International Equipment Rental

Year end results – 30 April 2007

Issued: 26 June 2007

Financial Review

Ian Robson – finance director

Full year results

		2007 £m	2006 £m	Growth At actual rates	Growth At constant rates
Revenue	- As published	896.1	638.0	+41%	+48%
	- NationsRent & Lux	130.3	359.6		
	- Pro forma	1,026.4	997.6	+3%	+9%
EBITDA*	- As published	310.3	224.7	+38%	+46%
	- NationsRent & Lux	31.1	73.5		
	- Pro forma	341.4	298.2	+14%	+22%
Operating profit*	- As published	150.5	111.1	+35%	+45%
	- NationsRent & Lux	10.7	9.2		
	- Pro forma	161.2	120.3	+34%	+43%
Profit before tax*	- As published	81.4	67.5	+21%	+29%
Pro forma margins	- EBITDA	33.3%	29.9%	+11%	
	- Operating profit	15.7%	12.1%	+30%	

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

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Exceptional items

- Exceptional items comprise:
  - £42m of NationsRent debt redemption costs paid at closing
  - Non cash financing costs relating to NationsRent of £26m
  - NationsRent & Lux integration costs of £33m
  - UK restructuring costs of £6m
- NationsRent integration costs include £22m of redundancy, vacant property and other costs to deliver the $48m integration savings and £9m of rebranding costs
- No further exceptional costs relating to NationsRent are anticipated
- Integration costs savings of $48m annually have been achieved (v $37m target) with $25m realised in the year to 30 April 2007

Fourth quarter results

		2007 £m	2006 £m	Growth At actual rates	 At constant rates
Revenue	- As published	233.8	161.7	+45%	+57%
	- NationsRent & Lux	-	87.5		
	- Pro forma	233.8	249.2	-6%	+3%
EBITDA*	- As published	78.9	54.4	+45%	+58%
	- NationsRent & Lux	-	14.4		
	- Pro forma	78.9	68.8	+15%	+26%
Operating profit*	- As published	35.7	25.7	+39%	+54%
	- NationsRent & Lux	-	(1.9)		
	- Pro forma	35.7	23.8	+50%	+66%
Profit before tax*	- As published	15.7	14.5	+8%	+21%
Pro forma margins	- EBITDA	33.7%	27.6%		
	- Operating profit	15.3%	9.5%		

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

Cash flow

	2007 £m	2006 £m	Growth %
Cash inflow from operations before exceptional items	**319**	**215**	**+48%**
Maintenance capital expenditure (rental & non-rental)	(245)	(167)	+47%
Used fleet sales proceeds	78	50	+56%
Interest and tax	(69)	(41)	+68%
Free cash flow after interest	**83**	**57**	**+46%**
Growth capital expenditure	(63)	(63)	
Acquisitions and disposals	(327)	(44)	
Issue of ordinary share capital	149	71	
Dividends paid	(7)	(2)	
Exceptionals and other	(74)	(22)	
Increase in total debt	**(239)**	**(3)**	

- Enlarged Group continues to convert 95 to 100% of EBITDA into cash
- Used fleet sales proceeds continue to be an important part of cash flow
- Free cash flow grows in line with business growth

Capital expenditure

- £290m (2006 – £220m) spent in the year including £256m on the rental fleet
- This was lower than expected because some of the NationsRent fleet reconfiguration expenditure was delayed from Q4 into the new fiscal year
- Disposal proceeds totalled £89m (2006 – £64m), including £19m from fleet reconfiguration
- Expenditure on fleet maintenance was £182m – or 114% of depreciation as fleet age neared the optimum level. £74m was invested in fleet growth
- Capital expenditure plans for 2007/8 include:
  - Maintenance expenditure broadly in line with depreciation
  - An allowance for fleet growth, particularly in the UK and in US speciality businesses
  - The remaining reconfiguration investment of approximately £50m
- In total 2007/8 gross capital expenditure is expected to be approximately £275m with disposal proceeds of around £50m, making around £225m net

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Balance sheet management and net debt

- Debt at 30 April 2007 was £917m, lower than we had anticipated reflecting the deferral of some NationsRent fleet reconfiguration expenditure into the new fiscal year
- $1.75bn of asset based senior debt facilities and $800m of secured notes
- Debt to EBITDA leverage:
  - 2.7 times at 30 April 2007 down from 3.2 times at closing
  - Expected to reduce further in the coming year
  - 2 to 3 times leverage target
- Substantial flexibility:
  - Average maturity 6.25 years and first significant maturity in 2011
  - $589m of availability under the ABL at 30 April 2007
  - All debt covenant free when availability exceeds $125m
- Substantial partial natural hedge through £917m of debt, 98% drawn in dollars

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Taxation

- 35% effective tax rate reported in 2006/7 for accounts purposes

- Cash tax charge of just £0.4m due to:
  - Tax deductible refinancing, integration and rebranding costs
  - $127m of acquired NationsRent tax losses
  - £139m of tax losses in UK at 30 April 2007

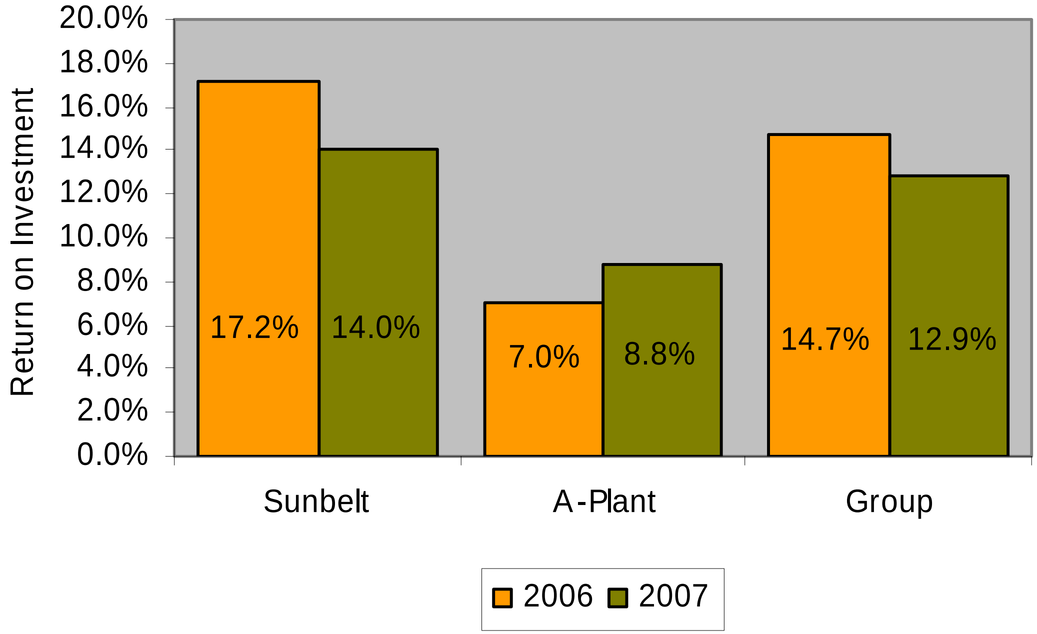
- Benefit of these losses now recognised on balance sheet within deferred tax

- Tax rate for accounts purposes set to be stable at c35% (US – 39% and UK – 30%)

- Even when the losses are fully utilised Ashtead's cash tax rate will still be lower than accounting rate in most market conditions

Return on Investment

- Following NationsRent & Lux acquisitions, RoI redefined to include goodwill
- RoI at Sunbelt and for the Group in 2007 limited by NationsRent
- A-Plant RoI continues its established recovery trend
- Post tax return on equity of 15.3%



Operational Review

Geoff Drabble – chief executive

Sunbelt – trading results
Good margin improvement, particularly in Q4 due to integration benefits

	Full year*			Quarter four*		
	2007	2006	Growth	2007	2006	Growth
	$m	$m	%	$m	$m	%
Revenue	1,539	1,425	+8%	349	347	+1%
EBITA	272	190	+43%	60	34	+78%
Margins	17.7%	13.4%		17.1%	9.7%	

* Pro forma for NationsRent

Sunbelt – revenue by type

New equipment sales will continue to reduce as we focus on rental

	Full year*			Quarter four*		
	2007	2006	Growth	2007	2006	Growth
	$m	$m	%	$m	$m	%
Rental	1,397	1,286	+9%	319	308	+3%
Sales	142	139	+2%	30	39	-22%
Total	1,539	1,425	+8%	349	347	+1%

* Pro forma for NationsRent

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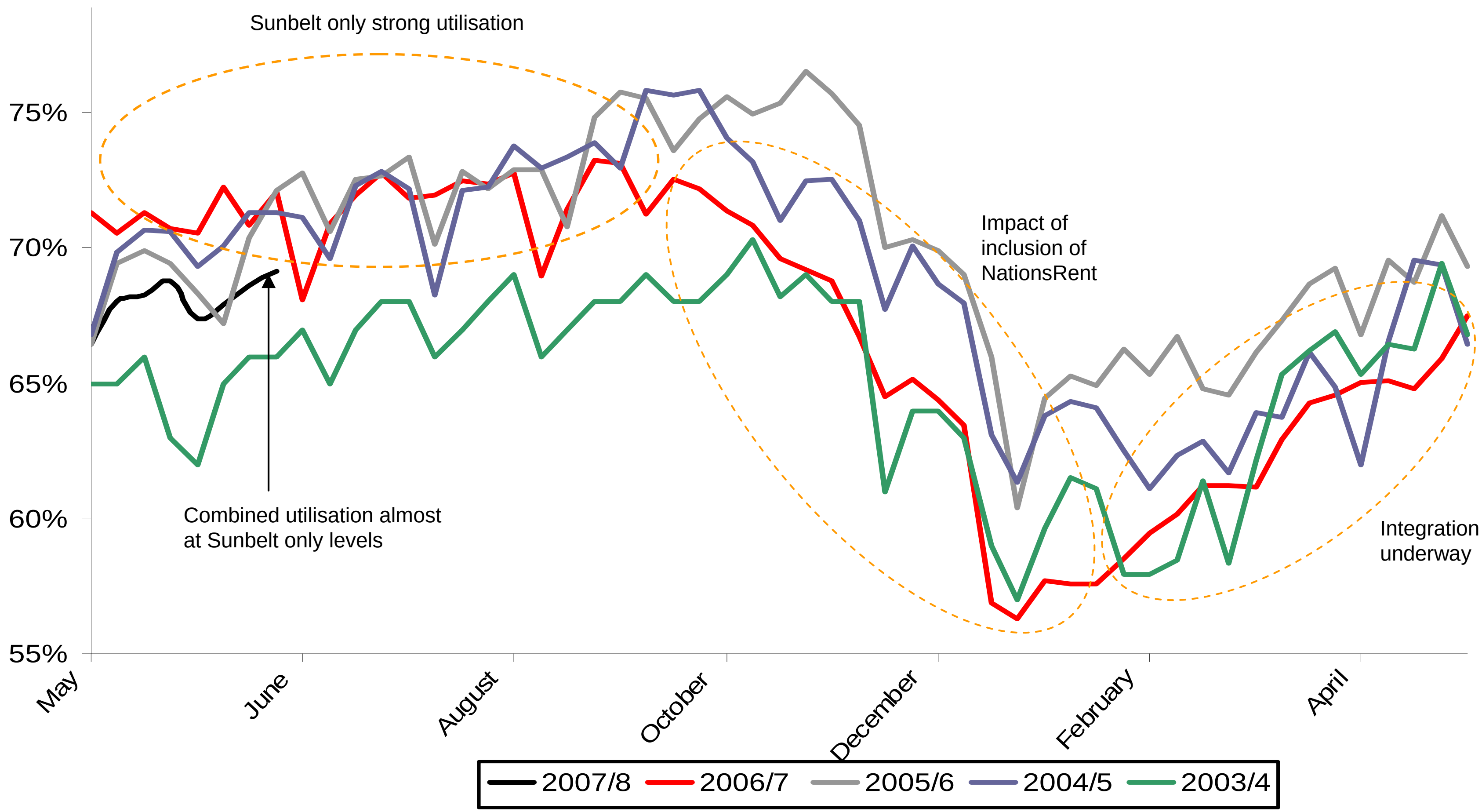
Sunbelt – key drivers of the improved performance

- Focus on driving rental revenue from reconfigured fleet improves margin
- Integration savings (annual $48m) flowing fully in Q4
- Improved $ utilisation through better physical utilisation and pricing
- Structural integration now complete – entering key season with one team focused on gaining market share and continuing to improve $ utilisation

Sunbelt – physical utilisation



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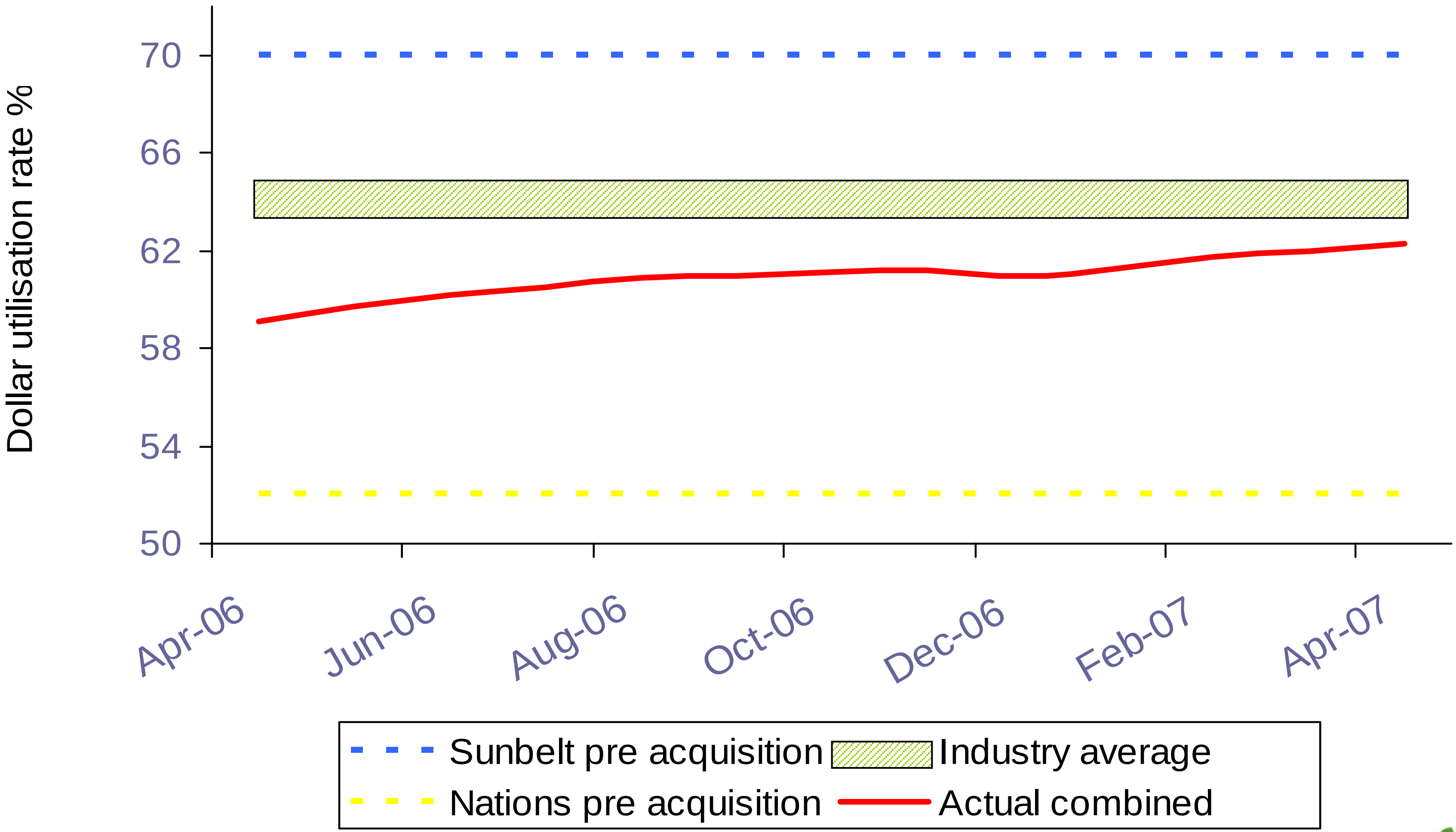
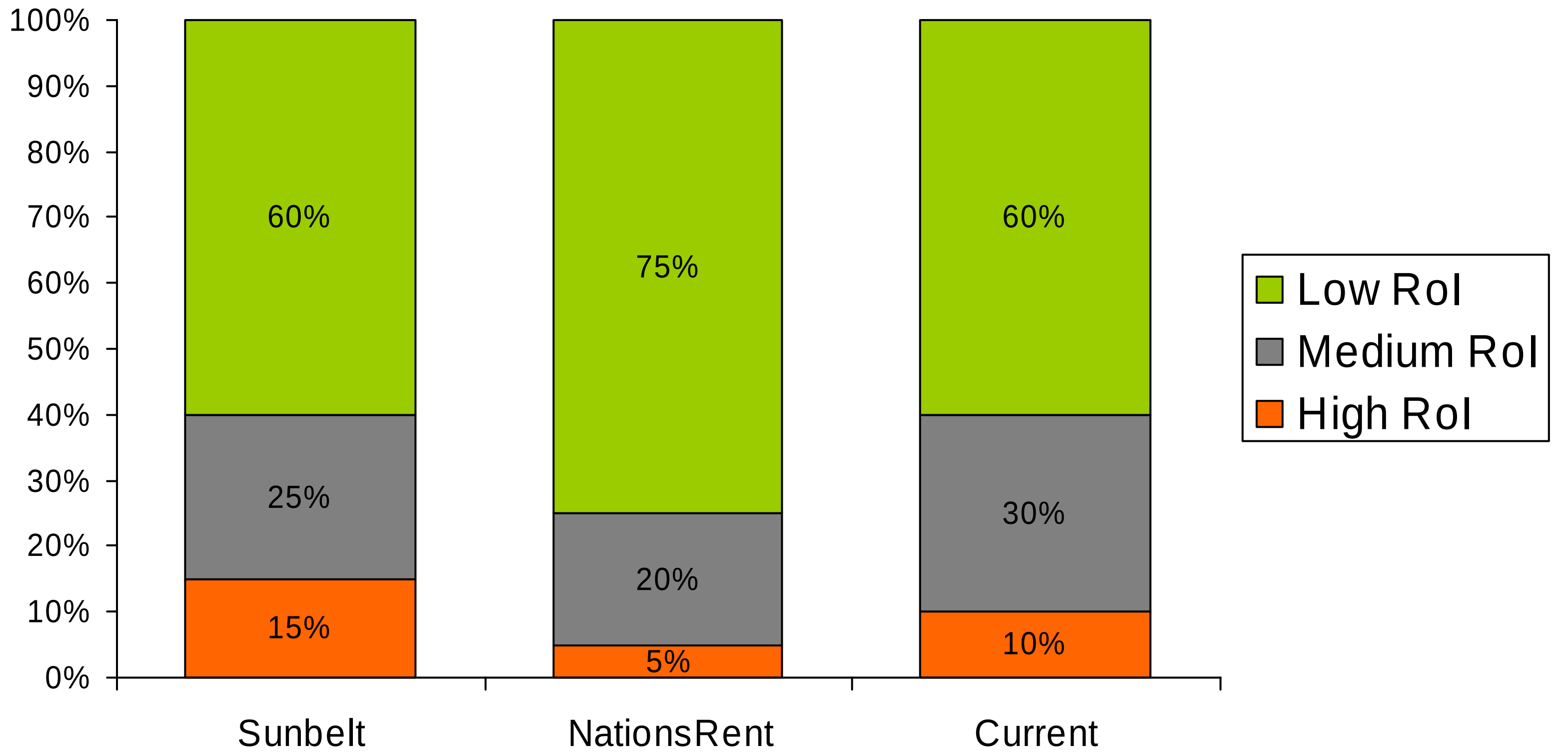
Sunbelt – dollar utilisation

Good progress to initial target of industry average utilisation



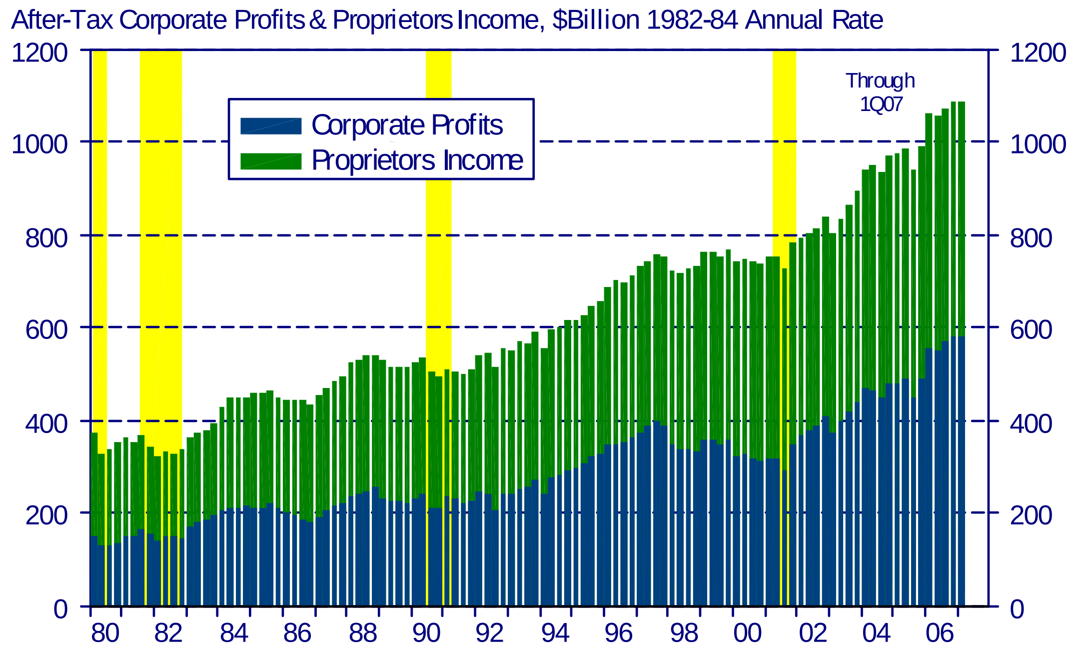
Sunbelt – fleet reconfiguration



- Current configuration will drive us up to industry average (63-65%) dollar utilisation in first full year of ownership
- Next level of reconfiguration is required to get towards historical Sunbelt levels

Sunbelt – the market
Good lead indicators

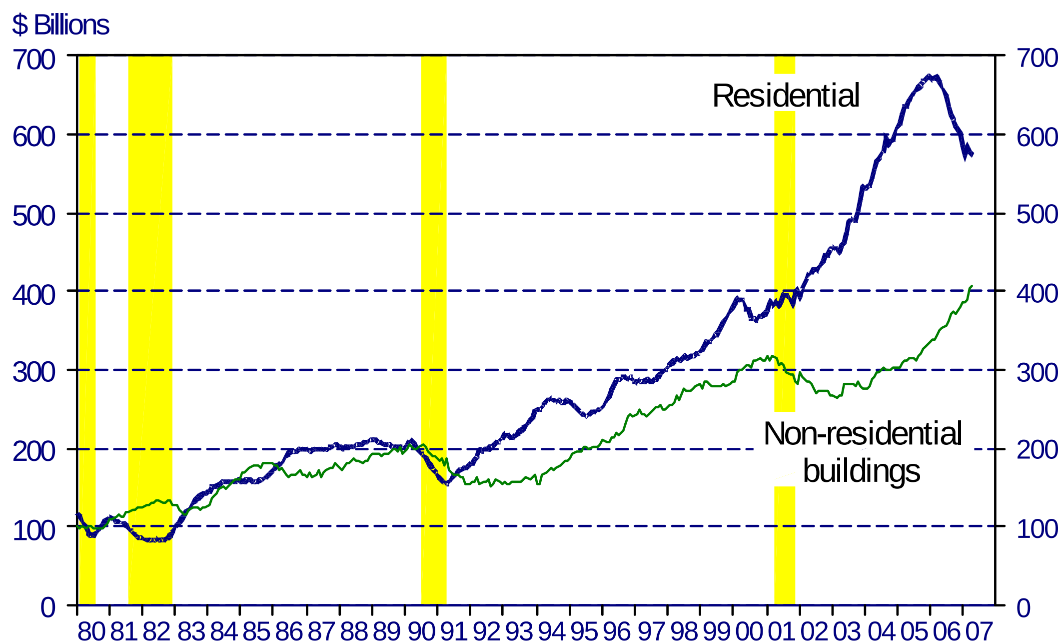
- Non-residential construction driven to large extent by corporate profits
- Corporate profits drive private expenditure and also increased tax revenues for federal and state spending initiatives
- Therefore outlook is good given current US profitability levels



Source: Maximus advisors

Sunbelt – the market
Catch up required in institutional expenditure

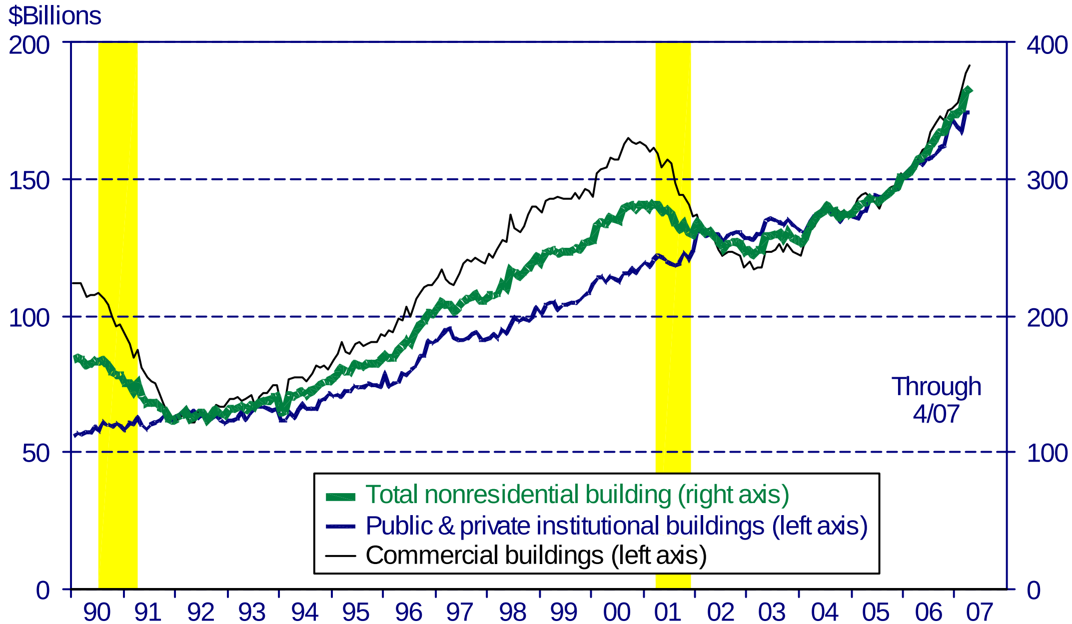
- Non residential and residential construction are in two distinct cycles
- There is a significant element of catch up required in institutional expenditure
- Most states are now showing a budget surplus



Source: Maximus advisors

Sunbelt – the market
Institutional expenditure less volatile

- The institutional element of total non residential construction is now 50% of the whole. Having weathered the downturn it is set to rise
- The institutional element is less volatile then the commercial element
- The current position is far removed from the situation in 2000 where commercial was a greater proportion of the total



Source: Maximus advisors

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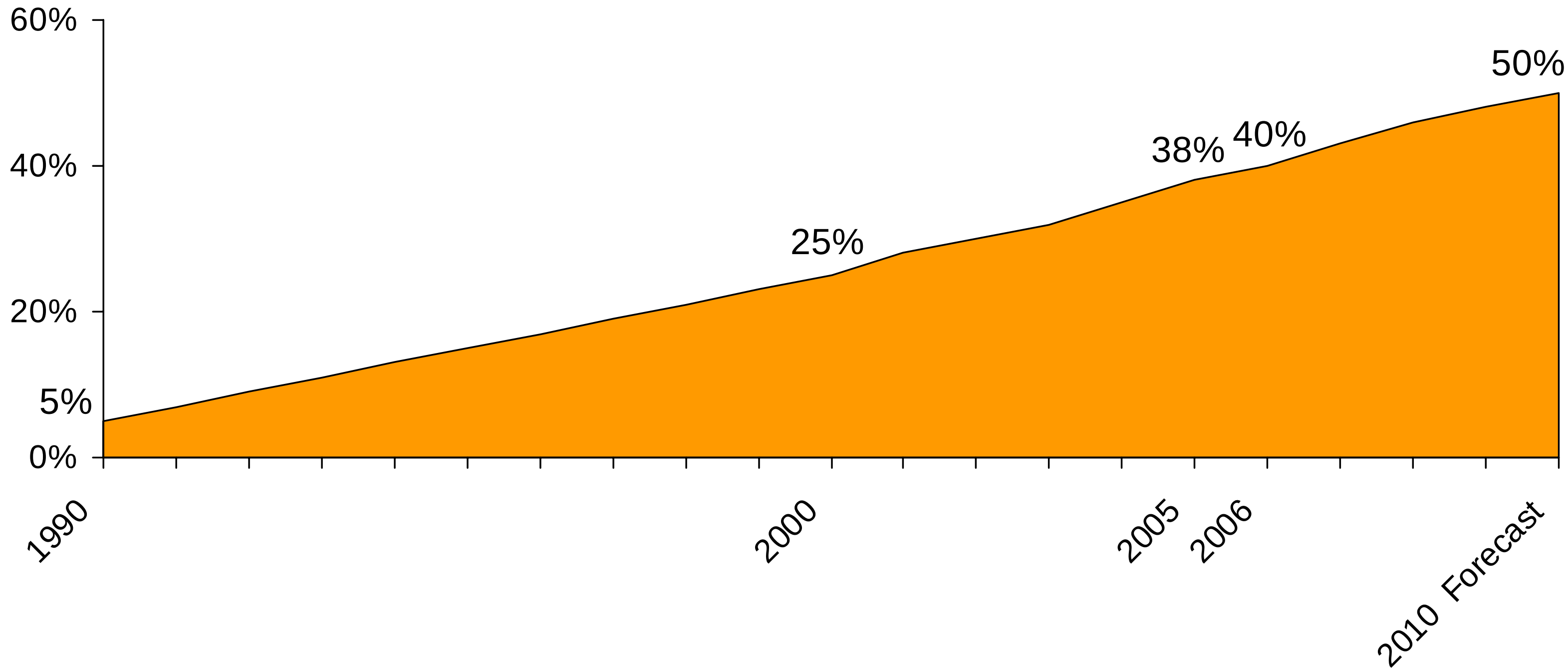
Sunbelt – the market
The drive from ownership to rental continues



Sunbelt – looking forward

- The acquisition enhanced our overall footprint
- It also provided the opportunity to grow existing clusters and create new ones

	Before NationsRent	Currently
Markets clustered	18	31
Markets with presence	15	13
Markets with no presence	17	6

Analysis based on US top 50 Metropolitan Service Areas

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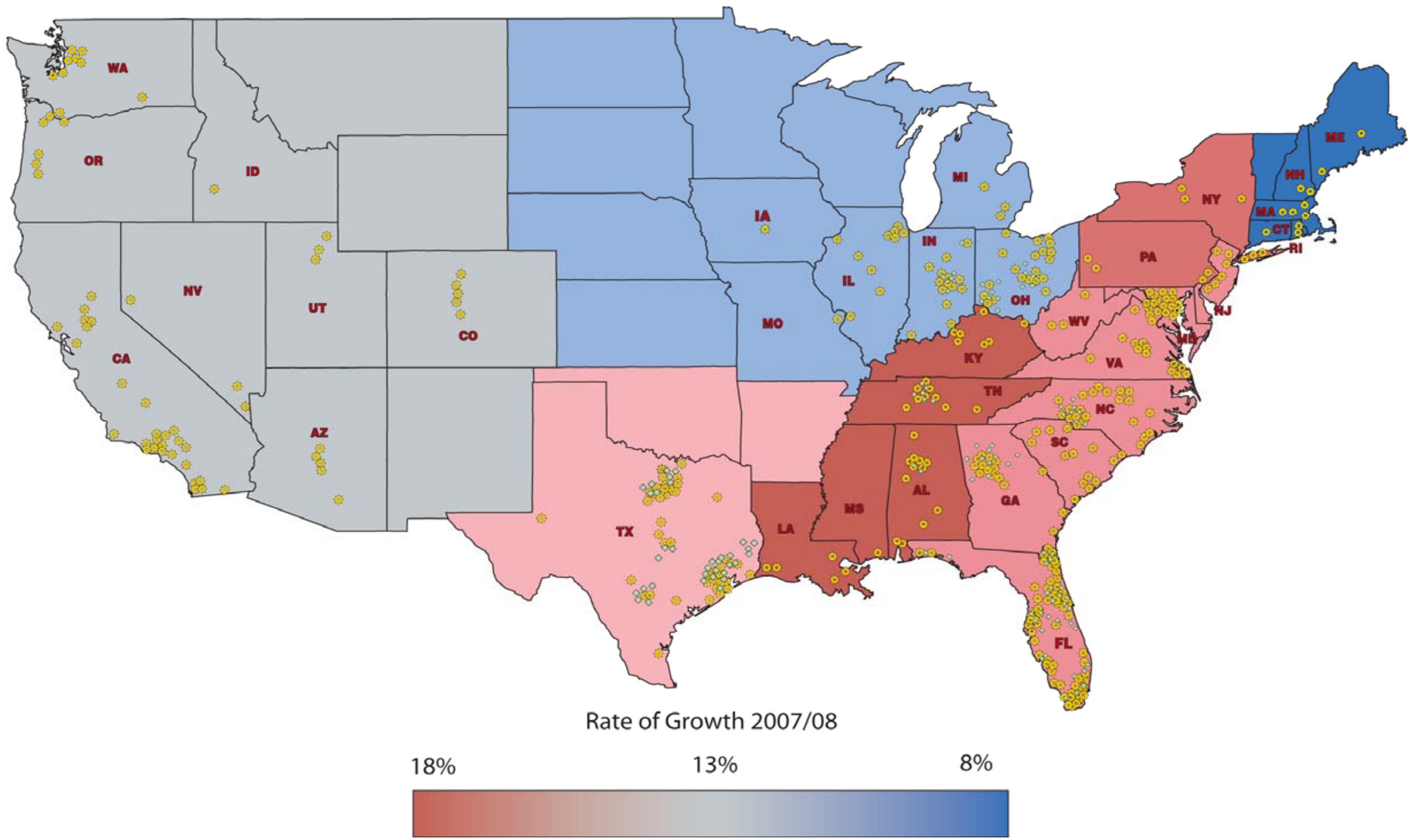
Sunbelt – looking forward

We are well positioned in high growth markets



Source: Dodge Analytics, Mcgraw Hill

Sunbelt summary

- Integration on track
- Future markets remain robust
- We will continue to leverage the operational opportunity of the combined business
- Further fleet growth and reconfiguration as the former NationsRent profit centres adapt their business model
- We will utilise the expanded geographic footprint to fill out cluster markets through greenfield openings and “bolt-on” acquisitions
- We will also grow Sunbelt’s speciality products (pump & power, scaffold and aerial work platforms) to support these clusters

A-Plant – trading results

	Full year*			Quarter four*		
	2007	2006	Growth	2007	2006	Growth
	£m	£m	%	£m	£m	%
Revenue	199	179	+11%	50	47	+7%
EBITA	21	15	+40%	6	5	+29%
Margins	10.4%	8.2%		11.8%	9.8%	

* Pro forma for Lux Traffic

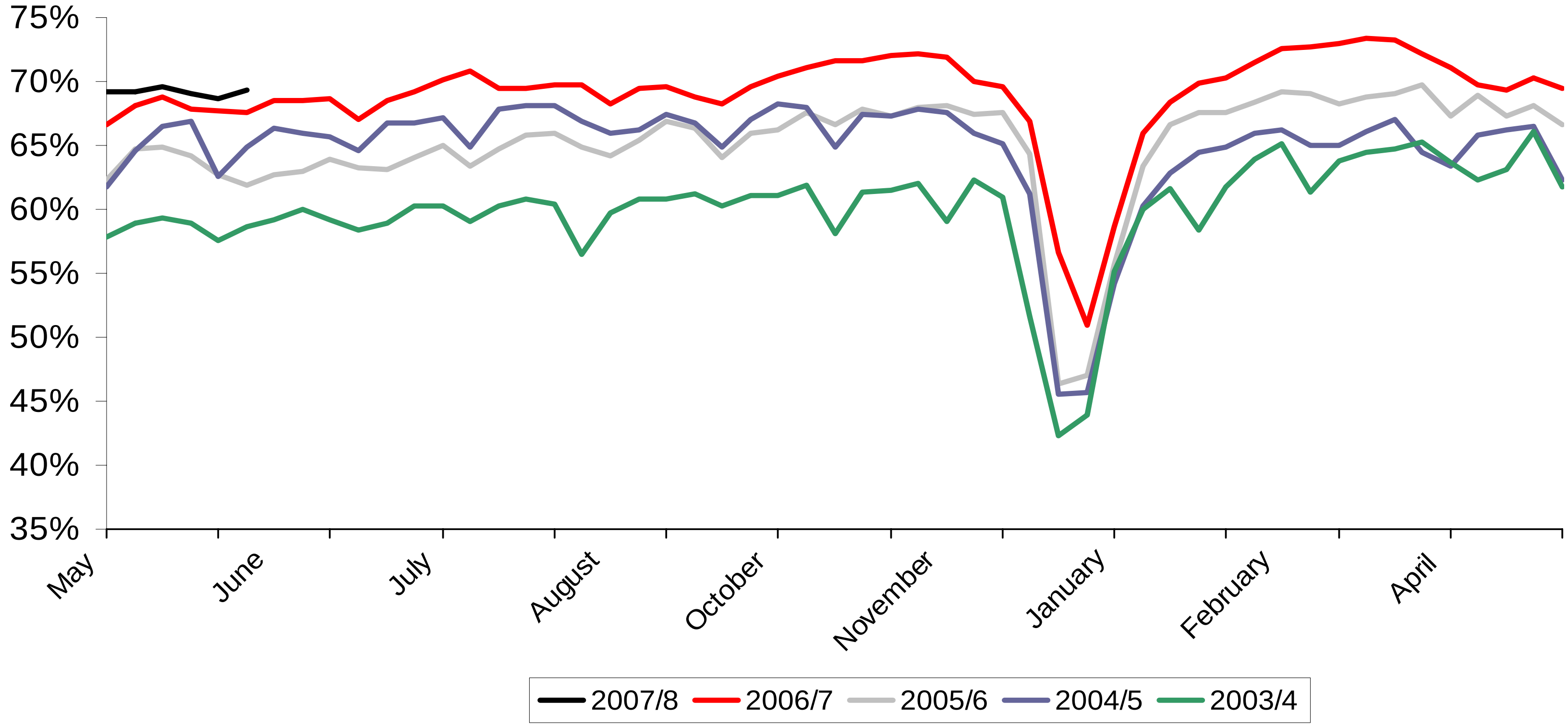
A-Plant – key drivers

- Sales led recovery continues and we continue to invest in our sales team
- Benefiting from a clear business model focused on key contractor customers
- Speciality higher added value business performing well and showing good growth as customers look for more than pure product rental
- Lux acquisition earnings enhancing in year one
- Growth underpinned by strong operational model, supported by a single national integrated IT system

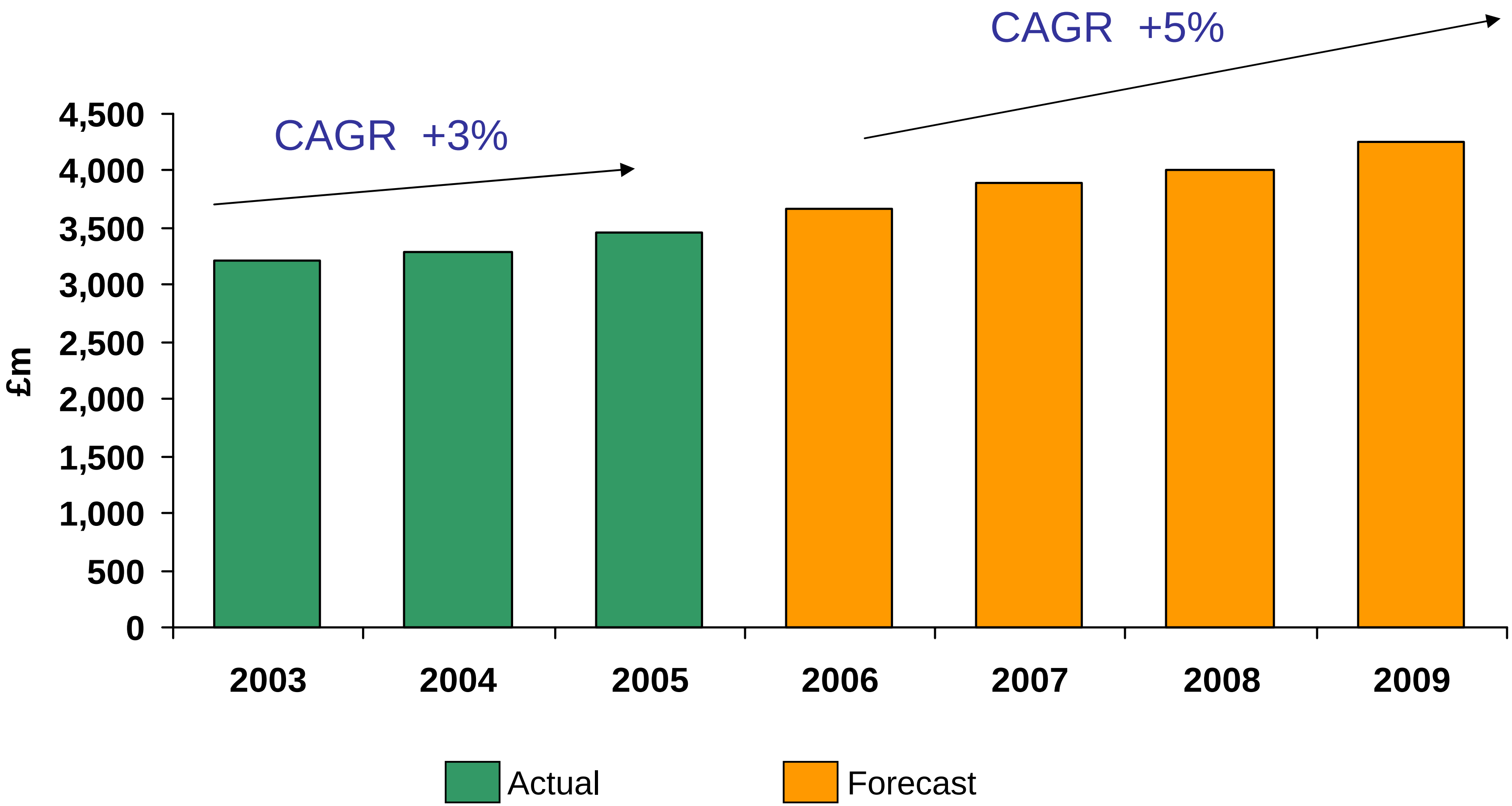
A-Plant – profit centre infrastructure

- 95% of rentals are now delivered
- Focus on plant and tool range to contractor customer base via fewer, larger profit centres
- Profit centre infrastructure improved to meet customer needs and ensure economies of scale
- We are targeting for 50% of our profit centres to be these “model profit centres” by end 2008
- Cost £6.2m (principally vacant premises)

A-Plant – physical utilisation



A-Plant – the market
UK plant & tool market expected to remain strong



Source: AMA Reports

A-Plant – looking forward

- Continuing investment in growth through additional capital expenditure on the rental fleet
- Improved RoI from operational performance and restructured profit centre network
- Growth strategy for speciality business to reflect growing requirement by customer base to outsource services as well as rent product
- Growth strategy will be driven by both organic investment and acquisition

Technology – trading results

	Full year			Quarter four		
	2007	2006	Growth*	2007	2006	Growth*
	£m	£m	%	£m	£m	%
Revenue	21.6	16.1	+39%	5.3	4.3	+30%
EBITA	6.2	4.0	+57%	1.8	1.1	+58%
Margins	28.5%	25.0%		33.6%	27.0%	

* At constant rates of exchange

Technology – key drivers of the results

- Both offshore and onshore markets remain good
- Benefiting in offshore from new deeper water geographies and the need to maintain ageing fields which are now profitable given oil price
- Onshore is also developing as health and safety requirements drive greater inspection and maintenance and environmental monitoring becomes more important
- Further opportunity to cross sell with the Sunbelt industrial customer base

Summary

- Markets for all three divisions remain robust
- NationsRent acquisition is delivering
- A-Plant and Technology continue to grow
- We look forward to 2008 with confidence

Appendices

Divisional performance – year to 30 April 2007

	Revenue 2007	Revenue 2006	Growth*	EBITDA 2007	EBITDA 2006	Growth*	Underlying profit 2007	Underlying profit 2006	Growth*
Sunbelt in $m	1,307.9	818.7	+59.8%	475.0	307.9	+54.3%	253.1	175.5	+44.2%
Sunbelt in £m	684.6	461.2	+59.8%	248.6	173.4	+54.3%	132.5	98.9	+44.2%
A-Plant	189.9	160.7	+18.2%	58.9	48.9	+20.3%	20.1	13.9	+44.7%
Ashtead Technology	21.6	16.1	+38.9%	11.0	8.0	+42.9%	6.2	4.0	+57.3%
Group central costs	–	–		(8.2)	(5.6)	+46.5%	(8.3)	(5.7)	+45.3%
	896.1	638.0	+48.2%	310.3	224.7	+46.2%	150.5	111.1	+44.7%
Net financing costs							(69.1)	(43.6)	
Profit before tax, exceptionals and amortisation							81.4	67.5	+28.9%
Exceptional items and amortisation							(117.9)	14.2	
(Loss)/profit before taxation							(36.5)	81.7	

*At constant rates of exchange

Divisional performance – fourth quarter

	Revenue 2007	Revenue 2006	Growth*	EBITDA 2007	EBITDA 2006	Growth*	Underlying profit 2007	Underlying profit 2006	Growth*
Sunbelt in $m	349.4	202.7	+72.4%	122.8	72.4	+69.7%	59.8	37.7	+58.6%
Sunbelt in £m	178.3	115.6	+72.4%	62.6	41.3	+69.7%	30.4	21.6	+58.6%
A-Plant	50.2	41.8	+20.2%	15.7	12.0	+29.2%	5.9	4.3	+40.4%
Ashtead Technology	5.3	4.3	+29.5%	3.0	2.3	+40.2%	1.8	1.1	+58.4%
Group central costs	-	-		(2.4)	(1.2)	+88.5%	(2.4)	(1.3)	+85.1%
	233.8	161.7	+56.6%	78.9	54.4	+58.1%	35.7	25.7	+53.8%
Net financing costs							(20.0)	(11.2)	
Profit before tax, exceptionals and amortisation							15.7	14.5	+20.9%
Exceptional items and amortisation							(23.7)	(0.4)	
(Loss)/profit before taxation							(8.0)	14.1	

*At constant rates of exchange

Sunbelt & NationsRent – Proforma combined performance

	2005/6					2006/7				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
	$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
NationsRent	150.6	166.2	144.5	144.5	605.8	171.3	59.4	0.0	0.0	230.7
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
Growth						20.1%	9.4%	2.2%	0.6%	8.0%
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
NationsRent	11.4	14.8	(7.3)	(4.0)	14.9	10.7	8.5	0.0	0.0	19.2
Pro-forma combined	49.8	72.4	34.5	33.7	190.4	67.8	86.6	58.1	59.8	272.3
Growth						36.1%	19.7%	68.5%	77.5%	43.1%
Operating margins	14.8%	18.7%	9.8%	9.7%	13.4%	16.7%	20.5%	16.1%	17.1%	17.7%

Stable free cashflow

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

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