

AUCTIONS DONE RIGHT.

ANNUAL REPORT 2008



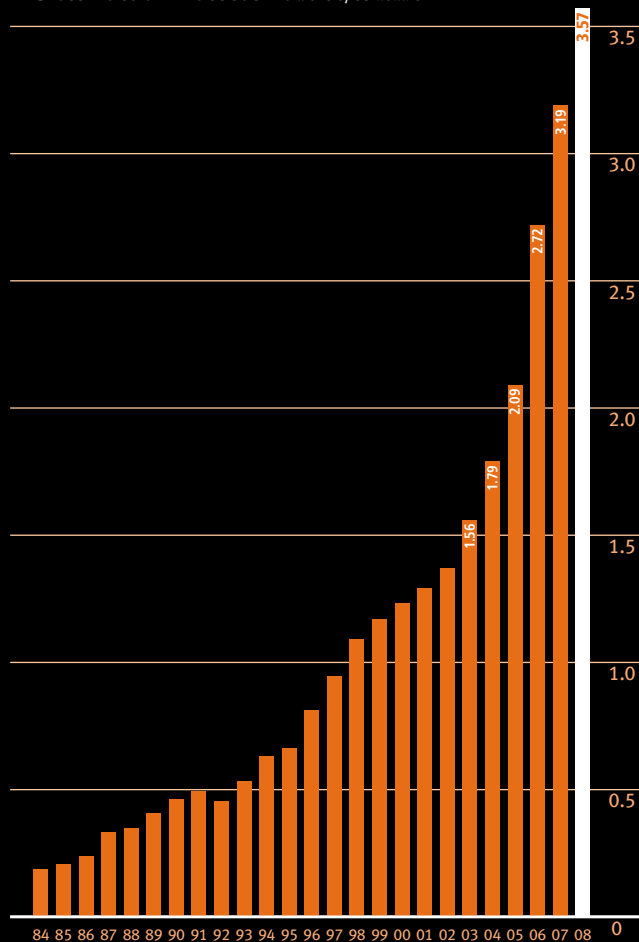
2008

2008 was another record-breaking year at Ritchie Bros. Auctioneers – as well as our 50th anniversary. We conducted 193 unreserved industrial auctions and 147 unreserved agricultural auctions in 13 countries around the world, selling \$3.57 billion of used and unused equipment for the construction, transportation, agricultural and other industries. Like every Ritchie Bros. auction, these auctions were all unreserved, which means there were no minimum bids or reserve prices. We think our commitment to holding only unreserved auctions is an important factor in the transparency of these auctions – and has played a big part in our success over the past 50 years.

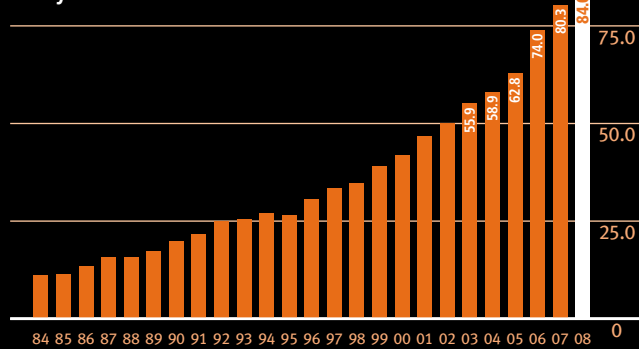
CONTENTS

Letter to Shareholders	3
Auctions Done Right.	10
About Our Auctions	12
About Our Customers	13
Why Buyers Choose Ritchie Bros.	14
Why Sellers Choose Ritchie Bros.	16
50 Years of Change	22
Our Web Site	25
Our Auction Sites	26
The Future of Ritchie Bros.	28
Financial Information	35
Supplemental Quarterly Data	60
Selected Financial and Operating Data	61
Board of Directors	63
Shareholder Information	64

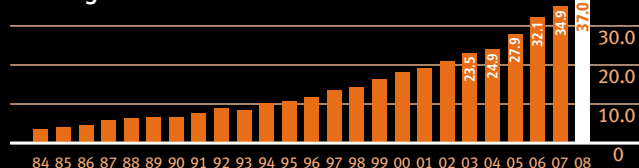
Gross Auction Proceeds *in billions of US dollars*



Buyers *in thousands*



Consignors *in thousands*



In this annual report, all dollar amounts are stated in United States dollars unless a different currency is indicated.

Gross auction proceeds represent the total proceeds from all items sold at our auctions. Our definition of gross auction proceeds may differ from those used by other participants in our industry. Gross auction proceeds is an important measure we use in comparing and assessing our operating performance. It is not a measure of our financial performance, liquidity or revenue and is not presented in our consolidated financial statements. Auction revenues is the most directly comparable measure in our Statement of Operations and represents the revenues we earn in the course of conducting our auctions. Auction revenues are primarily comprised of the commissions earned on straight commission and gross guarantee contracts, plus the net profit on the sale of lots purchased and sold by the Company as principal.

Forward-looking statements: The discussion in this Annual Report includes forward-looking statements, which involve risks and uncertainties as to possible future outcomes. Readers should refer to the discussion concerning forward-looking statements and risk factors included in our Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2008, which is included in the Financial Information section of this Annual Report.

OUR CORE VALUES

- 1. WE DO WHAT IS RIGHT**
- 2. WE MAINTAIN THE HIGHEST LEVEL OF BUSINESS INTEGRITY**
- 3. WE BUILD AND MAINTAIN STRONG AND ENDURING CUSTOMER RELATIONSHIPS**
- 4. WE NEVER LOSE TRACK OF THE BASICS**
- 5. WE FACE OUR ISSUES IMMEDIATELY AND ARE SOLUTION ORIENTED**
- 6. WE HAVE A HUNGER AND PASSION FOR THE DEAL**
- 7. WE ARE NIMBLE AND OPPORTUNISTIC**
- 8. WE HAVE FUN**

Caorso, Italy



LETTER TO SHAREHOLDERS

2008 will go down in the record books as a year to remember. In the face of turmoil in financial markets and the resultant shocks to economies around the world, Ritchie Bros. was able to deliver growth by continuing to create compelling value for our customers, our employees and our shareholders.

We generate value for our customers by using unreserved auctions to create a global marketplace where people can buy and sell equipment in a fair and transparent way. The key to that transparency is the open and honest nature of our auctions. At its core, our business is about one key thing: Auctions Done Right. These three simple words capture the essence of what we strive to accomplish at Ritchie Bros.

In our minds, the words Auctions Done Right have very powerful connotations and are centered on some very basic principles that are near and dear to us. Every Ritchie Bros. auction is strictly unreserved, which means there are no minimum bids or reserve prices and the owner is contractually forbidden from participating in the sale of his assets; every item sells to the highest bidder on auction day. To us, unreserved means integrity in the auction process from start to finish. At our unreserved auctions, owners are not permitted to bid on their own items or artificially manipulate the prices.

When we say Auctions Done Right, we mean auctions that are efficient, customer-oriented and conducted with integrity, fairness, certainty and transparency. We mean that we offer our customers a local presence with a global reach; that we treat customers fairly; and that we provide transparency in the buying and selling process by assembling assets in yards strategically located around the world and making the items available for interested bidders to inspect, test and compare for themselves.

These simple principles have endured in our company for decades, and they remain the driving force behind our innovation and growth. We strive to create enduring value, in an environment where integrity and fairness guide our way. In these uncertain times, we deliver certainty.

We help our customers manage change by making the sale and purchase of assets convenient, certain and rewarding.

Convenient? We save our customers time, effort and money by making the process easy, flexible and comfortable. Our auction yards, complete with environmentally certified refurbishing facilities, are well located around the globe and all have regularly scheduled auctions. We take care of all the details, allowing our customers to focus on their business while we deliver results.

Certainty? Having care, custody and control of the equipment we sell means our sellers do not have to worry about their assets while we prepare them for sale and our buyers can bid in confidence knowing that transactions will be completed. We provide our customers with peace of mind and instill confidence because we back up our promises with results. In addition, every item in all of our auctions sells to the highest bidder, no matter what, and our financial strength means we are able to stand behind our word and our obligations.

Rewarding? We deliver global value to consignors in part because of our reputation for integrity and conducting fair and transparent auctions, which helps to attract bidders. And we provide better tangible financial results to our consignors with a combination of local, global and online bidding audiences, giving them the best of all worlds. At the end of the day, we have created an auction experience for our customers that saves them time and effort and helps them achieve their business goals.

We invest in relationships with our customers in an effort to transform the way the world buys and sells commercial and industrial assets.

We believe that our future growth and expansion is directly dependent on our ability to create compelling value for our customers, and we are always looking for new and better ways to accomplish that, by creating convenience, providing certainty and delivering rewards when it comes time for our customers to buy and sell equipment. We strive to do this better than anyone else in the world, and better than anyone expects, by concentrating on our people, our places and our processes.



Our focus on Auctions Done Right has helped us become the world's largest industrial auction company. At the end of 2008, our team was comprised of 1,077 employees working out of more than 110 offices in 25 countries, including 38 auction sites. During 2008, we sold over 253,000 lots for nearly 37,000 consignors. We held 193 unreserved industrial auctions, attracting over 277,000 bidder registrations. As the charts and graphs in this report show, all these numbers have been increasing. To us, this is a clear sign that our strategy is working.

Today, as we plan for the future, we see ourselves becoming the world's largest marketplace for commercial and industrial assets. That may sound like a lofty goal, but it's very much in our long-term sights. Right now we are looking towards gross auction proceeds



Steve Simpson
Senior Vice-President –
Western United States

Vic Pospiech
Senior Vice-President –
Administration and Human
Resources

Peter Blake
Chief Executive Officer

Bob Armstrong
Chief Operating Officer

Rob Whitsit
Senior Vice-President

of \$10 billion and beyond, and that motivates us to maintain our focus on our strategy, and not get distracted by the current economic challenges the world is facing. In fact, these challenges create opportunities for us, and we are well positioned to capitalize on these opportunities. We continue to serve just a tiny share of a large and extremely fragmented market, and the factor that has the biggest impact on our growth is not the world economy; it's us, and our ability to design and execute our strategy.

We have proven our capacity to grow in good times and bad, but we are not resting on our laurels. We are driven by the desire to continue to grow and innovate with new systems and processes that meet the needs and demands of our customers and our employees, and we will be rolling out some exciting things in 2009 to keep us on pace for continued growth.

Many people have asked us about how the world economic turmoil is impacting Ritchie Bros. today – and, perhaps more importantly, how it's going to impact us going

forward. We believe our business model is well suited to current economic conditions and that executing our strategy will continue to be a more significant determinant of our ability to grow our earnings per share than macro economic factors, just as it has been for the last 50 years. Our strategy remains consistent, in good times and in bad.

In our world, uncertainty gives equipment owners a reason to buy and sell equipment. And it's important to understand that people have not stopped buying equipment in the face of the current economic challenges, and nor do we expect them to. There is still an enormous amount of work underway – with infrastructure spending on the rise and residential and other non-residential projects still being undertaken. Also, when times are tough and cash flow or credit is tight, traditional buyers of new equipment are more likely to look for good quality, late model used equipment. All of these behaviors draw people to our fair and transparent auctions, often resulting in increased demand for the equipment at our auctions.

Our bidders do not appear to be having significant difficulty accessing credit to fund their auction purchases. And the main participants in the equipment finance world are still offering credit to buyers of equipment.

Our most recent statistics from the fourth quarter of 2008 showed that our bidder registrations remained strong. We saw more bidders at our auctions in spite of the economic slowdown. And more than 80% of those





Curt Hinkelman
Senior Vice-President –
Eastern United States

Kevin Tink
Senior Vice-President –
Canada and Agriculture

Nick Nicholson
Senior Vice President –
Central United States,
Mexico and South America

Rob Mackay
President

Guylain Turgeon
Senior Vice-President,
Managing Director –
Europe, Middle East and Asia

bidders were equipment end-users: people with work to do and an immediate need for a particular type of equipment. That makes a big difference – people with jobs to complete buying income-producing assets at fair market value in an open and transparent auction gives banks and finance companies confidence when lending money.

Sellers also behave differently in tough economic conditions. Waiting indefinitely for idle machines to sell is not a luxury most companies can afford, especially now. They need to turn those surplus assets into cash – quickly, efficiently and for fair market value. Our unreserved auctions are one of the best ways to create liquidity, which is what we do every day. At our auctions, every item sells on auction day and sellers have cash in hand within 21 days of the auction. That's tremendously valuable for all of our customers, not just companies facing liquidity challenges or finance companies looking to sell repossessed assets. And in these uncertain times, sellers are reassured knowing that they

are dealing with a well-capitalized organization, which is an added level of comfort they can't get in many other places. They know they will be paid.

In uncertain times, when work is harder to come by and equipment owners are less optimistic about the future, they need certainty. They also need to ensure that they're extracting maximum value from the sale of their surplus assets. They can't rely just on the local market



– they need to cast the net wide and reach the most potential buyers from as many regions and sectors as possible. Because we have over 450,000 customers in more than 200 countries, and a reputation for conducting fair and transparent auctions, we are able to attract large and diverse mainly end-user audiences of on-site and online bidders from around the world to each of our auctions. This is part of why we sell more equipment for more people every year, and more used equipment than any other organization in the world.

Many people automatically assume that in tough economic times used equipment prices fall dramatically. That hasn't been our experience – equipment prices do not act like stock or commodity prices. While we saw a general softening of prices in many categories of equipment through 2007 and 2008, with the exception of some of the more specialized equipment we sell, overall returns remained stronger than many people had expected thanks to the depth and diversity of our bidding audiences.

While equipment prices are lower than the historically high prices we experienced in 2006, the decreases were nowhere near as dramatic as the declines we have witnessed recently in some financial markets. Additionally, the mix of equipment in our auctions changes constantly so we are not reliant on the prices in any one category of equipment remaining high or on the performance of any one industry or geographic region. Our mix and volume of business changes from period to period, more than compensating for the impact of price changes in particular asset categories.

It's very important to recognize that, yes, times are tough for many of our customers – but there is still a lot of work going on and over \$100 billion of used equipment is still trading hands every year. We are the world's largest auctioneer of industrial equipment but we handle only a small fraction of the used equipment that's bought and sold around the world. That means we enjoy both the benefit of market leadership and the potential for tremendous growth.

Despite all the records and success we've enjoyed in recent years, we still believe that we are just beginning to scratch the surface. One of the keys to our ability to grow is our people. Without continuing to attract, train, develop and retain the right people, we will not continue to grow over the long term. This is an often-misunderstood aspect of our business.

Our business is built on relationships, meaning that our growth is limited by our capacity to meet and develop relationships with customers. We build these relationships in many ways, including interactively and online via our industry-leading web site at rbauktion.com, over the phone when customers are dealing directly with our sale sites and our customer service group, and, most importantly, the old-fashioned way – face to face. Our customer relationships are multi-dimensional and deep, which is why it takes time to develop them.

Our growth strategies are geared towards our dual goals of maintaining and enhancing our corporate culture and growing our earnings per share at an average annual rate of 15% while generating a reasonable return on invested



capital. We fear that chasing faster growth could dilute our high level of customer service and make it more challenging for us to maintain and enhance our corporate culture. That is a risk we are not prepared to take.

It's hard to say what 2009 holds in store for Ritchie Bros. – precise visibility into the year ahead is a challenge for us at the best of times. With the current global economic turmoil and uncertainty many of our customers are facing, our short-term visibility is even more clouded.

There is one thing we are clear about though – we know we are well positioned for ongoing growth and that's our focus for the future.

Over the past 50 years, we have demonstrated our ability to grow our business at all points in the economic cycle. What makes this downturn particularly interesting for us is the fact that our global reach is significantly greater today than it was during previous economic downturns. We are able to offer a unique and very compelling service to equipment owners who want to access the global marketplace rather than simply buy and sell in the local market. Equipment owners look to us to help them transcend local market conditions, especially during downturns.

2008 was a tremendous year for Ritchie Bros.; however, we could not have accomplished these results without the hard work and dedication of all the men and women on the Ritchie Bros. team. Our sincere thanks go to each and every one of them for their commitment to Auctions Done Right. Thanks to the energy, dedication and passion of our team, we are getting closer every year to our ultimate goal of becoming the world's largest marketplace for commercial and industrial assets. We are all very fortunate to be on a team full of bright, hardworking people with such incredibly positive attitudes.

And finally, thanks to our shareholders – for their confidence and ongoing loyalty to us – and to the ever-increasing number of equipment owners who are choosing to participate in our unreserved auctions. We truly appreciate your confidence in us.

Auctions Done Right – it's what motivates us to be our best. It's what generates compelling value for our customers and returns for our shareholders. It's time to buckle up – we have auctions to build!

Robert W. Murdoch
Chairman

Peter J. Blake
Chief Executive Officer

NO PURCHASE MAY BE REMOVED UNTIL PAID

Brisbane, Queensland, Australia







AUCTIONS DONE RIGHT.

Many people will remember 2008 as a year of turmoil, change and chaos. Not at Ritchie Bros. We'll remember 2008 as the year our company turned 50. A year of setting records and opening auction sites and helping thousands upon thousands of people around the world buy and sell equipment. A year of continuing to deliver compelling value for our customers, our employees and our shareholders. For Ritchie Bros., 2008 was a year of growth and progress.

Our ability to grow in challenging times has a lot to do with the way we conduct our business – and the way we serve our customers, especially during market downturns. At its core, our business is about Auctions Done Right.

These three simple words summarize everything we stand for at Ritchie Bros. – and everything that makes us stand out. From our very first auction in 1958 to our last auction of 2008 we have made a conscious effort

fair, consistent and transparent is one of the reasons people travel from around the world to attend our auctions – or participate online. It's also why we register record numbers of on-site and online bidders year after year: more than 277,000 in 2008 alone. And the fact that we register hundreds, even thousands of bidders from around the world at every auction is one of the reasons we attract record numbers of equipment sellers year after year: more than 37,000 in 2008. Our consignors know that a Ritchie Bros. unreserved auction is one of the best ways for them to sell their surplus assets quickly, efficiently and for global fair market value, especially in slower economic periods.

Ritchie Bros. auctions are Auctions Done Right – for both buyers and sellers of equipment.

50 years of doing the right thing

The concept of "Auctions Done Right" can be traced back to three Canadian brothers and a small furniture auction in 1958.

on their own items. Everyone at the auction knew that the bids were legitimate and the market set the prices – not the auctioneer or the seller. These standards still hold true today.

At Ritchie Bros., we stress the transparency and integrity of our auctions. The main reason is that many equipment auction companies don't have the best reputation. Price manipulation is common, with owners bidding in and auctioneers making sure the "right" customers become buyers.



"THE DIFFERENCE BETWEEN RITCHIE BROS. AND OTHER AUCTION COMPANIES WAS JUST NIGHT AND DAY. RITCHIE BROS. WAS ABSOLUTELY STRAIGHT; EVERY AUCTION WAS UNRESERVED, AS ADVERTISED; THEY WERE FIRM, FAIR AND TRANSPARENT. THAT HASN'T CHANGED IN ALL THE YEARS I'VE BEEN A CUSTOMER."

TED CARLSON (CANADA)

to do the right thing by all of our customers: first-timers and familiar faces, buyers and sellers, owner-operators with one machine and multinational companies with millions of dollars in assets.

That's why every Ritchie Bros. auction is unreserved. Why owners are not allowed to bid on their own items. Why we marshal assets at our secure sites under our care, custody and control. Why we encourage interested buyers to inspect, test and compare equipment before the auction. Why we search every item for liens before we sell it. And why we publish the selling price of every piece of equipment on our web site.

Put together, all of these factors spell one thing: transparency. The fact that our auctions are

Dave, Ken and John Ritchie conducted their first auction to repay a \$2,000 loan. They didn't have the cash, so they set up an auction and sold some furniture from their secondhand store. That could have been the end of the story – but it wasn't, because the brothers realized they'd found a unique way of doing business that benefited and appealed to both buyers and sellers.

Of course, there was nothing new about auctions. But there was something unique about Ritchie Bros. auctions. The brothers prevented any price manipulation at their sales. They opened their auctions to the general public and did not set any minimum bids or reserve prices; they forbid owners from bidding

The Ritchie brothers were determined to set a new standard. By staying true to their values, they earned the respect of their customers and established their auctions as a fair and legitimate means of buying and selling equipment. They set Ritchie Bros. on the path to being the world's largest industrial auctioneer.

Doing the right thing set us apart in the early days – and it's what continues to set us apart today. We're a lot bigger; we have more customers, more locations and more auctions on our annual calendar. But the essence of Ritchie Bros. – Auctions Done Right – has not changed over the last 50 years.

ABOUT OUR AUCTIONS

Ritchie Bros. is the world's largest auctioneer of industrial equipment and trucks. Headquartered in Vancouver, B.C., Canada, we have 38 auction sites in North America, Europe, the Middle East and the Asia-Pacific region – with more sites under development. In 2008 we sold \$3.57 billion of used and unused equipment at 340 unreserved industrial and agricultural auctions around the world.

Our industrial auctions range in size from two or three million dollar, single-owner auctions at a customer's yard to multi-day auctions at our permanent auction sites. In February 2008 we conducted the largest auction in company history, selling \$190 million of equipment and

mobile equipment is driven over a ramp in front of the bidders so they can see it in operation as they bid.

All of these practices are designed with fairness and transparency in mind. We strive to create a level playing field for our customers, giving every potential buyer the opportunity to find, inspect and buy the equipment they need at fair market prices.

Although the size of our auctions varies, the average Ritchie Bros. auction continues to grow. In 2008, an average industrial auction featured 1,301 lots from 189 consignors, generating \$17.7 million in gross auction proceeds and attracting 1,431 on-site and online bidders from around the world.

An Average Ritchie Bros. Industrial Auction in 2008

\$17.7 million in gross auction proceeds

1,301 lots

189 consignors

1,431 bidders (total)

410 online bidders

\$10.6 million of equipment sold to out-of-region bidders (60%)

82% end-user purchases

“YOU GO TO OTHER AUCTIONS AND THERE ARE MAYBE ONE HUNDRED PEOPLE. YOU GO TO A RITCHIE BROS. AUCTION AND THERE ARE TWO THOUSAND. WHAT DOES THAT TELL YOU?”

JOHN SPADARO (AUSTRALIA)

trucks over five days at our Orlando, Florida permanent auction site and attracting more than 6,000 on-site and online bidders from 71 countries.

No matter how big or small, our auctions have many features in common. They are always unreserved, with no minimum bids or reserve prices. They are open to the public, with free registration. Most auctions are broadcast live on our web site, rbauction.com, so our customers can choose to bid in person, over the internet or by proxy. Whether the auction is conducted at one of our permanent auction sites or at a temporary yard, we display all of the equipment at the site so that our customers can inspect, test and compare items before they bid on auction day. And at most auctions,



ABOUT OUR CUSTOMERS

Every year, we help more people in more places around the world buy and sell equipment. Our customers are a diverse bunch. They come from 200 countries. Some are buyers, some are sellers; an increasing number are both. Many people have been attending our auctions for years; others recently bid for the first time. Some own multi-million dollar fleets of equipment; others operate one or two machines.

Our customers include end-users of equipment and dealers; finance companies and banks; rental companies and manufacturers. They work in the construction, transportation, agricultural, material handling, mining, forestry, petroleum, marine and other industries.

We sometimes conduct complete dispersals for people who are retiring or companies that are shutting down, but most of our customers are buying and selling equipment as part of a regular fleet turnover program or at the start or finish of projects.

In spite of these differences, our customers have many similarities. They appreciate honesty, integrity and transparency. They want to be treated right. They want to know that they are paying a fair price when they buy and getting a fair return when they sell. They want value – and they want their business to be valued. They want certainty in these uncertain times. They want Auctions Done Right.

That's why an increasing number of people turn to Ritchie Bros. auctions every year for their equipment buying and selling needs.

Our Customers – 2008 Statistics

277,000 bidder registrations

84,000 buyers (total)

16,000 buyers (online)

37,000 consignors

450,000 customers
in 200 countries

99,000 qualified
online bidders
from 181 countries



Orlando, Florida, USA

WHY BUYERS CHOOSE RITCHIE BROS.

In 2008, we had a record 277,000 bidder registrations at our industrial auctions. Whether they are bidding on-site or online, our customers choose Ritchie Bros. for their equipment buying needs for a number of reasons:

→ Fair, transparent auction processes

Every Ritchie Bros. auction is unreserved, with no minimum bids or reserve prices. We also forbid owners from bidding on their own items. Our customers can be confident that the bidders – not the sellers or the auctioneer – set the prices at our auctions, so they always pay fair market value. And they know that every item will be sold on auction day, regardless of price.

→ Comprehensive selection of equipment

Over 1,300 items are sold at an average Ritchie Bros. industrial auction – everything from skid steer loaders and forklifts to motor graders and truck tractors. In 2008, we sold a total of 253,000 lots, making our auctions one

of the best sources for used equipment in the world. Our customers can usually find what they're looking for in our auctions, whether it's down the road or on the other side of the world.

→ Convenient locations around the world

Whether we're conducting an auction at one of our 38 auction sites worldwide or at a temporary location, we gather the equipment at the site so our customers can inspect and compare items from many different sellers in one convenient location. Our auction sites are strategically located close to major transportation routes and services, making it more convenient and cost-effective for out-of-region bidders to participate on auction day.

→ The ability to inspect, test and compare items

We marshal most of the equipment we sell at our secure auction sites so our customers can inspect, test and compare items before they bid on auction day. Our customers don't have to rely on a third-party inspection report: they

can verify the condition and assess the value of a machine for themselves. They also know exactly where their purchases are located – in Ritchie Bros.' care.

→ Lien-free equipment

Our search department works to identify and release any liens and encumbrances before auction day, so our customers can be confident that the equipment they are buying comes with clear title. If we can't deliver clear title, we offer a full refund of the purchase price.

→ No hidden fees or premiums

Our auctions are open to the public; registration to bid is free. Unlike some auction companies, we do not charge any fees to bid on or buy equipment, except for a two percent fee on internet purchases and an administrative fee charged on the purchase of low value lots. And we never place reserve prices on any item we sell. Our customers can be confident that the price they bid is the price they pay.

→ Convenient bidding options

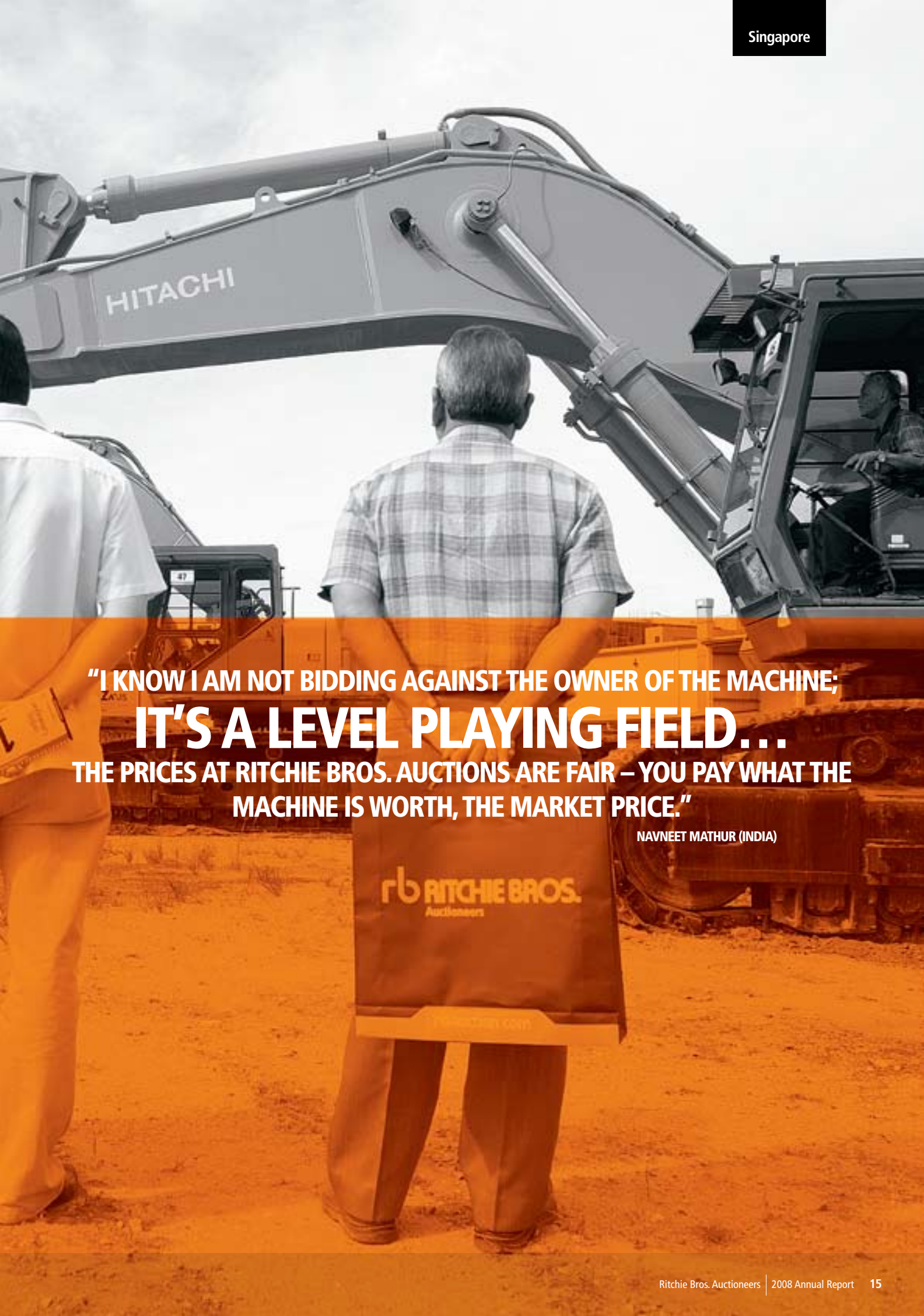
Our customers have three convenient bidding options at most Ritchie Bros. auctions: in person, online or by proxy. Most of our customers still prefer to bid in person but if they can't make it to the auction site, they appreciate having the ability to bid online in real time at our auctions around the world. Knowing that every bid is legitimate and that they are bidding against live on-site bidders who can see the equipment moving across the ramp gives them added confidence when they are bidding online.

→ Value-added services

We continue to enhance our customers' buying experience by inviting third-party vendors to our auctions (such as finance companies, transportation companies, customs brokers and caterers) and partnering with companies that offer value-added services (such as Like-Kind Exchange services, credit card payments and shipping quotes).



Garrison, North Dakota, USA



**"I KNOW I AM NOT BIDDING AGAINST THE OWNER OF THE MACHINE;
IT'S A LEVEL PLAYING FIELD...
THE PRICES AT RITCHEE BROS. AUCTIONS ARE FAIR – YOU PAY WHAT THE
MACHINE IS WORTH, THE MARKET PRICE."**

NAVNEET MATHUR (INDIA)

rb RITCHEE BROS.
Auctioneers

WHY SELLERS CHOOSE RITCHIE BROS.



In 2008, we handled a record 37,000 consignments at our industrial auctions – representing 253,000 lots – for equipment sellers around the world. Whether they are selling one machine or their entire fleet, our customers rely on us to turn their assets into cash – quickly, efficiently and for global fair market value. They choose Ritchie Bros. over other methods of selling because we offer:

→ **Fair, transparent auction processes**

Our commitment to unreserved auctions with no bid-ins or buy-backs clearly benefits bidders. But our sellers value the fairness and transparency of our auctions just as much. For a start, many of them are also buyers. More importantly, they know that it's the transparency of our auctions that helps draw hundreds, even thousands of people from around the world to bid – helping sellers achieve the best possible returns on auction day.

beyond the local market for buyers enables our consignors to sell their equipment for its global market value, regardless of local market conditions. Our auctions transcend local and regional market conditions to achieve the highest possible return.

→ **Access to end-users**

We attract large numbers of end-users to our auctions because they know they can buy a piece of equipment today and put it to work almost instantly. End-users represented roughly 80 percent of the purchases at our auctions in 2008, which helps drive higher prices. Unlike wholesale buyers or resellers, end-users are rarely speculative buyers; they tend to bid when they need a machine for a specific project, which motivates them to outbid their competitors.

→ **Selling experience and expertise**

Selling equipment takes time, expertise and resources. We take care of every aspect of the sale of our customers' equipment – from advertising to meeting potential buyers to collecting proceeds – so they can focus on what they do best: running their business.

→ **Almost instant liquidity**

At Ritchie Bros. unreserved auctions, every single item is sold on auction day. Within three weeks our consignors receive the net proceeds of the sale. Unlike most other sales channels, our unreserved auctions provide almost instant liquidity for equipment sellers.

→ **Peace of mind**

Ritchie Bros. is listed on the New York and Toronto stock exchanges. We have a solid balance sheet and a history of over 50 years in the auction business. Our customers feel

“WE COULD SEE THE MARKET SOFTENING IN SOME PARTS OF THE WORLD BUT NOT IN OTHERS, AND WE REALIZED THAT REACHING THOSE AREAS OF STRENGTH WOULD HELP BRING BETTER PRICES... SELLING THROUGH RITCHIE BROS. IS THE BEST WAY TO MITIGATE RISK IN A SOFT MARKET.”

HUGH EDELEANU (U.K.)

→ **Flexible contract options**

We offer different contract options to meet our customers' sale objectives and risk tolerance, including straight commission, guarantee and outright purchase options.

→ **Unparalleled marketing**

We employ a comprehensive global marketing campaign for each and every industrial auction using our high-traffic web site, rbaction.com; full-color auction brochures; print and online advertising; and often, media relations campaigns. Our consignors can be confident that they are reaching the maximum number of potential buyers from around the world when they sell through Ritchie Bros.

→ **Global fair market value**

An average Ritchie Bros. industrial auction attracts more than 1,400 on-site and online bidders from around the world. Reaching

→ **Exposure to online and on-site bidders**

Despite the convenience of online bidding, most Ritchie Bros. customers still prefer to bid in person at our auction sites. They like “kicking the tires” on the equipment they're interested in and they like to see it running over the ramp as they bid. When you're selling a machine that's worth tens or hundreds of thousands of dollars, it's important to reach every potential buyer – not just the ones who bid online.

→ **On-site refurbishing**

Many of our consignors get their equipment “auction ready” by having their equipment painted or refurbished at the convenient, cost-competitive refurbishing facilities at our permanent auction sites. Buyers will often pay a premium for a machine that is ready to be put straight to work. They can finance the full price of a painted machine but will not be able to finance a paint job done after the auction.

confident placing their equipment in our hands because we have the experience, integrity and financial ability to deliver on our commitments.

**The global marketplace:
More important than ever**

In 2008, more than 60 percent of the gross auction proceeds at our auctions came from buyers living outside the region of the auction.

Because our auctions are unreserved and owners are forbidden from bidding on their equipment, every item sells for its true fair market value on auction day. And because we attract bidders from all over the world, both in person and online, every item sells for its global market value – regardless of the local market conditions. That's why an increasing number of equipment owners choose Ritchie Bros. to help them get the best return on their assets each year.



**"WITH A TRULY UNRESERVED AUCTION
YOU KNOW THAT EVERY BID
IS LEGITIMATE.
PEOPLE FEEL COMFORTABLE BIDDING,
AND THAT BRINGS HIGHER PRICES FOR THE EQUIPMENT."**

FRANK FOWLER (USA)

WHY UNRESERVED?

Every Ritchie Bros. auction is unreserved. That means there is no minimum bid or reserve price on any item we sell. We also forbid owners and their agents, by contract, from bidding on the items they are selling. As a result, every item is sold to the highest bidder on auction day, regardless of price. In our view, the only truly fair and transparent auctions are unreserved auctions.

At Ritchie Bros. unreserved auctions, prices are set by the bidders – not by the sellers or the auctioneer. Bidders come to our auctions in the thousands because they know that there are no hidden reserves; they know that every item will be sold to a new owner on auction day; and they know that they will always pay fair market value. And because those bidders come from all over the world, in person and online, our consignors know that their equipment will be sold for its true global fair market value.



OUR FIRST 50 YEARS

RITCHIE BROS.: FROM 1958 TO 2008

- 1958 First auction, in Kelowna, British Columbia, Canada
- 1963 First industrial auction, in Radium, British Columbia, Canada
- 1970 U.S. expansion: first auction outside Canada, in Oregon, U.S.A
- 1976 First permanent auction site, in Edmonton, Alberta, Canada
- 1985 \$1 billion in lifetime auction proceeds
- 1987 First auctions outside North America, in the U.K. and the Netherlands
- 1990 First auction in Australia
- 1991 1,000th auction
- 1994 First auction in Asia
- 1995 First auction in Mexico
- 1996 Launch of rbauction.com
- 1997 First auction in the Middle East
- 1998 Listed on the New York Stock Exchange
First \$1 billion year
- 2000 2,000th auction
- 2002 Online bidding service introduced
- 2003 First auction in Africa
- 2004 Listed on Toronto Stock Exchange
- 2005 First \$2 billion year
- 2006 3000th auction
- 2007 First \$3 billion year
- 2008 50th anniversary
First auction in Eastern Europe
First \$1 billion quarter

2008:

A year of records, milestones, developing people, expanding places and improving processes

Records

- Highest annual gross auction proceeds: \$3.57 billion
- Highest annual online gross auction proceeds: \$700 million
- First billion-dollar quarter
- Largest auction in company history: \$190 million (Orlando, FL)
- Largest Australia, Spain, Italy, France and Mexico auctions in company history
- Regional gross auction proceeds records set at 12 auction sites:
 - Orlando, Florida (\$190 million)
 - Atlanta, Georgia (\$60 million)
 - Fort Worth, Texas (\$57 million)
 - Las Vegas, Nevada (\$54 million)
 - Brisbane, Australia (\$52 million/AU\$55 million)
 - North East, Maryland (\$42 million)
 - Moncofa, Spain (\$38 million/€30 million)
- Others with gross auction proceeds less than \$20 million.
 - Caorso, Italy
 - Albuquerque, New Mexico
 - Melbourne, Australia
 - Toluca, Mexico
 - Paris, France

Milestones

- 50th anniversary
- 10th anniversary as a public company
- \$2 billion in lifetime auction proceeds over the internet
- Added to S&P/TSX Composite Index

Geographic Expansion

- First ever auction in Poland
- Grand opening of permanent auction sites in Kansas City, Missouri and Paris, France; both replaced regional auction units
- New regional auction unit established in Las Vegas, Nevada
- Three regional auction units relocated to larger sites: from Livorno, Italy to Caorso, Italy; from Sagunto, Spain to nearby Moncofa; and from Melbourne, Australia to nearby Geelong
- Commencement of construction on new or replacement permanent auction sites in Houston, Texas; Minneapolis, Minnesota; Grande Prairie, Alberta; London, Ontario; and Mexico City, Mexico
- Land purchased for a replacement permanent auction site in Vancouver, BC and a new permanent auction site in Tokyo, Japan
- Approximately 74 acres of land purchased to expand permanent auction site in Orlando, Florida

Process improvements

- Electronic Auction Clerking
- Virtual Ramp
- Automated electronic signboards
- Credit card services
- Online shipping service

50 YEARS OF CHANGE — AND STAYING THE SAME



In 2008, Ritchie Bros. Auctioneers celebrated its 50th anniversary. Much has changed over the past 50 years: we are now the world's largest auctioneer of industrial equipment, with a global network of world-class auction facilities and an annual calendar of hundreds of auctions that attract on-site and online bidders from across the globe. But a lot has also stayed the same. Our company was founded on two basic principles: every auction should be unreserved and every customer should be treated fairly and with respect. We hold true to those principles to this day – and believe that commitment has played a large part in our success.

Our customers and employees shared in many 50th anniversary celebrations this year. Among the highlights:

50 Stories for 50 Years

We collected 50 stories from a wide range of customers in 2008, from the seasoned online bidder in New York to the first-time seller in Canada to the well-traveled buyer from India, and posted them on our web site. They told us what brought them to Ritchie Bros. in the first place – and what keeps them coming back. The same words came up repeatedly: integrity, honesty, fairness, transparency. Auctions Done Right.

RitchieWiki.com

In September 2008 we launched RitchieWiki to share our wealth of equipment knowledge with our customers and other industry participants. RitchieWiki is a collaborative web site containing hundreds of articles about equipment that anyone can read, add to or edit. The wiki is supported by a free public database with specifications for more than 11,000 different pieces of equipment – making it the world's largest free equipment specifications database. And we're still adding to it.





Orlando, FL, Ring 2

rb RITCHIE BROS. ACTIVE AUCTION Orlando, FL, Ring 2

Web View Dashboard Contact Us

LOT # 390
2006 CATERPILLAR 950H WHEEL LOADER

Choice of 6

Bidding Limit: \$500,000 | Login as Bidder # 10005
Purchase Total: \$0 | Status: Connected
Reserve: \$130,000 | SRT: \$0
Auction Currency: USD

ASK: \$132,500

High Bid: \$130,000
High Bidder: ONSITE

Bid Here \$132,500

Choice of 6 Remaining
 Select All Remaining

390
 391
 392
 393
 394
 395

Other Views

Release equipment

LOT	Make	Lot Description	S/N	Usage	PH
390	CATERPILLAR	2006 WHEEL LOADER	CAT950H00000	2000 HRS	12
391	CATERPILLAR	2006 WHEEL LOADER	CAT950H00000	2000 HRS	12
392	CATERPILLAR	2006 WHEEL LOADER	CAT950H00000	2000 HRS	12
393	CATERPILLAR	2006 WHEEL LOADER	CAT950H00000	2000 HRS	12
394	CATERPILLAR	2006 WHEEL LOADER	CAT950H00000	2000 HRS	12
395	CATERPILLAR	2006 WHEEL LOADER	CAT950H00000	2000 HRS	12

Lot 2009 - JOHN DEERE 650H SLP CRANER TRACTOR	Lot 390 - CATERPILLAR 950H WHEEL LOADER	Lot 403 - 2007 - KENNEDY 1000 15A TRUCK TRACTOR	Lot 642 - 2006 - CATERPILLAR W900B BELTED TRACTOR	Lot 623 - P & H OMEGA P4075 95 TON ROUGH TERRAIN
Ask: \$100,000 High Bidder: ONSITE High Bid: \$40,000	Ask: \$132,500 High Bidder: ONSITE High Bid: \$130,000	Ask: \$80,000 High Bidder: HFB #627 High Bid: \$77,600	Ask: \$100,000 High Bidder: ONSITE High Bid: \$100,000	Ask: \$73,000 High Bidder: HFB #627 High Bid: \$72,000

OUR WEB SITE

Our web site, rbauction.com, has become an important point of contact with our customers. Many of our regular customers make a point of visiting the site daily. That's why we strive to make the site as accessible, informative and transparent as possible.

Our customers visit rbauction.com to:

→ Check the auction calendar

We listed 340 auctions around the world on our web site in 2008

→ Search for equipment

We post photos and details, including serial numbers, on our web site for every item we sell so our customers can make accurate and informed buying decisions

→ Look up past auction results

We publish the results for every item sold over the previous 24 months within 48 hours of the auction, giving our customers free access to worldwide equipment values and adding to the transparency of our auctions

→ Place bids

If they can't make it to the auction site on auction day, our customers can visit rbauction.com to place real-time or proxy bids in auctions around the world

→ Find their local Ritchie Bros. representative or office

We have offices and auction sites in more than 25 countries to serve our global customer base

We're looking forward to introducing our enhanced web site and online bidding service to our customers in 2009.

In 2008, rbauction.com Received:

4.6 million unique visitors who conducted –

22.9 million equipment searches and looked up –

1.9 million past auction results.

“THERE ARE COMPETING AUCTION COMPANIES, SOME ONLINE, SOME CONVENTIONAL, BUT NOBODY COMBINES THE INTERNET WITH THE PROVEN ON-SITE AUCTION METHOD AS WELL AS RITCHIE BROS.”

TOM STEVENSON (CANADA)

Bidding online at rbauction.com

We introduced our innovative real-time internet bidding service in 2002. Today, most Ritchie Bros. auctions are broadcast live on our web site, giving our customers unprecedented access to the global equipment marketplace. Our online bidding service was designed to mirror the experience of bidding on-site as closely as possible: internet bidders can hear the auctioneer, see pictures and details of the items being sold, make selections from choice groups, keep track of bids coming from on-site and online bidders, and place bids – all in real time. Our internet bidding service maintains the

transparency of our live auctions and enables our online and on-site bidders to compete on a level playing field.

Consider these numbers:

- **99,000 registered online bidders from 181 countries**
- **\$700 million of equipment sold to online bidders in 2008**
- **Almost \$2.5 billion of equipment sold to online bidders since 2002**
- **In 2008, 29 percent of our bidders participated online**

Our buyers aren't the only ones who benefit from our online bidding service: the participation of on-site and online bidders from around the world enables our consignors to reach the greatest and most diverse audience of potential buyers, ensuring maximum possible returns on the sale of their equipment. Our ability to create this international marketplace and help our customers sell their equipment for its global market value is even more important now, with so many regions and markets facing challenging economic times. In these uncertain times, combining on-site and online bidders means our auctions offer what few others channels can – the best of both worlds.

OUR AUCTION SITES

In 2008, over 70 percent of our customers chose to bid in person at our unreserved auctions. Many customers will travel hundreds, even thousands of miles to attend our auctions, despite the ease and convenience of our online bidding service. They like being able to inspect, test and compare equipment items to assess their value and condition before the auction; they like seeing the machines in operation as they bid; and they like meeting with other people in their industry.

Our secure auction sites enable us to gather equipment from multiple sellers in one place so our customers can compare different items and

make an informed decision before they bid. Our sites also enable us to have full care, custody and control of the equipment we sell from the time it enters our yard to the time we release it to the new owner, which gives our customers a greater level of comfort when they bid on auction day.

We believe our auction sites contribute to the transparency of our auction processes and offer one of our most significant competitive advantages, which is why we are continuing to invest in the expansion and improvement of our global network. We currently have

38 auction sites in North America, Europe, the Middle East and Australia, including 31 permanent auction sites.

When assessing the potential for a new auction site we look at many factors, including our auction history and the size and growth of our customer base in that region; local regulations and conditions that impact buying, selling and moving equipment; and the availability and suitability of land near major transportation routes, airports, hotels and other services.



The evolution of an auction site

The process of developing a Ritchie Bros. auction site begins with our first foray into a new territory and ends with a Grand Opening auction at a new permanent auction site. We don't develop sites one at a time; rather, we are always in the process of developing our business in new regions around the world. This is the typical process – and some of the progress we made in 2008.

1. Get to know customers from a new region when they attend our auctions in other regions

● In 2008 we welcomed the first bidders from Serbia, among other countries, to our auctions.

2. Send a Territory Manager into that region to assess the market opportunity and establish a sales office

● In 2008 we opened a new sales office in Hong Kong

**“THERE’S STILL A DESIRE TO KICK THE TIRES.
PEOPLE LIKE TO LOOK AT WHAT THEY’RE BUYING
AND CHECK THE MECHANICAL CONDITION OF A MACHINE FOR THEMSELVES.”**

FRANK RIZZARDO (CANADA)



Europe

- Moerdijk, The Netherlands ❶
- Paris, France ❷
- Caorso, Italy ❸
- Moncofa, Spain ❹

Middle East

- Dubai, UAE ❺

Australia

- Brisbane, QLD ❻
- Geelong, VIC ❼

Canada

- Vancouver, BC ❽
- Prince George, BC ❾
- Grande Prairie, AB ❿
- Edmonton, AB ⓫
- Saskatoon, SK ⓬
- Regina, SK ⓭
- London, ON ⓮
- Toronto, ON ⓯
- Montréal, QC ⓰
- Truro, NS ⓱

USA

- Olympia, WA ❷
- Sacramento, CA ❸
- Los Angeles, CA ❹
- Las Vegas, NV ❺
- Phoenix, AZ ❻
- Albuquerque, NM ❼
- Denver, CO ❽
- Fort Worth, TX ❾
- Houston, TX ❿
- Kansas City, MO ⓫
- Buxton, ND ⓬
- Minneapolis, MN ⓭
- Chicago, IL ⓮
- Nashville, TN ⓯
- Atlanta, GA ⓰
- Columbus, OH ⓱
- Statesville, NC ⓲
- Orlando, FL ⓳
- North East, MD ⓴
- Hartford, CT ⓵

Mexico

- Mexico City ⓶

3. Help new consignors in that region sell equipment at our auctions in other regions and help bidders participate in other auctions

● In 2008 we sold equipment on behalf of our first consignors from Israel, Hungary and other countries

4. Conduct an auction at a temporary location in the new region

● In 2008 we conducted our first ever auction in Poland

5. After several successful auctions, open a regional auction unit on leased land with limited auction and administrative facilities

● In 2008 we established a regional unit in Las Vegas, NV, USA

6. When the growth in gross auction proceeds warrants the investment, purchase land and establish a full-service permanent auction site

● In 2008 we opened new permanent auction sites in Kansas City, Missouri and Paris, France

THE FUTURE OF RITCHIE BROS.



The mission of Ritchie Bros. is simple: to be the world's largest marketplace for commercial and industrial assets. We believe this mission is both realistic and achievable, as long as we stay true to our founding principles: conducting strictly unreserved auctions and treating every customer fairly and with respect. As we pursue this long-term mission we intend to remain focused on two core goals: to maintain and enhance our corporate culture and to grow our earnings per share at an average of 15% per year while maintaining a reasonable return on invested capital.

Our corporate culture is captured in our core values. While our stated mission is growth, we will not pursue growth opportunities that offer short-term rewards but run counter to our core values. We believe that compromising our corporate culture would in fact inhibit our long-term growth potential and be a disservice to our customers, employees and shareholders.

Opportunities for growth

The worldwide market for used equipment is massive and highly fragmented. Analysts estimate that over \$100 billion of used equipment is bought and sold around the world each year. Our auctions represent a small segment of that market; most people still sell their surplus equipment privately, by placing ads in magazines or on the internet, or through dealers or brokers. We believe our unreserved auctions offer significant benefits over these sales channels – and the annual growth in our gross auction proceeds suggests that our customers agree.

For years we have enjoyed the position of being the world's largest auctioneer of industrial equipment. We also sell more used equipment than any other organization (auctioneers and non-auctioneers) in the world. Yet we sold only \$3.57 billion of equipment at our auctions in 2008. In other words, we are the dominant player in the highly fragmented used equipment industry, with a very small share of a very large market – giving us significant potential for long-term growth.

We will continue to focus on increasing our market share in our core markets of construction, transportation and agricultural equipment, as well as complementary markets such as mining, material handling, forestry and petroleum assets. We also intend to penetrate deeper in our existing regions and expand our presence in new geographic markets.

Our growth strategy

To achieve our growth objectives we are investing simultaneously on three fronts: our people, places and processes. We are pleased with the progress we made in all three areas in 2008.

1. Our people

At its heart, our business is about relationships. We don't sell a product, we sell a service – and we need the right people interacting with our customers, explaining the value that we provide and reflecting the integrity of our auction processes. Recruiting, training and retaining the right people – especially sales staff – is one of our key priorities. We look for bright, hardworking people with positive attitudes to join our team. We give them the tools and training they need to be effective

and productive, and offer them competitive compensation and opportunities for growth within our organization.

We also remain focused on active succession planning and leadership development, with an emphasis on developing our employees from within. We are committed to making Ritchie Bros. the kind of company where motivated individuals can build a rewarding career.

While other companies were laying off employees in 2008, we remained in hiring mode. At the close of 2008 we had 1,077 full-time employees around the world, including 265 sales representatives and 29 Trainee Territory Managers, versus 943, 265 and 11 at the end of 2007. We have been working hard to find and train new sales representatives,



Recipients of the 2007 Gold level Dave Ritchie Excellence Awards for sales with members of the Management Advisory Committee.

Managing Deal Risk

Most of our business is conducted on a straight commission basis and is therefore relatively risk free. In 2008, approximately 75 percent of our business was straight commission, which is in line with our typical business mix in recent years. The other 25 percent of our business involved a guarantee of minimum sale proceeds or an outright purchase of a customer's assets.

The economic turmoil of the latter half of 2008 generated increased demand for underwritten contracts from customers concerned about the value of their equipment in the face of an economic downturn. We're one of the few companies in our industry still in a position to offer guarantee contracts; on the other hand, we are more conservative during periods of market volatility such as we've seen recently. As a result, the proportion of our business that was underwritten did not shift significantly in late 2008.

We mitigate risk when entering into underwritten contracts by building a risk premium into our commission rate and by

following a rigorous inspection and appraisal process that draws on our extensive field experience and unparalleled database of equipment values. We sell more used equipment than any other company in the world, giving us a unique window into the global equipment marketplace and, in particular, the pipeline of equipment coming to market. We use this information in an effort to stay ahead of changing market conditions and anticipate any shifts in supply and demand, then adjust our appraisals accordingly.

Equipment values are more stable than stock and commodity prices and tend not to fluctuate dramatically over short periods of time, so the limited timeframe that our guarantee and purchase contracts are outstanding also mitigates our risk on underwritten business. The time from signing a contract to selling on auction day is typically between 30 and 45 days, which enables us to give more confident assessments of potential auction day prices.

and are pleased to have so many Trainee TMs on staff. These people represent the future of our sales force – and future sales. Our sales force productivity (gross auction proceeds divided by number of revenue producers) increased to \$13.5 million per revenue producer for 2008 compared to \$12.5 million in 2007. This is a key metric in our business and the improved performance demonstrates the results of our people efforts.

2. Our places

We intend to increase our share of existing markets while simultaneously developing new markets and expanding our international network of auction sites. When we talk about markets, we are referring to both market sectors and geographic areas.

Although we expect that most of our short-term growth will come from regions where we are already well established, such as the United States and Western Europe, we believe that emerging markets in developing countries offer significant potential for long-term growth. That is why we are establishing offices and developing relationships with new customers in countries like China, India and Poland.

We plan to expand our international network of auction sites, adding at least two new sites every year, with a short-term focus on the United States and Western Europe. We will also continue conducting off-site auctions to expand our presence in new regions.

At the end of 2008 we had more than 110 offices in more than 25 countries, including 38 auction sites in North America, Europe, the Middle East and Australia. We also have new permanent auction sites currently under development in other locations such as Japan, Mexico and Australia.

3. Our processes

We are committed to making our business more consistent, efficient and scalable by implementing new and improved processes and systems. Technology will continue to play a large role in our business, enabling us to improve the quality of our auctions and deliver added value to our buyers and sellers. We believe that the continuous improvement mindset we've developed over the past few years will help us improve our margins over the long term.

Among the process improvements we introduced or expanded in 2008:

→ **Electronic Auction Clerking** – This software relays auction information such as proxy bids, buyer numbers and sold prices almost instantly between the auctioneer, clerk and administrative offices. Proxy bids can now be placed minutes before an item is sold and buyers can pay almost immediately. The system has resulted in significant efficiency gains at our auctions.

→ **The Virtual Ramp** – Equipment photos are projected onto a large screen so bidders can see each item as they bid. First used at Ritchie Bros. auctions for assets located off-site, such as boats or real estate, the Virtual Ramp is now being used to increase speed,



efficiency and bidder comfort when selling stationary equipment items. Deployed outside North America for the first time in 2008, it is now in use at most Ritchie Bros. auction sites.

→ **Automated electronic signboards** – Linked to our online bidding service, the signboards display the current ask prices to the bidders at the auction site: a valuable service for our non-English speaking customers.

→ **Credit card services** – On-site and online bidders at Ritchie Bros. auctions in the United States, Canada, Australia, the Middle East and most countries in Europe can pay by credit card.

→ **Online shipping services** – We entered into a partnership with uShip to provide real-time shipping estimates and competitive shipping quotes through our web site, rbauction.com, for our auctions in the United States and Canada.

We believe the three aspects of our growth strategy complement each other: our people help us achieve our goals and grow our gross auction proceeds, our places give us the capacity to handle future growth, and our processes enable us to become more efficient and effective as we expand around the world. Success comes from making progress on all three fronts, and not by focusing on any one in isolation.

Environmental Principles

We have always taken pride in our environmental practices. Whether it be the fact that our business model provides a channel for used equipment to be re-used by new owners, or that all our state-of-the-art refurbishment facilities meet the highest level of environmental standards. In 2008 we articulated a set of environmental principles designed to guide our behavior.

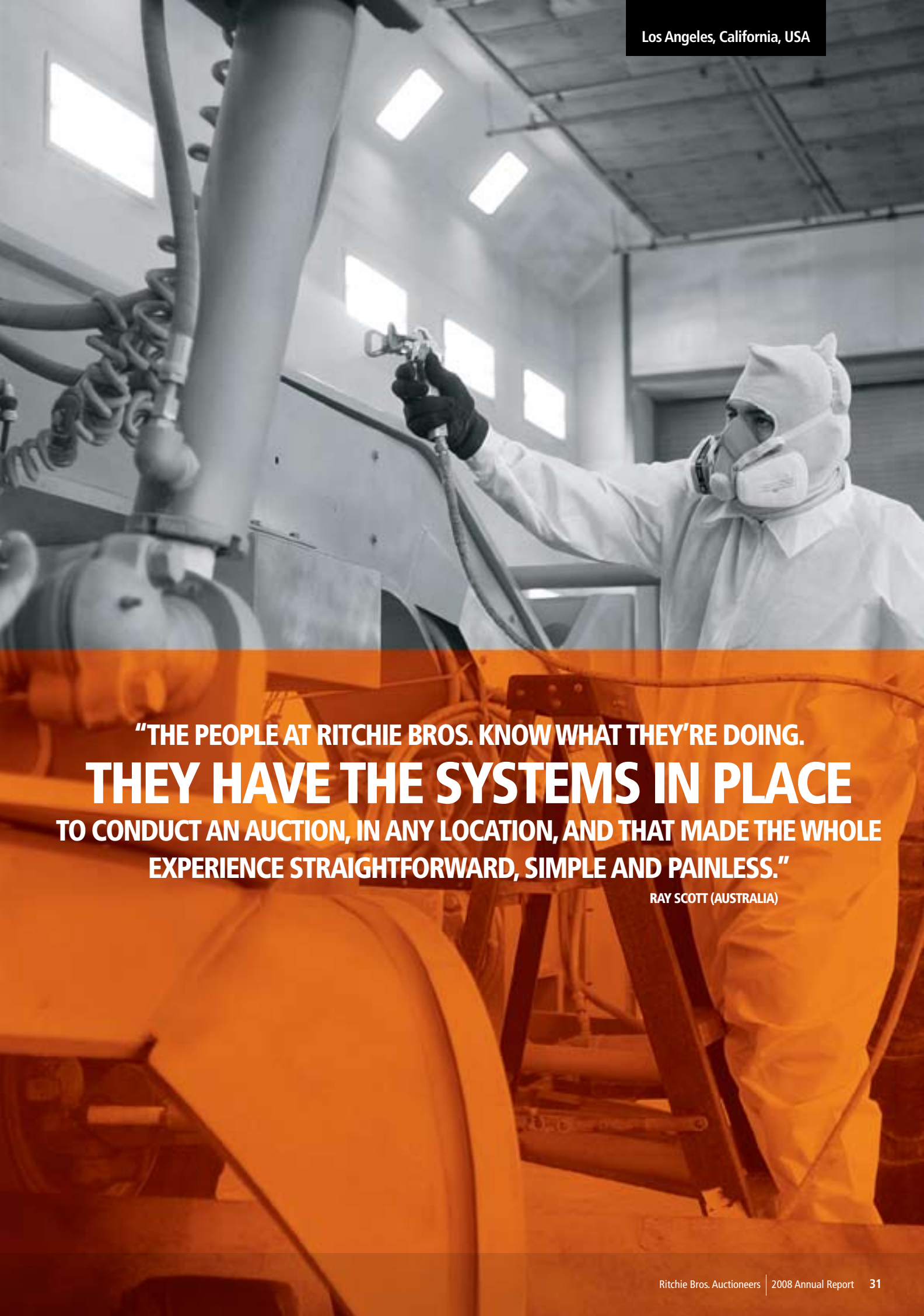
Ritchie Bros. is committed to contributing to the protection of the natural environment by preventing and reducing adverse impacts of our operations. Our objective is to be more than compliant – we want to make a positive contribution and be true to our core value: “We do what is right.”

As part of this commitment, we aim to:

1) **empower our employees to identify and address environmental issues;**

- 2) **consider environmental impacts as part of all business decisions;**
- 3) **conduct business in compliance with applicable regulations and legislation, and where appropriate, adopt the most stringent as our global benchmark;**
- 4) **use resources wisely and efficiently to minimize our environmental impact;**
- 5) **communicate transparently with our stakeholders about environmental matters;**
- 6) **conduct ongoing assessments to ensure compliance and good stewardship;**
- 7) **hold management accountable for providing leadership on environmental matters, achieving targets, and providing education to employees.**

Our objective is to stimulate local decision-making in line with these environmental principles, with executive leadership as necessary.



**"THE PEOPLE AT RITCHIE BROS. KNOW WHAT THEY'RE DOING.
THEY HAVE THE SYSTEMS IN PLACE
TO CONDUCT AN AUCTION, IN ANY LOCATION, AND THAT MADE THE WHOLE
EXPERIENCE STRAIGHTFORWARD, SIMPLE AND PAINLESS."**

RAY SCOTT (AUSTRALIA)

STEP ONE GETTING TO KNOW THE CUSTOMER

The process of selling a piece of equipment usually begins when one of our Territory Managers meets with the owner to find out how we can best meet that owner's particular needs. Ours is a relationship business, and to deliver value to our customers we need to take time to get to know them well.

STEP TWO ASSESSING THE VALUE OF THE CUSTOMER'S EQUIPMENT

We assess the value of a customer's equipment, often conducting a professional appraisal drawing on the expertise of our team of experienced appraisers and our extensive knowledge of the global used equipment market.

STEP THREE DRAFTING THE AUCTION CONTRACT

We offer our consignors a range of contract options, including straight commission, guarantee and outright purchase. Straight commission contracts represent about 75 percent of our business. We strive to offer flexible contract options for our customers while accepting appropriate levels of risk.

STEP FOUR GETTING THE EQUIPMENT READY FOR THE AUCTION

We will recommend and coordinate any cleaning, painting, repairs or refurbishing that's needed to help our consignors achieve maximum value for their equipment on auction day. Most of our permanent auction sites have environmentally certified refurbishing facilities so this work can be done on-site.

STEP FIVE MARKETING THE EQUIPMENT TO THE WORLD

We undertake comprehensive marketing campaigns to ensure the participation of the widest possible audience of bidders in each of our auctions. We post equipment details and photos on our high-traffic web site, rbauction.com, which receives tens of thousands of unique visitors daily. For each auction, we mail tens of thousands of full-color brochures to a targeted group of customers from our database of 450,000 people in 200 countries. We advertise in trade magazines, newspapers and on radio, and create added awareness of our auctions through strategic media relations campaigns.

STEP SIX SEARCHING THE EQUIPMENT FOR LIENS

Our search department works to identify and resolve any title issues before the auction. If we can't deliver clear and marketable title to our buyers, we will offer them a full refund. Our customers bid knowing that they can take possession of their auction purchases as soon as they've paid and put their new equipment straight to work.

STEP SEVEN SETTING UP THE AUCTION YARD

We display and sell most of the equipment we sell right on site at the auction location. Knowing that we have full care, custody and control of all equipment we sell, from the time it arrives at our auction site until the time the new buyers take possession, gives both our sellers and our buyers tremendous comfort. Our sellers know the equipment is safe and available for inspection. We arrange the equipment in logical groupings at the site so our customers can easily inspect, test and compare different items before they bid on auction day. We also make any additional documentation, including work and repair history, available to potential buyers so they can assess the value of the equipment for themselves and be prepared to bid on auction day. And our knowledgeable staff is always on hand to answer any questions. And at the end of the day, buyers don't have to worry about trying to locate or get access to their purchases.

STEP EIGHT CONDUCTING THE AUCTION

Months of preparation go into an auction, but on auction day our team of auctioneers, bid catchers, clerks, yard crew, internet services staff and customer service representatives work together to ensure the auction progresses smoothly and efficiently. We do everything possible to make our bidders feel comfortable and confident on auction day. At most sites, we drive mobile equipment over a ramp in front of the bidders so they can see the machines in operation as they bid. In some locations we sell stationary items indoors using our proprietary virtual ramp technology. We sell every item unreserved and prevent owners from bidding in; our customers know that every item will be sold to a new owner on auction day. And we allow third party finance companies, transportation companies, customs brokers, caterers and other service providers to offer their services to our customers at the auction site.

STEP NINE TAKING CARE OF BUSINESS

Once the auction is over, we collect the proceeds from the buyers, including applicable sales taxes (which we remit to the appropriate authorities); only then do we release the equipment to the new owner. Within three weeks of the auction we deliver the net proceeds of the sale to our consignors, along with a detailed settlement statement – making our unreserved auctions one of the fastest, most efficient ways to create liquidity.

OUR AUCTION PROCESS

THE RITCHIE BROS. AUCTION PROCESS: FROM SURPLUS TO SOLD

Our auction process is well defined, consistent and transparent. Whether our customers are consigning one piece of equipment or selling an entire fleet, they can be confident that we will take care of their needs and follow through on our commitments. At its heart, it's about Auctions Done Right.







rb RITCHIE BROS.
Auctioneers

Ritchie Bros. Auctioneers
6500 River Road, Richmond, BC, Canada V6X 4G5
Tel: 604.273.7564 Fax: 604.273.6873

www.rbauction.com

 **Mixed Sources**
Cert no. SW-COC-001563
© 1996 FSC