Unaudited results for the half year and second quarter ended 31 October 2007

Strong growth in second quarter and first half profits and earnings

Financial summary

	Second quarter			Half year		
	2007	2006	Growth	2007	2006	Growth
	£m	£m	%	£m	£m	%
Underlying operating profit[1]	65.2	47.7	+37%	114.9	82.7	+39%
Underlying profit before taxation[1]	46.0	30.1	+53%	76.7	54.4	+41%
Underlying earnings per share[1] - basic	5.3p	3.6p	+46%	8.9p	7.4p	+20%
- cash tax	7.3p	6.9p	+5%	12.1p	11.5p	+6%
Profit/(loss) before taxation	45.6	(39.2)	n/a	75.7	(30.6)	n/a
Basic earnings per share	5.3p	2.3p	n/a	8.5p	2.7p	n/a
Interim dividend per share	n/a	n/a	n/a	0.825p	0.55p	+50%

[1] See notes below

Highlights

- The successful integration of NationsRent with Sunbelt in the US and the repositioning of A-Plant in the UK have driven strong first half profit growth with:
  - Sunbelt's underlying operating profit up 27% to \$196.6m
  - A-Plant's underlying operating profit up 41% to £16.5m
- Underlying earnings per share improved by 20% in the first half and by 46% in the second quarter
- Leverage in the middle of our 2-3 times EBITDA target range and expected to reduce next year
- Dividend rebased with 50% rise in the interim dividend to 0.825p per share and a similar increase expected in the final dividend
- Share buy-back of up to the authorised level of 5% of the issued equity capital
- Rothschild appointed to review strategic options for Ashtead Technology
- The Board has confidence in the Group's prospects for the full year and beyond.

Ashtead's Chief Executive, Geoff Drabble, commented:

"This has been a key period for Ashtead and I am delighted that these results show that we have made excellent progress. In the US the integration of NationsRent has been completed successfully and we are now driving the combined business back towards the market-leading margins and returns achieved previously by Sunbelt alone. In the UK the work we have undertaken to reposition A-Plant has led to a significant improvement in its performance and with its increasing prominence in the market I see this improvement continuing.

Our experience on the ground, supported by many lead indicators, is that activity levels in our primary markets in the US and UK remain good being driven primarily by a mix of corporate and public sector investment. Notwithstanding current concerns over broader macro economic conditions, we continue to see strong demand for our equipment and services. We have the added security of being a late cycle business and a sufficiently flexible business model to react effectively to any changes, as yet unseen, which may occur in our markets.

The Board has confidence in the Group's prospects for the full year and beyond."

Contacts:

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

Financial definitions

a) Underlying profit and earnings per share are stated before exceptional items, amortisation of acquired intangibles and non-cash fair value remeasurements of embedded derivatives in long-term debt. 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.

b) Pro forma basis includes the NationsRent and Lux Traffic acquisitions throughout the year ended 30 April 2007 rather than from their respective dates of acquisition of 31 August 2006 and 15 October 2006. For this purpose the pre-acquisition results of NationsRent have been derived from its reported financial performance under US GAAP adjusted to exclude the large profits on disposal of rental equipment it reported following the application of US "fresh start" accounting principles and to include an estimated depreciation charge under Ashtead's depreciation policies and methods.

Geoff Drabble and Ian Robson will host a meeting for equity analysts to discuss the results at 10.15am on Tuesday 11 December at the offices of UBS at 1 Finsbury Avenue, London EC2. 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 from shortly after the call concludes. A copy of this announcement and the slide presentation used for the meeting will also be available for download on the Company's website. There will also be a conference call for bondholders at 3pm (10am EST).

Please contact the Company's PR advisers, Maitland (Camilla Vella) at +44 (0)20 7379 5151 for more details.

Overview of the results

The half year marks the successful conclusion of Sunbelt's integration of NationsRent, acquired in August 2006, and the repositioning of A-Plant. The success of both of these tasks is reflected in the strong underlying pro forma operating profit growth at both divisions for the half year. Sunbelt delivered underlying operating profits of $196.6m, up 27% on the previous year and A-Plant £16.5m, up 41%.

At Sunbelt the ex-NationsRent fleet has been reconfigured significantly and physical utilisation levels for the combined business are now consistent with those achieved by Sunbelt alone prior to the acquisition. We anticipate that the improved levels of utilisation will continue through to the year end, driven by both the better fleet mix, which is now less seasonal and less cyclical, and the enlarged sales force of almost 900.

Reflecting the Sunbelt model, we have developed a more diverse customer base for the reconfigured fleet from which we are achieving improved rental yields. Having achieved utilisation levels and margins that are comparable to those earned previously by Sunbelt alone, we will now as planned target our investment in growth capital as opposed to fleet reconfiguration. This will improve the revenue and contribution of the existing profit centre infrastructure, particularly the smaller locations acquired with NationsRent.

Looking forward our focus is on organic growth. We intend to develop those geographic areas where we now have a presence following the acquisition into the broader clusters which are central to our business model and are proven to deliver higher returns. These clusters will be supported by the ongoing development of our speciality businesses where we have added seven Pump and Power profit centres over the last 18 months.

In the UK, restructuring has created fewer, larger profit centres delivering a high customer service offering from a broad range of plant, tools and speciality products to our core customer base. It has been well received in the market and has contributed to the 9% pro forma rental revenue growth in the second quarter, delivering Q2 operating margins of 16.8% (2006 - 13.3%)

Improved demand from both our major national and regional customers means that we are operating at record physical utilisation levels. Meeting this demand has required fleet expansion and further de-ageing. Our strategy is to continue to grow the fleet to support market share gains as will be required in the second half to support major initiatives with customers such as Wates and Norwest Holst where we have recently secured long term agreements.

Our primary focus remains organic growth and leveraging our existing profit centre infrastructure. However, the UK remains a highly fragmented market and we may selectively make small bolt-on acquisitions to further accelerate growth.

Markets and outlook

Despite general concerns about the future direction of the US economy, our experience on the ground is that the US non residential construction market, which is over 90% of Sunbelt's business, continues to grow. This is supported by market data from a number of sources including McGraw Hill, Global Insight and Maximus Advisers.

The institutional element of this market, which represents 50% of the total and includes categories such as schools, hospitals and transportation, continues to be particularly strong, driven significantly by the requirement for infrastructure following the residential boom of 2000 to 2005. This together with good taxation revenues and an election in November 2008 supports the view that this element of the market will remain strong in the medium term.

Whilst the commercial element is more likely to be affected by a prolonged credit crunch, corporate profits remain good, labour markets are healthy and the industrial and manufacturing sectors remain strong. The current pipeline of projects remains good and because we are a 'late cycle' business and expect to benefit from current commitments for the next one to two years, we have a good level of confidence for future periods.

In the UK we enjoy good market conditions generally, supported by major projects, such as Crossrail, the Olympics and utility infrastructure spending. This excellent pipeline of work across the UK in a broad range of market segments will more than offset any potential slowdown in the development of high profile commercial office space, giving us confidence in the UK's medium term outlook.

First half results

Reflecting good organic growth in A-Plant and Ashtead Technology, the strong margin improvement in Sunbelt and the impact of last year's acquisitions of NationsRent and Lux:

- First half revenue grew 24% at actual rates of exchange and by 31% at constant rates

- Underlying first half operating profit of £114.9m (2006 - £82.7m) grew 39% at actual exchange rates and by 48% at constant rates

- Underlying first half profit before tax grew 41% to £76.7m at actual rates of exchange and by 50% at constant rates

- Underlying earnings per share for the first half were 8.9p up 20% at actual rates and by 26% at constant rates. On a cash tax basis underlying earnings per share were 12.1p (2006 - 11.5p)

- After amortisation and exceptional items, the first half profit before tax was £75.7m (2006 - loss of £30.6m) and basic earnings per share were 8.5p (2006 - 2.7p)

- Return on Investment ("RoI") for the Group rose to 13.1% for the 12 months ended 31 October 2007. Sunbelt delivered 13.7% whilst A-Plant's RoI was 10.2%. After tax return on equity was 16.2% (year to April 2007 - 15.3%).

Divisional performance

Sunbelt

	Second quarter 2007	Second quarter 2006	Growth	Half year 2007	Half year 2006	Growth
	$m	$m		$m	$m	
Revenue						
As reported	420.6	363.0	+16%	809.1	597.0	+36%
NationsRent	-	59.4		-	230.7	
Pro forma combined	420.6	422.4	Nil%	809.1	827.7	-2%
Underlying operating profit						
As reported	111.8	78.1	+43%	196.6	135.2	+45%
NationsRent	-	8.5		-	19.2	
Pro forma combined	111.8	86.6	+29%	196.6	154.4	+27%
Pro forma margins	26.6%	20.5%		24.3%	18.7%	

Sunbelt's pro forma margins continue to improve as we realise the benefits of the NationsRent acquisition with the actions taken to lower costs and increase dollar utilisation driving improved profitability.

As planned, Sunbelt's revenue growth continues to be limited by our curtailment of the low margin sales of new equipment previously undertaken by NationsRent. Excluding revenues from equipment sales, rental and rental related revenues grew 2% in the second quarter to $392m and by 1% in the first half to $754m.

Dollar utilisation was 63% at 31 October 2007 compared to a pro forma 62% at 30 April 2007. Fleet size was on average 2% smaller in the first half than in the pro forma equivalent period last year as we focused on raising the physical utilisation of the acquired fleet. First half physical utilisation was comparable to last year's Sunbelt only levels and is now tracking higher, a trend we would expect to continue for the rest of the financial year. First half physical utilisation averaged 70% (2006 - 72%).

A-Plant

	Second quarter 2007	Second quarter 2006	Growth	Half year 2007	Half year 2006	Growth
	£m	£m		£m	£m	
Revenue						
As reported	56.4	47.6	+19%	108.5	91.5	+19%
Lux Traffic	-	4.1		-	9.5	
Pro forma combined	56.4	51.7	+9%	108.5	101.0	+7%
Underlying operating profit						
As reported	9.5	6.6	+44%	16.5	11.1	+49%
Lux Traffic	-	0.3		-	0.6	
Pro forma combined	9.5	6.9	+38%	16.5	11.7	+41%
Pro forma margin	16.8%	13.3%		15.2%	11.6%	

A-Plant again delivered good revenue growth in the first half, up 7% on a pro forma basis. This growth reflected a 4% increase in average fleet size, a 3% increase in first half physical utilisation to a record 71% (2006 - 69%) and broadly unchanged rental rates. That this revenue growth was achieved in the period immediately following the profit centre rationalisation programme at the end of last year is a testament to the way A-Plant managed that programme and the continuing strength of the market.

The good revenue increase drove first half operating margins to 15.2% and produced growth of 41% in pro forma operating profits to £16.5m (2006 - £11.7m). By the end of the period A-Plant had also exceeded, six months ahead of schedule, its target of delivering a return on investment in excess of 10% with the actual RoI for the 12 months ended 31 October 2007 being 10.2%. We expect A-Plant's RoI to continue to improve.

Ashtead Technology

	Second quarter			Half year		
	2007 £m	2006 £m	Growth	2007 £m	2006 £m	Growth
Revenue	6.8	5.8	+17%	13.1	11.3	+16%
Operating profit	2.9	2.0	+43%	5.2	3.3	+57%
Margin	42.2%	34.6%		39.7%	29.4%	

Ashtead Technology's offshore and onshore markets remain good and we have continued to invest in order to support these markets. At constant rates of exchange first half revenues and profits grew 20% and 58% respectively as we continue to benefit from our global reach and strong customer service.

Ashtead Technology serves specialised markets which whilst attractive are different to those of our two core businesses. Accordingly Rothschild has been appointed to review and report to the Board on the strategic options for Technology.

Capital expenditure

Capital expenditure in the first half was £255.1m (2006 - £192.4m) well ahead of the first half depreciation charge of £90.3m as we invested to de-age our fleets and ensure our competitiveness in good market conditions, to complete reconfiguration of the acquired fleet in the US and to support the top-line growth in the UK.

Taking into account continued investment in fleet growth at A-Plant, we now expect capital expenditure in the current year of approximately £320m gross and £260m net of disposal proceeds.

Our rental fleets in all three divisions have now reached an age and mix which we consider to be at or near optimal levels. Accordingly the replacement capital spend in the coming financial year will be reduced significantly to a level slightly below depreciation. We will continue to invest in growth capital as dictated by the strength of our markets and market share gains.

Net debt and leverage

EBITDA for the 12 months to 31 October 2007, which now includes NationsRent and Lux throughout, was £360.6m and the ratio of net debt to LTM EBITDA was 2.6 times (April 2007 - 2.7 times).

As we move forward the natural trend to lower replacement capital expenditure and the ongoing strength of the non residential construction markets in which we operate will deliver strong cash generation allowing us to both reduce leverage whilst continuing to invest in fleet growth next year. Our strategy remains to operate within a net debt to EBITDA range of 2-3 times through the cycle. With a reduced requirement for replacement capital expenditure in future, we expect to be in the lower half of this range by April 2009 and to continue deleveraging in future periods.

Debt facilities remain committed for the long-term with the first significant maturity being in August 2011. Availability, including suppressed availability of $105m, under the $1.75bn asset based loan facility was $676m at 31 October 2007 ($589m at 30 April 2007). Under our debt facilities, lenders have agreed that we have no financial covenants to adhere to whilst availability exceeds $125m.

Dividend

Whilst we intend to continue to invest strongly in the future growth of the business, given our confidence in its prospects we believe it is now appropriate to rebase the dividend. The Board has decided therefore on an interim dividend of 0.825p per share, an increase of 50%. The Board also expects to increase the 2007/8 final dividend by a similar percentage. Following this rebasing, the Board's dividend policy will be 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. The interim dividend will be paid on 29 February 2008 to shareholders on record on 8 February 2008.

Share buy-back

In addition to the increased dividend outlined above, now that the NationsRent integration is complete and debt leverage has been reduced to around the mid point of our target range with further reductions expected, the Board believes that it is appropriate to make an additional equity return in the form of an on-market share buy-back. Accordingly the Company's brokers, UBS and Hoare Govett, will be making selective purchases in the market of the Company's issued share capital up to the 5% authorised amount.

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

CONSOLIDATED INCOME STATEMENT

Three months to 31 October - unaudited

	2007			2006		
	Before exceptional items and amortisation of intangibles	Exceptional items and amortisation of intangibles	Total	Before exceptional items, amortisation and fair value remeasurements+	Exceptional items, amortisation and fair value remeasurements+	Total
	£m	£m	£m	£m	£m	£m
Revenue	271.0	-	271.0	246.6	-	246.6
Staff costs	(79.4)	-	(79.4)	(73.5)	(7.5)	(81.0)
Other operating costs	(83.9)	-	(83.9)	(85.6)	(5.6)	(91.2)
Other income	3.5	0.2	3.7	2.4	-	2.4
EBITDA*	111.2	0.2	111.4	89.9	(13.1)	76.8
Depreciation	(46.0)	-	(46.0)	(42.2)	-	(42.2)
Amortisation of intangibles	-	(0.6)	(0.6)	-	(2.8)	(2.8)
Operating profit	65.2	(0.4)	64.8	47.7	(15.9)	31.8
Investment income	1.1	-	1.1	1.0	-	1.0
Interest expense	(20.3)	-	(20.3)	(18.6)	(53.4)	(72.0)
Net financing costs	(19.2)	-	(19.2)	(17.6)	(53.4)	(71.0)
Profit/(loss) on ordinary activities before taxation	46.0	(0.4)	45.6	30.1	(69.3)	(39.2)
Taxation:						
- current	(6.0)	-	(6.0)	5.4	(0.1)	5.3
- deferred	(10.7)	0.2	(10.5)	(16.8)	62.7	45.9
	(16.7)	0.2	(16.5)	(11.4)	62.6	51.2
Profit attributable to equity shareholders	29.3	(0.2)	29.1	18.7	(6.7)	12.0
Basic earnings per share	5.3p	-	5.3p	3.6p	(1.3p)	2.3p
Diluted earnings per share	5.3p	(0.1p)	5.2p	3.6p	(1.3p)	2.3p

Six months to 31 October - unaudited

	2007 Before	2007 Exceptional	2007 Total	2006 Before	2006 Exceptional	2006 Total
Revenue	523.5	-	523.5	422.3	-	422.3
Staff costs	(157.4)	-	(157.4)	(126.8)	(7.5)	(134.3)
Other operating costs	(168.6)	-	(168.6)	(145.2)	(5.9)	(151.1)
Other income	7.7	0.2	7.9	4.6	-	4.6
EBITDA*	205.2	0.2	205.4	154.9	(13.4)	141.5
Depreciation	(90.3)	-	(90.3)	(72.2)	-	(72.2)
Amortisation of intangibles	-	(1.2)	(1.2)	-	(2.8)	(2.8)
Operating profit	114.9	(1.0)	113.9	82.7	(16.2)	66.5
Investment income	2.2	-	2.2	2.0	-	2.0
Interest expense	(40.4)	-	(40.4)	(30.3)	(68.8)	(99.1)
Net financing costs	(38.2)	-	(38.2)	(28.3)	(68.8)	(97.1)
Profit/(loss) on ordinary activities before taxation	76.7	(1.0)	75.7	54.4	(85.0)	(30.6)
Taxation:						
- current	(9.8)	-	(9.8)	-	(0.1)	(0.1)
- deferred	(17.8)	(1.4)	(19.2)	(19.1)	62.8	43.7
	(27.6)	(1.4)	(29.0)	(19.1)	62.7	43.6
Profit attributable to equity shareholders	49.1	(2.4)	46.7	35.3	(22.3)	13.0
Basic earnings per share	8.9p	(0.4p)	8.5p	7.4p	(4.7p)	2.7p
Diluted earnings per share	8.8p	(0.4p)	8.4p	7.3p	(4.6p)	2.7p

* EBITDA is presented here as an additional performance measure as it is commonly used by investors and lenders.
+ Fair value remeasurements related to embedded derivatives in long term debt.

All results are from continuing operations. Details of risks and uncertainties are given in the Review of Results, Balance sheet and Cash flow which accompany these interim financial statements.

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Unaudited Three months to 31 October		Unaudited Six months to 31 October	
	2007	2006	2007	2006
	£m	£m	£m	£m
Net profit for the period	29.1	12.0	46.7	13.0
Tax on items taken directly to equity	3.5	-	3.5	-
Foreign currency translation differences	(3.3)	(3.1)	(5.4)	(7.2)
Total recognised income and expense for the period	29.3	8.9	44.8	5.8

CONSOLIDATED MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Unaudited Three months to 31 October		Unaudited Six months to 31 October	
	2007	2006	2007	2006
	£m	£m	£m	£m
Total recognised income and expense for the period	29.3	8.9	44.8	5.8
Issue of ordinary shares, net of expenses	0.4	146.8	0.4	147.4
Dividends paid	(6.1)	(4.0)	(6.1)	(4.0)
Share based payments	(0.1)	0.6	(0.1)	1.4
Vesting of share awards	1.6	-	1.6	-
Own shares acquired by ESOT	(1.0)	(1.9)	(0.8)	(4.9)
Net increase in equity shareholders' funds	24.1	150.4	39.8	145.7
Opening equity shareholders' funds	412.4	253.6	396.7	258.3
Closing equity shareholders' funds	436.5	404.0	436.5	404.0

CONSOLIDATED BALANCE SHEET

	Unaudited 31 October 2007 £m	Unaudited 31 October 2006 £m	Audited 30 April 2007 £m
Current assets			
Inventories	22.5	38.4	24.2
Trade and other receivables	173.3	175.5	163.7
Current tax asset	-	2.8	2.0
Assets held for sale	-	-	10.3
Cash and cash equivalents	2.0	1.2	1.1
	197.8	217.9	201.3
Non-current assets			
Property, plant and equipment			
- rental equipment	1,020.5	1,017.2	920.6
- other assets	131.1	128.7	127.4
	1,151.6	1,145.9	1,048.0
Intangible assets - brand names and other acquired intangibles	8.1	19.7	9.7
Goodwill	279.3	294.9	289.6
Deferred tax asset	33.4	42.6	41.7
Defined benefit pension fund surplus	5.7	2.2	5.2
	1,478.1	1,505.3	1,394.2
Total assets	1,675.9	1,723.2	1,595.5
Current liabilities			
Trade and other payables	180.5	196.2	166.8
Current tax liability	8.0	-	0.7
Debt due in less than one year	7.6	12.9	9.0
Provisions	13.0	12.3	12.7
	209.1	221.4	189.2
Non-current liabilities			
Debt due in more than one year	925.6	982.2	908.0
Provisions	18.4	19.8	19.6
Deferred tax liability	86.3	95.8	82.0
	1,030.3	1,097.8	1,009.6
Total liabilities	1,239.4	1,319.2	1,198.8
Equity shareholders' funds			
Share capital	56.1	55.8	56.0
Share premium account	3.6	2.0	3.3
Non-distributable reserve	90.7	90.7	90.7
Own shares held in treasury through the ESOT	(7.9)	(8.6)	(8.7)
Cumulative foreign exchange translation differences	(35.6)	(24.4)	(30.2)
Distributable reserves	329.6	288.5	285.6
Total equity shareholders' funds	436.5	404.0	396.7
Total liabilities and equity shareholders' funds	1,675.9	1,723.2	1,595.5

CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Six months to 31 October 2007		2006	
	£m	£m	£m	£m
Cash flows from operating activities				
Cash generated from operations before exceptional items		179.3		155.7
Exceptional costs paid		(6.8)		(2.4)
Cash generated from operations		172.5		153.3
Financing costs paid before exceptional items	(34.7)		(24.1)	
Exceptional financing costs paid	-		(49.4)	
Financing costs paid		(34.7)		(73.5)
Tax paid		(0.3)		(6.2)
Net cash from operating activities		137.5		73.6
Cash flows from investing activities				
Acquisition of businesses		-		(326.8)
Payments for property, plant and equipment		(237.2)		(188.3)
Proceeds on sale of property, plant and equipment and assets held for sale		57.9		28.8
Net cash used in investing activities		(179.3)		(486.3)
Cash flows from financing activities				
Drawdown of loans		74.3		878.5
Redemption of loans		(21.3)		(599.5)
Capital element of finance lease payments		(3.8)		(4.6)
Purchase of own shares by the ESOT		(0.8)		(4.9)
Dividends paid		(6.1)		(4.0)
Proceeds from issue of ordinary shares		0.4		147.4
Net cash from financing activities		42.7		412.9
Increase in cash and cash equivalents		0.9		0.2
Opening cash and cash equivalents		1.1		1.0
Effect of exchange rate changes		-		-
Closing cash and cash equivalents		2.0		1.2

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The condensed financial statements for the six months ended 31 October 2007 were approved by the directors on 10 December 2007. They have been prepared in accordance with 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 2007. They are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.

The statutory accounts for the year ended 30 April 2007 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 contain a statement under section 237 of the Companies Act 1985.

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

	2007	2006
Average for the six months ended 31 October	2.01	1.87
At 31 October	2.08	1.91

2. Segmental analysis

	Revenue	Operating profit before exceptionals and amortisation	Exceptional items and amortisation	Operating profit
Three months to 31 October	£m	£m	£m	£m
2007				
Sunbelt	207.8	55.2	(0.5)	54.7
A-Plant	56.4	9.5	0.1	9.6
Ashtead Technology	6.8	2.9	-	2.9
Corporate costs	-	(2.4)	-	(2.4)
	271.0	65.2	(0.4)	64.8
2006				
Sunbelt	193.2	41.5	(15.9)	25.6
A-Plant	47.6	6.6	-	6.6
Ashtead Technology	5.8	2.0	-	2.0
Corporate costs	-	(2.4)	-	(2.4)
	246.6	47.7	(15.9)	31.8
Six months to 31 October				
2007				
Sunbelt	401.9	97.6	(1.0)	96.6
A-Plant	108.5	16.5	-	16.5
Ashtead Technology	13.1	5.2	-	5.2
Corporate costs	-	(4.4)	-	(4.4)
	523.5	114.9	(1.0)	113.9
2006				
Sunbelt	319.5	72.3	(16.2)	56.1
A-Plant	91.5	11.1	-	11.1
Ashtead Technology	11.3	3.3	-	3.3
Corporate costs	-	(4.0)	-	(4.0)
	422.3	82.7	(16.2)	66.5

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

3. Operating costs

	2007			2006		
	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	72.5	-	72.5	67.3	-	67.3
Social security costs	5.7	-	5.7	5.0	-	5.0
Other pension costs	1.2	-	1.2	1.2	-	1.2
Redundancies and retention bonuses	-	-	-	-	7.5	7.5
	79.4	-	79.4	73.5	7.5	81.0
Other operating costs:						
Vehicle costs	18.7	-	18.7	17.7	-	17.7
Spares, consumables & external repairs	14.4	-	14.4	16.6	-	16.6
Facility costs	10.3	-	10.3	12.5	4.0	16.5
Other external charges	40.5	-	40.5	38.8	1.6	40.4
	83.9	-	83.9	85.6	5.6	91.2
Other income:						
Profit on disposal of fixed assets	(3.5)	(0.2)	(3.7)	(2.4)	-	(2.4)
Depreciation and amortisation:						
Depreciation	46.0	-	46.0	42.2	-	42.2
Amortisation of acquired intangibles	-	0.6	0.6	-	2.8	2.8
	46.0	0.6	46.6	42.2	2.8	45.0
	205.8	0.4	206.2	198.9	15.9	214.8
Six months to 31 October						
Staff costs:						
Salaries	143.2	-	143.2	115.7	-	115.7
Social security costs	11.6	-	11.6	8.9	-	8.9
Other pension costs	2.6	-	2.6	2.2	-	2.2
Redundancies and retention bonuses	-	-	-	-	7.5	7.5
	157.4	-	157.4	126.8	7.5	134.3
Other operating costs:						
Vehicle costs	36.8	-	36.8	31.6	-	31.6
Spares, consumables & external repairs	29.2	-	29.2	27.6	-	27.6
Facility costs	20.3	-	20.3	20.4	4.0	24.4
Other external charges	82.3	-	82.3	65.6	1.9	67.5
	168.6	-	168.6	145.2	5.9	151.1
Other income:						
Profit on disposal of fixed assets	(7.7)	(0.2)	(7.9)	(4.6)	-	(4.6)
Depreciation and amortisation:						
Depreciation	90.3	-	90.3	72.2	-	72.2
Amortisation of acquired intangibles	-	1.2	1.2	-	2.8	2.8
	90.3	1.2	91.5	72.2	2.8	75.0
	408.6	1.0	409.6	339.6	16.2	355.8

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4. Exceptional items, amortisation and fair value remeasurements related to embedded derivatives

'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. Non-cash fair value remeasurements relate to embedded derivatives within long term debt instruments. 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. Exceptional items, amortisation and fair value remeasurements are excluded from underlying profit and earnings per share and are set out below:

	Three months to 31 October		Six months to 31 October	
	2007	2006	2007	2006
	£m	£m	£m	£m
Senior note redemption costs	-	42.3	-	42.3
Write off of deferred financing costs relating to debt redeemed	-	10.6	-	10.6
Acquisition integration costs	-	13.0	-	13.0
Rebranding costs	-	0.1	-	0.4
Profit on sale of UK property from closed sites	(0.2)	-	(0.2)	-
Other costs	-	0.5	-	0.5
Taxation	-	(37.3)	1.8	(37.3)
Total exceptional items	(0.2)	29.2	1.6	29.5
Amortisation of acquired intangibles	0.6	2.8	1.2	2.8
Fair value remeasurements of embedded derivatives	-	-	-	15.4
Tax on exceptional items, amortisation and fair value remeasurements of embedded derivatives	(0.2)	(25.3)	(0.4)	(25.4)
	0.2	6.7	2.4	22.3

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	
	2007	2006	2007	2006
	£m	£m	£m	£m
Staff costs	-	7.5	-	7.5
Other operating costs	-	5.6	-	5.9
Other income	(0.2)	-	(0.2)	-
Amortisation of acquired intangibles	0.6	2.8	1.2	2.8
Charged in arriving at operating profit	0.4	15.9	1.0	16.2
Net financing costs	-	53.4	-	68.8
Charged in arriving at profit before tax	0.4	69.3	1.0	85.0
Taxation	(0.2)	(62.6)	1.4	(62.7)
	0.2	6.7	2.4	22.3

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. Net financing costs

	Three months to 31 October		Six months to 31 October	
	2007	2006	2007	2006
	£m	£m	£m	£m
Investment income:				
Expected return on assets of defined benefit pension plan	1.1	1.0	2.2	2.0
Total investment income	1.1	1.0	2.2	2.0
Interest expense:				
Bank interest payable	9.5	8.8	18.8	13.5
Interest on second priority senior secured notes	8.8	8.0	17.7	13.3
Interest payable on finance leases	0.4	0.4	0.7	0.7
Non-cash unwind of discount on defined benefit pension plan liabilities	0.8	0.6	1.5	1.3
Non-cash unwind of discount on self insurance provisions	0.2	0.2	0.5	0.3
Amortisation of deferred costs of debt raising	0.6	0.6	1.2	1.2
	20.3	18.6	40.4	30.3
Exceptional costs and fair value remeasurements of embedded derivatives in long term debt	-	53.4	-	68.8
Total interest expense	20.3	72.0	40.4	99.1
Net financing costs before exceptional items and fair value remeasurements of embedded derivatives	19.2	17.6	38.2	28.3
Net exceptional items and fair value remeasurements of embedded derivatives	-	53.4	-	68.8
Net financing costs	19.2	71.0	38.2	97.1

6. Taxation

The tax charge for the period has been computed using an estimated effective rate for the year of 40% in the US (2006 - 39%) and 31% in the UK (2006 - 17%) applied to the profit before tax and amortisation of acquired intangibles. The blended effective rate for the Group as a whole is 36%. In addition, an exceptional tax charge of £1.8m has been recognised in the first half to reflect the reduction in the UK deferred tax asset which arises as a result of the reduction in the UK statutory corporation tax rate from 30% to 28% effective 1 April 2008 which was enacted in the 2007 Finance Act. In the prior year the Group has recognised in full, as an exceptional profit, the previously unrecognised UK deferred tax asset of £37.3m.

The tax charge of £29.0m (2006 - credit of £43.6m) comprises a charge for current tax of £9.8m (2006 - £0.1m) and a charge for deferred tax of £19.2m (2006 - credit of £43.7m). £1.8m (2006 - £37.3m) relates to the exceptional item described above and the remaining charge relates to current year items and comprises of £17.8m (2006 - credit of £2.1m) relating to the US, £9.2m (2006 - credit of £4.3m) to the UK and £0.2m (2006 - £0.1m) to other jurisdictions.

7. Earnings per share

Basic and diluted earnings per share for the three and six months ended 31 October 2007 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 by the ESOT over which dividends have been waived). Diluted earnings per share is 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).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7. Earnings per share (continued)

These are calculated as follows:

	Three months to 31 October 2007	Three months to 31 October 2006	Six months to 31 October 2007	Six months to 31 October 2006
Profit for the financial period (£m)	29.1	12.0	46.7	13.0
Weighted average number of shares (m) - basic	553.1	514.2	552.4	474.3
- diluted	556.1	520.1	556.9	481.1
Basic earnings per share	5.3p	2.3p	8.5p	2.7p
Diluted earnings per share	5.2p	2.3p	8.4p	2.7p

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 2007	Three months to 31 October 2006	Six months to 31 October 2007	Six months to 31 October 2006
Basic earnings per share	5.3p	2.3p	8.5p	2.7p
Exceptional items, amortisation of acquired intangibles and fair value remeasurements	0.1p	13.5p	0.5p	17.9p
Deferred tax on exceptional items, amortisation and fair value remeasurements	(0.1p)	(4.9p)	(0.1p)	(5.3p)
Exceptional deferred tax credit for previously unrecognised UK tax losses	-	(7.3p)	-	(7.9p)
Underlying earnings per share	5.3p	3.6p	8.9p	7.4p
Other deferred tax	1.9p	3.3p	3.2p	4.1p
Cash tax earnings per share	7.2p	6.9p	12.1p	11.5p

8. Dividends

During the period, a final dividend in respect of the year ended 30 April 2007 of 1.1p (2006 - 1.0p) per share was paid to shareholders.

9. Property, plant and equipment

	2007		2006	
	Rental equipment	Total	Rental equipment	Total
Net book value	£m	£m	£m	£m
At 1 May	920.6	1,048.0	559.9	646.7
Exchange difference	(25.3)	(28.3)	(19.0)	(21.4)
Reclassifications	(0.1)	0.1	-	-
Additions	234.0	255.1	173.0	192.4
Acquisitions	-	-	386.6	423.8
Disposals	(30.2)	(33.0)	(20.6)	(23.4)
Depreciation	(78.5)	(90.3)	(62.7)	(72.2)
At 31 October	1,020.5	1,151.6	1,017.2	1,145.9

During the period we reassessed the useful economic lives and residual values of the rental fleet which reduced the depreciation charge for the period by £0.7m.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

10. Called up share capital

Ordinary shares of 10p each:

	2007 Number	2006 Number	2007 £m	2006 £m
Authorised	900,000,000	900,000,000	90.0	90.0
Allotted, called up and fully paid	561,440,420	558,294,829	56.1	55.8

Since 30 April 2007, 1,542,072 shares have been issued at an average price of 28.5p per share under the Company's share option plans raising £0.4m.

11. Statement of changes in shareholders' equity

	Share capital £m	Share premium £m	Non distributable reserves £m	Own shares held in treasury (ESOT) £m	Cumulative foreign exchange translation differences £m	Distributable reserves £m	Total £m	31 October 2006 £m
Total recognised income and expense	-	-	-	-	(5.4)	50.2	44.8	5.8
Shares issued	0.1	0.3	-	-	-	-	0.4	147.4
Dividends paid	-	-	-	-	-	(6.1)	(6.1)	(4.0)
Share based payments	-	-	-	-	-	(0.1)	(0.1)	1.4
Vesting of share awards	-	-	-	1.6	-	-	1.6	-
Own shares purchased	-	-	-	(0.8)	-	-	(0.8)	(4.9)
Net changes in shareholders' equity	0.1	0.3	-	0.8	(5.4)	44.0	39.8	145.7
Opening shareholders' equity	56.0	3.3	90.7	(8.7)	(30.2)	285.6	396.7	258.3
Closing shareholders' equity	56.1	3.6	90.7	(7.9)	(35.6)	329.6	436.5	404.0

12. Notes to the cash flow statement

a) Cash flow from operating activities

	Six months to 31 October 2007 £m	Six months to 31 October 2006 £m
Operating profit	113.9	66.5
Depreciation and amortisation	91.5	75.0
Exceptional items	(0.2)	13.4
EBITDA before exceptional items	205.2	154.9
Profit on disposal of property, plant and equipment	(7.7)	(4.6)
Decrease in inventories	0.9	3.9
Increase in trade and other receivables	(20.6)	(12.4)
(Decrease)/increase in trade and other payables	(0.5)	12.2
Exchange differences	0.6	0.4
Other non-cash movements	1.4	1.3
Cash generated from operations before exceptional items	179.3	155.7

b) Analysis of net debt

	1 May 2007 £m	Exchange movement £m	Cash flow £m	Non-cash movements £m	31 October 2007 £m
Cash	(1.1)	-	(0.9)	-	(2.0)
Debt due within 1 year	9.0	(0.3)	(3.8)	2.7	7.6
Debt due after 1 year	908.0	(33.9)	53.0	(1.5)	925.6
Total net debt	915.9	(34.2)	48.3	1.2	931.2

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

12. Notes to the cash flow statement (continued)

c) Reconciliation to net debt	Six months to 31 October 2007 £m	2006 £m
Increase in cash in the period	(0.9)	(0.2)
Increase in debt through cash flow	49.2	274.4
Change in net debt from cash flows	48.3	274.2
Debt acquired	-	233.1
Exchange difference	(34.2)	(19.9)
Non-cash movements:		
- deferred costs of debt raising	1.1	11.8
- capital element of new finance leases	0.1	1.1
Movement in net debt in the period	15.3	500.3
Opening net debt	915.9	493.6
Closing net debt	931.2	993.9

13. Contingent liabilities and contingent assets

There have been no significant changes in contingent liabilities from those reported at 30 April 2007. The Group remains subject to periodic legal claims in the ordinary course of its business. However, the claims outstanding at 31 October 2007 are not expected to have a significant impact on the Group's financial position.

As part of the NationsRent acquisition, the Group has agreed to pay deferred contingent consideration of up to $89m. The amount of the deferred contingent consideration is linked to the Company's share price performance over the three years from 1 September 2006 to 31 August 2009. In the event that the Company's share price (measured on a five day average basis) rises by more than 22.2% above the reference price of 204p (as adjusted for the bonus element of the rights issue), contingent consideration becomes payable at the rate of $5m for every additional 1% rise in the share price up to a maximum of 40% above the reference price. Accordingly, deferred contingent consideration starts to become payable when the Company's share price reaches 250p with the maximum $89m being payable at 286p. The contingent consideration is payable on a quarterly basis in cash. It is not practicable to estimate reliably the amount of contingent consideration which will become payable and accordingly no provision has been made.

REVIEW OF RESULTS, BALANCE SHEET AND CASH FLOW

Results

Segmental results

Divisional results before exceptional items and amortisation of acquired intangibles for the three months and six months ended 31 October 2007 are summarised below:

	Revenue		EBITDA		Operating profit	
Three months to 31 October	2007	2006	2007	2006	2007	2006
Sunbelt in $m	420.6	363.0	179.8	137.2	111.8	78.1
Sunbelt in £m	207.8	193.2	88.8	73.0	55.2	41.5
A-Plant	56.4	47.6	20.5	16.1	9.5	6.6
Ashtead Technology	6.8	5.8	4.3	3.2	2.9	2.0
Group central costs	-	-	(2.4)	(2.4)	(2.4)	(2.4)
	271.0	246.6	111.2	89.9	65.2	47.7
Net financing costs					(19.2)	(17.6)
Profit before tax, exceptionals and amortisation					46.0	30.1
Exceptional items					0.2	(66.5)
Amortisation					(0.6)	(2.8)
Profit/(loss) before taxation					45.6	(39.2)
Six months to 31 October						
Sunbelt in $m	809.1	597.0	330.5	230.3	196.6	135.2
Sunbelt in £m	401.9	319.5	164.1	123.3	97.6	72.3
A-Plant	108.5	91.5	37.6	30.0	16.5	11.1
Ashtead Technology	13.1	11.3	7.9	5.6	5.2	3.3
Group central costs	-	-	(4.4)	(4.0)	(4.4)	(4.0)
	523.5	422.3	205.2	154.9	114.9	82.7
Net financing costs					(38.2)	(28.3)
Profit before tax, exceptionals and amortisation					76.7	54.4
Exceptional items					0.2	(82.2)
Amortisation					(1.2)	(2.8)
Profit/(loss) before taxation					75.7	(30.6)

Three months ended 31 October

Revenue increased 9.9% to £271.0m (2006 - £246.6m) in the quarter ended 31 October 2007. This reflects the contribution from NationsRent since 31 August 2006 as well as the limiting effect of the weak dollar which, in the second quarter, declined 8% from $1.87 = £1 a year ago to $2.02 = £1. Underlying operating profit increased 36.6% to £65.2m (2006 - £47.7m). Profit before tax, exceptionals and amortisation for the quarter increased to £46.0m (2006 - £30.1m) and, after exceptional items and amortisation, the profit before tax for the quarter was £45.6m (2006 - loss of £39.2m).

Sunbelt's operating profit margin improved to 26.6% (2006 - pro forma 20.5%) as we continue to realise the benefits from the NationsRent acquisition with the actions taken to lower costs and increase dollar utilisation driving improved profitability. Revenues were comparable to the prior year on a pro forma basis as we continued to reduce the level of low margin new equipment sales. Excluding these sales revenues, rental and rental related revenues grew 2% to $392m on a fleet 1% smaller at $2,291m than on a pro forma basis last year. Dollar utilisation was 63% at 31 October 2007 compared to a pro forma 62% at 30 April 2007. We focused on raising physical utilisation of the acquired fleet with second quarter utilisation averaging 72% (2006 - 72%).

A-Plant delivered good revenue growth in the second quarter, up 9.1% on a pro forma basis. This growth reflected a 5% increase in average fleet size to £339m, a 4% increase in second quarter physical utilisation to a record 73% (2006 - 70%) and broadly unchanged rental rates.

The good revenue increase drove second quarter operating margins to 16.8% (2006 - 13.3%) and a 38% increase in pro forma operating profits to £9.5m (2006 - £6.9m). This contributed to RoI of 10.2% for the twelve months ended 31 October 2007.

Ashtead Technology's offshore and onshore markets remain good and we have continued to invest to support these markets. Second quarter revenues and profits grew 17.4% and 42.8% (21.3% and 46.3% at constant rates of exchange) to £6.8m (2006 - £5.8m) and £2.9m (2006 - £2.0m), respectively.

Six months ended 31 October

Revenue increased 24.0% to £523.5m (2006 - £422.3m) in the six months ended 31 October 2007. This reflects the contribution from NationsRent since 31 August 2006 as well as the limiting effect of the weak dollar which, in the six months, declined 7% from $1.87 = £1 a year ago to $2.01 = £1. Underlying operating profit increased 38.9% to £114.9m (2006 - £82.7m) in the six months ended 31 October 2007. Profit before tax, exceptionals and amortisation for the six months was £76.7m (2006 - £54.4m) and, after exceptional items and amortisation, the profit before tax was £75.7m (2006 - loss of £30.6m).

Balance sheet

Capital expenditure in the six months was £255.1m of which £234.0m was invested in the rental fleet (2006 - £192.4m in total). Expenditure on rental equipment was 91.7% of total capital expenditure with the balance relating to the delivery vehicle fleet, property improvements and to computer equipment. Capital expenditure by division was as follows:

		2007		2006
	Growth	Maintenance	Total	Total
Sunbelt in $m	192.1	121.2	313.3	224.2
Sunbelt in £m	92.5	58.3	150.8	117.6
A-Plant	31.9	45.3	77.2	49.4
Ashtead Technology	4.8	1.2	6.0	6.0
Total rental equipment	129.2	104.8	234.0	173.0
Delivery vehicles, property improvements & computers			21.1	19.4
Total additions			255.1	192.4

With strong US market conditions and a much improved performance at A-Plant, the Group spent £129.2m of its rental equipment capital expenditure on growth and £104.8m on replacing 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 2007 was 27 months (2006 - 31 months) on a net book value basis. Sunbelt’s fleet had an average age of 29 months (2006 - 33 months) comprising 33 months for aerial work platforms which have a longer life and 25 months for the remainder of its fleet and A-Plant’s fleet had an average age of 21 months (2006 - 30 months).

The original cost of the Group’s rental fleet and the dollar utilisation for the twelve months ended 31 October 2007 are shown below:

	Rental fleet at original cost			LTM rental	Dollar
	31 October 2007	30 April 2007	LTM average	revenues	utilisation
Sunbelt in $m	2,338	2,147	2,223	1,406	63%
Sunbelt in £m	1,125	1,074	1,104	698	63%
A-Plant	353	321	327	201	61%
Ashtead Technology	44	39	40	23	58%
	1,522	1,434	1,471	922	

Dollar utilisation is defined as rental and rental related revenues divided by average fleet at original (or “first”) cost.

Dollar utilisation at Sunbelt for the twelve months ended 31 October 2007 improved to 63% from a pro forma figure of 62% in the year ended 30 April 2007 as Sunbelt focused on improving the previously low dollar utilisation in the acquired NationsRent profit centres. Dollar utilisation of 61% at A-Plant reflects the lower pricing (relative to equipment cost) prevalent in the competitive UK market and its high time utilisation.

Trade receivables

Receivable days at 31 October 2007 were 46 days (2006 - 46 days). The bad debt charge for the six months ended 31 October 2007 as a percentage of total turnover was 0.8% (2006 - 0.6%).

Trade and other payables

Group payable days were 60 days in 2007 (2006 - 73 days). Capital expenditure related payables at 31 October 2007 totalled £74.4m (2006 - £63.4m). 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

Free cash flow (defined as the net cash inflow from operations less net maintenance capital expenditure, financing costs paid and tax paid) is summarised below:

	Six months to 31 October		LTM to 31 October	Year to 30 April
	2007	2006	2007	2007
	£m	£m	£m	£m
EBITDA before exceptional items	205.2	154.9	360.6	310.3
Cash inflow from operations before exceptional items	179.3	155.7	342.9	319.3
*Cash efficiency ratio**	*87.4%*	*100.5%*	*95.1%*	*102.9%*
Maintenance rental capital expenditure	(114.0)	(65.0)	(262.1)	(213.1)
Non-rental capital expenditure	(21.5)	(18.4)	(35.4)	(32.3)
Proceeds from sale of used rental equipment	57.9	28.8	107.6	78.5
Tax paid	(0.3)	(6.2)	0.9	(5.0)
Free cash flow before interest	**101.4**	**94.9**	**153.9**	**147.4**
Financing costs paid	(34.7)	(24.1)	(74.8)	(64.2)
Free cash flow after interest	**66.7**	**70.8**	**79.1**	**83.2**
Growth capital expenditure	(101.7)	(104.9)	(59.7)	(62.9)
Dividends paid	(6.1)	(4.0)	(9.1)	(7.0)
Purchase of own shares by ESOT	(0.8)	(4.9)	(0.8)	(4.9)
Cash flow before acquisitions, equity offerings & exceptional costs	**(41.9)**	**(43.0)**	**9.5**	**8.4**
Acquisitions	-	(326.8)	(0.4)	(327.2)
Issue of ordinary share capital	0.4	147.4	1.9	148.9
Exceptional costs paid (net)	(6.8)	(51.8)	(23.8)	(68.8)
Increase in total debt	**(48.3)**	**(274.2)**	**(12.8)**	**(238.7)**

* Cash inflow from operations before exceptional items as a percentage of EBITDA before exceptional items.

Cash inflow from operations increased 15.2% to £179.3m and the cash efficiency ratio was 87.4% (2006 - 100.5%) period. This lower cash efficiency ratio is more typical for the six months as cash inflow from operations in the six months ended 31 October 2006 benefited from cash generated from reducing NationsRent inventory and receivable levels from those prevailing when it was acquired on 31 August 2006.

The Group continues to generate strong free cash flow after interest with £66.7m (2006 - £70.8m) generated in the period.

Net debt

	31 October		30 April
	2007	2006	2007
	£m	£m	£m
First priority senior secured bank debt	540.9	560.6	506.1
Finance lease obligations	17.7	27.0	22.0
8.625% second priority senior secured notes, due 2015	116.1	126.4	120.6
9% second priority senior secured notes, due 2016	258.5	281.1	268.3
	933.2	995.1	917.0
Cash and cash equivalents	(2.0)	(1.2)	(1.1)
Total net debt	931.2	993.9	915.9

Reflecting normal seasonal trends, Group net debt increased from £915.9m at 30 April 2007 to £931.2m at 31 October 2007 as we invested in the rental fleet and absorbed the usual seasonal growth in receivables. The ratio of net debt to EBITDA was 2.6 times at 31 October 2007. LTM EBITDA before exceptional items was £360.6m.

The Group's debt facilities are now committed for a weighted average period of approximately 6 years with the earliest significant maturity being in August 2011. The weighted average interest cost of these facilities (including non-cash amortisation of deferred debt raising costs) is approximately 8%, 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 4.25 times (4.0 times from April 2009), 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 are not, however, required to be adhered to when availability (the difference between the borrowing base and facility utilisation) exceeds $125m. At 31 October 2007 availability under the bank facility, including suppressed availability of $105m, was $676m ($589m at 30 April 2007).

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 2007 Annual Report and Accounts on pages 21 to 23. In particular, 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.

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. Approximately 96% of our debt was denominated in US dollars at 31 October 2007. At that date dollar denominated debt represented approximately 86% 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 currency mix of our profits currently prevailing and on current dollar debt levels and interest rates, every 1% change in the US dollar exchange rate would impact pre-tax profit by 0.8%.

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

OPERATING STATISTICS

	Profit centre numbers			Staff numbers		
	31 October		30 April	31 October		30 April
	2007	2006	2007	2007	2006	2007
Sunbelt	441	473	445	7,163	7,939	7,524
A-Plant	195	236	201	2,435	2,595	2,424
Ashtead Technology	13	11	13	129	112	115
Corporate office	-	-	-	11	14	14
Group	649	720	659	9,738	10,660	10,077

Sunbelt's profit centre numbers include 95 Sunbelt at Lowes stores at 31 October 2007 (99 at 30 April 2007 and 100 at 31 October 2006).

INDEPENDENT REVIEW REPORT TO ASHTEAD GROUP PLC

We have been engaged by the Company to review the condensed financial statements in the half-yearly financial report for the six months ended 31 October 2007 which comprise the income statement, the balance sheet, the statement of recognised income and expense, 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 issued by the Auditing Practices Board for use in the United Kingdom. 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 and IFRS as issued by the International Accounting Standards Board. 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 and the International Accounting Standards Board.

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 accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the International Accounting Standards Board and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
10 December 2007
London