

Lavendon Group plc

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Lavendon Group PLC - Acquisition

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13 November 2007

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13 November 2007

Lavendon Group plc

Acquisition of DK Rental Spain and Proposed Acquisition of DK Rental Belgium and DK Rental France for combined total consideration of Euro87.8 million

Highlights:

* Lavendon Group plc ('Lavendon' or the 'Company'), Europe's market leader in the rental of powered access equipment, announces the acquisition of DK Rental Spain, a Spanish powered access rental and equipment sale business, for a total consideration of Euro24.2 million (£16.9 million)

* Lavendon has also agreed to acquire DK Rental Belgium and DK Rental France, powered access rental and equipment sale businesses operating in Belgium and France respectively, for a total consideration of Euro63.6 million (£44.5 million)

* The combined total consideration of Euro87.8 million (£61.4 million) comprises Euro56.5 million (£39.5 million) in cash, Euro12.6 million (£8.8 million) in loan notes and the issue of 1,902,372 new ordinary shares in Lavendon, representing 4.3 per cent. of the Company's enlarged issued share capital

* Consideration for DK Rental Spain comprises Euro14.6 million (£10.2 million) in cash, Euro3.6 million (£2.5 million) in loan notes and the issue of 608,123 new ordinary shares

* Consideration for DK Rental Belgium and DK Rental France comprises Euro41.9 million (£29.3 million) in cash, Euro9.0 million (£6.3 million) in loan notes and the issue of 1,294,249 new ordinary shares

* The acquisitions of the DK Rental Group will:

* increase the scale of the Group's operations in Spain and France, strengthen the Group's position in those markets and enhance operating margins through increased utilisation and economies of scale;

* give Lavendon a clear market leading position in the Belgian market; and

* position the Group for further consolidation opportunities in those markets

* The combined DK Rental business has a fleet of approximately 2,700 machines (with an average age of two years), seven main depots across the three countries and a strong financial track record, with attractive profit margins

* Revenue of Euro31.3 million, EBITDA of Euro17.3 million and EBIT of Euro11.2 million in the year ended 31 December 2006

* Experienced DK Rental management team will remain with the business and join the Lavendon Group

* The Directors expect the acquisitions to be earnings enhancing, before exceptional costs, for the year ending 31 December 2008

* The acquisition of DK Rental Spain has completed. The proposed acquisition of DK Rental Belgium and DK Rental France is conditional upon the approval of Shareholders, which will be sought at an Extraordinary Meeting of the Company. A circular containing details of the Proposed Acquisition and convening the Extraordinary General Meeting will be sent to Shareholders shortly

* Current trading for the Group has remained strong. The Group has continued to grow its revenues year on year, with all main markets contributing to this progress.

Commenting on the acquisitions, Kevin Appleton, Chief Executive, said:

'The acquisitions of the DK Rental Group will increase the scale of Lavendon's Spanish and French businesses and strengthen our market positions in each country. With the operational leverage from combining the businesses, this will enable us to deliver improved returns from these markets. The acquisitions will also give us market leadership in the attractive Belgian market.'

This summary should be read in conjunction with the full text of the announcement.

Unless stated otherwise in this announcement, the exchange rate of GBP1:Eurol.43 has been used in this announcement.

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Information on Lavendon

Lavendon Group is the European leader in the rental of powered access equipment. The quality and diversity of the hire fleet, coupled with the professionalism and accessibility of the depot network, provides an exceptional product range for customers and underpins the key operating strategies of the Group. Powered access equipment is designed to enable people to work safely, productively and comfortably at height. It can be used in a comprehensive range of applications, both inside and outside buildings and structures.

This announcement is for information purposes only and does not constitute an offer or invitation to acquire or dispose of any securities or investment advice in any jurisdiction.

This announcement contains a number of forward-looking statements relating to Lavendon with respect to, amongst other things, the following: financial condition; results of operations; economic conditions in which Lavendon operates; the business of Lavendon; future benefits of the transaction; and management plans and objectives. Lavendon considers any statements which are not historical facts to be 'forward-looking statements'. They relate to events and trends which are subject to risks and uncertainties which could cause the actual results and financial position of Lavendon to differ materially from the information presented in the relevant forward-looking statement. When used in this announcement, the words 'estimate', 'project', 'intend', 'aim', 'anticipate', 'believe', 'expect', 'should' and similar expressions, as they relate to Lavendon or the management of Lavendon, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Lavendon does not undertake to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws and regulations.

Dresdner Kleinwort Limited, which is authorised and regulated by the Financial Services Authority, is acting for Lavendon Group plc and for no one else in

connection with the Proposed Acquisition and will not be responsible to anyone other than Lavendon Group plc for providing the protections afforded to clients of Dresdner Kleinwort Limited or for affording advice in relation to the Proposed Acquisition or any matters referred to in this announcement.

Oriel Securities, which is authorised and regulated by the Financial Services Authority, is acting for Lavendon Group plc and for no one else in connection with the Proposed Acquisition and will not be responsible to anyone other than Lavendon Group plc for providing the protections afforded to clients of Oriel Securities or for affording advice in relation to the Proposed Acquisition or any matters referred to in this announcement.

Words and expressions used in this announcement shall have the same meaning as defined in Appendix I to this announcement.

Lavendon Group plc

Acquisition of DK Rental Spain and Proposed Acquisition of DK Rental Belgium and DK Rental France

1. Introduction

Lavendon Group plc ('Lavendon' or the 'Company'), Europe's market leader in the rental of powered access equipment, announces the acquisition of DK Rental Spain, a Spanish powered access rental and equipment sale business, for a consideration of Euro24.2 million (£16.9 million) and the proposed acquisition of DK Rental Belgium and DK Rental France, powered access rental and equipment sale businesses operating in Belgium and France, respectively, for a consideration of Euro63.6 million (£44.5 million).

The consideration for the acquisition of DK Rental Spain, which completed on 12 November 2007, comprises the payment of Euro14.6 million (£10.2 million) in cash, Euro3.6 million (£2.5 million) in loan notes, and the issue of 608,123 New Ordinary Shares (based on the average closing Lavendon offer price for the twenty business days ended 9 November 2007 of 682 pence per share). The cash consideration will be paid and the loan notes issued to the Spanish Vendors on completion of the Proposed Acquisition or, if the Proposed Acquisition lapses or is terminated, shortly after such lapse or termination (not being later than 2 February 2008). On the later of completion of the Proposed Acquisition and 14 December 2007, Lavendon will issue the Spanish Vendors 608,123 New Ordinary Shares conditional on Admission. If completion of the Proposed Acquisition does not take place, then in certain circumstances Lavendon is able to reduce the proportion of the cash consideration payable to Dirk Naessens for DK Rental Spain by Euro5 million.

The aggregate consideration for the Proposed Acquisition comprises the payment of Euro41.9 million (£29.3 million) in cash, Euro9.0 million (£6.3 million) in loan notes and the issue of 1,294,249 New Ordinary Shares (based on the average closing Lavendon offer price for the twenty business days ended 9 November 2007 of 682 pence per share). On Completion, Lavendon will pay the French Vendor and the Belgian Vendors Euro41.9 million (£29.3 million) in cash and will issue Euro9.0 million (£6.3 million) in loan notes. On 14 December 2007, Lavendon will issue D.F.M. NV (one of the Belgian Vendors) 1,294,249 New Ordinary Shares conditional on Admission.

In view of the size of the Proposed Acquisition and requirement to aggregate the acquisition of DK Rental Spain and the Proposed Acquisition, the Proposed Acquisition constitutes a Class 1 transaction for the purposes of the Listing Rules. In addition, as a result of Dirk Naessens (one of the Spanish Vendors)

having been a director and a substantial shareholder of DK Rental Spain prior to its acquisition by Lavendon and his shareholdings in DK Rental Belgium and DK Rental France SaRL, the Proposed Acquisition constitutes a related party transaction for the purposes of the Listing Rules.

Completion is therefore conditional upon the approval of Shareholders, which will be sought at an Extraordinary Meeting of the Company. A circular containing details of the Proposed Acquisition and convening the Extraordinary General Meeting will be sent to Shareholders shortly.

2. Background to and reasons for the acquisitions

Lavendon's core geographic markets have hitherto been the UK and Germany, where the Group has successfully established leading market positions. For the year ended 31 December 2006, these markets represented 83 per cent. of the Group's turnover. The Group has also developed a highly profitable and fast-growing business in the Middle East.

In addition to these markets, the Group has established smaller operations in France and Spain. To further develop the Group's growth potential, the Directors have reviewed opportunities to increase the scale of its existing operations in France and Spain and also considered entry into new geographical markets where appropriate opportunities exist.

The Directors believe that significant benefits can be realised from both improving the Group's market position and increasing the size of its current operations in France and Spain. These benefits include increased utilisation of the Group's rental fleet and the economies of scale available from the sharing of back-office functions.

Against this background, the acquisition of DK Rental Spain and the Proposed Acquisition represents an attractive opportunity for Lavendon to increase the scale of its operations in both France and Spain, thereby strengthening the Group's position in these markets. The Directors believe that with these enhanced market positions, together with improved management practices and operational gearing, the Group should deliver increased operating margins in France and Spain going forward. The Proposed Acquisition will also enable the Group to enter the Belgian market as the clear market leader, with an approximate 20 per cent. market share.

The Directors believe that the acquisition of DK Rental Spain and the Proposed Acquisition will improve the Group's position if further consolidation opportunities in these markets and the European access rental market in general become available.

The Proposed Acquisition provides the Group with an experienced channel to recycle retired fleet, through the well established equipment sales division of DK Rental Belgium. The average age of the combined fleet of DK Rental Spain, DK Rental Belgium and DK Rental France is two years which compares with six years for the Group's fleet. The Directors believe that the opportunity exists to extend the average life of the DK Rental fleet, which would deliver capital expenditure savings for the Enlarged Group, without impacting DK Rental's potential machine sales volumes due to access to the Enlarged Group's retired fleet. The opportunity to dispose of increased volumes of the Enlarged Group's retired fleet, through the use of DK Rental's established recycling channel should enhance the overall margins of the Enlarged Group by increasing the options available for the controlled disposal of retired equipment.

The senior management team of the DK Rental Group will remain in place following the acquisition of DK Rental Spain and completion of the Proposed Acquisition. Ivan Papell, currently General Manager of DK Rental Spain has entered into a new service agreement with the Group and will be the General Manager of the Enlarged Group's Spanish operation. D.F.M NV (a company owned by Dirk Naessens, who currently manages the combined operation of DK Rental Belgium and DK Rental France), will enter into a new management agreement with the Group and will manage the Enlarged Group's Belgium and French operations.

3. Information on DK Rental Spain, DK Rental Belgium and DK Rental France

The DK Rental Group is an access rental and equipment sale business comprising operations in Belgium, France and Spain. In aggregate, the DK Rental Group currently operates a combined fleet of approximately 2,700 machines from a network of seven main depots, with approximately 100 employees. The fleet mainly consists of powered access equipment, although the DK Rental Group also operates fork-lift trucks and telehandlers which represent around 14 per cent. of the overall fleet.

The DK Rental Group was established in 1985 by Dirk Naessens and Katrien Verbauwhede with an initial focus on the rental and sale of forklift trucks in Belgium. In 1989, the business moved into the rental and sale of powered access equipment. In Belgium, where DK Rental is a clear market leader, the business operates a rental fleet of approximately 1,400 machines through a network of four depots. The Spanish operation was established in 1998, following the purchase of Lifting Iberica SA by Dirk Naessens and Ivan Papell, the latter being an employee of Lifting Iberica SA at the time. The business currently operates a fleet of approximately 950 machines from two main locations in Barcelona and Girona, together with satellite depots in Tarragona, Lleida and Madrid.

In 2003, DK Rental opened a depot in Paris, France. This depot, which is effectively managed as an operational location of the Belgian business, currently operates a rental fleet of approximately 350 machines.

Although DK Rental is not an accounting group, the three businesses are linked through common ownership rather than a legal relationship between the companies. The DK Rental Belgian and French Group is ultimately 100 per cent. owned by Dirk Naessens, while, prior to its acquisition by Lavendon, DK Rental Spain was 51 per cent. owned by Dirk Naessens, 45 per cent. owned by Ivan Papell and 4 per cent. owned by two minority shareholders, who are current employees of DK Rental

Spain and DK Rental Belgium respectively.

Financial record of DK Rental Spain

| Year ended 31 December | 2004 Euro'000 | 2005 Euro'000 | 2006 Euro' |
|--------------------------------|------------------|------------------|---------------|
| Revenue | 6,899 | 8,657 | 10,933 |
| EBITDA | 2,484 | 3,987 | 6,427 |
| EBITDA margin % | 36.0% | 46.1% | 58.8% |
| Operating profit | 1,710 | 2,622 | 4,094 |
| Operating margin % | 24.8% | 30.3% | 37.4% |
| Profit before tax | 1,545 | 2,350 | 3,705 |
| Profit after tax | 1,079 | 1,665 | 2,513 |
| Cash generated from operations | 1,868 | 3,202 | 6,626 |
| Capital expenditure | 5,222 | 4,777 | 9,681 |
| Net debt | (5,497) | (6,759) | (10,046) |
| Gross assets | 11,718 | 15,742 | 22,663 |
| Net assets | 4,053 | 5,718 | 8,318 |

Financial record of the DK Rental Belgian and French Group

| Year ended 31 December | 2004 Euro'000 | 2005 Euro'000 | 2006 Euro' |
|--------------------------------|------------------|------------------|---------------|
| Revenue | 16,738 | 19,379 | 20,389 |
| EBITDA | 6,387 | 9,317 | 10,870 |
| EBITDA margin % | 38.2% | 48.1% | 53.3% |
| Operating profit | 3,714 | 6,715 | 7,101 |
| Operating margin % | 22.2% | 34.7% | 34.8% |
| Profit before tax | 3,268 | 6,262 | 6,582 |
| Profit after tax | 1,738 | 4,380 | 4,220 |
| Cash generated from operations | 6,012 | 6,990 | 8,081 |
| Capital expenditure | 6,568 | 9,906 | 25,047 |
| Net debt | (8,880) | (10,140) | (23,386) |
| Gross assets | 28,127 | 33,352 | 50,734 |
| Net assets | 11,626 | 15,806 | 19,826 |

Over the past two years the DK Rental Belgian and French Group has shown strong revenue growth, averaging over 10.0 per cent. per annum, with accompanying increases in EBITDA and operating margins. The DK Rental Belgian and French Group generated an EBITDA margin of 53.3 per cent. for the year ended 31 December 2006. This compares favourably with the EBITDA margins generated by the Group of 29.8 per cent. and 30.7 per cent. as derived, without material adjustment, from the audited financial statements for the two years ended 31 December 2005 and 2006, respectively.

The underlying reason for the DK Rental Belgian and French Group's higher EBITDA margins compared with the Group is, inter alia, the scale of operating leverage achieved from the DK Rental Belgian and French Group's cost structure. This increased leverage is available as a limited number of depots are required to service their markets, with each depot operating a large average fleet size, enabling economies of scale to be derived. This operating efficiency is further enhanced by the margins achieved from the sale of equipment through this depot network. Whilst there will be a requirement to increase managerial resources in certain areas of the DK Rental Belgian and French Group, the Directors believe that the EBITDA margins achieved by the Proposed Acquisition will remain above those currently achieved by the Group.

Since 31 December 2006, trading in both DK Rental Spain and the DK Rental Belgian and French Group has been strong.

4. Principal terms of the acquisition of DK Rental Spain

The consideration payable comprises Euro14.6 million (£10.2 million) in cash, Euro1.8 million (£1.3 million) in 4 per cent. unsecured loan notes guaranteed by the Company redeemable on the first anniversary of issue, Euro1.8 million (£1.3 million) in 3.5 per cent. unsecured loan notes guaranteed by the Bank redeemable on the second anniversary of issue and the issue of 608,123 New Ordinary Shares (based on the average closing Lavendon offer price for the twenty business days ended 9 November 2007 of 682 pence per share). The cash consideration of Euro14.6 million will be paid and the loan notes issued to the Spanish Vendors on completion of the Proposed Acquisition or if the Proposed Acquisition lapses or is terminated, shortly after such lapse or termination (not being later than 2 February 2008). If completion of the Proposed Acquisition does not take place, then in certain circumstances Lavendon is able to reduce the proportion of the cash consideration payable to Dirk Naessens by Euro5 million.

Application will be made for Admission in respect of the 608,123 New Ordinary Shares, to be issued pursuant to the Spanish Acquisition Agreement. It is expected that Admission will become effective and dealings in the New Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. on 17 December

2007. The New Ordinary Shares will rank pari passu with the existing Ordinary Shares.

The Lavendon Group has assumed the net indebtedness of DK Rental Spain which at Completion is estimated to be Euro11.0 million (£7.7 million).

Alan Merrell has been, and Kevin Appleton will be, appointed to the Board of DK Rental Spain and Ivan Papell has been appointed General Manager of DK Rental Spain and Zoom Access S.L.

Each of the Spanish Vendors has entered into a lock-up agreement in relation to the New Ordinary Shares to be issued pursuant to the Spanish Acquisition Agreement for a period of 24 months from the earlier of Completion or the date the New Ordinary Shares are allotted to the Spanish Vendors (the 'Relevant Date'). Up to 25 per cent. of the New Ordinary Shares may be sold in the period falling between six and 12 months after the Relevant Date and a further tranche of 25 per cent. of the New Ordinary Shares may be sold in each of the periods falling between 12 and 18 months and between 18 months and 24 months after the Relevant Date, in each case together with any unsold New Ordinary Shares from the previous tranches. The usual exceptions in relation to disposals of the New Ordinary Shares apply, being acceptance of general offers to acquire the entire issued share capital or remaining issued share capital of Lavendon, the execution of an irrevocable undertaking to accept the same and acceptance of an offer by the Company to purchase its own shares in accordance with the Companies Act 1985. Arrangements are in place to ensure that any sale of the New Ordinary Shares during the lock-up period is effected in consultation with the Company with a view to facilitating an orderly market.

5. Principal terms of the Proposed Acquisition

Lavendon has conditionally agreed to acquire DK Rental Belgium and DK Rental France for an aggregate consideration of Euro63.6 million (£44.5 million) to be satisfied as to Euro41.9 million (£29.3 million) in cash, as to Euro4.5 million (£3.1 million) by the issue of 4 per cent. unsecured loan notes guaranteed by the Company redeemable on the first anniversary of Completion, as to Euro4.5 million (£3.1 million) by the issue of 3.5 per cent. unsecured loan notes guaranteed by the Bank redeemable on the second anniversary of Completion and by the issue of 1,294,249 New Ordinary Shares (based on the average closing Lavendon offer price for the twenty business days ended 9 November 2007 of 682 pence per share).

Completion of the Proposed Acquisition is expected to take place on the fifth Business Day immediately following the EGM and the Belgian Acquisition and the French Acquisition will be completed simultaneously. Both the Belgian Acquisition and the French Acquisition are conditional, inter alia, upon:

(i) the passing of the resolutions to be set out in the notice of EGM; and

(ii) the Acquisition Agreements not having been terminated pursuant to their terms.

Application will be made for Admission in respect of the 1,294,249 New Ordinary Shares, to be issued pursuant to the Belgian Acquisition Agreement. It is expected that Admission will become effective and dealings in the New Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. on 17 December 2007. The New Ordinary Shares will rank pari passu with the existing Ordinary Shares.

Lavendon will assume the net indebtedness of DK Rental Belgium which is expected to be Euro15.0 million (£10.5 million), after certain non-business properties owned by DK Rental Belgium are sold immediately prior to Completion for a cash consideration of Euro6.4 million (£4.5 million).

The cash consideration for DK Rental Belgium will be subject to a downward only adjustment (capped at Euro4.0 million) for each Euro1 that the aggregate EBITDA (earnings before interest, taxation, depreciation and amortisation) of DK Rental Belgium and DK Rental France SaRL is below Euro17.5 million for the year ended 31 December 2007 and such adjustment (if any) will be paid to Zoom Holdings (Belgium) NV around 31 March 2008. The statutory accounts of DK Rental Belgium and DK Rental France SaRL will be used to calculate the amount of any such adjustment.

On completion of the Proposed Acquisition, Kevin Appleton and Alan Merrell will be appointed to the Board of DK Rental Belgium.

D.F.M. NV (one of the Belgian Vendors, and a company owned by Dirk Naessens, being the only recipient of New Ordinary Shares under the Belgian Acquisition Agreement) has entered into a lock-up agreement in relation to the New Ordinary Shares to be issued pursuant to the Belgian Acquisition Agreement for a period

of 24 months from Completion. Up to 25 per cent. of the New Ordinary Shares may be sold in the period falling between six and 12 months after Completion and a further tranche of 25 per cent. of the New Ordinary Shares may be sold in each of the periods falling between 12 and 18 months and between 18 months and 24 months after Completion, in each case together with any unsold New Ordinary Shares from the previous tranches. The usual exceptions in relation to disposals of the New Ordinary Shares apply, being acceptance of general offers to acquire the entire issued share capital or remaining issued share capital of Lavendon, the execution of an irrevocable undertaking to accept the same and acceptance of an offer by the Company to purchase its own shares in accordance with the Companies Acts. Arrangements are in place to ensure that any sale of the New Ordinary Shares during the lock-up period is effected in consultation with the Company with a view to facilitating an orderly market.

6. Financial effects of the acquisition of DK Rental Spain and the Proposed Acquisition

The acquisitions of DK Rental Spain and the Proposed Acquisition are expected to be earnings enhancing for the Enlarged Group, before exceptional costs associated with the acquisitions, for the financial year ending 31 December 2008 and thereafter.

Nothing in this announcement should be interpreted to mean that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group.

7. Funding

The cash consideration payable for the acquisitions is being provided by an increase in the Group's existing bank facilities to £150 million, comprising a term loan of Euro35 million and a revolving credit facility of £125 million. In addition, the Bank is providing a Euro6.3 million loan note guarantee facility. The term loan is repayable in quarterly instalments between 31 March 2008 and 30 June 2009. The revolving credit facility is repayable on 30 June 2009. A margin of between 110 and 305 basis points over Libor or Euribor (as applicable) is payable on the term and revolving credit facilities dependent upon the extent of the facility utilised and the level of interest cover of the Enlarged Group. There are a number of events of default in relation to the term and revolving facility that are customary for an agreement of this nature.

8. Listings, dealings and settlement of the New Ordinary Shares

Application will be made for Admission in respect of the 1,902,372 New Ordinary Shares. It is expected that Admission will become effective and dealings in the New Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. on 17 December 2007. The New Ordinary Shares will rank pari passu with the existing Ordinary Shares.

9. Current trading and prospects

On 3 September 2007, Lavendon issued the following update on current trading and prospects as part of the Group's interim results for the six months ended 30 June 2007:

'Trading conditions across the Group's main markets have been good during the first half of the year. At the same time, extended lead times from equipment suppliers mean that the ability of the market to add substantial capacity to national fleets is limited. These factors, together with the ever-increasing awareness and application of work at height legislation across the European Union, should ensure market conditions remain favourable for some time.

Whilst these structural factors have contributed to a positive market environment, the mild winter and spring weather, experienced across much of Europe, led to the acceleration of many weather-dependent projects, which undoubtedly benefited the Group's revenues and earnings in the first quarter of this year.

Our approach of developing a strong operational base in our chosen markets, with robust systems, bolting quality acquisitions to that core business, and then driving revenue and cost synergies is bearing fruit. As part of this process, we have put considerable focus on improving our management depth and quality as the Group moves through this period of rapid growth. These efforts are reflected in the improved financial performance of the Group as it continues to make good progress towards producing acceptable economic returns from the markets in which

we operate. We believe that this approach can continue to deliver benefits for the Group over the coming years, and consequently believe that there remains considerable scope for further improvement in business performance and enhanced shareholder returns.

Trading since the end of the first half of the year has continued to be strong and we expect the Group's performance for the year to be ahead of our previous market expectations.'

Since this announcement trading has remained strong. The Group has continued to grow its revenues year on year, with all main markets contributing to this progress. Given the further benefits of the acquisition of DK Rental Spain and the Proposed Acquisition, the Board is confident of the financial and trading prospects of the Enlarged Group.

Appendix I

Definitions

The following definitions apply throughout this announcement unless the context requires otherwise:

| | |
|--------------------------------------|--|
| 'Acquisition Agreements' | the Belgian Acquisition Agreement and the French Acquisition Agreement |
| 'Admission' | the admission of the New Ordinary Shares to the Official List and to trading on the London Stock Exchange market for listed securities |
| 'Bank' | Bank of Scotland PLC |
| 'Belgian Acquisition' | the proposed acquisition of the entire issued share capital of DK Rental Belgium |
| 'Belgian Acquisition Agreement' | the conditional agreement dated 12 November 2007 between (1) the Belgian Vendors and (2) Zoomo Holdings (Belgium) NV, and (3) the Company |
| 'Belgian Vendors' | Dirk Naessens, Katrien Verbauwheide and D.F.M NV |
| 'Company' or 'Lavendon' | Lavendon Group plc |
| 'Completion' | Completion of the Belgian Acquisition and the French Acquisition |
| 'DK Rental' | DK Rental |
| 'DK Rental Belgium' | DK Rental NV |
| 'DK Rental Belgian and French Group' | DK Rental Belgium and DK Rental France SaRL |
| 'DK Rental France' | the business and certain assets of DK Rental France SaRL |
| 'DK Rental Group' | DK Rental Belgium, DK Rental France and DK Rental Spain |
| 'DK Rental Spain' | DK Rental Spain S.A. |
| 'Enlarged Group' | the Company and its subsidiaries immediately following completion of the Proposed Acquisition |
| 'EGM' | the extraordinary general meeting of the Company |
| 'French Acquisition' | the proposed acquisition of DK Rental France |
| 'French Acquisition Agreement' | the conditional agreement dated 12 November 2007 between (1) Zoomo France S.A.S, (2) the Company, (3) the French Vendor and (4) Dirk Naessens |
| 'French Vendor' | DK Rental France SaRL |
| 'Group' | the Company and its subsidiaries as at the date of this announcement |
| 'Listing Rules' | the listing rules issued by the FSA |
| 'London Stock Exchange' | London Stock Exchange plc |
| 'New Ordinary Shares' | the 608,123 New Ordinary Shares to be issued pursuant to the Spanish Acquisition and/or the 1,294,249 New Ordinary Shares to be issued pursuant to the Belgian Acquisition |
| 'Ordinary Shares' | ordinary shares of £0.01 each in the capital of the Company |
| 'Proposed Acquisition' | the Belgian Acquisition and the French Acquisition |
| 'Resolutions' | the resolutions to be set out in the notice of EGM |
| 'Shareholders' | holders of Ordinary Shares |

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|---------------------------------|--|
| 'Spanish Acquisition' | the acquisition of the entire issued share capital of DK Rental Spain S.A. |
| 'Spanish Acquisition Agreement' | the agreement dated 12 November 2007 between (1) the Spanish Vendors, (2) Zoom Access S.L. and (3) the Company |
| 'Spanish Vendors' | Dirk Naessens, Ivan Papell, Kurt Dobbels and Josep-Maria Piera |

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