ERA Convention 2012

“Changing Rental”

CHANGE IN FINANCING

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Background to A-Plant

- Third largest rental company in the UK
- Revenues of £183m (c90% hire)
- Rental fleet of 90,000+ assets, cost of £350m+
- Part of the Ashtead Group – FTSE250 Co in London
- Ashtead Group has 2 main subsidiaries – Sunbelt in the US, and A-Plant in the UK. Revenues of £1.1bn

Capital Structure

- EV of £2.1bn (Market Cap £1.2bn + Debt £0.9bn)
- Financing 60% equity, 40% debt
- Asset backed financing facility
- Financing increasingly asset backed:
  - Move away from asset by asset lease finance
  - Allows all assets to be managed throughout the cycle with lower administration
- Finance availability reduced / more expensive

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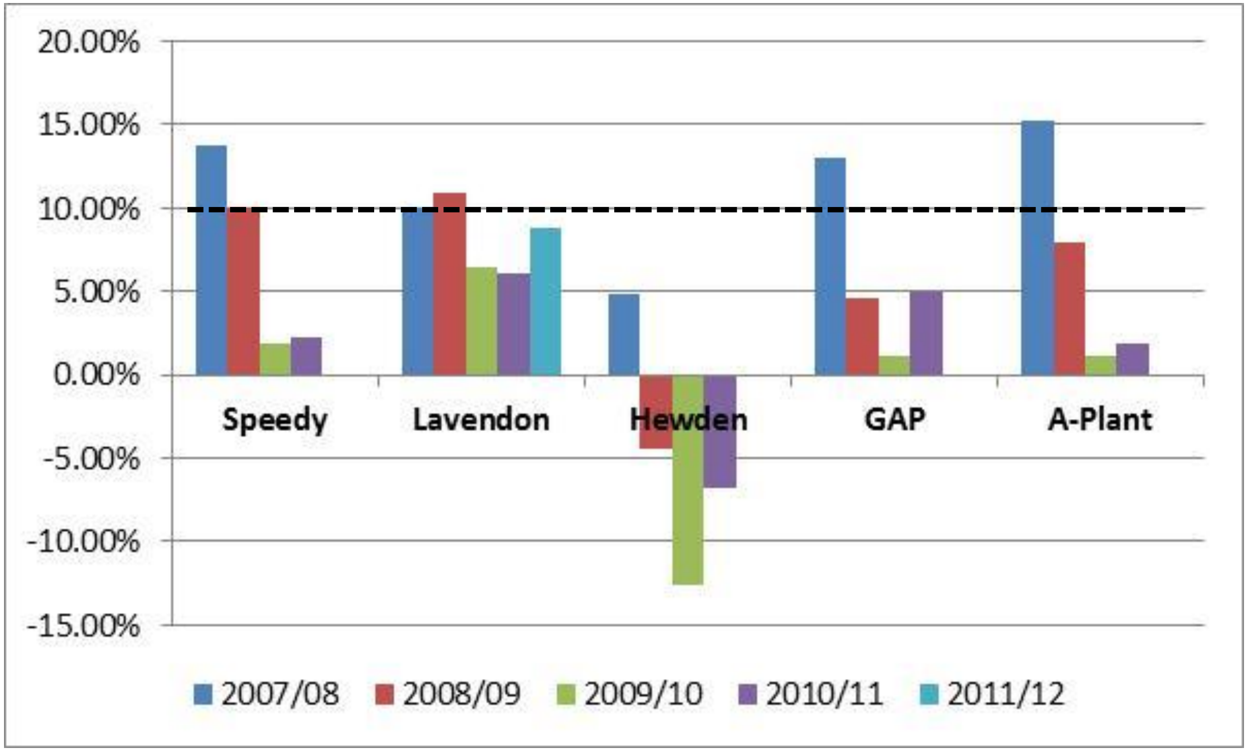
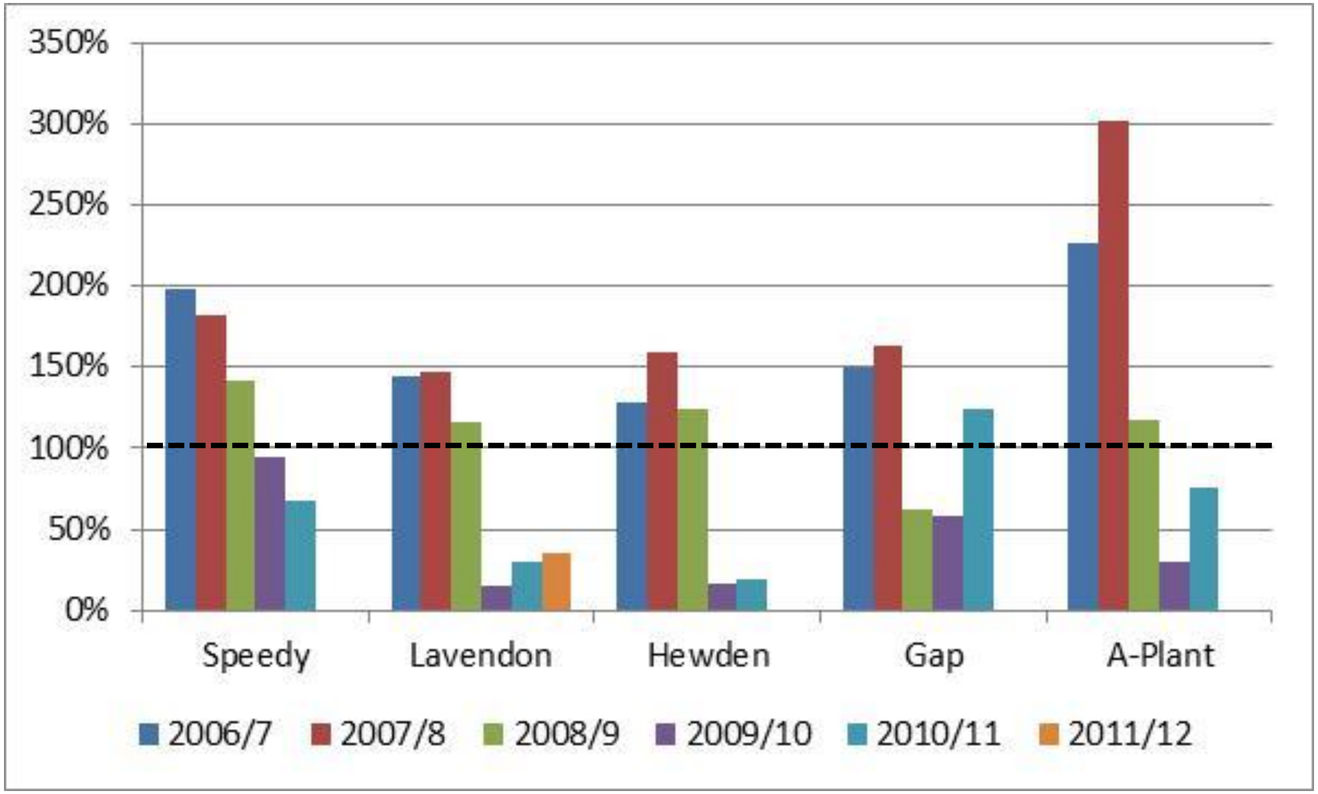
The Return on Investment problem in the UK



We don't have the figures for all non-public plant companies – but we suspect returns are no better and possibly worse

Source: Statutory Accounts. ROI calculated as Operating Profit (pre-exceptional) over average Net Assets plus deferred tax & debt.

Fleet investment is reducing, rental fleet ageing?



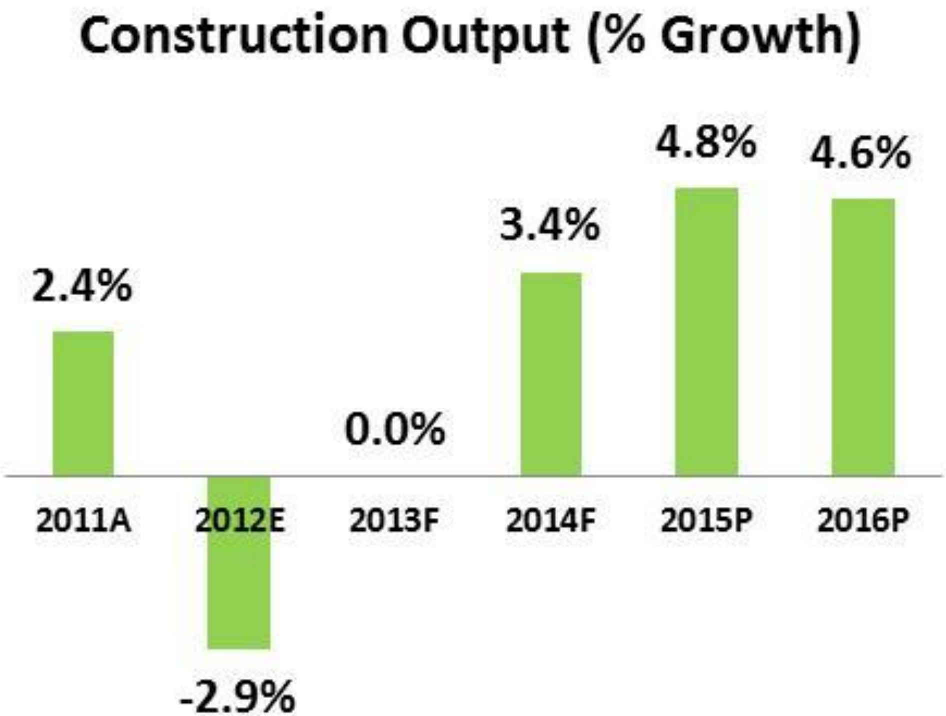
Again - we don't have the figures for all non-public plant companies – but we suspect capital investment is no better and possibly worse

Source: Statutory Accounts. Graph shows rental fleet capex as a %-age of depreciation.

So what will happen in the UK?

- ROI has to improve in order to attract finance to the industry
- Rate being prioritised over volume
- Reduced capex in areas of over-supply
- Still a highly fragmented market – top 10 are only 40% of the market

The industry can expect no help from the market



- No help in the short term from the market
- Availability of finance likely to remain challenging
- Self-help required in terms of rate and fleet supply to improve industy ROI

Source: Construction Products Association, Spring 2012

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Our plans for the future

- Prioritise rate & returns over volume
- Gradually change rental fleet mix
- Leverage industry leading IT

Any Questions?