

9th February 2012

HSS Hire Service Group (“HSS Hire”)
2011 Full Year Results for period ending 31 December 2011

SUSTAINED GROWTH AND MAJOR OPERATIONAL IMPROVEMENTS IN 2011

HSS Hire Service Group (“HSS Hire”), the national supplier of tool and equipment hire and related services, today announced full year results for the period to 31 December 2011.

Financial Highlights

- EBITDA of £39.8m for the full year, an increase of 2% over 2010.
- Revenue of £180.2m for the full year, up 5% or £9.2m from £171.0m last year.
- EBITDA of £9.1m for the fourth quarter, down 3% from the same period last year.
- Revenue of £43.9m for the fourth quarter, down 1% from last year.

HSS delivered continued revenue and EBITDA growth in the year despite the loss of its Network Rail contract and significantly lower than usual revenue from air-conditioning and heating due to the mild weather. In addition, the Group incurred significant transitional cost from its major investment in a new operating platform to deliver improved customer service levels and operating efficiencies.

Net capital investment was higher in 2011 than 2010, reflecting ongoing investment in the hire fleet. Particular focus was powered access equipment aimed at meeting core customer requirements across the Retail and FM markets; HSS is now the second largest provider of low-level powered access in the UK.

Operational Highlights

- Fully implemented new operating platform (logistics and maintenance management) increasing customer availability, delivering greater cost control through a move from fixed to variable costs and reducing CAPEX requirement going forward through better utilisation rates.
- Significant growth in key accounts, up 13% year-on-year, and representing 30% of revenue, despite the loss of the Network Rail contract. /cont'd
- Notable new contract wins including a five-year sole supplier agreement with British Waterways and a multimillion pound strategic alliance with Enterprise, the leading UK infrastructure maintenance businesses, under which HSS manages and maintains Enterprise's owned fleet as well as its equipment rental requirements throughout its UK operations.
- Successful launch of the HSS Outsource cleaning range of Reintec equipment aimed at the long-term rental market for contract cleaners.
- Continued strong performance and revenue growth from HSS Training, the Group's specialist training division.

Growth plans and outlook for 2012.

- Underlying core business demand remains strong and the Group expects continued growth subject to broader market conditions.

- The Group remains focused on organic growth, particularly through its regional and key accounts and customer-centric proposition.
- After delivering a major new operating platform in 2011, the Group's focus for 2012 will be on leveraging the utilisation and cost benefits whilst continuing to drive equipment availability for customers.

Statement from Archie Norman, Chairman

"HSS has made good progress against its strategic development plan in 2011, and the business is well positioned as a trusted partner and service leader in the tools and equipment rental, outsourcing and services sector."

Statement from Chris Davies, Chief Executive Officer

"I am pleased with the progress of the business in 2011. We achieved both revenue and profit growth against a tough market whilst implementing major change to our logistics and maintenance operation to provide increased fleet availability for our customers.

"Key accounts have continued to be an important part of our growth in 2011 and I am delighted that, through focusing on the key customer needs, we have won significant new opportunities with a number of large national accounts in the fourth quarter, including an outsourced equipment management partnership with Enterprise Group that demonstrates innovation in our service model. We continue to benefit from excellent customer relationships in Retail, Fit-out, Facilities Management and Airports.

"HSS Training has continued to grow organically – it now leads the market in PASMA and is the second largest provider of IPAF training in the UK. We have continued to invest in our training venues and facilities for our customers and have launched a fully interactive course booking website to provide customers with ease of transaction.

"As planned, we invested heavily in the roll-out of our new logistics and operating platform and while costs associated with supporting this transition did impact our earnings in the short-term, we have laid excellent foundations for efficiency gains, higher utilisation and service-level improvements into 2012 and beyond.

"2012 will undoubtedly present us with challenging conditions – not least with the unseasonably mild winter continuing into the start of the year - but we are well positioned to keep building our business. We'll continue to drive sales growth whilst focusing on improving margins. As always we will continue to concentrate on the things we know matter most to our customers whilst investing in our colleagues and managing our cash generation and costs in order to take our business forward."

ENDS

Notes to editors:

HSS Hire Service Group is a UK-based tool and equipment hire chain that has been serving big businesses, trade and DIY customers since 1957. It was the Hire Association Europe's and Contract Journal's Plant Hire Company of the Year 2009 and in 2010 was awarded the HAE's 'Excellence in Customer Care' award and highly commended by the European Rental Association. HSS again won the HAE's 'Excellence in Customer Care' award in 2011 and is the European Rental Company of the Year 2011.

Operating under the banner of HSS Hire, the group has an established nationwide network of over 250 locations including a number of supercentres with extended opening hours. The company also runs a dedicated training division and offers a range of innovative hire related services including HSS LiveHire, HSS Outsource and HSS Pitstop.

HSS Hire is ISO9000, ISO14001, OHSAS18001 and SAFE-Hire certified and holds Investors in People status as well as a 4 star British Safety Award.

For more information visit <http://www.hsshiregroup.com>.