International Equipment Rental

# Third quarter results – 31 January 2008

Issued: 4 March 2008

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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 third quarter and nine months ended 31 January 2008 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.

# Financial Review

## Ian Robson – finance director

# Summary results – third quarter

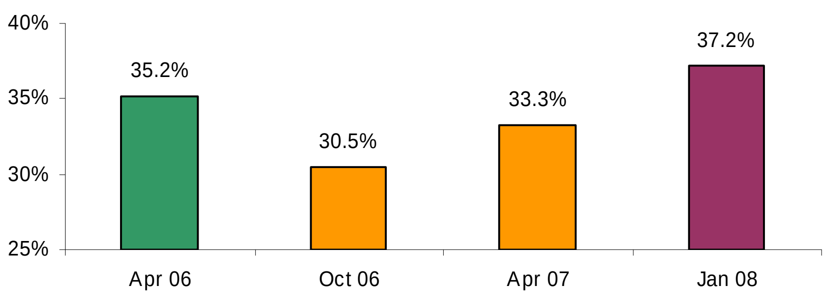
| | | 2008 | 2007 | Growth At actual rates | Growth At constant rates |
|---|---|---|---|---|---|
| | | £m | £m | | |
| Revenue | | 237.2 | 240.0 | -1% | +2% |
| EBITDA* | | 86.3 | 76.5 | +13% | +17% |
| Operating profit* | | 40.1 | 32.1 | +25% | +29% |
| Profit before tax* | | 20.8 | 11.3 | +82% | +81% |
| Earnings per share* | | 2.5p | 1.3p | +83% | +84% |
| *Pro forma margins* | *- EBITDA* | *36.4%* | *31.9%* | | |
| | *- Operating profit* | *16.9%* | *13.4%* | | |

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

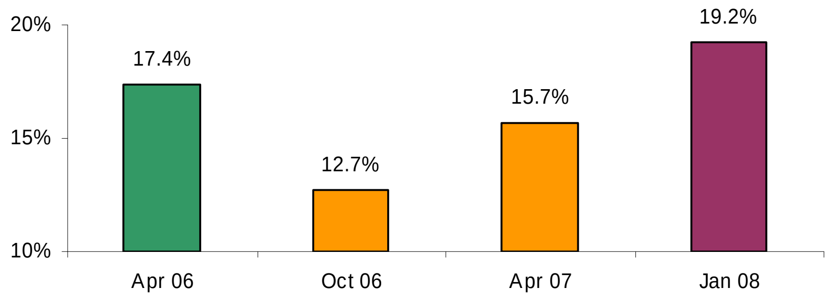
Note: Rental and rental related revenue (excluding sales) up 3% at constant exchange rates to £223.6m

# Operating margins continue to improve

LTM EBITDA margin




LTM operating profit margin




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

# Cash flow set to increase as maintenance capex need reduces

| | Nine months to 31 January 2008 £m | Nine months to 31 January 2007 £m | LTM to 31 January 2008 £m | Year to 30 April 2007 £m |
|---|---|---|---|---|
| **EBITDA** | **291.5** | **231.4** | **370.4** | **310.3** |
| **Cash inflow from operations before exceptional items** | **265.2** | **236.2** | **348.3** | **319.3** |
| Net maintenance capital expenditure | (125.0) | (103.2) | (188.7) | (166.9) |
| Interest and tax | (48.9) | (40.9) | (77.2) | (69.2) |
| **Free cash flow after interest** | **91.3** | **92.1** | **82.4** | **83.2** |
| Growth capital expenditure | (120.8) | (120.4) | (63.3) | (62.9) |
| Dividends paid | (6.1) | (4.0) | (9.1) | (7.0) |
| **Cash flow before acquisitions & buybacks** | **(35.6)** | **(32.3)** | **10.0** | **13.3** |
| Share buybacks | (12.1) | (4.9) | (12.1) | (4.9) |
| Acquisitions and integration costs (net of equity issued) | (14.0) | (238.4) | (22.7) | (247.1) |
| **Increase in total debt** | **(61.7)** | **(275.6)** | **(24.8)** | **(238.7)** |

- Net capex of £252m in 12 months to January 2008 compares to 2008/9 guidance of £175m
- Enlarged Group continues to convert c95% of EBITDA into cash

# Net debt and leverage

| | January 2008 £m | January 2007 £m | April 2007 £m |
|---|---|---|---|
| Floating rate ABL senior debt | 579.6 | 552.1 | 506.1 |
| Fixed rate senior secured notes | 391.9 | 397.2 | 388.9 |
| Finance lease obligations | 16.7 | 24.0 | 22.0 |
| Gross debt | 988.2 | 973.3 | 917.0 |
| Cash and cash equivalents | (2.0) | (1.2) | (1.1) |
| Net debt | 986.2 | 972.1 | 915.9 |
| LTM EBITDA* | 370.4 | 328.7 | 341.3 |
| Leverage | 2.7 | 3.0 | 2.7 |

* Pro forma for NationsRent

Despite £11m spent on the buyback and significant investment in fleet growth, net debt to EBITDA leverage remains well within our 2-3 times target and is set to reduce significantly

# Operational Review

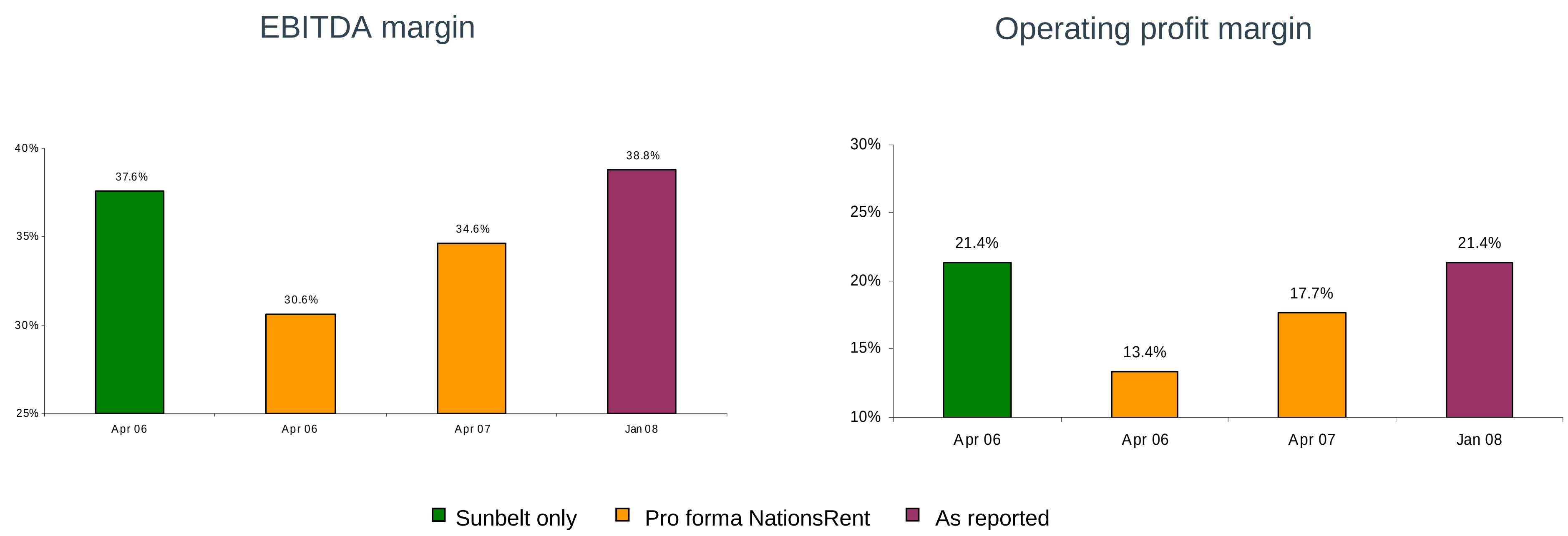
## Geoff Drabble – chief executive

# Sunbelt – trading results

| | Third quarter | | | Nine months | | |
|---|---|---|---|---|---|---|
| | 2008 | 2007 | Growth | 2008 | 2007* | Growth |
| | $m | $m | % | $m | $m | % |
| Rental and rental related revenues | 338.2 | 332.8 | +2% | 1,092.0 | 1,077.9 | +1% |
| Sales | 24.5 | 28.7 | -15% | 79.8 | 111.3 | -28% |
| Total revenues | 362.7 | 361.5 | Nil% | 1,171.8 | 1,189.2 | -1% |
| Operating profit | 69.4 | 58.1 | +19% | 266.0 | 212.5 | +25% |
| *Margins* | *19.1%* | *16.1%* | | *22.7%* | *17.9%* | |
| Return on Investment | | | | 14.1% | n/a | |

* Pro forma for NationsRent

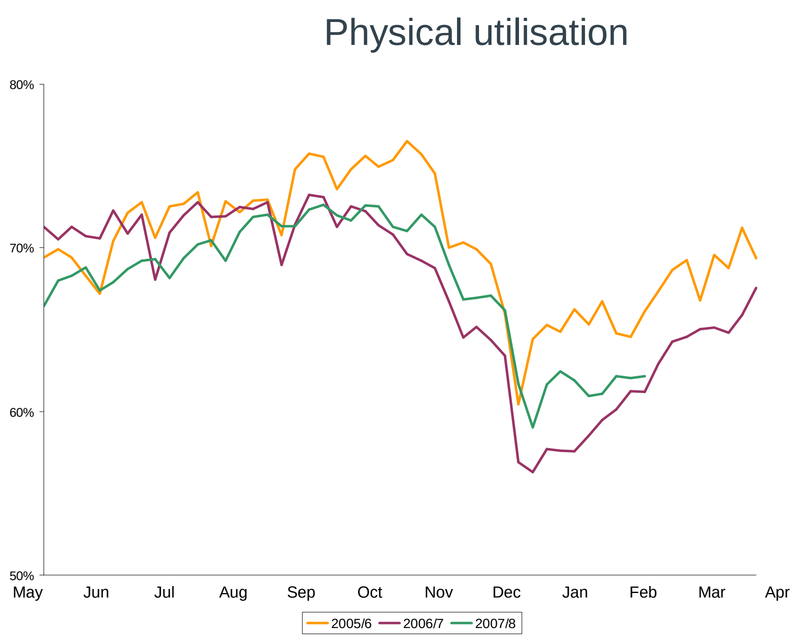
# Sunbelt

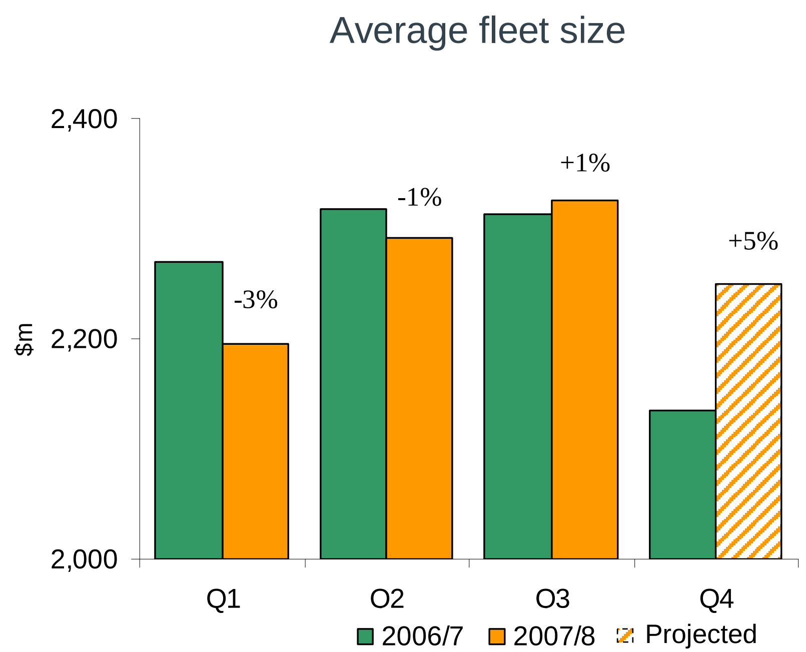



- Focus on margins has delivered
- Combined business margins now exceeding Sunbelt alone
- Whilst further margin improvements available, focus can now shift to revenue growth

# Sunbelt – fleet size

## Improving physical utilisation and increasing fleet size starting to drive revenue




- Year on year physical utilisation improvement throughout quarter 3
- This trend is expected to continue through Q4 and beyond
- Improved year on year utilisation together with larger fleet will drive revenue growth mitigated to some extent by rate reduction

# A-Plant – trading results

| | Third quarter | | | Nine months | | |
|---|---|---|---|---|---|---|
| | 2008 | 2007 | Growth | 2008 | 2007* | Growth |
| | £m | £m | % | £m | £m | % |
| Revenue | 51.2 | 48.2 | +6% | 159.7 | 149.2 | +7% |
| Operating profit | 5.4 | 3.1 | +77% | 21.9 | 14.8 | +49% |
| Margins | *10.6%* | *6.4%* | | *13.7%* | *9.9%* | |
| Return on Investment | | | | 10.6% | 8.4% | |

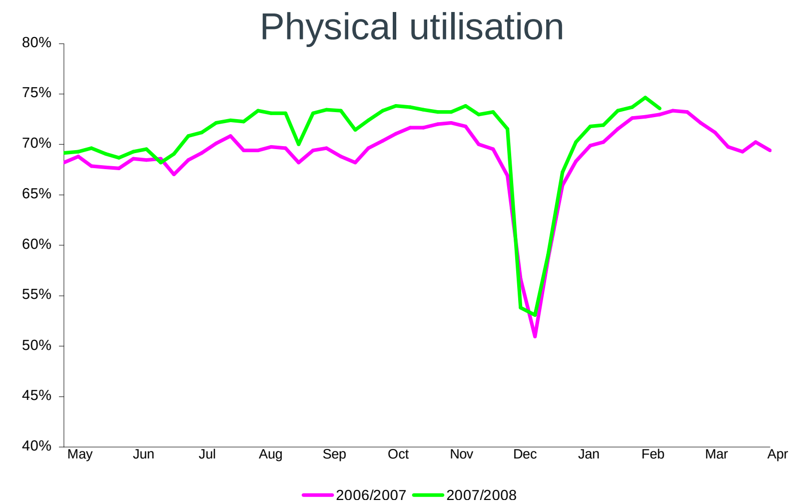
* Pro forma for Lux

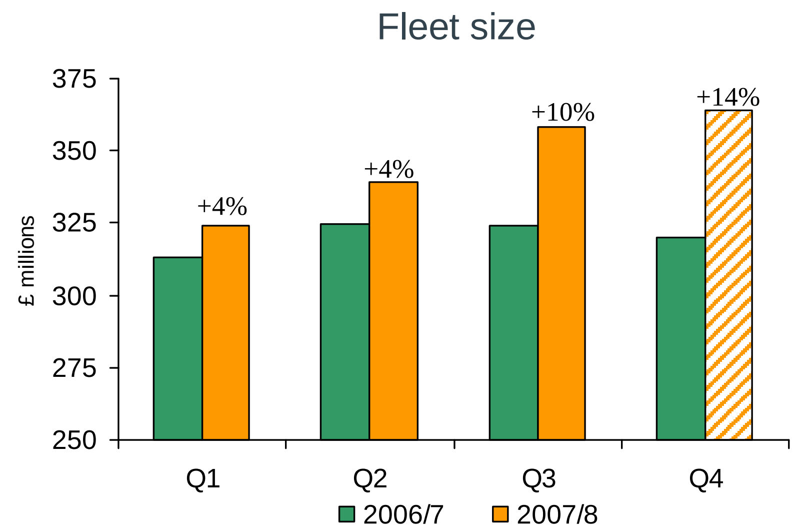
- Strong utilisation maintained despite significant fleet growth in slower winter months
- Growth supported by major account wins
- Top line growth together with improved operational efficiency generating strong margin and RoI improvement

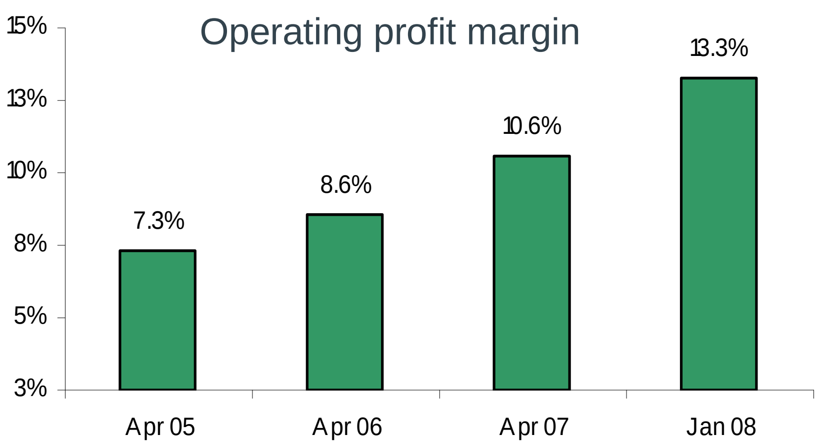


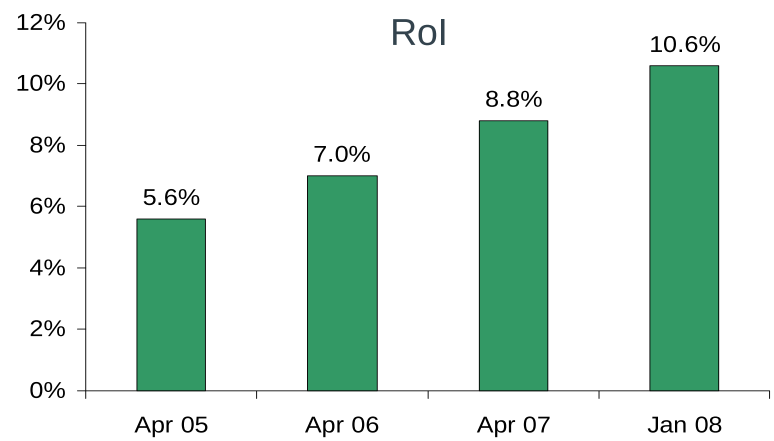
Ashtead group

# A-Plant – momentum continues



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# Technology – trading results

| | Third quarter | | | Nine months | | |
|---|---|---|---|---|---|---|
| | 2008 £m | 2007 £m | Growth* % | 2008 £m | 2007 £m | Growth* % |
| Revenue | 6.5 | 5.0 | +29% | 19.6 | 16.3 | +20% |
| Operating profit | 2.1 | 1.1 | +96% | 7.3 | 4.4 | +67% |
| Margins | *32.5%* | *21.4%* | | *37.3%* | *26.9%* | |
| Return on Investment | | | | 47.6% | 33.9% | |

* At constant rates of exchange

- The business continues to perform well in good market conditions for both onshore and offshore
- The strategic review announced in December is progressing well

# Summary

- All businesses continue to perform well in currently good markets
- Positive metrics based on continual operational improvement
- The Board remains confident in the Group's prospects for the full year and beyond

# Appendices

# Divisional performance – third quarter

| | Revenue | | | EBITDA | | | Underlying profit | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2008 | 2007 | Growth* | 2008 | 2007 | Growth* | 2008 | 2007 | Growth* |
| Sunbelt in $m | 362.7 | 361.5 | Nil % | 137.2 | 121.9 | +13% | 69.4 | 58.1 | +19% |
| Sunbelt in £m | 179.5 | 186.8 | Nil % | 67.9 | 62.7 | +13% | 34.4 | 29.8 | +19% |
| A-Plant | 51.2 | 48.2 | +6% | 16.6 | 13.2 | +26% | 5.4 | 3.1 | +77% |
| Ashtead Technology | 6.5 | 5.0 | +31% | 3.6 | 2.4 | +53% | 2.1 | 1.1 | +94% |
| Group central costs | - | - | | (1.8) | (1.8) | | (1.8) | (1.8) | |
| | 237.2 | 240.0 | +2% | 86.3 | 76.5 | +17% | 40.1 | 32.1 | +29% |
| Net financing costs | | | | | | | (19.3) | (20.8) | |
| Profit before tax, exceptionals and amortisation | | | | | | | 20.8 | 11.3 | |
| Exceptional items and amortisation | | | | | | | (0.6) | (9.2) | |
| Profit before taxation | | | | | | | 20.2 | 2.1 | |

*At constant rates of exchange

# Divisional performance – nine months

| | Revenue 2008 | Revenue 2007 | Growth* | EBITDA 2008 | EBITDA 2007 | Growth* | Underlying profit 2008 | Underlying profit 2007 | Growth* |
|---|---|---|---|---|---|---|---|---|---|
| Sunbelt in $m | 1,171.8 | 958.5 | +22% | 467.7 | 352.2 | +33% | 266.0 | 193.3 | +38% |
| Sunbelt in £m | 581.4 | 506.3 | +22% | 232.0 | 186.0 | +33% | 132.0 | 102.1 | +38% |
| A-Plant | 159.7 | 139.7 | +14% | 54.2 | 43.2 | +25% | 21.9 | 14.2 | +55% |
| Ashtead Technology | 19.6 | 16.3 | +24% | 11.5 | 8.0 | +46% | 7.3 | 4.4 | +67% |
| Group central costs | - | - | | (6.2) | (5.8) | +6% | (6.2) | (5.9) | +6% |
| | 760.7 | 662.3 | +21% | 291.5 | 231.4 | +33% | 155.0 | 114.8 | +43% |
| Net financing costs | | | | | | | (57.5) | (49.1) | |
| Profit before tax, exceptionals and amortisation | | | | | | | 97.5 | 65.7 | |
| Exceptional items and amortisation | | | | | | | (1.6) | (94.2) | |
| Profit before taxation | | | | | | | 95.9 | (24.5) | |

*At constant rates of exchange

# Divisional performance – twelve months to 31 January

| | Revenue | | | EBITDA | | | Underlying profit | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2008 | 2007 | Growth* | 2008 | 2007 | Growth* | 2008 | 2007 | Growth* |
| Sunbelt in $m | 1,521.2 | 1,161.2 | +31% | 590.5 | 424.6 | +39% | 325.8 | 231.0 | +41% |
| Sunbelt in £m | 759.7 | 621.9 | +31% | 294.6 | 227.3 | +39% | 162.4 | 123.7 | +41% |
| A-Plant | 209.9 | 181.5 | +16% | 69.9 | 55.2 | +26% | 27.8 | 18.5 | +52% |
| Ashtead Technology | 24.9 | 20.6 | +25% | 14.5 | 10.3 | +45% | 9.1 | 5.5 | +66% |
| Group central costs | – | – | | (8.6) | (7.0) | +21% | (8.6) | (7.2) | +21% |
| | 994.5 | 824.0 | +27% | 370.4 | 285.8 | +37% | 190.7 | 140.5 | +44% |
| Net financing costs | | | | | | | (77.5) | (60.3) | |
| Profit before tax, exceptionals and amortisation | | | | | | | 113.2 | 80.2 | |
| Exceptional items and amortisation | | | | | | | (25.3) | (94.6) | |
| Profit before taxation | | | | | | | 87.9 | (14.4) | |

*At constant rates of exchange



Ashtead group

# Sunbelt & NationsRent – Proforma combined performance

| | 2005/6 | | | | | 2006/7 | | | | | 2007/8 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 |
| | $m | $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 | 362.7 |
| 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 | 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 | 362.7 |
| Growth | | | | | | 20.1% | 9.4% | 2.2% | 0.6% | 8.0% | -4.1% | -0.4% | Nil % |
| 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 | 69.4 |
| 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 | 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 | 69.4 |
| Growth | | | | | | 36.1% | 19.7% | 68.5% | 77.5% | 43.1% | 25.1% | 29.1% | 19.4% |
| 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% | 19.1% |

# Stable free cashflow

| | 2002 £m | 2003 £m | 2004 £m | 2005 £m | 2006 £m | 2007 £m | LTM January 2008 £m |
|---|---|---|---|---|---|---|---|
| **EBITDA before exceptional items** | **194.4** | **150.1** | **147.0** | **169.5** | **224.7** | **310.3** | **370.4** |
| **Cash inflow from operations before exceptional items** | **194.2** | **157.3** | **140.0** | **164.8** | **215.2** | **319.3** | **348.3** |
| *Cash efficiency ratio** | *99.9%* | *104.8%* | *95.2%* | *97.2%* | *95.8%* | *102.9%* | *94.0%* |
| Maintenance capital expenditure | (101.8) | (74.7) | (74.8) | (95.6) | (149.9) | (213.1) | (267.0) |
| Proceeds from sale of used rental equipment | 26.6 | 29.4 | 32.3 | 35.9 | 50.4 | 78.5 | 113.1 |
| Non-rental capital expenditure | (15.8) | (14.5) | (8.1) | (5.4) | (16.8) | (32.3) | (34.8) |
| Tax (paid)/received | (0.7) | 0.7 | 0.1 | (0.6) | (2.8) | (5.0) | (3.0) |
| Free cash flow before interest | 102.5 | 98.2 | 89.5 | 99.1 | 96.1 | 147.4 | 156.6 |
| Interest paid (excluding exceptional interest) | (46.2) | (41.4) | (32.9) | (30.2) | (38.7) | (64.2) | (74.2) |
| **Free cash flow after interest** | **56.3** | **56.8** | **56.6** | **68.9** | **57.4** | **83.2** | **82.4** |
| Growth capital expenditure | (85.7) | (17.9) | 0.0 | (10.2) | (62.6) | (62.9) | (63.3) |
| 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** | **10.0** |
| Acquisitions & disposals | (4.9) | (0.8) | 15.2 | 0.5 | (44.2) | (327.2) | (6.0) |
| Share buy-back | - | - | - | - | - | - | (11.1) |
| Share issues | 0.0 | 0.0 | 0.0 | 0.1 | 70.9 | 148.9 | 1.2 |
| Exceptional costs & other | 16.2 | (7.6) | (18.2) | (5.7) | (22.1) | (73.7) | (18.9) |
| **(Increase)/reduction in net debt** | **(29.4)** | **21.2** | **53.6** | **53.6** | **(2.6)** | **(238.7)** | **(24.8)** |

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