

17 February 2011

**HSS Hire Service Group (“HSS Hire”)  
2010 Full Year Results for Period Ending 1 January 2011**

Solid growth driven by continued focus on customers, colleagues, costs and cash

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 1 January 2011.

**Financial Highlights**

- EBITDA of £39.1m for the full year, up 33% from £29.4m for the same period last year
- Revenues of £171.0m for the full year, up 15% or £21.8m from £149.3m last year
- EBITDA of £9.4m for the fourth quarter, up 48% from £6.3m for the same period last year
- Revenues of £44.5m for the fourth quarter, up 19% from £37.4m last year
- Double digit revenue growth achieved in every quarter of 2010 – Q1: 11%, Q2: 15% Q3: 13% and Q4: 19%

[2009 results are adjusted for a 53rd week to allow for a correct like for like comparison with 2010]

**Operational Highlights**

HSS made strong progress against its strategic development plan, positioning the business as a service leader in the tools and equipment rental, outsourcing, and services sector

- Significant growth in key accounts – up 25% YOY and now representing 30% of revenues – as well as notable wins in target sectors including airports, retail, FM and utilities
- Capital investment brought forward to support growth, including significant powered access fleet investment to make it the second largest in compact segment
- Real-time online management system, Livehire, incorporating PDA technology to deliver control over every aspect of hire, now has more than 8,500 customers live on the system
- Strong growth in HSS Training, up 54% for the year, bolstered by acquisition of Hydrex Training in the second quarter

**Statement from Archie Norman, Chairman**

“The HSS team under Chris Davies’ strong leadership has delivered another year of change and growth despite very challenging market conditions. This demonstrates that our model of focus on customer service built around a unique network of large branches and fully integrated logistics is capable of delivering real competitive advantage and better results for customers.”

## **Statement from Chris Davies, Chief Executive Officer**

"I am delighted with our progress in 2010. We achieved double digit revenue growth in every quarter in a very tough market. Our strategy has customer service at its core and we work hard to attract, retain and develop quality colleagues to deliver it while maintaining strong financial control. I want to thank all our colleagues for their hard work and commitment.

2011 will continue to present us with challenging conditions. Our model, based around a customer service philosophy, builds on our people and their capability. We will invest further through our innovative technical apprenticeship scheme and fast track young leader's programme. We will also continue to invest in our fleet and logistics network giving customers even more availability and support.

Our growth in key accounts has been significant in 2010 in our target sectors of FM, airports, retail and utilities. Our strategy throughout has been to focus on the highly demanding maintain and operate segment rather than ground up construction. We remain a very focused business concentrating on stable parts of the market that afford better growth prospects in these difficult times. We differentiate ourselves through a service proposition which provides cost savings, transparency and risk management for our customers.

An important part of our commitment to transparency in the hire industry has been our real-time online management system, Livehire, which now has more than 8,500 customers using it. In addition to real-time on and off hire, online payment and financial statements, customers can now view live estimated times of arrival (ETAs) as well as instant electronic proof of delivery and equipment photographs. This management system is driving down costs and driving up control for customers.

HSS Training expanded by over 50% during the year, through the acquisition of Hydrex Training and rapid organic growth. It also gained the first endorsement from the Facilities Management Association (FMA) and the largest market share from the Prefabricated Access Suppliers' Association (PASMA) during the period. Training is just one part of our absolute commitment to safety. Our Serious about Safety programme embeds safety at the heart of HSS.

We have focused on keeping costs low without compromising customer service. Equally as important, especially in such a difficult economic environment, is keeping cash flow strong. This has been achieved by improved gross cashflows enabling an increase in capital expenditure over the prior year, ensuring the hire fleet is fully invested in line with current trading volumes. As a result we generated trading cashflows ahead £3m on the prior year at £18m. We have started 2011 solidly and will retain our total focus on customers, colleagues, costs and cash in the year ahead."

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### **For further information:**

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### **Notes to Editors**

HSS Hire Service Group ([www.hsshiregroup.com](http://www.hsshiregroup.com)) is a UK-based, national supplier of tool and equipment hire and related services. It has been serving big businesses, trade and DIY customers since 1957. The company also runs a dedicated training division and offers a range of innovative hire related services including HSS LiveHire, HSS Outsource and HSS Onsite.

Operating under the banner of HSS Hire, the group has an established nationwide network of 232 locations including a number of supercentres with extended opening hours. Operated using a 'hub and spoke' approach and supported by a vast fleet of liveried vehicles, the network ensures the best possible national distribution and, therefore, customer service.

In 2009 HSS launched a revolutionary online management system, HSS LiveHire, which allows its customers real time tracking and visibility of equipment they have on hire. This is a central part of a commitment to being industry pioneers – championing transparency, integrity and 'the true cost of hire'.

HSS was both the Hire Association Europe and Contract Journal Hire Company of the Year 2009. In 2010 it was awarded the HAE's 'Excellence in Customer Care' award and Highly Commended by the European Rental Association. 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.