4 March 2014

Unaudited results for the nine months and third quarter ended 31 January 2014

	Third quarter			Nine months		
	2014	2013[1]	Growth[2]	2014	2013[1]	Growth[2]
	£m	£m	%	£m	£m	%
Underlying results[3]						
Revenue	400.1	333.9	22%	1,249.8	1,014.3	23%
EBITDA	162.2	121.0	37%	531.4	396.6	33%
Operating profit	92.5	64.2	48%	326.6	227.4	43%
Profit before taxation	80.4	53.5	54%	292.7	193.5	51%
Earnings per share	10.1p	6.8p	51%	36.8p	24.4p	50%
Statutory results						
Profit before taxation	77.9	52.0	54%	285.7	164.2	73%
Earnings per share	9.7p	6.7p	50%	35.8p	20.8p	71%

1 prior year figures restated for the adoption of IAS 19 'Employee Benefits' (revised) (see explanatory note below)
2 at constant exchange rates
3 before exceptionals, intangible amortisation and fair value remeasurements

Highlights

- Group revenue increase of 23%[2]
- Record nine month pre-tax profit[3] of £293m, up 51% at constant exchange rates
- Group EBITDA margin improves to 43% (2013: 39%)
- £564m of capital invested in the business (2013: £427m)
- Group RoI of 18% (2013: 15%)
- Net debt to EBITDA leverage[2] of 2.0 times (2013: 2.2 times)

Ashtead's chief executive, Geoff Drabble, commented:

"The business continues to have strong momentum, resulting in record nine month pre-tax profits of £293m, up 51% from the prior year. It is particularly pleasing to see both our divisions performing so strongly.

Our strategy continues to be focused largely on organic growth, supplemented by a range of bolt-on acquisitions. We invested £491m in our rental fleet and a further £85m on acquisitions during the period. Our markets remain strong and we anticipate growing the Group's fleet organically in the coming year in the low to mid teens percent range. We remain committed to our debt leverage target of below 2 times EBITDA.

As a result, we now anticipate a full year profit ahead of our previous expectations and the Board looks forward to the medium term with continued confidence."

Contacts:

Geoff Drabble	Chief executive	+44 (0)20 7726 9700
Suzanne Wood	Finance director	
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Geoff Drabble and Suzanne Wood will hold a conference call for equity analysts to discuss the results and outlook at **9.00am** on Tuesday, 4 March. The call will be webcast live via the Company's website at www.ashtead-group.com and a replay will also be available via the website from shortly after the call concludes. A copy of this announcement and the slide presentation used for the meeting will also be available for download on the Company's website. The usual conference call for bondholders will begin at 3pm (10am EST).

Analysts and bondholders have already been invited to participate in the analyst call and conference call for bondholders but any eligible person not having received dial-in details should contact the Company's PR advisers, Maitland (Astrid Wright) at +44 (0)20 7379 5151.

Explanatory note

Prior year figures have been restated following the adoption of IAS 19 'Employee Benefits' (revised). Adoption of the revised standard has decreased the Group's reported operating profit and has increased net financing costs. The net effect is to reduce profit before taxation by £1.3m for the year ended 30 April 2013. See note 1 for further information.

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	
	2014	2013	2014	2013 (restated)	2014	2013 (restated)
Sunbelt in $m	1,658.1	1,368.0	755.2	571.5	494.2	357.6
Sunbelt in £m	1,048.2	860.9	477.4	359.6	312.3	225.0
A-Plant	201.6	153.4	61.1	43.5	21.4	8.9
Group central costs	-	-	(7.1)	(6.5)	(7.1)	(6.5)
	1,249.8	1,014.3	531.4	396.6	326.6	227.4
Net financing costs					(33.9)	(33.9)
Profit before tax, exceptionals, remeasurements and amortisation					**292.7**	**193.5**
Exceptional items					-	(18.0)
Fair value remeasurements					-	(7.4)
Amortisation					(7.0)	(3.9)
Profit before taxation					285.7	164.2
Taxation					(106.2)	(60.2)
Profit attributable to equity holders of the Company					179.5	104.0
Margins						
Sunbelt			*45.5%*	*41.8%*	*29.8%*	*26.1%*
A-Plant			*30.3%*	*28.4%*	*10.6%*	*5.9%*
Group			*42.5%*	*39.1%*	*26.1%*	*22.4%*

Group revenue increased 23% to £1,250m in the nine months (2013: £1,014m) with strong growth in both businesses. This revenue growth, combined with ongoing operational efficiency, generated record underlying profit before tax of £293m (2013: £193m).

In Sunbelt, rental revenue grew 22% to $1,484m (2013: $1,213m), driven by a 17% increase in fleet on rent and 5% improvement in yield. Sunbelt's total revenue, including new and used equipment, merchandise and consumable sales, grew 21% to $1,658m (2013: $1,368m).

A-Plant continues to perform well and, with the acquisition of Eve Trakway ('Eve'), delivered rental revenue of £181m, up 33% on the prior year (2013: £136m). This reflects 21% more fleet on rent and a 10% improvement in yield. Yield has benefitted from a change in mix over the period which includes Eve's events work. Rental revenue growth excluding Eve was 18%, reflecting 10% more fleet on rent and 7% yield improvement.

Sunbelt's strong revenue growth, combined with continued operational efficiency resulted in a record nine month EBITDA margin of 46% (2013: 42%) as 63% of revenue growth dropped through to EBITDA. This contributed to an operating profit of $494m (2013: $358m). A-Plant's EBITDA margin improved to 30% (2013: 28%) and operating profit increased to £21m (2013: £9m).

Group profit before amortisation of intangibles and taxation was £293m (2013: £193m). After a tax charge of 37% (2013: 37%) of the underlying pre-tax profit, underlying earnings per share increased 51% to 36.8p (2013: 24.4p). Statutory profit before tax was £286m (2013: £164m) and basic earnings per share were 35.8p (2013: 20.8p).

Capital expenditure

Capital expenditure in the nine months was £564m gross and £480m net of disposal proceeds (2013: £427m gross and £349m net). As a result of this investment, the Group's rental fleet at 31 January 2014 at cost was £2.5bn with an average age of 29 months (2013: 32 months).

Sunbelt's fleet size at 31 January was $3.4bn. This larger fleet supported strong fleet on rent growth of 17% year on year. Average nine month physical utilisation was 71% (2013: 71%).

Capital expenditure is under constant review, based on market conditions. For the full year, we continue to expect gross capital expenditure of around £700m and net payments after disposal proceeds of around £600m.

Our expectation for next year is that the percentage growth in our fleet will be in the low to mid teens with capital expenditure at a similar level to this year. 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. 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 2015.

Return on Investment[1]

Sunbelt's pre-tax return on investment (excluding goodwill) in the 12 months to 31 January 2014 continued to improve to 26.0% (2013: 23.9%), well ahead of the Group's pre-tax weighted average cost of capital. In the UK, return on investment (excluding goodwill) improved to 9.1% (2013: 4.4%). For the Group as a whole, returns (including goodwill) are 18.3% (2013: 15.3%).

Cash flow and net debt

As expected, debt increased during the nine months as we invested in the fleet and made a number of bolt-on acquisitions and due to increased working capital to support higher activity levels. Net debt at 31 January 2014 was £1,266m (2013: £1,077m) whilst the ratio of net debt to EBITDA was 2.0 times (2013: 2.2 times) on a constant currency basis and 1.9 times (2013: 2.2 times) on a reported basis.

The Group's debt package remains well structured and flexible, enabling us to take advantage of prevailing end market conditions. Following the $400m add-on to the 6.5% senior secured notes due in 2022, the Group's debt facilities are committed for an average of six years. At 31 January 2014, ABL availability was $790m, with an additional $645m of suppressed availability - substantially above the $200m level at which the Group's entire debt package is covenant free.

Current trading and outlook

Our strong performance continued in February. With this continuing momentum in the business we now anticipate a full year profit ahead of our previous expectations and the Board looks forward to the medium term with continued confidence.

[1] Underlying operating profit divided by the sum of 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 2014

	2014			2013		
	Before amortisation £m	Amortisation £m	Total £m	Before amortisation £m (restated)	Amortisation £m	Total £m (restated)
Third quarter - unaudited						
Revenue						
Rental revenue	354.2	-	354.2	294.7	-	294.7
Sale of new equipment, merchandise and consumables	14.9	-	14.9	15.8	-	15.8
Sale of used rental equipment	31.0	-	31.0	23.4	-	23.4
	400.1	-	400.1	333.9	-	333.9
Operating costs						
Staff costs	(104.8)	-	(104.8)	(92.7)	-	(92.7)
Used rental equipment sold	(24.0)	-	(24.0)	(20.4)	-	(20.4)
Other operating costs	(109.1)	-	(109.1)	(99.8)	-	(99.8)
	(237.9)	-	(237.9)	(212.9)	-	(212.9)
EBITDA*	162.2	-	162.2	121.0	-	121.0
Depreciation	(69.7)	-	(69.7)	(56.8)	-	(56.8)
Amortisation of intangibles	-	(2.5)	(2.5)	-	(1.5)	(1.5)
Operating profit	92.5	(2.5)	90.0	64.2	(1.5)	62.7
Investment income	-	-	-	-	-	-
Interest expense	(12.1)	-	(12.1)	(10.7)	-	(10.7)
Profit on ordinary activities before taxation	80.4	(2.5)	77.9	53.5	(1.5)	52.0
Taxation	(29.9)	0.8	(29.1)	(19.2)	0.6	(18.6)
Profit attributable to equity holders of the Company	50.5	(1.7)	48.8	34.3	(0.9)	33.4
Basic earnings per share	10.1p	(0.4p)	9.7p	6.8p	(0.1p)	6.7p
Diluted earnings per share	10.0p	(0.3p)	9.7p	6.8p	(0.2p)	6.6p

* 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 operations.

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

CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS ENDED 31 JANUARY 2014

	2014			2013		
	Before amortisation	Amortisation	Total	Before exceptional items, amortisation and remeasurements	Exceptional items, amortisation and remeasurements	Total
	£m	£m	£m	£m (restated)	£m	£m (restated)
Nine months - unaudited						
Revenue						
Rental revenue	1,119.6	-	1,119.6	899.6	-	899.6
Sale of new equipment, merchandise and consumables	53.4	-	53.4	42.9	-	42.9
Sale of used rental equipment	76.8	-	76.8	71.8	-	71.8
	1,249.8	-	1,249.8	1,014.3	-	1,014.3
Operating costs						
Staff costs	(317.8)	-	(317.8)	(269.5)	-	(269.5)
Used rental equipment sold	(60.9)	-	(60.9)	(61.5)	-	(61.5)
Other operating costs	(339.7)	-	(339.7)	(286.7)	-	(286.7)
	(718.4)	-	(718.4)	(617.7)	-	(617.7)
EBITDA*	531.4	-	531.4	396.6	-	396.6
Depreciation	(204.8)	-	(204.8)	(169.2)	-	(169.2)
Amortisation of intangibles	-	(7.0)	(7.0)	-	(3.9)	(3.9)
Operating profit	326.6	(7.0)	319.6	227.4	(3.9)	223.5
Investment income	-	-	-	0.1	-	0.1
Interest expense	(33.9)	-	(33.9)	(34.0)	(25.4)	(59.4)
Profit on ordinary activities before taxation	292.7	(7.0)	285.7	193.5	(29.3)	164.2
Taxation	(108.5)	2.3	(106.2)	(71.4)	11.2	(60.2)
Profit attributable to equity holders of the Company	184.2	(4.7)	179.5	122.1	(18.1)	104.0
Basic earnings per share	36.8p	(1.0p)	35.8p	24.4p	(3.6p)	20.8p
Diluted earnings per share	36.5p	(0.9p)	35.6p	24.1p	(3.6p)	20.5p

* 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 operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited			
	Three months to 31 January		Nine months to 31 January	
	2014	2013	2014	2013
	£m	£m (restated)	£m	£m (restated)
Profit attributable to equity holders of the Company for the period	48.8	33.4	179.5	104.0
Items that will not be reclassified to profit or loss:				
Actuarial gain on defined benefit pension plan	-	0.2	-	0.9
Tax on defined benefit pension plan	-	-	-	(0.2)
	-	0.2	-	0.7
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	(11.3)	6.0	(27.0)	7.7
Total comprehensive income for the period	37.5	39.6	152.5	112.4

CONSOLIDATED BALANCE SHEET AT 31 JANUARY 2014

	Unaudited 31 January 2014	Unaudited 31 January 2013	Audited 30 April 2013
	£m	£m	£m
Current assets			
Inventories	17.3	14.6	16.7
Trade and other receivables	280.0	216.6	218.6
Current tax asset	10.4	2.0	0.8
Cash and cash equivalents	2.6	1.1	20.3
	310.3	234.3	256.4
Non-current assets			
Property, plant and equipment			
- rental equipment	1,645.6	1,313.2	1,407.8
- other assets	213.4	173.5	176.8
	1,859.0	1,486.7	1,584.6
Goodwill	402.2	387.1	397.3
Other intangible assets	45.9	30.9	32.6
Deferred tax asset	-	-	1.3
Net defined benefit pension plan asset	0.2	4.9	0.4
	2,307.3	1,909.6	2,016.2
Total assets	2,617.6	2,143.9	2,272.6
Current liabilities			
Trade and other payables	208.8	177.3	296.1
Current tax liability	6.5	5.0	3.8
Debt due within one year	2.3	2.3	2.2
Provisions	21.5	9.9	11.9
	239.1	194.5	314.0
Non-current liabilities			
Debt due after more than one year	1,266.0	1,075.4	1,032.2
Provisions	20.3	21.1	24.9
Deferred tax liabilities	302.9	203.5	219.0
	1,589.2	1,300.0	1,276.1
Total liabilities	1,828.3	1,494.5	1,590.1
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	(12.2)	(7.4)	(7.4)
Cumulative foreign exchange translation differences	(5.9)	14.8	21.1
Retained reserves	690.0	524.6	551.4
Equity attributable to equity holders of the Company	789.3	649.4	682.5
Total liabilities and equity	2,617.6	2,143.9	2,272.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 JANUARY 2014

	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 (restated)	Total £m (restated)
At 1 May 2012	55.3	3.6	0.9	90.7	(33.1)	(6.2)	7.1	436.4	554.7
Profit for the period	-	-	-	-	-	-	-	104.0	104.0
Other comprehensive income:									
Foreign currency translation differences	-	-	-	-	-	-	7.7	-	7.7
Actuarial gain on defined benefit pension plan	-	-	-	-	-	-	-	0.9	0.9
Tax on defined benefit pension plan	-	-	-	-	-	-	-	(0.2)	(0.2)
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
Profit for the period	-	-	-	-	-	-	-	33.8	33.8
Other comprehensive income:									
Foreign currency translation differences	-	-	-	-	-	-	6.3	-	6.3
Actuarial loss on defined benefit pension plan	-	-	-	-	-	-	-	(4.7)	(4.7)
Tax on defined benefit pension plan	-	-	-	-	-	-	-	1.1	1.1
Total comprehensive income for the period	-	-	-	-	-	-	6.3	30.2	36.5
Dividends paid	-	-	-	-	-	-	-	(7.5)	(7.5)
Own shares purchased by the ESOT	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	0.7	0.7
Tax on share-based payments	-	-	-	-	-	-	-	3.4	3.4
At 30 April 2013	55.3	3.6	0.9	90.7	(33.1)	(7.4)	21.1	551.4	682.5
Profit for the period	-	-	-	-	-	-	-	179.5	179.5
Other comprehensive income:									
Foreign currency translation differences	-	-	-	-	-	-	(27.0)	-	(27.0)
Total comprehensive income for the period	-	-	-	-	-	-	(27.0)	179.5	152.5
Dividends paid	-	-	-	-	-	-	-	(30.1)	(30.1)
Own shares purchased by the ESOT	-	-	-	-	-	(22.4)	-	-	(22.4)
Share-based payments	-	-	-	-	-	17.6	-	(15.2)	2.4
Tax on share-based payments	-	-	-	-	-	-	-	4.4	4.4
At 31 January 2014	55.3	3.6	0.9	90.7	(33.1)	(12.2)	(5.9)	690.0	789.3

CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 31 JANUARY 2014

	Unaudited	
	2014	2013
	£m	£m
Cash flows from operating activities		
Cash generated from operations before exceptional items and changes in rental equipment	454.7	348.3
Exceptional operating costs paid	(1.8)	(2.1)
Payments for rental property, plant and equipment	(572.1)	(462.6)
Proceeds from disposal of rental property, plant and equipment	59.1	64.9
Cash used in operations	(60.1)	(51.5)
Financing costs paid (net)	(36.5)	(36.5)
Exceptional financing costs paid	-	(13.4)
Tax paid (net)	(12.6)	(5.3)
Net cash used in operating activities	(109.2)	(106.7)
Cash flows from investing activities		
Acquisition of businesses	(85.5)	(22.6)
Payments for non-rental property, plant and equipment	(72.9)	(49.4)
Proceeds from disposal of non-rental property, plant and equipment	9.9	7.7
Payments for purchase of intangible assets	-	(1.1)
Net cash used in investing activities	(148.5)	(65.4)
Cash flows from financing activities		
Drawdown of loans	608.6	593.0
Redemption of loans	(315.2)	(419.7)
Capital element of finance lease payments	(0.8)	(0.8)
Dividends paid	(30.1)	(12.5)
Purchase of own shares by the ESOT	(22.4)	(10.2)
Net cash from financing activities	240.1	149.8
Decrease in cash and cash equivalents	(17.6)	(22.3)
Opening cash and cash equivalents	20.3	23.4
Effect of exchange rate difference	(0.1)	-
Closing cash and cash equivalents	2.6	1.1

Reconciliation to net debt

Decrease in cash in the period	17.6	22.3
Increase in debt through cash flow	292.6	172.5
Change in net debt from cash flows	310.2	194.8
Exchange differences	(62.8)	21.1
Debt acquired	1.4	-
Non-cash movements:		
- deferred costs of debt raising	1.7	6.2
- capital element of new finance leases	1.1	0.2
Increase in net debt in the period	251.6	222.3
Opening net debt	1,014.1	854.3
Closing net debt	1,265.7	1,076.6

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The condensed consolidated interim financial statements for the nine months ended 31 January 2014 were approved by the directors on 3 March 2014. They have been prepared in accordance with relevant International Financial Reporting Standards ('IFRS') as adopted by the European Union and issued by the International Accounting Standards Board ('IASB') (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 2013.

The following amended standards are mandatory for the first time for the financial year beginning 1 May 2013:

- IAS 19, 'Employee Benefits' (revised June 2011). The impact on the Group was to replace the interest expense and expected return on plan assets with a 'net interest' amount, which is calculated by applying a discount rate to the net defined benefit pension plan asset or liability. The effect of this will be to reduce the asset returns recognised in the income statement.

  As required under the revised standard, comparative figures have been restated. For the nine month period to 31 January 2013, operating costs are £0.2m higher, net financing costs are £0.8m higher and profit before tax is £1.0m lower than reported previously. For the year ended 30 April 2013, operating costs were £0.3m higher, net financing costs were £1.0m higher and profit before tax was £1.3m lower than reported previously.

  Adoption of IAS 19 (revised) has had no impact on the Group's consolidated balance sheet and consolidated cash flow statement.

- IAS 1, 'Presentation of other items of other comprehensive income' (amended June 2011). The amendment increased the required level of disclosure within the statement of comprehensive income.

  The impact of this amendment has been to analyse items within the consolidated statement of comprehensive income between items that will not be reclassified to profit or loss and items that may be reclassified subsequently to profit or loss in accordance with the respective IFRS standard to which the item relates.

  The amendments have been applied retrospectively, and hence the presentation of items of comprehensive income have been restated to reflect the change. Other than the above-mentioned presentation changes, the application of the amendments to IAS 1 do not result in any impact on profit or comprehensive income.

The condensed consolidated interim financial statements have been prepared on the going concern basis as described in the corporate governance report included in the 2013 Annual Report and Accounts. They are unaudited and do not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006.

The statutory accounts for the year ended 30 April 2013 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:

	2014	2013
Average for the three months ended 31 January	1.63	1.60
Average for the nine months ended 31 January	1.58	1.59
At 31 January	1.64	1.59

2. Segmental analysis

	Revenue	Operating profit before amortisation	Amortisation	Operating profit
	£m	£m (restated)	£m	£m (restated)
Three months to 31 January				
2014				
Sunbelt	336.7	90.8	(1.4)	89.4
A-Plant	63.4	4.0	(1.1)	2.9
Corporate costs	-	(2.3)	-	(2.3)
	400.1	92.5	(2.5)	90.0
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
Nine months to 31 January				
2014				
Sunbelt	1,048.2	312.3	(4.1)	308.2
A-Plant	201.6	21.4	(2.9)	18.5
Corporate costs	-	(7.1)	-	(7.1)
	1,249.8	326.6	(7.0)	319.6
2013				
Sunbelt	860.9	225.0	(2.5)	222.5
A-Plant	153.4	8.9	(1.4)	7.5
Corporate costs	-	(6.5)	-	(6.5)
	1,014.3	227.4	(3.9)	223.5

	Segment assets	Cash	Taxation assets	Total assets
	£m	£m	£m	£m
At 31 January 2014				
Sunbelt	2,204.3	-	-	2,204.3
A-Plant	400.0	-	-	400.0
Corporate items	0.3	2.6	10.4	13.3
	2,604.6	2.6	10.4	2,617.6
At 30 April 2013				
Sunbelt	1,943.5	-	-	1,943.5
A-Plant	306.5	-	-	306.5
Corporate items	0.2	20.3	2.1	22.6
	2,250.2	20.3	2.1	2,272.6

3. Operating costs

	2014			2013		
	Before amortisation £m	Amortisation £m	Total £m	Before amortisation £m (restated)	Amortisation £m	Total £m (restated)
Three months to 31 January						
Staff costs:						
Salaries	95.6	-	95.6	84.2	-	84.2
Social security costs	7.3	-	7.3	6.9	-	6.9
Other pension costs	1.9	-	1.9	1.6	-	1.6
	104.8	-	104.8	92.7	-	92.7
Used rental equipment sold	24.0	-	24.0	20.4	-	20.4
Other operating costs:						
Vehicle costs	24.3	-	24.3	23.2	-	23.2
Spares, consumables & external repairs	19.6	-	19.6	16.6	-	16.6
Facility costs	12.7	-	12.7	11.6	-	11.6
Other external charges	52.5	-	52.5	48.4	-	48.4
	109.1	-	109.1	99.8	-	99.8
Depreciation and amortisation:						
Depreciation	69.7	-	69.7	56.8	-	56.8
Amortisation of intangibles	-	2.5	2.5	-	1.5	1.5
	69.7	2.5	72.2	56.8	1.5	58.3
	307.6	2.5	310.1	269.7	1.5	271.2
Nine months to 31 January						
Staff costs:						
Salaries	290.8	-	290.8	246.2	-	246.2
Social security costs	21.5	-	21.5	18.6	-	18.6
Other pension costs	5.5	-	5.5	4.7	-	4.7
	317.8	-	317.8	269.5	-	269.5
Used rental equipment sold	60.9	-	60.9	61.5	-	61.5
Other operating costs:						
Vehicle costs	80.4	-	80.4	69.0	-	69.0
Spares, consumables & external repairs	59.8	-	59.8	50.3	-	50.3
Facility costs	37.5	-	37.5	34.4	-	34.4
Other external charges	162.0	-	162.0	133.0	-	133.0
	339.7	-	339.7	286.7	-	286.7
Depreciation and amortisation:						
Depreciation	204.8	-	204.8	169.2	-	169.2
Amortisation of intangibles	-	7.0	7.0	-	3.9	3.9
	204.8	7.0	211.8	169.2	3.9	173.1
	923.2	7.0	930.2	786.9	3.9	790.8

4. Exceptional items, fair value remeasurements and amortisation

Exceptional items are those items of financial performance that are material and non-recurring in nature. Fair value remeasurements relate to embedded call options in the Group's old $550m 9.0% senior secured notes. Amortisation relates to the periodic write-off of intangible assets. 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, fair value remeasurements and amortisation of intangibles.

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

	Three months to 31 January 2014 £m	Three months to 31 January 2013 £m	Nine months to 31 January 2014 £m	Nine months to 31 January 2013 £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 intangibles	2.5	1.5	7.0	3.9
	2.5	1.5	7.0	29.3
Taxation	(0.8)	(0.6)	(2.3)	(11.2)
	1.7	0.9	4.7	18.1

The prior year 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. The prior year fair value remeasurements relate to the change in fair value of the embedded call options in the old $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 2014 £m	Three months to 31 January 2013 £m	Nine months to 31 January 2014 £m	Nine months to 31 January 2013 £m
Amortisation of intangibles	2.5	1.5	7.0	3.9
Charged in arriving at operating profit	2.5	1.5	7.0	3.9
Interest expense	-	-	-	25.4
Charged in arriving at profit before taxation	2.5	1.5	7.0	29.3
Taxation	(0.8)	(0.6)	(2.3)	(11.2)
	1.7	0.9	4.7	18.1

5. Financing costs

	Three months to 31 January 2014 £m	Three months to 31 January 2013 £m (restated)	Nine months to 31 January 2014 £m	Nine months to 31 January 2013 £m (restated)
Investment income:				
Net interest on the net defined benefit asset	-	-	-	(0.1)
Interest expense:				
Bank interest payable	4.6	4.9	14.6	13.4
Interest payable on second priority senior secured notes	7.0	4.9	17.4	17.5
Interest payable on finance leases	-	0.1	0.1	0.2
Other interest payable	-	-	-	0.4
Non-cash unwind of discount on provisions	0.1	0.3	0.3	0.9
Amortisation of deferred costs of debt raising	0.4	0.5	1.5	1.6
Total interest expense	12.1	10.7	33.9	34.0
Net financing costs before remeasurements	12.1	10.7	33.9	33.9
Exceptional items	-	-	-	18.0
Fair value remeasurements	-	-	-	7.4
Net financing costs	12.1	10.7	33.9	59.3

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. Taxation

The tax charge for the period has been computed using an estimated effective rate for the year of 39% in the US (2013: 39%) and 24% in the UK (2013: 25%). The blended effective rate for the Group as a whole is 37% (2013: 37%).

The tax charge of £108.5m (2013 restated: £71.4m) on the underlying pre-tax profit of £292.7m (2013 restated: £193.5m) can be explained as follows:

	Nine months to 31 January	
	2014 £m	2013 £m (restated)
Current tax		
- current tax on income for the period	12.7	8.8
- adjustments to prior years	(7.3)	-
	5.4	8.8
Deferred tax		
- origination and reversal of temporary differences	95.3	62.6
- adjustments to prior years	7.8	-
	103.1	62.6
Tax on underlying activities	108.5	71.4
Comprising:		
- UK tax	9.1	7.3
- US tax	99.4	64.1
	108.5	71.4

In addition, the tax credit of £2.3m (2013: £11.2m) on exceptional items (including amortisation of intangibles and fair value remeasurements) of £7.0m (2013: £29.3m) consists of a deferred tax credit of £0.7m relating to the UK (2013: £0.3m) and £1.6m (2013: £10.9m) relating to the US.

7. Earnings per share

Basic and diluted earnings per share for the three and nine months ended 31 January 2014 have been calculated based on the profit for the relevant period and the weighted average number of ordinary shares in issue during that period (excluding shares held by the Company and the ESOT over which dividends have been waived). Diluted earnings per share is 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	
		2014	2013 (restated)	2014	2013 (restated)
Profit for the financial period (£m)		48.8	33.4	179.5	104.0
Weighted average number of shares (m)	- basic	501.2	500.6	501.0	500.0
	- diluted	504.8	507.1	504.5	507.6
Basic earnings per share		9.7p	6.7p	35.8p	20.8p
Diluted earnings per share		9.7p	6.6p	35.6p	20.5p

7. Earnings per share (continued)

Underlying earnings per share (defined in any period as the earnings before exceptional items, fair value remeasurements and amortisation of intangibles for that period 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	
	2014	2013 (restated)	2014	2013 (restated)
Basic earnings per share	9.7p	6.7p	35.8p	20.8p
Exceptional items, fair value remeasurements and amortisation of intangibles	0.6p	0.2p	1.4p	5.8p
Tax on exceptional items, remeasurements and amortisation	(0.2p)	(0.1p)	(0.4p)	(2.2p)
Underlying earnings per share	10.1p	6.8p	36.8p	24.4p

8. Dividends

During the period, a final dividend in respect of the year ended 30 April 2013 of 6.0p (2013: 2.5p) per share was paid to shareholders costing £30.1m (2013: £12.5m). The interim dividend for the year ended 30 April 2014 of 2.25p (2013: 1.5p) per share announced on 10 December 2013 was paid on 4 February 2014.

9. Property, plant and equipment

	2014		2013	
Net book value	Rental equipment £m	Total £m	Rental equipment £m	Total £m
At 1 May	1,407.8	1,584.6	1,118.4	1,263.4
Exchange difference	(59.3)	(65.8)	22.1	24.6
Reclassifications	(0.5)	-	(0.8)	-
Additions	491.4	563.7	377.2	427.0
Acquisitions	45.0	46.8	5.4	6.1
Disposals	(57.9)	(65.5)	(60.1)	(65.2)
Depreciation	(180.9)	(204.8)	(149.0)	(169.2)
At 31 January	1,645.6	1,859.0	1,313.2	1,486.7

10. Share capital

Ordinary shares of 10p each:

	31 January 2014 Number	30 April 2013 Number	31 January 2014 £m	30 April 2013 £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 2014, 50m (2013: 50m) shares were held by the Company and a further 2.2m (2013: 2.8m) shares were held by the Company's Employee Share Ownership Trust.

11. Notes to the cash flow statement

a) Cash flow from operating activities

	Nine months to 31 January	
	2014	2013
	£m	£m (restated)
Operating profit before exceptional items and amortisation	326.6	227.4
Depreciation	204.8	169.2
EBITDA before exceptional items	531.4	396.6
Profit on disposal of rental equipment	(15.8)	(10.3)
Profit on disposal of other property, plant and equipment	(2.4)	(1.4)
Increase in inventories	(0.9)	(0.6)
Increase in trade and other receivables	(46.0)	(26.9)
Decrease in trade and other payables	(14.0)	(11.1)
Other non-cash movements	2.4	2.0
Cash generated from operations before exceptional items and changes in rental equipment	454.7	348.3

b) Analysis of net debt

Net debt consists of total borrowings less cash and cash equivalents. Borrowings exclude accrued interest. Foreign currency denominated balances are retranslated to pounds sterling at rates of exchange ruling at the balance sheet date.

	1 May 2013	Exchange movement	Cash flow	Debt acquired	Non-cash movements	31 January 2014
	£m	£m	£m	£m	£m	£m
Cash	(20.3)	0.1	17.6	-	-	(2.6)
Debt due within 1 year	2.2	-	(1.3)	0.6	0.8	2.3
Debt due after 1 year	1,032.2	(62.9)	293.9	0.8	2.0	1,266.0
Total net debt	1,014.1	(62.8)	310.2	1.4	2.8	1,265.7

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

c) Acquisitions

	Nine months to 31 January	
	2014	2013
	£m	£m
Cash consideration	85.5	22.6

During the period, eight acquisitions were made for a total cash consideration of £86m (2013: £23m), after taking account of net cash acquired of £2.3m. Further details of these are provided in note 12.

12. Acquisitions

During the period, the following acquisitions were completed:

i) On 10 May 2013, A-Plant acquired the entire issued share capital of Accession Group Limited ('Accession'), including its principal trading subsidiary Eve Trakway Limited ('Eve'), for an initial consideration of £28m with deferred consideration of up to £7m payable over the next year depending on profitability. Accession is a specialist rental provider of temporary access solutions to the events and industrial sectors.

12. Acquisitions (continued)

ii) On 1 July 2013, A-Plant acquired the entire issued share capital of Plant and Site Services Holdings Limited, Plant and Site Services Limited, PSS Innovations Limited and P Moloney Plant & Site Services Ireland Limited (together 'PSS') for a cash consideration of £11m. PSS hires and sells specialist jointing equipment, tooling and consumables to utility companies and their contractors across the United Kingdom.

iii) On 12 July 2013, Sunbelt acquired the business and assets of Worth Supply Co., Inc. ('Worth') for a cash consideration of £0.7m ($1m). Worth is a general tool rental business.

iv) On 1 August 2013, Sunbelt acquired the business and assets of M.A.C. Leasing, LLC ('MAC') for a cash consideration of £5m ($8m). MAC specialises in the rental and service of heating equipment.

v) On 20 September 2013, Sunbelt acquired the business and assets of Contractors' Equipment Company ('CEC') for a cash consideration of £17m ($27m). CEC is a four location general tool rental business.

vi) On 1 November 2013, Sunbelt acquired the business and assets of Coffing-Eastman, Inc., trading as Shamrock Equipment Rental ('Shamrock'), for a cash consideration of £15m ($24m). Shamrock is a four location energy-related business, renting into the oil and gas industry.

vii) On 7 November 2013, Sunbelt acquired the business and assets of CG Power Rentals, Inc. ('CG Power') for a cash consideration of £3m ($5m). CG Power is a two location equipment rental company renting into the oil and gas industry.

viii) On 20 December 2013, A-Plant acquired the business and assets of Fairview Lifting Gear Services Limited and Fairview Design & Engineering Limited (together 'Fairview') for a cash consideration of £6m. Fairview specialises in the hire, sale and provision of lifting solutions.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group. The fair values have been determined provisionally at the balance sheet date.

	Acquirees' book value	Fair value to Group
	£m	£m
Net assets acquired		
Trade and other receivables	11.6	11.2
Inventory	0.8	0.6
Property, plant and equipment		
- rental equipment	41.6	45.0
- other assets	2.0	1.8
Creditors	(7.2)	(7.6)
Debt	(1.4)	(1.4)
Current tax	(0.5)	(0.5)
Deferred tax	(1.1)	(3.9)
Intangible assets (brand name, non-compete agreements and customer relationships)	-	21.9
	45.8	67.1
Consideration:		
- cash paid (net of cash acquired)		85.5
- deferred consideration payable in cash		7.0
		92.5
Goodwill		25.4

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. £10m of the goodwill is expected to be deductible for income tax purposes.

12. Acquisitions (continued)

Trade receivables at acquisition were £11m at fair value, net of £0.4m provision for debts which may not be collected.

Deferred consideration of up to £7m is payable contingent on Accession meeting or exceeding certain earnings thresholds over the next year.

Accession's revenue and operating profit in the period from the date of acquisition to 31 January 2014 were £21m and £3m respectively.

Apart from Accession, the contribution to revenue and operating profit from all other current period acquisitions from the date of acquisition to 31 January 2014 was not material.

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 2013.

14. Events after the balance sheet date

On 3 February 2014, Sunbelt acquired the business and assets of Winchester Rentals, L.L.C. ('Winchester'), for a cash consideration of £3m ($4m). Winchester is a single location equipment rental business located in Winchester, Virginia.

REVIEW OF THIRD QUARTER, BALANCE SHEET AND CASH FLOW

Third quarter

	Revenue		EBITDA		Operating profit	
	2014	2013	2014	2013 (restated)	2014	2013 (restated)
Sunbelt in $m	550.6	454.8	240.4	176.7	149.4	103.5
Sunbelt in £m	336.7	284.1	146.6	110.1	90.8	64.5
A-Plant	63.4	49.8	17.9	12.9	4.0	1.7
Group central costs	-	-	(2.3)	(2.0)	(2.3)	(2.0)
	400.1	333.9	162.2	121.0	92.5	64.2
Net financing costs					(12.1)	(10.7)
Profit before tax and amortisation					**80.4**	**53.5**
Amortisation					(2.5)	(1.5)
Profit before taxation					77.9	52.0
Margins						
Sunbelt			*43.7%*	*38.8%*	*27.1%*	*22.8%*
A-Plant			*28.2%*	*25.7%*	*6.3%*	*3.4%*
Group			*40.5%*	*36.3%*	*23.1%*	*19.2%*

Third quarter results continued the trends of recent quarters with Sunbelt's rental revenue growing 21% to $486m (2013: $402m). This comprised a 17% increase in fleet on rent and a 3% higher yield. In the UK, A-Plant's third quarter rental revenue grew by 30% to £57m (2013: £44m) including 17% growth in average fleet on rent, and an 11% improvement in yield. Rental revenue growth excluding Eve was 21%, reflecting 10% more fleet on rent and 10% yield improvement.

Total revenue growth for the Group of 22% at constant rates included used equipment sales revenue of £31m (2013: £23m).

Group pre-tax profit before amortisation of intangibles grew to £80m from £53m. This reflected the operating profit growth and net financing costs of £12m (2013 restated: £11m). After £2m of intangible amortisation, the statutory profit before tax was £78m (2013: £52m).

Balance sheet

Fixed assets

Capital expenditure in the nine months totalled £564m (2013: £427m) with £491m invested in the rental fleet (2013: £377m). Expenditure on rental equipment was 87% of total capital expenditure with the balance relating to the delivery vehicle fleet, property improvements and IT equipment. Capital expenditure by division was:

	2014			2013
	Replacement	Growth	Total	Total
Sunbelt in $m	254.9	432.5	687.4	511.9
Sunbelt in £m	155.1	263.2	418.3	322.8
A-Plant	39.6	33.5	73.1	54.3
Total rental equipment	194.7	296.7	491.4	377.1
Delivery vehicles, property improvements & IT equipment			72.3	49.9
Total additions			563.7	427.0

US demand remained strong and, as a result, $433m of rental equipment capital expenditure was spent on growth while $255m was invested in replacement of existing fleet. The growth proportion is estimated on the basis of the assumption that replacement 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 2014 was 29 months (2013: 32 months) on a net book value basis. Sunbelt's fleet had an average age of 28 months (2013: 31 months) while A-Plant's fleet had an average age of 36 months (2013: 39 months).

	Rental fleet at original cost			LTM rental	LTM dollar	LTM physical
	31 Jan 2014	30 April 2013	LTM average	revenue	utilisation	utilisation
Sunbelt in $m	3,353	2,868	3,084	1,882	61%	71%
Sunbelt in £m	2,040	1,843	1,876	1,199	61%	71%
A-Plant	443	369	415	229	55%	72%
	2,483	2,212	2,291	1,428		

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 2014, rose to 61% at Sunbelt (2013: 60%) and 55% at A-Plant (2013: 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 2014, average physical utilisation was 71% at Sunbelt (2013: 70%) and 72% at A-Plant (2013: 67%). 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 2014.

Trade receivables

Receivable days at 31 January were 53 days (2013: 49 days). The bad debt charge for the nine months ended 31 January 2014 as a percentage of total turnover was 0.8% (2013: 0.7%). Trade receivables at 31 January 2014 of £242m (2013: £184m) are stated net of allowances for bad debts and credit notes of £21m (2013: £17m) with the allowance representing 8.0% (2013: 8.7%) of gross receivables.

Trade and other payables

Group payable days were 57 days in 2014 (2013: 55 days) with capital expenditure related payables, which have longer payment terms, totalling £62m (2013: £49m). Payment periods for purchases other than rental equipment vary between seven and 60 days and for rental equipment between 30 and 120 days.

Cash flow and net debt

	Nine months to 31 January 2014 £m	Nine months to 31 January 2013 £m (restated)	LTM to 31 January 2014 £m	Year to 30 April 2013 £m (restated)
EBITDA before exceptional items	531.4	396.6	653.8	519.0
Cash inflow from operations before exceptional items and changes in rental equipment	454.7	348.3	607.7	501.3
*Cash conversion ratio**	*85.6%*	*87.8%*	*92.9%*	*96.6%*
Replacement rental capital expenditure	(238.4)	(242.5)	(266.5)	(270.6)
Payments for non-rental capital expenditure	(72.9)	(50.6)	(80.6)	(58.3)
Rental equipment disposal proceeds	59.1	64.9	81.8	87.6
Other property, plant and equipment disposal proceeds	9.9	7.7	10.1	7.9
Tax (net)	(12.6)	(5.3)	(14.1)	(6.8)
Financing costs	(36.5)	(36.5)	(41.5)	(41.5)
Cash inflow before growth capex and payment of exceptional costs	**163.3**	**86.0**	**296.9**	**219.6**
Growth rental capital expenditure	(333.7)	(220.0)	(367.3)	(253.6)
Exceptional costs	(1.8)	(15.5)	(2.1)	(15.8)
Total cash used in operations	**(172.2)**	**(149.5)**	**(72.5)**	**(49.8)**
Business acquisitions	(85.5)	(22.6)	(96.7)	(33.8)
Total cash absorbed	**(257.7)**	**(172.1)**	**(169.2)**	**(83.6)**
Dividends	(30.1)	(12.5)	(37.6)	(20.0)
Purchase of own shares by the ESOT	(22.4)	(10.2)	(22.4)	(10.2)
Increase in net debt	**(310.2)**	**(194.8)**	**(229.2)**	**(113.8)**

* 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 the net investment in the rental fleet increased by 31% to £455m. Reflecting a higher level of working capital due to higher activity levels, the nine month cash conversion ratio was 86% (2013: 88%).

Total payments for capital expenditure (rental equipment and other PPE) in the nine months were £645m (2013: £513m). Disposal proceeds received totalled £69m, giving net payments for capital expenditure of £576m in the nine months (2013: £440m). Financing costs paid totalled £36m (2013: £37m) while tax payments were £13m (2013: £5m).

Accordingly, in the nine months the Group generated £163m (2013: £86m) of net cash before discretionary investments made to enlarge the size and hence earning capacity of its rental fleet. After growth investment, payment of exceptional costs (closed property costs and financing costs in the prior year) and acquisitions, there was a net cash outflow of £258m (2013: £172m).

Net debt

	31 January 2014 £m	31 January 2013 £m	30 April 2013 £m
First priority senior secured bank debt	711.6	765.7	716.7
Finance lease obligations	4.5	3.1	2.9
6.5% second priority senior secured notes, due 2022	552.2	308.9	314.8
	1,268.3	1,077.7	1,034.4
Cash and cash equivalents	(2.6)	(1.1)	(20.3)
Total net debt	1,265.7	1,076.6	1,014.1

Net debt at 31 January 2014 was £1,266m with the increase since 30 April 2013 reflecting principally the net cash outflow set out above, partially offset by £63m of currency translation effect. The Group's EBITDA for the twelve months ended 31 January 2014 was £654m and the ratio of net debt to EBITDA was therefore 2.0 times at 31 January 2014 (2013: 2.2 times) on a constant currency basis and 1.9 times (2013: 2.2 times) on a reported basis.

Under the terms of our asset-based senior bank facility, $2.0bn is committed until August 2018, whilst the $900m senior secured notes mature in July 2022. Our debt facilities therefore remain committed for the long term, with an average of 6 years remaining. The weighted average interest cost of these facilities (including non-cash amortisation of deferred debt raising costs) is approximately 4%. The terms of the $900m senior secured notes are such that financial performance covenants are only measured at the time new debt is raised.

There are two financial performance covenants under the 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 1.0 times.

These covenants do not apply when excess availability (the difference between the borrowing base and net facility utilisation) exceeds $200m. At 31 January 2014, excess availability under the bank facility was $790m ($667m at 30 April 2013), with an additional $645m of suppressed availability, meaning that covenants were not measured at 31 January 2014 and are unlikely to be measured in forthcoming quarters.

As a matter of good practice, we calculate the covenant ratios each quarter. At 31 January 2014, 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 1.0 times does not cause concern given the strong availability and management's ability to flex capital expenditure downwards at short notice. Accordingly, the interim financial statements 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 2013 Annual Report and Accounts on pages 18 to 26. 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 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. At 31 January 2014, 93% of our debt was denominated in US dollars and represented approximately 68% 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 2014, a 1% change in the US dollar exchange rate would impact pre-tax profit by £3m.

OPERATING STATISTICS

	Number of rental stores			Staff numbers		
		31 January	30 April		31 January	30 April
	2014	2013	2013	2014	2013	2013
Sunbelt	416	378	388	7,467	6,787	7,141
A-Plant	130	110	106	2,328	1,938	1,934
Corporate office	-	-	-	11	10	10
Group	546	488	494	9,806	8,735	9,085

Sunbelt's rental store number includes 30 Sunbelt at Lowes stores at 31 January 2014.