

The image shows a construction site with several large yellow mobile cranes. One crane is lifting a massive, dark-colored spool. The cranes have 'AINSCOUGH' and 'JAMES JACK' written on them. A green truck with 'JAMES JACK' and 'LIFTING SERVICES LTD' is visible in the foreground. The background shows a cloudy sky and some industrial buildings.

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2010 rental rate guide

The first half of 2010 saw another bloodbath in terms of rental rates, both for cranes and powered access, while telehandlers were already on the bottom. The second half has seen a definite but fragile improvement with some access companies reporting a 10 percent improvement by the start of the fourth quarter.

Cranes do not seem to have seen quite the same improvement although utilisation has picked up substantially. Unlike most access equipment, the majority of crane rental pricing is far more complex being a day to day business. Daily minimums and extras play a significant role, so while the headline hourly rate might not improve, better companies quickly tighten up on such items, which can translate to a better yield depending on the duration of the job. Book two or three jobs for a crane in a day while holding a respectable daily minimum and the rental rates are transformed without changing the hourly rate.

And then there is contract lifting. Seen by some as an opportunity to make decent money, in reality it can be a double edged sword. Those companies who take their job seriously will quote a realistic fee for a contract lift, knowing that there is strong chance that it will drive some customers into the hands of a less scrupulous operator who will either do the job as a regular crane hire or will undercut the price for a contract lift on the basis that he has no intention of doing it as it should be done.

The big unknown of course is what the New Year will bring. Will the current upturn fizzle out as government austerity cuts begin to bite? Or will it be maintained with a steady improvement through the year as the economy continues to

recover? When considering this it should be noted that the UK/Ireland crane and platform fleet has been substantially reduced as a surprising number of machines have been sold overseas thanks to the weak pound while some older equipment has been retired.

One positive thing to note from the current situation is how quickly rental companies have moved to firm up prices as utilisation began to climb. Hopefully this is sign that the industry might be beginning to show some signs of maturity? Or maybe that's wishful thinking?

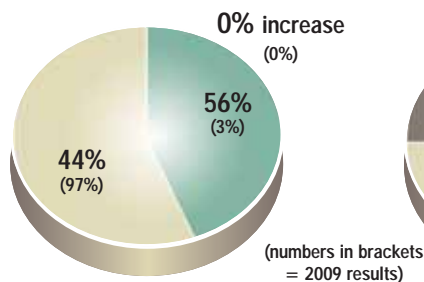
We would like to thank everyone who participated in this survey for taking the time to provide their input. Thank You.



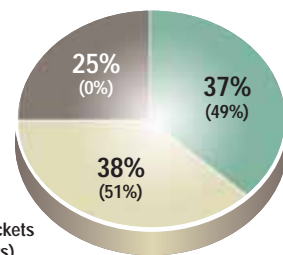
Crane rates

Crane hire rate trends all crane types

Crane hire rates over the past 12 months



Crane hire rates during the next 12 months

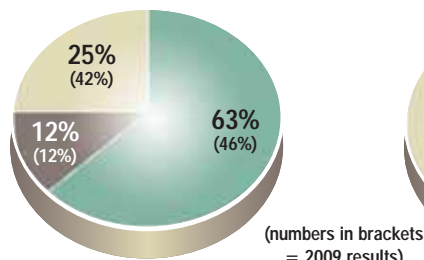


(numbers in brackets = 2009 results)

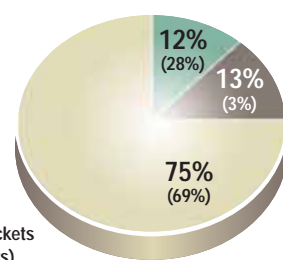
Given what happened in the first half of the year this result is surprising, possibly due to the more positive fourth quarter? What is interesting is the projections for 2011 which are a great deal more positive than this time last year.

Crane fleet size

Crane fleet size over the past 12 months

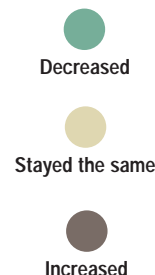


Crane fleet size over the next 12 months

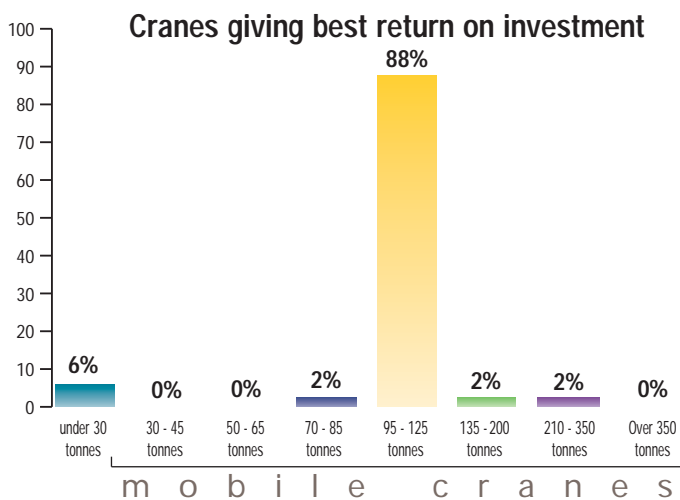
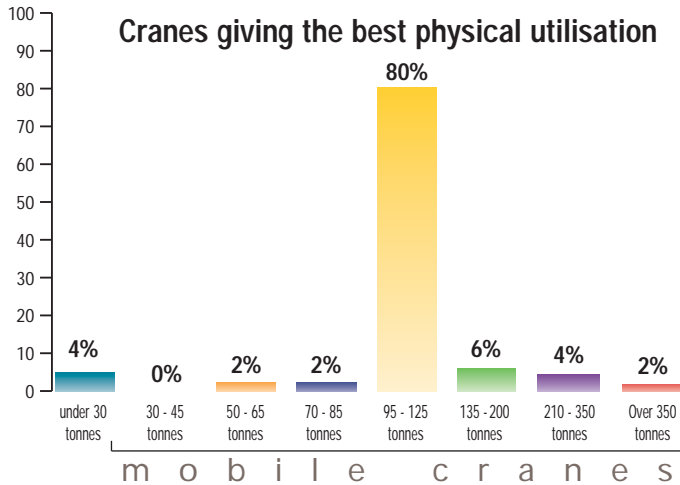


(numbers in brackets = 2009 results)

It is clear that in terms of fleet size far more companies cut back their fleets than had intended to. This year companies are clearly more 'realistic' in that the vast majority now believe that they have their fleets at the right size for 2011.



Utilisation and return



This is one area we will need to reconsider for next year. Some results were so contrary we wondered if the rating system had been misunderstood. In spite of this one thing did come through loud and clear - the 95 to 125 tonne sector remains the strongest and in fact increases its dominance over the other crane sizes.



Daily rates for mobile cranes

	Lowest	Highest	Average
Under 30 tonnes	£280	£340	£308
30 to 45 tonnes	£350	£425	£393
50 to 65 tonnes	£450	£545	£509
70 to 85 tonnes	£650	£780	£713
95 to 125 tonnes	£850	£1100	£941
135 to 200 tonnes	£1,550	£1,650	£1,570
210 to 350 tonnes	£2,800	£2,950	£2,820
Over 350 tonnes	No input		
City Cranes			
	£395	£470	£428

Weekly rates for crawler cranes

	Lowest	Highest	Average
Up to 50 tonnes	£1,120	1,450	£1,285
50 to 100 tonnes	£1,950	£2,300	£2,100
100 to 249 tonnes	£2,100	£3,900	£2,760
250 to 500 tonnes	No input		

Weekly rates for tower cranes

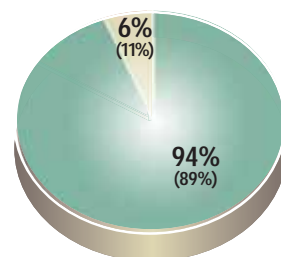
	Lowest	Highest	Average
Luffers	£795	£850	£815
Flat Top	£500	£610	£570
Saddle Jib	£550	£575	£558
Self erectors	£450	£600	£548

Weekly rates for other cranes

	Lowest	Highest	Average
Pick & Carry	£230	£300	£267
Spider cranes	£525	£950	£758

Rates quoted do not seem to reflect the extreme pessimism of the comments we received, possibly because respondents were conservative in the data they sent in? A number of respondents declined to complete this section.

Do you employ any female crane operators?



(numbers in brackets = 2009 results)

While the small numbers mean that the percentages have little meaning, our responses suggest a decline.





What percentage of your jobs are contract lifts?

Type of company	Crane Hire	Contract Lift
Mobile crane hirers	69% (76%)	31% (24%)
All crane hirers	80.5% (86%)	19.5% (14%)

This seems to indicate that recent efforts by the CPA and HSE is having an effect moving more lifts towards contract lift – or it may reflect a fall in major contractor market?

Who does your Thorough Examinations inspections?

In House	12%
Third Party	82%

A surprising result - we failed to ask what type of third party, but it is encouraging.



Would you recommend the crane hire industry to your children?

	2010	(2009)
Yes	62%	52%
No	38%	46%
Don't know	0%	2%

This is surprising given how tough the year was, and is the first time in several years that we have not had any 'don't knows' It is encouraging.

Respondent's Comments

"Still shocking" *Crawler crane hirer*

"There was a lot of pressure on rates this year, with the triple whammy of lower demand, companies desperate for cash flow and clients going to Dutch auctions. All these were factors in the returns measured against capital expenditure." *Mobile crane hirer*

"Self erecting tower crane hire rates have held up relatively well due to the relatively low numbers of machines in the market, with a drop of around 10 percent. Our City Crane (top-slewing) rates have come down a bit but they were already low and so did not have far to fall."

Tower crane hirer

"The rates for 2009 were not good enough. I am afraid we did like everyone else, we bought more and more cranes to suit the demand instead of increasing the rates." *Mobile crane hirer*

"2009 was still showing some firmness (although my experience here it was limited!) 2010 has become increasingly cutthroat predominantly by the larger and smaller companies rather than those in the mid-range."

Mobile crane hirer

"We have only reduced our rates based on usage to existing regular customers and long term projects. When some companies are charging out cranes at what can only be a loss, it kills the industry for everyone."

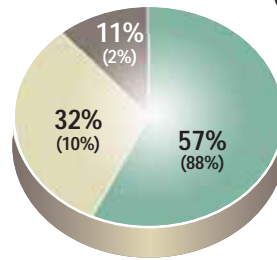
Mobile crane hirer

Powered Access rates



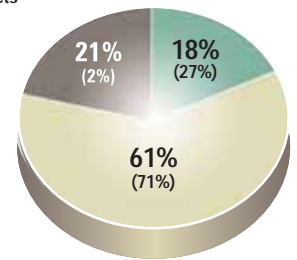
Rate trends

Access rates over the past 12 months



(numbers in brackets = 2009 results)

Access rates over the next 12 months

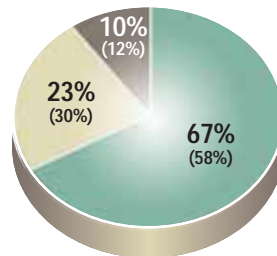


When it came to the survey on how rates performed this year, the results were all over the place with clear differences between location and company size. We also wonder if some respondents reflected on the improvements in the second half and ignored the poor start to the year?

One thing is very clear and consistent - the mood is much more optimistic when it comes to looking forward to this year. While not as positive as the 2008 survey it is substantially more buoyant than this time last year.

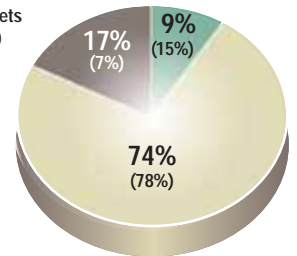
Fleet trends

Fleet size over the past 12 months



(numbers in brackets = 2009 results)

Fleet size over the next 12 months



When it comes to fleet sizes the results of our survey are similar to last year, which is no great surprise. Companies are more positive for sure, but not yet confident enough to start thinking about expansion. Most respondents plan to maintain current fleet sizes although that was the case last year and in the end most companies reduced their fleets. The number of companies planning to expand is up, while those looking for further reductions are fewer.

Decreased

Stayed the same

Increased



2010 rental rate survey C&a



Weekly rental rates by general category

Platform Height	Lowest	Highest	Average
Electric scissors			
5 metres and under	50	90	78
6 metres (19/20ft)	70	120	91
8 metres (26ft)	75	135	119
10 metres compact (32ft narrow)	100	165	124
10 - 20 metres compact	105	181	174
20 metres plus	380	870	797
Diesel/Bi Energy			
8 to 10 metres 26/33ft)	100	180	132
10 to 14 metres	120	200	153
over 14 metres	155	300	179

Platform Height	Lowest	Highest	Average
Electric Booms			
under 11 metres industrial	170	220	181
10 to 12.5 m (32-40ft) Nifty/AB38	175	220	190
14 metres (45ft plus)	190	230	203
Mast booms			
6 metres	70	230	181
8 metres	95	255	191
RT articulating booms			
15 to 16 metres (45/51ft)	140	220	178
20 to 23 metres (60/70ft)	195	310	277
24 to 26 metres (80/85ft)	410	550	473
over 26 metres	695	1,133	806
Straight Booms			
Under 17 metres (40ft/46ft)	165	210	181
20 to 23 metres (60/70ft)	250	320	269
24 to 26 metres (80/86ft)	405	550	474
Over 27 metres	525	1,015	873



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Platform Height	Lowest	Highest	Average
Trailer lifts			
12/13 metres (30/38ft)	180	270	197
17 metres (50ft)	195	395	224
over 20 metres	760	900	845
Spiders			
Up to 15 metres	300	550	428
16 to 20 metres	395	650	542
20 to 30 metres	880	1,200	971
Over 30 metres	No Data		
Van mounts			
All sizes	330	460	359

Truck mounted daily rates

Platform Height	Lowest	Highest	Average
Truck mounts			
Under 27 m (3.5 tonne chassis)	110	350	203
20 to 35m (7.5 tonne)	460	650	507
36 to 45 metres	483	800	620
46 to 70 metres	888	1,300	922
Over 70 metres	1,243	2,000	1,622

*With operators

The rate charts this year do in fact largely bear out the improvement in rates that has been reported in our survey although it is not totally consistent. Rates given do tend to be those obtained at the time of completing the forms, so we are comparing the end of bad quarter last year with the end of a good quarter this year and so tends to show the current improving trend.



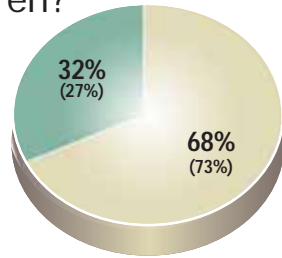
Utilisation and Return 1 = best 10 = worst

Type	Best Physical Utilisation	Best Financial Return
Scissors		
Small Electric Scissors	1	1
Electric Scissors 10 to 20 metres	3	3
Big electric scissors 20 metres +	2	2
Compact diesel Scissors	6	5
Diesel scissors 12 to 20 metres	5	6
Big diesel scissors 20 metres +	4	3
Booms		
Small Electric booms (Nifty HR12/AB38)	2	1
Industrial booms (Genie Z30/34NE-JLG HA30N)	3	4
Articulated booms	4	3
Big articulated booms 17 metres +	1	2
Straight telescopic	5	5
Spider lifts		
Spider lifts up to 18 metres	2	2
Spider lifts over 18 to 30 metres	1	1
Spider lifts 31 metres and over	3	3
Truck mounted lifts		
Truck mounts (3.5 tonne)	1	1
Truck mounts (7.5 tonne) to 20m to 35 metres	3	5
Truck mounts 36 to 45 metres	4	3
Truck mounts 46 to 70 metres	2	2
Truck mounts over 71 metres	5	4
Others		
Trailer lifts	3	2
Mast booms	2	3
Push around lifts	1	1

This year's input was very confused and clearly due to our poor format, we have therefore had no option but to follow the majority of the inputs and rate the utilisation and returns by category. There are no great surprises here apart, perhaps, from the relatively high rating that the mega scissors received, both in terms of utilisation and return and the rating for big articulated booms. This is an area we will be looking to re-design and clarify before next year.

Would you recommend the access rental business to your children?

Slightly less positive than last year which is yet another surprise, given that the survey was generally quite positive this year, reflecting improving trends.



Yes No

(numbers in brackets = 2009 results)

Respondent's Comments

"With the new entrants in the truck mounted market, the Telecom sector has gone the way of window cleaning. Hard work for little money and best avoided if you can."

"We are working hard to improve pricing as demand returns, although ready to defend our position if attacked (no longer wishing to be seen as the "Market share mine" when things get tough)! More strategically it is critical that businesses charge enough to be able to afford a comprehensive equipment maintenance programme and, if they wish to reinvest in fleet refreshment and generate a sufficient return on capital to make that logical. That would probably mean generating a minimum pre-interest and tax operating margin of around 15 percent to get banks/funders happy. I wonder how many businesses are within touching distance of that hurdle at current pricing levels?"

"Irrespective of the world economic conditions, as an industry we really do behave like Neanderthals. This is not an industry I would like my children to grow up in. In fact, it is an industry I will leave at the first commercially viable opportunity. The 'access world' has lost its shiny veneer."

"Rates have definitely been improving and the silliness or should I say craziness of 2009 does appear to have abated – thankfully before we were all bankrupt. The situation is still edgy though and I reckon if we see a slow week or two it will all break out again? Does a leopard change its spots?"

It seems pointless to keep on raising the same issue when no-one in the business seems to take notice. We sell safety and there can be no compromise with that, but if we don't make a decent return we will eventually jeopardise that."



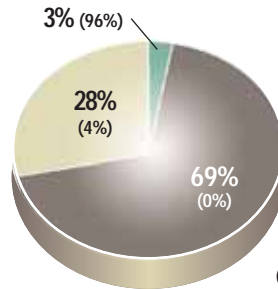
Telehandler Rates



Rate trends

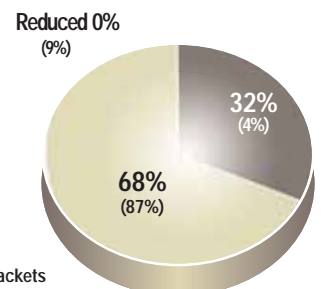
Reduced Stayed the same Increased

Telehandler rates over the past 12 months



(numbers in brackets = 2009 results)

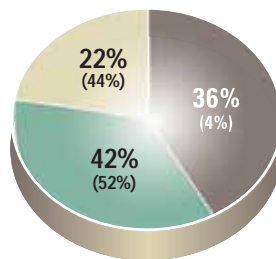
Telehandler rates over the next 12 months



What a change from this time last year? While the market is still in the doldrums, it is clearly improving and much healthier than in 2009. Hardly anyone expected rates to improve in 2010 yet the vast majority report that they did – and in some categories (17 metre fixed frame) by quite a margin - although most are still a long way short of 2008 levels. Over the coming 12 months, no one expects rates to fall with the majority forecasting holding onto the gains of last year.

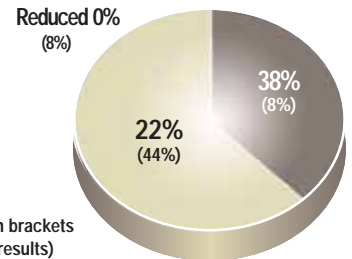
Fleet size

Fleet size over the past 12 months



(numbers in brackets = 2009 results)

Fleet size over the next 12 months



No great surprise here, while rates have improved and utilisation is higher for most companies, most say their fleets are now the right size for current market conditions and unwilling to risk investment. 2009/2010 saw many fleets reduce in size with a lot of equipment sold overseas which has resulted in a surprising lack of machines in certain categories such as 17 metre fixed frame. With good demand and rates being achieved in the sub 10 metre, 17 metre and larger 360 degree machines, these are the most likely areas for fleet expansion



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Utilisation and Return 1 = best 6 = worst

Fixed frame	Best Physical Return	Best Return on Investment
Under 10 metres	1 (3)	1 (3)
10 to 12.5 metres	3 (1)	4 (4)
13 to 15.5 metres	4 (4)	2 (2)
16 to 20 metres	2 (2)	3 (1)
360 degree		
Under 20 metres	3 (4)	4 (5)
Over 20 metres	1 (1)	1 (1)

(2009 results in brackets)



Percentage of units going out with work platform attachments

Type	Lowest	Highest	Average
Fixed frame	0% (0%)	15% (30%)	8% (15%)
360 degree	0% (20%)	19% (30%)	10% (28%)

(2009 results in brackets)

Weekly rates for telehandlers

Capacity	Lowest	Highest	Average
Fixed frame			
Under 10 metres	148	350	275
10 to 12.5 metres	250	370	300
13 to 15.5 metres	275	450	330
16 to 20 metres	380	475	400
360 degree			
Up to 20 metres	500	700	650
21 metres	900	1000	950
25 metres	1000	1500	1150
Over 26 metres	1700	2200	1900



Who does your Loler Thorough Examinations?

In House	65%
Third Party	35%

Respondent's Comments

"Telehandler rates have increased significantly (30-40%) over the past year but there are still some machine sizes that are still 20% shy of getting back to where they should be."

"The market is as good now as it has been in the last four years."

"So many fleets have been downsized that I had difficulty locating a 17 metre machine."

"Utilisation at 80 percent is very good but if the rates could go up another 10 percent that would be great."

"This is a very uncertain time – we could have a reasonably rosy year or it could turn around and bite back!"

"Although the 360 degree telehandler has been around since the early 90's, it has suddenly been discovered and is eating into the smaller capacity mobile crane market."

"I would like to see the Thorough Examinations of telehandlers done properly – some companies are cutting corners and older machines are not up to the current safety standards."



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