



Rental Service

Freek Nijdam



Atlas Copco

Rental Service movie

On the road to success, you'll need a powerful partner.

Renting is the Right Choice **Rental Service is the Only Choice**

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Market position

- Leader in the U.S. equipment rental market
- #2 in size
- 490 stores and over 330 000 customers in the United States, Canada and Mexico
- Aims to strengthen market position by offering differentiation, availability, quality and service
- Customer friendly, decentralized organization serving customers in each local market

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September 2003
12 month figures

North America 100%

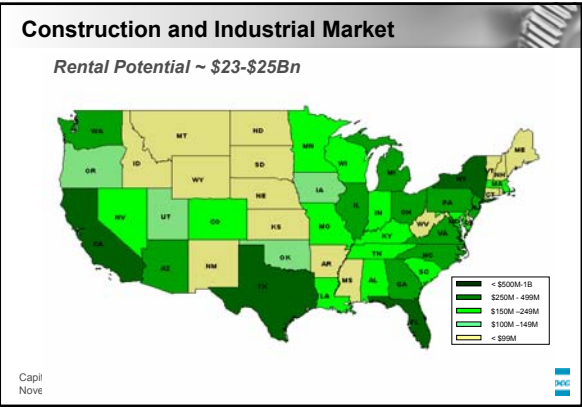
Year	Revenues (MUSD)	Operating profit (%)
-98	~500	14.1%
-99	~900	13.6%
-00	~1400	13.3%
-01	~1300	8.1%
-02	~1200	5.3%
-03	~1100	7.2%

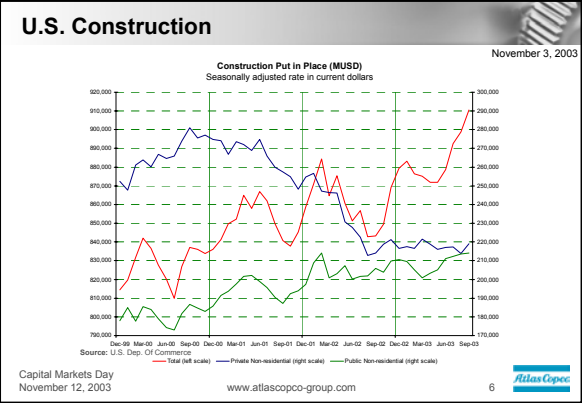
■ Revenues ■ Operating profit

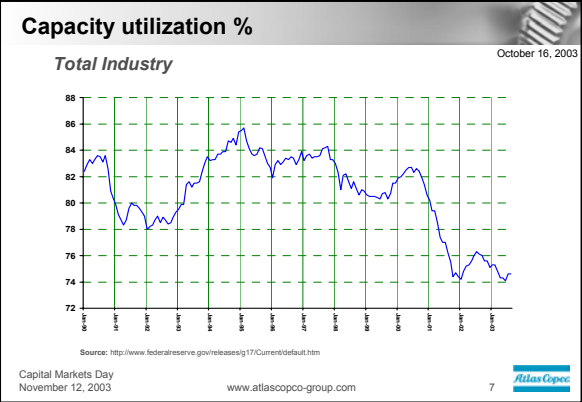
*Excl. goodwill impairment charge

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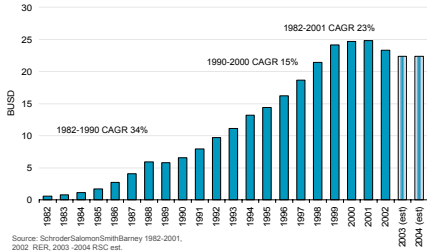






Rental Industry Revenue Growth

North America (\$ Billions)

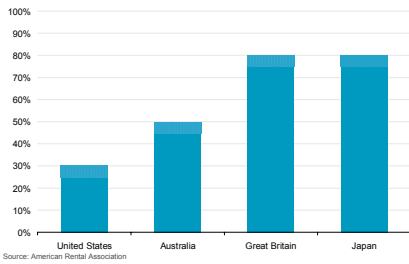


Source: SchroderSalomonSmithBarney 1982-2001, 2002 RER, 2003-2004 RSC est.
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Rental penetration rates

Construction fleet, %

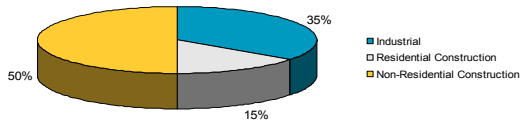
Note: Penetration of the industrial fleet is estimated to 2%



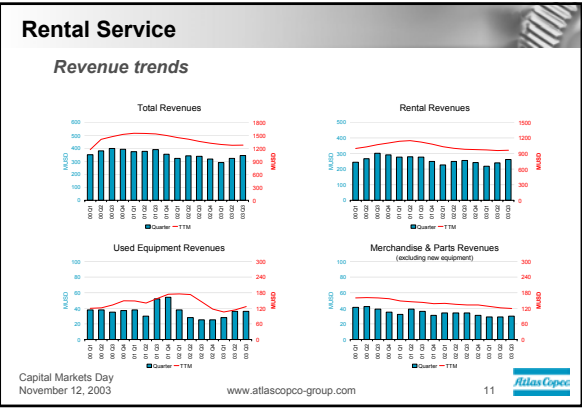
Source: American Rental Association
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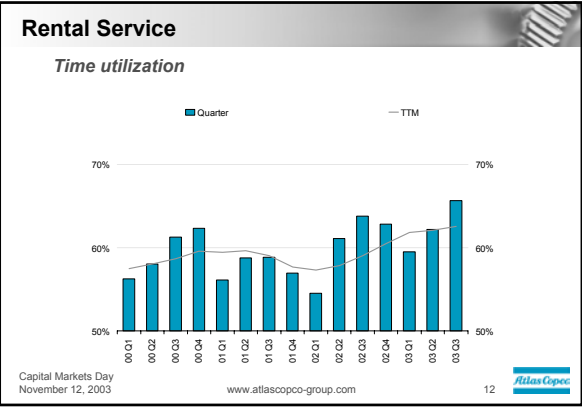
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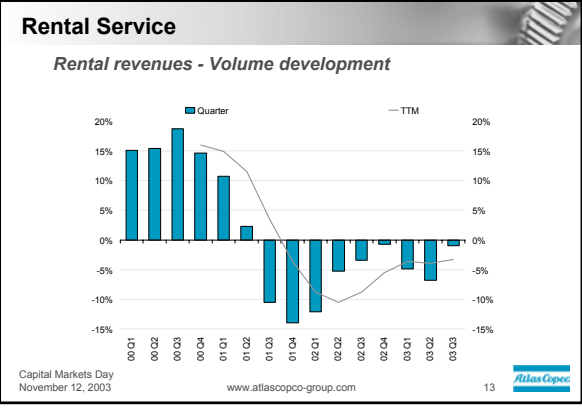
Customer segments

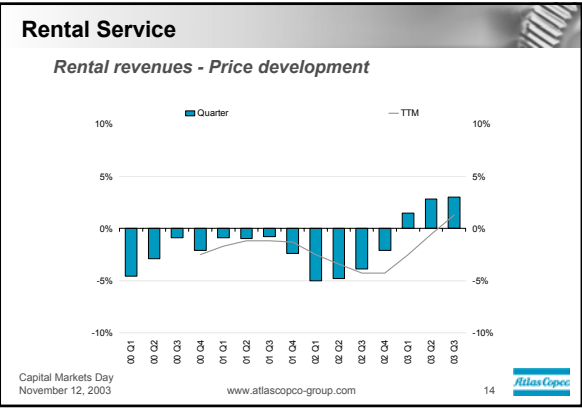


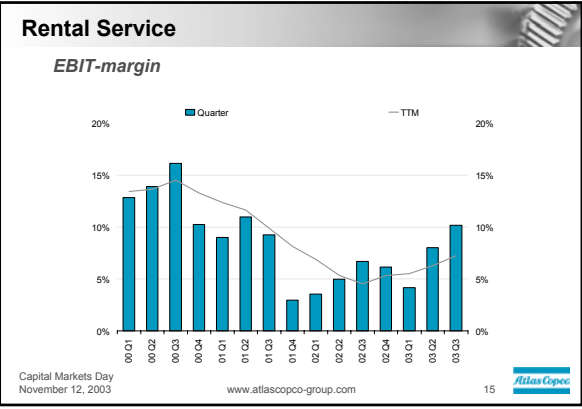
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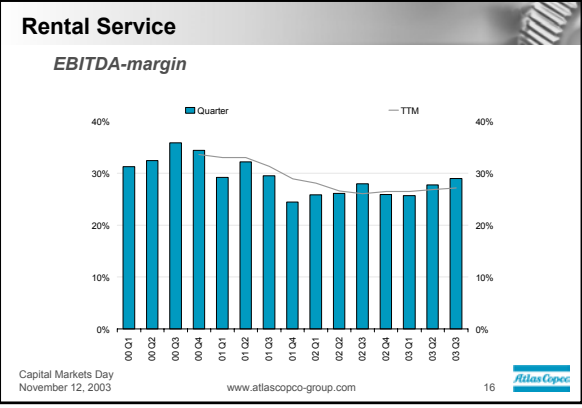






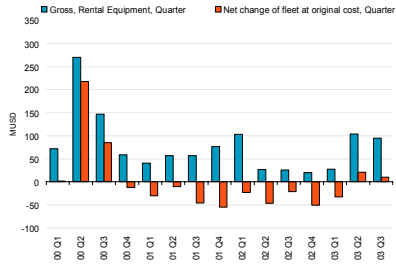






Fleet investments

Original Cost - MUSD



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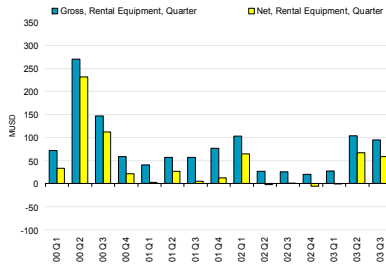
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Fleet investments

Cash Flow - MUSD



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Fleet purchasing

Former Process

- Replacement based on age of individual items
- Central monitoring and decision
 - bulk buying
 - annual programs
- Used sales:
 - large portion through auctions and trade-ins
- Lack of coordination between buying and selling
- Resulted in:
 - too much fleet
 - pressure on rates
 - utilization < 60%

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Fleet purchasing

New Process

- Decentralized responsibility to the regions
- Fleet cap established by region based on:
 - demand
 - rates
 - utilization
- Purchasing of units based on the **red zone** concept:
 - rates
 - utilization

Fleet purchasing

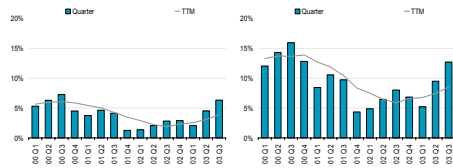
New Process

- Resulted in:
 - utilization >65%
 - non-available fleet <16%
 - increased sales of used equipment through retail channels and to end users
 - rate improvement

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Return on Capital

- Return on Capital Employed
- Return on Operating Capital



Rental Service

Competitive environment

- United Rentals
 - Q3 volumes flat, prices positive
 - EBITDA down from 28.0% to 26.9%
- Volvo Rents
 - 41 franchisees, of which 3 in Ireland
- Nationsrent
 - Out of chapter 11, privately held, recent debt offering oversubscribed
- NEFF
 - Privately held as from Q2 2003
- NES
 - Chapter 11
- Skyreach (Canada)
 - Filed for bankruptcy protection

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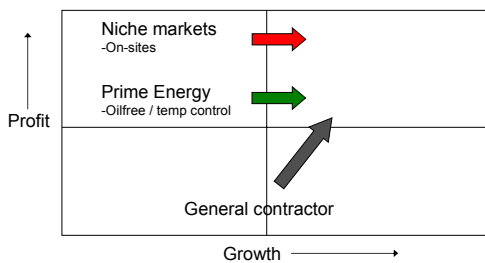


Marketing and Sales



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Strategy



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Online tools



- Total Control
- Online rental
- eFacts


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Campaigns




2003 fall campaign

- Rent Vs. Buy II
- 300K direct mailers
- 20K opt-in emails
- \$200K media placements
- Online Rental & eFacts
- Total Control prospect booklets


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Rental Service


24 x 7 phone support



- Servicing 445 stores
- English & Spanish
- 75,000 calls in Q3-03
 - 2/3 rentals and used equipment
 - 1/3 service


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Price Support




Provide information allowing each region to take action to maximize opportunities:

- Top opportunities report
- Pricing and fleet movement opportunities
- Pricing exception reports

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Brand

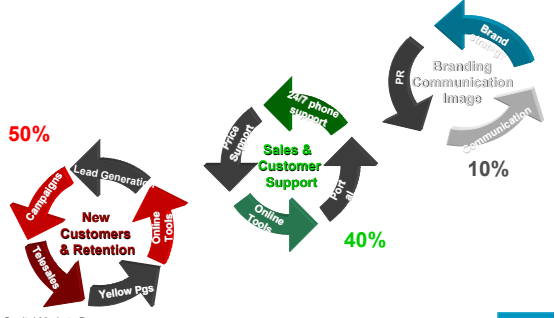


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Efficiencies





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Decentralized organization

- 8 geographical regions in U.S.
- Prime Energy
- Canada
- Mexico
- 70 districts
- 492 stores

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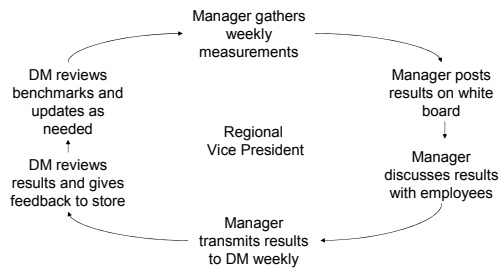
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District and store follow up

- Daily sales and fleet statistics
- Weekly benchmarks
- Monthly P&L and B/S

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Benchmarking Process



Flow for Improved Customer Service

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