INTERIM 2011

Aggreko plc Interim Report 2011

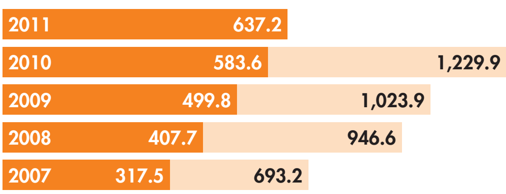
aggreko

OUR PERFORMANCE

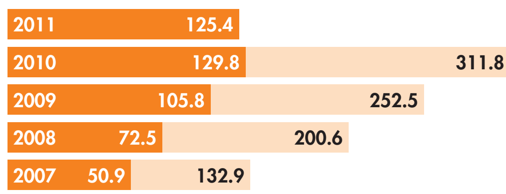
Financial highlights for the six months ended 30 June 2011

	2011	2010	Movement As reported %	Movement Constant currency %
Revenue £m	**637.2**	583.6	9.2	12.8
Trading profit £m	**125.4**	129.8	(3.4)	0.3
Profit before tax £m	**119.0**	125.7	(5.3)	
Diluted EPS pence	**31.58**	32.33	(2.3)	
Dividend per share pence	**7.20**	6.55	10.0	

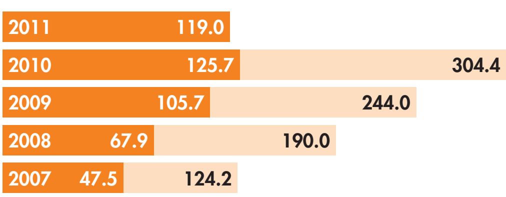
Revenue
£m



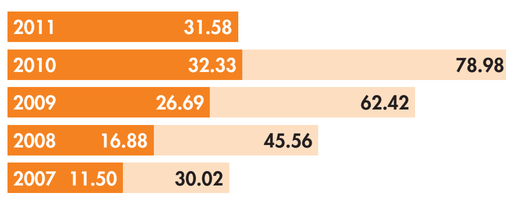
Trading profit
£m



Profit before tax
£m

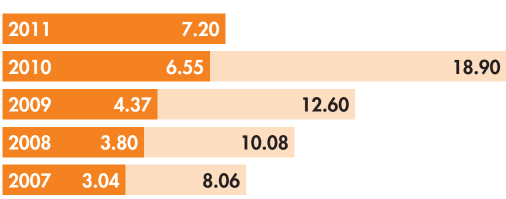


Diluted eps
Pence



Half year Full year

Dividend per share
Pence



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.

CHAIRMAN'S STATEMENT

Philip Rogerson | Chairman

Introduction

Aggreko delivered a strong performance in the first half of 2011. On an underlying basis (in constant currency and excluding the one-off impact of the Vancouver Winter Olympics, the FIFA World Cup and the Asian Games as well as pass-through fuel), revenue grew by 21% and trading profit by 17%. Reported revenue increased by 9% and reported trading profit decreased by 3%.

Our strong margins and cashflows have enabled us to substantially increase the rate of our investment in rental fleet to record levels and, at the same, time deliver a material amount of value to shareholders by way of a £151 million return of capital. Plans to do this were announced in March 2011, the proposals were approved by shareholders on 5 July 2011 and the return, equivalent to 55 pence per ordinary share, was completed in July. Following the return, and on a pro-forma basis, our net debt stands at 0.8 times EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) generated in the 12 months to 30 June 2011, which has moved us closer to our longer-term target of around 1 times net debt to EBITDA.

Dividend

The Board has decided to pay an interim dividend of 7.20 pence per share, which is an increase of 10% over the 2010 interim dividend. This interim dividend will be paid on 19 October 2011 to shareholders on the register at 23 September 2011, with an ex-dividend date of 21 September 2011.

Trading

Reported revenue in the first half at £637.2 million (2010: £583.6 million) was 9% higher than 2010 while underlying revenue, as defined above, increased by 21%. Profit before tax decreased by 5% to £119.0 million (2010: £125.7 million), which represents strong underlying growth, on the same basis as above. International Power Projects order book grew to record levels and, at the end of June, was 27% higher than the year before. Many of our Local businesses delivered strong year-on-year growth, and our businesses in North America and Australia in particular performed very well.

During the first six months we accelerated the pace of investment; fleet capital expenditure in the first half was £169.4 million, compared with £99.1 million in the same period last year. As highlighted in our June trading update, it is expected that fleet capital expenditure for the full year will be around £420 million compared with £254.4 million in 2010.

Net debt increased by £125.0 million to £257.2 million in the period. Aggreko's financial position is very strong with interest cover measured on an EBITDA basis of 36.2 times (30 June 2010: 28.5 times). Aggreko had bank facilities and private placement funding totalling £762.8 million at 30 June 2011.

Board

At the Company's Annual General Meeting in April, I announced that I intend to step down as Chairman and also from the Board of Aggreko at the AGM in April 2012, at which point I will have served ten years as Chairman and fifteen years on the Board. My successor as Chairman will be Ken Hanna, who joined the Board in October 2010; Ken is Chairman of Inchcape plc and a Non-executive Director of Tesco plc.

The Board notes the publication of the Davies Review on Women on Boards in February 2011 and the subsequent consultation being undertaken by the Financial Reporting Council in relation to potential changes to the UK Corporate Governance Code. The Board aims to have a broad range of skills, backgrounds and experience. While we will continue to follow a policy of ensuring that we appoint the best people for the relevant roles, we recognise the benefits of greater gender diversity and will continue to take account of this when considering any particular appointment.

Outlook

The Local business, on an underlying basis, performed well in the first half but, as is always the case, the outcome for the year as a whole will be heavily dependent on trading during the summer season. Further good progress has been made in the first weeks of the second half, with double-digit growth in megawatts of power on rent, and most Local businesses showing some improvement in rates; temperature control volumes are at similar levels to last year. With recent contract wins in Cyprus, Iraq and Russia, we expect our Europe and Middle East business to have a much better second half. In North America the underlying business continues to trade ahead of last year. Our Local businesses in Aggreko International have continued to grow strongly on an underlying basis.

Our International Power Projects business has good momentum, and now has over 25% more MW on rent than a year ago. Recent contract awards in Kenya, Brazil, Indonesia and Mali have helped to sustain the order book, and overall trading in the first weeks of the second half has been a little stronger than we expected. In the first half, margins in International Power Projects were impacted by £14 million of provisions taken against overdue payments for three specific customers, but we are hopeful that we will see some improvement in this position in the second half.

Although the prospects for the global economy in the months ahead are uncertain, we believe that we are well placed to deliver a strong second half, and that profit before tax and amortisation for the year as a whole will be higher than we indicated at the time of our Trading Update at the end of June; we now expect it to be around £315 million. This would equate to a rate of growth in underlying profits of around 24%.

Philip Rogerson

Philip Rogerson
Chairman
25 August 2011

INTERIM MANAGEMENT REPORT

Rupert Soames | Chief Executive

Angus Cockburn | Finance Director

Group trading performance

Aggreko delivered a strong performance in the first half of 2011. On an underlying basis (in constant currency and excluding the one-off impact of the Vancouver Winter Olympics, the FIFA World Cup and the Asian Games as well as pass-through fuel), revenue grew by 21% and trading profit by 17%. Reported revenue increased by 9% and reported trading profit decreased by 3%.

	2011 £ million	2010 £ million	Movement As reported	Movement Constant currency
Revenue	**637.2**	583.6	9.2%	12.8%
Revenue excl. pass-through fuel	**583.8**	546.5	6.8%	10.2%
Trading profit[1]	**125.4**	129.8	(3.4)%	0.3%
Operating profit	**127.2**	130.7	(2.7)%	1.1%
Net interest expense	**(8.2)**	(5.0)	(64.5)%	
Profit before tax	**119.0**	125.7	(5.3)%	
Taxation	**(33.9)**	(38.3)	11.5%	
Profit after tax	**85.1**	87.4	(2.6)%	
Basic earnings per share (pence)	**31.69**	32.49	(2.5)%	

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

Group revenue, as reported, increased 9% to £637.2 million (2010: £583.6 million), while Group trading profit of £125.4 million (2010: £129.8 million) decreased by 3%. Group trading margin was 20% (2010: 22%). Underlying revenue and trading profit (as defined above) increased by 21% and 17% respectively. On the same basis trading margin was 21% (2010: 22%).

Group profit before tax decreased by 5% to £119.0 million (2010: £125.7 million) and profit after tax decreased by 3% to £85.1 million (2010: £87.4 million) reflecting the reduction in the tax rate from 30.5% to 28.5%. On an underlying basis both these measures of profit increased strongly. Group return on capital employed, measured on a rolling 12-month basis, decreased to 28.5% (2010: 30.8%) due to lower margins in International Power Projects, increased working capital, and the absence of the one-off sporting events of 2010, which were less capital intensive than the underlying business. The ratio of revenue (excluding pass-through fuel) to gross rental assets which decreased from 74% to 72%, also reflected the lower level of capital required for one-off sporting events.

The strengthening of sterling during the period, in particular against the US dollar, had the effect of reducing revenue by £18.7 million and trading profit by £4.8 million. Pass-through fuel accounted for £53.4 million (2010: £37.1 million) of reported revenue of £637.2 million and £1.2 million (2010: £0.9 million) of reported trading profit of £125.4 million.

Fleet capital expenditure for the period was £169.4 million, £70.3 million higher than the prior year, and 208% of the depreciation charge in the period. The Aggreko International business accounted for the majority of the investment, and the largest investment in terms of product was in our gas fleet. In addition, we acquired £6.4 million of property, plant and equipment as part of the N. Z. Generator Hire Ltd (N. Z. Generator) acquisition in March 2011. The total consideration for this acquisition was £14.4 million.

Net debt at 30 June 2011 was £97.7 million higher than the same period last year, chiefly as a consequence of the £77.4 million year-on-year increase in total capital expenditure, the N. Z. Generator acquisition and increased levels of working capital.

Regional trading performance as reported in £ million

	Revenue			Trading Profit		
	2011 £ million	2010 £ million	Change %	**2011 £ million**	2010 £ million	Change %
Local business						
North America	**114.6**	115.0	(0.3)%	**15.8**	14.7	7.8%
Europe	**83.2**	76.4	8.9%	**2.1**	2.4	(9.8)%
Middle East & South East Europe (SEE)	**48.9**	48.7	0.4%	**7.5**	11.5	(35.1)%
Sub-total Europe & Middle East	**132.1**	125.1	5.6%	**9.6**	13.9	(30.9)%
International Local businesses	**78.2**	85.0	(8.0)%	**14.2**	23.5	(39.6)%
Sub-total Local business	**324.9**	**325.1**	**(0.1)%**	**39.6**	**52.1**	**(23.9)%**
International Power Projects (IPP)						
IPP excluding pass-through fuel	**258.9**	221.4	17.0%	**84.6**	76.8	10.1%
IPP pass-through fuel	**53.4**	37.1	43.8%	**1.2**	0.9	29.7%
Sub-total International Power Projects	**312.3**	**258.5**	**20.8%**	**85.8**	**77.7**	**10.3%**
Group	**637.2**	**583.6**	**9.2%**	**125.4**	**129.8**	**(3.4)%**
Group excluding pass-through fuel	**583.8**	**546.5**	**6.8%**	**124.2**	**128.9**	**(3.6)%**

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

Local business: North America

	2011 $ million	2010 $ million	Constant currency[1] change %
Revenue	**185.3**	175.3	4.2%
Trading profit	**25.6**	22.4	13.7%
Trading margin	**14%**	13%	

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

Our North American business delivered a very strong performance in the first half. Revenue in constant currency increased by 4% to $185.3 million, and by 27% on an underlying basis (i.e. excluding the impact of the Vancouver Winter Olympics). Despite the Vancouver Winter Olympics in 2010, trading profit grew by 14% to $25.6 million and trading margin improved from 13% to 14%.

On an underlying basis rental revenue was up 26% and services revenue was up 29%. Power rental revenue was up 29% with good base business growth as well as the added benefit of the acquisition of the Northland Power Services business in late 2010. Temperature control revenue was up 26%, driven by some large emergency contracts in our Cooling Tower business and oil-free compressed air rental revenues grew by 21%.

All geographic areas of the North American business achieved strong base business growth on the same period last year, after adjusting for revenues generated from the BP Gulf oil spill response and the Nashville floods.

This base business growth was also well spread across sectors with the strongest growth sectors being oil & gas, petrochemical & refining, and manufacturing; the growth came from both volume and rate improvements, with rates in North America generally back to pre-recession levels.

In the first half of 2011 we invested $12 million in new emissionised fleet and we expect to invest a further $25 million in the second half. This investment programme will continue into 2012, by which time substantially all our larger power fleet will be capable of operating at Tier 2 EPA standards or above.

We are encouraged by the strong performance of the North American business in the first half and we expect to make further progress in the second half. While the business has not yet had the benefit of any material storm revenue during the summer season, the underlying business continues to trade ahead of last year.

Local business: Europe & Middle East

	2011 £ million	2010 £ million	Constant currency change %
Revenue	**132.1**	125.1	7.9%
Trading profit	**9.6**	13.9	(27.0)%
Trading margin	**7%**	11%	

Europe

	2011 £ million	2010 £ million	Constant currency change %
Revenue	**83.2**	76.4	8.9%
Trading profit	**2.1**	2.4	(10.3)%
Trading margin	**2%**	3%	

Middle East & SEE

	2011 AED million	2010 AED million	Constant currency change %
Revenue	**290.1**	272.6	6.3%
Trading profit	**44.5**	64.4	(30.5)%
Trading margin	**15%**	24%	

Our Europe & Middle East business had a difficult first half; while revenue across the region increased by 8% in constant currency, lower-margin services revenue increased faster than rental. Trading profit fell by 27% from £13.9 million to £9.6 million while trading margin declined from 11% to 7%. The decline in trading profit reflected a combination of disadvantageous revenue mix, higher fuel costs and the absence of a number of higher margin projects in our Middle East business, notably in Qatar.

Revenue in Europe was 9% higher than the prior period at £83.2 million. Rental revenue increased 11% and services revenue increased 6%. Within rental revenue, power increased 10% and temperature control increased 16%. Geographic area performance was mixed with a strong performance from our Russian business, which had around 120 MW on rent at the end of the first half (June 2010: 70 MW), and good progress in Germany, France, Italy and the UK. Our businesses in Spain and Ireland continued to perform poorly in the wake of difficult economic environments. Rates across Europe remained stubbornly weak, and conditions continue to be difficult in most sectors.

Revenue in our Middle East business increased by 6% with a decrease of 4% in rental revenue and a 55% increase in lower margin services revenue, which includes fuel. Within rental revenue power decreased 7% and temperature control revenue increased by 36%, albeit off a small base. In geographic terms, we continued to trade well in Abu Dhabi, Oman and Saudi Arabia but conditions remained difficult in Dubai and Qatar in the first half.

Although markets in Europe & Middle East remain challenging we expect to have a much better second half with profits noticeably ahead of the prior year, helped by recent contract wins in Cyprus, Iraq and Russia.

Local business: Aggreko International

	2011 £ million	2010 £ million	Constant currency change %
Revenue	**78.2**	85.0	(11.9)%
Trading profit	**14.2**	23.5	(43.1)%
Trading margin	**18%**	28%	

Aggreko International's Local businesses operate in Australia, New Zealand, Brazil, Mexico, Chile, Argentina, Singapore, China, India, South Africa and, most recently, Peru, Panama and Colombia. Revenues in 2010 included over £28 million from the FIFA World Cup contract in South Africa and there was also a small amount of revenue in the first half of 2011 from the Asian Games in Guangzhou. As a result reported revenue in the first half decreased by 12%, trading profit decreased 43% and trading margin was 18% (2010: 28%). However, excluding the impact of these events, revenue increased by 29%, with rental revenue increasing by 31% and services by 24%.

Power rental revenue increased 35% and temperature control increased 8%. Revenue in nearly all Aggreko International's Local businesses increased as compared with the same period last year, most notably in Australia where revenue increased 37%, driven by a strong performance in the mining sector. We also opened new locations in the first half in Lima, New Delhi and Durban as well as completing the acquisition of N. Z. Generators in New Zealand, which has performed very well since acquisition.

Aggreko International's Local businesses have continued to show strong underlying growth in the first weeks of the second half, and we expect a strong underlying performance for the year as a whole.

International Power Projects: Aggreko International

	2011 $ million	2010 $ million	Constant currency change %
Revenue (excl. pass-through fuel)	**418.5**	337.4	24.0%
Trading profit (excl. pass-through fuel)	**136.7**	117.1	17.2%
Trading margin	**33%**	35%	

Our International Power Projects business delivered a strong performance in the period with revenue, in constant currency and excluding pass-through fuel, growing by 24% to $418.5 million and trading profits increasing by 17% to $136.7 million. Trading margin remained strong at 33% (2010: 35%), despite an increase of $23 million (£14 million) in debtor provisions during the period; this increase was in respect of three customers where we are actively managing our exposure. 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.

Demand has been strong during the first half: we secured 25 new contracts and 730 MW of new work including 200 MW in Japan, 100 MW in Tanzania and 125 MW in Argentina. With low levels of off-hires and strong order intake, we increased our capacity on hire by 560 MW during the first half which means we have started the second half with 23% more MW on hire than the same time last year. At the end of the period, our order book was over 33,000 MW months, the equivalent of 14 months' revenue at the current run-rate, and an increase of 27% over the prior year. Revenue from our gas-powered units grew strongly and the average MW on rent has increased by around 55% year-on-year.

On a geographic basis, Asia continued to show strong growth driven by major contracts wins in Bangladesh, Indonesia and Japan. Central America and South America also grew well with major contracts going live in Argentina. Our African and Middle East businesses declined reflecting the impact of the off hires in Kenya and Yemen which occurred in 2010. As anticipated, military revenues also declined as the US military presence in Iraq reduced.

The International Power Projects business has good momentum, and now has over 25% more MW on rent than a year ago. Recent contract awards in Kenya, Brazil, Indonesia and Mali have helped to sustain the order book, and overall trading in the first weeks of the second half has been a little stronger than we expected at the time of our Trading Update in June.

Financial review

The movement in exchange rates during the period reduced revenue and trading profit by £18.7 million and £4.8 million respectively, with the strengthening of sterling against the US dollar having the greatest impact. Currency translation also gave rise to a £14.4 million decrease in net assets from December 2010 to June 2011. Set out in the table below are the principal exchange rates affecting the Group's overseas profits and net assets:

	Jun 2011		Jun 2010		Dec 2010	
per £ sterling	**Average**	**Period end**	Average	Period end	Average	Period end
Principal Exchange Rates						
United States dollar	**1.62**	**1.60**	1.52	1.52	1.55	1.55
Euro	**1.15**	**1.11**	1.15	1.21	1.17	1.16
Other Operational Exchange Rates						
UAE Dirhams	**5.94**	**5.88**	5.60	5.58	5.68	5.69
Australian dollar	**1.57**	**1.50**	1.71	1.79	1.68	1.52

Source: Reuters

Interest

The net interest charge for the first half of 2011 was £8.2 million, an increase of £3.2 million on 2010 reflecting the higher level of average net debt, driven by higher levels of capital expenditure in particular. Interest cover, measured against rolling 12-month EBITDA, remains very strong and increased to 36.2 times from 28.5 times in 2010.

Effective tax rate

The current forecast of the effective tax rate for the full year, which has been used in the interim accounts is 28.5% as compared with 30.5% in the same period last year.

Dividends

The interim dividend of 7.20 pence per ordinary share represents an increase of 10.0% compared with the same period in 2010; dividend cover is 4.4 times (30 June 2010: 5.0 times).

Cashflow

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) for the period amounted to £215.4 million, up 3% on 2010. The net cash inflow from operations during the first six months of 2011 totalled £155.2 million (2010: £208.3 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 increasing inventory in our manufacturing operation needed to service the record levels of capital expenditure.

Debtor ageing remained around historic levels across the majority of our International Power Projects customers. Three of our customers, however, had significant overdue balances, and these had a material impact on our working capital at the period end. None of the customers are disputing the payment liability and cash has been received from all three customers since the period end. We are hopeful that we will see some improvement in this position during the second half.

Capital expenditure of £181.0 million was up £77.4 million on the same period in 2010 reflecting the continued investment in fleet. The Aggreko International business accounted for the majority of the spend.

This increase in total capital expenditure, the cash outflow related to the N. Z. Generator acquisition and the higher levels of working capital were the main drivers in net debt at 30 June 2011 being £97.7 million higher than the same period last year. On a rolling 12-month basis, net debt to EBITDA was 0.5 times compared with 0.4 times for the same period in 2010.

Financial resources

The Group's facilities are primarily in the form of committed bank facilities arranged on a bilateral basis with a number of international banks as well as our recently completed US private placement. Committed facilities totalled £762.8 million at 30 June 2011. The financial covenants attached to these facilities are that EBITDA should be no less than 4 times interest (30 June 2011: 36.2 times) and net debt should be no more than 3 times EBITDA (30 June 2011: 0.5 times). The Group does not consider that these covenants are restrictive to its operations. The maturity profile of the borrowings is detailed in Note 12 to the Accounts. The facilities in place are currently anticipated to be ample for meeting the Group's operational requirements for the foreseeable future.

Net debt amounted to £257.2 million at 30 June 2011 and, at that date, undrawn committed facilities were £481.5 million. During the period we drew down funds of US$275 million (£171 million) under our US private placement. The draw down was applied to repayment of other debt and the balance held in cash at 30 June 2011 in anticipation of the return of capital to shareholders.

Net operating assets

The net operating assets of the Group at 30 June 2011 totalled £1,251.5 million, up £291.5 million on the same period in 2010. The main components of net operating assets are:

	2011 £ million	2010 £ million	Movement Headline	Movement Constant currency
Rental fleet	**876.0**	719.7	21.7%	24.5%
Property and plant	**63.4**	52.7	20.3%	19.3%
Inventory	**145.0**	106.4	36.3%	38.0%
Net trade debtors	**267.2**	187.6	42.4%	44.4%

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 2011 were £1,092.4 million, up 21% on the same period in 2010; operating profit for the same period was £311.0 million. In the first half of 2011 the ROCE decreased to 28.5% compared with 30.8% for the same period in 2010. The decrease in ROCE was due to lower margins in International Power Projects, increased working capital, and the absence of the one-off sporting events of 2010, which were less capital intensive than the underlying business.

Acquisitions

On 31 March 2011 the Group completed the acquisition of the business and assets of N. Z. Generator Hire Limited for a total cash consideration of £14.4 million. The fair value of net assets acquired was £9.7 million resulting in goodwill of £4.7 million. During the period the Group received £0.2 million relating to the Northland Power acquisition which completed in December 2010.

Shareholders' equity

Shareholders' equity increased by £60.1 million to £874.5 million in the six months ended 30 June 2011, represented by the net assets of the Group of £1,131.7 million before net debt of £257.2 million. The movements in shareholders' equity are analysed in the table below:

Movements in shareholders' equity

	£ million	£ million
As at 1 January 2011		814.4
Profit for the financial period	85.1	
Dividend[1]	(33.2)	
Retained earnings		51.9
New share capital subscribed		1.2
Credit in respect of employee share awards		10.7
Actuarial gains on retirement benefits		0.1
Currency translation difference		(14.4)
Movement in hedging reserve		1.3
Other[2]		9.3
As at 30 June 2011		**874.5**

1 Reflects the dividend of 12.35 pence per share (2010: 8.23 pence) that was paid during the period.
2 Other includes tax on items taken directly to reserves.

Return to shareholders

The Board announced on 10 March 2011 that Aggreko would return approximately £150 million to shareholders, which equated to 55 pence per ordinary share in issue at the record date of 8 July 2011. At a General meeting on 5 July the return of capital was approved and then completed in mid July 2011. The return of capital was made 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 6 $^{18}/_{25}$ pence for every 1 existing ordinary share held on the record date; and
- The issue of 31 new ordinary shares of par value 13 $^{549}/_{775}$ pence for every 32 existing ordinary shares held on the record date.

The holders of B shares had 3 options:

- Receive a single dividend of 55 pence per B share in respect of those B shares. Following the receipt of the single B share dividend the B shares automatically converted into Deferred shares with very limited economic and other rights;
- Sell the B shares to the Company for 55 pence per B share. All B shares bought back were subsequently cancelled by the Company; or
- Retain the B shares. Those who retain the B shares will be entitled to receive the B share continuing dividend at the rate of 75 per cent of 12 month LIBOR, payable annually in arrears on the notional amount of 55 pence per B share. The B shares are not listed. The Company intends to make a further offer to purchase the B shares around the time of the Annual General Meeting in 2012.

Since the period end:

- A special dividend of 55 pence per ordinary share was paid on 182,700,915 B shares, which then converted into deferred shares of negligible value resulting in a cash payment from the company of £100.5 million on 19 July 2011;
- 85,896,058 B shares were bought back at 55 pence each resulting in a cash payment from the company of £47.2 million on 19 July 2011; and
- The Company intends to offer to purchase the remaining 6,663,731 B shares in the future at 55 pence each.

Details of the rights that attach to the B shares and deferred shares are set out in the circular dated 10 May 2011.

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 the Board has developed a formal risk management process which is described on pages 56 and 57 of the 2010 Annual Report and Accounts. Also set out on pages 31 to 35 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;
- Acquisitions;
- Safety;
- Competition;
- Product technology and emissions regulation;
- People;
- Information Technology; and
- Accounting and Treasury/major fraud.

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

25 August 2011

Group Income Statement

For the six months ended 30 June 2011 (unaudited)

	Notes	**6 months ended 30 June 2011 £ million**	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million
Revenue	6	**637.2**	583.6	1,229.9
Cost of sales		**(268.2)**	(237.1)	(477.7)
Gross profit		**369.0**	346.5	752.2
Distribution costs		**(160.3)**	(142.5)	(291.8)
Administrative expenses		**(83.3)**	(74.2)	(148.6)
Other income		**1.8**	0.9	2.7
Operating profit	6	**127.2**	130.7	314.5
Net finance costs				
– Finance cost		**(8.4)**	(5.1)	(10.6)
– Finance income		**0.2**	0.1	0.5
Profit before taxation		**119.0**	125.7	304.4
Taxation	9	**(33.9)**	(38.3)	(91.3)
Profit for the period		**85.1**	87.4	213.1

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 2011**	6 months ended 30 June 2010	Year ended 31 Dec 2010
Earnings per share (pence)				
Basic	8	**31.69**	32.49	79.37
Diluted	8	**31.58**	32.33	78.98

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Group Statement of Comprehensive Income

For the six months ended 30 June 2011 (unaudited)

	6 months ended 30 June 2011 £ million	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million
Profit for the period	**85.1**	87.4	213.1
Other comprehensive income			
Actuarial gains/(losses) on retirement benefits	**0.1**	(1.7)	(0.6)
Movement in deferred tax on pension liability	**–**	0.5	0.2
Cashflow hedges (net of deferred tax)	**1.2**	(4.1)	(2.7)
Net exchange (losses)/gains offset in reserves (net of tax)	**(14.4)**	33.3	34.0
Other comprehensive (loss)/income for the period (net of tax)	**(13.1)**	28.0	30.9
Total comprehensive income for the period	**72.0**	115.4	244.0

Group Balance Sheet (Company Number: SC177553)

As at 30 June 2011 (unaudited)

	Notes	30 June 2011 £ million	30 June 2010 £ million	31 Dec 2010 £ million
Non-current assets				
Goodwill		**64.8**	52.8	60.4
Other intangible assets		**16.9**	15.0	17.0
Property, plant and equipment	10	**939.4**	772.4	858.8
Deferred tax asset		**11.6**	6.6	11.6
		1,032.7	846.8	947.8
Current assets				
Inventories		**145.0**	106.4	117.8
Trade and other receivables	11	**409.9**	297.3	309.4
Cash and cash equivalents	5	**63.0**	31.5	26.4
Derivative financial instruments		**0.2**	–	0.1
Current tax assets		**6.9**	4.2	3.1
		625.0	439.4	456.8
Total assets		**1,657.7**	1,286.2	1,404.6
Current liabilities				
Borrowings	12	**(39.1)**	(53.5)	(47.3)
Derivative financial instruments		**(1.1)**	(0.9)	(2.1)
Trade and other payables		**(372.5)**	(300.6)	(308.7)
Current tax liabilities		**(49.0)**	(60.9)	(77.1)
		(461.7)	(415.9)	(435.2)
Non-current liabilities				
Borrowings	12	**(281.1)**	(137.5)	(111.3)
Derivative financial instruments		**(8.2)**	(11.3)	(8.4)
Deferred tax liabilities		**(31.4)**	(27.3)	(31.9)
Retirement benefit obligation	14	**(0.6)**	(4.4)	(3.2)
Provisions		**(0.2)**	(0.2)	(0.2)
		(321.5)	(180.7)	(155.0)
Total liabilities		**(783.2)**	(596.6)	(590.2)
Net assets		**874.5**	689.6	814.4
Shareholders' equity				
Share capital		**55.1**	54.8	54.9
Share premium		**15.8**	14.2	14.8
Treasury shares		**(38.8)**	(49.6)	(49.6)
Capital redemption reserve		**0.1**	0.1	0.1
Hedging reserve (net of deferred tax)		**(6.2)**	(8.8)	(7.4)
Foreign exchange reserve		**69.3**	83.0	83.7
Retained earnings		**779.2**	595.9	717.9
Total shareholders' equity		**874.5**	689.6	814.4

Group Cash Flow Statement

For the six months ended 30 June 2011 (unaudited)

	Notes	6 months ended 30 June 2011 £ million	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million
Cash flows from operating activities				
Cash generated from operations	4	**155.2**	208.3	467.9
Tax paid		**(52.6)**	(33.3)	(68.4)
Net cash generated from operating activities		**102.6**	175.0	399.5
Cash flows from investing activities				
Acquisitions (net of cash acquired)	17	**(14.2)**	–	(15.4)
Purchases of property, plant and equipment (PPE)		**(181.0)**	(103.6)	(268.8)
Proceeds from sale of PPE		**5.5**	3.5	7.8
Net cash used in investing activities		**(189.7)**	(100.1)	(276.4)
Cash flows from financing activities				
Net proceeds from issue of ordinary shares		**1.2**	1.0	1.7
Increase in long-term loans		**283.3**	105.9	216.1
Repayment of long-term loans		**(119.8)**	(123.8)	(269.6)
Net movement in short-term loans		**(3.7)**	(1.4)	1.9
Interest received		**0.2**	0.1	0.5
Interest paid		**(6.1)**	(5.0)	(10.6)
Dividends paid to shareholders		**(33.2)**	(22.1)	(39.7)
Purchase of treasury shares		**–**	(27.2)	(27.2)
Net cash generated from/(used in) financing activities		**121.9**	(72.5)	(126.9)
Net increase/(decrease) in cash and cash equivalents		**34.8**	2.4	(3.8)
Cash and cash equivalents at beginning of the period		**10.2**	13.5	13.5
Exchange (loss)/gain on cash and cash equivalents		**(0.2)**	0.1	0.5
Cash and cash equivalents at end of the period	5	**44.8**	16.0	10.2

Reconciliation of net cash flow to movement in net debt

For the six months ended 30 June 2011 (unaudited)

	Notes	6 months ended 30 June 2011 £ million	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million
Increase/(decrease) in cash and cash equivalents		**34.8**	2.4	(3.8)
Cash (inflow)/outflow from movement in debt		**(159.8)**	19.3	51.6
Changes in net debt arising from cash flows		**(125.0)**	21.7	47.8
Exchange loss		**–**	(5.7)	(4.5)
Movement in net debt in period		**(125.0)**	16.0	43.3
Net debt at beginning of period		**(132.2)**	(175.5)	(175.5)
Net debt at end of period	12	**(257.2)**	(159.5)	(132.2)

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Group Statement of Changes in Equity

For the six months ended 30 June 2011 (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.

As at 30 June 2010

	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
	Attributable to equity holders of the Company							
Balance at 1 January 2010	54.7	13.3	(25.8)	0.1	(4.7)	49.7	515.8	603.1
Profit for the period	–	–	–	–	–	–	87.4	87.4
Other comprehensive income:								
Fair value losses on foreign currency cash flow hedge	–	–	–	–	(0.5)	–	–	(0.5)
Transfers from hedging reserve to property, plant and equipment	–	–	–	–	0.1	–	–	0.1
Fair value losses on interest rate swaps	–	–	–	–	(5.1)	–	–	(5.1)
Currency translation differences	–	–	–	–	–	33.3	–	33.3
Deferred tax on items taken to or transferred from equity	–	–	–	–	1.4	–	–	1.4
Actuarial losses on retirement benefits (net of tax)	–	–	–	–	–	–	(1.2)	(1.2)
Total comprehensive income for the period ended 30 June 2010	–	–	–	–	(4.1)	33.3	86.2	115.4
Transactions with owners:								
Purchase of treasury shares (Note (ii))	–	–	(27.2)	–	–	–	–	(27.2)
Credit in respect of employee share awards	–	–	–	–	–	–	10.3	10.3
Issue of ordinary shares to employees under share option schemes	–	–	3.4	–	–	–	(3.4)	–
Current tax on items taken to or transferred from equity	–	–	–	–	–	–	1.4	1.4
Deferred tax on items taken to or transferred from equity	–	–	–	–	–	–	7.7	7.7
New share capital subscribed (Note (i))	0.1	0.9	–	–	–	–	–	1.0
Dividends paid during the period	–	–	–	–	–	–	(22.1)	(22.1)
	0.1	0.9	(23.8)	–	–	–	(6.1)	(28.9)
Balance at 30 June 2010	**54.8**	**14.2**	**(49.6)**	**0.1**	**(8.8)**	**83.0**	**595.9**	**689.6**

(i) During the period 408,998 Ordinary shares of 20 pence each have been issued at prices ranging from £1.17 to £6.46 to satisfy the exercise of options under the Savings-Related Share Option Schemes ('Sharesave') and Executive Share Option Schemes by eligible employees. In addition 213,406 shares were allotted at par to US participants in the Long-Term Incentive Plan.

(ii) During the period 2,286,161 Ordinary shares of 20 pence each were acquired in the open market at prices ranging from £11.52 to £12.41 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.

Notes to the Interim Accounts

For the six months ended 30 June 2011 (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 25 August 2011.

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 2010 were approved by the Board on 10 March 2011 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 2011 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 2010, 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 a US private placement and committed bank facilities arranged on a bilateral basis with a number of international banks; facilities totalled £762.8 million at 30 June 2011. The financial covenants attached to these facilities are that EBITDA should be no less than 4 times interest (30 June 2011: 36.2 times) and net debt should be no more than 3 times EBITDA (30 June 2011: 0.5 times). The Group does not consider that these covenants are restrictive to its operations. The maturity profile of the borrowings is detailed in Note 12 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 2010, 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.

No new standards and amendments to standards have been adopted in the period.

(a) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2011 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)

- Amendments to IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities.
- 'Classification of rights issues' (amendment to IAS 32), issued in October 2009. The amendment applies to annual periods beginning on or after 1 February 2010. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment applies retrospectively in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors'.
- 'Prepayments of a minimum funding requirement' (amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The amendments are effective for annual periods beginning 1 January 2011. The amendments should be applied retrospectively to the earliest comparative period presented.

3 Accounting policies continued

- IFRIC 19 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted

- Amendments to IFRS 7 'Financial instruments: Disclosures on derecognition'. These amendments are part of the IASBs comprehensive review of off balance sheet activities. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial asset. The amendments are effective for annual periods beginning 1 July 2011.
- IFRS 9 'Financial instruments', issued in November 2009. This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption.
- IFRS 10 'Consolidated financial statements'. This standard builds on existing principles identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. The amendments are effective for annual periods beginning 1 January 2013.
- IFRS 11 'Joint arrangements'. This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. Proportional consolidation of joint ventures is no longer allowed. The amendments are effective for annual periods beginning 1 January 2013.
- IFRS 12 'Disclosures of interests in other entities'. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The amendments are effective for annual periods beginning 1 January 2013.
- IFRS 13 'Fair value measurement'. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The amendments are effective for annual periods beginning 1 January 2013.
- Amendment to IAS 1 'Financial Statement presentation' regarding other comprehensive income. The main change from these amendments is a requirement to group items presented in Other comprehensive income on the basis of whether they are potentially recycled to profit or loss. The amendments are effective for annual periods beginning 1 July 2012.
- Amendments to IAS 12 'Income taxes'. Currently IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 'Investment Property'. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. The amendments are effective for annual periods beginning 1 January 2012.
- Amendment to IAS 19 'Employee Benefits'. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. The amendments are effective for annual periods beginning 1 January 2013.
- IAS 27 (revised 2011) 'Separate financial statements'. This standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. The amendments are effective for annual periods beginning 1 January 2013.
- IAS 28 (revised 2011) 'Associates and joint ventures'. This standard includes the requirements for joint ventures as well as associates, to be equity accounted following the issue of IFRS 11. The amendments are effective for annual periods beginning 1 January 2013.

The only standards, amendments and interpretations endorsed by the EU as yet are amendments to IFRS 7.

The Directors do not anticipate that the adoption of any of the other above standards or interpretations will have a material impact on the Group's financial statements in the period of initial application.

Notes to the Interim Accounts continued
For the six months ended 30 June 2011 (unaudited)

4 Cashflow from operating activities

	6 months ended 30 June 2011 £ million	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million
Profit for the period	**85.1**	87.4	213.1
Adjustments for:			
Tax	**33.9**	38.3	91.3
Depreciation	**86.5**	77.4	158.3
Amortisation of intangibles	**1.7**	1.4	2.8
Finance income	**(0.2)**	(0.1)	(0.5)
Finance cost	**8.4**	5.1	10.6
Profit on sale of PPE	**(1.8)**	(0.9)	(2.7)
Share based payments	**10.7**	10.3	18.7
Changes in working capital (excluding the effects of exchange differences on consolidation):			
(Increase)/decrease in inventories	**(28.6)**	(16.6)	(27.7)
(Increase)/decrease in trade and other receivables	**(102.3)**	(64.0)	(73.5)
Increase/(decrease) in trade and other payables	**61.8**	70.0	77.5
Cash generated from operations	**155.2**	208.3	467.9

5 Cash and cash equivalents

	30 June 2011 £ million	30 June 2010 £ million	31 Dec 2010 £ million
Cash at bank and in hand	**33.0**	31.2	20.0
Short-term bank deposits	**30.0**	0.3	6.4
	63.0	31.5	26.4

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

	30 June 2011 £ million	30 June 2010 £ million	31 Dec 2010 £ million
Cash and cash equivalents	**63.0**	31.5	26.4
Bank overdrafts (Note 12)	**(18.2)**	(15.5)	(16.2)
	44.8	16.0	10.2

6 Segmental reporting

(a) Revenue by segment

	Total revenue			Inter-segment revenue			External revenue		
	6 months ended 30 June 2011 £ million	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million	6 months ended 30 June 2011 £ million	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million	6 months ended 30 June 2011 £ million	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million
Middle East & South East Europe	**48.9**	48.7	97.6	**–**	–	–	**48.9**	48.7	97.6
Europe	**83.3**	76.4	164.3	**0.1**	–	0.1	**83.2**	76.4	164.2
North America	**114.6**	115.3	246.8	**–**	0.3	0.9	**114.6**	115.0	245.9
International Local	**78.5**	85.8	188.8	**0.3**	0.8	1.1	**78.2**	85.0	187.7
Local business	**325.3**	326.2	697.5	**0.4**	1.1	2.1	**324.9**	325.1	695.4
International Power Projects	**312.7**	259.2	536.0	**0.4**	0.7	1.5	**312.3**	258.5	534.5
Eliminations	**(0.8)**	(1.8)	(3.6)	**(0.8)**	(1.8)	(3.6)	**–**	–	–
Group	**637.2**	583.6	1,229.9	**–**	–	–	**637.2**	583.6	1,229.9

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

6 Segmental reporting continued

(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 2011 £ million	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million	**6 months ended 30 June 2011 £ million**	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million	**6 months ended 30 June 2011 £ million**	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million
Middle East & South East Europe	**7.5**	11.5	23.1	**–**	–	(0.1)	**7.5**	11.5	23.0
Europe	**2.2**	2.5	18.7	**(0.1)**	(0.1)	(0.1)	**2.1**	2.4	18.6
North America	**17.0**	15.6	46.8	**(1.2)**	(0.9)	(1.7)	**15.8**	14.7	45.1
International Local	**14.6**	23.9	55.9	**(0.4)**	(0.4)	(0.7)	**14.2**	23.5	55.2
Local business	**41.3**	53.5	144.5	**(1.7)**	(1.4)	(2.6)	**39.6**	52.1	141.9
International Power Projects	**85.8**	77.7	170.0	**–**	–	(0.1)	**85.8**	77.7	169.9
Group	**127.1**	131.2	314.5	**(1.7)**	(1.4)	(2.7)	**125.4**	129.8	311.8

	Gain/(loss) on sale of PPE			Operating profit		
	6 months ended 30 June 2011 £ million	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million	**6 months ended 30 June 2011 £ million**	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million
Middle East & South East Europe	**(0.2)**	0.2	0.1	**7.3**	11.7	23.1
Europe	**–**	0.9	1.4	**2.1**	3.3	20.0
North America	**1.2**	1.4	2.3	**17.0**	16.1	47.4
International Local	**0.3**	(0.1)	0.2	**14.5**	23.4	55.4
Local business	**1.3**	2.4	4.0	**40.9**	54.5	145.9
International Power Projects	**0.5**	(1.5)	(1.3)	**86.3**	76.2	168.6
Group	**1.8**	0.9	2.7	**127.2**	130.7	314.5
Finance costs – net				**(8.2)**	(5.0)	(10.1)
Profit before taxation				**119.0**	125.7	304.4
Taxation				**(33.9)**	(38.3)	(91.3)
Profit for the period				**85.1**	87.4	213.1

(c) Depreciation and amortisation by segment

	6 months ended 30 June 2011 £ million	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million
Middle East & South East Europe	**9.6**	8.9	18.5
Europe	**10.7**	10.3	20.7
North America	**15.3**	14.0	28.2
International Local	**11.2**	9.2	20.3
Local business	**46.8**	42.4	87.7
International Power Projects	**41.4**	36.4	73.4
Group	**88.2**	78.8	161.1

6 Segmental reporting continued

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

	6 months ended 30 June 2011 £ million	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million
Middle East & South East Europe	**17.7**	12.6	26.3
Europe	**14.0**	9.7	27.0
North America	**28.9**	12.5	54.1
International Local	**59.6**	21.2	23.8
Local business	**120.2**	56.0	131.2
International Power Projects	**69.0**	47.6	146.3
Group	**189.2**	103.6	277.5

(i) Capital expenditure comprises additions of property, plant and equipment (PPE) of £181.0 million (30 June 2010: £103.6 million, 31 December 2010: £268.8 million), acquisitions of PPE of £6.4 million (30 June 2010: £nil, 31 December 2010: £5.6 million) and acquisitions of other intangible assets of £1.8 million (30 June 2010: £nil, 31 December 2010: £3.1 million).

(ii) The net book value of total Group disposals of PPE during the period were £3.7 million (30 June 2010: £2.6 million, 31 December 2010: £5.1 million).

(e) Total assets by segment

	6 months ended 30 June 2011 £ million	6 months ended 30 June 2010 £ million	Year ended 31 Dec 2010 £ million
Middle East & South East Europe	**153.6**	124.3	121.7
Europe	**183.7**	155.0	162.6
North America	**294.4**	241.8	273.8
International Local	**213.0**	166.1	174.9
Local business	**844.7**	687.2	733.0
International Power Projects	**794.3**	588.2	656.8
	1,639.0	1,275.4	1,389.8
Deferred and current tax asset	**18.5**	10.8	14.7
Derivative financial instruments	**0.2**	–	0.1
Total assets per balance sheet	**1,657.7**	1,286.2	1,404.6

7 Dividends

The dividends paid in the period were:

	6 months ended 30 June 2011	6 months ended 30 June 2010	Year ended 31 Dec 2010
Total dividend (£ million)	**33.2**	22.1	39.7
Dividend per share (pence)	**12.35**	8.23	14.78

An interim dividend in respect of 2011 of 7.20 pence (2010: 6.55 pence), amounting to a total dividend of £18.9 million (2010: £17.5 million) was proposed during the period.

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 2011	30 June 2010	31 Dec 2010
Profit for the period (£ million)	**85.1**	87.4	213.1
Weighted average number of ordinary shares in issue (million)	**268.5**	269.0	268.5
Basic earnings per share (pence)	**31.69**	32.49	79.37

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 2011	30 June 2010	31 Dec 2010
Profit for the period (£ million)	**85.1**	87.4	213.1
Weighted average number of ordinary shares in issue (million)	**268.5**	269.0	268.5
Adjustment for share options (million)	**1.0**	1.3	1.3
Diluted weighted average number of ordinary shares in issue (million)	**269.5**	270.3	269.8
Diluted earnings per share (pence)	**31.58**	32.33	78.98

9 Taxation

The taxation charge for the period is based on an estimate of the Group's expected annual effective rate of tax for 2011 based on prevailing tax legislation at 30 June 2011. This is currently estimated to be 28.5% (2010: 30.5%).

10 Property, plant and equipment

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 (Note 17)	–	–	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

10 Property, plant and equipment continued

Six months ended 30 June 2010

	Freehold properties £ million	Short leasehold properties £ million	Rental fleet £ million	Vehicles, plant and equipment £ million	Total £ million
Cost					
At 1 January 2010	40.2	13.8	1,379.0	65.7	1,498.7
Exchange adjustments	0.7	0.4	64.8	0.8	66.7
Additions	1.7	0.5	99.1	2.3	103.6
Disposals	–	–	(22.3)	(0.7)	(23.0)
At 30 June 2010	**42.6**	**14.7**	**1,520.6**	**68.1**	**1,646.0**
Accumulated depreciation					
At 1 January 2010	12.7	6.7	718.7	47.6	785.7
Exchange adjustments	0.5	0.1	29.7	0.6	30.9
Charge for the period	0.9	0.6	72.3	3.6	77.4
Disposals	–	–	(19.8)	(0.6)	(20.4)
At 30 June 2010	**14.1**	**7.4**	**800.9**	**51.2**	**873.6**
Net book values					
At 30 June 2010	**28.5**	**7.3**	**719.7**	**16.9**	**772.4**
At 31 December 2009	27.5	7.1	660.3	18.1	713.0

11 Trade and other receivables

	30 June 2011 £ million	30 June 2010 £ million	31 Dec 2010 £ million
Trade receivables	**312.9**	214.0	225.4
Less: provision for impairment of receivables	**(45.7)**	(26.4)	(33.4)
Trade receivables – net	**267.2**	187.6	192.0
Prepayments and accrued income	**103.8**	79.6	84.4
Other receivables	**38.9**	30.1	33.0
Total receivables	**409.9**	297.3	309.4

Other receivables principally comprise deposits and advance payments.

Provision for impairment of receivables

	30 June 2011 £ million	30 June 2010 £ million	31 Dec 2010 £ million
Middle East & South East Europe	**1.6**	1.4	1.7
Europe	**2.9**	3.5	2.6
North America	**1.3**	1.3	1.4
International Local	**0.9**	0.6	2.4
Local Business	**6.7**	6.8	8.1
International Power Projects	**39.0**	19.6	25.3
Group	**45.7**	26.4	33.4

12 Borrowings

	30 June 2011 £ million	30 June 2010 £ million	31 Dec 2010 £ million
Non-current			
Bank borrowings	**281.1**	137.5	111.3
Current			
Bank overdrafts	**18.2**	15.5	16.2
Bank borrowings	**20.9**	38.0	31.1
	39.1	53.5	47.3
Total borrowings	**320.2**	191.0	158.6
Short-term deposits	**(30.0)**	(0.3)	(6.4)
Cash at bank and in hand	**(33.0)**	(31.2)	(20.0)
Net borrowings	**257.2**	159.5	132.2

The bank overdrafts and borrowings are all unsecured.

The maturity of financial liabilities

The maturity profile of the borrowings was as follows:

	30 June 2011 £ million	30 June 2010 £ million	31 Dec 2010 £ million
Within 1 year, or on demand	**39.1**	53.5	47.3
Between 1 and 2 years	**10.1**	109.0	10.1
Between 2 and 3 years	**80.5**	28.5	81.8
Between 3 and 4 years	**–**	–	–
Between 4 and 5 years	**18.7**	–	19.4
Between 5 and 10 years	**171.8**	–	–
	320.2	191.0	158.6

13 Capital commitments

	30 June 2011 £ million	30 June 2010 £ million	31 Dec 2010 £ million
Contracted but not provided for (property, plant and equipment)	**38.4**	19.2	33.9

14 Pension commitments

Analysis of movement in retirement benefit obligation in the period:

	30 June 2011 £ million	30 June 2010 £ million	31 Dec 2010 £ million
At start of period	**(3.2)**	(5.8)	(5.8)
Income statement expense	**(0.9)**	(1.2)	(2.2)
Contributions	**3.4**	4.3	5.4
Net actuarial gain/(loss)	**0.1**	(1.7)	(0.6)
At end of period	**(0.6)**	(4.4)	(3.2)

15 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.

16 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.

17 Acquisitions

On 31 March 2011 the Group completed the acquisition of the business and assets of N. Z. Generator Hire Limited for a total cash consideration of £14.4 million. The business acquired had revenue in 2010 of £6.0 million and operating profit of £1.1 million.

The revenue included in the consolidated income statement from 31 March 2011 to 30 June 2011 contributed by N. Z. Generator Hire Limited was £2.7 million. Had N. Z. Generator Hire Limited been consolidated from 1 January 2011, the consolidated income statement for the six months ended 30 June 2011 would show revenue of £5.8 million.

The acquisition method of accounting has been adopted and the goodwill arising on the purchase has been capitalised.

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

	Fair value £ million
Intangible assets	1.8
Property, plant and equipment	6.4
Inventories	0.1
Trade and other receivables	2.1
Trade and other payables	(0.7)
Net assets acquired	9.7
Goodwill	4.7
Consideration	14.4

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 assets.

During the period the Group received £0.2 million relating to the Northland Power acquisition which completed in December 2010.

18 Events occurring after the balance sheet date

The Board announced on 10 March 2011 that Aggreko plc would return approximately £150 million to shareholders which equated to 55 pence per ordinary share in issue at the Record date, of 8 July 2011. The return of value and related consolidation of shares was approved at a General Meeting on 5 July 2011. Since the Balance Sheet date a special dividend of 55 pence per ordinary share was paid on 182,700,915 B shares, which then converted into deferred shares of negligible value resulting in a cash payment from the Company of £100.5 million on 19 July 2011; 85,896,058 B shares were bought back at 55 pence each resulting in a cash payment from the Company of £47.2 million on 19 July 2011; the Company intends to offer to purchase the remaining 6,663,731 B shares in the future at 55 pence each.

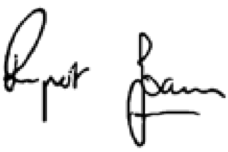
Statement of Directors' Responsibilities

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 2010.

By order of the Board



Rupert Soames
Chief Executive

Angus Cockburn
Finance Director

25 August 2011

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 2011, 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 2011 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
25 August 2011

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 2011.

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 9.00am to 5.30pm 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.

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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

Shareholders

Financial calendar

	6 months ended 30 June 2011	Year ending 31 December 2011
Results announced	25 August 2011	March 2012
Report posted	7 September 2011	Mid March 2012
Annual General Meeting	–	Late April 2012
Ex-dividend date	21 September 2011	Late April 2012
Dividend record date	23 September 2011	Late April 2012
Dividend payment date	19 October 2011	Late May 2012

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.moneymadeclear.fsa.gov.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 07	Dec 08	Dec 09	Dec 10
Revenue (£m)	693.2	946.6	1,023.9	1,229.9
Trading profit (£m)[1]	132.9	200.6	252.5	311.8
Trading margin (%)	19.2	21.2	24.7	25.4
Dividend per share (pence)	8.06	10.08	12.60	18.90
Profit before tax (£m)	124.2	190.0	244.0	304.4
Diluted earnings per share (pence)	30.02	45.56	62.42	78.98
Net operating assets (£m)	554.0	951.8	883.8	1,065.8
Capital expenditure (£m)	180.6	265.2	160.9	268.8
Net debt (£m)	(202.6)	(364.0)	(175.5)	(132.2)
Shareholders' funds (£m)	293.3	464.8	603.1	814.4

Half 1	Jun 07	Jun 08	Jun 09	Jun 10	**Jun 11**
Revenue (£m)	317.5	407.7	499.8	583.6	**637.2**
Trading profit (£m)[1]	50.9	72.5	105.8	129.8	**125.4**
Trading margin (%)	16.0	17.8	21.2	22.2	**19.7**
Dividend per share (pence)	3.04	3.80	4.37	6.55	**7.20**
Profit before tax (£m)	47.5	67.9	105.7	125.7	**119.0**
Diluted earnings per share (pence)	11.50	16.88	26.69	32.33	**31.58**
Net operating assets (£m)	502.4	652.7	872.3	960.0	**1,251.5**
Capital expenditure (£m)	84.3	124.3	97.4	103.6	**181.0**
Net debt (£m)	(223.7)	(277.8)	(287.2)	(159.5)	**(257.2)**
Shareholders' funds (£m)	247.4	317.7	489.5	689.6	**874.5**

Half 2	Dec 07	Dec 08	Dec 09	Dec 10
Revenue (£m)	375.7	538.9	524.1	646.3
Trading profit (£m)[1]	82.0	128.1	146.7	182.0
Trading margin (%)	21.8	23.8	28.0	28.2
Dividend per share (pence)	5.02	6.28	8.23	12.35
Profit before tax (£m)	76.7	122.1	138.3	178.7
Diluted earnings per share (pence)	18.52	28.68	35.73	46.65
Net operating assets (£m)	554.0	951.8	883.8	1,065.8
Capital expenditure (£m)	96.3	140.9	63.5	165.2
Net debt (£m)	(202.6)	(364.0)	(175.5)	(132.2)
Shareholders' funds (£m)	293.3	464.8	603.1	814.4

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

Designed and produced by Tayburn

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