Building on strong foundations

Full year results | 30 April 2010

Issued: 17 June 2010

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Some of the factors which may adversely impact some of these forward looking statements are discussed in the Group's audited results for the year ended 30 April 2010 under "Principal risks and uncertainties".

This 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

- Full year profits of £5m
- Encouraging early signs in Q4, with improving trends in both fleet on rent and yield
- Return to year on year profit growth in the US in Q4
- £191m of cash generation from operations with debt reduced to £829m (3.1 x EBITDA)
- Net capex guidance for the coming year increased to £175m
- Future fleet reinvestment to be funded out of operating cash flow with debt expected to remain broadly flat
- Flexibility for greater growth capital if market conditions continue to improve
- Dividend increased to 2.9p for the year (2009: 2.575p)

Ian Robson

Finance director

Q4 revenue and profits

(£m)	Q4 2009 As reported	Q4 2009 At 2010 rates	Q4 2010 Actual	change[1]
Revenue	**232**	**216**	**210**	*-3%*
– of which rental	*219*	*206*	*189*	*-8%*
Operating costs	(164)	(154)	(149)	*-4%*
EBITDA	**68**	**62**	**61**	*-1%*
Depreciation	(52)	(50)	(46)	*-7%*
Operating profit	**16**	**12**	**15**	*+26%*
Net interest	(16)	(16)	(18)	*+14%*
Profit before tax and amortisation	**0**	**(4)**	**(3)**	*+20%*
Earnings per share (p) - continuing	**0.2**	**-**	**(0.4)**	
Margins				
– EBITDA	*29%*	*29%*	*29%*	
– Operating profit	*7%*	*5%*	*7%*	

[1] At constant exchange rates

[2] The results in the table above are the Group's underlying results and are stated before exceptionals, intangible amortisation and fair value remeasurements

Ashtead group

Full year revenue and profits

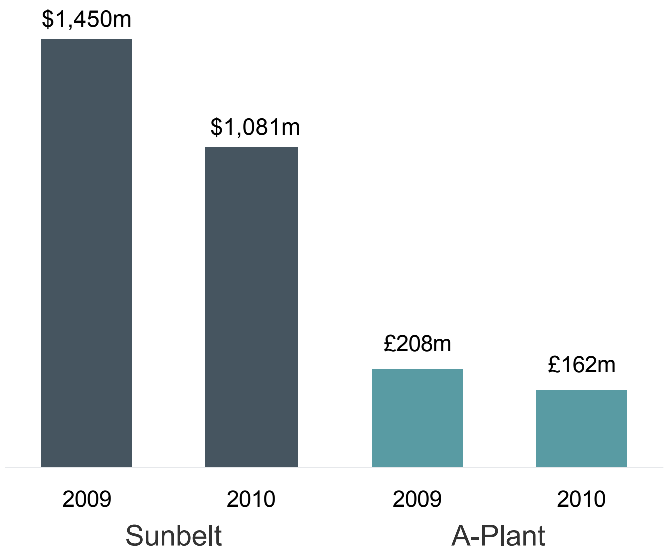
	FY			
	2009		2010	
(£m)	As reported	At 2010 rates	Actual	change[1]
Revenue	**1,074**	**1,113**	**837**	*-25%*
– of which rental	*974*	*1,010*	*770*	*-24%*
Operating costs	(718)	(743)	(582)	*-22%*
EBITDA	**356**	**370**	**255**	*-31%*
Depreciation	(201)	(208)	(187)	*-10%*
Operating profit	**155**	**162**	**68**	*-58%*
Net interest	(68)	(71)	(63)	*-10%*
Profit before tax and amortisation	**87**	**91**	**5**	*-95%*
Earnings per share (p) - continuing	**11.5**	**-**	**0.2**	
Margins				
– EBITDA	*33%*	*33%*	*31%*	
– Operating profit	*14%*	*15%*	*8%*	

[1] At constant exchange rates

[2] The results in the table above are the Group's underlying results and are stated before exceptionals, intangible amortisation and fair value remeasurements

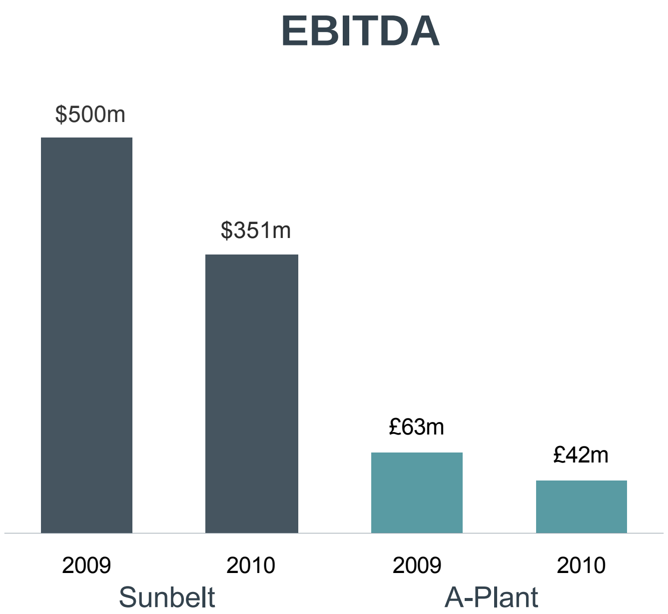
Ashtead group

Divisional results - revenues



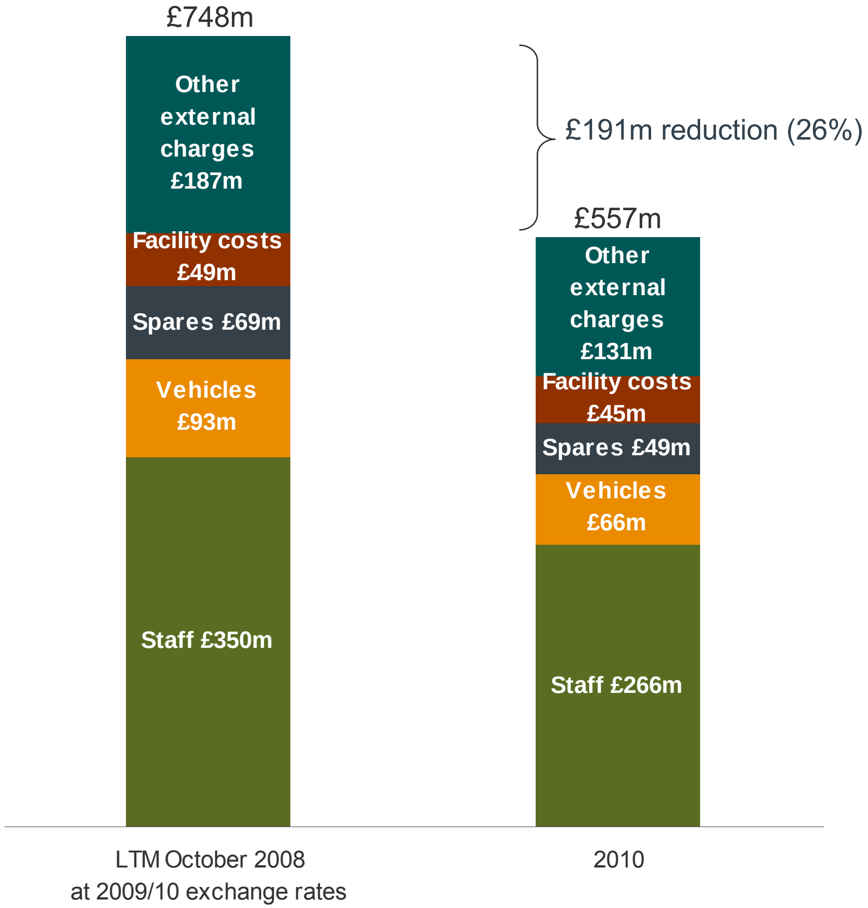
	Revenue bridge			
	change	Sunbelt ($m)	change	A-Plant (£m)
2009 rental revenue		1,311		191
Change – Volume	*-10%*	(127)	*-10%*	(18)
– Yield	*-16%*	(195)	*-12%*	(21)
	-25%	**989**	*-21%*	**152**
Sales revenue		92		10
2010 total revenue		**1,081**		**162**

Divisional results - profits



	EBITDA bridge			
	change	Sunbelt ($m)	change	A-Plant (£m)
2009 EBITDA		500		63
Rental revenue reduction	*-25%*	(322)	*-21%*	(39)
Operating cost reduction	*-23%*	204	*-16%*	21
		382		**45**
Change in sales and margin on used equipment		(31)		(3)
2010 EBITDA	*-30%*	**351**	*-33%*	**42**
Depreciation	*-9%*	(234)	*-14%*	(40)
2010 operating profit	*-52%*	**117**	*-89%*	**2**

Significant operating cost savings achieved



- 112 stores closed or merged
- Fleet size reduced from peak by 12% Sunbelt and 16% in A-Plant
- Head count reduced by 2,163 or 23%
  - Overtime and profit share also lowered
  - Lower sales commission on reduced revenues
- Number of delivery and service trucks reduced by 17% in Sunbelt and 21% in A-Plant
- Reduced fuel expense reflecting fewer vehicles & lower per gallon costs
- Lower cost of sales due to lower revenues from new equipment, consumables and spares

Strong cash generation

(£m)	FY 2009	FY 2010
EBITDA before exceptional items (2009 including £2.8m from Technology)	359	255
Cash conversion ratio	*104%*	*104%*
Cash inflow from operations[1]	374	266
Payments for capital expenditure	(236)	(43)
Rental equipment and other disposal proceeds received	92	31
	(144)	(12)
Interest and tax paid	(64)	(54)
Cash generated before exceptional costs and M&A	**166**	**200**
Exceptional costs paid	(9)	(8)
Business disposals	89	(1)
Total cash generated	**246**	**191**
Dividends paid	(13)	(13)
Purchase of own shares	(16)	-
Reduction in net debt	**217**	**178**

[1] Before fleet changes and exceptionals

- £178m of cash generated to reduce debt – well ahead of our initial target of £100m

Rapid debt pay down kept net debt to EBITDA to 3.1 times

(£m)	2009	2010
Net debt at 30 April	**963**	**1,036**
Translation impact	285	(37)
Opening debt at closing exchange rates	**1,248**	**999**
Change from cash flows	(217)	(178)
Non-cash movements	5	8
Net debt at 30 April	**1,036**	**829**
Comprising:		
First lien senior secured bank debt	501	368
Second lien secured notes	529	513
Finance lease obligations	8	3
Cash in hand	(2)	(55)
Total net debt	**1,036**	**829**
Net debt to EBITDA leverage [1] (x)	2.6	3.1

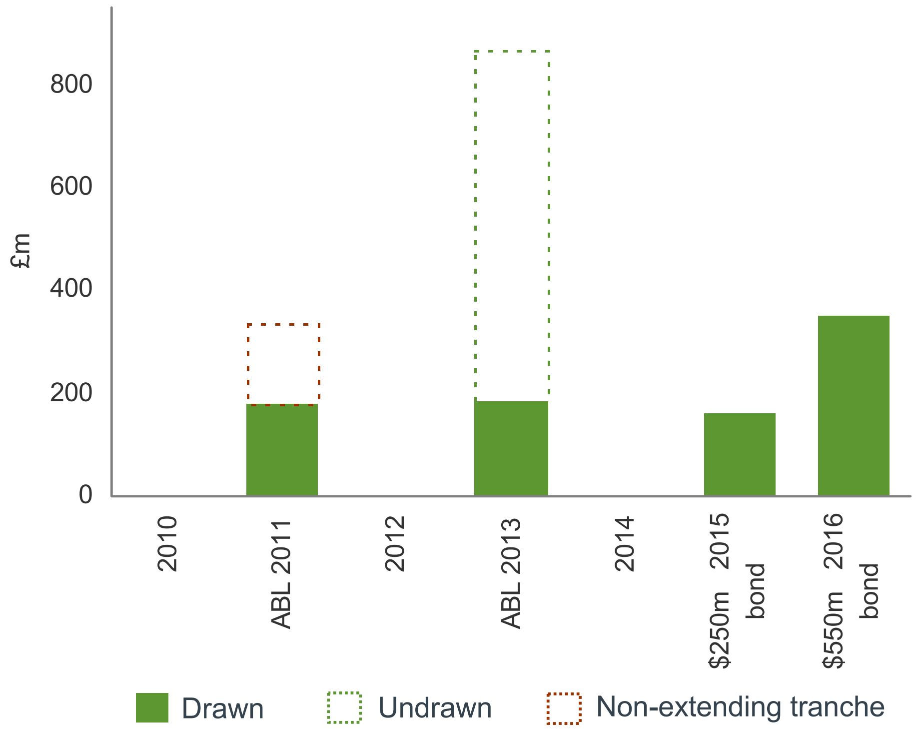
[1] At constant exchange rate

Interest

Floating rate: 42%

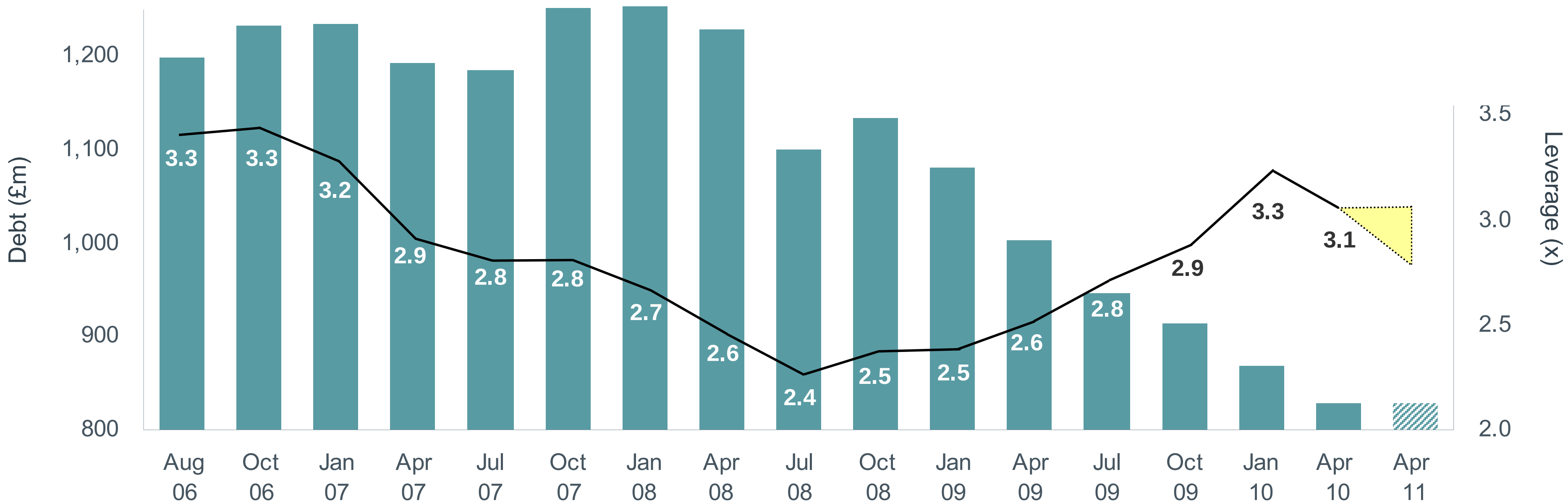
Fixed rate: 58%

Stable capital structure with long debt maturities



- Following November 2009's ABL refinancing, our debt is now committed for 5 years on average
- Extending revolver lenders have pre-agreed that August 2011's term loan and non-extending revolver maturities will be funded from further drawings on the extended revolver tranche
- Accordingly, our nearest "real" debt maturity is the extended ABL revolver in November 2013

Debt targeted to remain flat as we reinvest in the fleet



	Aug 06	Oct 06	Jan 07	Apr 07	Jul 07	Oct 07	Jan 08	Apr 08	Jul 08	Oct 08	Jan 09	Apr 09	Jul 09	Oct 09	Jan 10	Apr 10	Apr 11
Debt as reported (£m)	968	994	972	916	894	931	986	963	852	1,076	1,147	1,036	873	847	829	829	
Debt at 30 April 2010 FX rates (£m)	1,199	1,233	1,235	1,193	1,185	1,252	1,264	1,230	1,101	1,134	1,082	1,003	945	913	869	829	

Target

- Net debt reduced £435m from January 2008 peak
- Q4 2010 saw cyclical deleveraging begin
- Moving forward, as we reinvest in the rental fleet, debt is targeted to remain broadly flat

[1] At constant exchange rate

Cash flow funds organic fleet growth

(£m)	2002	2003	2004	2005	2006	2007	2008	2009	2010
EBITDA before exceptional items	**185**	**150**	**147**	**170**	**225**	**310**	**380**	**359**	**255**
EBITDA margin	*33%*	*28%*	*29%*	*32%*	*35%*	*35%*	*38%*	*33%*	*31%*
Cash inflow from operations before fleet changes and exceptionals	**194**	**157**	**140**	**165**	**215**	**319**	**356**	**374**	**266**
Maintenance capital expenditure	(117)	(89)	(83)	(101)	(167)	(245)	(231)	(236)	(43)
Disposal proceeds	27	29	32	36	50	78	93	92	31
Interest and tax	(47)	(40)	(33)	(31)	(41)	(69)	(83)	(64)	(54)
Growth capital expenditure	(86)	(18)	-	(10)	(63)	(63)	(120)	-	-
Dividends paid	(11)	(9)	-	-	(2)	(7)	(10)	(13)	(13)
Cash available to fund debt paydown or M&A	**(40)**	**30**	**56**	**59**	**(8)**	**13**	**5**	**153**	**187**

- Healthy EBITDA margins ensure significant top line cash generation throughout the cycle
- Cash from operations funds organic growth investment and tax, interest and dividends
- Historically, debt has only increased at times of large scale M&A

Ashtead group

Geoff Drabble

Chief executive

Q4 demonstrating encouraging trends

($m)	Sunbelt - Q4 2009	2010	change
Total revenue	266	259	-3%
EBITDA	78	81	+4%
Operating profit	17	24	+40%

(£m)	A-Plant - Q4 2009	2010	change
Total revenue	43	41	-4%
EBITDA	12	10	-16%
Operating profit	2	1	-68%

Year over year change in rental revenue

	Sunbelt 9 months	Q4
Fleet on rent	-11%	-5%
Yield	-19%	-5%
Rental revenue	-28%	-8%

	A-Plant 9 months	Q4
Fleet on rent	-13%	-
Yield	-13%	-8%
Rental revenue	-24%	-8%

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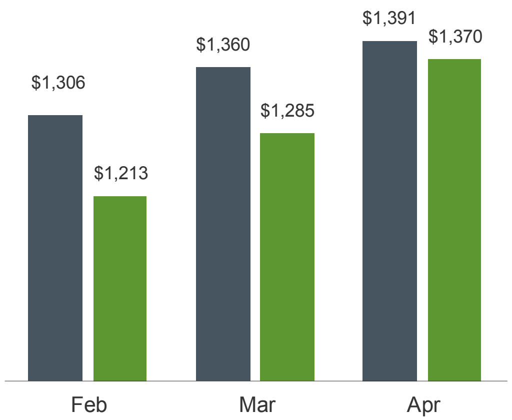
Q4 revenue drivers

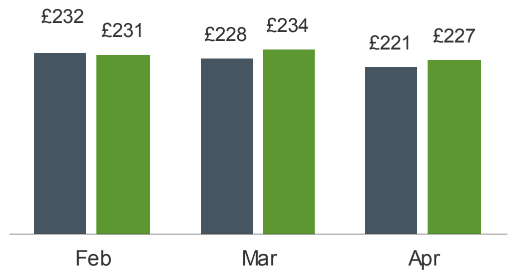
Fleet on rent ($/£m)

Sunbelt



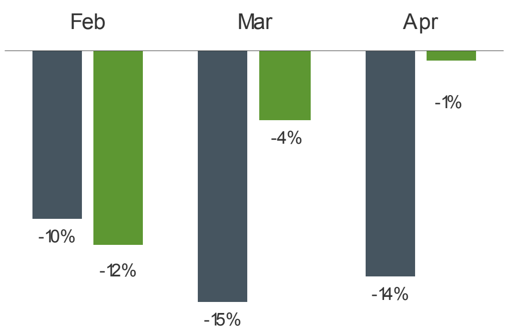
2009 2010

A-Plant

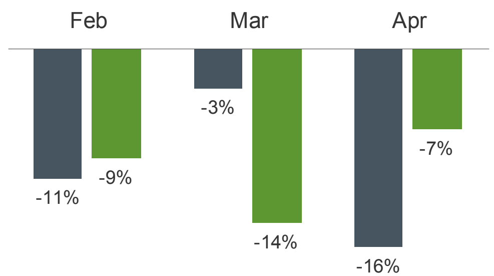


Year over year change in yield

Sunbelt



A-Plant

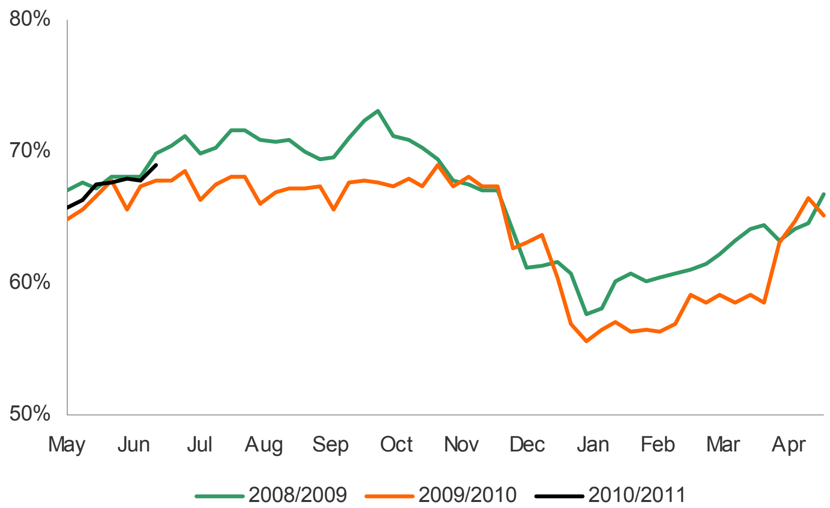


2009 2010

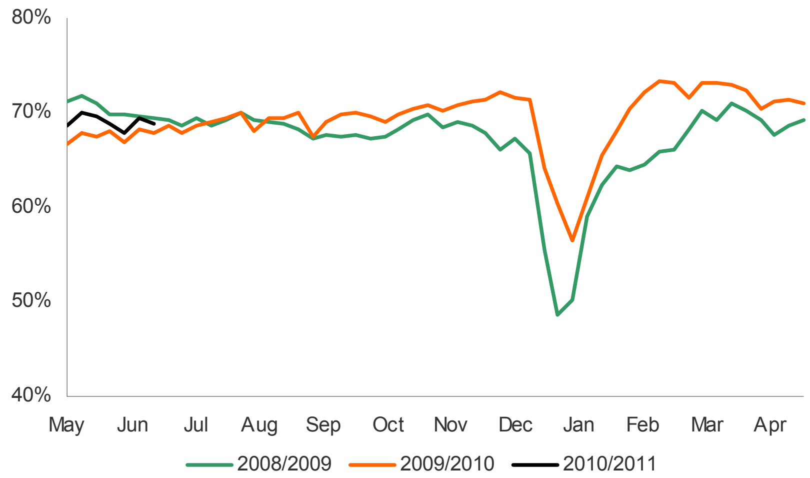
Strong levels of physical utilisation

Physical utilisation

Sunbelt



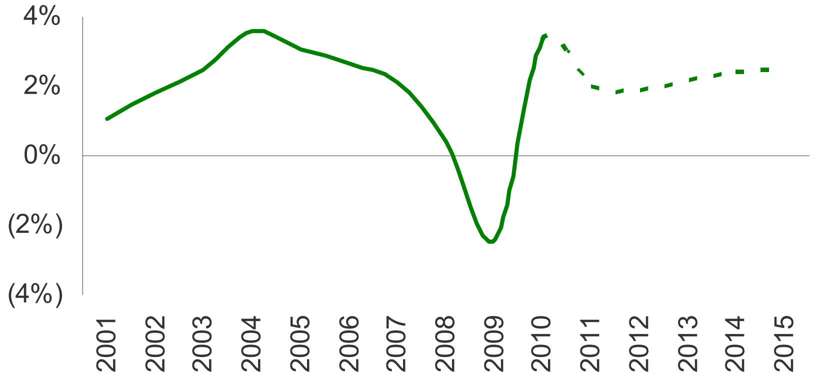
A-Plant



- Decision to resist further significant defleeting justified
- Focus now on yield

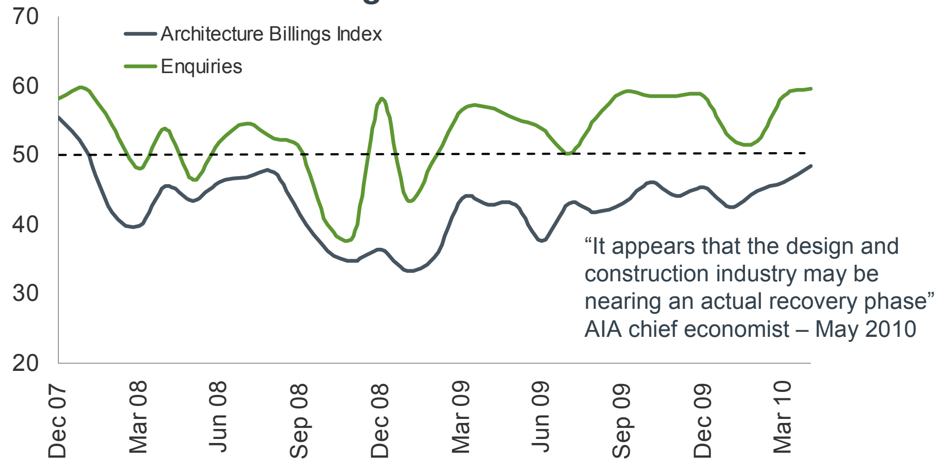
US macro lead indicators are improving

US GDP growth



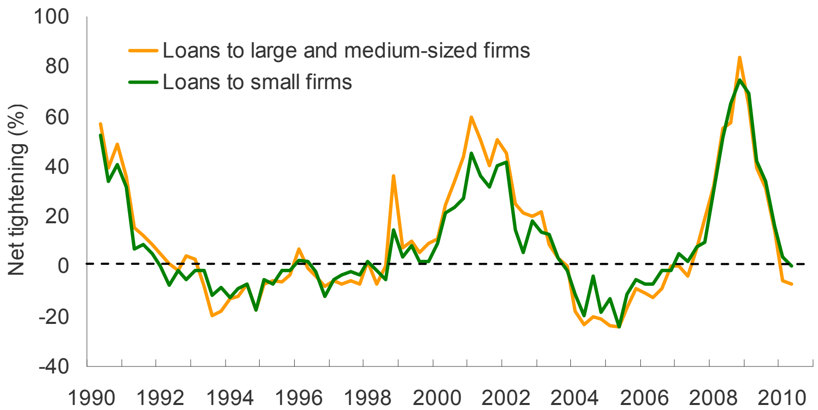
Source: EIU

Architectural billings index



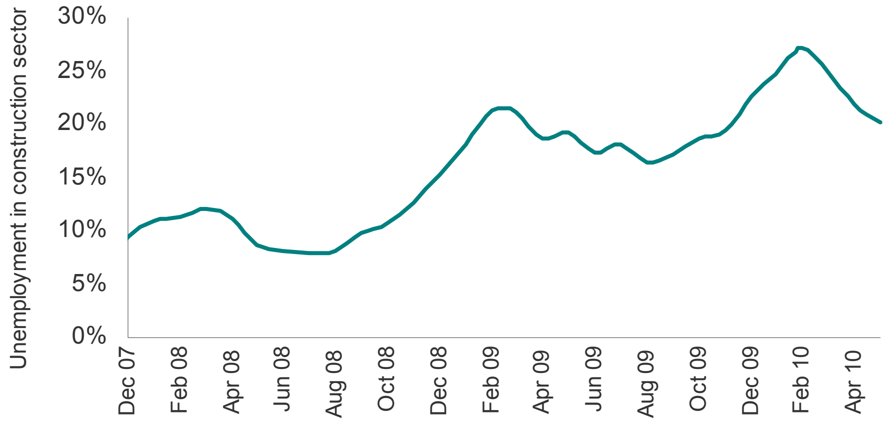
Source: American Institute of Architects

Commercial and industrial loan credit standards hit neutral



Source: Federal Reserve Senior Loan Officer Survey

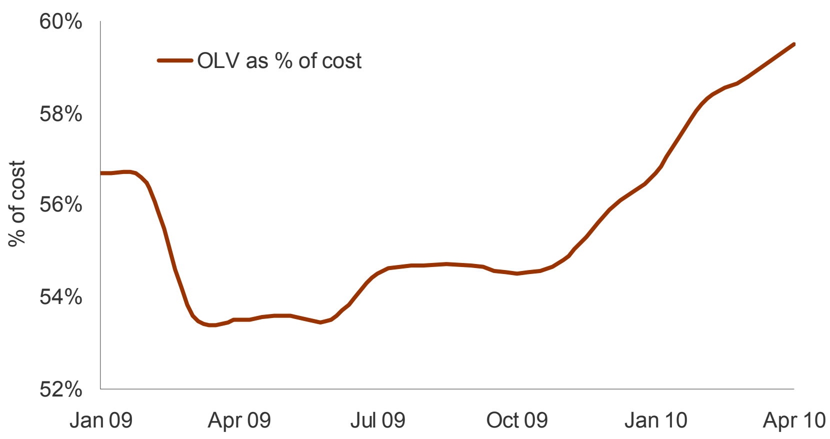
Construction unemployment



Source: Bureau of Labor Statistics

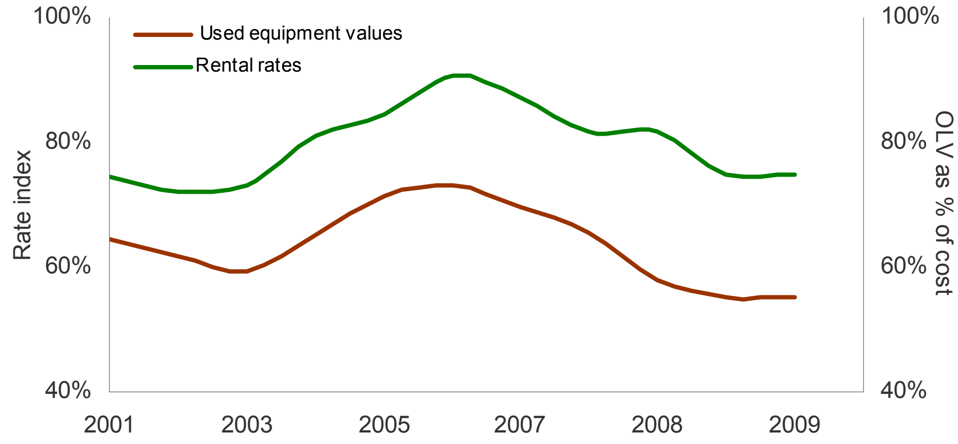
Macro indicators supported by micro indicators

Second hand prices improving



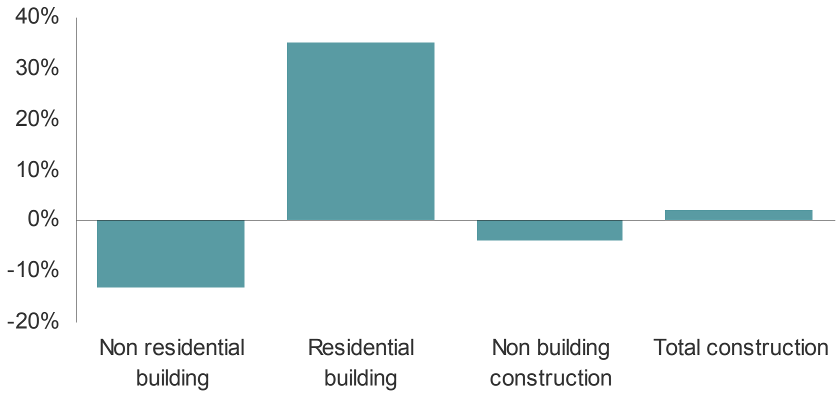
Source: Rouse Asset Services

Equipment values and rate correlation



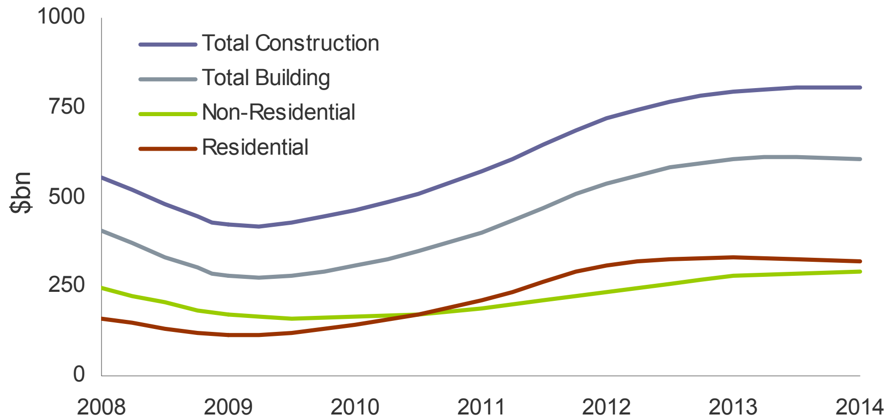
Source Rouse Asset Services/Management analysis:

Q1 2010 construction starts over prior year



Source: McGraw Hill Construction

US construction starts



Source: McGraw Hill Construction

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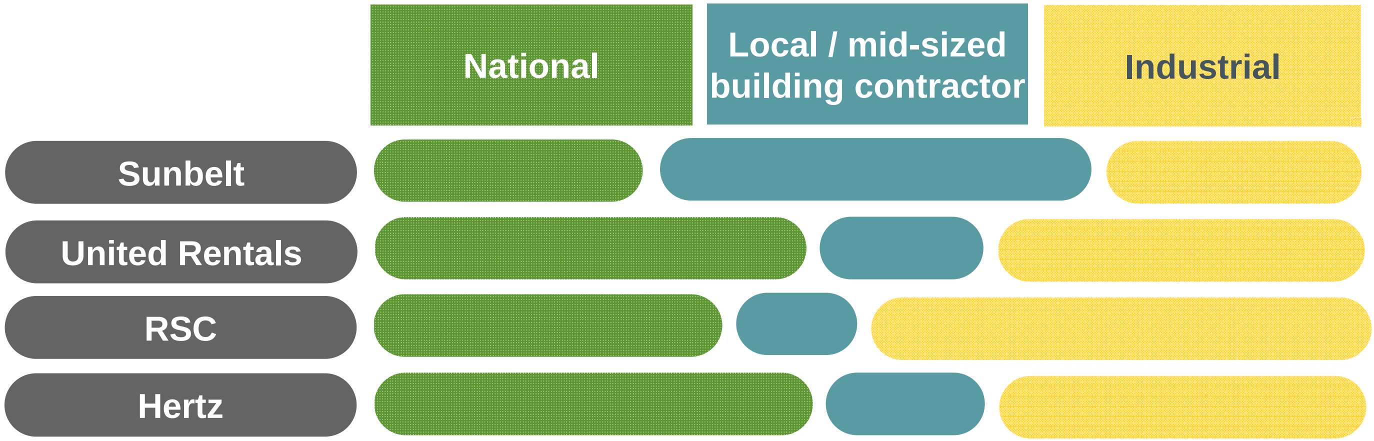
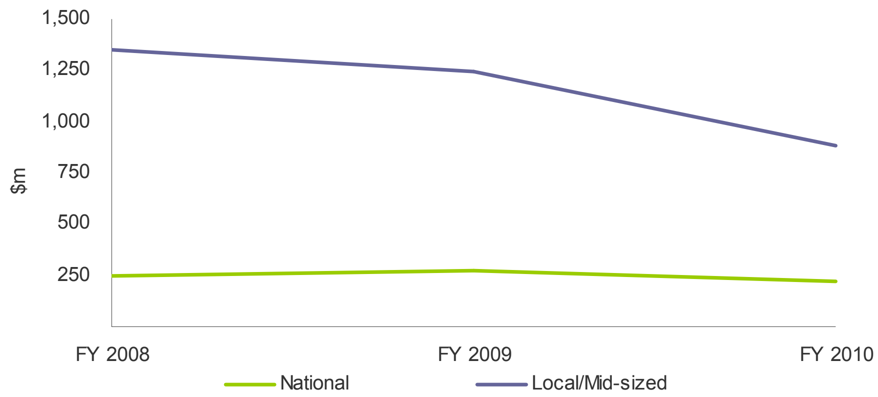
Well placed to benefit from a residential led recovery

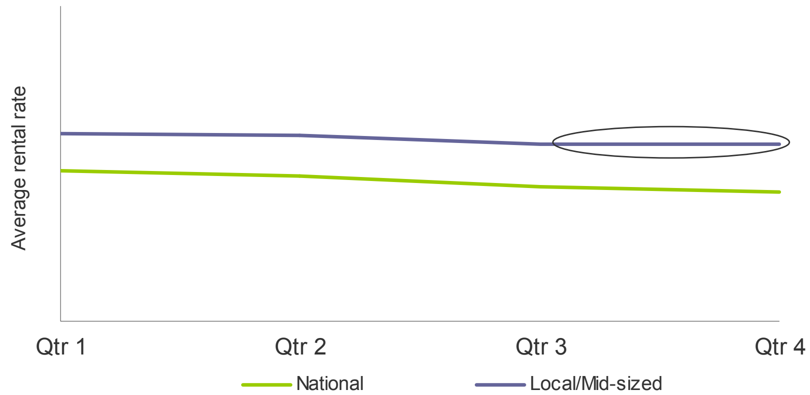
Business mix



National account revenue stable during downturn



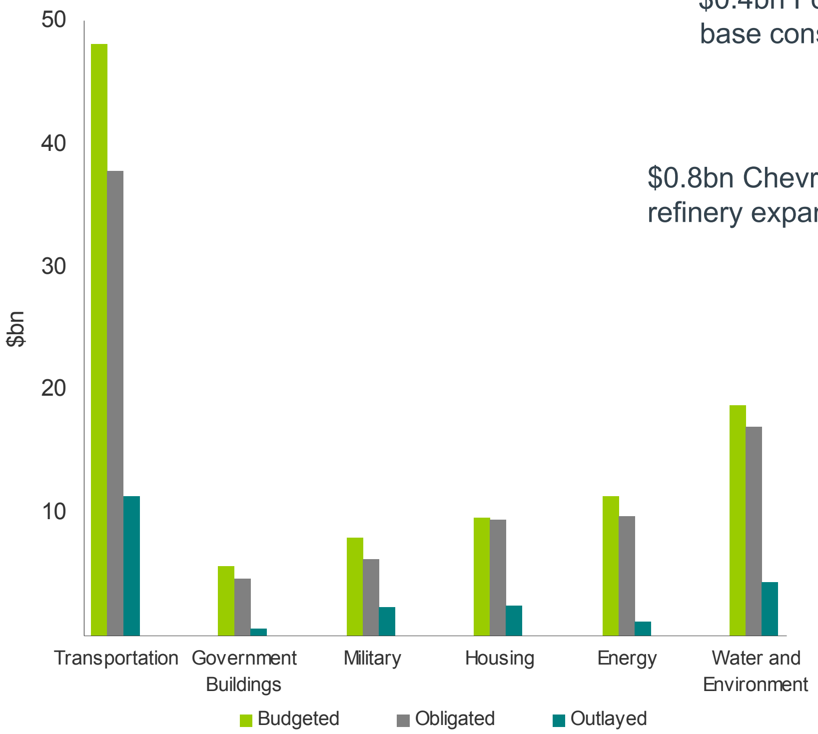
5 consecutive months of small rate improvement in local/mid-sized accounts



Stimulus will further assist recovery

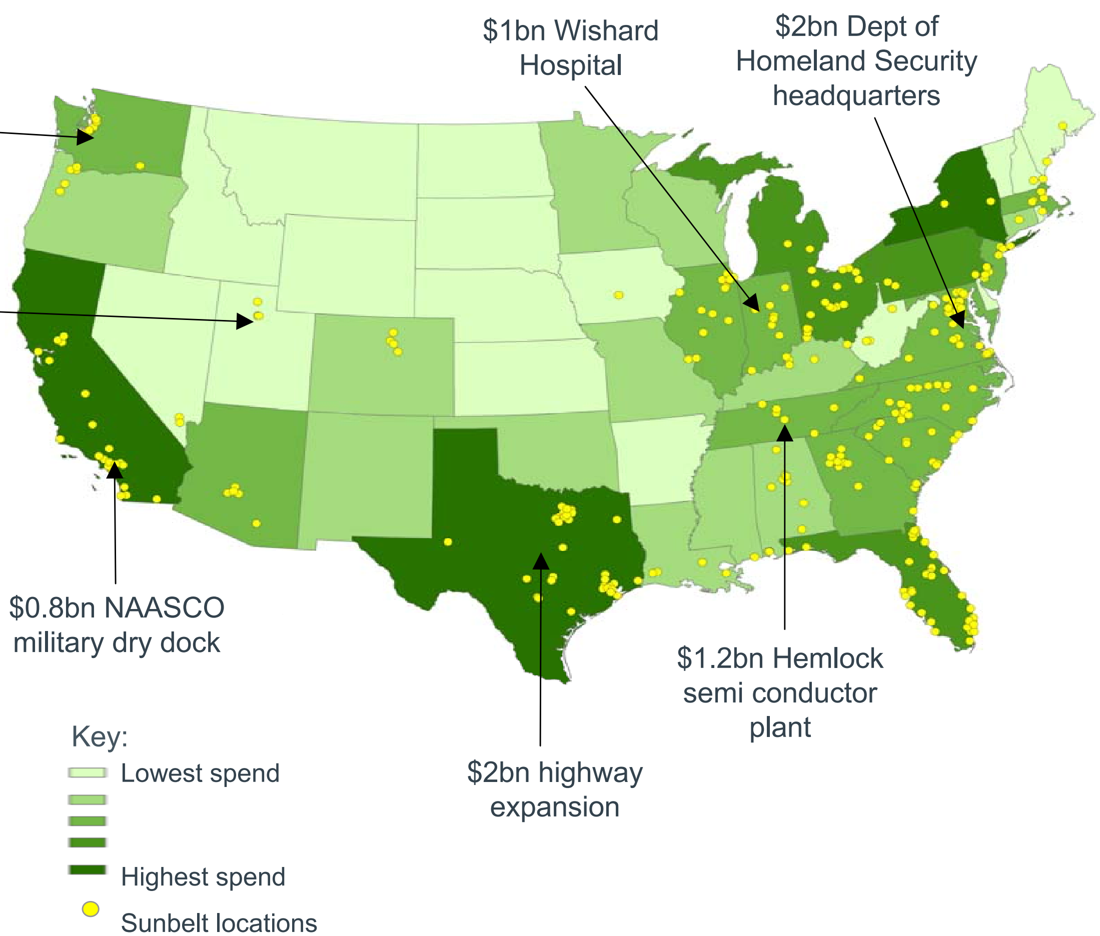
80% of funds obligated but only 20% spent

Stimulus funds budgeted and spent
- significant expenditure committed but not spent



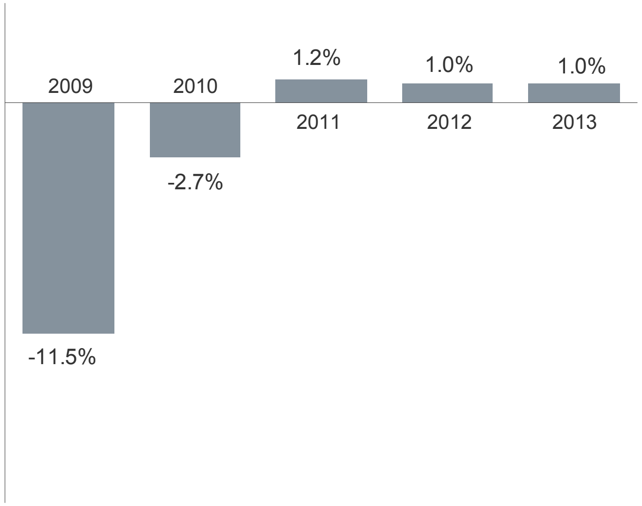
Source: Sunbelt analysis of US Government ARRA reports

Geographical variation



UK market stabilising but outlook uncertain

Total construction output



Source: ONS, Construction Products Association

Public and private growth rates

	2009	2010	2011	2012
Public sector	+3.8%	-0.6%	-5.0%	-7.9%
Private sector	-19.4%	-4.1%	+5.5%	+6.6%
Total	-11.5%	-2.7%	+1.2%	+1.0%

- public sector now 40% of total
- public sector construction spending to fall from 3.6% of GDP in 2009/10 to 1.25% of GDP in 2013/14

Source: ONS, Construction Products Association

- Low growth recovery dependant upon moderate public sector cuts and the private sector returning to growth
- Neither of these are certain - we therefore remain cautious re 2012 and beyond
- Impact on the rental market mitigated by capacity reduction to some extent

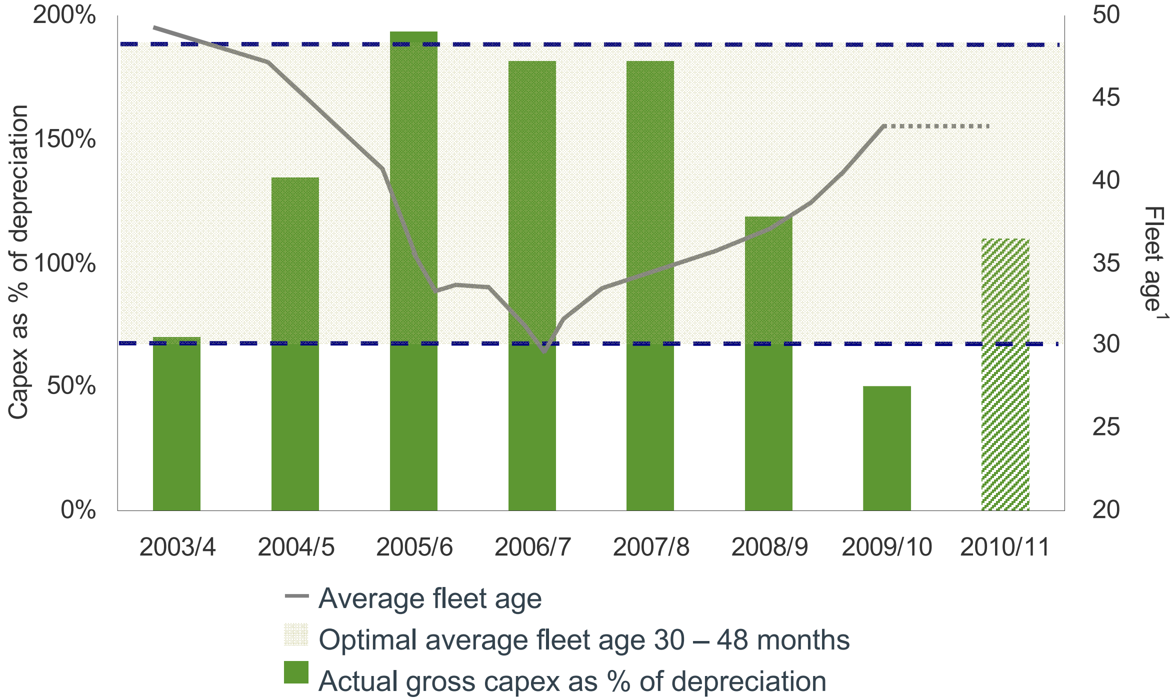
Reinvesting in rental fleet

	Sunbelt ($m)		A-Plant (£m)	
	2010	2011	2010	2011
Gross rental capex	70	275	10	25
Disposal proceeds	(35)	(75)	(6)	(10)
Net rental capex	35	200	4	15

- Focus mainly on replacement
- Flexibility remains to shift plan to growth expenditure if market conditions improve

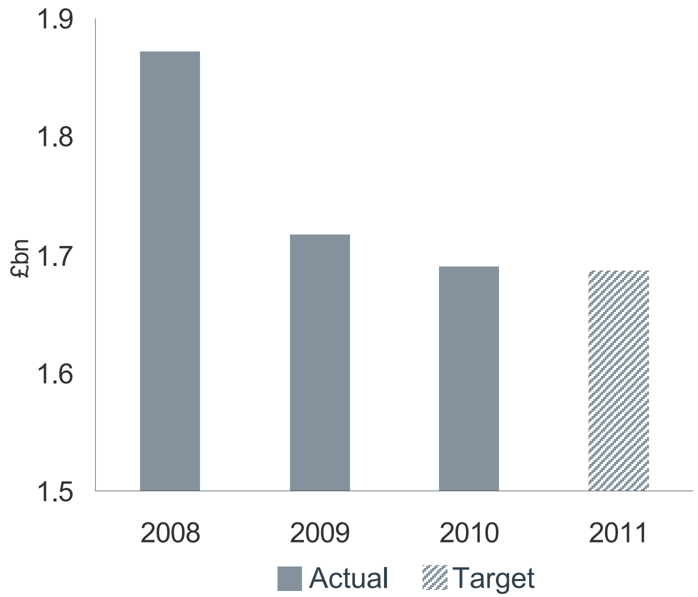
Fleet planning

- fleet stabilising in terms of both age and size



[1] Weighted by net book value

Group fleet size[1]



[1] At 2010 exchange rates

Summary

- Whilst our industry has faced a difficult year we have gained market share and delivered what we said we would
- There are encouraging early signs of recovery in Q4 results, particularly in the US
- Refinancing has given us a strong foundation to develop the business
- Markets remain fragile and therefore flexibility will be central to our planning for the coming year

Appendices

Divisional performance – fourth quarter

	Revenue			EBITDA			Profit		
	2009	**2010**	**change**	**2009**	**2010**	**change**	**2009**	**2010**	**change**
Sunbelt ($m)	266.2	259.2	-3%	78.2	81.4	4%	17.3	24.4	41%
Sunbelt (£m)	189.4	169.0	-11%	57.6	53.2	-8%	16.2	16.0	-1%
A-Plant	42.7	41.1	-4%	11.9	10.0	-16%	1.6	0.5	-68%
Group central costs	–	–		(1.3)	(1.9)	41%	(1.4)	(1.9)	40%
	232.1	**210.1**	-10%	**68.2**	**61.3**	-10%	**16.4**	**14.6**	-10%
Net financing costs							(16.6)	(17.7)	+7%
Loss before tax, exceptionals and amortisation							**(0.2)**	**(3.1)**	n/a
Exceptional items and amortisation							(29.1)	5.0	n/a
(Loss)/profit before taxation							(29.3)	1.9	n/a
Taxation							12.6	(0.6)	n/a
(Loss)/profit after taxation							**(16.7)**	**1.3**	n/a

Ashtead group

Divisional performance – twelve months

	Revenue			EBITDA			Profit		
	2009	2010	change	2009	2010	change	2009	2010	change
Sunbelt ($m)	1,450.0	1,080.5	-26%	500.4	350.8	-30%	241.8	116.6	-52%
Sunbelt (£m)	865.5	674.5	-22%	298.7	219.0	-27%	144.4	72.7	-50%
A-Plant	208.0	162.3	-22%	62.8	42.0	-33%	16.1	1.8	-89%
Group central costs	–	–		(5.4)	(5.9)	9%	(5.5)	(6.0)	9%
	1,073.5	**836.8**	-22%	**356.1**	**255.1**	-28%	**155.0**	**68.5**	-56%
Net financing costs							(67.6)	(63.5)	-6%
Profit before tax, exceptionals and amortisation							**87.4**	**5.0**	-94%
Exceptional items and amortisation							(17.7)	0.8	n/a
Profit before taxation							69.7	5.8	n/a
Taxation							(6.7)	(3.7)	n/a
Profit after taxation							**63.0**	**2.1**	n/a

US peer group comparisons

FY 2009/2010

	Fleet on rent (%)	Rental revenue (%)	Dollar utilisation (%)	EBITDA margin (%)	EBITA margin (%)	RoI (%)	Leverage (x)
Sunbelt	(10)	(25)	47	32	11	6	3.1[1]
URI[2]	(13)	(25)	49	27	6	4	4.7
RSC[2]	(25)	(32)	42	31	4	2	5.8
	Market share gains			Stronger returns			Lower leverage

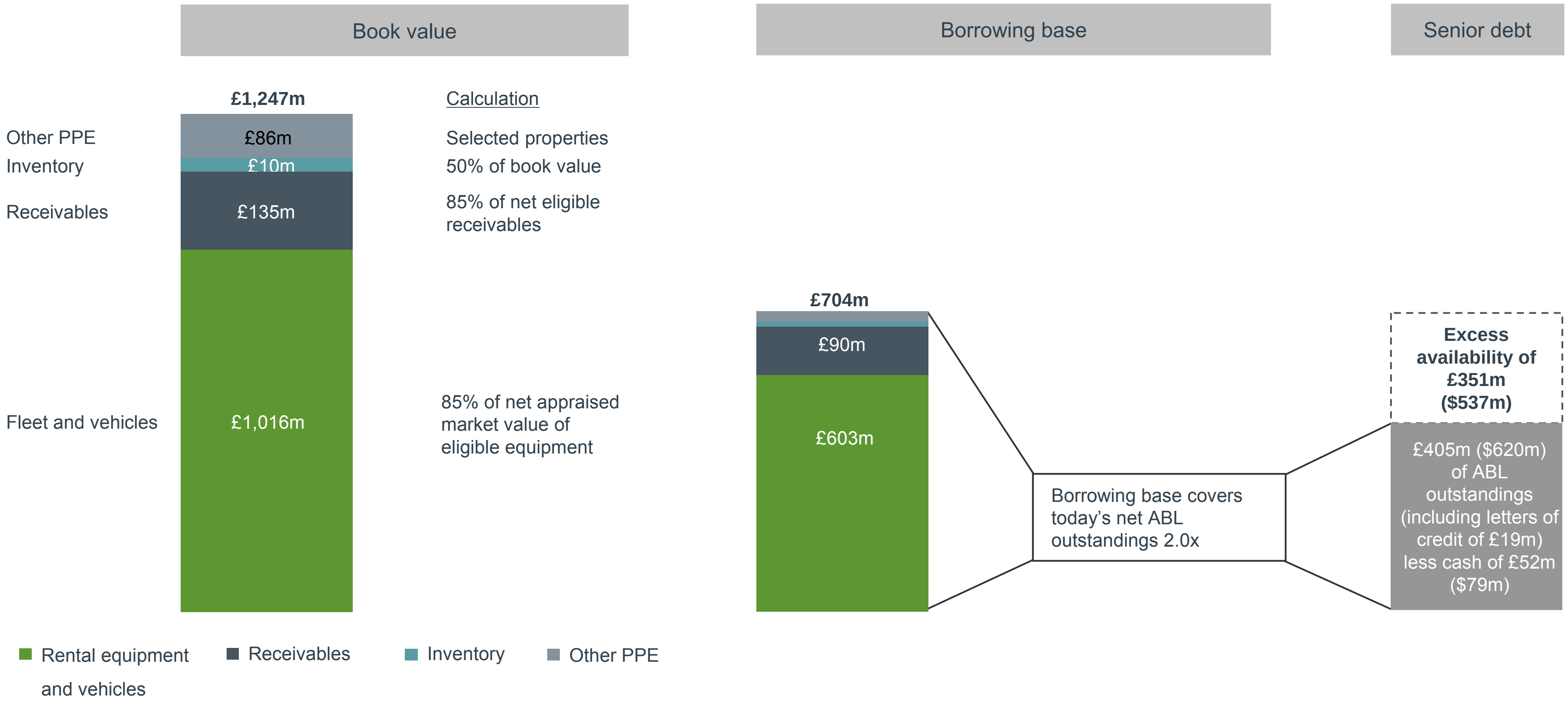
Note:
1 Ashtead Group plc at constant currency
2 Based on reported results, LTM to 31 March 2010

Stable free cash flow

(£m)	2002	2003	2004	2005	2006	2007	2008	2009	2010
EBITDA before exceptional items	**185**	**150**	**147**	**170**	**225**	**310**	**380**	**359**	**255**
Cash conversion ratio[1]	*105%*	*105%*	*95%*	*97%*	*96%*	*103%*	*94%*	*104%*	*104%*
Cash inflow from operations before fleet changes and exceptionals	**194**	**157**	**140**	**165**	**215**	**319**	**356**	**374**	**266**
Maintenance capital expenditure	(117)	(89)	(83)	(101)	(167)	(245)	(231)	(236)	(43)
Disposal proceeds	27	29	32	36	50	78	93	92	31
Interest and tax	(47)	(40)	(33)	(31)	(41)	(69)	(83)	(64)	(54)
Cash flow before growth investment & excep'ls	**57**	**57**	**56**	**69**	**57**	**83**	**135**	**166**	**200**
Growth capital expenditure	(86)	(18)	-	(10)	(63)	(63)	(120)	-	-
Exceptional income/(costs)	16	(8)	(17)	(6)	(20)	(69)	(10)	(9)	(8)
Acquisitions & disposals	(3)	(1)	15	1	(44)	(327)	(6)	89	(1)
Cash flow available for equity holders	**(16)**	**30**	**54**	**54**	**(70)**	**(376)**	**(1)**	**246**	**191**
Dividends paid	(11)	(9)	-	-	(2)	(7)	(10)	(13)	(13)
Share issues/purchase of own shares	(2)	-	-	-	69	144	(24)	(16)	-
(Increase)/reduction in net debt from cashflow	**(29)**	**21**	**54**	**54**	**(3)**	**(239)**	**(35)**	**217**	**178**

[1] **Cash inflow from operations before fleet changes and exceptionals as a percentage of EBITDA before exceptionals**

Availability at 30 April 2010



- Borrowing base reflects February 2010 asset values which were down around 23% from Spring 2007 peak but up 5% from the Autumn 2009 trough

Debt and covenants

Debt

Facility	Interest rate	Maturity
$1.31bn first lien revolver	LIBOR +300-375bp	November 2013
$0.23bn first lien term loan	LIBOR +175bp	August 2011
$0.30bn first lien revolver	LIBOR +150-225bp	August 2011
$0.8bn second lien notes		
$250m	8.625%	August 2015
$550m	9.0%	August 2016
Capital leases	~7%	Various

Ratings

	S&P	Moody's
First lien	BB+	Ba2
Second lien	B+	B2

Availability

- Covenants are not measured if availability is above $150m ($537m at 30 April)

Leverage covenant

- Gross funded debt to EBITDA cannot exceed 4.0x
- EBITDA is measured before one time items and at constant exchange rates
- 3.2x at April 2010

Fixed charge coverage covenant

- EBITDA less net cash capex to interest paid, tax paid, dividends paid and debt amortisation must equal or exceed 1.1x
- 3.2x at April 2010

Ashtead group

ABL availability

Availability expected to remain at or above $500m