



LOXAM – 2014 FIRST QUARTER RESULTS

Performance in line with expectations

Paris - May 22, 2014

LOXAM, Europe’s leading equipment rental company to professionals, today announces its unaudited financial results for the first quarter of 2014.

First quarter financial highlights:

- Revenue up 10% at €189 million (+8% like for like)
- EBITDA of €47million – resilient margin of 25%
- Gross Capex at €71 million
- Net financial debt of €860 million

“The performance in the first quarter of 2014 was in line with our expectations driven by better weather conditions and a base effect compared to last year. Our capex level enabled us to benefit from catch up in Europe, notably in the UK and Germany while France is still behind in the cycle. In this context, we are pleased to maintain a resilient EBITDA margin. The first quarter of 2014 was also marked by turnover increase across all of our three divisions. For the full-year of 2014 we expect LOXAM to maintain a steady capex policy, and keep its financial discipline.” said Gérard Déprez, Chairman and CEO of LOXAM.

	Q1 2014 (unaudited)	Q1 2013 (unaudited)
Revenues		
Generalist France	126	117
Specialist France	32	31
International	31	24
Total Revenues	189	171
Adjusted EBITDA ⁽¹⁾		
Generalist France	31	25
Specialist France	10	10
International	6	4
Total Adjusted EBITDA ⁽²⁾	47	39
Adjusted EBITDA ⁽¹⁾ margin		
Generalist France	24%	22%
Specialist France	30%	31%
International	18%	16%
Total Adjusted EBITDA ⁽²⁾ margin	25%	23%
Adjusted EBIT	10	4
Net Income (Loss)	(1)	(8)
Free Cash Flow	(4)	(21)
Gross CAPEX	71	38

⁽¹⁾ Adjusted EBITDA excludes the non-recurring costs

⁽²⁾ including contribution from real estate

REVENUE

LOXAM’s consolidated Q1 2014 revenue reached €189 million, up 10% compared to Q1 2013. At constant currency exchange rate, revenues increased by 8% like for like, mainly driven by good weather conditions, a low comparison basis in Q1 2013 as well as a rebound in demand for rental

services in some geographies. During Q1 2014, all divisions demonstrated growth thanks to capex spent in 2013 and an increase in our fleet utilization rate.

In France, Generalist division revenue was up 8% in the first quarter of 2014 at €126 million, supported by a low comparison basis and the benefit of capex spent last year. Generalist France division represented 67% of total revenue in Q1 2014. The Group started the implementation of a unique brand network in January this year, and Q1 was marked by the consolidation of 6 branches.

Specialist division revenue increased by 3% at €32 million compared to Q1 2013. The Group opened a new branch in the quarter, and the division represented 17% of total revenue in Q1 2014.

International revenue increased by 32% to €31 million in the first quarter of 2014. At constant currency exchange rate, revenues increased by 15% like-for-like. The performance was better than expected in the UK, and most countries benefited from improved weather conditions. Q1 2014 was the first quarter of integration for Danskluft, acquired in December 2013, with 3 businesses and a total of 11 branches.

EBITDA

EBITDA increased by 19% to €47 million, and the EBITDA margin reached 25%. This increase is mainly driven by the improvement at the Generalist division in France. The EBITDA margin reached 24% for the Generalist France, 30% for the Specialist division and 18% in the International division.

WORKING CAPITAL AND INDEBTEDNESS

During Q1 2014, the working capital requirement decreased by €28 million driven by higher payables to fixed assets suppliers. Working capital requirement should return to a higher but more normative level in Q2 2014 once payables to fixed assets suppliers are back to a lower level. During the quarter, Loxam remained committed to its capex plan and spent €71 million.

At the end of Q1 2014, the net financial debt amounted to €860 million.

BUSINESS OUTLOOK

Weather conditions in Q1 2014 were favorable to the construction industry in France and in Western Europe in total contrast with last year. We therefore do not think that the revenue trend of Q1 2014 is setting the growth pattern for the rest of the year.

In France, the construction market is expected to continue to decrease by 1.5% this year, according to Euroconstruct, with a possible recovery some time in 2015. Q2 2014 will not benefit from a seasonal catch-up and should also be impacted in France by a quieter post election period. In the meantime, prospects for the construction market in 2014 should be better in Denmark, Germany and the UK, while LOXAM expects the trend to remain challenging in the Benelux.

In this context, LOXAM continues to stimulate its organic growth through a commitment to its capex policy, which aims at the renewal and the diversification of its fleet, branch openings and selective acquisitions. The Group will also continue its effective innovation policy to keep outpace competition. As a result, Loxam should aim for stability in its revenue and maintain its level of profitability.

INVESTOR CONTACTS

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ABOUT LOXAM

LOXAM is the leading equipment rental Company in Europe with consolidated revenue of €805 million in 2013 and approximately 4,400 employees. LOXAM's network of more than 600 branches extends over 12 countries in Europe (France, Germany, the United Kingdom, Ireland, Belgium, Switzerland, Spain, Luxemburg, the Netherlands, Denmark, Norway and Sweden) as well as in Morocco.

FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements" about LOXAM and its subsidiaries (the "Group"), including in relation to its strategy, plans or intentions. These statements may also address management's expectations regarding the Group's business, growth, future financial condition, results of operations and prospects. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, the Group's actual results may differ materially from those that management expected. The Group has based these forward-looking statements on its current views and assumptions about future events. While it believes that these assumptions are reasonable, it is very difficult to predict the impact of known factors, and, of course, it is impossible to anticipate all factors that could affect the Group's actual results. All forward-looking statements are based upon information available to management on the date of this document. Investors are cautioned not to place undue reliance on such forward-looking statements.