ASHTEAD GROUP PLC

International Equipment Rental

from 415 locations

Third quarter results – nine months ended 31 January 2005

Welcome

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

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Overview

- Achievement of £0.8m profit* (2004 - £6.6m loss) in seasonally weakest quarter underlines the strength of the recovery seen in all three divisions
- Nine months profit* of £20.9m (2004 - £4.5m profit)
- All regions and all major product areas ahead
- Continued debt reduction (£19.1m in Q3, £30.5m YTD) reducing future interest costs on our new senior facility by 35bp effective 28 Feb
- Successful outcome anticipated for the year as a whole

* Profit before tax, goodwill amortisation and, in 2004, exceptional items

Summary results – third quarter

	2005	2004	Change	Margins	
	£m	£m	(at comparable rates)	2005	2004
▪ Turnover #	123.4	111.7	+15%		
▪ EBITDA +	36.5	27.1	+41%	29.6%	24.3%
▪ Operating profit +	11.1	2.0	+492%	9.0%	1.8%
▪ Profit before tax +	0.8	(6.6)	n/a	0.6%	n/a
▪ Return on capital employed*	11.9%	4.3%			

\# Before exceptional items in 2004

\+ Before goodwill amortisation and, in 2004, exceptional items

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

Summary results – nine months to 31 January 2005

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	2005 £m	2004 £m	Change (at comparable rates)	Margins 2005	Margins 2004
Turnover #	398.1	382.3	+11%		
EBITDA +	125.9	112.0	+20%	31.6%	29.3%
Operating profit +	51.9	32.2	+76%	13.0%	8.4%
Profit before tax +	20.9	4.5	+625%	5.2%	1.2%
Cash tax EPS +	6.3p	1.4p	+620%		
Return on capital employed*	11.9%	4.3%			

\# Before exceptional items in 2004

\+ Before goodwill amortisation and, in 2004, exceptional items

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

Revenue growth drivers

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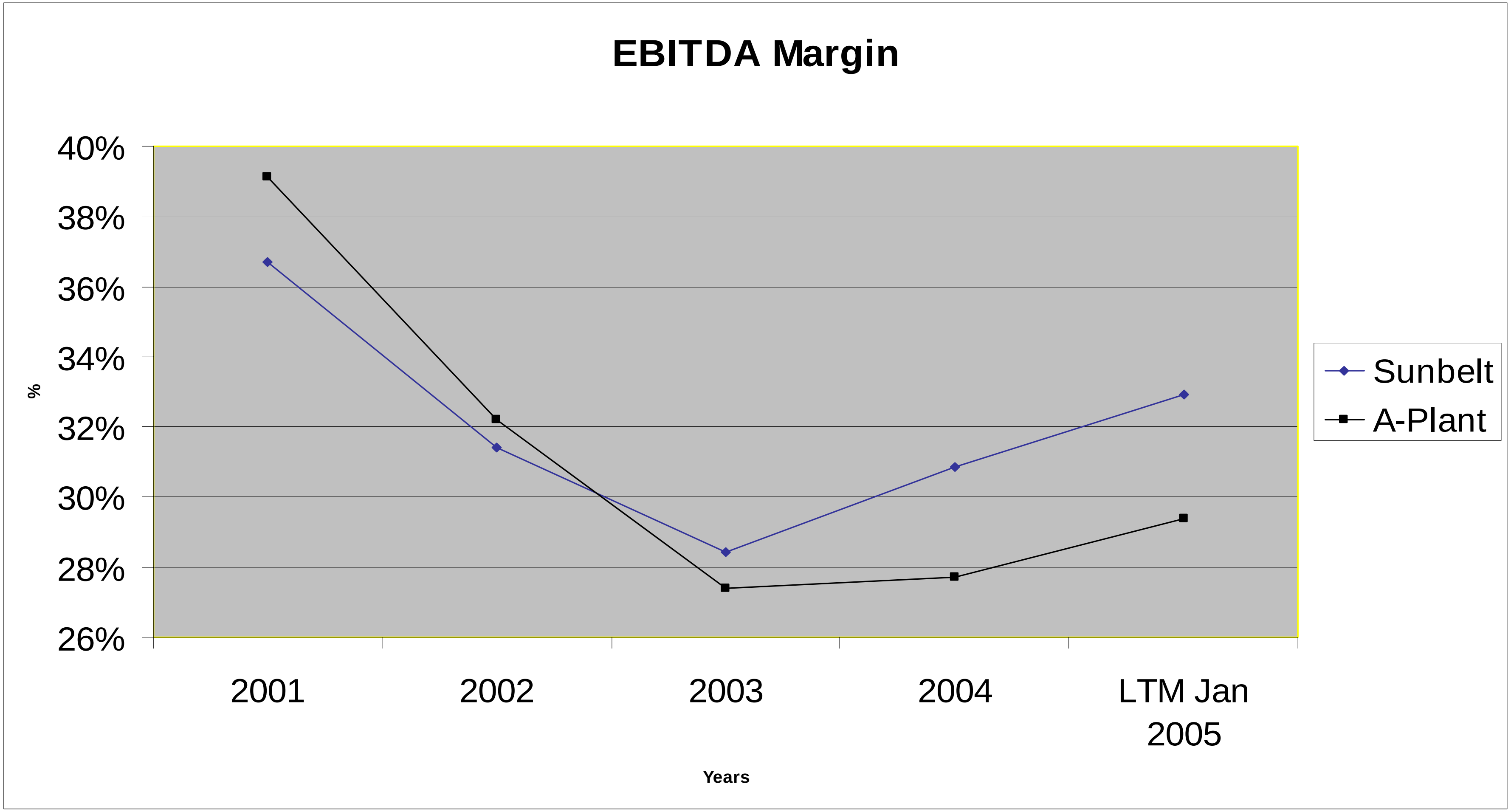
	Sunbelt	A Plant
Average fleet size	+1.0%	-5.4%
Utilisation	+7.5%	+8.2%
Price	+6.9%	+3.1%
Total rental revenue	+16.1%	+5.5%
Sales & ancilliary revenues	+0.6%	+0.4%
Total revenues	+16.7%	+5.9%

Looking forward, we expect all three drivers to continue to contribute to UK growth whereas in the US increased fleet size and price will likely predominate

EBITDA Margin



Capital expenditure

	2005 Growth	2005 Maintenance	2005 Total	2004 Total
Sunbelt Rentals in $m	31.0	62.7	93.7	32.4
Sunbelt Rentals in £m	16.5	33.2	49.7	17.8
A-Plant	0.0	27.2	27.2	24.1
Ashtead Technology	2.3	0.9	3.2	1.8
Total rental equipment	18.8	61.3	80.1	43.7
Other fixed assets			9.7	6.0
Total additions			89.8	49.7

Gross capital expenditure for current year expected to be in the region of £120m – £130m

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Cashflow

	Nine months to 31 January 2005	2004	LTM to 31 January 2005	Year to 30 April 2004
	£m	£m	£m	£m
EBITDA before exceptionals	125.9	112.0	160.9	147.0
Cash inflow from operations before exceptionals	119.6	113.0	146.6	140.0
Cash efficiency ratio	*95.0%*	*100.9%*	*91.1%*	*95.2%*
Maintenance capital expenditure	(74.7)	(70.3)	(87.3)	(82.9)
Proceeds from sale of used rental equipment	25.4	17.2	40.5	32.3
Tax (paid)/received	(0.9)	(0.3)	(0.5)	0.1
Free cash flow before interest	69.4	59.6	99.3	89.5
Interest paid	(21.9)	(23.4)	(31.4)	(32.9)
Free cash flow after interest	**47.5**	**36.2**	**67.9**	**56.6**
Growth capital expenditure	(11.8)	0.0	(11.8)	0.0
Acquisitions and disposals	0.5	13.0	2.7	15.2
Exceptional costs	(5.7)	(11.3)	(12.6)	(18.2)
Reduction in total debt	30.5	37.9	46.2	53.6

Bank debt

	31 January 2005 £m	31 January 2004 £m	30 April 2004 £m
First priority senior secured bank debt and overdraft	241.0	355.6	226.1
Finance lease obligations	10.9	14.0	12.1
Second priority senior secured notes, due 2014	115.8	-	115.6
Unsecured convertible loan note, due 2008	131.1	130.4	130.6
	498.8	500.0	484.4
Cash at bank and in hand	(8.0)	(14.3)	(9.9)
	490.8	485.7	474.5
Non-recourse finance under debtors securitisation	-	49.6	52.2
Total net debt	**490.8**	**535.3**	**526.7**
Last 12 months EBITDA before exceptional items	160.9	138.9	147.0
Last 12 months interest before exceptional costs	39.9	37.6	36.6
First priority senior secured debt to EBITDA	1.5x	2.6x	1.5x
Total net debt to EBITDA	**3.1x**	**3.9x**	**3.6x**
EBITDA to interest	4.0x	3.7x	4.0x

New senior debt facility

- $675m (£350m) five year, first priority senior debt facility closed 12 Nov
- $110m (£58m) liquidity at 31 January 2005
- Springing covenants – only required to be met if availability less than $50m
- Amount available to be borrowed grows up to facility limit as we invest in new rental assets
- Interest rate payable reduced by 35bp to LIBOR + 225bp with effect from 28 February 2005

International Accounting Standards

- IFRS applies to Ashtead effective 1 May 2005
- Detailed implementation project has been running since Q1 – preliminary results now available
- Under IFRS 1 – First time adoption of IFRS, need to apply IFRS to opening balance sheet of comparator year (1 May 2004) & subsequently
- Preliminary impacts:
  - IFRS 3 Business Combinations – goodwill frozen with no further regular amortisation & translated at closing balance sheet rates
  - IFRS 32 Financial Instruments – Rentokil convertible treated as part debt, part equity with c£14m credit to shareholders' funds at 1 May 2004 & increase in annual non-cash interest going forward of c£3m.

International Accounting Standards

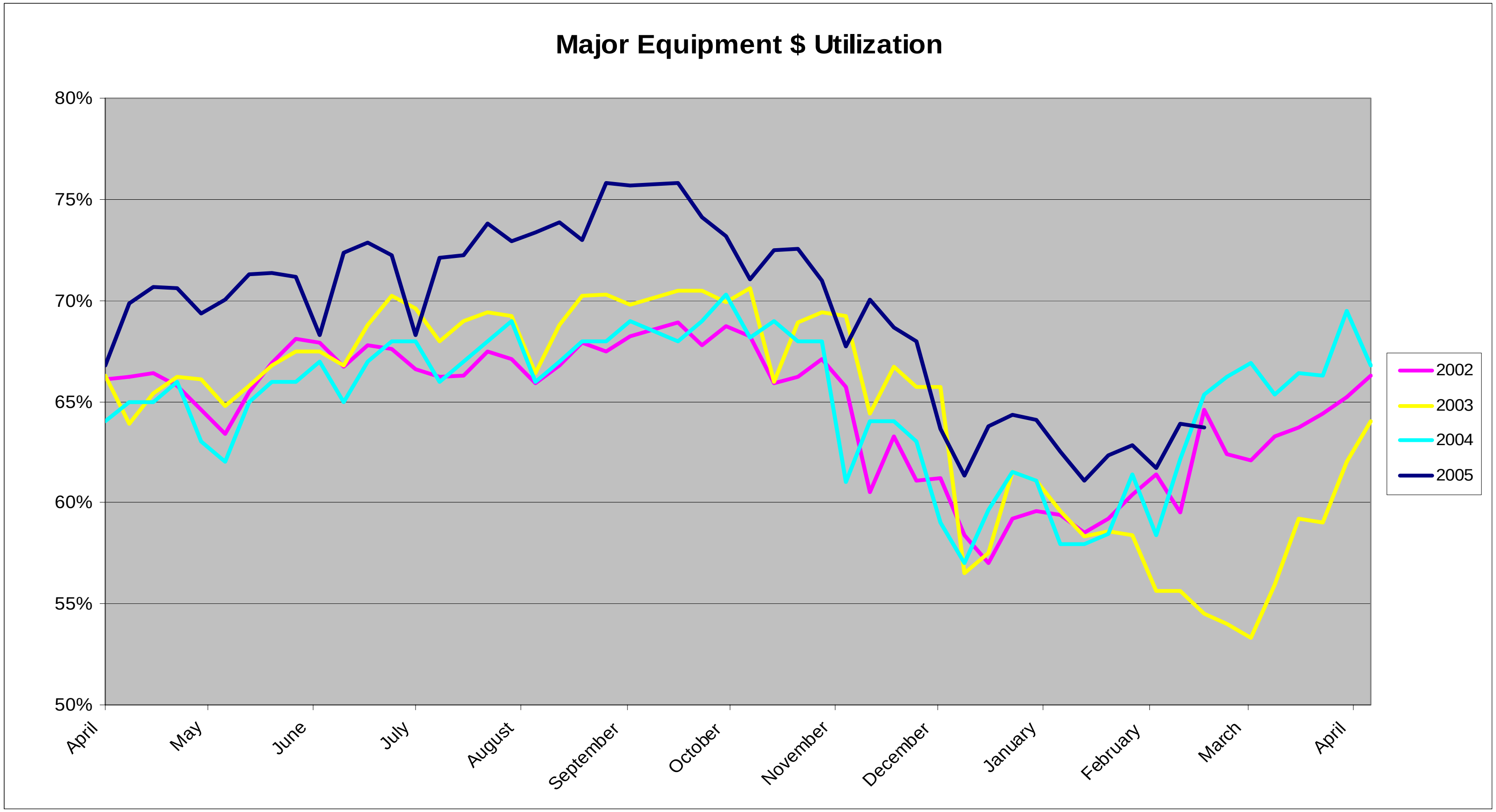
- IFRS 19 – Employee Benefits requires similar treatment of pensions to FRS 17. The £12.5m pensions deficit under the actuarial methods required by IFRS will be booked at 1 May 2004 with future actuarial gains and losses taken to reserves
- IFRS2 – Share-based Payments. Not expected to have a material effect

- Present intention to publish summarised P&L & B/S for 2004/5 under IFRS with the 2004/5 preliminary announcement
- Reporting under IFRS commences Q1 2005/6

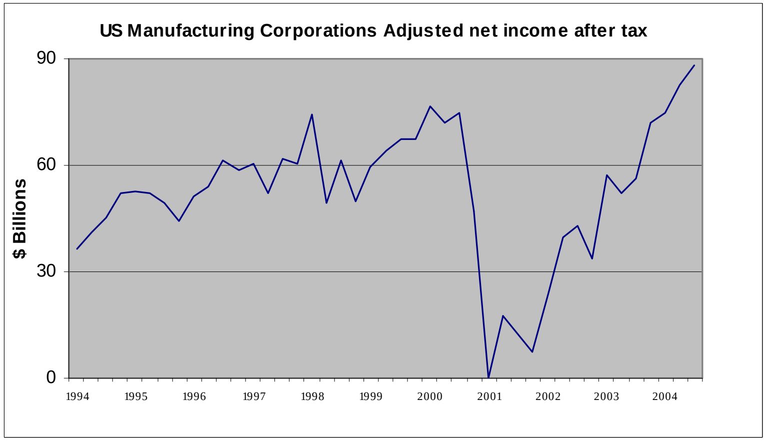
Sunbelt – nine months to 31 January 2005

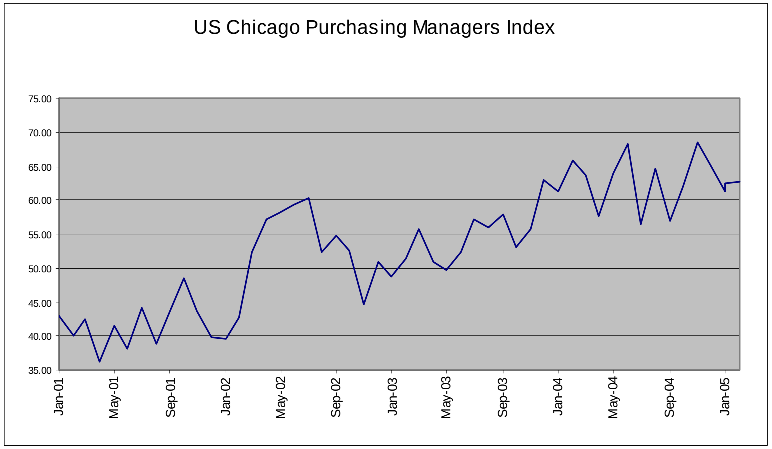
	2005 $m	2004 $m	Change	2005 £m	2004 £m	Change
Turnover	501.6	429.7	16.7%	271.6	255.0	6.5%
EBITDA	167.0	131.6	26.9%	90.4	78.1	15.7%
Margin	*33.3%*	*30.6%*		*33.3%*	*30.6%*	
Operating profit	84.7	53.1	59.5%	45.8	31.4	45.9%
Margin	*16.9%*	*12.4%*		*16.9%*	*12.4%*	
Net assets	627.7	656.2	-4.3%	332.8	360.5	-7.7%
ROI	*16.3%*	*6.9%*				

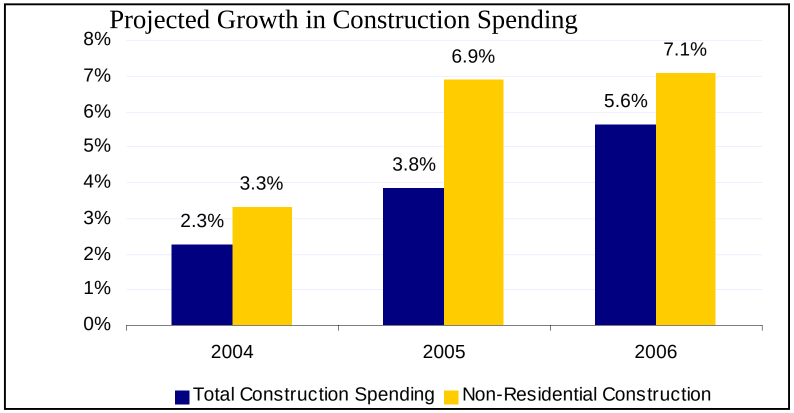
Sunbelt – utilisation at record levels

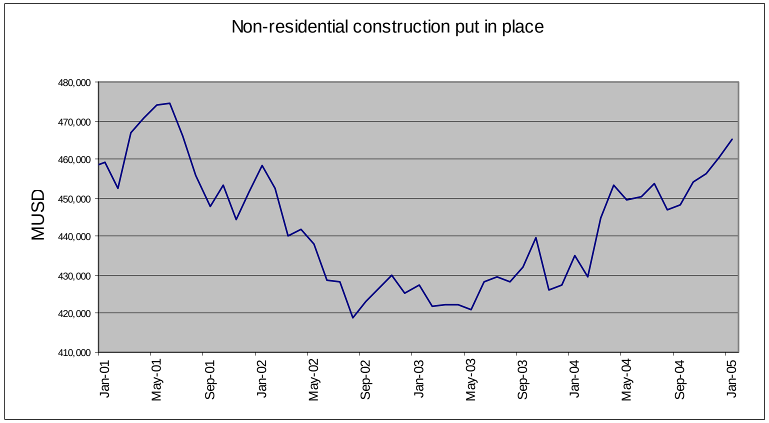


Sunbelt – improving market conditions









Source: Global Insight, Inc., Fourth Quarter 2003

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

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Growth in rental revenues	Q2 2003	Q3 2003	Q4 2003	Q1 2004	Q2 2004	Q3 2004	Q4 2004
United Rentals							
- Total business	-0.2%	+1.7%	+3.0%	+5.3%	+3.5%	+4.7%	+12.7%
- General rentals segment	n/a	n/a	n/a	+11.2%	+11.9%	+10.7%	+15.7%
Atlas Copco (RSC)	-4.0%	+2.0%	+2.0%	+6.0%	+8.0%	+11.0%	+14.0%
Hertz	-1.2%	+1.0%	+6.2%	+4.7%	+8.9%	+11.1%	
Sunbelt	**+1.7%**	**+4.8%**	**+3.4%**	**+12.0%**	**+11.1%**	**+19.7%**	**+19.3%**
NES Rentals	-4.3%	-5.5%	-6.5%	-7.2%	-2.7%	+5.0%	
NationsRent	n/a	n/a	+9.7%	+9.5%	+8.2%	+11.1%	
Head & Engquist	-10.6%	-8.2%	-9.4%	-3.8%	+3.3%	+4.2%	

Notes:

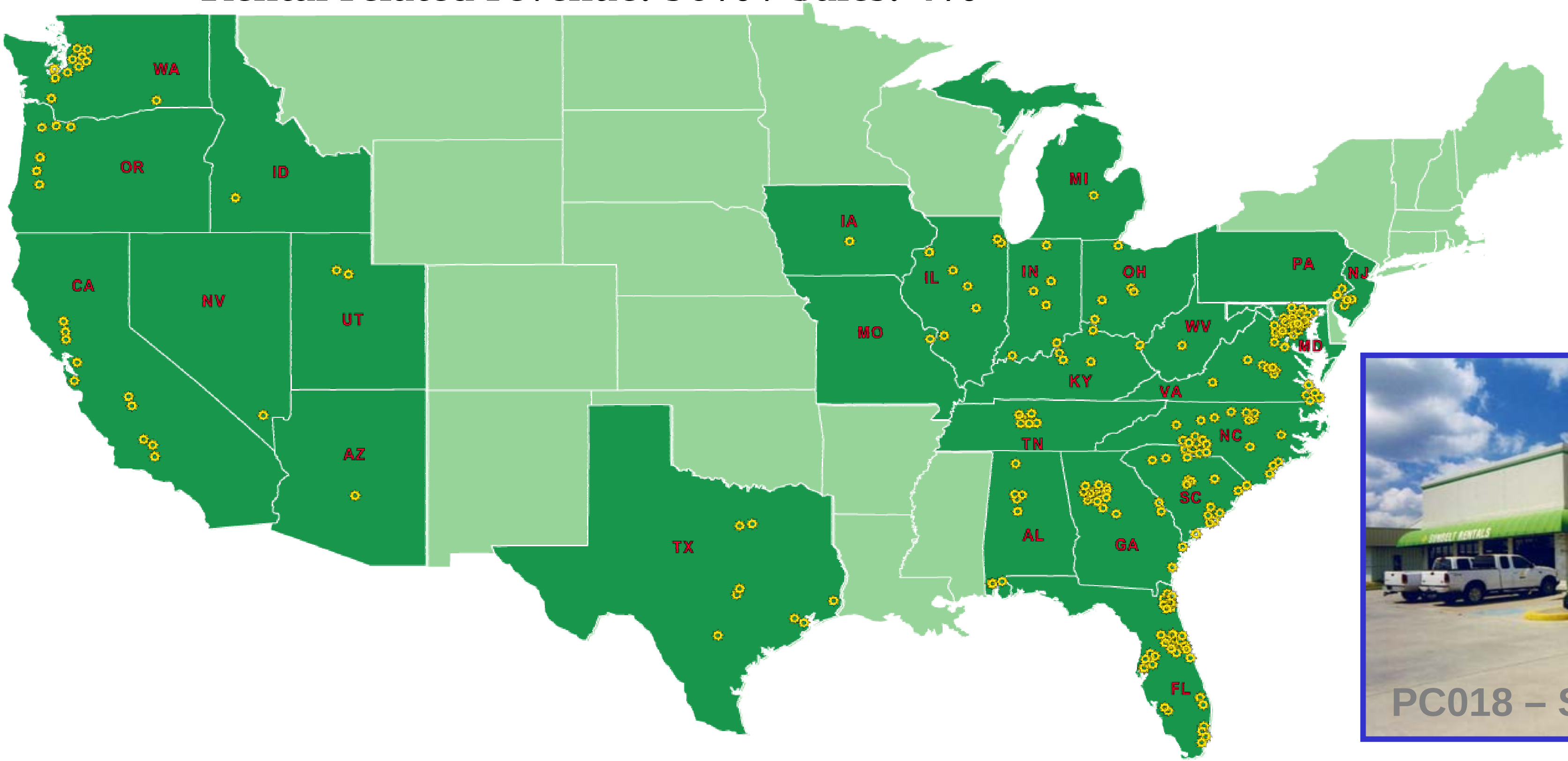
1. Source – company filings and press releases. For Ashtead we use the nearest equivalent to the calendar quarters reported by the other companies who all have 31 December year ends.

Sunbelt – operating developments

- Strong Q3 performance – revenues up 19% & profits up 93%
- Investment in rental fleet now accelerating in line with Q2 guidance - total YTD expenditure of $93.7m (2004 - $32.4m) with $31m for growth
- Growth expenditure concentrated mainly at existing stores but there were 3 openings in H1 and a further 2 will be opened in Q4 in Miami & Phoenix
- Florida construction volumes remained strong in the aftermath of the hurricanes, an effect we expect to continue into the next financial year
- Outlook continues to be positive and we expect further openings in 2005/6
- Conversion from ownership to rental continues

Sunbelt today

- **200 Profit Centers**
- **27 states, estimated 75% of US population served**
- **Rental related revenue: 96% / Sales: 4%**




PC018 – Savannah, GA

Sunbelt - potential growth

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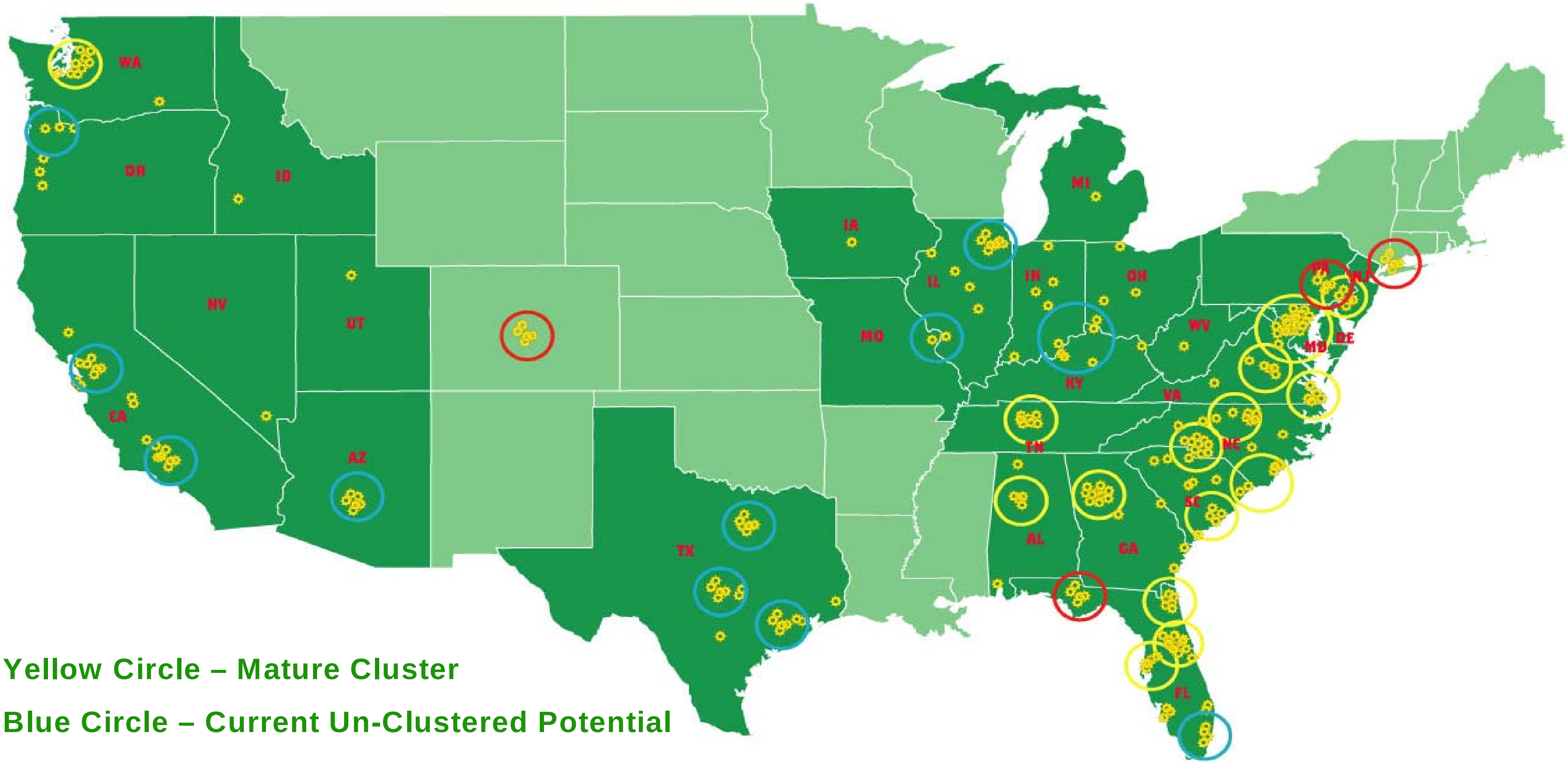

- **Yellow Circle – Mature Cluster**
- **Blue Circle – Current Un-Clustered Potential**
- **Red Circle – Virgin Markets**

A-Plant – nine months to 31 January 2005

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	2005 £m	2004 £m	Change
Turnover	117.6	118.4	-0.7%
EBITDA	35.6	33.2	7.2%
Margin	*30.3%*	*28.0%*	
Operating profit	8.5	2.5	240.0%
Margin	*7.2%*	*2.1%*	
Net assets	193.5	204.9	-5.6%
Return on investment	*5.0 %*	*0.0%*	

Same store turnover:

Q1	+	1.8%
Q2	+	5.3%
Q3	+	9.6%
9 months	+	5.9%

A–Plant – stable market conditions

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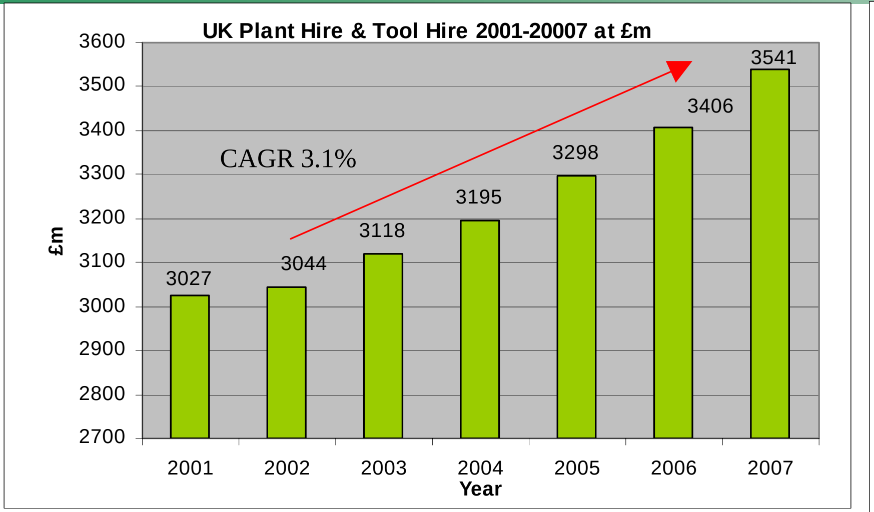
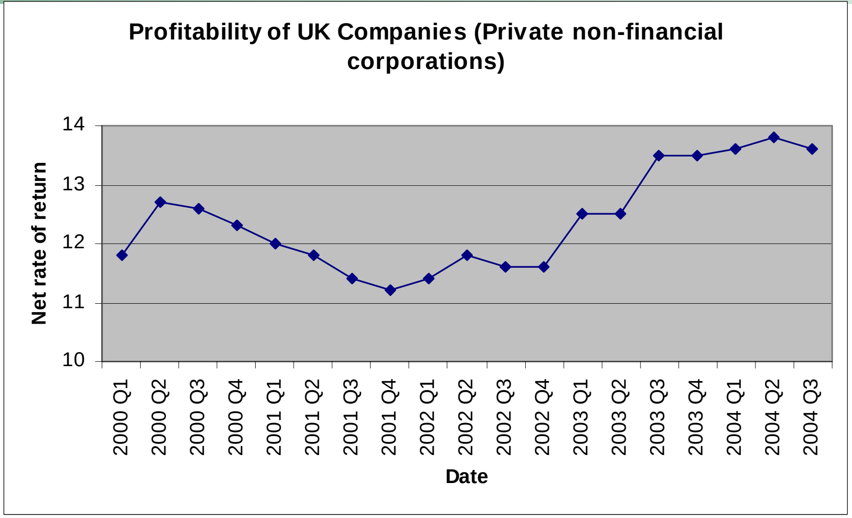
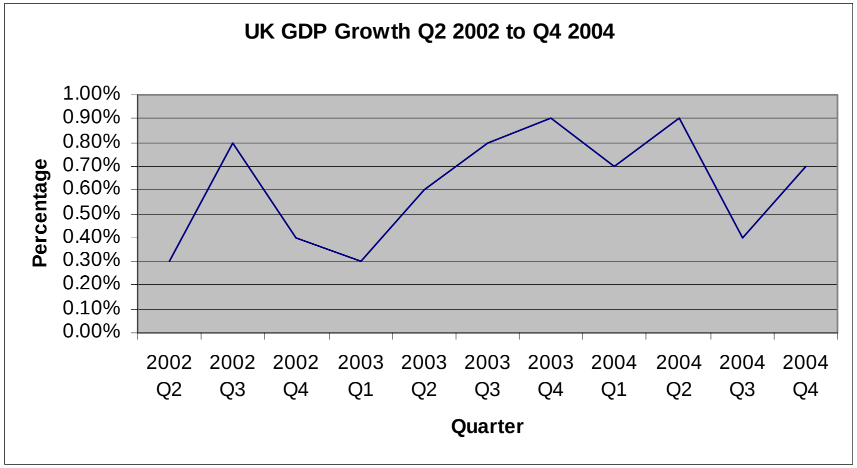
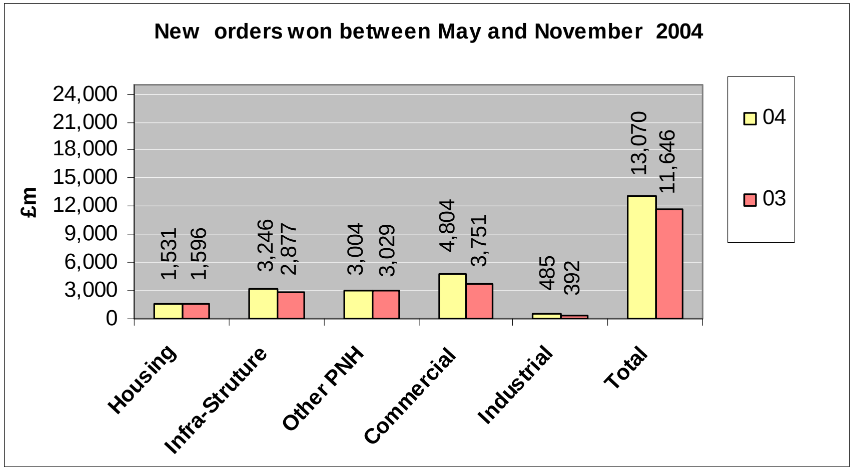
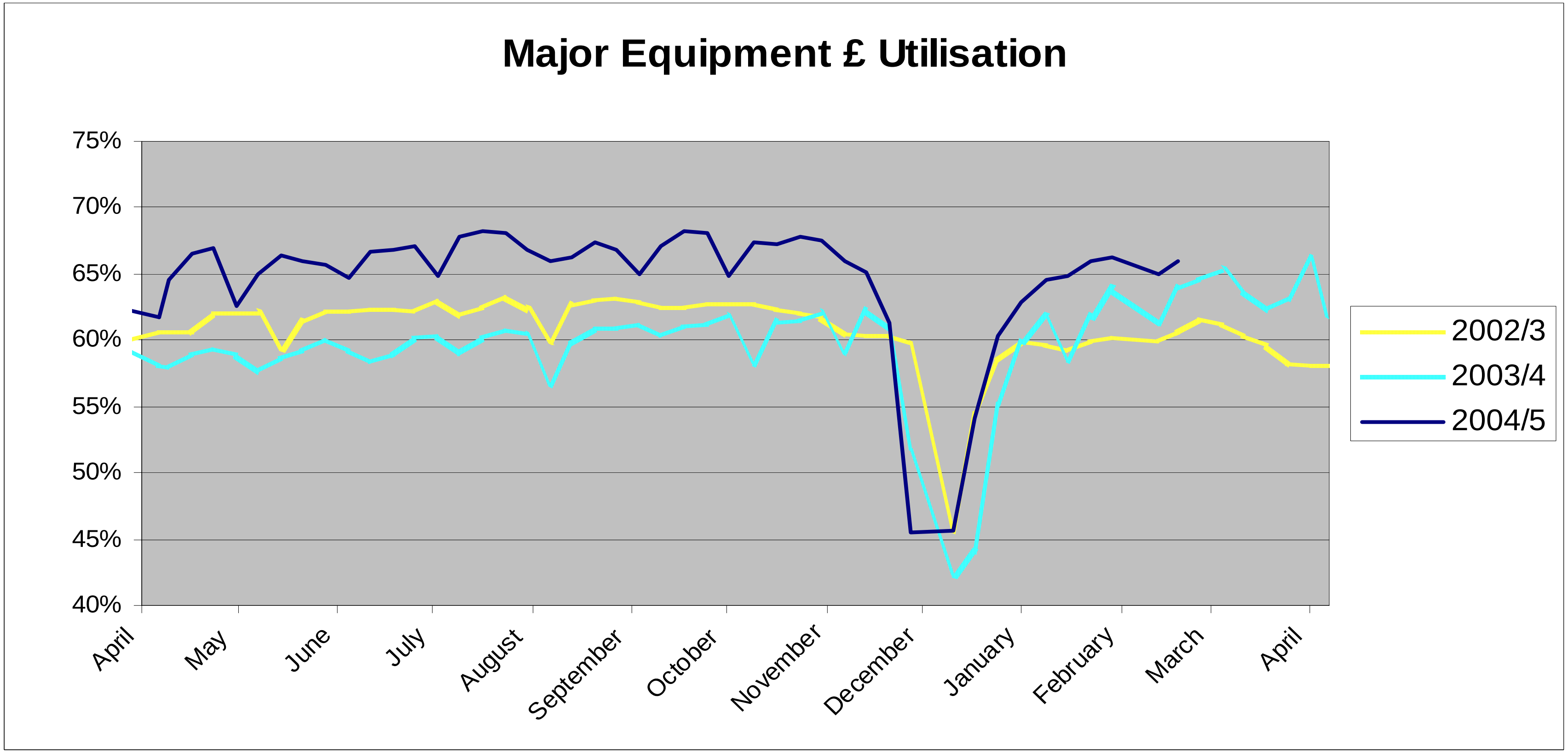








A-Plant – growing utilisation rates



A-Plant – operating developments

- Q3 result improved to breakeven from loss of £3.1m in 2004
- Improved operating efficiency; rental rates increased 5% in Q3
- UK construction outlook remains healthy but rental sector still competitive
- Strong management of costs continues
- Increased investment in higher return tool hire product with an additional 26 locations to carry the tool hire product line by April 2006
- New major accounts agreements signed with Skanska UK and Balfour Beatty
- Outlook is for continued improvement in returns

Technology – nine months to 31 January 2005

	2005	2004	Change
	£m	£m	(at constant
Turnover	8.9	8.9	4.5%
EBITDA	4.4	4.7	-2.4%
Margin	*49.4%*	*52.8%*	
Operating profit	2.1	2.2	-2.8%
Margin	*23.6%*	*24.7%*	
Net assets	8.5	7.2	16.4%
Return on investment	*33.0%*	*30.8%*	

Ashtead Technology – operating developments

- Offshore markets starting to improve
- Q3 revenues of £2.9m (2004 - £2.1m) and Q3 profit of £0.7m (2004 - £0.1m)
- Environmental business continues to develop well with this year's two new openings (Atlanta & Hitchin) performing ahead of plan
- Recent outlook statements by major listed offshore customers (Stolt Offshore, Subsea 7 (Siem Offshore) & Fugro all report significant (5%+) growth in their end Q4 order books as the oil majors begin to reinvest
- Technology consequently expected to deliver further growth

Current trading and outlook

- Trading conditions in our three businesses are strong
- The improving UK performance, the new opportunities for Ashtead Technology and the US growth potential offer the Group excellent opportunities for 2005/6 and beyond
- The shift from ownership to rental in the US continues
- A successful outcome is anticipated for the current financial year