ASHTEAD GROUP PLC

International Equipment Rental

First quarter results - 31 July 2006

Issued: 5 September 2006

Welcome

- George Burnett — Chief Executive
- Ian Robson — Finance Director
- Geoff Drabble — Chief Executive designate

Overview

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- Continuing strong performance ahead of the NationsRent acquisition
- Group underlying pre-tax profit of £24.3m (2005 - £12.3m)
- Sunbelt's operating profit up 48.6% to \$57.1m (2005 - \$38.4m)
- A-Plant's operating profit up 25.7% to £4.5m (2005 - £3.6m)
- NationsRent acquisition completed on 31 August 2006

Financial Review

Ian Robson - Group finance director

Summary results – three months to 31 July

	2006	2005	Change	Margins	
	£m	£m	(at comparable rates)	2006	2005
Revenue	175.7	145.9	22.5%		
EBITDA +	65.0	51.1	29.5%	37.0%	35.0%
Operating profit +	35.0	24.4	46.5%	19.9%	16.7%
Underlying profit before tax	24.3	12.3	103.9%	13.8%	8.4%
Underlying basic EPS	4.1p	2.0p	115.4%		
Cash tax EPS o	4.7p	3.7p	32.2%		
Return on capital employed *	18.9%	13.6%			

+ In 2006, before exceptional items
o Underlying earnings before deferred tax divided by the weighted average number of shares in issue
* Last twelve months (LTM) operating profit before exceptional items divided by weighted average capital employed (net tangible assets plus net debt, pension fund deficit and deferred tax, less asset arising from fair value remeasurements)

Revenue drivers

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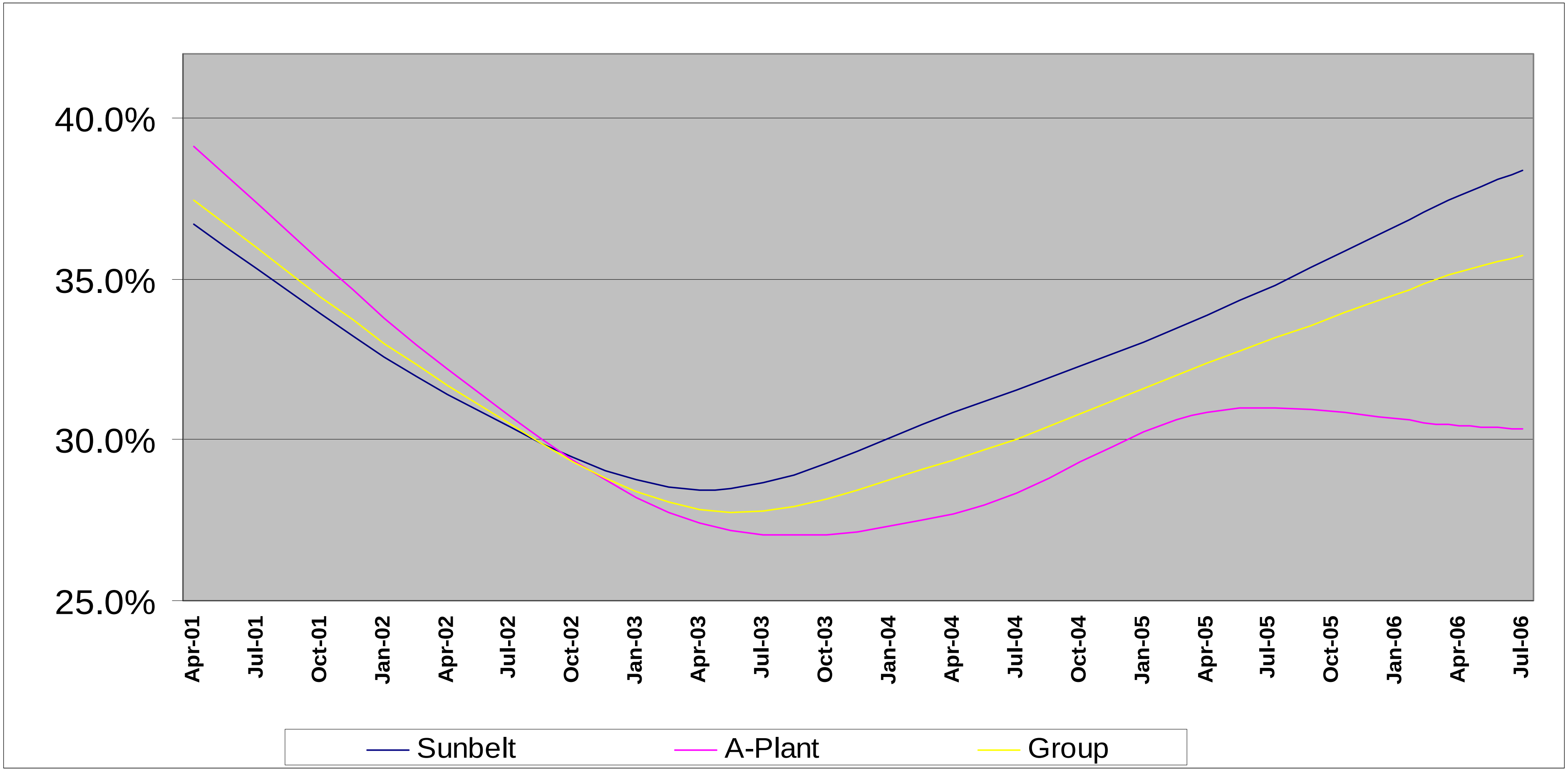
	First Quarter Sunbelt	First Quarter A-Plant
Average fleet size	+16.8%	+4.1%
Utilisation	+1.3%	+8.0%
Price	+6.5%	-2.6%
	+26.0%	+9.5%
Other	-0.7%	+3.8%
Total revenues	+25.3%	+13.3%

The rate of price growth in the US is, as expected, now back in single digits

LTM EBITDA margin trends
US margin trends remain strong



Fair value remeasurements related to embedded derivatives and exceptional items

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	Three months to 31 July 2006	2005	Year to April 2006
	£m	£m	£m
Fair value remeasurements of embedded derivatives	(15.4)	1.3	5.6
Post acquisition integration costs	(0.3)	-	(0.8)
Litigation proceeds	-	-	11.3
Capital reorganisation	-	-	(4.8)
Profits on sale of scaffolding	-	-	2.9
Net amount (charged)/credited to income statement	(15.7)	1.3	14.2

The £15.4m charge for fair value remeasurements of embedded derivatives in Q1 2006 arose principally because, following the decision to repay the 12% sterling notes as part of the NationsRent acquisition, the embedded prepayment options for these notes no longer have value.

Capital expenditure

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	31 July 2006			2005
	Growth	Maintenance	Total	Total
Sunbelt in $m	98.4	25.3	123.7	64.8
Sunbelt in £m	52.7	13.5	66.2	36.8
A-Plant	14.5	16.5	31.0	16.9
Ashtead Technology	2.9	0.3	3.2	1.7
Total rental equipment	70.1	30.3	100.4	55.4
Other fixed assets			10.1	6.1
Total additions			110.5	61.5

Gross capital expenditure of approximately £250m is expected for 2006/7 for the existing Group

Cash flow and net debt - continued strong growth

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	Three months to 31 July 2006 £m	2005 £m	Year to 30 April 2006 £m	LTM to 31 July 2006 £m
EBITDA before exceptional items	65.0	51.1	224.7	238.6
Cash inflow from operations before exceptional items	57.7	38.3	215.2	234.6
Cash efficiency ratio	*88.8%*	*75.0%*	*95.8%*	*98.3%*
Maintenance rental capital expenditure	(28.2)	(34.0)	(149.9)	(144.1)
Non-rental capital expenditure	(9.3)	(4.1)	(16.8)	(22.0)
Proceeds from sale of used rental equipment	13.7	10.8	50.4	53.3
Tax paid	(3.7)	(0.1)	(2.8)	(6.4)
Free cash flow before interest	30.2	10.9	96.1	115.4
Financing costs paid	(9.4)	(11.2)	(38.7)	(36.9)
Free cash flow after interest	20.8	(0.3)	57.4	78.5
Growth capital expenditure	(32.8)	(13.7)	(62.6)	(81.7)
Acquisitions and disposals & issue of ordinary share capital	0.6	(1.7)	26.7	29.0
Other, principally pension plan funding of £17.1m in 2006	(2.8)	-	(24.1)	(26.9)
Increase in total debt	(14.2)	(15.7)	(2.6)	(1.1)

Debt – further deleveraging ahead of Nations acq'n

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	Three months to 31 July 2006 £m	Three months to 31 July 2005 £m	Year to April 2006 £m
Net debt brought forward	493.6	482.3	482.3
Exchange movement	(10.1)	16.9	3.7
Opening net debt at closing rates of exchange	483.5	499.2	486.0
Change in net debt from cash flow	14.2	15.7	2.6
Other non-cash movements	1.6	3.6	5.0
Net debt carried forward	**499.3**	**518.5**	**493.6**
Availability under ABL facility	**$260.6**	**$175.4**	**$283.4**
Key ratios			
12 months EBITDA before exceptional items	238.6	178.6	224.7
Net debt to EBITDA	2.1x	2.9x	2.2x
EBITDA to cash interest	6.5x	4.6x	5.8x

NationsRent financing update

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- Rights issue raised £152m – 96.2% take up
- New ABL facility upsized to $1.75bn
- Pro forma debt at closing of £990m
- Pro forma combined LTM to July (June for Nations) EBITDA of £331.9m
- Pro forma debt to EBITDA of 3.0 times (within our 2-3 times target)
- Conservative debt package
  - ABL availability of c.$430m (covenant free above $125m)
  - Long term maturities – average 7 years; first significant maturity 2011
  - Weighted average interest cost – 8%
  - 99% drawn in dollars – enhanced natural hedge of translation exposure

Operating divisions

George Burnett – chief executive

Sunbelt – strong trading results

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	2006 $m	2005 $m	Change	2006 £m	2005 £m	Change
Revenue	234.0	186.8	+25.3%	126.3	103.3	+22.3%
EBITDA	93.2	68.9	+35.2%	50.3	38.1	+32.0%
Margin	*39.8%*	*36.9%*		*39.8%*	*36.9%*	
Operating profit	57.1	38.4	+48.6%	30.8	21.2	+45.1%
Margin	*24.4%*	*20.6%*		*24.4%*	*20.6%*	
Net tangible assets	901.4	700.0	+28.8%	482.8	397.6	+21.4%
ROI *	24.3%	18.0%				

* Last twelve months (LTM) operating profit before exceptional items divided by weighted average capital employed (net tangible assets plus net debt, pension fund deficit and deferred tax) computed using a quarterly average

Sunbelt – utilisation remains robust on a much enlarged fleet

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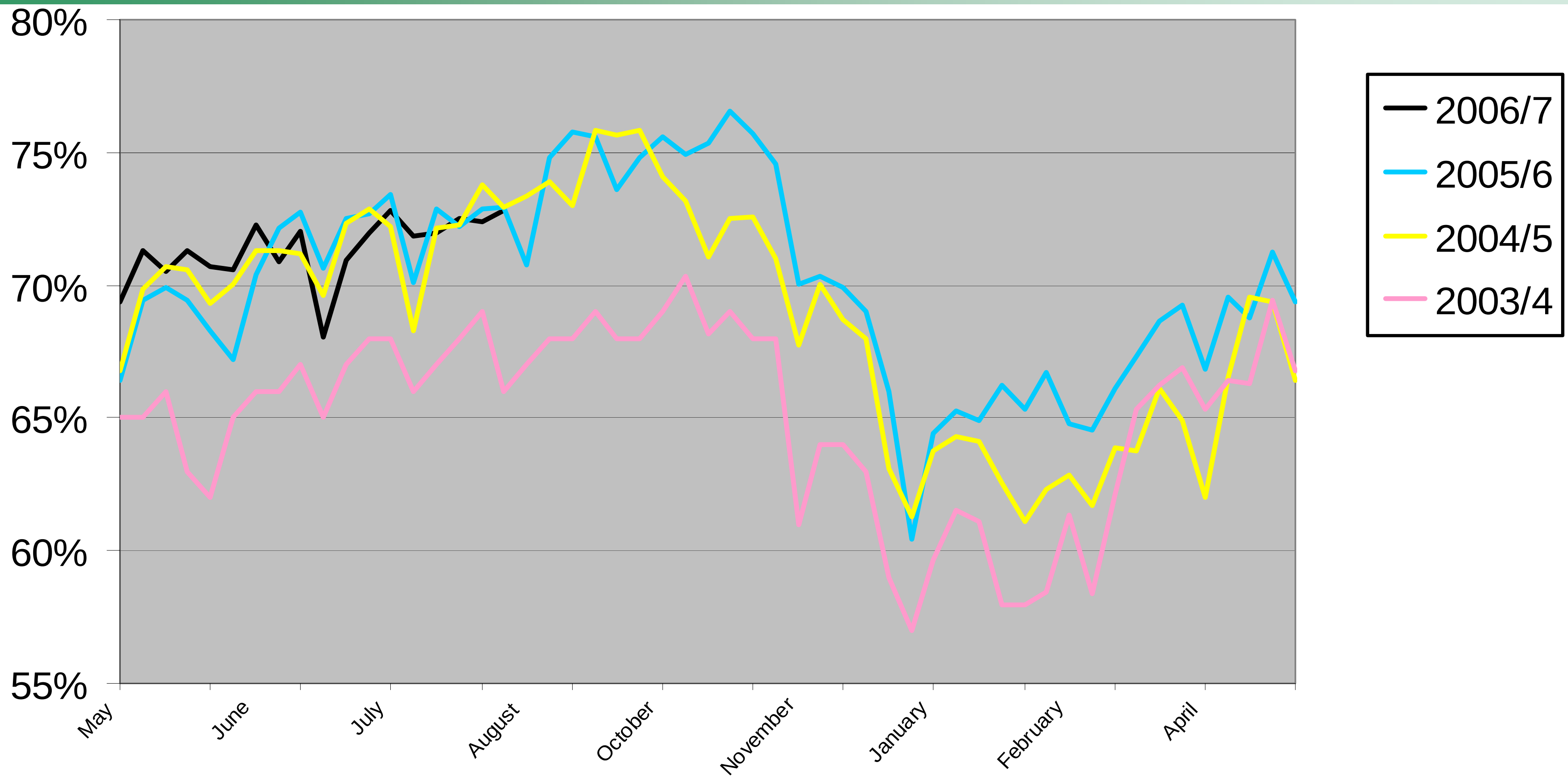

Utilisation is a time based utilisation measure computed as the value of major (cost over $7,500) equipment on rent as a percentage of the total value of major equipment in the fleet at the measurement date.

Sunbelt – US markets forecast to remain good

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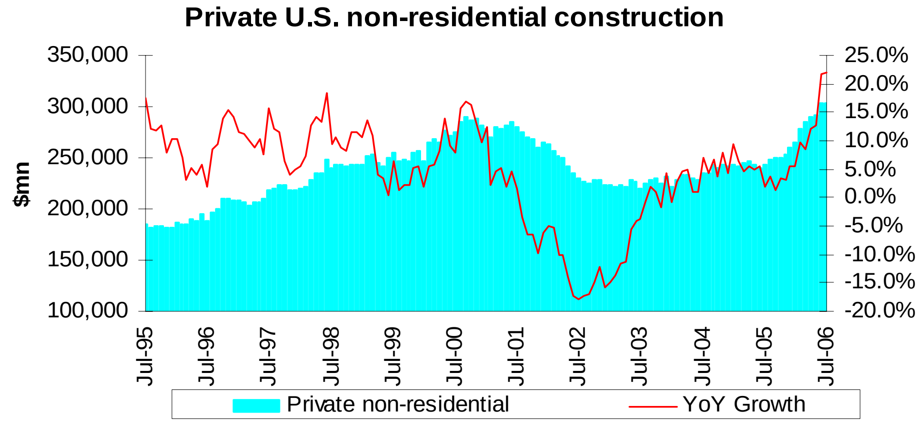
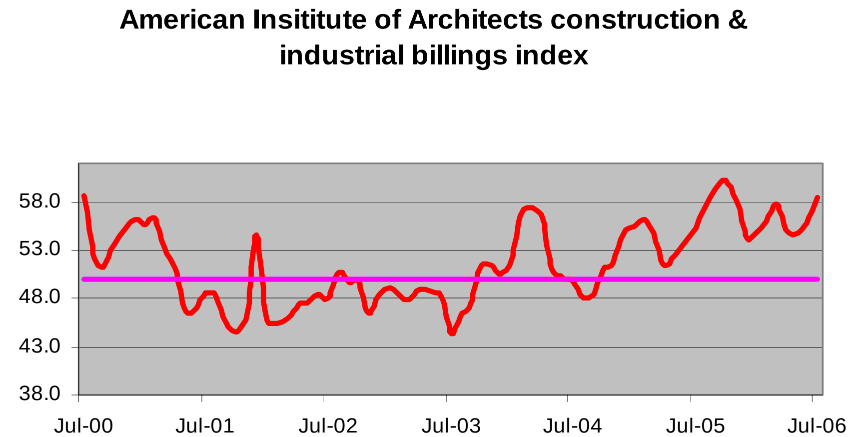
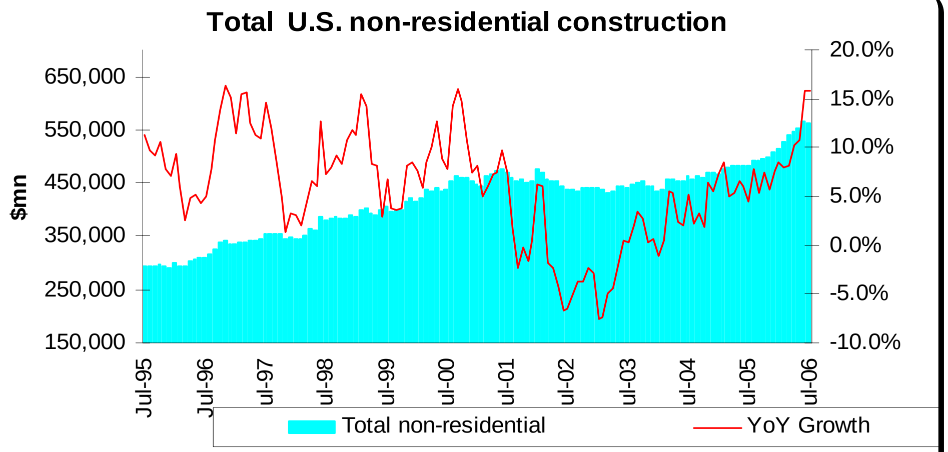


Source: U.S Dept of Commerce



Source: Equity Research Bank of America



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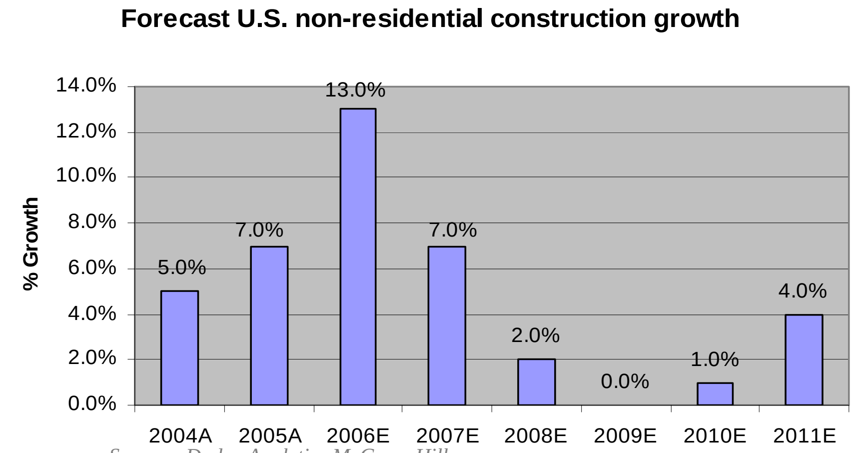

Source: Dodge Analytics McGraw-Hill

Sunbelt – continuing to take market share – shift from ownership to rental

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Growth in rental revenues	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006
United Rentals	+4.7%	+9.4%	+9.9%	+11.5%	+13.0%	+18.0%	+15.0%	+11.3%
Atlas Copco (RSC)	+11.0%	+14.0%	+13.0%	+14.0%	+13.0%	+20.0%	+25.0%	+23.0%
Hertz	+12.8%	+15.1%	+16.9%	+20.5%	+21.9%	+22.3%	+27.2%	+21.9%
Sunbelt	**+18.4%**	**+19.0%**	**+11.4%**	**+16.4%**	**+22.2%**	**+34.1%**	**+28.8%**	**+27.7%**
NES Rentals	+5.0%	+10.8%	+4.8%	Nil	- 0.2%	+4.1%	+13.5%	-
NationsRent	+11.1%	+5.8%	+7.9%	+5.9%	+ 2.6%	+10.2%	+11.2%	+7.7%
Head & Engquist	+4.2%	+13.2%	+14.0%	+16.0%	+19.7%	+24.3%	+33.0%	+40.4%
Neff Rental			+14.4%	+17.9%	+18.9%	+24.4%	+29.3%	+25.7%

Notes:

1. Source – company filings and press releases. For Ashtead we use the nearest equivalent to the calendar quarters reported by the other companies who all have 31 December year ends.
2. Hertz publishes only total equipment rental revenue figures.
3. Sunbelt's same store rental revenue growth for quarter two was 21.3%, United Rentals same store revenue growth for quarter two was 8.6%.
4. Quarterly information only available for Neff since Q1 2005
5. NES Rentals was acquired by Diamond Castle Holdings on July 21 2006 and no longer reports publicly

Sunbelt – operating developments

- Time utilisation remains strong on a fleet which has grown 23% since April 2005
- Price growth at 6.5% also remains well ahead of US CPI
- Market conditions remain strong with non-residential construction up 15% through July and forecast to grow 13% in 2006 (and 7% in 2007)
- Expansion of the rental fleet continues with growth capital expenditure of $98m.
- Last year's acquisitions continue to perform well
- Strong platform for the NationsRent acquisition

A-Plant – results

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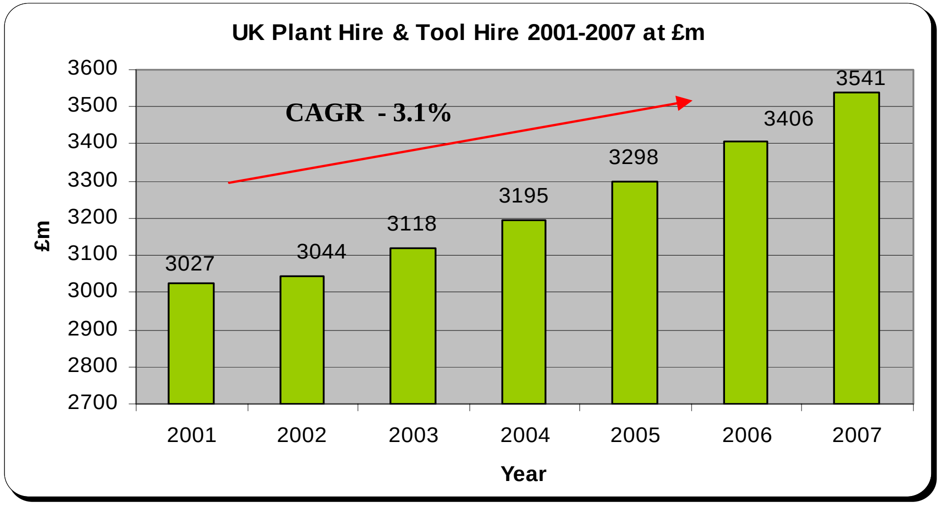
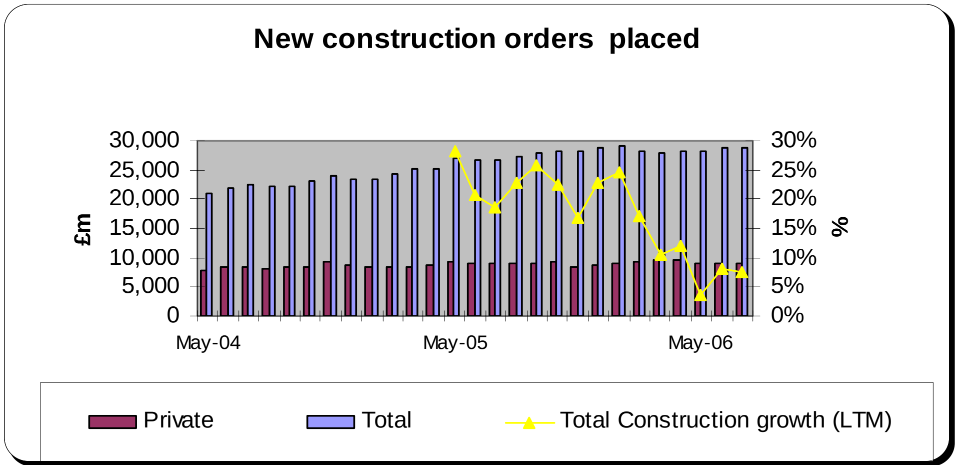
	2006 £m	2005 £m	Change
Revenue	43.9	38.8	13.3%
EBITDA	13.9	12.5	10.8%
Margin	*31.7%*	*32.4%*	
Operating Profit	4.5	3.6	25.7%
Margin	*10.2%*	*9.2%*	
Net tangible assets	208.7	187.3	11.4%
ROI*	7.5%	6.0%	

*Last twelve months (LTM) operating profit divided by weighted average capital employed (net tangible assets plus net debt, pension fund deficit and deferred tax) computed using a quarterly average

A–Plant – stable market conditions





The Bank of England Aug 2006 Agent's summary of business conditions states:

- Construction output growth remains steady.
- Growth in public sector demand remained strong, but had slowed, with contractors noting reduced orders from the NHS. Offsetting that, privately financed infrastructure projects and house building accelerated.

A-Plant – operating developments

- Last year's sales force restructuring is delivering significant top line growth with Q1 revenues up 13% following growth of 6% in Q3 and 8% in Q4
- Growth is taking place in all market segments with the top 150 customers steady at 40% of the total in Q1 (2005/6 – 39%)
- Significant increase in utilisation from 64% to 69% increases efficiency
- 14.5% growth in operating costs reflects the investment in the enlarged salesforce and will moderate as the year proceeds
- Growth fleet investment of £15m made to support the top line opportunity
- Good construction market expected to continue:
  - Investment by utility companies in infrastructure renewal (water, gas etc.)
  - Olympics

A-Plant - utilisation well ahead

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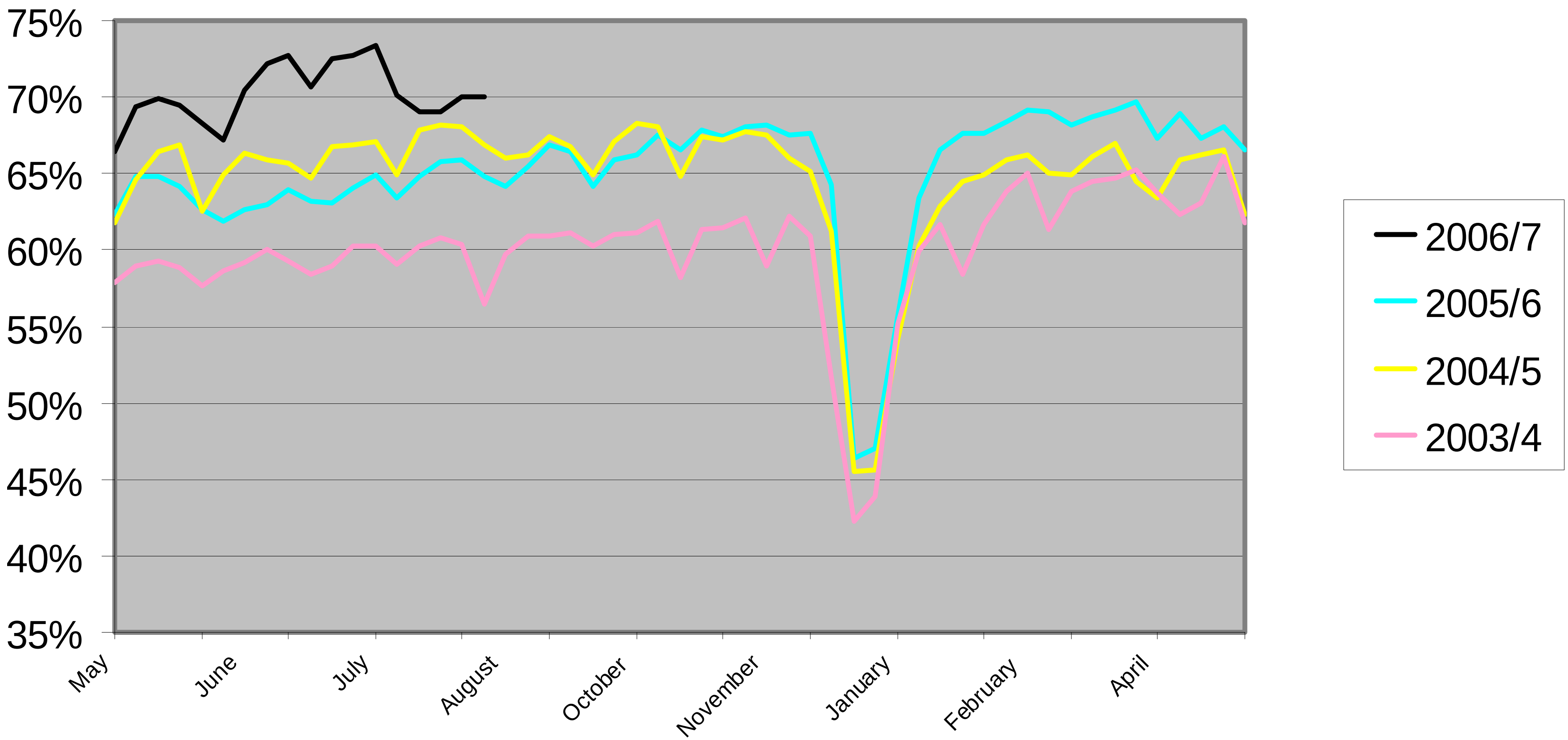

Utilisation is a time based utilisation measure computed as the value of equipment on rent as a percentage of the total value of major equipment in the fleet at the measurement date

Technology – results

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	2006 £m	2005 £m	Change (at constant rates)
Revenue	5.5	3.8	+44.6%
EBITDA	2.4	1.9	+30.5%
Margin	*44.1%*	*48.8%*	
Operating profit	1.3	1.0	+30.6%
Margin	*23.7%*	*26.3%*	
Net tangible assets	14.4	9.7	+48.5%
ROI *	34.3%	39.8%	

* Last twelve months (LTM) operating profit divided by weighted average capital employed (net tangible assets plus net debt, pension fund deficit and deferred tax) computed using a quarterly average

Technology – operating developments

- Investment by oil majors continues to drive strong growth in Technology's offshore business
- Continued investment in rental fleet to meet demand - £3m spent in Q1
- Revenue expansion continues onshore but margins have been temporarily impacted by investment to drive future growth
- Technology expected to remain a fast growing, high return niche business in the enlarged group

NationsRent acquisition - update

Geoff Drabble – chief executive designate

NationsRent integration update

<u>To recap the rationale for acquisition</u>

- Excellent fit in terms of geography, type of business and fleet profile
- Therefore minimal integration disruption at trading level.
- Key integration challenges relate to:-
  - Communication
  - Head office/back office synergies
  - Focussed objectives via introduction of Sunbelt’s successful incentive plans
  - Systems integration

NationsRent integration update

Ashtead Group PLC

Activity and experiences to date

- Pre-completion experience has been encouraging in terms of both the quality of local management and the acceptance of the message
- National communication programme has been completed
- Combined regional and district structure will be rolled out in September
- Profit share and sales commission programmes to be introduced in October
- We remain confident of achieving $37m annual cost savings by April 07
- Migration/unification of IT systems onto a single core database planned for completion by end November

NationsRent – Update on pre-acquisition trading

	Q2 2006 $m	Q2 2005 $m		LTM Jun-06 $m	Y/E Dec-05 $m	
Revenues (excluding used equipment revenues)	164.9	142.7	+15.6%	615.6	573.6	+7.3%
Operating costs	(129.9)	(110.3)	+17.8%	(485.2)	(453.7)	+6.9%
EBITDA (excluding gain on sale of used equipment)	35.0	32.4	+8.0%	130.4	119.9	+8.6%
Margin	21.2%	22.7%		21.2%	20.9%	

- Rental revenue growth was 11.2% for Q1 and 7.7% for Q2
- Profits growing but still underperforming relative to the rest of the industry
- Clear opportunity to enhance margins by adopting Sunbelt business model and leveraging combined fleet and national footprint

Acquisition of NationsRent extends geographical reach – particularly NE & Texas

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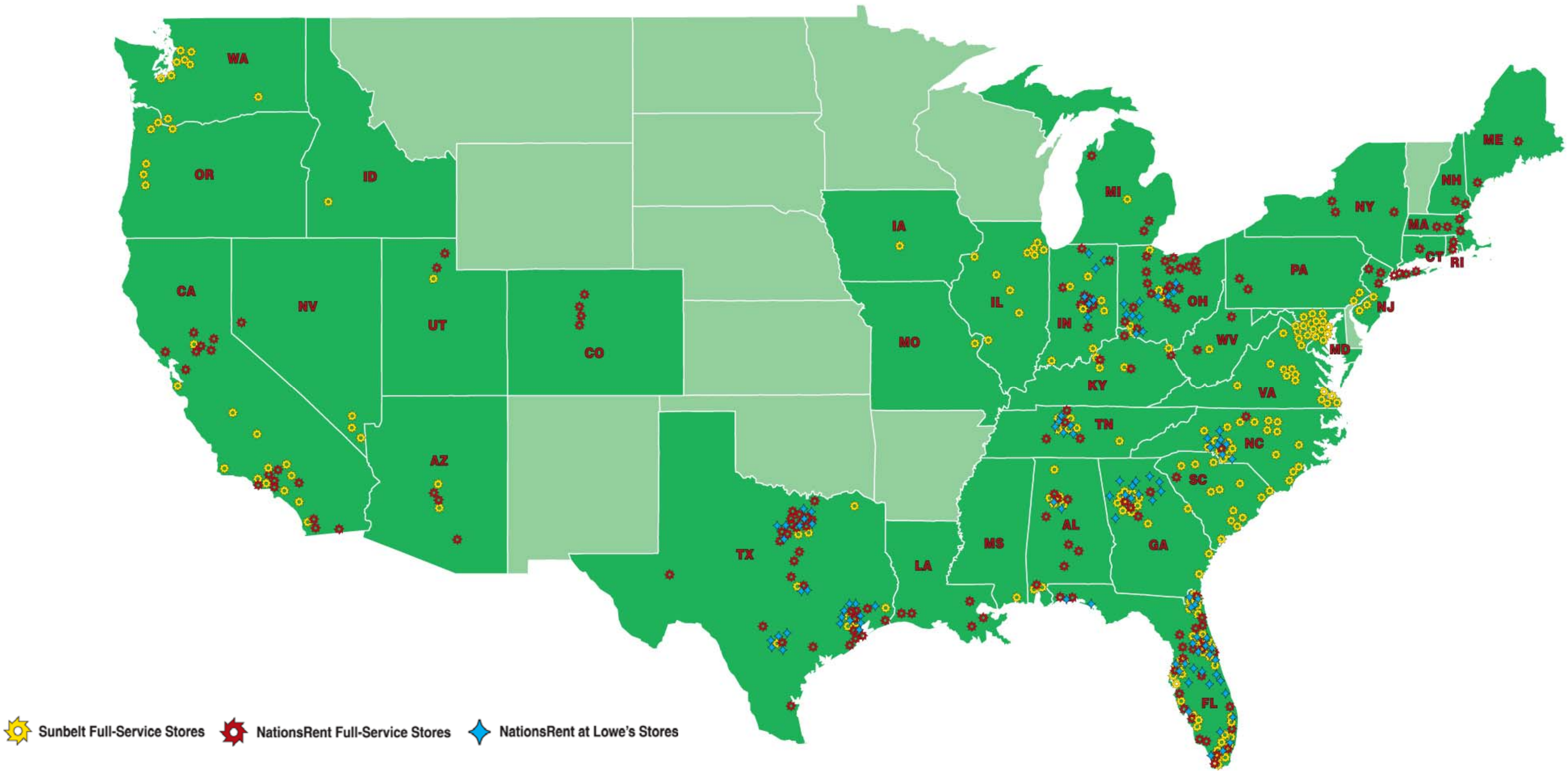

Concluding remarks

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George Burnett – chief executive

In summary

- Strong first quarter with all three divisions performing well
- A-Plant expected to continue to benefit from last year's sales force restructuring
- Sunbelt's strong performance underlines why the Board decided to acquire NationsRent
- NationsRent integration plan completed and implementation underway
- Geoff Drabble starts on 2 October and will work alongside me until my retirement in December – both of us will focus on the integration
- Conversion from ownership to rental continues to underpin strong US demand which is not dependent on house building
- The Group is well placed to continue to make good progress