ASHTEAD GROUP PLC

International Equipment Rental

from over 425 locations

Preliminary results – year ended 30 April 2004

Welcome

- George Burnett — Chief Executive
- Ian Robson — Finance Director

Overview

- Year of significant progress
- Financial stability achieved following April's issue of our ten year bond
- Dollar effect – lowers turnover, profits and debt
- Group returns to profit – £7.6m pre-exceptionals v loss of £1.8m in 2003
- US market is recovering – 42% growth in Sunbelt's divisional profit
- A-Plant also improving – and has now returned to growth
- Net free cash inflow up 46% to £56.6m

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Summary results

	2004 £m	2003 £m	Change (at comparable rates)	Margins 2004	Margins 2003
Turnover +	500.3	539.5	-2%		
EBITDA +	147.0	150.1	+4%	29.4%	27.8%
Operating profit +	44.2	39.1	+21%	8.8%	7.2%
Profit before tax +	7.6	-1.8	n/a	1.5%	-0.3%
Return on capital employed*	5.9%	4.5%	+31%		

\+ Before goodwill amortisation and exceptional items

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

Fourth quarter performance

	Turnover		EBITDA		Profit	
	2004	2003	2004	2003	2004	2003
	£m	£m	£m	£m	£m	£m
Sunbelt Rentals in $m	143.1	125.7	45.2	29.5	20.2	3.0
Sunbelt Rentals in £m	78.1	79.1	24.7	18.5	11.0	1.8
A-Plant	37.5	41.3	10.0	7.8	1.5	(2.4)
Ashtead Technology	2.4	2.5	1.0	1.3	0.5	0.6
Group central costs	-	-	(0.7)	(0.6)	(1.0)	(0.8)
	118.0	122.9	35.0	27.0	12.0	(0.8)
Interest					(8.9)	(9.8)
Profit/(loss) before exceptional items & goodwill amortisation					**3.1**	**(10.6)**

Exceptional costs

	2004 £m	2003 £m
Debt facility costs	20.6	7.5
UK business refocusing programme	6.1	7.4
Prior year impact of change in US estimation methods	5.3	7.4
Prior year impact of the US accounting issue	-	9.4
US severance costs	0.5	-
Profit on sale of land and buildings	(1.0)	(0.3)
Total exceptional items	31.5	31.4

Costs by type

	2004 £m	%	2003 £m	%
Staff costs	170.5	*37.3*	186.1	*37.2*
Depreciation	102.8	*22.5*	111.0	*22.2*
Vehicle costs	47.5	*10.4*	50.8	*10.2*
Spares, consumables and external repairs	36.3	*8.0*	41.6	*8.3*
Facilities costs	28.9	*6.4*	30.8	*6.1*
Other costs	70.1	*15.4*	80.1	*16.0*
Total costs	456.1	*100.0*	500.4	*100.0*

Cashflow

	2004 £m	2003 £m
EBITDA before exceptional items	147.0	150.1
Cash inflow from operations before exceptional items	140.0	157.3
*Cash efficiency ratio**	*95.2%*	*104.8%*
Capital expenditure	(82.9)	(107.1)
Proceeds from sale of used rental equipment	32.3	29.4
Tax received	0.1	0.7
Free cash flow before interest	**89.5**	**80.3**
Interest paid (excluding exceptional interest)	(32.9)	(41.4)
Free cash flow after interest	**56.6**	**38.9**
Acquisitions and disposals	15.2	(0.8)
Exceptional costs	(18.2)	(7.6)
Dividends paid	-	(9.3)
Reduction in total debt	**53.6**	**21.2**

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

Bank debt and key ratios

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	2004 £m	2003 £m
First priority senior secured bank debt and overdraft	226.1	422.9
Finance lease obligations	12.1	22.4
Second priority senior secured notes, due 2014	115.6	-
Unsecured convertible loan note, due 2008	130.6	129.8
	484.4	575.1
Cash at bank and in hand	(9.9)	(10.3)
	474.5	564.8
Non-recourse finance under debtors securitisation	52.2	57.5
Total net debt	526.7	622.3
EBITDA before exceptional items	147.0	150.1
Interest before exceptional costs	36.6	40.9
First priority senior secured debt to EBITDA	1.6x	3.0x
Total net debt to EBITDA	3.6x	4.1x
EBITDA to interest	4.0x	3.7x

Sunbelt - agenda

- Full year results
  - Turnover, profits and margins increase
  - Tight cost control
  - Operational gearing
- Increased utilisation
- Improving market conditions
- Strong last quarter
- Taking market share
- Key features

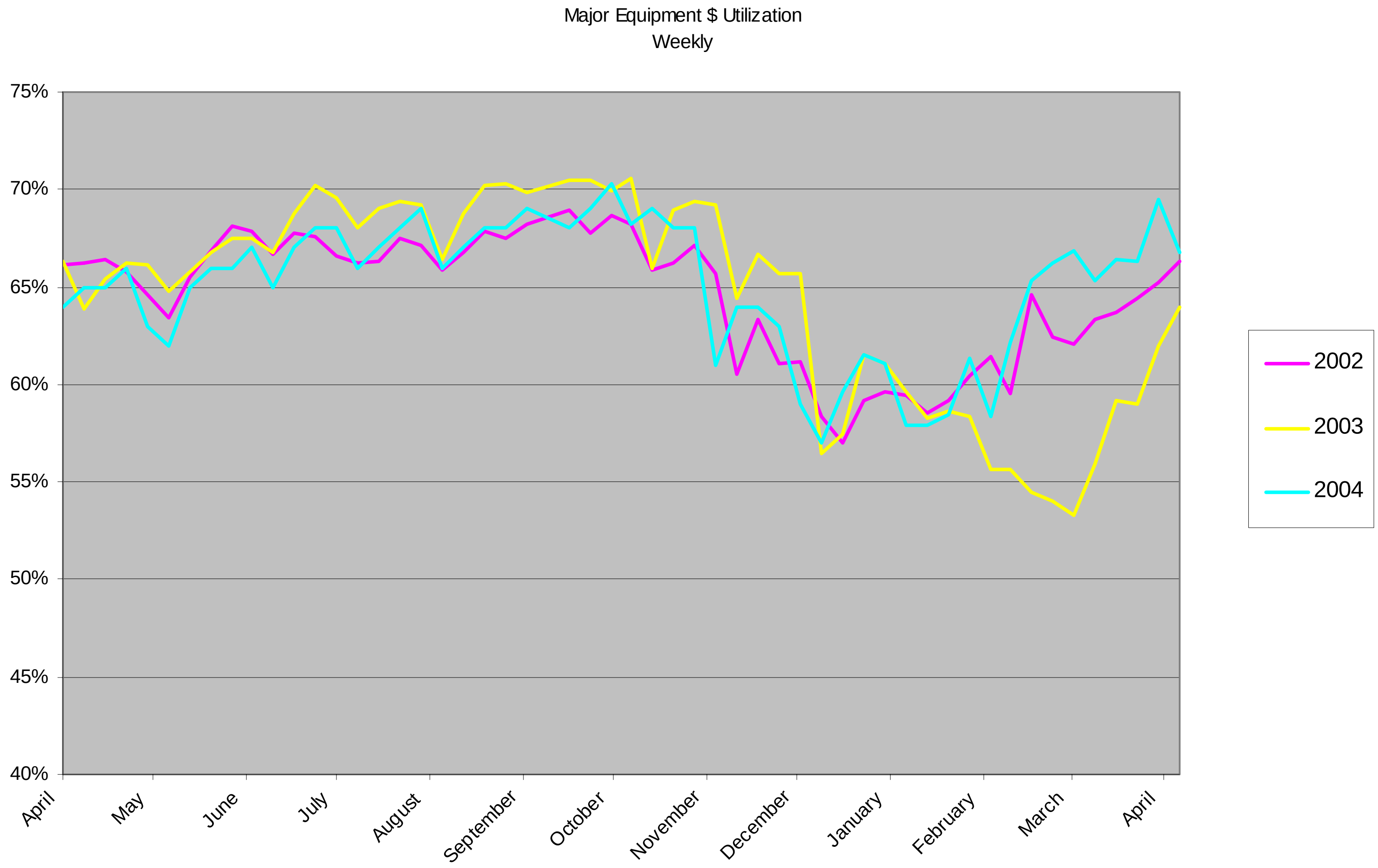
Sunbelt – results highlights

▪ Dollar turnover	up 4.7% to $572.8m
▪ EBITDA	up 13.7% to $176.8m
▪ Operating profit	up 42.3% to $73.3m
▪ EBITDA margin	up from 28.4% to 30.9%
▪ Operating profit margin	up from 9.4% to 12.8%
▪ Costs well controlled	up 1.1% before depreciation
	up 0.8% after depreciation
▪ Operational gearing	$21.8m of $25.8m increase in revenue went to the bottom line

Sunbelt – results

	2004 $m	2003 $m	Change	2004 £m	2003 £m	Change
Turnover	572.8	547.0	4.7%	333.1	349.1	-4.6%
EBITDA	176.8	155.5	13.7%	103.0	99.3	3.7%
Margin	*30.9%*	*28.4%*		*30.9%*	*28.4%*	
Operating profit	73.3	51.5	42.3%	42.4	32.9	28.9%
Margin	*12.8%*	*9.4%*		*12.8%*	*9.4%*	
Net assets	869.3	930.3	-6.6%	490.2	581.0	-15.6%
ROI	*8.1%*	*5.5%*		*7.9%*	*5.3%*	

Sunbelt – increased utilisation



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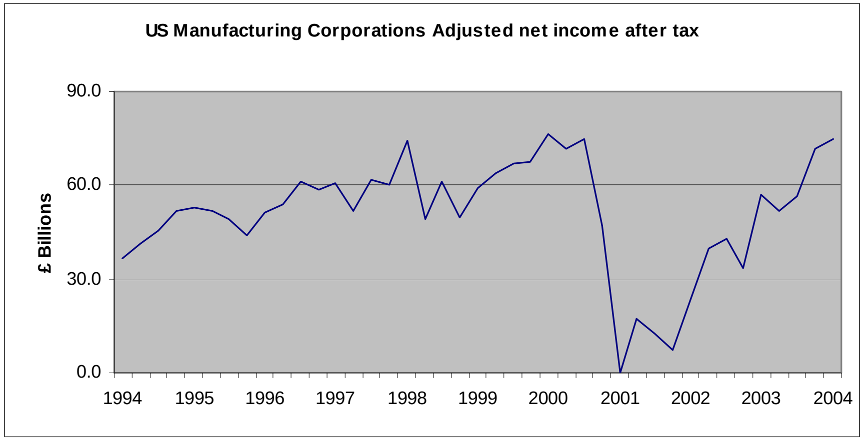
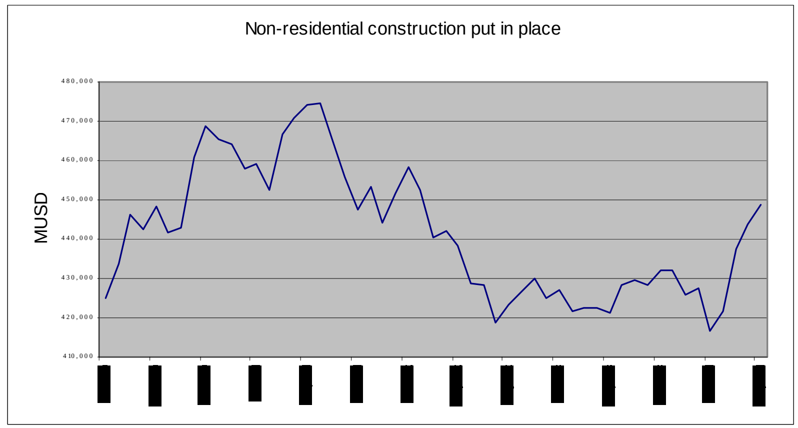
Sunbelt – improving market conditions





Sunbelt – strong fourth quarter

- Strong fourth quarter performance relative to difficult last quarter a year ago
- Turnover up 13.8% to $143.1m
- Cost growth held to 1.8%
- EBITDA up 53.2% to $45.2m
- Operating profit up six fold from $3.0m to $20.2m
- Significant increase in margins
- Utilisation up from 57.5% to 63.9%

Sunbelt – taking market share

Growth in rental revenues	Q2 2003	Q3 2003	Q4 2003	Q1 2004
United Rentals	-0.2%	+1.7%	+3.0%	+5.3%
Atlas Copco (RSC)	-4.0%	+2.0%	+2.0%	+6.0%
Hertz	-1.2%	+1.0%	+6.1%	+4.6%
Sunbelt	**+1.7%**	**+4.8%**	**+3.4%**	**+12.0%**
NES Rentals	-4.3%	-5.5%	-10.4%	-7.2%
NationsRent	n/a	n/a	+9.7%	+9.5%
Head & Engquist	-10.6%	-8.2%	-9.4%	-3.8%

Notes:
1. Source – company filings and press releases
2. Q4 for Hertz likely includes exchange gains on its non US revenues (ie Spanish) revenues. Total Q1 revenue growth was 8.1% but for Q1 it was disclosed that excluding foreign currency gains the growth at constant rates was almost half this at 4.6%. No equivalent disclosure was made for Q4 but there is likely to have been a similar effect.
3. NationsRent growth in rental revenues was 1% in the whole of 2003. Their strong growth in Q4 would appear to due to (a) a weak 2002 comparative and (b) their significant recent investment in larger rental fleet items (eg AWP).

Sunbelt – key features

- 4% increase in rental rates
- Capital expenditure controlled - $56.4m on the fleet in 2004 v $72.9m in 2003
- Improved market for disposals
- 3 new profit centres opened
- Benefits of new IT system
- All major product areas improved their profitability
- Strong performance by senior management team
- Cliff Miller appointed CEO & joins the Group board.
- Brendan Horgan appointed COO

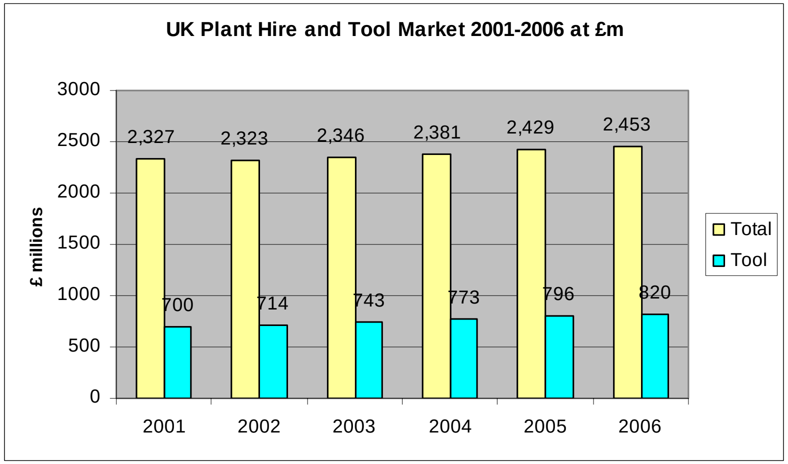
A-Plant – results

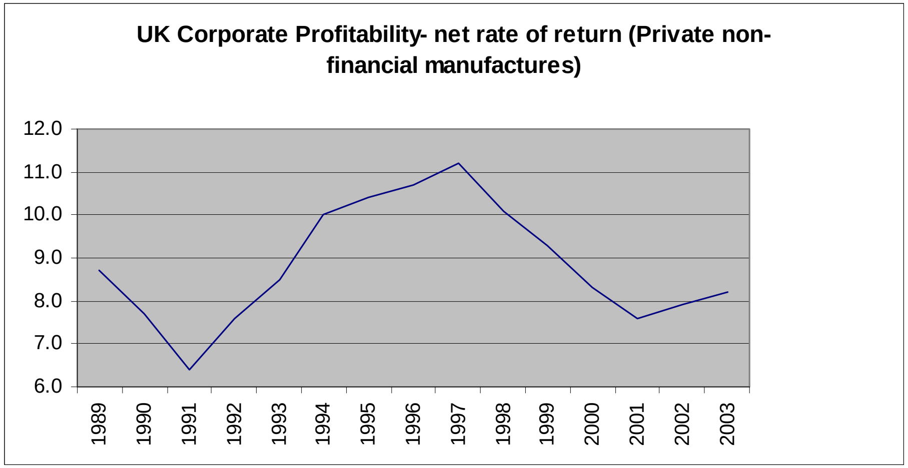
	2004 £m	2003 £m	Change
Turnover	155.9	178.4	-12.6%
EBITDA	43.2	48.9	-11.7%
Margin	*27.7%*	*27.4%*	
Operating profit	4.0	7.9	-49.4%
Margin	*2.6%*	*4.4%*	
Net assets	186.6	218.0	-14.4%
Return on investment	*1.8%*	*3.4%*	

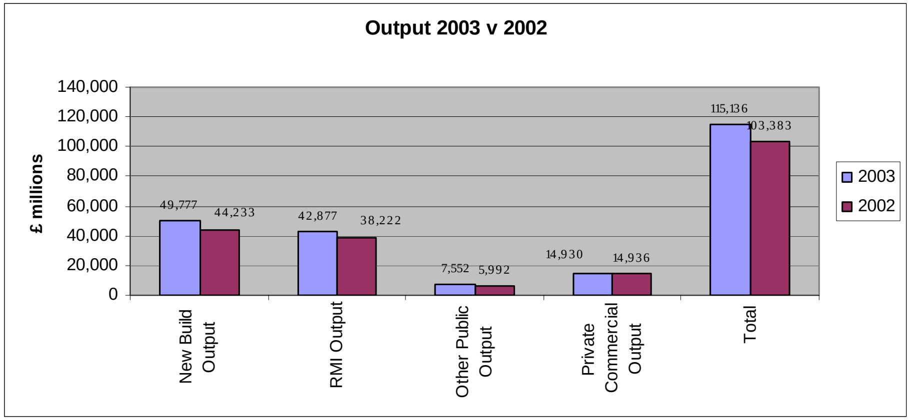
Same store revenues -5.3%

Excluding businesses sold in the year, A-Plant's revenues were £148.5m and its operating profit was £3.9m

A–Plant – stable market conditions



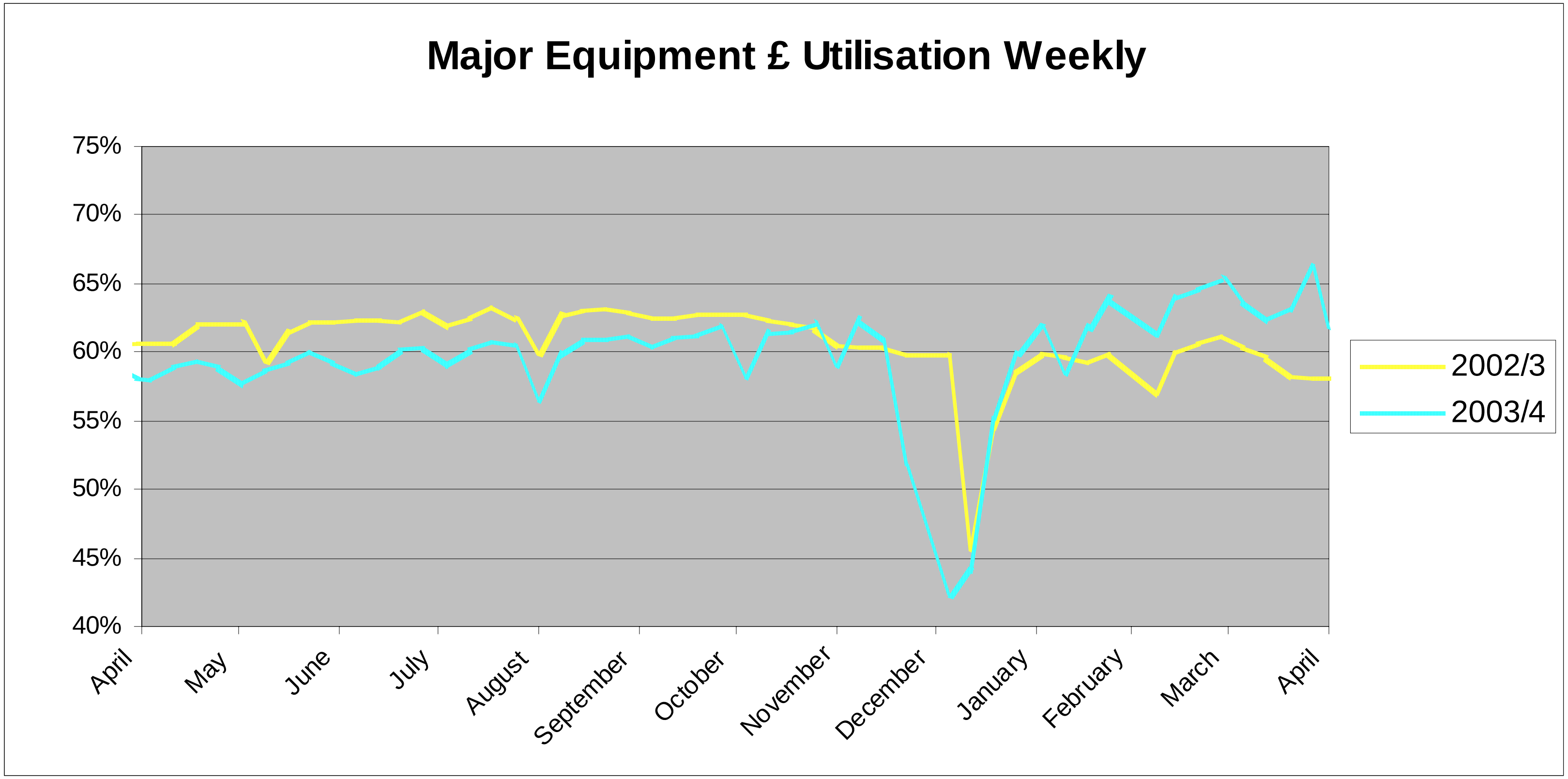




A-Plant – key features

- Distractions earlier in the year but UK business refocusing programme completed in January
- A-Plant now comprises General equipment, Tool hire & Specialist
- For the full year costs were £18.6m lower than in 2003 limiting the £22.5m reduction in turnover to a £3.9m reduction in profit
- Q4 same store revenues down only 0.9%; Q4 profit of £1.5m (2003 – loss of £2.4m)
- Q4 utilisation increases from 59.6% in 2003 to 63.6%

A-Plant – utilisation rates



Ashtead Technology– results

	2004 £m	2003 £m	Change (at constant rates)
Turnover	11.3	12.0	-0.9%
EBITDA	5.7	6.1	0.0%
Margin	*50.4%*	*50.8%*	
Operating profit	2.7	2.5	17.4%
Margin	*23.9%*	*20.8%*	
Net assets	9.4	11.3	-9.6%
Return on investment	*26.1%*	*20.7%*	

Ashtead Technology

- H1 offshore trading conditions difficult – recovery in H2
- North American environmental business growing strongly
- Impact of weak dollar on sterling performance – profits up 17% at constant rates but by only 8% at actual rates
- New openings continue – San Francisco & Hitchin in 2003/4; Atlanta next
- Benefits of improving US economy on onshore activities
- Need for the oil majors to replenish reserves should benefit offshore business in due course – but probably not until 2005/6

Current trading and outlook - utilisation

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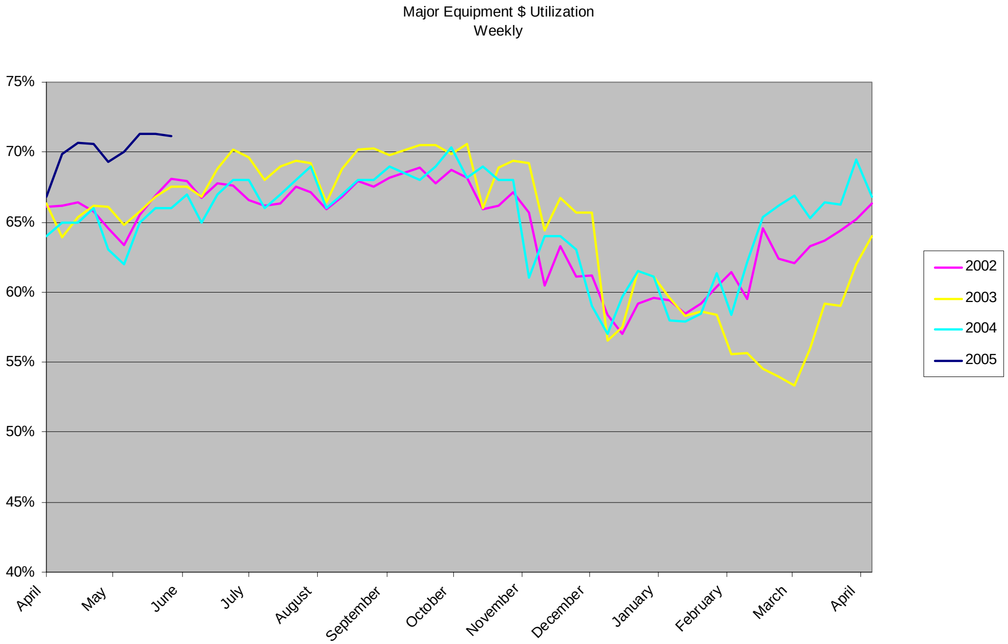
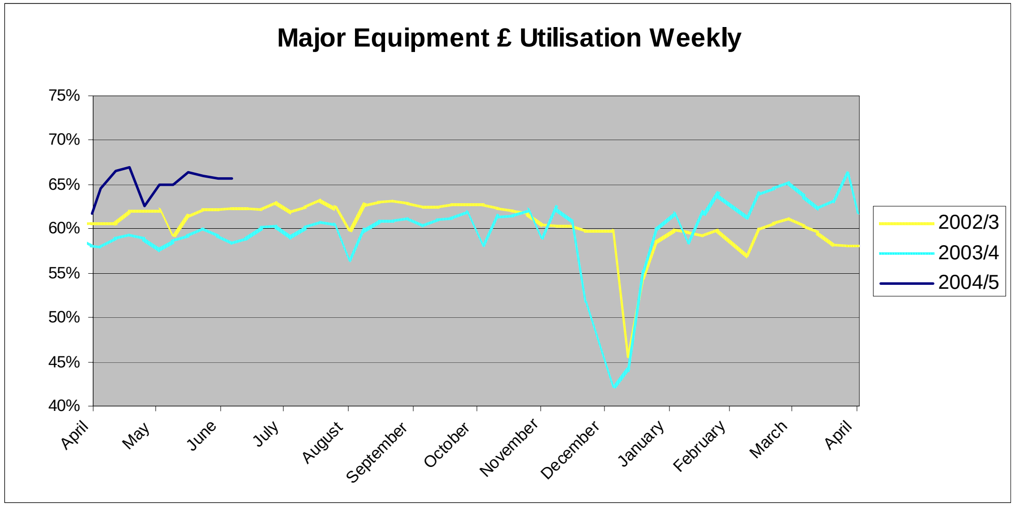
Sunbelt



A-Plant



Current trading and outlook

- Any further weakening of the US dollar and rising dollar interest rates (albeit we are c60% fixed) could have some negative impact
- A-Plant has now returned to growth – same store revenues up 2.4% in May and June
- Sunbelt performing strongly in improving market conditions:
  - revenue growth of 10.9% in May and June 2004
  - non-residential construction in May – up 3.7% over May 2003
- The Board believes further progress should be achieved in the coming year

Summary

- Classically operationally geared business model
- Financial stability achieved with issue of ten year bond
- Encouraging signs of improvement at A-Plant
- The US market opportunity remains key:
  - c25% rental penetration (50% to 80% in all other major economies)
  - Sunbelt is no. 4 in a still highly diversified market with only 2.5% share
  - The US economy has recovered and construction - which is always late cycle - is now set to benefit
- Looking to build on Q4/Q1 momentum in the current year

Appendices

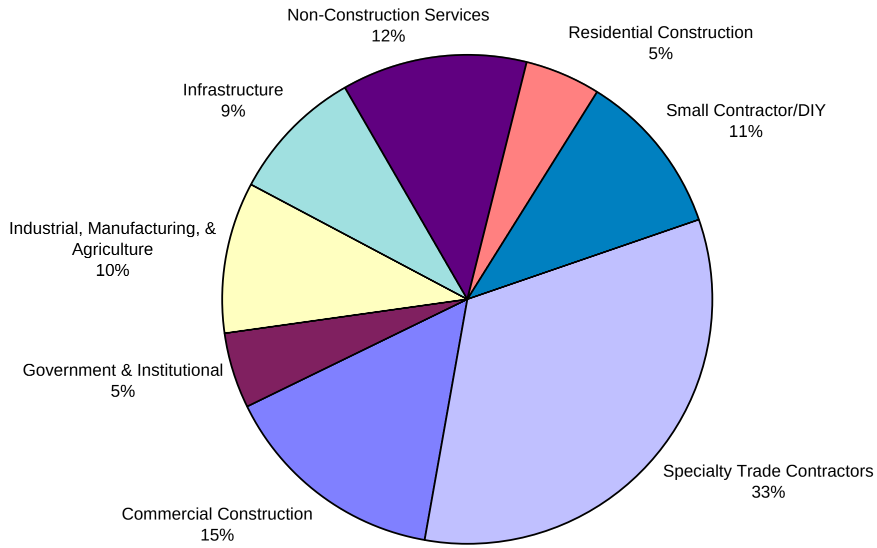
- US market background – RER top 100
- Sunbelt – customers by market segment

US market background – RER top 100

- Rental Equipment Register publishes annually each May a survey of the rental revenues of the top 100 North American rental companies
- Nearly 50 of these see equipment distribution as their basic business model
- The revenues of the 10 largest companies declined 0.5% to $6.4bn in 2003 following a 6% decline in 2002
- There are 24 Caterpillar dealers in the 2003 top 100 with 379 stores
- The 2003 top 100 still reveals a highly diversified market with:
  - Only the top 4 having revenues over $500m per annum
  - Only the top 10 having revenues over $150m per annum
  - Only the top 20 having revenues over $50m per annum
  - Only the top 43 having revenues over $25m per annum
  - Only the top 81 having revenues over $10m per annum

Sunbelt – customers by market segment

Analysis of revenues – year ended April 2004



Number of active accounts	
Commercial construction	6,175
Government & Institutional	5,052
Industrial, Manufacturing, & Agriculture	7,487
Infrastructure	5,236
Non-construction services	12,652
Residential construction	4,671
Small contractor/DIY	186,431
Specialty trade contractors	20,698
Total	**248,402**

Number of contracts written	
Year ended 30 April 2004	**1,063,123**

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

Commercial Construction - office buildings and skyscrapers, industrial buildings, 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

Non-Construction Service Businesses - 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"