ASHTEAD GROUP PLC

International Equipment Rental

from 435 locations

First quarter results – three months ended 31 July 2004

Welcome

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

Overview

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- Both main businesses performed strongly in the quarter
- Dollar translation impact – lowers turnover, profits and debt
- Pre-tax & goodwill profit of £5.7m up from £1.6m in 2003
- US market continues to improve – 44% growth in Sunbelt's divisional profit
- A-Plant moving forward – divisional profit trebles to £3.0m (2003 – £1.0m)
- Outlook remains positive

Summary results

	2004 £m	2003 £m	Change (at comparable rates)	Margins 2004	Margins 2003
▪ Turnover	129.9	132.5	+5%		
▪ EBITDA +	39.9	38.8	+11%	30.7%	29.3%
▪ Operating profit +	15.9	11.6	+51%	12.2%	8.8%
▪ Profit before tax +	5.7	1.6	+470%	4.4%	1.2%
▪ EPS (based on 30% imputed tax) +	1.2p	0.3p			
▪ Return on capital employed*	8.3%	4.7%			

+ Before goodwill amortisation and, in 2003, exceptional items

* Last twelve months (LTM) operating profit divided by weighted average capital employed (net tangible assets plus net debt and deferred tax)

Divisional quarterly performance

	Turnover		EBITDA		Profit	
	2004	2003	2004	2003	2004	2003
	£m	£m	£m	£m	£m	£m
Sunbelt Rentals $m	160.2	143.2	51.3	44.0	25.2	17.5
Sunbelt Rentals £m	87.9	87.7	28.2	26.9	13.8	10.7
A-Plant	39.0	41.4	11.9	11.1	3.0	1.0
Ashtead Technology	3.0	3.4	1.5	1.8	0.7	1.0
Group central costs	-	-	(1.7)	(1.0)	(1.6)	(1.1)
	129.9	132.5	39.9	38.8	15.9	11.6
Interest					(10.2)	(10.0)
Profit before goodwill amortisation and, in 2003, exceptional items					**5.7**	**1.6**

Capital expenditure

	2004 Growth £m	2004 Maintenance £m	2004 Total £m	2003 Total £m
Sunbelt Rentals $m	12.7	17.1	29.8	9.3
Sunbelt Rentals £m	7.0	9.4	16.4	5.8
A-Plant	5.9	6.6	12.5	7.2
Ashtead Technology	1.2	0.2	1.4	1.0
Total rental equipment	14.1	16.2	30.3	14.0
Other fixed assets			1.3	1.8
Total additions			31.6	15.8

Cashflow

	31 July 2004	31 July 2003	LTM to 31 July 2004	Year to 30 April 2004
	£m	£m	£m	£m
EBITDA before exceptionals	39.9	38.8	148.1	147.0
Cash inflow from operations before exceptionals	30.8	37.9	132.9	140.0
Cash efficiency ratio	*77.2%*	*97.7%*	*89.7%*	*95.2%*
Maintenance capital expenditure	(24.5)	(22.9)	(84.5)	(82.9)
Proceeds from sale of used rental equipment	7.1	6.8	32.6	32.3
Tax (paid)/received	(0.3)	0.4	(0.6)	0.1
Free cash flow before interest	13.1	22.2	80.4	89.5
Interest paid	(2.1)	(6.5)	(28.5)	(32.9)
Free cash flow after interest	**11.0**	**15.7**	**51.9**	**56.6**
Growth capital expenditure	(2.8)	0.0	(2.8)	0.0
Acquisitions and disposals	0.0	4.2	11.0	15.2
Exceptional costs	(3.7)	(5.6)	(16.3)	(18.2)
Reduction in total debt	4.5	14.3	43.8	53.6

Bank debt and covenants

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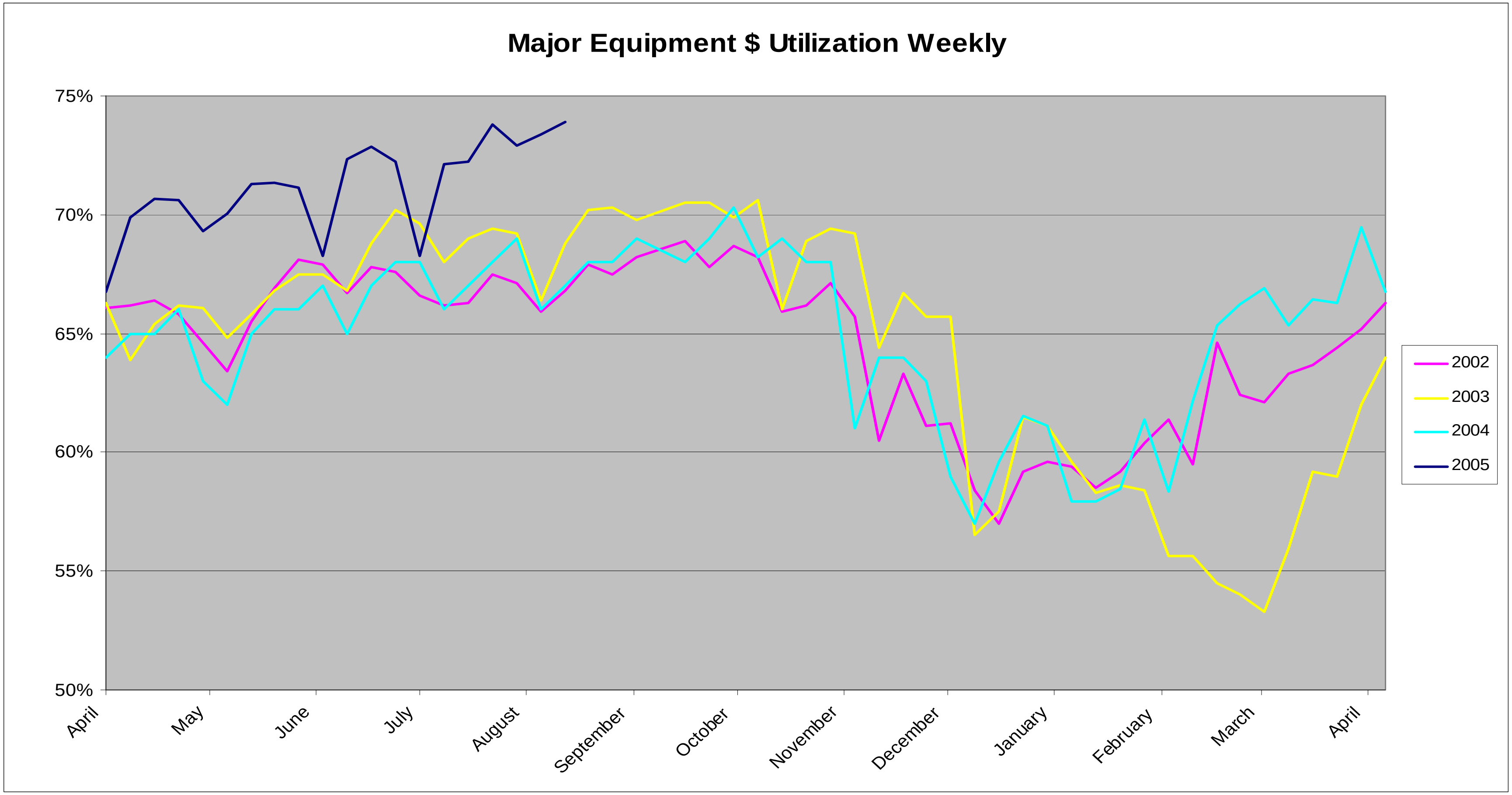
	31 July 2004 £m	31 July 2003 £m	30 April 2004 £m
First priority senior secured bank debt and overdraft	217.8	417.4	226.1
Finance lease obligations	9.1	19.3	12.1
Second priority senior secured notes, due 2014	115.6	-	115.6
Unsecured convertible loan note, due 2008	130.7	130.0	130.6
	473.2	566.7	484.4
Cash at bank and in hand	(11.6)	(16.4)	(9.9)
	461.6	550.3	474.5
Non-recourse finance under debtors securitisation	55.1	55.5	52.2
Total net debt	516.7	605.8	526.7
Last 12 months EBITDA before exceptional items	148.1	143.4	147.0
Last 12 months interest before exceptional costs	36.8	40.2	36.6
First priority senior secured debt to EBITDA	1.5x	2.9x	1.6x
Total net debt to EBITDA	3.5x	4.2x	3.6x
EBITDA to interest	4.0x	3.6x	4.0x

Sunbelt – results

	2004 $m	2003 $m	Change	2004 £m	2003 £m	Change
Turnover	160.2	143.2	11.9%	87.9	87.7	0.2%
EBITDA	51.3	44.0	16.6%	28.2	26.9	4.8%
Margin	*32.0%*	*30.7%*		*32.0%*	*30.7%*	
Operating profit	25.2	17.5	44.0%	13.8	10.7	29.0%
Margin	*15.7%*	*12.2%*		*15.7%*	*12.2%*	
Net assets	822.0	892.6	-4.8%	475.8	565.3	-15.8%
ROI	*13.3%*	*6.6%*				

Sunbelt – utilisation at record levels post BET



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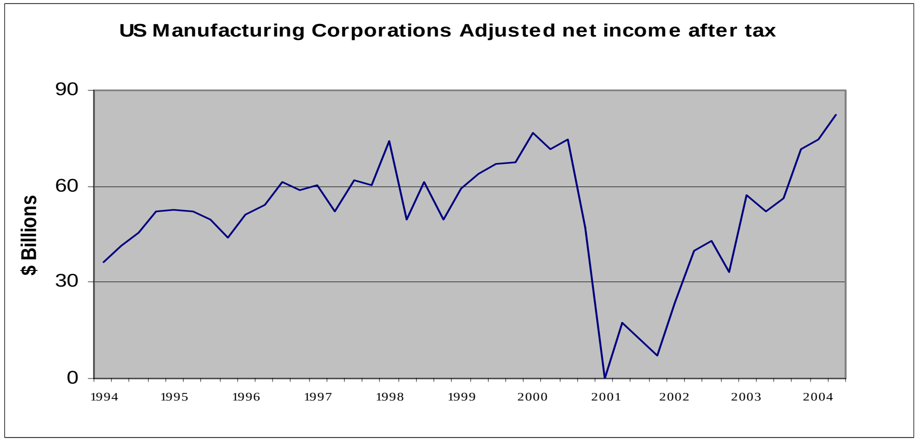
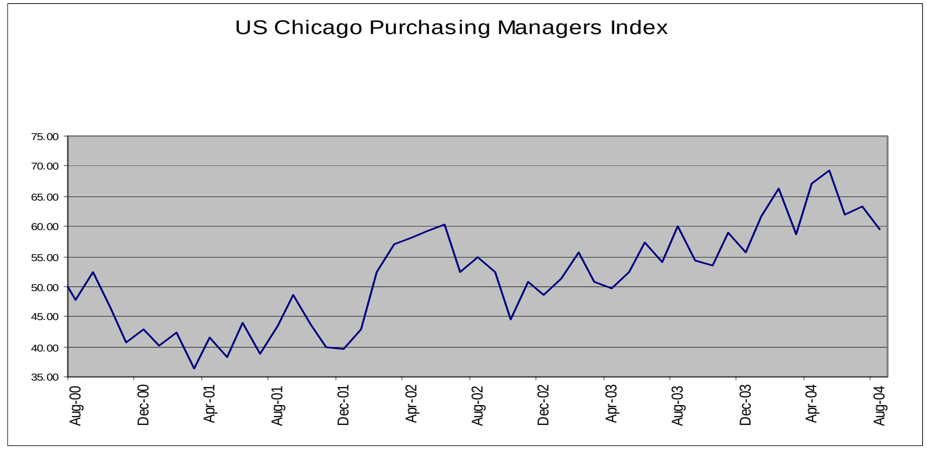
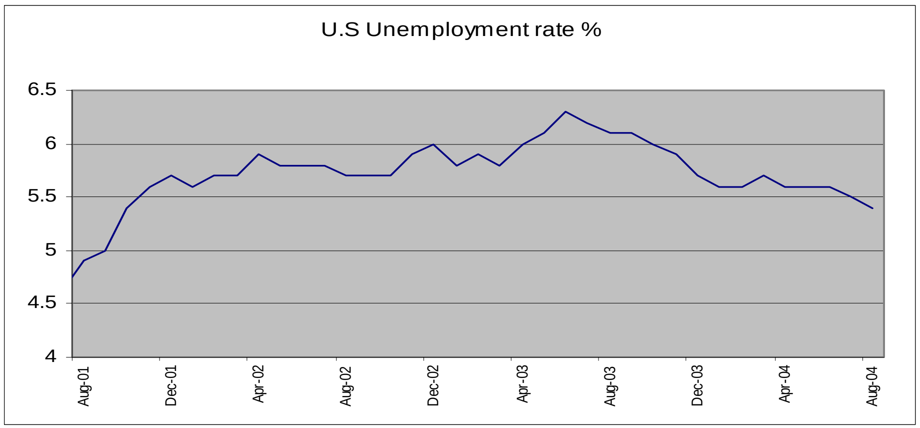
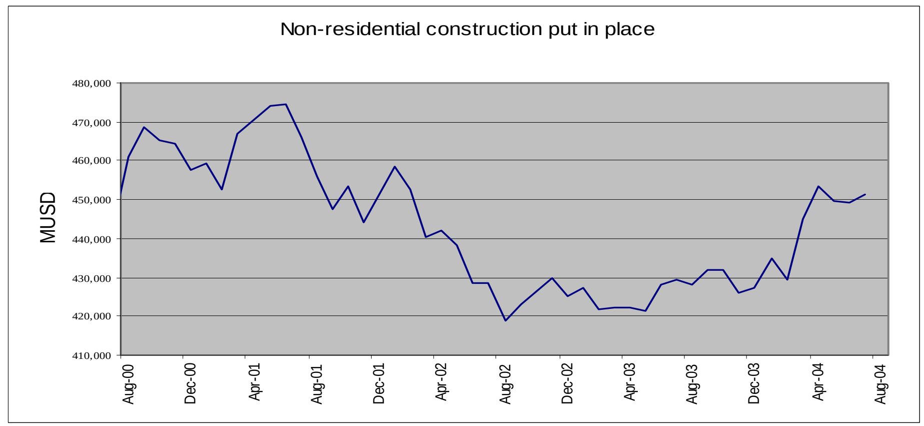
Sunbelt – improving market conditions









Sunbelt – above average performance

Growth in rental revenues	Q2 2003	Q3 2003	Q4 2003	Q1 2004	Q2 2004
United Rentals	-0.2%	+1.7%	+3.0%	+5.3%	+3.5%
Atlas Copco (RSC)	-4.0%	+2.0%	+2.0%	+6.0%	+8.0%
Hertz	-1.2%	+1.0%	+6.1%	+4.6%	+8.9%
Sunbelt	**+1.7%**	**+4.8%**	**+3.4%**	**+12.0%**	**+11.1%**
NES Rentals	-4.3%	-5.5%	-10.4%	-7.2%	-2.7%
NationsRent	n/a	n/a	+9.7%	+9.5%	+8.2%
Head & Engquist	-10.6%	-8.2%	-9.4%	-3.8%	+3.3%

Notes:
1. Source – company filings and press releases. For Ashtead we use the nearest equivalent to the calendar quarters reported by the other companies who all have 31 December year ends.

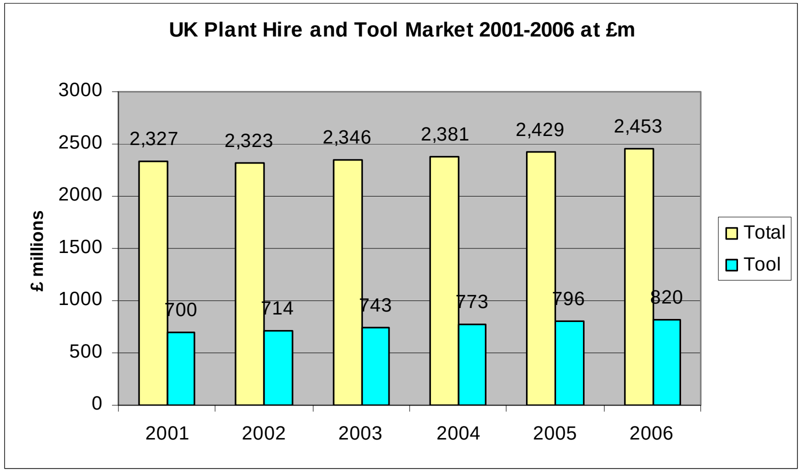
Sunbelt – operating developments

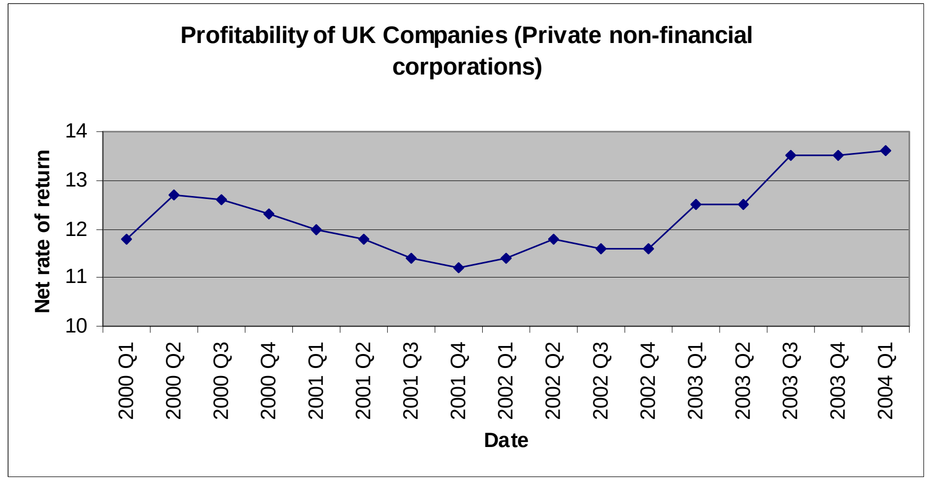
- Both rental rates and utilisation improve
- New regional management structure introduced following promotion of Cliff Miller
- Fleet replacement programme ran behind budget in Q1 due to delayed deliveries but will catch up over the remainder of the year
- Growth expenditure concentrated mainly at existing stores but still expect there will be 3 new openings over the year
- Clean-up after Hurricanes Charley and Frances is providing additional work in Florida. Further work is likely following Hurricane Ivan
- Q1 performance of good growth in revenues and profits expected to continue

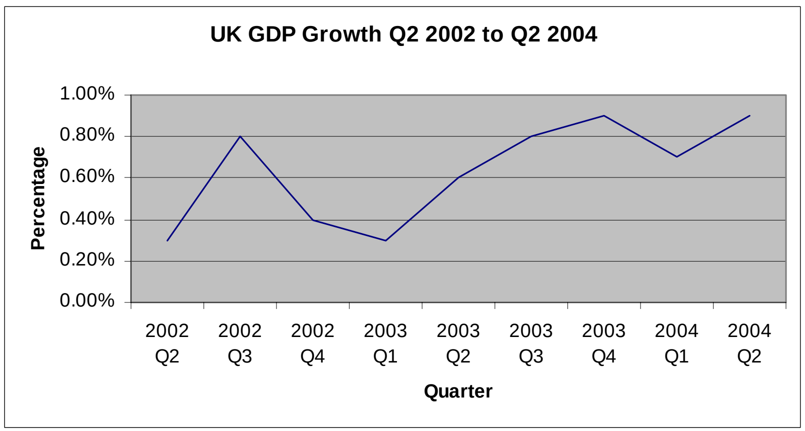
A-Plant – results

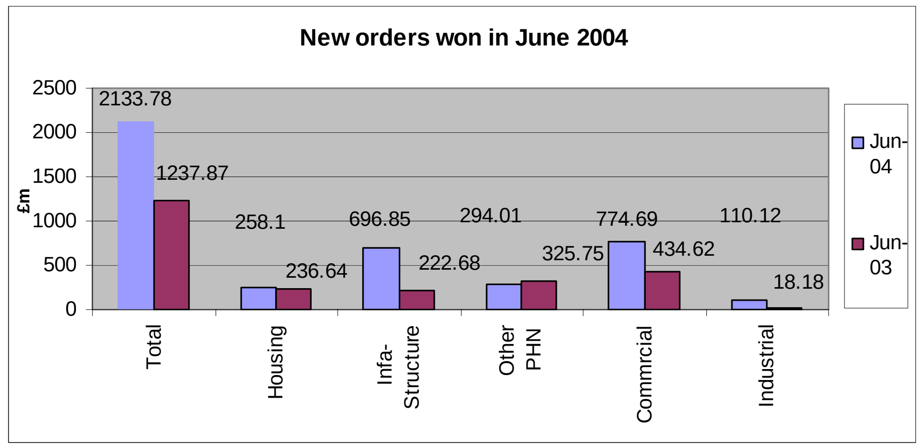
	2004 £m	2003 £m	Change	
				Same store
Turnover	39.0	41.4	-5.8%	revenues 1.9%
EBITDA	11.9	11.1	7.2%	
Margin	*30.5%*	*26.8%*		
Operating profit	3.0	1.0	200%	
Margin	*7.7%*	*2.4%*		
Net assets	190.3	209.6	-9.2%	
Return on investment	*3.0%*	*2.5%*		

A–Plant – stable market conditions

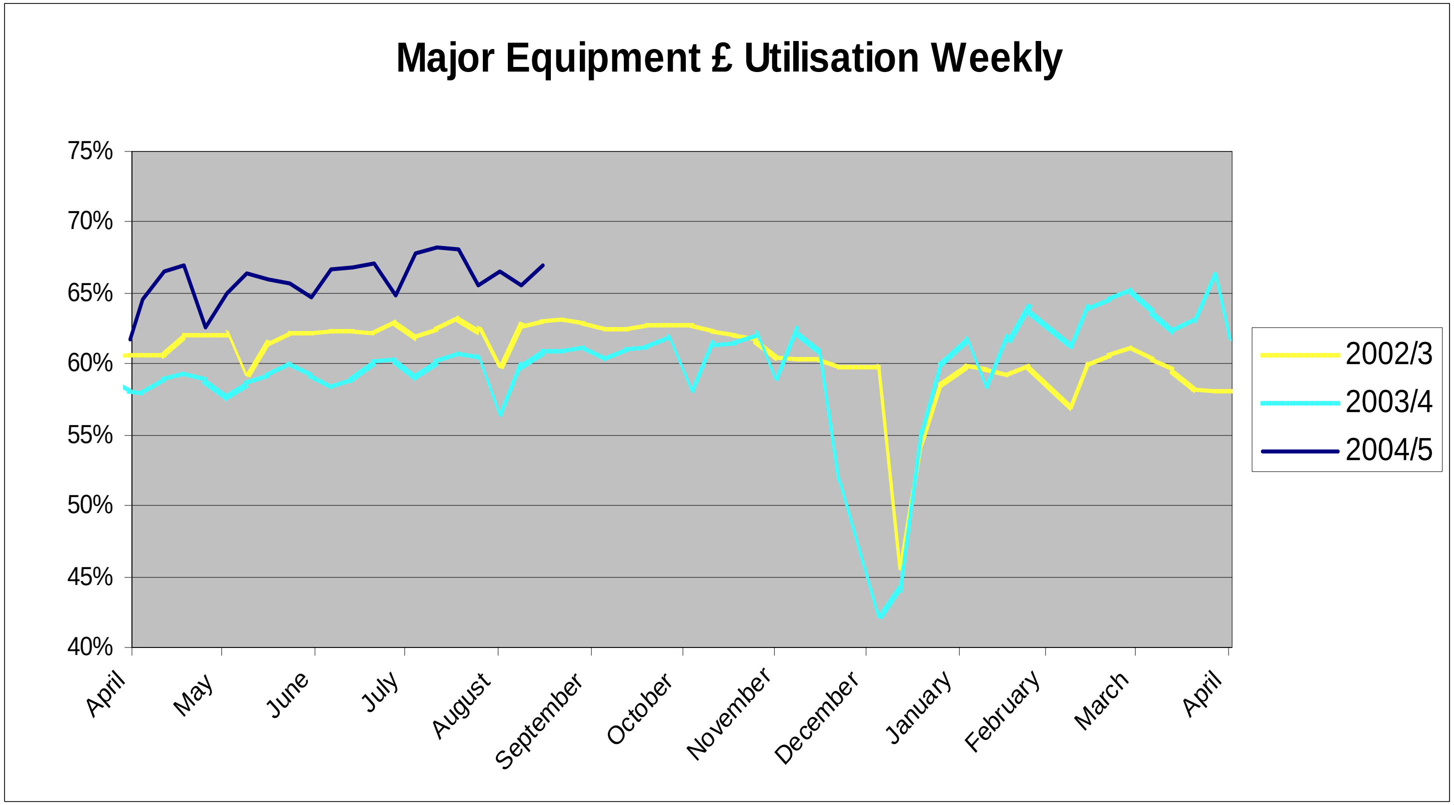








A-Plant – growing utilisation rates



A-Plant – operating developments

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- Return to same store growth
- Increased confidence and the end of the UK refocussing programme last January has now brought a material improvement in A-Plant’s performance
- Improved operating efficiency; rental rates stable
- Return to growth in local markets
- UK construction outlook remains healthy but rental sector still competitive
- Strong management of costs remains in place
- Whilst there is much more to be done – the short term outlook is positive

Ashtead Technology– results

	2004	2003	Change
	£m	£m	(at constant rates)
Turnover	3.0	3.4	-7.6%
EBITDA	1.5	1.8	-15.8%
Margin	*50.0%*	*52.9%*	
Operating profit	0.7	1.0	-23.6%
Margin	*23.3%*	*29.4%*	
Net assets	10.7	11.6	-3.8%
Return on investment	*28.7%*	*24.4%*	

Current trading and outlook

- Underlying trading trends are positive in both main businesses
- The continued weakness of the US dollar and rising dollar interest rates (albeit we are c60% fixed) may continue to adversely affect pre-tax profit growth
- However, the Board looks forward to reporting further progress