



EUROPEAN
RENTAL
ASSOCIATION

Annual Report 2011



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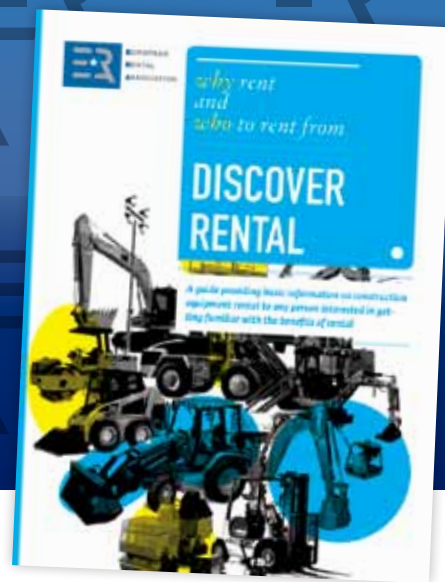
NOW AVAILABLE!

The **CEN Workshop Agreement on a framework for consumer rental agreements** is a non-exhaustive comparative analysis of approaches used by existing associations and companies from various European countries in their standard consumer terms and conditions for rental equipment supplied without an operator and can be used by companies as a reference point for developing their own standard terms and conditions for the rental of equipment to consumer customers within their own and in other European countries on a voluntary basis



The European Rental Association (ERA) is publishing a guide – called **Discover Rental** – aimed at providing information on construction equipment rental to any person interested in getting more familiar with the benefits of rental. To achieve this goal, the guide, developed by the ERA's Promotion Committee, focuses on a number of issues such as:

- > The cost benefits of rental
- > What construction equipment can typically be rented and by which industries
- > How to choose a rental company
- > Rental as a sustainable option
- > Fact and figures about Europe's rental industry



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Both the **CEN Workshop Agreement** and **Discover Rental Guide** are available to download from www.erarental.org and will be available soon in different languages

Dear Member, dear colleague



Data released at the ERA's convention in Amsterdam in June 2011 and the Rental Tracker published quarterly by International Rental News and the European Rental Association show that the situation of our industry varies a lot from country to country, with Northern Europe performing much better than the very West and South of the continent, in line with the general state of European economies. More than ever it is clear that, Europe-wide, the recovery in the rental industry will take time and remain dependent on factors that are beyond the control of our industry.

It is however thrilling to see how much expertise and innovation Europe's rental industry has to display. There are plenty of success stories of companies inventing new services, re-organizing their processes, moving to new markets and blossoming in tough times. The ERA wants to support this spirit by being a platform for allowing companies to share their expertise and best practices, notably through our Committees, as well as by encouraging the dialogue all along the rental supply chain, from equipment manufacturers to customers.

In this spirit, the ERA will be present at Intermat 2012 in Paris and will organize two roundtables on 17 April, to further engage into a dialogue on respective expectations with equipment manufacturers and rental companies' customers.

The next ERA convention will take place on 15 and 16 May 2012 in Oslo. I already encourage you to save the date in your agendas. After the International Rental Exhibition of 2011, the convention will be back to its traditional 2 days format with all events relating to the convention taking place in the same venue.

I wish you a pleasant reading and look forward to seeing you at the ERA's next events.

Yours faithfully,

Gérard Déprez
ERA President

ABOUT THE ERA

The key mission of ERA is to promote the rental concept in order to facilitate a continued growth of the rental industry by creating an open European market, at a much larger scale than any national market.

To achieve this goal, ERA acts as the representative association of the equipment rental sector at European level, complementing the activities undertaken by national rental associations locally.

Our work focuses on 5 main areas:

- > Promotion of the rental concept
- > Statistics on rental market
- > Health and Safety / Sustainability
- > Equipment technology and theft
- > General Rental Conditions



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:

Gérard Déprez / 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 Secretariat is composed of:

Michel Petitjean / Secretary General
 Michel Baumgartner / Manager
 David Howard / Communications Officer
 Veerle Guns / Assistant

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ECONOMIC OUTLOOK AND TRENDS IMPACTING THE RENTAL INDUSTRY

CONSTRUCTION INDUSTRY

According to statistics from FIEC released in June 2011, the EU total construction output amounted to €1,186 billion in 2010, which represents a decline of 1.8% compared to 2009 and is forecast to stabilise in 2011 (-0.2%). The reduction in construction activity has mostly been concentrated within the private non-residential segment (-4.5%) and in the new house building segment (-1.2%). The public non-residential segment grew by 2.2% in 2010; however, a further decrease has been experienced by the civil engineering segment (-1.1%) while a recovery in 2010 was forecast the previous year.

RENTAL INDUSTRY

An estimate of the European rental market for 2010 would be around -1% at €20 billion representing the bottom of the cycle and a forecast for 2011 would be around +3.2%. A complete review and detailed analysis country by country will be available in the European Equipment Rental Industry 2011 Report to be published in November 2011.

FLASHBACK ON THE RENTAL INDUSTRY IN THE SECOND HALF OF 2010

HERC acquired Rent One Italy, a power rental company based near Siena that operates in the telecom and events sector.

Wolseley sold Brandon Hire, the UK tool hire company, to private investment company Rutland Partners for £43 million.

GAM started operations in Iraq, Chile and Colombia, bringing to 15 the total number of international markets where the company operates. GAM's approach to international markets is to set up pilot depots close to construction sites rather than in large cities.

Manlift, the Dubai-based access and power rental company, with close links to Riwal in the Netherlands, opened a branch in New Delhi to rent and sell aerial platforms.

Caterpillar dealer Pon Equipment announced the closure of its Cat Rental Store businesses in Sweden and Denmark because of difficult market conditions and will focus on strengthening its Norwegian and Netherlands rental operations.



FLASHBACK ON THE RENTAL INDUSTRY IN THE FIRST HALF OF 2011

Theisen Baumaschinen was acquired by Cramo for €85 million including €38 million in debt and financial leasing liabilities. Theisen operates 103 depots in total including 90 depots in Germany (strongest in southern Germany), 9 depots in Austria, 3 in Switzerland and 1 in Hungary. This acquisition was the first major deal in Europe's rental equipment market since the start of the financial crisis in late 2008.

Aggreko won the contract to provide temporary power to the 2012 London Olympics and the Paralympics games at 39 venues in 7 locations in a project valued at approximately £37 million.

Loxam opened its first rental branch in Morocco, in Casablanca, under a partnership with local construction equipment distributor Stokvis.

Norway-based Malthus won two major temporary accommodation rental contracts. One contract is a £28 million deal on an oil and gas project on the UK's Shetland Islands and the second is a £30 million project at Oslo's Gardemoen airport.

Sagard Private Equity sold a majority stake of French rental company Kiloutou to another private equity

company, PAI Partners. Kiloutou operates 283 depots generating revenues of €292 million.

Spain's three main rental organisations ASEAMAC (for general equipment), ANAPAT (for access platforms) and FANAGRUMAC (for cranes) created a national rental confederation called Confalq, representing 180 members.

Denmark's BMS A/S sold its aerial platform rental division to Riwal Denmark giving it an additional 700 platforms and bringing its total Danish fleet to close to 2000 machines.

Boels Verhuur acquired the HuurMax rental division of Netherlands builders merchant and DIY store owner RAB Beheer. With the addition of the 14 depots of HuurMax, the Boels Group will have 109 branches in the Netherlands.

Portable accommodation company Algeco Scotsman acquired Speedy's accommodation rental division for £35 million.

MEANWHILE, EQUIPMENT MANUFACTURERS CONTINUED TO CHANGE

Ammann and Yanmar dissolved their mini-excavator manufacturing joint venture in Europe, Yanmar running the French excavator plant alone and Ammann focusing entirely on the compaction market.

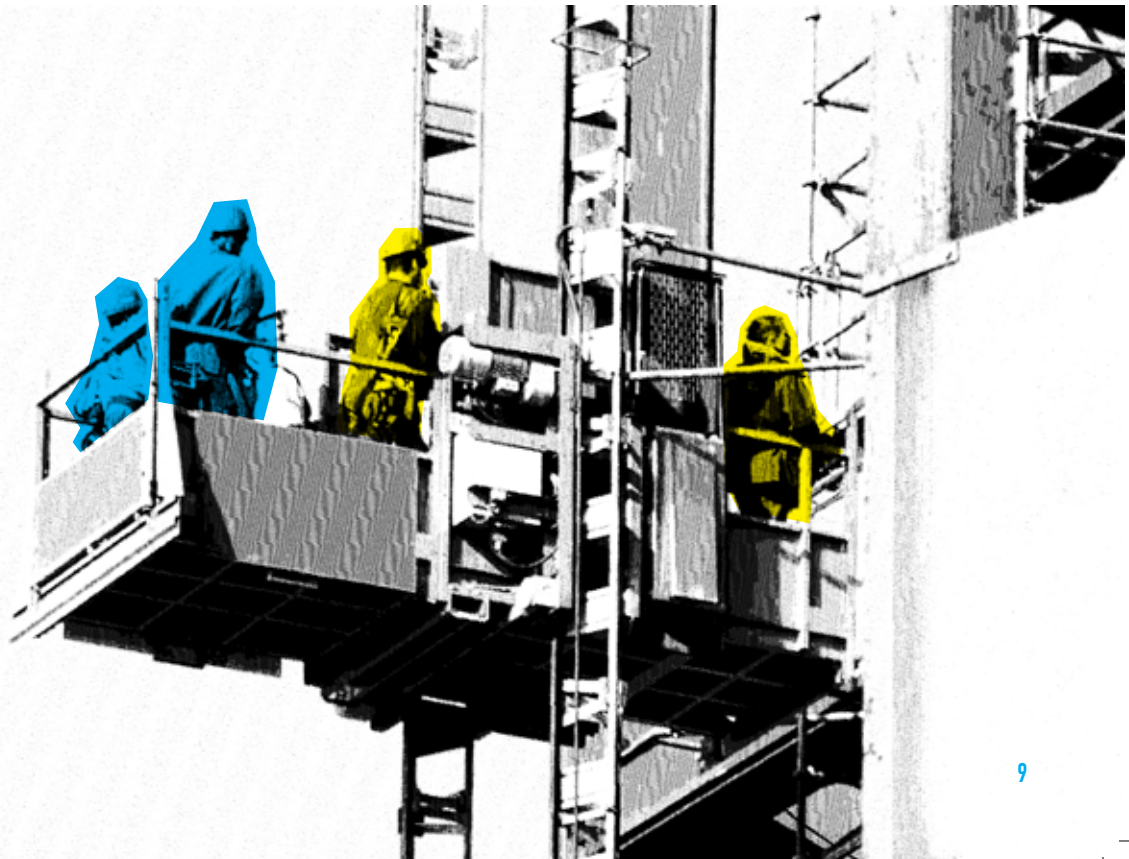
The SED show in the UK, which had been running for 44 years, has been closed by organiser RBI because of difficult market conditions. The UK's Construction Equipment Association (CEA) has been looking for ways to create a replacement UK showcase for its members. A new machine demonstration show called Plantworx will be held every two years and the first show is scheduled for mid-May 2013 near Coventry.

Hitachi Construction Machinery Europe (HCME) announced the opening of a new European parts

centre in Oosterhout in the south of the Netherlands in an effort to strengthen its after-sales programme.

Manitou and Terex Corp extended their aerial platform manufacturing cooperation with Terex now supplying three electric slab scissors to Manitou.

Wacker Neuson opened a used equipment centre in Gotha, Germany, that will sell equipment from its own rental fleet as well as traded-in models. Wacker Neuson also started work on a €65 million facility in Hörsching, Austria, to become the company's compact equipment facility.



ERA ACHIEVEMENTS 2011

Over the last four years the ERA has made great strides in promoting and defending the interests of the rental industry at European level. This has included but is not limited to the promotion of rental as a solution cost saving and sustainability concerns, the defence of the industry at European level through contacts with other European associations and the European Commission, the preparation, in association with IHS

Global Insight, of statistics of relevance to the European Rental Sector, the publication of guidance on the production of safety instructions and the production of a framework for general rental conditions which can be used by rental companies and associations for their own rental conditions.

In addition to this, ERA has been playing an important role in the international rental landscape. ERA is one of the members of the Global Rental Alliance, a partnership of seven rental associations whose aim is to increase the profile of equipment rental worldwide and to build global understanding of the industry. The ERA has also been helping foster the development of new rental associations, with the emergence of rental associations in new markets.

Over the last year, the ERA has substantially expanded on these achievements. On the following pages you will find a detailed account of the activities of the ERA's various committees as well as a catalogue of ERA's achievements to date.



PROMOTING THE RENTAL CONCEPT

SOCIAL MEDIA

The role of the ERA's Committee on Promotion is to promote the rental concept in terms that are consistent across Europe to support the development of the industry in both mature and developing markets.

The Committee is currently helping exchanges between rental companies to develop on the use of social media as a marketing tool for our industry. Presentations on the experiences of leading companies have taken place at the ERA Convention 2011. The Committee will further gather case studies from volunteer companies to share them with the entire industry.

PROMOTING THE RENTAL CONCEPT IN CENTRAL AND EASTERN EUROPE

The Promotion Committee believes that the ERA can contribute to promoting the rental concept in Central and Eastern Europe, where the industry is still in a developing stage and where there are only few national rental associations able to connect directly with local contractors. A working group has been set-up to reflect on the best ways to communicate to contractors in this particular area.

THE "DISCOVER RENTAL GUIDE"



Right in line with this mission, the Committee published in 2011 the English version of the "Discover Rental Guide", which is aimed at explaining to any audience not knowledgeable about construction equipment rental what our industry is about and what solutions it can bring to its customers.

The guide focuses on:

- > The cost benefits of rental
- > The operations benefits of rental
- > The typical range of equipment available for rent from ERA Members

- > Advice on how to choose a rental company
- > Sustainability in the rental industry
- > General facts and figures about rental in Europe

The Guide has been presented at the ERA's convention 2011 and is now distributed in a number of countries through national rental associations. Other language versions of the guide (French, German and Spanish) are currently under preparation and should be published progressively until the end of 2011. The guide is available for download on the ERA's website.

STATISTICS

ACTIVITIES

- > Commissioning original market research with our partner IHS Global Insight

The overall aim of the Statistics Committee is “to improve market intelligence in the European equipment rental market.” Before this committee started its work 4 years ago, there simply was no overall European study which looked at market value, growth and trends in our markets, using standardised definitions and measurements across countries. So the working group embarked on the ambitious task of putting that right.

The committee is closely involved in issues of scope, definition, methodology and format of outputs at every step of the way with the research company. After a groundbreaking European Equipment Rental Market Report 2008, the committee has worked again with a wider membership of the ERA to expand the scope, refine the methodology and improve the presentation of the report that followed, the 2009 report, and the next report, the 2011 report, aims to build further on this.

- > Partnership with IRN on the Rental Tracker
- > Collaborating with Global Rental Alliance

OUTPUTS

1. INTERIM MARKET REPORT:

Overall value and growth trends in European rental market >> More details about 2010 growth estimates in main markets, 2011 growth forecast and Capex trends can be found in the presentation made at the convention and which is posted on the ERA website at www.erarental.org.

2. THE EUROPEAN EQUIPMENT RENTAL REPORT 2011:

There were several changes made in the preparation of the report, some of them to further improve the data that we will be releasing for a better and more usable report:

- > Change in timing: Autumn 2011 release instead of Spring 2011:
This will allow the inclusion in the report of a full year of additional data from official statistics.
- > Expanded geographical scope: Poland in 2011 (Russia and Turkey in a the near future)
- > Improvement in methodology: Access to the European AMADEUS database which will allow consistency checking with official data and figures from associations
- > Further improvement in presentation

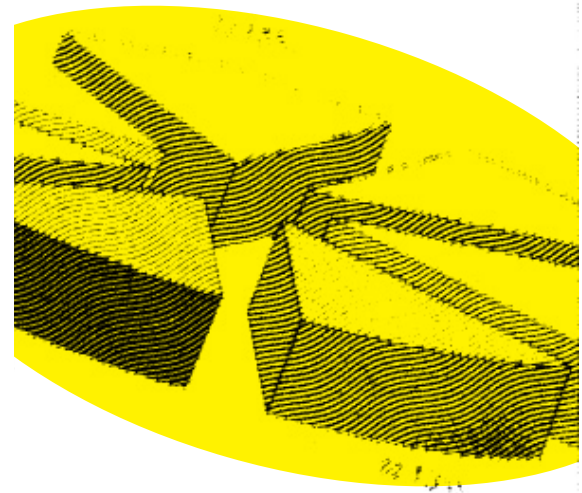
A Long term objective is to establish and develop a working relationship with a representative panel of companies → more reliable and comprehensive method of collecting primary data.

3. ERA / IRN Rental Tracker:

The Rental Tracker has run now for 9 quarters, since Q2 2009, allowing useful comparisons over time. Thanks to the delivery of the survey in different national languages, participation is improving again after a drop in 2010 surveys. Q1 2011 had 180 respondents and Q2 2011 had more than 200 respondents, back to the levels of the first surveys (200+ respondents).

4. GLOBAL RENTAL ALLIANCE SURVEY

The Alliance members including rental associations from North America, Europe and Australia discussed collaborating on member survey questions for the purpose of benchmarking. The group is striving to determine common criteria for questions to be incorporated into the survey. If the right questions were asked, global comparisons could be drawn, and prove beneficial to the Alliance and the respective associations.



GENERAL RENTAL CONDITIONS FOR THE RENTAL INDUSTRY

The mission of the General Rental Conditions 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 Europe on a voluntary basis. Three major steps have been accomplished so far:

1. Initially, the committee focused on Business to Business, preparing and delivering by 2009 and in several languages a checklist for operational terms and conditions and a framework for General Rental Conditions.
2. The committee then worked on rental conditions to consumers. Preliminary work consisted of gathering information from various associations' conditions. After a comparison of these conditions, the working group collated the clauses, while ensuring relevance & compliance with EU law, and drafted a framework for Business to Consumer terms & conditions to be made available to the industry.

3. CWA for a Framework for Consumer Rental Conditions:

Basis for the project:

As a formally recognized European Standards Organization (ESO), CEN prepares standards and other consensus documents to facilitate economic activity in Europe. At the same time, ERA wished to see public consensus on the endorsement of a Framework for Consumer Rental Conditions by a recognised European Standardization Organization, and CEN Workshop Agreement (CWA) was seen as a convenient and rapid way to secure this goal.

Formal Criteria of the CWA:

One objective is to improve the contractual relations between professionals and consumers (B2B relations are excluded from the scope of this project). Another objective is that this document can be used, by associations as well as by rental companies as a reference point for developing their own standard terms and conditions for the rental of equipment to consumer customers within their own and in other European countries. The scope of the project is to cover the standard terms and conditions for rental equipment supplied without an operator. This framework is not deemed to be used as a model contract.

Methodology:

The ERA has been chairing the working group of interested stakeholders involved in drafting the CWA. The Secretariat of the working group was managed by the French standardization body AFNOR and the kick-off meeting for the drafting of the CWA took place in June 2010 in Brussels. Upon completion of the project in Q2, 2011, the copyrights and distribution rights of this CWA are shared between the CEN and the ERA. Only the English version of the document has been officially released so far, however translations in French, German, Spanish, Italian and Dutch have been prepared and will be released by CEN in Q4, 2011.

HEALTH AND SAFETY SUSTAINABILITY

BROCHURE ON EU ISSUES OF RELEVANCE TO THE RENTAL INDUSTRY

The Committee is preparing a short brochure listing the main EU legislation and standards applying to the rental industry. In a few pages, this overview will provide ERA members with the list of European legislation they need to be aware of in their operations. The brochure – to be published for the end of 2011 – will complement the more comprehensive factsheets developed by the ERA on a number of specific pieces of legislation.

In September 2010, the ERA's Committees on EU Affairs and Sustainability were merged into a new joint Committee on Safety and Sustainability. This new Committee has built on the work of its predecessors and launched a number of new projects which are under progress.

BEST PRACTICE GUIDANCE ON SAFETY

The Committee is currently working at a best practice guidance on safety. The aim of the document is to provide for a catalogue of safety guides, leaflets and information publicly available from national rental associations, to allow other national rental associations or ERA members to take full advantage of these resources.

CARBON FOOTPRINT

Increasingly, customers involved in major infrastructure projects request rental companies to provide information on their carbon footprint, which is heavily dependent on the information provided by equipment manufacturers. However, not all manufacturers are able to provide such information. The Committee has therefore started to engage with equipment manufacturers to see whether a cooperation on this matter is possible.

GREEN RENTAL

The Committee is looking at complementing the brochure “Sustainability in the Rental industry” produced in 2010 with new information in order to help rental companies interested in doing so in becoming more sustainable. The document will again provide examples of what some leading companies are doing in order to serve as inspiration for others.

GREEN PROCUREMENT

The European Commission has for several years been issuing guidelines to all public authorities in Europe on “greening” public procurement. A whole set of recommendations and guidelines is now in place to require public authorities to consider the environment in their purchasing policies. In 2011, the ERA has responded to a consultation launched by the European Commission on this matter, stating that rental should be better considered as a valid option for public authorities for answering their needs for construction equipment. The Safety and Sustainability Committee is currently also working on a leaflet on the possible contribution of rental to green procurement policies, aimed at complementing the Discover Rental Guide published by the Promotion Committee. Both documents will then be available for use by rental companies and national rental associations when engaging with local authorities on public procurement.



EQUIPMENT TECHNOLOGY AND THEFT

The Equipment Technology and Theft Committee was created in October 2010. It operates so far in two working groups, one dedicated to equipment technology and composed of purchase managers of rental companies and representatives of equipment manufacturers, and one dedicated to equipment theft, which continues the work of the ERA's former Committee on Equipment Theft.

EQUIPMENT TECHNOLOGY

The working group on equipment technology is currently focusing on equipment design and operations and maintenance.

As regards to equipment design, the Committee is currently gathering a wish list of issues that rental companies would like to review with equipment manufacturers in order to facilitate their processes. This wish list is then to be discussed with the representatives of equipment manufacturers to see whether some of the demands of rental companies can be answered collectively by manufacturers. Such a process will however take time as it will also require the involvement of technical experts on both sides.

As for operations and maintenance, the working group is currently aiming at finding a common understanding of the concept of "total cost of ownership" of construction equipment. Models used in companies differ from one another and the working group is trying to find a way to bring these models together in order to propose common definitions to the industry, thereby allowing the rental companies and equipment manufacturers to engage in better and more productive discussions.

EQUIPMENT THEFT

The working group on equipment theft has throughout 2010 and 2011 been liaising with equipment manufacturers (CECE), construction contractors (FIEC), leasing companies (Leaseurope) and equipment distributors (ECED) on equipment theft. These stakeholders have engaged into discussions with the European Commission on this issue, providing all the information they could gather from their respective membership, to allow officials to get an understanding of the issue. This work, combined with the efforts at national level of local organization, have managed to raise attention to construction equipment theft, which is now a matter discussed regularly among Home Affairs and Police official meetings in Brussels. The ERA will continue its lobbying activities together with its partner organizations on this matter to seek concrete action to be taken by European authorities.

Next to these lobbying activities, the Committee is also working at create a web-based resource centre on equipment theft, containing training and advice documentation available to fight equipment theft, as well as information on national anti-theft schemes.



CATALOGUE OF ACHIEVEMENTS AND DELIVERABLES

1. PROMOTION OF RENTAL

• LAUNCH OF ERA WEBSITE

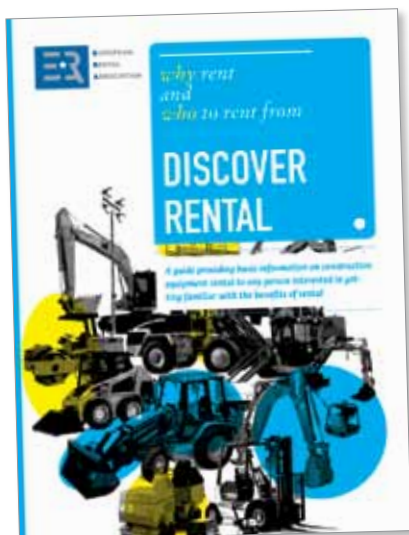
as a central focal point with information on the rental industry in Europe collected from various sources.

• CONCEPT AND LAUNCH OF INTERNATIONAL RENTAL EXHIBITION

co-organised by the ERA and International Rental News. First edition in 2008, next edition taking place in June 2011.

• PARTICIPATION TO TRADESHOWS

to promote the rental concept (BAUMA, Intermat, Maszbud, Samoter, Executive Hire Show...) and speeches delivered regularly to conferences on construction equipment or at meetings of national rental associations.



• PUBLICATION OF 2 NEWSLETTERS:

the web-based Rental Weekly on rental industry news and the e-mailed Association news (Every 2-3 months) destined to members only.

• CONCEPT AND LAUNCH OF 3 EDITIONS OF THE EUROPEAN RENTAL AWARDS

in partnership with *International Rental News*. The next edition taking place in June 2011.

• DEVELOPMENT OF THE "RENT VS. BUY CALCULATOR"

available on our website and used by several major rental companies on their own websites.

• PUBLICATION OF ANNUAL REPORTS

• DEVELOPMENT OF PROMOTION TOOLS

for the use by ERA Members, such as "Good Reasons to Rent" posters and a "Discover Rental Guide".

• SUPPORT TO THE CREATION OF NATIONAL RENTAL ASSOCIATIONS IN SEVERAL COUNTRIES

2. STATISTICS

• PUBLICATION OF "BEST ESTIMATES"

on the rental industry with knowledge derived from various industry experts.

• PUBLICATION OF EUROPEAN EQUIPMENT RENTAL INDUSTRY REPORT

Europe-wide statistics on the rental industry.

• LAUNCH OF THE QUARTERLY "RENTAL CONFIDENCE TRACKER"

surveying business sentiments and trying to identify trends in the rental industry.



3. EU AFFAIRS

- ESTABLISHMENT OF RELATIONS WITH EUROPEAN COMMISSION OFFICIALS,

European trade federations in the construction industry (FIEC, ECED, CECE), and with other bodies (CEN).

- ADOPTION OF “IN-SERVICE INSPECTION OF WORK EQUIPMENT BEST PRACTICE STATEMENT”

- OPERATOR’S LICENSES AND TRAINING:

Contacts with other European trade federations on the issue to support mutual recognition between member states in the long term.

- CROSS-BORDER TRANSPORTATION OF EQUIPMENT:

Report, Meetings and letters to the European Commission on the issue to attract its attention.

- INPUT INTO THE EUROPEAN COMMISSION’S GUIDE

on the Machinery Directive to reduce the impact of this legislation on rental companies.

- PRODUCTION OF GUIDELINES FOR DRAFTING SAFETY INSTRUCTIONS/ LEAFLETS

- PRODUCTION OF BEST PRACTICES GUIDANCE

ongoing

4. SUSTAINABILITY

- PRODUCTION OF A GUIDE “SUSTAINABILITY IN THE RENTAL INDUSTRY”

to support rental companies implementing CSR policies including factsheets which will illustrate some issues mentioned in the guide with concrete examples of achievements / actions taken by rental companies and the benefits delivered.

5. GENERAL RENTAL CONDITIONS

- PRODUCTION OF A FRAMEWORK FOR GENERAL RENTAL CONDITIONS FOR B2B

available in English, Italian, German, French and Spanish.

- DEVELOPMENT OF A CEN WORKSHOP AGREEMENT

on General Rental Conditions for B2C with shared copyrights and shared distribution rights with the national members of CEN.

6. EQUIPMENT TECHNOLOGY

- WORKING GROUP STARTED IN NOVEMBER 2010:

Two subgroups working on Operations and Maintenance (total cost of ownership, effective maintenance and spare parts management to allow rental companies and equipment manufacturers to engage in better and more productive discussions) and Equipment Design (built-in security and maintenance devices, customization of offering for rental companies gathering a wish list of issues that rental companies would like to review with equipment manufacturers in order to facilitate their processes)."

ongoing

7. EQUIPMENT THEFT

- PRODUCTION OF THE ERA GUIDE FOR THEFT PREVENTION:

guidance document on best practices and on existing anti-theft devices and systems for use by national rental associations and by rental companies.





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ERA CONVENTION 2011

The sixth ERA Convention, which again took place alongside the International Rental Exhibition, was held on 7-9 June 2011 in Amsterdam. The theme of the convention was "Growth Again" and in his welcoming address, *Gérard Déprez*, ERA President, said that the industry was now seeing a new expansion after the financial crisis and that the convention featured a number of roundtables for rental companies to gain an insight into various topics. In addition, following the financial crisis, there was a need for rental companies to review the opinions and options that they held in the past. New technologies in the form of tablet computing will also necessitate a change in the way Rental Companies operate.

As noted by *Gérard Déprez*, the worst of the crisis was now behind the rental industry. The cuts in capital expenditure have ended and working hours are once again on the rise. The industry will now have to face an investment wall and need to reassess the bad habits developed before the crash and a new approach to profitability will have to be taken by the rental industry.

In addition to the roundtables and committee reports at the convention, a special roundtable involving CEOs of Rental Companies and Manufacturers was held to review the lessons learned and changes to the market caused by the financial crisis. Other sessions were held on trends in both the European and American rental markets, as well as an update on the construction market and a review of the new Leasing Accounting Standards. On the following pages you will receive a detailed summary of each of the sessions.

Gérard Déprez, President



A. KEYNOTE ADDRESSES

CONSTRUCTION UPDATE

Presenter Eduardo Rodriguez Priego, IHS Global

Eduardo Rodriguez Priego, EMEA Director of IHS Global Insight Construction and Manufacturing Industries Consulting Services, gave an update on the construction industry. The road to recovery has been lengthy with different lengths in different countries. It is expected that growth will be experienced in the world at large particularly in Asia, and although growth in Europe is expected, this will not be homogenous across all countries. Construction is only rebounding with such strength due to how drastic the fall was. The Nordic countries will experience stable growth in both residential and non-residential, which will be particularly strong in Finland because of big investment projects and the construction of nuclear power plants there. The UK in particular will experience a strong rebound in residential outpacing the rest of Western Europe but will suffer in post Olympics investment in infrastructure, while austerity

measures will continue to affect it in peripheral countries. Non-residential growth in Europe will be along normal lines.

In Eastern Europe all countries are expected to follow similar patterns in residential, non-residential and infrastructure spending, with Ukraine and Russia leading the way with strong growth in infrastructure and non-residential sectors. Northern Europe is expected to have the highest growth rates and generally both new construction and renovation are equal in terms of contribution to growth in Western Europe, but new construction will grow three times faster in Eastern Europe than renovation. Bulgaria has reduced risk of doing business there in recent years but Russia remains risky due to levels of corruption which has not decreased as expected despite high growth expectations, with Poland and Czech Republic

ranking high in the region. Growth in Poland will be largely due to structural funds coming from the EU. In relation to Spain, challenges remain due to problems with banks and continued high prices in the market. Hungary is largely an exception to the growth forecast and will lag behind the rest of Europe.



CONTRACTOR VISION OF THE RENTAL MARKET

Presenter Mats Paulsson, CEO of Bravida



Mats Paulsson said Bravida is using more rental equipment than in the past and is moving more towards energy efficiency of buildings. Five years ago everything in the rental market

was about price but since there has been a change. Rental represents a considerable part of project costs and many large projects have resulted in long run cooperation where the question is no longer in terms of price alone. Without experience with individual

rental companies, contractors need to rely on trust. Speed of the service is essential and with breakdown there needs to be a response ASAP for either repair or replacement which can really help customers be efficient. Focus of last few years has been on health and safety, for example Bravida have banned the use of ladders due to the number of people who were out because of accident and there is a need to be aware of new rental products. Pooling is a practical solution which allows rental customers to pay for actual usage and have access on short notice. The contractor will be willing to pay a premium for these services in long term contracts.

LEASING ACCOUNTING STANDARDS

Presenter Jeff Eisenberg, Rival



Jeff Eisenberg presented proposed changes to International Financial Reporting Standards about the way leases should be treated in accounts. Finance leases did not exactly match the

life of equipment so operating leases were used to try to lower the level of debt shown on the balance sheet. A change was pushed for led primarily by banks to create a new asset, the "right to use", along with a lease liability on the balance sheet. This will cover equipment under operating lease and will result in a change in

the debt to equity ratio. However, no large change in accounts is expected as these details were already given in the notes to the accounts. These calculations have already been done by banks when credit is sought by rental companies. The biggest surprise is with non-core assets now appearing on the balance sheet. The proposed standard is still being consulted on but it is likely to go through and national accounting standards may follow along with banks demands to use this new accounting standard. Current discussion is on how easy it is to cancel a contract. Lessee and lessor accounts may differ depending on their perception of how easy it is to cancel the contract and whether the rental contract is considered as a lease or a service.

TRENDS IN THE US RENTAL INDUSTRY

Presenter Chris Wehrman, American Rental Association

Chris Wehrman, CEO of the American Rental Association, said that the rental industry in the US is through the trough of the recession with national companies having had to cut overheads and to age fleets. A study of the market by IHS Global Insight into the economy at large has shown that the increase in oil prices has contributed to the disruption in the market and although national companies are flush with cash they are still withholding it.

Non-residential construction, state and local government purchases will continue to decline into 2012. For rental, 2007 was the height of the market and current predictions show that 2015 could exceed

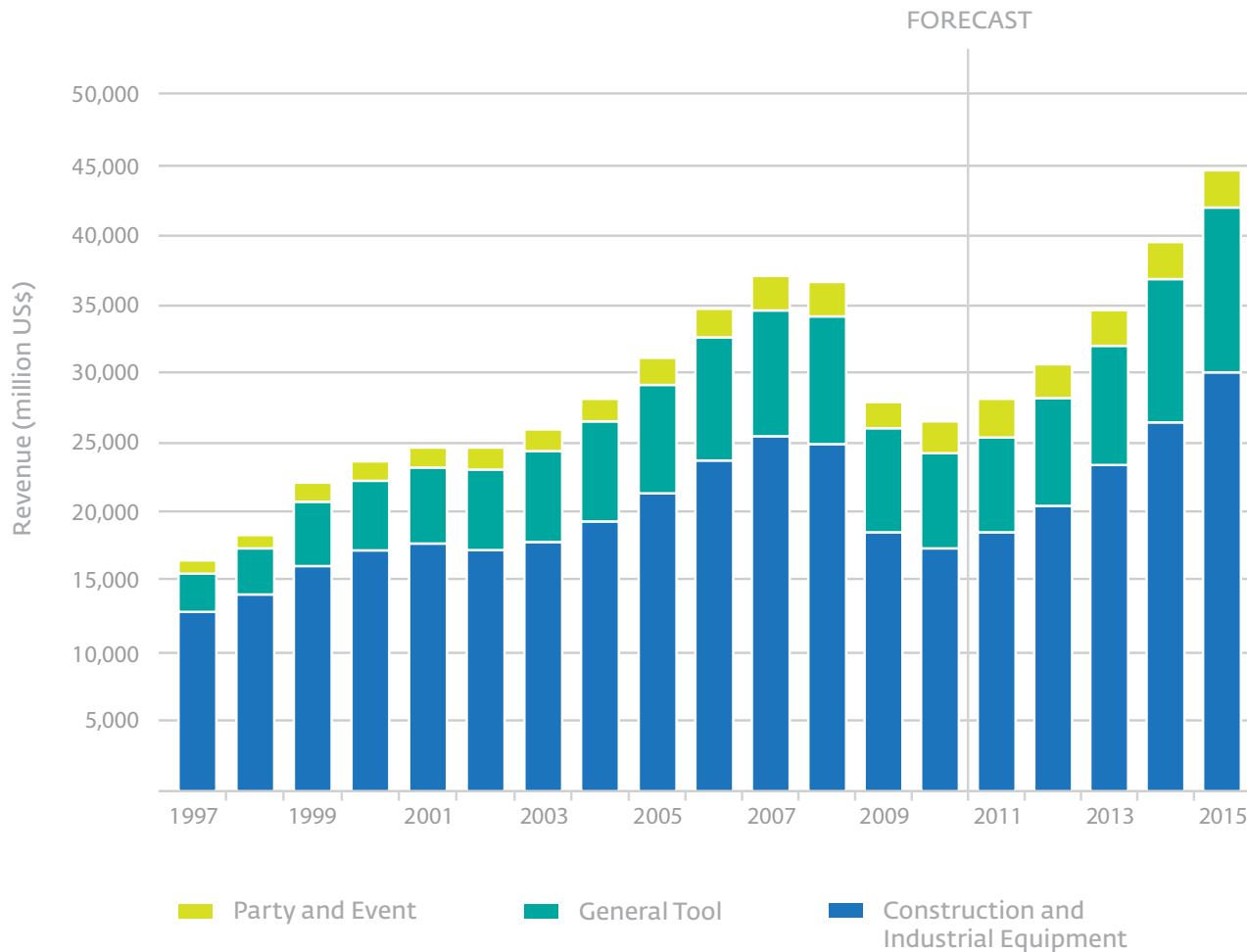
even these levels. Although such predictions are complex and probably optimistic at this stage, it shows a move towards more rental.

On rental trends in the US, industrial rental is showing a growth both in terms of rental revenue and profit and is described as an excellent area for growth as it experiences fewer peaks and troughs. There has also been an increase in capital expenditure to improve penetration and to deal with the fleet age, and across the board there has been an increase in spending. Rates are beginning to firm and increased penetration and utilization will create an environment for rate stabilisation and improvement.



ON RENTAL TRENDS IN THE US, INDUSTRIAL RENTAL IS SHOWING A GROWTH BOTH IN TERMS OF RENTAL REVENUE AND PROFIT

TOTAL US EQUIPMENT RENTAL REVENUE



Strategic acquisitions are still taking place in the market and the industry has seen an increase in the use of technology including business management software, GPS and sophisticated fleet management systems. Web applications aimed at customers have also emerged such as the ability to manage your own account and order equipment.

Recovery in the economy is progressing slowly but the rental industry is recovering at a higher pace. Public policy decisions will help grow the industry further but this depends heavily on who will be the next US President.

TRENDS IN THE EUROPEAN RENTAL INDUSTRY

Presenter Murray Pollock, International Rental News

Murray Pollock of International Rental News provided an overview of the European Rental market. There are vast differences between countries, with a return of confidence in the Nordic region, France and Germany and with doubt remaining in Spain, Italy and Ireland. A modest growth in investment is expected in 2011 with spending expectations higher where there is more optimism about the market, but with an increase expected in most countries for 2012. Growth is still expected for the rental industry especially if construction companies do not purchase new machinery.

The crisis has also resulted in a number of changes in the market with companies undergoing rapid

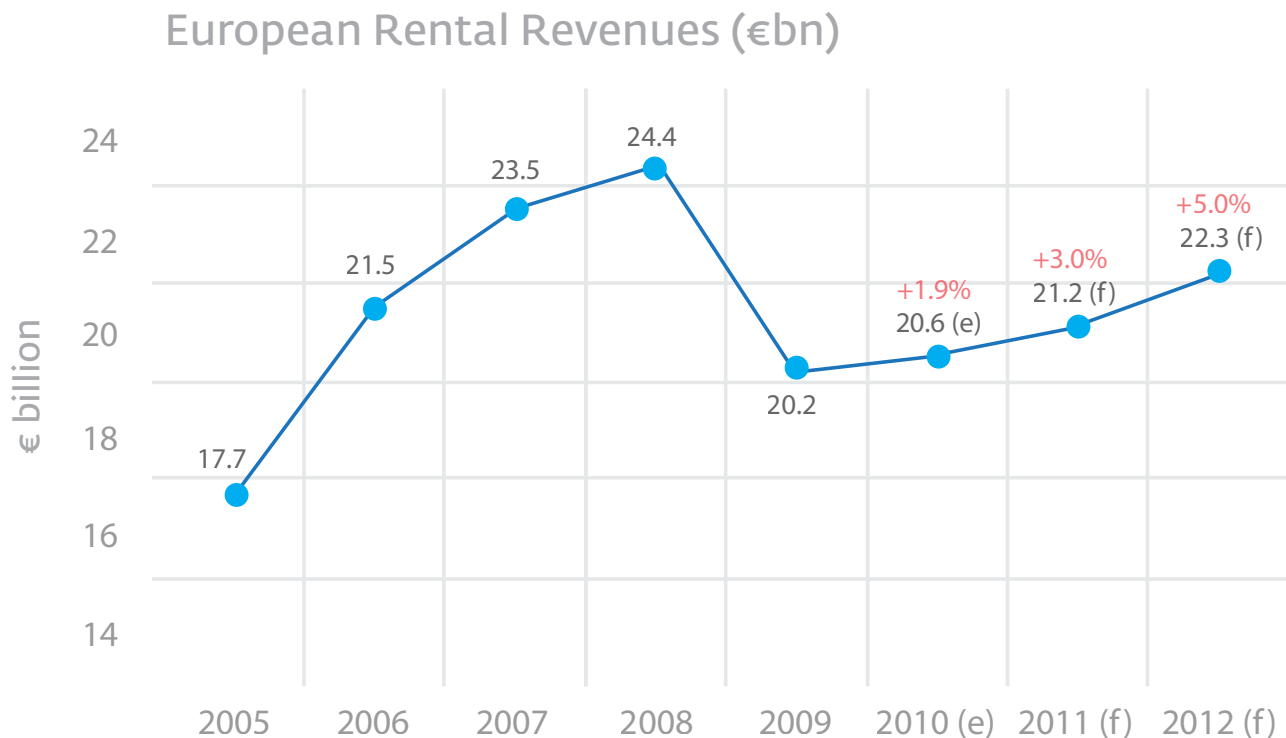
restructuring and the adoption by some companies of the “thrifty” rental model. There has also been an increased focus on the benefits of outsourcing and renters have become more creative in generating demand.

The crisis has also confronted some of the core decisions of rental companies. A number of strategy/operating models have emerged with smaller or different depot networks (hub and spoke) and an increased focus on long term contracts. Other channels to the market have also opened up and a divide has emerged between northern and southern Europe on the use of online services.



**CUSTOMERS ARE ASKING
FOR MORE FROM RENTAL
COMPANIES IN TERMS OF
TECHNOLOGY USE**

RETURN TO GROWTH (SLOWLY)



On trends in the market, acquisitions are starting again and a number of acquisitions can be expected over the coming months. Customers are asking for more from rental companies in terms of technology use, pricing systems to take into account off-hire and to make better use of smart phones for generating asset tracking statistics, increasing efficiency and lowering costs. Rental is also well placed to deal with companies' sustainability requirements which have grown in importance, particularly following the

change in attitudes in bigger companies, as rental can be used to meet their objectives with cleaner, safer and more efficient equipment.

On the future, the less mature rental market for aerial platforms in Europe offers potential in terms of growth for the industry and there will be a likely convergence of the various European rental models. The experience in the US also indicates that many of the specialised rental companies will be acquired.

B. ROUNDTABLES

MANUFACTURERS FACING RECOVERY

How equipment manufacturers face their challenges and does this impact on the purchasing strategies of the rental companies?

Speaker	Lorenz Kleist, IHS Global
Panelists	Gérard Déprez, Loxam Michael Kneeland, United Rentals Pierre Boels, Boels Verhuur Martin Holmgren, Cramo Jean-Christophe Giroux, Manitou Alexandre Saubot, Haulotte Anders Barreng, Volvo Europe Alan Blake, JCB
Moderator	Murray Pollock, International Rental News

Lorenz Kleist presented the results of a survey conducted with executives from large rental companies and equipment manufacturers on what the financial crisis and the recovery meant to manufacturers and said that the crisis had resulted in a contraction of business in Europe and a shift in production to BRICS, as well as a hit to distribution channels. Challenges remain in the supply chain, from regulation and the share of the global market. The full presentation is available on the ERA website.

In the subsequent discussion which ranged from the relationship between manufacturers and rental

companies to the need for better predictability in the market, panellists agreed that the crisis had badly impacted the equipment industry resulting in strong defleeting at rental companies and severe cuts in levels of production for manufacturers.

Gérard Déprez said that it was clear that both manufacturers and rental companies tried to develop emerging markets during the crisis and it was yet to be seen if there was an interest from manufacturers in reinvesting in Europe. Alan Blake, however, said that the European market remained "number one" for JCB, a sentiment shared by other manufacturers.

Alan Blake said the main difference in the product mix between BRICS and Europe was due to emissions regulations but *Anders Barreng* said that these will harmonise as has already happened in other sectors.

On a changing relationship between rental companies and manufacturers, *Pierre Boels* said that there was a need to keep long relationships with suppliers. *Jean-Christoph Giroux* said the culture has changed between manufacturers and rental companies and has seen a blurring of lines between the dealer and the rental company. *Mr Kneeland* said United Rentals had changed tactics from being aggressive with manufacturers to seeing the scenario as more of a partnership.

Martin Holmgren said that there was a lot of reinvestment in capital expenditure but that it was

still not at 2007/2008 levels. *Michael Kneeland* said that capital expenditure is up but that purchases never fell to zero as this would have resulted in a loss of some manufacturers.

In relation to the ability to predict the next crisis, *Anders Barreng* said that a crisis will return and *Alexandre Saubot* agreed with him that a crisis in China would likely impact on Europe.

On the question that some manufacturers are dabbling in rental, *Alan Blake* said that the strategy is not to enter the rental business as the rental industry is their customers. *Michael Kneeland* said that many manufacturers have tried to enter the rental market but have since left.



SCAFFOLDING

Regulations and products development – Rental by superficie versus Rental by weight and differences in expertise and processes

Panelists **Mika Pynttäre, Ramirent Finland**
Cameron Reid, Harsco Infrastructure

Moderator **Gerry Cooper, National Access and Scaffolding Confederation – UK**

Cameron Reid, Harsco Infrastructure

The key role of the access industry is to provide safe and secure products, solutions and structures to the market as every year around 1 300 workers are killed within the construction industry in the European Union.

With regard to regulations, no common standards exist in the EU, the industry is not as universal as it should be and the regulations should be standardized in Europe.

Training is also an issue: In some countries, like UK, it takes 5 years to receive an advanced qualification while in other countries scaffolding services can be delivered after only 1 day's training.

Rental by Area (m²) is normally used for indicative estimating while rental by weight is an Asian pricing method which is based 100% on the steel product. Both methods should be used with caution. Rental by area is difficult because of the mix of products/ types of equipment used in access solutions and because of the variation contracts (entry price vs. exit price).

Rental by weight is almost impossible due to the increase of labour and failure costs. This method is sometimes used when working on the calculation of over-run hire and for calculating transport quantities and costs.

Mika Pynttäre, Ramirent

Different invoicing methods are used for the rental of scaffolding material. The rental fee can be based on the purchase value of the item or on the average rental fee of the scaffolding delivery. However, invoicing is most typically done in metric units (m², m³, kg/tons), although invoicing by weight seldom occurs. Rental companies prefer a simple invoicing method (€/unit) for cost saving reasons while clients prefer a system without any commitment to the list of materials.

Differences exist between industrial and construction scaffolding projects. Industrial projects demand more pre-planning (more site visits, more careful risk assessment, more human resource planning) and design than construction ones. Therefore, a plan B is often needed to absorb possible changes. Each EU country has its own regulation and training methods and there is no European norm. The role and importance of safety will keep growing.

The future of the scaffolding rental business will undergo some changes. Rental companies will provide more enhanced and versatile services, such as giving instructions for the combined use of scaffolding, mast climbing platforms and other types of temporary platforms. Site workers will be multi-skilled and will be responsible for assembling scaffolding, mast climbers and other machinery.

IT / SOFTWARE INTEGRATION

How new technologies impact processes in the rental industry

Speakers **Derek Robson, Result Group**
 Edwin Wijers, Boels
 Fiona Perrin, HSS

Moderator **Gian Luca Benci, Assodimi**



Derek Robson, Result Group

The internet has delivered power to customers who are able to compare rental products more than in the past. With new technologies there is a need to change with companies like Apple and Google making technology user friendly. RFID has helped with verifying health and safety claims and telematics have been used to see actual hours used and monitor machines which are stolen. Smart devices have also been used to improve services offered to customers. New technologies will continue to impact the rental industry such as cloud computing which lower start-up costs e-commerce and which allows customers to easily make orders online.

Edwin Wijers, Boels

Rental companies have relatively long lists of products and high profitability needs and in project works there are a number of additional costs. The core of Boels' IT structure uses inspHire and is supported by SAP only for financial as they do not have a good background in rental. There are a number of challenges and chances from IT including mobile working and always being connected, supply chain management and regulatory differences

between different countries. Boels try to minimise the exchange of data for security reasons. There is a need to find out how to make more money from these industries and to use their flexibility. There are great possibilities to use common documents for exchanging information but the right balance needs to be found in sharing data.

Fiona Perrin, HSS

HSS have addressed customers concerns about a lack of transparency in rental, delay in off-hire, inflated costs and too much paperwork with the development of LiveHire, an extranet with an integrated hire service. LiveHire was a big investment for HSS and the aim was to have an "Amazon" for tool hire. The layout of the page is meant to be intuitive for customers and it is completely integrated with HSS' operating systems. LiveHire gives customers access to the full HSS product catalogue and gives control over hire and off-hire online. Customers have access to web-based financial management and can easily access and control their hires. LiveHire is still developing to accommodate for mobile apps and link with vehicle tracking systems, times of arrival, and online proof of delivery and digital signatures.

NATIONAL RENTAL ASSOCIATIONS

How new technologies impact processes in the rental industry

Speakers	Kevin McGuiness, Hire Association Europe (UK)
	Stefan Ponea, Romanian Rental Association
	Durval Gasparetti, ALEC (Brazil)
	Yoshitoshi Kadoguchi, Japanese Rental and Leasing Association
Moderator	Michel Petitjean, ERA

HIRE ASSOCIATION EUROPE

Kevin Mc Guinness, President of the HAE, presented the deep changes the association has undergone over the past four years. This included a review of the association's structure, objectives, direction and brand. Moving from an association mostly focused on governmental relations, the HAE has been transformed into an organization dedicated to also help its members grow their business.

This includes:

- > Promoting exports and market opportunities
- > Providing training and education
- > Establishing standards for product and service quality
- > Encouraging innovation and technology transfer
- > Establishing commercial partnerships from which members can benefit (e.g. with insurance companies)
- > While also representing the sector's interest at all levels of the regulatory and legislative process



Examples of Safety Instructions produced by the HAE for their members
For more information, please visit: www.hae.org.uk

ROMANIAN RENTAL ASSOCIATION

Stefan Poneo presented the Romanian Rental Association, which was founded in 2009. The rental market in Romania is still in developing stages, having started up only 10 years ago. It is currently characterized by equipment oversupply and unsustainable pricing, which prevents fair competition. The Romanian Rental Association hopes to contribute to professionalizing the industry in the country, which lacks training capabilities for staff, but

reliable statistical data allowing business leaders to take informed decisions. Members of the RRA include rental companies, but also equipment manufacturers, banks, government agencies and representatives of major customers in order to develop a common understanding and tools of what is needed to help the rental industry develop further in the country.

For more information, please visit: www.rrarental.org

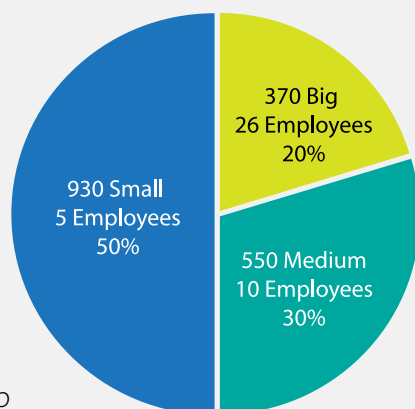
ALEC

ALEC, the Brazilian rental association, was established in 1992 with the objective to promote rental and provide training services for its member companies, which are active mostly in:

- > Construction
- > Mining
- > Industry
- > Events
- > Cleaning
- > Cargo Handling
- > Concrete cutting and drilling

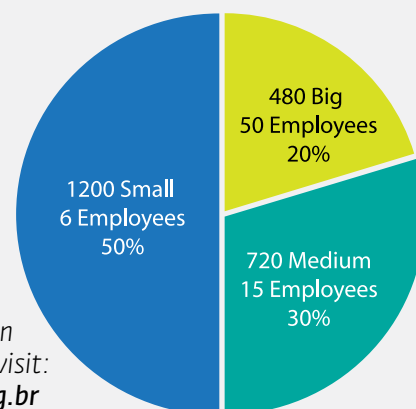
The construction industry in Brazil is growing faster than the country's GDP. Indeed, between 2007 and 2010, the Brazilian GDP grew by 18.5% while the GDP of the country's construction sector grew by 34.7%, benefiting also from major infrastructure or large industrial projects. This in turn influences construction equipment rental, which has grown dramatically over the past years, as shown in the table below, which provides some figures on the Brazilian rental market.

2008 Research:
1850 companies; Total employees 20.000



Source:
Florenzano
Marketing
2008 and 2010

2010 Research :
2400 companies; Total employees 42.000



For more
information on
ALEC, please visit:
www.alec.org.br

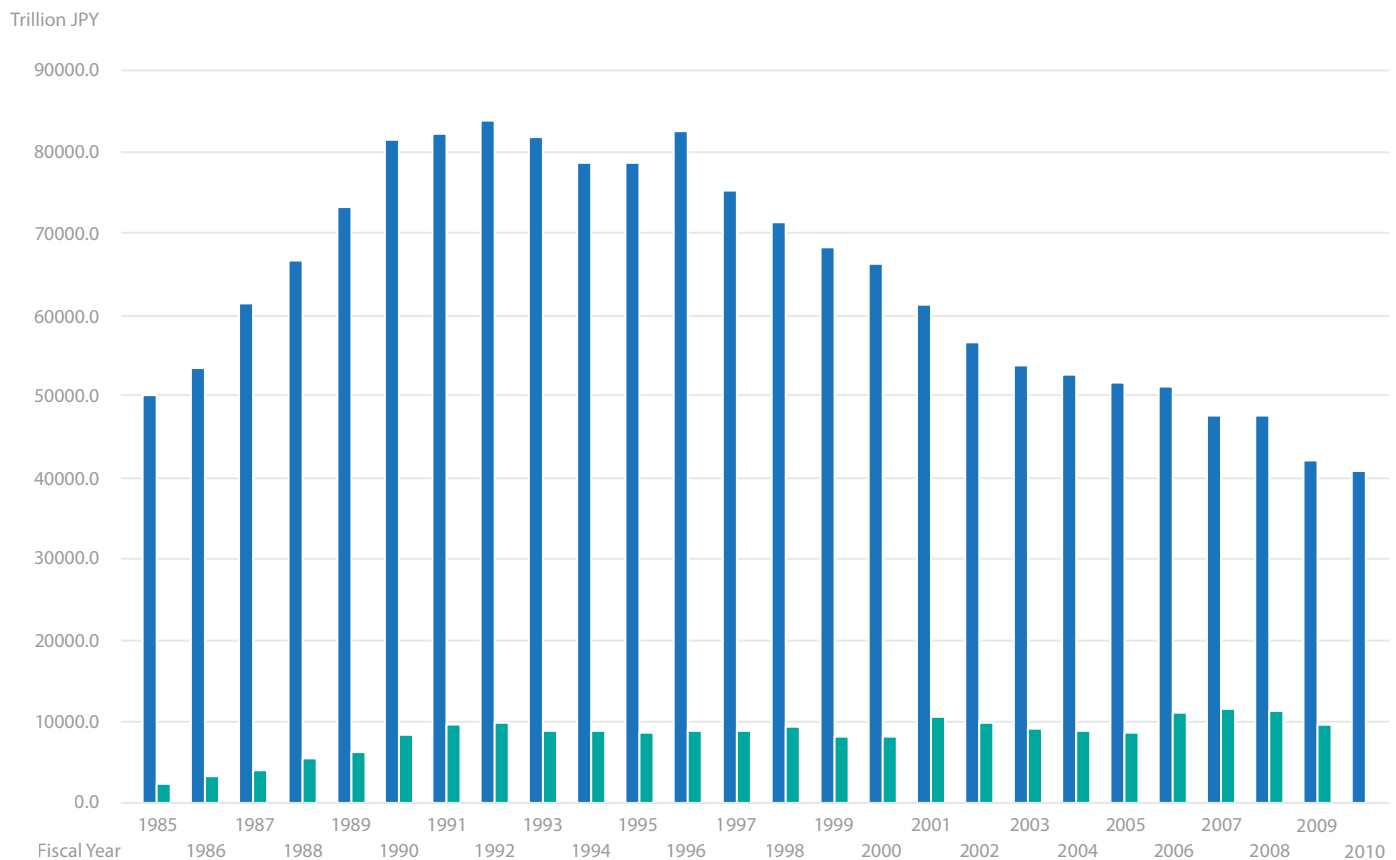
JAPAN

The Japanese Rental and Leasing Association gathers around 1,000 rental companies from across the country, which is around 70% of the total. With the long period of stagnation characterizing the Japanese economy since the early 90's, the turnover of the Japanese rental industry has remained very stable since 1991. However, as the construction industry turnover decreased by 50% between 1991 and 2010, this means that in fact rental penetration in the Japanese

construction industry has increased strongly during the period, not least due to aggressive competition on pricing, which has also had a negative impact on the profitability of rental companies.

Mr Kadoguchi also presented at the occasion of the convention how the country's rental industry has been responding rapidly to the call of authorities to provide construction equipment and vehicles to rescue citizen affected by the earthquake and tsunami of March 2011.

CONSTRUCTION INVESTMENT AND TURNOVER FOR RENTAL INDUSTRY IN JAPAN



FAMILY OWNED RENTAL COMPANIES

Strengths and Weaknesses of the family-owned rental companies

Specificities in commercial strategies and in financing

Are there more reactive and/or more profitable than the large companies

Presenters Marzia Giusto, Nacanco
Jaap Fluit, Bredenoord
Douglas Anderson, GAP Group

Moderator Michel Petitjean, ERA

Marzia Giusto, Nacanco

After recalling that, according to the Family Firm Institute, about 80-90% of active companies in the world are family-type companies, *Marzia* reviewed what the FFI see as the differences between Family owned companies and large companies in terms of organisation, personnel management, market control and financial aspects.

In the presentation *Marzia* gave of Nacanco, it looks like they are gaining strength primarily through the development of processes found at large companies like marketing and telemarketing performed by IT systems and organisational processes supporting customer service: "Looking at the "BIG" of the rental market and trying not to lose sight of the HUMAN FACTOR, characteristic of a family-owned company, Nacanco has undertaken a process of corporate growth".

Jaap Fluit, Bredenoord

Jan Bredenoord started the company in 1937 with a passion for technology and trademanship, meaning quality, flexibility and reliability and in the 40's, the company created the first biogas generator and has since constantly kept up with innovation, including windmills in the 70's.

Despite some weaknesses in marketing and a conservative financing attitude, the drive on technology and reliability provided the company with strong and safe development. Sustainability is also a component of this family owned business, looking generations ahead for innovative products such as purity, GTL and clear air soot filters.

Douglas Anderson, GAP group

Established in 1969 in Glasgow by *Gordon Anderson*, this 100% Family owned business reached 17% average year on year growth for over 20 years to become one of the largest rental operators in UK. The GAP Standard described as "Value for money, peace of mind and exceptional service" applied with consistency as the basis for the success of the company. Among the weaknesses identified by *Douglas Anderson* is raising capital, slower growth and fewer acquisitions, as well as succession issues.

Conclusion

These cases show that the success and the strength of the family owned rental companies can be found either in the excellence in processes, in technology and innovation or in service when some of their weaknesses lie in raising capital for growth or in personnel issues including management and succession.

EQUIPMENT END OF LIFE STRATEGIES

What are the options for equipment at the end of life and what about final disposal?

Presenters Dr. Georg Sick, Mecalac/CECE
Guylain Turgeon, Ritchie Bros.
Dale Asplund, United Rentals
David Downie, HSS

Moderator Michel Petitjean, ERA



Dr. Georg Sick, CECE

Equipment manufacturers have no specific regulations except some restrictions in the use of hazardous substances. The factors having a high impact in influencing end of life strategies are the number of parts and materials as well as the cycles for design, technology and repurchase.

CECE continuously promotes and stimulates "Life Cycle Thinking" within the Construction Equipment Industry and according to manufacturers, the end of life options are reuse, remanufacture, primary and secondary recycling, incineration and disposal.

Guylain Turgeon, Ritchie Brothers

The worldwide used equipment market including construction, transportation and agriculture represents around \$100 billion per year and is divided between private sale (37%), reseller/broker network (45%) and auction (18%).

The parameters to consider to maximise resale value are brand recognition, specification of asset, local regulation (emission and standard), accessibility (restriction on importation), ease to transfer property, local tax (limit your VAT exposure) and repairs versus residual value.

Dale Asplund, United Rentals

The company is managing its fleet with a life cycle approach and optimal ages for each equipment class based on revenue trends (2900 equipment classes with original cost of \$3.8 billion), repair data, time utilization, breakdown review and resale value.

United Rentals Utilizes OEM's for refurbishment and sales of used equipment are divided among auction, broker, retail and supplier/trade with great variations among each other from one year to another.

David Downie, HSS

The presentation concentrated mostly on product life extension through sound refurbishment policies. The company started the programme with powered access and found a potential to double the product life expectancy for less than 50% of the cost of purchasing brand new equipment.

According to the company the criteria for deciding when a product is right for refurbishment are utilisation, profitability, fitting customer's requirements now and in the future and the cost to refurbish versus buying new.

REVIEW OF FINANCING

Investment Analyst view of the industry in terms of financing structure and conditions and in terms of companies' valuations

Speakers Ari Järvinen, Danske Bank
Martti Ala-Härkönen, Cramo

Moderator Jeff Eisenberg, Riwal

Jeff Eisenberg, Riwal

The rental industry experienced an unprecedented situation with the downturn. Different discussions are going on with banks in 2011 than were in 2007 as priorities have changed from "get that sale" to relatively low risk financing. Some banks are now out of money and banks are now asking themselves the question if they were too exposed to the rental industry. Relationships with new banks have had to be made and it is unclear if the situation has reached the bottom yet but depends on which country is being talked about. Banks wounded in the recession may hesitate more now and want to move slower than companies do.

Martti Ala-Härkönen, Cramo

This presentation focused on the cost of capital as a value driver and company valuations. There are four values driving shareholder value, a company's competitive advantage, growth, cash flow and cost of capital which also appear in the discounted cash flow valuation model. A number of cost of capital factors pose challenges for valuations, including the company ownership structure (whether listed companies with

a wide range of sources of capital available versus privately held companies which are more constrained) and different accounting treatment and transparency (European listed companies following mainly IFRS versus privately held companies which typically give limited financial information). Ways of coping with these problems include looking for long trendlines in performance, spending enough time converting financials to common accounting standards and understanding off-balance sheet liabilities e.g. operating leases. In the previous high cycle 2006-2008, rental companies over invested over their financial capacity with the cure being achieving stability between supply and demand of rental equipment being more important than growth.

Ari Järvinen, Danske Bank

Danske Bank uses the ev/ebit ratio for rental companies which is easier to access than the ev/ebitda for each section of the company. If a company needs capex to grow the DCF will be very sensitive to this and a bank cannot rely on DCF alone as it will not give the results which are needed. Investors would like



more statistics on pricing and what type of equipment is being used and where. It will be interesting to see if the financial crisis will occur again because at the moment the market looks good with lots of potential investment but if financing is questioned it will be more volatile. Valuation levels now seem more realistic.

All three speakers then responded to questions from the audience. Ari Järvinen said that during the downturn it was clear that there was a lack of pricing discipline by rental companies. *Martti Ala-Härkönen* said that for pricing discipline there needed to be a balance between supply and demand. In a fragmented market it is harder to reach this balance.

SOCIAL NETWORKS

Presenters Patrick Rizzo, Loxam
Asif Latief, A-Plant
Moderator Michel Baumgartner, ERA



Patrick Rizzo (Loxam) and Asif Latief (A-Plant) shared their respective companies' experience in the field of social media at the convention. Both companies use similar well-known tools such as Facebook, Linked-In, Twitter and Youtube. Loxam has also launched an Iphone app directed towards their customers.

Both Loxam and A-Plant see social media as a tool to keep in contact mainly with their customers but also other interested parties (employees, potential employees, press, industry associations...). Although social media use by businesses first mainly developed for B2C relations, they are now also used for B2B relations, pushed by sheer numbers as 60% of 30-50 years old people now use social media in Europe.

Social media are used by both companies to maintain a relationship with their "followers" and communicate their latest news and best offers. Loxam however also uses Youtube to educate customers by posting films on new products, news services and information on how to use some pieces of equipment destined to the general

public. Social media work both ways: they are also a great way to collect feedback from customers on the company's services and offering. Which in turn allows the company to adapt where necessary.

Both presenters highlighted that – although access to social media is free of charge – any decision to present the company on social media networks should be carefully thought through as human resources are required on a daily basis to animate the social networks and produce the information to be relayed via these channels. They both insisted that social media should not be seen as merely another channel to distribute press releases, but should be used for dialogue with the community following the company. This requires time.

The roundtable agreed that social media is an area which rental companies will have to get more involved in with time. Building on the experience acquired by industry leaders, the ERA will in the coming year seek to provide examples and information of successful social media campaigns by rental companies.



Large Rental Company Of The Year (turnover > € 15 million)

WINNER >> HSS GROUP, UK



Over the past four or five years HSS has reinvented itself, shifting from a 500-depot company with a large high-street presence, to a rental business with a much smaller footprint and a strong focus on a professional customer base among industrial and commercial customers in sectors such as retail, aviation and facilities management. In 2010 that strategy has started to bear fruit. In a difficult year, the company managed to grow its revenues by 15% and its EBITDA profits by 33%. Key accounts now form an important part of its business, representing around 30% of sales and growing by 25% last year. The year saw HSS continue to develop technology that focuses on transparency. In 2009 it launched its LiveHire system, allowing customers to hire and off-hire equipment in real time, and in 2010 this system was expanded to provide customers with advance notice of estimated delivery times of equipment. The HSS commitment to safety was reinforced in 2010: it introduced a team of 'Safety Champions' to help drive health and safety awareness in every single location; the year saw a consistent reduction in accident rates; and it is SafeHire, ISO9001 and OHSAS18001 certified.



Large Rental Company Of The Year (turnover > € 15 million)



SHORTLISTED >> GAM, Spain

Spanish rental company GAM has responded to the downturn in its home market by diversifying its business away from construction and expanding internationally. In just four years it has established new rental operations in Eastern Europe, South America, Africa and Asia. This internationalisation strategy accelerated in 2009 and 2010, with openings in nine new countries over the two years. It now operates in 14 countries, with 30 depots and 400 staff working outside of Spain. These international operations will generate almost a third of all company revenues this year and will generate almost 40% of EBITDA profits. The judges included GAM in the shortlist in recognition of its bold approach to managing the crisis in its home market and because it serves as a model for how rental companies can respond to changes in market conditions. GAM is also now playing an important role in establishing equipment rental in many of its new international markets.



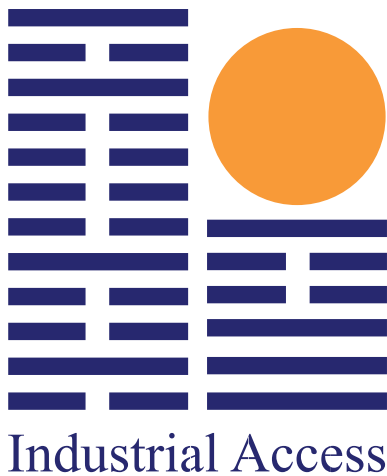
SHORTLISTED >> GAP Group, UK

In a year in which many rental companies were struggling, the UK's GAP Group punched above its weight in terms of fleet investment, established a new specialist Lifting equipment division, and retained its commitment to safety. Capital investment in 2010 was £21 million - more than many much larger rental companies - and included £2 million in a new Lifting Division. Having established a nationwide network for its tool and plant operation the company is now embarking on a plan to invest in specialist rental divisions, Lifting being the first. The company has also been financially prudent. In early 2009 it started to pay off debt and by April 2010 had reduced company debt by almost 50%, which has given it the financial flexibility to commit to significant capital expenditure in 2010 and onwards.



Small Rental Company Of The Year (turnover < € 15 million)

WINNER >> Industrial Access SA, Romania



Since its start-up in March 2005 by founder *Stefan Ponea*, Industrial Access has established itself as one of the most professional rental companies in the emerging eastern European market, and has a particular expertise in the powered access sector. In 2010, despite Romania having one of the worst performing economies in the European Union, Industrial Access managed to improve profitability, drive utilisation rates (up to 83% in November 2010), and even manage to increase rental prices for the first time since November 2008. Changing the fleet mix was a key strategy in obtaining these results. One key factor behind the company's success has been continuity of its management: the company describes its management team as "professional enthusiasts, who are looking not just for financial rewards. The core team of six staff have spent more than five years together in this company." The company also plays a key role in the development of equipment rental in its own market. Industrial Access is a founding member of the new Romanian Rental Association and is involved in the activities of associations such as IPAF and ERA.



Small Rental Company Of The Year (turnover > € 15 million)

SHORTLISTED >> Dromad Hire, Ireland



Dromad Hire, based in Dundalk, close to the border with Northern Ireland, is another rental company that has had to adapt to difficult economic times, and has done so by diversifying its business. It has shifted its attentions to sectors such as homeowners, factories and shopping centres and has also now expanded to offer the hire of fitness equipment. The company says its mission is "to provide value and in the current economic climate it is essential that we provide low cost discounts, weekend deals, loyalty cards and still deliver the most up to date equipment to the home, site or business." During 2010 Dromad established a Service Shop where it will repair and service all makes of equipment. The company's new website provides easy information on the company's fleet of over 800 rental products.

SHORTLISTED >> Rentforce, Netherlands/Russia



Dutch-owned Rentforce is one of the very few foreign rental companies to be active in Russia. It started operating in 2008 in Moscow and in 2009 opened a branch in Sochi, where the 2014 Winter Olympic Games will be held. Rentforce says it is now the third biggest supplier of equipment for the Sochi Games and the number one foreign rental player in the project. "This position has been achieved by hard work of our employees, a straightforward approach and a good portion of commercial guts, without disregarding European business ethics and quality standards", says the company. Starting with a fleet of just six items in 2008, Rentforce now has a fleet of around 60 machines - a mix of its own equipment and re-rented machines from idle fleets in Moscow - and is renting to "nearly every major Russian construction company...on projects varying from the ice hockey stadium to the airport and from the railway station to the ski lifts high up in the Caucasus Mountains."



Rental IT Award

WINNER >> A-Plant, UK



Construction hire company A-Plant, working with its technology partner, RFID specialist, 4hSolutions, has developed an unmanned Auto Tool Hire Unit using RFID technology. Designed to be located at customer sites to provide instant access to tools, the fully automated cabin removes the need for staff to manage the on and off-hire of tools and other equipment. Since its launch in July 2010, over 100 units have already been sold. The Auto Tool Hire Unit is delivered direct to site and fully stocked with tools and equipment according to the customer's requirements. The user is issued with an RFID keycard to gain entry through the outer door into a lobby area. Once the outer door is closed, the same card is used to open the inner equipment store. All equipment ready for hire is stored on shelves inside the unit. Each tool in the cabin is RFID tagged and is automatically 'on-hired' by 4hSolutions' Assettagz software when it is removed from the shelf.

SHORTLISTED >> HSS Hire, UK



HSS has further developed its online asset management system, LiveHire. First launched in 2009, LiveHire is an extranet that offers instant and paperless hire management but also - and uniquely - online, real-time, transactional hire online. Users can hire equipment at the touch of a button, and they can off-hire in the same way, with immediate effect. In 2010, the system was further expanded. It is linked to the PDAs used by the company's delivery drivers, which means that customers can now view online estimated time of arrival updates and also view Proof of Delivery/Collection forms.



Rental IT Award



LOCATION DE MATERIEL

SHORTLISTED >> Kiloutou, France

2010 was a year of major IT developments at French rental company Kiloutou. Having created a network based on three main packages - Locpro for its rental function, HR Access for human resources management and Oracle eBusiness Suite for other functions - last year the company took its IT development into new areas, including the outsourcing of customer invoices and the implementation of geo-location functions in its front office applications. The outsourcing of invoices is being carried out with partner PitneyBowes, and improves the speed and efficiency of invoicing. The geo-location functions, linked to the PDAs carried by delivery drivers, means that Kiloutou can track the location of its delivery fleet and assess the most efficient delivery routes. Another initiative during the year included implementation of Google Apps, which facilitates the sharing of data and information between kiloutou employees.



SHORTLISTED >> Speedy Hire, UK

In 2010, Speedy invested £1.3 million in a new PDA system for its delivery drivers and also launched a new extranet system for its customers, My Speedy. The PDA system, developed with mobile working software specialist Codegate, allows delivery drivers to capture proof of delivery (ePOD) forms as well as photos of equipment. Trucks are tracked by Speedy and drivers are given information on optimum delivery routes and maps. Speedy says the system will improve the productivity of its drivers, reduce travel costs and reduce wear and tear of its vehicles. The new extranet service, My Speedy, links directly to the implementation of the PDAs, allowing customers to analyse data collected from the PDAs as well as manage their account. Speedy says the extranet "is a free service that allows customers instant access to all of their account information. Furthermore, it allows them to streamline their account management with no paperwork, no calls and no fuss."



Rental Safety Award

WINNER >> GAP Group, UK



During 2010 GAP redesigned and extended their "Split Second Safety" campaign by adding 4 new topics: Electricity, Diamond Blades, Trailer checks and Environmental Awareness. To date the campaign has helped reduce GAP's accident rates by 44% to their lowest level in 5 years. The company has also invested in health and safety in its fleet, spending £110,000 in equipping its depots with the Reactec's HAVMeter, allowing users of hand-held tools to limit their exposure to hand arm vibration. Quick hitches have become a standard specification on all the excavators GAP bought in 2010 and it is retrofitting these to all of its 5.5 t and 8.0 t excavators.

SHORTLISTED >> Hewden, UK



Despite the challenging economic climate, severe winter weather and a change of ownership, Hewden achieved a sixth consecutive year of improvement in health and safety performance in 2010. In 2010, the company had 10 recordable incidents (30 in 2008, 24 in 2007) in over 2.84 million working hours. The turn of the year also saw Hewden reach the one million hour mark without a classified lost time incident. During the year, Hewden held a 'health and safety' week for all employees and produced ten 'golden rules' for health and safety.

SHORTLISTED >> HSS Hire, UK



HSS's commitment to safety was confirmed in 2010 when it achieved zero non-compliances in its Safe-Hire re accreditation and was the only UK rental company in a recent Which? report to record no safety faults in their inspections. During 2010 it formed a team of 'Safety Champions', who HSS says are "just everyday colleagues with a passion for health and safety." Each hub and office location has a safety champion and all have been trained in IOSH Working Safely. The company says it has seen a consistent reduction in its accident and incident frequency rates and in the severity rate, and a significant increase in the duration rate between accidents.



Rental Marketing Award

WINNER >> Ramirent, Norway



Ramirent's Norwegian business rebranded from Bautas to Ramirent last year and it is this campaign that is shortlisted in the marketing awards. The campaign combined advertisements in print, web, TV and radio; press releases and direct mail; and the use of social media such as Facebook. Part of the campaign involved a vote on the childrens' playground that most needed improving, with 500 playgrounds put forward by the public for the Ramirent 'makeover'. This was so successful that Ramirent is considering making it an annual competition. Ramirent says the campaign produced "amazing results and brand recognition after only a short while" and said had "given new energy to the Norwegian organization".

SHORTLISTED >> HSS Hire, UK



The company launched its 'Better Equipped' campaign as part of its shift away from its old image as a high street hire shop towards its new identity as a technical service partner. HSS describes the Better Equipped campaign as "clean, crisp, uncluttered and clear. It uses only our core brand colours and is always led with a large 'Better Equipped to...' message which can change according to the audience." For example, it can read: Better Equipped to keep you safe; Better Equipped to serve our customers; Better Equipped to build revenue; Better Equipped to keep you safe. "Better Equipped resonates with colleagues and customers and for the first time in our history, we have real congruence between who we are, what we do, our customer expectations and our marketing", said the company.



Manufacturer of the Year

WINNER >> Volvo Construction Equipment, Sweden



Volvo Construction Equipment offers the rental industry over 150 models encompassing skid steer loaders, wheel loaders, backhoe loaders, excavators, forestry carriers, demolition equipment, pipelayers, articulated haulers, motor graders, milling equipment, pavers, compactors and specialty paving equipment. In addition to these products it offers worldwide service and a range of services in financing, used equipment and leasing to meet demands of the rental sector. In 2010, Volvo CE delivered 1800 machines to the rental channel in Europe, and record for the company at a time when markets are still slowly recovering. The company says its commitment to the rental sector is exemplified by the launch in 2010 of its new range of EC mini excavators, designed very much with rental customers in mind. "We have always had a real partnership with our rental customers, combined with a market offering which is appealing to renters - Volvo products that are environmentally friendly, easy to operate and of course, with the legendary Volvo quality as standard", says the company.

SHORTLISTED >> El Björn, Sweden



El-Björn is the perfect model of a small to medium sized manufacturer that has developed a range of products targeted at rental companies. Although well known in the Nordic region for its temporary power distribution boards, the company also supplies site lighting, heating, cleaning and drying products for rental companies. More recently it has been focusing on how rental companies can use the latest distribution technology to reduce energy use on sites. This is in recognition of the fact that an estimated 30% of all power consumption in a building's lifetime occurs during its relatively brief construction phase.



Rental Product of the Year

WINNER >> Teletower Access Solutions – Teletower



Teletower Access Solutions has developed a telescopic access tower that offers a maximum platform height of 2 m in a two-piece assembly that can be erected in three minutes by a single person. The teletower comprises a platform and the telescopic tower, which eliminates the need for a rental company to manage multiple components, as with conventional access towers. The tower can be set at five different heights as a tower and two other heights as a podium platform. Transportability is another benefit, with the two components able to be transported in a small van or estate car. Teletower says the product offers a safer, more efficient and lower-cost alternative to fixed scaffolding, podiums and other mobile access towers. The tower is available in aluminium or GRP fiberglass.



Rental Product of the Year

SHORTLISTED >> HH-Intellitech - GlasLift 500-4



Denmark's HH-Intellitech has built a machine capable of lifting 500 kg up to a maximum height of 5 m for handling building materials including glass, façade elements, granite, steel plates, wood, concrete elements, plaster boards and fire doors. Extendible from wheels ensure complete stability and yet allow the machine to pass through doors; a computer systems monitors and controls the working load depending on the load carried and the boom geometry; and a remote control system allows the operator to work from the most effective and safest location. The computer system also allows owners to 'dial in' to the machine for fault diagnosis. HH Intellitech says; "The GlasLift 500-4 has enabled agile, fast and precise handling and mounting of heavy plates of most materials throughout the industry and has alleviated the need for dangerous and costly heavy manual lifting throughout the world. It has proved to be rugged, easy to maintain and intuitively easy to operate."

SHORTLISTED >> JCB, UK - 3CX/4CX Eco models



JCB has a serious pedigree in backhoe loaders stretching back to 1953. Last year, it launched new generation 3CX and 4CX ECO models which it says are the "most efficient backhoe loader ever...designed with fuel economy and reduction in emissions firmly in mind." Using new engine technology, JCB says the new backhoes use up to 16% less fuel and emissions than previous models, saving customers almost €5000 in fuel costs over three years and cutting CO₂ emissions by 17000 kg. JCB says that fuel savings will be €46000 over the total average lifetime of the machine. The new machines feature JCB's EcoDig system, a new design that uses three hydraulic pumps rather than two, providing the same hydraulic output as previous models, but at 400 rpm lower engine speeds, thereby improving fuel economy and reducing carbon emissions.



Rental Product of the Year

SHORTLISTED >> MEC Aerial Platforms – Titan Boom 40-S



The Titan Boom looks like an aerial platform, but MEC has managed to combine the characteristics of a traditional telescopic boom with the carrying capacity of a telehandler and the working area of a large deck scissor lift. Side mounted material loading gates can open wide enough to accept a 1.8m fork carriage and a material load of up to 1350kg can be placed and secured in the central material load zone. Up to four workers and tools, not exceeding 450 kg, can enter the platform up the rear steps and clip their harness carabineers onto either one of two stretched stainless steel wire ropes that run low along the whole length of the platform for full mobility. The platform measures 6.7m by 2.28m. The machine can drive when elevated up to a platform height of 9.1 m and lower the boom at the same extension length; for heights above this and up to the full platform height of 12.2 m the two integral front mounted stabilizers need to be set.

SHORTLISTED >> Z-Safety Systems – Z-Matic



The Z-Matic is an unmanned cabin for the distribution of tools and/or safety equipment, with the capacity to accommodate 50 storage compartments. Using a personalised badge, employees can collect safety equipment and tools which meet their user profile. The Z-Matic can be used with several identification systems, including barcodes and smartcards. The employer or rental company can see exactly who is using what where, with all data forwarded automatically daily. Regular reports also provide an insight into safety practices on site: too high a consumption of certain items can point to incorrect usage; too low and it may be an alert to risk. The cabin can be supplied as a transparent office container - making the contents visible - or as a robust sea container.



ERA/IRN Rental Person of the Year

WINNER >> Pierre Boels



Pierre Boels is awarded the Rental Person of the Year in recognition of the significant progress that Boels Verhuur has made in the face of difficult market conditions. While other rental companies were facing a flat market at best last year, Boels grew its revenues by around 7% and added more than 20 locations to its growing network in the Netherlands, Germany, Belgium, Poland, Austria and the Czech and Slovakian Republics. It has been quick to re-invest in its fleet - spending around €26 million last year - and has been a consistent innovator in adding new products to its fleet. The judges said *Mr Boels* richly deserves industry recognition for the continued, successful growth of the Boels Verhuur business.

Lifetime Achievement Award

WINNER >> Gunnar Glifberg (formerly Cramo)



Gunnar Glifberg was a frontrunner in the modernisation of the European equipment rental business, helping create a genuine rental service industry out of a business that had previously been seen as non-core or 'side business'. As CEO of Cramo from 1994 he introduced many important concepts, helping make Cramo - and others in the process - a proactive, customer focused company, replacing the 'order-taking' mentality that had existed previously in much of the rental industry. He pioneered the diversification of Cramo's rental business away from its almost total focus on construction; was instrumental in establishing the 'Cramo concept' of consistent and common approaches to rental at all Cramo locations; and pushed the idea of longer-term rental contracts with major accounts as well as major outsourcing agreements with contractors and local government agencies. All of these are now common attributes of large rental companies.



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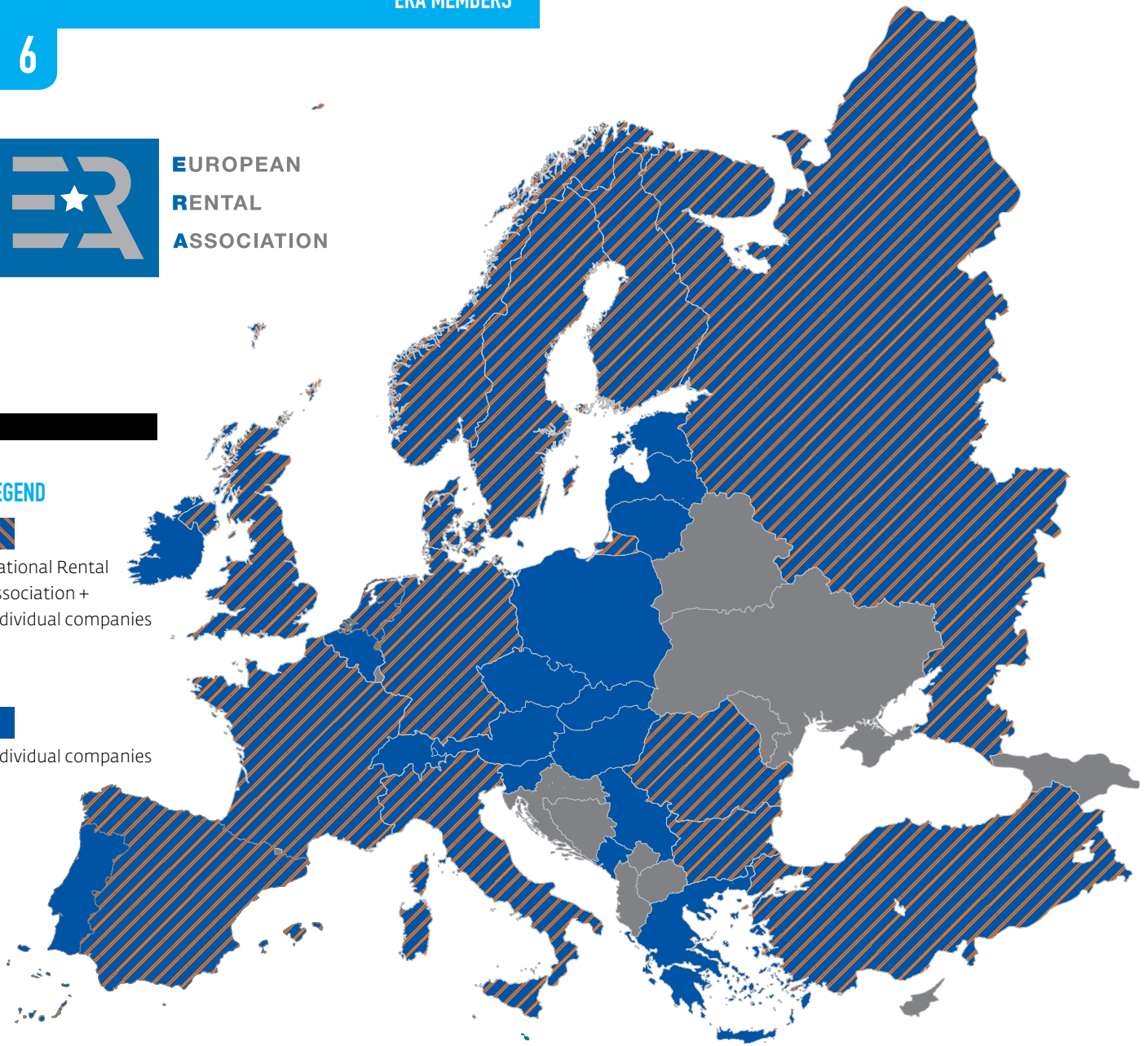
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GERMANY / BBI
ITALY / Assodimi

NORWAY / Norwegian
Rental Association
SPAIN / CONFALQ
SWEDEN / Swedish
Rental Association
UNITED KINGDOM / CPA / HAE

TURKEY / IMDER
THE NETHERLANDS / Verhuurnet
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Locasix
Six Equipments

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Destination Bulgaria
Johnny Service
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