



DUCKER WORLDWIDE

Advancing Growth

Prepared for:
The International Powered Access
Federation



IPAF
Powered Access
Rental Market Report
Europe - 2015

April 2015

IPAF Powered Access Rental Market Report 2015 - Europe

Foreword	3
Executive Summary	14
Market Size 2014	26
Market Dynamics 2008-2016	34
Investment 2008-2016	43
Operational Aspects 2008-2015	47
Market Trends & Drivers	54
Chinese MEWP Market	64
Country Reports	69
France	71
Germany	93
Italy	115
Netherlands	137
Nordic Region	159
Spain	182
UK	203



IPAF Powered Access Rental Market Report 2015 – Europe

FOREWORD

IPAF

- ❑ The International Powered Access Federation (IPAF) promotes the safe and effective use of powered access equipment worldwide. IPAF is a non-profit member organisation that represents the interests of rental companies, manufacturers, distributors, users and training companies. It was set up in 1983 and celebrated its 30th anniversary in 2013.

- ❑ The IPAF training programme for platform operators is certified by TÜV as conforming to ISO 18878. More than 100,000 people are trained each year through a worldwide network of over 600 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 has more than 1000 members.

Additional copies of this report can be ordered at www.ipaf.org/reports or from your nearest IPAF office. IPAF has also published the IPAF US Powered Access Rental Market Report 2015 – details available at www.ipaf.org/reports or from your nearest IPAF office.

UK Head Office:

IPAF, Moss End Business Village
Crooklands, Cumbria LA7 7NU, UK
+44 15395 66700
info@ipaf.org

Germany :

IPAF-Deutschland, Alter Schulhof 7
D-28717 Bremen, Germany
+49 421 6260 310
deutschland@ipaf.org

Brazil:

IPAF-Brasil, Rua Andaluz 140
13.280-000 Vinhedo São Paulo, Brazil
+55 11 39588590
portugues@ipaf.org

Italy:

IPAF-Italia, Via Chieti 8
I-20154 Milano (MI), Italy
+39 02 319 206 50
italia@ipaf.org

France:

IPAF-Bâle, Dufourstrasse 11
CH-4052 Bâle
Suisse
Tel: +33 (0)1 30 99 16 68
France@ipaf.org

Netherlands:

IPAF-Benelux, Oranjestraat 167
NL-3295 AS's – Gravendeel,
Netherlands
+31 6 30 421042
benelux@ipaf.org

Additional copies of this report can be ordered at www.ipaf.org/reports or from your nearest IPAF office. IPAF has also published the IPAF US Powered Access Rental Market Report 2015 – details available at www.ipaf.org/reports or from your nearest IPAF office.

South East Asia:

IPAF-South East Asia,
25 Bukit Batok Crescent
The Elitist, #04-12
Singapore 658066
+65 9686 4191
sea@ipaf.org

Spain:

IPAF-Iberia, Edificio Europa, 4^a planta
c/ Vía de Francia s/n
Interior Zona Franca
E-11011 Cadiz, Spain
+34 677 889 049
espana@ipaf.org

Switzerland:

IPAF-Basel, Dufourstrasse 11
CH-4052 Basel, Switzerland
+41 61 227 9000
basel@ipaf.org

UAE:

IPAF-Middle-East,
Executive Office: 06, Floor: 08
Building: 10, DIAC
Silicon Oasis
Dubai, United Arab Emirates (UAE)
+971 (0) 55 3094 333
uae@ipaf.org

US:

IPAF-US, 225 Placid Drive
Schenectady, NY 12303, US
+1 518 280-2486
usa@ipaf.org

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 specializing 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.

This report was produced by the European headquarters of Ducker Worldwide in cooperation with its US headquarters.

Ducker Research Europe (European Headquarters)

89, route de la Reine
F-92773 Boulogne Billancourt cedex, France

www.duckereurope.com

Tel: +33 1 46 99 59 60

Audrey Courant, Associate Principal

Audrey.courant@duckereurope.com

Anne Myon, Project Manager

Anne.myon@duckereurope.com

Ducker Worldwide

1250 Maplelawn Drive

Troy, MI 48084, US

www.ducker.com

Tel: 248-530-2011

Nicole McGregor, Principal

nicolem@ducker.com

This study assesses the MEWP (Mobile Elevating Work Platform) rental market value for Europe over a six-year period. A separate report is available covering the US market.

- ❑ The study covers the time period 2008-2016, with particular focus on 2014.
- ❑ Main objectives:
 - 2014 MEWP rental market value and fleet size.
 - Trends and dynamics (2008–2016).
 - Operational indicators (investment, retention period, application).
 - In addition to the primary market value and fleet size objective, fleet mix is included 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.
 - Level of fleet compliance with Stage IIIB and Stage IV.
 - Estimated size of the 2014 MEWP rental fleet worldwide, with a breakdown by region and by machine type (including the estimated share of vehicle mounted platforms held by rental companies owning self-propelled fleets).
 - Update of the Chinese AWP rental market.
- ❑ New in this report:
 - Average payback period by machine type (booms vs. scissors).
 - Share of equipment purchased new vs used.
- ❑ The current study does not examine rental company profitability.
- ❑ All interviews were conducted in the first two months of 2014 which 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.

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 and hoists.
- ❑ Included are powered access equipment: all booms, scissor lifts and vertical masts
 - Both articulated and straight telescopic booms.
 - Self-propelled as well as push-around, towable and vehicle-mounted.
- ❑ Excluded are: low-level equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbing work platforms, hoists and equipment owned by non-rental companies.
- ❑ The European part of the study comprises the following ten countries:
 - Denmark (DK)
 - Finland (FI)
 - France (FR)
 - Germany (DE)
 - Italy (IT)
 - Netherlands (NL)
 - Norway (NO)
 - Spain (ES)
 - Sweden (SE)
 - United Kingdom (UK)



These represent 88% of the European* market in value.

* Defined as 27 EU countries + Norway + Switzerland + Croatia + Macedonia

Target Companies and Respondents

- ❑ 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): MEWPs account for more than 50% of total rental revenue.
 - Generalist rental companies (38% of the market): MEWP rental revenue accounts for 50% or less of total rental revenue.
 - From rental companies interviewed, on average, MEWP rental revenue represents 64% of their overall rental revenue.
 - National rental associations.
 - Industry experts.
- ❑ Secondary data was also gathered to validate major market trends identified.
- ❑ Only persons with input in machine selection or management were qualified as respondents. Recurrent respondent job functions were Managing Director, Sales Director, Technical Director, Purchasing Manager, Fleet Manager and Operations Manager.
- ❑ Ducker and IPAF would like to thank all industry representatives interviewed, without whose kind assistance it would not have been possible to conduct this research.
- ❑ IPAF and Ducker would also like to thank Murray Pollok, Managing Editor of *International Rental News* for his contributions and commentary on the current rental market.

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 MEWP rental revenues reported.

- ❑ Specialists vs. Generalists:
 - For specialists: MEWPs account for more than 50% of total rental revenue.
 - Generalists: MEWPs account for 50% or less of total rental revenue.

- ❑ Cross-Hire:
 - Rental by one rental company from another rental company (excluded from final results).

- ❑ 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 the customer agrees to pay for possession and use of a machine.

Definitions

□ Exchange rates:

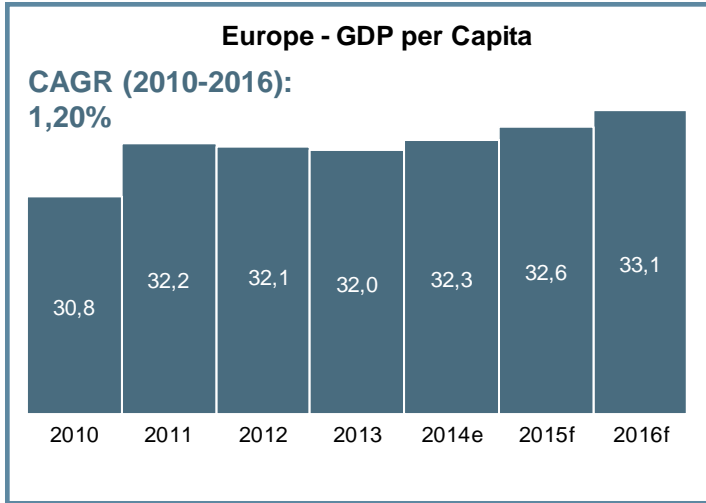
- The currency exchange rates used for countries outside the Euro Zone are as below (average annual 2014 exchange rates). The same rate has been used throughout the time period in order to eliminate variation in growth rates due to exchange rates rather than to the actual MEWP rental market.

	Currency Unit	Converter to Euro
UK	£	1,365
Denmark	DKK	0,134
Norway	NOK	0,116
Sweden	SEK	0,105

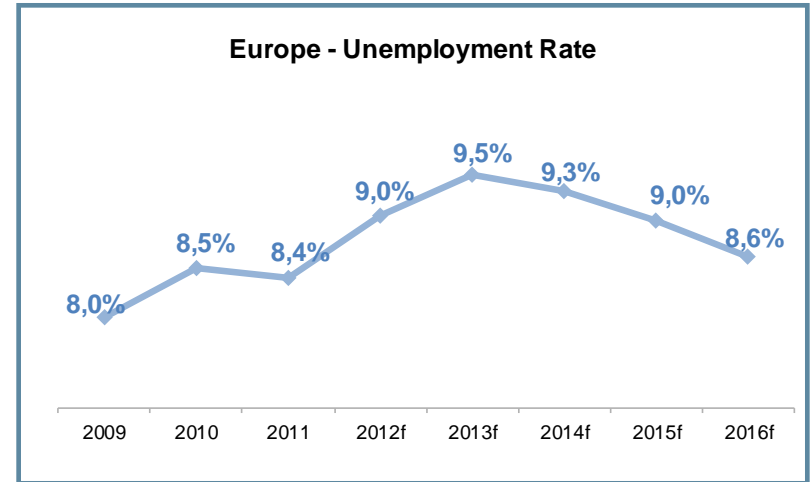
IPAF Powered Access Rental Market Report 2015 – Europe

EXECUTIVE SUMMARY

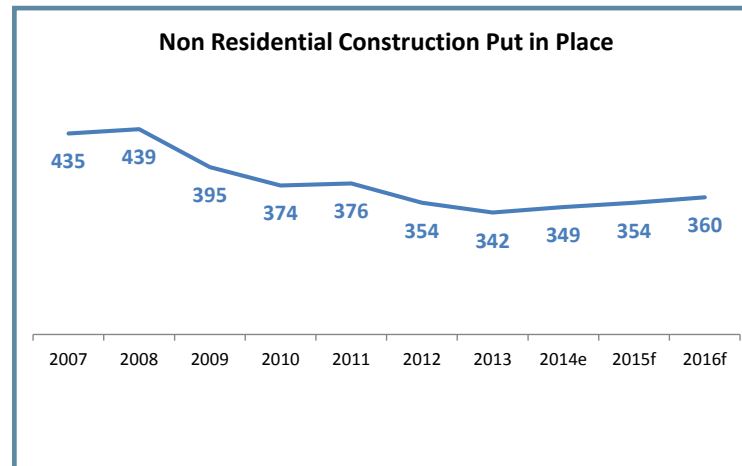
The European market is showing signs of recovery, supported by positive macro-economic indicators (GDP and non-residential construction growth, less unemployment).



Thousand Euro at 2013 prices. 10 countries under study.
Source: Ducker Worldwide for IPAF based on Euroconstruct 2014



Source: International Monetary Fund, World Economic Outlook Database, October 2014



CAGR (2010-2016): -0,63%

Construction put in place in billion Euros based on Euroconstruct 2014

MEWP Rental Market Situation at End 2014.

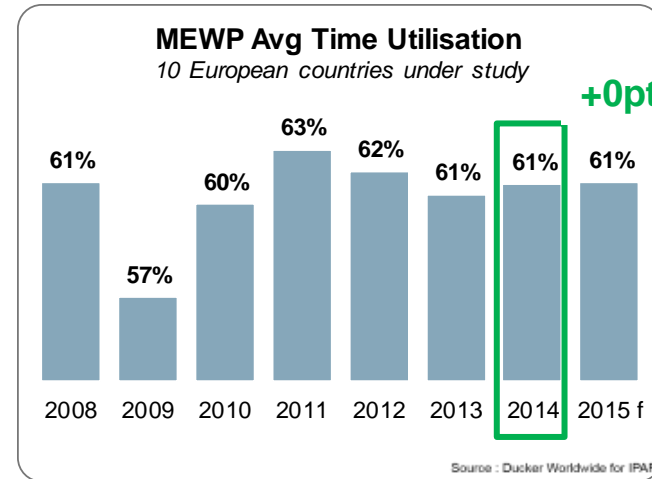
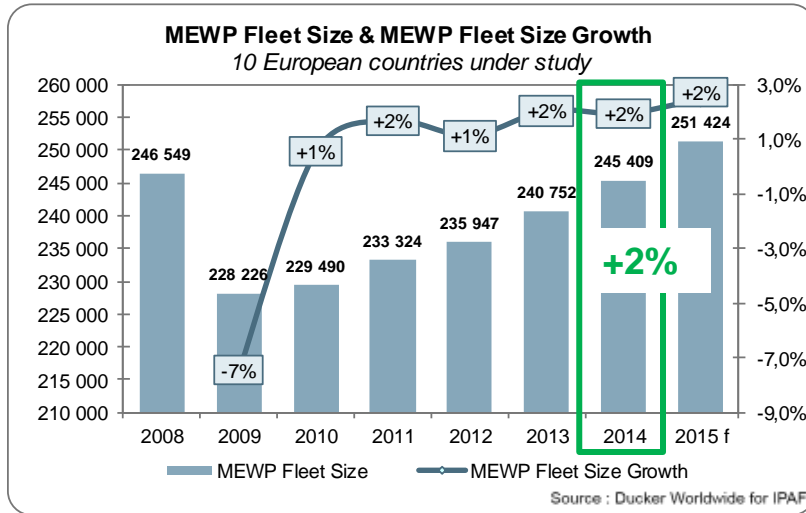
- ❑ The overall MEWP rental market situation showed signs of slight improvement compared to 2013.

- ❑ Spain, Italy, the Netherlands, and Denmark started to see market improvement in 2014 with, for most of them slight fleet expansion and for some, rental rates stabilisation or slight increase.
 - Spain and Italy are setting the foundations of a soon-to-be recovery.
 - After a few years of deterioration, the situation stabilised in the Netherlands and Denmark. Recovery of the construction sector and fleet optimisation were the main drivers for this positive evolution.

- ❑ Germany, Sweden, Norway and UK confirmed their dynamism in 2014, driven by a growing economy and a dynamic non-residential construction market.

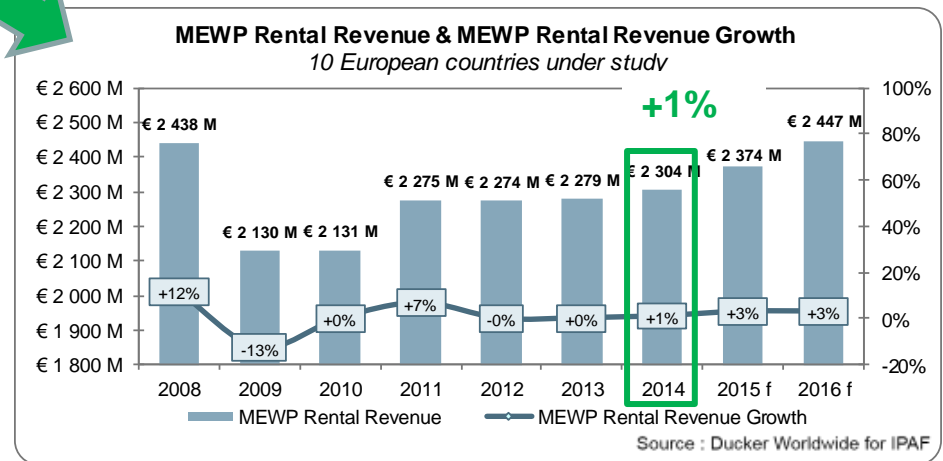
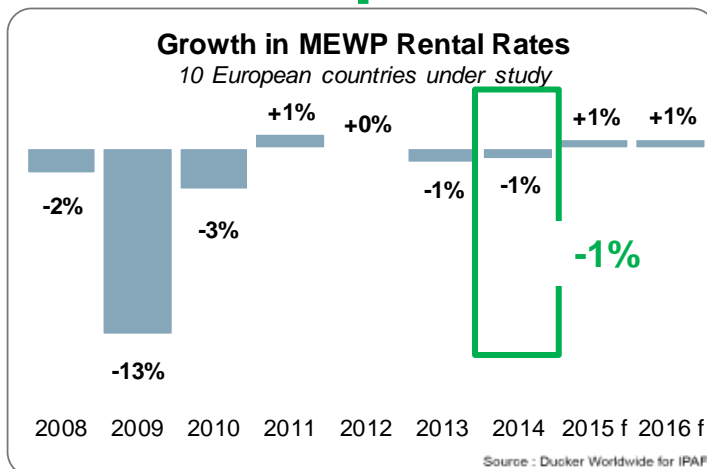
- ❑ However, two markets continued to struggle in 2014, unable to exit the recession. The Finnish and French markets deteriorated again in 2014, crippled by stagnating economies.
 - Finland is the only country that had to de-fleet to face the decrease of demand in MEWP rental.

European fleet growth, along with stable utilisation rate and slight decrease of rental rates, led to positive evolution of MEWP rental revenue.



+

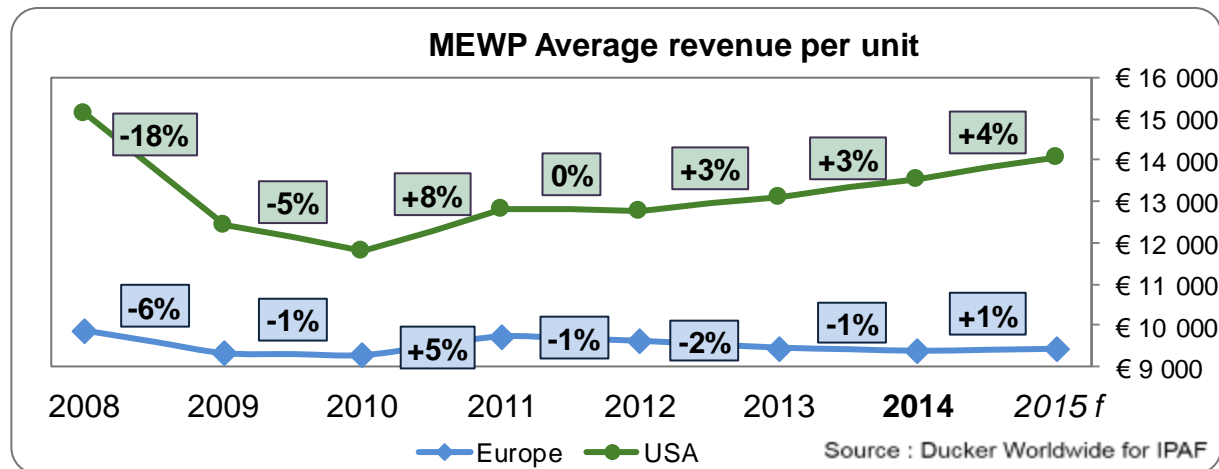
+



The US MEWP rental market is still clearly outperforming Europe.

Region	2014 revenue growth	2014 revenue	2014 fleet size growth	2014 fleet size	Utilisation rate growth	Rental rate growth
Europe*	+ 1%	€ 2.3Bn	+ 2%	245 409	+ 0 pt	- 1%
USA	+ 10%	€ 7.9Bn	+ 7%	513 113	- 1 pt	+ 4%

- ❑ The US market experienced sustained growth, driven by a strong construction market coupled with reasonable GDP growth.
- ❑ The US average revenue per unit kept increasing at a steady pace in the US, while it is only expected to stop decreasing in Europe in 2015.



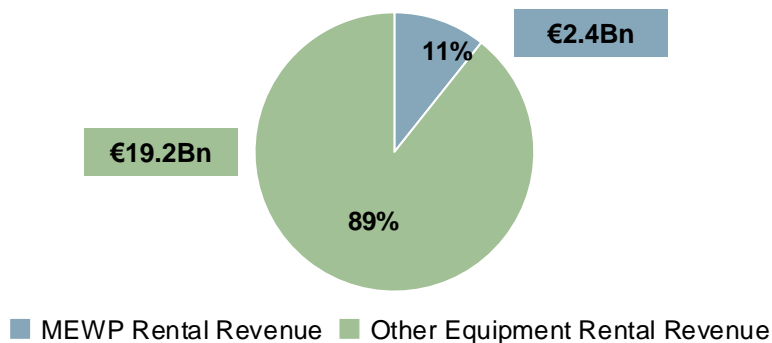
*10 countries under study – representing approx. 89% of the entire European market revenue.

In Europe, the MEWP rental revenue accounts for 11% of the overall equipment rental revenue; less than half of the US. (€21.6Bn, source ERA).

❑ Nevertheless, the share of MEWPs as part of the overall rental market in Europe has gained ground, compared to 2013.

MEWP Rental Revenue Share vs. Overall Equipment Rental Revenue - 2014

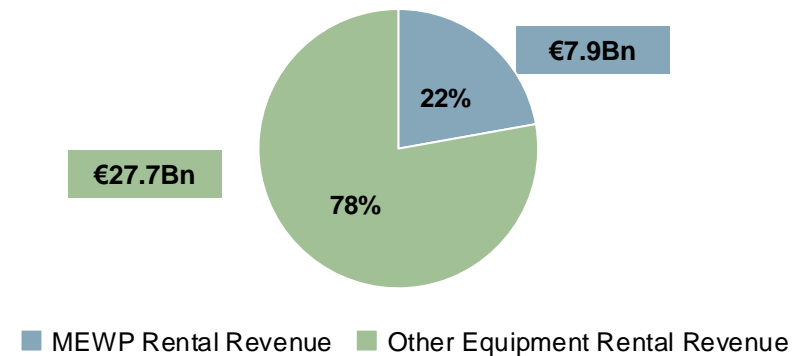
10 European countries under study



Source : Ducker Worldwide for IPAF

MEWP Rental Revenue Share vs. Overall Equipment Rental Revenue - 2014

USA



Source : Ducker Worldwide for IPAF

ERA overall equipment rental revenue includes:

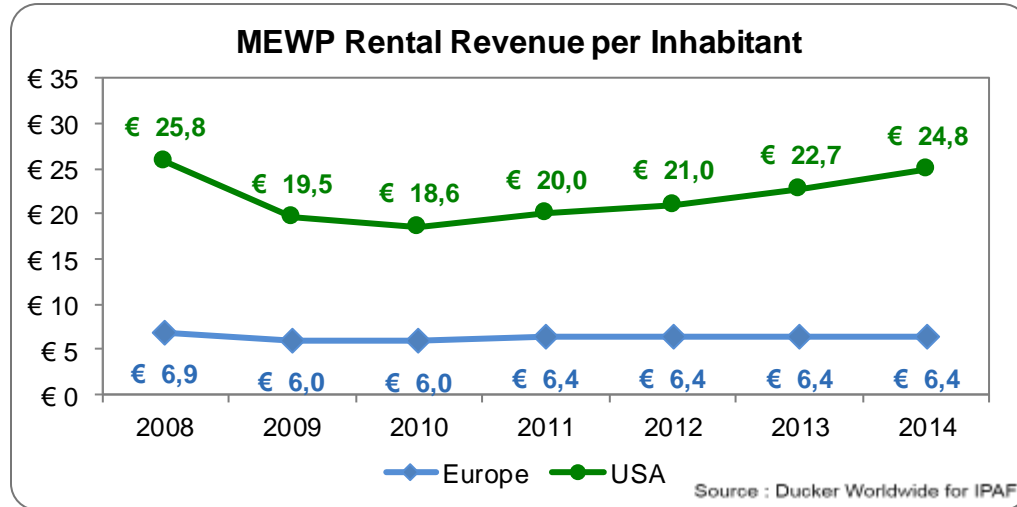
1. General Plant
2. Tools & General Equipment
3. Access
4. Power generation & Temperature Control
5. Accommodation & Fencing
6. Industrial Machinery
7. Crane

ARA overall equipment rental revenue includes:

1. Party & Event
2. General tool
3. Construction & Industrial Equipment

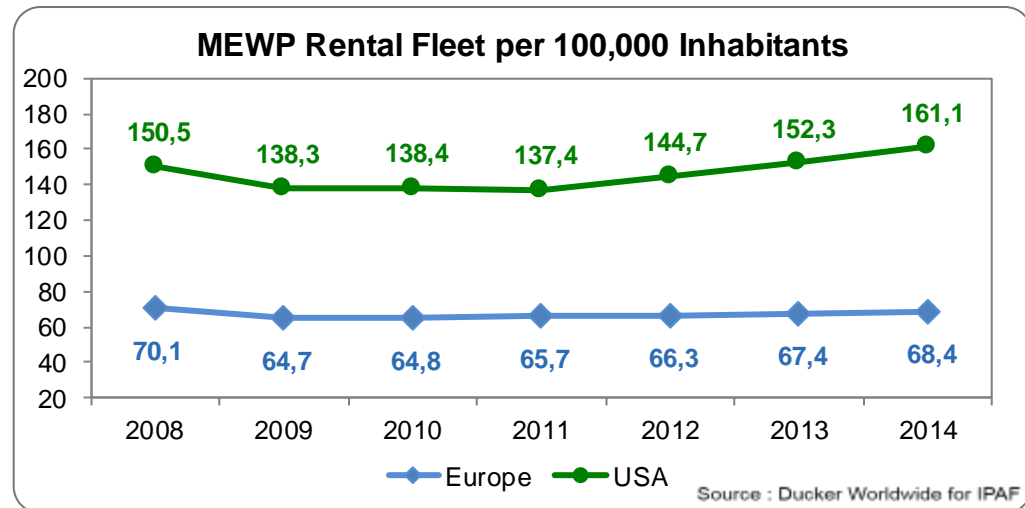
Exchange rate:
\$1 = €0.881

European rental revenue and fleet per capita are significantly below US levels, as the European market is less mature than the US.



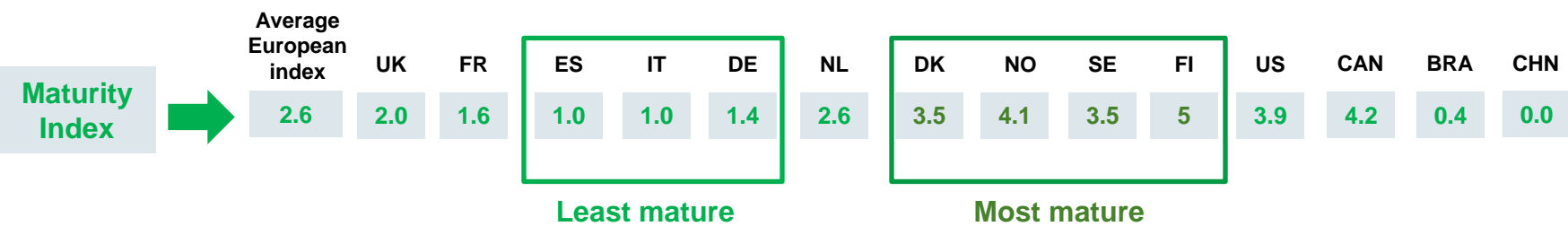
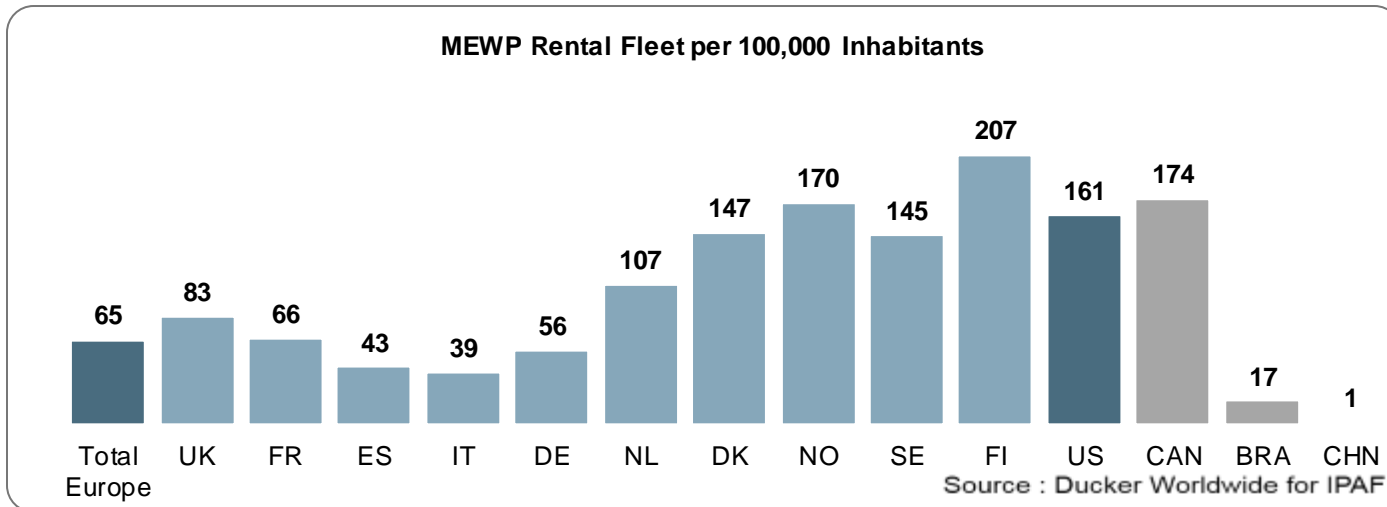
MEWP rental revenue calculated as an amount per inhabitant has been flat in Europe since 2011. This is in marked contrast to the US where there have been four years of growth.

Following the overall fleet size increase, the number of MEWPs per inhabitant continued to increase at a greater rate than the rental revenue.



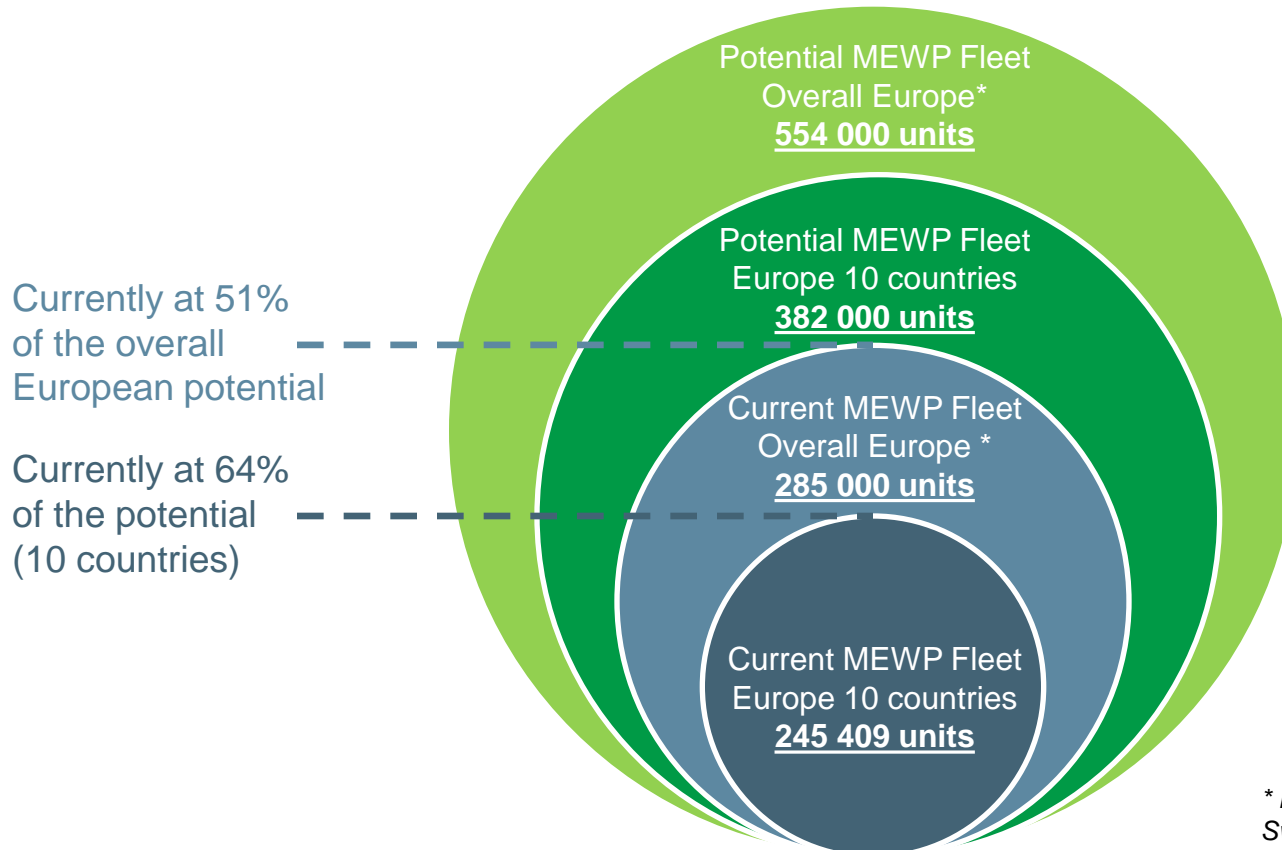
Maturity index.

- A measure of market maturity is to assess the ratio: MEWP rental fleet vs. country population.



Market growth potential.

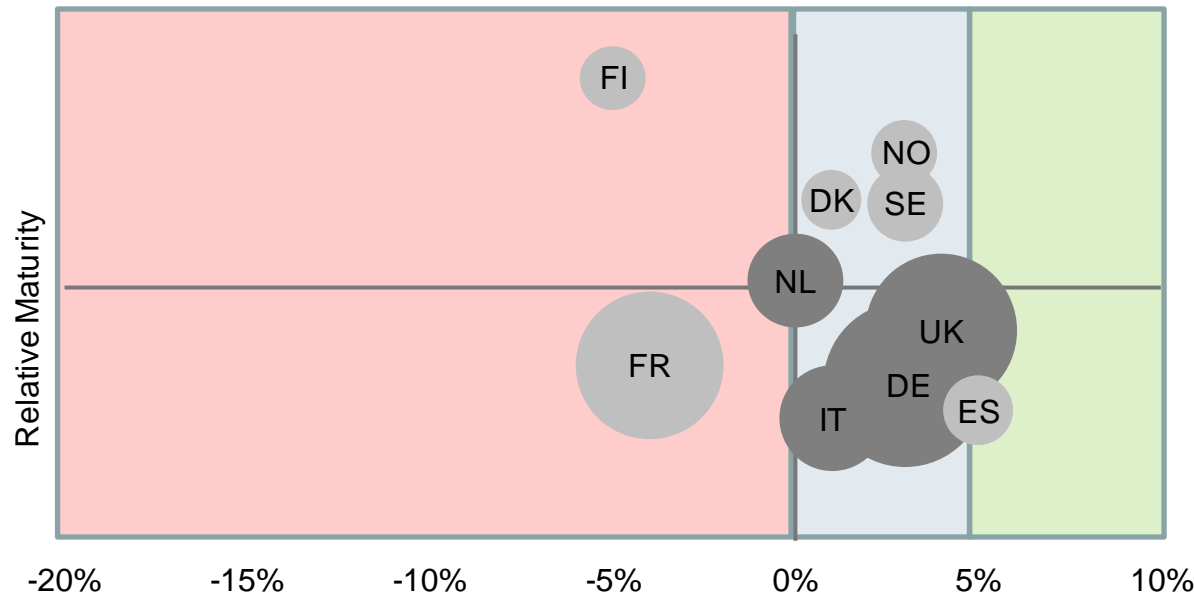
- Based on the average European maturity index (10 countries under study), and assuming this index could potentially be reached by less mature countries, the total European* fleet could reach 554,000 units.



* Defined as 27 EU countries + Norway + Switzerland + Slovenia + Croatia + Macedonia

MEWP rental revenue in the ten countries surveyed only slightly improved in 2014 (+1%). It is estimated at approximately €2.3bn.

- Three groups of countries stand out in the 2014 market:
 - Two countries continued to struggle: Finland and France.
 - Three countries experienced stabilisation or slightly increasing rental revenues: the Netherlands, Italy and Denmark.
 - Five countries experienced significant growth: Germany; Sweden, Norway, UK and Spain.



Note: market maturity index based on the ratio:
 $\frac{\text{country fleet size}}{\text{country population}}$

Note: bubble size reflects market size (value).

2014 MEWP Rental Revenue Growth

● Specialist ● Generalist Source : Ducker Worldwide for IPAF

Executive Summary



DUCKER WORLDWIDE

Region	Market Situation 2014	GDP	Non-resid. construction	MEWP Rental Market	Key Indicator
Finland	Dropping demand led to continuous market downturn	= - 0,5%	↑ +3,5%	↓ - 5%	Fleet contraction Rental rates down
France		= +0,5%	↓ - 1%	↓ - 4%	Rental rates down
NL	Fleet diversification and slight economic upturn	↑ +1%	↑ +2%	= 0%	Slight fleet expansion Rental rates down
Italy	Preparation of future economic recovery	= - 0,5%	↓ -2,5%	↑ + 1%	Utilisation rate improvement Rental rates stabilisation
Denmark	Market driven by demand in construction end-applications	↑ +1%	↑ +2,5%	↑ + 1%	Fleet expansion
Germany	Market driven by demand in non-construction end-applications (industry)	↑ +1,5%	↑ +2%	↑ + 3%	Fleet expansion
Sweden	All economic indicators are positive : sustained market growth	↑ +2%	↑ +4%	↑ + 3%	Fleet expansion
Norway		↑ +2%	↑ +4%	↑ + 3%	Fleet expansion
UK		↑ +3%	↑ +3,5%	↑ + 4%	Fleet expansion Rental rates increase
Spain	Overall economy recovery	↑ +1,5%	↓ -2%	↑ + 5%	Fleet expansion Rental rates increase
Europe (10 countries)	Growing demand	= 0%	↑ +2%	↑ 1%	Fleet expansion

Worldwide MEWP Rental Fleet Size is estimated at approximately 1,120,000 units. This represents a 8% increase compared to 2013, due to revisions in the Asian and Latin American 2013 figures.

North America	
Articulated Booms	93 000
Straight Booms	129 300
Scissors	312 800
Others	39 600
Total	574 700

Europe (10 countries under study)	
Articulated Booms	60 100
Straight Booms	29 200
Scissors	123 900
Others	32 200
Total	245 400

ASIA - PAC	
Articulated Booms	18 600
Straight Booms	34 600
Scissors	88 800
Others	35 500
Total	177 600

Latin America*	
Articulated Booms	7 300
Straight Booms	17 000
Scissors	22 300
Others	4 100
Total	50 700

Rest of EAME	
Articulated Booms	18 200
Straight Booms	8 900
Scissors	37 550
Others	9 750
Total	74 400

*Includes Mexico

*Note: included are powered access: all booms, scissor lifts and vertical masts
Excluded: low-level access equipment (<10ft/3m high), telescopic material handlers, forklifts, cranes, mast climbers*

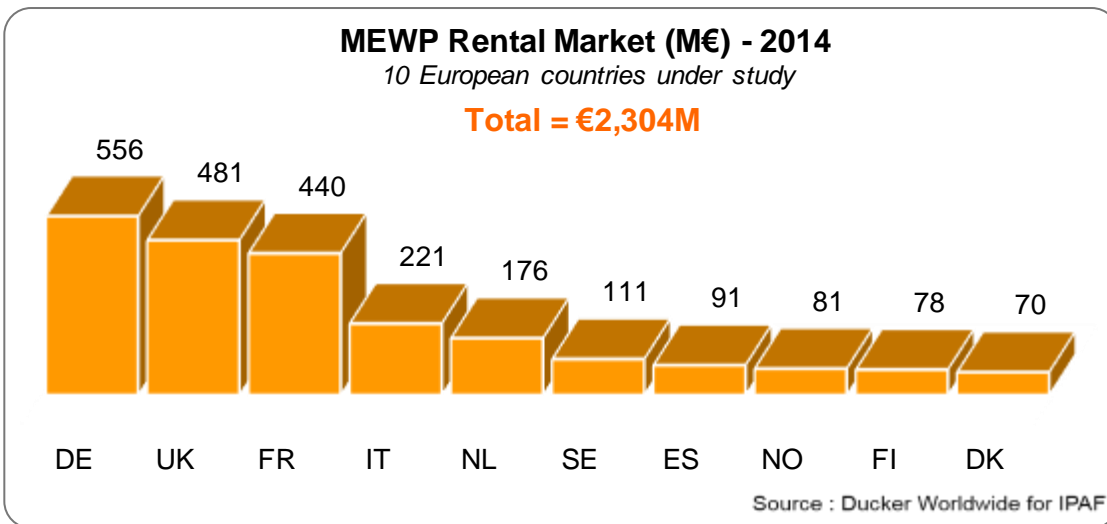
Others include: vertical lifts, vertical masts, vehicle-mounted booms owned by rental companies owning self-propelled fleets

IPAF Powered Access Rental Market Report 2015 – Europe

MARKET SIZE 2014

The MEWP Rental Market (10 European countries under study) is estimated at approximately €2.3B in 2014. Total European* market value is estimated at €2.6B.

- Country ranking did not change compared to last year: Germany remains the largest market in value, followed by the UK and France. These three countries account for approximately 2/3 of the revenue in the 10 countries under study.

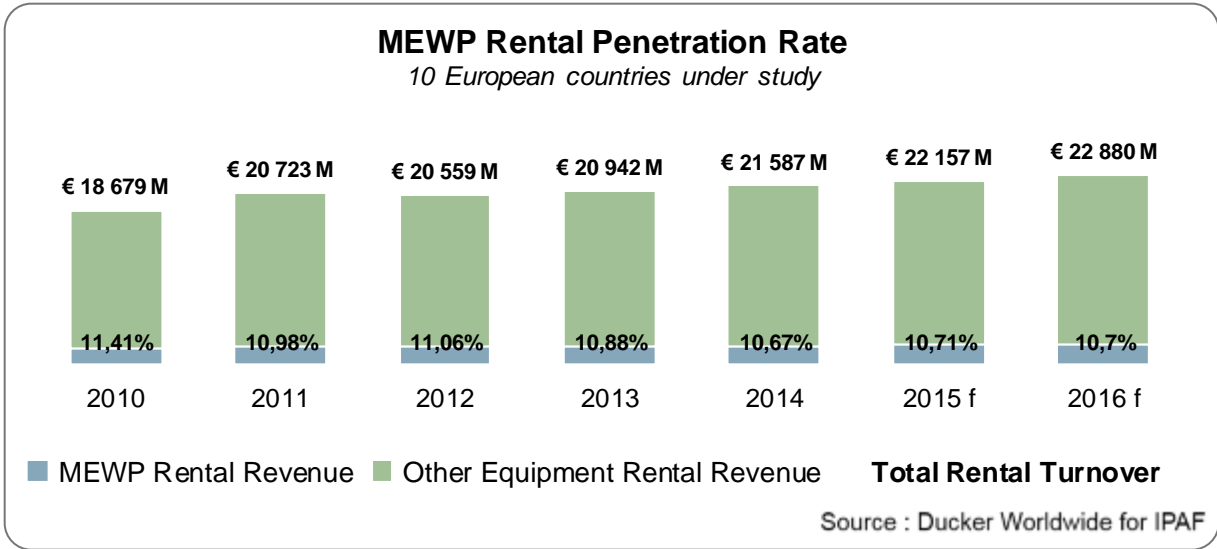


- The UK owns the largest fleet and remains the largest market in volume.
- The share of MEWP rental revenue as part of total rental revenue has slightly decreased compared to 2013, to 64% (vs. 66% in 2013).
- While markets showing strongest growth are pursuing consolidation, several markets severely hit by the recession are now entering a phase of recovery.

2014	Total	UK	FR	ES	IT	DE	NL	DK	NO	SE	FI
Rental Revenue as % of Total Company Revenue	55%	53%	60%	37%	57%	46%	54%	71%	72%	80%	63%
MEWP Revenue as % of Total Rental Revenue	64%	86%	59%	38%	55%	71%	73%	27%	44%	23%	42%
MEWP Rental Revenue as % of Total Company Revenue	32%	46%	35%	14%	31%	33%	40%	19%	32%	18%	26%

Although the overall equipment rental market is growing, the share of MEWP rental revenue as part of the total rental revenue has slightly decreased over the last two years.

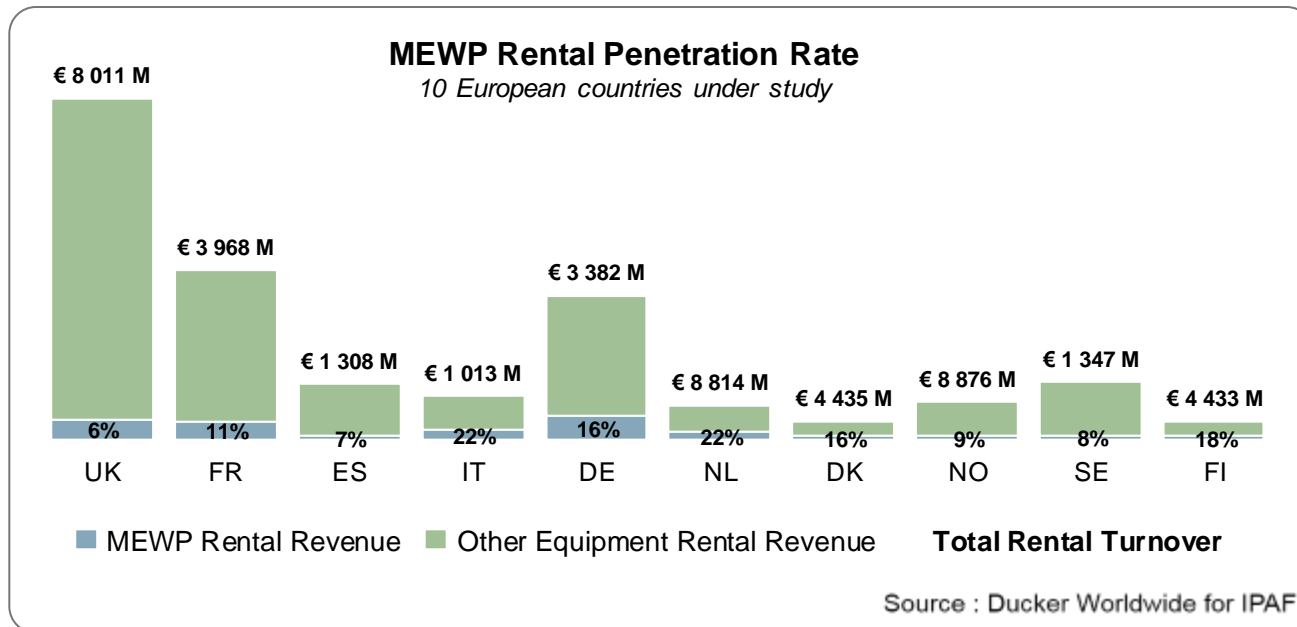
- No significant change is expected in the next two years, and the share of MEWP rental revenue will remain stable at its current level, at approximately 10.7%.



Source for Total Rental Turnover: ERA 2014 Report.

The share of MEWP rental revenue as part of the total equipment rental revenue ranges from 6% to 22% in the 10 European countries under study.

- ❑ This share is the highest in the Netherlands, Italy, Finland, Germany and Denmark. It goes beyond 15% in each of these countries.
- ❑ It remains below 10% in the UK, Spain, Sweden and Norway.

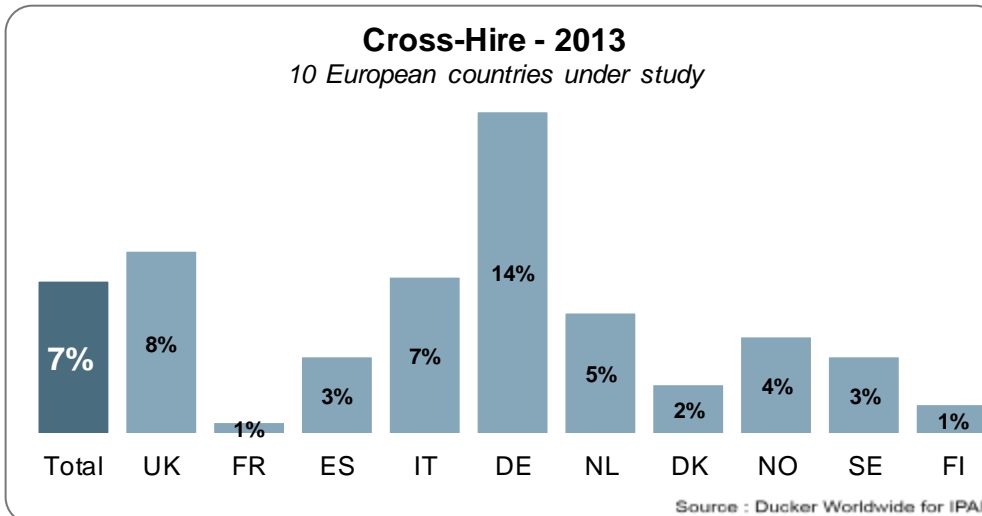
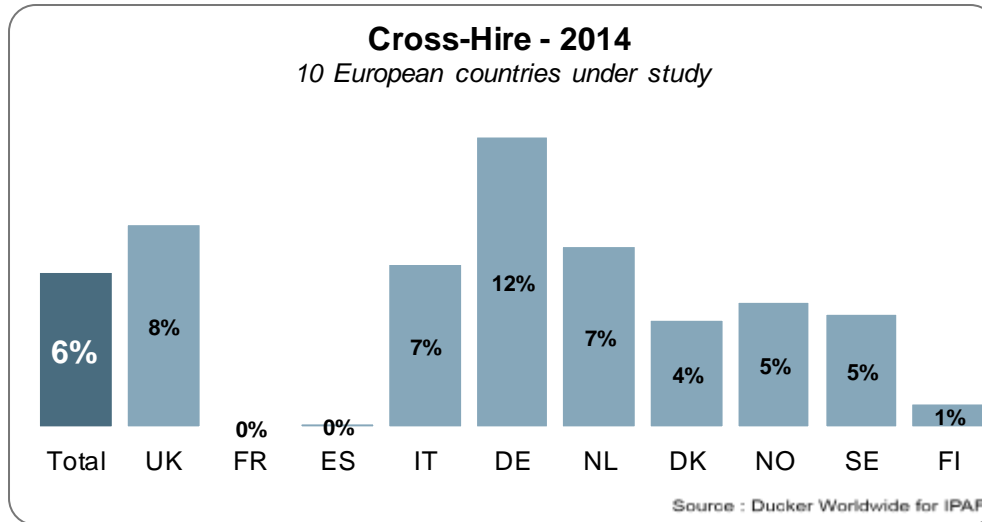


Source for Total Rental Turnover: ERA 2014 Report.

The average level of cross-hire was at 6% in the European countries under study in 2014.

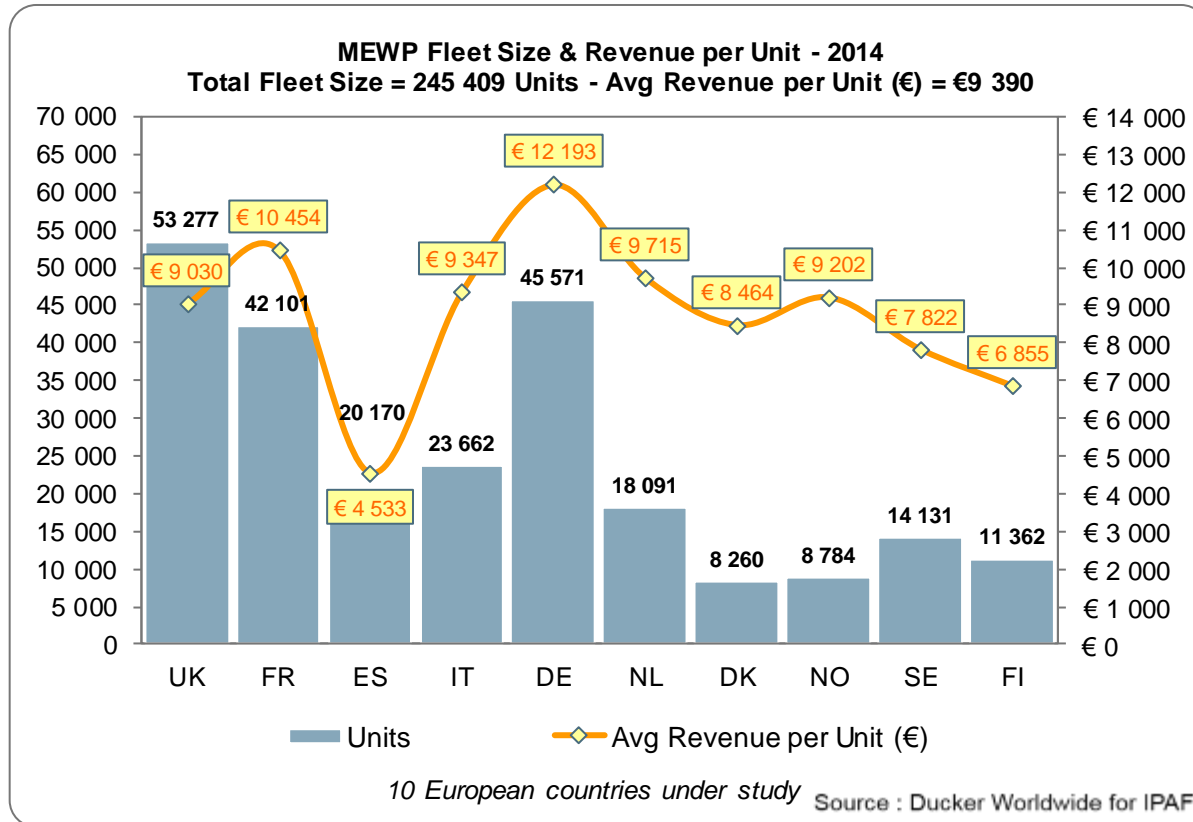
All re-rental amounts have been eliminated from totals expressed in this report

Cross-hire = Rental by one company from another



- ❑ Although the level of cross-hire in Germany slightly decreased compared to 2013 (12% instead of 14%), it remains the highest among the countries under study.
- ❑ Cross-hire was almost not used in Spain and France in 2014.
- ❑ Apart from these three countries, cross-hire level remained relatively stable in all countries.

MEWP total fleet size is estimated at approximately 245,000 units (in the 10 countries under study in Europe). The overall European* fleet size is estimated at approximately 285,000 units.



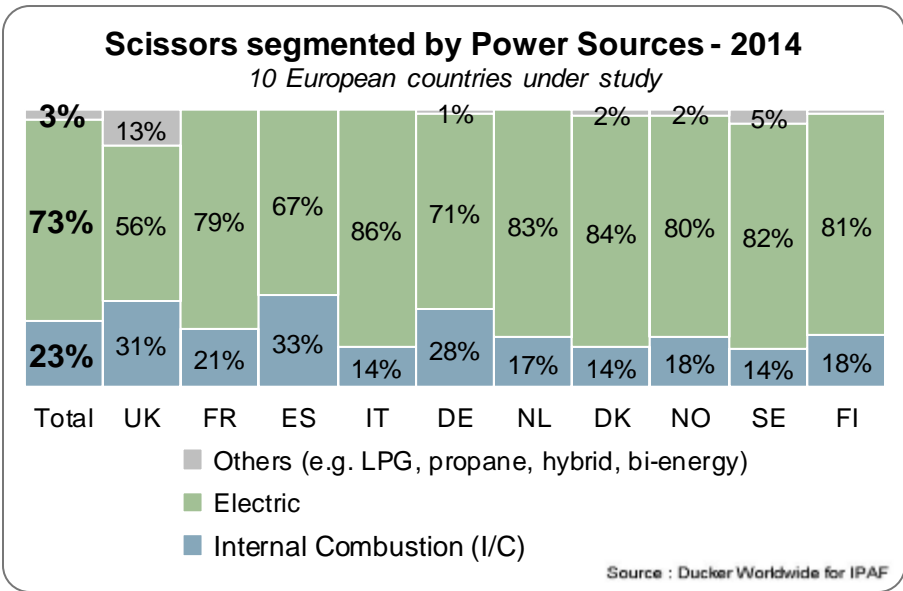
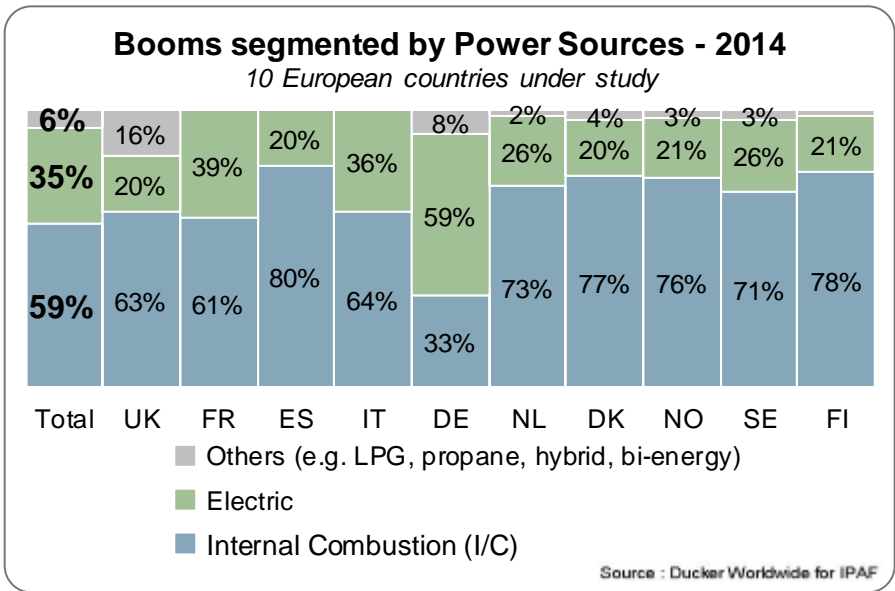
- ❑ The largest fleet in the 10 countries under study remains the UK.
- ❑ Nevertheless the highest average revenue per unit is found in Germany and in France, above €10,000, due to a higher share of high-value equipment.
- ❑ Although the Spanish average revenue per unit increased in 2014, it remains the lowest of all 10 European countries under study.

End of the year data

Note : Ducker revised their estimates for the German fleet size in this report edition

In 2014, the share of electric and hybrid equipment has gained ground in both booms and scissors categories.

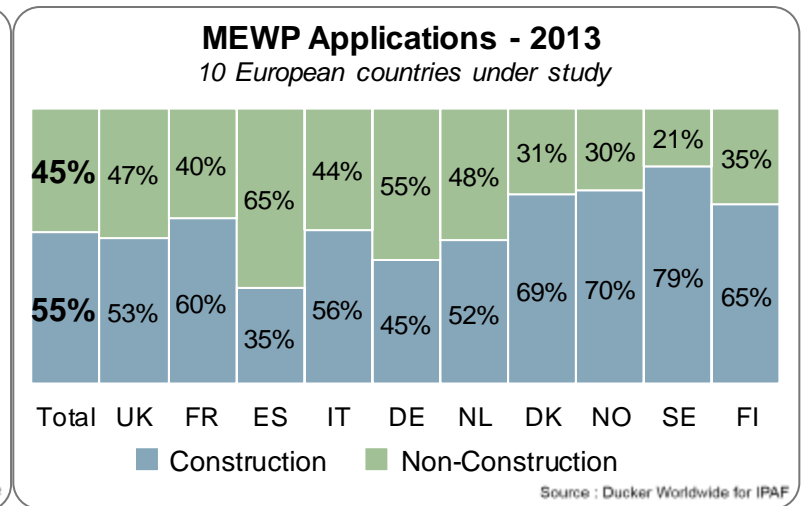
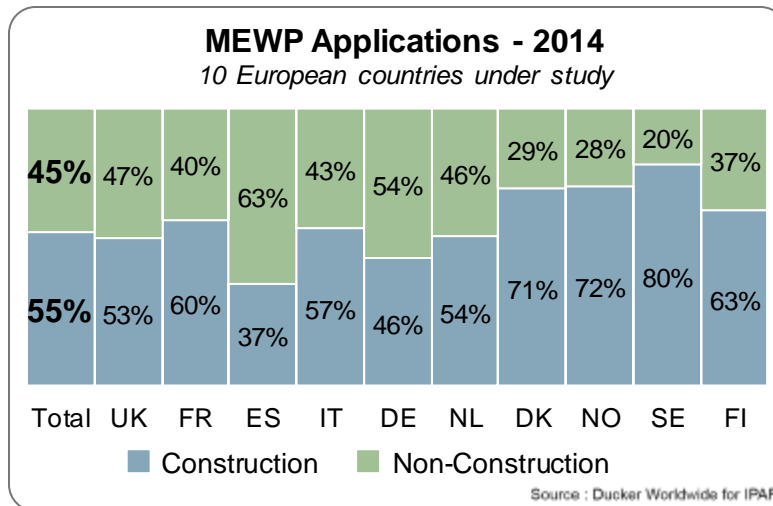
- The share of Stage IIIB compliant equipment has increased to almost 40% of total fleet size under study. The share of Stage IV compliant equipment is often not clearly identified by rental companies; it is reported to be below 10%.
- Compliant equipment being more expensive, some rental companies report purchasing smaller hybrid machines, which do not need to comply with these regulations and are deemed less expensive.



% of fleet powered by electric vs. internal combustion.

Construction accounts for more than 50% of MEWP rental applications. The split between construction and non construction remained stable in 2014.

- ❑ Non construction sector includes mainly building maintenance (HVAC, electricity works, window cleaning, painting, etc.). These applications are rather stable and less cyclical than construction activities.
- ❑ During recession, the extension of customer base to these applications provided a minimum activity to rental companies, while construction was significantly reduced. Rental companies now intend to maintain this mix in activity, while also benefiting from the construction market recovery.



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

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

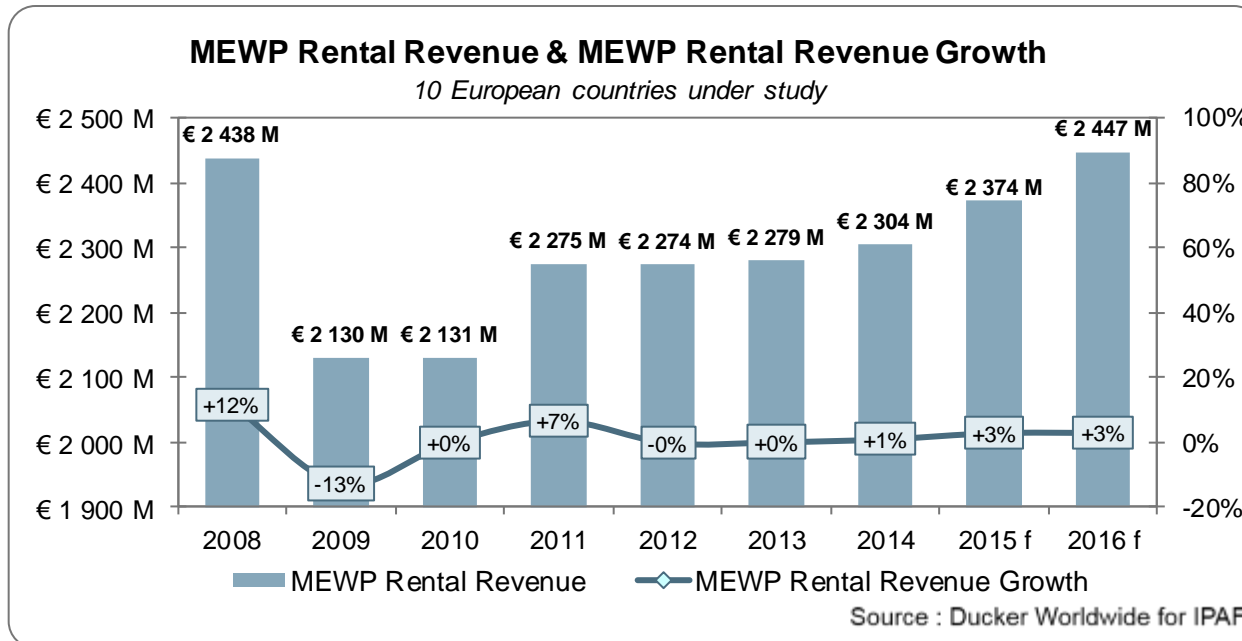


IPAF Powered Access Rental Market Report 2015 – Europe

MARKET DYNAMICS 2008-2016

After a few years of stabilisation, European MEWP rental revenue entered a new phase of growth in 2014. It is estimated at €2.3Bn, which gives a total European* market of approximately €2.6Bn.

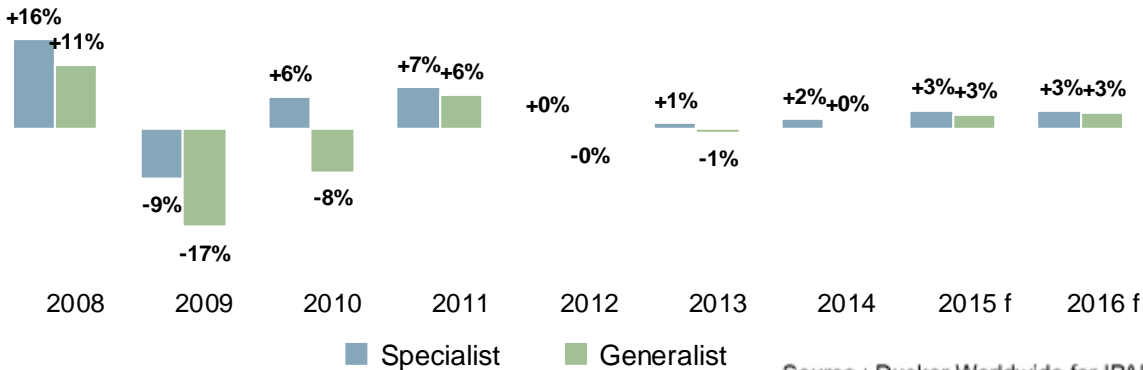
- The slight recovery of the construction sector in most countries coupled with more dynamic economies are the main drivers of growth.
- More significant growth is expected in 2015 and 2016. In 2016, the overall market revenue should exceed the 2008 levels.



The overall MEWP rental revenue stabilisation hides a variety of situations across the 10 European countries under study.

MEWP Rental Revenue Growth

10 European countries under study



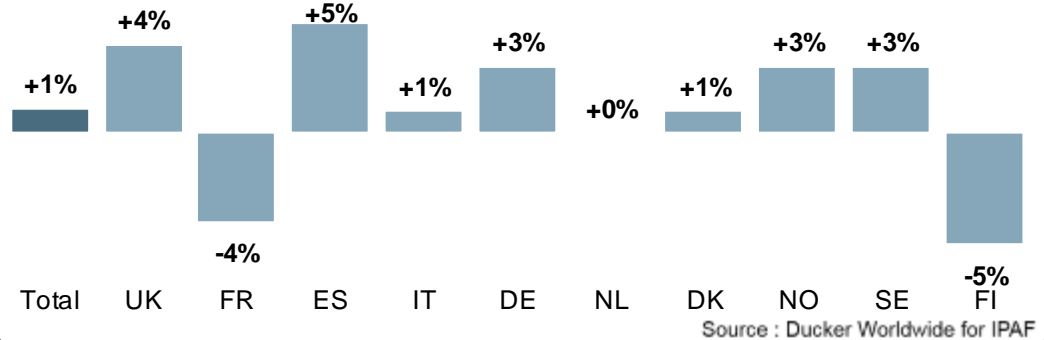
Source : Ducker Worldwide for IPAF

- The revenue of both specialist and generalist rental companies is expected to evolve similarly in the next two years.

- The UK, Germany, Norway and Sweden continued the growth initiated in the previous years.
- Spain on the other end, experienced significant growth for the first year since 2007.
- Revenue remained unchanged in Italy, the Netherlands and Denmark.
- France and Finland are the only countries where revenue decreased in 2014.

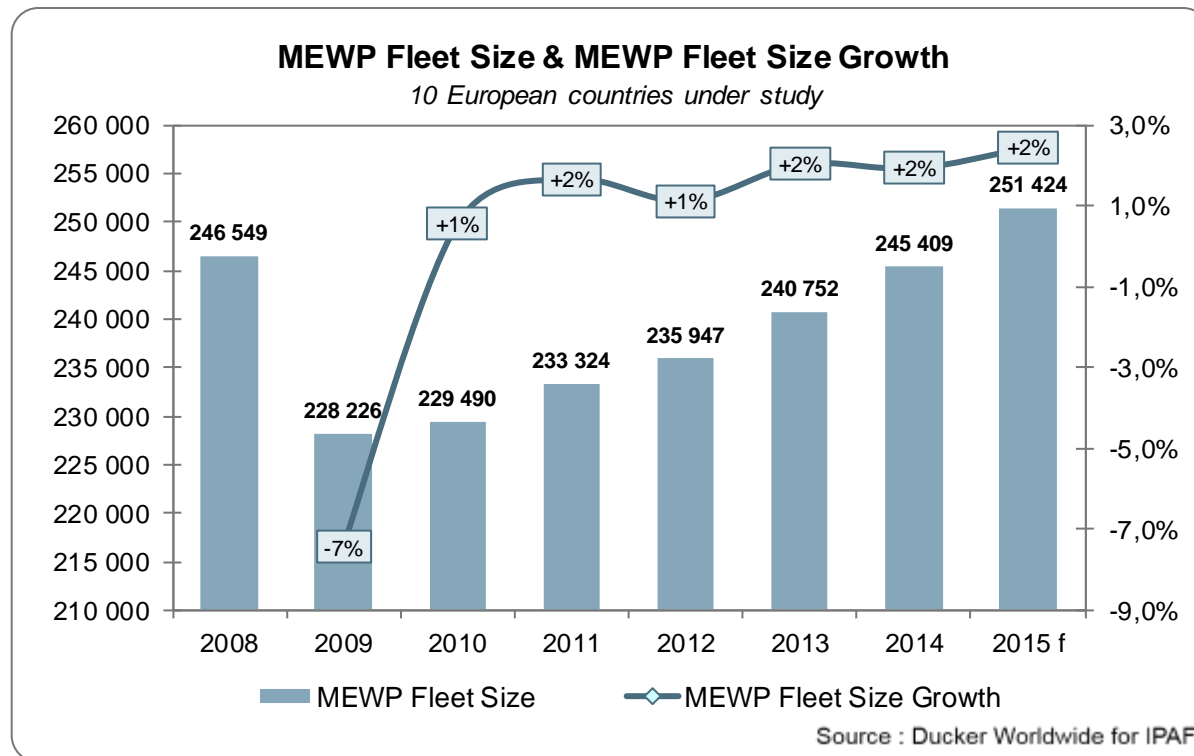
MEWP Rental Revenue Growth - 2014

10 European countries under study



As previously forecasted, total fleet growth continued at +2% in 2014.

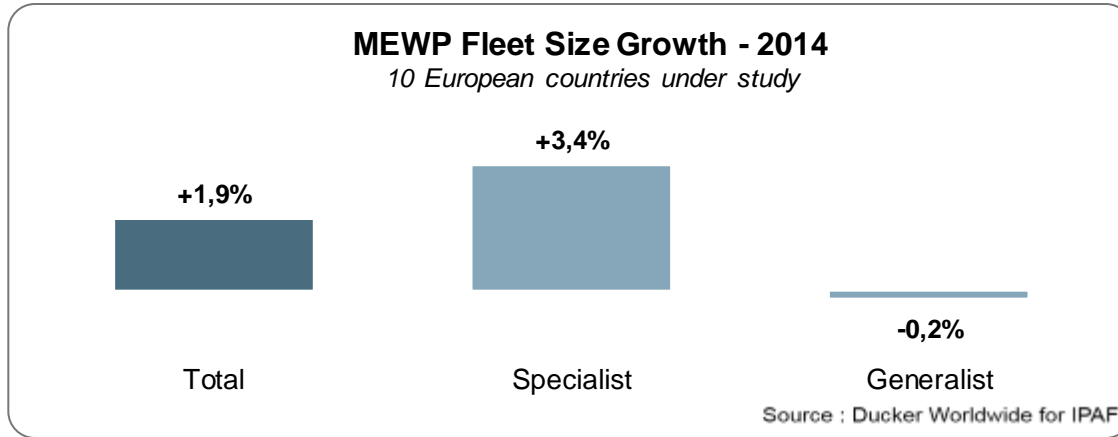
- ❑ Denmark is the country showing the strongest fleet expansion (+5%). Other countries expanded fleets but more cautiously.
- ❑ Finland is the only country where rental companies de-fleeted in 2014.
- ❑ The 2015 fleet size is expected to exceed 2008 levels.



*Note: included are powered access equipment: all booms, scissor lifts and vertical masts
Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers*

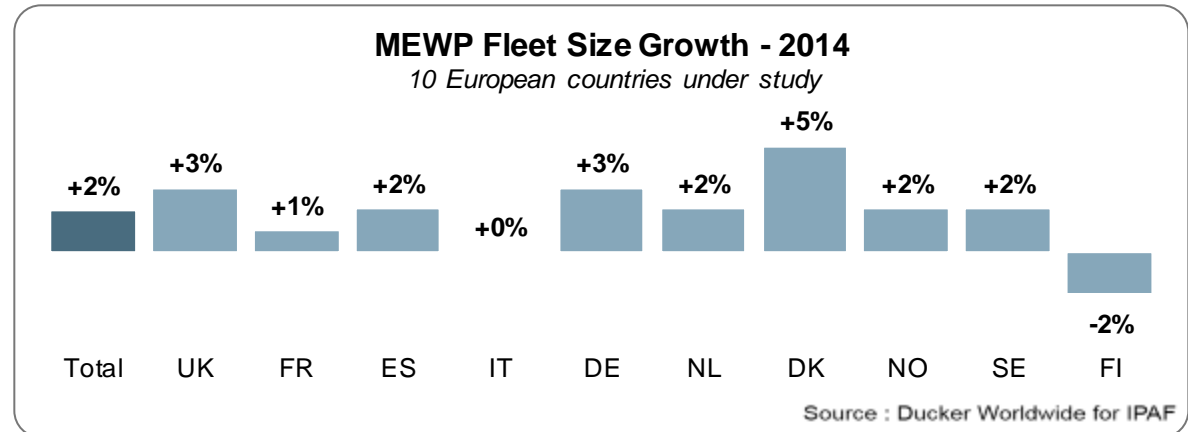
End of the year data

Specialists expanded their fleet in 2014, while generalists did not.



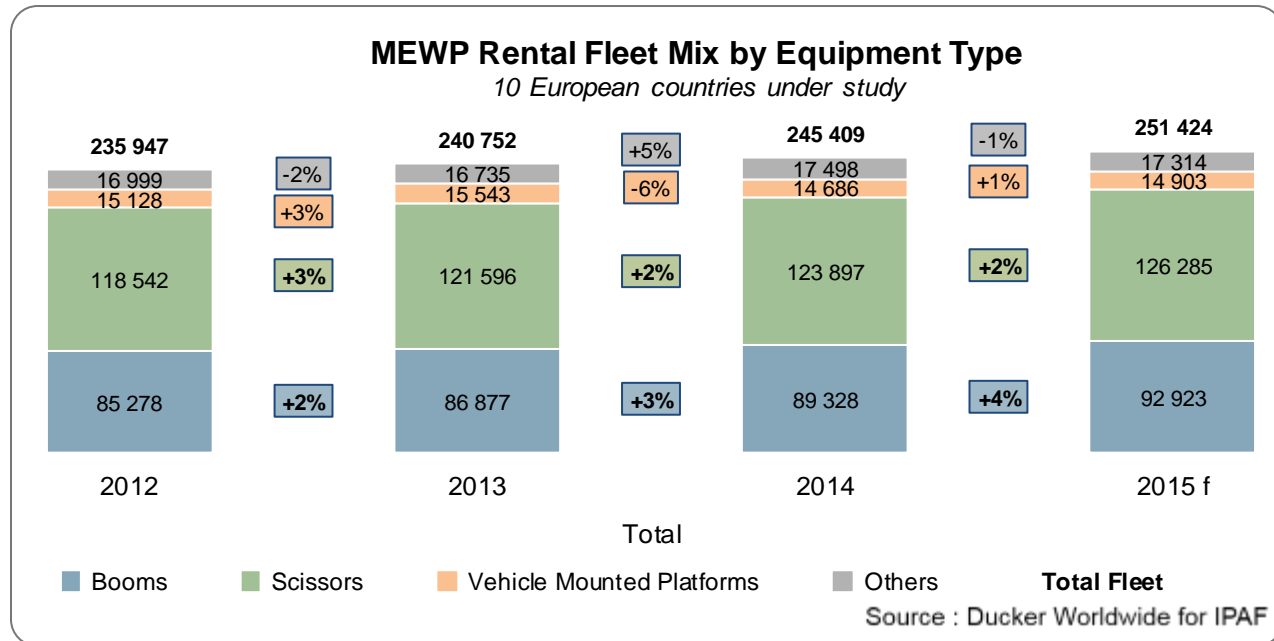
- Almost all countries under study slightly increased their fleet size in 2014. Only Italy maintained a stable fleet, and Finland de-fleeted.

- Countries which were traditionally de-fleeting (Spain and Italy) have maintained or increased their fleet size in 2014 for the first time in 7 years.



The mix between scissors and booms remains unchanged in 2014. Scissors represent half of the total MEWP fleet.

- The two categories of equipment are requested for different reasons: scissors are used for both indoor and outdoor applications. They offer shorter return on investment.
- Although expensive, articulated and electric booms are increasingly requested by customers due to their flexibility.

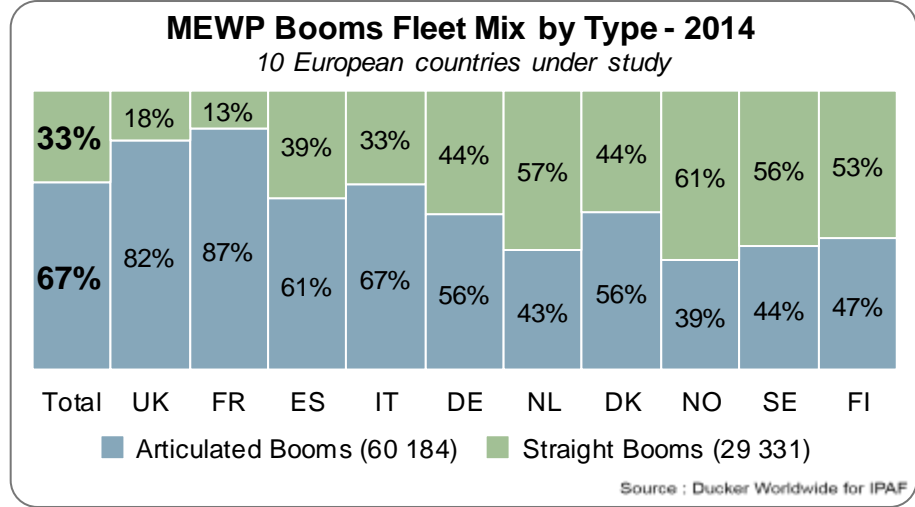
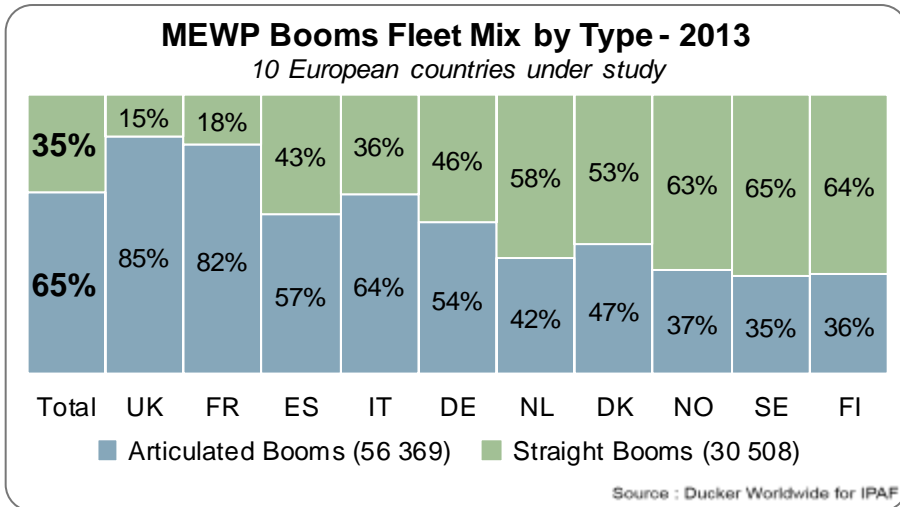


Note: included are powered access equipment: all booms, scissor lifts and vertical masts
 Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers

+X% % unit growth, e.g. Booms fleet increased by 3% from 2013 to 2014.
 Others include: vertical lifts, vertical masts, push-around, trailer mounted/towable.

The share of booms continued to increase in Europe, accounting for 67% of the boom fleet.

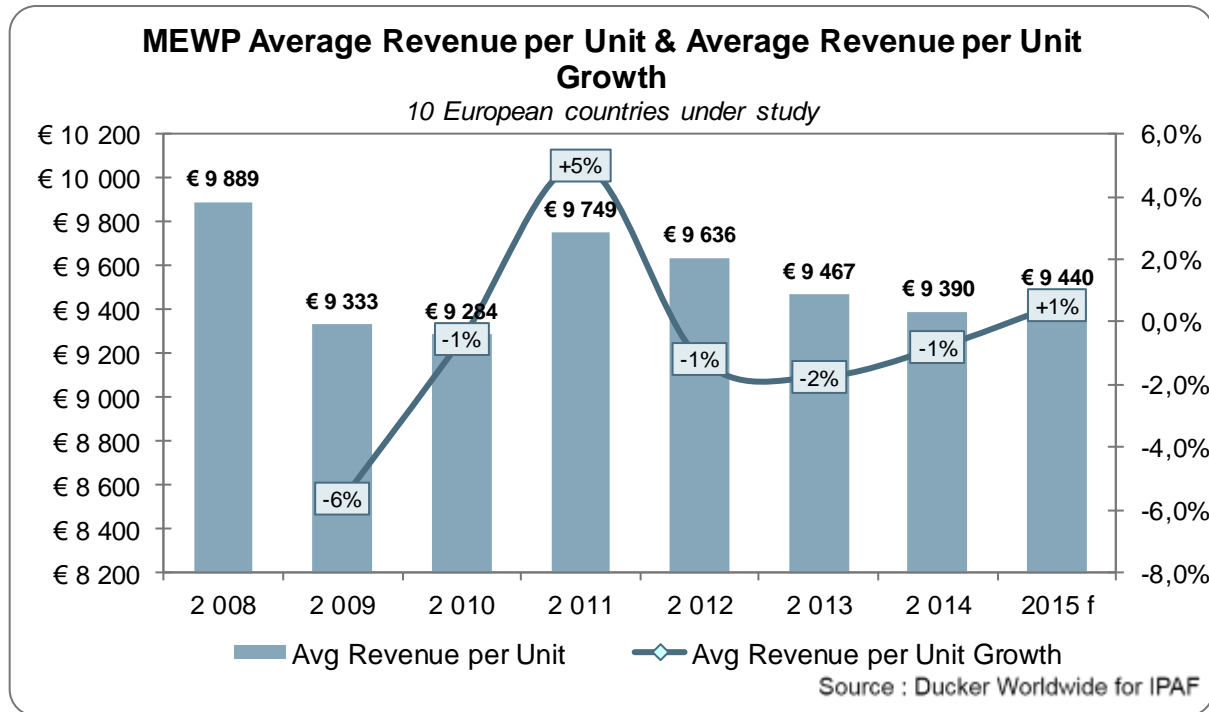
- Articulated booms are deemed more versatile and suitable to a wider range of applications. End-users increasingly request articulated booms in most European countries under study.
- Rental companies in Nordic countries currently own a larger share of straight booms but tend to follow the same general trend towards articulated booms.
- Denmark and the UK are the only countries where the share of articulated booms decreased.



End of the year data

Revenue per unit kept deteriorating slightly in Europe in 2014, due to continuous fleet expansion coupled with decreasing rental rates.

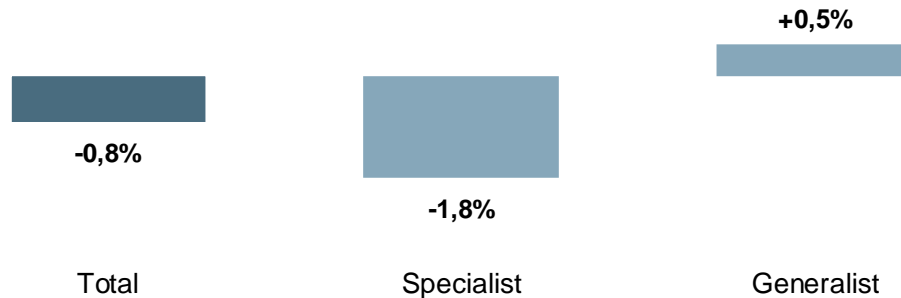
- The average revenue per unit is expected to start increasing again in 2015.



Specialists saw a deterioration of their revenue per unit due to significant fleet expansion, while generalists' revenue per unit remained stable.

MEWP Average Revenue per Unit Growth - 2014

10 European countries under study

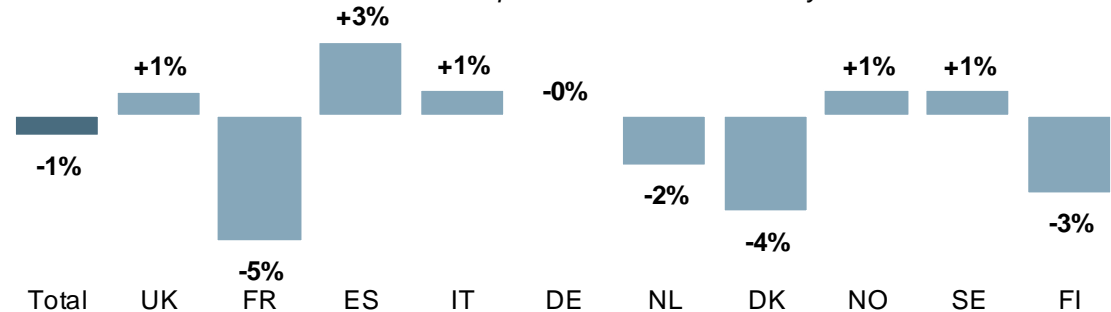


Source : Ducker Worldwide for IPAF

- ❑ The revenue per unit decreased in France, Netherlands and Finland due to deteriorating rental rates
- ❑ In Denmark the strong fleet expansion affected the revenue per unit.

MEWP Average Revenue per Unit Growth - 2014

10 European countries under study



Source : Ducker Worldwide for IPAF

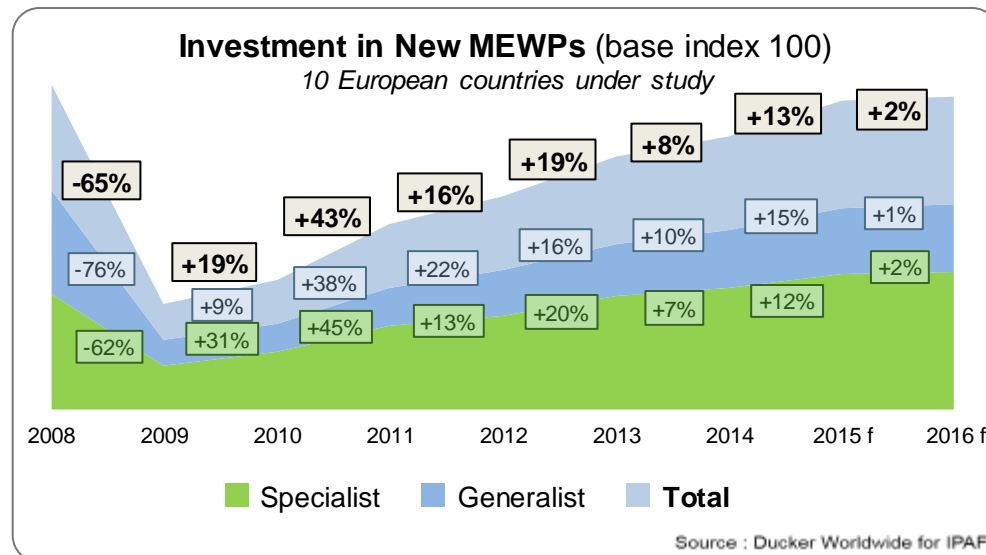


IPAF Powered Access Rental Market Report 2015 – Europe

INVESTMENT 2008-2016

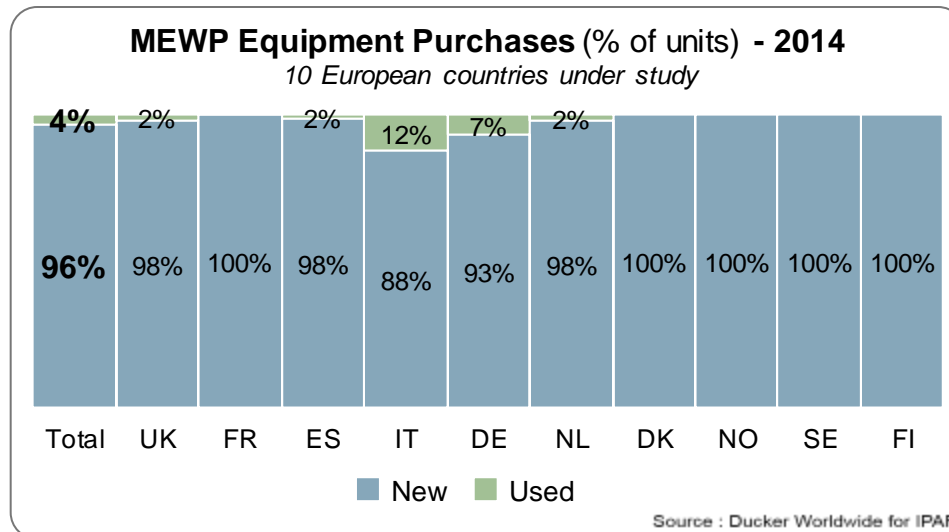
The amount of investment continued to increase in 2014, but at a slower pace.

- Both specialist and generalist companies followed a similar trend.
- Although most investments were dedicated to fleet renewal, a smaller proportion was also aimed at fleet increase, especially in the UK, Spain, Italy, the Netherlands and Nordic countries, except Finland.
- Investment growth is expected to intensify in 2015. Rental companies are progressively building up fleets for more dynamic demand expected in 2016.



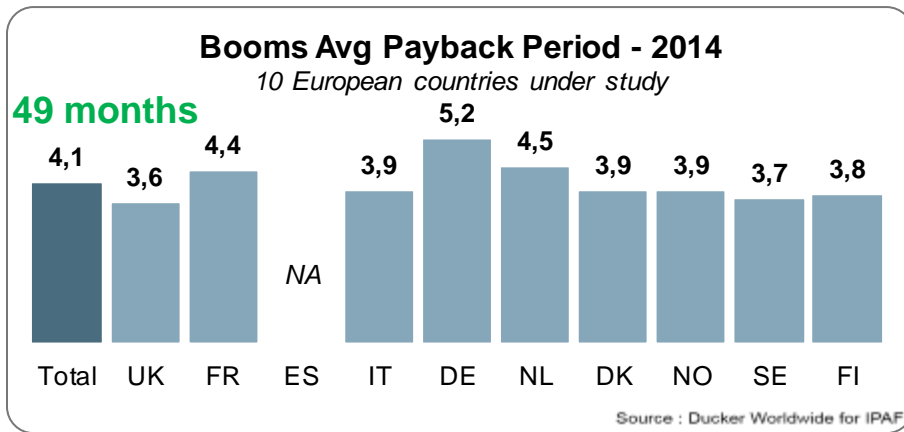
For the first time, Ducker interviewed rental companies on the typical share of MEWP purchased new vs used.

- Italy is the country with the largest share of used equipment.

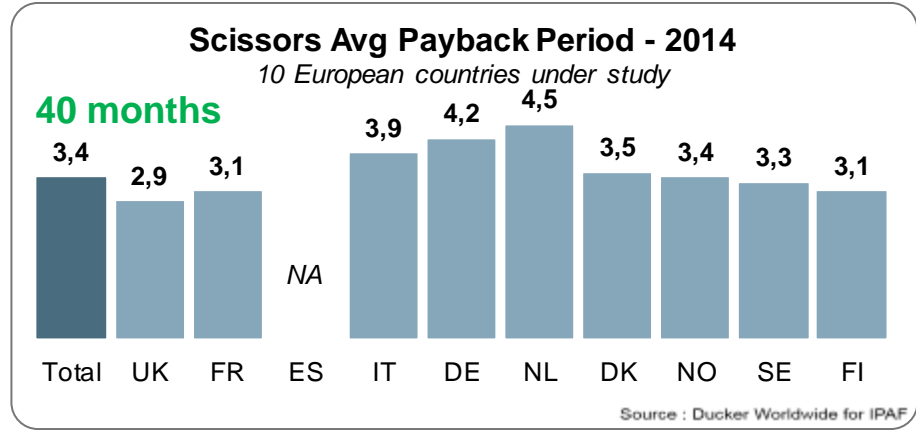


For the first time, Ducker interviewed rental companies on the typical payback period of their MEWP fleet.

- ❑ Germany is the country showing the longest payback period.
- ❑ The shortest payback period for booms is found in the Nordics, and in the UK for scissors.
- ❑ Spanish rental companies could not estimate the payback period for 2014. However they believe that, with market recovery, this is an indicator they will monitor more closely in the future.



4,1 = 4 years and 1 months



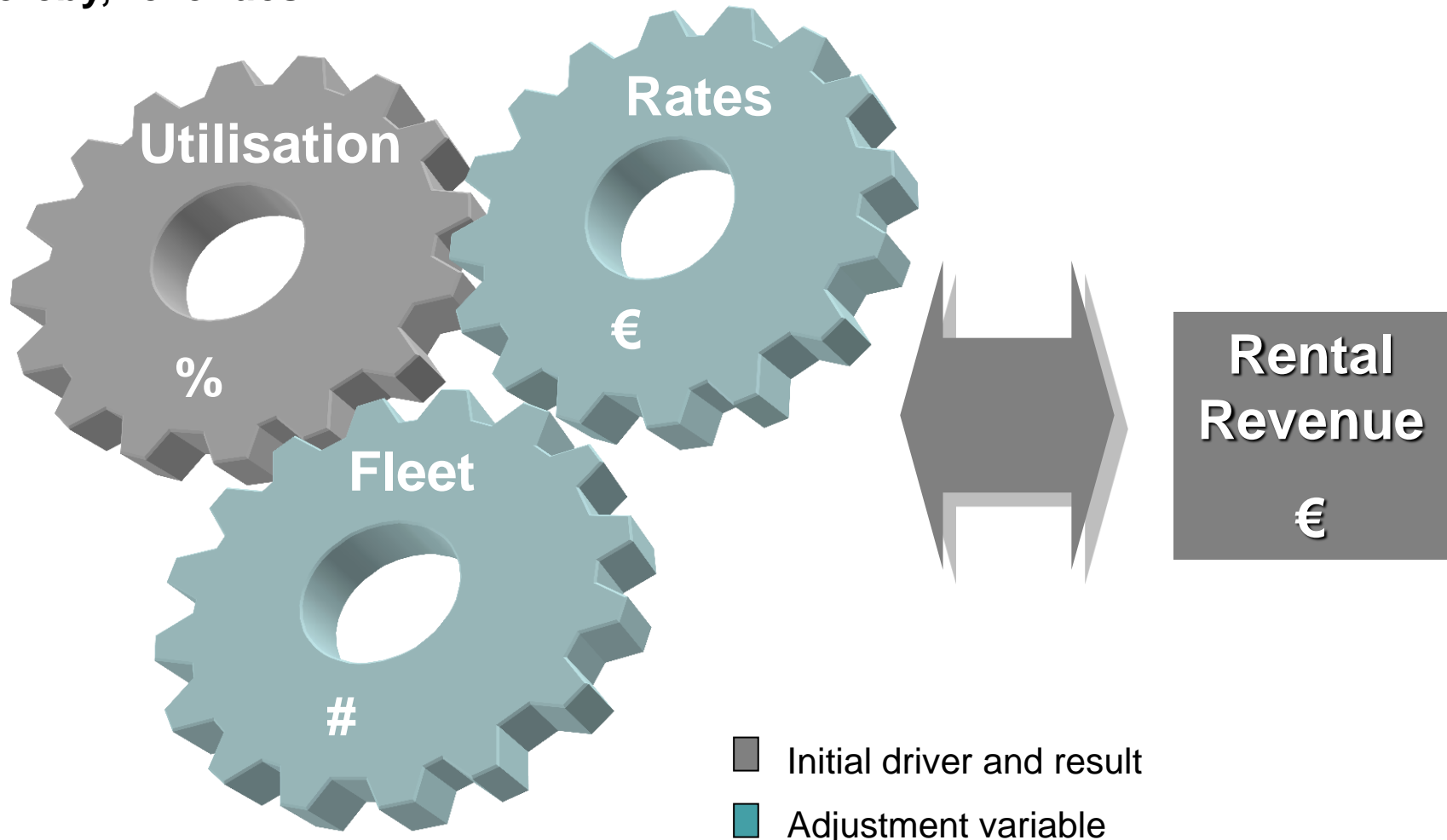
3,4 = 3 years and 4 months

IPAF Powered Access Rental Market Report 2015 – Europe

OPERATIONAL ASPECTS

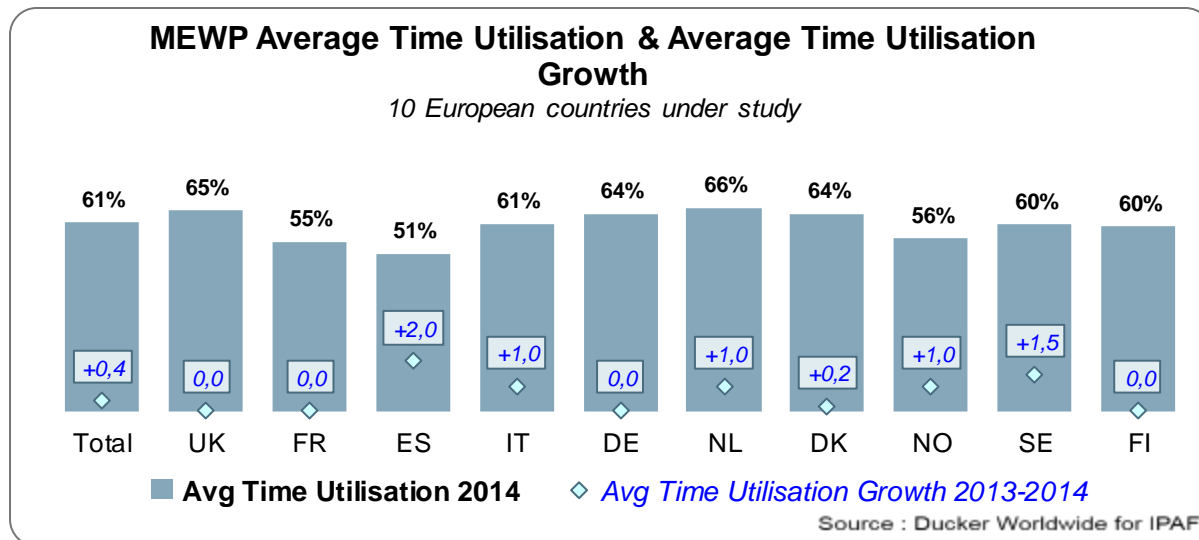
2008-2015

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



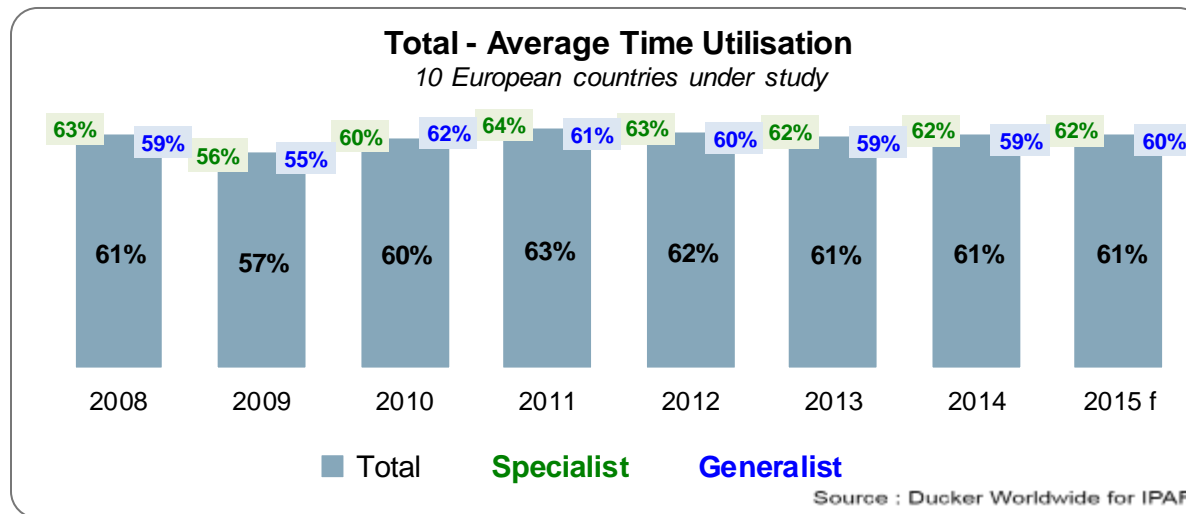
Time utilisation remained rather stable in 2014, at 61%. Companies focused on fleet increase to drive revenue growth.

- ❑ None of the 10 European countries under study saw their time utilisation rate decrease in 2014.
- ❑ Increase was most significant in Spain and Sweden.
- ❑ Utilisation remained stable in the three largest markets: the UK, Germany and France, as well as in Denmark and Finland.
- ❑ The highest time utilisation rate is found in the Netherlands.

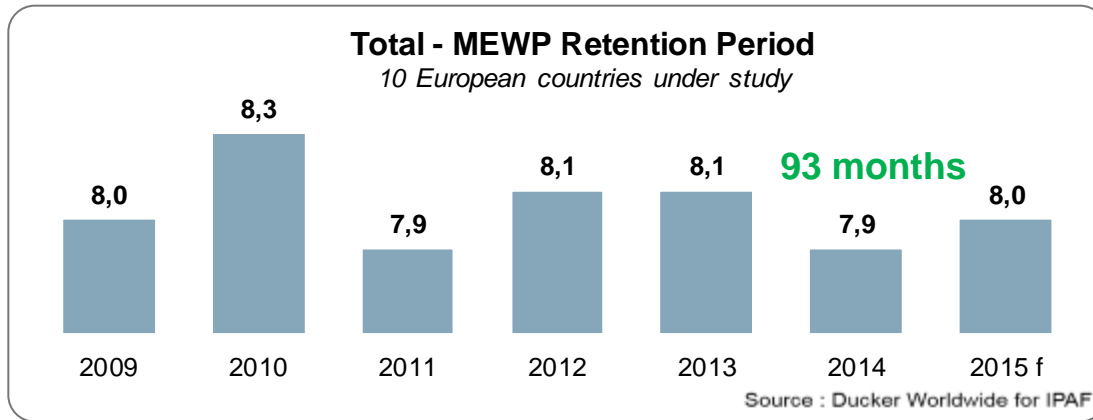


As forecasted in last year’s report, and after three years of continuous decrease, time utilisation is now entering a phase of stabilisation at 61%.

- ❑ Over the years, time utilisation rate has been slightly higher for specialists than generalists.
- ❑ Utilisation rate tends to vary depending on the application: it is lower in winter when construction companies limit their outdoor works, whereas it is maintained stable throughout the year for non construction activities.



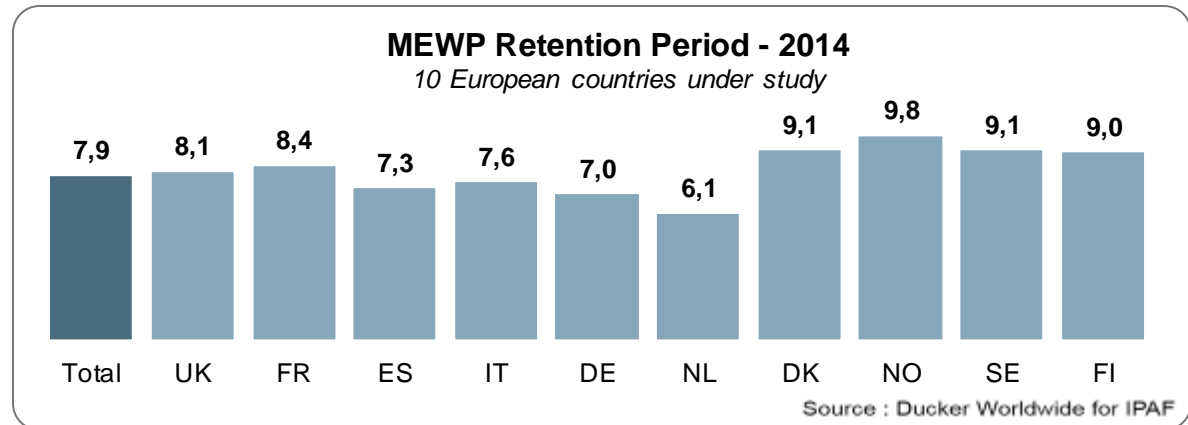
In accordance with last year’s forecasts, retention period decreased slightly, to 7 years and 9 months.



- Retention period is expected to stabilize around 8 years.

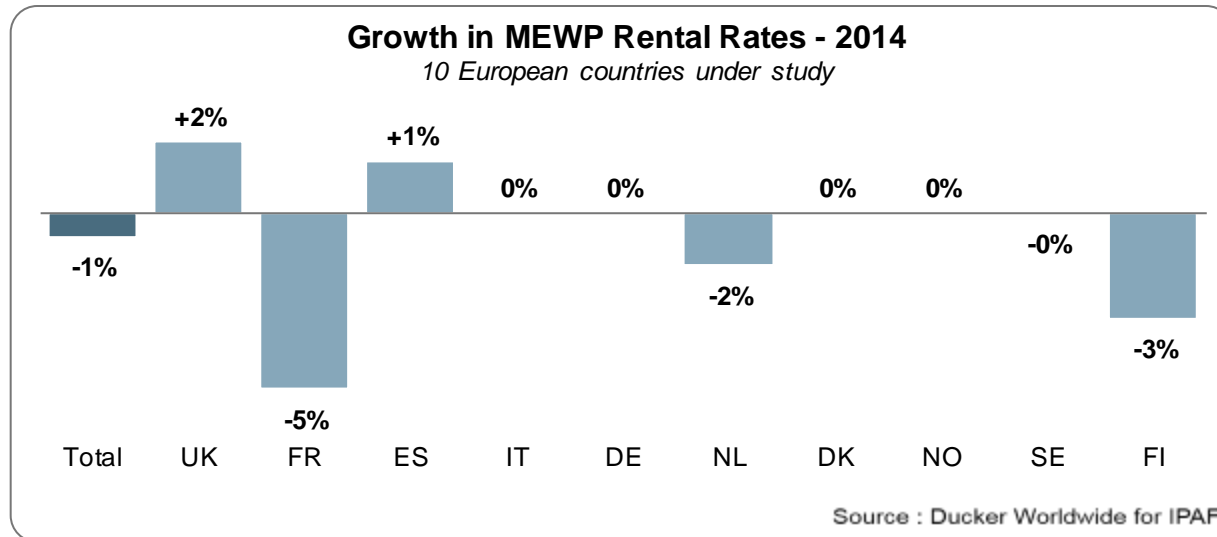
7,9 = 7 years and 9 months

- Retention period is the highest in all Nordic countries. It is the lowest in the Netherlands.



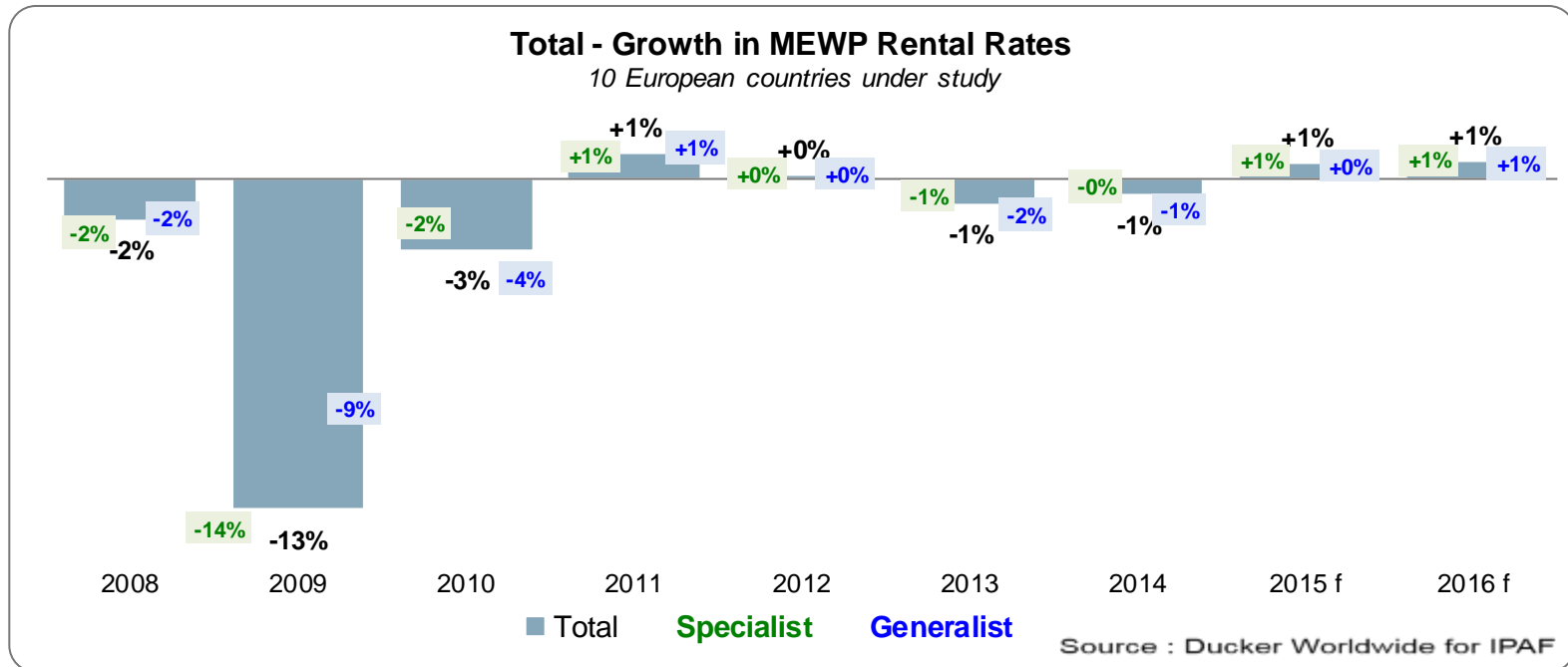
After several years of stagnation and decrease, rental rates stabilised in most of the European countries under study.

- ❑ France was most severely affected, along with Finland and the Netherlands.
- ❑ On the contrary, rental companies in the UK and Spain managed to increase rates.
- ❑ Rates remained stable in most Nordic countries, except Finland.



Rate stabilisation is less rapid than expected but should be confirmed in 2015.

- Rate evolution is similar for both specialist and generalist companies.
- Rental companies do not expect massive rate increases in the next few years due to fierce competition.
- They tend to increase the cost of services (maintenance, training, transportation...) to partially compensate for the low rate levels.



IPAF Powered Access Rental Market Report 2015 – Europe

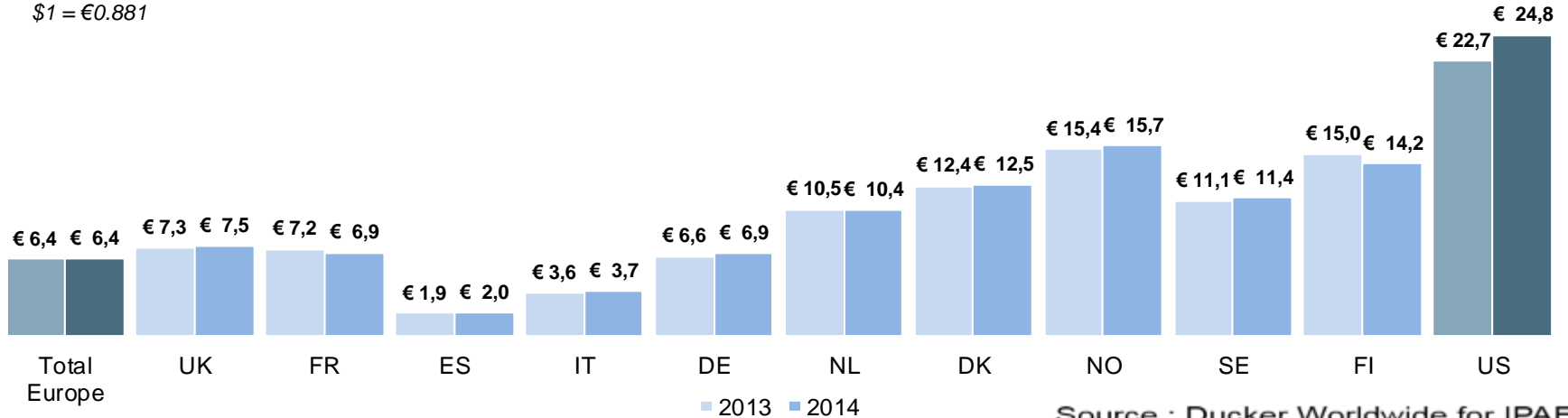
MARKET TRENDS AND DRIVERS

MEWP rental revenue per inhabitant and MEWP rental fleet per inhabitant.

Exchange rate:

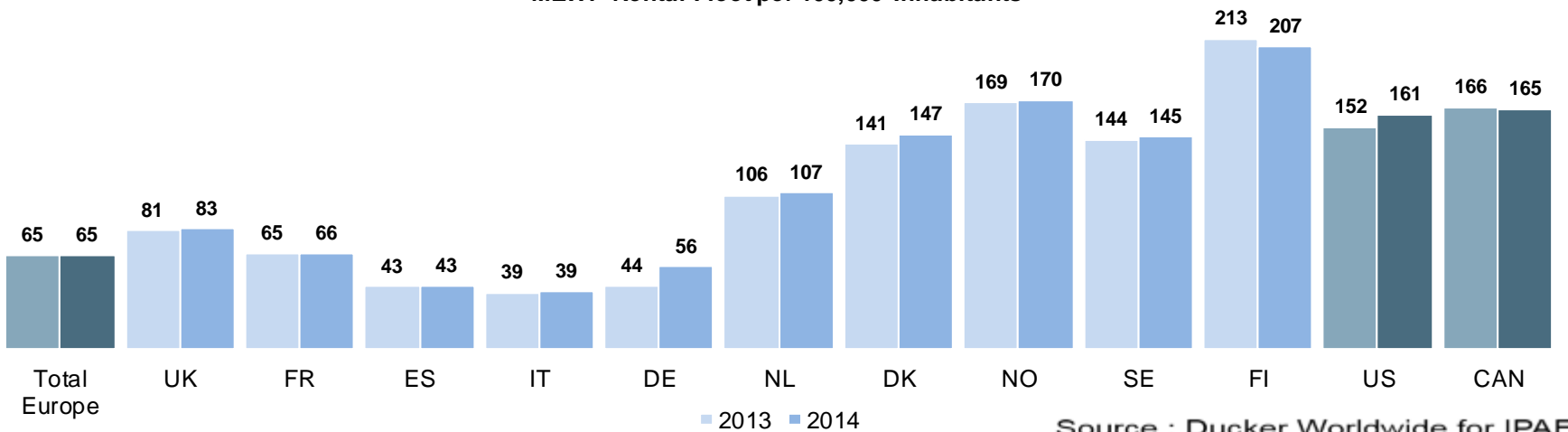
\$1 = €0.881

MEWP Rental Revenue per Inhabitant



Source : Ducker Worldwide for IPAF

MEWP Rental Fleet per 100,000 Inhabitants

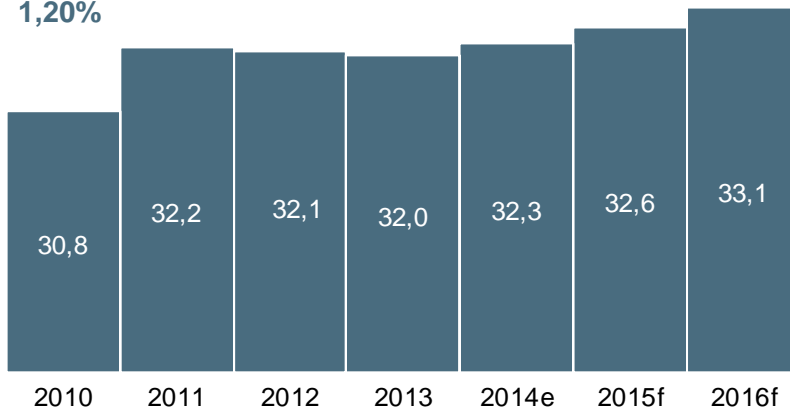


Source : Ducker Worldwide for IPAF

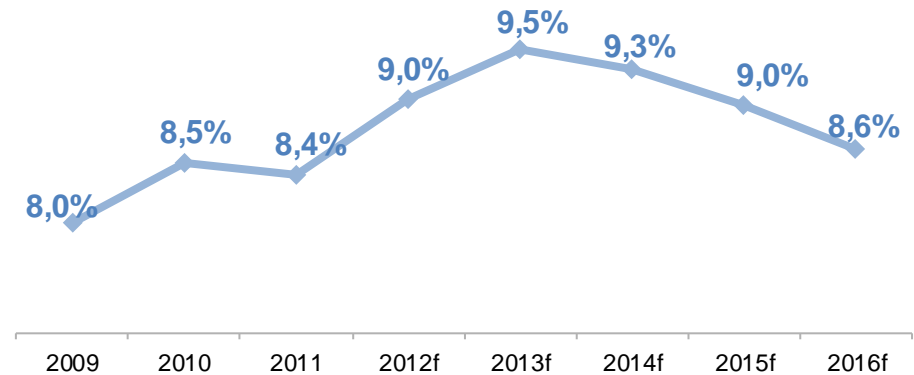
Macro-economic indicators are all positive: GDP per capita increases whereas unemployment rate decreases.

Europe - GDP per Capita

**CAGR (2010-2016):
1,20%**



Europe - Unemployment Rate

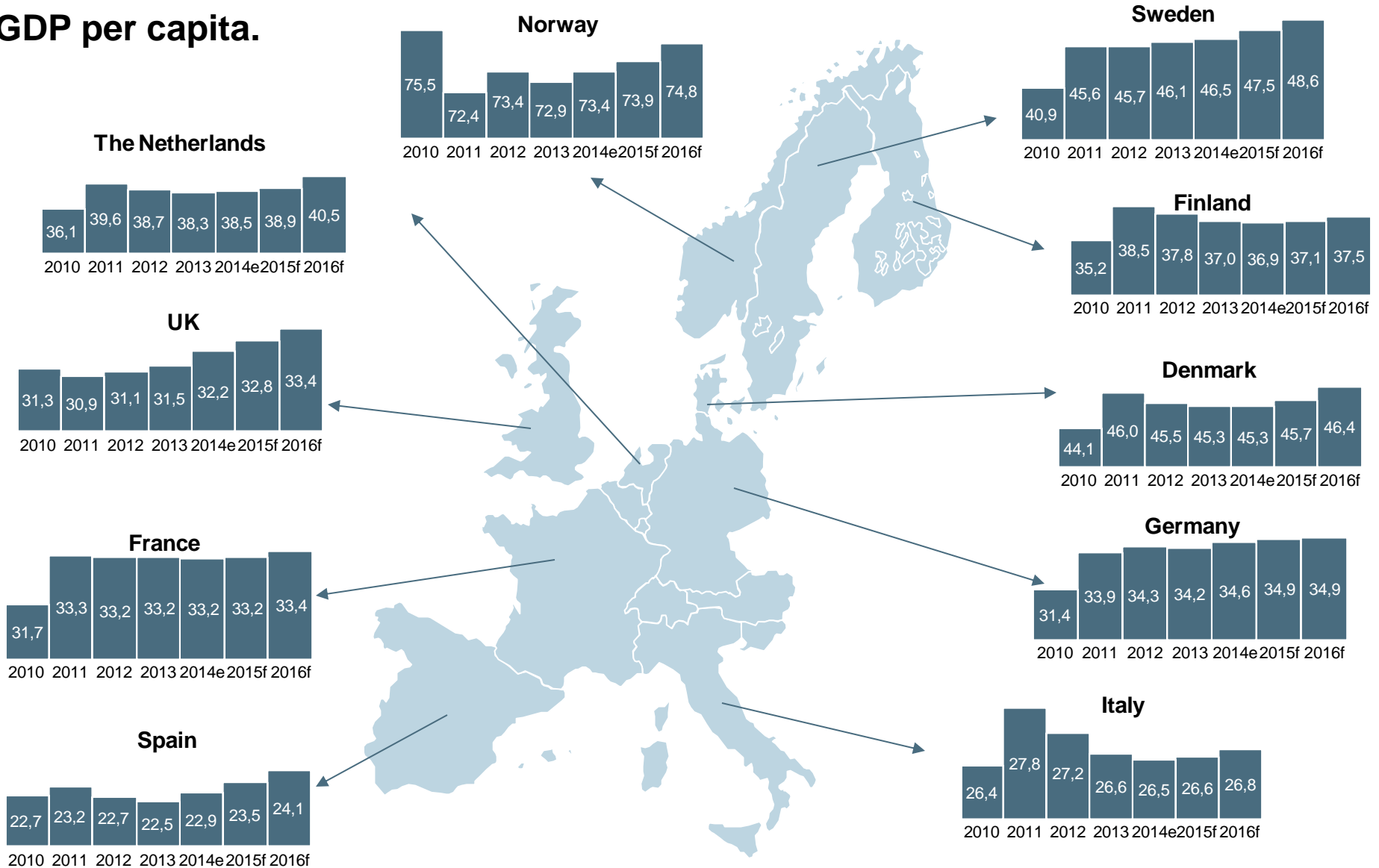


Thousand Euro at 2013 prices. 10 countries under study.

Source: Ducker Worldwide for IPAF based on Euroconstruct 2014

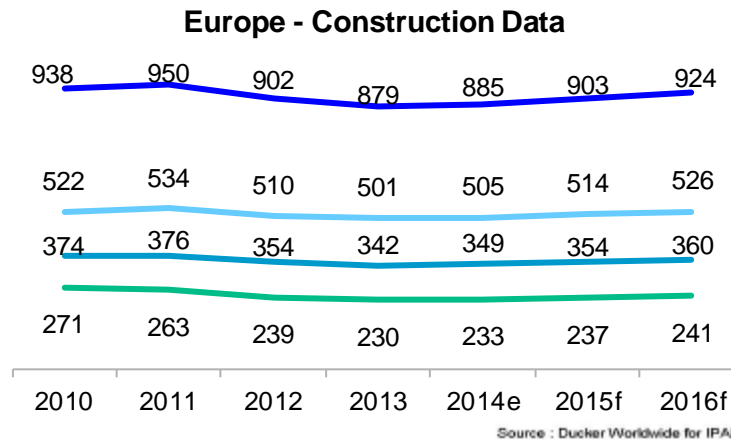
Source: International Monetary Fund, World Economic Outlook Database, October 2014

GDP per capita.



Thousand Euro at 2013 prices. Source: Ducker Worldwide for IPAF based on Euroconstruct 2014.

All construction sectors are currently growing. Trend should be confirmed over the coming years.



Total CAGR (2010-2016):
-0,71%

Non residential CAGR (2010-2016):
-1,32%

Construction put in place in billion Euros based on Euroconstruct 2014.

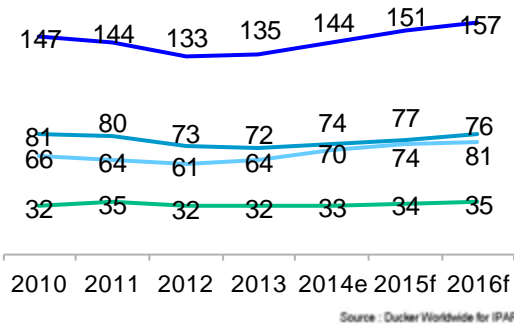
- Residential construction
- Non-residential construction
- Total construction
- Civil engineering

Both construction sectors and GDP increase in the UK.

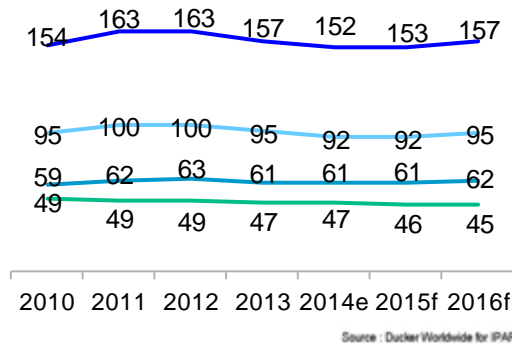
Slight construction recovery will happen in France in 2015, and accelerate in 2016.

Civil engineering and non-residential construction increase slightly; strongest increase in residential construction sector.

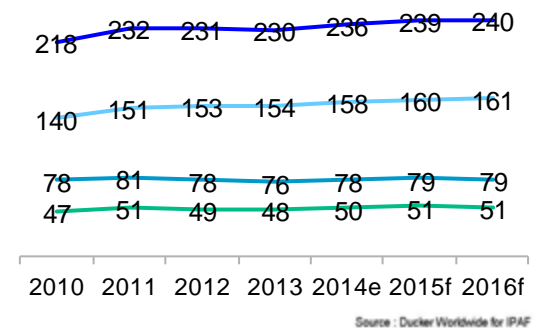
UK



France



Germany



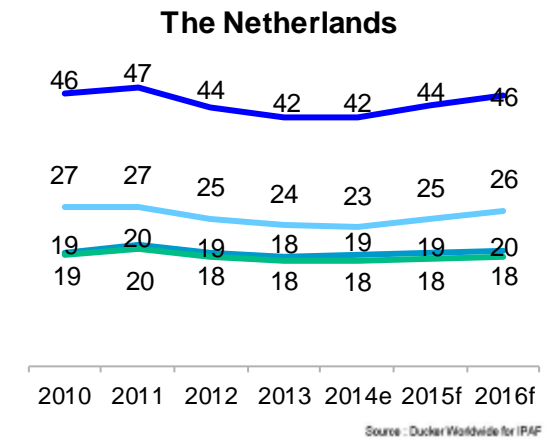
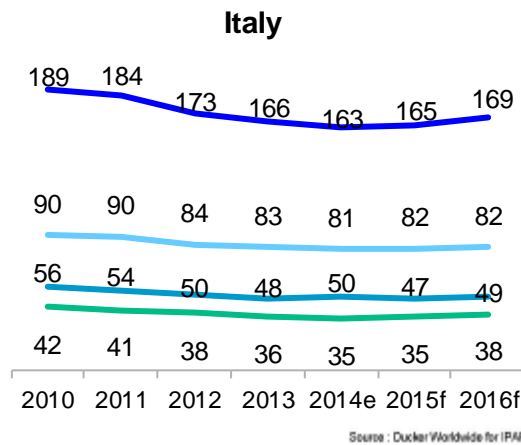
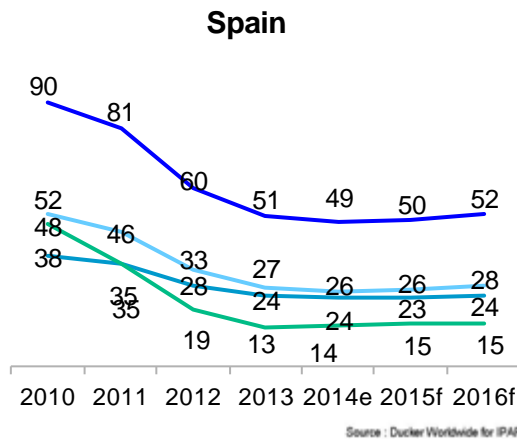
Construction put in place in billion Euros based on Euroconstruct 2014.

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

Key macro economic indicators, construction and GDP, are expected to increase in 2015.

Construction recovery will start in 2015, with positive outlooks.

Total construction sector will grow slightly in 2015, and more significantly in 2016.



Construction put in place in billion Euros based on Euroconstruct 2014.

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

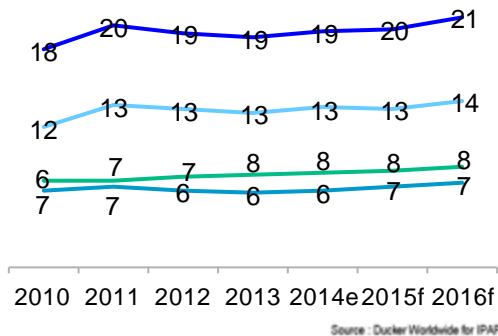
Increase in residential construction in 2015 will contribute to total construction improvement.

Construction is growing slowly in Sweden.

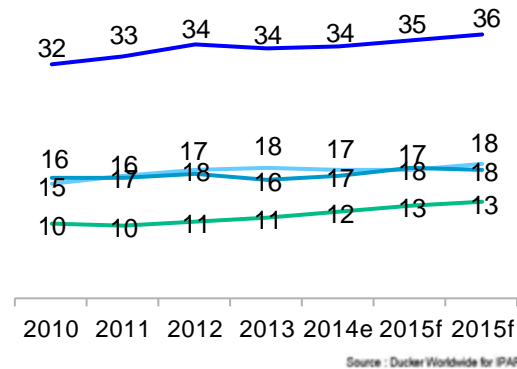
Constant growth should continue in the coming years.

Slight increase expected in 2015 due to growth of non-residential sector.

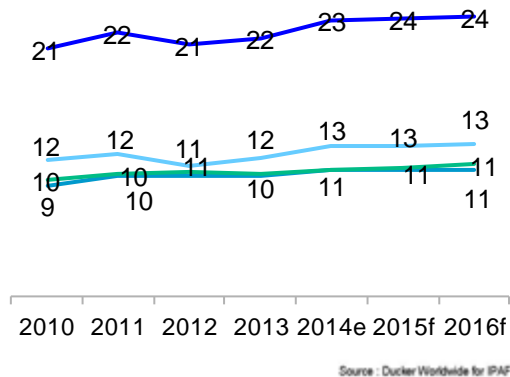
Denmark



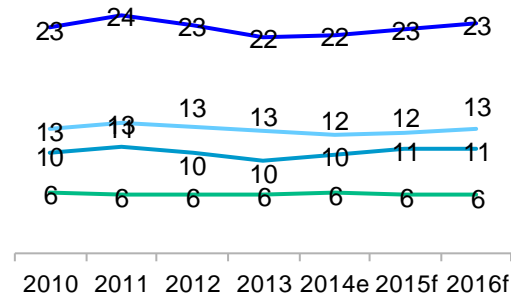
Norway



Sweden



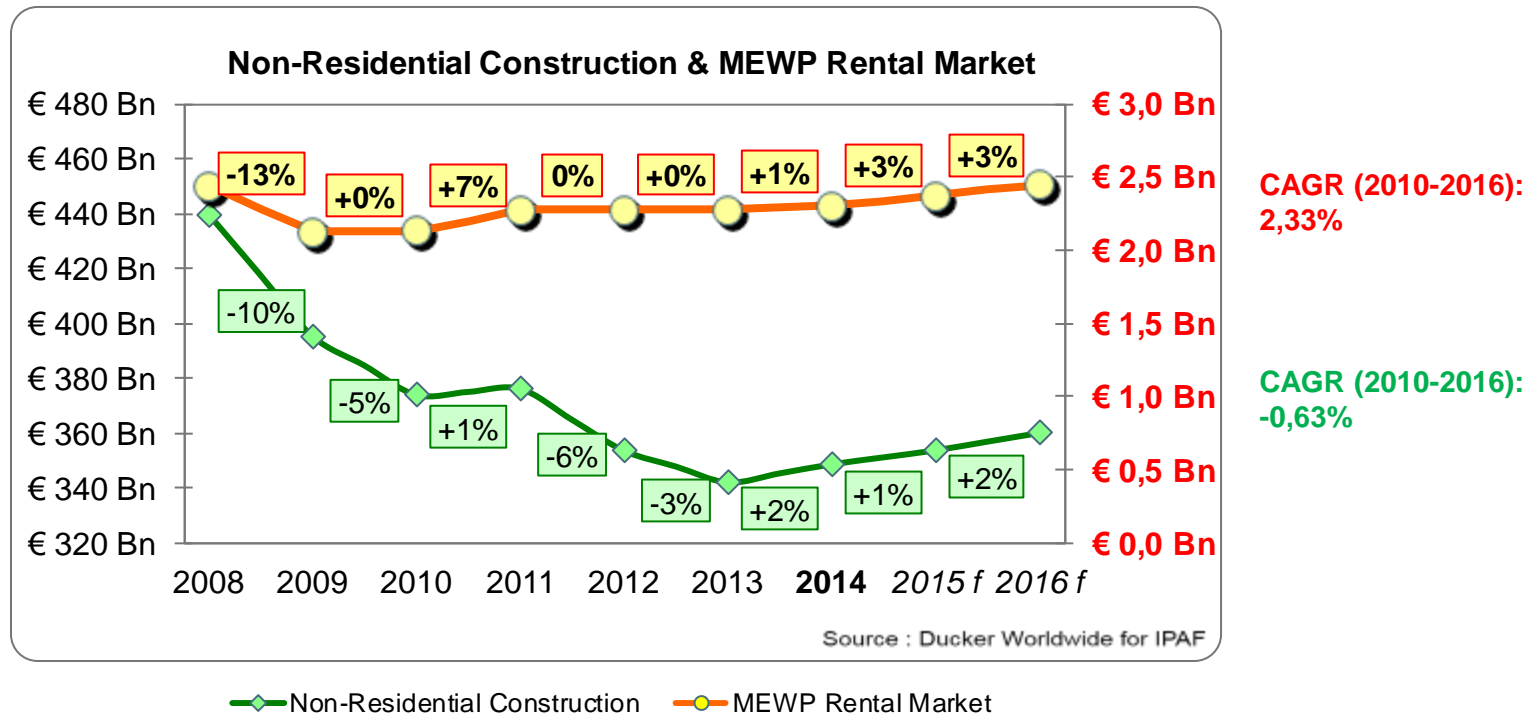
Finland



Construction put in place in billion Euros based on Euroconstruct 2014.

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

The MEWP rental market relies on a diversified customer base to limit dependency to a volatile construction sector. Nevertheless, the recovery of the latter will be a driver for market growth over the next few years.



New non-residential construction put in place based on Euroconstruct 2014

Rental companies believe that both safety and environmental regulations will support the MEWP rental market growth.

Market consolidation

- Further consolidation is anticipated in Italy, France, Nordics and the UK.

Better fleet management

- Adapting both fleet size and mix to adapt better to customers' expectations: increasing the share of most demanded equipment (electric, lower level, articulated booms) and ensuring that mass business equipment remains attractive (scissors).
- Frequent renewals of the oldest MEWPs.

Increased focus on safety

- General increasing concern towards safer use of access equipment, in favour of MEWPs instead of ladders or scaffolding.

Need for more environmentally friendly equipment

- General increase of both electric and diesel equipment.
- Lack of knowledge about Stage IIIB and Stage IV, which are more an OEM concern. Nevertheless, adaptation to new rules and equipment prices.

IPAF Powered Access Rental Market Report 2015 – Europe

CHINESE MEWP MARKET

The Chinese MEWP rental fleet size growth remained strong in 2014.

- The Chinese MEWP fleet size reached 9,000 units in 2014. It grew at a rate of approximately 25% per year over the past two years. Prospects are optimistic and a similarly fast growth rate is expected in the next 2 to 3 years.
- Scissors account for 65% of total MEWP fleet size, and booms for 25%. Similar to last year, vehicle mounted platforms and other smaller equipment represent approximately 10% of the fleet.
 - Scissors are suitable for many applications and remain less expensive than other AWP equipment. Booms are mainly used for public or industrial building maintenance (airports, offices, shopping malls), as well as specific building construction (temples, outdoor billboards).
 - Telescopic booms represent approximately 45% of the boom fleet while articulated booms stand for 55%.
- The number of rental companies in China remains below 100, and approximately 25 major generalist players dominate the market.
 - Small rental companies increasingly utilise re-rent from large rental companies to be able to meet the demand from their customers. Large rental companies expanded their AWP fleet significantly by approximately 40% in the past year.

The Chinese MEWP rental revenue was estimated at approximately RMB850M in 2014. (€130M)

- ❑ Fierce competition and strong pressure on price currently lead to continuous rate decrease.
- ❑ The typical MEWP rental period ranges between 3 and 12 months. The number of customers renting for longer periods (above 6 months) is increasing.
- ❑ Foreign companies and public building customers tend to rent foreign MEWP brands, while small to medium plants prefer local brands, due to their lower rates.
- ❑ Utilisation rates are said to be very high at 80%.
- ❑ The typical return on investment/payback period for MEWPs in China is 2 to 3 years.

The MEWP rental business is expected to develop further due to companies expanding both their rental business and geographical coverage.

Increasing MEWP awareness

- Two factors drive the increase of awareness regarding MEWP rental:
 - Further increase of demand in vertical markets using MEWPs, especially in building, exhibition, industrial, advertising, including both domestic and foreign companies in China.
 - Government support for the replacement of scaffolding and ladders by safer MEWP equipment (“12th five-year plan”).

Rental company expansion

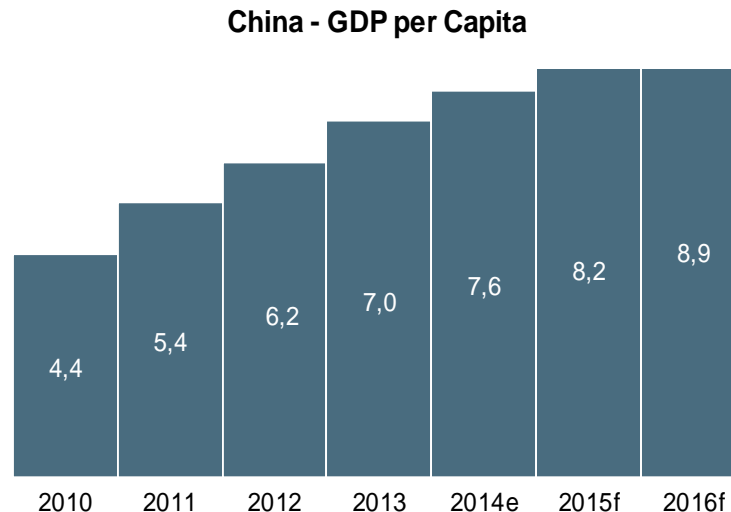
- Large MEWP rental companies continued to expand their fleet, while other equipment rental companies started running or expanding business with new MEWP rental activity.
- Newcomers to the market also have massively invested in MEWP equipment.
- Companies are developing strategies to quickly expand geographical coverage.

Optimised fleet management

- Rental companies aim at optimising fleet utilisation across their network of subsidiaries.
- With this optimised process, rental companies intend to make savings on their fleet management.

All macro-economic indicators forecast positive growth for the next few years.

- The rapid development of the Chinese economy continued in 2014: annual GDP grew at an average rate of 10% between 2006 and 2014. Forecasts show a slower but steady increase of approximately +7% per year over the next 3 years.



CAGR (2010-2016):
12.46%

*Thousand US dollars at 2014 prices.
Source: International Monetary Fund,
World Economic Outlook Database,
October 2014*

Source : Ducker Worldwide for IPAF

IPAF Powered Access Rental Market Report 2015 – Europe

COUNTRY REPORTS

Countries included in the total European market.

Ten countries under study:

- France
- Germany
- Italy
- Netherlands
- Nordic Region (DK, NO, SE, FI)
- Spain
- UK

- Austria
- Belgium
- Bosnia
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Estonia
- Greece
- Hungary
- Ireland
- Latvia
- Lithuania
- Luxembourg
- Macedonia
- Malta
- Poland
- Portugal
- Romania
- Slovak Republic
- Slovenia
- Switzerland

IPAF Powered Access Rental Market Report 2015 – Europe

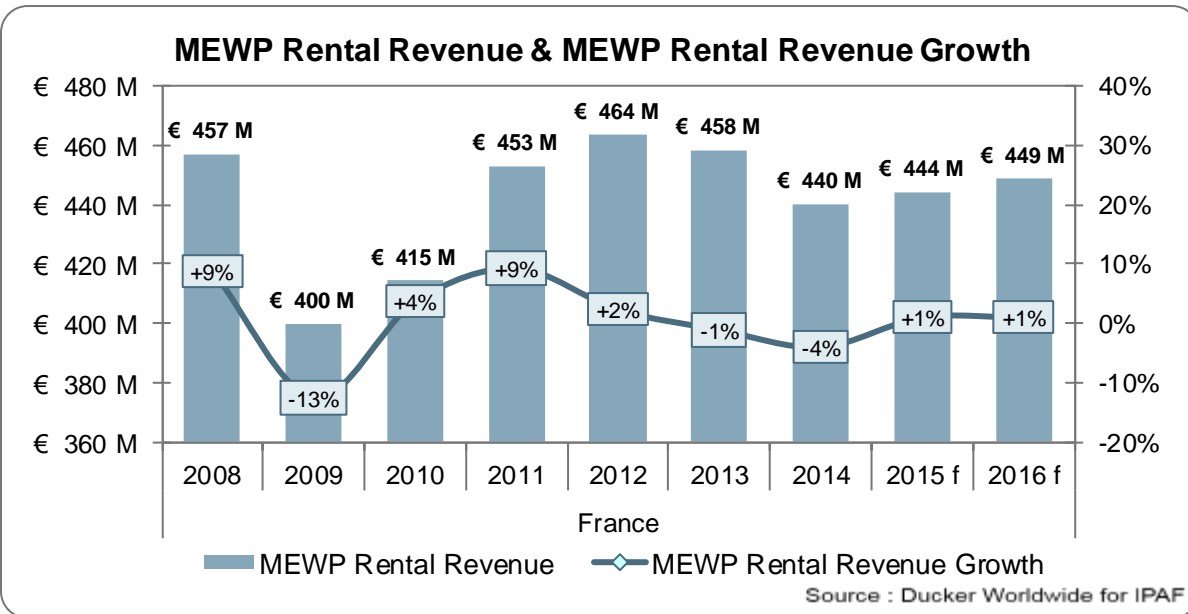
COUNTRY REPORT

FRANCE

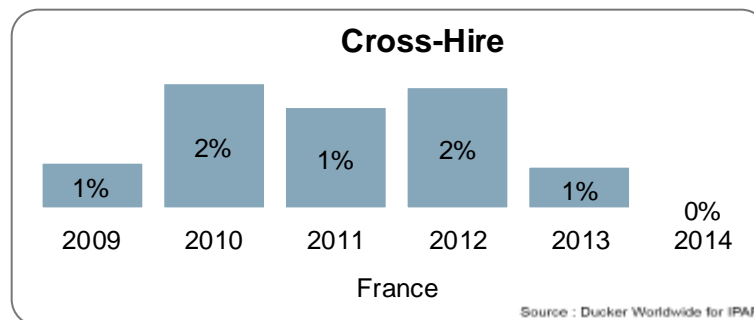
Key Findings

- ❑ The French MEWP rental market is among the three largest markets in the 10 countries under study, along with the UK and Germany. However, it did not experience the same growth trend as these two other countries in 2014.
- ❑ As forecast last year, 2014 was another difficult year for the French market (-4%), and revenue hit its lowest level since 2011.
- ❑ Stabilisation should occur in 2015 before further increase during the following years.
- ❑ Rental companies maintained their level of investments (+3%) and mainly renewed their fleet (+1%) instead of significantly increasing it.
 - As a result of fleet renewal the fleet retention period was reduced by 4 months compared to 2013.
- ❑ Efforts were made to maintain stable utilisation rates (55%) and diversify MEWP rental applications (40% to the non construction sector).
- ❑ Rental rates crashed (-5%) in 2014 and are expected to stabilise in 2015 and 2016.

The French MEWP rental market experienced a decrease of its overall revenue in 2014. As forecast last year, 2015 should see the return of some growth.



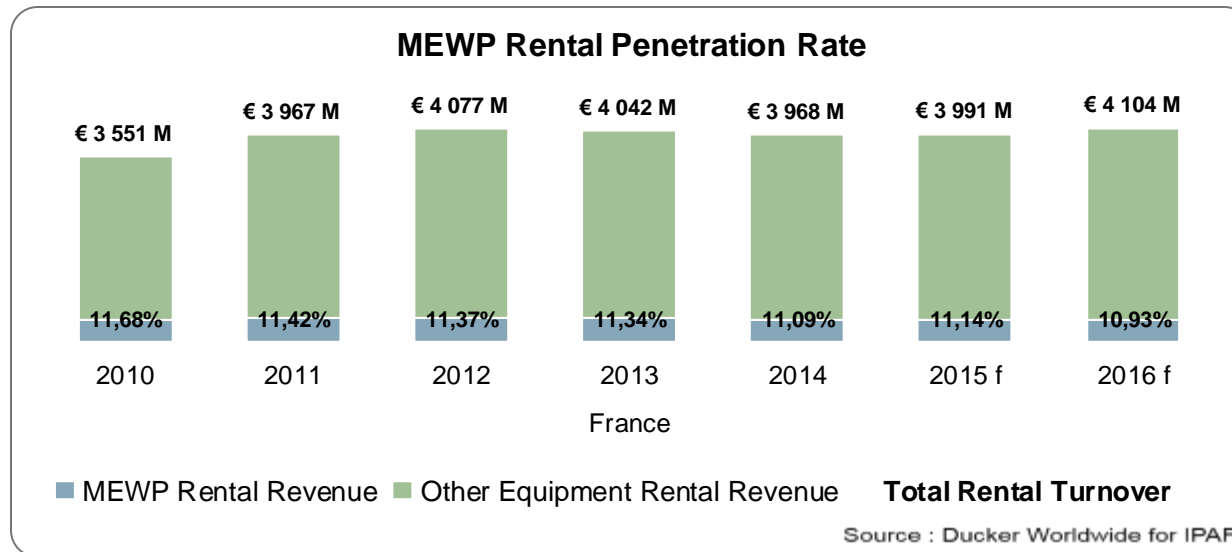
- Following the trend initiated in 2013, the French MEWP rental market decreased by 4% in 2014.
- Market should stabilise again starting from 2015. Strong market recovery is not expected in the short term.
- Cross-hire is almost non-existent in France, and accounts for less than 1% of MEWP rental companies' revenues.



MEWP rental accounts for 11% of total rental activities in France. This share is expected to remain stable and follow the overall rental market evolution.

(source ERA)

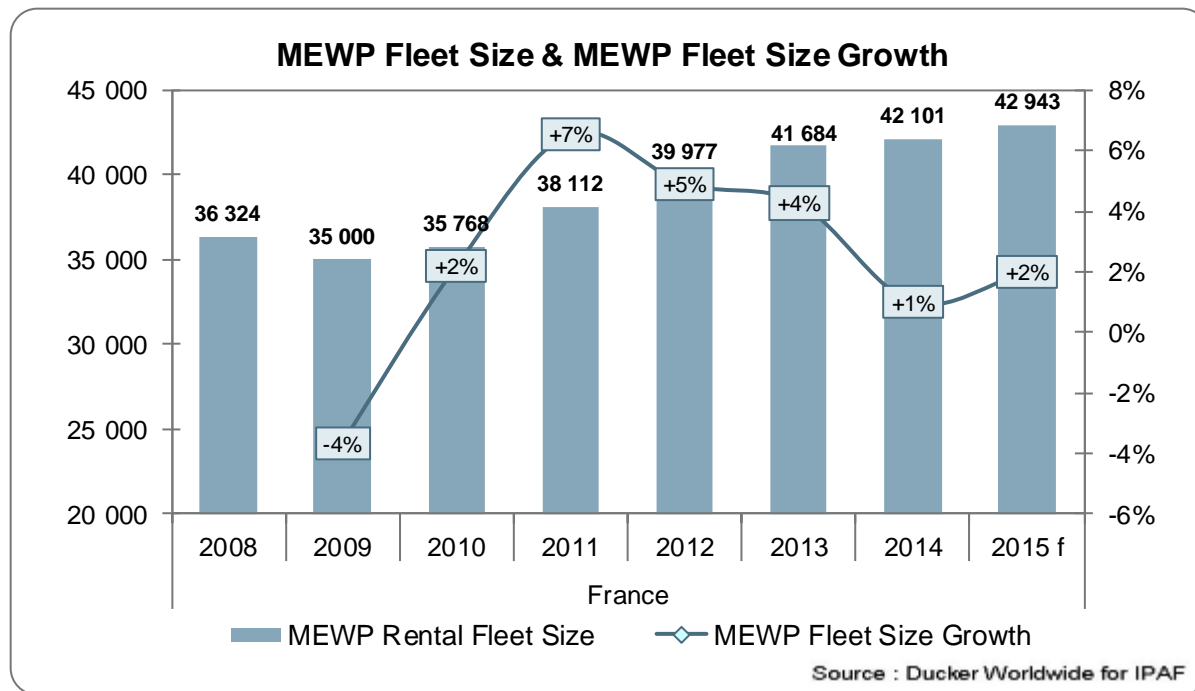
- ❑ Although the overall rental market value decreased in 2014, MEWP rental penetration slightly lost ground to other rental activities and reached a level of approximately 11%.
- ❑ The share of MEWP rental revenue will remain stable, whereas the overall construction equipment rental market will grow again in 2015 and 2016.



Source for Total Rental Turnover: ERA 2014 Report.

As forecast in last year’s report, the rental fleet size slowed down in 2014 (+1%). Fleet should continue to expand at similar pace in 2015.

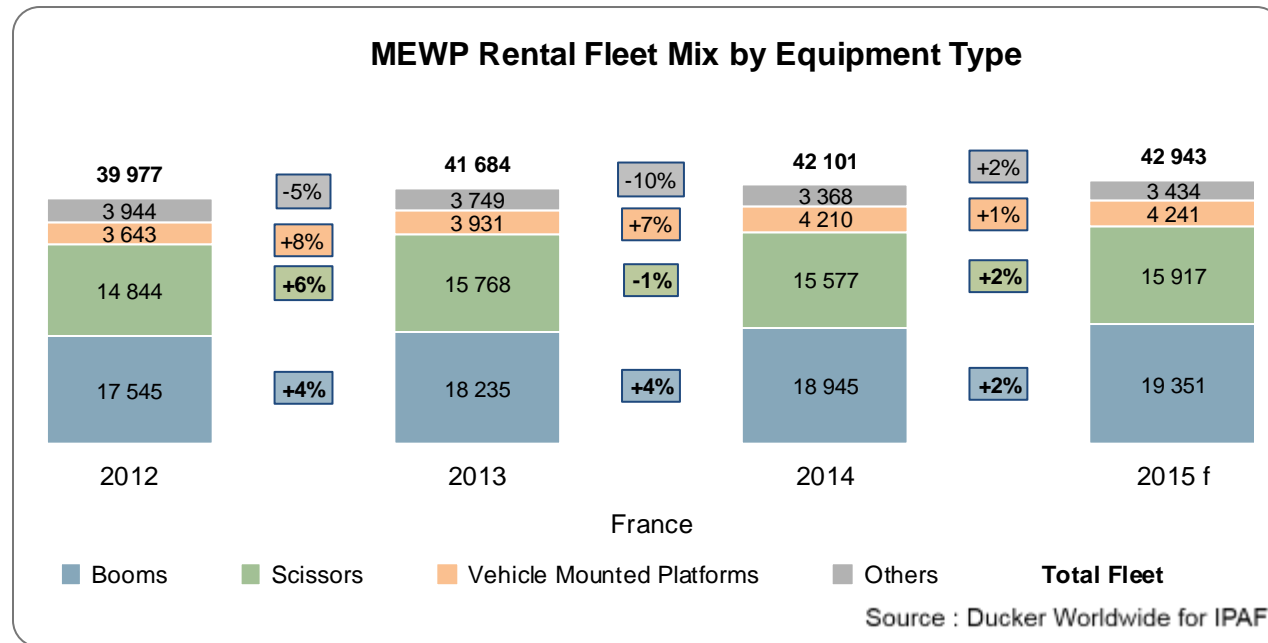
- Market players currently focus mainly on renewing oldest equipment, and do not expect to increase fleet size significantly.



*Note: included are powered access lifts: all booms, scissor lifts and vertical masts
Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers*

The boom fleet increased slightly, while the scissor fleet remained relatively stable. All categories are expected to evolve similarly in 2015.

- Boom lifts are increasingly asked for as they are suitable for several applications and offer a large range of working heights.
- Most of the rental fleet is now compliant with Stage IIIA and currently transitioning towards IIIB.



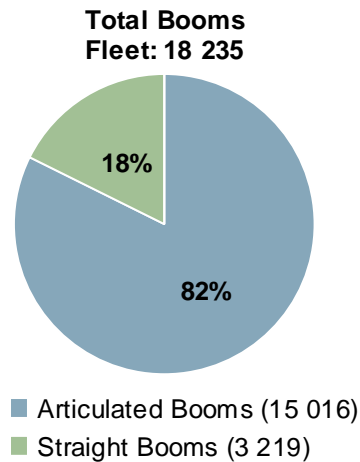
Note: included are powered access lifts: all booms, scissor lifts and vertical masts
 Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers

+X% % unit growth, e.g. Booms fleet increased by 4% from 2013 to 2014.
 Others include: vertical lifts, vertical masts, push-around, trailer mounted/towable.

France is now the country with the highest share of articulated booms, ahead of the UK.

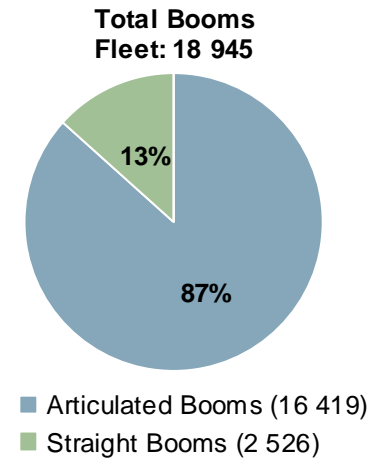
- ❑ The proportion of articulated booms increased again in 2014.
- ❑ Approximately 9 booms out of 10 are now articulated.

MEWP Booms Fleet Mix by Type - France - 2013



Source : Ducker Worldwide for IPAF

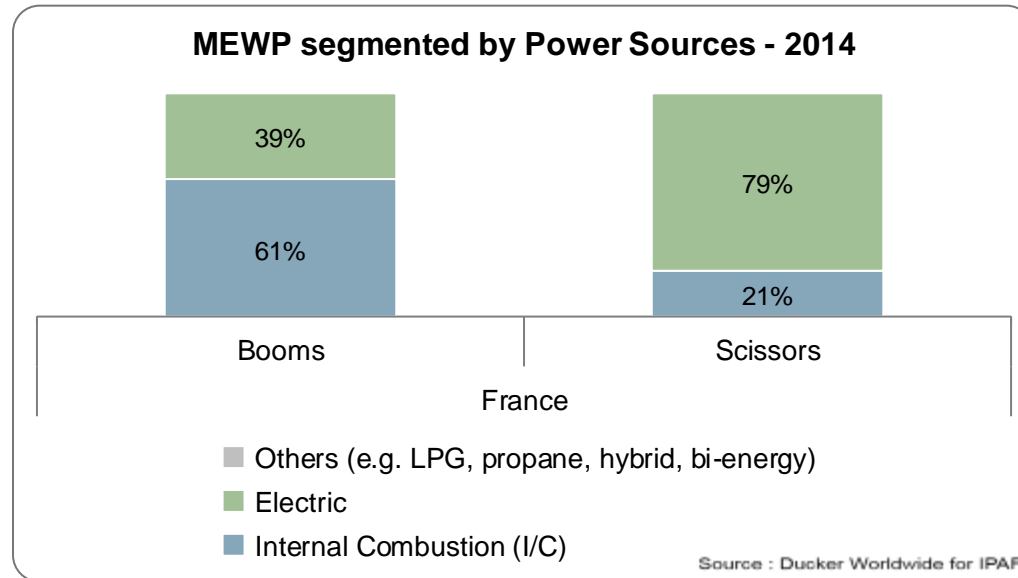
MEWP Booms Fleet Mix by Type - France - 2014



Source : Ducker Worldwide for IPAF

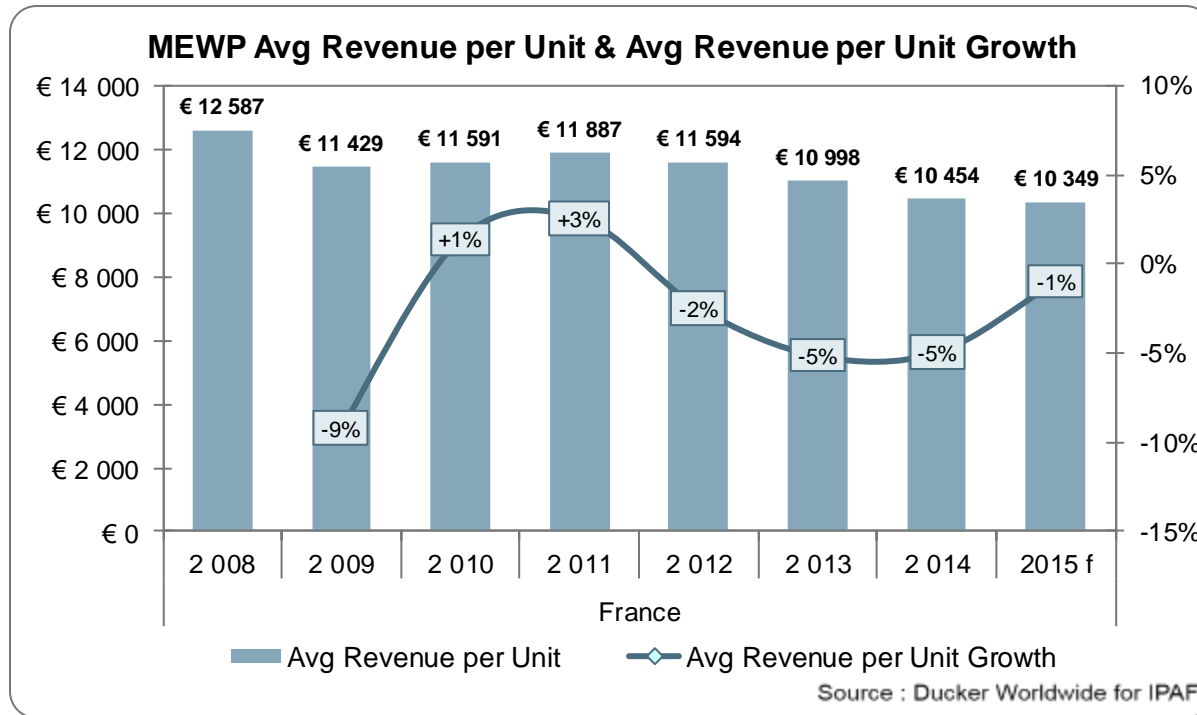
The trend towards more electric equipment continued in 2014. Both booms and scissors have seen their share of electric equipment increase.

- Booms are mostly using an internal combustion power source whilst almost 80% of scissors are electric.



Average revenue per unit kept going down in 2014, due to rental rates dropping.

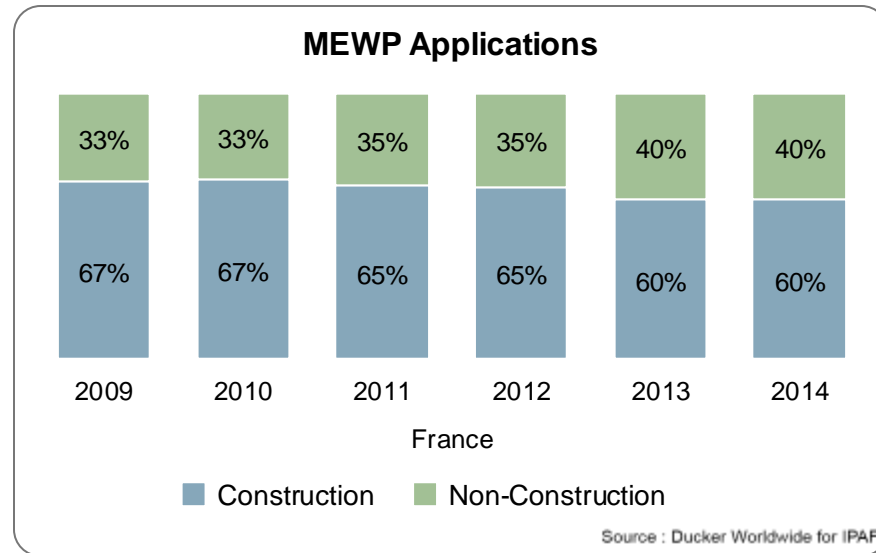
- After three years of continuous decrease, the average revenue per unit could stabilise in 2015 at its lowest level since recession.



*Note: included are powered access lifts: all booms, scissor lifts and vertical masts
 Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers*

In 2014, the share of construction as part of MEWP rental revenue remained stable at its lowest level since 2009.

- Rental companies had to diversify their customer base so as to be able to adapt to the construction sector deterioration.



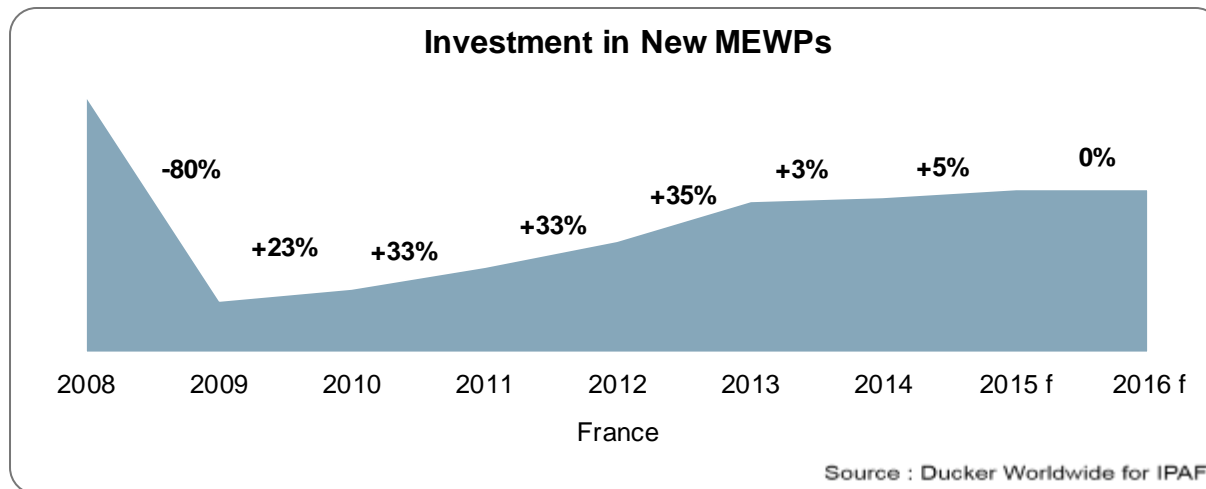
Share of rental revenues

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

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

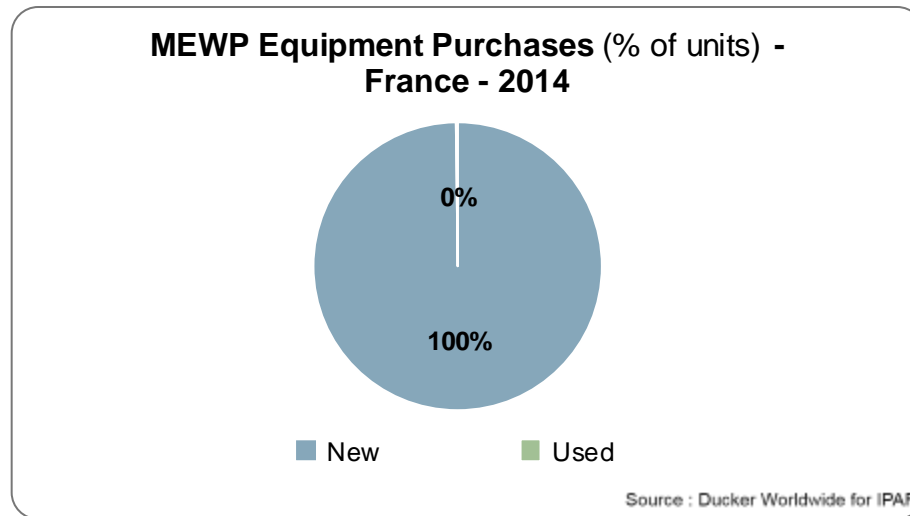
The level of investment increased slightly in 2014 and is expected to follow a similar trend in 2015.

- ❑ Investments in 2014 were dedicated to fleet renewal mainly.
- ❑ Rental companies do not anticipate significant changes in market demand in the short term: they remain cautious and plan to limit investment increases in the coming years.



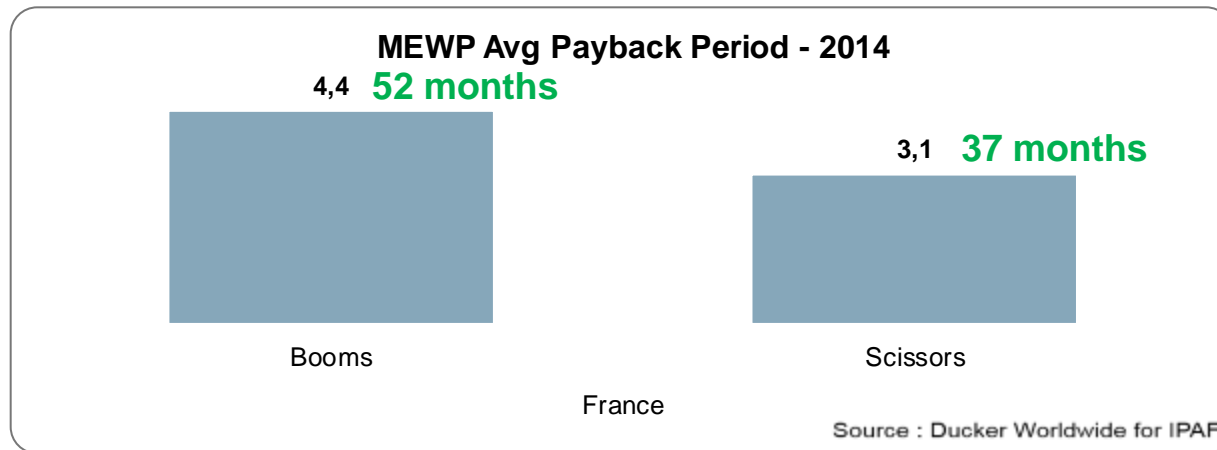
MEWPs purchased in France by rental companies are new.

- ❑ Rental companies prefer to invest in new equipment when renewing their fleet.
- ❑ They would purchase used equipment only if a given model was not manufactured anymore, but was requested by customers.



In France the average payback period for booms is 52 months. The average payback period for scissors is shorter, at 37 months.

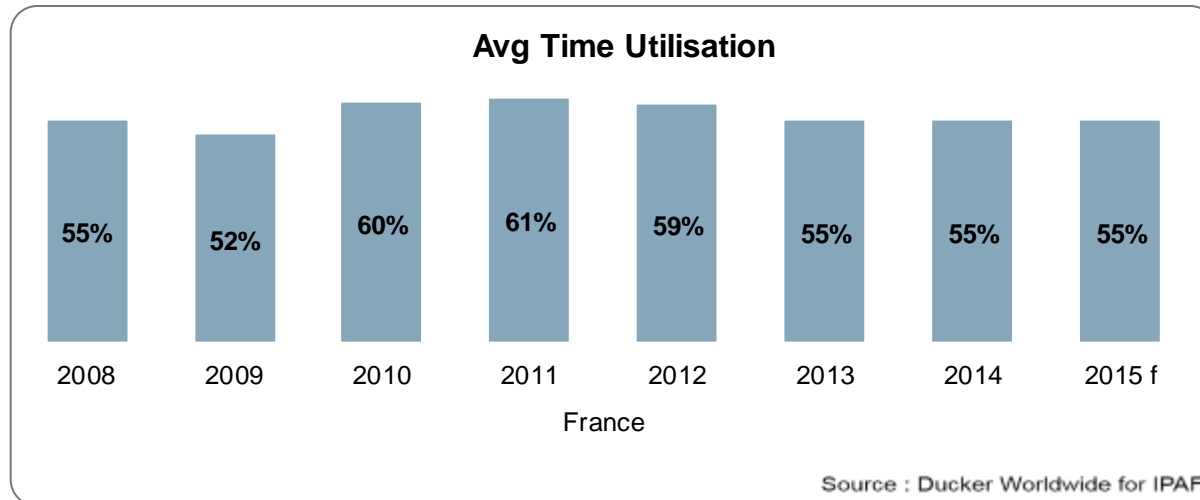
- The typical payback period in France is aligned with the European average for both booms (50 months) and scissors (40 months).



4,4 = 4 years and 4 months

Utilisation rate remained stable at 55% in 2014, its lowest level since 2010.

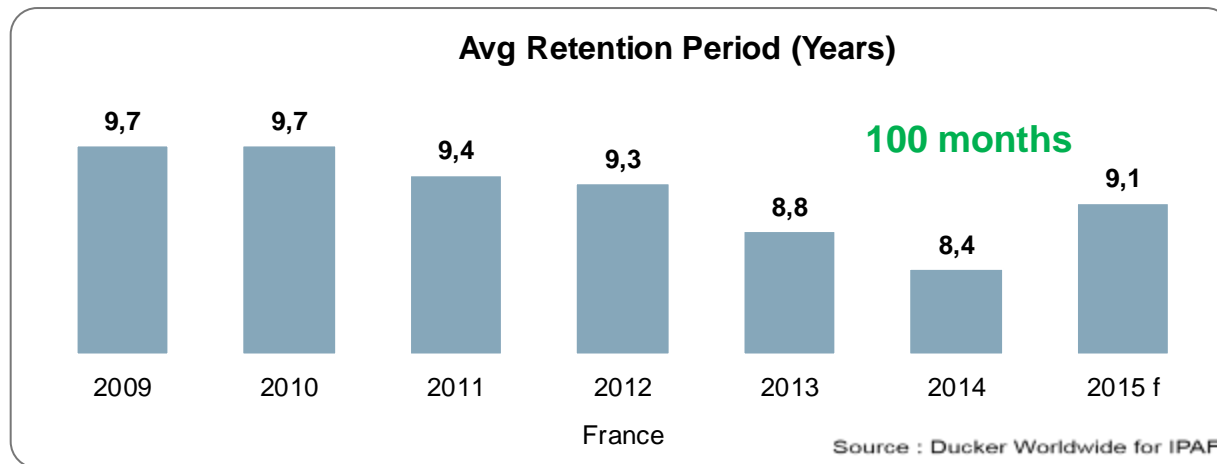
- ❑ Utilisation rates in France are among the lowest of the 10 European countries studied, after Spain.
- ❑ Utilisation is expected to be maintained at 55% in 2015 due to stagnating demand.



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

As forecasted in last year’s report, the retention period was shortened in 2014, to 8 years and 4 months.

- The French average retention period is 5 months higher than the European average (7 years and 9 months).

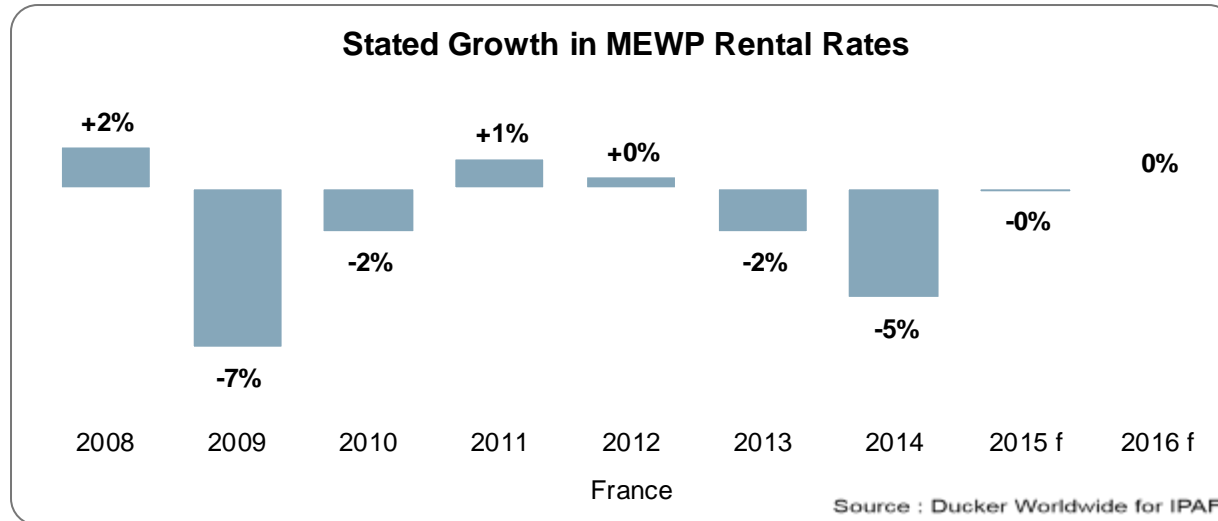


8,4 = 8 years and 4 months

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

Contrary to what companies hoped for last year, rental rates kept decreasing in 2014.

- ❑ Rates experienced a severe decrease in 2014 with -5% compared to 2013.
- ❑ Rental companies hope to stabilise rates in the next few years but strong uncertainty remains.



Although strong uncertainties exist regarding the French market, rental companies anticipate changes regarding the demand for specific categories of equipment.

- ❑ Rental companies are unsure about a potential return to meaningful growth in the next two years. However they do believe that the market should stabilise soon.
- ❑ In order to avoid depending too much on the construction sector, market players bet on further diversification of their customer basis, targeting more industrial applications.
- ❑ Demand is increasing for higher and greener equipment. When renewing fleets, rental companies plan on adapting equipment to these new trends.
 - Companies anticipate that emission norms will also apply to smaller equipment (less than 37KW engines).
 - Higher heights (>30m) are increasingly requested by a share of their customers.

IPAF Powered Access Rental Market Report 2015 – France

**A PERSPECTIVE FROM THE
MANAGING EDITOR OF
*INTERNATIONAL RENTAL NEWS***

It is difficult to locate positive news about the French economy, and that translates directly into a similarly downbeat view of the access rental sector.

The ERA's latest estimate for the rental sector growth in 2015 is for a flat year, while the economic tracking survey by French rental association DLR saw rental activity shrink by 7% in the final quarter of 2014 – a depressing end to a difficult year. The association estimated a 5% decline for the year as a whole.

In fact, it seems that 2014 was made slightly more difficult for French rental companies by over-ambitious investments in 2013, for all types of equipment, which left the market with a larger overall fleet chasing a smaller market in 2014.

That dynamic left the country's biggest players, Kiloutou and Loxam, facing a challenging year. In Loxam's case, that translated into almost flat revenues in 2014 – despite the acquisition in June 2014 of major Dutch rental company Workx, and that of Danish aerial platform specialist Dansk Lift right at the end of 2013.

The company is expecting 2015 to be the bottom of the current cycle, with 2016 seeing an improvement. France remains Loxam's most important market by a considerable margin, but its strategy of establishing rental businesses in other countries – 10 in total – would now seem to be paying off, with these markets accounting for 20% of revenues.

Loxam's big rival in France is Kiloutou, and it used 2014 to continue to expand its business through acquisitions both at home and abroad. The significant deal outside France was the addition of Poland's EWPA Majster, to boost its fledgling Polish operation. Back at home, it made at least three acquisitions during the year, including that of aerial platform specialist Nacelle 42.

Of course, as always, the results of the big players in the market reflect their differing histories. Lavendon Group, for example, is still building its French business and reports that market share gains led to an 8% increase in revenues in France in 2014.

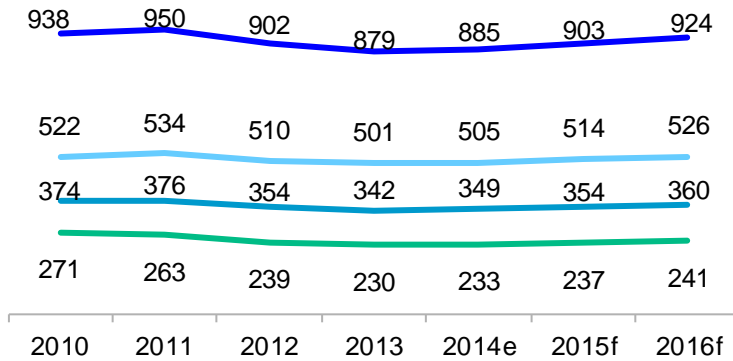
In contrast, Acces Industrie, already well established in France, found the going much more difficult, and saw annual revenues in 2014 fall to just more than €51 million from the 2013 figure of €56.2 million. That says a lot about the French access market last year.

IPAF Powered Access Rental Market Report – France

APPENDIX

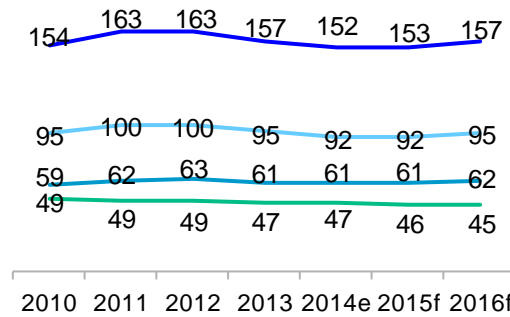
Limited construction recovery will happen in France in 2015, and will accelerate in 2016.

Europe - Construction Data



Source : Ducker Worldwide for IPAF

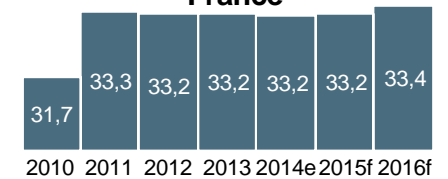
France



Source : Ducker Worldwide for IPAF

Construction put in place in billion Euros based on Euroconstruct 2014.

France



France GDP estimates based on Euroconstruct 2014.

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

IPAF Powered Access Rental Market Report 2015 – Europe

COUNTRY REPORT

GERMANY

Key Findings

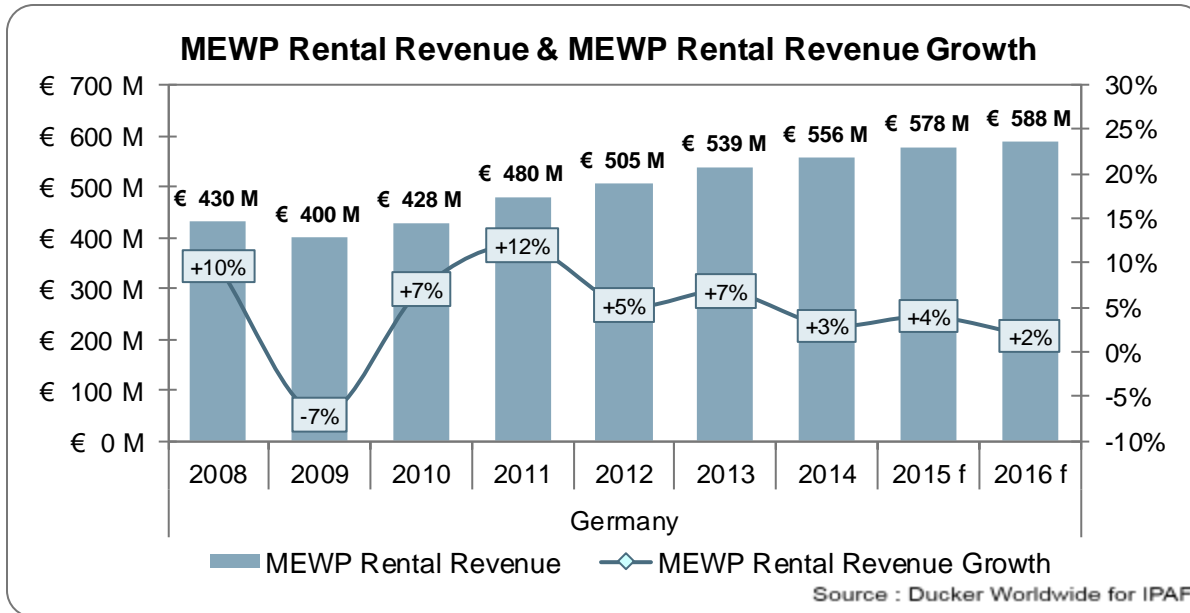
- ❑ The German market is highly fragmented.
 - A small number of large size companies dominate the market.
 - Many smaller rental companies who act regionally are also to be taken into account.

- ❑ The German MEWP rental market experienced an increase in revenue (+3%) driven by fleet expansion (+3%), and stable utilisation rates (64%), while overall rental rates remained stable (+0%).

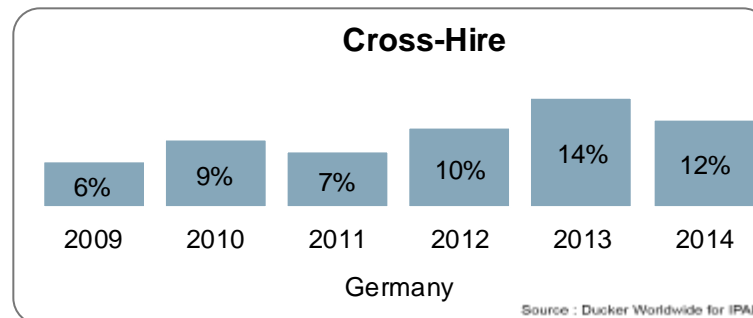
- ❑ Non-construction applications hold the lion's share in MEWP rental activity (54%).
 - Stable industrial sector development and high safety demand drive the need for MEWPs.

- ❑ Other indicators remained rather stable.
 - Retention period was maintained at 7 years.
 - The level of investment decreased, but not significantly (-2%).

The German MEWP rental market maintained continuous growth in 2014, with substantial revenue increase for the fifth year in a row.

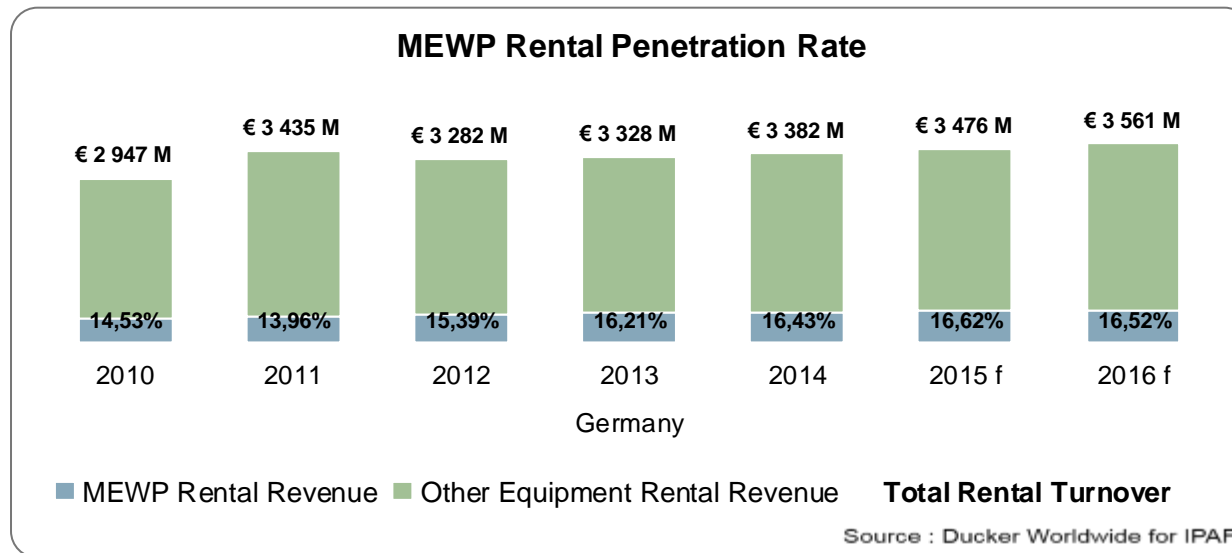


- ❑ Rental revenue grew slower in 2014 than in 2013.
- ❑ Market growth is expected to stabilise between 2% and 4% per year for the forecasted period.
- ❑ In 2014, the level of cross-hire decreased to 12%.



MEWP rental penetration rate has been increasing since 2012 and reached approximately 16.5% in 2014.

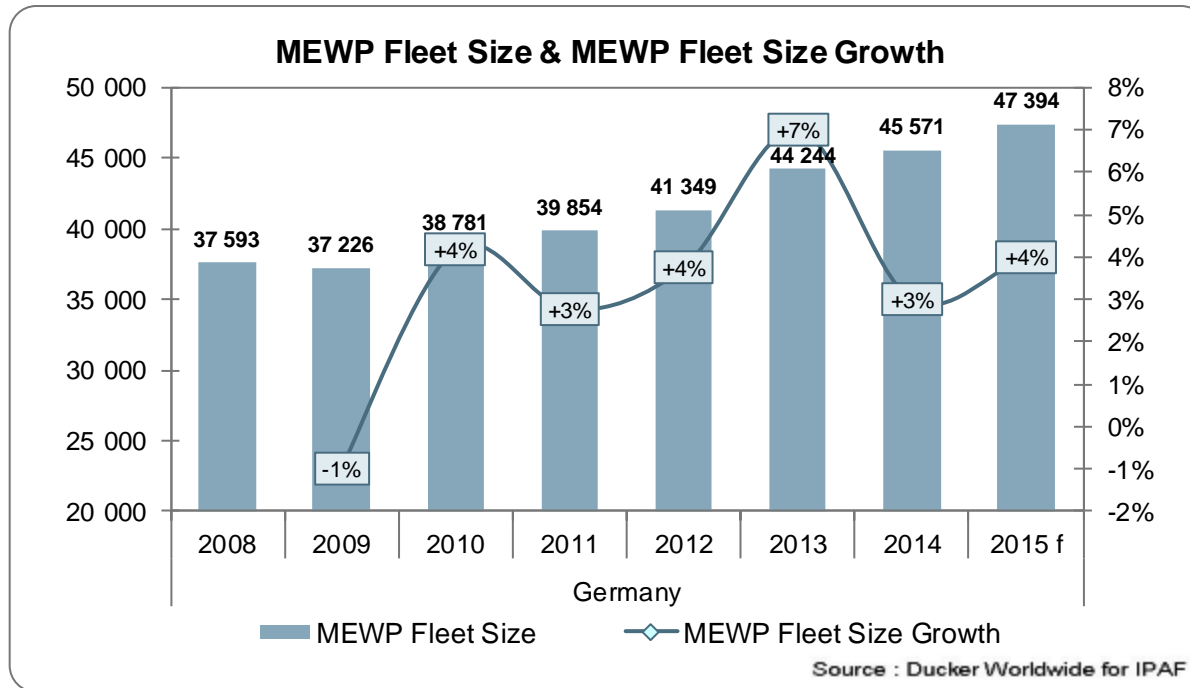
- MEWP rental penetration rate is expected to stabilise in 2015.



Source for Total Rental Turnover: ERA 2014 Report.

Ducker revised its fleet size estimate for Germany. Total number of units in 2014 reached approximately 45,500 units.

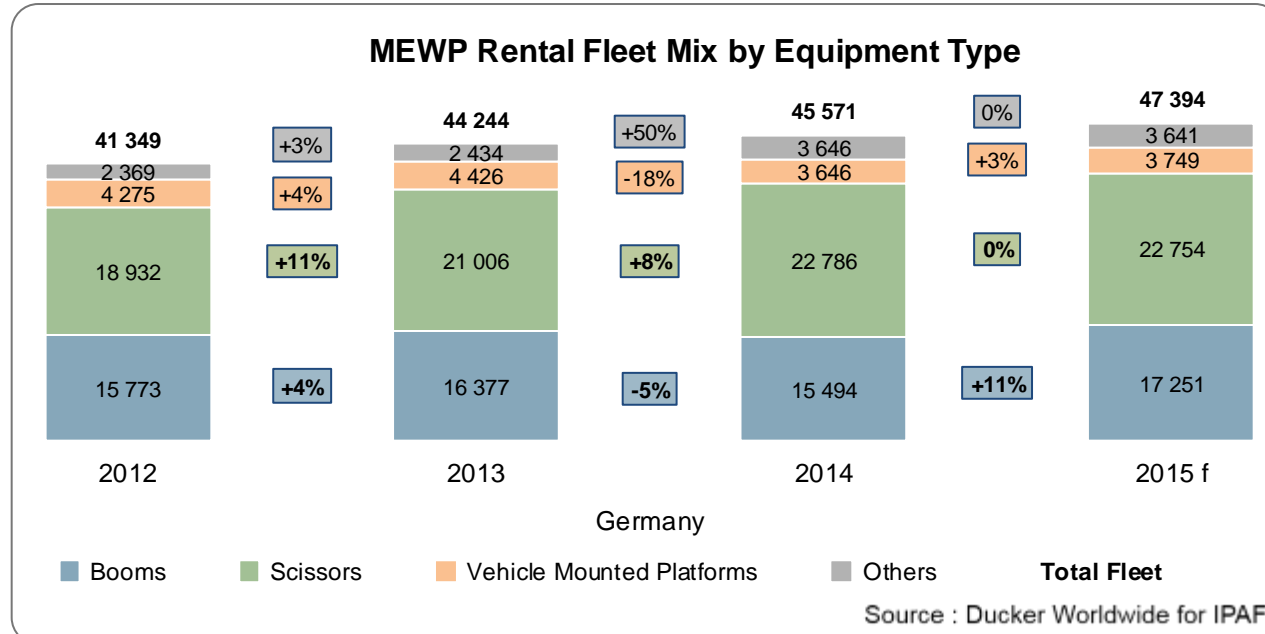
- After the surge in fleet growth rate in 2013, fleet is expected to keep increasing steadily in the coming years.



*Note: included are powered access lifts: all booms, scissor lifts and vertical masts
Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers*

Number of scissors increased while booms and vehicle mounts decreased in 2014. All MEWP categories are expected to benefit from future fleet growth.

- As in most European countries, scissors represent the primary MEWP type.
- Scissors are the cheapest MEWPs to rent, and cheapest to purchase for rental companies.



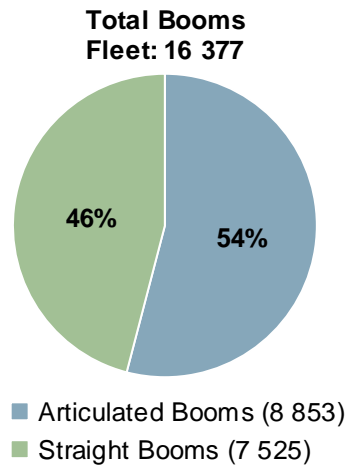
Note: included are powered access lifts: all booms, scissor lifts and vertical masts

Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers

+X% % unit growth, e.g. Booms fleet decreased by 5% from 2013 to 2014.
Others include: vertical lifts, vertical masts, push-around, trailer mounted/towable.

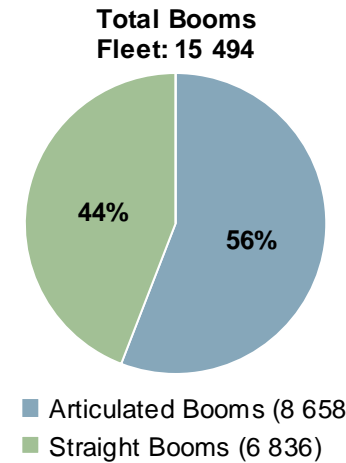
The share of straight booms decreased in 2014. Articulated booms represent the majority of total boom fleet.

MEWP Booms Fleet Mix by Type - Germany - 2013



Source : Ducker Worldwide for IPAF

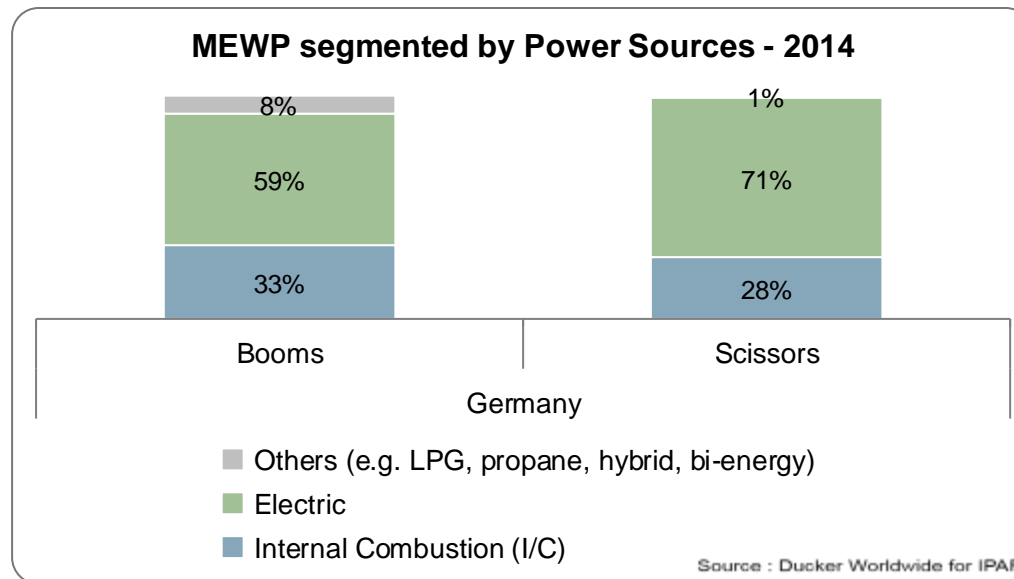
MEWP Booms Fleet Mix by Type - Germany - 2014



Source : Ducker Worldwide for IPAF

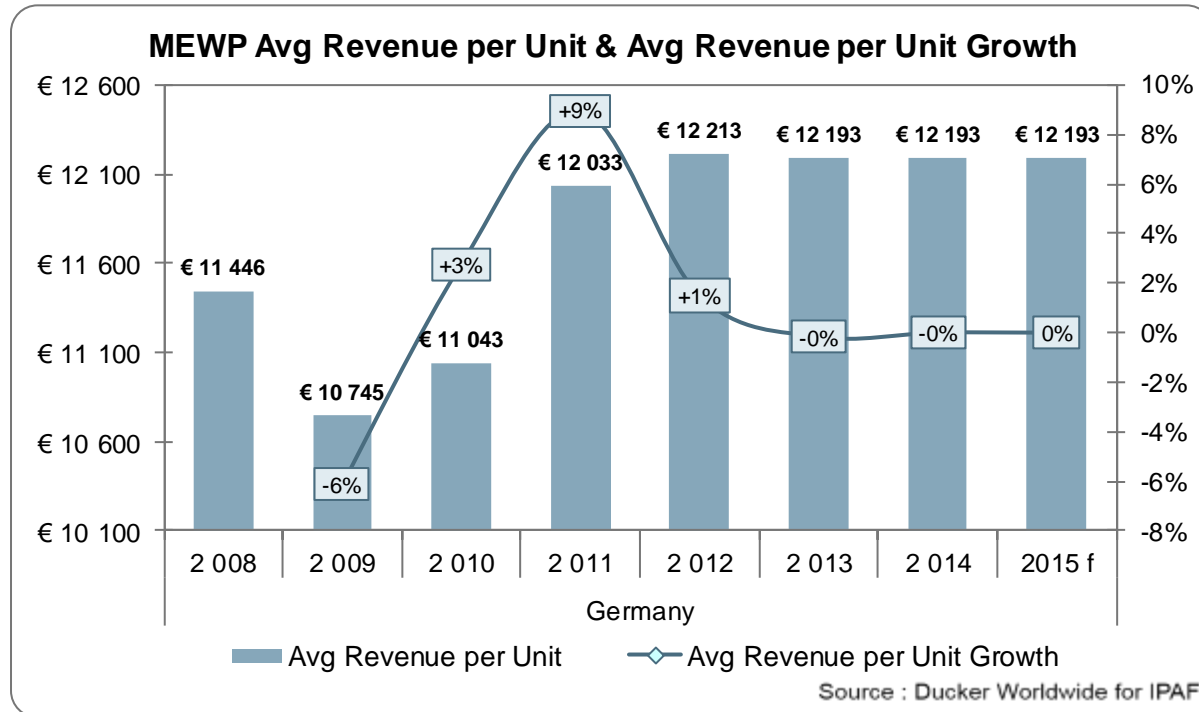
The electric power source dominates the German market, in both boom and scissor segments.

- ❑ Electric booms account for the majority of the boom fleet, contrary to other European countries. Electric equipment have simpler generators and less technical issues when in operation.
- ❑ The German industry is an important MEWP customer. Industrial indoor applications require electric power source.
- ❑ More than half of the German fleet is deemed Stage IIIB compliant (all new purchased equipment fulfil the IIIB requirements).



The average revenue per unit remained stable in 2014: stable rental rates drove enough revenue increase to compensate for fleet expansion.

- The average revenue per unit should remain stable in 2015.

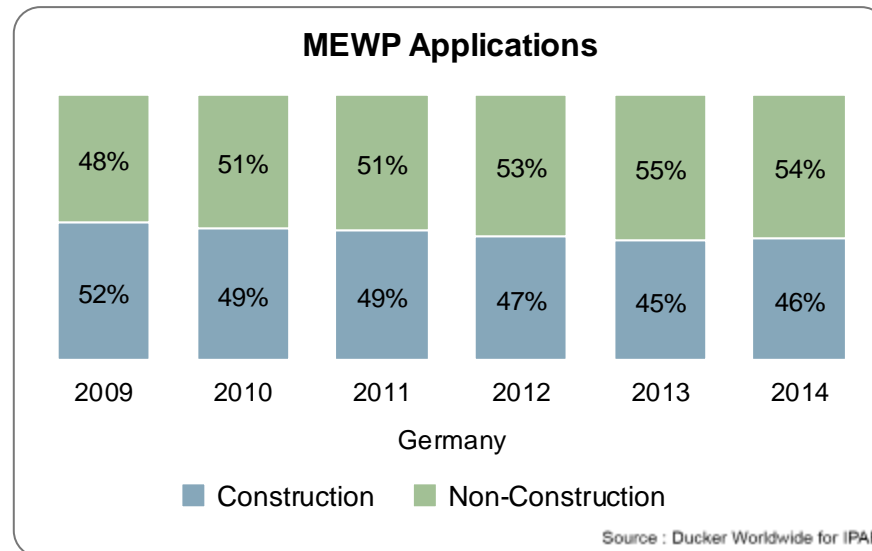


Note: included are powered access lifts: all booms, scissor lifts and vertical masts.

Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers.

German rental companies continue to focus more on non-construction end-applications.

- ❑ Germany, along with Spain, is the only European country under study where the non-construction sector is the strongest.
- ❑ Non-construction activities are perceived as being more stable, and less cyclical.
- ❑ Increased safety requirements for the non-construction sector generates a growing need for MEWPs in this sector.



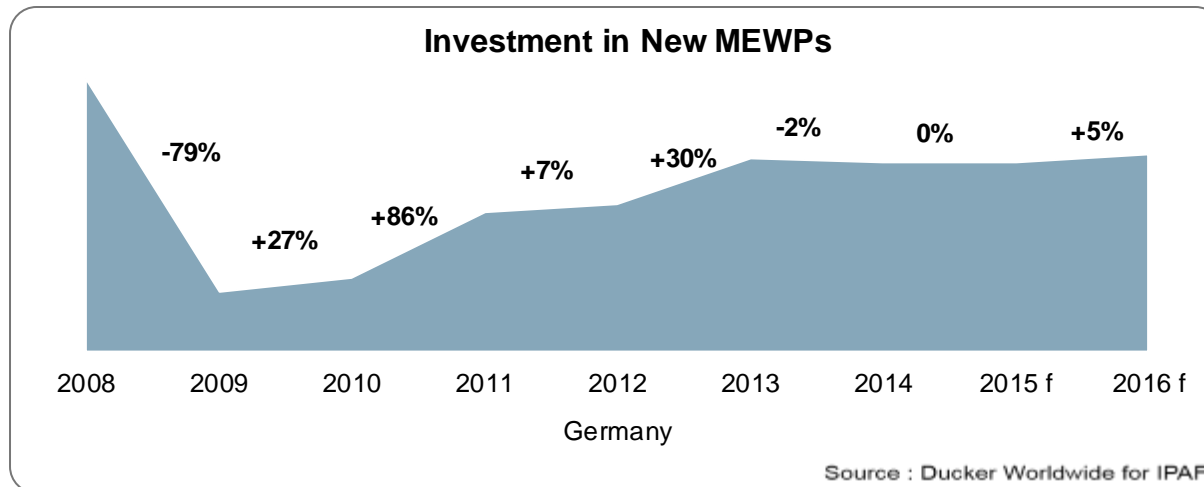
Share of rental revenues

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

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

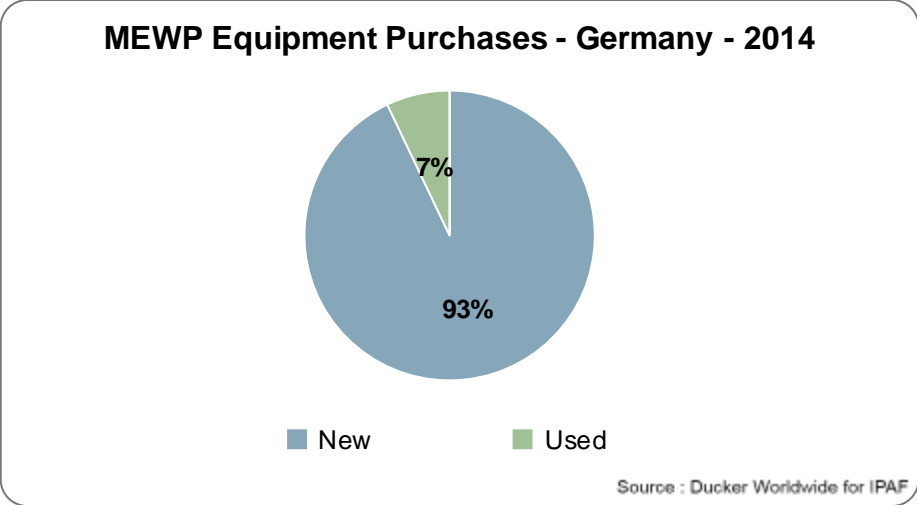
After high increase of the investment amount in 2013, the level of investment decreased by 2% in 2014.

- ❑ For the first time since 2009 investments decreased.
- ❑ New equipment purchases were dedicated to both fleet renewal and expansion.
- ❑ The peak of investment was reached in 2013. Total amount of investment will remain stable in 2015 and grown again in 2016.



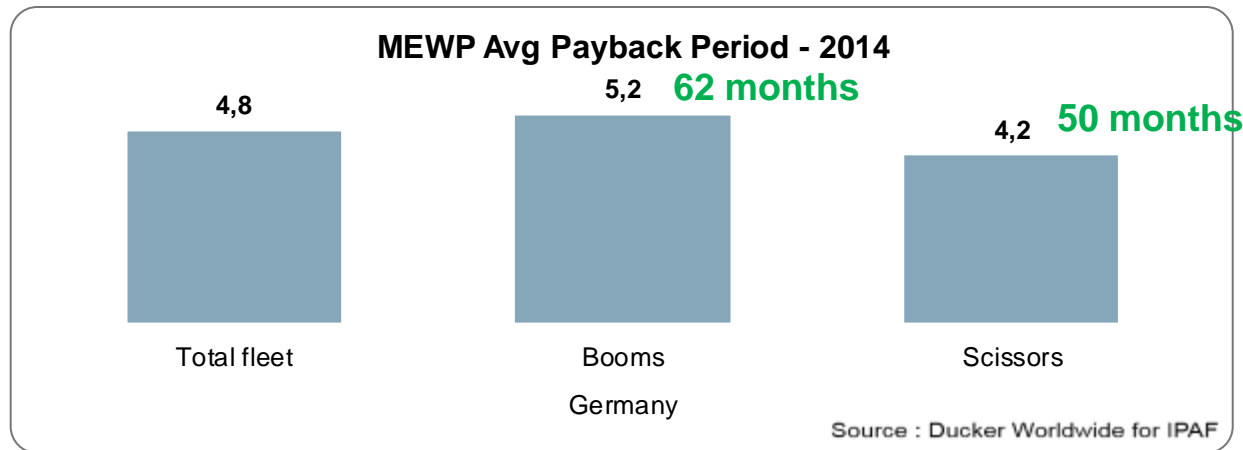
German rental companies choose new equipment. 93% of purchased equipment is new.

- ❑ New equipment is the best choice for rental companies who keep the machines on average for the next 7 years.
- ❑ Equipment purchased new complies with all key environmental regulations and benefits from warranty with extended warranty option.
- ❑ Rental companies report the difficulty in finding suitable used equipment at reasonable prices. Used equipment is more likely to be prone to breakdowns and disorders.
- ❑ Few rental companies acknowledge purchasing used equipment, mainly when customers ask for a specific model which is no longer available for sale by the manufacturer.



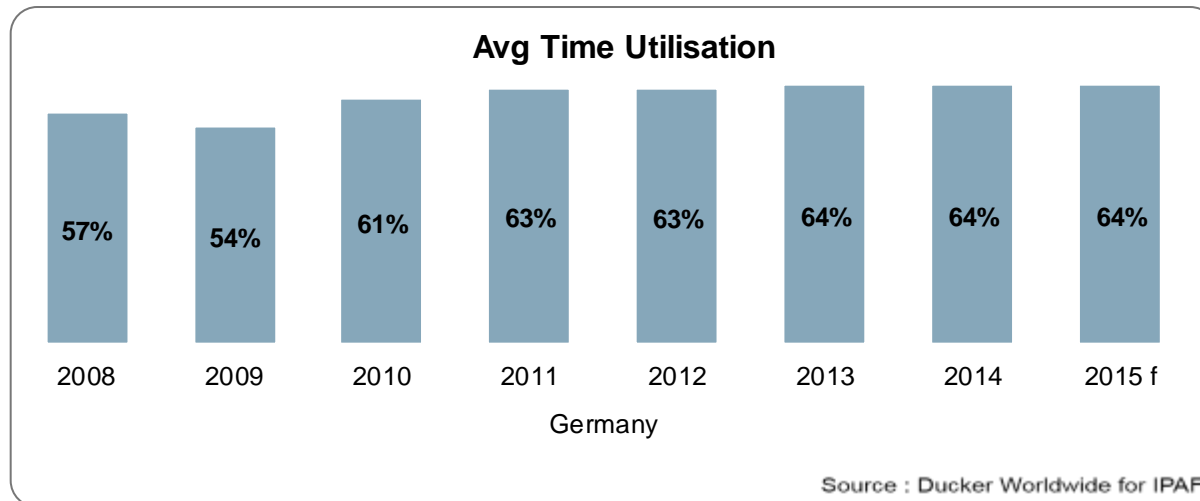
The average payback period is almost 5 years. It is the longest period among all European countries under study.

- ❑ Booms are the most expensive equipment, and therefore require longer time to get return on investment.



Time utilisation remained stable over the last few years, at 64%.

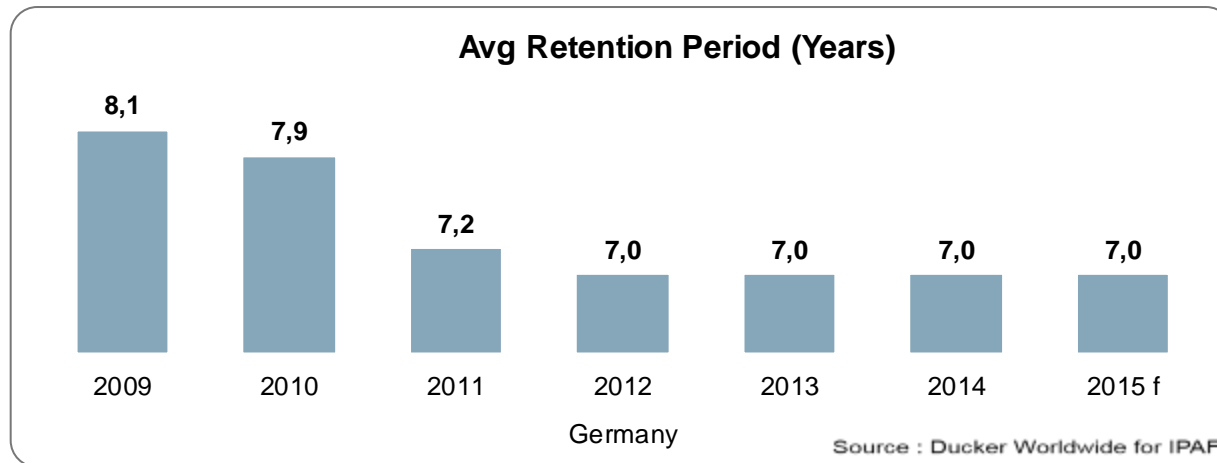
- ❑ Rental companies chose to meet the increasing demand by expanding fleet size, rather than more intensive use of equipment.
- ❑ Higher utilisation rate could not ensure the same high level of service and maintenance.



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

After decreasing significantly from 2009 to 2011, average retention period is now stable, at 7 years.

- ❑ Retention period is expected to remain stable in 2015.
- ❑ After 7 years, the equipment maintenance is usually more intensive and rental companies prefer replacing the machine: it is not worth investing more in the equipment.

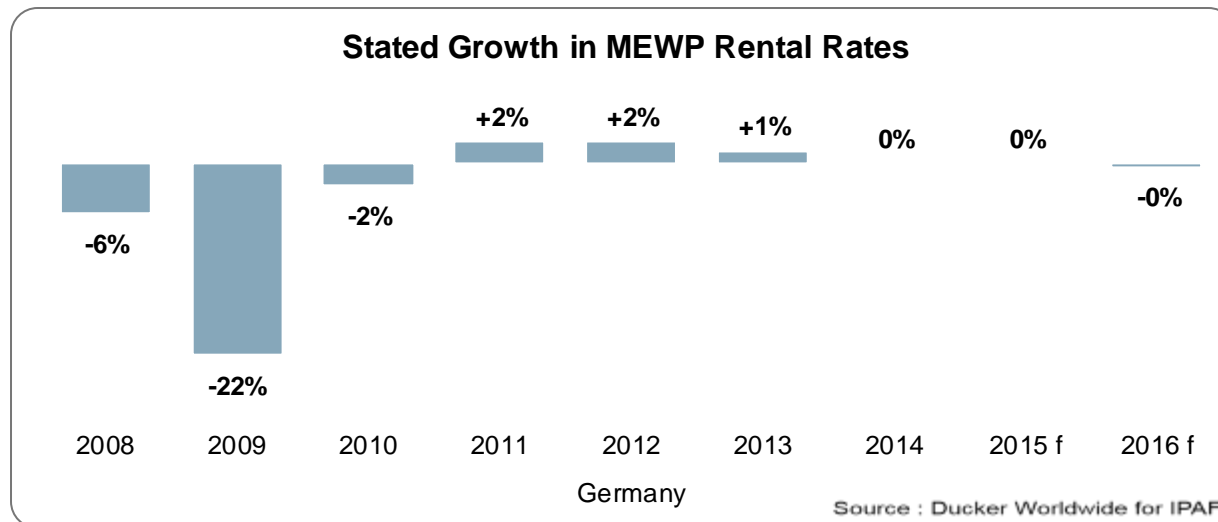


7,0 = 7 years and 0 month

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

Rental rates did not increase in 2014 as they did in the previous 3 years.

- ❑ Germany's rental rates were stable in 2014 and rental companies will try to maintain them in the future.
- ❑ The very fragmented structure of the German market with few main players and a high number of smaller rental companies drives prices down. Additionally companies from other European countries entering the German market try to establish their position with an aggressive price policy.
- ❑ The current MEWP offer in the rental market is recent and technologically advanced, therefore rental companies are unlikely to decrease rental rates.



New environmental regulations will impact the German MEWP fleet in the coming years.

- ❑ The Euro 6 norm for trucks will heavily affect truck mounted platforms. The Euro 6 engine is not able to hold the payload of a platform over longer working periods. This could lead to lower demand on vehicle mounted equipment.
- ❑ Environmental requirements linked to Stages IIIB and IV cause higher equipment prices. This leads to increased interest in small hybrid machines (64 kW) which do not need to comply with these regulations.
- ❑ Stage IV regulations may also increase interest for electrical equipment (the norm relates to diesel driven equipment only).
- ❑ Due to a highly competitive environment, strong customer retention is needed. Rental companies rely on several actions to compete in the market: individual training, service to establish long term relationships, but also offering newer equipment is essential to stay competitive on the market.

IPAF Powered Access Rental Market Report 2015 – Germany

**A PERSPECTIVE FROM THE
MANAGING EDITOR OF
*INTERNATIONAL RENTAL NEWS***

Germany is at the heart of the current uncertainty surrounding the Eurozone economies, and its sluggish sub 2% GDP growth rates - both last year and forecast for 2015 – unsurprisingly reflect that. The market’s rental sector, however, managed to outperform the general economy, with the ERA estimating overall rental market growth in 2014 of 4.6%. (In fact, rental’s ability to exceed general economic growth rates is something of a feature of today’s rental market worldwide.)

Rental companies as diverse as Mateco, Zeppelin Rental and HKL all had decent years in 2014, with Mateco in particular performing well, with a significant investment in 1100 new machines and rental revenues growing by 14.5%.

Germany’s access market has very particular characteristics, with hundreds of small and medium sized, often family-owned businesses, still operating. Many of these are members of the two big buying cooperatives in Germany, PartnerLift and SystemLift.

These companies can make it a difficult market for bigger European players to negotiate. Lavendon, for example, has had a chequered history in Germany, and said that 2014 found the market competitive, with pressure on pricing. The company’s revenues in Germany (where it owns Gardemann) fell by 3% in 2014, although it managed to slightly increase operating profits.

New players are also helping to increase competition. Cramo's acquisition of Theisen Baumaschinen has given a platform to roll out in Germany its standard product range, which means, among other things, more modular building and access platforms.

But for home-grown players, the access market performed reasonably well. BBI, the German organisation for construction equipment dealers and aerial platform rental companies, reported generally positive results from its annual survey of the aerial platform market in 2014, with an overall increase of 5.5% in rental revenues for 2014.

The best performing product sectors were truck mounted lifts – up 7.5% on 2013 – and self-propelled booms, which were up 6.5%. Performing less well was the scissor sector, where revenues were flat.

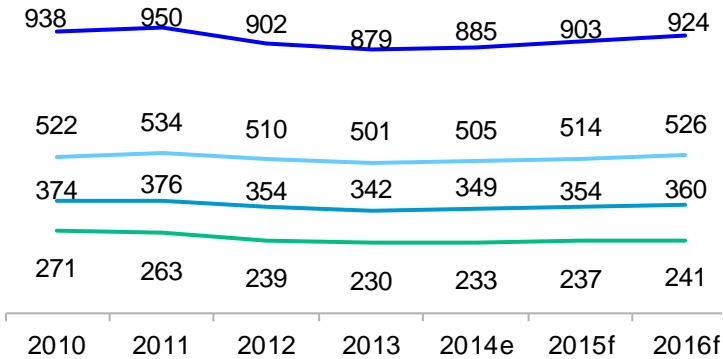
There was a slightly less positive view on this year, with revenues overall expected to increase by around 3.5%, still good in the European context, but down on last year. German company owners are very aware of the Eurozone uncertainties and it would seem they are factoring that into their projections.

IPAF Powered Access Rental Market Report 2015 – Germany

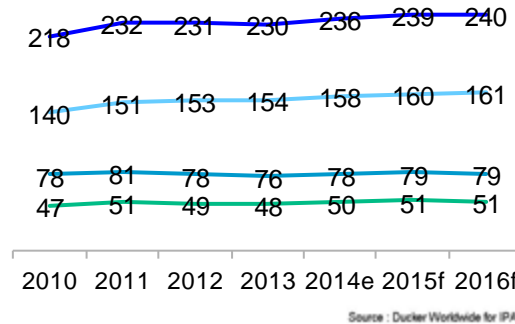
APPENDIX

Civil engineering and non-residential construction increase slightly; strongest increase is in residential construction sector.

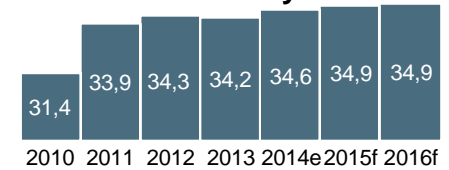
Europe - Construction Data



Germany



Germany



Construction put in place in billion Euros based on Euroconstruct 2014.

Germany GDP estimates based on Euroconstruct 2014.

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

IPAF Powered Access Rental Market Report 2015 – Europe

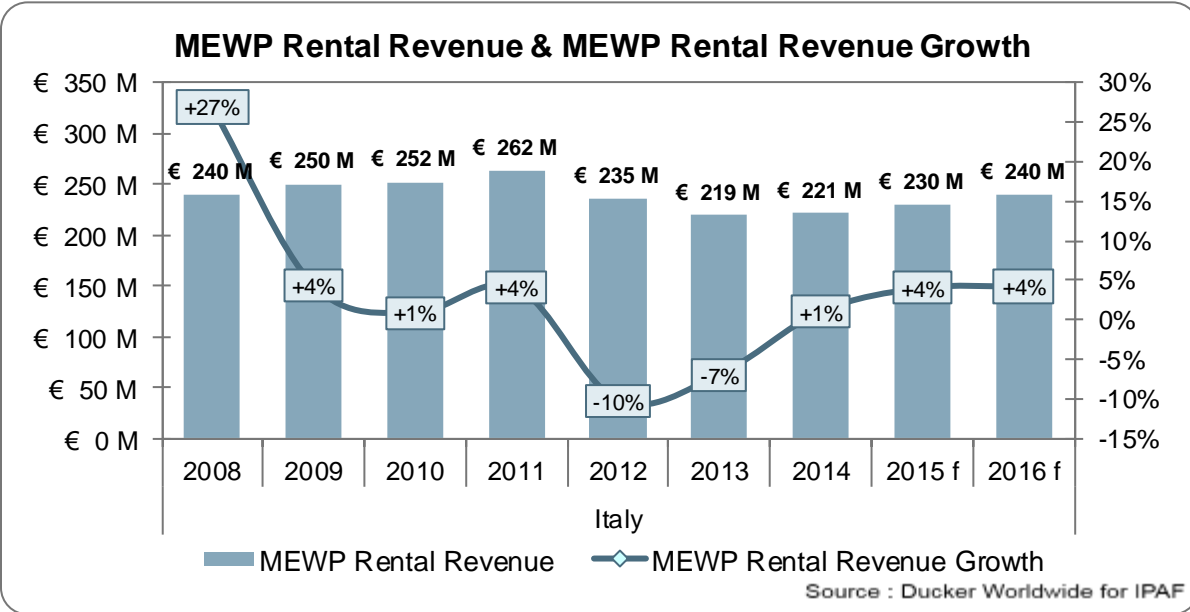
COUNTRY REPORT

ITALY

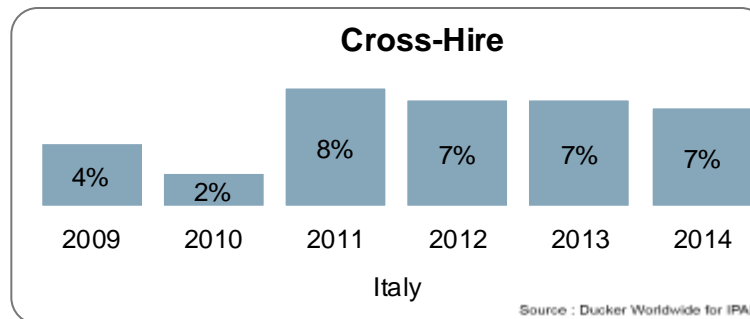
Key Findings

- ❑ Italy is still the least mature of all 10 European countries under study (with Spain). Several years will be needed for its market potential to be fully reached.
- ❑ Contrary to the last two years, the market situation started to stabilise in 2014. Rental revenue flattened (+1%) but is expected to increase rapidly from 2015 onward (+4% per year).
- ❑ Investment (+3%) and fleet size (0%) remained rather stable in 2014. These figures should significantly improve in 2015, highlighting the first signs of recovery.
 - Companies pursued regular fleet renewal but now expect to expand fleet at similar levels in all equipment categories.
- ❑ Other key market indicators did not evolve significantly in 2014.
 - Utilisation rate gained 1 point (61%).
 - Retention period is still at 7 years and 6 months.
 - Rental rates stabilised (0%) for the first time since the last 6 years.

As forecasted in IPAF’s previous reports, 2014 is a year of stabilisation before significant future growth, in 2015 and 2016.

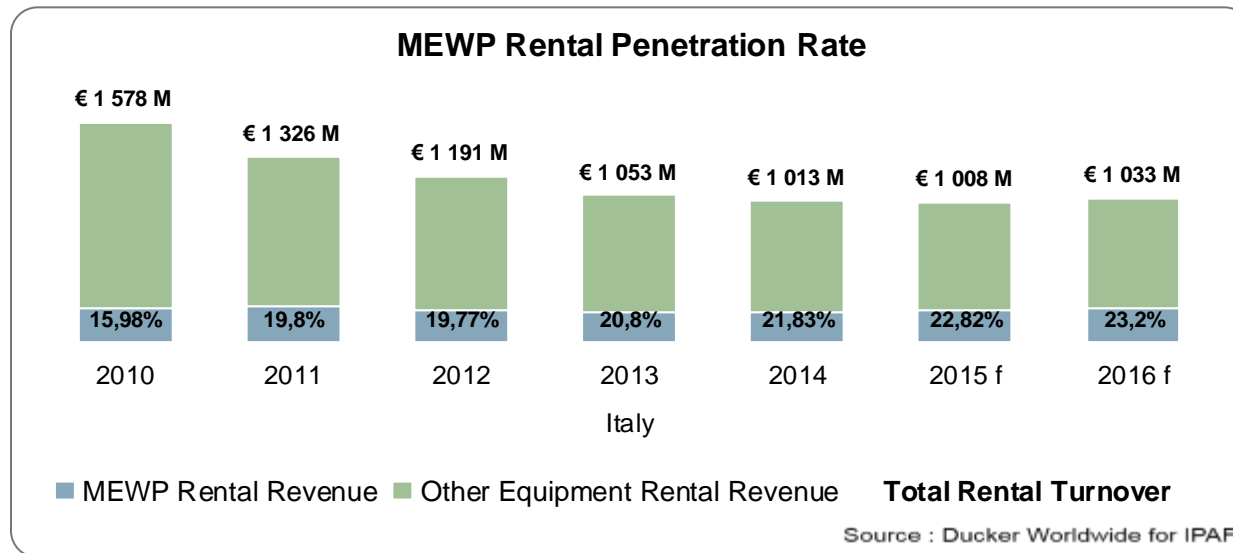


- ❑ After two years of drastic drop, 2014 saw the return of slight growth.
- ❑ An increase in revenue is expected to start in 2015 and be confirmed in 2016.
- ❑ The level of cross-hire remained stable in 2014.



MEWP rental revenue is progressively gaining ground within the overall construction equipment rental revenue in Italy. (source ERA)

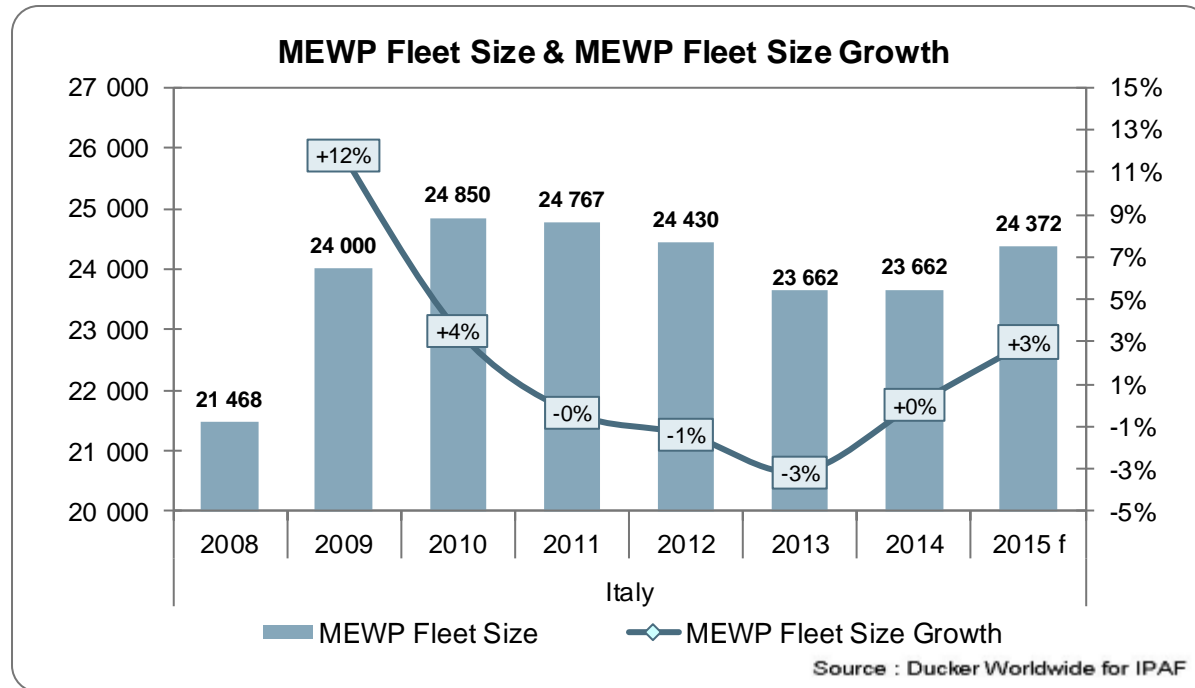
- ❑ The MEWP rental market is expected to recover faster than the rest of construction equipment rental market.
- ❑ MEWP rental penetration will gain ground and reach 23% between 2015 and 2016.



Source for Total Rental Turnover: ERA 2014 Report.

Last year’s report forecasts were accurate: rental companies maintained their fleet at a stable level in 2014.

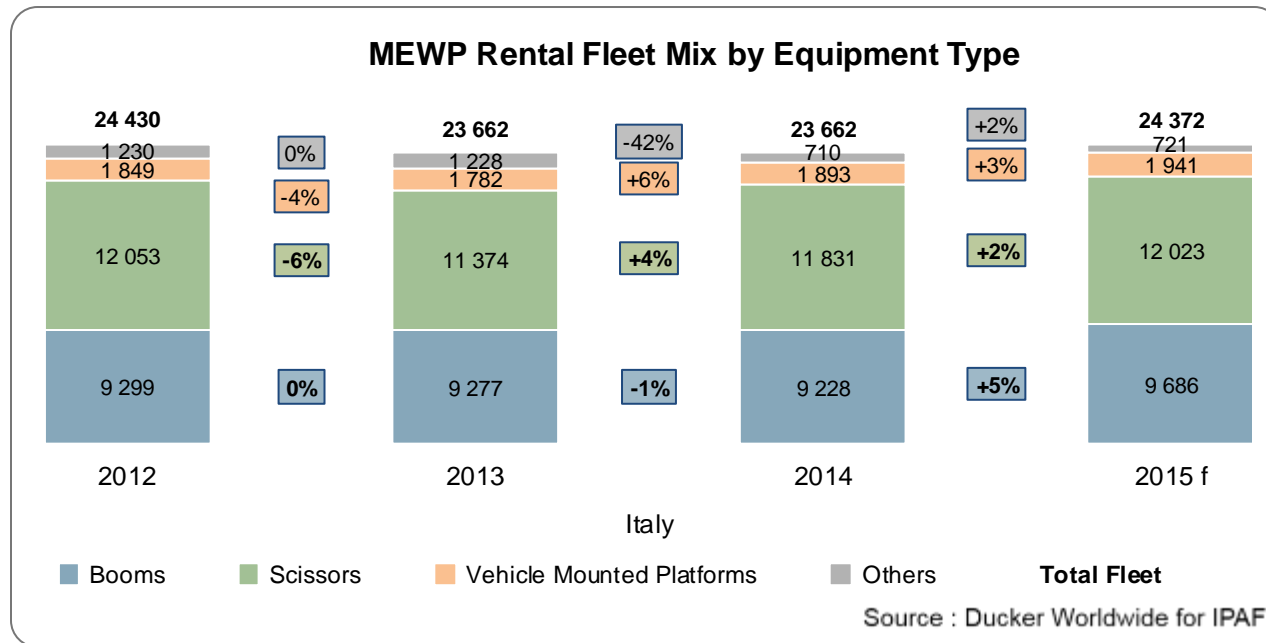
- While 2014 new equipment purchases were directed mainly towards fleet renewals, the MEWP rental fleet size should expand again in 2015.



*Note: included are powered access lifts: all booms, scissor lifts and vertical masts
Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers*

Although the total fleet size remained stable in 2014, it slightly evolved towards more scissors and vehicle-mounted platforms.

- ❑ Vehicle mounted equipment are increasingly demanded by customers, partly because they limit transportation costs.
- ❑ The boom fleet remained stable and still represents 39% of the mix.



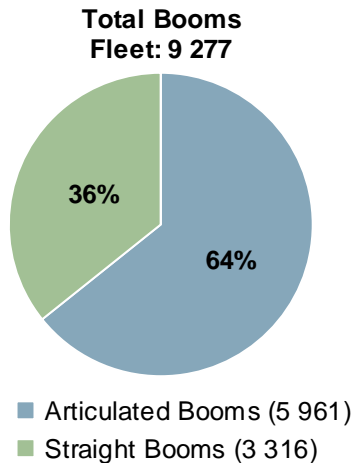
*Note: included are powered access lifts: all booms, scissor lifts and vertical masts
Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers*

+X% % unit growth, e.g. Booms fleet decreased by 1% from 2013 to 2014.
Others include: vertical lifts, vertical masts, push-around, trailer mounted/towable.

The Italian boom fleet is aligned with other European countries, and the share of articulated booms continued to increase in 2014.

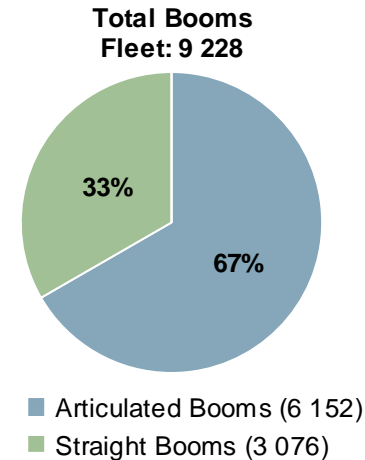
- Rental companies report replacing some older straight booms by articulated booms.

MEWP Booms Fleet Mix by Type - Italy - 2013



Source : Ducker Worldwide for IPAF

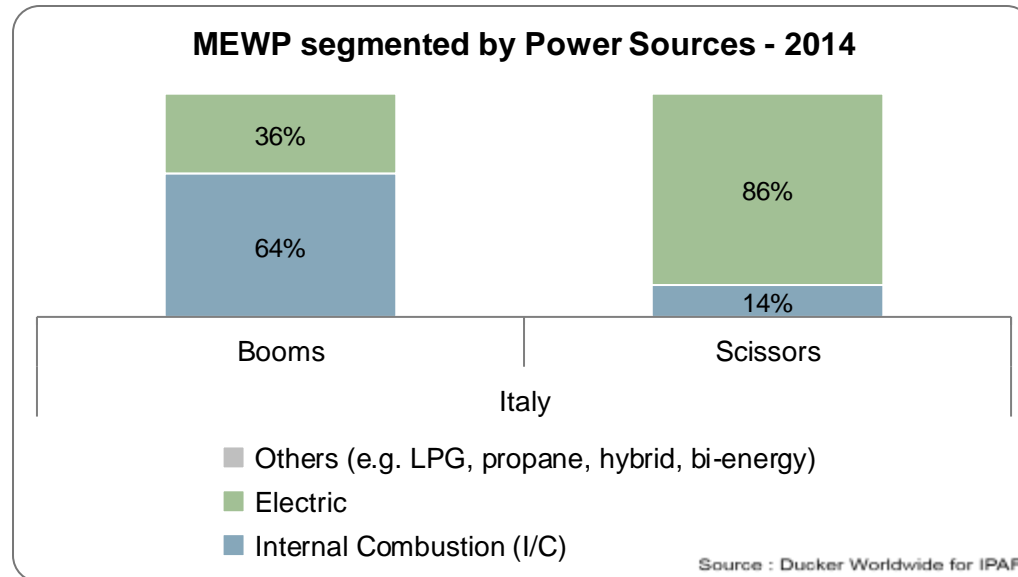
MEWP Booms Fleet Mix by Type - Italy - 2014



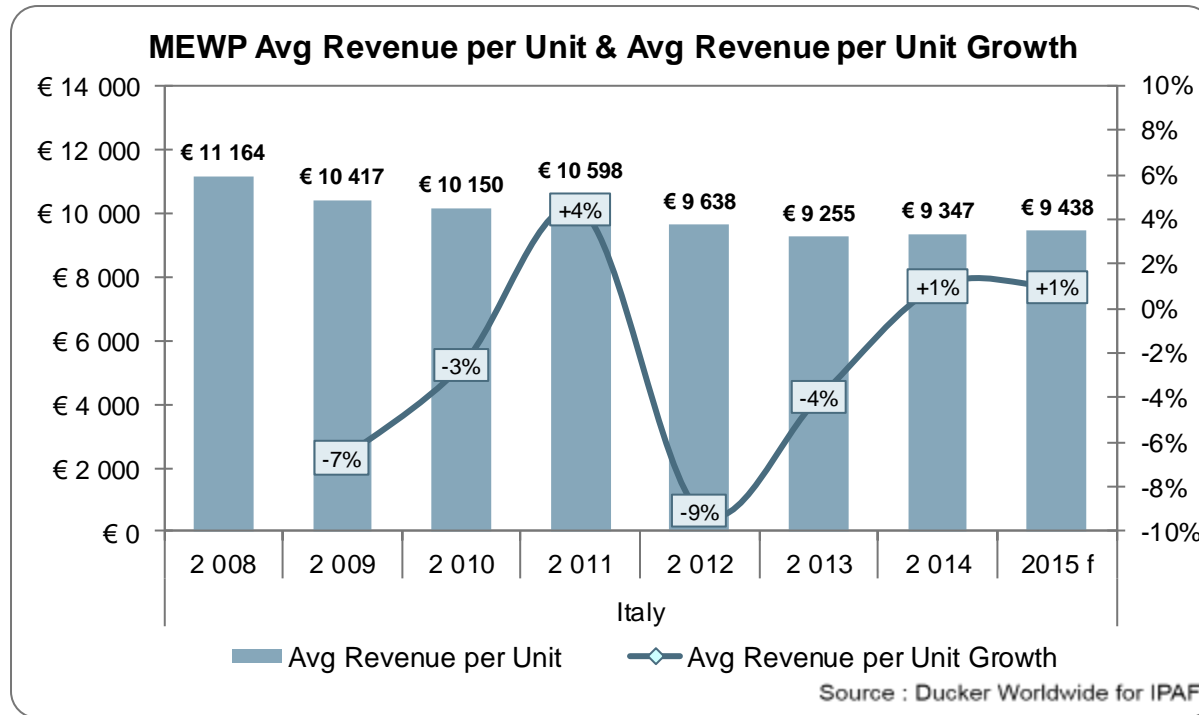
Source : Ducker Worldwide for IPAF

In 2014, no major changes appear in boom and scissor power sources.

- ❑ A large majority of the Italian fleet is Stage IIIB compliant.
- ❑ Stage IV equipment is used in the Italian market, but in lower proportions.



As previously forecasted, the average revenue per unit increased slightly in 2014, driven by a small improvement in utilisation rates.

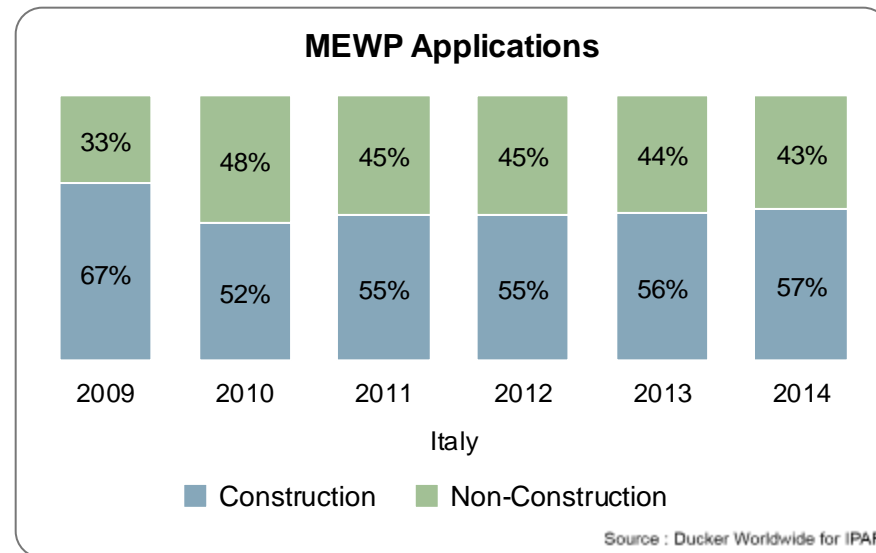


Note: included are powered access lifts: all booms, scissor lifts and vertical masts

Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers

The construction sector still holds the lion’s share and represents 57% of MEWP rental revenues.

- A small number of large construction projects, such as the preparation of Milan International Exhibition in the North or the Arena near Verona, led to a moderate increase of construction share among MEWP applications.



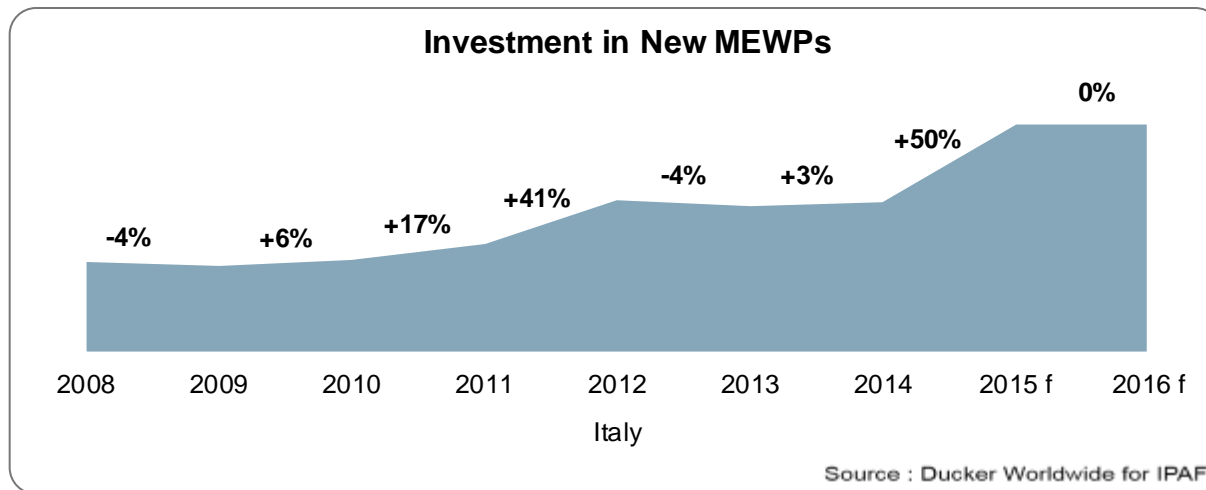
Share of rental revenues

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

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

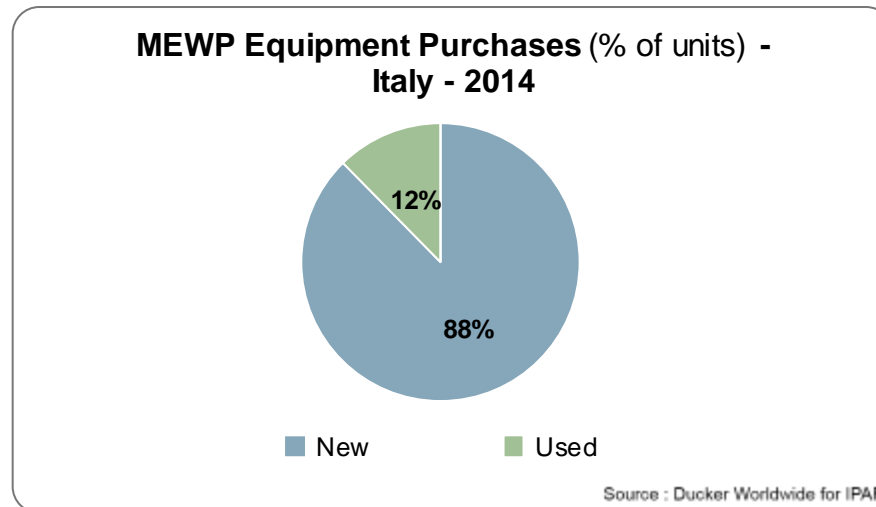
Although the amount of investment did not change significantly in 2014, rental companies are now preparing the recovery and plan on investing massively in 2015.

- A large part of 2015 investments will be dedicated to fleet expansion.



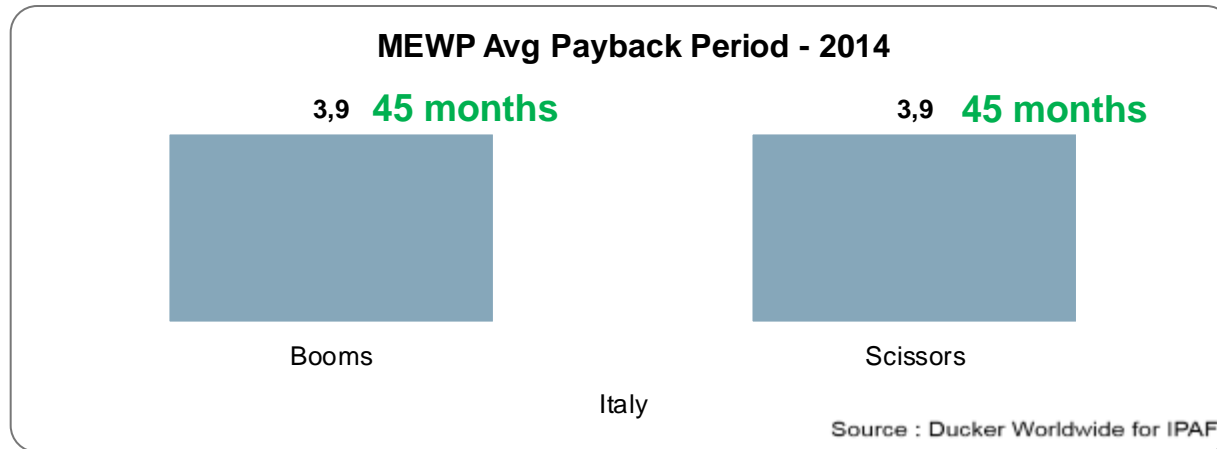
Among all European countries under study, Italy is the one where the share of equipment purchased used is the highest.

- ❑ Rental companies always try to offer attractive equipment in order to remain competitive in the market. Nevertheless, limited investment capabilities in the last few years forced rental companies to turn more to used equipment purchases.



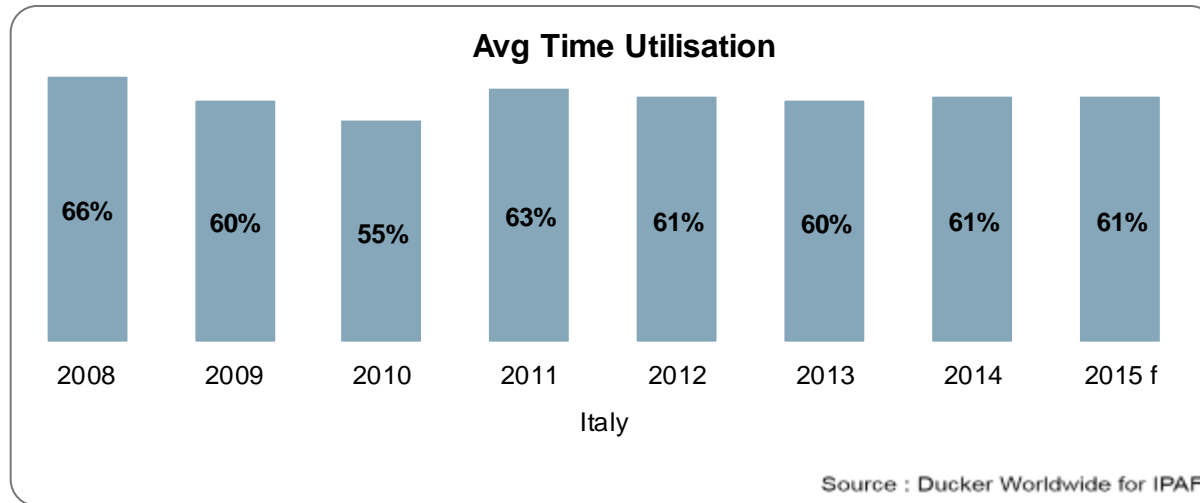
The average payback period is similar for booms and scissors, at almost 4 years.

- While the payback period for booms is lower than the European average, it is higher for scissors.



The average utilisation rate slightly increased in 2014. It is expected to remain stable in the short term.

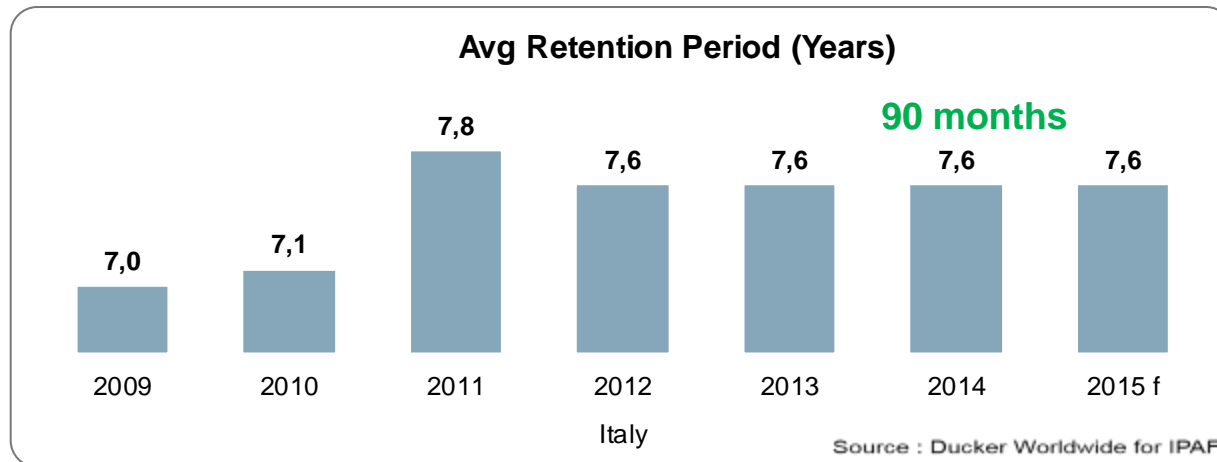
- Although rental companies are rather optimistic about a possible improvement of utilisation rate as early as 2015, they believe significant change is more likely to occur in 2016.



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

Average retention period remained unchanged in 2014, above 7 years.

- ❑ Rental companies managed to maintain stable retention periods over the years, and constantly renewed part of their fleet.
- ❑ A similar level is expected for 2015.

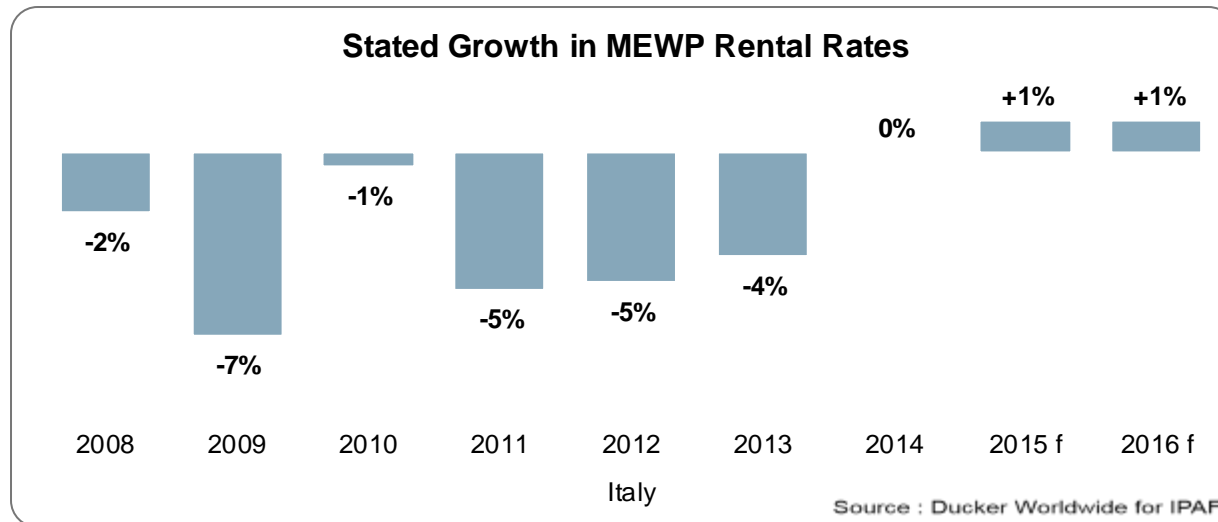


7,6 = 7 years and 6 months

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

For the first time in 7 years, rental rates stabilised in 2014.

- ❑ Some companies had to decrease rental rates or offer strong discounts, but counterbalanced by increasing service costs (training, transportation, insurance, etc.).
- ❑ Only slight rate improvement is expected in the coming years.



Time has come for MEWP market growth in Italy, with more significant market growth planned for 2015.

- ❑ As forecast in the previous report, 2014 was more a year of stabilisation before the recovery starting in 2015 and becoming substantial in 2016.
- ❑ The market will evolve towards further consolidation: large rental companies continue absorbing smallest companies.
- ❑ Rental companies anticipate this positive market evolution. They will progressively start investing in new equipment so as to be able to meet future demand.
- ❑ Main safety regulations are already put in place and no additional regulations are expected in the near future.
 - Larger rental companies operating on the entire Italian territory wish to see harmonisation of the many regions' local rules, as their variety is currently an obstacle to running business across regions.

IPAF Powered Access Rental Market Report 2015 – Italy

**A PERSPECTIVE FROM THE
MANAGING EDITOR OF
*INTERNATIONAL RENTAL NEWS***

Economic recession and declines in construction activity made 2014 another difficult year in Italy.

It is no coincidence that Italy's largest aerial platform rental company, Nacanco, saw its revenues decline in 2014, not dramatically, but a fall nonetheless. Even so, the company was able to come out fighting, expanding its network with a new location in Ravenna and a continuation of its successful policy of diversifying its customer base beyond construction. In that respect Nacanco has much in common with rental companies in markets as diverse as the UK and the US.

And if the recession has been bad, there are signs, as in other European markets, that better conditions are coming. As this was being written in early April, the Italian government had just revised upwards its forecasts for GDP growth, with a 0.7% increase expected this year followed by modest increases to 1.4% and 1.3% in 2016 and 2017, respectively.

These figures tally with the (ERA) European Rental Association's estimate of 0.8% growth in the rental sector in 2014, following declines in 2011, 2012 and 2013.

There are also signs of life, as always. Mollo Noleggio continues to expand and open new locations – the latest being in Brescia early in 2015. Venpa Sud, part of Venpa3, invested in some large machines last year, including two big Genie ZX-135 machines, and O.MEC, based on the Adriatic coast south of Rimini, continued to expand its business, including offering rental services and training in markets as far afield as Algeria and Russia.

And Boels Rental from the Netherlands, having established a foothold in Italy in 2011, said in May 2014 that it was growing its Italian business very steadily and planning further depot openings. It is significant that Boels' policy is to establish its Italian operation using new machines.

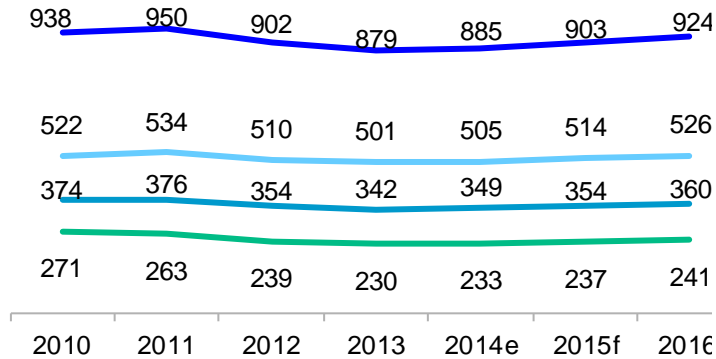
The activities of these companies, and Nacanco, show that it is possible to survive and prosper even in difficult market conditions.

IPAF Powered Access Rental Market Report 2015 – Italy

APPENDIX

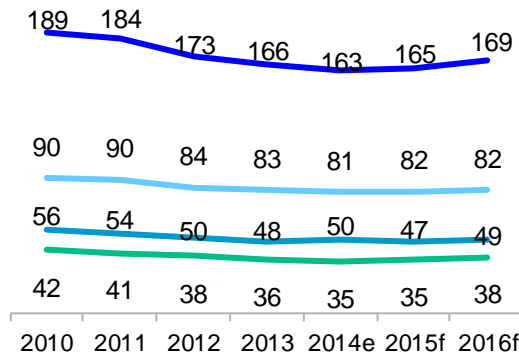
Construction recovery will start in 2015, with positive outlook.

Europe - Construction Data



Source : Ducker Worldwide for IIF

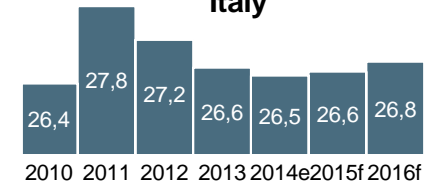
Italy



Source : Ducker Worldwide for IPAF

Construction put in place in billion Euros based on Euroconstruct 2014.

Italy



Italy GDP estimates based on Euroconstruct 2014.

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

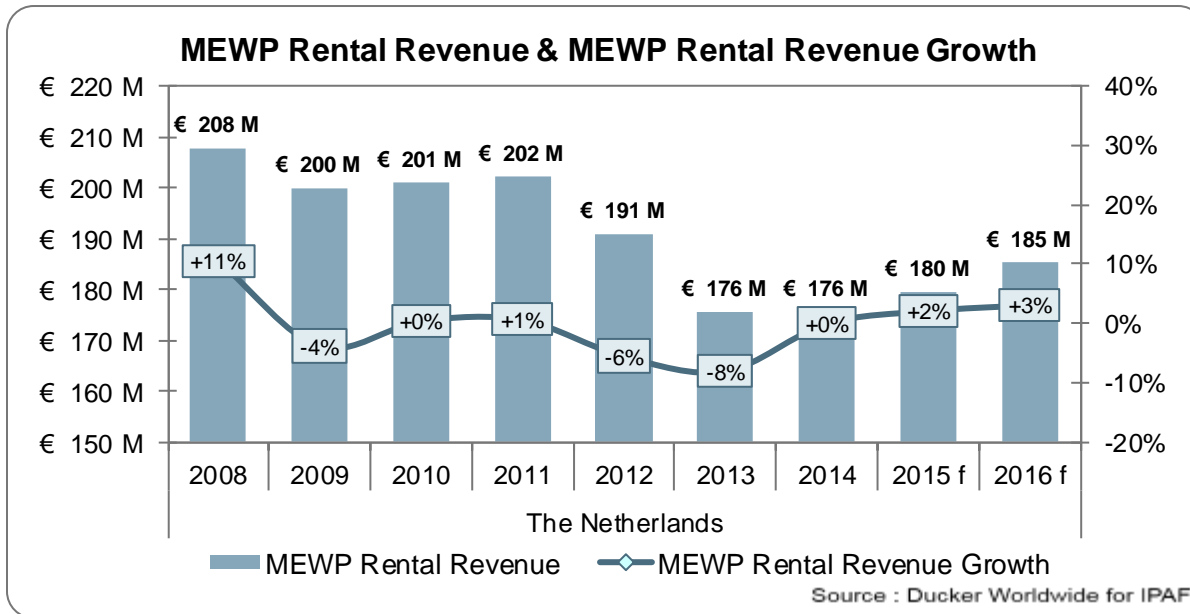
IPAF Powered Access Rental Market Report 2015 – Europe

COUNTRY REPORT THE NETHERLANDS

Key Findings

- ❑ The Netherlands market is relatively average in terms of maturity: more mature than UK, France, Germany, Spain and Italy, but significantly less mature than any Nordic countries.
- ❑ After several years of severe deterioration, the Dutch MEWP rental market has initiated its recovery in 2014.
- ❑ MEWP rental revenue remained stable (+0%), however more substantial growth is likely to happen in the next few years, boosted by the construction sector.
- ❑ Rental companies are showing significant fleet rationalisation and slightly increased fleet size (+2%) in 2014 in order to better comply with market demand.
 - Fleet size increase was enabled by larger investments (+33%) in MEWP purchases.
 - All equipment categories are expected to benefit from future fleet expansion in similar proportions.
- ❑ Other indicators evolved by small amounts in 2014 .
 - Utilisation rates reached 66% (+1pt).
 - Retention period decreased by 3 months.
 - Rental rates decreased by another 2%. They should stabilise in 2015.

The MEWP rental market in the Netherlands flattened in 2014. Recovery is slowly happening and is expected to be more significant in 2015.



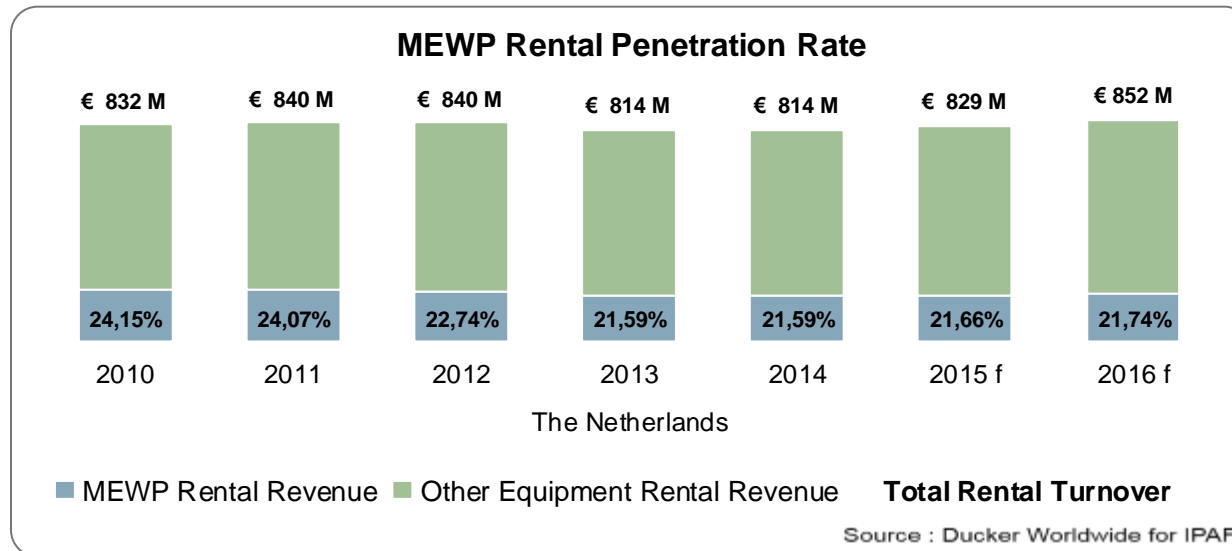
- The construction sector is expected to improve slightly in 2015, driving the MEWP rental market increase.

- Cross-hire went back to its 2012 level. This enabled rental companies to adjust their equipment offer after severe de-fleeting in 2012 and 2013.



In 2014, MEWP rental penetration rate was maintained at approximately 22%. No significant change is expected in the next few years. (source ERA)

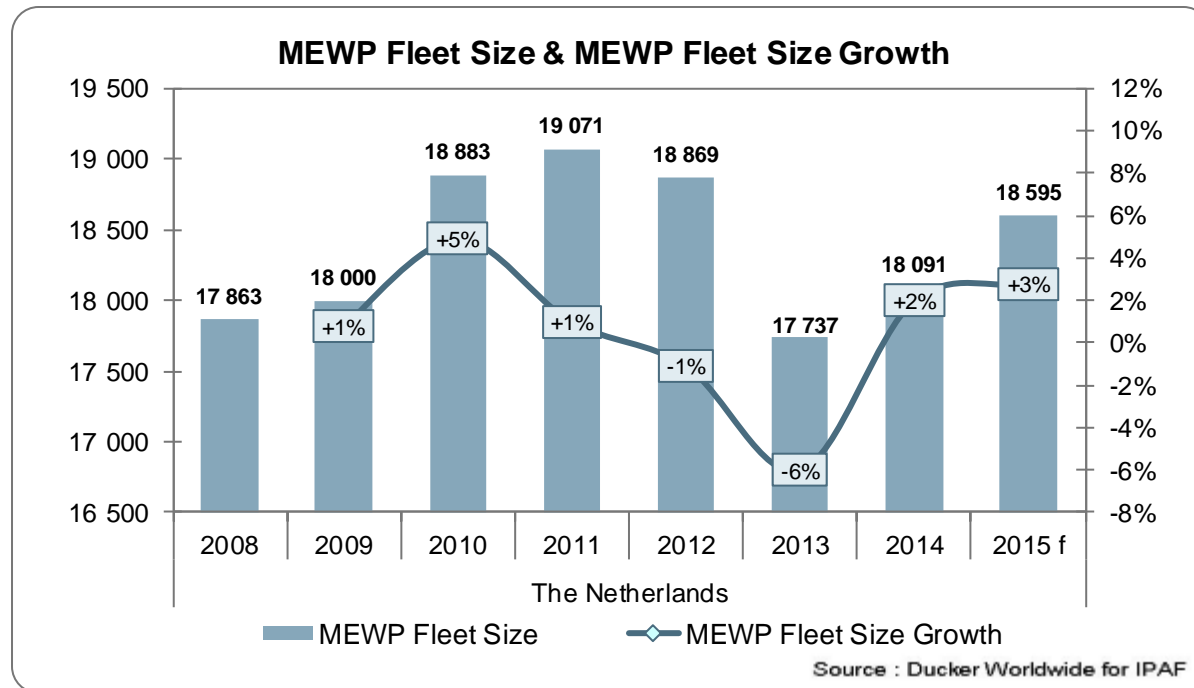
- The evolution of the MEWP rental market is perfectly aligned with the evolution of the overall Dutch construction equipment rental market.



Source for Total Rental Turnover: ERA 2014 Report.

As forecasted in the previous report, de-fleeting stopped in 2014. Fleet size is now slowly increasing again.

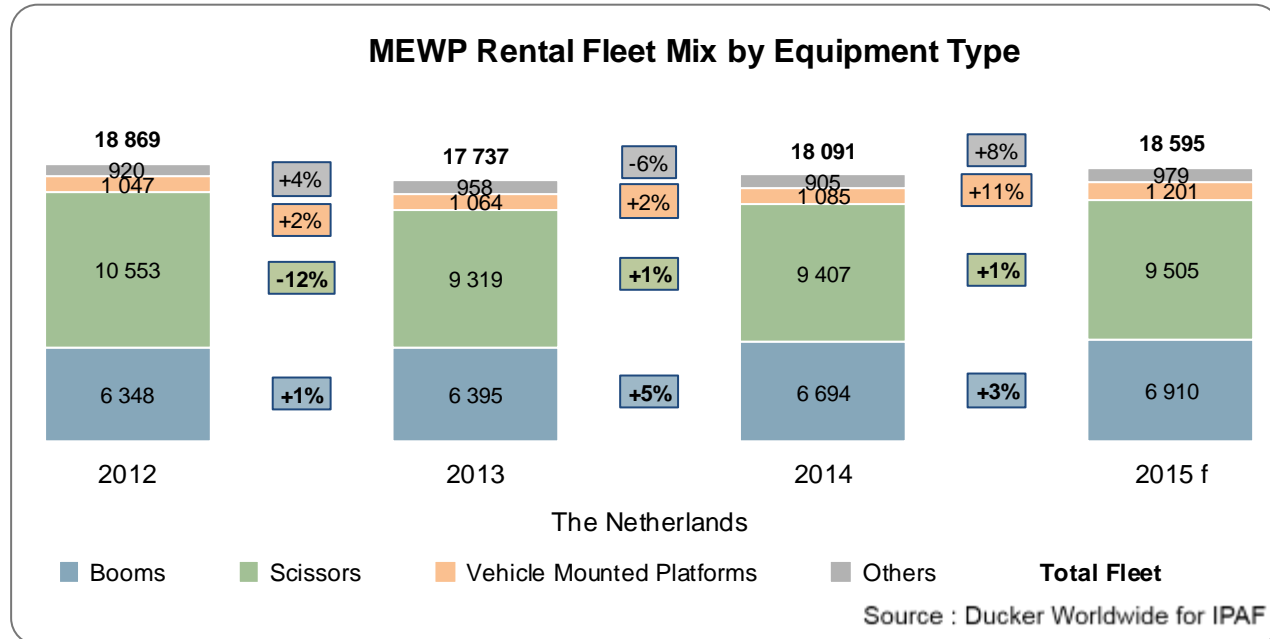
- ❑ Rental companies intend to continue with slight fleet growth in 2015.
- ❑ Total fleet size is expected to remain below 2012 levels.



Note: included are powered access lifts: all booms, scissor lifts and vertical masts
Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers

Booms are showing the strongest increase in 2014 compared with scissors. This should continue in 2015.

- Booms are reported to be increasingly in demand due to their higher versatility.
- Lower level access equipment (4-6m height) are also in high demand because they are suitable for many applications (industry and public building maintenance, etc.).



Note: included are powered access lifts: all booms, scissor lifts and vertical masts
 Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers

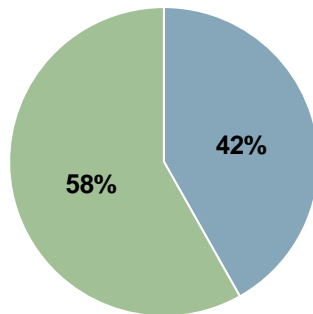
+X% % unit growth, e.g. Booms fleet increased by 5% from 2013 to 2014.
 Others include: vertical lifts, vertical masts, push-around, trailer mounted/towable.

Although straight booms still account for the majority of the Dutch boom fleet, their proportion is expected to continue decreasing over the next few years.

- Rental companies believe that articulated booms will progressively replace some older straight booms, due to the range of applications articulated booms allow for in both construction and non-construction sectors.

MEWP Booms Fleet Mix by Type - The Netherlands - 2013

Total Booms Fleet: 6 395

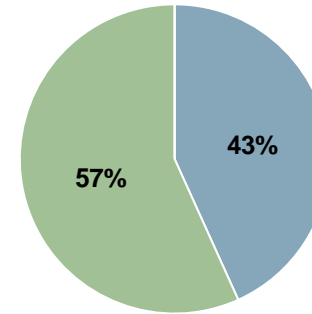


■ Articulated Booms (2 675)
■ Straight Booms (3 720)

Source : Ducker Worldwide for IPAF

MEWP Booms Fleet Mix by Type - The Netherlands - 2014

Total Booms Fleet: 6 694

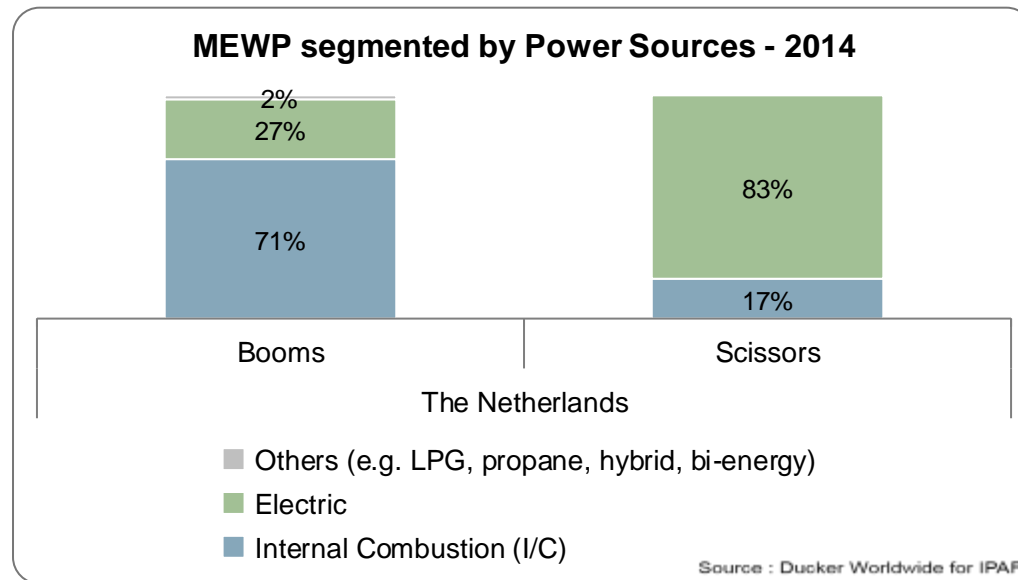


■ Articulated Booms (2 895)
■ Straight Booms (3 799)

Source : Ducker Worldwide for IPAF

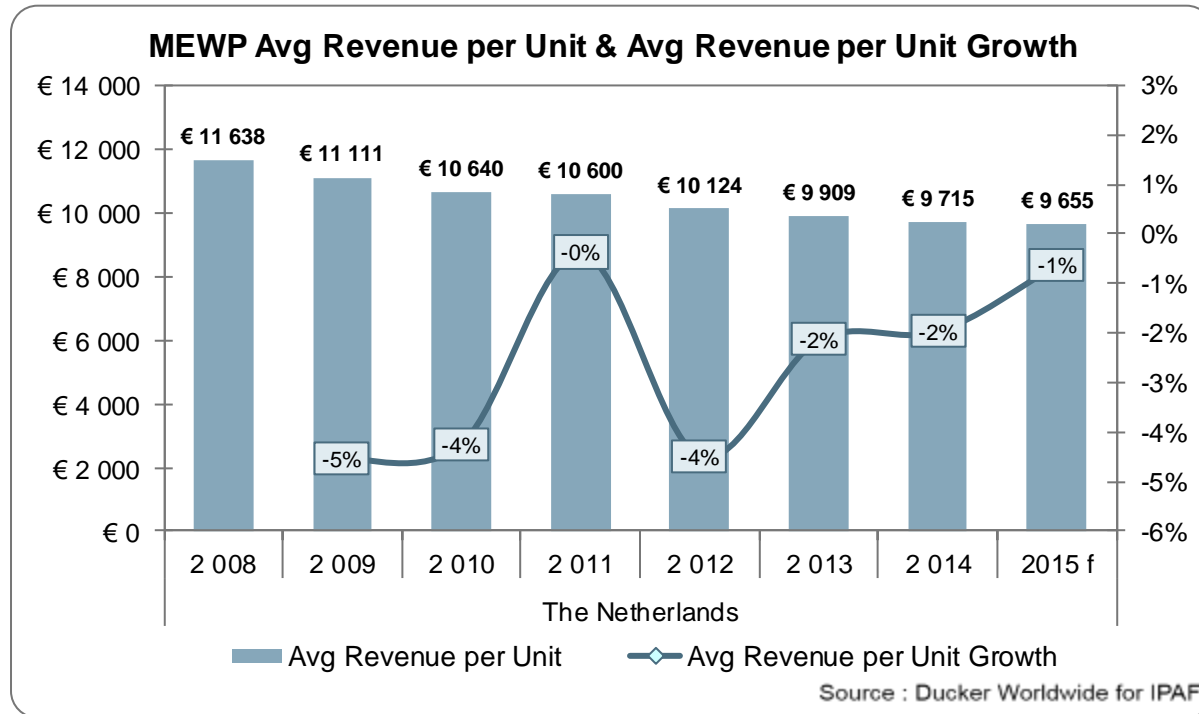
The overall share of electric equipment increased in 2014, driven mainly by the growth of electric scissors.

- In 2014, more than 40% of the total MEWP fleet was reported to comply with Stage IIIB. Approximately 30% of this MEWP fleet is also compliant with Stage IV.



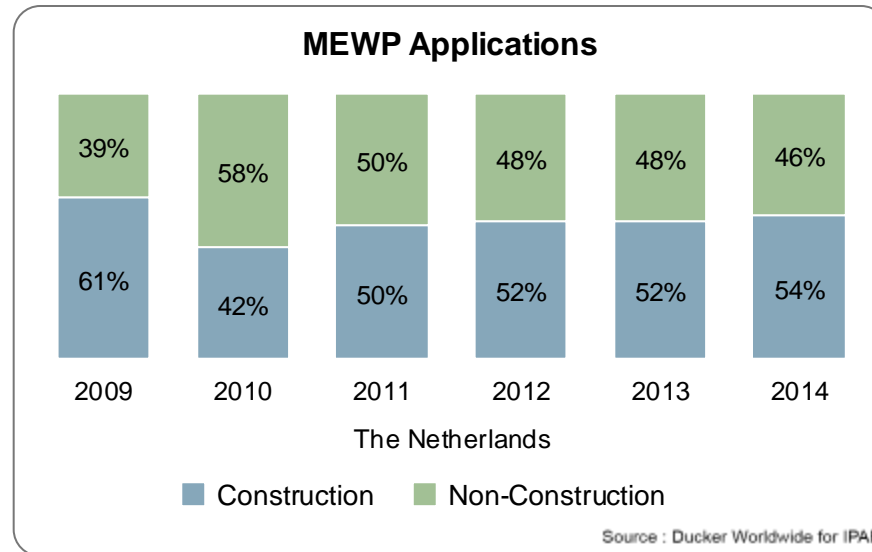
In 2014, the average revenue per unit kept going down as rental rates continued to deteriorate.

- In 2015, this decrease is expected to slow down but stabilisation of the average revenue per units remains uncertain, as rental companies do not plan for significant rate improvements.



*Note: included are powered access lifts: all booms, scissor lifts and vertical masts
 Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers*

After a few years of stability, the share of construction in the rental revenue increased again in 2014, driven by improving construction activity.



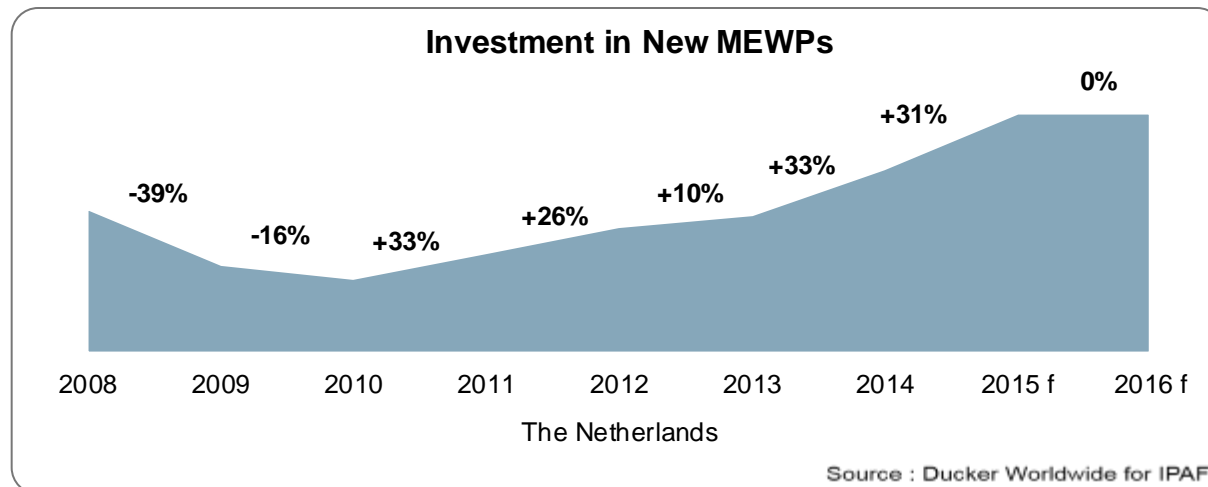
Share of rental revenues

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

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

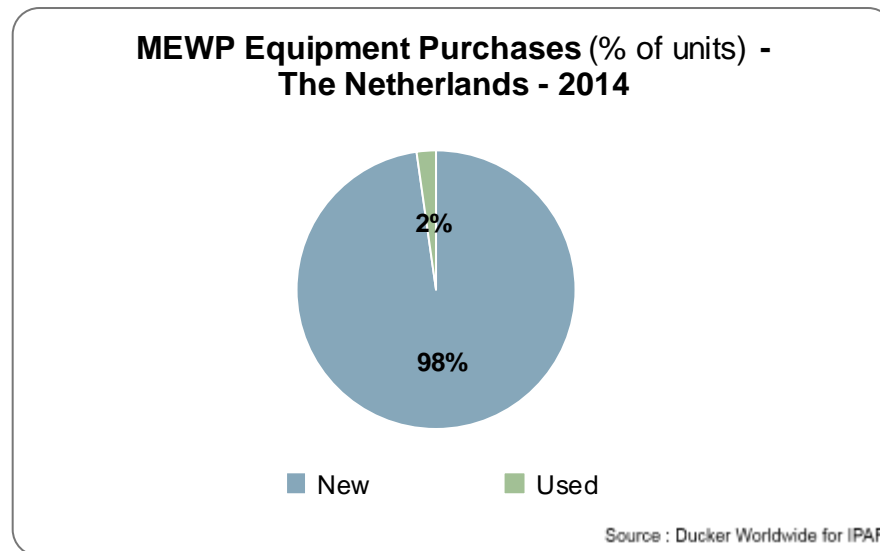
The volume of investment increased in 2014. Rental companies rationalised their fleet.

- ❑ After de-fleeting massively in 2013, rental companies kept renewing part of their fleet and started to prudently expand fleet again in 2014.
- ❑ Targeted investments were made in 2014 in favour of the most demanded equipment (articulated booms, lower level access).

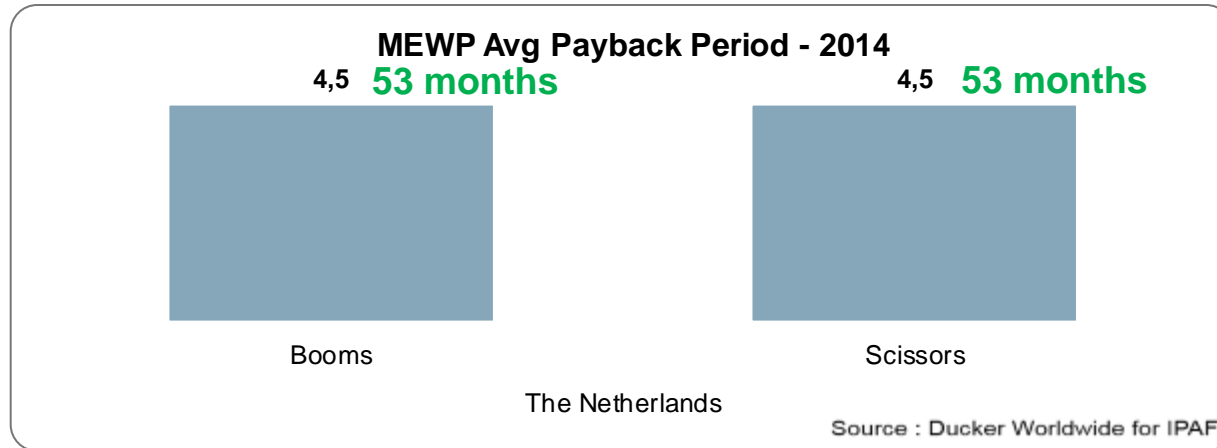


Almost all equipment purchased in 2014 in the Netherlands was new.

- ❑ The share of used equipment was negligible in 2014.
- ❑ Whilst some companies are aware of the benefits associated with purchasing used equipment, which is no more than 2 years old, very few do it.



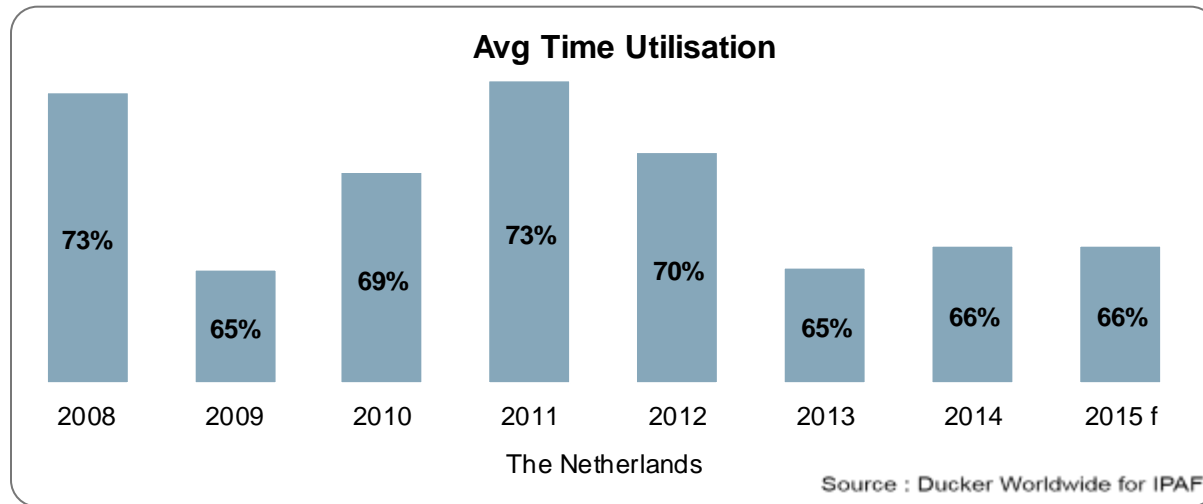
In 2014, the Dutch MEWP payback period was the second longest among the 10 European countries surveyed, at 53 months for both booms and scissors.



4,5 = 4 years and 5 months

After severe decrease in 2013, average time utilisation slightly improved at 66% in 2014.

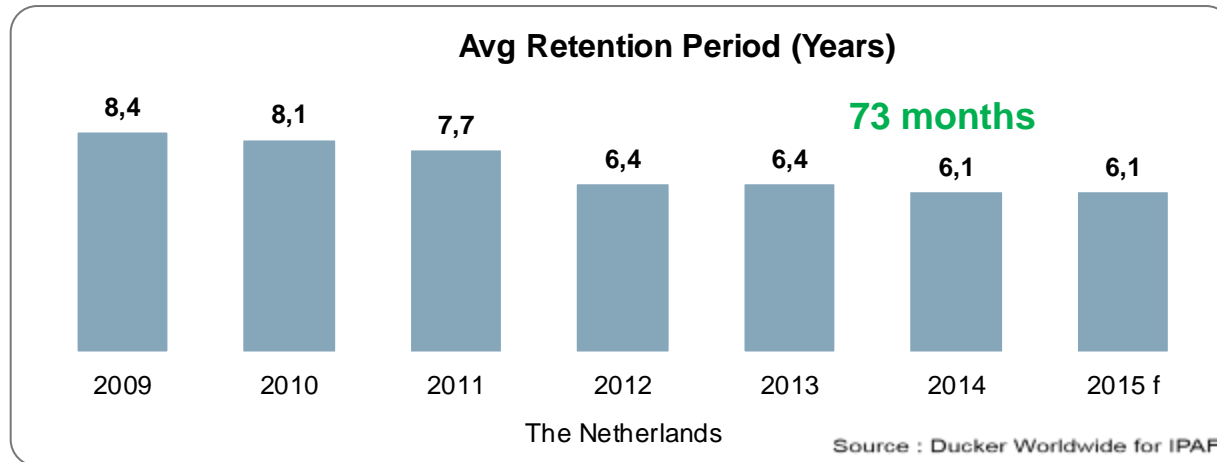
- ❑ Rental companies hope that fleet rationalisation will drive more demand for MEWPs and thus, further increase time utilisation rate.



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

MEWP retention period decreased slightly in 2014, to 6 years and 1 month.

- Market players do not anticipate any further decrease, and current retention period will be maintained over the next few years.

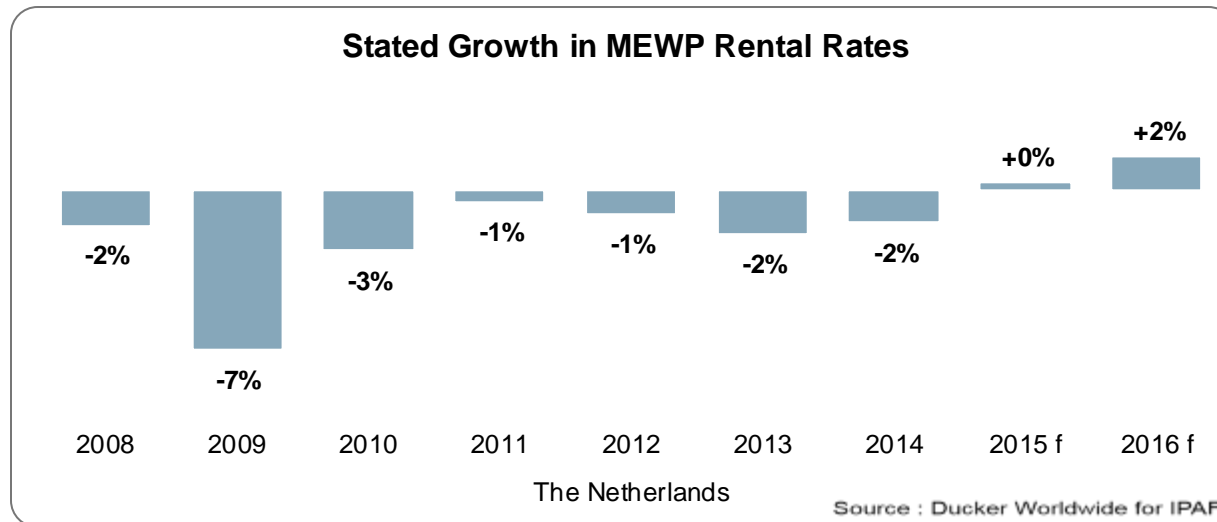


6,1 = 6 years and 1 month

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

In 2014, rental companies had to decrease rental rates for the seventh year in a row. Rates are expected to stabilise in 2015 before improving again in 2016.

- ❑ Rental companies offered further discounts in 2014 and hope that rates have hit their lowest point.
- ❑ They tend to compensate by increasing service rates (insurance, transportation).



MEWP rental market recovery is largely dependent on the construction sector. Positive construction forecasts suggest optimistic outlook for the coming years.

- ❑ As forecast in last year's report, the slight construction recovery drove market stabilisation in 2014. Forecasts for 2015 remain cautious but positive.

- ❑ The developing awareness of MEWP safe use is another factor supporting future market development:
 - End-user companies are reinforcing safety rules and tend to favour MEWP utilisation instead of ladders or scaffolding.
 - Rental companies also developed a wider range of training services.

- ❑ After several tough years, major rental companies have adopted a proactive approach to the market.
 - They actively look for new clients.
 - They also anticipate as much as possible the needs for more sophisticated/niche equipment and better services (quick repair, better MEWP maintenance services on construction site, etc...).

IPAF Powered Access Rental Market Report 2015 – The Netherlands

**A PERSPECTIVE FROM THE
MANAGING EDITOR OF
*INTERNATIONAL RENTAL NEWS***

The Netherlands' economy has not recovered to the same extent as the UK, nor been hit as badly as markets in Southern Europe, and still steers a middle ground in terms of its economic performance. That said, last year saw positive GDP growth after two years of decline in 2012 and 2013, and this year promises a further increase, perhaps reaching 2% GDP growth.

This improvement is supported by research carried out by the European Rental Association (ERA), which last year estimated rental market growth of around 2.2% for 2014. Prospects for this year seem reasonably positive.

Dutch companies are famous for not letting the grass grow under their feet, with several players, including Boels and Riwal, being aggressive in their international approach.

Riwal, for example, is doubling its capital investment in 2015 to €80 million – for around 3000 new machines - with much of this being used to fund its international expansion. And not all of this money will be spent on its own fleet – the company announced in April 2015 that it was going to supply Austria's Prangl with a large number of aerial platforms on a long-term rental deal.

Boels, meanwhile, although having a quiet year in terms of acquisitions, did manage to continue its international expansion, with growth in its new Italian business. Domestically, it did manage a significant investment in low level access, with an order for 100 Leonardo HD units from Bravi Platforms.

If Boels went easy on the acquisitions last year, there was at least one major deal during the year, that of Workx by France's Loxam. Loxam already had a Netherlands business – it acquired Spreeuwenberg in 2006 and then Stammis Verhuur in 2001 - but Workx, with annual revenues of around €34 million, gives it a much heavier presence in the country and makes it one of the market leaders in general rentals, a position it had hitherto enjoyed only in its domestic market.

There were also plenty of Dutch companies investing in new machines in 2014 and early 2015, indicating an upturn in prospects. For example, Collé Rental & Sales, which has branches in the Netherlands, Germany and Belgium, took delivery in early March of ten new generation Super Booms, a significant investment.

Other big spenders during the year included HWS, Loxam (100 Haulotte machines), BAC Hoogwerkerverhuur (buying a Genie SX-180), Kok Verhuur Genemuiden and Xtra Materieel.

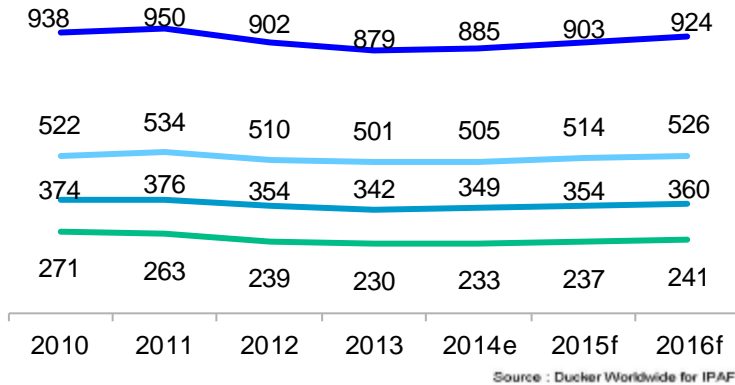
Buying equipment is a standard part of any rental business and not therefore exceptional, but the scale of investment in the Netherlands and the number of companies buying big machines, certainly sends a positive signal.

IPAF Powered Access Rental Market Report 2015 – The Netherlands

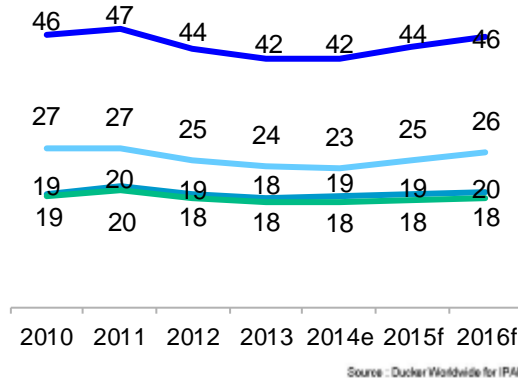
APPENDIX

Non-residential construction experienced a small increase in 2014. Total construction sector will grow slightly in 2015, and more significantly in 2016.

Europe - Construction Data



The Netherlands



The Netherlands



Construction put in place in billion Euros based on Euroconstruct 2014.

Netherlands GDP estimates based on Euroconstruct 2014.

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

IPAF Powered Access Rental Market Report 2015 – Europe

COUNTRY REPORT

NORDIC REGION

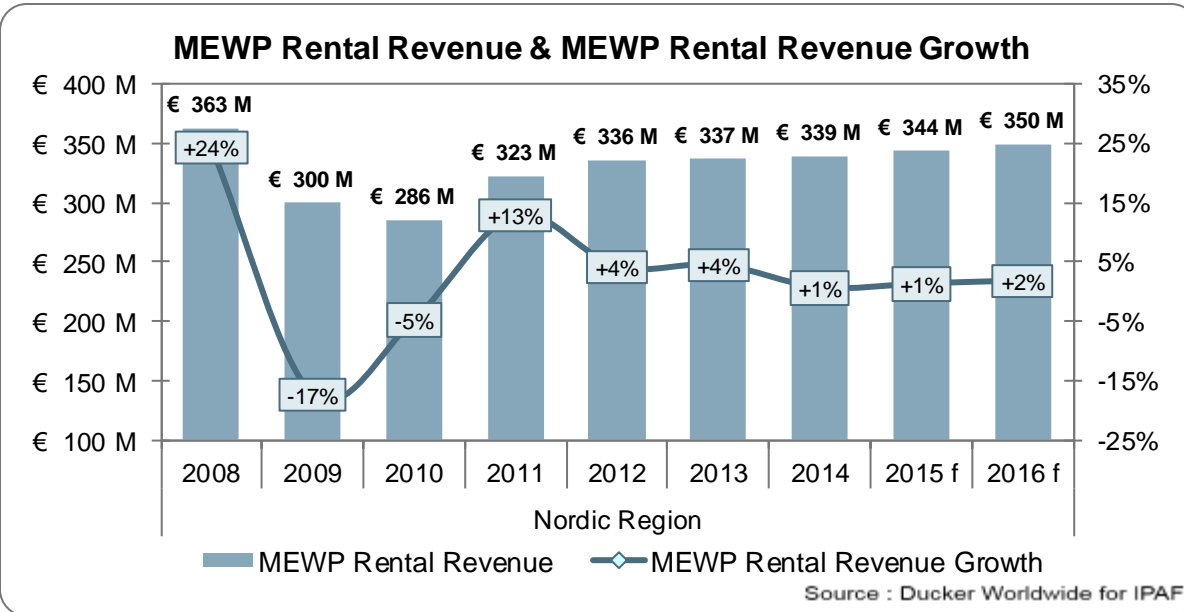
Key Findings

- ❑ 2014 was a year of stabilisation for the Nordic Region.
 - After years of continuous increase, MEWP rental revenue remained rather stable (+1%).
 - Growth was moderate in both Norway and Sweden in 2014 (+3%), due to a recovery in construction activities. MEWP rental revenue flattened in Denmark (+1%), while it continued to deteriorate in Finland (5%).

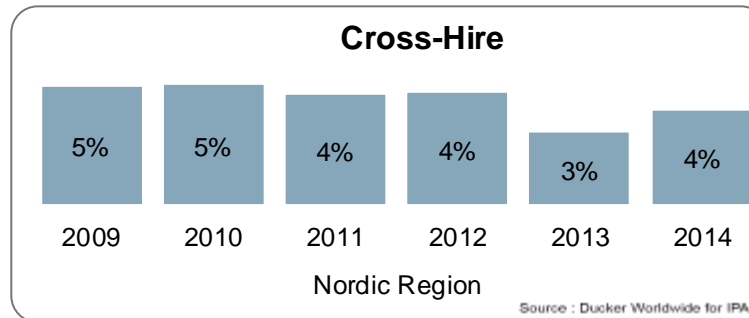
- ❑ Total fleet size gained a few hundred units overall (+1%), driven mainly by the increasing Danish fleet (+5%) while Sweden and Norway pursued more moderate growth (+2%). After a few years of struggle, rental companies started de-fleeting in Finland (-2%).
 - Scissors remain the dominant MEWP category in the Nordic Region (59% share among total mix).
 - Total volume of investment evolved slightly (+13%), targeting mainly fleet renewal.

- ❑ Other indicators evolved gradually in 2014.
 - Utilisation rates continue to show growth over the years (60%).
 - Retention period did not change significantly (9 years and 1 month).
 - Rental rate decrease slowed down (-1%) but rental companies faced severe competitive conditions.

The overall rental market in the Nordic countries stabilised in 2014. Nevertheless, the situation in each country differs: rental revenue increased in Norway and Sweden, stabilised in Denmark but kept decreasing in Finland.



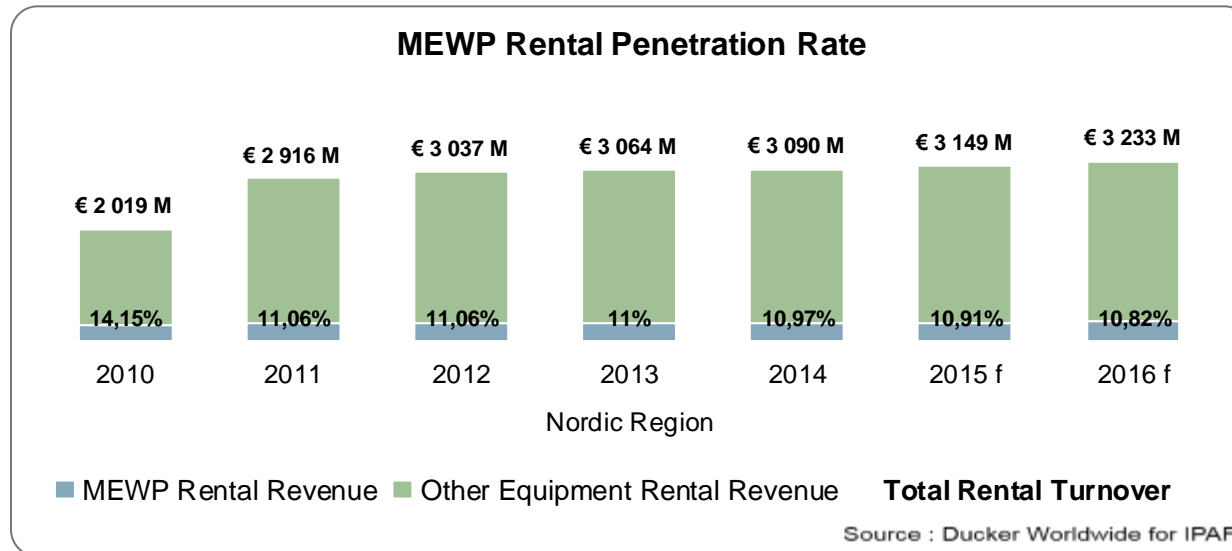
- Both Norway and Sweden experienced similar market growth in 2014 (+3%). Denmark’s revenue stabilised (+1%) while Finland’s decreased strongly (-5%).
- Forecasts show stability or small increases for all countries except Finland, where recovery is expected to be slow.



- Cross hire level evolved slowly. It remains rather low across the region.

2014 MEWP average rental penetration level is similar to 2013 level, at approximately 11%. (source ERA)

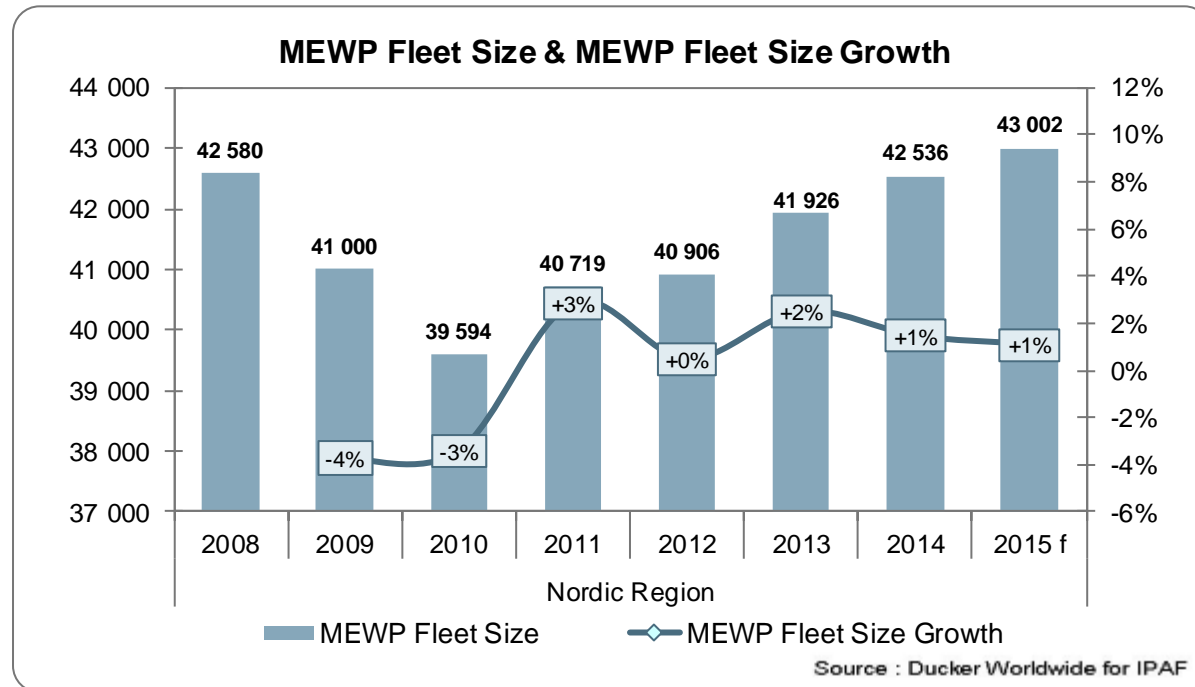
- ❑ MEWP average penetration rate varies significantly across Nordic countries:
 - While it exceeds 15% in both Finland and Denmark, it is lower than 10% in Sweden and Norway.
- ❑ The overall Nordic region rate is expected to remain stable over the next few years and so is the level in each country.



Source for Total Rental Turnover: ERA 2014 Report.

MEWP fleet size increased in several Nordic countries, however the overall Nordic fleet remained relatively stable, driven by de-fleeting in Finland.

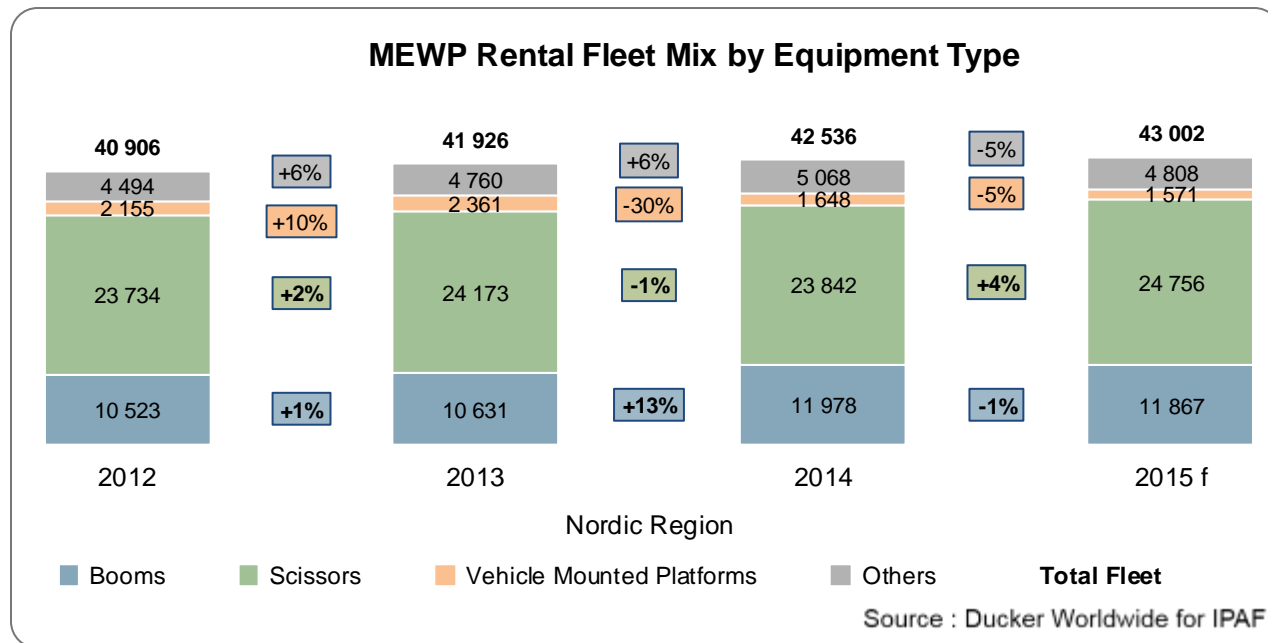
- Fleet growth is the highest in Denmark (+5%) and remains more moderate in Sweden and in Norway (+2% each). Rental companies in Finland de-fleeted slightly (-2%) in 2014.



*Note: included are powered access lifts: all booms, scissor lifts and vertical masts
Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers*

Scissors remain the most demanded equipment in all four countries of the Nordic region. However their share is expected to remain stable at 57%.

- While booms are mainly used in construction applications (building construction and renovation), scissors are also used in many industrial and maintenance applications.



Note: included are powered access lifts: all booms, scissor lifts and vertical masts

Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers

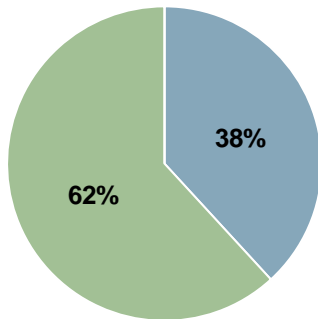
+X% % unit growth, e.g. Booms fleet increased by 13% from 2013 to 2014.
 Others include: vertical lifts, vertical masts, push-around, trailer mounted/towable.

Although straight booms still account for the largest share of the boom fleet, the Nordic countries are following the European trend towards articulated booms.

- The number of straight booms in the Nordic region remained almost stable in 2014, but most of the boom fleet expansion was directed towards articulated booms.

MEWP Booms Fleet Mix by Type - Nordic Region - 2013

Total Booms Fleet: 10 631

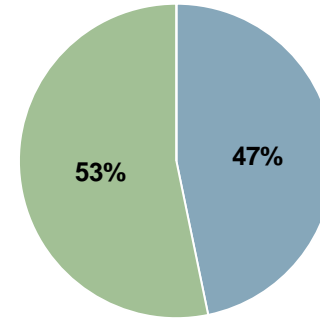


■ Articulated Booms (4 059)
■ Straight Booms (6 572)

Source : Ducker Worldwide for IPAF

MEWP Booms Fleet Mix by Type - Nordic Region - 2014

Total Booms Fleet: 11 978

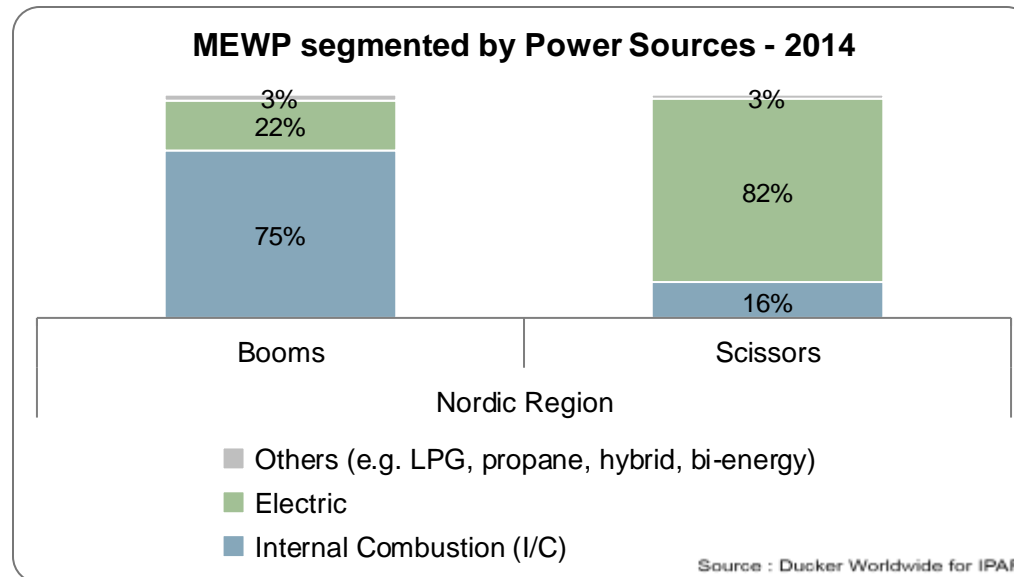


■ Articulated Booms (5 600)
■ Straight Booms (6 377)

Source : Ducker Worldwide for IPAF

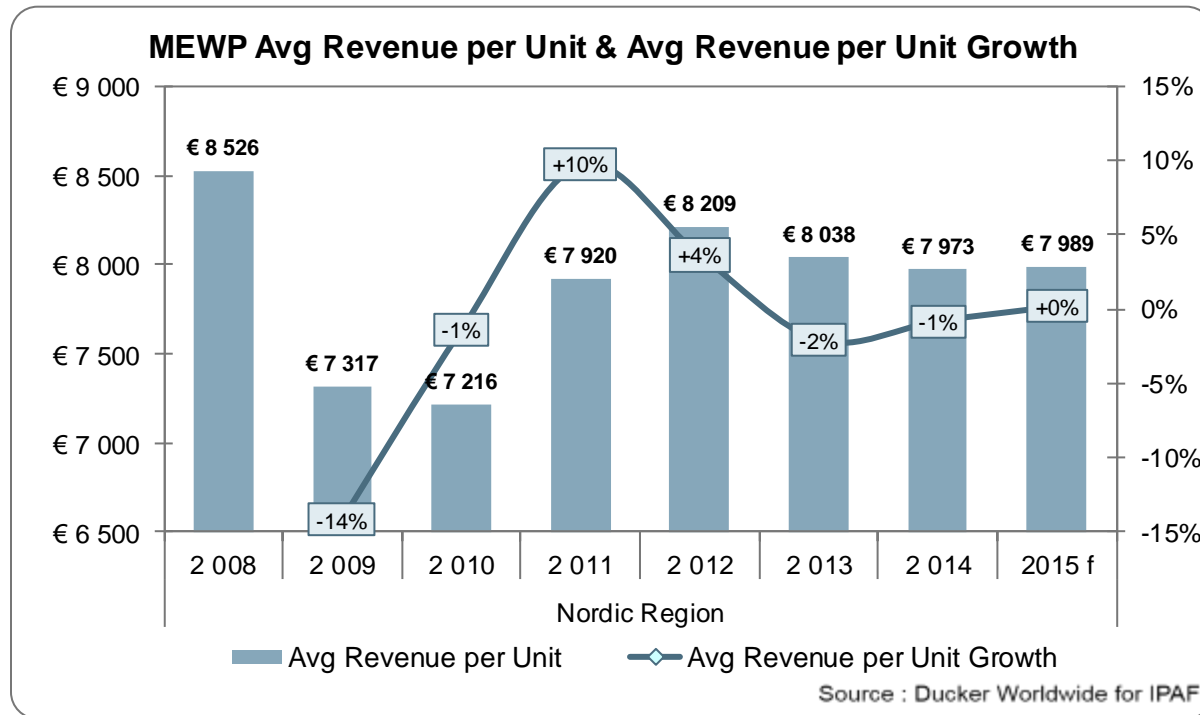
Similar to other European countries, booms use mainly internal combustion power source, while scissors are primarily electric.

- ❑ Hybrid MEWPs represent a low proportion of the total MEWP fleet. No significant increase of their share is expected.
- ❑ Most of rental companies are not aware of Stage IIIB and Stage IV regulations. They leave it to the manufacturer and do not report any specific impact of these regulations on their activity.



The decrease of the average rental revenue per unit continued in 2014. Rental rates stabilisation should lead to a slightly improved situation.

- Stabilisation is expected to happen in 2015.

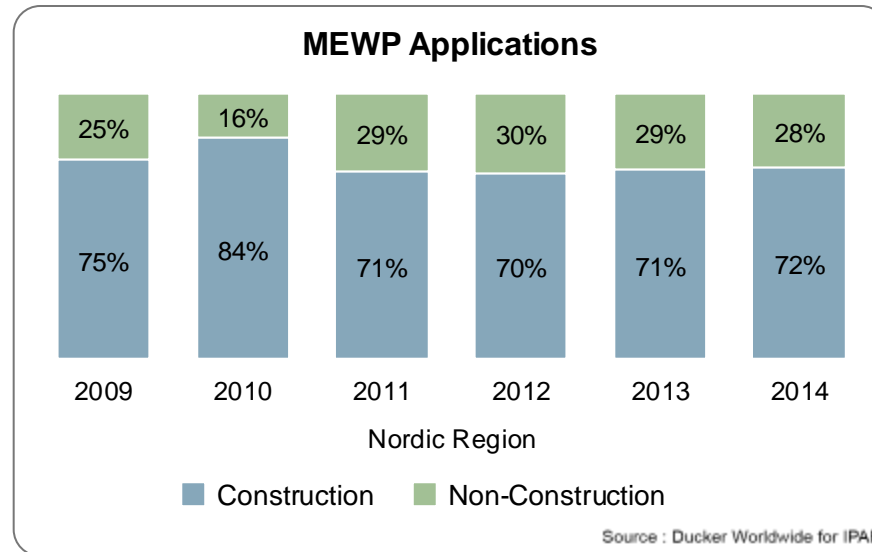


Note: included are powered access lifts: all booms, scissor lifts and vertical masts

Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers

The MEWP rental market in the Nordic Region is highly dependent on construction activity. Its share is among the highest in Europe.

- Large construction projects, such as the bridge between Denmark and Germany, will drive activity towards more construction works.



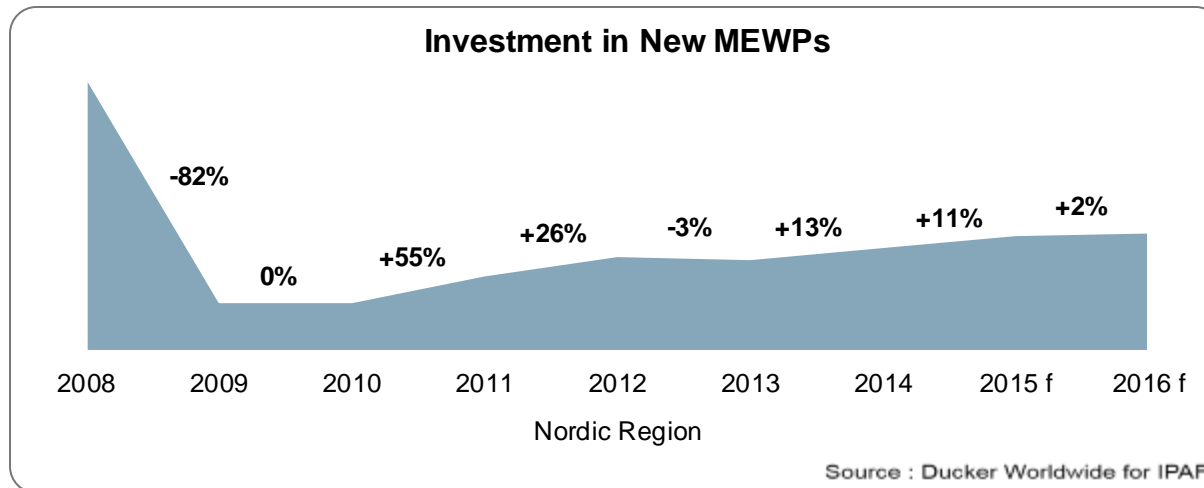
Share of rental revenues

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

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

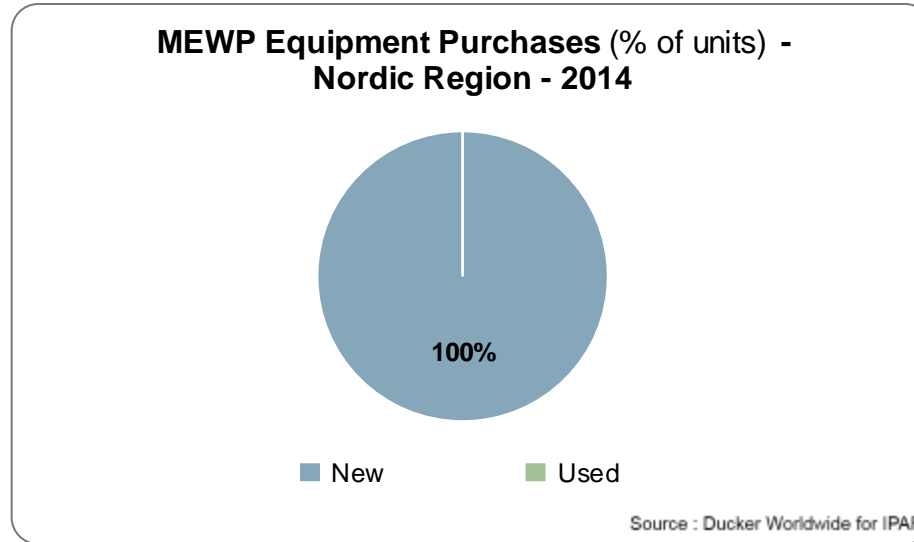
The total amount of investment slightly increased in 2014.

- ❑ Companies in Sweden maintained a high level of investment (+30%) in order to comply with stringent regulations on noise and environment.
- ❑ In the other Nordic countries, the level of investment evolved between 0% and 10% in 2014.
- ❑ A similar trend is expected in 2015.



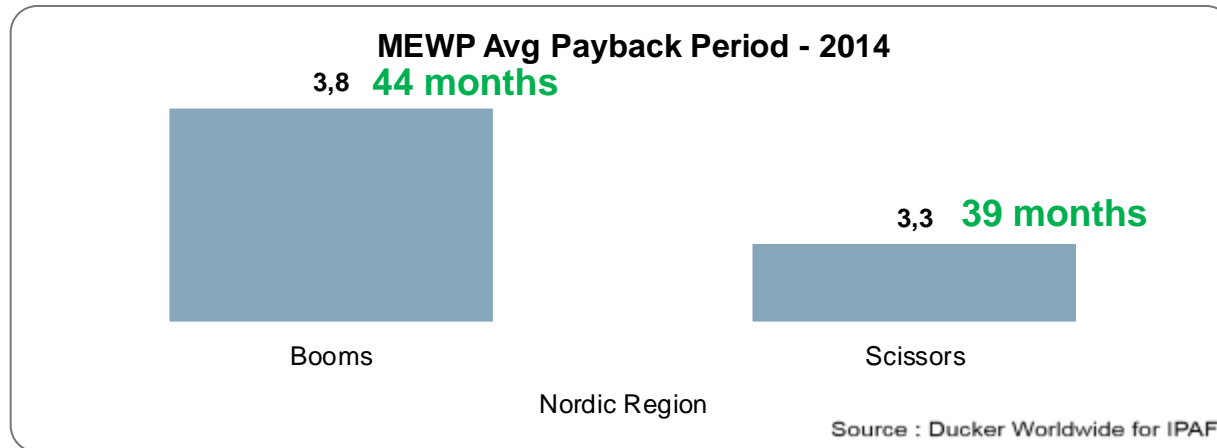
All equipment purchased in 2014 in the Nordic Region is new.

- ❑ Rental companies do not consider it cost effective to buy second-hand equipment.



The MEWP typical payback period is aligned with the European average.

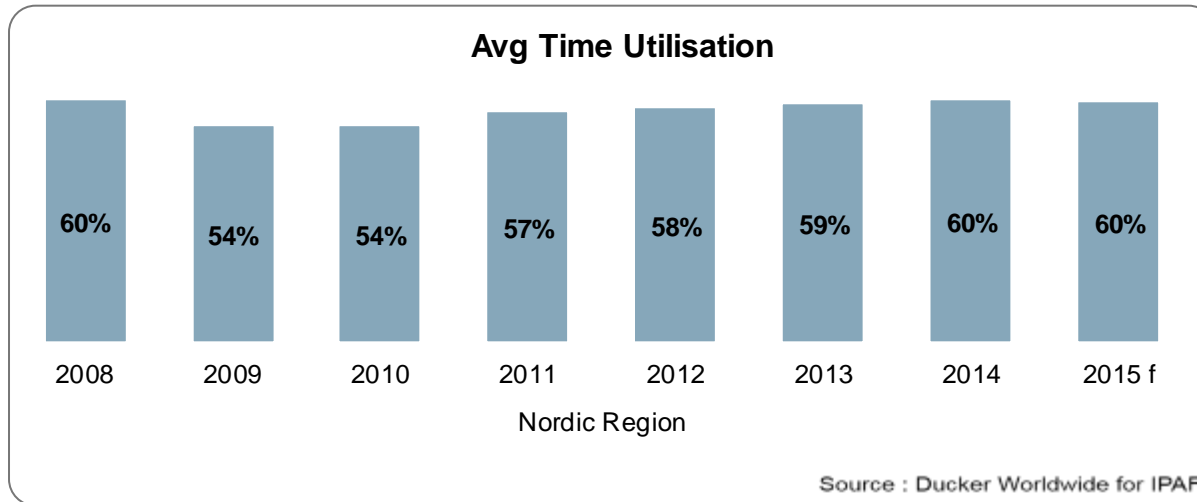
- ❑ Booms show a longer payback period than scissors.
- ❑ Payback period is longer in Denmark, where rates are lower.



3,8 = 3 years and 8 months

As forecasted in last year’s report, time utilisation rate is increasing slowly over the years. It reached 60% in 2014.

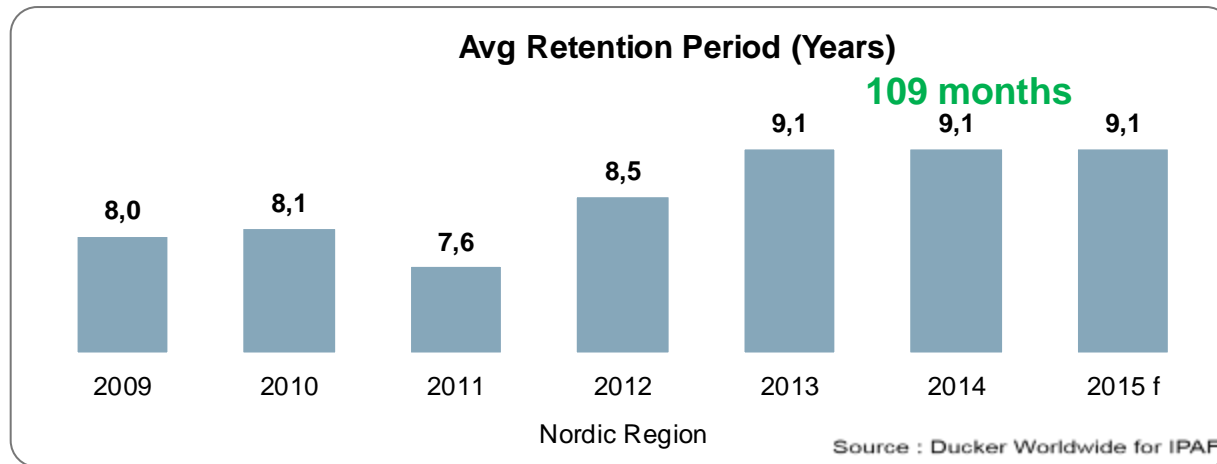
- ❑ Utilisation rates vary from 56% in Norway to 64% in Denmark.
- ❑ Time utilisation rate is expected to remain stable in 2015.



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

In line with forecasts, after a strong increase in 2013, retention period is now stable at 9 years and 1 month.

- ❑ Retention period increased in 2014 in both Denmark and Norway. It remained stable in Finland but decreased in Sweden.
- ❑ The average retention period will remain stable for the Nordic Region in 2015.

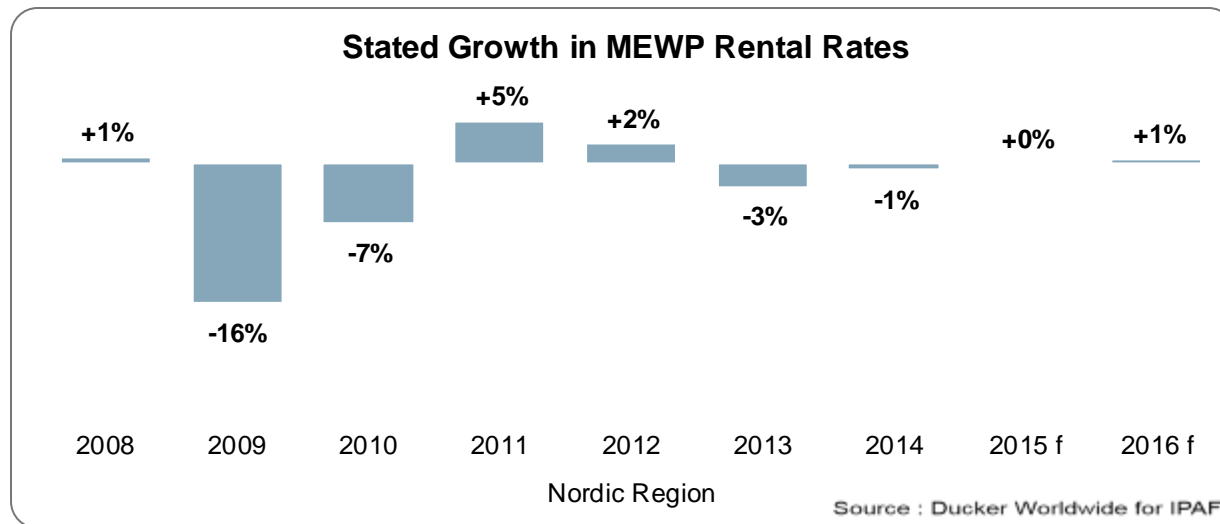


9,1 = 9 years and 1 month

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

After significant deterioration in 2013, rental rates are currently stabilising.

- ❑ Denmark, Norway and Sweden maintained rental rates at a stable level. However, Finland saw rates worsening by another 3% in 2014.
- ❑ Forecasts are cautious: in 2015 again, rates are expected to remain stable, and even reach their lowest point in Finland before stabilising.



Forecasts concerning the Nordic region are cautious in the coming years: most markets are stabilising, but Finland will continue suffering from a flat economy and construction market.

- ❑ The Nordic Region is the most mature MEWP market in Europe.
 - The number of units per inhabitant is the highest of all 10 European countries under study.
 - The next few years should see slight positive improvement in rental revenue, driven mainly by increased construction activity, starting in 2015.
 - However, the situation in Norway in particular remains relatively uncertain due to the current oil sector downturn.

- ❑ Although no future legislation is expected at regional or national scales, safety and environmental concerns remain critical for MEWP rental companies:
 - MEWP awareness keeps increasing against scaffolding and ladders.
 - Secondary guarding devices are increasingly requested by end-users.
 - Companies intend to progressively renew their fleet so as to comply with latest norms and retain/attract green oriented customers, especially in Sweden.

IPAF Powered Access Rental Market Report 2015 – Nordic Region

**A PERSPECTIVE FROM THE
MANAGING EDITOR OF
*INTERNATIONAL RENTAL NEWS***

The rental markets of Sweden, Finland, Denmark and Norway all grew by between 2 and 3% in 2014, and would have expanded further had they not been impacted, along with the rest of the Eurozone, by wider economic slowdown in the region.

This led to some difficult times for the region's two big players, Cramo and Ramirent, who both had to make adjustments through the year in terms of fleet investment. Both also reported falls in revenue for the full year 2014.

According to the European Rental Association (ERA), this year will see more of a divergence in the performance of the rental markets in the four countries, with Sweden and Finland both down a little – from 2.2% last year to 1.8% in 2015 for Sweden, and from 2.4% to 2.1% in Finland.

Norway faces a bigger decline, with the ERA forecasting a fall in rental growth this year to just 1.1%. It has to be pointed out that this is more pessimistic than local estimates, for example from the Norwegian Rental Association. For Denmark, meanwhile, the ERA is forecasting rental growth of 3.5%, which is good news after the country's less than stellar performance in recent years.

The Nordic market, in addition to hosting two of the region's largest rental companies, is also among the most active in terms of mergers and acquisitions, joint ventures, and other rental initiatives.

The biggest deal of the year involved French company Loxam, which acquired Dansk Lift, the aerial platform specialist with locations in Denmark, Norway and Sweden. The deal boosted Loxam's Danish network to around 27 locations, and the company further expanded its operation with an order for more than 280 new platforms in the middle of 2014.

One of the most intriguing developments of the year was Ramirent's agreement to enter into a joint venture with Germany's Zeppelin Rental to work together to bid for rental contracts on the massive Fehmarnbelt tunnel project, which will see an 18 km subsea tunnel carrying rail and road traffic between the Danish and German coasts.

The deal seemed indicative of Ramirent's openness to partnerships with rental companies – it also last year signed a three-year rental agreement with Swedish rental company Skanska Maskin, and of course it also has a joint venture company in Russia, Fortrent, with Cramo.

Ramirent is also being innovative in the way that it runs its aerials fleet: last year it announced it was outsourcing the maintenance of its access fleet in Finland to a company called Rostek-Teknikka, including the transfer of 20 employees to the service company.

Of course, Cramo and Ramirent were not the only companies making deals in the Nordic region. In Sweden in April this year, Stավdal acquired Hyr City of Karlstad, a general equipment business with annual revenues of €26 million. Also in Sweden, Lambertsson Sweden got in on the outsourcing act with a deal to manage the fleet of Bilfinger Construction's Swedish operation.

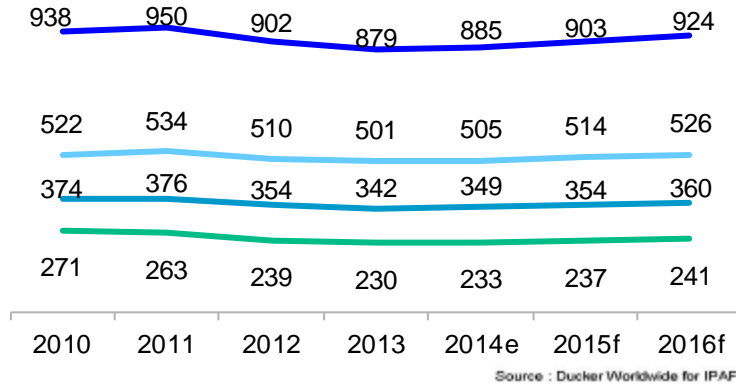
You would expect rental companies to be creative in the face of challenging markets, and that is exactly what Nordic companies are doing.

IPAF Powered Access Rental Market Report 2015 – Nordic Region

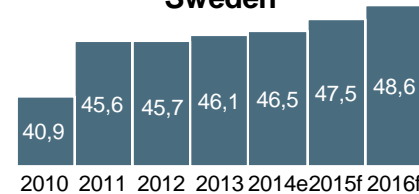
APPENDIX

Construction slight growth trend in the Nordic Region will be pursued.1/2

Europe - Construction Data



Sweden

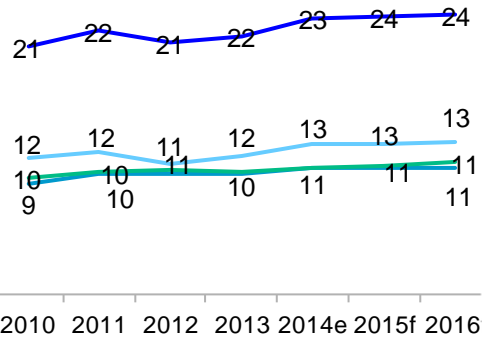


Norway

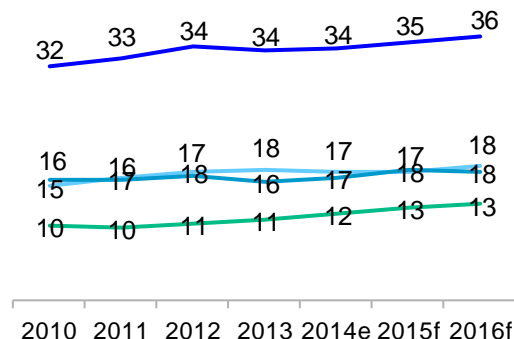


GDP estimates based on Euroconstruct 2014.

Sweden



Norway



Source : Ducker Worldwide for IPAF

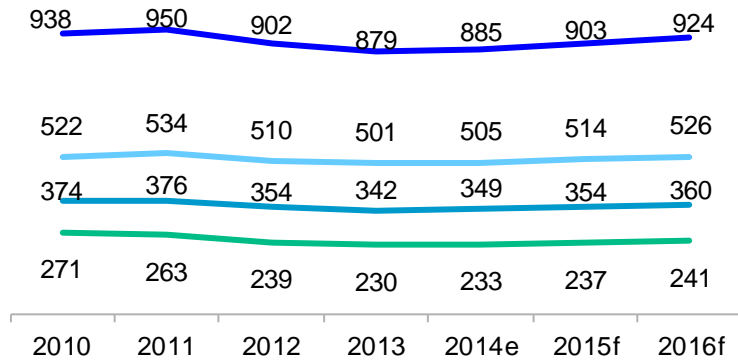
Source : Ducker Worldwide for IPAF

Construction put in place in billion Euros based on Euroconstruct 2014.

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

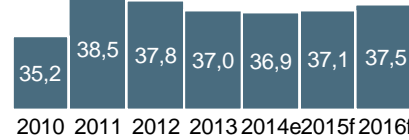
Construction slight growth trend in the Nordic Region will be pursued.2/2

Europe - Construction Data



Source : Ducker Worldwide for IPAF

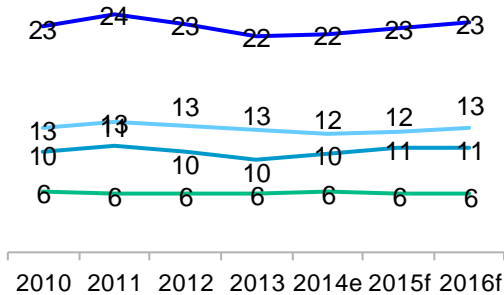
Finland



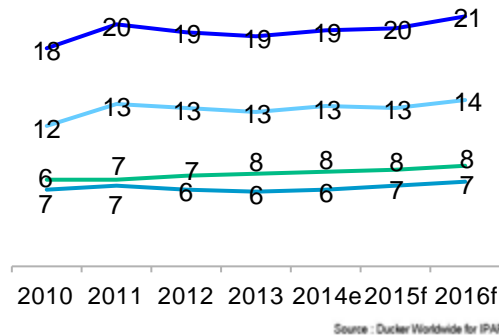
Denmark



Finland



Denmark



Source : Ducker Worldwide for IPAF

GDP estimates based on Euroconstruct 2014.

Construction put in place in billion Euros based on Euroconstruct 2014.

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

IPAF Powered Access Rental Market Report 2015 – Europe

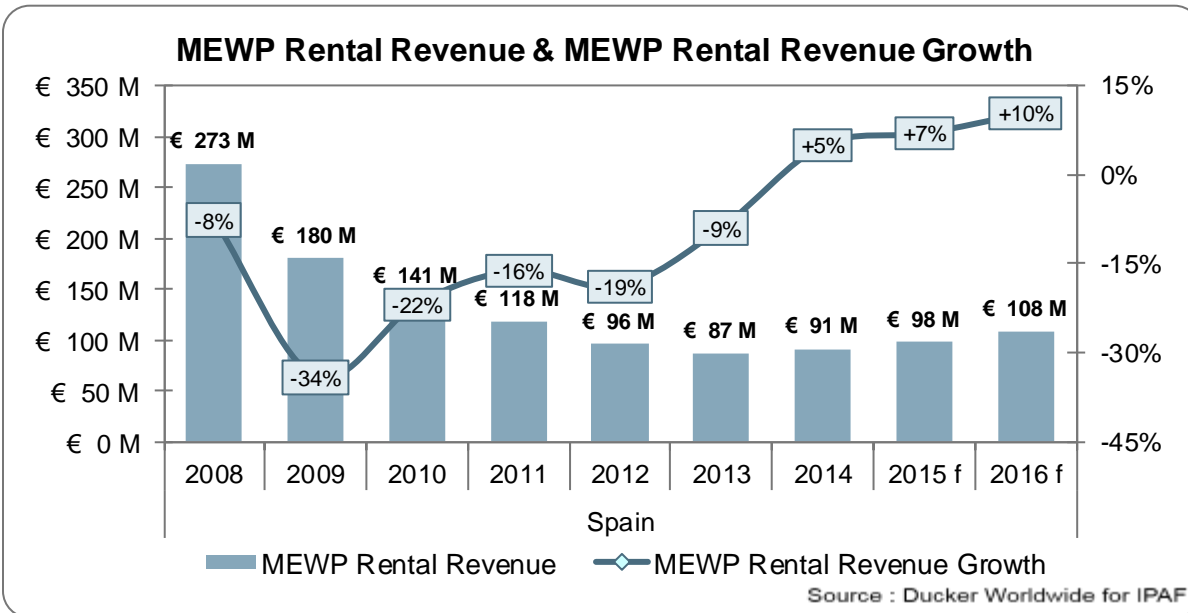
COUNTRY REPORT

SPAIN

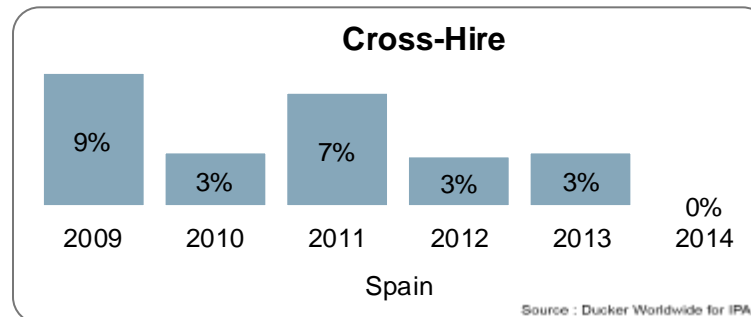
Key Findings

- ❑ The Spanish MEWP rental market shows the lowest maturity among the 10 European countries under study (with Italy).
- ❑ 2014 was a turning point for the Spanish MEWP rental market. After several years of recession, it is now starting to show growth again.
 - Rental revenue increased in 2014 (+5%) after 6 years of deterioration. Stronger growth rates are expected for the next few years.
- ❑ Although fleet size is increasing, rental companies adopted a prudent development strategy.
 - Both investments (+50%) and fleet size (+2%) increased, after several years of strong reduction.
 - Rental companies also saw utilisation rate improvement (+2pts) which should continue in the coming years (it is currently the lowest of all 10 European countries under study).
- ❑ Other indicators show a mixed market situation:
 - Retention period increased again for the seventh year in a row, despite fleet renewal and expansion. It is now at 7 years and 3 months.
 - Rental companies finally managed to slightly improve rental rates (+1%). Although competition is expected to be fierce, rental companies plan on continuous rate increases in the next few years.

As stated in last year’s report, Spain hit its lowest MEWP rental market revenue in 2013 and is now entering a phase of recovery.



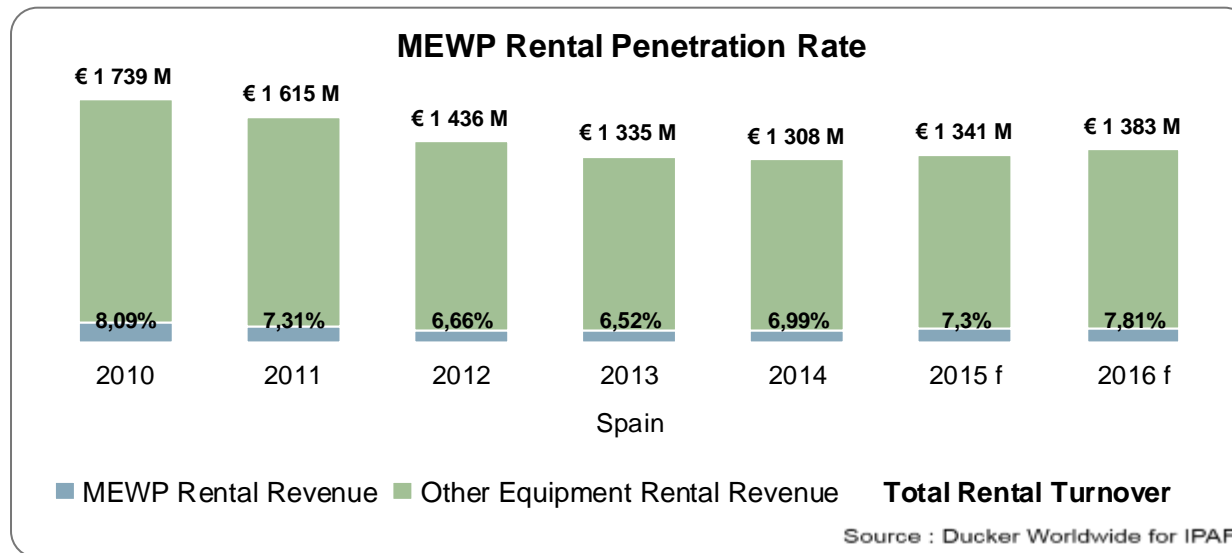
- For the first time in 7 years, the Spanish MEWP rental revenue grew in 2014.
- More substantial growth is expected in 2015. Two-digit growth is likely to happen in 2016.



- No cross hire was reported in 2014.

Spanish MEWP rental penetration is now slowly increasing and expected to continue doing so over the next few years. (source ERA)

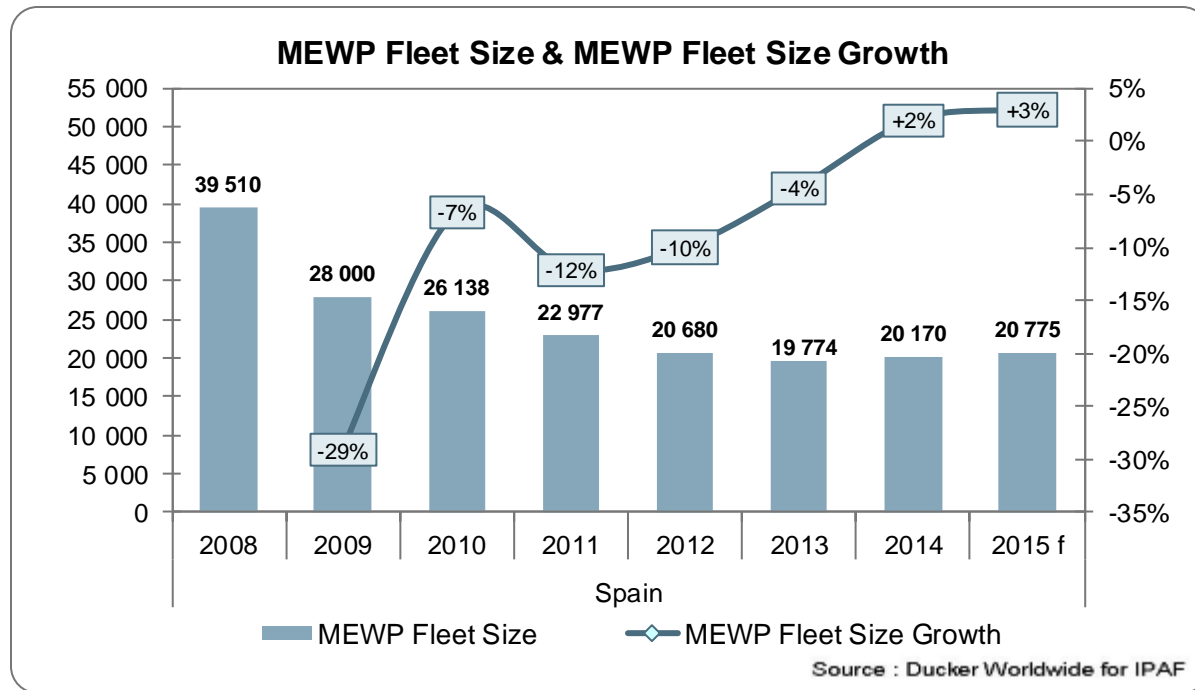
- Spanish MEWP rental market recovery is one year ahead of the total rental market, thus driving a slight increase of the MEWP rental penetration rate.
- Total construction equipment rental market hit its lowest point in 2014 and will grow again from 2015 onwards.



Source for Total Rental Turnover: ERA 2014 Report.

After 5 years during which the Spanish fleet size was halved, market players started to expand their fleet again in 2014.

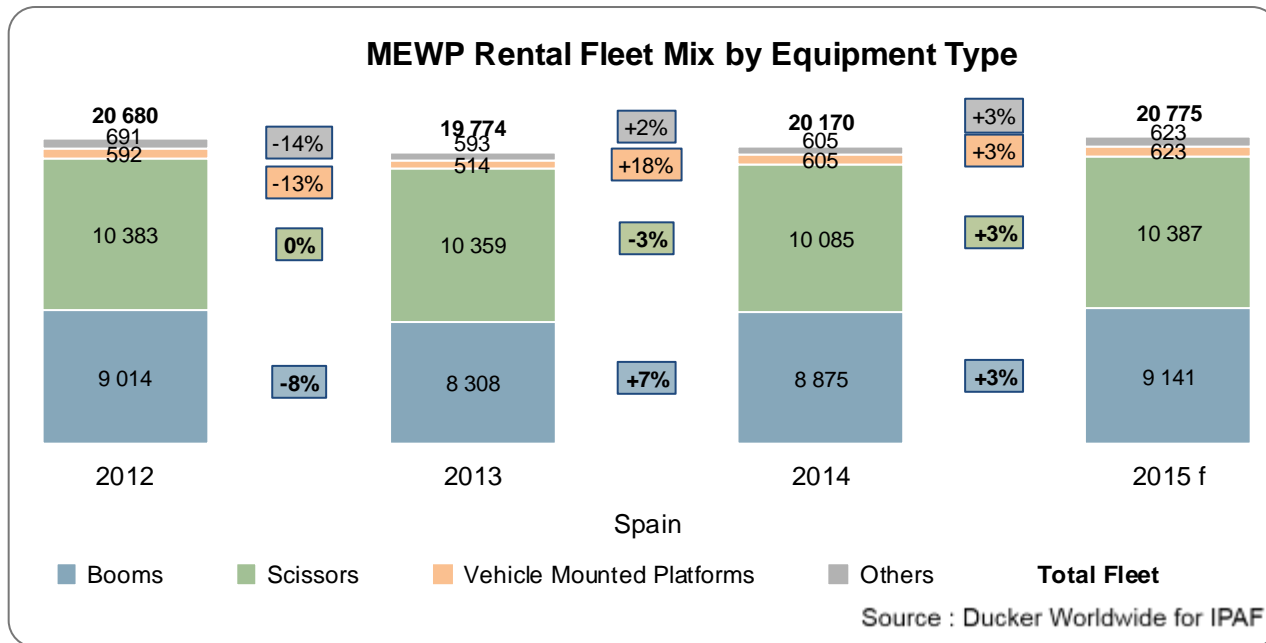
- ❑ Companies are slowly and cautiously increasing fleet size: in 2014, the number of units remained below the level of 2012.
- ❑ Moderate fleet growth is expected in 2015 as well.



Note: included are powered access lifts: all booms, scissor lifts and vertical masts
Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers

All equipment categories have grown in 2014, except booms. All categories are expected to increase in similar proportions in 2015.

- The share of vehicle mounts is rising slightly: the demand for this equipment is increasing as it allows for cuts in transportation costs.



Note: included are powered access lifts: all booms, scissor lifts and vertical masts

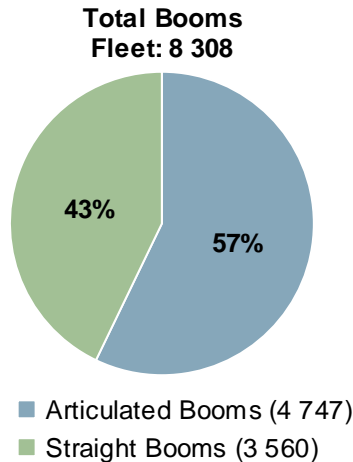
Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers

+X% % unit growth, e.g. Booms fleet increased by 7% from 2013 to 2014.
Others include: vertical lifts, vertical masts, push-around, trailer mounted/towable.

The proportion of articulated booms increased in 2014: they now represent more than 60% of the Spanish boom fleet.

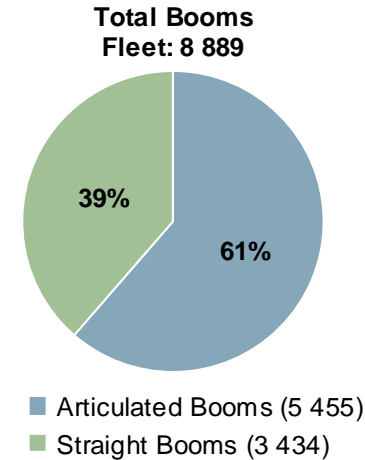
- ❑ Rental companies adapt their fleet to existing demand.
- ❑ Articulated booms are well appreciated for their flexibility in different types of applications.

MEWP Booms Fleet Mix by Type - Spain - 2013



Source : Ducker Worldwide for IPAF

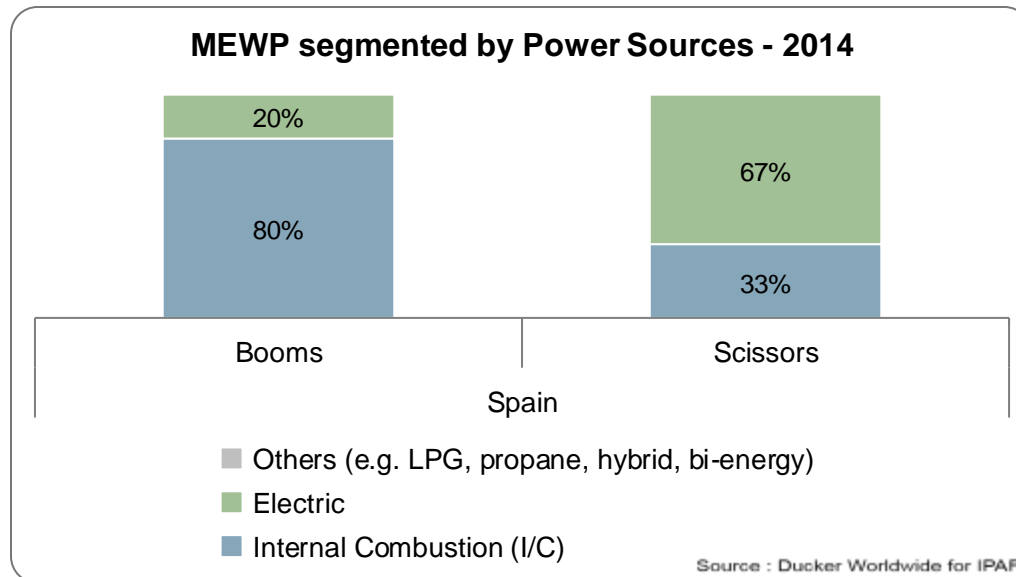
MEWP Booms Fleet Mix by Type - Spain - 2014



Source : Ducker Worldwide for IPAF

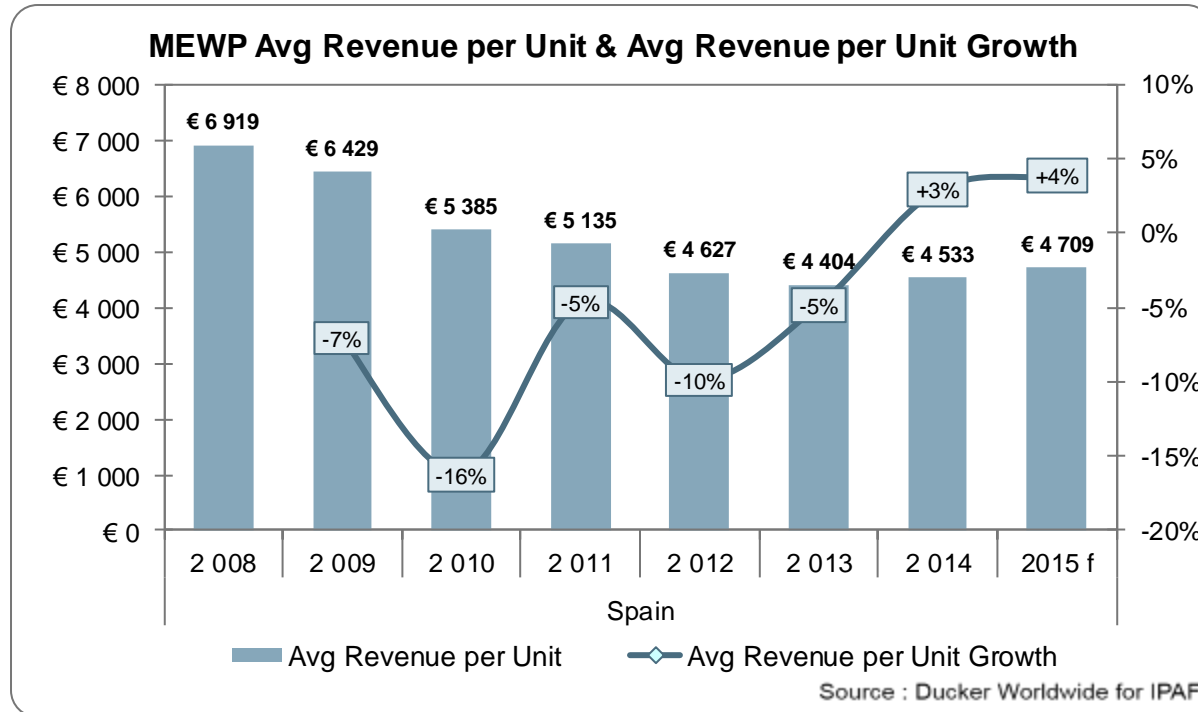
As forecasted in last year’s report, the share of electric equipment increased in both boom and scissor categories.

- ❑ Market players report very limited knowledge of Stage IIIB and Stage IV regulations. They don’t know the share of their fleet which is compliant with these norms.
- ❑ Rental companies did not mention specific concerns about potential price increases due to these regulations.



As planned last year, the average revenue per unit increased in 2014, driven by improving rental rates and utilisation.

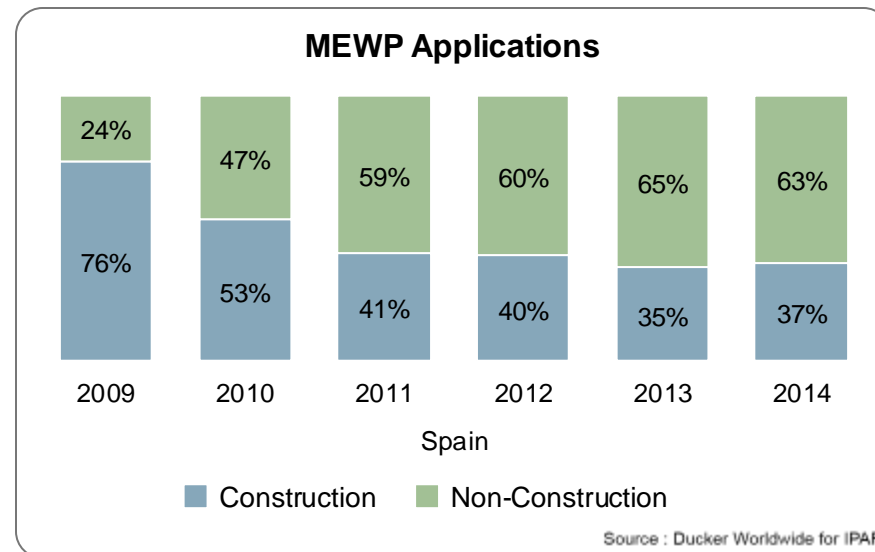
- The same trend is expected in 2015: revenue growth will be supported by an increase in utilisation and rental rates; fleet size will grow, but at a slower pace.



*Note: included are powered access lifts: all booms, scissor lifts and vertical masts
 Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers*

The share of construction applications as part of the MEWP rental revenue increased slightly in 2014 driven by a slight construction market improvement.

- ❑ The share of MEWP rental activity in the construction sector is the lowest among the 10 European countries under study.
- ❑ Over the past few years, rental companies diversified their customer base in the industrial sector, which is perceived as being less cyclical than construction.



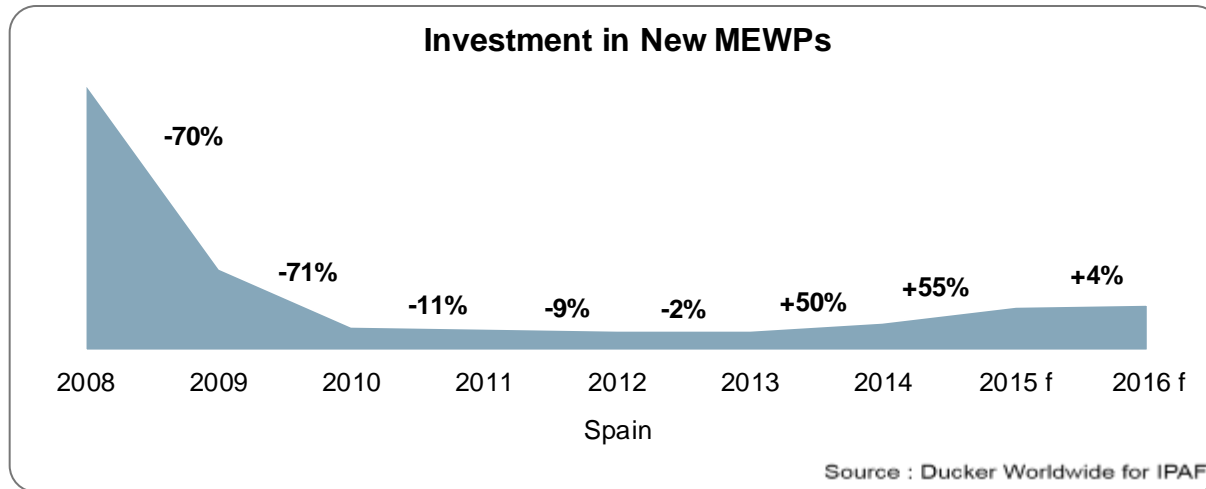
Share of rental revenues

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

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

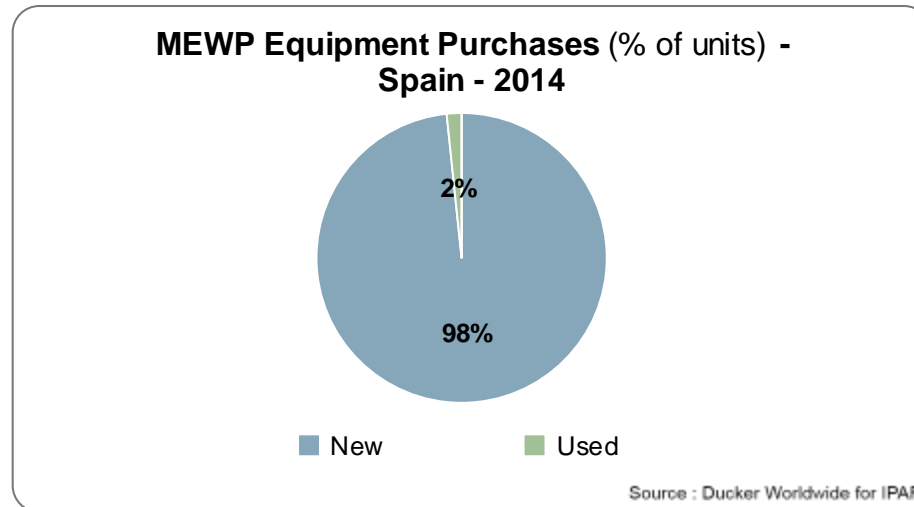
As anticipated last year, the level of investment increased substantially in 2014.

- Not only have rental companies renewed part of their fleet towards more electric units, they started to expand fleets so as to anticipate growing demand.



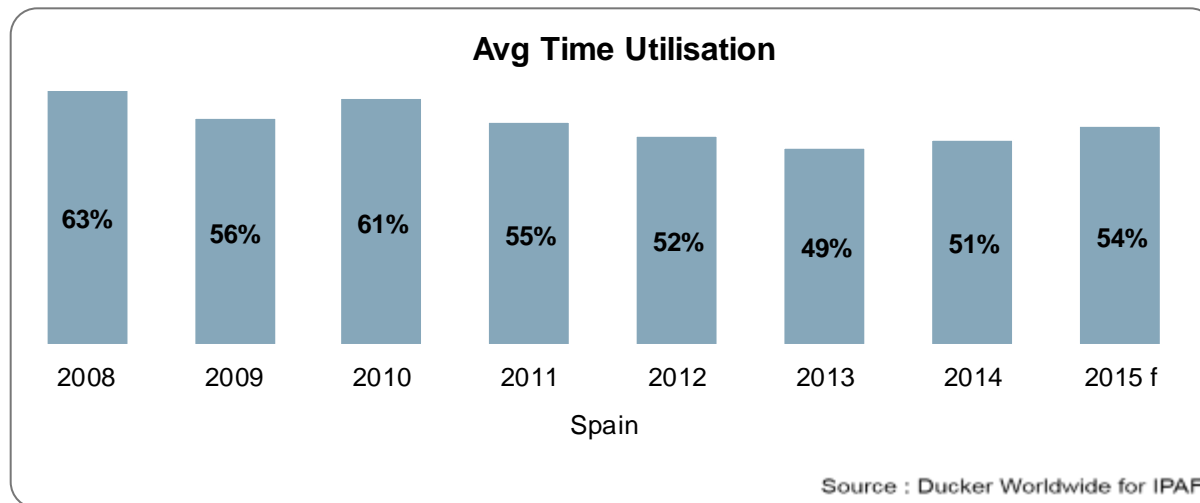
Spanish rental companies purchase almost only new equipment. The share of used equipment is negligible.

- ❑ A very small share of market players are forced to acquire used equipment due to limited investment capabilities.
- ❑ Rental companies interviewed were unable to evaluate the average payback period for booms and scissors.



After several years of continuous decrease, the average utilisation rate gained 2 points in 2014, and reached 51%.

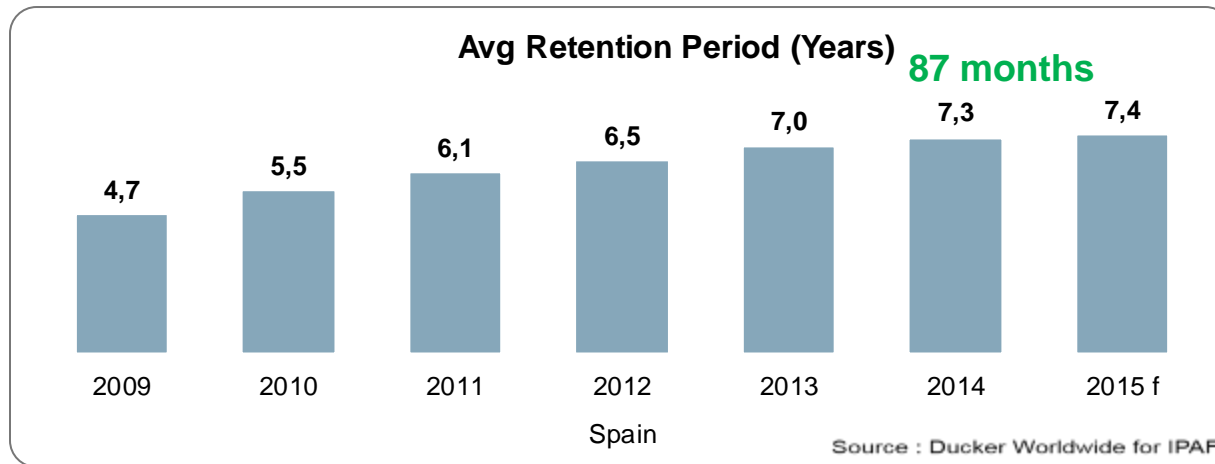
- ❑ Rental companies noticed an improvement in the second half of 2014.
- ❑ Despite the improvement, the Spanish utilisation rate remains the lowest among all 10 European countries under study.
- ❑ A similar improving trend is expect for 2015 and the average utilisation rate could reach 55%.



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

In 2014, the average retention period was 7 years and 3 months.

- ❑ Rental companies continue extending equipment life as much as possible.
- ❑ Although part of their fleet was renewed in the last 6 years, some market players still offer 13 year-old MEWPs for rental.

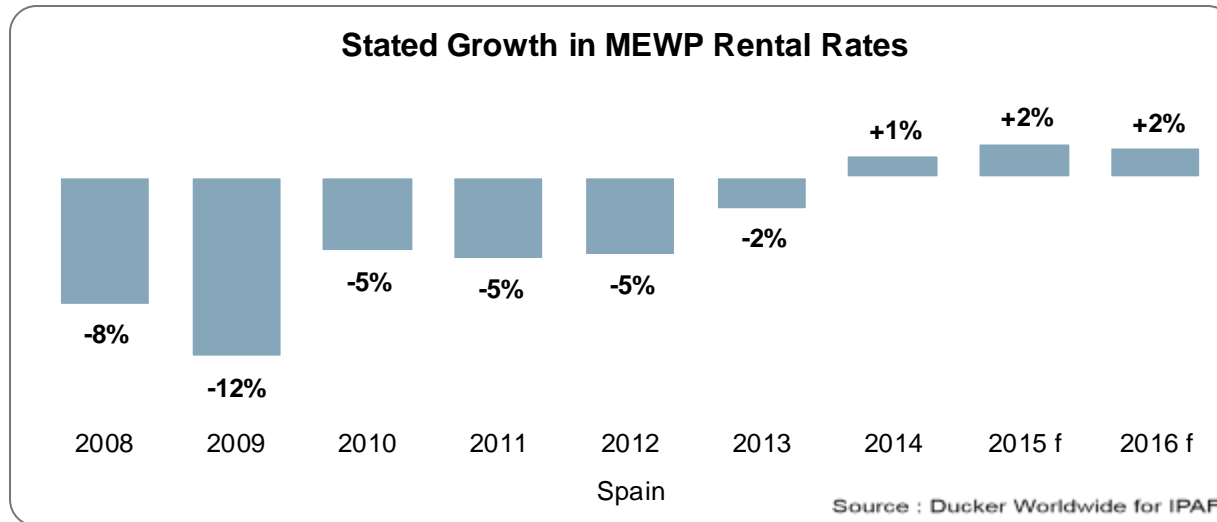


7,3 = 7 years and 3 months

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

For the first time in 7 years, rental rates showed slight improvement. Rental companies hope to increase rates further in the next few years.

- ❑ Rental companies keep offering discounts to remain competitive.



The Spanish MEWP rental market is recovering from several severe years of recession. Forecasts are positive for the next few years.

- ❑ Market players are confident that the market revenue will increase over the next few years, thanks to improving utilisation and rental rates.
 - Construction and GDP growth will be drivers of this market recovery.

- ❑ One of the challenges for rental companies will be to comply with the growing demand while remaining careful about investment levels:
 - In some regions, many companies have shut down over the last five years: MEWP rental offer has almost disappeared in these regions.
 - Market players expect more equipment being shuffled across the country to face this situation, and they also plan on prudently increasing fleet size.

- ❑ No new environmental or safety regulation is expected to affect the market.

IPAF Powered Access Rental Market Report 2015 – Spain

**A PERSPECTIVE FROM THE
MANAGING EDITOR OF
*INTERNATIONAL RENTAL NEWS***

It is depressing to forever be discussing Spain in the context of the financial crash and the subsequent, prolonged recession. Unfortunately, that has been the reality in business terms, with Spanish rental companies continually waiting for conditions to improve.

That wait does seem to be over, although it will be some time before the improvements in the country's economy now being seen will translate into revived fortunes for the rental sector. The growth signs are modest, at best, with some growth last year and estimated GDP growth around 1.5% anticipated this year. That is feeding through to the construction sector, with some growth expected this year after a contraction in 2014: consultant IHS Global Insight is looking at an expansion in construction of less than 1% this year.

The rental sector, however, remains in a difficult situation. The European Rental Association (ERA) estimated that the rental market declined by around 4.5% last year, which seems like bad news until you realise that its original forecast was closer to a 6.5% reduction.

That fall – the latest in a succession of annual falls since 2009 – was made evident by the financial results from GAM Alquiler, Spain's largest general equipment rental company. GAM's strategy to downsize its Spanish business and launch new operations in South America and Eastern Europe has at least helped to offset the decline in Spain.

Last year, despite the easing of general economic conditions in Spain, GAM saw its revenues drop a further 14%, mainly because of the low levels of activity in the construction sector.

Meanwhile, GAM's biggest domestic competitor, HUNE, has started its own international expansion. During 2014 it established its first operation in Saudi Arabia and later in the year also established a joint venture with a Colombian rental company. It was also seeing positive trends in Spain, with its revenues in early 2015 10% ahead of the same period in 2014.

Companies in Spain are also facing the issue of an ageing fleet: many thousands of units have been sold off over the past seven years, leaving a fleet that has an average age in excess of six or seven years. These fleets will need replacing soon: the question is whether Spain's rental companies will have the financial resources to re-fleet.

Despite that there are still companies willing and able to invest. Last year, for example, saw rental company AP Lift, based in Pontevedra, Galicia, place an order for a 63 m Ruthmann Steiger T 630 truck mount. That's a big machine requiring a sizeable investment.

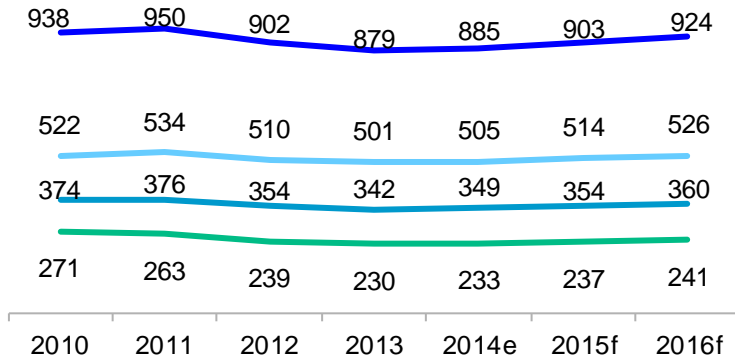
Spain is not out of the woods yet, and nobody is expecting a rapid recovery in the coming years, but it is probably true to say that the worst is over, with better days to come.

IPAF Powered Access Rental Market Report 2015 – Spain

APPENDIX

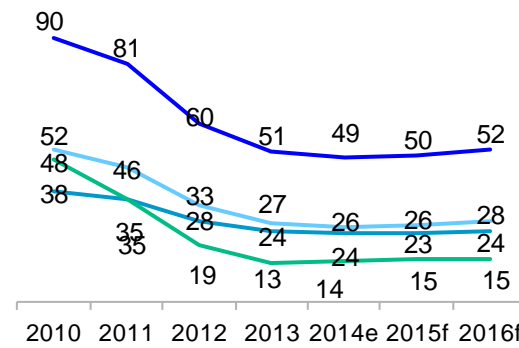
Key macro economic indicators, construction and GDP, are expected to increase in 2015.

Europe - Construction Data



Source : Ducker Worldwide for IPAF

Spain



Source : Ducker Worldwide for IPAF

Spain



Spain GDP estimates based on Euroconstruct 2014.

Construction put in place in billion Euros based on Euroconstruct 2014.

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

IPAF Powered Access Rental Market Report 2015 – Europe

COUNTRY REPORT

UNITED KINGDOM

Key Findings

- ❑ As indicated in last year's report, the UK MEWP rental market confirmed its positive growth in 2014 with +4%. This growth rate should be maintained in the next two years.
- ❑ While fleet expansion continued in 2014 (+3%), it slowed down slightly compared to 2013. It is expected to keep on slowing down in 2015 (+2%).
 - The UK MEWP rental market is significantly less mature than the Nordic countries, and the Netherlands, however, more mature than France, Germany, Spain and Italy.
- ❑ After a significant jump in rental companies' investment in 2013, 2014 saw the return to more limited purchase growth (+7%). A similar investment growth trend should continue in 2015. However, in 2016, rental companies expect to maintain investment at a stable level.

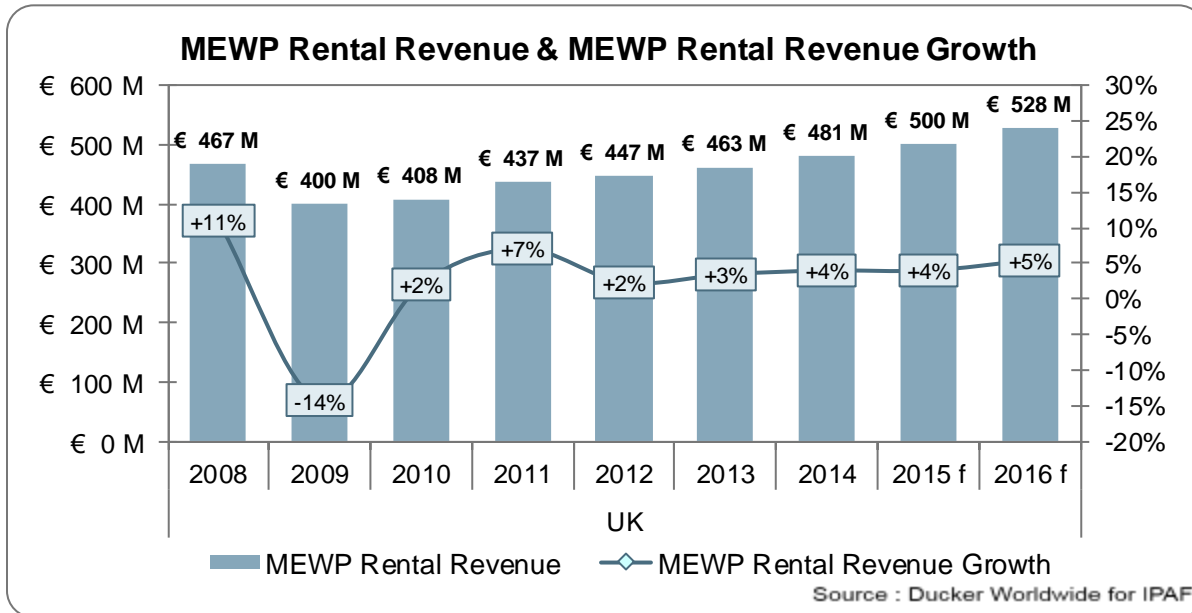
Key Findings

- ❑ The UK fleet now exceeds 53,000 units (excluding low-level access equipment below 3m high).
 - Since 2012, the fleet mix has remained very stable in the UK, with scissors representing 57% and booms standing for 35% of the fleet. Rental companies do not anticipate any major change in their fleet mix in the next few years.
 - In contrast to most other European countries (but as in France), UK booms are heavily weighted towards articulated booms (they represent more than 80% of the boom fleet).

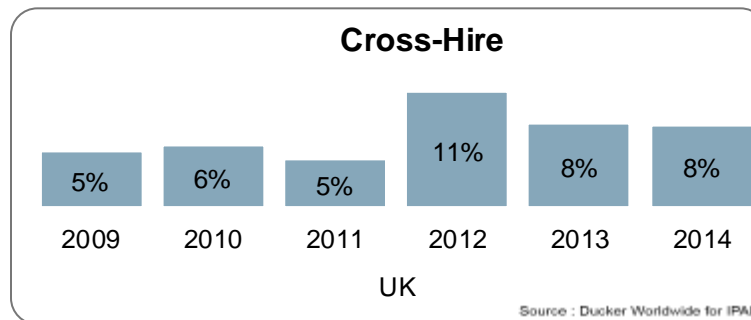
- ❑ Retention period was on average 97 months (8 years) in 2014, and the typical payback period for booms was 50 months, while it was 33 months for scissors.

- ❑ Other indicators remained stable or slightly improved:
 - Utilisation rate is maintained at 65%.
 - Rental rates increased in 2013 (+2%), after two years of stagnation. Rental companies expect to continue raising rates at a similar pace in the next two years.

The market grew in 2014 at a slightly more rapid pace than in 2013. A similar growth trend is expected over the next two years.



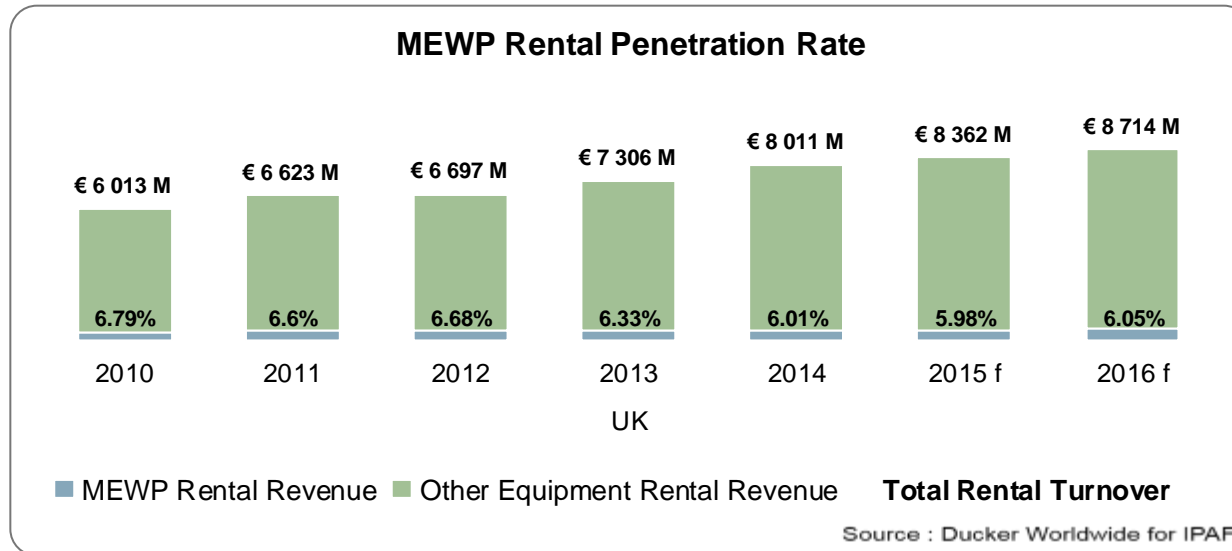
Exchange rate £1 = 1.365€



- ❑ In 2014, the UK MEWP rental market exceeded 2008 revenue levels, driven by an improving construction market and GDP.
- ❑ Cross-hire rates remained stable in 2014. Rental companies do not expect to increase cross-hire in the future.
- ❑ Total revenue in 2015 should just reach €500M (£366M).

The MEWP rental market represented 8% of the total UK construction equipment rental market in 2014. (source ERA)

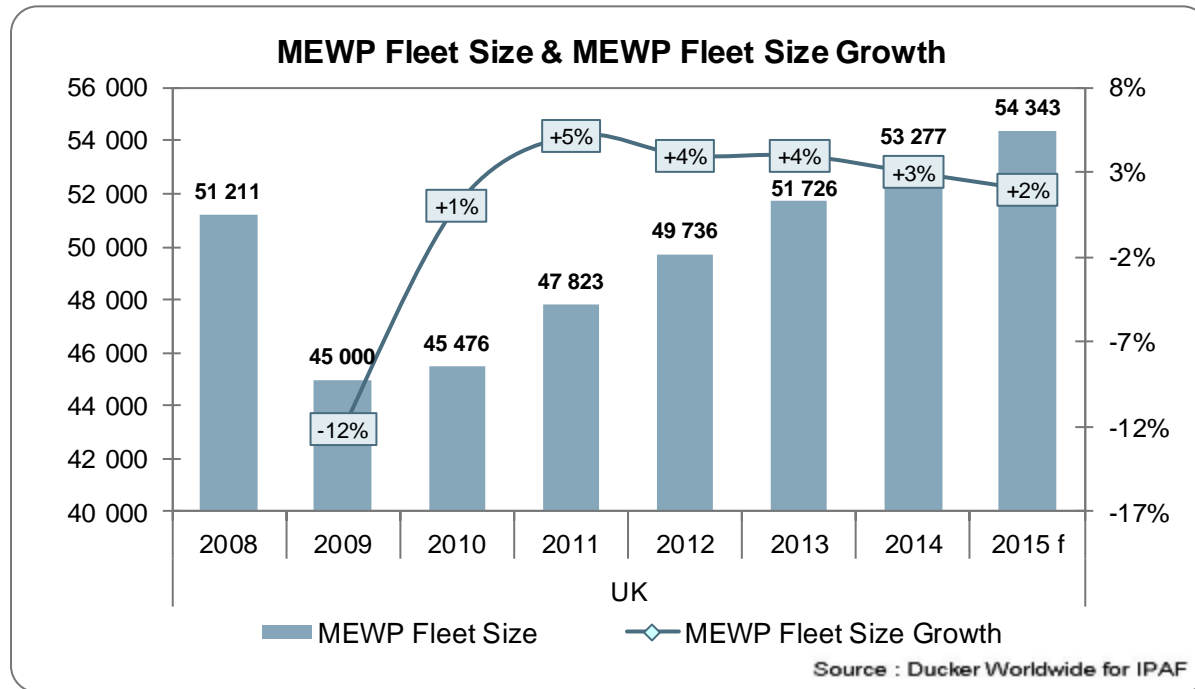
- MEWP rental penetration of the total construction equipment rental market has remained relatively stable over time. It is expected to follow a similar trend in 2015.



Source for Total Rental Turnover: ERA 2014 Report.

The UK fleet expansion slightly decelerated in 2014 and should continue to slow down in 2015.

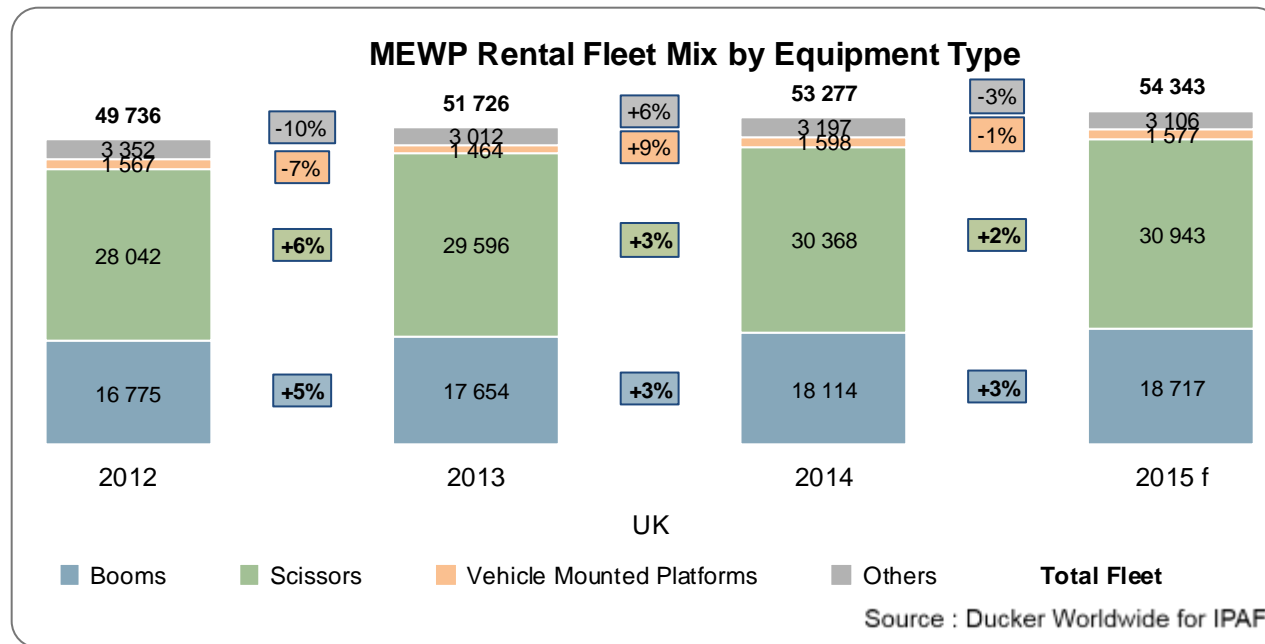
- Very few UK rental companies were willing to estimate the share of their fleet that was Stage IIIB compliant. However, it is estimated that more than half of the UK fleet is compliant.



*Note: included are powered access lifts: all booms, scissor lifts and vertical masts
Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers*

Scissors still hold the lion's share with 57% of the UK MEWP fleet. Both scissors and booms are growing at a similar pace.

❑ Vehicle-mounts and other equipment types saw their share decreasing slightly.



Note: included are powered access lifts: all booms, scissor lifts and vertical masts

Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers

+X%

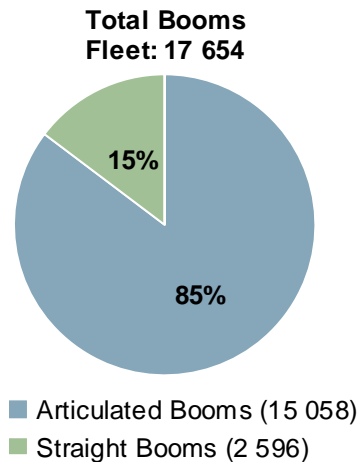
% unit growth, e.g. Booms fleet increased by 5% from 2012 to 2013.

Others include: vertical lifts, vertical masts, push-around, trailer mounted/towable.

Articulated booms account for the large majority of the boom fleet in the UK, similar to France.

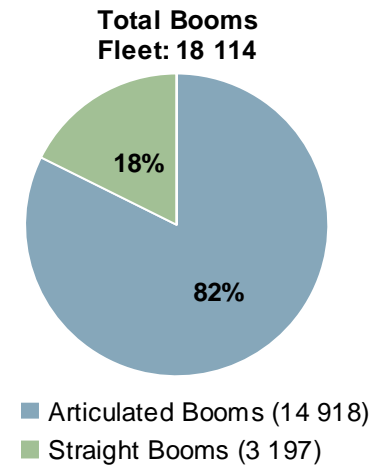
- ❑ A significant trend towards straight booms was confirmed in 2014 as their share continued to increase; going from 11% in 2012 to 18% in 2014.
- ❑ Articulated booms are deemed more versatile by rental companies.

MEWP Booms Fleet Mix by Type - UK - 2013



Source : Ducker Worldwide for IPAF

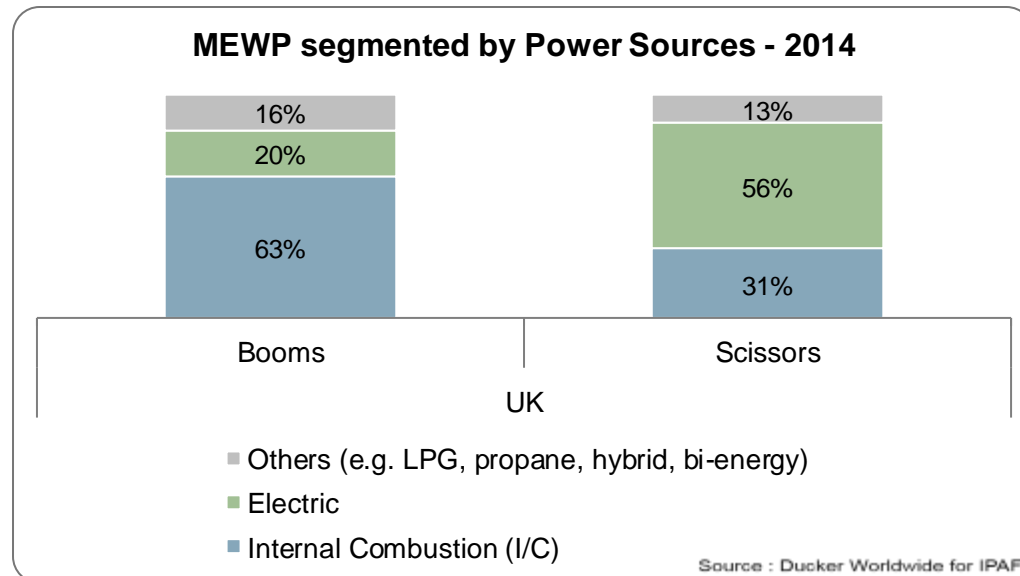
MEWP Booms Fleet Mix by Type - UK - 2014



Source : Ducker Worldwide for IPAF

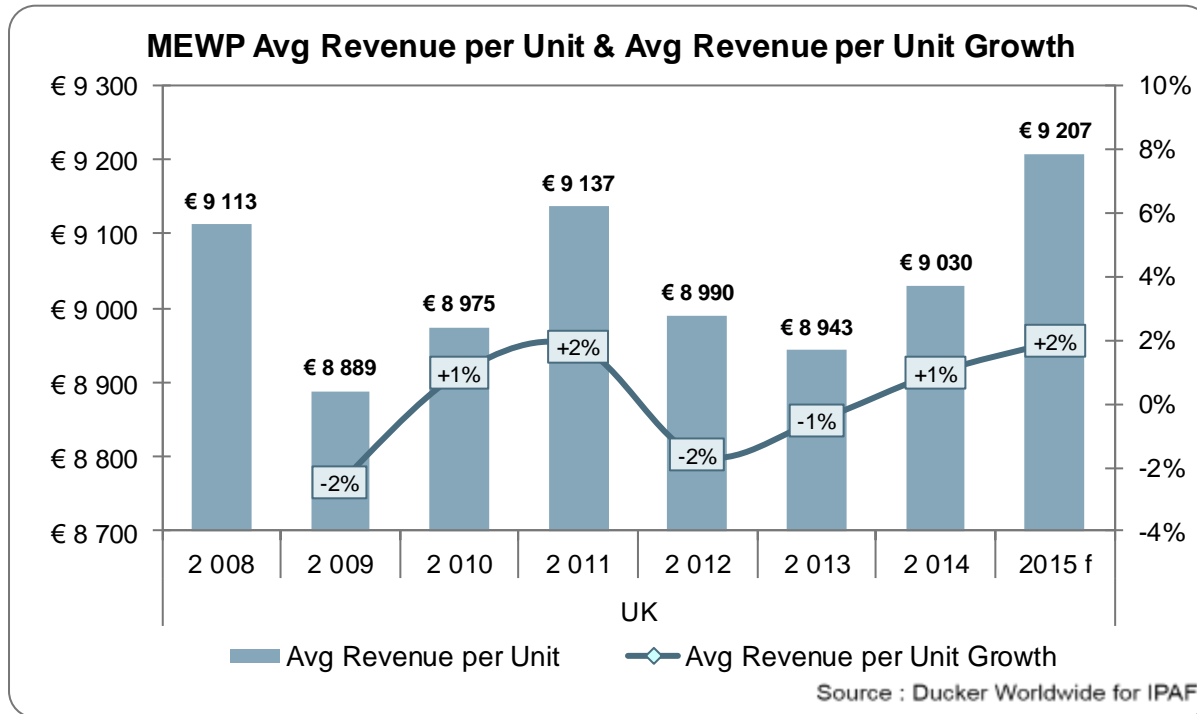
In 2014, the UK confirmed its leading position as a user of hybrid and propane powered access equipment when compared to other European nations.

- The share of electric equipment remained stable in 2014 compared to 2013 with approximately 60% of booms being diesel, and 55% of scissors being electric.



As forecasted last year, the average revenue per unit started improving again slightly in 2014, thanks to rental rate growth.

- ❑ In 2014, the average revenue per unit has still not reached pre-recession levels.
- ❑ It is expected that in 2015, the average revenue per unit will exceed the one of 2008.

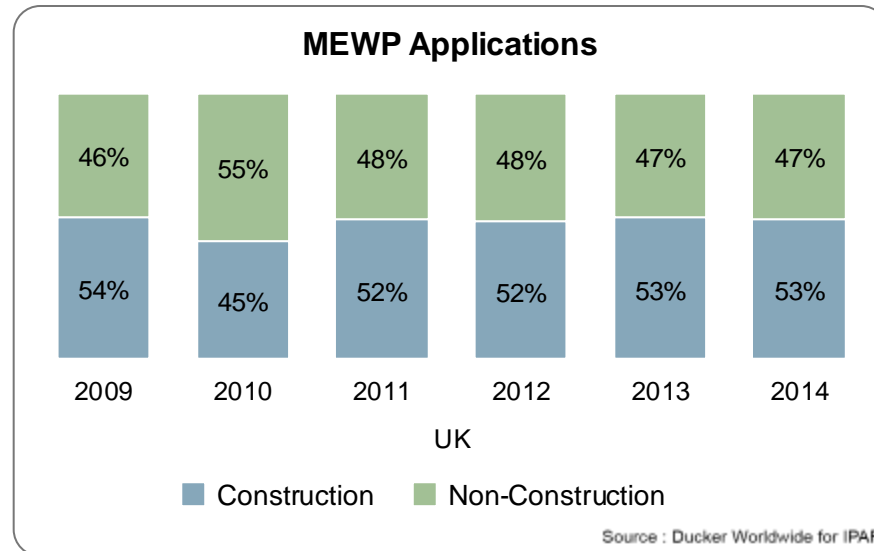


*Note: included are powered access lifts: all booms, scissor lifts and vertical masts
 Excluded: low-level access equipment (<3m high), telescopic material handlers, forklifts, cranes, mast climbers*

Exchange rate £1 = 1.365€

Since 2012, the split between construction and non-construction applications has remained very stable.

- Construction applications are slightly more important than non-construction. Rental companies do not expect the split to change significantly in the next few years.



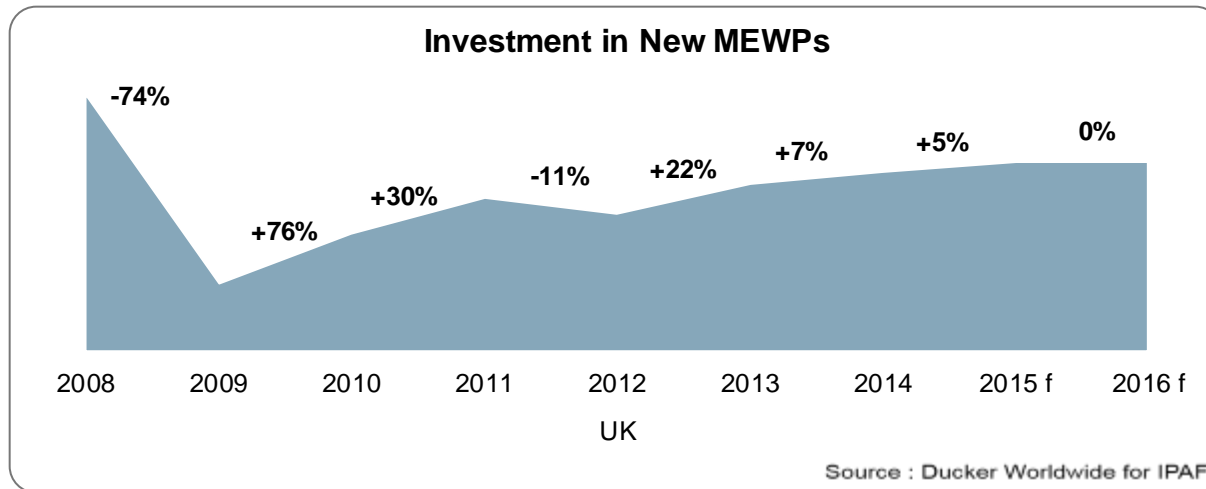
Share of rental revenues

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

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

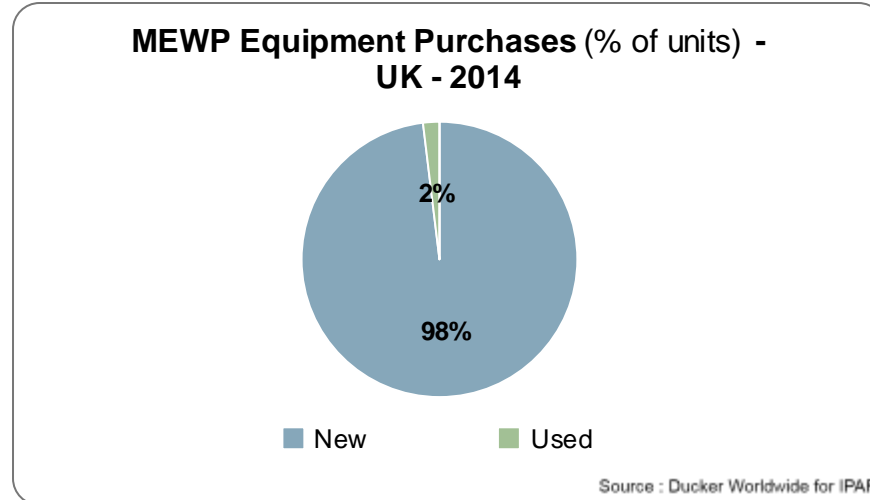
As anticipated last year, and after strong investment in 2013, rental companies increased investment at a much slower pace in 2014.

- ❑ Investment in 2014 was directed towards both fleet renewal and expansion.
- ❑ Investment growth should continue to slow down in 2015, and even more in 2016, when rental fleets expect to reach a plateau in the value of their equipment purchases.



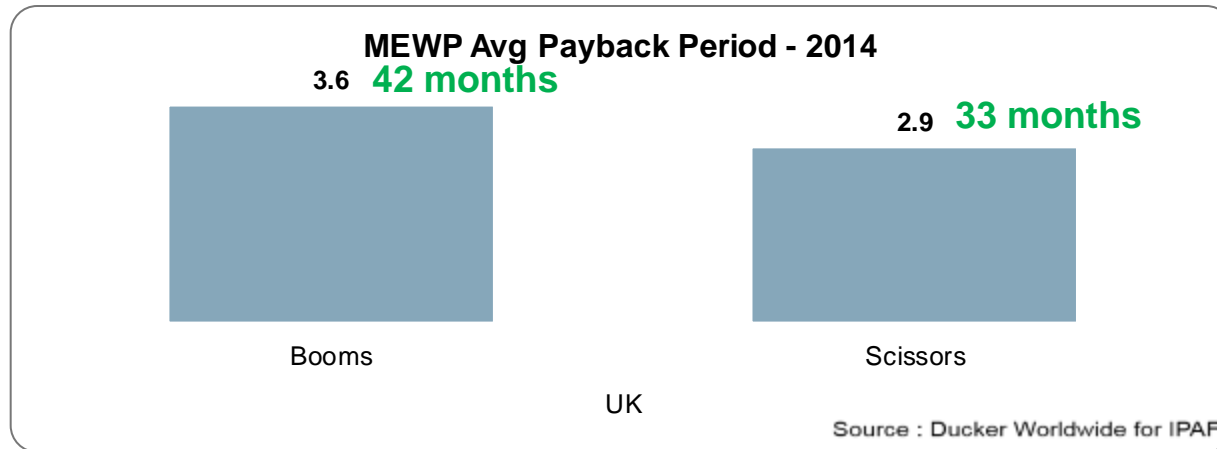
For the first year, Ducker interviewed rental companies on the share of MEWP purchases which were new vs. used equipment.

- ❑ Almost all equipment purchases in the UK are for new equipment.
- ❑ Only a few rental companies report purchasing used equipment, and when they do it is typically less than 10% of their purchases.



Another addition to the 2014 IPAF reports concerns the average payback period.

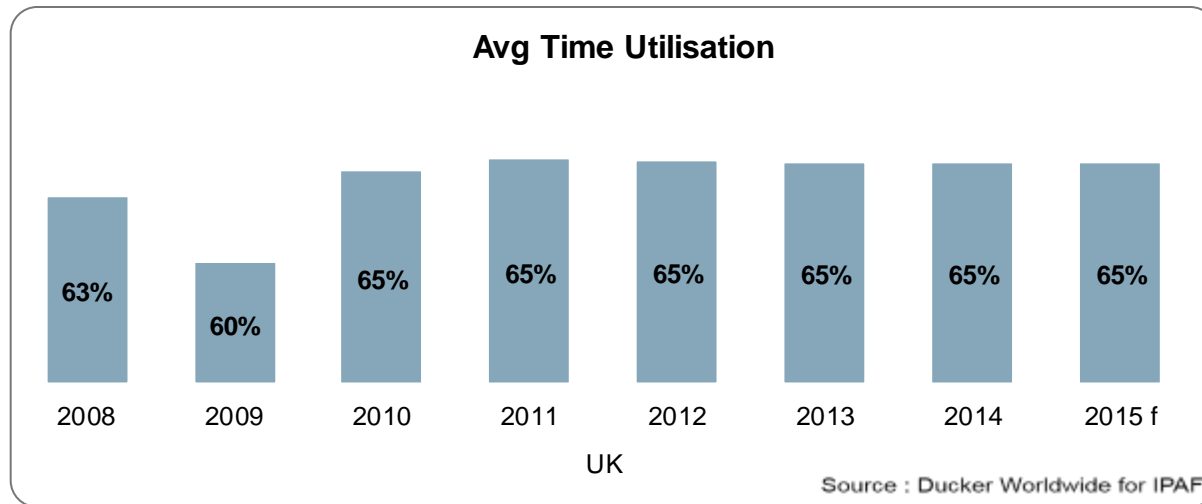
- ❑ The average payback period is the shortest in the UK compared to other European countries with 39 months on average.
- ❑ Scissors show an average 33 months payback period, whilst booms require 50 months to be paid back.



3.6 = 3 years and 6 months

Time utilisation rates remained stable over the last five years, at 65% on average.

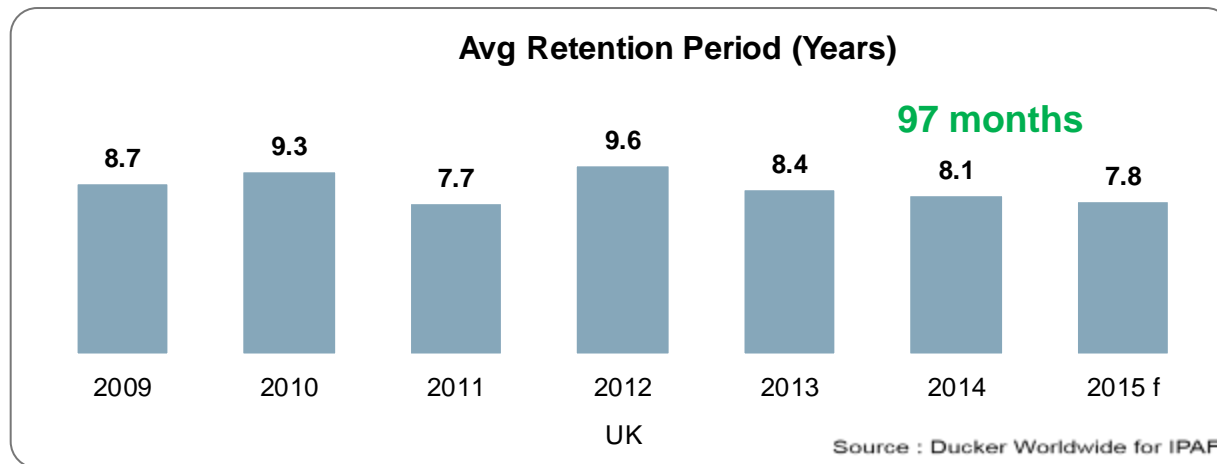
- ❑ In 2014, while demand improved, rental companies expanded fleets and improved rental rates, which consequently limited utilisation rate improvement.
- ❑ Booms are said to have slightly better utilisation rates than scissors (1 or 2 points difference).



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

The average retention period slightly diminished in 2014 compared to 2013.

- This market average hides some major differences between large and small companies, the latter reporting higher retention periods, while larger groups show significantly shorter retention periods.

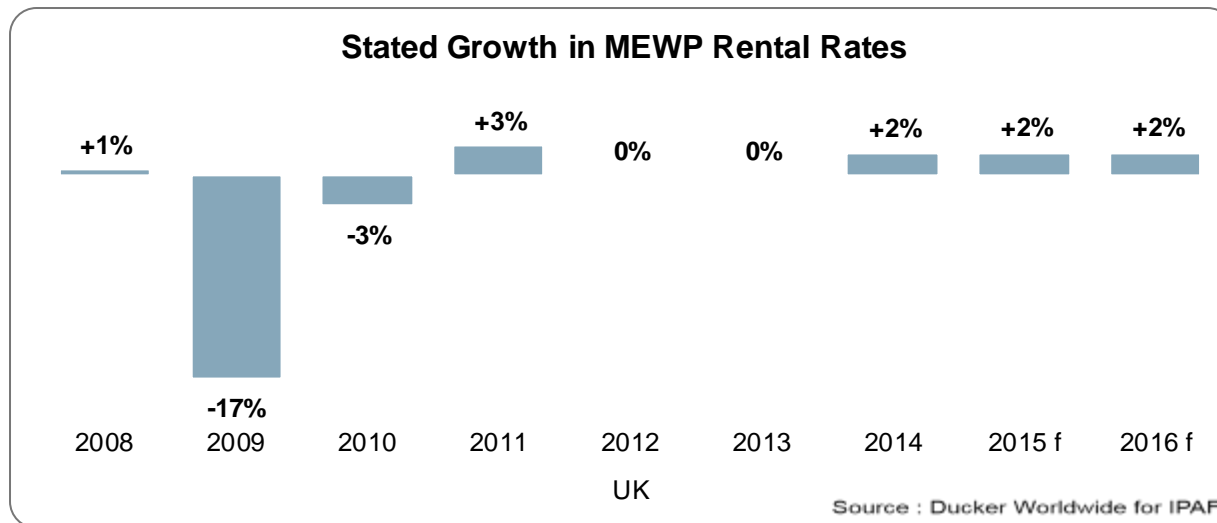


8.1 = 8 years and 1 month

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

After two years of stagnation, rental rates started to show some strength and even increased in 2014.

- ❑ Rental companies are hoping to be able to continue increasing rental rates at a similar pace in the next two years.



Market forecast remains positive though some rental companies express some concerns for the future.

- ❑ Most rental companies show relative optimism concerning the MEWP rental market in the next few years as non-residential construction forecasts are positive.
- ❑ However, some mention the current difficulties of major supermarket chains negatively affecting their construction projects.
- ❑ In addition, several rental companies are cautious in forecasting 2015 and 2016 due to the current low level oil prices.
- ❑ The major safety trend mentioned is the use of secondary guarding devices which are said to be now relatively well established in the market.
- ❑ Other safety elements mentioned concern the protection of controls, preventing operators to unintentionally activate them.
- ❑ Also, several rental companies mentioned the Smart PAL Card allowing for better control of machine utilisation.

IPAF Powered Access Rental Market Report 2015 – UK

**A PERSPECTIVE FROM THE
MANAGING EDITOR OF
*INTERNATIONAL RENTAL NEWS***

Under normal circumstances the state of the UK's economy would be no great cause for celebration, but the continued sluggishness of the Eurozone economies makes the UK's 2% GDP growth seem extremely positive by comparison.

That growth, and the relatively positive news on construction activity, and housebuilding in particular, have allowed the rental sector to expand at an even faster rate than the overall economy. The European Rental Association (ERA) was forecasting 5% expansion for the UK's equipment rental sector in 2014, and while access represents a modest proportion of the total, it is following the same upward trend.

So it was that the past 12 months saw a series of good news stories come out of the UK sector, stories reflecting an increased demand for equipment, bigger spending on machines, and further diversification efforts by the major rental players. It was not unusual for the bigger rental firms to report revenue growth of between 10 and 25% last year.

Hewden, for example, could now be said to be truly out of the shadow of its former owner, Finning, and entered 2015 with new finance in place and a strategy that will see, among other things, a focus on its expertise in working on maintenance shut-downs of large engineering and industrial sites.

HSS, with its UK Platforms subsidiary now bedded in, was also raising more money, through a flotation on the London stock market that will give it access to more investment capital after several years of ownership by private equity businesses.

HSS is now one of the UK's major access players, and it will be interesting to see what role access plays in the company's new strategy to expand its footprint by opening hundreds of small, local locations to supplement its larger stores.

Another major access presence in the UK, A-Plant set the tone for purchasing with a 720 machine order in the summer of 2014. GAP Plant, meanwhile, continued its product diversification with new events and van rental divisions, as well as a London division that includes powered low level access machines. Finally the Scottish-based renter starts to dip its toes in powered access.

Perhaps surprisingly, acquisition activity in the UK was low- key: A-Plant made some add-ons, but not in the access sector, and AFI's deal to acquire Altitude Access in late 2014 was one of the few takeovers.

Low level access continues to be a growth sector in the UK, with Nationwide, for example, reporting revenues of £3 million each year from small machines. Telehandler suppliers, meanwhile, are benefitting from an upturn in UK housebuilding, with several big handler orders made during the past 12 months.

The outlook is uncertain however, with many imponderables, not least the result of the May general election and the outcome of the Greek debt talks in the Eurozone. Lavendon Group, the largest of Europe's powered access players, was forecasting a 5% increase in the total UK access fleet by 2017. That is modest and, in the circumstances, seems prudent.

IPAF Powered Access Rental Market Report 2015 – UK

APPENDIX

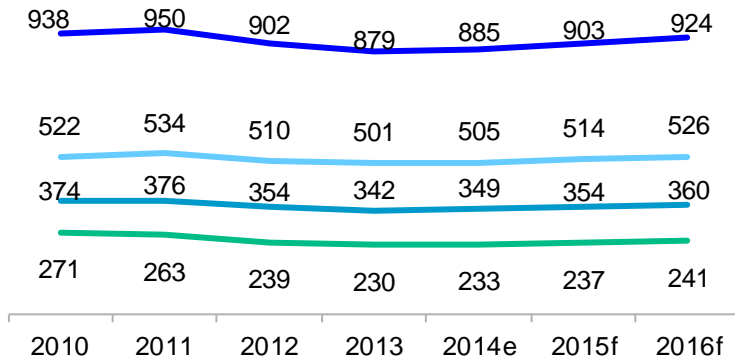
□ Exchange rate:

- The currency exchange rate used for the UK is shown below. The same rate has been used throughout the time period (2014) 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
UK	£	1,365

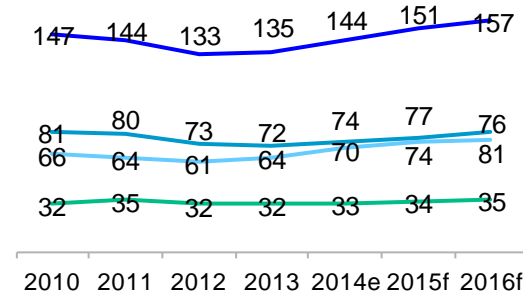
Both construction sectors and GDP increase in the UK.

Europe - Construction Data



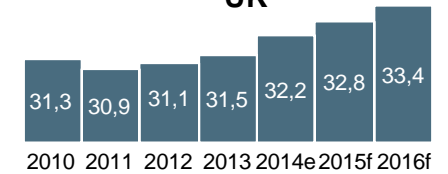
Source : Ducker Worldwide for IPAF

UK



Source : Ducker Worldwide for IPAF

UK



UK GDP estimates based on Euroconstruct 2014.

Construction put in place in billion Euros based on Euroconstruct 2014.

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

This concludes our report. Thank you.

This report was prepared by Ducker Research SAS. Opinions and estimates constitute judgment as of the date of this material and are subject to change without notice. Any interpretations derived from these findings are the sole responsibility of the client. Reproduction without the explicit consent of Ducker Research SAS is strictly prohibited.

For more information regarding our strategic services, expertise and to learn how Ducker Worldwide can help you, please contact one of our team members at +33 1 46 99 59 60 or visit our website at www.ducker.com

Visit www.ipaf.org/reports to order additional copies of this report. Also available is IPAF's report on the US Powered Access Market.

www.ipaf.org

info@ipaf.org

UK: +44 (0)15395 66700

US: +1 630 942 6583