Managing the cycle – return to growth

Third quarter results | 31 January 2011

Issued: 8 March 2011

Ashtead group

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Overview

- Revenue growth accelerated in the third quarter driven by increased rental penetration, more fleet on rent and higher yields
  - 11%[1] growth in Sunbelt's Q3 rental revenue
  - A-Plant returned to growth with Q3 rental revenue rising 2%[1]
- Leverage reduced to 2.8x EBITDA (April 2010: 3.2x)
- Strategic acquisition of Empire Scaffold completed in January
- Outcome for the year expected to be ahead of our earlier expectations

[1] On a billings per day basis

Q3 Group revenue and profits

(£m)	Q3 2010 As reported	Q3 2010 At 2011 rates	Q3 2011 Actual	growth[1]
Revenue	**187**	**192**	**221**	*+15%*
– of which rental	*172*	*177*	*197*	*+11%*
Operating costs	(137)	(141)	(161)	*+14%*
EBITDA	**50**	**51**	**60**	*+18%*
Depreciation	(46)	(47)	(45)	*-3%*
Operating profit	**4**	**4**	**15**	*+233%*
Net interest	(16)	(16)	(17)	*-1%*
Loss before tax and amortisation	**(12)**	**(12)**	**(2)**	*+85%*
Earnings per share (p)	**(1.6)**	**(1.6)**	**(0.2)**	*+87%*
Margins				
– EBITDA	*26.6%*	*26.6%*	*27.3%*	
– Operating profit	*2.3%*	*2.3%*	*6.7%*	

[1] At constant exchange rates

[2] The results in the table above are the Group's underlying results and are stated before exceptionals, intangible amortisation and fair value remeasurements

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Nine months Group revenue and profits

(£m)	2010 As reported	2010 At 2011 rates	2011 Actual	growth[1]
	Nine months			
Revenue	**627**	**652**	**706**	*+8%*
– of which rental	*581*	*605*	*638*	*+5%*
Operating costs	(433)	(450)	(485)	*+8%*
EBITDA	**194**	**202**	**221**	*+9%*
Depreciation	(140)	(145)	(140)	*-4%*
Operating profit	**54**	**57**	**81**	*+42%*
Net interest	(46)	(48)	(53)	*+9%*
Profit before tax and amortisation	**8**	**9**	**28**	*+222%*
Earnings per share (p)	**0.6**	**0.7**	**3.7**	*+393%*
Margins				
– EBITDA	*30.9%*	*31.0%*	*31.2%*	
– Operating profit	*8.6%*	*8.7%*	*11.4%*	

[1] At constant exchange rates

[2] The results in the table above are the Group's underlying results and are stated before exceptionals, intangible amortisation and fair value remeasurements

Q3 Sunbelt revenue and profits

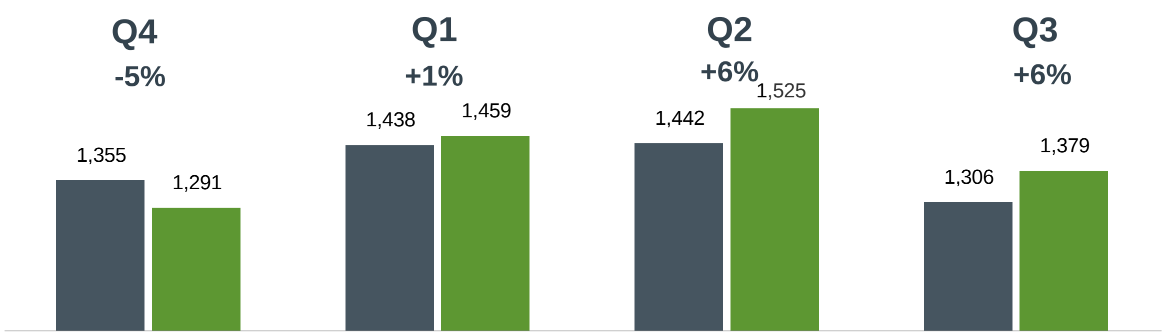
($m)	Q3 2010	Q3 2011	Change
Revenue:			
- rental	225	254	*+13%*
- sales of new & used equipment & merchandise	20	35	*+73%*
	245	289	*+18%*
Costs:			
- cost of rental, including overheads	(160)	(175)	*+9%*
- cost of new & used equipment & merchandise sales	(15)	(29)	*+85%*
EBITDA	**70**	**85**	*+22%*
Depreciation	(58)	(56)	*-3%*
Operating profit	**12**	**29**	*+140%*
Margins			
– EBITDA	*28.6%*	*29.6%*	
– Operating profit	*5.0%*	*10.2%*	

The results in the table above are Sunbelt's underlying results and are stated before exceptionals and intangible amortisation

Sunbelt – revenue drivers

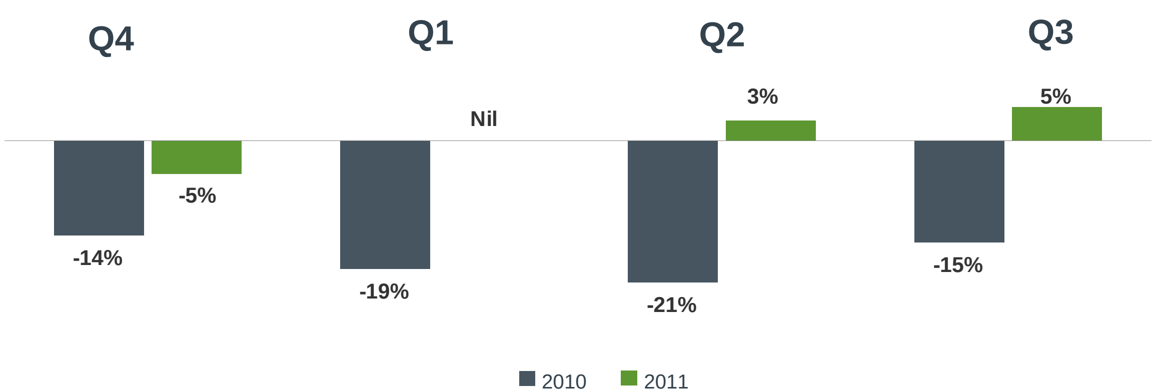
Continued improvement throughout the year

Average fleet on rent ($m)

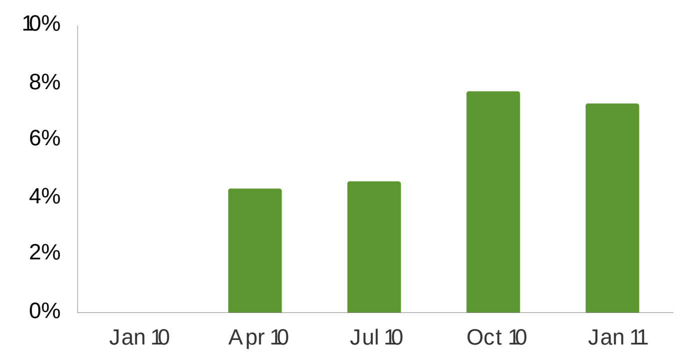


Physical utilisation

Year over year change in yield



Cumulative sequential change in yield
7% growth in yield in 2011



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Q3 A-Plant revenue and profits

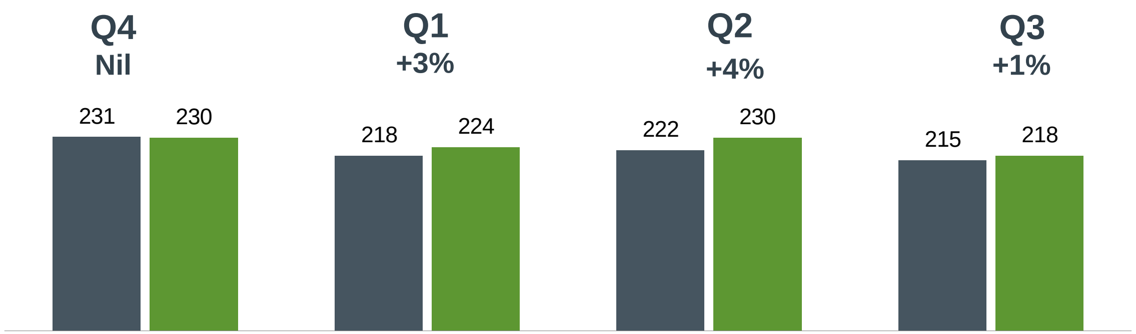
	Q3		
(£m)	**2010**	**2011**	**Change**
Revenue:			
- rental	35	36	+4%
- sales of new & used equipment & merchandise	2	3	+2%
	37	**39**	+4%
Costs:			
- cost of rental, including overheads	(27)	(27)	+3%
- cost of new & used equipment & merchandise sales	(2)	(3)	-
EBITDA	**8**	**9**	+7%
Depreciation	(10)	(10)	-2%
Operating loss	**(2)**	**(1)**	+41%

Margins		
– EBITDA	*22.4%*	*23.0%*
– Operating profit	*-4.9%*	*-2.8%*

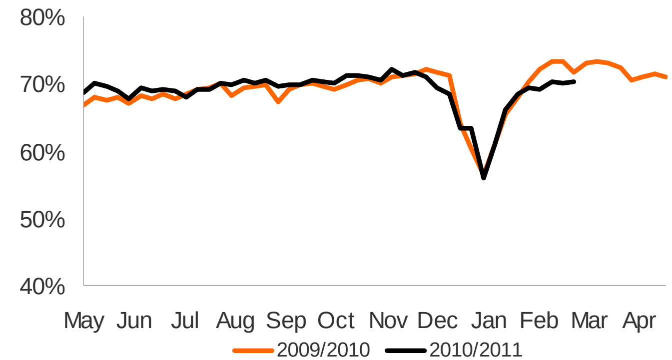
Revenue drivers – A-Plant

Strong fleet on rent continues

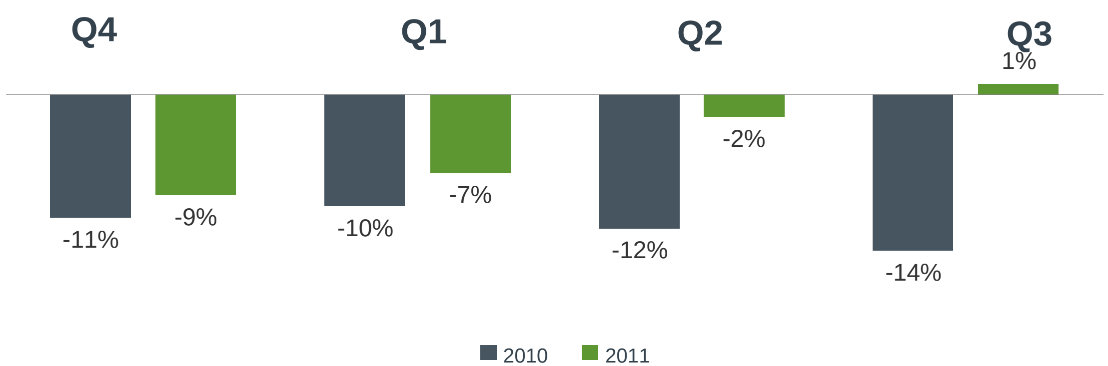
Average fleet on rent (£m)



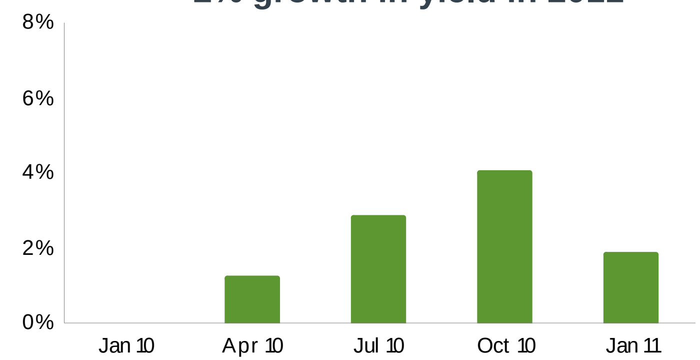
Physical utilisation



Year over year change in yield



Cumulative sequential change in yield
2% growth in yield in 2011



Summary

- A good performance in our seasonally most difficult quarter
- Continued focus on yields and in line for our spring targets
- End markets remain fragile but we continue to execute our plans successfully

Appendices

Nine months financial results

	Revenue			EBITDA			Profit		
	2010	**2011**	**change**	**2010**	**2011**	**change**	**2010**	**2011**	**change**
Sunbelt ($m)	821.3	903.7	+10%	269.4	298.0	+11%	92.2	128.4	+39%
Sunbelt (£m)	505.5	584.5	+16%	165.8	192.7	+16%	56.7	83.1	+46%
A-Plant	121.2	121.2	-	32.0	33.3	+4%	1.3	3.1	+146%
Group central costs	-	-	-	(4.0)	(5.5)	+36%	(4.1)	(5.6)	+36%
	626.7	**705.7**	+13%	**193.8**	**220.5**	+14%	**53.9**	**80.6**	+50%
Net financing costs							(45.8)	(52.3)	+14%
Profit before tax, remeasurements and amortisation							**8.1**	**28.3**	+222%
Fair value remeasurements and amortisation							(4.2)	(6.7)	
Profit before taxation							3.9	21.6	
Taxation							(3.1)	(7.6)	
Profit after taxation							**0.8**	**14.0**	

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LTM financial results

	Revenue			EBITDA			Profit		
	2010	**2011**	**change**	**2010**	**2011**	**change**	**2010**	**2011**	**change**
Sunbelt ($m)	1,087.5	1,162.9	+7%	347.6	379.4	+9%	109.5	152.8	+40%
Sunbelt (£m)	694.9	753.5	+8%	223.4	245.9	+10%	72.9	99.1	+36%
A-Plant	163.9	162.3	-1%	43.9	43.3	-1%	2.9	3.6	+24%
Group central costs	-	-	-	(5.3)	(7.4)	+40%	(5.5)	(7.5)	+36%
	858.8	**915.8**	+7%	**262.0**	**281.8**	+8%	**70.3**	**95.2**	+35%
Net financing costs							(62.4)	(70.0)	+12%
Profit before tax, exceptionals, remeasurements and amortisation							**7.9**	**25.2**	+219%
Exceptional items, fair value remeasurements and amortisation							(34.2)	(1.7)	
Profit before taxation							(26.3)	23.5	
Taxation							9.5	(8.2)	
Profit after taxation							**(16.8)**	**15.3**	

Stable free cash flow

(£m)	2002	2003	2004	2005	2006	2007	2008	2009	2010	LTM Jan 11
EBITDA before exceptional items	**185**	**150**	**147**	**170**	**225**	**310**	**380**	**359**	**255**	**282**
Cash conversion ratio[1]	*105%*	*105%*	*95%*	*97%*	*96%*	*103%*	*94%*	*104%*	*104%*	*98%*
Cash inflow from operations[2]	**194**	**157**	**140**	**165**	**215**	**319**	**356**	**374**	**266**	**276**
Maintenance capital expenditure	(117)	(89)	(83)	(101)	(167)	(245)	(231)	(236)	(43)	(150)
Disposal proceeds	27	29	32	36	50	78	93	92	31	49
Interest and tax	(47)	(40)	(33)	(31)	(41)	(69)	(83)	(64)	(54)	(66)
Cash flow before growth investment & excep'ls	**57**	**57**	**56**	**69**	**57**	**83**	**135**	**166**	**200**	**109**
Growth capital expenditure	(86)	(18)	-	(10)	(63)	(63)	(120)	-	-	-
Exceptional income/(costs)	16	(8)	(17)	(6)	(20)	(69)	(10)	(9)	(8)	(5)
Acquisitions & disposals	(3)	(1)	15	1	(44)	(327)	(6)	89	(1)	(25)
Cash flow available for equity holders	**(16)**	**30**	**54**	**54**	**(70)**	**(376)**	**(1)**	**246**	**191**	**79**
Dividends paid	(11)	(9)	-	-	(2)	(7)	(10)	(13)	(13)	(15)
Share issues/purchase of own shares	(2)	-	-	-	69	144	(24)	(16)	-	-
(Increase)/reduction in net debt from cashflow	**(29)**	**21**	**54**	**54**	**(3)**	**(239)**	**(35)**	**217**	**178**	**64**

[1] Cash inflow from operations as a percentage of EBITDA before exceptionals
[2] Before fleet changes and exceptionals

Debt leverage

Net debt to EBITDA now back to our target 2-3x range

(£m)	January 2010	April 2010	January 2011
Net debt at 30 April	**1,036**	**1,036**	**829**
Translation impact	(78)	(37)	(39)
Opening debt at closing exchange rates	**958**	**999**	**790**
Change from cash flows	(135)	(178)	(22)
Non-cash movements	6	8	6
Net debt at period end	**829**	**829**	**774**
Comprising:			
First lien senior secured bank debt	361	368	291
Second lien secured notes	490	513	491
Finance lease obligations	4	3	3
Cash in hand	(26)	(55)	(11)
Total net debt	**829**	**829**	**774**
Net debt to EBITDA leverage [1] (x)	**3.2**	**3.1**	**2.8**

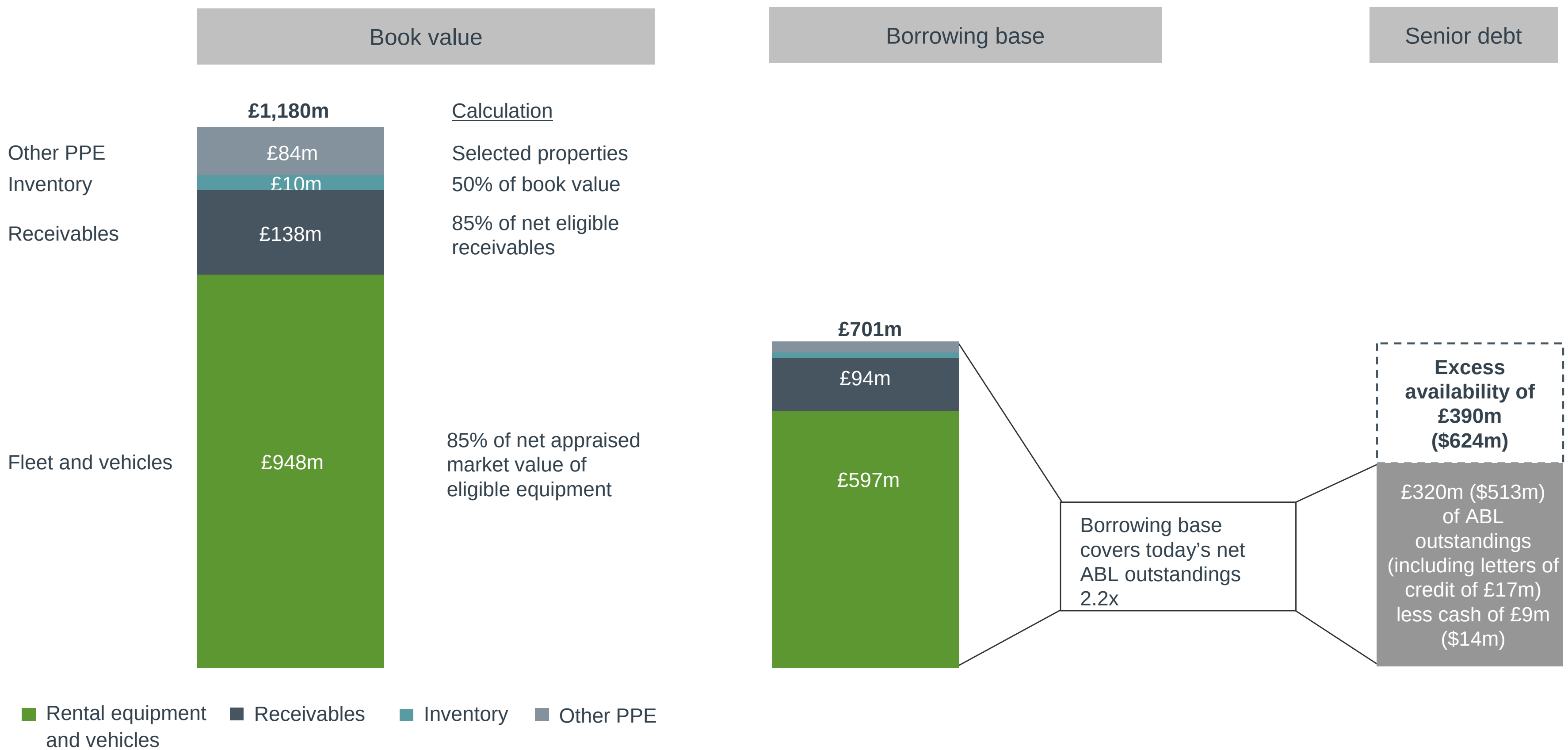
[1] At constant exchange rate

Interest

Floating rate: 37%

Fixed rate: 63%

$624m of availability at 31 January 2011



- Borrowing base reflects August 2010 asset values which were down around 18% from Spring 2007 peak but up 11% from the Autumn 2009 trough