



## Trading Update for Analysts

June 2004

- **First half trading ahead of expectations, but behind last year**
- **Good performance in International and North America**
- **Profits in Europe lower than last year**
- **Refinancing of £200m debt facilities completed**
- **Full year outlook unchanged**
- **Good progress on implementation of strategy**
  - Restructuring exceptional charge not exceeding £15m, most of which will be booked in H1

- **Trading profit ahead of last year in both sterling and dollars**
- **Dollar revenues up on last year, despite depot rationalisation**
- **Major military contracts executed in first half**
- **Good performance in entertainment & events**
  - Superbowl
  - US Open Golf Championship
  - Hollywood: Lemony Snicket
- **Good progress recruiting new talent into the senior management team**

- **Trading profit similar to last year**
- **Strong underlying performance - profits held back by c. £2m currency impact**
- **Good execution on utilities contracts in target markets**
  - Asia
  - Middle East
  - South America
- **Military contracts in Middle East extending**
- **Local Business**
  - Strong summer season in Australia
  - Middle East local business helped by construction boom in Dubai
  - Improved performance in Singapore

- **As expected, trading profit significantly behind last year**
- **No revenue from Spanish utility contracts**
- **Weak trading in Germany and Benelux**
- **Major restructuring of UK business leads to some short-term disruption**
  - New processes and management structure settling down
- **Strong revenue growth in France and Italy**

- **Refinancing of £200m of multi-currency debt facilities**
- **Bilateral basis with five leading international banks**
- **Range of maturities up to 7 years**
- **Covenants unchanged from existing arrangements**
  - 3x Debt : EBITDA
  - 3x interest cover
- **Effective interest rate in H1 <4%**
- **Tax rate expected to be 32%**
- **Net debt expected to be c. £100m at 30<sup>th</sup> June, compared to £132m last year**

# Good progress on implementation of strategic plan

- **Europe**
  - National rental centre operational in UK ahead of schedule
  - Headcount reductions in UK complete
  - Consultation exercises in Continental Europe complete
- **North America**
  - Depot rationalisation complete
    - 8 depots closed, 5 turned into sales offices
- **International**
  - Executing well on utilities contracts in target markets in South America and Asia
- **ERP implementation**
  - Final production version completed; roll-out starts in H2
- **Capex savings**
  - New specification equipment likely to save £3m in full year spend on like-for-like basis
  - US depot closures → fleet re-distribution → reduced capex requirements in North America

- **Results for full year will be heavily influenced by summer season trading**
- **At the moment, expectation for trading unchanged from Preliminary Results**
- **Underlying trading performance of the business in 2004 is expected to be at a level broadly similar to that in 2003**