Looking to the medium term

Second quarter results | 31 October 2012

Issued: 11 December 2012

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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 18–19 of the Group's Annual Report and Accounts for the year ended 30 April 2012 and in the unaudited results for the second quarter ended 31 October 2012 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

- Revenue growth of 17%
- Record H1 pre-tax profit of £141m (2011: £84m)
- Group EBITDA margin rises to 41% (2011: 36%)
- Interim dividend raised 50% to 1.5p per share (2011: 1.0p)
- Acquired JMR Industries, a business serving the oil and gas industry
- Board now anticipates full year profit ahead of its earlier expectations

Suzanne Wood

Finance director

Q2 Group revenue and profit

(£m)	Q2 2012	Q2 2011	Q2 Change[1]
Revenue	**356**	**307**	**16%**
- of which rental	316	273	15%
Operating costs	(209)	(194)	8%
EBITDA	**147**	**113**	**29%**
Depreciation	(57)	(50)	15%
Operating profit	**90**	**63**	**41%**
Net interest	(11)	(12)	-20%
Profit before tax and amortisation	**79**	**51**	**56%**
Earnings per share (p)	**10.0**	**6.4**	**53%**
Margins			
- EBITDA	*41%*	*37%*	
- Operating profit	*25%*	*21%*	

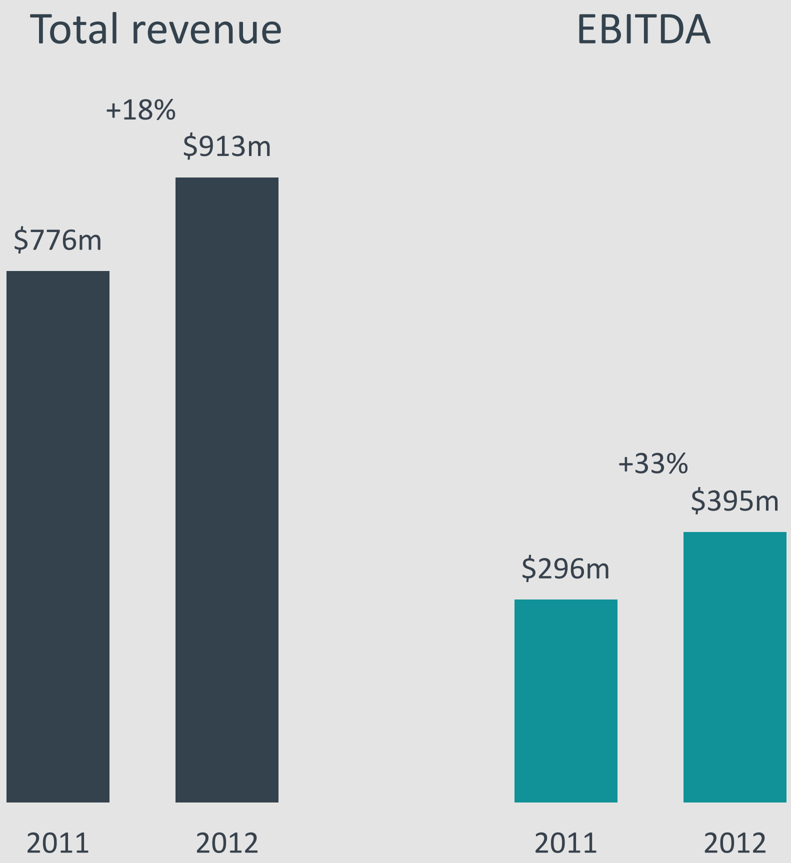
[1] At constant exchange rates
[2] The results in the table above are the Group's underlying results and are stated before exceptionals, intangible amortisation and fair value remeasurements

H1 Group revenue and profit

	H1		
(£m)	2012	2011	Change[1]
Revenue	**681**	**575**	**17%**
- of which rental	605	517	15%
Operating costs	(405)	(368)	8%
EBITDA	**276**	**207**	**31%**
Depreciation	(113)	(97)	14%
Operating profit	**163**	**110**	**47%**
Net interest	(22)	(26)	-11%
Profit before tax and amortisation	**141**	**84**	**64%**
Earnings per share (p)	**17.7**	**10.7**	**62%**
Margins			
- EBITDA	*41%*	*36%*	
- Operating profit	*24%*	*19%*	

[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 divisional results – Sunbelt

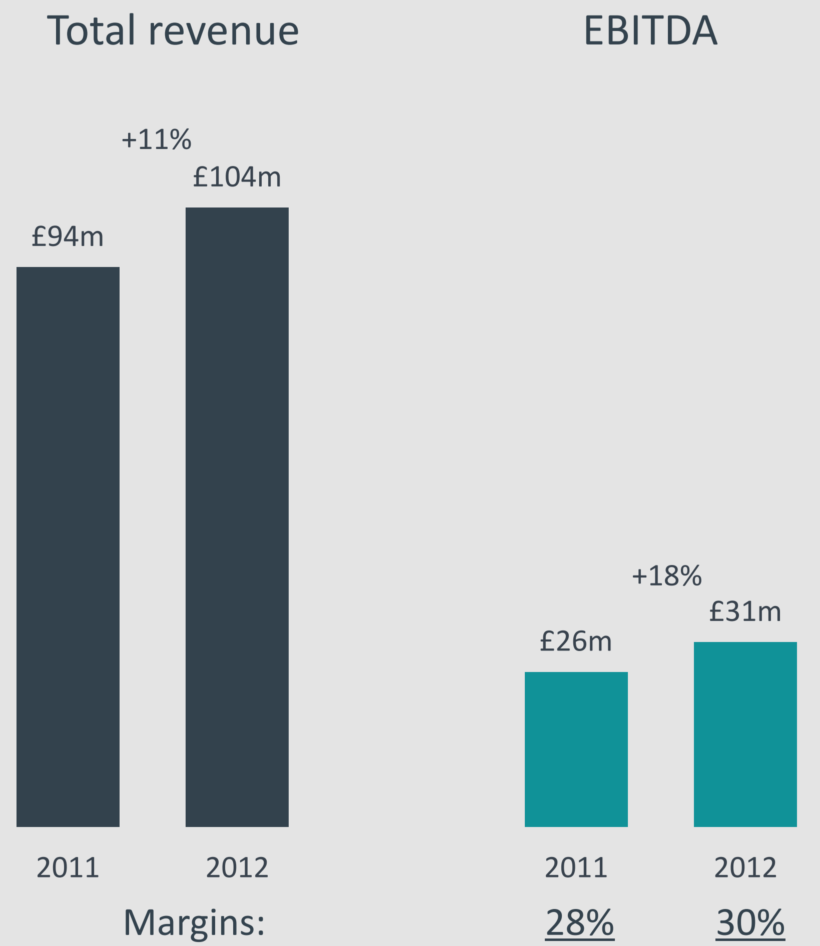


Margins: 38% 43%

	Revenue bridge	
	Change	($m)
2011 rental revenue		694
Change – Volume	+10%	79
– Yield	+5%	38
2012 rental revenue		811
Sales revenue		102
2012 total revenue		**913**

	EBITDA bridge	
	Change	($m)
2011 EBITDA		296
Rental revenue increase	+17%	117
Operating cost increase	+6%	(24)
Increase in profit on sale of fixed assets		6
2012 EBITDA		**395**

H1 divisional results – A-Plant



	Revenue bridge	
	Change	(£m)
2011 rental revenue		86
Change – Volume	+9%	8
– Yield	-2%	(2)
2012 rental revenue		92
Sales revenue		12
2012 total revenue		**104**

	EBITDA bridge	
	Change	(£m)
2011 EBITDA		26
Rental revenue increase	+8%	6
Operating cost increase	+4%	(1)
Increase in profit on sale of fixed assets		-
2012 EBITDA		**31**

Cash flow

Significant reinvestment in our rental fleet

(£m)	H1 2012	H1 2011	Change
EBITDA before exceptional items	276	207	+33%
Cash conversion ratio[1]	80.2%	83.7%	
Cash inflow from operations[2]	**221**	**173**	**+28%**
Payments for capital expenditure	(413)	(258)	
Rental equipment and other disposal proceeds received	49	39	
	(364)	(219)	
Interest and tax paid	(24)	(27)	
Exceptional costs paid	(15)	(2)	
Free cash flow	**(182)**	**(75)**	
Dividends paid	(13)	(10)	
Purchase of own shares by the ESOT	(10)	-	
Increase in net debt	**(205)**	**(85)**	

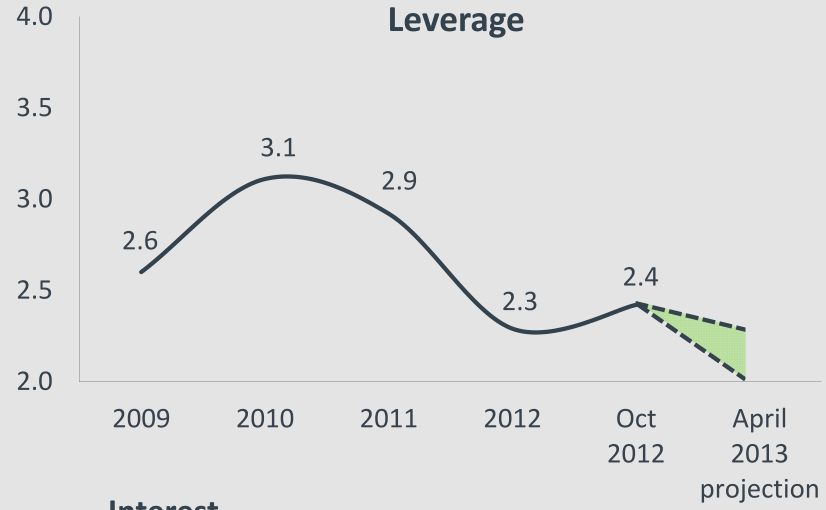
[1] Cash inflow from operations as a percentage of EBITDA
[2] Before fleet changes and exceptionals

Ashtead group

Net debt and leverage

Net debt to EBITDA continues to reduce as we invest in the fleet

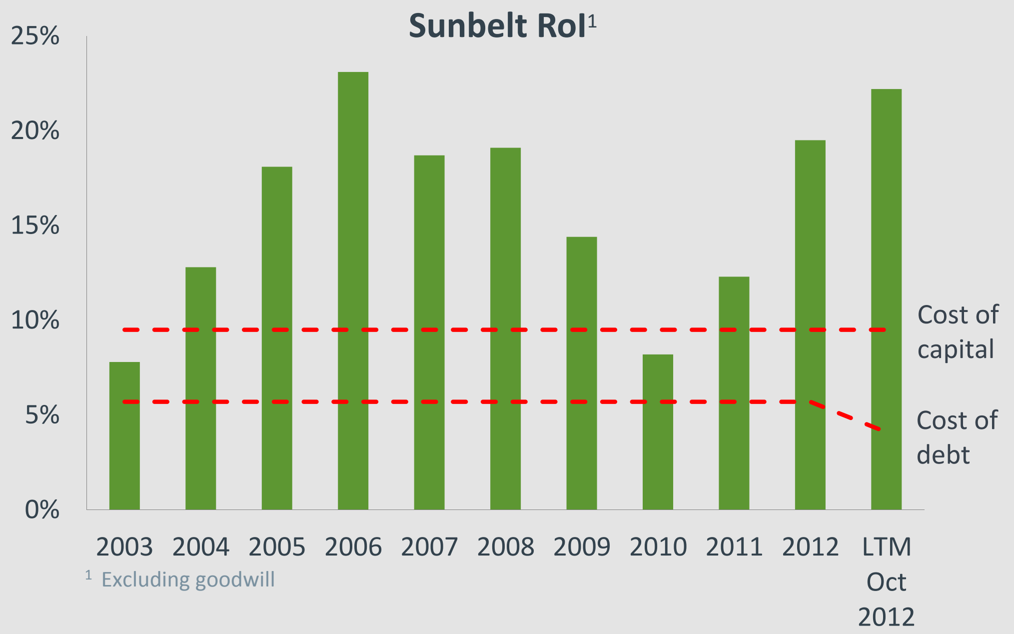
(£m)	Oct 2012	Oct 2011
Net debt at 30 April	**854**	**776**
Translation impact	4	26
Opening debt at closing exchange rates	**858**	**802**
Change from cash flows	205	85
Non-cash movements	6	2
Net debt at period end	**1,069**	**889**
Comprising:		
First lien senior secured bank debt	763	573
Second lien secured notes	304	336
Finance lease obligations	3	3
Cash in hand	(1)	(23)
Total net debt	**1,069**	**889**
Net debt to EBITDA leverage (x)	**2.4**	**2.7**



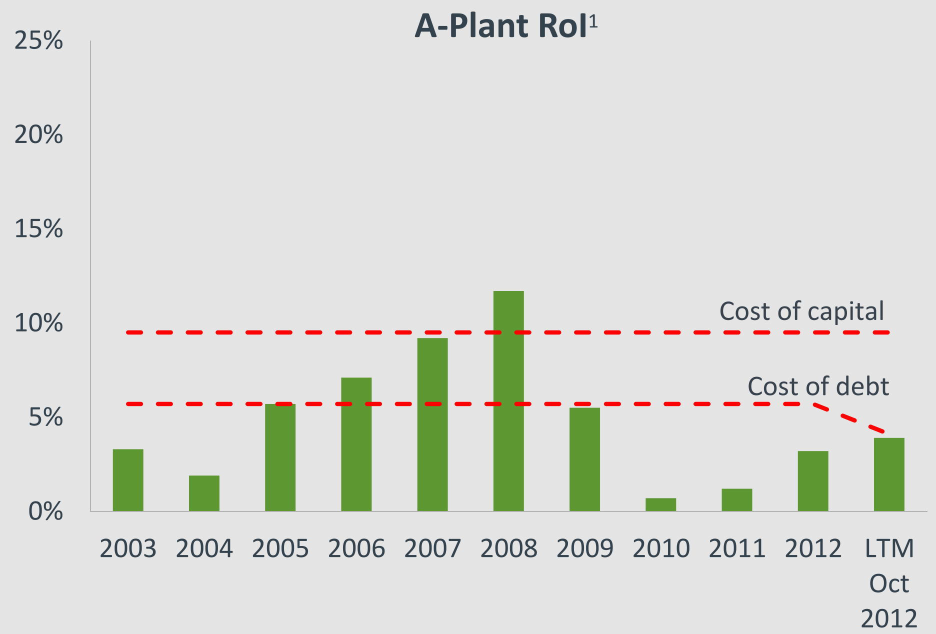
Interest

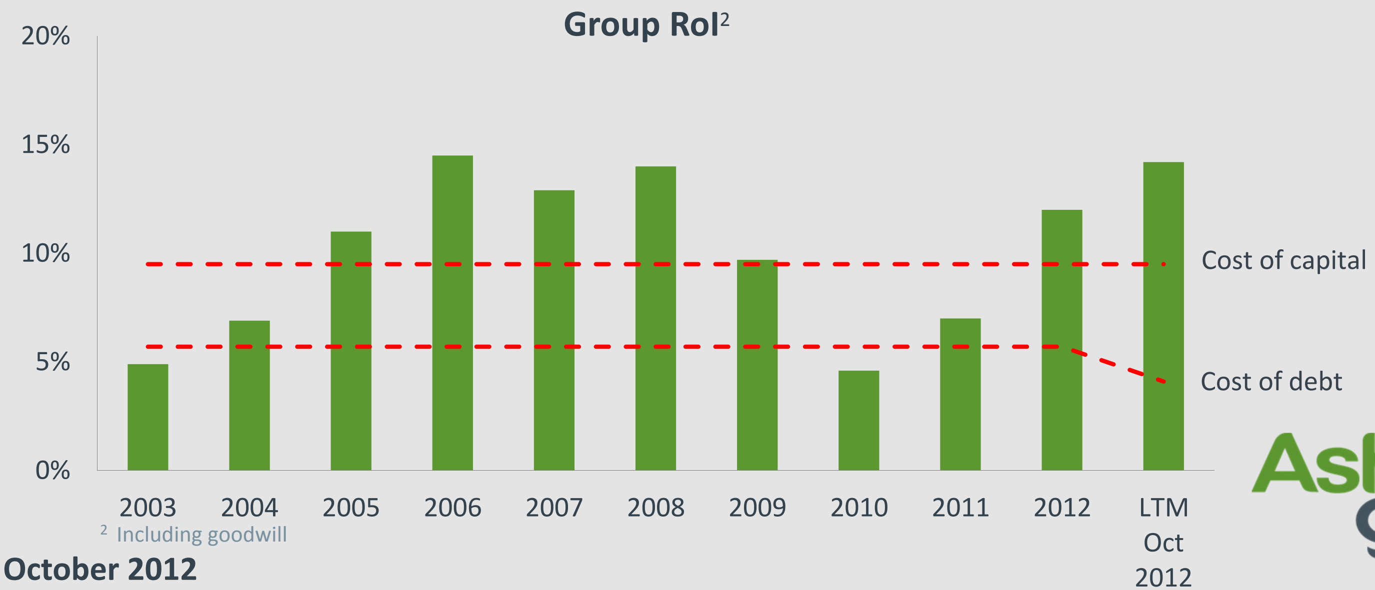
Floating rate:	71%
Fixed rate:	29%

Strong RoI pre cyclical recovery



[1] Excluding goodwill





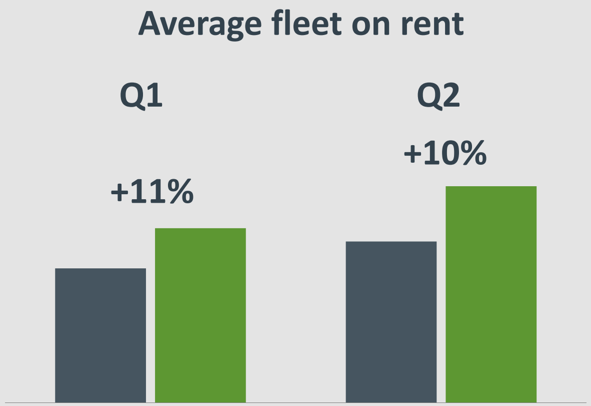
[2] Including goodwill

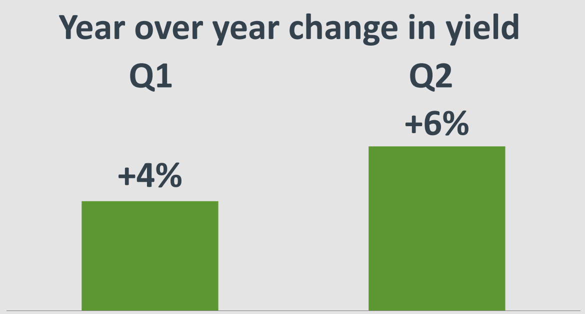
Geoff Drabble

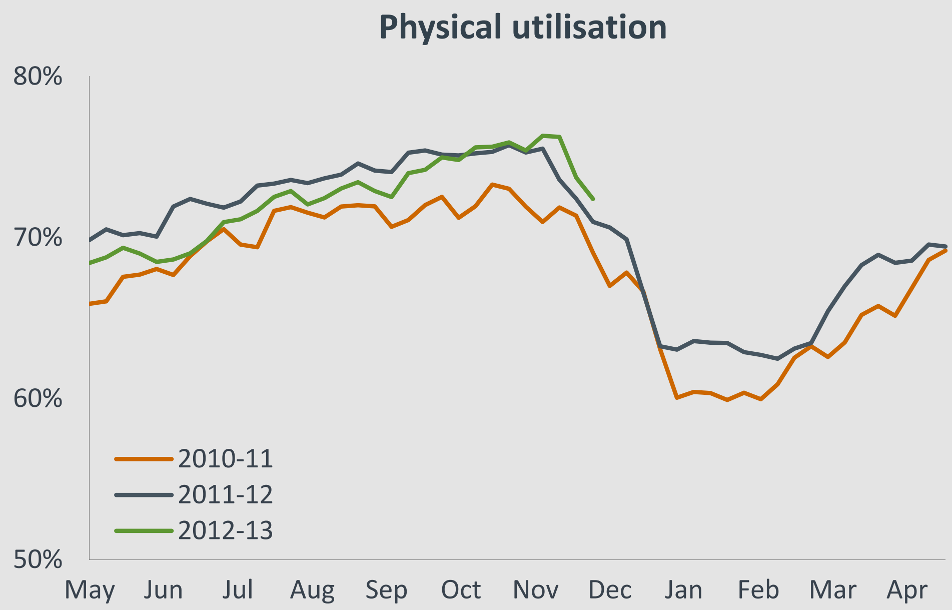
Chief executive

Sunbelt revenue drivers

Continuation of strong performance in both volume and yield







Impact of Sandy

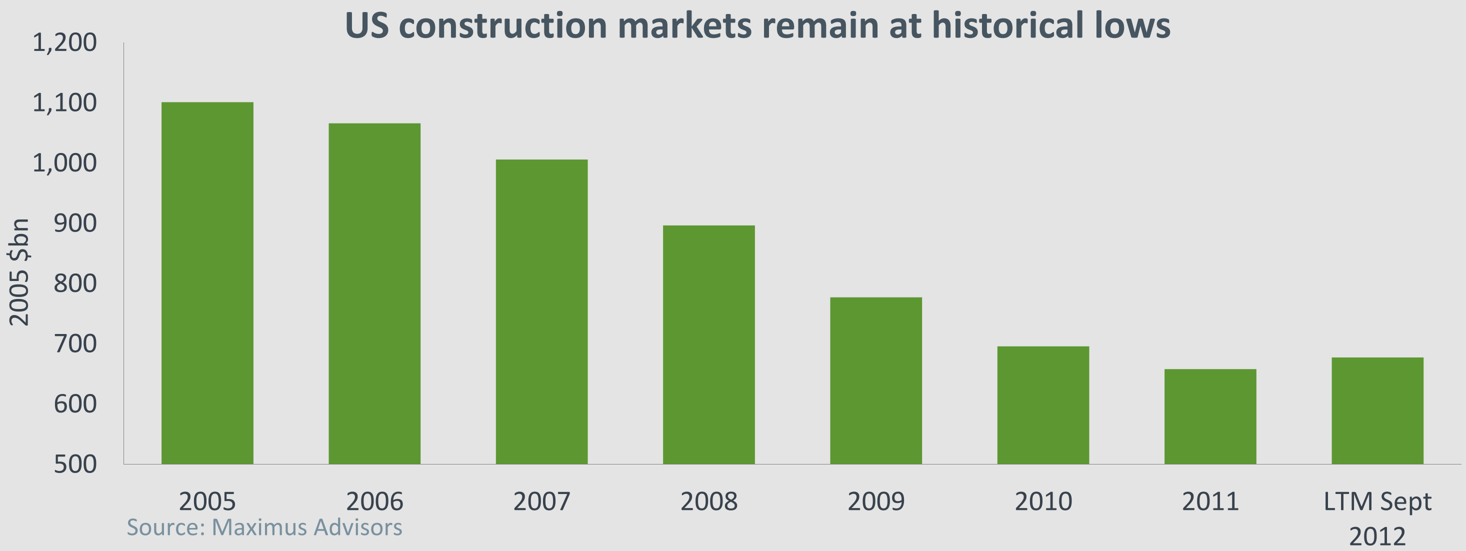
- No impact in Q2 reported results
- Certainly will impact the short term
- November rental revenues +26%

  - including Sandy impact of +5%

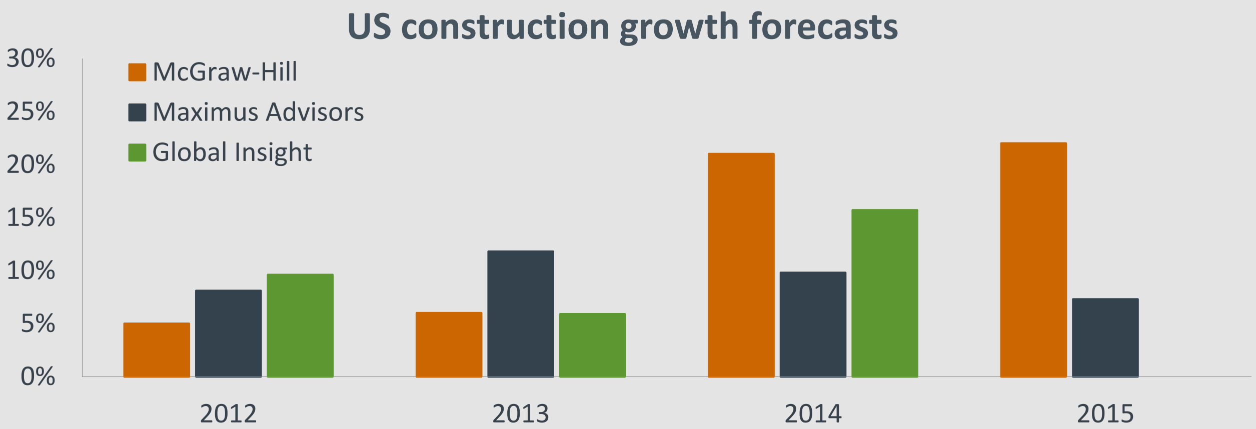
Ashtead group

Markets have clearly stabilised

Sustained period of growth forecast



Source: Maximus Advisors

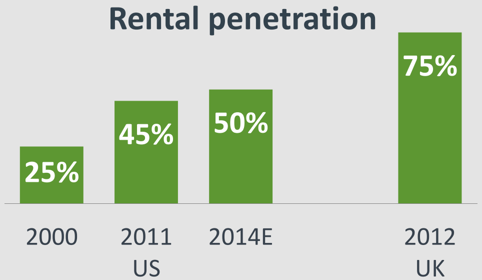


Performance through the cycle

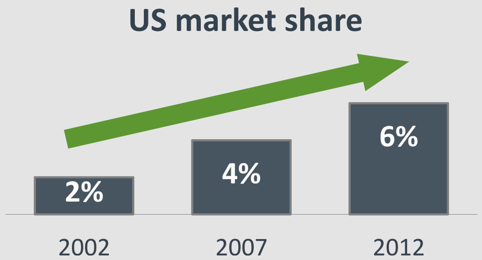
	2007 Strong market Preparation for downturn	2008 Rightsizing of the business	2009 Running tight business	2010 Benefitting from structural change			
Revenue ($m)	1,308	1,626	1,450	1,081	1,225	1,507	1,644
Fleet age (months)	32	34	38	46	44	36	31
Fleet size ($m)	2,147	2,314	2,136	2,094	2,151	2,453	2,698
EBITDA margins (%)	36%	37%	35%	32%	32%	36%	39%
Return on investment (%)	19%	19%	14%	6%	9%	20%	22%
US construction markets (2005 $bn)	1,066	1,006	897	777	696	658	677

Medium term growth opportunity

- **Further structural change**



Source: Kaplan Associates / Management estimates



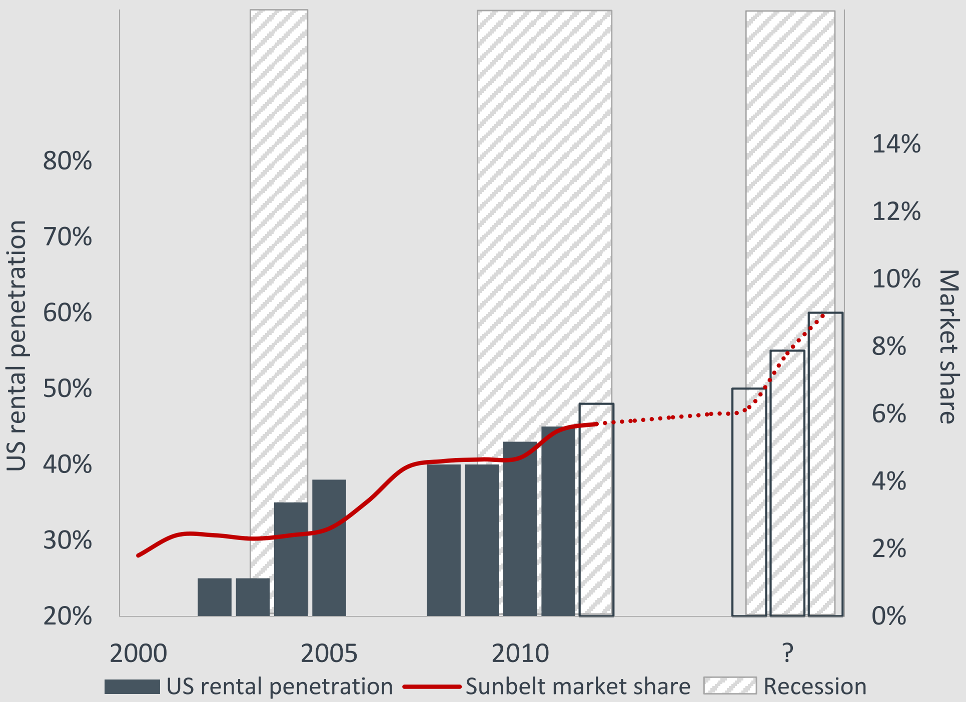
Source: Management estimates

- **Cyclical recovery**

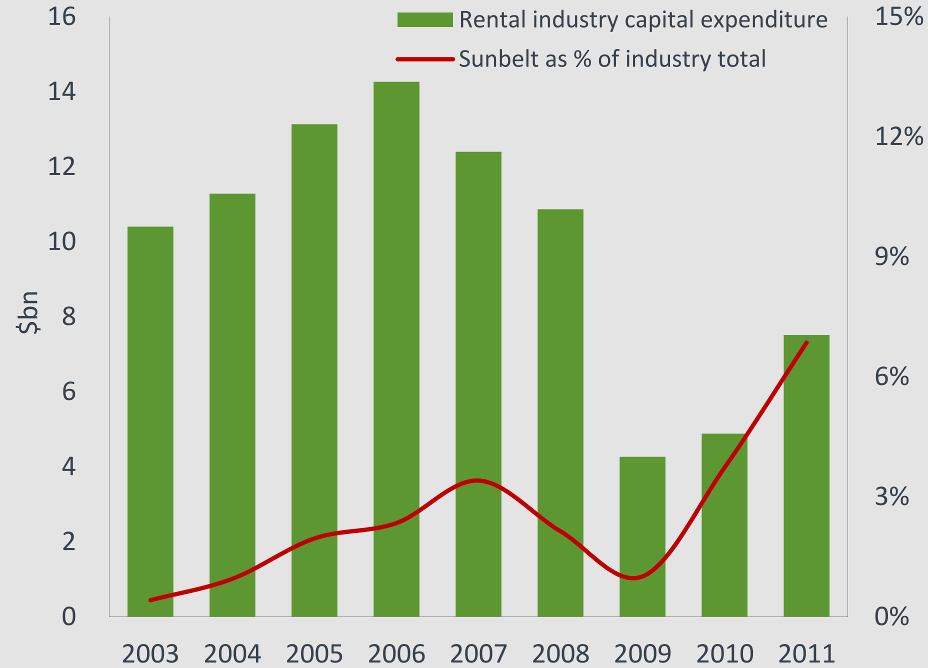
Leverage to be sustained below 2 times net debt to EBITDA

Rental penetration slows in recovery but does not go backwards

Development of US rental penetration



Sunbelt vs. Rental industry spend

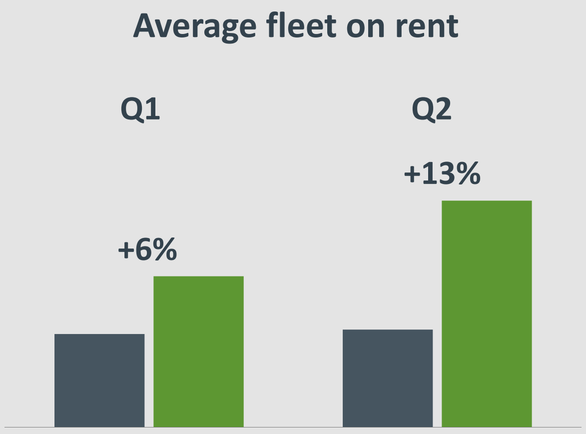


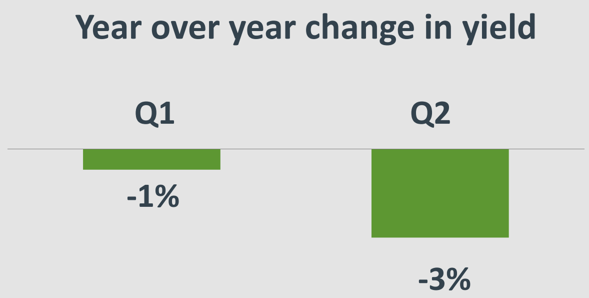
Source: IHS Global Insight / Management information

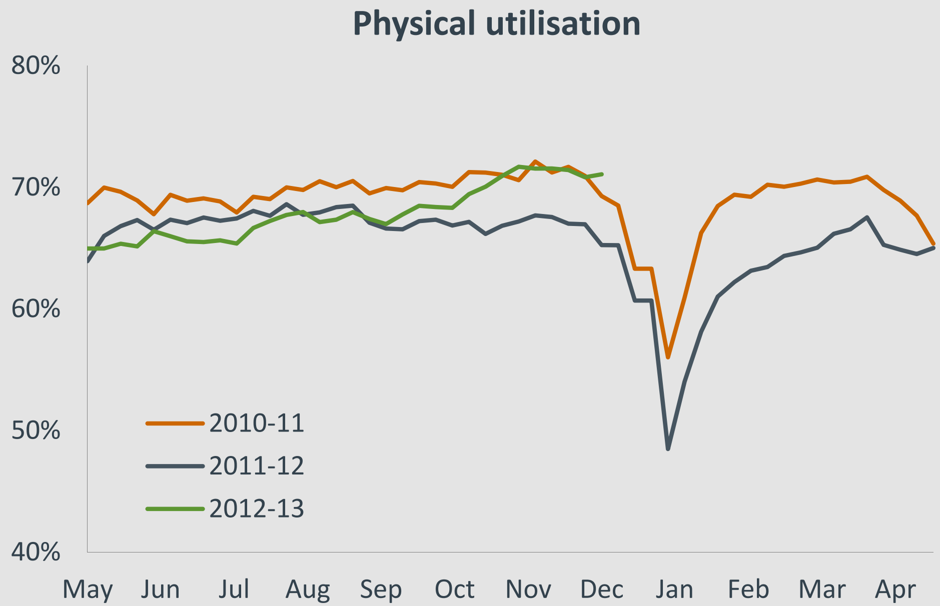
- Flexibility of rental becomes well established
- Fleet ownership infrastructure permanently reduced
- Underpinned by technical and legislative changes

A-Plant revenue drivers

Yield affected by lower priced but higher returning new contracts



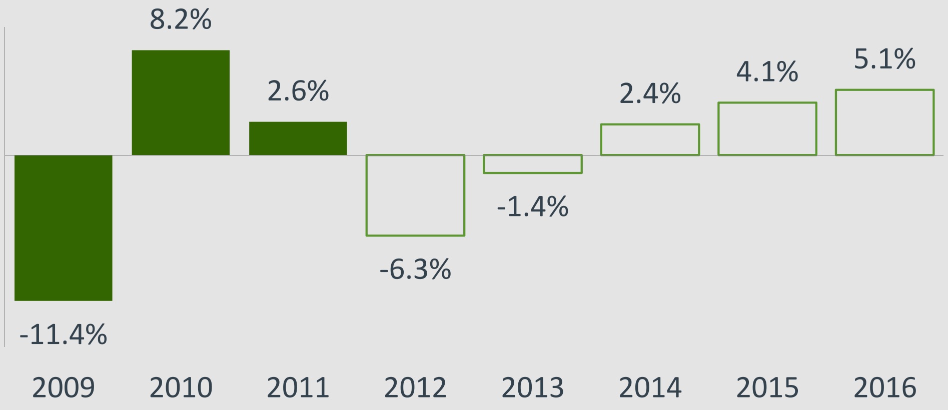




UK market

Uncertain outlook – still looks a long haul

Total UK construction output



Source: ONS, Construction Products Association (Autumn 2012)

Public and private growth rates

	2011	2012	2013
Public sector	-2.6%	-11.4%	-6.2%
Private sector	+5.3%	-3.9%	+0.7%
Total	2.6%	-6.3%	-1.4%

Source: ONS, Construction Products Association (Autumn 2012)

- Still no reason to expect much from market
- Therefore continued progress is encouraging
- We are positioned to perform relatively well and will continue to focus on improving performance in our core markets

Summary

- With this momentum clearly established in the business we now anticipate a full year profit ahead of our earlier expectations
- We are well-placed to see further growth over the medium term from either continued structural change or end market recovery
- Leverage to be sustained below 2 times net debt to EBITDA
- Interim dividend raised 50% to 1.5p per share (2011: 1.0p)
- With a broad range of metrics already at record levels at this stage in the cycle, together with a strong balance sheet to support medium term growth opportunities, the Board looks forward with confidence

Appendices

Divisional performance – Q2

	Revenue			EBITDA			Profit		
	2012	2011	change	2012	2011	change	2012	2011	change
Sunbelt ($m)	481	415	+16%	211	162	+31%	140	100	+40%
Sunbelt (£m)	302	259	+16%	133	101	+31%	88	62	+41%
A-Plant	54	48	+13%	16	14	+22%	4	3	+47%
Group central costs	-	-		(2)	(2)	+37%	(2)	(2)	+36%
	356	**307**	**+16%**	**147**	**113**	**+30%**	**90**	**63**	**+41%**
Net financing costs							(11)	(12)	-20%
Profit before tax and amortisation							**79**	**51**	**+57%**
Amortisation							(1)	(1)	
Profit before taxation							**78**	**50**	**+57%**
Taxation							(29)	(18)	+61%
Profit after taxation							**49**	**32**	**+55%**
Margins									
- Sunbelt				*44%*	*39%*		*29%*	*24%*	
- A-Plant				*31%*	*28%*		*8%*	*6%*	
- Group				*41%*	*37%*		*25%*	*21%*	

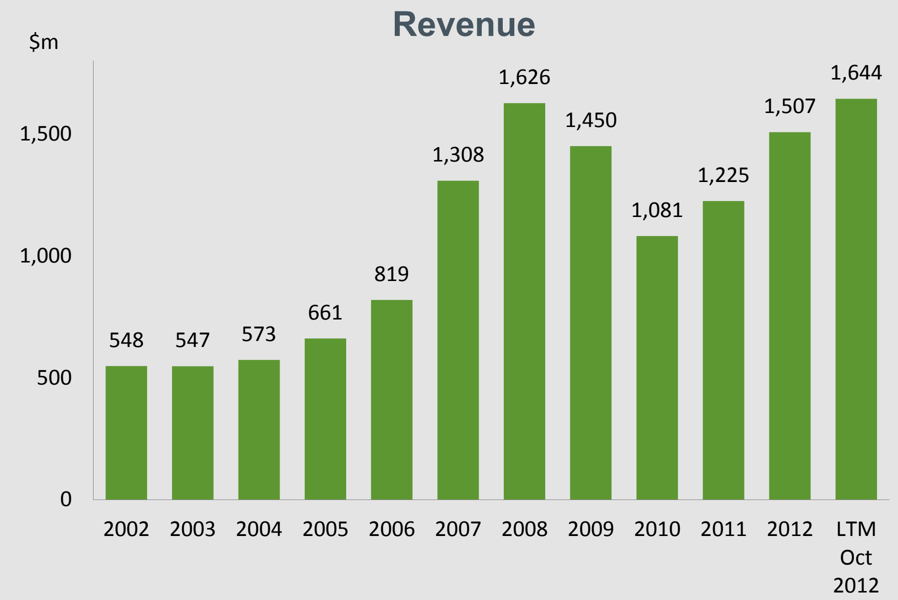
Divisional performance – LTM

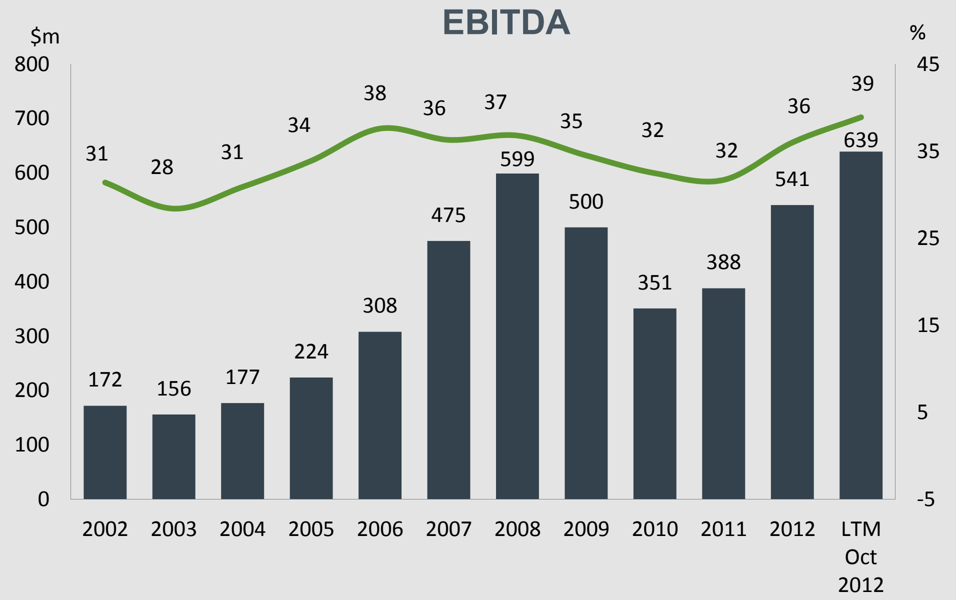
	Revenue			EBITDA			Profit		
	2012	2011	change	2012	2011	change	2012	2011	change
Sunbelt ($m)	1,644	1,386	+19%	639	472	+35%	371	237	+57%
Sunbelt (£m)	1,041	863	+21%	405	293	+38%	235	147	+60%
A-Plant	199	177	+12%	54	45	+21%	9	4	+147%
Group central costs	-	-		(9)	(8)	+16%	(9)	(8)	+14%
	1,240	**1,040**	**+19%**	**450**	**330**	**+36%**	**235**	**143**	**+65%**
Net financing costs							(48)	(58)	-16%
Profit before tax, exceptionals, amortisation and remeasurements							**187**	**85**	**+119**
Exceptionals, amortisation and remeasurements							(22)	(24)	-10%
Profit before taxation							**165**	**61**	**+170%**
Taxation							(57)	(23)	+148%
Profit after taxation							**108**	**38**	**+184%**
Margins									
- Sunbelt				*39%*	*34%*		*23%*	*17%*	
- A-Plant				*27%*	*25%*		*5%*	*2%*	
- Group				*36%*	*32%*		*19%*	*14%*	

Margins continue to improve

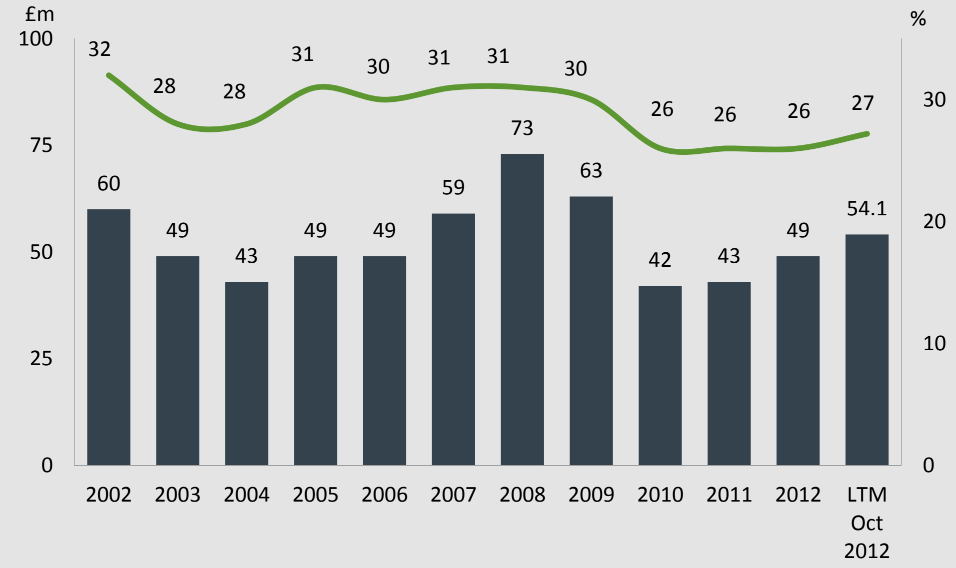
US margins have exceeded the previous peak with substantial opportunity for future earnings growth and margin expansion

Sunbelt



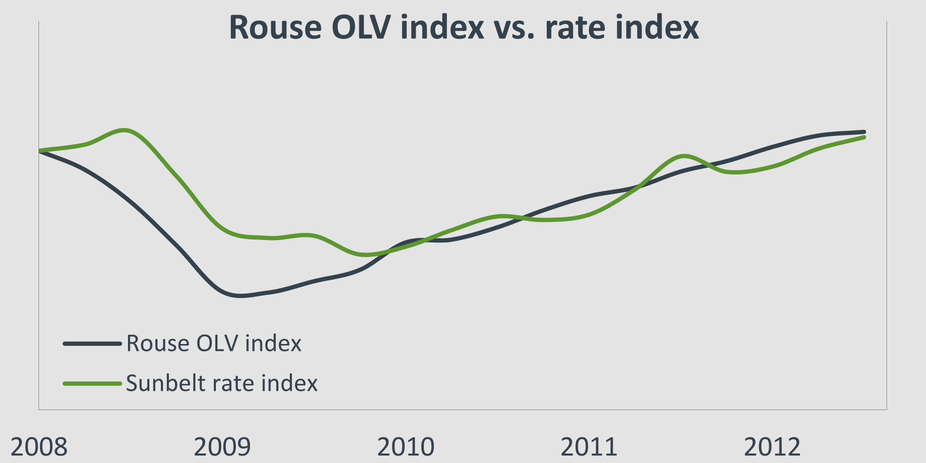


A-Plant

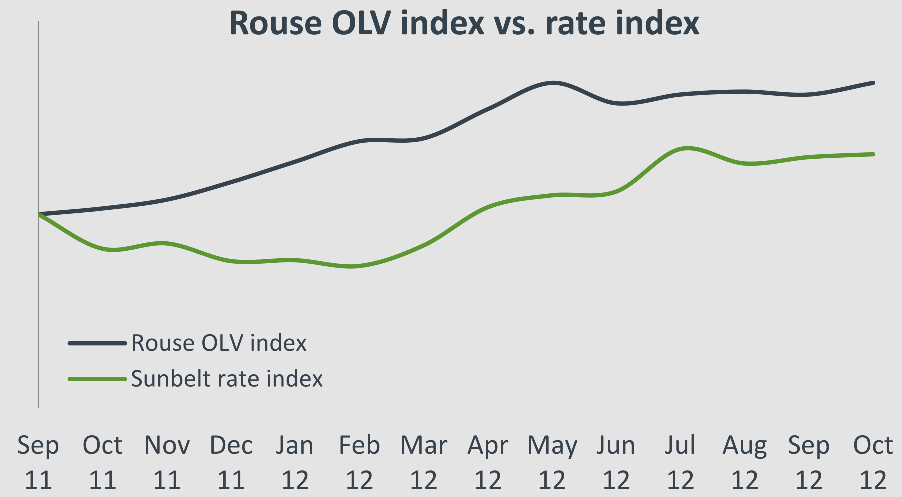


Rouse values

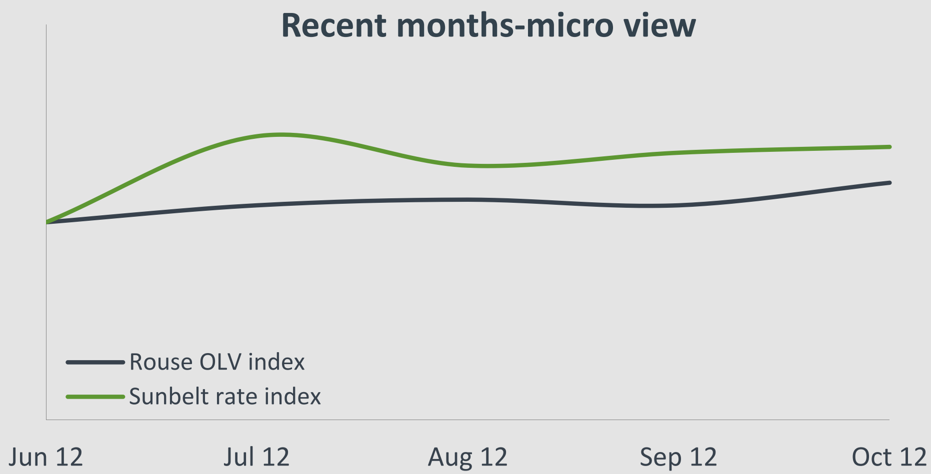
A short term correction



Source: Rouse Asset Services / Management information



Source: Rouse Asset Services / Management information



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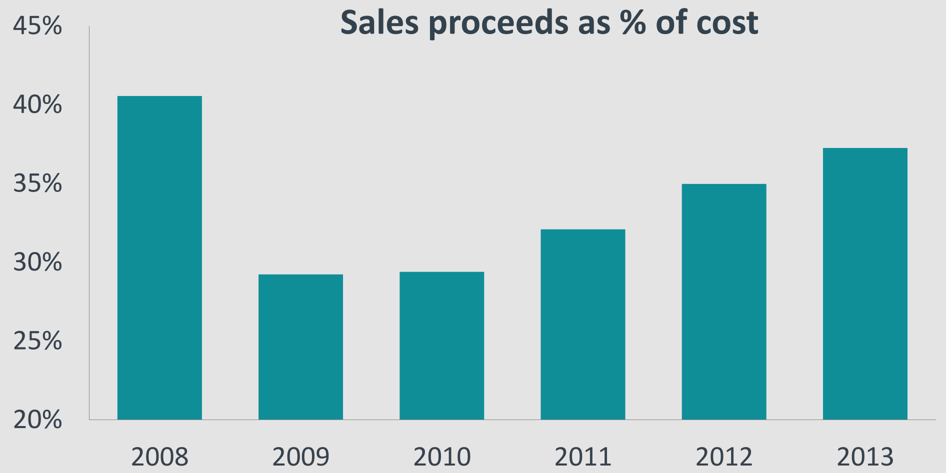
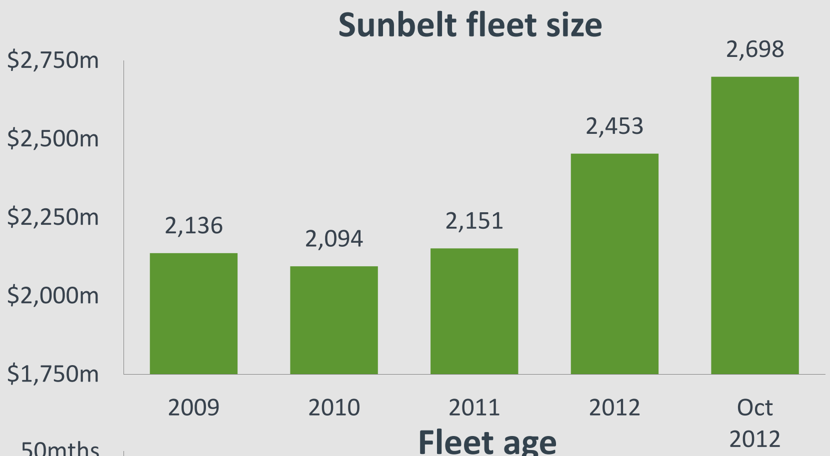


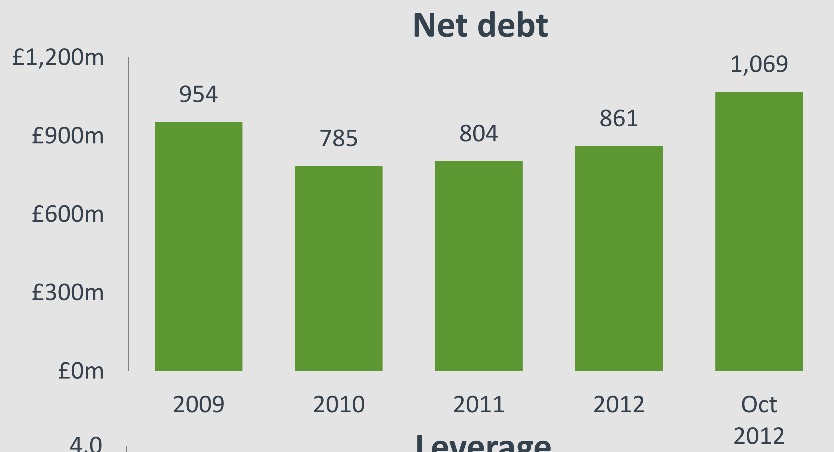
Source: Management information

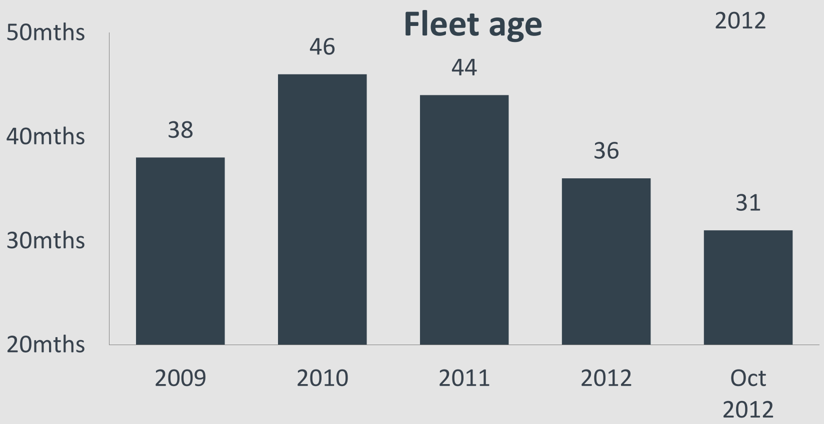
Ashtead group

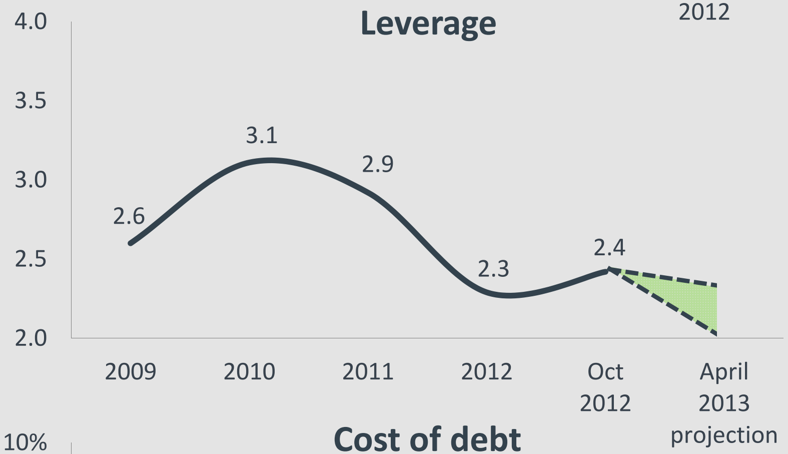
In a very strong position for the next stage in the cycle

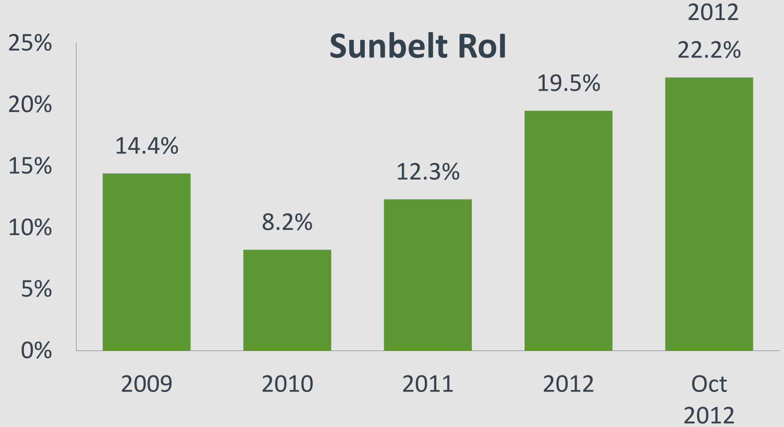
Both asset base and debt have been well managed

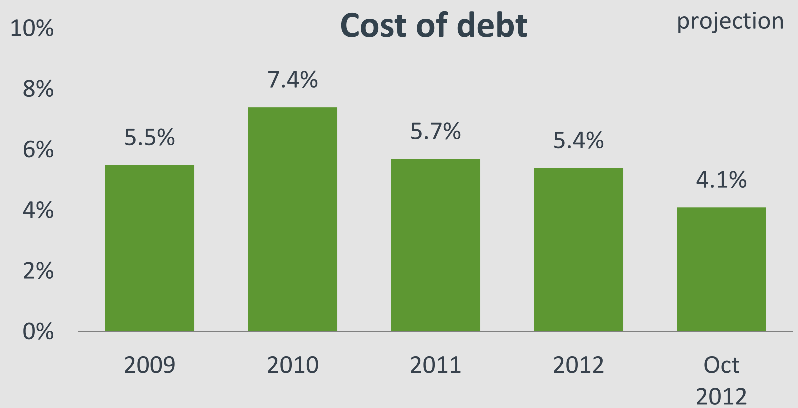












Cash flow funds organic fleet growth

(£m)	LTM Oct 12	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EBITDA before exceptional items	**450**	**381**	**284**	**255**	**359**	**380**	**310**	**225**	**170**	**147**	**150**
EBITDA margin	36%	34%	30%	30%	33%	38%	35%	35%	32%	29%	28%
Cash inflow from operations before fleet changes and exceptionals	**413**	**365**	**280**	**266**	**374**	**356**	**319**	**215**	**165**	**140**	**157**
Cash conversion ratio	92%	96%	99%	104%	104%	94%	97%	96%	97%	95%	105%
Maintenance capital expenditure	(316)	(273)	(203)	(43)	(236)	(231)	(245)	(167)	(101)	(83)	(89)
Disposal proceeds	100	92	60	31	92	93	78	50	36	32	29
Interest and tax	(53)	(57)	(71)	(54)	(64)	(83)	(69)	(41)	(31)	(33)	(40)
Growth capital expenditure	(247)	(137)	-	-	-	(120)	(63)	(63)	(10)	-	(18)
Dividends paid	(17)	(15)	(15)	(13)	(13)	(10)	(7)	(2)	-	-	(9)
Cash available to fund debt pay down or M&A	**(122)**	**(25)**	**51**	**187**	**153**	**5**	**13**	**(8)**	**59**	**56**	**30**

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

Benefit of fleet de-ageing about to be reflected in cash flow

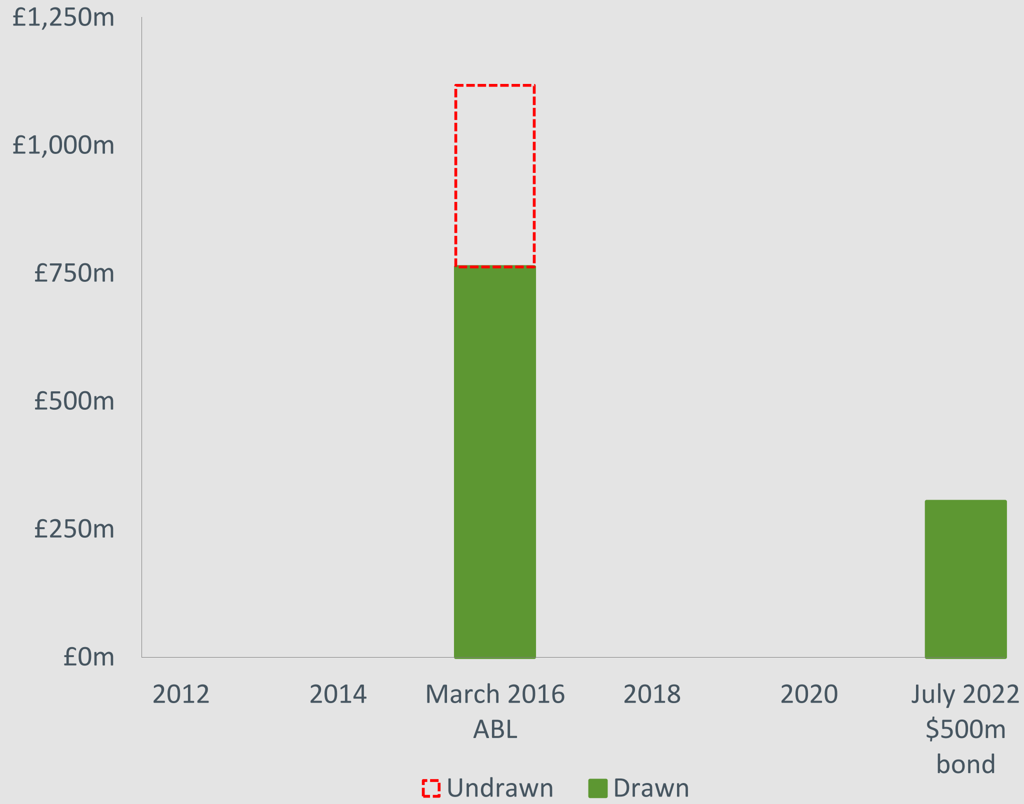
We do not only generate cash in the downturn

Cash flows (£m)	2010	2011	2012	LTM Oct 2012	Going forward
EBITDA	255	284	381	450	?
Maintenance capex	43	203	273	316	220
Growth capital	-	-	137	247	?
Gross capex	43	203	410	563	?
Fleet age (no of months)	+8	-2	-7	-7	Flat
Fleet at cost	-2%	+3%	+14%	+16%	?

- Typically circa 95% cash conversion of EBITDA
- Disposal proceeds broadly match interest and dividends
- 10-15% growth in fleet possible with organic cash generation

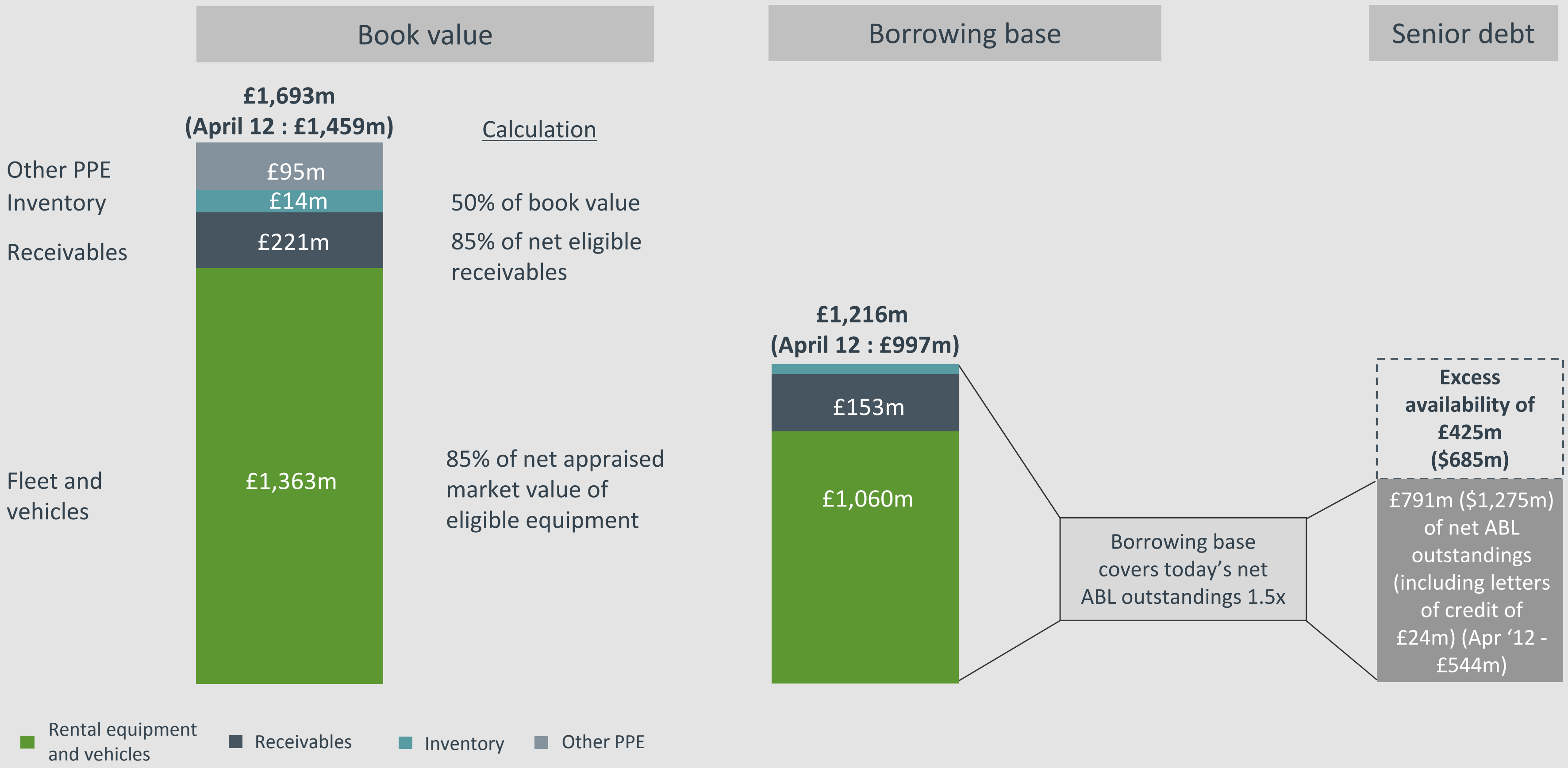
Ashtead group

Robust debt structure with substantial capacity to fund further growth



- 5.2 year average remaining commitment
- No amortisation
- No financial monitoring covenants
  - whilst availability exceeds $216m (Oct 2012 : $685m)

$685m of availability at 31 October 2012 (October 11: $574m)



- Borrowing base reflects July 2012 asset values

Debt and covenants

Debt

Facility	Interest rate	Maturity
$1.8bn first lien revolver	LIBOR +200-250bp	March 2016
$500m second lien notes	6.5%	July 2022
Capital leases	~7%	Various

Ratings

	S&P	Moody's
Corporate family	BB-	Ba3
Second lien	B+	B2

Availability

- Covenants are not measured if availability is above $216m

Leverage covenant

- Gross funded debt to EBITDA cannot exceed 4.0x
- EBITDA is measured before one time items and at constant exchange rates
- 2.4x at October 2012

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
- Less than 1.1x at October 2012