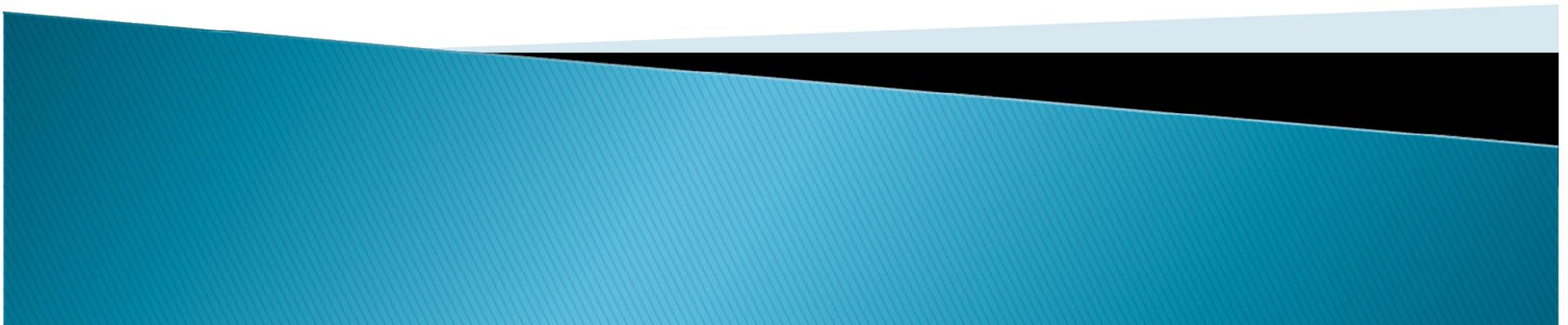


Renting Your Products to The Federal Government

Alysia Ryan
Director, State Government Affairs
American Rental Association (ARA)



About ARA

- ▶ Membership trade association founded in 1955
- ▶ Source for research, information, government affairs, business development tools, education and training, insurance and marketplace opportunities
- ▶ Construction/industrial, general tool and event equipment rental



ARA's Role in the Industry

- ▶ Promote the success of our members and advance the growth of the equipment rental industry
- ▶ Information source and resource
- ▶ Advocate for industry growth and success
- ▶ Industry image
- ▶ Resources contributing to business success
- ▶ Buyer–seller connection



ARA Membership

- ▶ General Member:

- A business engaged in renting tangible personal property to the general public (“Rental Business”)



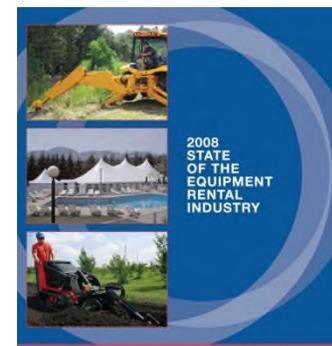
- ▶ Associate Member:

- A business engaged in furnishing or providing equipment, merchandise or services related to the Rental Business, but not otherwise qualified to be a General Member



Top General Membership Benefits

- ▶ *The Rental Show*
- ▶ RentalHQ.com
- ▶ Government Affairs
- ▶ *RENTAL MANAGEMENT* magazine
- ▶ State and local associations
- ▶ *State of the Equipment Rental Industry* research
- ▶ ARA Insurance Services
- ▶ National Equipment Register
- ▶ Education and training programs



Market Segments Defined

- ▶ Construction/Industrial Equipment:
 - Almost exclusively rented by construction companies or contractors
 - Earthmoving equipment
 - Access equipment
 - Pumps & generators



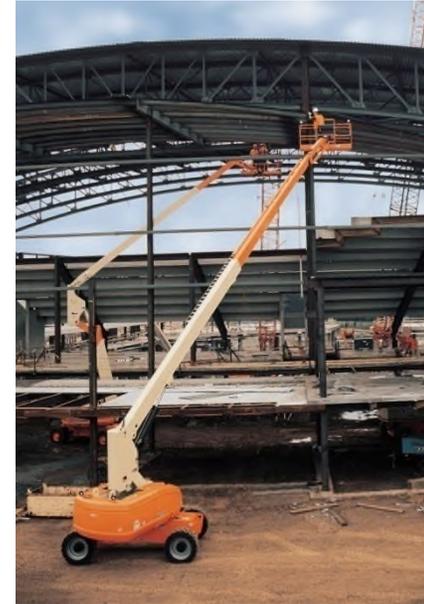
Market Segments Defined

- ▶ Construction/Industrial Equipment:
 - Industrial equipment comprises a broad range of equipment used in the production or movement of other goods
 - manufacturing machinery
 - transportation equipment
 - medical equipment



Top Construction Rental Equipment

1. Skid-steers
2. Mini-excavators
3. Excavators – full size
4. Telehandlers
5. Aerial work platforms
6. Backhoes
7. Forklifts
8. Mini/midi wheel loaders
9. Compressors – trailer mounted
10. Attachments



According to the 2008 ARA/IHS Global Insight survey

Market Segments Defined

▶ General Tool Equipment:

- Equipment usually rented by professional contractors and do-it-yourself (DIY) homeowners for light construction, including building renovations, additions, concrete work and landscaping.
 - small hand-held tools
 - yard-care equipment
 - jackhammers
 - pressure washers
 - small skid steers



Top General Tool Rental Equipment

1. Jackhammers
2. Concrete-cutting saws
3. Walk-behind trenchers
4. Yard-care equipment
5. Pressure washers
6. Compactors
7. Scaffolding
8. Manlifts
9. Pumps
10. Floor- and carpet-care equipment



According to the 2008 ARA/IHS Global Insight survey

Market Segments Defined

▶ Event Equipment :

- Items rented to homeowners, consumers and corporations for celebrations, promotions, recreational and special events.
- Items in this segment could also be rented by groups like FEMA, Red Cross and other emergency assistance organizations

- tents
- tables and chairs
- linens and tableware



Equipment Rental Industry Size

- ▶ The 2009 United States equipment rental revenue was estimated to be \$30 billion
 - Construction/Industrial equipment = \$19.7 billion
 - General tool equipment = \$7.3 billion
 - Party and event equipment = \$2.3 billion



2008 United States Economic Impact of the Rental Industry

- ▶ Employment: 613,348
- ▶ Industry output (Million US\$): \$96,847
- ▶ Value Added (Million US\$): \$52,119
 - Labor income: \$30,266 million
 - Indirect business taxes: \$4,831 million
 - Business income: \$17,021 million



Why would GSA customers want to rent equipment?

- ▶ Transfer burden and costs of ownership
- ▶ Provides the right equipment for the right job
- ▶ Advice and assistance from professional staff
- ▶ Flexibility and availability of equipment
- ▶ Professional grade, heavy-duty equipment
- ▶ Environmentally friendly and recently manufactured



Benefits of Renting versus Lease/Purchase

Transfer burden & costs of ownership

Ownership requires a capital investment to cover the direct costs of equipment

...BUT

renting keeps the burden of buying, maintaining and selling the equipment on the rental business, not on the customer



Benefits of Renting versus Lease/Purchase

Transfer burden & costs of ownership

- ▶ Renting offers the widest variety of equipment for added job versatility without the added hassles associated with ownership, including the costs of:
 - Warranties
 - Regular maintenance and repairs
 - Storage
 - Transportation

