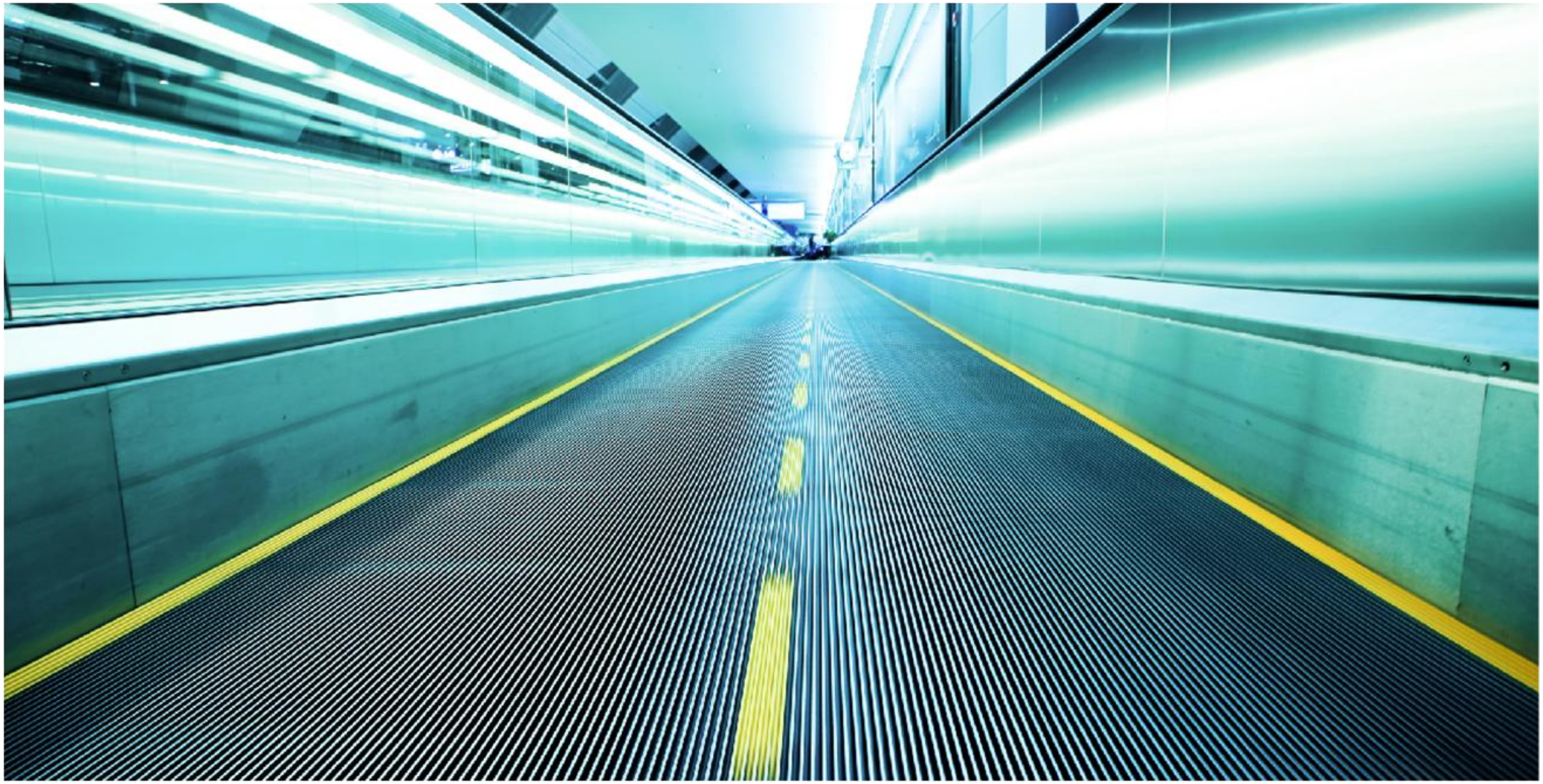
Speedy Hire Plc

Annual Results
For the year ended 31 March 2011



Introduction

- Significant improvement in operating margins (H2 on H1) as forecast
- Self-help has driven £110m cost savings since June 2008
- Continuous trend of improving trading since April 2010
- Year to date trading in line with expectations
- Underlying business shows strong recovery allowing for sale of Accommodation Hire and before fleet disposals
- Majors accounts continue to deliver strong revenue and access to their sub-contractor base
- Positive progress on the debt refinancing

Justin Read

Group Finance Director

Financial Highlights

		2011 £m	2010 £m
Revenue	*£m*	**354.2**	351.1
EBITDA*	*£m*	**63.4**	68.2
EBIT*	*£m*	**8.3**	8.0
PBT*	*£m*	**(0.7)**	(6.2)
Operating cashflow **	*£m*	**49.7**	62.9
Adjusted loss / earnings per share*	*pence*	**-**	(1.4)
DPS (UK GAAP)	*pence*	**0.4**	0.4

*pre amortisation and exceptional costs

** pre changes in hire fleet

Segmental analysis

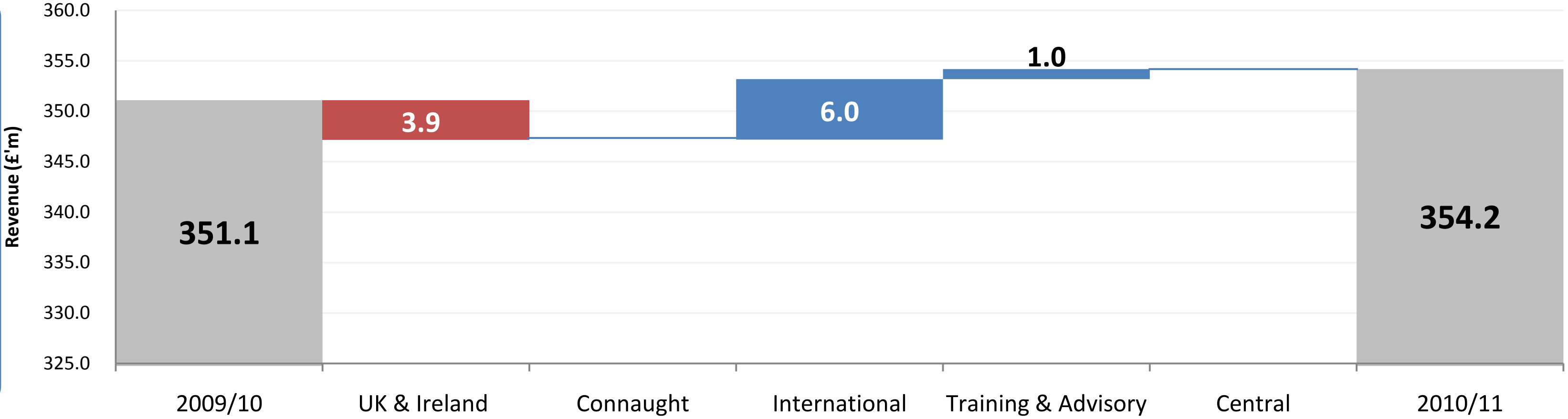
	2011 £m	2010 £m
Revenue		
UK & Ireland Asset Services	**343.5**	347.4
International	**8.4**	2.4
Training & Advisory	**2.3**	1.3
	354.2	351.1
EBITDA*		
UK & Ireland Asset Services	**69.8**	72.0
International	**0.4**	1.0
Training & Advisory	**(1.2)**	-
Central	**(5.6)**	(4.8)
	63.4	68.2
Operating profit*		
UK & Ireland Asset Services	**18.9**	15.0
International	**(1.9)**	0.5
Training & Advisory	**(1.2)**	-
Central	**(7.5)**	(7.5)
	8.3	8.0

*pre amortisation, impairment and exceptional costs

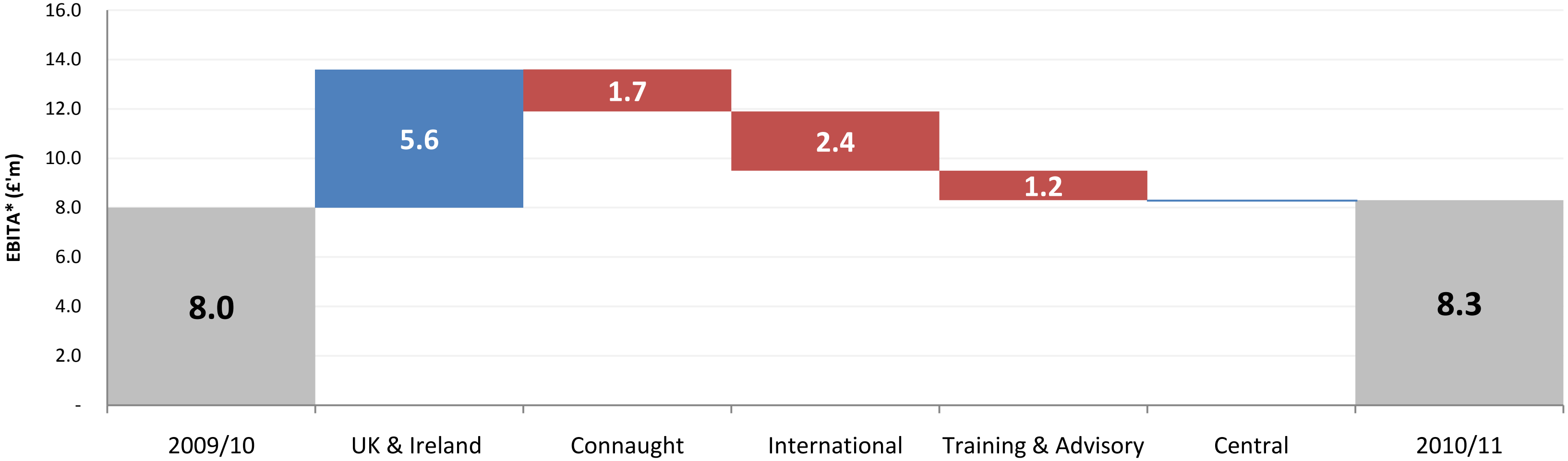
Depreciation is split £50.9m UK & Ireland Asset Services, £2.3m International and £1.9m Central

P&L Bridge

Revenue



EBITA*



* Pre-exceptional costs

Disposal of Accommodation Hire Operations

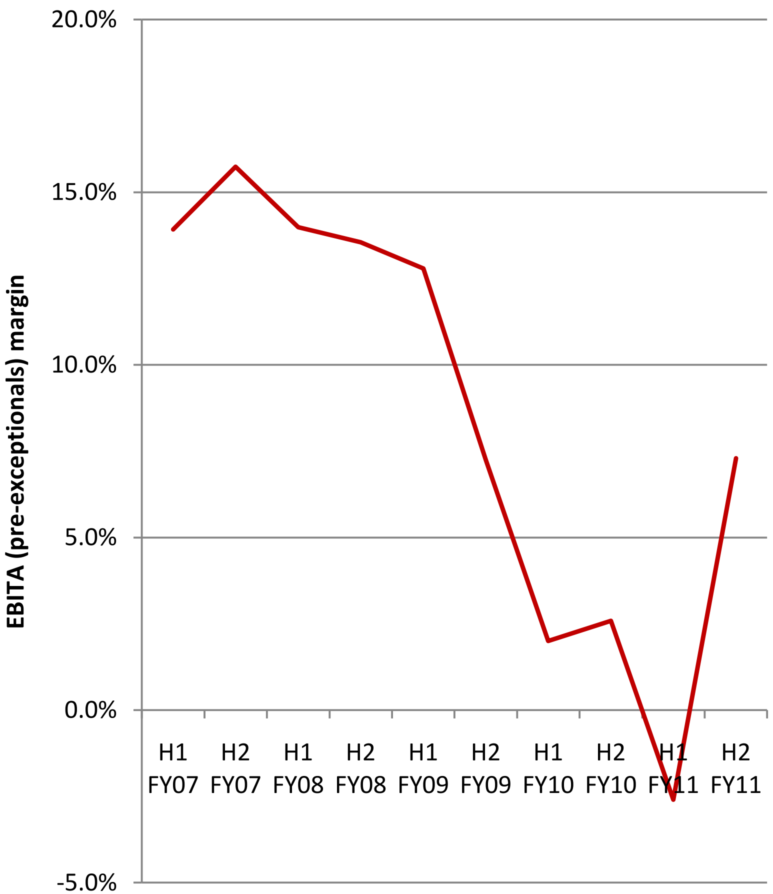
- Business and fixed assets disposal to Elliott, part of Algeco Scotsman, on 30 April 2011
- £34.9m gross cash proceeds
- Equivalent to 7.6x FY11 EBITDA at contribution level
- Speedy retains working capital estimated to be c.£3.6m
- 3 year partnering agreement creates cross-hire opportunities and preserves integrated customer service
- Incremental non-hire revenue from servicing Elliott's power generation assets
- Net proceeds initially used to reduce debt, resulting in a pro-forma debt of approximately £80m
- Assets treated as held for sale in FY11 and £13.8m exceptional loss recognised in FY11
- Significant loss maker removed and future capex drain avoided
- Disposal delivers pro-forma increase in FY11 EBITA and ROCE margin

Pro-forma P&L adjusted for disposal

	2011			2010			**Pro-forma**
	Group £m	**Accom** £m**	**Pro-forma £m**	Group £m	Accom** £m	Pro-forma £m	**variance £m**
Revenue	**354.2**	**35.5**	**318.7**	351.1	40.6	310.5	**8.2**
EBITDA*	**63.4**	**4.6**	**58.8**	68.2	6.8	61.4	**(2.6)**
EBITDA margin*	***17.9%***	***13.0%***	***18.4%***	*19.4%*	*16.7%*	*19.8%*	
EBIT*	**8.3**	**(4.5)**	**12.8**	8.0	(2.1)	10.1	**2.7**
EBIT margin*	***2.3%***	***(12.7%)***	***4.0%***	*2.3%*	*(5.2%)*	*3.3%*	
Net debt / EBITDA*	**1.79**	**7.48**	**1.35**	1.70			

*pre amortisation and exceptional costs
** Accommodation EBITDA* and EBIT* are before allocations and recharges

Improving margins – Group

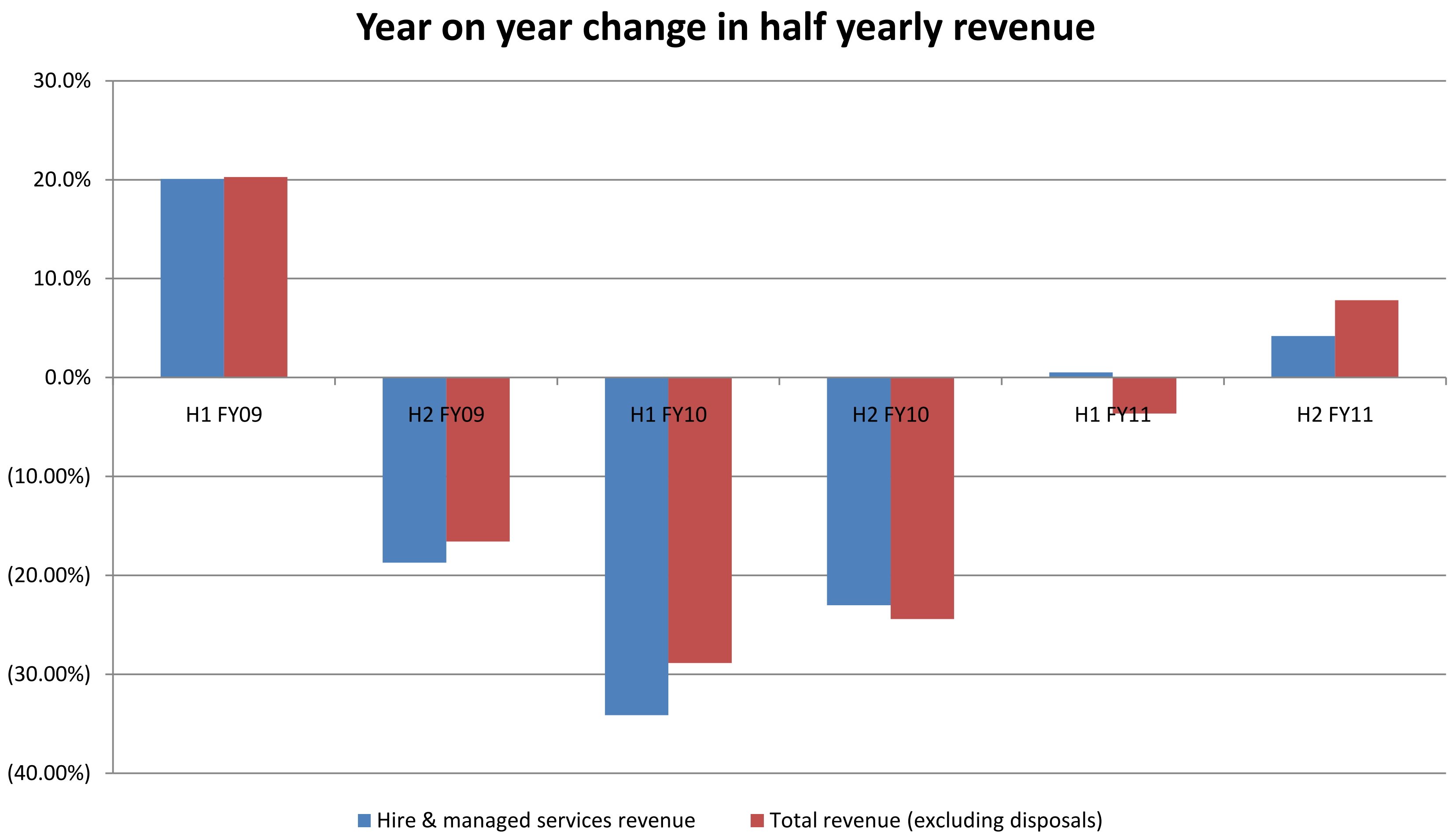


£'m	H1 FY11	H2 FY11	Change	% Change
Turnover	177.3	176.9	**(0.4)**	**(0.2%)**
Operating costs (excl dep'n)	(152.4)	(138.4)	**14.0**	**9.2%**
EBITDA*	24.9	38.5	**13.6**	**54.6%**
EBITDA margin %*	14.0%	21.8%		
Depreciation	(29.5)	(25.6)	**3.9**	**13.2%**
EBITA*	(4.6)	12.9	**17.5**	**n/a**
EBITA margin %*	(2.6%)	7.3%		
Interest	(5.3)	(3.7)	**1.6**	**30.2%**
PBT**	(9.9)	9.2	**19.1**	**n/a**
*PBT** margin*	*(5.6%)*	*5.2%*		

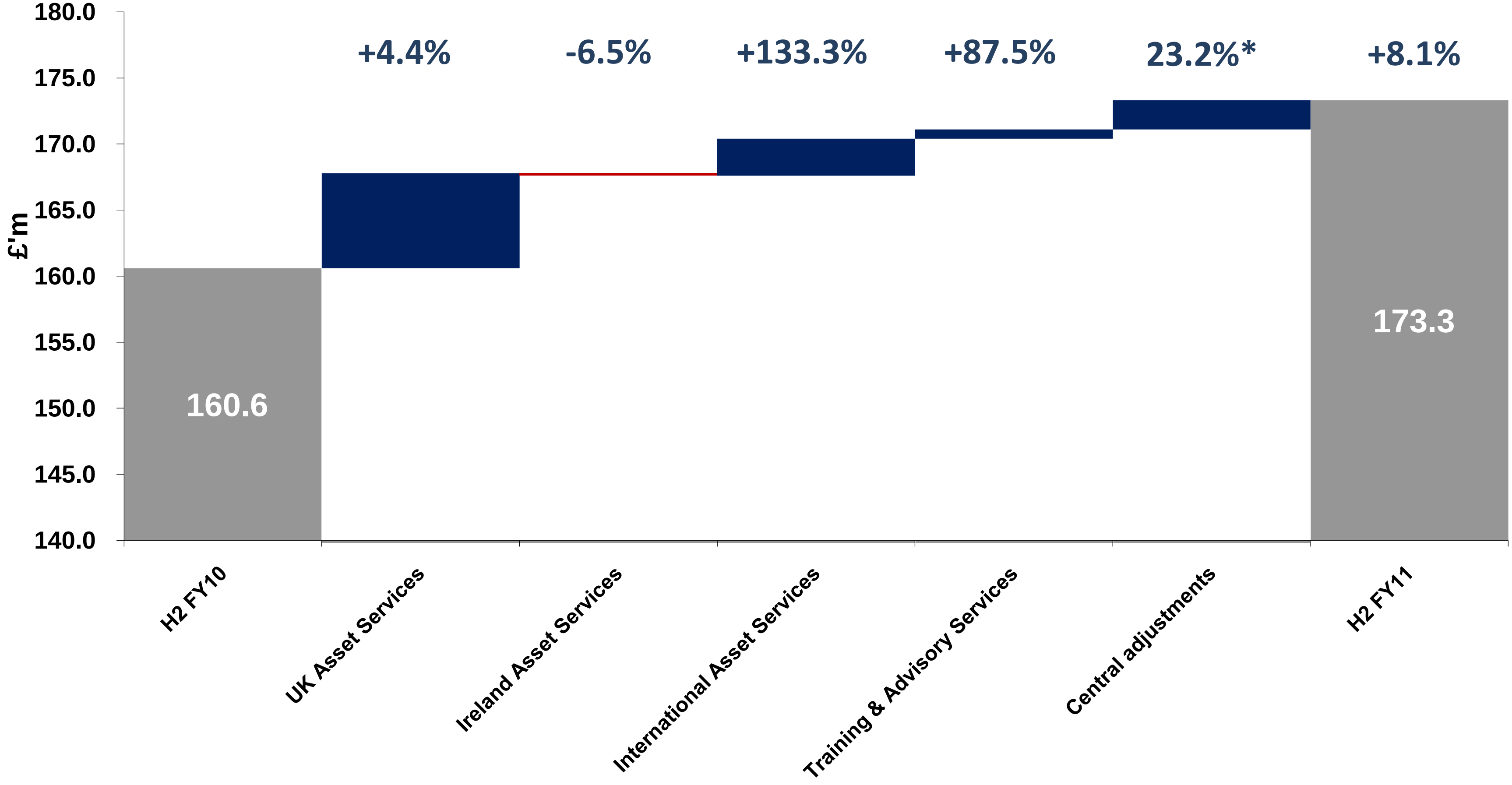
** - pre exceptional items*

*** - pre amortisation and exceptional items*

Improving trading – Group H1/H2 revenues

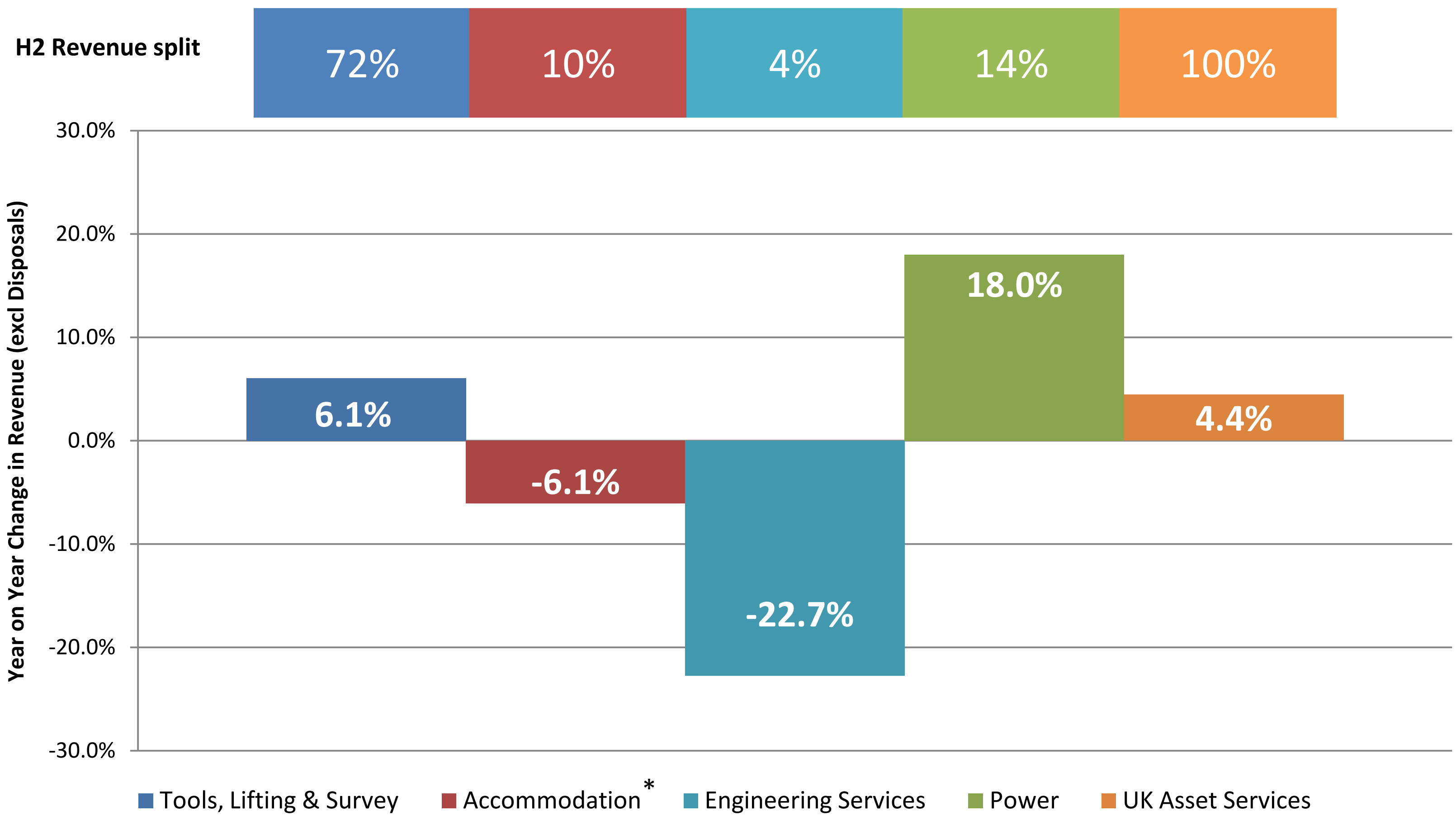


Improving trading – Group H2/H2 revenues



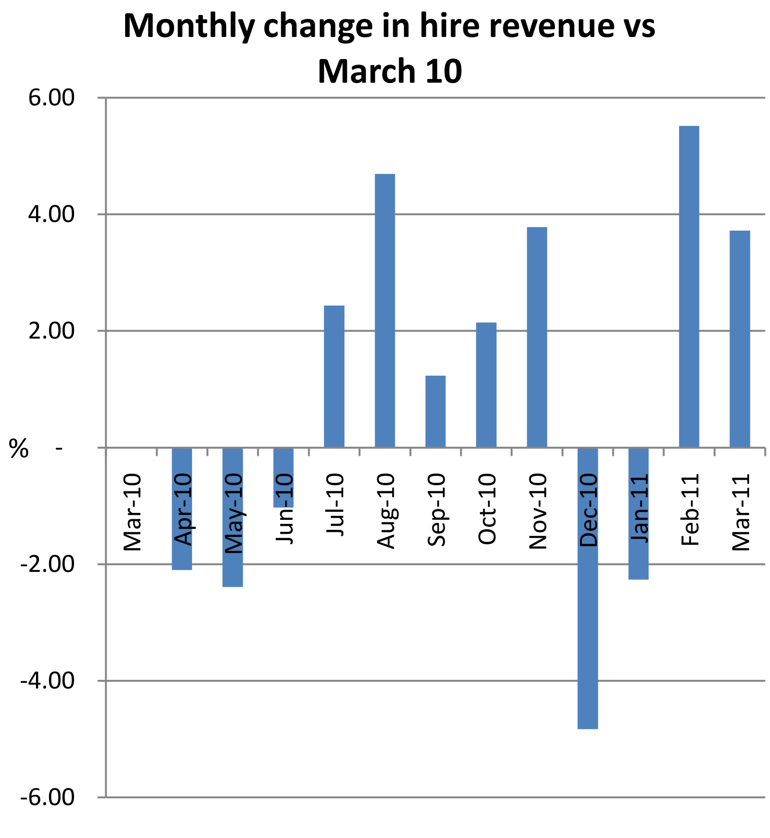
** Reduced intercompany trading*
Total revenue (excluding disposals)

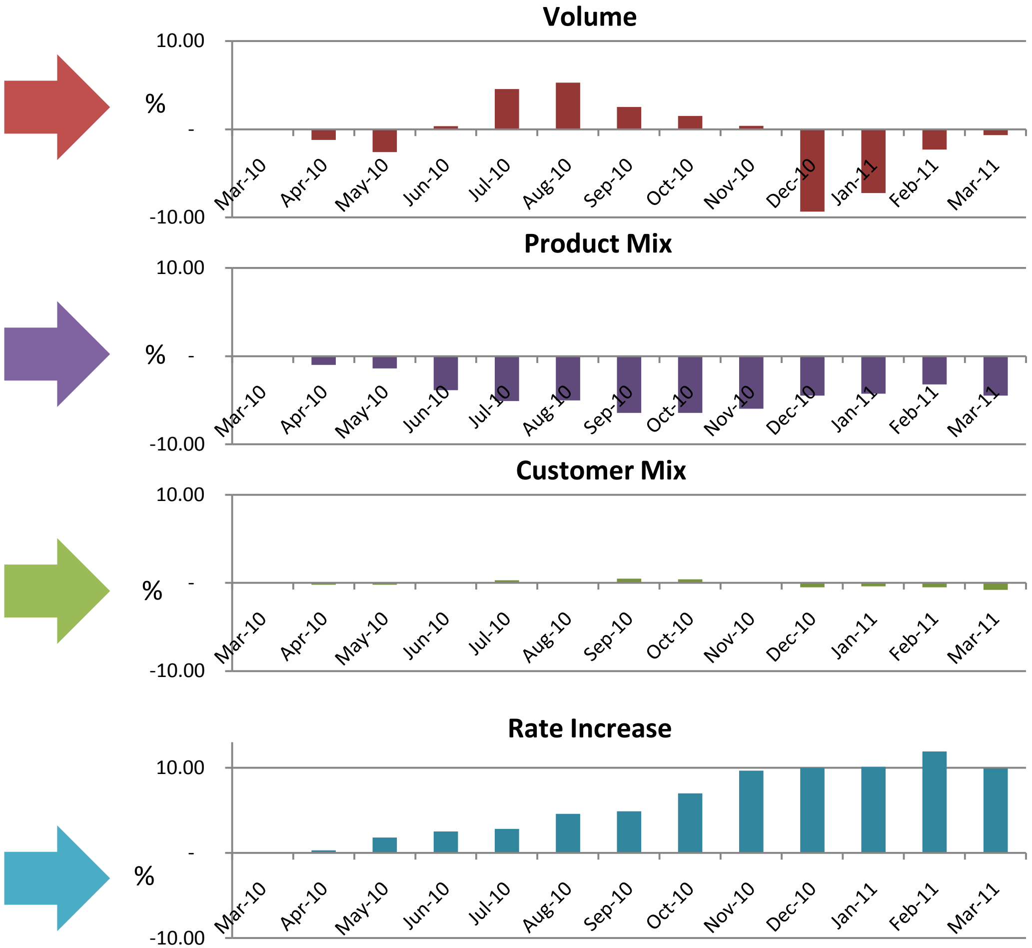
Improving trading – UK Asset Services H2/H2



* Accommodation Hire operation sold in April 2011

Change in UK volume & yield - rebased to March 10

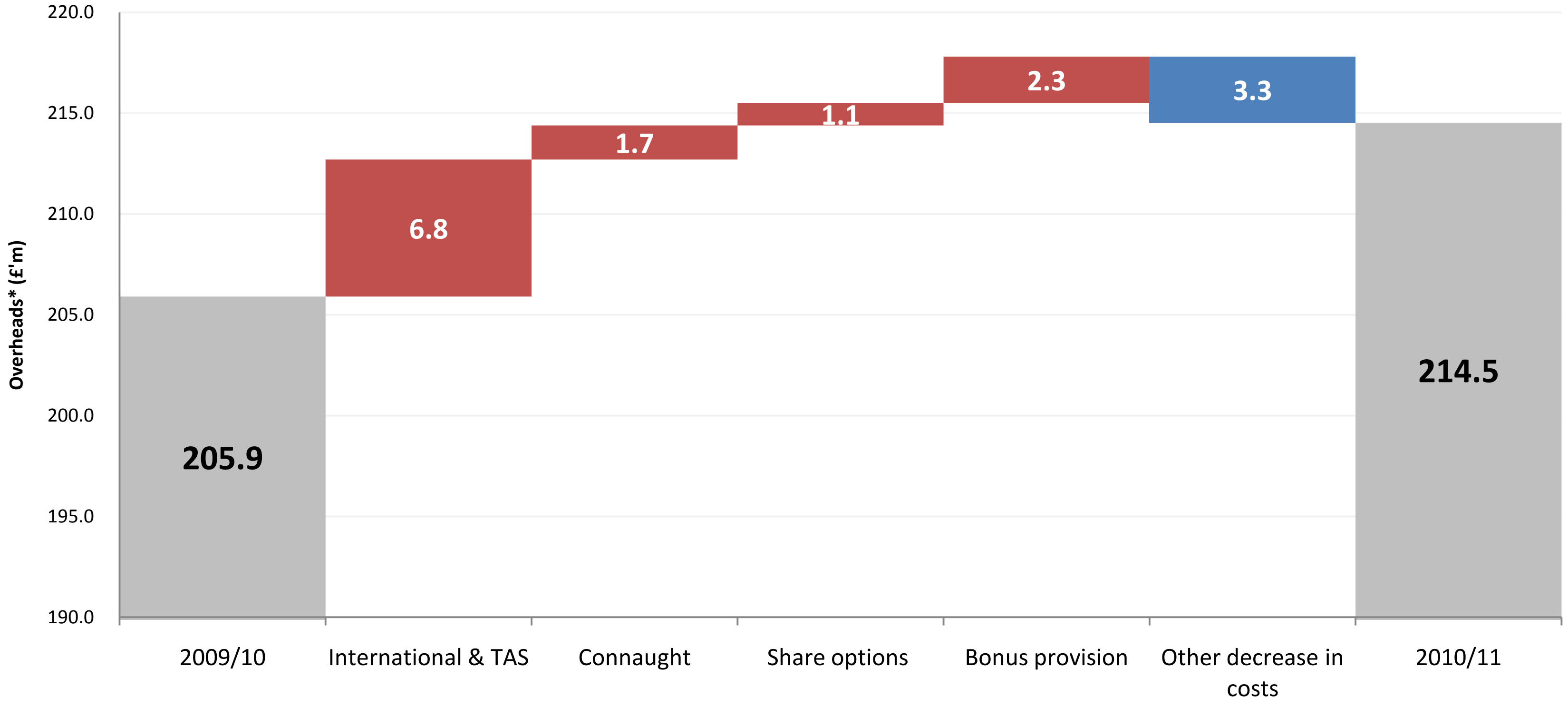




Note:

- *UK Asset Services – hire & managed services revenue*
- *Based on underlying contract data before credits and remissions*

Total Group overheads



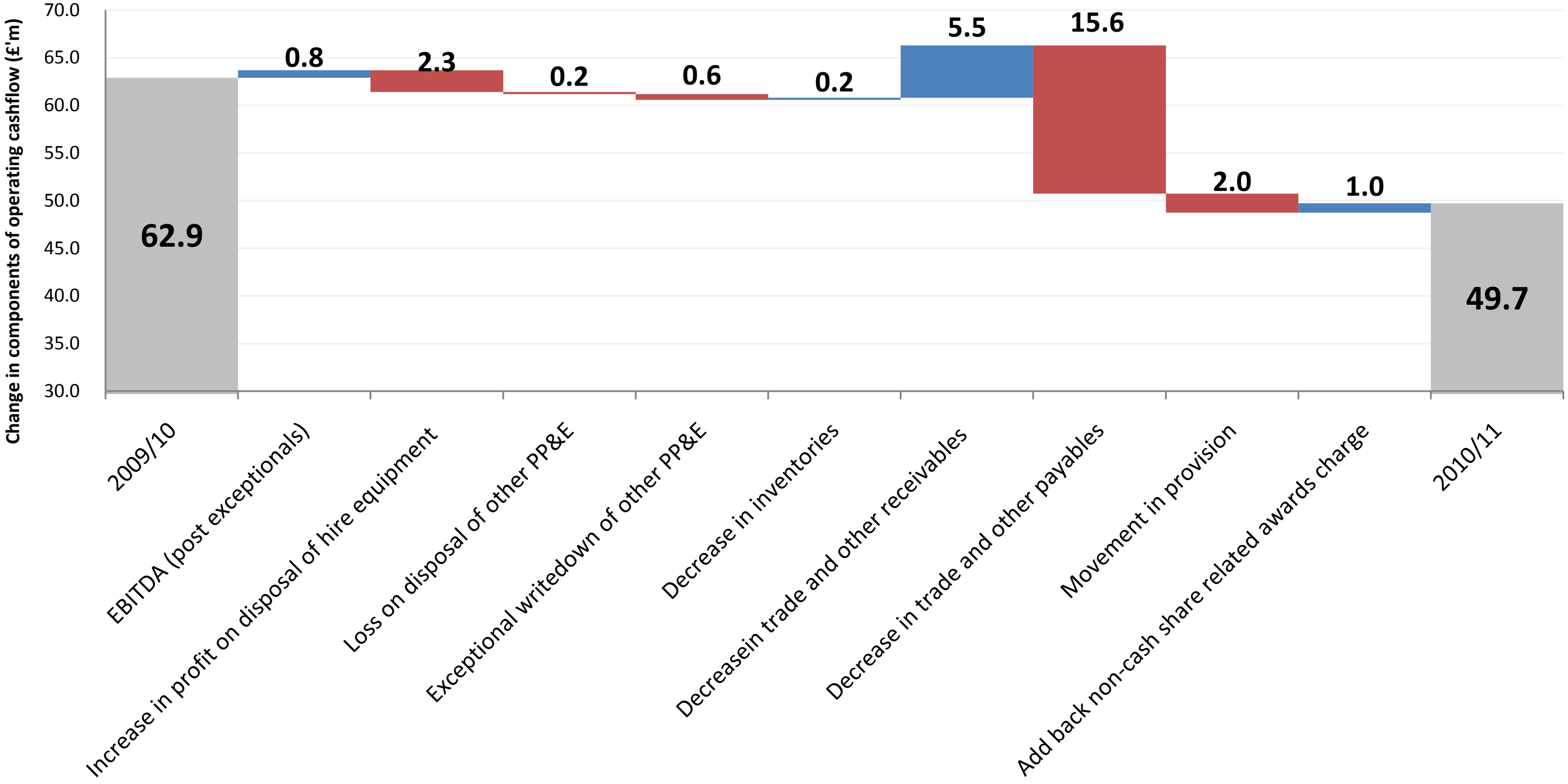
* Pre-exceptional costs and amortisation

Balance sheet

	2011 £m	2010 £m
Non-current assets		
Property, plant and equipment	**219.9**	285.6
Intangibles	**60.2**	65.7
	280.1	351.3
Current assets		
Inventories	**10.2**	11.3
Trade and other receivables	**97.7**	103.4
Assets held for sales	**33.4**	-
Cash	**0.2**	12.5
	141.5	127.2
Current liabilities	**(68.8)**	(80.8)
Non-current liabilities		
Loans and borrowings	**(113.0)**	(131.6)
Deferred tax	**(9.2)**	(17.0)
Provisions	**(1.2)**	(2.5)
Net assets	**229.4**	246.6
Debtor days	**68.5**	77.7
Average bad debts as a % of turnover*	**2.2%**	2.2%

*2011 excluding Connaught bad debt write-off of £1.3m

Operating cash flow bridge – yoy movement



Cash flow statement

	2011 £m	2010 £m	Change
Cash generated from operations before changes in hire fleet	**49.7**	62.9	(13.2)
Purchase of hire equipment	**(41.8)**	(33.6)	(8.2)
Proceeds from sale of hire equipment	**16.2**	22.6	(6.4)
Cash generated from operations	**24.1**	51.9	(27.8)
Interest paid	**(10.5)**	(14.3)	3.8
Tax (paid) / received	**(1.3)**	5.9	(7.2)
Net cash flow from operating activities	**12.3**	43.5	(31.2)
Purchase of non-hire equipment	**(4.9)**	(10.2)	5.3
Proceeds from sale of non-hire equipment	**-**	0.4	(0.4)
Free cash flow	**7.4**	33.7	(26.3)
Finance lease payments	**(0.1)**	(0.1)	-
Movement in bank loans	**(18.4)**	(127.5)	109.1
Proceeds from rights issue	**-**	105.5	(105.5)
Rights issue costs	**-**	(5.8)	5.8
Dividends paid	**(2.1)**	(4.3)	2.2
Increase / (decrease) in cash	**(13.2)**	1.5	(14.7)

Summary

- Improving margins and returns
- Positive movement in hire rates, but remain below historical levels
- Net debt currently £76m
- Successfully completed the sale of Accommodation Hire
- Refinancing progressing well; expected to complete shortly

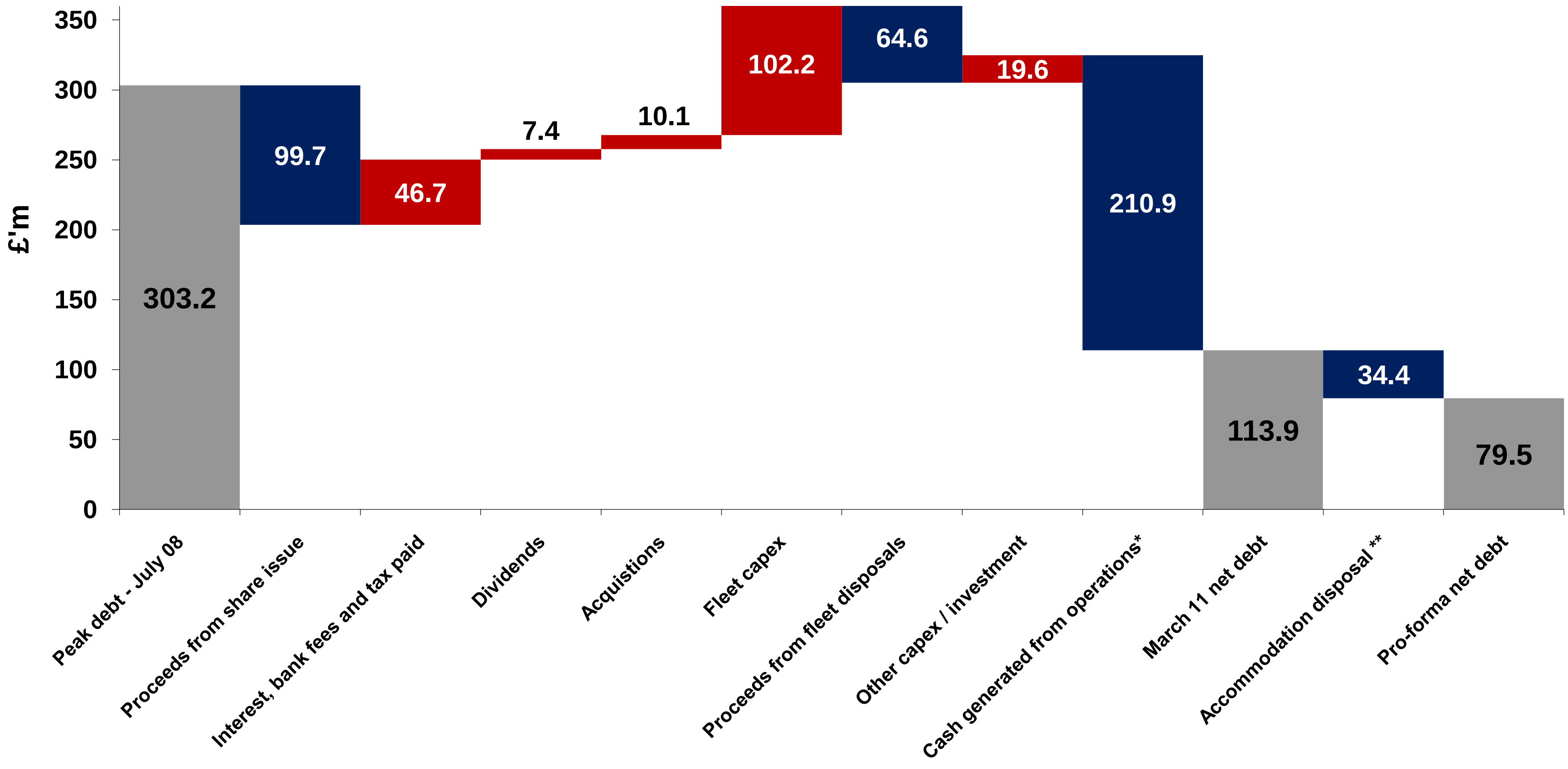
Steve Corcoran

Chief Executive

Introduction

- Focus on 3 Cs
  - Cash
  - Costs
  - Customers
- Market outlook
- Future developments

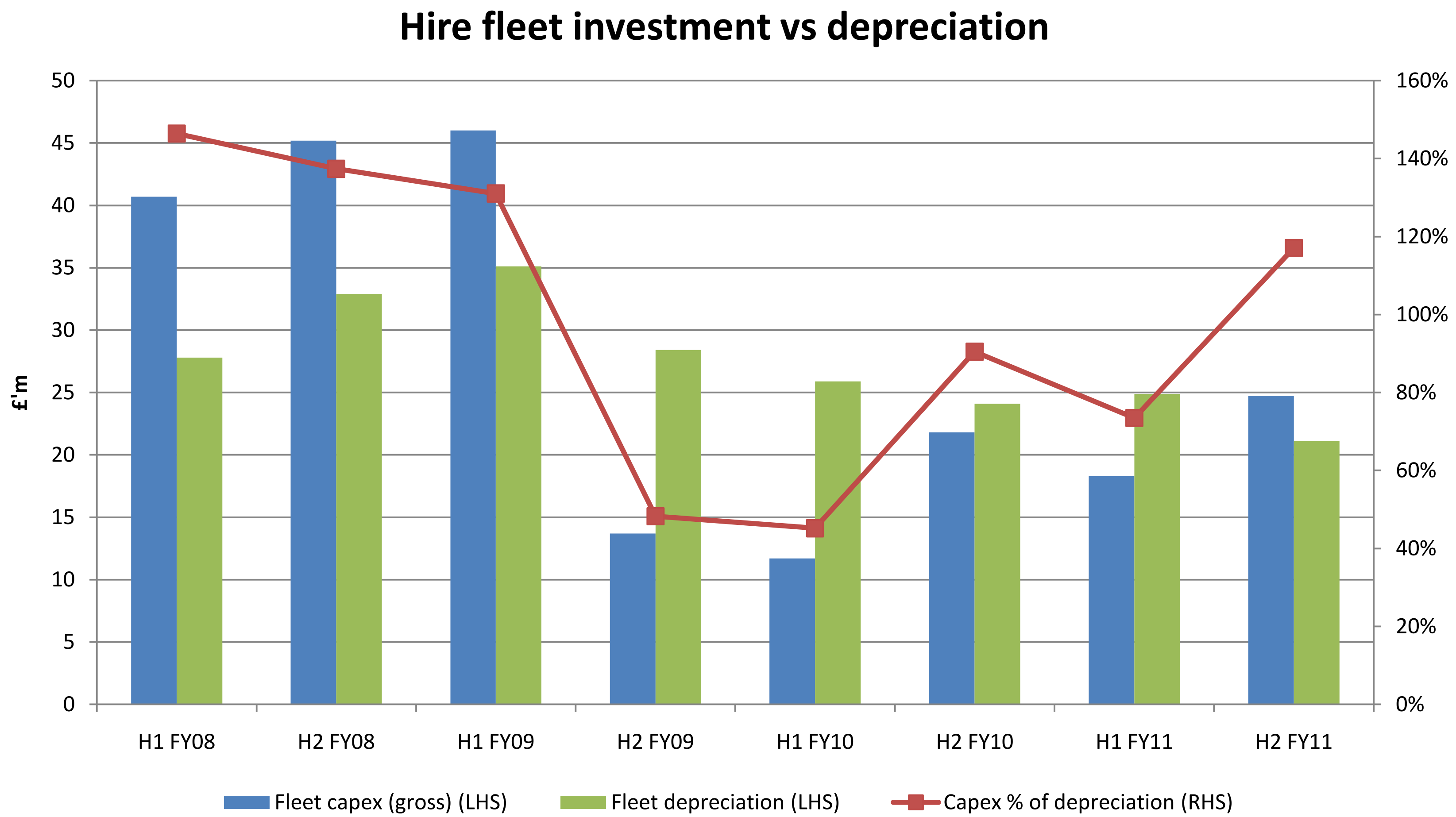
Debt reduced by 74% since July 2008 (peak debt)



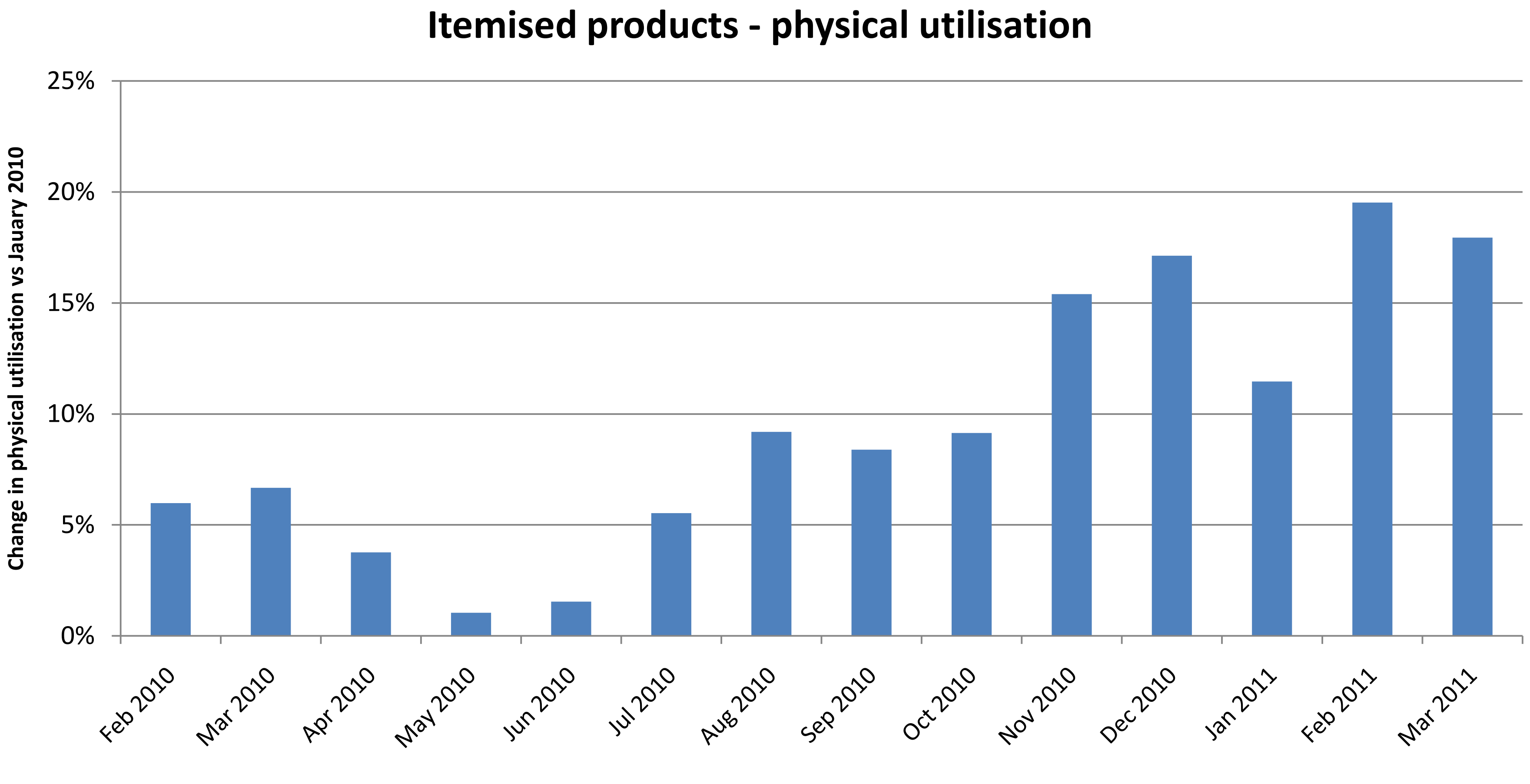
** - including cashflow relating to exceptional items*

*** - Pro-forma net proceeds from disposal of the accommodation business, including the unwind of the net working capital position*

Group fleet investment – managed over the cycle

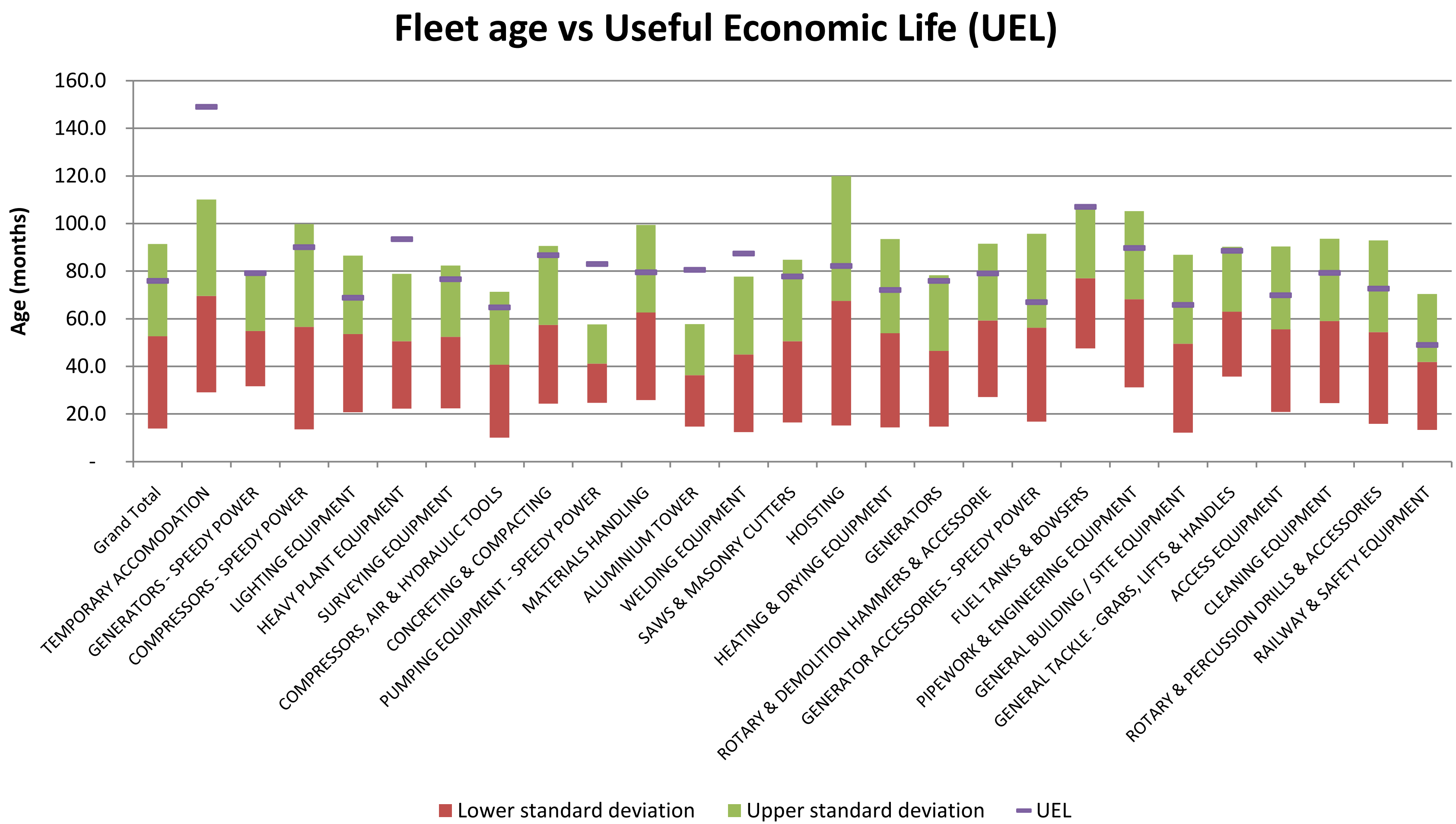


Improving asset utilisation



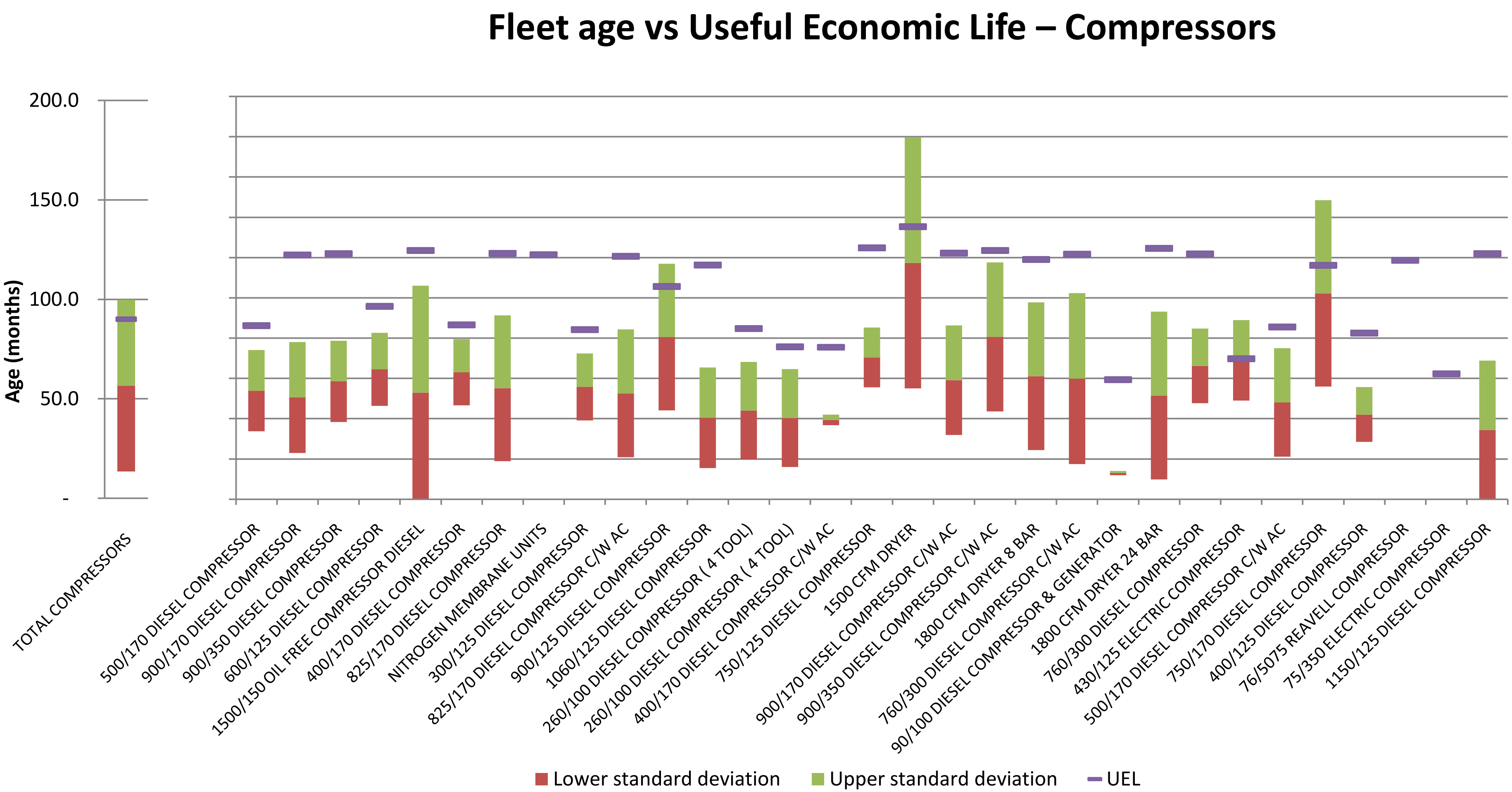
Utilisation rates shown for UK Asset Services

Age profile remains comfortable



Data for end of Q3 for UK asset services

Individual assets can distort the category



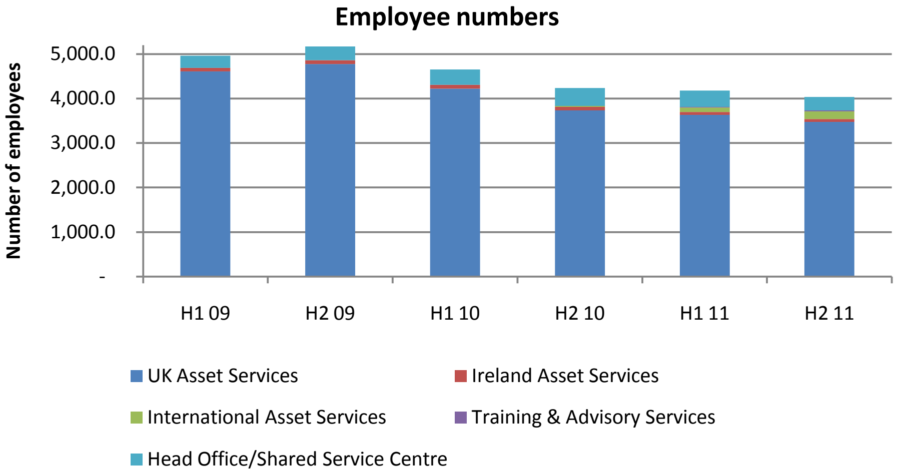
Data for end of Q3 for UK asset services

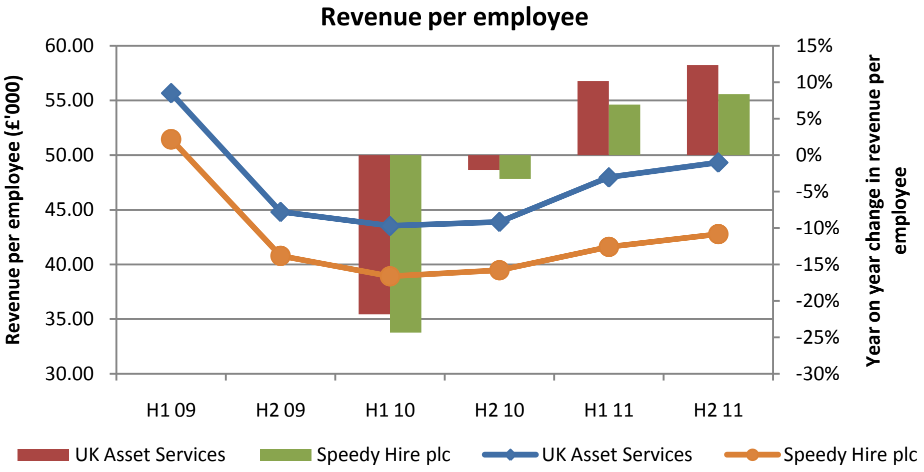
Improving margins – UK Asset Services

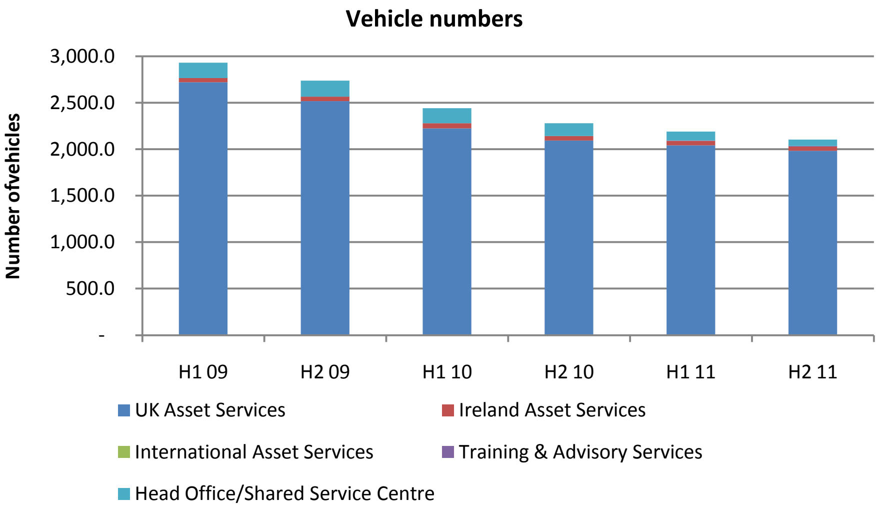
Factors impacting on margin

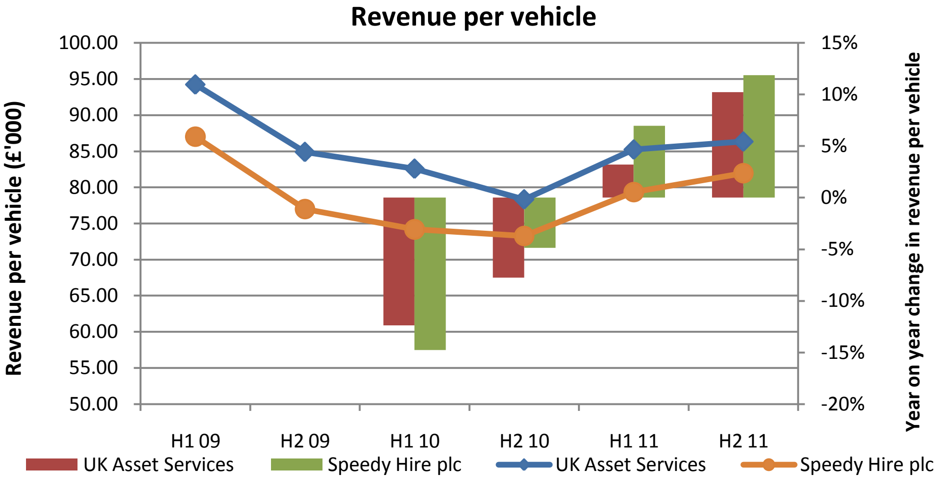
Operational gearing (£110m cost reduction)	**Depreciation** £100m NBV reduction since September 2008 to reflect current revenue	**Staff costs** 29% Headcount reduction since September 2008	**Vehicle costs** 29% Vehicle numbers reduction since September 2008	**Property** 33% Closed 153 depots since March 2008; on-going rationalisation underway	Delivered
Pricing (UK rates +10%)	**Controls** Implemented new sales structure & pricing controls	**Pricing** Reviewed customer rates to reflect volumes	**Price list** Increased list price from 1 January 2011	**Hire rates** Underlying UK rates increased by c10% vs prior year	In progress
Ongoing structural change	**Supply chain** Leveraging scale to create benefit in supply chain	**Asset return** Improvement to asset efficiency & service efficiency through use of systems	**Depot evolution** Continuation of site optimisation programme to: - reduce people, property, vehicle and spares costs - Improve utilisation - Increase throughput		Future benefits

Operational gearing - improving KPIs

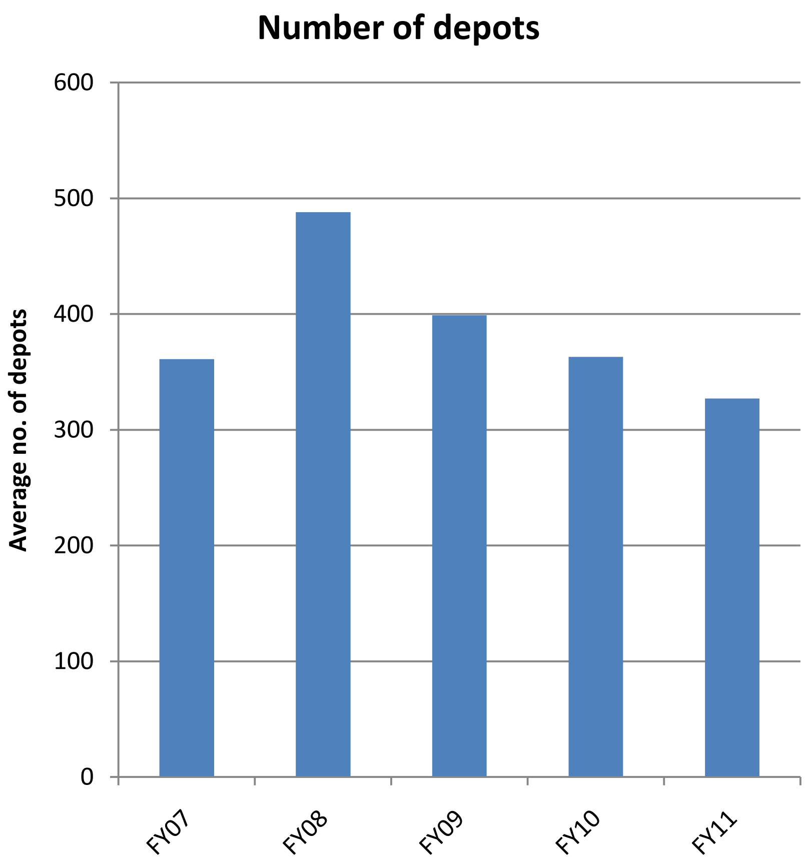


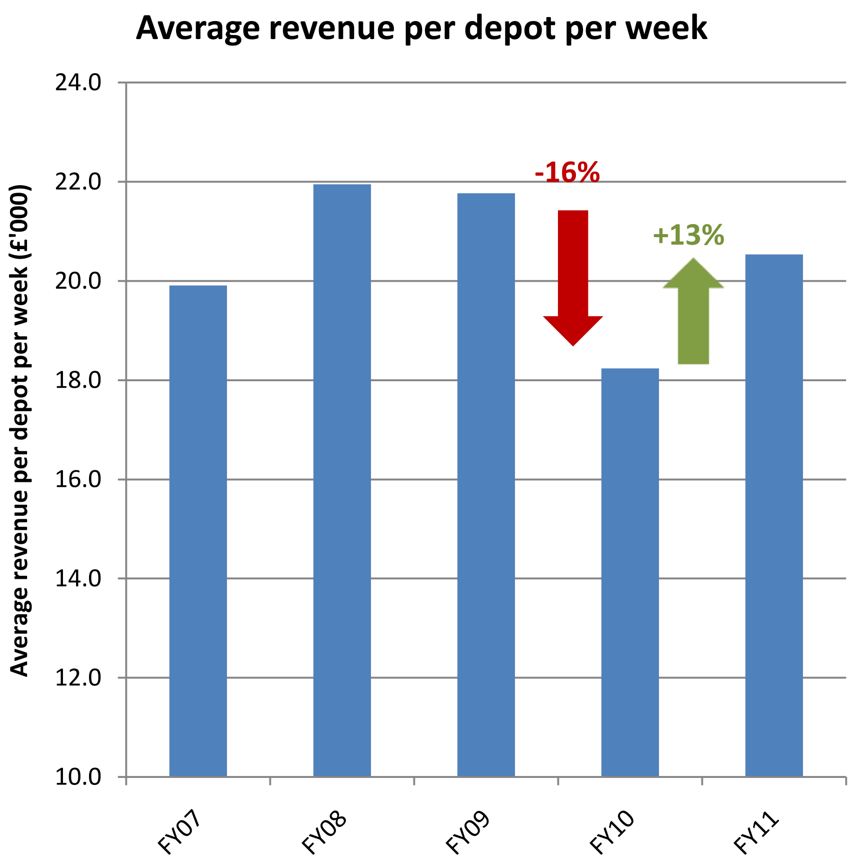




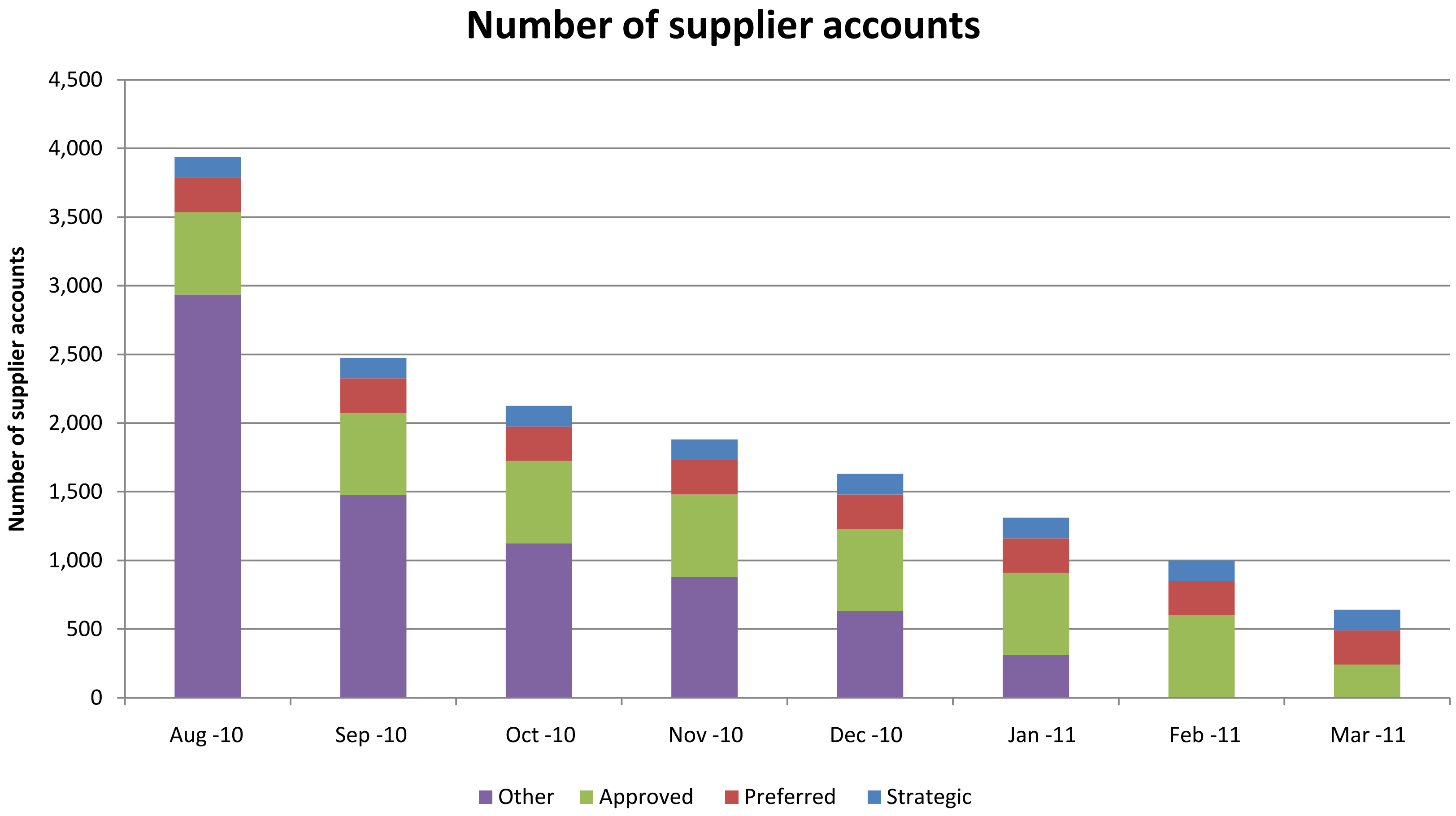


Operational gearing – capacity for growth



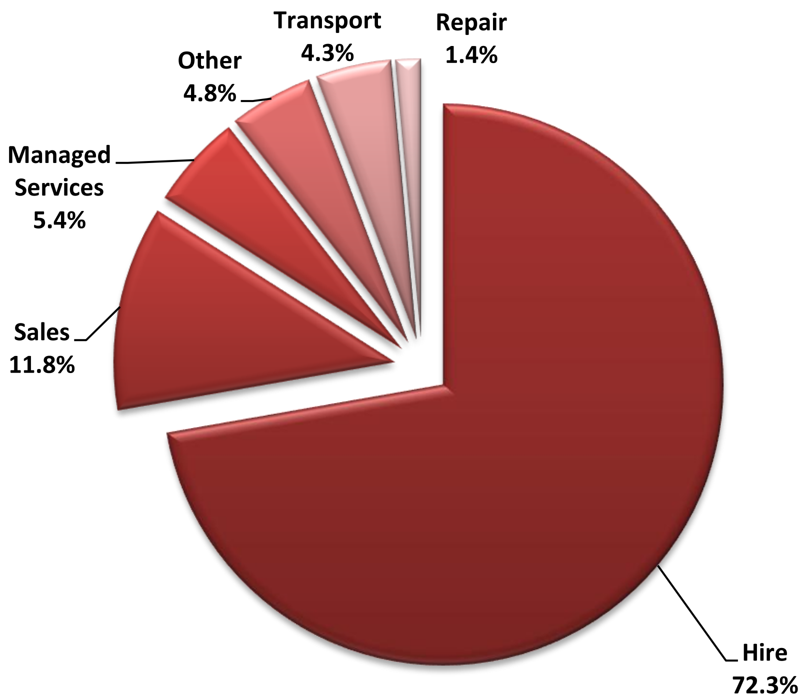


Structural change – supplier rationalisation

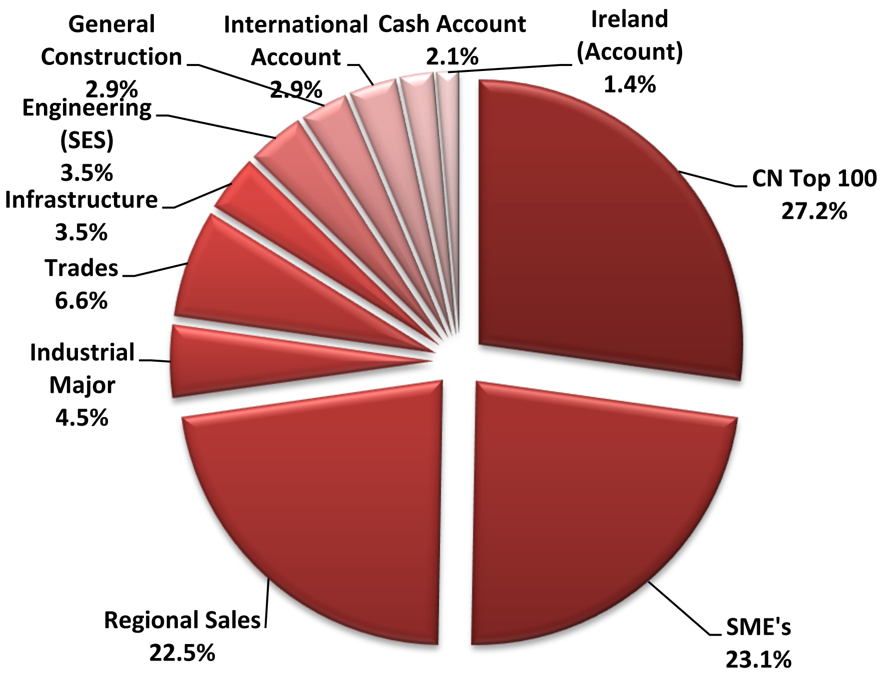


Revenue breakdown - diversified client base

Activity

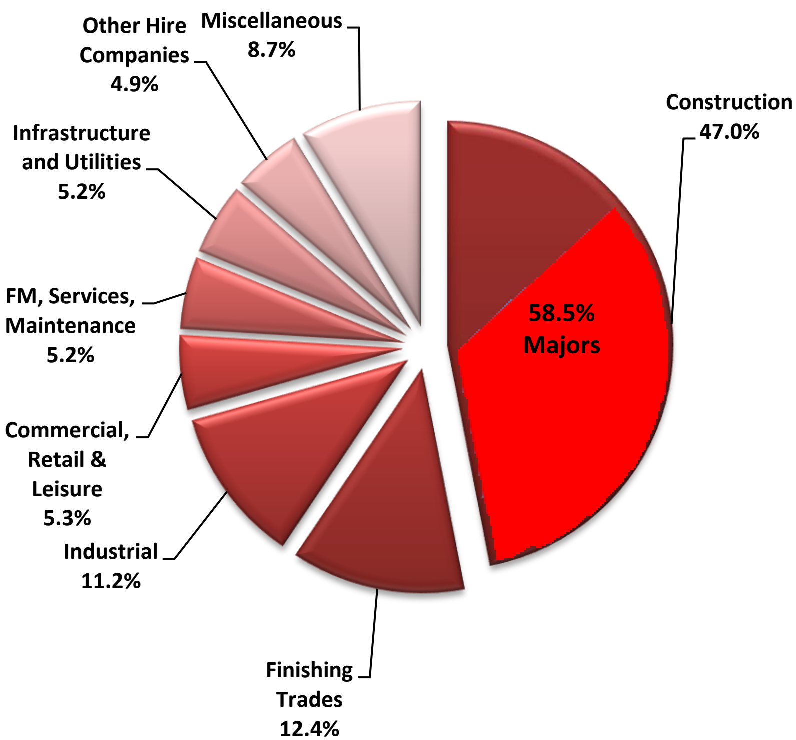


Speedy Sales Structure



Gaining market share with those gaining share

End Markets



- Majors growing faster than construction market
  - Average 3.8% increase in turnover of companies in position 1 -80 *
  - Average 19.1% fall in turnover of companies in position 81 -100 *
- Speedy share also growing
  - 51% H1 vs 58% H2

Source: Company Information, Customer Profiles from DI Database , April 2010 – March 2011

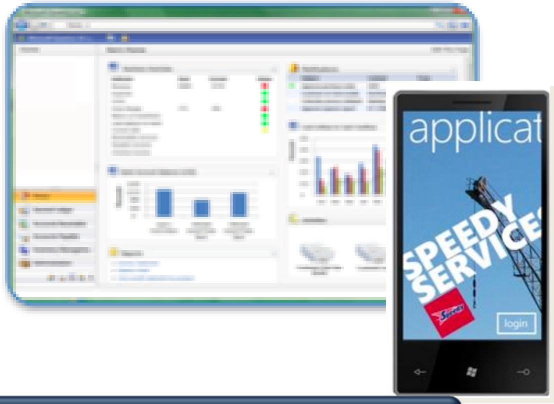
* Source: CN insight 100

Why Major Accounts?

Market remains challenging - Majors provide debt security, work security and utilisation efficiency	More secure, lower risk revenue stream
Infrastructure is the strongest market and the domain of the Majors	Forward contract security
Major order books more transparent	Greater visibility of work
Majors depend on hire more regularly, hire for longer periods and in greater volume	They value hire, rely on value-add and have a lower operational cost to service
Majors provide access to & influence of their subcontractor group	They are a channel to the mid-sized and smaller customer base and are not just contractors
Majors securing more market share	Securing market share with those winning market share
Majors more flexible - not sector specific	Customer base moves to where the work is

Future infrastructure developments

Systems development



Current Developments

- PDA roll out
- Automated asset management
- Continued development of Axapta Hire & ERP system
- Enhanced MI and customer reporting
- New Online Ordering Portal
- MySpeedy

Future Benefits

Cash

- Fewer queries, faster payments
- Increased utilisation, reduced capex

Costs

- Increasing efficiencies, decreasing costs

Customers

- Improved customer service
- Easier to transact with
- Increasing customer intimacy

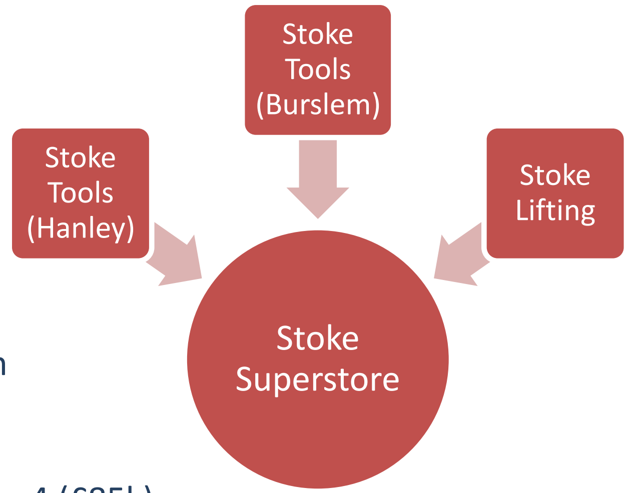
Network evolution

Structure	Activity	Benefits
Regional MSC / RDC (c60,000 sq ft + 1 acre)	• Concentration of workshop services, power, engineering, fencing & specialist equipment • Distribution and logistics capability	• 24 hour service capability • Efficiencies from people, property and vehicles • Improved customer service • Efficient spares and maintenance costs • Improved utilisation and asset quality – less capex
Superstores (City locations) (25,000 sq ft)	• Concentration of hire fleet and support centres for local / express depots • Concentration of both fast moving and specialist equipment (eg specialist lifting and survey products)	• Efficiencies from people, property and vehicles • Increased fleet concentration improves availability • Specialist skills for specialist products
Local / Express (Provincial towns) (5,000-8,000 sq ft)	• Focused product range • Reduced fleet holding • Fast-turn product	• Improved product availability • Reduction to local cost structure • Customer focused team
Single International hub (4 acres)	• Single permanent establishment to support regional presence • Single fleet holding which moves to where the work is • Support to customer on-site locations	• Variable property cost – low fixed cost • Permits geographical flexibility as key customers move between major projects and sites • Skilled workforce concentrated in single location to ensure quality, consistency and control

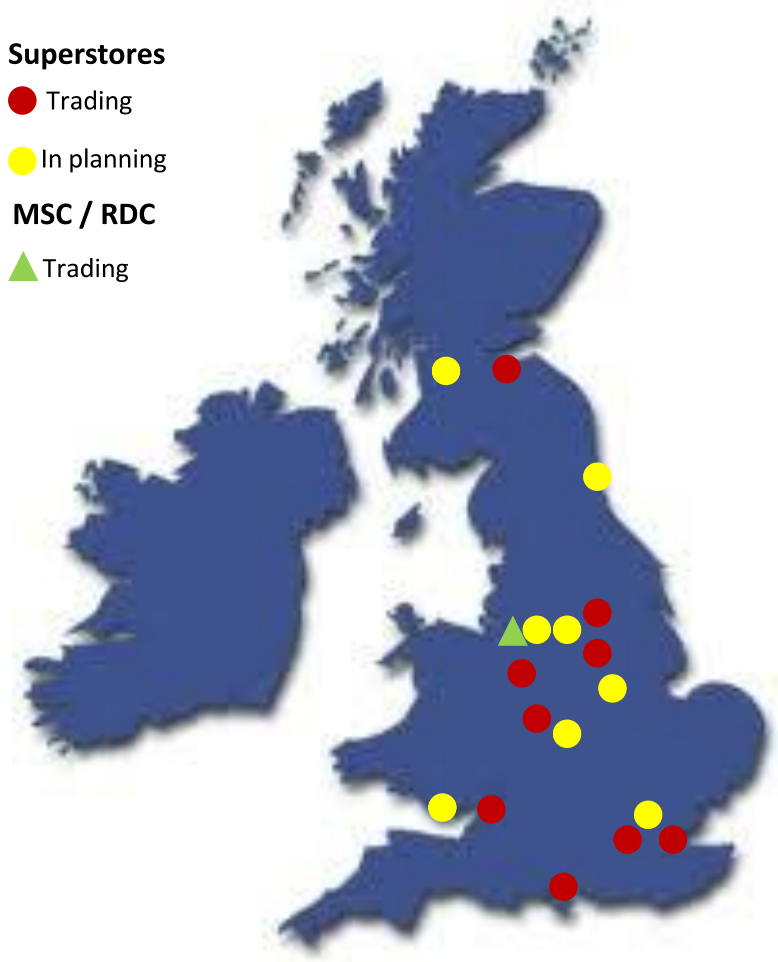
Network evolution – Stoke case study

- 3 depots into 1
- Commenced trading
  1 March 2010
- Capex - £0.3m
- Property legacy cost - £0.1m
- Efficiencies *
  - Headcount reduction – 4 (£85k)
  - Vehicle reduction – 2 (£35k)
  - On-going property costs neutral
- Additional benefit
  - Revenue growth – improved cross selling
  - Expanded range – introduced survey products
- Improvement in depot contribution – £0.6m to £1.2m in year 1

** - before increases to support incremental revenue growth*



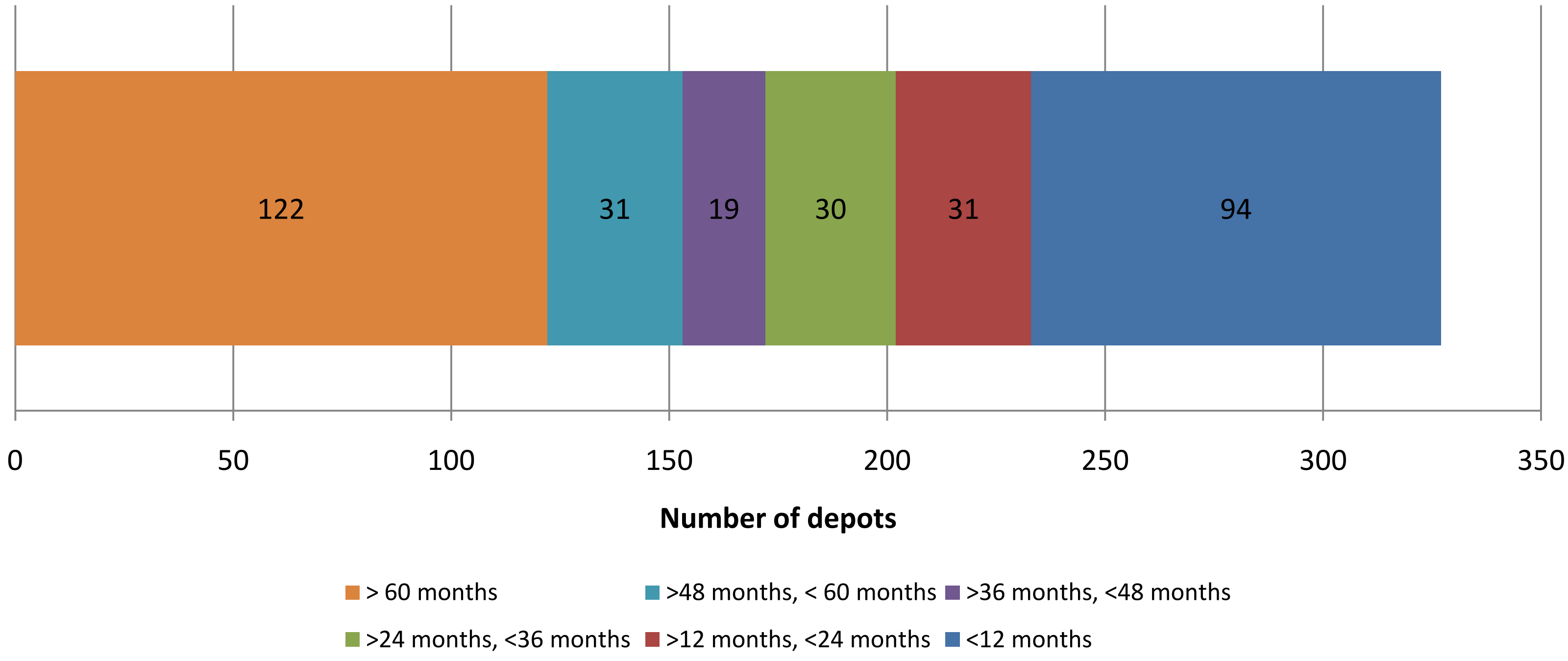
Network evolution



Existing Superstores	Superstores In Planning
• Stoke	• Nottingham
• Edinburgh	• Glasgow
• Hatton Cross (Heathrow)	• Park Royal (North-West London)
• Southampton	• Teesside
• Dartford	• Manchester East
• Sheffield	• Manchester West
• Wolverhampton	• Birmingham
• Leeds	• Cardiff
• Bristol	

Managing the lease run-off

Total property lease run-off profile



Market outlook

Construction Outlook

Market will remain challenging; Construction Products Association forecast a 0.8% decline in 2011, a further 2.0% in 2012 and marginal growth in 2013

- Major contractors expected to take market share
- Infrastructure will continue to be strongest growth area to 2016
- Public sector construction work to fall 26% by 2013
- Private sector construction work to rise 23% by 2015
- From 2013, private sector begins to offset falls in the public sector
- Construction output growth is expected to accelerate 2.3% during 2014 and 3.9% in 2015
- Output in 2015 will remain below the pre-recession peak in 2007
  - Water, waste, energy and transport will be the key sectors going forward

Source: Construction Product Association Spring 2011 Forecast

Infrastructure – growth sector, domain of majors

- Forecast to grow for the next five years
- Principal spending in water, waste, energy and transport
  - Rail & energy CAGR of 3% to 2016
  - Highways budget £18.7bn, despite £2bn cuts
- Major Projects - Crossrail (£16bn) , AMP5 (water: £22bn), Heathrow T2 & T5 (£2.5bn), Nuclear decommissioning (£1.6bn current year)
- Future Projects - Thames Tideway (£3bn), Olympics Legacy (£1-2bn), Forth Rail Crossing (£750m), Nuclear decommissioning and new build (up to £32bn)
- Highly complex, high capital cost, high engineering - domain of major contractors
- Not public money - private and/or regulated attracting secure funding

Source: Construction Product Association Spring 2011 Forecast

Key Markets

Water

Source: Environment Analyst

- Major Investment in the water market to maintain and improve the current UK infrastructure
- AMP5 investment programme of £22bn over 2010-2015 includes:
  - £12.9bn to replace assets
  - £4.6bn on improving water quality
  - £2.7bn on expanding wastewater treatment capacity
  - £1.1bn on improving services levels
  - £0.9bn investment in Thames Water London Sewers

Transport

Source: DTI Business Plan 2011-15 & Building Magazine

- Network Rail's £35bn spending plan for the five years from 2009-14, includes
  - £16bn Crossrail
  - £0.6bn London Bridge redevelopment
- Forecast investment in UK Highways remains at £18.7bn in the period to 2015, despite cuts
- 11 of 14 new road schemes will be delivered as managed motorways following the pilot scheme around Birmingham

Energy

Source: Environment Agency, NDA Strategy, AMA

- An "energy gap" is likely to occur in the UK between 2016 and 2022
- £1.6bn to be spent on Nuclear Decommissioning in 2011/12, rising to £35.5bn over the life cycle
- The total future investment costs for 32GW of offshore wind, including grid connection, are estimated at between £65bn and £75bn

Waste & recycling

Source: CBI, AMA

- According to Infrastructure UK, the green economy represents a £200bn opportunity for the UK construction sector
- The energy from waste sector is expected to see investment rising up to £2bn per year between 2010 and 2025

Conclusion

Profit outlook – upsides and downsides

Positives	Impact	Negatives	Impact
• Volume	• Gaining share with those gaining share • Balance sheet supports growth	• Fuel	• £1.0m increase vs FY11 @ £1.35 per litre (1ppl = £80k cost pa)
• Improving prices	• 10% + yoy rate increase • ...but lower unit price	• April bank holidays	• 1 day's revenue - £1.1m • Extended Easter shutdown
• Reduced costs	• £110m removed from peak	• National insurance	• 1% of salary cost - £0.8m
• Improving EBITA* margins	• (2.6%) H1 to 7.3% H2 • 9.9ppts swing H1 to H2	• Staff costs	• Cost of wage inflation • 2 years of wage freeze • 1% of salary cost - £0.8m
• Capex efficiency	• Recycling £16.2m from older assets; reduced capex • Increased utilisation by 12%	• Property commitments	• Dependent upon ability to offset upwards only rent reviews
• Network evolution	• Network reduced from 363 depots to 327	• Business rates	• Average 6.8% increase – c.£0.3m
• IT benefits	• Better controls, transparency and measurement	• Interest rates	• 25bps - £0.2m
• Improved purchasing	• More for less; reduced capex • Rationalisation of suppliers	• Raw material costs	• Commodity prices impact manufacturing cost

** - before exceptional items*

Summary

- Significantly improved trading performance during H2; margins up, profits up, return on capital up
- Our continuing focus on the 3 Cs has delivered £110m cost savings since June 2008
- Developing a long term sustainable platform in hire and added value services – over 28% of revenues non-hire fleet related
- Gaining share with those gaining share
- Confident of securing refinancing shortly
- Business positively positioned for upturn

Steady sustained recovery is underway

Appendix

H1:H2 Summary

	FY March 2011			FY March 2010		
	H1	H2	Total	H1	H2	Total
	£m	£m	£m	£m	£m	£m
Revenue	177.3	176.9	354.2	184.8	166.3	351.1
EBITDA*	24.9	38.5	63.4	35.1	33.1	68.2
EBIT*	(4.6)	12.9	8.3	3.7	4.3	8.0
PBT*	(9.9)	9.2	(0.7)	(4.8)	(1.4)	(6.2)

*pre amortisation and exceptional costs

Speedy

Effective rate of tax

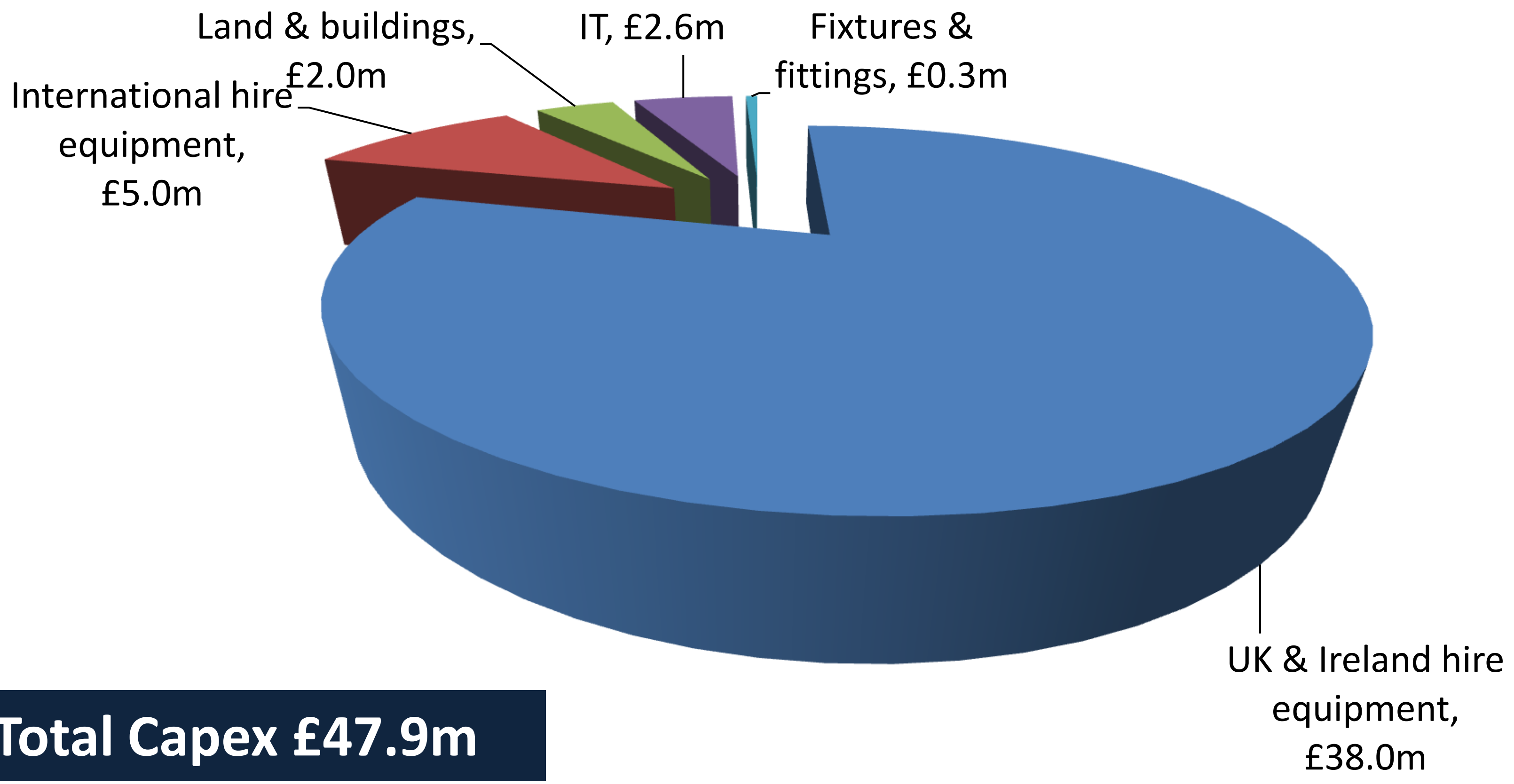
	2011	2010
	%	%
Expected rate on (loss) / profit	**(28.0)**	(28.0)
Disallowable expenditure / income not taxable	**21.0**	14.1
Deferred tax charge not recognised	**3.6**	1.2
Rate change on deferred tax	**(11.6)**	-
Chattels exemption	**(7.3)**	(6.1)
Prior year adjustments	**(23.5)**	3.6
Losses arising in UAE not relievable	**12.5**	-
Effective tax rate	**(33.3)**	(15.2)

Exceptional items

	2011 £m	2010 £m
Restructuring / integration costs:		
-Onerous lease provision and associated costs	**2.6**	4.6
-Redundancy	**2.9**	3.9
-Other	**-**	2.6
Write down of accommodation assets	**13.8**	-
Financial expense	**1.5**	-
	20.8	11.1
Taxation	**(5.6)**	(2.7)
	15.2	8.4

Pre tax cash cost of exceptionals is £5.2m, of which £2.4 was paid as at 31 March 2011

Capex



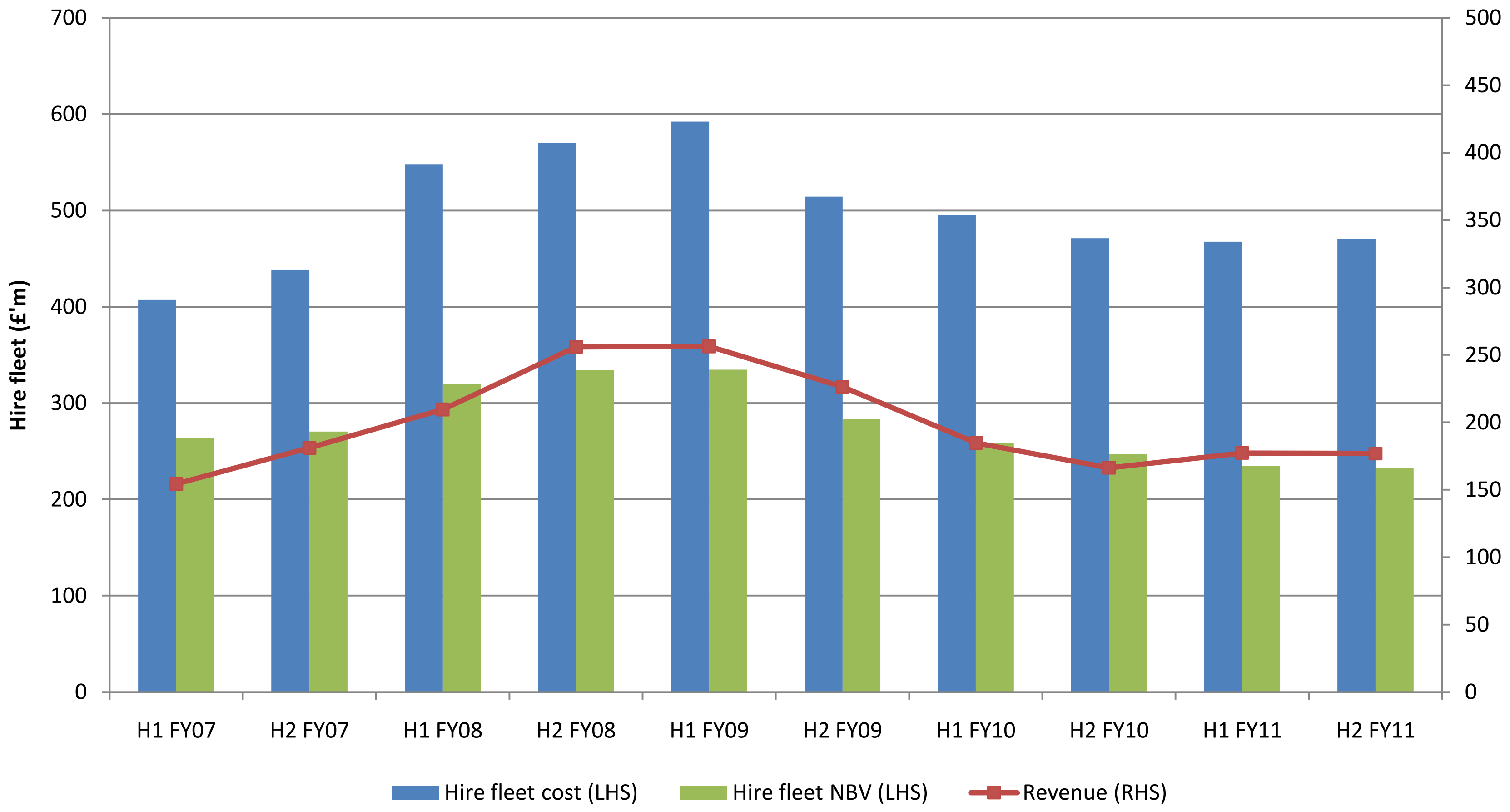
Total Capex £47.9m

Property, plant and equipment

	2011 £m	2010 £m
UK hire equipment	**167.6**	230.9
Ireland hire equipment	**4.1**	6.5
International hire equipment	**14.0**	9.5
Land & buildings	**11.4**	12.1
Fixtures & Fittings	**22.8**	26.6
	219.9	285.6

85% of our property, plant and equipment value is in hireable assets

Operational gearing – Group hire fleet re-sized



Current covenant suite

	Headroom measure at 31 Mar 2011	2011 £m
Covenant test headroom		
Cashflow cover	Cashflow	**18.4**
Interest cover	EBITDA	**15.1**
Leverage	EBITDA	**11.0**
Fixed charge cover	EBITDA	**15.7**

Tested quarterly (trailing 12 months)

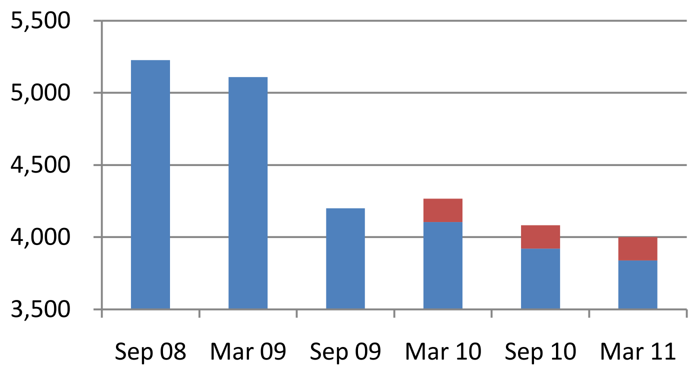
Cashflow cover
Cashflow before debt service to debt service
Interest cover
EBITDA less Net UK Capex to Total debt costs
Leverage
Total net debt to EBITDA less Net UK Capex
Fixed charge cover
EBITDA plus operating lease charges to Total debt costs plus operating lease charges

Operating cash flow

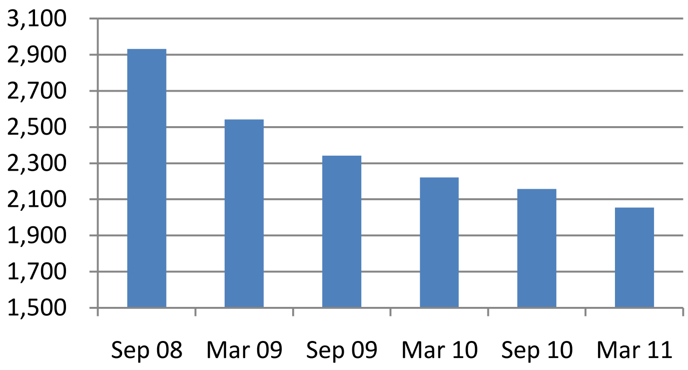
	2011 £m	2010 £m
Cash flow from operating activities		
EBIT loss	(16.5)	(8.6)
Exceptional write down of accomodation assets	13.8	-
Amortisation	5.5	5.5
Depreciation	55.1	60.2
Profit on disposal of hire equipment	(5.0)	(2.7)
Loss on disposal of other property, plant and equipment	-	0.2
Exceptional writedown of other property, plant and equipment	0.1	0.7
Decrease / (increase) in inventories	1.1	0.9
Decrease / (increase) in trade and other receivables	6.4	0.9
Increase / (decrease) in trade and other payables	(9.1)	6.5
Movement in provision	(2.6)	(0.6)
Share related awards charge	0.9	(0.1)
Cash generated from operations before changes in hire fleet	49.7	62.9

Cost reduction activity

Employees



Vehicles



Depots