Managing the cycle – return to growth

Second quarter results | 31 October 2010

Issued: 9 December 2010

Legal notice

This presentation has been prepared to inform investors and prospective investors in the secondary markets about the Group and does not constitute an offer of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Ashtead Group plc or any of its subsidiary companies.

The presentation contains forward looking statements which are necessarily subject to risks and uncertainties because they relate to future events. Our business and operations are subject to a variety of risks and uncertainties, many of which are beyond our control and, consequently, actual results may differ materially from those projected by any forward looking statements.

Some of the factors which may adversely impact some of these forward looking statements are discussed in the Principal Risks and Uncertainties section on pages 23–25 of the Group's Annual Report and Accounts for the year ended 30 April 2010 and in the unaudited results for the half year and second quarter ended 31 October 2010 under "Current trading and outlook" and "Principal risks and uncertainties". Both these reports may be viewed on the Group's website at **www.ashtead-group.com**

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

- Second consecutive quarter of profit growth with half year profits up 41%[1] to £30m (2009: £20m)
- US rental revenue[2] up 9%
  - Q2 yield up 3%
  - Physical utilisation at a 5 year high
- Capital expenditure increased to £96m (2009: £29m)
- £30m of cash generation – leverage reduced to 2.9x EBITDA
- Interim dividend raised to 0.93p per share (2009: 0.9p)
- Outcome for the year expected to be ahead of our earlier expectations

[1] At constant rates of exchange [2] On a billings per day basis

Ian Robson

Finance director

Q2 revenue and profits

(£m)	Q2 2009 As reported	Q2 2009 At 2010 rates	Q2 2010 Actual	growth[1]
Revenue	**218**	**225**	**245**	*+9%*
– of which rental	*202*	*209*	*222*	*+6%*
Operating costs	(146)	(150)	(163)	*+9%*
EBITDA	**72**	**75**	**82**	*+9%*
Depreciation	(46)	(48)	(46)	*-4%*
Operating profit	**26**	**27**	**36**	*+32%*
Net interest	(15)	(15)	(18)	*+18%*
Profit before tax and amortisation	**11**	**12**	**18**	*+49%*
Earnings per share (p)	**1.0**	**1.1**	**2.3**	*+92%*
Margins				
– EBITDA	*33.2%*	*33.3%*	*33.3%*	
– Operating profit	*11.8%*	*11.9%*	*14.5%*	

[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

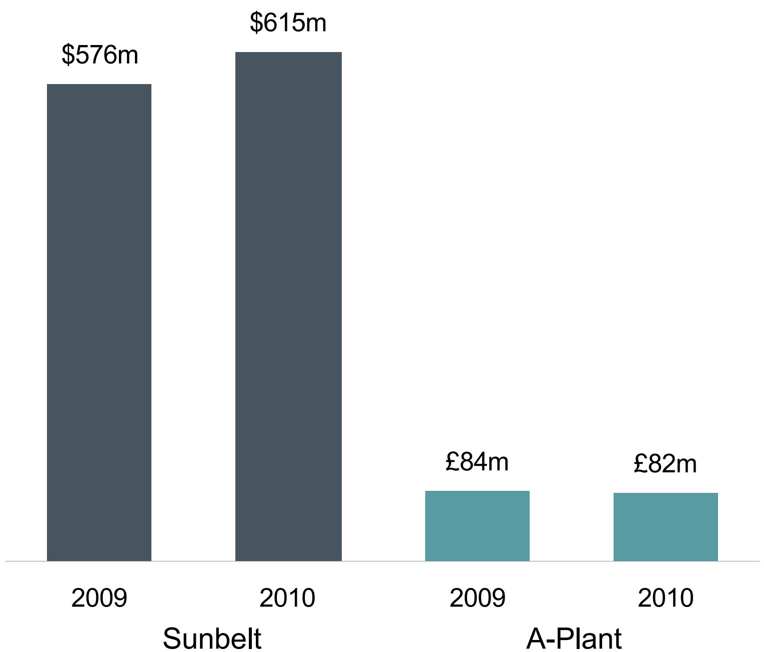
H1 revenue and profits

	H1			
	2009		2010	
(£m)	As reported	At 2010 rates	Actual	growth[1]
Revenue	**439**	**460**	**484**	*+5%*
– of which rental	*409*	*428*	*441*	*+3%*
Operating costs	(295)	(309)	(324)	+5%
EBITDA	**144**	**151**	**160**	*+6%*
Depreciation	(94)	(98)	(94)	*-4%*
Operating profit	**50**	**53**	**66**	*+25%*
Net interest	(30)	(32)	(36)	+14%
Profit before tax and amortisation	**20**	**21**	**30**	*+41%*
Earnings per share (p)	**2.2**	**2.4**	**3.9**	*+61%*
Margins				
– EBITDA	*32.7%*	*32.8%*	*33.1%*	
– Operating profit	*11.3%*	*11.4%*	*13.6%*	

[1] At constant exchange rates

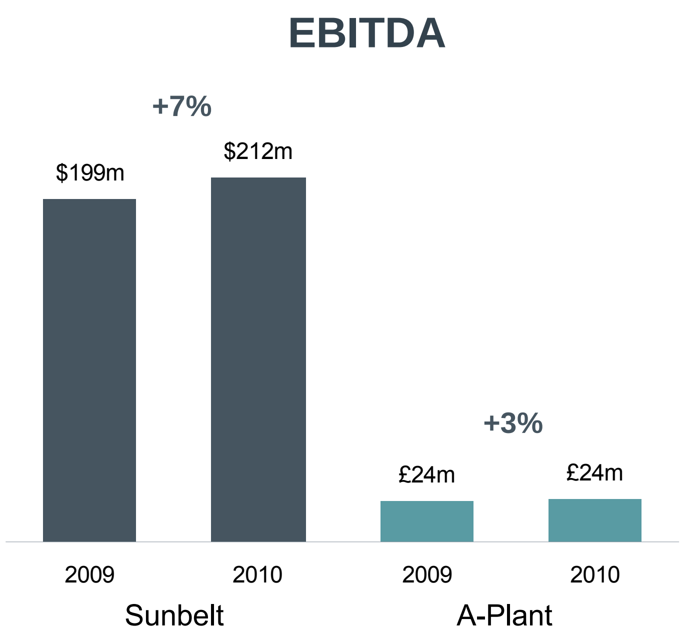
[2] The results in the table above are the Group's underlying results and are stated before exceptionals, intangible amortisation and fair value remeasurements

Divisional results – H1 revenues



	Revenue bridge			
		Sunbelt		A-Plant
	change	($m)	change	(£m)
2009 total revenue		576		84
Increase in rental revenue	*+4%*	23	*-2%*	(2)
Increase in used equipment sales		16		-
2010 total revenue		**615**		**82**

Divisional results – H1 profits



	EBITDA bridge			
		Sunbelt		A-Plant
	change	($m)	change	(£m)
2009 EBITDA		199		24
Rental revenues	*+4%*	23	*-2%*	(2)
Operating costs	*+3%*	(13)	*-5%*	2
		209		**24**
Change in margin on used fleet sales		3		-
2010 EBITDA	*+7%*	**212**	*+3%*	**24**
Depreciation	*-5%*	(113)	*-2%*	(20)
2010 operating profit	*+24%*	**99**	*+35%*	**4**

Continued strong cash generation

Cyclical reinvestment in our rental fleet begins

(£m)	H1 2009	H1 2010	FY 2009/10	LTM 31 Oct 10
EBITDA before exceptional items	144	160	255	271
Cash conversion ratio[1]	*99.7%*	*89.5%*	*104.1%*	*97.9%*
Cash inflow from operations[2]	143	143	266	266
Payments for capital expenditure	(27)	(96)	(43)	(112)
Rental equipment and other disposal proceeds	13	22	31	40
	(14)	(74)	(12)	(72)
Interest and tax paid	(27)	(37)	(54)	(64)
Exceptional costs paid	(5)	(2)	(8)	(5)
Free cash flow	**97**	**30**	**192**	**125**
Business acquisitions	-	-	(1)	(1)
Total cash generated	**97**	**30**	**191**	**124**
Dividends paid	(8)	(10)	(13)	(15)
Reduction in net debt	**89**	**20**	**178**	**109**

1 The ratio of EBITDA to cash inflow from operations 2 Before fleet changes and exceptionals

Our strong (33%) EBITDA margin and consistent cash conversion ensures we generate the cash to fund fleet investment

Debt leverage

Net debt to EBITDA now back to our target 2-3x range

(£m)	October 2009	April 2010	October 2010
Net debt at 30 April	**1,036**	**1,036**	**829**
Translation impact	(102)	(37)	(37)
Opening debt at closing exchange rates	**934**	**999**	**792**
Change from cash flows	(89)	(178)	(20)
Non-cash movements	2	8	5
Net debt at period end	**847**	**829**	**777**
Comprising:			
First lien senior secured bank debt	386	368	350
Second lien secured notes	475	513	492
Finance lease obligations	5	3	3
Cash in hand	(19)	(55)	(68)
Total net debt	**847**	**829**	**777**
Net debt to EBITDA leverage [1] (x)	**3.1**	**3.1**	**2.9**

[1] At constant exchange rate

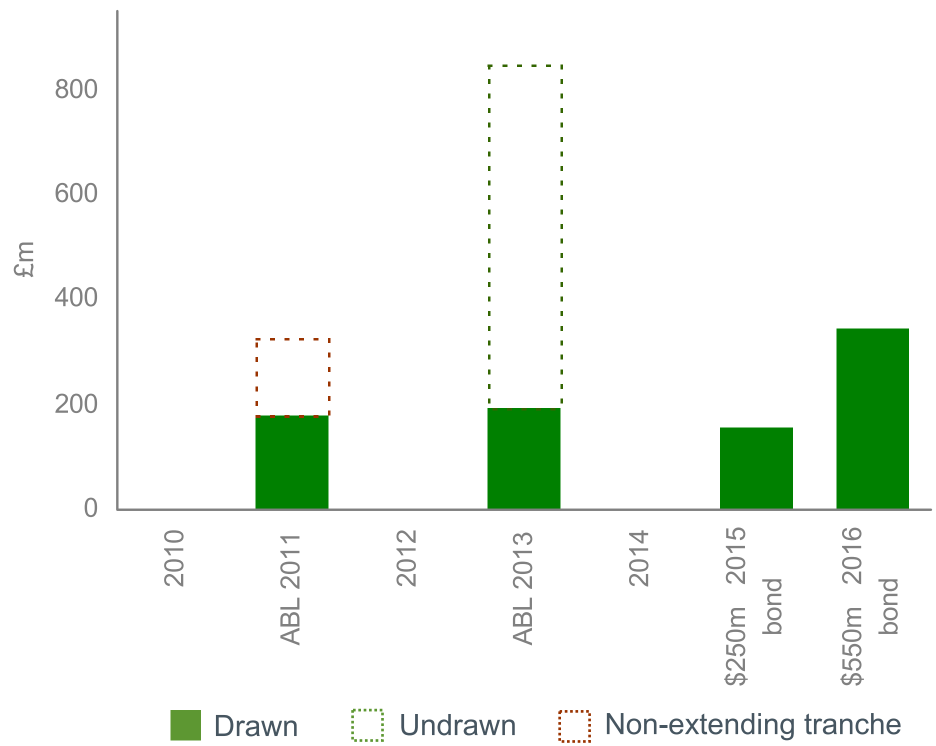
Interest

Floating rate: 41%

Fixed rate: 59%

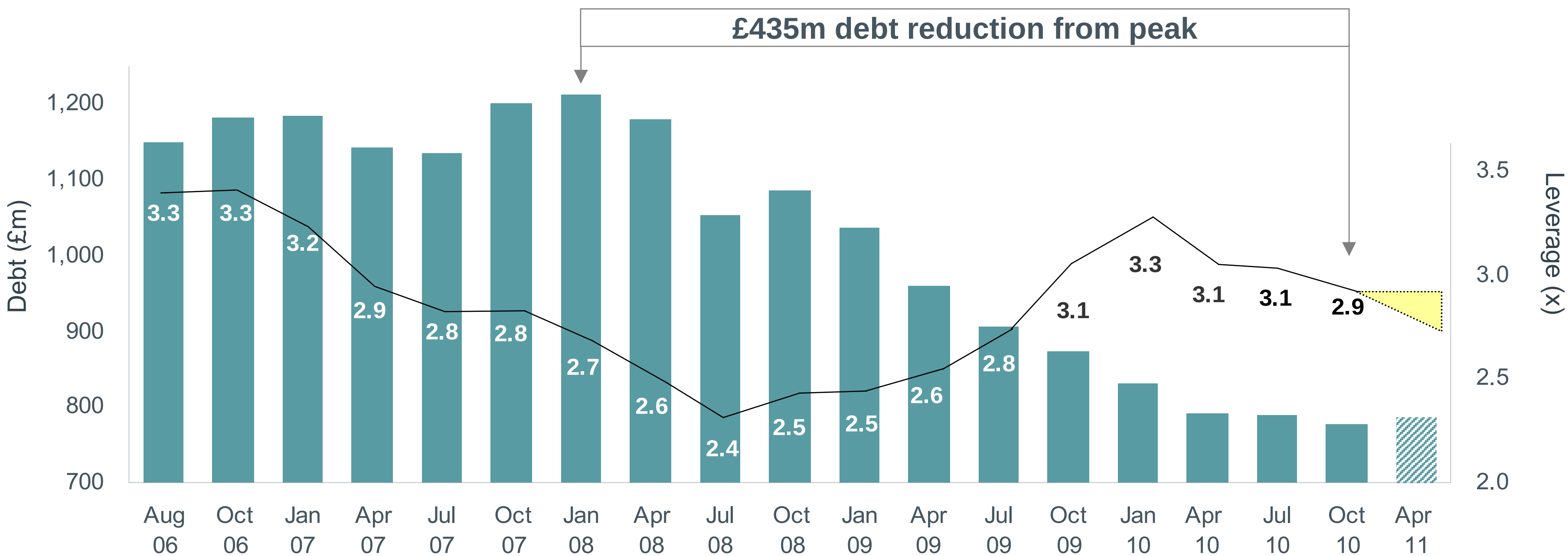
Ashtead group

Stable capital structure with long debt maturities



- Following November 2009's ABL refinancing, our debt is committed for 4.5 years on average at 31 October 2010
- 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 anticipated to remain broadly flat in FY 2010/11 as we reinvest in the fleet

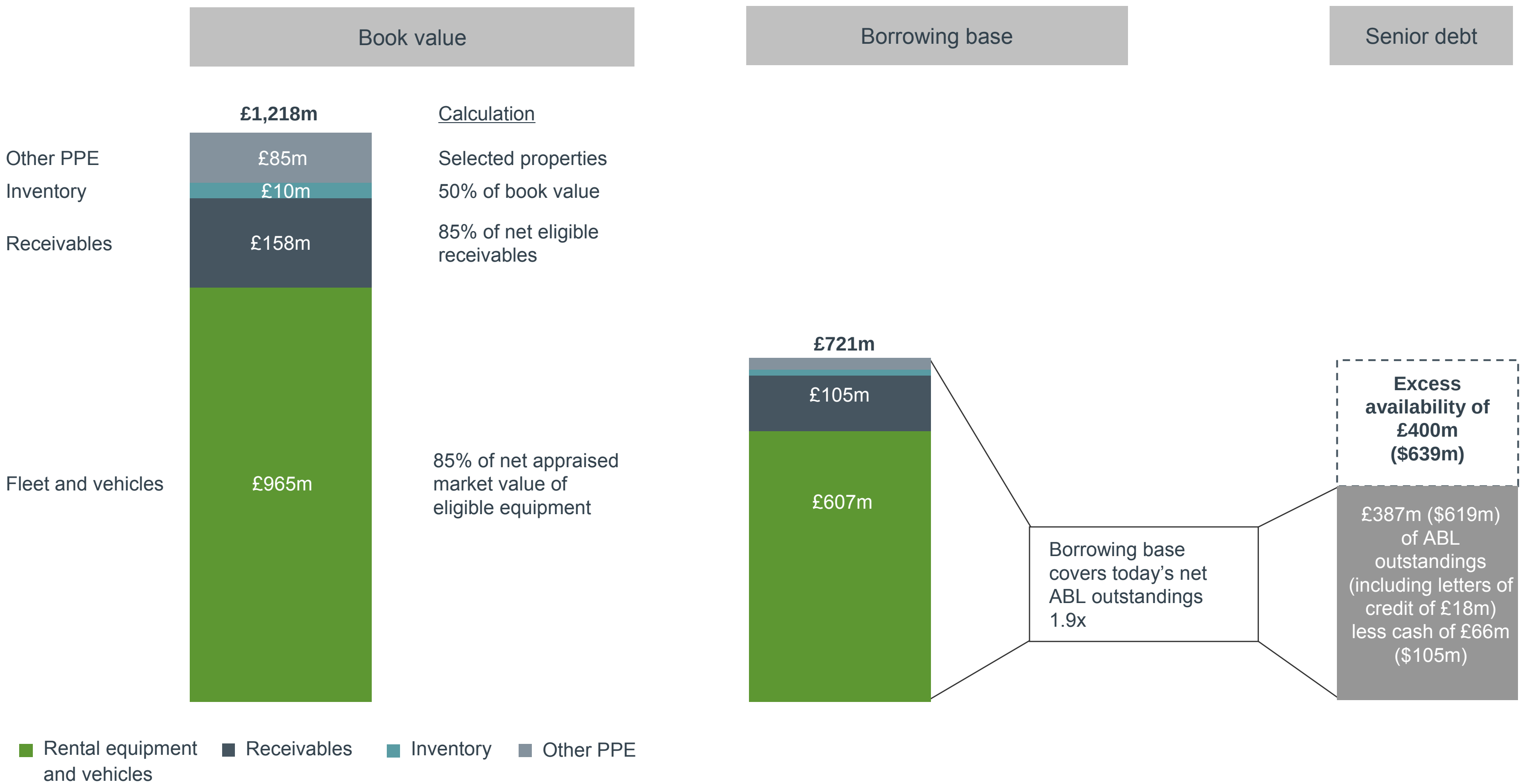


	Aug 06	Oct 06	Jan 07	Apr 07	Jul 07	Oct 07	Jan 08	Apr 08	Jul 08	Oct 08	Jan 09	Apr 09	Jul 09	Oct 09	Jan 10	Apr 10	Jul 10	Oct 10	Apr 11
Debt as reported (£m)	968	995	972	916	894	931	986	963	852	1,076	1,147	1,036	873	847	829	829	806	777	
Debt at 31 October 2010 FX rates (£m)	1,149	1,182	1,184	1,142	1,135	1,200	1,212	1,180	1,054	1,087	1,037	961	905	873	831	791	788	777	

- Moving forward, we expect to be able to fund fleet reinvestment expenditure and much of our organic fleet growth from cash flow as has been the case in previous cycles

[1] At constant exchange rate

$639m of availability at 31 October 2010



- Borrowing base reflects August 2010 asset values which were down around 18% from Spring 2007 peak but up 11% from the Autumn 2009 trough

Geoff Drabble

Chief executive

Sunbelt – summary

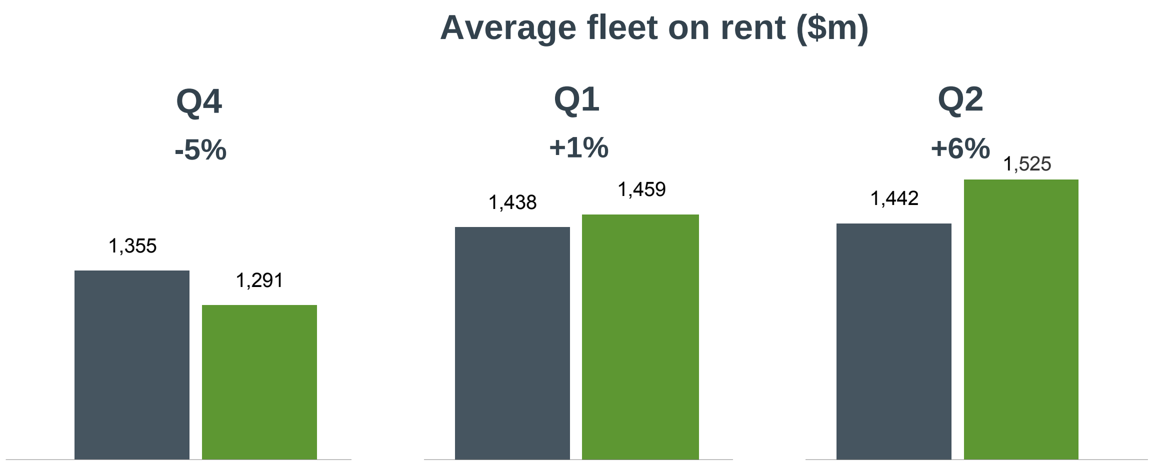
Demonstrating encouraging trends

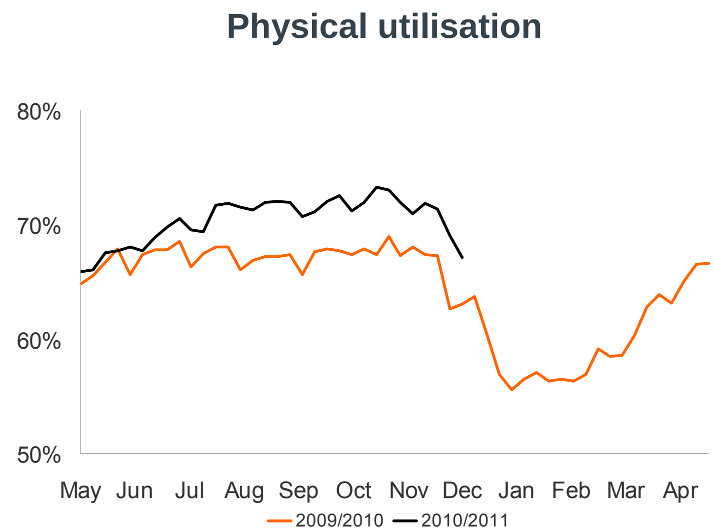
	Q2			H1		
($m)	2009	2010	change	2009	2010	change
Rental revenue	266	286	+7%	534	557	+4%
EBITDA	100	112	+11%	199	212	+7%
Operating profit	41	55	+34%	80	99	+24%

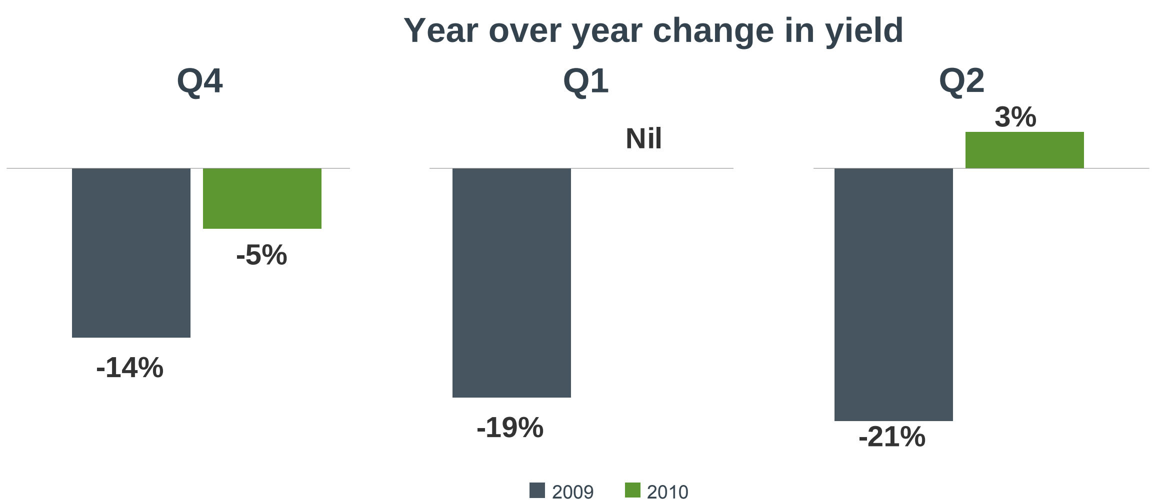
Ashtead group

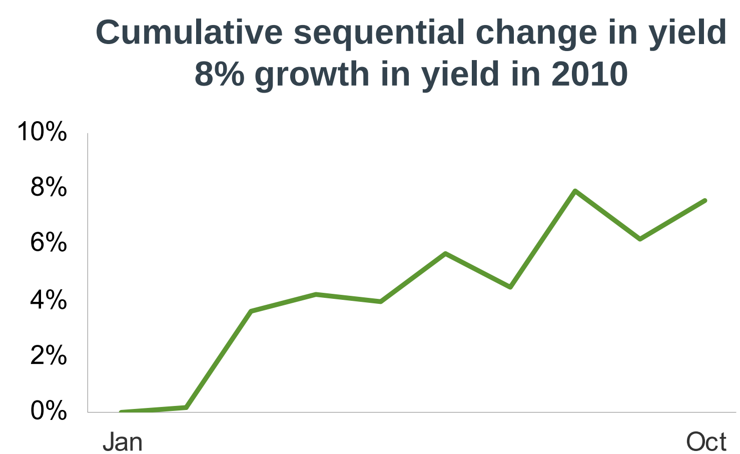
Sunbelt – revenue drivers

Continued improvement throughout the year









Sunbelt – EBITDA flow through focus in the upturn

Confident that after allowing for one-offs we are keeping tight control of costs and achieving a good flow through

H1 operating statistics

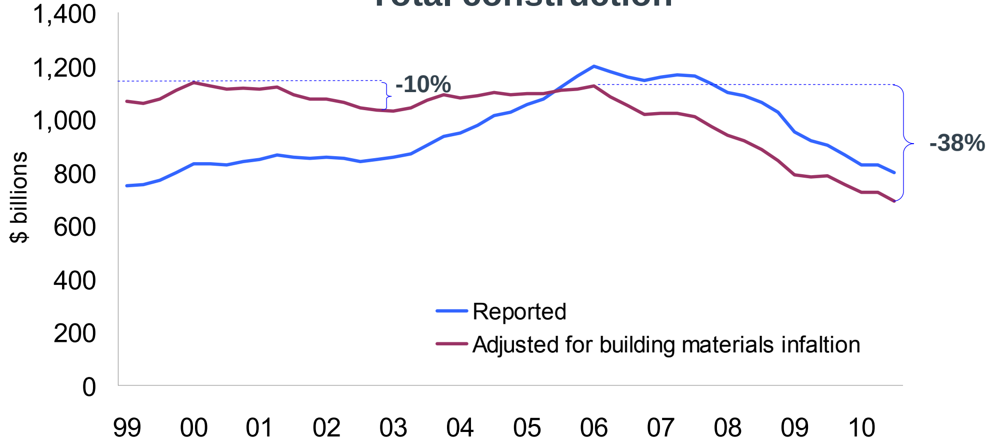
	31 October 2009	31 October 2010	Growth
Fleet on rent ($m)	1,442	1,525	+6%
Number of stores	397	346	-13%
Headcount	5,733	5,373	-6%

H1 flow through analysis

	$m
Rental revenue growth	23
Reported EBITDA growth	13
Change in used fleet sales margin	(3)
Non-recurring cost growth	6
Adjusted EBITDA growth	16
Adjusted flow through	70%

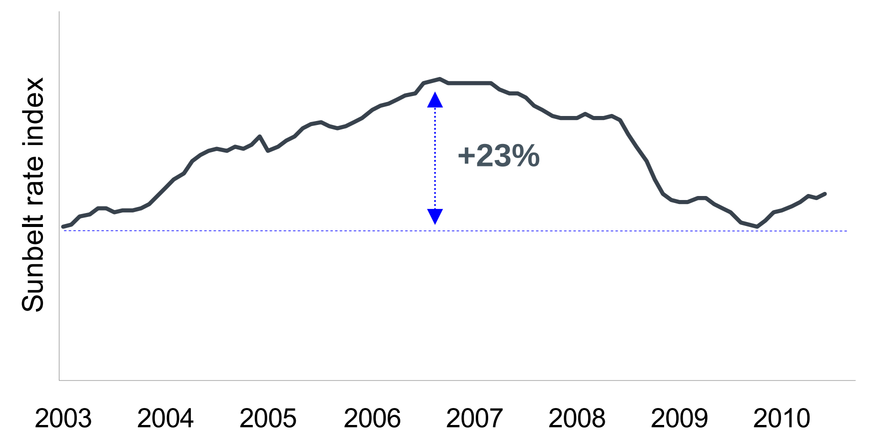
Where are we relative to last cycle?

Total construction

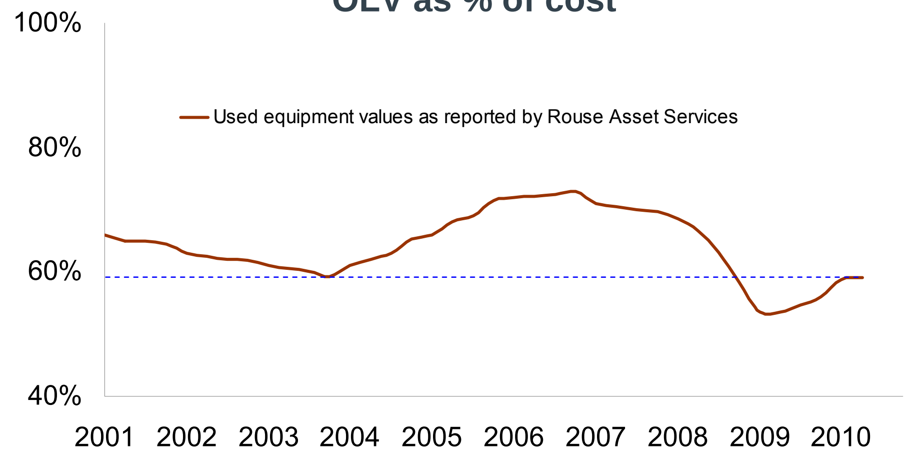


Source: Maximus Advisors – November 2010 US construction forecast

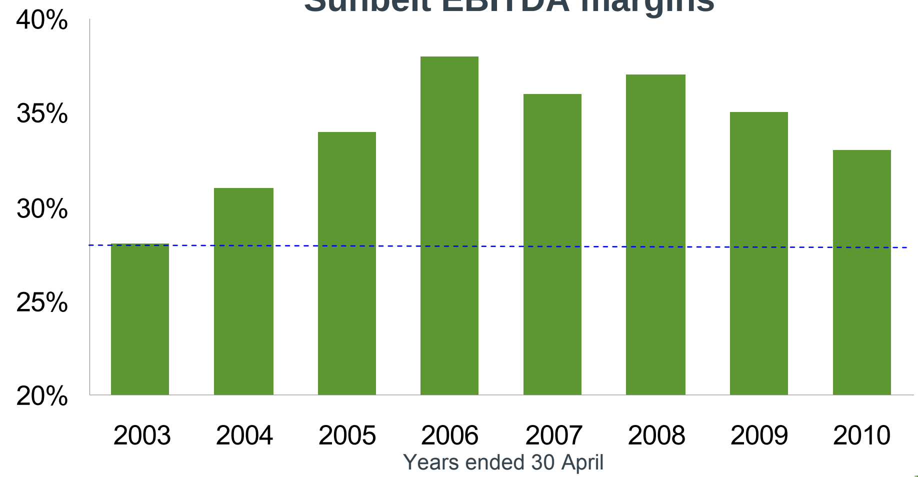
Sunbelt - rental rate index



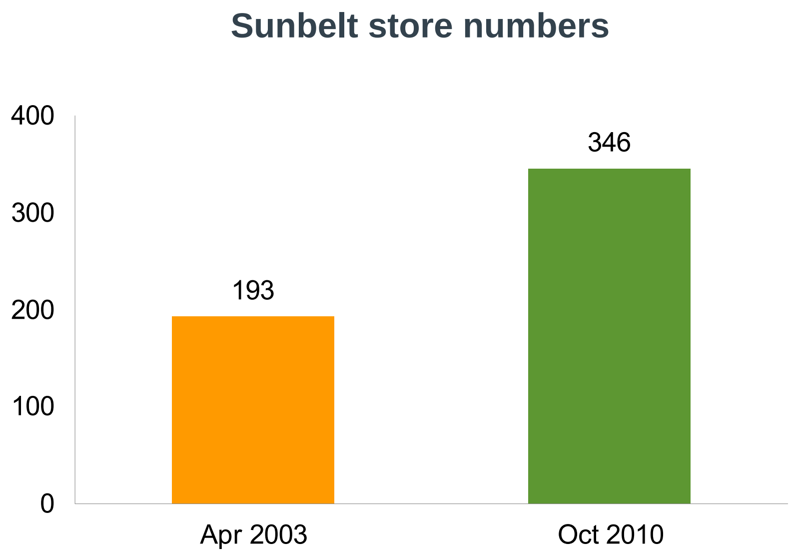
OLV as % of cost

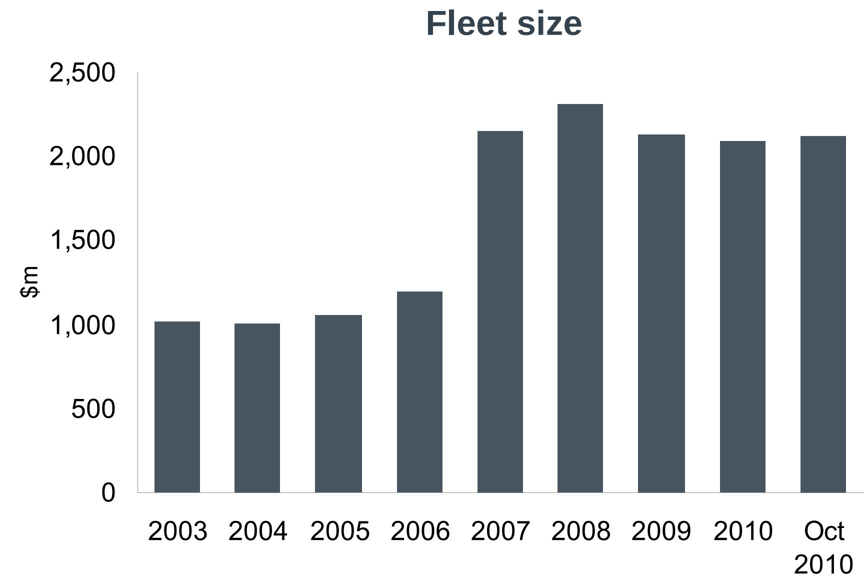


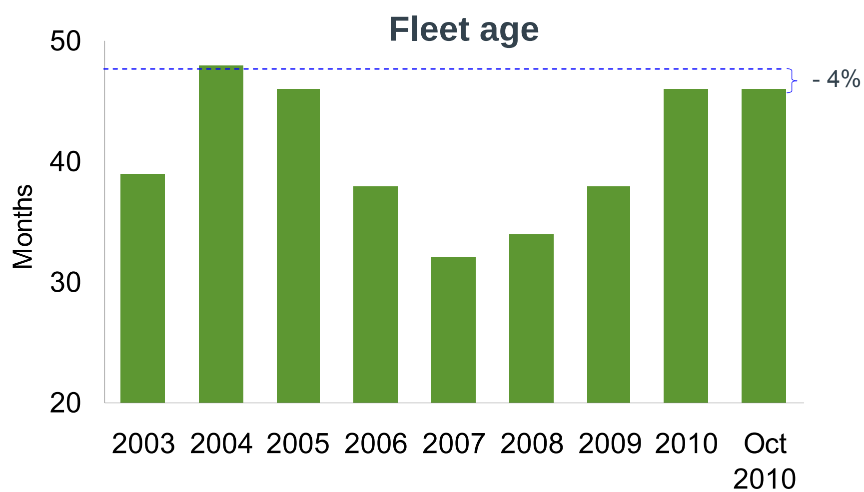
Sunbelt EBITDA margins

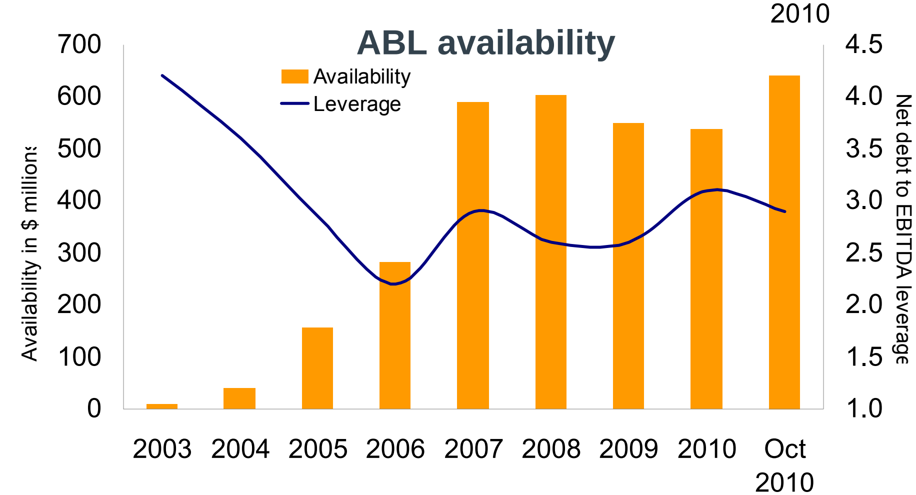


Where are we relative to last cycle?



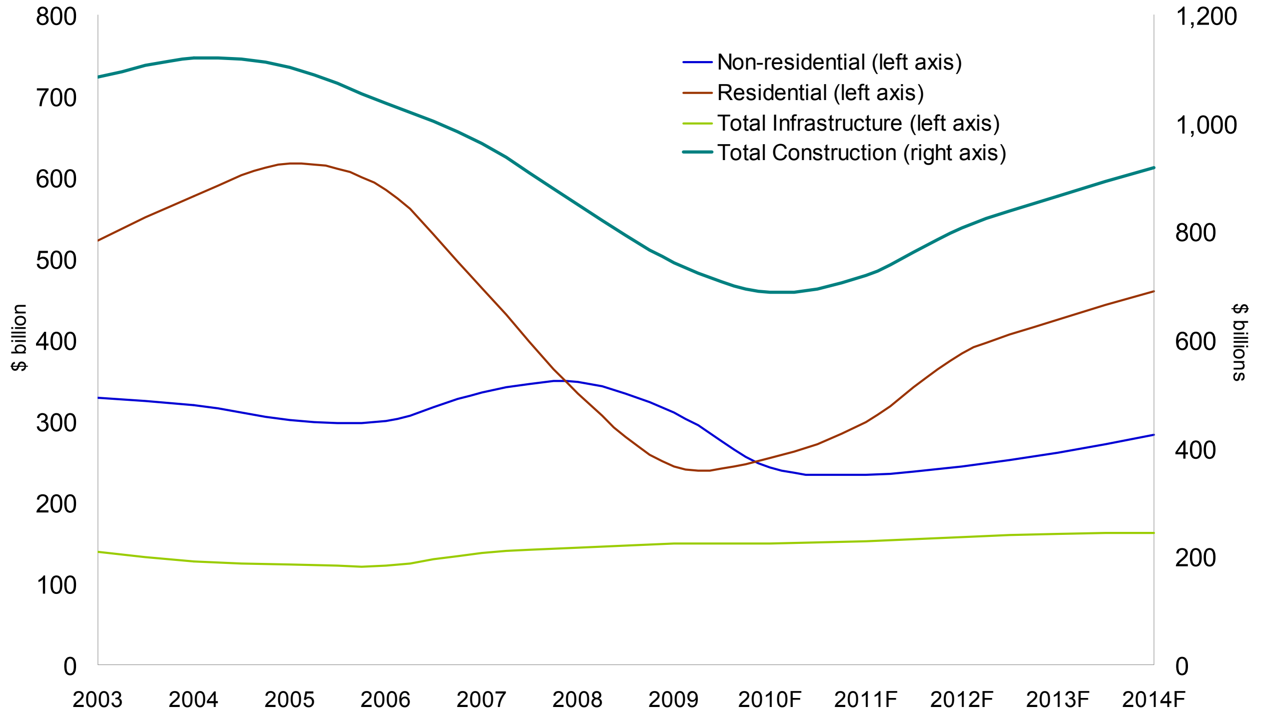






Construction markets at bottom but some way from previous peaks

US construction – inflation adjusted[1]

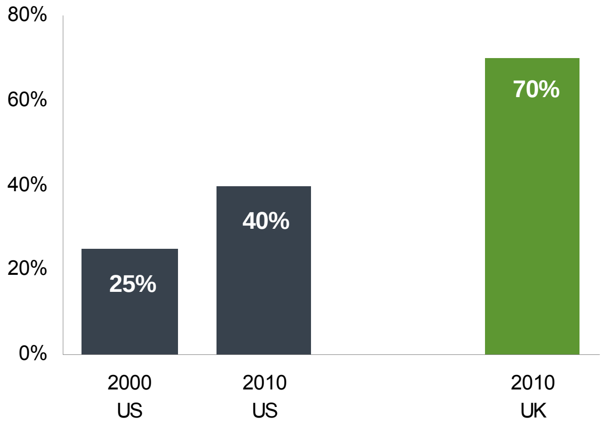


Source: Maximus Advisors – November 2010 US construction forecast

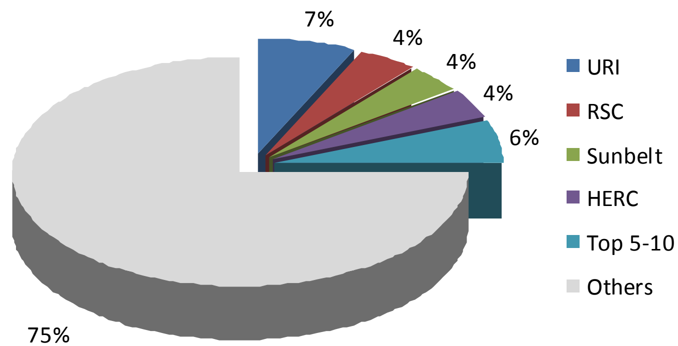
- Unemployment and fiscal constraint remain a drag on recovery

[1] **Inflation adjusted using the building materials price deflator published by the National Bureau of Economic Analysis**

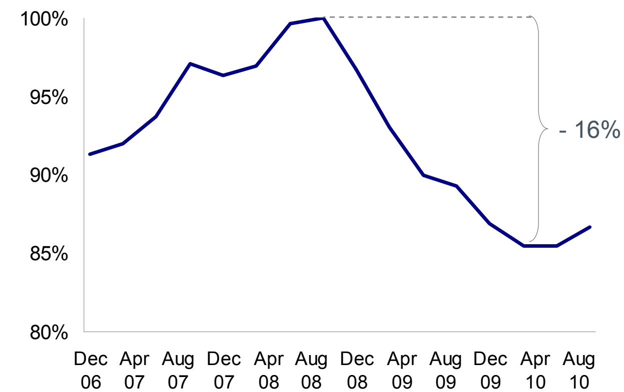
However, structural change in market will lead to sustainable growth



Rental penetration



Fragmentation



Source: Rouse Asset Services

Industry fleet

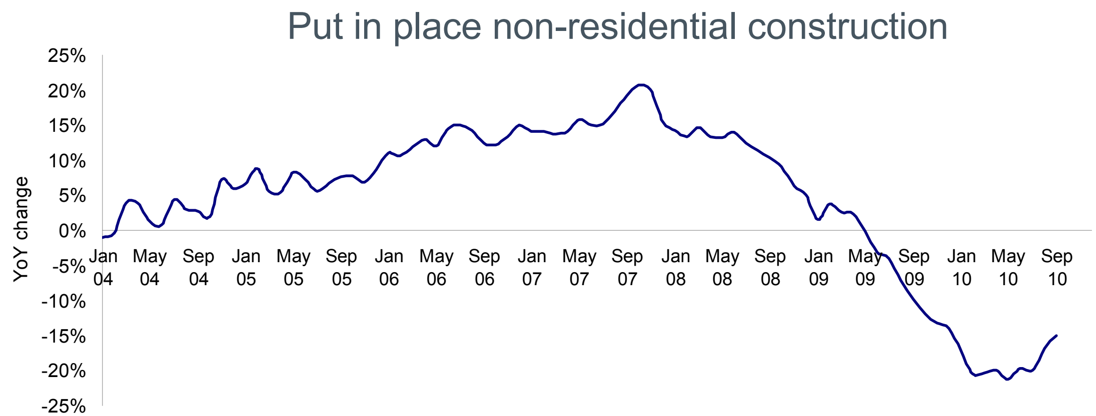
Uncertain outlook and lack of finance drives outsourcing

Every 1% increase in rental penetration = c$700m market growth

- Larger players getting bigger due to fleet size and mix along with a broad geographical base
- 2nd tier likely to be squeezed
- Well financed locals may do well as they fill gaps left by rationalisation
- But many other locals reliant on low cost lease finance will be significantly challenged

- Small recovery in demand will generate equipment shortages
- Likely to see long lead times from manufacturers
- Large well financed rental companies consume the available capacity – further driving penetration

What's the evidence to support this?



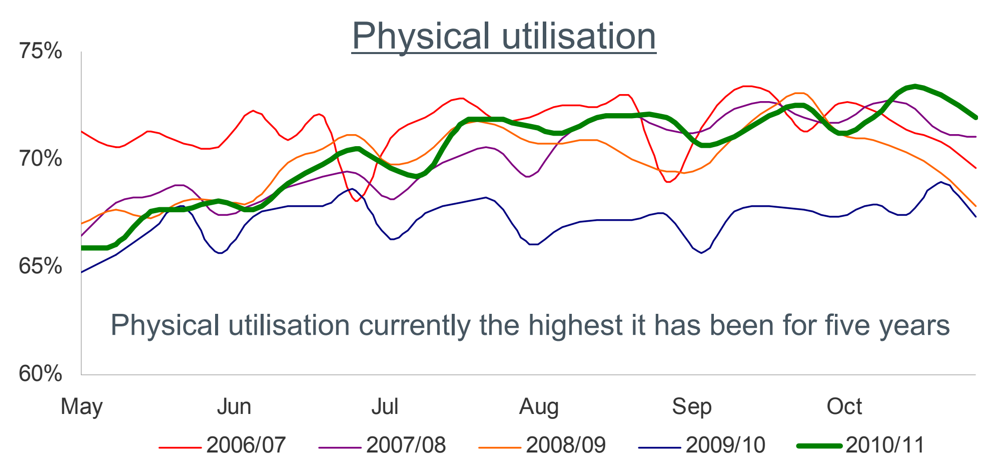
Source: US Census Bureau

There is clearly less work around than last year, **however**

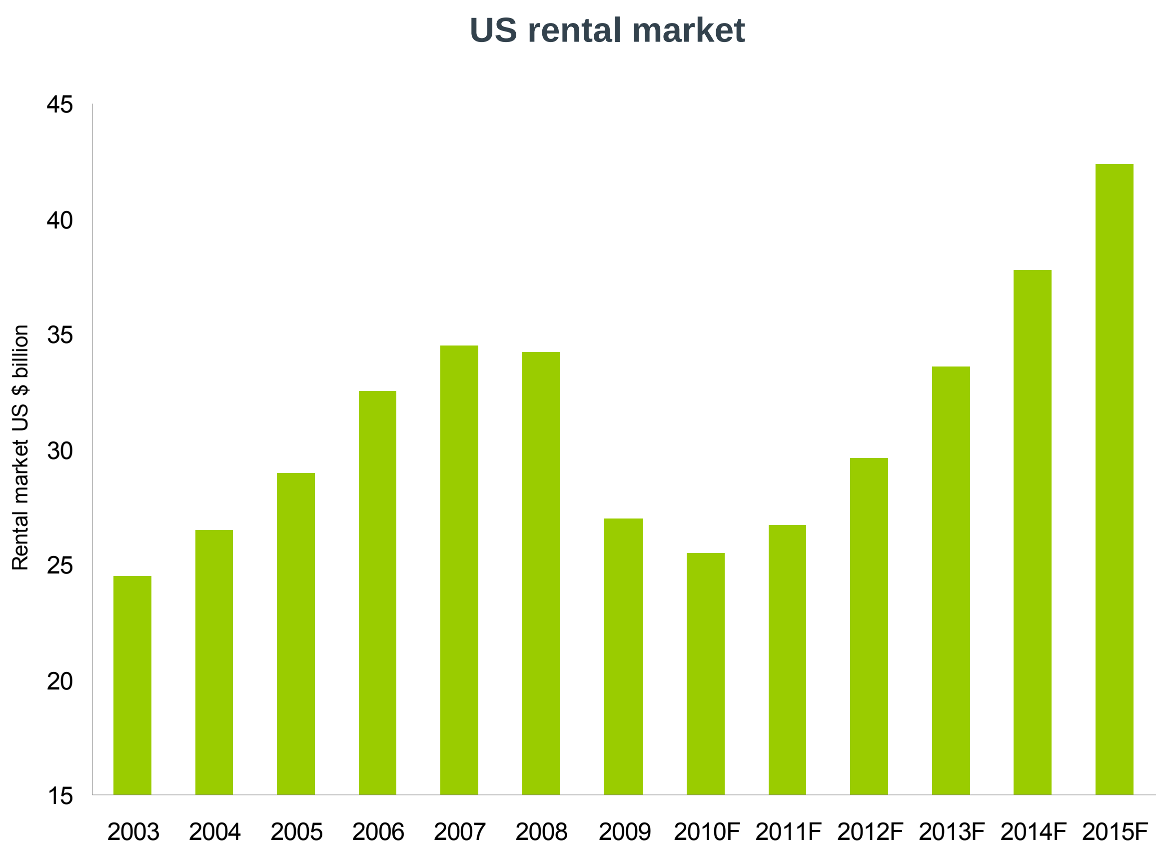
Current performance

	Sunbelt*	URI	RSC
Rental revenue	+9%	+6%	+7%
Fleet on rent	+6%	+11%	+13%
Yield	+3%	-5%	-6%

Q2 2010/11 for Sunbelt; Q3 2010 for URI & RSC
*Expressed on a billing days basis



Gentle recovery in construction markets plus structural change in rental provides clear medium term growth opportunity



Source: American Rental Association / Global Insight – November 2010

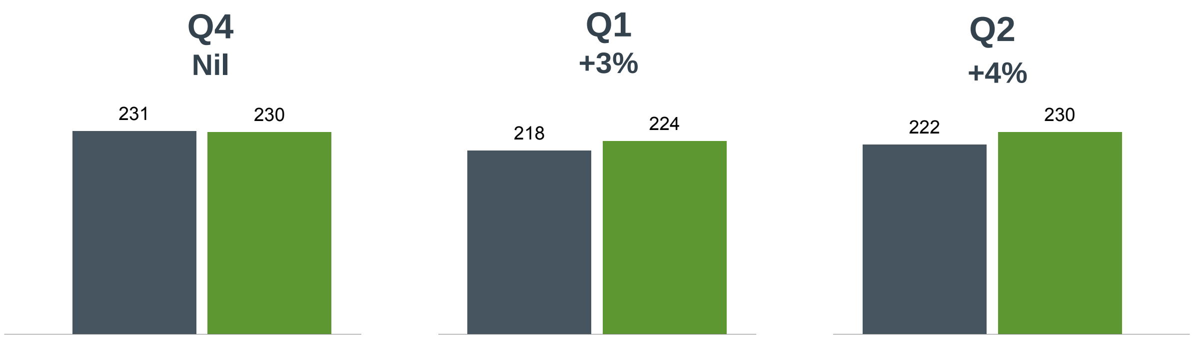
A-Plant – summary

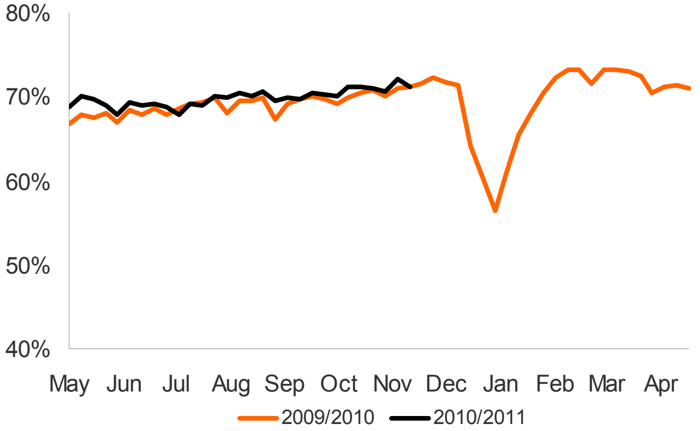
Performance now stabilising

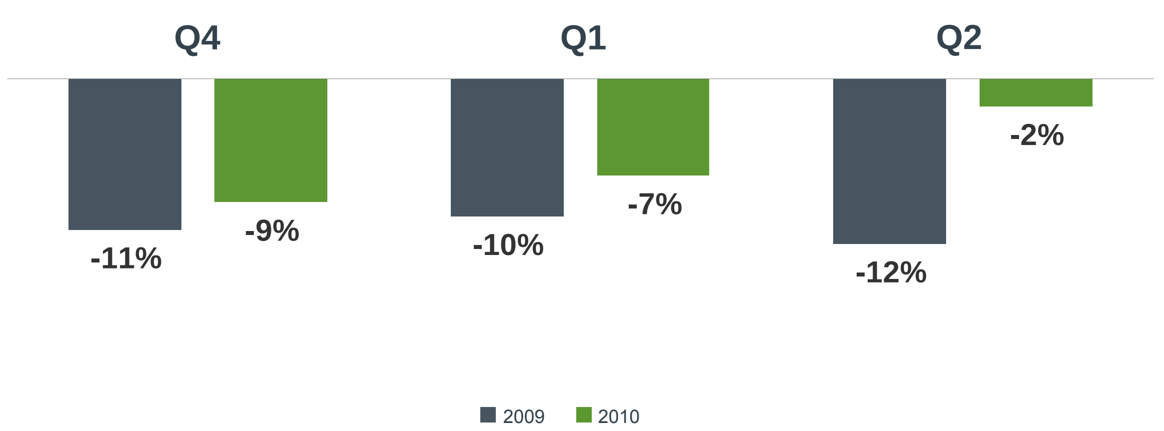
	Q2			H1		
(£m)	2009	2010	change	2009	2010	change
Rental revenue	39	39	+1%	79	77	-2%
EBITDA	12	12	-1%	24	24	+3%
Operating profit	2	2	+8%	3	4	+35%

Revenue drivers – A-Plant

Strong fleet on rent continues



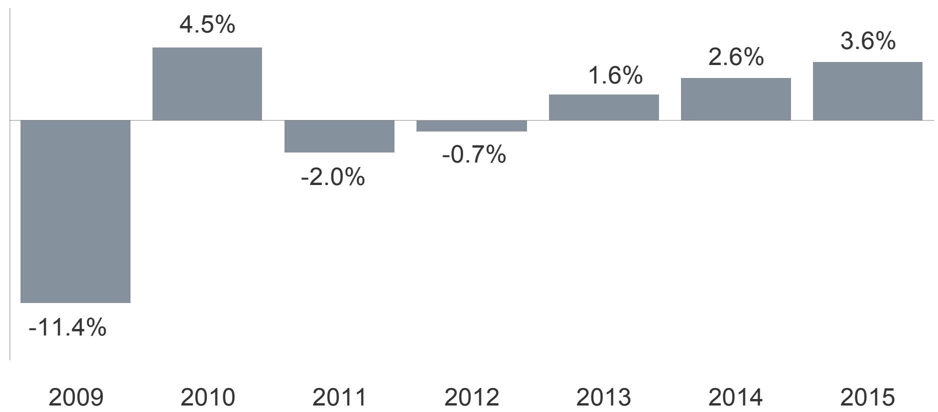




UK market

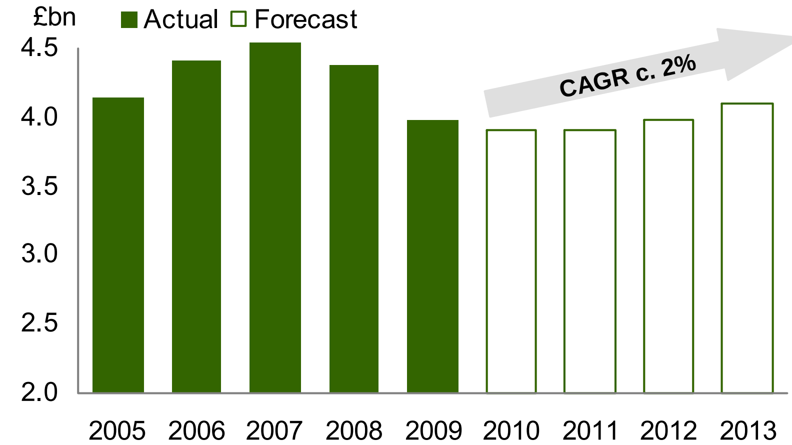
Stabilising at the bottom

Total UK construction output



Source: ONS, Construction Products Association

UK rental market



Source: AMA Research Ltd

- Outlook is uncertain. Mood of customer base also remains cautious
- Will benefit from defleeting in the industry which is now greater than the US for the large rental companies
- We are well placed to perform relatively well and will continue to focus on our core markets
- However, in the short term, returns are likely to remain low without structural change

In summary – where do we take the Group from here?

- Continue balanced reinvestment in our fleets from strong operating cash generation
- Focus on existing store network improving the range and size of the fleet
- Develop further the speciality businesses, i.e. pump and power and scaffold to broaden our market exposure
- Tight control of costs to ensure significant flow through to bottom line

→ **Our strategy is working**

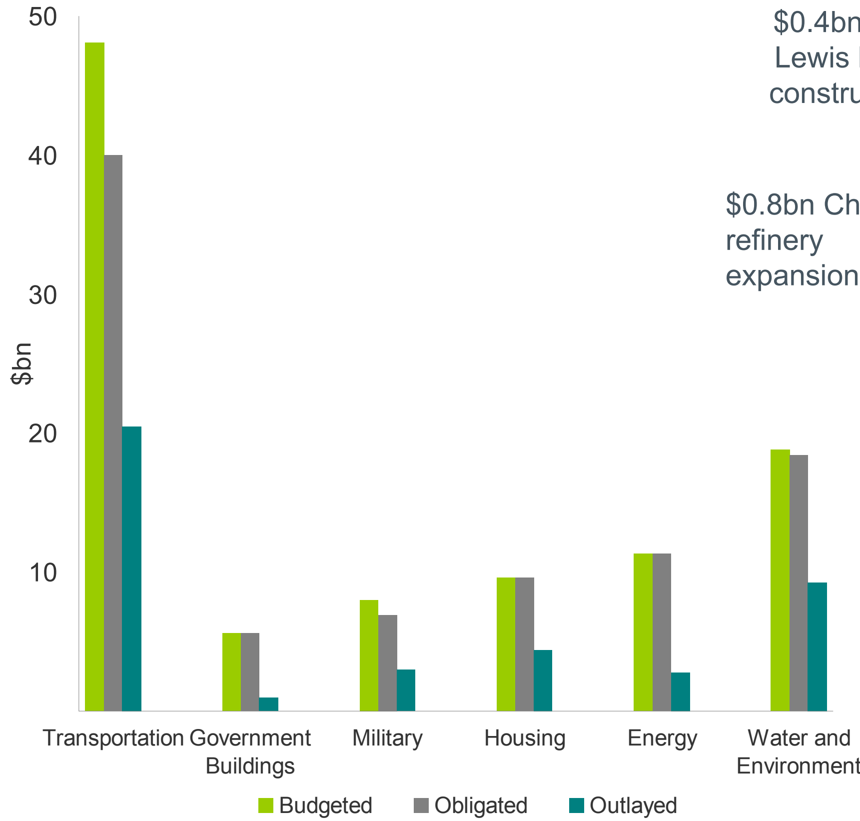
Ashtead group

Appendices

Stimulus work remains important

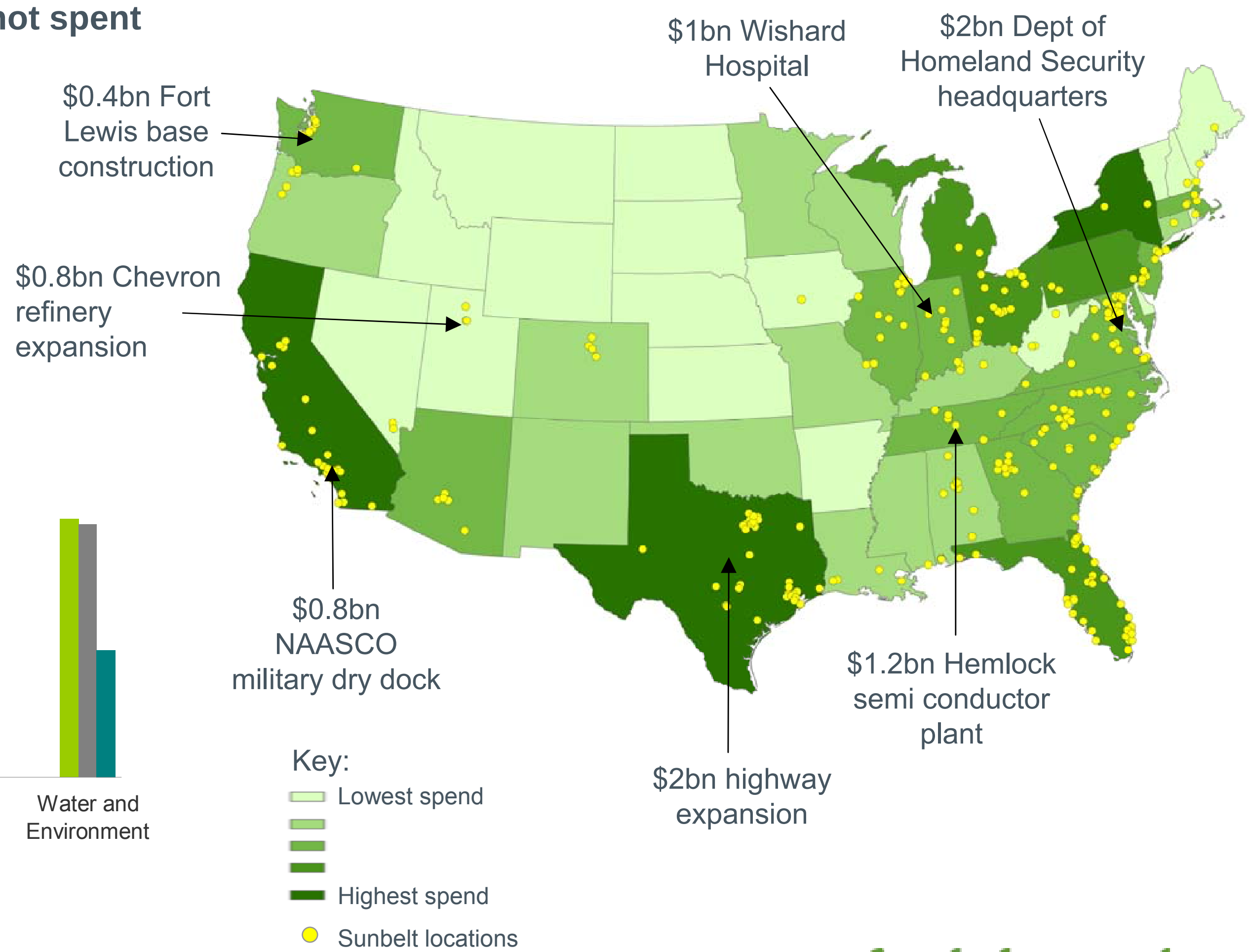
90% of funds obligated with 40% spent by end Q3 calendar 2010
- stimulus will continue to be a significant contributor in 2011 and 2012

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



Source: Sunbelt analysis of US Government ARRA reports

Geographical variation



Major US companies well placed to fund growth from operating cash flow

EBITDA margins[1]

	Sunbelt	RSC	URI
US	35%	35%	35%

	A-Plant	Speedy	Lavendon
UK	30%	14%	25%

Peak to trough fleet reduction

	Sunbelt	RSC	URI
US	-13%	-17%	-14%

	A-Plant	Speedy	Lavendon
UK	-18%	-21%	-20%

1 Q2 2010/11 for Sunbelt, Q3 2010 for RSC and URI, 6 months to Oct 2010 for A-Plant, 6 months to Sept 2010 for Speedy & 6 months to June 2010 for Lavendon

Q2 financial results

	Revenue			EBITDA			Profit		
	2009	**2010**	**change**	**2009**	**2010**	**change**	**2009**	**2010**	**change**
Sunbelt ($m)	288.4	317.7	+10%	100.4	111.7	+11%	41.1	54.8	+33%
Sunbelt (£m)	176.4	202.5	+15%	61.3	71.3	+16%	25.0	35.0	+40%
A-Plant	41.4	42.7	+3%	12.3	12.1	-1%	2.0	2.2	+8%
Group central costs	–	–	-	(1.3)	(1.6)	+24%	(1.2)	(1.7)	+23%
	217.8	**245.2**	+13%	**72.3**	**81.8**	+13%	**25.8**	**35.5**	+38%
Net financing costs							(14.5)	(17.4)	+20%
Profit before tax, remeasurements and amortisation							**11.3**	**18.1**	+61%
Fair value remeasurements and amortisation							(0.9)	(8.5)	n/a
Profit before taxation							**10.4**	**9.6**	-7%
Taxation							(5.8)	(3.5)	n/a
Profit after taxation							**4.6**	**6.1**	+31%

H1 financial results

	Revenue			EBITDA			Profit		
	2009	2010	change	2009	2010	change	2009	2010	change
Sunbelt ($m)	576.1	615.0	+7%	199.3	212.5	+7%	80.0	99.0	+24%
Sunbelt (£m)	355.4	401.9	+13%	122.9	138.9	+13%	49.3	64.7	+31%
A-Plant	84.0	82.4	-2%	23.7	24.4	+3%	3.1	4.2	+35%
Group central costs	–	–		(2.7)	(3.1)	+14%	(2.7)	(3.2)	+14%
	439.4	**484.3**	+10%	**143.9**	**160.2**	+11%	**49.7**	**65.7**	+32%
Net financing costs							(29.6)	(35.7)	+21%
Profit before tax, remeasurements and amortisation							**20.1**	**30.0**	+49%
Fair value remeasurements and amortisation							(1.5)	(6.4)	n/a
Profit before taxation							18.6	23.6	+27%
Taxation							(8.6)	(8.4)	-1%
Profit after taxation							**10.0**	**15.2**	+52%

LTM financial results

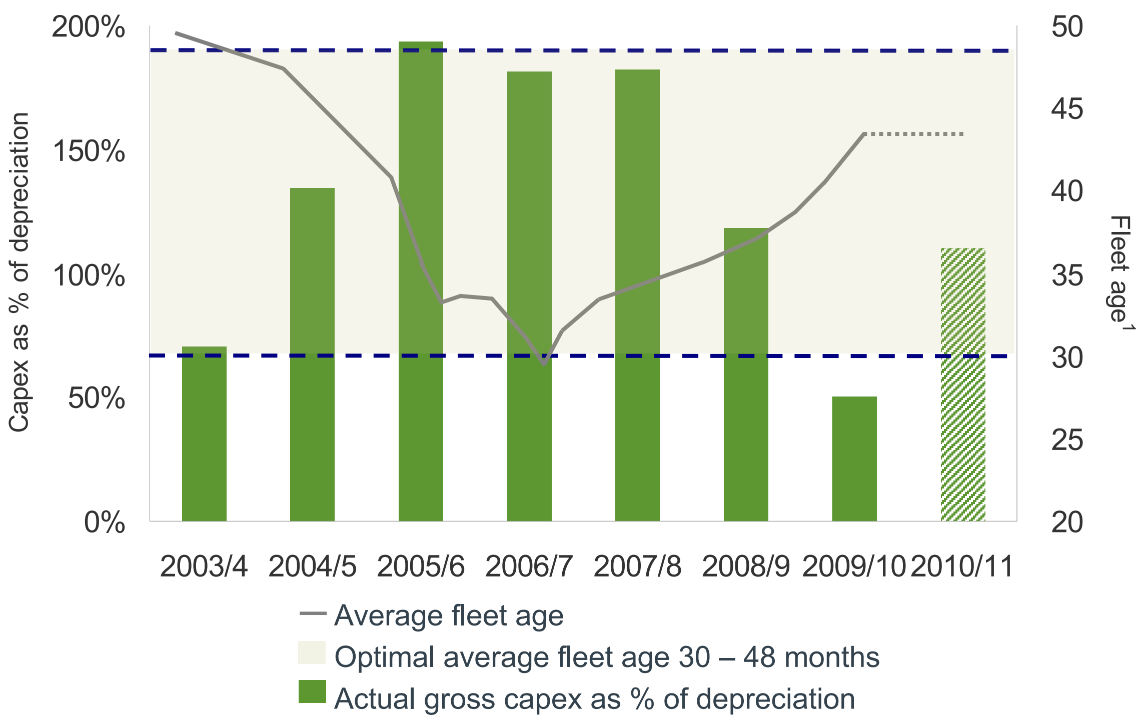
	Revenue			EBITDA			Profit		
	2009	2010	change	2009	2010	change	2009	2010	change
Sunbelt ($m)	1,155.9	1,119.4	-3%	378.9	364.0	-4%	134.8	135.6	+1%
Sunbelt (£m)	758.3	721.0	-5%	251.0	235.0	-6%	94.3	88.1	-7%
A-Plant	173.5	160.7	-7%	47.7	42.7	-10%	5.0	2.9	-42%
Group central costs	–	–		(4.5)	(6.3)	+40%	(4.6)	(6.5)	+41%
	931.8	**881.7**	-5%	**294.2**	**271.4**	-8%	**94.7**	**84.5**	-11%
Net financing costs							(63.8)	(69.6)	+9%
Profit before tax, exceptionals, remeasurements and amortisation							**30.9**	**14.9**	-52%
Exceptional items, fair value remeasurements and amortisation							(51.0)	(5.1)	-90%
Profit before taxation							(20.1)	9.8	n/a
Taxation							7.8	(3.5)	n/a
Profit after taxation							**(12.3)**	**6.3**	n/a

Stable free cash flow

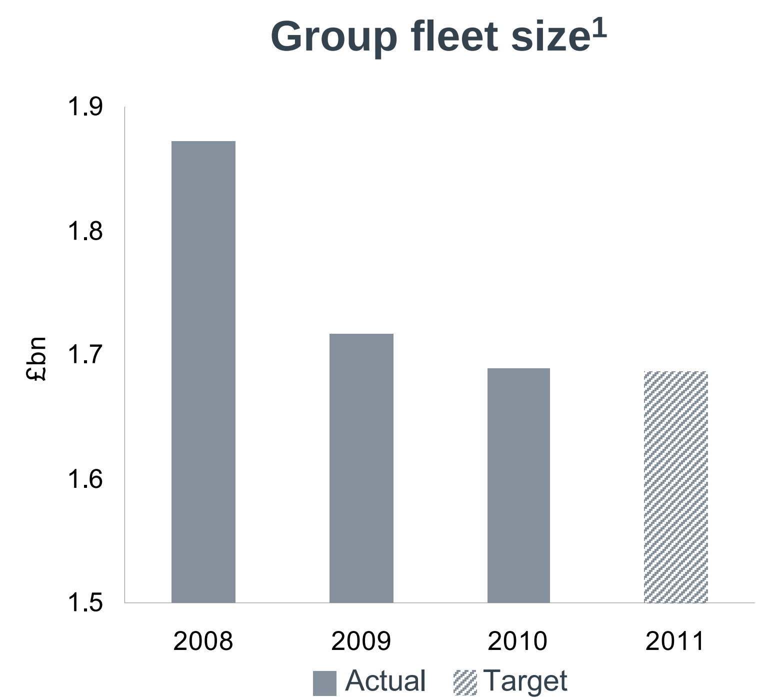
(£m)	2002	2003	2004	2005	2006	2007	2008	2009	2010	LTM Oct 10
EBITDA before exceptional items	**185**	**150**	**147**	**170**	**225**	**310**	**380**	**359**	**255**	**271**
Cash conversion ratio[1]	*105%*	*105%*	*95%*	*97%*	*96%*	*103%*	*94%*	*104%*	*104%*	*98%*
Cash inflow from operations before fleet changes and exceptionals	**194**	**157**	**140**	**165**	**215**	**319**	**356**	**374**	**266**	**266**
Maintenance capital expenditure	(117)	(89)	(83)	(101)	(167)	(245)	(231)	(236)	(43)	(112)
Disposal proceeds	27	29	32	36	50	78	93	92	31	40
Interest and tax	(47)	(40)	(33)	(31)	(41)	(69)	(83)	(64)	(54)	(64)
Cash flow before growth investment & excep'ls	**57**	**57**	**56**	**69**	**57**	**83**	**135**	**166**	**200**	**130**
Growth capital expenditure	(86)	(18)	-	(10)	(63)	(63)	(120)	-	-	-
Exceptional income/(costs)	16	(8)	(17)	(6)	(20)	(69)	(10)	(9)	(8)	(5)
Acquisitions & disposals	(3)	(1)	15	1	(44)	(327)	(6)	89	(1)	(1)
Cash flow available for equity holders	**(16)**	**30**	**54**	**54**	**(70)**	**(376)**	**(1)**	**246**	**191**	**124**
Dividends paid	(11)	(9)	-	-	(2)	(7)	(10)	(13)	(13)	(15)
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**	**109**

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

Fleet planning
- fleet stabilising in terms of both age and size



[1] Weighted by net book value



[1] At 2010 exchange rates

Debt and covenants

Debt

Facility	Interest rate	Maturity
$1.31bn first lien revolver	LIBOR +300-375bp	November 2013
$0.22bn 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 ($639m at 31 October)

Leverage covenant

- Gross funded debt to EBITDA cannot exceed 4.0x
- EBITDA is measured before one time items and at constant exchange rates
- 3.1x at October 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
- 2.2x at October 2010