

25 June 2009

## **PRESS RELEASE**

### **Lavendon Group plc (" the Company" or "the Group")**

#### **Pre-close trading statement**

Lavendon Group plc, Europe's market leader in the rental of powered access equipment, today issues the following pre-close trading update for the six months to 30 June 2009, before entering its close period prior to the announcement of its interim results on Friday 28 August 2009: -

'Overall, with our business remaining strongly cash generative and operating with a lowered cost base, we believe that our resilience against the current economic climate has been improved during the period. For the five months to 31 May 2009 Group revenues have declined by 5% compared with the same period last year. On a constant currency basis revenues have reduced by 13%. The prior year comparator includes two months of contribution from the acquisition of The Platform Company, which was completed on 1 April 2008.

In the UK, revenues have fallen by 17% as trading conditions continue to be difficult across a number of sectors, particularly industrial and commercial construction. This decline in revenues is being mitigated in part by continued success in winning new business with major contractors and by the successful completion of the operational integration programme, which is delivering the targeted annualised reduction in the UK's cost base of £8 million (£6 million of which will be delivered in 2009).

Revenues from our German business have increased by 2% year-on-year in sterling terms. However, local currency revenues have reduced by 11%, reflecting the subdued level of demand experienced in recent months, particularly across the period of public holidays in April and May. During this time, the business has lowered its annual cost base by €2.5 million, adjusting its structure to be more in line with the expected levels of market demand in the coming months.

In Belgium and France, local currency rental revenues have declined by 18% against the same period last year, against a background of reducing demand. However in recent weeks there have been some encouraging signs in Belgium that activity levels are starting to strengthen.

Market conditions in Spain continue to be extremely harsh, with local currency revenues falling by 42% year-on-year. Despite this deterioration in revenue our business remains profitable and continues to be cash generative.

Total revenues in the Middle East have grown by 39% in local currencies (76% on translation to sterling), with underlying rental revenues, as opposed to revenues from the sale of new equipment, increasing by 40% in local currencies. This revenue growth has been driven by the securing of several new supply contracts across the region and is delivering a strong improvement in operating margins. The ability to continue to grow revenues will be further supported by the transfer of additional machines to the region during the remainder of this year.

The Group's operating cash flows have been robust during the first five months of the year, and, with a tight control over capital expenditure, net debt levels have reduced in line with our plans.

Whilst market conditions facing our European operations remain difficult, the Group has made good progress in reducing its cost base and is trading in line with our expectations.'

Lavendon Group plc

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END