

STRATEGY UPDATE 2009

Despite a recession, we have made good progress

We said in the 07 review

- We thought we could deliver double-digit revenue growth and fleet capex would average around £200m pa

- We thought group margins would tend to increase as International Power Projects became a larger part of the business

- We thought the market for International Power Projects would grow by 20% +/- 5%

What we have delivered

- Revenue Growth 2007-2009 CAGR 11% in constant currency. Fleet capex average £203m in first two years

- Trading Margin 19.4% => 24.9%

- 2007 – 2009 International Power Projects average MW on rent CAGR 27%

And our views on our markets are basically unchanged

We said in the 07 review

- We thought gap between supply and demand would be between 500 and 1,000 GW by 2015
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- We thought worldwide unconstrained demand for electricity would grow by around 4.9% per annum 2004 – 2015
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- We thought that the Local business was geared to GDP

We say in the 09 review

- Deficit will be around 600 GW by 2015

- Demand growth-rate will be around 4.0% 2008 – 2015

- TC is more highly geared than power
- Power volumes behave in a similar manner on the way down as during times of growth
- However, rates compound the impact, and produce higher gearing on the downside

THE LOCAL BUSINESS

The Local business – 56% of revenues, 37% of Trading Profit*

Standardised Operations

- Skills, People, Culture
 - Orange Blood
- Rental Fleet
 - Global Power & TC fleet
 - Design & Manufacture
- Reporting & Systems
 - Movex ERP, Cognos, Power Packs
- Processes
 - Rental centres, 24x7, Service

Serve

Diverse Markets

- Diverse by geography
 - North, Central, South America; Europe; Africa; Middle East; Russia; Asia; Australasia
- Diverse by sector
 - Manufacturing, Oil & Gas, Entertainment, Utilities, Construction, Telecoms, Services
- Diverse by application
 - Power / TC; small / large; complex / simple

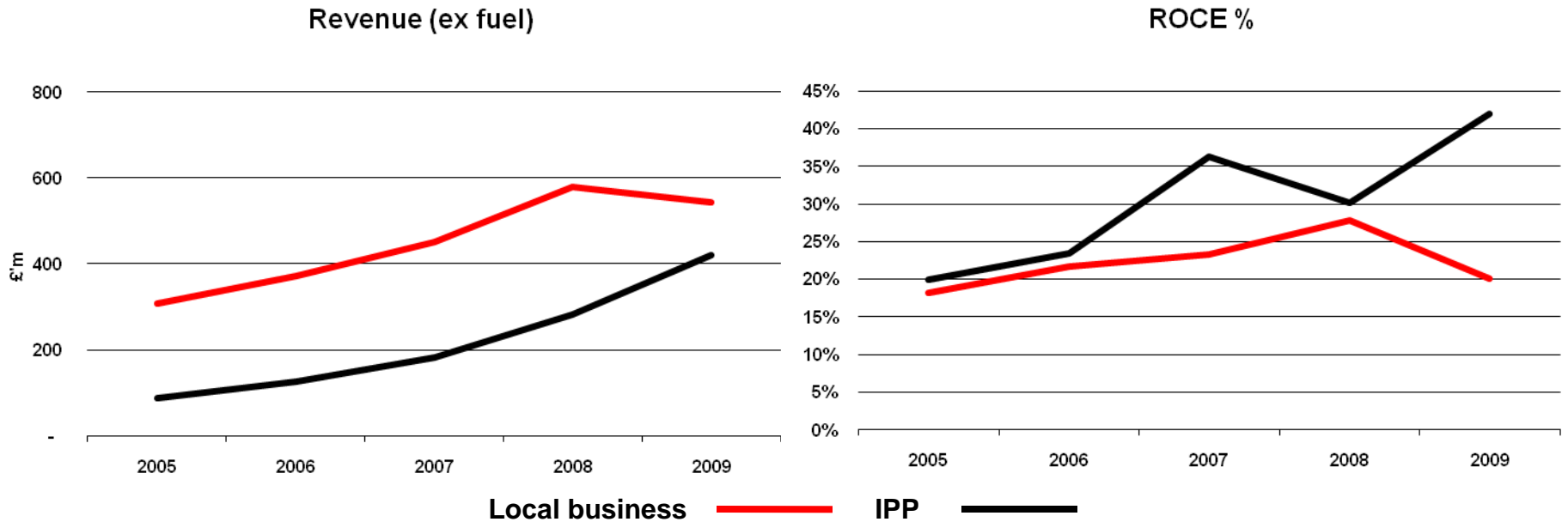
Benefits of standardised operations

Economies of scale => low cost, efficient, operator; best utilisation of fleet and people

Benefits of diversified exposure to markets

Ability to follow demand as it moves between geographies, sectors and applications

Local Business and International Power Projects compared over 5 years



Revenue (ex fuel) CAGR constant currency		
	2005 – 2008	2005 – 2009
Local	22.2%	10.8%
IPP	49.3%	43.1%

Trading Profit CAGR constant currency		
	2005 – 2008	2005 – 2009
Local	41.6%	17.5%
IPP	64.9%	65.1%

Local business strategy

Expand in economies where we believe that there are premium rates of growth in “Aggreko-weighted” GDP, and to build concentration in more mature markets

- Expansion in areas of premium growth:
 - Acquisitions in Northern Canada and India
 - New service centres in Chile, Argentina, South Africa, Panama, Russia, China
- Build concentration in more mature markets
 - New service centres in Indianapolis, Long Island, Gillette, Gladstone, Metz, Padova
- Manage product portfolio
 - Expand Major Events Capability
 - Developing Cooling Tower and Process Services in Europe
 - Developing Temperature Control in the Middle East & South America
 - Disposed of Oil Free Air in Europe
 - Adapting fleet profile to cater for new emissions standards
- Manage large units as a common fleet pool with International Power Projects

Strategy working well – no change

INTERNATIONAL POWER PROJECTS

In 2007, we said:

- Demand for power is growing very rapidly in the developing world
 - The major forecasting institutions have consistently under-estimated the rate of growth in demand
- There is a replacement cycle just beginning which means that about 25% of the current installed capacity will need to be replaced in the next 7-10 years
- There has been under-investment in new and replacement power infrastructure
 - Power utilisation factors are reaching critical points in many developing countries => more frequent and damaging power cuts
- In this scenario, Aggreko's temporary power solution is compelling
 - Delivery in weeks
 - No need for capital raising – pay as you go
 - Can provide efficient “peaking” capacity as well as 24x7
 - Distributed generation means that additional power does not need additional transmission
 - Send it away when you don't need it – ie when permanent capacity can cope

All this remains true

International Power Projects strategy

Be the biggest => capture economies of scale => be the most efficient

- Global scale means we can:
 - Manage to higher rates of utilisation
 - Deliver premium standards of service: dependability; speed of deployment; safety
 - Better manage risk
 - Build recognition of brand and proposition
- Focus on capturing operating efficiencies
 - Control of design, manufacture and supply chain => lower average capital cost / MW
 - Re-builds => multiple lives for engines => lower average capital cost / MW
 - Increased investment in local staff; leverage overheads
- Balance the footprint of the business
 - Develop businesses in Central & South America and Asia; revenue CAGR 69% and 38% respectively 07-09
- Diversify fuel types / improve emissions capability
 - Over 250 MW of Gas; T2 emissions compliant QSK50 generator in trial; 60MW ultra-low emissions running in Chile

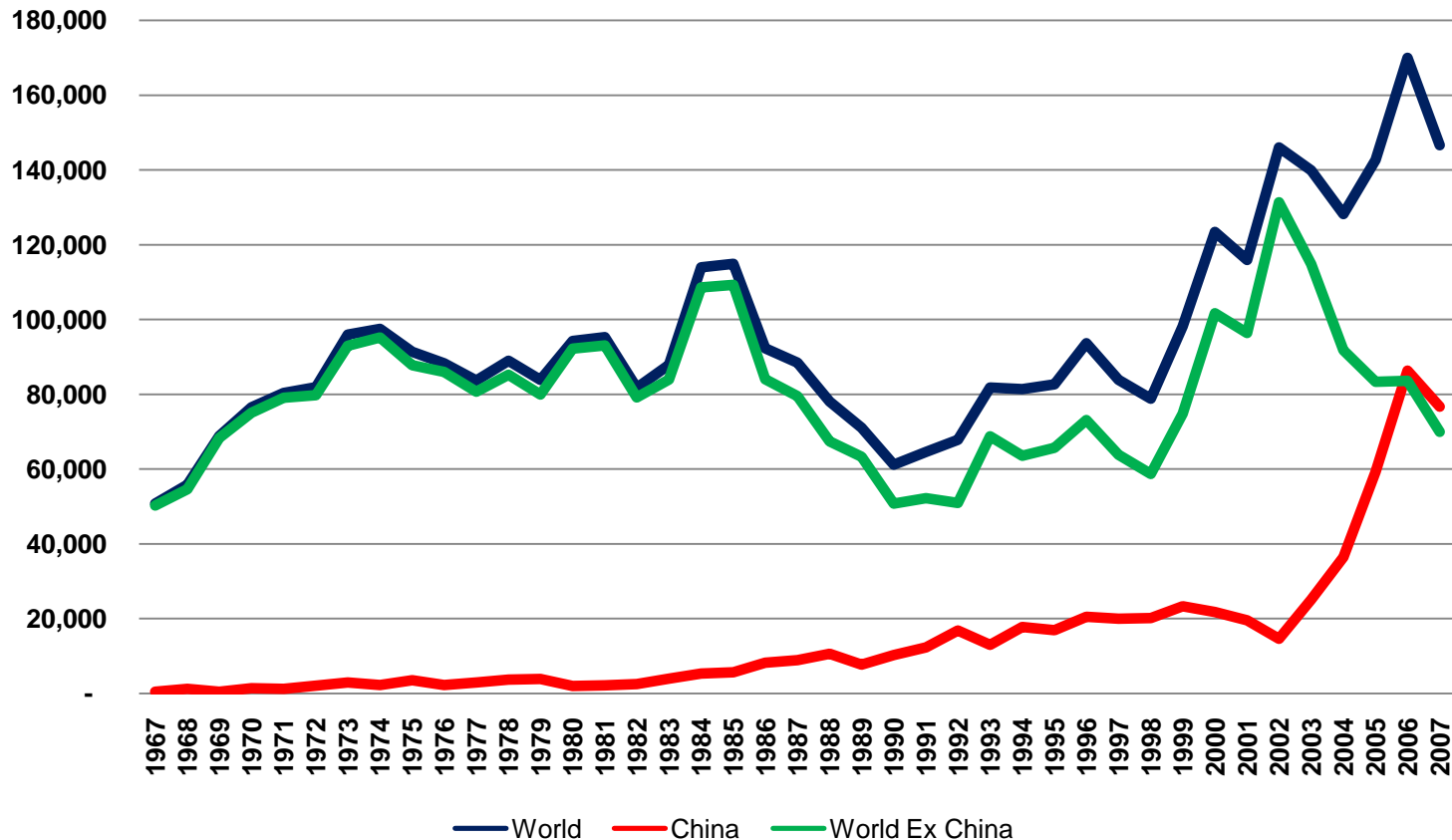
Strategy working well – no change

International Power Projects

UPDATE ON DRIVERS OF DEMAND

Recent growth in new capacity almost entirely driven by China

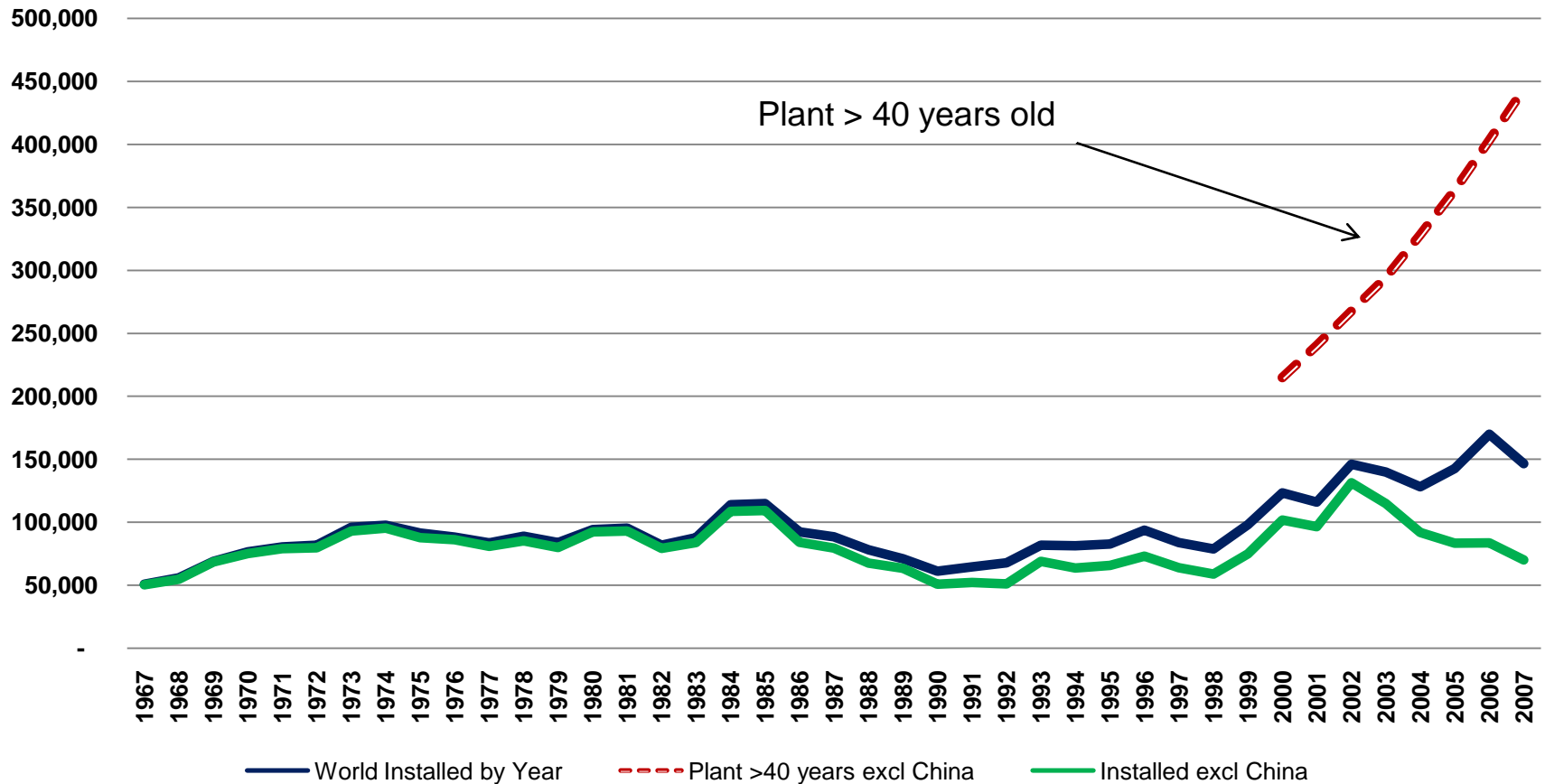
MW of Permanent Power Installed 1967-2007



Source: Platts

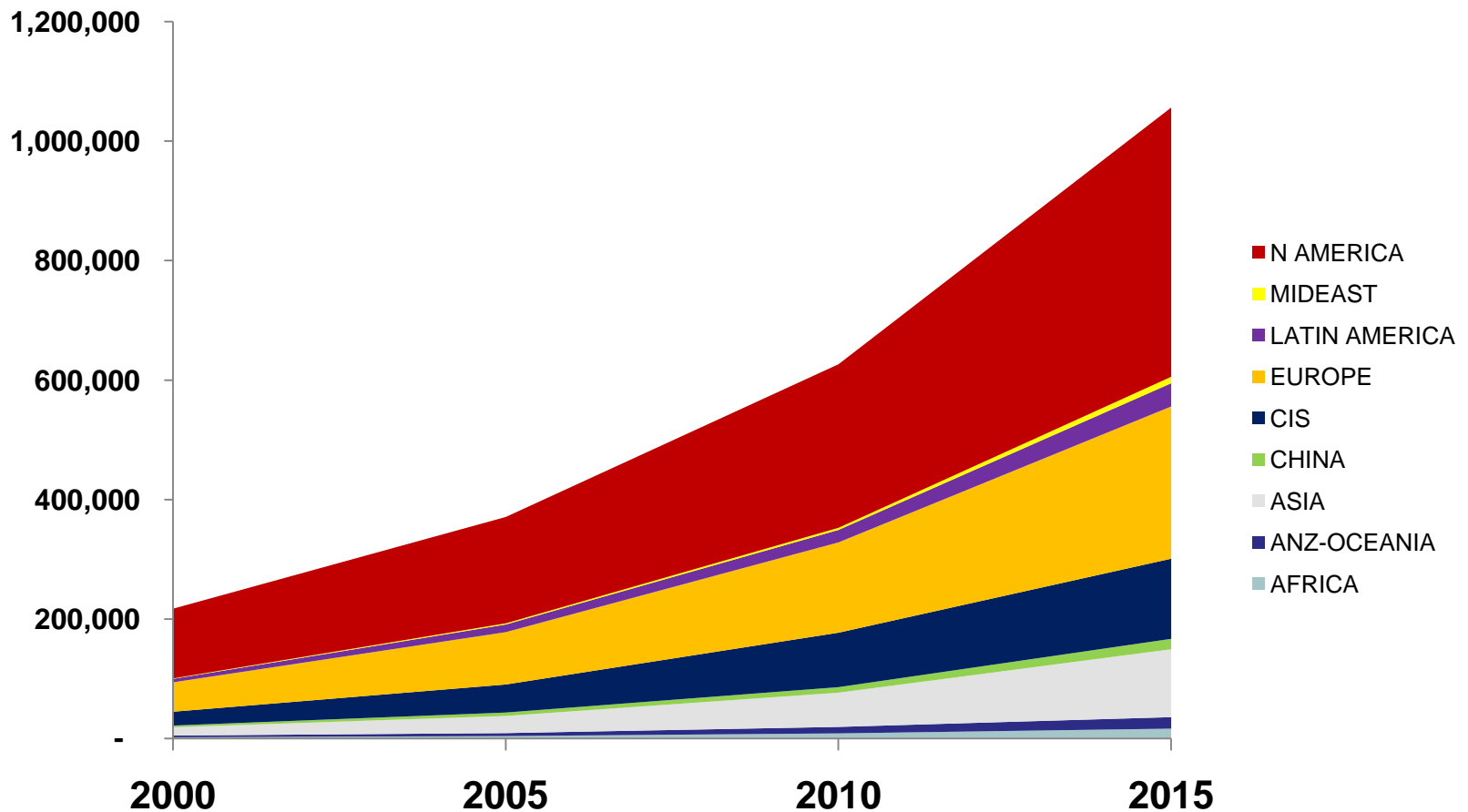
Outside China plant is ageing, investment is declining

MW Installed 1967-2007 vs Plant >40 years old



Source: Platts

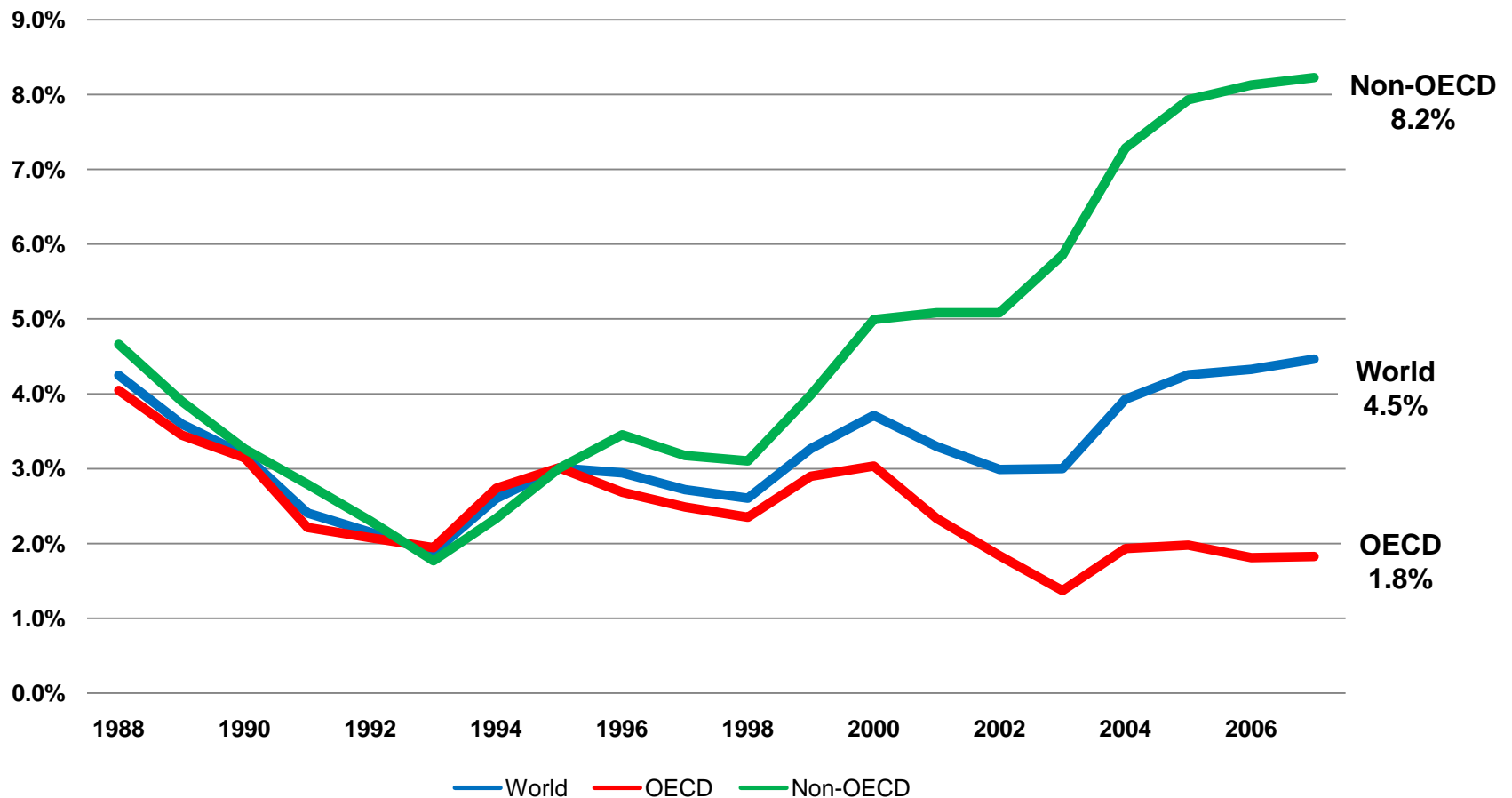
~ 25% current world generating capacity will be >40 years old by 2015



Source: Platts

Growth-rate in consumption much faster in non-OECD countries

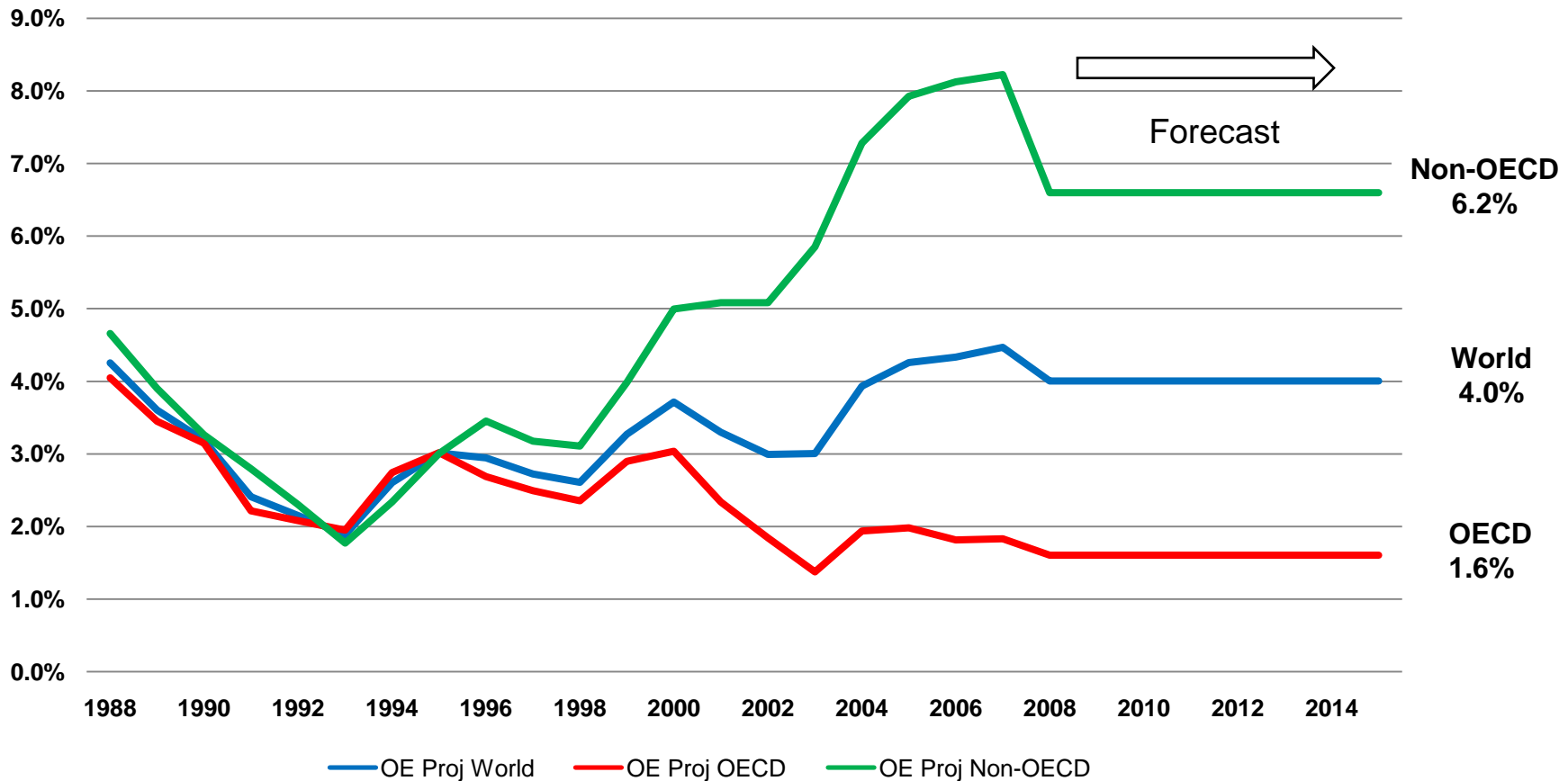
Rolling 3-year average growth in Electricity Consumption 1988-2007



Source: IEA, Oxford Economics

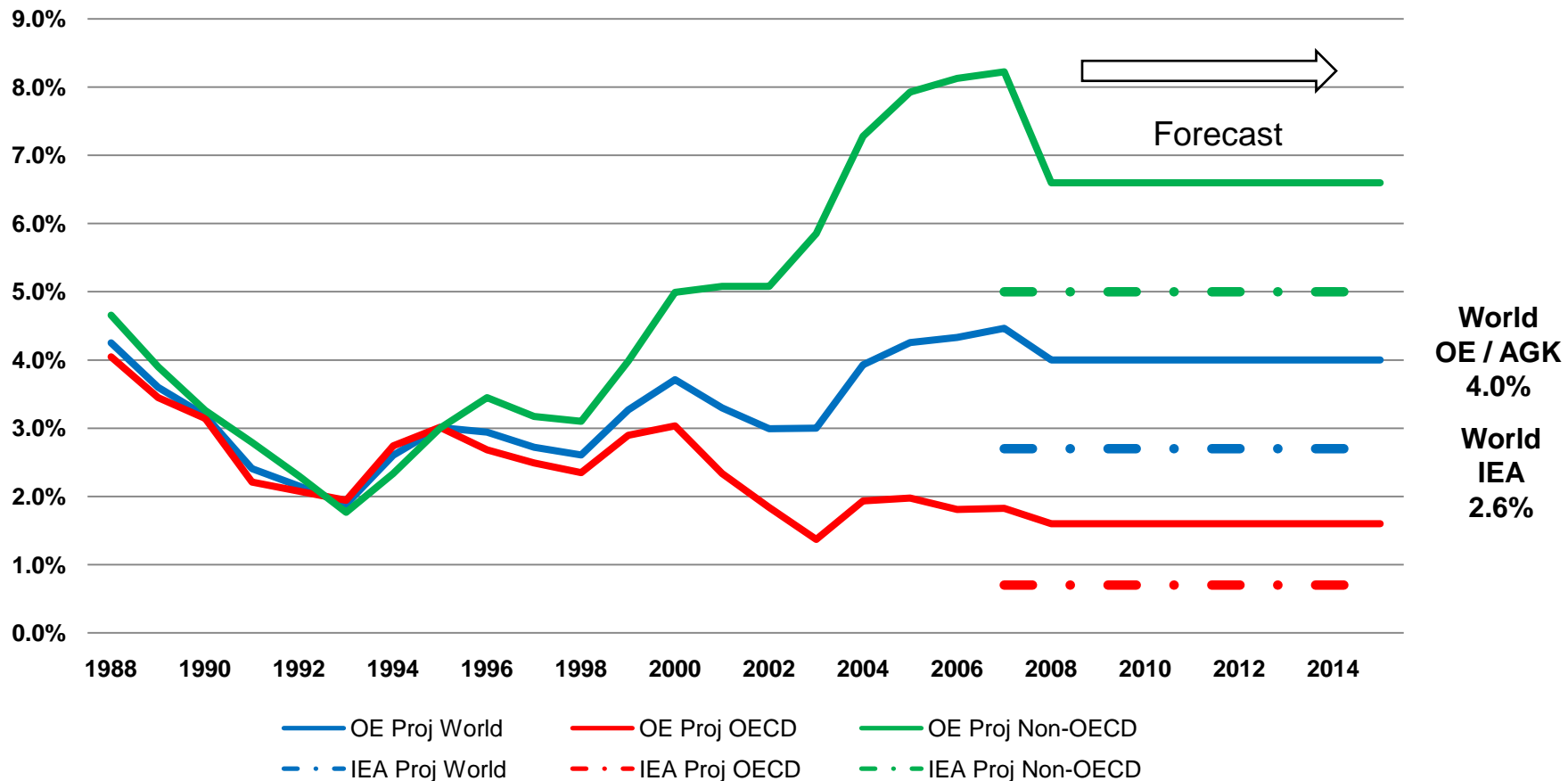
We now forecast 4% CAGR in electricity demand to 2015

Rolling 3-year average growth in Electricity Demand 2007-2015



And we think that IEA forecasts are too low

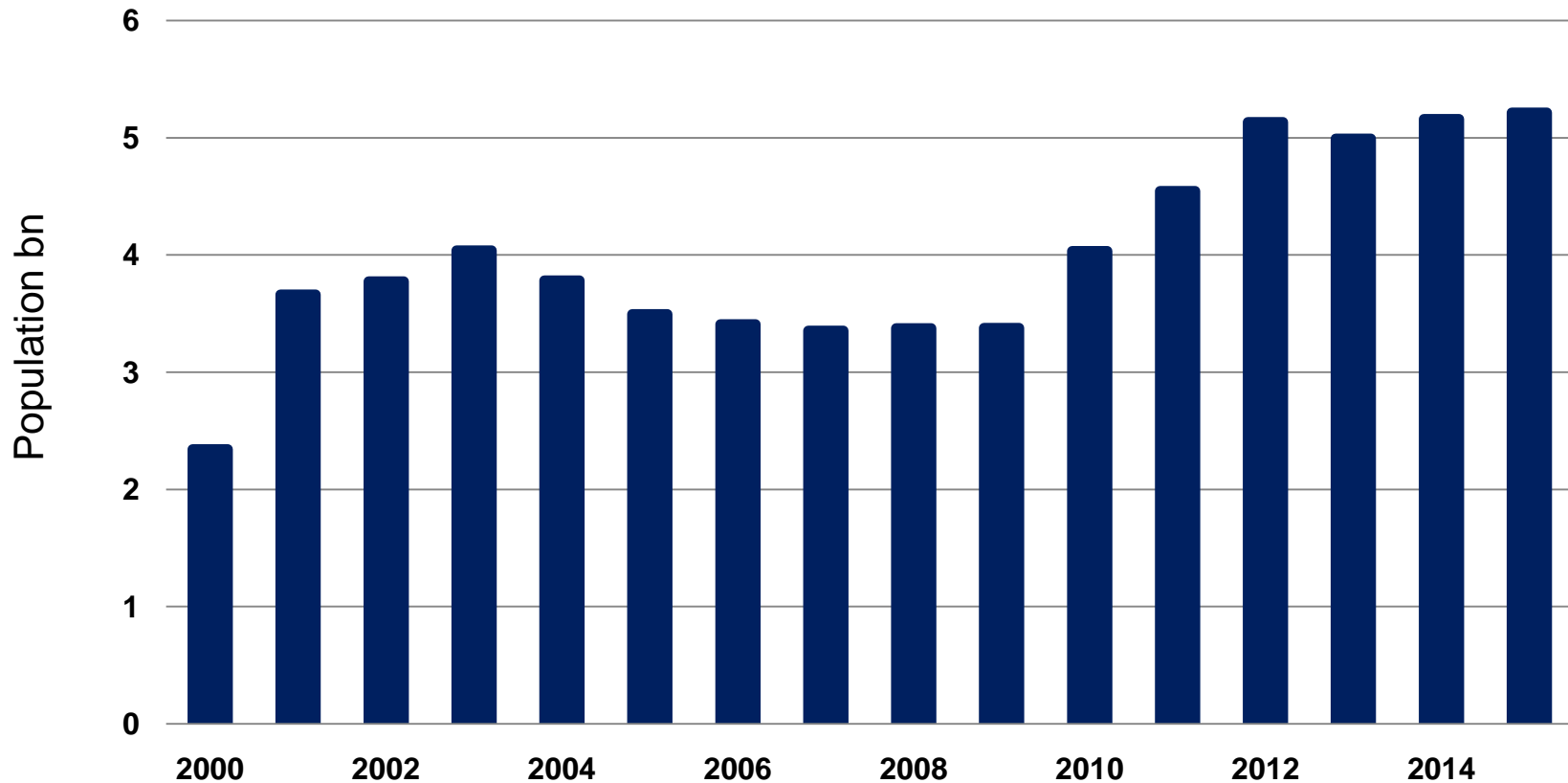
Rolling 3-year average growth in Electricity Demand 2007-2015



Source: IEA, Oxford Economics

Another 1.5 billion people growing consumption faster than GDP by 2012

Population with Electricity Consumption Growing faster than GDP (billion)



We now forecast a capacity deficit of around 600 GW by 2015

Capacity deficit increasing by about 1% of global capacity / 50,000 MW per annum

Demand / supply gap forecast in 2015 in GW

Demand CAGR 2004 - 2015

	556	3.00%	3.25%	3.50%	3.75%	4.00%	4.25%	4.50%	4.75%	5.00%
	3.10%	(22)	(165)	(311)	(461)	(614)	(772)	(933)	(1,098)	(1,267)
Net	3.20%	35	(108)	(255)	(404)	(558)	(715)	(876)	(1,041)	(1,211)
Additional	3.50%	207	64	(82)	(232)	(385)	(543)	(704)	(869)	(1,038)
Capacity	3.75%	355	212	66	(84)	(238)	(395)	(556)	(721)	(890)
CAGR	4.00%	506	363	217	67	(86)	(244)	(405)	(570)	(739)
2004	4.25%	661	518	372	222	69	(89)	(250)	(415)	(584)
=>2015	4.50%	820	677	531	381	227	70	(91)	(256)	(425)
	4.75%	983	840	693	543	390	233	71	(94)	(263)
	5.00%	1,149	1,006	860	710	556	399	238	73	(96)
						09 4.0%			07 4.9%	08 5.1%

EMERGING OPPORTUNITIES

What we are beginning to think about



Developing countries are not alone in facing energy challenges

“The decline in our indigenous gas supplies and the need to make demanding cuts in carbon emission levels, represent unprecedented challenges, which will grow over the next two decades.

Large parts of our ageing energy infrastructure will need replacement and, at the same time, we must make rapid progress towards the substantial decarbonisation of our economy. We estimate that up to £200 billion of investment might be required by 2020 alone, in the face of huge global demand for investment in energy infrastructure; volatile commodities prices; and the ongoing effects of the financial crisis.”

OFGEM (UK Gas & Electricity markets regulator) February 2010

Ageing plant and de-carbonisation pose formidable challenges

The need to de-carbonise power generation

+

Opposition to nuclear, worries about security of fuel supply

+

Huge differences in costs of thermal and renewable generation



Uncertainty over planning, regulation, future tariffs



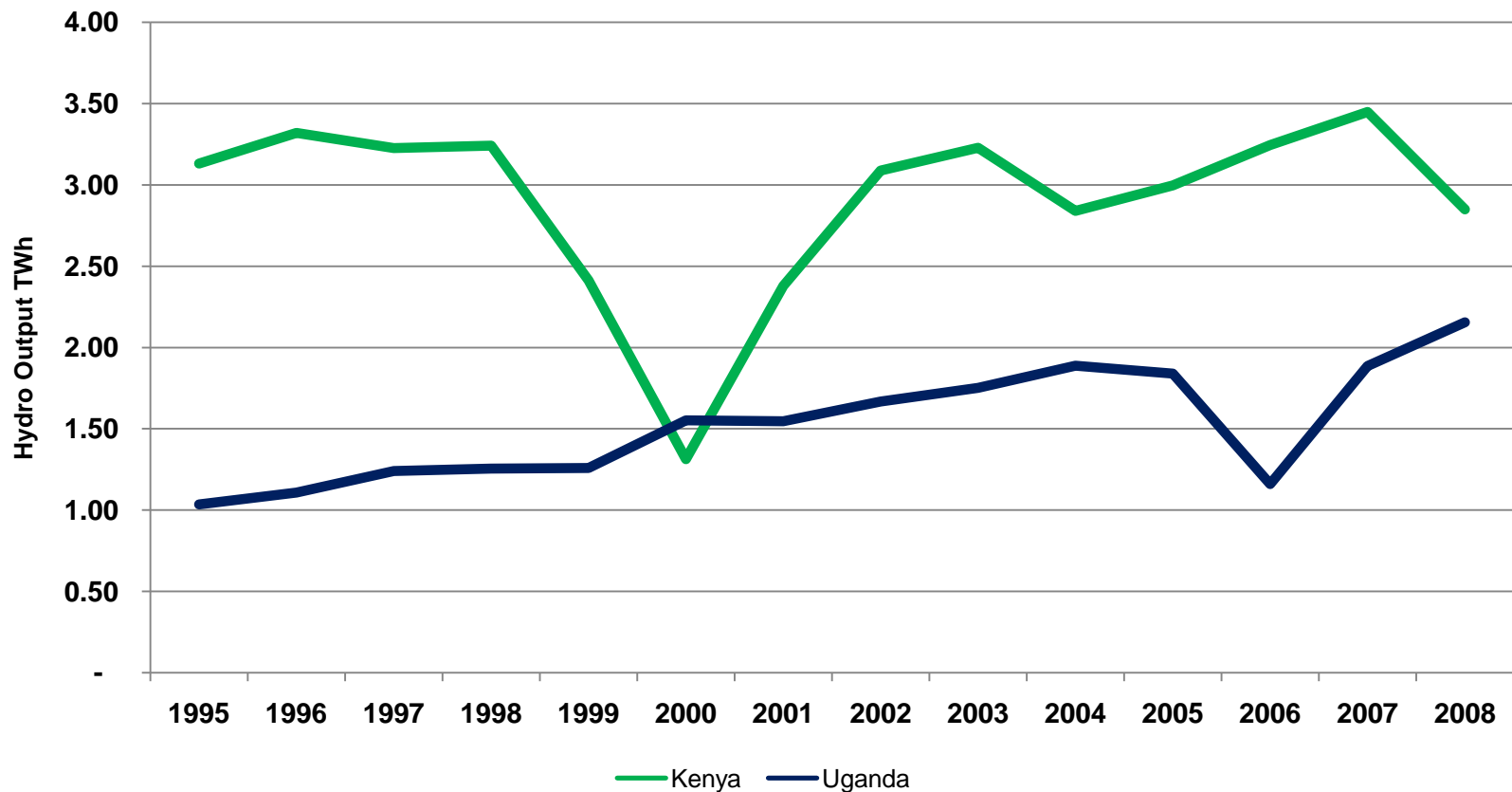
Inadequate investment in new plant



Lower reserve margins, lower system reliability

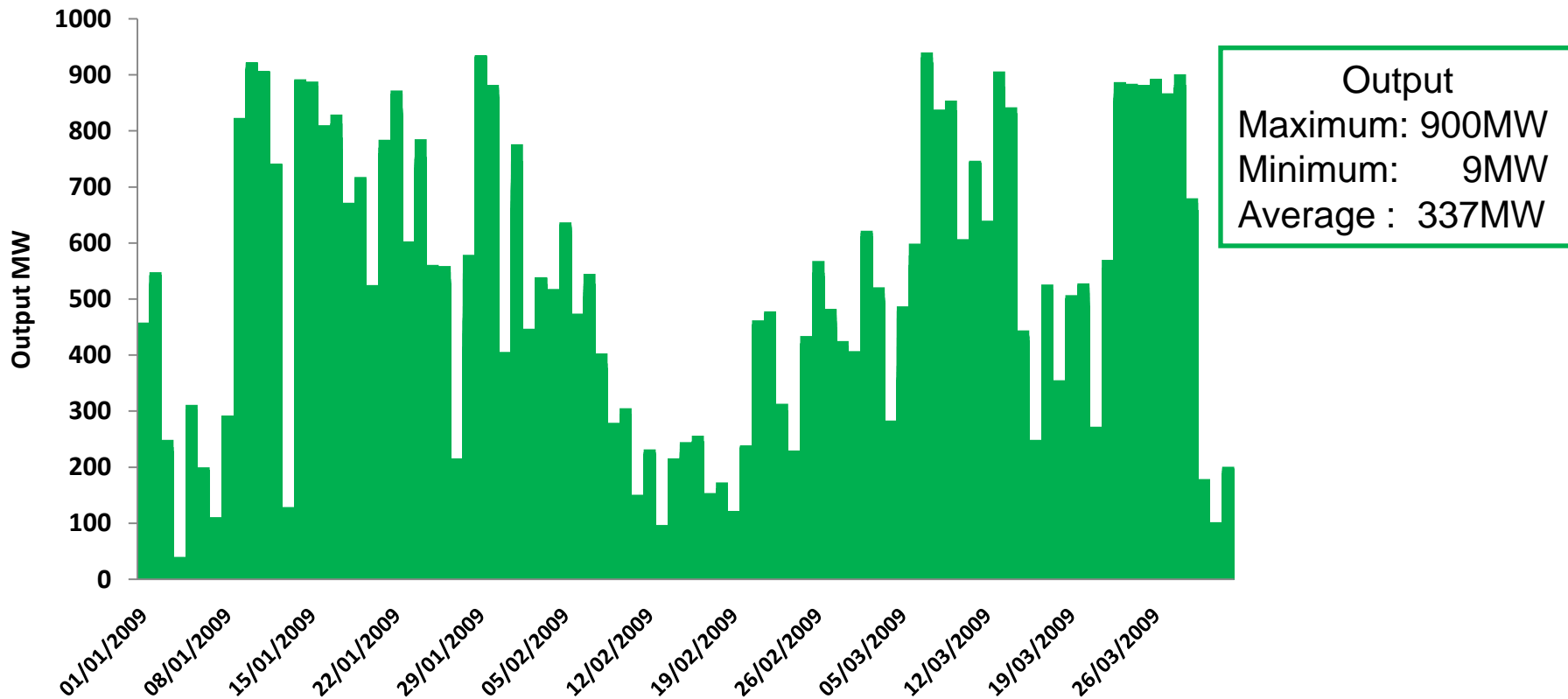
Most renewables suffer from variability.....

Kenya and Uganda Hydro output 1995-2008



..... but some are more variable than others

Wind generation output Ireland Jan-Mar 2009



Change in output >100MW in 15 minutes: 12 times in 3 months

Aggreko's technology & service proposition supports renewables

- Very low underlying capital cost
 - Ideal for low running hours
- Fast-start: a whole city's worth of power on-line in 30 seconds
 - Ideal for supporting grids with variable & unpredictable demand or supply
- Fuel efficient in start/stop operations
 - Ideal for short work cycles
- Distributed architecture
 - Minimises transmission losses – puts power where it is used
- Mobile & flexible
 - Can follow greatest need and best prices
- Available globally
 - We already have a large utilities customer base

Our conclusion

- **We are sure that** the structural challenges which have driven demand for our services in developing economies will remain:
 - Shrinking reserve margins and ageing plant
 - Challenging environment for investmentPLUS
 - Burgeoning demand for electricity
- **We think that** demand for our services may grow further if developed countries start to suffer from the same problems:
 - Shrinking reserve margins, ageing plant
 - Challenging environment for investmentPLUS
 - The need to integrate highly variable sources of renewable power

Summary

For the short / medium term

- Strategies for both Local & International Power Projects are working well: plenty of runway ahead
- Local business: geographic expansion in developing markets and drive for growth in mature markets
- International Power Projects: capture as much of the ~50,000 MW per year of additional capacity shortfall as we can; drive for scale & operational efficiencies; build brand recognition and long-term relationships with utilities

Further out

- Explore whether Aggreko can find a market supporting the roll-out of renewables in developed markets

Q&A