5 March 2013

Unaudited results for the nine months and third quarter ended 31 January 2013

	Third quarter			Nine months		
	2013	2012	Growth[1]	2013	2012	Growth[1]
	£m	£m	%	£m	£m	%
Underlying results[2]						
Revenue	333.9	271.3	26%	1,014.3	846.8	19%
EBITDA	121.0	85.8	45%	396.8	292.4	35%
Operating profit	64.2	33.7	98%	227.6	143.3	58%
Profit before taxation	53.8	20.6	173%	194.5	105.0	85%
Earnings per share	6.9p	2.7p	175%	24.6p	13.3p	83%
Statutory results						
Profit before taxation	52.3	20.0	175%	165.2	102.9	60%
Earnings per share	6.7p	2.6p	177%	20.9p	13.0p	60%

[1] at constant exchange rates [2] before exceptional items, intangible amortisation and fair value remeasurements

Highlights

- Strong momentum continued with 26% revenue growth[1] in the quarter, giving 19% for the nine months to date
- Record nine month pre-tax profit[2] of £194m (2012: £105m)
- Group nine month EBITDA margin rises to 39% (2012: 35%)
- Net debt to EBITDA leverage[1] reduced to 2.2 times (2012: 2.5 times)
- Board anticipates full year profit ahead of its earlier expectations

Ashtead's chief executive, Geoff Drabble, commented:

"It is pleasing to report another quarter where strong revenue growth and ongoing operational efficiency have delivered record nine month profits of £194m. With this momentum clearly established in the business, we now anticipate a full year profit ahead of our earlier expectations.

To further support ongoing market opportunities, we plan to pull forward around $100m of fleet expenditure previously planned for fiscal 2014 into the fourth quarter of this year. This will have no impact on our stated intention to sustain leverage below two times.

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."

Contacts:

Geoff Drabble	Chief executive	+44 (0)20 7726 9700
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Geoff Drabble and Suzanne Wood will hold a conference call for equity analysts at 9.00 am on Tuesday 5 March. Dial in details for this call have already been distributed but any analyst not having received them should contact the Company's PR advisors, Maitland (Astrid Wright) on 020 7379 5151. The call will be webcast live via the Company's website at www.ashtead-group.com and there will also be a replay available via the website from shortly after the call concludes. There will, as usual, also be a separate call for bondholders at 3pm UK time (10am EST).

Forward looking statements

This announcement contains forward looking statements. These have been made by the directors in good faith using information available up to the date on which they approved this report. The directors can give no assurance that these expectations will prove to be correct. Due to the inherent uncertainties, including both business and economic risk factors underlying such forward looking statements, actual results may differ materially from those expressed or implied by these forward looking statements. Except as required by law or regulation, the directors undertake no obligation to update any forward looking statements whether as a result of new information, future events or otherwise.

Nine months' results

	Revenue		EBITDA		Operating profit	
	2013	2012	2013	2012	2013	2012
Sunbelt in $m	1,368.0	1,130.0	571.5	416.5	357.6	228.8
Sunbelt in £m	860.9	708.5	359.6	261.1	225.0	143.5
A-Plant	153.4	138.3	43.7	36.9	9.1	5.4
Group central costs	-	-	(6.5)	(5.6)	(6.5)	(5.6)
Continuing operations	1,014.3	846.8	396.8	292.4	227.6	143.3
Net financing costs					(33.1)	(38.3)
Profit before tax, remeasurements and amortisation					**194.5**	**105.0**
Exceptional items					(18.0)	-
Fair value remeasurements					(7.4)	-
Amortisation					(3.9)	(2.1)
Profit before taxation					165.2	102.9
Taxation					(60.5)	(37.9)
Profit attributable to equity holders of the Company					104.7	65.0
Margins						
Sunbelt			*41.8%*	*36.9%*	*26.1%*	*20.2%*
A-Plant			*28.5%*	*26.7%*	*6.0%*	*3.9%*
Group			*39.1%*	*34.5%*	*22.4%*	*16.9%*

Group revenue grew 23% in the quarter and 20% in the nine months, reflecting the continued strong momentum in the business.

The performance continues to be driven mainly by Sunbelt where rental revenue in the quarter grew 27%. The quarter was enhanced by the impact of Hurricane Sandy and we estimate that this event contributed around 5% ($15m) of the growth. The one-off benefit of this event will not carry forward into the fourth quarter as major restoration and remediation work is now largely complete. For the nine months, rental revenue grew 20% to $1,213m (2012: $1,012m) driven by an 11% increase in fleet on rent and a 7% increase in yield.

In the UK, A-Plant delivered another strong quarter. Rental revenue in the quarter grew 11%, giving 9% growth for the nine months to £136m (2012: £125m), driven by a 10% growth in average fleet on rent, offset by a 2% yield decline.

Sunbelt delivered a strong EBITDA margin of 42% (2012: 37%) in the nine months resulting from the high 'drop through' of rental revenue to profit as we continue to benefit from improved operational efficiency. As a result, EBITDA increased by 37% to $571m (2012: $416m) and operating profit by 56% to $358m (2012: $229m). A-Plant's operating profit increased to £9m (2012: £5m).

This strong operational performance, combined with a lower interest charge of £33m (2012: £38m) as a result of our successful refinancing of our senior secured notes earlier this year, resulted in underlying profit before tax increasing 85% to £194m (2012: £105m).

Exceptional financing costs of £18m (including cash costs of £13m) related to the redemption of our $550m 9.0% senior secured notes in the first quarter. The refinancing of these notes with the $500m 6.5% senior secured notes maturing in 2022 will generate an annual saving in our finance cost of circa £8m.

There is also a non-cash charge of £7m relating to the remeasurement to fair value of the early repayment options in our long term debt. This charge follows the recognition of a £7m credit related to the $550m senior secured notes in Q4 last year which reflected our ability to issue similar debt at a lower interest rate as we did in June.

As a result, statutory profit before tax was £165m (2012: £103m). The effective tax rate on the underlying pre-tax profit was 37% (2012: 37%). Underlying earnings per share grew 84% to 24.6p (2012: 13.3p), whilst basic earnings per share were 20.9p (2012: 13.0p).

Capital expenditure

The strong market conditions have given us confidence to invest ahead of our original plan. As a result, capital expenditure for the nine months was £427m gross and £349m net of disposal proceeds (2012: £336m gross and £276m net). At 31 January 2013 the Group's rental fleet at cost was £2.1bn with a reduced fleet age of 32 months (2012: 40 months). Sunbelt's fleet size at 31 January was $2.7bn. Utilisation continued to improve and was ahead of the prior year in the third quarter. Average nine month physical utilisation was 71% (2012: 72%).

For the full year, we now anticipate capital expenditure around £550m. This includes the pull forward of around $100m of fleet expenditure previously planned for fiscal 2014 into the fourth quarter of this year. After disposal proceeds, net payments for capital expenditure are expected to be around £450m.

Our preliminary capital expenditure plan for next year is for gross additions of around £525m, a similar level to this year. However, a greater proportion of next year's spend will be directed to growth rather than replacement as we keep fleet age broadly stable rather than continuing to de-age. As always, our capital expenditure plans remain flexible depending on market conditions and currently, our principal focus is on fleet deliveries through the first quarter of fiscal 2014. This level of expenditure is consistent with our strategy at this stage in the cycle of investing in organic growth, opening greenfield sites and continuing to reduce our leverage.

Return on Investment

Sunbelt's pre-tax return on investment[1] in the 12 months to 31 January 2013 continued to improve to 17.8% (2012: 12.9%), well ahead of the Group's pre-tax weighted average cost of capital. In the UK, return on investment improved to 4.1% (2012: 2.1%). For the Group as a whole, returns are 15.3% (2012: 10.9%).

Cash flow and net debt

As expected, debt increased during the nine months. This resulted from the capital expenditure to grow and renew the fleet and increased working capital to support higher activity levels. Net debt at 31 January 2013 was £1,077m (2012: £911m) whilst the ratio of net debt to EBITDA fell to 2.2 times at constant exchange rates (2012: 2.5 times) as a result of our stronger earnings.

The Group's debt package remains well structured to enable us to take advantage of prevailing end market conditions. The Group's debt facilities are committed for an average of 5 years. At 31 January 2013, ABL availability was $547m, with an additional $157m of suppressed availability - substantially above the $216m level at which the Group's entire debt package is covenant free.

Current trading and outlook

Our strong performance continued in February. With this momentum clearly established in the business we now anticipate a full year profit ahead of our earlier expectations.

To further support ongoing market opportunities, we plan to pull forward around $100m of fleet expenditure previously planned for fiscal 2014 into the fourth quarter of this year. This will have no impact on our stated intention to sustain leverage below two times.

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.

[1] Operating profit divided by the sum of the net tangible and intangible fixed assets, plus net working capital but excluding net debt, deferred tax and fair value remeasurements.

CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 JANUARY 2013

	2013			2012		
Third quarter - unaudited	Before amortisation £m	Amortisation £m	Total £m	Before amortisation £m	Amortisation £m	Total £m
Revenue						
Rental revenue	294.7	-	294.7	242.7	-	242.7
Sale of new equipment, merchandise and consumables	15.8	-	15.8	10.9	-	10.9
Sale of used rental equipment	23.4	-	23.4	17.7	-	17.7
	333.9	-	333.9	271.3	-	271.3
Operating costs						
Staff costs	(92.7)	-	(92.7)	(84.0)	-	(84.0)
Used rental equipment sold	(20.4)	-	(20.4)	(15.5)	-	(15.5)
Other operating costs	(99.8)	-	(99.8)	(86.0)	-	(86.0)
	(212.9)	-	(212.9)	(185.5)	-	(185.5)
EBITDA*	121.0	-	121.0	85.8	-	85.8
Depreciation	(56.8)	-	(56.8)	(52.1)	-	(52.1)
Amortisation of intangibles	-	(1.5)	(1.5)	-	(0.6)	(0.6)
Operating profit	64.2	(1.5)	62.7	33.7	(0.6)	33.1
Investment income	1.1	-	1.1	1.0	-	1.0
Interest expense	(11.5)	-	(11.5)	(14.1)	-	(14.1)
Profit on ordinary activities before taxation	53.8	(1.5)	52.3	20.6	(0.6)	20.0
Taxation:						
- current	(2.7)	-	(2.7)	(1.3)	-	(1.3)
- deferred	(16.6)	0.6	(16.0)	(6.1)	0.2	(5.9)
	(19.3)	0.6	(18.7)	(7.4)	0.2	(7.2)
Profit attributable to equity holders of the Company	34.5	(0.9)	33.6	13.2	(0.4)	12.8
Basic earnings per share	6.9p	(0.2p)	6.7p	2.7p	(0.1p)	2.6p
Diluted earnings per share	6.8p	(0.2p)	6.6p	2.6p	(0.1p)	2.5p

* EBITDA is presented here as an additional performance measure as it is commonly used by investors and lenders.

All revenue and profit for the period is generated from continuing activities.

Details of principal risks and uncertainties are given in the Review of the Third Quarter, Balance Sheet and Cash Flow accompanying these interim financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS ENDED 31 JANUARY 2013

Nine months - unaudited	2013 Before exceptional items, amortisation and remeasurements £m	2013 Exceptional items, amortisation and remeasurements £m	2013 Total £m	2012 Before amortisation £m	2012 Amortisation £m	2012 Total £m
Revenue						
Rental revenue	899.6	-	899.6	759.5	-	759.5
Sale of new equipment, merchandise and consumables	42.9	-	42.9	33.1	-	33.1
Sale of used rental equipment	71.8	-	71.8	54.2	-	54.2
	1,014.3	-	1,014.3	846.8	-	846.8
Operating costs						
Staff costs	(269.5)	-	(269.5)	(249.2)	-	(249.2)
Used rental equipment sold	(61.5)	-	(61.5)	(46.6)	-	(46.6)
Other operating costs	(286.5)	-	(286.5)	(258.6)	-	(258.6)
	(617.5)	-	(617.5)	(554.4)	-	(554.4)
EBITDA*	396.8	-	396.8	292.4	-	292.4
Depreciation	(169.2)	-	(169.2)	(149.1)	-	(149.1)
Amortisation of intangibles	-	(3.9)	(3.9)	-	(2.1)	(2.1)
Operating profit	227.6	(3.9)	223.7	143.3	(2.1)	141.2
Investment income	3.2	-	3.2	3.1	-	3.1
Interest expense	(36.3)	(25.4)	(61.7)	(41.4)	-	(41.4)
Profit on ordinary activities before taxation	194.5	(29.3)	165.2	105.0	(2.1)	102.9
Taxation:						
- current	(8.8)	-	(8.8)	(5.7)	-	(5.7)
- deferred	(62.9)	11.2	(51.7)	(32.9)	0.7	(32.2)
	(71.7)	11.2	(60.5)	(38.6)	0.7	(37.9)
Profit attributable to equity holders of the Company	122.8	(18.1)	104.7	66.4	(1.4)	65.0
Basic earnings per share	24.6p	(3.7p)	20.9p	13.3p	(0.3p)	13.0p
Diluted earnings per share	24.2p	(3.6p)	20.6p	13.1p	(0.3p)	12.8p

* EBITDA is presented here as an additional performance measure as it is commonly used by investors and lenders.

All revenue and profit for the period is generated from continuing activities.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Three months to 31 January 2013 £m	Unaudited Three months to 31 January 2012 £m	Unaudited Nine months to 31 January 2013 £m	Unaudited Nine months to 31 January 2012 £m
Profit attributable to equity holders of the Company for the period	33.6	12.8	104.7	65.0
Foreign currency translation differences	6.0	5.8	7.7	12.9
Total comprehensive income for the period	39.6	18.6	112.4	77.9

CONSOLIDATED BALANCE SHEET AT 31 JANUARY 2013

	Unaudited 31 January 2013	Unaudited 31 January 2012	Audited 30 April 2012
	£m	£m	£m
Current assets			
Inventories	14.6	13.1	13.4
Trade and other receivables	216.6	174.7	178.0
Current tax asset	2.0	2.4	2.6
Cash and cash equivalents	1.1	1.4	23.4
	234.3	191.6	217.4
Non-current assets			
Property, plant and equipment			
- rental equipment	1,313.2	1,070.7	1,118.4
- other assets	173.5	146.0	145.0
	1,486.7	1,216.7	1,263.4
Intangible assets - brand names and other acquired intangibles	30.9	10.8	21.7
Goodwill	387.1	374.3	371.0
Defined benefit pension fund surplus	4.9	7.6	3.4
Other financial assets – derivatives	-	-	7.2
	1,909.6	1,609.4	1,666.7
Total assets	2,143.9	1,801.0	1,884.1
Current liabilities			
Trade and other payables	177.3	150.8	265.6
Current tax liability	5.0	3.4	2.8
Debt due within one year	2.3	1.8	2.1
Provisions	9.9	11.5	11.3
	194.5	167.5	281.8
Non-current liabilities			
Debt due after more than one year	1,075.4	910.8	875.6
Provisions	21.1	24.2	21.7
Deferred tax liabilities	203.5	150.1	150.3
	1,300.0	1,085.1	1,047.6
Total liabilities	1,494.5	1,252.6	1,329.4
Equity			
Share capital	55.3	55.3	55.3
Share premium account	3.6	3.6	3.6
Capital redemption reserve	0.9	0.9	0.9
Non-distributable reserve	90.7	90.7	90.7
Own shares held by the Company	(33.1)	(33.1)	(33.1)
Own shares held through the ESOT	(7.4)	(6.1)	(6.2)
Cumulative foreign exchange translation differences	14.8	15.5	7.1
Retained reserves	524.6	421.6	436.4
Equity attributable to equity holders of the Company	649.4	548.4	554.7
Total liabilities and equity	2,143.9	1,801.0	1,884.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 JANUARY 2013

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Non-distributable reserve £m	Own shares held by the Company £m	Own shares held through the ESOT £m	Cumulative foreign exchange translation differences £m	Retained reserves £m	Total £m
At 1 May 2011	55.3	3.6	0.9	90.7	(33.1)	(6.7)	2.6	368.1	481.4
Profit for the period	-	-	-	-	-	-	-	65.0	65.0
Other comprehensive income:									
Foreign currency translation differences	-	-	-	-	-	-	12.9	-	12.9
Total comprehensive income for the period	-	-	-	-	-	-	12.9	65.0	77.9
Dividends paid	-	-	-	-	-	-	-	(10.3)	(10.3)
Own shares purchased by the ESOT	-	-	-	-	-	(3.2)	-	-	(3.2)
Share-based payments	-	-	-	-	-	3.8	-	(2.1)	1.7
Tax on share-based payments	-	-	-	-	-	-	-	0.9	0.9
At 31 January 2012	55.3	3.6	0.9	90.7	(33.1)	(6.1)	15.5	421.6	548.4
Profit for the period	-	-	-	-	-	-	-	23.5	23.5
Other comprehensive income:									
Foreign currency translation differences	-	-	-	-	-	-	(8.4)	-	(8.4)
Actuarial loss on defined benefit pension scheme	-	-	-	-	-	-	-	(6.2)	(6.2)
Tax on defined benefit pension scheme	-	-	-	-	-	-	-	1.5	1.5
Total comprehensive income for the period	-	-	-	-	-	-	(8.4)	18.8	10.4
Dividends paid	-	-	-	-	-	-	-	(5.0)	(5.0)
Own shares purchased by the ESOT	-	-	-	-	-	(0.3)	-	-	(0.3)
Share-based payments	-	-	-	-	-	0.2	-	0.6	0.8
Tax on share-based payments	-	-	-	-	-	-	-	0.4	0.4
At 30 April 2012	55.3	3.6	0.9	90.7	(33.1)	(6.2)	7.1	436.4	554.7
Profit for the period	-	-	-	-	-	-	-	104.7	104.7
Other comprehensive income:									
Foreign currency translation differences	-	-	-	-	-	-	7.7	-	7.7
Total comprehensive income for the period	-	-	-	-	-	-	7.7	104.7	112.4
Dividends paid	-	-	-	-	-	-	-	(12.5)	(12.5)
Own shares purchased by the ESOT	-	-	-	-	-	(10.2)	-	-	(10.2)
Share-based payments	-	-	-	-	-	9.0	-	(7.0)	2.0
Tax on share-based payments	-	-	-	-	-	-	-	3.0	3.0
At 31 January 2013	55.3	3.6	0.9	90.7	(33.1)	(7.4)	14.8	524.6	649.4

CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 31 JANUARY 2013

	Unaudited	
	2013	2012
	£m	£m
Cash flows from operating activities		
Cash generated from operations before exceptional items and changes in rental equipment	348.3	260.8
Exceptional operating costs paid	(2.1)	(2.6)
Payments for rental property, plant and equipment	(462.6)	(316.4)
Proceeds from disposal of rental property, plant and equipment	64.9	55.1
Cash generated from operations	(51.5)	(3.1)
Financing costs paid (net)	(36.5)	(29.4)
Exceptional financing costs paid	(13.4)	-
Tax paid (net)	(5.3)	(4.5)
Net cash used in operating activities	(106.7)	(37.0)
Cash flows from investing activities		
Acquisition of businesses	(22.6)	(0.9)
Payments for non-rental property, plant and equipment	(49.4)	(40.5)
Proceeds from disposal of non-rental property, plant and equipment	7.7	5.8
Payments for purchase of intangible assets	(1.1)	-
Net cash used in investing activities	(65.4)	(35.6)
Cash flows from financing activities		
Drawdown of loans	593.0	129.8
Redemption of loans	(419.7)	(60.0)
Capital element of finance lease payments	(0.8)	(1.1)
Purchase of own shares by the ESOT	(10.2)	(3.2)
Dividends paid	(12.5)	(10.3)
Net cash from financing activities	149.8	55.2
Decrease in cash and cash equivalents	(22.3)	(17.4)
Opening cash and cash equivalents	23.4	18.8
Closing cash and cash equivalents	1.1	1.4

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The consolidated interim financial statements for the nine months ended 31 January 2013 were approved by the directors on 4 March 2013. They have been prepared in accordance with relevant International Financial Reporting Standards ('IFRS') (including International Accounting Standard – 'IAS 34 Interim Financial Reporting') and the accounting policies set out in the Group's Annual Report and Accounts for the year ended 30 April 2012.

The financial statements have been prepared on the going concern basis as described in the corporate governance report included in the 2012 Annual Report and Accounts. They are unaudited and do not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006.

The statutory accounts for the year ended 30 April 2012 were prepared in accordance with relevant IFRS and have been mailed to shareholders and filed with the Registrar of Companies. The auditor's report on those accounts was unqualified and did not include a reference to any matter by way of emphasis without qualifying the report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The exchange rates used in respect of the US dollar are:

	2013	2012
Average for the three months ended 31 January	1.60	1.56
Average for the nine months ended 31 January	1.59	1.60
At 31 January	1.59	1.58

2. Segmental analysis

	Revenue	Operating profit before amortisation	Amortisation	Operating profit
	£m	£m	£m	£m
Three months to 31 January				
2013				
Sunbelt	284.1	64.5	(1.1)	63.4
A-Plant	49.8	1.7	(0.4)	1.3
Corporate costs	-	(2.0)	-	(2.0)
	333.9	64.2	(1.5)	62.7
2012				
Sunbelt	226.7	35.7	(0.2)	35.5
A-Plant	44.6	0.1	(0.4)	(0.3)
Corporate costs	-	(2.1)	-	(2.1)
	271.3	33.7	(0.6)	33.1

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. Segmental analysis (continued)

	Revenue	Operating profit before amortisation	Amortisation	Operating profit
	£m	£m	£m	£m
Nine months to 31 January				
2013				
Sunbelt	860.9	225.0	(2.5)	222.5
A-Plant	153.4	9.1	(1.4)	7.7
Corporate costs	-	(6.5)	-	(6.5)
	1,014.3	227.6	(3.9)	223.7
2012				
Sunbelt	708.5	143.5	(0.9)	142.6
A-Plant	138.3	5.4	(1.2)	4.2
Corporate costs	-	(5.6)	-	(5.6)
	846.8	143.3	(2.1)	141.2

	Segment assets	Cash	Taxation assets	Other financial assets - derivatives	Total assets
	£m	£m	£m	£m	£m
At 31 January 2013					
Sunbelt	1,825.1	-	-	-	1,825.1
A-Plant	314.6	-	-	-	314.6
Corporate items	1.1	1.1	2.0	-	4.2
	2,140.8	1.1	2.0	-	2,143.9
At 30 April 2012					
Sunbelt	1,549.4	-	-	-	1,549.4
A-Plant	301.4	-	-	-	301.4
Corporate items	0.1	23.4	2.6	7.2	33.3
	1,850.9	23.4	2.6	7.2	1,884.1

3. Operating costs

	2013			2012		
	Before amortisation	Amortisation	Total	Before amortisation	Amortisation	Total
	£m	£m	£m	£m	£m	£m
Three months to 31 January						
Staff costs:						
Salaries	84.2	-	84.2	75.9	-	75.9
Social security costs	6.9	-	6.9	6.6	-	6.6
Other pension costs	1.6	-	1.6	1.5	-	1.5
	92.7	-	92.7	84.0	-	84.0
Used rental equipment sold	20.4	-	20.4	15.5	-	15.5
Other operating costs:						
Vehicle costs	23.2	-	23.2	20.4	-	20.4
Spares, consumables & external repairs	16.6	-	16.6	15.2	-	15.2
Facility costs	11.6	-	11.6	13.8	-	13.8
Other external charges	48.4	-	48.4	36.6	-	36.6
	99.8	-	99.8	86.0	-	86.0
Depreciation and amortisation:						
Depreciation	56.8	-	56.8	52.1	-	52.1
Amortisation of acquired intangibles	-	1.5	1.5	-	0.6	0.6
	56.8	1.5	58.3	52.1	0.6	52.7
	269.7	1.5	271.2	237.6	0.6	238.2

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. Operating costs (continued)

	2013			2012		
	Before amortisation	Amortisation	Total	Before amortisation	Amortisation	Total
	£m	£m	£m	£m	£m	£m
Nine months to 31 January						
Staff costs:						
Salaries	246.2	-	246.2	228.0	-	228.0
Social security costs	18.6	-	18.6	16.9	-	16.9
Other pension costs	4.7	-	4.7	4.3	-	4.3
	269.5	-	269.5	249.2	-	249.2
Used rental equipment sold	61.5	-	61.5	46.6	-	46.6
Other operating costs:						
Vehicle costs	69.0	-	69.0	63.2	-	63.2
Spares, consumables & external repairs	50.3	-	50.3	45.7	-	45.7
Facility costs	34.4	-	34.4	35.7	-	35.7
Other external charges	132.8	-	132.8	114.0	-	114.0
	286.5	-	286.5	258.6	-	258.6
Depreciation and amortisation:						
Depreciation	169.2	-	169.2	149.1	-	149.1
Amortisation of acquired intangibles	-	3.9	3.9	-	2.1	2.1
	169.2	3.9	173.1	149.1	2.1	151.2
	786.7	3.9	790.6	703.5	2.1	705.6

4. Exceptional items, amortisation and fair value remeasurements

Exceptional items are those items of financial performance that are material and non-recurring in nature. Amortisation relates to the periodic write off of acquired intangible assets. Fair value remeasurements relate to the embedded call options in the Group's $550m 9.0% senior secured notes. The Group believes these items should be disclosed separately within the consolidated income statement to assist in the understanding of the financial performance of the Group. Underlying revenue, profit and earnings per share are stated before exceptional items, amortisation of acquired intangibles and fair value remeasurements.

	Three months to 31 January		Nine months to 31 January	
	2013	2012	2013	2012
	£m	£m	£m	£m
Write off of deferred financing costs	-	-	4.6	-
Early redemption fee	-	-	10.6	-
Call period interest	-	-	2.8	-
Fair value remeasurements	-	-	7.4	-
Amortisation of acquired intangibles	1.5	0.6	3.9	2.1
	1.5	0.6	29.3	2.1
Taxation	(0.6)	(0.2)	(11.2)	(0.7)
	0.9	0.4	18.1	1.4

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. Exceptional items, amortisation and fair value remeasurements (continued)

The write off of deferred financing costs consists of the unamortised balance of the costs relating to the $550m 9.0% senior secured notes redeemed in July 2012. In addition, an early redemption fee of £11m was paid to redeem the notes prior to their scheduled maturity. The call period interest represents the interest charge on the $550m notes for the period from the issue of the new $500m notes to the date the $550m notes were redeemed. Fair value remeasurements relate to the change in fair value of the embedded call options in the $550m 9.0% senior secured notes.

The items detailed in the table above are presented in the income statement as follows:

	Three months to 31 January		Nine months to 31 January	
	2013	2012	2013	2012
	£m	£m	£m	£m
Amortisation of acquired intangibles	1.5	0.6	3.9	2.1
Charged in arriving at operating profit	1.5	0.6	3.9	2.1
Net financing costs	-	-	25.4	-
Charged in arriving at profit before taxation	1.5	0.6	29.3	2.1
Taxation	(0.6)	(0.2)	(11.2)	(0.7)
	0.9	0.4	18.1	1.4

5. Financing costs

	Three months to 31 January		Nine months to 31 January	
	2013	2012	2013	2012
	£m	£m	£m	£m
Investment income:				
Expected return on assets of defined benefit pension plan	(1.1)	(1.0)	(3.2)	(3.1)
Interest expense:				
Bank interest payable	4.9	4.5	13.4	12.9
Interest payable on second priority senior secured notes	4.9	7.9	17.5	23.3
Interest payable on finance leases	0.1	0.1	0.2	0.2
Other interest payable	-	-	0.4	-
Non-cash unwind of discount on defined benefit pension plan liabilities	0.8	0.7	2.3	2.3
Non-cash unwind of discount on self insurance provisions	0.3	0.3	0.9	0.9
Amortisation of deferred costs of debt raising	0.5	0.6	1.6	1.8
Total interest expense	11.5	14.1	36.3	41.4
Net financing costs before remeasurements	10.4	13.1	33.1	38.3
Exceptional items	-	-	18.0	-
Fair value remeasurements	-	-	7.4	-
Net financing costs	10.4	13.1	58.5	38.3

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. Taxation

The tax charge for the period has been computed using an estimated effective rate of 39% in the US (2012: 40%) and 25% in the UK (2012: 27%). The blended effective rate for the Group as a whole is 37%.

The tax charge of £71.7m (2012: £38.6m) on the underlying pre-tax profit of £194.5m (2012: £105.0m) can be explained as follows:

	Nine months to 31 January	
	2013	2012
	£m	£m
Current tax		
- current tax on income for the period	8.8	5.9
- adjustment to prior year	-	(0.2)
	8.8	5.7
Deferred tax		
- origination and reversal of temporary differences	62.9	32.3
- adjustments to prior year	-	0.6
	62.9	32.9
Tax on underlying activities	71.7	38.6
Comprising:		
- UK tax	7.6	7.5
- US tax	64.1	31.1
	71.7	38.6

In addition, the tax credit of £11.2m (2012: £0.7m) on exceptional items (including amortisation of acquired intangibles and fair value remeasurements) of £29.3m (2012: £2.1m) consists of a deferred tax credit of £0.3m (2012: £0.3m) relating to the UK and £10.9m (2012: £0.4m) relating to the US.

7. Earnings per share

Basic and diluted earnings per share for the three and nine months ended 31 January 2013 have been calculated based on the profit for the relevant period and on the weighted average number of ordinary shares in issue during that period (excluding shares held in treasury and by the ESOT over which dividends have been waived). Diluted earnings per share are computed using the result for the relevant period and the diluted number of shares (ignoring any potential issue of ordinary shares which would be anti-dilutive).

These are calculated as follows:

		Three months to 31 January		Nine months to 31 January	
		2013	2012	2013	2012
Profit for the financial period (£m)		33.6	12.8	104.7	65.0
Weighted average number of shares (m)	- basic	500.6	498.9	500.0	498.2
	- diluted	507.1	506.0	507.6	506.9
Basic earnings per share		6.7p	2.6p	20.9p	13.0p
Diluted earnings per share		6.6p	2.5p	20.6p	12.8p

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7. Earnings per share (continued)

Underlying earnings per share (defined in any period as the earnings before exceptional items, amortisation of acquired intangibles and fair value remeasurements for that period divided by the weighted average number of shares in issue in that period) and cash tax earnings per share (defined in any period as underlying earnings before other deferred taxes divided by the weighted average number of shares in issue in that period) may be reconciled to the basic earnings per share as follows:

	Three months to 31 January		Nine months to 31 January	
	2013	2012	2013	2012
Basic earnings per share	6.7p	2.6p	20.9p	13.0p
Exceptional items, amortisation of acquired intangibles and fair value remeasurements	0.3p	0.1p	5.9p	0.4p
Tax on exceptional items, amortisation and remeasurements	(0.1p)	-	(2.2p)	(0.1p)
Underlying earnings per share	6.9p	2.7p	24.6p	13.3p
Other deferred tax	3.3p	1.2p	12.5p	6.6p
Cash tax earnings per share	10.2p	3.9p	37.1p	19.9p

8. Dividends

During the period, a final dividend in respect of the year ended 30 April 2012 of 2.5p (2012: 2.07p) per share was paid to shareholders costing £12.5m (2012: £10.3m). The interim dividend for the year ended 30 April 2013 of 1.5p (2012: 1.0p) per share announced on 11 December 2012 was paid on 6 February 2013.

9. Property, plant and equipment

	2013		2012	
	Rental equipment	Total	Rental equipment	Total
Net book value	£m	£m	£m	£m
At 1 May	1,118.4	1,263.4	914.5	1,036.2
Exchange difference	22.1	24.6	40.3	44.8
Reclassifications	(0.8)	-	(0.4)	-
Acquisitions	5.4	6.1	(0.3)	(0.3)
Additions	377.2	427.0	293.0	335.8
Disposals	(60.1)	(65.2)	(45.6)	(50.7)
Depreciation	(149.0)	(169.2)	(130.8)	(149.1)
At 31 January	1,313.2	1,486.7	1,070.7	1,216.7

10. Called up share capital

Ordinary shares of 10p each:

	31 January 2013	30 April 2012	31 January 2013	30 April 2012
	Number	Number	£m	£m
Authorised	900,000,000	900,000,000	90.0	90.0
Allotted, called up and fully paid	553,325,554	553,325,554	55.3	55.3

At 31 January 2013, 50m shares were held by the Company and a further 2.8m shares were held by the Company's Employee Share Ownership Trust.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11. Notes to the cash flow statement

	Nine months to 31 January	
	2013	2012
	£m	£m
a) Cash flow from operating activities		
Operating profit before exceptional items and amortisation	227.6	143.3
Depreciation	169.2	149.1
EBITDA before exceptional items	396.8	292.4
Profit on disposal of rental equipment	(10.3)	(7.6)
Profit on disposal of other property, plant and equipment	(1.4)	(1.1)
Increase in inventories	(0.6)	(1.0)
Increase in trade and other receivables	(26.9)	(14.9)
Decrease in trade and other payables	(11.3)	(8.8)
Exchange differences	-	0.1
Other non-cash movements	2.0	1.7
Cash generated from operations before exceptional items and changes in rental equipment	348.3	260.8

b) Reconciliation to net debt

Decrease in cash in the period	22.3	17.4
Increase in debt through cash flow	172.5	68.7
Change in net debt from cash flows	194.8	86.1
Exchange differences	21.1	46.1
Non-cash movements:		
- deferred costs of debt raising	6.2	1.8
- capital element of new finance leases	0.2	1.5
Increase in net debt in the period	222.3	135.5
Opening net debt	854.3	775.7
Closing net debt	1,076.6	911.2

c) Analysis of net debt

	1 May 2012	Exchange movement	Cash flow	Non-cash movements	31 January 2013
	£m	£m	£m	£m	£m
Cash	(23.4)	-	22.3	-	(1.1)
Debt due within 1 year	2.1	-	(0.5)	0.7	2.3
Debt due after 1 year	875.6	21.1	173.0	5.7	1,075.4
Total net debt	854.3	21.1	194.8	6.4	1,076.6

Details of the Group's debt are given in the Review of the Third Quarter, Balance Sheet and Cash Flow accompanying these interim financial statements.

d) Acquisitions

	Nine months to 31 January	
	2013	2012
	£m	£m
Cash consideration	22.6	0.9

During the period, Sunbelt completed two small acquisitions, JMR Industries, Ltd. and Southern Boom & Scissor, for a cash consideration of £20.1m ($32m) and £2.5m ($4.2m), respectively. Further details are provided in note 12.

12. Acquisitions

During the period, Sunbelt completed two acquisitions as follows:

i) 20 November 2012 – the entire business and assets of JMR Industries, Ltd. (JMR) for an initial consideration of £20.1m ($32m) with deferred consideration of up to $12m payable over the next three years depending on future profitability. JMR is a single location energy-related business, renting and selling equipment into the oil and gas industry.

ii) 28 December 2012 – the entire business and assets of Southern Boom & Scissor, Inc. (SBS) for a cash consideration of £2.5m ($4.2m). SBS rents equipment to the convention services industry.

The net assets acquired and the goodwill arising on the acquisitions are as follows:

	Acquirees' book value £m	Fair value to Group £m
Net assets acquired		
Trade and other receivables	4.2	4.2
Inventory	0.2	0.2
Property, plant and equipment		
- rental equipment	5.5	5.4
- other assets	0.8	0.7
Intangible assets (brand name, distribution and non-compete agreements and customer relationships)	-	11.6
	10.7	22.1
Consideration:		
- cash paid		22.6
- deferred consideration payable in cash		6.8
		29.4
Goodwill		7.3

Trade receivables at acquisition were £4.2m at fair value, net of £nil provision for debts which may not be collected.

The goodwill arising can be attributed to the key management personnel and workforce of the acquired businesses and to the benefits the Group expects to derive from the acquisitions. None of the goodwill is expected to be deductible for income tax purposes.

JMR's revenue and operating profit in the period from the date of acquisition to 31January 2013 were £4m ($7m) and £2m ($3m) respectively. Had the acquisition taken place on 1 May 2012 then Group reported revenue and operating profit for the nine months to 31 January 2013 would have been higher by £11m ($17m) and £2m ($4m) respectively.

Deferred consideration of up $12m is payable contingent on JMR meeting or exceeding certain earnings thresholds over the next three years. The fair value of the deferred consideration of £6.8m reflects management's expectation of the likelihood of the earnings targets being achieved and discounted at the Group's cost of debt.

SBS's contribution to revenue and operating profit in the period from the date of acquisition to 31 January 2013 was not material.

There were no material acquisitions completed between 31 January 2013 and the date the interim financial statements have been authorised for issue.

13. Contingent liabilities

There have been no significant changes in contingent liabilities from those reported in the financial statements for the year ended 30 April 2012. The IRS Appeals team has confirmed the terms of the preliminary agreement reached in relation to the audits of the tax returns of the Group's US subsidiaries for the four years ended 30 April 2009 and the audits are now closed. There is no impact on the financial statements as a result of the conclusion of these audits.

REVIEW OF THE THIRD QUARTER, BALANCE SHEET AND CASH FLOW

Third quarter

	Revenue		EBITDA		Operating profit	
	2013	2012	2013	2012	2013	2012
Sunbelt in $m	454.8	354.2	176.7	120.3	103.5	55.3
Sunbelt in £m	284.1	226.7	110.1	77.2	64.5	35.7
A-Plant	49.8	44.6	12.9	10.8	1.7	0.1
Group central costs	-	-	(2.0)	(2.2)	(2.0)	(2.1)
Continuing operations	333.9	271.3	121.0	85.8	64.2	33.7
Net financing costs					(10.4)	(13.1)
Profit before tax and amortisation					**53.8**	**20.6**
Amortisation					(1.5)	(0.6)
Profit before taxation					52.3	20.0
Margins						
Sunbelt			*38.8%*	*33.9%*	*22.8%*	*15.6%*
A-Plant			*25.8%*	*24.1%*	*3.5%*	*0.4%*
Group			*36.3%*	*31.6%*	*19.2%*	*12.4%*

Third quarter results reflect continued improvement in the US with Sunbelt's rental revenue growing 27% to $402m (2012: $318m). The quarter was enhanced by the impact of Hurricane Sandy and we estimate that this event contributed around 5% ($15m) of the growth. The one-off benefit of this event will not carry forward into the fourth quarter as major restoration and remediation work is now largely complete. Rental revenue growth comprised a 14% increase in average fleet on rent and an 11% higher yield. In the UK, A-Plant's third quarter rental revenue grew by 11% to £44m (2012: £39m) including a 13% growth in average fleet on rent offset by a 2% yield decline, principally due to a change in fleet mix.

Total revenue growth for the Group of 26% at constant rates (23% at actual rates) included higher used equipment sales revenue of £23m (2012: £18m) as we increased capital expenditure and hence sold more used equipment.

Group pre-tax profit before amortisation of acquired intangibles was £54m (2012: £21m). This reflected the operating profit growth and lower net financing costs of £10m (2012: £13m). After £2m of intangible amortisation, the statutory profit before tax was £52m (2012: £20m).

Balance sheet

Fixed assets

	2013			2012
	Growth	Maintenance	Total	Total
Sunbelt in $m	259.6	252.3	511.9	385.5
Sunbelt in £m	163.8	159.1	322.9	244.3
A-Plant	16.1	38.2	54.3	48.7
Total rental equipment	179.9	197.3	377.2	293.0
Delivery vehicles, property improvements & computers			49.9	42.8
Total additions			427.1	335.8

Capital expenditure during the nine months totalled £427m (2012: £336m) with £377m invested in the rental fleet (2012: £293m). Expenditure on rental equipment was 88% of total capital expenditure with the balance relating to the delivery vehicle fleet, property improvements and to computer equipment.

US demand remained strong and, as a result, $260m of rental equipment capital expenditure was spent on growth while $252m was invested in replacement of existing fleet. The growth proportion is estimated on the basis of the assumption that maintenance capital expenditure in any period is equal to the original cost of equipment sold.

The average age of the Group's serialised rental equipment, which constitutes the substantial majority of our fleet, at 31 January 2013 was 32 months (2012: 40 months) on a net book value basis. Sunbelt's fleet had an average age of 31 months (2012: 39 months) while A-Plant's fleet had an average age of 39 months (2012: 41 months).

	Rental fleet at original cost					
	31 January 2013	30 April 2012	LTM average	LTM rental revenues	LTM dollar utilisation	LTM physical utilisation
Sunbelt in $m	2,725	2,453	2,580	1,536	60%	70%
Sunbelt in £m	1,719	1,511	1,627	967	60%	70%
A-Plant	374	358	372	179	48%	67%
	2,093	1,869	1,999	1,146		

Dollar utilisation is defined as rental revenue divided by average fleet at original (or "first") cost and, measured over the last twelve months to 31 January 2013, was 60% at Sunbelt (2012: 57%) and 48% at A-Plant (2012: 48%). Physical utilisation is time based utilisation, which is calculated as the daily average of the original cost of equipment on rent as a percentage of the total value of equipment in the fleet at the measurement date. Measured over the last twelve months to 31 January 2013, physical utilisation was 70% in Sunbelt (2012: 70%) and 67% at A-Plant (2012: 66%). At Sunbelt, physical utilisation is measured for equipment with an original cost in excess of £7,500 which comprised approximately 93% of its fleet at 31 January 2013.

Trade receivables

Receivable days at 31 January were 45 days (2012: 50 days). The bad debt charge for the nine months ended 31 January 2013 as a percentage of total turnover was 0.7% (2012: 0.8%). Trade receivables at 31 January 2013 of £184m (2012: £147m) are stated net of provisions for bad debts and credit notes of £17m (2012: £17m) with the provision representing 8.7% (2012: 10.4%) of gross receivables.

Trade and other payables

Group payable days were 55 days in 2013 (2012: 54 days) with capital expenditure-related payables, which have longer payment terms, totalling £49m (2012: £34m). Payment periods for purchases other than rental equipment vary between 7 and 60 days and for rental equipment between 30 and 120 days.

Cash flow and net debt

	Nine months to 31 January		LTM to 31 January	Year to 30 April
	2013	2012	2013	2012
	£m	£m	£m	£m
EBITDA before exceptional items	396.8	292.4	485.5	381.1
Cash inflow from operations before exceptional items and changes in rental equipment	348.3	260.8	452.1	364.6
*Cash conversion ratio**	*87.8%*	*89.2%*	*93.1%*	*95.7%*
Maintenance rental capital expenditure paid	(242.5)	(199.4)	(265.5)	(222.4)
Payments for non-rental capital expenditure	(50.6)	(40.5)	(60.0)	(49.9)
Rental equipment disposal proceeds	64.9	55.1	93.2	83.4
Other property, plant and equipment disposal proceeds	7.7	5.8	8.7	6.8
Tax paid	(5.3)	(4.5)	(8.2)	(7.4)
Financing costs paid	(36.5)	(29.4)	(56.2)	(49.1)
Cash inflow before growth capex and payment of exceptional costs	**86.0**	**47.9**	**164.1**	**126.0**
Growth rental capital expenditure paid	(220.0)	(117.0)	(238.4)	(135.4)
Exceptional costs paid	(15.5)	(2.6)	(16.2)	(3.3)
Total cash used in operations	**(149.5)**	**(71.7)**	**(90.5)**	**(12.7)**
Business acquisitions	(22.6)	(0.9)	(43.6)	(21.9)
Total cash absorbed	**(172.1)**	**(72.6)**	**(134.1)**	**(34.6)**
Dividends paid	(12.5)	(10.3)	(17.5)	(15.3)
Purchase of own shares by the ESOT	(10.2)	(3.2)	(10.5)	(3.5)
Increase in net debt	**(194.8)**	**(86.1)**	**(162.1)**	**(53.4)**

*Cash inflow from operations before exceptional items and changes in rental equipment as a percentage of EBITDA before exceptional items.

Cash inflow from operations before payment of exceptional costs and net investment in the rental fleet increased by 34% to £348m (2012: £261m). Reflecting a higher level of working capital due to higher activity levels, the cash conversion ratio for the nine months was 88% (2012: 89%).

Total payments for capital expenditure (rental equipment and other PPE) during the nine months were £513m (2012: £357m), more than the £427m of capital expenditure due to the timing of deliveries and impact of supplier payment terms. Disposal proceeds received totalled £73m, giving net payments for capital expenditure of £440m in the nine months (2012: £296m). Financing costs paid totalled £37m (2012: £29m) while tax payments were £5m (2012: £5m). The increase from last year in financing costs paid reflects a change in the timing of semi-annual interest payments following the new $500m bond issue.

Accordingly, in the nine months the Group generated £86m (2012: £48m) of net cash before discretionary investments made to enlarge the size and hence earning capacity of its rental fleet. After growth capital expenditure, exceptional costs and business acquisitions, there was a net cash outflow of £172m (2012: £73m).

Net debt

	31 January		30 April
	2013	2012	2012
	£m	£m	£m
First priority senior secured bank debt	765.7	565.7	539.9
Finance lease obligations	3.1	3.4	3.8
9% second priority senior secured notes, due 2016	-	343.5	334.0
6.5% second priority senior secured notes, due 2022	308.9	-	-
	1,077.7	912.6	877.7
Cash and cash equivalents	(1.1)	(1.4)	(23.4)
Total net debt	1,076.6	911.2	854.3

Net debt at 31 January 2013 was £1,077m (30 April 2012: £854m) with the increase since April reflecting principally the net cash outflow set out above and £21m of currency translation effect. The Group's underlying EBITDA for the twelve months ended 31 January 2013 was £485m and the ratio of net debt to underlying EBITDA was 2.2 times at 31 January 2013 at constant exchange rates (2012: 2.5 times).

Under the terms of our asset-based senior bank facility, $1.8bn is committed until March 2016, whilst the new $500m senior secured notes mature in July 2022. Our debt facilities therefore remain committed for the long term, with an average of 5 years remaining at 31 January 2013. The weighted average interest cost of these facilities (including non-cash amortisation of deferred debt raising costs) is approximately 4.1%. The terms of the new $500m senior secured notes are similar to the redeemed $550m notes with financial performance covenants only measured at the time new debt is raised.

There are two financial performance covenants under the asset-based first priority senior bank facility:

- funded debt to LTM EBITDA before exceptional items not to exceed 4.0 times; and
- a fixed charge ratio (comprising LTM EBITDA before exceptional items less LTM net capital expenditure paid in cash over the sum of scheduled debt repayments plus cash interest, cash tax payments and dividends paid in the last twelve months) which must be equal to or greater than 1.1 times.

These covenants do not, however, apply when excess availability (the difference between the borrowing base and net facility utilisation) exceeds $216m. At 31 January 2013 availability under the bank facility was $547m, with an additional $157m of suppressed availability ($735m at 30 April 2012) meaning that covenants were not measured at 31 January 2013 and are unlikely to be measured in forthcoming quarters. However, as a matter of good practice, we still calculate the covenant ratios each quarter. At 31 January 2013, as a result of the significant investment in our rental fleet, the fixed charge ratio, as expected, did not meet the covenant requirement whilst the leverage ratio did so comfortably. The fact the fixed charge ratio is currently below 1.1 times does not cause concern given the strong availability and management's ability to flex capital expenditure downwards at short notice. Accordingly, the accounts are prepared on a going concern basis.

Principal risks and uncertainties

Risks and uncertainties in achieving the Group's objectives for the remainder of the financial year, together with assumptions, estimates, judgements and critical accounting policies used in preparing financial information remain unchanged from those detailed in the 2012 Annual Report and Accounts on pages 18 to 25. Our business is subject to significant fluctuations in performance from quarter to quarter as a result of seasonal effects. Commercial construction activity tends to increase in the summer and during extended periods of mild weather and to decrease in the winter and during extended periods of inclement weather. Furthermore, due to the incidence of public holidays in the US and the UK, there are more billing days in the first half of our financial year than the second half leading to our revenues normally being higher in the first half. On a quarterly basis, the second quarter is typically our strongest quarter, followed by the first and then the third and fourth quarters.

In addition, the current trading and outlook section of the interim statement provides a commentary on market and economic conditions for the remainder of the year.

Fluctuations in the value of the US dollar with respect to the pound sterling have had, and may continue to have, a significant impact on our financial condition and results of operations as reported in pounds due to the majority of our assets, liabilities, revenues and costs being denominated in US dollars. All our debt was denominated in US dollars at 31 January 2013 and represented approximately 73% of the value of dollar denominated net assets (other than debt) providing a partial, but substantial, hedge against currency fluctuations. The dollar interest payable on this debt also limits the impact of changes in the dollar exchange rate on our pre-tax profits and earnings. Based on the current currency mix of our profits and on dollar debt levels, interest and exchange rates at 31 January 2013, a 1% change in the US dollar exchange rate would impact pre-tax profit by £2.2m.

OPERATING STATISTICS

	Number of rental stores			Staff numbers		
	31 January		30 April	31 January		30 April
	2013	2012	2012	2013	2012	2012
Sunbelt	378	361	376	6,787	6,283	6,605
A-Plant	110	109	109	1,938	1,949	1,939
Corporate office	-	-	-	10	10	11
Group	488	470	485	8,735	8,242	8,555

Sunbelt's rental store number includes 31 Sunbelt at Lowes stores at 31 January 2013 (40 at 30 April 2012).