

**Aggreko plc**  
**2004 Interim Results**

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**Philip Rogerson**  
**Chairman**

- **Revenue down 5.4% to £150.8m**
- **Earnings per share pre exceptional items down 9.3% at 3.97 pence**
- **Dividend up 2.3% to 2.25 pence**
- **Previously announced exceptional items of £13.7m with full year expectations not exceeding £15.0m**
- **Good progress on strategy implementation**
- **Outlook: PBT for the full year expected to be at least £38m**

**Aggreko plc**  
**2004 Interim Results**  
**Financial Review**

**Angus Cockburn**  
**Finance Director**

### 1<sup>st</sup> Half P&L, pre-exceptional

	<b>2004</b>	<b>2003</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	<b>%</b>
Turnover	150.8	159.3	(5.4%)
Trading profit	16.7	17.8	(6.0%)
Operating profit	17.4	19.6	(11.1%)
Net interest expense	(1.8)	(2.4)	24.1%
Profit before tax	15.6	17.2	(9.3%)
Taxation	(5.0)	(5.5)	9.3%
Profit after tax	10.6	11.7	(9.3%)
Dividends	(6.0)	(5.9)	1.2%
Retained profit	4.6	5.8	(20.0%)
Earnings per share - basic (pence)	3.97	4.37	(9.3%)
Dividend per share (pence)	2.25	2.20	2.3%

**Currency impact on Results  
2003 vs 2004**

	<b>Revenue £m</b>	<b>Trading Profit £m</b>
Translational impact:		
North America	(5.6)	(0.1)
Europe	(0.6)	(0.1)
International	<u>(0.6)</u>	<u>(0.1)</u>
	(6.8)	(0.3)
Transactional impact in International	<u>(3.2)</u>	<u>(1.6)</u>
Total	<u>(10.0)</u>	<u>(1.9)</u>

The transactional impact is the estimated effect of AIP's net cashflow being hedged at different overall effective exchange rates in 2004 when compared with 2003

**Bridge**

	<b>Revenue £m</b>	<b>Trading Profit £m</b>
2003	159.3	17.8
Currency Translational impact	(6.8)	(0.3)
PY Sri Lanka fuel	(6.9)	-
CY Sri Lanka fuel	1.5	(0.1)
Underlying Growth	<u>3.7</u>	<u>(0.7)</u>
As reported 2004	<u>150.8</u>	<u>16.7</u>
Currency Transactional impact	3.2	1.6
Headline Growth	(5.4%)	(6.0%)
Underlying Growth – Constant Currency	2.6%	(4.0%)
Underlying Growth – Including Transactional	4.8%	5.3%

**Balance Sheet (£m)**

	<b>June 2004</b>	<b>June 2003</b>
Total fixed assets	276.2	303.0
Working capital	37.2	41.5
Dividends payable	(6.0)	(5.9)
Provisions for liabilities and charges	(8.3)	-
Provisions for taxes	(26.9)	(26.4)
Net borrowings	<u>(97.9)</u>	<u>(131.8)</u>
<b>NET ASSETS</b>	<u><b>174.3</b></u>	<u><b>180.4</b></u>
Share capital	53.6	53.6
Share premium	5.7	5.7
Other Reserves	<u>115.0</u>	<u>121.1</u>
<b>SHARE CAPITAL AND RESERVES</b>	<u><b>174.3</b></u>	<u><b>180.4</b></u>

**Financial Position**

	<b>2004</b>	<b>2003</b>
Gearing	56%	73%
Interest cover*	9.6 times	8.2 times
Cash flow from operating activities	£42.4m	£39.7m
Capital investment	£27.8m	£42.1m
Net borrowings	£97.9m	£131.8m
Effective tax rate	32.0%	32.0%

\* Pre exceptional items

**Cash Flow from  
Operating Activities (£m)**

	<b>2004</b>	<b>2003</b>
Operating profit pre exceptional items	17.4	19.6
Exceptional items	(13.7)	-
Depreciation & amortisation	30.9	28.6
Changes in working capital	0.2	(6.3)
Movements in provisions for liabilities and charges	8.3	-
Other non-cash movements	<u>(0.7)</u>	<u>(2.2)</u>
Net cash inflow from operating activities	<u>42.4</u>	<u>39.7</u>

**Cash Flow from Statement (£m)**

	<b>2004</b>	<b>2003</b>
Net cash inflow from operating activities	42.4	39.7
Net interest paid	(2.1)	(2.4)
Taxation paid	(2.0)	(6.8)
Purchase of fixed assets	(27.8)	(42.1)
Proceeds from disposal of fixed assets	1.5	3.9
Dividends paid	<u>(9.2)</u>	<u>(9.0)</u>
Cash inflow in period	2.8	(16.7)
Purchase of own shares held under trust	(3.1)	-
Exchange	<u>2.3</u>	<u>2.1</u>
Movement in net debt in period	<u>2.0</u>	<u>(14.6)</u>

**Exceptional costs of £13.7m booked in Half 1 analysed as follows:**

	<b>Europe</b>	<b>North America</b>	<b>Other</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
People	6.0	0.9	0.4	7.3
Property	3.2	1.5	-	4.7
Other	0.5	0.7	0.5	1.7
<b>Total</b>	<b>9.7</b>	<b>3.1</b>	<b>0.9</b>	<b>13.7</b>

Total costs not expected to exceed £15m

## IFRS Update

- **IFRS Project well advanced**
  - On target for go live 1 January 2005
- **Based on historical analysis increase in volatility unlikely to be significant**
- **A number of areas of impact**
  - Segmental disclosure
    - Will give greater visibility
  - Financial derivatives
    - looking to hedge account
  - Share based payments
    - limited impact
  - Pensions
    - current deficit 3% of net assets

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**Operating Review**

**Rupert Soames**  
**Chief Executive**

### Revenue by Product (£m)

	REVENUE			% OF TOTAL REVENUE		
	2004	2003	Change %	2004	2003	Change pp
Power	80.7	79.9	1.0%	53.5%	50.2%	3.3pp
Temperature Control	23.0	23.7	(3.4%)	15.2%	14.9%	0.3pp
Oil-Free Air	9.6	10.5	(8.3%)	6.4%	6.6%	(0.2pp)
Service Revenue	<u>37.5</u>	<u>45.2</u>	<u>(17.0%)</u>	<u>24.9%</u>	<u>28.3%</u>	<u>(3.4pp)</u>
	<u>150.8</u>	<u>159.3</u>	<u>(5.4%)</u>	<u>100.0%</u>	<u>100.0%</u>	

- Sri Lankan fuel £5.4m less in 2004 => drop in service revenue

### North America

#### REVENUE

#### TRADING PROFIT \*

	2004	2003	Change	2004	2003	Change
	£m	£m	%	£m	£m	pp
As Reported	46.5	49.1	(5.2%)	3.3	0.6	526%
Translational Impact		(5.6)			(0.1)	
Constant Currency	46.5	43.5	7.0%	3.3	0.5	703%
	\$m	\$m		\$m	\$m	
Local Currency	84.8	79.1	7.2%	6.0	0.9	607%
Like-for-like	83.7	73.7	13.4%			

- Sharp improvement in performance; sales momentum maintained despite depot closures
- Benign trading conditions in first half; large military contracts contributed to growth
- Closure of 8 out of 59 service centres; like-for-like, revenues grew 13.4%
- Reinvigoration of the management team

\* Pre exceptional items

### Europe

#### REVENUE

#### TRADING PROFIT \*

	2004	2003	Change	2004	2003	Change
	£m	£m	%	£m	£m	pp
As Reported	49.8	52.1	(4.5%)	2.0	5.7	(65%)
Translational Impact		(0.6)			(0.1)	
Constant Currency	49.8	51.5	(3.4%)	2.0	5.6	(64%)
	€m	€m		€m	€m	
Local Currency	74.0	75.9	(2.6%)	3.0	8.4	(64%)

- Poor first half – weak market & impact of re-structuring
- Growth in Southern Europe; decline in revenues and profit in Central and Northern Europe
- Re-structuring proceeding according to plan – disruption no more than was to be expected
- Final version of ERP system live in Benelux; National Call Centre in UK opened ahead of schedule

\* Pre exceptional items

### International

#### REVENUE

#### TRADING PROFIT

	2004	2003	Change	2004	2003	Change
	£m	£m	%	£m	£m	pp
As Reported	54.5	58.1	(6.3%)	11.4	11.5	(0.7%)
Translational Impact		(0.6)			(0.1)	
Constant Currency	54.5	57.5	(5.3%)	11.4	11.4	0.0%
Sri Lanka Fuel	(1.5)	(6.9)				
Transactional Impact		(3.2)			(1.6)	
Like-for-like	53.0	47.4	11.7%	11.4	9.8	16.0%

- Strong performance, heavily diluted by currency impact & Sri Lanka fuel
- Many military contracts renewed; Sri Lanka & Saudi Arabia ran at high levels during Q2
- 2nd major utility contract win in South America – 20 MW in Brazil
- Local businesses in Middle East and Australia performed well

### Outlook

- **International**
  - Full-year result dependent upon the renewal of key contracts
  - Local business in Middle East and Australia continues to perform well
- **North America**
  - Cool temperatures in early summer => weak start to the summer season
  - Partially offset by very active Hurricane season
  - Will continue to perform ahead of last year in H2
- **Europe**
  - 2<sup>nd</sup> half will be challenging – cool temperatures and continuing impact of restructuring and roll-out of ERP system
  - Expect to see benefits of restructuring beginning to emerge towards the end of H2
- **Outlook**
  - We now expect that profit before tax for the full year will be at least £38 million, which was the level achieved last year on a constant currency basis

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**Appendix**

### Revenue by Sector (£m)

	REVENUE			% OF TOTAL REVENUE		
	2004	2003	Change %	2004	2003	Change pp
Utilities	29.5	35.1	(15.9%)	19.5%	22.0%	(2.5pp)
Manufacturing	27.2	32.1	(15.2%)	18.0%	20.1%	(2.1pp)
Military	18.6	16.7	11.1%	12.3%	10.5%	1.8pp
Construction	15.7	17.1	(8.3%)	10.4%	10.7%	(0.3pp)
Oil & Gas	14.5	14.1	2.6%	9.6%	8.9%	0.7pp
Other	10.4	10.2	(2.6%)	7.0%	6.7%	0.3pp
Entertainment	9.9	9.2	6.9%	6.6%	5.8%	0.8pp
Services	9.3	7.8	19.1%	6.2%	4.6%	1.6pp
Shipping	6.2	6.5	(4.1%)	4.1%	4.1%	-pp
Mining	5.0	4.9	1.3%	3.3%	3.1%	0.2pp
Telecoms	<u>4.5</u>	<u>5.6</u>	(19.4%)	<u>3.0%</u>	<u>3.5%</u>	(0.5pp)
Total	<u>150.8</u>	<u>159.3</u>	(5.4%)	<u>100.0%</u>	<u>100.0%</u>	

### Segmental Analysis (£m)

	REVENUE			TRADING PROFIT *		
	2004	2003	Change %	2004	2003	Change pp
North America	46.5	49.1	(5.2%)	3.3	0.6	525.9%
Europe	49.8	52.1	(4.5%)	2.0	5.7	(64.8%)
International	<u>54.5</u>	<u>58.1</u>	(6.3%)	<u>11.4</u>	<u>11.5</u>	(0.7%)
	<u>150.8</u>	<u>159.3</u>	(5.4%)	16.7	17.8	(6.0%)
Gain on Sale				<u>0.7</u>	<u>1.8</u>	(59.5%)
Operating Profit*				<u>17.4</u>	<u>19.6</u>	(11.1%)

\* Pre exceptional items