11 December 2012

Unaudited results for the half year and second quarter ended 31 October 2012

	Second quarter			First half		
	2012	2011	Growth[1]	2012	2011	Growth[1]
	£m	£m	%	£m	£m	%
Underlying results[2]						
Revenue	355.4	306.9	16%	680.4	575.5	17%
EBITDA	146.5	112.7	29%	275.8	206.6	31%
Operating profit	89.6	63.4	41%	163.4	109.6	47%
Profit before taxation	79.3	50.6	56%	140.7	84.4	64%
Earnings per share	10.0p	6.4p	53%	17.7p	10.7p	62%
Statutory results						
Profit before taxation	78.0	49.8	56%	112.9	82.9	34%
Earnings per share	9.7p	6.3p	53%	14.2p	10.5p	33%

[1] at constant exchange rates [2] before exceptional items, intangible amortisation and fair value remeasurements

Highlights

- Momentum continues with first half revenue growth of 17%
- Record first half pre-tax profit[2] of £141m (2011: £84m)
- Group EBITDA margin rises to 41% (2011: 36%)
- Strategy of specialty bolt-ons continued with acquisition of JMR Industries
- Board now anticipates full year profit ahead of its earlier expectations
- Interim dividend raised 50% to 1.5p per share (2011: 1.0p)

Ashtead's chief executive, Geoff Drabble, commented:

"It is pleasing to report another quarter where strong revenue growth and ongoing operational efficiency have delivered record first half pre-tax profits of £141m. With this momentum clearly established in the business we now anticipate a full year profit ahead of our earlier expectations.

Beyond the current financial year we remain well-placed to see growth over the medium term from either continued structural change or end market recovery. We are also generating high margins which, together with our much larger and younger fleet, results in an ability to fund significant growth whilst continuing to reduce leverage. Therefore, we expect net debt to EBITDA leverage to be sustained below two times.

With a broad range of metrics already at record levels at this stage in the cycle, together with a strong balance sheet to support medium term growth opportunities, the Board looks forward with confidence."

<u>Contacts:</u>

Geoff Drabble	Chief executive	+44 (0)20 7726 9700
Suzanne Wood	Finance director	
Brian Hudspith	Maitland	+44 (0)20 7379 5151

Geoff Drabble and Suzanne Wood will host a meeting for equity analysts to discuss the results and outlook at 9.00am on Tuesday 11 December at the offices of UBS at 1 Finsbury Avenue, London, EC2M 2PP. This meeting will be webcast live for the information of shareholders and investors 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 meeting 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 these meetings but any eligible person not holding an invitation should contact Astrid Wright at Maitland, on 020 7379 5151.

Forward looking statements

This announcement contains forward looking statements. These have been made by the directors in good faith using information available up to the date on which they approved this report. The directors can give no assurance that these expectations will prove to be correct. Due to the inherent uncertainties, including both business and economic risk factors underlying such forward looking statements, actual results may differ materially from those expressed or implied by these forward looking statements. Except as required by law or regulation, the directors undertake no obligation to update any forward looking statements whether as a result of new information, future events or otherwise.

First half results

	Revenue 2012	Revenue 2011	EBITDA 2012	EBITDA 2011	Operating profit 2012	Operating profit 2011
Sunbelt in $m	913.2	775.8	394.8	296.2	254.1	173.5
Sunbelt in £m	576.8	481.8	249.5	183.9	160.5	107.8
A-Plant	103.6	93.7	30.8	26.1	7.4	5.3
Group central costs	-	-	(4.5)	(3.4)	(4.5)	(3.5)
	680.4	575.5	275.8	206.6	163.4	109.6
Net financing costs					(22.7)	(25.2)
Profit before tax, exceptionals, remeasurements and amortisation					**140.7**	**84.4**
Exceptional items					(18.0)	-
Fair value remeasurements					(7.4)	-
Amortisation					(2.4)	(1.5)
Profit before taxation					112.9	82.9
Taxation					(41.8)	(30.7)
Profit attributable to equity holders of the Company					71.1	52.2
Margins						
Sunbelt			*43.2%*	*38.2%*	*27.8%*	*22.4%*
A-Plant			*29.8%*	*27.9%*	*7.1%*	*5.6%*
Group			*40.5%*	*35.9%*	*24.0%*	*19.0%*

The trends seen in the first quarter continued in the second quarter. As a result, Group revenue improved 18% in the first half reflecting predominantly strong growth in fleet on rent and yield in the US. Sunbelt's rental revenue grew 17% to $811m (2011: $694m), including a 10% increase in fleet on rent and a 5% improvement in yield. In the UK, A-Plant's first half rental revenue grew by 8% to £92m (2011: £86m) including 9% growth in average fleet on rent offset by a 2% yield decline.

Total revenue growth for the Group included used equipment sales revenue of £48m (2011: £37m) as we increased capital expenditure and continued to reduce the fleet age.

Sunbelt delivered a strong EBITDA margin of 43% (2011: 38%) in the first half resulting from the high 'drop through' of rental revenue to profit as we continue to benefit from improved operational efficiency. As a result, EBITDA rose to $395m (2011: $296m) and operating profit to $254m (2011: $174m). A-Plant's operating profit rose to £7m (2011: £5m).

Exceptional financing costs of £18m (including cash costs of £13m) related to the redemption of our $550m 9.0% senior secured notes in the first quarter. The refinancing of these notes with the $500m 6.5% senior secured notes maturing in 2022 will generate an annual saving in our finance cost of circa £8m.

There is also a non-cash charge of £7m relating to the remeasurement to fair value of the early repayment options in our long term debt. This charge follows the recognition of a £7m credit related to the $550m senior secured notes in Q4 last year which reflected our ability to issue similar debt at a lower interest rate as we did in June.

As a result, statutory profit before tax was £113m (2011: £83m). The effective tax rate on the underlying pre-tax profit was 37% (2011: 37%). Underlying earnings per share grew 65% to 17.7p (2011: 10.7p), whilst basic earnings per share were 14.2p (2011: 10.5p).

Capital expenditure

Capital expenditure in the first half of the year was £341m gross and £288m net of disposal proceeds (2011: £253m gross and £212m net) as we maximised the benefit of new fleet investment during the seasonally stronger summer months. As a result of this investment, the Group's rental fleet at 31 October 2012 at cost was £2.1bn with a reduced age of 32 months (2011: 39 months).

Sunbelt's fleet size at 31 October was $2.7bn. This larger fleet supported strong fleet on rent growth of 10% year on year. Utilisation improved throughout the period as we put the new equipment out on rent and reached last year's peak levels in October. Average first half physical utilisation was 72% (2011: 73%).

For the year as a whole we anticipate gross capital expenditure of £500m and net payments after disposal proceeds of £400m.

Return on Investment

Sunbelt's pre-tax return on investment[1] in the 12 months to 31 October 2012 continued to improve to 16.4% (2011: 12.0%), well ahead of the Group's pre-tax weighted average cost of capital. In the UK, return on investment remains weak at 3.6% (2011: 1.6%) reflecting continuing excess supply and weak end markets. For the Group as a whole, returns are 14.2% (2011: 9.9%).

Cash flow and net debt

As expected, debt increased during the first half. This resulted from the capital expenditure to grow and renew the fleet and the usual seasonal increase in working capital that occurs as activity rises in the summer months. We expect the working capital increase to largely reverse in the second half. Net debt at 31 October 2012 was £1,069m (2011: £889m) whilst the ratio of net debt to EBITDA was 2.4 times (2011: 2.7 times).

The Group's debt package remains well structured to enable us to take advantage of prevailing end market conditions. Following the issue of the new 6.5% $500m senior secured notes due in 2022, the Group's debt facilities are committed for an average of 5.2 years. At 31 October 2012, ABL availability was $685m - substantially above the $216m level at which the Group's entire debt package is covenant free.

Dividend

In line with its policy of providing a progressive dividend having regard to both underlying profit and cash generation and to sustainability through the economic cycle, the Board has declared an interim dividend of 1.5p per share (2011: 1.0p per share). This will be paid on 6 February 2013 to shareholders on record on 18 January 2013.

Current trading and outlook

Our strong performance continued into November with Sunbelt's rental revenue being 26% ahead of the prior year. Whilst there was no impact from Hurricane Sandy in the Q2 results, in November we estimate that approximately 5% of the year on year improvement can be attributed to this one-off event.

[1] Operating profit divided by the sum of net tangible and intangible fixed assets, plus net working capital but excluding net debt, deferred tax and fair value remeasurements.

With this momentum clearly established in the business we now anticipate a full year profit ahead of our earlier expectations.

Beyond the current financial year we remain well-placed to see further growth over the medium term from either continued structural change or end market recovery. We are also generating high margins which, together with our much larger and younger fleet, results in an ability to fund further significant growth whilst continuing to reduce leverage. Therefore, we expect net debt to EBITDA leverage to be sustained below two times.

With a broad range of metrics already at record levels at this stage in the cycle, together with a strong balance sheet to support medium term growth opportunities, the Board looks forward with confidence.

Directors' responsibility statement in respect of the interim financial report

We confirm that to the best of our knowledge:

- the consolidated 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; and

- 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 consolidated 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 10 December 2012

CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 OCTOBER 2012

	2012			2011		
	Before amortisation £m	Amortisation £m	Total £m	Before amortisation £m	Amortisation £m	Total £m
Second quarter - unaudited						
Revenue						
Rental revenue	315.5	-	315.5	272.9	-	272.9
Sale of new equipment, merchandise and consumables	13.2	-	13.2	11.6	-	11.6
Sale of used rental equipment	26.7	-	26.7	22.4	-	22.4
	355.4	-	355.4	306.9	-	306.9
Operating costs						
Staff costs	(90.7)	-	(90.7)	(85.7)	-	(85.7)
Used rental equipment sold	(23.0)	-	(23.0)	(19.0)	-	(19.0)
Other operating costs	(95.2)	-	(95.2)	(89.5)	-	(89.5)
	(208.9)	-	(208.9)	(194.2)	-	(194.2)
EBITDA*	146.5	-	146.5	112.7	-	112.7
Depreciation	(56.9)	-	(56.9)	(49.3)	-	(49.3)
Amortisation of intangibles	-	(1.3)	(1.3)	-	(0.8)	(0.8)
Operating profit	89.6	(1.3)	88.3	63.4	(0.8)	62.6
Investment income	1.0	-	1.0	1.1	-	1.1
Interest expense	(11.3)	-	(11.3)	(13.9)	-	(13.9)
Profit on ordinary activities before taxation	79.3	(1.3)	78.0	50.6	(0.8)	49.8
Taxation:						
- current	(3.6)	-	(3.6)	(1.9)	-	(1.9)
- deferred	(26.0)	0.2	(25.8)	(16.7)	0.3	(16.4)
	(29.6)	0.2	(29.4)	(18.6)	0.3	(18.3)
Profit attributable to equity holders of the Company	49.7	(1.1)	48.6	32.0	(0.5)	31.5
Basic earnings per share	10.0p	(0.3p)	9.7p	6.4p	(0.1p)	6.3p
Diluted earnings per share	9.7p	(0.2p)	9.5p	6.3p	(0.1p)	6.2p

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

All revenue and profit for the period is generated from continuing activities.

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

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2012

	2012			2011		
	Before exceptional items, amortisation and remeasurements	Exceptional items, amortisation and remeasurements	Total	Before amortisation	Amortisation	Total
	£m	£m	£m	£m	£m	£m
First half - unaudited						
Revenue						
Rental revenue	604.9	-	604.9	516.8	-	516.8
Sale of new equipment, merchandise and consumables	27.1	-	27.1	22.2	-	22.2
Sale of used rental equipment	48.4	-	48.4	36.5	-	36.5
	680.4	-	680.4	575.5	-	575.5
Operating costs						
Staff costs	(176.8)	-	(176.8)	(165.2)	-	(165.2)
Used rental equipment sold	(41.1)	-	(41.1)	(31.1)	-	(31.1)
Other operating costs	(186.7)	-	(186.7)	(172.6)	-	(172.6)
	(404.6)	-	(404.6)	(368.9)	-	(368.9)
EBITDA*	275.8	-	275.8	206.6	-	206.6
Depreciation	(112.4)	-	(112.4)	(97.0)	-	(97.0)
Amortisation of intangibles	-	(2.4)	(2.4)	-	(1.5)	(1.5)
Operating profit	163.4	(2.4)	161.0	109.6	(1.5)	108.1
Investment income	2.1	-	2.1	2.1	-	2.1
Interest expense	(24.8)	(25.4)	(50.2)	(27.3)	-	(27.3)
Profit on ordinary activities before taxation	140.7	(27.8)	112.9	84.4	(1.5)	82.9
Taxation:						
- current	(6.1)	-	(6.1)	(4.4)	-	(4.4)
- deferred	(46.3)	10.6	(35.7)	(26.8)	0.5	(26.3)
	(52.4)	10.6	(41.8)	(31.2)	0.5	(30.7)
Profit attributable to equity holders of the Company	88.3	(17.2)	71.1	53.2	(1.0)	52.2
Basic earnings per share	17.7p	(3.5p)	14.2p	10.7p	(0.2p)	10.5p
Diluted earnings per share	17.4p	(3.4p)	14.0p	10.5p	(0.2p)	10.3p

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

All revenue and profit for the period is generated from continuing activities.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited			
	Three months to 31 October		Six months to 31 October	
	2012	2011	2012	2011
	£m	£m	£m	£m
Profit attributable to equity holders of the Company for the period	48.6	31.5	71.1	52.2
Foreign currency translation differences	(8.8)	3.8	1.7	7.1
Total comprehensive income for the period	39.8	35.3	72.8	59.3

CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 2012

	Unaudited 31 October 2012	Unaudited 31 October 2011	Audited 30 April 2012
	£m	£m	£m
Current assets			
Inventories	14.5	11.8	13.4
Trade and other receivables	220.5	189.9	178.0
Current tax asset	1.8	2.3	2.6
Cash and cash equivalents	1.3	22.9	23.4
	238.1	226.9	217.4
Non-current assets			
Property, plant and equipment			
- rental equipment	1,290.1	1,042.5	1,118.4
- other assets	168.1	142.9	145.0
	1,458.2	1,185.4	1,263.4
Intangible assets - brand names and other acquired intangibles	20.6	11.3	21.7
Goodwill	373.9	366.2	371.0
Defined benefit pension fund surplus	4.4	7.0	3.4
Other financial assets – derivatives	-	-	7.2
	1,857.1	1,569.9	1,666.7
Total assets	2,095.2	1,796.8	1,884.1
Current liabilities			
Trade and other payables	194.8	176.1	265.6
Current tax liability	4.9	4.4	2.8
Debt due within one year	2.3	1.7	2.1
Provisions	10.4	9.4	11.3
	212.4	191.6	281.8
Non-current liabilities			
Debt due after more than one year	1,067.7	910.4	875.6
Provisions	22.0	24.2	21.7
Deferred tax liabilities	186.0	142.3	150.3
	1,275.7	1,076.9	1,047.6
Total liabilities	1,488.1	1,268.5	1,329.4
Equity			
Share capital	55.3	55.3	55.3
Share premium account	3.6	3.6	3.6
Capital redemption reserve	0.9	0.9	0.9
Non-distributable reserve	90.7	90.7	90.7
Own shares held by the Company	(33.1)	(33.1)	(33.1)
Own shares held through the ESOT	(7.5)	(6.1)	(6.2)
Cumulative foreign exchange translation differences	8.8	9.7	7.1
Retained reserves	488.4	407.3	436.4
Equity attributable to equity holders of the Company	607.1	528.3	554.7
Total liabilities and equity	2,095.2	1,796.8	1,884.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 OCTOBER 2012

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Non-distributable reserve £m	Own shares held by the Company £m	Own shares held through the ESOT £m	Cumulative foreign exchange translation differences £m	Retained reserves £m	Total £m
At 1 May 2011	55.3	3.6	0.9	90.7	(33.1)	(6.7)	2.6	368.1	481.4
Profit for the period	-	-	-	-	-	-	-	52.2	52.2
Other comprehensive income:									
Foreign currency translation differences	-	-	-	-	-	-	7.1	-	7.1
Total comprehensive income for the period	-	-	-	-	-	-	7.1	52.2	59.3
Dividends paid	-	-	-	-	-	-	-	(10.3)	(10.3)
Own shares purchased by the ESOT	-	-	-	-	-	(2.7)	-	-	(2.7)
Share-based payments	-	-	-	-	-	3.3	-	(2.1)	1.2
Tax on share-based payments	-	-	-	-	-	-	-	(0.6)	(0.6)
At 31 October 2011	55.3	3.6	0.9	90.7	(33.1)	(6.1)	9.7	407.3	528.3
Profit for the period	-	-	-	-	-	-	-	36.3	36.3
Other comprehensive income:									
Foreign currency translation differences	-	-	-	-	-	-	(2.6)	-	(2.6)
Actuarial loss on defined benefit pension scheme	-	-	-	-	-	-	-	(6.2)	(6.2)
Tax on defined benefit pension scheme	-	-	-	-	-	-	-	1.5	1.5
Total comprehensive income for the period	-	-	-	-	-	-	(2.6)	31.6	29.0
Dividends paid	-	-	-	-	-	-	-	(5.0)	(5.0)
Own shares purchased by the ESOT	-	-	-	-	-	(0.8)	-	-	(0.8)
Share-based payments	-	-	-	-	-	0.7	-	0.6	1.3
Tax on share-based payments	-	-	-	-	-	-	-	1.9	1.9
At 30 April 2012	55.3	3.6	0.9	90.7	(33.1)	(6.2)	7.1	436.4	554.7
Profit for the period	-	-	-	-	-	-	-	71.1	71.1
Other comprehensive income:									
Foreign currency translation differences	-	-	-	-	-	-	1.7	-	1.7
Total comprehensive income for the period	-	-	-	-	-	-	1.7	71.1	72.8
Dividends paid	-	-	-	-	-	-	-	(12.5)	(12.5)
Own shares purchased by the ESOT	-	-	-	-	-	(10.1)	-	-	(10.1)
Share-based payments	-	-	-	-	-	8.8	-	(7.6)	1.2
Tax on share-based payments	-	-	-	-	-	-	-	1.0	1.0
At 31 October 2012	55.3	3.6	0.9	90.7	(33.1)	(7.5)	8.8	488.4	607.1

CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2012

	Unaudited	
	2012	2011
	£m	£m
Cash flows from operating activities		
Cash generated from operations before exceptional items and changes in rental equipment	221.1	173.0
Exceptional operating costs paid	(1.4)	(2.0)
Payments for rental property, plant and equipment	(373.3)	(224.7)
Proceeds from disposal of rental property, plant and equipment	42.3	34.3
Cash used in operations	(111.3)	(19.4)
Financing costs paid (net)	(21.2)	(24.6)
Exceptional financing costs paid	(13.4)	-
Tax paid (net)	(2.7)	(2.4)
Net cash used in operating activities	(148.6)	(46.4)
Cash flows from investing activities		
Payments for non-rental property, plant and equipment	(38.7)	(32.9)
Proceeds from disposal of non-rental property, plant and equipment	6.0	4.7
Payments for purchase of intangible assets	(1.1)	-
Net cash used in investing activities	(33.8)	(28.2)
Cash flows from financing activities		
Drawdown of loans	585.6	112.4
Redemption of loans	(402.2)	(22.6)
Capital element of finance lease payments	(0.5)	(0.8)
Dividends paid	(12.5)	(10.3)
Purchase of own shares by the ESOT	(10.1)	-
Net cash from financing activities	160.3	78.7
(Decrease)/increase in cash and cash equivalents	(22.1)	4.1
Opening cash and cash equivalents	23.4	18.8
Closing cash and cash equivalents	1.3	22.9

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The consolidated interim financial statements for the six months ended 31 October 2012 were approved by the directors on 10 December 2012. They have been prepared in accordance with relevant International Financial Reporting Standards ('IFRS') as adopted by the European Union and the accounting policies set out in the Group's Annual Report and Accounts for the year ended 30 April 2012.

The interim financial statements have been prepared on the going concern basis of accounting as summarised in the attached discussion of cash flow and net debt. These financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006.

The statutory accounts for the year ended 30 April 2012 were prepared in accordance with relevant IFRS and have been mailed to shareholders and filed with the Registrar of Companies. The auditor's 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:

	2012	2011
Average for the three months ended 31 October	1.60	1.60
Average for the six months ended 31 October	1.58	1.61
At 31 October	1.61	1.61

2. Segmental analysis

	Revenue	Operating profit before amortisation	Amortisation	Operating profit
	£m	£m	£m	£m
Three months to 31 October				
2012				
Sunbelt	301.5	87.6	(0.7)	86.9
A-Plant	53.9	4.4	(0.6)	3.8
Corporate costs	-	(2.4)	-	(2.4)
	355.4	89.6	(1.3)	88.3
2011				
Sunbelt	259.3	62.2	(0.4)	61.8
A-Plant	47.6	3.0	(0.4)	2.6
Corporate costs	-	(1.8)	-	(1.8)
	306.9	63.4	(0.8)	62.6

2. Segmental analysis (continued)

	Revenue	Operating profit before amortisation	Amortisation	Operating profit
	£m	£m	£m	£m
Six months to 31 October				
2012				
Sunbelt	576.8	160.5	(1.4)	159.1
A-Plant	103.6	7.4	(1.0)	6.4
Corporate costs	-	(4.5)	-	(4.5)
	680.4	163.4	(2.4)	161.0
2011				
Sunbelt	481.8	107.8	(0.7)	107.1
A-Plant	93.7	5.3	(0.8)	4.5
Corporate costs	-	(3.5)	-	(3.5)
	575.5	109.6	(1.5)	108.1

	Segment assets	Cash	Taxation assets	Other financial assets - derivatives	Total assets
	£m	£m	£m	£m	£m
At 31 October 2012					
Sunbelt	1,768.7	-	-	-	1,768.7
A-Plant	323.2	-	-	-	323.2
Corporate items	0.2	1.3	1.8	-	3.3
	2,092.1	1.3	1.8	-	2,095.2
At 30 April 2012					
Sunbelt	1,549.4	-	-	-	1,549.4
A-Plant	301.4	-	-	-	301.4
Corporate items	0.1	23.4	2.6	7.2	33.3
	1,850.9	23.4	2.6	7.2	1,884.1

3. Operating costs

	2012			2011		
	Before amortisation	Amortisation	Total	Before amortisation	Amortisation	Total
	£m	£m	£m	£m	£m	£m
Three months to 31 October						
Staff costs:						
Salaries	83.7	-	83.7	79.1	-	79.1
Social security costs	5.5	-	5.5	5.2	-	5.2
Other pension costs	1.5	-	1.5	1.4	-	1.4
	90.7	-	90.7	85.7	-	85.7
Used rental equipment sold	23.0	-	23.0	19.0	-	19.0
Other operating costs:						
Vehicle costs	24.2	-	24.2	22.1	-	22.1
Spares, consumables & external repairs	17.5	-	17.5	15.7	-	15.7
Facility costs	11.5	-	11.5	11.3	-	11.3
Other external charges	42.0	-	42.0	40.4	-	40.4
	95.2	-	95.2	89.5	-	89.5
Depreciation and amortisation:						
Depreciation	56.9	-	56.9	49.3	-	49.3
Amortisation of acquired intangibles	-	1.3	1.3	-	0.8	0.8
	56.9	1.3	58.2	49.3	0.8	50.1
	265.8	1.3	267.1	243.5	0.8	244.3

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. Operating costs (continued)

	2012			2011		
	Before amortisation £m	Amortisation £m	Total £m	Before amortisation £m	Amortisation £m	Total £m
Six months to 31 October						
Staff costs:						
Salaries	162.0	-	162.0	152.1	-	152.1
Social security costs	11.7	-	11.7	10.3	-	10.3
Other pension costs	3.1	-	3.1	2.8	-	2.8
	176.8	-	176.8	165.2	-	165.2
Used rental equipment sold	41.1	-	41.1	31.1	-	31.1
Other operating costs:						
Vehicle costs	45.8	-	45.8	42.8	-	42.8
Spares, consumables & external repairs	33.7	-	33.7	30.5	-	30.5
Facility costs	22.8	-	22.8	21.9	-	21.9
Other external charges	84.4	-	84.4	77.4	-	77.4
	186.7	-	186.7	172.6	-	172.6
Depreciation and amortisation:						
Depreciation	112.4	-	112.4	97.0	-	97.0
Amortisation of acquired intangibles	-	2.4	2.4	-	1.5	1.5
	112.4	2.4	114.8	97.0	1.5	98.5
	517.0	2.4	519.4	465.9	1.5	467.4

4. Exceptional items, amortisation and fair value remeasurements

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. Fair value remeasurements relate to the embedded call options in the Group's $550m 9.0% senior secured notes. 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, amortisation of acquired intangibles and fair value remeasurements.

	Three months to 31 October		Six months to 31 October	
	2012 £m	2011 £m	2012 £m	2011 £m
Write off of deferred financing costs	-	-	4.6	-
Early redemption fee	-	-	10.6	-
Call period interest	-	-	2.8	-
Amortisation of acquired intangibles	1.3	0.8	2.4	1.5
Fair value remeasurements	-	-	7.4	-
	1.3	0.8	27.8	1.5
Taxation	(0.2)	(0.3)	(10.6)	(0.5)
	1.1	0.5	17.2	1.0

4. Exceptional items, amortisation and fair value remeasurements (continued)

The write off of deferred financing costs consists of the unamortised balance of the costs relating to the $550m 9.0% senior secured notes redeemed in July 2012. In addition, an early redemption fee of £11m was paid to redeem the notes prior to their scheduled maturity. The call period interest represents the interest charge on the $550m notes for the period from the issue of the new $500m notes to the date the $550m notes were redeemed. Fair value remeasurements relate to the change in fair value of the embedded call options in the $550m 9.0% senior secured notes.

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	
	2012	2011	2012	2011
	£m	£m	£m	£m
Amortisation of acquired intangibles	1.3	0.8	2.4	1.5
Charged in arriving at operating profit	1.3	0.8	2.4	1.5
Net financing costs	-	-	25.4	-
Charged in arriving at profit before taxation	1.3	0.8	27.8	1.5
Taxation	(0.2)	(0.3)	(10.6)	(0.5)
	1.1	0.5	17.2	1.0

5. Financing costs

	Three months to 31 October		Six months to 31 October	
	2012	2011	2012	2011
	£m	£m	£m	£m
Investment income:				
Expected return on assets of defined benefit pension plan	(1.0)	(1.1)	(2.1)	(2.1)
Interest expense:				
Bank interest payable	4.2	4.3	8.5	8.4
Interest payable on second priority senior secured notes	5.2	7.8	12.6	15.4
Interest payable on finance leases	-	-	0.1	0.1
Other interest payable	0.4	-	0.4	-
Non-cash unwind of discount on defined benefit pension plan liabilities	0.7	0.9	1.5	1.6
Non-cash unwind of discount on self-insurance provisions	0.3	0.3	0.6	0.6
Amortisation of deferred costs of debt raising	0.5	0.6	1.1	1.2
Total interest expense	11.3	13.9	24.8	27.3
Net financing costs before remeasurements	10.3	12.8	22.7	25.2
Exceptional items	-	-	18.0	-
Fair value remeasurements	-	-	7.4	-
Net financing costs	10.3	12.8	48.1	25.2

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. Taxation

The tax charge for the period has been computed using an estimated effective rate of 39% in the US (2011: 40%) and 25% in the UK (2011: 27%). The blended effective rate for the Group as a whole is 37% of the profit before tax, amortisation of acquired intangibles and fair value remeasurements.

The tax charge of £52.4m (2011: £31.2m) on the underlying pre-tax profit of £140.7m (2011: £84.4m) is as follows:

	Six months to 31 October	
	2012	2011
	£m	£m
Current tax		
- Current tax on income for the period	5.8	4.5
- Adjustment to prior year	0.3	(0.1)
	6.1	4.4
Deferred tax		
- Origination and reversal of temporary differences	46.1	26.3
- Adjustments to prior year	0.2	0.5
	46.3	26.8
Tax on underlying activities	52.4	31.2
Comprising:		
- UK tax	5.4	5.3
- US tax	47.0	25.9
	52.4	31.2

In addition, the tax credit of £10.6m (2011: £0.5m) on exceptional items (including amortisation of acquired intangibles and fair value remeasurements) of £27.8m (2011: £1.5m) consists of a deferred tax credit of £0.2m relating to the UK (2011: £0.2m) and £10.4m (2011: £0.3m) relating to the US.

7. Earnings per share

Basic and diluted earnings per share for the three and six months ended 31 October 2012 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	
		2012	2011	2012	2011
Profit for the financial period (£m)		48.6	31.5	71.1	52.2
Weighted average number of shares (m)	- basic	500.5	497.9	499.7	497.8
	- diluted	506.3	505.9	507.9	507.2
Basic earnings per share		9.7p	6.3p	14.2p	10.5p
Diluted earnings per share		9.5p	6.2p	14.0p	10.3p

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7. Earnings per share (continued)

Underlying earnings per share (defined in any period as the earnings before exceptional items, amortisation of acquired intangibles and fair value remeasurements 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	
	2012	2011	2012	2011
Basic earnings per share	9.7p	6.3p	14.2p	10.5p
Exceptional items, amortisation of acquired intangibles and fair value remeasurements	0.3p	0.1p	5.6p	0.3p
Tax on exceptional items, amortisation and remeasurements	-	-	(2.1p)	(0.1p)
Underlying earnings per share	10.0p	6.4p	17.7p	10.7p
Other deferred tax	5.1p	3.4p	9.2p	5.4p
Cash tax earnings per share	15.1p	9.8p	26.9p	16.1p

8. Dividends

During the period, a final dividend in respect of the year ended 30 April 2012 of 2.5p (2011: 2.07p) per share was paid to shareholders costing £12.5m (2011: £10.3m).

9. Property, plant and equipment

	2012		2011	
	Rental equipment	Total	Rental equipment	Total
Net book value	£m	£m	£m	£m
At 1 May	1,118.4	1,263.4	914.5	1,036.2
Exchange difference	8.7	9.7	24.4	27.1
Reclassifications	(0.5)	-	(0.2)	-
Acquisitions	-	-	(0.3)	(0.3)
Additions	302.8	341.1	219.4	253.5
Disposals	(40.1)	(43.6)	(30.2)	(34.1)
Depreciation	(99.2)	(112.4)	(85.1)	(97.0)
At 31 October	1,290.1	1,458.2	1,042.5	1,185.4

10. Called up share capital

Ordinary shares of 10p each:

	31 October 2012	30 April 2012	31 October 2012	30 April 2012
	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

At 31 October 2012, 50m shares were held by the Company and a further 2.8m shares were held by the Company's Employee Share Ownership Trust.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11. Notes to the cash flow statement

a) Cash flow from operating activities

	Six months to 31 October 2012 £m	2011 £m
Operating profit before exceptional items and amortisation	163.4	109.6
Depreciation	112.4	97.0
EBITDA before exceptional items	275.8	206.6
Profit on disposal of rental equipment	(7.3)	(5.4)
Profit on disposal of other property, plant and equipment	(1.3)	(1.0)
(Increase)/decrease in inventories	(1.1)	0.2
Increase in trade and other receivables	(37.6)	(29.5)
(Decrease)/increase in trade and other payables	(8.7)	0.8
Exchange differences	0.1	0.1
Other non-cash movements	1.2	1.2
Cash generated from operations before exceptional items and changes in rental equipment	221.1	173.0

b) Reconciliation to net debt

	Six months to 31 October 2012 £m	2011 £m
Decrease/(increase) in cash in the period	22.1	(4.1)
Increase in debt through cash flow	182.9	89.0
Change in net debt from cash flows	205.0	84.9
Exchange differences	3.5	26.4
Non-cash movements:		
- deferred costs of debt raising	5.7	1.2
- capital element of new finance leases	0.2	1.0
Increase in net debt in the period	214.4	113.5
Opening net debt	854.3	775.7
Closing net debt	1,068.7	889.2

c) Analysis of net debt

	1 May 2012 £m	Exchange movement £m	Cash flow £m	Non-cash movements £m	31 October 2012 £m
Cash	(23.4)	-	22.1	-	(1.3)
Debt due within 1 year	2.1	-	(0.5)	0.7	2.3
Debt due after 1 year	875.6	3.5	183.4	5.2	1,067.7
Total net debt	854.3	3.5	205.0	5.9	1,068.7

Details of the Group's debt are given in the Review of Second Quarter, Balance Sheet and Cash Flow accompanying these interim financial statements.

12. Contingent liabilities

There have been no significant changes in contingent liabilities from those reported in the financial statements for the year ended 30 April 2012.

13. Post balance sheet event

On 20 November 2012, Sunbelt acquired the business and assets of JMR Industries, Ltd. ('JMR') for an initial consideration of $32m with deferred consideration of up to $12m payable over the next three years depending on future profitability. JMR is a single location energy-related business, renting and selling into the oil and gas industry. Had the acquisition taken place on 1 May 2012, then Group reported revenue and operating profit for the six months ended 31 October 2012 would have been higher by £10.2m ($16.1m) and £2.6m ($4.0m) respectively.

REVIEW OF SECOND QUARTER, BALANCE SHEET AND CASH FLOW

Second quarter

	Revenue 2012	Revenue 2011	EBITDA 2012	EBITDA 2011	Operating profit 2012	Operating profit 2011
Sunbelt in $m	481.1	414.7	211.2	161.6	139.7	99.6
Sunbelt in £m	301.5	259.3	132.6	101.0	87.6	62.2
A-Plant	53.9	47.6	16.4	13.5	4.4	3.0
Group central costs	-	-	(2.5)	(1.8)	(2.4)	(1.8)
	355.4	306.9	146.5	112.7	89.6	63.4
Net financing costs					(10.3)	(12.8)
Profit before tax and amortisation					79.3	50.6
Amortisation					(1.3)	(0.8)
Profit before taxation					78.0	49.8
Margins						
Sunbelt			*43.9%*	*39.0%*	*29.0%*	*24.0%*
A-Plant			*30.5%*	*28.4%*	*8.1%*	*6.3%*
Group			*41.2%*	*36.8%*	*25.2%*	*20.7%*

Second quarter results continued the trends of recent quarters with Sunbelt's rental revenue growing 17% to $428m (2011: $367m). This comprised a 10% increase in fleet on rent and a 6% higher yield. In the UK, A-Plant's second quarter rental revenue grew by 9% to £48m (2011: £44m) including 13% growth in average fleet on rent, offset by a 3% yield decline.

Total revenue growth for the Group of 16% at constant rates included higher used equipment sales revenue of £27m (2011: £22m) as we increased capital expenditure and hence sold more used equipment.

Group pre-tax profit before amortisation of acquired intangibles grew to £79m from £51m. This reflected the operating profit growth and lower net financing costs of £10m (2011: £13m). After £1m of intangible amortisation, the statutory profit before tax was £78m (2011: £50m).

Balance sheet

Fixed assets

	2012 Growth	2012 Maintenance	2012 Total	2011 Total
Sunbelt in $m	246.1	169.8	415.9	316.1
Sunbelt in £m	152.8	105.4	258.2	195.9
A-Plant	19.6	25.0	44.6	23.5
Total rental equipment	172.4	130.4	302.8	219.4
Delivery vehicles, property improvements & computers			38.3	34.1
Total additions			341.1	253.5

Capital expenditure in the first half totalled £341m (2011: £253m) with £303m invested in the rental fleet (2011: £219m). Expenditure on rental equipment was 89% of total capital expenditure with the balance relating to the delivery vehicle fleet, property improvements and to computer equipment.

US demand remained strong and, as a result, $246m of rental equipment capital expenditure was spent on growth while $170m was invested in replacement of existing fleet. The growth proportion is estimated on the basis of the assumption that maintenance capital expenditure in any period is equal to the original cost of equipment sold.

The average age of the Group's serialised rental equipment, which constitutes the substantial majority of our fleet, at 31 October 2012 was 32 months (2011: 39 months) on a net book value basis. Sunbelt's fleet had an average age of 31 months (2011: 38 months) while A-Plant's fleet had an average age of 38 months (2011: 42 months).

	Rental fleet at original cost			LTM rental revenue	LTM dollar utilisation	LTM physical utilisation
	31 Oct 2012	30 April 2012	LTM average			
Sunbelt in \$m	2,698	2,453	2,490	1,452	58%	70%
Sunbelt in £m	1,675	1,511	1,545	919	58%	70%
A-Plant	378	358	359	175	49%	65%
	2,053	1,869	1,904	1,094		

Dollar utilisation is defined as rental revenue divided by average fleet at original (or "first") cost and, measured over the last twelve months to 31 October 2012, rose to 58% at Sunbelt (2011: 55%) and 49% at A-Plant (2011: 48%). 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. Measured over the last twelve months to 31 October 2012, average physical utilisation was 70% in Sunbelt (2011: 69%) and 65% at A-Plant (2011: 68%). At Sunbelt, physical utilisation is measured for equipment with an original cost in excess of $7,500 which comprised approximately 92% of its fleet at 31 October 2012.

Trade receivables

Receivable days at 31 October were 45 days (2011: 47 days). The bad debt charge for the six months ended 31 October 2012 as a percentage of total turnover was 0.6% (2011: 0.8%). Trade receivables at 31 October 2012 of £185m (2011: £162m) are stated net of allowances for bad debts and credit notes of £16m (2011: £16m) with the allowance representing 8.0% (2011: 9.0%) of gross receivables.

Trade and other payables

Group payable days were 62 days in 2012 (2011: 61 days) with capital expenditure related payables, which have longer payment terms, totalling £68m (2011: £55m). Payment periods for purchases other than rental equipment vary between 7 and 60 days and for rental equipment between 30 and 120 days.

Cash flow and net debt

	Six months to 31 October 2012	31 October 2011	LTM to 31 October 2012	Year to 30 April 2012
	£m	£m	£m	£m
EBITDA before exceptional items	275.8	206.6	450.3	381.1
Cash inflow from operations before exceptional items and changes in rental equipment	221.1	173.0	412.7	364.6
*Cash conversion ratio**	*80.2%*	*83.7%*	*91.7%*	*95.7%*
Maintenance rental capital expenditure paid	(174.5)	(137.3)	(259.6)	(222.4)
Payments for non-rental capital expenditure	(39.8)	(32.9)	(56.7)	(49.9)
Rental equipment disposal proceeds	42.3	34.3	91.4	83.4
Other property, plant and equipment disposal proceeds	6.0	4.7	8.1	6.8
Tax paid	(2.7)	(2.4)	(7.7)	(7.4)
Financing costs paid	(21.2)	(24.6)	(45.7)	(49.1)
Cash inflow before growth capex and payment of exceptional costs	**31.2**	**14.8**	**142.5**	**126.0**
Growth rental capital expenditure paid	(198.8)	(87.4)	(246.8)	(135.4)
Exceptional costs paid	(14.8)	(2.0)	(16.1)	(3.3)
Total cash used in operations	**(182.4)**	**(74.6)**	**(120.4)**	**(12.7)**
Business acquisitions	-	-	(21.9)	(21.9)
Total cash absorbed	**(182.4)**	**(74.6)**	**(142.3)**	**(34.6)**
Dividends paid	(12.5)	(10.3)	(17.5)	(15.3)
Purchase of own shares by the ESOT	(10.1)	-	(12.7)	(3.5)
Increase in net debt	**(205.0)**	**(84.9)**	**(172.5)**	**(53.4)**

* 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 payment of exceptional costs and the net investment in the rental fleet increased by 28% to £221m. Reflecting a seasonal increase in working capital (particularly trade receivables), the first half cash conversion ratio was 80.2% (2011: 83.7%). As the year progresses we anticipate that these seasonal impacts on working capital will substantially reverse.

Total payments for capital expenditure (rental equipment and other PPE) in the first half were £413m, higher than the £341m of capital expenditure due to the impact of supplier payment terms. Disposal proceeds received totalled £48m, giving net payments for capital expenditure of £365m in the first half (2011: £219m). Financing costs paid totalled £21m (2011: £25m) while tax payments were £3m (2011: £2m).

Accordingly, in the first half the Group generated £31m (2011: £15m) of net cash before discretionary investments made to enlarge the size and hence earning capacity of its rental fleet. After growth capital expenditure and exceptional costs, there was a net cash outflow of £182m (2011: £75m).

Net debt

	31 October 2012	31 October 2011	30 April 2012
	£m	£m	£m
First priority senior secured bank debt	762.9	573.3	539.9
Finance lease obligations	3.4	3.2	3.8
9% second priority senior secured notes, due 2016	-	335.6	334.0
6.5% second priority senior secured notes, due 2022	303.7	-	-
	1,070.0	912.1	877.7
Cash and cash equivalents	(1.3)	(22.9)	(23.4)
Total net debt	1,068.7	889.2	854.3

Net debt at 31 October 2012 was £1,069m with the increase since 30 April 2012 reflecting an adverse exchange impact of £4m and the net cash outflow set out above. The Group's EBITDA for the twelve months ended 31 October 2012 was £450m and the ratio of net debt to EBITDA was therefore 2.4 times at 31 October 2012 (2011: 2.7 times).

Under the terms of our asset-based senior bank facility, $1.8bn is committed until March 2016, whilst the new $500m senior secured notes mature in July 2022. Our debt facilities therefore remain committed for the long term, with an average of 5.2 years remaining at 31 October 2012. The weighted average interest cost of these facilities (including non-cash amortisation of deferred debt raising costs) is approximately 4.1%. The terms of the new $500m senior secured notes are similar to the redeemed $550m notes with financial performance covenants 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 LTM EBITDA before exceptional items not to exceed 4.0 times; and
- a fixed charge ratio (comprising LTM EBITDA before exceptional items less LTM net capital expenditure paid in cash over the sum of scheduled debt repayments plus cash interest, cash tax payments and dividends paid in the last twelve months) which must be equal to or greater than 1.1 times.

These covenants do not, however, apply when excess availability (the difference between the borrowing base and net facility utilisation) exceeds $216m. At 31 October 2012 availability under the bank facility was $685m, including $160m of suppressed availability ($735m at 30 April 2012) meaning that covenants were not measured at 31 October 2012 and are unlikely to be measured in forthcoming quarters. However, as a matter of good practice, we still calculate the covenant ratios each quarter. At 31 October 2012, as a result of the significant investment in our rental fleet, the fixed charge ratio, as expected, did not meet the covenant requirement whilst the leverage ratio did so comfortably. The fact the fixed charge ratio is currently below 1.1 times does not cause concern given the strong availability and management's ability to flex capital expenditure downwards at short notice. Accordingly, the accounts are prepared on a going concern basis.

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 2012 Annual Report and Accounts on pages 18 to 25. 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 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. All our debt was denominated in US dollars at 31 October 2012 and represented approximately 75% of the value of dollar-denominated net assets (other than debt) providing a partial, but substantial, hedge against currency fluctuations. 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 2012, a 1% change in the US dollar exchange rate would impact pre-tax profit by £1.8m.

OPERATING STATISTICS

	Number of rental stores			Staff numbers		
		31 October	30 April		31 October	30 April
	2012	2011	2012	2012	2011	2012
Sunbelt	372	359	376	6,822	6,444	6,605
A-Plant	110	108	109	1,916	1,891	1,939
Corporate office	-	-	-	10	11	11
Group	482	467	485	8,748	8,346	8,555

Sunbelt's rental store number includes 31 Sunbelt at Lowes stores at 31 October 2012 (40 at 30 April 2012).

INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF ASHTEAD GROUP PLC

We have been engaged by the Company to review the consolidated interim financial statements for the six months ended 31 October 2012 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated 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 consolidated interim 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 Kingdom’s 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 consolidated 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 consolidated interim 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 consolidated interim financial statements for the six months ended 31 October 2012 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
London

Chartered Accountants and Statutory Auditor
10 December 2012