all your equipment needs…….one company

ASHTEAD GROUP PLC

International Equipment Rental

from over 460 locations

Preliminary results – year to 30 April 2002

Welcome

ASHTEAD GROUP PLC

- George Burnett — Chief Executive
- Ian Robson — Finance Director
- Bruce Dressel — President & CEO of Sunbelt
- Sat Dhaiwal — CEO of A-Plant

Results Overview

- Pre exceptional profits ahead of trading statement forecast at £28.9m
- Full year dividend maintained at 3.5p per share
- Net cash inflow up 17% to £202m – debt paydown of £48.5m
- Sunbelt continues to outperform
- Benefits emerging from new UK strategy
- April 2002 revisions to banking covenants give greater flexibility

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Summary Results

	2002 £m	2001 £m		Margins 2002	Margins 2001
▪ Turnover	583.7	552.0	+6%		
▪ Operating profit *	81.3	88.6	-8%	*13.9%*	*16.1%*
▪ Profit before tax *	28.9	43.7	-34%	*5.0%*	*7.9%*
▪ EPS* (based on 30% notional tax)	6.2	9.5	-35%		
▪ ROCE **	*8.9%*	*10.5%*			

* Before goodwill amortisation, exceptional items and, in 2001, £2.5m of non recurring staff salary costs in BET USA. The profit before goodwill amortisation, exceptional items and tax in the year ended 30 April 2001 was therefore £41.2m.

** Operating profit divided by weighted average capital employed (net assets plus net debt and deferred tax)

Capital Expenditure

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Delivered in the year

	2002 Expansion £m	2002 Replacement £m	2002 Total £m	2001 Total £m
Sunbelt	30.8	36.2	67.0	146.3
A-Plant	10.6	16.1	26.7	67.0
Technology	3.4	0.9	4.3	4.2
	44.8	53.2	98.0	217.5
Other fixed assets			15.8	20.3
			113.8	237.7

Paid for in cash in the year

	2000/1 actual £m	2001/2 actual £m	2002/3 estimate £m
Payables relating to capital expenditure – opening	115.1	150.2	60.7
Capital expenditure incurred in the year (above)	237.7	113.8	75.0
Payables relating to capital expenditure – closing	(150.2)	(60.7)	(40.0)
Capital expenditure paid for in the year	202.6	203.3	95.7

Cashflow

	2001/2 £m	2000/1 £m
Net inflow from Operations	202.0	173.0
Interest paid	(50.4)	(46.4)
Payments for purchases of fixed assets	(203.3)	(202.6)
Cash from disposals of fixed assets	39.2	38.3
Acquisitions	(3.3)	(214.1)
Tax (paid)/refunded	(0.7)	1.7
Dividends paid	(11.3)	(10.4)
Other (inc excp'l reorg costs in 2000/1)	(2.8)	(10.3)
Increase in net bank debt	(30.6)	(270.8)

Bank Debt and Interest

	2002	2001	Increase/(decrease)
	£m	£m	£m
Net bank debt	515.0	484.4	30.6
Bills of exchange	11.6	90.7	(79.1)
	526.6	575.1	(48.5)
5.25% convertible loan note	129.7	127.9	
Total debt including bills of exchange	656.3	703.0	
Finance lease obligations	30.6	-	
	686.9	703.0	
Interest cover			
EBITDA	202.2	203.1	
Interest	52.4	47.4	
EBITDA interest cover	3.86 times	4.28 times	

Other balance sheet features

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- Good control of working capital with debtors days reduced to 58 days (2001 – 64 days)
- £60m receivables securitisation – a new source of funding at lower cost
- FRS 19 introduces £41.1m deferred tax liability onto the balance sheet - actual tax payments expected to be minimal for several years

Sunbelt – Performance summary

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(in £m)	2002	2001	
Revenues	382.2	345.7	+10.6%
Operating profit (less finance lease interest)	56.9	64.2	-11.4%
Operating profit margins	*14.9%*	*18.6%*	
Net operating assets at year end	652.5	615.8	
Return on capital employed	9.0%	11.1%	

Sunbelt – The past year

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- Outperformed the market in a difficult year – same store growth of 3.3%
- Continued investment in the future but at lower levels
  - Capex less than half 2001
  - Focus on higher return items and asset utilisation
  - Fleet transfers support new businesses
  - 23 openings with 17 greenfields and no closure programme
- Growth in specialist businesses
  - scaffold services = opportunities in industrial markets
  - pump and power - revenues up 43%
- Efficiency gains

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Sunbelt – Outlook

- Continued difficult markets – expected to be generally flat in 2002
- c5 openings to extend clustering and build Pump & Power
- Benefit of 23 new businesses opened in 2001/2
- Growth in industrial markets
- Continued market share gains

A-Plant – Performance summary

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(in £m)	2002	2001	
Revenues	187.0	194.5	-3.9%
Operating profit	13.0	25.1	-48.2%
Operating profit margins	*7.0%*	*12.9%*	
Net operating assets at year end	245.5	283.6	
Return on capital employed	4.5%	9.2%	

A-Plant – The past year

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- UK market competitive & marked slowdown in Irish economy
- “Trading highs and lows”
- Year of consolidation
- Strategic withdrawal from lower margin business
- New management in place

A-Plant – New structure

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- Specialist businesses now with national profit accountability
- Core products - clear management focus on areas of expertise
- Tool Hire – roll out of new branding proceeding to plan
- Major accounts – dedicated sales team increased from two to twelve
- Management team focused on ROI

A-Plant - Outlook

- Unique national offering – better local delivery
- Market leading specialist businesses
- Focus on under-utilised equipment and fluidity of fleet
- Continued control of capex
- Profit share refocused on ROI
- Increasing share of competitive market
- Current contract numbers best for six months

Ashtead Technology– Performance summary

(in £m)	2002	2001	
Revenues	14.5	11.8	+22.9%
Operating profit	4.1	3.6	+13.9%
Operating profit margins	*28.3%*	*30.5%*	
Net operating assets at year end	12.9	12.2	
Return on capital employed	32.7%	35.3%	

Ashtead Technology

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- Strong year with like for like growth in rental revenues of 11% in offshore & inspection markets and 17% in environmental
- ROCE and margins remain high
- Short term outlook offshore is more difficult in North Sea and Gulf of Mexico though Far Eastern markets are performing well
- Prospects remain bright in environmental in spite of weakness in US economy
- Expect progress overall in the coming year

Trading outlook

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- May & June revenues:
  - down 6% against last year at actual rates
  - down 3% at comparable rates
  - up against H2 and Q4 of 2001/2
- Current contract numbers best for six to nine months
- Expecting flat economies in 2002 with some improvement in early 2003
- Lower capital expenditure and continued pay-down of debt
- A-Plant – disciplined improvement in ROI
- Sunbelt – continued outperformance

Conclusion

- Strong competitive position in all our markets
- Number of PCs maintained - and growing
- Management changes give opportunity for growth in UK
- Structural drivers of long term US growth unchanged:
  - shift from ownership to rental
  - growth in our 2.5% market share of $23bn market*
- Substantial pay-down of debt anticipated in 2002/3 & 2003/4

* Source: Manfredi & Co