Ashtead group

International Equipment Rental

Second quarter results – 31 October 2007

Issued: 11 December 2007

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The presentation contains forward looking statements which are necessarily subject to risks and uncertainties because they relate to future events. Some of the factors which may adversely impact some of these forward looking statements are discussed in the Group’s unaudited results for the half year and second quarter ended 31 October 2007 under “Markets and outlook” and “Principal risks and uncertainties” which may be viewed on the Group’s website at www.ashtead-group.com.

The presentation contains supplemental non-GAAP financial and operating information which the Group believes provides valuable insight into the performance of the business. Whilst this information is considered as important, it should be viewed as supplemental to the Group’s financial results prepared in accordance with International Financial Reporting Standards and not as a substitute for them.

Overview

- Strong growth in second quarter and first half profits and earnings
- Sunbelt's pro forma underlying half year operating profit grew by 27% to $196.6m
- NationsRent integration concluded successfully
- A-Plant delivered pro forma underlying operating profit growth of 41% to £16.5m
- Leverage in the middle of our 2-3 times target range and expected to reduce next year
- Dividends rebased with 50% rise in the interim dividend to 0.825p per share and a similar increase expected in the final dividend
- Share buy-back of up to 5% of issued equity share capital
- Rothschild appointed to perform strategic review of Technology.

Financial Review

Ian Robson – finance director

Summary results - six months to 31 October

		2007	2006	Growth At actual rates	Growth At constant rates
		£m	£m		
Revenue	- As published	523.5	422.3	+24%	+31%
	- NationsRent & Lux	-	133.0		
	- Pro forma	523.5	555.3	-6%	Nil%
EBITDA*	- As published	205.2	154.9	+32%	+41%
	- NationsRent & Lux	-	31.1		
	- Pro forma	205.2	186.0	+10%	+17%
Operating profit*	- As published	114.9	82.7	+39%	+48%
	- NationsRent & Lux	-	10.9		
	- Pro forma	114.9	93.6	+23%	+31%
Pro forma margins	- EBITDA	39.2%	33.5%		
	- Operating profit	21.9%	16.9%		

* Before exceptional items, amortisation of acquired intangibles and fair value remeasurements

Note: Rental and rental related revenue (excluding sales) up 3% at constant exchange rates to £492m

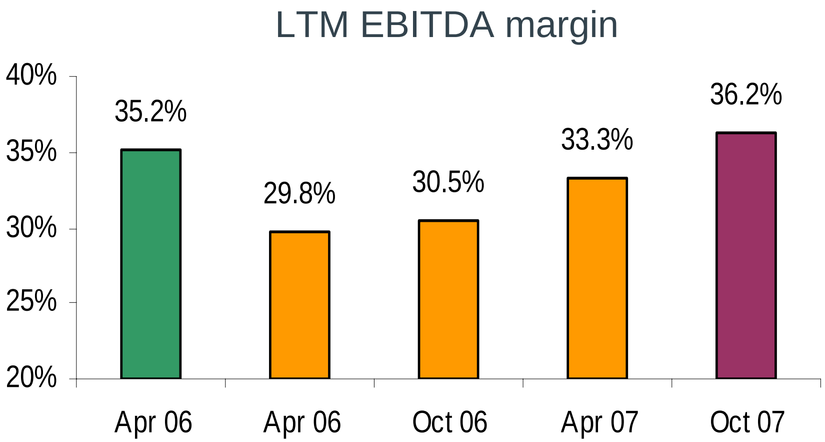
Summary results - six months to 31 October
Accelerating earnings growth

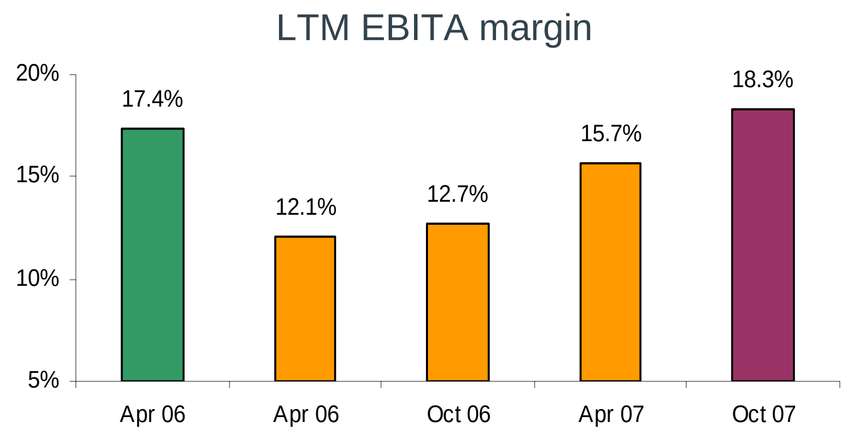
	2007 £m	2006 £m	Growth At actual rates	Growth At constant rates
Profit before tax*				
Q1	30.7	24.3	+26%	+35%
Q2	46.0	30.1	+53%	+62%
H1	76.7	54.4	+41%	+50%
EPS*	8.9p	7.4p	+20%	+26%
Effective tax rate*	36%	35%		
Cash tax rate	13%	nil		

* Before exceptional items, amortisation of acquired intangibles and fair value remeasurements

Results

Improved Group margins and returns as NationsRent integration concludes and A-Plant and Technology grow





Existing Group before NationsRent | Pro forma including NationsRent | Actual Group – post-acquisition

- Group margins now exceed those achieved prior to the acquisition of NationsRent
  - Sunbelt approaching the margins achieved pre NationsRent
  - A-Plant significantly ahead of prior periods

Cash flow

Cash flow before acquisitions set to increase as maintenance capex reduces

	Six months to 31 October 2007 £m	Six months to 31 October 2006 £m	LTM to 31 October 2007 £m	Year to 30 April 2007 £m
EBITDA	**205.2**	**154.9**	**360.6**	**310.3**
Cash inflow from operations before exceptional items	**179.3**	**155.7**	**342.9**	**319.3**
Net maintenance capital expenditure	(77.6)	(54.6)	(189.9)	(166.9)
Interest and tax	(35.0)	(30.3)	(73.9)	(69.2)
Free cash flow after interest	**66.7**	**70.8**	**79.1**	**83.2**
Growth capital expenditure	(101.7)	(104.9)	(59.7)	(62.9)
Dividends paid	(6.1)	(4.0)	(9.1)	(7.0)
Cash flow before acquisitions & integration costs	**(41.1)**	**(38.1)**	**10.3**	**13.3**
Acquisitions and integration costs (net of equity issued)	(7.2)	(236.1)	(23.1)	(252.0)
Increase in total debt	**(48.3)**	**(274.2)**	**(12.8)**	**(238.7)**

- Enlarged Group continues to convert 95% to 100% of EBITDA into cash

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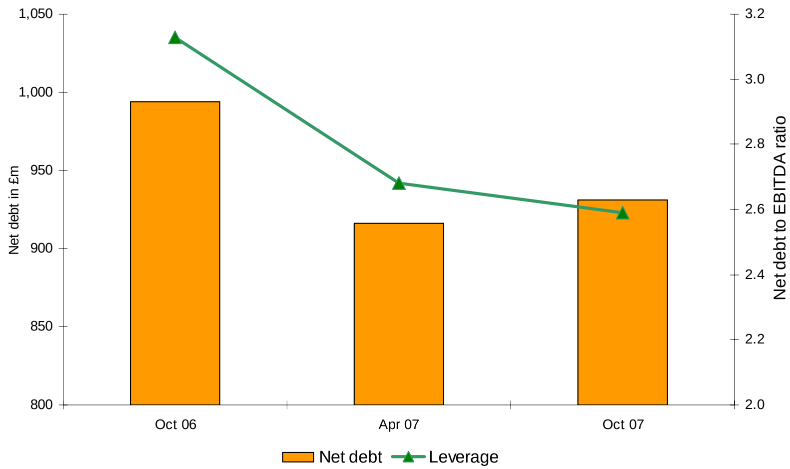
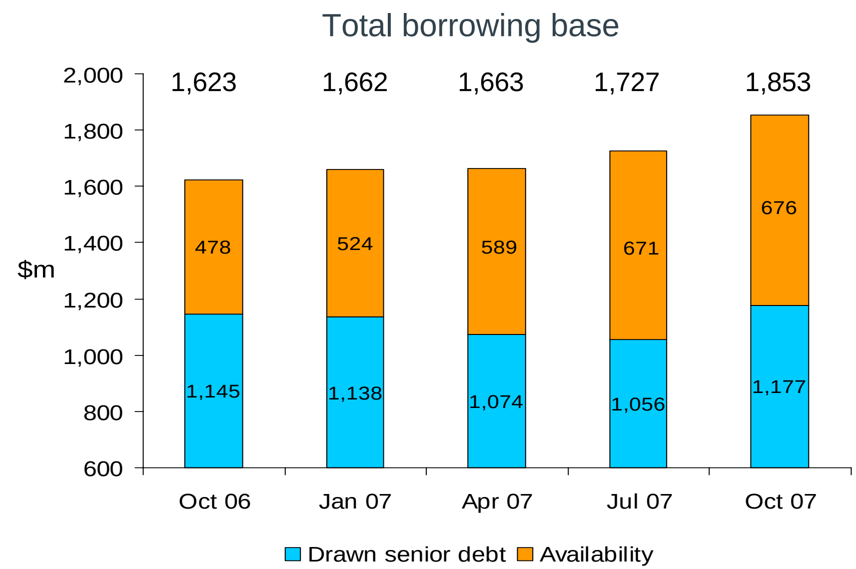
Balance sheet management and net debt
Net debt to EBITDA leverage substantially reduced





- Net debt to EBITDA leverage in the middle of 2-3 times target range within one year post acquisition and expected to move to the bottom half of this range by April 2009
- Usual seasonal increase in debt at 31 October will reverse by year end
- All debt remains covenant free whilst availability exceeds $125m
- Availability at 31 October 2007 of $676m including suppressed availability of $105m
- Debt facilities committed for long term - 6 year average and no significant maturity prior to 2011
- Natural hedge of weak dollar working as intended given 96% of debt is drawn in US dollars

Operational Review

Geoff Drabble – chief executive

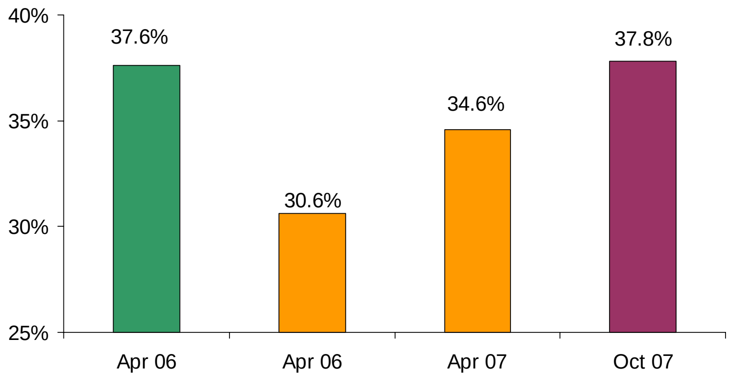
Sunbelt – trading results
Significant growth in margins as integration concludes successfully

	Half year*			LTM*		
	2007	2006	Growth	2007	2006	Growth
	$m	$m	%	$m	$m	%
Rental and rental related revenues	753.8	745.2	+1%	1,405.7	1,373.5	+2%
Sales	55.3	82.5	-33%	114.3	155.1	-26%
Total revenues	809.1	827.7	-2%	1,520.0	1,528.6	-1%
EBITA	196.6	154.4	+27%	314.5	222.6	+41%
Margins	*24.3%*	*18.7%*		*20.7%*	*14.6%*	
Return on Investment				13.7%	n/a	

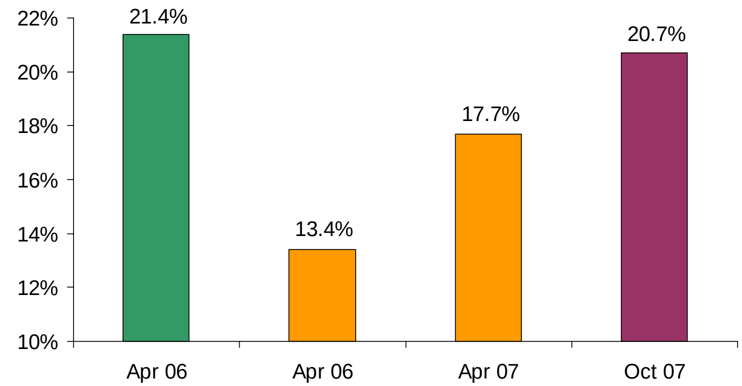
* Pro forma for NationsRent

Sunbelt
Integration delivering improvement in all key metrics

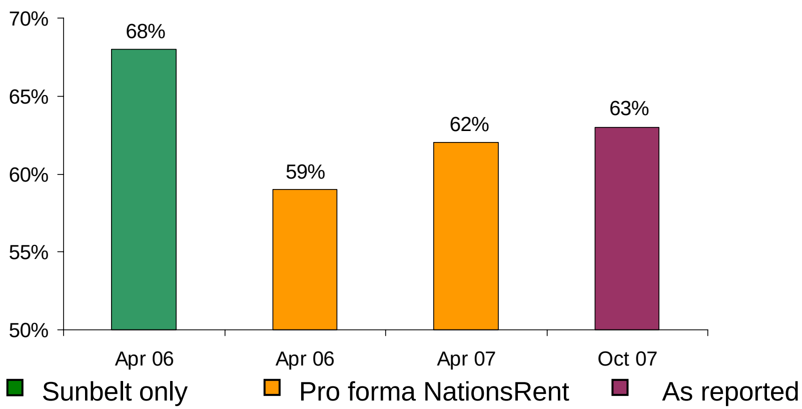
EBITDA margin



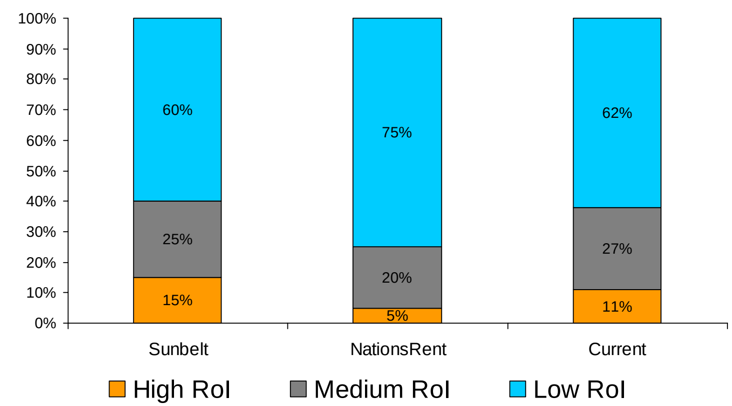
Operating profit margin



Dollar utilisation



Fleet reconfiguration



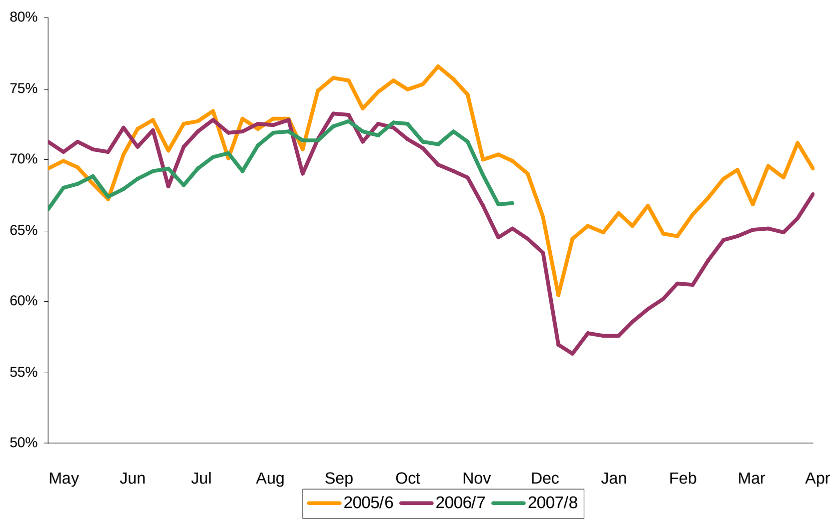
Sunbelt
Scope for further margin improvement

	Sunbelt	At acquisition NationsRent	Combined	LTM October 2007
Proportion of stores generating >25% contribution	75%	20%	50%	65%
Proportion of stores generating <25% contribution	25%	80%	50%	35%

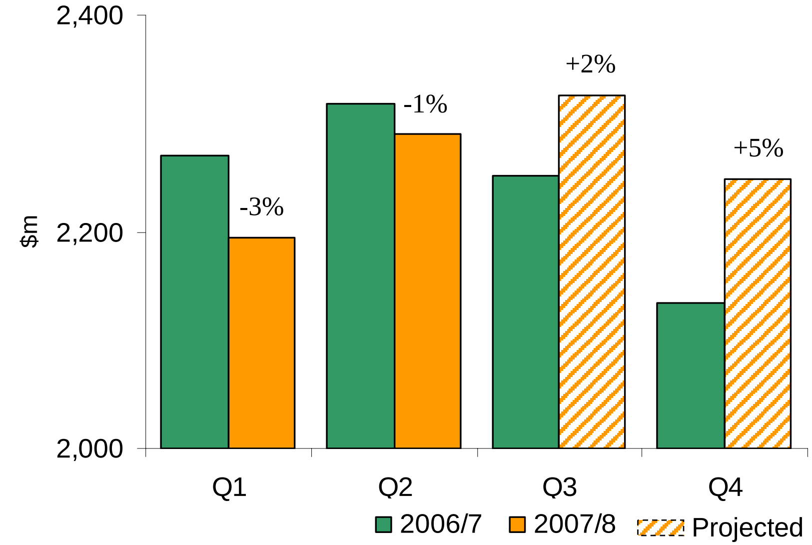
- Investment in growth capital expenditure to drive improvement in revenue and contribution of profit centre infrastructure, particularly smaller NationsRent locations

Sunbelt – fleet size
Improving physical utilisation and increasing fleet size will drive revenue

Physical utilisation



Average fleet size



- Physical utilisation of the reconfigured fleet has improved throughout the year. Relative improvement to last year expected to continue
- Average fleet size in H1 was 2% lower following the NationsRent fleet reconfiguration
- As at end of October fleet size was comparable with previous year
- Investment in fleet growth in line with market opportunity

Sunbelt – revenue

Outside Florida – rental revenue growth is 4% in the first half on a level fleet – experience in Florida shows flexibility of the model

	Half year *			Average fleet*		
	2007	2006	Growth	2007	2006	Growth
	$m	$m	%	$m	$m	%
Rental & Rental related						
- Florida	123	138	-11%	370	417	-11%
- Rest of US	631	607	4%	1,869	1,866	- %
	754	745	1%	2,239	2,283	-2%
Sales	55	83	-33%			
Total	809	828	-2%			

* Pro forma for NationsRent

- Reduction in low margin sales of new equipment at NationsRent continues
- Florida
  - Local issues drive rental revenue decline from prior periods' inflated high
  - Management of the downturn shows flexibility of the model
    - Fleet reduced
    - Cost base reduced
    - Florida still delivering 31% margin

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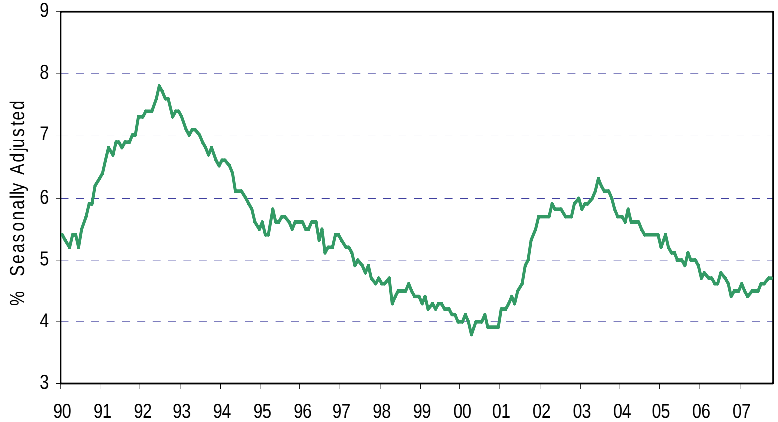
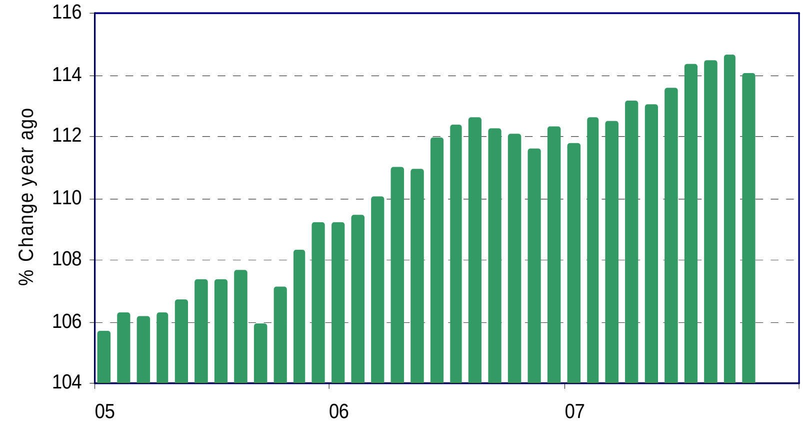
US – markets: leading indicators still strong – we are late cycle

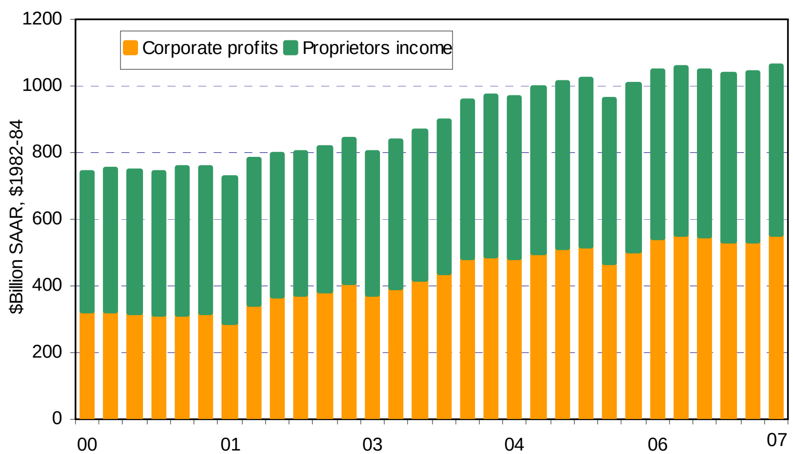
Unemployment is extremely low



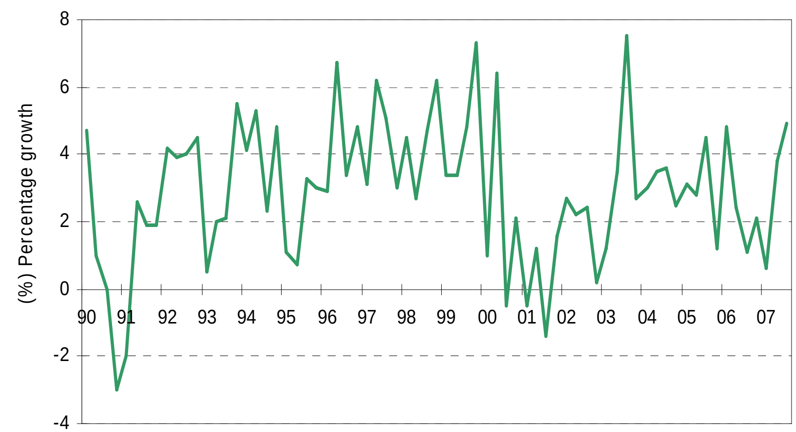
Industrial production is strong



Inflation adjusted corporate profits remain high



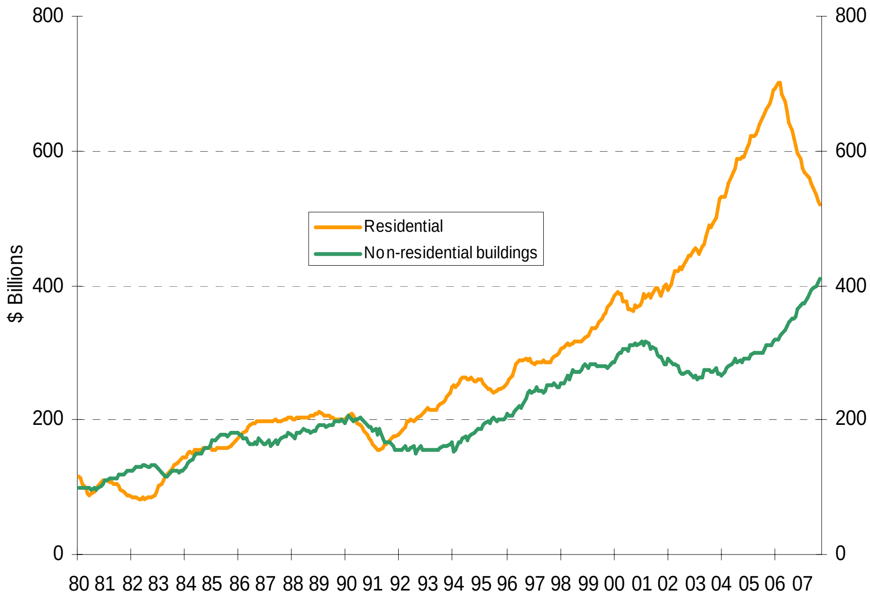
So far, economy has held up - real US GDP growth



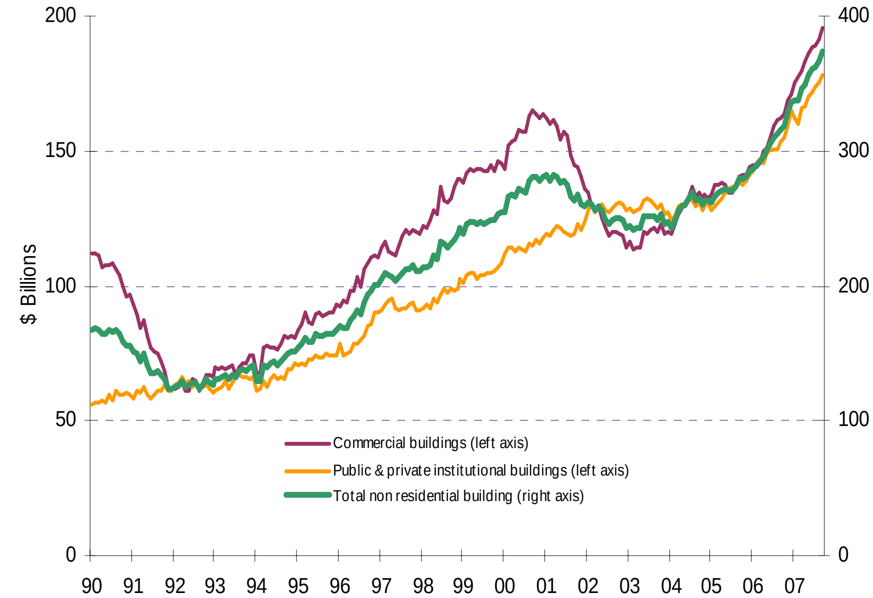
Source: Maximus Advisors

US construction markets
Specific markets indicate no immediate downturn

Residential and non residential markets operate in different cycles



Both Institutional and Commercial non residential construction remain strong

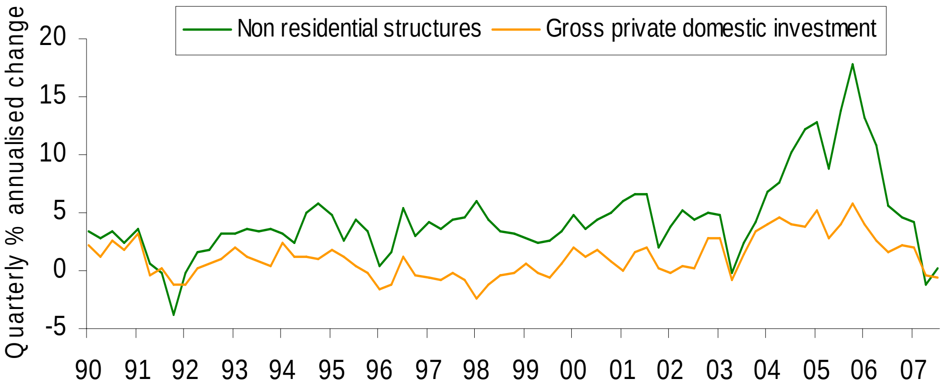


Source: Maximus Advisors

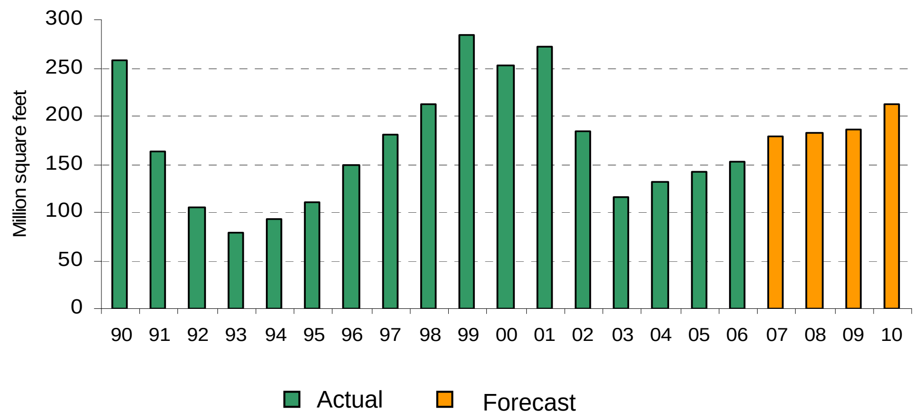
Markets

Inflation adjusted data suggests non residential construction is mid cycle

Price inflation



Commercial building completions

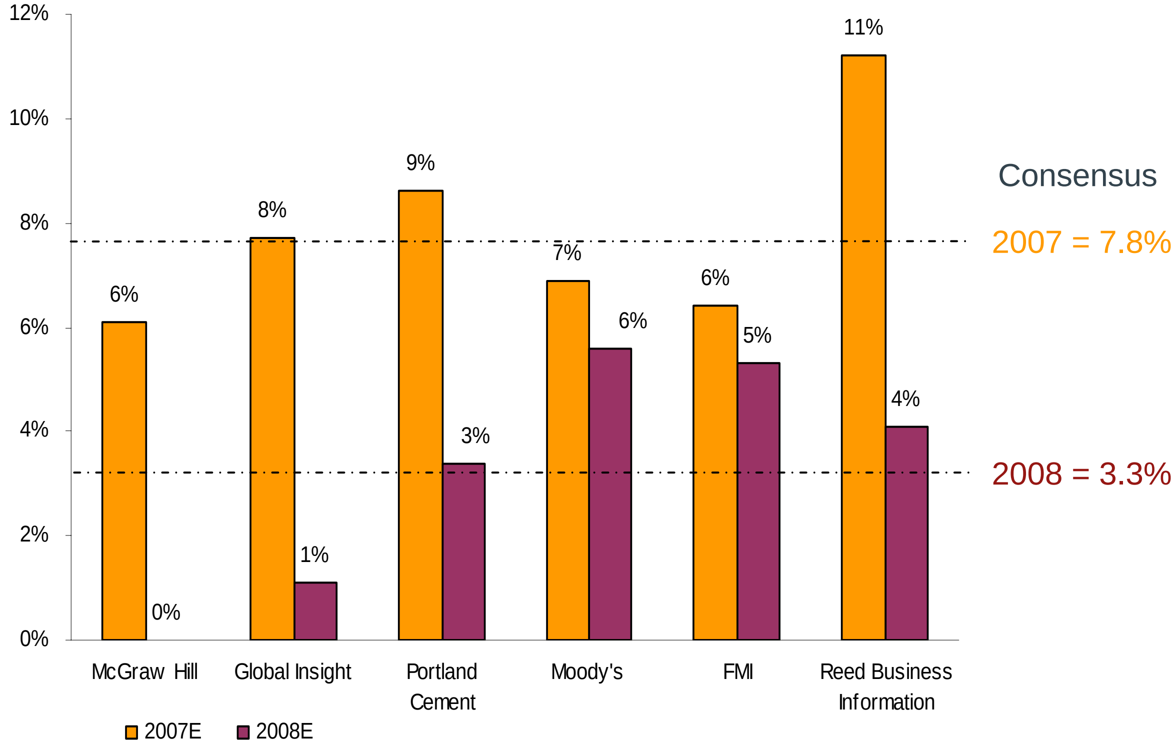


- Non residential price inflation moderating
- Commercial building completions have only reached the levels of 1996/1997 – middle of the last cycle

Source: Maximus Advisors

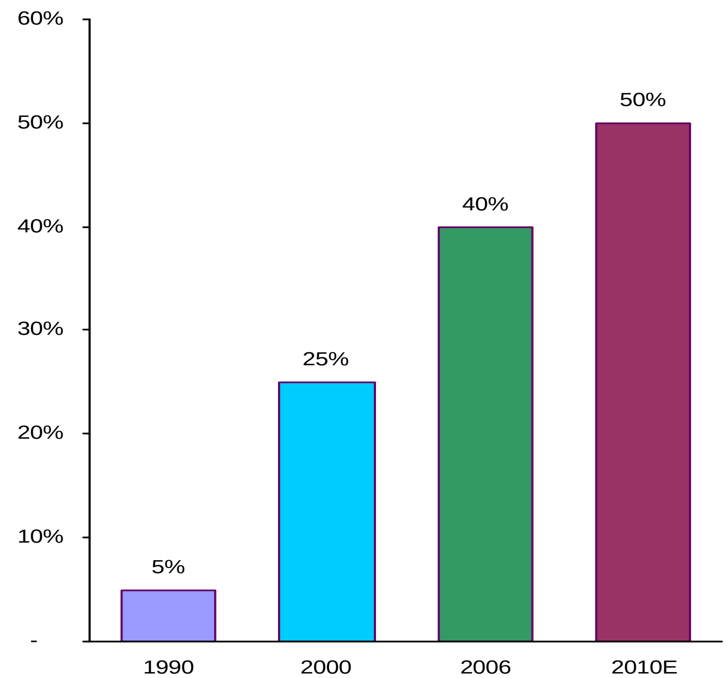
Sunbelt – markets
Market forecasts indicate continued growth into 2008/9

Non residential construction growth



AND

Increased rental penetration potential



= Strong continued organic growth

Source: American Institute of Architects

Source: Dan Kaplan Associates.

A-Plant – trading results
The strong profit growth experienced last year continues

	Half year*			LTM*		
	2007 £m	2006 £m	Growth %	2007 £m	2006 £m	Growth %
Revenue	109	101	+7%	207	192	+8%
EBITA	17	12	+41%	25	17	+47%
Margins	*15.2%*	*11.6%*		*12.3%*	*9.1%*	
Return on Investment				10.2%	7.8%	

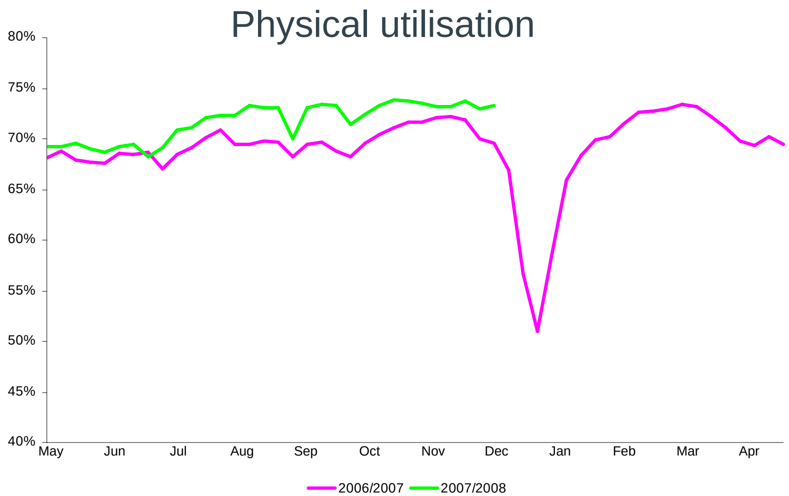
* Pro forma for Lux

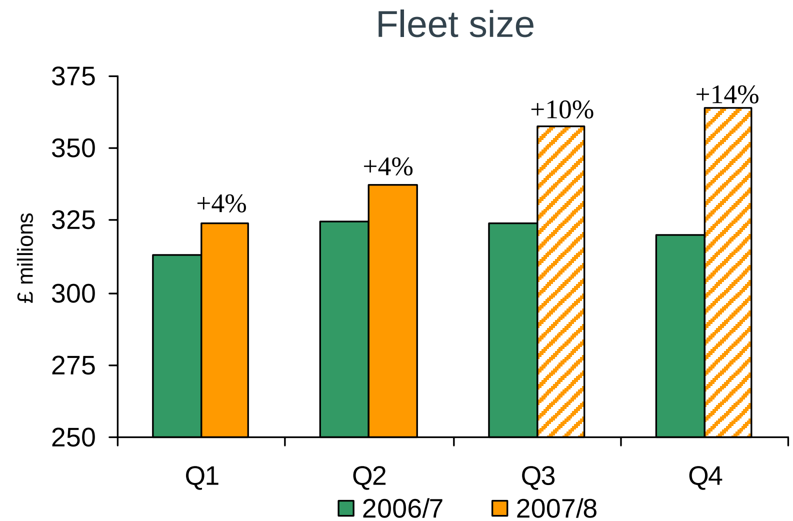
A-Plant
Revenue drivers

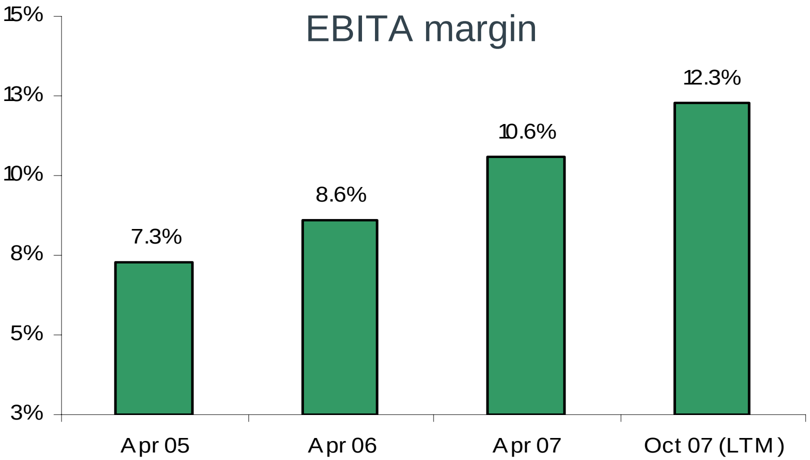
- Focus on full range supply to contractor customer base driving market share gains
- Sales structure with balance of key account and field sales participation
- Customer service benefiting from capital investment in both fleet and profit centre infrastructure
- Major new deals signed (eg Norwest Holst, Wates, Balfour Beatty Infrastructure)
- Market share gains
- 8 consecutive quarters of year on year revenue growth

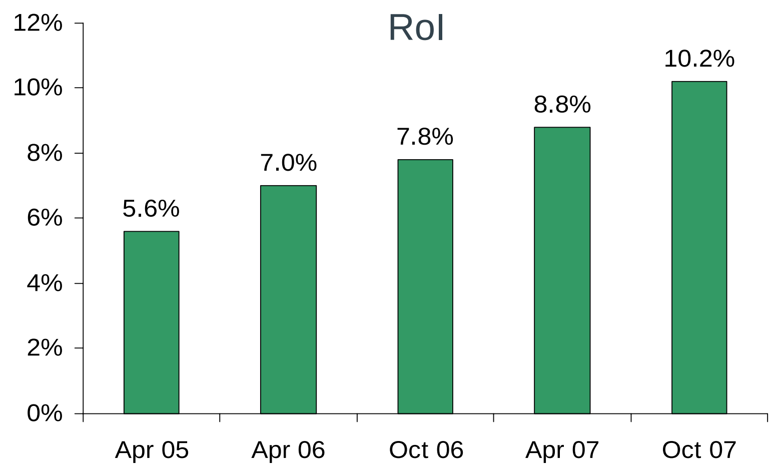
	Growth
Average fleet size	+4%
Utilisation	+3%
Rental rates	0%
Total revenue	+7%

A-Plant – improving metrics
Record physical utilisation of a growing fleet delivering improving margins and RoI





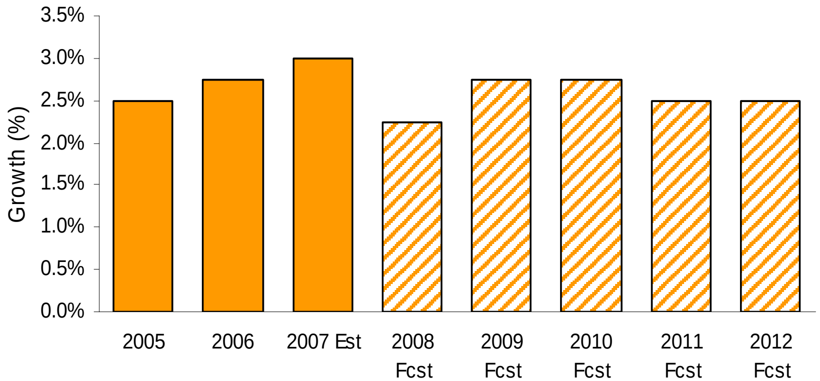




A-Plant – markets

Non residential construction growth double the rate of GDP at c.5% per annum

GDP



Non-domestic construction

- Good market conditions generally, supported by major projects such as Crossrail, the Olympics, the Commonwealth Games and utility infrastructure spending
- Residential market likely to slow but only 6% of our business
- Legislation and staff shortages will continue to drive outsourcing of products and services

Source: ONS/HM Treasury/AMA Research

Source: DBERR/AMA Research

Technology – trading results
Significant growth in revenues and margins again delivered

	Half year			LTM		
	2007 £m	2006 £m	Growth* %	2007 £m	2006 £m	Growth* %
Revenue	13.1	11.3	+20%	23.4	19.4	+21%
EBITA	5.2	3.3	+58%	8.1	5.0	+62%
Margins	*39.7%*	*29.4%*		*34.4%*	*25.8%*	
Return on Investment				43.3%	31.9%	

* At constant rates of exchange

- Both offshore and onshore markets remain good
- Offshore benefiting from new deeper water geographies and the need to maintain ageing fields which are now profitable given the price of oil
- Onshore is also developing as health and safety requirements drive greater inspection and maintenance and environmental monitoring becomes more important
- Rothschild appointed to perform review of all strategic options

Summary

- Markets for all three divisions remain good
- NationsRent integration concluded successfully – continuing opportunity for improvement
- A-Plant operating at record utilisation levels with strong profit growth
- Leverage in the middle of our 2-3 times target range and expected to reduce next year
- Dividends rebased with 50% rise in the interim dividend to 0.825p per share and a similar increase expected in the final dividend
- Share buy-back of up to 5% of issued equity share capital
- Rothschild appointed to perform strategic review of Technology
- The Board has confidence in the Group's prospects for the full year and beyond

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Appendices

Divisional performance – second quarter

	Revenue 2007	Revenue 2006	Growth*	EBITDA 2007	EBITDA 2006	Growth*	Underlying profit 2007	Underlying profit 2006	Growth*
Sunbelt in $m	420.6	363.0	+16%	179.8	137.2	+31%	111.8	78.1	+43%
Sunbelt in £m	207.8	193.2	+16%	88.8	73.0	+31%	55.2	41.5	+43%
A-Plant	56.4	47.6	+19%	20.5	16.1	+27%	9.5	6.6	+44%
Ashtead Technology	6.8	5.8	+21%	4.3	3.2	+38%	2.9	2.0	+46%
Group central costs	-	-		(2.4)	(2.4)	+2%	(2.4)	(2.4)	+2%
	271.0	246.6	+17%	111.2	89.9	+31%	65.2	47.7	+46%
Net financing costs							(19.2)	(17.6)	
Profit before tax, exceptionals and amortisation							46.0	30.1	+62%
Exceptional items and amortisation							(0.4)	(69.3)	
Profit before taxation							45.6	(39.2)	

*At constant rates of exchange

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Divisional performance – first half

	Revenue 2007	Revenue 2006	Growth*	EBITDA 2007	EBITDA 2006	Growth*	Underlying profit 2007	Underlying profit 2006	Growth*
Sunbelt in $m	809.1	597.0	+36%	330.5	230.3	+44%	196.6	135.2	+45%
Sunbelt in £m	401.9	319.5	+36%	164.1	123.3	+44%	97.6	72.3	+45%
A-Plant	108.5	91.5	+19%	37.6	30.0	+25%	16.5	11.1	+49%
Ashtead Technology	13.1	11.3	+20%	7.9	5.6	+43%	5.2	3.3	+58%
Group central costs	-	-		(4.4)	(4.0)	+11%	(4.4)	(4.0)	+11%
	523.5	422.3	+31%	205.2	154.9	+41%	114.9	82.7	+48%
Net financing costs							(38.2)	(28.3)	
Profit before tax, exceptionals and amortisation							76.7	54.4	+50%
Exceptional items and amortisation							(1.0)	(85.0)	
Profit before taxation							75.7	(30.6)	

*At constant rates of exchange

Divisional performance – twelve months to 31 October

	Revenue			EBITDA			Underlying profit		
	2007	2006	Growth*	2007	2006	Growth*	2007	2006	Growth*
Sunbelt in $m	1,520.0	1,008.9	+51%	575.2	378.8	+52%	314.5	214.7	+47%
Sunbelt in £m	767.0	554.6	+51%	289.4	208.1	+52%	157.8	117.8	+47%
A-Plant	206.9	172.5	+20%	66.5	52.2	+27%	25.5	16.4	+56%
Ashtead Technology	23.4	19.4	+26%	13.3	9.5	+45%	8.1	5.0	+63%
Group central costs	–	–		(8.6)	(6.6)	+30%	(8.7)	(6.7)	+30%
	997.3	746.5	+42%	360.6	263.2	+47%	182.7	132.5	+49%
Net financing costs							(79.0)	(50.8)	
Profit before tax, exceptionals and amortisation							103.7	81.7	+36%
Exceptional items and amortisation							(33.9)	(71.1)	
Profit before taxation							69.8	10.6	

*At constant rates of exchange

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Sunbelt & NationsRent – Proforma combined performance

	2005/6					2006/7					2007/8	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Revenue												
Sunbelt (as previously reported)	186.8	220.0	209.2	202.7	818.7	234.0	363.0	361.5	349.4	1,307.9	388.5	420.6
NationsRent	150.6	166.2	144.5	144.5	605.8	171.3	59.4	0.0	0.0	230.7	0.0	0.0
Pro-forma combined	337.4	386.2	353.7	347.2	1,424.5	405.3	422.4	361.5	349.4	1,538.6	388.5	420.6
Growth						20.1%	9.4%	2.2%	0.6%	8.0%	-4.1%	-0.4%
Operating profit												
Sunbelt (as previously reported)	38.4	57.6	41.8	37.7	175.5	57.1	78.1	58.1	59.8	253.1	84.8	111.8
NationsRent	11.4	14.8	(7.3)	(4.0)	14.9	10.7	8.5	0.0	0.0	19.2	0.0	0.0
Pro-forma combined	49.8	72.4	34.5	33.7	190.4	67.8	86.6	58.1	59.8	272.3	84.8	111.8
Growth						36.1%	19.7%	68.5%	77.5%	43.1%	25.1%	29.1%
Operating margins	14.8%	18.7%	9.8%	9.7%	13.4%	16.7%	20.5%	16.1%	17.1%	17.7%	21.8%	24.1%

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Stable free cashflow

	2002 £m	2003 £m	2004 £m	2005 £m	2006 £m	2007 £m	LTM October 2007 £m
EBITDA before exceptional items	**194.4**	**150.1**	**147.0**	**169.5**	**224.7**	**310.3**	**360.6**
Cash inflow from operations before exceptional items	**194.2**	**157.3**	**140.0**	**164.8**	**215.2**	**319.3**	**342.9**
*Cash efficiency ratio**	*99.9%*	*104.8%*	*95.2%*	*97.2%*	*95.8%*	*102.9%*	*95.1%*
Maintenance capital expenditure	(101.8)	(74.7)	(74.8)	(95.6)	(149.9)	(213.1)	(262.1)
Proceeds from sale of used rental equipment	26.6	29.4	32.3	35.9	50.4	78.5	107.6
Non-rental capital expenditure	(15.8)	(14.5)	(8.1)	(5.4)	(16.8)	(32.3)	(35.4)
Tax (paid)/received	(0.7)	0.7	0.1	(0.6)	(2.8)	(5.0)	0.9
Free cash flow before interest	102.5	98.2	89.5	99.1	96.1	147.4	153.9
Interest paid (excluding exceptional interest)	(46.2)	(41.4)	(32.9)	(30.2)	(38.7)	(64.2)	(74.8)
Free cash flow after interest	**56.3**	**56.8**	**56.6**	**68.9**	**57.4**	**83.2**	**79.1**
Growth capital expenditure	(85.7)	(17.9)	0.0	(10.2)	(62.6)	(62.9)	(59.7)
Dividends paid	(11.3)	(9.3)	0.0	0.0	(2.0)	(7.0)	(9.1)
Cash flow before M&A, share issues & excp'l costs	**(40.7)**	**29.6**	**56.6**	**58.7**	**(7.2)**	**13.3**	**10.3**
Acquisitions & disposals	(4.9)	(0.8)	15.2	0.5	(44.2)	(327.2)	(0.4)
Share issues	0.0	0.0	0.0	0.1	70.9	148.9	1.9
Exceptional costs & other	16.2	(7.6)	(18.2)	(5.7)	(22.1)	(73.7)	(24.6)
(Increase)/reduction in net debt	**(29.4)**	**21.2**	**53.6**	**53.6**	**(2.6)**	**(238.7)**	**(12.8)**

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

Ashtead group