

Mr. Sameer Mahotra,  
Country Manager - Asia Sub-Continent,  
Ritchie Bros.

# Record turnover at Ritchie's latest auction

## Establishes Indian operations

**E**stablished in 1958, Ritchie Bros. Auctioneers sells more used trucks and industrial equipment than anyone else in the world. The company conducts more than 350 unreserved public auctions each year, selling a wide range of used and unused assets for the transportation, construction and other industries.

In 2007, Ritchie Bros. sold more than 261,000 items for total gross auction proceeds in excess of \$3.1 billion. A typical company auction features more than 1,400 items for a range of industries, including a

large selection of transportation equipment – everything from truck tractors and car carriers to trailers and vans.

Ritchie Bros. operates through over 110 locations in more than 25 coun-

tries, including India. The company which opened an office in New Delhi in 2007 hopes to conduct its first unreserved auction in India in the coming year. It currently conducts regular auctions at its 37 auction sites

around the world, including its sites in Singapore, Australia and Dubai.

At an unreserved Ritchie Bros. auction, a wide variety of equipment from a number of different owners is gathered and sold in one location, providing a convenient "one-stop shop" for interested buyers. Every auction is completely unreserved, which means there are no reserve prices and no minimum bids. Potential buyers bid competitively on items in the auction and every item is sold to the highest bidder on the auction day.

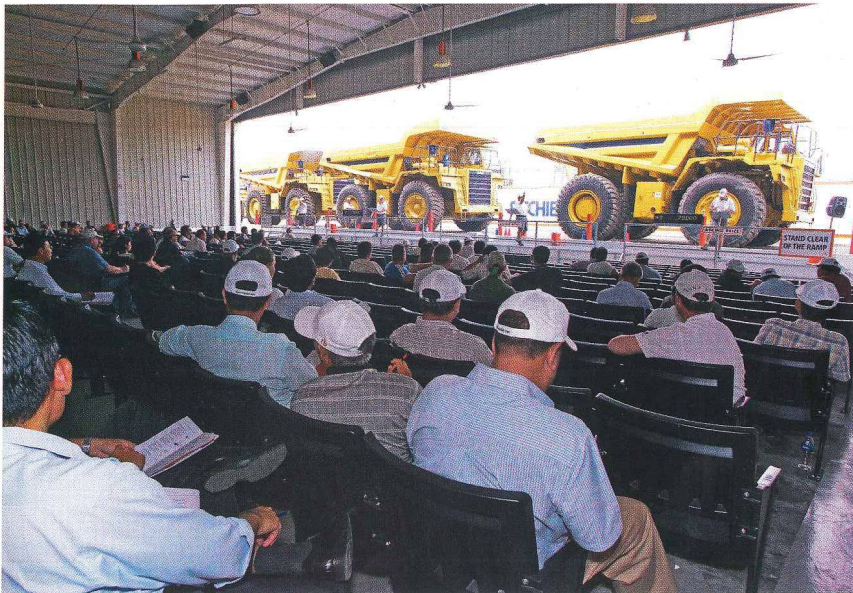
Owners are also forbidden by contract from bidding on their own equipment, which means that only

legitimate bidders are able to raise the price. At auctions prices are set by the bidders, not by the seller or by Ritchie Bros.

Ritchie Bros. recorded more than 254,000 bidder registrations at its auctions in 2007. Interested buyers appreciate the large selection of equipment available, the knowledge that every item is sold on the auction day to the highest bidder, and the company's commitment to conducting fair and transparent auctions. Bidders who are unable to make it to the auction site can register to bid online in most auctions using the company's real-time internet bidding service, *rbactionBid-Live*.

The company recently conducted its largest auction in its 50-year history, selling almost 6,200 lots over five days for total gross auction proceeds in excess of \$190 million. It sold more than \$51 million both of trucks and heavy equipment on day three of the auction, the most equipment ever sold at a Ritchie Bros. auction in one day.

Ritchie Bros. conducted the unreserved public auction at its permanent auction site in Orlando, Florida, during February 19-23. The auction surpassed the company's previous largest auction – \$172 million – auction conducted at the same site in February 2007.



More than 6,000 people from 71 countries, including all 50 US States and all 13 Canadian provinces and territories, registered to bid in the auction either on site or online. Almost \$159 million of equipment (representing 83 per cent of the total gross auction proceeds) was sold to buyers from outside Florida State, including more than \$68 million of equipment (36 per cent of the total) sold to out-of-country bidders.

Said Peter Blake, Ritchie Bros. CEO: "We're continuing to see strong demand for equipment in many sectors and geographic markets around the world, and that was reflected in the international presence at the recent auction, as well as the results we achieved and the records we broke. The participation of bidders from around the world, both on site

and online, helped our local consignors overcome the current economic conditions in the US and achieve global fair market value for their equipment. Our February Orlando auction is by far the world's largest industrial auction, but we deliver this global marketplace to our customers at over 180 industrial auctions around the world each year."

Gary Seybold, Ritchie Bros. Regional Manager, observed: "The auction was a great success. We saw stronger prices than we did during the fourth quarter of 2007, with especially good returns on motor graders, highway paving equipment and cranes. We had on-site bidders from as far away as Australia, Africa, Europe, the Middle-East and Latin America, with active bidding from all over the world via the internet."

The auction featured equipment from more than 550 consignors, including Jacksonville, Florida-based Ring Power Corporation, one of the largest Caterpillar equipment dealers in the South-Eastern United States.

Frank Fowler, Ring Power's Vice President of Used Equipment, has consigned more than \$270 million of equipment at Ritchie Bros. auctions over the past 20 years, including more than 140 items in the latest auction.

Among the equipment sold in the five-day auction were more than 70 cranes, 340 hydraulic excavators, 290 wheel loaders, 180 articulated dump trucks, 350 crawler tractors, 130 loader backhoes, 30 pavers, 140 drum rollers, 130 truck tractors, 230 boom lifts, 90 scissor lifts, 290 telescopic forklifts and 180 forklifts.

## Rane Group completes consolidation exercise

In continuance of the consolidation exercise undertaken amongst the Rane Group companies, the High Court of Madras sanctioned on December 20 last the scheme of demerger, merger and amalgamation among Rane Engine Valves Ltd. (REVL), Rane Brake Linings Ltd. (RBL) and Rane Holdings Ltd.

The scheme which was earlier approved by the shareholders of the respective companies, envisages demerger of the manufacturing activities of Rane Engine Valves into a new company named Rane Engine Valve Ltd., demerger of the manufacturing activities of RBL into a new company named as Rane Brake Linings Ltd., and merger of the remaining businesses of REVL and RBL, which consist of investments in Rane companies and some immovable properties, into Rane Holdings Ltd.

The scheme is being implemented with retrospective effect from April 1, 2007, and has become operational on February 6 last on completion of statutory formalities.

Consequent to the completion of the scheme, the shareholders of REVL and RBL will be allotted new shares in lieu of their existing shares in the following proportion:

The shareholders of REVL will be allotted one equity share in Rane



Mr. L. Ganesh, Chairman, Rane Group

Engine Valve Ltd. and 0.56 shares in Rane Holdings Ltd., for everyone share held in REVL and those of RBL will be allotted one equity share in Rane Brake Lining and 0.75 shares in Rane Holdings for everyone share held in RBL.

The record date for allotment of the new shares has been fixed as February 22.

The companies will submit their formal applications to the stock exchanges for listing of the new shares immediately on allotment. The shares are expected to be listed for trading

in about a month's time thereafter.

With the implementation of the scheme, Rane would have substantially completed the shareholding restructuring exercise which it embarked upon in 2004 with the objectives of elimination of cross holdings and consolidation of promoter stake and the holdings in the operating companies in Rane Holdings Ltd. as the apex holding company of the group. Rane believes the exercise will result in unlocking of value for the shareholders of all listed companies in the group.

## Natural rubber shortage hits tyre industry

According to the Automotive Tyre Manufacturers' Association (ATMA), the growth in domestic tyre production is seriously impacted due to the prevailing natural rubber situation in the country. Domestic tyre companies have expressed concern over the sharp increase in NR prices and tight availability. Natural rubber accounts for 42 per cent of the cost of raw materials of the tyre industry.

The Association has stated that despite domestic consumption of 8.57 Lakh mt of natural rubber by the tyre and non-tyre sector being in excess of domestic produc-

tion (8.19 lakh mt) for the current fiscal, export of natural rubber is being encouraged by the Government. Such exports would further widen the gap between consumption and availability of the product in the country.

According to ATMA, the Government should encourage greater value addition in the rubber industry through export of tyres and other rubber products rather than export of raw natural rubber. To facilitate the same, it has urged the Government to allow duty free import of Natural Rubber on priority basis.