

TRANSPORTATION ✦ CONSTRUCTION ✦ INDUSTRIAL ✦ MATERIALS ✦ FINANCIAL

IPAF Powered Access Rental Report Europe – 2011

Final Report

May 2011



DUCKER WORLDWIDE

Prepared for:

The International Powered Access Federation





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Foreword

IPAF Presentation

- ❑ The International Powered Access Federation (IPAF) promotes the safe and effective use of powered access equipment worldwide. IPAF is a non-profit member organisation representing the interests of rental companies, manufacturers, distributors, users and training companies. It was formed in 1983 and celebrated its 25th anniversary in 2008.
- ❑ The IPAF training programme for access platform operators is certified by TÜV as conforming to ISO 18878. More than 80,000 operators are trained each year through a worldwide network of more than 400 IPAF-approved training centres. Successful trainees are awarded the PAL Card (Powered Access Licence), the most widely held and recognised proof of training for platform operators.
- ❑ Membership of IPAF is open to users of platforms, manufacturers, distributors, rental and training companies. Members enjoy access to practical information and a growing portfolio of member services. They also have the chance to influence the legislation and regulations that govern platform use. More information can be found at www.ipaf.org.

IPAF Contact Information

Additional copies of this report can be ordered at www.ipaf.org or from your nearest IPAF office. IPAF has also published the IPAF US Powered Access Rental Report 2011 – details available at www.ipaf.org or from your nearest IPAF office.

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Ducker

- ❑ Ducker Worldwide is a primary research-led industrial market research and consulting company, dedicated exclusively to ad hoc business-to-business research and particularly specialising in the markets for construction equipment and materials both in Europe and the US.
- ❑ Ducker benefits from solid industry experience and a highly international team with the ability to survey global markets at a local level:
 - Product and industry expertise: experience in the AWP and equipment rental markets through several projects covering access equipment and other types of construction machinery at all levels of the value chain including rental as well as distribution and contracting.
 - International approach applied locally: with a team of permanent native consultants working out of offices that reach across the US, Europe and Asia, Ducker prides itself on the fact that all fieldwork is completed in the respondent's native language by in-house consultants and by Ducker's internal multi-lingual call-centers.
 - Methodological expertise: on-going involvement in strategic consulting within areas such as market sizing and segmentation, distribution structure, competitive positioning, customer satisfaction or market opportunity and new product entry assessments for a variety of products within the global construction and transportation industries amongst others.
 - Quality charter: Ducker Worldwide is certified as conforming to ISO 9001 and works to the guidelines of the ESOMAR ethics standards.
- ❑ More information on Ducker can be found at www.ducker.com



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Objectives

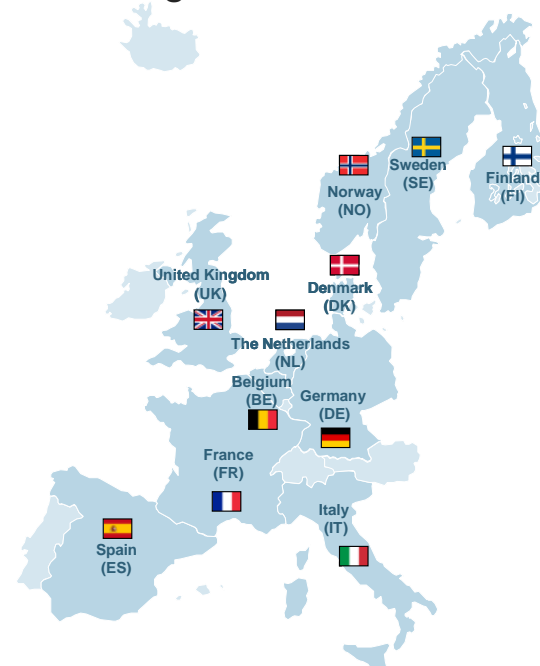
This study assesses the MEWP rental market value for Europe over a five-year period. A separate report is available covering the US market.

- ❑ Main objectives by country:
 - 2010 MEWP rental market value and fleet size
 - Trends and dynamics (2008–2012)
 - Operational indicators (investment, retention period, inventory, construction vs. non-construction)
- ❑ New in this publication:
 - In addition to the primary market value and fleet size objective, fleet mix was included in 2010 to ensure that the value is anchored in reality. Moreover, fleet information is typically more available than rental revenue. This has allowed for cross-checks, revenue-per-unit ratios and the optimisation of secondary sources.
- ❑ The current study does not examine rental company profitability.
- ❑ The study covers the time period 2008-2012, with particular focus on 2010.
- ❑ The conducting of all interviews in the first two months of 2011 has allowed for primary data collection on the full previous year, thus providing for more specifically targeted and up-to-date information than would have been available from any statistical sources.

Scope and Definitions

Products and Countries

- ❑ The present study focuses on powered access equipment, i.e. mobile elevating work platforms (MEWPs), also called aerial work platforms (AWPs). It includes the full range (all sizes and types) of powered access equipment except mast climbing work platforms.
- ❑ Included are powered people lifts: all booms, scissor lifts and vertical masts:
 - Both articulating and straight telescopic booms.
 - Self-propelled as well as vehicle-mounted, push-around, trailer-mounted/towable.
- ❑ Excluded: telescopic material handlers, forklifts, cranes, mast climbing work platforms.
- ❑ The European part of the study comprises the following eleven countries:
 - United Kingdom (UK)
 - France (FR)
 - Spain (ES)
 - Italy (IT)
 - Germany (DE)
 - Belgium (BE)
 - Netherlands (NL)
 - Denmark (DK)
 - Norway (NO)
 - Sweden (SE)
 - Finland (FI)



Scope and Definitions

Target Companies – Ducker conducted more than 100 interviews in the 11 countries under study

- ❑ The main source of information for this study is primary research through telephone interviews. Organisations interviewed for this study include rental companies and other industry experts:
 - Rental companies:
 - Specialist MEWP rental companies (62% of the market): MEWP account for more than 50% of total rental revenue.
 - Generalist rental companies (38%): MEWP rental revenue account for 50% or less of total rental revenue.
 - Large: MEWP rental revenue is equal or above the median of MEWP rental revenue (€3M).
 - Small: MEWP rental revenue is below the median of MEWP rental revenue (€3M).
 - The median is the number in the middle of the list of MEWP rental company revenue. There will be 50% above and below the median. Using the median prevents very large groups to weight too much (as they would do in an average revenue). The median MEWP rental revenue is approximately \$3M.
 - From rental companies interviewed, on average, MEWP rental revenue represents 57% of their overall rental revenue.
 - MEWP manufacturers.
 - National rental associations.
- ❑ Rental company interviews have provided the basis for a quantitative analysis, while interviews with manufacturers and associations have provided further qualitative insight.

Scope and Definitions

Target Respondents

- ❑ Only persons with input in machine selection or management were qualified as respondents. Recurrent respondent job functions were Managing Director and MEWP Product Manager, but also included Sales Director, Technical Director, Purchasing Manager, Fleet Manager and Operations Manager.
- ❑ Ducker and IPAF would like to take this opportunity to thank all industry representatives interviewed, without whose kind assistance it would not have been possible to conduct this research.

Definitions

- ❑ **MEWP rental revenue:**
 - Includes for example: machine rental rates, machine repair, support (e.g. fuel services), transportation/delivery, training, insurance, operator charges.
 - Used equipment sales are excluded from the AWP rental revenues reported.
- ❑ **Specialists vs. Generalists:**
 - For specialists: MEWP accounts for more than 50% of total rental revenue.
 - Generalists: MEWP account for 50% or less of total rental revenue.
- ❑ **Large vs. Small rental companies:**
 - Large companies: MEWP rental revenue is equal or above the median of MEWP rental revenue (€3M).
 - Small companies: MEWP rental revenue is below the median of MEWP rental revenue (€3M).
- ❑ **Cross-Hire:**
 - Rental by one rental company from another rental company.
- ❑ **Capex (Capital Expenditure):**
 - Share of powered access rental revenue invested in new equipment for rent. The capex has been gathered from respondents as a percentage of the MEWP rental revenue and calculated by Ducker into an investment value.
- ❑ **MEWP inventory:**
 - Stated replacement value at the price of new of the powered access equipment inventory. The average inventory per unit is derived from the MEWP inventory.
- ❑ **Utilisation rate:**
 - Physical number of machines out on hire as percentage of total number in fleet at any given time.
- ❑ **Retention period:**
 - Average time during which rental companies typically keep their powered access equipment.
- ❑ **Rental rate: corresponds more to net prices than list prices. Directly linked to the rental revenue**
 - The euro amount that customer agrees to pay for possession and use of a machine.

Definitions

□ Exchange rates:

- The currency exchange rates used for countries outside the Euro zone are the 2010 average rate. The same rate has been used throughout the time period in order to eliminate variation in growth rates due to exchange rates rather than to the actual MEWP rental market.

	Currency Unit	Converter to Euro
UK	£	1,16
Denmark	DKK	0,13427
Norway	NOK	0,12474
Sweden	SEK	0,12476



Executive Summary

MEWP Rental Market Situation at end 2010

- ❑ The MEWP rental revenue in the eleven countries surveyed remained stable compared to 2009 and is estimated at approximately €2.2bn in 2010. This figure represents around 85% of the total European market (defined as the 27 countries plus Norway), which would attain a MEWP rental market value of approximately €2.6bn.
 - *“Year 2010 ended the decline trend, but did not trigger the trend for growth yet.”*
- ❑ In several countries, 2010 was said to be a year of sharp contrasts, with a difficult first half of the year but in the second half of the year, there were improvements in the construction market as well as end-user demand for MEWP.
- ❑ The MEWP fleet in the eleven countries surveyed experienced a timid increase (+1%) adding up to 230,500 units in 2010. This would then give a total European fleet size of approximately 295,000 units.
 - Investments made in 2010 were primarily to replace old equipment.
 - Booms represent around 46% and scissors account for 49% of the MEWP fleet.
 - A short term trend is expected towards more boom demand linked to the increasing activity in non-construction applications (property care, maintenance, cleaning, utilities, etc.).
- ❑ Europe is a very diversified market for MEWP rentals in terms of fleet mix, price levels, state of construction industry. There is no European market as such but more a multi-country market.
- ❑ The industry is fragmented with several different national players by country and a very limited number of pan-European rental companies.
- ❑ The MEWP rental market shows some more affected segments (Spain, Denmark, generalist rental companies) and some less affected (France, Belgium, Germany, UK, specialists and small companies).

MEWP Rental Market Situation in 2010 – Specialists vs. Generalists

- ❑ The European market for MEWP rentals remains driven by specialists.
- ❑ Over the past two years, specialists have displayed more ability to resist the aftermath of the 2009 crisis. In 2010 they report revenue increases whereas generalists still record declining activity.
 - Specialists heavily used the rental rate tool in 2009 to limit the decline in rental activity.
- ❑ As a result, specialists are in a better position in 2010 to preserve their capex (13% of rental revenue) to acquire new equipment (mostly for replacement) and to limit decline of rental rates.
- ❑ On the other hand, generalists which were less radical in 2009 in decreasing their rental rates, still had to decrease rental rates slightly more and had to limit their investments to only partially renew their fleet in 2010.
 - Generalist companies also have the advantage of being able to rely on other activity than MEWP rental to compensate the loss in business.

MEWP Rental Market Situation in 2010 – Large vs. Small

- ❑ The European market for MEWP rentals remains driven by large MEWP rental companies although it is less consolidated than other countries like the US.
- ❑ On the other hand, the contribution of smaller rental companies to the overall MEWP rental business (turnover) has increased over the past three years as small companies have proven better at resisting the market downturn with no drop in MEWP rental revenues: their fleet has been expanding steadily over the past two years, so putting more pressure on their time utilisation rate, and on rental prices in 2010.
- ❑ As this report does not analyse the profitability of this industry, it is difficult to judge the mid to long term sustainability of the strategies of small companies.
 - In addition, while this report focuses on the small companies that are active in the MEWP rental industry, it does not evaluate the share that is no longer active due to bankruptcy, etc. Some experts estimate them at 10% of the market in the UK for example.

MEWP Rental Market Situation in 2010 – Country Analysis

- Three groups of countries stand out in the 2010 market:
 1. Countries where companies continued to **struggle** in 2010: **Spain and Denmark.**
 - In these countries, the continuous construction crisis (in Denmark, 85% of companies' rental revenue comes from the construction industry) added to an oversupply which led to a strong decrease of rental revenue (-22% for Spain and -14% for Denmark).
 - Rental companies continued to de-fleet in 2010, and stopped investments.
 - Rental rates' kept on decreasing in both countries in 2010.
 - While in Denmark, growth is expected to resume as early as 2011 (+11%), in Spain the outlook is more uncertain as most do not predict a return to growth before 2013 or even 2015.
 2. In **Sweden, Finland**, and to a lesser extend **Norway**, the situation improved compared to 2009, but rental companies still report a **decrease or stagnation** in their rental revenues.
 - These countries are more dependent than others on the construction market, which was severely damaged in 2009. However, in Sweden and Finland especially, it was reported that the construction market started to improve in the second half of 2010.
 - Fleet size decreased in Sweden and especially in Finland, but fleets in Norway grew slightly in 2010.
 - Extremely limited investments were made exclusively for renewal.
 - Utilisation rates increased in Sweden and Norway but remained stable in Finland and rental rates continued to decrease, although at a lower pace than in 2009.
 3. Regions where rental companies **stabilised or increased** slightly their revenue in 2010: **Benelux, Italy, Germany, UK, France.**
 - MEWP fleet size remained stable (Germany, Belgium, France) or increased in 2010 (Italy, Netherlands, UK).
 - Investments increased across the board (except in Italy and Netherlands) to renew and/or expand fleet.
 - Utilisation rates increased in most countries.
 - However, rental rates continued to decline in 2010 in almost all countries but at a much lower pace than in 2009, except Germany (+1%) and Belgium (stable).

Market Perspective and Short Term Trends

- ❑ The European MEWP market based on the eleven countries under study is expected to resume growth in 2011 and 2012. However, the expected growth should not go past 5% per year.
 - The European fleet should accelerate its expansion in 2011, and will most probably experience a continuous growth in the following years.
- ❑ Rental companies across the board, except in Scandinavia, have quite strongly diversified their activities in non-construction applications.
- ❑ Rental companies from all countries under study expect an increase in their rental revenue in 2011 and 2012, except for Spain which will still suffer from the crisis in the short term (-8% in 2011, -4% in 2012).
 - In 2011 rental revenue growth is expected to range from 3% (Benelux) to 10% (Scandinavia).
 - In 2012 Scandinavia and Benelux are regions where the highest MEWP rental revenue growth is forecast (+7% to +14%) while the UK, as a mature market, is seeing the stabilisation of its expansion at +2%.
- ❑ All indicators will be positive in 2011 and 2012:
 - MEWP investments will continue to rise progressively in 2011 and 2012, although without reaching 2008 levels. Capex is forecast at 14% in 2011 and 23% in 2012.
 - Time utilisation should increase in all European countries under study, except in France, to reach on average 63% in 2011.
 - Rental rates growth will resume in 2011 and continue in 2012, but at a slow pace. All countries will experience a limited increase in rental rates (0% to 4%) except in Denmark where they should rise by 10% in 2012.



Market Size 2010

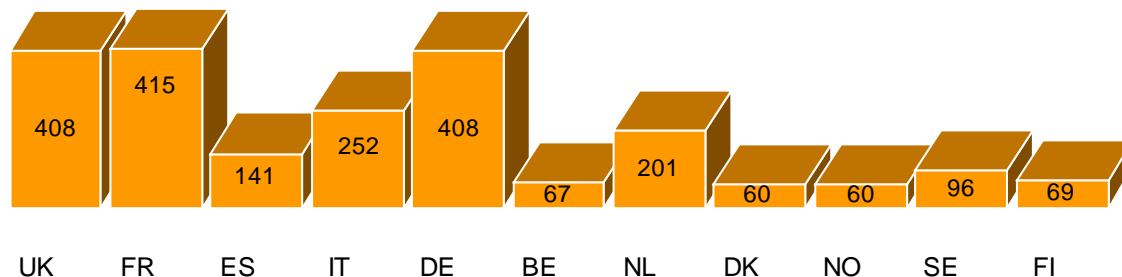
Rental Market Value

The European MEWP market in the eleven countries surveyed is estimated at approximately 2.2B€ in 2010. The figure represents about 85% of the total European market, which would then give a total European* market at 2.6B€. UK, France and Germany remain the leaders of the MEWP rental market.

MEWP Rental Market (M€) - 2010

11 European countries under study

Total = €2,178M



Source : Ducker Worldwide for IPAF

- ❑ UK is the leading market in volume. As the most mature market, the UK is facing less growth perspective.
- ❑ France is the biggest European market in value in 2010, before the UK, which can be explained by the fleet mix of both countries and the fact that French rental rates are typically significantly higher than in the UK.
- ❑ In rental companies that have a MEWP fleet, MEWPs represent on average 57% of rental revenues in 2010 (compared to 48% in 2009).
 - This ranges from around 40% (Scandinavia and France) to close to 70% and above (Benelux, Germany, UK, Italy, Netherlands).
 - This ranges from 20% for generalists to 89% for specialists.

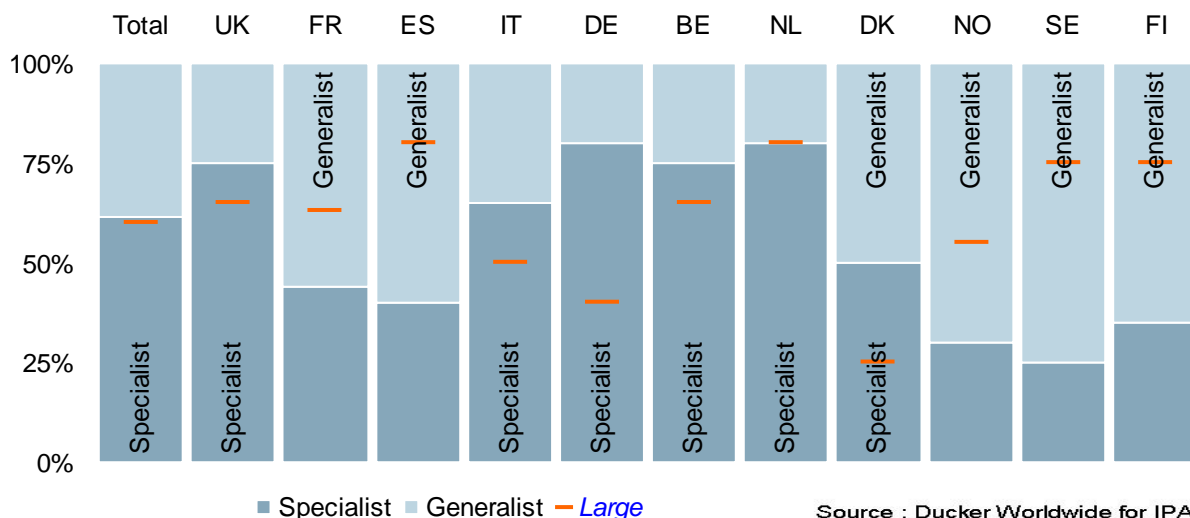
	Total	UK	FR	ES	IT	DE	BE	NL	DK	NO	SE	FI
Rent. Rev. as % of Total Co. Rev.	82%	88%	73%	77%	92%	94%	73%	66%	91%	98%	96%	83%
MEWP Rev. as % of Total Rental Rev.	57%	76%	46%	35%	67%	80%	70%	67%	65%	42%	36%	41%
MEWP Rent. Rev. as % of Total Co. Rev.	47%	67%	34%	27%	62%	75%	51%	44%	59%	41%	35%	34%

Company Specialisation and Size

Some countries remain typically dominated by specialist rental companies: UK, Italy, Germany, Benelux and Netherlands. On the contrary France, Spain and Nordic countries are dominated by generalists.

MEWP Rental Revenue by Type of Rental Company - 2010

Total = €2,186M



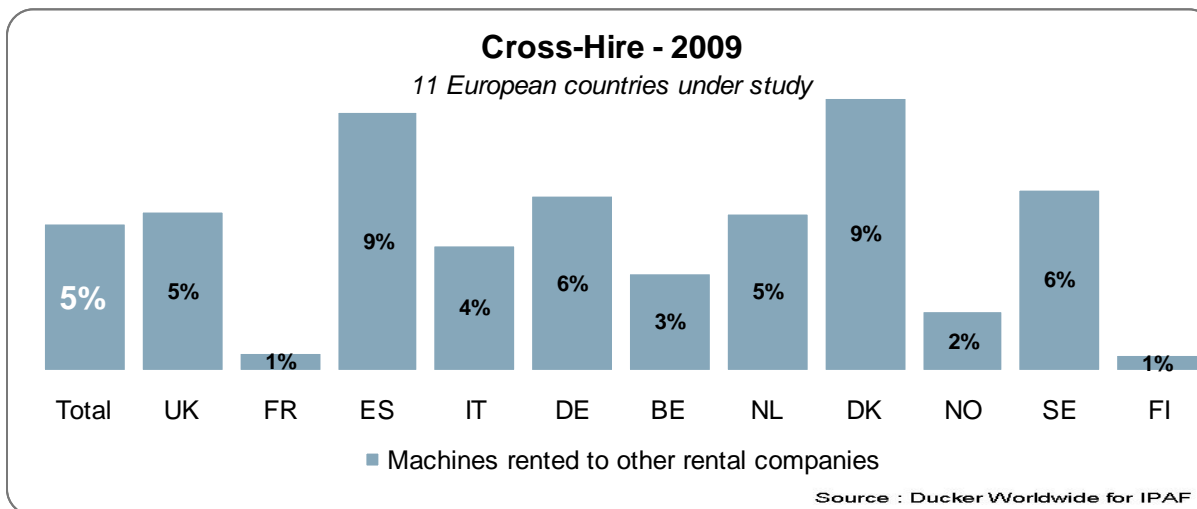
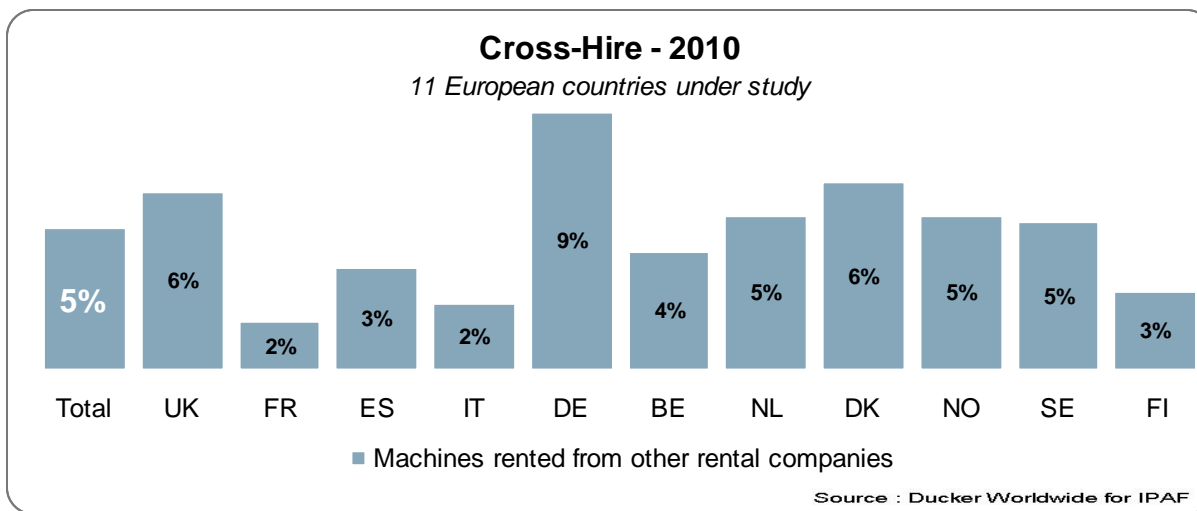
The stated percentage corresponding to machines rented from other rental companies has been deducted from each company's AWP rental revenues case by case

- The European market remains typically driven by specialists (62% of MEWP rental revenues).
 - The level of specialisation of the European market did not change much in 2010.
 - In Spain and France the share of specialists in the overall revenue increased slightly compared to 2009, due to better results than for generalists.
- The MEWP rental market is served by a majority of large companies (60% of MEWP rental revenues)
 - Only in Denmark do most companies remain 'Small' on an international scale.
 - In 2010, the two large partnership groups of small independent companies in Germany were not included in the "Large" rental company segment (whereas they were in 2009).

Cross-Hire

Cross-hire, i.e. rental by one rental company from another, only represents around 4% of the MEWP rental market. The share of cross-hire remained relatively stable compared to 2009, when it was 5%.

The stated percentage corresponding to machines rented from other rental companies has been deducted from each company's AWP rental revenues case by case



- Re-rental is more important for small generalists, who tend to rent machines from specialists in order to satisfy demand for more specialised equipment.
- *“When times are bad you may not want to invest so much in new machines, you rent them from others instead.” (Norway)*
- *“We try to rent off or from others as little as possible but it does give us more flexibility to do a little business this way.” (Netherlands)*
- *“In the past I did some cross-hiring but I stopped, I found it too expensive.” (Italy)*



Activities Outside AWP Rental

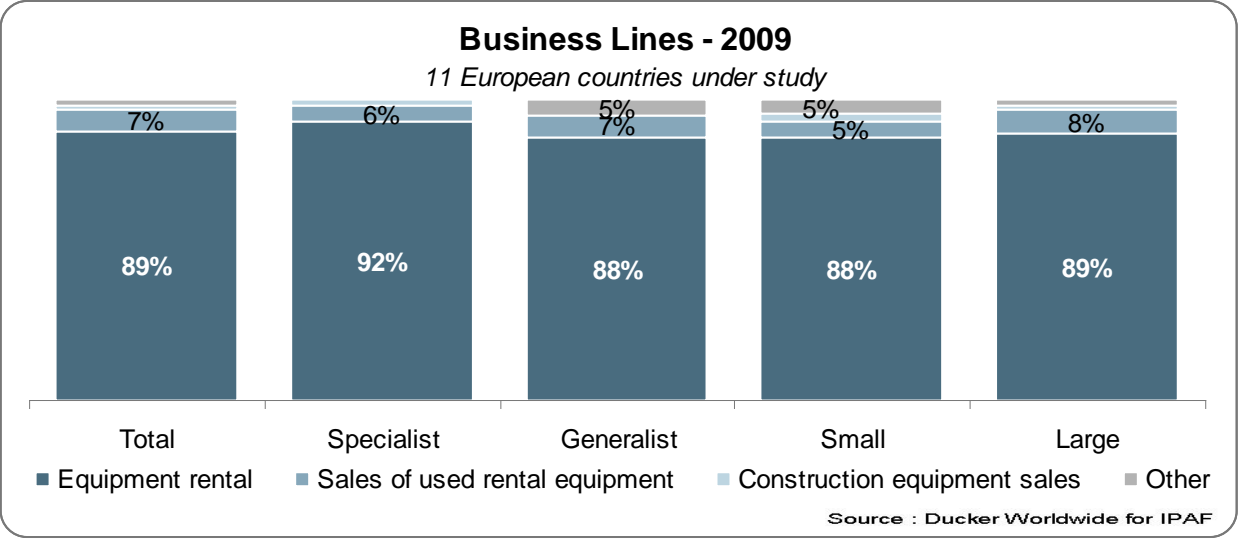
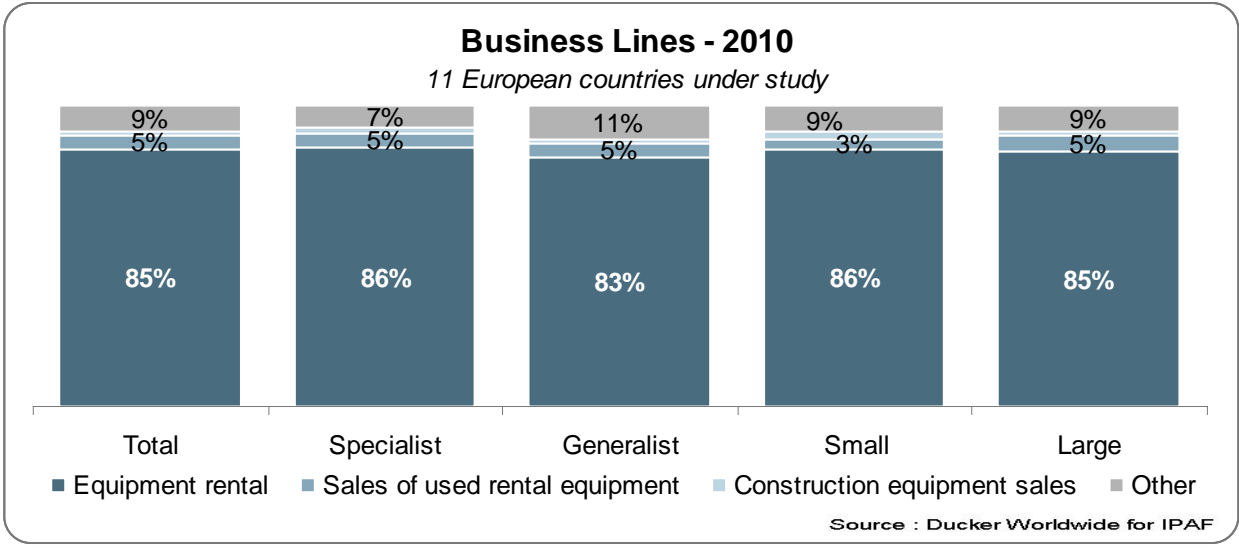
Compared to 2009, activities concerning equipment rental (incl. MEWPs) have decreased by five points.

Rental-related services are included within the equipment rental revenues.

Other includes training, maintenance and repair, etc.

Equipment rental used for construction and non-construction activities

“Sales of used rental equipment” differs from “Construction equipment sales” as it concerns only equipment previously used for rental

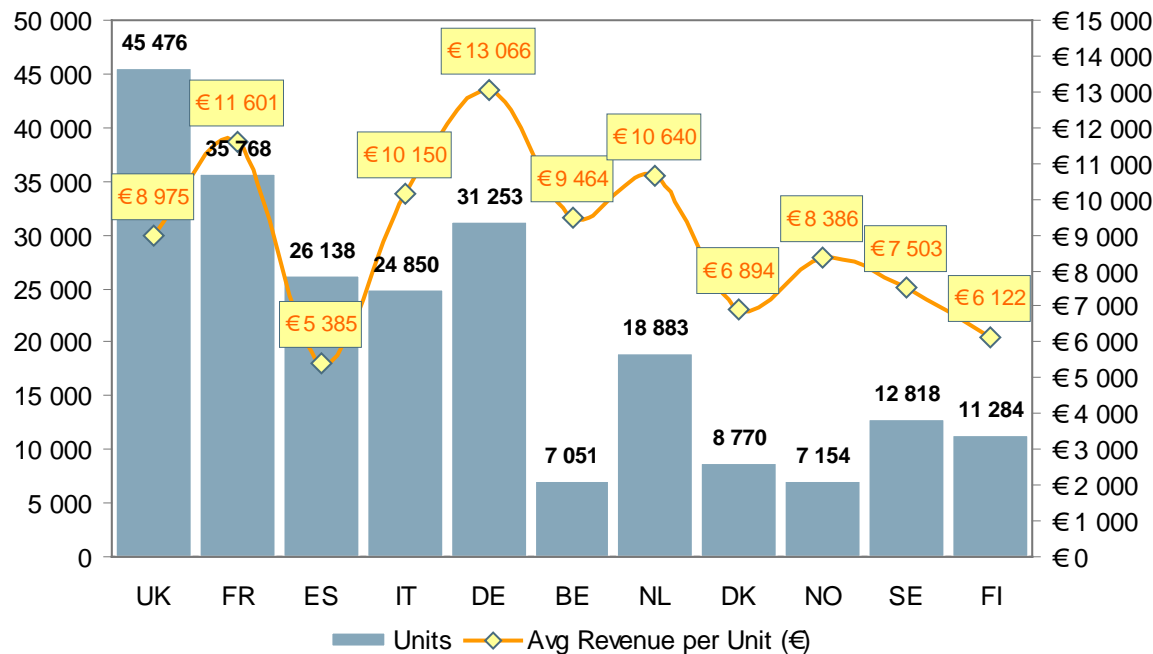


- Within the target population of rental companies active in the AWP market, equipment rental (incl. AWP) invariably represents the vast majority (from 85% to 90%) of total company revenues.
- Companies tend to shift away from equipment rental in favour of other ancillary services.

Market Size in Units

The total number of MEWP units in 2010 is estimated at approximately 229,000 machines in the eleven European countries surveyed. The largest markets in volume remain the UK, followed by France and Germany.

MEWP Fleet Size & Revenue per Unit - 2010
 Total Fleet Size = 229 446 Units - Avg Revenue per Unit (€) = € 491



11 European countries under study Source : Ducker Worldwide for IPAF

- The European market is very competitive
 - UK is typical as one of the largest markets yet with a low value/unit due to the importance of small and basic equipment.

- The average revenue per unit varies significantly between countries, due to differences in fleet mix and in rental rates.
 - Countries like Germany, Netherlands and Italy continued to maintain a higher revenue per unit in 2010, thanks to a high proportion of large specialist equipment (truck-mounts, big booms and/or high-end specifications).

- In Spain and Denmark, the revenue per unit decreased the most due to continuous crisis, price pressure (Denmark) and fleet mix.

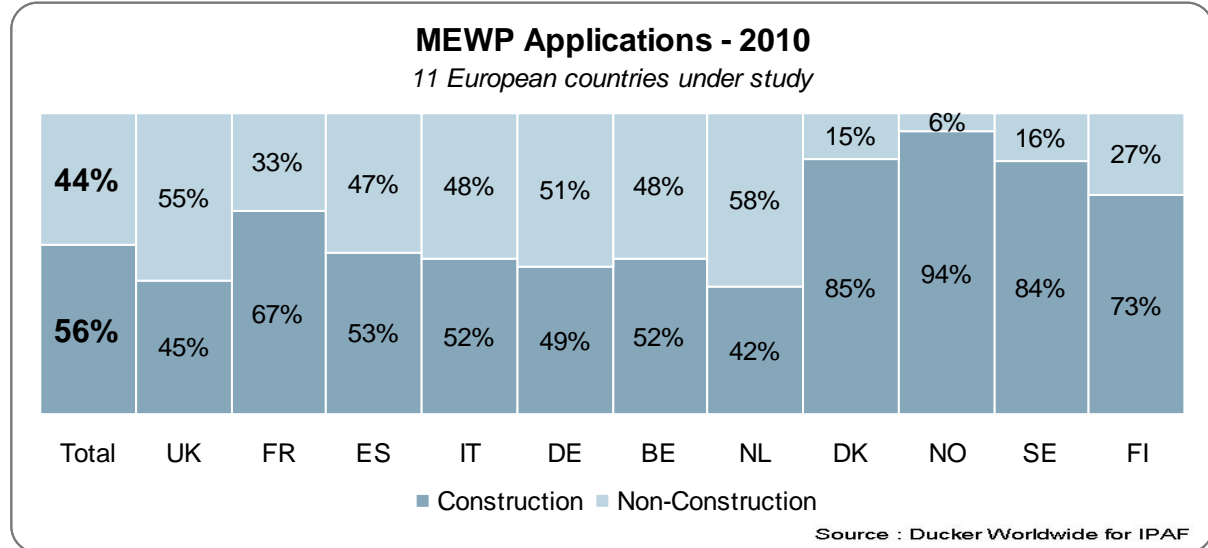
Applications

Compared to 2009, the share of the European MEWP rental revenue generated from construction work decreased in 2010 (from 64% to 56%).

- The European MEWP rental market is more driven by construction activities:
 - Scandinavian markets are the most heavily driven towards construction. While Sweden and Finland market players report a rebound of the construction industry in 2010, the situation is still critical in Denmark.
 - However on a European level, the share of construction has been steadily declining over the past two years. Rental companies from other countries report a more or less voluntary trend for diversification into non construction activities in order to balance their decreasing revenue coming from the construction market. This trend is most visible in the UK, Spain, Italy and Belgium.
 - *“Maintenance is proving to be a far more important sector today and will become more established.” (UK)*
 - Rental activities in the non construction sector are described as more interesting upfront in terms of rental rates, however involving higher equipment maintenance efforts, more transport and shorter contracts.

Non-construction includes property care, maintenance, cleaning, utilities, events.

Construction includes new build and renovation; including all types of buildings, also industrial.



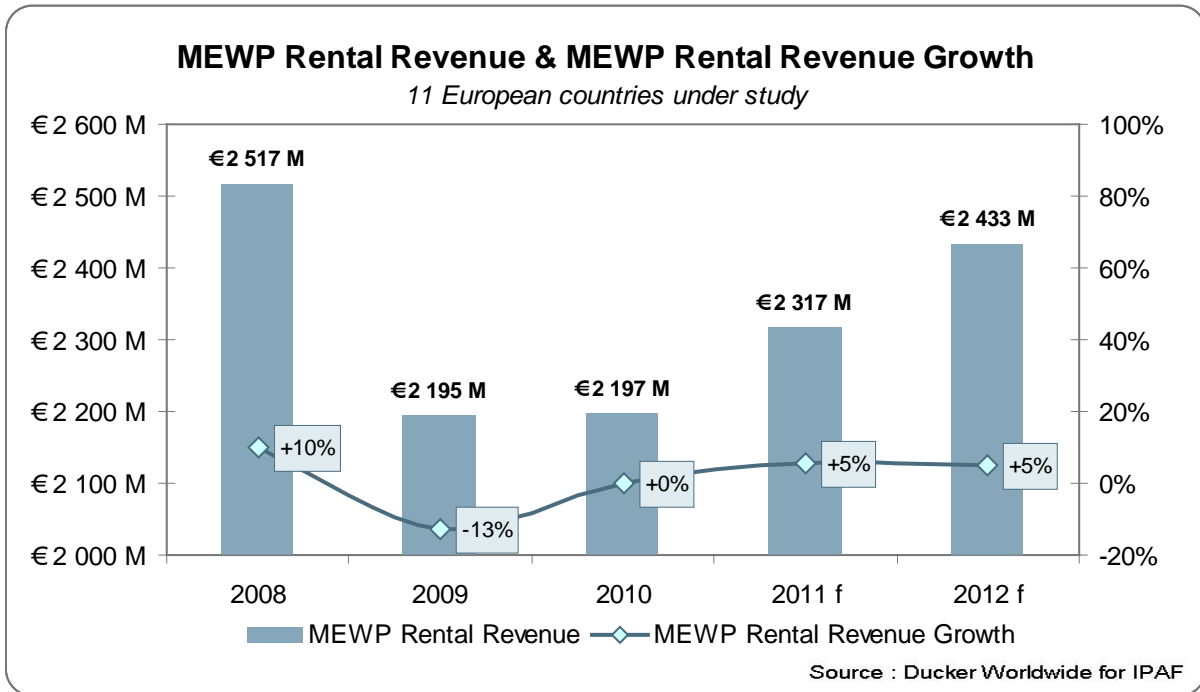


Market Dynamics 2008-2012

Market Value Growth

In Europe, the MEWP market remained stable in 2010, compared to 2009. In all countries, the situation is expected to improve in 2011 and 2012 with a stable annual growth around 5%.

- ❑ After the booming years of 2007 and 2008, the market was deeply affected by the crisis in 2009, with no growth in 2010.
- ❑ The upturn of the market is slower than expected: growth is expected to resume in 2011, but 2008 market levels will not be reached in 2012, as it was projected in 2009.

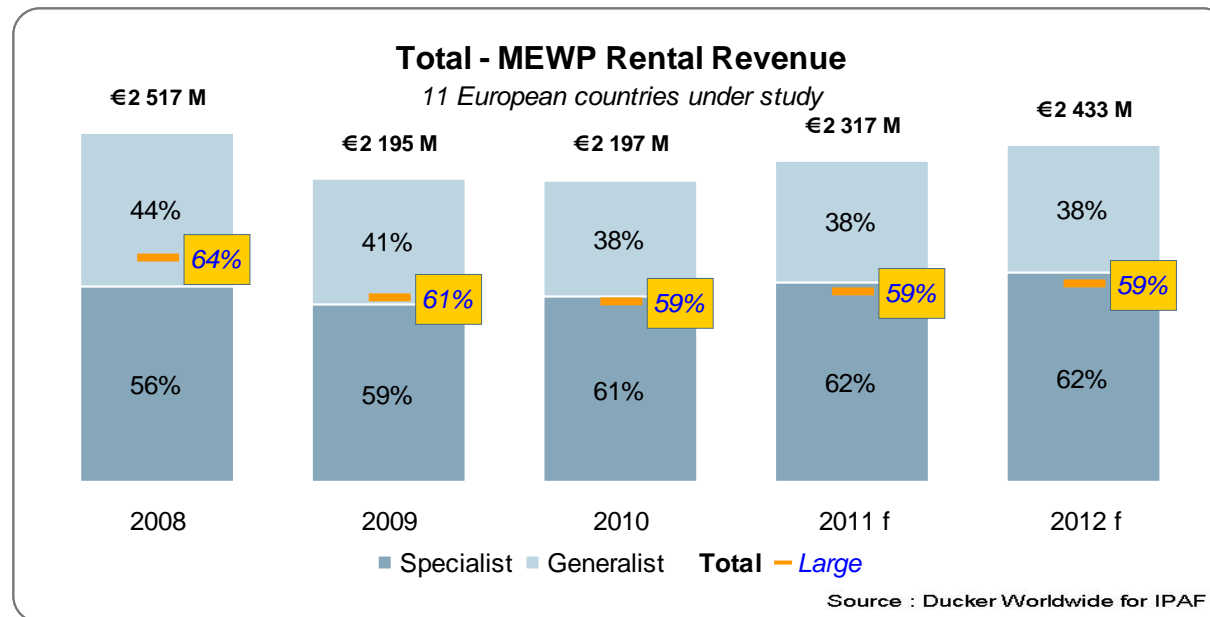


- ❑ *“The activity is picking up again. There are no reasons for that to stop.” (France)*
- ❑ *“In 2010, we are probably close to 0% growth, and then I expect the market to start increasing again.” (France)*
- ❑ *“I expect the general market to increase in 2011 and 2012 as well, but not by very large percentages.” (Germany)*

Market Value Growth

The European market structure remains directionally stable, although the share of specialists in rental revenue has slightly increased by five points in three years.

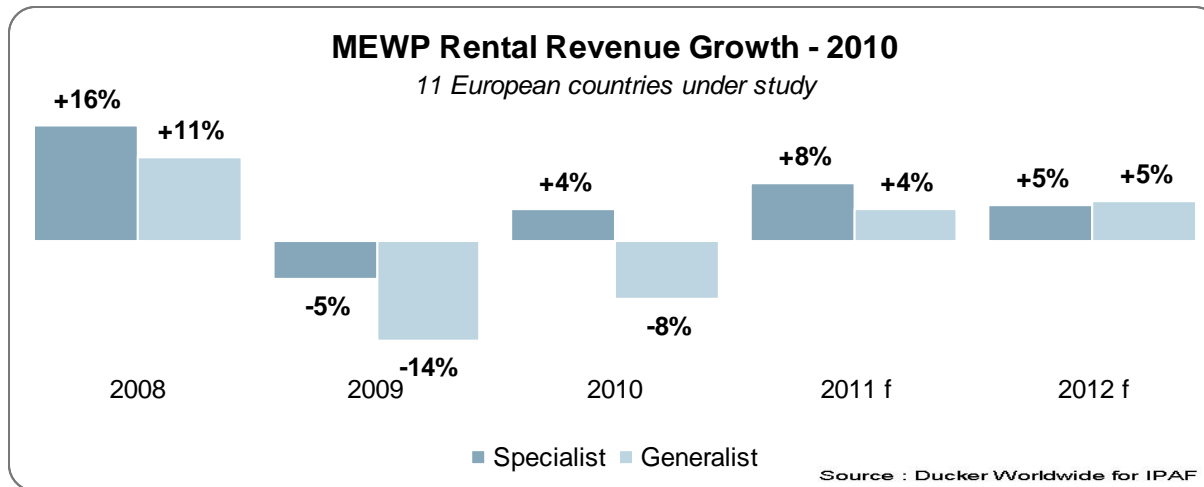
- Large companies still dominate the market with about 60% of the MEWP rental revenue, and specialists account for more than 60% of the overall MEWP rental revenue.



In 2010, the two large partnership groups of small independent companies in Germany were not included in the "Large" rental company segment (whereas they were in 2009).

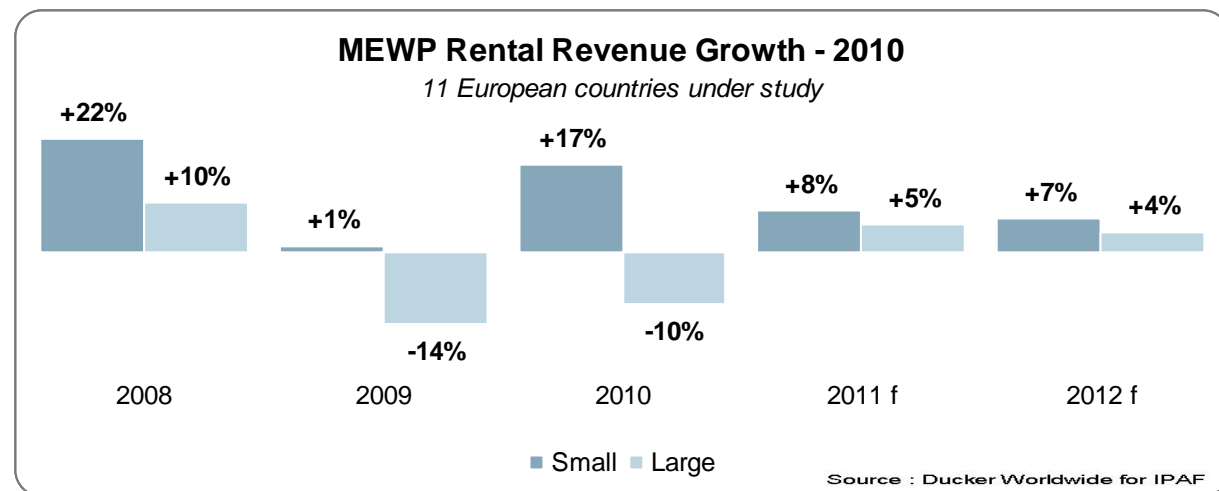
Market Value Growth – by Company Type

Generalists and large rental companies were significantly more affected in their MEWP rental activities than specialists and small companies in the 2009 downturn and in 2010.



□ The rental companies that are more local, closer to their client base and give more value to service and reactivity, whilst serving specific or new applications have been the best positioned to overcome the effect of the crisis: specialists and smaller companies are more typical of these companies.

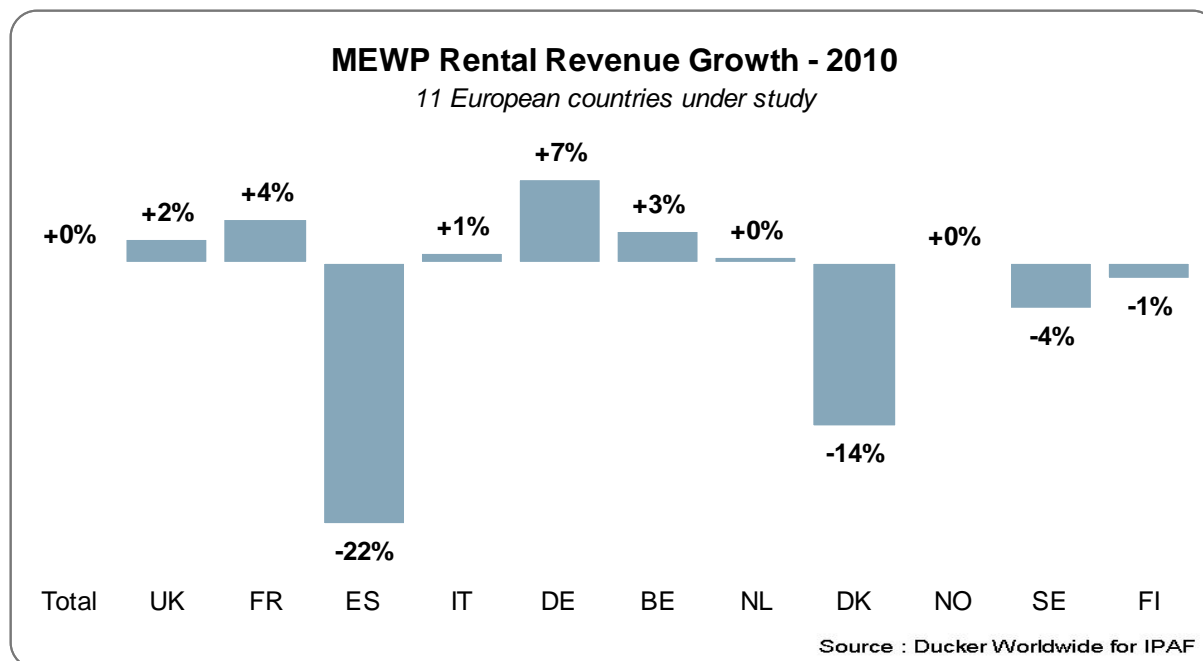
- Specialists and small companies maintain a stable to growing fleet size that largely compensates pressure on rental rates (and declining time utilisation for small companies).
- On the other hand, generalist companies record the highest decline in rental rates, and large companies the highest de-fleeting (as well as rental rate decline).



Market Value – by Country

Most countries experienced zero to slight growth in the MEWP rental market in 2010. However, rental companies in Spain and Denmark report a strong decrease of their revenues in 2010.

- ❑ In Spain and the Nordics (especially Denmark) rental companies explain the continuous downturn of their markets by a damaged construction industry and a fleet volume way too high for the demand (limited de-fleeting in Denmark). They expect the construction industry to recover in a few years and the downsizing of the fleet engaged in 2010 to continue.
- ❑ Germany is the country where company growth was the strongest in 2010.

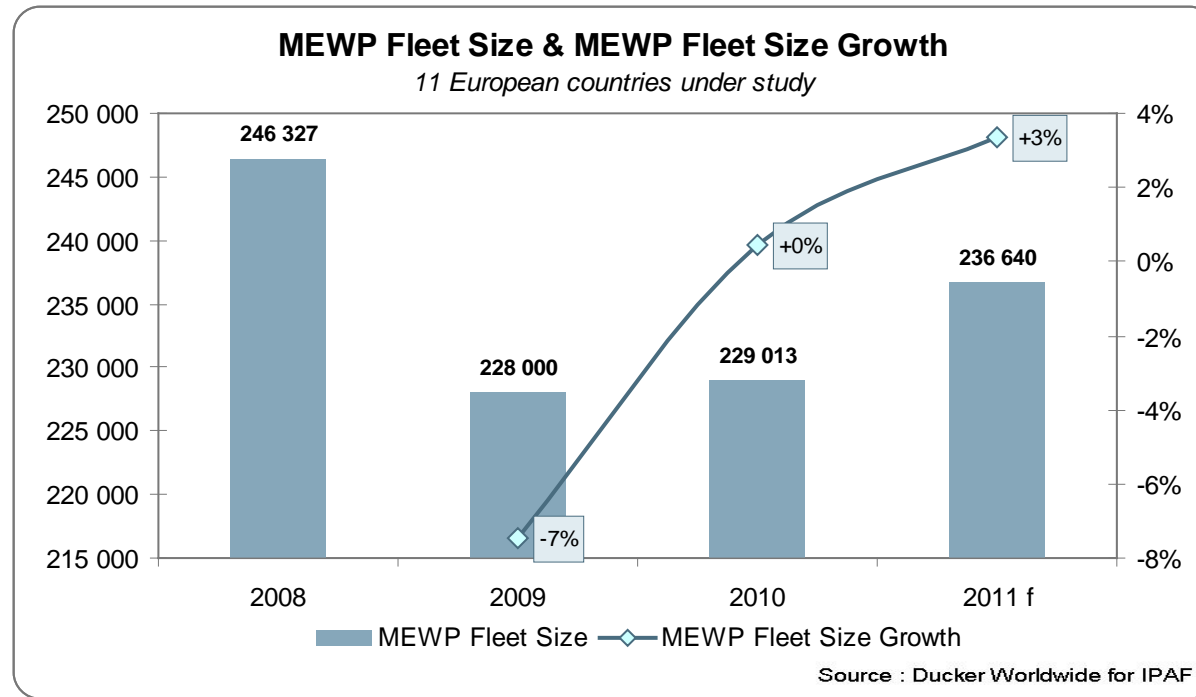


- ❑ *“The market was messed up. There were too many units in the market. Companies took whatever to keep the utilisation up. At the end of 2009 and the beginning of 2010 there were too many units but then lots of units were sold abroad.” (Denmark)*
- ❑ *“In Spain, the market decreased by about 20% in 2010. This is explained by a decrease in rental rates and a decrease in fleet size.” (Spain)*

Market Size in Units

European MEWP fleet size remained quite stable compared to 2009 and is estimated at 229,400 units. It is expected that fleet growth accelerates in 2011.

- ❑ The massive de-fleeting that the European market experienced in 2009 stopped in 2010.
- ❑ Fleet growth is resuming in 2010, and will continue in 2011.

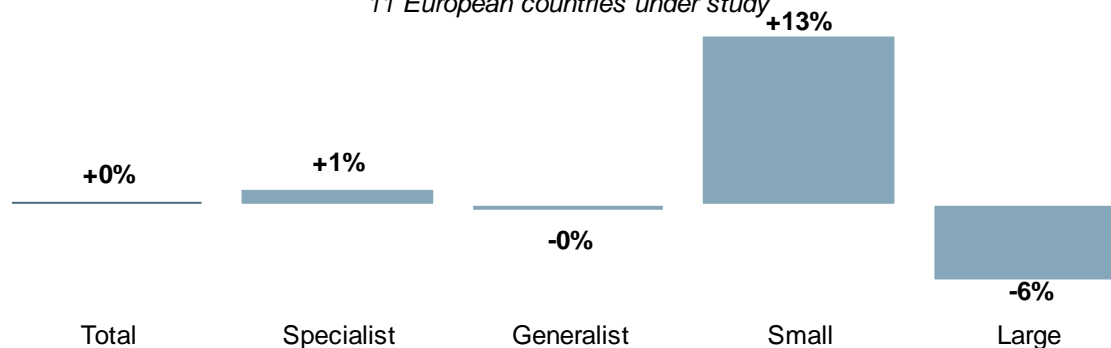


Market Size in Units

Small rental companies continued to acquire new equipment, while large companies carried on de-fleeting in 2010.

MEWP Fleet Size Growth - 2010

11 European countries under study



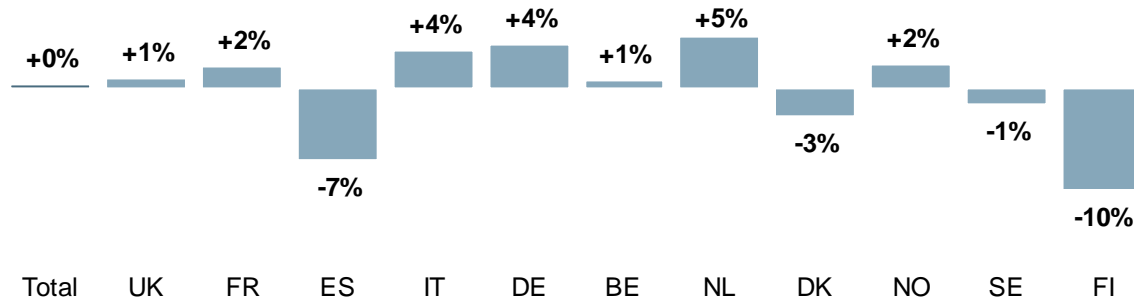
Source : Ducker Worldwide for IPAF

- Spain, Finland, Denmark, and to a lesser extent Sweden are countries where rental companies reduced fleet.
- Italy, Germany, the Netherlands and to a lesser extent France and Norway record fleet expansion in 2010.

- "In 2009, our number of units was clearly higher compared with 2010. Lifts have been moved from Finland to other countries where our company works." (Finland)*
- "Fleet in Spain decreased a lot, but the market would go much better with another decrease of 10% to 20% of the overall fleet." (Spain)*

MEWP Fleet Size Growth - 2010

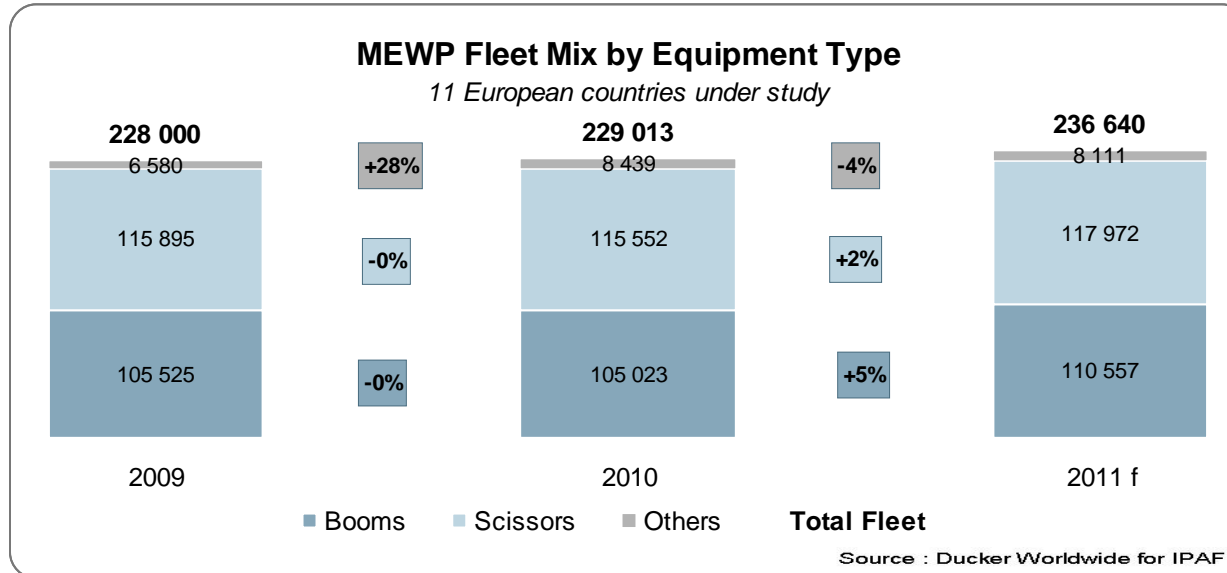
11 European countries under study



Source : Ducker Worldwide for IPAF

Market Size in Units

MEWP fleet mix did not vary much in 2010. Market players anticipate an increasing demand for booms in the short term, due to the decrease in construction end-applications.



Other includes personal lifts, outrigger lifts, etc

- “Definitely we will see more demand for special booms. Booms which are very small in size, articulated and low weight because the infrastructure needs lighter booms with a jib and jib plus for better access in tight roads like in Copenhagen for example. I see a big demand for that type of boom for better access in tight areas so we will be investing in that type.” (Denmark)

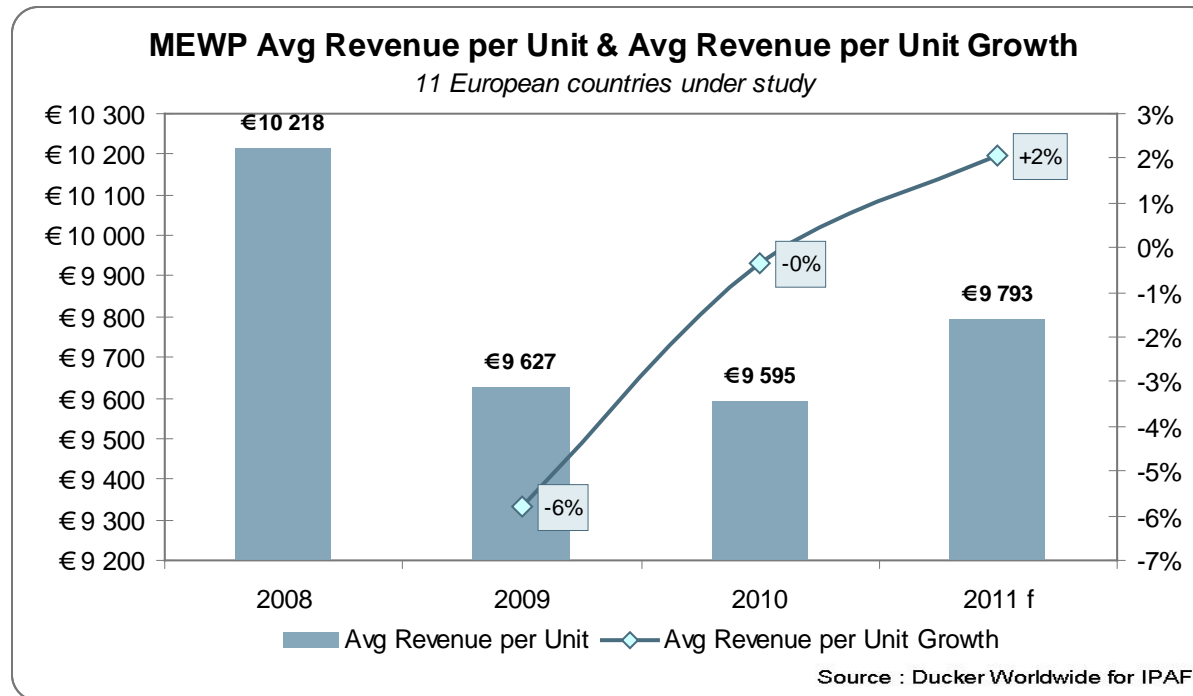
- Despite MEWP manufacturers’ efforts in new product development, the rental market is less prone to changing fleet mix as they are dependent on end-market demand.

- “Scissors are less popular than they used to be. Articulated booms can be used only where there is a lot of space. The most common machines are telescopic booms, especially in the industry sector as they are relatively compact and of good height.” (France)
- “ Our clients ask less and less for scissors but more and more for specific machines.” (Italy)
- “ Due to changes in the market proportionally more boom lifts will be bought this year, when partial renewal of fleets will take place. More demand in the last couple of years.” (Netherlands)

Revenue per Unit

The revenue per unit continued to decrease in 2010, although to a lesser extent than in 2009.

- This decrease in revenue per unit is due to the fact that overall revenue remained relatively stable while the fleet volume increased slightly in 2010.
- In 2011, the growth of revenue per unit is expected to resume in the European market.

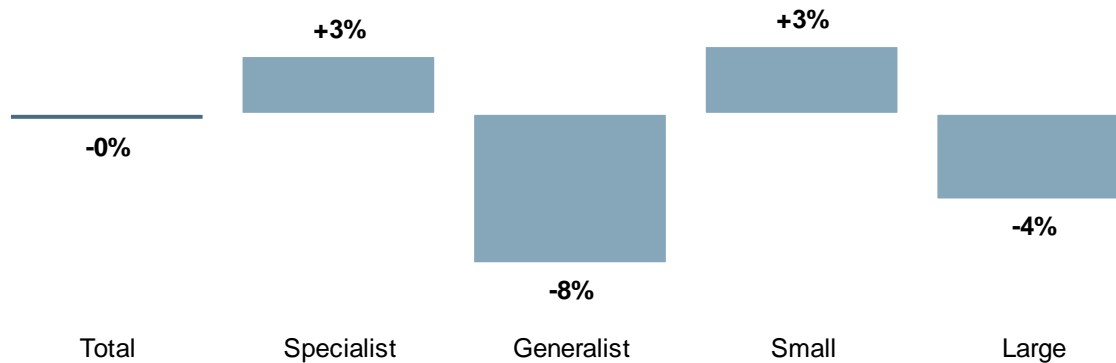


Revenue per Unit

Rental companies' revenue per unit in 2010 has decreased slightly in most countries.

MEWP Avg Revenue per Unit Growth - 2010

11 European countries under study



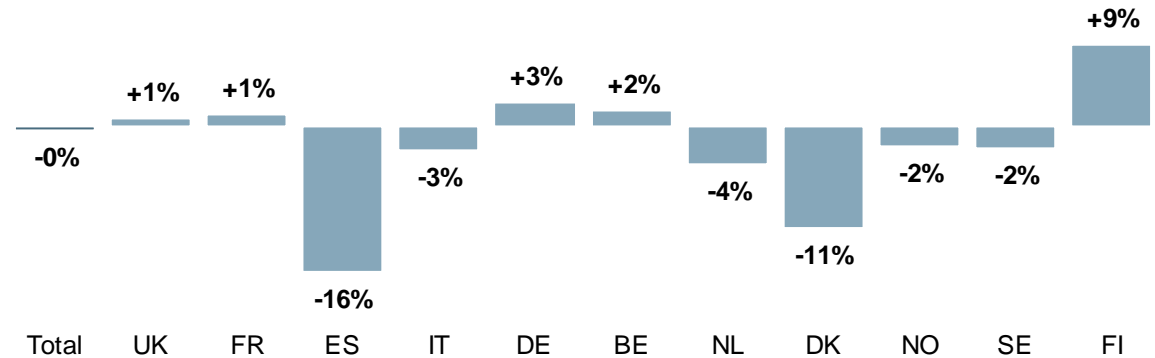
Source : Ducker Worldwide for IPAF

- Rental companies in Spain and Denmark have experienced a strong decrease in the revenue per unit due to a stronger decline in rental rates than in units.

- "It has been very low for some time with a lot of companies having negative earnings. We might lose some competitors in 2011. Most are just hanging on until 2012 when we hope activities will rise. I don't see any big investments happening. Maybe companies will merge or have agreements with each other. A lot of smaller companies will cooperate with bigger companies." (Denmark)*

MEWP Avg Revenue per Unit Growth - 2010

11 European countries under study



Source : Ducker Worldwide for IPAF

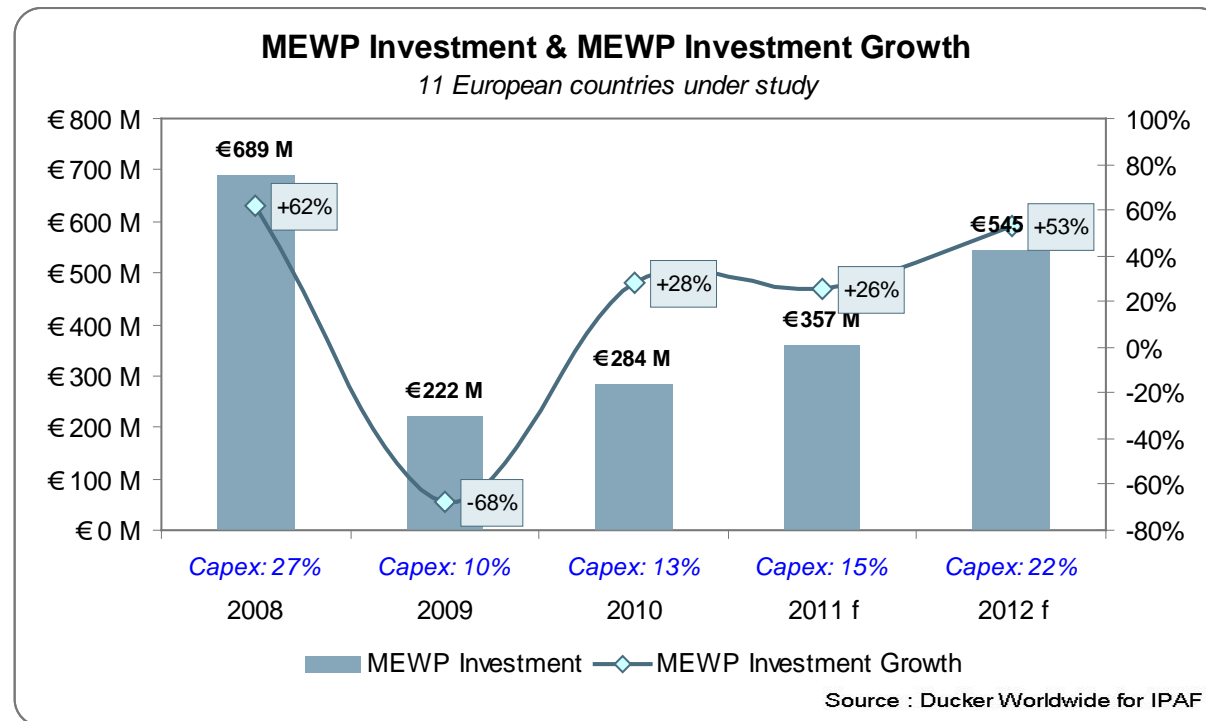


Investments 2008-2012

Investments

In 2010, investments started to increase compared to 2009. Overall capital expenditure represented 13% of the MEWP rental revenue in 2010 and is expected to continue increasing to reach 22% in 2012.

- Investments made in 2010 were primarily to replace old equipment.
- In 2011 investments are expected to continue to increase for new equipment purchases.



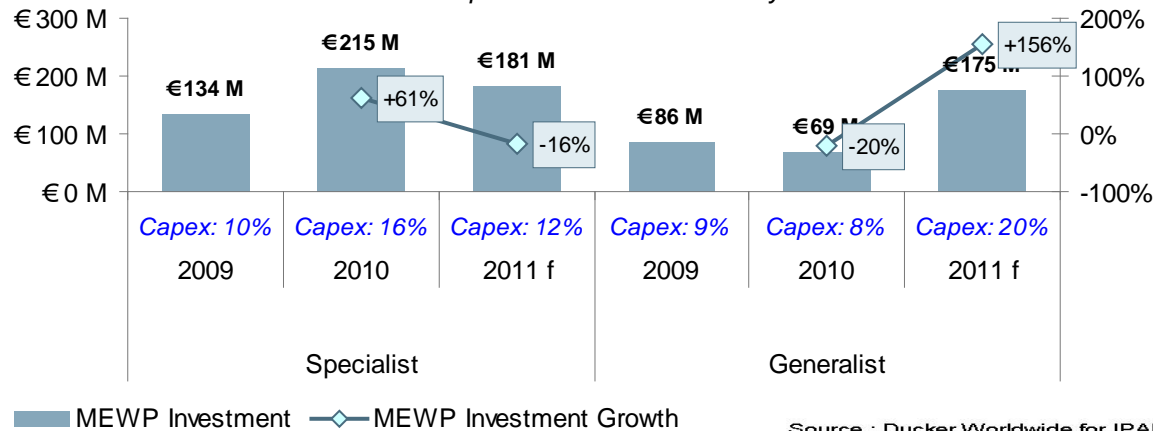
Investment value calculated from stated capex (capital expenditure as percent of MEWP rental revenue)

Investments – by Company Type

Specialists maintained a relatively high capex in 2010 to stabilise their fleet size and refresh their fleet.

MEWP Investment & MEWP Investment Growth

11 European countries under study



Source : Ducker Worldwide for IPAF

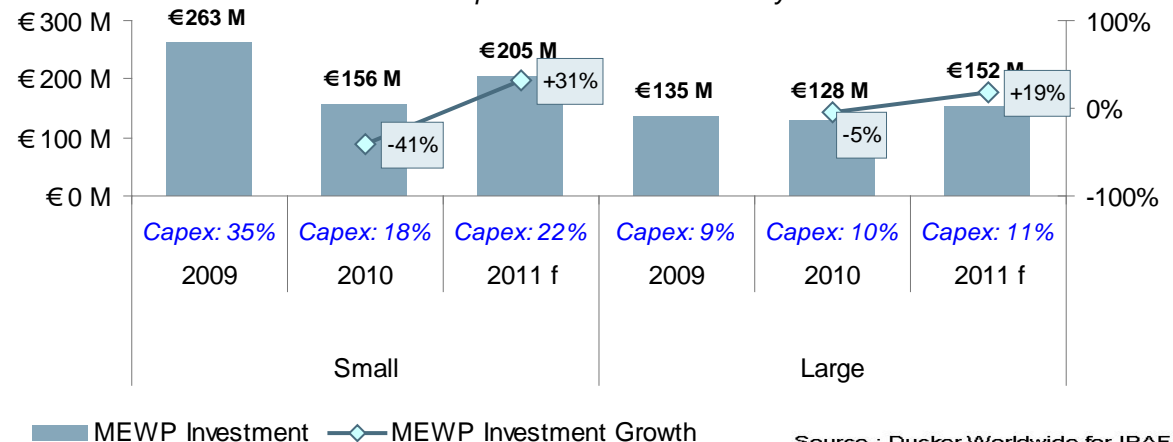
- Generalists kept on average the same level of capex in 2010 compared to 2009. They used investments for fleet renewal.
- On the contrary, small companies used investments primarily for fleet expansion in 2010, as they did in 2009.
- All rental companies expect an increase in their investments in 2011, except specialists.

Investment value calculated from stated capex (capital expenditure as percent of MEWP rental revenue)

- "We bought a lot of new machines in 2010, so the investment in 2011 will be lower (we renew our machines every eight years)." (Germany)

MEWP Investment & MEWP Investment Growth

11 European countries under study

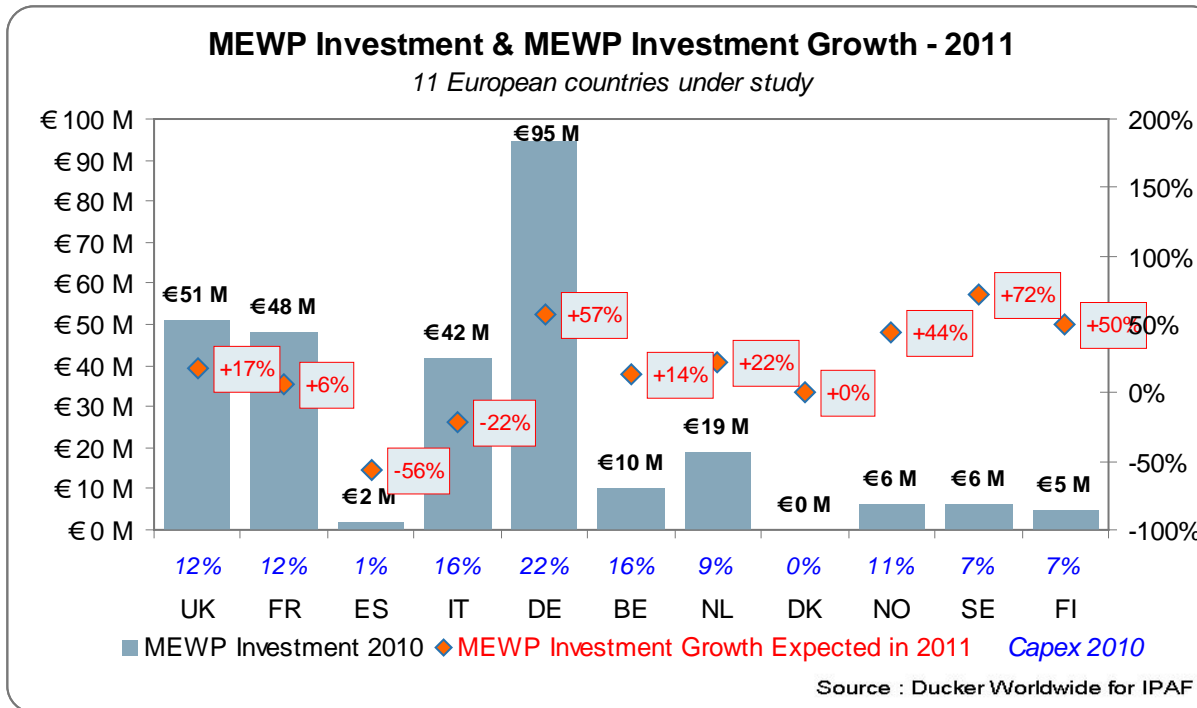


Source : Ducker Worldwide for IPAF

Investments – by Country

European rental companies report that investments made in 2010 concerned almost exclusively replacement of old equipment.

- Rental companies in Spain and Denmark did not invest in new equipment in 2010. The economic crisis and the objective to de-fleet explain this situation.
- Companies in the UK and Belgium invested to refresh their fleet.
- Germany, Italy and the Netherlands invested with the intent to increase fleet size.

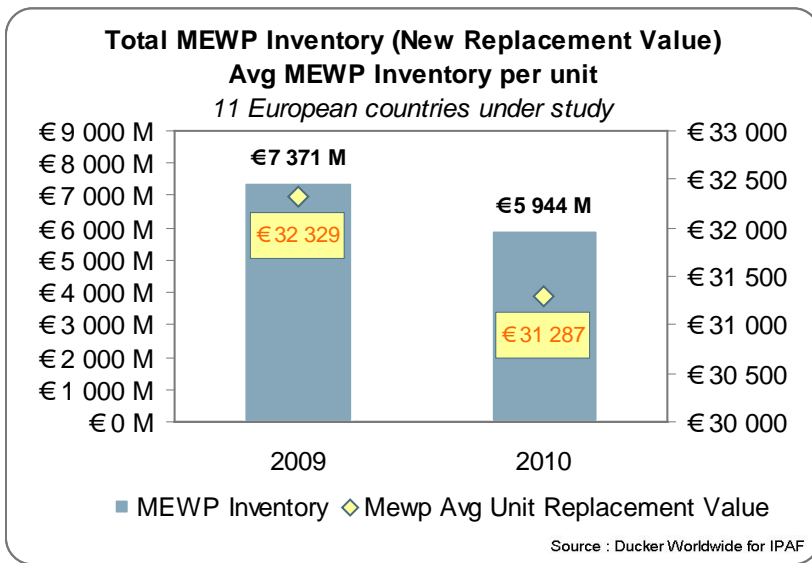


- “We don’t have any plans to invest in 2012. There is still a large surplus of machines in the market.” (Denmark)*
- “The number of machines has stayed and is probably going to remain stable even if we yearly renew part of our machine park. (Finland)”*
- “When they purchase something new, it will be to replace very old equipment. The customer does not care how old the vehicle is as long as it can reach the heights they need, and the vehicle is properly maintained.” (Germany)*

Rental Inventory

In Europe, the typical value per unit in MEWP rental fleets was around 31,300€ in 2010. The average return on investment improved in 2010 compared to 2009.

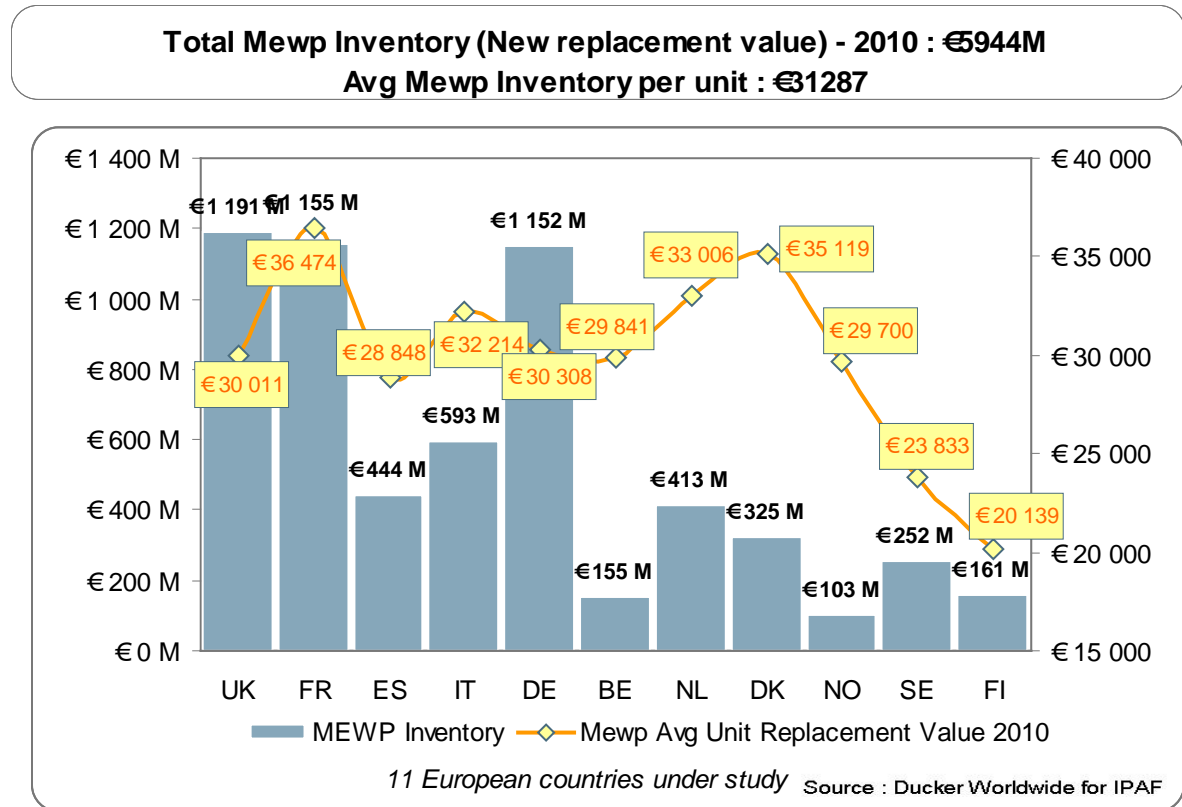
- Return on investment varies quite strongly from one country to the other. Danish rental companies report having the longest ROI (6 years and 5 months) while Italy, Benelux and Germany have the best return on investment.



$$MEWP\ inventory = (rental\ revenue - services) / \%ROI$$

2009 average return on investment = 4 years

2010 average return on investment = 3.6 years (3 years and 6 months)

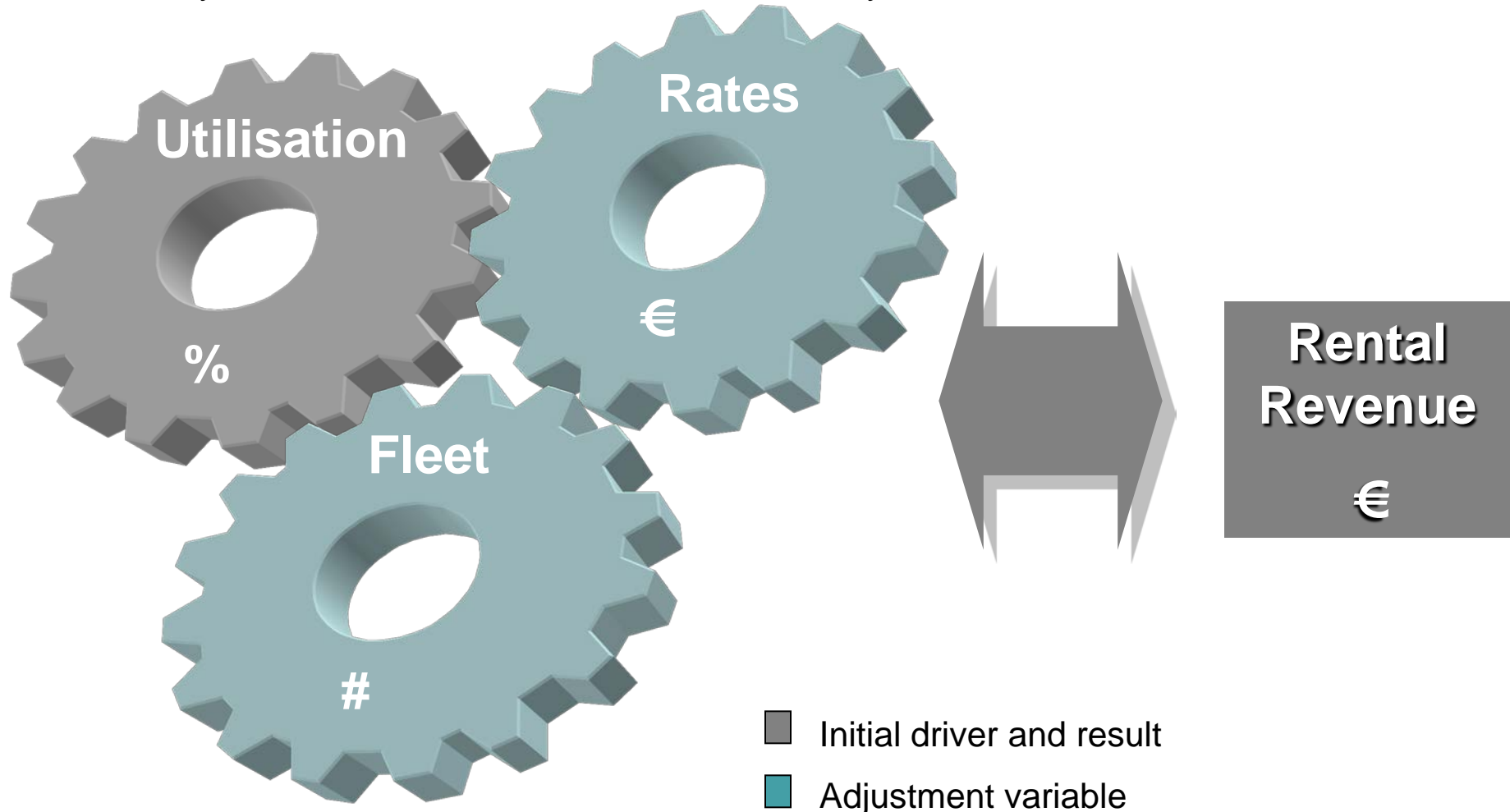




Operational Aspects 2009-2011

Market Variables

- Rental revenues are the result of three main factors, namely equipment time utilisation rate, rental rates and fleet size/mix. Rental rates and fleet build-up are the two strategies that rental companies can choose to vary in order to influence utilisation and thereby, revenues.

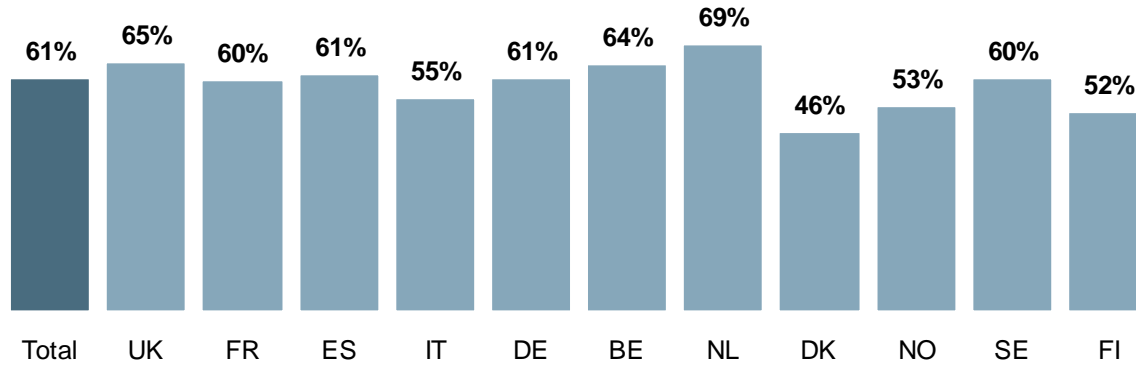


Time Utilisation Rate

Time utilisation increased compared to 2009 (60% compared to 55%) in a majority of European countries except in Italy (due to fleet volume increase) and Denmark (due to continuous construction crisis).

Avg Time Utilisation - 2010

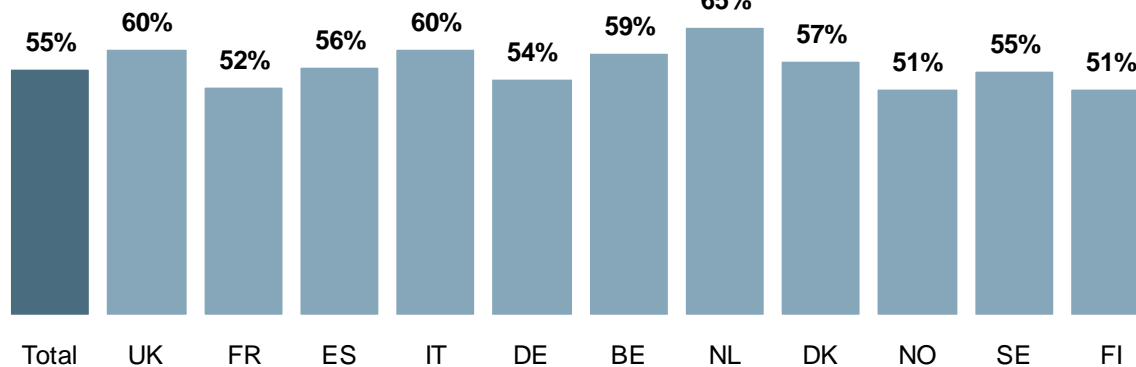
11 European countries under study



Source : Ducker Worldwide for IPAF

Avg Time Utilisation - 2009

11 European countries under study

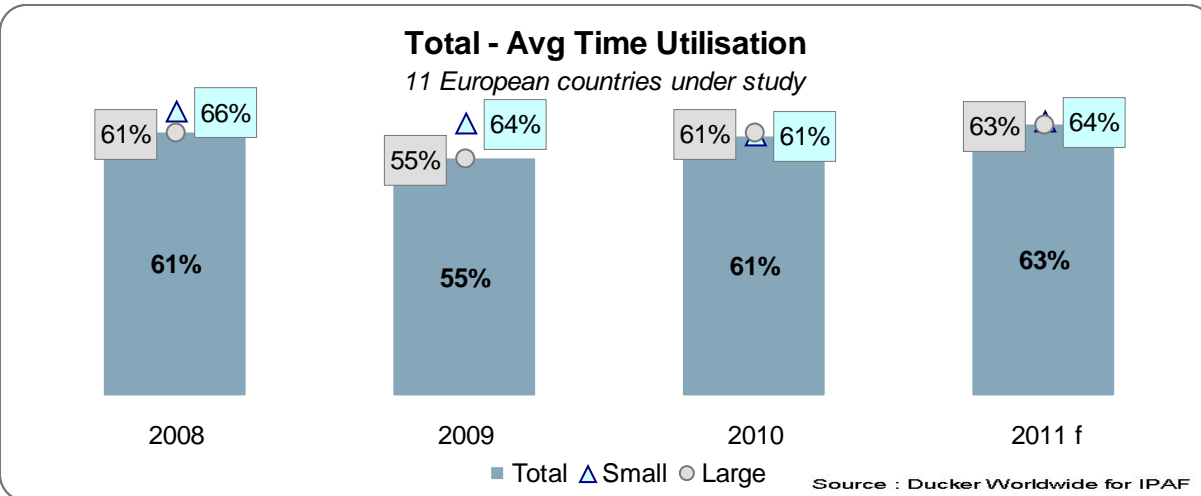
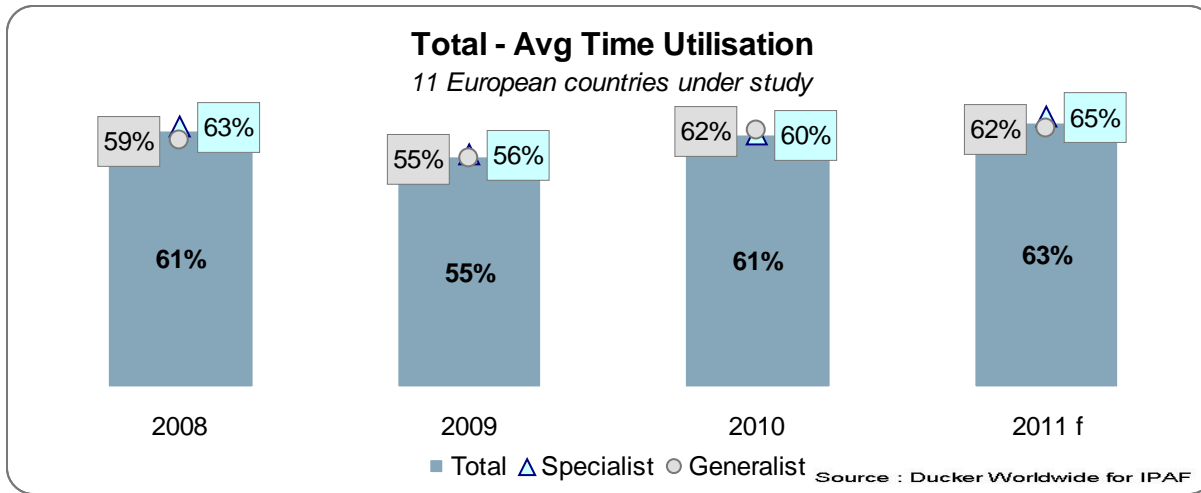


Source : Ducker Worldwide for IPAF

- ❑ Time utilisation increased in 2010 primarily due to a decline in rental rates.
- ❑ In Spain, the major de-fleeting positively impacted utilisation rates.
- ❑ In Denmark, despite a strong decline in rental rates and de-fleeting, time utilisation still declined in 2010, as demand continued to struggle.
- ❑ *“The small battery driven scissors probably have the best utilisation rate - bigger diesel scissors probably have the lowest utilisation rates” (Finland)*
- ❑ *“Scissor lifts will have a smaller utilisation rate, due to less smaller projects (general shift in market demand)” (Netherlands)*
- ❑ *“Especially the “smaller” (lower height) vehicles are easier to rent out.” (Germany)*
- ❑ *“The more common (smaller) equipments usually have utilisation rates of over 80%.” (Germany)*

Time Utilisation Rate

European MEWP utilisation rate in 2010 was very similar between segments.



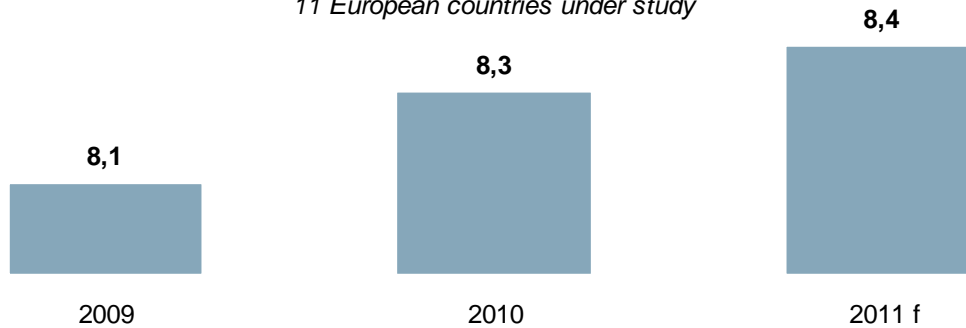
- Generalists and large companies record the highest increase in time utilisation since 2009 as a result of a mix of de-fleeting (highest for large companies) and rental rate reduction (highest for generalists).
- Small companies record a less positive trend for time utilisation than other segments, slightly declining in 2010, as a result of the two years of strong fleet expansion.

Average Retention Period

Rental companies try to keep their existing machines as long as possible by increasing refurbishment. The average retention period increased slightly in 2010 and is expected to continue growing.

Total - MEWP Retention Period

11 European countries under study



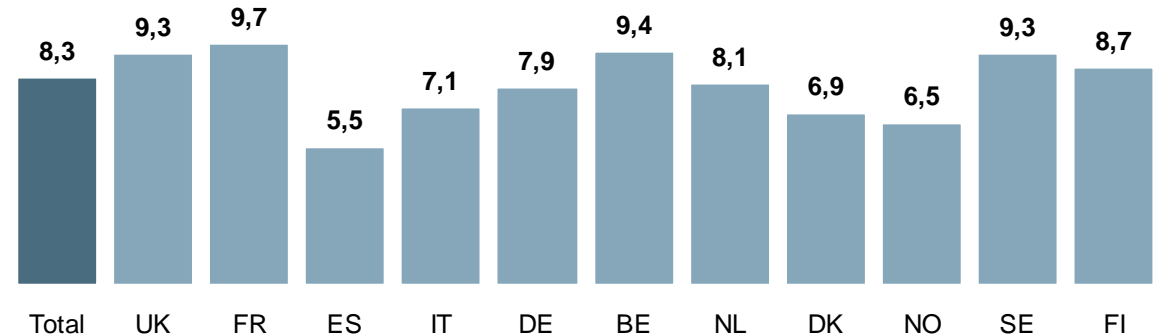
Source : Ducker Worldwide for IPAF

- Retention period is high in Europe as rental companies are less focused on the resale value of their equipment (than in the USA).
- “We have a “policy” to change the machines before the big inspection which comes in Finland when the lifts are 10 years old. This has been and is going to be the average period of time that we keep the machines.” (Finland)*

- “From six to 10 years - the trend is that the small scissors are changed more often when the bigger lifts are kept closer to 10 years .” (Finland)*
- “It depends on the machine type. Large expensive machines (worth 1,6 to 1,7 M euro) generally stay with us for nine to ten years until we have more or less paid for them. Smaller machines usually go after four-five years, but four is the absolute minimum.” (Germany)*

MEWP Retention Period - 2010

11 European countries under study

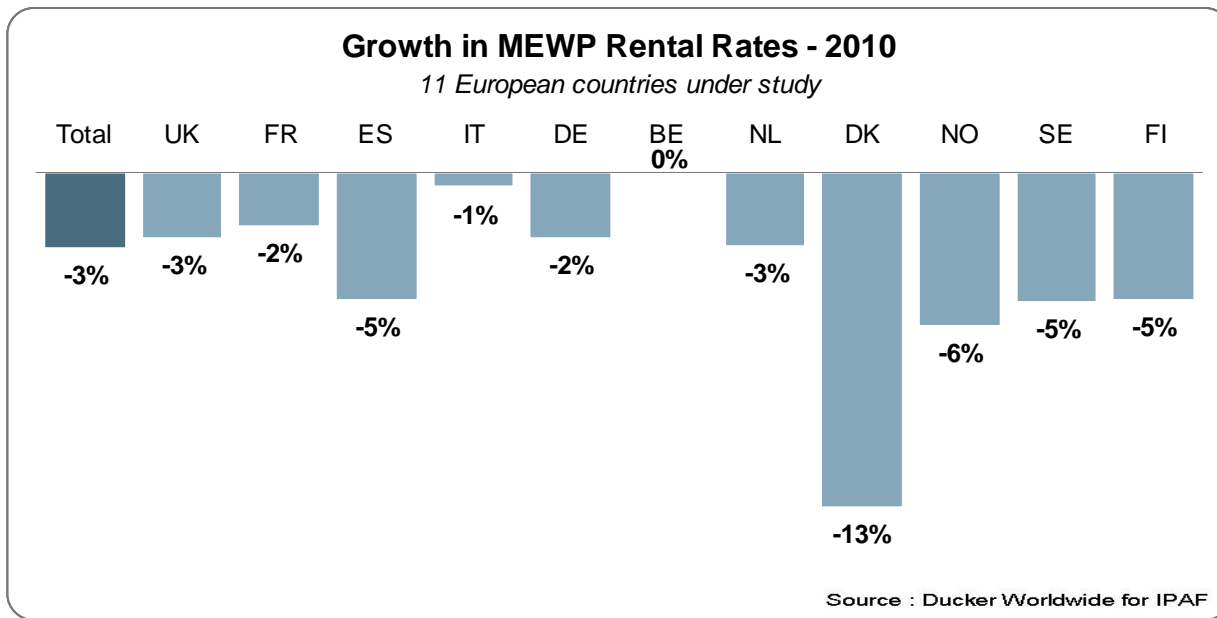


Source : Ducker Worldwide for IPAF

Rental Rates

Rental rates continued to decrease in 2010 (-3%), but at a much lower pace than in 2009 (-12%). Rental rates are expected to start increasing again in 2011.

- Rental rates continued to decrease especially in Nordic countries and Spain, where the construction industry has not yet recovered and companies have been forced to decrease rates in order to prevent drastic activity decline.



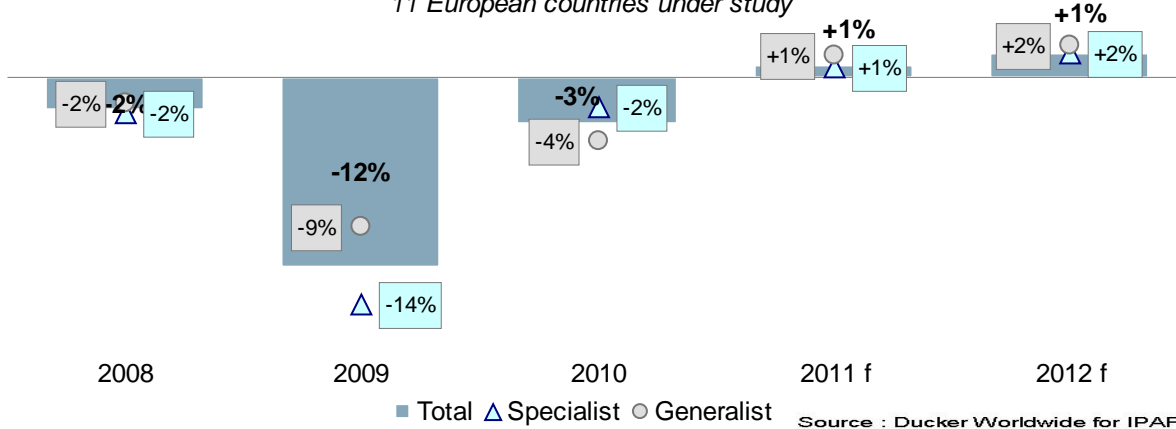
- “Prices have been going down drastically between 2008 and 2009. Prices should start to stabilise in 2011.” (Spain)*
- “I hope that rates will finally increase again in 2011 and 2012. I expect rental rates to slightly climb this year, but next year should see a real increase again.” (Germany)*
- “In 2010: the rental rates for booms decreased by 20% but the scissors rental rates remained stable.” (Finland)*

Rental Rates

Rental rates continued to decrease in 2010 (-3%), but at a much lower pace than in 2009 (-12%). Rental rates are expected to start increasing again in 2011.

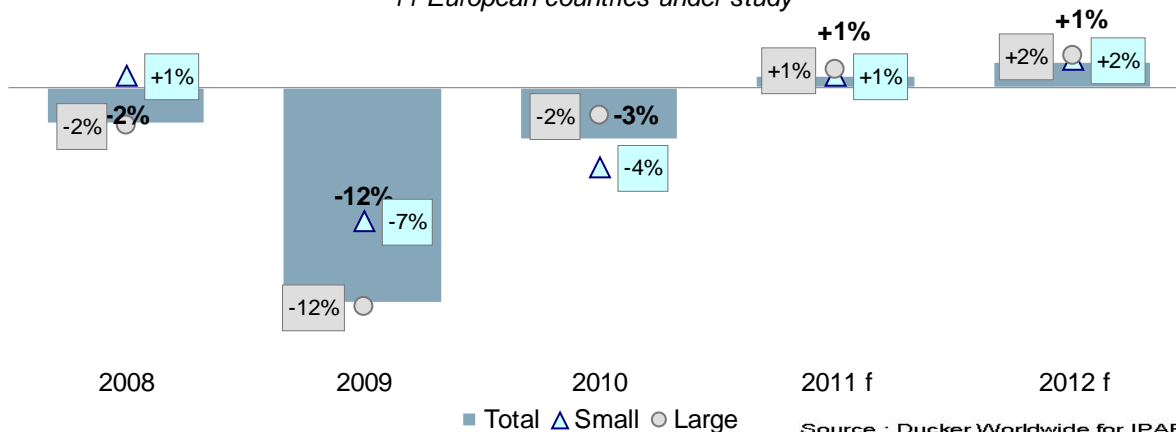
Total - Growth in MEWP Rental Rates

11 European countries under study



Total - Growth in MEWP Rental Rates

11 European countries under study



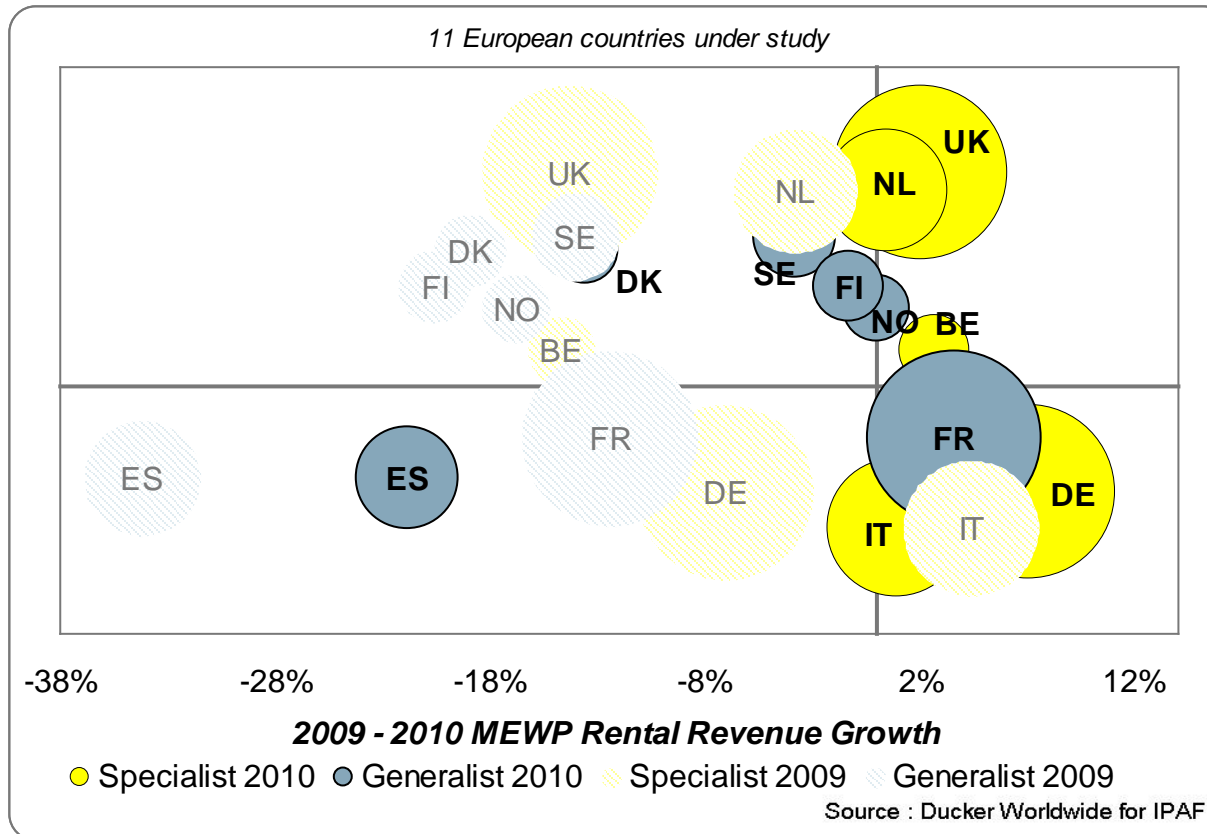
- ❑ The trend of declining rental rates started in 2008 as a result of an oversupply of equipment, peaked in 2009 and should end by 2012 if not 2011.
- ❑ Rental rates will increase in 2011 and 2012 driven by several factors:
 - The streamlining of the MEWP fleet in most European markets.
 - An overall growth of the end-market demand.
 - And more indirectly, as the equipment acquisition prices are expected to increase following the rising costs of raw materials.



Market Trends and Drivers

Market Maturity

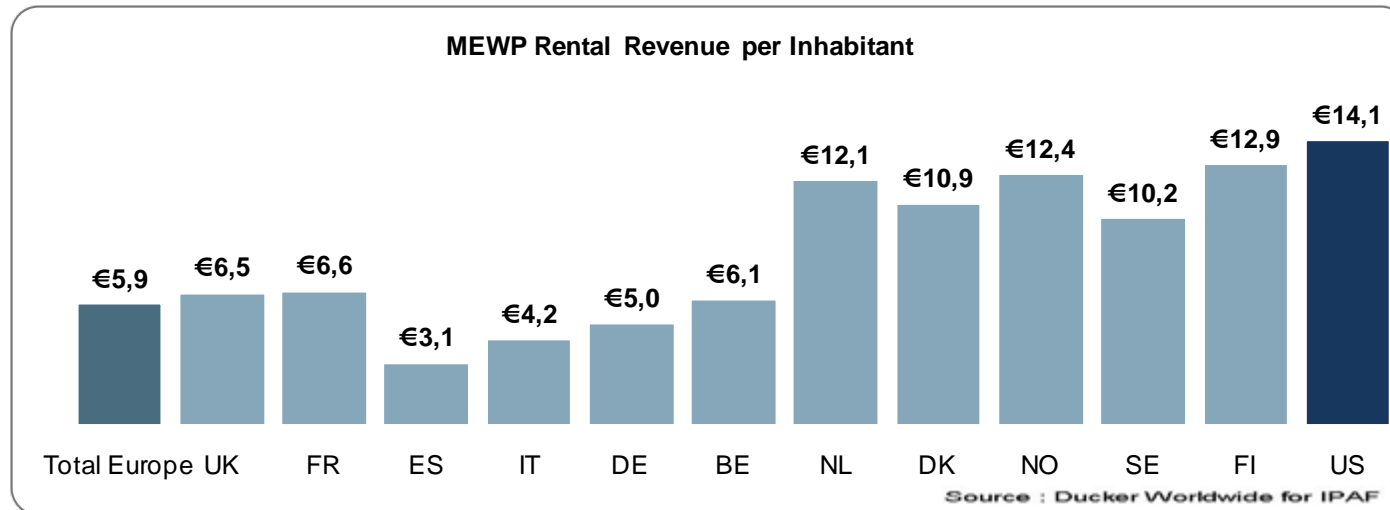
The chart below gives an overview of the European target countries based on their maturity level and on their 2010 MEWP rental revenue growth, the average being the European average.



- Europe displays significant differences between countries in terms of fleet mix, price levels or indeed the state of the construction industry and, accordingly, the impact on MEWP rental.
- In general, the markets dominated by specialist MEWP rental companies (Germany, UK, Benelux, Italy) were less affected by the crisis in 2009 and resumed faster growth in 2010.
- Spain and Denmark were affected by a continuous construction crisis and a fleet too large for the size of the market continuously struggled in 2010.

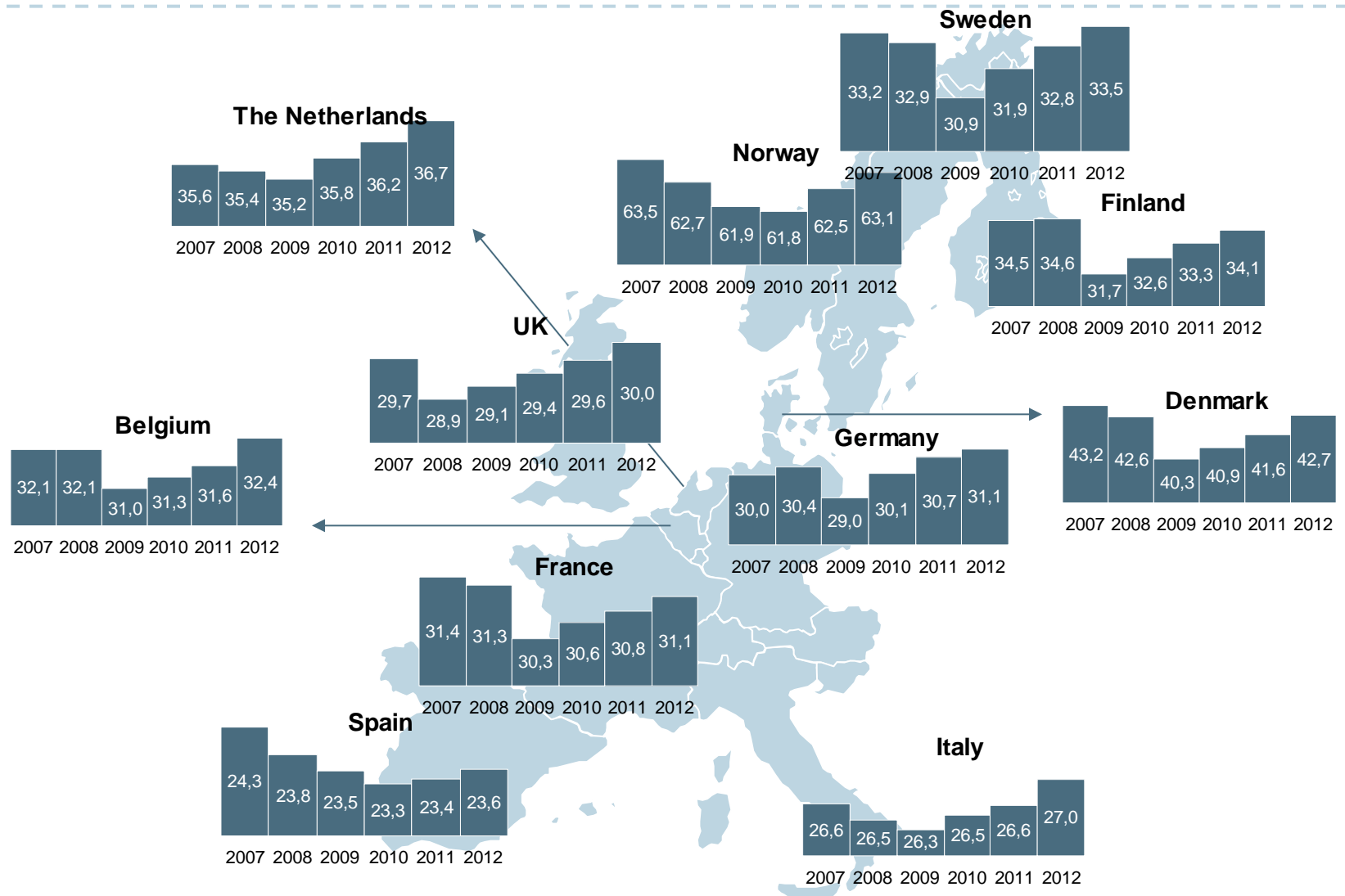
Country Population Penetration

MEWP rental revenue per inhabitant



Drivers

GDP per capita

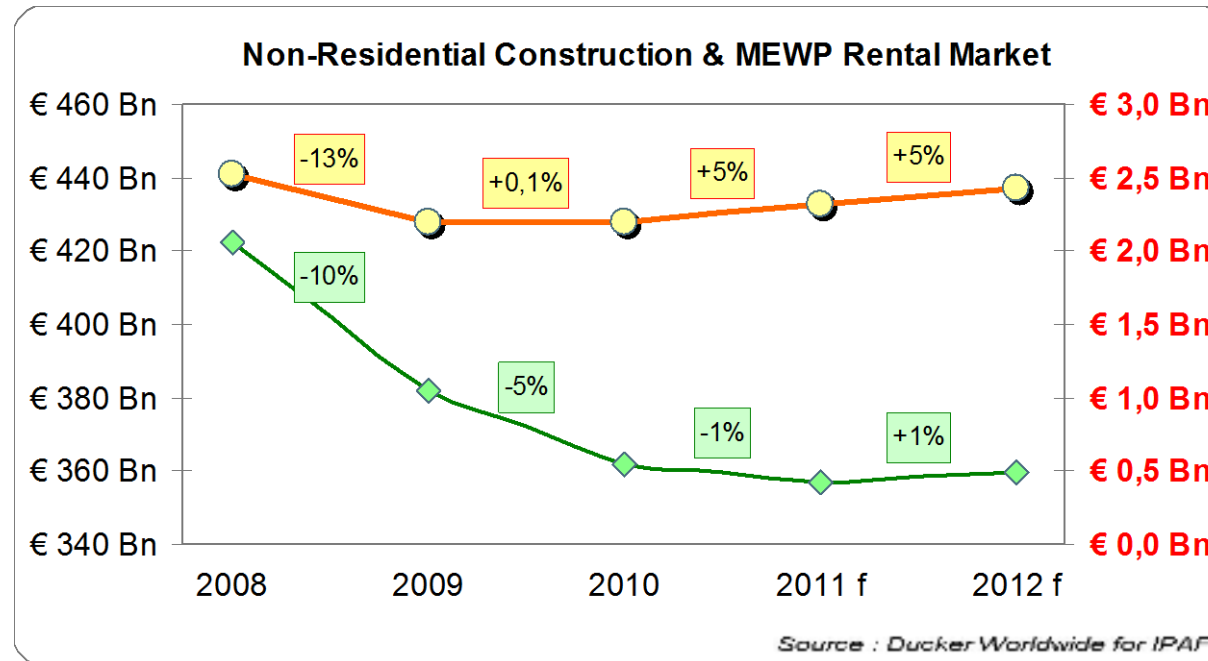


Thousand Euro at 2009 prices. Source: Ducker Worldwide for IPAF based on Euroconstruct 2010

Drivers – Construction

The MEWP rental market anticipates growth or decline of construction market: as a result it will decline or increase more strongly than the actual construction activity.

- “While most types of construction activity continued to decline in 2010, MEWP rental companies have been very successful in generating demand for their products and services in new market sectors unrelated to new construction.”



◆ Non-Residential Construction ● MEWP Rental Market

New non-residential construction put in place based on Euroconstruct 2010

Outlook

Progressively exiting a strong recession period, market players anticipate the following trends in the European MEWP markets.

Market concentration

- In 2010, no major movements were noticed in the MEWP rental markets. However, consolidation amongst MEWP rental companies is expected in 2011.

Activity diversification

- Building maintenance, events:
 - As mature markets now have more limited new construction potential, it is important for rental companies to continue to develop new applications.

Fleet specialisation

- Niche products for special applications:
 - Higher lifting capacity, higher reach capacities.

Superior service

- Flexibility, availability, proximity, fast on-site deliveries, operator rental.

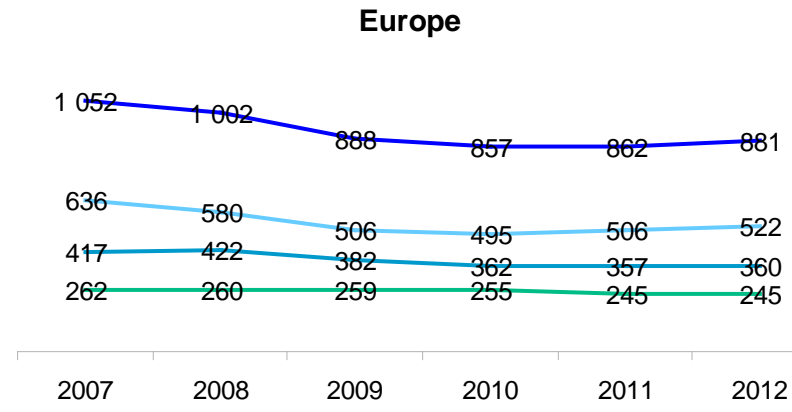
Need for education

- Education of end-users on product advantages vs. competing solutions.
- Operator training in order to increase safety.



Appendix

Construction Statistics



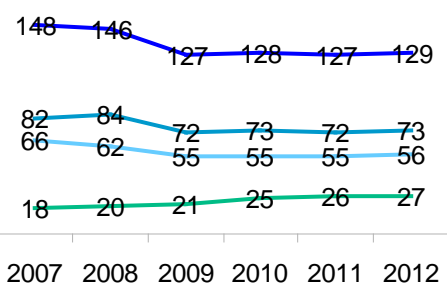
Total construction (new and renovation), thousand million Euros at 2010 prices.
 Source: Ducker Worldwide for IPAF based on Euroconstruct 2010

- Residential construction
- Non-residential construction
- Total construction
- Civil engineering

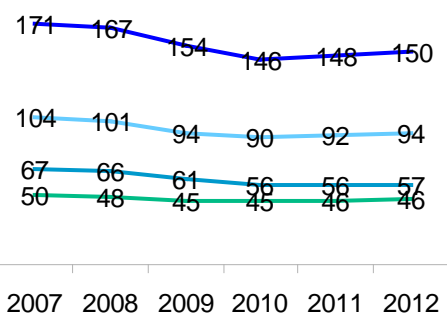


Construction Statistics

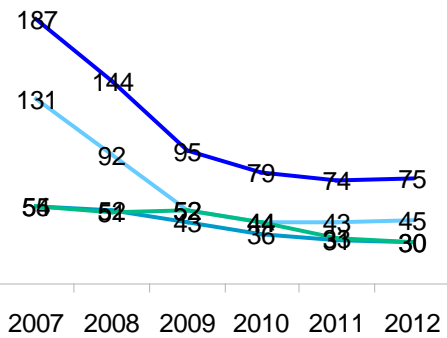
UK



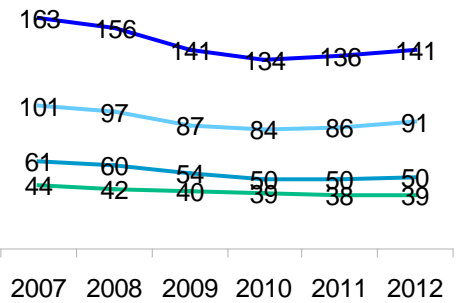
France



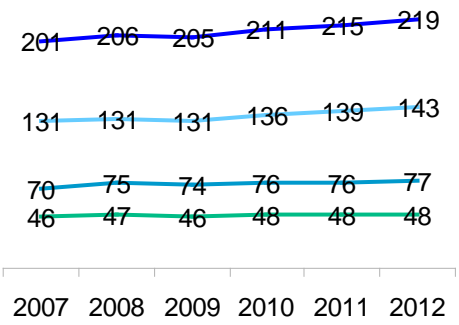
Spain



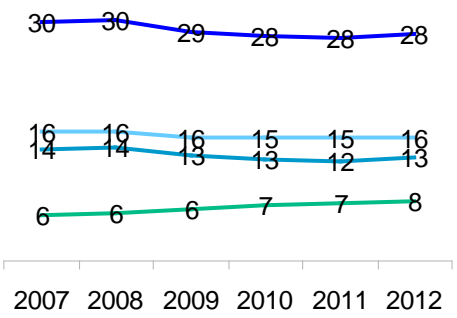
Italy



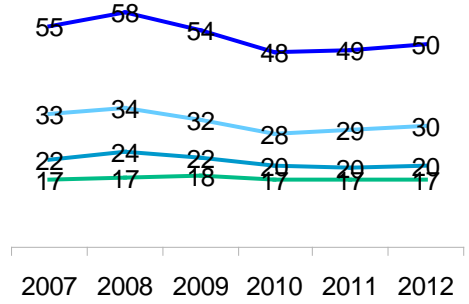
Germany



Belgium



The Netherlands

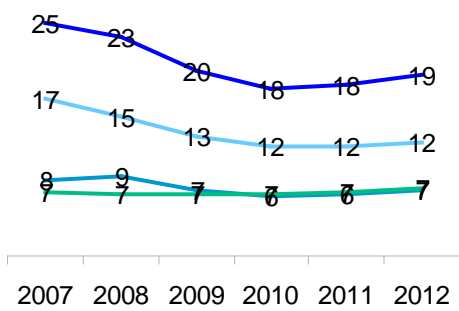


- Residential construction
- Non-residential construction
- Total construction
- Civil engineering

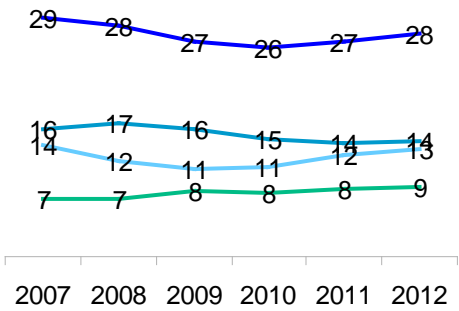


Construction Statistics

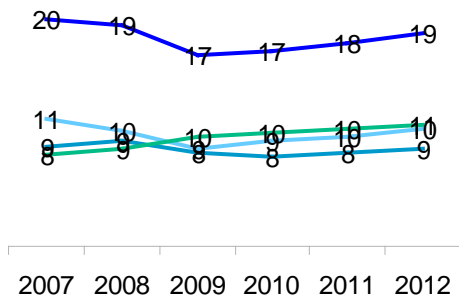
Denmark



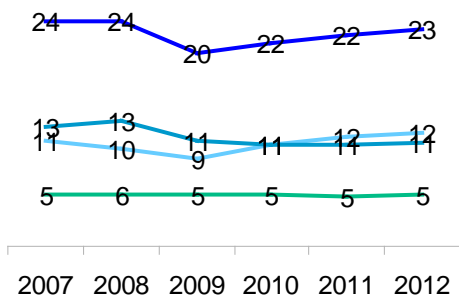
Norway



Sweden



Finland



- Residential construction
- Non-residential construction
- Total construction
- Civil engineering

TRANSPORTATION ✦ CONSTRUCTION ✦ INDUSTRIAL ✦ MATERIALS ✦ FINANCIAL

I^{PAF} Powered Access Rental Report – Benelux

Final Report

May 2011



DUCKER WORLDWIDE

Prepared for:

The International Powered Access Federation

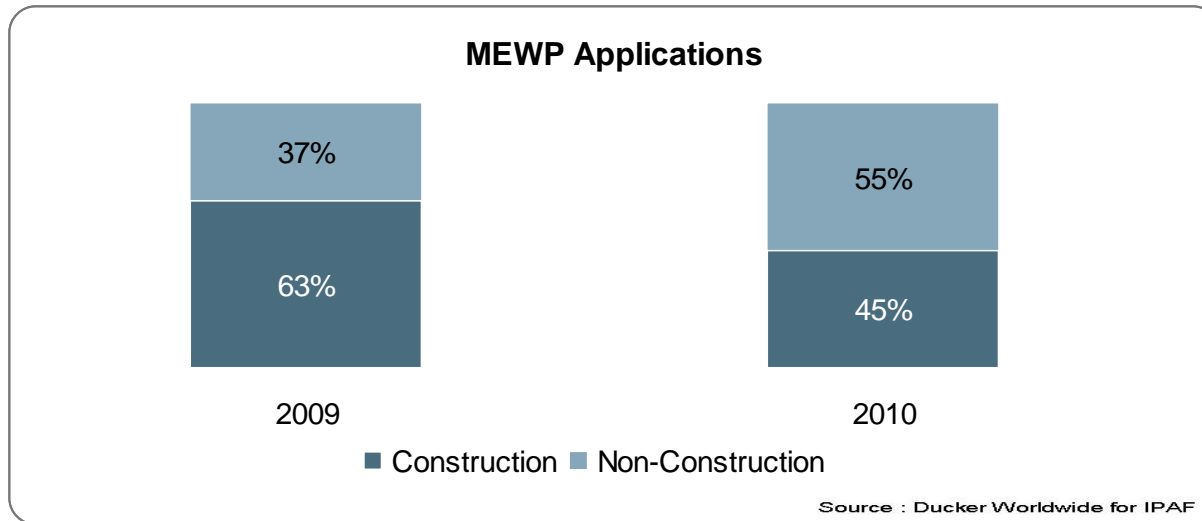


Key Findings

- ❑ While the Belgian MEWP market is still relatively young, with high growth potential, the Dutch MEWP market is one of the most mature of the 11 countries under study.
- ❑ The Benelux MEWP market represents approximately €270M, showing slight growth in 2009 (+1%). Market growth is expected to accelerate in the coming years reaching +10% in 2012, to around €300M.
- ❑ Fleet growth resumed in 2010 and will continue in the next few years (+4%), but at a slow pace (single digit growth). While Belgian rental companies are expected to expand MEWP fleets in the near future, Dutch companies will limit fleet development as the market is already mature.
 - No major differences in terms of fleet mix are expected, however, several Dutch rental companies report an increase in boom usage, due to an increase in larger projects.
- ❑ With the continuing economic recovery, utilisation rates are said to be improving, especially in the Netherlands, and remain amongst the highest compared to other European countries.
 - In the Netherlands, the market maturity and rental company professionalism has led to optimised fleet management and higher utilisation rates.
- ❑ While rental rates continued to decrease in 2010 compared to 2009, primarily to allow for high utilisation rates, prices are expected to remain stable in the coming years. No price increase is forecast by market players.

Applications and Drivers

Compared to 2009, rental companies in Benelux have made strong efforts to diversify their activities in order to reduce risks.



Share of rental revenues

- While the Netherlands has always been a country showing a high penetration of MEWPs in non-construction applications (58%), this trend increased strongly in Belgium in 2010.

Non-construction includes property care, maintenance, cleaning, utilities, events.

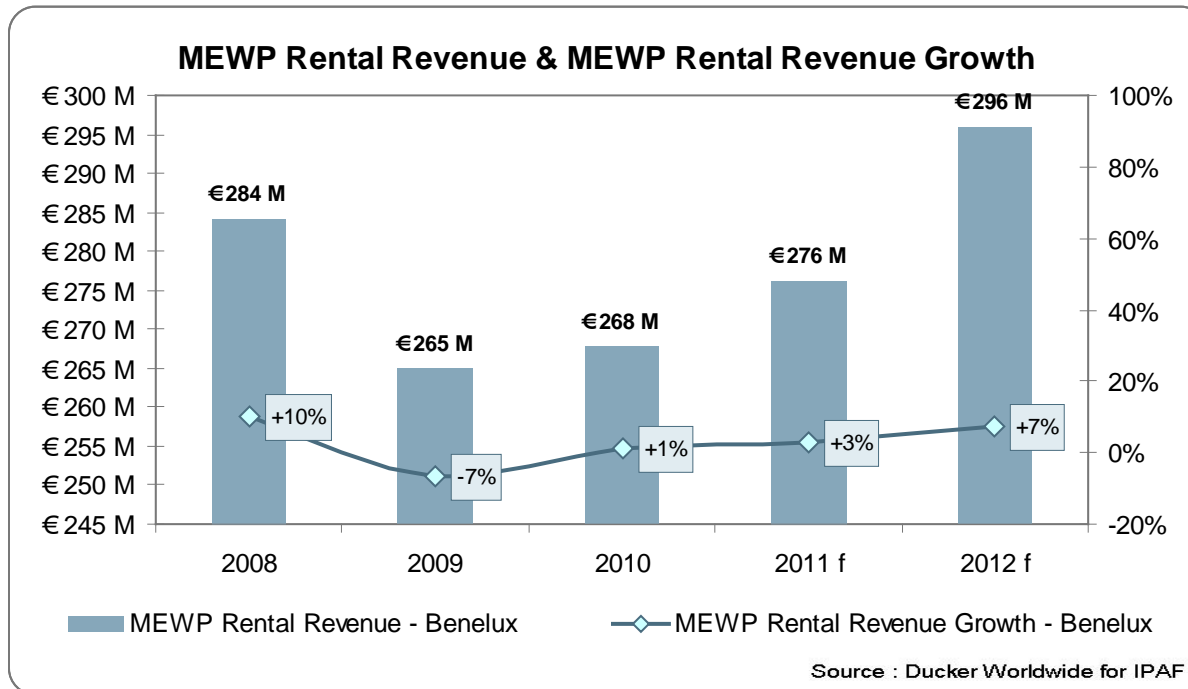
Construction includes new build and renovation; including all types of buildings, also industrial.

	Business Lines - Benelux
Equipment rental	68%
Sales of used rental equipment	6%
Construction equipment sales	7%
Other	18%

Other includes training, maintenance and repair, offshore work.

Market Size and Dynamics

In 2010, rental companies in Benelux report a slight growth of their activity. Pre-recession revenue level is expected to be exceeded by 2012.



2010 Average share of revenue from cross hiring = 5%

- “We try to rent to other rental companies as little as possible but it gives us more flexibility to do a little business this way.” – Netherlands

- While the Dutch market performed relatively well in the economic recession of 2009, Belgium was strongly affected. Both countries experienced a slight rebound of the MEWP market in 2010.
- The growth trend is expected to continue with a single digit growth forecast for the next two years in both countries.

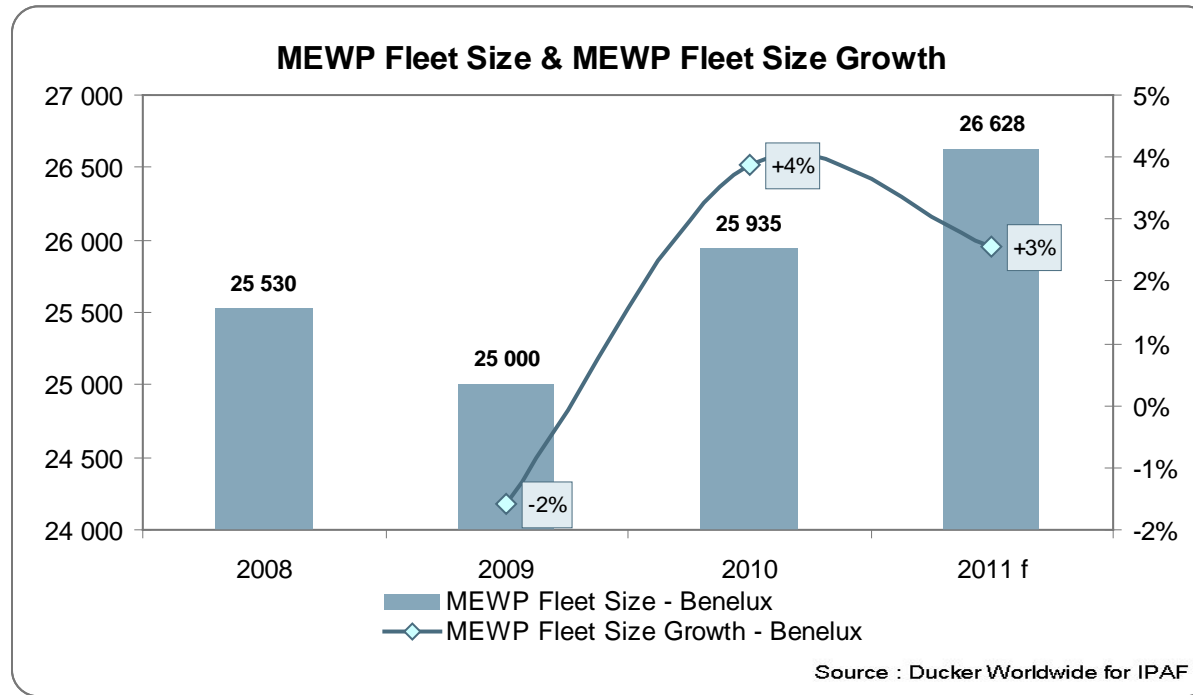
• “After some bad years, things have started to get better during 2010, hopefully this will continue.” – Netherlands

• “I think the Belgian market started to increase in 2010.” – Belgium

Market Size and Dynamics

In 2010, the Benelux MEWP fleet increased by 4%. Fleet growth is expected to continue in the next few years at a slow but regular pace.

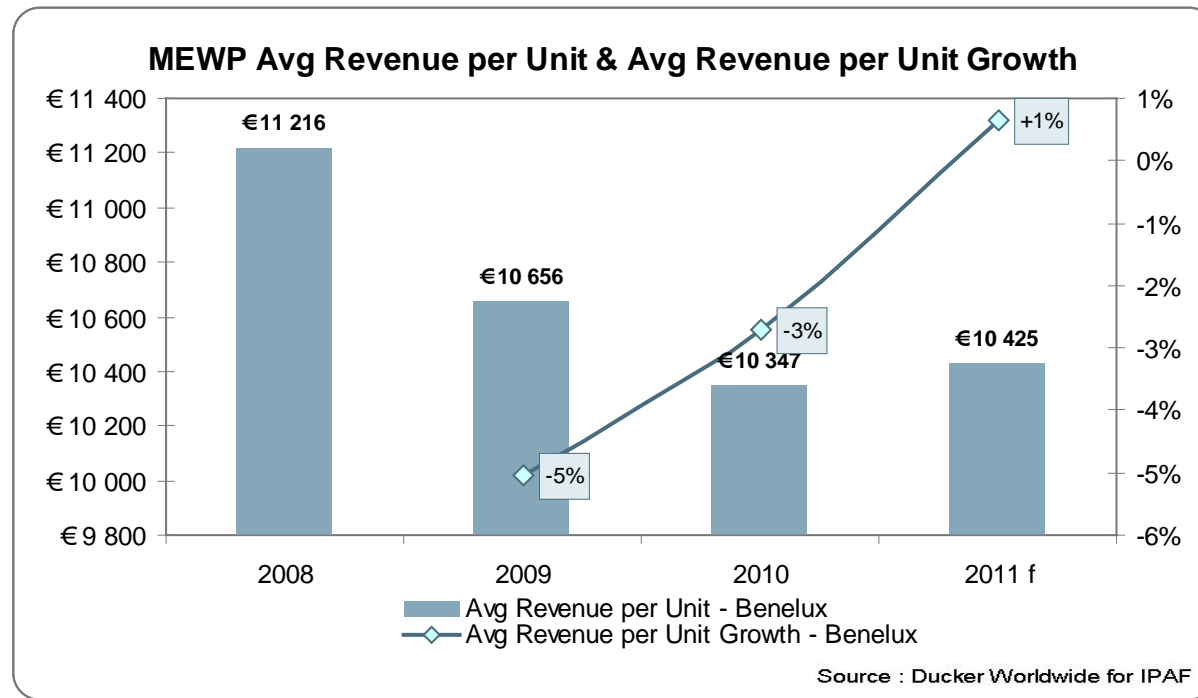
- Fleet increased more rapidly in the Netherlands (+5%) than in Belgium (+1%). This can be explained by the fact that Belgian companies are less confident than their Dutch counterparts. The Belgians experienced a much stronger downturn in 2009, and are still recovering.



Market Size and Dynamics

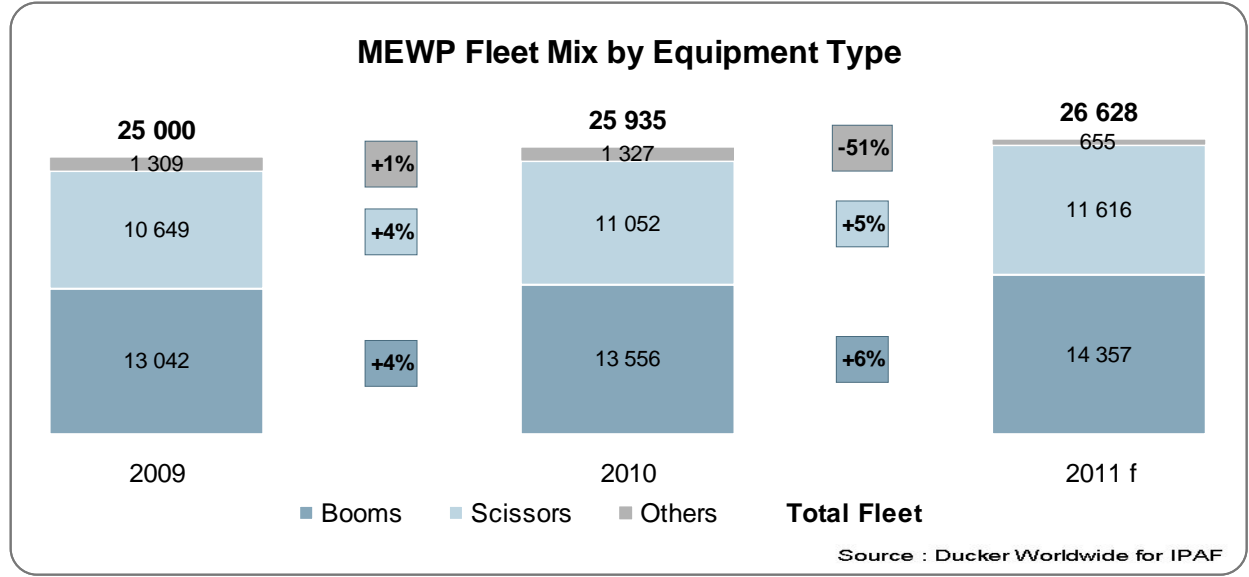
The Benelux revenue per unit decreased in 2010, primarily due to the continuous price pressure experienced by rental companies.

- The Dutch rental fleet is characterised by a high share of specialised machines, which explains the high revenue per unit (€10 640 per unit). In Belgium, the average revenue per unit (€9 464) is closer to the average of the 11 European countries under study.



Market Size and Dynamics

Fleet composition in Benelux has not changed much compared to 2009 and is not expected to change in 2011. Booms will continue to represent slightly more than half of the MEWP market.



- “Due to changes in the market proportionally more boom lifts will be bought. There has been more demand for these machines for the last couple of years.” – Netherlands
- “Due to an increase of large projects the demand of boom lifts has become proportionately larger.” - Netherlands

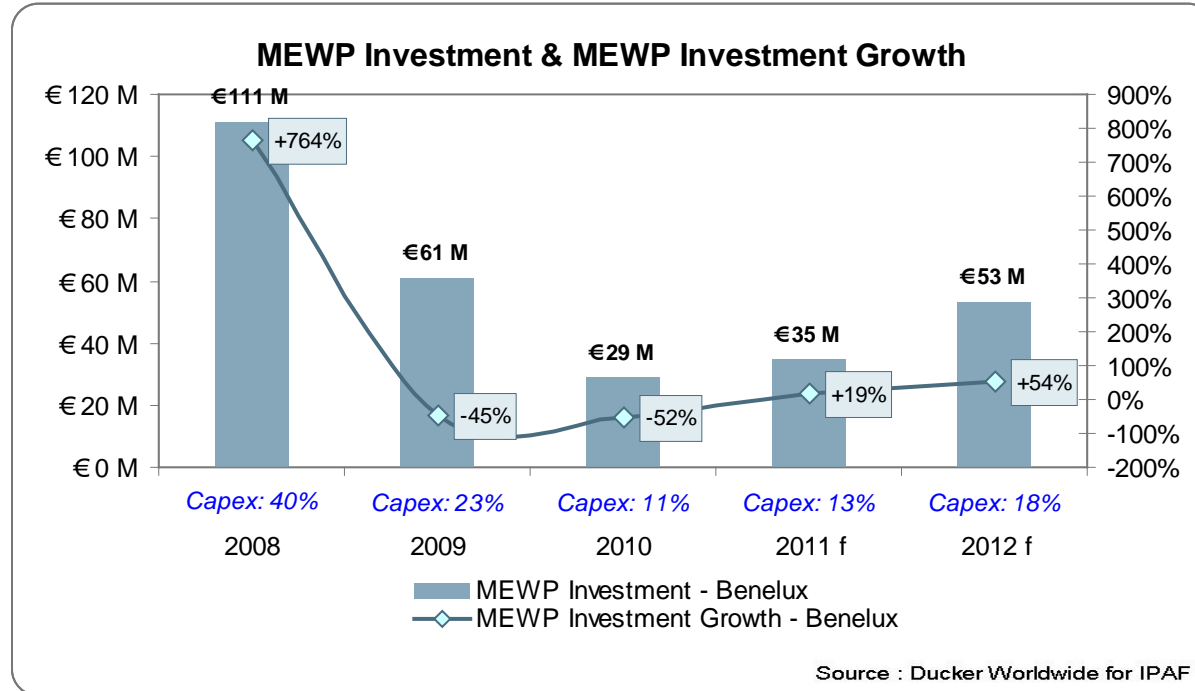
Truck-mounted machines are included in the data for booms.

“Others” include personal lifts

+X% % unit growth

Investments

In 2010, Dutch rental companies continued to reduce their investments compared to 2009, while Belgian companies invested massively in order to renew their fleets.



- ❑ In Belgium, 2011 investments will reach pre-recession levels (€12M) and continue to grow in the coming years.
- ❑ However, in the Netherlands, investments are expected to remain at a much lower level than in 2008 (not more than €30M/year). This is explained by the fact that the Dutch market is one of the most mature European markets, with the UK (11 countries under study).

Capex = % of MEWP revenue invested in new equipment for rent.

2010 average unit replacement value = 32 217 €

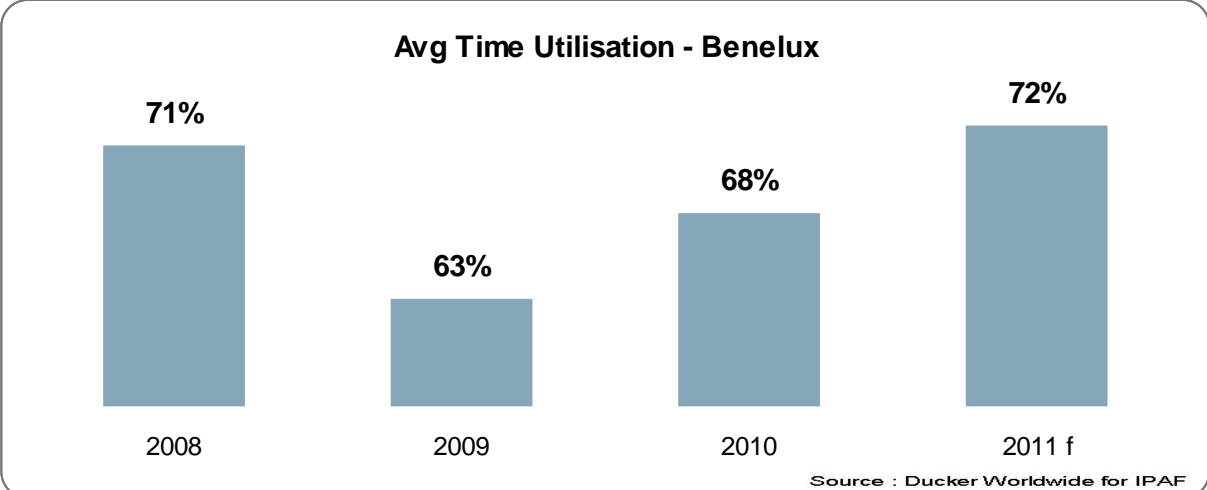
Weighted average calculated with the stated fleet replacement value divided by the number of machines in the fleet.

2010 average return on investment = 2.9 years

Weighted average calculated with the inventory at the price of new divided by the rental revenue (minus cross-hiring and services).

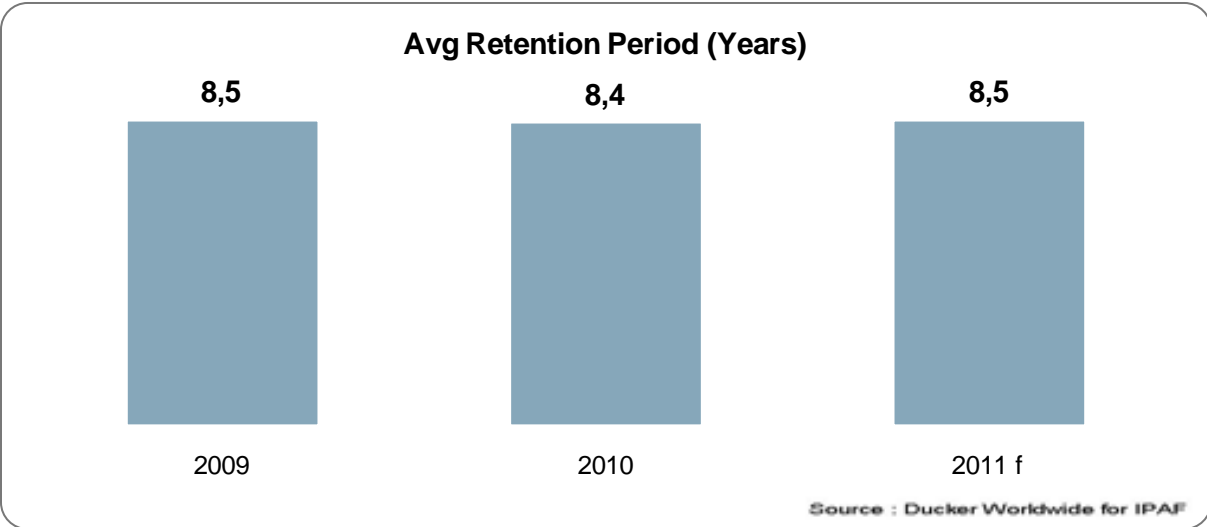
Operational Aspects

Utilisation time increased significantly in 2010 in Benelux primarily due to continuous price pressure.



- “Scissor lifts will have smaller utilisation rate, due to less smaller projects (general shift in market demand).” – Netherlands
- “Scissor lifts, which are more commonly used on construction sites are hired less than other lifts.” – Netherlands

Definition: Physical number of machines out on hire as % of total number in fleet at any given time.

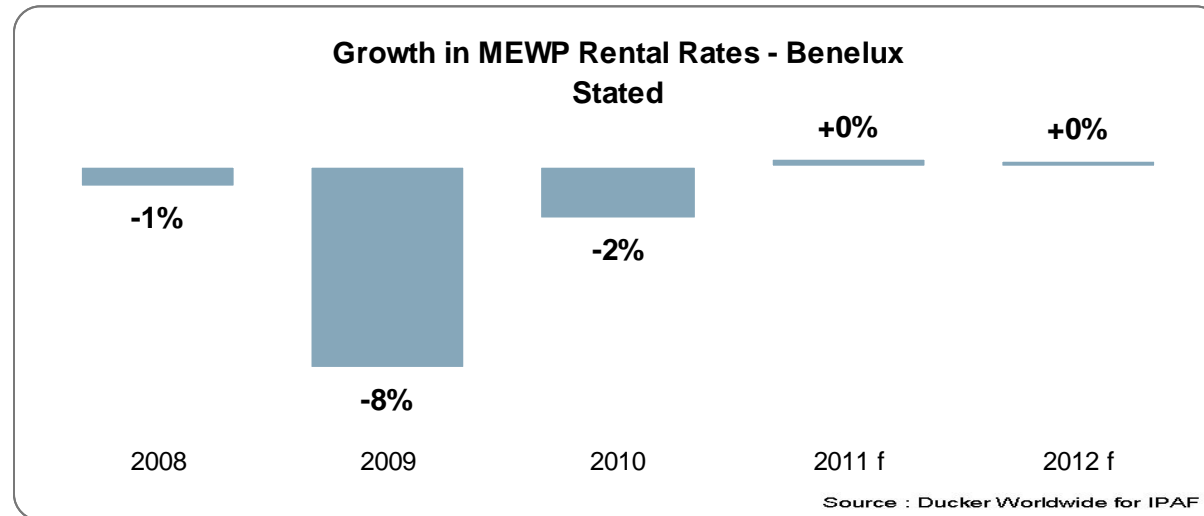


8.4 = 8 years and 4 months

Definition: Period of time that a machine is kept in fleet = selling age if acquired new

Rental Rates

Rental rate pressure continued in 2010 in Benelux. Price stabilisation is expected in 2011, but no significant price increase is forecast by rental companies in the near future.



Future Trends

- ❑ The MEWP market in Benelux is expected to consolidate in the near future, with larger companies taking over smaller ones.
 - Small companies, especially in Belgian are expected to experience financial problems, as the effect of the recession can be delayed.
- ❑ The Belgian MEWP market will continue to grow slightly in the next few years, while the Dutch market, as a more mature market, is likely to experience limited expansion in years to come.
- ❑ Rental companies in Benelux are trying to develop better services and client proximity in order to increase customer loyalty.



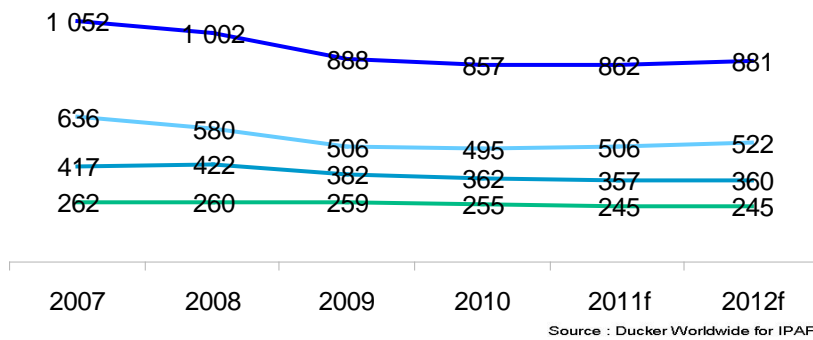
Appendix

Definitions

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 - Includes for example: machine rental rates, machine repair, support (e.g. fuel services), transportation/delivery, training, insurance, operator charges.
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- ❑ **Specialists vs. Generalists:**
 - For specialists: MEWP accounts for more than 50% of total rental revenue.
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- ❑ **MEWP inventory:**
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- ❑ **Retention period:**
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- ❑ **Rental rate: corresponds more to net prices than list prices. Directly linked to the rental revenue**
 - The euro amount that customer agrees to pay for possession and use of a machine.

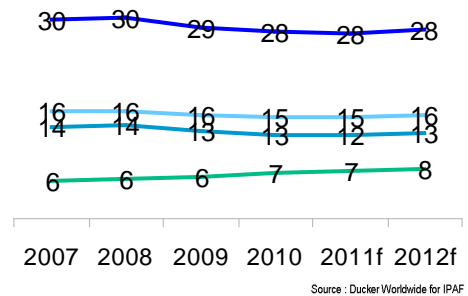
Construction Statistics

Europe

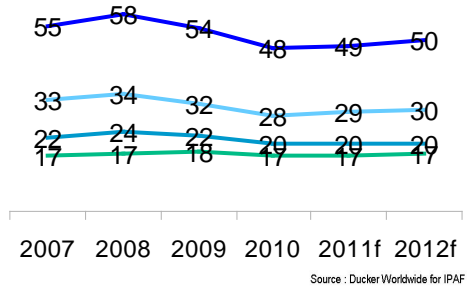


- Residential construction
- Non-residential construction
- Total construction
- Civil engineering

Belgium



The Netherlands



TRANSPORTATION ✦ CONSTRUCTION ✦ INDUSTRIAL ✦ MATERIALS ✦ FINANCIAL

IPAF Powered Access Rental Report – France

Final Report

May 2011



DUCKER WORLDWIDE

Prepared for:
The International Powered Access Federation

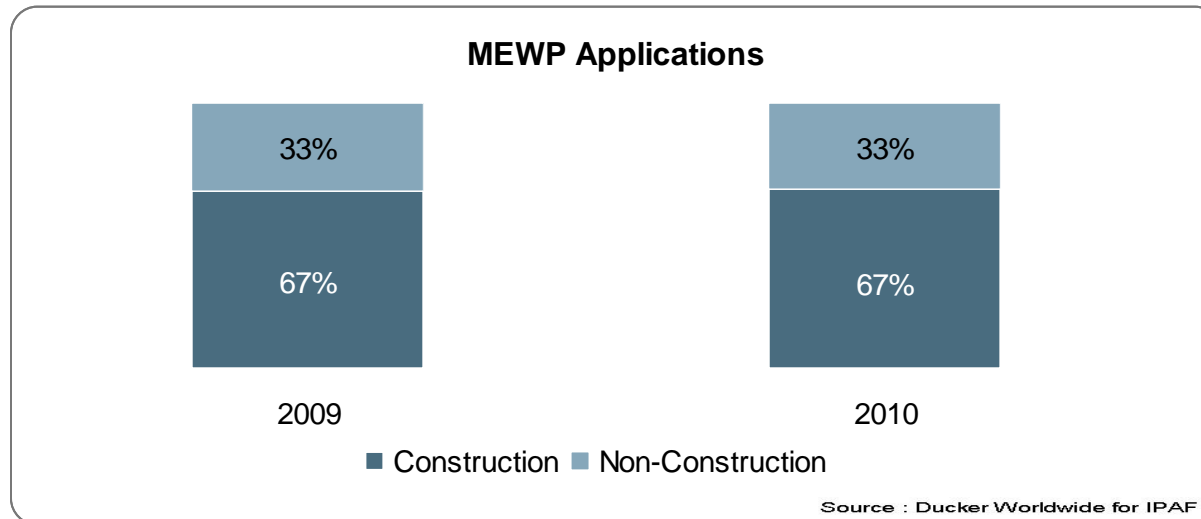


Key Findings

- ❑ In France, three main players represent more than a third of the overall market.
- ❑ France is not yet a mature market concerning MEWP penetration and growth potential still exists.
- ❑ The MEWP market was one of contrasts in 2010 in France, with a catastrophic first half year but with a noticeable improvement in rental activity during the second half of the year.
- ❑ However, in 2010, the MEWP market still experienced a slight growth (+4%), which is expected to continue in the next few years.
- ❑ In addition, most indicators improved compared to 2009:
 - Fleet size increased in 2010 and is expected to exceed the 2008 level as early as 2011.
 - Investment levels increased relatively strongly in 2010 and will remain at the same level in the coming years.
 - Time utilisation reached 60% in 2010 and will remain at this level in 2011.
- ❑ While pressure in rental rates continued in 2010, a slight rental rate growth is expected (+3%) in 2011.

Applications and Drivers

In France, approximately two thirds of the MEWP rental revenue comes from the construction industry. This has not changed, despite the construction recession in 2009.



Share of rental revenues

Non-construction includes industry, maintenance, cleaning, utilities, events.

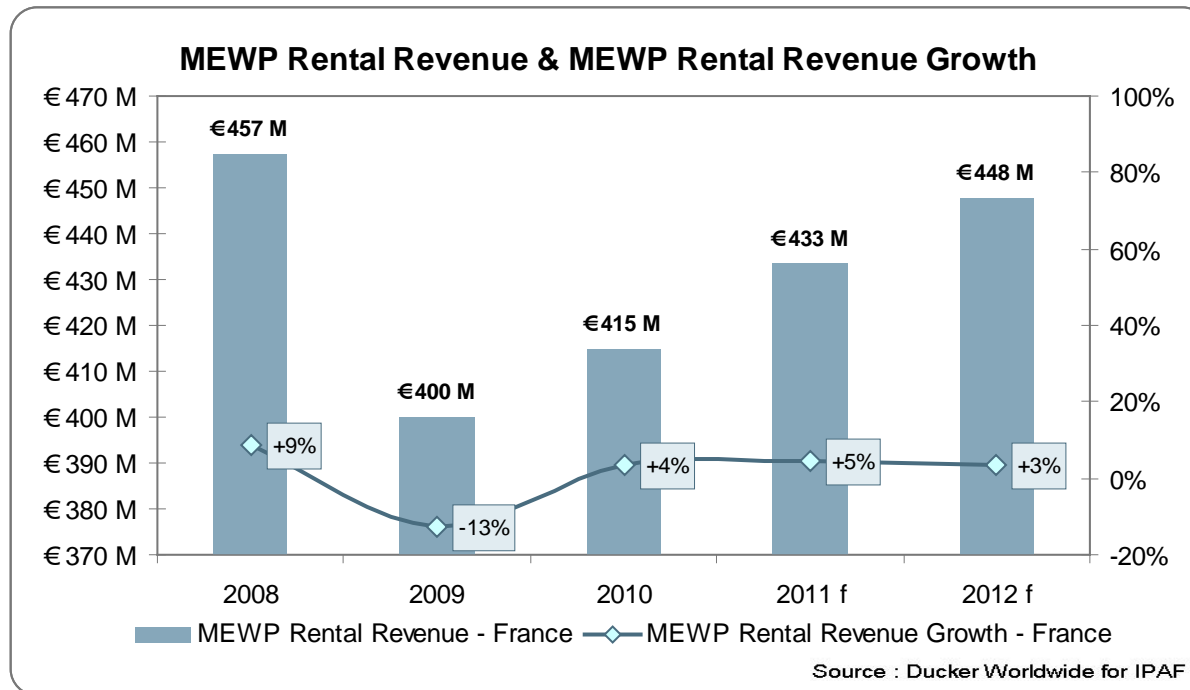
Construction includes new build and renovation; including all types of buildings, also industrial.

	Business Lines - France
Equipment rental	78%
Sales of used rental equipment	1%
Construction equipment sales	1%
Other	20%

Other includes training, maintenance and repair, offshore work, rental of other equipment.

Market Size and Dynamics

The French MEWP market resumed growth in 2010 (+4%). While a continuous increase is expected in the coming years, rental companies are cautious and forecast limited market growth in 2011 and 2012, following the slow recovery of the construction market.

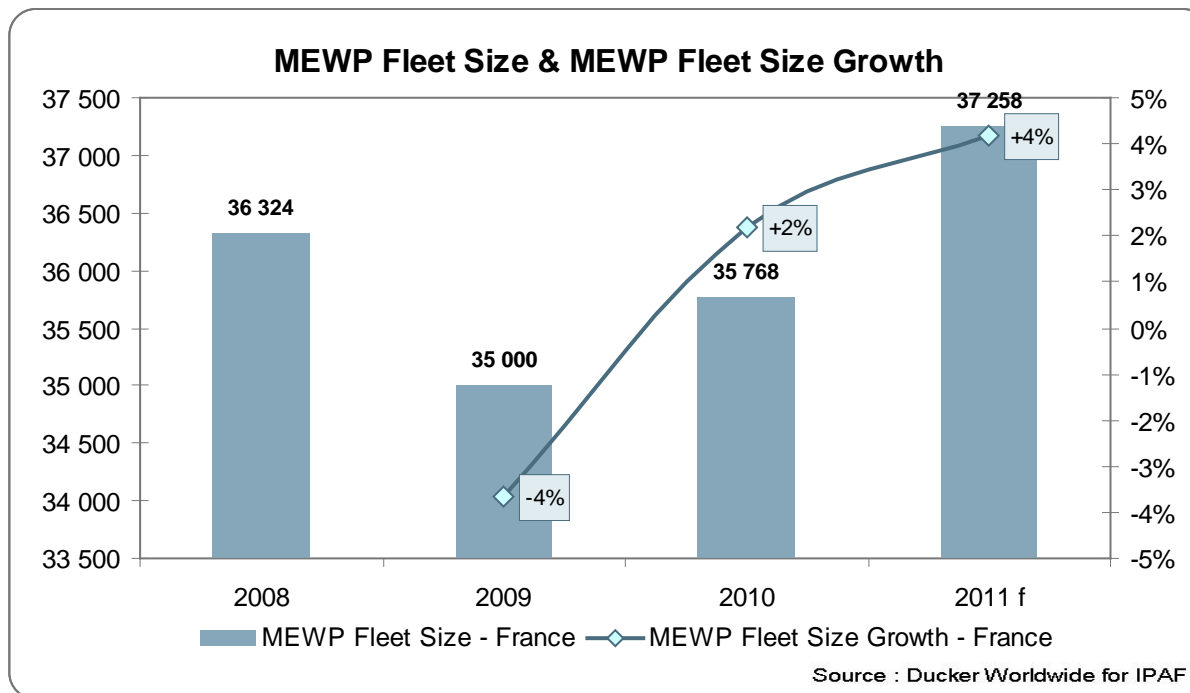


- “Activity increased but prices decreased, so overall, our revenues grew slowly.”
- “2010 was a recovery year. We did not have great profit, but it was necessary to start 2011 in good conditions.”
- “The market is going up again, there are no reasons for that to stop.”

2010 Average share of revenue from cross hiring = 2%

Market Size and Dynamics

French rental companies began to increase slightly the size of MEWP fleets. The MEWP fleet is expected to exceed 2008 levels by 2011.



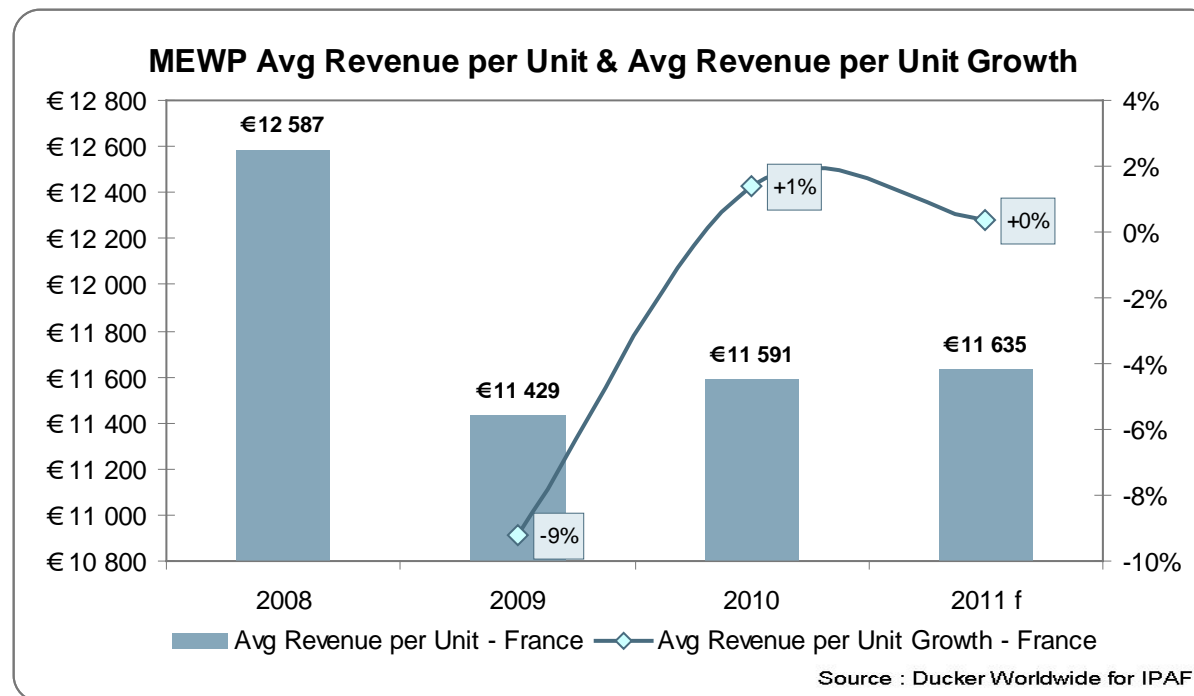
□ French rental companies explain that they prefer to wait a few years to observe market evolution before deciding to increase investments significantly.

- *“Right now we do not want to buy new machines. We’ll wait for real market recovery and then we’ll see.”*
- *“We want to wait and see how the economic situation will evolve.”*

Market Size and Dynamics

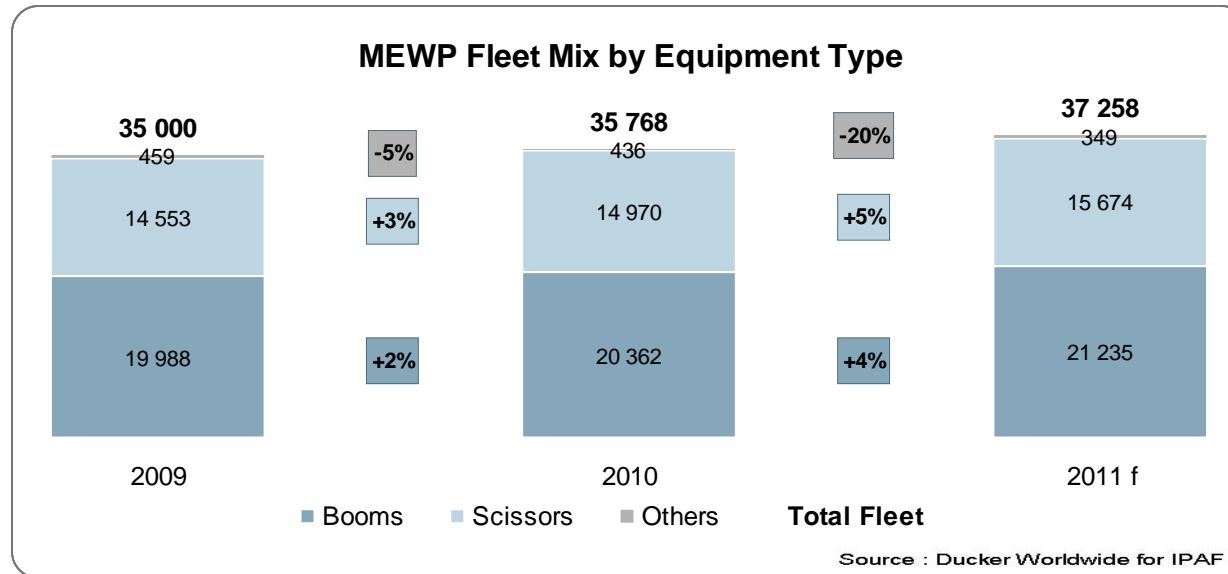
As revenue grew more rapidly than fleet size, the average revenue per unit in France increased slightly in 2010.

- However, in 2010 companies continued to experience price pressure. In 2011 the increase in fleet size will compensate for the forecasted slight price increase so the average revenue per unit will remain relatively stable.



Market Size and Dynamics

Fleet composition is expected to remain stable in the next few years. No specific trends are reported by rental companies.



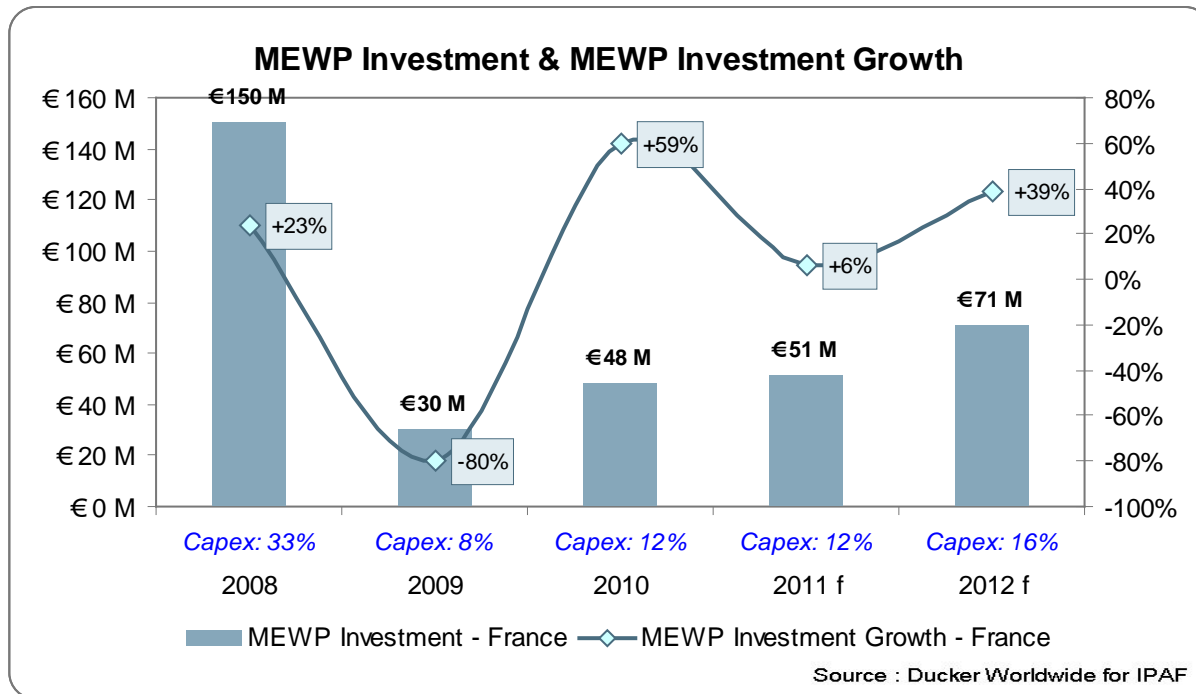
Truck-mounted machines are included in the data for booms

“Others” include personal lifts

+X% % unit growth

Investments

MEWP investments increased in 2010, however pre-recession levels are not expected to be reached within the next few years. Rental companies will continue to be very cautious in 2011 and 2012.



□ The majority of investments made in 2010 concerned fleet replacement.

- “What we invested in 2010 was only for replacement.”
- “The only budget we’ll have will be for maintenance. We’ll evaluate the situation at the end of 2011.”

Capex = % of MEWP revenue invested in new equipment for rent.

2010 average unit replacement value = 36 474 €

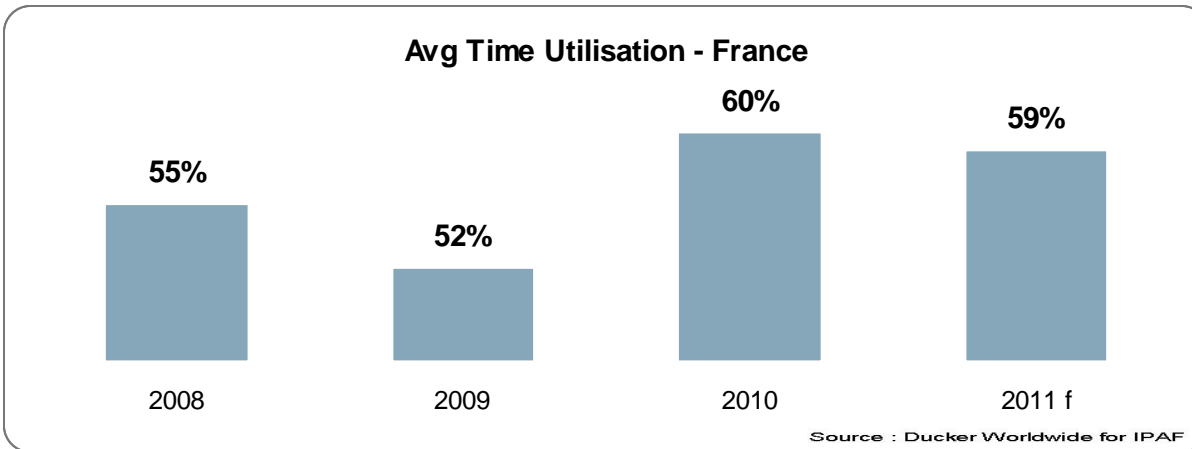
Weighted average calculated with the stated fleet replacement value divided by the number of machines in the fleet.

2010 average return on investment = 5.1 years

Weighted average calculated with the inventory at the price of new divided by the rental revenue (minus cross-hiring and services).

Operational Aspects

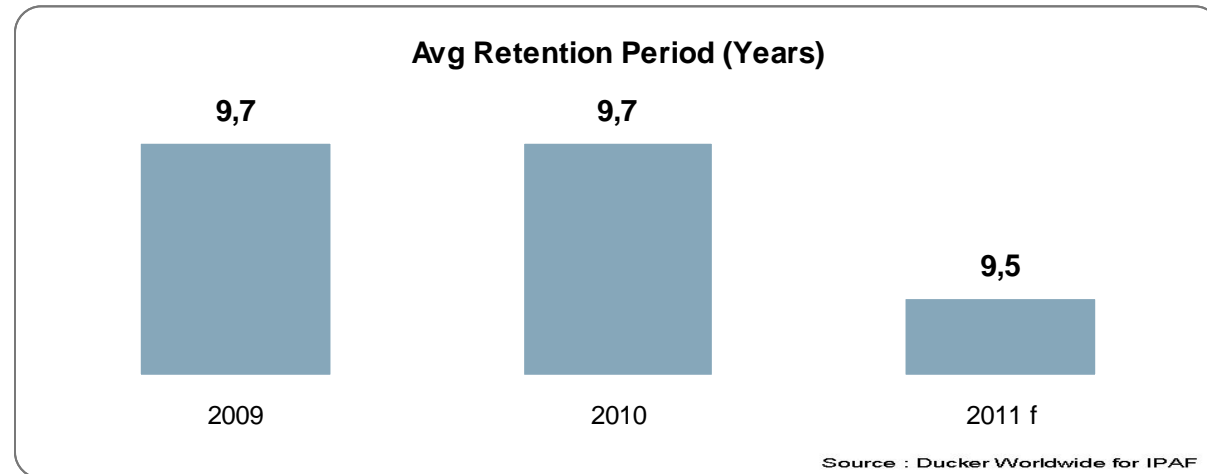
Utilisation rates increased strongly in France compared to 2009, probably driven by the continuous decrease in rental rates.



☐ France is the country where the retention period is the highest compared to the 10 other countries under study. Regular maintenance is carried out in order to keep machines in good condition for longer.

Definition: Physical number of machines out on hire as % of total number in fleet at any given time.

- “In normal times, the retention period is 10 years. During recession, it’s more 12 to 13 years.”
- “Rental companies keep their machines longer. The fleet is ageing. These companies have no choice but to wait for the bank approval to get financing.”

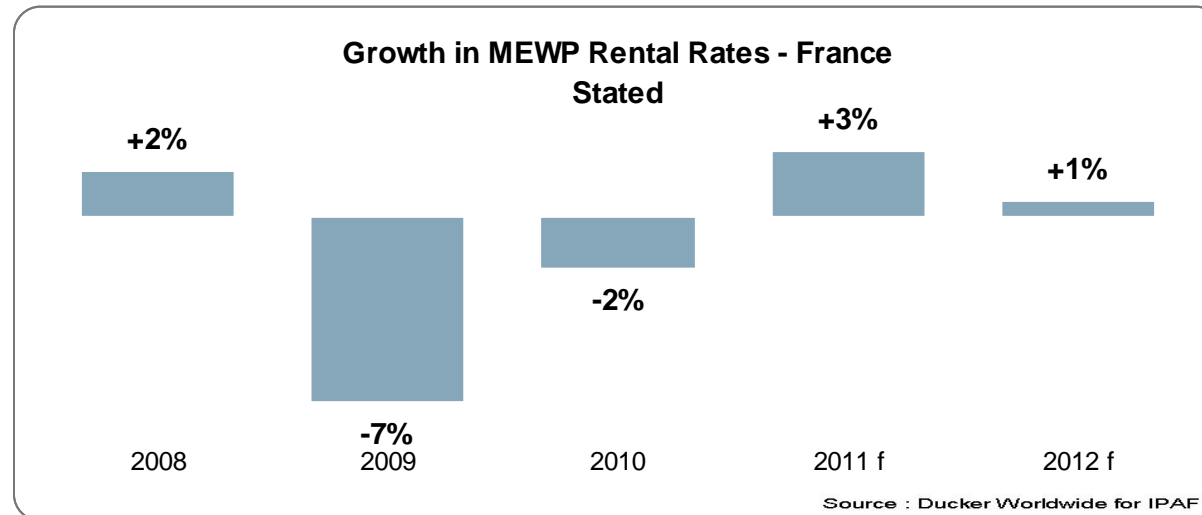


9.7 = 9 years and 7 months

Definition: Period of time that a machine is kept in fleet = selling age if acquired new

Rental Rates

Rental rates experienced a slight continuous decrease in 2010. They are expected to stabilise in 2011 and start to rise slowly in 2012.



- *“In 2010, there has not been any rate increase. In 2010 we wanted to increase our activity, to catch up from 2009. In order to do so, we could not increase the rental rates.”*
- *“What is at stake is the increase in rental rates, in order to get out of the recession, and start investing again.”*

Future Trends

- ❑ Market players in France are cautious in forecasting the evolution of the MEWP market. Most of them do not expect the market to reach 2007/2008 levels before 2014.
- ❑ There is a strong trend towards concentration of the MEWP market. Large companies are starting to acquire small ones, who have been struggling to maintain business because of decreasing rental rates.
- ❑ However, France remains a young MEWP market, with an important development potential.
 - There is a need to train and educate end-users in France, to maximise and optimise MEWP utilisation. This would allow better business practices.
 - The development of environmentally friendly applications (photovoltaic, wind, etc.) could lead to more business potential.
- ❑ Manufacturers tend to consider that the future of the MEWP market depends on specialised machines. They believe that rental companies will make a difference by being able to offer specialist machines: different lifting capacity, height, etc.
 - In this highly competitive market, another way for a rental company to differentiate itself is to offer good service.

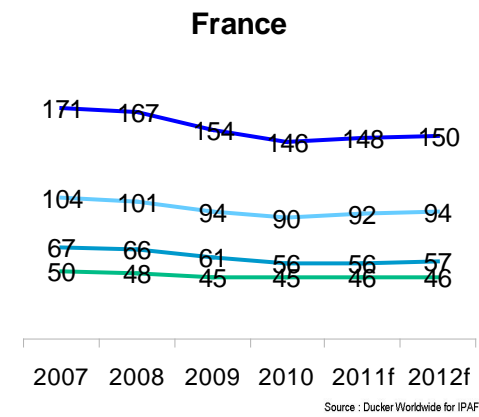
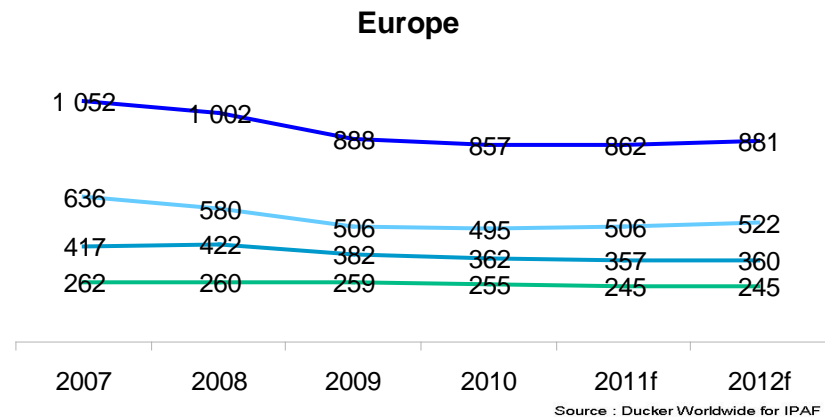


Appendix

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 - The euro amount that customer agrees to pay for possession and use of a machine.

Construction Statistics



- Residential construction
- Non-residential construction
- Total construction
- Civil engineering

TRANSPORTATION ✦ CONSTRUCTION ✦ INDUSTRIAL ✦ MATERIALS ✦ FINANCIAL

IPAF **Powered Access Rental Report – Germany**

Final Report

May 2011



DUCKER WORLDWIDE

Prepared for:

The International Powered Access Federation

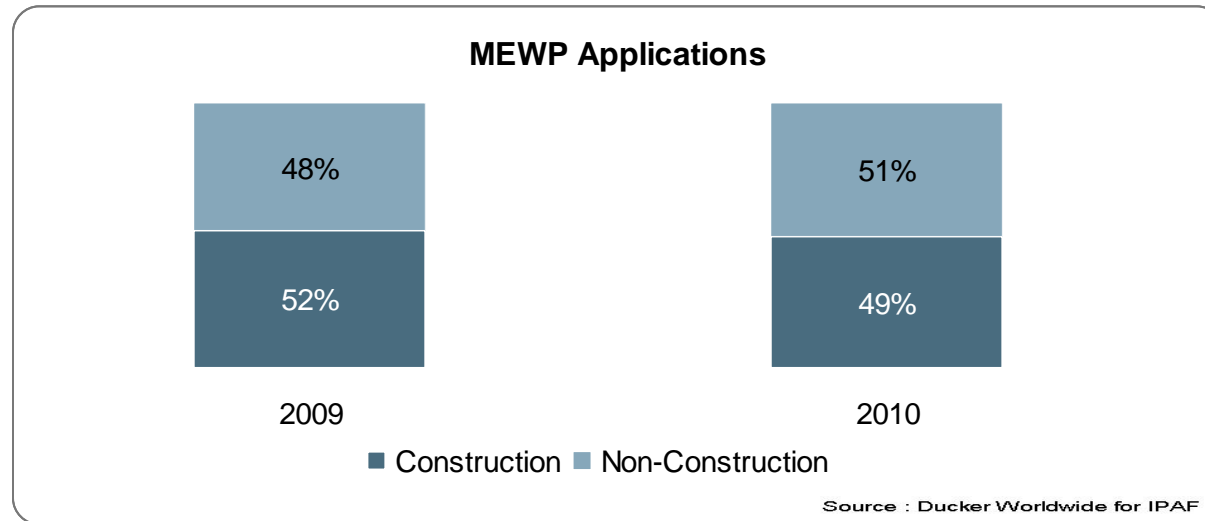


Key Findings

- ❑ The German MEWP market is very fragmented. Three main market players represent about a third of the overall market.
- ❑ Germany is, along with Italy, one of the least mature markets covered by this study.
- ❑ The German construction market is the European market (of the 11 countries under study) that best held its position in 2009 and started the fastest recovery in 2011.
 - As the MEWP market in Germany is structurally more driven by industrial applications than by the construction market, the MEWP market experienced a relatively limited crisis in 2009.
- ❑ The MEWP rental market experienced high growth in 2010 and will continue to increase in the forthcoming years.
- ❑ All indicators are positive in the German MEWP rental market in 2010:
 - MEWP fleet size is expected to continue increasing at a regular rate, especially for booms.
 - Investments should reach 2008 levels in 2011 and double in 2012.
 - Rental rates are expected to stop decreasing and to slowly recover, although they are likely to remain stable in the next few years.

Applications and Drivers

As MEWP equipment has always been used extensively in non-construction applications in Germany, the economic recession did not significantly impact rental companies end-markets. Construction applications still represent about half of rental company revenues.



Share of rental revenues

Non-construction includes industry, maintenance, cleaning, utilities, events.

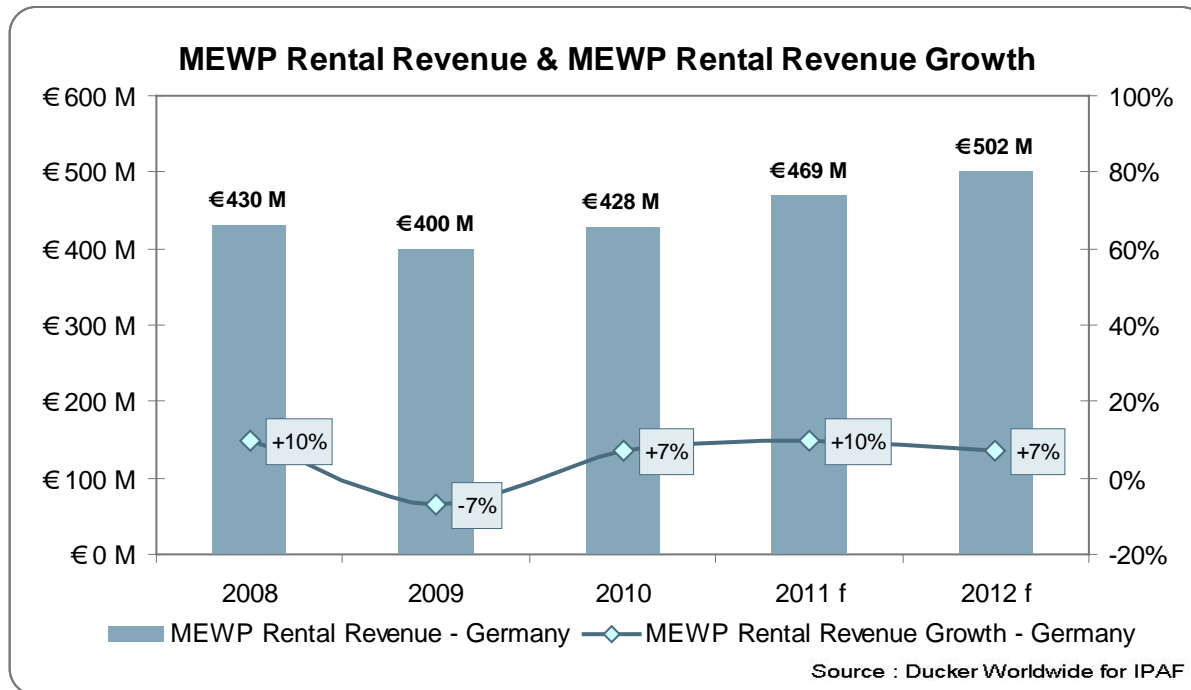
Construction includes new build and renovation; including all types of buildings, also industrial.

	Business Lines - Germany
Equipment rental	95%
Sales of used rental equipment	4%
Construction equipment sales	1%
Other	1%

Other includes training, maintenance and repair, offshore work.

Market Size and Dynamics

Germany is the country where the MEWP rental market performed best in 2010. The market, based on large, specialised equipment, recovered quickly from the 2009 downturn. In addition, the high share of non-construction applications compensated for the construction downturn.

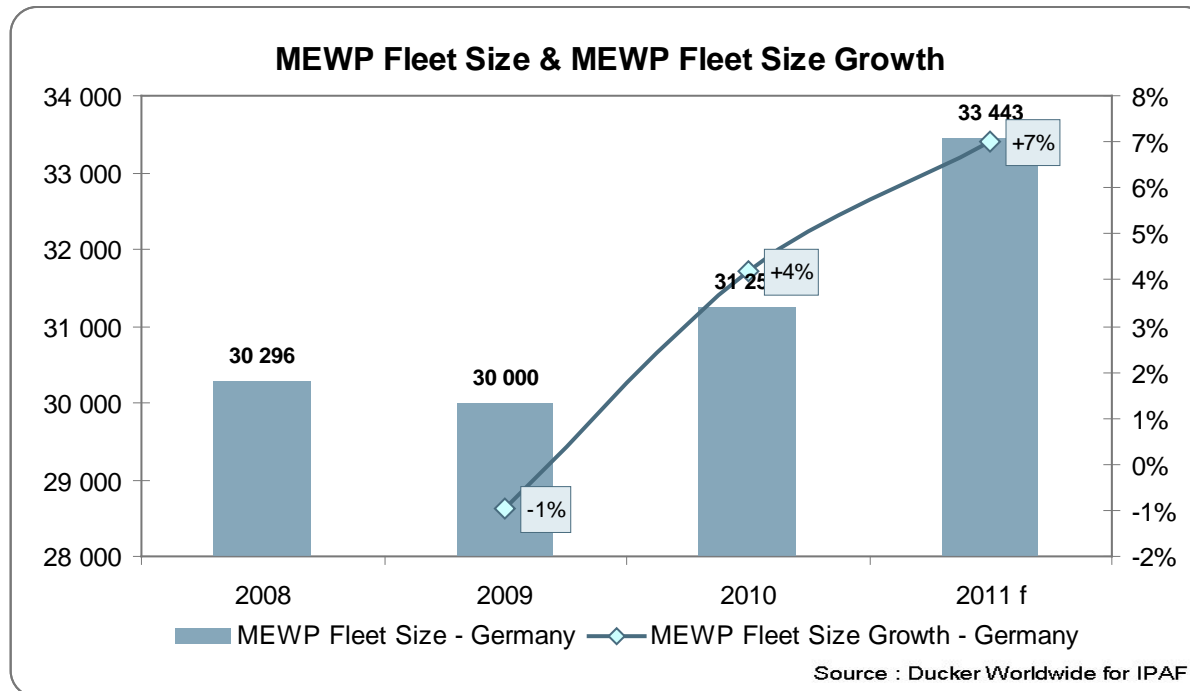


- *“We did well this year, unexpectedly well compared to what they said last year. Change came from increased demand for truck mounted MEWPs.”*

2010 Average share of revenue from cross hiring = 9%

Market Size and Dynamics

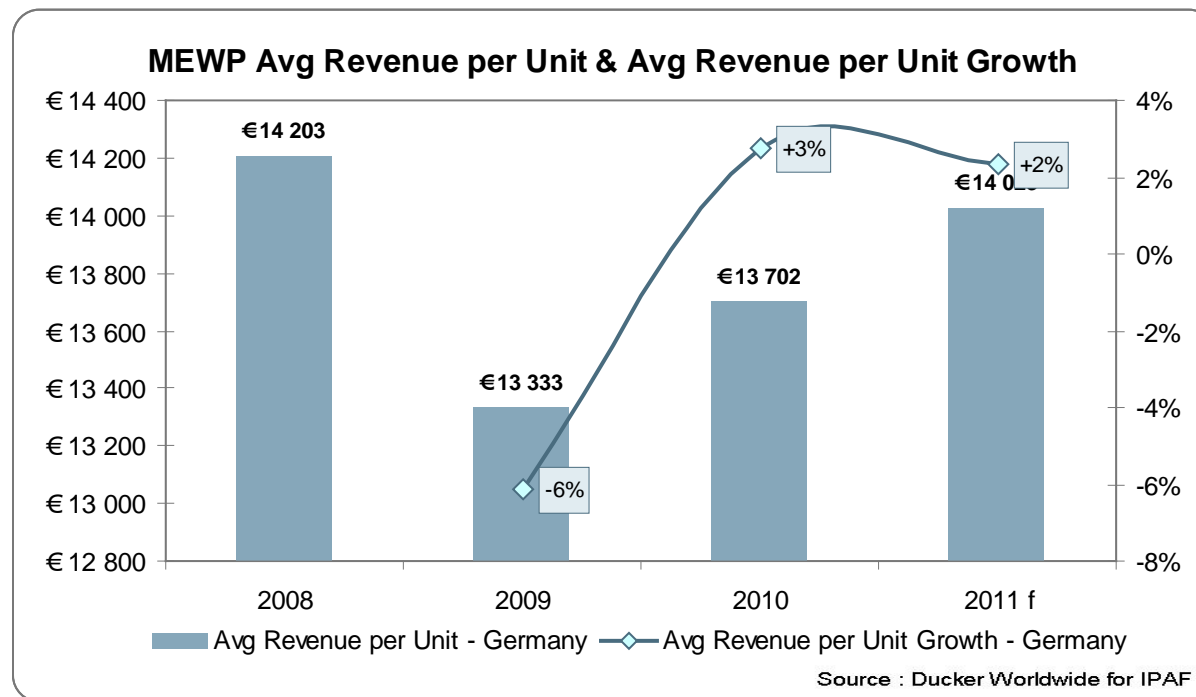
Although the MEWP rental market increased rapidly in 2010, rental companies remained cautious in terms of fleet expansion; investments were concentrated on replacement.



- “There is a trend going towards higher range machines (>28m).”

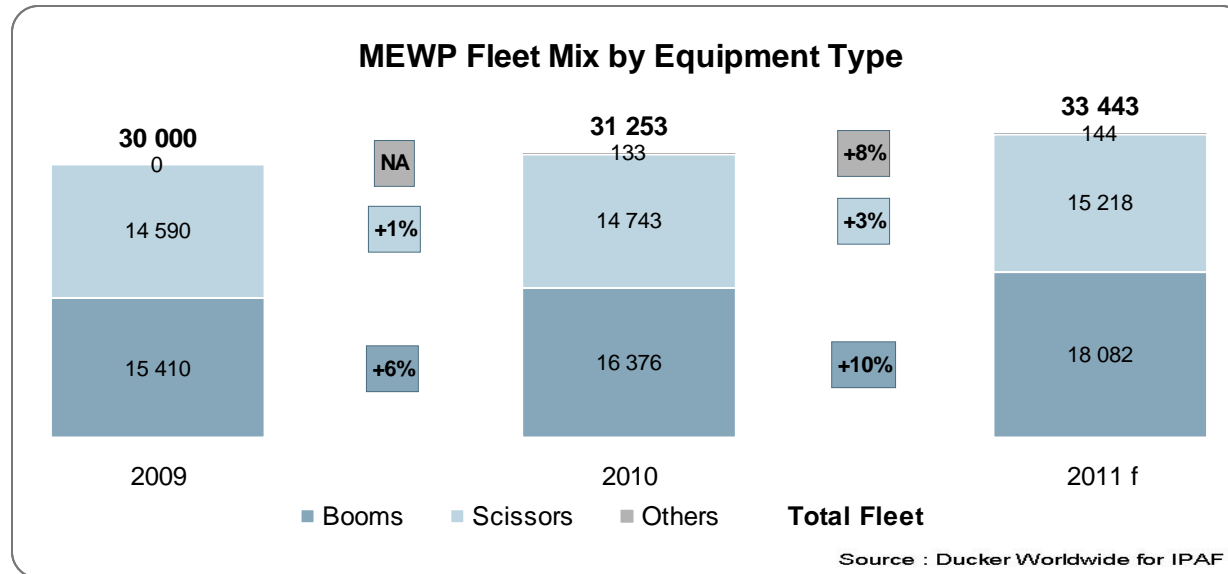
Market Size and Dynamics

As revenue grew more rapidly than fleet size, the average revenue per unit in Germany increased by 3% in 2010. Thanks to large, specialised equipment, Germany remains the country where the average MEWP revenue per unit is highest compared to other countries under study.



Market Size and Dynamics

Although fleet composition is not expected to vary much in Germany in the near future, booms are expected to gain in popularity.



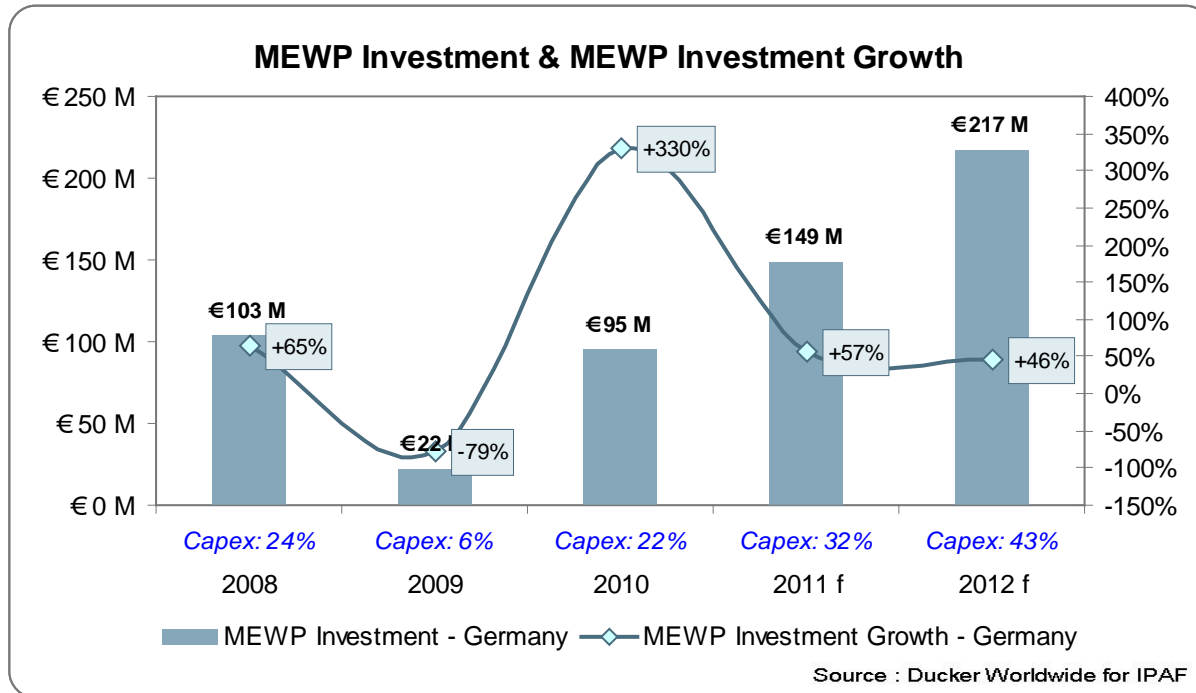
Truck-mounted machines are included in the data for booms

“Others” include personal lifts

+X% % unit growth

Investments

MEWP investments increased drastically in 2010, almost reaching pre-crisis levels. Rental companies invested primarily to replace equipment.



- In 2010, rental companies resumed with machine replacement programmes that they had put on hold in 2009.

Capex = % of MEWP revenue invested in new equipment for rent.

2010 average unit replacement value = 30 308 €

Weighted average calculated with the stated fleet replacement value divided by the number of machines in the fleet

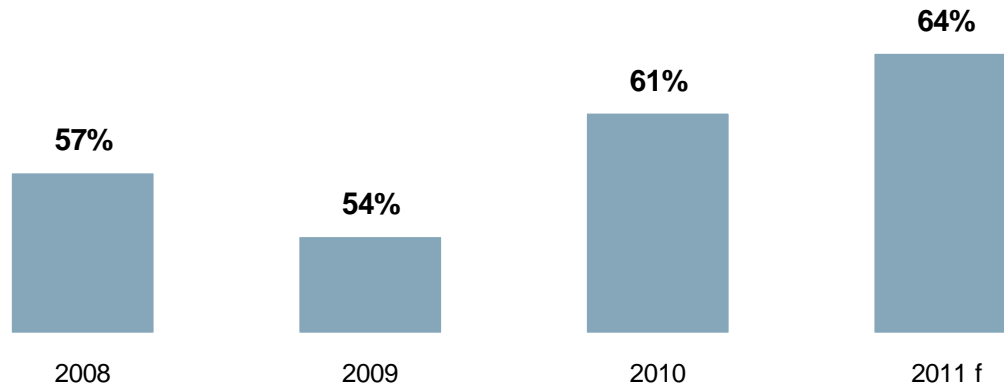
2010 average return on investment = 3.5 years

Weighted average calculated with the inventory at the price of new divided by the rental revenue (minus cross-hiring and services)

Operational Aspects

Utilisation rates increased strongly in Germany, primarily driven by smaller equipment.

Avg Time Utilisation - Germany



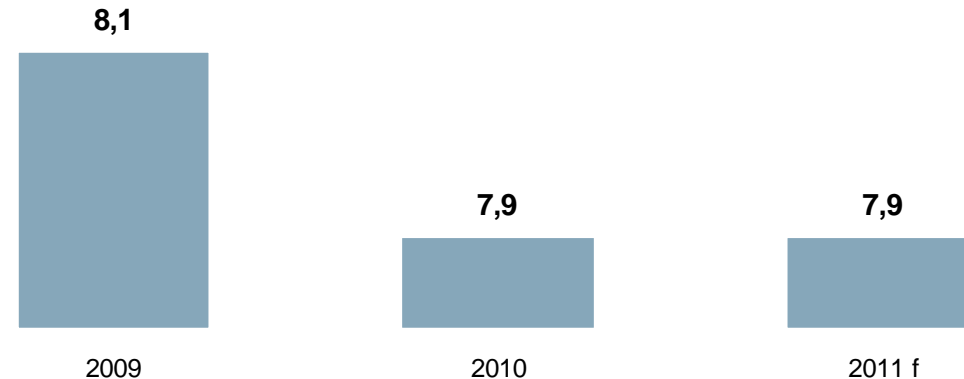
Source : Ducker Worldwide for IPAF

- *“We’ve seen an increase in our utilisation rates, especially for smaller (less height) equipment which is easier to rent out.”*
- *“The more common (smaller) piece of equipment usually has a utilisation rate of over 80%.”*

Definition: Physical number of machines out on hire as % of total number in fleet at any given time.

- *“In Germany, we tend to keep machines for longer than they do in other countries.”*
- *“The retention period depends on the machine type. Large expensive machines (worth 1,6 to €1,7M) generally stay with us for 9-10 years. Smaller machines usually go after 4-5 years.”*

Avg Retention Period (Years)



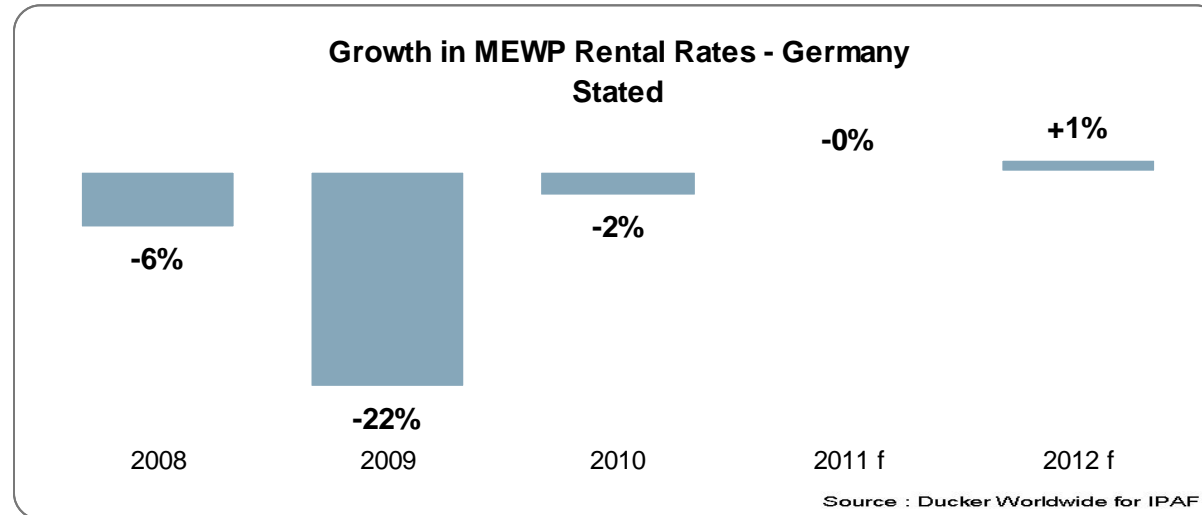
Source : Ducker Worldwide for IPAF

7.9 = 7 years and 9 months

Definition: Period of time that a machine is kept in fleet = selling age if acquired new

Rental Rates

Rental rates experienced a slight continuous decrease in 2010. They are expected to stabilise in 2011 and to start to slowly rise in 2012.



- *“Mainly due to the increased price of equipment from manufacturers, it has become necessary to increase the rental rates of our vehicles.”*
- *“I hope to finally increase rental rates in 2011 and 2012. I expect rates to rise slightly this year, but next year should see a real increase again.”*

Future Trends

- ❑ The German market still has high growth potential, as it is one of the least mature in the countries studied.
- ❑ The market is currently dominated by scaffolding and cranes. One reason is the lack of knowledge of MEWPs but also higher rental prices of MEWP equipment.
 - Because of these higher rental rates, the duration of rental contracts for MEWPs is typically limited to less than two weeks.
- ❑ However, market potential for MEWP equipment is high in Germany and several positive trends drive the market towards MEWPs:
 - Safety measures concerning working at height are expected and are likely to influence the use of MEWPs instead of scaffolding.
 - In order to convince more end-users to go towards MEWPs, rental companies are focusing on offering quality service, for example fast on-site delivery of machines.
- ❑ Market players need to educate and train end-users in order to prove benefits and show the value of MEWPs compared to other solutions.



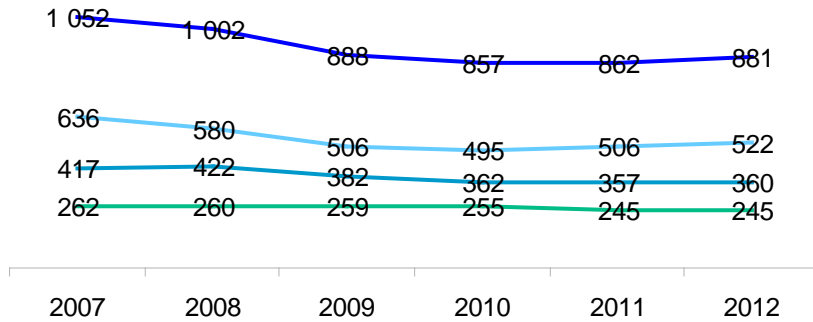
Appendix

Definitions

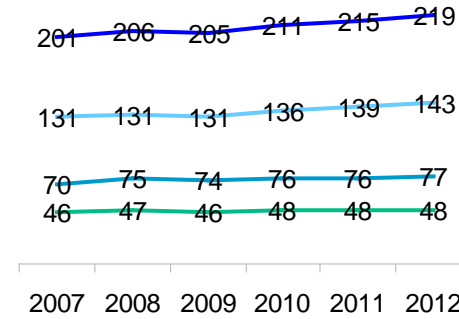
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Construction Statistics

Europe



Germany



- Residential construction
- Non-residential construction
- Total construction
- Civil engineering

TRANSPORTATION ✦ CONSTRUCTION ✦ INDUSTRIAL ✦ MATERIALS ✦ FINANCIAL

I^{PAF} Powered Access Rental Report – Italy

Final Report

May 2011



DUCKER WORLDWIDE

Prepared for:

The International Powered Access Federation

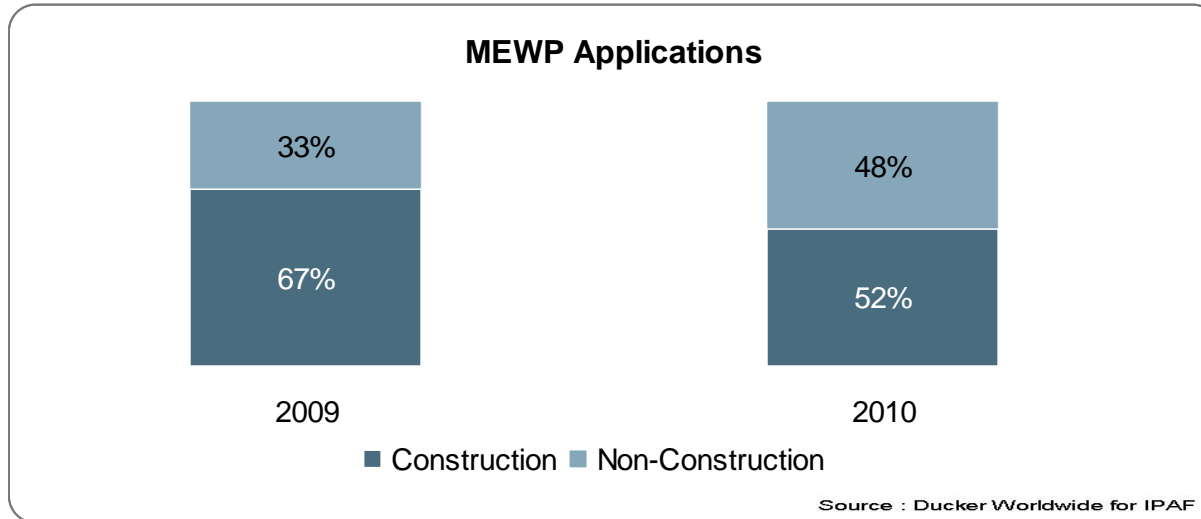


Key Findings

- ❑ The Italian market is very fragmented, composed of many small regional rental companies, which have a strong local presence.
 - Only a few companies have a national presence and the market is very regional or even local.
- ❑ While Italy was the European country coping best with the economic downturn in 2009, 2010 has proven to be a difficult year for the Italian MEWP rental market.
 - The market stagnated in 2010 (+1%) but market growth is expected to resume in 2011 and 2012 (+6%, +7%), although at a relatively slow pace.
- ❑ Market players seemed less confident in 2010 than they were in 2009: investments decreased drastically in 2010 and rental companies do not expect any fleet expansion in the next few years.
 - In terms of machine mix, companies report a trend away from scissors which are said to be less popular than booms and also less profitable than other MEWP equipment. As a consequence, the share of booms in the Italian MEWP fleet is expected to grow by 5% from 2009 to 2011, reaching 47% of the total MEWP fleet in 2011.
- ❑ In addition, utilisation rates decreased by 55% in 2010. They are expected to rise again in 2011, although not reaching 2008 levels.
- ❑ The Italian MEWP market continued to experience strong price pressure in 2010. Price growth is only expected to resume in 2012.

Applications and Drivers

As in most European countries under study, rental companies in Italy diversified their activities in order to compensate for the decrease of the construction market.



- *“In 2010, we focused our activity on small repair jobs. I hope that in 2011 and 2012 the market improves and large construction project start again.”*

Share of rental revenues

Non-construction includes property care, maintenance, cleaning, utilities, events.

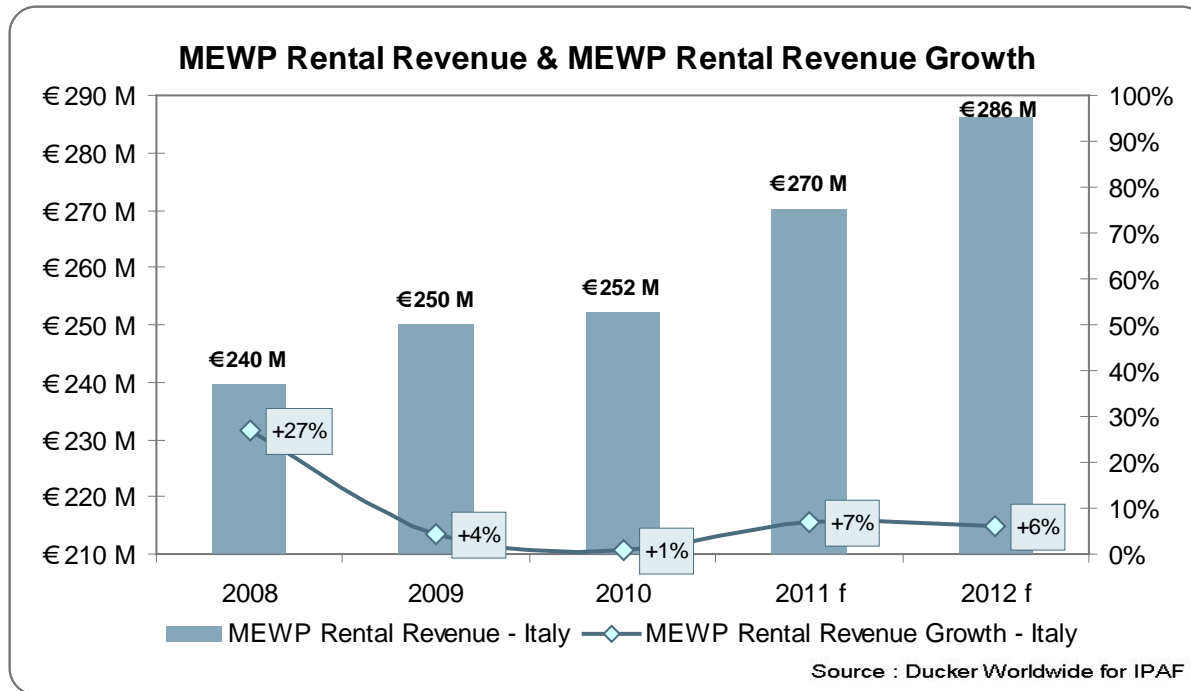
Construction includes new build and renovation; including all types of buildings, also industrial.

	Business Lines - Italy
Equipment rental	92%
Sales of used rental equipment	4%
Construction equipment sales	2%
Other	2%

Other includes training, maintenance and repair, offshore work

Market Size and Dynamics

The Italian market resisted relatively well against the economic downturn in 2009 and even 2010. The MEWP rental market is expected to increase by slightly more than 5% per year in 2011 and 2012.

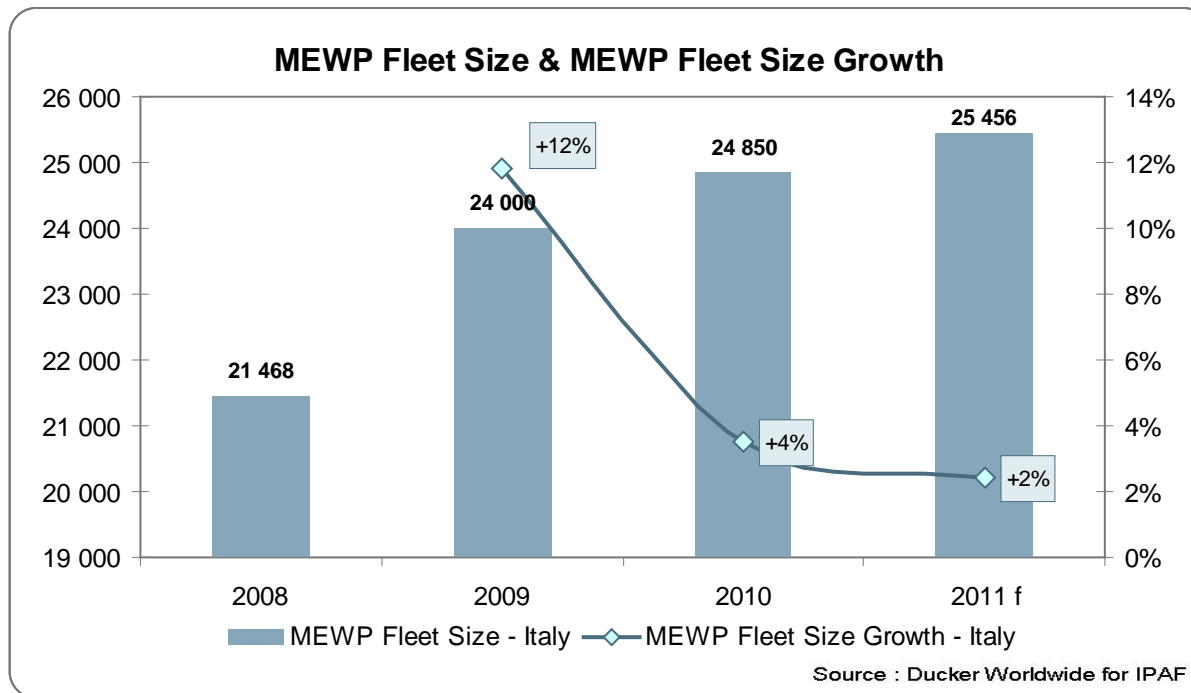


- “We have experienced a decrease in our activity. I have the feeling that our clients have been reducing their expenses and limiting large construction jobs.”
- “The rental market is still limited in Italy but in 2010 more companies rented instead of buying equipment.”

2010 Average share of revenue from cross hiring = 2%

Market Size and Dynamics

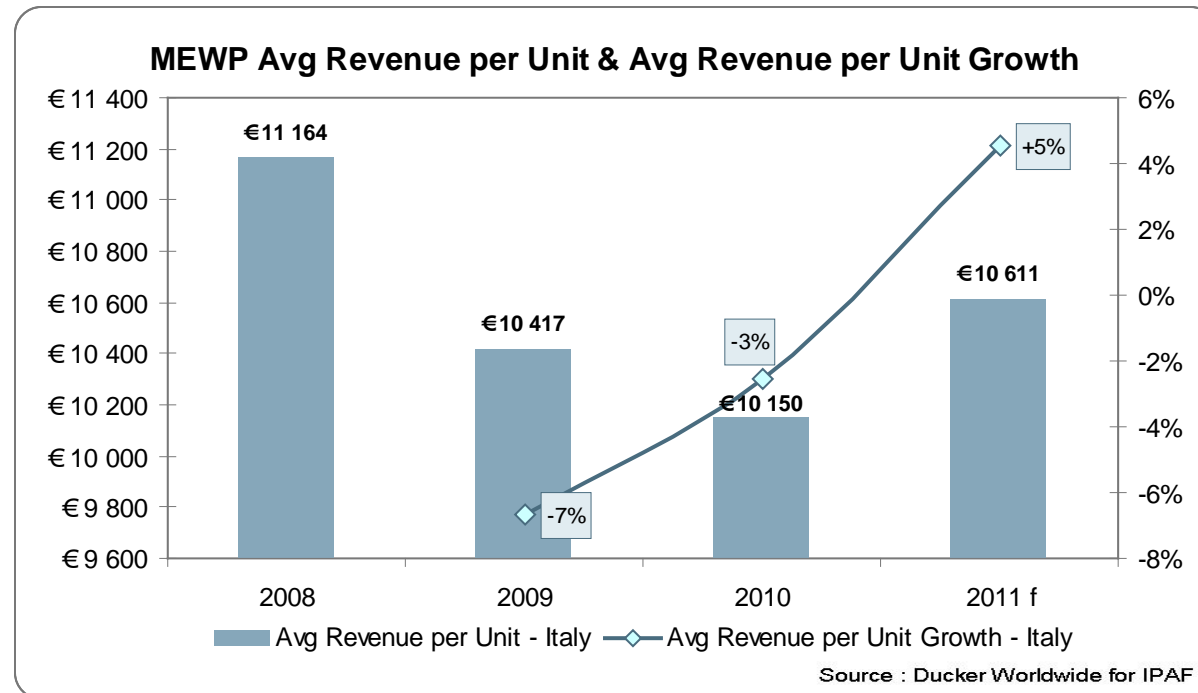
Fleet size grew at a much slower rate in 2010 (+4%) reaching about 24,850 machines. The Italian MEWP fleet is expected to remain relatively stable in the next few years, as market players are cautious to invest in an uncertain climate.



- *“The market is still very delicate and companies tend to keep their machines longer than in the past. The bottom line remains that everyone has doubts, manufacturers and rental companies.”*

Market Size and Dynamics

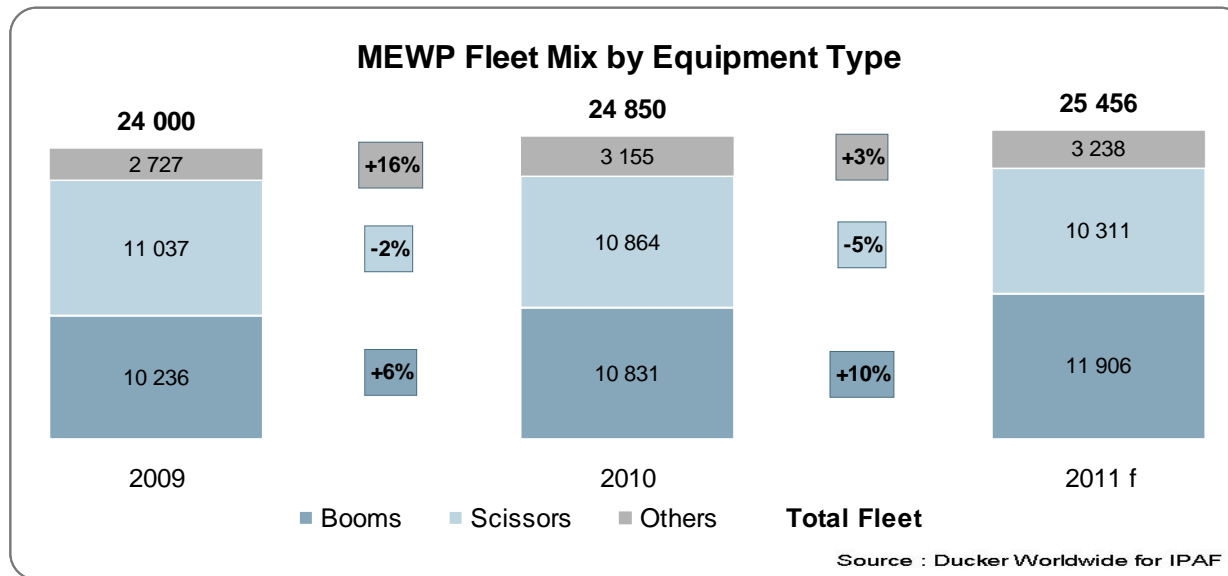
The average revenue per unit continued to decrease slightly in 2010. Fleet size increased more rapidly than overall revenue. Nevertheless, MEWP revenue per unit remains relatively high due to the historically strong presence of truck-mounted platforms.



Market Size and Dynamics

Market players agree that demand for booms increased strongly in 2010 and this will continue in the near future. They report that profitability is higher with these machines than with scissors.

- In Italy, end-users tend to use telescopic handlers as man lifts. Small truck-mounted platforms are quite commonly used in Italy.



Truck-mounted machines are included in the data for booms.

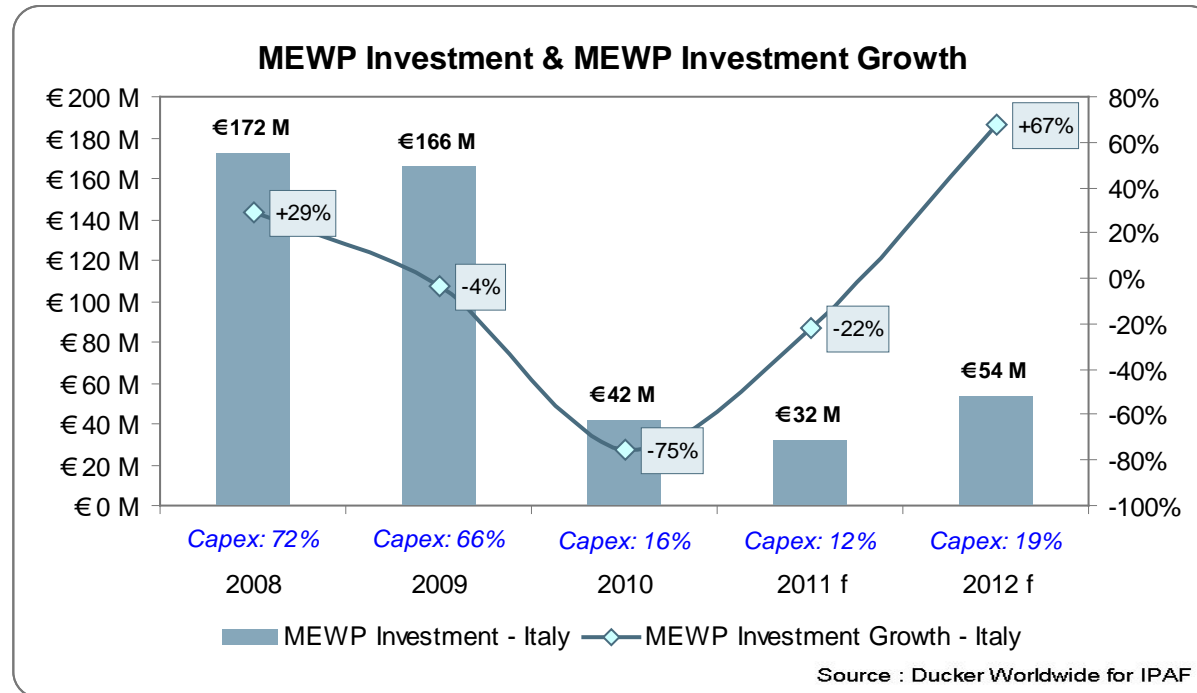
“Others” include personal lifts

+X% % unit growth

- “I think the demand for scissors will decrease strongly in the future because profitability of these machines is close to zero. We’ll invest more in articulated and telescopic booms.”
- “The demand for more specific machines will increase. I expect less demand for scissors in the future.”

Investments

The big reduction in investments in 2010 is a reaction to the economic slowdown but also a consequence of large-scale investments made over previous years.



Capex = % of MEWP revenue invested in new equipment for rent.

2010 average unit replacement value = 32 214 €

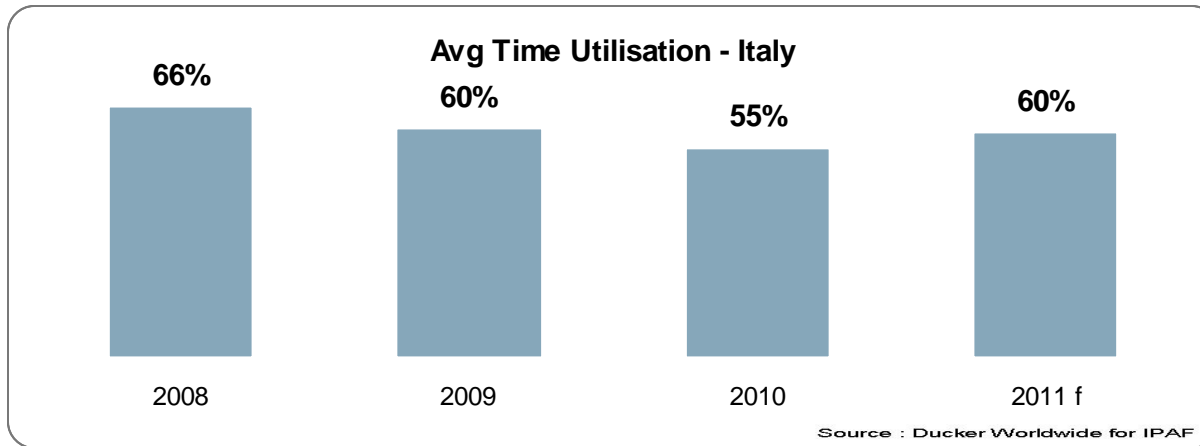
Weighted average calculated with the stated fleet replacement value divided by the number of machines in the fleet.

2010 average return on investment = 3 years

Weighted average calculated with the inventory at the price of new divided by the rental revenue (minus cross-hiring and services).

Operational Aspects

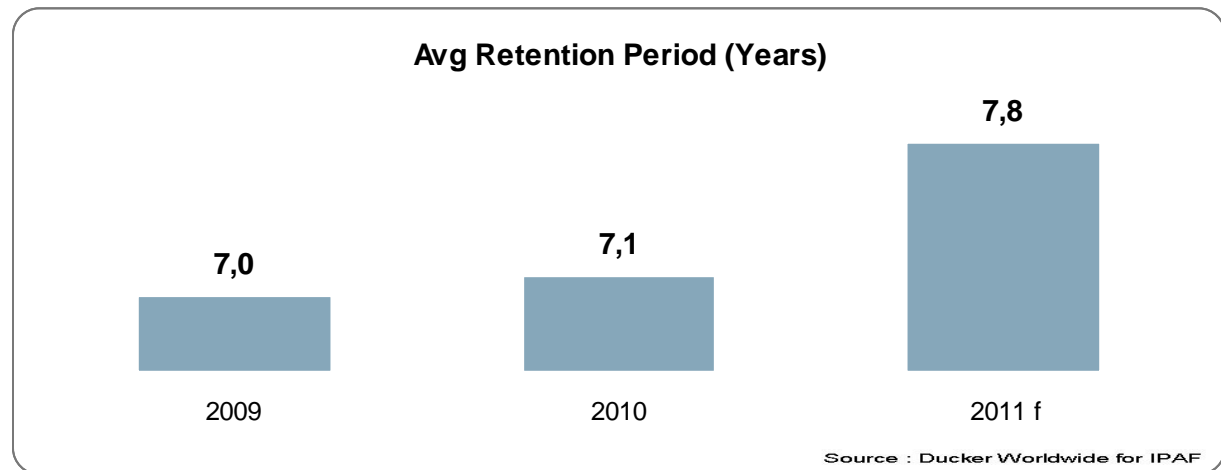
Utilisation rates continued to fall in 2010, partly because of bad weather. The average retention period is expected to continue to increase in the next few years, due to a trend towards refurbishment.



• *“I would like to get back to past utilisation rates by increasing my fleet performance. In order to do so, I’ll acquire more specialist machines, that are more popular amongst customers, and I’ll stop buying scissors.”*

Definition: Physical number of machines out on hire as % of total number in fleet at any given time.

• *“In 2010, we experienced difficult weather conditions which affected our utilisation rates.”*

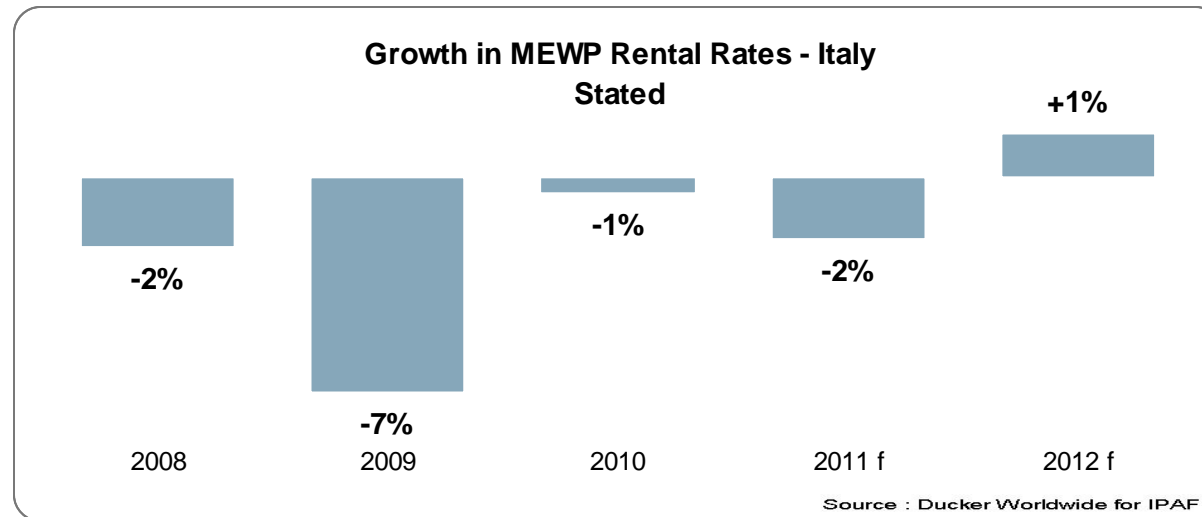


7.1 = 7 years and 1 month.

Definition: Period of time that a machine is kept in fleet = selling age if acquired new

Rental Rates

Rental rate pressure decreased strongly in 2010 compared to 2009. However, rates are not expected to start increasing again before 2012.



- *“There has been a real price war in Italy in the last few years in the MEWP rental market. However my company has been less affected than others because we rent machines with drivers and provide other services.”*

Future Trends

- ❑ The Italian MEWP market is seen as having several structural issues:
 - Due to high price pressure in 2009, which continues, rental company's profitability has been strongly affected.
 - During the economic crisis in 2009 and 2010, numerous rental companies were confronted by customer insolvency. Many small rental companies activities were threatened for this reason.
- ❑ In order to maintain profitability, rental companies are currently trying to specialise their product offer and to start to offer additional services with which they can bring value.
 - Offering more specialised equipment especially articulated or telescopic booms, as opposed to scissors.
 - Renting operator services along with MEWP equipment as another way to add value and profitability, especially in a market where education and training for MEWP machines is not well developed.
- ❑ The Italian market probably remains the least mature of the European MEWP rental markets studied, and is therefore expected to grow in the near future.
 - Increasing training and market education will be key to allow the Italian MEWP market to develop, primarily replacing scaffolding.



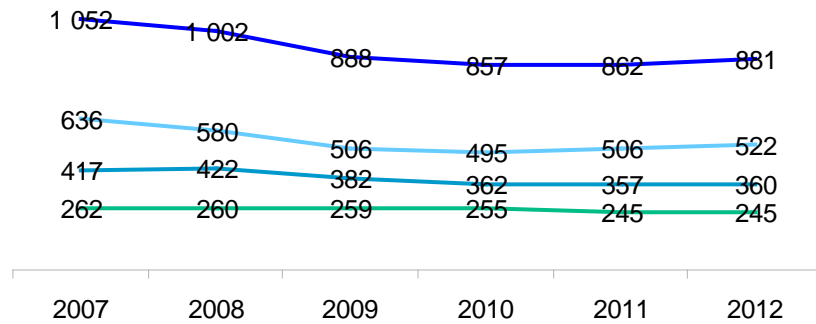
Appendix

Definitions

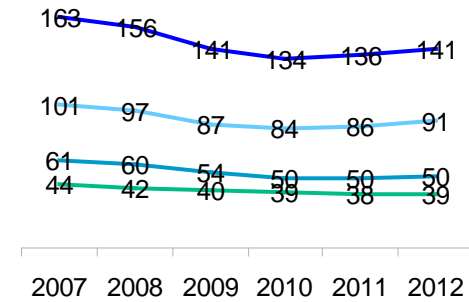
- ❑ **MEWP Rental revenue:**
 - Includes for example: machine rental rates, machine repair, support (e.g. fuel services), transportation/delivery, training, insurance, operator charges.
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 - Share of powered access rental revenue invested in new equipment for rent. The capex has been gathered from respondents as a percentage of the MEWP rental revenue and calculated by Ducker into an investment value.
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 - Stated replacement value at the price of new of the powered access equipment inventory. The average inventory per unit is derived from the MEWP inventory.
- ❑ **Utilisation rate:**
 - Physical number of machines out on hire as percentage of total number in fleet at any given time.
- ❑ **Retention period:**
 - Average time during which rental companies typically keep their powered access equipment.
- ❑ **Rental rate: corresponds more to net prices than list prices. Directly linked to the rental revenue**
 - The euro amount that customer agrees to pay for possession and use of a machine.

Construction Statistics

Europe



Italy



- Residential construction
- Non-residential construction
- Total construction
- Civil engineering

TRANSPORTATION ✦ CONSTRUCTION ✦ INDUSTRIAL ✦ MATERIALS ✦ FINANCIAL

I^{PAF} Powered Access Rental Report – Nordic Region

Final Report

May 2011



DUCKER WORLDWIDE

Prepared for:

The International Powered Access Federation

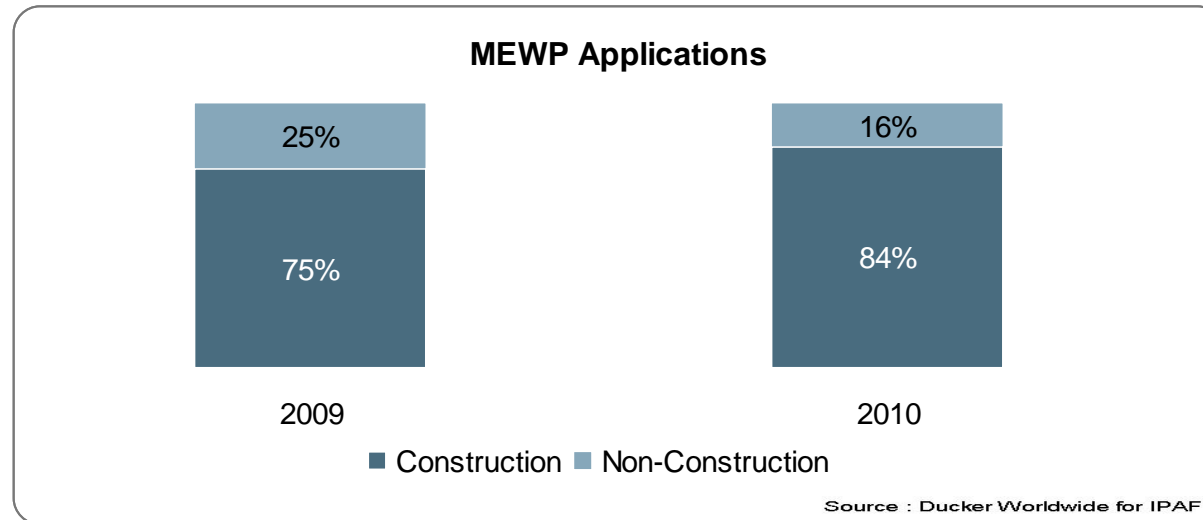


Key Findings

- ❑ The Scandinavian MEWP market is relatively mature. The Swedish, Finnish and Danish markets are already mature, while Norway probably has the greatest room for growth.
- ❑ Apart from Denmark, MEWP markets in Scandinavia are relatively consolidated with few major players (some are active in several countries) representing typically more than 75% of the MEWP markets.
- ❑ The Scandinavian MEWP market continued to struggle during the first half of 2010, but improvement was noticed at the end of the year, which suggested a market upturn for 2011 and coming years.
 - In 2010, in all countries, except Norway, MEWP rental markets experienced a decrease in revenue. The highest revenue reduction was in Denmark (-14%). The other markets had single digit decreases.
 - Despite annual market growth expectations in 2011 and 2012, pre-recession revenue levels will not be reached in 2012.
- ❑ Fleet sizes decreased across Scandinavia, except in Norway (+2%). Fleet sizes are expected to grow in all Scandinavian countries except Denmark.
- ❑ Scandinavian fleets are heavily weighted towards scissors (67% of total fleet), due to the high share of construction end-application in these countries compared to other European MEWP markets studied.
- ❑ As fleets decreased in most Scandinavian markets, so did investments. Market players remain cautious about coming years and do not plan to increase investments. In 2012, the average Scandinavian Capex is expected to reach a maximum of 9% of MEWP revenues.
- ❑ Despite a continuous decrease in rental rates in 2010, time utilisation remained relatively low in 2010, with an average of 54% across Scandinavia. It is expected that utilisation will reach 60% in 2011.
 - While rental rates continued to decrease in 2010, forecasts indicate that they will grow slightly in 2011 and 2012.

Applications and Drivers

Scandinavia is the only region in Europe (of the 11 countries studied) where rental companies increased their activity in construction applications in 2010. This can be explained by the fact that (except in Denmark) non-residential construction was less severely impacted than other European countries.



Share of rental revenues

Non-construction includes property care, maintenance, cleaning, utilities, events.

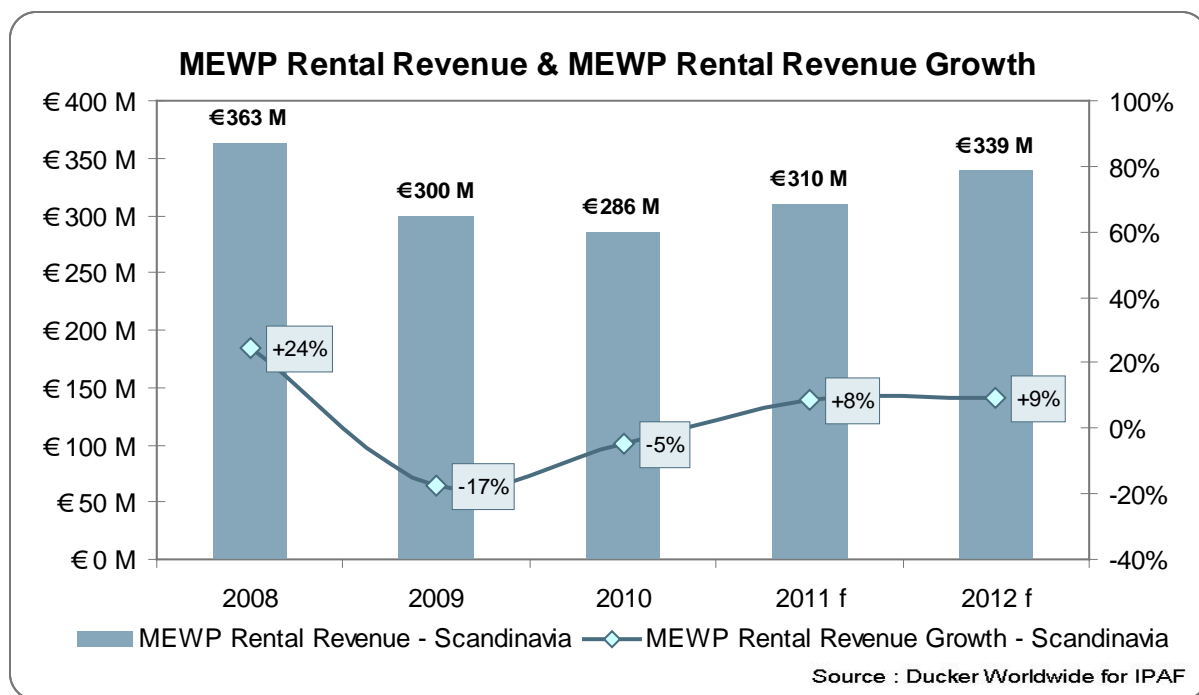
Construction includes new build and renovation; including all types of buildings, also industrial.

	Business Lines - Scandinavia
Equipment rental	92%
Sales of used rental equipment	3%
Construction equipment sales	0%
Other	5%

Other includes training, maintenance and repair, offshore work

Market Size and Dynamics

All countries experienced a decrease of MEWP rental activity in 2010, although to a much lesser extent than in 2009. Most large rental companies explain that their activity picked up only during the second semester of 2010.



2010 Average share of revenue from cross hiring = 5%

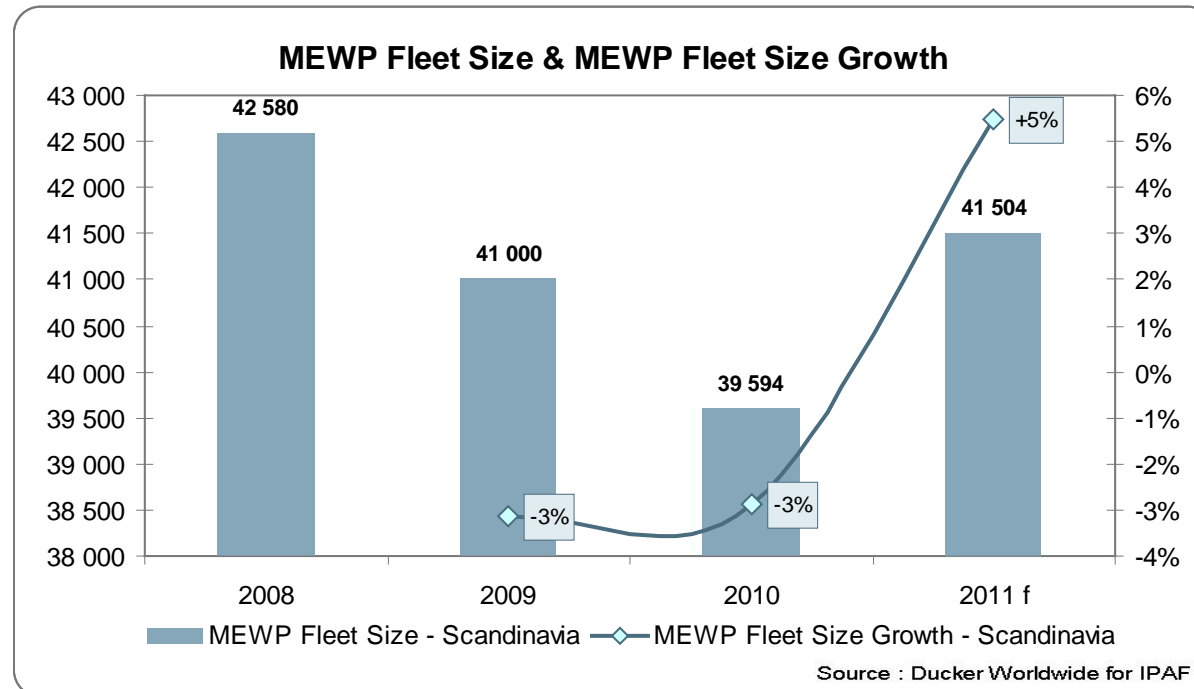
“Compared to other Scandinavian countries, Sweden lags behind when it comes to new construction (other countries have built more new apartments). There is a huge demand for student apartments in Sweden and also the old apartment buildings need to be renovated.” – Sweden

- ❑ Denmark is the country where the recovery is the slowest because of a struggling construction market in 2010 and a fleet which is too large for the size of the market.
- ❑ In Sweden, Finland and in Norway, the construction market is growing again, thanks to several very large projects.
- ❑ While Norway and Finland experienced a stabilisation of the MEWP market, Swedish rental companies continued to struggle in 2010 with a 4% reduction in MEWP rental revenue. 2011 will see the Swedish market recover (+7%)

Market Size and Dynamics

Scandinavian market players continued, for the most part, to de-fleet in 2010, especially in Finland and Denmark. Fleet growth is expected to resume in 2011 in all Scandinavian countries, except Denmark which is still in the de-fleeting trend.

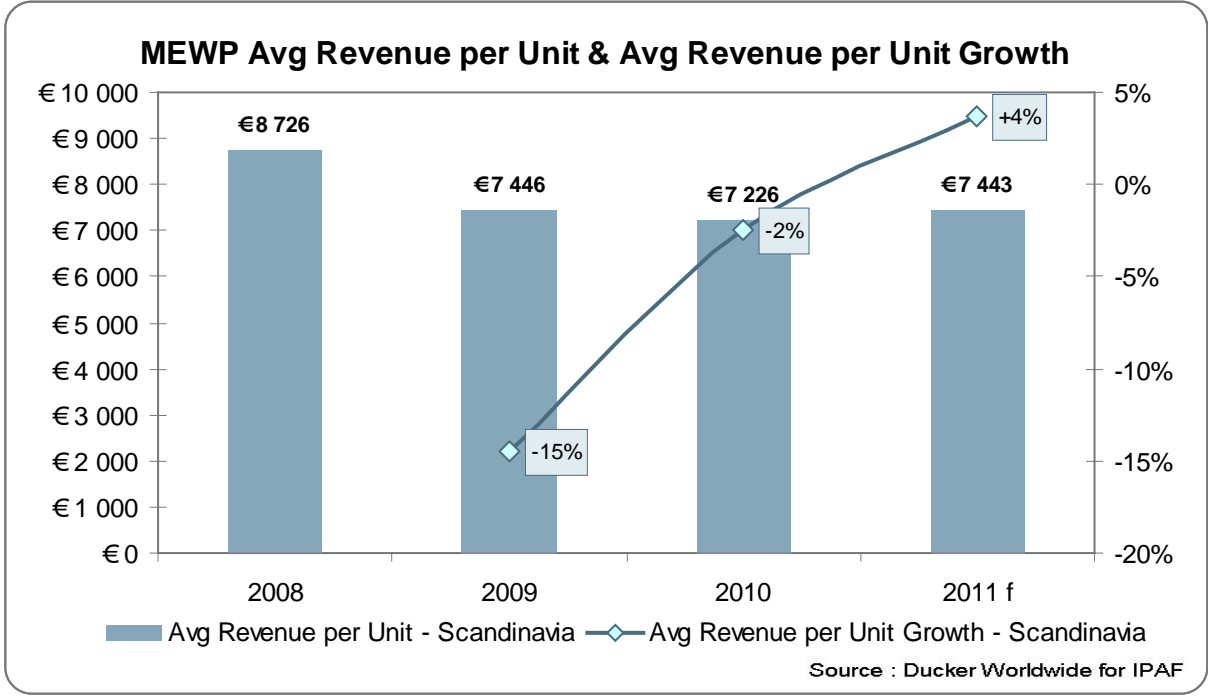
- ❑ *“Our fleet in 2009 was clearly bigger compared with 2010. Lifts have been moved from Finland to other countries where we work.” – Finland*
- ❑ *“We don’t have any plans to invest in 2012. There is still a large surplus of machines in the market.” – Denmark*
- ❑ *“The number of machines has stayed stable and is probably going to remain stable even if we annually renew part of our machine park.” – Finland*



Market Size and Dynamics

The Scandinavian MEWP revenue per unit slightly decreased in 2010, primarily due to the continuous price pressure experienced by rental companies.

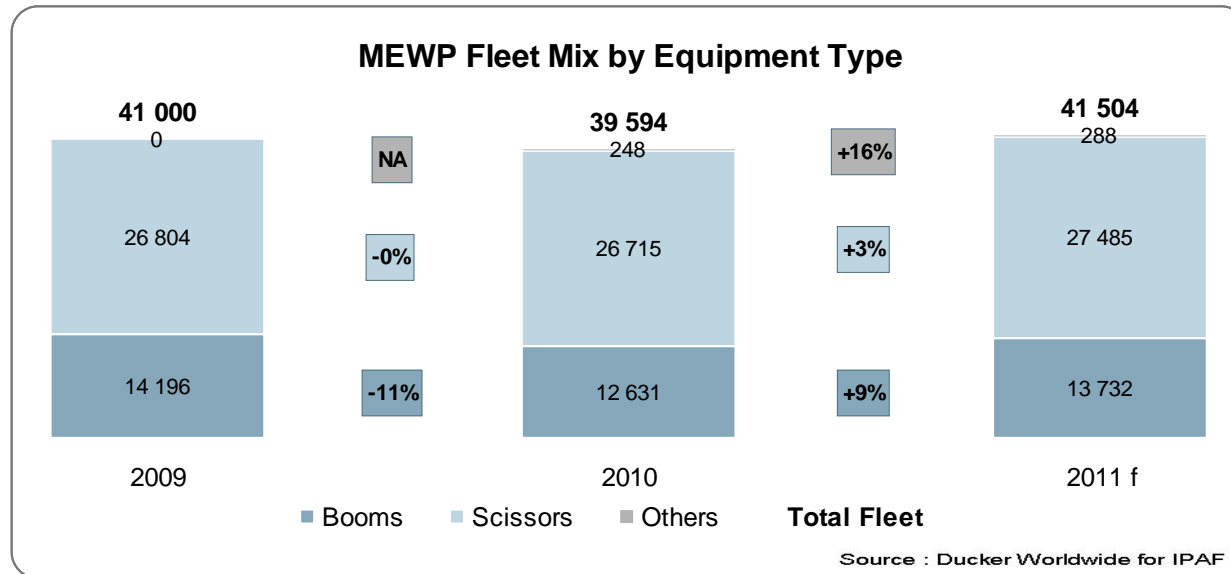
- The average revenue per unit is typically lower than in other countries under study, primarily due to a different fleet mix. The Norwegian average revenue per unit is the highest in Scandinavia.



Market Size and Dynamics

Fleet mix in Scandinavia is vastly different than in most countries under study, with a fleet heavily driven towards scissors, especially in Norway, Sweden and Denmark. This is because of the high share of construction applications compared to other European countries.

- No specific trend has been reported towards one machine type versus another. However electrical machines are said to be more and more popular, especially scissors.
 - *“Scissors are 75 % electric. The demand has been more for electric since 2007. And we get more revenue from electric machines.” – Denmark*



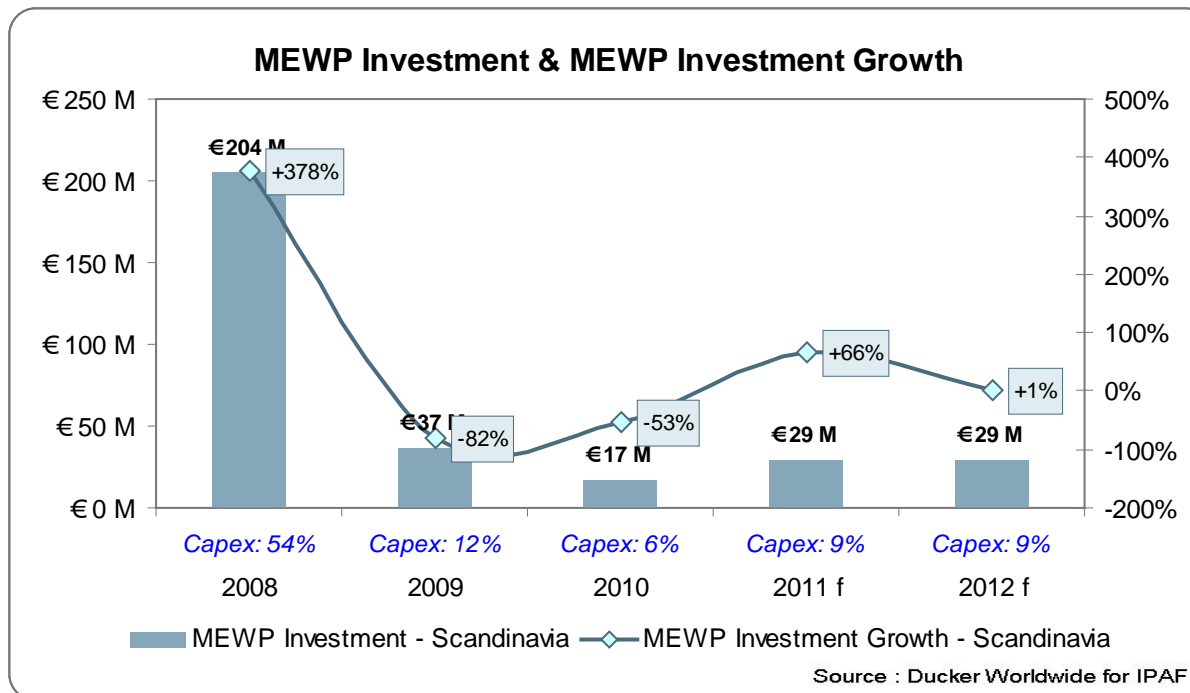
Truck-mounted machines are included in the data for booms.

“Others” include personal lifts

+X% % unit growth

Investments

In 2010, Scandinavian rental companies continued to decrease investments compared to 2009. Investment was only for fleet renewal.



- Although the MEWP market is expected to grow at a relatively strong rate in 2011 and 2012, rental companies say they will remain cautious in their future investments.
- In Denmark, market players believe that the reduction of fleet sizes is necessary in order to streamline the MEWP market. As a consequence, more so than in other countries, investments in Denmark will remain strongly limited in the next two years.

Capex = % of MEWP revenue invested in new equipment for rent.

2010 average unit replacement value = 26 560 €

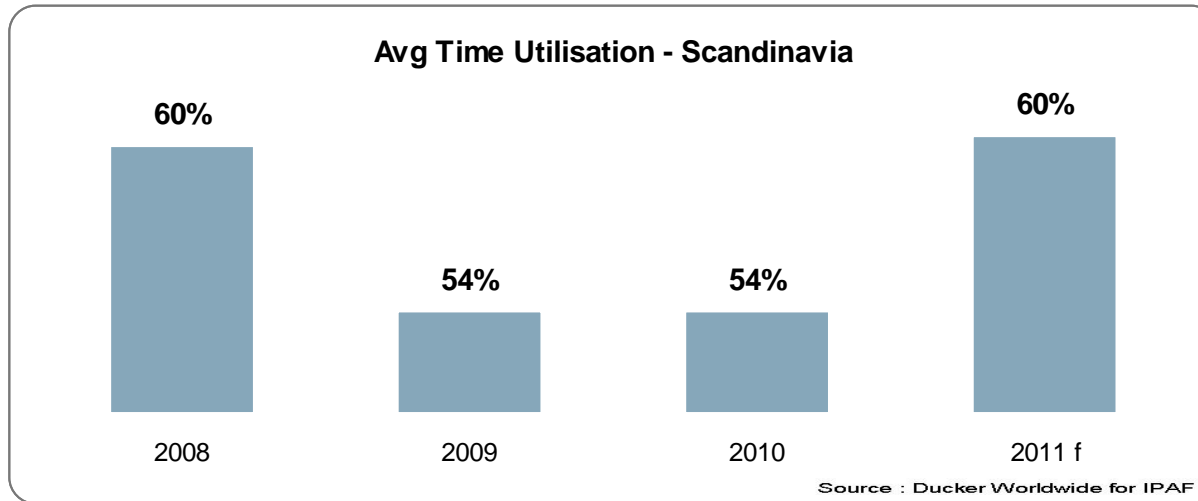
Weighted average calculated with the stated fleet replacement value divided by the number of machines in the fleet

2010 average return on investment = 2.9 years

Weighted average calculated with the inventory at the price of new divided by the rental revenue (minus cross-hiring and services)

Operational Aspects

Utilisation time did not increase in Scandinavia, in spite of continuously decreasing prices.



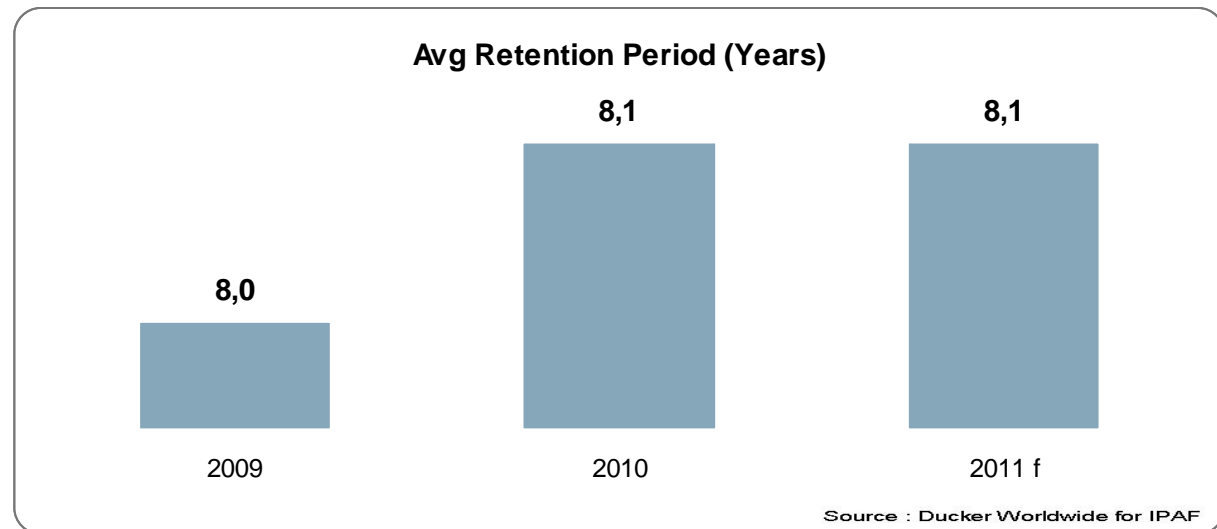
❑ Sweden had the highest utilisation rates in 2010. Denmark had the lowest.

• *“Small battery driven scissors probably have the best utilisation rate. Bigger diesel scissors probably have the lowest utilisation rates.” – Finland*

Definition: Physical number of machines out on hire as % of total number in fleet at any given time.

❑ Retention period increased slightly in Scandinavia in 2010. Swedish and Finnish rental companies tend to keep MEWP equipment longer than others.

• *“There is an inspection of the lifts when they are 10 years old - if we sell the machines we try to do so when the machines are 8 years old so that there is still time for the new user to use the lifts before the inspection. Otherwise we basically use the machines as long as they work.” – Finland*



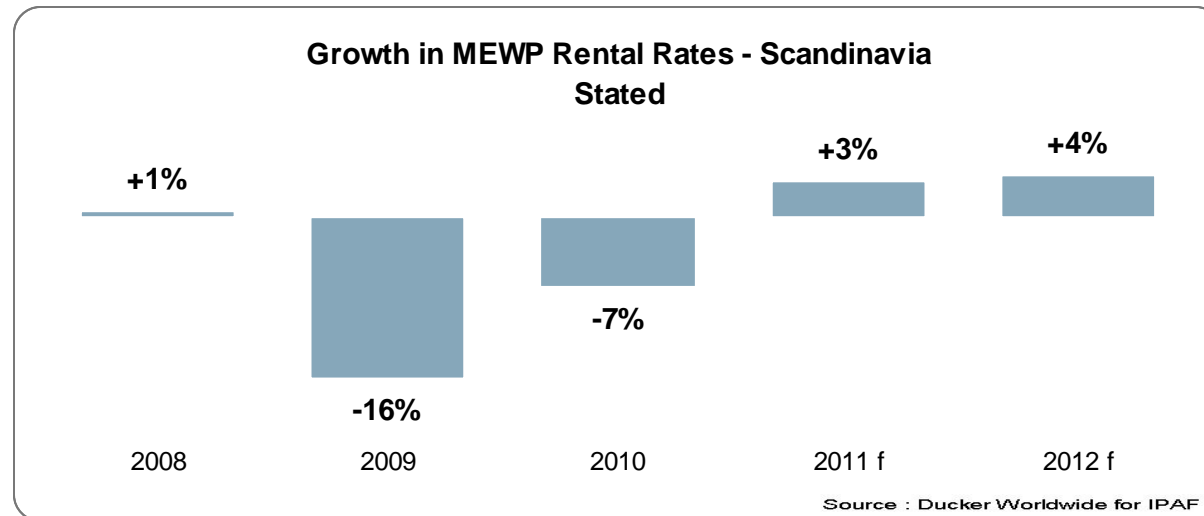
8.1 = 8 years and 1 month

Definition: Period of time that a machine is kept in fleet = selling age if acquired new

Rental Rates

Rental rates continued to decrease in 2010.

- Forecasts for 2011 and 2012 are positive in all countries. Rental rates are expected to increase most in Sweden and Denmark.



Future Trends

- ❑ Although market players in Scandinavia are relatively cautious in forecasting MEWP market evolution, several are quite confident that the market will recover, partly due to an increasing number of large construction projects in Sweden and in Finland (industrial construction, hospital, sport arenas, and residential construction).
- ❑ In terms of product, a trend for smaller articulated booms that are easy to manoeuvre is expected in the short term, especially in large cities where machine dimensions are key.
- ❑ Rental companies also expect that Chinese brands will enter the MEWP market in the coming years with lower prices, and more basic products.



Appendix

Definitions

- ❑ **MEWP Rental revenue:**
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 - The euro amount that customer agrees to pay for possession and use of a machine.

Definitions

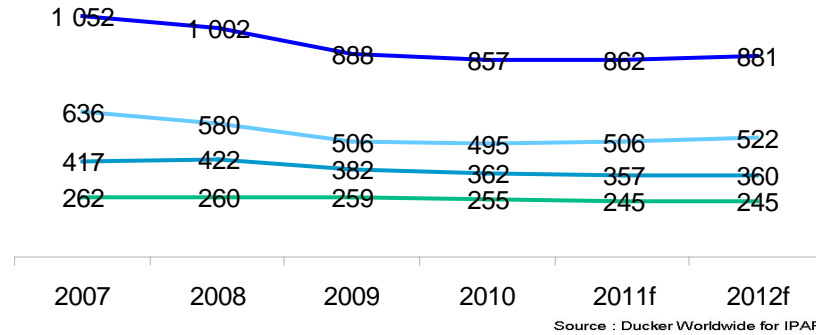
□ Exchange rates:

- The currency exchange rates used for Scandinavian countries outside the Euro zone are the 2010 average rate. The same rate has been used throughout the time period in order to eliminate variation in growth rates due to exchange rate fluctuations rather than to the actual MEWP rental market.

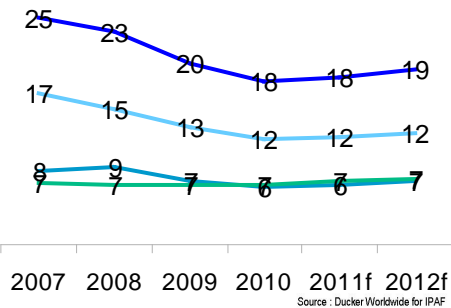
	Currency Unit	Converter to Euro
Denmark	DKK	0,13427
Norway	NOK	0,12474
Sweden	SEK	0,12476

Construction Statistics

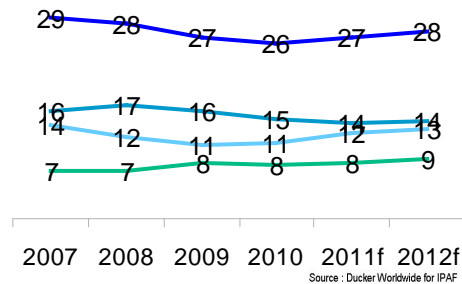
Europe



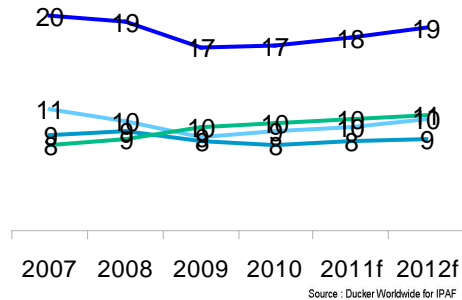
Denmark



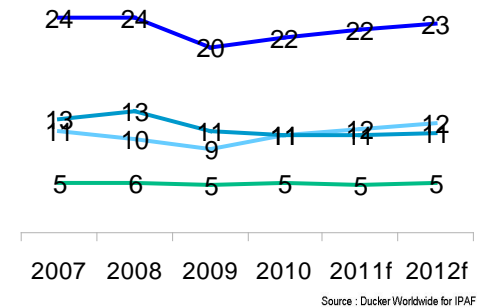
Norway



Sweden



Finland



- Residential construction
- Non-residential construction
- Total construction
- Civil engineering

TRANSPORTATION ✦ CONSTRUCTION ✦ INDUSTRIAL ✦ MATERIALS ✦ FINANCIAL

I^{PAF} Powered Access Rental Report – Spain

Final Report

May 2011



DUCKER WORLDWIDE

Prepared for:

The International Powered Access Federation



Key Findings

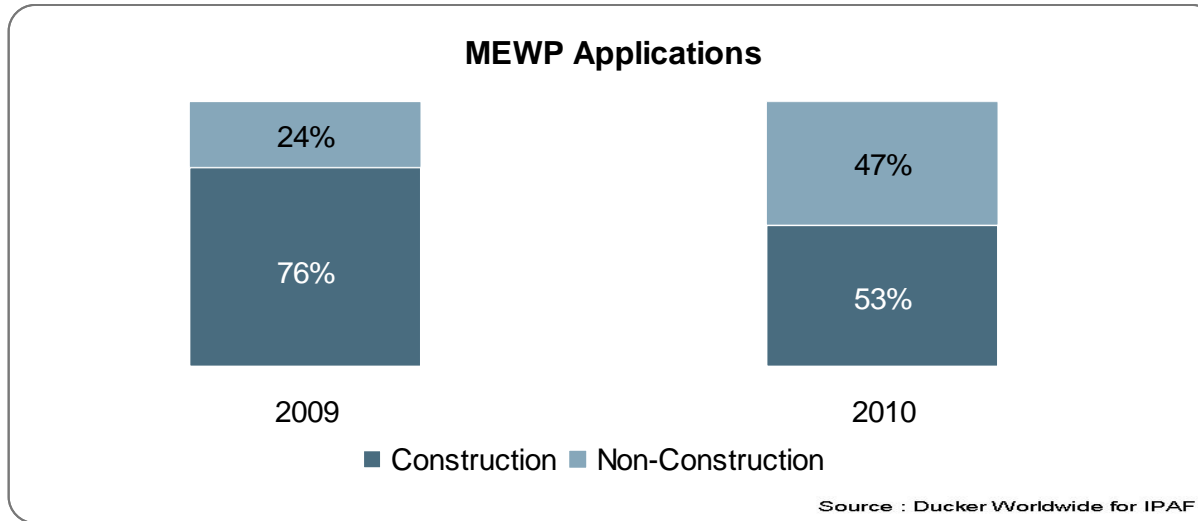
- ❑ It is estimated that more than 90% of MEWPs in Spain are sold to the rental companies.
- ❑ The Spanish market is still considered as having a low level of maturity, even if in 2008 the fleet reached market saturation.
- ❑ Spain is estimated to have around 300 companies which offer MEWP rental.
 - The MEWP rental market remains dominated by two very large general rental companies.
 - In addition, six to seven companies, mostly specialists, represent around 40% of the market .
 - A large number of major companies have been in bankruptcy proceedings for several years.
- ❑ While the MEWP market grew rapidly with the construction boom between 2004 and 2008, the market started to decline in 2008 and has continued to deteriorate.
- ❑ Due to the bursting of the construction bubble, the MEWP rental market in Spain is having a much slower and painful recovery than other European markets.
- ❑ Optimistic market players expect the Spanish market to start to recover in 2013, but others do not expect a clear improvement before 2015.
- ❑ However, most market players say that de-fleeting would be the first way to streamline the Spanish MEWP market.

Key Findings

- ❑ The decline of the 2010 Spanish rental market was greater than expected in 2009 (-22%). The 2010 Spanish MEWP market is estimated at €141M.
- ❑ The market is set to continue to decrease in 2011 and 2012, but at a much slower pace.
- ❑ Market players continued to reduce their MEWP fleets in 2010 by 7% on average which has led to a national fleet of around 26,000 machines.
 - The fleet mix remained stable in 2010 and will remain like that in the next few years, with a relatively equal split between booms and scissors.
- ❑ As several market players renewed a large part of their fleets in 2009, Spanish MEWP rental companies limited investments in 2010 and will further reduce purchases in 2011 and 2012, almost to zero.
- ❑ Utilisation time improved significantly in 2010 (61%) due to the major 2009 de-fleeting. The trend is expected to continue as rental companies carry on de-fleeting in the next two years.
- ❑ Retention period is progressively increasing as rental companies tend to refurbish their MEWP equipment more and more, in order to limit investments.

Applications and Drivers

Compared to 2009, due to a major crisis in the construction industry, the share of non-construction applications increased drastically in 2010. But this has not compensated for the loss of value of construction activities.



Share of rental revenues

Non-construction includes property care, maintenance, cleaning, utilities, events.

Construction includes new build and renovation; including all types of buildings, also industrial.

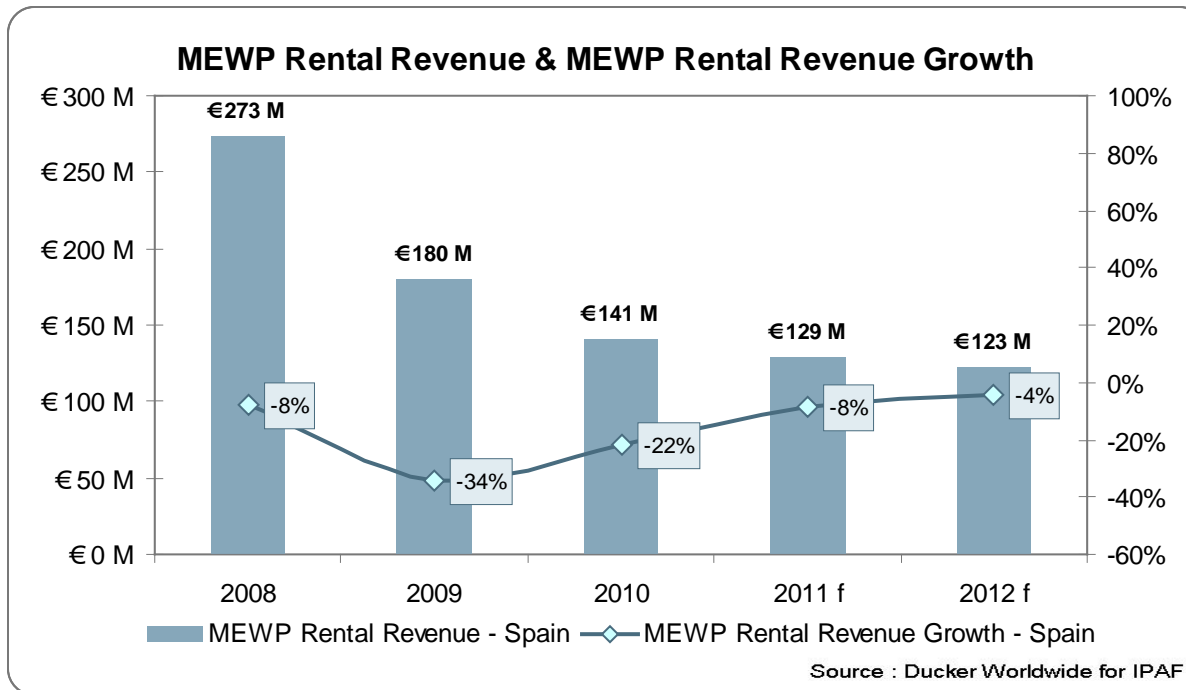
- “Construction remains a massive market. We try to get in to other markets but they are more difficult to manage: short term contracts, more maintenance costs, more transportation costs, etc. You rent machines for a few days compared with construction where you can rent machines for 2 years!”

	Business Lines - Spain
Equipment rental	77%
Sales of used rental equipment	10%
Construction equipment sales	0%
Other	13%

Other includes training, maintenance and repair, offshore work, energy, etc.

Market Size and Dynamics

In 2010, rental companies continued to experience a strong revenue decline. This trend is expected to continue in 2011 and 2012, although at a limited pace. 2013 might see the beginning of a stabilisation of the MEWP rental market.

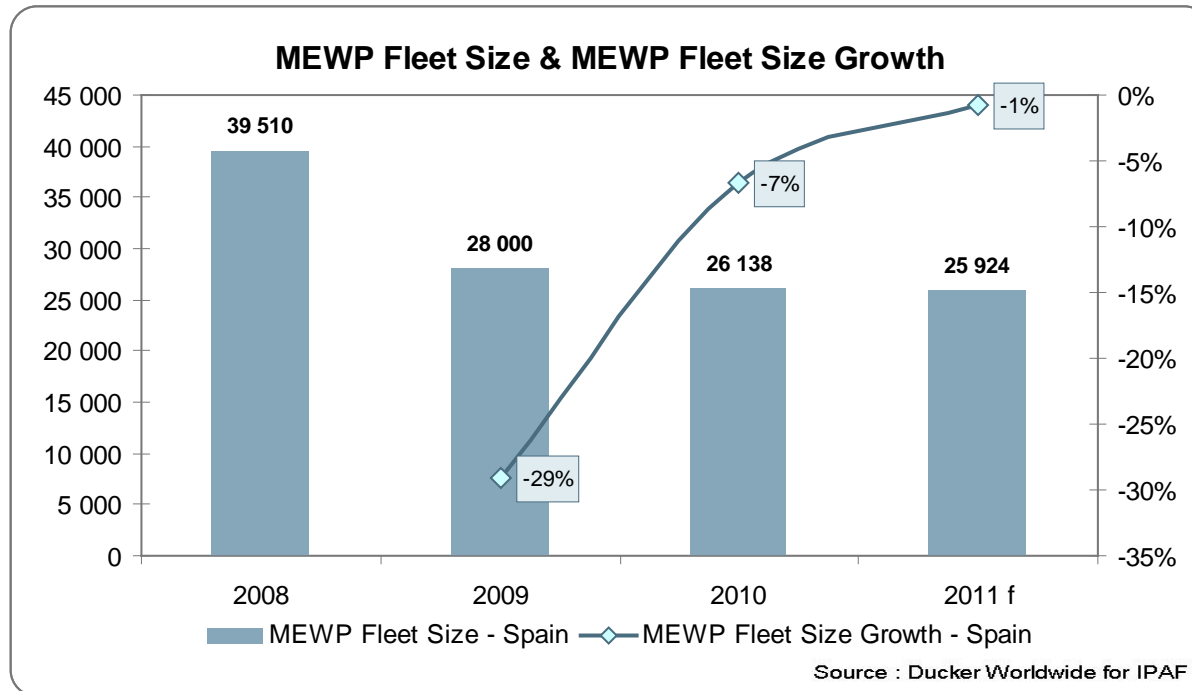


- *“I cross-hire machines sometimes, but only when customers need specific machines.”*
- *“In Spain, there is a major crisis in the construction industry and there are limited credit conditions for companies.”*
- *“2013 will probably see a halt in the decrease of the market.”*

2010 Average share of revenue from cross hiring = 3%

Market Size and Dynamics

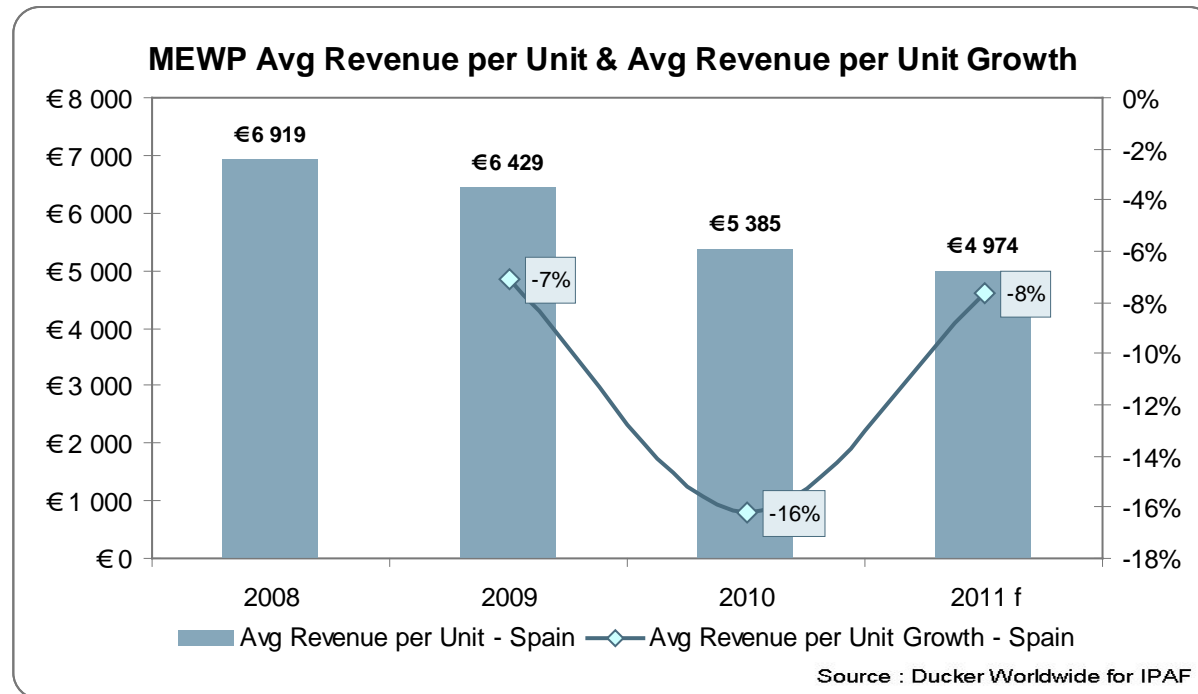
Market players continued to de-fleet in 2010, as most believe that the overall Spanish fleet is too large for market stabilisation. The 2010 Spanish fleet is estimated at approximately 26,000 machines.



- *“There are too many machines that are not used in this market. Reducing the overall fleet size could make the market attractive again.”*
- *“A lot of companies reduced the size of their fleet in 2010, but another 10 to 20% decrease in the machine number would be better.”*
- *“I sent a lot of machines to other countries and I know of competitors who did the same.”*

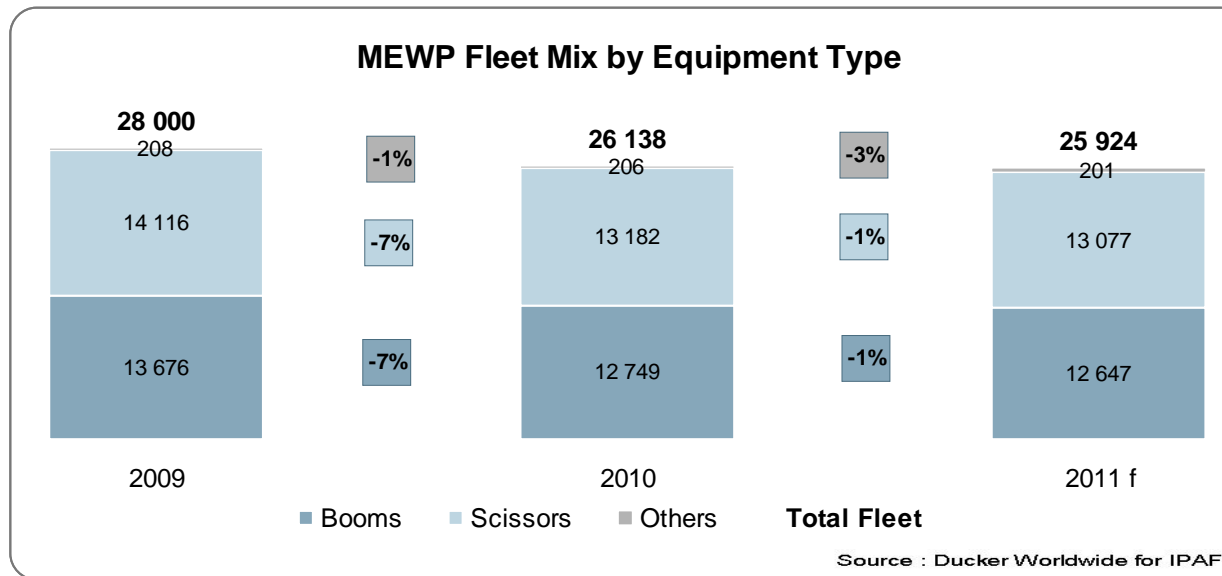
Market Size and Dynamics

As rental revenue decreased more rapidly than fleet size, there was a strong decline in revenue per unit.



Market Size and Dynamics

The Spanish market has a relatively equal balance between booms and scissors. Fleet composition has not changed much compared to 2009 and is not expected to change in 2011.



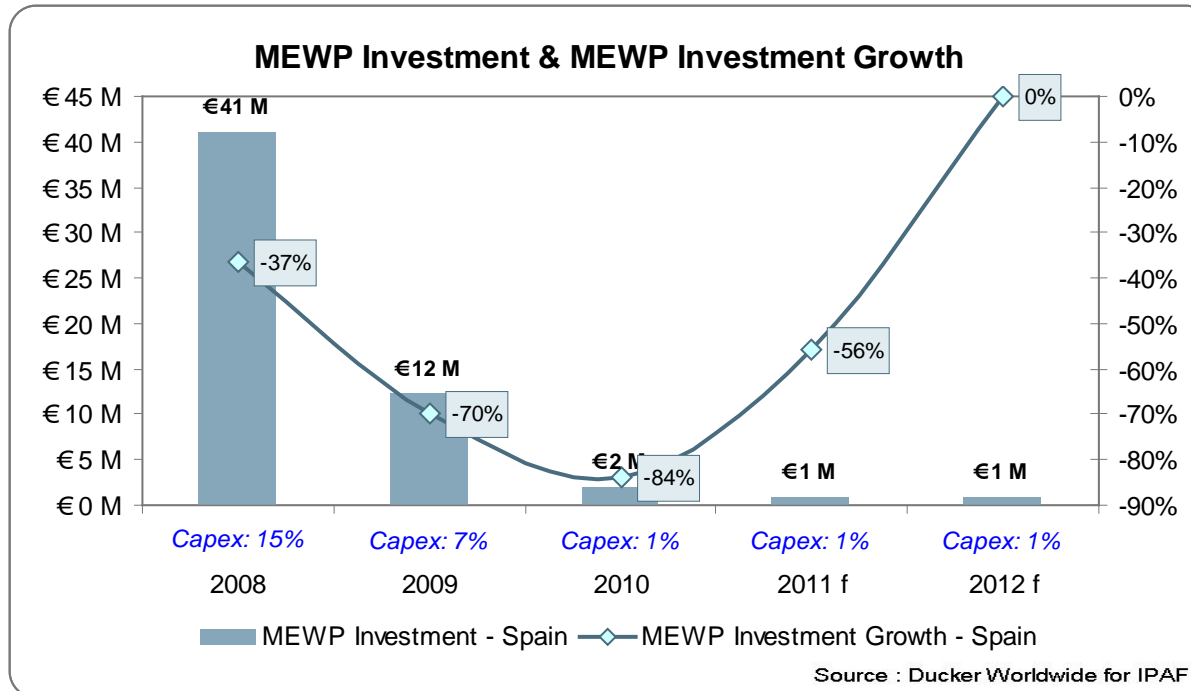
Truck-mounted machines are included in the data for booms

“Others” include personal lifts

+X% % unit growth

Investments

Investments continued to decrease sharply in 2010. They are expected to be close to zero in 2011 and 2012.



Capex = % of MEWP revenue invested in new equipment for rent.

- *“I won’t acquire machines because prices are not attractive. I prefer developing my activity in other countries.”*
- *“In 2009, I renewed my fleet but I will not be investing in the next few years.”*

2010 average unit replacement value = 28 848 €

Weighted average calculated with the stated fleet replacement value divided by the number of machines in the fleet

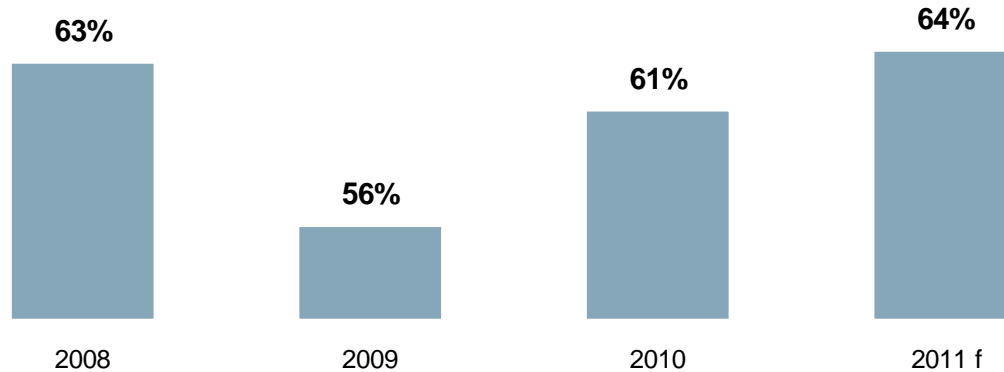
2010 average return on investment = 4.6 years

Weighted average calculated with the inventory at the price of new divided by the rental revenue (minus cross-hiring and services)

Operational Aspects

Utilisation time increased significantly in 2010 due to massive fleet reduction in 2009 and 2010.

Avg Time Utilisation - Spain



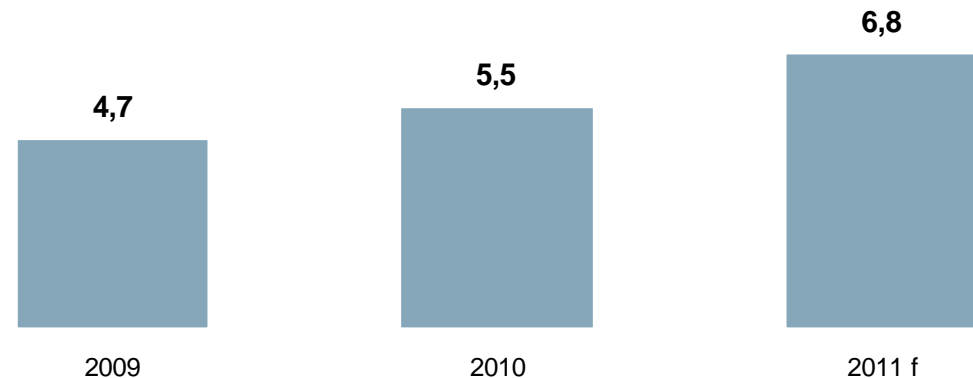
Source : Ducker Worldwide for IPAF

- *“As I sell machines from my fleet, my utilisation rate will automatically increase, but I won’t rent more than 2010.”*
- *“For MEWP equipment, 65% to 66% are good rates. In 2011, I expect the market to be around 58% to 62% utilisation rates. That is not due to an increase in activity but to a decrease in fleet size.”*

Definition: Physical number of machines out on hire as % of total number in fleet at any given time

- *“There is a clear trend towards refurbishment for two reasons. First companies have no money to invest in new equipment and then customers are less aggressive about what they want, and less demanding for new machines. In addition, MEWPs can last a very long time if they are well taken care of.”*

Avg Retention Period (Years)



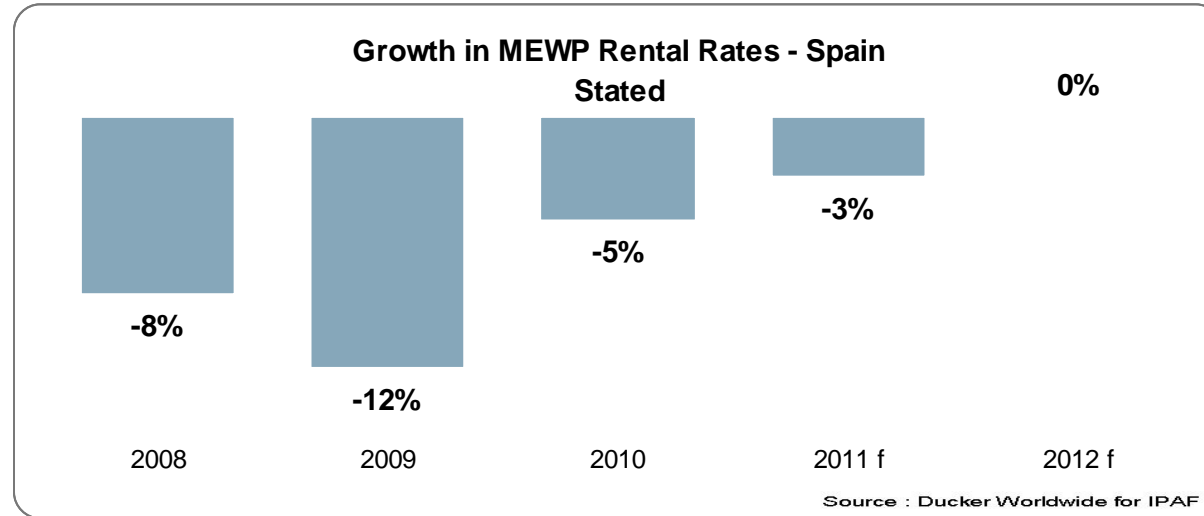
Source : Ducker Worldwide for IPAF

5.5 = 5 years and 5 months

Definition: Period of time that a machine is kept in fleet = selling age if acquired new

Rental Rates

There was a slight continual decrease in rental rates in 2010. They are expected to stabilise in 2012.



- *“Prices decreased drastically in 2008 and 2009. Now maintenance price is good and I expect prices to stabilise, starting in 2011.”*
- *“We had flat rental rates in 2010 because we increased them in the first 6 months of 2010 and at the end of the year, we decreased strongly, so the overall 2010 rate is stable.”*

Future Trends

- ❑ Optimists expect the Spanish market to stabilise in 2013, but others think that only 2015 will see a real improvement in the situation.
- ❑ The Spanish market encounters two major issues: the number of units in the fleet is too high for new market conditions and the country is experiencing a complicated economic situation with an intense construction market crisis.
- ❑ Market players report a trend towards more and more refurbishment for two reasons:
 - Rental companies are struggling to get financing for new equipment.
 - Customers place less emphasis on receiving new machines.
 - In addition MEWPs have quite a long lifetime if they are well taken care of.
- ❑ The trend for non-construction applications is expected to slow down once the market stabilises. The reasons for this are that although they provide better rental rates, non-construction activities are primarily short-term contracts, requiring more maintenance costs, transportation costs, etc.



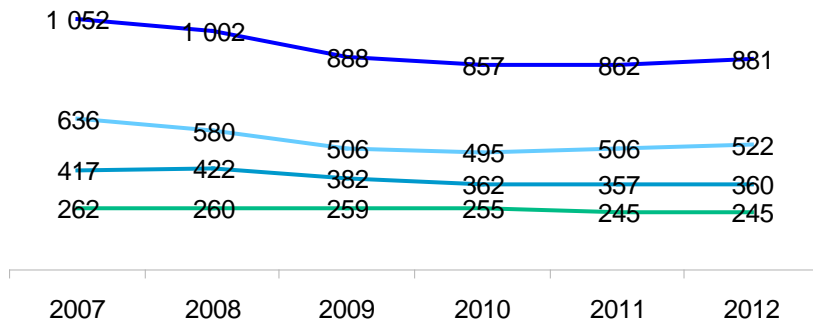
Appendix

Definitions

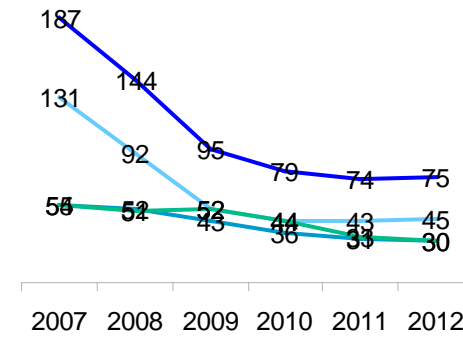
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Construction Statistics

Europe



Spain



- Residential construction
- Non-residential construction
- Total construction
- Civil engineering

TRANSPORTATION ✦ CONSTRUCTION ✦ INDUSTRIAL ✦ MATERIALS ✦ FINANCIAL

IPAF Powered Access Rental Report – UK

Final Report

May 2011



DUCKER WORLDWIDE

Prepared for:

The International Powered Access Federation



Key Findings

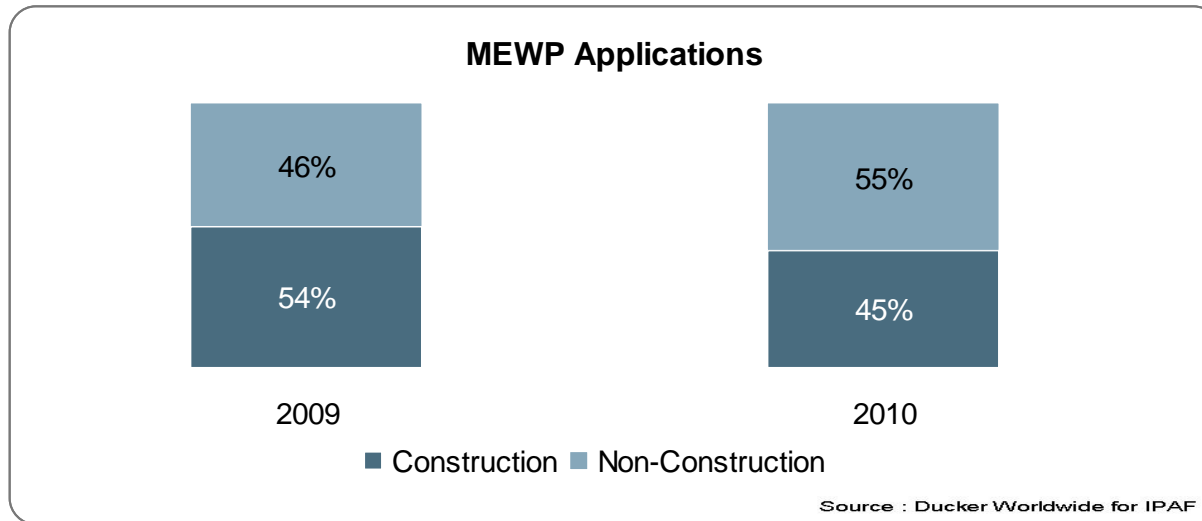
- ❑ As forecast in 2009, 2010 showed a slight increase in overall revenue. 2011 and 2012 revenues are expected to grow, however, at a slower pace than previously anticipated. Two reasons explain this situation:
 - The UK is a mature market in which growth potential is limited.
 - UK rental companies have lost confidence in the MEWP market and as a consequence, they are cautious when estimating future growth trends.
- ❑ Despite the strong recession in 2009, only a limited number of small companies disappeared in 2010. However, 2011 should be a decisive year for market consolidation, as some of those companies that continued to struggle in 2010 might not experience a sufficient revenue growth in 2011 to maintain their activities.
- ❑ The UK market is experiencing a shift towards non-construction applications (maintenance, utilities, etc.) which counterbalances the construction market downturn. This trend is expected to continue in the next few years.

Key Findings

- ❑ Most indicators were positive in 2010 in the UK:
 - 2010 overall fleet size remained stable (fleet increase of approximately 500 units). Large companies decreased or sustained fleet sizes, while small specialists increased fleet sizes during the last quarter of 2010.
 - Fleet mix between booms and scissors remained similar in 2010, and is expected to remain so in 2011. Personal lifts are the machines where the highest growth is expected (+10%) in 2011, but they still represent a very limited share of the overall fleet.
 - Investments in new equipment increased drastically in 2010 (+100%), primarily for fleet renewal, and are expected to continue increasing in the next two years. In 2012, investments are forecast to return to pre-crisis levels.
 - Average utilisation time recovered partially from 2009's decrease and should reach approximately 67% in 2011.
- ❑ However, market players expect a trend towards refurbishment, especially for larger machines. Retention period is increasing accordingly.
- ❑ While rental rates continued to decrease in 2010 (although only slightly compared to 2009), they will stabilise in 2011 and 2012.

Applications and Drivers

Compared to 2009, rental companies have made strong efforts to diversify their activities in order to reduce risks.



Share of rental revenues

Non-construction includes property care, maintenance, cleaning, utilities, events.

Construction includes new build and renovation; including all types of buildings, also industrial.

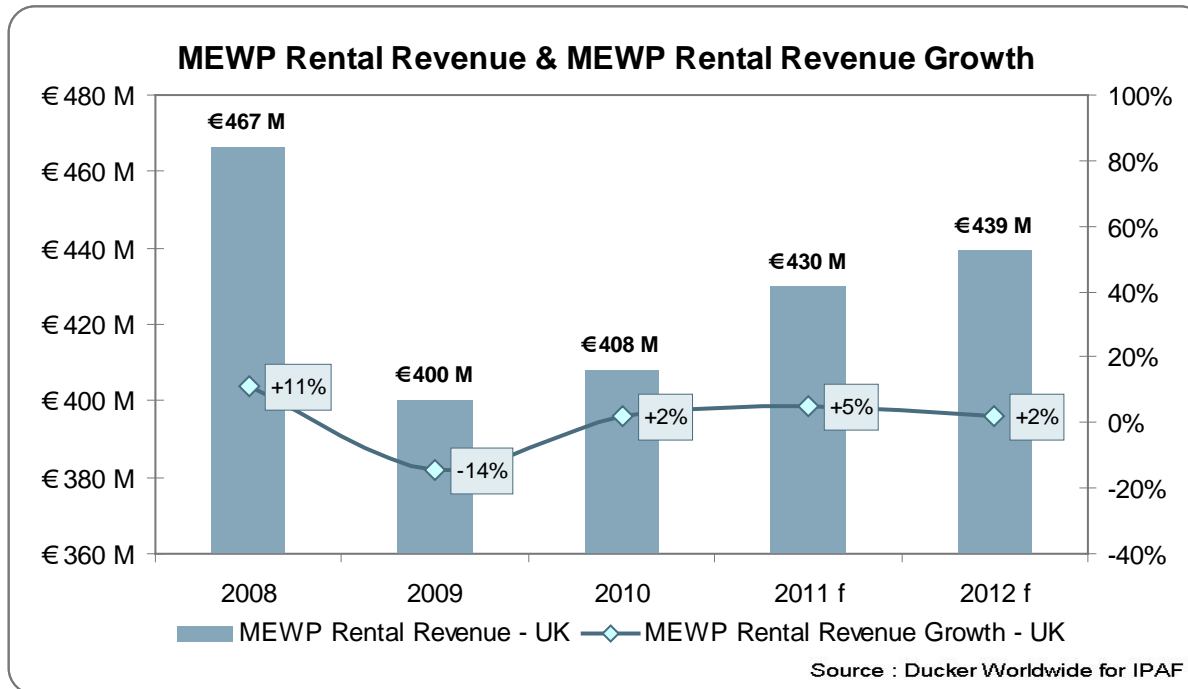
	Business Lines - UK
Equipment rental	88%
Sales of used rental equipment	7%
Construction equipment sales	0%
Other	4%

Other includes training, maintenance and repair, offshore work.

- « We were more into construction, but because of the crisis, we had to put our eggs in more than one basket. »
- “We tend to go away from construction. We try to deal with industrial outlets, maintenance.”
- “The shift towards non-construction started during the boom-years but became very strong during the crisis. The construction market collapsed and companies tried to diversify into different activities.”

Market Size and Dynamics

In 2010, rental companies report a slight growth of activity. Pre-crisis revenue levels will not be reached in the short term.



2010 Average share of revenue from cross hiring = 6%

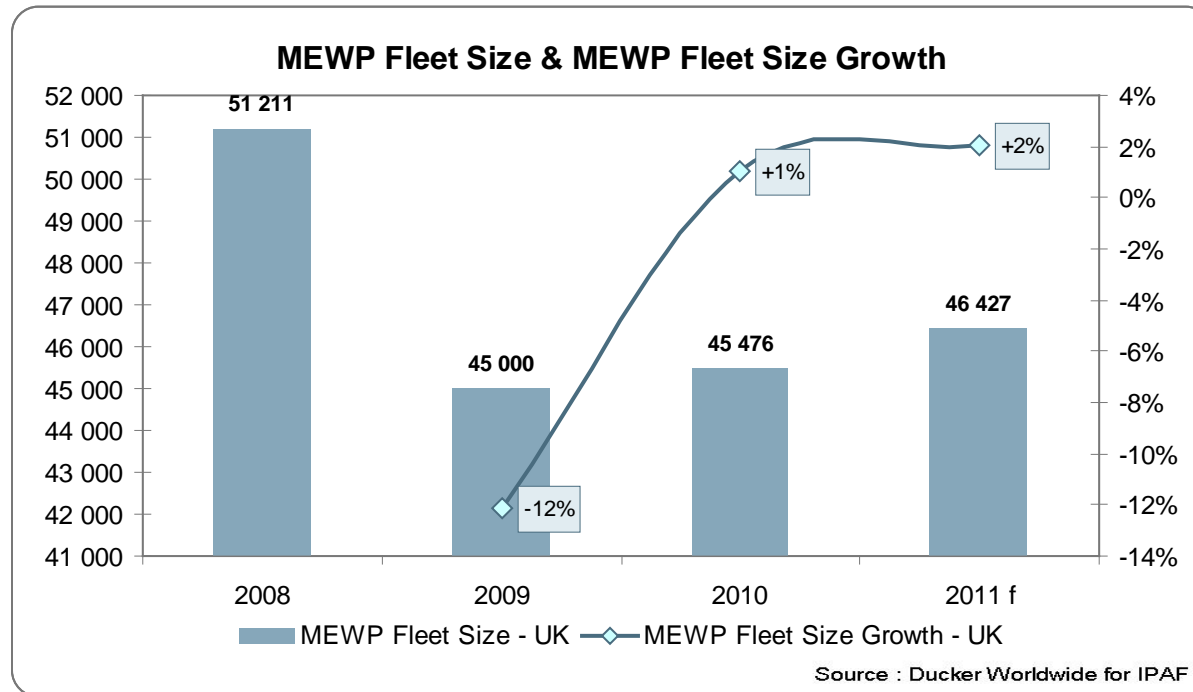
Exchange rate £1 = 1.16€

- *“In the short term, most companies are going for like to like, but we’re going for an increase.”*
- *“Weather has been really bad in Scotland recently. No activity possible.”*
- *“It is difficult for small companies to compete, but they can remain present locally, offering shorter contracts and bringing local knowledge and proximity that the big ones cannot.”*
- *“I have doubts about the effect of council cut backs which mean that local councils will have much less money to spend.”*

Market Size and Dynamics

In 2010 MEWP fleet size remained relatively stable, with approximately 45,500 units. The fleet will continue to increase very slowly in 2012.

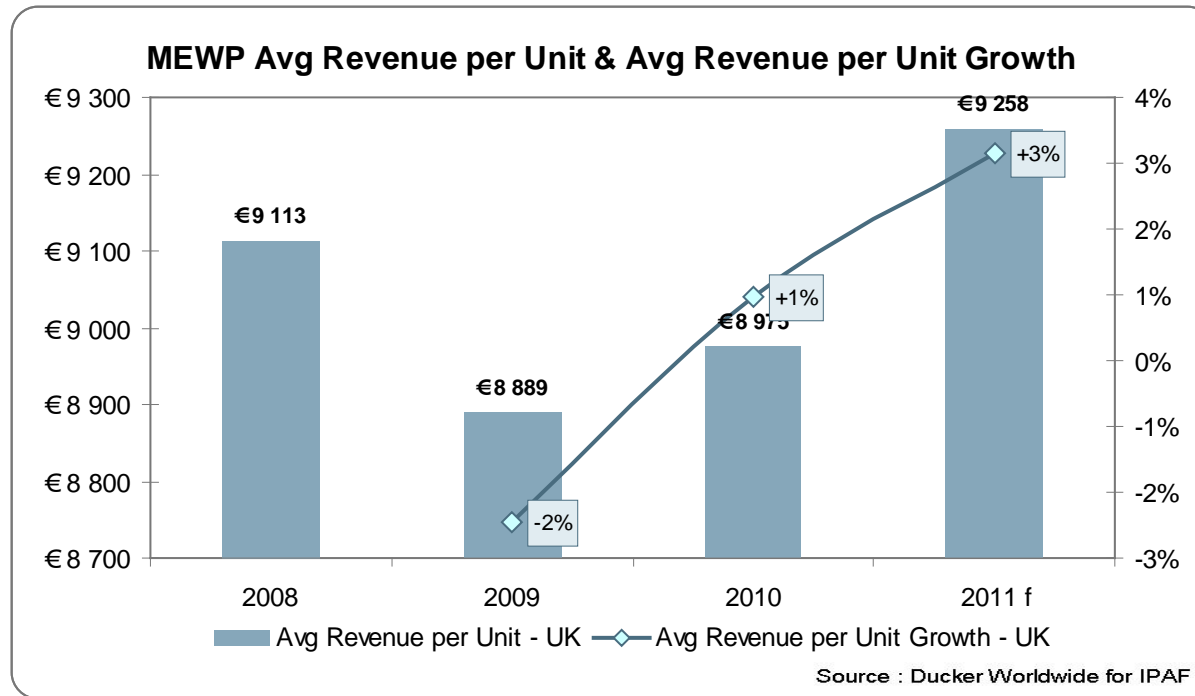
- It is interesting to note that large companies have decreased or stabilised fleet sizes in 2010, while smaller companies, especially specialists, report an increase in fleet sizes, especially in the last quarter of 2010.



Exchange rate £1 = 1.16€

Market Size and Dynamics

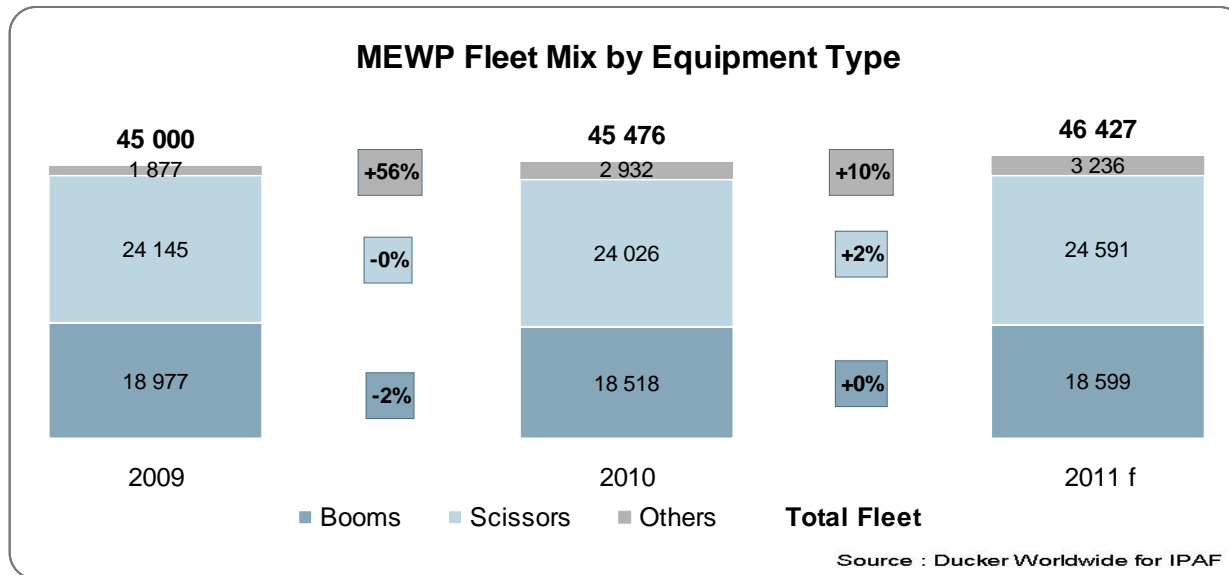
As revenue increased slightly more than fleet size, the average revenue per unit rose slightly (+1%) in 2010.



Exchange rate £1 = 1.16€

Market Size and Dynamics

Fleet composition has not changed much compared to 2009 and is not expected to change in 2011.



Truck-mounted machines are included in the data for booms

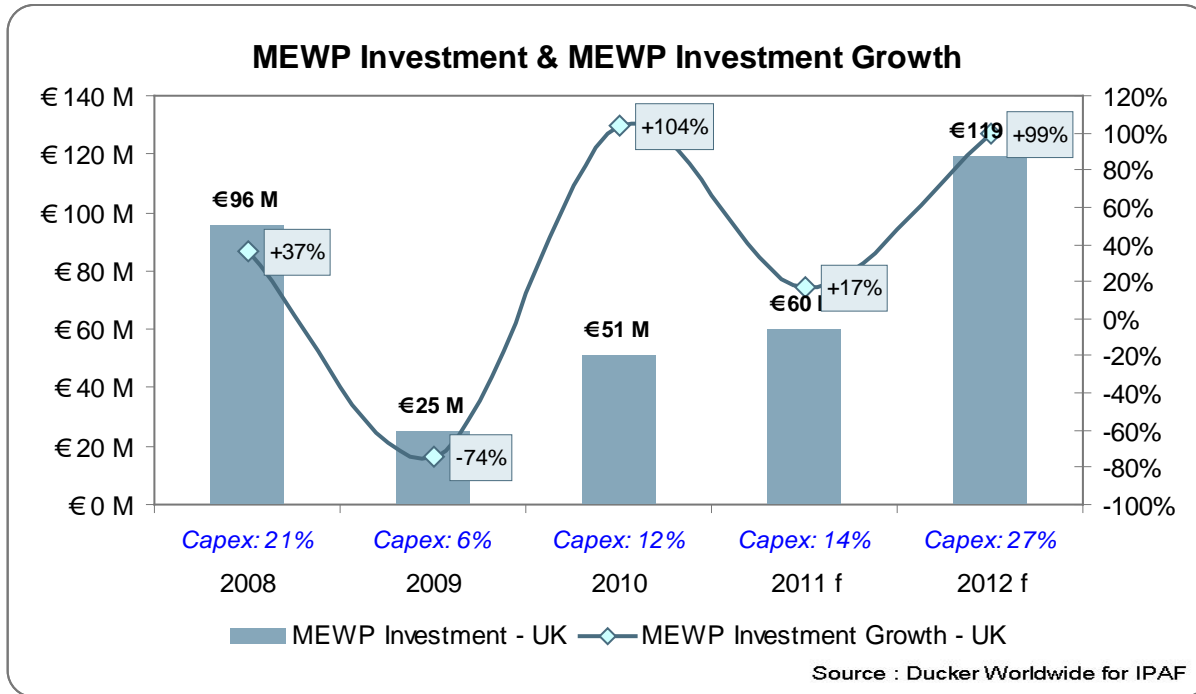
“Others” include personal lifts

+X% % unit growth

- “2010: more low end such as push around than 2009”
- “I expect growth in low to mid end markets mainly. High elevation depends on big projects. UK will see growth due to legislation.”
- “The low level access equipment market has been pushed by safety considerations, and you will see many more platforms and spiders where once you would have had ladders or scaffolds (ladders are still of course predominant and will be for a long time).”

Investments

Investments have been increasing strongly in 2010. They are expected to reach pre-crisis levels by 2012.



- “Replacement investment is important and will kick-in in the next few years, as many companies have tended to freeze their replacements during the crisis.”
- “2012 can expect to resume replacement at a normal rate.”

Capex = % of MEWP revenue invested in new equipment for rent.

Exchange rate £1 = 1.16€

2010 average unit replacement value = 30 068 €

Weighted average calculated with the stated fleet replacement value divided by the number of machines in the fleet

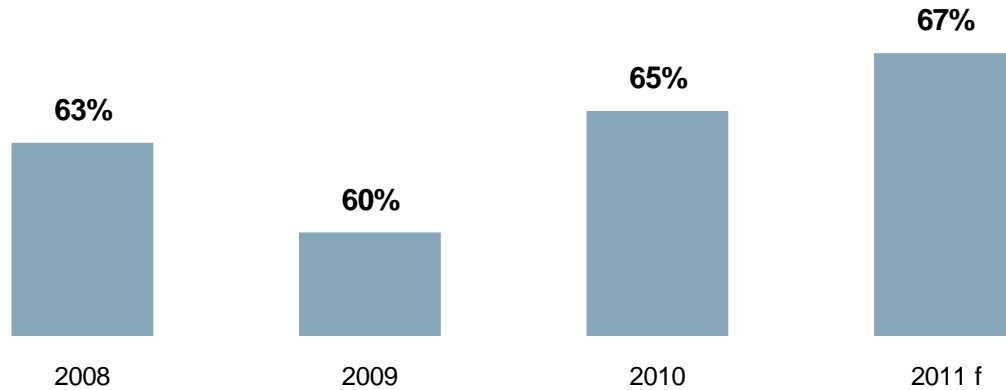
2010 average return on investment = 4.2 years

Weighted average calculated with the inventory at the price of new divided by the rental revenue (minus cross-hiring and services)

Operational Aspects

Utilisation time increased significantly in 2010 due to fleet reduction in the previous year.

Avg Time Utilisation - UK

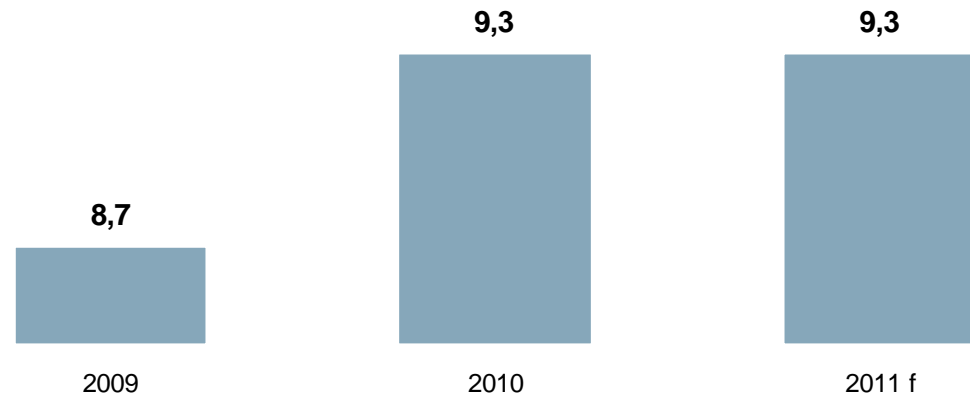


Source : Ducker Worldwide for IPAF

Definition: Physical number of machines out on hire as % of total number in fleet at any given time.

- *“As raw material prices will increase, we may do more refurbishment and keep our machines longer, especially the biggest ones.”*

Avg Retention Period (Years)



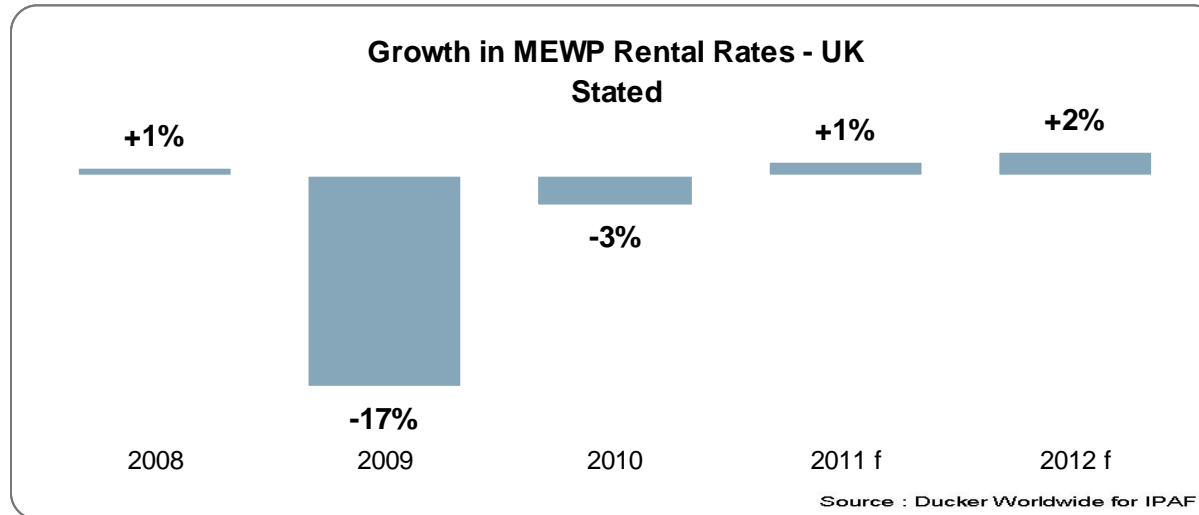
Source : Ducker Worldwide for IPAF

9.3 = 9 years and 3 months

Definition: Period of time that a machine is kept in fleet = selling age if acquired new

Rental Rates

Rental rates decreased slightly in 2010, and are expected to remain fairly stable in the next few years.



- *“Rates are still under pressure as companies are searching for work. The pressure is not as strong as it was in 2009. Many companies will need cash and will be forced to get their machines out even with very low rates. There may start to be a recovery in 2011.”*
- *“Rental rates have to increase, because companies will not be able to replace if not. Very old fleets are being run, while the price of new products have increased. The rental rates are completely detached from the price of new machines. A lot of our competitors work a 10/ 15 year old fleet.”*

Future Trends

In this mature market, diversification towards new activities is likely to increase in the next few years.

- *“I expect diversification! The opportunities lie in low height applications. The question for the future is: will the market remain dominated by specialists or will it become, as in the US, a market driven by generalists. Will the specialist rental companies be acquired by big generalists or the big specialists become generalists?”*
- *“The UK market is already relatively mature.”*
- *“There are market increases in specialty applications, because there is a real diversification.”*
- *“We will stick with what we know, but there are new markets to develop. The property maintenance area is a huge market that can still be developed.”*
- *“Maintenance is proving to be far more important sector today and will become more established.”*
- *“UK is already mature, so don't expect double-digit growth. You can only grow market by buying a lot of equipment to push into the market, which compromises price, something you hardly want to do at the moment.”*



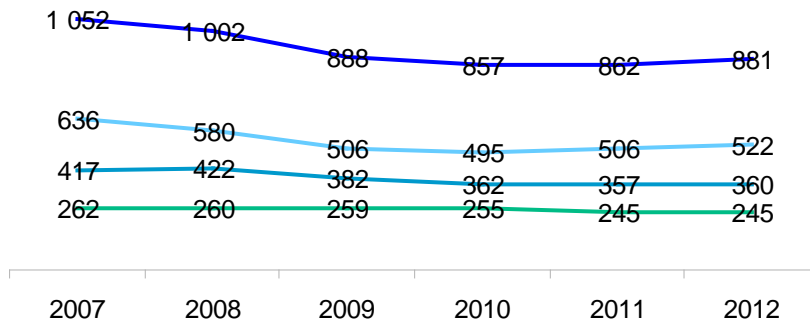
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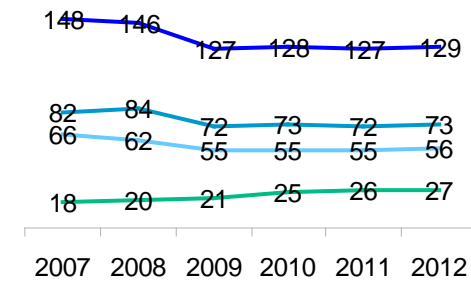
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UK



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This concludes our report. Thank you.

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