ASHTEAD GROUP PLC

International Equipment Rental

from 419 locations

Quarter 1 Results - 31 July 2005

Welcome

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

Overview

- All three divisions deliver a strong Q1 performance
- Group pre-tax profit of £12.3m - 2.5 times 2004's £4.9m
- Cash tax earnings per share of 3.7p (2004 - 1.5p)
- Capital reorganisation announced in July successfully concluded
- Strong market conditions continue in the US – hurricane Katrina effect
- Ten rental stores acquired in US and two greenfields opened since year - continues our strategy of clustering major markets
- Successful outcome for the year anticipated

Summary results

	2005	2004	Change	Margins	
	£m	£m	(at comparable rates)	2005	2004
■ Revenue	145.9	129.9	+12%		
■ EBITDA	51.1	41.7	+22%	35.0%	32.1%
■ Operating profit	24.4	16.0	+51%	16.7%	12.3%
■ Profit before tax	12.3	4.9	up 2.5x	8.4%	3.8%
■ Cash tax EPS +	3.7p	1.5p			
■ Return on capital employed*	13.2%	8.1%			

\+ Before deferred taxes

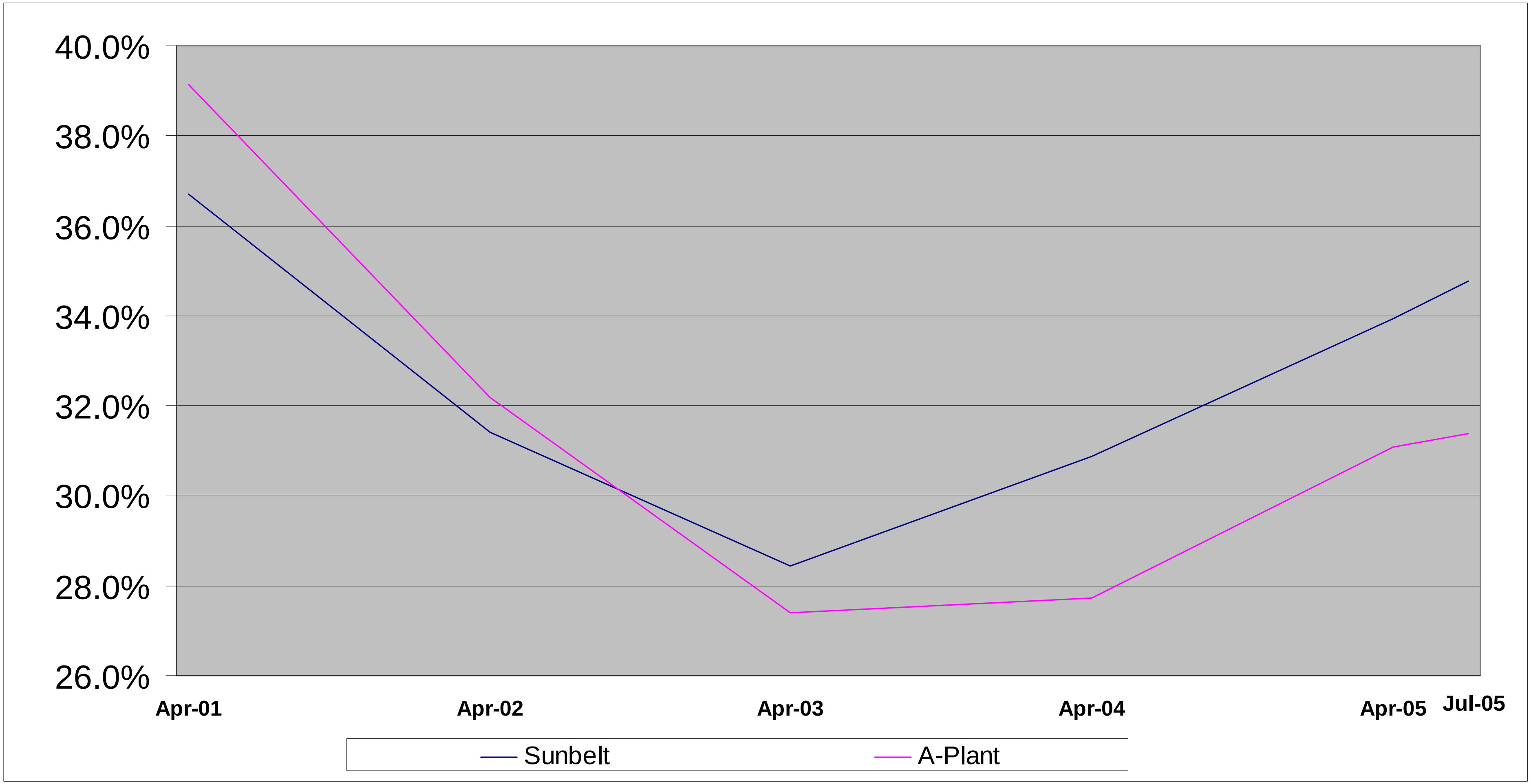
* Last twelve months (LTM) operating profit divided by weighted average capital employed (net tangible assets plus net debt, pension fund deficit and deferred tax)

Revenue growth drivers

	Sunbelt	A-Plant
Average fleet size	+5.1%	-2.8%
Utilisation	-0.3%	-3.1%
Price	+11.3%	+5.2%
Total rental revenue	+16.5%	-0.9%
Sales & ancillary revenues	+0.1%	+0.4%
Total revenues	+16.6%	-0.5%

Looking forward, all three drivers can benefit UK rental revenue growth whereas in the US increased fleet size and price will predominate

LTM EBITDA margin trends



Capital expenditure

	2005 Growth	Maintenance	Total	2004 Total
Sunbelt Rentals in $m	27.6	37.2	64.8	29.8
Sunbelt Rentals in £m	15.7	21.1	36.8	16.4
A-Plant	11.1	5.8	16.9	12.5
Ashtead Technology	1.4	0.3	1.7	1.4
Total rental equipment	28.2	27.2	55.4	30.3
Other fixed assets			6.1	4.1
Total additions			61.5	34.4

Gross capital expenditure for next year now expected to be in the region of £180m

Cashflow

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	Three months to 31 July 2005	2004	LTM to July '05
	£m	£m	£m
EBITDA before exceptional items	51.1	41.7	178.9
Cash inflow from operations	38.3	32.7	170.4
Cash efficiency ratio	*75.0%*	*78.4%*	*95.2%*
Maintenance capital expenditure	(38.1)	(24.5)	(114.6)
Proceeds from sale of used rental equipment	10.8	7.1	39.6
Tax paid	(0.1)	(0.3)	(0.4)
Free cash flow before interest	10.9	15.0	95.0
Financing costs paid	(11.2)	(2.4)	(39.0)
Free cash flow after interest	**(0.3)**	**12.6**	**56.0**
Growth capital expenditure	(13.7)	(2.8)	(21.1)
Acquisitions and disposals	(2.0)	-	(1.5)
Issue of ordinary share capital	0.3	-	0.4
Non recurring refinancing costs paid	-	(3.7)	(2.0)
(Increase)/reduction in total debt	(15.7)	6.1	31.8

Bank debt

	£m
Net debt at 30 April 2005 (under IAS)	482.3
Exchange movement	14.7
Opening net debt at closing rates of exchange	497.0
Increase in net debt from cash flow	15.7
Other non-cash movements	5.8
Net debt at 31 July 2005	**518.5**
Net debt at 31 July 2004 – at 31 July 2005 exchange rates	532.6
Availability under ABL facility	$m
- at 30 April 2005	156.7
- at 31 July 2005	175.4
Key ratios	
First priority senior secured debt to EBITDA	1.4x
Total net debt to EBITDA	2.9x
EBITDA to interest	3.9x

Impact of capital reorganisation

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	At 31 July 2005			Interest
	Actual	Adjustments	Pro forma	rate
	£m	£m	£m	
First priority senior secured bank debt and overdraft	249.8	(26.4)	223.4	6.0%
Finance lease obligations	32.5	-	32.5	7.0%
12% second priority senior secured notes, due 2014	115.9	(40.6)	75.3	12.0%
8.625% second priority senior secured notes due 2015	-	137.0	137.0	8.6%
5.25% unsecured convertible loan note, due 2008	121.5	(121.5)	-	
	519.7	(51.5)	468.2	7.8%
Cash at bank and in hand	(1.2)	-	(1.2)	
Total net debt	**518.5**	**(51.5)**	**467.0**	**7.8%**
Last 12 months EBITDA	178.9		178.9	
Last 12 months interest	45.7	(6.2)	39.5	
First priority senior secured debt to EBITDA	1.4x		1.2x	
Total net debt to EBITDA	**2.9x**		**2.6x**	
EBITDA to interest	3.9x		4.5x	
Availability	175.4	46.5	221.9	

Sunbelt – results

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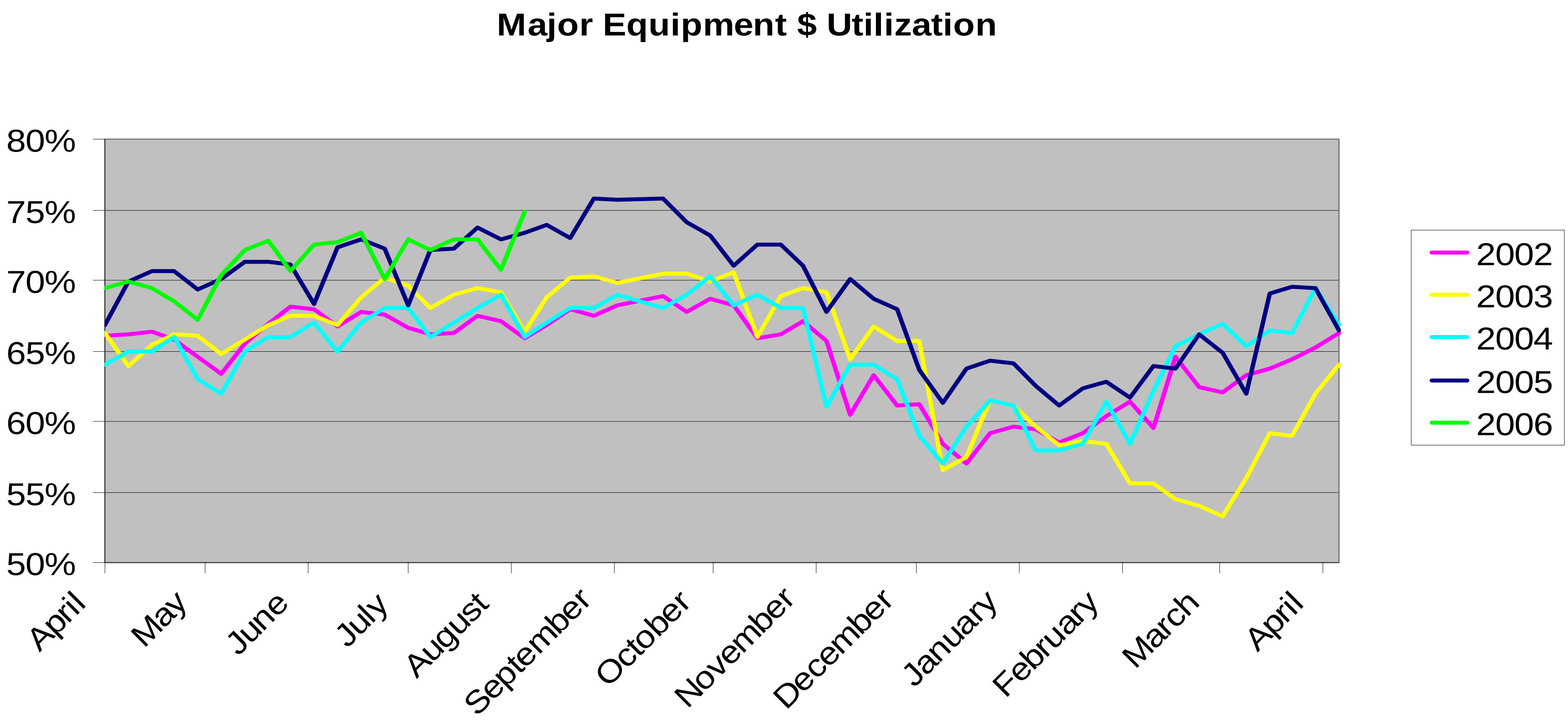
	2005 $m	2004 $m	Change	2005 £m	2004 £m	Change
Revenue	186.8	160.2	+16.6%	103.3	87.9	+17.5%
EBITDA	69.0	54.2	+27.3%	38.2	29.7	+28.6%
Margin	*36.9%*	*33.8%*		*36.9%*	*33.8%*	
Operating profit	38.6	25.6	+50.8%	21.3	14.1	+51.1%
Margin	*20.7%*	*16.0%*		*20.7%*	*16.0%*	
Net tangible assets	703.7	663.5	+6.1%	399.7	364.9	+9.5%
ROI	*17.7%*	*12.0%*				

Sunbelt – utilisation continues at high levels



Sunbelt – US market conditions remain strong

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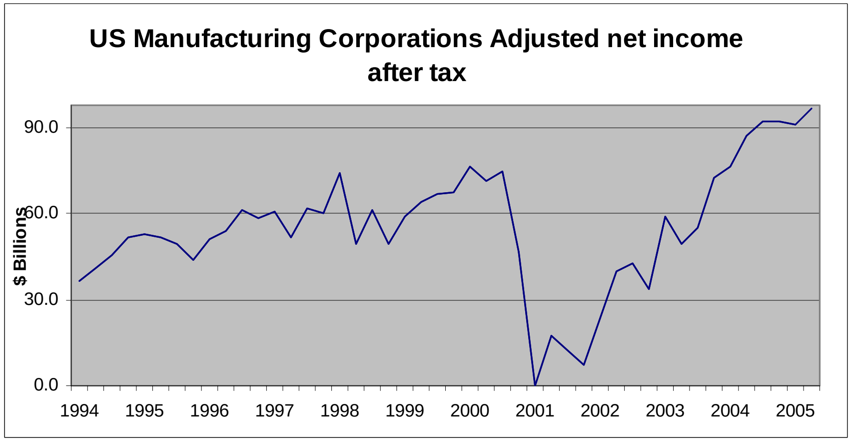

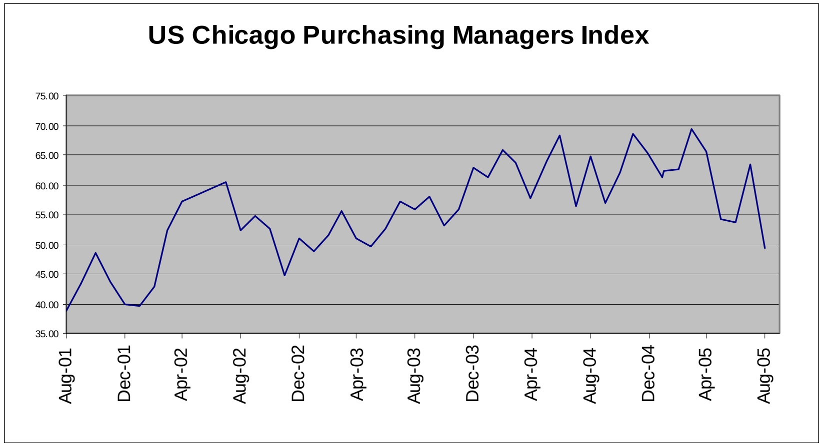

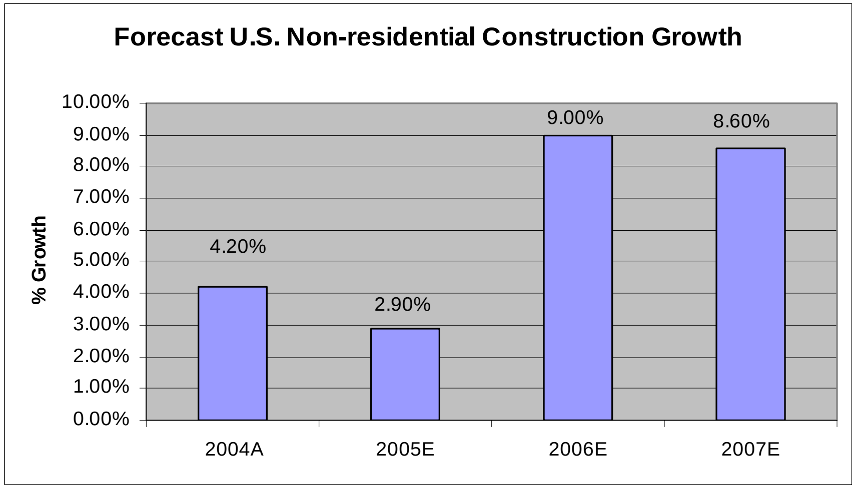

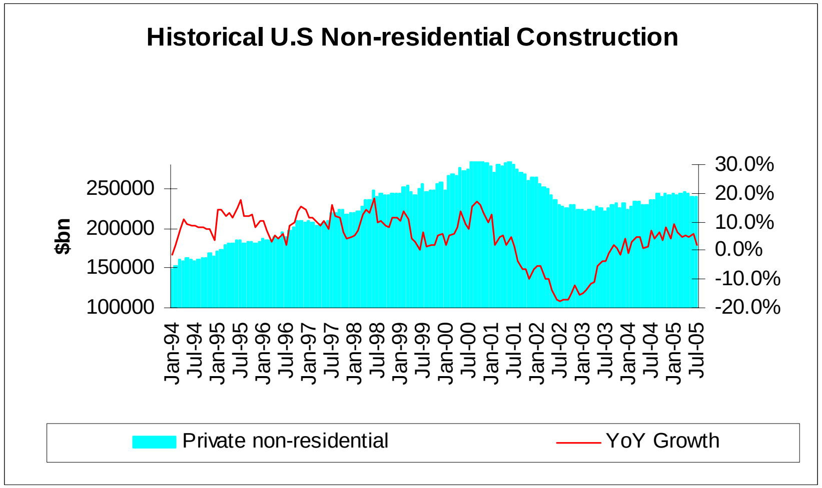

Source: U.S Dept of Commerce and Dodge Analytics McGraw-Hill

Sunbelt – continuing to take market share – shift from ownership to rental

Growth in rental revenues	Q3 2003	Q4 2003	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Q1 2005	Q2 2005
United Rentals								
- Total business	+1.7%	+3.0%	+5.3%	+3.5%	+4.7%	+9.4%	+9.9%	+11.5%
- General rentals segment	n/a	n/a	+11.2%	+11.9%	+10.7%	+13.0%	+11.2%	+11.5%
Atlas Copco (RSC)	+2.0%	+2.0%	+6.0%	+8.0%	+11.0%	+14.0%	+13.0%	+14.0%
Hertz	+1.0%	+6.2%	+9.1%	+10.2%	+12.8%	+15.1%	+16.9%	+20.5%
Sunbelt	**+4.8%**	**+3.4%**	**+12.0%**	**+11.1%**	**+18.4%**	**+19.0%**	**+11.4%**	**+16.4%**
NES Rentals	-5.5%	-6.5%	-7.2%	-2.7%	+5.0%	+10.8%	+4.8%	Nil
NationsRent	n/a	+9.7%	+9.5%	+8.2%	+11.1%	+5.8%	+7.9%	+5.9%
Head & Engquist	-8.2%	-9.4%	-3.8%	+3.3%	+4.2%	+13.2%	+14.0%	n/a

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.
2. Hertz publishes only total revenues and figures above exclude currency effects.

Sunbelt – operating developments

- Q1 revenue growth of 16.6% reflects 11% increase in rates and a 5% growth in average fleet size
- All regions and all major product areas up year on year – 14% same store growth & operating profit margin of over 20%
- Significant investments made - $65m in Q1 in new rental fleet & ten new stores acquired since year-end for $29m
- Hurricane Katrina impact since the quarter end
- Non-residential construction forecast to grow an annual average rate of 7% over the next three years*
- Positive outlook for remainder of the year

* Source – Dodge Analytics division of McGraw Hill

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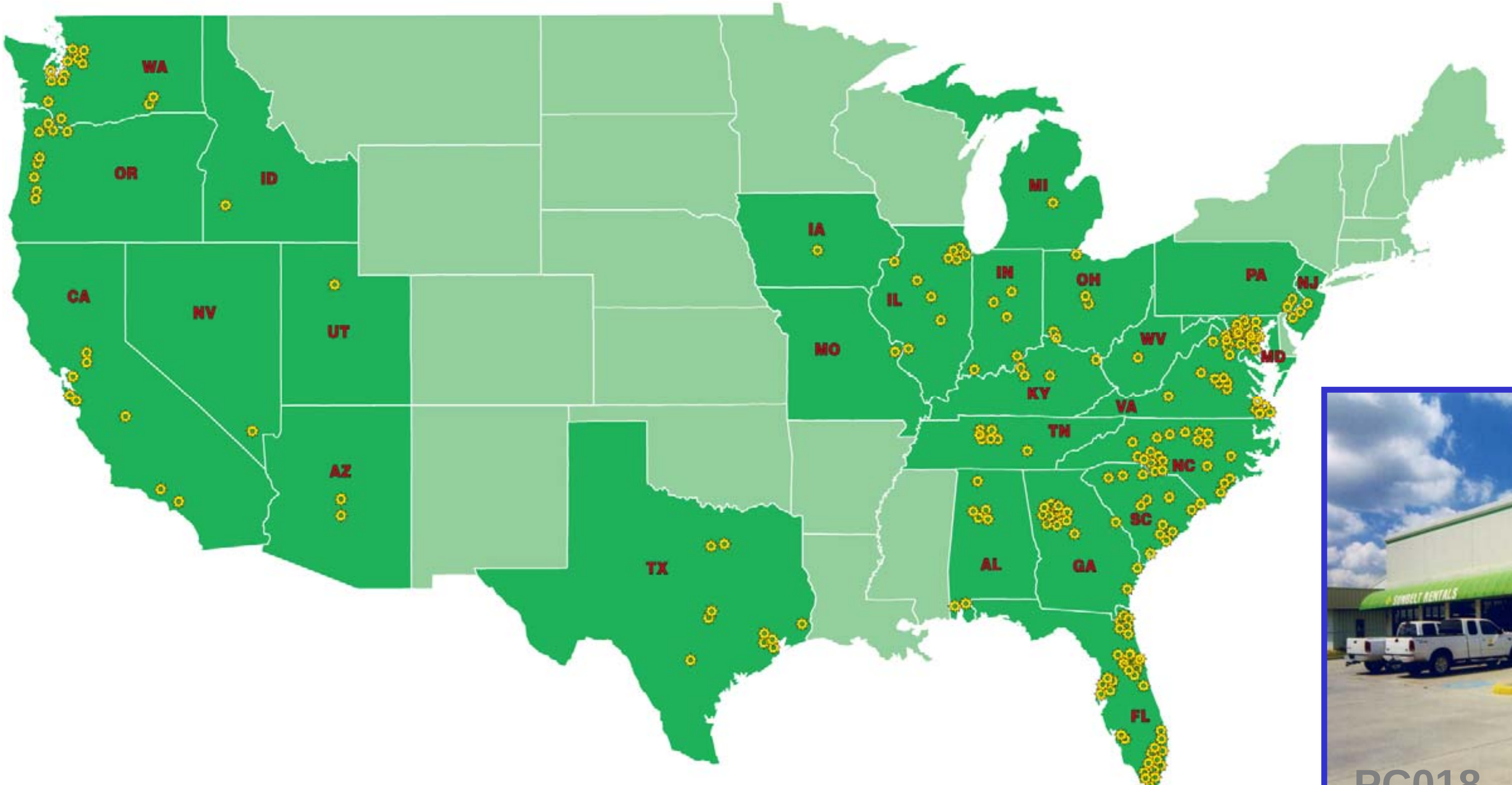
Sunbelt today

- **208 Profit Centers**
- **27 states, estimated 75% of US population served**



Controlled Organic Growth

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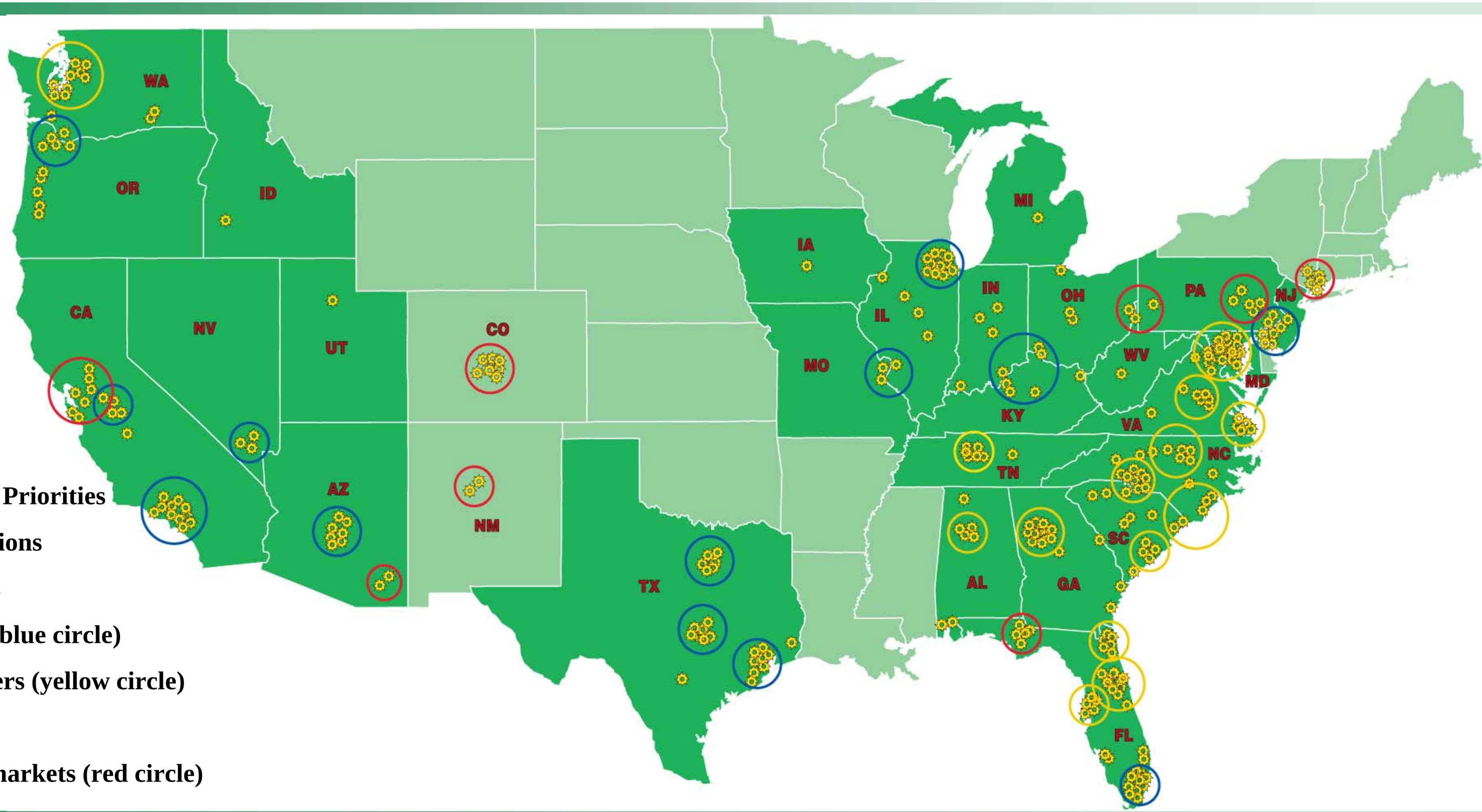


Current Capex Priorities

- **Existing Locations**
- **New Locations**
  - **-Unclustered (blue circle)**
  - **-Mature clusters (yellow circle)**

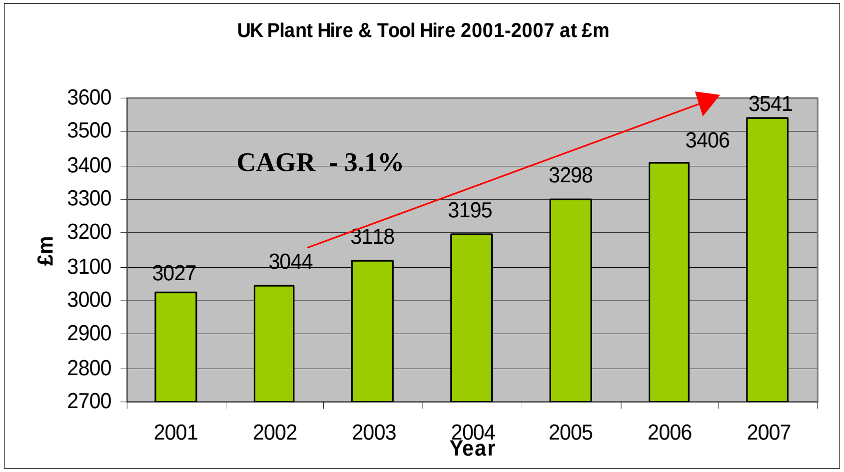
Longer term

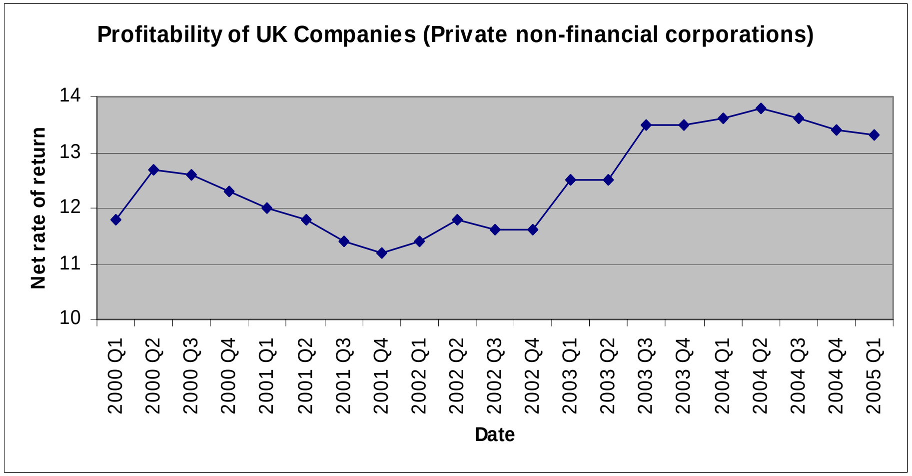
- **Selected new markets (red circle)**

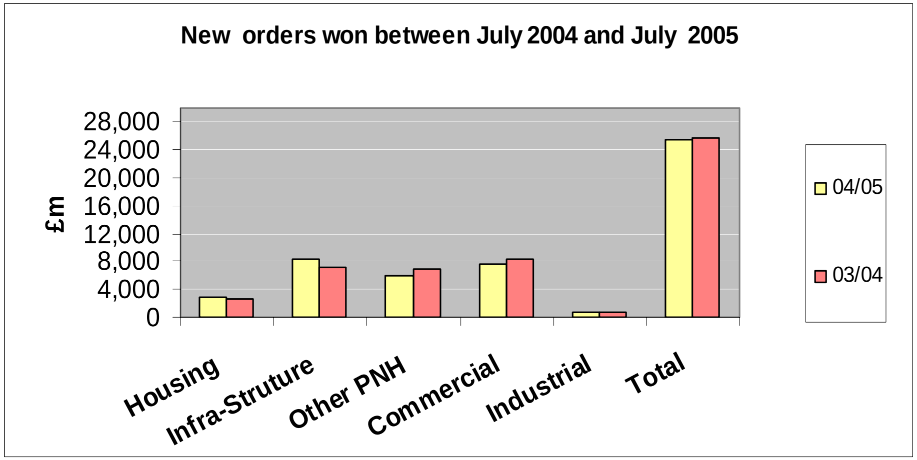
A-Plant – results

	2005 £m	2004 £m	Change
Revenue	38.8	39.0	-0.5%
EBITDA	12.6	12.3	+2.4%
Margin	*32.5%*	*31.5%*	
Operating profit	3.7	3.0	+23.3%
Margin	*9.5%*	*7.7%*	
Net tangible assets	191.3	201.6	-5.1%
Return on investment	*6.3%*	*3.0%*	

A–Plant – stable market conditions







A-Plant – operating developments

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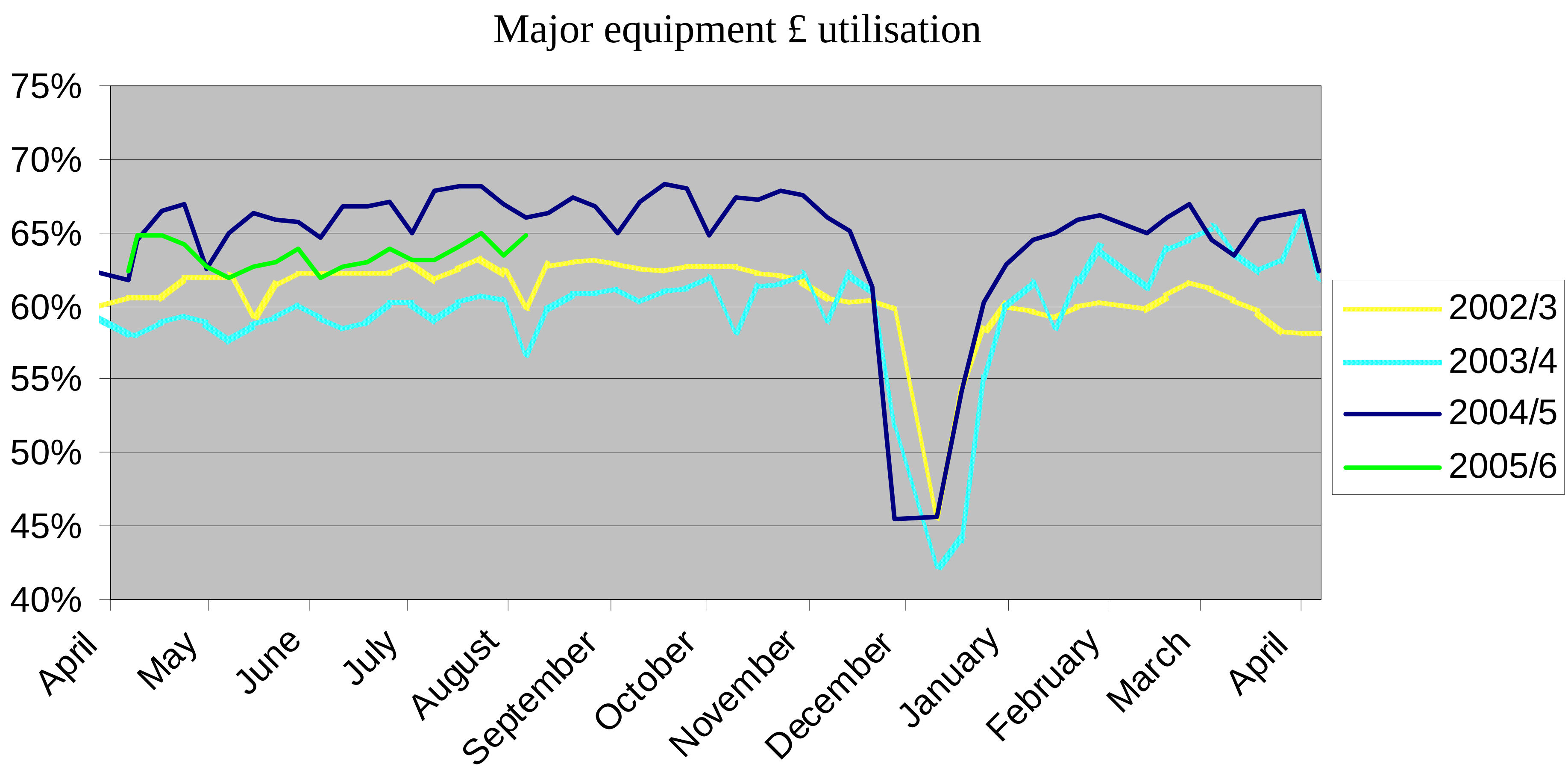
- Q1 revenues at similar level to last year reflecting price growth of 5% offset by year-on-year reductions in fleet size and utilisation
- Q1 profit grew 23% reflecting the more efficient use of capital
- Difficult to maintain this growth rate in continued competitive market conditions
- Programme to develop tool hire revenues continues on track
- National accounts revenues continue to improve
- Last twelve months' ROI up to 6.4%
- New national sales force management structure initiated to help us further drive revenues

A-Plant – utilisation rates



Technology – results

	2005 £m	2004 £m	Change (at constant rates)
Revenue	3.8	3.0	+26.7%
EBITDA	1.9	1.5	+25.7%
Margin	*50.0%*	*50.0%*	
Operating profit	1.0	0.7	+37.9%
Margin	*26.3%*	*23.3%*	
Net tangible assets	10.9	8.7	
Return on investment	*37.4%*	*27.7%*	

Technology – operating developments

- Strong first quarter performance
- High oil price has led to increased activity
- Hurricane effects:
  - Offshore: - delays offset by increased inspection and repair
  - Onshore: - significant requirement for environmental monitoring
- Oil demand and natural disasters increase growth expectations

In summary

- Strong start to the year with all three businesses significantly ahead of last year
- Now beginning to invest in accelerating Sunbelt's growth rate
- Capital reorganisation provides substantial flexibility and asset based facility grows with the business
- Conversion from ownership to rental in the US continues
- Successful outcome for the year anticipated