ASHTEAD GROUP PLC

Audited results for the year ended 30 April 2006 and unaudited results for the fourth quarter

Continuing strong growth in a record year

Ashtead Group plc, the equipment rental group serving principally the US and UK non-residential construction markets, announces record results:

Highlights	Fourth quarter		Year ended 30 April	
	2006	2005	2006	2005
	£m	£m	£m	£m
Revenue	161.7	125.6	638.0	523.7
Underlying profit before taxation*	14.5	4.2	67.5	22.4
Profit before taxation	11.3	6.4	81.7	32.2
Earnings per share – basic	2.4p	0.8p	14.7p	5.6p
Underlying earnings per share* - basic	3.4p	0.1p	12.2p	2.6p
- cash tax	3.9p	1.3p	17.8p	6.7p

** Underlying profit before tax and earnings per share are stated before exceptional items and fair value remeasurements related to embedded derivatives in long term debt instruments (see note 4).*

- Sunbelt's full year operating profit before exceptionals rises 62.7% to $175.5m (2005: $107.9m)
- A-Plant's full year operating profit rises 22.0% to £13.9m (2005: £11.3m)
- Final dividend of 1.0p per share proposed making 1.5p (2005: nil) for the full year
- US market demand expected to remain strong
- Pension fund is now fully funded
- Chief executive to retire at the end of 2006; successor announced

Ashtead's chief executive, George Burnett, commented:

"A record fourth quarter continued the trend established earlier in the year and delivered full year underlying pre-tax profits triple those of 2004/5. All three of our businesses performed well. Each continues to benefit from good market conditions and has made an excellent start to the new year.

In the US, where Sunbelt continues to gain market share, we are encouraged both by the strength of the non-residential construction market which having risen 10% in the 12 months to April 2006 is forecast to grow strongly for at least the next two years and by the ongoing shift from ownership to rental. Revenues from house builders, where the short-term outlook is less certain, accounted for just 6% of Sunbelt's revenues last year.

The restructuring of A-Plant's sales force at the start of last year delivered benefits on a rising scale as the year progressed, a trend which has continued into our new financial year.

With this strong, broadly-based momentum, the Board looks forward to reporting further significant progress in the coming year."

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PRESS RELEASE

Overview

The Group achieved a record performance in the year to April 2006. Revenue increased by 21.8% to £638.0m. The underlying profit for the year before tax of £67.5m was three times last year's £22.4m, while the pre-tax profit for the year was £81.7m. Underlying basic earnings per share were 12.2p (2005: 2.6p) while basic earnings per share were 14.7p (2005: 5.6p). On a cash tax basis, underlying earnings per share were 17.8p (2005: 6.7p).

The Group now reports its results under International Financial Reporting Standards (IFRS) and comparatives have been restated accordingly (see note 14 to the attached financial information).

Ashtead comprises three distinct divisions: Sunbelt Rentals, the fourth largest equipment rental company in the US; A-Plant, the UK's third largest equipment rental company; and Ashtead Technology Rentals, a niche business, renting specialist electronic equipment worldwide.

Review of trading for the year to 30 April

	Revenue		EBITDA*		Underlying profit	
	2006	2005	2006	2005	2006	2005
Sunbelt in $m	818.7	661.1	307.9	224.0	175.5	107.9
Sunbelt in £m	461.2	355.0	173.4	120.3	98.9	57.9
A-Plant	160.7	156.3	48.9	48.2	13.9	11.3
Ashtead Technology	16.1	12.4	8.0	6.5	4.0	3.4
Group central costs	-	-	(5.6)	(5.5)	(5.7)	(5.5)
	638.0	523.7	224.7	169.5	111.1	67.1
Interest					(43.6)	(44.7)
Underlying profit before tax					67.5	22.4

* in 2006 before exceptional items

Reflecting the Group's operational gearing, the 21.8% revenue increase resulted in a 32.5% increase in EBITDA before exceptional items to £224.7m and an increase of 65.5% in operating profit before exceptional items to £111.1m. Measured at constant exchange rates, to eliminate currency translation effects, revenue grew 17.8%, EBITDA before exceptional items grew 28.0%, operating profit before exceptional items grew 58.6% and underlying profit before tax was still almost three times that of last year. These improvements were reflected in the Group's margins. EBITDA margins grew from 32.4% to 35.2% and operating margins (before exceptional items) rose from 12.8% to 17.4%.

Sunbelt Rentals

Sunbelt is the fourth largest equipment rental company in the fragmented US market where it continues to increase market share. Sunbelt offers a broad range of both general and specialist equipment, supported by high quality customer service from 209 locations.

In the year to 30 April 2006 revenue grew 23.8% to $818.7m. This was achieved through increased investment in the rental fleet which was on average 11% larger than a year ago and by significant increases in rental rates which were increased approximately 12% in strong market conditions. Average utilisation remained high at 70% (2005: 69%).

Revenue growth was broadly based with all regions and all major product areas trading ahead of last year. Last summer's hurricanes are estimated to have added around 2% to 2005/6's revenues. In a strong trading environment where US non-residential construction rose 10.2% in the 12 months to end April, according to figures published by the US Department of Commerce, Sunbelt continued to take market share. Revenues from house builders, where the short-term outlook is less certain, accounted for just 6% of Sunbelt's revenues. The shift from ownership to rental continued with the US rental sector again growing faster than its key customer base, non-residential construction, in calendar 2005.

For the full year, Sunbelt's operating profit before exceptional items was up 62.7% to $175.5m, representing a margin of 21.4% (2005: 16.3%).

Sunbelt continued to invest to reduce the age of its rental fleet and for growth, spending $257.9m in the year, including the funding of six new greenfield stores. A further sixteen new general equipment rental stores were acquired during the year for a consideration, including costs, of approximately $100m. The acquired stores were all immediately transferred onto Sunbelt's point of sale systems and staff incentive programmes and began trading as Sunbelt stores from their acquisition closing date. Their financial performance since acquisition has been strongly positive. In August Sunbelt also disposed of twelve specialist scaffold stores on the west coast and in Texas for $24.3m generating an exceptional disposal profit of $5.1m (£2.9m). The new stores continue Sunbelt's strategy of clustering stores in major metropolitan markets. Sunbelt also continues to emphasise organic growth with an increase in same store revenues for the year of 19.3%.

In the fourth quarter Sunbelt delivered revenue growth of 27.1% and growth in operating profit before exceptional items of 63.2%.

A-Plant

A-Plant is the UK's third largest equipment rental company with a fleet of more than 95,000 units of non-operated equipment, including power tools, excavators, accommodation units and traffic management systems, available for hire from 193 locations nationwide.

A-Plant's revenue for the year was £160.7m compared to £156.3m last year. The successful restructuring of A-Plant's sales force undertaken in the first half contributed to a significantly improved performance in the second half of the year and a particularly strong fourth quarter in which revenues increased by 8% to £41.8m and operating profit by 47.1% to £3.9m. Rental rates, average fleet size and utilisation for the year were all at similar levels to those of last year. Revenues from A-Plant's largest 150 customers continued to grow and represented 39% of the year's total.

Operating expenses were again carefully controlled, increasing by just 3.4% before depreciation. As a result A-Plant's operating profit for the year grew 22.0% to £13.9m (2005: £11.3m), representing a margin of 8.6% (2005: 7.3%).

The investment A-Plant makes in developing its staff, which is at the heart of its improving performance, was recognised in May when Hire Association Europe ("HAE") announced that A-Plant had won, amongst competition from rental companies throughout Europe, HAE's "Excellence in Training" award. At the same time, in recognition of the improvement in A-Plant's performance and the continuing development of the Group, the HAE also appointed George Burnett its "Hire Person of the Year".

Ashtead Technology

Ashtead Technology rents specialised electronic equipment to the offshore oil and gas sectors and the environmental monitoring and testing industry from 11 locations worldwide.

Ashtead Technology's performance continued recent trends with revenue for the year up 29.5% to £16.1m (2005: £12.4m) and operating profit up 19.9% to £4.0m (2005: £3.4m). This reflects increased investment by the oil majors which is delivering higher offshore exploration and construction activity as well as continued growth in Ashtead Technology's onshore environmental business. Investment for future growth included a significantly enlarged onshore sales force and a new profit centre opened in Chicago last November.

Exceptional items and fair value remeasurements of embedded derivatives

In addition to the trading results discussed above, operating profit as reported in the consolidated income statement includes £13.4m of net exceptional profits. These comprise the £11.3m received when Sunbelt settled its long standing litigation with Head & Engquist last November, a £2.9m profit on disposal of Sunbelt's 12 scaffold stores less £0.8m of post acquisition integration costs. Included within finance costs is 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, and the £5.6m (2005: £9.8m) non-cash fair value remeasurements of embedded derivatives in long term debt.

Taxation

Overall for the year the effective accounting tax rate on the underlying profit was 31% whilst the cash tax rate on the same basis remained minimal. The recent increases in Sunbelt's profitability together with the Head & Engquist litigation receipt mean, however, that Sunbelt's US federal tax losses have now been fully utilised and that consequently the Group's cash tax rate will rise into double digits next year.

Pensions

Funding of the UK pension plan deficit as announced with the third quarter results was completed at the end of March with the payment of £17.1m, the amount recommended by the actuary, into the fund. As a result the Group's pension obligations are now fully funded. Funding of the deficit had no significant effect on the Group's income statement.

Capital expenditure and net debt

Capital expenditure in the year was £220.2m (2005: £138.4m) of which £201.8m was invested in the rental fleet. £64.5m of the fleet expenditure was for growth, principally in Sunbelt, with the remainder spent to replace existing equipment. Disposal proceeds were £50.8m (2005: £37.6m) generating a record profit on disposal of £9.1m (2005: £7.1m).

As indicated in March, capital expenditure for the year to 30 April 2007 is currently expected to total approximately £250m.

Net debt at 30 April 2006 was £493.6m, an increase of £11.3m since 30 April 2005. At constant exchange rates the increase over the year was £2.5m. Net debt to EBITDA leverage reduced from 2.85x a year ago to 2.2x at 30 April 2006. Availability under the asset based loan facility was $283m at 30 April 2006 ($157m at 30 April 2005).

Dividends

The directors intend proposing to shareholders at the Annual General Meeting that a final dividend of 1.0p per share be paid making a total for the year of 1.5p per share (2005: nil). Under IFRS the financial statements now reflect just dividends paid in the year and therefore show only the £2.0m cost of the interim dividend paid in February. The final dividend, if approved by shareholders, will be paid on 28 September 2006 to shareholders on the register on 28 July 2006.

Retirement of George Burnett and appointment of successor

George Burnett, Ashtead's chief executive has given the Company notice of his wish to retire shortly after he reaches 60 in September 2006. George co-founded Ashtead in 1984 when he and a fellow investor purchased what was then a five branch business in the south-east of England with revenues of £1m. George has been instrumental in all the key steps undertaken by the Company since that time. In recent years, as chief executive, George led the Group successfully through the US economic downturn of 2001/2 and the turbulent times which followed and has overseen the subsequent recovery with profits now at record levels. Consequently George leaves the Group well-positioned for the future having already become the fourth largest construction equipment rental company in the world.

George will be succeeded by Geoff Drabble, currently an executive director of The Laird Group PLC where he is responsible for its Building Products division and a non-executive director of the Company since April 2005. Geoff has extensive experience of managing businesses with operations in both the US and the UK from both his time with Laird and previously with Black & Decker. Geoff emerged as the Nomination Committee's preferred candidate after an extensive external and internal search and is expected to be available to start full-time in his new role on 2 October 2006. Geoff will then benefit from a handover period working alongside George until his retirement at the end of the year. In his new role the Board expects that Geoff will bring both an understanding and continuity of strategy whilst also providing renewed focus on all aspects of the Group's operations.

Current trading and outlook

All three of our businesses performed well in the past year. Each continues to benefit from good market conditions and has made an excellent start to the new financial year.

In the US, where Sunbelt continues to gain market share, we are encouraged both by the strength of the non-residential construction market which having risen 10% in the 12 months to April 2006 is forecast to grow strongly for at least the next two years and by the ongoing shift from ownership to rental. Revenues from house builders, where the short-term outlook is less certain, accounted for just 6% of Sunbelt's revenues last year.

The restructuring of A-Plant's sales force at the start of last year delivered benefits on a rising scale as the year progressed, a trend which has continued into our new financial year.

With this strong, broadly-based momentum, the Board looks forward to reporting further significant progress in the coming year.

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There will be a presentation for equity analysts at 9.30am today at the offices of JPMorgan Cazenove at 20 Moorgate and a conference call for bondholders this afternoon at 3.00pm (10.00am EST). For further details please contact Emma Burdett at Maitland on 020 7379 5151 or the Company at 01372 362300. A simultaneous webcast of the equity analysts' meeting 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 presentation concludes.

CONSOLIDATED INCOME STATEMENT

	Unaudited Three months to 30 April		Audited Year to 30 April	
	2006	2005	2006	2005
	£m	£m	£m	£m
Revenue	161.7	125.6	638.0	523.7
Staff costs	(52.3)	(42.1)	(200.7)	(172.9)
Other operating costs	(59.1)	(47.2)	(223.3)	(188.4)
Other income	3.2	3.5	24.1	7.1
EBITDA*	53.5	39.8	238.1	169.5
Depreciation	(28.7)	(24.8)	(113.6)	(102.4)
Operating profit	24.8	15.0	124.5	67.1
Investment income	0.9	3.4	10.5	12.7
Interest expense	(14.4)	(12.0)	(53.3)	(47.6)
Profit on ordinary activities before taxation	11.3	6.4	81.7	32.2
Underlying profit before taxation	14.5	4.2	67.5	22.4
Exceptional items and fair value remeasurements related to embedded derivatives in long term debt	(3.2)	2.2	14.2	9.8
Profit on ordinary activities before taxation	11.3	6.4	81.7	32.2
Taxation:				
- current	(4.2)	(0.1)	(5.5)	(0.7)
- deferred	2.5	(3.7)	(20.6)	(13.3)
	(1.7)	(3.8)	(26.1)	(14.0)
Profit attributable to equity shareholders of the company	9.6	2.6	55.6	18.2
Basic earnings per share	2.4p	0.8p	14.7p	5.6p
Diluted earnings per share	2.4p	0.8p	14.4p	5.6p

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

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	£m	£m	£m	£m
Net profit for the period	9.6	2.6	55.6	18.2
Actuarial gain/(loss) on defined benefit pension plan	0.2	(3.7)	0.2	(3.7)
Foreign currency translation difference	(3.9)	(2.5)	15.4	(16.0)
Total recognised income and expense for the period	5.9	(3.6)	71.2	(1.5)

CONSOLIDATED MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	£m	£m	£m	£m
Total recognised income and expense for the period	5.9	(3.6)	71.2	(1.5)
Issue of ordinary shares, net of expenses	1.4	0.1	70.9	0.1
Dividends paid	(2.0)	-	(2.0)	-
Credit in respect of share based payments	0.5	0.2	1.3	0.6
Own shares acquired by ESOT	-	-	(2.8)	-
Net increase/(decrease) in equity shareholders' funds	5.8	(3.3)	138.6	(0.8)
Opening equity shareholders' funds	252.5	123.0	119.7	120.5
Closing equity shareholders' funds	258.3	119.7	258.3	119.7

CONSOLIDATED BALANCE SHEET

	Audited 30 April 2006 £m	Audited 30 April 2005 £m
Current assets		
Inventories	12.7	13.8
Trade and other receivables	110.4	91.9
Cash and cash equivalents	1.0	2.1
	124.1	107.8
Non-current assets		
Property, plant and equipment		
- rental equipment	559.9	452.9
- other assets	86.8	84.2
	646.7	537.1
Intangible assets – goodwill	149.0	118.2
Deferred tax asset	2.9	-
Other financial assets – derivatives	15.4	9.8
Defined benefit pension fund surplus	1.7	-
	815.7	665.1
Total assets	939.8	772.9
Current liabilities		
Trade and other payables	99.1	94.3
Current tax liabilities	3.3	0.7
Debt due within one year	10.6	12.2
Provisions	7.0	7.1
	120.0	114.3
Non-current liabilities		
Other payables	-	7.9
Debt due after more than one year	484.0	472.2
Provisions	11.3	7.9
Defined benefit pension fund deficit	-	16.2
Deferred tax liabilities	66.2	34.7
	561.5	538.9
Total liabilities	681.5	653.2
Equity shareholders' funds		
Share capital	40.4	32.6
Share premium account	3.2	100.8
Non-distributable reserve	90.7	-
Equity element of convertible loan note	-	24.3
Own shares held in treasury through the ESOT	(4.2)	(1.6)
Cumulative foreign exchange translation differences	(17.2)	(32.6)
Distributable reserves	145.4	(3.8)
Total equity shareholders' funds	258.3	119.7
Total liabilities and equity shareholders' funds	939.8	772.9

CONSOLIDATED CASH FLOW STATEMENT

	Audited Year to 30 April			
	2006		2005	
	£m	£m	£m	£m
Cash flows from operating activities				
Cash generated from operations before exceptional items		215.2		164.8
Exceptional items		11.1		(5.7)
Pension payment		(17.1)		-
Cash generated from operations		209.2		159.1
Financing costs paid before exceptional items	(38.7)		(30.2)	
Exceptional financing costs paid	(13.3)		-	
Financing costs paid		(52.0)		(30.2)
Tax paid		(2.8)		(0.6)
Net cash from operating activities		154.4		128.3
Cash flows from investing activities				
Acquisition of businesses		(57.0)		-
Disposal of businesses		12.8		0.5
Payments for property, plant and equipment		(229.3)		(111.2)
Proceeds on sale of property, plant and equipment		50.4		35.9
Net cash used in investing activities		(223.1)		(74.8)
Cash flows from financing activities				
Drawdown of loans		257.5		244.6
Redemption of loans		(244.0)		(293.3)
Decrease in cash held as collateral		-		5.8
Capital element of finance lease payments		(12.1)		(12.3)
Purchase of own shares by the ESOT		(2.8)		-
Dividends paid		(2.0)		-
Proceeds from issue of ordinary shares		70.9		0.1
Net cash from/(used in) financing activities		67.5		(55.1)
Decrease in cash and cash equivalents		(1.2)		(1.6)
Opening cash and cash equivalents		2.1		3.9
Effect of exchange rate changes		0.1		(0.2)
Closing cash and cash equivalents		1.0		2.1

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

This preliminary announcement of the results for the year ended 30 April 2006 contains information derived from the forthcoming 2006 Annual Report & Accounts and does not constitute the statutory accounts for either 2005/6 or 2004/5 for the purposes of section 240(3) of the Companies Act 1985. The 2005/6 results are extracted from the audited accounts for that year which have not yet been filed with Companies House. Following the adoption of International Financial Reporting Standards (IFRS) the comparative figures for 2004/5 have been extracted from the 2005/6 accounts. The statutory accounts for the year ended 30 April 2005 were prepared in accordance with UK generally accepted accounting principles and have been mailed to shareholders and filed with the Registrar of Companies. The auditors' reports in respect of both years were unqualified and do not contain a statement under section 237(2) or (3) of the Companies Act. The results for the year ended and quarter ended 30 April 2006 have been prepared in accordance with relevant IFRS 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 figures for the fourth quarter are unaudited. The duly authorised Board committee approved this preliminary announcement on 27 June 2006.

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

	2006	2005
Average for the year ended 30 April	1.7751	1.8624
At 30 April	1.8176	1.9099

2. Segmental analysis

	Revenue	Operating profit before exceptionals	Exceptional items	Operating profit	Capital expenditure
Three months to 30 April:	£m	£m	£m	£m	£m
2006					
Sunbelt Rentals	115.6	21.2	(0.9)	20.3	34.7
A-Plant	41.8	3.9	-	3.9	10.6
Technology	4.3	1.1	-	1.1	1.9
Corporate	-	(0.5)	-	(0.5)	-
	161.7	25.7	(0.9)	24.8	47.2
2005					
Sunbelt Rentals	83.4	11.8	-	11.8	35.0
A-Plant	38.7	2.6	-	2.6	9.8
Technology	3.5	1.3	-	1.3	1.5
Corporate	-	(0.7)	-	(0.7)	-
	125.6	15.0	-	15.0	46.3
Year ended 30 April:					
2006					
Sunbelt Rentals	461.2	98.9	13.4	112.3	156.5
A-Plant	160.7	13.9	-	13.9	55.8
Technology	16.1	4.0	-	4.0	7.9
Corporate	-	(5.7)	-	(5.7)	-
	638.0	111.1	13.4	124.5	220.2
2005					
Sunbelt Rentals	355.0	57.9	-	57.9	93.5
A-Plant	156.3	11.3	-	11.3	40.1
Technology	12.4	3.4	-	3.4	4.8
Corporate	-	(5.5)	-	(5.5)	-
	523.7	67.1	-	67.1	138.4

NOTES TO THE FINANCIAL STATEMENTS

3. Operating costs and other income

	2006			2005		
	Before exceptional items	Exceptional items	Total	Before exceptional items	Exceptional items	Total
Three months to 30 April	£m	£m	£m	£m	£m	£m
Staff costs:						
Salaries	47.5	-	47.5	36.9	-	36.9
Social security costs	4.2	-	4.2	4.2	-	4.2
Other pension costs	0.6	-	0.6	1.0	-	1.0
	52.3	-	52.3	42.1	-	42.1
Other operating costs:						
Vehicle costs	12.7	-	12.7	10.1	-	10.1
Spares, consumables & external repairs	12.9	-	12.9	9.9	-	9.9
Facility costs	8.9	-	8.9	7.0	-	7.0
Other external charges	24.1	0.5	24.6	20.2	-	20.2
	58.6	0.5	59.1	47.2	-	47.2
Other income:						
Profit on disposal of fixed assets	(3.6)	0.4	(3.2)	(3.5)	-	(3.5)
Other income	-	-	-	-	-	-
	(3.6)	0.4	(3.2)	(3.5)	-	(3.5)
Depreciation	28.7	-	28.7	24.8	-	24.8
	136.0	0.9	136.9	110.6	-	110.6
Year ended 30 April						
Staff costs:						
Salaries	182.1	0.3	182.4	156.2	-	156.2
Social security costs	15.5	-	15.5	13.4	-	13.4
Other pension costs	2.8	-	2.8	3.3	-	3.3
	200.4	0.3	200.7	172.9	-	172.9
Other operating costs:						
Vehicle costs	51.7	-	51.7	42.0	-	42.0
Spares, consumables & external repairs	45.3	-	45.3	39.7	-	39.7
Facilities costs	31.8	0.5	32.3	27.8	-	27.8
Other external charges	93.2	0.8	94.0	78.9	-	78.9
	222.0	1.3	223.3	188.4	-	188.4
Other income:						
Profit on disposal of fixed assets	(9.1)	(3.7)	(12.8)	(7.1)	-	(7.1)
Other income	-	(11.3)	(11.3)	-	-	-
	(9.1)	(15.0)	(24.1)	(7.1)	-	(7.1)
Depreciation	113.6	-	113.6	102.4	-	102.4
	526.9	(13.4)	513.5	456.6	-	456.6

NOTES TO THE FINANCIAL STATEMENTS

4. Exceptional items and fair value remeasurements related to embedded derivatives

'Exceptional items' are those items of financial performance that are material and non-recurring in nature. Non-cash fair value remeasurements relate to embedded derivatives within long term debt instruments. The Group believes these items should be disclosed separately within the consolidated income statement to assist in the understanding of the financial performance of the Group. Exceptional items and fair value remeasurements are excluded from underlying profit and earnings per share. These are set out below:

	Three months to 30 April		Year to 30 April	
	2006	2005	2006	2005
	£m	£m	£m	£m
Litigation proceeds	-	-	(11.3)	-
Capital reorganisation	-	-	4.8	-
Fair value remeasurements of embedded derivatives	2.3	(2.2)	(5.6)	(9.8)
Profit on sale of scaffolding	0.5	-	(2.9)	-
Post acquisition integration costs	0.4	-	0.8	-
	3.2	(2.2)	(14.2)	(9.8)

Litigation proceeds relate to the Head & Engquist settlement. Capital reorganisation 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 (£0.5m) offset by a gain on the repayment of the Rentokil convertible loan note (£2.0m) and interest received relating to the redemption of loan notes (£0.2m). Fair value remeasurements relate to the changes in fair value of the embedded prepayment options in our second priority senior secured notes (£5.6m). Profit on sale of scaffolding relates to the net gain on the disposal by Sunbelt of twelve west coast and Texas specialist scaffold locations. Integration costs relate to costs incurred in integrating acquisitions during the period.

Exceptional items and fair value remeasurements are presented in the income statement as follows:

	Three months to 30 April		Year to 30 April	
	2006	2005	2006	2005
	£m	£m	£m	£m
Staff costs	-	-	0.3	-
Other operating costs	0.5	-	1.3	-
Other income	0.4	-	(15.0)	-
Charged/(credited) in arriving at operating profit	0.9	-	(13.4)	-
Net finance costs/(income)	2.3	(2.2)	(0.8)	(9.8)
Charged/(credited) in arriving at profit before tax	3.2	(2.2)	(14.2)	(9.8)

NOTES TO THE FINANCIAL STATEMENTS

5. Net financing costs

	Three months to 30 April		Year to 30 April	
	2006	2005	2006	2005
	£m	£m	£m	£m
Investment income				
Interest and other financial income	0.2	-	0.5	0.1
Expected return on assets of defined benefit pension plan	0.7	0.5	2.2	2.1
Fair value gains on derivatives	-	0.7	-	0.7
	0.9	1.2	2.7	2.9
Exceptional income and fair value remeasurements related to embedded derivatives in long term debt	-	2.2	7.8	9.8
Total investment income	0.9	3.4	10.5	12.7
Interest expense				
Bank interest payable	4.4	3.2	16.3	13.7
Interest on second priority senior secured notes	5.4	3.6	19.7	14.5
Interest payable on finance leases	0.4	0.5	1.8	1.9
Funding cost on accounts receivable securitisation	-	-	-	2.1
5.25% unsecured convertible loan note, due 2008:				
- interest payable	-	1.9	1.9	7.6
- non-cash unwind of discount	-	1.3	1.0	3.7
Non-cash unwind of discount on defined pension plan liabilities	0.7	0.6	2.2	2.5
Non-cash unwind of discount on insurance provisions	0.4	0.2	0.4	0.2
Fair value losses on derivatives not accounted for as hedges	0.2	-	0.3	-
Amortisation of deferred costs of debt raising	0.6	0.7	2.7	1.4
	12.1	12.0	46.3	47.6
Exceptional costs and fair value remeasurements related to embedded derivatives in long term debt	2.3	-	7.0	-
Total interest expense	14.4	12.0	53.3	47.6
Net financing costs before exceptional items and fair value remeasurements of embedded derivatives	11.2	10.8	43.6	44.7
Net exceptional costs/(income) & fair value remeasurements	2.3	(2.2)	(0.8)	(9.8)
Net financing costs	13.5	8.6	42.8	34.9

6. Taxation

The effective rate of current year tax on the Group's underlying profit for the year ended 30 April 2006 is 31% (2005: 63%). Tax attributable to exceptional items has been calculated using the standard tax rates in each jurisdiction in which the exceptional item arose and by considering the difference in the tax charge arising as a result of the exceptional items.

The tax charge comprises a credit of £2.9m related to the UK (2005: £nil), a charge of £0.2m related to Singapore (2005: £0.1m charge) and a charge of £28.8m (2005: £13.9m) related to the US. The tax charge also comprises £21.1m relating to tax on the profit before exceptional items (current tax of £0.1m and deferred tax of £21.0m) and £5.0m relating to tax on exceptional items (current tax of £5.4m offset by a deferred tax credit of £0.4m.)

NOTES TO THE FINANCIAL STATEMENTS

7. Earnings per share

Basic and diluted earnings per share for the three months and year ended 30 April 2006 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 are 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 30 April		Year to 30 April	
		2006	2005	2006	2005
Profit for the financial period (£m)		9.6	2.6	55.6	18.2
Weighted average number of shares (m)	- basic	399.1	323.0	379.0	323.0
	- diluted	408.7	326.3	387.4	326.3
Basic earnings per share		2.4p	0.8p	14.7p	5.6p
Diluted earnings per share		2.4p	0.8p	14.4p	5.6p

Underlying earnings per share (defined in any period as the earnings before exceptional items and fair value remeasurements for that period divided by the weighted average number of shares in issue in that period) and cash tax earnings per share (defined as underlying earnings before deferred taxation 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 30 April		Year to 30 April	
	2006	2005	2006	2005
Basic earnings per share	2.4p	0.8p	14.7p	5.6p
Exceptional items and fair value remeasurements	0.8p	(0.7)p	(3.8)p	(3.0)p
Tax on exceptional items and fair value remeasurements	0.2p	-	1.3p	-
Underlying earnings per share	3.4p	0.1p	12.2p	2.6p
Other deferred tax	0.5p	1.2p	5.6p	4.1p
Cash tax earnings per share	3.9p	1.3p	17.8p	6.7p

8. Property, plant and equipment

	2006		2005	
	Rental equipment	Total	Rental equipment	Total
Net book value	£m	£m	£m	£m
At 1 May	452.9	537.1	469.7	554.9
Exchange difference	16.3	18.6	(21.5)	(23.3)
Reclassifications	0.3	-	(0.1)	-
Additions	201.8	220.2	120.0	138.4
Acquisitions	32.2	35.3	-	-
Disposals	(47.4)	(50.9)	(28.6)	(30.5)
Depreciation	(96.2)	(113.6)	(86.6)	(102.4)
At 30 April	559.9	646.7	452.9	537.1

9. Called up share capital

Ordinary shares of 10p each:

	30 April 2006 Number	30 April 2005 Number	30 April 2006 £m	30 April 2005 £m
Authorised	900,000,000	900,000,000	90.0	90.0
Allotted, called up and fully paid	404,334,066	326,074,928	40.4	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. During the year an additional 4,908,786 shares were issued at an average price of 81.5p per share under share option plans raising £4.0m.

10. Reconciliation of changes in shareholders' funds

	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	30 April 2005 £m
Total recognised income and expense	-	-	-	-	-	15.4	55.8	71.2	(1.5)
Shares issued	7.8	66.2	-	(3.1)	-	-	-	70.9	0.1
Dividends	-	-	-	-	-	-	(2.0)	(2.0)	-
Share based payments	-	-	-	-	-	-	1.3	1.3	0.6
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	7.8	(97.6)	(24.3)	90.7	(2.6)	15.4	149.2	138.6	(0.8)
Opening shareholders' equity	32.6	100.8	24.3	-	(1.6)	(32.6)	(3.8)	119.7	120.5
Closing shareholders' equity	40.4	3.2	-	90.7	(4.2)	(17.2)	145.4	258.3	119.7

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 FINANCIAL STATEMENTS

11. Notes to cash flow statement

	Year to 30 April 2006 £m	2005 £m
a) Cash flow from operating activities		
Operating profit	124.5	67.1
Depreciation	113.6	102.4
Exceptional items	(13.4)	-
EBITDA before exceptional items	224.7	169.5
Profit on disposal of property, plant and equipment	(9.1)	(7.1)
Decrease in inventories	2.2	0.4
Increase in trade and other receivables	(11.2)	(0.3)
Increase in trade and other payables	7.5	1.5
Exchange differences	(0.3)	0.4
Other non-cash movements	1.4	0.4
Cash generated from operations before exceptional items	215.2	164.8
b) Reconciliation to net debt		
Decrease in cash in the period	1.2	1.6
Increase/(decrease) in debt through cash flow	1.4	(55.2)
Change in net debt from cash flows	2.6	(53.6)
Exchange differences	3.7	(15.1)
Non-cash movements:		
- deferred costs of debt raising	4.0	1.2
- convertible loan note	(1.0)	3.8
- capital element of new finance leases	2.0	13.8
Movement in net debt in the period	11.3	(49.9)
Opening net debt	482.3	532.2
Closing net debt	493.6	482.3

c) Analysis of net debt

	1 May 2005 £m	Exchange movement £m	Cash flow £m	Non-cash movements £m	30 April 2006 £m
Cash and cash equivalents	(2.1)	(0.1)	1.2	-	(1.0)
Debt due within 1 year	12.2	0.5	(12.1)	10.0	10.6
Debt due after 1 year	472.2	3.3	13.5	(5.0)	484.0
Total net debt	482.3	3.7	2.6	5.0	493.6

NOTES TO THE 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 £39.1m. Northridge Equipment Rentals traded through five stores located in central and southern California. In addition Sunbelt acquired the business and assets of eleven further stores in Florida, California, Nevada and Tennessee and A-Plant acquired one store in Bournemouth for a total cash consideration of £17.5m.

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	Fair value
	£m	£m
Net assets acquired:		
Property, plant and equipment	25.1	35.3
Inventories	0.6	0.5
Trade and other receivables	4.2	4.2
Trade and other payables	(1.7)	(2.5)
Deferred tax liabilities	(3.3)	(6.9)
	24.9	30.6
Goodwill		26.4
Total consideration		57.0
Satisfied by:		
Cash		56.6
Directly attributable costs		0.4
		57.0

On 15 August 2005 Sunbelt sold twelve specialist scaffold stores for a cash consideration of £13.8m. The profit on disposal is as follows:

	£m
Disposal proceeds:	
- cash received	13.8
- disposal related costs paid	(1.0)
	12.8
- further disposal related costs payable	(0.3)
Net consideration receivable	12.5
Net assets sold:	
- property, plant and equipment	(9.5)
- inventory	(0.1)
Exceptional profit on disposal	2.9

NOTES TO THE FINANCIAL STATEMENTS

13. Contingent liabilities and contingent assets

At 30 April 2006, Sunbelt had provided performance guarantees to a value of £1.1m. 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 30 April 2006 are not expected to have a significant impact on the Group's financial position.

14. 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". This 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.

It also includes 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.

Reconciliation of equity

	30 April 2005 £m
Total equity presented under UK GAAP	126.9
Additional non-cash convertible loan note interest	(13.4)
Equity element of convertible loan note	24.3
Pensions	(16.5)
Share based payments	(0.1)
Restate $100m swap to fair value	0.6
Fair value remeasurements of embedded derivatives *	9.8
Reverse goodwill charged under UK GAAP in year ended 30 April 2005	8.9
Revaluation of goodwill to current exchange rates	(24.7)
Deferred taxation	3.9
Total equity presented under IFRS	119.7

NOTES TO THE FINANCIAL STATEMENTS

14. Reconciliation between UK GAAP and IFRS (continued)

Reconciliation of profit attributable to equity shareholders of the Company

	Year ended 30 April 2005 £m
Attributable profit under UK GAAP	2.4
Goodwill	8.9
Additional non-cash convertible loan note interest	(3.0)
Pensions	(0.2)
Share based payments	(0.4)
Restate $100m interest rate swap to fair value	0.7
Fair value remeasurements of embedded derivatives *	9.8
Attributable profit under IFRS	18.2

* This represents a further difference between UK GAAP and IFRS compared to the financial information published on 20 September 2005. This relates to the non-cash fair value remeasurements of embedded derivatives within long term debt instruments.

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.

BUSINESS AND FINANCIAL REVIEW

Fourth quarter (to 30 April) results compared with prior year

Overview

	2006			2005		
	Before exceptional items and fair value remeasurements	Exceptional items and fair value remeasurements+	Total	Before exceptional items and fair value remeasurements	Exceptional items and fair value remeasurements	Total
	£m	£m	£m	£m	£m	£m
Revenue	161.7	-	161.7	125.6	-	125.6
Staff costs	(52.3)	-	(52.3)	(42.1)	-	(42.1)
Other operating costs	(58.6)	(0.5)	(59.1)	(47.2)	-	(47.2)
Other income	3.6	(0.4)	3.2	3.5	-	3.5
EBITDA*	54.4	(0.9)	53.5	39.8	-	39.8
Depreciation	(28.7)	-	(28.7)	(24.8)	-	(24.8)
Operating profit	25.7	(0.9)	24.8	15.0	-	15.0
Investment income	0.9	-	0.9	1.2	2.2	3.4
Interest expense	(12.1)	(2.3)	(14.4)	(12.0)	-	(12.0)
Profit/(loss) before taxation	14.5	(3.2)	11.3	4.2	2.2	6.4
Taxation:						
- current	1.2	(5.4)	(4.2)	(0.1)	-	(0.1)
- deferred	(2.1)	4.6	2.5	(3.7)	-	(3.7)
	(0.9)	(0.8)	(1.7)	(3.8)	-	(3.8)
Profit for the quarter	13.6	(4.0)	9.6	0.4	2.2	2.6

* EBITDA is presented here as an additional performance measure as it is commonly used by investors and lenders.
\+ Fair value remeasurements related to embedded derivatives in long term debt.

Fourth quarter revenue increased 21.3% at constant exchange rates to £161.7m and by 28.7% at actual rates. EBITDA before exceptional items grew by 28.1% at constant exchange rates to £54.4m and by 36.6% at actual rates. Operating profit before exceptional items of £25.7m in the quarter increased 58.1% at constant exchange rates and 70.9% from £15.0m in 2005 at actual rates. EBITDA margins before exceptional items grew from 31.7% to 33.6% and operating margins before exceptional items rose from 12.0% to 15.9%. Total EBITDA increased 34.4% to £53.5m, at actual rates and total operating profit increased from £15.0m to £24.8m.

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 over Thanksgiving, Christmas and Easter, 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. Accordingly the third and fourth quarters of our fiscal year typically are significantly weaker than the first and second.

Divisional performance

Divisional results before exceptional items are summarised below:

Fourth quarter (to 30 April)	Revenue		EBITDA		Operating profit	
	2006	2005	2006	2005	2006	2005
Sunbelt in $m	202.7	159.5	71.8	52.2	37.1	22.8
Sunbelt in £m	115.6	83.4	40.9	27.3	21.2	11.8
A-Plant	41.8	38.7	11.7	11.1	3.9	2.6
Ashtead Technology	4.3	3.5	2.3	2.1	1.1	1.3
Group central costs	-	-	(0.5)	(0.7)	(0.5)	(0.7)
	161.7	125.6	54.4	39.8	25.7	15.0

Sunbelt

Revenue increased 27.1% to $202.7m in the fourth quarter reflecting strong growth of approximately 10% in rental rates and a 15% increase in the average fleet size. Utilisation increased 3% to approximately 67% from 65% last year. 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) increased 22.1% to $130.9m in 2006. 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 well as the impact of acquisitions. As a result, EBITDA grew 37.3% to $71.8m and the EBITDA margin for the quarter improved to 35.4% from 32.7% in 2005. Sunbelt's operating profit increased 63.2% to $37.1m representing a margin of 18.3% (2005: 14.2%). Sunbelt's results in sterling reflected the factors discussed above and the stronger US dollar compared with the same period in the previous year.

A-Plant

The improved revenue performance following the sales force restructuring undertaken in the first half of the year, continued in the fourth quarter. Revenue in the fourth quarter increased 8.0% to £41.8m (2005: £38.7m) reflecting a fleet size which was approximately 4% larger than in the equivalent period a year ago, utilisation at approximately 68% compared to approximately 65% last year and rental rates approximately 2% lower than last year. Costs (excluding depreciation) increased 9.3% reflecting predominantly increased salary and fuel costs. As a result EBITDA increased 4.8% to £11.7m and the EBITDA margin was 28.0% (2005: 28.9%). A-Plant's operating profit increased from £2.6m to £3.9m representing a margin of 9.2% (2005: 6.7%).

Ashtead Technology

Ashtead Technology delivered fourth quarter revenue growth of 21.8% to £4.3m at actual rates (16.3% at constant exchange rates). This growth reflected higher offshore exploration and construction activity as well as continued growth in its on-shore environmental business, including at the new store opened in Chicago last November.

Exceptional items and fair value remeasurements of embedded derivatives

Exceptional items and fair value remeasurements can be summarised as follows:

	Three months to 30 April 2006	
	2006	2005
	£m	£m
Costs on sale of scaffolding stores	0.5	-
Post acquisition integration costs	0.4	-
Charged in arriving at operating profit	0.9	-
Fair value remeasurements of embedded derivatives	2.3	(2.2)
Charged/(credited) in arriving at profit before tax	3.2	(2.2)

The additional costs on sale of scaffolding reflects the final gain on the disposal by Sunbelt of twelve specialist scaffold stores. Integration costs relate primarily to costs incurred in rebranding fleet acquired during the year. Fair value remeasurements relate to embedded derivatives in long term debt.

Net financing costs

Net financing costs, before fair value remeasurements related to embedded derivatives in long term debt, in the fourth quarter increased to £11.2m from £10.8m in 2005 reflecting slightly lower average debt levels and an average interest rate slightly higher than the prior period. Compared to the previous year, the average interest rate benefited from the repayment of our 5.25% notes and from a lower margin under our first priority asset based senior secured loan facility but these benefits have been offset by increases in US dollar interest rates which are payable under our floating rate senior facility.

Taxation

The tax charge for the quarter of £1.7m (2005: £3.8m) comprised a charge for current tax of £4.2m and a credit for deferred tax of £2.5m. The current tax charge arose in the US on the exceptional profits included in the year's results and reflected the use during the year of all brought forward federal tax losses.

Balance sheet

Property, plant and equipment

	30 April 2006		30 April 2005	
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	16.3	18.6	(21.5)	(23.3)
Reclassifications	0.3	-	(0.1)	-
Additions	201.8	220.2	120.0	138.4
Acquisitions	32.2	35.3	-	-
Disposals	(47.4)	(50.9)	(28.6)	(30.5)
Depreciation	(96.2)	(113.6)	(86.6)	(102.4)
At 30 April	559.9	646.7	452.9	537.1

Capital expenditure in the year was £220.2m of which £201.8m was invested in the rental fleet (2005: £138.4m in total). Expenditure on rental equipment was 91.6% of total capital expenditure. Capital expenditure by division was as follows:

	30 April 2006			2005
	Growth	Maintenance	Total	Total
Sunbelt in $m	81.1	176.8	257.9	152.7
Sunbelt in £m	44.6	97.3	141.9	79.9
A-Plant	14.1	38.0	52.1	35.4
Ashtead Technology	5.8	2.0	7.8	4.7
Total rental equipment	64.5	137.3	201.8	120.0
Other fixed assets			18.4	18.4
Total additions			220.2	138.4

With the improvement in market conditions in the US and a return to fleet investment in the UK, the Group spent £64.5m of its rental equipment capital expenditure on growth with £137.3m 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 the fleet, at 30 April 2006 was 37 months (2005: 45 months) on a net book value basis. Sunbelt's fleet had an average age of 38 months (2005: 46 months) comprising 49 months for aerial work platforms which have a longer life and 28 months for the remainder of its fleet and A-Plant's fleet had an average age of 36 months (2005: 43 months).

As indicated in March, gross capital expenditure for the year ending 30 April 2007 is currently expected to total approximately £250m.

Trade and other receivables

The Group continues to focus on collection of its accounts receivable with the result that receivable days were reduced to 49 days at 30 April 2006 (2005: 53 days). The bad debt charge as a percentage of total revenue was 0.7% in 2006 compared with 1.1% in 2005.

Trade and other payables

Group payable days were 57 days in 2006 (2005: 74 days). Capital expenditure related payables at 30 April 2006 totalled £30.0m (2005: £35.9m). Payment periods for purchases other than rental equipment vary between 7 and 60 days and for rental equipment between 30 and 90 days.

Cash flow and net debt

Free cash flow in the year ended 30 April 2006 (which is defined as our net cash inflow from operations less net maintenance capital expenditure, financing costs paid and tax paid) is summarised below:

	Year ended 30 April	
	2006	2005
	£m	£m
EBITDA before exceptional items	224.7	169.5
Cash inflow from operations before exceptional items	215.2	164.8
*Cash efficiency ratio**	*95.8%*	*97.2%*
Maintenance rental capital expenditure	(149.9)	(95.6)
Non rental capital expenditure	(16.8)	(5.4)
Proceeds from sale of used rental equipment	50.4	35.9
Tax paid	(2.8)	(0.6)
Free cash flow before interest	96.1	99.1
Financing costs paid	(38.7)	(30.2)
Free cash flow after interest	57.4	68.9
Growth capital expenditure	(62.6)	(10.2)
Acquisitions and disposals	(44.2)	0.5
Issue of ordinary share capital	70.9	0.1
Dividends paid	(2.0)	-
Purchase of own shares by ESOT	(2.8)	-
Pension plan funding	(17.1)	-
Exceptional costs paid	(2.2)	(5.7)
(Increase)/reduction in total debt	(2.6)	53.6

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

Cash inflow from operations increased 30.6% to £215.2m and the cash efficiency ratio was 95.8% (2005 – 97.2%). After net maintenance capital expenditure of £99.5m (2005: £59.7m), non-rental capital expenditure and tax, free cash flow before interest was £96.1m (2005: £99.1m). Financing costs (excluding exceptional financing costs) paid this year were more in line with the accounting charge. Last year's financing costs of £30.2m were unusually low compared to last year's £44.7m accounting charge and reflected the timing of interest payments. After interest, there was a free cash inflow of £57.4m (2005: £68.9m).

Including payments of £62.6m in respect of growth capital expenditure, £44.2m in respect of acquisitions and disposals, £2.8m for the purchase of shares by the ESOT in connection with employee share plans, £2.0m for dividends, a one-off £17.1m contribution to the defined benefit pension plan and net exceptional costs of £2.2m and taking into account the net proceeds received from share issues of £70.9m, there was a net draw under our bank facilities in the year of £2.6m. The largest outflow was for purchases of rental equipment which give rise to a corresponding increase in the borrowing base under the asset based facilities. Accordingly, combined with amendments to the asset based debt facility in November, availability under the facility increased from $157m at 30 April 2005 to $283m at 30 April 2006.

Net debt

	30 April 2006 £m	30 April 2005 £m
First priority senior secured bank debt	263.2	216.2
Finance lease obligations	23.2	32.0
12% second priority senior secured notes, due 2014	75.5	115.8
8.625% second priority senior secured notes, due 2015	132.7	-
5.25% unsecured convertible loan note, due 2008	-	120.4
	494.6	484.4
Cash and cash equivalents	(1.0)	(2.1)
Total net debt	493.6	482.3

At 30 April 2006 total net debt was £493.6m (2005: £482.3m). Measured at constant (30 April 2006) exchange rates, the increase in total net debt since 30 April last year was £2.5m.

At 30 April 2006, the Group's debt facilities were committed for a weighted average period of approximately 6.25 years and carried a weighted average interest rate of approximately 8%.

OPERATING STATISTICS

	Profit centre numbers 30 April		Staff numbers 30 April	
	2006	2005	2006	2005
Sunbelt Rentals	209	200	4,266	3,854
A-Plant	193	202	2,081	1,973
Ashtead Technology	11	10	104	94
Corporate office	-	-	14	14
Group	413	412	6,465	5,935