



EUROPEAN
RENTAL
ASSOCIATION

Annual Report 2013



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**EUROPEAN
RENTAL
ASSOCIATION**



Dear colleagues,

2012 and 2013 will not be recorded as years of expansion for the rental industry. Both years are characterized by minimal growth in Europe overall, with very different situations in the north and the south. The ERA forecasts a moderate growth of 2.2% in 2014, meaning that year is likely to be another year of consolidation in our industry. These results are supported by the findings of the ERA / IRN quarterly rental trackers. This of course comes as no surprise as the rental industry is dependent on the overall economic climate in Europe and on the differences in performance of national economies.

Every cloud has a silver lining though. Our annual convention 2013 showed how innovative our industry proves to be in challenging times. All over Europe, rental companies are improving their internal processes, re-organizing their networks, increasing their service offering or entering new markets. Although this may not always immediately translate on balance sheets, it means that our industry will be ready when the economy returns to growth.

As for the ERA, at our General Assembly in May a new Board was elected, which will lead our association in the coming three years. The new team will build on the achievements of our predecessors and will work at making the ERA an ever stronger organization to serve our industry.

I wish to seize this occasion to thank both the members of the previous Board and the volunteer members of ERA Committees. Without them none of the resources of the association could be developed. Allowing representatives of our companies to work together in Committees on issues of joint interest is the best possible way to allow our industry to grow through sharing innovations. We may be competitors on a daily basis, but there is so much we can do together for mutual benefit.

Next year the ERA's convention will be taking place on 25 and 26 June 2014 in Amsterdam, alongside the International Rental Exhibition (IRE) and APEX. I encourage you to save the date in your agenda and look forward to seeing you there.

Yours faithfully,

Vesa Koivula
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:

Vesa Koivula / President
 Hervé Rebollo / Vice President
 Pierre Boels / Vice President
 Chris Davies / Vice President
 Marzia Giusto / Vice President
 Magnus Rosen / Vice President
 Peter Schrader / 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
 Veerle Guns /
 Assistant

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MARKETS OUTLOOK:TRENDS AND EVENTS IMPACTING THE RENTAL INDUSTRY

CONSTRUCTION INDUSTRY

Following a decrease of 4.7% in 2012 and a forecast decrease of 3% in 2013, the Euroconstruct network of European construction forecasters predicts that the European construction market will start returning to growth in 2014 with a modest increase of 0.5% before a currently forecast 1.7% in 2015.

The strongest forecast declines in construction output next year are expected in Spain (-7.7%) and Portugal (-3.5%), while the largest increases are predicted for Norway (4.6%) and Sweden (3.5%).

In terms of sectors, residential construction shows the most promise for a recovery between now and 2015. Output is expected to decline 2.2% this year before returning to 1.1% growth in 2014, increasing to 2.3% in 2015. But the outlook for non-residential construction and civil engineering is weaker. Non-residential construction is expected to fall by 3.3% this year and a further 0.3% in 2014, before recovering to 1% growth in 2015. Civil engineering output is expected to drop 3.5% this year before returning to 0.4% growth in 2014 and 1.4% growth in 2015.

RENTAL INDUSTRY

In April 2013, the European Rental Association has made some small revisions to its European rental growth estimates for 2013 and 2014, slightly increasing the current year estimate from 0.8% to 1.0% and moderating growth next year to 2.2% from the previously forecast 2.5%.

The update included new estimates for individual countries, with significant changes to the estimates for Finland, Italy, Poland and the UK. Growth in Finland in 2013 has been downgraded from 5.6% to 1.1%, while the impact of Italy's economic slowdown the rental sector has been lessened, with revenues expected to fall by 2.5% rather than the larger 4.2% decline previously forecast. Europe's largest rental market, the UK, is expected to grow by 5% in 2013, which is more than double the increase forecast in September 2012. If correct, that will make the UK the region's best performing rental market this year, ahead of Norway, where growth of 4.4% is anticipated for 2013.

Rental revenue growth in Germany is forecast to grow at 2.0% in 2013, down from 3.0% and France is expected to see a 1.8% decline in revenues in 2013 rather than the more modest 1.0% fall originally forecast.

FLASHBACK ON THE RENTAL INDUSTRY IN THE SECOND PART OF 2012

United Rentals completes the integration of RSC into a common IT system in less than 40 days.

Cramo and Ramirent announce a joint venture in Russia and Ukraine. The two said a single, strong entity with greater resources would help them exploit the opportunities of the fast growing market.

HSS Hire gets new private equity owners with Och-Ziff and Perry Capital selling the UK rental business to Exponent Private Equity for an undisclosed price.

Hertz Equipment Rental Corporation (HERC) acquires Pioneer Equipment Rental and Sales which operates from 11 locations in Oklahoma, Southern Kansas and Northern Texas.



FLASHBACK ON THE RENTAL INDUSTRY IN THE FIRST PART OF 2013

Kiloutou acquires Urbaparc, a five branch operation in the greater Paris area.

Japan's Sumitomo Corp becomes the majority owner of US rental company Sunstate equipment, while the chairman and founder Mike Watts retains 20% shares.

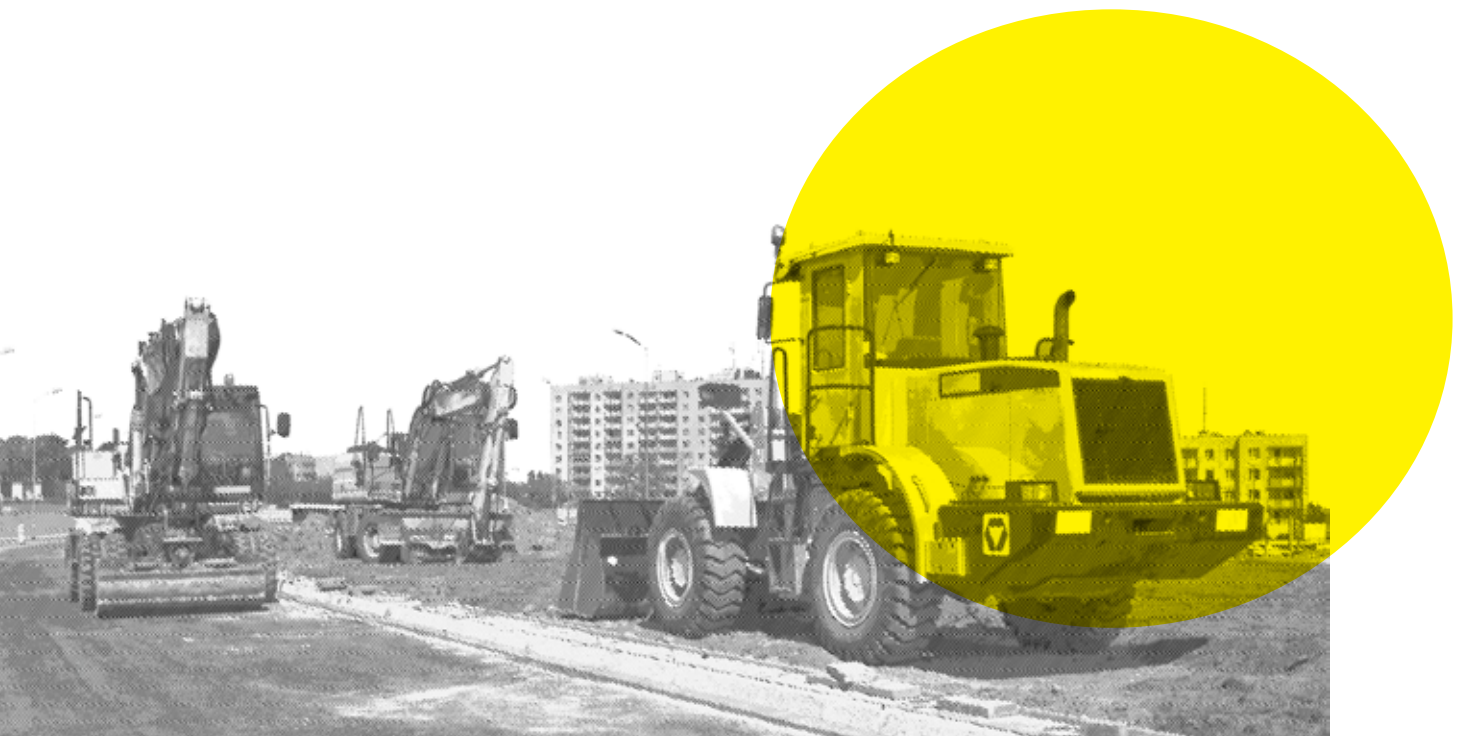
Belgium's TVH Group acquires German access rental company Mateco from its private equity owner Odewald & Compagnie for an undisclosed price. Mateco is the largest aerial platform rental company in Germany with a fleet of 4800 platforms, around 30 depots and 560 employees.

Algeco Scotsman buys Target Logistics Management, a US company that rents temporary accommodation

for workers in remote locations throughout North America for a price of approximately US\$625 million.

Four major Italian rental companies – Venpa, E-Mac, Milantractor, and Technifor-FAE – sign a cooperation agreement that will see them share their fleets and cooperate on major construction projects. The venture is called 4punto1.

Fortrent, the Russia-Ukraine joint venture rental company formed by Cramo and Ramirent is approved by competition authorities in both countries. The new company will have annual sales of around €52 million, employ 400 people and operate from 22 rental depots.



IN THE MEANTIME, INNOVATION AND CONSOLIDATION CONTINUE AMONG THE EQUIPMENT MANUFACTURERS

Power Company Bredenoord unveiled its latest low energy generator at the lowlands festival in the Netherlands and said the unit could produce fuel savings by up to 40%.

Compressor manufacturer Sullair Corp is being sold by United Technologies Corp (UTC) to private equity firms Carlyle Group and BC Partners, including two sister companies of Sullair, fluid control specialists Milton Roy Co and Sundyne Corp.

JCB invested in a new manufacturing facility in Jaipur, Rajasthan, India which will become JCB's fourth factory in India.

The shareholders of CNH Global (Case and New Holland) approve a merger offer by Fiat Industrial Spa. Cummings is launching four rental gensets as part of

an effort to target the European rental market with specially designed products.


Investor Carl Icahn fails to get sufficient shareholder support for his proposed takeover of Oshkosh Corp, parent of JLG industries.

Fayat Group, who owns the Bomag and Marini brands among others, intends to acquire several Terex road building product lines in North America as well as Terex's entire road building equipment operations in Brazil.

Aggreko unveils a new ultra-efficient 1MW engine, in a move that sees the company developing its own engine technology for the first time.

Volvo is considering the sale of Volvo Rents, which has 130 owned and franchised locations in North America.

ERA ACHIEVEMENTS 2013

A stylized illustration of a person wearing a hard hat and safety vest, standing on a metal platform or scaffolding. The person is silhouetted against a large, bright yellow circular light source, possibly the sun or moon, which is partially obscured by a grey, cloud-like shape. The background is a light grey, textured surface.

Since its founding in 2006, 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 for 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 continued to expand 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.

SOCIAL MEDIA RENTAL INDUSTRY



PROMOTING THE RENTAL CONCEPT

The key mission of the ERA's Committee on Promotion is to promote the concept of rental in Europe. Over the years, the Committee has developed many tools our members can use in their own communication, such as for example the "Rent vs Buy Calculator" that is available in many different languages on our website or the Discover Rental guide that was made to explain the benefits of rental to any person not familiar with our industry.

The Committee is also looking at promoting rental in markets where its penetration is currently low. This is why it has in the past months worked on the scope and methodology for a study on the potential of rental of heavy equipment. This project will now be discussed with a renowned business school. If a mutually satisfactory agreement can be found with such a school, the study would have the double benefit of providing our members with information on the prospects of increased rental penetration in sectors such as notably cement production, quarries and gravel pits, municipals or waste management while at the same time allowing the rental industry to profile itself amongst high-potential students.

DISCOVER RENTAL GUIDE



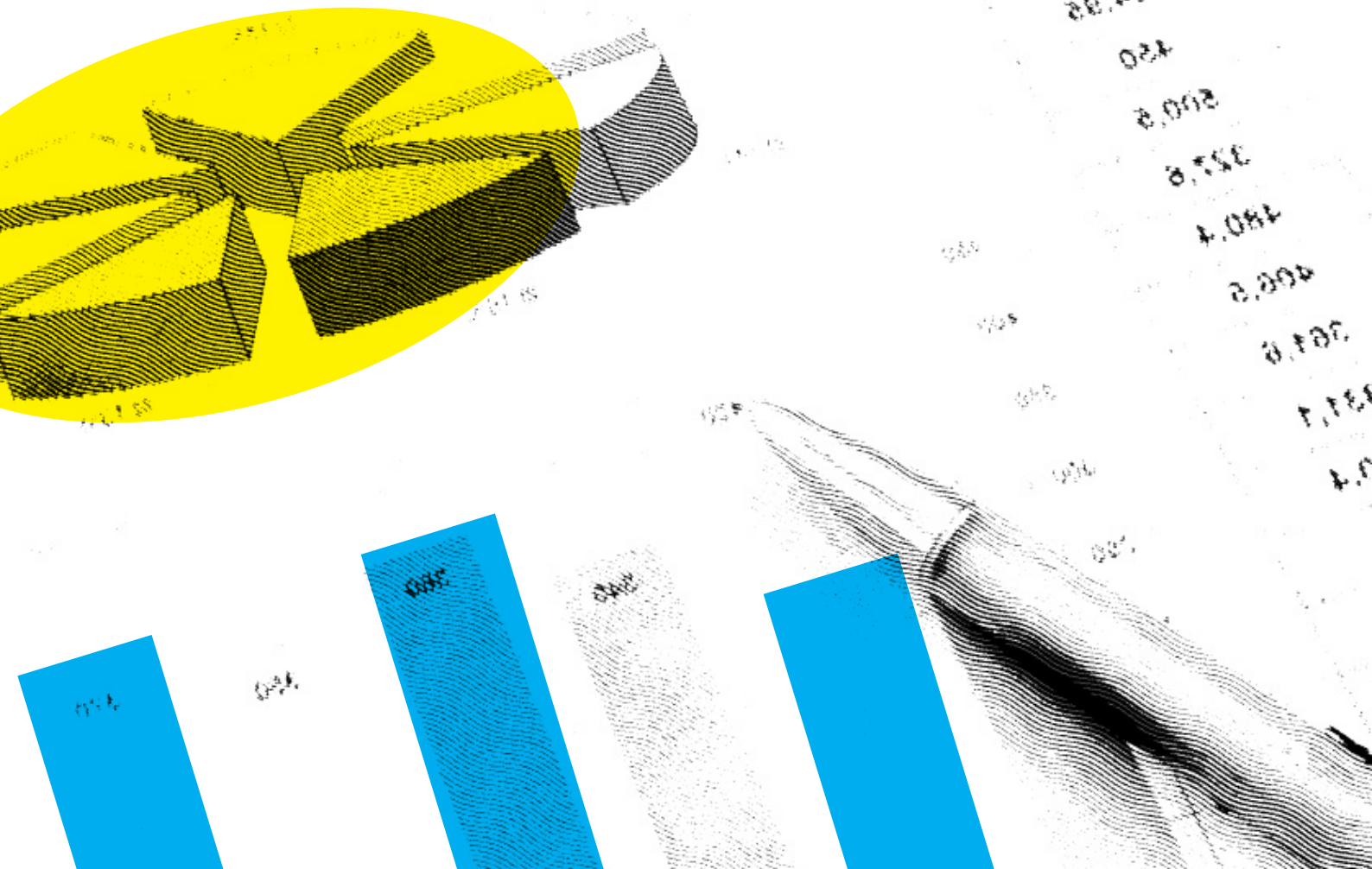
Indeed, attracting and keeping talents – in all areas of a business – remains an issue for the rental industry, which some national rental associations try to address as could be demonstrated during the last ERA Convention. Several associations have put in place extensive programmes to promote the opportunities offered by the rental industry and to provide vocational guidance with a number of partner high schools or public institutions. The ERA will provide for a platform for rental association to exchange their experiences in order to facilitate the replication of successful experiments in many different countries for the benefit of the industry as a whole.

STATISTICS

The overall aim of the working group is to produce European-level market data on construction equipment rental markets using consistent definitions and methodology across countries.

The Statistics Committee partners with IHS Global Insight - the same provider used by ARA to produce well-established market standard data in US. Commissioning market research does not simply mean handing the task over to a market research partner. 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.

The committee has now published 4 reports and contracted for fifth report 2013, as described below, improving scope, timing, methodology,

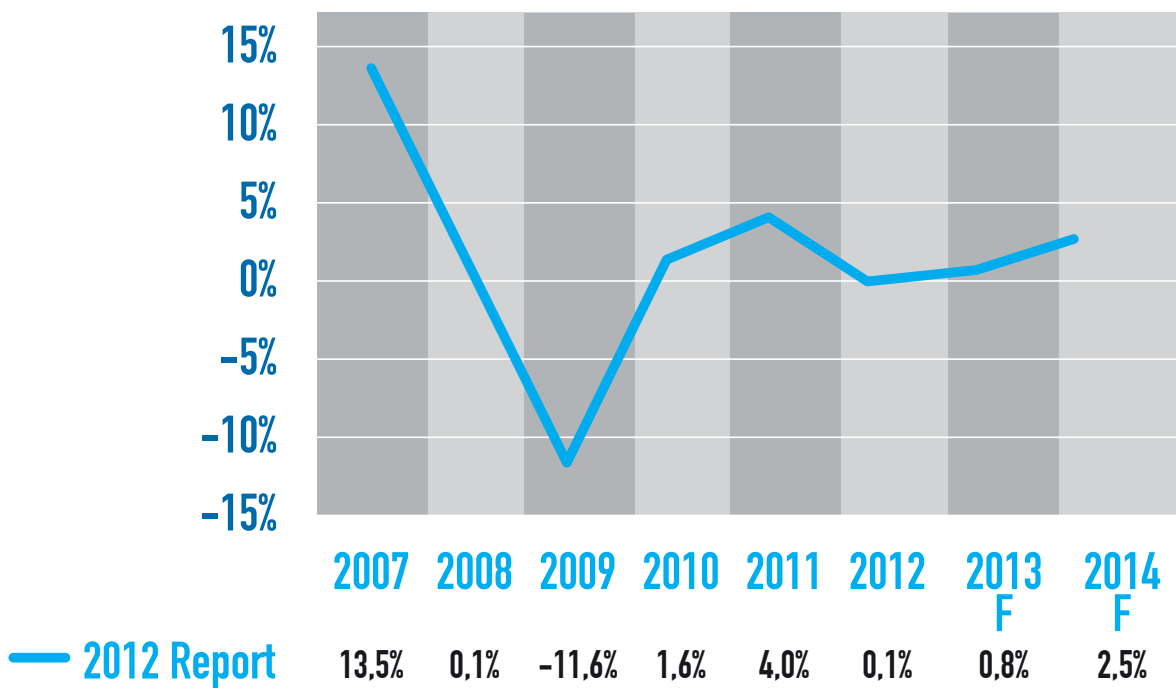


OUTPUTS

European Construction Equipment Rental Market Growth

After a steep decline in 2009, most markets started to recover around mid-2010, and continued to grow in 2011. In 2012 growth rates fell close to zero.

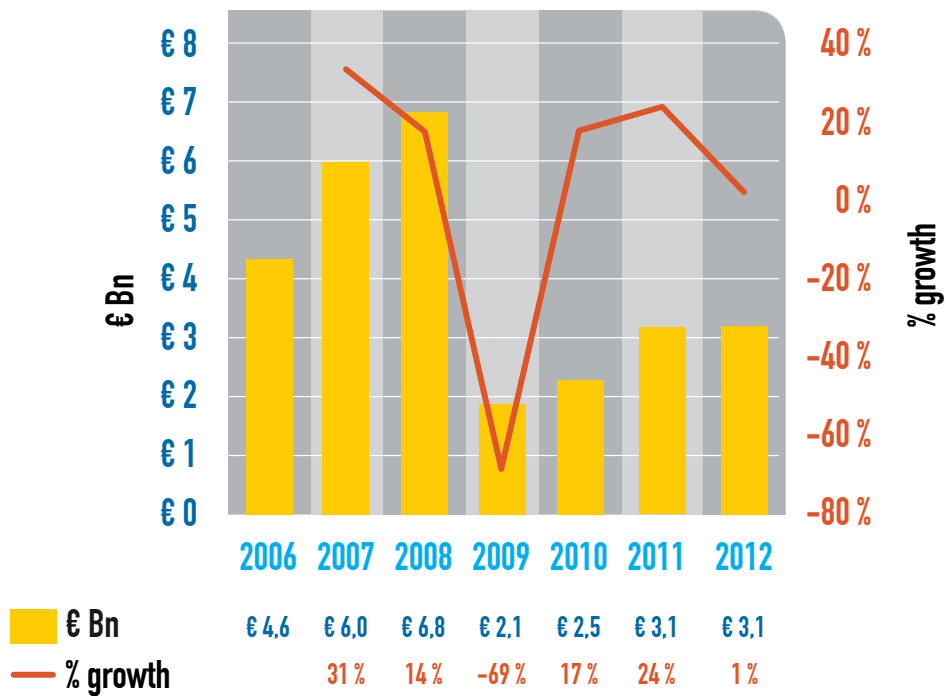
2013 was forecasted to experience very slight growth. Growth is expected to strengthen in 2014.



INVESTMENTS IN RENTAL EQUIPMENT

Investments in rental equipment grew at a dramatic rate before the crisis, reaching €6.8Bn in 2008. Investments dropped by 2/3 in 2009.

After a degree of recovery in 2010-2011, investment growth is believed to have levelled off again in 2012.



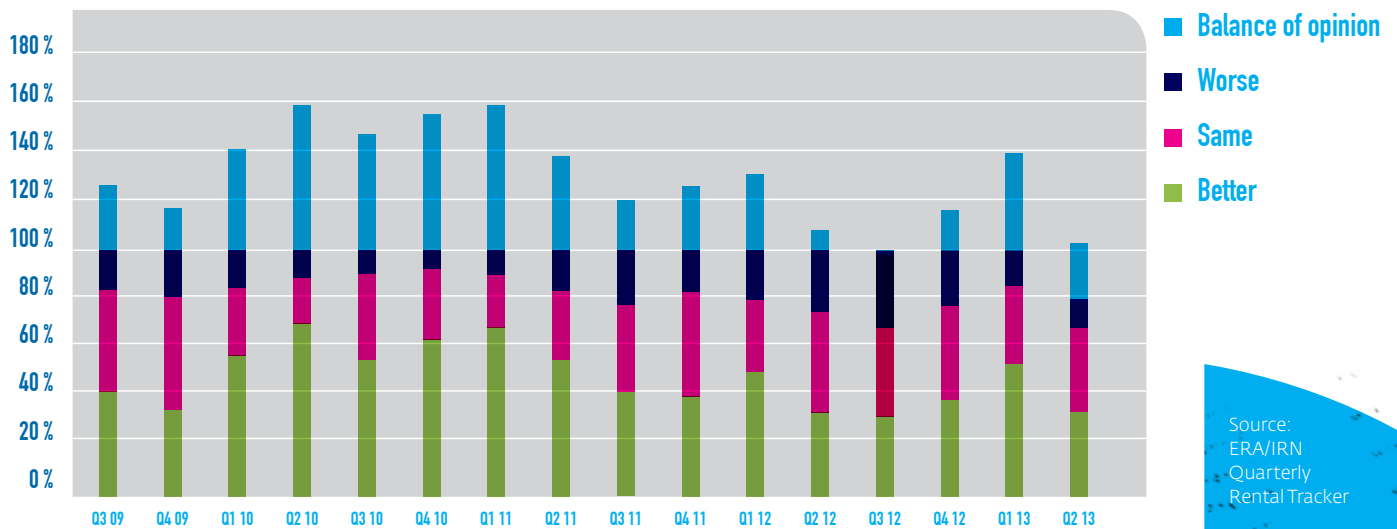
2013 REPORT DEVELOPMENTS

Validation of market sizing results for UK. The UK exercise will provide a template for similar processes in other markets in future.

Preliminary exploration of options for market segmentation of report data

Schedule: Report to be published in early October.

QUARTERLY BUSINESS SENTIMENT IN THE RENTAL INDUSTRY



HEALTH AND SAFETY SUSTAINABILITY

One of the findings of the membership survey performed by the ERA in early 2013 was that a large number of members believe that the association should focus on increasing awareness and visibility of rental both towards the market and authorities, in particular on resource efficiency and sustainability of rental.

This demand will be answered by creating a Committee dedicated solely to sustainability in the rental industry as from the autumn of 2013, which will be in charge of developing resources to help raise standards in the industry on sustainability-related issues and of promoting the “green” benefits of rental.

This move comes timely, as EU Institutions have been debating over 2013 issues such as the concept of leasing or rental society. The European Parliament notably commissioned a report entitled “Towards a Leasing Society”, which looks into ways of shifting from the ownership of goods to placing the focus on the service such goods render. The report looks at different models of leasing/rental and compares their environmental benefits. It also identifies the barriers that regulators will need to tear down, notably in areas such as taxation, accounting standards or public procurement to encourage an increased penetration of leasing and rental in all aspects of life.

The ERA has been working hard at promoting the benefits of rental for years already and will now continue to feed this debate in order to support decision-makers willing to tackle barriers that disadvantage rental as compared to ownership.

EQUIPMENT TECHNOLOGY AND THEFT

The ERA's Committee on Equipment Technology gathers representatives of rental companies and equipment manufacturers. Together, they aim at progressing on issues of common interest where better cooperation between rental companies and manufacturers can help solving concrete issues for mutual benefit.

Last year the Committee released its understanding of the key drivers of the total cost of ownership of equipment. Building on this work, the Committee decided to look at how some (sometimes small) adaptations to equipment could allow for reducing the cost of usage and maintenance of equipment.

All these very concrete issues and many others were discussed between technical experts from rental companies and equipment manufacturing during two workshops that took place in April 2013. The key findings of the workshops will now be taken up by the Committee for further action.

The issues to be addressed will include notably: improved availability of spare parts considered the most critical by the rental industry, improved information to end-users for reducing damages caused to equipment and prospects of adapting option packages for equipment in a way that is more in line with equipment rental companies' needs.



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 2014.

• 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 May 2013.

• 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 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

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

- PRODUCTION OF “TOTAL COST OF OWNERSHIP:

guidance document on key drivers influencing total cost of ownership of equipment

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.



ERA CONVENTION 2013

The theme for the eighth ERA Convention, which took place in Paris, France on 15 and 16 May 2013, was "What's on Today" and featured a number of keynote addresses and roundtables. The convention also provided participants with the opportunity to visit two rental depots, of Loxam and Kiloutou, close to the convention hall.



EUROPEAN
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A. KEYNOTE ADDRESSES

Christine Le Forestier, FIEC
Basile Benoit and Chuck Halpin
Deutsche Bank



Christine Le Forestier, Rapporteur for the Economic and Legal Commission at the European Construction Industry Federation presented on the short and medium term future

of Europe's construction industry. 2011 was a good year for construction as it saw the introduction of national stability plans. Austerity and the withdrawal of these plans have made the current situation more challenging. Energy efficiency has the potential to be an opportunity to the industry but demand is not yet high enough. A lack of viability in the construction sector will make it impossible in the medium term to credibly forecast demand for rental.

Alexandre Adler, journalist and expert of contemporary geopolitics, spoke about the challenges and opportunities for Europe's economy and noted that even though growth is not expected to take place in 2013 or even 2014, some small recovery may take place with some improvement to be seen. There is some growth in some areas of the US economy including construction, and in China there has been a lot of investment in infrastructure which is underutilised. In Europe, structural reform is needed in Spain and Italy and there is a continuing difficulty for SMEs to get loans in those countries. The divide between the weak performing economies of the countries in Southern Europe on the one hand and stronger Scandinavian, German, Swiss and Austrian economies on the other is not expected to change in the near-term and will continue to be a serious challenge for the EU to tackle.

Basile Benoit, Director Equipment and Services EMEAS, Global Industrials Group, Deutsche Bank and **Chuck Halpin**, Global Head of Rental Services, Global Industrials Group, Deutsche Bank outlined an investment bank's perspective of the global rental industry and held out hope saying that their view is that once growth returns, the rental industry will outperform the 2007 peak.



B. ROUNDTABLE SESSIONS*

MODULAR SPACE

Matthew Duras, Managing Director at Johnny Servis, and **Petri Moksen**, Senior Vice-President Modular Space for Cramo Group, moderated by **Arne Bugge**, Executive Director of the Norwegian Rental Association, presented on the different types of modular space products, market segments and regulations. They outlined the advantages of modular space as well as a number of challenges facing the segment and provided insight with a number of case-studies.

FINANCING

Dan Kaplan, Dan Kaplan Associates, and **Mathieu Blanc**, Director France for 3i, moderated by **Olivier Colleau**, Director Operations at Kiloutou, reviewed the influence of metrics on financial performance, including equipment utilisation, branch performance and the key metrics looked at by private equity investors.

ATTRACTING AND KEEPING TALENTS

Chris Davies, CEO, and **John Hardman**, Human Resources Director at HSS Hire, **Ina-Maria Brämsswig**, Director at the German bbi, and **Florence Dupont**, Deputy Secretary General for the French DLR, presented programmes put in place by some rental companies and national rental associations to attract and retain (young) talents in the rental industry. The session was moderated by **Hervé Rebollo**, Secretary General of the DLR. Presenters discussed the importance of employing the right candidates with the right motivational drivers and that social media has been used to attract candidates. Examples were given of different information brochures and initiatives on employment opportunities in the rental industry.

IN-HOUSE VS OUTSOURCED REPAIR AND MAINTENANCE OF EQUIPMENT

Jean Philippe Theuriot, Fleet & Procurement Director at Loxam, **Nicolas Lenoir**, Head of Carglass Specials for Europe at Carglass, and **Guillaume Schembri**, BCP Manager, and **Sophie Hulin**, Sales and Marketing Director at Bergerat Monnoyeur, discussed best practice in servicing equipment speaking from the point of view of rental companies, equipment dealers and service companies. The session was moderated by **Mikaël Kämpe**, Director Group Fleet for Ramirent. **Jean Philippe Theuriot** said that the best situation would be a combination of both approaches with an illustration of when outsourcing would be the best option. Participants detailed the benefits of outsourced maintenance.

MARKETING AS A TOOL TO INCREASE RENTAL PENETRATION

Rhona Lombardo, Marketing Director for Nacanco, **Yvo Hoppers**, International Marketing & Communications Manager at Boels, and **Stefan Ponea**, Managing Partner for Industrial Access discussed how to diversify the activity and increase rental penetration either by product lines and/or by market segments. The session was moderated by **Kris Desmedt**, Marketing and Communications Manager at Riwal. Presenters outlined the different tools used by their companies to increase rental penetration as well as how diversification aided in developing their business.

B. ROUNDTABLE SESSIONS

COUNTRIES IN FOCUS

An overview of the equipment rental markets in France, Sweden and Italy

Speakers Johan Svedlund, Chairman, SRA, Sweden
 Gian Luca Benci, External Affairs, Assodimi, Italy
 Hervé Rebollo, Secretary General, DLR, France

Moderator Michel Petitjean, ERA

SWEDEN

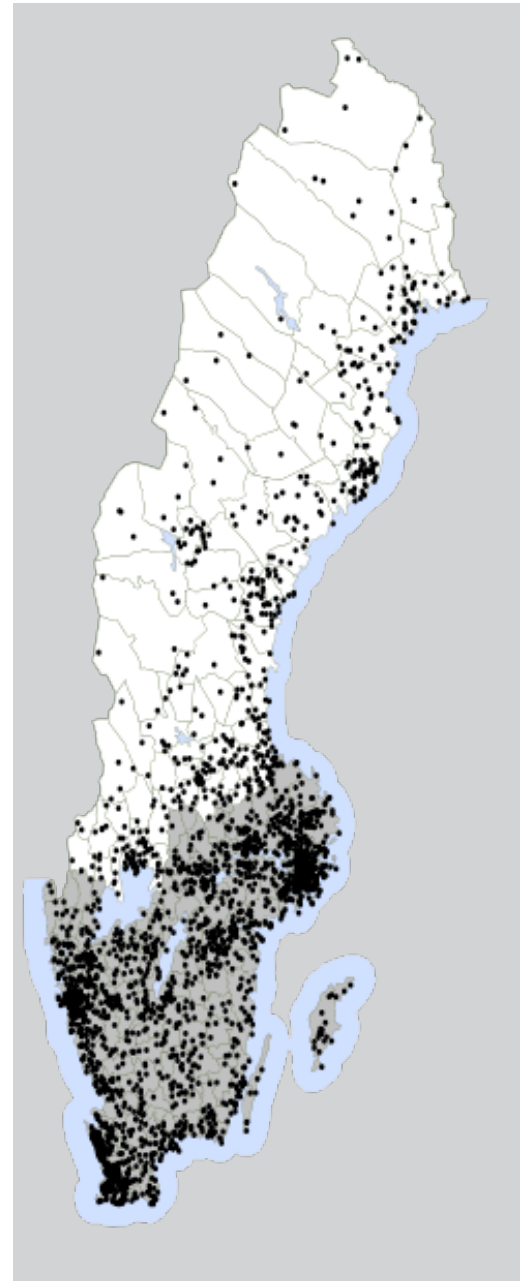
Johan Svedlund, Asset Manager Skanska Maskin AB and Chairman of the Swedish Rental Association, makes a presentation of the Swedish construction and rental market.

SWEDEN

- Area 450 000m²
- Length 1570 km
- Inhabitants 9,55 million
- 82 percent live in the southern part
- 89 percent of the housing market is in this area

SWEDISH CONSTRUCTION SECTOR

- Total market size - ca 350 bn SEK (41 bn EUR) - 10 per cent of GDP.
- Total construction investments +9% 2011, +3% 2012, -1% 2013
- Over 500 000 employed in the construction/ housing sector in total.
- Over 90 000 companies in the sector.
- Construction investment around EU-average.
- Dominated by a small number of large companies, but it is the SME's that are growing.



SWEDISH RENTAL MARKET

ERA Turnover 2011 Sweden 1,327 EUR / 11,985 MSEK

Largest contractors with rental operations in separate companies:

- Peab (Lambertsson)
- Skanska (Skanska Maskin)

Rental operation separated from construction:

- NCC (previous Altima → Ramirent)
- JM (previous JM Maskin → Cramo)

→ Larger and more transparent rental turnover

- ERA Market Penetration 2011 3.1%
- High construction labour cost, strong unions → industrialized (prefabrication) construction sites
- Focus on workers health & safety → newer machines, high utilization
- Environmental requirements → high investment costs, more rented machines
- Efficiency and union demands → large temporary facilities for offices and personnel.
- Harsh climate → high volumes of electric supply, heating and drying equipment.
- Large distances → higher transport costs
- New markets → higher penetration in public sector and manufacturing industries

B. ROUNDTABLE SESSIONS

COUNTRIES IN FOCUS

ITALY

ECONOMIC CRISIS, CREDIT CRUNCH AND FISCAL CRACKDOWN

Confindustria, the business federation, has said 29% of Italian firms cannot meet "operational expenses" and are starved of liquidity. The economy has been caught up in a "vicious circle" where banks are too frightened to lend, driving more companies over the edge. The combined effect of a worsening credit crunch and political paralysis is becoming a dangerous cocktail: the unemployment rate has reached almost 12% (double that of 2007) and Italy has the highest taxation in the world for companies: 68.5% of profits (Germany 48.2%, United Kingdom 37.3%, Denmark 29.2%).

RENTAL INDUSTRY IN 2012 (SOURCE IHS, ERA, ASSODIMI)

The estimate of total rental turnover in 2012 was €1.4 billion (-4.2%).

The estimate of investment in rental equipment in 2012 is €180 Million (-10%) and the value of rental fleet at the original cost in the same year is estimated at €2.5 billion (-1%).

The penetration rate in the construction industry is 0.85% (in France 1.5%, in Germany 1.35%, in Spain 0.95%).

The number of equipment rental companies providing rental without operator in Italy is estimated at approximately 1,800.

RENTAL INDUSTRY IN THE FIRST QUARTER OF 2013
58% of rental operators say that business is worsening (only 3% say it is increasing). Around 1 in 3 say that the decrease is between -5 and -10% in comparison with the same period of last year.

52% of rental operators say the time utilization is decreasing (the majority report -5 and -10%) while for 34% it is stable.

Around 51% say they are expecting a recovery in the next year, while around 37% are expecting a further decrease. 40% are planning to increase investments in the rental fleet for 2014. 1 in 4 is going to reduce the staff in the next quarter.

ASSODIMI

was founded in 1992 and represents the distributors and rental companies of industrial equipment in Italy

ASSODIMI currently has

- **400 members**
 - 276 ordinary (distributors and rental companies)
 - 82 manufacturers
 - 32 service providers
 - 10 mechanics workshops (new project)



excerpt from
ASSODIMI'S TIMELINE
1992 main events

ASSONOLO

was created in 2001 and is the group of the rental companies.

267 ASSODIMI ordinary members rent equipment, while 193 members are registered as rental specialists.

ASSONOLO is made up of 19 groups in different sectors of the rental industry



excerpt from
ASSODIMI'S TIMELINE
2001 main events

B. ROUNDTABLES SESSION

COUNTRIES IN FOCUS

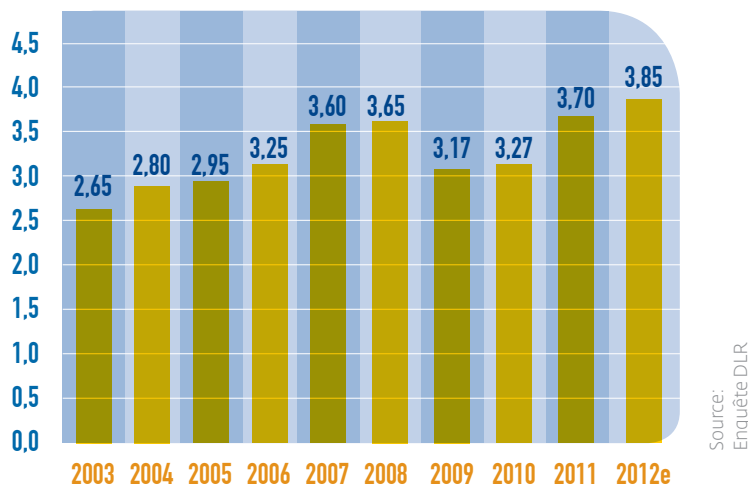
FRANCE

DLR

the French Association for the Distribution, Rental and Repair of construction equipment (including Handling) is comprised of 500 members and employs 10 employees to support the members and their interests.

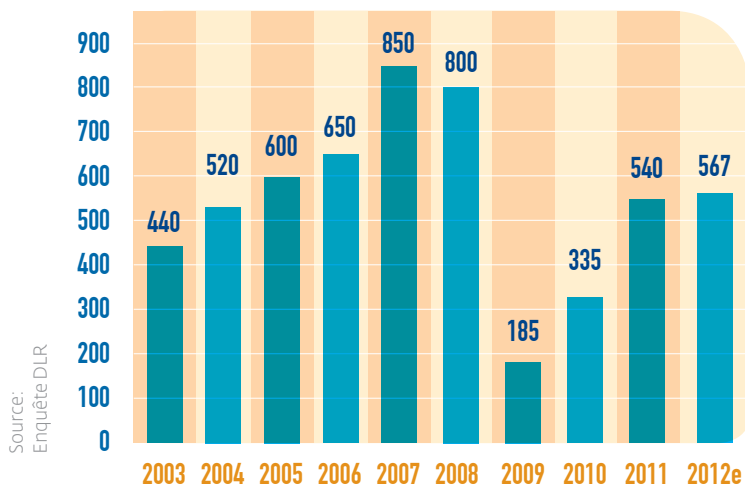
The activity of the rental sector has slowed in 2012, although it stayed relatively strong in relation to the situation of the construction industry. The business outlook for 2013 is bleak/uncertain.

RENTAL INDUSTRY ANNUAL TURNOVER IN FRANCE (in billion Eur)

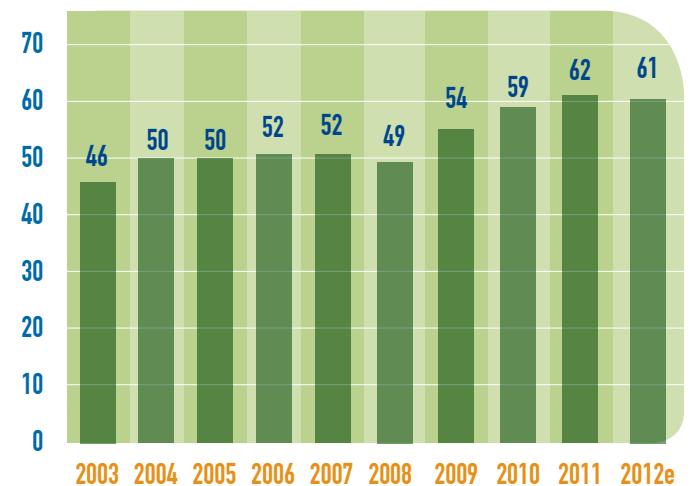


The investment of the rental companies, which stopped in 2009 with a slow return to normal, had an impact of the average age of the fleet as shown in the charts below.

CAPEX FRENCH RENTAL INDUSTRY
(in million Eur)



AVERAGE FLEET AGE IN THE FRENCH RENTAL INDUSTRY (in months)



EUROPEAN RENTAL AWARDS 2013



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

WINNER >> Boels Rental, Netherlands



Last year, Boels increased revenues by 25% to €270 million, established itself in two new countries and made a series of acquisitions, the most significant being that of German rental company Baurent, and the Benelux operations K-Rental, Warmerdam Hoogwerk Systemen and Loca-system. It extended its ownership of the Huurmax rental franchise business and added almost 700 in-store DIY rental locations. In addition, it added 15 new depots and doubled fleet investment.



Large Rental Company of the year (>€15 million revenues)

SHORTLISTED >> Riwal, Netherlands



The aerial platform company continued its international growth in 2012, with revenues up 21% over 2011 and €30 million invested in its fleet, which now numbers 13,000 platforms. Despite difficult market conditions Riwal expanded its business in many key European markets and also more than doubled its business in India and increased turnover by 64% in Brazil. During the year the company saw a 14% reduction in overdue accounts receivables in 2012, following the launch of its Riwal Tuning Programme.

SHORTLISTED >> Vp plc, UK



Vp plc continues to report market leading financial results from its six specialist businesses. Revenues in the six months to 30 September last year were up 2% and profit margins rose to 13%. Back in 2000, the company decided to concentrate on specialist rental markets, increasing its exposure to regulated sectors and the oil and gas industry and avoiding an overreliance on traditional construction. Since the financial crisis, Vp has reduced its exposure to general construction activity from 39% to 24% of revenues, and increased its business in infrastructure from 33% to 43%.



Small Rental Company of the Year (<€15 million revenues)

WINNER >> Dromad Hire, Ireland



Dromad Hire has completed a "dramatic diversification" of its business since the crash of the Irish construction market to the extent that construction now represents just 10% of its market. Facing the collapse of its traditional work, the company identified an opportunity to rent fitness equipment and fitness related products as well as increase its focus on homeowner and DIY sectors. The company has developed its own smartphone App, providing users with details of its entire hire catalogue and has also established a service and repair arm, which now accounts for 8% of sales.

SHORTLISTED >> GGR Group, UK



GGR is the perfect example of a small company that spotted a rental niche and went for it. The company has established itself as the leading renter of mini spider cranes and vacuum lifting equipment in the UK, with rental revenues increasing year on year from £5.2 million in 2010 to £6.3 million in 2011 and £7.6 million last year. GGR also has a £4 million sales business, representing Furukawa UNIC in Europe, Africa and the Middle East, and it has also been successful in encouraging many of its European dealers to establish rental divisions.



Small Rental Company of the Year (<€15 million revenues)

Industrial Access

SHORTLISTED >> Industrial Access, Romania

Established in 2005, Industrial Access has become a dynamic, pioneering small company in Eastern Europe. The business has added Serbia to its network and now operates from 12 depots in Romania, Bulgaria, Serbia and Moldova and reported net profits of €1 million on revenues of €7.5 million in 2011. Last year saw the company take a courageous stand on customers who were bad payers, reducing debtor days from 120 to 64, while dropping only 4% of turnover, despite losing some large customers.



SHORTLISTED >> Italnolo, Italy

Italnolo occupies a unique place in Italy, operating a franchise focusing on the rental of compact equipment and small tools. Despite a very difficult Italian economy, turnover increased by 8% last year. Italnolo is notable for the support it provides to its franchise members, with back-office systems including a web-based rental management system and promotional materials.



SHORTLISTED >> Storent, Latvia

Storent is a Baltic success story. Established in 2008, the company now operates 23 rental outlets across three Baltic countries. From a turnover of €2.9 million in 2009 the company has seen revenues increase to €12.9 million in 2012, up 36% over 2011. EBITDA profits last year were €3.2 million. Storent has managed to grow, despite facing tough competition, and has made a particular speciality in split-rentals, with over a quarter of its fleet operated in this way.



Rental Product of the Year in 2012

WINNER >> Off Grid Energy (Grid to Go Generator)



Off Grid Energy has developed a hybrid power solution for use with conventional portable generators, allowing users to minimise fuel use, reduce wear and tear on generators, and cut CO₂ emissions. Its Grid to Go product is a portable, battery powered unit that links with a conventional generator. When the battery pack's power runs low or power demand is high and sustained, the genset starts operating – and recharges the batteries – but when power needs are lower the battery pack provides noise-free, zero-fuel power. The Grid to Go system is available in outputs from 5 to 20 kVA, and an optional solar panel can also be fitted to recharge the batteries. Off Grid Energy says reductions in fuel consumption and emissions can be as high as 80%.

SHORTLISTED >> El Björn (TF50 Fan Heater and Dryer)



El Björn has completely redesigned its TF50 Fan Heater and Dryer, improving its efficiency, widening its scope of applications, and making it easier for rental companies to own. The unit now offers both heating and cooling capabilities, and uses half the energy of its predecessor. It was designed in cooperation with Swedish rental company Skanska Maskin, ensuring that rental-friendly features, such as portability, were designed in from the start.



Rental Product of the Year in 2012

SHORTLISTED >> Haulotte (HT23 RTJ telescopic boom)



Notable features on Haulotte's new HT23 RTJ telescopic boom include fast operation times and an impressive working envelope. The boom takes just 56 seconds to reach its maximum working height of 22.5m and the use of high power hydraulics allows for simultaneous boom movements. It has a maximum outreach of 18.3 m and the use of high yield steel for the boom has given the operator a real feeling of stability.

SHORTLISTED >> Himoina (Power Cube Generator)



Himoina has developed the Power Cube generator to be the most compact 500 kW unit on the market, taking up 35% less space than conventional gensets and reducing the length from a standard 20 ft container to a 10 ft unit. The generator is just 2.99 metres long, 2.59 metres high and 2.43 metres wide. It uses a V-type MTU engine and a cooling system fitted above the engine compartment. A control system allows 32 units to be connected in parallel, providing up to 16 MW of power.



Rental Product of the Year in 2012

SHORTLISTED >> Husqvarna (K760 Oil Guard Power Cutter)



Husqvarna's K760 Oil Guard Power Cutter provides users with a safer, more efficient machine and offers rental companies a unit that requires less maintenance. It has a patented system that recognises the presence of an incorrect fuel and oil mix, automatically putting the machine into idle and eliminating the risk of expensive damage to the cylinder and piston. Maintenance requirements for the K760 have also been reduced, allowing the machine to be used for a year, under normal operating conditions, without the need for a routine service. The machine is lighter and vibration levels have been reduced to below the European directive threshold.



Rental Person of the Year

WINNER >> Neil Stothard, Group Managing Director Vp plc



Neil Stothard joined Vp plc in 1997 as group finance director and was appointed to his current post in July 2004. Since then he has steered the company to impressive financial results. Vp plc runs six divisions including tool hire, railway equipment, telehandlers, compressors and temporary roadways and this policy of focusing on specialist businesses has proven successful. Although operating in the tough UK rental market, revenues in the six months to 30 September last year were up 2% and profit margins rose to 13%. In his time as Managing Director, he helped reduce the company's exposure to the construction sector, from 39% in 2008 to 24% last year. The financial strength of the company has allowed it to invest in fleet and auxiliary products and it is also expanding geographically setting up specialist businesses in Germany and Scandinavia and establishing an expertise in LNG projects in SE Asia and Australia.

Lifetime Achievement Award

WINNER >> Dan Kaplan



Dan Kaplan is an internationally renowned expert on the rental industry. Before establishing his own consultancy business in 1997, he spent 15 years as president of Hertz Equipment Rental Corporation in the UK, during which time he grew sales from \$58 million to over \$500 million, and expanded from 55 domestic locations to 140 locations worldwide. In his years as a consultant he has worked with rental companies all over the world helping them with their strategies and performing operational reviews of more than 2000 rental locations. He is also regularly consulted by financial institutions and equipment manufacturers. His book, *Service Success*, published in 1994, has become a bible for anyone interested in the rental business. In 2006 he was awarded the accolade of being inducted into the American Rental Association's Hall of Fame.



EUROPEAN
RENTAL
ASSOCIATION

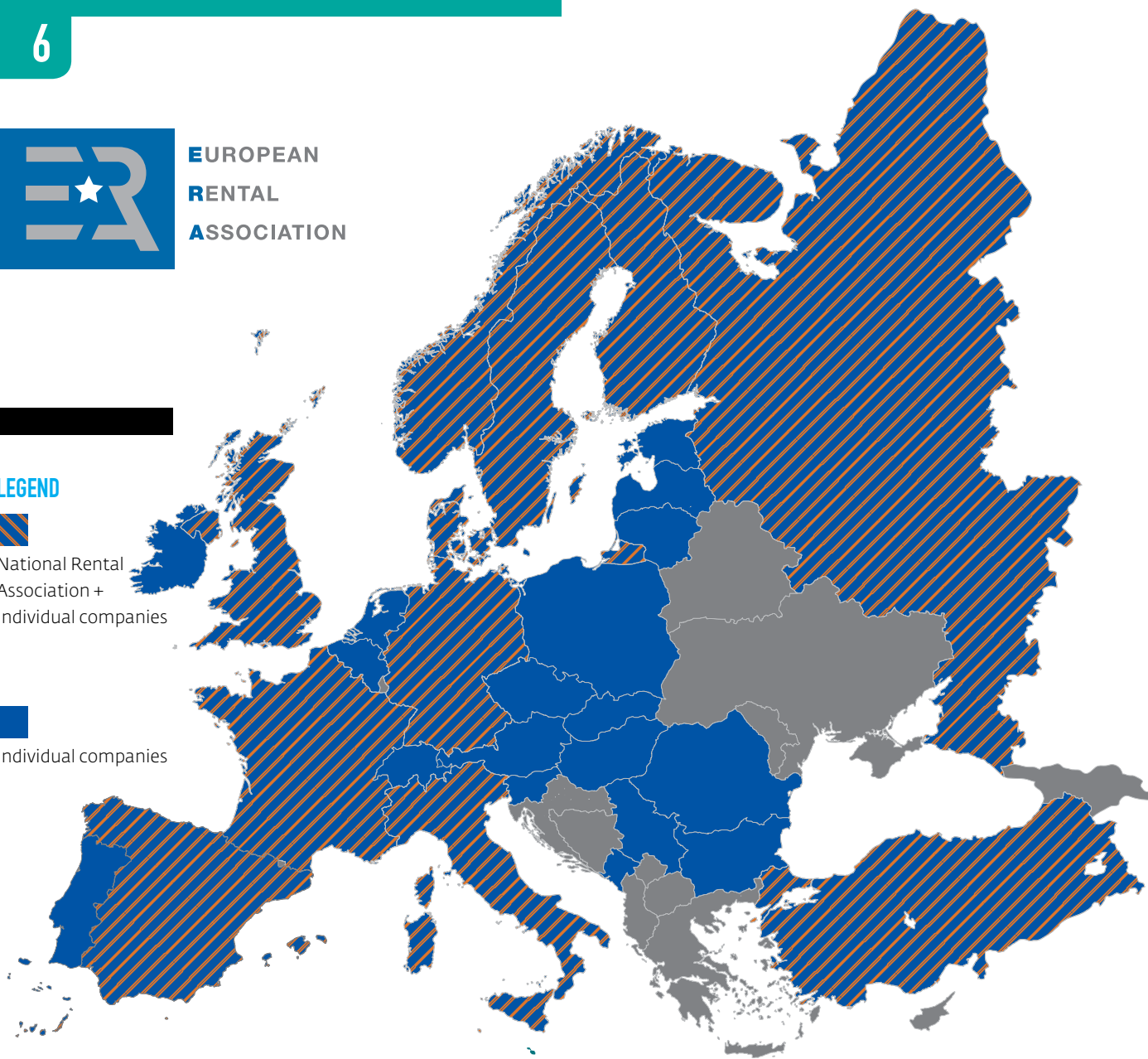
LEGEND



National Rental
Association +
Individual companies



Individual companies



ERA MEMBER COMPANIES OPERATE IN ALMOST ALL COUNTRIES IN EUROPE

Find out which companies operate in your country at www.erarental.org

ERA MEMBERS: NATIONAL RENTAL ASSOCIATIONS (AS OF AUGUST 2012)

DENMARK / Danish
Rental Association
FINLAND / TKL
FRANCE / D.L.R.
GERMANY / BBI
ITALY / Assodimi

NORWAY / Norwegian
Rental Association
RUSSIA / NAAST
SPAIN / CONFALQ
SWEDEN / Swedish
Rental Association

UNITED KINGDOM / CPA / HAE
TURKEY / IMDER
INTERNATIONAL ASSOCIATION /
IPAF

ERA MEMBERS: RENTAL COMPANIES (AS OF AUGUST 2012)

BELGIUM /
Atlas Copco Portable Air
Locasix
Six Equipments
Tvh
BULGARIA /
Johnny Service
Stroyrent
FINLAND /
Ramirent
Cramo
FRANCE /
Acces Industrie
Chambault
Groupe SALTl
Hertz Equipment Europe
Kiloutou

Loxam
GERMANY /
MVS Zeppelin & Co.
Wacker Neuson
ITALY /
Nacanco
Venpa
PORTUGAL / Machrent
ROMANIA / Industrial Access
RUSSIA / Indes
SWITZERLAND / Avesco
THE NETHERLANDS /
Aerzen
Boels Verhuur
Bredenoord Aggregaten Verhuur
Energyst
IQ Pass International

Peinemann Holding
Riwal Hoogwerkers
Workx
UNITED KINGDOM /
AGGREKO
Ashtead Group
Hewden Stuart
HSS Hire
Lavendon Group
Speedy Hire
Red-D-Arc Welderentals
VP Plc

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ACF
Ammann France
Annata
Armada Dynamics
Atlas Copco Portable Air
Atn
BBA Pumps
Brendon Powerwashers
Caterpillar
CL Miller Consulting
Dantherm Air Handling
DEIF
Datatag ID
El-Björn

Genie Europe
Haulotte Group
Hilti
Hitachi Construction Machinery
HSO Enterprise Solutions
inspHire
Iron Planet
JCB
JLG International
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KHL Group
Lawson Software
Manitou
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