Responsible investment in growth

Analyst and Investor meeting | January 2015

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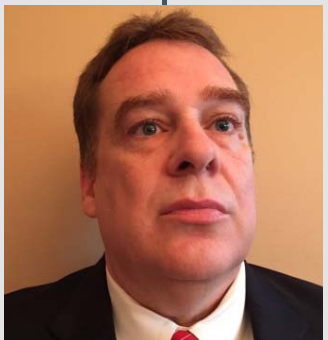
Sunbelt

Who will you meet?

Brendan Horgan
CEO

Tim Stommel
COO

Kurt Kenkel
EVP Admin and Business Development



John Schoenberger
SVP of Finance

Francis Hassis
EVP Western Territory

Russ Brown
EVP Eastern Territory

John Washburn
SVP Sales and Marketing

Kirby Miner
SVP of IT

Doug Bertz
RVP Florida

Agenda

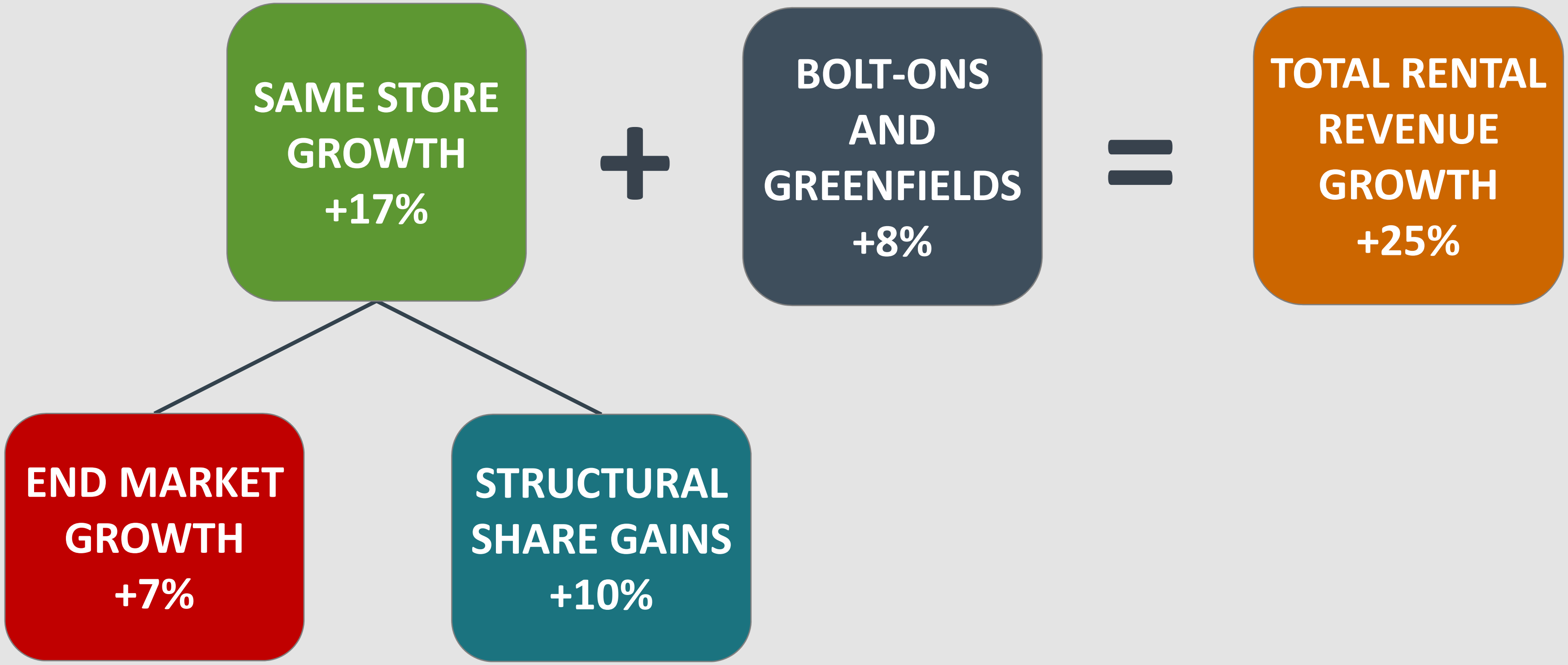
Day 1

1) The market
   - Macro impact of lower oil prices
   - How does this impact Sunbelt?
2) What are we seeing on the ground?
3) Why are we gaining share and where?
4) Site visits to support strategy and opportunity

Day 2

5) Power of Sunbelt
   - What makes us different?
6) Margin development from here and why
7) M&A strategy
   - Core growth
   - Specialty
8) Where is the balance sheet going?

Capitalising on structural and cyclical factors to drive revenue growth



The market
Geoff Drabble

The market

December update

Total building starts (Millions of square feet)	2015	2016	2017
Total building	+15%	+21%	+4%
Commercial and Industrial	+13%	+12%	+4%
Institutional	+9%	+16%	+14%
Residential	+17%	+24%	+3%

Source: McGraw Hill (September 2014)

Put in place construction	2015	2016	2017
Total construction	+6%	+7%	+5%

Source: Maximus Advisors (November 2014)

Rental revenue forecasts	2015	2016	2017
Industry rental revenue	+9%	+8%	+9%

Source: IHS Global Insight (October 2014)

January revisions post Oil & Gas

Total building starts (Millions of square feet)	2015	2016	2017
Total building	+11%	+18%	+12%
Commercial and Industrial	+12%	+12%	+6%
Institutional	+8%	+15%	+16%
Residential	+11%	+21%	+13%

Source: McGraw Hill (December 2014)

Put in place construction	2015	2016	2017
Total construction	+4%	+3%	+6%

Source: Maximus Advisors (January 2015)

Rental revenue forecasts	2015	2016*	2017*
Industry rental revenue	+8%	+8%	+9%

* Unchanged from October 2014

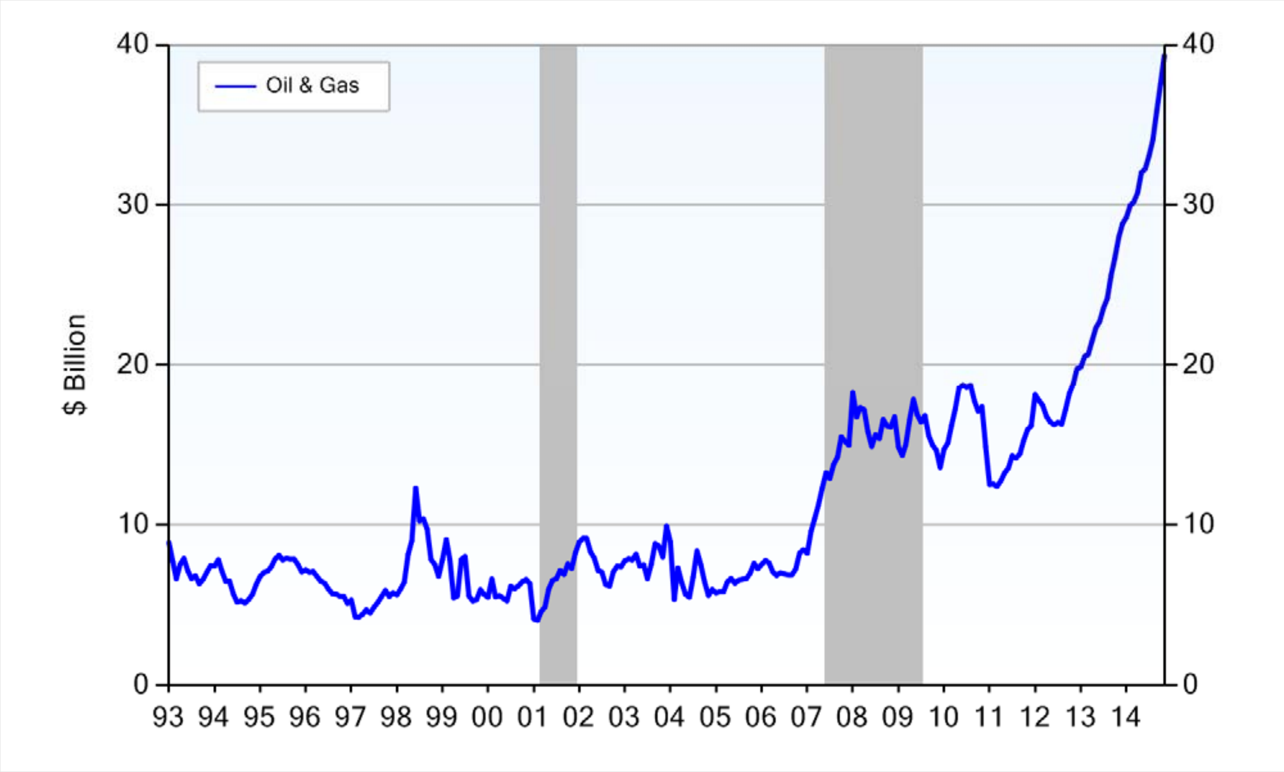
Source: IHS Global Insight (January 2015)

So what changes given oil prices

- Macro

- Specifically to Sunbelt

Oil & Gas construction activity has sky-rocketed



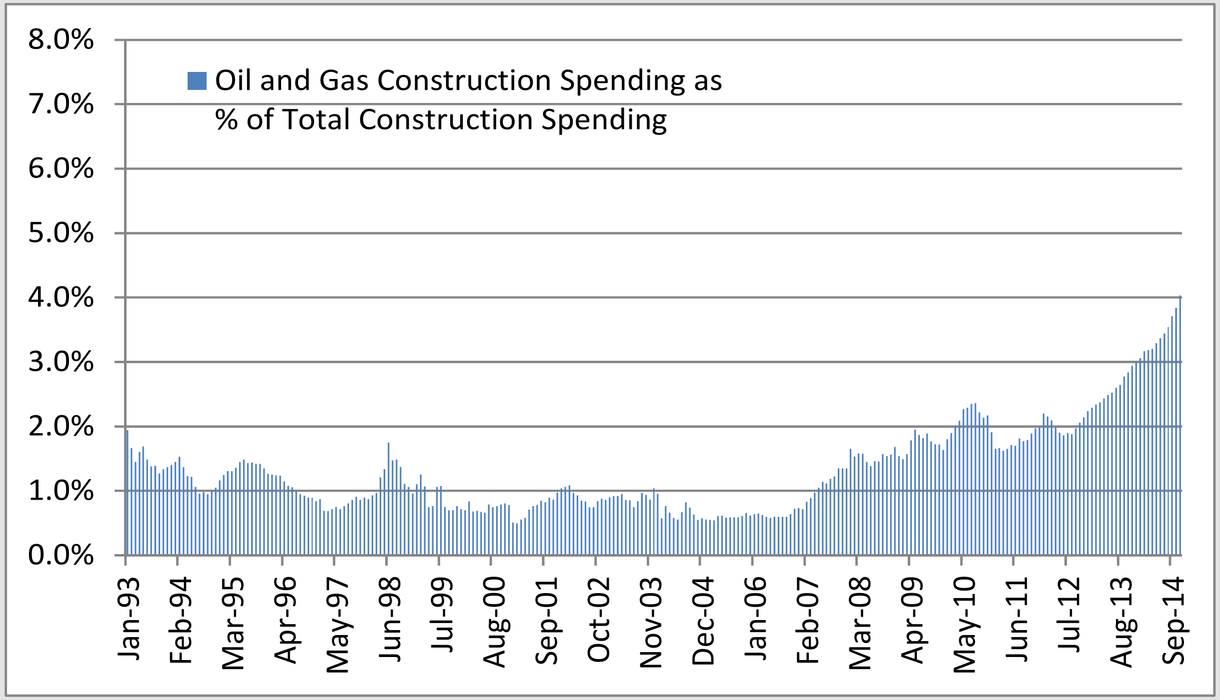
Oil and gas construction spending includes buildings and structures for the distribution, transmission, gathering, and storage of natural gas and crude oil, as defined by the Census Bureau.

Major Oil & Gas projects include:

Freeport LNG facility	$10bn	2015/18
Chevron Phillips polyethylene plant	$3bn	2014/17
Chevron Phillips cracker ethylene plant	$3bn	2014/17
Exxon Petrochemical plant extension	$3bn	2014/15
Dow Chemical ethylene plant	$2bn	2014/16
Sand Hill NGL pipeline	$2bn	2011/15
Bridge Tex pipeline	$1bn	2013/14
Petra Nova carbon capture facility pipeline	$1bn	2014/15

Oil & Gas construction has increased its share of total but still small portion and regionally concentrated

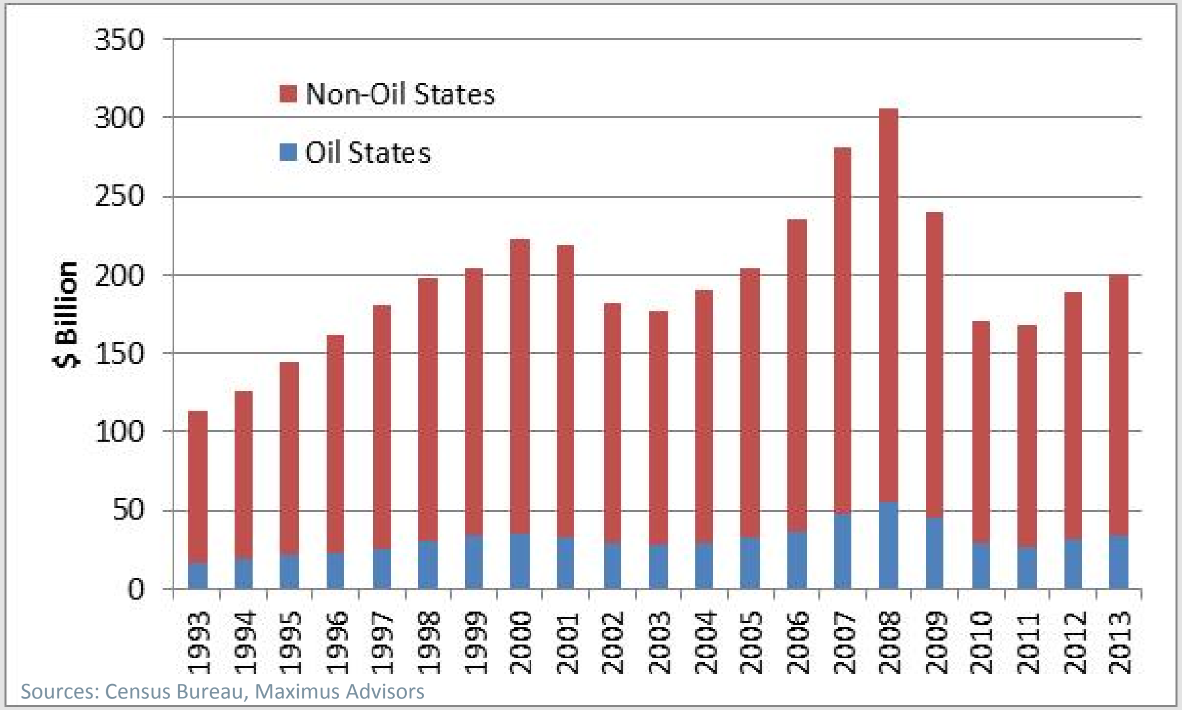
Oil and gas construction spending comprises 4% of total construction spending*



Sources: Census Bureau, Maximus Advisors

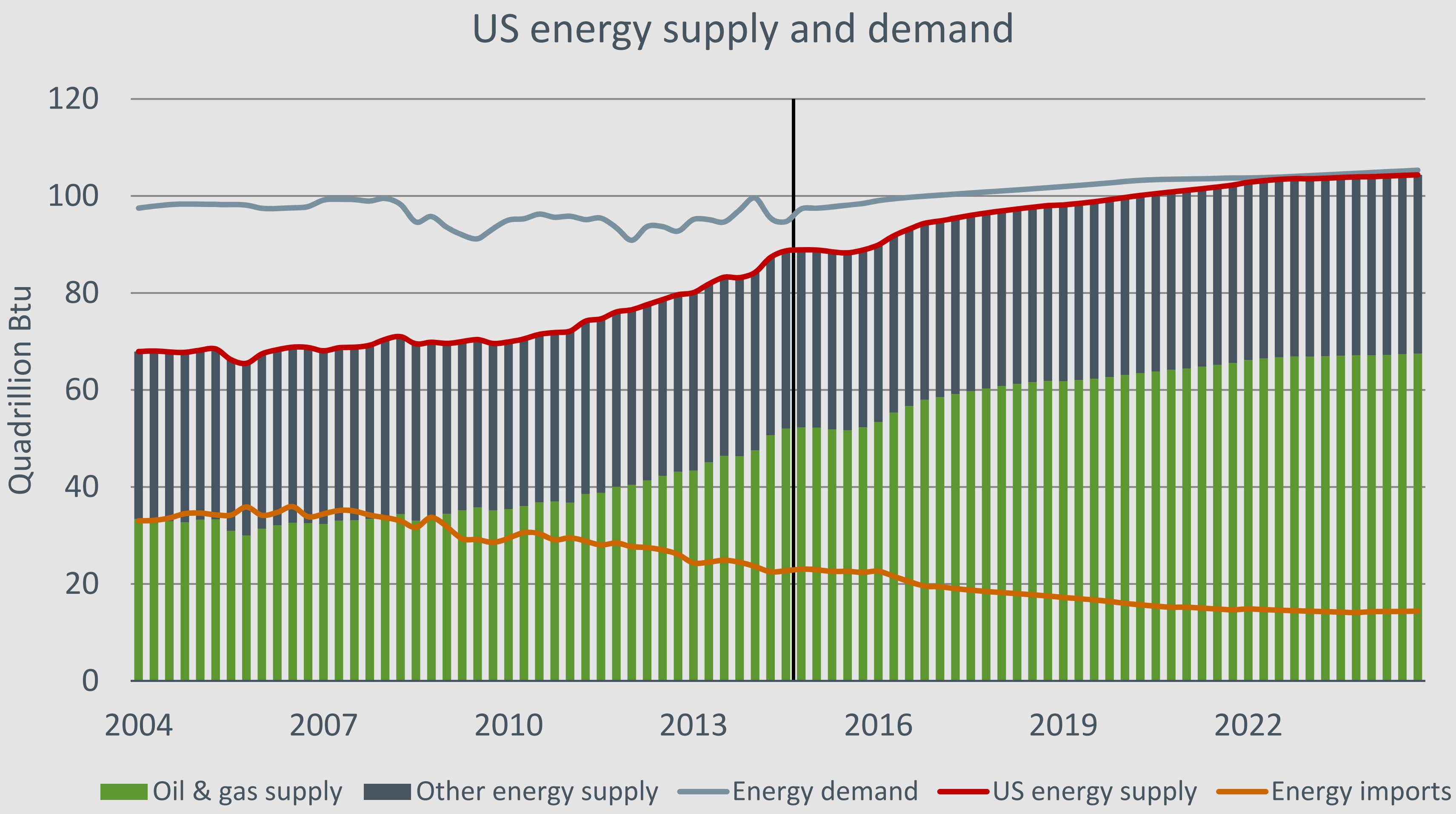
Recovery has not been all about Oil & Gas states

In 2013, energy-rich states comprised just $34bn of total $200bn in nonresidential construction spending put-in-place



**Oil states defined as: Colorado, North Dakota, Oklahoma, Pennsylvania, Texas, West Virginia, Wyoming*

After a pause in 2015, US energy production will resume growth as oil prices recover



Sources: Census Bureau, Maximus Advisors forecasts

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Lower oil has a positive multiplier effect on GDP

- GDP gets a boost from consumer and lower imports, mitigated by slowdown in enlarged energy segment
- Effect increases over time should oil remain low
- Estimates point to 15-25% reduction in capital spending by oil sector
- Several banks estimate roughly $125-$150 billion effective tax cut to consumers
- Oil and Gas only created 280,000 direct jobs last four years, a paltry total (for comparison, US added 252,000 jobs in December)

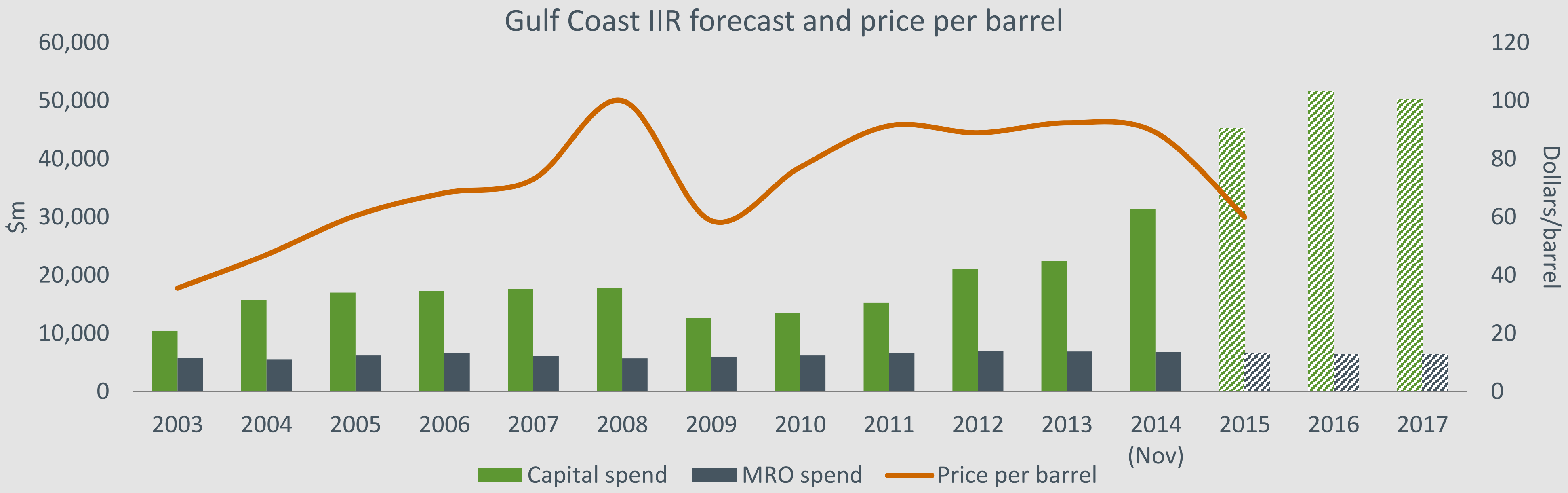
	2015	2016	2017	2018
GDP multiplier	0.002	0.005	0.005	0.003
Oil price decline/10$ bbl	4.3	4.3	4.3	4.3
Baseline Growth Forecast	2.58%	2.76%	2.50%	3.70%
Oil Adjusted Growth Forecast	3.44%	4.91%	4.65%	4.99%

Estimated Updated Energy Multiplier

	2015	2016	2017	2018
GDP multiplier	0.0015	0.0035	0.0035	0.0020
Oil price decline/10$ bbl	4.3	4.3	4.3	4.3
Baseline Growth Forecast	2.58%	2.76%	2.50%	3.70%
Oil Adjusted Growth Forecast	3.22%	4.27%	4.01%	4.56%

Sources: IHS, Maximus Advisors

We like the oil and gas space long term



- Big market with history of consistent MRO and significant capital projects
- Rouse estimates 7% of rental equipment and 10% of revenue is in the direct Oil & Gas markets
- Pre 2012 Sunbelt captured <1% of Oil & Gas and the Gulf industrial market
- Dominated by majors
- URI/RSC combination created opportunity

Relative significance of Oil & Gas to Sunbelt

Same store

	% of total rental revenue	First half same store growth rate
General tool		
Oil states	13%	21%
Non Oil & Gas states	62%	18%
Specialty businesses*	25%	11%
*Oil & Gas	6%	3%
		17%

- Oil & Gas is not driving our performance

Oil & Gas exposure – direct	6%
Indirect (1/3 of 13%)	4%
Total	10%

Relative significance of Oil & Gas to Sunbelt

Greenfields and bolt-ons

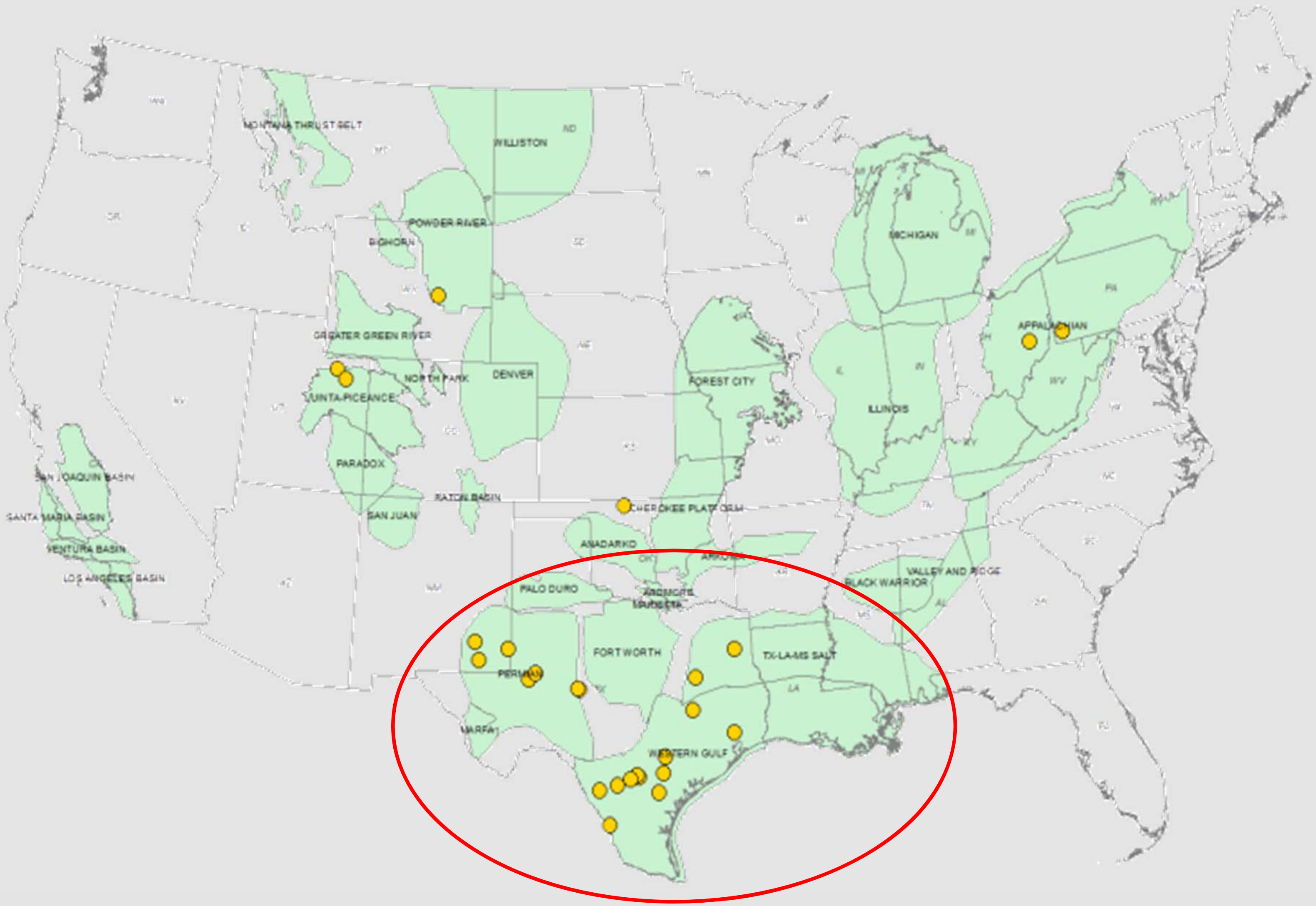
	Growth	Oil & Gas
Greenfields	4%	1%
Bolt-ons	4%	1.5%
	8%	2.5%

Where is our Oil & Gas exposure?

Drilling (15-40 days) → **Fracturing/ Completion (10-15 days)** → **Flow back (15-60 days)** → **Production (25+ years)**

Drilling (15-40 days)	Fracturing/ Completion (10-15 days); Flow back (15-60 days)	Production (25+ years)
10% of revenue	20% of revenue	70% of revenue

US basin map



85% of our revenue is in relatively low cost basins

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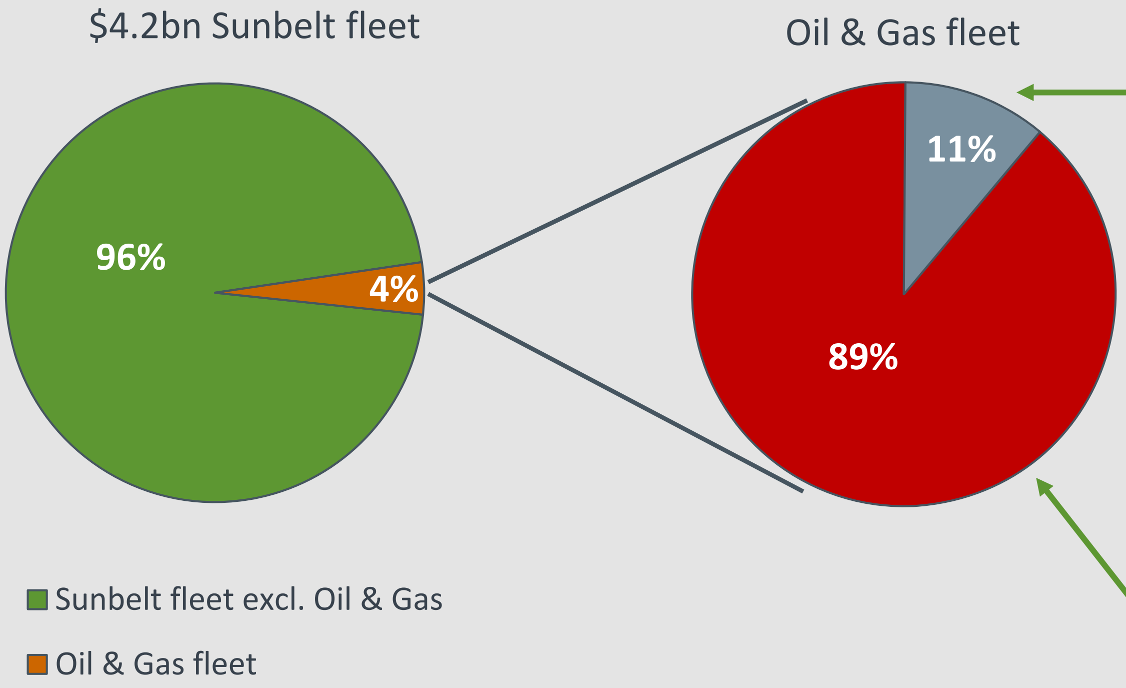
Oil & Gas fleet is small and transferable

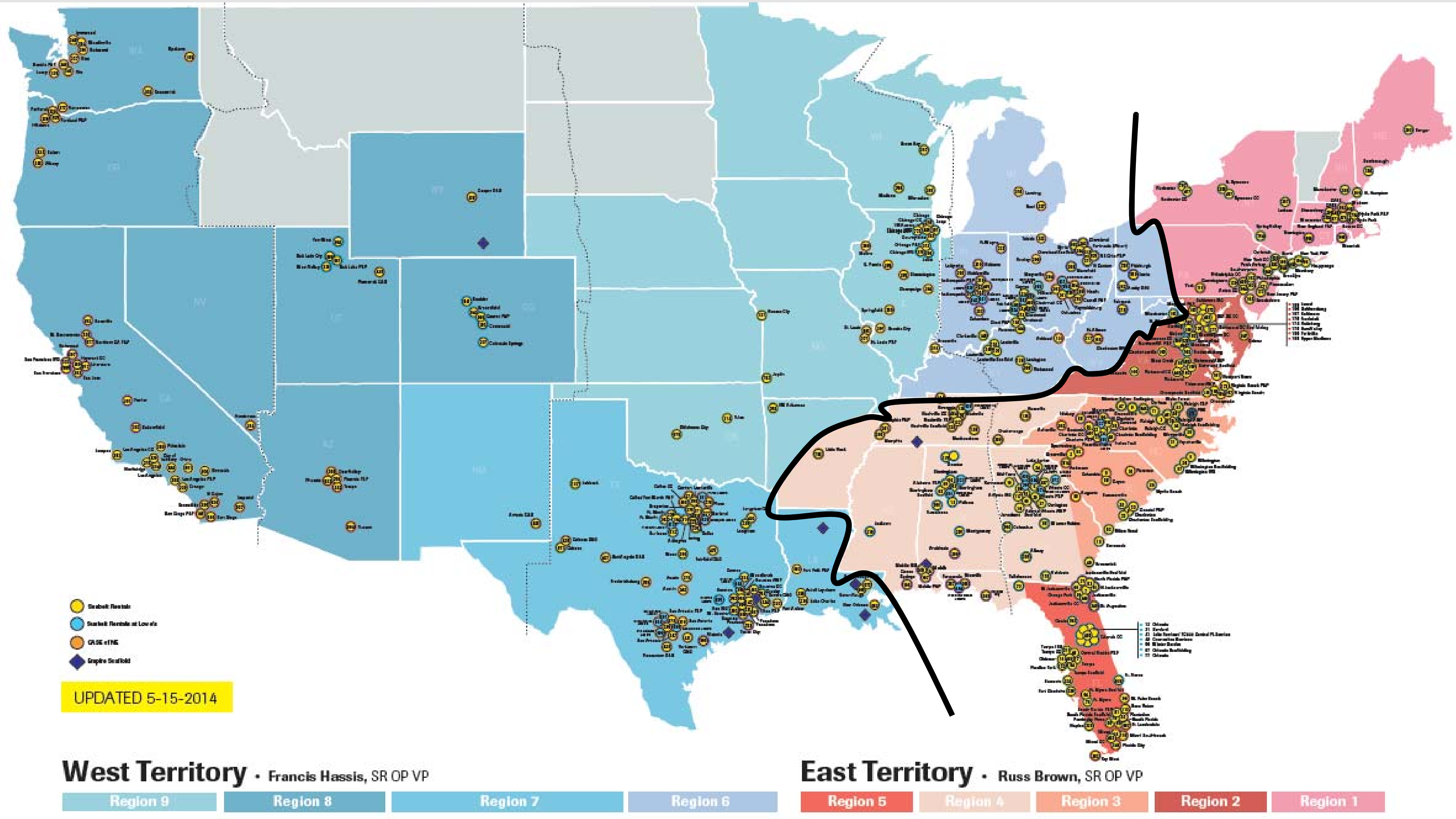


Products unique to Oil & Gas ($17m)
- Test separators
- Cooling stations
- Shower trailers

Products prevalent in our General Tool business
- Telehandlers
- Booms
- Generators
- Light towers

Less than 0.5% unique Oil & Gas fleet

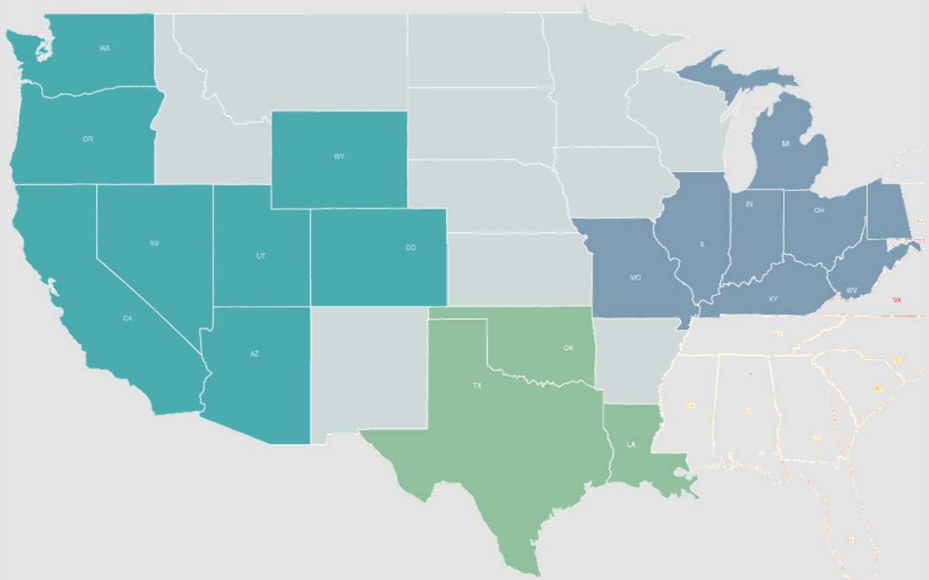
The market – the real world

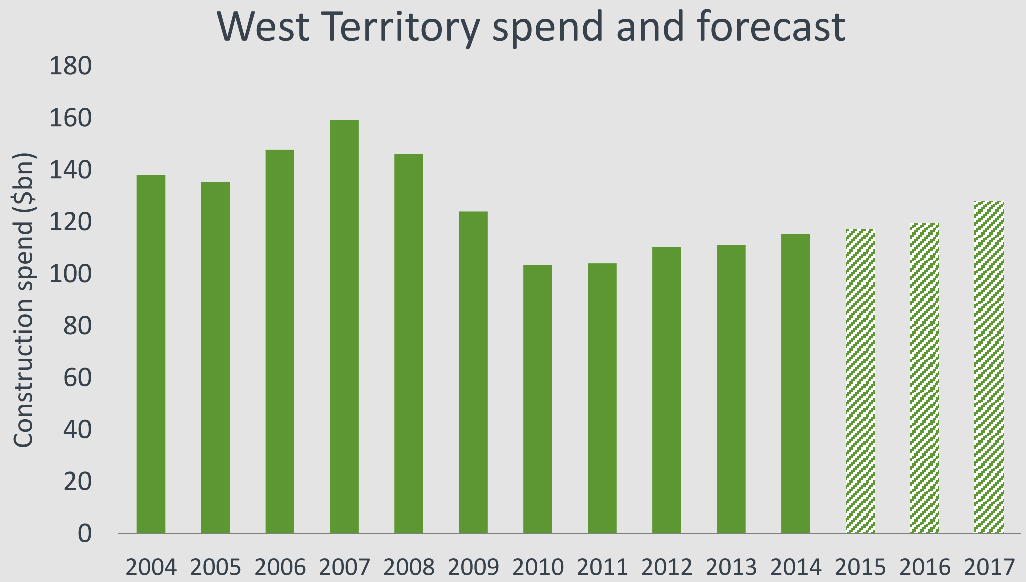


West Territory review

Francis Hassis

State of business and outlook





West Territory	2007	2011	2014
Fleet at cost	$1.2bn	$1.1bn	$2.1bn
Locations	202	171	253
Revenue	$595m	$525m	$1.09bn

- Busier than ever
- Market share gains, broader base of business
- End markets well below previous peaks

Projects/activities

Midwest
High activity level

Market Drivers:
Universities, stadiums, hospitals

- Data center project in Des Moines, IA.
- Bypass project in Indianapolis, Indiana
- Vikings Stadium
- NB Data Center
- Cincinnati Children's Hospital

South Central/Gulf:
High activity level

Market Drivers:
Population growth, industrial, perpetual roadwork, O&G

- UPS Project – North Dallas
- Large highway projects
- Exxon campus
- Halliburton

Projects/activities

Pacific Northwest:
Medium activity level

Market Drivers:
Technology, defense, infrastructure, aerospace

- University of Washington project
- Distribution centers
- Multiple bridge projects
- Boeing

Southwest:
Medium activity level

Market Drivers:
Defense, technology, alternative energy

- PG&E – electric utility provider – California
- Solar farm project – Arizona
- Commercial comeback
- Housing improvement
- Data centers

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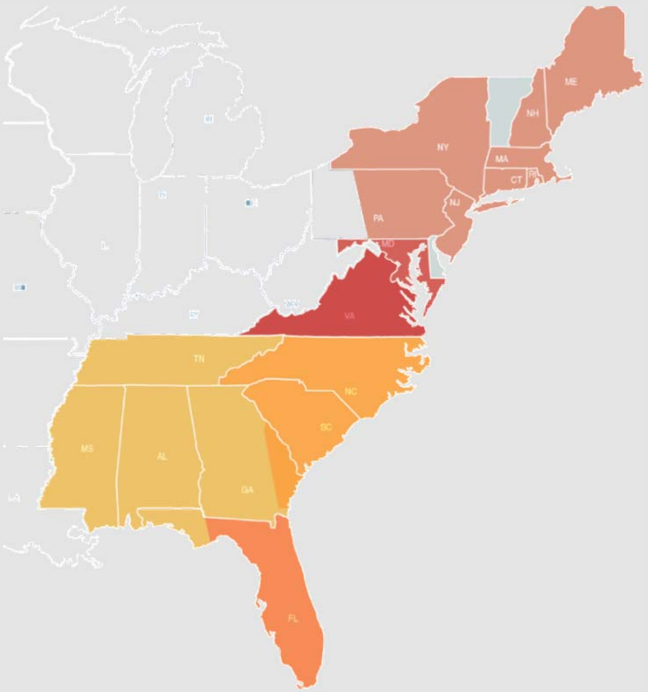
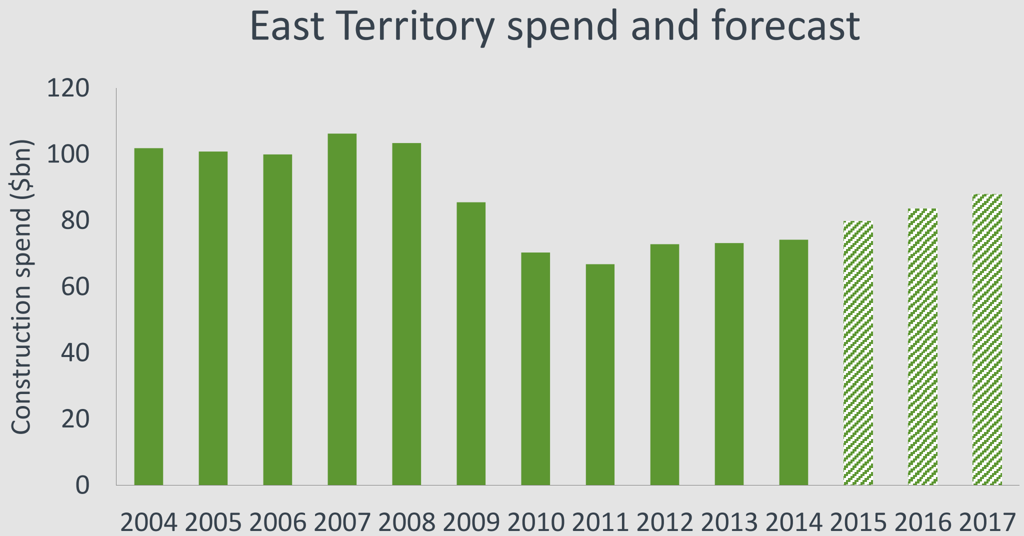
East Territory review

Russ Brown

State of business and outlook



	2007	2011	2014
Fleet at cost	$1.1bn	$1.3bn	$2.1bn
Locations	227	190	240
Revenue	$810m	$740m	$1.21bn

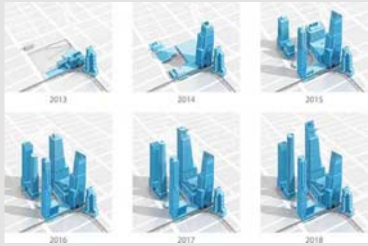


- Busier than ever
- Market share gains, broader base of business
- End markets 30% off previous peak

Projects/activities

Northeast:
High activity level

Market Drivers:
Infrastructure – Commercial
Perpetual expansion – our scale



- Throughout NE - >$5bn in Bridge construction and rehabilitation
- Hudson Yards Manhattan New York – Multi year $20bn redevelopment into multi use and skyscrapers
- World Trade Center area continued to redevelop – Plus $1bn
- Massachusetts casino projects – MGM Springfield $850m+
- Multiple infrastructure improvements and additions equaling multi-billion dollars in starts and PIP
- Sewer & utility expansion
- Expand from two locations to six in LINYC

Mid-Atlantic:
High activity level

Market Drivers:
Industrial – Governmental
Municipalities
Manufacturing power

- MGM – National Harbor - $1bn casino project – started Q4 Calendar 14
- Cove Point LNG — Construction of a $4bn liquefied natural gas export plant
- The Wharf – DC waterfront community — $2bn contracted first phase with multiple ancillary projects in various phases of planning/construction
- >$1.5bn — construction of multiple data centers in North and South Carolina
- Automotive and aircraft manufacturing throughout South Carolina including support manufacturers
- Metro expansion to support DC
- Large capital improvements in industrial

Projects/activities

Southeast:
High activity levels

Market Drivers:
Goods distribution
Paper/pulp
Power expansion

Florida:
High activity levels

Market Drivers:
Highly commercial – tourism
Revenue diversification

- Atlanta – New football and baseball stadiums - $2bn plus combined. Mixed use construction projects surrounding the stadiums – bars, restaurants, shopping, hotels, multi-family home construction
- Delta District (west TN, N Miss, E Ark) - $1.5bn steel plant plus ancillary manufacturers and support businesses
- Alabama/Georgia/Panhandle — Multiple power plant up fits - $3bn
- Distribution warehouses
- Auto/Air manufacturing
- Industrial plant maintenance

- 4 Ultimate Improvement Project — $2.5bn highway improvements – lighting, new exits, drainage rehab, aesthetics
- Orlando International Airport expansion — $1.5bn – touches all aspects of the terminal, parking and additional onsite hotels
- Resort World Miami – $3bn, 150 acre leisure and entertainment area in downtown Miami
- $600m plus capital up-fits among multiple manufacturing and industrial plants throughout northern Florida
- Disney – Universal – Golf – Beaches
- Conventions – Events

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Market summary

- Currently we are enjoying a very strong recovery across the country
- The extent to which this is solely driven by oil and gas has been massively overdone
- There will be headwinds to the pace of growth in 2015 in certain sectors and geographies
- With a broad geographic and sector base we will be a net winner in a consolidating market – we have lots of levers to pull
- We still expect a good year of both cyclical recovery and structural share gains
- Ultimately, lower energy prices are good for the economy and this just elongates the steady recovery we have been forecasting

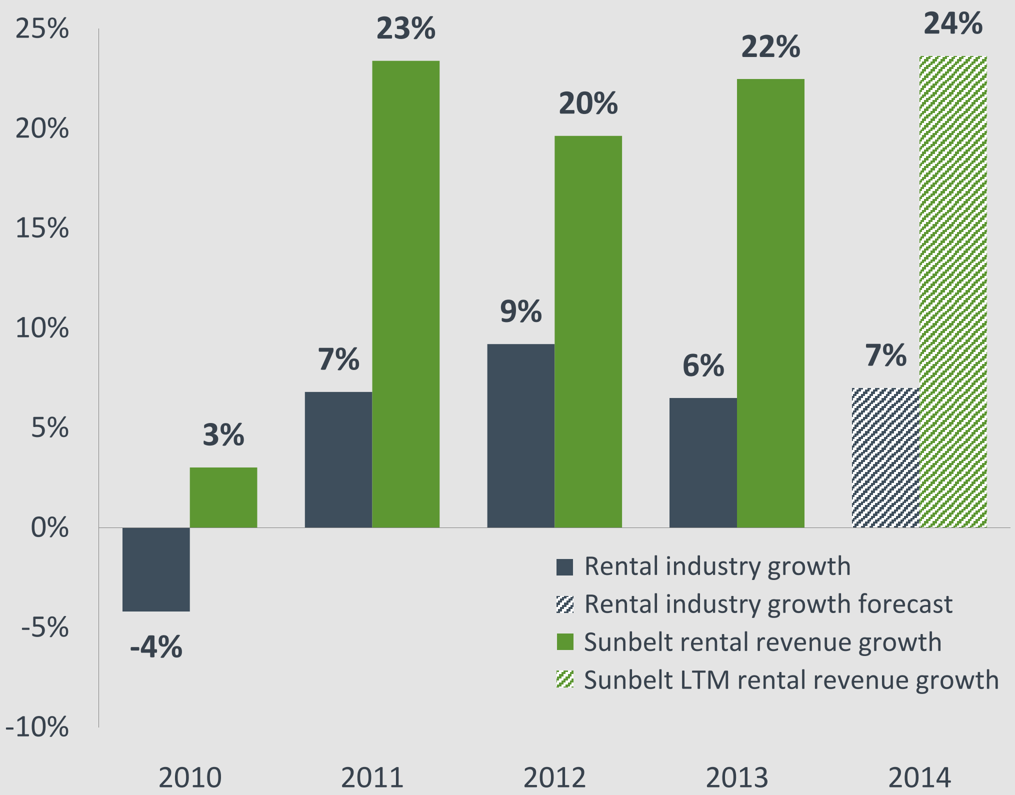
Structural growth

Brendan Horgan

Structural growth – market share gains

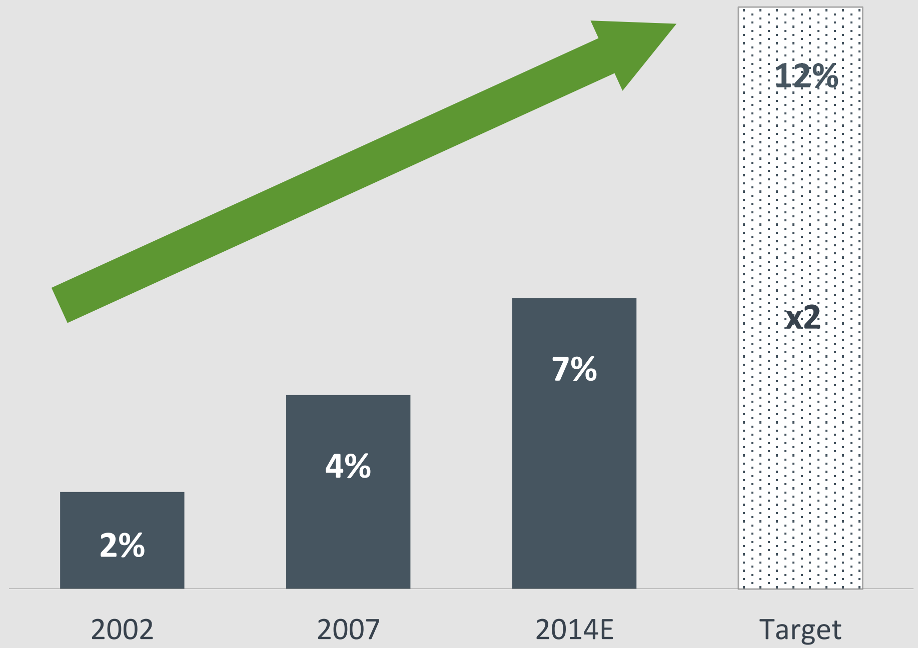
Well established track record of gaining share

Revenue growth vs. market



Source: IHS Global Insight / Management information

US market share



Source: Management estimates

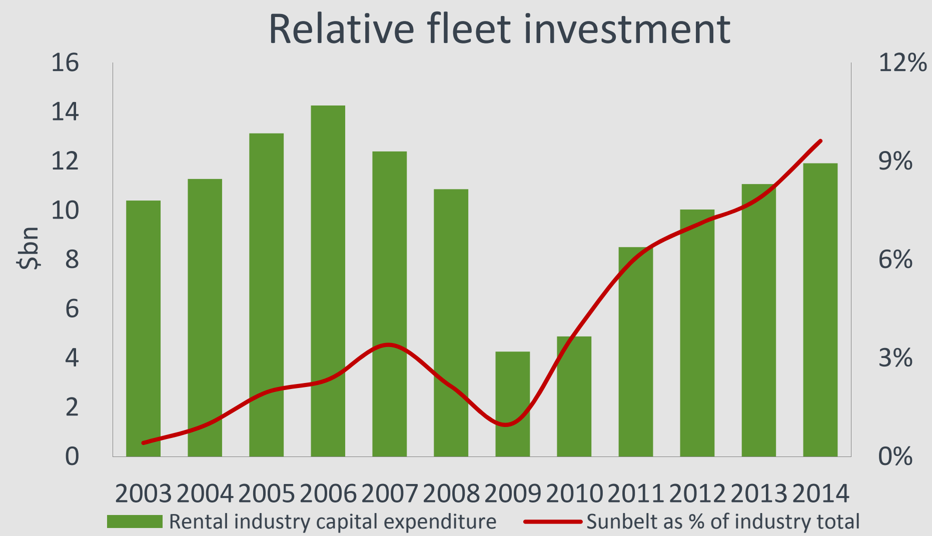
Why are we gaining share?

1) Fleet investment

2) Rental penetration and our mix

3) Focus and opportunity (i.e. we stayed focused and others did not, providing a huge opportunity)

1) Fleet investment



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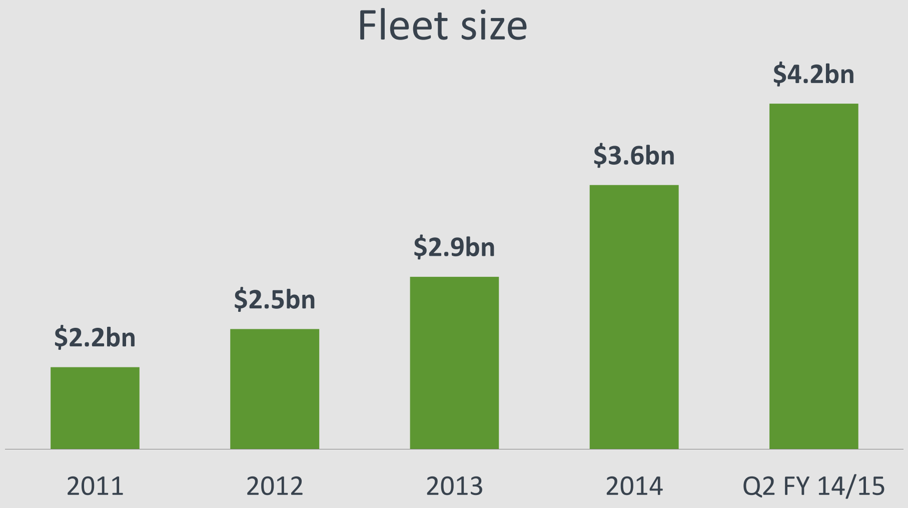

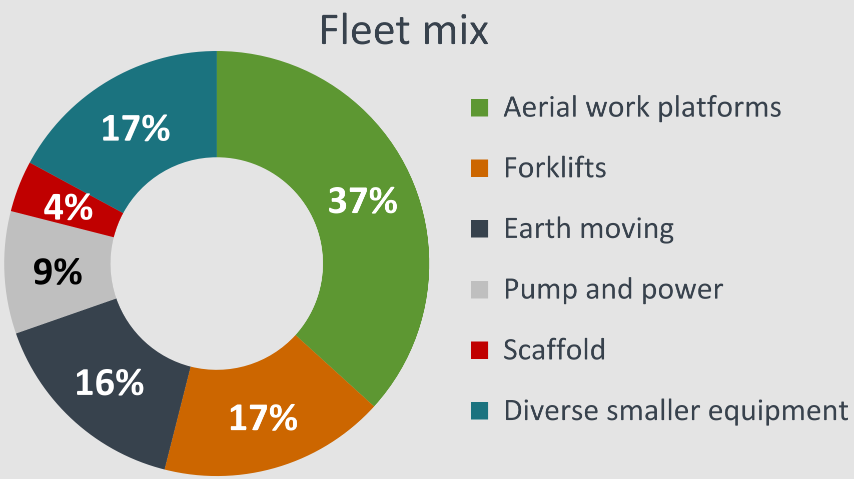

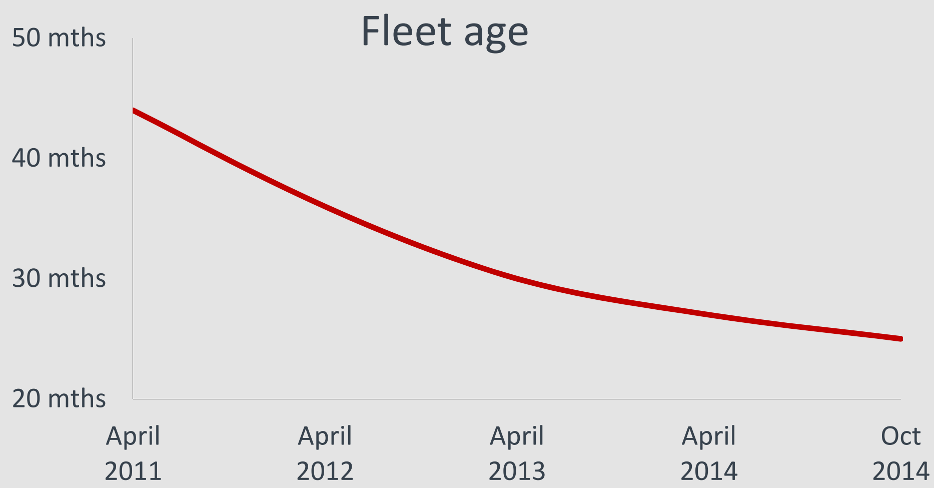

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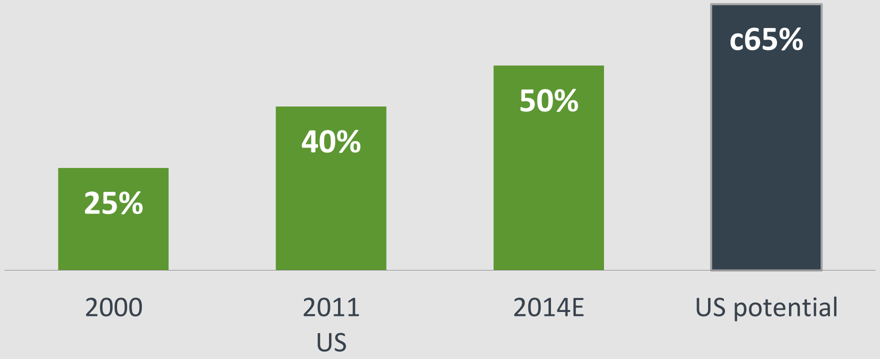
2) Rental penetration and fleet mix

Growth in rental penetration

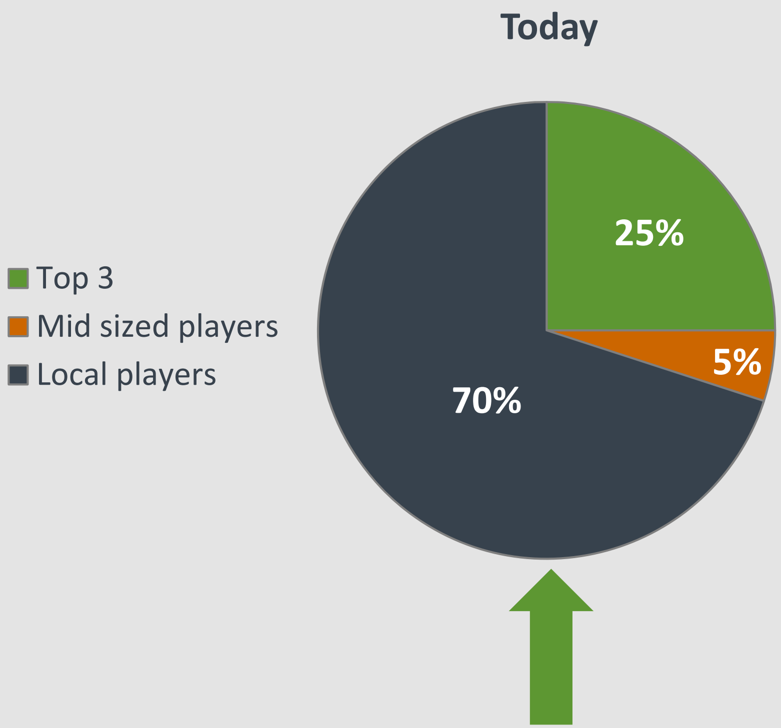


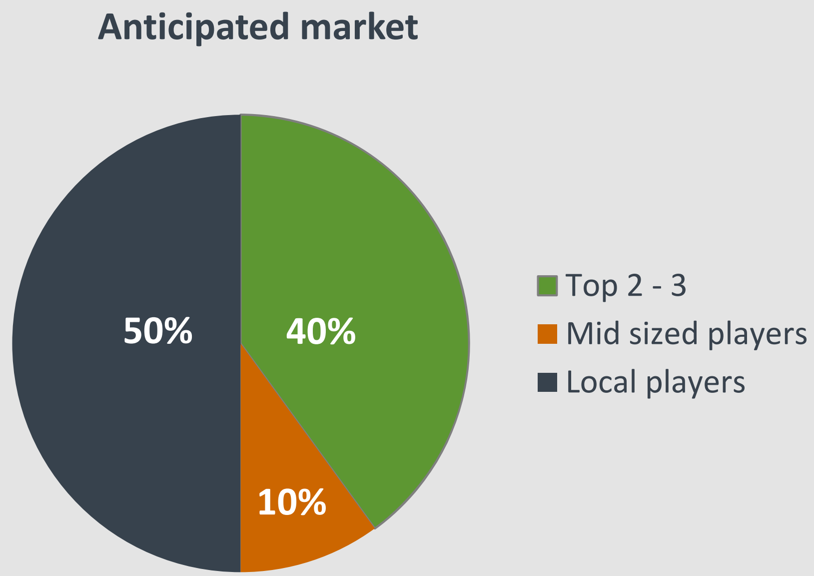
	High RoI	Medium RoI	Low RoI

$ utilisation	90%	55%	40%
Physical utilisation	Low	Medium	High
Cycle	Mid to end	Full	Early

Rental penetration	2006	2014
Examples		
Big Boom	90%	90%
Skidsteer	20%	35%

Important to remember who we are competing with and where we are predominantly taking market share





These are the people we compete with everyday

- Avg fleet size $3 - $5m
- Avg fleet age 4 – 6 years
- Locations 1 - 2

Given our industry leading track record of organic share gains we anticipate being a net winner in this market evolution

3) Focus and good execution of consistent strategy

Two examples of this:

1) Broad regional story – Florida

2) Our national business mix

Focus on broader customer base

John Washburn

National dynamics

Customer type	% of revenue	% of accounts	Go to market	Typical rates vs book
A	25%	85%	Reputation and service	100%
B	50%	14%	Field sales	85%
C	25%	1%	Key account team	70%

Each customer type requires a different go to market strategy

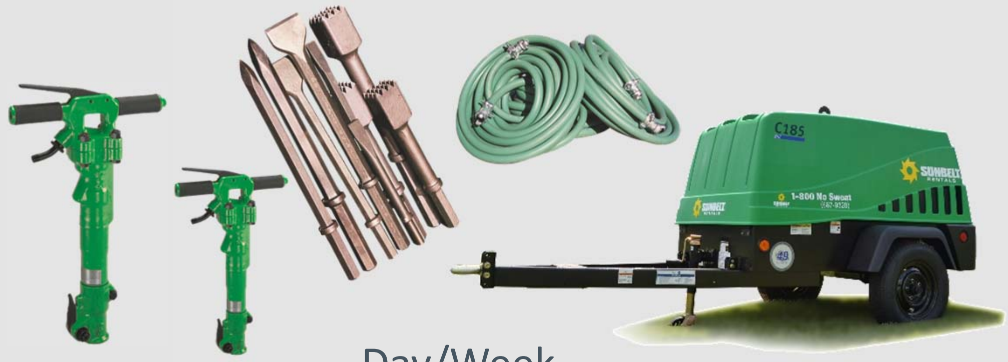
Customer type A

Key relationship

- Key relationship is local profit center staff
- Trade off rate for transactional cost – need to be configured to do it well
- Internal sales team training is critical – easy to do business with

Typical transaction

- 185CFM Air Compressor package add up:



Day/Week

Keys to success

- Fleet availability and flexibility
  - Short lead time
  - Repeat business
  - Need to respond locally

Competitive landscape

- Local independents – older fleet
- Home Depot – limited stock

Customer type B

Key relationship

- Key relationship is sales contact
- Breadth of fleet and flexibility again remain critical
- More demanding customers
- Need to strike balance between volume and value
- Need to arm the sales force to make correct decisions
  - Zilliant
  - CRM

Typical transaction

- Skidsteer and cement mixer

Week/Month

Keys to success

- Fleet availability and flexibility
  - Short lead time
  - Repeat business
  - Need to respond locally
- Sophistication of solutions
  - E-commerce platform
  - Equipment tracking

Competitive landscape

- Local independents
- Regional independents
- Multi-regionals (H&E, Neff)
- Nationals

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Customer type C

Key relationship

- Key relationship is account contact
- Far more sophisticated customer in terms of broad levels of support – often bespoke requirements
- Hard transaction costs
- Scale is important; these customers also want choice so United / RSC acquisition helped as does Hertz dynamic
- Evolution of national account team

Typical transaction

- Boom and Welder

Month/Some short-term

Keys to success

- Fleet availability and flexibility
  - Short lead time
  - Repeat business
  - Need to respond local
- Bespoke IT solutions
- On-site operations

Competitive landscape

- Nationals

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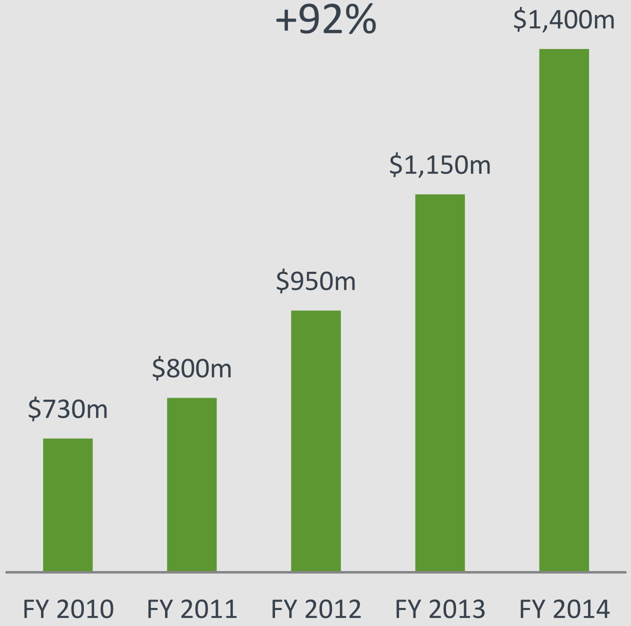
Customer composition

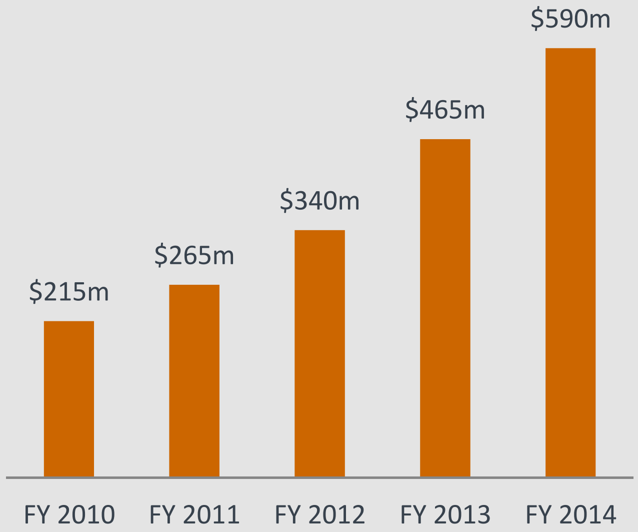
Customer type A & B

+92%



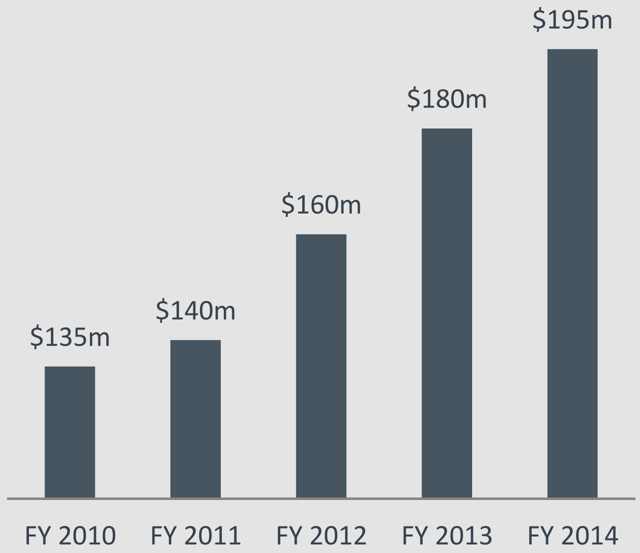
Customer type C

+272%



Cash

+44%



- We have clearly gained significant market share in all areas
- Key accounts have grown from 20% to 27% of revenue
- This is in part due to strategy and part opportunistic
- Our core remains customer type A and B

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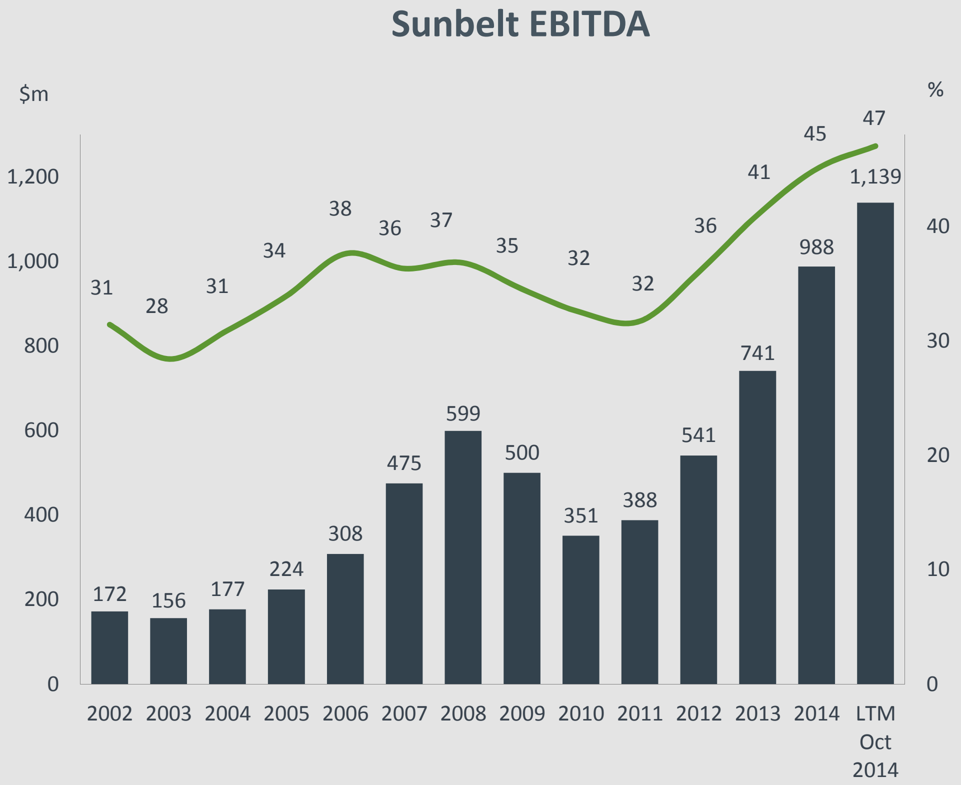
Day 2

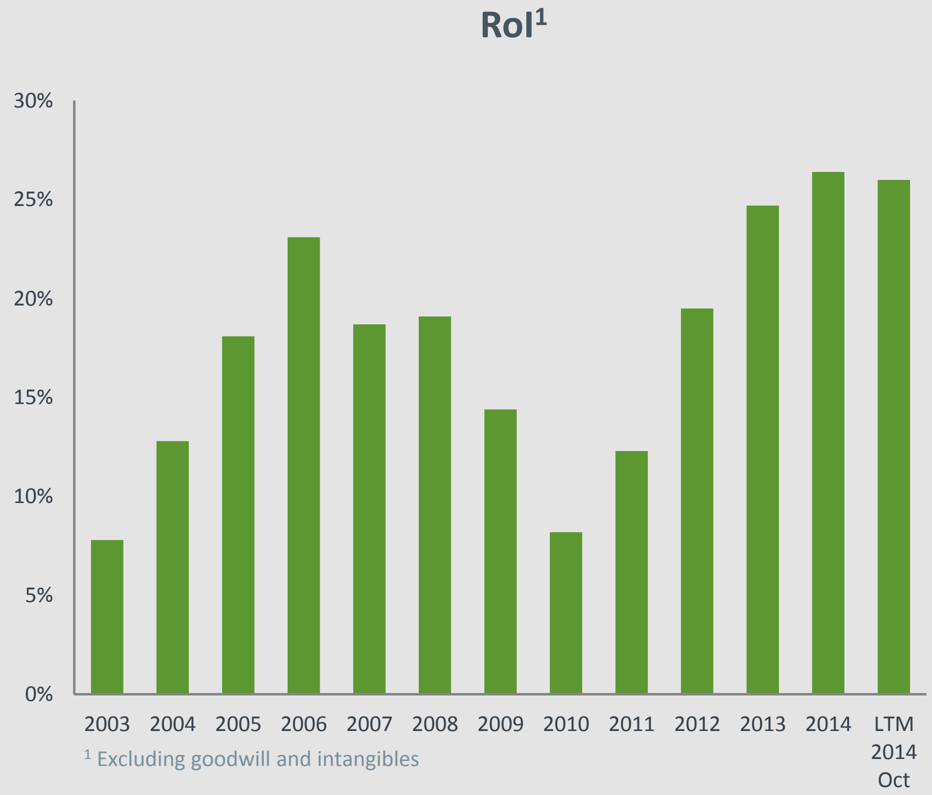
Margin evolution

Brendan Horgan

What relevance are historical data points?

With the scale of growth we are having to recalibrate both operationally and financially





[1] Excluding goodwill and intangibles

Clear scale opportunities for organic fleet growth

		Number		Operating margin		RoI	
Location size	Fleet size	2008	2015	2008	2015	2008	2015
Extra large	> $15 million	14	60	37%	46%	26%	29%
Large	> $10 million	35	103	35%	42%	25%	26%
Medium	> $5 million	174	165	30%	38%	22%	23%
Small	< $5 million	115	78	24%	29%	19%	17%

Note: 2008 reflects prior peak performance post the acquisition of NationsRent

- Mature depots typically have much wider customer base
- Ability to say "yes" with good fleet available is critical to service
- Our continued high relative investment is reinforcing our image as the industry leader in terms of focus and service as evidenced by share gains

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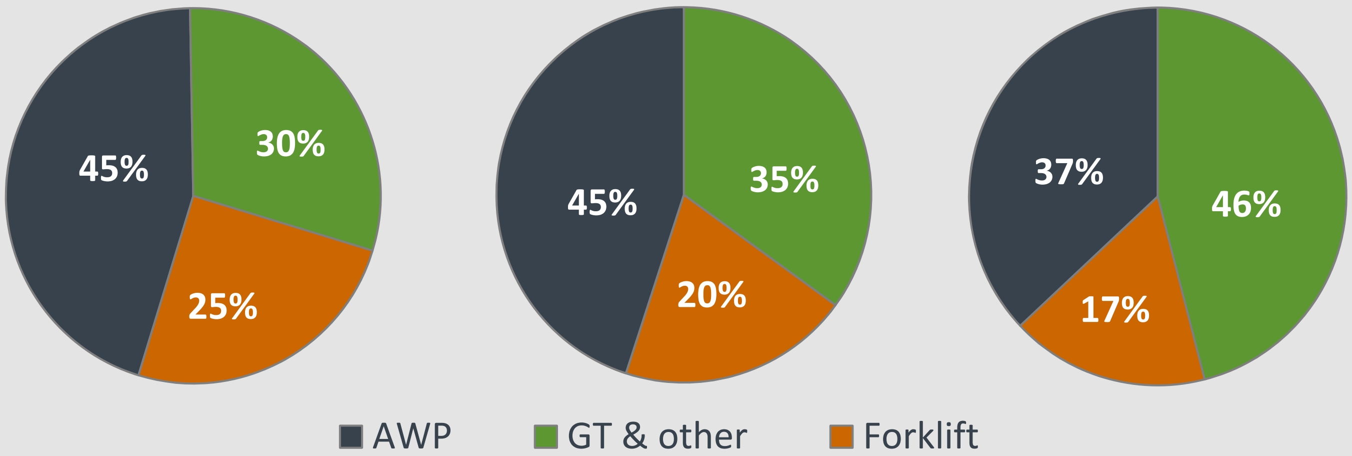
Margin evolution

By a single store

	Year 1	Year 2 - 3	Year 4 - 5
Fleet size	~$5m	~$5m - 10m	~$10m - $15m
RoI	10 – 15%	20 – 25%	25 – 30%
Customer mix	Narrow	Broader	Mature
	Customer contractor base, high visibility projects, Sunbelt legacy accounts	Construction growth matched by pace of maintenance, municipal, industrial and non-construction	Broad customer base with healthy balance of market channel and customer size

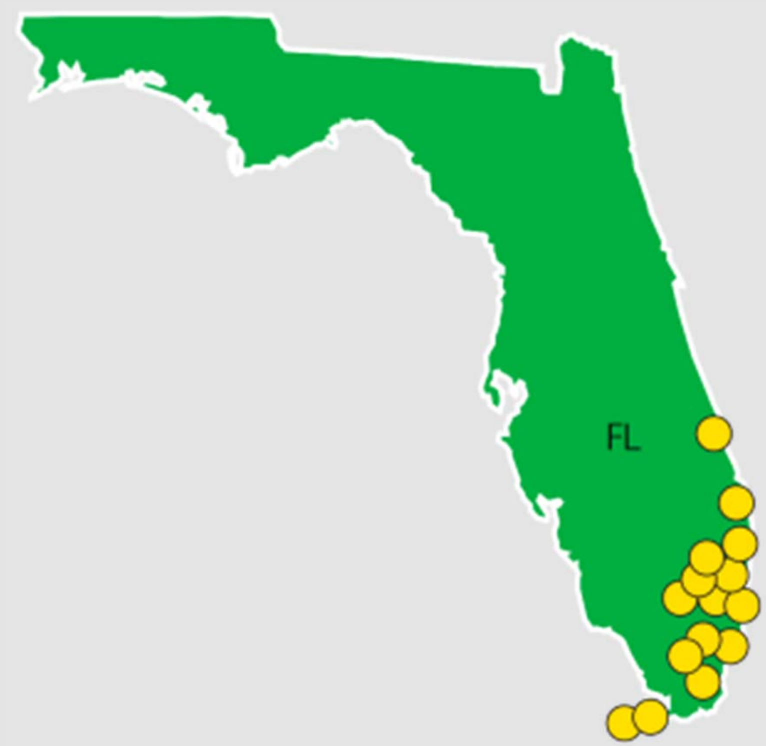
Fleet mix



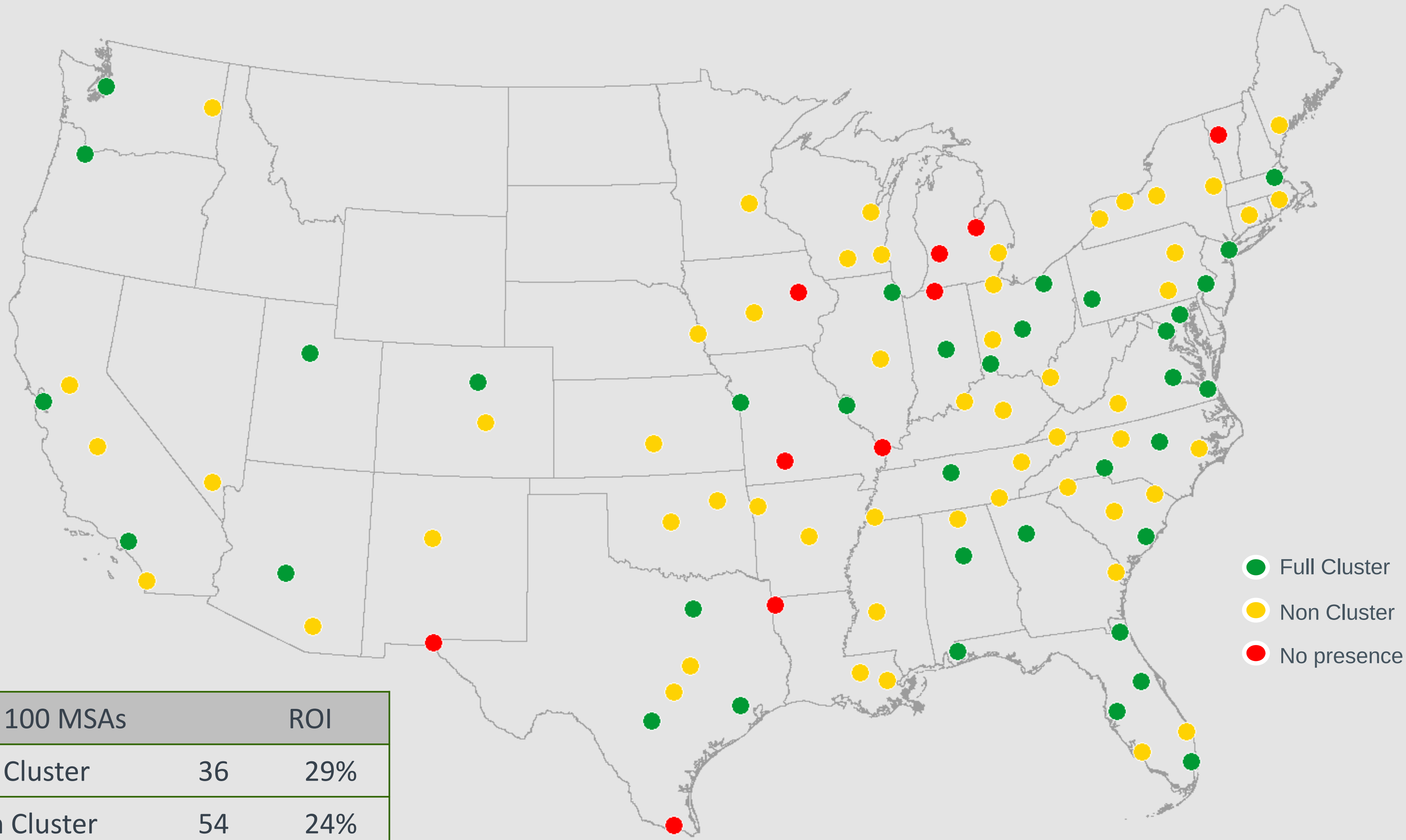
South Florida District

Impact of a "Cluster"

Locations	Count	OEC/ROI
General Tool	12	$132m
Specialty	4	$32m
ROI		28%



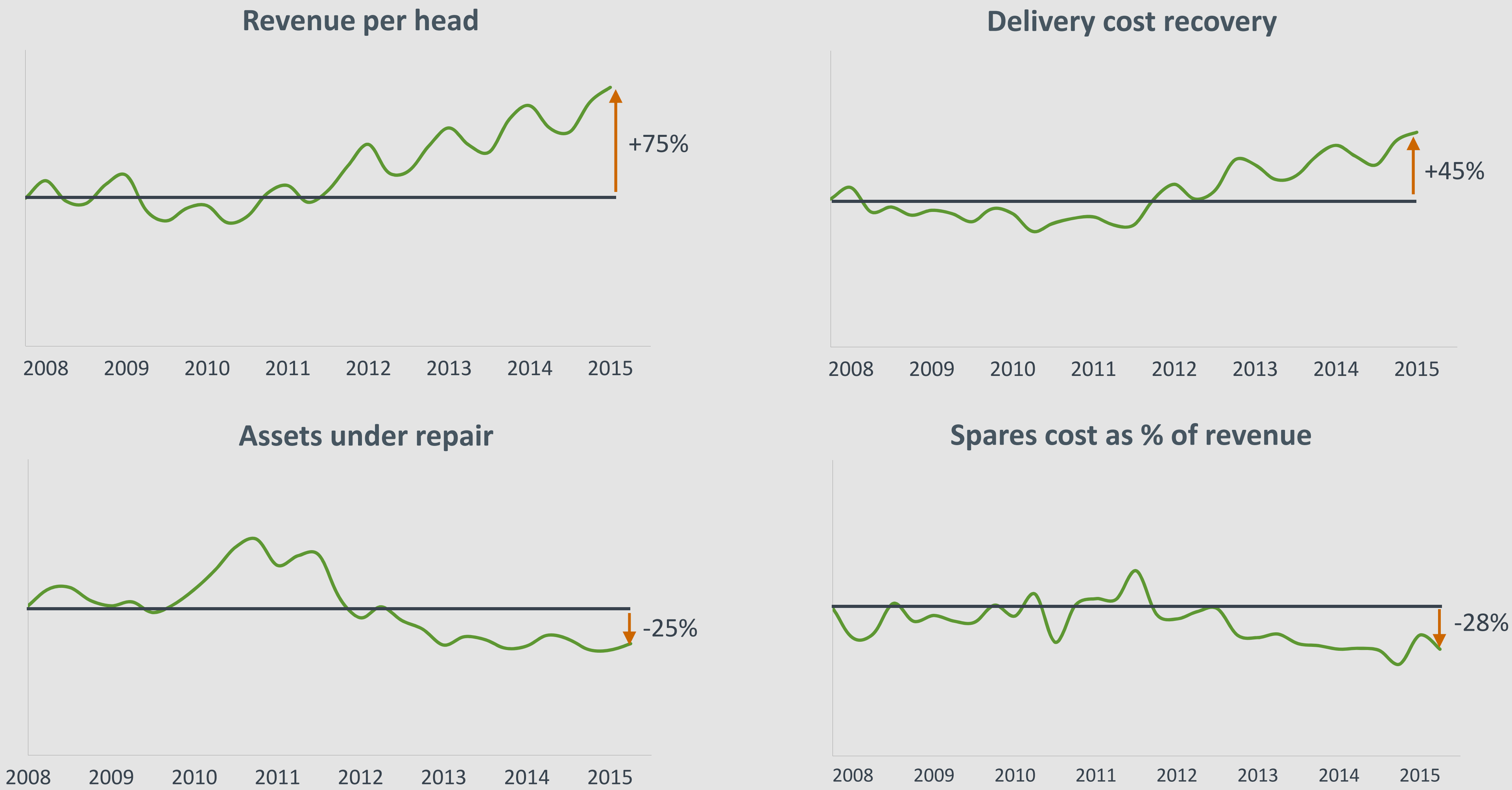
Margin evolution



Top 100 MSAs		ROI
Full Cluster	36	29%
Non Cluster	54	24%
No presence	10	

Why does same store drop through remain so high?

Efficiency progress



- Across a broad range of metrics our efficiency programmes have paid off
- Further initiatives are under way – “Project Capacity”
- Need to balance lower cost with strong service offering. Very much part of our make up to take care of the customer first

Project Capacity

- Well established project and team using both internal and external resources
- Focused primarily on fleet available to rent
- Our start point in January 2014 was 16% and our target is 10%
- Currently 13% is unavailable for a host of reasons
  - Awaiting pick up
  - Awaiting inspection
  - Awaiting maintenance
- Combination and standardisation of best practice and use of both delivery and rental fleet telematics
- A further area where scale and focus make a difference and will lead to both share gains and improved margins

Our approach focuses on rolling out 10 best practices to help delivery productivity and asset availability

Section	Standard procedures	General guidance
1 Reservation	1.1 Qualify the customer need 1.2 Reservation confirmation call	1.3 Asset assignment 1.4 Transportation rules
2 Planning/scheduling	2.1 1st run planned day before 2.2 Days in pick-up (72 hour rule) 2.3 Asset staging	2.4 Staggered drivers schedules 2.5 Use of outside haulers
3 Check-in	3.1 Prioritized maintenance schedules	
4 Yard and shop management		4.1 Yard layout
5 Drivers	5.1 Perform VDOS updates 5.2 Driver call-aheads	5.3 Driver's notes
6 PC communication and teamwork	6.1 Electronic ready-to-rent board 6.2 Daily huddles	6.3 Leadership meetings

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Summary

- Margin evolution potential from maturing of the business
  - Individual store growth
  - Evolution of clusters
  - Broadening of markets we serve

- Margin development from further efficiency gains – Project Capacity
- Maturing footprint a core element of our M&A strategy

M & A strategy

Geoff Drabble

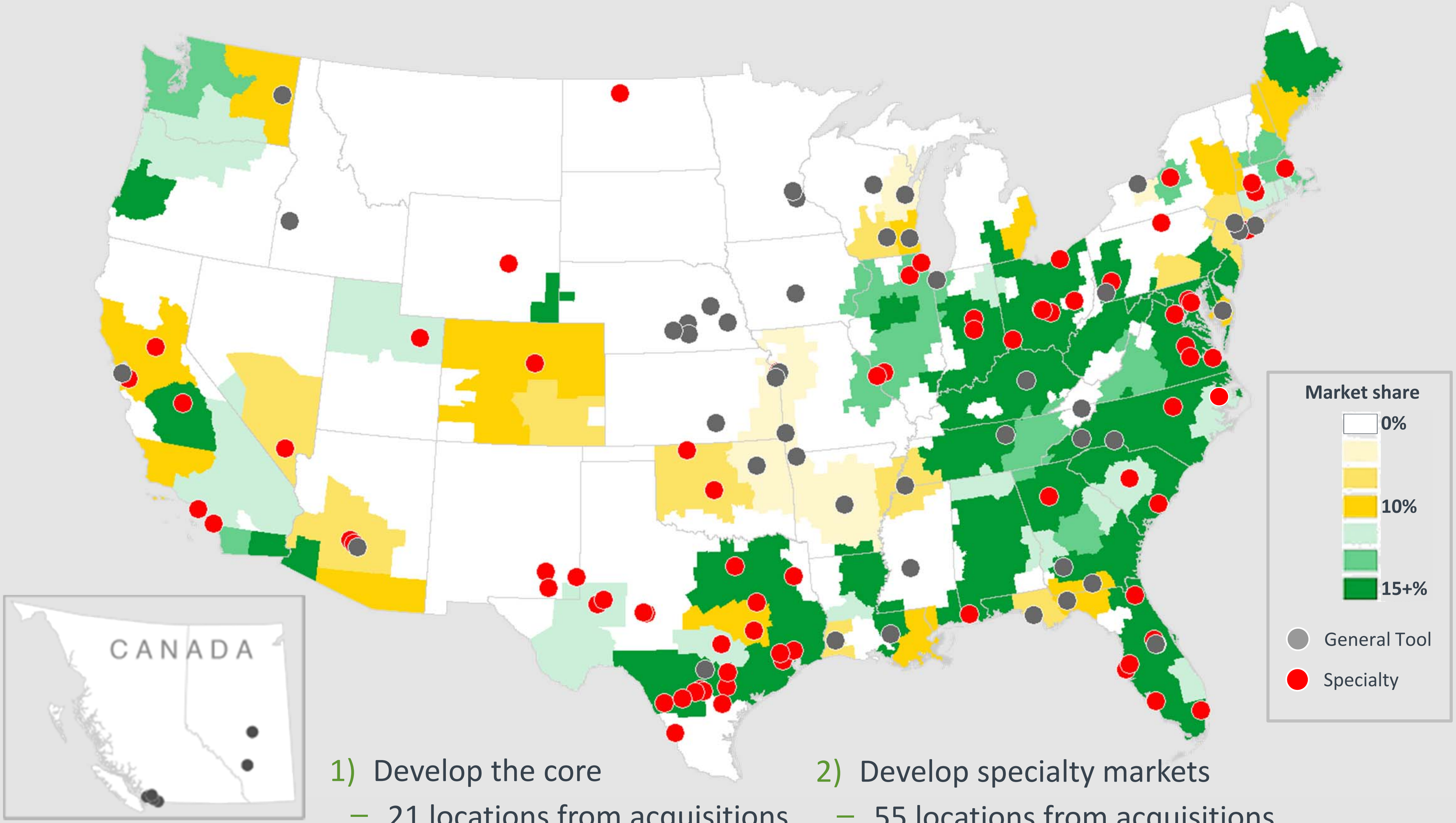
Greenfields and bolt-ons

Dual track strategy

1) Broaden the geographic base
   - Greenfields and bolt-ons

2) Broaden the markets we serve (Specialty)
   - Buy and build

Develop geographic footprint – 138 new locations in 2 years



1) Develop the core
   – 21 locations from acquisitions
   – 29 locations from greenfield
   50

2) Develop specialty markets
   – 55 locations from acquisitions
   – 33 locations from greenfields
   88

1) Broaden the geographic base

- Focus on major metropolitan areas
- Just to cluster top 100 markets requires circa 125 more locations
- Balanced between greenfields and bolt-ons
- Canada is a $4bn untapped market
  - First small steps
  - Target initially 5% market share

2) Broaden the markets we serve

	2011	2014
Specialty		
Revenue	$225m	$650m
% of business	20%	25%
Growth		
Organic growth		$240m *+105%*
M&A		$185m *+80%*

How to buy and build a specialty business

Case study 1 – Oil & Gas

Francis Hassis

Oil & Gas

Pre 2012	November 2012	2013	2014
Immaterial presence	Acquired single location – JMR	10 locations added via greenfields and bolt-ons	15 locations added via greenfields and bolt-ons
	$20m fleet		$160m fleet

Built strong business in a short period of time

	Locations	Revenue
2012	1	$16m
2013	11	$50m
2014*	26	$160m

*2014 pro forma

Investment	
M&A	$174m
Organic fleet	$100m
Total	$274m

RoI incl. goodwill	19%
RoI excl. goodwill	27%

- Now have the platform for further organic growth in Texas
- Further geographic expansion on hold

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Buy and build

Case study 2 – Climate Control

Brendan Horgan

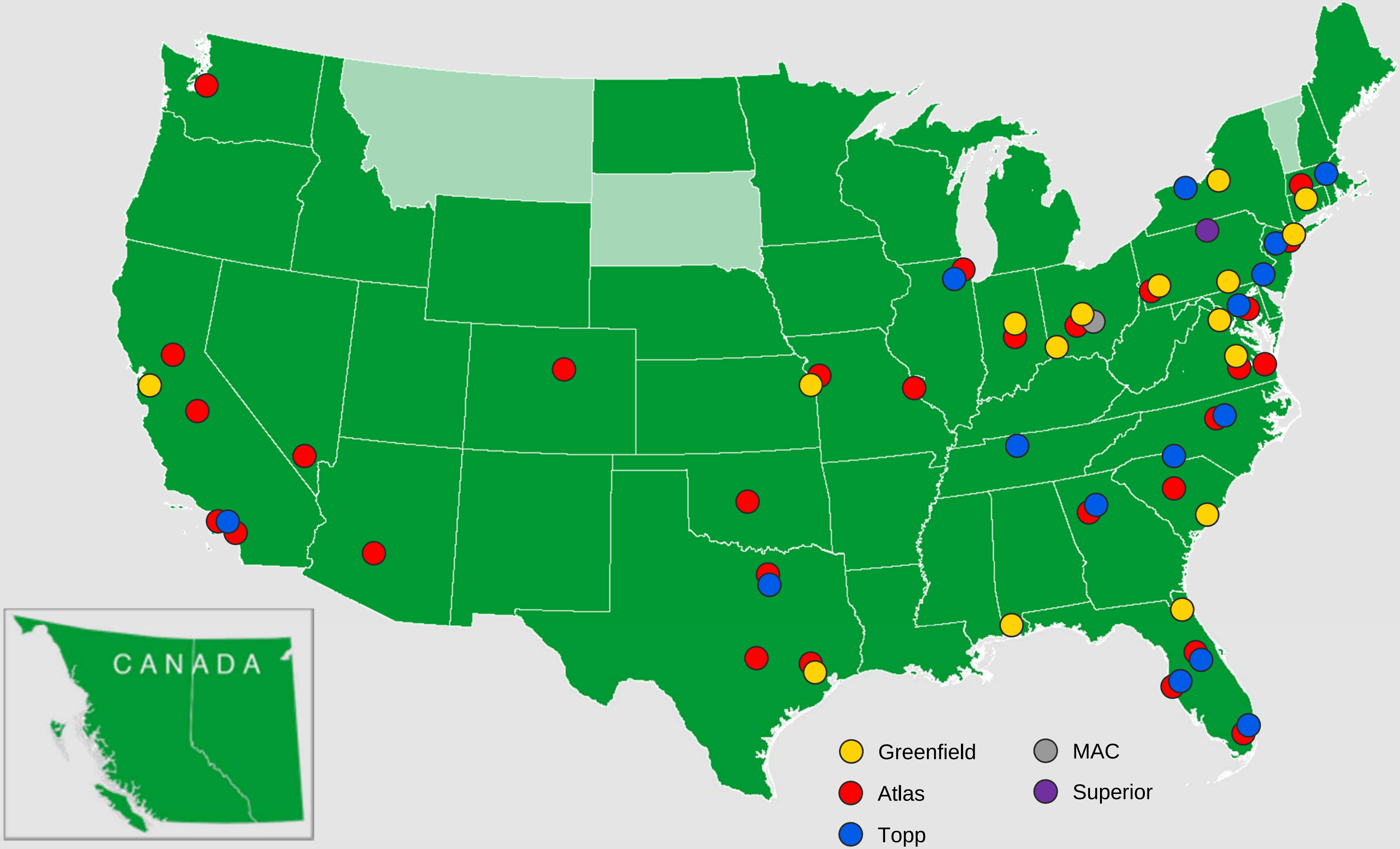
Climate Control

Pre 2012	April 2012	2013	2014
Long history of portable air conditioning and heat, with revenues of $13m out of ~ 300 depots	Acquired TOPP, 16 location business focused on portable air conditioning and heat and opened 5 greenfields	Opened 8 greenfields and acquired single location MAC Heat	Opened 7 greenfields and acquired Atlas, a 29 location portable air conditioning business and a single location Superior Heat

$20m fleet

$80m fleet

Buy and build – Climate Control



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Developed a niche specialty with significant growth potential

	Locations	Revenue
2012	21	$11m
2013	30	$18m
2014*	67	$80m

*2014 pro forma

Investment	
M&A	$80m
Organic fleet	$40m
Total	$120m

RoI incl. goodwill	19%
RoI excl. goodwill	33%

Buy and build

Case study 3 – Transmissions and Entertainment

Geoff Drabble

Transmission and entertainment

Eve

May 2013	November 2013	June 2014	December 2014
Eve acquired Market leader in trakway and barriers - entertainment - transmissions 5 locations 25,000 panels	New MD appointed	Greenfield opening Euromats rolled out to existing A-Plant locations	EIB acquired Leading provider of serviced fencing and barriers to sporting and events sector 38,000 panels

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Transmission and entertainment

PSS

Existing £1m A-Plant trenchless business

July 2013 – PSS acquired

Specialist provider of fusion and trenchless equipment

- transmissions

Sept 2013 – A-Plant trenchless business integrated

Nov 2013 – Business head appointed

Sept 2014 – East Coast acquired

Oct 2014 – Hy-Ram Scotland acquired

Dec 2014 – Greenfield opening

We have built a market leader with high RoI and potential for further growth

Revenue	£42m	→ 15% of A-Plant
Fleet at cost	£50m	
RoI incl. goodwill	15%	
RoI excl. goodwill	20%	

Going forward

- Develop existing verticals further both geographically and broader product offering
- A number of further "niche" sectors within General Tool have the potential to be $100 – 200m plus businesses through organic growth and focus
- Other larger verticals remain of interest but will require bolt-ons

Strategy giving good payback

	Investment ($m)	Revenue ($m)
Greenfields	300	125
Acquisitions	370	275
	670	400
RoI[1]		20 - 25%

[1] Excluding goodwill and intangibles

- We are ahead of schedule and have already built a sizeable business with more to come
- Low risk strategy by investing in multiple geographies and sectors
- Stringent review to ensure fit long-term strategy, not short-term returns
- High return by balancing buy and build and avoiding more aggressive multiples

Business mix already much improved with more to go

2007

General Tool

85%

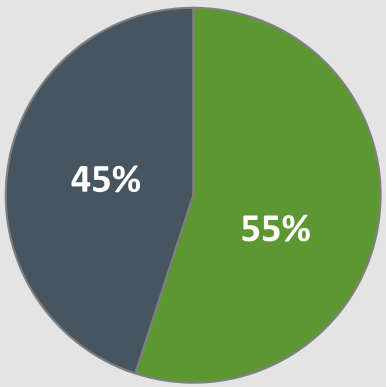
65% Construction

35% Non construction

Specialty

15%

Total



2014

General Tool

75%

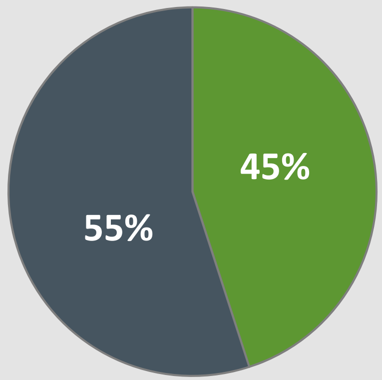
60% Construction

40% Non construction

Specialty

25%

Total



■ Construction ■ Non construction

Why not accelerate the process with larger deals?

- Small population of quality assets
- Why pay large multiples to replicate high returning existing model
- However, we would consider:
  - more significant deals in specialty products
  - opportunities that broaden geographic footprint

But:

- Remain committed to our cyclical planning and leverage commitments of working broadly within 1 to 2 times EBITDA
- Hard to beat returns on organic growth – same store growth reinforces our position with our core customers

Responsible Growth

Ashtead group

Where is the cash?

Suzanne Wood

Ashtead group

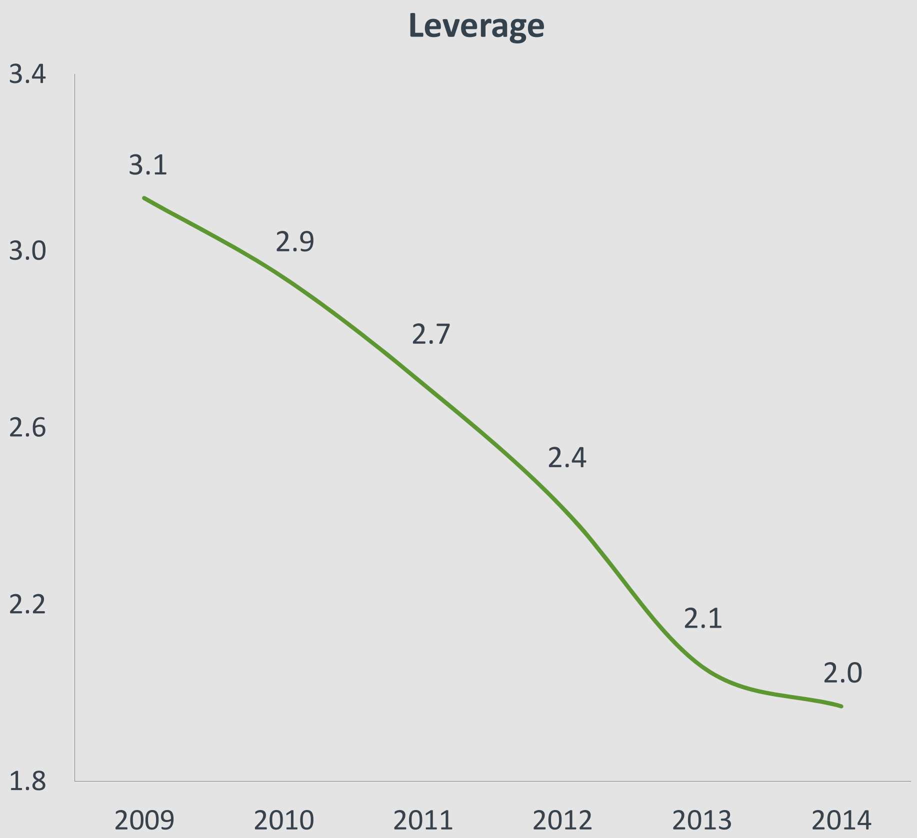
Cash flow – do we generate any?

(£m)	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EBITDA before exceptional items	**685**	**519**	**381**	**284**	**255**	**359**	**380**	**310**	**225**	**170**	**147**	**150**
EBITDA margin	42%	38%	34%	30%	30%	33%	38%	35%	35%	32%	29%	28%
Cash inflow from operations before fleet changes and exceptionals	**646**	**501**	**365**	**280**	**266**	**374**	**356**	**319**	**215**	**165**	**140**	**157**
Cash conversion ratio	94%	97%	96%	99%	104%	104%	94%	97%	96%	97%	95%	105%
Replacement capital expenditure	(335)	(329)	(272)	(203)	(43)	(236)	(231)	(245)	(167)	(101)	(83)	(89)
Disposal proceeds	102	96	90	60	31	92	93	78	50	36	32	29
Interest and tax	(56)	(48)	(57)	(71)	(54)	(64)	(83)	(69)	(41)	(31)	(33)	(40)
Cash flow before discretionary items	**357**	**220**	**126**	**66**	**200**	**166**	**135**	**83**	**57**	**69**	**56**	**57**
Growth capital expenditure	(406)	(254)	(135)	-	-	-	(120)	(63)	(63)	(10)	-	(18)
M&A	(103)	(34)	(22)	(35)	(1)	89	(6)	(327)	(44)	1	15	(1)
Exceptional costs	(2)	(16)	(3)	(12)	(8)	(9)	(10)	(69)	(20)	(6)	(17)	(8)
Cash flow available to equity holders	**(154)**	**(84)**	**(35)**	**19**	**191**	**246**	**(1)**	**(376)**	**(70)**	**54**	**54**	**30**

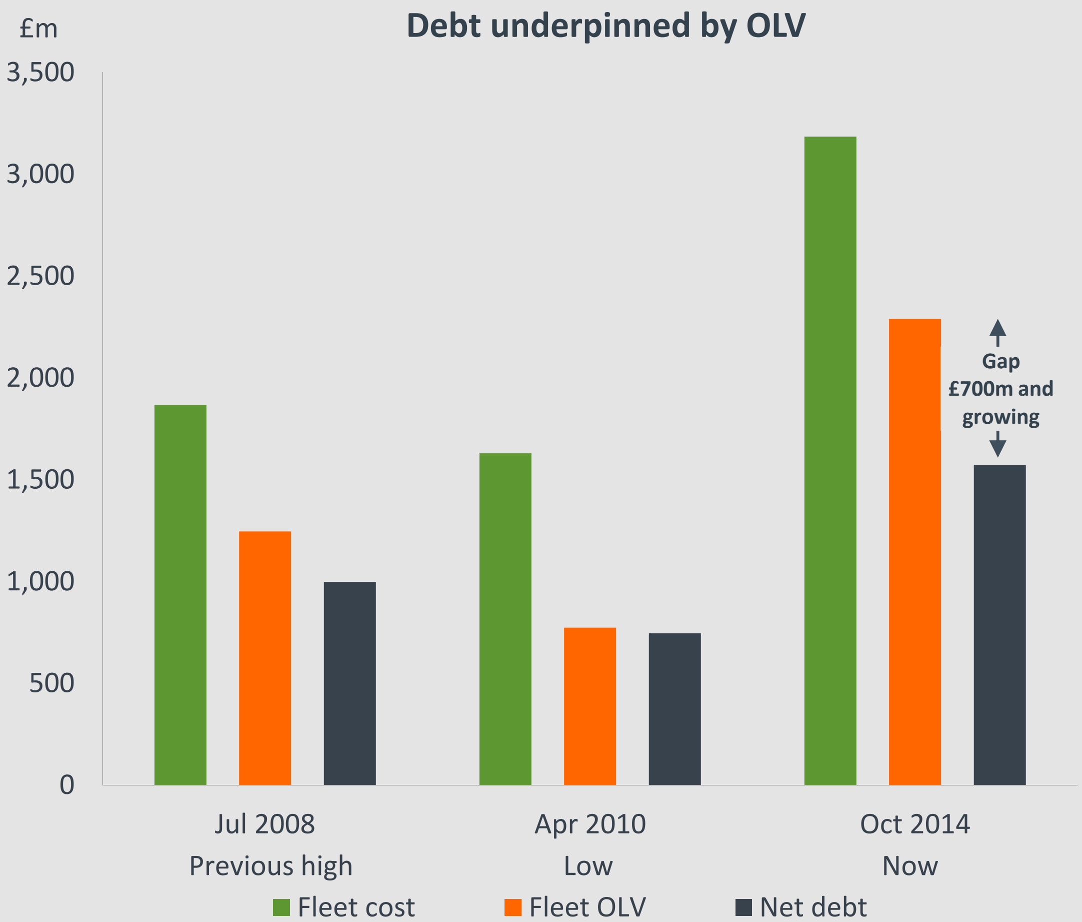
- Healthy EBITDA margins ensure significant top line cash generation throughout the cycle
- It is only periods of high growth capex and M&A as we scale up the business that are increasing debt

Financial strength

Growth potential is underpinned by the financial strength of the business



Note: At constant (October 2014) exchange rates



Note: At constant exchange rates

Cyclical cash generation

Cash positive once growth moderates – highly generative during downturn

	2011	2012	2013	2014	⟵ Ongoing ⟶	Moderate / flat growth	Cyclical downturn
Cash flow from operations	280	365	501	646	Growing	Growing	Decreasing but remains positive
Capital expenditure	225	476	580	741	High	Moderating	Significantly reduced
Greenfields	Low	Low	Medium	High	High	Medium	Low
M&A	Low	Low	Medium	High	Medium	Low	Low
Sunbelt average fleet growth	-	+9%	+16%	+21%	High (>12%)	Low (<12%)	Flat to declining
Free cash flow	54	(13)	(50)	(51)	Negative	Positive	Highly positive
Leverage (absent significant M&A)	2.9	2.3	1.9	1.8	Declining	Lower end of 1-2 range	Initial increase, subsequent decline
Dividend	3.0p	3.5p	7.5p	11.5p	Increasing	Lower rate of increase	Maintained

We will continue to focus on responsible growth and therefore are going to be very cash generative at some point

What will we do with the cash?

- Once again invest early in next cycle to make next step change in market share
- Continue our progressive dividend policy which will be maintained through the cycle
- Other returns to shareholders will be considered when appropriate. Our track record on share buy backs is a good one.
- This is a multi-cycle structural growth story:
  - potential to re-scale the business; and
  - significantly reduce through the cycle leverage

Conclusions

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Summary

- Fundamentals of the story have not changed
- Strong structural growth opportunity exploited by scale and strong balance sheet
- Cyclical opportunities still look good but as always they will ebb and flow
- Need to recalibrate normal in terms of margins, scale and opportunity
- "Responsible Growth"

Key growth drivers over the longer term

Good long term potential for growth

	Current position	Potential
Cyclical recovery	Construction at historically low levels	+50%
Market share gains	Market share grown to 6% Strong growth momentum and best balance sheet in industry provides much more potential	+100%
Shift to rental	Rental penetration has risen to 50% Longer term potential 60%+	+20%

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