ASHTEAD GROUP PLC

International Equipment Rental

Half year results - 31 October 2006

Issued: 12 December 2006

Welcome

▪ George Burnett	Retiring Chief Executive
▪ Geoff Drabble	Chief Executive
▪ Ian Robson	Finance Director

Introduction

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- Strong set of results with first half profit up 35%
- Business now well positioned for the future
- NationsRent acquisition offers significant potential to create shareholder value
- A-Plant's recovery underway; Lux acquisition a sign of the Board's confidence
- Balance sheet strengthened
- Smooth transition to Geoff Drabble, our incoming CEO
- Geoff Drabble and Ian Robson to take you through the results

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Ian Robson - Finance Director

Strong first half results

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- Revenue up 38% to £422m (2005 - £314m); 19% excluding acquisitions
- EBITDA before exceptionals up 37% to £155m (2005 - £116m)
- Underlying operating profit up 40% to £83m (2005 - £61m)
- Underlying pre-tax profit up 40% to £54m (2005 - £40m)
- Underlying EPS up 20% to 7.4p (2005 – 6.4p)
- LTM underlying EPS of 12.3p

Second quarter also shows good growth

- Growth rates impacted by last year's US hurricanes and by inclusion of NationsRent and Lux acquisitions
- Revenues up 52% to £247m (2005 - £168m); 15% excluding acquisitions
- EBITDA before exceptionals up 43% to £90m (2005 - £65m)
- Underlying operating profit up 35% to £48m (2005 - £37m)
- Underlying pre-tax profit up 12% to £30m (2005 - £28m)
- Underlying EPS 3.6p (2005 – 4.3p)

Return on investment – well in excess of cost of capital (9%)

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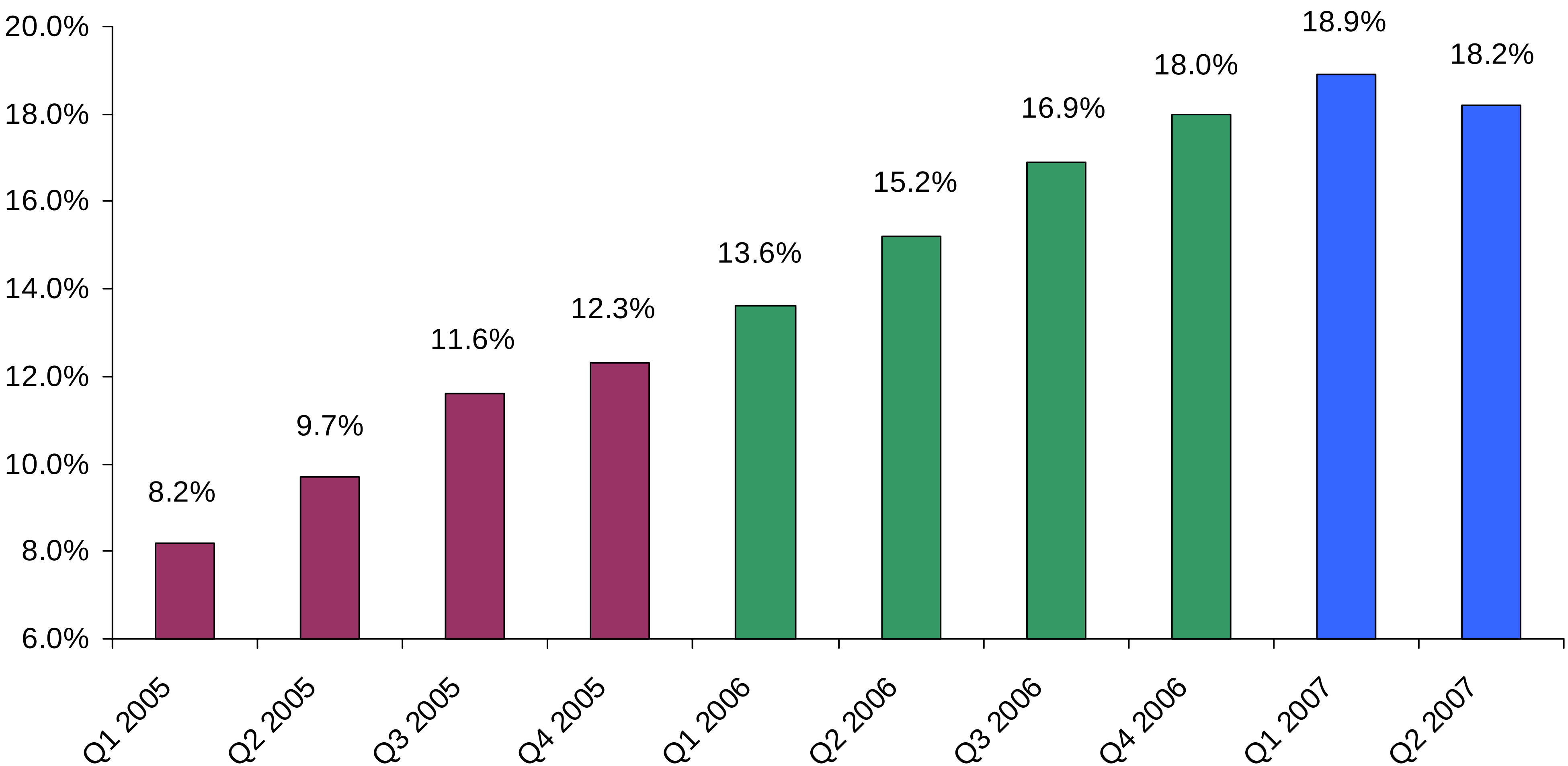

Exceptional items

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- Significant exceptional costs arise in first half relating to NationsRent:
  - £42.3m of debt redemption costs paid at closing
  - £28.8m of non cash items required to be expensed under IFRS
  - £13.9m of cash costs - principally redundancies and integration expenses
- All of the above are tax deductible & there is also an exceptional tax credit on first time recognition of UK tax losses - a total exceptional tax credit of £62.7m
- Further exceptionals of £10-£15m are expected in H2, mainly for rebranding
- Thereafter, no exceptionals relating to NationsRent are anticipated

Taxation

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- Ashtead now not expected to pay significant cash tax until at least 2008/9 due to:
  - Tax deductible refinancing, integration and rebranding costs
  - $127m of acquired Nations tax losses (available in next two years)
  - £124m of available tax losses in UK
- Benefit of these now recognised fully on balance sheet within deferred tax
- Mid 30's effective tax rate expected for accounts purposes depending on mix of US (39% rate) and UK (30% rate)

LTM capital expenditure and fleet age

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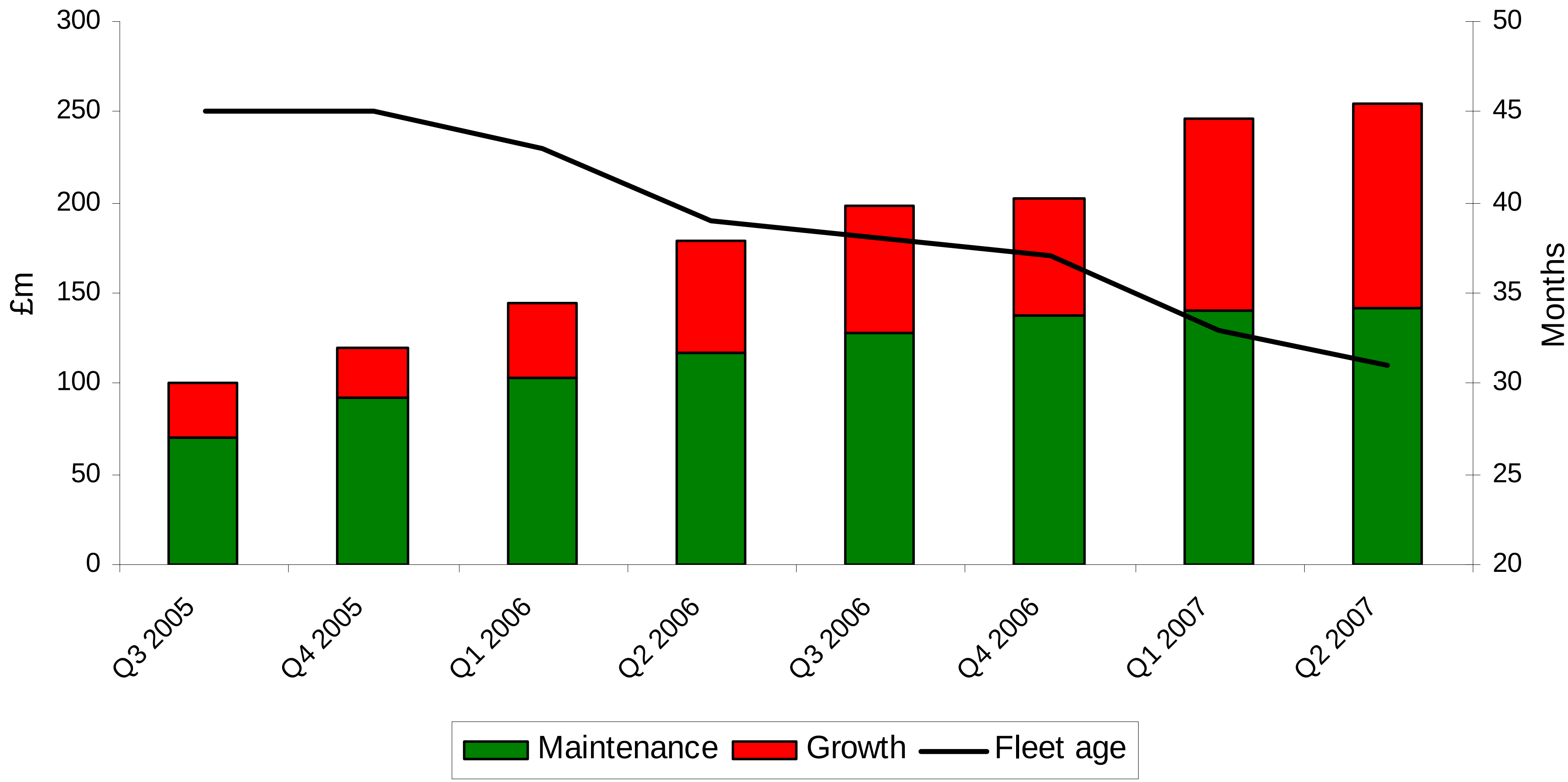

Capital expenditure outlook

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- Rapid integration progress means we are ready to reshape the NationsRent fleet this year bringing forward future reconfiguration expenditure
- To accommodate this, full year capital expenditure guidance raised to £375m gross (£275m net) from £300m gross (£250m net)
- Capital expenditure will reduce significantly after April 2007 because:
  - investment to reduce fleet age will be complete
  - the NationsRent fleet will carry the desired proportion of high, medium and low RoI items

Balance sheet management and leverage

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- Debt to EBITDA leverage manageable at 3 times
- Debt pay down anticipated in 2007/8
- Substantial flexibility:
  - Average maturity 6.7 years and first significant maturity in 2011
  - $478m of availability under the ABL at 31 October
  - All debt covenant free when availability exceeds $125m
- Substantial partial natural hedge through £1bn of debt, 97% drawn in dollars
- Every 1% change in US dollar exchange rate impacts pro-forma pre tax profit by 0.8%

Operational review

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Geoff Drabble - Chief Executive

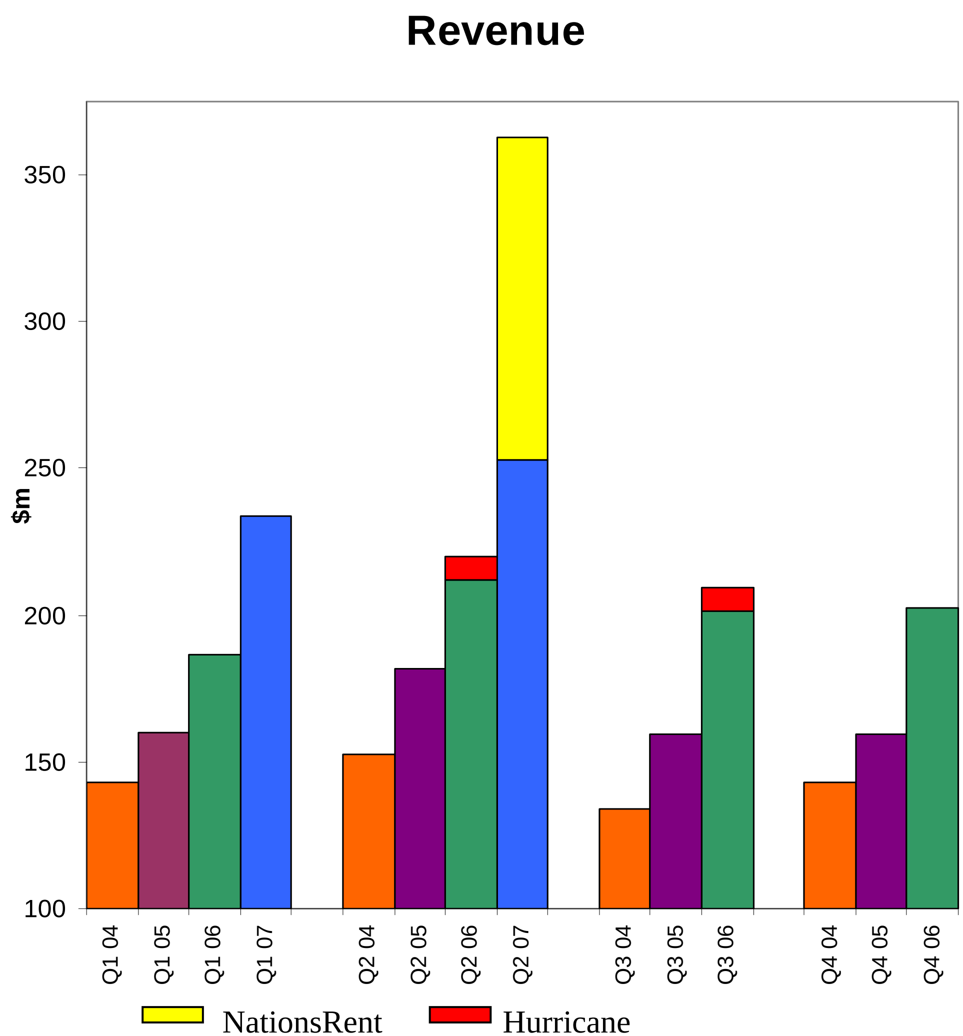
Three operating divisions

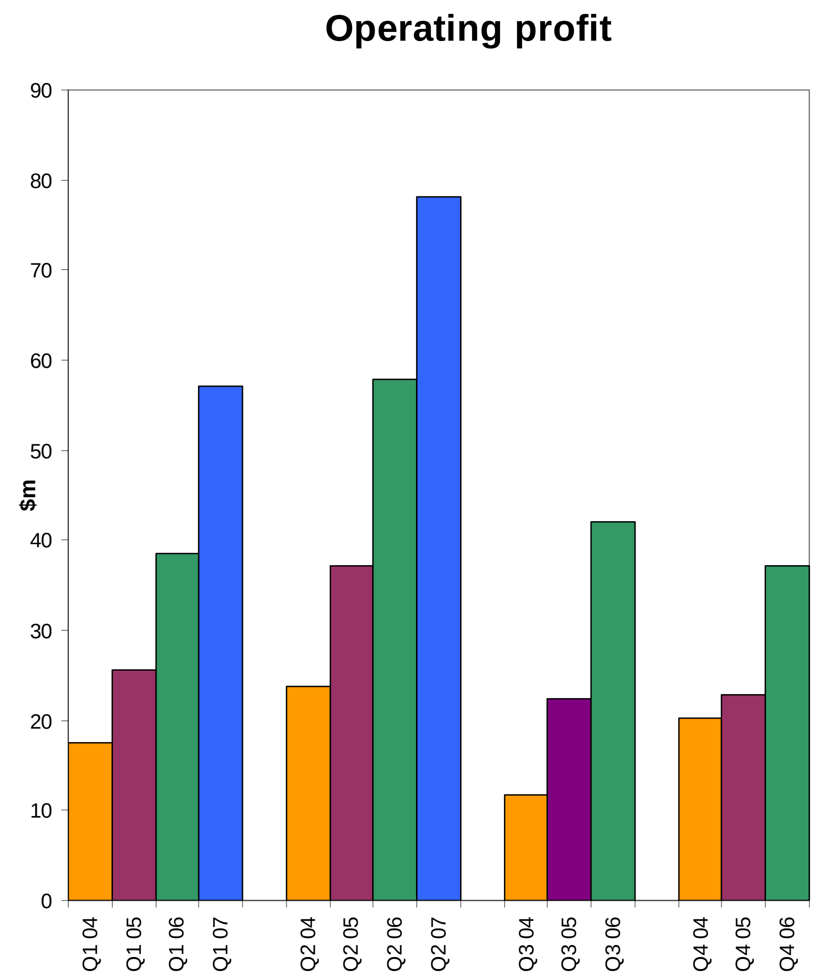
No 2 in the US
Proforma LTM revenues
of $1.5bn

No 3 in the UK
LTM revenues
of £173m

No 1 in worldwide
niche market
LTM revenues of £19m

Sunbelt - same store revenue and profit growth continues despite little hurricane activity





Sunbelt - revenue drivers: we continue to invest in organic growth

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	Second quarter	Six months
Average fleet size	+19.0%	+17.7%
Utilisation	-1.8%	-0.3%
Price	+0.2%	+3.3%
	+17.1%	+21.1%
NationsRent	+50.0%	+27.1%
Other	-2.1%	-1.4%
Total revenues	+65.0%	+46.8%

- Proforma combined first half rental revenue growth of 14%

Sunbelt – H1 utilisation maintained in excess of 70% with an 18% increase in fleet

Sunbelt - the Sunbelt business model continues to drive strong returns on investment

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	H1 2007 $m	H1 2006 $m	Change
Revenue	597.0	406.8	+46.8%
EBITDA	230.3	159.4	+44.4%
Margin	*38.6%*	*39.2%*	
Operating profit	135.2	96.0	+40.8%
Margin	*22.6%*	*23.6%*	
Net tangible assets	1,730.5	787.9	+119.6%
Return on investment	22.6%	20.2%	

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Sunbelt - NationsRent integration update

- Initial milestones achieved:
  - regional and district operational structures merged
  - central duplicated positions largely removed
  - financial savings of $37m for first full year verified
  - systems integration completed
- Next phase is to close dollar utilisation gap:
  - the right fleet
  - the right incentives
- Combined management team operating effectively

Sunbelt - US market indicators remain encouraging

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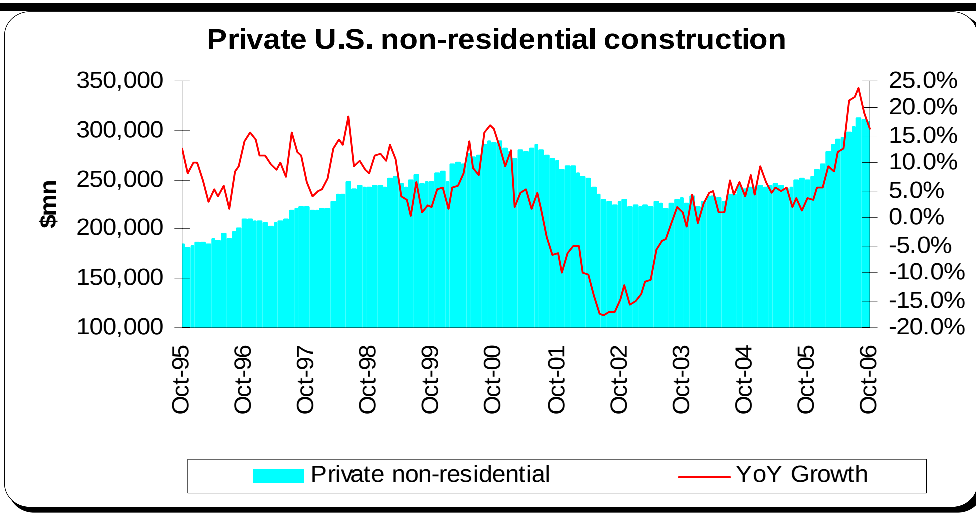
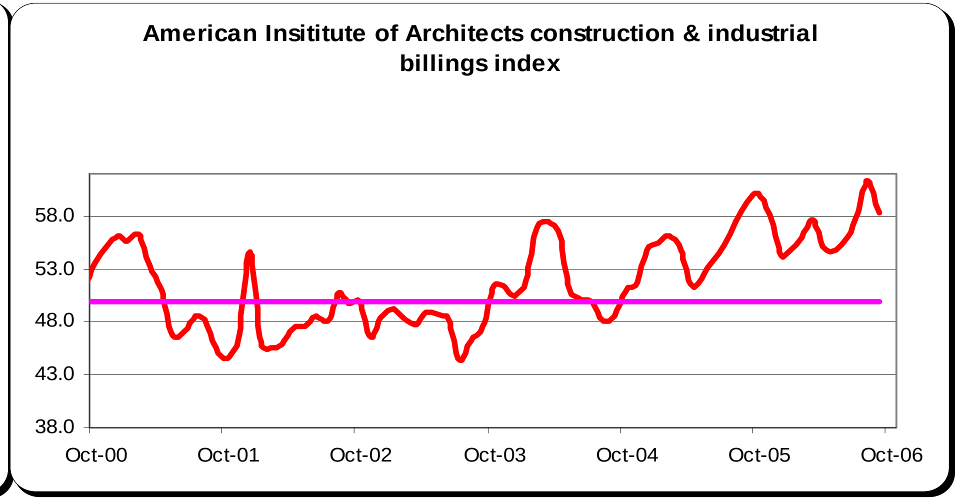
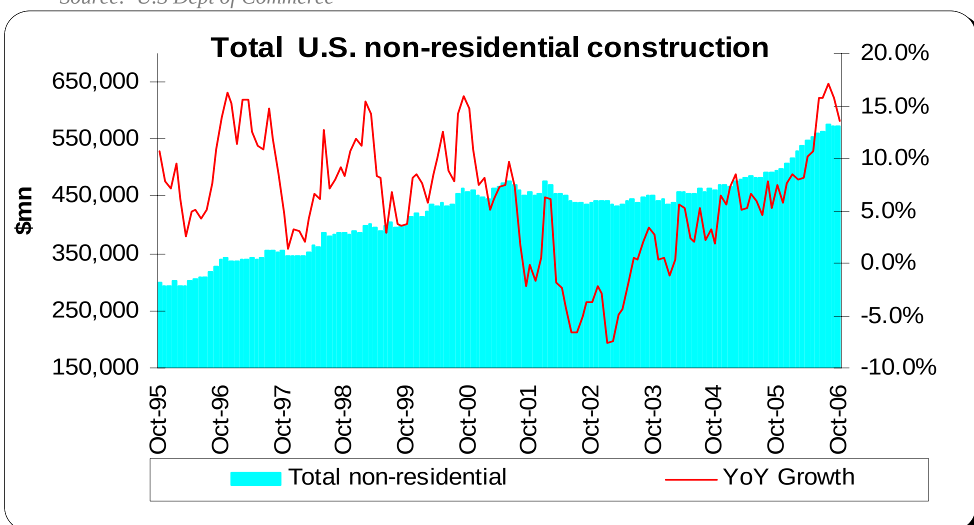


Source: U.S Dept of Commerce



Source: Equity Research Bank of America



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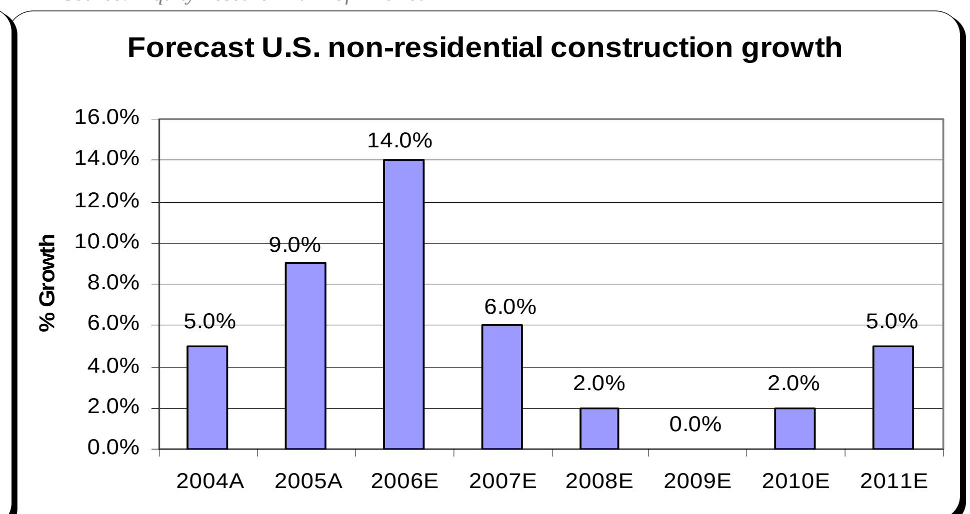

Source: Dodge Analytics McGraw-Hill

A-Plant - recovery underway with strong improvement in revenue and profit

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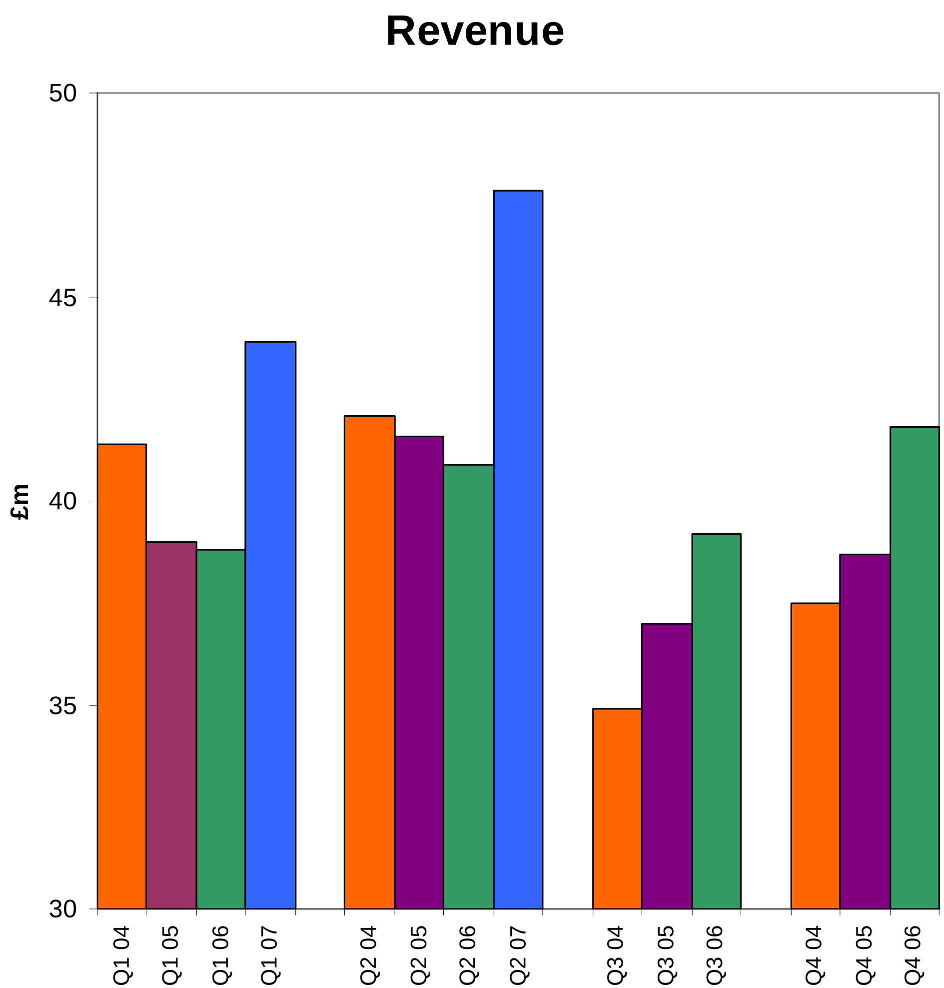

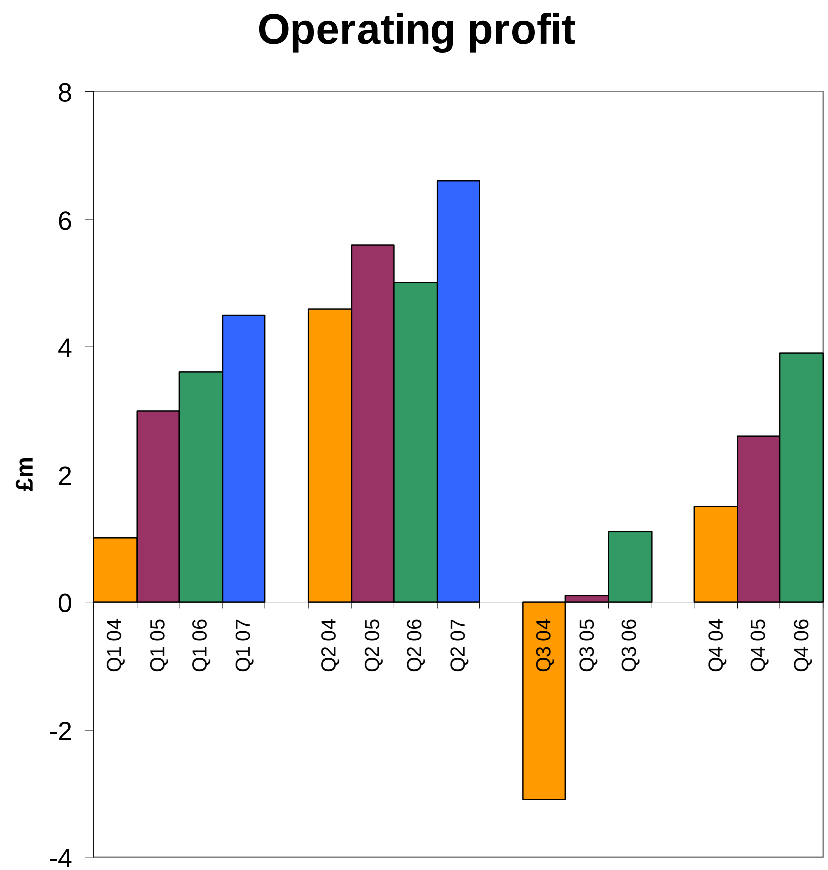

A-Plant - revenue drivers

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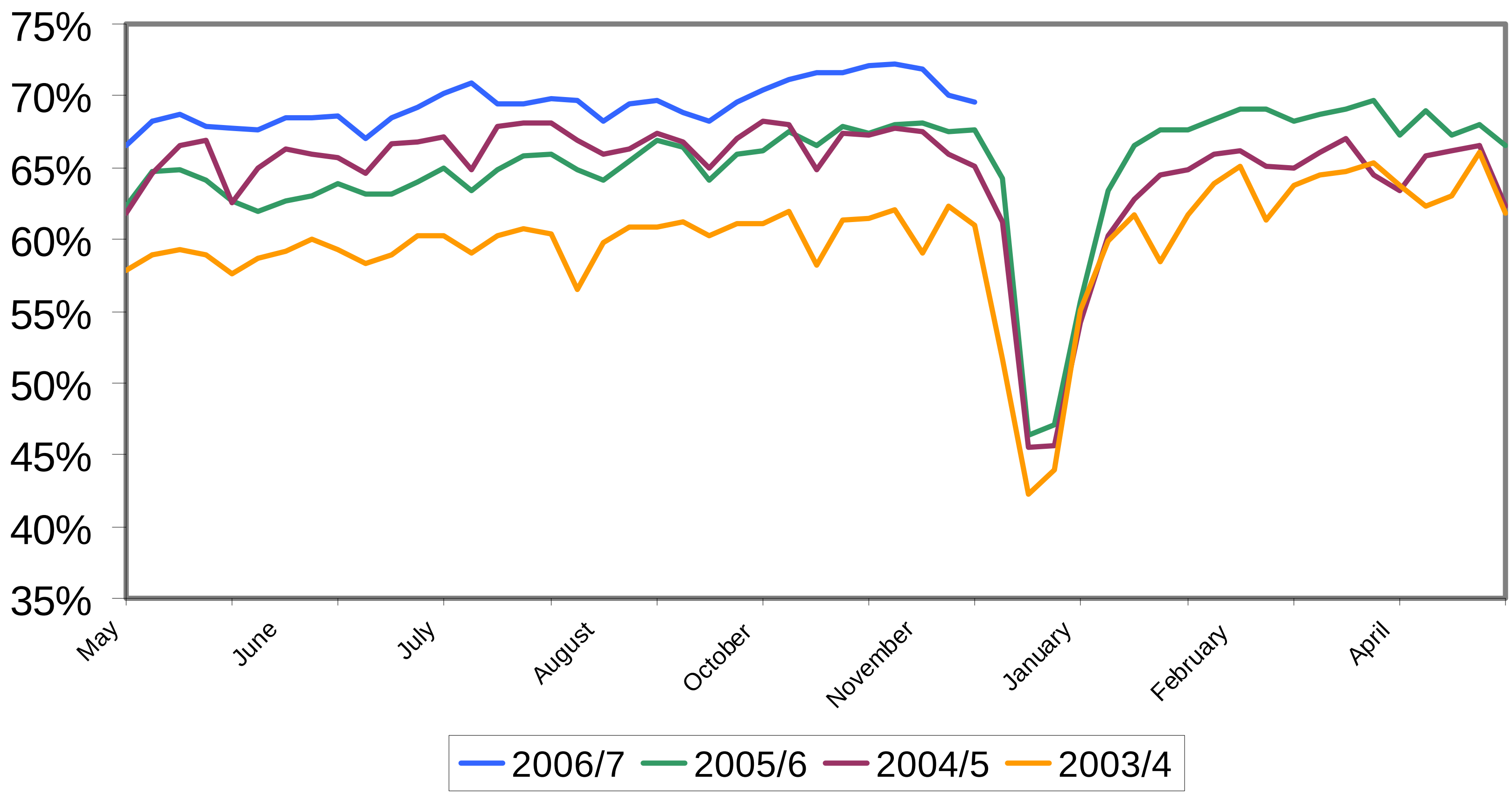
	Second quarter	Six months
Average fleet size	+5.6%	+4.9%
Utilisation	+5.8%	+6.8%
Price	+1.8%	-0.5%
	+13.6%	+11.6%
Other	+2.8%	+3.3%
Total revenues	+16.4%	+14.9%

- Based on competitors' reported same store growth, our business model is delivering market share gains

A-Plant - utilisation improvement continues with a 5% increase in fleet



A-Plant - recovery reflected in improving financial returns

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	H1 2007 £m	H1 2006 £m	Change
Revenue	91.5	79.7	+14.9%
EBITDA	30.1	26.7	+12.6%
Margin	*32.8%*	*33.5%*	
Operating profit	11.1	8.6	+28.3%
Margin	*12.1%*	*10.8%*	
Net tangible assets	222.7	189.8	+17.3%
Return on investment	8.0%	5.9%	

A-Plant - acquisition of Lux Traffic Controls

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- Completed just prior to half year end on 16 October for £15.5m
- First large UK acquisition for seven years reflecting Board's confidence in A-Plant's improving performance
- A-Plant Lux now a clear market leader in traffic management
- Temporary traffic management is a growth area:
  - highway repair
  - utilities
  - health & safety
  - events
- Systems and management integration complete

A-Plant - UK market remains stable

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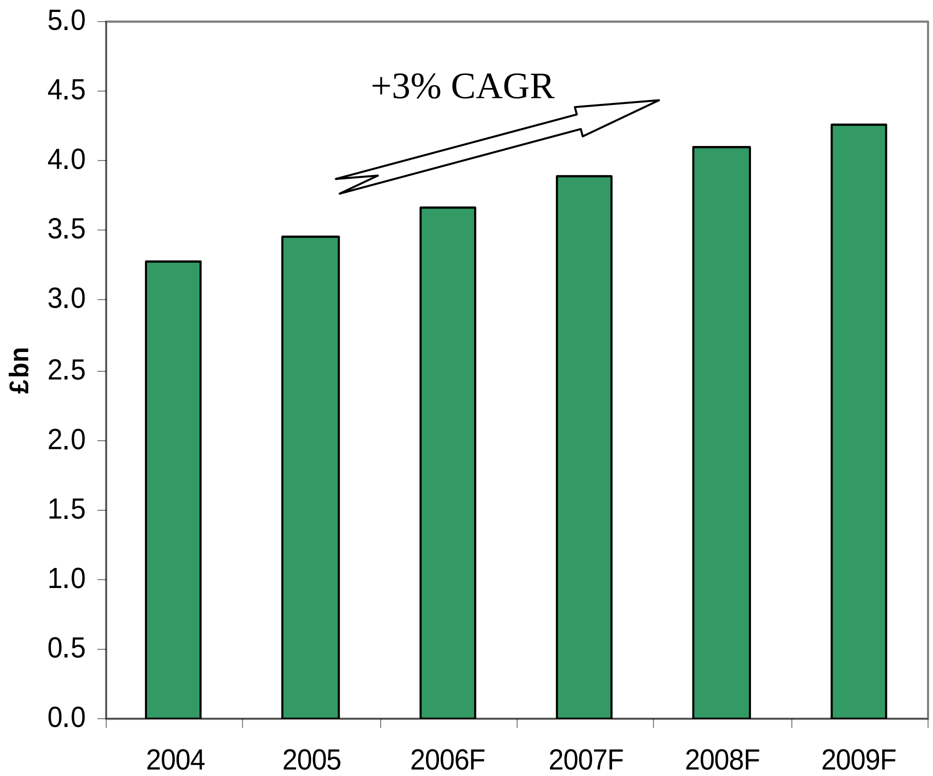

Sources: AMA Tool Hire Specialists Market 2006; AMA Plant Hire Market 2006

Good market conditions expected to continue:
- focus on larger national players utilising our wide product range
- healthcare and utilities - key markets

Good base for organic market share gains:
- single common IT system in place for many years
- integrated national salesforce in place

Technology - continuing investment in this high return, niche player

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	H1 2007 £m	H2 2006 £m	Change (at constant rates)
Revenue	11.3	8.0	+43.8%
EBITDA	5.6	4.1	+39.4%
Margin	*49.8%*	*51.1%*	
Operating profit	3.3	2.3	+46.0%
Margin	*29.4%*	*28.8%*	
Net tangible assets	15.9	10.5	+55.1%
Return on investment	37.0%	44.1%	

Concluding remarks

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- Continued progress in all three divisions in the first half
- We will continue to leverage the business' operational potential
- The NationsRent acquisition provides a step change opportunity in the US
- A-Plant continues its recovery and will be aided by the acquisition of Lux
- Market conditions in all three divisions remain good
  - we are also well positioned to gain further market share
  - structural shift from ownership to rental in the US continues
- The Board expects further progress in the second half

Additional information

Glossary and basis of presentation

<u>Presentation of information</u>

Underlying profit before taxation and earnings per share are stated before exceptional items, amortisation of acquired intangibles and non-cash fair value remeasurements related to embedded derivatives in long term debt.

All percentage measurements relating to the Groups sterling revenues and profits in this presentation are shown at constant rates of exchange in order to show the impact of underlying performance on the consolidated results

<u>Return on investment</u>

RoI is defined as last twelve months' underlying operating profit divided by the average net tangible assets employed, with the average computed using the figures from each of the five quarter ends included in the last twelve month period. Net tangible assets employed excludes net debt, deferred tax and embedded derivatives.

<u>Utilisation</u>

Utilisation is a time based measure. Sunbelt computes utilisation as the value of major (cost over $7,500) serialised equipment on rent as a percentage of the total value of major equipment in the fleet at the measurement date. A-Plant computes utilisation across all serialised equipment.

Half year divisional performance

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	Revenue			EBITDA			Underlying profit		
	2007	2006	%	2007	2006	%	2007	2006	%
Sunbelt in $m	597.0	406.8	+46.8%	230.3	159.4	+44.4%	135.2	96.0	+40.8%
Sunbelt in £m	319.5	226.1	+46.8%	123.3	88.6	+44.4%	72.3	53.4	+40.8%
A-Plant	91.5	79.7	+14.9%	30.0	26.7	+12.6%	11.1	8.6	+28.3%
Ashtead Technology	11.3	8.0	+43.8%	5.6	4.1	+39.4%	3.3	2.3	+46.0%
Group central costs	-	-		(4.0)	(3.0)	+35.1%	(4.0)	(3.0)	+34.4%
	422.3	313.8	+38.4%	154.9	116.4	+37.0%	82.7	61.3	+39.5%
Net financing costs							(28.3)	(21.1)	
Underlying profit before tax							54.4	40.2	+40.1%

Q2 divisional performance

	Revenue			EBITDA			Underlying profit		
	2007	2006	%	2007	2006	%	2007	2006	%
Sunbelt in $m	363.0	220.0	+65.0%	137.2	90.5	+51.5%	78.1	57.6	+35.6%
Sunbelt in £m	193.2	122.8	+65.0%	73.0	50.5	+51.5%	41.5	32.2	+35.6%
A-Plant	47.6	40.9	+16.4%	16.1	14.2	+14.2%	6.6	5.0	+30.2%
Ashtead Technology	5.8	4.2	+43.1%	3.2	2.2	+46.8%	2.0	1.3	+57.3%
Group central costs	-	-		(2.4)	(1.6)	+54.3%	(2.4)	(1.6)	+53.5%
	246.6	167.9	+52.2%	89.9	65.3	+42.9%	47.7	36.9	+34.9%
Net financing costs							(17.6)	(9.0)	
Underlying profit before tax							30.1	27.9	+12.0%

Five and a half year cash flow summary

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	2002 £m	2003 £m	2004 £m	2005 £m	2006 £m	LTM 31-Oct 2006 £m
EBITDA before exceptional items	194.4	150.1	147.0	169.5	224.7	263.2
Cash inflow from operations before exceptional items	194.2	157.3	140.0	164.8	215.2	271.7
Cash efficiency ratio	*99.9%*	*104.8%*	*95.2%*	*97.2%*	*95.8%*	*103.2%*
Maintenance capital expenditure	(101.8)	(74.7)	(74.8)	(95.6)	(149.9)	(144.7)
Proceeds from sale of used rental equipment	26.6	29.4	32.3	35.9	50.4	56.8
Non-rental capital expenditure	(15.8)	(14.5)	(8.1)	(5.4)	(16.8)	(26.6)
Tax (paid)/received	(0.7)	0.7	0.1	(0.6)	(2.8)	(8.4)
Free cash flow before interest	102.5	98.2	89.5	99.1	96.1	148.8
Interest paid (excluding exceptional interest)	(46.2)	(41.4)	(32.9)	(30.2)	(38.7)	(44.2)
Free cash flow after interest	**56.3**	**56.8**	**56.6**	**68.9**	**57.4**	**104.6**
Growth capital expenditure	(85.7)	(17.9)	0.0	(10.2)	(62.6)	(122.0)
Dividends paid	(11.3)	(9.3)	0.0	0.0	(2.0)	(6.0)
Acquisitions & disposals	(4.9)	(0.8)	15.2	0.5	(44.2)	(325.9)
Share issues	0.0	0.0	0.0	0.1	70.9	149.9
Exceptional costs & other	16.2	(7.6)	(18.2)	(5.7)	(22.1)	(62.7)
(Increase)/reduction in net debt	(29.4)	21.2	53.6	53.6	(2.6)	(262.1)