



**EUROPEAN
RENTAL
ASSOCIATION**

Annual Report 2010



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European Equipment Rental Industry 2009 Report

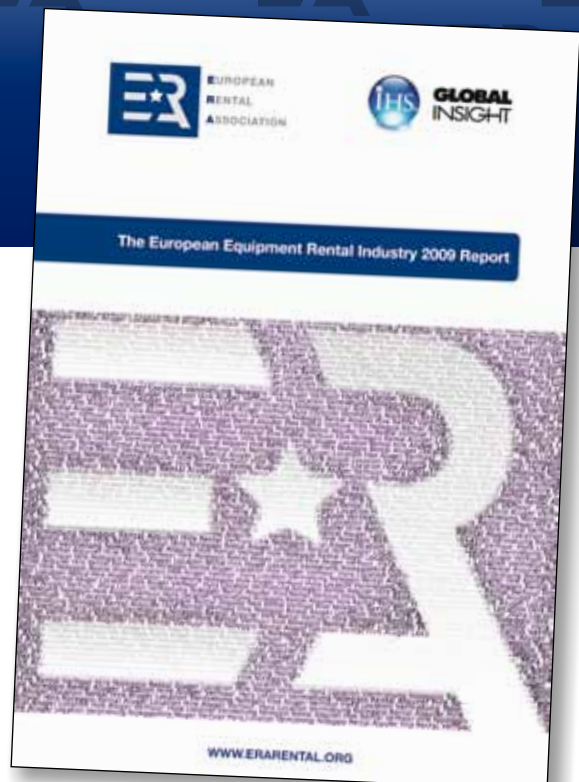
The newly published European Equipment Rental Industry 2009 Report gives you the most comprehensible data currently available on the European Rental Industry.

The report does not only contain a country-by-country analysis of 11 European countries, but also market size information and key ratios among which fleet size and investment as well as penetration rates. Find out what to expect of the Rental Industry in each country with the 2011 forecasts!

Now available to ERA members for €300 and to non-members for €900.

Contact the European Rental Association if you would like to get your copy!

Avenue Jules Bordet 142, 1140 Brussels, Belgium
or by email on era@erarental.org



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Dear Member, dear colleague,

Last year, I predicted that activity recovery would only be visible in our 2011 accounts. This is now confirmed by international market analysts. This recovery may however remain fragile over a longer period of time, all the more since governments will prefer postponing infrastructure projects that were to boost economic recovery.

As was highlighted at our Convention 2010 in Prague, our present situation requires focusing on the opportunities that may derive from the crisis. Such opportunities do not come merely from new markets. They can also be found in our traditional markets and through the re-engineering of our work methods to face the new market challenges.

The second edition of the International Rental Exhibition (IRE), which will take place in Amsterdam from 7 to 9 June 2011, will be the opportunity to meet with representatives of the rental industry and suppliers to our industry from all over Europe. It will be an outstanding forum to learn about new products and new equipment and to exchange on our industry's future. I therefore encourage you to mark the date in your agendas.

A new Board of Directors of the European Rental Association has been elected in May 2010. After four years of existence, our association is now a well established representation of our industry. I am sure that our new Board of Directors will build on the direction and insight given by its predecessor, to further strengthen our association and develop services for our members. The results of the membership survey carried out in the first half of 2010 will be handed over to the Board members to support them in their mission.

Members of our Committees have worked hard over the past year to develop new deliverables for our members to use. I wish to thank them for their readiness to voluntarily put their expertise at the service of our industry as a whole and I encourage all Members to share their commitment. This annual report is partly a tribute to their work and will provide you with a detailed overview of our activities for the period running from June 2009 to June 2010.

I wish you a pleasant reading and look forward to seeing you in Amsterdam in early June 2011.

Yours faithfully,

Gérard Déprez
President of ERA





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Contents

1

Economic Outlook

- 6 Economic Outlook and trends impacting the Rental Industry

2

ERA Achievements and deliverables

- 9 Promoting the Rental Concept
10 The European Construction Equipment Rental Industry Report - 2009
11 General Rental Conditions
12 The European Union and the Rental industry
13 Equipment Theft
14 Sustainability in the Rental Industry

3

ERA Convention 2010

a. Keynote addresses

- 15 Opening of the Convention
16 The European Equipment Market
17 Rental Industry Trends
Sustainable Growth
18 New Opportunities for Rental

b. Roundtable

- 20 Addressing Different Markets
21 National Rental Associations
22 Defining Sustainability for the Rental Industry
23 Outsourcing new services
24 Rental activity in Central and Eastern Europe
25 Product group: Excavators

4

- 26 **European Rental Awards 2010**

5

Annexes

- 30 ERA Members
33 About the ERA

Economic Outlook and trends impacting the Rental Industry



Flashback

According to statistics from FIEC, the contraction of the European economy in 2009 had a significant impact on EU construction activity, which declined -7,5% after a first drop in a long time of -3% in 2008. A further contraction of -4.0% is expected in 2010, which means that by the end of this year the European construction industry will have been in recession for three years. The reduction in construction has been largely concentrated within the building sector and more particularly on new house building and private non-residential segments.

Euroconstruct is forecasting that for 2011 the area should experiment a +1,2% recovery followed by a +2,4% in 2012.

Following a strong acquisition activity in Europe which peaked in 2007 and the first half of 2008, the European rental industry had to cope with the challenges derived from the most severe downturn in decades.


Nevertheless, and despite of the cost-cutting measures applied by the rental operators, quite a few initiatives in terms of product and services offering appeared here and there, paving the way for the future of the rental industry.

Rental Industry in the second part of 2009

- HSS Hire in the UK launched the first ever online renting service, the LiveHire system, initially offered to the largest

customers. This system is about saving customers money, increasing the transparency of the relationship, as well as reducing administrative burden on the rental company.

- Pon Holdings BV in the Netherlands combined its North America and European aerial lift, materials handling and forklift rental companies into one group, Pon Material Handling. The new company, which sells, rents and services equipment, consolidated its headquarters staff in Houston, Texas. It consists of 13 operating companies with sales of approximately US\$1 billion in 2008 of which \$350 million in rental revenues.
- Speedy Hire moved to the Middle East rental market through an alliance with Al-Futtaim Carillion (AFC), the Dubai-based joint venture between UK contractor Carillion and local industrial group Al-Futtaim.
- Spanish rental company GAM entered Peru and Panama at the end of 2009, adding to its existing operations in Brazil, Mexico, Portugal, Poland, Romania, Bulgaria and the Middle East.
- HSS Hire offered to rent (semi) skilled people besides equipment through its new HSS Resource service. The service is being run through a partnership with personnel company McGinley Support Services.

- 
- Acquisition by Loxam of Belgian rental company Locamachine with 5 locations and revenues of €5 million.
 - Ramirent bought the rental division, including three branches, of the Czech Republic compaction and concreting equipment manufacturer NTC.
 - UK rental company GAP Group revealed that 70% of its business now comes from national accounts.

Rental Industry in the first part of 2010

- Australian heavy equipment rentals company Emeco, after undertaking a strategic review of its US business in 2009, decided to close the European business by mid-year 2010.
- Ramirent unveiled a new corporate identity strategy that will see it move increasingly towards a unified brand, replacing such strong brands like Bautas in Norway.
- In 2009 private equity company Advent International sold 72% of its shareholding in Spanish rental company HUNE to the company's managers for a nominal of €1. In early 2010, Spanish bank Banesto, in an effort to restructure its €500 million debt, bought the 72% shareholding and took control over the company.
- Finning sold Hewden to private equity firm Sun European Partners. Despite a loose strategic supplier alliance with Finning UK, Hewden should benefit from more freedom and flexibility to make business decisions.
- Sweden's Skanska Maskin is to significantly increase its depot network in the coming years, both to increase the level of support and services it provides to Skanska, its parent company, and to increase the proportion of business it undertakes with external customers.
- A-Plant in the UK has developed software that will allow its customers to order equipment directly using their own internal IT system. Sales staff from A-plant can complete quotations and orders using their phone and are given detailed pricing information.
- Cramo concluded since late 2009 several strategic outsourcing contracts with Lemminkäinen Talo Oy Keski- ja Lounais-Suomi, with Lemminkäinen Talo Oy Itä- ja Pohjois-Suomi and especially with the Herlev Hospital in Denmark.




Equipment Manufacturers

Equipment manufacturers pursued the consolidation of their operations in the Western markets and their development in the Asian markets.

- Terex's Aerial Work Platforms division sold off two of its non-AWP product lines, the US generator line to Cummins and the Terex power buggy range to Indy Equipment, Ohio.
- Haulotte started manufacturing aerial platforms at its new factory in Changzhou, China. Terex AWP resumed construction of its Changzou facility, expecting production by end 2010. Meanwhile, there are already at least six significant Chinese companies producing platforms.
- Sullair Corporation plans to close its portable compressor and pneumatic tool factory in Montbrizon, France towards the end of 2010. Production of portable compressors would be switched to Sullair's existing facilities in the US, China and Australia.
- Cummins Power Generation, the Cummins division that operates a power rental business confirmed that it will focus on being a supplier to the rental sector rather than a major rental provider and decreased its fleet accordingly.
- New Holland launched a rental booking service for equipment end users in Italy and Germany and aims to extend the service to other European markets, including France and Spain.
- Wacker-Neuson and Caterpillar have signed a 20 years alliance and Wacker-Neuson will manufacture Caterpillar's sub-3t mini excavators.



Promoting the Rental Concept

 The role of the Committee on Promotion is to promote the rental concept in terms that are consistent across Europe and can apply to the different local situations in order to support the growth of the rental industry in both mature and developing markets. Its role is also to help the ERA grow and welcome new Members to the European Rental Association.

Developing an information platform on rental in Europe

In 2009, the Committee coordinated the development of the ERA's new website, designed to become a central information platform on rental in Europe. The website draws news from various information platforms and from the websites of participating national rental associations. It provides in one place information on the rental industry, on activities in a number of countries as well as the ERA's deliverables. Work on the website is ongoing with new features being implemented such as the improvement of the Members' directory, search engine optimization and the possibility of sponsorship of some areas of the website.

Implementation of a network of ambassadors in all countries represented within the ERA

The Promotion Committee created a network of "ERA ambassadors" in a number of countries. Ambassadors are volunteer ERA Members, who promote the associations in their countries and contribute to

welcoming new members to the association. Thanks to their commitment, the ERA could welcome 15 new members in 2009 and 6 new members during the first semester of 2010.

"Discover Rental" Guide

The Promotion Committee is currently drafting a guide on rental called "Discover Rental". This guide will be a tool to promote the rental concept and educate (potential) customers, political decision-makers and generally any stakeholder about rental.

www.erarental.org
The ERA's website



The European Construction Equipment Rental Industry Report – 2009



After careful consideration, the ERA Statistics committee decided that the rental industry required annual updates. IHS Global Insight was contracted for the production of the 2009 report.

Key principles adopted for this 2009 version of the report were to:

- Provide key annual strategic information for rental firm management.
- Enhance focus and presentation of results by individual market.

Some changes from the previous report:

- For reasons of clarity, the 2009 report considers only equipment rental without operators: Companies active in rental have been identified in two classes, rental companies as a primary business without operators (NACE code 71.32), and other companies providing rental services. Rental companies as a primary business with operators (NACE code 45.50), have been excluded from the 2009 report, waiting for more definitions and methodology.
- The report does not consider the penetration rates on equipment sales and on equipment population because these rates are very complex to define and to calculate. Moreover, the dramatic levels of sales in the present years since 2008, coupled with the major de-fleeting operated by the rental companies, made it almost impossible to capture these

rates of penetration. In future reports, and as soon as possible, the analysis will concentrate again on these rates and the results will certainly be of interest to the equipment industry.


- Finally, the 2009 project does not include the web-based survey, which addressed questions for rental companies, manufacturers and contractors. The result of the first survey in 2008 was questionable, time consuming and expensive.

Key findings of the report:

- In 2009, the total size of the European equipment rental market (without operators) was €20.2 billion. The 11 countries covered in the study represent €18.5 billion of that market.
- The total turnover decreased 17.2% from 2008 to 2009 as an average in Europe and is expected to decrease between 0% and -5% from country to country in 2010 with the exception of one country, Spain, with -20%.
- In 2011, however, the same turnover is expected to increase from 2010 to 2011 between 0% and 10% from country to country.
- In 2009, fleet investment has been reduced drastically in some countries with up to 80% to 90% decrease from 2008 levels when, in other countries, capital expenditure was less affected with reductions of 20% to 25%.
- Fleet sizes have been evaluated for the first time in this 2009 report. They have been reduced from 14% to 17% in some countries while in other countries they remain virtually constant.

The full European Rental Industry Report 2009 is available for sale from the ERA Secretariat.

General Rental Conditions



The mission of the committee on General Rental Conditions 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.

- Initially the committee focused on Business to Business (B2B) relations. It prepared and delivered in 2009 a checklist in several languages for operational terms and conditions and a framework for General Rental Conditions.
- Then the committee was required to work on Business to Consumer (B2C) relations. Initial work consisted in gathering information from various association conditions. After a comparison of these conditions, the working group collated the clauses and drafted a framework for B2C terms and conditions, which was made available to the industry in June 2010.
- In the first half of 2010, work has started on a CEN Workshop Agreement (CWA) on B2C rental conditions. CWAs are similar to standards as they are officially produced and endorsed by the European Committee for Standardization (CEN), but the procedure to draft and adopt them is more flexible than for a standard and therefore faster.

The kick-off meeting for the drafting of the CWA on B2C rental conditions was held on 15 June 2010 in Brussels, and there will be another 2 to 3 meetings before final draft and completion scheduled around Q3 2011.

The ERA is chairing the working group of interested stakeholders involved in drafting the CWA. The Secretariat of the working group is managed by the French standardization body AFNOR. At the end of the project, copyrights of the CWA will be shared between the CEN and the ERA.

The European Union and the Rental Industry



The ERA is now a well established interlocutor of European Institutions, being increasingly consulted by the European Commission on some matters. In the summer of 2010, it has for example been invited to contribute to an assessment of a number of consumer markets in Europe, including several rental markets. The ERA has responded positively to the European Commission's invitation and will thus take part in relevant stakeholder consultations over the coming year. It has also raised some issues with the European Commission over the past year, notably in relation to the implementation of the Machinery Directive in some Member States.

In 2009/2010, the EU Affairs Committee has also produced a certain number of deliverables:

- **Framework for the production of instruction leaflets:** This document, available on the ERA's website, aims at supporting rental companies and national rental association when creating instruction leaflets to customers, alongside the manufacturer's manual.

- **Recommended Framework for Training:** This framework is a standard listing minimum requirements for training of operators listing notably the minimum list of subjects that should be contained in any training programme. It is available on the ERA's website.

Beyond this role as the representation of the rental industry at European level and the development of tools to support the industry, the EU Affairs Committee has set itself the target to promote rental in public policies.

It will focus its efforts in the year to come to demonstrate to European decision makers that rental can be part of the solution to achieve a better use of resources and reduced emissions and waste from construction equipment.

It will also further work on raising awareness of the barriers still existing in the internal market for rental companies trying to operate across borders, notably with regards to in-service inspection of equipment or the cross-border transportation of equipment.



Equipment Theft

The Committee on Equipment Theft is working towards raising awareness on construction equipment theft at European level.

To this end, the Committee has produced the ERA Guide for Theft Prevention, which is available for download on the ERA's website. This guide provides best practices to prevent construction equipment theft and contains a number of appendixes relating for example to parking and securing equipment, to training customers and employees or providing an overview of existing anti-theft and registration systems.

In parallel, the Committee on Equipment Theft has established a strong relationship with other stakeholders at European level interested in combating equipment theft, namely the European Construction Industry Federation (FIEC), the European Committee of Equipment Manufacturers (CECE), the European Confederation of Equipment Distributors (ECED). These organizations are sharing information on equipment theft and have together written to the European Commission to raise its attention on equipment theft. The European Commission has shown interest in this initiative and agreed to engage into a dialogue on equipment theft, which will be started in the autumn of 2010.

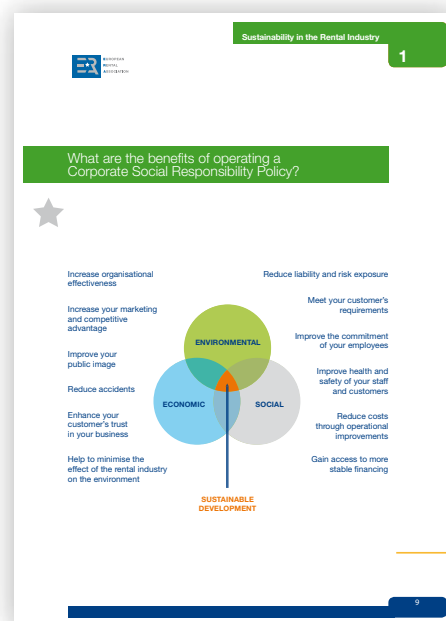


Sustainability in the Rental Industry



Rental may be considered as a fundamentally sustainable activity. Indeed, renting equipment is an environmentally sound option compared to everyone buying and renting their own.


The Committee on Sustainability has worked beyond this postulate to raise awareness in the industry, in order to demonstrate that by adopting corporate social responsibility (CSR) policies in the economic, social and environmental fields, rental companies can differentiate themselves from their competitors, answer specific customer demands and create new services and markets.



In order to support rental companies willing to implement CSR policies, the ERA's Committee on Sustainability has developed a brochure called "Sustainability in the rental industry".

This brochure lists issues rental companies can focus on when developing their CSR policies such as for example transportation, waste management or training for employees and the key performance indicators they can use for measuring their progress. For each issue, a number of factsheets provide concrete examples of actions taken by rental companies, the results delivered and the benefits retrieved. The brochure is available for download on the ERA's website.

Opening of the Convention

 In his welcome address, the President of the European Rental Association Mr Gérard Déprez, underlined the strong development undergone by the rental industry in Central and Eastern Europe, noting that the region is actually the main growth area in Europe.

The motto of the Convention “New Opportunities for Rental” emphasized that despite – or thanks to - the economic crisis, companies could focus on new opportunities, which do not only come from new markets but also from new approaches to mature markets and the re-engineering of the rental industry’s work methods.

The year 2009 was one of the most difficult years for the rental industry worldwide. The industry experienced the most severe activity drop, for some countries down by 40%, but altogether showed a homogeneous and responsible behaviour.

It will be key for the industry to remember the lessons to be learned from the crisis in the future:

- Cash is important in highly indebted companies.
- The industry needs to learn how to deal with short term cycles and how to address a greater volatility of activities and profits.
- Rental operators can experience crisis situations due to entirely exogenous factors. The industry needs to keep in mind that companies can be seriously shaken no matter their intrinsic value or performance.
- Network expansion also has its limits, diversification is not always an asset when all sectors are hit.

Opening session of the ERA Convention 2010



The European Equipment Market



David Philips, Off-Highway research, presented the global trends in the Equipment Market to the Convention.

Overall, world equipment sales peaked in 2007, and will remain far below that average in the coming years.

The Global Outlook for 2010-2014 shows a very uncertain future. Equipment sales forecasts show China will experience considerable growth in the coming years, while Europe and the US will lack behind at merely half of their sales rate of 2007.

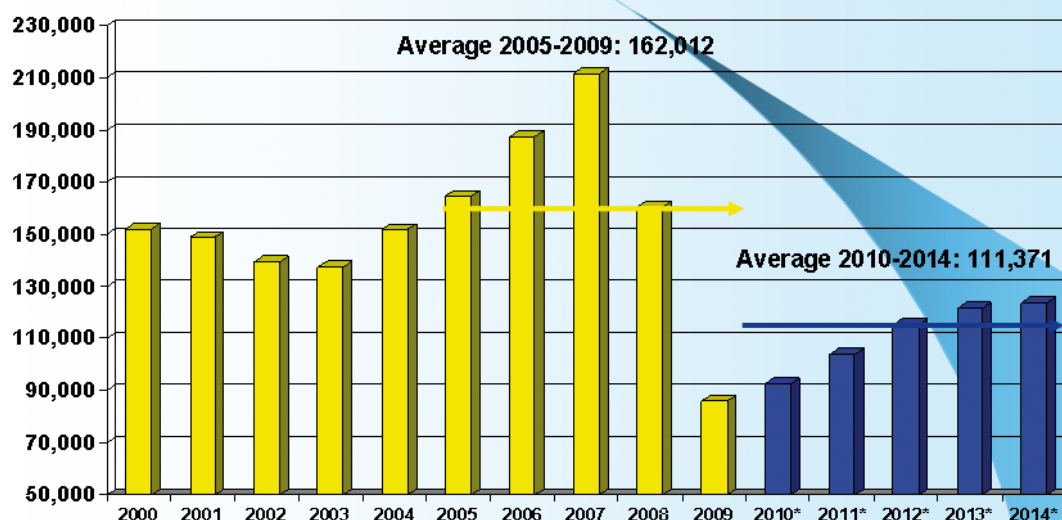
This means that the future will bring a dramatic shift in the centre of gravity from West to East for equipment sales. In turn, production will move from West to East with implications for manufacturers' business models.

*David Philips,
Off-Highway Research*



Off-Highway Research

Europe: Development of Sales, 2000-2014* (Units)



Rental Industry Trends

★ **M**urray Pollok of International Rental News presented the results of the IRN-100 Survey Results and gave the Convention an update on the ERA/IRN Rental Tracker. The IRN-100 Survey showed that there was a negative change in revenue for almost all top-100 rental companies in 2009. The research additionally confirmed a drastic decrease in capital expenditure for all companies in 2009.

The ERA/IRN Rental Tracker survey was first performed in June 2009, and 4 surveys have been completed until June 2010. Between 240 and 120 European companies respond to the survey every quarter.

The survey shows a very slow recovery in most parts of Europe, with the rental market having reached a bottom in late 2009, early 2010 and slowly improving since then. As a result, most respondents to the tracker do not expect an increase of their investments for 2010.

Murray Pollok,
International Rental News



Sustainable Growth

★ **I**ngrid Vaileanu-Paun, Economist and Member of the Research Network on Innovation, France, introduced the concept of the functional economy: A functional economy is one that optimizes the use (or function) of goods and services. The economic objective of the functional economy is to create the highest possible use value for the longest possible time while consuming as few material resources and energy as possible.

The functional economy implies the replacement of the sale of a product with the sale of its usage, its function. The ownership and the maintenance of the products supporting this sold service stays with the provider. Concrete examples were provided

with Rank Xerox and Michelin. Ingrid Vaileanu-Paun concluded her presentation in conveying her belief that rental is sustainable from the point of view of the Functional Economy

Ingrid Vaileanu-Paun,
Member of the Research Network on Innovation



New Opportunities for Rental



Alistair Collin contributes to ConstructionSkills, the Sector Skills Council for Construction in UK. He showed the delegates in a brilliant demonstration how Britain is approaching the subject of sustainability.

He provided food for thought on how the Rental industry may need to change to accommodate the ever changing construction methods.



Seizing opportunities in a changing world



"If I had asked people what they wanted, they would have said a faster horse."

Henry Ford

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Exhibitors



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WYNNE SYSTEMS



Roundtable: Addressing Different Markets



Presenters: **Phil Wolff**
HSS
Stefan Cankov
Destination Bulgaria

Moderator: **Nicolle Raven**
ERA

Phil Wolff, Commercial Director of HSS, presented several trends of the tool and equipment hire market in the United Kingdom, and explained the business model HSS has adopted to deal with these particular trends.

In many Western European countries, rental companies are the key customers in equipment sales. This shows that rental is playing a large role in the equipment market. Particularly in the UK, the sales percentage to rental companies is 62.3% of the total sales of equipment.

HSS learned from doing business in Western Europe that they should focus on customers rather than on products. They therefore work with the customers to see how the overall cost of renting equipment can be driven down.

Comparing the Bulgarian Rental Equipment Market with that of the United Kingdom, Stefan Cankov explained that the rental market has only recently started to develop. There was no rental market in Bulgaria before 2000.

The construction business in Bulgaria shows typical features of an emerging market. Construction contractors are relatively small companies and they all have a large variety of their own equipment. Rental (mostly with operators) is therefore a means to provide a short-term solution to needs that they cannot solve in-house. Generally, there is a lack of knowledge for new technologies and specific machines.

As the rental equipment market in Bulgaria only recently started to develop, a specific approach can pay off. Services such as maintaining the machines of the customer, as well as training the staff of the customer or registration and inspection of the fleet will be attractive features for companies starting in renting equipment.

Roundtable: National Rental Associations



Presenters: **Jürgen Küspert**
BBI
Colin Wood
CPA

Moderator: **Michel Petitjean**
ERA Secretary General

In this traditional session dedicated to the national rental associations, Jürgen Küspert from the German BBI and Colin Wood from the British CPA were invited to present their activities.

BBI considers that among the possible rental opportunities in the future, sustainability of the development of the company is the most important one. This means a closer collaboration with the customer, more and better services for the customer and improvement of the skills of the employees.

One interesting point from the BBI is that being present in the Internet and online marketing is important for rental companies.

However, the Internet is mainly a new opportunity for the customer because products and services are easier to compare and competition becomes even more intense.

The tasks for the associations is to promote reasonable “rules of the game” for market players and to set standards.

Conclusion: Improved collaboration with competitors and associations is needed.

CPA developed the potential opportunities that rental companies are taking during these difficult times, in relation to routes to market, to niche markets and/or to sustainability.

Special attention was brought to the management of clients equipment needs through monthly electronic invoicing with one bill for all equipment used, through on site management of all clients plant requirements and through purchasing client’s existing equipment and then renting to them. Finally, CPA expressed their wish to have an exchange of views on other associations experiences on these and other subjects.

A large discussion then started around the need to learn through sharing experience and information. National associations need to anticipate the problems for their members, being engines emissions issues, credit crunch or health and safety.

Roundtable: Defining Sustainability for the Rental Industry



Presenters: **Martin Freland**
Cramo
Per Hedebark
Lipac Liftar

Moderator: **Douglas Mc Luckie**
A-Plant

Martin Freland explained that Cramo has made the decision to implement environmental management systems according to standard ISO 14001 as early as 1999. The reason for this move was to meet the requirement of the most demanding strategic customers and to enjoy a first-mover position amongst rental companies by developing new services.

He presented a number of initiatives of Cramo in the area of sustainability to help customers save energy at building sites, to help them handle chemical products safely or to use environmentally adapted fuels and oils.

Cramo has also decided to use more environment friendly cars, introduce a waste management system taking the environment better into account and to provide social sponsoring at customer events, all actions that benefit the group's corporate image among its customers and in the wider public.

Per Hedebark from Lipac Liftar for his part demonstrated how a medium-sized company renting access equipment, with seven rental depots in the central region of Sweden, can differentiate itself in the market place and develop new service lines by proposing sustainable solutions to its clients.

The company is running all its equipment on EcoPar, a clean and renewable fuel for diesel engines since 2004. This results in a reduction of particles emissions from engines of 90% for example.

Lipac Liftar has also been pioneering a unique operator safety initiative in Sweden, providing each operator with a unique intelligent identity card, required to run the equipment. These ensure only certified workers operate the equipment.

Roundtable: Outsourcing new services



Presenters: **Kristin Hancock**
Speedy Hire
Przemysław Atraszkiewicz
EWPA

Moderator: **Michel Petitjean**
ERA Secretary General

Kristin Hancock from Speedy Hire pointed out that in the last decade the service offering of the rental companies has moved away from the traditional supply of equipment to the customer to cater for a temporary need.

Services provided by rental companies now include notably industrial and on-site services, test inspection, asset management and other managed services.

Presenting a series of concrete examples of new services in a few specific contracts, he showed that some clients are looking for more value from selected rental companies to take them beyond hire, towards for example maintenance and/or 24/7 technical support, on-site asset management or staff supply, training support, or even the provision of an integrated engineering team or the design and implementation of temporary accommodation for large numbers of people.

Such specific services are however for the time being limited to qualifying customers like utilities and some specific contractors.

In his presentation, Przemysław Atraszkiewicz, EWPA (Poland), showed an organisation very similar to what could and should be a professional rental operator in a developed rental market of Western Europe.

From short and long term rental applied to diversified market segments, the services offer includes, besides rental, insurance, legal services, personal consulting and advisory services, employment of drivers and operators, OSH Consulting, training for operators, etc.

These cases show that the rental industry and the rental markets are closely related in the development of new services and that it takes both a leading edge rental organisation and sometimes specific customers to develop new services. There is no doubt that with the construction and service industry becoming more and more global, the new trends will spread even more rapidly across Europe.

Roundtable: Rental activity in Central and Eastern Europe

(p. 1/2)



Presenters:

Magnus Rosen
Ramirent

Jiri Vacek
CEEC Research

John Monaghan
Atut Rental

Moderator:

Michel Baumgartner
ERA

Magnus Rosen explained that Ramirent is present in Russia since 1988 and has since 2000 rapidly expanded its presence in 9 countries in Central and Eastern Europe (CEE). These countries account for 18% of the group's sales and for 59% of the group's depots. Ramirent applies the same fleet standards in all the countries it operates in, which allows for high fleet mobility and fleet sharing when business conditions require. He highlighted the opportunities and challenges faced by Ramirent in its operations in CEE. (see table below)

*Challenges:

- Slowing Baltic economies
- Increased number of rental companies entering the market / Increased competition
- Higher credit risk

**for renting in CEE according to Ramirent*

*Opportunities:


- Low rental penetration
- Large infrastructure projects partially financed with EU funds
- Further restructuring of the energy sector also partially financed by EU funds
- Cost-cutting pressure in the construction industry, resulting in higher need of external equipment supply
- Possible cross-border cooperation with the larger international contractors
- Growth of new industrial sectors

**for renting in CEE according to Ramirent*

John Monaghan founded Atut Rental in 1990. Over time, his company has grown to operate in 7 of Poland's largest cities. He agreed with Magnus Rosen that Poland is an attractive market, notably due to major infrastructure works on motorways, stadiums, railways, airports and bridges. With the economic crisis, the housing and commercial buildings markets have however plummeted and recovery is expected to be slow. He underlined that Poland is, and will be in the future, a market that is both promising and difficult, due notably to the need to increase market acceptance of rental, competitive pressure in the rental industry and the difficulty to collect payment on time from major customers.

Roundtable: Rental activity in Central and Eastern Europe

(p. 2/2)



Jiri Vacek presented the results of a perception audit on rental carried out by CEEC Research amongst 100 Czech construction companies, the results of which can be summarized as follows:

- Of the 100 companies interviewed, 75 rent equipment and tools, mostly from an external rental company and mostly for a few days only. Long-term rental (above 6 months) is virtually non-existent. The 25 remaining ones explained that they do not rent equipment because they believe it is more efficient to buy than to rent or that rental is too expensive.
- Companies making use of rental mentioned flexibility as being the main reason for resorting to rental companies for the supply of (some of) their equipment. Cost control or special equipment needs were the second and third most important reasons for using rented equipment.
- Czech construction contractors usually rely on personal contacts when making the decision on which rental companies to work with. Only 33% of them use tenders. In line with the above, the availability of the equipment and the ability to deliver the equipment rapidly are key in the decision-making.

Product group: Excavators



Presenters: **Claudio Fiorentini**
JCB
Thierry Robert
Bergerat Monnoyeur Location

Moderator: **Nicolle Raven**
ERA

The Benelux, France, Germany, Italy and Spain own 70% of the excavators available in Europe with a market value of €18.7 Bn.

The market has experienced a massive restructuring over 2007/2009 with fleet reduction, fleet reshaping and outlet/network rationalisation.

It is expected however, that the fleet will see an increase over 2010/2011.

The market for excavators in Europe has decreased significantly since 2007. Every category of excavators (including hydraulic and wheeled excavators of all sizes) have lost a part of their market share.

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



WINNER

Ramirent



For Ramirent, 2009 was about taking the actions needed to prepare it for a return to growth. Tight cost controls and low capital expenditure secured a strong cash flow and a

positive operating result despite the difficult conditions.

Fixed costs were cut by €75 million and the company says this sound financial management means that its employees entered 2010 working for a financially sound company capable of exploiting the opportunities during the recession.

The company continued expanding quality standards throughout the organisation. Its operations in St Petersburg are now ISO 9001 certified and it established a common Code of Ethics during the year.

Shortlisted

GAP Group



GAP Group is one of the UK's most ambitious and innovative rental companies. Its initiatives during 2009 included establishing a division supply non-mechanical equip-

ment such as fencing, road crossing plates and trenching.

It has also diversified its client base, adding 83 new local government customers in 2009 and expanded its offering to major accounts, adding asset management and services such as training, health and safety and environmental support.

The company's commitment to training was exemplified by the establishment of national vocational qualification training for many of its staff.

HSS Hire



In 2009 the company was among the first anywhere in the world to offer an online rental system, giving selected customers the ability to on- and off-rent equipment in real time

over the internet, and also access a wide range of equipment information.

HSS also opened 12 new depots. The company's fleet is now 25% larger than three years ago, and launched HSS Onsite, where it sets up temporary rental facilities at its customers' sites.

Furthermore, HSS' safety credentials were given a boost when a UK consumer watchdog found that HSS was the only one of its surveyed rental companies to provide equipment with no safety faults.



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

WINNER

Bredenoord



Bredenoord, a family owned power rental company based in the Netherlands, has long been known for its engineering skill. In 2009, it took this expertise to new levels, with the

launch of one of the world's first 'clean' portable generators incorporating fuel cell technology. The company has operations in the Netherlands and Germany and in 2009 established itself in Denmark. They joined the European Rental Association in early 2010.

Highly Commended

JVS Crane Rental



JVS Crane Rental is a Czech company that rents around 60 self-erecting tower cranes in the Czech, Slovak and Austrian markets. The company, founded in the early 90s by Tony

Vacek, and now joined by his sons Tomas and Petr, has quadrupled its revenues since 2004. In 2009, the company managed to make a profit in a very tough year.

At the same time, JVS successfully implemented a custom-designed, web-based rental software system and hired operators able to serve the company's customers in additional languages such as Czech, Slovak, German, English, Hungarian, Serbian and Italian.

Shortlisted

Atut Rental



Polish rental company Atut Rental is proud of its achievement in 2009 of developing and implementing a new rental software tool. In doing so, it also created a new, more flexible

operating structure, benefiting both the firm and its customers. The company successfully undertook the project in the middle of a severe financial crisis, with margins squeezed, and while facing new competitors.

Stroyrent



Established in 2006, StroyRent managed to increase its sales in 2009 and finished the year with a profit despite very difficult market conditions. During the year the company

introduced three types of equipment never before used in Bulgaria: a drywall lift, a small self-propelled aerial platform; and a triangular wall/ceiling sander. Since the beginning StroyRent has set itself high standards, especially on safety, even when this has caused conflict with its customers.

Rental Product of the Year



WINNER

Towerlight - DF Ecology division



DF Ecology's Dust-fighter range addresses the problems of dust exposure on building and construction sites with its new range of water spraying dust control products.

Using Towerlight's knowledge of the rental market, DF Ecology has made the Dust-fighter 7500MB a rental-friendly product: it is entirely self-contained, uses a super-silenced generator for power, and incorporates a 2000 litre stainless steel water tank sufficient for a complete day's use. It weighs 1850 kg and can be fitted onto a rugged road trailer certified for use in EC countries and elsewhere.

Shortlisted

HH-Intellitech – Generuk 500



Denmark's HH-Intellitech has created a material handling attachment for use with telescopic handlers, cranes and other lifting equipment that can lift almost every type of

building material, from facade elements and glass to granite, wood and steel.

The Generuk 500 has a 500 kg capacity and operates independently of the host machine with its own integrated electrical and hydraulic systems. The attachment can manipulate the load with millimeter precision, is controlled remotely, and has a rotation of 90 degrees below and above the horizontal.

JLG Industries – Toucan 10E



JLG Industries' Toucan 10E is a vertical mast platform designed with rental companies in mind. With a working height of 10 meters, the lift provides access in tight places typically

in industrial, maintenance, retail and food manufacturing settings.

The use of a direct electric drive system gives increased duty cycles and less charging. The electric drive also reduces the amount of oil in the machine and the hydraulic system has just six hoses, reducing the potential for leakage.

Mecaplus – ME12SL



The second aerial platform on the product of the year shortlist, the ME12SL from Spain's Mecaplus is notable for its innovative automatic self-leveling system without the use of

outriggers. The system addresses one of the dangers of working on aerial platforms – working on irregular and uneven surfaces. The ME12 SL gets around this with a leveling axle design that adjusts to the ground conditions and maintains ground contact on all four wheels as well as leveling the body of the machine.





The ERA/IRN Rental Person of the Year

Chris Davies



Chris Davies, Chief Executive of HSS, has led several companies in various sectors including building materials, office equipment and leisure retailing

Mr Davies joined HSS in 2006, re-engineering it into a business focused on serving professional customers in addition to the homeowner/DIY market where it was traditionally strong.

Today, the company is at the forefront of using the internet to market its services and widely renowned as one of the most modern and innovative companies in the industry.

Lifetime Achievement Award

Franco De Michelis



Franco de Michelis has for the past two decades been tireless in his promotion of the rental business in Italy and wider afield.

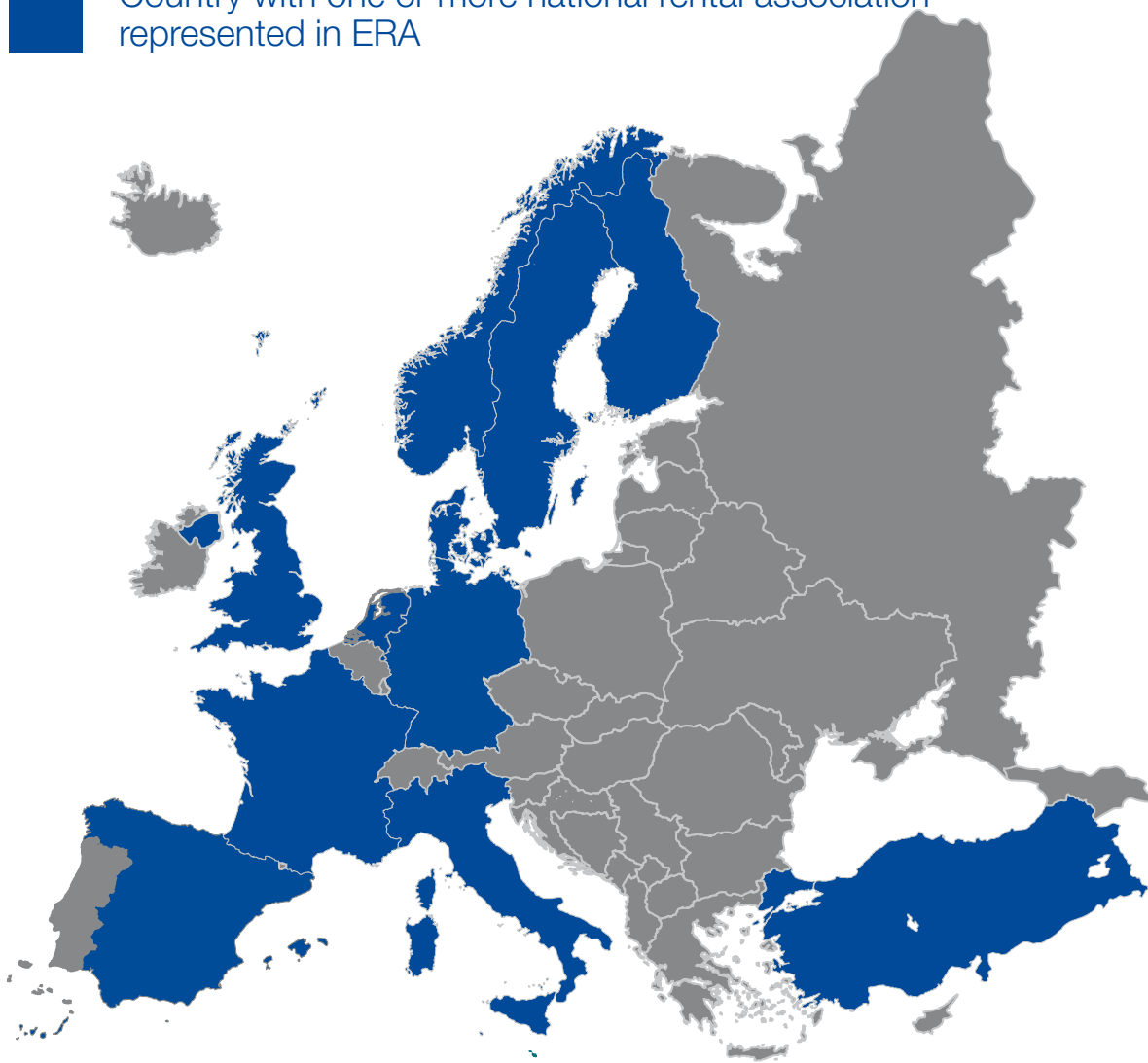
Mr de Michelis started his career selling construction equipment in Europe, and was a founder of Italy's Assodimi/Assonolo dealer and rental organisation. Over the past 15 years, he has trained over 1000 people in rental and has supported the development of many rental companies in Italy.

He has been a fantastic ambassador and resource for the European Rental Association and this industry and this award coincides with the publishing of his new book – Creating Wealth with Rental.

ERA Members: National Rental Associations (as of July 2010)



Country with one or more national rental association represented in ERA



DENMARK

Danish Rental Association

FINLAND

TKL

FRANCE

D.L.R.

GERMANY

BBi

ITALY

Assodimi

NORWAY

Norwegian Rental Association

SPAIN

Anapat / Aseamac / Fanagrumac

SWEDEN

Swedish Rental Association

THE NETHERLANDS

Verhuurnet

TURKEY

IMDER

UNITED KINGDOM

CPA / HAE

INTERNATIONAL ASSOCIATION

IPAF

ERA Members: Rental Companies (as of July 2010)

BELGIUM

Atlas Copco Portable Air
HUURLAND - Eurorent Flanders
Locasix
Six Equipments

BULGARIA

Destination Bulgaria
Stroyrent

FINLAND

Ramirent
Cramo

FRANCE

Acces Industrie
Bergerat Monnoyeur Location
Chambault
Kiloutou
Locarest
Loxam
Morel
Salti
Hertz Equipment Europe

GERMANY

MVS Zeppelin & Co.
Wacker Neuson

GREECE

N. Stafilopatis

ITALY

Gramigna
Nacanco
Venpa

PORTUGAL

Machrent

ROMANIA

Industrial Access

SPAIN

HUNE

SWEDEN

Alimak Hek Group

SWITZERLAND

Avesco

THE NETHERLANDS

Boels Verhuur
Energyst
IQ Pass International
Peinemann Holding
Riwal Hoogwerkers
Bredenoord Aggregaten Verhuur
Workx

UNITED KINGDOM

AGGREKO
Ashtead Group
Carrier Rental Systems
Hewden Stuart
HSS Hire
Lavendon Group
Speedy Hire
Red-D-Arc Welderentals
VP PLC

UNITED ARAB EMIRATES

Primax

Associate Members

Aimit

Atlas Copco Portable Air

BBA Pumps

Caterpillar

CNH

Daniel Kaplan Associates

Datatag ID

Ditch Witch

Enigma Vehicle Systems

Genie Europe

Godwin Pumps

Haulotte Group

Hilti

Hitachi Construction Machinery

Insphire

JCB

JLG International

Iron Planet

Kaeser Compresseurs

KHL Group

Kosran ECV

Lawson Software

Manitou

MCS

Result Group

Roesler Software Technik

Ritchie Bros. Auctioneers

Seimat

Skyjack UK

Smartequip

Sycor

Teupen Maschinenbau

Towerlight

Volvo CE Europe

Wacker Neuson

Wynne Systems

About the ERA

ERA BOARD

- Manages the ERA
- Seven representative members covering various trades and countries
- Elected by the general assembly, Chair elected by the Board

The Board is composed of:

G rard D prez / *President*

Kevin Appleton / *Vice President*

Arne Bugge/ *Vice President*

Marzia Giusto / *Vice President*

Vesa Koivula / *Vice President*

Peter Schrader / *Vice President*

Colin Wood / *Vice President*



ERA SECRETARIAT

- Supports the association's daily activities
- Supports the work of the association's Committees
- Represents the ERA in Europe and Globally
- Carries out the association's communication activities
- Organizes the ERA's events

The ERA Secretariat is composed of:

Michel Petitjean / *Secretary General*

Michel Baumgartner / *Manager*

Nicolle Raven / *Communications Officer*

Veerle Guns / *Assistant*

ERA Committees

In the period June 2009 to June 2010, the ERA counted 6 Working Committees on the following topics:

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

Following the results of a membership survey carried out in the first half of 2010, the ERA's

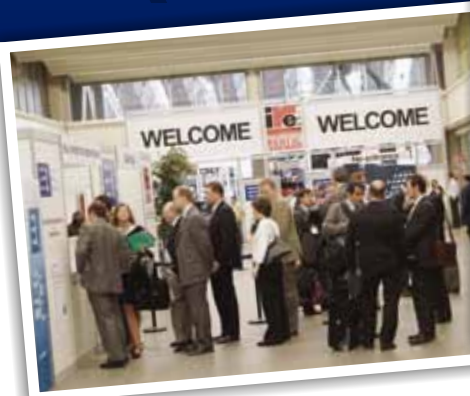
Board decided in September 2010 that this number should be reduced to 4 as follows:

- Health & Safety and CSR
- Equipment Technology and Theft
- Promotion
- Statistics

Work on General Rental Conditions for business to consumers relations will continue outside the scope of a dedicated Committee with the stakeholders participating in the drafting of the CEN Workshop Agreement (for more information, please see page 11)



Save the date
for next
International Rental
Exhibition
Amsterdam
7-9 June 2011



EUROPEAN
RENTAL
ASSOCIATION