ASHTEAD GROUP PLC

International Equipment Rental

from 414 locations

Half year results - 31 October 2005

Issued : 13th December 2005

Welcome

▪ George Burnett	Chief Executive
▪ Ian Robson	Finance Director

Overview

- Record first half year profits of £40.2m* - more than double 2004's £18.3m
- 54% increase in Sunbelt's profits accelerates investment for growth
- Dividend resumption announced, with interim payment of 0.5p on 28 February 2006
- Continuing strong trading conditions in the US
- Encouraging start to third quarter with UK returning to revenue growth
- Board looks forward "with confidence"

* Before exceptional items

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Summary results

	2005 £m	2004 £m	Change (at comparable rates)	Margins 2005	Margins 2004
Revenue	313.8	274.7	+13%		
EBITDA +	116.4	93.1	+24%	37.1%	33.9%
Operating profit +	61.3	41.2	+48%	19.5%	15.0%
Profit before tax +	40.2	18.3	up 2.2x	12.8%	6.7%
Basic EPS +	6.9p	2.8p	up 2.5x		
Cash tax EPS o	10.6p	5.5p	+89%		
Return on capital employed*	15.2%	9.5%			

\+ In 2005, before exceptional items

o Earnings before exceptional items and deferred tax divided by the weighted average number of shares in issue

* Last twelve months (LTM) operating profit before exceptional items divided by weighted average capital employed (net tangible assets plus net debt, pension fund deficit and deferred tax) computed using a quarterly average

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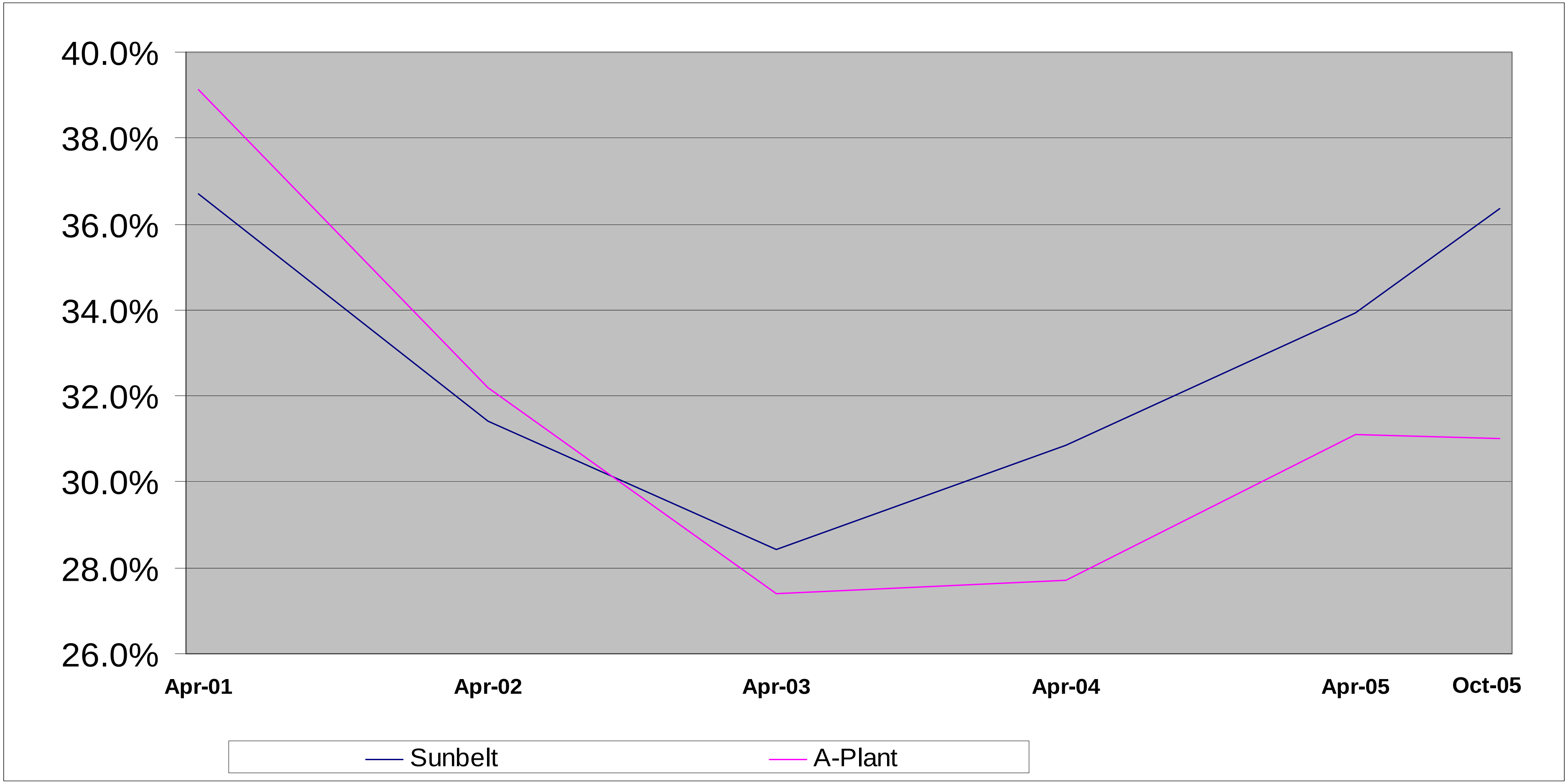
Revenue drivers

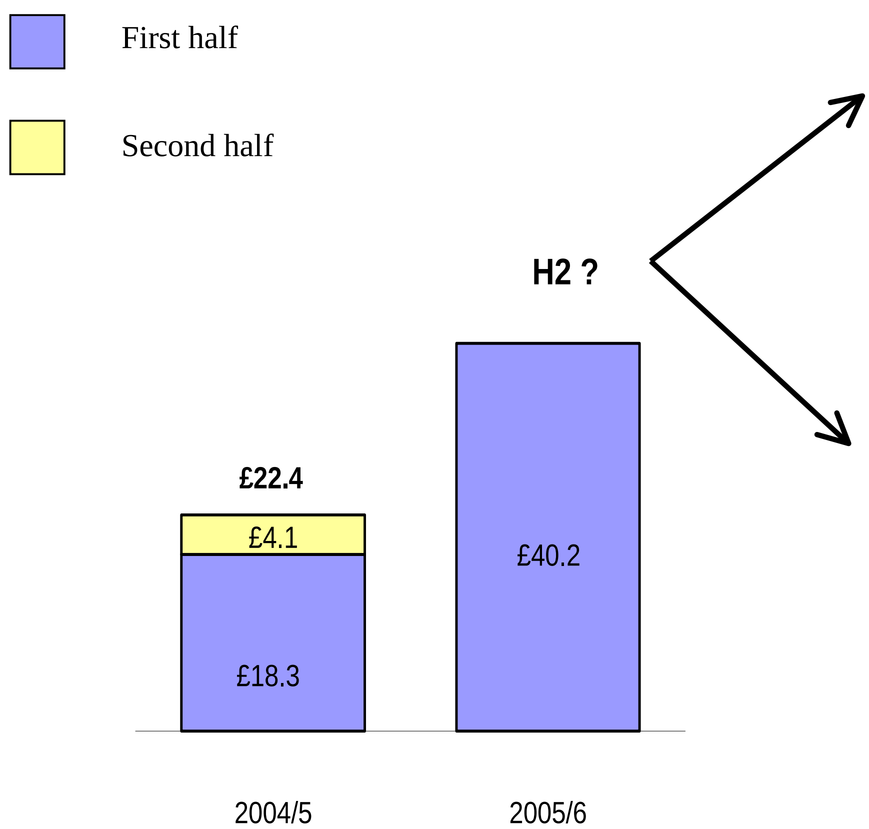
	Sunbelt	A-Plant
Average fleet size	+7.1%	-2.1%
Utilisation	+0.4%	-2.5%
Price	+10.3%	+2.6%
	+18.6%	-2.1%
Other	+0.3%	+1.0%
Total revenues	+18.9%	-1.1%

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



Seasonality in profit before tax*



<u>Positives</u>

- Current strength of US trading
  but tougher pricing comparatives than in first half
- Significant year on year growth in US fleet
- Reductions in debt and interest post the capital reorganisation
- Currency currently stronger (H2 last year £1=$1.89)

<u>Negatives</u>

- Fewer billing days
- Potential for harsh winter
- Higher US interest rates
- UK market conditions?

* Before exceptional items

Capital expenditure

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	2005 Growth	Maintenance	Total	2004 Total
Sunbelt Rentals in $m	70.1	81.7	151.8	65.1
Sunbelt Rentals in £m	39.6	46.2	85.8	35.5
A-Plant	11.5	19.3	30.8	23.0
Ashtead Technology	2.7	0.7	3.4	2.0
Total rental equipment	53.8	66.2	120.0	60.5
Other fixed assets			11.3	8.6
Total additions			131.3	69.1

Gross capital expenditure for next year now expected to be in the region of £220m of which £100m is for growth (including $24m of west coast scaffold disposal profits reinvested in general equipment) and £120m is maintenance.

Taxation

- Improving US profits and the $20m H&E litigation receipt mean we now anticipate fully utilising brought forward US losses during 2006/7
- Tax depreciation rates on new capex exceed book depreciation
- UK sub-group now profitable in accounting terms
- UK tax losses remain substantial - £126m at April 2005
- Blended accounting tax rate of 38% for the first half
- Accounting tax rate now expected to remain stable in mid to high 30%'s (statutory tax rates - UK 30%; US 39%)
- Cash tax rate expected to rise to double digits in 2006/7 as US losses are utilised but likely to remain well below accounting rate

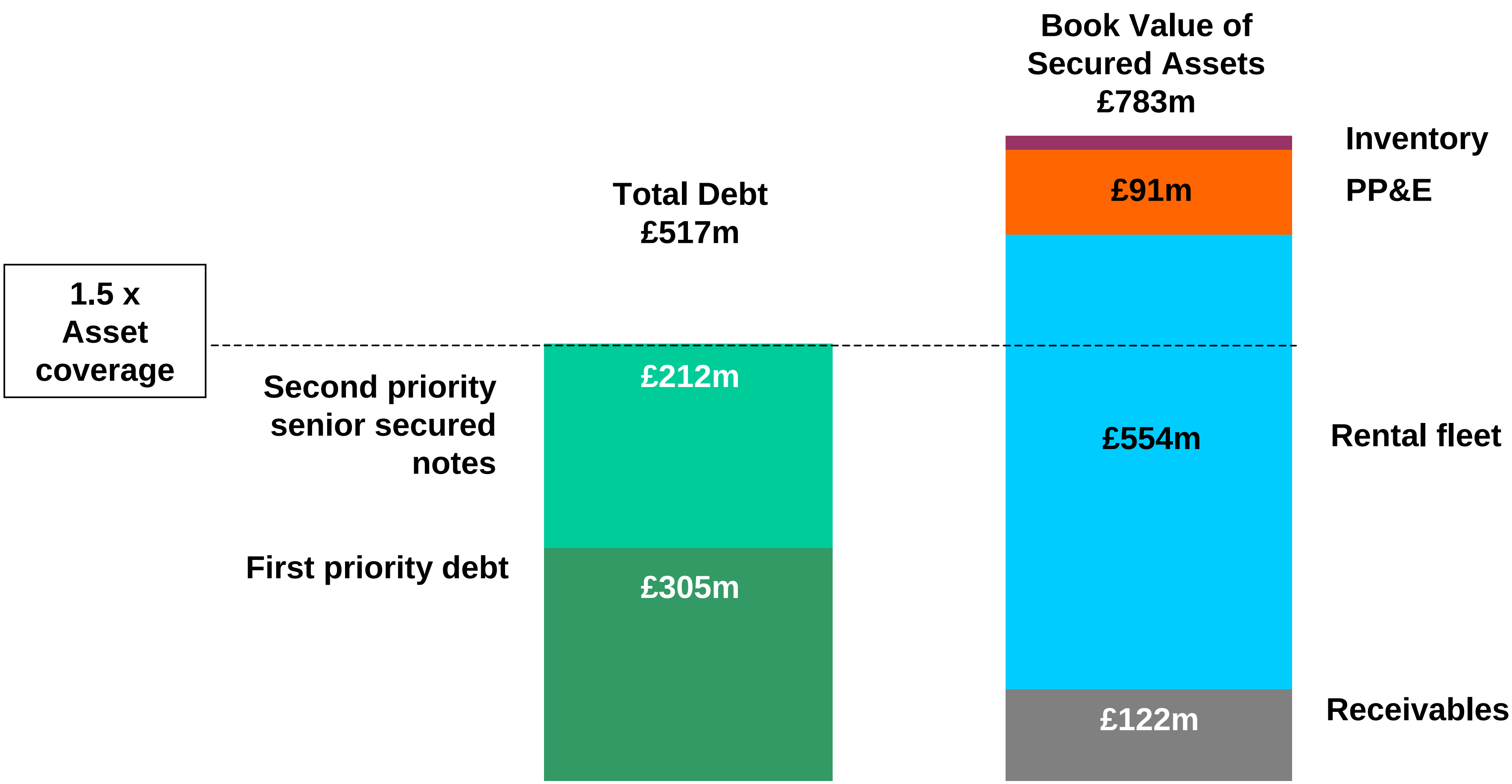
Cashflow

	Six months to 31 Oct 2005	2004	LTM to Oct '05	Year ended Apr '05
	£m	£m	£m	£m
EBITDA before exceptional items	116.4	93.1	192.8	169.5
Cash inflow from operations	99.2	79.3	184.7	164.8
Cash efficiency ratio	*85.2%*	*85.2%*	*95.8%*	*97.2%*
Maintenance capital expenditure	(78.8)	(50.4)	(129.4)	(101.0)
Proceeds from sale of used rental equipment	22.4	16.4	41.9	35.9
Tax paid	(0.6)	(0.6)	(0.6)	(0.6)
Free cash flow before interest	42.2	44.7	96.6	99.1
Financing costs paid	(18.6)	(13.3)	(35.5)	(30.2)
Free cash flow after interest	**23.6**	**31.4**	**61.1**	**68.9**
Growth capital expenditure	(45.5)	(13.5)	(42.2)	(10.2)
Acquisitions and disposals	(45.1)	0.4	(45.0)	0.5
Capital reorganisation/other	52.3	(3.7)	50.4	(5.6)
(Increase)/reduction in total debt	(14.7)	14.6	24.3	53.6

Debt

	October 2005 £m	October 2004 £m	LTM Oct 2005 £m	LTM Apl 2005 £m
Net debt brought forward	482.3	532.2	519.0	532.2
Exchange movement	13.9	(6.4)	5.2	(15.1)
Opening net debt at closing rates of exchange	496.2	525.8	524.2	517.1
(Reduction)/increase in net debt from cash flow	14.7	(14.6)	(24.3)	(53.6)
Other non-cash movements	4.7	7.8	15.7	18.8
Net debt carried forward	**515.6**	**519.0**	**515.6**	**482.3**
Availability under ABL facility	**$271.1**	**$100.6**	**$271.1**	**$156.7**
Key ratios				
Last 12 months EBITDA before exceptional items	192.8	155.3	192.8	169.5
Net debt to EBITDA	2.7x	3.3x	2.7x	2.8x
EBITDA to interest	4.5x	3.8x	4.5x	3.8x

Substantial asset coverage



Sunbelt – results

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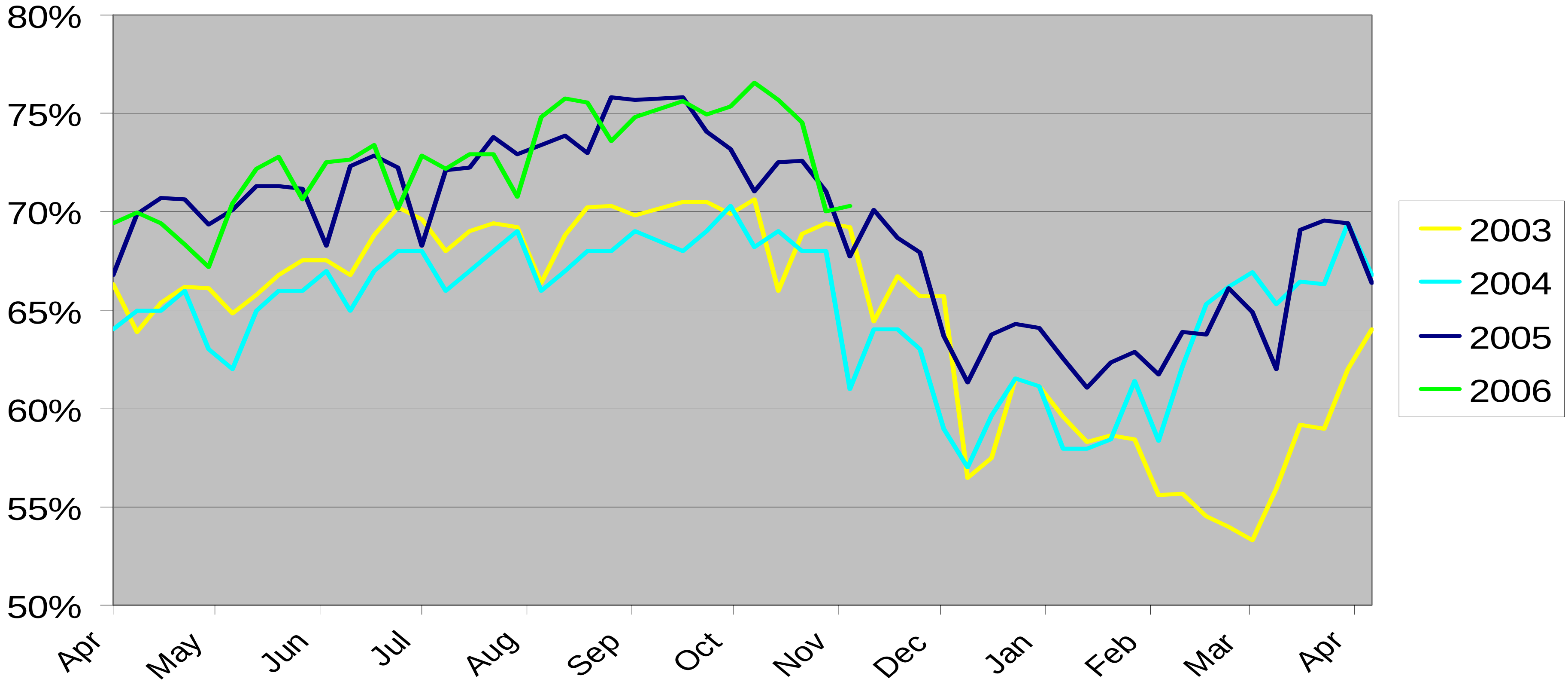
	2005 $m	2004 $m	Change	2005 £m	2004 £m	Change
Revenue	406.8	342.0	+18.9%	226.1	188.1	+20.2%
EBITDA	159.8	120.2	+32.9%	88.9	66.1	+34.5%
Margin	*39.3%*	*35.1%*		*39.3%*	*35.1%*	
Operating profit	96.4	62.7	+53.7%	53.6	34.5	+55.4%
Margin	*23.7%*	*18.3%*		*23.7%*	*18.3%*	
Net tangible assets	807.0	676.5	+19.3%	455.9	369.2	+23.5%
ROI *	*20.3%*	*13.9%*				

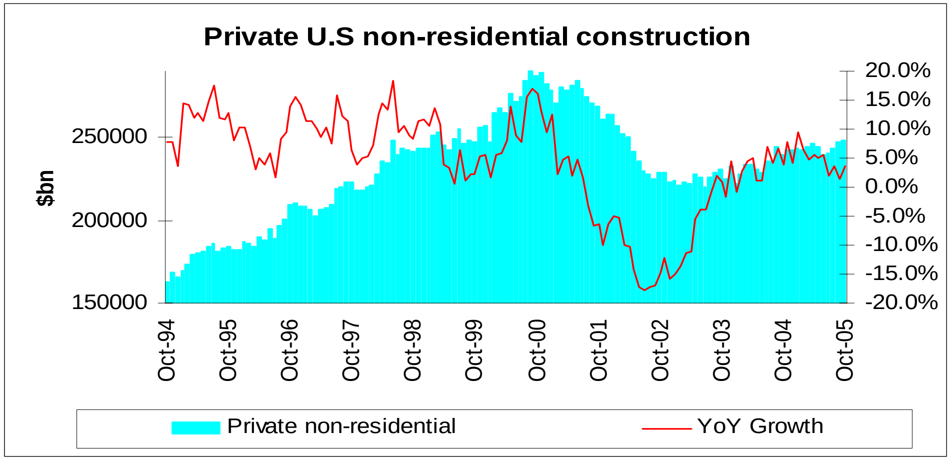
* Last twelve months (LTM) operating profit before exceptional items divided by weighted average capital employed (net tangible assets plus net debt, pension fund deficit and deferred tax) computed using a quarterly average

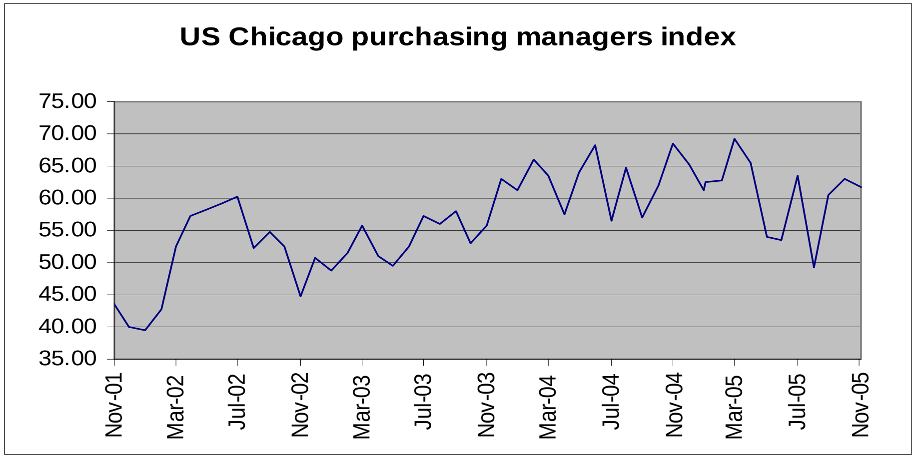
Sunbelt – utilisation continues to be high

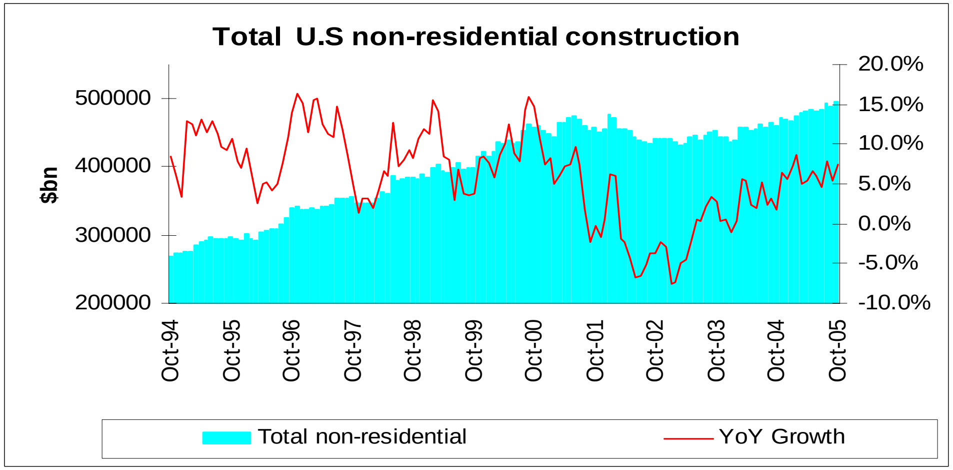


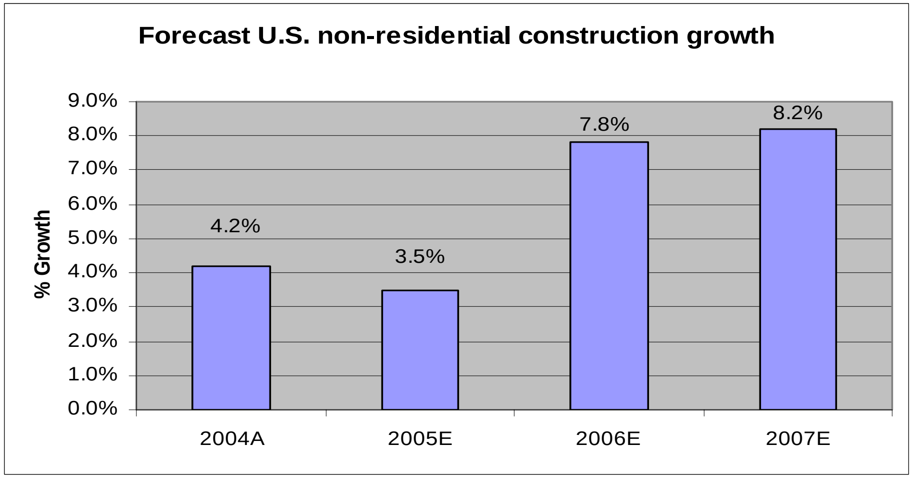
Utilisation is a time based utilisation measure computed as the value of major (cost over $7,500) equipment on rent as a percentage of the total value of major equipment in the fleet at the measurement date.

Sunbelt – US market conditions remain strong









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

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

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Growth in rental revenues	Q4 2003	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005
United Rentals								
- Total business	+3.0%	+5.3%	+3.5%	+4.7%	+9.4%	+9.9%	+11.5%	+13.0%
- General rentals segment	n/a	+11.2%	+11.9%	+10.7%	+13.0%	+11.2%	+11.5%	+14.0%
Atlas Copco (RSC)	+2.0%	+6.0%	+8.0%	+11.0%	+14.0%	+13.0%	+14.0%	+13.0%
Hertz	+6.2%	+9.1%	+10.2%	+12.8%	+15.1%	+16.9%	+20.5%	+21.9%
Sunbelt	**+3.4%**	**+12.0%**	**+11.1%**	**+18.4%**	**+19.0%**	**+11.4%**	**+16.4%**	**+22.2%**
NES Rentals	-6.5%	-7.2%	-2.7%	+5.0%	+10.8%	+4.8%	Nil	- 0.2%
NationsRent	+9.7%	+9.5%	+8.2%	+11.1%	+5.8%	+7.9%	+5.9%	+ 2.6%
Head & Engquist	-9.4%	-3.8%	+3.3%	+4.2%	+13.2%	+14.0%	+16.0%	+19.7%

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.
3. Same store rental revenues for Quarter 3 were quoted by United Rentals (13% for its general rentals segment) and NES (6%). Sunbelt's same store growth in its comparable second quarter was 17%.

Sunbelt – operating developments

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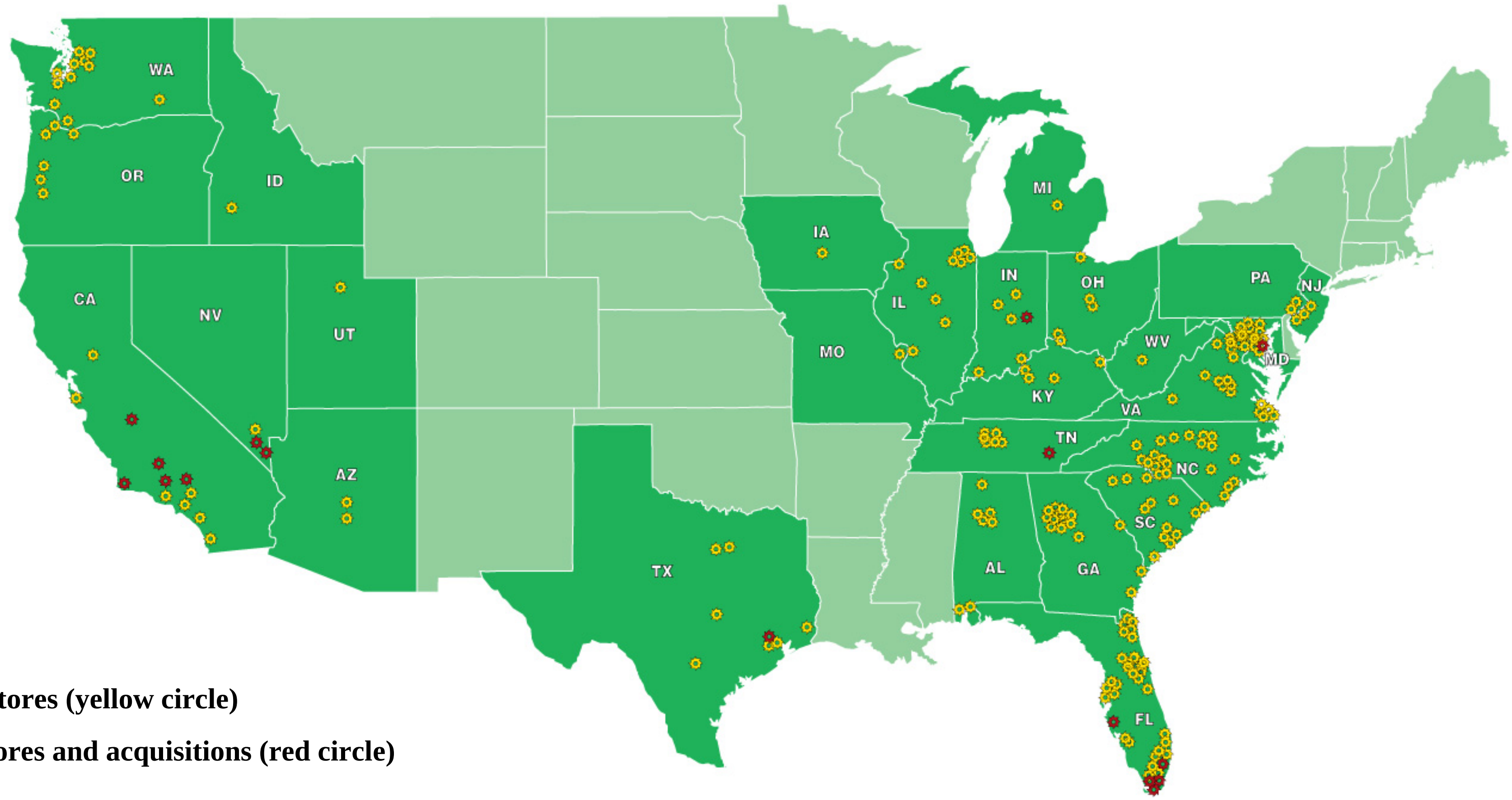
- H1 revenue growth of 18.9% reflects 10% increase in rates and 7% growth in fleet size
- All regions and all major product areas up year on year – 17% same store growth & operating profit margin of over 20%
- Acceleration in growth with $70m of growth capex and $100m spent on acquisitions and 19 new stores in total
- Continuing benefit from post hurricane rebuild programme
- Non-residential construction forecast to grow an annual average rate of 8% over the next two years*
- Positive outlook for remainder of the year

* Source – Dodge Analytics division of McGraw Hill

Sunbelt today

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



*** Same stores (yellow circle)**

*** New stores and acquisitions (red circle)**

Controlled organic growth

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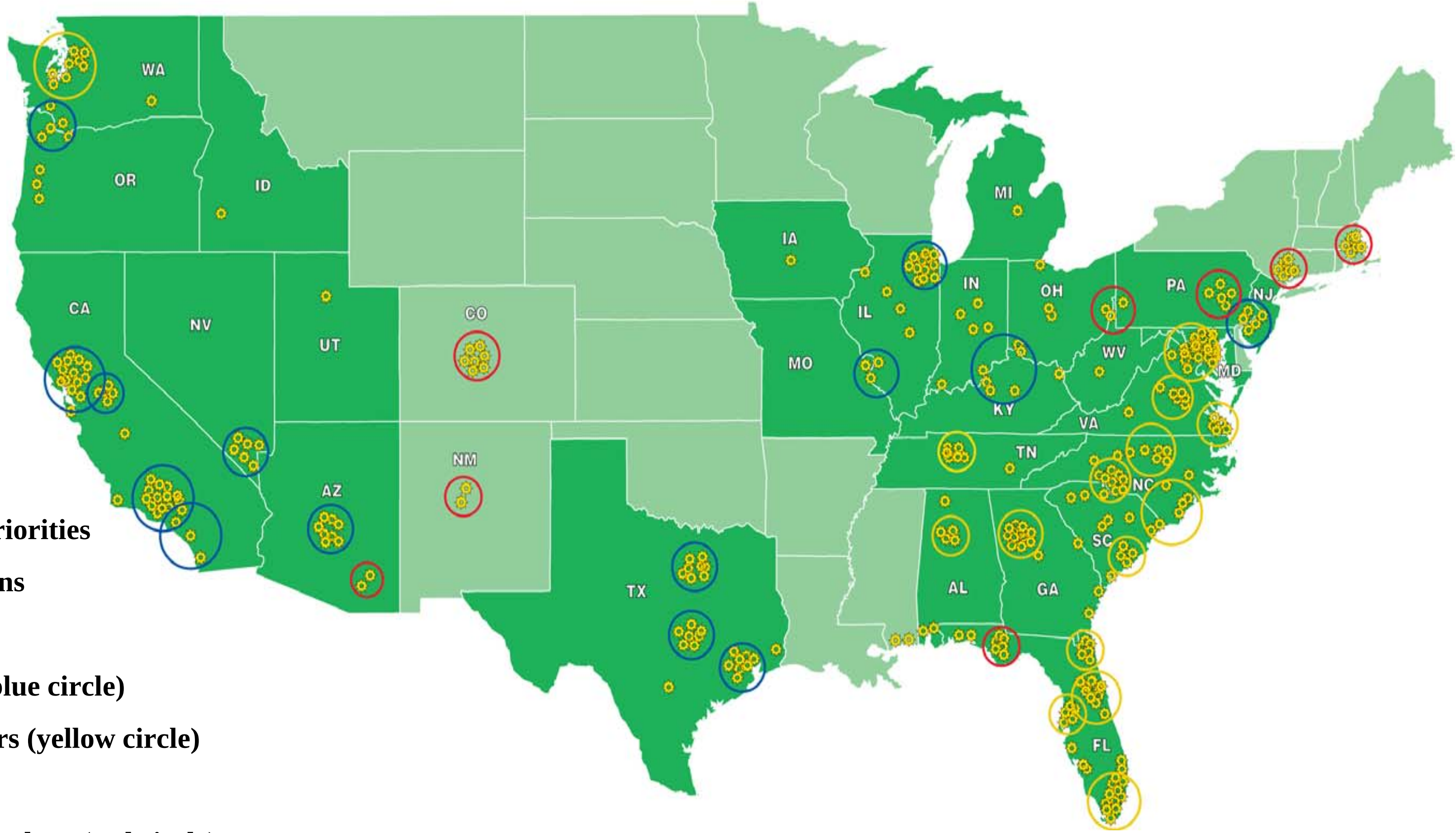


Current capex priorities

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

Longer term

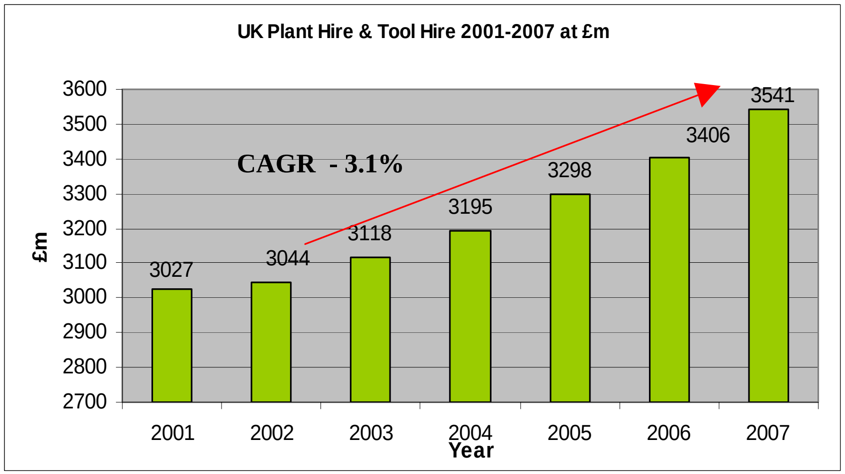
- **Selected new markets (red circle)**

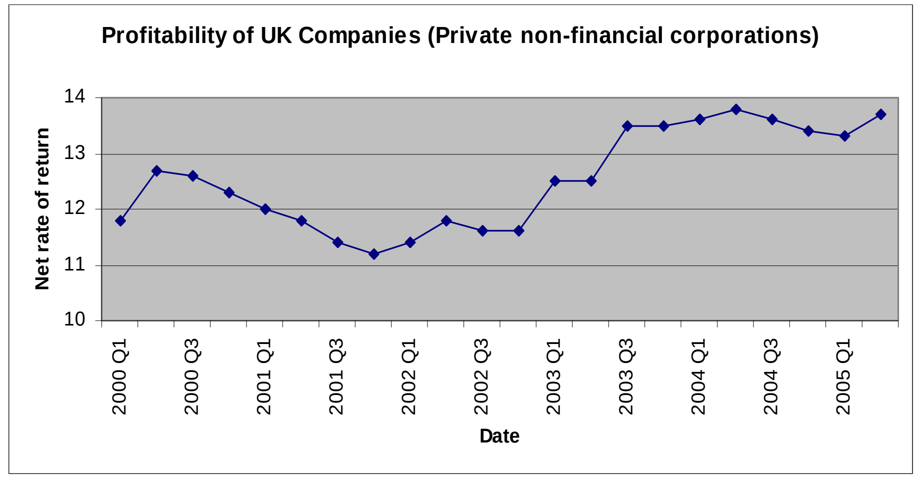
A-Plant – results

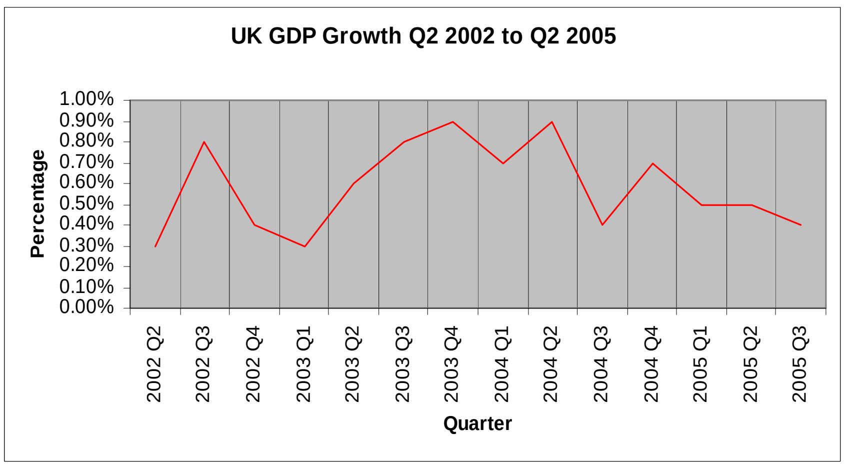
	2005 £m	2004 £m	Change
Revenue	79.7	80.6	-1.1%
EBITDA	26.9	27.4	-1.8%
Margin	*33.8%*	*34.0%*	
Operating profit	8.9	8.6	+3.5%
Margin	*11.2%*	*10.7%*	
Net tangible assets	196.5	205.7	-4.5%
ROI *	*6.1%*	*3.2%*	

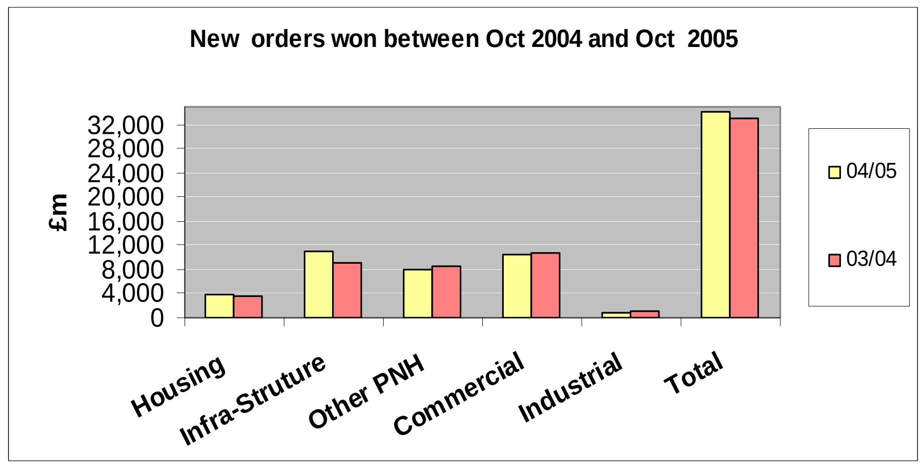
* Last twelve months (LTM) operating profit divided by weighted average capital employed (net tangible assets plus net debt, pension fund deficit and deferred tax) computed using a quarterly average

A–Plant – stable market conditions









A-Plant – operating developments

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- H1 revenues at similar level to last year reflecting price growth of 3% offset by year-on-year reductions in fleet size and utilisation
- Continued competitive market
- Careful control of operating costs resulted in H1 profit up 3.5% to £8.9m
- Sales force restructured during H1 with improved focus on national, regional and local customers
- November revenues returned to year on year growth
- Continuing growth in revenues from larger contractors

A-Plant - sales force restructuring
- impact on weekly revenues

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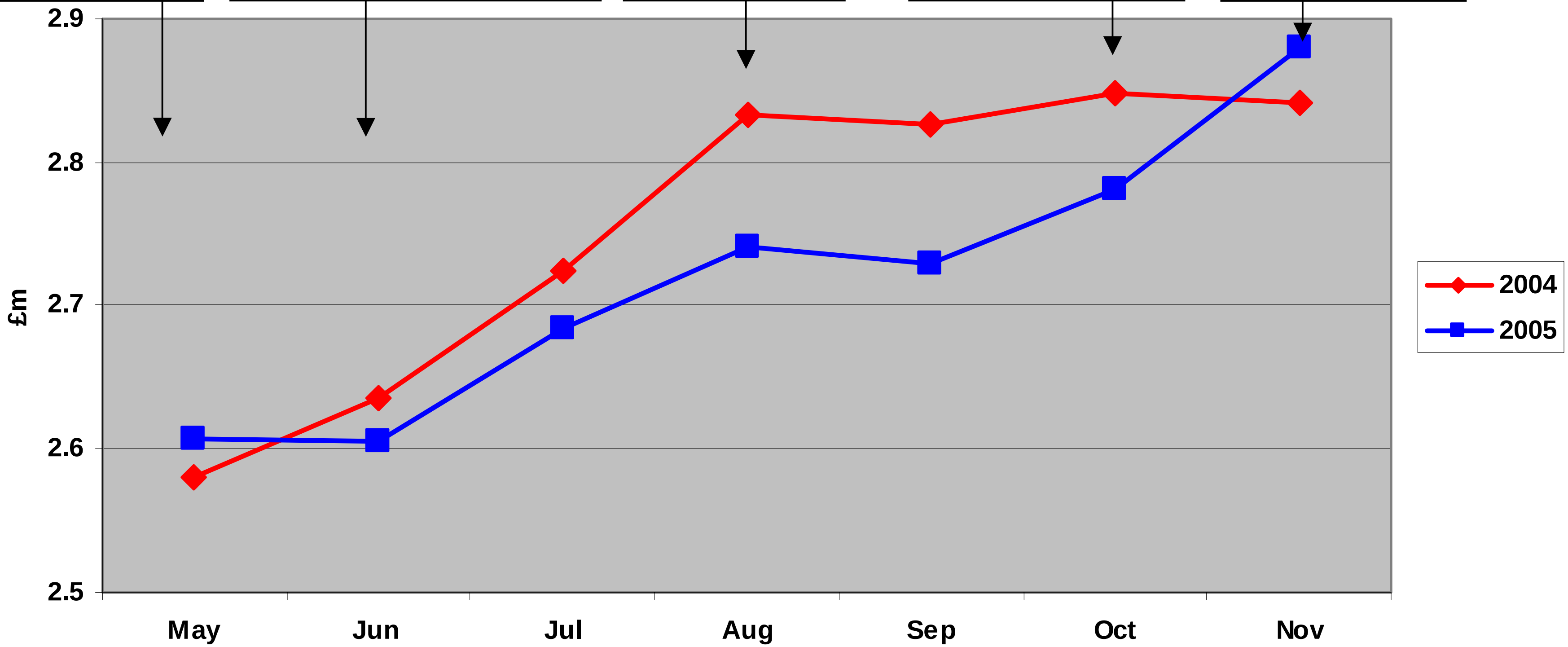
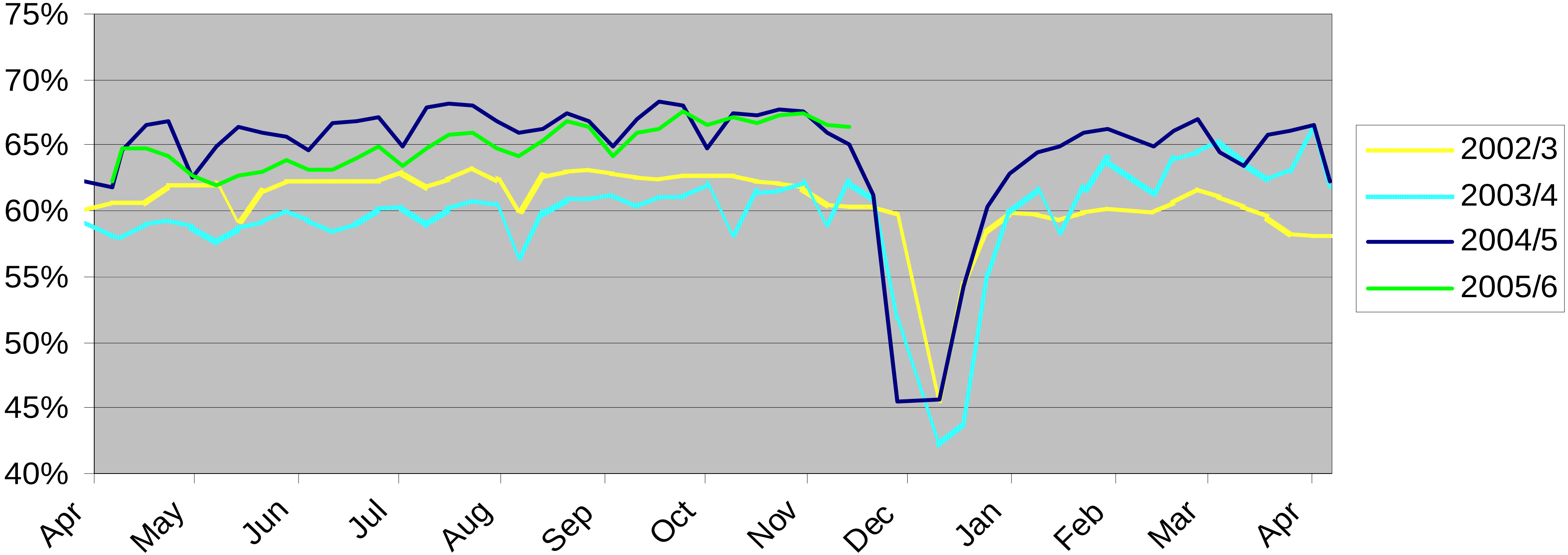
UK sales MD appointed & sales staff stop reporting to local PCMs	Meetings with PCMs and salesforce held to review progress/issues	All new senior sales managers in position	Update meetings with PCMs and salesforce	November revenues exceed prior year

Rental only revenues per week



A-Plant – utilisation rates



Utilisation is a time based utilisation measure computed as the value of equipment on rent as a percentage of the total value of major equipment in the fleet at the measurement date.

Technology – results

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	2005 £m	2004 £m	Change (at constant rates)
Revenue	8.0	6.0	+32.3%
EBITDA	4.1	2.9	+39.0%
Margin	*51.3%*	*48.3%*	
Operating profit	2.3	1.4	+67.8%
Margin	*28.8%*	*23.3%*	
Net tangible assets	11.4	8.5	
ROI *	*44.7%*	*24.3%*	

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

Technology – operating developments

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- Strong H1 performance with revenues and profits both up by a third
- Increased investment by oil majors resulting in higher offshore exploration and construction activity
- Continued growth in on-shore environmental business with new store opened in Chicago in November
- Hurricane related revenues will continue into the second half
- These trends are expected to continue

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In summary

- Record first half results as we took advantage of buoyant market conditions in the US
- Significant investment in accelerating Sunbelt's growth
- November's ABL amendment provides substantial flexibility for continued investment in Group's development
- Dividends resumed – interim dividend of 0.5p per share to be paid 28 Feb 2006
- Conversion from ownership to rental in the US continues
- Board looks forward "with confidence"