

Aggreko plc
2005 Interim Results

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**Philip Rogerson
Chairman**

- **Encouraging first half performance**
- **Revenue, as reported, up by 10.9% to £167.2m**
- **Revenue, in constant currency and excluding pass-through fuel, up by 9.8% to £162.3m**
- **Earnings per share up 4.1% at 4.16 pence**
- **Recommended interim dividend per share up 4.0% to 2.34 pence**
- **Good progress on strategy implementation**
- **Outlook: profit before tax is expected to be not less than £50m**

Aggreko plc
2005 Interim Results
Financial Review

Angus Cockburn
Finance Director

	2005 £m	2004 ⁽¹⁾ £m	Movement	
			As reported	Const Curr.
Revenue	167.2	150.8	10.9%	12.0%
Trading profit	17.8	16.8	6.1%	8.0%
Operating profit	18.4	17.5	5.1%	7.0%
Net interest expense	(1.8)	(1.8)	-	
Profit before tax	16.6	15.7	5.8%	
Taxation	(5.6)	(5.0)	(10.7%)	
Profit after tax	11.0	10.7	3.4%	
Dividends⁽²⁾	(9.5)	(9.2)	2.8%	
Retained profit	1.5	1.5	-	
Basic earnings per share (pence)	4.16	3.99	4.1%	

Note 1 : Pre 2004 £13.7m exceptional item

Note 2 : Dividends stated on a cash basis

Bridge	Revenue £m	Trading Profit £m
2004	150.8	16.8
Currency translation impact:		
Europe	0.5	-
North America	(1.0)	(0.1)
International	<u>(0.9)</u>	<u>(0.2)</u>
Total currency movement	(1.4)	(0.3)
PY pass-through fuel	(1.5)	-
CY pass-through fuel	4.9	-
Underlying growth	<u>14.4</u>	<u>1.3</u>
2005	<u>167.2</u>	<u>17.8</u>
Headline growth	10.9%	6.1%
Underlying growth – constant currency	9.8%	8.0%

Balance Sheet (£m)	June 2005	June 2004
Total fixed assets	274.2	272.6
Working capital	47.7	37.1
Retirement benefit obligation	(12.7)	(8.4)
Provisions for liabilities and charges	(4.3)	(8.6)
Derivative financial instruments	(1.0)	-
Provisions for taxes	(20.8)	(22.9)
Net borrowings	<u>(99.7)</u>	<u>(97.9)</u>
NET ASSETS	<u>183.4</u>	<u>171.9</u>
Share capital	53.6	53.6
Share premium	6.1	5.7
Other Reserves	<u>123.7</u>	<u>112.6</u>
SHAREHOLDERS EQUITY	<u>183.4</u>	<u>171.9</u>

Financial Position

	2005	2004
Gearing	54%	56%
Interest cover	10.1 times	9.6 times
Cash flow from operating activities	£36.0m	£42.2m
Capital investment	£29.1m	£27.6m
Net borrowings	£99.7m	£97.9m
Effective tax rate	33.5%	32.0%
Return on average net operating assets*	15.6%	13.3%

* Pre 2004 exceptional items based on rolling 12 months

Cash Flow Statement (£m)	2005	2004
Net cash inflow from operating activities	36.0	42.2
Net interest paid	(1.6)	(2.1)
Taxation paid	(7.3)	(2.0)
Purchase of fixed assets	(29.1)	(27.6)
Proceeds from disposal of fixed assets	1.1	1.5
Dividends paid	<u>(9.5)</u>	<u>(9.2)</u>
Cash inflow in period	(10.4)	2.8
Purchase of own shares held under trust	(3.2)	(3.1)
Issue of shares	0.1	-
Exchange	<u>(4.1)</u>	<u>2.3</u>
Movement in net debt in period	<u>(17.6)</u>	<u>2.0</u>

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Operating Review

Rupert Soames
Chief Executive

Segmental Analysis

	REVENUE			TRADING PROFIT		
	2005 £m	2004 £m	Const Curr %	2005 £m	2004 £m	Const Curr %
Local Business	125.7	115.0	9.8%	10.0	8.1	23.5%
			<i>Trading Margin:</i>	7.9%	7.1%	
			<i>Rolling 12-month ROCE:</i>	14.7%	10.7%	
Int’nl Power Projects excl pass-through fuel	36.6	34.3	9.7%	7.8	8.7	(6.8%)
			<i>Trading Margin:</i>	21.7%	25.5%	
			<i>Rolling 12-month ROCE:</i>	18.0%	21.8%	
Pass-through fuel	4.9	1.5				
Total	167.2	150.8	12.0%	17.8	16.8	8.0%
			<i>Trading Margin:</i>	10.7%	11.1%	
			<i>Rolling 12-month ROCE:</i>	15.6%	13.3%	

Revenue by Product (£m)

	REVENUE			% OF REVENUE EXCL PASS-THROUGH FUEL		
	2005	2004	Const Curr %	2005	2004	Change pp
Power	87.6	81.5	8.7%	54.0%	54.6%	(0.6pp)
Temperature Control	25.0	23.0	9.5%	15.4%	15.4%	-
Oil-Free Air	10.0	9.6	5.3%	6.1%	6.4%	(0.3pp)
Service Revenue	<u>39.7</u>	<u>35.2</u>	13.7%	<u>24.5%</u>	<u>23.6%</u>	0.9pp
Revenue Excl pass-through fuel	162.3	149.3	9.8%	100.0%	100.0%	
Pass-through fuel	<u>4.9</u>	<u>1.5</u>				
Total Revenue	<u>167.2</u>	<u>150.8</u>	12.0%			

North America

	REVENUE			TRADING PROFIT		
	2005 \$m	2004 \$m	Change %	2005 \$m	2004 \$m	Change %
Local Currency	94.4	84.8	11.3%	9.1	6.2	47.4%

- New business model and healthy demand drives strong revenue growth
 - Base business grows by 18% and backfills reduced levels of military work
 - Good cost control improved trading margin from 7.3% to 9.7%
- Growth in most areas – especially South East & Great Lakes
 - Excellent start to summer trading
- Acquisition of temperature control rental fleet of Prime Energy for \$5.2 million
 - Strengthens our position in important part of the market
- ERP system live in circa 30% of business

Update on impact of Hurricane Katrina

- Business recovering well from short term disruption, New Orleans service centre now accessible
- Limited progress identifying equipment losses; \$0.3m confirmed lost, but about \$8m of gross book value still at risk
 - Impact of losses on balance sheet will not be material
 - Orders already placed for additional equipment, and generators being transferred from other parts of North America & Europe
- Business has responded extremely well to the challenge and is very busy
- Hard to quantify trading impact going forward, but we expect to play a full part in the relief and reconstruction efforts
 - Estimate that 2005 storm-related revenue will be towards the upper end of the historic levels of \$6-\$13m

Europe

	REVENUE			TRADING PROFIT		
	2005	2004	Change	2005	2004	Change
Local currency	€m	€m	%	€m	€m	%
Northern Europe	39.1	39.3	(0.4%)	1.8	3.3	(46.2%)
Central & Southern Europe	<u>35.6</u>	<u>34.7</u>	<u>2.6%</u>	<u>(1.2)</u>	<u>(0.3)</u>	<u>(264.6%)</u>
Total Europe	<u>74.7</u>	<u>74.0</u>	<u>1.0%</u>	<u>0.6</u>	<u>3.0</u>	<u>(80.0%)</u>

Europe

- Flat revenue but fall in profitability
 - Pricing/direct cost pressure from high fuel prices
 - Additional costs related to ERP roll-out
 - Costs to support growth of Spanish and Italian businesses
- Improvement in performance during Q2
 - Bulk of year on year profit shortfall in first quarter
 - Signs of improving momentum in Northern Europe
- ERP system now running c50% of European business
 - UK roll-out commencing in Q4, complete in 06
 - Continued improvement in performance of rental centres
- New Managing Director, Kash Pandya, started in June

Aggreko International

	REVENUE			TRADING PROFIT		
	2005 \$m	2004 \$m	Change %	2005 \$m	2004 \$m	Change %
Local Currency	122.8	99.3	23.6%	23.5	20.8	13.0%
Local Currency excluding pass- through fuel	113.7	96.5	17.8%			

Aggreko International: Local businesses

	REVENUE			TRADING PROFIT		
	2005 \$m	2004 \$m	Change %	2005 \$m	2004 \$m	Change %
Local Currency	45.2	34.1	32.5%	8.8	5.0	77.0%

- Outstanding first half - all businesses performed well
- Strong growth in Middle East
 - Major infrastructure projects creating demand for our services
 - Increased capital investment by Aggreko
- Strong summer in Australia
- Singapore & Brazil helped by shipping and oil & gas

Aggreko International: International Power Projects

	REVENUE			TRADING PROFIT		
	2005 \$m	2004 \$m	Change %	2005 \$m	2004 \$m	Change %
Local Currency excl pass-through fuel	68.5	62.4	9.7%	14.7	15.8	(7.0%)
Pass-through fuel	9.1	2.8				
Total	77.6	65.2	19.0%	14.7	15.8	(7.0%)

- Robust revenue growth reflects new contracts secured in first half
 - Seven new countries added to customer list
 - Uganda is largest contract ever won by Aggreko
- Sharp increase in project mobilisation and depreciation costs reduced first half profit
 - Profits expected to be ahead of prior year in H2, and for the year
- Second gas contract won in Asia

Outlook

- **Aggreko International**
 - International Power Projects business is very busy on both existing and new contracts. Second half will be strong.
 - Demand remains robust in Local businesses
- **Slight improvement in activity levels in Europe**
 - Now focusing on improving operational efficiency and growing revenues
- **Summer trading very strong in North America and expect profits for the year as a whole to be well ahead of 2004**
 - Hurricane Katrina: no material balance sheet impact foreseen. Aggreko's 2005 storm-related revenues likely to be towards the upper end of the historic levels of \$6-\$13m
 - Continued strong growth in base business
- **Overall profit before tax is expected to be not less than £50m**

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