INTERIM 2012

Aggreko plc Interim Report 2012

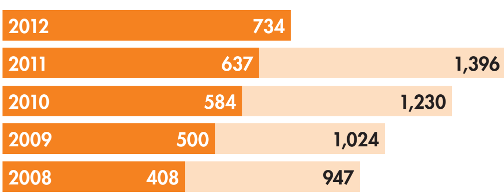
aggreko

OUR PERFORMANCE

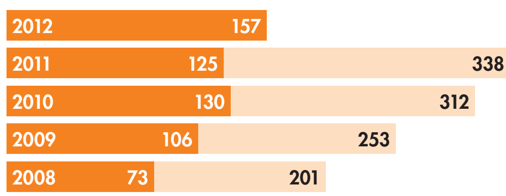
Financial highlights for the six months ended 30 June 2012

	2012	2011	Movement As reported %	Movement Underlying[1] %
Revenue £m	**734**	637	15	16
Trading profit £m	**157**	125	25	23
Profit before tax £m	**146**	119	23	
Diluted EPS pence	**40.91**	31.58	30	
Dividend per share pence	**8.28**	7.20	15	

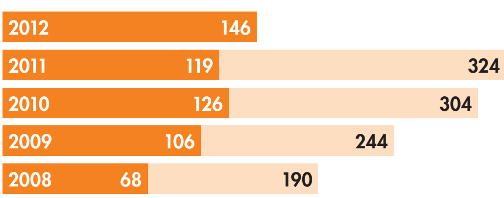
Revenue £m



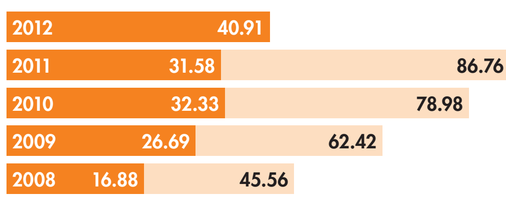
Trading profit £m



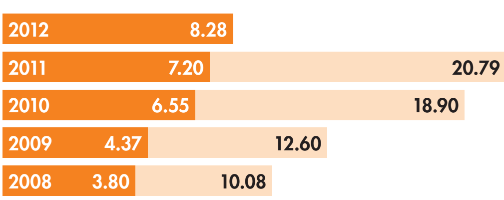
Profit before tax £m



Diluted eps pence



Dividend per share pence



Half year Full year

1 Underlying excludes revenue and trading profits from the Asian Games, London Olympics, the Poit Energia acquisition, pass-through fuel and currency movements. A bridge between reported and underlying revenue and trading profits is provided at page 6 of the Interim Management Report.

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

Rupert Soames | Chief Executive

Angus Cockburn | Finance Director

Group trading performance

Aggreko delivered another strong performance in the first half of 2012. Reported revenue and trading profit[1] increased by 15% and 25% respectively, while underlying[2] revenue grew 16% and trading profit by 23%.

	2012 £ million	2011 £ million	Movement As reported	Underlying change %
Revenue	**734**	637	15%	16%
Revenue excl. pass-through fuel	**714**	584	22%	
Trading profit	**157**	125	25%	23%
Operating profit	**158**	127	24%	
Net interest expense	**(12)**	(8)	(45)%	
Profit before tax	**146**	119	23%	
Taxation	**(38)**	(34)	(12)%	
Profit after tax	**108**	85	27%	
Diluted earnings per share (pence)	**40.91**	31.58	30%	

Group revenue, as reported, increased by 15% to £734 million (2011: £637 million), while trading profit of £157 million (2011: £125 million) increased by 25%. Group trading margin was 21% (2011: 20%). Underlying revenue and trading profit increased by 16% and 23% respectively. On the same basis trading margin was 23% (2011: 21%).

Group profit before tax increased by 23% to £146 million (2011: £119 million) and profit after tax increased by 27% to £108 million (2011: £85 million), reflecting the reduction in the tax rate from 28.5% to 26.0%. Group return on capital employed (ROCE)[3], measured on a rolling 12-month basis, was 26.2% (2011: 28.5%). This decrease was driven by the Local business with the 2011 comparative including the favourable impact from major events in the second half of 2010, as well as the year one impact of the Poit Energia acquisition, where the assets are included in the calculation, but only two months trading is reflected. International Power Projects return on capital employed was flat year-on-year. The ratio of revenue (excluding pass-through fuel[4]) to average gross rental assets decreased marginally from 72% to 71%.

The movement in exchange rates in the period had the effect of increasing revenue by £7 million and trading profit by £3 million, mainly as a result of the slight weakening of Sterling against the US Dollar. Pass-through fuel accounted for £20 million (2011: £53 million) of reported revenue of £734 million.

Fleet capital expenditure for the period was £220 million, £50 million higher than the prior year, and 213% of the depreciation charge in the period; a large part of the year-on-year increase was accounted for by equipment purchased to serve the London Olympics contract, which, following the Games, will be put to use in the wider business. The Aggreko International business accounted for 54% of fleet investment.

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

2 A bridge between reported and underlying revenue and trading profits is provided at page 6 of the Interim Management Report.

3 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.

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

In addition, we acquired £48 million of property, plant and equipment as part of the Poit Energia acquisition. The total cash paid in the period for this acquisition was £130 million.

Net debt of £678 million at 30 June 2012 was £421 million higher than the same period last year driven by: the return of capital to shareholders (£149 million); the acquisition of Poit Energia (£130 million); higher capital expenditure in the 12 months to June 2012 compared to the 12 months to June 2011; and increased levels of working capital in International Power Projects. These increased outflows were in part offset by higher EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation).

Acquisition of Poit Energia

On 16 April 2012 we completed the acquisition of the entire share capital of Companhia Brasileira de Locacoes ('Poit Energia'), a leading provider of temporary power solutions in South America. The initial transaction price of £138 million (R$404 million) was made up of £105 million consideration payable to the owners of Poit Energia plus £33 million of debt, to be paid off by Aggreko on behalf of Poit Energia. In addition to the initial transaction price of £138 million, there is a further amount of up to £20 million conditional on the business achieving stretching performance targets for the year to 31 December 2012.

The acquisition of Poit Energia supports Aggreko's strategy of expanding its Local businesses in fast growing economies; it strengthens Aggreko's business in South America, both in terms of geographic footprint and access to sectors which Aggreko is currently not in or to which it has limited exposure. The business is performing in line with our expectations.

Regional trading performance as reported in £ million

	Revenue			Trading Profit		
	2012 £ million	2011 £ million	Change %	**2012 £ million**	2011 £ million	Change %
Local business						
North America	**132**	115	15%	**20**	16	25%
Europe (Note 1)	**95**	76	24%	**2**	–	615%
Middle East & Developing Europe (Note 1)	**70**	56	27%	**12**	10	21%
Sub-total Europe & Middle East	**165**	132	25%	**14**	10	50%
Aggreko International Local business	**107**	78	37%	**18**	14	25%
Sub-total Local business	**404**	**325**	**24%**	**52**	**40**	**31%**
International Power Projects (IPP)						
IPP excluding pass-through fuel	**310**	259	20%	**105**	84	24%
IPP pass-through fuel	**20**	53	(64)%	**–**	1	(151)%
Sub-total International Power Projects	**330**	**312**	**6%**	**105**	**85**	**22%**
Group	**734**	**637**	**15%**	**157**	**125**	**25%**
Group excluding pass-through fuel	**714**	**584**	**22%**	**157**	**124**	**27%**

1 As a result of a change in how management monitor the business, the Russian business, which was previously reported as part of Europe, is now reported as part of the Middle East segment which has been renamed as Middle East & Developing Europe.

2 '–' in the table above indicate values less than £1 million.

The performance of each of these regions in the first half is described below:

Local business: North America

	2012 $ million	2011 $ million	Underlying change %
Revenue	**208**	185	12%
Trading profit	**31**	26	22%
Trading margin	**15%**	14%	

Our North American business delivered a strong performance in the first half. Underlying revenue, which for North America adjusts only for the impact of currency, increased by 12% to $208 million and trading profit by 22% to $31 million. Trading margin improved from 14% to 15%.

Rental revenue was up 10% and services revenue was up 19%. Revenue growth was driven by power rental revenue, which increased by 27%; much of this growth came from the oil and gas sector. Power volumes grew significantly and rates were also up on the prior period. Temperature control revenue was down 10% largely due to lower volumes in our Cooling Towers business; historically this has been a feast-or-famine business, with revenues varying by as much as $10 million between good years and poor years. So far, 2012 has been a lean year. Oil-free compressed air revenue was down 2%.

The North American business has taken significant steps in upgrading its diesel generator fleet with the latest emissions technology. The next stage of this has begun and we started taking delivery of the first Tier 4 interim engines this year. By the end of 2013, almost 50% of the fleet will be either Tier 3 or Tier 4 compliant.

The growth rate in North America was slower in the second quarter than in the first, in large part due to the absence in 2012 of several large emergency jobs which benefited temperature control revenues in 2011. The business has had a strong start to the second half, with volumes in power well ahead of the prior year, and we expect good growth in the second half, and for the year as a whole.

Local business: Europe & Middle East

	2012 £ million	2011 £ million	Underlying change %
Revenue	**165**	132	10%
Trading profit	**14**	10	20%
Trading margin	**9%**	7%	

Europe

	2012 £ million	2011 £ million	Underlying change %
Revenue	**95**	76	–%
Trading profit	**2**	–	31%
Trading margin	**2%**	–%	

Middle East & Developing Europe

	2012 AED million	2011 AED million	Underlying change %
Revenue	**405**	328	25%
Trading profit	**70**	60	20%
Trading margin	**17%**	18%	

Our Europe & Middle East business had a good first half in 2012; on an underlying basis (i.e. excluding London Olympics and the impact of currency) revenue increased 10% and trading profit increased 20%. On the same basis trading margin increased to 9% from 8%. Reported performance was stronger, with over £21 million of Olympics revenue being recognised in the first half. At the time of publishing this report we are providing over 550 generators and 1,500 kilometres of cable across 44 sites for the Olympics, and we now expect that the total contract will be worth around £55 million.

Revenue in Europe, on an underlying basis, was in line with the prior period, reflecting the generally poor economic environment. Rental revenue decreased 2% while services revenue increased 2%. Within rental revenue, power increased by 1% but temperature control decreased by 9%. Geographic area performance continued to be mixed with increases in Scotland, Norway and Spain offset by decreases in other parts of the UK, Germany and Italy.

Underlying revenue in our Middle East & Developing Europe business grew by 25% with an increase of 20% in rental revenue and a 39% increase in lower margin services revenue. Within rental revenue, power increased 23%; temperature control revenue, however, decreased by 18%, albeit off a small base. In geographic terms, our business in Russia continued to grow with 150MW on rent at the end of the first half. Elsewhere we had good growth in Oman, Saudi Arabia and Abu Dhabi as well as benefitting from an emergency contract in Cyprus.

Across Europe & Middle East power rates increased year-on-year but we have seen a decline in temperature control rates.

For the year as a whole we expect Europe & Middle East to deliver strong growth on a reported basis, which includes the Olympics. While we are seeing pockets of strong growth in some of our new markets and in parts of the Middle East, the overall weakness of the economies of Europe makes it difficult to achieve anything other than modest underlying growth for the region as a whole.

Local business: Aggreko International

	2012 £ million	2011 £ million	Underlying change %
Revenue	**107**	78	27%
Trading profit	**18**	14	31%
Trading margin	**17%**	18%	

Aggreko International's Local business operates in the Australia Pacific region, China, India and South East Asia, throughout Latin America, South Africa and most recently, Kenya. This business had a strong first half with underlying revenue (excluding currency, Asian Games in 2011 and the Poit Energia acquisition in 2012) increasing by 27% and trading profit by 31%. On the same underlying basis trading margin increased from 16% to 17%.

On an underlying basis rental revenue increased 29% and services revenue increased 20%. Within rental revenue power increased 30% and temperature control increased 24%. Revenue in nearly all geographies increased as compared with the same period last year, most notably in our more mature business in Australia Pacific where revenue increased 18%, driven by a strong performance in the mining sector and Brazil (excluding the Poit Energia acquisition) where revenue increased 33% driven by the mining, utilities and events sectors. We also opened new locations in the first half in Cape Town and Nairobi as part of the continued expansion of our Local business service centre network in faster growing economies.

On a reported basis growth in Aggreko International's Local business is expected to be higher in the second half than the first, due to the impact of the Poit Energia acquisition. On an underlying basis, we expect the rate of growth to slow somewhat in the second half as comparatives become more challenging. However, we still expect to deliver a strong rate of underlying growth for the year as a whole.

International Power Projects: Aggreko International

	2012 $ million	2011 $ million	Underlying change %
Revenue (excl. pass-through fuel)	**490**	419	17%
Trading profit (excl. pass-through fuel)	**166**	137	22%
Trading margin	**34%**	33%	

Our International Power Projects business delivered a strong performance in the period with revenue, in constant currency and excluding pass-through fuel, growing by 17% to $490 million and trading profits increasing by 22% to $166 million. Trading margin increased to 34% (2011: 33%) notwithstanding a $25 million increase in our bad debt provision, similar to the $23 million of the first half of 2011. Revenue from our gas-powered units grew strongly and the average MW on rent has increased by around 100% year-on-year.

Demand has been strong during the first half: we secured 24 new contracts and 669MW of new work, 196MW in Asia, 116MW in Latin America and 357MW in Africa & Middle East. At the end of the period, our order book was over 39,000MW months, the equivalent of 14 months' revenue at the current run-rate, and an increase of 16% over the prior year. These numbers do not include our project in the Dominican Republic; at the time we announced this project, we said that it was subject to the customer completing a number of conditions precedent; largely as a result of recent elections and the subsequent change in administration, this process is taking longer than we anticipated, and we now think it unlikely that we will be earning revenue from the project this year. In Mozambique, on the other hand, we have completed all the conditions precedent with ESKOM and EDM, and the 107MW site went into production on 18 July.

The record level of the order book means that we expect our International Power Projects business to have a strong second half and full year in terms of revenue growth. Whilst we anticipate that margins in the second half will be higher than in the first, they will be noticeably lower than the prior year, as we are currently assuming that we do not see a repeat of the $18 million release of bad debt provision which benefited the second half of 2011. We have also incurred very high mobilisation costs on the Mozambique project, which will be recovered over the next two years.

Outlook

We expect to report strong growth in revenue and profit in the Local business both in the second half and for the year as a whole, supported by the London Olympics and the Poit Energia acquisition. We anticipate underlying growth will be lower in the second half than in the first, in part because of tougher comparators, and in part because of continued macro-economic weakness in some of our larger mature markets. Margins on both an underlying and reported basis for both the second half and the full year are forecast to be better than last year.

In International Power Projects, the record level of the order book means that we expect that the business will have a strong year in terms of revenue growth. We anticipate that margins and returns will be lower than 2011 mainly as a result of our assumed increase in bad debt provisions and unusually high mobilisation costs.

We expect that Group margins for the year as a whole, both on a reported and underlying basis, will be at similar levels to last year as stronger margins in our Local business and favourable mix offset lower margins in International Power Projects.

Overall, we continue to believe that we will deliver another year of good growth in 2012, and we reiterate our previous guidance of fleet capital expenditure of around £415 million.

Financial review

The movement in exchange rates during the period increased revenue and trading profit by £7 million and £3 million respectively, with the weakening of Sterling against the US Dollar having the greatest impact. Currency translation also gave rise to a £25 million decrease in net assets from December 2011 to June 2012. Set out in the table below are the principal exchange rates affecting the Group's overseas profits and net assets:

	Jun 2012		Jun 2011		Dec 2011	
per £ Sterling	**Average**	**Period end**	Average	Period end	Average	Period end
Principal Exchange Rates						
United States Dollar	**1.58**	**1.56**	1.62	1.60	1.60	1.54
Euro	**1.22**	**1.24**	1.15	1.11	1.15	1.19
Other Operational Exchange Rates						
UAE Dirhams	**5.79**	**5.73**	5.94	5.88	5.89	5.66
Australian Dollar	**1.53**	**1.53**	1.57	1.50	1.55	1.52

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
2011	637	125
Currency	7	3
2011 pass-through fuel	(53)	(1)
2012 pass-through fuel	20	–
Poit Energia acquisition	11	2
Underlying growth including events	112	28
2012	734	157
2011 revenue from Asian Games	(2)	
2012 revenue from London Olympics	21	
As reported growth	**15%**	**25%**
Underlying growth	**16%**	**23%**

Interest

The net interest charge for the first half of 2012 was £12 million, an increase of £4 million on 2011 reflecting the higher level of average net debt, driven by the return of capital to shareholders, the Poit Energia acquisition, higher levels of capital expenditure and higher levels of working capital. Interest cover, measured against rolling 12-month EBITDA, remains strong at 26.3 times (June 2011: 36.2 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 26.0% as compared with 28.5% in the same period last year. The reduction is principally driven by the impact of the application of the UK branch profits election to our International Power Projects business.

Dividends

The Board has decided to pay an interim dividend of 8.28 pence per ordinary share which represents an increase of 15% compared with the same period in 2011; dividend cover is 5.0 times (30 June 2011: 4.4 times). This interim dividend will be paid on 5 October 2012 to shareholders on the register at 7 September 2012, with an ex-dividend date of 5 September 2012.

Cashflow

EBITDA for the period amounted to £270 million, up 26% on 2011. The net cash inflow from operations during the first six months of 2012 totalled £134 million (2011: £155 million). The reduction in cash inflow from operations was caused by working capital movements, in particular an increase in debtor days in our International Power Projects business and less of an increase in creditors year-on-year. In terms of the increase in debtor days, a small number of our customers had significant overdue balances at the period end, and this had a material impact on our working capital. None of the customers are disputing the payment liability and we are hopeful that we will see some improvement in this position during the second half.

Capital expenditure of £233 million in the 6 months to June 2012 was up £52 million on the same period in 2011 reflecting continued investment in our International Power Projects and Local business fleet. Capital expenditure in the 12 months to June 2012 increased by £123 million compared to the 12 months to June 2011. The Aggreko International business accounted for the majority of this spend reflecting the expansion of our Local business in Asia, Latin America and Africa.

This increase in total capital expenditure, the cash outflow related to the Poit Energia acquisition, the £149 million return of capital to shareholders (£148 million in July 2011 and £1 million in May 2012) and higher working capital requirements were the main drivers in net debt at 30 June 2012 being £421 million higher than the same period last year. On a rolling 12-month basis, net debt to EBITDA was 1.2 times compared with 0.5 times for the same period in 2011.

Financial resources

The Group maintains sufficient facilities to meet its normal funding requirements over the medium term. At 30 June 2012, these facilities totalled £868 million in the form of committed bank facilities arranged on a bilateral basis with a number of international banks and private placement notes. Since the start of 2012, we have put in place £205 million of new facilities. 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 2012, these stood at 26.3 times and 1.2 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. In addition, since 30 June 2012 we have put in place a new committed bank facility of £77 million with a maturity of four years.

Net debt amounted to £678 million at 30 June 2012 and, at that date, un-drawn committed facilities were £230 million.

Net operating assets

The net operating assets of the Group at 30 June 2012 totalled £1,667 million, up £415 million on the same period in 2011. The main components of net operating assets are:

	2012 £ million	2011 £ million	Movement Headline	Constant currency[1]
Rental fleet	**1,155**	876	32%	32%
Property and plant	**80**	63	26%	29%
Inventory	**174**	145	20%	20%
Net trade debtors	**345**	267	29%	29%

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 2012 were £1,424 million, up 30% on the same period in 2011; operating profit for the same period was £373 million. In the first half of 2012 the ROCE decreased to 26.2% compared with 28.5% for the same period in 2011. This decrease is driven by the Local business with the 2011 comparative including the favourable impact from major events in the second half of 2010, as well as the impact of the Poit Energia acquisition, for which the assets are included, but only two months of trading is reflected. International Power Projects return on capital employed is flat year-on-year.

Acquisitions

On 16 April 2012 we completed the acquisition of the entire share capital of Companhia Brasileira de Locacoes ('Poit Energia'), a leading provider of temporary power solutions in South America. The initial transaction price of £138 million (R$404 million) was made up of £105 million consideration payable to the owners of Poit Energia (£103 million paid at 30 June 2012) plus £33 million of debt, to be paid off by Aggreko on behalf of Poit Energia. Of the £33 million of debt, £27 million was settled by the half year and the remaining amount will be settled in the normal course of business as it falls due. In addition to the initial transaction price of £138 million, there is a further amount of up to £20 million conditional on the business achieving stretching performance targets for the year to 31 December 2012.

The total purchase consideration for accounting purposes was £125 million comprising the £105 million cash consideration plus the deferred consideration of £20 million. The fair value of net assets acquired was £38 million resulting in goodwill of £87 million. For accounting purposes the £33 million of debt does not form part of the purchase consideration. The detailed acquisition note is contained in Note 18 in the Accounts.

Shareholders' equity

Shareholders' equity increased by £46 million to £927 million in the six months ended 30 June 2012, represented by the net assets of the Group of £1,605 million before net debt of £678 million. The movements in shareholders' equity are analysed in the table below:

Movements in shareholders' equity

	£ million	£ million
As at 1 January 2012		881
Profit for the financial period	108	
Dividend[1]	(36)	
Retained earnings		72
New share capital subscribed		2
Return of value to shareholders		(2)
Purchase of own shares held under trust		(11)
Credit in respect of employee share awards		8
Actuarial gains on retirement benefits		4
Currency translation difference		(25)
Movement in hedging reserve		–
Other[2]		(2)
As at 30 June 2012		**927**

1 Reflects the dividend of 13.59 pence per share (2011: 12.35 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 59 of the 2011 Annual Report and Accounts. Also set out on pages 29 to 33 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.

Rupert Soames
Chief Executive

Angus Cockburn
Finance Director

2 August 2012

Group Income Statement

For the six months ended 30 June 2012 (unaudited)

	Notes	6 months ended 30 June 2012 £ million	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million
Revenue	6	**733.7**	637.2	1,396.1
Cost of sales		**(285.4)**	(268.2)	(576.7)
Gross profit		**448.3**	369.0	819.4
Distribution costs		**(201.9)**	(160.3)	(313.9)
Administrative expenses		**(89.9)**	(83.3)	(167.7)
Other income		**1.6**	1.8	4.6
Operating profit	6	**158.1**	127.2	342.4
Net finance costs				
– Finance cost		**(12.0)**	(8.4)	(19.7)
– Finance income		**0.2**	0.2	1.0
Profit before taxation		**146.3**	119.0	323.7
Taxation	9	**(38.0)**	(33.9)	(92.2)
Taxation – exceptional	9	**–**	–	28.6
		(38.0)	(33.9)	(63.6)
Profit for the period – pre-exceptional items		**108.3**	85.1	231.5
Profit for the period – post-exceptional items		**108.3**	85.1	260.1

The above results relate to continuing operations and all profit for the period is attributable to equity shareholders of the Company.

	Notes	6 months ended 30 June 2012	6 months ended 30 June 2011	Year ended 31 Dec 2011
Basic earnings per share (pence)				
Pre-exceptional items	8	**41.03**	31.69	87.14
Post-exceptional items	8	**41.03**	31.69	97.91
Diluted earnings per share (pence)				
Pre-exceptional items	8	**40.91**	31.58	86.76
Post-exceptional items	8	**40.91**	31.58	97.49

Group Statement of Comprehensive Income

For the six months ended 30 June 2012 (unaudited)

	6 months ended 30 June 2012 £ million	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million
Profit for the period	**108.3**	85.1	260.1
Other comprehensive income			
Actuarial gains/(losses) on retirement benefits (net of tax)	**3.3**	0.1	(3.8)
Cashflow hedges (net of tax)	**–**	1.2	(2.8)
Net exchange losses offset in reserves (net of tax)	**(25.3)**	(14.4)	(10.9)
Other comprehensive loss for the period (net of tax)	**(22.0)**	(13.1)	(17.5)
Total comprehensive income for the period	**86.3**	72.0	242.6

Group Balance Sheet (Company Number: SC177553)

As at 30 June 2012 (unaudited)

	Notes	30 June 2012 £ million	30 June 2011 £ million	31 Dec 2011 £ million
Non-current assets				
Goodwill	10	**151.2**	64.8	65.0
Other intangible assets		**29.2**	16.9	16.3
Property, plant and equipment	11	**1,235.3**	939.4	1,087.0
Deferred tax asset		**15.7**	11.6	15.7
		1,431.4	1,032.7	1,184.0
Current assets				
Inventories		**174.4**	145.0	147.4
Trade and other receivables	12	**508.2**	409.9	382.8
Cash and cash equivalents	5	**22.5**	63.0	53.2
Derivative financial instruments		**0.4**	0.2	0.2
Current tax assets		**4.6**	6.9	4.8
		710.1	625.0	588.4
Total assets		**2,141.5**	1,657.7	1,772.4
Current liabilities				
Borrowings	13	**(63.1)**	(39.1)	(36.9)
Derivative financial instruments		**–**	(1.1)	(0.4)
Trade and other payables		**(429.1)**	(372.5)	(381.7)
Current tax liabilities		**(36.7)**	(49.0)	(64.4)
		(528.9)	(461.7)	(483.4)
Non-current liabilities				
Borrowings	13	**(637.7)**	(281.1)	(380.8)
Derivative financial instruments		**(13.9)**	(8.2)	(13.5)
Deferred tax liabilities		**(33.5)**	(31.4)	(7.6)
Retirement benefit obligation	15	**(0.6)**	(0.6)	(5.5)
Provisions		**(0.2)**	(0.2)	(0.3)
		(685.9)	(321.5)	(407.7)
Total liabilities		**(1,214.8)**	(783.2)	(891.1)
Net assets		**926.7**	874.5	881.3
Shareholders' equity				
Share capital		**49.3**	55.1	49.3
Share premium		**18.2**	15.8	16.2
Treasury shares		**(34.3)**	(38.8)	(48.9)
Capital redemption reserve		**6.1**	0.1	5.9
Hedging reserve (net of deferred tax)		**(10.2)**	(6.2)	(10.2)
Foreign exchange reserve		**47.5**	69.3	72.8
Retained earnings		**850.1**	779.2	796.2
Total shareholders' equity		**926.7**	874.5	881.3

Group Cash Flow Statement

For the six months ended 30 June 2012 (unaudited)

	Notes	**6 months ended 30 June 2012 £ million**	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million
Cash flows from operating activities				
Cash generated from operations	4	**133.7**	155.2	508.8
Tax paid		**(43.6)**	(52.6)	(89.1)
Interest received		**0.2**	0.2	1.0
Interest paid		**(11.6)**	(6.1)	(17.4)
Net cash generated from operating activities		**78.7**	96.7	403.3
Cash flows from investing activities				
Acquisitions (net of cash acquired)	18	**(99.7)**	(14.2)	(14.2)
Acquisitions: repayment of loans and financing	18	**(22.2)**	–	–
Purchases of property, plant and equipment (PPE)		**(232.6)**	(181.0)	(418.2)
Proceeds from sale of PPE		**5.0**	5.5	12.6
Net cash used in investing activities		**(349.5)**	(189.7)	(419.8)
Cash flows from financing activities				
Net proceeds from issue of ordinary shares		**2.2**	1.2	1.6
Increase in long-term loans		**489.2**	283.3	697.3
Repayment of long-term loans		**(238.4)**	(119.8)	(450.0)
Net movement in short-term loans		**26.4**	(3.7)	2.4
Dividends paid to shareholders		**(36.2)**	(33.2)	(52.1)
Return of capital to shareholders		**(1.6)**	–	(147.7)
Purchase of treasury shares		**(11.1)**	–	(10.1)
Net cash generated from financing activities		**230.5**	127.8	41.4
Net (decrease)/increase in cash and cash equivalents		**(40.3)**	34.8	24.9
Cash and cash equivalents at beginning of the period		**34.5**	10.2	10.2
Exchange loss on cash and cash equivalents		**(0.2)**	(0.2)	(0.6)
Cash and cash equivalents at end of the period	5	**(6.0)**	44.8	34.5

Reconciliation of net cash flow to movement in net debt

For the six months ended 30 June 2012 (unaudited)

	Notes	**6 months ended 30 June 2012 £ million**	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million
(Decrease)/increase in cash and cash equivalents		**(40.3)**	34.8	24.9
Cash inflow from movement in debt		**(277.2)**	(159.8)	(249.7)
Changes in net debt arising from cash flows		**(317.5)**	(125.0)	(224.8)
Exchange gain/(loss)		**3.7**	–	(7.5)
Movement in net debt in period		**(313.8)**	(125.0)	(232.3)
Net debt at beginning of period		**(364.5)**	(132.2)	(132.2)
Net debt at end of period	13	**(678.3)**	(257.2)	(364.5)

Group Statement of Changes in Equity

For the six months ended 30 June 2012 (unaudited)

As at 30 June 2012

	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 2012	49.3	16.2	(48.9)	5.9	(10.2)	72.8	796.2	881.3
Profit for the period	–	–	–	–	–	–	108.3	108.3
Other comprehensive income:								
Fair value gains on foreign currency cash flow hedge	–	–	–	–	0.9	–	–	0.9
Transfers from hedging reserve to property, plant and equipment	–	–	–	–	(0.2)	–	–	(0.2)
Fair value losses on interest rate swaps	–	–	–	–	(0.4)	–	–	(0.4)
Currency translation differences	–	–	–	–	–	(25.3)	–	(25.3)
Deferred tax on items taken to or transferred from equity	–	–	–	–	(0.3)	–	–	(0.3)
Actuarial gains on retirement benefits (net of tax)	–	–	–	–	–	–	3.3	3.3
Total comprehensive income for the period ended 30 June 2012	**–**	**–**	**–**	**–**	**–**	**(25.3)**	**111.6**	**86.3**
Transactions with owners:								
Purchase of treasury shares (Note (i))	–	–	(11.1)	–	–	–	–	(11.1)
Credit in respect of employee share awards	–	–	–	–	–	–	8.2	8.2
Issue of ordinary shares to employees under share option schemes	–	–	25.7	–	–	–	(25.7)	–
Current tax on items taken to or transferred from equity	–	–	–	–	–	–	15.9	15.9
Deferred tax on items taken to or transferred from equity	–	–	–	–	–	–	(18.3)	(18.3)
Return of capital to shareholders (Note (ii))	–	–	–	–	–	–	(1.6)	(1.6)
Capital redemption reserve (Note (ii))	(0.2)	–	–	0.2	–	–	–	–
New share capital subscribed (Note (iii))	0.2	2.0	–	–	–	–	–	2.2
Dividends paid during the period	–	–	–	–	–	–	(36.2)	(36.2)
	–	2.0	14.6	0.2	–	–	(57.7)	(40.9)
Balance at 30 June 2012	**49.3**	**18.2**	**(34.3)**	**6.1**	**(10.2)**	**47.5**	**850.1**	**926.7**

(i) During the period 508,162 Ordinary shares of $13\frac{549}{775}$ pence each were acquired in the open market at a price of £21.64 by the Aggreko Employee Benefit Trust. These shares were acquired using funds provided by Aggreko plc to meet its obligations under the Long-term Incentive Arrangements.

(ii) 2,947,585 B shares were bought back in May 2012 at a price of 55.5 pence per share. As a result of this transaction £0.2 million was transferred from ordinary share capital to capital redemption reserve being 2,947,585 shares at par value $6\frac{18}{25}$ pence.

(iii) During the period 574,015 Ordinary shares of $13\frac{549}{775}$ pence each have been issued at prices ranging from £2.82 to £16.90 to satisfy the exercise of options under the Sharesave Schemes by eligible employees. In addition 1,028,222 shares were allotted at par to US participants in the Long-term Incentive Plan.

Group Statement of Changes in Equity continued

For the six months ended 30 June 2012 (unaudited)

As at 30 June 2011

	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 2011	54.9	14.8	(49.6)	0.1	(7.4)	83.7	717.9	814.4
Profit for the period	–	–	–	–	–	–	85.1	85.1
Other comprehensive income:								
Fair value gains on foreign currency cash flow hedge	–	–	–	–	1.5	–	–	1.5
Transfers from hedging reserve to property, plant and equipment	–	–	–	–	(1.2)	–	–	(1.2)
Fair value gains on interest rate swaps	–	–	–	–	1.0	–	–	1.0
Currency translation differences	–	–	–	–	–	(14.4)	–	(14.4)
Deferred tax on items taken to or transferred from equity	–	–	–	–	(0.1)	–	–	(0.1)
Actuarial gains on retirement benefits (net of tax)	–	–	–	–	–	–	0.1	0.1
Total comprehensive income for the period ended 30 June 2011	–	–	–	–	1.2	(14.4)	85.2	72.0
Transactions with owners:								
Credit in respect of employee share awards	–	–	–	–	–	–	10.7	10.7
Issue of ordinary shares to employees under share option schemes	–	–	10.8	–	–	–	(10.8)	–
Current tax on items taken to or transferred from equity	–	–	–	–	–	–	7.8	7.8
Deferred tax on items taken to or transferred from equity	–	–	–	–	–	–	1.6	1.6
New share capital subscribed (Note (i))	0.2	1.0	–	–	–	–	–	1.2
Dividends paid during the period	–	–	–	–	–	–	(33.2)	(33.2)
	0.2	1.0	10.8	–	–	–	(23.9)	(11.9)
Balance at 30 June 2011	**55.1**	**15.8**	**(38.8)**	**0.1**	**(6.2)**	**69.3**	**779.2**	**874.5**

(i) During the period 275,862 Ordinary shares of 20 pence each have been issued at prices ranging from £1.89 to £14.32 to satisfy the exercise of options under the Sharesave Schemes by eligible employees. In addition 666,562 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 2012 (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 2 August 2012.

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 2011 were approved by the Board on 9 March 2012 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 26.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2012 has been prepared in accordance with the Disclosure and Transparency Rules (DTR) of 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 2011, 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 £868 million at 30 June 2012. The financial covenants attached to these facilities are that EBITDA should be no less than 4 times interest (30 June 2012: 26.3 times) and net debt should be no more than 3 times EBITDA (30 June 2012: 1.2 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

The accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2011, 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.

4 Cashflow from operating activities

	6 months ended 30 June 2012 £ million	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million
Profit for the period	**108.3**	85.1	260.1
Adjustments for:			
Tax	**38.0**	33.9	63.6
Depreciation	**110.2**	86.5	185.5
Amortisation of intangibles	**2.1**	1.7	3.6
Finance income	**(0.2)**	(0.2)	(1.0)
Finance cost	**12.0**	8.4	19.7
Profit on sale of PPE	**(1.6)**	(1.8)	(4.6)
Share based payments	**8.2**	10.7	19.8
Changes in working capital (excluding the effects of exchange differences on consolidation):			
Increase in inventories	**(26.2)**	(28.6)	(29.3)
Increase in trade and other receivables	**(124.7)**	(102.3)	(74.4)
Increase in trade and other payables	**7.6**	61.8	65.8
Cash generated from operations	**133.7**	155.2	508.8

5 Cash and cash equivalents

	30 June 2012 £ million	30 June 2011 £ million	31 Dec 2011 £ million
Cash at bank and in hand	**21.5**	33.0	16.8
Short-term bank deposits	**1.0**	30.0	36.4
	22.5	63.0	53.2

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

	30 June 2012 £ million	30 June 2011 £ million	31 Dec 2011 £ million
Cash and cash equivalents	**22.5**	63.0	53.2
Bank overdrafts (Note 13)	**(28.5)**	(18.2)	(18.7)
	(6.0)	44.8	34.5

6 Segmental reporting

(a) Revenue by segment

	Total revenue			Inter-segment revenue			External revenue		
	6 months ended 30 June 2012 £ million	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million	6 months ended 30 June 2012 £ million	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million	6 months ended 30 June 2012 £ million	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million
Middle East & Developing Europe	**70.0**	55.8	133.8	**–**	–	0.1	**70.0**	55.8	133.7
Europe	**94.8**	76.4	168.9	**–**	0.1	0.1	**94.8**	76.3	168.8
North America	**131.8**	114.6	258.8	**0.1**	–	0.1	**131.7**	114.6	258.7
International Local	**107.3**	78.5	173.5	**0.3**	0.3	0.6	**107.0**	78.2	172.9
Local business	**403.9**	325.3	735.0	**0.4**	0.4	0.9	**403.5**	324.9	734.1
International Power Projects	**330.5**	312.7	662.8	**0.3**	0.4	0.8	**330.2**	312.3	662.0
Eliminations	**(0.7)**	(0.8)	(1.7)	**(0.7)**	(0.8)	(1.7)	**–**	–	–
Group	**733.7**	637.2	1,396.1	**–**	–	–	**733.7**	637.2	1,396.1

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.

(ii) International Power Projects (IPP) is a global segment administered from Dubai. At the end of the period and previous periods the assets of the IPP segment are predominantly located in the Middle East, Asia-Pacific, Latin America and Africa.

(iii) In accordance with how management monitors the business the results and net assets of the Russia business are now included in the Middle East & Developing Europe segment instead of the Europe segment as previously reported. Comparative figures have been restated but the effect is not considered material. As a consequence of this the Middle East & South East Europe segment has been renamed the Middle East & Developing Europe segment.

(b) Profit by segment

	Trading profit/(loss) pre intangible asset amortisation			Amortisation of intangible assets arising from business combinations			Trading profit/(loss)		
	6 months ended 30 June 2012 £ million	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million	**6 months ended 30 June 2012 £ million**	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million	**6 months ended 30 June 2012 £ million**	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million
Middle East & Developing Europe	**12.1**	10.0	11.7	**–**	–	(0.1)	**12.1**	10.0	11.6
Europe	**2.4**	(0.3)	30.0	**(0.1)**	(0.1)	(0.1)	**2.3**	(0.4)	29.9
North America	**21.0**	17.0	51.8	**(1.2)**	(1.2)	(2.5)	**19.8**	15.8	49.3
International Local	**18.5**	14.6	30.7	**(0.8)**	(0.4)	(0.7)	**17.7**	14.2	30.0
Local business	**54.0**	41.3	124.2	**(2.1)**	(1.7)	(3.4)	**51.9**	39.6	120.8
International Power Projects	**104.6**	85.8	217.1	**–**	–	(0.1)	**104.6**	85.8	217.0
Group	**158.6**	127.1	341.3	**(2.1)**	(1.7)	(3.5)	**156.5**	125.4	337.8

	Gain/(loss) on sale of PPE			Operating profit/(loss)		
	6 months ended 30 June 2012 £ million	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million	**6 months ended 30 June 2012 £ million**	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million
Middle East & Developing Europe	**–**	(0.2)	(0.3)	**12.1**	9.8	11.3
Europe	**0.1**	–	(0.1)	**2.4**	(0.4)	29.8
North America	**0.9**	1.2	2.7	**20.7**	17.0	52.0
International Local	**0.2**	0.3	0.7	**17.9**	14.5	30.7
Local business	**1.2**	1.3	3.0	**53.1**	40.9	123.8
International Power Projects	**0.4**	0.5	1.6	**105.0**	86.3	218.6
Group	**1.6**	1.8	4.6	**158.1**	127.2	342.4
Finance costs – net				**(11.8)**	(8.2)	(18.7)
Profit before taxation				**146.3**	119.0	323.7
Taxation				**(38.0)**	(33.9)	(63.6)
Profit for the period				**108.3**	85.1	260.1

Accounts

6 Segmental reporting continued

(c) Depreciation and amortisation by segment

	6 months ended 30 June 2012 £ million	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million
Middle East & Developing Europe	**13.5**	11.3	24.0
Europe	**8.7**	9.0	17.3
North America	**19.2**	15.3	33.3
International Local	**17.3**	11.2	24.1
Local business	**58.7**	46.8	98.7
International Power Projects	**53.6**	41.4	90.4
Group	**112.3**	88.2	189.1

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

	6 months ended 30 June 2012 £ million	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million
Middle East & Developing Europe	**25.5**	18.0	29.5
Europe	**41.0**	13.7	25.3
North America	**35.5**	28.9	67.6
International Local	**106.0**	59.6	74.2
Local business	**208.0**	120.2	196.6
International Power Projects	**89.0**	69.0	229.5
Group	**297.0**	189.2	426.1

(i) Capital expenditure comprises additions of property, plant and equipment (PPE) of £232.6 million (30 June 2011: £181.0 million, 31 December 2011: £418.2 million), acquisitions of PPE of £47.9 million (30 June 2011: £6.4 million, 31 December 2011: £4.8 million) and acquisitions of other intangible assets of £16.5 million (30 June 2011: £1.8 million, 31 December 2011: £3.1 million).

(ii) The net book value of total Group disposals of PPE during the period were £3.4 million (30 June 2011: £3.7 million, 31 December 2011: £8.0 million).

(e) Total assets by segment

	6 months ended 30 June 2012 £ million	6 months ended 30 June 2011 £ million	Year ended 31 Dec 2011 £ million
Middle East & Developing Europe	**193.7**	181.2	173.0
Europe	**226.3**	156.1	147.9
North America	**321.7**	294.4	310.4
International Local	**433.8**	213.0	243.7
Local business	**1,175.5**	844.7	875.0
International Power Projects	**945.3**	794.3	876.7
	2,120.8	1,639.0	1,751.7
Deferred and current tax asset	**20.3**	18.5	20.5
Derivative financial instruments	**0.4**	0.2	0.2
Total assets per balance sheet	**2,141.5**	1,657.7	1,772.4

7 Dividends

The dividends paid in the period were:

	6 months ended 30 June 2012	6 months ended 30 June 2011	Year ended 31 Dec 2011
Total dividend (£ million)	**36.2**	33.2	52.1
Dividend per share (pence)	**13.59**	12.35	19.55

An interim dividend in respect of 2012 of 8.28 pence (2011: 7.20 pence), amounting to a total dividend of £22.0 million (2011: £18.9 million) was proposed during the period. This interim dividend will be paid on 5 October 2012 to shareholders on the register on 7 September 2012, with an ex-dividend date of 5 September 2012.

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 2012	30 June 2011	31 Dec 2011
Profit for the period (£ million)	**108.3**	85.1	260.1
Weighted average number of ordinary shares in issue (million)	**263.8**	268.5	265.6
Basic earnings per share (pence)	**41.03**	31.69	97.91

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 2012	30 June 2011	31 Dec 2011
Profit for the period (£ million)	**108.3**	85.1	260.1
Weighted average number of ordinary shares in issue (million)	**263.8**	268.5	265.6
Adjustment for share options (million)	**0.8**	1.0	1.1
Diluted weighted average number of ordinary shares in issue (million)	**264.6**	269.5	266.7
Diluted earnings per share (pence)	**40.91**	31.58	97.49

Aggreko plc assesses the performance of the Group by adjusting earnings per share, calculated in accordance with IAS 33, to exclude items it considers to be non-recurring and believes that the exclusion of such items provides a better comparison of business performance. The calculation of earnings per ordinary share on a basis which excludes exceptional items is based on the following adjusted earnings:

	30 June 2012 £ million	30 June 2011 £ million	31 Dec 2011 £ million
Profit for the period	**108.3**	85.1	260.1
Exclude exceptional items	**–**	–	(28.6)
Adjusted earnings	**108.3**	85.1	231.5

An adjusted earnings per share figure is presented below.

	30 June 2012 £ million	30 June 2011 £ million	31 Dec 2011 £ million
Basic earnings per share pre-exceptional items (pence)	**41.03**	31.69	87.14
Diluted earnings per share pre-exceptional items (pence)	**40.91**	31.58	86.76

9 Taxation

The taxation charge for the period is based on an estimate of the Group's expected annual effective rate of tax for 2012 based on prevailing tax legislation at 30 June 2012. This is currently estimated to be 26.0% (2011: 28.5%).

10 Goodwill

	30 June 2012 £ million	30 June 2011 £ million	31 Dec 2011 £ million
Cost			
Balance at beginning of period	**65.0**	60.4	60.4
Acquisition (Note 18)	**86.9**	4.7	4.8
Exchange adjustments	**(0.7)**	(0.3)	(0.2)
At end of period	**151.2**	64.8	65.0
Accumulated impairment losses	**–**	–	–
Net book value at end of period	**151.2**	64.8	65.0

11 Property, plant and equipment

Six months ended 30 June 2012

	Freehold properties £ million	Short leasehold properties £ million	Rental fleet £ million	Vehicles, plant and equipment £ million	Total £ million
Cost					
At 1 January 2012	58.3	16.7	2,012.6	78.9	2,166.5
Exchange adjustments	(0.7)	(0.4)	(33.1)	(1.5)	(35.7)
Additions	0.6	1.1	219.6	11.3	232.6
Acquisitions (Note 18)	–	0.1	44.8	3.0	47.9
Disposals	(0.4)	(0.4)	(22.4)	(1.4)	(24.6)
At 30 June 2012	**57.8**	**17.1**	**2,221.5**	**90.3**	**2,386.7**
Accumulated depreciation					
At 1 January 2012	16.7	9.0	997.8	56.0	1,079.5
Exchange adjustments	(0.4)	(0.2)	(15.7)	(0.8)	(17.1)
Charge for the period	0.9	0.9	103.4	5.0	110.2
Disposals	(0.4)	(0.4)	(19.2)	(1.2)	(21.2)
At 30 June 2012	**16.8**	**9.3**	**1,066.3**	**59.0**	**1,151.4**
Net book values					
At 30 June 2012	**41.0**	**7.8**	**1,155.2**	**31.3**	**1,235.3**
At 31 December 2011	41.6	7.7	1,014.8	22.9	1,087.0

11 Property, plant and equipment continued

Six months ended 30 June 2011

	Freehold properties £ million	Short leasehold properties £ million	Rental fleet £ million	Vehicles, plant and equipment £ million	Total £ million
Cost					
At 1 January 2011	46.2	15.8	1,659.8	71.4	1,793.2
Exchange adjustments	(0.1)	–	(31.5)	–	(31.6)
Additions	–	1.1	169.4	10.5	181.0
Acquisitions	–	–	6.4	–	6.4
Disposals	–	(0.1)	(23.0)	(0.5)	(23.6)
At 30 June 2011	**46.1**	**16.8**	**1,781.1**	**81.4**	**1,925.4**
Accumulated depreciation					
At 1 January 2011	15.3	8.1	858.1	52.9	934.4
Exchange adjustments	(0.1)	–	(14.9)	–	(15.0)
Charge for the period	0.6	0.8	81.3	3.8	86.5
Disposals	–	(0.1)	(19.4)	(0.4)	(19.9)
At 30 June 2011	**15.8**	**8.8**	**905.1**	**56.3**	**986.0**
Net book values					
At 30 June 2011	**30.3**	**8.0**	**876.0**	**25.1**	**939.4**
At 31 December 2010	30.9	7.7	801.7	18.5	858.8

12 Trade and other receivables

	30 June 2012 £ million	30 June 2011 £ million	31 Dec 2011 £ million
Trade receivables	**398.1**	312.9	300.5
Less: provision for impairment of receivables	**(53.6)**	(45.7)	(36.3)
Trade receivables – net	**344.5**	267.2	264.2
Prepayments and accrued income	**126.8**	103.8	89.0
Other receivables	**36.9**	38.9	29.6
Total receivables	**508.2**	409.9	382.8

Provision for impairment of receivables

	30 June 2012 £ million	30 June 2011 £ million	31 Dec 2011 £ million
Middle East & Developing Europe	**2.2**	1.8	1.8
Europe	**2.6**	2.7	2.8
North America	**1.8**	1.3	1.4
International Local	**2.6**	0.9	1.6
Local Business	**9.2**	6.7	7.6
International Power Projects	**44.4**	39.0	28.7
Group	**53.6**	45.7	36.3

13 Borrowings

	30 June 2012 £ million	30 June 2011 £ million	31 Dec 2011 £ million
Non-current			
Bank borrowings	**397.3**	281.1	202.5
Private placement notes	**240.4**	–	178.3
	637.7	281.1	380.8
Current			
Bank overdrafts	**28.5**	18.2	18.7
Bank borrowings	**34.6**	20.9	18.2
	63.1	39.1	36.9
Total borrowings	**700.8**	320.2	417.7
Short-term deposits	**(1.0)**	(30.0)	(36.4)
Cash at bank and in hand	**(21.5)**	(33.0)	(16.8)
Net borrowings	**678.3**	257.2	364.5

Overdrafts and borrowings are unsecured.

The maturity of financial liabilities
The maturity profile of the borrowings was as follows:

	30 June 2012 £ million	30 June 2011 £ million	31 Dec 2011 £ million
Within 1 year, or on demand	**63.1**	39.1	36.9
Between 1 and 2 years	**233.8**	10.1	170.0
Between 2 and 3 years	**–**	80.5	–
Between 3 and 4 years	**163.5**	–	32.5
Between 4 and 5 years	**–**	18.7	–
Greater than 5 years	**240.4**	171.8	178.3
	700.8	320.2	417.7

Since 30 June 2012 we have put in place a new committed bank facility of £77 million with a maturity of four years.

14 Capital commitments

	30 June 2012 £ million	30 June 2011 £ million	31 Dec 2011 £ million
Contracted but not provided for (property, plant and equipment)	**44.5**	38.4	21.0

15 Pension commitments

Analysis of movement in retirement benefit obligation in the period:

	30 June 2012 £ million	30 June 2011 £ million	31 Dec 2011 £ million
At start of period	**(5.5)**	(3.2)	(3.2)
Income statement expense	**(1.2)**	(0.9)	(1.7)
Contributions	**1.7**	3.4	4.4
Net actuarial gain/(loss)	**4.4**	0.1	(5.0)
At end of period	**(0.6)**	(0.6)	(5.5)

16 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.

17 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.

18 Acquisitions

On 16 April 2012 the Group completed the acquisition of the entire share capital of Companhia Brasileira de Locacoes ('Poit Energia'), a leading provider of temporary power solutions in South America. The acquisition of Poit Energia supports Aggreko's strategy of expanding its Local businesses in fast growing economies; it strengthens Aggreko's business in South America, both in terms of geographical footprint and access to sectors which Aggreko is currently not in or to which it has limited exposure.

The purchase consideration, paid in cash, comprises a fixed element of £104.7 million (£103.1 million of which has been paid at the half year and £1.6 million of which is payable in half two 2012) and further payments up to a maximum of £20.4 million if performance targets for the year to 31 December 2012 are met. The total £20.4 million has been accrued. This gives a maximum cash consideration of £125.1 million.

The initial transaction price of £137.5 million (R$404 million) disclosed at the time of the acquisition was made up of £104.7 million consideration payable to the owners of Poit Energia plus £32.8 million of debt (including loans and financing) to be paid off by Aggreko on behalf of Poit Energia. Of the £137.5 million, £130.3 million was settled by the half year comprising £103.1 million of the fixed consideration and £27.2 million of debt (£22.2 million of loans and financing and £5.0 million of working capital payments). The remaining consideration of £1.6 million will be paid in half two 2012 and the remaining debt amount of £5.6 million will be settled in the normal course of business as it falls due.

The revenue and operating profit included in the consolidated income statement from 16 April 2012 to 30 June 2012 contributed by Poit Energia was £10.9 million and £1.6 million respectively. Had Poit Energia been consolidated from 1 January 2012, the consolidated income statement for the six months ended 30 June 2012 would show revenue and operating profit of £26.2 million and £2.4 million respectively.

The acquisition method of accounting has been adopted and the goodwill arising on the purchase has been capitalised. Acquisition related costs of £1.6 million have been expensed in the period within Administrative expenses in the income statement.

The details of the transaction and fair value of assets acquired are shown below:

	Fair value £ million
Intangible assets	16.5
Property, plant and equipment	47.9
Inventories	2.8
Trade and other receivables	10.2
Deferred tax asset	5.9
Cash and cash equivalents	3.4
Trade and other payables	(19.4)
Deferred tax liability	(5.6)
Loans and financing	(23.5)
Net assets acquired	38.2
Goodwill	86.9
Consideration	125.1
Less contingent consideration	(20.4)
Less consideration payable in half two 2012	(1.6)
Less cash and cash equivalents acquired	(3.4)
Net cash outflow	99.7

Accounts

18 Acquisitions continued

Reconciliation to cash flow statement

	£ million
Acquisitions (net of cash acquired) per cash flow statement	99.7
Add back cash acquired	3.4
Total fixed consideration paid out at 30 June 2012	103.1
Acquisitions: repayment of loans and financing per cash flow statement	22.2
Working capital movements (included as part of working capital movements in Note 4)	5.0
Total cash outflow in the period	130.3

The fair values contain some provisional amounts which will be finalised in the 2012 Annual Report and Accounts. These include estimated values for inventory as well as the physical condition of fleet assets which have still to be finally assessed. Intangible assets represent customer relationships and a non-compete agreement.

Goodwill represents the value of synergies arising from the integration of the acquired business. Synergies include direct cost savings and the reduction of overheads as well as the ability to leverage Aggreko systems and access to assets.

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 2011 with the exception of the following changes in the period: Philip Rogerson retired on 25 April 2012 and Diana Layfield was appointed on 1 May 2012.

By order of the Board

Rupert Soames
Chief Executive

Angus Cockburn
Finance Director

2 August 2012

Independent Review Report to Aggreko plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2012, which comprises the Group Income Statement, Group Statement of Comprehensive Income, Group Balance Sheet, Group Cash Flow Statement, Group Statement of Changes in Equity and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in Note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, 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.

Scope of review

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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2012 is 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
Glasgow
2 August 2012

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 2012.

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

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Calls cost 10p per minute plus
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Stockbrokers

UBS – London
Citigroup Global Markets –
London

Auditors

PricewaterhouseCoopers LLP –
Glasgow
Chartered Accountants

Financial calendar

	6 months ended 30 June 2012	Year ending 31 December 2012
Results announced	2 August 2012	March 2013
Report posted	15 August 2012	Mid March 2013
Annual General Meeting	–	Late April 2013
Ex-dividend date	5 September 2012	Late April 2013
Dividend record date	7 September 2012	Late April 2013
Dividend payment date	5 October 2012	Late May 2013

Boiler room scams

Over the last few years many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority (FSA) has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been experienced investors who had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation.
- Check that they are properly authorised by the FSA before getting involved. You can check at www.fsa.gov.uk/register/.
- Report the matter to the FSA either by calling 0845 606 1234 or visiting www.moneyadviceservice.org.uk.
- If the calls persist, hang up.

If you deal with an unauthorised firm, you would not be eligible to receive payment under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml.

Details of any sharedealing facilities that the company endorses will be included in company mailings.

More detailed information on this or similar activity can be found on the FSA website www.fsa.gov.uk/consumer/.

Financial Summary

Full year	Dec 08	Dec 09	Dec 10	Dec 11
Revenue (£m)	947	1,024	1,230	1,396
Trading profit (£m)[1]	201	253	312	338
Trading margin (%)	21	25	25	24
Dividend per share (pence)	10.08	12.60	18.90	20.79
Profit before tax (£m)	190	244	304	324
Diluted earnings per share (pence)	45.56	62.42	78.98	86.76[2]
Net operating assets (£m)	952	884	1,066	1,354
Capital expenditure (£m)	265	161	269	418
Net debt (£m)	(364)	(176)	(132)	(365)
Shareholders' funds (£m)	465	603	814	881

Half 1	Jun 08	Jun 09	Jun 10	Jun 11	**Jun 12**
Revenue (£m)	408	500	584	637	**734**
Trading profit (£m)[1]	73	106	130	125	**157**
Trading margin (%)	18	21	22	20	**21**
Dividend per share (pence)	3.80	4.37	6.55	7.20	**8.28**
Profit before tax (£m)	68	106	126	119	**146**
Diluted earnings per share (pence)	16.88	26.69	32.33	31.58	**40.91**
Net operating assets (£m)	653	872	960	1,252	**1,667**
Capital expenditure (£m)	124	97	104	181	**233**
Net debt (£m)	(278)	(287)	(160)	(257)	**(678)**
Shareholders' funds (£m)	318	490	690	875	**927**

Half 2	Dec 08	Dec 09	Dec 10	Dec 11
Revenue (£m)	539	524	646	759
Trading profit (£m)[1]	128	147	182	213
Trading margin (%)	24	28	28	28
Dividend per share (pence)	6.28	8.23	12.35	13.59
Profit before tax (£m)	122	138	178	205
Diluted earnings per share (pence)	28.68	35.73	46.65	55.18[2]
Net operating assets (£m)	952	884	1,066	1,354
Capital expenditure (£m)	141	64	165	237
Net debt (£m)	(364)	(176)	(132)	(365)
Shareholders' funds (£m)	465	603	814	881

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

2 2011 full year and half 2 diluted EPS are pre-exceptional items.

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