ASHTEAD GROUP PLC

International Equipment Rental

from over 400 locations

Interim results – six months ended 31 October 2003

Welcome

- George Burnett — Chief Executive
- Ian Robson — Finance Director
- Sat Dhaiwal — CEO of A-Plant

Overview

- Improving trading conditions and performance of US businesses
- UK remains more difficult - £15m p.a. taken out of A-Plant's cost base
- Dollar effect – lowers turnover, profits and debt
- Group returns to profit – £11.1m pre-exceptionals (£14.7m)
- Free cash flow of £27.8m (£7.4m) - £59.3m in last 12 months
- Total net debt at 31 October of £575.5m (£649.6m)
- Completion of A-Plant's restructuring – disposals at 5x EBITDA

Summary results

	2003 £m	2002 £m	Change (at comparable rates)	Margins 2003	Margins 2002
Turnover	269.4	292.2	-4%		
EBITDA	84.9	91.7	-3%	31.5%	31.4%
Operating profit *	30.2	35.9	-11%	11.2%	12.3%
Profit before tax *	11.1	14.7	-20%	4.1%	5.0%
ROCE **	7.7%	8.0%			

* Before goodwill amortisation and exceptional items; comparatives have been restated as described in note 2 of the release

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

Cashflow

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	6 months to 31 October 2003 £m	6 months to 31 October 2002 £m (restated)	12 months to 31 October 2003 £m	Year to 30 April 2003 £m
EBITDA	84.9	91.7	143.3	150.1
Net cash inflow from operations	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**

Bank debt and covenants

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	At 31 October 2003 £m	2002 £m (restated)	At 30 April 2003 £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
Last 12 months EBITDA*	143.3	172.4	150.1
Last 12 months interest*	38.8	44.8	40.9
LTM EBITDA to total net debt	4.0x	3.8x	4.1x
LTM EBITDA to interest	3.7x	3.8x	3.7x

* excluding exceptional items

Selected financial data

	At 31 October 2003 £m	At 31 October 2002 £m	At 30 April 2003 £m
Capital expenditure:			
Total additions	37.6	55.9	85.5
Disposal proceeds	(14.2)	(12.6)	(29.4)
Net capital expenditure	23.4	43.3	56.1
	Months	Months	Months
Fleet age:			
Sunbelt: - aerial work platforms & high reach forklifts	60	50	57
- all other equipment	44	35	40
- overall	53	44	48
A-Plant	48	45	50
Total group	51	45	49
	Days	Days	Days
Debtors days	55	56	60

Sunbelt – performance summary

	2003 $m	2002 $m	Change	2003 £m	2002 £m	Change
Revenues	293.6	292.4	+0.4%	179.1	190.0	-5.7%
EBITDA	94.1	92.2	+2.1%	57.4	60.0	-4.3%
	32.0%	*31.5%*		*32.0%*	*31.5%*	
Operating profit	41.3	40.9	+1.0%	25.2	26.7	-5.6%
	14.1%	*14.0%*		*14.1%*	*14.0%*	
Net assets	876.9	929.1	-5.6%	534.3	616.1	-13.3%
ROI	*9.2%*	*8.7%*		*9.0%*	*8.4%*	

Sunbelt – performance review

- Rental revenues - up 1.7% in Q1 and 4.8% in Q2
- Regional performance - 4 out of 5 regions up year on year
- Product performance - General tool, AWP, P&P – margins up
  Scaffolding – margins down
- Q2 improvement in West Coast and Scaffolding
- Pricing - rental rates now moving forward
- Utilisation - chart attached

Sunbelt – utilisation rates 2000/1 – 2003/4

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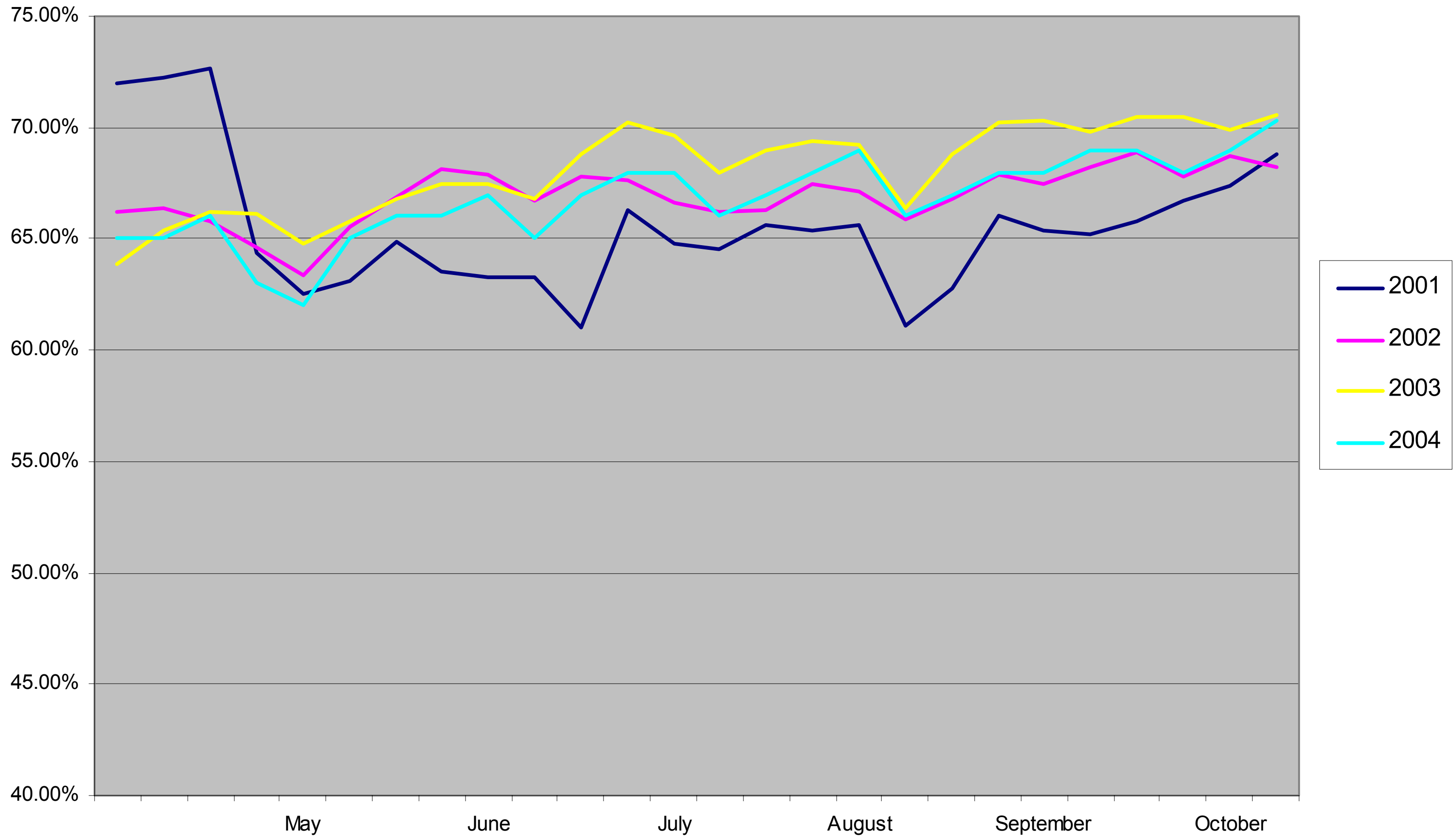

Sunbelt – US economic data

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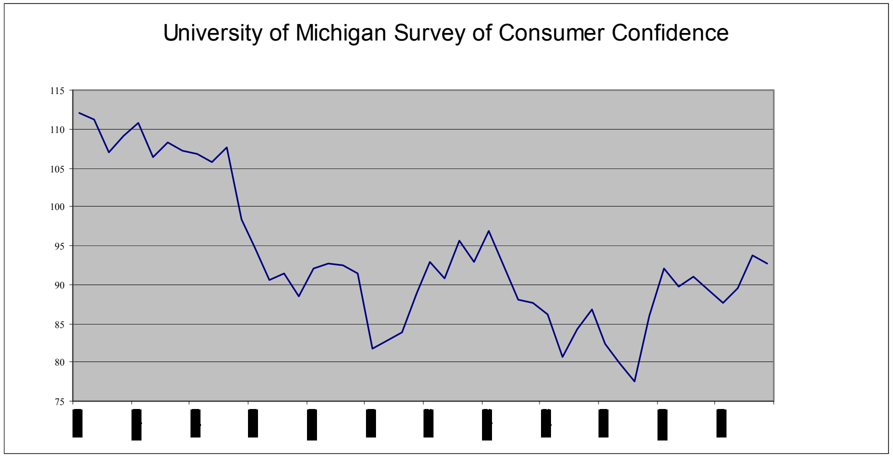

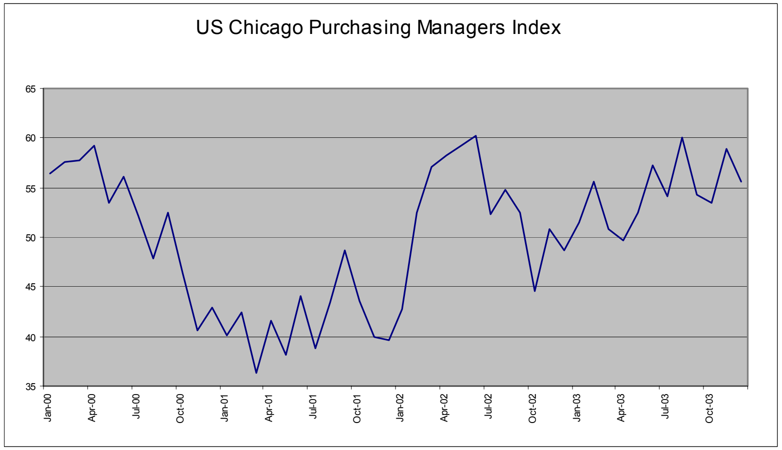

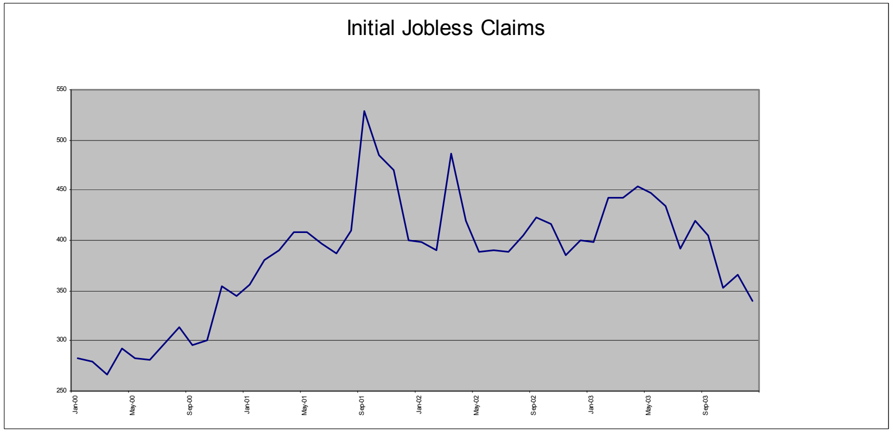

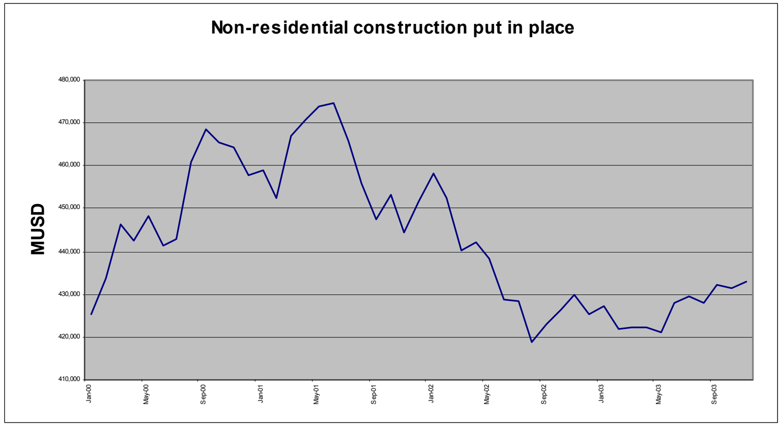

Sunbelt – competitor performance

	Revenue growth Q1	Revenue growth Q2	Operating profit growth
Sunbelt	+1.7%	+4.8%	+1.0%
United Rentals	-0.2%	+1.7%	-17.7%
Rental Service (Atlas Copco)	-4.0%	+2.0%	n/a
Hertz	-1.2%	+1.0%	nil%
National Equipment Services	-4.3%	-5.5%	-58.5%

Notes

1) Based on data for the 6 months ended 31 Oct 2003 for Sunbelt and the 6 months ended 30 September 2003 for competitors
2) Revenue growth is growth in rental revenues except for Hertz where only total revenues are published
3) Operating profit data in US dollars is not available for Rental Service. Its rental revenue growth comprises a published - 4% in US dollars for its Q2 and +2% in dollars for its Q3

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Sunbelt – management actions

- Controlled capex - $28.2m ($57.4m) – funds available for Q4 push
- Fleet reconfiguration continues
- New products
- Roll out of merchandising programme
- Profit centre changes
- Finance team significantly strengthened
- Strong performance by senior management team

A-Plant – performance summary

	2003 £m	2002 £m	Change
Revenues	83.5	95.1	-12.2%
EBITDA	26.5	30.4	-12.8%
	31.7%	*32.0%*	
Operating profit	5.6	9.7	-42.3%
	6.7%	*10.2%*	
Net assets	210.9	246.4	-14.4%
Return on investment	*5.2%*	*7.9%*	

A-Plant – performance review

- Distractions earlier in the year
- Non core business disposal complete
- Final stage of restructuring implemented
- Cost reduction
- Controlled expenditure
- Growth in Major accounts business

A-Plant - outlook

- Market demand will continue to be reasonable
- Focused business in the UK with targeted management team
- Improvement actions now starting to show benefits
- Total emphasis on sales & customer service
- Major accounts business continues to grow

Ashtead Technology– performance summary

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	2003 £m	2002 £m	Change at comparable rates
Revenues	6.8	7.1	-0.5%
EBITDA	3.7	3.9	-1.6%
	54.4%	*54.9%*	
Operating profit	2.1	2.1	+1.1%
	30.9%	*29.6%*	
Net assets	11.1	13.1	
Return on investment	*37.5%*	*32.3%*	

Ashtead Technology

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- Profit performance in line with last year
- H1 offshore trading conditions difficult
- Good performance by North American environmental business
- New opening/new products
- Benefits of improving US economy
- Offshore moving to deep water exploration

Current trading

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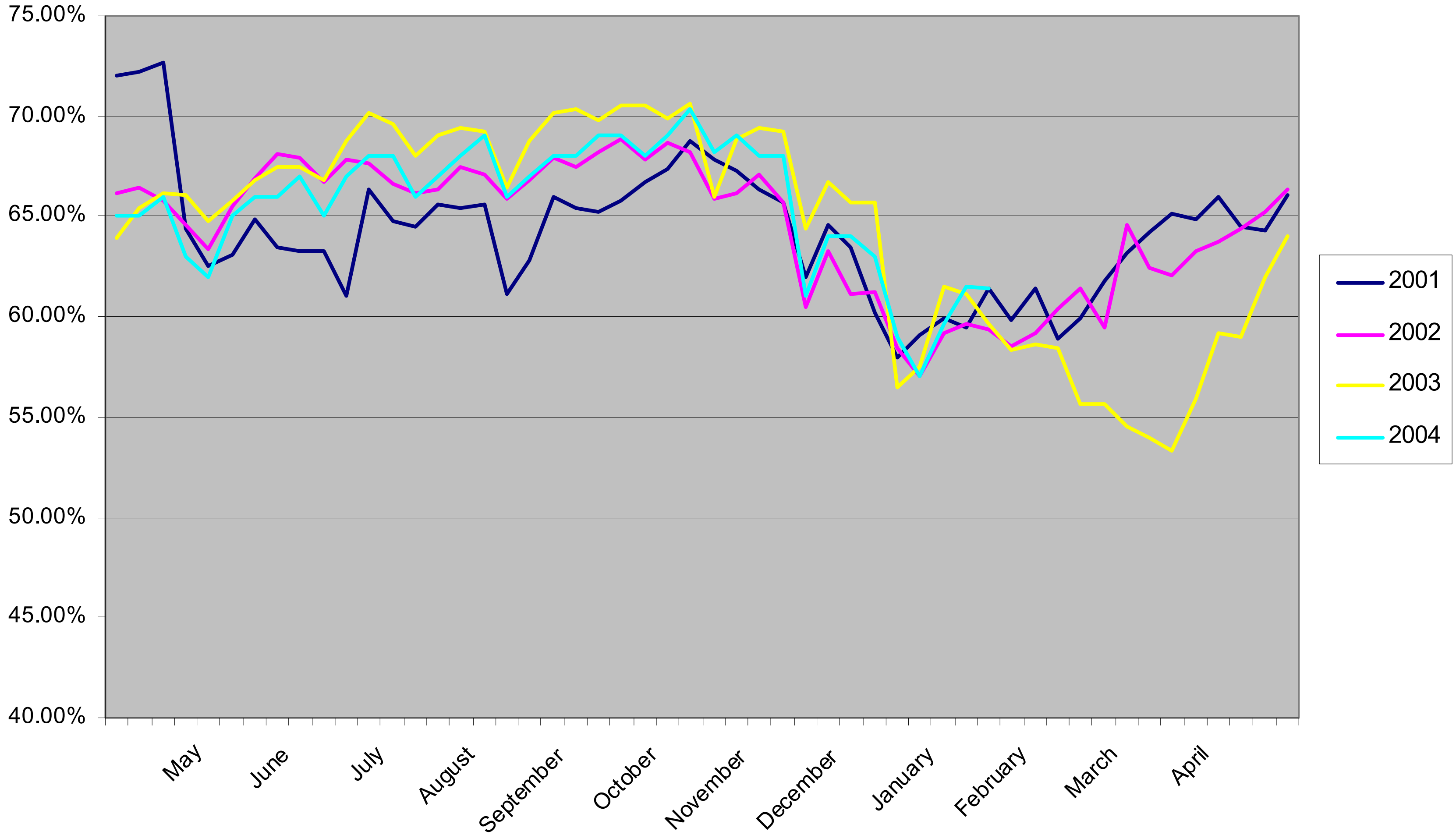
- A-Plant now close to matching last year's performance
- Sale of Ireland concludes its restructuring (5 times EBITDA)
- Technology continues in line with last year
- Sunbelt - Q2 uplift in performance has continued
- US pricing and utilisation trends remain key (attached)

Current trading – Sunbelt utilisation to 19 January



Outlook

- Continued generation of free cash flow and reduction of debt
- Continue to expect to refinance well before January 2005
- A-Plant – sole focus is now on taking business forward
- Dollar effect on debt, turnover and, to a more limited extent, profit
- Favourable indicators – "more optimistic view of trading conditions in 2004 and beyond"