

Aggreko plc

2003 INTERIM RESULTS

Aggreko plc

Philip Rogerson
Chairman

aggreko

Aggreko plc

2003 Interim Results

- **Turnover down 5% to £159.3m**
- **Pre-tax profit down 32.6% to £17.2m**
- **Earnings per share down 27.7% at 4.37 pence**
- **Financial position strong**
- **Interim dividend maintained at 2.20 pence**
- **Appointment of new Chief Executive**

Aggreko plc

Financial and Operating Review

Angus Cockburn
Finance Director

Aggreko plc

2003 Interim Results

- **Turnover £159.3m - down 1.9% in constant currency**
- **Operating profit £19.6m - down 29.4% in constant currency**
- **Operating margin at 12.3% - down 4.8pp**
- **EBITDA £48.2m - down 14.9%**
- **Interest cover 8.2 times**

Aggreko plc

2003 Interim Results

| 6 MONTH RESULTS (£m) | 2003 | 2002 | Change |
|----------------------------|--------------|--------------|---------|
| Turnover | <u>159.3</u> | <u>167.7</u> | (5.0%) |
| Operating profit | 19.6 | 28.7 | (31.5%) |
| Net interest expense | <u>(2.4)</u> | <u>(3.1)</u> | 22.5% |
| Profit before tax | 17.2 | 25.6 | (32.6%) |
| Taxation | <u>(5.5)</u> | <u>(9.3)</u> | 41.0% |
| Profit after tax | 11.7 | 16.3 | (27.7%) |
| Dividends | <u>(5.9)</u> | <u>(5.9)</u> | - |
| Retained profit | <u>5.8</u> | <u>10.4</u> | (43.7%) |
| Earnings per share (pence) | 4.37 | 6.05 | (27.7%) |
| Dividend per share (pence) | 2.20 | 2.20 | - |

Aggreko plc

2003 Interim Results

| CURRENCY EFFECT ON RESULTS 2002 v 2003 | | Turnover Impact (£m) | Operating Profit Impact (£m) | |
|---|-------------|-------------------------|---------------------------------|------------|
| Europe | | 2.1 | 0.3 | |
| North America | | (6.8) | (1.0) | |
| International | | <u>(0.4)</u> | <u>(0.1)</u> | |
| | | <u>(5.1)</u> | <u>(0.8)</u> | |
| Average Exchange Rates | | US\$ | Euro | AED |
| | 2003 | 1.6128 | 1.4564 | 5.9235 |
| | 2002 | 1.4476 | 1.6064 | 5.3168 |

Aggreko plc

2003 Interim Results

| BALANCE SHEET (£m) | June 2003 | June 2002 |
|----------------------------|----------------|----------------|
| Tangible fixed assets | 299.7 | 291.4 |
| Intangible assets | 3.3 | 3.8 |
| Working capital | 41.5 | 43.4 |
| Dividends payable | (5.9) | (5.9) |
| Provisions for taxes | (26.4) | (29.3) |
| Net borrowings | <u>(131.8)</u> | <u>(134.0)</u> |
| Net assets | <u>180.4</u> | <u>169.4</u> |
| Share capital | 53.6 | 53.7 |
| Share premium | 5.7 | 5.6 |
| Capital redemption reserve | 0.1 | - |
| Profit & loss reserve | 130.9 | 116.1 |
| Translation reserve | <u>(9.9)</u> | <u>(6.0)</u> |
| | <u>180.4</u> | <u>169.4</u> |

Aggreko plc

2003 Interim Results

| FINANCIAL POSITION | June 2003 | June 2002 |
|--|------------------|------------------|
| Gearing | 73% | 79% |
| Interest cover | 8.2 times | 9.3 times |
| Cash flow from operating activities | £39.7m | £40.3m |
| Capital expenditure | £42.1m | £26.6m |

Aggreko plc

2003 Interim Results

| CASH FLOW FROM OPERATING ACTIVITIES (£m) | 2003 | 2002 |
|---|--------------|--------------|
| Operating profit | 19.6 | 28.7 |
| Depreciation & amortisation | 28.6 | 28.1 |
| Changes in working capital | (6.3) | (14.0) |
| Other non-cash movements | <u>(2.2)</u> | <u>(2.5)</u> |
| Net cash inflow from operating activities | <u>39.7</u> | <u>40.3</u> |

Aggreko plc

2003 Interim Results

| SEGMENTAL ANALYSIS (£m) | TURNOVER | | | TRADING PROFIT | | |
|----------------------------|--------------|--------------|-------------|----------------|-------------|-------------|
| | 2003 | 2002 | Change % | 2003 | 2002 | Change % |
| Europe | 52.1 | 48.1 | 8.5% | 5.7 | 8.4 | (31.7%) |
| North America | 49.3 | 66.2 | (25.4%) | 0.6 | 7.8 | (92.9%) |
| International | <u>57.9</u> | <u>53.4</u> | 8.3% | <u>11.5</u> | <u>10.1</u> | 14.3% |
| | <u>159.3</u> | <u>167.7</u> | (5.0%) | 17.8 | 26.3 | (32.2%) |
| Gain on Sale | | | | <u>1.8</u> | <u>2.4</u> | (23.4%) |
| Operating Profit | | | | <u>19.6</u> | <u>28.7</u> | (31.5%) |

Aggreko plc

2003 Interim Results

NORTH AMERICA

| | | |
|----------------|---------|---------------|
| Turnover | \$79.6m | 16.8% behind |
| Trading Profit | \$0.9m | 92.0% behind |
| Trading Margin | 1.1% | 10.7pp behind |

Aggreko plc

2003 Interim Results

NORTH AMERICA

- **Comparison impacted by \$17 million from SLOC in 2002**
- **Over-supply and pricing pressure in power market continues**
- **Growth in TC and OFA**
- **Some early APS success**

Aggreko plc

2003 Interim Results

EUROPE

| | | |
|----------------|--------|--------------|
| Turnover | €75.9m | 4.0% ahead |
| Trading Profit | €8.4m | 33.5% behind |
| Trading Margin | 11.1% | 6.5pp behind |

Aggreko plc

2003 Interim Results

EUROPE

- **Business mix change as major utility projects end**
- **Robust overall depot performance**
- **Challenging economic conditions in Continental Europe**
- **New locations in Madrid and Milan**
- **New management in Central Europe**

Aggreko plc

2003 Interim Results

INTERNATIONAL

| | Headline | | Sri Lanka Fuel Adjusted | |
|----------------|----------|-------------|----------------------------|-------------|
| Turnover | £57.9m | 9.2% ahead | £51.0m | 15.4% ahead |
| Trading Profit | £11.5m | 15.5% ahead | £11.5m | 15.5% ahead |
| Trading Margin | 19.8% | 1.0pp ahead | 22.5% | unchanged |

Aggreko plc

2003 Interim Results

INTERNATIONAL

- **High level of activity in Middle East**
- **New depot opened in Kuwait**
- **Utility projects in Sri Lanka, Saudi Arabia and West Africa**
- **Continuing growth in end-user projects**

Aggreko plc

Progress to Date & Outlook

Rupert Soames
Chief Executive

Aggreko plc

2003 Interim Results

➤ **Rupert Soames - background & experience**

- Oxford graduate, 44 years old
- 15 years in GEC
 - GEC Avionics
 - Managing Director, GEC Computers
 - P D-G GPTélécom SA
 - Assistant Commercial Director, GEC
 - Managing Director Avery Berkel UK, responsible for operations in India, UK, Asia and Africa
- 5 years in Misys
 - Chief Executive, MKI
 - Chief Executive, Misys Banking & Securities Division

Aggreko plc

2003 Interim Results

EIGHT WEEKS INTO THE JOB

Stage One:

➤ Initial tour of business completed

- US, Europe, Middle East, Asia, Australia
- Met majority of the senior & middle management, plus a number of customers

➤ First impressions

- A fundamentally good business, with a business proposition valued by its customers, and differentiated from that of its competitors
- But.....opportunities for improvement

Aggreko plc

2003 Interim Results

Stage Two:

- **Developing a strategy for the next 3-5 years**
- **Market & competitive environment has changed**
 - Consensus within the management team that the time is right to have an in-depth review of the market, the opportunities, and priorities for investment
- **Strategy Review started early August**
 - Led by executive members of the Board, with teams covering each of our major businesses
 - Anticipated to be completed by Q1 2004

Stage Three:

- **Present to analysts & investors**
 - Spring 2004

Aggreko plc

2003 Interim Results

OUTLOOK

- **No change from the position as stated in Trading Update dated June 18th**
- **In the middle of our key summer trading period**
 - Demand remains robust in the Middle East depot business
 - Some modest improvement in activity levels, arising from recent European heat wave and N. American power outages
- **However, in aggregate, trading is in line with our expectations**

aggreko

aggreko