Ashtead group

3 December 2009

Unaudited results for the half year and second quarter ended 31 October 2009

Financial summary

	Second quarter			First half		
	2009	2008		2009	2008	
	£m	£m	%	£m	£m	%
Revenue	218.2	307.7	-29%	441.0	581.1	-24%
Underlying profit before taxation[1]	11.3	40.7	-72%	20.1	76.6	-74%
Profit before taxation	10.4	4.3	+137%	18.6	39.5	-53%
Basic earnings per share	0.9p	(0.3p)	n/a	2.0p	15.8p	-87%

Highlights

- Continuing to gain market share across both geographies
- First half pre-tax profit before amortisation of £20.1m in line with expectations (2008: £76.6m before exceptional items & amortisation)
- £97m of cash generated from operations in the first half with full year cash generation target raised to £125m from the £100m previously stated
- Net debt reduced by £189m to £847m (30 April 2009: £1,036m)
- Interim dividend unchanged at 0.9p per share (2008: 0.9p)
- $1.3bn refinancing of our asset-based loan through November 2013 provides the Group with substantial resources and flexibility for future growth

Ashtead's chief executive, Geoff Drabble, commented:

"These results show that, while market conditions have remained difficult throughout the first half, the actions we took last winter to cut costs and reduce fleet size prepared our businesses for the conditions ahead and ensured that margins held up well.

Our operational performance is strong and we are clearly gaining market share. This has helped protect our profitability and deliver strong cash generation in the first half.

Whilst we remain focused on current trading, our timely decision to extend the maturity of our asset-based loan until November 2013 allows us to turn our attention to preparing for the recovery.

We continue to believe in the fundamentals of our markets. With a restructured business delivering good margins and gaining market share, together with the flexibility given by the recently extended debt facilities, the Board believes that Ashtead is well placed to benefit when markets recover."

Contacts:

Geoff Drabble	Chief executive	020 7726 9700
Ian Robson	Finance director	
Brian Hudspith	Maitland	020 7379 5151

[1]Underlying revenue, profit and earnings per share are stated before exceptional items and amortisation of acquired intangibles. The definition of exceptional items is set out in note 4. The reconciliation of underlying earnings per share and underlying cash tax earnings per share to basic earnings per share is shown in note 7 to the attached financial information.

Geoff Drabble and Ian Robson will host a meeting for equity analysts to discuss the results at 9.30am on Thursday 3 December at the offices of UBS at 100 Liverpool Street, London EC2M 2RH. For the information of shareholders and other interested parties, the analysts' meeting will be webcast live via the Company's website at www.ashtead-group.com and there will also be a replay available via the website from shortly after the call concludes. A copy of the announcement and slide presentation used for the meeting will also be available for download on the Company's website. There will, as usual, also be a separate call for bondholders at 3.00pm UK time (10.00am EST).

Analysts and bondholders have already been invited to participate in the meeting and conference call but anyone not having received dial in details should contact the Company's PR advisers, Maitland (Ashley Forget) on 020 7379 5151.

First half results

	Revenue		EBITDA		Operating profit	
	2009	2008	2009	2008	2009	2008
Sunbelt in $m	576.1	870.2	199.3	320.8	80.0	187.0
Sunbelt in £m	355.4	462.6	122.9	170.6	49.3	99.4
A-Plant	84.0	118.5	23.7	38.8	3.1	14.2
Group central costs	-	-	(2.7)	(3.6)	(2.7)	(3.6)
Continuing operations	439.4	581.1	143.9	205.8	49.7	110.0
Net financing costs					(29.6)	(33.4)
Profit before tax, exceptionals and amortisation from continuing operations					**20.1**	**76.6**
Ashtead Technology					-	2.8
Exceptional items (net)					-	30.5
Amortisation					(1.5)	(1.4)
Total Group profit before taxation					18.6	108.5
Taxation					(8.6)	(27.8)
Profit attributable to equity holders of the Company					10.0	80.7
Margins						
Sunbelt			*34.6%*	*36.9%*	*13.9%*	*21.5%*
A-Plant			*28.2%*	*32.7%*	*3.7%*	*12.0%*
Group			*32.7%*	*35.4%*	*11.3%*	*18.9%*

First half results reflected the prevailing market conditions with rental revenues declining in Sunbelt by 31% to $534.4m and in A-Plant by 26% to £78.9m. Total revenue reductions were 34% in Sunbelt and 29% in A-Plant due to the greater reduction in sales of new and used equipment, merchandise and consumables.

The volume of fleet on rent held up well as a result of market share gains. Average fleet on rent in the first half reduced 13% year on year at Sunbelt and 16% at A-Plant. Pricing continued to be under pressure in both markets with yield declining 20% in Sunbelt and 11% in A-Plant compared to the same period in the prior year. Encouragingly, yield was broadly stable from month to month during the first half.

Our prompt action on cost reduction measures is reflected in the first half results with operating costs down 31% in Sunbelt and 24% in A-Plant. As a result, Group EBITDA margins remain above 30% and operating profit margins above 10%. The pre-tax profit before amortisation for the first half was in line with the Board's expectations at £20.1m (2008: £76.6m).

Whilst we continue to take appropriate actions on cost control, we are balancing this with the ongoing needs of the business. We remain confident as to the fundamentals of our markets and therefore continue to focus on developing long-term relationships across a wide range of market sectors. Our success in market share gains is demonstrated by our relatively strong volumes of fleet on rent and rental revenues. These successes will provide the springboard for improving margins and revenues as markets recover.

The effective current year tax rate for the first half was broadly stable at 35% (2008: 36%). In addition, there was an adjustment of £2.1m to prior year deferred tax. Basic earnings per share for the first half were 2.0p (2008: 15.8p, including the 11.0p impact of June 2008's exceptional gain on disposal of Ashtead Technology).

Capital expenditure

Capital expenditure in the first half was £28.5m (2008: £201.5m) of which £24.4m was rental fleet replacement. Disposal proceeds were £13.2m (2008: £40.7m), including £1.6m from the disposal of the remaining assets held for sale at year end, giving net capital expenditure in the first half of £15.3m (2008: £160.8m). We retain a significant ability to age our fleet and sustain our free cash flow at a time of lower earnings. The average age of the Group's rental fleet at 31 October 2009 was 39 months (2008: 32 months).

In the year as a whole, we continue to anticipate spending around £100m gross, all of which will be for replacement, or £75m net of disposal proceeds. With short lead times and no forward commitments, we have the flexibility to adjust this as required to reflect market conditions.

Cash flow and net debt

£97m of net cash inflow (2008: £19m) was generated from operations in the first half, of which £8m was returned to equity shareholders by way of dividends and £89m applied to reduce outstanding debt. As a result, including the benefit of a translation gain of £102m, closing net debt at 31 October 2009 reduced to £847m (30 April 2009: £1,036m). This substantial cash flow has helped to keep the ratio of net debt to EBITDA at 31 October 2009 to 2.9 times, within our 2-3 times target range despite the decline in our earnings due to the downturn.

Our revised debt package remains well structured for the challenges of current market conditions. Under the terms of the recent amendment of our asset-based senior bank facility, $1.3bn is now committed for four years until November 2013 with an additional $0.5bn available on the original terms until August 2011. Our debt facilities continue to be committed for the long term, with an average of 5.3 years at 31 October 2009 pro forma for the recent amendment. Based on August 2009 asset values, which were 27% below Spring 2007 peak values, availability at 31 October 2009 was $500m ($550m at 30 April 2009 based on November 2008 asset values which were 17% below peak). Availability therefore remains well above $150m, the level at which the entire debt package is covenant free.

Dividends

As we have stated previously, the Board's dividend policy is to seek to increase cash returns to shareholders progressively over time, considering both the underlying performance of the Group and the ongoing cash flow of the business. In light of the impact of the recession on earnings, the Board has declared an unchanged interim dividend of 0.9p per share which will be paid on 3 February 2010 to shareholders on record on 15 January 2010.

Current trading and outlook

We maintain the view that market conditions will remain difficult throughout the second half of the current financial year as more private sector projects funded prior to the downturn are completed and overall activity declines.

However, there are reasons to believe that this seasonally difficult period may represent the bottom or near bottom of our cycle. Beyond the end of this fiscal year, we anticipate that markets will remain difficult in 2010 but that the effect of US stimulus work and a recovering residential construction market will benefit us until general economic recovery brings an improvement in commercial construction, most likely towards the end of our 2010/11 fiscal year.

We continue to believe in the fundamentals of our markets. With a restructured business delivering good margins and gaining market share, together with the flexibility given by the recently extended debt facilities, the Board believes that Ashtead is well placed to benefit when markets recover.

Directors' responsibility statement in respect of the interim financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the International Accounting Standards Board;

- the interim management report includes a fair review of the information required by:

  (i) DTR 4.2.7R of the *Disclosure and Transparency Rules,* being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (ii) DTR 4.2.8R of the *Disclosure and Transparency Rules,* being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board of Directors 2 December 2009

CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 OCTOBER 2009

	2009			2008		
	Before exceptional items and amortisation	Exceptional items and amortisation	Total	Before exceptional items and amortisation (restated)	Exceptional items and amortisation	Total (restated)
Second quarter - unaudited	£m	£m	£m	£m	£m	£m
Continuing operations						
Revenue						
Rental revenue	201.8	-	201.8	272.0	-	272.0
Sale of new equipment, merchandise and consumables	10.0	-	10.0	14.8	-	14.8
Sale of used rental equipment	6.0	0.4	6.4	20.9	-	20.9
	217.8	0.4	218.2	307.7	-	307.7
Operating costs						
Staff costs	(66.2)	-	(66.2)	(79.6)	(0.6)	(80.2)
Used rental equipment sold	(6.4)	(0.4)	(6.8)	(18.5)	-	(18.5)
Other operating costs	(72.8)	-	(72.8)	(102.0)	(7.4)	(109.4)
Other (expense)/income	(0.1)	-	(0.1)	0.6	0.1	0.7
	(145.5)	(0.4)	(145.9)	(199.5)	(7.9)	(207.4)
EBITDA*	72.3	-	72.3	108.2	(7.9)	100.3
Depreciation	(46.5)	-	(46.5)	(49.9)	(27.8)	(77.7)
Amortisation of intangibles	-	(0.9)	(0.9)	-	(0.7)	(0.7)
Operating profit	25.8	(0.9)	24.9	58.3	(36.4)	21.9
Net financing costs	(14.5)	-	(14.5)	(17.6)	-	(17.6)
Profit on ordinary activities before taxation	11.3	(0.9)	10.4	40.7	(36.4)	4.3
Taxation:						
- current	(0.7)	-	(0.7)	(0.3)	1.0	0.7
- deferred	(5.4)	0.3	(5.1)	(14.4)	11.2	(3.2)
	(6.1)	0.3	(5.8)	(14.7)	12.2	(2.5)
Profit from continuing operations	5.2	(0.6)	4.6	26.0	(24.2)	1.8
Loss from discontinued operations	-	-	-	-	(3.3)	(3.3)
Profit/(loss) attributable to equity holders of the Company	5.2	(0.6)	4.6	26.0	(27.5)	(1.5)
Continuing operations						
Basic earnings per share	1.0p	(0.1p)	0.9p	5.2p	(4.8p)	0.4p
Diluted earnings per share	1.0p	(0.1p)	0.9p	5.2p	(4.8p)	0.4p
Total continuing and discontinued operations						
Basic earnings per share	1.0p	(0.1p)	0.9p	5.2p	(5.5p)	(0.3p)
Diluted earnings per share	1.0p	(0.1p)	0.9p	5.2p	(5.5p)	(0.3p)

* EBITDA is presented here as an additional performance measure as it is commonly used by investors and lenders.

Details of principal risks and uncertainties are given in the Review of Results, Balance Sheet and Cash Flow accompanying these interim financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2009

	2009			2008		
	Before exceptional items and amortisation	Exceptional items and amortisation	Total	Before exceptional items and amortisation (restated)	Exceptional items and amortisation	Total (restated)
First half - unaudited	£m	£m	£m	£m	£m	£m
Continuing operations						
Revenue						
Rental revenue	408.6	-	408.6	516.1	-	516.1
Sale of new equipment, merchandise and consumables	21.1	-	21.1	30.2	-	30.2
Sale of used rental equipment	9.7	1.6	11.3	34.8	-	34.8
	439.4	1.6	441.0	581.1	-	581.1
Operating costs						
Staff costs	(136.2)	-	(136.2)	(155.0)	(0.6)	(155.6)
Used rental equipment sold	(10.8)	(1.6)	(12.4)	(30.1)	-	(30.1)
Other operating costs	(148.5)	-	(148.5)	(191.0)	(7.4)	(198.4)
Other income	-	-	-	0.8	0.1	0.9
	(295.5)	(1.6)	(297.1)	(375.3)	(7.9)	(383.2)
EBITDA*	143.9	-	143.9	205.8	(7.9)	197.9
Depreciation	(94.2)	-	(94.2)	(95.8)	(27.8)	(123.6)
Amortisation of intangibles	-	(1.5)	(1.5)	-	(1.4)	(1.4)
Operating profit	49.7	(1.5)	48.2	110.0	(37.1)	72.9
Net financing costs	(29.6)	-	(29.6)	(33.4)	-	(33.4)
Profit on ordinary activities before taxation	20.1	(1.5)	18.6	76.6	(37.1)	39.5
Taxation:						
- current	(1.6)	-	(1.6)	(1.4)	1.0	(0.4)
- deferred	(7.5)	0.5	(7.0)	(26.2)	11.4	(14.8)
	(9.1)	0.5	(8.6)	(27.6)	12.4	(15.2)
Profit from continuing operations	11.0	(1.0)	10.0	49.0	(24.7)	24.3
Profit from discontinued operations	-	-	-	2.0	54.4	56.4
Profit attributable to equity holders of the Company	11.0	(1.0)	10.0	51.0	29.7	80.7
Continuing operations						
Basic earnings per share	2.2p	(0.2p)	2.0p	9.6p	(4.8p)	4.8p
Diluted earnings per share	2.2p	(0.2p)	2.0p	9.6p	(4.8p)	4.8p
Total continuing and discontinued operations						
Basic earnings per share	2.2p	(0.2p)	2.0p	10.0p	5.8p	15.8p
Diluted earnings per share	2.2p	(0.2p)	2.0p	10.0p	5.8p	15.8p

* EBITDA is presented here as an additional performance measure as it is commonly used by investors and lenders.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited			
	Three months to 31 October		Six months to 31 October	
	2009	2008 (restated)	2009	2008 (restated)
	£m	£m	£m	£m
Profit/(loss) attributable to equity holders of the Company for the period	4.6	(1.5)	10.0	80.7
Foreign currency translation differences	0.8	39.9	(23.6)	39.7
Actuarial loss on defined benefit pension scheme	(14.0)	-	(14.0)	-
Tax on foreign currency translation differences	-	(3.7)	-	(3.7)
Tax on defined benefit pension scheme	3.9	(0.3)	3.9	(0.3)
Total comprehensive income for the period	(4.7)	34.4	(23.7)	116.4

CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 2009

	Unaudited 31 October 2009	Unaudited 31 October 2008 (restated)	Audited 30 April 2009
	£m	£m	£m
Current assets			
Inventories	9.0	21.7	10.4
Trade and other receivables	143.6	213.5	148.3
Current tax asset	0.9	2.8	1.5
Cash and cash equivalents	19.4	1.9	1.7
	172.9	239.9	161.9
Assets held for sale	-	-	1.6
	172.9	239.9	163.5
Non-current assets			
Property, plant and equipment			
- rental equipment	978.1	1,193.9	1,140.5
- other assets	135.6	155.3	153.5
	1,113.7	1,349.2	1,294.0
Intangible assets - brand names and other acquired intangibles	4.1	7.4	5.9
Goodwill	347.9	354.6	385.4
Deferred tax asset	12.5	14.7	12.3
Defined benefit pension fund surplus	-	6.7	0.3
	1,478.2	1,732.6	1,697.9
Total assets	1,651.1	1,972.5	1,861.4
Current liabilities			
Trade and other payables	106.3	166.8	106.7
Current tax liability	0.7	3.6	-
Debt due within one year	5.2	9.3	6.9
Provisions	12.3	11.4	17.4
	124.5	191.1	131.0
Non-current liabilities			
Debt due after more than one year	860.8	1,068.3	1,030.7
Provisions	32.3	26.3	36.8
Deferred tax liabilities	126.2	150.0	136.9
Defined benefit pension fund deficit	13.2	-	-
	1,032.5	1,244.6	1,204.4
Total liabilities	1,157.0	1,435.7	1,335.4
Equity			
Share capital	55.3	56.2	55.3
Share premium account	3.6	3.6	3.6
Capital redemption reserve	0.9	-	0.9
Non-distributable reserve	90.7	90.7	90.7
Own shares held by the Company	(33.1)	(36.3)	(33.1)
Own shares held through the ESOT	(6.3)	(6.4)	(6.3)
Cumulative foreign exchange translation differences	5.5	9.0	29.1
Retained reserves	377.5	420.0	385.8
Equity attributable to equity holders of the Company	494.1	536.8	526.0
Total liabilities and equity	1,651.1	1,972.5	1,861.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 OCTOBER 2009

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Non-distributable reserve £m	Treasury stock £m	Own shares held by ESOT £m	Cumulative foreign exchange translation differences £m	Retained reserves £m	Total £m
At 1 May 2008 as restated	56.2	3.6	-	90.7	(23.3)	(7.0)	(28.2)	348.3	440.3
Total comprehensive income for the period	-	-	-	-	-	-	36.0	80.4	116.4
Shares issued	-	-	-	-	0.5	-	-	(0.3)	0.2
Dividends paid	-	-	-	-	-	-	-	(8.4)	(8.4)
Share-based payments	-	-	-	-	-	-	-	1.0	1.0
Vesting of share awards	-	-	-	-	-	1.0	-	(1.0)	-
Own shares purchased	-	-	-	-	(13.5)	(0.4)	-	-	(13.9)
Realisation of foreign exchange translation differences	-	-	-	-	-	-	1.2	-	1.2
At 31 October 2008 as restated	56.2	3.6	-	90.7	(36.3)	(6.4)	9.0	420.0	536.8
Total comprehensive income for the period	-	-	-	-	-	-	20.1	(22.4)	(2.3)
Dividends paid	-	-	-	-	-	-	-	(4.5)	(4.5)
Share-based payments	-	-	-	-	-	-	-	(1.8)	(1.8)
Vesting of share awards	-	-	-	-	-	0.1	-	(0.1)	-
Own shares purchased	-	-	-	-	(2.2)	-	-	-	(2.2)
Cancellation of shares held in treasury by the Company	(0.9)	-	0.9	-	5.4	-	-	(5.4)	-
At 30 April 2009	55.3	3.6	0.9	90.7	(33.1)	(6.3)	29.1	385.8	526.0
Total comprehensive income for the period	-	-	-	-	-	-	(23.6)	(0.1)	(23.7)
Dividends paid	-	-	-	-	-	-	-	(8.3)	(8.3)
Share-based payments	-	-	-	-	-	-	-	0.1	0.1
At 31 October 2009	55.3	3.6	0.9	90.7	(33.1)	(6.3)	5.5	377.5	494.1

CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2009

	Unaudited 2009 £m	2008 (restated) £m
Cash flows from operating activities		
Cash generated from operations before exceptional items and changes in rental fleet	143.4	194.9
Exceptional costs paid	(5.0)	(1.4)
Payments for rental property, plant and equipment	(23.6)	(154.0)
Proceeds from disposal of rental property, plant and equipment before exceptional disposals	9.5	24.6
Exceptional proceeds from disposal of rental property, plant and equipment	1.6	-
Cash generated from operations	125.9	64.1
Financing costs paid	(26.4)	(28.4)
Tax paid	(0.4)	(0.5)
Net cash from operating activities	99.1	35.2
Cash flows from investing activities		
Disposal of businesses	-	89.8
Payments for non-rental property, plant and equipment	(3.5)	(19.4)
Proceeds on sale of non-rental property, plant and equipment	1.5	3.0
Net cash (used in)/from investing activities	(2.0)	73.4
Cash flows from financing activities		
Drawdown of loans	33.9	94.1
Redemption of loans	(102.3)	(177.6)
Capital element of finance lease payments	(2.5)	(3.2)
Purchase of own shares by the Company	-	(13.5)
Purchase of own shares by the ESOT	-	(0.4)
Dividends paid	(8.3)	(8.4)
Proceeds from issue of ordinary shares	-	0.2
Net cash used in financing activities	(79.2)	(108.8)
Increase/(decrease) in cash and cash equivalents	17.9	(0.2)
Opening cash and cash equivalents	1.7	1.8
Effect of exchange rate differences	(0.2)	0.3
Closing cash and cash equivalents	19.4	1.9

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The condensed interim financial statements for the six months ended 31 October 2009 were approved by the directors on 2 December 2009. They have been prepared in accordance with relevant International Financial Reporting Standards ('IFRS') (including International Accounting Standard - IAS 34 Interim Financial Reporting) and the accounting policies set out in the Group's Annual Report and Accounts for the year ended 30 April 2009 except for the adoption of 'IAS 1 (revised) - Presentation of financial statements'. The adoption of IAS 1 (revised) has resulted in the 'Consolidated statement of changes in equity' being presented as a primary statement (previously disclosed as a note titled 'Reconciliation of changes in equity'). In addition, the Group has continued to present a separate 'Income statement' and 'Statement of comprehensive income' (previously titled 'Statement of recognised income and expense'). The adoption of IAS 1 (revised) has had no impact on the consolidated results or financial position of the Group. In addition, the Group has adopted "IFRIC 15 – Agreements for the construction of real estate", "IFRIC 16 – Hedges in a net investment in a foreign operation" and "IAS 39 – Reclassification of financial assets: effective and transition". None of these had any effect on the consolidated results or financial position of the Group. The financial statements have been prepared on the going concern basis as described in the corporate governance report included in the 2009 Annual Report and Accounts. They are unaudited and do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006.

Comparative amounts have been restated for the impact of adopting the 'amendment to IAS 16 – Property, plant and equipment', the consequential amendment to 'IAS 7 – Statement of cashflows' and the adoption of 'IFRIC 14, IAS 19 – The limit on a defined benefit asset, minimum funding requirement and their interaction' as adopted in the 30 April 2009 Annual Report and Accounts. The interim financial statements are unaudited.

The statutory accounts for the year ended 30 April 2009 were prepared in accordance with relevant IFRS and have been mailed to shareholders and filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not include a reference to any matter by way of emphasis without qualifying the report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The exchange rates used in respect of the US dollar are:

	2009	2008
Average for the three months ended 31 October	1.64	1.80
Average for the six months ended 31 October	1.62	1.88
At 31 October	1.65	1.62

2. Segmental analysis

	Revenue before exceptionals	Operating profit before exceptionals and amortisation	Exceptional items and amortisation	Operating profit
	£m	£m	£m	£m
Three months to 31 October				
2009				
Sunbelt	176.4	25.0	(0.7)	24.3
A-Plant	41.4	2.0	(0.2)	1.8
Corporate costs	-	(1.2)	-	(1.2)
	217.8	25.8	(0.9)	24.9
2008	(restated)			
Sunbelt	248.8	52.9	(24.4)	28.5
A-Plant	58.9	7.1	(12.0)	(4.9)
Corporate costs	-	(1.7)	-	(1.7)
	307.7	58.3	(36.4)	21.9

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

2. Segmental analysis (continued)

	Revenue before exceptionals	Operating profit before exceptionals and amortisation	Exceptional items and amortisation	Operating profit
	£m	£m	£m	£m
Six months to 31 October				
2009				
Sunbelt	355.4	49.3	(1.2)	48.1
A-Plant	84.0	3.1	(0.3)	2.8
Corporate costs	-	(2.7)	-	(2.7)
	439.4	49.7	(1.5)	48.2
2008	(restated)			
Sunbelt	462.6	99.4	(24.9)	74.5
A-Plant	118.5	14.2	(12.2)	2.0
Corporate costs	-	(3.6)	-	(3.6)
	581.1	110.0	(37.1)	72.9

	Segment assets	Cash	Taxation assets	Total assets
	£m	£m	£m	£m
At 31 October 2009				
Sunbelt	1,307.4	-	-	1,307.4
A-Plant	310.4	-	-	310.4
Corporate items	0.5	19.4	13.4	33.3
	1,618.3	19.4	13.4	1,651.1
At 30 April 2009				
Sunbelt	1,514.7	-	-	1,514.7
A-Plant	331.0	-	-	331.0
Corporate items	0.2	1.7	13.8	15.7
	1,845.9	1.7	13.8	1,861.4

3. Operating costs

	2009			2008		
	Before exceptional items and amortisation	Exceptional items and amortisation	Total	Before exceptional items and amortisation	Exceptional items and amortisation	Total
	£m	£m	£m	£m	£m	£m
Three months to 31 October						
Staff costs:						
Salaries	61.3	-	61.3	72.5	0.6	73.1
Social security costs	4.6	-	4.6	5.7	-	5.7
Other pension costs	0.3	-	0.3	1.4	-	1.4
	66.2	-	66.2	79.6	0.6	80.2
Used rental equipment sold	6.4	0.4	6.8	18.5	-	18.5
Other operating costs:						
Vehicle costs	17.2	-	17.2	25.0	-	25.0
Spares, consumables & external repairs	12.5	-	12.5	17.0	1.3	18.3
Facility costs	10.9	-	10.9	11.4	4.5	15.9
Other external charges	32.2	-	32.2	48.6	1.6	50.2
	72.8	-	72.8	102.0	7.4	109.4
Other income:						
Loss/(profit) on disposal of non-rental property, plant and equipment	0.1	-	0.1	(0.6)	(0.1)	(0.7)
Depreciation and amortisation:						
Depreciation	46.5	-	46.5	49.9	27.8	77.7
Amortisation of acquired intangibles	-	0.9	0.9	-	0.7	0.7
	46.5	0.9	47.4	49.9	28.5	78.4
	192.0	1.3	193.3	249.4	36.4	285.8

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

3. Operating costs (continued)

	2009 Before exceptional items and amortisation	2009 Exceptional items and amortisation	2009 Total	2008 Before exceptional items and amortisation	2008 Exceptional items and amortisation	2008 Total
	£m	£m	£m	£m	£m	£m
Six months to 31 October						
Staff costs:						
Salaries	125.7	-	125.7	141.3	0.6	141.9
Social security costs	9.7	-	9.7	10.9	-	10.9
Other pension costs	0.8	-	0.8	2.8	-	2.8
	136.2	-	136.2	155.0	0.6	155.6
Used rental equipment sold	10.8	1.6	12.4	30.1	-	30.1
Other operating costs:						
Vehicle costs	33.4	-	33.4	46.9	-	46.9
Spares, consumables & external repairs	25.9	-	25.9	31.8	1.3	33.1
Facility costs	22.3	-	22.3	21.8	4.5	26.3
Other external charges	66.9	-	66.9	90.5	1.6	92.1
	148.5	-	148.5	191.0	7.4	198.4
Other income:						
Profit on disposal of non-rental property, plant and equipment	-	-	-	(0.8)	(0.1)	(0.9)
Depreciation and amortisation:						
Depreciation	94.2	-	94.2	95.8	27.8	123.6
Amortisation of acquired intangibles	-	1.5	1.5	-	1.4	1.4
	94.2	1.5	95.7	95.8	29.2	125.0
	389.7	3.1	392.8	471.1	37.1	508.2

4. Exceptional items and amortisation

Exceptional items are those items of financial performance that are material and non-recurring in nature. Amortisation relates to the periodic write off of acquired intangible assets. The Group believes these items should be disclosed separately within the consolidated income statement to assist in the understanding of the financial performance of the Group. Underlying revenue, profit and earnings per share are stated before exceptional items and amortisation of acquired intangibles.

Exceptional items and amortisation are set out below.

	Three months to 31 October 2009	Three months to 31 October 2008	Six months to 31 October 2009	Six months to 31 October 2008
	£m	£m	£m	£m
US cost reduction programme	-	(23.8)	-	(23.8)
UK cost reduction programme	-	(12.0)	-	(12.0)
Profit on sale of UK property from closed sites	-	0.1	-	0.1
Gain on sale of Ashtead Technology	-	(1.1)	-	66.2
Taxation on exceptional items	-	9.8	-	0.2
Total exceptional items	-	(27.0)	-	30.7
Amortisation of acquired intangibles (net of tax credit)	(0.6)	(0.5)	(1.0)	(1.0)
	(0.6)	(27.5)	(1.0)	29.7

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4. Exceptional items and amortisation (continued)

The items detailed in the table above are presented in the income statement as follows:

	Three months to 31 October		Six months to 31 October	
	2009	2008	2009	2008
	£m	£m	£m	£m
Sale of used rental equipment	0.4	-	1.6	-
Staff costs	-	(0.6)	-	(0.6)
Used rental equipment sold	(0.4)	-	(1.6)	-
Other operating costs	-	(7.4)	-	(7.4)
Other income	-	0.1	-	0.1
Depreciation	-	(27.8)	-	(27.8)
Amortisation of acquired intangibles	(0.9)	(0.7)	(1.5)	(1.4)
Charged in arriving at operating profit and profit before tax	(0.9)	(36.4)	(1.5)	(37.1)
Taxation	0.3	12.2	0.5	12.4
Profit/(loss) after taxation from discontinued operations	-	(3.3)	-	54.4
	(0.6)	(27.5)	(1.0)	29.7

5. Financing costs

	Three months to 31 October		Six months to 31 October	
	2009	2008	2009	2008
	£m	£m	£m	£m
Investment income:				
Expected return on assets of defined benefit pension plan	(0.8)	(1.0)	(1.6)	(2.1)
Interest expense:				
Bank interest payable	2.5	6.8	5.4	12.8
Interest on second priority senior secured notes	10.8	9.9	21.9	18.9
Interest payable on finance leases	0.1	0.2	0.2	0.4
Non-cash unwind of discount on defined benefit pension plan liabilities	0.7	0.7	1.5	1.5
Non-cash unwind of discount on self insurance provisions	0.4	0.3	0.7	0.6
Amortisation of deferred costs of debt raising	0.8	0.7	1.5	1.3
Total interest expense	15.3	18.6	31.2	35.5
Net financing costs	14.5	17.6	29.6	33.4

6. Taxation

The tax charge for the period has been computed using an estimated effective rate for the year of 36% in the US (2008: 40%) and 29% in the UK (2008: 29%) applied to the profit before tax, exceptional items and amortisation of acquired intangibles. The current year blended effective rate for the Group as a whole is 35%.

The tax charge of £9.1m (2008: £27.6m) on the underlying pre-tax profit of £20.1m (2008: £76.6m) from continuing operations consists of current tax of £1.6m relating to the UK (2008: £1.0m), current tax of £nil relating to the US (2008: £0.4m), deferred tax of £3.8m relating to the UK (2008: £6.4m), current year deferred tax of £1.6m relating to the US (2008: £19.8m) and an adjustment to prior year deferred tax relating to the US of £2.1m. In addition, the tax credit of £0.5m (2008: £12.4m) on exceptional costs (including amortisation) of £1.5m (2008: £37.1m) relating to continuing operations consists of current tax credit of £nil relating to the UK (2008: £1.0m), deferred tax credit of £0.1m (2008: £1.8m) relating to the UK and deferred tax credit of £0.4m (2008: £9.6m) relating to the US.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7. Earnings per share

Basic and diluted earnings per share for the three and six months ended 31 October 2009 have been calculated based on the profit for the relevant period and on the weighted average number of ordinary shares in issue during that period (excluding shares held in treasury and by the ESOT over which dividends have been waived). Diluted earnings per share are computed using the result for the relevant period and the diluted number of shares (ignoring any potential issue of ordinary shares which would be anti-dilutive).

These are calculated as follows:

		Three months to 31 October		Six months to 31 October	
		2009	2008	2009	2008
Profit/(loss) for the financial period (£m)					
From continuing operations		4.6	1.8	10.0	24.3
From discontinued operations		-	(3.3)	-	56.4
From continuing and discontinued operations		4.6	(1.5)	10.0	80.7
Weighted average number of shares (m)	- basic	497.6	504.2	497.6	509.8
	- diluted	502.4	504.4	500.8	510.1
Basic earnings per share					
From continuing operations		0.9p	0.4p	2.0p	4.8p
From discontinued operations		-	(0.7p)	-	11.0p
From continuing and discontinued operations		0.9p	(0.3p)	2.0p	15.8p
Diluted earnings per share					
From continuing operations		0.9p	0.4p	2.0p	4.8p
From discontinued operations		-	(0.7p)	-	11.0p
From continuing and discontinued operations		0.9p	(0.3p)	2.0p	15.8p

Underlying earnings per share (defined in any period as the earnings before exceptional items and amortisation of acquired intangibles for that period divided by the weighted average number of shares in issue in that period) and cash tax earnings per share (defined in any period as underlying earnings before other deferred taxes divided by the weighted average number of shares in issue in that period) may be reconciled to the basic earnings per share as follows:

	Three months to 31 October		Six months to 31 October	
	2009	2008	2009	2008
Basic earnings per share	0.9p	(0.3p)	2.0p	15.8p
Exceptional items and amortisation of acquired intangibles	0.2p	7.5p	0.3p	(5.7p)
Tax on exceptional items and amortisation	(0.1p)	(2.0p)	(0.1p)	(0.1p)
Underlying earnings per share	1.0p	5.2p	2.2p	10.0p
Other deferred tax	1.1p	2.8p	1.5p	5.3p
Cash tax earnings per share	2.1p	8.0p	3.7p	15.3p

8. Dividends

During the period, a final dividend in respect of the year ended 30 April 2009 of 1.675p (2008: 1.675p) per share was paid to shareholders.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

9. Property, plant and equipment

	2009		2008	
	Rental equipment	Total	Rental equipment	Total
Net book value	£m	£m	£m	£m
At 1 May	1,140.5	1,294.0	994.0	1,130.1
Exchange difference	(90.8)	(101.8)	157.7	176.5
Reclassifications	(3.4)	(0.1)	(0.3)	(0.1)
Additions	24.4	28.5	179.3	201.5
Disposals	(10.6)	(12.7)	(33.1)	(35.2)
Depreciation	(82.0)	(94.2)	(103.7)	(123.6)
At 31 October	978.1	1,113.7	1,193.9	1,349.2

10. Called up share capital

Ordinary shares of 10p each:

	31 October 2009	30 April 2009	31 October 2009	30 April 2009
	Number	Number	£m	£m
Authorised	900,000,000	900,000,000	90.0	90.0
Allotted, called up and fully paid	553,325,554	553,325,554	55.3	55.3

There were no movements in shares authorised or allotted during the period. At 31 October 2009, 50m shares were held by the Company and a further 5.7m shares were held by the Company's Employee Share Ownership Trust.

11. Notes to the cash flow statement

	Six months to 31 October	
	2009	2008
	£m	£m
a) Cash flow from operating activities		
Operating profit before exceptional items and amortisation:		
- continuing operations	49.7	110.0
- discontinued operations	-	2.8
	49.7	112.8
Depreciation	94.2	95.8
EBITDA before exceptional items	143.9	208.6
Loss/(profit) on disposal of rental equipment	1.1	(4.7)
Profit on disposal of other property, plant and equipment	-	(0.8)
Decrease in inventories	0.5	4.9
Increase in trade and other receivables	(6.7)	(16.6)
Increase in trade and other payables	4.5	1.6
Exchange differences	-	0.8
Other non-cash movements	0.1	1.1
Cash generated from operations before exceptional items and changes in rental equipment	143.4	194.9

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

11. Notes to the cash flow statement (continued)

	Six months to 31 October 2009 £m	2008 £m
b) Reconciliation to net debt		
(Increase)/decrease in cash in the period	(17.9)	0.2
Decrease in debt through cash flow	(70.9)	(86.7)
Change in net debt from cash flows	(88.8)	(86.5)
Exchange differences	(102.1)	196.8
Non-cash movements:		
- deferred costs of debt raising	1.5	1.3
- capital element of new finance leases	0.1	0.9
Reduction in net debt in the period	(189.3)	112.5
Opening net debt	1,035.9	963.2
Closing net debt	846.6	1,075.7

c) Analysis of net debt

	1 May 2009 £m	Exchange movement £m	Cash flow £m	Non-cash movements £m	31 October 2009 £m
Cash	(1.7)	0.2	(17.9)	-	(19.4)
Debt due within 1 year	6.9	(0.5)	(2.4)	1.2	5.2
Debt due after 1 year	1,030.7	(101.8)	(68.5)	0.4	860.8
Total net debt	1,035.9	(102.1)	(88.8)	1.6	846.6

Details of the Group's debt are given in the Review of Balance Sheet and Cashflow accompanying these interim financial statements.

12. Contingent liabilities and contingent assets

There have been no significant changes in contingent liabilities from those reported at 30 April 2009.

13. Post balance sheet event

On 23 November 2009, the Group extended the maturity of a $1.3bn tranche of its asset-based senior bank facility until November 2013.

REVIEW OF SECOND QUARTER, BALANCE SHEET AND CASH FLOW

Second quarter

	Revenue		EBITDA		Operating profit	
	2009	2008	2009	2008	2009	2008
Sunbelt in $m	288.4	448.2	100.4	162.2	41.1	95.0
Sunbelt in £m	176.4	248.8	61.3	90.3	25.0	52.9
A-Plant	41.4	58.9	12.3	19.6	2.0	7.1
Group central costs	-	-	(1.3)	(1.7)	(1.2)	(1.7)
Continuing operations	217.8	307.7	72.3	108.2	25.8	58.3
Net financing costs					(14.5)	(17.6)
Profit before tax, exceptionals and amortisation					11.3	40.7
Exceptional items					-	(36.8)
Amortisation					(0.9)	(0.7)
Profit before taxation					10.4	3.2
Margins						
Sunbelt			*34.8%*	*36.2%*	*14.2%*	*21.2%*
A-Plant			*29.7%*	*33.3%*	*4.9%*	*12.1%*
Group			*33.2%*	*35.2%*	*11.8%*	*19.0%*

Second quarter results reflected the prevailing market conditions with rental revenues declining in Sunbelt by 32% to $266.3m and in A-Plant by 26% to £39.0m. Total revenue reductions were 36% in Sunbelt and 30% in A-Plant due to the greater reduction in sales of new and used equipment, merchandise and consumables.

The volume of fleet on rent held up well as a result of market share gains. Average fleet on rent in the second quarter reduced 14% year on year at Sunbelt and 15% at A-Plant. Pricing continued to be under pressure in both markets with yield declining 21% in Sunbelt and 12% in A-Plant compared to the same period in the prior year.

Our prompt action on cost reduction measures is reflected in the second quarter results with operating costs down 34% in Sunbelt and 26% in A-Plant. After a reduced interest charge of £14.5m reflecting lower interest rates and lower average debt levels, the pre-tax profit before amortisation for the second quarter was £11.3m (2008: £40.7m).

Balance sheet

Fixed assets

Capital expenditure in the first half was £28.5m (2008: £201.5m) with £24.4m invested in the rental fleet (2008: £179.3m). Capital expenditure by division was as follows:

	2009	2008
Sunbelt in $m	33.7	207.3
Sunbelt in £m	20.5	128.3
A-Plant	3.9	51.0
Total rental equipment	24.4	179.3
Delivery vehicles, property improvements & computers	4.1	22.2
Total additions	28.5	201.5

All 2009 capital expenditure was for replacement whereas, in 2008, £59.9m was spent on growth and £119.4m on replacement.

The average age of the Group's serialised rental equipment, which constitutes the substantial majority of our fleet, at 31 October 2009 was 39 months (2008: 32 months) on a net book value basis. Sunbelt's fleet had an average age of 42 months (2008: 34 months) comprising 42 months for aerial work platforms which have a longer life and 40 months for the remainder of its fleet while A-Plant's fleet had an average age of 32 months (2008: 23 months).

The table below summarises dollar and physical utilisation:

	Rental fleet at original cost			LTM rental revenues	LTM dollar utilisation	LTM physical utilisation
	31 October 2009	30 April 2009	LTM average			
Sunbelt in $m	2,131	2,136	2,180	1,076	49%	65%
Sunbelt in £m	1,293	1,442	1,322	663	49%	65%
A-Plant	319	321	337	164	49%	67%
	1,612	1,763	1,659	827		

Dollar utilisation is defined as rental revenues divided by average fleet at original (or "first") cost and, measured over the last twelve months to 31 October 2009, was 49% at Sunbelt (2008: 61%) and 49% at A-Plant (2008: 57%). Physical utilisation is time based utilisation, which is calculated as the daily average of the original cost of equipment on rent as a percentage of the total value of equipment in the fleet at the measurement date and, measured over the last twelve months to 31 October 2009 was 65% in Sunbelt (2008: 67%) and 67% at A-Plant (2008: 70%).

Trade receivables

Receivable days at 31 October were 49 days (2008: 49 days). The bad debt charge for the six months ended 31 October 2009 as a percentage of total turnover was 1.1% (2008: 1.0%). Trade receivables at 31 October 2009 of £120.0m (2008: £185.7m) are stated net of provisions for bad debts and credit notes of £16.4m (2008: £17.1m) with the provision representing 12.0% (2008: 8.4%) of gross receivables.

Trade and other payables

Group payable days were 53 days in 2009 (2008: 54 days). Payment periods for purchases other than rental equipment vary between 7 and 45 days and for rental equipment between 30 and 120 days.

Cash flow and net debt

	Six months to 31 October 2009 £m	Six months to 31 October 2008 £m	LTM to 31 October 2009 £m	Year to 30 April 2009 £m
EBITDA before exceptional items	143.9	208.6	294.2	358.9
Cash inflow from operations before exceptional items and changes in rental equipment	143.4	194.9	322.1	373.6
*Cash efficiency ratio**	*99.7%*	*93.4%*	*109.5%*	*104.1%*
Maintenance rental capital expenditure	(23.6)	(103.2)	(78.1)	(208.5)
Non-rental capital expenditure	(3.5)	(19.4)	(11.2)	(27.1)
Rental equipment disposal proceeds	11.1	24.6	71.8	85.3
Other property, plant and equipment disposal proceeds	1.5	3.0	5.1	6.6
Tax (paid)/received	(0.4)	(0.5)	0.9	0.8
Financing costs paid	(26.4)	(28.4)	(62.7)	(64.7)
Cash flow before growth capex and exceptionals	**102.1**	**71.0**	**247.9**	**166.0**
Growth rental capital expenditure	-	(50.8)	-	-
Exceptional costs paid	(5.0)	(1.4)	(13.0)	(9.4)
Total cash generated from operations	**97.1**	**18.8**	**234.9**	**156.6**
Business disposals/(acquisitions)	-	89.8	(0.8)	89.0
Total cash generated	**97.1**	**108.6**	**234.1**	**245.6**
Dividends paid	(8.3)	(8.4)	(12.8)	(12.9)
Share buy-backs and other equity transactions (net)	-	(13.7)	(2.2)	(15.9)
Decrease in net debt	**88.8**	**86.5**	**219.1**	**216.8**

- Cash inflow from operations before exceptional items and changes in rental equipment as a percentage of EBITDA before exceptional items.

Cash inflow from operations before exceptional items and changes in rental equipment decreased 26.4% to £143.4m reflecting the lower EBITDA in 2009 whilst the cash efficiency ratio was 99.7% (2008: 93.4%) reflecting lower changes in working capital in the recession and losses on fleet disposals.

Payments for capital expenditure were broadly in line with capital expenditure delivered into the fleet whilst disposal proceeds received totalled £12.6m. Net cash capital expenditure was therefore £14.5m in the first half (2008: £145.8m).

Financing costs paid differ from the accounting charge in the income statement due to the timing of interest payments in the quarter and non-cash interest charges.

After exceptional costs paid of £5.0m, representing mostly the settlement of staff severance and vacant property costs all of which were provided for at 30 April 2009, the Group generated £97.1m of net cash inflow in the first half. £8.3m of this net inflow was returned to equity shareholders by way of dividends with the balance of £88.8m applied to reduce outstanding debt.

Net debt

	31 October		30 April
	2009	2008	2009
	£m	£m	£m
First priority senior secured bank debt	385.7	578.4	501.1
Finance lease obligations	4.9	15.3	7.9
8.625% second priority senior secured notes, due 2015	148.3	150.9	165.1
9% second priority senior secured notes, due 2016	327.1	333.0	363.5
	866.0	1,077.6	1,037.6
Cash and cash equivalents	(19.4)	(1.9)	(1.7)
Total net debt	846.6	1,075.7	1,035.9

Net debt at 31 October 2009 was £846.6m (30 April 2009: £1,035.9m) which includes a translation reduction since year end of £102.1m reflecting the strengthening of the pound against the dollar. The Group's underlying EBITDA for the twelve months ended 31 October 2009 was £294.2m and the ratio of net debt to underlying EBITDA was therefore 2.9 times at 31 October 2009 (2008: 2.5 times).

Under the terms of the recent amendment of our asset-based senior bank facility, $1.3bn is now committed for four years until November 2013 with an additional $0.5bn available on the original terms until August 2011. Our debt facilities continue to be committed for the long term, with an average of 5.3 years remaining at 31 October 2009 pro forma for the recent amendment. The weighted average interest cost of these facilities (including non-cash amortisation of deferred debt raising costs) is approximately 7.5%, most of which is tax deductible in the US where the tax rate is 39%. Financial performance covenants under the two senior secured notes issues are only measured at the time new debt is raised. There are two financial performance covenants under the asset-based first priority senior bank facility:

- funded debt to EBITDA before exceptional items not to exceed 4.0 times; and
- a fixed charge ratio comparing EBITDA before exceptional items less net capital expenditure paid in cash to the sum of scheduled debt repayments plus cash interest, cash tax payments and dividends paid which is required to be equal or greater to 1.1 times.

These covenants do not, however, apply when availability (the difference between the borrowing base and facility utilisation) exceeds $150m. At 31 October 2009 availability under the bank facility was $500m ($550m at 30 April 2009). Accordingly, the Board continues to believe that it is appropriate to prepare the accounts on a going concern basis. Additionally, although the senior debt covenants were not required to be measured at 31 October 2009, the Group was in compliance with both of them at that date.

Principal risks and uncertainties

Risks and uncertainties in achieving the Group's objectives for the remainder of the financial year, together with assumptions, estimates, judgements and critical accounting policies used in preparing financial information remain unchanged from those detailed in the 2009 Annual Report and Accounts on pages 26 to 33. Our business is subject to significant fluctuations in performance from quarter to quarter as a result of seasonal effects. Commercial construction activity tends to increase in the summer and during extended periods of mild weather and to decrease in the winter and during extended periods of inclement weather. Furthermore, due to the incidence of public holidays in the US and the UK, there are more billing days in the first half of our financial year than the second half leading to our revenues normally being higher in the first half. On a quarterly basis, the second quarter is typically our strongest quarter, followed by the first and then the third and fourth quarters.

In addition, the current trading and outlook section of the interim statement provides a commentary on market and economic conditions for the remainder of the year.

Fluctuations in the value of the US dollar with respect to the pound sterling have had, and may continue to have, a significant impact on our financial condition and results of operations as reported in pounds due to the majority of our assets, liabilities, revenues and costs being denominated in US dollars. 100% of our debt was denominated in US dollars at 31 October 2009. At that date dollar denominated debt represented approximately 80% of the value of dollar denominated net assets (other than debt) providing a partial, but substantial, hedge against the translation effects of changes in the dollar exchange rate. The dollar interest payable on this debt also limits the impact of changes in the dollar exchange rate on our pre-tax profits and earnings. Based on the current currency mix of our profits and on dollar debt levels, interest and exchange rates at 31 October 2009, a 1% change in the US dollar exchange rate would impact pre-tax profit by £0.2m.

OPERATING STATISTICS

	Number of rental stores			Staff numbers		
	31 October		30 April	31 October		30 April
	2009	2008	2009	2009	2008	2009
Sunbelt Rentals	397	430	398	5,733	7,007	6,072
A-Plant	111	180	122	1,944	2,442	2,159
Corporate office	-	-	-	12	13	13
Group	508	610	520	7,689	9,462	8,244

Sunbelt's store numbers include 90 Sunbelt at Lowes stores at 31 October 2009 (2008: 90).

INDEPENDENT REVIEW REPORT TO ASHTEAD GROUP PLC

We have been engaged by the Company to review the condensed interim financial statements for the six months ended 31 October 2009 which comprise the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and related notes 1 to 13. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdoms' Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The condensed financial statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements for the six months ended 31 October 2009 are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, UK
2 December 2009