



EUROPEAN
RENTAL
ASSOCIATION

Annual Report 2015

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for the next
ERA Convention in Stockholm
8- 9 June 2016



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Dear colleagues,



After another difficult year for the rental business in 2014, year 2015 shows some signs of gradual improvement. The positive development, which started in autumn 2014, has continued in 2015 with a generally improved market situation in Europe. While most national economies in Europe are taking an upward turn, growth remains modest in some countries. However, the last findings of the ERA / IRN quarterly rental tracker reflect that Spain and Italy are also showing hopeful signs.

The European Central Bank's monetary stimulus is expected to improve the economic outlook for the Eurozone as a whole. The decline in the oil price is expected to have a positive impact on economic development (except in Norway and Russia). Unfortunately, the geopolitical situation and the risks related to the European financial markets and currency rate fluctuations are still generating the greatest uncertainties on economic development.

Considerable market specific differences remain in the European construction industry, and thus the demand for rental services. However, Euroconstruct has estimated that in 2015 construction would increase in most of the European markets.

Our association, ERA, has been focusing, among other topics, on Sustainability. Therefore we decided to have this subject as the main topic of our 10th Convention. Our industry acknowledges that we need to take the right measures today, in order to succeed in the best way in the future.

The rental business is essentially sustainable since it promotes a shared use of equipment and an access to equipment instead of owning it. However, it is obvious that not every rental company is behaving in a sustainable manner due to many different reasons. As ERA represents the whole European rental business, we thought it would be important to share the best practices of our industry, as well as the other industries, and to demonstrate all the benefits of adopting a sustainable behaviour right now, if it has not been done yet.

Year 2015 has also been a busy year for the ERA Board as well as for the five ERA Committees.

I want to thank again my colleagues on the Board and all the members involved in the ERA Committees. Participating in the Committees' work is the best way for our members to be part of the association and take part in the decisions to successfully promote the rental business at European level.

Yours faithfully,

Vesa Koivula
President of ERA

ABOUT THE ERA

The key mission of ERA is to promote the rental concept in order to foster 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
- Sustainability
- Statistics on rental market
- Equipment technology
- Harmonisation of national regulations



ERA BOARD

- > Manages the ERA
- > Gathers seven representative members covering various trades and countries
- > Is elected by the General Assembly (Chair elected by the Board)

The Board is composed of:

Vesa Koivula / President
 Pierre Boels / Vice President
 Chris Davies / Vice President
 Marzia Giusto / Vice President
 Hervé Rebollo / 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
- > Organises the ERA's events

The Secretariat is composed of:

Michel Petitjean /
 Secretary General
 Hans Craen /
 Supervisor
 Carole Bachmann /
 Manager
 Veerle Guns /
 Assistant

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MARKETS OUTLOOK: TRENDS AND EVENTS IMPACTING THE RENTAL INDUSTRY

CONSTRUCTION INDUSTRY TRENDS

According to FIEC

At the last FIEC Congress in June 2015 in Brussels, FIEC vice president Jean-Louis Marchand, who is responsible for economic issues, said, "It looks like the construction industry hit rock bottom in 2013. Finally, 2014 was a turning point, but the return to growth remains very fragile and it started from a very low level."

He said EU total construction output amounted to €1.21 trillion in 2014, which represented a small increase of 0.7% over 2013. He forecasted a rise of 0.8% for this year. FIEC's statistics showed that, behind the small growth for the EU as a whole, huge disparities remained between north-western countries and south-eastern countries.

It said that, in particular, the house building segment

regained significant momentum in 2014, up 2.3%, and was now leading the recovery. This trend was expected to continue at a similar pace in 2015 with a rise of 1.6%. The non-residential segment was said to have stabilised finally, with a fall of 0.1% in 2014 and stable in 2015. FIEC said that, against this backdrop, the civil engineering segment was still struggling to recover (-2.1%), and that most Member States were not investing in public infrastructure, despite an increasing need.

In spite of the troubled period, the construction industry remains one of the major engines of Europe's growth, said FIEC, adding that construction represented 8.8% of the European Union's GDP and 3 million enterprises – the vast majority of which were SMEs.

CONSTRUCTION INDUSTRY TRENDS

According to Euroconstruct

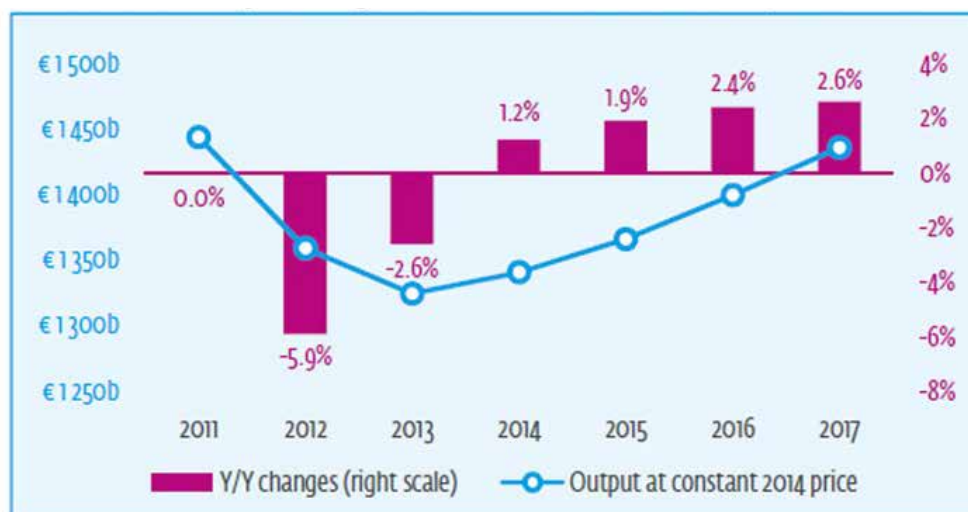
At the last Euroconstruct Conference in June 2015 in Warsaw, the Euroconstruct network of construction forecasters predicted that construction will grow more than its earlier estimates for its 19 member countries, with an increase of 1.8% for 2015. This is 0.3% better than it forecasted at the start of the year. For 2016 and 2017, the Euroconstruct forecasts a growth of 2% and 1.7%, respectively.

It said that, as a result of the clear signals of improvement in the European economy, an improvement in the construction industry in the Euroconstruct area was expected after seven years of crisis and stagnation. The slowdown of activity in construction in Europe lasted longer than in the other sectors of economy. It said also that national public

procurement rules, including those for construction works, are being altered. This would influence the way public funds are spent on construction projects to 2020.

Euroconstruct said that, within total construction output in the 19 countries, residential construction accounted for around 46% of the total activity, with a figure of €590 billion - new construction 18%, renovation and maintenance 27.5%. In 2006, prior to the financial crisis, this share amounted to over 48%. Non-residential construction amounted to 29% in 2014, with a figure of €425 billion. Civil engineering made up the remaining 25%.

Construction output and growth rate in Euroconstruct 19 countries



Source: EUROCONSTRUCT (79th conference)

RENTAL INDUSTRY TRENDS

United Rentals in North America, GAP Group in Europe and Kennards Hire in Australia are just three of the latest names to expand their respective specialty divisions, continuing a global trend that seems to be gaining momentum.

Flashback on the Rental Industry in the second part of 2014

GAP opens three new specialty divisions, including the Events division, the Welfare Services division, offering portable chemical toilets for rent, and the Survey & Safety division, offering total stations, GPS technology and lasers for rent.

Ramirent and Zeppelin secure Fehmarnbelt joint venture. The companies first outlined their bid to support construction of the world's longest immersed

tunnel.

Linking the Danish and German coast, the €6.2 billion Fehmarnbelt Fixed Link is planned to stretch 18 km, consisting of a four-lane motorway and a double-track rail line. The companies said that, typically, the potential equipment rental volume shared among the rental companies servicing the project amounted to 1% to 2% of the total construction volume.



RENTAL INDUSTRY TRENDS

Flashback on the Rental Industry in the first part of 2015

French rental company Kiloutou enters the modular building rental market with the acquisition of Akmo, located in Villeneuve le Roi in the Paris area and with a rental fleet of over 2,000 modular building items.

Finnish rental company Cramo made two acquisitions in February, expanding its presence in Sweden and Finland. It acquired rental company Visby Hyresmaskiner (VHM) in Gotland, Sweden, and Vuokra-Pekati, a privately-owned construction equipment rental business that operates in Southern Finland.

Liebherr Mietpartner adopts a strategy of replacing its excavators, dozers, dump trucks and wheeled loaders every three years, meaning that it needs to buy 600-700 machines every year. In addition to renewing its fleet, the company plans to grow its fleet in Germany from 1,200 to 1,500 units and in UK from 250 to between 400 and 600 units in the coming years.

France's Loxam has acquired an initial 25% share of Brazilian rental company Degraus, among the Top 5 rental companies in Brazil with 20 locations and 450 employees. The deal entails a capital increase at Degraus, allowing it to strengthen its position in Brazil's rental market.

Kiloutou enters the Spanish market for the first time with the acquisition of the Rentecnika equipment rental business.

The private equity fund CataCap, together with pension fund Danica and French Access Capital Partners, has acquired and merged two of Denmark's leading equipment rental companies, GSV Materieludlejning and Pitzner Materiel. Together, the companies form a "one-stop shop" and account for about 18% of the over €400 million rental market for construction equipment in Denmark.

Netherlands-based telehandler and access rental specialist Riwal has signed a five-year framework agreement for long term rental with Prangl, a rental operator of mobile cranes and aerial work platforms across Austria and Eastern Europe.

Ramirent signed a nationwide framework agreement with Statoil to supply lifts to the company's onshore and offshore facilities in Norway. With this agreement, Ramirent is expanding its offering to the oil and gas industry, as it has previously supplied mainly temporary space for offices and accommodation.

HERC started talks with Europe's biggest rental company, Loxam, about the potential sale of its French and Spanish businesses. The deal, which would see all shares of Hertz Equipement France and Hertz Alquiler de Maquinaria transferred to the European rental giant, includes 60 locations in France and two in Spain.

RENTAL INDUSTRY TRENDS

**Flashback on the Rental Industry in the first part of 2015
(to be followed)**

GAP Vehicle Hire has opened its first depot for customers looking for long-term hire of commercial fleets.

The depot, in Glasgow, Scotland, houses a workshop that will offer customers a range of customisable options including the supply and fitting of wooden ply lining, shelving, tow bars, beacons, vehicle livery and more. It also hosts a valeting service. Launched this year to offer long-term, flexible and bespoke rental packages, Vehicle Hire is one of eight divisions within the overall GAP Group.

An association for the rental industry in Poland has been set up with the help of the European Rental Association.

The first meeting of the Polish Rental Association took place in June, almost two years after the idea was first discussed. Małgorzata Felicka, of Atut Rental, was elected president, while Wojciech Lisicki, country manager at Riwal, and Bernard Michalczewski, his counterpart at Cramo, were elected to the management board. Other member companies among the 16 already signed up include Boels, Drial, Kiloutou and Ramirent. As well as promoting the country's rental industry, the association will provide educational activities for customers and increase safety at work.



In the meantime, innovation and development continue among the equipment manufacturers

Briggs & Stratton acquired producer of towable lighting towers, industrial heaters and solar LED arrow boards Allmand Bros, giving it access to new distribution channels, including the rental sector.

German manufacturer Wirtgen acquired a 70% stake in Benninghoven, a privately-owned, Germany-based producer of asphalt mixing plants.

JCB is launching a range of 1 to 10 tonne capacity site dumpers thanks to a new OEM supply agreement with Terex.

Terex agrees to sell 51% of ASV to Manitex International, resulting in a joint venture in compact track loaders and skid-steers that is 51% owned by Manitex and 49% owned by Terex.

JLG Industries acquires a 100% shareholding of low level access specialist Power Towers.

Spanish construction equipment manufacturer AUSA has been named as Europe's best exporting company at this year's European Business Awards. AUSA was one of 24,000 companies who entered for the awards, which cover 11 categories. It won the award for the Import/Export category.

Goldman Sachs Merchant Banking Division and GRO Capital are set to acquire M-Tec Holding, Pandrup, the parent company of Trackunit. The global machine telematics producer recently partnered with LoJack Corp in the USA.



ERA ACHIEVEMENTS 2015

ERA, the European Rental Association, was created in 2006 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.

It has also included the defence of the industry at European level through contacts with other European associations and the European Commission, 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.

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

ERA has also been helping foster the development of new rental associations, with the emergence of rental associations in new markets. End of 2014, ERA helped drawing the plans of a national Polish Association and the Polish Rental Association (PRA) was created in June 2015.

ERA is one of the seven members of the Global Rental Alliance, a partnership of rental associations whose aim is to increase the profile of equipment rental worldwide and to build global understanding of the industry.

On the following pages you will find a detailed account of the activities of the ERA's various committees.

ERA's work focuses on 4 main areas:

- **Promotion** of the rental concept, as a solution for cost saving and sustainability concerns,
- **Equipment Technology**,
- **Statistics** on rental market, prepared in association with IHS Global Insight,
- **Sustainability**.

PROMOTION

COMMITTEE CHAIR: Fiona Perrin, HSS Hire

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 the "Rent vs. Buy Calculator" or the Discover Rental guide that was made to explain the benefits of rental to any person not familiar with our industry.

In 2014, with the objective that ERA becomes a louder voice for our industry, the Committee worked on a communication strategy, making sure that the right messages are delivered through the right channels. A PR agency was chosen and its first campaign was, at the end of 2014, to communicate on the 2014 Statistics Report beyond our industry press into new financial, business and national press. An Infographic, used by

social and conventional media, was also created.

Since the operation was successful, a second campaign was launched in the first half of 2015, about amplifying the ERA's Sustainability theme. ERA's cooperation with this PR agency also includes social media campaigns (LinkedIn and Twitter).

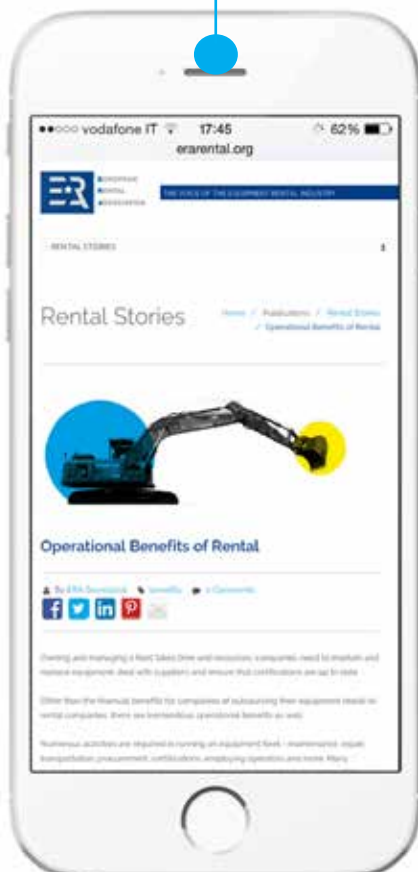
Started in 2014, the study on assessing the potential of rental of heavy equipment carried on by an MBA students' team from the Solvay Brussels School (Belgium) was concluded in 2015, providing ERA with a comprehensive calculator to compare the Total Cost of Ownership with a rental solution for heavy equipment as well as for compact equipment.



WEBSITE

The new ERA website was launched in November 2014 with a more contemporary design, mobile and tablet responsive, multi-lingual, rich in updated content and information.

Full mobile responsive website:
our website can be accessed from any smart phone / tablet



About ERA

section gives information about ERA's mission, Board, Committees and specific information to the rental users and to the rental companies



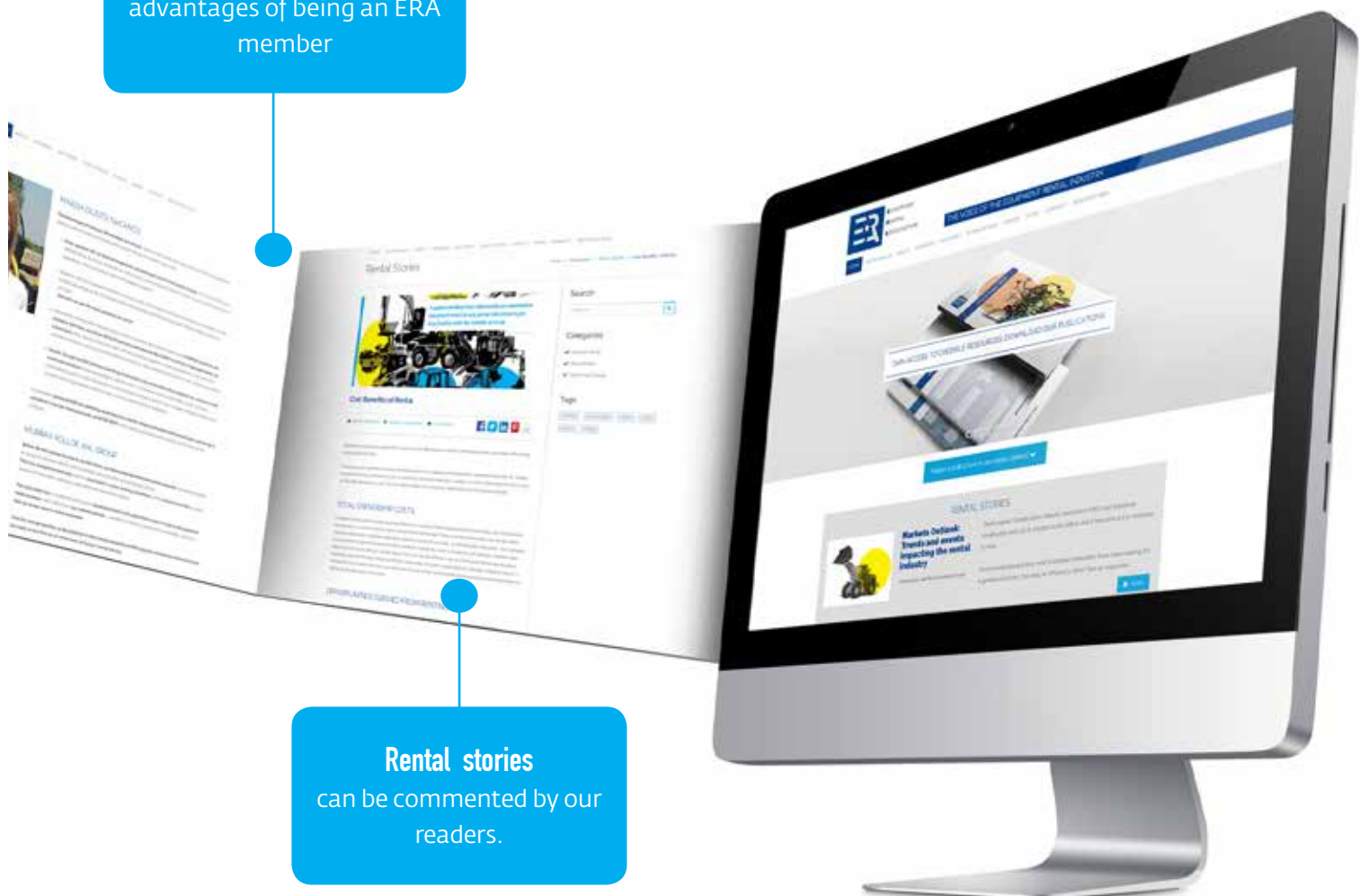
Rent versus buy calculator
allows any stakeholder to calculate whether it makes more sense to rent or to purchase a piece of equipment

OTHER CONTENTS:

- > **Members search engine**
- > **ERA's Publications**
can easily be downloaded
- > **Events** section gives information
on the past and future events
organized by ERA (or by other
associations)
- > **News** are selected to keep our
readers regularly updated
- > **Members reserved area**

Testimonials

our members share the
advantages of being an ERA
member

**Rental stories**

can be commented by our
readers.

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 the USA.

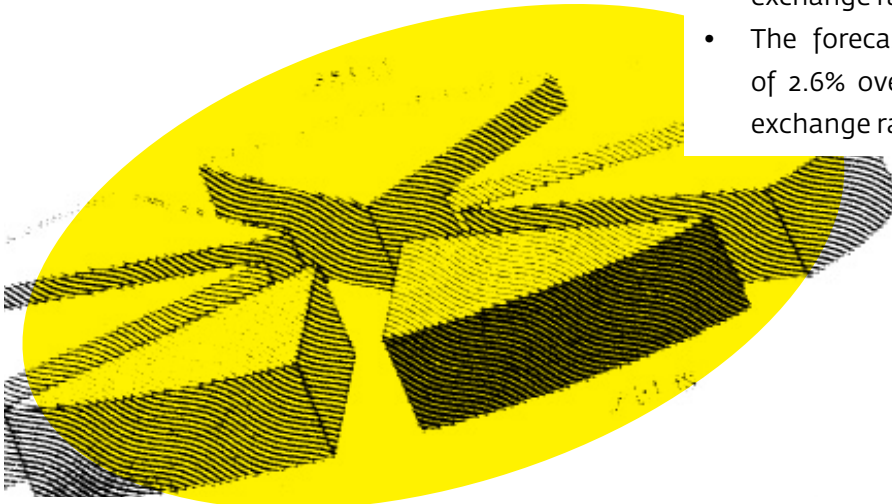
Commissioning market research does not simply mean handing the task over to a market research partner. The committee is closely involved in issues of scope, definition, methodology and format of outputs at every step of the way with the research company.

BASED ON 2011 STATISTICS, AND FOR THE 12 COUNTRIES COVERED UNDER THE STUDY, THE STRUCTURE OF THE EUROPEAN EQUIPMENT RENTAL INDUSTRY (WITHOUT OPERATORS) IS AS FOLLOWS:

- > Number of rental companies (without operators): **14,650**
- > Number of employed persons in rental companies (without operators): **117,650**

Highlights of some of the key findings in the 2014 Report include:

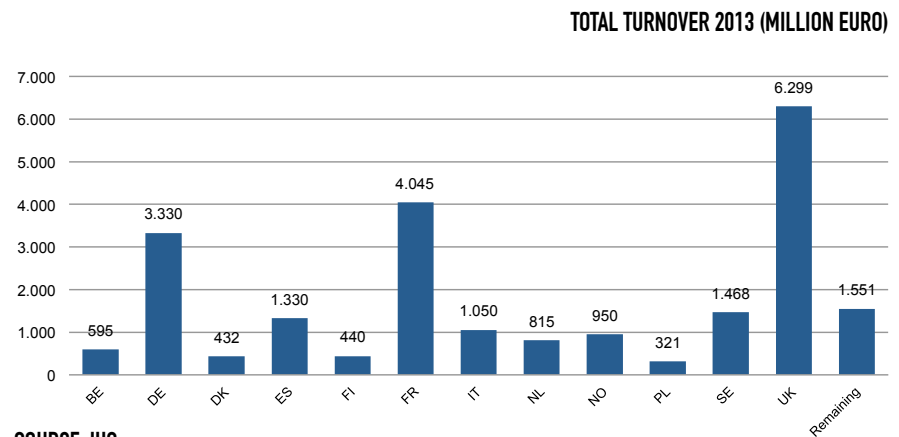
- In 2013, the total size of the European equipment rental market (without operators) was €22.63 billion at 2013 exchange rates, representing an average decrease of 1.4% over 2012. However, at constant exchange rates (2012), it would represent an increase of 1%.
- The estimate for 2014 is showing an increase of 2.8% over 2013 at €23.25 billion at constant exchange rate over 2013.
- The forecast for 2015 is showing an increase of 2.6% over 2014 at €23.86 billion at constant exchange rates over 2014.



STATISTICS

OUTPUTS

EQUIPMENT RENTAL MARKET SIZE BY COUNTRIES IN 2013:



SOURCE: IHS

In terms of market size, in 2013, the three main markets are the United Kingdom, France and Germany.

These three countries account for almost 65% of the 12 European countries' total rental turnover, and more than 60% of the EU-28 and EFTA countries' total rental turnover.

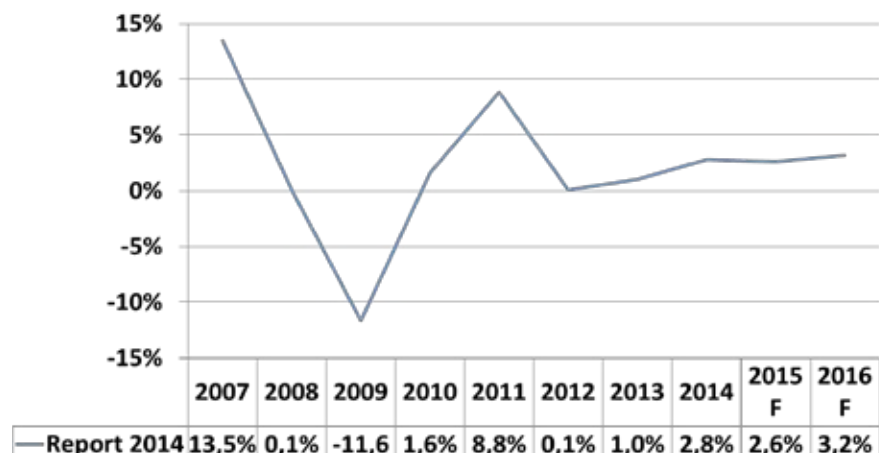
EQUIPMENT RENTAL MARKET GROWTH OVER THE CYCLE:

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 and more so in 2015.



STATISTICS

2015 REPORT DEVELOPMENTS

Additional countries: Switzerland and Austria, respectively the ninth and the eleventh biggest construction markets in EU + EFTA countries in 2014.

Special Focus on Germany to investigate the size and structure of the equipment rental market in Germany in deeper detail.

US Summary: This option is a straightforward addition of the summary of the main findings of the ARA, American Rental Association, as included in their statistics report.

European Access Industry: This option is a straightforward addition of the findings of IPAF, the International Powered Access Federation, as included in their statistics report.

Schedule 2015: Report to be published mid-October

Objective 2016: Validation of rental market sizing for the Nordic Countries

GLOBAL RENTAL ALLIANCE SURVEY



There is a consensus among the members of GRA (Global Rental Alliance including the USA, Canada, Brazil, Europe, Australia and New Zealand) to share a total revenue number of US\$ 75.4 billion for fiscal year 2013.

This figure represents a 3.2% increase over 2012 rental revenues, as calculated by IHS Global Insight. GRA is still working on numbers for rental/hire locations, people directly employed and rental/hire penetration.

SUSTAINABILITY



COMMITTEE CHAIR: Franciska JANZON, Ramirent

ERA's Committee on Sustainability is aimed at supporting the rental industry in promoting the environmental benefits of rental as well as in developing tools for helping members to respond to requests from customers and aligning practices in the industry where relevant.

The rental business meets at least 3 areas of Sustainability:

- **Environmental:** environmental footprint is reduced when people use the same machines, thereby maximising utilisation,
- **Social,** through safety consultation and regulation compliance,
- **Financial,** minimising assets and improving cost control.



Resource efficiency and circular economy are major topics of today and the near future. In order to deal with scarcity of raw materials and other resources, our society needs to look for ways to "close the cycle" in our economy and to prevent valuable raw materials to go to waste.

If the shift from ownership of goods to access to goods is remarkable in many situations of our everyday life (car sharing systems, city-bicycles, etc.), it is even more relevant for professional equipment: rather than everyone buying its own machines, availability of rental equipment when it is actually needed is more efficient and sustainable.

Therefore, the rental industry plays a key role in the transition to a sustainable economy.

SUSTAINABILITY

The objective of ERA is to make it easier for its members to show to their customers that rental is the only sustainable option and that sustainability leads to lower costs and, for itself, to convince the European and national authorities that rental should be promoted as being the sustainable solution.

The first achievement of ERA in terms of Sustainability was the "Sustainability in the Rental Industry" brochure, published in 2010. It is a framework to guide rental companies towards sustainable improvements, with factsheets on a range of sustainability topics, including examples from the rental business practice.

In 2014, the Committee decided to mandate an external consultant, Schuttelaar & Partners, in order to continue to build ERA's Sustainability Story and to build a Sustainability strategy for ERA.

The study was carried out during the second half of 2014 and started with a survey among a number of rental companies, national associations as well as associations of other industries. As a result of this first step, a number of best practices were identified.

The survey highlighted that many smaller rental companies perceive that a sustainable business policy requires major investments but doesn't bring much added value towards their customers, which remain price focused. The survey also identified a "Europe at 2 speeds", with the Northern companies increasingly investing to reduce the environmental impact and the Southern companies still focusing on other priorities.

As a second step, a regulatory audit was carried on and identified EU legislation that affects the rental sector in relation to Sustainability.



TOGETHER WE CAN BUILD A
SUSTAINABLE FUTURE AND CREATE
OPPORTUNITIES OUT OF
SUSTAINABILITY

SUSTAINABILITY

Following this study, ERA identified two major objectives and started to implement corresponding action plans.

- Develop tools that help SMEs to implement practical and affordable practices that will benefit them as well as their customers. As a first step, ERA developed a brochure with best practices, dedicated to the rental business. ERA will also organise a workshop on energy efficiency for the national associations in November.
- Promote the rental business towards the European authorities: ERA has developed an advocacy strategy to influence the European legislation that affects the sustainability policies of the rental sector. ERA has developed a second brochure with best practices dedicated to the authorities. Furthermore ERA continues monitoring all legislations and policies that can have an impact on the rental business.



EQUIPMENT TECHNOLOGY

COMMITTEE CHAIR: Martin HOLMGREN, Cramo

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.

Its mission statement is: "Making it safer, easier and cost effective for the rental industry by working together with equipment stakeholders on:

- the key drivers of the total cost of ownership (damages, accidents, maintenance, etc.),
- standardisation wherever possible (telematics, decals, compaction, etc.),
- simplified instructions manuals and training (operation, maintenance, safety, e-learning?)
- parts management and key drivers of repair and maintenance total costs,
- new legislations impact on rental industry."

A survey was conducted in 2012 among the rental companies to identify:

- the most common damages to rented equipment caused by inexperienced users,
- the most common accidents caused by inexperienced users,
- the categories of equipment "under maintained" most by customers when rented out,
- the most frequent reported issues in service calls,



- The type of information on Operations, Maintenance and Safety the rental companies believe their customers would like to receive.

To build on the results from the survey, the Committee organized two workshops at BAUMA 2013 with experts from rental companies and OEM's to analyse and research how accidents and damages can be best reduced for construction and access equipment. Other topics were considered at the workshops as generating added value:

- safety, operation and maintenance instruction leaflets,
- standardisation everywhere possible, in particular Telematics,
- spare parts management.

EQUIPMENT TECHNOLOGY

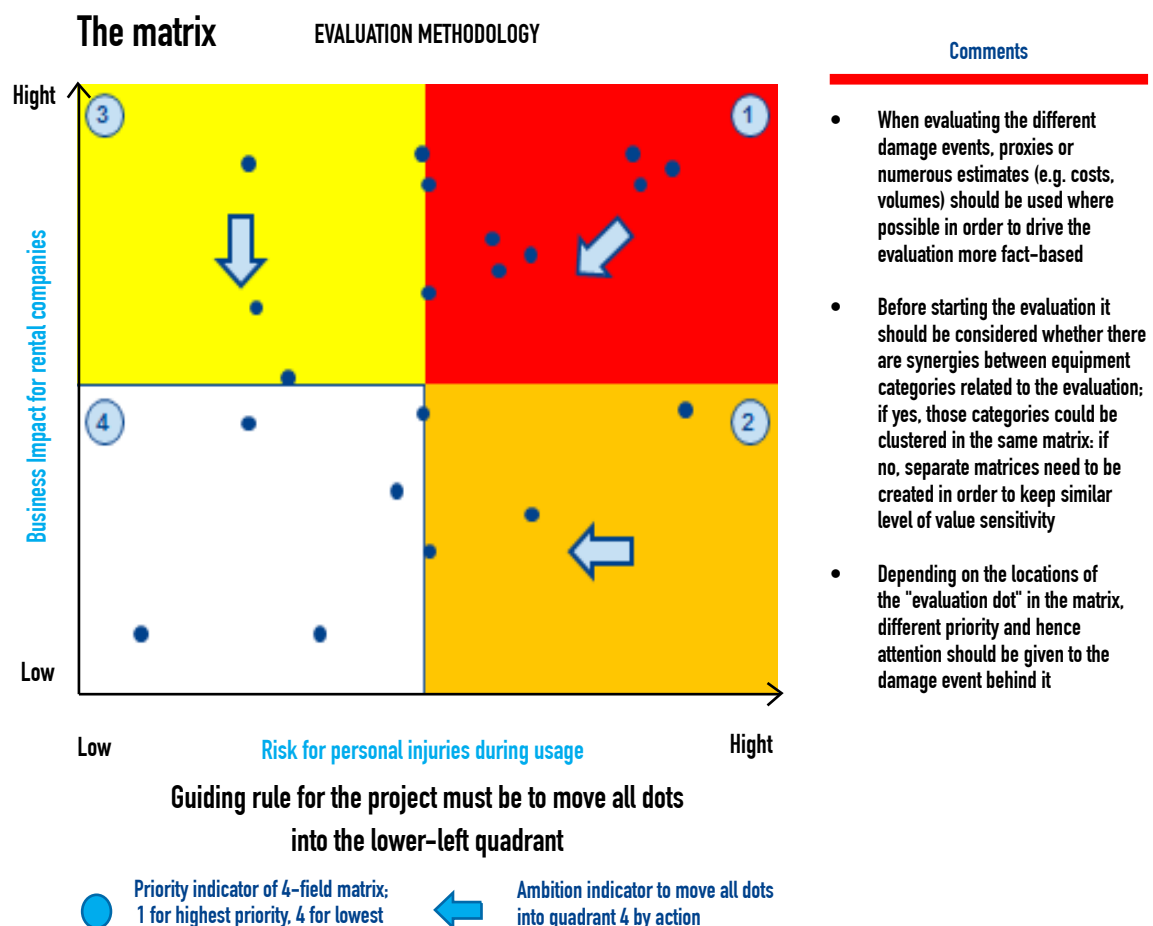
As a follow-up on these workshops, the Committee assessed 27 issues to be graded by:

- **business impact for the rental companies,**
- **risk for personal injuries during usage.**

To allow an in-depth analysis of the issues identified in those works, the Committee decided to organise face-to-face meetings between representatives of rental companies and representatives of a selected manufacturer on a confidential basis. The five first ones took place during the Committee meeting of October 2014.

Intermat offered the opportunity for a new round of 10 face-to-face meetings. Some manufacturers attended for the second time and, among many, the most common issues considered were:

- **tie down points,**
- **simplified instructions / quick guide,**
- **greasing technology / intervals,**
- **loading with forklift.**



EQUIPMENT TECHNOLOGY

In depth discussions about project findings will be pursued between rental companies and OEMs at the next committee meeting in October 2015.

More face-to-face meetings between one manufacturer and rental companies will be organized at BAUMA in April 2016.

The possibility of delivering a “rental certified equipment” label is contemplated, as well as the idea of having a “Rental Product of the Year” category for the European Rental Awards 2016 validated by the Equipment Technology Committee.

The feedbacks received from the experts during the workshops have been reported in the “Catalogue of Equipment Rental Industry Issues, Needs and Requirements for Construction & Access Equipment”, deemed to serve as a support for communication between rental companies and OEMs. It will allow OEMs willing to better serve the needs of the rental industry to understand the issues and the needs that the rental companies are facing in their day-to-day operations as well as in the management of their equipment fleets.

The Equipment Technology Committee is also involved in the standardisation of Telematics. Standardisation started in 2008 with 6 data fields, going to 11 data fields in 2013, and to 19 data fields by the end of 2015. Manufacturers' systems are various but users just need one system. Many stakeholders are involved besides the equipment stakeholders: AEMP and VDBUM, ARA and ERA, contractor's associations... Now that there is

a standard, ERA encourages the customers to pay attention that the machines they purchase comply with the standard and that the devices are updated.

Among the topics the Committee would like to work on in the coming months, two are of priority:

- **spare parts analysis,**
- **maintenance of equipment** (review of the maintenance instructions and intervals, of the guarantee policy, etc.).



NATIONAL ASSOCIATIONS

COMMITTEE CHAIR: Kevin MINTON, CPA

The Committee was created in 2013, as a continuation of the former Norms and Safety Committee, who later became the EU Affairs Committee, and of the Association Day. It is composed of the representatives from the national rental associations that are members of ERA.

This Committee is the new platform for the associations to meet and exchange and also for them to think about how to improve the rental business in general. It focuses notably on safety issues, attracting talents to the industry and all issues relevant to the national associations.

It is also keeping up-to-date the list of EU issues and EU organisations of relevance to the rental industry, initially identified by the EU Affairs Committee.

After reviewing an exhaustive list of the EU issues, the Committee has decided to pay particular attention to the following ones:

- **Engines Regulations,**
- **Noise of equipment in outdoor use,**
- **Compliance of equipment,**
- **Cross border transportation of equipment,**
- **Inspection of work equipment,**
- **Operator licences and training,**
- **Instruction manuals,**
- **Equipment theft**

(ERA participated to the CITS Conference,

Combined Industries Theft Solutions, in November 2014).

All these issues are followed either by the National Associations Committee or by the Equipment Technology Committee or the Sustainability Committee.

As a consequence of the findings of the Sustainability Committee about the difficulties for the SMEs to consider Sustainability as a priority, it was decided to involve the national associations in this topic so that they can motivate their members to put Sustainability more central in their business approach. A workshop on energy efficiency will be organised during the next meeting of the National Associations Committee in November.

ERA is also in touch with various European organisations. First on the list is the European Commission. In particular, ERA is, at the moment, working with DG ENV (on Circular Economy and Waste Framework Directive) and recently met with DG MOVE (transportation of equipment).

On top of that, ERA is a partner of critical / stakeholders associations in Brussels like CECE, FIEC and Leaseurope.

INTERMAT



Intermat, **the International Exhibition for Equipment and Techniques for Construction and Materials Industry**, took place from 20 to 25 April 2015, at Paris-Nord Villepinte, France.

Due to the success of the event in 2012, ERA organised again the Rental Days with Intermat, centred on the work and accomplishments of the ERA Equipment Technology Committee.

A presentation about ERA's Catalogue of Equipment Rental Industry Issues, Needs and Requirements for Construction and Access Equipment was held on April 23 and was followed with a debate, moderated by Murray Pollok, Managing Editor of IRN. Two invitees from rental companies, Martin Holmgren (Cramo) and Francois Renault (Kiloutou), and two invitees from manufacturers, Alain Becque (Manitou) and Jean-Marc Reynaud (Yanmar), participated to the debate.

In the morning of April 23, a visit of a Loxam rental depot in the vicinity of Intermat was organised.



On April 22, the ERA Equipment Technology Committee had organised some workshops between rental companies and manufacturers. The objective was to achieve tangible results towards concrete manufacturers' actions facilitated by clear indications from the rental industry in order to speed up the development towards rental adapted equipment.

ERA was also exhibiting.



ERA CONVENTION 2015

ERA CONVENTION 2015

The theme of the tenth Convention, which took place in Rome (Italy) on 3 and 4 June 2015, was "Sustainability as an Opportunity" and featured a number of keynote addresses and roundtables.

The European Rental Awards Dinner took place at the same venue, on 3 June.



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RENTAL
ASSOCIATION

PLENARY SESSION *



Jup van't Veld – Sustainability Story and the Rental Business

Jup van't Veld is Consultant at Schuttelaar & Partners, the Consulting firm assisting ERA's Sustainability Committee in its works, with expertise in sustainability

issues and occupational health and safety.

He demonstrated to the audience the urgency for the European citizens to change their attitude in terms of resource consumption and the necessity to change from a linear economy, where at the end goods are left to decompose, to a circular economy, where the master themes are reduce, reuse and recycle.

Reminding the conclusion of the survey carried on by the Sustainability Committee at the end of 2014 that Sustainability is embraced by large rental companies and that most SMEs do not see the benefits or perceive too many obstacles in implementing sustainable policies, Jup brought examples of other sectors than rental, like agri-food or textile. He showed that, in these cases, small businesses have also understood the interests of being sustainable. As a conclusion, Jup insisted on the fact that Sustainable Business is the way forward and that there is no alternative.



Christoph Afheldt – How to develop solutions & services in rental

Christoph Afheldt is Managing Director at Zeppelin Streif Baulogistik GmbH. He presented the shift

in the rental business from a service orientated business to a solution orientated one. The customers not only require equipment and the related traditional services like maintenance, training, transportation. They need other value-added services, like asset management services, but also they expect solutions, such as fleet outsourcing, traffic safety and temporary infrastructure. To differentiate themselves, the rental companies will have to be able to provide value-added services and integrated construction site and project management.

* *Presentations available on the ERA website,
www.erarental.org*

PLENARY SESSION

Michel Petitjean – Trends in the European Rental Industry



Michel Petitjean presented the trends in the European Rental Industry. He started with the macro trends on construction and equipment markets in Europe and delivered the highlights of the 2014 Statistics Report, including the focus on the UK and the French rental markets. He presented the forecasts updated as of May 2015 and introduced the 2015 Report's developments.

GUEST SPEAKER

Marc Luyckx Ghisi – Towards a new civilisation



Marc Luyckx Ghisi was successively a priest and a political thinker. Today, he writes about the transition to a new virtual economy where the human plays a central role, where the 3 forces, spiritual, political and economic, are ultimately intertwined. At the ERA Convention, he gave his vision of the future and positive changes to our world in crisis.

ROUNDTABLE SESSIONS *

THE BUSINESS SENSE OF SUSTAINABILITY

The purpose of this roundtable was to discuss how and to what extent sustainable management and strategy of a rental company make sense.

Hervé Rebollo, General Secretary of the DLR, the French Rental Association, presented the label SE/SE+ (Safety and Environment), created by the DLR to help their members improving their performances in those two areas and to give them a proof of professionalism towards their customers.

Kevin Haycock, EHS Project Manager at A-Plant, presented "Practical Sustainability Solutions", demonstrating that investment in energy savings pays off and that it is important to look at the total life-cycle costing.

Jup van't Veld, consultant at Schuttelaar & Partners, moderated the session.



STANDARDISATION OF TELEMATICS



Dino Leistenschneider, Executive Vice President, Sourcing and Fleet Management at Ramirent Group, moderator of this roundtable, gave the status of the standardization of

construction equipment telematics data, according to VDBUM. VDBUM is the German Association of the Construction Industry, Environment and Machine

Technology and has been much involved in developing a fleet management system for construction equipment over the last 6 years, together with the American Associations AEMP (Association of Equipment Management Professionals) and AEM (Association of Equipment Manufacturers).

Claudio Fiorentini, MD Global Major Accounts & Special Projects at JCB, addressed the benefits of telematics for the users and the future of telematics, between OEM's systems and proprietary systems.

* Presentations available on the ERA website,
www.erarental.org

COUNTRY IN FOCUS: ITALY *

AN OVERVIEW OF THE CONSTRUCTION EQUIPMENT RENTAL MARKET IN ITALY

Gian Luca Benci, from ASSODIMI, presented the overviews on the Italian economy, the construction sector and the equipment rental market.

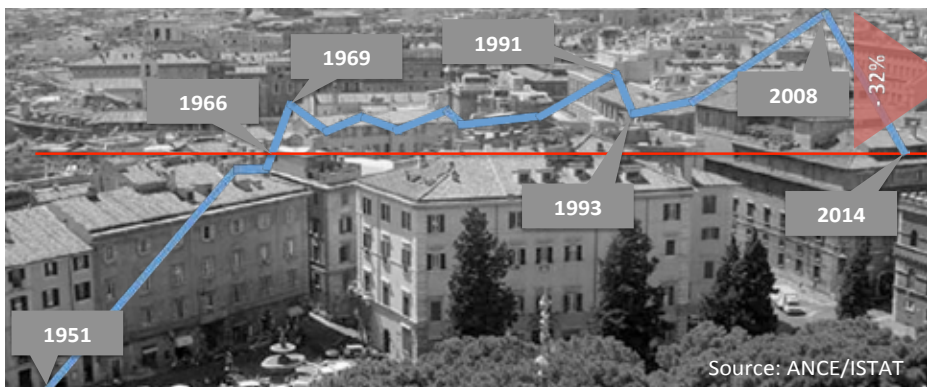


Between 2008 and 2014, the Italian construction sector decreased by 32% (-23% for the residential market, -41% for the non-residential market).

The building permits for new houses went from more than 278,000 in 2005 to 53,000 in 2013 (-81%).

According to ASSODIMI, the Italian rental market in 2014 represents EUR 1,350 M, compared to EUR 1,716 in 2008.

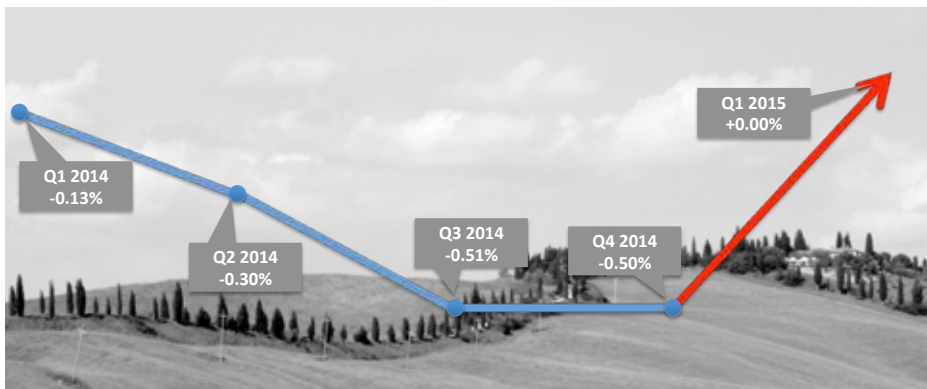
The penetration rate in 2014 amounts to 0,97%, which is comparable to Spain (0,9%), but which is low compared to some other European countries like UK, Sweden or France. But 2015 seems much more promising for Italy: there is a new government and the Italian GDP is not decreasing anymore.



* Presentations available on the
ERA website,
www.erarental.org

COUNTRY IN FOCUS: ITALY

ITALIAN GDP (yearly variations over the same quarter of the previous year)



Still according to ASSODIMI, the value of the rental fleet would amount to EUR 2,200 M.

Powered access and telehandlers, scaffolding and earthmoving equipment would each represent 20% of the total rental turnover in 2014, however, with differences in the trends since powered access / telehandlers and scaffolding were just representing 14% each of the rental turnover in 2008, whereas 24% of the rental turnover was made with earthmoving.

TURNOVER (Million €, source: Assodimi)

In 2014, there would be 3,430 rental companies and distributors with a rental activity in Italy, among which 49.7% are specialised.

But there would be only 100 companies with more than 3 branches.

SECTOR	2007	2014*	%Δ
Powered access & telehandlers	214	290	+40.2%
Scaffolding	217	270	+24.4%
Power generation, air compressors, temperature control	154	180	+16.9%
Modular & sanitary space	75	110	+46.7%
Earthmoving	373	270	-27.6%
Other construction equipment	186	110	-40.9%
Tower cranes	84	20	-76.2%
Other sectors (demolition, pumps, drilling, transports)	222	90	-59.5%
TOTAL	1524	1350	-11.4%

COUNTRY IN FOCUS: ITALY



Enrico De Rosa, Chief Financial Officer at Officine Giuliano spa, gave a presentation about the main differences between the rental European market and the Italian one.

According to him, 4 factors have to be considered:

- **The rental penetration rate**, lower than in other European countries, which can also be seen as an opportunity,
- **The bureaucracy and the risk of insolvency**,
- **The access to credit, especially for SMEs**,
- **The public administration payment delay**, which should improve due to the implementation of the European Late Payments Directive.

He also showed how Officine Giuliano increased the average life of equipment during the crisis, with an intensive maintenance schedule, a better spare parts management or the specialisation of workers, making the company also more sustainable.

COUNTRY IN FOCUS: ITALY



Carlo Buso, General Manager at Cofilloc spa, gave his presentation about Sustainability at Cofilloc.

He pointed out that our associations must intervene to provide advantages for those that invest in sustainability and that it will be “an important business for our companies, one that will let us innovate and invest in new equipment and services, thus creating financial and social benefits throughout the sector”.



Tarcisio Sciocco, Country Manager at Boels Rental Italia, shared the experience of a European Rental Company who decided to enter the Italian market and explained some of the reasons that can motivate this choice.

- The low rental penetration, showing that there is a potential of growth,

- The mind-set “buy vs. rent” is changing and companies are now understanding that rental is not only a financial necessity when the investment capacity is low but that it is the best solution to get the right machine at the right time.

He also mentioned the importance of Sustainability in the philosophy of their company (selection of the suppliers, maintenance, etc.).

EUROPEAN RENTAL AWARDS



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



WINNER >> A-Plant (UK)



2014 was one of the most successful years in A-Plant's 60 year history. Its rental revenues were up 33%, profits more than doubled, and it invested heavily in its fleet – spending around £140 million in the 12 months to April 2015.

In 2014, the company invested almost £1 million on the recruitment and training of apprentices, and it carried out more than 3,000 training days for its own staff.



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



SHORTLISTED >> GAP Hire (UK)

GAP had another successful year in 2014. It launched four new divisions – for events, welfare services, vehicle hire and survey & safety hire – and opened 20 new depots, growing its staff numbers by 21%. The company was expecting to increase its revenues in 2014-15 by 22%. Last year GAP signed up to the '5% club', a commitment to having a minimum 5% of its staff enrolled in apprentice, sponsored student or graduate development schemes. It has already exceeded that target.



SHORTLISTED >> HSS Hire (UK)

HSS posted some great numbers for 2014, with revenues up 25.5% and growing operating profits as well. Its recent acquisitions have made it a major player in the aerial platform and power sectors, and the hub and spoke distribution system it implemented in recent years is now maximising equipment availability for customers and driving up utilisation. This system is also being leveraged to establish a network of small, low-cost 'local' branches, of which 23 were opened in 2014.



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



WINNER >> Atut Rental (Poland)



Celebrating its 25th year in 2015 and one of the pioneers of equipment rental in Poland, Atut Rental enjoyed a very successful year in 2014, growing revenues by almost 30% and net profits by 42%, and expanding its network to 15 locations with two new depots. It also implemented a paperless office system. It also has a real focus on the welfare and career development of its own staff.



SHORTLISTED >> Germans Homs (Spain)

Starting operations in 2010, at the height of Spain's recession, Germans Homs has carved out a place for itself in the rental market, combining classic good rental practices with new technology. In 2014 the company pushed ahead with its e-commerce project, allowing customers to reserve, rent and pay for equipment online.



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



SHORTLISTED >> Industrial Access (Romania)

After a very challenging 2013, Romania's Industrial Access rebounded in 2014, growing both its revenues and profits by more than 30%. The company has invested heavily in its cloud-based Smartrent system, which provides real-time data on every aspect of its business, information that is also made available to its customers. Industrial Access has proven that the latest technology can be harnessed by small as well as large companies.



SHORTLISTED >> O.Mec (Italy)

O.Mec rents aerial platforms, telehandlers and cranes, and has carved out a successful niche in providing rental services to the industrial sector, including petrochemical plants, shipbuilding, the food industry and other non-construction customers. In addition to its work in Italy, it has won major rental and service contracts in Algeria and Russia, providing training as well as equipment.



Most Sustainable Rental Product of the Year

WINNER >> Wacker Neuson (AS 30 and AS 50 electric powered rammers)



Started by the push of a button, Wacker Neuson's new battery powered rammers save fuel consumption compared to conventional diesel or petrol powered rammers, but also eliminate fumes, reducing environmental impact and improving the experience for the user. They provide the same compaction performance as conventional rammers in the same class. The rammers' ergonomic design and quieter operation will find favour with workers on site, as will the ability to recharge the battery in just one hour. The launch of these rammers, which follows the introduction of an electric powered mini excavator, shows that Wacker Neuson is taking environment concerns seriously, as well as the working environment of end users.

HIGHLY COMMENDED AWARD >> Firefly (Cygnus Three Hybrid Generator)

The hybrid set works alongside a conventional diesel genset, providing power when demand is low, reducing fuel consumption, cutting CO₂ emissions and reducing running hours on the diesel set.

On one 15 week project in London, the Cygnus unit halved the running time of the diesel set.





Most Sustainable Rental Product of the Year

SHORTLISTED >> Holland Lift International (HL-275 hybrid power scissor lift)



The HL-275 is the first of a new range of hybrid powered scissor lifts from Holland Lift, and the first ever to use a parallel hybrid system.

The scissor can be operated on battery power alone, with diesel power, or combined, allowing it to be used throughout the life cycle of a project, outside and inside.

SHORTLISTED >> MHM Plant/Powerbank (Powerbank Hybrid Combi 20/25)



This hybrid power set differs in that it is an integrated battery and diesel set, with a 20 kVA battery bank and a 25 kVA generator.

This gives rental companies the option of a compact hybrid unit where the prime power is from the battery pack, supported by the generator, giving a maximum output of 45 kVA.

SHORTLISTED >> Morris Site Machinery (SMC Solar-2 lighting tower)



The SMC Solar is a lighting tower without a diesel engine, powered by solar panels and battery pack, meaning no fuel, no engine oil, zero noise and zero CO₂ emissions. Run time is indefinite with peak solar conditions, with mains charging of batteries also an option.



ERA / IRE Rental Person of the Year



WINNER >> Wolfgang Hahnenberg and Peter Schrader (Zeppelin Rental)

Wolfgang Hahnenberg began his career with Caterpillar in 2000, joining dealer Zeppelin in 2003. He became joint managing director of MVS Zeppelin in 2008 and of Zeppelin Rental in 2012. He is also CEO of Zeppelin Group's rental business unit.

Peter Schrader is joint managing director of Zeppelin Rental and director of sales. He joined Zeppelin Group in 1990. In 2003, he was appointed head of Zeppelin's rental business, and then in 2004 he became managing director of Zeppelin's new rental company (at that time, MVS Zeppelin). He took up his current post in 2012.

The two men helped their company expand through strategic acquisitions and the successful implementation of smart rental management tools. In 2014, the business grew by 20% and made two very significant acquisitions, which expanded the scale and diversity of its operations. They continued to focus on innovative rental processes, including yield management techniques.

Lifetime Achievement Award



WINNER >> Pierre-Yves Lecat

Pierre-Yves Lecat entered the rental industry in 1982 as one of the first managers of a new rental business, Kiloutou, when it had just five branches, and quickly becoming the right hand man of the company founder. After two years as a regional manager with responsibility for expansion, he was appointed deputy CEO, a post he continued to hold until his retirement from full-time work in 2012. He remains a shareholder and is still an active member of the board. He steered his company through at least four financial crises; he grew the business to a 100 branch operation by 2002; and by the time he retired it had 410 locations and annual revenues of €460 million.



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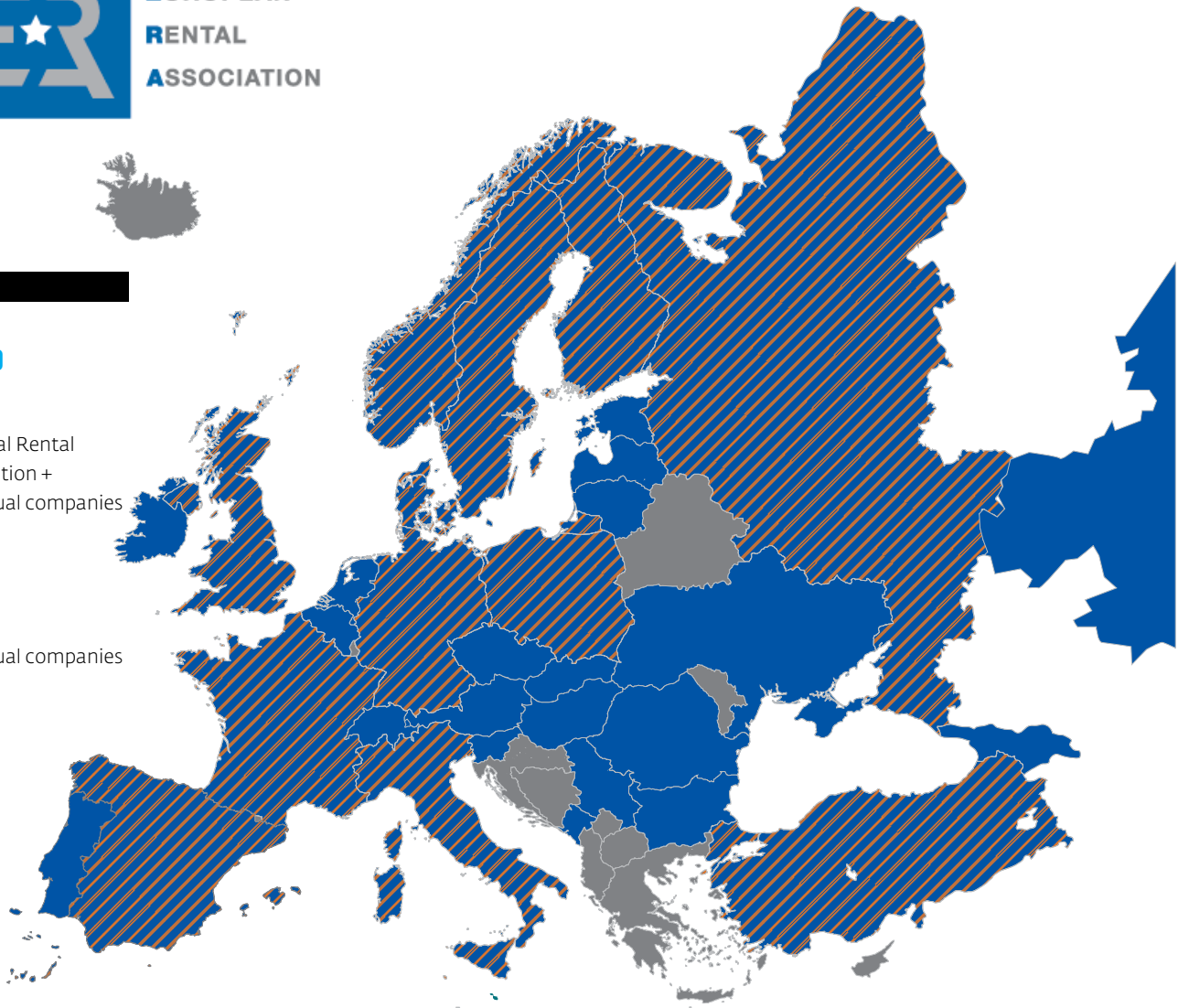
LEGEND



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 2015)

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

NORWAY / Norwegian
Rental Association
POLAND/ PRA
RUSSIA / NAAST
SPAIN /ANAPAT / ASEAMAC
SWEDEN / Swedish

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

ERA MEMBERS: RENTAL COMPANIES (AS OF AUGUST 2015)

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Atlas Copco Portable Air
Locasix
Six Equipment
TVH
BULGARIA /
Stroyrent
CZECH REPUBLIC/
Johnny Servis
FINLAND /
Cramo
Ramirent
FRANCE /
Acces Industrie
Chambault
Kiloutou
Loxam
GEORGIA /
Georent

GERMANY /
Hotmobil
Liebherr Mietpartner
Rain for Rent International
Wacker Neuson
Zeppelin Rental
ITALY /
Nacanco
Venpa
KAZAKHSTAN /
Equipment Rental Solutions
POLAND /
Drial
PORTUGAL /
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Industrial Access
SWITZERLAND /
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THE NETHERLANDS /
Aerzen International Rental
Baker Corp International
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Energyst
Peinemann Holding
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Hewden Stuart
HSS Hire
Lavendon Group
Red-D-Arc Welderentals
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Eurogate International
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Yanmar

AVAILABLE OCTOBER 2015!

The European Equipment Rental Industry 2015 Report

The **ERA Economic Report 2015** gives you the most comprehensive data currently available on the European Rental Industry.

The Report contains a country-by-country analysis over 14 European countries (2 additional countries compared to 2014), **detailed market size information for the years 2011-2014** and key ratios among which fleet size and investment as well as penetration rates.

After focussing on the validation of the UK rental market in 2013 and on the validation of the French market in 2014, the 2015 report puts emphasis on the German market, validating the size of the equipment rental market and giving additional information on the market structure.

The 2015 report will also introduce, for the first time, a comparison by country between the total rental market and the Access market and a summary of the USA rental market.

Find out what to expect of the Rental Industry in each country with the 2016 forecasts!



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