Continuing the momentum

Third quarter results | 31 January 2012

Issued: 6 March 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 26–27 of the Group's Annual Report and Accounts for the year ended 30 April 2011 and in the unaudited results for the third quarter ended 31 January 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**

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Overview

- Record third quarter pre-tax profit of £21m (2011: £2m loss)
- Group nine month EBITDA margin rises to 35% (2011: 31%) with Sunbelt at 37% (2011: 33%)
- Leverage reduced to 2.5x EBITDA (2011: 2.8x)
- Full year profit anticipated to be significantly ahead of our earlier expectations

Q3 Group revenue and profit

(£m)	Q3 2011 As reported	Q3 2011 At 2012 rates	Q3 2012 Actual rates	change[1]
Revenue	**221**	**224**	**271**	+21%
– of which rental	*197*	*199*	*243*	*+22%*
Operating costs	(161)	(163)	(185)	+14%
EBITDA	**60**	**61**	**86**	+40%
Depreciation	(45)	(46)	(52)	+14%
Operating profit	**15**	**15**	**34**	+118%
Net interest	(17)	(16)	(13)	-21%
Profit before tax and amortisation	**(2)**	**(1)**	**21**	-
Earnings per share (p)	**(0.2)**	**(0.1)**	**2.7**	-
Margins				
– EBITDA	*27%*	*27%*	*32%*	
– Operating profit	*7%*	*7%*	*12%*	

[1] At constant exchange rates

[2] The results in the table above are the Group's underlying results and are stated before amortisation of acquired intangibles and fair value remeasurements

Nine months Group revenue and profit

	Nine months			
	2011		2012	
(£m)	As reported	At 2012 rates	Actual rates	change[1]
Revenue	**706**	**688**	**847**	+23%
– of which rental	*638*	*622*	*759*	*+22%*
Operating costs	(485)	(473)	(555)	+17%
EBITDA	**221**	**215**	**292**	+36%
Depreciation	(140)	(137)	(149)	+9%
Operating profit	**81**	**78**	**143**	+84%
Net interest	(53)	(51)	(38)	-25%
Profit before tax and amortisation	**28**	**27**	**105**	+286%
Earnings per share (p)	**3.7**	**3.5**	**13.3**	+285%
Margins				
– EBITDA	*31%*	*31%*	*35%*	
– Operating profit	*11%*	*11%*	*17%*	

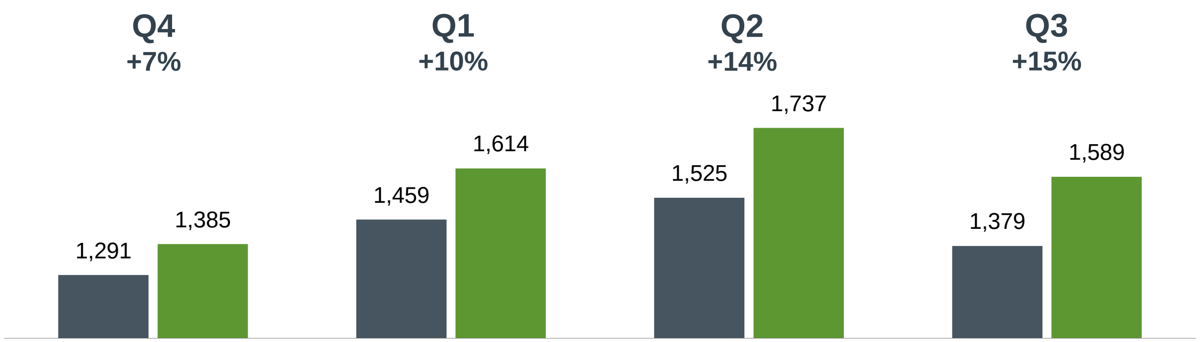
[1] At constant exchange rates

[2] The results in the table above are the Group's underlying results and are stated before amortisation of acquired intangibles and fair value remeasurements

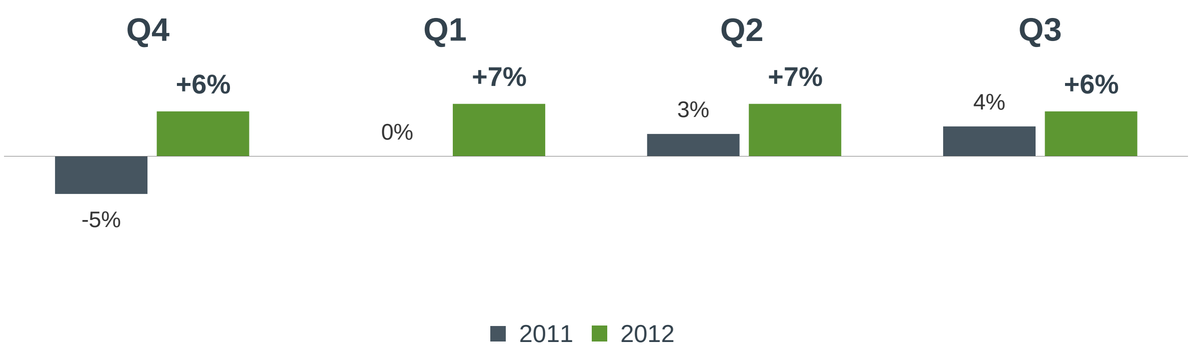
Sunbelt – revenue drivers

Continuation of strong performance in both volume and yield

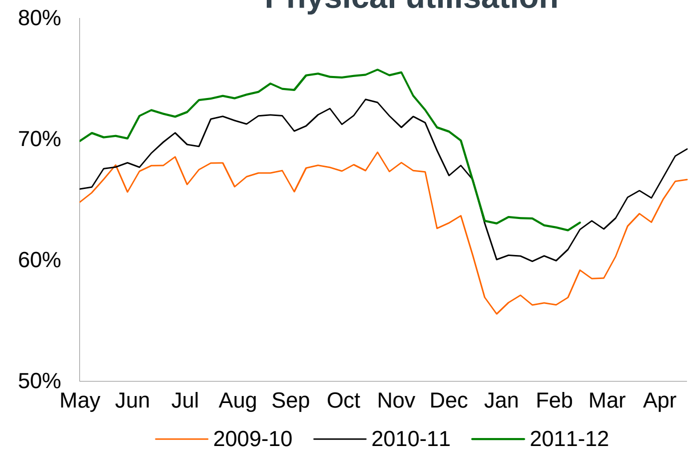
Average fleet on rent ($m)



Year over year change in yield



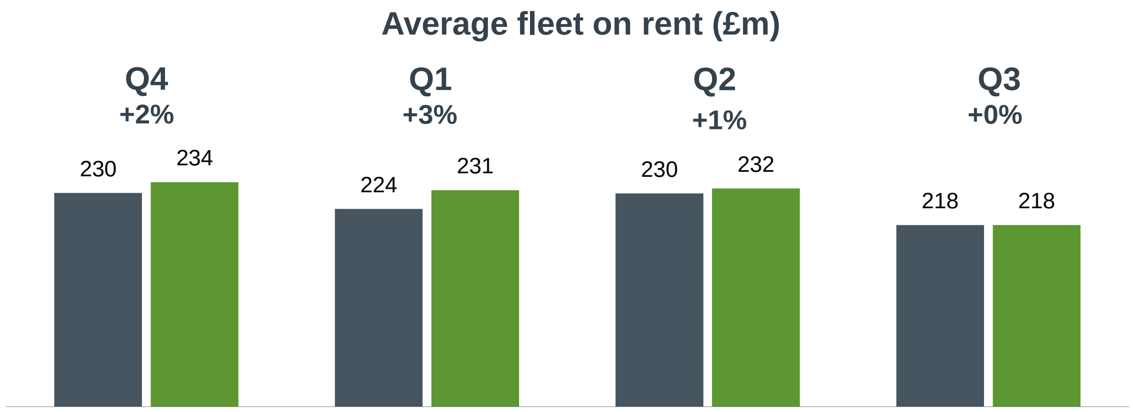
Physical utilisation

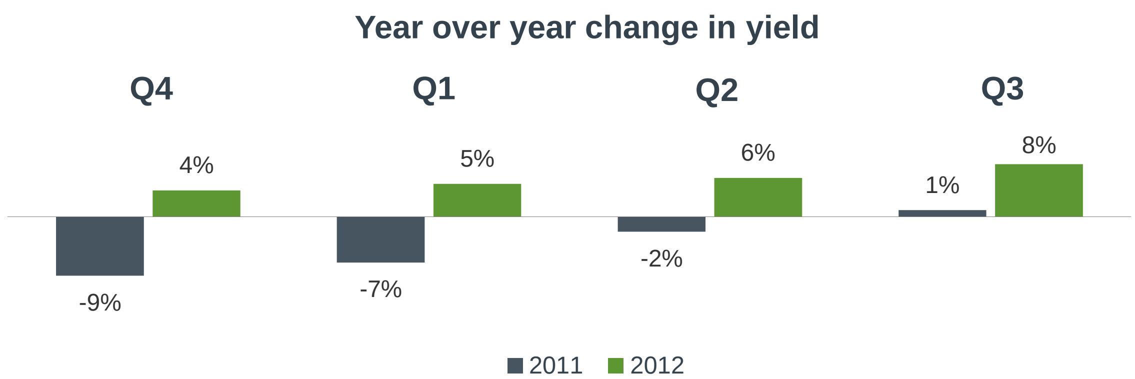


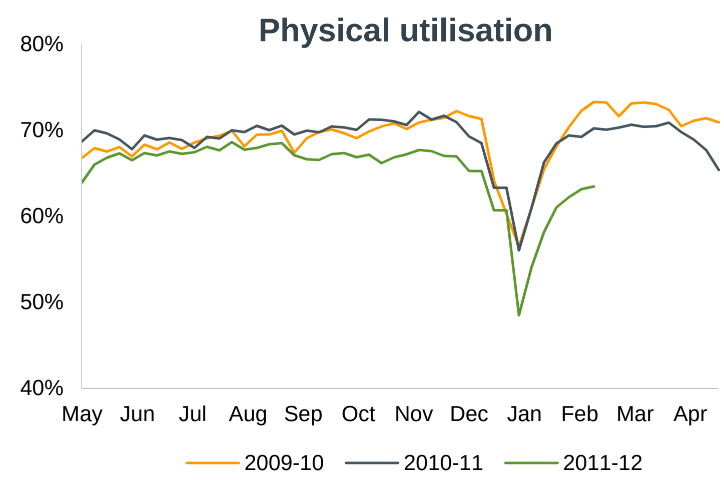
Yield excludes Empire's largely "pass through" erection and dismantling billings

A-Plant – revenue drivers

Continued emphasis on returns as in recent quarters



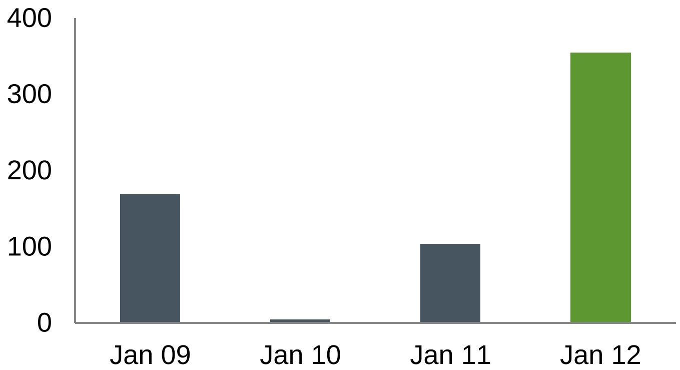




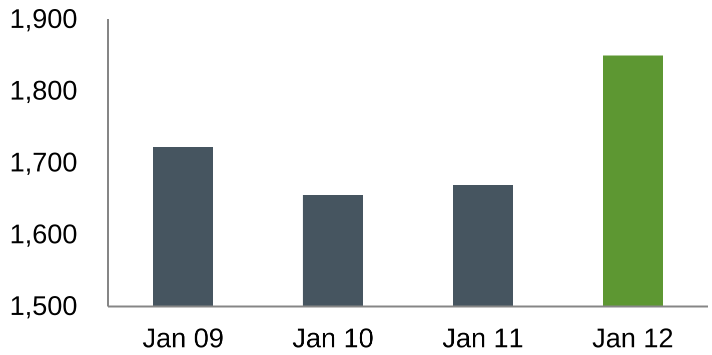
Yield excludes increased level of re-rent revenue resulting from recent contract win

Strong fleet investment while continuing to deleverage

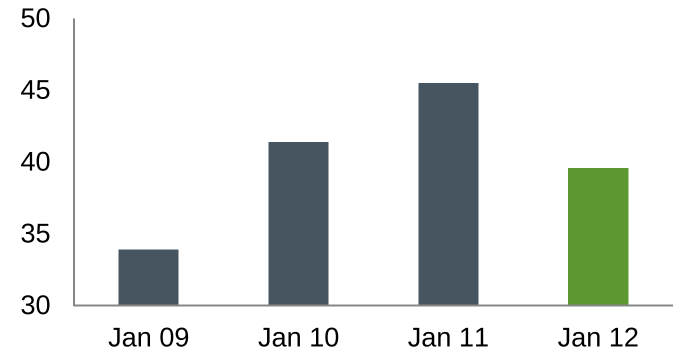
LTM net capex (£m)



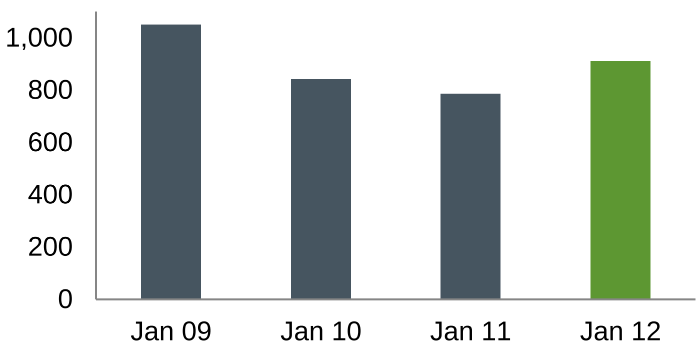
Fleet size (£m)



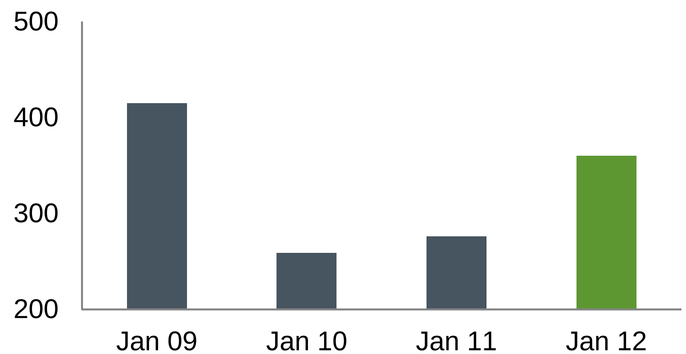
Fleet age (months)



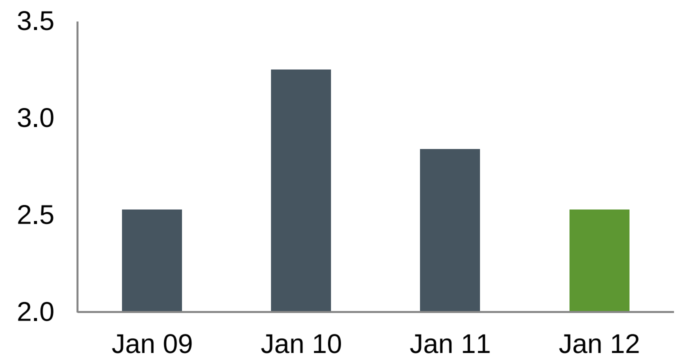
Net debt (£m)



LTM EBITDA (£m)



Net debt to EBITDA leverage (times)



Note: All data is on a constant exchange rate basis

Summary

- Momentum established in recent quarters continues
- Continue to invest strongly in organic growth funded by strong EBITDA (margin)
- $2.3bn US fleet 10% larger than a year ago
- Further deleverage to 2.5x EBITDA
- Well positioned to take advantage of current and longer term market trends
- Full year profit anticipated to be significantly ahead of our earlier expectations

Appendices

Divisional performance – Q3

	Revenue			EBITDA			Profit		
	2011	2012	change	2011	2012	change	2011	2012	change
Sunbelt ($m)	288.7	354.2	+23%	85.5	120.3	+41%	29.4	55.3	+88%
Sunbelt (£m)	182.6	226.7	+24%	53.8	77.2	+43%	18.4	35.7	+94%
A-Plant	38.8	44.6	+15%	8.9	10.8	+21%	(1.1)	0.1	
Group central costs	-	-	-	(2.4)	(2.2)	-12%	(2.4)	(2.1)	-12%
	221.4	**271.3**	+23%	**60.3**	**85.8**	+42%	**14.9**	**33.7**	+127%
Net financing costs							(16.6)	(13.1)	-21%
Profit before tax, remeasurements and amortisation							**(1.7)**	**20.6**	
Fair value remeasurements and amortisation							(0.3)	(0.6)	
Profit before taxation							(2.0)	20.0	
Taxation							0.8	(7.2)	
Profit after taxation							**(1.2)**	**12.8**	

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Divisional performance – LTM

	Revenue			EBITDA			Profit		
	2011	**2012**	**change**	**2011**	**2012**	**change**	**2011**	**2012**	**change**
Sunbelt ($m)	1,162.9	1,451.0	+25%	379.4	506.7	+34%	152.8	262.5	+72%
Sunbelt (£m)	753.5	906.7	+20%	245.9	316.5	+29%	99.1	164.0	+65%
A-Plant	162.3	182.9	+13%	43.3	46.7	+8%	3.6	5.0	+39%
Group central costs	-	-		(7.4)	(7.5)	+1%	(7.5)	(7.5)	-
	915.8	**1,089.6**	+19%	**281.8**	**355.7**	+26%	**95.2**	**161.5**	+70%
Net financing costs							(70.0)	(53.8)	-23%
Profit before tax, amortisation, remeasurements and exceptionals							**25.2**	**107.7**	+327%
Amortisation, remeasurements and exceptionals							(2.7)	(24.7)	+815%
Profit before taxation							22.5	83.0	+269%
Taxation							(8.2)	(31.1)	+279%
Profit after taxation							**14.3**	**51.9**	+263%

Cash flow funds organic fleet growth

(£m)	2003	2004	2005	2006	2007	2008	2009	2010	2011	LTM Jan 12
EBITDA before exceptional items	**150**	**147**	**170**	**225**	**310**	**380**	**359**	**255**	**284**	**356**
EBITDA margin	*28%*	*29%*	*32%*	*35%*	*35%*	*38%*	*33%*	*30%*	*30%*	*33%*
Cash inflow from operations before fleet changes and exceptionals	**157**	**140**	**165**	**215**	**319**	**356**	**374**	**266**	**280**	**334**
Cash conversion ratio	*105%*	*95%*	*97%*	*96%*	*97%*	*94%*	*104%*	*104%*	*99%*	*94%*
Maintenance capital expenditure	(89)	(83)	(101)	(167)	(245)	(231)	(236)	(43)	(203)	(301)
Disposal proceeds	29	32	36	50	78	93	92	31	60	84
Interest and tax	(40)	(33)	(31)	(41)	(69)	(83)	(64)	(54)	(71)	(64)
Growth capital expenditure	(18)	-	(10)	(63)	(63)	(120)	-	-	-	(117)
Dividends paid	(9)	-	-	(2)	(7)	(10)	(13)	(13)	(15)	(15)
Cash available to fund debt paydown or M&A	**30**	**56**	**59**	**(8)**	**13**	**5**	**153**	**187**	**51**	**(79)**

- 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

Net debt and leverage

Net debt to EBITDA continues to reduce despite the high fleet investment

(£m)	Jan 2011	Jan 2012
Net debt at 30 April	**829**	**776**
Translation impact	(39)	46
Opening debt at closing exchange rates	**790**	**822**
Change from cash flows	(22)	86
Non-cash movements	6	3
Net debt at period end	**774**	**911**
Comprising:		
First lien senior secured bank debt	290	566
Second lien secured notes	491	343
Finance lease obligations	4	3
Cash in hand	(11)	(1)
Total net debt	**774**	**911**
Net debt to EBITDA leverage (x)	**2.8**	**2.5**

Interest	
Floating rate:	62%
Fixed rate:	38%

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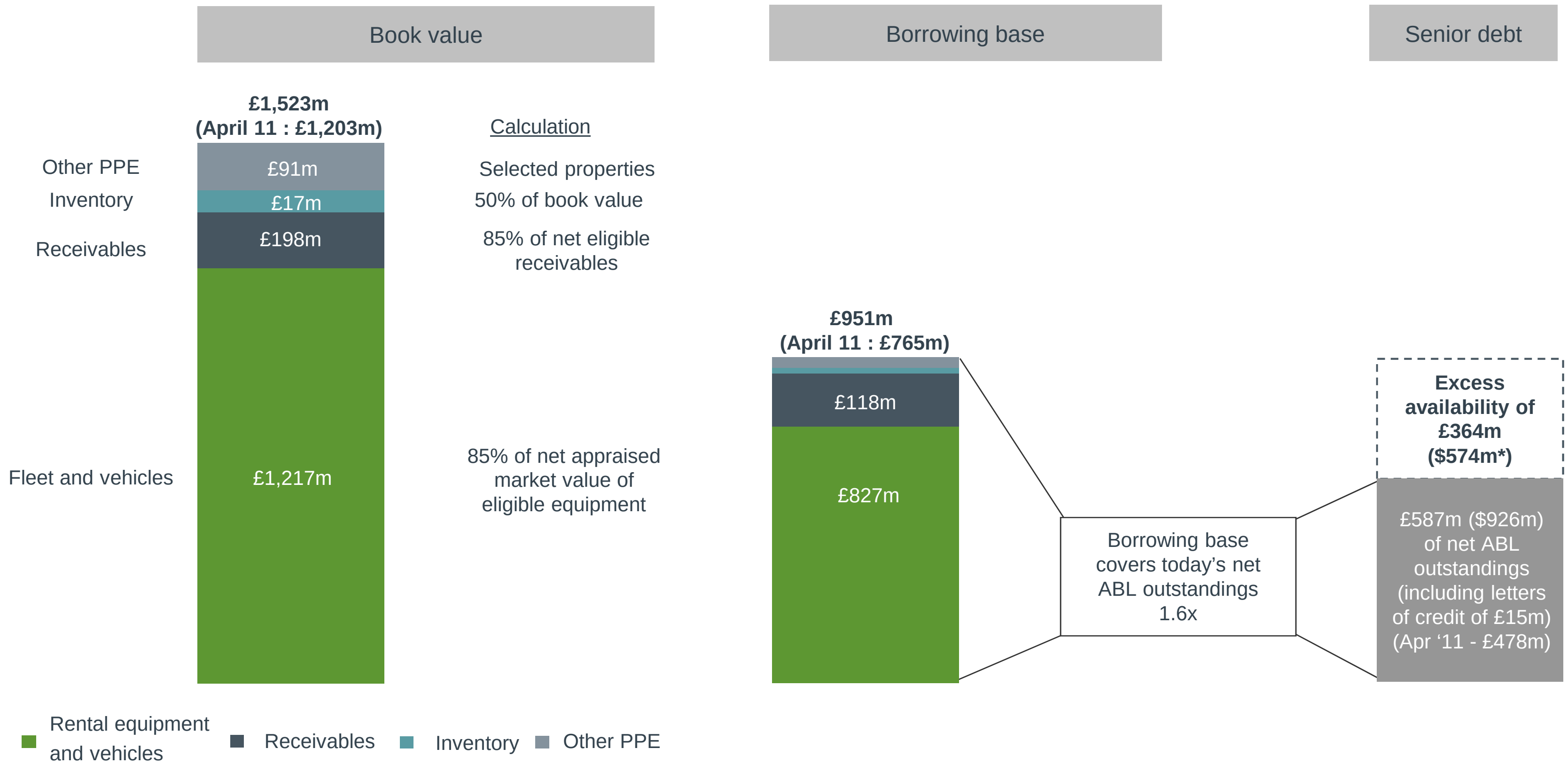
$574m of availability at 31 January 2012 (April 11: $479m)



Including suppressed availability of $100m