ASHTEAD GROUP PLC

Interim results for the 6 months ended 31 October 2003

Ashtead Group is one of the world's leading equipment outsourcers. The Group comprises: Sunbelt Rentals, the fourth largest equipment rental company in the United States; A-Plant, a market leader in the rental of non-operated equipment in the UK; and Ashtead Technology, a world leader in the rental of electronic survey and inspection equipment to the offshore oil and gas industry.

- Improving trading conditions and operating performance in US businesses
- Continued refocusing at A-Plant creating annualised cost savings of c£15 million partially offsetting the effects of the turnover reduction in the first half
- Profit before goodwill, exceptionals and tax of £11.1 million (2002: £14.7 million)
- After exceptional items of £15.1m mainly related to the Group's banking arrangements and goodwill amortisation of £4.5m, the loss before tax was £8.5m (2002: loss of £6.6m)
- Earnings per share of 2.4p (2002: 3.2p) based on the profit before goodwill amortisation and exceptional items, less a notional 30 per cent tax charge. Under FRS 14 the loss per share is 3.4p (2002 – 1.6p)
- Free cash flow* in the first half of £27.8 million (2002: £7.4 million) and £59.3 million in the last twelve months
- Total net debt including the debtors' securitisation at 31 October of £575.5 million (31 October 2002: £649.6 million)

* Cash inflow from operations before exceptional items less net capital expenditure, interest (excluding exceptional interest) and tax

Chief Executive George Burnett said:

"During the six months ended 31 October 2003 the Group completed the independent review of its accounting issues in the US and secured the ongoing support of its banks to January 2005; returned to profit before exceptional charges mainly related to the Group's banking arrangements; and continued to generate significant net free cash flow and to pay down debt.

By disposing of three non-core businesses for 5 times EBITDA, A-Plant has completed its restructuring programme leaving its management free to concentrate on taking the business forward. While a weak dollar will continue to reduce reported sterling debt and turnover levels, the effect on profitability will be more modest. The Board is encouraged by the improved performance in its US businesses, particularly since the equipment rental industry tends to see late cycle recovery. The favourable indicators regarding the current strength of the US economic recovery enables the Board to take a more optimistic view of prospective trading conditions in 2004 and beyond."

PRESS RELEASE

OVERVIEW

During the six months ended 31 October 2003 the Group completed the independent review of its accounting issues in the US and secured the ongoing support of its banks to January 2005; returned to profit before exceptional charges mainly related to the Group's banking arrangements; and continued to generate significant net free cash flow and to pay down debt.

Group profit before goodwill amortisation, exceptional charges and tax was £11.1 million (2002: £14.7 million) and the FRS 3 loss after exceptional items and goodwill amortisation was £8.5 million (2002: £6.6 million). Based on profits before goodwill and exceptional items and a notional 30% tax charge), earnings per share were 2.4p (2002: 3.2p). The actual tax payable is estimated to be only £0.1 million. The FRS 14 loss per share was 3.4p (1.6p). Net free cash flow was £27.8 million compared with £7.4 million in 2002 making a total of £59.3 million over the last 12 months. Total net debt including the debtors' securitisation was £575.5 million (2002: £649.6 million). Sterling turnover, profit and debt figures were all reduced due to the weakness of the dollar.

US – SUNBELT RENTALS

Total dollar revenues increased by $1.2 million (0.4%) to $293.6 million and divisional profit[1] by $0.4 million (1.0%) to $41.3 million. The weakness of the dollar however was such that this underlying growth was translated in sterling terms into a decline in turnover of 5.7% and in operating profit of 5.6% against the same period in the previous year. Year on year rental revenues grew on an increasing scale throughout the period reflecting improved rental rates, while utilisation levels gradually improved to match 2002 levels by October. The net effect was a 1.7% increase in rental revenues over the prior year in Quarter 1, rising to a 4.8% increase in Quarter 2. The lower rate of growth in total revenues reflected lower consumable sales, and lower erection and dismantling income in the Group's scaffolding business.

A comparison of these figures with our peer group in the US indicates that we continued to outperform in terms both of growth in rental revenues and in margin levels. This quarterly analysis also gave encouraging evidence of a general upturn in the US equipment rental market which supplements other improving indicators such as the level of non residential construction, which is now showing year on year growth for the first time in nearly three years.

In geographic terms, four of Sunbelt's five regions were ahead of the same period in the previous year in terms of turnover and contribution while the fifth, the West Coast, has showed considerable progress in the second quarter although still remaining below the same period in the previous year. In terms of product, the pump and power division has shown particularly strong growth, while general tool and aerial work platforms have also made good progress. Scaffolding, where trading conditions have been particularly difficult, has seen an improved performance in recent months.

Capital expenditure was $28.2 million, less than half the prior year figure of $57.4 million. In sterling terms capital expenditure was £16.6 million against £36.7 million in 2002.

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[1] Operating profit before exceptional items and goodwill amortisation

UK - A-PLANT

A-Plant continued its refocusing strategy which since 1 May 2002 has seen the rationalisation of its five support offices into one corporate office and the closure of 39 profit centres. Also, in the past six months the non-core businesses of Big Air and Mast Climbing were disposed of generating total proceeds of £5.0 million and, earlier this month, Ireland was sold for an estimated consideration of £12.1m. The average EBITDA multiple for these disposals was 5 times. In the six months we also sold a number of surplus properties which generated further proceeds of £1.1 million. There was a non-cash charge of £2.9 million in the six months in connection with the refocusing programme which is now substantially complete.

Although annualised cost savings of around £15 million have now been achieved in A-Plant, these were not sufficient to offset the reduction in turnover in the six month period from £95.1 million to £83.5 million with the result that divisional profit fell from £9.7 million in 2002 to £5.6 million in 2003. Capital expenditure remained under tight control. £19.5 million was spent in the period (2002: £16.8 million) while £10.9 million was generated in proceeds from the sale of used rental assets.

A-Plant has now achieved its strategic goal of having three significant businesses with a clear product focus – Main Plant, Tool Hire Shops and Specialist Products. No further material disposals of non-core activities are anticipated. Although turnover declined on a same-store basis by 5.7% in the six month period, major account customers continue to increase in importance to A-Plant. Its top 100 customers accounted for 31.5% of turnover in the period, providing a solid core of customer support at a time when the US accounting issue and its consequences in the UK were an unwelcome distraction to the A-Plant business.

OFFSHORE AND ENVIRONMENTAL – ASHTEAD TECHNOLOGY

Ashtead Technology, our offshore and environmental business, achieved divisional profit ahead of the same period last year in constant currency terms, but in line with last year at £2.1 million in sterling terms. Market conditions in the offshore market were generally difficult throughout the period but the on-shore environmental business in North America, aided by the introduction of rental products already carried by our offshore profit centres, showed encouraging growth given the economic background.

CASH MANAGEMENT

The Group produced a net cash inflow from operations during the period of £80.9 million (2002: £90.4 million) which as a result of lower capital expenditure payments and higher proceeds from disposals resulted in a net free cash flow of £27.8 million compared with £7.4 million in 2002. Debtor days were 55 against 56 in the previous year. Total payments for capital expenditure were £50.8 million (2002: £73.5 million) while £14.2 million was generated from assets sold giving a gain of £1.8 million (2002: loss of £0.3 million). Total debt including the securitisation of debtors stood at £575.5 million (2002: £649.6 million). In addition to any benefits from the weak dollar it is anticipated that debt levels will continue to be reduced through the generation of free cash flow.

REFINANCING

On 30 May 2003, the Group's bankers waived the default which had arisen as a result of accounting problems in Sunbelt and agreed to the extension of the Group's banking facilities to 28 January 2005. We continue to examine options for refinancing these facilities and remain confident, particularly given the favourable indicators we are seeing regarding the strength of the US economic recovery, that we will be able to do so well before January 2005. However, clearly there can be no guarantee that we will be able to refinance and, as time progresses, other options to facilitate repayment of those facilities will of course be considered in parallel.

CURRENT TRADING AND OUTLOOK

In November and December Sunbelt continued to achieve the level of year on year growth in dollar rental revenues seen in the second quarter and an improvement in its comparative sales, and erection and dismantling incomes. A-Plant's like-for-like turnover figures were in line with those achieved in the first half. Ashtead Technology continued to suffer from weak offshore markets in Aberdeen and Singapore but experienced good growth both onshore and offshore in its North American businesses.

A-Plant has completed its restructuring programme leaving its management free to concentrate on taking the business forward. While a weak dollar will continue to reduce reported sterling debt and turnover levels, the effect on profitability will be more modest. The Board is encouraged by the improved performance in its US businesses, particularly since the equipment rental industry tends to see late cycle recovery. The favourable indicators regarding the current strength of the US economic recovery enables the Board to take a more optimistic view of prospective trading conditions in 2004 and beyond.

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There will be a presentation to analysts at 9.30am today at the offices of Panmure at Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA. A copy of the slides and a live webcast of the presentation will be available via the Company's website (www.ashtead-group.com) as well as a playback as soon as practicable after the presentation closes.

ENDS 22 January 2004

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SUPPLEMENTAL FINANCIAL INFORMATION

Divisional performance	Turnover			Profit		
	6 months to 31 October		Year to 30 April	6 months to 31 October		Year to 30 April
	2003	2002	2003	2003	2002	2003
	£m	£m	£m	£m	£m (restated)	£m
Sunbelt Rentals – in $m	293.6	292.4	547.0	41.3	40.9	51.5
Sunbelt Rentals – in £m	179.1	190.0	349.1	25.2	26.7	32.9
A-Plant	83.5	95.1	178.4	5.6	9.7	7.9
Ashtead Technology	6.8	7.1	12.0	2.1	2.1	2.5
Group central costs	-	-	-	(2.7)	(2.6)	(4.2)
Total divisional revenue & profit	269.4	292.2	539.5	30.2	35.9	39.1
Interest payable				(19.1)	(21.2)	(40.9)
Profit/(loss) before taxation, exceptionals and goodwill amortisation				**11.1**	**14.7**	**(1.8)**
Exceptional items				(15.1)	(16.8)	(31.4)
Goodwill amortisation				(4.5)	(4.5)	(9.0)
Loss before tax				**(8.5)**	**(6.6)**	**(42.2)**

Fixed assets – rental equipment additions	6 months to 31 October		Year to 30 April
	2003	2002	2003
	£m	£m	£m
Sunbelt Rentals	14.6	33.9	45.8
A-Plant	18.2	15.0	22.4
Ashtead Technology	1.4	2.3	2.8
Total rental equipment	34.2	51.2	71.0
Other fixed assets	3.4	4.7	14.5
Total additions	37.6	55.9	85.5

Additions in the 6 months to 31 October 2003 were entirely replacement expenditure.

Net debt	At 31 October		At 30 April
	2003	2002	2003
	£m	£m (restated)	£m
Net debt	375.6	435.9	412.6
Finance lease obligations	16.4	25.7	22.4
5.25% unsecured convertible loan note, due 2008	130.2	130.1	129.8
	522.2	591.7	564.8
Non-recourse finance under debtors securitisation	53.3	57.9	57.5
Total net debt	575.5	649.6	622.3

SUPPLEMENTAL FINANCIAL INFORMATION

Summarised cash flow statement	6 months to 31 October 2003 £m	6 months to 31 October 2002 £m	12 months to 31 October 2003 £m	Year to 30 April 2003 £m
EBITDA	84.9	91.7	143.3	150.1
Cash inflow from operations before exceptional items	80.9	90.4	147.8	157.3
*Cash efficiency ratio**	*95.3%*	*98.6%*	*103.1%*	*104.8%*
Capital expenditure	(50.8)	(73.5)	(84.4)	(107.1)
Proceeds from sale of used rental equipment	14.2	12.6	31.0	29.4
Tax (paid)/received	(0.2)	(0.4)	0.9	0.7
Free cash flow before interest	**44.1**	**29.1**	**95.3**	**80.3**
Interest paid	(16.3)	(21.7)	(36.0)	(41.4)
Free cash flow after interest	**27.8**	**7.4**	**59.3**	**38.9**
Acquisitions and disposals	5.0	(0.4)	4.6	(0.8)
Exceptional costs	(10.2)	(1.7)	(16.1)	(7.6)
Dividends paid	-	(9.3)	-	(9.3)
Reduction/(increase) in total debt (including debtors securitisation)	**22.6**	**(4.0)**	**47.8**	**21.2**

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

Operating statistics

	Profit centre numbers			Staff numbers		
	At 31 October 2003	At 31 October 2002	At 30 April 2003	At 31 October 2003	At 31 October 2002	At 30 April 2003
Sunbelt Rentals	199	195	193	3,765	3,847	3,671
A-Plant	231	264	249	2,198	2,552	2,314
Ashtead Technology	8	7	7	76	71	81
Corporate office	-	-	-	12	14	12
Group	438	466	449	6,051	6,484	6,078

Since 31 October 2003, the sale of A-Plant's Irish division has reduced the number of profit centres by 15 to 216.

ASHTEAD GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 31 OCTOBER 2003

	Unaudited 6 months to 31 October		Audited Year to 30 April
	2003	2002	2003
	£m	£m (restated)	£m
Turnover	269.4	292.2	539.5
Cost of sales	(220.7)	(251.1)	(479.8)
Gross profit	48.7	41.1	59.7
Administrative expenses	(26.1)	(22.0)	(50.4)
Goodwill amortisation	(4.5)	(4.5)	(9.0)
Total administrative expenses	(30.6)	(26.5)	(59.4)
Operating profit	18.1	14.6	0.3
Profit on disposal of tangible fixed assets	0.3	-	0.3
Net interest payable and similar charges	(26.9)	(21.2)	(42.8)
Loss on ordinary activities before taxation	(8.5)	(6.6)	(42.2)
Profit/(loss) before taxation, exceptional items and goodwill amortisation	11.1	14.7	(1.8)
Exceptional items	(15.1)	(16.8)	(31.4)
Goodwill amortisation	(4.5)	(4.5)	(9.0)
Loss on ordinary activities before taxation	(8.5)	(6.6)	(42.2)
Taxation on loss on ordinary activities:			
- current tax charge	(0.1)	(0.6)	(0.3)
- deferred tax – current year (charge)/credit	(2.5)	(2.5)	4.8
- deferred tax – prior year credit	-	4.6	4.5
	(2.6)	1.5	9.0
Loss for the financial period transferred to reserves	(11.1)	(5.1)	(33.2)
Basic loss per share	(3.4p)	(1.6p)	(10.3p)
Diluted loss per share	(3.4p)	(1.6p)	(10.3p)

Comparative figures for the six months to 31 October 2002 have been restated as described in note 2.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE SIX MONTHS ENDED 31 OCTOBER 2003

	Unaudited 6 months to 31 October		Audited Year to 30 April
	2003	2002	2003
	£m	£m (restated)	£m
Loss for the financial period	(11.1)	(5.1)	(33.2)
Foreign currency translation differences	0.5	0.2	(0.4)
Total recognised gains and losses for the period	(10.6)	(4.9)	(33.6)

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS FOR THE SIX MONTHS ENDED 31 OCTOBER 2003

	Unaudited 6 months to 31 October		Audited Year to 30 April
	2003	2002	2003
	£m	£m (restated)	£m
Loss for the financial period	(11.1)	(5.1)	(33.2)
Share capital subscribed	-	0.1	0.1
Foreign currency translation differences	0.5	0.2	(0.4)
Net reduction in equity shareholders' funds	(10.6)	(4.8)	(33.5)
At 1 May	161.0	194.5	194.5
Closing equity shareholders' funds	150.4	189.7	161.0

Comparative figures for the six months to 31 October 2002 have been restated as described in note 2.

CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 2003

	Unaudited 31 October 2003	Unaudited 31 October 2002	Audited 30 April 2003
	£m	£m	£m
Fixed assets		(restated)	
Intangible assets			
- goodwill	147.5	156.4	152.0
Tangible assets			
- rental equipment	520.3	633.4	577.5
- other fixed assets	69.7	70.0	74.0
	590.0	703.4	651.5
Investments – own shares held by ESOT	1.6	1.6	1.6
	739.1	861.4	805.1
Current assets			
Stocks	13.8	11.9	11.6
Trade debtors subject to non-recourse financing	88.2	97.6	88.0
Non-recourse financing received	(53.3)	(57.9)	(57.5)
Net trade debtors subject to non-recourse financing	34.9	39.7	30.5
Other trade debtors, prepayments and accrued income	17.2	19.6	16.3
Cash at bank and in hand	18.8	0.4	10.3
	84.7	71.6	68.7
Creditors - amounts falling due within one year			
Bank loans, overdrafts and finance lease obligations	(47.8)	(54.4)	(10.6)
Trade and other creditors	(87.0)	(101.5)	(92.2)
	(134.8)	(155.9)	(102.8)
Net current liabilities	(50.1)	(84.3)	(34.1)
Total assets less current liabilities	689.0	777.1	771.0
Creditors - amounts falling due after more than one year			
Bank and other loans	(353.5)	(394.5)	(415.8)
Finance lease obligations	(9.5)	(13.1)	(18.9)
5.25% unsecured convertible loan note, due 2008	(130.2)	(130.1)	(129.8)
	(493.2)	(537.7)	(564.5)
Provisions for liabilities and charges			
Deferred taxation	(29.9)	(36.3)	(28.6)
Other provisions	(15.5)	(13.4)	(16.9)
	(45.4)	(49.7)	(45.5)
Total net assets	150.4	189.7	161.0
Capital and reserves			
Called up share capital	32.6	32.6	32.6
Share premium account	100.7	100.7	100.7
Revaluation reserve	0.5	0.5	0.5
Profit and loss account	16.6	55.9	27.2
Total equity shareholders' funds	150.4	189.7	161.0

Comparative figures at 31 October 2002 have been restated as described in note 2.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 OCTOBER 2003

	Unaudited 6 months to 31 October 2003 £m	Unaudited 6 months to 31 October 2002 £m (restated)	Audited Year to 30 April 2003 £m
Net cash inflow from operating activities			
Cash inflow before exceptional items	80.9	90.4	157.3
Exceptional items	(6.8)	-	(4.4)
Non-recourse finance (paid)/received under trade debtors securitisation	(2.7)	57.4	57.4
Net cash inflow from operating activities	71.4	147.8	210.3
Returns on investments and servicing of finance			
Interest paid – net	(16.3)	(21.7)	(41.4)
Exceptional costs re bank facility	(3.4)	(1.7)	(3.2)
Net cash outflow from returns on investments and servicing of finance	(19.7)	(23.4)	(44.6)
Taxation (outflow)/inflow	(0.2)	(0.4)	0.7
Capital expenditure			
Purchase of tangible fixed assets	(50.8)	(73.5)	(107.1)
Sale of tangible fixed assets	14.2	12.6	29.4
Net cash outflow from capital expenditure	(36.6)	(60.9)	(77.7)
Acquisitions and disposals inflow/(outflow)	5.0	(0.4)	(0.8)
Equity dividends paid	-	(9.3)	(9.3)
Net cash inflow before financing	19.9	53.4	78.6
Financing			
Issue of ordinary share capital	-	0.1	0.1
Net redemption of loans	(7.4)	(49.6)	(53.9)
Increase in cash collateral balances	(2.3)	-	(3.7)
Capital element of finance lease payments	(5.1)	(2.8)	(11.9)
Net cash outflow from financing	(14.8)	(52.3)	(69.4)
Increase in cash	5.1	1.1	9.2

Comparative figures for the six months to 31 October 2002 have been restated as described in note 2.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 OCTOBER 2003

1. The abridged 2003 profit and loss account, balance sheet and cash flow statement are taken from the statutory accounts for the year ended 30 April 2003 which have been filed with the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain a statement under section 237 of the Companies Act 1985.

2. Accounting policies and adjustments to previously published results

   These interim results have been prepared on the basis of accounting policies set out in the Group's statutory accounts for the year ended 30 April 2003 to which no changes have been made. Adjustments have been made to the previously published interim financial statements for the six months to 31 October 2002 to reflect:

   - the prior year effect of the US accounting issue of £9.4m identified in March 2003 as an exceptional item in the same way as it was treated in the 2002/3 statutory accounts. Additionally the results for the six months to 31 October 2002 have been reduced by £4.3m being the estimated amount by which the accounting issue impacted those interim financial statements;
   - the impact of the change in estimation method for the costs of the self insured element of the US insurance programme implemented in the 2002/3 statutory accounts. This led to an exceptional £7.4m charge relating to the amount by which the provision required at 30 April 2002 exceeded the amount originally provided at that date and to a £2.7m increase in the charge for the 2002/3 year. The interim financial statements for the six months to 31 October 2002 have therefore been adjusted to include the £7.4m exceptional item and by £1.3m being the impact of the new basis for estimating the liability on the profit and loss account for that period;
   - the withdrawal in March 2003 of the interim dividend of £2.0m originally proposed in respect of the six month period ended 31 October 2002.

3. Segmental analysis

   The Group operates one class of business: rental equipment to industrial and commercial users. The segmental analysis by business unit is given below:

	Turnover			Operating profit		
	Unaudited		Audited	Unaudited		Audited
	6 months to 31 October		Year to 30 April	6 months to 31 October		Year to 30 April
	2003	2002	2003	2003	2002	2003
	£m	£m	£m	£m	£m (restated)	£m
Sunbelt Rentals	179.1	190.0	349.1	25.2	26.7	32.9
A-Plant	83.5	95.1	178.4	5.6	9.7	7.9
Ashtead Technology	6.8	7.1	12.0	2.1	2.1	2.5
Group central costs	-	-	-	(2.7)	(2.6)	(4.2)
Group	269.4	292.2	539.5	30.2	35.9	39.1
Exceptional items (Note 5)				(7.6)	(16.8)	(29.8)
Goodwill amortisation				(4.5)	(4.5)	(9.0)
Operating profit				18.1	14.6	0.3

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 OCTOBER 2003 (continued)

3. Segmental analysis (continued)

The segmental analysis by geographic unit is given below:

	Turnover			Operating profit		
	Unaudited 6 months to 31 October		Audited Year to 30 April	Unaudited 6 months to 31 October		Audited Year to 30 April
	2003	2002	2003	2003	2002	2003
	£m	£m	£m	£m	£m (restated)	£m
North America	182.1	192.8	354.4	20.0	6.1	5.5
United Kingdom	86.3	98.2	183.2	(2.1)	8.0	(5.7)
Rest of World	1.0	1.2	1.9	0.2	0.5	0.5
	269.4	292.2	539.5	18.1	14.6	0.3

Net assets:	Unaudited 6 months to 31 October		Audited Year to 30 April
	2003	2002	2003
	£m	£m (restated)	£m
North America	539.7	620.5	588.2
United Kingdom	214.5	253.3	222.2
Rest of World	1.6	1.8	1.5
Central items (net debt, securitisation funding and deferred taxation)	(605.4)	(685.9)	(650.9)
	150.4	189.7	161.0

4. Net interest payable and similar charges

	Unaudited 6 months to 31 October		Audited Year to 30 April
	2003	2002	2003
	£m	£m (restated)	£m
Bank interest payable	12.7	14.4	28.3
Funding cost on trade debtors securitisation	1.6	1.6	2.7
Interest payable on finance leases	0.8	1.3	2.2
Interest on unsecured convertible loan note	4.0	3.9	7.7
	19.1	21.2	40.9
Exceptional costs re bank facility	7.8	-	1.9
	26.9	21.2	42.8

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 OCTOBER 2003 (continued)

5. Exceptional items

	Unaudited 6 months to 31 October 2003 £m	Unaudited 6 months to 31 October 2002 £m (restated)	Audited Year to 30 April 2003 £m
Debt facility costs	11.3	-	7.5
Prior year impact of US accounting issue	-	9.4	9.4
Prior year impact of change in estimation method for US self insurance	-	7.4	7.4
UK business rationalisation	2.9	-	7.4
US deferred income	1.2	-	-
Profit on disposal of tangible fixed assets	(0.3)	-	(0.3)
	15.1	16.8	31.4
These costs are presented in the profit and loss account as follows:			
Revenue	1.2	-	-
Cost of sales	2.9	16.8	22.5
Administrative expenses	3.5	-	7.3
Charged in arriving at operating profits	7.6	16.8	29.8
Interest payable and similar charges	7.8	-	1.9
Profit on disposal of tangible fixed assets	(0.3)	-	(0.3)
	15.1	16.8	31.4

Total exceptional items for the six months ended 31 October 2003 were as follows:

- Debt facility costs of £11.3 million consist of £6.3 million payable in connection with the waiver on May 30, 2003 by the bank group of the default under our existing senior secured credit facility and other debt facilities as a result of the accounting issues at Sunbelt Rentals, £2.7 million of advisory fees related to the waiver of the default and £2.3 million of other costs.

- The charge of £2.9 million related to the U.K. business refocusing program is an adjustment to the non-cash depreciation charge recorded as of April 30, 2003 relating to the restructuring of A-Plant's business and its non-core asset disposal program.

- The US deferred income adjustment of £1.2m reflects an adjustment to the method of determining deferred income at 30 April 2003. Application of the revised method increased the loss for the six months ended 31 October 2003 by £0.2m and is not expected to have any significant impact on the results of future periods.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2003 (continued)

6. The effective rate of tax assumed for the six months ended 31 October 2003 is nil% in the UK and 41.3% in the US. The tax charge for the period has been calculated by applying the Directors' present best estimate of the annual tax rate in each jurisdiction in which the Group operates to the relevant proportion of the profit before tax for the period after adding back goodwill amortisation for which no tax allowance is available.

7. Basic and diluted losses per share for the six months ended 31 October 2003 have been calculated based on the loss attributable to the shareholders of Ashtead Group plc and on the weighted average number of ordinary shares in issue during the period excluding the shares held by the Group's employee share ownership trust as follows:

	Unaudited					
	6 months to 31 October 2003			6 months to 31 October 2002		
	Loss for the financial period £m	Weighted average no of shares	Per share amount pence	Loss for the financial period £m (restated)	Weighted average no of shares	Per share amount pence (restated)
As used in the calculation of basic EPS	(11.1)	322.9	(3.4)	(5.1)	322.6	(1.6)
Outstanding share options	-	-	-	-	0.2	-
As used in the calculation of diluted EPS	(11.1)	322.9	(3.4)	(5.1)	322.8	(1.6)

8. Goodwill

	Unaudited		
	Cost £m	Amortisation £m	NBV £m
At 30 April 2003	178.3	(26.3)	152.0
Amortisation	-	(4.5)	(4.5)
At 31 October 2003	178.3	(30.8)	147.5

9. Fixed assets

	2003 (unaudited)		2002 (unaudited)	
	Rental equipment £m	Total £m	Rental equipment £m	Total £m
Net book value:			(restated)	(restated)
At 1 May	577.5	651.5	678.1	750.9
Exchange difference	(22.2)	(23.9)	(31.1)	(33.7)
Additions	34.2	37.6	51.2	55.9
Disposals	(16.0)	(17.6)	(13.1)	(13.9)
Depreciation				
- excluding exceptional impairment	(50.3)	(54.7)	(51.7)	(55.8)
- exceptional impairment (UK business rationalisation)	(2.9)	(2.9)	-	-
At 31 October	520.3	590.0	633.4	703.4

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 OCTOBER 2003 (continued)

10. Notes to the cash flow statement

a. Cash flow from operating activities

	Unaudited 6 months to 31 October 2003 £m	Unaudited 6 months to 31 October 2002 £m (restated)	Audited Year to 30 April 2003 £m
Operating profit	18.1	14.6	0.3
Exceptional items	7.6	16.8	29.8
Goodwill amortisation	4.5	4.5	9.0
Depreciation excluding exceptional impairment	54.7	55.8	111.0
EBITDA	84.9	91.7	150.1
(Gain)/loss on sale of rental equipment	(1.5)	0.3	(2.7)
(Increase)/decrease in stocks	(2.2)	1.0	1.3
(Increase)/decrease in debtors	(2.2)	(5.0)	5.4
Increase in creditors	1.7	1.8	2.5
Exchange differences	0.2	0.6	0.7
Net cash inflow from operating activities before exceptional items	80.9	90.4	157.3

b. Reconciliation to net debt

	Unaudited 6 months to 31 October 2003 £m	Unaudited 6 months to 31 October 2002 £m (restated)	Audited Year to 30 April 2003 £m
Increase in cash in the period	5.1	1.1	9.2
Increase in cash collateral balances	2.3	-	3.7
Decrease in bank loans	7.4	49.6	53.9
Decrease in finance lease obligations	5.1	-	11.9
Reduction in net debt from cash flows	19.9	50.7	78.7
Translation difference	23.1	28.4	38.3
Non cash movements:			
- 5.25% unsecured convertible loan note	(0.4)	(0.4)	(0.1)
- finance lease obligations	-	4.9	(6.4)
Reduction in net debt in the period	42.6	83.6	110.5
Net debt at 1 May	564.8	675.3	675.3
Net debt at 31 October	522.2	591.7	564.8

11. Bank loan facilities

The Group's principal bank facility is the committed secured multi-currency loan facility entered into at the time of the BET acquisition on 1 June 2000. Following the amendment to the bank agreement agreed on 30 May 2003, the facility now terminates on 28 January 2005, four months earlier than the previous revolver termination date of 31 May 2005. Amortisation of the facility prior to repayment comprises:

1. a \$50m of reduction in revolver commitment at 31 May 2004 which is to be effected by cancelling the remaining undrawn revolver commitment of \$18m and \$32m payable from cash generation over the coming year. The Group has also agreed with the bank group not to use the \$18m undrawn revolver commitment in the period prior to its expiry; and

2. additionally at 31 May 2004 the Group has now committed to make a \$28m amortisation payment to the term loan holders so as to provide them with the same pro rata paydown in 2004 as the revolver banks are due to receive.

The facility is secured by means of fixed and floating charges over substantially all of the Group's assets. Under the terms of the facility, the Group is required to demonstrate compliance with certain financial covenants comprising the ratios of EBITDA to interest and to senior and total debt levels, the ratio of debt levels to the value of tangible assets, a maximum capital expenditure commitment and a minimum cash flow requirement on a quarterly basis. These ratios were reset at the time the banks waived the defaults resulting from the revelation of the US accounting issue and the Board is satisfied that they provide the appropriate financial flexibility.

The Group also has a secured but uncommitted bank overdraft line provided alongside the main secured facility as well as various customary off balance sheet facilities. At 31 October 2003 £5.5m was outstanding under the overdraft facility leaving £5.5m undrawn. Written confirmation has been received from the provider of this facility indicating their intention to continue to make it available until January 2005 so long as the quarterly financial covenants under the main bank facility are met.

The Board considers that the facilities provide adequate funding for the Group and that the anticipated future cash generation, together with current cash balances and undrawn amounts, are sufficient to meet the agreed facility reductions. The Board continues to examine options for refinancing these facilities and remains confident, particularly given the favourable indicators being seen regarding the strength of the US economic recovery, that they will be refinanced well before January 2005. However, clearly there can be no guarantee that the Company will be able to refinance and, as time progresses other options to facilitate repayment of those facilities will of course be considered in parallel.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 OCTOBER 2003 (continued)

12. Post balance sheet events

    On 15 January 2004, the Irish business of A-Plant was sold for an estimated consideration of £12.1m of which £8.2m was paid in cash at closing and the balance will be payable in stages in coming months following agreement of asset values.

13. Copies of this interim statement are being posted to all shareholders. Copies are available on request from the Company Secretary at the Registered Office of the Company at Kings Court, 41/51 Kingston Road, Leatherhead, Surrey KT22 7AP.

INDEPENDENT REVIEW REPORT TO ASHTEAD GROUP PLC

Introduction

We have been instructed by the company to review the financial information which comprises the consolidated profit and loss account, consolidated statement of total recognised gains and losses, consolidated balance sheet, consolidated cash flow statement and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Listing Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Going concern

In arriving at our review conclusion, we have considered the adequacy of disclosures made in the interim financial statements concerning the uncertainty of the continuation of banking facilities beyond 28 January 2005. Details of the circumstances relating to this fundamental uncertainty are described in note 11. Our review conclusion is not qualified in this respect.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 October 2003.

PricewaterhouseCoopers LLP

Chartered Accountants
London, 21 January 2004

Notes:

The maintenance and integrity of the Ashtead Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.