

Life Cycle for Backhoe-Loaders: 4.33 Years

2004 sales will be strongest in Southeast and West regions.

According to Equipment Data Associates' (EDA) historical UCC database of sale and lease transactions, the replacement life cycle for a backhoe-loader is 4 years 4 months. By analyzing the equipment acquisition histories of hundreds of contractors, EDA is able to predict (and later verify) when a company that has purchased a backhoe-loader is likely to replace it.

Based on that 4.33-year life cycle, EDA estimates 11,033 backhoe-loaders will be replaced in 2004. Assuming UCC filings represent 50 percent of backhoe-loaders sold and leased, backhoe-loader sales and leases in 2004 would be 22,066 units.

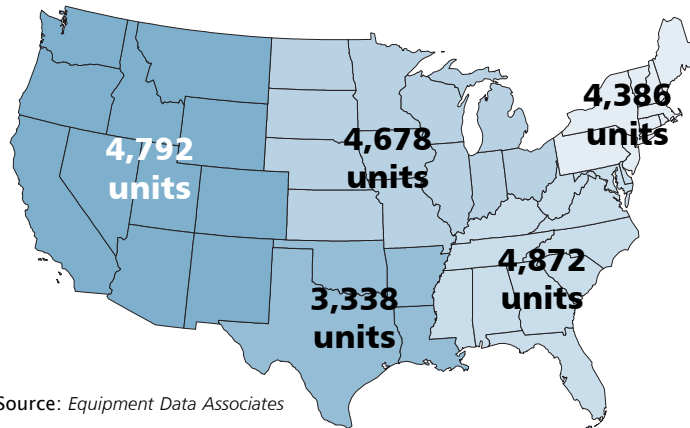
EDA expects backhoe-loader sales to be strongest in the Southeast with 22.1 percent of national sales and in the West with 21.7 percent of national sales.

Backhoes at Auction

More than three-fourths of the backhoes sold at auction in the 12-month period ending March 31, 2004, were in the 14- to 15-foot size class (2,930). The next closest group was the 15- to 16-foot size class (427) with about 11 percent of sales.

During the same period, nearly half of the backhoe-loaders sold at auction were manufactured in 1997, 1998 or 1999. Nearly 3 percent (78) of the backhoes sold were 20 years old, and 1.5 percent (40) were less than a year old.

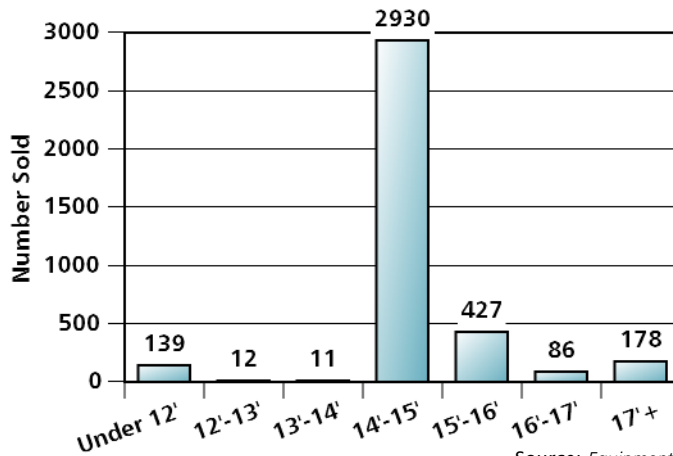
Replacement Backhoe-Loader Sales Forecast for 2004



Source: Equipment Data Associates

Assuming UCC filings account for 50 percent of backhoe-loader sales and leases, EDA expects 22,066 units to be sold or leased in 2004.

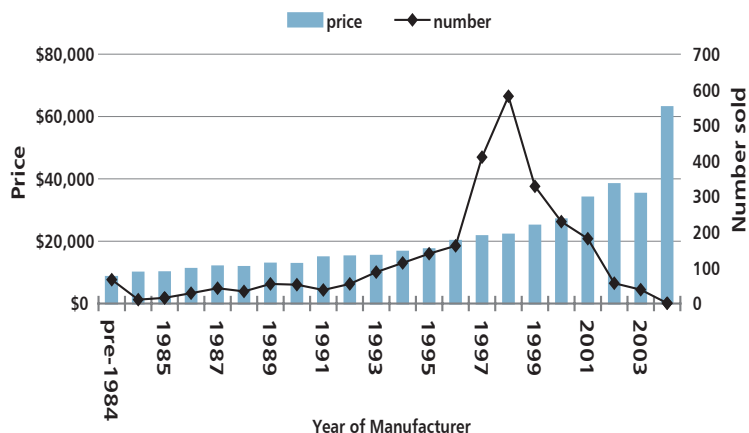
Backhoe Loader Sales By Size



Source: Equipment Watch

In the 12 months ending March 31, 2004, most backhoe-loaders sold were in the 14- to 15-foot size class (2,930).

Auction Activity for Backhoe-Loaders 12 months ending March 31, 2004



Source: Equipment Watch

Nearly half of the backhoe-loaders sold at auction in the 12 months ending March 31, 2004, were 1996 (411), 1997 (582) or 1998 (329) models.