INTERIM 2014

AGGREKO PLC INTERIM REPORT 2014

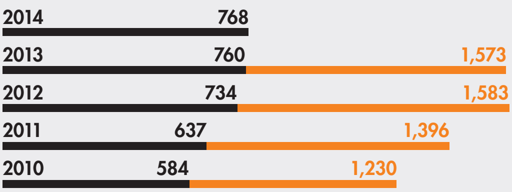
aggreko

OUR PERFORMANCE

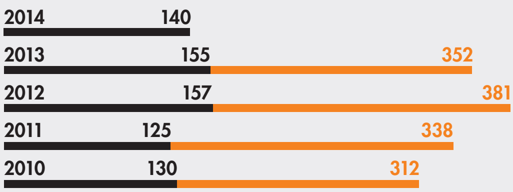
FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

	2014	2013	Movement As reported %	Movement Underlying[1] %
Revenue £m	**768**	760	1	12
Trading profit £m	**140**	155	(10)	6
Profit before tax £m	**130**	144	(9)	
Diluted EPS pence	**36.45**	39.27	(7)	
Dividend per share pence	**9.38**	9.11	3	

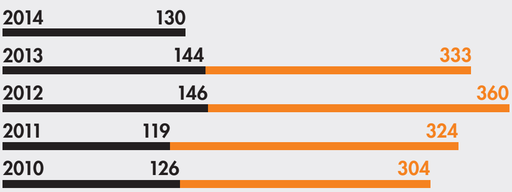
Revenue
£m



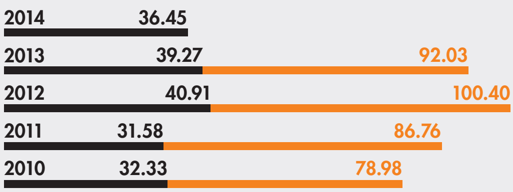
Trading profit
£m



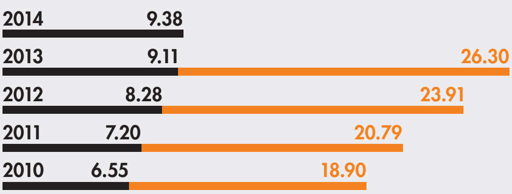
Profit before tax
£m



Diluted eps
pence



Dividend per share
pence



Half year Full year

1 Underlying excludes pass-through fuel and currency movements. A bridge between reported and underlying revenue and trading profits is provided at page 7 of the Financial Review.

REPORTS

ACCOUNTS

SHAREHOLDERS

This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, you should contact an appropriate independent adviser immediately. If you have sold or otherwise transferred all of your shares in Aggreko plc you should forward this document to the purchaser or transferee, or the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

INTERIM MANAGEMENT REPORT

Angus Cockburn
Interim Chief Executive

Carole Cran
Chief Financial Officer

GROUP TRADING PERFORMANCE

Aggreko delivered a good underlying[1] performance in the first half of 2014 with revenue and trading profit[2] increasing by 12% and 6% respectively. Underlying excludes the impact of currency translation and pass-through fuel[3]. On the same basis, revenue in our Local business increased 10% and trading profit increased 5% while revenue and trading profit in our Power Projects business increased 14% and 7% respectively. As anticipated, reported results were significantly impacted by adverse currency movements with reported revenue increasing 1% on the prior year, and reported trading profit decreasing 10%.

	2014 £ million	2013 £ million	Movement As reported	Underlying change
Revenue	**768**	760	1%	12%
Revenue excl. pass-through fuel	**745**	745	–%	
Trading profit	**140**	155	(10)%	6%
Operating profit	**140**	157	(11)%	
Net interest expense	**(10)**	(13)	30%	
Profit before tax	**130**	144	(9)%	
Taxation	**(33)**	(39)	14%	
Profit after tax	**97**	105	(8)%	
Diluted earnings per share (pence)	**36.45**	39.27	(7)%	

Reported Group revenue increased by 1% to £768 million (2013: £760 million), while trading profit of £140 million (2013: £155 million) was down 10% on the prior year; reported trading margin was 18% (2013: 20%). Underlying revenue increased by 12% and trading profit increased by 6%; underlying trading margin was 19% (2013: 20%).

Group profit before tax decreased by 9% to £130 million (2013: £144 million) and profit after tax decreased by 8% to £97 million (2013: £105 million), reflecting a decrease in the tax rate from 27% to 26%. Group return on capital employed (ROCE[4]), measured on a rolling 12-month basis, was 21% (2013: 22%). The ratio of revenue (excluding pass-through fuel) to average gross rental assets decreased from 67% to 63% mainly due to a reduction in Military, Japan and Indonesia revenues in our Power Projects business.

The movement in exchange rates in the period had a significant impact on results, reducing revenue by £80 million and trading profit by £23 million. This was

1 Underlying excludes pass-through fuel revenue from Power Projects as well as currency. A bridge between reported and underlying revenue and trading profits is provided at page 7 of the Financial Review.

2 Trading profit represents operating profit of £140 million (2013: £157 million) excluding gain on sale of property, plant and equipment of £nil million (2013: £2 million).

3 Pass-through fuel relates to two contracts in our Power Projects business where we provide fuel on a pass-through basis.

4 ROCE is calculated by taking the operating profit on a rolling 12-month basis and expressing it as a percentage of the average net operating assets at 30 June, 31 December and the previous 30 June.

5 Major currencies are the US Dollar, Euro, Australian Dollar, Argentinian Peso and Brazilian Real. The table on page 7 of the Financial Review sets out these major exchange rates.

driven by the adverse movement in all our major currencies[5], against sterling, compared to the average rates for the first half of 2013. Pass-through fuel, related to our contracts in Mozambique, accounted for £23 million (2013: £15 million) of reported revenue of £768 million.

We spent £107 million on new fleet in the period (2013: £111 million), equivalent to 87% of the depreciation charge (June 2013: 87% of the depreciation charge). Net debt at 30 June 2014 of £537 million was £15 million lower than the same period last year, despite having returned £200 million to shareholders during the second quarter. Cash flow from operating activities in the twelve months to 30 June 2014 was £546 million, which helped fund capital expenditure of £226 million, the £200 million return of value to shareholders, a final ordinary dividend of £70 million and interest and tax payments as well as currency movements over the same period.

REGIONAL TRADING PERFORMANCE

The performance of our three regions is detailed below, along with an analysis of the global performance of our Power Projects and Local businesses.

REGIONAL TRADING PERFORMANCE AS REPORTED IN £ MILLION

	Revenue			
	2014 £ million	2013 £ million	As reported change %	Underlying change %
By Region				
Americas	**340**	317	7%	25%
Europe, Middle East & Africa	**303**	277	9%	14%
Asia, Pacific & Australia	**125**	166	(25)%	(16)%
Group	**768**	760	1%	12%
By Business Line				
Local Business	**431**	433	–%	10%
Power Projects excl. pass-through fuel	**314**	312	1%	14%
Pass-through fuel	**23**	15	50%	62%
Group	**768**	760	1%	12%
Group excluding pass-through fuel	**745**	745	–%	12%

	Trading profit			
	2014 £ million	2013 £ million	As reported change %	Underlying change %
By Region				
Americas	**66**	67	(2)%	26%
Europe, Middle East & Africa	**50**	32	57%	69%
Asia, Pacific & Australia	**24**	56	(58)%	(53)%
Group	**140**	155	(10)%	6%
By Business Line				
Local Business	**57**	62	(8)%	5%
Power Projects excl. pass-through fuel	**86**	95	(11)%	7%
Pass-through fuel	**(3)**	(2)	(25)%	(35)%
Group	**140**	155	(10)%	6%
Group excluding pass-through fuel	**143**	157	(10)%	6%

The performance of each of these regions is described below:

AMERICAS

	As reported 2014 £ million	As reported 2013 £ million	As reported change %	Underlying[1] change %
Revenues				
Local	**218**	215	2%	14%
Power Projects	**122**	102	20%	51%
Total	**340**	317	7%	25%
Trading profit	**66**	67	(2)%	26%
Trading margin	**19%**	21%		

1 Underlying excludes currency.

Our Americas business delivered a strong performance in the first half. Underlying revenue increased by 25% and trading profit by 26%. Reported trading margin decreased from 21% to 19%, with the decrease driven by the currency mix of our contracts.

Revenue in our Americas Local business increased 14% with rental revenue up 10% and services revenue up 25%. Rental revenue growth was driven by power rental revenue, which increased by 14%. Temperature control revenue grew by 3% but cooler ambient temperatures in North America resulted in a slower than usual start to the crucial summer season. Oil-free compressed air revenue declined 1%.

Growth was again strong in the oil and gas sector with continuing strength in shale in North America. This growth was supported by strong performances in petrochemical and refining as well as events, notably the FIFA World Cup contract in Brazil for which we provided all the broadcast power.

In North America growth was broadly based with the stand out performance coming from gas-fuelled generation which grew 80% over the prior year driven by both shale and encouragingly a number of industrial and construction applications. Our base business in Brazil was flat on the prior year in the face of very challenging economic conditions. Elsewhere in South America the local business continued to grow strongly, notably in Argentina, Peru and Colombia.

Power Projects revenue, on an underlying basis, was up 51% on last year, despite an £11 million ($18 million) decline in our Military revenues as the US withdrawal from Afghanistan continues. The growth in Power Projects was driven by a number of new projects which we secured during 2013, notably in Panama, Curacao and Peru, as well as incremental revenue from our contracts in Argentina. In Panama, we are operating as a licensed generator to the Panamanian wholesale electricity market, a first for Aggreko and the temporary power industry. The hydro shortage in the country during the second quarter meant that the plant operated continuously, which had a significant impact on revenue given the volume of fuel required.

EUROPE, MIDDLE EAST & AFRICA (EMEA)

	As reported 2014 £ million	As reported 2013 £ million	As reported change %	Underlying[1] change %
Revenues				
Local	**161**	149	8%	14%
Power Projects excl. pass through fuel	**119**	113	6%	15%
Pass through fuel	**23**	15	50%	62%
Total	**303**	277	9%	14%
Trading profit				
Excl. pass-through fuel	**53**	34	55%	69%
Pass-through fuel	**(3)**	(2)	(25)%	(35)%
Total	**50**	32	57%	69%
Trading margin excl. pass-through fuel	**19%**	13%		

1 Underlying excludes currency and pass-through fuel.

Our EMEA business had a very strong first half with underlying revenue increasing by 14% and trading profit by 69%. Reported trading margin increased from 13% to 19% mainly driven by a better mix of higher margin rental revenue compared to lower margin services revenue as well as a lower level of mobilisation costs compared to the same period last year, with 220MW of gas projects being mobilised in Mozambique and Ivory Coast during the first half of 2013.

Revenue in our EMEA Local business, on an underlying basis, increased 14% on last year. Rental revenue increased by 20% with services revenue up 3%. Within rental revenue, power increased by 23% and temperature control increased by 4%.

Growth was broadly spread across the whole region. We experienced strong growth in the oil and gas sector, notably in Russia where we continue to grow our business in Siberia as well as in our newly established Romanian business and our Middle Eastern and Norwegian businesses. We are also seeing encouraging growth in gas-fuelled generation, notably, in Russia and Romania, building on our success in North America. Growth was also strong in the utilities sector with a key element being the provision of temporary power to support the continued commissioning of off-shore wind farms in Germany and the UK, as well as our first contract for wind farm commissioning in South Africa. We continue to expand our work in mining and we have been awarded a number of contracts in Africa. We are also encouraged by the early progress of our new local businesses in Turkey, Kenya, Namibia, Nigeria and Angola. Our fastest growing new business is Iraq, where we are supporting the development of the oil and gas sector in Southern Iraq and Kurdistan. We are clearly cognisant of the security situation not just in Iraq but also in other countries such as Libya, across both our Local and Power Projects businesses and continue to monitor developments closely.

At the time of writing this report the Glasgow 2014 Commonwealth Games has just ended. Aggreko provided 27MW of temporary power across the Games' 29 venues and the International Broadcast Centre.

Revenue in our Power Projects business, excluding fuel, was up 15% driven by the impact of the half two 2013 on hires of 122MW in Mozambique for the provision of power to Namibia and Mozambique, and an additional 100MW in Ivory Coast. Furthermore there were new contract wins in the second half of 2013 and the first half of 2014, such as 50MW of diesel in Guinea and 170MW of summer peak shaving work in Oman and Saudi. The impact of these new contracts was partly offset by off-hires in Angola and Kenya. In Southern Africa, we are supplying cross-border power into three countries as part of the Southern African Power Pool from our plant in Mozambique, where we have just extended the first 108MW until summer 2015.

ASIA, PACIFIC AND AUSTRALIA (APAC)

	As reported 2014 £ million	As reported 2013 £ million	As reported change %	Underlying[1] change %
Revenues				
Local	**53**	69	(24)%	(11)%
Power Projects	**72**	97	(26)%	(20)%
Total	**125**	166	(25)%	(16)%
Trading profit	**24**	56	(58)%	(53)%
Trading margin	**19%**	34%		

1 Underlying excludes currency.

Our APAC business had a challenging first half with underlying revenue and trading profit declining by 16% and 53% respectively. The reported trading margin fell from 34% to 19% largely driven by the Power Projects business and the Australia Pacific Local business.

The Local business saw revenue decrease on an underlying basis by 11%. Rental revenue decreased by 14% and services revenue was in line with the same period last year. Within rental revenue power decreased by 14% and temperature control decreased by 6%.

Around 75% of APAC local revenue is generated by the Australia Pacific business which faced very challenging market conditions driven by the slowdown in the mining sector. The focus of our mining business in Australia has changed to support the operation of existing mines rather than the larger projects associated with the construction phase of new mines, which have significantly reduced. On a more positive note, our business in China grew strongly in the first half and we are encouraged by the early progress of our new Local business in South Korea, which was established earlier this year.

Power Projects in APAC had a difficult six months with revenue decreasing 20%, largely driven by Japan and Indonesia. Our largest contract in terms of value in Japan, for 100MW of post tsunami gas-fired generation, finished at the end of the first quarter of 2013. Encouragingly, we still have 148MW of diesel power on rent in Hokkaido providing stand-by power. In Indonesia, a combination of permanent power generation replacing temporary power on some of our sites in the second half of 2013, as well as intense price competition for both new contracts and extensions, resulted in a sharp year-on-year drop in revenues.

Combined, the impact of reduced revenue and margins in Japan and Indonesia had a material impact on APAC's trading result in the first half of 2014. We are pleased, however, that new contracts were signed in the Philippines (42MW), Bangladesh (30MW) and Myanmar (21MW) in the first half of the year.

POWER PROJECTS BUSINESS

	As reported 2014 £ million	As reported 2013 £ million	As reported change %	Underlying[1] change %
Revenues				
Excl. pass through fuel	**314**	312	1%	14%
Pass through fuel	**23**	15	50%	62%
Total	**337**	327	3%	14%
Trading profit				
Excl. pass-through fuel	**86**	95	(11)%	7%
Pass-through fuel	**(3)**	(2)	(25)%	(35)%
Total	**83**	93	(11)%	7%
Trading margin excl. pass-through fuel	**27%**	31%		

1 Underlying excludes currency and pass-through fuel.

Our Power Projects business had an encouraging six months with underlying revenue increasing by 14% and trading profit increasing by 7%. Reported trading margin decreased to 27% (2013: 31%). The main reasons for the margin decline were the completion of contracts in Japan and Military and pricing pressure, in particular in Indonesia, as well as the currency mix of our contracts which had a two percentage point impact. These factors were in part offset by a lower charge to the income statement for the provision of bad debts in the six months to 30 June 2014 as compared to the prior year.

Order intake for the first half was 488MW, ahead of the 397MW secured in the same period last year. This includes the previously announced 120MW Libyan contract, 50MW in Senegal and 170MW of summer peak shaving work in Oman and Saudi. We are also pleased to have extended our gas powered contracts in Bangladesh and Mozambique. At the end of the period, our order book was over 26,000MW months, the equivalent of 9 months' revenue (2013: 11 months) at the current run-rate.

We go into the second half with 895MW of gas-fuelled generation on rent, and revenue from gas up 19% on the prior year in the first half. We are currently converting our existing diesel fleet into G3+ and HFO-capable sets at a rate of about 6 sets a week, and we currently have 538MW of HFO/G3+ sets in the fleet across both businesses. We continue to experience some early stage challenges with our HFO product, due to the difficulty in securing the appropriate grade of fuel for our engines. We are working to resolve these issues and the product continues to be very attractive to our customers.

LOCAL BUSINESS

	As reported 2014 £ million	As reported 2013 £ million	As reported change %	Underlying[1] change %
Revenue	**431**	433	–%	10%
Trading profit	**57**	62	(8)%	5%
Trading margin	**13%**	14%		

1 Underlying excludes currency.

Our Local business delivered a strong first half with underlying revenue increasing by 10%. Rental revenue increased by 9% and services revenue by 13%. Within rental, power increased 11%, driven by EMEA and the Americas, whilst temperature control increased by 2% and oil-free air decreased 1%. Trading profit increased by 5% and trading margin reduced slightly from 14% to 13%. This increase in revenue was driven by good growth in emerging markets[1] as well as our more mature businesses and was helped by the £9 million of revenue in half one from the FIFA World Cup in Brazil and the Glasgow 2014 Commonwealth Games. It is also pleasing to note that the segment of 'mini-projects'[2] has continued to show growth over the period despite the decline in Australian mining projects with 290MW of mini projects on rent as at June 2014 (June 2013: 260MW).

1 Emerging Local business markets defined as: Russia, Middle East, Asia, Africa and Latin America.

2 Mini projects are defined as Local business projects which are 12MW and above in size and 3 months or longer in duration.

OUTLOOK

Overall, the Group performance in the first half of the year has been encouraging. The Local business has performed well in the first half but, as ever, the third quarter is important and, whilst we expect to deliver growth in the second half, comparators are more challenging. In Power Projects, whilst we take some encouragement from the order intake in the first half and a healthy enquiry pipeline, customers generally remain cautious.

We now plan to spend around £235 million on fleet capital expenditure for the full year, which is an increase of £20 million on our previous guidance reflecting some additional investment in our gas fleet in North America and our projects diesel fleet. As a result of our disciplined approach to capital expenditure, we also expect to deliver strong cash generation in the second half.

We continue to expect underlying trading profit for the full year to be similar to 2013.

FINANCIAL REVIEW

The movement in exchange rates during the period reduced revenue by £80 million and trading profit by £23 million. The largest currency impact on revenue came from the US dollar followed by the Argentinean Peso and then the Australian dollar and Brazilian Reais. Currency translation also gave rise to a £24 million decrease in net assets from December 2013 to June 2014. Set out in the table below are the principal exchange rates affecting the Group's overseas profits and net assets:

per £ Sterling	**Jun 2014 Average**	**Jun 2014 Period end**	Jun 2013 Average	Jun 2013 Period end	Dec 2013 Average	Dec 2013 Period end
Principal Exchange Rates						
United States Dollar	**1.67**	**1.70**	1.55	1.53	1.57	1.65
Euro	**1.22**	**1.25**	1.18	1.17	1.18	1.19
UAE Dirhams	**6.13**	**6.25**	5.67	5.60	5.75	6.08
Australian Dollar	**1.83**	**1.81**	1.52	1.65	1.62	1.86
Brazilian Reais	**3.83**	**3.74**	3.14	3.33	3.38	3.89
Argentinian Peso	**13.05**	**13.84**	7.92	8.20	8.57	10.70

Source: Bloomberg

RECONCILIATION OF UNDERLYING GROWTH TO REPORTED GROWTH

The table below reconciles the reported and underlying revenue and trading profit growth rates:

	Revenue £ million	Trading profit £ million
2013	760	155
Currency	(80)	(23)
2013 pass-through fuel	(15)	2
2014 pass-through fuel	23	(3)
Underlying growth	80	9
2014	768	140
As reported growth	**1%**	**(10)%**
Underlying growth	**12%**	**6%**

INTEREST

The net interest charge for the first half of 2014 was £10 million, a decrease of £3 million on 2013, reflecting lower average net debt period on period, and arrangement fees included in the 2013 interest number for debt refinanced during the period. Interest cover, measured against rolling 12-month EBITDA, remains strong at 28 times (June 2013: 25 times) relative to the financial covenant attached to our borrowing facilities that EBITDA should be no less than 4 times interest.

EFFECTIVE TAX RATE

The current forecast of the effective tax rate for the full year, which has been used in the interim accounts is 26% as compared with 27% in the same period last year.

RETURN TO SHAREHOLDERS

In June 2014 we completed a £200 million return of value to shareholders, by way of a B share scheme, equivalent to 75 pence per ordinary share; a further £2 million will be paid in 2015 to those shareholders who elected to defer all or part of their return. Following the return, at 30 June 2014 our net debt stands at 0.9 times EBITDA on a rolling 12-month basis (June 2013: 0.8 times).

DIVIDENDS

The Board has decided to pay an interim dividend of 9.38 pence per ordinary share which represents an increase of 3% compared with the same period in 2013; dividend cover is 3.9 times (30 June 2013: 4.3 times) and is consistent with our strategy of reducing our full year dividend cover to around 3 times (31 December 2013: 3.5 times). This interim dividend will be paid on 3 October 2014 to shareholders on the register at 5 September 2014, with an ex-dividend date of 3 September 2014.

CASHFLOW

The net cash inflow from operations during the period totalled £213 million (2013: £270 million). This funded capital expenditure of £121 million which was down £2 million on the same period in 2013. Of the £121 million, £107 million was spent on fleet with about 60% going to the Local business and 40% to the Power Projects business. Within Power Projects, a substantial portion of the spend was for the conversion of 158 of our diesel sets to our new HFO and G3+ engines. Net debt of £537 million at 30 June 2014 was £15 million lower than the same period last year.

There was a £61 million working capital outflow in the six months to 30 June 2014 (6 months to 30 June 2013: £21 million outflow) driven by an increase in debtor balances. This increase is mainly driven by the current element of our gross debtors balance due to higher levels of activity, notably our contract in Panama which is running continuously and for which we have responsibility for fuel management. In addition debtor days in the Power Projects business have increased by 5 days to 100 days since December 2013 (30 June 2013: 111 days) which was the net impact of a better payment profile in the Americas and slower payments by a small number of customers.

Overall, the Power Projects bad debt provision at 30 June 2014 was similar to the provision at 31 December 2013 (£16 million lower than 30 June 2013).

FINANCIAL RESOURCES

The Group maintains sufficient facilities to meet its normal funding requirements over the medium term. At 30 June 2014, these facilities totalled £798 million in the form of committed bank facilities arranged on a bilateral basis with a number of international banks and private placement notes. The financial covenants attached to these facilities are that EBITDA should be no less than 4 times interest and net debt should be no more than 3 times EBITDA; at 30 June 2014, these stood at 28 times and 0.9 times respectively. The Group does not consider that these covenants are restrictive to its operations. The maturity profile of the borrowings is detailed in Note 13 in the Accounts.

Net debt amounted to £537 million at 30 June 2014 and, at that date, un-drawn committed facilities were £259 million.

NET OPERATING ASSETS

The net operating assets of the Group at 30 June 2014 totalled £1,616 million, down £157 million on the same period in 2013. The main components of net operating assets are:

	2014 £ million	2013 £ million	Movement Headline	Movement Constant currency[1]
Rental fleet	**1,035**	1,219	(15)%	(6)%
Property and plant	**89**	85	5%	20%
Inventory	**157**	163	(4)%	7%
Net trade debtors	**308**	293	5%	22%

1 Constant currency takes account of the impact of translational exchange movements in respect of our businesses which operate in currency other than sterling.

A key measure of Aggreko's performance is Return on Capital Employed (ROCE) (expressed as operating profit as a percentage of average net operating assets). For each first half, we calculate ROCE by taking the operating profit on a rolling 12-month basis and expressing it as a percentage of the average net operating assets at 30 June, 31 December and the previous 30 June. For the full year, we state the year's operating profit as a percentage of the average net operating assets as at 31 December, the previous 30 June and 31 December. The average net operating assets for the 12 months to 30 June 2014 were £1,662 million, down 3% on the same period in 2013; operating profit for the same period was £341 million.

In the first half of 2014 the ROCE decreased to 21% compared with 22% for the same period in 2013. This decrease was mainly driven by lower trading margins in our Power Projects business and our Local business in Australia Pacific.

SHAREHOLDERS' EQUITY

Shareholders' equity decreased by £168 million to £972 million in the six months ended 30 June 2014, represented by the net assets of the Group of £1,509 million before net debt of £537 million. The movements in shareholders' equity are analysed in the table below:

Movements in shareholders' equity

	£ million	£ million
As at 1 January 2014		1,140
Profit for the financial period	97	
Dividend[1]	(46)	
Retained earnings		51
Employee share awards		2
Issue of shares to employees under share option schemes		2
Return of value to shareholders		(198)
Remeasurement of retirement benefits		1
Currency translation difference		(24)
Movement in hedging reserve		(4)
Other[2]		2
As at 30 June 2014		**972**

1 Reflects the dividend of 17.19 pence per share (2013: 15.63 pence) that was paid during the period.

2 Other includes tax on items taken directly to reserves.

PRINCIPAL RISKS AND UNCERTAINTIES

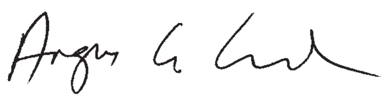
In the day to day operations of the Group, we face risks and uncertainties. Our job is to mitigate and manage these risks and to aid this the Board has developed a formal risk management process which is described on page 70 of the 2013 Annual Report and Accounts. Also set out on pages 34 to 39 of that report are the principal risks and uncertainties which we believe could potentially impact the Group, and these are summarised below:

- Economic conditions;
- Political risk;
- Failure to collect payments or to recover assets;
- Events;
- Failure to conduct business dealings with integrity and honesty;
- Safety;
- Competition;
- Product technology and emissions regulation; and
- People.

We do not believe that the principal risks and uncertainties facing the business have changed materially since the publication of the Annual Report and we believe these will continue to be the same in the second half of the year.

SHAREHOLDER INFORMATION

Our website can be accessed at www.aggreko.com. This contains a large amount of information about our business, including a range of charts and data, which can be downloaded for easy analysis. The website also carries copies of recent investor presentations, as well as Stock Exchange announcements.



Angus Cockburn
Interim Chief Executive

Carole Cran
Chief Financial Officer

5 August 2014

GROUP INCOME STATEMENT

For the six months ended 30 June 2014 (unaudited)

	Notes	6 months ended 30 June 2014 £ million	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million
Revenue	6	**768**	760	1,573
Cost of sales		**(334)**	(312)	(643)
Gross profit		**434**	448	930
Distribution costs		**(197)**	(200)	(395)
Administrative expenses		**(97)**	(93)	(183)
Other income		**–**	2	6
Operating profit	6	**140**	157	358
Net finance costs				
– Finance cost		**(11)**	(13)	(26)
– Finance income		**1**	–	1
Profit before taxation		**130**	144	333
Taxation	9	**(33)**	(39)	(87)
Profit for the period		**97**	105	246

All profit for the period is attributable to the owners of the Company.

Basic earnings per share (pence)	8	**36.48**	39.32	92.15
Diluted earnings per share (pence)	8	**36.45**	39.27	92.03

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014 (unaudited)

	6 months ended 30 June 2014 £ million	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million
Profit for the period	**97**	105	246
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss			
– Remeasurement of retirement benefits (net of tax)	**1**	(1)	(4)
Items that may be reclassified subsequently to profit or loss			
– Cashflow hedges (net of tax)	**(4)**	9	8
– Net exchange (losses)/gains offset in reserves (net of tax)	**(22)**	23	(87)
Other comprehensive (loss)/income for the period (net of tax)	**(25)**	31	(83)
Total comprehensive income for the period	**72**	136	163

GROUP BALANCE SHEET (COMPANY NUMBER: SC177553)

As at 30 June 2014 (unaudited)

	Notes	**30 June 2014 £ million**	30 June 2013 £ million	31 Dec 2013 £ million
Non-current assets				
Goodwill	10	**133**	147	133
Other intangible assets		**18**	24	18
Property, plant and equipment	11	**1,124**	1,304	1,165
Derivative financial instruments		**–**	3	–
Deferred tax asset		**22**	11	23
		1,297	1,489	1,339
Current assets				
Inventories		**157**	163	149
Trade and other receivables	12	**478**	461	417
Cash and cash equivalents	5	**38**	32	38
Derivative financial instruments		**4**	16	11
Current tax assets		**15**	23	21
		692	695	636
Total assets		**1,989**	2,184	1,975
Current liabilities				
Borrowings	13	**(36)**	(78)	(36)
Derivative financial instruments		**–**	–	(1)
Trade and other payables		**(318)**	(343)	(300)
Current tax liabilities		**(62)**	(54)	(68)
Provisions		**–**	(2)	–
		(416)	(477)	(405)
Non-current liabilities				
Borrowings	13	**(539)**	(506)	(365)
Derivative financial instruments		**(8)**	(10)	(8)
Deferred tax liabilities		**(51)**	(51)	(51)
Retirement benefit obligation	16	**(3)**	(2)	(6)
Provisions		**–**	(1)	–
		(601)	(570)	(430)
Total liabilities		**(1,017)**	(1,047)	(835)
Net assets		**972**	1,137	1,140
Shareholders' equity				
Share capital	14	**42**	49	49
Share premium		**20**	20	20
Treasury shares		**(15)**	(24)	(24)
Capital redemption reserve		**13**	6	6
Hedging reserve (net of deferred tax)		**(5)**	–	(1)
Foreign exchange reserve		**(94)**	38	(72)
Retained earnings		**1,011**	1,048	1,162
Total shareholders' equity		**972**	1,137	1,140

GROUP CASH FLOW STATEMENT

For the six months ended 30 June 2014 (unaudited)

	Notes	6 months ended 30 June 2014 £ million	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million
Cash flows from operating activities				
Cash generated from operations	4	213	270	603
Tax paid		(30)	(31)	(68)
Interest received		1	–	1
Interest paid		(10)	(13)	(27)
Net cash generated from operating activities		174	226	509
Cash flows from investing activities				
Purchases of property, plant and equipment (PPE)		(121)	(123)	(228)
Proceeds from sale of PPE		4	7	14
Net cash used in investing activities		(117)	(116)	(214)
Cash flows from financing activities				
Net proceeds from issue of ordinary shares		2	1	1
Increase in long-term loans		392	280	430
Repayment of long-term loans		(204)	(331)	(637)
Net movement in short-term loans		8	(4)	(4)
Dividends paid to shareholders		(46)	(42)	(66)
Return of capital to shareholders		(198)	–	–
Purchase of treasury shares		–	–	(1)
Net cash used in financing activities		(46)	(96)	(277)
Net increase in cash and cash equivalents		11	14	18
Cash and cash equivalents at beginning of the period		12	1	1
Exchange loss on cash and cash equivalents		(3)	–	(7)
Cash and cash equivalents at end of the period	5	20	15	12

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

For the six months ended 30 June 2014 (unaudited)

	Notes	6 months ended 30 June 2014 £ million	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million
Increase in cash and cash equivalents		11	14	18
Cash (inflow)/outflow from movement in debt		(196)	55	211
Changes in net debt arising from cash flows		(185)	69	229
Exchange gain/(loss)		11	(28)	1
Movement in net debt in period		(174)	41	230
Net debt at beginning of period		(363)	(593)	(593)
Net debt at end of period	13	(537)	(552)	(363)

GROUP STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014 (unaudited)

As at 30 June 2014

	Attributable to equity holders of the Company							
	Ordinary share capital £ million	Share premium account £ million	Treasury shares £ million	Capital redemption reserve £ million	Hedging reserve £ million	Foreign exchange reserve (translation) £ million	Retained earnings £ million	Total equity £ million
Balance at 1 January 2014	49	20	(24)	6	(1)	(72)	1,162	1,140
Profit for the period	–	–	–	–	–	–	97	97
Other comprehensive income:								
Fair value gains on foreign currency cash flow hedge	–	–	–	–	1	–	–	1
Transfers from hedging reserve to revenue	–	–	–	–	(5)	–	–	(5)
Currency translation differences	–	–	–	–	–	(24)	–	(24)
Deferred tax on items taken to or transferred from equity	–	–	–	–	–	2	–	2
Remeasurement of retirement benefits (net of tax)	–	–	–	–	–	–	1	1
Total comprehensive income for the period ended 30 June 2014	**–**	**–**	**–**	**–**	**(4)**	**(22)**	**98**	**72**
Transactions with owners:								
Employee share awards	–	–	–	–	–	–	2	2
Issue of ordinary shares to employees under share option schemes (Note (i))	–	–	9	–	–	–	(7)	2
Return of capital to shareholders (Note 14)	–	–	–	–	–	–	(198)	(198)
Capital redemption reserve (Note 14)	(7)	–	–	7	–	–	–	–
Dividends paid during the period	–	–	–	–	–	–	(46)	(46)
	(7)	–	9	7	–	–	(249)	(240)
Balance at 30 June 2014	**42**	**20**	**(15)**	**13**	**(5)**	**(94)**	**1,011**	**972**

(i) During the period 269,681 ordinary shares have been transferred from the Employee Benefit Trust to satisfy the exercise of options under the Sharesave Schemes by eligible employees. In addition 174,147 shares were transferred from the Employee Benefit Trust to participants in the Long-term Incentive Plan.

GROUP STATEMENT OF CHANGES IN EQUITY CONTINUED

For the six months ended 30 June 2014 (unaudited)

As at 30 June 2013

	Attributable to equity holders of the Company							
	Ordinary share capital £ million	Share premium account £ million	Treasury shares £ million	Capital redemption reserve £ million	Hedging reserve £ million	Foreign exchange reserve (translation) £ million	Retained earnings £ million	Total equity £ million
Balance at 1 January 2013	49	19	(34)	6	(9)	15	999	1,045
Profit for the period	–	–	–	–	–	–	105	105
Other comprehensive income:								
Fair value gains on foreign currency cash flow hedge	–	–	–	–	12	–	–	12
Transfers from hedging reserve to revenue	–	–	–	–	(3)	–	–	(3)
Fair value gains on interest rate swaps	–	–	–	–	3	–	–	3
Currency translation differences	–	–	–	–	–	23	–	23
Deferred tax on items taken to or transferred from equity	–	–	–	–	(3)	–	–	(3)
Remeasurement of retirement benefits (net of tax)	–	–	–	–	–	–	(1)	(1)
Total comprehensive income for the period ended 30 June 2013	**–**	**–**	**–**	**–**	**9**	**23**	**104**	**136**
Transactions with owners:								
Employee share awards	–	–	–	–	–	–	(3)	(3)
Issue of ordinary shares to employees under share option schemes	–	–	10	–	–	–	(10)	–
Current tax on items taken to or transferred from equity	–	–	–	–	–	–	3	3
Deferred tax on items taken to or transferred from equity	–	–	–	–	–	–	(3)	(3)
New share capital subscribed (Note (i))	–	1	–	–	–	–	–	1
Dividends paid during the period	–	–	–	–	–	–	(42)	(42)
	–	1	10	–	–	–	(55)	(44)
Balance at 30 June 2013	**49**	**20**	**(24)**	**6**	**–**	**38**	**1,048**	**1,137**

(i) During the period 298,327 ordinary shares of $13\frac{549}{775}$ pence each have been issued at prices ranging from £4.37 to £14.32 to satisfy the exercise of options under the Sharesave Schemes by eligible employees. In addition 360,441 shares were allotted at par to US participants in the Long-term Incentive Plan.

NOTES TO THE INTERIM ACCOUNTS

For the six months ended 30 June 2014 (unaudited)

1 GENERAL INFORMATION

The Company is a public limited company which is listed on the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is 120 Bothwell Street, Glasgow G2 7JS, UK.

This condensed interim financial information was approved for issue on 5 August 2014.

This condensed consolidated interim financial information does not comprise Statutory Accounts within the meaning of Section 434 of the Companies Act 2006. Statutory Accounts for the year ended 31 December 2013 were approved by the Board on 6 March 2014 and delivered to the Registrar of Companies. The report of the auditors on those Accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

The condensed consolidated interim financial information is unaudited but has been reviewed by the Group's auditors, whose report is on page 25.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2014 has been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority (previously the Financial Services Authority) and IAS 34 'Interim financial reporting' as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRSs as adopted by the European Union.

Going concern basis

The Group's banking facilities are primarily in the form of committed bank facilities arranged on a bilateral basis with a number of international banks and private placement notes; facilities totalled £798 million at 30 June 2014. The financial covenants attached to these facilities are that EBITDA should be no less than 4 times interest (30 June 2014: 28 times) and net debt should be no more than 3 times EBITDA (30 June 2014: 0.9 times). The Group does not consider that these covenants are restrictive to its operations. The maturity profile of the borrowings is detailed in Note 13 to the Accounts. The Group's forecasts and projections show that the facilities in place are currently anticipated to be ample for meeting the Group's operational requirements for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated interim financial statements.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2013, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

New and amended standards and interpretations need to be adopted in the first interim financial statements issued after their effective date (or date of early adoption). There are no new IFRSs or IFRICs that are effective for the first time for this interim period that would be expected to have a material impact on the Group.

NOTES TO THE INTERIM ACCOUNTS CONTINUED

For the six months ended 30 June 2014 (unaudited)

4 CASHFLOW FROM OPERATING ACTIVITIES

	6 months ended 30 June 2014 £ million	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million
Profit for the period	**97**	105	246
Adjustments for:			
Tax	**33**	39	87
Depreciation	**130**	137	273
Amortisation of intangibles	**2**	2	5
Finance income	**(1)**	–	(1)
Finance cost	**11**	13	26
Profit on sale of PPE	**–**	(2)	(6)
Share based payments	**2**	(3)	(2)
Changes in working capital (excluding the effects of exchange differences on consolidation):			
(Increase)/decrease in inventories	**(12)**	20	23
Increase in trade and other receivables	**(81)**	(30)	(32)
Increase/(decrease) in trade and other payables	**32**	(8)	(10)
Net movement in provisions for liabilities and charges	**–**	(3)	(6)
Cash generated from operations	**213**	270	603

5 CASH AND CASH EQUIVALENTS

	30 June 2014 £ million	30 June 2013 £ million	31 Dec 2013 £ million
Cash at bank and in hand	**34**	27	23
Short-term bank deposits	**4**	5	15
	38	32	38

Cash and bank overdrafts include the following for the purposes of the cashflow statement:

	30 June 2014 £ million	30 June 2013 £ million	31 Dec 2013 £ million
Cash and cash equivalents	**38**	32	38
Bank overdrafts (Note 13)	**(18)**	(17)	(26)
	20	15	12

6 SEGMENTAL REPORTING

(a) Revenue by segment

	External revenue		
	6 months ended 30 June 2014 £ million	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million
Americas	**340**	317	645
Europe, Middle East and Africa	**303**	277	625
Asia, Pacific and Australia	**125**	166	303
Group	**768**	760	1,573
Local business	**431**	433	904
Power Projects	**337**	327	669
Group	**768**	760	1,573

6 SEGMENTAL REPORTING CONTINUED

(a) Revenue by segment continued

(i) Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. All inter-segment revenue was less than £1 million.

(ii) Trading profit in table 6(b) below is defined as operating profit of £140 million (30 June 2013: £157 million, 31 December 2013: £358 million) excluding gain on sale of property, plant and equipment of £nil million (30 June 2013: £2 million, 31 December 2013: £6 million).

(b) Profit by segment

	Trading profit pre intangible asset amortisation			Amortisation of intangible assets arising from business combinations			Trading profit		
	6 months ended 30 June 2014 £ million	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million	**6 months ended 30 June 2014 £ million**	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million	**6 months ended 30 June 2014 £ million**	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million
Americas	**68**	69	151	**(2)**	(2)	(4)	**66**	67	147
Europe, Middle East and Africa	**50**	32	114	**–**	–	–	**50**	32	114
Asia, Pacific and Australia	**24**	56	92	**–**	–	(1)	**24**	56	91
Group	**142**	157	357	**(2)**	(2)	(5)	**140**	155	352
Local business	**59**	64	163	**(2)**	(2)	(5)	**57**	62	158
Power Projects	**83**	93	194	**–**	–	–	**83**	93	194
Group	**142**	157	357	**(2)**	(2)	(5)	**140**	155	352

	Gain on sale of PPE			Operating profit		
	6 months ended 30 June 2014 £ million	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million	**6 months ended 30 June 2014 £ million**	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million
Americas	**–**	1	3	**66**	68	150
Europe, Middle East and Africa	**–**	–	2	**50**	32	116
Asia, Pacific and Australia	**–**	1	1	**24**	57	92
Group	**–**	2	6	**140**	157	358
Local business	**–**	2	4	**57**	64	162
Power Projects	**–**	–	2	**83**	93	196
Operating profit	**–**	2	6	**140**	157	358
Finance costs – net				**(10)**	(13)	(25)
Profit before taxation				**130**	144	333
Taxation				**(33)**	(39)	(87)
Profit for the period				**97**	105	246

NOTES TO THE INTERIM ACCOUNTS CONTINUED

For the six months ended 30 June 2014 (unaudited)

6 SEGMENTAL REPORTING CONTINUED

(c) Depreciation and amortisation by segment

	6 months ended 30 June 2014 £ million	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million
Americas	**51**	53	107
Europe, Middle East and Africa	**54**	53	109
Asia, Pacific and Australia	**27**	33	62
Group	**132**	139	278
Local business	**69**	72	144
Power Projects	**63**	67	134
Group	**132**	139	278

(d) Capital expenditure on property, plant and equipment and intangible assets by segment

	6 months ended 30 June 2014 £ million	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million
Americas	**64**	56	103
Europe, Middle East and Africa	**32**	35	68
Asia, Pacific and Australia	**25**	32	57
Group	**121**	123	228
Local business	**80**	69	117
Power Projects	**41**	54	111
Group	**121**	123	228

(i) The net book value of total Group disposals of PPE during the period were £4 million (30 June 2013: £5 million, 31 December 2013: £8 million).

(e) Assets/(liabilities) by segment

	Assets			Liabilities		
	6 months ended 30 June 2014 £ million	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million	**6 months ended 30 June 2014 £ million**	6 months ended 30 June 2013 £ million	Year ended 31 Dec 2013 £ million
Americas	**859**	918	819	**(117)**	(121)	(107)
Europe, Middle East and Africa	**728**	764	726	**(164)**	(172)	(160)
Asia, Pacific and Australia	**361**	449	375	**(51)**	(65)	(55)
Group	**1,948**	2,131	1,920	**(332)**	(358)	(322)
Local business	**1,092**	1,160	1,071	**(148)**	(154)	(144)
Power Projects	**856**	971	849	**(184)**	(204)	(178)
Group	**1,948**	2,131	1,920	**(332)**	(358)	(322)
Tax and finance payable	**37**	34	44	**(117)**	(110)	(123)
Derivative financial instruments	**4**	19	11	**(8)**	(10)	(9)
Borrowings	**–**	–	–	**(557)**	(567)	(375)
Retirement benefit obligation	**–**	–	–	**(3)**	(2)	(6)
Total assets/(liabilities) per balance sheet	**1,989**	2,184	1,975	**(1,017)**	(1,047)	(835)

7 DIVIDENDS

The dividends paid in the period were:

	6 months ended 30 June 2014	6 months ended 30 June 2013	Year ended 31 Dec 2013
Total dividend (£ million)	**46**	42	66
Dividend per share (pence)	**17.19**	15.63	24.74

An interim dividend in respect of 2014 of 9.38 pence (2013: 9.11 pence), amounting to a total dividend of £24 million (2013: £24 million) was declared during the period. This interim dividend will be paid on 3 October 2014 to shareholders on the register on 5 September 2014, with an ex-dividend date of 3 September 2014.

8 EARNINGS PER SHARE

Basic earnings per share have been calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares in issue during the period, excluding shares held by the Employee Share Ownership Trusts which are treated as cancelled.

	30 June 2014	30 June 2013	31 Dec 2013
Profit for the period (£ million)	**97**	105	246
Weighted average number of ordinary shares in issue (million)	**266**	267	267
Basic earnings per share (pence)	**36.48**	39.32	92.15

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. These represent share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	30 June 2014	30 June 2013	31 Dec 2013
Profit for the period (£ million)	**97**	105	246
Weighted average number of ordinary shares in issue (million)	**266**	267	267
Adjustment for share options (million)	**–**	–	–
Diluted weighted average number of ordinary shares in issue (million)	**266**	267	267
Diluted earnings per share (pence)	**36.45**	39.27	92.03

9 TAXATION

The taxation charge for the period is based on an estimate of the Group's expected annual effective rate of tax for 2014 based on prevailing tax legislation at 30 June 2014. This is currently estimated to be 26% (2013: 27%).

10 GOODWILL

	30 June 2014 £ million	30 June 2013 £ million	31 Dec 2013 £ million
Cost			
Balance at beginning of period	**133**	145	145
Exchange adjustments	**–**	2	(12)
At end of period	**133**	147	133
Accumulated impairment losses	**–**	–	–
Net book value at end of period	**133**	147	133

ACCOUNTS

11 PROPERTY, PLANT AND EQUIPMENT

Six months ended 30 June 2014

	Freehold properties £ million	Short leasehold properties £ million	Rental fleet £ million	Vehicles, plant and equipment £ million	Total £ million
Cost					
At 1 January 2014	63	19	2,373	84	2,539
Exchange adjustments	(1)	–	(65)	–	(66)
Additions	5	1	107	8	121
Disposals	–	–	(27)	(3)	(30)
At 30 June 2014	**67**	**20**	**2,388**	**89**	**2,564**
Accumulated depreciation					
At 1 January 2014	19	12	1,291	52	1,374
Exchange adjustments	(1)	–	(37)	–	(38)
Charge for the period	1	1	123	5	130
Disposals	–	–	(24)	(2)	(26)
At 30 June 2014	**19**	**13**	**1,353**	**55**	**1,440**
Net book values					
At 30 June 2014	**48**	**7**	**1,035**	**34**	**1,124**
At 31 December 2013	44	7	1,082	32	1,165

Six months ended 30 June 2013

	Freehold properties £ million	Short leasehold properties £ million	Rental fleet £ million	Vehicles, plant and equipment £ million	Total £ million
Cost					
At 1 January 2013	59	18	2,328	95	2,500
Exchange adjustments	2	–	93	1	96
Additions	5	1	111	6	123
Disposals	(2)	–	(24)	(4)	(30)
At 30 June 2013	**64**	**19**	**2,508**	**98**	**2,689**
Accumulated depreciation					
At 1 January 2013	18	10	1,134	62	1,224
Exchange adjustments	1	–	47	1	49
Charge for the period	1	1	129	6	137
Disposals	(1)	–	(21)	(3)	(25)
At 30 June 2013	**19**	**11**	**1,289**	**66**	**1,385**
Net book values					
At 30 June 2013	**45**	**8**	**1,219**	**32**	**1,304**
At 31 December 2012	41	8	1,194	33	1,276

12 TRADE AND OTHER RECEIVABLES

	30 June 2014 £ million	30 June 2013 £ million	31 Dec 2013 £ million
Trade receivables	**369**	366	346
Less: provision for impairment of receivables	**(61)**	(73)	(61)
Trade receivables – net	**308**	293	285
Prepayments	**38**	32	26
Accrued income	**95**	91	64
Other receivables	**37**	45	42
Total receivables	**478**	461	417

Provision for impairment of receivables

	30 June 2014 £ million	30 June 2013 £ million	31 Dec 2013 £ million
Americas	**29**	40	35
Europe, Middle East and Africa	**22**	25	20
Asia, Pacific and Australia	**10**	8	6
Group	**61**	73	61
Local Business	**13**	9	12
Power Projects	**48**	64	49
Group	**61**	73	61

ACCOUNTS

13 BORROWINGS

	30 June 2014 £ million	30 June 2013 £ million	31 Dec 2013 £ million
Non-current			
Bank borrowings	**319**	260	138
Private placement notes	**220**	246	227
	539	506	365
Current			
Bank overdrafts	**18**	17	26
Bank borrowings	**18**	61	10
	36	78	36
Total borrowings	**575**	584	401
Short-term deposits	**(4)**	(5)	(15)
Cash at bank and in hand	**(34)**	(27)	(23)
Net borrowings	**537**	552	363

Overdrafts and borrowings are unsecured.

The maturity of financial liabilities

The maturity profile of the borrowings was as follows:

	30 June 2014 £ million	30 June 2013 £ million	31 Dec 2013 £ million
Within 1 year, or on demand	**36**	78	36
Between 1 and 2 years	**231**	–	38
Between 2 and 3 years	**56**	195	100
Between 3 and 4 years	**76**	26	–
Between 4 and 5 years	**15**	89	45
Greater than 5 years	**161**	196	182
	575	584	401

13 BORROWINGS CONTINUED

Fair value estimation

The carrying value of non-derivative financial assets and liabilities, comprising cash and cash equivalents, trade and other receivables, trade and other payables and borrowings is considered to materially equate to their fair value. Derivative financial instruments, which are measured at fair value, comprise interest rate swaps representing a liability of £8 million categorised as level 2 and forward foreign currency contracts and options representing an asset of £4 million, which are considered to be level 1. The fair value of interest rate swaps is calculated at the present value of estimated future cash flows using market interest rates. The valuation techniques employed are consistent with the year end Annual Report. There are no financial instruments measured as level 3.

14 SHARE CAPITAL

	2014 Number of shares	2014 £000
(i) Ordinary shares		
At 1 January (ordinary shares of $13\tfrac{549}{775}$ pence)	**269,029,545**	**36,880**
Employee share option scheme	**56,870**	**8**
Share consolidation (79 for 83 shares as at 27 May 2014*)	**(12,968,020)**	–
Share split:		
Deferred ordinary shares (Note (i))	–	**(17,147)**
B shares (Note (iii))	–	**(181)**
Transfer to capital redemption reserve (Note (ii))	–	**(7,182)**
At 30 June (ordinary shares of $4\tfrac{329}{395}$ pence)	**256,118,395**	**12,378**

* Based on 269,086,415 ordinary shares of $13\tfrac{549}{775}$ pence each on record date of 27 May 2014.

	2014 Number of shares	2014 £000
(ii) Deferred ordinary shares of $6\tfrac{18}{25}$ pence (2013: $6\tfrac{18}{25}$ pence)		
At 1 January and 30 June	**182,700,915**	**12,278**
(iii) Deferred ordinary shares of $\tfrac{1}{775}$ pence (2013: $\tfrac{1}{775}$ pence)		
At 1 January and 30 June	**18,352,057,648**	**237**
(iv) Deferred ordinary shares of $9\tfrac{84}{775}$ pence (2013: nil)		
At 1 January	–	–
Share split (Note (i))	**188,251,587**	**17,147**
At 30 June	**188,251,587**	**17,147**
(v) B Shares of $9\tfrac{84}{775}$ pence (2013: nil)		
At 1 January	–	–
Share split (Note (iii))	**1,989,357**	**181**
At 30 June	**1,989,357**	**181**

In June 2014 the Group completed a return of capital using a B share structure. The main terms of the return of capital and related consolidation of ordinary shares were:

- the issue of 1 B share of par value $9\tfrac{84}{775}$ pence for every 1 existing ordinary share held on the record date. This resulted in the creation of 269,086,415 B shares; and
- the issue of 79 new ordinary shares of par value $4\tfrac{329}{395}$ pence for every 83 existing ordinary shares held on the record date.

14 SHARE CAPITAL CONTINUED

As a result of the return of capital:

(i) From the 269,086,415 B shares created a special dividend of 75 pence per B share was paid on 188,251,587 B shares, which then converted into deferred shares of negligible value resulting in a cash payment from the Company of £141.2 million on 6 June 2014;

(ii) A further 78,845,471 B shares were bought back at 75 pence each resulting in a cash payment from the Company of £59.1 million on 6 June 2014. As a result of this transaction £7,182k was transferred from ordinary share capital to the capital redemption reserve being 78,845,471 shares at par value $9\,^{84}/_{775}$ pence; and

(iii) The Company intends to further offer to purchase the remaining 1,989,357 B shares in the future at 75 pence each.

£2 million has been transferred back to the Group from the Group Employee Benefit Trust. Such amount represents the portion of the 2011 return of capital received by the Employee Benefit Trust in respect of the B shares created out of the ordinary shares held in the Employee Benefit Trust at the time of the 2011 return; and is equivalent to 55 pence per B share.

15 CAPITAL COMMITMENTS

	30 June 2014 £ million	30 June 2013 £ million	31 Dec 2013 £ million
Contracted but not provided for (property, plant and equipment)	**40**	25	15

16 PENSION COMMITMENTS

Analysis of movement in retirement benefit obligation in the period:

	30 June 2014 £ million	30 June 2013 £ million	31 Dec 2013 £ million
At start of period	**(6)**	(4)	(4)
Income statement expense	**(1)**	(1)	(2)
Contributions	**3**	4	5
Total remeasurements	**1**	(1)	(5)
At end of period	**(3)**	(2)	(6)

17 RELATED PARTY TRANSACTIONS

Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. There were no other related party transactions in the period.

18 SEASONALITY

The Group is subject to seasonality with the third quarter of the year being our peak demand period, accordingly revenue and profits have historically been higher in the second half of the year.

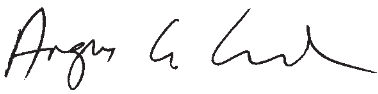
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that to the best of their knowledge, these condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union, and that the Interim Management Report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The Directors of Aggreko plc are listed in the Aggreko plc Annual Report for 31 December 2013 with the exception of the following changes in the period: Rupert Soames and David Hamill resigned from the Board on 24 April 2014; Carole Cran was appointed to the Board on 1 June 2014.

By order of the Board



Angus Cockburn
Interim Chief Executive

Carole Cran
Chief Financial Officer

5 August 2014

INDEPENDENT REVIEW REPORT TO AGGREKO PLC

REPORT ON THE CONDENSED SET OF FINANCIAL STATEMENTS

Our conclusion

We have reviewed the condensed set of financial statements, defined below, in the Interim Report of Aggreko Plc for the six months ended 30 June 2014. Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

This conclusion is to be read in the context of what we say in the remainder of this report.

What we have reviewed

The condensed set of financial statements, which are prepared by Aggreko plc, comprise:

- the Group Balance Sheet as at 30 June 2014;
- the Group Income Statement and Group Statement of Comprehensive Income for the period then ended;
- the Group Cash Flow Statement for the period then ended;
- the Group Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the condensed set of financial statements.

As disclosed in Note 2, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The condensed set of financial statements included in the Interim Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What a review of condensed set of financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

RESPONSIBILITIES FOR THE CONDENSED SET OF FINANCIAL STATEMENTS AND THE REVIEW

Our responsibilities and those of the Directors

The Interim Report, including the condensed set of financial statements, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Interim Report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
5 August 2014
Glasgow

Notes:

(a) The maintenance and integrity of the Aggreko plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SHAREHOLDER INFORMATION

PAYMENT OF DIVIDENDS BY BACS

Many Shareholders have already arranged for dividends to be paid by mandate directly to their bank or building society account. The Company mandates dividends through the BACS (Bankers' Automated Clearing Services) system. The benefit to Shareholders of the BACS payment method is that the Registrar posts the tax vouchers directly to them, whilst the dividend is credited on the payment date to the Shareholder's bank or building society account. Shareholders who have not yet arranged for their dividends to be paid directly to their bank or building society account and wish to benefit from this service should request the Company's Registrar to send them a Dividend/Interest mandate form or alternatively complete the mandate form accompanying their dividend warrant and tax voucher in October 2014.

OVERSEAS DIVIDEND PAYMENTS

Capita Registrars has partnered with Travelex, the world's largest specialist provider of commercial international payment services, to provide you with a service that will convert your Sterling dividends into your local currency. Your dividend will then be conveniently paid directly into your local bank account. For further information about the International Payment Service from Capita Registrars, including details of how to apply, please visit www.capitaregistrars.com/international or call 0871 664 0385 (calls costs 10p per minute plus network extras) or +44 (0)20 8639 3405 (outside of UK) between 9.00 a.m. to 5.30 p.m. GMT. Alternatively you may wish to email your enquiry to IPS@capitaregistrars.com.

ONLINE SHAREHOLDER SERVICES AND SHARE DEALING

Shareholders may wish to take advantage of the 'Online' enquiry service offered by the Registrar. This service allows a Shareholder to access his/her own account to verify address details and the number of shares held. The service can be obtained on http://shares.aggreko.com. The Registrar also offers a share dealing service to existing Shareholders.

SHAREGIFT

We value all our Shareholders, no matter how many shares they own, but we do realise that some Shareholders hold on to small quantities of shares because they believe that the cost of selling them would make the transaction uneconomic. A free service is available to enable Shareholders with small holdings, should they so wish, to donate their shares to charity, and gain the benefit of tax relief on this donation. This scheme has been successfully adopted by several large quoted companies, and further details are available from the Secretary.

OFFICERS AND ADVISERS

Secretary and Registered Office
Peter Kennerley
8th Floor
120 Bothwell Street
Glasgow G2 7JS
United Kingdom
Tel 0141 225 5900
Fax 0141 225 5949
Email investors@aggreko.com
Company No. SC 177553

Registrars and Transfer Office
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom
Tel 0871 664 0300
(From outside the UK:
+44 (0)20 8639 3399)
Calls cost 10p per minute plus
network extras
Website www.capitaregistrars.com
Email ssd@capitaregistrars.com

Stockbrokers
UBS – London
Citigroup Global Markets –
London

Auditors
PricewaterhouseCoopers LLP –
Glasgow
Chartered Accountants

FINANCIAL CALENDAR

	6 months ended 30 June 2014	Year ending 31 December 2014
Results announced	5 August 2014	March 2015
Report posted	18 August 2014	Mid March 2015
Annual General Meeting	–	Late April 2015
Ex-dividend date	3 September 2014	Late April 2015
Dividend record date	5 September 2014	Late April 2015
Dividend payment date	3 October 2014	Late May 2015

BEWARE OF SHARE FRAUD

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

HOW TO AVOID SHARE FRAUD

- Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- Check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you is authorised by the FCA.
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- Use the firm's contact details listed on the Register if you want to call it back.
- Call the FCA on 0800 111 6768 if the firm does not have contact details on the Register or you are told they are out of date.
- Search the list of unauthorised firms to avoid at www.fca.org.uk/scams.
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- Think about getting independent financial and professional advice before you hand over any money.
- Remember: if it sounds too good to be true, it probably is!

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000.

REPORT A SCAM

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on 0800 111 6768.

If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040.

FINANCIAL SUMMARY

Full year	Dec 10	Dec 11	Dec 12	Dec 13	
Revenue (£m)	1,230	1,396	1,583	1,573	
Trading profit (£m)[1]	312	338	381	352	
Trading margin (%)	25	24	24	22	
Dividend per share (pence)	18.90	20.79	23.91	26.30	
Profit before tax (£m)	304	324	360	333	
Diluted earnings per share (pence)	78.98	86.76	100.40	92.03	
Net operating assets (£m)	1,066	1,354	1,708	1,598	
Capital expenditure (£m)	269	418	440	228	
Net debt (£m)	(132)	(365)	(593)	(363)	
Shareholders' funds (£m)	814	881	1,045	1,140	

Half 1	Jun 10	Jun 11	Jun 12	Jun 13	**Jun 14**
Revenue (£m)	584	637	734	760	**768**
Trading profit (£m)[1]	130	125	157	155	**140**
Trading margin (%)	22	20	21	20	**18**
Dividend per share (pence)	6.55	7.20	8.28	9.11	**9.38**
Profit before tax (£m)	126	119	146	144	**130**
Diluted earnings per share (pence)	32.33	31.58	40.91	39.27	**36.45**
Net operating assets (£m)	960	1,252	1,667	1,773	**1,616**
Capital expenditure (£m)	104	181	233	123	**121**
Net debt (£m)	(160)	(257)	(678)	(552)	**(537)**
Shareholders' funds (£m)	690	875	927	1,137	**972**

Half 2	Dec 10	Dec 11	Dec 12	Dec 13	
Revenue (£m)	646	759	849	813	
Trading profit (£m)[1]	182	213	224	197	
Trading margin (%)	28	28	26	24	
Dividend per share (pence)	12.35	13.59	15.63	17.19	
Profit before tax (£m)	178	205	214	189	
Diluted earnings per share (pence)	46.65	55.18	59.49	52.76	
Net operating assets (£m)	1,066	1,354	1,708	1,598	
Capital expenditure (£m)	165	237	207	105	
Net debt (£m)	(132)	(365)	(593)	(363)	
Shareholders' funds (£m)	814	881	1,045	1,140	

1 Trading profit represents operating profit before gain on sale of property, plant and equipment.

2 2011 and 2012 full year numbers are pre-exceptional items.

DEFINITION AND CALCULATION OF NON GAAP MEASURES

RETURN ON AVERAGE CAPITAL EMPLOYED (ROCE)

DEFINITION:

Calculated by dividing operating profit on a rolling 12-month basis for a period by the average net operating assets at 30 June, 31 December and previous 30 June.

CALCULATION:

	Accounts reference	June 2014 £ million	June 2013 £ million
Operating profit			
6 months to 30 June 2012 (A)	Income statement		158
Year to 31 Dec 2012 (B)	Income statement		385
Therefore 6 months to 31 Dec 2012	(B)-(A)		227
6 months to 30 June 2013	Income statement		157
12 months to 30 June 2013			**384**
6 months to 30 June 2013 (C)	Income statement	157	
Year to 31 Dec 2013 (D)	Income statement	358	
Therefore 6 months to 31 Dec 2013	(D)-(C)	201	
6 months to 30 June 2014	Income statement	140	
12 months to 30 June 2014		**341**	
Average net operating assets			
30 June 2012	Refer to Note (a) below		1,667
31 Dec 2012	Note 4(g) of 2012 Accounts		1,708
30 June 2013	Refer to Note (a) below	1,773	1,773
31 Dec 2013	Note 4(g) of 2013 Accounts	1,598	
30 June 2014	Refer to Note (a) below	1,616	
Average (i.e. total of 30 June, 31 Dec and previous 30 June divided by 3)		**1,662**	**1,716**
ROCE (operating profit divided by average operating assets)		**21%**	**22%**

	June 2014 £ million	June 2013 £ million	June 2012 £ million
Note (a):			
Per June Interim Accounts			
Note 6(e)			
Assets	1,948	2,131	2,121
Liabilities	(332)	(358)	(454)
Net operating assets	1,616	1,773	1,667

RATIO OF REVENUE TO AVERAGE GROSS RENTAL ASSETS

DEFINITION:

Revenue on a rolling 12-month basis for the period (excluding pass through fuel) divided by the average gross rental assets at 30 June, 31 December and previous 30 June.

CALCULATION:

	Per Income statement £ million	Pass-through fuel (Note 1) £ million	Excl. pass-through fuel £ million
Revenue			
6 months to 30 June 2012	734	(20)	714
Year to 31 Dec 2012	1,583	(40)	1,543
Therefore 6 months to 31 Dec 2012	849	(20)	829
6 months to 30 June 2013	760	(15)	745
12 months to 30 June 2013	**1,609**	**(35)**	**1,574**
6 months to 30 June 2013	760	(15)	745
Year to 31 Dec 2013	1,573	(42)	1,531
Therefore 6 months to 31 Dec 2013	813	(27)	786
6 months to 30 June 2014	768	(23)	745
12 months to 30 June 2014	**1,581**	**(50)**	**1,531**

	Accounts reference	30 June 2014 £ million	30 June 2013 £ million
Average gross rental assets			
30 June 2013 and 30 June 2012	Note 11 of June 2013 Interim Accounts	2,508	2,219
31 Dec 2013 and 31 Dec 2012	Note 14 of Dec 2013 Accounts	2,373	2,328
30 June 2014 and 30 June 2013	Note 11 of June 2014 Interim Accounts	2,388	2,508
Average (i.e. total of 30 June, 31 Dec and previous 30 June divided by 3)		**2,423**	**2,352**
Revenue/gross rental assets		**63%**	**67%**

Note 1: Pass-through fuel relates to contracts in our Power Projects business where we provide fuel on a pass-through basis.

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)

CALCULATION:

	Accounts reference	30 June 2014 £ million	30 June 2013 £ million
Operating profit	Income statement	140	157
Depreciation	Note 4	130	137
Amortisation	Note 4	2	2
EBITDA		**272**	**296**

INTEREST COVER: EBITDA ON A ROLLING 12-MONTH BASIS DIVIDED BY NET FINANCE COSTS ON A ROLLING 12-MONTH BASIS

CALCULATION:

	Accounts reference	June 2014 £ million	June 2013 £ million
EBITDA			
6 months to 30 June 2012 (A)			270
Year to 31 Dec 2012 (B)	Page 169 of 2013 Annual Report		626
Therefore 6 months to 31 Dec 2012	(B)-(A)		356
6 months to 30 June 2013	Per above		296
12 months to 30 June 2013			**652**
6 months to 30 June 2013 (C)	Per above	296	
Year to 31 Dec 2013 (D)	Page 169 of 2013 Annual Report	636	
Therefore 6 months to 31 Dec 2013	(D)-(C)	340	
6 months to 30 June 2014	Per above	272	
12 months to 30 June 2014		**612**	
Net finance costs			
6 months to 30 June 2012 (A)	Income statement		12
Year to 31 Dec 2012 (B)	Income statement		25
Therefore 6 months to 31 Dec 2012	(B)-(A)		13
6 months to 30 June 2013	Income statement		13
12 months to 30 June 2013			**26**
6 months to 30 June 2013 (C)	Income statement	13	
Year to 31 Dec 2013 (D)	Income statement	25	
Therefore 6 months to 31 Dec 2013	(D)-(C)	12	
6 months to 30 June 2014	Income statement	10	
12 months to 30 June 2014		22	
Interest cover (times)		**28**	**25**

NET DEBT TO EBITDA: NET DEBT DIVIDED BY ROLLING 12-MONTHS EBITDA

CALCULATION:

	Accounts reference	June 2014	June 2013
Net debt (£ million)	Cash flow statement	537	552
EBITDA (£ million)	Per above	612	652
Net debt/EBITDA (times)		**0.9**	**0.8**

DIVIDEND COVER

DEFINITION:

Basic earnings per share (EPS) divided by half year declared dividend.

CALCULATION:

	Accounts reference	June 2014	June 2013
Basic EPS (pence)	Income statement	36.48	39.32
Half year declared dividend	Note 7	9.38	9.11
Dividend cover (times)		**3.9**	**4.3**

Designed and produced by Tayburn

HEAD OFFICE
Aggreko plc
8th Floor
120 Bothwell Street
Glasgow G2 7JS
United Kingdom
Telephone +44 (0)141 225 5900
Fax 0141 225 5949
www.aggreko.com