

2009 Preliminary Results

2009 Preliminary Results

Philip Rogerson
Chairman

2009 Preliminary Results

- Record performance in a difficult economic climate
- Revenue up 8.2% to £1,023.9m
- Trading profit up 26.1% to £255.0m *
- PBT up 28.7% at £246.5m *
- Earnings per share up 37.2% at 63.30 pence *
- Proposed final dividend increase of 25% to 8.23 pence
- Outlook:
 - Given the encouraging prospects for International Power Projects, and the additional fleet investment, we now believe that we will do a little better than we anticipated at the time our December Trading Update

* Figures are stated before amortisation of intangible assets (2009: £2.5m pre-tax, £1.7m post-tax; 2008:£1.6m pre-tax, £1.0m post-tax) arising from business combinations.

2009 Preliminary Results Financial Review

Angus Cockburn
Finance Director

2009 Preliminary Results

	2009	2008	Movement	
	£m	£m	As reported	Const curr.
Revenue	1,023.9	946.6	8.2%	(6.3)%
Revenue excl. pass-through fuel	965.9	861.9	12.1%	(2.6)%
Trading profit	255.0	202.2	26.1%	7.0%
Operating profit	264.6	206.4	28.2%	8.9%
Net interest expense	(18.1)	(14.8)	(22.6)%	
Profit before tax	246.5	191.6	28.7%	
Taxation	(76.4)	(67.9)	(12.7)%	
Profit after tax	170.1	123.7	37.4%	
Dividends per share (declared)	12.60p	10.08p	25.0%	
Basic earnings per share (pence)	63.30	46.16	37.2%	

(1) All numbers are pre-amortisation of intangible assets arising from business combinations.

(2) Included within operating profit in 2009 is a gain on sale of £5.8m in relation to the completion of the Northern Europe OFA disposal. Excluding this, operating profit increased 25.4% on a headline basis and 6.5% in constant currency.

Note: Post amortisation 2009 PBT £244.0m, PAT £168.4m, EPS 62.67p; 2008 PBT £190.0m, PAT £122.7m, EPS 45.77p

2009 Preliminary Results

	Bridge	Revenue £m	Trading Profit £m*
	2008	946.6	202.2
	Currency translation impact	145.9	36.1
	2008 pass-through fuel	(84.7)	(2.9)
	2008 North America storm revenue	(13.9)	(6.9)
	2009 pass-through fuel	58.0	1.7
	North America & France Q1 Storm revenue	6.2	3.2
	53 rd week	16.0	10.0
	Underlying growth	(50.2)	11.6
	2009	1,023.9	255.0
	Headline growth	8.2%	26.1%
	Constant Currency growth	(6.3)%	7.0%
	Underlying growth in constant currency	(5.0)%	5.1%

Notes: revenues include £9.3 million relating to the Vancouver Winter Olympics in 2009 and £22.2 million relating to the Beijing Olympics in 2008.

* before amortisation of intangible assets arising from business combinations

2009 Preliminary Results

Balance Sheet

	2009	2008
	£m	£m
Intangible fixed assets/goodwill	66.8	69.6
Tangible fixed assets	713.0	752.0
Working capital	89.5	118.2
Retirement benefit obligation	(5.8)	(8.0)
Derivative financial instruments	(6.7)	(35.0)
Provisions for taxes	(78.2)	(68.0)
Net borrowings	(175.5)	(364.0)
NET ASSETS	603.1	464.8

2009 Preliminary Results

Financial Indicators	2009	2008
EBITDA	£413.0m	£322.6m
Capital investment	£160.9m	£265.2m
Net borrowings	£175.5m	£364.0m
Interest cover – EBITDA basis	22.8 times	21.8 times
Interest cover – EBIT basis*	14.5 times	14.0 times
Net debt/EBITDA	0.4 times	1.1 times
Effective tax rate	31.0%	35.4%
Gearing	29%	78%
Dividend Cover (declared basis) *	5.02 times	4.58 times
Return on average capital employed *	29.3%	28.7%

2009 Preliminary Results

Cash Flow from Operating Activities (£m)

	2009	2008
Operating profit*	264.6	206.4
Depreciation & amortisation*	148.4	116.2
Changes in working capital	18.2	(48.3)
Movements in provisions for liabilities & charges	-	(1.8)
Other non-cash movements	(0.4)	3.6
Net cash inflow from operating activities	430.8	276.1

2009 Preliminary Results

Cash Flow Statement (£m)	2009	2008
Net cash inflow from operating activities	430.8	276.1
Net interest paid	(18.7)	(14.1)
Taxation paid	(60.1)	(39.6)
Acquisitions	(4.2)	(15.9)
Purchase of fixed assets	(160.9)	(265.2)
Proceeds from disposal of fixed assets	15.4	9.0
Dividends paid	(28.6)	(23.7)
Cash inflow/(outflow) in period	173.7	(73.4)
Issue of shares	3.4	2.2
Purchase of own shares held under trust	(8.4)	(13.2)
Exchange	19.8	(77.0)
Movement in net debt in period	188.5	(161.4)

2009 Preliminary Results Operating Review

Rupert Soames
Chief Executive

A record performance in a difficult market

Highlights

- Record revenues, margins, returns
- Business model proved itself under conditions of economic stress
 - International Power Projects mitigates impact of Local business downturn
 - Local business much more robust than in 02/03 downturn
 - Proved that capital expenditure can be altered rapidly
- Ability to generate large amounts of cash without ageing fleet
- International Power Projects margins and returns
- Gas revenues increase 79%
- Strategy review says we have plenty of opportunities to work on

Lowlights

- Pricing in the Local business
- Poor order intake in International Power Projects in H1
- Temperature control much less robust than power

2009 Preliminary Results

Full Year Segmental Analysis

	REVENUE			TRADING PROFIT*		
	2009 £m	2008 £m	Const Curr %	2009 £m	2008 £m	Const Curr %
Local Business	544.0	580.4	(17.3)%	95.3	122.4	(32.8)%
			<i>Trading Margin:</i>	17.5%	21.1%	
			<i>Rolling 12-month ROCE:</i>	20.1%	27.8%	
Int’nl Power Projects excl pass-through fuel	421.9	281.5	26.2%	158.0	76.9	69.6%
			<i>Trading Margin:</i>	37.4%	27.4%	
			<i>Rolling 12-month ROCE:</i>	41.6%	29.2%	
Pass-through fuel	58.0	84.7	(42.3)%	1.7	2.9	(50.2)%
Total	1,023.9	946.6	(6.3)%	255.0	202.2	7.0%
			<i>Trading Margin:</i>	24.9%	21.4%	
			<i>Rolling 12-month ROCE:</i>	29.3%	28.7%	

* before amortisation of intangible assets arising from business combinations

2009 Preliminary Results

Revenue by Product (£m)

	REVENUE			% OF REVENUE EXCL PASS-THROUGH FUEL		
	2009	2008	Const Curr %	2009	2008	Change pp
Power	665.9	525.6	9.1%	68.9%	61.0%	7.9
Temperature Control	93.6	107.8	(24.6)%	9.7%	12.5%	(2.8)
Oil-Free Air	21.6	24.8	(24.9)%	2.2%	2.9%	(0.7)
Total Rental	781.1	658.2	2.3%	80.8%	76.4%	4.4
Service Revenue	184.8	203.7	(19.1)%	19.2%	23.6%	(4.4)
Revenue excl pass-through fuel	965.9	861.9	(2.6)%	100.0%	100.0%	
Pass-through fuel	58.0	84.7	(42.3)%			
Total Revenue	1,023.9	946.6	(6.3)%			

Local Business – North America

	REVENUE			TRADING PROFIT*		
	2009 \$m	2008 \$m	Const Curr Change %	2009 \$m	2008 \$m	Const Curr Change %
Full year	309.8	386.2	(19.5)%	55.9	85.6	(35.7)%
			<i>Trading Margin</i>	18.0%	22.2%	
Second half	169.4	227.2	(25.4)%	38.6	62.4	(38.7)%
			<i>Trading Margin</i>	23.3%	27.0%	

- Strong Q1, followed by weak Q2 and Q3; Q4 showed some signs of stabilising
 - Tough comparators: record storm revenues in Q3 & 4 2008
- Temperature control affected worse than power
 - Rental revenue: power down 18%, TC down 29%
- Good cost control delivers 18% Trading Margin
- Strong year for events – Inauguration, Vancouver Olympics, Superbowl
- Q1 benefits from Vancouver, but underlying little sign of improvement

* before amortisation of intangible assets arising from business combinations

Local Business – Europe & Middle East

	REVENUE			TRADING PROFIT*		
	2009 £m	2008 £m	Const Curr Change %	2009 £m	2008 £m	Const Curr Change %
Full year	249.6	256.6	(11.6)%	35.5	43.6	(28.1)%
			<i>Trading Margin</i>	14.2%	17.0%	
Second half	127.5	136.0	(11.7)%	21.1	27.1	(28.5)%
			<i>Trading Margin</i>	16.6%	20.0%	

- Similar quarterly pattern to North America
- Power stays flat due to continued growth in Middle East; temperature control weak
 - Rental revenue: power down 1%, TC down 20%
- Europe revenue down 18% vs Middle East up 3%
- Good growth in Middle East outside Dubai
- Europe continues to be weak in Q1, whilst Middle East shows some progress

Local Business – Aggreko International

	REVENUE			TRADING PROFIT*		
	2009 £m	2008 £m	Const Curr Change %	2009 £m	2008 £m	Const Curr Change %
Full year	96.8	116.3	(25.3)%	24.1	32.8	(34.8)%
			<i>Trading Margin</i>	25.1%	28.2%	
Second half	48.3	62.5	(31.6)%	13.5	18.9	(37.1)%
			<i>Trading Margin</i>	28.2%	30.2%	

- Tough comparators vs 2008 with \$41m of Beijing Olympics revenue
 - Revenues down 6% excluding Beijing
- Good progress with expansion of footprint – Pune, Johannesburg, Panama, Buenos Aires
- Little sign of change in Q1, although South America noticeably stronger

International Power Projects

Excluding pass-through fuel

	REVENUE			TRADING PROFIT*		
	2009 \$m	2008 \$m	Const Curr Change %	2009 \$m	2008 \$m	Const Curr Change %
Full year	661.3	524.1	26.2%	247.6	143.6	69.6%
			<i>Trading Margin</i>	37.4%	27.4%	
Second half	347.9	300.2	15.9%	143.2	84.5	68.0%
			<i>Trading Margin</i>	41.6%	28.1%	

- Order intake weak in H1, but recovers well in H2
- Signed 31 new projects; operated in 56 countries
- H2 margin benefits from lower mobilisation costs, overhead leverage, improved rates
- Gas revenues +79%
- Encouraging start to Q1; further 360 MW signed in first 8 weeks
- Fleet capital expenditure forecast increased by £20m

* before amortisation of intangible assets arising from business combinations

Outlook for 2010

Given the encouraging prospects for International Power Projects, and the additional fleet investment, we now believe that we will do a little better than we anticipated at the time our December Trading Update.