ASHTEAD GROUP PLC

RECORD FIRST HALF PROFITS & DIVIDEND PAYMENTS RESUMED

Unaudited results for the half year and second quarter ended 31 October 2005

Ashtead Group plc, the equipment rental group serving the US and UK construction, industrial and homeowner markets, announces its results for the half year and second quarter ended 31 October 2005.

Highlights

- Group Q2 profit before exceptional items & tax increases from £13.4m to £27.9m
- Group H1 profit before exceptional items & tax increases from £18.3m to £40.2m
- After exceptional items of £1.9m, the H1 profit before tax is £38.3m (2004 - £18.3m)
- Sunbelt's H1 operating profit before exceptional items rises 53.7% to $96.4m (2004 - $62.7m)
- A-Plant's H1 operating profit is up 3.5% to £8.9m (2004 - £8.6m)
- Market conditions in the United States expected to remain favourable
- Payment of dividends resumed - interim dividend of 0.5p per share declared

Ashtead's chief executive, George Burnett, commented:

"Sunbelt achieved substantial first half profit growth by maintaining last year's record levels of utilisation on a fleet which was on average 7% larger than a year ago and by continuing to grow its market share. Although A-Plant's profit growth was more modest, it did achieve improved return on capital year on year through rigorous cost control. Ashtead Technology took advantage of the strong offshore market to record a 67% profit increase.

I am pleased that the strength of the Group's first half performance, our confidence in the outlook and the completion of the capital reorganisation has enabled the Board to announce the resumption of dividend payments to shareholders for the first time since 2002.

With interim profits more than double those of last year, continuing strong trading conditions at Sunbelt and Ashtead Technology and a stable position at A-Plant, the Board looks forward with confidence."

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PRESS RELEASE

Overview

The Group achieved a record first half performance with revenue up 14.2% to £313.8m and a first half profit before tax and exceptional items of £40.2m, more than double last year's £18.3m. After net exceptional items of £1.9m, the first half pre-tax profit was £38.3m. Exchange rates were similar in both periods and consequently currency translation changes did not have a significant effect on reported performance.

Basic earnings per share were 6.9p before and 6.5p after exceptional items compared to 2.8p a year ago. On a cash tax basis, earnings per share before exceptional items were 10.6p (2004 – 5.5p). An interim dividend of 0.5p per share will be paid on 28 February 2006.

The Group now reports its results under international financial reporting standards (IFRS) and comparatives have been restated accordingly. Full details of the migration to IFRS are included in the separate statement published on 20 September 2005 and available on the Company's website at www.ashtead-group.com.

Review of first half trading performance

	Revenue		EBITDA*		Profit*	
	2005	2004	2005	2004	2005	2004
Sunbelt in $m	406.8	342.0	159.8	120.2	96.4	62.7
Sunbelt in £m	226.1	188.1	88.9	66.1	53.6	34.5
A-Plant	79.7	80.6	26.9	27.4	8.9	8.6
Ashtead Technology	8.0	6.0	4.1	2.9	2.3	1.4
Group central costs	-	-	(3.5)	(3.3)	(3.5)	(3.3)
	313.8	274.7	116.4	93.1	61.3	41.2
Interest					(21.1)	(22.9)
Profit before tax					40.2	18.3

* in 2005 before exceptional items

As a result of Sunbelt's performance in particular and reflecting the Group's operational gearing, the 14.2% revenue increase resulted in a 25.0% increase in EBITDA before exceptional items to £116.4m and an increase of 48.8% in operating profit before exceptional items to £61.3m. These improvements were reflected in the Group's margins. EBITDA margins grew from 33.9% to 37.1% and operating margins rose from 15.0% to 19.5%.

Sunbelt

In the six months to 31 October 2005 revenue grew 18.9% to $406.8m. This was achieved through increased investment in the rental fleet which was 7% larger than a year ago and by significant increases in rental rates which grew approximately 10%. Average utilisation remained at last year's record level of 72% despite the increased investment. Revenue growth was broadly based with all regions and all major product areas trading ahead of last year. In a strong trading environment where US non-residential construction rose 7.4% in the 12 months to end October according to figures published by the US Department of Commerce, Sunbelt continued to take market share. Sunbelt's operating profit before exceptional items was up 53.7% to $96.4m, representing a margin of 23.7% (2004 – 18.3%).

In the second quarter Sunbelt was actively involved in the clean-up efforts on the US Gulf Coast and in Florida following hurricanes Katrina, Rita and Wilma. No Sunbelt store suffered significant damage from the hurricanes and none of its staff was hurt. Sunbelt also incurred no significant costs for lost or damaged rental equipment. Although we now expect that the impact of the clean-up and reconstruction work on the current financial year will be more significant than the impact we have seen from storms and natural disasters in earlier years, hurricane related revenues are still anticipated to account for only around 2% of Sunbelt's full year revenues.

Sunbelt invested $151.8m in the first half to maintain the quality of its rental fleet and reduce its age as well as for growth. This included the opening of three new greenfield stores. A further fifteen new general equipment rental stores have been acquired in the first half for a consideration of approximately $100m. In August Sunbelt also disposed of 12 west coast specialist scaffold locations for approximately $24m generating an estimated disposal profit of $5.4m (£3.0m) which is included in exceptional items. The new stores continue Sunbelt's strategy of clustering major metropolitan markets. Additional infill acquisition opportunities are under consideration but Sunbelt also continues to emphasise organic growth. 17.3% of the total first half revenue growth of 18.9% was delivered by stores open throughout both periods.

A-Plant

In a continued competitive market, A-Plant's first half revenue of £79.7m compares to £80.6m last year but was achieved from a fleet which on average was approximately 2% smaller than last year. This reflected the year on year effect of last year's downsizing of the business which has now been concluded. The growth in rental rates was approximately 3% whilst average utilisation decreased from 66% to 65%.

Careful management of operating expenses continued and these declined 0.8% year over year reflecting principally the full year impact of measures taken last year. A-Plant's first half operating profit grew 3.5% to £8.9m (2004 - £8.6m), representing a margin of 11.2% (2004 - 10.7%).

During the first half a major restructuring of A-Plant's sales operations was introduced with a view to serving, in a more focussed way, the differing requirements of national, regional and local customers. Senior sales management resources have been increased as has the size of the sales force with the cost of this investment being largely funded by administrative savings elsewhere. In November, A-Plant returned to delivering year on year revenue growth.

Ashtead Technology

Ashtead Technology's performance continued the trend established in the second half of last year with revenues up 33.3% to £8.0m (2004 - £6.0m). This reflects increased investment by the oil majors which is delivering higher offshore exploration and construction activity as well as continued growth in Technology's on-shore environmental business. These trends are expected to continue. As a result Technology's first half operating profit grew 66.9% to £2.3m (2004 - £1.4m).

Exceptional items

In addition to the trading results discussed above, operating profit as reported in the consolidated income statement below includes £2.9m of exceptional items. These comprise a £3.0m estimated profit on disposal of Sunbelt's 12 scaffold stores on the US west coast and in Texas less £0.1m of post acquisition integration costs. Additionally the £4.8m net cost of last summer's capital reorganisation, mainly relating to the 12% premium payable on the £42m of sterling senior secured notes redeemed early out of the proceeds of the equity placing, is included as an exceptional item within finance costs.

Taxation

Overall for the first half, following the capital reorganisation and related internal restructuring of our US financial structure, the effective accounting tax rate on the profit before exceptional items has fallen to a more normal 38% compared to the very high effective accounting tax rates seen in recent years. The cash tax rate remains low at 5%. Although the Group's cash tax rate is likely to remain well below the accounting rate, the rapid increase in Sunbelt's profitability together with the $20.1m receipt discussed below from the Head & Engquist litigation now make it probable that the cash tax rate will rise into double digits in 2006/7.

Capital expenditure and net debt

Capital expenditure in the six months was £131.3m of which £120.0m was invested in the rental fleet (2004 - £69.1m in total) with the increased expenditure directed towards expanding Sunbelt's rate of growth. £53.8m of the fleet expenditure was for growth with the remainder spent to replace existing equipment. Disposal proceeds were £24.5m (2004 - £15.5m) generating a profit on disposal of £4.2m (2004 - £2.5m).

Reflecting current strong market conditions, we now expect that gross capital expenditure for the year as a whole will be approximately £220m, an increase of £40m over our previous guidance. After anticipated disposal proceeds of approximately £55m (including those earned from the scaffold sale which have been reinvested in general equipment), net capital expenditure is anticipated to be approximately £165m. Approximately £100m of the £220m gross expenditure will be for growth.

Net debt at 31 October 2005 was £515.6m, an increase of £33.3m since 30 April 2005 but still a reduction of £3.4m since 31 October 2004. At constant exchange rates the increase since year end was £19.6m with debt lowered by £12.4m in the past year. Availability under the asset based loan facility was $271m at 31 October 2005 ($157m at 30 April 2005).

Amended asset based loan facility

On 14 November 2005, amended terms were agreed with the syndicate of lenders who make available the Group's first priority asset based senior secured loan facility to, inter alia, increase the amount, extend the maturity and reduce the cost of the facility. The amended facility provides us with substantial flexibility for continued investment in the Group's development.

Following the amendment the weighted average financing cost of our borrowings (including amortisation of deferred debt raising costs) is currently approximately 8% and their weighted average maturity is approximately 6.5 years.

Head & Engquist Equipment LLC (H&E) litigation

As announced on 24 November, Sunbelt and H&E have settled their litigation with H&E paying to Sunbelt the sum of $20.1m (£11.7m). The proceeds of the settlement were applied to reduce borrowings under the Group's asset based revolver and will be recognised as an exceptional profit in the third quarter.

Dividends

In light of the strong trading performance in the first half, its confidence in the outlook and following the successful capital reorganisation, the Board is pleased to be able to announce today the resumption of dividend payments. Accordingly an interim dividend of 0.5p per share will be paid on 28 February 2006 to shareholders on the register on 17 February 2006.

Current trading and outlook

With interim profits more than double those of last year, continuing strong trading conditions at Sunbelt and Ashtead Technology and a stable position at A-Plant, the Board looks forward with confidence.

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There will be a presentation to equity analysts at 9.30am today at the offices of JPMorgan at 10 Aldermanbury, London, EC2V 7RF and a conference call for bondholders in the afternoon at 3.00pm. A simultaneous webcast of the equity analysts presentation will be available via the Company's website at www.ashtead-group.com and there will also be a recorded playback available from shortly after the call finishes.

CONSOLIDATED INCOME STATEMENT

	Unaudited Three months to 31 October 2005 £m	Unaudited Three months to 31 October 2004 £m	Unaudited Six months to 31 October 2005 £m	Unaudited Six months to 31 October 2004 £m	Audited Year to 30 April 2005 £m
Revenue	167.9	144.8	313.8	274.7	523.7
Staff costs	(48.7)	(44.0)	(96.1)	(86.8)	(172.9)
Other operating costs (net)	(51.0)	(49.4)	(98.4)	(94.8)	(181.3)
EBITDA*	68.2	51.4	119.3	93.1	169.5
Depreciation	(28.4)	(26.2)	(55.1)	(51.9)	(102.4)
Operating profit	39.8	25.2	64.2	41.2	67.1
Financing costs	(13.8)	(11.8)	(25.9)	(22.9)	(44.7)
Profit on ordinary activities before taxation	26.0	13.4	38.3	18.3	22.4
Profit before taxation and exceptional items	27.9	13.4	40.2	18.3	22.4
Exceptional items	(1.9)	-	(1.9)	-	-
Profit on ordinary activities before taxation	26.0	13.4	38.3	18.3	22.4
Taxation:					
- current	(1.8)	(0.4)	(2.2)	(0.5)	(0.7)
- deferred	(7.3)	(5.4)	(12.8)	(8.8)	(13.3)
	(9.1)	(5.8)	(15.0)	(9.3)	(14.0)
Profit attributable to equity shareholders of the company	16.9	7.6	23.3	9.0	8.4
Basic earnings per share	4.3p	2.4p	6.5p	2.8p	2.6p
Diluted earnings per share	4.2p	2.4p	6.4p	2.8p	2.6p

* EBITDA is presented here as an additional performance measure as it is commonly used by investors and lenders.

STATEMENT OF RECOGNISED INCOME AND EXPENSE

	£m	£m	£m	£m	£m
Net profit for the period	16.9	7.6	23.3	9.0	8.4
Cash flow hedges	(0.8)	-	-	-	-
Actuarial loss on defined benefit pension plan	-	-	-	-	(3.7)
Foreign currency translation difference	(0.4)	(2.2)	19.9	(6.8)	(16.0)
Total recognised income and expense for the period	15.7	5.4	43.2	2.2	(11.3)

MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	£m	£m	£m	£m	£m
Total recognised income and expense for the period	15.7	5.4	43.2	2.2	(11.3)
Issue of ordinary shares, net of expenses	68.1	-	68.4	-	0.1
Share based payments	0.4	-	0.5	0.1	0.6
Own shares acquired	(2.8)	-	(2.8)	-	-
Net increase in equity shareholders' funds	81.4	5.4	109.3	2.3	(10.6)
Opening equity shareholders' funds	137.8	117.4	109.9	120.5	120.5
Closing equity shareholders' funds	219.2	122.8	219.2	122.8	109.9

CONSOLIDATED BALANCE SHEET

	Unaudited 31 October 2005	Unaudited 31 October 2004	Audited 30 April 2005
	£m	£m	£m
Current assets			
Inventory	15.4	15.9	13.8
Trade and other receivables	122.2	103.2	91.9
Cash held as collateral	-	9.9	-
Cash and cash equivalents	0.9	7.3	2.1
	138.5	136.3	107.8
Non-current assets			
Property, plant and equipment			
- rental equipment	554.3	463.6	452.9
- other assets	91.1	84.6	84.2
	645.4	548.2	537.1
Intangible assets – goodwill	152.9	123.0	118.2
	798.3	671.2	655.3
Total assets	936.8	807.5	763.1
Current liabilities			
Trade and other payables	110.3	80.4	95.0
Debt due in less than one year	13.1	17.0	12.2
Provisions	7.1	6.7	7.1
	130.5	104.1	114.3
Non-current liabilities			
Other payables	-	7.6	7.9
Debt due in more than one year	503.4	519.2	472.2
Provisions	10.4	9.4	7.9
Defined benefit pension fund deficit	15.9	12.9	16.2
Deferred taxation	57.4	31.5	34.7
	587.1	580.6	538.9
Total liabilities	717.6	684.7	653.2
Equity shareholders' funds			
Share capital	40.2	32.6	32.6
Share premium account	0.9	100.7	100.8
Non-distributable reserve	90.7	-	-
Equity element of convertible loan note	-	24.3	24.3
Own shares held in treasury through the ESOT	(4.2)	(1.6)	(1.6)
Cumulative foreign exchange translation differences	(12.7)	(23.4)	(32.6)
Distributable reserves	104.3	(9.8)	(13.6)
Total equity shareholders' funds	219.2	122.8	109.9
Total liabilities and equity shareholders' funds	936.8	807.5	763.1

CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Six months to 31 October				Audited Year to 30 April	
	2005		2004		2005	
	£m	£m	£m	£m	£m	£m
Cash flows from operating activities						
Cash generated from operations before exceptional items		99.2		79.3		164.8
Exceptional items		-		(3.7)		(5.7)
Cash generated from operations		99.2		75.6		159.1
Financing costs paid before exceptional items	(18.6)		(13.3)		(30.2)	
Exceptional financing costs paid	(13.3)		-		-	
Financing costs paid		(31.9)		(13.3)		(30.2)
Tax paid		(0.6)		(0.6)		(0.6)
Net cash from operating activities		66.7		61.7		128.3
Cash flows from investing activities						
Acquisition of businesses		(56.9)		-		-
Disposal of businesses		11.8		0.4		0.5
Payments for property, plant and equipment		(124.3)		(63.9)		(111.2)
Proceeds on sale of property, plant and equipment		22.4		16.4		35.9
Net cash used in investing activities		(147.0)		(47.1)		(74.8)
Cash flows from financing activities						
Drawdown of loans		235.6		11.0		244.6
Redemption of loans		(215.6)		(10.7)		(293.3)
(Increase)/decrease in cash held as collateral		-		(4.2)		5.8
Capital element of finance lease payments		(6.5)		(7.2)		(12.3)
Purchase of own shares by the ESOT		(2.8)		-		-
Proceeds from issue of ordinary shares		68.4		-		0.1
Net cash from/(used in) financing activities		79.1		(11.1)		(55.1)
(Decrease)/increase in cash and cash equivalents		(1.2)		3.5		(1.6)
Opening cash and cash equivalents		2.1		3.9		3.9
Effect of exchange rate changes		-		(0.1)		(0.2)
Closing cash and cash equivalents		0.9		7.3		2.1

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

These interim financial statements were approved by the directors on 12 December 2005. They have been prepared in accordance with relevant International Financial Reporting Standards (including IAS 34 Interim Financial Reporting) and the accounting policies set out in the document entitled - "Impact of adoption of International Accounting Standards and restatement of previously reported financial information" published on 20 September 2005 and available on the Company's website at www.ashtead-group.com. The interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.

The statutory accounts for the year ended 30 April 2005 were prepared in accordance with UK generally accepted accounting standards and have been mailed to shareholders and filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 237 of the Companies Act 1985.

The exchange rates used in respect of the US dollar are:

	2005	2004
Average for the six months ended 31 October	1.7988	1.8177
At 31 October	1.7703	1.8323

2. Segmental analysis

	Revenue	Operating profit before exceptionals	Exceptional items	Operating profit	Capital Expenditure
Three months to 31 October	£m	£m	£m	£m	£m
2005					
Sunbelt Rentals	122.8	32.3	2.9	35.2	53.0
A-Plant	40.9	5.2	-	5.2	15.0
Technology	4.2	1.3	-	1.3	1.8
Corporate costs	-	(1.9)	-	(1.9)	-
	167.9	36.9	2.9	39.8	69.8
2004					
Sunbelt Rentals	100.2	20.4	-	20.4	22.4
A-Plant	41.6	5.6	-	5.6	11.8
Technology	3.0	0.7	-	0.7	0.5
Corporate costs	-	(1.5)	-	(1.5)	-
	144.8	25.2	-	25.2	34.7
Six months to 31 October					
2005					
Sunbelt Rentals	226.1	53.6	2.9	56.5	95.3
A-Plant	79.7	8.9	-	8.9	32.5
Technology	8.0	2.3	-	2.3	3.5
Corporate costs	-	(3.5)	-	(3.5)	-
	313.8	61.3	2.9	64.2	131.3
2004					
Sunbelt Rentals	188.1	34.5	-	34.5	42.3
A-Plant	80.6	8.6	-	8.6	24.8
Technology	6.0	1.4	-	1.4	2.0
Corporate costs	-	(3.3)	-	(3.3)	-
	274.7	41.2	-	41.2	69.1

NOTES TO THE INTERIM FINANCIAL STATEMENTS

3. Operating costs

	2005			2004		
	Before exceptional items	Exceptional items	Total	Before exceptional items	Exceptional items	Total
Three months to 31 October	£m	£m	£m	£m	£m	£m
Staff costs:						
Salaries	44.0	0.3	44.3	40.0	-	40.0
Social security costs	3.6	-	3.6	3.1	-	3.1
Other pension costs	0.8	-	0.8	0.9	-	0.9
	48.4	0.3	48.7	44.0	-	44.0
Other operating costs (net):						
Vehicle costs	13.4	-	13.4	11.0	-	11.0
Spares, consumables & ext'l repairs	10.7	-	10.7	10.3	-	10.3
Facilities costs	7.5	0.4	7.9	7.1	-	7.1
Other external charges	24.6	-	24.6	22.4	-	22.4
Profit on disposal of fixed assets	(2.0)	(3.6)	(5.6)	(1.4)	-	(1.4)
	54.2	(3.2)	51.0	49.4	-	49.4
Depreciation	28.4	-	28.4	26.2	-	26.2
	131.0	(2.9)	128.1	119.6	-	119.6
Six months to 31 October						
Staff costs:						
Salaries	87.0	0.3	87.3	78.3	-	78.3
Social security costs	7.2	-	7.2	6.6	-	6.6
Other pension costs	1.6	-	1.6	1.9	-	1.9
	95.8	0.3	96.1	86.8	-	86.8
Other operating costs (net):						
Vehicle costs	24.8	-	24.8	21.3	-	21.3
Spares, consumables & ext'l repairs	20.8	-	20.8	20.2	-	20.2
Facilities costs	14.7	0.4	15.1	14.1	-	14.1
Other external charges	45.5	-	45.5	41.7	-	41.7
Profit on disposal of fixed assets	(4.2)	(3.6)	(7.8)	(2.5)	-	(2.5)
	101.6	(3.2)	98.4	94.8	-	94.8
Depreciation	55.1	-	55.1	51.9	-	51.9
	252.5	(2.9)	249.6	233.5	-	233.5

4. Exceptional items

'Exceptional items' are those items of financial performance that are material and non-recurring in nature that the Group believes should be disclosed separately within their consolidated income statement category to assist in the understanding of the financial performance of the Group.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

4. Exceptional items (continued)

	Three months to 31 October 2005 £m	Six months to 31 October 2005 £m	Year to 30 April 2005 £m
Debt facility costs	4.8	4.8	-
Profit on sale of scaffolding	(3.0)	(3.0)	-
Post acquisition integration costs	0.1	0.1	-
	1.9	1.9	-

Debt facility costs include the premium paid to redeem 35% of the second priority senior secured notes due 2014 (£5.0m), the write off of the portion of deferred debt issue costs related to the notes redeemed (£1.5m), other refinancing costs (£0.3m) and a gain on the repayment of the Rentokil convertible loan note (£2.0m). Profit on sale of scaffolding relates to the estimated net gain on the disposal by Sunbelt of 12 west coast and Texas specialist scaffold locations. Integration costs relate to costs incurred in integrating acquisitions during the first half.

Exceptional items are presented in the income statement as follows:

	Three months to 31 October 2005 £m	Six months to 31 October 2005 £m	Year to 30 April 2005
Staff costs	0.3	0.3	-
Other operating costs	(3.2)	(3.2)	-
Credited in arriving at operating profit	(2.9)	(2.9)	-
Financing costs	4.8	4.8	-
	1.9	1.9	-

5. Financing costs

	Three months to 31 October		Six months to 31 October	
	2005 £m	2004 £m	2005 £m	2004 £m
Bank interest payable	3.1	3.8	6.7	6.9
Funding cost on trade debtors' securitisation	-	1.0	-	1.9
Interest on second priority senior secured notes	5.4	3.8	9.0	7.4
Interest on 5.25% unsecured convertible loan note, due 2008	-	2.3	1.9	4.2
Interest payable on finance leases	0.5	0.4	1.0	0.9
Other	-	0.5	2.5	1.6
	9.0	11.8	21.1	22.9
Exceptional costs re debt facilities	4.8	-	4.8	-
	13.8	11.8	25.9	22.9

NOTES TO THE INTERIM FINANCIAL STATEMENTS

6. Taxation

The tax charge for the period has been calculated by applying the directors' best estimate of the effective annual tax rate (estimated at 38%) to the Group's profit before exceptional items and tax. Tax attributable to exceptional items has been calculated using the standard tax rates in each jurisdiction in which the exceptional item arose. The tax charge comprises a credit of £1.2m related to the UK (2004 - £nil) and a charge of £16.2m (2004 - £9.3m) related to the US.

7. Earnings per share

Basic and diluted earnings per share for the three and six months ended 31 October 2005 have been calculated based on the profit for the relevant period and on the weighted average number of ordinary shares in issue during that period which excludes the shares held by the ESOT in respect of which dividends have been waived. Diluted earnings per share is computed using the result for the relevant period and the diluted number of shares (ignoring any potential issue of ordinary shares which would be anti-dilutive). These are calculated as follows:

		Three months to 31 October		Six months 31 October	
		2005	2004	2005	2004
Profit for the financial period (£m)		16.9	7.6	23.3	9.0
Weighted average number of shares (m)	- basic	396.3	322.9	359.9	322.9
	- diluted	402.7	322.9	366.4	322.9
Basic earnings per share		4.3p	2.4p	6.5p	2.8p
Diluted earnings per share		4.2p	2.4p	6.4p	2.8p

Cash tax earnings per share (defined in any period as the earnings before exceptional items and deferred taxation for that period divided by the weighted average number of shares in issue in that period) may be reconciled to the basic earnings per share as follows:

	Three months to 31 October		Six months to 31 October	
	2005	2004	2005	2004
Basic earnings per share	4.3p	2.4p	6.5p	2.8p
Exceptional items	0.5p	-	0.5p	-
Deferred tax on exceptional items	(0.1)p	-	(0.1)p	-
Earnings per share before exceptional items	4.7p	2.4p	6.9p	2.8p
Other deferred tax	1.9p	1.6p	3.7p	2.7p
Cash tax earnings per share	6.6p	4.0p	10.6p	5.5p

NOTES TO THE INTERIM FINANCIAL STATEMENTS

8. Property, plant and equipment

Net book value	2005 Rental equipment £m	2005 Total £m	2004 Rental equipment £m	2004 Total £m
At 1 May	452.9	537.1	469.7	554.9
Exchange difference	23.7	27.1	(10.0)	(10.9)
Additions	120.0	131.3	60.5	69.1
Acquisitions	31.7	34.7	-	-
Disposals	(27.4)	(29.7)	(12.3)	(13.0)
Depreciation	(46.6)	(55.1)	(44.3)	(51.9)
At 31 October	554.3	645.4	463.6	548.2

9. Called up share capital

Ordinary shares of 10p each:

	31 October 2005 Number	31 October 2004 Number	30 April 2005 Number	31 October 2005 £m	31 October 2004 £m	30 April 2005 £m
Authorised	900,000,000	900,000,000	900,000,000	90.0	90.0	90.0
Allotted, called up and fully paid	401,876,408	325,665,910	326,074,928	40.2	32.6	32.6

On 3 August 2005 the Group issued 73,350,352 ordinary shares of 10p each at 95.5p through a Placing and Open Offer which raised £70.0m before issue expenses of £3.1m.

10. Statement of changes in shareholders' equity

	Share capital £m	Share premium £m	Equity element of convertible loan note £m	Non distributable reserves £m	Own shares held in treasury (ESOT) £m	Cumulative foreign exchange translation differences £m	Distributable reserves £m	Total £m	31 Oct 2004 £m	30 April 2005 £m
Total recognised Income and expense	-	-	-	-	-	19.9	23.3	43.2	2.2	(11.0)
Shares issued	7.6	63.9	-	(3.1)	-	-	-	68.4	-	0.1
Share based payments	-	-	-	-	-	-	0.5	0.5	0.1	0.3
Capital reduction	-	(163.8)	-	93.8	-	-	70.0	-	-	-
Vesting of share awards	-	-	-	-	0.2	-	(0.2)	-	-	-
Own shares purchased	-	-	-	-	(2.8)	-	-	(2.8)	-	-
Redemption of convertible loan note	-	-	(24.3)	-	-	-	24.3	-	-	-
Net changes in shareholders' equity	7.6	(99.9)	(24.3)	90.7	(2.6)	19.9	117.9	109.3	2.3	(10.6)
At 1 May 2005	32.6	100.8	24.3	-	(1.6)	(32.6)	(13.6)	109.9	120.5	120.5
At 31 October 2005	40.2	0.9	-	90.7	(4.2)	(12.7)	104.3	219.2	122.8	109.9

At the extraordinary general meeting of the Company held on 1 August 2005, shareholders approved a resolution to cancel the amount standing to the credit of the share premium account. Subsequently the High Court of Justice approved the cancellation on 24 August 2005. Accordingly, of the total amount cancelled of £163.8m, £70.0m has been credited to distributable reserves while the balance of £93.8m has been credited to a non-distributable reserve.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

11. Notes to cash flow statement

a) Cash flow from operating activities

	Six months to 31 October 2005 £m	Six months to 31 October 2004 £m	Year to 30 April 2005 £m
Operating profit	64.2	41.2	67.1
Depreciation	55.1	51.9	102.4
Exceptional items	(2.9)	-	-
EBITDA before exceptional items	116.4	93.1	169.5
Profit on disposal of property, plant and equipment	(4.2)	(2.5)	(7.1)
(Increase)/decrease in inventories	(0.2)	(1.2)	0.4
Increase in trade and other receivables	(18.7)	(12.6)	(0.3)
Increase in trade and other payables	5.5	1.9	1.5
Exchange differences	(0.2)	0.4	0.4
Other non-cash movements	0.6	0.2	0.4
Cash generated from operations before exceptional items	99.2	79.3	164.8

b) Reconciliation to net debt

	Six months to 31 October 2005 £m	Six months to 31 October 2004 £m	Year to 30 April 2005 £m
Decrease/(increase) in cash in the period	1.2	(3.5)	1.6
Increase/(decrease) in debt through cash flow	13.5	(11.1)	(55.2)
Change in net debt from cash flows	14.7	(14.6)	(53.6)
Exchange difference	13.9	(6.4)	(15.1)
Non-cash movements:			
- deferred costs of debt raising	2.8	0.1	1.2
- convertible loan note	(1.0)	1.9	3.8
- capital element of new finance leases	2.9	5.8	13.8
Movement in net debt in the period	33.3	(13.2)	(49.9)
Opening debt	482.3	532.2	532.2
Closing debt	515.6	519.0	482.3

c) Analysis of net debt

	1 May 2005 £m	Exchange movement £m	Cash flow £m	Non-cash movements £m	31 October 2005 £m
Cash	(2.1)	-	1.2	-	(0.9)
Debt due within 1 year	12.2	0.7	(6.5)	6.7	13.1
Debt due after 1 year	472.2	13.2	20.0	(2.0)	503.4
Total net debt	482.3	13.9	14.7	4.7	515.6

NOTES TO THE INTERIM FINANCIAL STATEMENTS

12. Acquisitions and disposals

On 17 October 2005, Sunbelt acquired 100% of the issued share capital of Northridge Equipment Rentals, Inc for cash consideration of £39.7m. Northridge Equipment Rentals traded through five stores located in central and southern California. In addition, Sunbelt has acquired the business and assets of ten further stores during the first half in Florida, California, Nevada and Tennessee for a total cash consideration of £16.4m. A-Plant also acquired one store in Bournemouth for a cash consideration of £0.5m.

The acquired businesses have been integrated into Sunbelt and A-Plant and the acquired rental fleets reorganised through additions, disposals and transfers of equipment. Accordingly, it is not practicable to disclose separately the revenue and profit of the acquired assets.

The goodwill arising on these acquisitions which relates to the excess of the consideration necessary to acquire these businesses over the fair market value of the net assets acquired is summarised in the table below:

	Acquiree's book value £m	Fair value £m
Net assets acquired:		
Property, plant and equipment	24.0	34.7
Inventories	0.5	0.5
Trade and other receivables	4.2	4.6
Trade and other payables	(1.8)	(1.8)
Deferred tax liabilities	(3.0)	(7.0)
	23.9	31.0
Goodwill		25.9
Total consideration		56.9
Satisfied by:		
Cash		56.6
Directly attributable costs		0.3
		56.9

The consideration paid for these acquisitions includes £2.6m paid into escrow which remains subject to adjustment on agreement of closing net asset statements. Such adjustments are not expected to result in a significant variation in the total consideration payable.

On 15 August 2005 Sunbelt sold 12 specialist scaffold locations on the US west coast and in Texas for an estimated cash consideration of £13.1m which is subject to adjustment once the closing balance sheet has been agreed with the purchaser. The profit on disposal is as follows:

	£m
Disposal proceeds:	
- cash received to date	12.2
- disposal related costs paid to date	(0.4)
	11.8
- estimated further proceeds due on agreement of closing balance sheet	0.9
- estimated further disposal related costs	(0.3)
Net consideration receivable	12.4
Net assets sold:	
- property, plant and equipment	(9.3)
- inventory	(0.1)
Exceptional profit on disposal	3.0

NOTES TO THE INTERIM FINANCIAL STATEMENTS

13. Contingent liabilities and contingent assets

There have been no significant changes in contingent liabilities from those reported at 30 April 2005. At 30 April 2005, Sunbelt had provided performance guarantees to a value of £1.6m to various state bodies. These obligations are guaranteed by Ashtead Group plc. The Group is subject to periodic legal claims in the ordinary course of its business. However, the claims outstanding at 31 October 2005 are not expected to have a significant impact on the Group's financial position.

14. Post balance sheet events

On 14 November 2005 the Group agreed amended terms with the syndicate of lenders who make available the Group's first priority asset based senior secured loan facility to increase the amount of the facility from $675m to $800m, to extend its maturity by one year to November 2010 and to reduce the interest rate payable under the facility.

On 23 November 2005 Sunbelt and Head & Engquist Equipment LLC ("H&E") agreed to settle their outstanding litigation with H&E paying to Sunbelt the sum of $20.1m (£11.7m). The proceeds of the settlement have been applied to reduce borrowings under the Group's asset based revolver and will be recognised as an exceptional profit in the third quarter.

15. Reconciliation between UK GAAP and IFRS

The Group published financial information in accordance with IFRS for 2004/5, as required by IFRS 1, on 20 September 2005 in its news release entitled "Adoption of International Accounting Standards". The news release is available on the Group's website, www.ashtead-group.com and includes:

- a summary of the main differences applicable to Ashtead between UK GAAP and IFRS
- the restated income statement, balance sheet and cash flow statement under IFRS for the year ended 30 April 2005
- full reconciliations of the IFRS financial statements to the comparable information published previously under UK GAAP. These reconciliations cover income statement information for the quarter ended 31 July 2004, the six months ended 31 October 2004, the nine months ended 31 January 2005 and the year ended 30 April 2005 and balance sheet information as at 30 April 2004, 31 July 2004, 31 October 2004, 31 January 2005 and 30 April 2005.

The news release also included the Group's detailed accounting policies under IFRS.

The tables below give a summary of the impact of the move to IFRS on previously reported financial information.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

15. Reconciliation between UK GAAP and IFRS (continued)

Reconciliation of equity

	31 October 2004 £m	30 April 2005 £m
Total equity presented under UK GAAP	134.7	126.9
Additional non-cash convertible loan note interest	(11.9)	(13.4)
Equity element of convertible loan note	24.3	24.3
Pensions	(12.7)	(16.5)
Share based payments	(0.1)	(0.1)
Lease reclassification	(0.1)	-
Restate $100m swap to fair value	-	0.6
Goodwill	4.4	8.9
Revaluation of goodwill to current exchange rates	(19.9)	(24.7)
Deferred taxation	4.1	3.9
Total equity presented under IFRS	122.8	109.9

Reconciliation of profit attributable to equity shareholders of the company

	Three months ended 31 October 2004 £m	Six months ended 31 October 2004 £m	Year ended 30 April 2005 £m
Attributable profit under UK GAAP	6.4	6.4	2.4
Goodwill	2.2	4.4	8.9
Additional non-cash convertible loan note interest	(0.7)	(1.5)	(3.0)
Pensions	(0.1)	(0.1)	(0.2)
Share based payments	(0.1)	(0.2)	(0.4)
Lease reclassification	-	(0.1)	-
Restate $100m interest rate swap to fair value	(0.1)	0.1	0.7
Attributable profit under IFRS	7.6	9.0	8.4

Reconciliation of cash flows

The Group's cash flows under IFRS are unchanged from those under UK GAAP. The IFRS cash flow format is similar to UK GAAP but presents various cash flows in different categories and in a different order from the UK GAAP cash flow statement. All of the IFRS accounting adjustments net out within cash generated from operations except for the reclassification of the debtors securitisation as debt under IFRS.

OPERATING AND FINANCIAL REVIEW

Second quarter (to 31 October) results compared with prior year

Overview

	2005			2004		
	Before exceptionals	Exceptional items	Total	Before exceptionals	Exceptional items	Total
	£m	£m	£m	£m	£m	£m
Revenue	167.9	-	167.9	144.8	-	144.8
Staff costs	(48.4)	(0.3)	(48.7)	(44.0)	-	(44.0)
Other operating costs (net)	(54.2)	3.2	(51.0)	(49.4)	-	(49.4)
EBITDA*	65.3	2.9	68.2	51.4	-	51.4
Depreciation	(28.4)	-	(28.4)	(26.2)	-	(26.2)
Operating profit	36.9	2.9	39.8	25.2	-	25.2
Financing costs	(9.0)	(4.8)	(13.8)	(11.8)	-	(11.8)
Profit before taxation	27.9	(1.9)	26.0	13.4	-	13.4
Taxation:						
- current	(1.8)	-	(1.8)	(0.4)	-	(0.4)
- deferred	(7.6)	0.3	(7.3)	(5.4)	-	(5.4)
	(9.4)	0.3	(9.1)	(5.8)	-	(5.8)
Profit for the quarter	18.5	(1.6)	16.9	7.6	-	7.6

* EBITDA is presented here as an additional performance measure as it is commonly used by investors and lenders.

Second quarter revenue increased 14.9% at constant 2005 exchange rates to £167.9m and by 16.0% at actual rates. EBITDA before exceptional items grew by 25.9% at constant exchange rates to £65.3m and by 27.0% at actual rates. Operating profit before exceptional items of £36.9m in the quarter increased 45.5% at constant 2005 exchange rates and 46.4% from £25.2m in 2004 at actual rates. EBITDA margins before exceptional items grew from 35.5% to 38.9% and operating margins before exceptional items rose from 17.4% to 22.0%. Total EBITDA increased 32.7% to £68.2m, at actual rates and total operating profit by 57.9% to £39.8m.

Seasonality

Our business is subject to significant fluctuations in performance from quarter to quarter as a result of seasonal effects. Commercial construction activity tends to increase in the summer and during extended periods of mild weather and to decrease in the winter and during extended periods of inclement weather. Furthermore, due to the incidence of public holidays in the US and the UK, there are more billing days in the first half of our financial year than the second half leading to our revenues normally being higher in the first half.

Typically, the second quarter of our fiscal year is our strongest quarter with revenue and operating results reflecting generally good weather conditions in the late summer and early autumn and few public holidays.

Divisional performance

Divisional results before exceptional items are summarised below:

	Revenue		EBITDA		Operating profit	
	2005	2004	2005	2004	2005	2004
Sunbelt in $m	220.0	181.8	90.8	66.0	57.8	37.1
Sunbelt in £m	122.8	100.2	50.7	36.4	32.3	20.4
A-Plant	40.9	41.6	14.3	15.1	5.2	5.6
Ashtead Technology	4.2	3.0	2.2	1.4	1.3	0.7
Group central costs	-	-	(1.9)	(1.5)	(1.9)	(1.5)
	167.9	144.8	65.3	51.4	36.9	25.2

Sunbelt

Revenue increased 21.0% to $220.0m reflecting strong growth of approximately 9% in rental rates and a 9% increase in the average fleet size. Utilisation was broadly unchanged at approximately 74%. Revenue growth was broadly based with all regions and all major product areas trading ahead of last year. Sunbelt's revenue improvement reflected market share gains and growth in non-residential construction activity as well as the continued shift from ownership to rental.

Costs (excluding depreciation) rose 11.6% to $129.2m in 2005. This reflected principally increased headcount, higher commissions and profit share payments to staff as a result of the increased activity levels and increased fuel costs for Sunbelt's delivery fleet. As a result, EBITDA grew 37.6% to $90.8m and the EBITDA margin for the quarter improved to 41.3% from 36.3% in 2004. Sunbelt's operating profit increased 55.8% to $57.8m representing a margin of 26.3% (2004 – 20.4%). Sunbelt's results in sterling reflected the factors discussed above and the slightly stronger US dollar.

In the second quarter Sunbelt was actively involved in the clean-up efforts on the US Gulf Coast and in Florida following hurricanes Katrina, Rita and Wilma. Sunbelt's stores in affected areas suffered no significant damage from the hurricanes and none of its staff were hurt. Sunbelt also incurred no significant costs for lost or damaged rental equipment. As regards the effect on Sunbelt's revenues of the clean-up and reconstruction work, we now expect that the impact on the current financial year will be more significant than the impact we have seen from storms and natural disasters in earlier years but that it will still amount to less than 2% of Sunbelt's full year revenues.

A-Plant

In a continued competitive market, A-Plant's second quarter revenue of £40.9m compares with £41.6m last year, reflecting rental rates similar to last year, a fleet size which was approximately 1% smaller than in the equivalent period a year ago and utilisation at approximately 66% compared to approximately 67% last year. Against this background, careful management of costs (excluding depreciation) continued and these increased 0.4% year over year mainly reflecting the full year impact of cost reduction measures taken last year. As a result EBITDA decreased 5.3% to £14.3m and the EBITDA margin decreased from 36.3% to 35.0% in 2005. A-Plant's operating profit decreased 7.1% to £5.2m representing a margin of 12.7% (2004 – 13.5%).

Ashtead Technology

Ashtead Technology's performance continued the trend established in the second half of last year with second quarter revenues up 40.0% to £4.2m at actual rates and up 37.8% at constant exchange rates. Ashtead Technology's operating profit of £1.3m increased from £0.7m in 2004 at both actual and constant exchange rates. These results reflected recent increases in investment in the development of oil supplies which is delivering higher offshore exploration and construction activity as well as continued growth in our on-shore environmental business. These trends are expected to continue.

Exceptional items

Exceptional items can be summarised as follows:

	Three months to 31 October 2005 £m	2004 £m
Debt facility costs	4.8	-
Profit on sale of scaffolding	(3.0)	-
Post acquisition integration costs	0.1	-
	1.9	-

Debt facility costs include the premium paid to redeem 35% of the second priority senior secured notes due 2014 (£5.0m), the write off of the portion of deferred debt issue costs related to the notes redeemed (£1.5m), other refinancing costs (£0.3m) and a gain on the repayment of the Rentokil convertible loan note (£2.0m). Profit on sale of scaffolding relates to the estimated net gain on the disposal by Sunbelt of 12 west coast and Texas specialist scaffold locations. Integration costs relate to costs incurred in integrating acquisitions during the first half.

Exceptional items are presented in the profit and loss account as follows:

	Three months to 31 October 2005 £m	2004 £m
Staff costs	0.3	-
Other operating costs	(3.2)	-
Credited in arriving at operating profit	(2.9)	-
Financing costs	4.8	-
	1.9	-

Financing costs

Financing costs increased to £13.8m from £11.8m in 2004. Financing costs before exceptional items decreased to £9.0m from £11.8m in 2004 reflecting lower average debt levels and an average interest rate which were similar to the prior period. Compared to the previous year, the average interest rate benefited from the repayment of £42.0m of our 12% notes and from a lower margin under our first priority asset based senior secured loan facility due 2014 but these benefits have been offset by increases in US dollar interest rates payable under our floating rate senior facility.

Taxation

Following last summer's capital reorganisation the Group is now anticipating earning taxable profits in the United Kingdom as well as in the United States. Whilst the substantial available tax losses in the UK (£127m at 30 April 2005) make it probable that no cash tax will be payable in the UK for several years, the Group is consequently now, for the first time, able to recognise a portion of the UK deferred tax asset (£1.2m) attributable to these losses. This has resulted in a more normal effective accounting tax rate compared to the very high effective accounting tax rates seen in recent years.

In the US the recent rapid improvement in Sunbelt's profitability, together with the $20.1m receipt from the Head & Engquist litigation has accelerated, relative to our earlier expectations, the time at which our US tax group is likely to fully utilise its tax losses and start paying significant cash taxes to 2006/7. In most market conditions, even once the US tax group becomes a regular taxpayer, capital investment levels are likely to keep the US cash tax rate well below its 39% effective accounting tax rate.

The tax charge for the quarter of £9.1m (2004 - £5.8m) comprised a charge for current tax of £1.8m and a charge for deferred tax of £7.3m. Overall for the first half the effective accounting tax rate on the profit before exceptional items is 38% whilst the cash tax rate is 5%.

Balance sheet

Property, plant and equipment

	31 October 2005		31 October 2004	
Net book value	Rental equipment	Total	Rental equipment	Total
	£m	£m	£m	£m
At 1 May	452.9	537.1	469.7	554.9
Exchange difference	23.7	27.1	(10.0)	(10.9)
Additions	120.0	131.3	60.5	69.1
Acquisitions	31.7	34.7	-	-
Disposals	(27.4)	(29.7)	(12.3)	(13.0)
Depreciation	(46.6)	(55.1)	(44.3)	(51.9)
At 31 October	554.3	645.4	463.6	548.2

Capital expenditure in the six months was £131.3m of which £120.0m was invested in the rental fleet (2004 - £69.1m in total). Expenditure on rental equipment was 91.4% of total capital expenditure. Capital expenditure by division was as follows:

	31 October 2005			2004
	Growth	Maintenance	Total	Total
Sunbelt in $m	70.1	81.7	151.8	65.1
Sunbelt 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

With the improvement in market conditions in the US, the Group spent £53.8m of its rental equipment capital expenditure on growth with £66.2m spent on replacing existing fleet. The growth proportion is estimated on the basis of the assumption that maintenance capital expenditure in any period is equal to the original cost of equipment sold in that period.

The average age of the Group's serialised rental equipment, which constitutes the substantial majority of our fleet, at 31 October 2005 was 39 months (2004 - 46 months) on a net book value basis. Sunbelt's fleet had an average age of 40 months (2004 - 48 months) comprising 51 months for aerial work platforms which have a longer life and 27 months for the remainder of its fleet and A-Plant's fleet had an average age of 39 months (2004 - 41 months).

Reflecting the recent strengthening of the dollar which raises the sterling value of Sunbelt's capital expenditure and the strong trading conditions in the US, we now anticipate that gross capital expenditure for the current financial year will be in the region of £220m.

Trade debtors

Debtor days remained at 51 days (2004 - 51 days). The bad debt charge as a percentage of total turnover was 0.9% in 2005 compared with 1.5% in 2004.

Trade and other creditors

Group creditor days were 58 days in 2005 (2004 - 63 days). Capital expenditure related payables at 31 October 2005 totalled £40.6m (2004 - £20.3m). Payment periods for purchases other than rental equipment vary between 30 and 60 days and for rental equipment between 30 and 90 days.

Cash flow and net debt

Free cash flow in the three months ended 31 October 2005 (which is defined as our net cash inflow from operations less net maintenance capital expenditure, financing costs paid and tax paid) is summarised below:

	Six months to 31 October 2005	Six months to 31 October 2004	LTM to 31 October 2005	Year ended 30 April 2005
	£m	£m	£m	£m
EBITDA before exceptional items	116.4	93.1	192.8	169.5
Cash inflow from operations before exceptional items	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
Issue of ordinary share capital	68.4	-	68.5	0.1
Purchase of own shares by ESOT	(2.8)	-	(2.8)	-
Exceptional refinancing costs paid	(13.3)	(3.7)	(15.3)	(5.7)
(Increase)/reduction in total debt	(14.7)	14.6	24.3	53.6

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

Cash inflow from operations increased 25.1% to £99.2m and the cash efficiency ratio was 85.2% (2004 - 85.2%) reflecting seasonal increases in working capital. After net maintenance capital expenditure of £56.4m (2004 - £34.0m) and tax, free cash flow before interest was £42.2m (2004 - £44.7m). Financing costs (excluding exceptional financing costs) paid this year were broadly in line with the accounting charge. Last year's financing costs of £13.3m were unusually low compared to last year's £22.9m accounting charge and reflected the timing of interest payments. Consequently, after interest, there was a free cash inflow of £23.6m (2004 - £31.4m).

Including payments of £45.5m in respect of growth capital expenditure, £45.1m in respect of acquisitions and disposals, £2.8m for the purchase of shares by the ESOT and exceptional refinancing costs of £13.3m and taking into account the net proceeds received from share issues of £68.4m, there was a net draw under our bank facilities in the six months of £14.7m. The largest outflow was for purchases of rental equipment which give rise to a corresponding increase in the borrowing base under our asset based facilities. Accordingly, combined with amendments to our asset based debt facility discussed below, availability under the facility increased from $157m at 30 April 2005 to $271m at 31 October 2005.

Net debt

	31 October	
	2005	2004
	£m	£m
First priority senior secured bank debt	274.7	272.2
Finance lease obligations	30.2	29.8
12% second priority senior secured notes, due 2014	75.4	115.7
8.625% second priority senior secured notes, due 2015	136.2	-
5.25% unsecured convertible loan note, due 2008	-	118.5
	516.5	536.2
Cash held as collateral	-	(9.9)
Cash and cash equivalents	(0.9)	(7.3)
Total net debt	515.6	519.0

At 31 October 2005 total net debt was £515.6m (31 October 2004 - £519.0m and 30 April 2005 - £482.3m). Measured at constant (31 October 2005) exchange rates, the decrease in total net debt since 31 October last year was £12.4m whilst debt has increased £19.6m in the six months since year end.

On 3 August the Group completed a capital reorganisation which raised approximately £70m from an equity placing and open offer as well as $250m of new second lien 8.625% senior secured notes due 2015. The proceeds of the placing and the debt issue were applied to redeem early, at an approximate 11% discount, the £134m convertible loan note and to redeem £42m of the 12% second priority senior secured loan notes due 2014. After payment of transaction costs, the remaining £26.5m of funds raised were applied to reduce outstandings under our asset based debt facility.

Amended first priority asset based senior secured loan facility

On 14 November 2005, the Group agreed amended terms with the syndicate of lenders who make available its first priority asset based senior secured loan facility to increase the amount, extend the maturity and reduce the cost of the facility. The principal changes were to:

- increase in the size of the facility from $675m to $800m
- extend its maturity to November 2010
- lower the interest rate grid from its current range of LIBOR plus 225bp to 300bp to a new range of LIBOR plus 150bp to 250bp
- revise the calculation of the borrowing base providing an increase in the amount of the facility available of approximately $90m
- remove the maximum capital expenditure and minimum EBITDA covenants.

As a result of this amendment and the earlier capital re-organisation the Group's debt facilities are now committed for a weighted average period of approximately 6.5 years and carry a weighted average interest rate of approximately 8%.

Head & Engquist Equipment LLC (H&E) litigation

As announced on 24 November, Sunbelt and H&E have settled their litigation with H&E paying to Sunbelt the sum of $20.1m (£11.7m). The proceeds of the settlement were applied to reduce borrowings under the Group's asset based revolver and will be recognised as an exceptional profit in the third quarter.

Dividends

In light of the strong trading performance in the first half, its confidence in the outlook and following the successful capital reorganisation, the Board is pleased to be able to announce today the resumption of dividend payments. Accordingly an interim dividend of 0.5p per share will be paid on 28 February 2006 to shareholders on the register on 17 February 2006.

OPERATING STATISTICS

	Profit centre numbers			Staff numbers		
	31 October		30 April	31 October		30 April
	2005	2004	2005	2005	2004	2005
Sunbelt Rentals	206	200	200	4,061	3,902	3,854
A-Plant	198	225	202	1,997	2,029	1,973
Ashtead Technology	10	10	10	87	81	94
Corporate office	-	-	-	14	15	14
Group	414	435	412	6,159	6,027	5,935

INDEPENDENT REVIEW REPORT TO ASHTEAD GROUP PLC

Introduction

We have been instructed by the company to review the financial information for the six months ended 31 October 2005 which comprises the income statement, the statement of recognised income and expense, movement in equity shareholders' funds, the balance sheet, the cash flow statement and related notes 1 to 15 and excludes the financial information for the three months ended 31 October 2005. 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.

This report is made solely to the company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

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 and the requirements of IAS 34 which require that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

International Financial Reporting Standards

The next annual financial statements of the group will be prepared in accordance with International Financial Reporting Standards as adopted for use in the EU. Accordingly, the interim report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" and the requirements of International Financial Reporting Standard 1, "First Time Adoption of International Financial Reporting Standards" relevant to interim reports.

Review work performed

We conducted our review in accordance with the 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 International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

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 2005.

Deloitte & Touche LLP
Chartered Accountants
London
12 December 2005