

ERA MARKET REPORT

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2015

ERA
EQUIPMENT RENTAL
INDUSTRY REPORT



EUROPEAN
RENTAL
ASSOCIATION



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Foreword

Dear ERA member, dear reader,

The ERA is releasing its 2015 Market Report, with a new presentation and new features. This new presentation is deemed to make the report easier to read with less wording, although with the same comprehensive information and more...

The number of countries covered in this report has increased to 14 countries with the addition of Austria and Switzerland.

This year, the report develops a focus on the German rental market as it did for France in 2014 and for UK in 2013.

Finally, a comparison between the Access rental industry and the Equipment rental industry will be presented at the end of the report as well as a summary of the US rental market and its last trends. As you will learn from the report, the European rental industry as a whole is continuing to grow notwithstanding difficulties in various markets, particularly in Central and Southern Europe.

Equipment rental without operators in Europe, in 2014, amounted to a total turnover of 23.06 billion Euros, representing, at constant exchange rate, an increase of 1.9 % over 2013.

An estimate for 2015 is showing an increase of 1.4 % over 2014 at constant exchange rate

A forecast for 2016 is showing an increase of 2.7 % over 2015 at constant exchange.

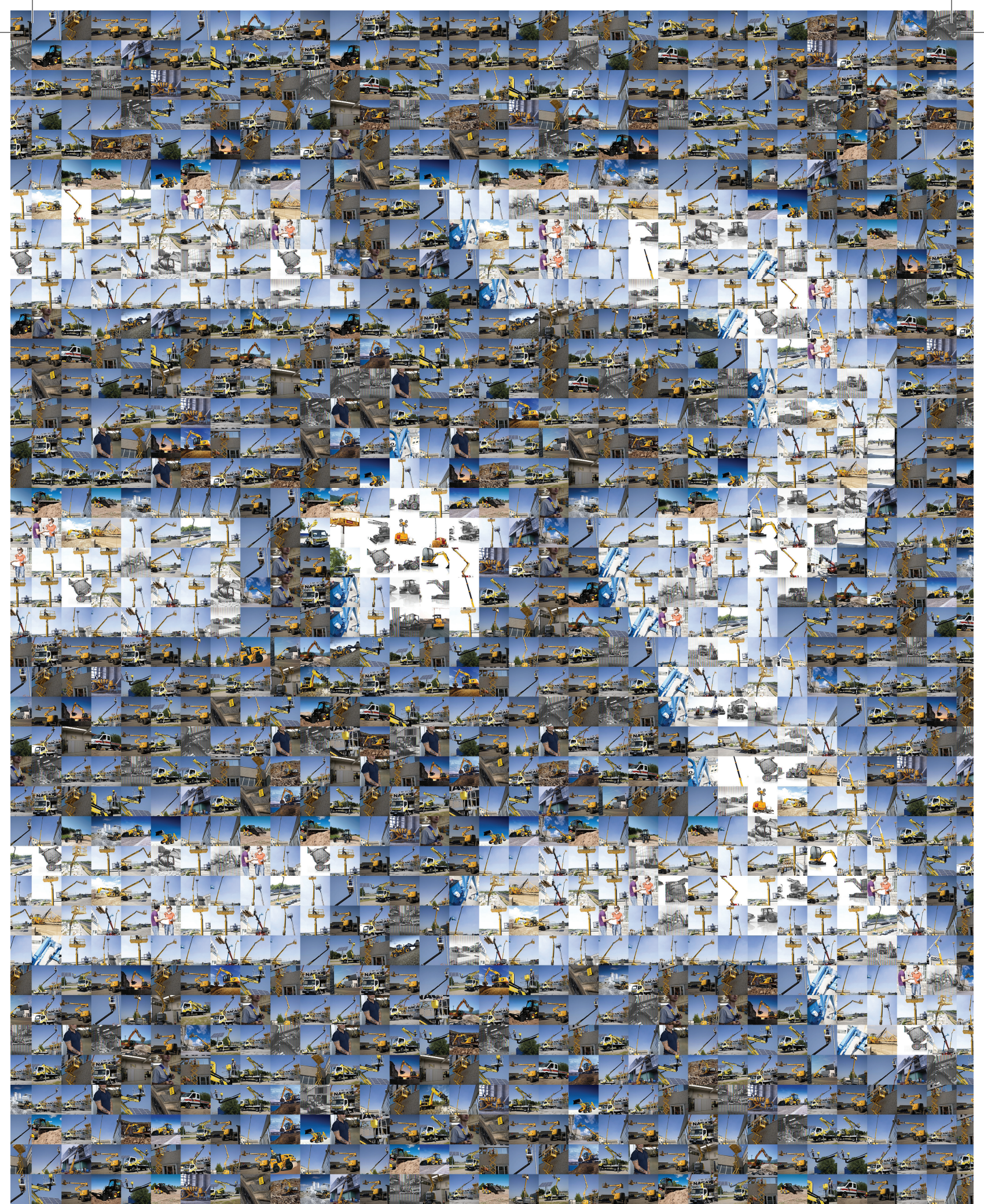
The penetration rates tend to vary from last year, however these changes do not affect the trend development of penetration rates over time, which stays strongly correlated to the construction activity.

The differences of penetration intensity between countries suggests that there is plenty of room for the European rental market to grow ahead of the economy (particularly for those less well performing countries). It is the aim of the ERA to develop the European Equipment Rental Industry Report further as a strategic publication and, as the data sourcing will continue to improve, our market sizing will also improve, always with respect to the consistency of definitions and methodologies.

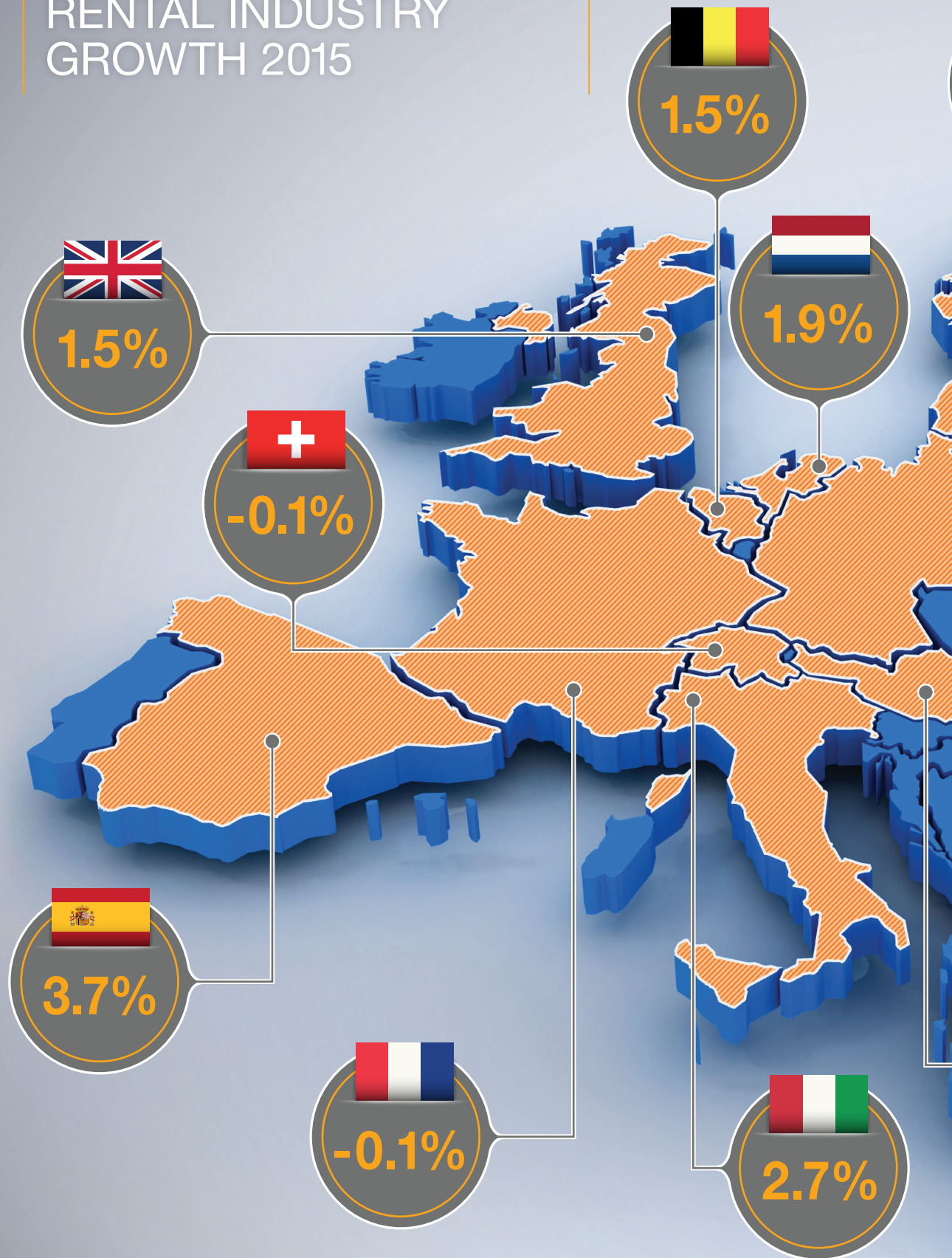
In wishing you an interesting read, I would like to thank the ERA statistics committee members for their dedication and participation in this project.

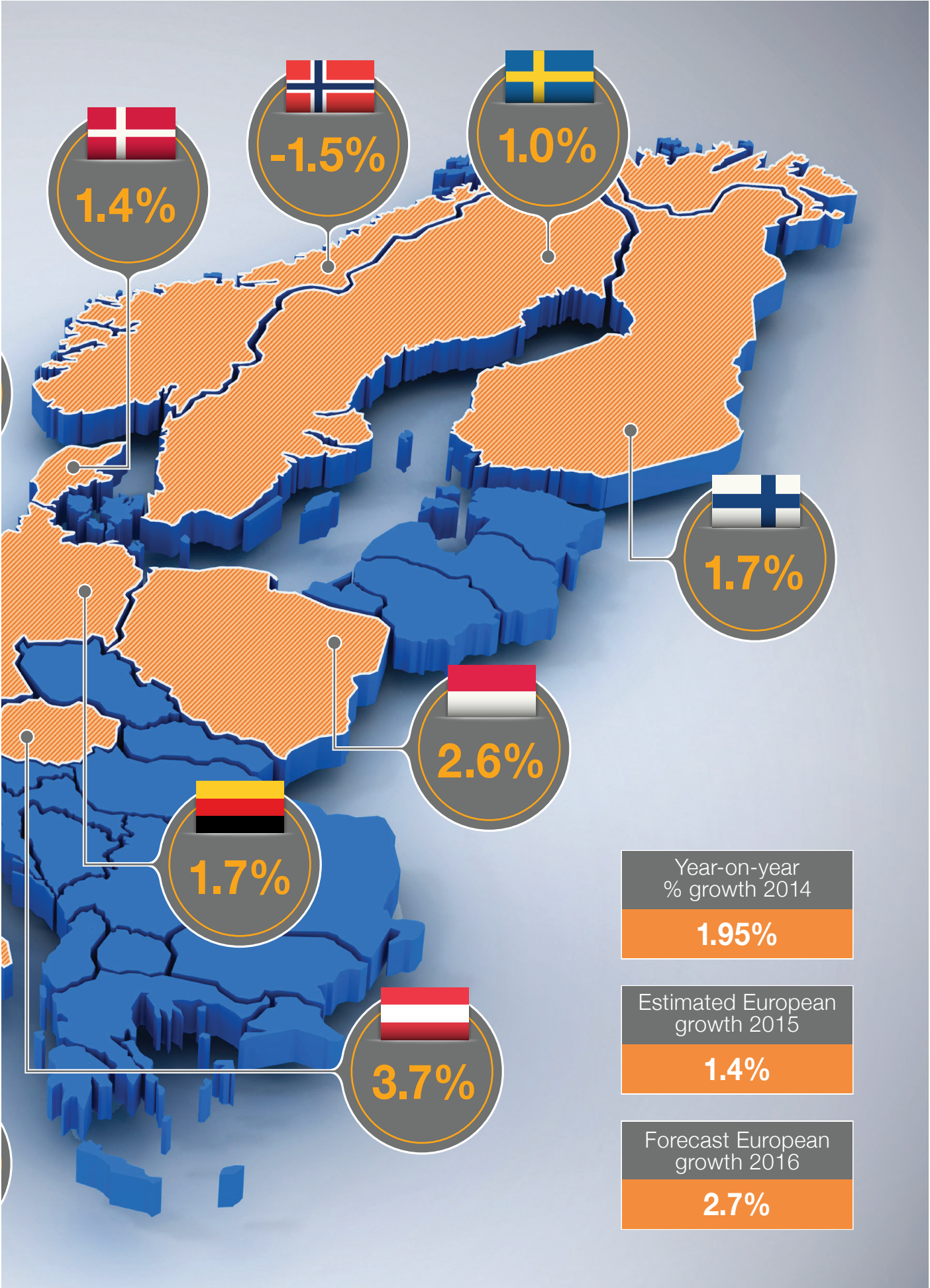
Michel Petitjean – ERA Secretary General

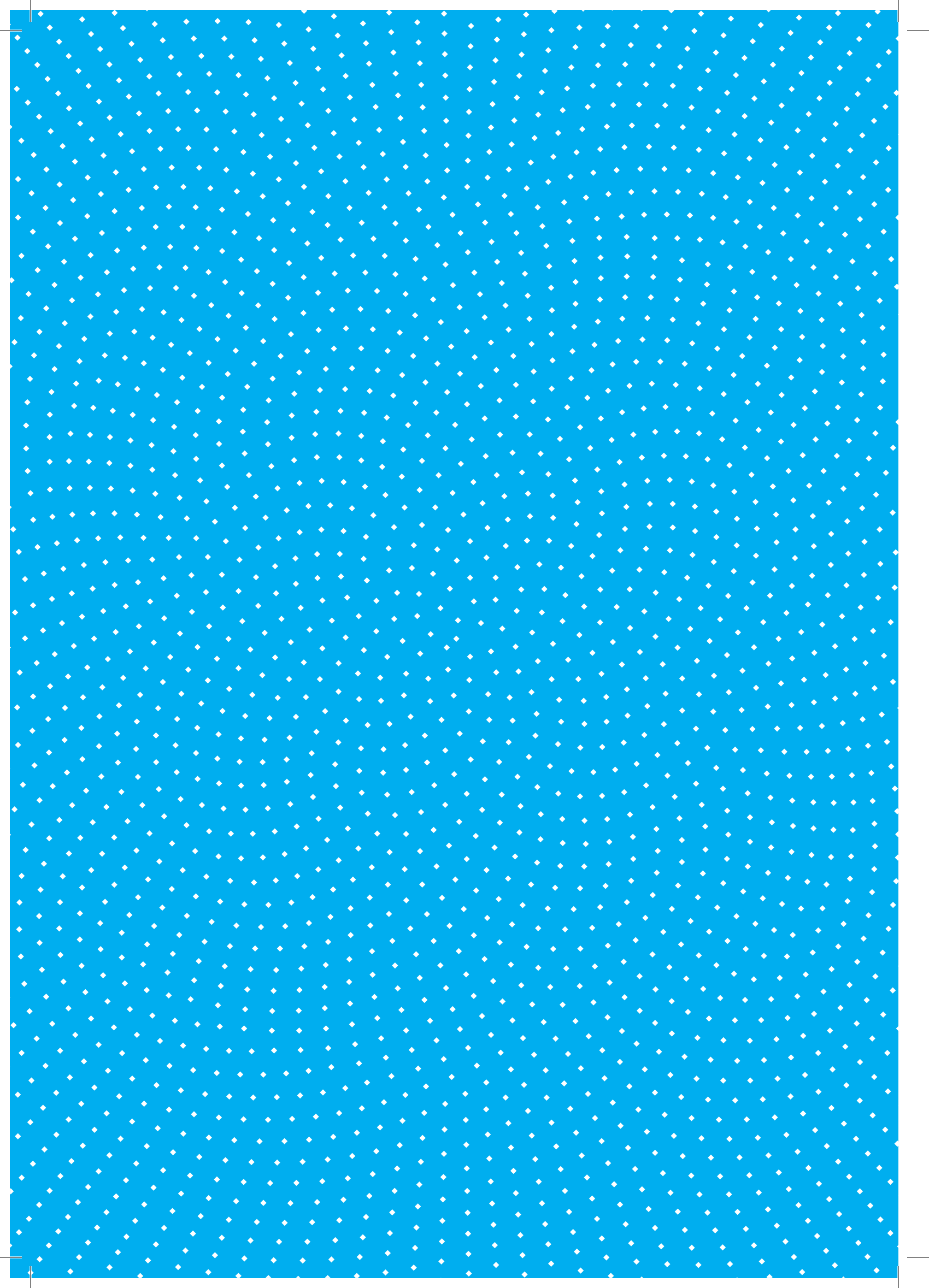




ESTIMATED EQUIPMENT RENTAL INDUSTRY GROWTH 2015







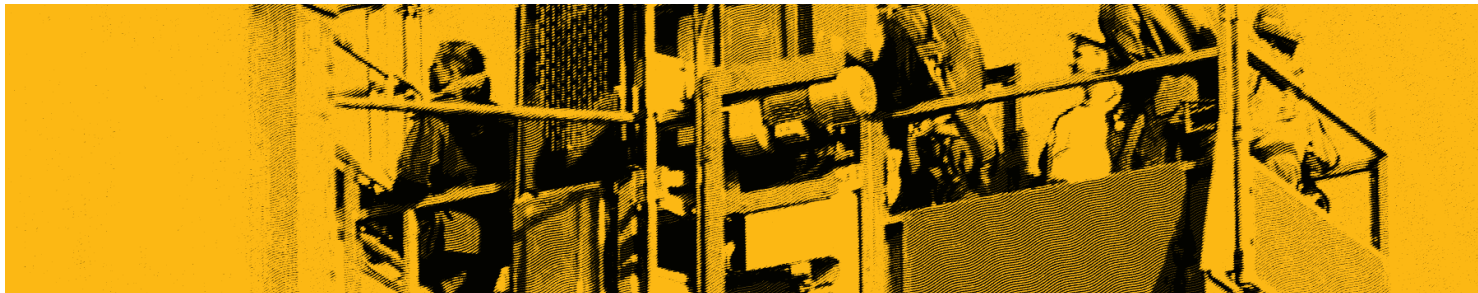
INTRODUCTION

1.1 THE EUROPEAN RENTAL ASSOCIATION (ERA)

The European Rental Association was created in 2006 to represent national rental associations and equipment rental companies in Europe. Today its membership includes over 5,000 rental companies, either directly or through 15 national rental associations.

ERA is active through its working groups in the fields of Promotion, Statistics, Sustainability, and Equipment Technology.

Extensive information on ERA's activities, reports and publications is available on its website at <http://www.erarental.org>.



1.2 IHS

IHS is the leading information company with comprehensive content, insight and expertise in key areas shaping today's global landscape. Business and governments around the world use its products, services and solutions to make faster and more confident decisions.

IHS has been providing comprehensive information and expert independent analysis and insight to customers for more than 50 years - enabling them to make critical business decisions with speed and confidence.

IHS Consulting leverages an unmatched combination of IHS information, insight and expertise to transform data into knowledge and to help its customers navigate their greatest strategic and operational challenges. Its intellectual capital is deep, with the most respected and engaged experts across the globe, focused on a multitude of industries. All built on an operating model that utilizes over 1,800 consultants, researchers

and economists to advance cross-disciplinary collaboration and analysis.

1.3 PURPOSE OF THE STUDY

IHS and ERA have together strived to develop the reference source for intelligence concerning the European equipment rental market; this study provides an update of the "The European Equipment Rental Industry Report", published in 2014.

Building a solid data foundation concerning the rental market is a long-term process; this report is a further step towards the goal of establishing comprehensive market intelligence allowing the development of market trends and international comparisons based on a common methodology. Both the methodology and the contents of the report are evolving over time: this year there are some changes to the statistical basis for the calculation of the size of the equipment rental market (without operator) in Europe, which are explained in the Executive

Summary, in chapter 2, and in the Methodological Overview, chapter 3 of the report. The geographical scope of the detailed analysis was also extended this year to fourteen countries, through the addition of Austria and Switzerland, and this year's special chapter features the German rental market. Once again we include an estimate of the market size and penetration rates for total EU-28+EFTA countries.

1.4 ERA/ IHS EXPERT INTERVIEWS

The analyses presented utilise data from a variety of sources. Of particular importance were the key insights obtained from 23 extended interviews with senior industry experts from 14 countries. We would like to take the opportunity to thank these experts, as well as the members of the ERA Statistics Committee, for the time and effort they have spent in supporting us in the production of this report.

2

EXECUTIVE SUMMARY

THE RESULTS FOR THE EUROPEAN RENTAL MARKET IN THIS REPORT REFER TO RENTING OF EQUIPMENT WITHOUT OPERATOR. THE FIGURES ARE BASED ON OFFICIAL STATISTICS FOR NACE REV. 2 CODE 77.32: "RENTING OF CONSTRUCTION AND CIVIL ENGINEERING MACHINERY AND EQUIPMENT WITHOUT OPERATOR". AS EVER WE STRIVE FOR CONTINUOUS IMPROVEMENT IN THE QUALITY OF THE MARKET ESTIMATES.

Detailed market size actual (2012/2013) and estimates (2014/2015) are presented for fourteen European countries in local currency. We also include an estimate, in Euro, of the size of the total equipment rental market in the EU-28 and EFTA countries for 2014. Please note that European growth for 2014 is calculated at constant exchange rates and is based upon slightly revised estimates for previous years, taking advantage of more recent statistical data. Therefore, please be aware that it is not possible to calculate the 2014 growth rates by comparing the European totals from this year's report with those from the previous report. In addition, for each of the fourteen countries under investigation, forecasts of rental turnover are provided for 2016 and 2017.

At the end of the report, a special chapter is provided on the rental market in Germany. This special chapter combines quantitative and qualitative information. In the context of this specific effort to examine the equipment rental market in greater detail, estimates have been established for the breakdown of rental revenues by product, by end market and by channel to market.

The key results of the study can be summarized as:

In the EU-28 and EFTA countries, equipment rental companies and other companies providing rental services generated a total rental turnover of € 23.06 billion in 2014, at 2014 exchange rates, a growth of +1.9% compared to 2013. This is in line with the 2014 growth

estimate of +2.8% highlighted in the foreword of the previous report.

In terms of market size, in 2014, the three main markets are still the United Kingdom, France, and Germany, with respectively € 6.940 billion, € 3.647 billion and € 3.453 billion. These three countries accounted for almost 65% of total rental turnover of the 14 European countries detailed in our report, and more than 60% of EU-28 and EFTA countries' total rental turnover.

In Europe, rental has seen market growth despite many economic challenges. The European Equipment Rental Industry in 2014 saw a year-on-year percent change of +1.9% on average for the 14 countries under investigation. For the same countries, in 2015, it is estimated that the average growth will be of +1.4%.

As with the overall economy, national rental markets across Europe remain quite heterogeneous in 2014. The picture shows one country with strong growth, Poland (8.8%), and four countries, Italy, France, Austria and Switzerland, with negative growth, respectively -2.1%, -2.0%, -2.0%, and -1.7%.

Average construction industry penetration in the 14 countries in the report in 2014 is +1.55%, significantly above the remaining EU28 + EFTA countries average penetration of +0.60%, and average GDP penetration, with +1.71% for the 14 countries, significantly above the remaining EU28 + EFTA countries average penetration of 0.77%. Once again there are significant differences in

penetration even within the 14 countries.

Looking at the two concepts of Construction Industry penetration and GDP penetration, and at the differences of penetration intensity between countries, suggests that there is still room for the European rental market to grow ahead of the economy (particularly for those less well performing countries).

In the short term, we forecast that the economic environment will see modest growth. In 2016, all fourteen countries are expected to show real growth, with the average growth for our fourteen countries of +2.7%.

It's worth sharing some high level industry trends which, we believe, will impact the industry, over the next two years:

- To respond to the fierce competition and particularly the consequential pressure on rental prices for most product categories, many large companies all over Europe have introduced dynamic pricing elements in their management of rental rates, implementing complex price discrimination algorithms in order to improve both margins and price competitiveness.

- Key players in many of the countries researched believe that a new equilibrium needs to be found, a new norm to be established, as pre 2008 rental prices (the last "golden age") will probably not be repeated in the near future (if ever). With this in mind many players have enhanced their service offer, promoting additional services, some which were previously offered such as transportation and others that are new such as waste management on construction sites. These players are investing in added value services in order to distinguish themselves from other rental players.

- In some mature countries, such as the United Kingdom or Finland, rental players have also used their investment programmes to facilitate organisation and process change to be more agile: these companies are developing the digitalisation of their activity with the objective of being closer to their customers.

- Given the continued difficult and complex economic environment in some countries, especially in Italy and Poland, but also in the Netherlands, the financial health of contractor companies has caused concern. Extension of payment terms has, this year once again, put a very high pressure on the business health of some rental players in some countries.



3

METHODOLOGICAL OVERVIEW



3.1 Key Concepts

For the following fourteen European countries, the respective national equipment rental markets are covered in detail, providing results for market sizes, penetration rates and forecasts until 2017.

Austria	AU	France	FR	Norway	NO	Switzerland	CH
Belgium	BE	Germany	DE	Poland	PL	United Kingdom	UK
Denmark	DK	Italy	IT	Spain	ES		
Finland	FI	Netherlands	NL	Sweden	SE		

Rental Market Coverage

The indicators on market size and penetration rate presented in this report cover rental companies classified as providing "Renting of construction and civil engineering machinery and equipment without operator" (code 77.32 according to NACE rev.2) and – for some indicators – other companies providing rental services as a secondary business.

Time Horizon and Basic Concepts

The Market Sizing results cover the period 2012-2015. Forecasts of rental turnover are provided for the years 2016 and 2017. Three different concepts have been applied, depending on the availability of data. Throughout the report, a colour code has been assigned for each concept in order to facilitate the understanding of the underlying data basis for each year:

Years	Concepts	Colour code
2012-2013	Actual data, based on official statistics	Dark blue
2014-2015	Estimates, based on interviews and field research	Lighter blue
2016-2017	Forecast values, based on IHS driver forecasts	Light blue

3.2 Consistency of Approach

NACE classification Rev.2

With the introduction of the revised NACE classification rev.2 in European statistics for data from 2008 onwards, the statistical basis on which future reports will rely has been established.

As we continue to increase the quality of the market size estimates, some of the data presented in last year's report have been revised. As a consequence, market size estimates have in some cases been changed. Thus, absolute figures from this report should not always be compared directly with the figures of the ERA 2014 report in order to obtain growth rates.

Amadeus Database

In addition to official statistics and market monitoring, effort has been made to use information from the comprehensive European company database Amadeus. It was used:

- To ensure that the largest rental actors in Europe are included in the analysis, even if they have been classified into other NACE codes. The availability of Amadeus enabled us in particular to include large rental companies classified in NACE code 77.39 and 77.29 in some countries. The figures from these companies on turnover, employee, investment etc. have been added to the official figures on NACE code 77.32,
- To increase the reliability of the market size estimates to 2014 by using the available data on the number of rental companies, revenue, employees and tangible assets,
- To provide a more thorough analysis of companies who provide rental solutions (without operator) as a secondary business.

3.3 Equipment Rental Market Indicators

Indicators	Time period	Breakout per company size class
Market Size		
Rental Turnover (rental companies & other companies providing rental services)	2012-2017	Yes (2012)
Investments in Rental Equipment	2012-2015	-
Value of Rental Fleet (at original cost)	2012-2015	-
Number of Rental Companies (without operators)	2012	Yes (2012)
Persons Employed	2012	Yes (2012)
Penetration Rates		
GDP Penetration	2012-2015	-
Construction Industry Penetration	2012-2015	-
Country Population Penetration	2012-2015	-

For each country, the indicators are provided in the country sections of the report. For the time period 2012-2013 a common approach to calculate market size and distribution across company size classes was applied relying to a large degree on official statistics.

Estimations of growth rates in 2014 and 2015 for rental turnover, investments in rental equipment and value of the rental fleet depend upon a thorough analysis of companies providing financial estimation in the

Amadeus database as well as upon data from field research and expert interviews. We draw upon the following concepts and sources of information:

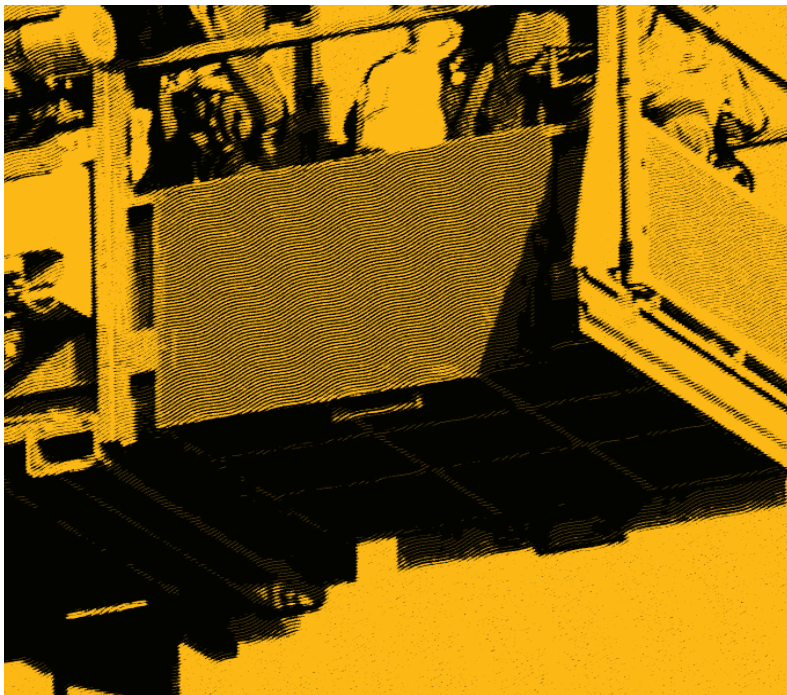
- General trends for time utilisation, financial utilisation and rental rates;
- Insights from the analysis of balance sheets;
- Insights gained from expert interviews, industry newsletters and web research.



3.4 Key Data sources

The following key data sources have been used for the analysis of national rental markets:

Key Data Sources
EUROSTAT and National Statistical Agencies
AMADEUS company database for Europe
Set of 23 structures interviews with rental industry experts in 14 countries
IHS Global Construction Outlook, IHS World Economic Service
Field data from additional web-research, industry newsletters and association reports



3.5 Forecast

A common forecast approach was applied for the rental turnover outlook for 2016 and 2017. Based on the estimation of rental demand elasticity with respect to construction output per segment (residential, structure, infrastructure), GDP and Industrial Production, the IHS forecasts for these drivers have been applied to predict the development of rental volumes over 2016-2017. These forecasts have then been corrected for national rental rates trends in order to come up with a nominal forecast on the development of rental revenues per country.

The weights of the respective drivers vary between countries. The assignment of the weights of GDP and Industrial Production in the forecast equation is based on information and estimates on the share of rental revenue demand from sectors other than construction. The weights given to the respective construction sub-segments are the shares of these segments in total construction activity.

3.6 Penetration Rates

Three penetration rates have been calculated and forecast for each country for 2016 – 2017

GDP Penetration	Construction Industry Penetration	Country Population Penetration
$\frac{\text{Rental Turnover (country, year)}}{\text{Gross Domestic Product (country, year)}}$	$\frac{\text{Rental Turnover (country, year)}}{\text{Total Output of the Construction Sector (country, year)}}$	$\frac{\text{Rental Turnover (country, year)}}{\text{Number of Inhabitants (country, year)}}$

Here, it is important to note that the GDP Penetration will be stated in %, whereas the Construction Industry Penetration will be stated in %.

The measurement of construction output that is used in the calculation of the Construction Industry Penetration rate is the gross figure: "Total construction put in place". This figure is significantly higher than the other measure often used when sizing construction output, which is the net figure: "Gross Value Added (GVA)".

The difference between the two is that GVA excludes the value of intermediate inputs for materials and other expenses including services from other sectors, e.g. the cost of renting equipment without operator. The "Total construction put in place" measure has been selected as it offers the best set of comparable data between countries.

Forecasts of construction activity to 2017 are also taken from the IHS Global Construction Outlook.



4

EUROPEAN OVERVIEW

4.1 Scope of the study

The results for the European rental market in this report refer to renting of equipment without operator. The figures are based on official statistics for NACE rev. 2 code 77.32: "Renting of construction and civil engineering machinery and equipment without operator". As ever we strive for continuous improvement in the quality of the market estimates.

Detailed market size actual (2012/2013) and estimates (2014/2015) are presented for fourteen European countries in local currency. We also include an estimate, in Euro, of the size of the total equipment rental market in the EU-28 and EFTA countries for 2014. Please note that European growth for 2014 is calculated at constant exchange rates and is based upon slightly revised estimates for previous years, taking advantage of more recent statistical data. Therefore, please be aware that it is not possible to calculate the 2014 growth rates by comparing the European totals from this year's report with those from the previous report. In addition, for each of the fourteen countries under investigation, forecasts of rental turnover are provided for 2016 and 2017.

At the end of the report, a special chapter is provided on the rental

market in Germany. This special chapter combines quantitative and qualitative information. In the context of this specific effort to examine the equipment rental market in greater detail, estimates have been established for the breakdown of rental revenues by product, by end market, and by channel to market.



4.2 Market Size

In the EU-28 and EFTA countries, equipment rental companies and other companies providing rental services generated a total rental turnover of more than € 23.06 billion in 2014, at 2014 exchange rates, a growth of +1.9% compared to 2013. This is in line with the 2014 growth estimate of +1.8% highlighted in the foreword of the previous report.

In terms of market size, in 2014, the three main markets are still the United Kingdom, France, and Germany, with respectively € 6.940 billion, € 3.647 billion, and € 3.453 billion. These three countries accounted for almost 65% of total rental turnover of the 14 European countries detailed in our report, and more than 60% of EU-28 and EFTA countries' total rental turnover.

In Europe, rental has seen market growth despite many economic challenges. The European Equipment Rental Industry in 2014 saw a year-on-year percent change of +1.9% on average for the 14 countries under investigation. For the same countries, in 2015, it is estimated that the average growth will be of +1.4%.

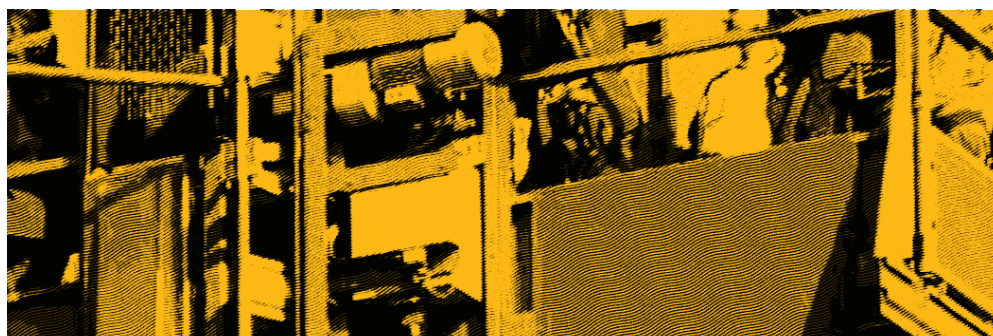
As with the overall economy, national rental markets across Europe remain quite heterogeneous in 2014. The

picture shows one country with strong growth, Poland (8.8%), and four countries, Italy, France, Austria and Switzerland, with negative growth, respectively -2.1%, -2.0%, -2.0%, and -1.7%.

Based on 2012 statistics, and for the 14 countries covered under the study, the structure of the European equipment rental industry (without operators) is as follows:

of rental companies
(without operators):
15,100

of employed persons
in rental companies
(without operators):
127,700



2014	AT	BE	CH****	DE	DK	ES	FI	FR	IT
Total Turnover [million Euro]	313	612	346	3.453	434	1.377	440	3.647	1.066
Among which Rental Companies *	172	592	304	2.749	432	1.304	417	3.455	557
Among which Other Comp. Providing Rental Services (only rental)	141	19	41	704	2	73	23	192	509
Investment in Rental Equipment * [million Euro]	101	172	55	774	103	157	74	644	131
Value of Rental Fleet ** [million Euro]	508	975	602	5.284	777	2.459	630	4.889	1.940
Ratio: Investment in Rental Equipment / Value of the Rental Fleet	20%	18%	9%	15%	13%	6%	12%	13%	7%
GDP [billion Euro]	310	393	534	2.736	244	1.053	186	2.062	1.538
GDP Penetration	1,0%	1,6%	0,6%	1,3%	1,8%	1,3%	2,4%	1,8%	0,7%
Total Construction Output [million Euro]	41.309	59.893	50.777	238.291	23.882	129.461	27.005	230.684	140.347
Construction Industry Penetration	0,8%	1,0%	0,7%	1,4%	1,8%	1,1%	1,6%	1,6%	0,8%
Country Population [million]	9	11	8	82	6	47	5	66	61
Country Population Penetration [Euro per person]	37	54	42	42	77	29	81	55	17
2014 year-on-year percent change									
Turnover	-2,0%	0,1%	-1,7%	0,7%	1,6%	3,2%	0,0%	-2,0%	-2,1%
Investment	-0,8%	3,6%	1,8%	8,1%	-2,4%	11,0%	-1,9%	2,4%	-3,2%
Rental Fleet	-3,1%	0,1%	-3,2%	1,0%	2,9%	4,1%	0,0%	-3,0%	-3,1%

* Equipment rental without operator only

** At original cost, equipment rental fleet without operator only

*** average of period

**** The forecasting methodology has been adapted to the fact that EUROSTAT provides information for Switzerland at a higher sectorial level.

Key figures on the European Construction Equipment Rental Industry for 2014

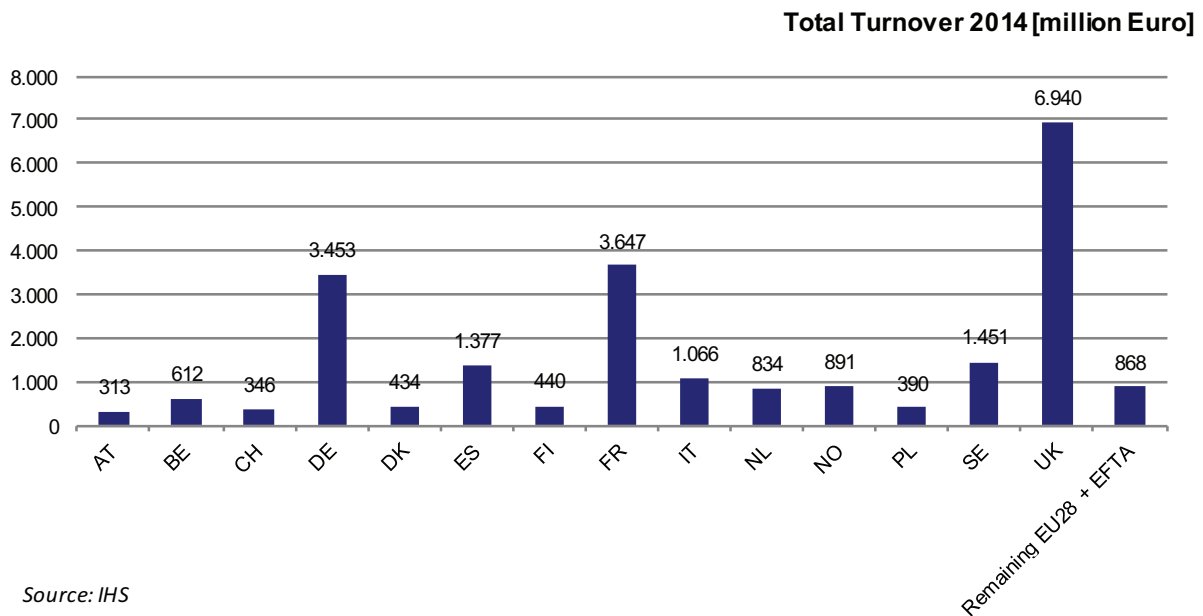
2014	NL	NO	PL	SE	UK	Total / Average 14 countries	Remaining EU28 + EFTA	Total / Average
Total Turnover [million Euro]	834	891	390	1,451	6,940	22,193	868	23,060
Among which Rental Companies *	768	666	386	1,428	6,696	19,927	n.a.	n.a.
Among which Other Comp. Providing Rental Services (only rental)	67	225	4	22	244	2,265	n.a.	n.a.
Investment in Rental Equipment * [million Euro]	144	150	33	228	1,265	4,029	n.a.	n.a.
Value of Rental Fleet **	1,256	1,187	786	1,969	9,936	33,199	n.a.	n.a.
Ratio: Investment in Rental Equipment / Value of the Rental Fleet	11%	13%	4%	12%	13%	12%	n.a.	n.a.
GDP [billion Euro]	639	365	385	431	2,116	12,993	1,125	14,118
GDP Penetration	1,3‰	2,4‰	1,0‰	3,4‰	3,3‰	1,7‰	0,8‰	1,6‰
Total Construction Output [million Euro]	71.910	50.874	73.106	40.052	248.115	1.425.707	149.942	1.575.649
Construction Industry Penetration	1,2%	1,8%	0,5%	3,6%	2,8%	1,6%	0,6%	1,5%
Country Population [million]	17	5	39	10	64	430	94	524
Country Population Penetration [Euro per person]	49	175	10	151	108	52	9	44
2015 year-on-year percent change								
Turnover	2,5%	1,6%	8,8%	4,3%	4,9%	1,9%	n.a.	n.a.
Investment	-6,0%	-5,9%	45,2%	-2,8%	0,0%	1,8%	n.a.	n.a.
Rental Fleet	4,1%	2,3%	4,7%	5,1%	5,9%	2,1%	n.a.	n.a.

* Equipment rental without operator only

** At original cost, equipment rental fleet without operator only

*** average of period

**** The forecasting methodology has been adapted to the fact that EUROSTAT provides information for Switzerland at a higher sectorial level.



4.3 Competitive Environment

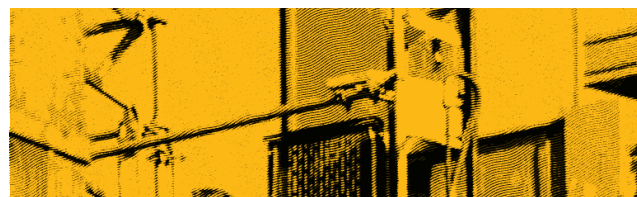
The fierce competition experienced in the European Equipment Rental Industry has continued in 2014 in almost all countries.

To respond to the fierce competition and particularly the consequential pressure on rental prices for most product categories, many large companies all over Europe have introduced dynamic pricing elements in their management of rental rates, implementing complex price discrimination algorithms in order to improve both margins and price competitiveness.

Even if rental companies are still focusing on the construction sector and that the share of rental revenue stemming from demand in the construction sector is growing in most of the countries, in all countries they are also looking carefully at new customer segments in the non-construction sector in order to diversify their client base. It seems that rental companies have begun to increase their penetration of customer segments in the non-construction sector but, in order to create a real momentum in this sector, they will need to invest in specialised equipment.

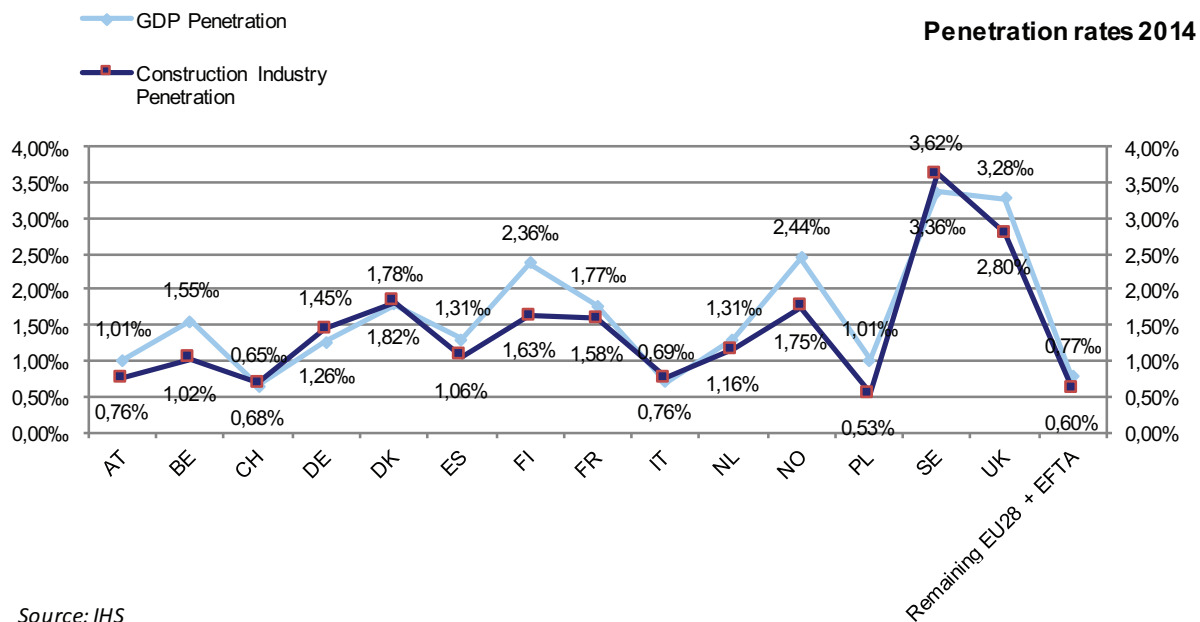
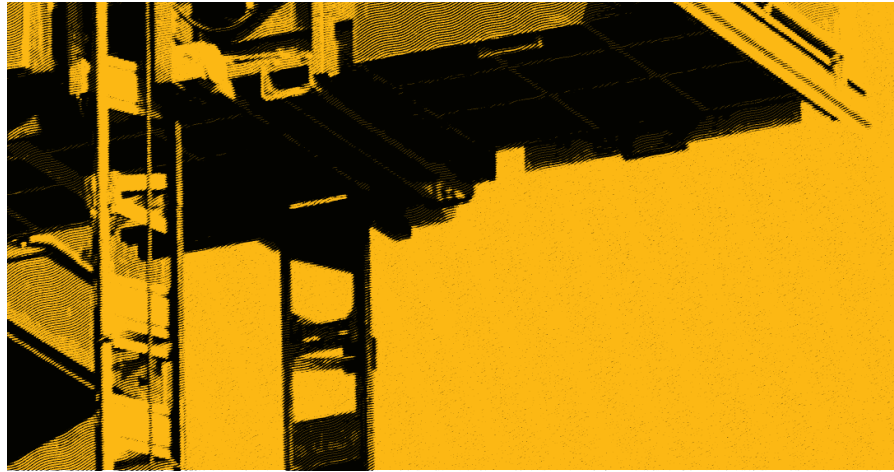
Key players in many of the countries researched believe that a new equilibrium needs to be found, a new norm to be established, as pre 2008 rental prices (the last "golden age") will probably not be repeated in the near future (if ever). With this in mind many players have enhanced their service offer, promoting additional services, some which were previously offered such as transportation and others that are new such as waste management on construction sites. These players are investing in added value services in order to distinguish themselves from other rental players.

Regarding M&A activities, last year has been relatively quiet in most countries. One of the reasons for this could be the important debt contracted by companies in previous years, making the private owners of these companies unwilling to sell at what could be a substantial discount compared to what they believe is the 'real' value of their company.



4.4 Penetration Rates

Like last year, because of the improved data on the size of national construction markets underpinning our market estimates, as well as corrections to the rental market volumes for some countries, construction industry penetration and country population penetration have changed: these changes in annual penetration do not affect the trend development of penetration rates over time.



Source: IHS

Construction industry penetration:

- Average construction industry penetration in the 14 countries in the report in 2014 was +1.55%, significantly above the remaining EU28 + EFTA countries average penetration of +0.60%.
- Once again, Construction industry penetration is highest in Sweden (+3.6%) and in the United Kingdom (+2.8%), followed by Norway and Denmark (+1.8%).

GDP penetration:

- Average GDP penetration in the 14 countries in 2014 was +1.71‰, significantly above the remaining EU28 + EFTA countries average

penetration of +0.77‰.

- Again, GDP penetration is highest in Sweden (+3.4‰) and in the United Kingdom (+3.3‰). These countries can be regarded as being the most advanced rental markets in Europe.

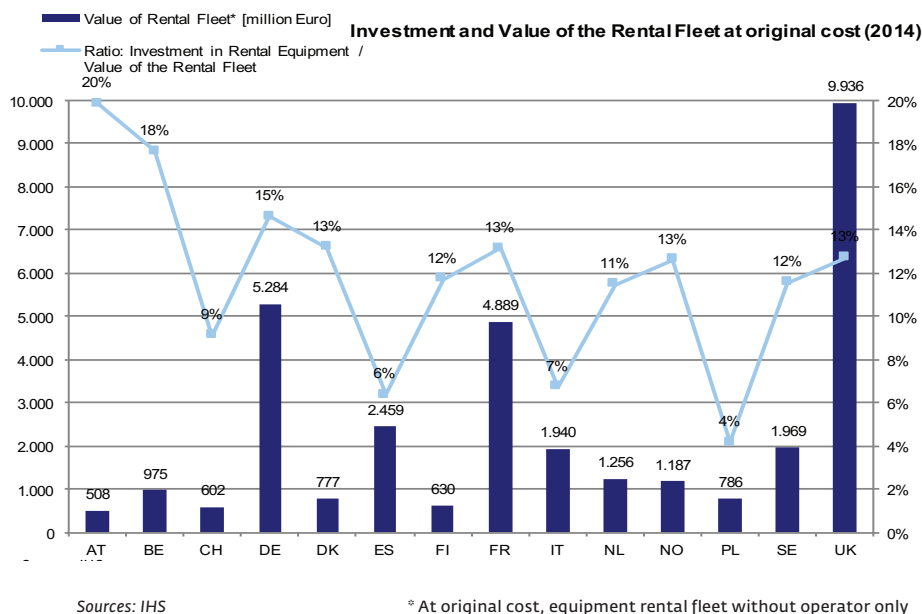
Looking at the two concepts of Construction Industry penetration and GDP penetration, and at the differences of penetration intensity between countries, suggests that there is still room for the European rental market to grow ahead of the economy (particularly for those less well performing countries).

4.5 Investments and Rental Fleet Size

In 2014, the rental industry of the 14 countries under investigation increased their investment spent in rental equipment by +1.8% compared to 2013.

National rental markets investment spent across Europe remains quite heterogeneous, with only two countries with strong growth

(over +10%); these are the rather exceptional results for Poland (+45.2%), and Spain (+11.0%). At the other extreme only two countries, the Netherlands and Norway, reduced their investment spend by more than 5%, -6.0%, and -5.9% respectively.



Among all countries considered, three fleet investment priorities can be seen, mainly dependant on the maturity of the rental market: the replacement of old equipment, the focus on equipment with high utilisation rates, and, for the most advanced markets, investments on equipment addressing the needs of the non-construction sectors. In addition, one new trend is the commercial assessment of the maintain/replace decision through a close attention to maintenance costs of older equipment.

The buoyancy of fleet investment can best be considered by comparing expenditure on new

equipment as a percentage of the original purchase cost of the rental fleet (investment ratio). The investment ratio in 2014 was highest in Austria at 20%, followed by Belgium, Germany, France, Norway, Sweden, the UK, Denmark, Finland and the Netherlands. In these countries, the fleet investment exceeded 10% of the rental fleet cost. The lowest level of investment ratio was seen in Poland at 4% (NB: see growth in investment for Poland above).

In 2014 the rental fleet at original cost increased on average by 2.1%, increased particularly in the United Kingdom (+5.9%) and in Sweden (+5.1%), the only two countries with growth of more than +5%, and decreased in Austria, Switzerland, France and Italy (typically by -3.1%/ -3.2%).

4.6 Forecast

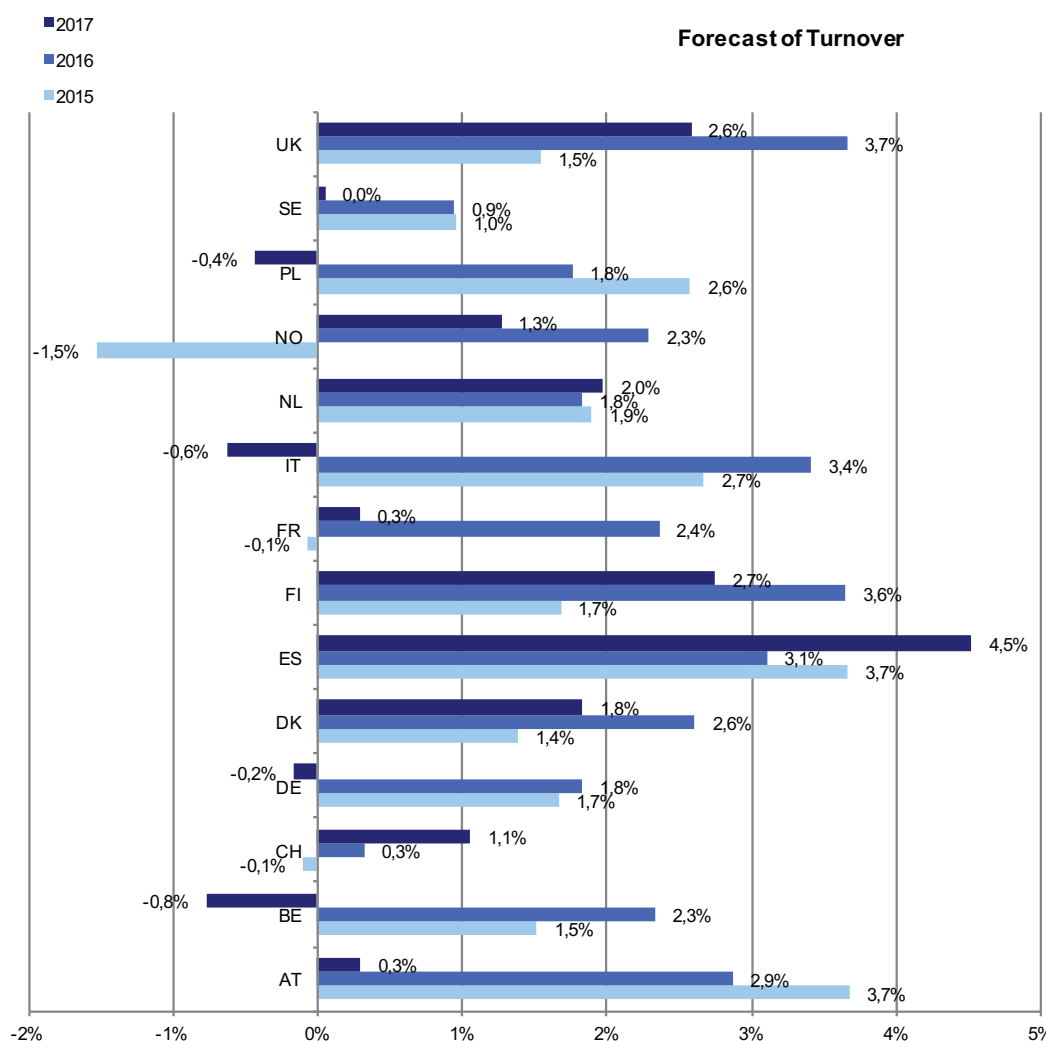
Overall, we expect moderate growth in rental turnover in 2015 and 2016 (+1.4% and +2.7% respectively).

Exceptionally high growth, as seen in the United Kingdom in 2014 (+8.8%), is not likely to be repeated in the coming years. In 2015, the strongest growth is likely to be seen in Austria and Spain, both with 3.7%, whilst three countries are forecast to see negative growth,

Norway (-1.5%), followed by Switzerland and France, both with -0.1%.

All 14 countries in our report are expected to show rental turnover growth in 2016.

The nominal forecasts of rental revenue development presented in the graph are driven by a combination of rental volume demand and rental rates.



Source: IHS

5

COUNTRY OVERVIEW

Austria (AU)

The Austrian equipment rental market is characterised by:

- The high level of fragmentation of the market: more than 80% of rental industry turnover is generated by firms with fewer than fifty employees, mainly small independent companies,

- The cohabitation between international companies operating in Austria and national rental players having a strong and very local customer base.

The consequence of the market characteristics above is intense competition and a downward pressure on price. After hitting their lowest level for the last four years with the entry of international

rental companies, rental rates have started to increase and show a very modest upwards trend. Rental turnover growth has therefore been driven by volume growth. Typical generalist rental players realise average utilisation rates between 40% and 45%.

With pressure on prices there is pressure on investment, which tends to be focussed upon equipment with high utilisation rates (e.g. access). But, there is pressure from customers for new equipment; therefore rental companies have kept investment levels relatively high.

The structure of the market has not evolved in the last year, with the

exception of one major acquisition by an international rental company, but low profitability and investment required could imply a concentration of the market in the future.

The share of rental revenue stemming from demand in the construction sector is estimated to average 70%, the rental industry remaining strongly linked to the construction sector.

Rental revenue is forecast to grow in 2015 and 2016 by +3.7% and +2.9% respectively, clearly above the development of the overall economy.

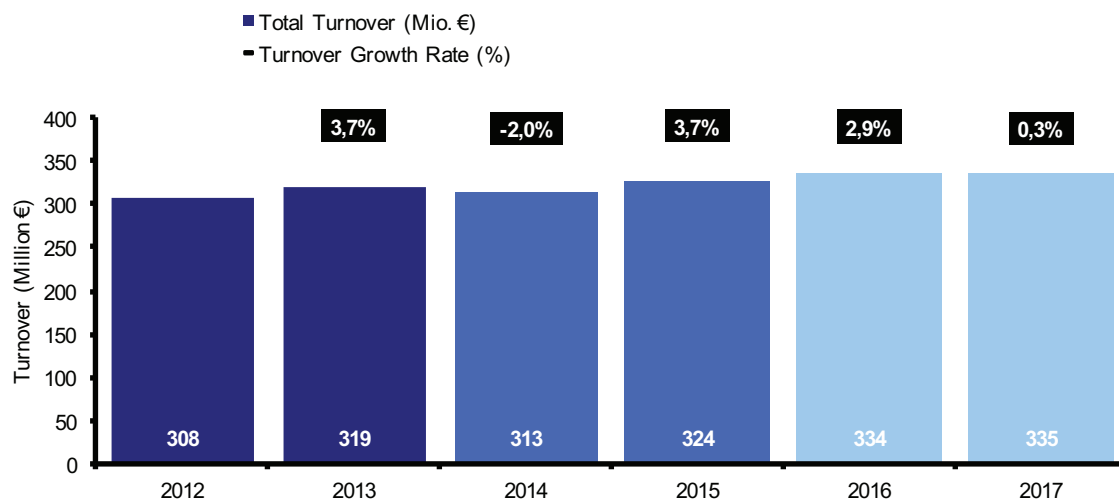
Austria (AT), EURO	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million €]	308	319	313	324	334	335
Rental Companies (without operator)	169	176	172	178	184	184
Other Comp. Providing Rental Services (only rental)	139	144	141	146	150	151
# Rental Companies (without operator)	315	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	1.100	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million €] (without operator)	110	100	100	100		
Value of Rental Fleet at all companies [million €] (without operator)	495	525	510	535		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	22%	19%	20%	19%		
Penetration Rates						
GDP [billion €]	307	308	310	312	317	323
GDP Penetration Rate	1,0‰	1,0‰	1,0‰	1,0‰	1,1‰	1,0‰
Total Construction Output [million €]	41.464	41.760	41.309	41.602	42.440	43.021
Construction Industry Penetration Rate	0,7%	0,8%	0,8%	0,8%	0,8%	0,8%
Country Population [million]	8	8	9	9	9	9
Country Population Penetration Rate [€ per person]	36	38	37	38	39	39

Source : IHS and Official Statistics data



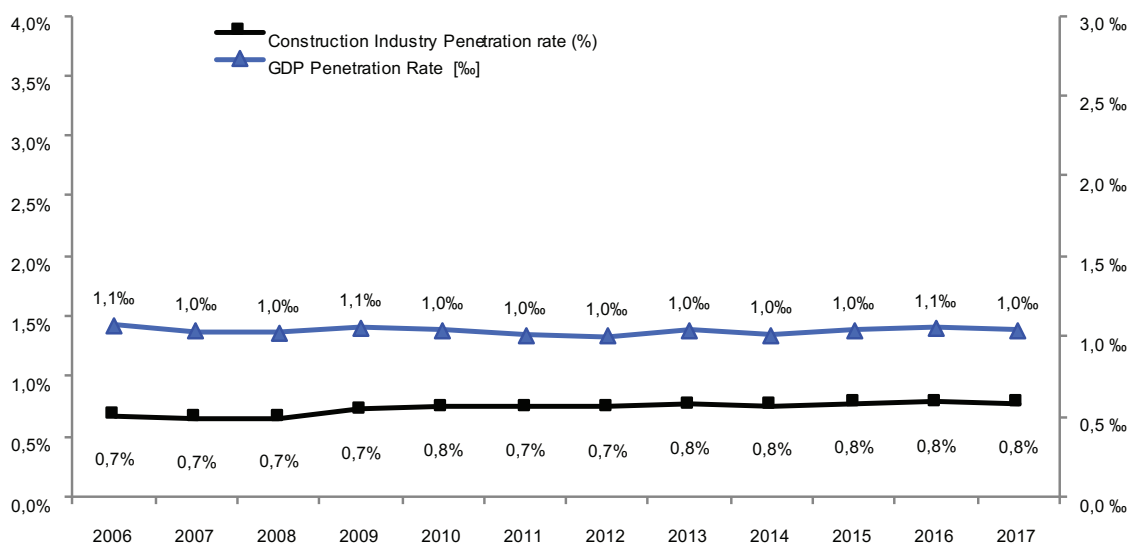
a. Review of key indicators

Turnover

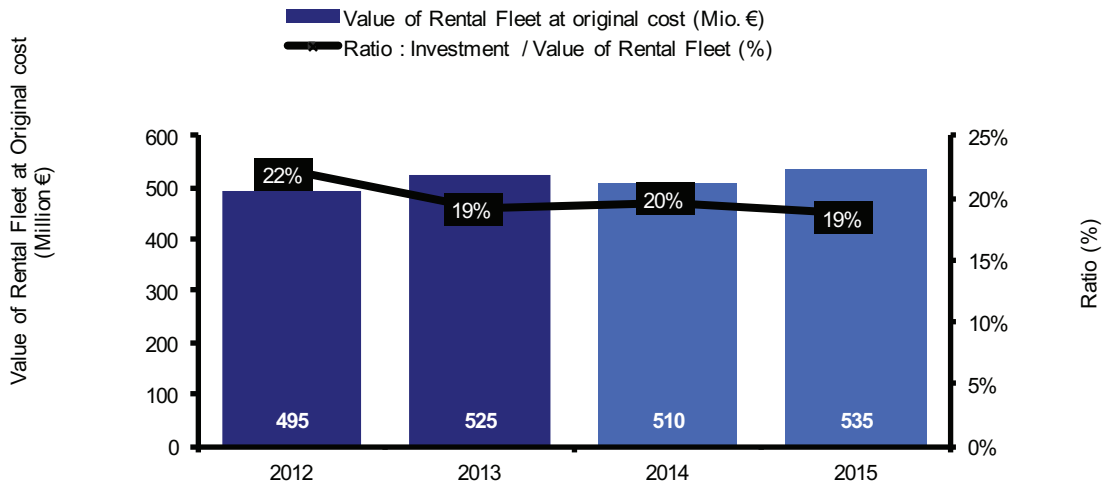


Source: IHS

Penetration Rates



Rental Fleet Size

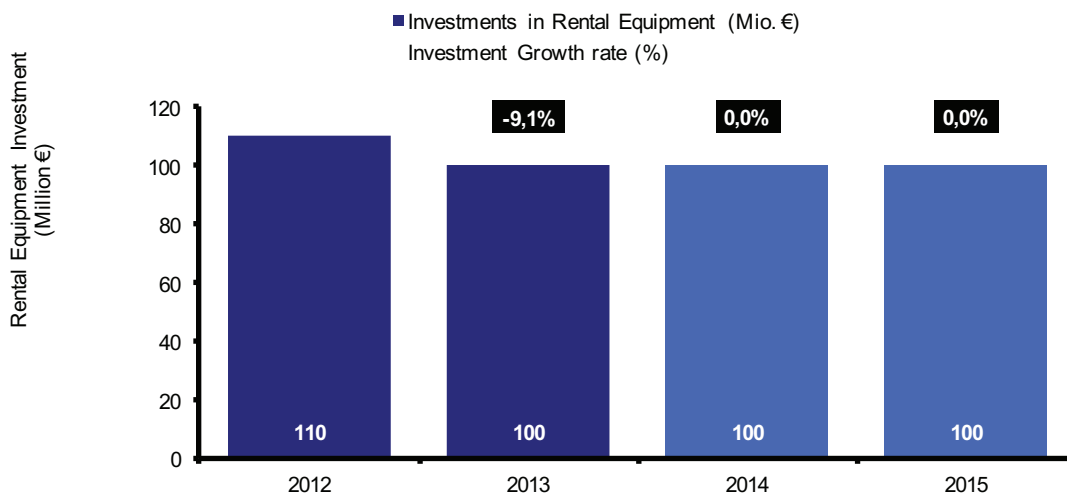


Source: IHS

In line with the investment trend, fleet size reached € 535 million in 2015 (at original cost), investment replacing old equipment and increasing equipment with high utilisation rates.

As a consequence, it is estimated that the average fleet age in 2015 is 4 to 5 years.

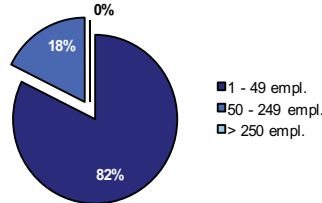
Investment in Rental Equipment of Rental Companies (without operator)



Source: IHS

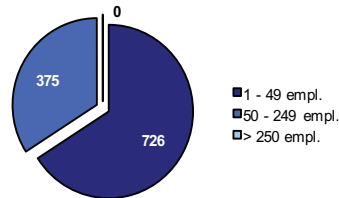
After a cut in fleet investments in 2013, rental companies have stabilized investment levels, but not to the levels of 2011/2012.

Turnover of Rental Companies 2012



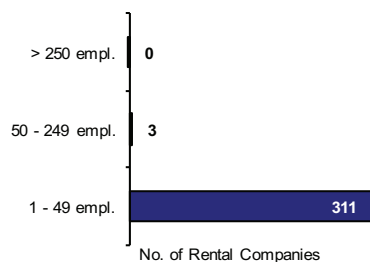
Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

b. Economic and Construction Context for the country

MACROECONOMIC OVERVIEW

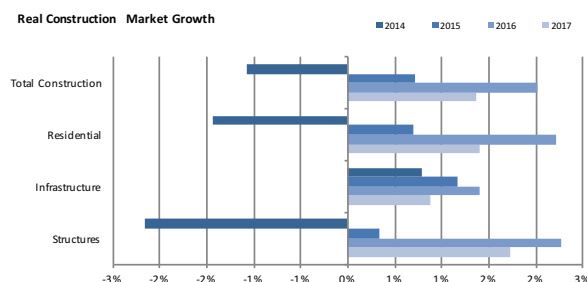
The steep decline in oil prices and the weaker euro since the beginning of 2015 should boost business and consumer confidence, allowing fresh economic strengthening during 2015. The potential momentum of this recovery will remain constrained by geopolitical uncertainty, lingering Eurozone debt crisis problems and the severe Russian recession.

Austrian year-average GDP growth is forecast to rebound to 0.8% year on year (y/y) in 2015 and 1.7% y/y in 2016.

TOTAL CONSTRUCTION

in 2014, real total construction spending in Austria fell by 1.1%.

Total construction spending is expected to post a 0.7% y/y gain in 2015, followed by an increase of 2.0% in 2016.



Belgium (BE)

The Belgian equipment rental market is characterised by:

- The high level of fragmentation of the market, with more than 75% of the rental industry turnover generated by firms with fewer than fifty employees, mainly small independent companies.
- The regional split of the market between Wallonia, where generalist rental companies mostly focus on the construction sector, and Flanders, where specialised companies are much more oriented towards the non-construction sector.

However, it is important to note that the specialised companies from Flanders are extending beyond their traditional borders and looking for opportunities abroad whilst the generalist companies

from Wallonia are trying to change their client mix, a process which is taking time.

After hitting their lowest level in 2010, rental rates started to increase slowly and have showed a very moderate upward trend since then, so much of the growth of the rental turnover can be attributed to growth in rental volumes. For generalist companies, one of the consequences is that average utilisation rates have increased to 40% to 45%.

With continued pressure on price, investment is focussed mainly on equipment with high utilisation rates such as access.

The structure of the market has not evolved in recent years, with

the exception of the entry of a few international rental companies by organic growth or by acquisition. However, this seems to be too marginal to talk about as a real trend.

The share of rental revenue stemming from demand in the construction sector is estimated to average 65%, still with a difference between Wallonia and Flanders.

After a flat market in 2014, rental revenue is forecast to grow in 2015 and 2016 by +1.5% and +2.3% respectively, above the development of the overall economy. Note that, since 2012, the GDP penetration has remained stable.

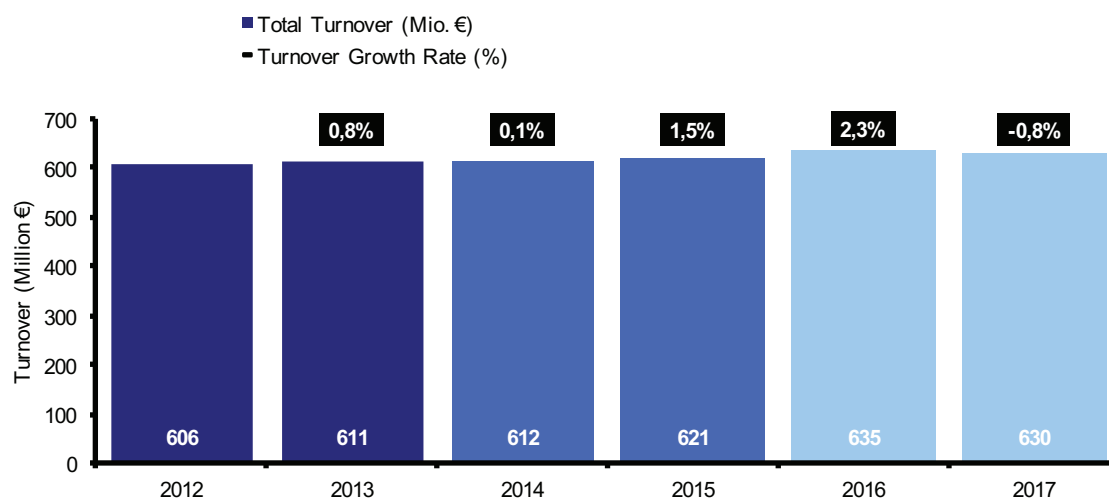
Belgium (BE), EURO	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million €]	606	611	612	621	635	630
Rental Companies (without operator)	587	592	592	601	615	610
Other Comp. Providing Rental Services (only rental)	19	19	19	20	20	20
# Rental Companies (without operator)	420	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	2,680	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million €] (without operator)	180	165	170	175		
Value of Rental Fleet at all companies [million €] (without operator)	960	975	975	1,000		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	19%	17%	17%	18%		
Penetration Rates						
GDP [billion €]	388	389	393	400	407	415
GDP Penetration Rate	1.6 ‰	1.6 ‰	1.6 ‰	1.6 ‰	1.6 ‰	1.5 ‰
Total Construction Output [million €]	61,688	60,178	59,893	60,305	61,235	61,813
Construction Industry Penetration Rate	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Country Population [million]	11	11	11	11	11	11
Country Population Penetration Rate [€ per person]	55	55	54	55	56	55

Source : IHS and Official Statistics data



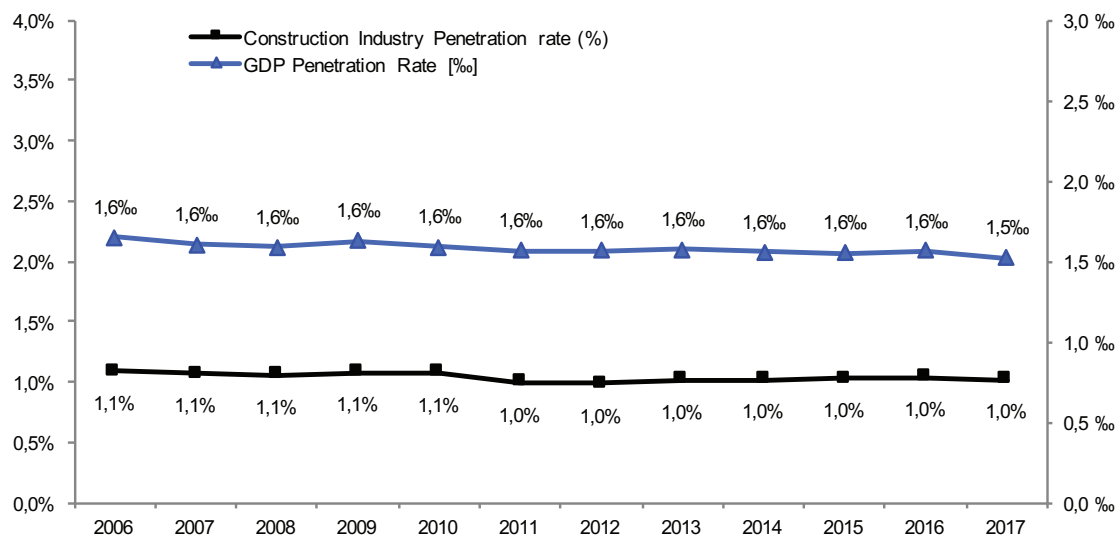
a. Review of key indicators

Turnover

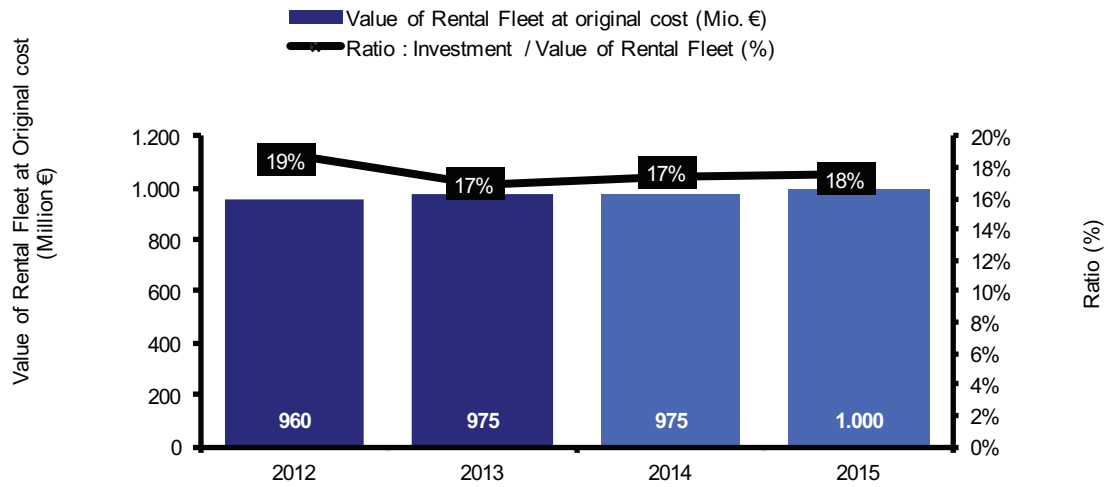


Source: IHS

Penetration Rates



Rental Fleet Size

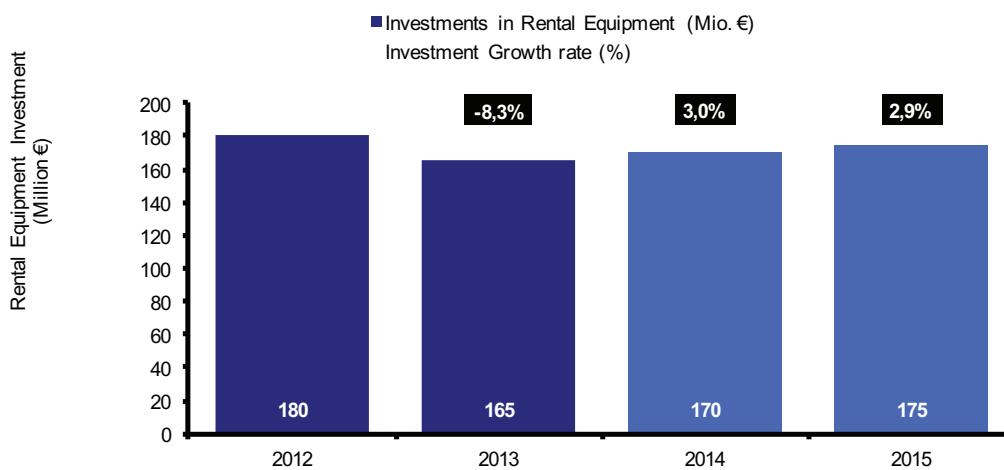


Source: IHS

In line with the investment evolution, fleet size reached € 1,000 million in 2015 (at original cost), investments replacing particularly old equipment and/or equipment with high utilisation rates.

As a consequence, it is estimated that the average fleet age has increased to 6 to 7 years in 2015.

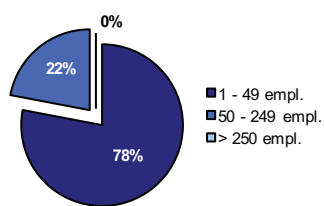
Investment in Rental Equipment of Rental Companies (without operator)



Source: IHS

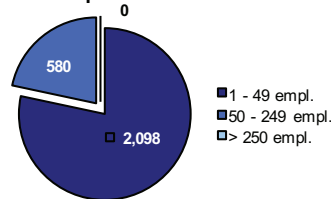
After a severe cut in fleet investments in 2013, rental companies have started to re-invest in 2014/2015. However, due to difficult credit conditions and the uncertain business environment, we are still a long way from the investment levels of 2011/2012.

Turnover of Rental Companies 2012



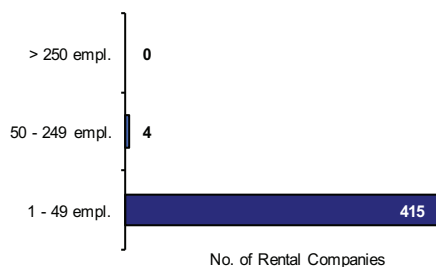
Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

b. Economic and Construction Context for the Equipment Rental Industry

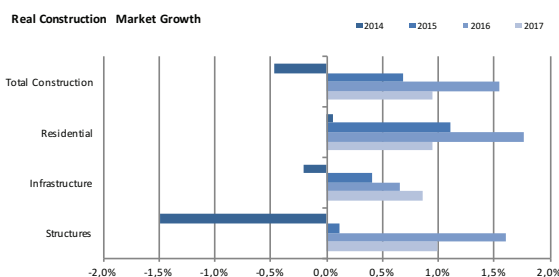
MACROECONOMIC OVERVIEW

Projections for the Belgian economy have been holding steady; we expect 1.2% y/y growth in 2015 and 1.7% y/y growth in 2016. The lingering effects on confidence from the Eurozone sovereign-debt crisis and ongoing tight lending conditions are likely to keep Belgian consumers reluctant to undertake major purchases,

contributing to generally sluggish household demand during 2015.

TOTAL CONSTRUCTION

In 2014, real total construction spending in Belgium fell 0.5% y/y, with total construction spending expected to post a 0.7% y/y gain in 2015, followed by an increase of 1.5% y/y in 2016. This sluggish performance is due to a weaker outlook for non-residential structures.



Denmark (DK)

While there are some large rental companies, national and international, active in the Danish market, no Danish rental company has more than 250 employees. 10 companies with more than 50 employees generate almost 50 percent of the overall turnover from the equipment rental without operator market.

In addition, there is a clear trend of consolidation in the market, with 2 of the top 5 companies affected by acquisitions or mergers during the year, as is the case for a number of small and medium size companies.

After years of sluggish or negative growth since the slump in 2010, rental turnover in Denmark has started to recover somewhat since

2013. There is clearly an upward trend with utilisation going up, the industry even experimenting some bottle neck periods.

Since rental actors consolidated their equipment park through to 2014, time utilisation has gone up and has somewhat made up for the losses suffered in the crisis. For generalist companies, we can talk about an average utilisation rate of 45 to 50%.

However, the ongoing pressure on rental rates, probably driven by the high competition between the numerous players, is still causing some difficulties. This pressure on rental prices, and therefore profitability, is still preventing companies from investing strongly

in new equipment.

The share of rental demand from the construction sector in Denmark is estimated at 70%, the rental industry remaining strongly linked to the construction sector.

Rental revenue is forecast to grow in 2015 and 2016 by +1.4% and +2.6% respectively, in line with the development of the overall economy. Note, since 2012, construction industry penetration rate has been stable.

Rental companies see their challenge for the coming year as being finding a way to increase rental prices through new rental solutions, better cost management and new customer portfolio.

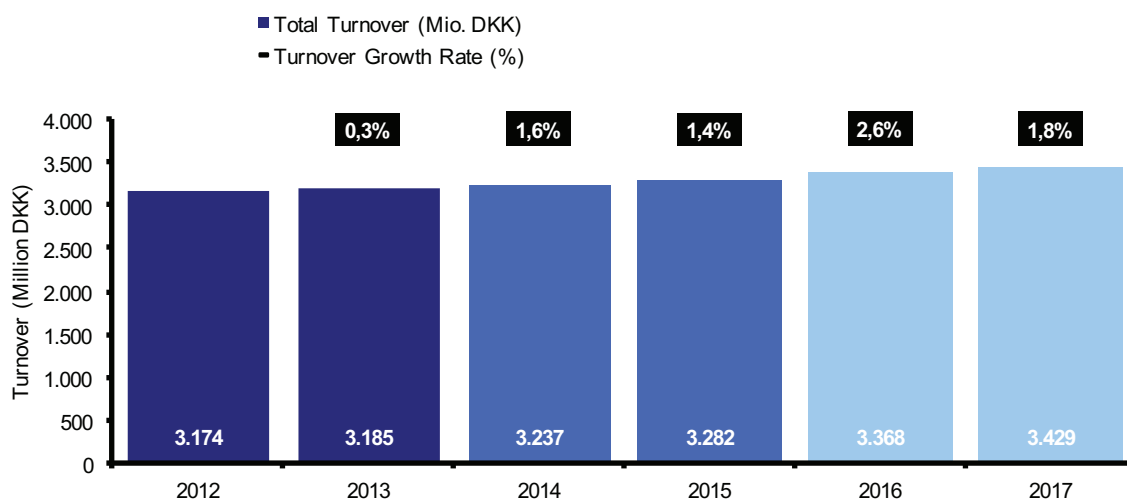
Denmark (DK), LOCAL CURRENCY	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million DKK]	3,174	3,185	3,237	3,282	3,368	3,429
Rental Companies (without operator)	3,160	3,171	3,223	3,267	3,352	3,414
Other Comp. Providing Rental Services (only rental)	14	14	15	15	15	15
# Rental Companies (without operator)	290	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	2,370	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million DKK] (without operator)	720	785	765	780		
Value of Rental Fleet at all companies [million DKK] (without operator)	5,600	5,630	5,790	5,930		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	13%	14%	13%	13%		
Penetration Rates						
GDP [billion DKK]	1,807	1,799	1,818	1,856	1,894	1,931
GDP Penetration Rate	1.8‰	1.8‰	1.8‰	1.8‰	1.8‰	1.8‰
Total Construction Output [million DKK]	175,599	172,177	177,873	180,964	184,475	187,906
Construction Industry Penetration Rate	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Country Population [million]	6	6	6	6	6	6
Country Population Penetration Rate [DKK per person]	567	566	573	580	592	601

Source : IHS and Official Statistics data



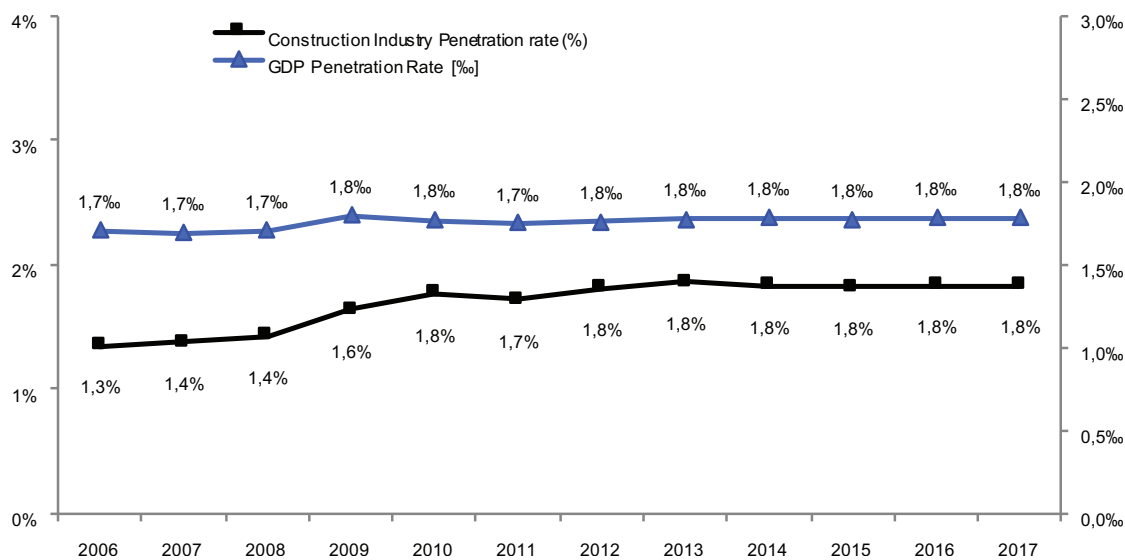
a. Review of key indicators

Turnover

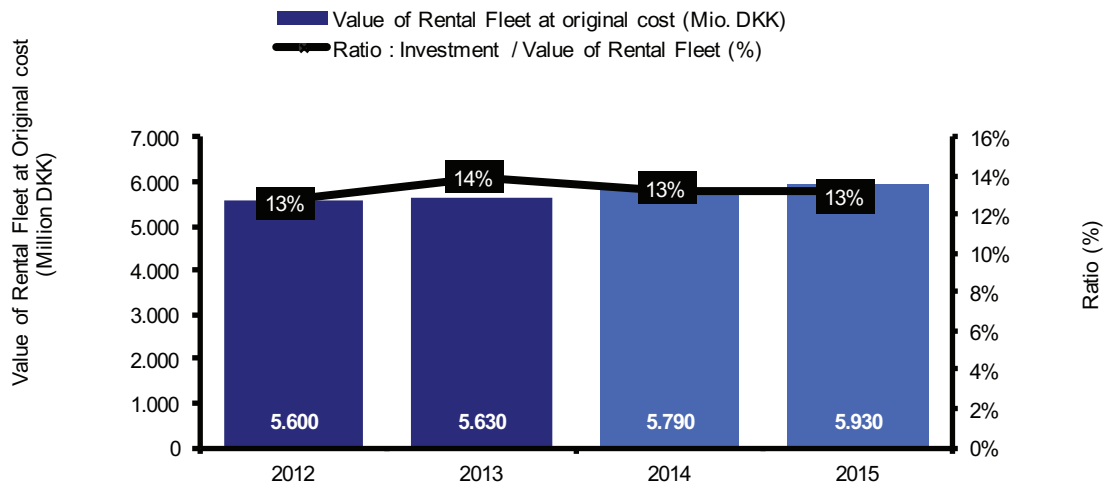


Source: IHS

Penetration Rates



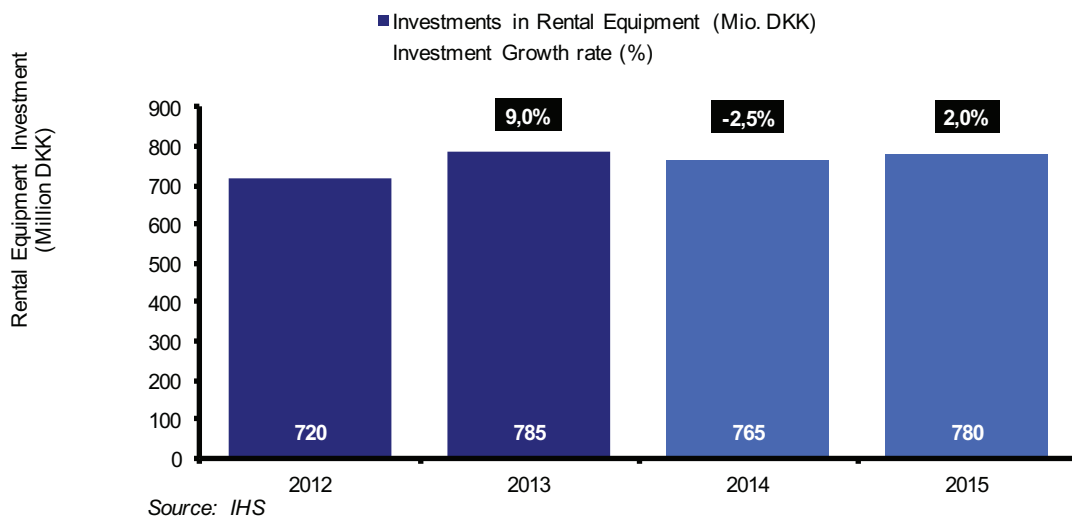
Rental Fleet Size



Source: IHS

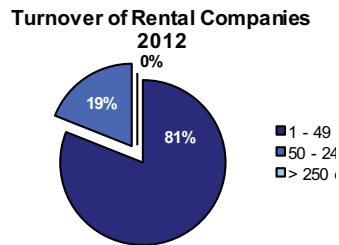
Denmark’s rental industry was hit hard by the crisis. But after a significant downsizing, then upsizing, the larger rental companies have started to increase their total equipment park again in 2015. With investment levels above replacement rates, we believe that the Danish rental fleet has increased in value through 2014 and 2015. The average lifespan of rental equipment is between 5 and 6 years, depending on equipment type.

Investment in Rental Equipment of Rental Companies (without operator)

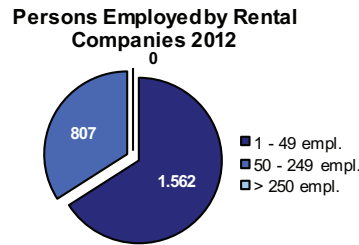


Source: IHS

Figures on the investment in the rental fleet for Denmark have been adjusted on the basis of better statistical data. In the last 4 years, investment levels have been increasing and decreasing following market sentiment and optimism.

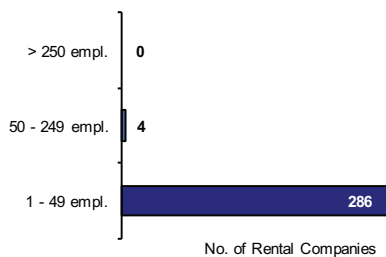


Source: IHS



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

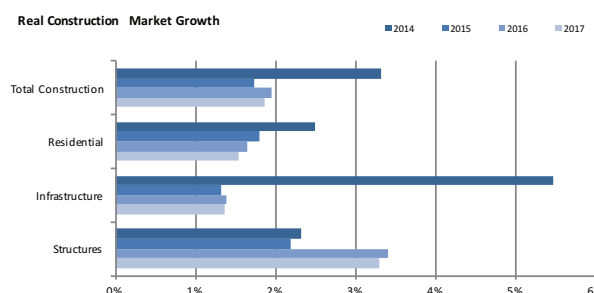
b. Economic and Construction Context for the Equipment Rental Industry

MACROECONOMIC OVERVIEW

Danish real GDP is estimated to have grown by 1% year on year (y/y) in 2014. After climbing out of its technical recession in 2013, stronger-than-expected growth in the second half of 2014 should limit any wider concerns about the risk of falling back into recession, and act as a stabilizing force on confidence levels. Overall, IHS expects real GDP to expand 1.8% y/y in 2015 and 2.1% y/y in 2016.

TOTAL CONSTRUCTION

In 2014, real total construction spending in Denmark grew 3.3% y/y; while total construction spending is expected to post a 1.7% y/y gain in 2015, followed by an increase of 1.9% y/y in 2016. Consumer confidence and lower unemployment support expectations for further development in the construction sector as the economy strengthens gradually.



Finland (FI)

The Finnish market is characterised by two large rental players, each with more than 250 employees, accounting for more than 50 percent of the total revenues of the rental industry and a few rental companies with between 50 and 250 employees. Together, these large and medium size companies generate more than 80% of total industry revenue.

Market structure has been stable for some years. The two large rental companies have had minimal engagement in M&A activities whilst the medium size companies, typically family owned, have not looked for international expansion or merger/acquisition in the home market.

A feature of the Finnish market is that activity is geographically concentrated upon the Helsinki region, which is doing well, but not well enough to drive the growth of the whole country.

Recently, rental volumes, time utilisation and rental tariffs have been declining, despite efforts made to reduce fleet size and to focus on equipment with a high utilisation rate. However, since 2014, rental prices have stopped falling, mainly thanks to the introduction of dynamic pricing. Average utilisation rate for a generalist rental player is around 45%.

The share of rental demand from the construction sector in Finland is estimated at 70% (so the rental

industry remains strongly linked to the construction sector), although it seems that non-construction share is growing and could reach 35% in the near future.

After a drop in 2013 and a stabilisation in 2014, rental revenue is forecast to grow in 2015 and 2016 by +1.7% and +3.6% respectively, exceeding the development of the overall economy. In 2016, the GDP penetration rate is expected to increase marginally.

An interesting trend of the market is the digitalisation of the construction equipment rental activity with rental companies investing and changing their organisation and process to be more agile.

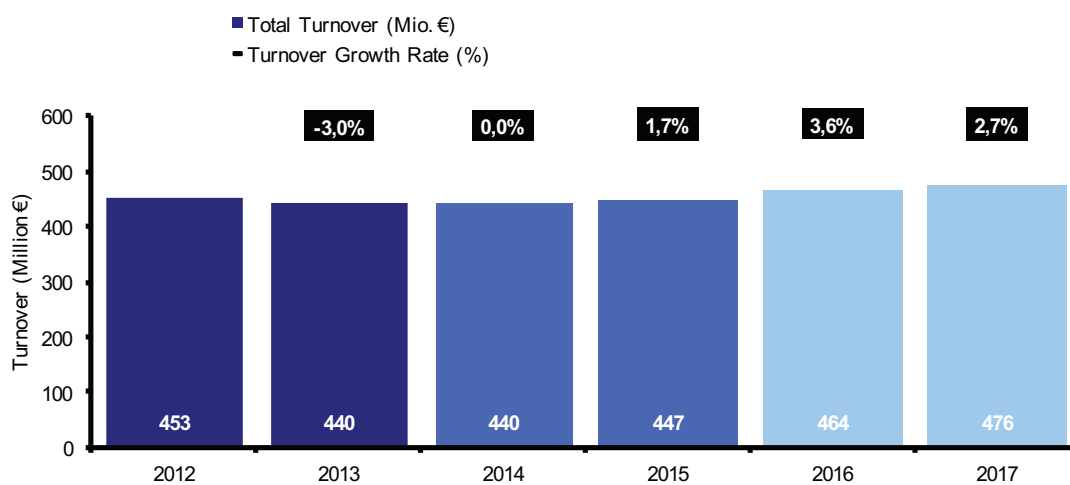
Finland (FI), EURO	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million €]	453	440	440	447	464	476
Rental Companies (without operator)	430	417	417	424	440	452
Other Comp. Providing Rental Services (only rental)	23	23	23	23	24	25
# Rental Companies (without operator)	150	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	2,100	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million €] (without operator)	75	75	75	70		
Value of Rental Fleet at all companies [million €] (without operator)	655	630	630	645		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	11%	12%	12%	11%		
Penetration Rates						
GDP [billion €]	189	187	186	186	188	191
GDP Penetration Rate	2.4‰	2.4‰	2.4‰	2.4‰	2.5‰	2.5‰
Total Construction Output [million €]	27,562	26,631	27,005	27,505	28,317	29,161
Construction Industry Penetration Rate	1.6%	1.7%	1.6%	1.6%	1.6%	1.6%
Country Population [million]	5	5	5	5	5	5
Country Population Penetration Rate [€ per person]	84	81	81	82	85	87

Source : IHS and Official Statistics data



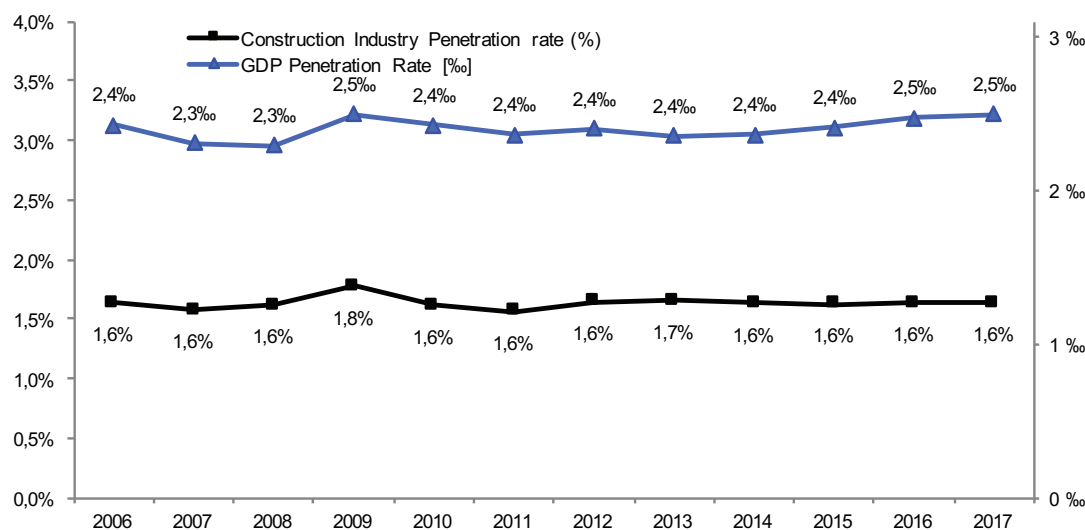
a. Review of key indicators

Turnover

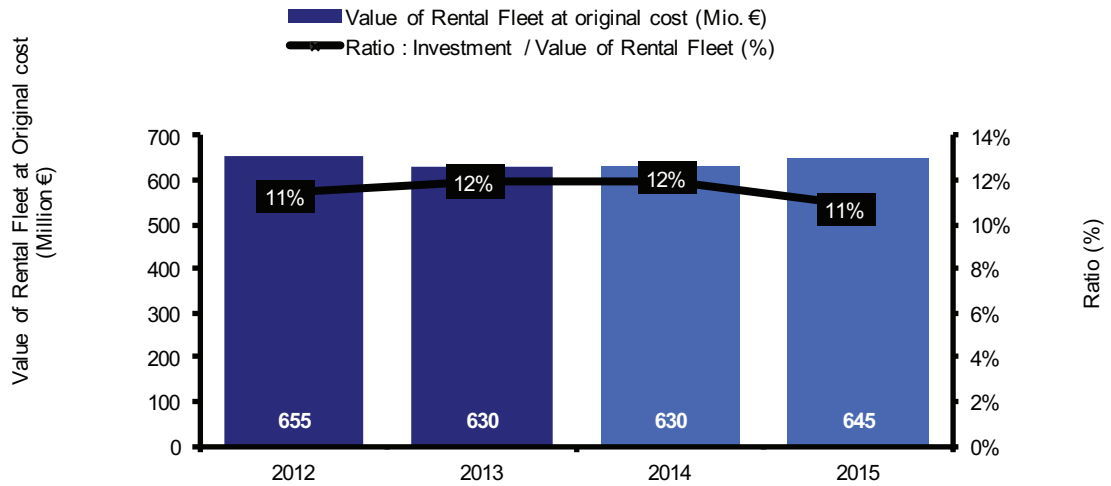


Source: IHS

Penetration Rates



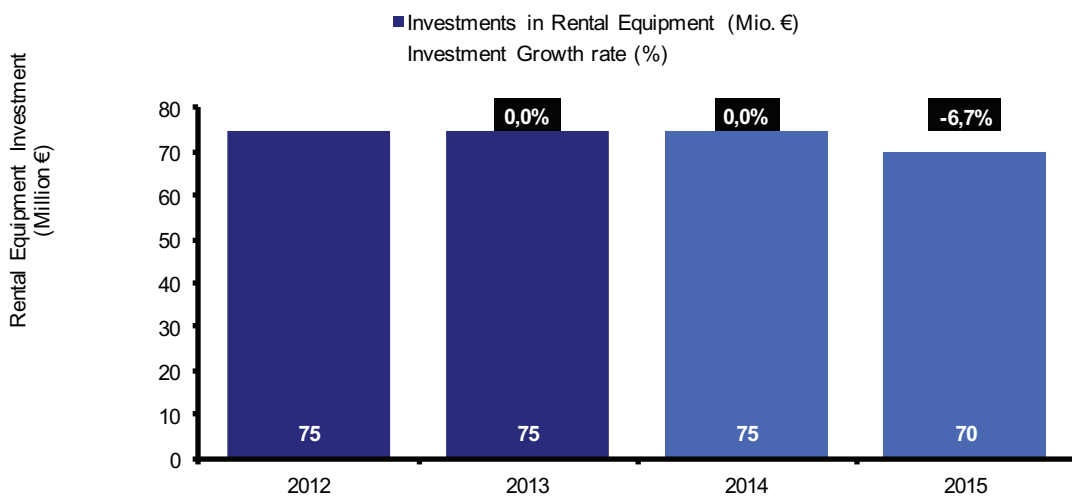
Rental Fleet Size



Source: IHS

Rental fleet size is believed to have increased marginally in 2015, modest investment levels since 2012 serving mainly to replace old equipment. Rental companies continue, at best, to maintain an average fleet age of 6 / 7 years.

Investment in Rental Equipment of Rental Companies (without operator)

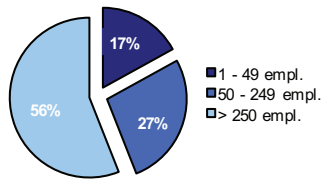


Source: IHS

Since 2012 rental companies have been forced to limit their fleet investments significantly. Since then investment has remained almost flat, reflecting the difficult economic environment and the strategy of some players to look abroad for growth.

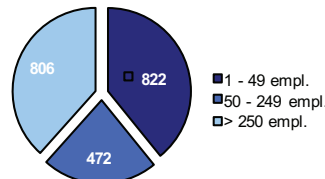


Turnover of Rental Companies 2012



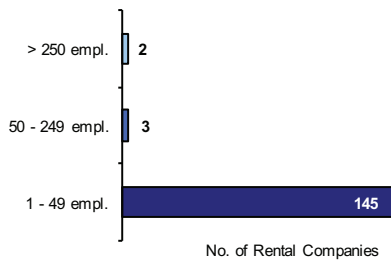
Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

b. Economic and Construction Context for the Equipment Rental Industry

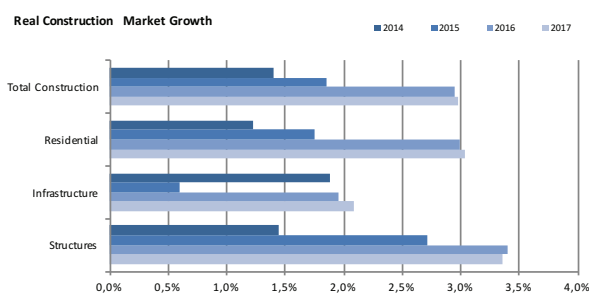
MACROECONOMIC OVERVIEW

The Finnish economic recovery remains reluctant to take shape. The boosting impact on growth from lower global oil prices and slightly stronger exports is counteracted by collapsed Russian export demand, along with weakness of domestic demand and competitiveness problems. Therefore, lack of growth in 2014 is likely to be followed by a modest 0.5% year on year (y/y) gain in 2015,

before a 1.1% y/y growth in 2016.

TOTAL CONSTRUCTION

In 2014, real total construction spending in Finland increased 1.4% y/y and is expected to grow 1.9% y/y in 2015. While the recent data signals that total output may be starting to grow, the economy still faces major hurdles and we expect that its recovery will lag relative to its Eurozone peers.



France (FR)

Market consolidation has continued to be observed in the French market in 2015.

- The two main players, accounting for more than one third of the market, have integrated their acquisitions more closely during the year and will continue to do so in 2016.

- Large and medium size rental companies have continued to increase their market share while smaller rental companies have concentrated their activities around local customers often focussing upon specialised equipment.

Rental rates have not returned to pre-crisis levels and, after a slight recovery observed since 2010, pressure on prices is once again

affecting rental turnover and this is expected to continue for the near future.

Regarding rental utilisation, we believe that the typical generalist rental player is achieving rental utilisation of 40% to 45%.

The rental industry believes that a new equilibrium needs to be found as pre 2008 rental prices will probably not be reached in the near future. With this in mind the larger players have promoted additional services, some of which were previously offered as part of the rental tariff, as separately chargeable services (waste management, transportation, etc.)

The construction sector share in

rental demand in France is estimated at 70%, making construction sector growth essential for the well-being of the rental industry. However, as with other European markets non-construction share is growing and rental players start to change their investments to modify their client mix.

After 2 years of decline, rental industry growth, at -0.1% in 2015, is still negative and it is only in 2016 that we anticipate (relatively) good growth of +2.4%.

Since 2012, the rental industry has underperformed compared to the construction industry and the overall economy, leading to a fall in construction industry and GDP penetration.

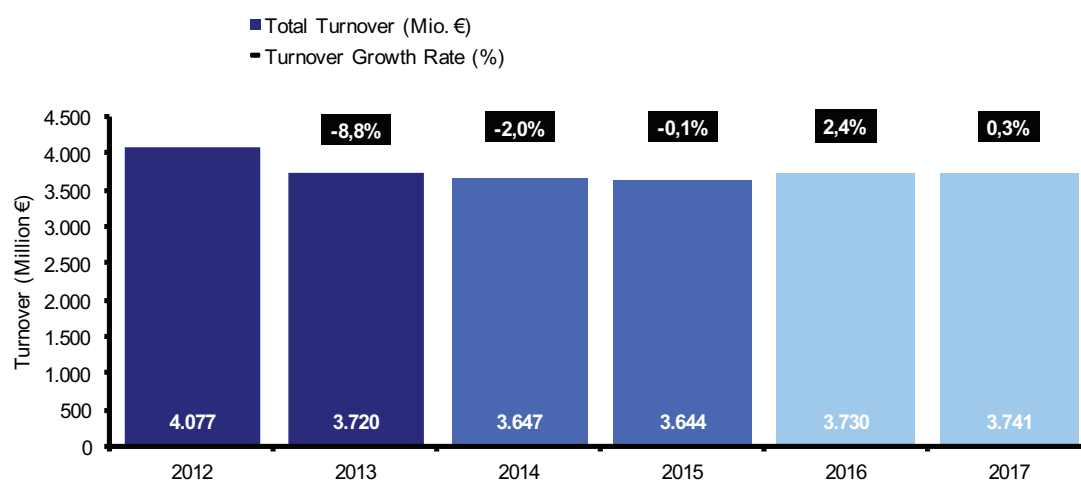
France (FR), EURO	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million €]	4,077	3,720	3,647	3,644	3,730	3,741
Rental Companies (without operator)	3,863	3,524	3,455	3,453	3,534	3,544
Other Comp. Providing Rental Services (only rental)	215	196	192	192	196	197
# Rental Companies (without operator)	1,510	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	19,900	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million €] (without operator)	650	630	645	650		
Value of Rental Fleet at all companies [million €] (without operator)	5,800	5,040	4,890	4,880		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	11%	13%	13%	13%		
Penetration Rates						
GDP [billion €]	2,043	2,059	2,062	2,084	2,112	2,143
GDP Penetration Rate	2.00 ‰	1.81 ‰	1.77 ‰	1.75 ‰	1.77 ‰	1.75 ‰
Total Construction Output [million €]	235,912	232,275	230,684	234,596	238,371	240,761
Construction Industry Penetration Rate	1.73%	1.60%	1.58%	1.55%	1.56%	1.55%
Country Population [million]	65	66	66	66	67	67
Country Population Penetration Rate [€ per person]	62	57	55	55	56	56

Source : IHS and Official Statistics data



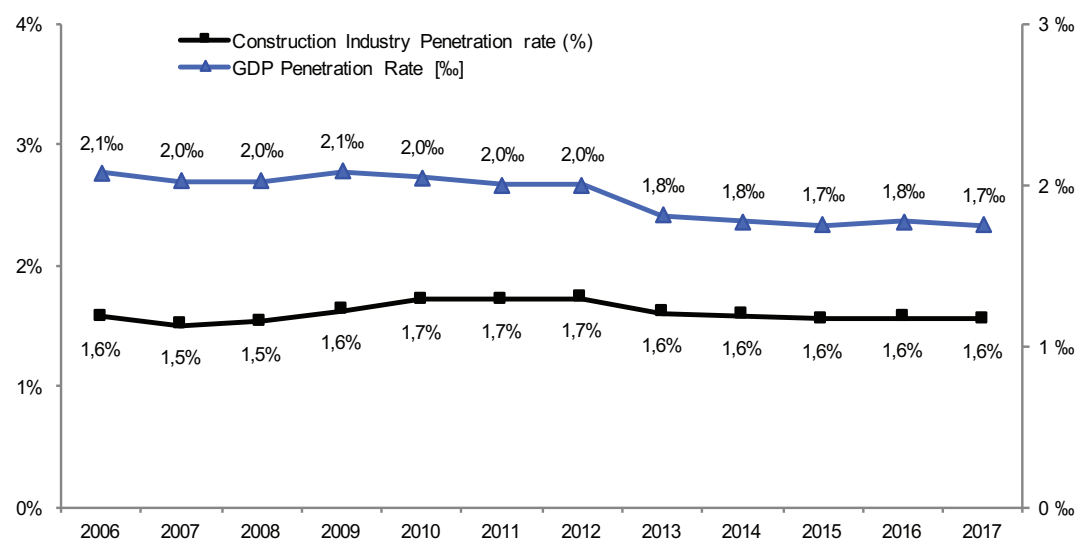
a. Review of key indicators

Turnover

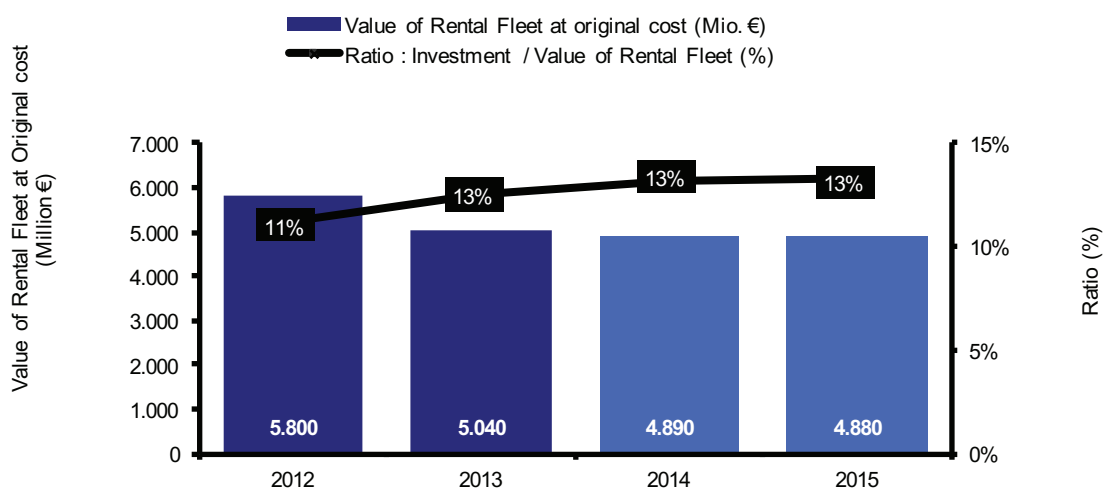


Source: IHS

Penetration Rates



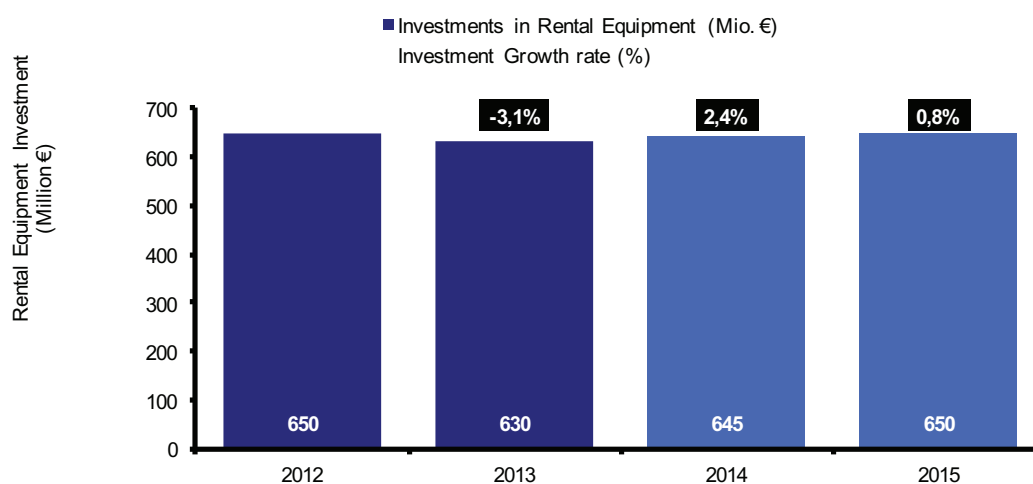
Rental Fleet Size



Source: IHS

Since 2013, rental companies have focussed upon equipment replacement investments, maintaining overall fleet value. In 2014, investment remained flat due to difficult credit conditions and the uncertain business environment.

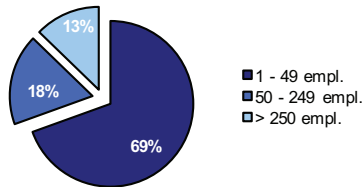
Investment in Rental Equipment of Rental Companies (without operator)



Source: IHS

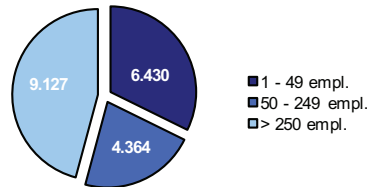
It is anticipated that rental fleet size will increase slightly in 2015 to € 4.8 billion, after years of moderate investment levels which had failed to maintain fleet value. Overall, the age of the fleet is estimated to be 6 years in 2015.

Turnover of Rental Companies 2012



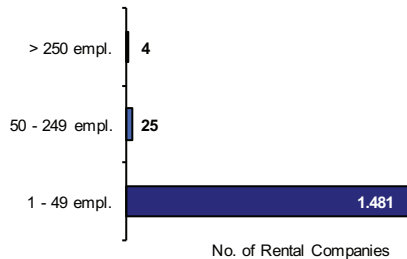
Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

b. Economic and Construction Context for the Equipment Rental Industry

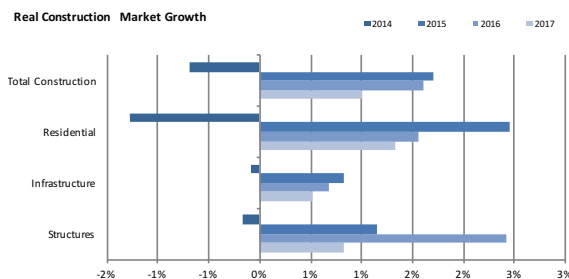
MACROECONOMIC OVERVIEW

IHS expects the French economy to grow at an accelerated but modest pace in 2015. On the positive side, a weaker euro and falling oil prices should help the economy. However, elevated unemployment, continued tight credit conditions and continued weak confidence levels will keep the economy under pressure. As a result, the French economy is anticipated to grow by 1.2% year on year (y/y) in 2015

and 1.5% y/y in 2016.

TOTAL CONSTRUCTION

In 2014, real total construction spending in France declined 0.7% y/y. As a weaker euro and lower inflation help strengthen the economy and despite weak nominal wage growth, total construction spending is expected to post a 1.7% y/y gain in 2015, followed by an increase of 1.6% y/y in 2016.



Germany (DE)

The German equipment rental market is characterised by two features:

- Many local companies operate in strong competition with national rental players,
- Unusually high rental market participation by Distributors who constantly gain importance.

For years, this high level of competition has put pressure on rental prices for all product categories. Nevertheless, German companies remain in good financial health. Some large players have introduced Dynamic Pricing strategies in order to get more control of rental rates.

The German market structure has

been evolving recently with merger and acquisition activities driving a concentration of the industry. This trend is likely to continue with (relatively easy) access to cash and a number of unclear succession issues in family owned businesses resulting in a number of opportunities.

Construction sector share in rental demand in Germany is estimated at 70%, making construction sector growth essential for the well-being of the rental industry. However, as in other countries, rental companies strive to reduce their dependence upon the construction sector by diversifying their portfolio.

After 3 years of growth, the rental industry maintains a stable trend

with growth of +1.7% and +1.8% in 2015 and 2016 respectively, in line with the development of the overall economy.

An interesting trend of the market is the customer evolution. They have recently begun to invest in their own fleet and tools to better manage their rental equipment utilisation driving down rental activity with shorter rental periods and a better assessment of the rental or purchase decision. In response rental companies are trying to develop more integrated solutions, adding new services.

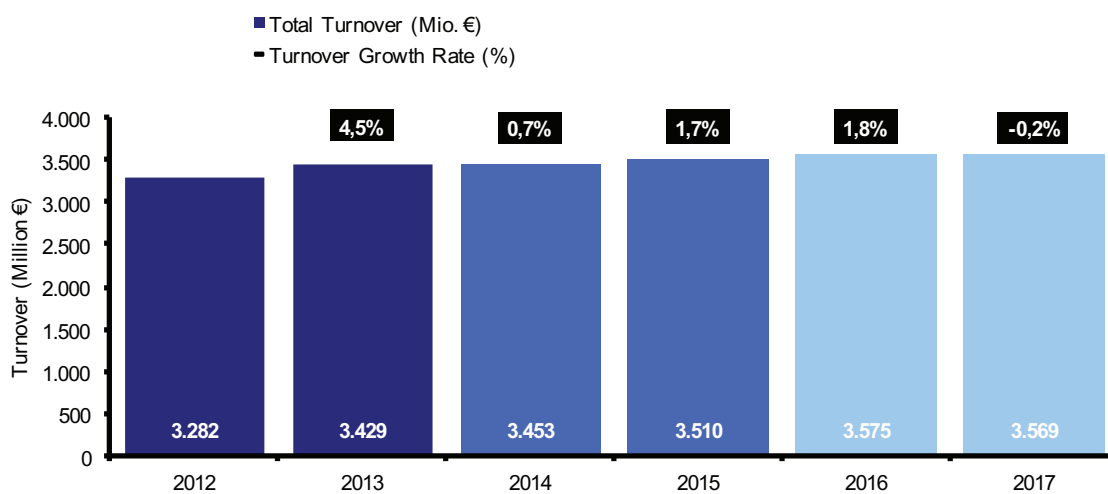
Germany (DE), EURO	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million €]	3,282	3,429	3,453	3,510	3,575	3,569
Rental Companies (without operator)	2,613	2,730	2,749	2,795	2,846	2,841
Other Comp. Providing Rental Services (only rental)	669	699	704	715	729	727
# Rental Companies (without operator)	2,960	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	15,800	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million €] (without operator)	675	715	775	820		
Value of Rental Fleet at all companies [million €] (without operator)	4,900	5,230	5,280	5,420		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	14%	14%	15%	15%		
Penetration Rates						
GDP [billion €]	2,682	2,693	2,736	2,781	2,840	2,896
GDP Penetration Rate	1.2‰	1.3‰	1.3‰	1.3‰	1.3‰	1.2‰
Total Construction Output [million €]	233,045	232,216	238,291	247,764	258,027	265,868
Construction Industry Penetration Rate	1.4%	1.5%	1.4%	1.4%	1.4%	1.3%
Country Population [million]	82	82	82	83	84	84
Country Population Penetration Rate [€ per person]	40	42	42	42	43	42

Source : IHS and Official Statistics data



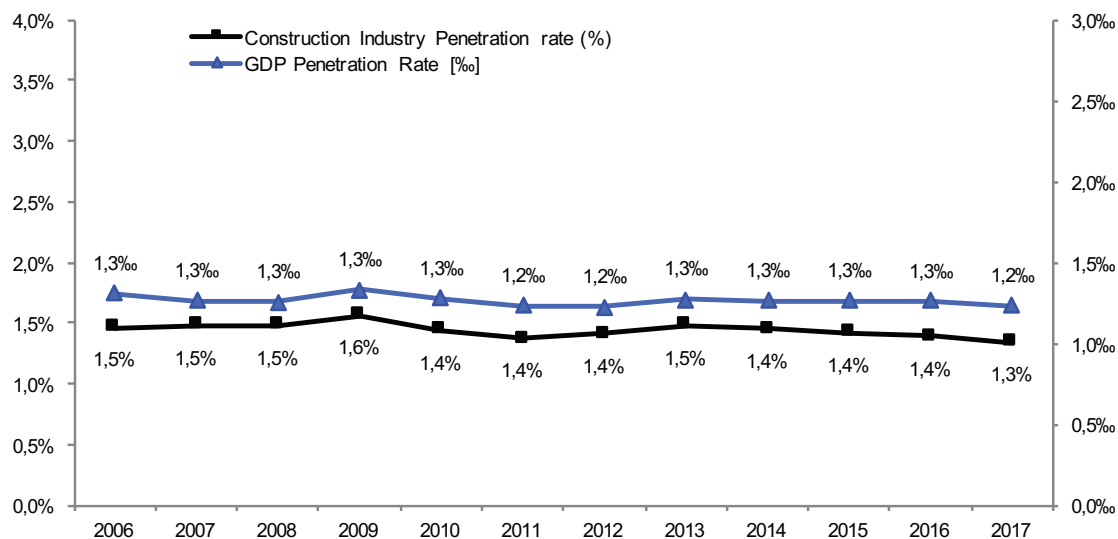
a. Review of key indicators

Turnover

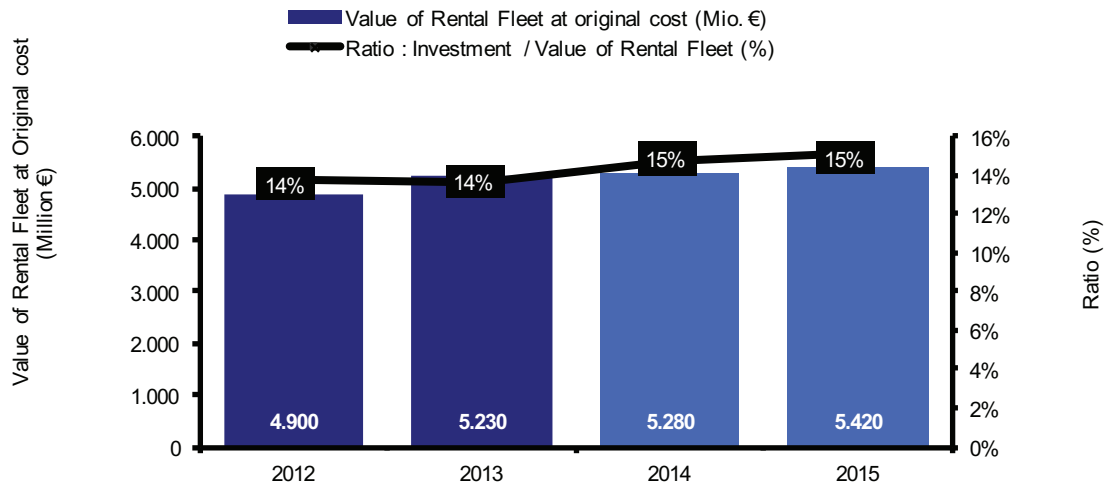


Source: IHS

Penetration Rates



Rental Fleet Size

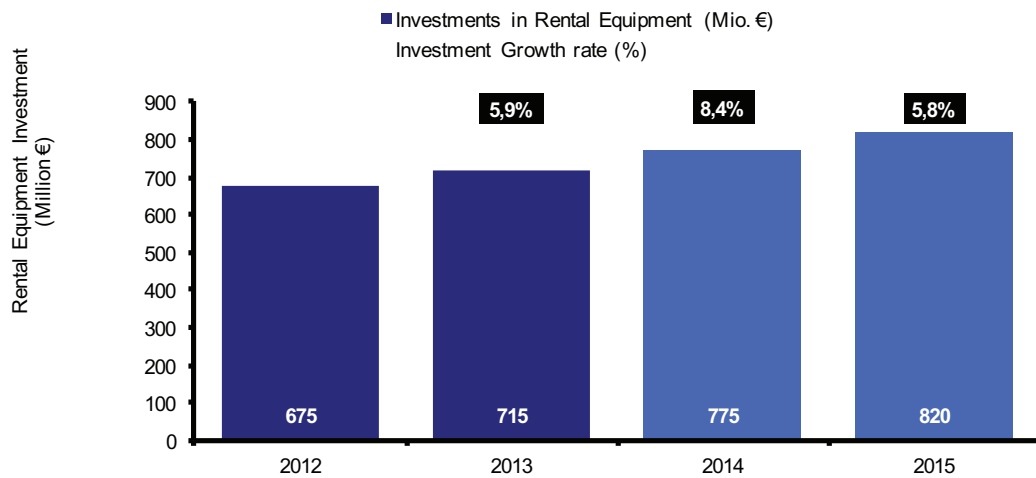


Source: IHS

In line with the strong investment into the relatively young equipment fleet (young in comparison with the European average) we estimate the rental fleet to have grown in 2015.

The average age of the German rental fleet remains among the lowest in Europe, estimated to average 3.5 years in 2015.

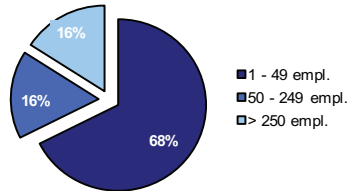
Investment in Rental Equipment of Rental Companies (without operator)



Source: IHS

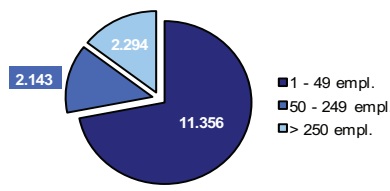
In 2015, rental fleet investment has remained strong, increasing, probably driven, in part, by the weight of Distributors in this market and by a solid commercial assessment of the maintenance costs of older equipment.

Turnover of Rental Companies 2012



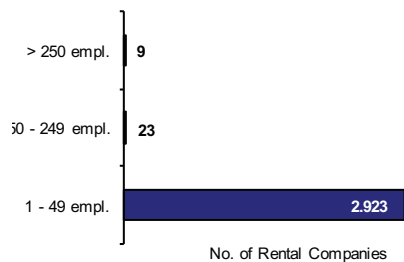
Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

b. Economic and Construction Context for the Equipment Rental Industry

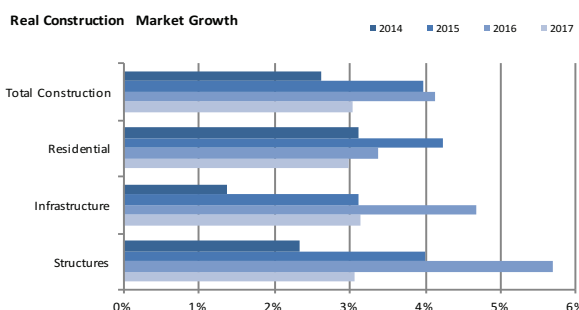
MACROECONOMIC OVERVIEW

The German economy has returned to a recovery path since late 2014 despite restraining influences related to geopolitical crises, uncertainty about Greece's future in the Eurozone etc... Following somewhat disappointing leading indicator data and softer-than-expected first-quarter growth, GDP growth is estimated to be 1.8% year on

year (y/y) in 2015 and 2.2% y/y in 2016.

TOTAL CONSTRUCTION

In 2014, real total construction spending in Germany grew 2.6% y/y and is expected to post a 4.0% y/y gain in 2015, followed by an increase of 4.1% y/y in 2016. In addition consumer spending will remain a key growth support in 2015.



Italy (IT)

The Italian equipment rental market is characterised by two features:

- Important role of equipment dealers and other companies providing rental services, which are estimated to generate almost 50 percent of the rental revenue,
- High level of fragmentation of the market, no rental company with more than 250 employees, and few international players, 12 "larger" rental companies (50 to 250 employees) and then many firms with fewer than 50 employees who take a significant market share.

In the context of a difficult economic environment and tighter credit conditions, the rental market is experiencing not only a

reduction of rental volumes, but also a slow consolidation process (medium-sized companies taking over small players and small players disappearing).

Rental rates have continued to decrease since 2012. Prices in regions with significant competition can be low; however, some larger rental companies have managed to increase rates for some equipment types such as access equipment.

The share of rental demand from the construction sector in Italy is estimated at 70%; therefore there is a high dependence upon the construction sector.

Rental turnover is forecast to evolve

clearly exceeding the development of the overall economy, with rental revenue going up by +2.7% and +3.4% in 2015 and 2016.

With construction industry penetration at 0.73%, Italy is the country with the second lowest European Construction penetration rate so there is room for increased penetration although no significant change is anticipated in the near future.

In addition to the difficult economic environment and to the pressure on prices, the financial health of contractor companies still causes concern. The question of the extension of payment terms has, this year once again, put a very high pressure on business recovery.

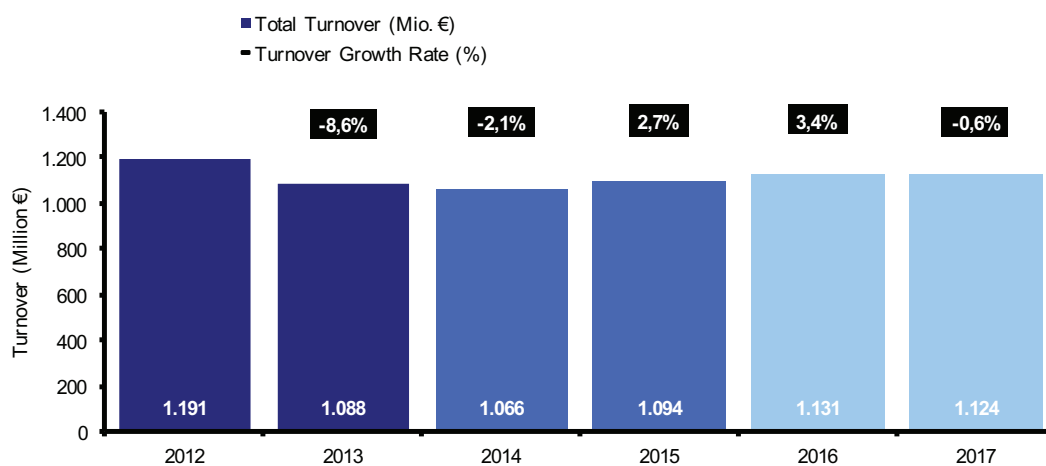
Italy (IT), EURO	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million €]	1.191	1.088	1.066	1.094	1.131	1.124
Rental Companies (without operator)	623	569	557	572	592	588
Other Comp. Providing Rental Services (only rental)	568	519	509	522	540	537
# Rental Companies (without operator)	1.690	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	8.530	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million €] (without operator)	140	135	130	135		
Value of Rental Fleet at all companies [million €] (without operator)	2.300	2.000	1.940	2.020		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	6%	7%	7%	7%		
Penetration Rates						
GDP [billion €]	1.570	1.543	1.538	1.547	1.561	1.575
GDP Penetration Rate	0,8‰	0,7‰	0,7‰	0,7‰	0,7‰	0,7‰
Total Construction Output [million €]	169.053	150.775	140.347	138.560	141.027	142.118
Construction Industry Penetration Rate	0,7%	0,7%	0,8%	0,8%	0,8%	0,8%
Country Population [million]	61	61	61	61	61	61
Country Population Penetration Rate [€ per person]	20	18	17	18	18	18

Source : IHS and Official Statistics data



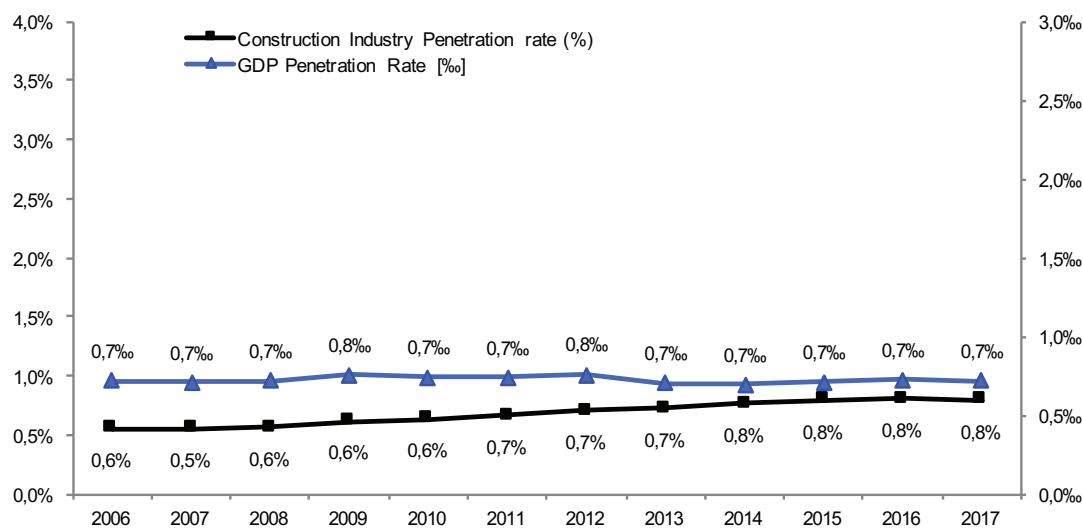
a. Review of key indicators

Turnover

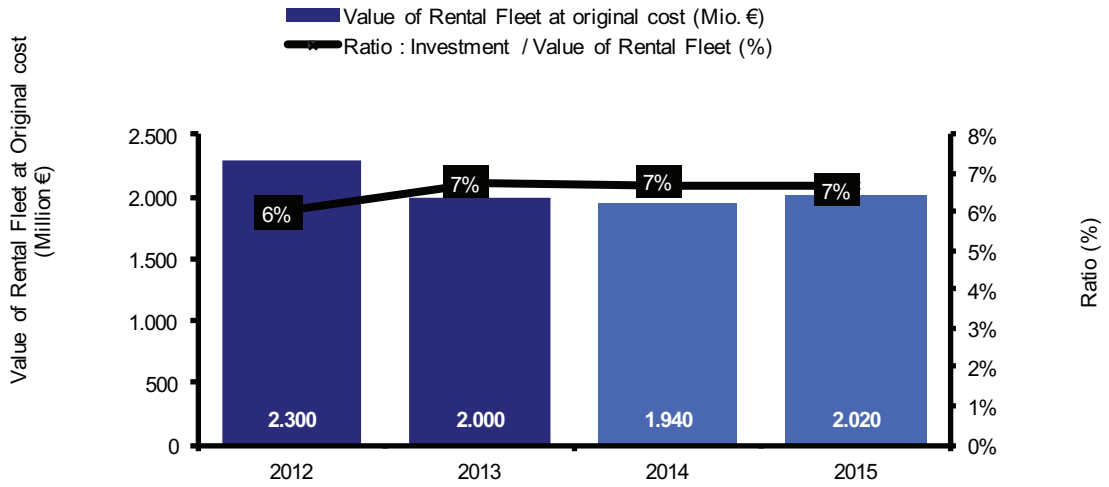


Source: IHS

Penetration Rates



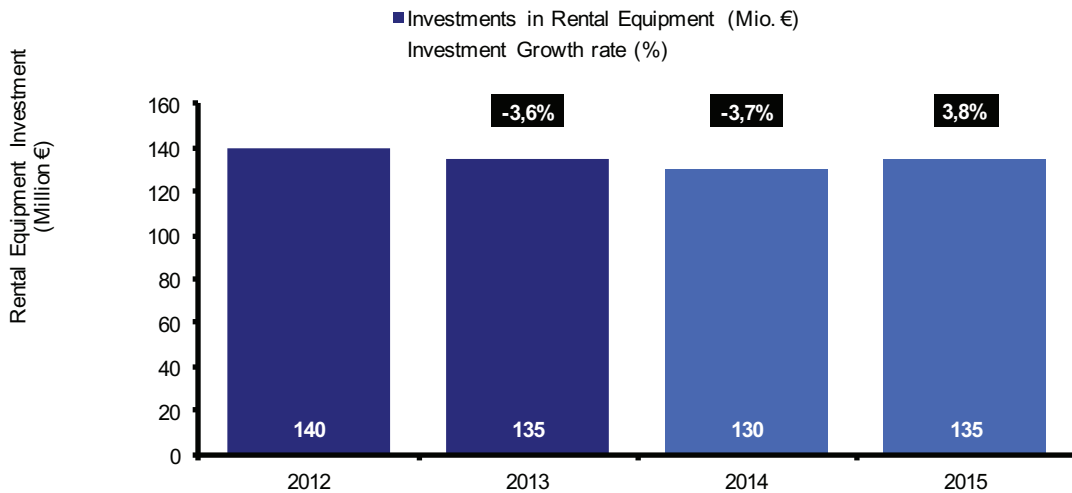
Rental Fleet Size



Source: IHS

In line with investment, the overall size of the rental fleet is going up, but still fails to reach the 2012 levels, operators limiting investment to essential replacement.

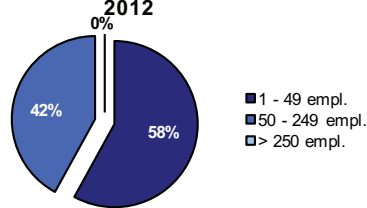
Investment in Rental Equipment of Rental Companies (without operator)



Source: IHS

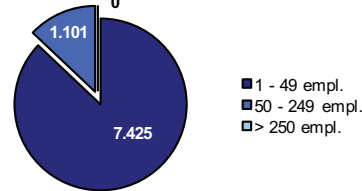
After real investment increase in 2012, capital expenditure has remained stable in 2013, 2014 and 2015 due to difficult market conditions and restrained access to funding. Investment has been concentrated on specific equipment (with high utilisation) and, more particularly, to replace old equipment for equipment with a higher utilisation potential.

Turnover of Rental Companies 2012



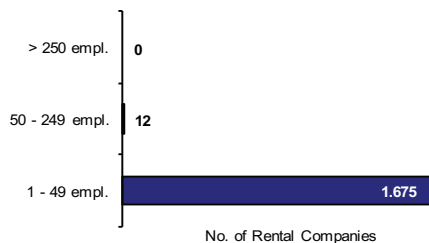
Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

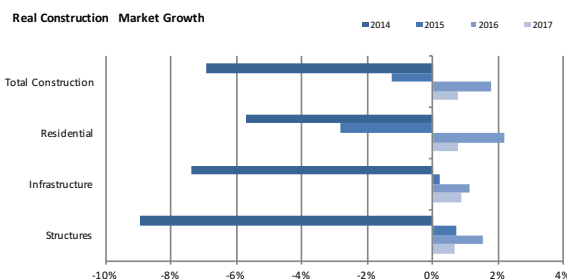
b. Economic and Construction Context for the Equipment Rental Industry

MACROECONOMIC OVERVIEW

Italy came out of a short-lived technical recession in the final quarter of 2014, and we believe the economy is likely to recover gradually, with growth returning in the first half of 2015. We expect real GDP to expand 0.6% year on year (y/y) in 2015 and 0.9% y/y in 2016. The moderately positive outlook reflects lower oil prices being sustained and helpful currency movements, providing a boost to Italy's troubled exports.

TOTAL CONSTRUCTION

In 2015, total construction spending is expected to post a 1.3% y/y drop due to continued weakness in the residential sector, followed by an increase of 1.8% y/y in 2016. Restraining factors, including still-disrupted access to mortgage loans, a still-soft property market, and the prospect of muted growth in real household incomes are expected to limit residential investment.



The Netherlands (NL)

The Netherlands rental market is relatively concentrated with two rental companies with more than 250 employees accounting for more than 30 percent of the total market and 13 companies with 50 to 250 employees who also generate about 30 percent of industry total revenue.

The crisis changed the rental industry. The activity has become more internationally oriented with large and medium size companies going outside their borders to find growth opportunities rather than face lower demand and relative overcapacity in the Netherlands. In addition, even if there have been no big deals, M&A activity has continued. Since 2011, rental rates have

recovered slightly from the strong decreases experienced in previous years; however price pressure is now driving the market again, whereas rental utilisation remains stable: rental volume is driving the growth of the rental industry.

Rental demand stems from construction, which is still estimated to represent 70% of the rental market. However efforts are being made by the industry to decrease this dependency, and we can anticipate the share of non-construction demand growing in the near future.

To address this market segment, rental players have started to change their investment to offer a modified product mix. However, this is a slow process whilst the

financial health of companies is difficult and access to funds tough; rental companies are being forced to make strategic choices.

Rental revenue is forecast to increase in 2015 and 2016, growing by +1.9% and +1.8% respectively in line with the development of the overall economy. GDP and construction industry penetration are expected to remain stable for the next two years.

An interesting feature of the Dutch market is the internationalisation of rental companies working hand in hand with large national construction companies and following them outside of their national borders.

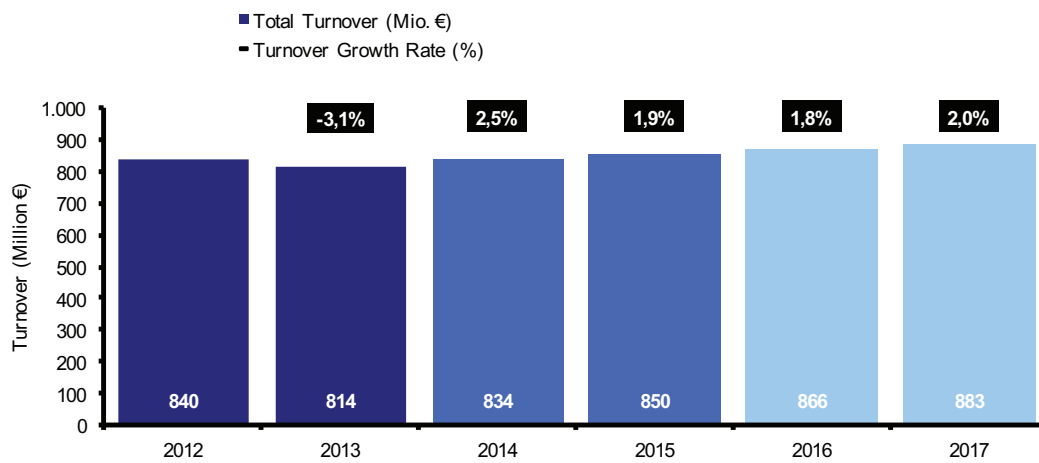
The Netherlands (NL), EURO	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million €]	840	814	834	850	866	883
Rental Companies (without operator)	773	749	768	782	796	812
Other Comp. Providing Rental Services (only rental)	67	65	67	68	69	71
# Rental Companies (without operator)	535	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	5,400	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million €] (without operator)	160	155	145	150		
Value of Rental Fleet at all companies [million €] (without operator)	1,270	1,210	1,260	1,290		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	13%	13%	12%	12%		
Penetration Rates						
GDP [billion €]	635	632	639	652	663	675
GDP Penetration Rate	1.3‰	1.3‰	1.3‰	1.3‰	1.3‰	1.3‰
Total Construction Output [million €]	72,324	69,397	71,910	74,260	76,183	78,049
Construction Industry Penetration Rate	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%
Country Population [million]	17	17	17	17	17	17
Country Population Penetration Rate [€ per person]	50	48	49	50	51	52

Source : IHS and Official Statistics data



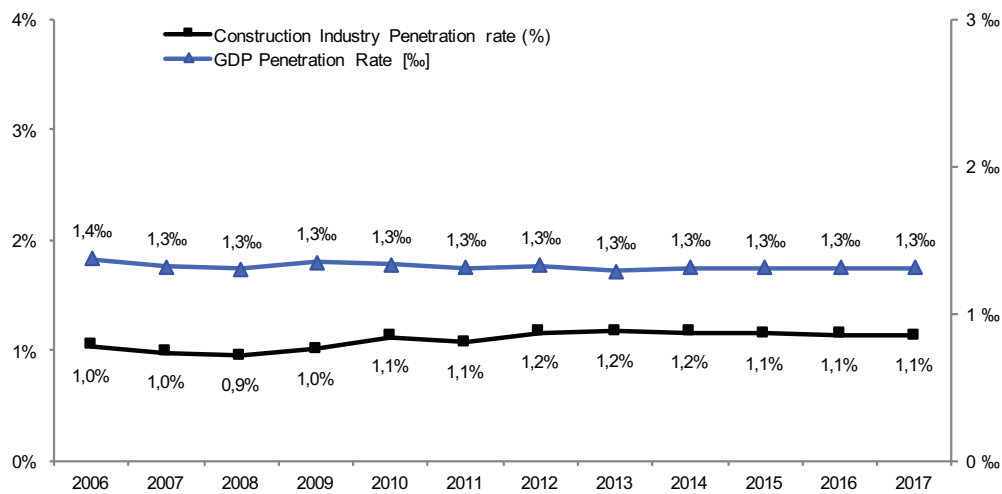
a. Review of key indicators

Turnover

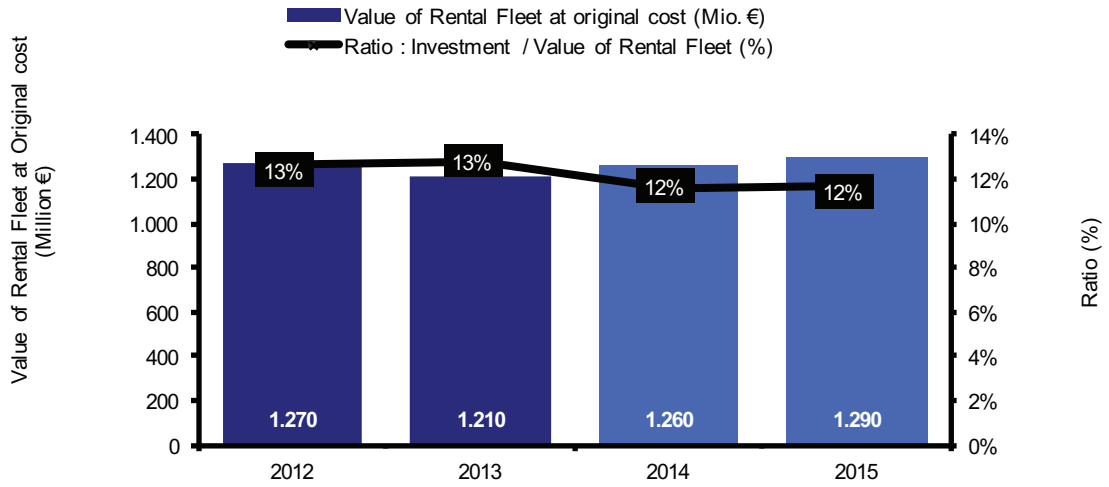


Source: IHS

Penetration Rates



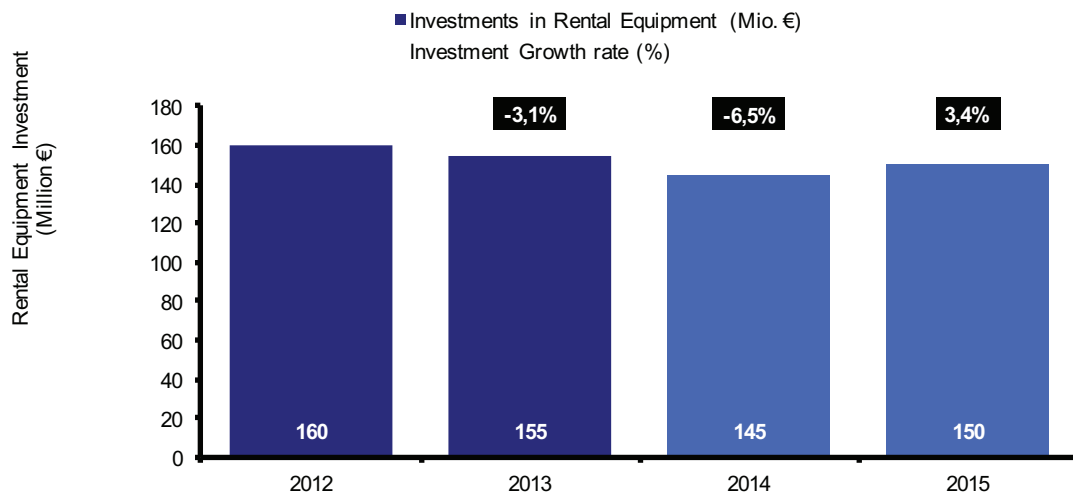
Rental Fleet Size



Source: IHS

After a real drop in 2012, investment is picking up in 2015, driven by requests from new customers for new types of equipment and by an assessment of the cost effectiveness of older equipment. The average fleet age is estimated at 5 to 6 years.

Investment in Rental Equipment of Rental Companies (without operator)

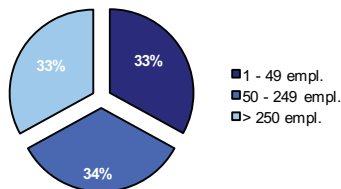


Source: IHS

Since 2012/2013, fleet investment has remained stable. Capital expenditure has predominately served to replace old machines, particularly those with a high rental utilisation potential.

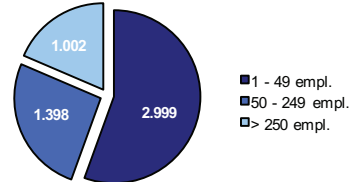


Turnover of Rental Companies 2012



Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

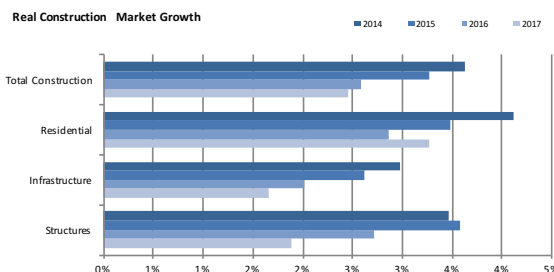
b. Economic and Construction Context for the Equipment Rental Industry

MACROECONOMIC OVERVIEW

IHS anticipates a mild recovery in economic activity in 2015, with GDP increasing 1.8% y/y this year, up from 0.9% y/y in 2014, and with a further increase to 1.7% y/y in 2016. Low private consumption will remain a major obstacle to any economic growth in the near term, so the increase in growth is expected to be almost entirely driven by increased exports due to recovering world trade conditions.

TOTAL CONSTRUCTION

In 2014, real total construction spending grew 3.6% y/y. Economic activity is gradually improving, and growth is expected to pick up in both 2015 and 2016. As a net oil importer, the country should benefit from sustained low oil prices, while a weak euro will certainly help exports. However, prevailing difficult conditions in France and Italy suggest that the recovery in external demand from the Eurozone will be uneven.



Norway (NO)

The market is dominated by two large rental players, each with more than 250 employees, and four rental companies with between 50 and 250 employees. Together, these large and medium size companies generate 70 percent of total industry revenue.

The years of exceptional rental revenue growth in Norway are clearly over. As predicted in last year's report, the equipment rental market shows signs of "cooling down" mainly due to the global economic environment and to the industries dependency on oil, adversely affected by the low oil price. The West coast, in particular, has been strongly impacted.

Due to the rapid growth through

to 2013, rental companies did not feel the same pressure for efficiency seen in other countries. However, action is required now. Cost pressure stems from flat rental prices, whilst wages are still growing strongly. There is a real need to focus on cost control and efficient logistics.

Since rental rates are currently flat, large companies are in the process of introducing more dynamic pricing elements in their management of rental rates. In this context one of the large Nordic rental actors has started implementing complex price discrimination algorithms in its "Right Price" concept.

There is not much ongoing M&A activity in the Norwegian market

place. Small and mid-sized companies are currently growing faster than the big three, with niche suppliers expanding their product range.

The share of rental demand from the construction sector in Norway is estimated at 60% although it seems that non-construction share is going down due to the oil situation.

After 3 years of growth, we believe the rental industry will slow down by -1.5% in 2015 before posting a +2.3% of growth in 2016: once again the rental industry is hurt by the low oil price.

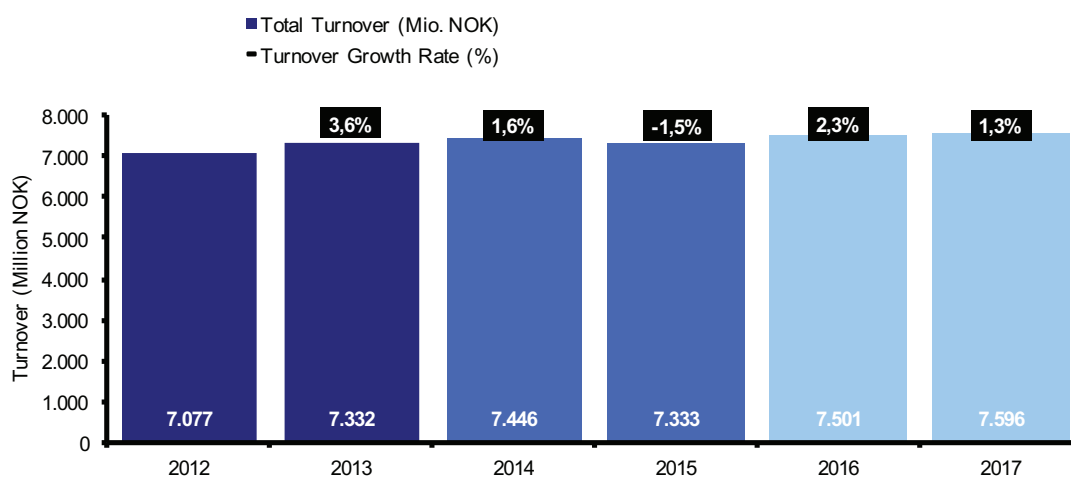
Norway (NO), LOCAL CURRENCY	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million NOK]	7.077	7.332	7.446	7.333	7.501	7.596
Rental Companies (without operator)	5.290	5.480	5.566	5.481	5.607	5.678
Other Comp. Providing Rental Services (only rental)	1.787	1.851	1.880	1.852	1.894	1.918
# Rental Companies (without operator)	270	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	2.300	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million NOK] (without operator)	1.410	1.330	1.250	1.240		
Value of Rental Fleet at all companies [million NOK] (without operator)	9.200	9.700	9.920	9.700		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	15%	14%	13%	13%		
Penetration Rates						
GDP [billion NOK]	2.962	2.987	3.052	3.079	3.105	3.149
GDP Penetration Rate	2,4‰	2,5‰	2,4‰	2,4‰	2,4‰	2,4‰
Total Construction Output [million NOK]	366.938	390.197	407.220	408.560	414.742	422.346
Construction Industry Penetration Rate	1,9%	1,9%	1,8%	1,8%	1,8%	1,8%
Country Population [million]	5	5	5	5	5	5
Country Population Penetration Rate [NOK per person]	1.417	1.454	1.463	1.407	1.423	1.425

Source : IHS and Official Statistics data



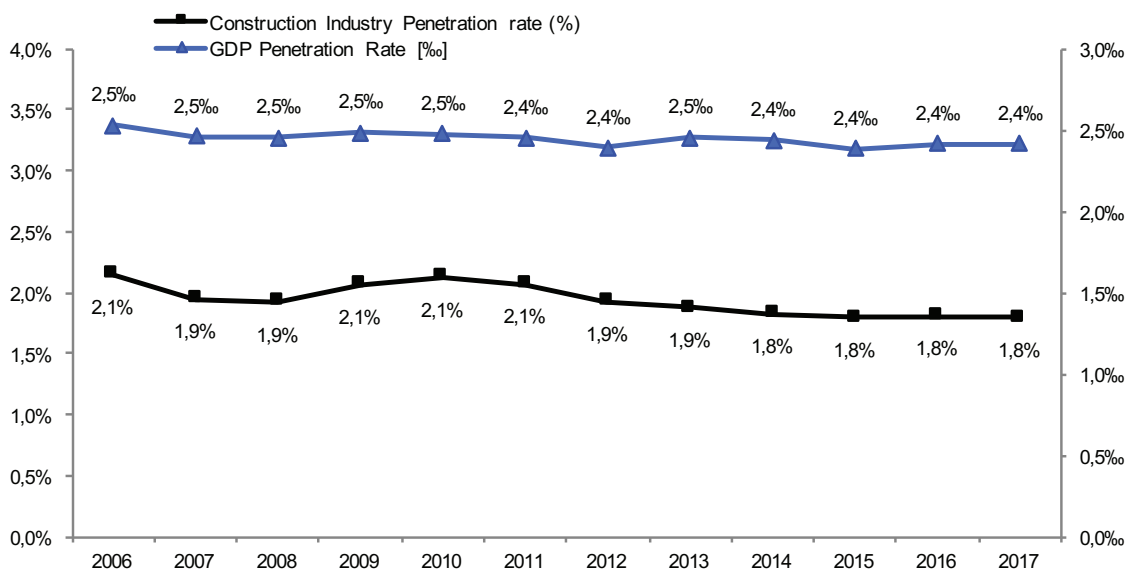
a. Review of key indicators

Turnover

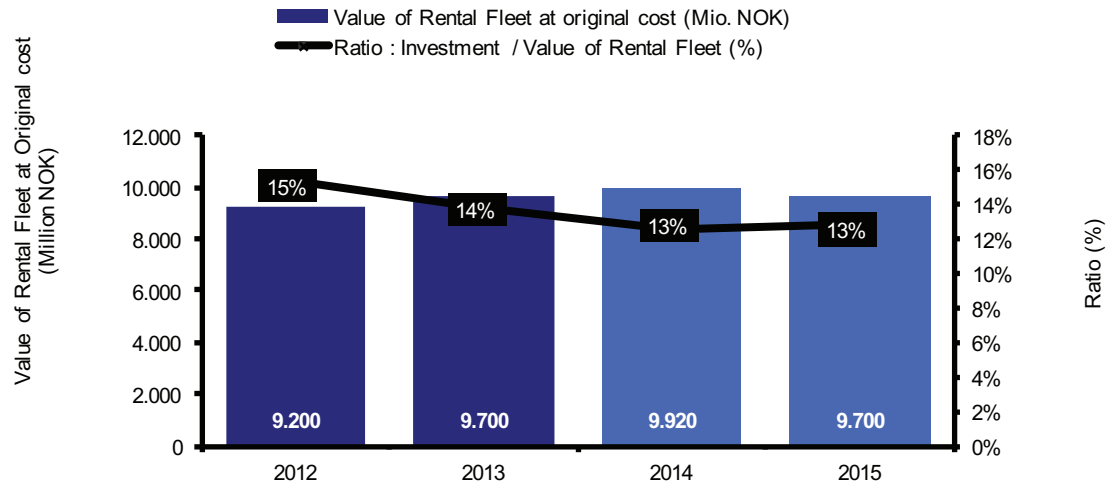


Source: IHS

Penetration Rates



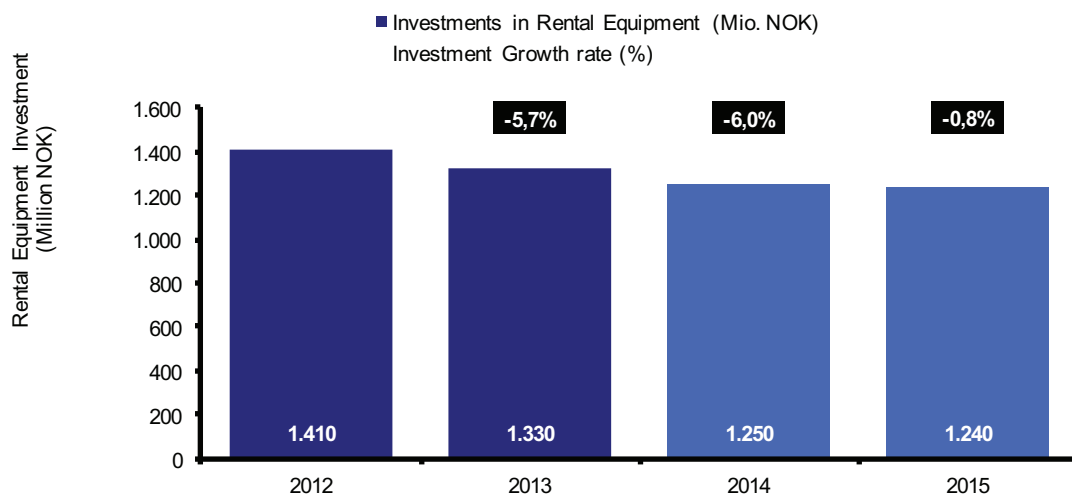
Rental Fleet Size



Source: IHS

Rental equipment fleet value is likely to decrease in 2015 with average fleet age estimated to be stable at 5 years, thanks to moderate levels of investment in recent years.

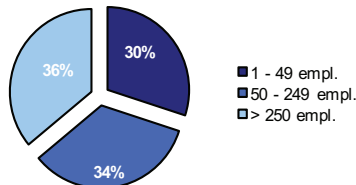
Investment in Rental Equipment of Rental Companies (without operator)



Source: IHS

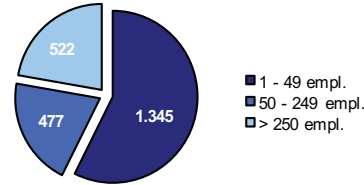
Investment in rental equipment in 2015 will contract a little, overinvestments in some product categories in the past driving rental players to be cautious about their investment decisions.

Turnover of Rental Companies 2012



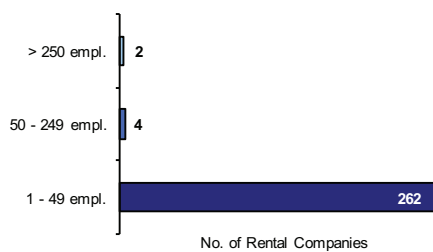
Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

b. Economic and Construction Context for the Equipment Rental Industry

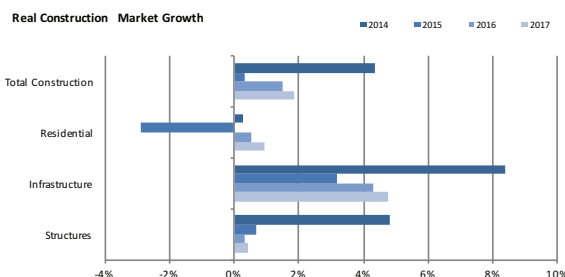
MACROECONOMIC OVERVIEW

Strong real GDP developments in the second half of 2014 confirmed our long-held view that the economy would gather some momentum in 2014 as a whole. Despite this, risks to the 2015–16 growth outlooks are rising due to the lower oil prices. Investment in the oil sector is now projected to retreat over 2015 and 2016, meaning a larger drag on activity in manufacturing and service sectors that supply the oil sector. After reaching 2.2% year on year (y/y) in 2014, real GDP growth is expected to

decelerate to 0.7% in 2015 and 0.9% y/y in 2016.

TOTAL CONSTRUCTION

In 2014, real total construction spending grew 4.5% y/y. Government budget calculations estimate an expansionary effect out of the non-oil budget deficit, which is projected at 164 billion kroner, with approximately 55 billion for infrastructure. Total construction spending is expected to post a 0.3% y/y gain in 2015, followed by an increase of 1.5% y/y in 2016.



Poland (PL)

The Polish equipment rental market is characterised by three features:

- High level of fragmentation of the market, with only one rental company with more than 250 employees, and only a few international players. Around 13 "larger" rental companies, with between 50 and 250 employees, operate in Poland; after them, more than 60 percent of the rental industry turnover is generated by firms with fewer than fifty employees,
- Availability of cheap used construction equipment, which has supported the entry of new players on the market (low market entry barriers) and has led to strong price pressures,
- Additional market pressure

coming from cross border activity, mainly from Germany.

With fleet overcapacity, less than expected rental demand, continued strong pressure on rental rates, the price pressure is stronger than in the past. In addition, rental customers have invested in owned equipment, reducing demand and making them even more demanding of the services they will buy from rental players.

The equipment rental market in Poland is still largely dependent on the health of the construction sector, with other customer segments playing only a minor role. The rental demand stemming from construction is estimated at 80%, albeit a little lower than

before (formerly 90%) but still very significant.

Our forecast for rental revenue is that it will increase in 2015 and 2016 by +2.6% and +1.8% respectively, possibly a little below industry expectations and the development of the overall economy. With a construction industry penetration of just 0.54%, Poland is the worst performing European country.

Rental companies' focus is to maintain financial liquidity so a strong emphasis upon cash flows. In this context the slow payment of customers continues to be a big problem. In addition the industry believes that most companies are, at best, at break-even.

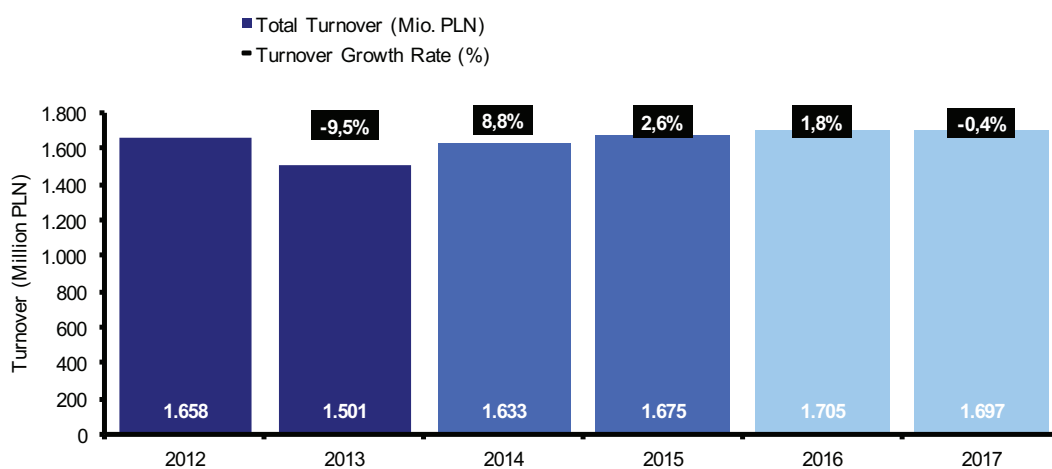
Poland (PL), LOCAL CURRENCY	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million PLN]	1.658	1.501	1.633	1.675	1.705	1.697
Rental Companies (without operator)	1.642	1.486	1.617	1.659	1.688	1.681
Other Comp. Providing Rental Services (only rental)	16	15	16	16	17	17
# Rental Companies (without operator)	1.320	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	6.840	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million PLN] (without operator)	100	95	135	145		
Value of Rental Fleet at all companies [million PLN] (without operator)	3.400	3.140	3.290	3.430		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	3%	3%	4%	4%		
Penetration Rates						
GDP [billion PLN]	1.532	1.559	1.612	1.669	1.733	1.805
GDP Penetration Rate	1,1‰	1,0‰	1,0‰	1,0‰	1,0‰	0,9‰
Total Construction Output [million PLN]	312.622	280.402	291.929	301.697	309.405	317.243
Construction Industry Penetration Rate	0,5%	0,5%	0,6%	0,6%	0,6%	0,5%
Country Population [million]	39	39	39	39	39	39
Country Population Penetration Rate [PLN per person]	43	39	42	43	44	44

Source : IHS and Official Statistics data



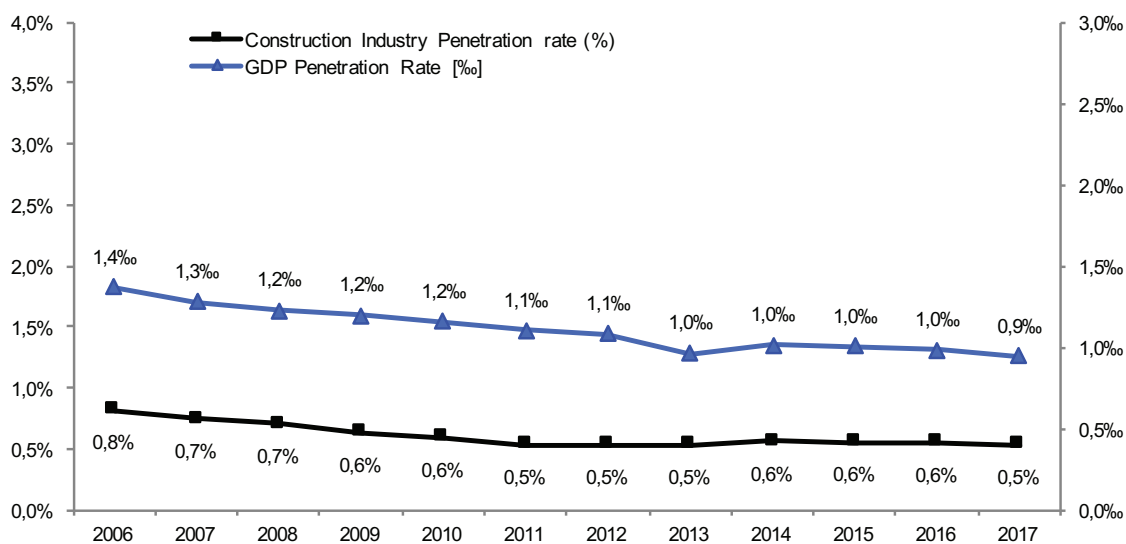
a. Review of key indicators

Turnover

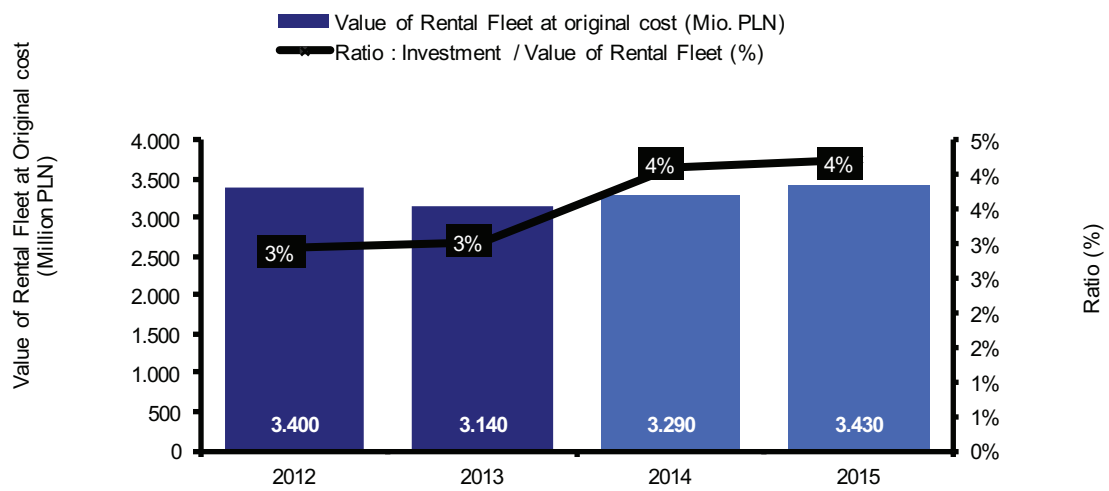


Source: IHS

Penetration Rates



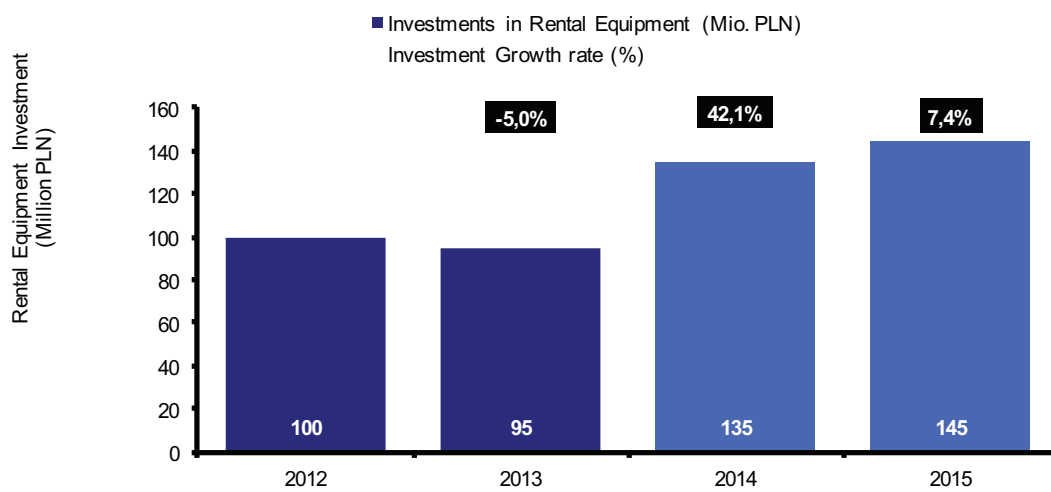
Rental Fleet Size



Source: IHS

Thanks to co-financing schemes of the European Union and investments in used equipment particularly over the last 3 years, we estimate fleet value in 2015 will reach PLN 3.430 billion.

Investment in Rental Equipment of Rental Companies (without operator)

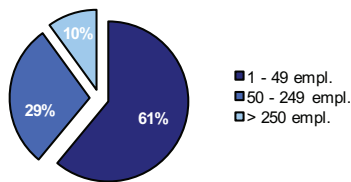


Source: IHS

After a drop in 2013 investment is going up again and will rise by +7.4% in 2015

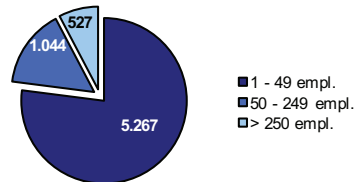


Turnover of Rental Companies 2012



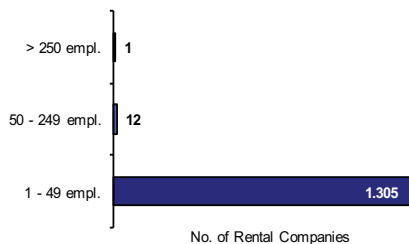
Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

b. Economic and Construction Context for the Equipment Rental Industry

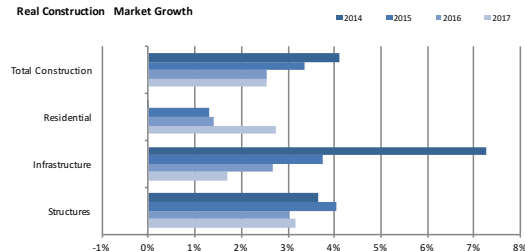
MACROECONOMIC OVERVIEW

Real GDP grew by 3.4% year on year (y/y) in 2014 and is expected to continue to improve with growth of 3.5% y/y in 2015 and 3.8% y/y in 2016. Domestic demand will continue to boost Polish GDP into 2015, thanks to an improving labour market, record-low interest rates, and disinflation. Positive labour market data from recent months indicate that domestic demand will remain strong into 2015.

TOTAL CONSTRUCTION

Real total construction spending in Poland grew 4.1% y/y in 2014; growth is coming off of a low level as construction declined in 2013. Growth in construction spending will continue, but non-residential construction will be somewhat constrained as the government is under pressure to reduce the budget deficit. Total construction spending is expected to post a 3.3% y/y gain in 2015, followed by an increase of 2.6% y/y in 2016.

Real Construction Market Growth



Spain (ES)

The Spanish equipment rental market is characterised by:

- Significant fragmentation, with more than 70% of the rental industry turnover generated by firms with fewer than fifty employees, mainly small independent companies,
- Regional split of the market, North-East and South-West, the overall economy, as well as the rental activity of the North-East regions, doing better than the South-West regions.

Spurred on by the crisis, large and medium size rental players have continued to reorganise their depot network to focus their activity on major regional markets. They have also tried to develop their business in Eastern Europe and Latin America in order to absorb part of their excess fleet, leveraging large

contractors with large projects in these countries.

However, fleet overcapacity is still there, putting pressure on utilisation rates as well as rental prices for many types of equipment. In addition, the fleet is getting older, increasing maintenance costs and, in turn, preventing a real increase in rental prices.

75% of rental demand comes from the construction sector in Spain, a percentage which has increased recently, following the pickup of the construction sector.

A phenomenon of the Spanish market is the incidence of rental companies going into bankruptcy, but re-opening one day later under another name. This is perpetuating the high level of fragmentation and the relatively disorderly market.

With construction industry penetration at 0.90%, Spain has one of the lowest European construction industry penetrations and this is not anticipated to change in the near future.

After a drop in 2013, rental revenues are forecast to grow throughout 2015 and 2016 by +3.7% and +3.1% respectively, exceeding the development of the overall economy.

Since the last elections the new political leadership in many cities has put a real negative pressure on many investment projects, creating an uncertainty that is now going against the growth trend and that might affect opportunities for the future.

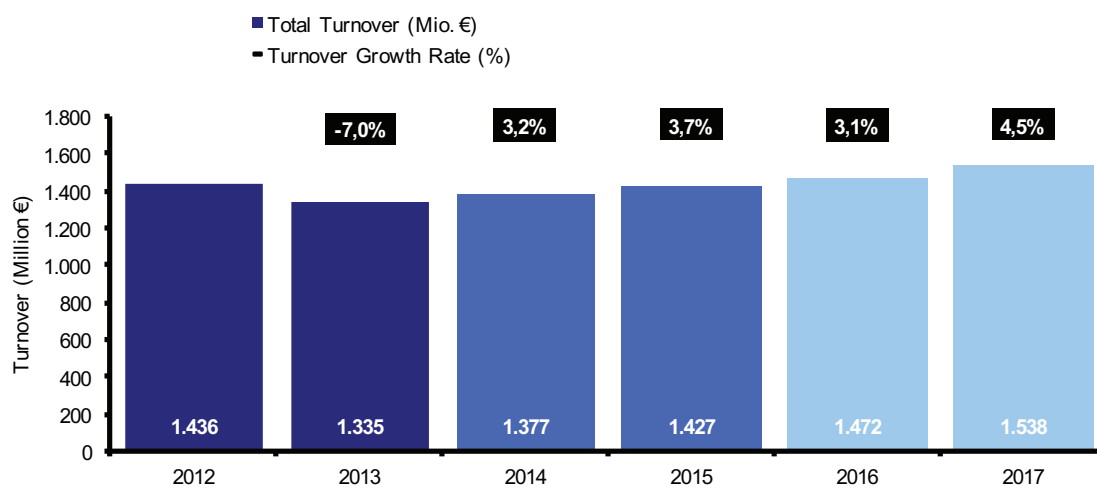
Spain (ES), EURO	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million €]	1,436	1,335	1,377	1,427	1,472	1,538
Rental Companies (without operator)	1,360	1,264	1,304	1,352	1,394	1,457
Other Comp. Providing Rental Services (only rental)	76	70	73	75	78	81
# Rental Companies (without operator)	1,270	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	5,190	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million €] (without operator)	80	140	155	170		
Value of Rental Fleet at all companies [million €] (without operator)	2,600	2,360	2,460	2,580		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	3%	6%	6%	7%		
Penetration Rates						
GDP [billion €]	1,052	1,039	1,053	1,086	1,115	1,141
GDP Penetration Rate	1.4‰	1.3‰	1.3‰	1.3‰	1.3‰	1.3‰
Total Construction Output [million €]	139,777	131,019	129,461	131,371	134,300	138,454
Construction Industry Penetration Rate	1.0%	1.0%	1.1%	1.1%	1.1%	1.1%
Country Population [million]	47	47	47	47	47	47
Country Population Penetration Rate [€ per person]	31	28	29	30	31	32

Source : IHS and Official Statistics data



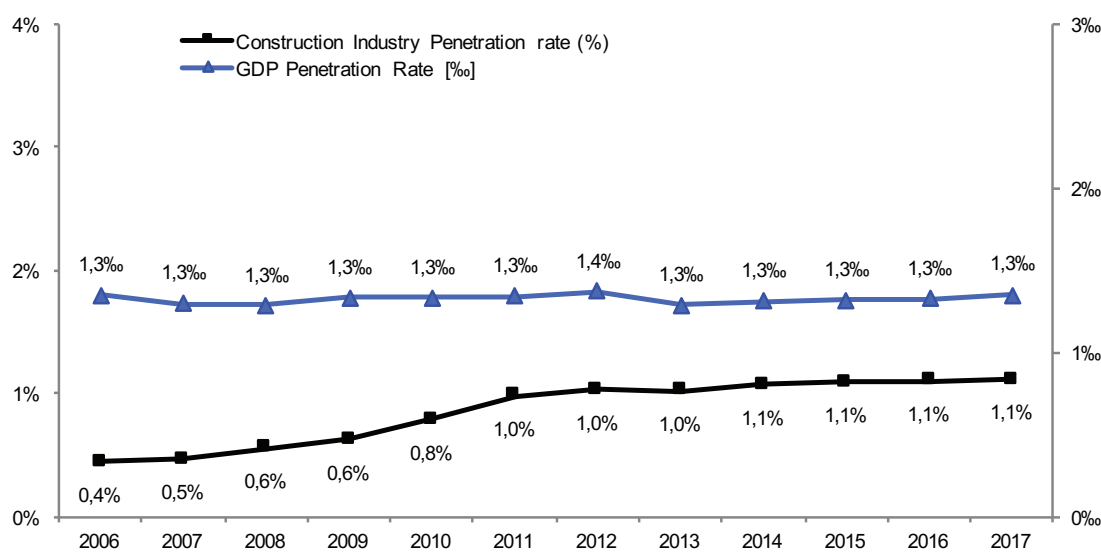
a. Review of key indicators

Turnover

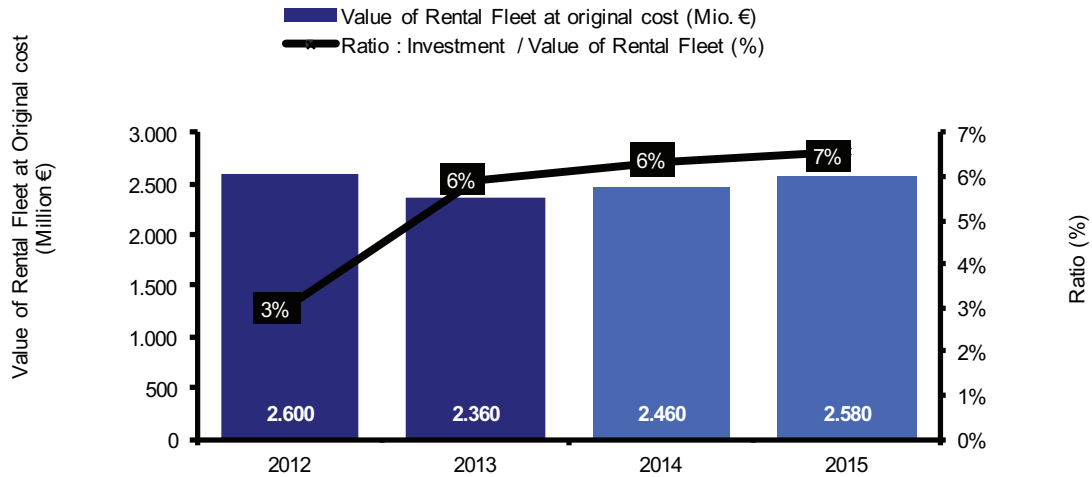


Source: IHS

Penetration Rates



Rental Fleet Size

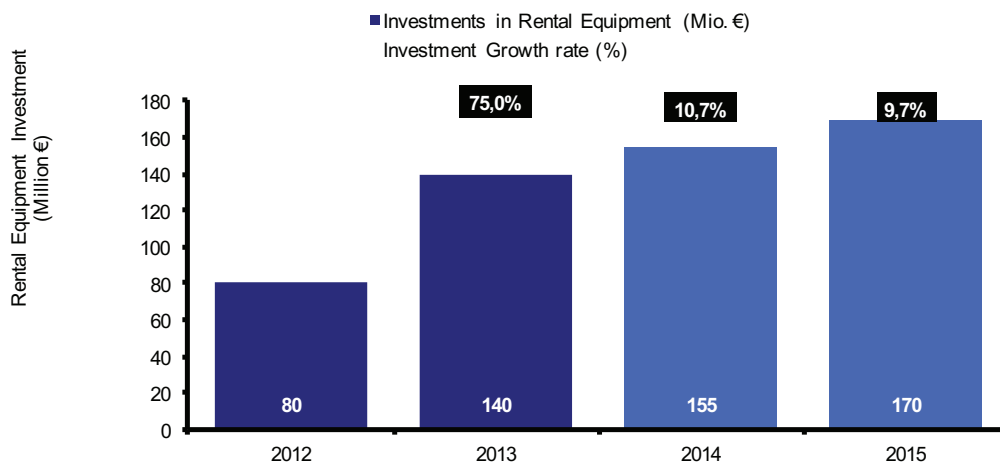


Source: IHS

In line with the contraction of rental demand from virtually all economic sectors, the overall size of the rental fleet has shrunk throughout 2011 and 2012 before growing again. However, operators are still concentrating on essential replacement investments only and selling much of their equipment to other markets or transferring equipment within group but to other countries.

Rental companies continue, at best, to maintain a stable average fleet age around 7 to 8 years.

Investment in Rental Equipment of Rental Companies (without operator)



Source: IHS

After years of low investment, with the Spanish market unattractive for investors, capital expenditure has grown significantly this year. Investments were concentrated on specific equipment types and replacement of very old equipment.

COUNTRY OVERVIEW

AUSTRIA

BELGIUM

DENMARK

FINLAND

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

POLAND

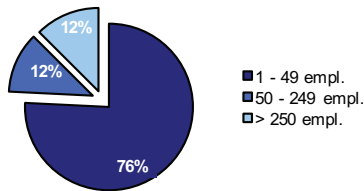
SPAIN

SWEDEN

SWITZERLAND

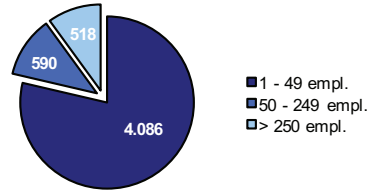
UNITED KINGDOM

Turnover of Rental Companies 2012



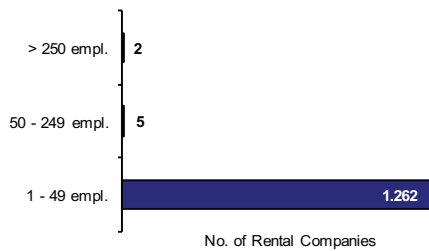
Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

b. Economic and Construction Context for the Equipment Rental Industry

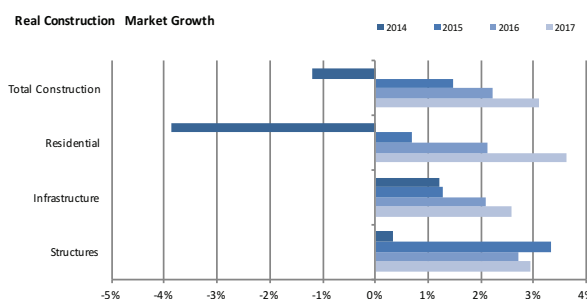
MACROECONOMIC OVERVIEW

Having slipped out of its technical recession, the country remains gripped by the characteristics of a major downturn with key indicators such as employment and bank lending still declining. Due to anticipated benefits from a long period of low oil prices, the Spanish economy is projected to

expand 2.8% year on year (y/y) in 2015 and 2.7% in 2016 y/y.

TOTAL CONSTRUCTION

In 2014, total construction spending in Spain decreased by 1.2% y/y in real terms. Total construction spending is expected to post a 1.5% y/y gain in 2015, followed by an increase of 2.2% y/y in 2016.



Sweden (SE)

The Swedish market is made up by four large rental players, each with more than 250 employees, accounting for more than 50 percent of the total revenues of the rental industry and a few rental companies with between 50 and 250 employees. Together, these large and medium size companies generate more than 60 percent of total industry revenue.

The Swedish economy and the Swedish equipment rental market have been amongst the first ones to recover from the crisis and saw strong growth through to 2012. Since then, however, rental revenue growth has been a little disappointing. Solid conditions for

economic growth should change that in the coming years.

The development of rental rates has been disappointing as they remained flat in 2014, not even keeping pace with general inflation. As a result, rental companies have made strong efforts to get costs under control and to operate efficiently. With strict fleet management, time utilisation is fairly high in Sweden and has grown slightly in both 2013 and 2014.

Recently, several regional players have expanded their interests, possibly indicating a new trend to more M&A activities in the future. Market consolidation was strong

up to 2010.

Construction sector rental demand is estimated at 70% up from 65%.

After years of growth, the rental industry is slowing down and will post a +1.0% in 2015, +0.9% of growth in 2016.

Sustainability and ecological considerations are increasingly important in the rental market as contractors ask for eco solutions and focus on fuel and energy efficiency. In consequence, rental firms are investing strongly in eco-friendly, energy-saving equipment.

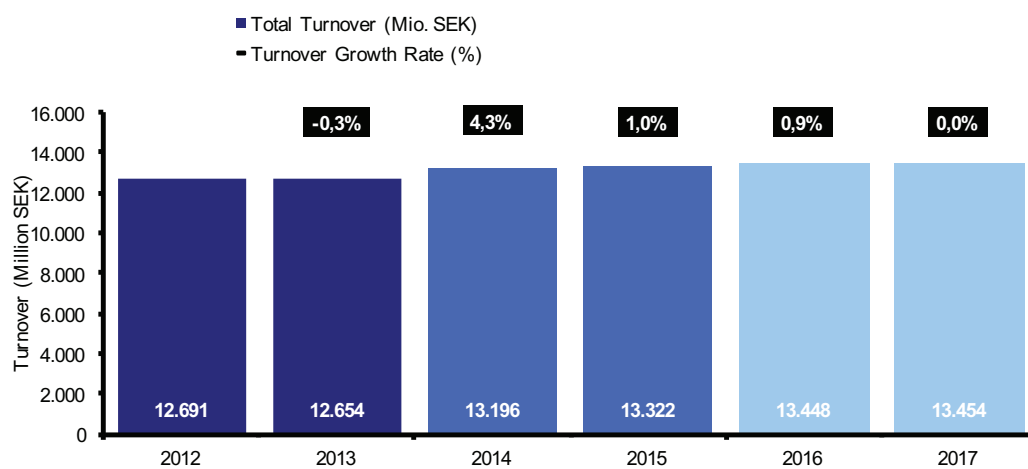
Sweden (SE), LOCAL CURRENCY	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million SEK]	12.691	12.654	13.196	13.322	13.448	13.454
Rental Companies (without operator)	12.498	12.461	12.994	13.119	13.243	13.249
Other Comp. Providing Rental Services (only rental)	194	193	201	203	205	205
# Rental Companies (without operator)	460	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	4.760	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million SEK] (without operator)	2.140	2.130	2.070	2.140		
Value of Rental Fleet at all companies [million SEK] (without operator)	17.100	17.000	17.900	18.100		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	13%	13%	12%	12%		
Penetration Rates						
GDP [billion SEK]	3.785	3.833	3.925	4.026	4.114	4.205
GDP Penetration Rate	3,4‰	3,3‰	3,4‰	3,3‰	3,3‰	3,2‰
Total Construction Output [million SEK]	343.959	347.936	382.306	400.982	413.366	423.250
Construction Industry Penetration Rate	3,7%	3,6%	3,5%	3,3%	3,3%	3,2%
Country Population [million]	10	10	10	10	10	10
Country Population Penetration Rate [SEK per person]	1.334	1.322	1.370	1.374	1.378	1.370

Source : IHS and Official Statistics data



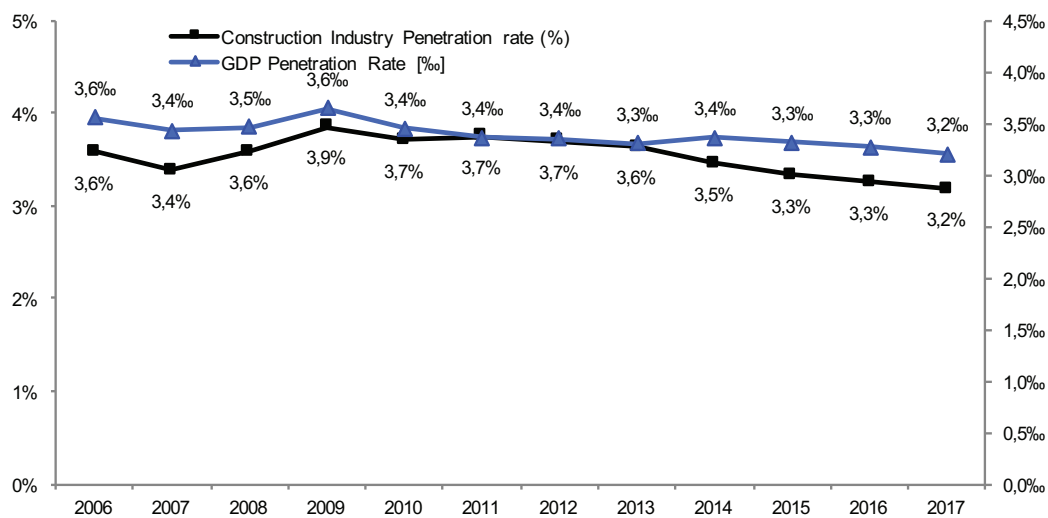
a. Review of key indicators

Turnover

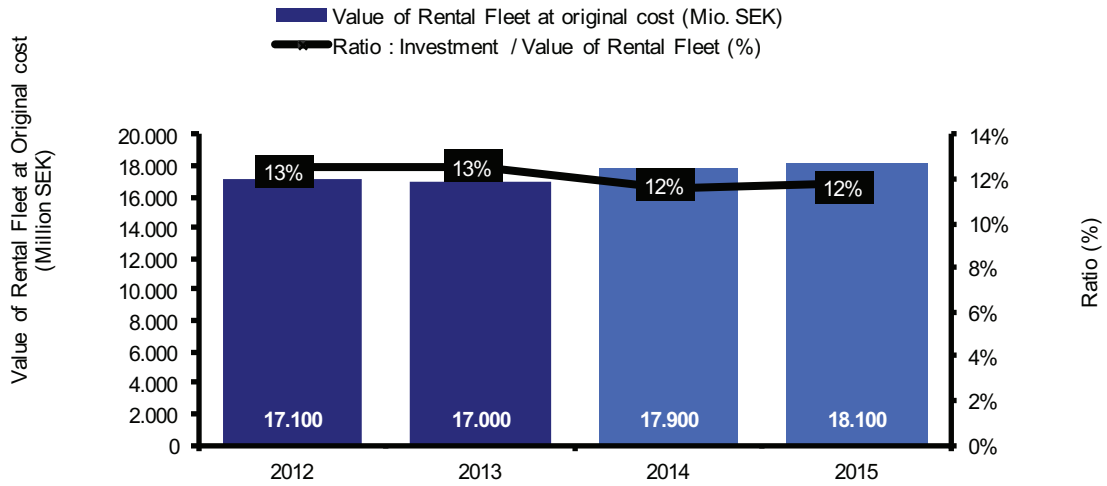


Source: IHS

Penetration Rates



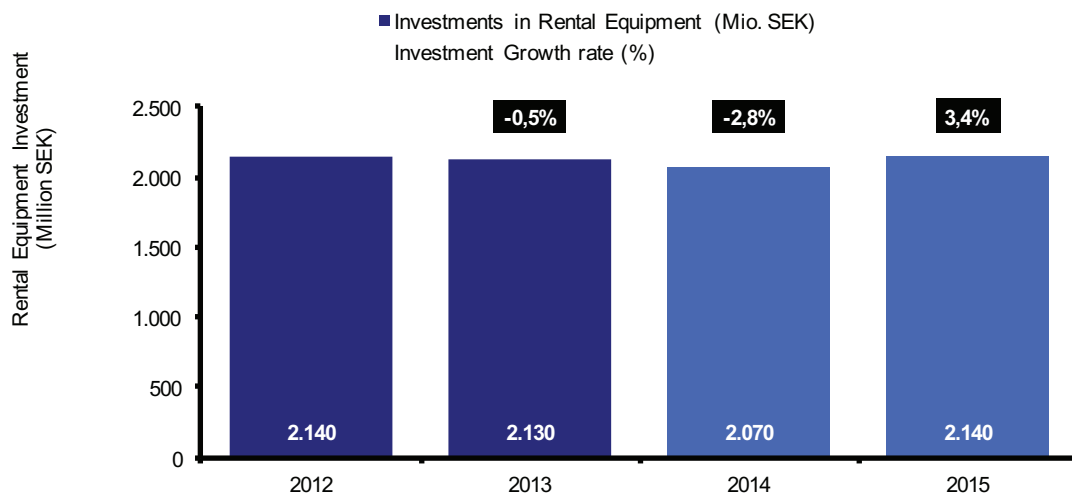
Rental Fleet Size



Source: IHS

In line with the development of investment in the rental fleet, the size of the rental fleet increased up to 2015 and is forecast to remain constant in 2016.

Large rental actors are continuing to monitor the market seeking to avoid overcapacity, retain cost efficiency. Because of the focus on investment for fleet renewal / replacement we estimate that average fleet age has decreased slightly to 5.5 years in 2014.

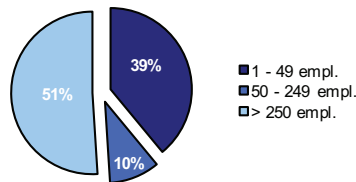


Source: IHS

With positive market sentiment, at least at the beginning of the year, investment activity has regained momentum in 2015, capital expenditure estimated to grow by 3.4%.

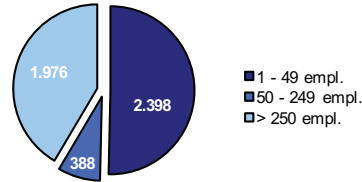


Turnover of Rental Companies 2012



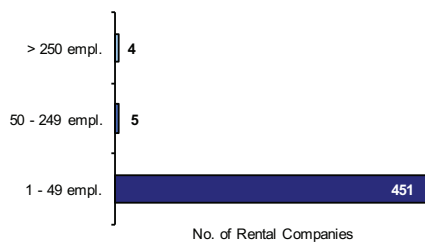
Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

b. Economic and Construction Context for the Equipment Rental Industry

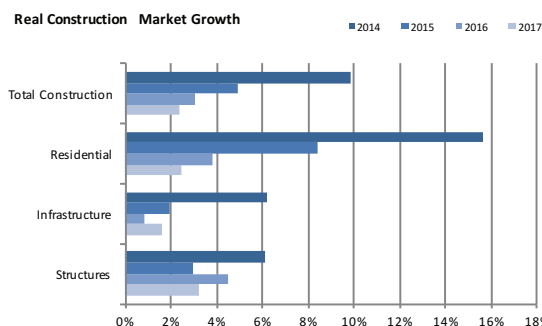
MACROECONOMIC OVERVIEW

Sweden is expected to remain one of the forerunners of the recovery across the European Union. The outlook remains solid, helped by a relatively favourable policy backdrop and a resumption of world trade. A key advantage for Sweden is that its public finances are sound so expansionary fiscal policy can be used to stimulate the economy, in contrast to other main European economies. Due to the spill over from

notably stronger-than-anticipated real GDP developments, our growth estimate stands at 2.4% year on year (y/y) in 2015 and 1.9% y/y in 2016.

TOTAL CONSTRUCTION

In 2014, real total construction increased 9.9% y/y due to solid conditions for economic growth. Total construction spending is expected to post a 4.9% y/y gain in 2015, followed by an increase of 3.1% y/y in 2016.



Switzerland (CH)

The Swiss equipment rental market is characterised by the:

- High level of concentration of the market. While there are some large rental companies, national and international, active in the Swiss market, no rental company has more than 250 employees. 4 companies with more than 50 employees generate almost 60 percent of the overall turnover,
- The market split between three regional markets based upon language, French, German and Italian speaking, with most rental players being regional rather than national.

Intense competition puts an intense pressure on prices. Having hit their lowest level in the last three to four

years, rental rates have started to stabilize, but rental revenue growth is expected to come from volume not price. For a generalist rental player average utilisation rate is at 35%.

With pressure on prices, investment is focussed on equipment with high utilisation rates. But, there is a demand from customers for new equipment; so rental companies need to keep investment relatively high. Investments spent are also affected by the important role of Distributors in the market and their product offer.

The structure of the market has not evolved in the last years. The fragmentation of the market

between the 3 main geographies and the low level of profitability of the rental companies suggests we will not see major changes in the coming years.

The share of rental revenue stemming from demand from the construction sector is estimated at 70%, suggesting that the rental industry remains strongly linked to the construction sector.

Rental revenue is forecast to decrease in 2015 by -0.1% before posting a 2016 growth with +0.3%, in line with the development of the overall economy.

Switzerland (CH), LOCAL CURRENCY	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million CHF]	418	427	420	420	421	425
Rental Companies (without operator)	368	376	370	369	370	374
Other Comp. Providing Rental Services (only rental)	50	51	50	50	51	51
# Rental Companies (without operator)	100	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	1.200	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million CHF] (without operator)	65	65	65	65		
Value of Rental Fleet at all companies [million CHF] (without operator)	725	755	730	730		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	9%	9%	9%	9%		
Penetration Rates						
GDP [billion CHF]	624	636	649	652	658	666
GDP Penetration Rate	0,7‰	0,7‰	0,6‰	0,6‰	0,6‰	0,6‰
Total Construction Output [million CHF]	67.772	68.886	70.131	70.897	71.816	72.907
Construction Industry Penetration Rate	0,6%	0,6%	0,6%	0,6%	0,6%	0,6%
Country Population [million]	8	8	8	8	8	8
Country Population Penetration Rate [CHF per person]	52	53	51	51	50	51

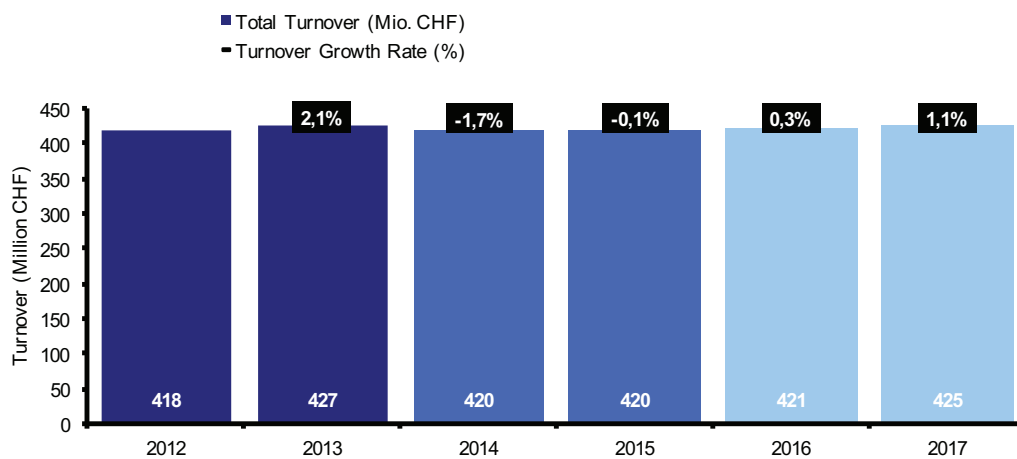
Source : IHS and Official Statistics data

Note: The forecasting methodology has been adapted to the fact that EUROSTAT provides information for Switzerland at a higher sectorial level.



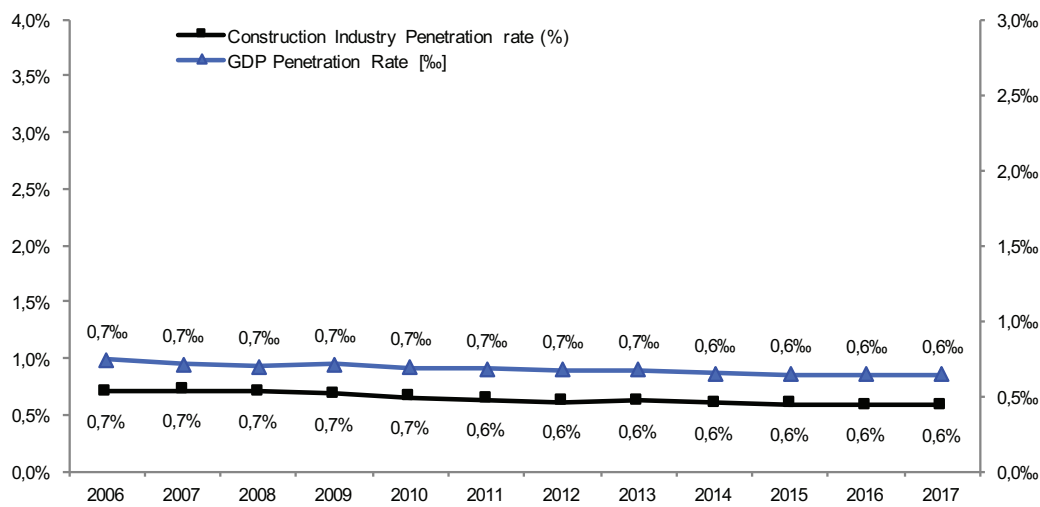
a. Review of key indicators

Turnover

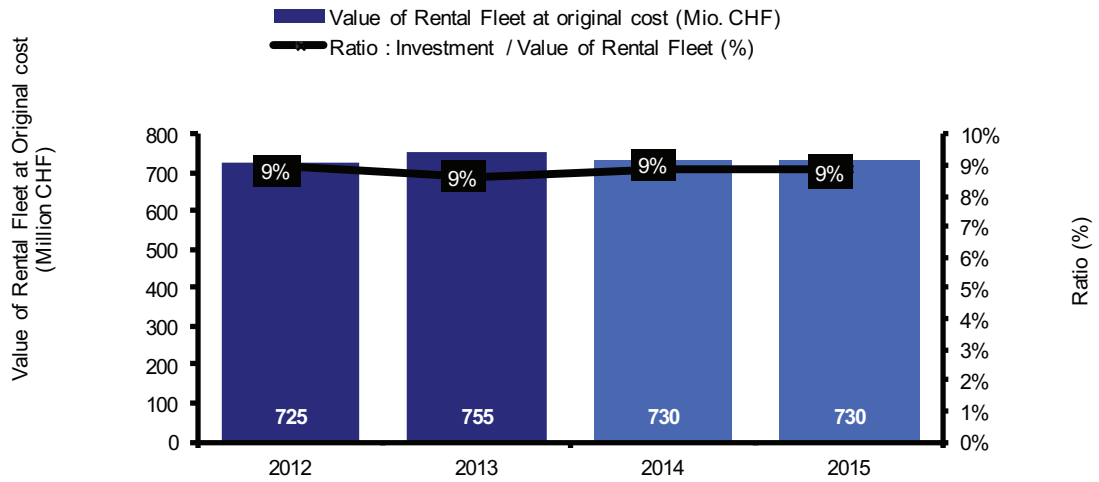


Source: IHS

Penetration Rates



Rental Fleet Size

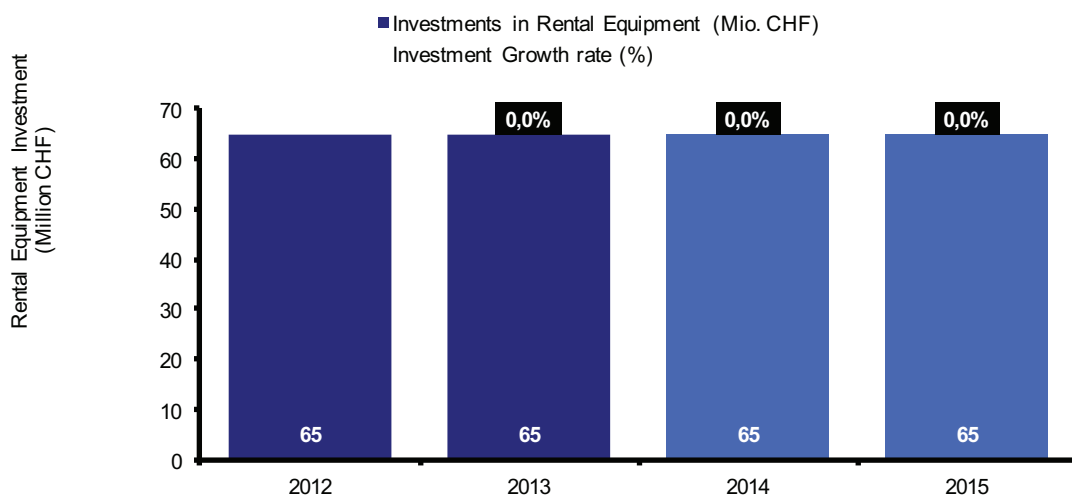


Source: IHS

In line with the investment evolution, fleet size reached € 536 million in 2015 (at original cost), investments replacing ageing equipment and focusing on high utilisation equipment.

It is estimated that the average fleet age has increased to between 5 to 6 years in 2015.

Investment in Rental Equipment of Rental Companies (without operator)



Source: IHS

Fleet investments have maintained constant investment levels.

COUNTRY OVERVIEW

AUSTRIA

BELGIUM

DENMARK

FINLAND

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

POLAND

SPAIN

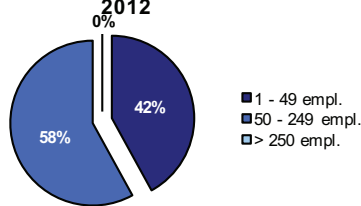
SWEDEN

SWITZERLAND

UNITED KINGDOM

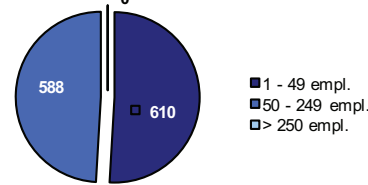


Turnover of Rental Companies 2012



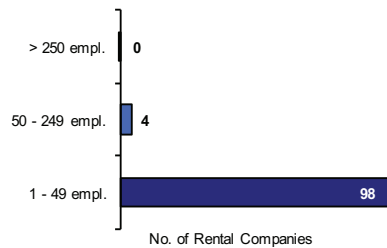
Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

b. Economic and Construction Context for the Equipment Rental Industry

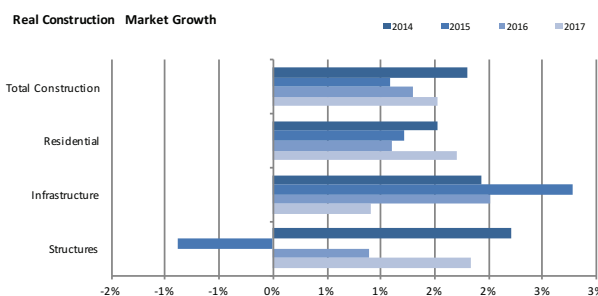
MACROECONOMIC OVERVIEW

The economic outlook for Switzerland has deteriorated sharply owing to the Swiss National Bank's mid-January decision to abandon the Swiss franc cap versus the euro. Separately, private consumption will suffer from Swiss consumers worrying increasingly about job security and also from increased cross-border purchases as consumers take advantage of foreign retail. After

posting a 2.0% year on year (y/y) growth in 2014, real GDP is expected to expand 0.5% y/y in 2015 and 0.9% y/y in 2016.

TOTAL CONSTRUCTION

in 2014, real total construction spending grew 1.8% y/y, with total construction spending expected to post a 1.1% y/y gain in 2015, followed by an increase of 1.3% y/y in 2016.



United Kingdom (UK)

The UK market is fragmented, the fifteen largest rental players, each with more than 250 employees, and the seventy five rental companies with between 50 and 250 employees, together, accounting for more than 50 percent of total industry revenue.

Large rental companies are reacting to the increasing pressure on rental prices by streamlining fleets and focusing on utilisation rates of core rental products. They are also reorganising depot networks to realise operational efficiency, service quality and control of logistic costs.

Time utilisation has increased in the past years and is overall at high levels thanks to improved logistics

and planning. However, rental rates are not growing; at best they have kept pace with inflation. Companies do not feel confident enough to raise rates.

The split of rental demand between construction and non-construction is estimated at 60%/40%, the share of non-construction demand in the UK being one of the most important in Europe. Note: as well as rental companies anticipating this trend, many of their construction customers are themselves moving from their core construction business towards maintenance or landscaping jobs, helping to increase the share of non-construction business.

Rental turnover increased by +1.5% in 2015 and is expected to grow by

+3.7 in 2016. The UK has the second highest construction penetration in Europe at +2.66%.

Two trends seem interesting to mention:

- The development of "one-stop"-solutions continues. Rental firms are increasingly offering services in addition to pure equipment rental in order to satisfy customer demands. However, there is also a real request for specialism and customers realize that even "one-stop"-solutions do not always offer a complete solution.

- The digitalisation of the construction equipment rental activity with rental companies investing and changing their organisation and process to be more agile.

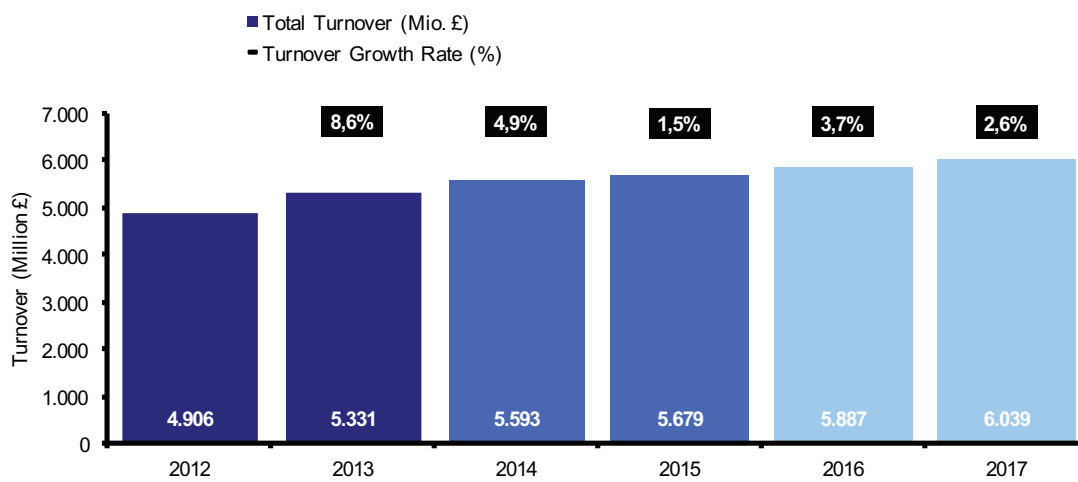
United Kingdom (UK), LOCAL CURRENCY	Actual		Estimates		Forecast	
	2012	2013	2014	2015	2016	2017
Market Size						
Total turnover [million £]	4.906	5.331	5.593	5.679	5.887	6.039
Rental Companies (without operator)	4.734	5.143	5.396	5.479	5.679	5.826
Other Comp. Providing Rental Services (only rental)	173	188	197	200	207	213
# Rental Companies (without operator)	3.820	n.a.	n.a.	n.a.		
# Employed Persons of Rental Companies (without operator)	50.700	n.a.	n.a.	n.a.		
Investments in Rental Equipment [million £] (without operator)	950	1.020	1.020	1.060		
Value of Rental Fleet at all companies [million £] (without operator)	6.850	7.560	8.010	8.150		
Ratio: Investments in Rental Equipment / Value of the Rental Fleet	14%	13%	13%	13%		
Penetration Rates						
GDP [billion £]	1.628	1.655	1.705	1.750	1.795	1.840
GDP Penetration Rate	3,0‰	3,2‰	3,3‰	3,2‰	3,3‰	3,3‰
Total Construction Output [million £]	190.994	194.144	212.658	220.409	230.641	240.133
Construction Industry Penetration Rate	2,6%	2,7%	2,6%	2,6%	2,6%	2,5%
Country Population [million]	64	64	64	65	65	66
Country Population Penetration Rate [£ per person]	77	83	87	87	90	92

Source : IHS and Official Statistics data



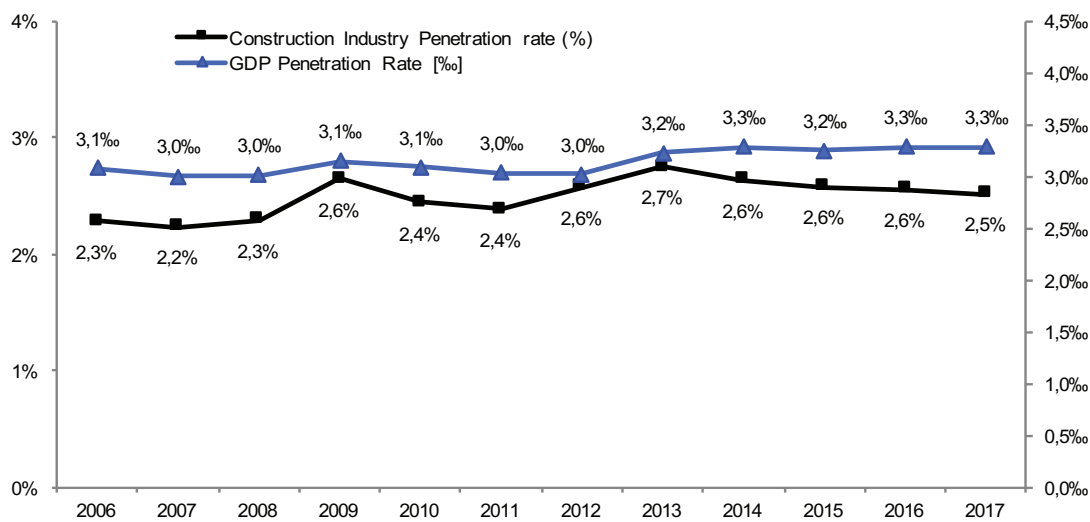
a. Review of key indicators

Turnover

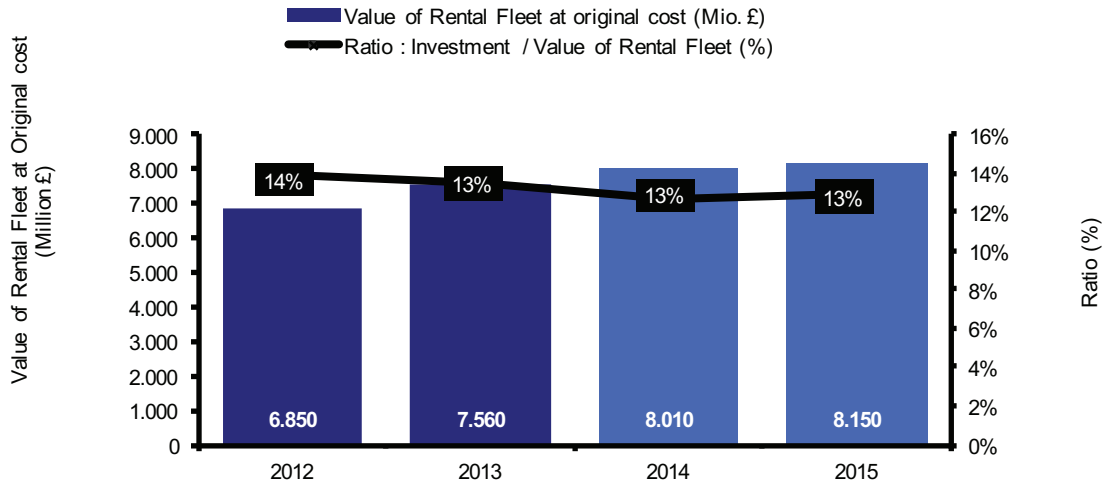


Source: IHS

Penetration Rates



Rental Fleet Size

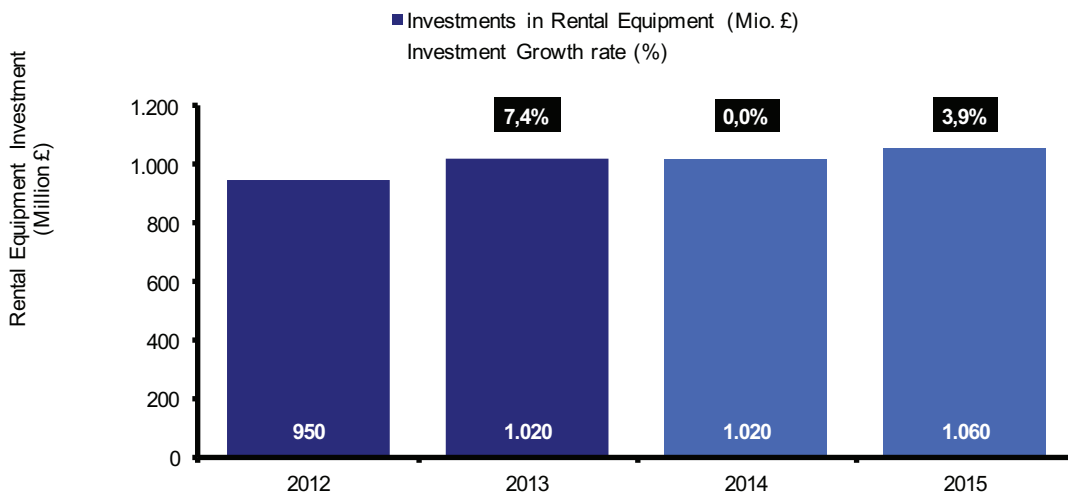


Source: IHS

The size of the rental fleet increased substantially in 2015 (+2.2%) to a value of 8.15 billion GBP (at original cost).

Average fleet age is estimated to be slightly above 4 years in 2015.

Investment in Rental Equipment of Rental Companies (without operator)



Source: IHS

After substantial growth in 2013, investment in rental equipment is estimated to have grown again in 2015.

COUNTRY OVERVIEW

AUSTRIA

BELGIUM

DENMARK

FINLAND

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

POLAND

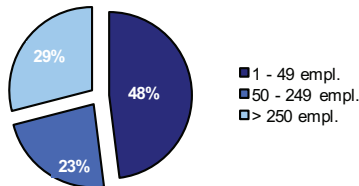
SPAIN

SWEDEN

SWITZERLAND

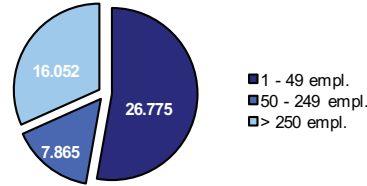
UNITED KINGDOM

Turnover of Rental Companies 2012



Source: IHS

Persons Employed by Rental Companies 2012



Source: IHS

Number of Rental Companies by employees size group 2012



Source: IHS

b. Economic and Construction Context for the Equipment Rental Industry

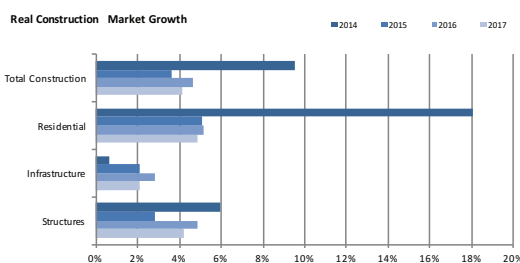
MACROECONOMIC OVERVIEW

Despite slower expansion in the first quarter of 2015, the economic fundamentals look broadly positive for the United Kingdom, particularly for the consumer; we believe growth will be healthy during 2015 and 2016. Persistent low oil prices should keep UK inflation very low, thereby boosting consumer purchasing power along with strengthening earnings growth

and rising employment. Due to this and other indicators, we expect the economy to expand 2.6% year on year (y/y) in 2015 and 2.6% y/y in 2016.

TOTAL CONSTRUCTION

In 2014, real total construction increased by 9.5% y/y and is expected to post a 3.6% y/y gain in 2015, and another 4.6% y/y in 2016.



6

SPECIAL REPORT: GERMANY (DE)

The main topics investigated included:

The validation of a classification of product by categories, groups and sub-groups;
o An estimate of revenue broken down by product categories.

The validation of a classification of end market / rental customers by categories, groups and sub-groups;
o An estimate of revenue broken down by channel to market / rental customers' categories and by groups.

The validation of a classification of channel to market by categories;
o An estimate of revenue broken down by channel to market categories.

The following subchapters present the key results obtained.

For this year's edition of the ERA report, we developed a special research activity to investigate, in deeper detail, the structure of the equipment rental market in Germany. After the work last year with France and the year before with the United Kingdom, the objective was to achieve a validation of the product, the end market and the channel to market classifications established through those studies, as well as additional information on the German market. Since Germany is the third most important rental market in Europe, and a market where distributors play an important role, insights into its market structure will serve as a basis for further research on other European countries (we plan a Nordic countries special report in 2016).

Initially, ERA, the BBI (the German trade association for Construction and Powered Access rental companies, manufacturers and dealers) and IHS met to share data and intelligence and to plan for a consultation with key stakeholders from the German rental industry. To develop a global vision of the industry, and to facilitate the intelligence gathering and interpretation, we held a meeting with key representatives of the main channels to market operating in the market: rental companies and equipment distributors.

The outcome from these consultations combined with a comprehensive evaluation of the data available from German official statistical sources and from Eurostat is presented below.

6.1 Revenue breakdown by Product Categories

Last year and the year before, a three-level classification of rental product categories, groups and sub-groups was constructed in consultation with the United Kingdom industry stakeholders first and French industry stakeholders in 2014. The hierarchical classification contained 8 product categories (level 1), 32 product groups (level 2) and 83 product sub-groups (level 3).

Defining the level 2 and 3 groups helps clarify which equipment types belong to the respective higher classification level. In the long-term, it is envisioned to collect primary data down to level 2, with level 3 designed to help future data providers to assess product revenue by the respective product groups on level 2, but so far the focus has been put on level 1.

The system of product categories and groups (levels 1 and 2) is intended to serve as a future reference for a breakdown of rental revenue by equipment type in Europe. With the benefit of the German

study, a few further improvements have been proposed and a third option has been left open for further consideration. Of specific importance was the discussion around 'Material handling', currently within the General Plant category. It was felt that this could remain as a level 2 item within General Plant or that it could be moved to a level 2 item within 'Access' or even that it could be a new level 1 item (taking us to 9 level 1 items). The consensus was, subject to further discussion with access experts, to leave "Material Handling" with 'General Plant'.

As a result of the discussions, the new classification contains 9 product categories (level 1) (addition of Construction site and traffic safety), 32 product groups (level 2) and 84 product sub-groups (level 3).

In the table below, the complete classification of equipment types is given.

Main changes are highlighted in yellow.



Classification of equipment types into product categories, groups and sub-groups

No.	Level 1	No.	Level 2	No.	Level 3
1.	Construction machines	1.1	Earthmoving	1.1.1	Dump trucks
				1.1.2	Dumpers
				1.1.3	Excavators, < 10 t. / ≥ 10 t.
				1.1.4	Loaders, < 1,0 m ³ / ≥ 1,0 m ³
				1.1.5	Lorry Loaders
				1.1.6	Dozers
				1.1.7	Excavators attachments < 10 t / ≥ 10 t
				1.1.8	Loaders attachments < 1,0 m ³ / ≥ 1,0 m ³
				1.1.9	Shoring Equipment (e.g. Trench boxes)
		1.2	Road Making Equipment	1.2.1	Graders
				1.2.2	Compactors & Rollers
				1.2.3	Vibratory Plate Compactors & Tampers
				1.2.4	Pavers, Hot boxes, Trenchers, etc.
		1.3	Material Handling	1.3.1	Forklifts, telehandlers
				1.3.2	Goods and Vertical masts for Hoists
				1.3.3	Other Lift & Shift Equipment
		1.4	Pumping, Crushing & Screening Plant	1.4.1	Truck Mounted Concrete Mixers
				1.4.2	Crushing Plant etc.
				1.4.3	Concrete Pumps
1.4.4	Other Large or Specialist Pumps				
1.4.5	Other Plant				
2.	Tools & General Equipment	2.1	Portable Pumps & Plumbing	2.1.1	Plumbing & Drainage
				2.1.2	Portable Water Pumps
		2.2	Drilling, Breaking, Cutting, Grinding & all other Concrete Tools	2.2.1	Diamond Drilling & Cutting
				2.2.2	Breakers (Electric / Petrol)
				2.2.3	Floor saws
				2.2.4	Masonry & Concrete Saws
				2.2.5	Other Electrical & Concrete Tools
				2.2.6	Small Portable Concrete Mixers
		2.3	Carpentry & Woodwork	2.3.1	Saws (Wood)
				2.3.2	Other Carpentry & Woodwork Tools
		2.4	Cleaning & Floor Preparation	2.4.1	Cleaning and Floor Maintenance
				2.4.2	Surface Preparation & Sanding

*Note: Construction means all construction: i.e. new build and renovation

			Tools	2.2.3	Floor saws
				2.2.4	Masonry & Concrete Saws
				2.2.5	Other Electrical & Concrete Tools
				2.2.6	Small Portable Concrete Mixers
		2.3	Carpentry & Woodwork	2.3.1	Saws (Wood)
				2.3.2	Other Carpentry & Woodwork Tools
		2.4	Cleaning & Floor Preparation	2.4.1	Cleaning and Floor Maintenance
				2.4.2	Surface Preparation & Sanding
		2.5	Gardening & Landscaping	2.5.1	Electrical Gardening and Landscaping Tools
				2.5.2	Other Gardening and Landscaping Tools
		2.6	Other Tools & Equipment	2.6.1	Communications
				2.6.2	Cartridge & Gas Nailers
				2.6.3	Domestic & Leisure
				2.6.4	Hydraulic Tools & Attachments
				2.6.5	Pressure Washers
				2.6.6	Painting & Spraying
				2.6.7	Pollution Control
				2.6.8	Survey Equipment
				2.6.9	Other Tools n.e.c.*
3.	Access	3.1	Powered Access	3.1.1	Static Vertical (Vertical personnel platforms - static)
				3.1.2	Static Booms (Self-propelled booms (outriggers), trailers / push-arounds, vehicle-mounted platforms)
				3.1.3	Mobile Vertical (Scissor lifts, vertical personnel platforms (mobile))
				3.1.4	Mobile Boom (Self-propelled booms)
		3.2	Scaffolds, Access Towers	3.2.1	Scaffolds
				3.2.2	Access Towers
				3.2.3	Ladders
		3.3	Personnel Lifts & Elevators	3.3.1	Personnel Lifts & Elevators
		3.4	Mast Climbing	3.4.1	Mast Climbing
4.	Power Generation & Temperature Control	4.1	Generators	4.1.1	Generators
		4.2	Compressors	4.2.1	Compressors
				4.2.2	Air Tools
		4.3	Heating, Cooling & Drying	4.3.1	Air Conditioning
				4.3.2	Fans
				4.3.3	Dehumidifiers
				4.3.4	Heating
		4.4	Lighting, Welding & Power	4.4.1	Bowers & Tanks
				4.4.2	Lighting
				4.4.3	Welding

5.	Accommodation & Fencing	5.1	Accommodation & Office Containers	5.1.1	Accommodation & Office Containers
		5.2	Toilets & Showers	5.2.1	Toilets & Showers
		5.3	Other Portable Accommodation	5.3.1	Other Portable Accommodation
6.	Industrial Machinery	6.1	Turbines & Engines	6.1.1	Turbines & Engines
		6.2	Mining and Oilfield Equipment	6.2.1	Mining and Oilfield Equipment
		6.3	Other Industrial Machinery	6.3.1	Other Industrial Machinery
		6.4	Rail & Other Land-Transport Equipment	6.4.1	Railway
				6.4.2	Other Large Transport Equipment
7.	Cranes	7.1	Tower cranes	7.1.1	Tower cranes
		7.2	Mobile Cranes	7.2.1	Mobile Hydraulic Cranes
				7.2.2	Lattice Boom Cranes
				7.2.3	Other Crawler Cranes
			7.3.4	Lorry-Mounted Cranes (excl. Lorry Loaders)	
		7.3	Other Cranes	7.4.1	Other Cranes n.e.c*
8.	Transportation	8.1	LCV (Light commercial vehicles) & Lorries	8.1.1	LCV (Light commercial vehicles), < 3.5 t.
				8.1.2	LCV (Light commercial vehicles), > 3.5 t.
				8.1.3	Lorries
		8.2	Towing & Trailers	8.2.1	Towing
				8.2.2	Trailers
9.	Construction site and traffic safety	9.1	Fencing & Security	9.1.1	Fencing & Security
		9.2	Traffic Lights, Signs, Barriers etc.	9.2.1	Traffic Lights, Signs, Barriers etc.

*n.e.c.= not elsewhere classified

For the year 2014, estimates of revenue by product category for Germany are given in this report. Based on the product classification a number of the key rental players and rental experts have supplied information on revenue by main product categories. Combining this, as well as publicly available data on the German rental market, a first estimate of the rental revenue breakdown has been established.

According to these estimates, 'General Plant' accounts for just over 50% of the total 2014

rental revenue in Germany, highlighting the importance of this product segment in the revenues of the German market. The second largest category is 'Access' with 15%, consisting of 'Powered Access', 'Scaffolds & Access Towers', 'Personnel Lifts & Elevators' as well as 'Mast Climbing' products. A substantial share of overall revenue, just over 10%, is made up of 'Power Generation & Temperature Control'.

It is interesting to note that the categories 'Cranes' and 'Industrial Machinery' play almost no role in this market analysis.

German equipment rental without operator revenue by main product categories 2014

Level 1	Share of Total Revenue
1 - General Plant	51.8%
2 - Tools & General Equipment	8.6%
3 - Access	15.1%
4 - Power Generation & Temperature Control	10.7%
5 - Accommodation & Fencing	7.4%
6 - Industrial Machinery	0.9%
7 - Cranes	0.5%
8 - Transportation	2.6%
9 - Construction Site and Traffic Safety	2.5%
Total	100%

Source: IHS

6.2 Revenue breakdown by end market categories

Similar to the product classification, a three-level classification scheme has been developed to identify the structure of revenue demand. The hierarchical classification contains 2 market categories (level 1), 6 market groups (level 2) and 15 market sub-groups (level 3).

At its first level, the classification expresses the share of revenue from the construction sector and the non-construction sector respectively.

At the second level, 'Construction' is

segmented into 'Residential construction', 'Non-residential construction' and 'Infrastructure construction', and the 'Non-construction' is sub-divided into 'Services sector', 'Consumer Sector & Other' and 'Industrial sector'.

A further breakdown by demand segments included in the level 2 groups is provided by level 3 of the classification.

The classification scheme is presented below.

Classification of rental clients into end market categories, groups and sub-groups

Level 1	Level 2	Level 3
1 - Construction*	1.1 - Residential Construction	1.1.1 Residential Construction
		1.2.1 Institutional (Health, Education, Government, Other)
		1.2.2 Commercial (Retail, Warehouses, Service Centres, Hotels, Leisure centres etc.)
	1.2 - Non-residential Construction	1.2.3 Offices
		1.2.4 Industrial
		1.3.1 Transportation Infrastructure
	1.3 - Infrastructure Construction	1.3.2 Utilities (Energy, Water, Sewage, Communications, Other)
		2.1 - Services Sector
	2 - Non-Construction	2.2 - Consumer Sector & Other
2.2.2 Party & Events		
2.2.3 Other Consumer		
2.3 - Industrial Sector (excl. Industrial construction)		2.1.1 Manufacturing
		2.1.2 Oil & Gas
		2.1.3 Mining

*Note: Construction means all construction: i.e. new build and renovation

German equipment rental without operator revenue by main market categories 2014

Level 1	Share of Total Revenue	Level 2	Share of Total Revenue
1 - Construction	64.3%	1.1 - Residential Construction	7.8%
		1.2 - Non-residential Construction	32.7%
		1.3 - Infrastructure Construction	23.8%
2 - Non-Construction	35.7%	2.1 - Services Sectors	12.8%
		2.2 - Consumer Sector & Other	9.5%
		2.3 - Industrial Sector (excl. Industrial Construction)	13.4%
Total	100%	Total	100%

Note: Construction means all construction, i.e. new build and renovation

Source: IHS

No changes have been made to the end market categories arising from our research work on this special report.

Based on this classification a first estimate of the German rental revenue breakdown by market categories has been established. According to that estimate, rental demand from the construction sector in 2014 was 64% of rental revenues, while

non-construction demand accounts for the other 36%. Looking at rental shares by market categories, it is interesting to note that the construction-related rental revenues are mainly driven by 'Non-residential Construction', and that the non-construction-related rental revenues are fairly equally spread between the 3 end market categories.

6.3 Revenue breakdown by channel to market

In addition to the first two classifications, we also researched the channel to market breakdown for the German market.

The large number of distributors in Germany, each of whom can be active in the rental market to varying degrees, makes it more difficult to estimate the share split between the three channels.

However, our best estimate is that 'Rental companies' account for the majority of the rental turnover, with 67% of the total rental revenue in Germany. This category includes many different kinds of companies, large international, large regional, small and medium size companies; a further segmentation of this category would be useful in the future.

The second category is 'Equipment Distributors with a rental activity', which we estimate at 31% of the market, a significantly more important share than found in the United Kingdom or France. In examining the business model of distributors we identified that

total rental revenues came from two distinct approaches – "rent to sell" and "rent to rent". "Rent to sell" can be regarded as a sales promotion tool – basically giving a potential equipment purchaser an extended trial period – we believe this is not true "rental" revenue and should not be considered within rental market size. We stress that, on the other hand, "rent to rent" is rental and revenue arising from this business should be included with rental market size. We were not able to establish a reliable split of rental revenues by 'rent to sell'/'rent to rent' but industry experts believe the rent to sell activity of the distributors in Germany could amount to around 10% of the total rental revenues. Further investigation of the 'Equipment Distributors with a rental activity' channel will be valuable to refine our picture of the German rental market.

Finally our research found little rental activity by the third possible channel 'OEMs with a rental activity': we believe they play almost no role in the Germany rental market.

German equipment rental without operator revenue by main market categories 2014

Level 1	Share of Total Revenue
1 - Rental Companies	67.0%
2 - Distributors with a rental activity	31.0%
3 - OEMs having rental activity	2.0%
Total	100%

7

COMPARATIVE ANALYSIS -

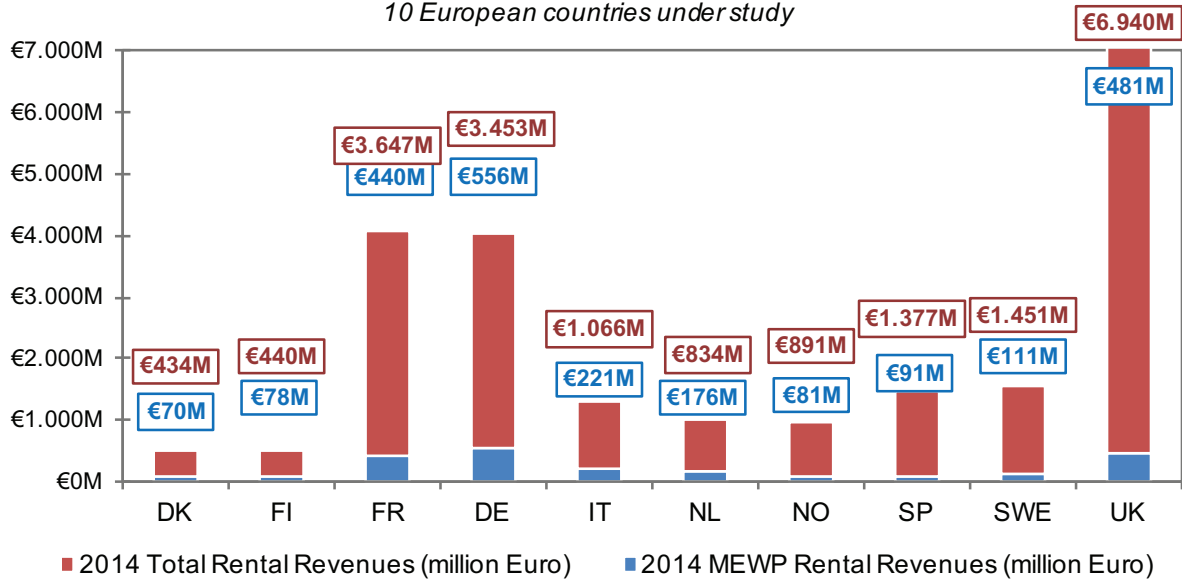
TOTAL EQUIPMENT RENTAL (ERA) VERSUS POWERED ACCESS RENTAL (IPAF)

Comparative analysis - Total Equipment Rental (ERA) versus Powered Access Rental (IPAF)

	Total Equipment Rental – ERA –				Powered Access Rental – IPAF –			
	2014				2014			
	Total rental revenues (million Euro)	Growth revenues year on year (on%)	Revenues from construction versus non-construction (on %)	Fleet investment variation year on year (on %)	MEWP rental revenues (million Euro)	Growth revenues year on year (on %)	Revenues from construction versus non-construction (on %)	Fleet investment variation year on year (on %)
Denmark	434	1.6%	70% - 30%	-2.4%	70	1%	71% - 29%	5%
Finland	440	0.0%	70% - 30%	-1.9%	78	-5%	63% - 37%	0%
France	3647	-2.0%	70% - 30%	2.4%	440	-4%	60% - 40%	3%
Germany	3453	0.7%	70% - 30%	8.1%	556	3%	46% - 54%	-2%
Italy	1066	-2.1%	70% - 30%	-3.2%	221	1%	57% - 43%	3%
Netherlands	834	2.5%	70% - 30%	-6.0%	176	0%	54% - 46%	33%
Norway	891	1.6%	60% - 40%	-5.9%	81	3%	72% - 28%	10%
Spain	1377	3.2%	75% - 25%	11.0%	91	5%	37% - 63%	50%
Sweden	1451	4.3%	70% - 30%	-2.8%	111	3%	80% - 20%	30%
UK	6940	4.9%	60% - 40%	0.0%	481	4%	53% - 47%	7%
Total 10 Countries	20533	1.9%	70% - 30%	1.8%	2304	1%	55% - 45%	8%

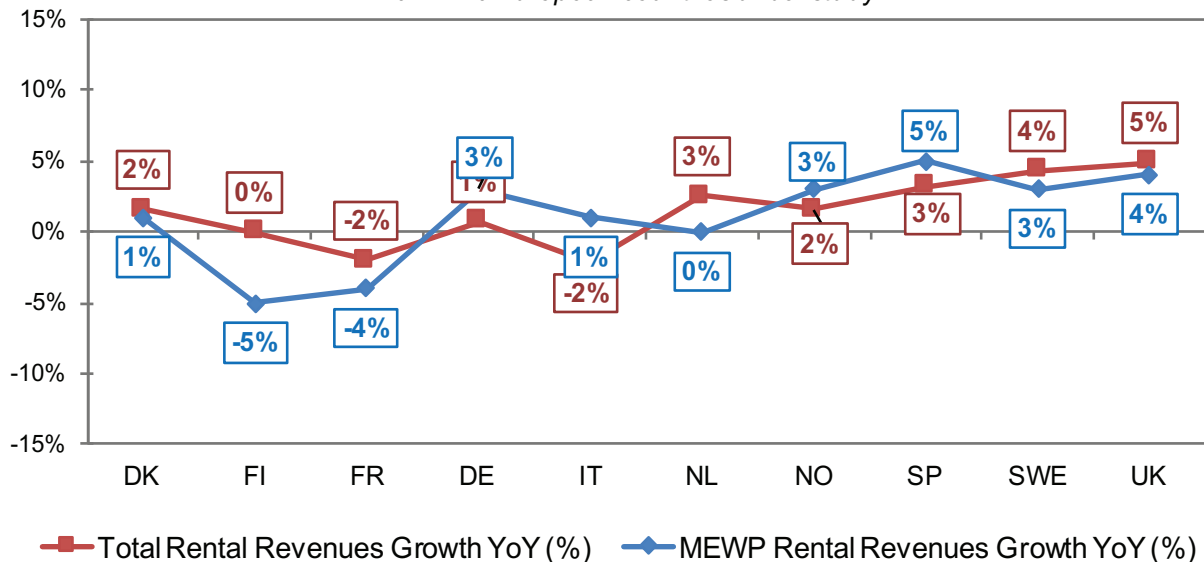
Total Rental Revenue & MEWP Rental Revenue

10 European countries under study



Total Rental Revenue & MEWP Rental Revenue Growth YoY

2014 - 10 European countries under study



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REPORT EXCERPTS FROM THE ARA - AMERICAN RENTAL ASSOCIATION, JUNE 2015

Steady growth expected for equipment rental revenue in 2015 and beyond

The equipment rental industry stands poised to set an industry record for revenues in 2015 according to the latest updated industry forecast from the American Rental Association (ARA), despite reduced demand for equipment in oil patch drilling sites.

The latest quarterly ARA forecast from its ARA Rental Market Monitor™ subscription service has been modified slightly from February and the numbers remain very positive with **Total revenue growth of 7.9 percent expected in 2015 to reach a record \$38.5 billion in the U.S.**, including all three industry segments - construction/industrial, general tool and party and event.

ARA's current five-year forecast calls for steady growth of 7.2 percent in 2016, 8 percent in 2017, 7.9 percent in 2018 and 6.8 percent in 2019 to reach \$51.3 billion.

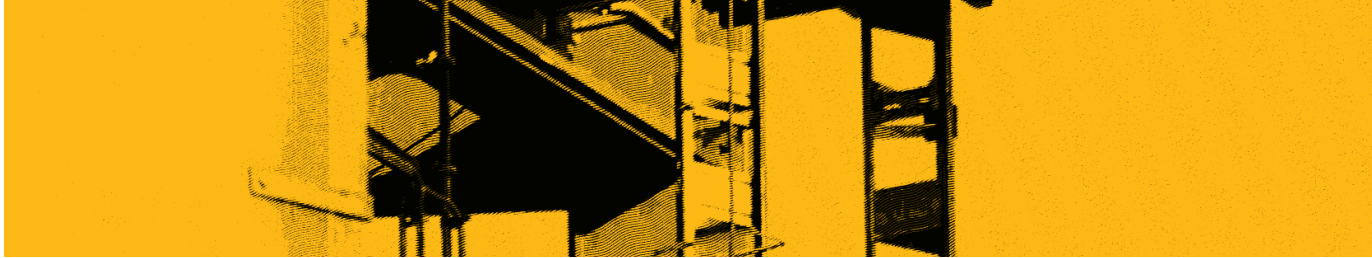
"Those in the rental industry have learned how to thrive in different economies and customers continue to learn that renting

equipment is a smart move as market conditions today can change rapidly," says Christine Wehrman, ARA's executive vice president and CEO.

Construction/industrial rental revenue is now forecast to increase 8.2 percent in 2015 to \$25.9 billion, with general tool projected to grow 7.9 percent to \$9.8 billion this year and party event to show a 4.7 percent increase to \$2.7 billion.

"The equipment rental industry will achieve its new peak level as the result of a prolonged gradual improvement in the economy as a whole, and construction, industrial and consumer markets in particular," says Scott Hazelton, managing director, IHS Economics and Country Risk, the respected global forecasting firm that compiles data for the ARA Rental Market Monitor.

"There also was some lift from energy markets, which are slowing, but the majority of the growth has come from solid fundamentals. Given a current level of activity based on solid ground, an economy that continues to improve will lead to rental revenues that are achievable and lasting," Hazelton says.



The construction/industrial rental penetration in the U.S. also was up 100 basis points in 2014, from 52.9 percent in 2013 to 53.9 percent for 2014, according to the ARA Rental Penetration Index™.

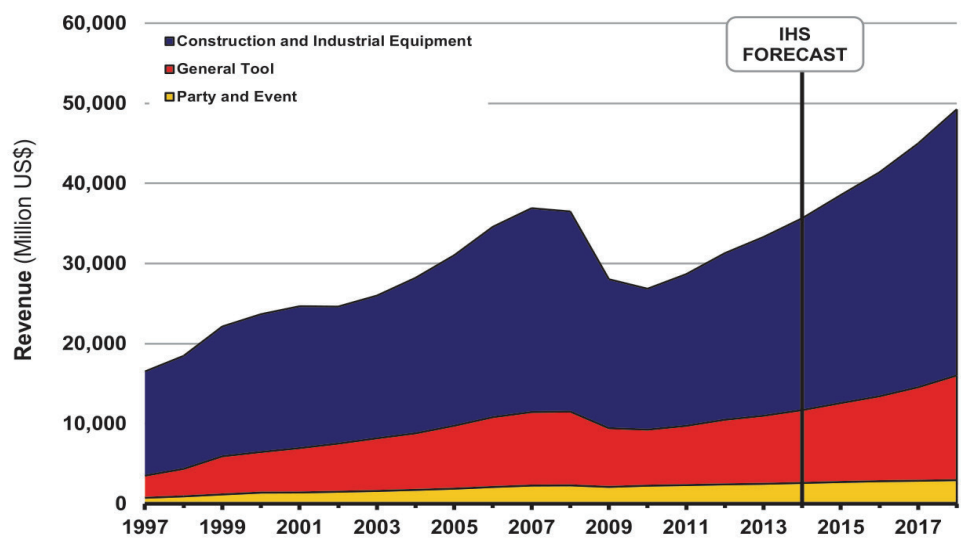
“Rental penetration continued to increase in conjunction with strong growth in rental revenues in 2014,” says John McClelland, ARA vice president for government affairs and chief economist.

ARA’s Rental Penetration Index measures the proportion of the total fleet of construction machines that are owned by equipment

rental companies. The index is value-based and uses original equipment cost as the primary weighting factor to calculate the ratio of rental equipment value to total fleet value.

Sales into the rental channel by equipment manufacturers also continue to grow, meaning the penetration rate could climb higher this year. In addition, ARA is forecasting an increase of 8.3 percent in investment in equipment by rental companies this year.

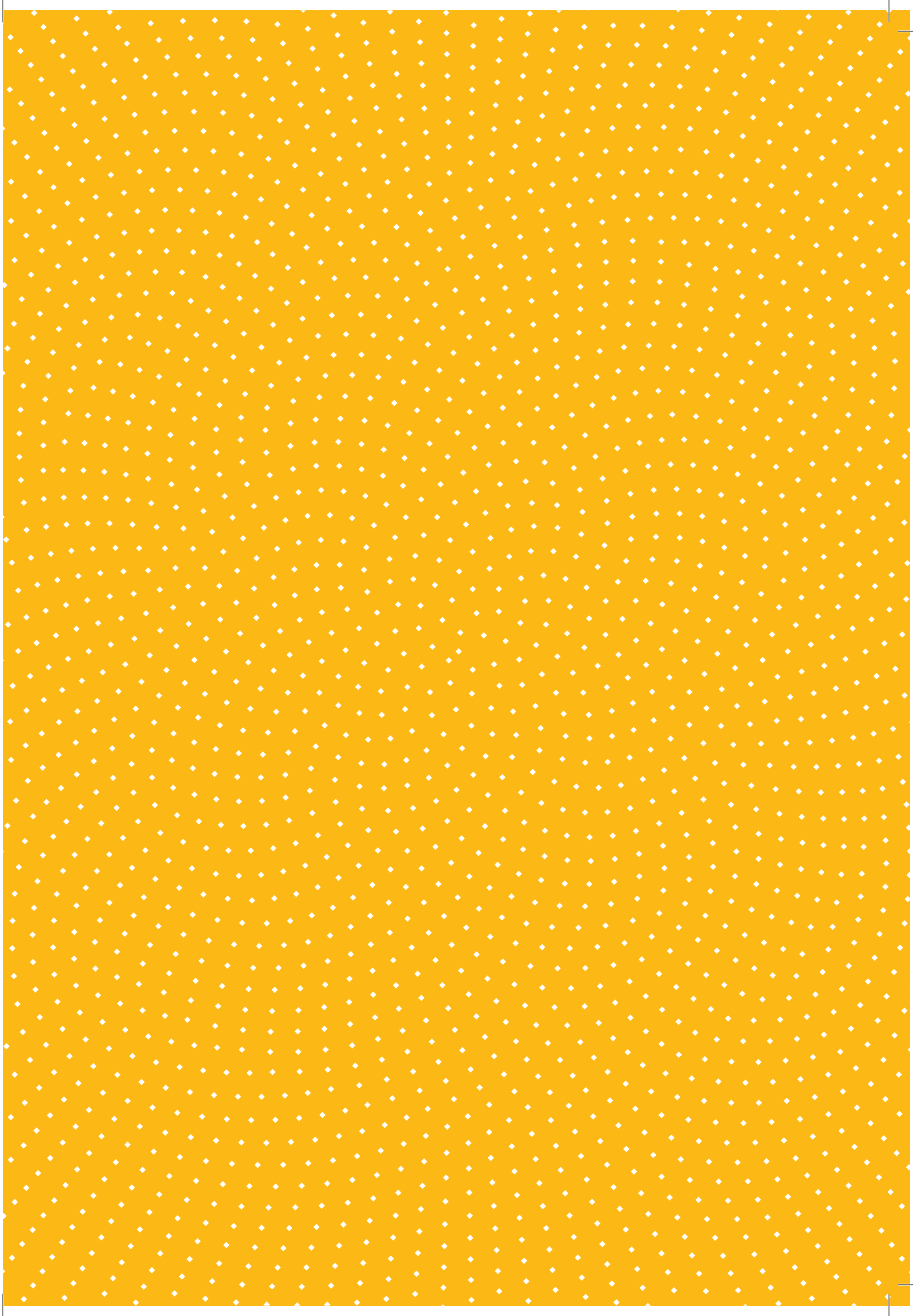
United States Rental Revenue

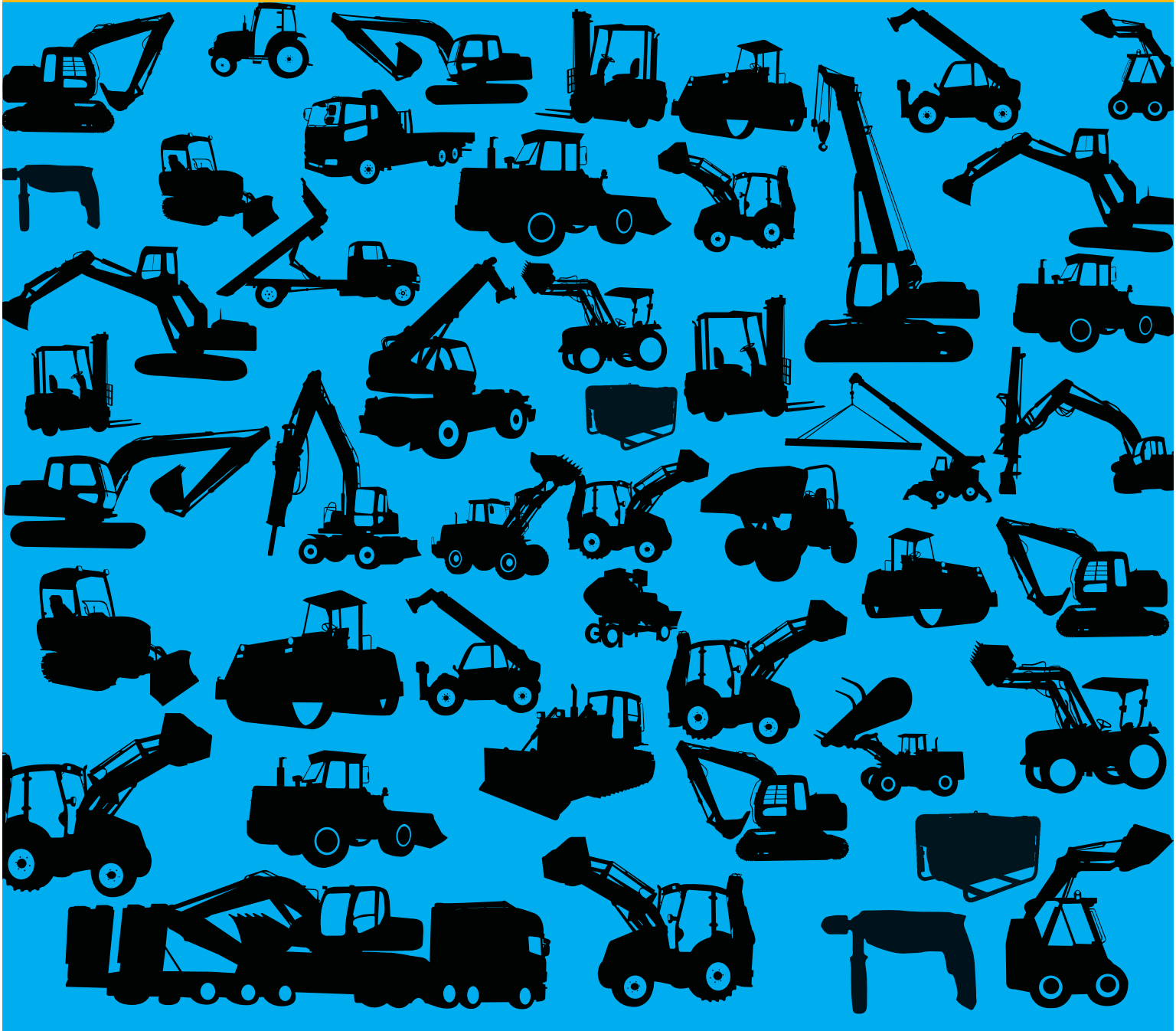


Source: ARA Rental Market Monitor™

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www.erarental.org