and costly laws. Currently the ERA is liaising with other industry stakeholders. The ERA has identified topics (such as equipment theft) that it wishes to tackle at EU level. With this in mind, the ERA has been working together and sharing information with other European-level associations such as FIEC (European Construction Industry Federation), CECE (European Construction Equipment Committee) and ECED (European Confederation of Equipment Distributors).

The ERA is looking forward to more enhanced cooperation with CEN (European Committee for Standardization).



## KEYNOTE ADDRESSES

### Key Note Speaker: George Burnett

★ George Burnett, co-founder and 22-year veteran of Ashtead Group in the UK, used his keynote speech at the ERA Convention to put the case for a decentralised approach to rental management stating “Rental lends itself to a decentralised approach... the more you can energise your local business, the better you will be”.

He spoke on acquisitions and promoted quick integration “while people are open to change” adding that changing the business culture in small local firms is quicker and easier. He added that honesty and transparency with employees is a key asset in the rental industry stating “tell your new staff why you are buying them, and your current staff why and how we made a profit or not”.

*George Burnett: transparency with employees a key asset*

On finance, Mr Burnett said that under his leadership Ashtead preferred to use asset-backed finance for its debt, something of a rarity in the European rental market although more common in the USA. He said bank covenants for debt based on rental profitability left rental operators vulnerable as profits “come and go”, but that asset-backed finance freed these same companies from the threat of broken covenants.

Of all his achievements, Mr. Burnett said that his greatest satisfaction comes from watching people grow and take on more responsibility.

*George Burnett co-founder and 22-year veteran of Ashtead Group*





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### Exhibitors



## CONVENTION ROUNDTABLES

### National Rental Associations: Sharing Experience especially on training

**Presenters:**

**André Bakke**  
DRA, Danish Rental Association

**José Martinez**  
ASEAMAC

**Stefan Cankov**  
Destination Bulgaria

**Moderator:**

**Michel Petitjean**  
ERA Secretary General

**A**s it is becoming customary now at each ERA convention, a session was dedicated to the national rental associations in order to allow for exchange of experiences. This year, André Bakke from DRA, the Danish Rental Association, and José Martinez from the Spanish ASEAMAC were invited to present their activities.

The DRA has been focusing on safety in the recent past and has developed safety leaflets on 3 levels. Level 1, 2, 3 deliver instructions and training respectively “on”, “with” and “in” equipment. The Nordic rental associations are presently cooperating around a safety leaflet project.

Today, the DRA is also concentrating on control systems for equipment, on training and on education. Training includes 17 different courses, revised by unions and authorities, and focusing on safety use, maintenance and efficiency of equipment. Education lasts 4 years for aerials and 2

years for general equipment mechanics. In the future, the DRA aims at a consolidation of all initiatives in one comprehensive Certification arrangement.

ASEAMAC is focusing on several projects including:

- 65 practical leaflets for the safe use of rental machinery with the participation of the associations of equipment manufacturers, construction companies, labour unions and public safety institutions;
- A system of management to facilitate the recovery of stolen equipment;
- The creation of a late payment file.

Stefan Cankov, from Destination Bulgaria, described the aerial network that he put in place in Bulgaria. Stefan Cankov was invited to meet with the other associations as he intends to set up a rental association in Bulgaria.

*The Roundtable discussion pointed out that short instruction leaflets (of one sheet only) have not been a problem in countries with such leaflets*

## CONVENTION ROUNDTABLES

### Finance Roundtable How diverse models resist to the crisis



**Presenters:** **Simon Chambers**  
Close Brothers Corporate Finance

**Moderator:** **Kevin Appleton**  
Lavendon

In the roundtable on Finance, Simon Chambers from Close Brothers Corporate Finance, pointed to the vulnerability of the rental industry to the current economic downswing. He stressed the importance of operational leverage and the ability to retain adequate liquidity adding that the debt structure should fit the nature of the business.

He gave an historical overview of the recession dating back to June 2007 when the first signs of the sub-prime mortgage problems in the US became evident. He pointed to the large fall in share indices following the collapse of Lehman Brothers in September 2008.

Mr. Chambers then demonstrated how the financial downturn began affecting the real economy and the rental industry.

He said that there is a downward spiral that began with a reduction in credit (affecting the construction sector), leading to reduced spending in the economy. Those sectors with a high dependence on consumer credit (housing construction, cars

etc) have been hit hardest, and the harder companies' profits are hit, the more cautious the banks have become to providing credit.

With this in mind, rental companies need to demonstrate their ability to turn off capital expenditure, and their managerial approach that is conservative towards credit with strong ancillary businesses to maintain income. He pointed to Lavendon and Ashtead Group as examples. Lavendon's equipment has a relatively long lifespan thereby providing more capital expenditure flexibility as it can delay new investment. Ashtead, in addition to bank debt and lease financing, also uses bonds and asset-backed financing which reduces the risk to market and cash-flow fluctuations.

*Simon Chambers*  
Close Brothers Corporate Finance





## CONVENTION ROUNDTABLES

### Equal Opportunities Preparing for tomorrow

Presenters: **Mike Davies**  
Finning Group UK

Moderator: **Hans Craen**  
ERA Secretariat

**T**his breakout session on equal opportunities was divided in two parts. In the first part, Hans Craen from the ERA Secretariat gave an overview on how the concept of equal opportunities is developed on European level. Within the EU context, gender equality has a well established legislative framework. In parallel with the EU legislation, the European Commission is devoting a lot of resources to developing policies to promote gender equalities. This is also linked to the Lisbon targets, which set, among other targets, a 60% employment rate for women by 2010.

From a practical point of view, Mike Davies, HR Director from Finning Group UK, demonstrated the approach of Finning towards equal opportunities and the business case a proper equal opportunities approach could have for a company. This discussion lead to identifying some of the concerns of the rental industry towards equal opportunities.

Mr. Davies explained that the industry is recruiting from too small a group of people

which means that, as a consequence, talented people are automatically excluded from the recruitment process. It is essential to create the right environment within the company. This can be done by dedicating sufficient resources to the recruitment process. Also, companies should take more into account the attitude and potential of candidates than rather focusing too much on industry experience.

In addition, Mr. Davies suggested using positive tools such as investing in management development training and ensuring a transparent and fair policy towards salaries and benefits.

In his conclusion, Mr. Davies stressed the need for engagement. This should be reflected in a proper performance management system and a zero tolerance approach to sexism and racism.

## CONVENTION ROUNDTABLES

### Power Generation Rental Roundtable Global versus local markets



**Presenters:** **Hendrik Jan Molenaar**  
Aggreko  
**Wilco Smits**  
Energyst

**Moderator:** **Stéphane Hénon**  
Loxam

In each ERA Convention, a roundtable session is dedicated to a specific product group. Power generation was selected for the 2009 Convention and company leaders in this activity were invited to debate about the differences and similarities between global and local markets in relation to this product group.

Hendrik Jan Molenaar, head of development for the group Aggreko, highlighted the following points:

- Customers make rental decisions locally. They want local sales and support contact as well as local execution. Competitive barriers in a local market are customer intimacy, competitors presence and knowledge of applications.
- The drive for internationalisation and globalisation comes from the suppliers' perspective for better efficiency and centralised management allowing for lower costs. Competitive barriers in global markets are, besides logistics, investment in equipment design expertise and fleet size.

Taking advantage of the network of the European Cat Dealers, which initially formed Ener-

gyst, Wilco Smits, CEO, described the three basic business segments which constitute the strategic response to the market:

**Business segment 1:** The customer does know what his requirements are and is willing to pick up the equipment himself. This case is categorised as "Plant hire store" and is operated by the Cat Rental Store network of the Caterpillar dealers.

**Business segment 2:** The customer has a power or temperature problem but doesn't know what his specific requirements are. This case is defined as "Solution management" and is to be handled by the Energyst European depot network.

**Business segment 3:**  
The international customer has a large temporarily power requirement which is to be managed for him. This case is called "Project & power plant management" and is managed by the Energyst International Power Project (IPP) business unit.

In conclusion, both companies recognise that the main factor driving the organisation of the Power Generation rental is whether:

- The customer has sufficient knowledge about power generation equipment and needs essentially sales and logistics expertise.
- The customer has less frequent or regularly changing applications/circumstances and needs more knowledge and management

## CONVENTION ROUNDTABLES

### Training Review of existing processes-systems



**Presenters:** **Mark Winfield**  
HSS Hire  
**Franco de Michelis**  
Assodimi

**Moderator:** **Michel Petitjean**  
ERA Secretary General

**M**ark Winfield from HSS Hire stressed the need for each company to invest in people, which has become even more important in an economic downturn. Significant investment in training is an absolute necessity in particular for the rental industry which requires complex operations, a high commitment regarding health & safety and massive product knowledge of the people involved.

He described the efforts HSS Hire is doing in the field of training which is reflected in a structured approach implemented throughout the company and allows to deliver a roadmap to any employee, from truck driver to director. In particular, one of the important aspects of training is to drive the customer focus, which, in an economic downturn should be absolutely central. Looking into a more particular aspect of training, Mr. Winfield also explained the importance that is given to the appropriate health & safety training.

Franco de Michelis reiterated the importance of training and looked into the different aspects of it, which should go from Tell to Show to Do to Check. He indicated that, although there are differences in training approaches between North and South Europe, it is important that each training programme should be:

- Effective
- Appealing
- Having measurable results

He continued by outlining the training methodology for which he stressed the need for innovative approaches to ensure quick and effective learning. In order to make sure that training has been beneficial, the measurability of the results becomes very important. This can be done through a structured follow-up of the training sessions.

To conclude, he stated that training should not be seen as a cost but as an investment, requiring participation, motivation and innovation. It will however be perceived as a cost in case training is badly organised and no measurability of the results is carried out.



## CONVENTION ROUNDTABLES

### Health and Safety Roundtable Guidelines for Safety Leaflets



Presenters: **René Beukema**  
Verhuurnet

Moderator: **Michel Baumgartner**  
ERA

**S**afety Leaflets provide for some types of equipment an easy-to-read summarised version of the instruction manuals provided by manufacturers. They are not aimed at replacing the said manuals, but at providing any users with the key information he needs to have at his disposal for safely using tools or 'light' equipment (usually under 2.5 tonnes). As René Beukema said "Rental is about service, and safety leaflets are part of the service a rental company can provide to its customers, to allow them to easily use equipment".

Many national rental associations are creating safety leaflets in the local language for their country. Some rental associations, such as ASEAMAC in Spain for example, produce leaflets with the input of a large number of stakeholders, including equipment manufacturers, the construction industry federations, public authorities and unions.

To support the production of leaflets in countries where they do not yet exist and offer a framework for consistency of the different types of leaflets produced across Europe, the ERA's EU Affairs Committee is currently work-

ing on guidelines for such leaflets, which were presented at the ERA Convention.

The draft guidelines for the moment contain 8 principles for the content of safety leaflets:

1. Each document should contain a general description of the machine that leaves the user in no doubt as to what procedures the machine can be used, and importantly any that it cannot;
2. Each document should highlight any training or certification required by the user prior to usage;
3. Each document should outline the correct Personal Protective Equipment required for safe operation. This should be outlined in a textual format and further highlighted with internationally standardised symbols;
4. Information on specific risks should be outlined in particular paying attention to manual handling, noise level, dust and vibration. Where possible further information should be provided to help mitigate the additional specific risk identified;
5. Each document should contain a section that outlines the basic safe operation of the equipment and should include stopping and starting the equipment under both normal and emergency situations. This should also be depicted in the form of simple illustration. Also at this point ad-

## CONVENTION ROUNDTABLES

ditional hazards of use should be highlighted;

6. Detailed instruction on the correct maintenance and cleaning procedures to maintain safe operating condition also with simple illustration where possible. These instructions should also include correct safe storage before and after use;
7. A short section advising on the potential environmental impacts of use where applicable should also be provided. These can be areas related to noise, dust, exhaust, fuel spillage etc;
8. Detailed technical information should be provided that is relative to the safe and correct use of the equipment for example voltage, ampere, fuel type, blade/wheel size, operating in wet conditions.

The roundtable welcomed the principles, although some participants recommended that an additional principle on disclaimers be added. Also some participants wished for a stronger emphasis on the added value of involving as many stakeholders as possible in drafting the content of leaflets, especially manufacturers.



## EUROPEAN RENTAL AWARDS 2009



### Rental Company of the Year for firms with 10 depots or fewer



#### WINNER

Winner: **Lipac Liftar**



The company has a fleet of 650 units rented from seven locations in the central region of Sweden, and the last four years have seen Lipac double its turnover through organic growth. It only uses vegetable hydraulic oils for its hire fleet, and has replaced conventional diesel with ultraclean EcoPar fuel, which decreases carbon dioxide emissions by up to 50%. The company is also pioneering a unique operator safety initiative in Sweden. Each operator is given an intelligent identity card – containing training data – which is used to start a particular aerial platform. The card will not work on any other lift and so prevents users from using the wrong lift. It also ensures only certified workers are allowed to use lifts.



#### Shortlisted

Shortlisted: **Cofiloc**



Founded in 1980, in Italy, and has grown steadily, in particular over the past 6 years. Cofiloc will open its 9th depot in June this year. In 2006 it achieved the ISO 9001 Quality Certification. It also recently opened the 'Cofiloc School', which will be used to train equipment operators.

Shortlisted: **Destination Bulgaria and Lifo Centers.**



One of the first professional rental companies in Bulgaria, it has 150 machines and a franchise network with national 25 partners. Destination Bulgaria has expanded its own rental fleet to around 50 units, including the biggest aerial lift in Bulgaria.



Shortlisted: **Høyde Service**



With a €4.2 million revenue business with two depots (in Porsgrunn and Oslo, Norway) and a fleet of around 250 aerial platforms and telehandlers, 2008 saw a rapid expansion with sales up 70% and net profits up 50%. It uses a two-price system made possible thanks to the use of its GPS technology.



## EUROPEAN RENTAL AWARDS 2009

### Rental Company of the Year for firms with more than 10 depots

#### WINNER

Winner: **Aggreko**



In 2008, while other rental companies were struggling to adapt to changing market conditions, UK-based Aggreko managed to maintain its growth and increase its profits, cementing its place as a leading rental company of power and temperature control equipment. During the year it also won the contract for the 2010 Vancouver Winter Olympic Games, and is working on the 2012 London Olympic Games. Despite the recession, 2008 revenues in North America rose 15% and in Europe by 11%, and the company continued with its 'infill' acquisitions policy. It bought the power rental operations of Cummins in India, and acquired a Canadian rental company. In October it announced that it will invest £20 million in a new generator production facility in Scotland.

★

#### Shortlisted

Shortlisted: **A-Plant**



Part of the Ashtead Group (which includes Sunbelt in USA), A-Plant, UK, spent £108 million on new equipment in 2008 bringing down the average age of its fleet from 3 to 2.1 years. It won work on the massive 2012 London

Olympic rental contracts and delivered over 4500 training days during the past year. Furthermore 15 Supersites have been created, and 20 more are planned.



Shortlisted: **Maltus**



Norwegian company with rental fleet of over 6000 portable accommodation units and annual revenue growth above 35% in 4 years. It has seen international growth too with subsidiaries now in Sweden, Estonia, Russia and Canada, focusing on larger oil and gas, mining, and metal processing projects with large needs for temporary accommodation.





## EUROPEAN RENTAL AWARDS 2009



### Rental Product of the Year



#### WINNER

Winner: **Haulotte Group for the H28TJ aerial**



In developing the H28TJ, the French company Haulotte aimed to create a product that would simultaneously meet the needs of the world's two largest aerial platform mar-

kets – North America, where telescopic booms are very popular, and Europe, where more versatile articulated booms are given preference. Haulotte's answer was a telescopic boom with a unique 5m long, telescopic fly jib, combining the reach of a telescopic model (maximum outreach is 23m) with the ability to reach inaccessible spots using the fly jib. The unit also has a good platform capacity of 350 kg. As Haulotte says, "The H28TJ+ allows users to reach the areas of work which are the most inaccessible to traditional telescopic booms, and to approach a building when the worksite is cluttered."



#### Shortlisted

Shortlisted: **Dustcontrol for the AirCube aircleaner**



This high volume air cleaner, already part of many rental fleets, was developed by Dustcontrol (Sweden). It cleans up to 1800m<sup>3</sup>/h and has a variable speed

setting to suit any task. Hazardous airborne dust – such as lethal Respirable Crystalline Silica – is removed and clean air returned to the environment.



Shortlisted: **Hitachi for the ZX14-3 mini-excavator**



Hitachi (Japan) has developed a lightweight and powerful machine with few complicated features, making it simple to operate and comfortable to work in. The 1.2-tonne class

mini-excavator can be transported on a small trailer or 3.5t truck, which can be driven using a standard driver's licence. The machine has a low centre of gravity, which gives excellent stability.



Shortlisted: **Niftylift's bi-energy Height Rider 21**



Developed by Niftylift (UK), this 2-wheel-drive work platform has a 20.7m working height with a maximum outreach of 12.6m, and low weight. It can run either on its diesel engine or

a battery power pack, and has non-marking tyres as standard, it can work inside. It is Niftylift's best-selling large platform.



## EUROPEAN RENTAL AWARDS 2009

### ERA/IRN Rental Person of the Year

#### WINNER

Winner: **Mendes Migotto, Gruppo Venpa3**



Mr Migotto has grown Venpa to become the largest rental company in Italy, with more than 50 branches or joint venture companies both in Italy and Eastern Europe. Venpa

employs over 370 people, has a fleet of 6800 machines and attachments, and its regular 20% annual revenue growth took total group sales to over €55 million last year. Although strongest in northern and central Italy, over recent years Venpa has been expanding into southern Italy and also into eastern European markets. Under Mr Migotto's leadership, Venpa is diversifying beyond its aerial platform focus towards earthmoving equipment. The company also has a strong focus on service, as well as safety and training. It is an accredited IPAF training centre for aerial platform operators, and is now also providing training for earthmoving equipment.



#### Shortlisted

Shortlisted: **Pierre Boels Jr, Boels Verhuur**



Mr Boels has grown Boels Verhuur from 20 depots to 190 in the Netherlands, Belgium, Germany, Austria and the Czech Republic. He is an innovator both in

market strategy and by introducing new products to his fleet; he pioneered the concept of in-store rental desks at big DIY and builders merchants in continental Europe.



Shortlisted: **Erkki Norvio, Ramirent**



Mr Norvio is a board member of Ramirent and of the European Rental Association. As Ramirent CEO from 1986 to 2005, he was a true rental pioneer, turning a national firm

into a leading international player. At the same time, he created a great sense of pride in the company, based on initiative, entrepreneurial spirit, honesty, customer focus and, above all, a can-do attitude.



#### Lifetime Achievement Award

Winner: **George Burnett**



George Burnett has been at the forefront of the rental industry for many years. He co-founded Ashstead Group in 1984 when he acquired a rental company in the south east of England with 5 depots and revenues of £1 million. In the following 22 years he grew Ashstead into one of the world's largest equipment rental companies, with leading businesses in two major rental markets, A-Plant in the UK and Sunbelt Rentals in the US. He was instrumental in all the key moves undertaken by the company and successfully led it through the US economic downturn of 2001/2. He retired from the business in late 2006, after overseeing the acquisition of another US leading rental company, NationsRent.

## COMMITTEES

### The European Union and the Rental Industry



The mission is the EU Affairs Committee is to identify common issues of concern to identify common issues of concern to ERA Members in the regulatory field and to discuss the impact of legislation, norms and standards in the rental industry in order to prepare the association's position on those matters. This committee also examines the ways to have ERA's voice heard by EU decision-makers and provides for a forum for exchange on national developments in the regulatory field. The Committee also looks into ways of collaborating with other associations on issues of common interest.

#### *Instruction Manuals*

The EU Affairs Committee is finalising its work on safety/instruction leaflets with the objective of establishing a pan-European framework to be utilised for the production of safety and instruction leaflets to encourage their wider use. In line with the applicable EU Directives, the ERA has a desire to encourage established hire and rental companies to provide this information.

#### *Cross border transportation*

A draft document has been developed on cross border transportation and registration of construction machinery in Europe.

The document details the results of the analysis which has been carried out on the administrative part of cross border transportation. The text lists the specific requirements that apply on country level i.e. conditions to deliver exceptional road transport authorization, average authorization issuing time, the documents which have to be provided to the authorities, applicable norms for transport and safety. The final report will also be communicated to FIEC which has already carried out some activities in this area towards the European Commission.

#### *Liaison with Other Stakeholders*

The EU Affairs Committee is actively liaising with other industry stakeholders. Over the past year we have had regular contacts with FIEC (European Construction Industry Federation) covering different topics on which an exchange of information is taking place. In addition, regular contacts with CECE (European Construction Equipment Industry) and ECED (European Confederation of Equipment Distributors) also took place. In addition to exchange of information, the objective of the liaison with other associations is to identify topics of common interest for which a joint approach is feasible. Finally, the ERA is also looking to more enhanced cooperation with CEN (European Committee for

## COMMITTEES

Standardization).

### *In-service Inspection of Work Equipment*

The Best Practice Statement on In-service Inspection of Work Equipment, which was finalised last year, has been made available on the ERA website. The objective of this Statement is to use it at European level to encourage the alignment of practices in various countries with the most cost-efficient models.

### *Other projects of the ERA EU Affairs Committee*

**Operator Licenses and Training**  
Building further on the work that was done over the past years on operator licenses and Training, the ERA EU Affairs Committee is looking now into the steps that could be identified to foster mutual recognition of qualifications.

### *Accident monitoring*

The EU Affairs Committee will start looking into establishing a methodology on how to collect data on accidents. A first pilot project will be developed on tower cranes. It is considered that this information will be useful to identify trends. The methodology will set out the scope of the monitoring as well as the way the data should be collected.





## COMMITTEES

### General Rental Conditions for the Rental Industry



The mission of the committee is to improve rental industry performance by establishing guidelines and frameworks for general conditions applicable to rental companies, rental associations and equipment suppliers across the European countries on a voluntary basis. The following documents can be used, by associations as well as companies, as a reference point for developing their own standard terms and conditions for the rental of equipment to customers within their own and in other European countries.

#### *1 - Reminder of the first two deliverables*

– Checklist for operational terms and conditions: This is a checklist that can be used by a European company active in the rental of equipment to review the rental agreement and/or any associated general terms & conditions cover potential problem areas in relation to rental activities. This checklist covers the following potential problem areas if used: Rental period and rate; Delivery and collection; Energy (Fuel, oil, electricity...); Damage; Installation; Waste; Preparation and cleaning; Inspection and maintenance; Handover of equipment; Operator; Site survey and consulting; Breakdowns and suspensions.

– Framework for General Rental Conditions: It is a non-exhaustive analysis of approaches used by existing associations and companies from nine European countries in their standard terms and conditions. This framework is non-binding and provides ideas and examples/options for rental conditions on the following issues: Loading and unloading; Ground conditions; Operators; Breakdowns, repairs and adjustment; Limitation of rental company's liability; User's responsibility for damage, loss and theft; Rental charges until rental equipment repaired or replaced; Sub-rental by the user; Insurance; Protection of rental company's rights; Force majeure; Payment terms; Termination of contract; Dispute resolution.

These deliverables exist in the major European languages: French, Spanish, German, Italian and English. They are available through the ERA Website in downloadable versions.

#### *2 - Contract Conditions – Business to Consumer*

This ongoing work has already gathered information from various European associations' conditions. After a comparison of these conditions, the working group is now in the process of collating the clauses and developing a European Framework document on such conditions that is relevant and in compliance with EU law.



## COMMITTEES

### Promoting the Rental Concept

The Committee on Promotion's mission is to promote the rental concept in terms that are consistent all across Europe and can apply to the different local situations in order to support the growth of rental industry in both mature and developing markets. Its current activities focus on: The Rent versus Buy Calculator • Sponsorship of University Theses • Article in rental on Wikipedia • The School of Rental

*The Rent versus Buy calculator* has been created by the European Rental Association to allow any stakeholder involved with construction equipment to check whether, for its specific situation, it would make more sense to rent or purchase a specific piece of construction equipment. Variables taken into account include acquisition cost, financing, utilisation rate, maintenance and other costs as well as resale rate. The calculator has been available on the ERA's website in English since June 2008 and has since then been translated into German, French, Italian, Dutch and Danish. It has also been made available as a downloadable tool on our website and distributed to members and contacts at various tradeshows.

#### *Sponsorship of University Theses*

To support research on Europe's rental industry, the ERA is currently sponsoring two university theses. The first thesis, drafted by a student of the University of Venice, focuses on evaluating findings resulting from the application of the Rent versus Buy Calculator.

The full thesis became available at the end of the summer 2009. In May 2009, the Promotion Committee also decided to fund the research of a Slovenian student on financing models for rental in the local market. The latter thesis was completed at the end of the summer 2009.

#### *Article on Equipment Rental on Wikipedia*

To promote the concept of equipment rental on the internet, the Promotion Committee created an article on equipment rental / plant hire on the collaborative encyclopaedia "Wikipedia" in March 2009. The text posted is aimed at forming the basis of a comprehensive article on rental as any interested stakeholder can decide to complement it with his own knowledge. The article also lists the association representing the rental industry worldwide and mentions the key public data from the ERA's statistics report.

#### *The School of Rental*

ASSODIMI, the rental association of Italy, published several years ago a guide destined to helping construction contractors better understand the advantages to rental and to help operators wishing to enter the rental market to understand how to set-up a rental company. The Promotion Committee had this guide translated into English and is currently assessing whether it should be developed further and complemented for use across Europe.



## COMMITTEES

### Statistics Committee Report



#### *The European Equipment Rental Industry 2008 Report*

Highlights of some of the key findings in the report include:

- In 2008, the total size of the European equipment rental market was €33.6 billion, including □24.4 billion without operators and □9.2 billion with operators.
- The total turnover decreased 2.8% from 2007 to 2008 as an average in Europe.
- In 2006, there were 36,400 companies active in rental, of which less than 15,000 were rental companies without operators.
- Rental companies without operators represent some 22,400 rental depots.
- The equipment rental industry employed in 2006 more than 177,500 persons, including 117,700 in rental without operators and 59,800 in rental with operators.
- Average fleet age in 2008 was 3.8 years, ranging from 2.9 years for the lowest country to 5.7 years for the highest.

The 2008 Report contains over 60 pages of statistical information: Detailed results per country; four types of penetration (against Equipment Sales, Equipment Population, Construction Industry, and Country Popu-

lation); market forecasts for 2009, average fleet age per country, and top 5 revenue-generating products.

The report, commissioned by ERA is available to ERA members for €300 and to prospective and non-members for □900. For copies please contact the European Rental Association at Avenue Jules Bordet 142, 1140 Brussels, Belgium or by email on [era@erarental.org](mailto:era@erarental.org).

- Consistency between the 2008 Study and the previous Best Estimates.

Considering the rental activity without operators only, it is interesting to compare the findings of the 2008 report with the ERA best estimate 2007:

Key Indicator	Best Estimate 2007	2008 Report
<b>Total Europe Turnover</b>	□ 23.5 Billion	□ 24.4 Billion
<b>Number of Rental Companies</b>	14.500	15.000
<b>Number of Depots</b>	21.000	22.400
<b>Number of Employees</b>	155.000	117.700

This comparison indicates that there is some consistency between the estimate established by the rental professionals and the findings of an outside financial and



## COMMITTEES

economic research company. Although it appears that we are working in the right direction, various improvements can and shall be made. For 2009, a shorter study could be limited to the rental activity without operators.

- The ERA 2008 study was completed with a study on Mobile Elevated Working Platforms (MEWPs) by IPAF. The main findings are:

2007: MEWP European rental revenues peak at almost €5 billion

2008: MEWP rental revenues declined by 2.9% to □4.8 billion

2009: Expected to fall by another 6% to □4.5 billion

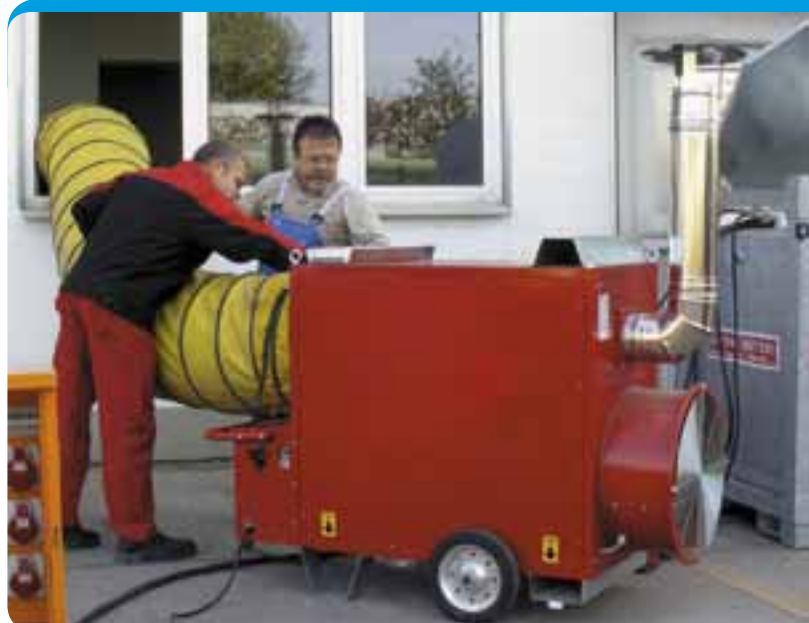
MEWPs account for 24% of the total European market for construction equipment rental

### *The Rental Confidence Tracker*

In this period of huge variations in activities and of extreme uncertainties about the economy, the ERA Statistics committee has thought necessary to inform the rental industry with a regular barometer, thereby providing good business intelligence to its members between the major 'rental studies' like that recently completed by IHS Global Insight.

The ERA, in conjunction with IRN/KHL Group, has designed a way of regularly tracking business sentiment in Europe's rental market. KHL Group is conducting an online survey every quarter. All ERA members and IRN readers in Europe receive an e-mail with a link to an online survey.

The project, started in June 2009 and covering Q2-2009, is releasing the results for global Europe and by main markets. The main markets include ideally: UK, France, Germany, Spain, Italy, Nordic countries (as a whole) – and any other country with a significant participation to the survey (Netherlands).





## COMMITTEES

### Addressing Equipment Theft at EU level



**T**he mission of the Committee on Equipment Theft is to take initiatives and establish relevant contacts to foster Europe-wide cooperation on combating equipment theft.

The Committee was created in October 2008. Since then it has issued two questionnaires on equipment theft, for which preliminary results were presented at the last ERA Convention, in May 2009.

The first questionnaire was destined to national rental associations. Answers to this questionnaire notably allow to understand for most countries represented in the ERA:

- which initiatives are taken at national level to prevent / combat equipment theft;
- which anti-theft and recovery systems are most in use;
- are there any specifications/standards for anti-theft mechanisms
- are there any stolen equipment register;
- whether cooperation with public authorities and other stakeholders (ie insurance companies) is deemed satisfactory.

The second questionnaire was circulated to ERA members and – through the national rental associations – to most rental companies in Europe. Although the panel

of respondents is not sufficient to draw scientific conclusions, answers received to this questionnaire allow to better understand:

- how much individual companies are affected by theft and what the trends are;
- which types of equipment get most stolen in different countries;
- in which countries undue appropriation is a major issue;
- which type of protective anti-theft measures are most used.

The Committee has started discussions on a possible cooperation in combating equipment theft with a number of European organizations, such as the Committee for European Construction Equipment (CECE), the European Confederation of Equipment Distributors (ECED) and the European Construction Industry Federation (FIEC). Discussions are still in a preliminary stage and will continue throughout 2009, but all organizations involved have shown a keen interest to cooperate.


Finally, a dedicated subgroup of the Committee is currently assessing stolen equipment registers existing in Europe. Its aim is to evaluate whether it would be realistic for the ERA to set the creation of a viewer allowing all national stolen equipment register to communicate with each other.





## COMMITTEES

### Supporting a Sustainable Rental Industry



**T**he mission of the Committee on Sustainability is to promote sustainable behaviour amongst rental companies in the economic, social and environmental fields. It aims at facilitating the exchange of best practices and making recommendations where appropriate, both towards rental companies and national rental associations.

The Committee was created in October 2008. Since then it has gathered information on what initiatives rental companies are taking in the area of corporate social responsibility (CSR), how they measure these initiatives and how they publicize them.

The results of a survey launched to obtain this information were presented at the ERA Convention in May 2009. The main outcome of the survey is that some larger rental companies actually do have company-internal policies for sustainable development, but do not always communicate on these policies and the results they deliver. A certain number of companies have also undergone certification for the ISO 14001 and OHSAS 18001 standards.

Many companies however do not have a set of policies for sustainable development. This matter was discussed at the Convention, where the committee outlined the benefits of putting solid CSR policies

in place and also, most importantly, the cost of having none.

To be able to provide ERA Members with tools they can use to develop or improve their CSR policies, the committee decided to create a framework to explain what expectations should be in terms of sustainability for the rental industry. This document will list issues, a subset of measurement points (based on the KPIs developed by DEFRA in the UK), and advantages that can be identified in this respect and should be adopted at a forthcoming meeting. It should be made available in early 2010.

#### Benefits of solid CSR Policies

- Reduce liability and risk exposure
- Improve environment, health and safety
- Increase your marketing & competitive advantage
- Reduce cost through operational improvements
- Improve employee commitment
- Improve your public image
- Enhance customer trust
- Meet customer requirements
- Get access to more stable financing

#### Drawbacks - No CSR Policies in place

- Greenhouse effect and climate change
- Poor public image
- Toxic pollution – (trans-boundary impact)
- Depletion of non-renewable resources – e.g. fossil fuels
- Urban air pollution and solid wastes – (local impact)
- Reduced income through ignorance of stakeholder requirements
- Loss of future skilled workforce


## ANNEXES

### List of ERA Members as of July 2009



ASSOCIATIONS	RENTAL COMPANIES	ASSOCIATE MEMBERS
<b>BELGIUM</b>	<b>BELGIUM</b> Atlas Copco Portable Air HUURLAND - Eurorent Flanders Locasix Six Equipments	<b>BELGIUM</b> Atlas Copco Portable Air ETRAMO
<b>BULGARIA</b>	<b>BULGARIA</b> Destination Bulgaria	<b>BULGARIA</b>
<b>DENMARK</b> Danish Rental Association	<b>DENMARK</b>	<b>DENMARK</b> Dantherm Air Handling
<b>FINLAND</b> TKL	<b>FINLAND</b> Ramirent Cramo	<b>FINLAND</b>
<b>FRANCE</b> D.L.R.	<b>FRANCE</b> Acces Industrie Bergerat Monnoyeur Location Chambault Foraloc Kiloutou Locarest Loxam Morel Salti	<b>FRANCE</b> ACF Ammann - Yanmar Case Construction Equipment HAULOTTE Group Kaeser Compresseurs Manitou Seimat Volvo CE Europe
<b>GERMANY</b> BBI	<b>GERMANY</b> MVS Zeppelin & Co Wacker Neuson	<b>GERMANY</b> Anton Ruthmann & Co Roesler Software Technik Sycor Software Teupen Maschinenbau Wacker Neuson
<b>GREECE</b>	<b>GREECE</b> N. Stafilopatis	<b>GREECE</b>
<b>IRELAND</b>	<b>IRELAND</b>	<b>IRELAND</b> Kosran ECV
<b>ITALY</b> Assodimi	<b>ITALY</b> Gramigna Maie Nacanco VENPA	<b>ITALY</b> CNH Tower Light

## ANNEXES



ASSOCIATIONS	RENTAL COMPANIES	ASSOCIATE MEMBERS
<b>LIECHTENSTIEN</b>	<b>LIECHTENSTIEN</b>	<b>LIECHTENSTIEN</b> HILTI
<b>NORWAY</b> NRA	<b>NORWAY</b>	<b>NORWAY</b> AIMIT
<b>PORTUGAL</b>	<b>PORTUGAL</b> MACHRENT	<b>PORTUGAL</b>
<b>SPAIN</b> Anapat Aseamac Fanagrumac	<b>SPAIN</b> HUNE	<b>SPAIN</b>
<b>SWEDEN</b> SRA	<b>SWEDEN</b> Alimak Hek Group	<b>SWEDEN</b> Lawson Software Sweden
<b>SWITZERLAND</b>	<b>SWITZERLAND</b> Avesco	<b>SWITZERLAND</b> Caterpillar
<b>THE NETHERLANDS</b>	<b>THE NETHERLANDS</b> AGGREKO Boels Verhuur Energyst IQ Pass International Peinemann Holding Riwal Hoogwerkers	<b>THE NETHERLANDS</b> BBA Pumps Hitachi Construction Machinery Inspire JLG International Ritchie Bros Auctioneers Verhuurnet
<b>UK</b> CPA HAE	<b>UK</b> Ashtead Group Carrier Rental Systems Hewden Stuart HSS Hire Lavendon Group Speedy Hire	<b>UK</b> Genie Europe Godwin Pumps JCB KHL Group LLO Result Group Skyjack UK The National Plant & Equipment Register Touchstone Datatag ID
<b>INTERNATIONAL ASSOCIATION</b>  IPAF	<b>OUTSIDE EUROPE</b>  <b>INDIA</b> Gemini Equipment & Rentals	<b>OUTSIDE EUROPE</b>  <b>USA</b> Daniel Kaplan Associates Ditch Witch Smartequip Wynne Sytems  <b>UNITED ARAB EMIRATES</b> Primax



## ANNEXES

### About the ERA



#### ERA BOARD

- Manages the ERA
- Six representative members covering various trades and countries
- Elected by the general assembly, Chair elected by the Board
- Four year term

The Board is composed of:

Gérard Déprez / President  
Kevin Appleton / Vice President  
Franco de Michelis/ Vice President  
Erkki Norvio / Vice President  
Peter Schrader / Vice President  
Colin Wood / Vice President



#### ERA SECRETARIAT

- Supporting the association's daily activities
- Supports the workings of the 6 ERA Committees (organising meetings and following up on actions)
- Increasing the profile of the ERA
- Representing the Association across Europe and globally

The ERA Secretariat is composed of:

Michel Petitjean / Secretary General  
Michel Baumgartner, Hans Craen,  
Veerle Guns.

*Contact them at the ERA telephone or through the [era@erarental.org](mailto:era@erarental.org) email.*



### Committees

Six committees made up of members' representatives meet at least three times a year to work on improving the rental industry in Europe. The committees cover the following topics:

- EU Affairs
- Promotion
- Statistics
- General Rental Conditions
- Theft
- Sustainability

#### EU AFFAIRS

#### PROMOTION

#### STATISTICS

#### GENERAL RENTAL CONDITIONS

#### THEFT

#### SUSTAINABILITY

New navigation

A powerful  
search engine  
for members



A new structure  
with space for more news.  
**Updated almost daily**



Is it better to rent or buy?  
See what's best for  
your own situation!  
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EUROPEAN  
RENTAL  
ASSOCIATION

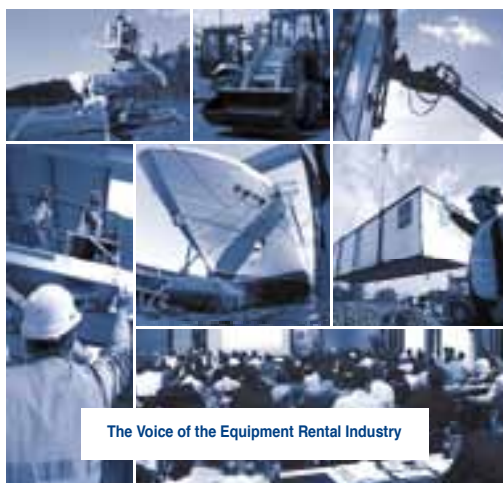
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Discover what's new at  
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Our key mission is  
to **support the growth** of  
Europe's Rental Industry.  
**Everyday**

Save the date  
for next  
**ERA Convention**  
Prague  
26-27 May 2010



The European  
Equipment Rental Industry  
2008 Report



To know more about  
**rental in Europe**  
and our activities,  
please visit:

**[www.erarental.org](http://www.erarental.org)**



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