all your equipment needs…….one company

ASHTEAD GROUP PLC

International Equipment Rental

from over 450 locations

Interim results – six months to 31 October 2002

Welcome

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

Results Overview

- Pre goodwill profits of £20.3m
- Bank debt and total net debt are both c£100m lower than a year ago
- Interim dividend maintained at 0.62p per share
- Sunbelt continues to outperform in competitive markets
- New product focussed structure established in UK and delivering benefits

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Summary Results

	2002 £m	2001 £m	Change (at comparable rates)	Margins 2002	Margins 2001
Turnover	292.2	310.6	-1.5%		
Operating profit *	41.5	52.9	-17%	14.2%	*17.0%*
Profit before tax *	20.3	27.0	-20%	*6.9%*	*8.7%*
EPS (based on 30% notional tax)	4.4	6.2	-20%		
ROCE **	9.2%	*11.6%*			

* Before goodwill amortisation and, in 2001, prior year BET lease impact and exceptional items

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

Capital Expenditure

Rental equipment delivered in the year

	6 months to 31 Oct 2002 Expansion	6 months to 31 Oct 2002 Replacement	6 months to 31 Oct 2002 Total	6 months to 31 Oct 2001	Year to 30 April 2002
	£m	£m	£m	£m	£m
Sunbelt Rentals	18.0	15.9	33.9	50.8	67.0
A-Plant	6.5	8.5	15.0	19.6	26.7
Technology	1.5	0.8	2.3	2.8	4.3
	26.0	25.2	51.2	73.2	98.0

Paid for in cash in the year

	2002 interim	2001 interim	2001/2 actual	2002/3 estimate
	£m	£m	£m	£m
Payables relating to capex – opening	60.7	150.2	150.2	60.7
Total capital expenditure incurred	55.9	81.2	113.8	75.0
Payables relating to capex – closing	(43.1)	(82.3)	(60.7)	(35.0)
Capital expenditure paid in the year	73.5	149.1	203.3	100.7

Cashflow

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	2002	2001
	£m	£m
EBITDA (2001 before prior year lease impact)	97.3	113.7
Net inflow from Operations	95.5	114.0
Cash efficiency ratio	*98.2%*	*100.3%*
Interest paid	(21.7)	(21.0)
Purchases of fixed assets paid	(73.5)	(149.1)
Disposals of fixed assets	12.6	25.7
Tax paid	(0.4)	(0.1)
Dividends paid	(9.3)	(9.4)
Free cash flow (2001 before prior year lease impact)	**3.2**	**(39.9)**
Acquisitions	(0.4)	(6.7)
Exceptionals and BET leases	(1.7)	3.6
	1.1	(43.0)
Proceeds from AR securitisation	57.4	-
Reduction/(increase) in bank debt	58.5	(43.0)

Bank Debt and Interest

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	31 October 2002 £m	31 October 2001 £m	30 April 2002 £m
Bank debt	431.2	530.1	515.5
Finance lease obligations	25.7	33.5	30.6
	456.9	563.6	546.1
Convertible loan note	130.1	129.4	129.7
Cash	(0.4)	(2.5)	(0.5)
Net debt	586.6	690.5	675.3
EBITDA	97.3	113.7	194.4
Interest	21.2	25.9	49.5
EBITDA/Interest	4.59	4.39	3.93
Net debt to LTM EBITDA	3.30	3.15	3.47

Other balance sheet features

- Working capital again closely controlled with debtors days reduced to 56 days (2001 – 57 days)

- Receivables securitisation – a new source of funding at lower cost with £57.9m drawn at 31 October 2002

Sunbelt – Performance summary

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	2002 $m	*2001 $m	Change	2002 £m	*2001 £m	Change
Revenues	292.4	290.1	1%	190.0	201.8	-6%
EBITDA	101.1	107.3	-6%	65.6	74.6	-12%
	34.5%	*37.0%*		*34.5%*	*37.0%*	
Operating profit	49.8	57.9	-14%	32.3	40.4	-20%
	17.0%	*20.0%*		*17.0%*	*20.0%*	
Net assets	987.8	964.3	2.4%	631.4	663.1	-5%
ROI	*10.1%*	*12.6%*		*10.1%*	*12.6%*	

* adjusted to exclude prior year BET lease impact

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Sunbelt – Key features

- 0.8% overall revenue growth
- -3.7% same store revenue growth
- Drag effect of 27 recent openings (4 in the current fiscal year)
- Reduced capital expenditure ($53.0m on rental equipment this year v $73.9m)
- Reconfiguration of the fleet
- Continued broadening of the customer base

Sunbelt – Broadening the customer base

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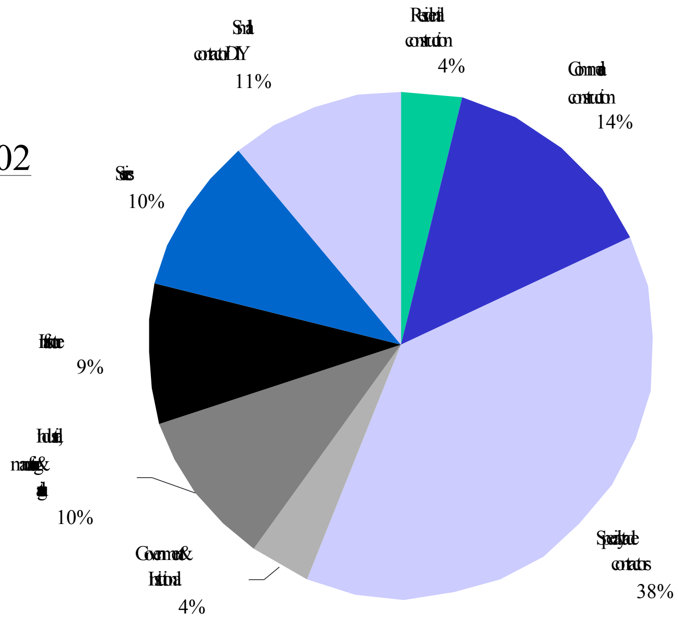
Analysis of revenues – May to November 2002



Number of active accounts	000's
Residential construction	4
Commercial construction	6
Speciality trade contractors	24
Government & Institutional	4
Industrial, manufacturing & agriculture	7
Infrastructure	5
Services	11
Small contractor & DIY	158
	219

Residential construction - single family construction, additions, repairs, remodeling, and other general residential construction

Commercial construction - office buildings and skyscrapers, industrial buildings and warehouses and other general non-residential construction

Specialty trade contractors - electrical, mechanical, boiler repair/cleaning, specialty coating and painting, mill rights, concrete, steel erection and fabrication

Government & Institutional - hospitals, educational institutions, governmental, legislative, and other municipal related institutions

Industrial, manufacturing & agriculture - large and small manufacturers, textiles, landscapers

Infrastructure - contractors or firms associated collectively with the roads, bridges, rail lines, and similar public works that are required for an industrial economy, such as transportation and communications systems, water and power lines

Services - hotel and motels, amusement parks and related recreational services, janitorial and building maintenance, real estate, retail and wholesale trade

Small Contractor/DIY - sole proprietorship businesses and "do-it-yourselfers"

Sunbelt – Comparative outperformance

Six months ended 30 September 2002

	Revenues			Operating profits*		
(in $m)	2002	2001	%	2002	2001	%
United Rentals	1,528	1,564	-2%	253	339	-26%
Hertz	Not reported			Not reported		
Atlas Copco **	753	923	-18%	44	93	- 53%
Sunbelt	**292**	**290**	**1%**	**50**	**58**	**-14%**
NES (inc. Brambles in 2002)	333	299	12%	21	34	-39%
H&E	143	134	6%	5	9	-48%
Neff	100	114	-13%	5	12	-59%

* before one-time rationalisation charges for United

** based on the reported figures in Swedish Kroner translated at a convenience rate of SwKr8.7 = $1. Translation effects account for approximately 7% of the decline

A-Plant – Performance summary

	2002	2001	
	£m	£m	
Revenues	95.1	100.4	-5%
EBITDA	30.4	37.0	-18%
	32.0%	*36.9%*	
Operating profit	9.7	12.1	-20%
	10.2%	*12.1%*	
Net assets	246.4	270.2	-9%
Return on investment	*7.9%*	*8.7%*	

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A-Plant – Key achievements

- New product driven structure fully implemented:
  - Specialists – national identity
  - Tool Hire – roll out completed
    – stage 2 national identity now implemented
- Fleet rationalisation leading to improved utilisation
- Single corporate office and computer system
- Benefits of supplier reduction programme
- Improved management of Major Accounts

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A-Plant - Outlook

- Markets will remain competitive
- Continued development of Specialist businesses
- Increased share of Tool Hire market
- Controlled capital expenditure & continued focus on returns
- Operational efficiencies including network rationalisation
- Improved second half performance

Ashtead Technology– Performance summary

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	2002 £m	2001 £m	
Revenues	7.1	8.4	-15%
EBITDA	3.9	5.1	-24%
	54.9%	*60.7%*	
Operating profit	2.1	3.0	-30%
	29.6%	*35.7%*	
Net assets	13.1	13.9	-6%
Return on investment	*32.3%*	*45.8%*	

Ashtead Technology – key features

- Slower start to North Sea season
- Gulf of Mexico very quiet as oil majors develop bigger but fewer fields
- Excess of equipment affecting rental rates
- Environmental takes increased share of declining market

Current trading and outlook

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- November/December continue H1 trend
- US:
  - non residential construction improves Oct/Nov following 30% decline from March 2001 peak
  - US Institute of Supply Management December survey – 70% expect sales increase
  - Geopolitical risks
  - Sunbelt market share gains
- UK:
  - New markets & improved market share in similar economic conditions
  - Implementation of strategy
  - Operational efficiency gains
- Technology:
  - Offshore improvement based on development proposals
  - Environmental – greater geographic coverage

Conclusion

- Appropriate to be cautious
- In that context generating profit and free cashflow
- Capex control sustainable – not competitively damaging
- Better business than a year ago
- We will benefit from the upturn
- We will continue to generate cash and pay down debt