ASHTEAD GROUP PLC

Interim results for the 6 months ended 31 October 2002

- Profit before goodwill amortisation and taxation of £20.3m (2001 - £28.8m before exceptionals)

- FRS 3 profit before tax of £15.8m (2001 – loss before tax of £7.4m)

- Earnings per share of 4.4p (2001 – 6.2p) based on the profit before goodwill amortisation (and in 2001 exceptional items) less a notional 30 per cent tax charge

- Interim dividend maintained at 0.62p per share

- Positive free cashflow in the first half

- US continues to outperform in competitive markets

- New UK product-focussed structure now firmly established and delivering benefits

Chief executive George Burnett said:

"Against a background of challenging economic conditions, the Group generated a profit before goodwill amortisation and tax of £20.3m in the 6 months to 31 October 2002. In the same period in the previous year when conditions pre September 11 were more favourable, the figure was a profit of £28.8m before exceptional items. Although revenues fell 5.9% to £292.2m (£310.6m) all but 1.5% of this decline was due to translation effects resulting from the weak dollar."

"The Board recognises the importance of dividends to shareholders at a time when stock markets are weak and has declared an unchanged interim dividend of 0.62p. Bank debt at 31 October 2002 at £431.2m is c£100m lower than the equivalent figure a year earlier reflecting the successful implementation of the accounts receivable securitisation, a favourable currency translation effect and positive free cashflow."

"Overall, while the Board believes a continued cautious approach is appropriate in current conditions, it is confident of the Group's ability to continue to reduce debt levels. The Group's divisions are all leaders in their respective markets and are well positioned to benefit substantially as and when economic conditions, particularly in the United States, improve."

OVERVIEW

Against a background of challenging economic conditions, the Group generated a profit before goodwill amortisation and tax of £20.3m in the 6 months to 31 October 2002. In the same period in the previous year when conditions pre September 11 were more favourable, the figure was a profit of £28.8m before exceptional items. Although revenues fell to £292.2m (£310.6m) all but 1.5% of this decline was due to translation effects resulting from the weak dollar.

FRS 3 profits before tax of £15.8m compared favourably with the loss of £7.4m in the same period a year ago. Earnings per share based on the profit before goodwill amortisation (and in 2001 exceptional items) less a notional 30% tax charge were 4.4p (2001 6.2p). The Board recognises the importance of dividends to shareholders at a time when stock markets are weak and has declared an unchanged interim dividend of 0.62p which will be paid on 7 April 2003 to shareholders on the register on 28 February 2003. Bank debt at 31 October 2002 at £431.2m is c£100m lower than the equivalent figure a year earlier reflecting the successful implementation of the accounts receivable securitisation, a favourable currency translation effect and positive free cashflow."

US - SUNBELT

In the six-month period Sunbelt's revenues rose 0.8% to $292.4m ($290.1). A decline in same store revenues, of 4% year on year, was offset by turnover from new businesses opened in the last 18 months, 23 in the year to 30 April 2002 and 4 in the six months to 31 October 2002. This modest growth in dollar revenues was achieved at a time when non-residential construction spending, according to US Department of Commerce figures, declined 17% year on year and by as much as 30% in the period March 2001 to September 2002. However, the weakness of the dollar meant that, when translated into sterling, revenues declined by 5.8% from £201.8m to £190.0m.

For the same reason, Sunbelt's operating profit before goodwill amortisation declined by 20% in sterling terms but by 14.5% in US dollars. Since equipment utilisation levels were broadly sustained at last year's levels, the decline in operating profit largely arose from pressure on rental rates in the current US economic slowdown and the drag effect of the 27 businesses opened in the last 18 months. Our specialist scaffolding and pump and power businesses in particular continue to take market share, contributing to a performance which, while declining year on year, compares favourably with Sunbelt's US peer group.

In response to the economic climate, capital expenditure levels were reduced by a third to £33.9m (£50.8m) of which £18.0m was spent on expanding the fleet and the balance on replacement. The average age of the US fleet overall is 3 years 9 months, and only 3 years when aerial work platforms, which have a longer than average working life, are excluded. Since these figures are at the very least commensurate with those of Sunbelt's competitors and low compared with the working life of the equipment, our recent policy of matching expenditure to economic conditions can be continued for some time without detriment to Sunbelt's competitive position.

UK - A-PLANT

In the six months under review significant changes were made in the operating structure of the A-Plant business following the appointment of new senior management at the end of the last financial year. From the beginning of the period the specialist businesses, such as portable accommodation, power generation, welding, rail maintenance and powered access, took on a national role under a single operating division. The benefits of this approach are already apparent in terms of performance and increased customer awareness. The refocusing of the smaller equipment businesses through the roll-out of the "Tool Hire Shops" brand was achieved on schedule. Where those smaller businesses had become 'mini A-Plants' their larger equipment was redistributed to plant hire locations and capital expenditure concentrated on tool hire activities.

Following this process, from 1 December 2002, the 73 Tool Hire Shops have been brought together, like the Specialists, as a separate national division to ensure optimum operational and marketing impact. At the same time the remaining A-Plant businesses, 92 in total, were grouped into two operating divisions, A-Plant North and South. Finally the Irish business, which had suffered a significant downturn in the year to 30 April 2002, has made good progress under its new all-Ireland identity.

Since 1 May 2002 the functions of the four previously separate accounting offices and the marketing and corporate office of A-Plant have been transferred to a new location at Warrington, and the four computer systems have been merged, following a similar process in Sunbelt last year. This rationalisation will significantly improve operating efficiency, customer support and internal and external communications and will also enable support costs to be reduced once the new systems are fully bedded down. Resulting from the focus given by its new product driven structure, A-Plant anticipates closing a small number of locations in the second half in markets where it is either geographically over-represented or in product lines where its market presence is insufficiently strong to achieve its return on investment criteria. Rental equipment released from these locations will be mostly utilised elsewhere in the business where better returns can be obtained.

The previously announced supplier rationalisation programme has made good progress with a reduction in the number of suppliers from 10,000 to 2,500 already achieved with the anticipated savings from this exercise expected to exceed £1m in a full year. Thus, although A-Plant's turnover fell by £5.3m to £95.1m and its operating profit before goodwill amortisation and, in 2001, exceptional items by £2.4m to £9.7m, much has been done to reverse the decline suffered by the business in the second half of last year. Indeed in December A-Plant's monthly revenues (for the first time this year) exceeded those of the previous year. With a continued focus on improving the rate of return on investment, capital expenditure was kept under tight control at £15.0m (£19.6m) thereby increasing utilisation rates and increasing the average age of the rental fleet to 3 years 9 months, which compares with a working life on average of more than 8 years.

OFFSHORE AND ENVIRONMENTAL – ASHTEAD TECHNOLOGY

A strong performance in Ashtead Technology's environmental businesses in the United States and Canada despite the slow-down in the US economy was insufficient to offset difficult trading conditions in the Company's oil and gas markets in the North Sea and the Gulf of Mexico. As a result turnover fell £1.3m to £7.1m and operating profits before goodwill amortisation by £0.9m to £2.1m. Operating margins, however, remain the highest in the Group at 29.6%.

CASH MANAGEMENT

Total rental fleet capital expenditure committed in the period was £51.2m (£73.2m) split almost equally between equipment for expansion and replacement items. There was a gain of £2.2m on sale of fixed assets. Debtors days at 31 October 2002 were reduced to 56 days (2001 - 57 days). Net cash inflow from operating activities was £152.9m (£121.8m) and free cash flow (defined as cash inflow from operating activities less interest other than exceptional interest, dividends, tax and capital expenditure) was £60.6m (outflow of £35.0m). Both these figures include the initial proceeds from the first drawdown of the accounts receivable securitisation in June 2002 of £57.4m. The continued control of capital expenditure will result in increased free cash flow in the second half and beyond. Actual tax payments were £0.4m and will remain minimal for the foreseeable future.

CURRENT TRADING AND OUTLOOK

Trading in November and December has continued to show the same trends seen in the first half with group revenues for the eight months to 31 December 2002 1.4% lower than the previous year at constant rates of exchange.

Looking forward, the major influence on trading will be the US economy which continues to give mixed signals. The December US Institute of Supply Management survey indicated that 70% of manufacturers and service companies expect sales in 2003 to exceed 2002 levels. The year on year rate of decline in non-residential construction reduced to 14% in November and more importantly the absolute level of activity rose by 1.4% between September and November. President Bush is introducing a significant package of measures to stimulate the US economy. On the other hand, geopolitical risks and a high oil price threaten the general economic outlook.

Sunbelt's absolute progress will be determined by the resolution of these matters, but the Board is confident that its comparative position as number four in the US with only a 2.5% to 3% market share will continue to strengthen. In the UK others in our industry have observed that the market in which we operate has worsened over the last 12 months. Nevertheless the Board is confident that the measures being taken in A-Plant are set to deliver an improved year on year performance in the second half. Overall, while the Board believes a continued cautious approach is appropriate in current conditions, it is confident of the Group's ability to continue to reduce debt levels. The Group's divisions are all leaders in their respective markets and are well positioned to benefit substantially as and when economic conditions, particularly in the United States, improve.

There will be a presentation to analysts at 9.30am today at the offices of WestLB Panmure at Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA. A copy of the slides and a live webcast of the presentation will be available via the Company's website (www.ashtead-group.com) as well as a playback as soon as practicable after the presentation closes.

ENDS 15 January 2003

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FINANCIAL REVIEW

RESULTS

Revenues

Group revenues of £292.2m (2001 - £310.6m) were significantly impacted by the weak US dollar. At constant exchange rates the decline in group revenues was 1.5%, significantly less than the 5.9% decline at actual rates. Sunbelt's revenues declined from £201.8m to £190.0m when measured in sterling but rose 0.8% in US dollars from $290.1m to $292.4m. A-Plant's revenues declined 5.3% from £100.4m to £95.1m which was an improvement on the second half of the previous year when its revenues declined by 8.8% compared to the equivalent period a year earlier. Ashtead Technology revenues reduced from £8.4m to £7.1m reflecting lower activity levels in its offshore markets in the North Sea and Gulf of Mexico.

Divisional performance	Turnover			Profit		
	6 months to 31 October		Year to 30 April	6 months to 31 October		Year to 30 April
	2002	2001	2002	2002	2001	2002
	£m	£m	£m	£m	£m (restated)	£m
Sunbelt Rentals	190.0	201.8	382.2	32.3	40.4	62.6
A-Plant	95.1	100.4	187.0	9.7	12.1	14.5
Ashtead Technology	7.1	8.4	14.5	2.1	3.0	4.2
Group central costs	-	-	-	(2.6)	(2.6)	(4.7)
Divisional performance	**292.2**	**310.6**	**583.7**	**41.5**	**52.9**	**76.6**
Interest:						
- bank interest				(16.0)	(20.7)	(39.2)
- finance leases				(1.3)	(1.4)	(2.7)
- convertible loan note				(3.9)	(3.8)	(7.6)
Profit before tax, exceptionals, goodwill & BET lease impact				**20.3**	**27.0**	**27.1**
Prior year BET lease impact				-	1.8	1.8
Profit before tax, exceptional items & goodwill amortisation				20.3	28.8	28.9
Exceptional items*				-	(31.3)	(35.6)
Goodwill amortisation				(4.5)	(4.9)	(8.8)
Profit/(loss) before tax under FRS 3				**15.8**	**(7.4)**	**(15.5)**

* comprising, for the six months ended 31 October 2001, the UK asset disposal programme (£30.0m) and bank facility amendment fees of £1.3m.

In the table above adjustments have been made to the previously published results for the six months to 31 October 2001 to reflect the subsequent capitalisation of certain acquired rental equipment leases in BET as finance leases at 30 April 2002 as described in note 22 to the 2001/2 report and accounts. Divisional performance (operating profit before goodwill amortisation and, in 2001, exceptional items) also excludes the prior year element of the change in treatment of acquired BET leases because this provides a better comparison between periods. In addition certain costs previously allocated across the operating divisions are now presented separately as this better reflects underlying divisional performance.

On this basis total Divisional operating profit excluding goodwill amortisation and, in 2001, exceptional items declined by 21.6% from a restated £52.9m to £41.5m. At constant rates of exchange the reduction was 17.2%.

On the same basis Sunbelt's operating profit before goodwill amortisation declined 20.0% in sterling at actual rates of exchange but by only 14.5% in US dollars with the remaining 5.5% decline being due to the weaker US dollar. This decline reflected a reduction in Sunbelt's operating margins from 20.0% to 17.0% largely due to reductions in rental rates caused by the competitive operating environment during the current US economic slowdown. Equipment utilisation was at similar levels to the equivalent period a year earlier.

A-Plant's operating profit also declined 19.8% with its operating margins falling from 12.1% to 10.2%. This decline reflected continued competitive conditions in its principal markets. Its reorganisation on product lines is now well established and it presently anticipates an improved second half compared with that of last year.

Technology's profits declined in line with the revenue fall in its key offshore markets but its operating margins remain the highest in the group at 29.6% (2001 – 35.7%).

Net interest payable and similar charges

	6 months to 31 October 2002	2001	Year to 30 April 2002
	£m	£m (restated)	£m
Interest payable on bank and other borrowings	16.0	20.7	39.2
Finance lease interest	1.3	1.4	2.7
5.25% unsecured convertible loan note interest	3.9	3.8	7.6
Interest cost before non-recurring charges	21.2	25.9	49.5
Prior year BET lease interest charge	-	2.9	2.9
Exceptional costs re bank facility	-	1.3	3.0
Total interest	21.2	30.1	55.4

Interest (excluding the prior year BET lease interest and the exceptional costs incurred in 2001/2 in resetting bank covenants) reduced by 18.1% from £25.9m to £21.2m reflecting both lower interest rates and the weakness of the US dollar which is the currency in which around 80% of bank interest is payable. Net bank interest payable includes £4.1m (2001 - £1.7m) payable under the US$250m 3 year interest rate swaps at 6.825% entered into at the end of August 2000 as required by the banking agreement. Consequently the Company has only benefited from lower interest costs on less than two-thirds of its bank debt, a feature which will continue until the swaps expire in early September 2003.

Exceptional items

No exceptional costs were incurred in the first half of the current financial year. Exceptional items in the previous year related to the UK rental fleet rationalisation programme (£30.0m for the 6 months to 31 October and £32.6m for the full 2001/2 year) and to the banking covenant reset costs (£1.3m for the 6 months to 31 October and £3.0m for the full 2001/2 year) discussed above.

Profit before tax

Profit before tax, exceptional items and goodwill (and excluding the £1.8m prior year lease impact booked in 2001/2) declined 24.8% at actual rates of exchange from the comparable £27.0m shown in the table above to £20.3m but by only 20.0% at constant rates.

Profit before tax for the second quarter (1 August to 31 October 2002) of £12.3m compared with the first quarter result announced on the day of the 2002 AGM of £8.0m. The FRS 3 profit before tax for the six months to 31 October 2002 was £15.8m compared to last year's half year FRS 3 loss before tax of £7.4m.

Taxation

Reflecting one of the benefits of the capital intensive nature of the Group's operations, the current tax charge for the half year continues to be low at £0.6m representing an effective tax rate on profits before tax and goodwill amortisation of less than 3% (2001 – less than 2%). The effective current tax rate is expected to remain at very low levels (significantly less than ten percent) for the foreseeable future.

The total half year tax charge of £7.2m (2001 – tax credit of £5.4m) therefore includes a £6.6m deferred tax charge representing full provision under FRS 19 for tax amounts which are not expected to be payable for many years. All of this charge arises in the United States because the group is currently in a net tax loss position in the UK after the impact of the interest rate hedging costs discussed above and the beneficial effects of the structure used to finance the BET acquisition and is consequently unable to recognise any tax credit for these UK tax losses. The full US tax charge and the inability to take credit for the UK tax loss position explain why the overall effective tax rate (based on pre- goodwill profits) of 35.5% in the first half is currently higher than the UK statutory rate of 30%. As and when UK taxable profitability recovers (which will be aided by the forthcoming expiry of the interest rate swap in September 2003) then these unrecognised UK tax losses (£10.6m at 30 April 2002) will act as a "tax shelter". Consequently, in these circumstances, the Group would report an effective tax rate lower than the UK statutory rate of 30%.

The full year tax charge is currently again expected to almost entirely comprise a deferred tax charge as was the case in the year to 30 April 2002.

Earnings per share

Earnings per share for the six months to 31 October 2002 is 4.4p based on the profit before tax and goodwill amortisation for the period and on a notional 30 per cent tax charge (which has been used for illustrative purposes in view of the volatility in the actual tax charge for the reasons outlined above). This compares with 6.2p for 2001 before exceptional items. Earnings per share under FRS 14 which are based on the profit after goodwill amortisation and after the full FRS 19 tax charge are 2.7p (2001 – loss per share of 0.6p).

Dividends

The Board has declared an unchanged interim dividend of 0.62p net per share which has a total cost of £2.0m (2001 - £2.0m). This dividend will be paid on 7 April 2003 to shareholders on the record on 28 February 2003.

BALANCE SHEET

Fixed assets – rental equipment additions

	6 months to 31 Oct 2002			6 months to	Year to 30
	Expansion	Replacement	Total	31 Oct 2001	April 2002
	£m	£m	£m	£m	£m
Sunbelt Rentals	18.0	15.9	33.9	50.8	67.0
A-Plant	6.5	8.5	15.0	19.6	26.7
Ashtead Technology	1.5	0.8	2.3	2.8	4.3
	26.0	25.2	51.2	73.2	98.0

Capital expenditure in the six months to 31 October 2002 was £55.9m, including £51.2m spent on rental equipment. This was lower than in the previous year when £81.2m (rental equipment - £73.2m) was spent in the first six months and £113.8m for the year as a whole (rental equipment - £98.0m).

Despite the lower capital expenditure both Sunbelt and A-Plant retain fleets whose ageing is comparable to or younger than their competitors with the average age of the Group's rental fleet at 31 October 2002 being 45 months (30 April 2002 – 41 months). This comprises an overall age of 45 months for both A-Plant and Sunbelt. Within the Sunbelt fleet the average age of the aerial work platforms (the equipment type with virtually the longest life in its fleet) is 51 months and the remainder of its equipment has an average age of 36 months. It is still expected, as stated in the 2001/2 annual report and accounts, that total capital expenditure for 2002/3 will be around £75m and that this is expected to give an average fleet age of around 49 months at 30 April 2003.

Debtors

Gross trade debtors before non-recourse funding received under the accounts receivables securitisation at 31 October 2002 were £101.3m (2001 - £107.8m). Gross debtors days were 56 days compared with 58 days at 30 April 2002 and 57 days at 31 October 2001.

Non-recourse funding received against these receivables at 31 October 2002 under the receivables securitisation programme entered into in June 2002 was £57.9m which represented 59% of the net value of the receivables in the pool. The effective funding charge applicable to this funding is 1.35% over LIBOR and is included within net bank interest payable. This compares with a margin of 2.5% over LIBOR on the £60m of bank debt repaid in the period principally with the proceeds derived from the securitisation.

Creditors

The total amount included within creditors directly attributable to the purchase of fixed assets was £43.2m at 31 October 2002 (£82.3m at 31 October 2001 and £60.7m at 30 April 2002). Bills of exchange at £11.0m (2001 - £18.4m) were again an insignificant part of the Group's financial structure as they were at the April 2002 year-end.

CASH FLOW AND DEBT

Net cash inflow from operating activities was £152.9m (2001- £121.8m) including the initial proceeds from the first drawdown of the accounts receivable securitisation in June 2002 of £57.4m. £23.4m (2001 - £25.2m) of interest and similar charges was paid in the period and £0.4m (2001 - £0.1m) of tax. As anticipated following the halving of capital expenditure last year, cash payments for the purchase of fixed assets were less than half those of a year earlier at £73.5m (2001 - £149.1m).

Free cashflow (defined as cash inflow from operating activities less capital expenditure, servicing of finance other than exceptional interest costs, tax and equity dividends paid) was a positive cash inflow for the first time since the recession of the early nineteen-nineties of £60.6m (2001 – outflow of £35.0m) – albeit that the majority of the inflow relates to the initial proceeds of the securitisation of £57.4m.

This free cashflow was applied to reducing debt. Free cash flow is anticipated to increase in the second half reflecting an expectation that the usual seasonal reduction in working capital in the second half will continue and that payments for capital expenditure will be significantly lower in the second half than the £73.5m paid in the first half (as was the case last year when £149.1m was paid in the first half but only £54.2m in the second).

Net debt

	At 31 October		At 30 April
	2002	2001	2002
	£m	£m (restated)	£m
Bank debt	431.2	530.1	515.5
Finance lease obligations	25.7	33.5	30.6
	456.9	563.6	546.1
5.25% unsecured convertible loan note, due 2008	130.1	129.4	129.7
Cash at bank and in hand	(0.4)	(2.5)	(0.5)
Total net debt	586.6	690.5	675.3

Bank debt at 31 October 2002 was £431.2m, £98.9m less than the equivalent figure at 31 October 2001 (£530.1m) and £84.3m less that the figure at 30 April 2002 (£515.5m). Including outstanding obligations under finance leases and the 5.25% unsecured, subordinated convertible, due 2008 held by Rentokil plc, total net debt at 31 October 2002 was £586.6m (2001 - £690.5m). The Group retains significant headroom in both committed and uncommitted facilities above its projected borrowing requirements. Headroom was £49.9m against all facilities at 31 October 2002 and £39.2m against committed facilities. The Group's secured bank facility is committed through June 2005 as is the accounts receivable securitisation discussed above. At 10 January 2003, the latest date prior to publication of this report for which figures are available, total net debt was £572.3m.

OPERATING STATISTICS

	Profit centre numbers			Staff numbers		
	At 31 October		At 30 April	At 31 October		At 30 April
	2002	2001	2002	2002	2001	2002
Sunbelt Rentals	195	181	188	3,847	3,884	3,886
A-Plant	264	265	268	2,552	2,547	2,573
Ashtead Technology	7	7	7	71	81	71
Group	466	453	463	6,484	6,525	6,545

ASHTEAD GROUP PLC

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2002

	Unaudited		Audited
	6 months ended 31 October		Year to 30 April
	2002	2001	2002
	£m	£m (restated)	£m
Turnover	292.2	310.6	583.7
Cost of sales	(228.7)	(246.2)	(462.2)
Gross profit	63.5	64.4	121.5
Administrative expenses	(26.5)	(26.3)	(49.0)
Operating profit	37.0	38.1	72.5
Exceptional loss on disposal of UK fixed assets	-	(15.4)	(32.6)
Net interest payable and similar charges	(21.2)	(30.1)	(55.4)
Profit/(loss) on ordinary activities before taxation	15.8	(7.4)	(15.5)
Profit before tax, goodwill amortisation and exceptionals	*20.3*	*28.8*	*28.9*
Goodwill amortisation	*(4.5)*	*(4.9)*	*(8.8)*
Exceptional items	*-*	*(31.3)*	*(35.6)*
Profit/(loss) on ordinary activities before taxation	*15.8*	*(7.4)*	*(15.5)*
Tax on (loss)/profit on ordinary activities:			
- current tax	(0.6)	(0.4)	0.3
- deferred tax – current year	(11.2)	(5.3)	(2.5)
- deferred tax – prior year	4.6	11.1	21.4
	(7.2)	5.4	19.2
Profit/(loss) for the financial period	8.6	(2.0)	3.7
Equity dividends	(2.0)	(2.0)	(11.3)
Retained profit/(loss) transferred to reserves	6.6	(4.0)	(7.6)
Basic earnings/(loss) per share	2.7p	(0.6p)	1.1p
Diluted earnings/(loss) per share	2.7p	(0.6p)	1.1p

Comparative figures have been restated as described in note 6.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE SIX MONTHS ENDED 31 OCTOBER 2002

	Unaudited		Audited
	6 months ended 31 October		Year to 30 April
	2002	2001	2002
	£m	£m (restated)	£m
Profit/(loss) for the financial period	8.6	(2.0)	3.7
Foreign currency translation differences	0.2	(1.4)	(0.7)
Total recognised gains and losses for the period	8.8	(3.4)	3.0

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE SIX MONTHS ENDED 31 OCTOBER 2002

	Unaudited		Audited
	6 months ended 31 October		Year to 30 April
	2002	2001	2002
	£m	£m (restated)	£m
Profit/(loss) for the financial period	8.6	(2.0)	3.7
Dividends	(2.0)	(2.0)	(11.3)
	6.6	(4.0)	(7.6)
Share capital subscribed	0.1	0.6	0.7
Foreign currency translation differences	0.2	(1.4)	(0.7)
Net addition/(reduction) to shareholders' funds	6.9	(4.8)	(7.6)
At 1 May	194.5	202.1	202.1
Closing shareholders' funds	201.4	197.3	194.5

Comparative figures have been restated as described in note 6.

CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 2002

	Unaudited 31 October 2002	Unaudited 31 October 2001	Audited 30 April 2002
Fixed assets	£m	£m	£m
Intangible assets		(restated)	
- goodwill	156.4	169.3	160.8
Tangible assets			
- rental equipment	635.8	725.2	678.1
- other fixed assets	70.0	69.3	72.8
	705.8	794.5	750.9
Investments – own shares held by ESOT	1.6	-	1.6
	863.8	963.8	913.3
Current assets			
Stocks	11.9	14.7	12.9
Trade debtors subject to non-recourse financing	97.6	-	-
Non-recourse financing received	(57.9)	-	-
Net trade debtors subject to non-recourse financing	39.7	-	-
Other trade debtors, prepayments & accrued income	20.0	119.9	110.7
Cash at bank and in hand	0.4	2.5	0.5
	72.0	137.1	124.1
Creditors - amounts falling due within one year			
Bank loans, overdrafts & finance lease obligations	(49.3)	(15.2)	(23.5)
Bills of exchange	(11.0)	(18.4)	(11.6)
Trade and other creditors	(86.7)	(125.6)	(110.1)
	(147.0)	(159.2)	(145.2)
Net current liabilities	(75.0)	(22.1)	(21.1)
Total assets less current liabilities	788.8	941.7	892.2
Creditors - amounts falling due after more than one year			
Bank and other loans	(394.5)	(527.3)	(504.4)
Finance lease obligations	(13.1)	(21.1)	(18.2)
5.25% unsecured convertible loan note, due 2008	(130.1)	(129.4)	(129.7)
	(537.7)	(677.8)	(652.3)
Provisions for liabilities and charges			
Deferred taxation	(45.0)	(59.4)	(41.1)
Other provisions	(4.7)	(7.2)	(4.3)
	(49.7)	(66.6)	(45.4)
Total net assets	201.4	197.3	194.5
Capital and reserves			
Called up share capital	32.6	32.5	32.5
Share premium account	100.7	100.7	100.7
Revaluation reserve	0.5	0.5	0.5
Profit and loss account	67.6	63.6	60.8
Total equity shareholders' funds	201.4	197.3	194.5

Comparative figures have been restated as described in note 6.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 OCTOBER 2002

	Unaudited		Audited
	6 months ended 31 October		Year to 30 April
	2002	2001	2002
	£m	£m (restated)	£m
Net cash inflow from operating activities			
Cash inflow from current period operations	95.5	121.8	202.0
Non-recourse finance received under debtors securitisation	57.4	-	-
Net cash inflow from operating activities	152.9	121.8	202.0
Returns on investments and servicing of finance			
Interest paid (net)	(20.4)	(19.6)	(43.5)
Interest element of finance lease payments	(1.3)	(4.3)	(5.6)
Exceptional costs re bank facility	(1.7)	(1.3)	(1.3)
Net cash outflow from returns on investments and servicing of finance	(23.4)	(25.2)	(50.4)
Taxation (outflow)	(0.4)	(0.1)	(0.7)
Capital expenditure			
Purchase of tangible fixed assets	(73.5)	(149.1)	(203.3)
Sale of tangible fixed assets	12.6	25.7	39.2
Purchase of own shares held by employee trust	-	-	(1.6)
Net cash outflow from capital expenditure	(60.9)	(123.4)	(165.7)
Acquisitions and disposals outflow	(0.4)	(6.7)	(3.3)
Equity dividends paid	(9.3)	(9.4)	(11.3)
Net cash inflow/(outflow) before management of liquid resources and financing	58.5	(43.0)	(29.4)
Financing			
Issue of ordinary share capital	0.1	0.7	0.7
Net draw down/(redemption) of loans	(49.6)	53.4	32.5
Capital element of finance lease payments	(2.8)	(7.7)	(10.7)
Net cash inflow from financing	(52.3)	46.4	22.5
Increase/(decrease) in cash	6.2	3.4	(6.9)

Comparative figures have been restated as described in note 6.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. The abridged 2002 profit and loss account, balance sheet and cash flow statement are taken from the statutory accounts for the year ended 30 April 2002 which have been filed with the Registrar of Companies. The auditor's report on these accounts was unqualified and did not contain a statement under section 237 of the Companies Act 1985.

2. Basic and diluted earnings per share for the six months ended 31 October 2002 have been calculated based on the profit or loss attributable to the shareholders of Ashtead Group plc and on the weighted average number of ordinary shares in issue during the period excluding the shares held by the Company's employee share ownership trust as follows:

	Unaudited					
	6 months ended 31 October 2002			6 months ended 31 October 2001		
	Profit for the financial period	Weighted average no of shares	Per share amount	Loss for the financial period	Weighted average no of shares	Per share amount
	£m		p	£m		p
As used in the calculation of basic EPS	8.6	322.6	2.7	(2.0)	324.5	(0.6)
Outstanding share options	-	0.2	-	-	1.7	-
As used in the calculation of diluted EPS	8.6	322.8	2.7	(2.0)	326.2	(0.6)

3. Segmental analysis

	Turnover			Operating profit		
	Unaudited		Audited	Unaudited		Audited
	6 months to 31 October		Year to 30 April	6 months to 31 October		Year to 30 April
	2002	2001	2002	2002	2001	2002
	£m	£m	£m	£m	£m (restated)	£m
United States	192.8	205.7	389.1	30.9	44.5	66.0
United Kingdom	98.2	103.7	192.3	10.1	12.8	14.6
Rest of World	1.2	1.2	2.3	0.5	0.3	0.7
	292.2	310.6	583.7	41.5	57.6	81.3
Exceptional items				-	(14.6)	-
Goodwill amortisation				(4.5)	(4.9)	(8.8)
				37.0	38.1	72.5

Net assets:	Unaudited		Audited
	6 months to 31 October		Year to 30 April
	2002	2001	2002
	£m	£m (restated)	£m
United States	637.8	670.6	659.7
United Kingdom	251.3	274.8	249.1
Rest of World	1.8	1.8	2.1
	890.9	947.2	910.9
Central items (debt, securitisation funding and deferred tax)	(689.5)	(749.9)	(716.4)
	201.4	197.3	194.5

4. Net interest payable and similar charges

	Unaudited 6 months ended 31 October 2002 £m	Unaudited 6 months ended 31 October 2001 £m (restated)	Audited Year to 30 April 2002 £m
On bank and other borrowings	16.0	20.7	39.2
Finance lease interest	1.3	4.3	5.6
Convertible loan interest	3.9	3.8	7.6
	21.2	28.8	52.4
Exceptional costs re bank facility	-	1.3	3.0
	21.2	30.1	55.4

5. Exceptional items of £31.3m in the six months ended 31 October 2001 comprised £30.0m relating to the UK disposal programme (£14.6m included in cost of sales and £15.4m as an exceptional loss on disposal of fixed assets) and £1.3m in relation to bank covenant amendment fees. Exceptional items of £35.6m for the year ended 30 April 2002 included £32.6m relating to the UK disposal programme and £3.0m in relation to bank covenant amendment fees.

6. The interim results information has been prepared on the basis of accounting policies set out in the Group's statutory accounts for the year ended 30 April 2002 to which no changes have been made. Adjustments have also been made to the previously published results for the six months to 31 October 2001 to reflect the subsequent capitalisation of certain acquired leases in BET as finance leases at 30 April 2002 as described in note 22 to the 2001/2 report and accounts.

7. The effective rate of tax assumed for the six months to 31 October 2002 is 35.5% and is calculated by applying the Director's present best estimate of the annual tax rate to the profit before tax for the period after adding back goodwill amortisation for which no tax allowance is available.

8. The Directors have declared an interim dividend of 0.62p per share (2001 – 0.62p per share) which will be paid on 7 April 2003 to shareholders on the register on 28 February 2003.

9. Fixed assets

	2002 (unaudited)		2001 (unaudited)	
	Rental equipment	Total	Rental equipment	Total
Net book value:	£m	£m	£m	£m
At 1 May	678.1	750.9	725.6	802.5
Exchange difference	(31.1)	(33.7)	(7.4)	(8.0)
Additions	51.2	55.9	73.2	81.2
Acquisitions	-	-	37.6	37.7
Disposals	(10.7)	(11.5)	(16.6)	(26.3)
UK asset write-down	-	-	(28.7)	(28.7)
Depreciation	(51.7)	(55.8)	(58.5)	(63.9)
At 31 October	635.8	705.8	725.2	794.5

10. Goodwill

	Unaudited		
	Cost	Amortisation	NBV
	£m	£m	£m
At 30 April 2002	178.1	(17.3)	160.8
Acquisitions	0.1	-	0.1
Amortisation	-	(4.5)	(4.5)
At 31 October 2002	178.2	(21.8)	156.4

11. Notes to the cash flow statement

a. Reconciliation to net debt

	Unaudited		Audited
	6 months ended 31 October		Year to 30 April
	2002	2001	2002
	£m	£m (restated)	£m
(Increase)/decrease in cash in the period	(6.2)	(3.4)	6.9
(Decrease)/increase in bank loans	(49.6)	53.4	32.5
Change in net debt from cash flows	(55.8)	50.0	39.4
Translation difference	(28.4)	(6.8)	(8.8)
Non cash movement - 5.25% convertible loan note	0.4	1.5	1.8
- finance lease obligations	(4.9)	33.5	30.6
Movement in net debt in the period	(88.7)	78.2	63.0
Net debt at 1 May	675.3	612.3	612.3
Net debt at 31 October	586.6	690.5	675.3

b. Cash flow from operating activities

	Unaudited		Audited
	6 months ended 31 October		Year to 30 April
	2002	2001	2002
	£m	£m (restated)	£m
Operating profit	37.0	38.1	72.5
Amortisation of goodwill	4.5	4.9	8.8
Depreciation of tangible fixed assets	55.8	63.9	120.9
Non cash exceptional UK asset write down	-	14.6	-
(Gain)/loss on sale of tangible fixed assets	(2.2)	0.7	(1.5)
Decrease/(increase) in stocks	1.0	(0.7)	2.4
(Increase)/decrease in trade debtors	(5.4)	6.9	15.3
Increase/(decrease) in trade creditors	4.2	(5.6)	(15.4)
Exchange differences	0.6	(1.0)	(1.0)
Net cash inflow from operating activities before exceptional operating costs	95.5	121.8	202.0

12. Copies of this interim statement are being posted to all shareholders. Copies are available on request from the Company Secretary at the Registered Office of the Group at Kings Court, 41/51 Kingston Road, Leatherhead, Surrey KT22 7AP.

INDEPENDENT REVIEW REPORT TO ASHTEAD GROUP PLC

Introduction

We have been instructed by the company to review the financial information which comprises the consolidated income statement, consolidated statement of total recognised gains and losses, consolidated balance sheet, consolidated cash flow statement and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

This report has been prepared for and only for the company for the purpose of the Listing Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 October 2002.

PricewaterhouseCoopers
Chartered Accountants, London 15 January 2003

Notes: (a) The maintenance and integrity of the Ashtead Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website; (b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.