ELECTRONIC TRANSMISSION DISCLAIMER

STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

IMPORTANT: You must read the following disclaimer before continuing. This electronic transmission applies to the attached document and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached prospectus (the "Prospectus") relating to HSS Hire Group plc (the "Company") dated 22 January 2015 accessed from this page or otherwise received as a result of such access and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached document. In accessing the attached document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended for you only and you agree you will not forward, reproduce or publish this electronic transmission or the attached document to any other person. The Prospectus has been prepared solely in connection with the proposed offer to certain institutional and professional investors and intermediaries (the "Offer") of ordinary shares (the "Shares") of the Company. The Prospectus has been published in connection with the admission of the Shares to the Official List of the UK Financial Conduct Authority (the "Financial Conduct Authority") and to trading on the London Stock Exchange plc's main market for listed securities (together, "Admission"). The Prospectus has been approved by the Financial Conduct Authority as a prospectus prepared in accordance with the Prospectus Rules made under section 73A of the FSMA. The Prospectus has been published and is available from the Company's registered office and on the Company's website at www.hsshiregroup.com. Pricing information and other related disclosures are expected to be published on this website. Prospective investors are advised to access such information prior to making an investment decision.

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE US SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB AS DEFINED IN, OR IN RELIANCE ON, RULE 144A, OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

This electronic transmission and the attached document and the Offer when made are only addressed to and directed at persons in member states of the European Economic Area, other than the United Kingdom, who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) ("Qualified Investors"). This electronic transmission and the attached document must not be acted on or relied on in any member state of the European Economic Area, other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only in any member state of the European Economic Area, other than the United Kingdom, to Qualified Investors, and will be engaged in only with such persons.

Confirmation of Your Representation: This electronic transmission and the attached document is delivered to you on the basis that you are deemed to have represented to the Company and J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove), Numis Securities Limited and Joh. Berenberg, Gossler & Co. KG, London Branch (collectively, the "Banks") that (i) you are (a) a QIB acquiring such securities for its own account or for the account of another QIB or (b) acquiring such securities in "offshore transactions", as defined in, and in reliance on, Regulation S under the Securities Act; (ii) if you are in any member state of the European Economic Area other than the UK, you are a Qualified Investor and/or a Qualified Investor acting on behalf of, Qualified Investors or relevant persons, to the extent you are acting on behalf of persons or entities in the EEA or the UK; and (iii) if you are not in the United States, the UK or the EEA, you are an institutional investor that is eligible to receive this document and you consent to delivery by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company, the Banks nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing the attached document, you consent to receiving it in electronic form. None of the Banks nor any of their respective affiliates accepts any responsibility whatsoever for the contents of the attached document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Shares. The Banks and each of their respective affiliates, each accordingly disclaims all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Banks or any of their respective affiliates as to the accuracy, completeness or sufficiency of the information set out in the attached document.

The Banks are acting exclusively for the Company and no one else in connection with the Offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in the attached document.

HSS HIRE GROUP PROSPECTUS

January 2015

This document comprises a prospectus (the "Prospectus") for the purposes of Article 3 of Directive 2003/71/EC (as amended, including by Directive 2010/73/EC) (the "Prospectus Directive") relating to HSS Hire Group plc (the "Company") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "FCA") made under section 73A of the Financial Services and Markets Act 2000 (the "FSMA"). A copy of this Prospectus has been filed with, and approved by, the FCA and has been made available to the public in accordance with the Prospectus Rules.

Application will be made to the FCA for all of the ordinary shares of the Company (the "Shares") issued and to be issued in connection with the Offer to be admitted to the premium listing segment of the Official List of the FCA and to London Stock Exchange plc (the "London Stock Exchange") for all of the Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (the "Main Market") (together, "Admission"). Conditional dealings in the Shares are expected to commence on the London Stock Exchange on 4 February 2015. It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence on 9 February 2015. **All dealings before the commencement of unconditional dealings will be on a "when issued" basis and of no effect if Admission on the London Stock Exchange at 8.00 a.m. (London time) does not take place and such dealings will be at the sole risk of the parties concerned.** No application is currently intended to be made for the Shares to be admitted to listing or dealt with on any other exchange. The New Shares issued by the Company will rank pari passu in all respects with the Existing Shares.

The directors of the Company, whose names appear on page 64 of this Prospectus (the "Directors"), and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

Prospective investors should read this Prospectus in its entirety. See Part 1 (*Risk Factors*) for a discussion of certain risks and other factors that should be considered prior to any investment in the Shares.

HSS Hire
You're better equipped

HSS Hire Group plc

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 9378067)

Offer of up to 83,872,693 Shares at an Offer Price expected to be between 210 pence and 262 pence per Share and admission to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange

Global Co-ordinator, Joint Bookrunner and Sponsor

J.P. Morgan Cazenove

Joint Bookrunner

Numis Securities Limited

Co-lead Manager

Berenberg

ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION
(assuming that the Offer Price is set at the mid-point of the Price Range)

Issued and fully paid	
Number	**Nominal Value**
154,661,016	£1,546,610

The Company is offering sufficient New Shares to raise gross proceeds of £103.0 million in the Offer and the Selling Shareholders (as defined in Part 15 (*Definitions and Glossary*)) are offering an aggregate of between 5,119,048 and 44,559,716 Existing Shares in the Offer as described in Part 13 (*Details of the Offer*). The Company will not receive any of the proceeds from the sale of the Existing Shares, all of which will be received by the Selling Shareholders.

The Price Range and the New Share Offer Size Range have been set by the Company. The Existing Share Offer Size Range has been set by Exponent. It is currently expected that the Offer Price, the New Share Offer Size and the Existing Share Offer Size will be set within the Price Range, the New Share Offer Size Range and the Existing Share Offer Size Range, respectively. The Price Range is indicative only and may change during the course of the Offer, and the Offer Price may be set within, above or below the Price Range. All Shares subject to the Offer will be issued or sold at the Offer Price, which will be determined jointly by the Company, Exponent and the Joint Bookrunners, following a bookbuilding process. A number of factors will be considered in determining the Offer Price, the Share Offer Size and the basis of allocation, including the level and nature of demand for the Shares during the bookbuilding process, the level of demand in the Intermediaries Offer, prevailing market conditions and the objective of establishing an orderly after-market in the Shares, as well as the Company's historical performance, estimates of its business potential and earnings prospects, an assessment of the Company's management and consideration of these factors in relation to the market valuation of companies in related businesses. See Part 13 (*Details of the Offer*) for further information.

Unless required to do so by law or regulation, the Company does not envisage publishing a supplementary prospectus or an announcement triggering the right to withdraw applications for Shares pursuant to section 87Q of FSMA on determination of the Offer Price, the New Share Offer Size or the Existing Share Offer Size. If the Offer Price is set within the Price Range and the New Share Offer Size and Existing Share Offer Size are set within the New Share Offer Size Range and Existing Share Offer Size Range, respectively, a pricing statement containing the Offer Price and confirming the number of Shares which are comprised in the Offer (the "Pricing Statement") and related disclosures will be published on or about 4 February 2015 and will be available on the Company's website at www.hsshiregroup.com. If (i) the Offer Price is set above the Price Range or the Price Range is revised higher; (ii) the number of New Shares to be issued by the Company is set above or below the New Share Offer Size Range; and/or (iii) the number of Existing Shares to be sold by the Selling Shareholders is set above or below the Existing Share Offer Size Range, the Company will make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended and the expected date of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to subscribe for or purchase Shares would be made clear in the Company's announcement.

Reliance on this Prospectus

In making any investment decision, each investor must rely on its own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and associated risks. Investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, Exponent, the Selling Shareholders or any of the Banks (as defined below). Without prejudice to any legal or regulatory obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and paragraph 3.4 of the Prospectus Rules, neither the delivery of this Prospectus nor any subscription or purchase of Shares made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company and the Group since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

None of the Company, Exponent, the Selling Shareholders or any of the Banks, or any of their respective representatives, is making any representation to any offeree, subscriber or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. The contents of this Prospectus are not to be construed as investment, legal, financial, business or tax advice. Each prospective investor should consult their own investment, legal, business, financial or tax adviser for investment, legal, business, financial or tax advice.

Advisers

Each of J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) ("J.P. Morgan Cazenove"), which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, Numis Securities Limited ("Numis"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, and Joh. Berenberg, Gossler & Co. KG, London Branch ("Berenberg" and, together with J.P. Morgan Cazenove and Numis, the "Banks"), which is authorised by the German Federal Financial Supervisory Authority (BaFin) and subject to limited regulation by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no one else in connection with the Offer. None of the Banks will regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for the giving of advice in relation to the Offer or any transaction, matter, or arrangement referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on the Banks by FSMA or the regulatory regime established thereunder or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Banks nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this Prospectus including its accuracy, completeness and verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares or the Offer. Each of the Banks and each of their respective affiliates accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this Prospectus or any such statement. No representation or warranty express or implied, is made by any of the Banks or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this Prospectus, and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future.

In connection with the Offer, the Banks and any of their respective affiliates acting as an investor for its or their own account(s) may subscribe for or purchase Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, subscribed, sold or otherwise dealt with should be read as including any issue or offer to, or subscription or purchase or dealing by, the Banks or any of them and any of their affiliates acting as an investor for its or their own account(s). In addition, certain of the Banks and any of their respective affiliates may in the ordinary course of their business activities enter into financing arrangements (including swaps) with investors in connection with which such Banks (or their affiliates) may from time to time acquire, hold or dispose of Shares. The Banks do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Each of the Banks and their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company, Exponent and/or the Selling Shareholders for which they would have received customary fees. Each of the Banks and their respective affiliates may provide such services to the Company, Exponent and/or the Selling Shareholders and any of their respective affiliates in the future.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

The Company consents to the use of the Prospectus by the Intermediaries in connection with the Intermediaries Offer in the UK, the Channel Islands and the Isle of Man on the following terms: (i) in respect of Intermediaries who are appointed by the Company prior to the date of this Prospectus, from the date of this Prospectus and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Prospectus, from the date on which they are appointed to participate in the Intermediaries Offer and agree to adhere to and be bound by the terms of the Intermediaries Terms and Conditions, in each case until the closing of the Intermediaries Offer. The Company accepts responsibility for the information contained in the Prospectus with respect to any investor in Shares in the Offer. **Any Intermediary that uses the Prospectus must state on its website that it uses this Prospectus in accordance with the Company's consent. Intermediaries are required to provide, at the time of such offer, the terms and**

conditions of the Intermediaries Offer to any prospective investor who has expressed an interest to such Intermediary in participating in the Intermediaries Offer. Any application made by investors to any Intermediary is subject to the terms and conditions which apply to the transaction between such investor and such Intermediary.

Notice to overseas shareholders

The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"). The Shares offered by this Prospectus may not be offered or sold in the United States, except to qualified institutional buyers ("QIBs"), as defined in, and in reliance on, the exemption from the registration requirements of the US Securities Act provided in Rule 144A under the US Securities Act ("Rule 144A") or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Prospective investors are hereby notified that the sellers of the Shares may be relying on the exemption from the provisions of section 5 of the US Securities Act provided by Rule 144A. No actions have been taken to allow a public offering of the Shares under the applicable securities laws of any jurisdiction, including Australia, Canada or Japan. Subject to certain exceptions, the Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen of any jurisdiction, including Australia, Canada or Japan. This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase any of the Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The Shares have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen in Australia, Canada or Japan. The Shares have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The distribution of this Prospectus and the offer and sale of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholders or the Banks to permit a public offering of the Shares under the applicable securities laws of any jurisdiction. Other than in the United Kingdom, no action has been taken or will be taken to permit the possession or distribution of this Prospectus (or any other offering or publicity materials relating to the Shares) in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421 B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421 B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Available information

For so long as any of the Shares are in issue and are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) under the US Securities Exchange Act of 1934, as amended (the "US Exchange Act"), nor exempt from reporting under the US Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of an Ordinary Share, or to any prospective purchaser of an Ordinary Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the US Securities Act.

CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A-E (A.1—E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

SECTION A—INTRODUCTION AND WARNINGS

A.1 ***Warning***

This summary should be read as an introduction to the Prospectus.

Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and applied its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

A.2 ***Consent for Intermediaries***

The Company consents to the use of the Prospectus by the Intermediaries in connection with the Intermediaries Offer in the UK, the Channel Islands and the Isle of Man on the following terms: (i) in respect of Intermediaries who are appointed by the Company on or prior to the date of the Prospectus, from the date of the Prospectus and (ii) in respect of Intermediaries who are appointed by the Company after the date of the Prospectus, from the date on which they are appointed to participate in the Intermediaries Offer and agree to adhere and be bound by the terms of the Intermediaries Terms and Conditions, in each case until the closing of the Intermediaries Offer. Prospective investors interested in participating in the Intermediaries Offer should apply for Shares through the Intermediaries by following their relevant application procedures.

Intermediaries are required to provide, at or prior to the time of such offer, the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest to such Intermediary in participating in the Intermediaries Offer. Any application made by investors to any Intermediary is subject to the terms and conditions which apply to the transaction between such investor and such Intermediary. Any Intermediary that uses the Prospectus must state on its website that it uses this document in accordance with the Company's consent.

SECTION B—ISSUER

B.1 ***Legal and commercial name***

HSS Hire Group plc (the "Company").

B.2 ***Domicile and legal form***

The company is a public limited company, incorporated on 7 January 2015 as a private company limited by shares in the United Kingdom and re-registered as a public limited company on 19 January 2015 with its registered office situated in England and Wales. The Company operates under the Companies Act 2006.

B.3 ***Current operations and principal activities***

The Group is a leading provider of tool and equipment hire and related services in the United Kingdom and Ireland with a key focus on delivering safety, value, availability and support to its customers. The Group concentrates on the "maintain" and "operate" segments of the tool and equipment hire market, as the Directors believe that these segments offer greater opportunities for the Group to generate higher and more stable returns on assets as opposed to providing large plant and heavy machinery geared to construction activities in the more cyclical "new build" segment.

The Group complements its offering of tool and equipment hire with a range of value-added, specialist services that have been developed in response to customer demand and specifically oriented to the "maintain" and "operate" segments. The Directors believe that the combination of these products and services helps to differentiate the Group from its competitors, embed the Group more deeply with its customers and establish a "one-stop-shop" in order to capture a greater share of its customers' potential spending. The Directors believe that the Group is the second largest provider of tool and equipment hire and related services in the United Kingdom based on revenues and the second largest provider of temporary power generation in the United Kingdom based on fleet size. The Group is also the second largest provider of powered access equipment in the United Kingdom based on fleet size as reported by Cranes & Access magazine.

Under the Group's customer-focussed business model, for the 52 week period ended 31 December 2011 to the 12 months ended 27 September 2014, Group revenue grew at a CAGR of 17% and Adjusted EBITDA grew at a CAGR of 19%, market share in the UK increased from 3.6% to 4.7% and return on assets increased from 21% to 26%. The Group has a strong focus on optimising its deployment of capital, only entering market segments where it believes returns are sufficiently attractive.

The Group caters to a long-standing and diversified customer base, comprising over 35,000 "live" accounts ranging from large, blue-chip companies to smaller, local businesses across a range of sectors with over 90% of the Group's revenue generated from B2B customers in the 52 week period ended 28 December 2013. As of 27 September 2014, the Group operates from over 265 locations, serviced by a delivery fleet of over 400 commercial vehicles and approximately 2,900 colleagues, through a well-established hub and spoke distribution network comprising a national distribution centre, ten regional distribution centres, 25 local distribution centres and approximately 230 trading locations, that aims to maximise equipment availability on an on-demand or next-day basis. The Directors believe the Group's distribution network enables the Group to serve its customers "anytime, anywhere".

The Group's core businesses are:

- HSS Hire: The Group provides an extensive range of tools and equipment for hire across approximately 1,600 product lines driven by customer demand. Equipment categories include powered access, lifting and handling, heating, cooling and drying, lighting and power, breaking and drilling and site works.
- HSS OneCall: In response to the Group's customers' specific demands, the Group works with a network of more than 300 suppliers to source approximately 2,000 lines of equipment that the Group does not hold as a part of its hire fleet.
- HSS Training: The Group's specialist training business is aimed at meeting the training requirements of its customers, offering 240 industry-recognised technical and safety courses at 36 training venues throughout the United Kingdom and Ireland.

The Group's core businesses together accounted for £208.0 million or 91.8% of the Group's revenue for the 52 week period ended 28 December 2013 and £181.7 million or 87.1% of the Group's revenue for the 39 week period ended 27 September 2014.

The Group's primary specialist businesses are:

- ABird and Apex: ABird, acquired in October 2012, is the Group's specialist provider of temporary power generation and distribution equipment and services. The Group further expanded its temporary power operation through the March 2014 acquisition of Apex, a leading Scottish generator hire company. The Directors believe that the Group is now the second largest provider of temporary power generation in the United Kingdom based on fleet size.

- UK Platforms: In June 2013 the Group acquired UK Platforms, a specialist powered access business which, combined with the powered access operations of its HSS Hire business, has created the second largest provider of powered access equipment in the United Kingdom based on fleet size as reported by Cranes & Access magazine.
- Reintec and TecServ: As an alternative to the traditional hire contract, the Group offers equipment management solutions to the contract cleaning market under the Reintec and TecServ brands. With these services, HSS provides customers with the benefits of management, maintenance, compliance and cost efficiency services and expertise.

The Group's specialist businesses together accounted for £18.6 million or 8.2% of the Group's revenue for the 52 week period ended 28 December 2013 and £26.8 million or 12.9% of the Group's revenue for the 39 week period ended 27 September 2014.

The Directors believe that the Group's HSS brand is the most widely recognised in the UK tool and equipment hire markets. The Directors also believe that the Group consistently provides a superior customer service proposition to its competitors, with a leading Net Promoter Score ("NPS"), which is a measure of customers' willingness to recommend the Group's products and services, as determined by regular surveys undertaken on behalf of the Group by TNS. The products and services that the Group provides are often critical to the business operations of its customers. HSS's focus on delivering safety, value, availability and support is underpinned by what the Directors consider to be customers' key concerns: the ability for suppliers to meet their requirements at short notice; the safety and quality of equipment; price competitiveness; and customer service.

B.4a ***Significant recent trends affecting the Group and the industry in which it operates***

UK equipment rental companies provide customers with a wide variety of equipment to hire. The Group focuses on the tools and equipment hire and specialist equipment product categories of the overall equipment rental market. Hired equipment is generally used in applications relating to the "new build construction", "maintenance" or "operation" of property and related assets. The Group focuses on the "maintain" and "operate" market segments, which are less cyclical, less discretionary and have a larger proportion of recurring spend.

The primary customers for equipment rental companies, in general, include construction contractors, utilities and facilities management operators, government entities, retailers, infrastructure developers and homeowners. While the Group is not isolated from the construction market, it focuses on the non construction portion of the market, with specific exposure in the facilities management, retail, commercial fit-out, property, utilities and waste, infrastructure and energy services markets.

The Directors believe the long-term growth prospects for the equipment rental industry continue to be favourable, as customers are increasingly taking advantage of the numerous benefits of renting equipment rather than owning, including the ability to:

- avoid the large capital investment required for equipment purchases;
- access a comprehensive range of equipment;
- obtain equipment as needed, minimising the costs associated with idle equipment;
- decrease exposure to credit market conditions;
- reduce storage, maintenance and transportation costs;
- benefit from ancillary services provided by equipment hire companies; and
- utilise the equipment hire distribution network to efficiently allocate equipment.

The Directors believe the Group is well-positioned to take advantage of the trend towards comprehensive, national hire solutions. Its unique hub-and-spoke network is the only one of its kind active in the UK today.

The overall UK equipment hire market has grown since 2010, and the Directors believe it is poised to continue modest growth in the medium term as a result of improving economic conditions will support overall market growth through more activity in the private commercial sector and housing market and a rebound in UK GDP growth along with increasing rental penetration and asset utilisation.

The overall UK equipment hire market is highly fragmented with a large number of small local suppliers. The Directors believe that a significant number of the Group's smaller competitors were weakened in the aftermath of the downturn. The Group was able to take advantage of this, helping drive its market share gains through the period. The Directors believe the Group's market share gains are sustainable, given its consistent focus on high service levels and unique offerings.

B.5 ***Group structure***

The Company was incorporated in anticipation of the Offer and Admission. Upon determination of the Offer Price, the Company will become the holding company of the Group as the result of a group reorganisation (the "Reorganisation").

B.6 ***Major shareholders***

Upon completion of the Reorganisation, prior to any issue or sale of Shares in the Offer and assuming that the Offer Price is set at the mid-point of the Price Range, the Exponent Shareholders will own approximately 73.4% of the issued share capital of the Company, Standard Life will own approximately 13.1% and the balance will be held by the EBT on behalf of the Management Shareholders. On Admission, the Shares owned by the holders of Existing Shares will rank *pari passu* with all other Shares in all respects.

B.7 ***Historical financial information***

The selected financial information set out below has been extracted or, in the case of the 52 week period ended 27 September 2014, derived without material amendment from the historical financial information of the Group.

Combined and consolidated income statement

	52 week period ended			39 week period ended		52 week period ended
	31 December 2011	29 December 2012	28 December 2013	28 September 2013	27 September 2014	27 September 2014
				(unaudited)		(unaudited)
	(in millions of £)					
Revenue	**177.0**	**181.6**	**226.7**	**163.5**	**208.5**	**271.6**
Cost of sales	(53.8)	(60.3)	(73.5)	(51.2)	(73.7)	(96.0)
Gross profit	**123.2**	**121.3**	**153.2**	**112.4**	**134.8**	**175.6**
Distribution costs	(26.0)	(23.6)	(28.7)	(20.7)	(26.2)	(34.3)
Administrative expenses	(86.4)	(93.9)	(104.2)	(76.2)	(90.0)	(118.0)
Other operating income	1.1	1.2	1.0	0.8	0.9	1.2
Adjusted EBITDA	**41.9**	**41.3**	**56.2**	**41.0**	**51.8**	**67.0**
Less: Exceptional items	(3.5)	(9.9)	(3.9)	(2.9)	(1.0)	(2.0)
Less: Depreciation and amortisation	(26.4)	(26.5)	(31.0)	(21.8)	(31.3)	(40.4)
Total operating profit	**12.0**	**5.0**	**21.4**	**16.3**	**19.5**	**24.5**
Finance income	0.0	0.0	0.0	0.0	0.0	0.0
Movement in derivative financial instruments	(1.8)	1.1	1.6	0.9	(1.2)	(0.5)
Finance costs	(23.5)	(16.7)	(20.3)	(14.8)	(24.6)	(30.1)
Adjusted (Loss)/Profit before tax	**(8.0)**	**2.3**	**4.9**	**4.4**	**2.5**	**3.0**
Less: Exceptional items (pre finance)	(3.5)	(9.9)	(3.9)	(2.9)	(1.0)	(2.0)
Less: Finance exceptional items	(1.8)	(2.9)	1.6	0.9	(7.8)	(7.1)
(Loss)/Profit before tax	**(13.3)**	**(10.5)**	**2.6**	**2.4**	**(6.3)**	**(6.1)**
Income tax (charge)/credit	(0.3)	0.5	(2.2)	(1.7)	0.3	(0.2)
(Loss)/Profit for the financial period	**(13.6)**	**(10.1)**	**0.4**	**0.8**	**(6.0)**	**(6.3)**

Condensed combined and consolidated statement of financial position

	As at			
	31 December 2011	**29 December 2012**	**28 December 2013**	**27 September 2014**
	(in millions of £)			
ASSETS				
Total non-current assets	182.2	228.6	267.2	312.2
Total current assets	60.1	56.8	75.7	94.7
Total assets	**242.3**	**285.4**	**342.9**	**406.9**
LIABILITIES				
Total current liabilities	(203.7)	(44.0)	(66.1)	(114.2)
Total non-current liabilities	(213.5)	(247.4)	(282.3)	(304.4)
Total liabilities	**(417.2)**	**(291.4)**	**(348.4)**	**(418.7)**
Total equity attributable to owners of the company	**(174.9)**	**(6.0)**	**(5.5)**	**(11.8)**

Condensed combined and consolidated statement of cash flows

	52 week period ended			39 week period ended	
	31 December 2011	**29 December 2012**	**28 December 2013**	**28 September 2013**	**27 September 2014**
				(unaudited)	
	(in millions of £)				
Net cash generated from operating activities	6.1	(1.3)	7.9	4.5	(10.4)
Net cash used in investing activities	(4.8)	(12.3)	(32.4)	(29.7)	(12.7)
Net cash used in financing activities	(2.8)	7.0	29.8	28.2	22.6
Cash and cash equivalents at end of the period	**4.1**	**(2.5)**	**2.9**	**0.5**	**2.4**

Certain significant changes to the Group's financial condition and results of operations occurred during the 52 week periods ended 31 December 2011, 29 December 2012 and 28 December 2013, and the 39 week period ended 27 September 2014. These changes are described below.

Revenue increased by £44.9 million, or 27.5%, from £163.5 million in the 39 week period ended 28 September 2013 to £208.5 million in the 39 week period ended 27 September 2014, and increased from £177.0 million in the 52 week period ended 31 December 2011 to £181.6 million in the 52 week period ended 29 December 2012 and £226.7 million in the 52 week period ended 28 December 2013.

Loss for the financial period increased from a gain of £0.8 million in the 39 week period ended 28 September 2013 to a loss of £6.0 million in the 39 week period ended 27 September 2014, and decreased from a loss of £13.6 million in the 52 week period ended 31 December 2011 to a loss of £10.1 million in the 52 week period ended 29 December 2012 to a gain of £0.4 million in the 52 week period ended 28 December 2013.

There has been no significant change in the financial position or results of operations of the Group since 27 September 2014, the date to which the Historical Financial Information set out in Part 11 was prepared.

B.8 ***Pro forma financial information***

The unaudited pro forma statement of net assets set out below has been prepared to illustrate the effect of the Offer on the consolidated net assets of the Group as if the Offer had occurred on 27 September 2014.

This unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, the pro forma statement of net assets addresses a hypothetical situation and does not represent the real financial position of the Group. The unaudited pro forma statement of net assets is compiled on the basis set out in the notes below from the combined and consolidated balance sheet of the Group as at 27 September 2014, as set out in Part 11 (*Historical Financial Information*). It may not, therefore, give a true picture of the Group's financial position or results nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The pro forma financial information has been prepared on the basis set out in the notes below and in accordance with Annex II to the Prospectus Directive Regulation.

Unaudited condensed pro forma statement of net assets as at 27 September 2014

	As at 27 September 2014	IPO proceeds and repayment of borrowings	Reorganisation	Unaudited pro forma Total
	(Note 1)	(Note 2)	(Note 3)	(Note 4)
Assets				
Total non-current assets	312.2	—	—	312.2
Total current assets	94.7	3.1	—	97.7
Total assets	**406.9**	**3.1**	**—**	**409.9**
Liabilities				
Total current liabilities	(114.2)	18.0	2.0	(94.3)
Total non-current liabilities	(304.4)	64.0	81.1	(159.3)
Total Liabilities	**(418.6)**	**82.0**	**83.1**	**(253.6)**
Net assets	**(11.7)**	**85.1**	**83.1**	**156.3**

(1) The financial information has been extracted without material adjustment from the combined and consolidated financial information of the Group as set out in Section B of Part 11 (*Historical Financial Information*). In connection with the Offer, the Group will undertake a reorganisation as described in paragraph 11.3 of Part 14 (*Additional Information*) resulting in the Company becoming the ultimate holding company of the Group. The Company was incorporated on 7 January 2015 as a private company limited by shares in the United Kingdom and re-registered as a public limited company on 19 January 2015. The insertion of a new holding company constitutes a group reconstruction and will be accounted for using merger accounting principles. The group reconstruction will not be effective until on or around 3 February 2015 and the combined and consolidated financial statements will be presented as if Hampshire Topco Limited and its subsidiaries and the Company had always been part of the same group.

(2) This column reflects the net impact of the following adjustments relating to the proposed Offer:

a. Receipt of net IPO proceeds: reflects the net proceeds of the Offer receivable by the Company being gross proceeds of £103.0 million, less estimated fees and expenses in relation to the Offer of £13.5 million.

b. Repayment of borrowings: reflects the intention of the Group to repay £85.0 million of the principal indebtedness as at 27 September 2014 together with a redemption premium and any outstanding accrued and unpaid interest on the quantum of the Notes redeemed of approximately £4.5 million (assuming an illustrative redemption date of 12 February 2015). Following the Offer, the Group intends to repay approximately £21.0 million outstanding under the Revolving Credit Facility. The amount outstanding under the Revolving Credit Facility as at 27 September 2014 was £18.0 million. The unaudited pro forma statement of net assets therefore reflects how, had the Offer occurred on 27 September 2014, £3.0 million of cash, currently intended to be used to repay part of the Revolving Credit Facility, would remain on the Group's balance sheet in total current assets. These amounts are to be repaid out of the proceeds of the Offer as described in Part 13 (*Details of the Offer*).

(3) Immediately following the determination of the Offer Price, approximately £83.4 million (balance presented gross of £0.3 million issue costs as at 27 September 2014), including outstanding accrued and unpaid interest of approximately £2.0 million (as at 27 September 2014), will be owed by Hampshire Midco Limited to the Exponent Shareholders, ESP 2006 Conduit LP and ESP 2008 Conduit LP (together, the "Shareholder Loan Note Holders") in respect of loan notes (the "Shareholder Loan Notes") held by the Shareholder Loan Note Holders pursuant to a loan note instrument dated 25 October 2012. As part of the Reorganisation, the Shareholder Loan Note Holders will transfer all of their interests in the Shareholder Loan Notes to Hampshire Topco Limited in consideration for the issue by Hampshire Topco Limited to the Shareholder Loan Note Holders of ordinary shares in Hampshire Topco Limited (the "Shareholder Loan Note Transfer"). Such shares in Hampshire Topco Limited will subsequently be exchanged for Shares in the Company as part of the Reorganisation.

(4) No adjustment has been made to reflect the trading results of the Group since 27 September 2014.

B.9 ***Profit forecast***

Not applicable. The Group has not made a profit forecast or estimate.

B.10 ***Qualifications in the audit report on the historical financial information***

Not applicable. There are no qualifications to the accountant's report on the historical financial information.

B.11 ***Insufficient working capital***

Not applicable. In the opinion of the Company, taking into account the net proceeds receivable by the Company from the subscription for New Shares in the Offer, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

SECTION C—SECURITIES

C.1 ***Type and class of securities***

On Admission, there will be between 154,580,152 and 154,761,904 ordinary shares of one pence each in the share capital of the Company (the "Shares") in issue, depending on the determination of the Offer Price. The New Share Offer Size and the Existing Share Offer Size will be set out in a pricing statement (the "Pricing Statement"), which is expected to be published on or about 4 February 2015 and will be available on the Company's website at www.hsshiregroup.com.

All Shares in issue on Admission will be fully paid.

When admitted to trading, the Shares will be registered with ISIN number GB00BVFD4645 and SEDOL number BVFD464.

C.2 ***Currency***

United Kingdom pounds sterling.

C.3 ***Issued share capital***

On completion of the Reorganisation, and assuming that the Offer Price is set at the mid-point of the Price Range, the issued share capital of the Company will be £1,109,661, comprising 110,966,102 Shares of one pence each (all of which will be fully paid or credited as fully paid). Immediately following Admission, the issued share capital of the Company is expected to be between £1,545,802 comprising 154,580,152 Shares (if the New Share Offer Size is set at the top of the New Share Offer Size Range) and £1,547,619 comprising 154,761,904 Shares (if the New Share Offer Size is set at the bottom of the New Share Offer Size Range).

C.4 ***Rights attaching to the Shares***

The rights attaching to the Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

On a show of hands every Shareholder who is present in person shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote per Ordinary Share.

Except as provided by the rights and restrictions attached to any class of shares, Shareholders will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings.

C.5	***Restrictions on transfer*** There are no restrictions on the free transferability of the Shares.
C.6	***Admission*** Application will be made to the FCA for all of the Shares, issued and to be issued, to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.
C.7	***Dividend policy*** The Directors intend to adopt a progressive dividend policy, alongside earnings growth, with a medium term target of three to 4.5 times normalised earnings cover (being the Group's net income before amortisation and exceptional items, after the deduction of a standard rate of tax as a multiple of aggregate dividends paid for the relevant period). Assuming that there are sufficient distributable reserves at the time, the Directors intend that the Company will pay an interim dividend and a final dividend in respect of each financial year in the approximate proportions of one-third and two-thirds, respectively, of the annual total dividend. The first dividend to be paid by the Company is intended to be the interim dividend in respect of the 2015 financial year. The Company may revise its dividend policy from time to time. The Company has not traded since incorporation and lacks distributable reserves. This could restrict the Company's ability to pay future dividends. Therefore, the Company proposes following Admission to undertake a court-approved capital reduction in accordance with the Act and the Companies (Reduction of Share Capital) Order 2008 in order to provide it with the distributable reserves required to support the dividend policy described above. The proposed capital reduction will cancel all share premium attaching to such Shares. The capital reduction has been approved (conditional on Admission) by a special resolution of the shareholder of the Company passed prior to the Reorganisation, and will require the approval of the Court.
	SECTION D—RISKS
D.1	***Key information on the key risks specific to the Company and its industry*** Participants in the tool and equipment hire market in the UK and Ireland, including the Group, experienced a decline in activity and demand as a result of the recent global economic downturn. The Group may experience heightened price competition in the event of a slowdown in the construction industry. Such competition could negatively affect the Group's operating results and cash flow. The Group operates almost exclusively in the United Kingdom and Ireland. Negative developments in, or the general weakness of, the UK and Irish economies may have a direct negative impact on both retail and business-to-business customers. Various factors may also cause weakness in the Group's end markets. Any deterioration in economic or financial market conditions or downturn in the commercial construction and industrial sectors could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. The UK equipment rental industry is highly competitive and highly fragmented and has led to frequent excess capacity and resultant pricing pressure, making the Group vulnerable to aggressive price competition. Principal competitors may be better able to withstand adverse market conditions. Consolidation could also intensify competition if it results in competitors with substantially greater resources and economies of scale. The Group's competitors may form strategic or exclusive relationships with each other, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The success of the Group's business depends on its ability to transport its hire fleet across its network. Any major breakdown, distribution delays or failures due to interruption or malfunction at the Group's distribution centres or offices, its transport fleet or in the national transportation infrastructure may significantly impact the Group's ability to manage its operations and distribute its hire fleet to its customers. Reduction in the availability of the Group's hire fleet or inadequate support for its anticipated growth could adversely affect the Group's customer proposition, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Part of the Group's strategy involves further developing the reach of its network by continuing its Local Format Branch roll-out in new locations in the United Kingdom. The Group may not anticipate all of the challenges imposed and, as a result, may not meet its targets for opening new Local Format Branches. There can be no assurance that the Group will successfully implement the ongoing roll-out of Local Format branches, and any failure to do so could materially adversely affect the Group's business, financial condition, results of operations or prospects.

The Group's customers may have liquidity issues and may not be able to fulfil the terms of their rental agreements with the Group. If the Group is unable to manage credit risk issues adequately, the Group's credit losses could increase above historical levels and its operating results would be adversely affected.

The Group depends on a group of key suppliers. The Group's revenue and equipment inventory levels could suffer if it is unable to promptly replace a supplier who is unwilling or unable to satisfy its price, quality, safety standards, quantity or other requirements. The Group has begun directly sourcing hire equipment from Asia and may be affected by the risks associated with international trade and conducting business in developing countries. Termination with any of its key suppliers or a substantial decrease in the availability of equipment and supplies could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group outsources certain functions of its business to third parties and does not have direct control over the quality of the services that they provide. The Group is also in the process of evaluating proposals to outsource more significant parts of its business. If any third parties become unable or refuse to fulfil their obligations, there could be a negative impact on the Group's operations and could lead to adverse publicity or a decline in demand. The Group is subject to risks of those third parties, and any disruption, unanticipated expense or operational failure of these services could negatively affect the Group's business, financial condition, results of operations or prospects.

If the Group's rental equipment ages without a corresponding decrease in fleet utilisation, the costs of maintaining such equipment will likely increase and could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The cost of new equipment could increase due to increased material costs to the Group's suppliers or other factors and such increases could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. Furthermore, changes in customer demand could cause existing equipment to become obsolete and require purchasing new equipment at increased costs.

The Group's success depends to a great degree upon retaining its customers. The Group's customers recognise it, among others, for its high levels of service and strong customer support. If the Group's customer service levels decline, it could experience the loss of customer accounts, which could have a material adverse effect on its business, financial condition, results of operations or prospects.

D.3 ***Key information on the key risks specific to the Shares***

There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained which may adversely affect the liquidity or trading price of the Shares.

Moreover, even if a market develops, the Shares could be subject to market price volatility and the market price of the Shares may decline in response to developments that are unrelated to the Company's operating performance, or as a result of sales of substantial amounts of Shares, for example, following expiry of the lock-up period, or the issuance of additional Shares in the future, and shareholders could earn a negative or no return on their investment in the Company.

Finally, shareholders in the United States or other jurisdictions may not be able to participate in future equity offerings which could result in dilution of such shareholders' interests in the Company.

SECTION E—OFFER

E.1 ***Net proceeds and costs of the Offer***

Through the issue of New Shares pursuant to the Offer, the Company expects to raise gross proceeds of £103.0 million. The aggregate expenses of, or incidental to, Admission and the Offer to be borne by the Company are estimated to be approximately £13.5 million, which the Company intends to pay out of the proceeds of the Offer.

Through the sale of Existing Shares pursuant to the Offer, the Company expects the Selling Shareholders to raise between £25 million and £79 million (if the Offer Price is set at the mid-point of the Price Range) before taking into account expenses associated with the Offer. Assuming the Offer Price is set at the mid-point of the Price Range, the aggregate underwriting commissions and amounts in respect of stamp duty or SDRT payable by the Selling Shareholders in connection with the Offer are estimated to be between approximately £1 million and £3 million.

E.2a ***Reasons for the Offer and use of proceeds***

The Directors believe that the Offer will:

- enable the Group to reduce its current leverage and provide greater capacity for additional capital expenditure to drive future growth in the business;
- further increase the Group's profile, brand recognition and credibility with its customers, suppliers and colleagues;
- assist in recruiting, retaining and incentivising key management and colleagues; and
- provide a partial realisation of the investment in the Group by its existing shareholders.

The Company intends to use the net proceeds from the issue of the New Shares as follows:

- to redeem approximately £64.0 million of the Notes currently outstanding at a redemption price of 106.750% of their principal amount, thereby paying a redemption premium together with any outstanding accrued and unpaid interest on the value of the Notes redeemed of approximately £4.5 million; and
- to repay approximately £21.0 million outstanding under the Revolving Credit Facility, plus any accrued and unpaid interest.

E.3 ***Terms and conditions of the Offer***

The Offer is being made by way of:

- an Institutional Offer by the Company and the Selling Shareholders: (i) to certain institutional investors in the UK and elsewhere outside the United States in reliance on Regulation S and in accordance with locally applicable laws and regulations, and (ii) in the United States, only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; and
- an Intermediaries Offer by the Company and the Selling Shareholders to Intermediaries for onward distribution to retail investors in the United Kingdom, the Channel Islands and the Isle of Man.

If there is more demand for Shares than the number of Shares available in the Offer, applications for Shares will be scaled back. The allocation of Shares between the Institutional Offer and the Intermediaries Offer will be determined by the Company and Exponent after having consulted with the Joint Bookrunners (on behalf of the Underwriters). The allocation policy for the Intermediaries Offer will be determined by the Company and Exponent after having consulted with the Joint Bookrunners.

The price at which the Shares are to be issued and sold in the Offer (the "Offer Price") is expected to be between 210 pence and 262 pence per Share (the "Price Range"). The number of New Shares to be issued in the Offer (the "New Share Offer Size") is expected to be between 39,312,977 Shares and 49,047,619 Shares (the "New Share Offer Size Range") and the number of Existing Shares to be sold in the Offer (the "Existing Share Offer Size") is expected to be between 5,119,048 Shares and 44,559,716 Shares (the "Existing Share Offer Size Range").

In addition, existing Shares (representing up to 15% of the total number of Shares that are subject to the Offer) are being made available pursuant to the Over-allotment Option granted by the Over-allotment Shareholders.

The Price Range and the New Share Offer Size Range have been set by the Company. The Existing Share Offer Size Range has been set by Exponent. It is currently expected that the Offer Price, the New Share Offer Size and the Existing Share Offer Size will be set within the Price Range, the New Share Offer Size Range and the Existing Share Offer Size Range, respectively. All Shares subject to the Offer will be issued or sold at the Offer Price, which will be jointly determined by the Company, Exponent and the Joint Bookrunners, following a book-building process. A number of factors will be considered when setting the Offer Price, including the level and nature of demand for Shares during the book-building process, the level of demand in the Intermediaries Offer and the objective of encouraging the development of an orderly after-market in the Shares. The Offer Price, the New Share Offer Size and the Existing Share Offer Size are expected to be announced on or around 4 February 2015. The Pricing Statement, which will contain, among other things, the Offer Price, the New Share Offer Size and the Existing Share Offer Size, will (subject to certain restrictions) be published on the Company's website at www.hsshiregroup.com.

If (i) the Offer Price is set above the Price Range or the Price Range is revised higher; (ii) the number of New Shares to be issued by the Company is set above or below the New Share Offer Size Range; and/or (iii) the number of Existing Shares to be sold by the Selling Shareholders is set above or below the Existing Share Offer Size Range, then the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA.

In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. The expected date of publication of the Pricing Statement would be extended and the arrangements for withdrawing offers to subscribe for or purchase Shares would be made clear in the accompanying announcement.

It is expected that Admission will take place and unconditional dealings in the Shares will commence on the London Stock Exchange at 8.00 a.m. on 9 February 2015. Prior to Admission, it is expected that dealings in the Shares will commence on a conditional basis on the London Stock Exchange on 4 February 2015. The earliest date for settlement of such dealings will be 9 February 2015. All dealings in the Shares prior to the commencement of unconditional dealings will be on a "when issued" basis and will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. These dates and times may be changed without further notice.

The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, which are typical for an agreement of this nature, including Admission becoming effective by no later than 8.00 a.m. on 9 February 2015 and on the Underwriting Agreement not having been terminated prior to Admission.

Expected timetable of principal events

Event	Time and Date[(1)(2)]
Latest date for submission of applications by Retail Investors to their Intermediary (exact time to be determined by the Intermediary)	2 February 2015
Latest time and date for receipt by the Receiving Agent of applications from Intermediaries	By 10:00 am on 3 February 2015
Latest date for receipt of indications of interest in the Institutional Offer	3 February 2015
Announcement of the Offer Price and Offer Size, publication of the Pricing Statement and notification of allocations of Shares[(3)]	7:00 am on 4 February 2015
Commencement of conditional dealings in Shares on the London Stock Exchange	8:00 am on 4 February 2015
Admission and commencement of unconditional dealings in Shares on the London Stock Exchange	8:00 am on 9 February 2015

(1) Times and dates set out in the timetable above and mentioned throughout this document that fall after the date of publication of this document are indicative only and may be subject to change without further notice.

(2) All references to time in this timetable are to UK time.

(3) The Offer Price and Offer Size will be set out in the Pricing Statement. The Pricing Statement will not automatically be sent to persons who receive this Prospectus but it will be available free of charge at the Company's registered office at 25 Willow Lane, Mitcham, Surrey CR4 4TS. In addition, the Pricing Statement will (subject to certain restrictions) be published on the Company's website at www.hsshiregroup.com.

None of the Shares comprising the Offer may be offered for subscription, sale or purchase or be subscribed, sold or delivered, and this Prospectus and any other offering material in relation to the Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration, other than the UK.

Investors agreeing to subscribe for New Shares and/or purchase Existing Shares pursuant to the Offer agree with each of the Company, the Selling Shareholders and the Underwriters to be bound by certain terms and conditions upon which Shares will be issued and/or sold in the Offer. Upon being allocated Shares pursuant to the Offer, each investor agrees to become a member of the Company, to acquire the Shares allocated to it at the Offer Price and to pay the Offer Price for the Shares allocated to it. If an investor fails to pay as required, the relevant investor will remain liable to pay such amount and will be deemed to have appointed the Global Co-ordinator to sell any or all of the Shares allocated to it at such price as the Global Co-ordinator may achieve subsequent to any such failure to pay.

Under the terms and conditions of the Offer, each investor makes certain representations, warranties and acknowledgements to the Company, the Selling Shareholders and the Underwriters customary for an offer of this type, including but not limited to: (i) in relation to certain characteristics of the investor; (ii) the investor's compliance with restrictions contained in the Offer and with specified laws and regulations; (iii) reliance, responsibility and liability in respect of the Prospectus, the Offer and information outside of the Prospectus; (iv) compliance with laws; (v) jurisdiction; and (vi) liability for duties or taxes.

On request, an investor may be required to disclose certain information, including any information about the agreement to subscribe for and/or purchase Shares, the investor's nationality (if an individual) and the jurisdiction in which the investor's funds are managed or owned (if a discretionary fund manager). The terms and conditions also provide for the following issues: the sending of documents to the investor; the investor being bound by the Articles upon the transfer or issue of Shares; the application of English law to the contract to subscribe for and/or purchase Shares; and joint agreements to subscribe for and/or purchase Shares.

From Admission, the Offer will be fully underwritten by the Underwriters in accordance with the terms of the Underwriting Agreement.

E.4 ***Material interests***

There are no interests, including conflicting interests, that are material to the Offer, other than those disclosed in B.6 above.

E.5 ***Selling Shareholders and Lock-up***

The expected interests in Shares of the Selling Shareholders immediately prior to Admission, together with a corresponding estimate of their interests in Shares immediately following Admission, are set out in the table below (calculated on the basis that the Offer Price is set at the mid-point of the Price Range and the number of Existing Shares sold is sufficient to result in a free float of approximately 50% immediately following Admission, and assuming no exercise of the Over-allotment Option).

	Interest immediately prior to Admission(1)		Existing Shares to be sold pursuant to the Offer(1)		Interests immediately following Admission(2)	
Shareholder	**No.**	**% of total issued**	**No.**	**% of holding**	**No.**	**% of total issued**
Exponent Shareholders	81,494,392	73.4%	23,522,698	28.9%	57,971,694	37.5%
Standard Life	14,591,979	13.1%	4,211,857	28.9%	10,380,122	6.7%
EBT(3)	14,879,731	13.4%	5,951,884	40.0%	8,927,847	5.8%
Total	110,966,102	100.0%	33,686,439		77,279,663	50.0%

(1) Assuming that the Offer Price is set at the mid-point of the Price Range.

(2) Assuming no exercise of the Over-allotment Option.

(3) The EBT holds Shares on behalf of Management Shareholders. Figures represent the sale of the maximum number of Shares in aggregate expected to be made available by Management Shareholders for the sale in Offer.

Pursuant to the Underwriting Agreement and related arrangements:

(i) the Company has undertaken that from the date of the Underwriting Agreement until the date falling 180 days after the date of Admission, it will not, without the prior written consent of the Joint Bookrunners, directly or indirectly, offer, issue, allot, lend, mortgage, assign, charge, pledge, sell or contract to sell or issue, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing, save that the foregoing restrictions shall not apply in respect of (a) the issue of Shares pursuant to the Offer or the Reorganisation; or (b) the issue of Shares pursuant to the grant or exercise of options under share option schemes described in this Prospectus; and

(ii) the Selling Shareholders and Alan Peterson have undertaken, that from the date of the Underwriting Agreement until the date falling 180 days after the date of Admission, and the EBT, the other Directors and the other Management Shareholders have undertaken, that from the date of the Underwriting Agreement until the date falling 365 days after the date of Admission, not to without the prior written consent of the Joint Bookrunners, except for certain customary exceptions and, in the case of certain Selling Shareholders, a Share Pledge Exception (described below) set out in the Underwriting Agreement, directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing other than pursuant to the Offer. In addition to certain customary exceptions, the Underwriting Agreement provides an exception to the lock-up arrangements which permits certain Selling Shareholders, with the prior written consent of the Joint Bookrunners, to grant share pledges to one or more finance providers provided, in circumstances where there is a transfer of shares pursuant to the grant of such a pledge, such providers enter in to equivalent lock-up arrangements for the remainder of the relevant period (the "Share Pledge Exception"). Transfers of shares pursuant to the enforcement of any pledge entered into pursuant to the Share Pledge Exception are also permitted, provided that the relevant pledgee would be subject to the lock-up arrangements.

E.6	***Dilution*** Pursuant to the Offer, existing Shareholders will experience a 28.2% dilution from the issue of 43,644,068 New Shares (that is, its, his or her proportionate interest in the Company will drop by 28.2%), if the New Share Offer Size is set at the mid-point of the New Share Offer Size Range.
E.7	***Expenses charged to the investor*** Not applicable. No expenses will be charged by the Company or the Selling Shareholders to any investor who subscribes for or purchases Shares pursuant to the Offer.

PART 1

RISK FACTORS

Any investment in the Shares is subject to a number of risks. Prior to investing in the Shares, prospective investors should carefully consider the risk factors associated with any investment in the Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below. Prospective investors should note that the risks relating to the Group, its industry and the Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Directors and the Company believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

The risk factors described below are not an exhaustive list or explanation of all risks which investors may face when making an investment in the Shares and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results of operations and/or financial condition and, if any such risk should occur, the price of the Shares may decline and investors could lose all or part of their investment. An investment in the Shares involves complex financial risks and is suitable only for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Investors should consider carefully whether an investment in the Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

Risks relating to the Group's business and industry

An economic downturn, and resulting decreases in demand in the UK or Ireland, may adversely affect the Group's revenue and operating results by decreasing the demand for its rental equipment and the prices it may charge.

As a result of the recent global economic downturn and consequent decline in construction and other industrial activities, the tool and equipment hire market in the UK and Ireland experienced a decline in activity and demand. Like most participants in the industry, the Group experienced weakness in the UK and Ireland and decreased demand for its equipment. Although the Group primarily caters to the "maintain" and "operate" segments, rather than the "new build construction" segment, of the equipment hire market, in the event of a slowdown in the construction industry, which tends to be cyclical in nature, it may experience heightened price competition from its competitors seeking to utilise their excess or idle rental equipment. Such competition could negatively affect the Group's operating results from both a volume and margin perspective and, as many of its costs are fixed, may negatively impact on the Group's cash flow. Adverse macroeconomic conditions may also impact the Group's operations in other ways. For example, during the last economic downturn, the Group incurred costs in managing its business which in some cases, such as the ongoing costs of leases held on closed branches, continue to affect the Group's results of operations.

As the Group operates almost exclusively in the United Kingdom and Ireland, its success is closely tied to general economic developments in the United Kingdom and Ireland and cannot be offset by developments in other markets. Negative developments in, or the general weakness of, the UK and Irish economies and, in particular, higher unemployment, lower household income and lower consumer spending may have a direct negative impact on the spending patterns of both retail and business-to-business ("B2B") customers.

The following factors, among others, may also cause weakness in the Group's end markets, either temporarily or long term:

- a decrease in expected levels of infrastructure spending, including lower than expected government funding for economic stimulus projects;
- a decrease in the maintenance budgets of corporations or government entities;
- uncertainty regarding global, national or regional economic conditions;
- a lack of availability of credit; or
- an increase in interest rates.

In addition, any deterioration in economic or financial market conditions may:

- cause financial difficulties for the Group's suppliers, which may result in their failure to perform as planned and, consequently, create delays in the delivery of the Group's products and services;
- result in inefficiencies due to the Group's inability to forecast accurately developments in the markets in which it operates and failure to adjust its costs appropriately;
- result in increased or more volatile taxes, which could negatively impact the Group's effective tax rate, including the possibility of new tax regulations, interpretations of regulations that are stricter or increased effort by governmental bodies seeking to collect taxes more aggressively; or
- result in increased customer requests for reduced pricing.

A downturn in the commercial construction and industrial sectors or the economy could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group's industry is highly competitive and competition may increase.

The equipment rental industry is highly competitive and highly fragmented. The markets in which the Group operates are served by numerous competitors, ranging from national equipment rental companies, like the Group, to smaller multi regional companies and small, independent businesses operating in a limited number of locations. Competitiveness in the UK equipment rental market has led to frequent excess capacity and resultant pricing pressure. Price is a significant consideration for many customers and, as a result, the Group is still vulnerable to aggressive price competition. Some of the Group's principal competitors may have greater financial resources, may be more geographically diversified and may be better able to withstand adverse market conditions within the equipment rental industry. Moreover, consolidation within the Group's industry could also intensify competition by resulting in the formation of industry participants with substantially greater financial, management or marketing resources than the Group, and such competitors could utilise their substantially greater resources and economies of scale in a manner that affects the Group's ability to compete effectively in the market. As a result of consolidation, the Group's competitors may be able to adapt more quickly to new technologies and customer needs, devote greater resources to promoting or selling their products and services, initiate and withstand substantial price competition, expand into new markets, hire away the Group's key colleagues, change or limit access to key information and systems, take advantage of acquisition or other strategic opportunities more readily and develop and expand their product and service offerings more quickly than the Group is able to. Competitors may also look to replicate some of the distinctive elements of the Group's business model, such as its hub-and-spoke distribution network. In addition, the Group's competitors may form strategic or exclusive relationships with each other and with other companies in attempts to compete more successfully against the Group, all of which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Successful execution of the Group's strategy, which rests on the availability of its hire fleet, is dependent on the effective operation of its distribution network.

Central to the Group's strategy is the availability of its hire fleet whereby tools and equipment physically located anywhere in the Group's network can be made available to any of the Group's customers in the United Kingdom and Ireland, generally within 24 hours from when a customer places an order. The success of the Group's business, therefore, depends on its ability to transport its hire fleet across its network in a timely and cost-effective manner and the successful functioning of its hub-and-spoke distribution network. Any major breakdown of plant or equipment, information technology ("IT") systems failure or disruption, accidents such as a serious fire or flood, industrial disputes or other interruption or malfunction at the Group's distribution centres or offices which affects the operations of the Group's distribution network or which otherwise impacts the Group's supply chain, may significantly impact the Group's ability to manage its operations and distribute its hire fleet to its customers. In addition, any distribution delays or failures due to severe weather or natural disasters, serious disruption or malfunction at one or more of its distribution centres or with its transport fleet or in the national transportation infrastructure could render the Group unable to distribute hire fleet to its selling branches and customers or at a reduced capacity. This could have an adverse effect on inventory levels and therefore the availability of the Group's hire fleet to its customers. Any reduction in the availability of the Group's hire fleet could adversely affect the Group's customer proposition, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group also needs to ensure that its distribution infrastructure is able to adequately support its anticipated growth and increased number of selling branches by providing sufficient scalable space and distribution capacity. Any failure to increase capacity successfully, as necessary, for storing and distributing its hire fleet in the UK may reduce the ability of the Group to grow and could adversely affect the Group's business. There can be no assurance that the costs of investments in improving the Group's logistics and distribution infrastructure will not exceed estimates or that such investments will be as beneficial as predicted. If the Group is unable to realise the benefits of an improved logistics and distribution infrastructure, the Group's business, financial condition, results of operations or prospects could be materially adversely affected.

A failure to successfully implement the Group's local format branch ("Local Format Branch") strategy may adversely affect its business.

Part of the Group's strategy involves further developing the reach of its network by continuing its Local Format Branch roll-out in new locations in the United Kingdom. The Group's ability to successfully expand the reach of its network by opening Local Format Branches that prove to be profitable depends on several factors, including the availability of attractive locations, the absence of occupancy delays, the successful negotiation of favourable lease terms, the ability to identify customer demand in different local markets and general economic conditions.

A number of factors could prevent the Group's Local Format Branch strategy from being met in a timely manner or at all. Delays or failures in opening new Local Format Branches; capturing lower than expected market share from local, incumbent competitors; diverting a greater than expected proportion of sales in new Local Format Branches from existing selling branches or higher than expected operating costs for each Local Format Branch could materially adversely affect the Group's growth and/or profitability. In addition, the Group may not anticipate all of the challenges imposed by further developing the reach of its network and, as a result, may not meet its targets for opening new Local Format Branches. The Group may also experience logistical difficulties associated with the expansion of its operations. There can be no assurance that the Group will successfully implement the ongoing roll-out of Local Format Branches, and any failure to do so could materially adversely affect the Group's business, financial condition, results of operations or prospects.

If the Group is unable to collect amounts owed to it by its customers, its operating results would be adversely affected.

One of the reasons some of the Group's customers find it more attractive to rent equipment than own that equipment is their need to deploy their capital elsewhere. However, this means that some of the Group's customers may have liquidity issues and ultimately may not be able to fulfil the terms of their rental agreements with the Group. As at 27 September 2014, the Group had a bad debt impairment balance of £3.6 million, representing 5.0% of total trade receivables which amounted to £71.6 million. While the Group has not historically experienced material bad debts that were not subsequently recovered and runs extensive credit checking for its account customers, if a large number of customers were to have unforeseen financial difficulties at the same time, the Group's credit losses could increase above historical levels, which could materially adversely affect the Group's business, financial condition, results of operations or prospects. Further, bad debts and credit losses generally are likely to increase during economic slowdowns or recessions.

The Group is dependent on its relationships with key suppliers to obtain equipment and other supplies for its business on acceptable terms.

The Group seeks to achieve cost savings through the centralisation of its equipment and non-equipment purchases. However, as a result, it depends on a group of key suppliers. While no current supplier is, to the knowledge of the Group at risk of imminent insolvency, and the Group makes every effort to evaluate its counterparties prior to entering into significant procurement contracts, it cannot predict the impact on its suppliers of the economic environment and other developments in their respective businesses. Insolvency, financial difficulties or other factors may result in the Group's suppliers not being able to fulfil the terms of their agreements with the Group. If a key supplier fails to deliver on key commitments, the Group could experience shortages of equipment and other supplies used in its business until an alternative supplier can be found, which could lead to lost revenue.

Furthermore, the factors described above may render suppliers unwilling to extend contracts that provide favourable terms to the Group, or may force them to seek to renegotiate existing contracts with the Group.

The Group has no legal assurance that any of these relationships will continue or continue on the same terms and its revenue and equipment inventory levels could suffer if it is unable to promptly replace a supplier who is unwilling or unable to satisfy its price, quality, safety standards, quantity or other requirements.

In addition, as the Group has begun directly sourcing hire equipment from Asia, the Group's business may be affected by the risks associated with international trade and conducting business in developing countries, including, but not limited to, the imposition of taxes, duties and other charges on imports, compliance with, and changes to, import restrictions and regulations, shipping and customs delays, exposure to different legal standards and the burden of complying with a variety of laws and changing government policies, political and economic instability and unrest and differing standards of quality, sourcing and employment practices. If any of these risks were to affect the Group's ability to directly source hire equipment from Asia, it could adversely affect the Group's business, financial condition, results of operations or prospects.

Although the Directors believe that the Group has alternative sources of supply for the equipment and other supplies used in its business, termination of its relationship with any of its key suppliers or a substantial decrease in the availability of such equipment and supplies could have a material adverse effect on the Group's business, financial condition, results of operations or prospects in the event that it were unable to obtain adequate equipment or supplies from other sources in a timely manner or at all.

The Group is subject to risks associated with outsourcing arrangements.

The Group outsources certain functions of its business to third parties including, for example, outsourcing the procurement and distribution of spare parts and the running of its national distribution centre to Unipart Group Limited ("Unipart"), and does not have direct control over the quality of the services that they provide. The Group is also in the process of evaluating proposals to outsource more significant parts of its business, including the management of its future national distribution and engineering centre ("NEDC") and repair and maintenance functions. If any of the third parties the Group relies on becomes unable or refuses to fulfil their obligations in a timely and appropriate manner or at all, or to comply with the Group's policies or standards or applicable laws and regulations, there could be a negative impact on the Group's operations. A violation, or allegations of a violation, of such laws or regulations, or failure to achieve particular standards, by any of the Group's outsourcing partners, could lead to adverse publicity or a decline in demand for the Group's products, or require that the Group incur expenditure or make changes to its operating model and other business arrangements. In addition, the Group's use of third-party providers is subject to risks of those third parties, which are outside of the Group's control, such as labour shortages and work stoppages, and any disruption, unanticipated expense or operational failure of these services could negatively affect the Group's business, financial condition, results of operations or prospects.

If the average age of the Group's hire fleet increases, its operating costs may increase and it may be unable to pass along such costs to customers, impacting its results of operations.

Tools and equipment in the Group's hire fleet have a finite economic life after which the relevant tools and equipment must be replaced. In order to maximise the economic life of its hire fleet, the Group undertakes a programme of regular maintenance. As a general matter and absent a corresponding decrease in utilisation rates, the Group expects its total maintenance costs to increase in line with an increase in the average age of its hire fleet taken as a whole. In the 52 week period ended 28 December 2013, the Group's stock maintenance expenditures were £16.5 million, representing 7.3% of its revenue. To the extent that the Group allows the average age of its hire fleet to increase, as a consequence of a decision to defer purchases of new tools and equipment, the Group's maintenance costs would increase, which could, if it is unable to pass such costs along to its customers, have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The costs of new equipment the Group uses in its fleet may increase, requiring the Group to spend more for replacement equipment or preventing the Group from procuring equipment on a timely basis.

The cost of new tools and equipment for use in the Group's hire fleet could increase due to increased material costs to its suppliers, inflation, commodity prices, demand by other end-users or other factors beyond the Group's control. For the 52 week period ended 28 December 2013, the Group's hire fleet purchases were £30.9 million and the Directors do not believe that the age of the Group's tools or equipment (absent new features or other factors) materially impacts the hire rate achievable for the relevant item. Accordingly, any increase in the cost of new equipment would directly increase capital expenditure requirements (and increase the Group's depreciation in subsequent periods), which could crowd out other investment priorities of the Group without benefitting revenue, and accordingly could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

To the extent the Group determines to defer replacing its existing equipment as a result of increased costs for new equipment, it would expect its operating costs to increase, see "*—If the average age of the Group's hire fleet increases, its operating costs may increase and it may be unable to pass along such costs to customers, impacting its results of operations*".

Furthermore, changes in customer demand could cause certain of the Group's existing equipment to become obsolete and require it to purchase new equipment at increased costs.

A decline in the Group's customer service levels could result in a loss of customers and market share, which could harm its revenue and operating results.

The Group's success depends to a great degree upon retaining its existing key and other customers. The Group's customers recognise the Group for its high levels of service and strong customer support, among other qualities. The maintenance of these services levels is a significant contributor to the Group's administrative expenses and cost of sales. If the Group scales back its commitment to high levels of service as a result of cost or if Group's customer service levels decline for any other reason, the Group could, as a result, experience the loss of a significant number of its customer accounts. If a large group of customers should choose to terminate or not renew their contracts with the Group, this could have a material adverse effect on its business, financial condition, results of operations or prospects.

The Group's business depends on strong brands, and any failure to maintain, protect and enhance its brands could have a material adverse effect on its ability to grow its business.

The Group's brands are important assets of its business. Maintaining or protecting the reputation of or value associated with the Group's brands, including its trademarks and other intellectual property, is central to the success of its business. If customers lose confidence in the safety and quality of the equipment rented by the Group or if the Group does not succeed in otherwise maintaining strong brands, its business could be materially harmed. As the Group employs a business model that could allow competitors to duplicate its products and services, it cannot assure you that its competitors will not attempt to copy its business model and that this will not erode the Group's brand recognition and impair its ability to generate significant revenue. In addition, the Group may not always be able to secure protection for, or stop infringements of, its intellectual property, and may need to resort to litigation in the future to enforce its intellectual property rights. Any litigation could result in substantial costs and a diversion of resources.

Maintaining and enhancing the quality of its brands may require the Group to make substantial investments in areas such as marketing, community relations and colleague training. The Group actively engages in print and online advertisements, targeted promotional mailings and email communications, and engages on a regular basis in public relations and sponsorship activities to promote its brands and its business. Nevertheless, factors affecting brand recognition are often outside its control, and these investments may not ultimately have their desired effects. Brand value can be severely damaged even by isolated incidents, involving the Group directly or involving its customers or business partners, particularly if the incidents receive considerable negative publicity, whether or not founded, or result in litigation such as claims relating to health, safety, welfare or other such matters. The Group's brand value could diminish significantly if any such incidents or other events erode the confidence of its customers, which could have a material adverse effect on its business, financial condition, results of operations or prospects.

The nature of the Group's business exposes it to various liability claims which may exceed the level of its insurance and damage the Group's brand and reputation.

The Group's business exposes it to claims for personal injury, death or property damage resulting from the use of the equipment it rents and from injuries caused in motor vehicle accidents in which its vehicles are involved. The Group carries insurance covering a wide range of potential claims at levels the Directors believe are sufficient to cover existing and future claims.

In the United Kingdom and Ireland, the Group's self-insured excess per claim for its major lines of cover, being motor and liability insurance, is nil. The Group's liability insurance coverage is limited to a maximum of £20 million per claim. However, the costs of insurance can be volatile, and may be affected by natural catastrophes, fear of terrorism, financial irregularities or fraud at other companies and the state of the insurance sector generally. Although the Group has historically been able to obtain insurance coverage the Directors believe is appropriate, it is possible that insurance costs may increase substantially in the future or that the availability of insurance coverage for certain risks may be withdrawn completely or increase significantly in cost. In these circumstances, the Group may be unwilling or unable to obtain insurance either at acceptable prices or at all and, as such, may have to forego or limit its purchase of relevant insurance. Although the Group has not experienced any material losses that were not covered by insurance, its future claims may exceed the level of its insurance, and the Group may be unwilling or unable to obtain suitable insurance, or to claim for certain losses under its insurance policies, and it could be forced to bear the losses of uninsured events. In such an event, such insurance may not continue to be available at the same levels or on economically reasonable terms, or at all.

In addition, even if they were resolved without direct adverse financial effect, such claims could have a material adverse effect on the Group's brand and reputation. If the Group were to be found liable under any such claims, the Group's business, results of operations, financial condition or prospects could be materially adversely affected.

The Group's business and competitive position is subject to risks associated with its leasehold property portfolio.

The Group currently leases substantially all of its branches and, therefore, the Group is subject to risks associated with periodically negotiating or re-negotiating lease terms and lease expiry. The majority of leases for its branches typically have initial terms of five to ten years with a break option after five years, with a few leases having initial terms of 20 years with a break option after ten years. As a result, the Group is susceptible to changes in the property rental market, such as increases in its rent costs. In addition, the Group is in the process, mainly at lease break or expiry, of closing older branches and opening new Local Format Branches, which are smaller in size and therefore have different space requirements. The Group's ability to obtain appropriate real estate for new branches depends upon, among other things, the availability of sites that meet its criteria, its ability to negotiate suitable terms and its ability to identify and compete for attractive locations.

These factors may result in, among other things, significant alterations in rental terms (including rental rates and service charges), an inability to achieve site renewals, the closure of stores in desirable locations or a failure to secure real estate locations adequate to meet annual targets. The Group may also be impacted by revaluations of commercial property taxes undertaken by the UK government from time to time. The next scheduled UK government revaluation of commercial property taxes is in 2015 for Northern Ireland and in 2017 for England, Wales and Scotland. As a result, any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The majority of the Group's leases are "net" leases, which require it to pay all of the costs of insurance, taxes, maintenance and utilities. The Group generally cannot cancel these leases early without incurring surrender charges. The Group extensively rationalised its branch network between 2004 and 2008 and as at 27 September 2014 it held leases to 91 "dark" stores, which are closed branches awaiting disposal, of which approximately 64% are fully or partially sublet. The Group closed these branches mainly as part of restructuring and efficiency improvement programmes. While these stores remain out of use, the Group is responsible for their costs, which are mainly made up of lease expenses, as well as upfront costs of lease surrenders where the Group has chosen to reduce the ongoing exposure under leases in exchange for an upfront termination payment. If the Group is unable to terminate the leasehold of its "dark" stores without incurring significant additional costs or if the Group fails to negotiate or re-negotiate new or existing leases either on commercially acceptable terms or at all, the Group's ability to manage its costs and margins will be impacted and its business, financial condition, results of operations or prospects could be adversely affected.

The Group could be adversely affected by environmental and safety requirements, which could force it to incur significant operational costs.

The Group's operations, like those of other companies engaged in similar businesses, require the handling, use, storage and disposal of certain regulated materials. As a result, the Group is subject to the requirements of relevant UK, Irish and EU environmental and occupational health and safety laws and regulations. These laws regulate such issues as waste water, solid and hazardous wastes and materials, and air quality. Under these laws, the Group may be liable for, among other things, the costs of investigating and remediating contamination at its sites as well as sites to which it sent hazardous wastes for disposal or treatment regardless of fault, and fines and penalties for non-compliance. The Group's operations generally do not raise significant environmental risks, but the Group uses hazardous materials to clean and maintain equipment, dispose of solid and hazardous waste and waste water from equipment washing, and store and dispense petroleum products from storage tanks located at certain of its locations.

The Group may not be at all times in complete compliance with all such requirements. The Group could be subject to potentially significant fines or penalties, as well as reputational damage, if it fails to comply with any of these requirements. The Group has made and will continue to incur expenditure in order to comply with these laws and regulations and it has purchased insurance to cover certain environmental liabilities. However, the requirements of these laws and regulations are complex, change frequently and could become more stringent in the future. It is possible that these requirements will change or that liabilities that are not covered by the Group's insurance coverage will arise in the future in a manner that could have a material adverse effect on its business, financial condition, results of operations or prospects.

Based on the conditions currently known to the Group, the Directors do not believe that any pending or likely remediation and compliance costs will have a material adverse effect on the Group's business. There can be no certainty, however, as to the potential financial impact on the Group's business if new adverse environmental conditions are discovered or environmental and safety requirements become more stringent. If the Group is required to incur environmental compliance or remediation costs that are not currently anticipated by it, the Group's business, financial condition, results of operations or prospects could be adversely affected depending on the magnitude of the cost.

The Group has operations throughout the United Kingdom and Ireland, which exposes it to the regulations of the United Kingdom, Ireland and the European Union. Changes in applicable laws, regulations or requirements, or the Group's material failure to comply with any of them, can increase its costs and have other negative impacts on the Group's business.

The Group's branches located across the United Kingdom and Ireland expose it to a host of different local and regional laws and regulations. These laws and regulations address multiple aspects of the Group's operations, such as worker safety, environmental considerations, product safety, quality and liability, consumer rights, privacy, colleague benefits and may also impact other areas of the Group's business, such as pricing and the operation of the Group's selling branches and distribution centres. There are often different requirements in different jurisdictions. If any of these laws or regulations were to change or the Group's management, colleagues or suppliers were to fail to comply with them, the Group may be required to implement extensive system and operating changes, and as a result, could experience delays in the getting its hire fleet out to customers, be subject to fines or penalties, or suffer reputational harm, which could reduce demand for its services and damage its business, financial condition, results of operations or prospects.

Changes in these requirements, or any material failure by the Group's branches to comply with them, may increase the Group's costs, negatively affect its reputation, reduce its business, require significant management time and attention and generally otherwise impact the Group's business, financial condition, results of operations or prospects in materially adverse ways.

Fuel costs could adversely affect the Group's operating results.

The Group has a large fleet of vehicles and equipment that primarily use diesel fuel. Fuel costs have been very volatile over the last several years. Fuel prices and supplies are influenced by a variety of international, political and economic circumstances. In addition, weather and other unpredictable events may significantly affect fuel prices and supplies. The Group does not have hedging arrangements in place for its fuel costs and does not hedge its fuel costs annually and, as a result, an increase in fuel prices would increase the Group's costs of doing business and lower its gross profit. Further, if the Group is unable to effectively pass through these price increases to its customers that may have an adverse effect on the Group's business, financial condition, results of operations or prospects.

Currency and interest rate fluctuations may have an impact on the Group's business, financial condition, results of operations or prospects.

The Group is a UK-headquartered business with its reporting currency as the pound sterling, but derived approximately 9% of its revenue in euros from branches located in the Republic of Ireland in each of the 52 week period ended 28 December 2013 and the 39 week period ended 27 September 2014, respectively, and certain of its assets, liabilities, revenue and costs are denominated in euros. In order to include the results of operations of the Group's Irish businesses in its consolidated financial statements, those results of operations must be translated into pounds sterling at the applicable exchange rate, which fluctuates continuously. In addition, the Group has begun directly sourcing hire equipment from Asia that are purchased with US dollars, which will expose the Group to transactional currency risk. Fluctuations in exchange rates have had, and may continue to have, an impact on the Group's financial condition and results of operations as reported in pounds sterling. Currency fluctuations can also have an impact on the Group's consolidated balance sheet, particularly total equity shareholders' funds, when the financial position of the Group's Irish businesses is translated into pounds sterling. In addition, certain of the Group's borrowings, including drawings under its Revolving Credit Facility, are subject to floating interest rates, which, if unhedged, could result in an increase in the Group's interest expense, which could have a material adverse on the Group's business, financial condition, results of operations or prospects.

Turnover of members of the Group's management and colleagues and its ability to attract and retain key personnel may affect its ability to efficiently manage its business and execute its strategy.

The Group's business depends on the quality of, and ability to retain, its senior management and colleagues, and competition in its industry and the business world for top management talent is generally significant. Although the Directors believe the Group generally has competitive pay and benefit packages, there can be no assurance that the Group's efforts to attract and retain senior management will be successful. The loss of services of certain members of the Group's senior management could adversely affect the Group's business until suitable replacements can be found. There may be a limited number of persons with the requisite skills to serve in these positions and there can be no assurance that the Group would be able to locate or employ such qualified personnel on terms acceptable to the Group or at all. In addition, the Group depends upon the quality of its colleagues, including skilled engineering colleagues in its refurbishment and maintenance functions. Although the Directors believe the Group has established competitive pay and benefit packages, as well as the right working environment for its colleagues, there is no assurance the Group can effectively limit colleague turnover. A significant increase in such turnover could negatively affect the Group's results of operations and financial performance.

The Group's business could be hurt if it is unable to obtain capital as required, resulting in a decrease in its revenue and cash flows.

The Group requires capital for, among other purposes, purchasing rental equipment to replace existing equipment that has reached the end of its useful life, maintaining a certain size, mix and attractiveness of its rental equipment fleet that matches customer demand, and for growth resulting from establishing new rental locations or branches, completing acquisitions and refinancing existing debt. The Group currently anticipates capital expenditures of approximately £77 million in 2015 and, for the period of 12 months from the date of this Prospectus, expects to satisfy such requirements from the cash generated by the Group's business, the net proceeds of the Offer and borrowings under the Revolving Credit Facility. Over the longer term, that is, the period beyond the date of 12 months from the date of this Prospectus, if the cash that the Group generates from its business, together with cash that it may borrow under its Revolving Credit Facility, is not sufficient to fund its longer term capital requirements, the Group will require additional debt and/or equity financing. If such additional financing is not available to fund its capital requirements, the Group could be put at a disadvantage compared to its competitors and impact its ability in the medium term to adequately meet customer demand. Furthermore, an inability to adequately meet customer demand may result in the loss of the Group's customers to its competitors as well as negatively impact its brand and reputation. As a result, the Group could suffer a decrease in its revenue and cash flows that could have a material adverse effect on its business. Furthermore, the Group's ability to incur such additional debt will be limited by, among other things, the covenants contained in the indenture governing the Notes and the Revolving Credit Facility Agreement. The Group cannot be certain that any such additional financing that it requires will be available or, if available, will be available on terms that are satisfactory to the Group. If the Group is unable to obtain such sufficient additional capital in the future, it could materially adversely affect the Group's business, financial condition, results of operations or prospects.

Any disruptions in the Group's IT systems, or any problems with implementing the Group's new IT systems, could limit its ability to effectively monitor and control its operations and adversely affect its operating results.

The Group depends on its IT systems for the efficient functioning of its business. The Group's IT systems, including its point of sale IT platforms, facilitate its ability to monitor and control its assets and operations and adjust to changing market conditions and customer needs. Any significant disruptions or failure in these systems to operate as expected could, depending on the magnitude of the problem, adversely affect proper functioning of the Group's business, at the point of sale and by limiting its capacity to effectively monitor and control its assets and operations, including its delivery capabilities, in a timely manner. In addition, because the Group's systems sometimes contain information about individuals and businesses, its failure to appropriately safeguard the security of the data it holds, whether as a result of its own error or the malfeasance or errors of others, could harm its reputation or give rise to legal liabilities, leading to lower revenue, increased costs and other material adverse effects on the Group's business, financial condition, results of operations or prospects.

In addition, the Group is currently in the process of implementing new IT systems, including an integrated e-commerce platform to support all of the Group's brands which is expected to become fully operational in March 2015 and a replacement warehouse management system which is anticipated to be implemented in connection with other upgrades to the Group's distribution model. The implementation of these new systems could take longer than expected, disrupt or fail to effectively integrate with the Group's current systems, fail to achieve the expected benefits and/or result in cost overruns. Any failure by the Group to successfully develop and achieve customer adoption of its integrated e-commerce platform could have a material and adverse effect on the Group's growth and market share. The ease of use, integrated and comprehensive functionality of the Group's e-commerce platform will be increasingly critical as B2B services migrate online. As a result, the Group may have to continue to spend significant resources maintaining, developing and enhancing its e-commerce platform. In addition, the widespread adoption of new internet or networking technologies or other technological changes could require the Group to incur substantial expenditures to modify or adapt its services or infrastructure to those new technologies. In the future, there can be no assurance that the Group will be able to maintain the level of capital expenditures necessary to support the improvement or upgrading of its IT infrastructure. Any failure to effectively improve or upgrade its IT infrastructure and management information systems in a timely manner or at all could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group may make acquisitions that prove unsuccessful or strain or divert its resources.

The Group may seek to grow its business by acquiring other businesses. For example, the Group acquired ABird (a specialist provider of generator hire and ancillary services) in October 2012, UK Platforms (a specialist provider of powered access hire) in June 2013 and Apex (a specialist generator hire business) in March 2014. Successful growth through future acquisitions is dependent upon the Group's ability to identify suitable acquisition targets, conduct appropriate due diligence, secure financing, negotiate transactions on favourable terms and ultimately complete such transactions and integrate the acquired business into the Group. The Group does not currently expect to make any acquisitions requiring it to raise additional financing in excess of its existing cash resources or headroom under the Revolving Credit Facility for the period ending 12 months from the date of this Prospectus.

If the Group makes acquisitions, there can be no assurance that it will be able to generate expected margins or cash flows, or to realise the anticipated benefits of such acquisitions, including growth or expected synergies. There can be no assurance that the Group's assessments of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from its expectations. The Group may not be able to integrate acquisitions successfully into its business or such integration may require more investment than expected, and the Group could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, colleagues, suppliers, government authorities or to other parties, which may impact the Group's results of operations. The process of integrating businesses may be disruptive to the Group's operations and may cause an interruption of, or a loss of momentum in, such businesses or a decrease in its results of operations as a result of difficulties or risks, including:

- unforeseen legal, regulatory, contractual and other issues;
- difficulty in standardising information and other systems;
- difficulty in realising operating synergies;
- diversion of management's attention from the Group's day-to-day business; and
- failure to maintain the quality of services that the Group has historically provided.

Although the Directors believe that the Group has not historically suffered from these factors, the occurrence of one of more of these risks in respect of any future acquisitions could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group's trading is impacted by seasonal trends, and is therefore subject to risks associated with unseasonal or extreme weather.

The seasonality and cyclicality of the equipment rental industry results in variable demand for the Group's products. For example, the Group typically experiences higher demand between July and November of each year and, as a result, it tends to generate slightly higher revenue during the second half of each fiscal year as compared to the first half. The Group also experiences seasonality impacts as a result of the nature of its hire fleet and the distribution of its product categories. Lighting and heating equipment, for instance, typically experience higher levels of demand during the winter season, while gardening and landscaping products experience higher levels of demand in the spring and summer seasons. Weather patterns can exacerbate these trends with particularly cold, hot or wet periods driving higher or lower demand among the Group's product categories. Prolonged unseasonal or extreme weather that occurs during periods when the Group typically experiences more trading could therefore have a disproportionate impact on the Group's business, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group is subject to risks relating to its debt service obligations.

As at 27 September 2014, the Group had total third party net debt of £230.2 million. This included £200.0 million outstanding under the Notes and accrued interest of £2.3 million on those Notes. Since their issuance on 6 February 2014, the Group has paid £6.6 million in coupon payments (in August 2014), as the Notes accrue interest at an annual rate of 6.75%, with coupon payments payable on a six monthly basis. As a result of the offer, approximately £89.5 million will be applied to the reduction of the Group's indebtedness (including the settlement of a redemption premium and associated outstanding accrued and unpaid interest). It is expected that approximately £68.5 million of those funds will be applied against the Notes, with approximately £64.0 million reducing the principal and the balance being applied to the redemption premium together with any outstanding accrued and unpaid interest on the value of the Notes redeemed. Following this repayment of the Notes, the annual coupon payable on the Notes will reduce from £13.5 million to approximately £9.2 million. Because the Group's capital expenditure commitments are short term in nature, the Group is able to reduce capital expenditure in order to meet its debt service obligations, although this would have the effect of reducing its financial and operating flexibility (and consequently could reduce cash available to pay dividends to Shareholders). In addition, under the Notes, the Group is subject to restrictive debt covenants (limiting, or imposing thresholds on, inter alia its use of cash from operations) that may limit its ability to finance its future operations and capital needs and to pursue business opportunities and activities by, for example, prioritising debt repayment to new investment (including capital expenditure).

The Group's ability to make scheduled payments on its indebtedness, comply with applicable financial covenants or to refinance its obligations over the longer term, that is, in the period beyond the date that is 12 months from the date of this Prospectus, will depend on the Group's financial and operating performance, which in turn will be subject to prevailing economic and competitive conditions and to financial and business risks many of which may be beyond the Group's control. If the Group is unable to maintain sufficient cash generation from operations to service its debt obligations, comply with financial covenants or avoid default under the terms of the Notes in the longer term, the Group may face increased financing charges, an acceleration of its repayment obligations or an inability to secure new financing on acceptable terms or at all, any of which could have a material adverse effect on the Group's business, financial condition results of operations and prospects.

Risks relating to the Offer and the Shares

The Exponent Shareholders will retain a significant interest in and will continue to exert substantial influence over the Group following the Offer and Exponent's interests may differ from or conflict with those of other shareholders.

Immediately following Admission, the Exponent Shareholders will continue to beneficially own or control between 33.4% and 50.8% of the issued ordinary share capital of the Company (depending on the determination of the Offer Price and assuming no exercise of the Over-allotment Option) and between 26.4% and 46.4% if the Over-allotment Option is exercised in full. As a result, the Exponent Shareholders will possess sufficient voting power to have a significant influence over all matters requiring shareholder approval, including the election of directors, approval of significant corporate transactions and delay, defer or prevent a change of control. On 21 January 2015, the Company, Exponent and the Exponent Shareholders entered into the Relationship Agreement which will, conditional upon Admission, regulate the ongoing relationship between them. Although the principal purpose of the Relationship Agreement is to ensure that the Group is capable of carrying on its business independently of the Exponent Shareholders, the interests of the Exponent Shareholders may not always be aligned with those of other holders of Shares.

In addition, Exponent, the Exponent Shareholders and affiliates of Exponent may own businesses that directly compete with the Group's business and, although it is not the case currently, there are certain other activities in which the Group and Exponent, the Exponent Shareholders or affiliates of Exponent may be in competition with each other.

There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained.

Prior to Admission, there has been no public trading market for the Shares. Although the Company has applied to the UK Listing Authority for admission to the premium listing segment of the Official List and has applied to the London Stock Exchange for admission to trading on its main market for listed securities, the Company can give no assurance that an active trading market for the Shares will develop or, if developed, could be sustained following the closing of the Offer. If an active trading market is not developed or maintained, the liquidity and trading price of the Shares could be adversely affected.

Shares in the Company may be subject to market price volatility and the market price of the Shares in the Company may decline disproportionately in response to developments that are unrelated to the Company's operating performance.

The Offer Price is not indicative of the market price of the Shares following Admission. The market price of the Shares may be volatile and subject to wide fluctuations. The market price of the Shares may fluctuate as a result of a variety of factors, including, but not limited to, those referred to in these Risk Factors, as well as market appraisal of the Group's strategy, differences between the Group's expected and actual operating performance, cyclical fluctuations in the performance of the Group's business, period to period variations in operating results or changes in revenue or profit estimates by the Group, industry participants or financial analysts. The market price could also be adversely affected by developments unrelated to the Group's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Group, speculation, whether or not well founded about the Group in the press or the investment community, including those regarding the intentions of the Shareholders or significant sales of shares by any such Shareholders or short selling of the Shares, significant issues of shares by the Company, possible changes in the Company's management team and about mergers, acquisitions and/or major divestments involving the Group, unfavourable press, strategic actions by competitors (including acquisitions and restructurings), changes in market conditions and regulatory changes. Any or all of these factors could result in material fluctuations in the price of Shares, which could lead to investors getting back less than they invested or a total loss of their investment.

Shareholders in the United States and other jurisdictions may not be able to participate in future equity offerings.

The Articles provide for pre-emption rights to be granted to shareholders in the Company, unless such rights are disapplied by a shareholder resolution. However, securities laws of certain jurisdictions may restrict the Group's ability to allow participation by shareholders in future offerings. In particular, shareholders in the United States may not be entitled to exercise these rights, unless either the Shares and any other securities that are offered and sold are registered under the Securities Act, or the Shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable US or other shareholders to exercise their pre-emption rights or, if available, that the Company will utilise any such exemption.

Not all rights available to shareholders under US law will be available to holders of the Shares.

Rights afforded to shareholders under English law differ in certain respects from the rights of shareholders in typical US companies. The rights of holders of the Shares are governed by English law and the Articles. In particular, English law currently limits significantly the circumstances under which the shareholders of English companies may bring derivative actions. Under English law, in most cases, only the Company may be the proper plaintiff for the purposes of maintaining proceedings in respect of wrongful acts committed against it and, generally, neither an individual shareholder, nor any group of shareholders, has any right of action in such circumstances. In addition, English law does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders in a US company.

The market price of the Shares could be negatively affected by sales of substantial amounts of such shares in the public markets, including following the expiry of the lock-up period, or the perception that these sales could occur.

Following Admission, the Exponent Shareholders will own or control beneficially, in aggregate, between 33.4% and 50.8% of the Company's issued ordinary share capital (depending on the determination of the Offer Price and assuming no exercise of the Over-allotment Option) and between 26.4% and 46.4% if the Over-allotment Option is exercised in full. The Company, the Selling Shareholders, the Directors and the other Management Shareholders are subject to restrictions on the issue, sale and/or transfer, as applicable, of their respective holdings in the Company's issued share capital as described in Part 13 (*Details of the Offer—Lock-up arrangements*). The issue or sale of a substantial number of Shares by the Company, the Selling Shareholders, Directors or other Management Shareholders in the public market after the lock up restrictions in the Underwriting Agreement or lock up deeds expire (or are waived by the Joint Bookrunners), or the perception that these sales may occur, may depress the market price of the Shares and could impair the Company's ability to raise capital through the sale of additional equity securities.

If securities analysts do not publish research or reports about the Company, or issue unfavourable commentary about the Company or downgrade the Shares, the price of the Shares could decline.

The trading market for the Shares will depend in part on the research and reports that third-party securities analysts publish about the Company and the UK equipment rental industry. The Company may be unable or slow to attract research coverage and if one or more analysts cease coverage of the Company, the Company could lose visibility in the market. In addition, one or more of these analysts could use estimation or valuation methods that the Company does not agree with, downgrade the Shares or issue other negative commentary about the Company or the industry. As a result of one or more of these factors, the trading price of the Shares could decline.

The Company's ability to pay dividends in the future depends, among other things, on the Group's financial performance and capital requirements.

There can be no guarantee that the Group's historic performance will be repeated in the future, particularly given the competitive nature of the industry in which it operates, and its sales, profit and cash flow may significantly underperform market expectations. If the Group's cash flow underperforms market expectations, then the Company's capacity to pay a dividend will suffer. Any decision to declare and pay dividends will be made at the discretion of the Directors and will depend on, among other things, applicable law, regulation, restrictions, the Group's financial position, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time. Furthermore, as a newly created company, initial dividends will depend on the cancellation of the share premium account following Admission to create distributable reserves. Such reduction of capital is to be confirmed by the Companies Court.

The issuance of additional Shares in the Company in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings.

The Group may seek to raise financing to fund future acquisitions and other growth opportunities and may also issue equity under an incentive or share option plan. The Group may, for these and other purposes, issue additional equity or convertible equity securities. As a result, existing holders of Shares may suffer dilution in their percentage ownership or the market price of the Shares may be adversely affected.

Overseas shareholders may be subject to exchange rate risk.

The Shares are, and any dividends to be paid in respect of them will be, denominated in pounds sterling. An investment in Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Shares or any dividends in foreign currency terms.

PART 2

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

Investors should only rely on the information in this Prospectus. No person has been authorised to give any information or to make any representations in connection with the Offer, other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Selling Shareholders or any of the Underwriters. No representation or warranty, express or implied, is made by any of the Underwriters, any of their respective affiliates or any selling agent as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by any of the Underwriters, any of their respective affiliates or any selling agent as to the past, present or future. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to FSMA, neither the delivery of this Prospectus nor any subscription or sale of Shares pursuant to the Offer shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

The Company will update the information provided in this Prospectus by means of a supplement hereto if a significant new factor that may affect the evaluation by prospective investors of the Offer occurs after the publication of the Prospectus or if this Prospectus contains any mistake or substantial inaccuracy. The Prospectus and any supplement thereto will be subject to approval by the FCA and will be made public in accordance with the Prospectus Rules. If a supplement to the Prospectus is published prior to Admission, investors shall have the right to withdraw their applications for Shares made prior to the publication of the supplement. Such withdrawal must be made within the time limits and in the manner set out in any such supplement (which shall not be shorter than two clear business days after publication of the supplement).

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and risks involved.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Selling Shareholders, or any of the Underwriters or any of their affiliates or representatives that any recipient of this Prospectus should subscribe for or purchase the Shares. Prior to making any decision as to whether to subscribe for or purchase the Shares, prospective investors should read this Prospectus. Investors should ensure that they read the whole of this Prospectus carefully and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination of the Company and the terms of this Prospectus, including the risks involved.

Investors who subscribe for or purchase Shares in the Offer will be deemed to have acknowledged that: (i) they have not relied on any of the Underwriters or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning the Group or the Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors, the Selling Shareholders or any of the Underwriters.

None of the Company, the Directors, the Selling Shareholders or any of the Underwriters or any of their affiliates or representatives is making any representation to any offeree, subscriber or purchaser of the Shares regarding the legality of an investment by such offeree, subscriber or purchaser.

In connection with the Offer, the Underwriters and any of their respective affiliates, acting as investors for their own accounts, may subscribe for and/or acquire Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any or issue, offer, subscription, acquisition, dealing or placing by, the Underwriters and any of their affiliates acting as investors for their own accounts. In addition, certain of the Underwriters or their affiliates may in the ordinary course of their business activities enter into financing arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The Underwriters are acting exclusively for the Company and no one else in connection with the Offer. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective customers in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers or for giving advice in relation to the Offer or any transaction or arrangement referred to herein.

Certain of the Underwriters and/or their respective affiliates have in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholders or any parties related to any of them, in respect of which they have and may in the future, receive customary fees and commissions. As a result of these transactions, these parties may have interests that may not be aligned, or could possibly conflict with the interests of investors.

Over-allotment and stabilisation

In connection with the Offer, J.P. Morgan Cazenove, as Stabilising Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other stabilisation transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Shares up to a maximum of 15% of the total number of Shares comprised in the Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such overallotments and/or from sales of Shares effected by it during the stabilising period, the Over-allotment Shareholders have granted the Stabilising Manager the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for additional Shares at the Offer Price, which represent up to an additional 15% of the Offer Size (the "Over-allotment Shares"). The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings in the Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being issued or sold in the Offer and will form a single class for all purposes with the other Shares.

Presentation of financial information

The combined and consolidated financial information in this Prospectus has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The significant IFRS accounting policies applied in the financial information of the Company are applied consistently in the financial information in this Prospectus.

Financial information

The Company was incorporated on 7 January 2015 in order to acquire 100% of the share capital of Hampshire Topco Limited and become the holding company for the Group on completion of the Reorganisation. As a consequence, there is no historical financial information relating to the Company.

For purposes of this Prospectus, the term "Group" means the Company and its consolidated subsidiaries and subsidiary undertakings and, prior to 25 October 2012, Hero Acquisitions Limited and its consolidated subsidiaries and undertakings and thereafter until on or around 3 February 2015 Hampshire Topco Limited and its consolidated subsidiaries and undertakings. For more information see note 1 of Part 11 (*Historical Financial Information*).

The Group's financial year is usually made up of a 52 week period and as a result does not always correspond to a calendar year ended 31 December. For the 52 week period in 2011, the period ran from 2 January 2011 to 31 December 2011; for the 52 week period in 2012, the period ran from 1 January 2012 to 29 December 2012; and for the 52 week period in 2013, the period ran from 30 December 2012 to 28 December 2013. From time to time, the Group's fiscal year accounting period covers a 53 week period, which impacts the comparability of results. There are no 53 week periods in the historical combined and consolidated financial information presented in this Prospectus and the next such period is expected to be the 53 weeks ended 31 December 2016. The interim financial information for the first three trading quarters of 2013 and 2014 consisted of 39 weeks each. For the first 39 weeks of 2013, the period ran from 30 December 2012 to 28 September 2013 and for the first 39 weeks of 2014, the period ran from 29 December 2013 to 27 September 2014. The combined and consolidated financial information included in Part 11 (*Historical Financial Information*) for the 52 week period ended 31 December 2011, 29 December 2012 and 28 December 2013 and the 39 week period ended 27 September 2014 has been reported on in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom.

None of the financial information used in this Prospectus has been audited in accordance with auditing standards generally accepted in the United States of America ("US GAAS") or auditing standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"). US GAAS and the auditing standards of the PCAOB do not provide for the expression of an opinion on accounting standards which have not been finalised and are still subject to modification, as is the case with accounting standards as adopted for use in the EU and included in Part 11 (*Historical Financial Information*). Accordingly, it would not be possible to express any opinion on the "Financial Information" in Part 11 (*Historical Financial Information*) under US GAAS or the auditing standards of the PCAOB. In addition, there could be other differences between the auditing standards issued by the Auditing Practices Board in the United Kingdom and those required by US GAAS or the auditing standards of the PCAOB. Potential investors should consult their own professional advisers to gain an understanding of the "Financial Information" in Part 11 (*Historical Financial Information*) and the implications of differences between the auditing standards noted herein.

Information for the 52 week period ended 27 September 2014

The summary unaudited consolidated financial information for the twelve month period ended 27 September 2014 has been derived from the historical financial information for the 39 week period ended 27 September 2014, the historical financial information for the 52 week period ended 28 December 2013 and the unaudited historical financial information for the 39 week period ended 28 September 2013. While this information represents a full twelve month period, the results are not necessarily indicative of results to be expected for a full financial year and may be materially different from our annual results.

Pro Forma Financial Information

In this Prospectus, any reference to "pro forma" financial information is to information which has been extracted without material adjustment from the unaudited pro forma financial information contained in Part 12 (*Unaudited Pro Forma Financial Information*), which is based on the audited consolidated interim financial information of the Group for the 39 week period ended 27 September 2014. The unaudited pro forma financial information has been prepared to illustrate the effect of the Offer as if it had taken place on 27 September 2014.

Due to its nature, the unaudited pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results. It may not, therefore, give a true picture of the Group's financial position or results nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The pro forma financial information has been prepared for illustrative purposes only in accordance with Annex II of the Prospectus Directive Regulation.

Non-IFRS financial information

This Prospectus contains certain financial measures that are not defined or recognised under IFRS, including Adjusted EBITDA, CAGR and return on assets. Information regarding these measures are sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. These measures, by themselves, do not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity.

Adjusted EBITDA

The Group defines Adjusted EBITDA as loss/profit for the period before interest, tax, depreciation and amortisation and exceptional items. Depreciation and amortisation includes hire stock asset disposals, hire stock write offs and customer losses. The following table provides a reconciliation of Adjusted EBITDA to loss for the period for the periods indicated:

	52 week period ended			39 week period ended		52 week period ended
	31 December 2011	29 December 2012	28 December 2013	28 September 2013	27 September 2014	27 September 2014
			(in millions of £)	(unaudited)		
(Loss)/profit for the period	**(13.6)**	**(10.1)**	**0.4**	**0.8**	**(6.0)**	**(6.4)**
Tax expense	0.3	(0.5)	2.2	1.7	(0.3)	0.2
Interest expenses	25.3	15.5	18.7	13.9	25.8	30.6
Depreciation and amortisation	26.4	26.5	31.0	21.8	31.3	40.5
Restructuring(1)	3.5	6.2	3.2	2.3	0.8	1.7
Acquisition-related expenses(2)	0.0	3.7	0.6	0.6	0.2	0.2
Adjusted EBITDA	**41.9**	**41.3**	**56.2**	**41.0**	**51.8**	**67.0**

(1) Relates to costs for redundancies and costs associated with exiting unprofitable stores including the cost of onerous leases.

(2) Relates to costs for legal and professional fees associated with acquisitions.

Currency presentation

Unless otherwise indicated, all references in this Prospectus to "sterling", "pounds sterling", "GBP", "£", or "pence" are to the lawful currency of the United Kingdom. The Company prepares its financial statements in pounds sterling. All references to the "euro" or "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. All references to "US dollars" or "US$" are to the lawful currency of the United States.

The average exchange rates of the Group's main trading currencies, other than pounds sterling, are shown relative to pounds sterling below. The rates below may differ from the actual rates used in the preparation of the financial statements and other financial information that appears elsewhere in this Prospectus. The inclusion of these exchange rates is for illustrative purposes only and does not mean that the sterling amounts actually represent such US dollar or euro amounts or that such sterling amounts could have been converted into US dollars or euro at any particular rate, if at all.

Average rate against pounds sterling

Year	US dollar Period End	Average	High	Low
2010	1.5591	1.5457	1.6377	1.4324
2011	1.5509	1.6037	1.6694	1.5390
2012	1.6242	1.5850	1.6276	1.5295
2013	1.6566	1.5648	1.6566	1.4858
2014	1.5581	1.6474	1.7165	1.5515
2015 (through 20 January 2015)	1.5152	1.5201	1.5579	1.5088

Year	Euro Period End	Average	High	Low
2010	1.1665	1.1663	1.2358	1.0961
2011	1.1967	1.1526	1.2042	1.1071
2012	1.2307	1.2331	1.2863	1.1789
2013	1.2014	1.1779	1.2328	1.1431
2014	1.2874	1.2409	1.2874	1.1912
2015 (through 20 January 2015)	1.3121	1.2889	1.3121	1.2726

Source: Bloomberg

Roundings

Certain data in this Prospectus, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

Market, economic and industry data

Unless the source is otherwise stated, the market, economic and industry data in this Prospectus constitute the Directors' estimates, using underlying data from independent third parties. The Company obtained market data and certain industry forecasts used in this Prospectus from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications, including publications and data compiled by Hitwise, TNS, the European Rental Association, B2B International and Cranes & Access magazine.

Whilst the Directors believe the third-party information included herein to be reliable, the Company has not independently verified such third-party information, and neither the Company nor the Underwriters make any representation or warranty as to the accuracy or completeness of such information as set forth in this Prospectus. The Company confirms that all third-party data contained in this Prospectus has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Where third-party information has been used in this Prospectus, the source of such information has been identified.

Service of process and enforcement of civil liabilities

The Company has been incorporated under English law. Service of process upon Directors and officers of the Company, all of whom reside outside the United States, may be difficult to obtain within the United States. Furthermore, since most directly owned assets of the Company are outside the United States, any judgment obtained in the United States against it may not be collectible within the United States. There is doubt as to the enforceability of certain civil liabilities under US federal securities laws in original actions in English courts, and, subject to certain exceptions and time limitations, English courts will treat a final and conclusive judgment of a US court for a liquidated amount as a debt enforceable by fresh proceedings in the English courts.

No incorporation of website information

The contents of the Company's websites do not form part of this Prospectus.

Definitions and glossary

Certain terms used in this Prospectus, including all capitalised terms and certain technical and other items, are defined and explained in Part 15 (*Definitions and Glossary*).

Information not contained in this Prospectus

No person has been authorised to give any information or make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this Prospectus nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information in this Prospectus is correct as of any time subsequent to the date hereof.

Information regarding forward-looking statements

Some of the statements under the headings Summary, Part 1 (*Risk Factors*), Part 5 (*Industry Overview*), Part 6 (*Business Description*) and Part 9 (*Operating and Financial Review*) and elsewhere in this document include forward-looking statements that reflect the Company's or, as appropriate, the Directors' or third parties' current views with respect to, among other things the intentions, beliefs and current expectations of the Company or the Directors or such third parties concerning, amongst other things, the results of operations, the financial condition, prospects, growth, strategies and dividend policy of the Company and the industry in which it operates. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the results of operations, financial condition, prospects, growth, strategies, and dividend policy of the Group and the industry in which it operates. In particular, the statements under the headings "Summary", "Risk Factors", "Business Description" and "Operating and Financial Review" regarding the Company's strategy and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Undue reliance should not be placed on such forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Group's control. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. These include, among others, statements relating to:

- changes in the macroeconomic environment;
- competition in the Group's industry;
- operation of the Group's distribution network;
- inability to collect on customer contracts;
- relationships with key suppliers;
- outsourcing arrangements;
- increased costs of the Group's hire fleet maintenance and replacement;
- decline in customer service levels;

- damage to the Group's brands or reputation;
- liability claims, insufficient insurance and increases in insurance premiums;
- the ability to effectively maintain or manage the Group's property leaseholds;
- the ability and cost to comply with current or future laws and regulations;
- volatility in fuel costs;
- changes in currency and interest rates;
- loss of the Group's key personnel;
- the availability of funds for capital expenditures;
- disruptions or upgrades to the Group's information technology systems;
- acquisitions which may prove unsuccessful or strain the Group's resources;
- the Group's debt service obligations and
- other factors described in Part 1 (*Risk Factors*).

If one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, it could affect the Group's ability to achieve its objectives and could cause the Group's actual results of operations or financial condition to differ materially from those in the forward-looking statements. Any forward-looking statements in this document should be read in conjunction with the other cautionary statements that are included in this document. Any forward-looking statements in this document reflect current views with respect to future events and are subject to these and other risks, uncertainties and assumptions.

None of the Company, the Directors, the Selling Shareholders or any of the Underwriters can give any assurances regarding the actual occurrence of the predicted developments upon which the forward-looking statements are based. Such forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. The Company, the Directors, the Selling Shareholders and the Underwriters expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Rules, the Listing Rules, or the Disclosure and Transparency Rules of the FCA.

PART 3

DIRECTORS, SECRETARY, REGISTERED AND HEAD OFFICE AND ADVISERS

Directors	Alan Peterson, Non-Executive Chairman Neil Sachdev, Independent Non-Executive Deputy Chairman Chris Davies, Chief Executive Officer Steve Trowbridge, Chief Financial Officer John Gill, Chief Operating Officer Fiona Perrin, Group Sales and Marketing Director Amanda Burton, Independent Non-Executive Director Douglas Robertson, Independent Non-Executive Director Thomas Sweet-Escott, Non-Executive Director
Company Secretary	Patrick Hartrey
Registered and head office of the Company	25 Willow Lane Mitcham Surrey CR4 4TS
Global Co-ordinator, Joint Bookrunner and Sponsor	J.P. Morgan Securities plc 25 Bank Street Canary Wharf London E14 5JP
Joint Bookrunner	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Co-lead Manager	Joh. Berenberg, Gossler & Co. KG, London Branch 60 Threadneedle Street London EC2R 8HP
English and US legal advisers to the Company	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HS
English and US legal advisers to the Global Co-ordinator, Joint Bookrunners, Co-Lead Manager and Sponsor	Clifford Chance LLP 10 Upper Bank Street London E14 5JJ
Reporting Accountants	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Registrars and Receiving Agent	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Intermediaries Offer Adviser	Solid Solutions Associates (UK) Limited 5 St. John's Lane London EC1M 4BH

PART 4

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFER STATISTICS

Expected timetable of principal events

Event	Time and Date[(1)(2)]
Latest date for submission of applications by Retail Investors to their Intermediary (exact time to be determined by the Intermediary)	2 February 2015
Latest time and date for receipt by the Receiving Agent of applications from Intermediaries	By 10:00 am on 3 February 2015
Latest date for receipt of indications of interest in the Institutional Offer	3 February 2015
Announcement of the Offer Price and Offer Size, publication of the Pricing Statement and notification of allocations of Shares[(3)]	7:00 am on 4 February 2015
Commencement of conditional dealings in Shares on the London Stock Exchange	8:00 am on 4 February 2015
Admission and commencement of unconditional dealings in Shares on the London Stock Exchange	8:00 am on 9 February 2015

(1) Times and dates set out in the timetable above and mentioned throughout this Prospectus that fall after the date of publication of this document are indicative only and may be subject to change without further notice.

(2) All references to time in this timetable are to UK time.

(3) The Offer Price and Offer Size will be set out in the Pricing Statement. The Pricing Statement will not automatically be sent to persons who receive this document but it will be available free of charge at the Company's registered office at 25 Willow Lane, Mitcham, Surrey CR4 4TS. In addition, the Pricing Statement will (subject to certain restrictions) be published on the Company's website at www.hsshiregroup.com.

It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

Offer statistics

Price Range (per Share)[(1)]	210 pence to 262 pence
Expected minimum number of Shares in the Offer	54,103,054
—New Shares	39,312,977
—Existing Shares	14,790,077
Expected maximum number of Shares in the Offer	83,872,693
—New Shares	39,312,977
—Existing Shares	44,559,716
Number of Existing Shares subject to the Over-allotment Option[(2)]	12,580,904
Number of Shares in issue following the Offer[(3)]	154,661,016
Market capitalisation of the Company at the Offer Price[(3)]	£365 million
Estimated net proceeds of the Offer receivable by the Company[(4)]	£89.5 million
Value of Shares to be subscribed by Non-Executive Directors outside the Offer	£120,000
Estimated net proceeds of the Offer receivable by the Selling Shareholders[(5)]	£76 million

(1) It is currently expected that the Offer Price will be within the Price Range. It is expected that the Pricing Statement containing the Offer Price and the number of Shares which are comprised in the Offer will be published on or about 4 February 2015 and will be available (subject to certain restrictions) on the Company's website at www.hsshiregroup.com. If the Offer Price is set above the Price Range, the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA.

(2) The maximum number of existing Shares comprised in the Over-allotment Option is, in aggregate, equal to 15% of the maximum number of Shares comprised in the Offer.

(3) Assuming the Offer Price is set at the mid-point of the Price Range. The market capitalisation of the Company at any given time will depend on the market price of the Shares at that time. There can be no assurance that the market price of a Share will be equal to or exceed the Offer Price.

(4) The estimated net proceeds receivable by the Company are stated after deduction of the estimated underwriting commissions and other fees and expenses of the Offer (including VAT) payable by the Company, which are currently expected to be approximately £13.5 million. The Company will not receive any of the net proceeds from the sale of the Existing Shares in the Offer by the Selling Shareholders or the sale of Shares pursuant to the Over-allotment Option.

(5) The estimated net proceeds receivable by the Selling Shareholders assume that the Offer Price is set at the mid-point of the Price Range and are stated after deduction of the estimated underwriting commissions and other fees and expenses of the Offer (including VAT) payable by the Selling Shareholders, which are currently expected to be approximately £3.4 million at the mid-point of the Price Range.

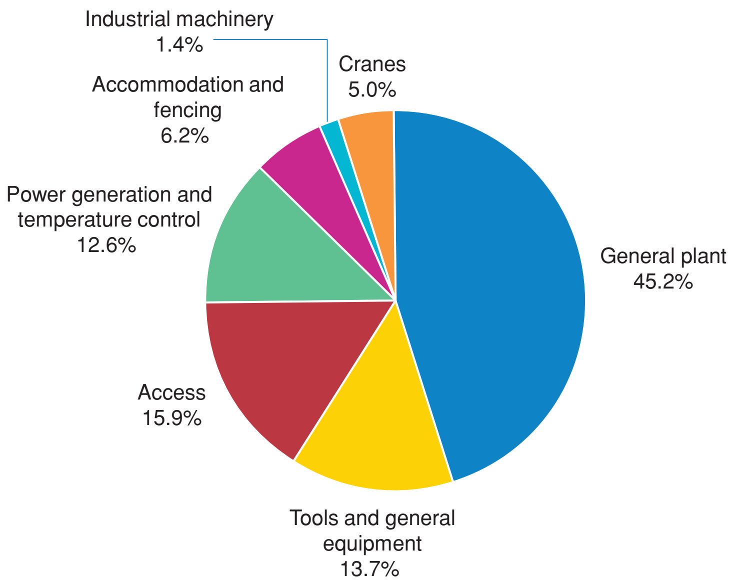
PART 5

INDUSTRY OVERVIEW

Introduction

UK equipment rental companies provide customers with a wide variety of equipment to hire. The offered equipment spans larger equipment ("plant hire"), smaller equipment ("tools and equipment hire") and specialist equipment. Plant hire products include dumpers, excavators, compactors, forklifts, and concrete mixers, among others. Plant hire is further divided between operated equipment where the operator of the equipment is supplied by the rental company and non-operated equipment, in which the equipment is operated directly by the customer. Tools and equipment hire products include drills, saws, pressure washers and plumbing equipment, among others. Specialist equipment generally have more specific applications; examples include powered access, surveying equipment, cleaning and generators. The Group focuses on the tools and equipment hire and specialist equipment product categories of the overall equipment rental market. In 2014, the European Rental Association ("ERA"), in partnership with IHS Global Insight, estimated that the size of the overall UK market for equipment hire was £5.4 billion in 2013 and is expected to grow to £6.1 billion in 2015. The following chart illustrates the breakdown of the UK equipment rental market by product category in 2012. Although the Group operates in all segments within this market, it primarily focuses on tools and general equipment, access, power generation and temperature control, and accommodation and fencing.

UK equipment rental by main product categories 2012



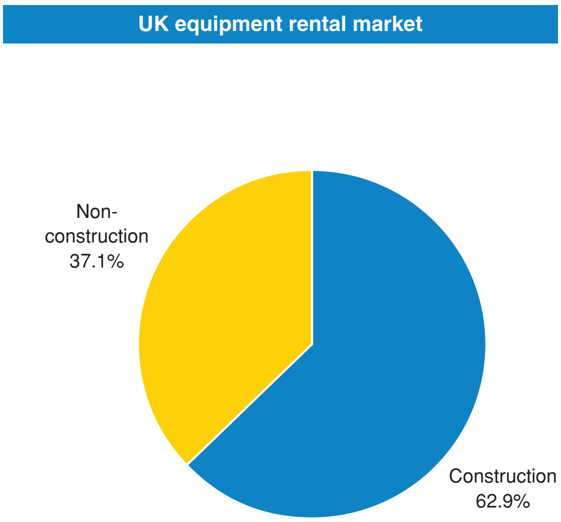
Source: European Rental Association 2013

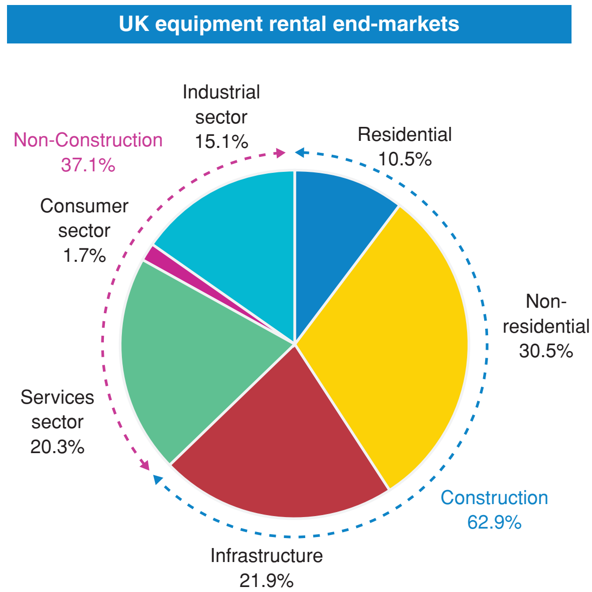
Hired equipment is generally used in applications relating to the "new build construction", "maintenance" or "operation" of property and related assets. The "new build construction" segment is further divided into heavy construction and fit-out. Heavy construction includes activities such as site preparation, cladding and roofing and ground stabilisation, while fit-out includes activities such as utility connection, water removal, heating, ventilation, air conditioning (maintenance and installation), commissioning of mechanical installation such as lifts and escalators and interior decorations. The "maintain" segment refers to customer activities such as refurbishments, external improvements and concrete repairs while the "operate" portion of the market includes facilities management, transportation and cleaning, among others. The Group focuses on the "maintain" and "operate" market segments, which are less cyclical, higher value-added and involve lighter tools and equipment than the broader market. Additionally, the "maintain" and "operate" segments generally have a larger proportion of recurring spend and represent a smaller proportion of a customer's total cost related to a project.

Customer End-markets

The primary customers for equipment rental companies, in general, include construction contractors, utilities and facilities management operators, government entities, retailers, infrastructure developers and homeowners. Construction-related customers represent the majority of the market, accounting for 63% of UK equipment rental revenue. The non-construction portion of the market largely constitutes the service and industrial sectors (excluding construction).

While the Group is not isolated from the construction market, it focuses on the non-construction portion of the market, with specific exposure in the facilities management, retail, commercial fit-out, property, utilities and waste, infrastructure and energy services markets.





Source: European Rental Association 2013

Customer Value Proposition

The Directors believe the long-term growth prospects for the equipment rental industry continue to be favourable, as customers are increasingly taking advantage of the numerous benefits of renting equipment rather than owning, including the ability to:

- avoid the large capital investment required for equipment purchases;
- access a comprehensive range of equipment;
- obtain equipment as needed, minimising the costs associated with idle equipment;
- decrease exposure to credit market conditions;
- reduce storage, maintenance and transportation costs;
- benefit from ancillary services provided by equipment hire companies; and
- utilise the equipment hire distribution network to efficiently allocate equipment.

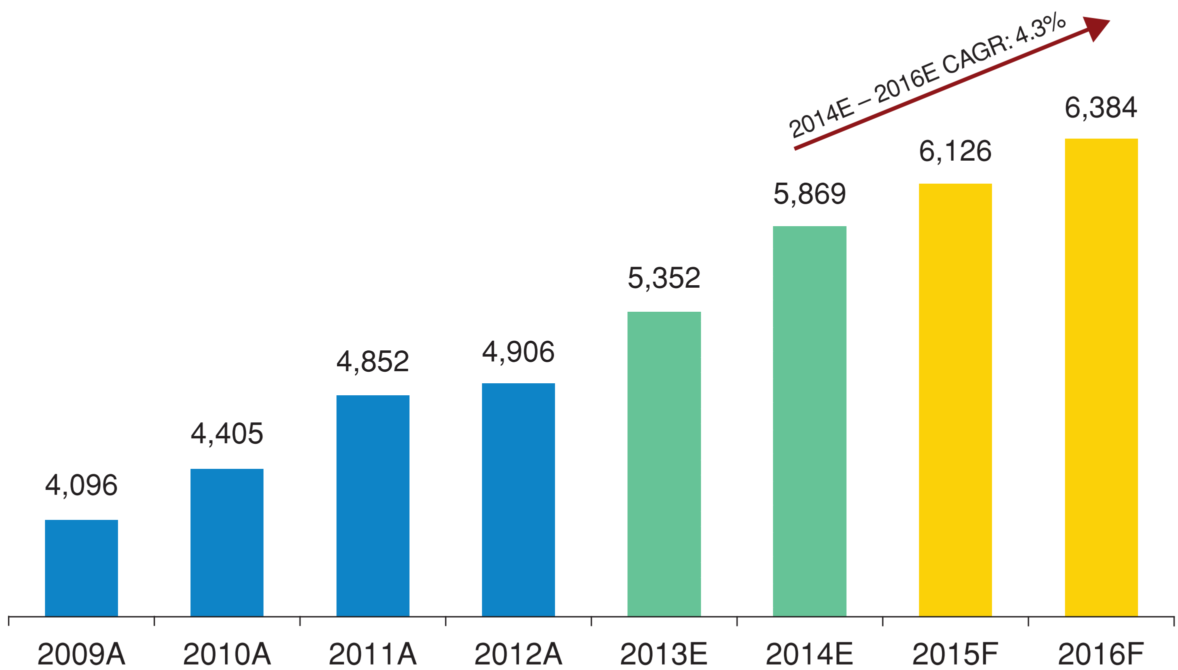
The Directors believe that larger customers in particular are increasingly looking for national hire solutions, including full geographical coverage, centralised procurement and off-hire support, centralised ordering and customer support to ensure a consistency of service. The ERA supports this view, noting that hire firms are increasingly offering complementary services in addition to solely equipment hire in order to satisfy customer demands and to differentiate themselves from competitors. In this context the ERA observes a general trend to comprehensive logistics solutions, while consolidation on the customer (demand) side favours long-term relationships between national partners and a “one stop shop” procurement approach. Complementary services span a variety of offerings that seek to foster partnership with the customer through enhanced ease of use and productivity measures. Examples include integrated IT platforms, remote fleet management, safety monitoring systems, electronic delivery monitoring, advisory services, training and advanced e-commerce platforms. The Directors believe the Group is well-positioned to take advantage of the trend towards comprehensive, national hire solutions. Its unique hub-and-spoke network is the only one of its kind active in the UK today, and drives increased availability and rapid delivery of equipment. Furthermore, the Group has developed a suite of innovative services that supplement the customer hire proposition. For example, its OneCall service efficiently sources third-party equipment for customers, solidifying its position as a "one-stop-shop" for equipment procurement, while HSS Training supports the Group's customers on health, safety and compliance issues.

Growth Outlook

The overall UK equipment hire market has grown since 2010, and the Directors believe it is poised to continue modest growth in the medium term. The economic downturn in 2009 led to pressure on the UK equipment hire market and a decline in aggregate revenue as asset utilisation decreased. Additionally, many hire companies faced pricing pressure in 2009, as the market attempted to stabilise asset utilisation. Coming out of the downturn, the market has stabilised. The Directors believe the market improvement was driven by increased utilisation and pricing stabilisation. Going forward, in the medium term, the Directors believe improving economic conditions will support overall market growth through more activity in the private commercial sector and housing market. Specifically, the Directors believe growth will be supported by the rebound in UK GDP growth, along with increasing rental penetration and asset utilisation. Public sector work remains important with key investment in infrastructure projects such as power and transport. The ERA estimates that total UK equipment rental revenue will grow at 9.7% in 2014, 4.4% in 2015 and 4.2% in 2016.

While it is difficult to provide specific growth rates for the Group's target market segments, overall the Directors believe the Group's business is well-positioned in the market, given its emphasis on the "maintain" and "operate" segments, which are less cyclical as they have less exposure to construction activity than the "build" segment and are exposed to a wider variety of end-markets. These segments are also less discretionary and have a larger proportion of recurring spend. Additionally, the Group's suite of ancillary services helps drive incremental hire revenue and protects it from some of the market pricing pressures.

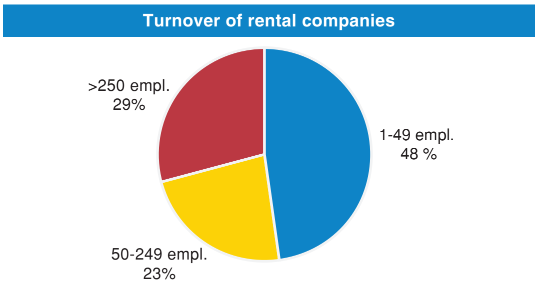
UK equipment rental market turnover (£mm)

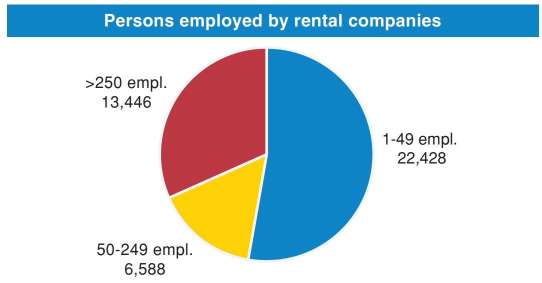


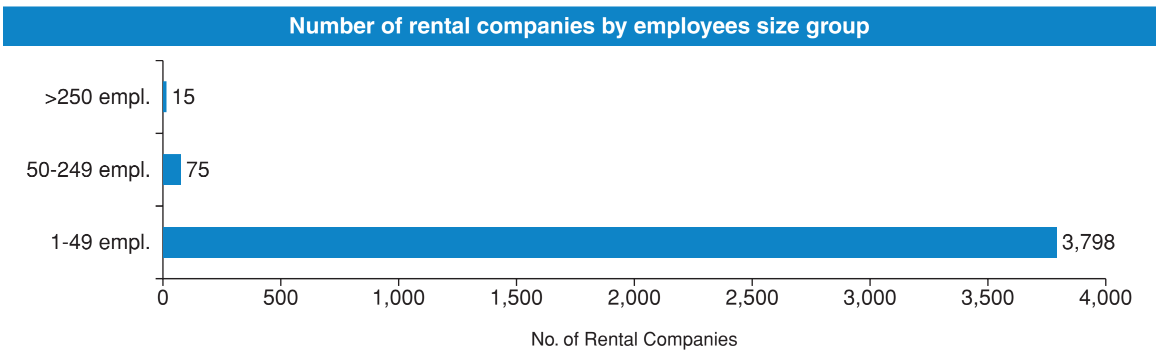
Source: European Rental Association 2014

Competitors

The overall UK equipment hire market is highly fragmented with a large number of small local suppliers. Out of about 4,000 total small and large players, the top 15 players account for approximately 30% of revenue in the market as a whole. Meanwhile independents, which are defined as businesses with less than 50 employees, still account for nearly 50% of the market. Increasingly, companies are offering services in addition to the pure rental of equipment as a way to differentiate themselves.







Source: European Rental Association 2013, data as of 2010

A significant proportion of the small equipment rental players operate in the small/local customer segment and do not have significant penetration with large regional or key account customers. The Directors believe that a significant number of the Group's smaller competitors were weakened in the aftermath of the downturn, as they struggled to offer adequate levels of services, largely due to staff reductions and ageing fleet. The Group was able to take advantage of this, partly based on its focus on premium service levels and continuous investment in its fleet, helping drive its market share gains through the period. The Directors believe the Group's market share gains are sustainable, given its consistent focus on high service levels and unique offerings.

PART 6

BUSINESS DESCRIPTION

Investors should read this Part 6 (Business Description) in conjunction with the more detailed information contained in this Prospectus including the financial and other information appearing in Part 9 (Operating and Financial Review). Where stated, financial information in this section has been extracted from Part 11 (Historical Financial Information).

BUSINESS OVERVIEW

The Group is a leading provider of tool and equipment hire and related services in the United Kingdom and Ireland with a key focus on delivering safety, value, availability and support to its customers. The Group concentrates on the "maintain" and "operate" segments of the tool and equipment hire market, as the Directors believe that these segments offer greater opportunities for the Group to generate higher and more stable returns on assets as opposed to providing large plant and heavy machinery geared to construction activities in the more cyclical "new build" segment.

The Group complements its offering of tool and equipment hire with a range of value-added, specialist services that have been developed in response to customer demand and specifically oriented to the "maintain" and "operate" segments. The Directors believe that the combination of these products and services helps to differentiate the Group from its competitors, embed the Group more deeply with its customers and establish a "one-stop-shop" in order to capture a greater share of its customers' potential spending. The Directors believe that the Group is the second largest provider of tool and equipment hire and related services in the United Kingdom based on revenue and the second largest provider of temporary power generation in the United Kingdom based on fleet size. The Group is also the second largest provider of powered access equipment in the United Kingdom based on fleet size as reported by Cranes & Access magazine.

Under the Group's customer-focussed business model, for the 52 week period ended 31 December 2011 to the 12 months ended 27 September 2014, Group revenue grew at a CAGR of 17% and Adjusted EBITDA grew at a CAGR of 19%, market share in the UK increased from 3.6% to 4.7% and return on assets increased from 21% to 26%. The Group has a strong focus on optimising its deployment of capital, only entering market segments where it believes returns are sufficiently attractive.

The Group caters to a long-standing and diversified customer base, comprising over 35,000 "live" accounts ranging from large, blue-chip companies to smaller, local businesses across a range of sectors with over 90% of the Group's revenue generated from B2B customers in the 52 week period ended 28 December 2013. As of 27 September 2014, the Group operates from over 265 locations, serviced by a delivery fleet of over 400 commercial vehicles and approximately 2,900 colleagues, through a well-established hub and spoke distribution network comprising a national distribution centre, ten regional distribution centres, 25 local distribution centres and approximately 230 trading locations, that aims to maximise equipment availability on an on-demand or next-day basis. The Directors believe the Group's distribution network enables the Group to serve its customers "anytime, anywhere".

The Group's core businesses are:

- HSS Hire: The Group provides an extensive range of tools and equipment for hire across approximately 1,600 product lines driven by customer demand. Equipment categories include powered access, lifting and handling, heating, cooling and drying, lighting and power, breaking and drilling and site works.
- HSS OneCall: In response to the Group's customers' specific demands, the Group works with a network of more than 300 suppliers to source approximately 2,000 lines of equipment that the Group does not hold as a part of its hire fleet.
- HSS Training: The Group's specialist training business is aimed at meeting the training requirements of its customers, offering 240 industry-recognised technical and safety courses at 36 training venues throughout the United Kingdom and Ireland.

The Group's core businesses together accounted for £208.0 million or 91.8% of the Group's revenue for the 52 week period ended 28 December 2013 and £181.7 million or 87.1% of the Group's revenue for the 39 week period ended 27 September 2014.

The Group's primary specialist businesses are:

- ABird and Apex: ABird, acquired in October 2012, is the Group's specialist provider of temporary power generation and distribution equipment and services. The Group further expanded its temporary power operation through the March 2014 acquisition of Apex, a leading Scottish generator hire company. The Directors believe that the Group is now the second largest provider of temporary power generation in the United Kingdom based on fleet size.
- UK Platforms: In June 2013 the Group acquired UK Platforms, a specialist powered access business which, combined with the powered access operations of its HSS Hire business, has created the second largest provider of powered access equipment in the United Kingdom based on fleet size as reported by Cranes & Access magazine.
- Reintec and TecServ: As an alternative to the traditional hire contract, the Group offers equipment management solutions to the contract cleaning market under the Reintec and TecServ brands. With these services, the Group provides customers with the benefits of management, maintenance, compliance and cost efficiency services and expertise.

The Group's specialist businesses together accounted for £18.6 million or 8.2% of the Group's revenue for the 52 week period ended 28 December 2013 and £26.8 million or 12.9% of the Group's revenue for the 39 week period ended 27 September 2014.

The Directors believe that the Group's HSS brand is the most widely recognised in the UK tool and equipment hire markets. The Directors also believe that the Group consistently provides a superior customer service proposition to its competitors, with a leading Net Promoter Score ("NPS"), which is a measure of customers' willingness to recommend the Group's products and services, as determined by regular surveys undertaken on behalf of the Group by TNS. The products and services that the Group provides are often critical to the business operations of its customers. The Group's focus on delivering safety, value, availability and support is underpinned by what the Directors consider to be customers' key concerns: the ability for suppliers to meet their requirements at short notice; the safety and quality of equipment; price competitiveness; and customer service.

KEY STRENGTHS

The Directors believe that the Group's key strengths are as follows:

Leading market position in attractive, growing and resilient markets

The Group focuses on the "maintain" and "operate" segments of the tool and equipment hire market, as opposed to providing large plant and other heavy machinery and equipment geared to construction activities in the more cyclical "new build" market segment. The Directors believe that the "maintain" and "operate" segments offer the Group greater opportunities to provide value-added services and additional specialist product categories, drive organic growth and generate higher and more stable returns. The Directors believe that there is opportunity for consolidation within these markets and that there are structural growth drivers supporting them: as of 2011, the European Rental Association reported that 48% of the market for tool and equipment hire in the United Kingdom and Ireland is currently held by local independent companies, while the continuing drive to outsource should allow the Group to grow its sophisticated equipment management services for larger customers. The Directors believe that the Group is the second largest provider of tool and equipment hire and related services in the United Kingdom based on revenues. The Directors believe the Group's leading market positions and service platform will underpin continued revenue growth above the average market level. The Directors believe the Group's scale and service platform positions it to offer a market-leading service compared with both local independent and national operators through delivery of its key focus areas of safety, value, availability and support.

The Group has accelerated organic growth by entering new markets in response to observed customer demand. This strategy has seen the Group enter the contract cleaning market through the establishment of the Reintec and TecServ businesses and the temporary power market through the acquisitions of ABird and Apex.

The Group has been recognised as a market-leading brand for tool and equipment hire in the United Kingdom. In 2012, the Group was recognised as the UK tool and equipment hire company of the year by Hire Association Europe for a consistent record of delivery, high standards of service and clear systems and procedures for health and safety. As of September 2014, the Group has a Net Promoter Score

("NPS") of 33 as measured by TNS (based on 591 customer interviews conducted between July and August 2014). The Directors believe the Group's NPS score is the market leading score amongst major United Kingdom tool and equipment hire providers. With a trading history in excess of 55 years, in addition to investment in brand positioning, the Group enjoys unprompted brand awareness of 89% according to a B2B International competitive survey conducted in 2011.

Differentiated business model drives new customer growth and high customer loyalty

The Directors believe that the Group's leading market positions are underpinned by a number of competitive advantages that drive customer growth and retention. These include the Group's size and scale, national reach and presence, broad service offering, innovation capabilities, and reputation for quality, reliability, safety and consistency.

(i) Customer-led innovation and "one-stop-shop" approach

The Directors believe the Group is a key partner to many of its customers, which tend to work only with a few select suppliers and value the Group's established logistics platform, the quality and condition of its equipment, high levels of availability and its ability to quickly deliver customer specific services through its "one-stop-shop" set-up. As a consequence of this service proposition, a number of the Group's customers mandate that their sub-contractors use the Group as a preferred supplier on commercial terms and service levels that have been agreed in advance. The Group has successfully implemented this model with customers including Sainsbury's, Asda, Heathrow Airports Limited and Gatwick Airport.

Additionally, the Group has expanded its services to provide "total equipment management" solutions to its customers. The Group acts as the managing agent for some of its customers' equipment needs, managing extensive supply chains alongside its own hired equipment and customer owned assets through a single dedicated desk, which has the effect of driving down costs and increasing service quality. In the traditionally-owned equipment market for contract cleaning, its TecServ business provides consulting and equipment management services, which has helped migrate customers from an owned equipment model to a rented equipment model. The Group's Reintec business provides cleaning equipment to rent. The Directors believe that the total equipment management approach will allow the Group to continue to enter new markets and gain new customer relationships.

The Directors believe that the Group's strong and stable base of suppliers has played a significant role in helping the Group to deliver market leading services to its customers. For example, the Group's HSS OneCall business sources from over 300 suppliers to make equipment that the Group does not own available for hire to its customers. HSS OneCall has enabled the Group to be a single source of supply for customers who would otherwise source products from competitors and has allowed the Group to focus its investment in the areas of highest demand and financial return while offering its customers a broader range of tools and equipment. Additionally, this strategy allows the Group to enter and exit the construction focused, "build" section of the market as it sees fit whilst avoiding capital exposure to this relatively cyclical market sector. Furthermore, HSS OneCall sources equipment from the Group's core and specialist businesses (in addition to its supplier network), which helps increase the Group's asset utilisation. Over the last few years HSS OneCall has typically averaged 10 - 19% of the Group's core revenue, and the Directors expect HSS OneCall and HSS Training together to represent approximately 20% going forward, opening up new customer relationships and introducing new product lines.

(ii) Leading customer interface with a range of channels to market

The Directors believe that the Group has a leading customer interface, which is underpinned by a variety of channels to market, that drives customer growth and high levels of client satisfaction and retention. The Group serves its customers through its branch network, including new Local Format Branches (as described below); call centres; on the road representatives; project specific on-site branches; employee implants at the customer; and strong e-commerce platforms.

The Group's HSS.com website won "Website of the Year" at the 2014 Hire Awards of Excellence and, on average across 2013 and 2014, the Group had more than 60% online visitor share as measured by Hitwise each month against a competitor set defined by management in the tool and equipment rental market. HSS LiveHire, the Group's online business management system, provides customers with a simple, web-based tool that delivers transparency and control of tool and equipment hire. Customers are given the ability to manage their accounts online, including online management of hire arrangements, personalised hire diaries and invoicing and payment systems. In March 2015, the Group plans to expand its e-commerce offering through an "all-in-one" platform designed to enable all of the Group's equipment and services to be managed via a single platform on mobiles, tablets and desktops, including real-time stock availability and "smart" applications for tracking equipment performance.

The Directors believe that the Group's focus on the customer experience and relationship, rather than on single contracts, is a significant driver of growth. For example, the Group's team that is dedicated to customer experience obtains feedback from on average 100 customers per day, soliciting feedback and monitoring whether the customer received excellent service. Through this and other customer experience enhancement activities, customer satisfaction levels have been maintained at an NPS score in the late twenties to mid-thirties for the Group since 2013 according to TNS. This compares to the TNS Business Services benchmark of 14 (based on 25,000 business customer interviews in the UK across Industry Products and Services between 2009 and 2012). The Directors believe that these factors have helped the Group establish long-standing relationships with its customers, a number of whom have been with the Group for more than 15 years, particularly among the Group's key and regional customer accounts.

Integrated and scalable distribution network

The Group operates from over 265 locations throughout the United Kingdom and Ireland. The Directors believe this gives the Group the ability to serve its customers "anytime, anywhere" and helps to maximise equipment availability, a key factor in customers' rental decisions. The Group's core network comprises a national distribution centre, ten regional distribution centres, 25 local distribution centres and approximately 230 trading locations including a number of on-site facilities, all connected through the Group's hub-and-spoke distribution model. The Group's specialist businesses operate from 27 principal locations, some of which are shared with its other businesses.

The Group has designed its distribution network so that the Group can provide customers with consistent levels of service and high levels of tool and equipment availability. The Group's extensive network has a national reach with a widespread local presence, allowing the Group to better serve its customers locally and nationally. The Directors believe that this unique operational footprint in the UK equipment rental industry will help the Group achieve higher fleet utilisation, increased productivity and better service levels.

The Group's local presence is supplemented by its Local Format Branch strategy, through which the Group has introduced new branches designed to focus on customer experience and sales. This new branch format combines a local presence with access to full HSS customer support and a wider and more comprehensive range of tools and equipment for hire than those of the Group's smaller competitors. The Directors believe that this combination of local presence with access to customer support and a wide product range enables the Group to retain and grow its customer base and, in turn, helps the Group drive its long-term profitability.

The Directors believe that the Group's hub-and-spoke distribution/ logistics system reduces the cost of opening new branches compared to competitors, whose branches operate on a standalone basis and so require the maintenance of a large, standalone fleet to manage transport and distribution. The hub-and-spoke model also makes it possible to expand the Group's geographical footprint further than would be sustainable by a conventional model as well as shortening lead times for the availability of equipment. The Group's hub-and-spoke network also facilitates increased utilisation of its asset fleet by allowing branches to share a floating inventory of hire stock by efficiently moving equipment between branches. As a result, the Group's range of tools and equipment can be made available to its customers at any branch generally within twenty-four hours after a customer places an order.

This structure has helped the Group to reduce unutilised inventory and enabled the Group's selling branches to operate from smaller premises with fewer staff and lower property overheads, and to focus their activities on sales and customer service.

The combination of these factors has served to drive market leading returns over the period between 1 January 2011 and 27 September 2014. The Directors believe that this has laid the foundation for continued growth in the business and continued strong returns going forward.

Diversified customer base, operations and markets with significant barriers to entry

The Group's operations benefit from a broad and long-standing customer base, a diverse service offering, various end-markets and an extensive geographical network.

- *Diverse customer base:* The Group has over 35,000 "live" accounts, ranging from customers it classifies as key accounts that offer the potential to contribute over £100,000 a year in revenue; regional customers that typically contribute between £20,000 and £100,000 a year in revenue; and local customers that typically contribute less than £20,000 a year in revenue. While the Group's top 20 customers provided approximately 17% of its revenue for the 52 week period ended 28 December 2013, no single customer contributed over 3% of its revenue during the period. The Group estimates that within its core business (HSS Hire, HSS OneCall and HSS Training), its key account customers typically contribute approximately 35% of its annual revenue, its cash customers typically contribute approximately 11% of its annual revenue and its regional and local customers typically contribute its remaining annual revenue.
- *Diverse product and service offering:* With a strong presence in both the core equipment and specialist rental market coupled with its wide product range and OneCall service offering, the Group is able to offer a "one-stop-shop" to its existing and potential tool and equipment hire customers. The Group's diverse offering, currently consisting of approximately 1,600 product lines, enables the Group to satisfy its customers' needs, often in a single customised package. Moreover, the Group's broad service offering has enabled it to sell multiple add-on services to its customers. These include training and products and services within the Reintec, UK Platforms, ABird and Apex portfolios. The Directors believe the Group's broad product offering and focus on cross-selling will help drive sustainable revenue growth.
- *Diverse end-markets:* The Group's customers' businesses range from facilities management (e.g., Mitie) to retail (e.g., Sainsbury's) and commercial fit-out (e.g., ISG), property (e.g., Otis), utilities and waste (e.g., Suez), infrastructure (e.g., Heathrow and Gatwick airports) and energy services markets (e.g., Vestas). The Group's diverse customer base has helped the Group to withstand adverse conditions in any single market segment.

The Directors believe the Group's nationwide distribution network, local branch presence, well-recognised brand, technical knowledge and IT systems provide sustainable competitive advantages.

Capital efficient business model drives premium returns

Many of the measures that the Group has implemented in recent years have been motivated by the Group's desire to promote capital efficiency, which is the cornerstone of its operational philosophy and which the Directors believe differentiates its operations from those of its industry peers. The Directors believe the Group's focus on capital efficiency has enabled the Group to deliver industry-leading returns on assets. The Group's returns on assets have increased from 21% in the 52 week period ended 31 December 2011 to 26% in the 52 week period ended 27 September 2014. Over this period the Group has increased Adjusted EBITDA margins, achieving an average margin of 24% over this period, and the Directors intend to target a high 20s Adjusted EBITDA margin in the medium term.

The Directors believe the Group has a well invested asset base, with a total of £91.5 million invested in hire fleet expansion from 30 December 2012 to 27 September 2014. Over this period the ratio of hire fleet capital expenditure to hire fleet depreciation was c.2.0x and this is reflected in the significant growth in the Group's asset base.

The Group adopts a disciplined approach to capital expenditure, managing its equipment fleet through the Group's centralised procurement team. The Group is customer demand-led and not speculative in planning its inventory and its capital expenditure decisions. Additionally, the Group's Local Format Branch rollout is partially based on breaking existing leases, with in excess of 100 lease breaks on existing sites through 2018. In the event of a market downturn, the Group can choose to maintain existing sites rather than break leases and invest in new sites. This flexibility in future capital expenditure requirements provides increased resilience to the Group's business model.

The Group's refurbishment facility in Manchester has extended equipment life for certain categories of equipment, reducing the Group's equipment replacement costs by approximately 70% (savings equate to cost of refurbishment compared to the replacement cost of an asset, and excludes any residual value of the equipment). Since 2010, when the Group opened its refurbishment centre in Manchester, the unit has grown in size and scope and in 2013 the Group refurbished equipment with an estimated replacement cost of £5.5 million for approximately 27% of that figure, representing capital expenditure savings in excess of £4 million for the 52 week period ended 28 December 2013. A new purpose built refurbishment centre is due to open in Manchester in 2015.

Strong management team

The Group's senior management team is led by the Group's chief executive officer, Chris Davies, who has extensive experience in managing multi-site businesses across both the retail and trade sectors, integrating acquisitions and driving growth. The Group's chief operating officer, John Gill, sales and marketing director, Fiona Perrin, and chief financial officer, Steve Trowbridge, all share a similar breadth and depth of industry experience and together, with the Group's chief executive officer, have an average tenure at the Group of more than six years. The other members of the Group's senior management team, including the Group's business unit leaders and senior function leaders, provide the Group with a range of experience from within the hire industry as well as from other industries, embodying a breadth of capability and disciplines. More than 40% of colleagues have been with the Group for more than 4 years, despite the Group's significant growth in recent years. The senior management team has a strong track record of organic growth, with revenue increasing from £177.0 million for the 52 week period ended 31 December 2011 to £271.6 million for the 12 months ended 27 September 2014.

The senior management team has significant experience identifying, acquiring and integrating bolt-on acquisitions, having successfully completed a number of acquisitions since 2012, including ABird, UK Platforms, Apex and TecServ, as well as the UK and Ireland trade and assets of MTS. The Group's management incentives are aligned with its long-term goals, with the Directors and a broad base of senior management holding a sizeable equity stake of approximately 20% (in aggregate) in the Company as at the date of this Prospectus.

STRATEGY

The Directors believe that the Group is well-positioned to continue its growth, due to its business model and distribution network that underpins its leading market position in attractive, growing and resilient markets.

The Group's strategy is to build on and leverage its existing leading market position in the UK tool and equipment rental market.

Develop and enhance the Group's hub-and-spoke distribution network

The Directors believe that the Group is well-positioned to benefit from the growth opportunities provided by its national hub-and-spoke distribution network. The Directors believe that this unique operational footprint in the UK equipment rental industry will help the Group achieve higher fleet utilisation, increased productivity and better service levels. The Directors also believe that the higher levels of asset availability made possible by this distribution model will continue to attract new customers and enable it to capture a greater "share of wallet" from its existing customers.

The Group continues to evolve its distribution and logistics network and plans to open an enhanced National Engineering and Distribution Centre ("NDEC"). The NDEC will take greater responsibility for supply maintenance and delivery to branches, liberating local and regional distribution centres to focus on customer delivery and collection.

The Group has a strong commitment to further developing the reach of its network at the local level and plans to continue its Local Format Branch roll-out in new locations in the UK, initially focused on London and the south east of England. These low cost Local Format Branches have been developed in conjunction with Experian data to drive location choice and increase the Group's market presence. The Directors believe that the addition of these branches will challenge the market share of local, incumbent competitors, as these branches will provide a differentiated offering, primarily driven by the Group's scale and greater asset availability from its national hub-and-spoke distribution model. In addition, the Local Format Branches will benefit from an exclusive focus on sales and customer service, unlike local competitors who also manage distribution and kit maintenance out of their branches. The Group plans to adopt a retail-focused approach to match the footprint and successful growth model of wider trade peers, including a number in the home improvement sector and in trade tool and accessories retail. As at 27 September 2014, the Group opened 34 Local Format Branches, of which 20 were new and 14 were relocations. A further nine new locations opened in the fourth quarter of 2014, taking the total to 23 new locations in 2014. In 2015, 50 additional Local Format Branches at new sites are expected to open, with another 50 in 2016 subject to market demand. In the longer term, the Group plans to operate more than 500 Local Format Branches across the UK and Ireland. Additionally, the Group has in excess of 100 lease breaks on existing sites through 2018, providing ample opportunity to replace existing branches with Local Format Branches.

Local Format Branches are expected to average £450,000 in revenue at maturity, with approximately 60% of revenue at maturity being achieved in the first full year of trading and a 10% improvement in revenue each year until maturity.

The Group plans to continue to expand its Apex, ABird and UK Platforms businesses across the United Kingdom and Ireland to address a larger customer base. Further, the Group intends to integrate the distribution capabilities of its core and specialist businesses to further improve the effectiveness of the Group's hub-and-spoke distribution model through greater operational efficiencies and shared best practices across the Group.

Build sustainable revenue growth driven by customer demand

The Group intends to continue its organic growth through a combination of acquiring new customers and capturing an increased share of its existing customers' equipment hire spending. The Group intends to achieve these goals by continuing its investment in its hire fleet and by continuing to build a sustainable revenue base with new and existing customers by tailoring the Group's product and service offering to best address individual customer requirements. In particular, the Group plans to focus on driving local account growth, through targeted local sales programmes and the Local Format Branch roll-out. Local sales programmes include local site leads via ABI Barbour provided to branches, street and local marketing campaigns and geographic targeting. By using local sales programmes and focusing on local account growth, in the 39 week period ended 27 September 2014, Local Format Branches generated approximately 58% of their revenue from Cash and Branch accounts, compared to approximately 35% for the Group as whole. Additionally, the Group intends to cross-sell its "total equipment management" proposition to its mature key account relationships. This value added offering offers mature customers a comprehensive solution, while giving the Group a greater share of customer spend, typically delivering approximately 15% savings on customer equipment spend.

Drive operational efficiency

Through a consistent focus on high quality engineering and continued cost rationalisation, the Group intends to continue improving the efficiency of its overall operations while driving increased profitability and maintaining its industry-leading return on assets, which was 30% for the 52 week period ended 28 December 2013. To that end, the Group has entered into partnership with Unipart, a leading logistics management company, to support the implementation of the "HSS Way", a proprietary programme of operational best practices, across the Group's distribution centres. Through this partnership, the Group intends to drive further efficiencies across its workshop and maintenance operations, decreasing repair time and thus driving higher performance and standards in the Group's engineering capabilities. Additionally, the Group plans to rationalise its logistics operations by centralising all branch fulfilment on a next day basis, separating delivery and collection capabilities, centralising ABird and UK Platforms logistics planning and centralising scheduling and control of mobile engineering resources. The Group also intends to centralise "industrialised" processes, including "in-fleeting and "ex-fleeting" and "test and run" (maintenance) operations.

Invest in colleagues and technology

The Group intends to extend the training and development offered by the HSS Academy, the Group's dedicated in-house training centre providing residential courses for the Group's sales colleagues that was launched in 2013. The Directors believe HSS Academy is the first of its kind in the United Kingdom equipment rental market. The Group intends to broaden HSS Academy's scope by further rolling out apprenticeships leading to career paths and building out other programmes tailored to further improving NPS scores.

The Group also intends to continue to invest and develop the services provided by HSS LiveHire, and expand its e-commerce offering through an "all-in-one" web offering and smart phone application that will provide clients with complete account management capabilities for all Group services on a variety of devices. The Directors believe this next generation e-commerce platform will promote increased online sales, particularly in its account base, enable the Group to lead online click-and-collect and enhance customer loyalty. The Group also intends to investigate other opportunities to roll out its industry leading fleet management technology, RFM Smart Equipment, across its hire fleet. This will help operators to ensure compliance with applicable rules and regulations and allow for improved data collection, which will help the Group to assess the maintenance and capital expenditure requirements of its hire fleet.

Develop the Group's customer-driven service proposition

With a continued focus on customer partnership and collaboration, the Group intends to further develop and broaden its customer service offering. The Directors believe that this will accelerate the Group's organic growth through entry into new markets and create innovative new solutions that will address both present and anticipated future customer needs. For example, in the past, in collaboration with its suppliers, the Group launched remote fleet management technology in its ABird generator fleet and "Activ Shield Bar" technology in its powered access fleet. Going forward, the Group plans to develop the provision of total equipment management solutions benefitting from the trend to outsource, and further develop its TecServ business into a leading provider of engineering consultancy services and support, while continuing to promote customer migration to Reintec at the end of the lifetimes of customer-owned assets. The Directors believe that the Group's specialist services businesses are particularly well-positioned to increase their market share, with an opportunity to convert a £0.5 billion cleaning equipment purchase market, as the Group continues to grow its presence in an underdeveloped sector of these businesses.

The Group also intends to grow its HSS OneCall and HSS Training businesses. These businesses are not capital intensive and provide the opportunity to increase the Group's profitability and capital returns by growing its offering of these value-added services.

Complement and accelerate the Group's growth through strategic acquisitions

The Group regularly evaluates opportunities to acquire businesses in order to strengthen its competitive position. The Group makes acquisition decisions centrally and pursues opportunities that complement its organic growth plans and strategic goals on terms acceptable to the Group. The Directors believe that the Group has historically demonstrated a strong track record in identifying, executing and swiftly integrating acquisitions and intend to continue to capitalise on this experience to grow through selective bolt on acquisitions, for example, through expanding the Group's geographical footprint within the United Kingdom and Ireland and supporting market penetration in its chosen specialist businesses. The Directors believe that the Group has a proven 90 day acquisition integration plan that will be used going forward.

When evaluating acquisitions, the Group seeks targets that serve an identified area of customer demand, provide the Group with the ability to become a number one or two player in a growing market, have the potential to cross-sell existing Group products or services, provide geographic or fleet size growth, provide specialist capabilities or skills that cannot be quickly replicated and/or have a recognised brand. Additionally, the acquisition must have a clear opportunity to drive synergies, represent an attractive valuation and fit within the Group's overall returns criteria. The management team of the acquisition target must also be committed to staying and growing the business.

HISTORY OF THE GROUP

The Group has been providing tool and equipment hire for over 55 years, initially from a single location which was subsequently named The Hire Services Company. The Group expanded to six shops by the late 1960s, when it was acquired by the scaffolding conglomerate, Scaffolding Great Britain, and merged with its eight tool rental shops to form Hire Service Shops Limited or HSS. The Group continued to grow organically and by acquisitions and was ultimately acquired by 3i in 2004. In 2007, the Group was acquired by a consortium of investors including Och Ziff and Perry Capital, and continued its focus on implementing operational efficiencies and growing its customer base.

In October 2012, the Group was acquired by Exponent. Under the ownership of Exponent, the Group has continued to invest in its distribution network, technology platforms and in strategic accretive acquisitions that support the Group's organic growth plan. These include the acquisition in 2012 of ABird (a provider of temporary power generation facilities); in 2013 of UK Platforms (a specialist powered access provider), the trade and assets of the Irish division of MTS (a visual signboard company based in Ireland) and TecServ (a cleaning equipment technical services provider); and in 2014 of Apex (a provider of temporary power generation facilities based in Scotland) and the trade and assets of the UK division of MTS. These acquisitions were in each case made to further enhance the Group's customer proposition, by extending the Group's range of products, accelerating the Group's presence in certain markets and/or extending the Group's technical expertise. Each newly acquired business has been rapidly integrated into the Group and the Group has further invested in both equipment and technology in order to facilitate further growth.

The Group's Operations

The Group is a leading supplier of tools and equipment for hire in the United Kingdom and Ireland and has provided equipment hire services in the United Kingdom for more than 55 years, primarily focusing on the B2B market. Focused on safety, availability, value and support, the Group works with customers to help keep their businesses operating safely and efficiently whilst assisting them in driving down their costs. Alongside traditional equipment hire, the Group offers a range of complementary, value-added services through its various businesses, including HSS OneCall, Reintec, TecServ and HSS Training. The Group also offers specialist rental equipment under its brands ABird, Apex and UK Platforms. The Group also has an active and longstanding franchisee in Milan (Italy) operating under the HSS brand from a single depot and a small number of concessions in a local retailer.

The Group has a well-invested hire fleet comprising a broad range of tools and equipment and through its HSS OneCall business the Group also has the ability to procure products from third parties that it chooses not to hold in its own fleet. This allows the Group to focus its investment on what it views as its core fleet range where the Group experiences the greatest demand and most attractive financial returns.

A core part of the Group's operating process is the testing of all equipment that is returned to it by customers. The testing process, which the Group refers to as "test and run", is carried out on all of the tools and equipment returned from hire. Maintenance of the Group's equipment is carried out by its team of specially trained fitters and engineers, ensuring that a product is made available for hire once repaired to its full working condition.

Businesses and Services

The Group offers its customers tool and equipment rental and related services with its principal focus on customers who operate in the "maintain" and "operate" segments of the market. The Directors believe the Group's strategy of offering value-added services to complement its primary equipment rental business has increased the Group's addressable market and reinforced customer loyalty.

The Group performs its core services under its HSS Hire, HSS OneCall and HSS Training brands.

HSS Hire	Under its HSS Hire business, the Group offers an extensive range of tools and equipment across approximately 1,600 product lines driven by customer demand. The Group ensures that its equipment is well maintained, fully compliant with health and safety requirements and ready to use. Customers have the option to order the Group's products and services through its branches, its customer service centre, online or through its dedicated account managers.
HSS OneCall	Under its HSS OneCall business, in response to customer demand, the Group works with a network of partners to source equipment that the Group does not typically hold as a part of its hire fleet. A dedicated in-house team of approximately 70 colleagues provides advice and manages orders through the Group's branches or through its contact centre, under a single contract and single invoice. In 2014, HSS OneCall had approximately 2,000 product lines, serving more than 5,000 customers. The Group's OneCall suppliers are vetted against a range of quality, reliability and health and safety criteria before being put on an approved supplier list.
HSS Training	The HSS Training business is the Group's specialist training service, offering 240 industry-recognised technical and safety courses at 36 training venues throughout the United Kingdom and Ireland. Under HSS Training the Group is able to offer bespoke courses. HSS Training is the number 1 market leader based on iPAF, PASMA and Ladder Association league tables.

The Group provides specialist services under its ABird, Apex, UK Platforms, Reintec and TecServ brands.

ABird and Apex	ABird is the Group's specialist provider of temporary power generation and distribution equipment and services. The Group operates under the Apex brand in Scotland. Through ABird and Apex, the Group serves more than 1,200 customers.
UK Platforms	UK Platforms is the Group's specialist provider of powered access equipment and services, offering a full range of diesel and electric aerial work platforms. UK Platforms is the second largest provider of powered access equipment in the United Kingdom based on fleet size as reported by Cranes & Access magazine. It has a fleet size of more than 3,000 platforms (approximately 96% of which are sourced from Haulotte), and is supported by 130 colleagues.
Reintec and TecServ	As an alternative to the traditional hire contract, the Group offers equipment management solutions to the contract cleaning market under the Reintec and TecServ brands. With these services, the Group provides customers with the benefits of management, maintenance, compliance and cost efficiency services and expertise. The Reintec business specialises in providing fully outsourced cleaning equipment to the contract cleaning market. TecServ, complementing the Reintec business, is a specialist provider of maintenance services for contract cleaner businesses.

Equipment

The Group classifies the tools and equipment that it offers for hire under three principal categories—major, core and seasonal—based on a combination of factors including the relative importance of the equipment to its customers and its estimated replacement value. The Group's major category of tools and equipment typically includes access, powered access, lifting and handling, building and site works, lighting and power generation. The Group's core category of tools and equipment typically includes tools and equipment used for breaking, concreting and surface preparation, sawing and cutting, welding, drilling, cleaning and floor care and safety, ventilation and extraction. The Group's seasonal category comprises its fleet of cooling, heating, drying and pumping tools and equipment.

Customers

The Group seeks to operate a customer-led business, focused on delivering products and services driven by its customers' demands and requirements. The Group has a large and diverse customer base including large key accounts in the "fit-out", "maintain" and "operate" segments of the hire equipment market; regional contractors; local trades and consumers. A significant number of the Group's customers are generalists who move their focus based on where they find new business and therefore have variable equipment needs. The Group categorises its customers into three broad categories:

- Key customer accounts who typically contribute a minimum of £100,000 a year in revenue to the Group. These customer accounts usually have complex equipment requirements and operate multiple sites across the United Kingdom and Ireland. They are managed by one of the Group's dedicated key account managers/directors, with ultimate accountability for these customers assigned to the Group sales and marketing director. The Group's key customer accounts are also supported by a specific support team in its call centre or a dedicated desk in its customer premises. For the 39 week period ended 27 September 2014, key customer accounts comprised approximately 35% of the Group's core revenue.

- Regional customer accounts who typically contribute between £20,000 and £100,000 a year in revenue to the Group. These customer accounts are managed by an area sales manager, with ultimate accountability for these customers assigned to the Group's regional directors. For the 39 week period ended 27 September 2014, regional customer accounts comprised approximately 29% of the Group's core revenue.

- Local customer accounts and cash customers who typically contribute less than £20,000 a year in revenue to the Group. Local customer accounts are managed by one of the Group's branches with the ultimate accountability for these customer accounts assigned to a regional sales manager. The Group's cash customers, approximately 230,000 cash customers per annum, who comprise a mix of local trades and consumers typically transact through one of the Group's local branches or through its contact centre ("Hire Direct") or the Group's website. For the 39 week period ended 27 September 2014, local customer accounts and cash customers comprised approximately 24% and 11% of the Group's core revenue, respectively.

The Group takes a disciplined approach to pricing. Customer pricing is mainly set as a discount to list prices as is standard in the Group's industry. In the first instance, the Group agrees prices with its account customers and holds them in its operating system. In general, longer term contracts attract higher discounts than short-term contracts and the Group's key and regional customers benefit from better pricing terms owing to volume discounts. The Group maintains a strict scrutiny of and closely tracks the discounts that it offers.

The Group has collaborated with some of its customers to develop a supply chain model whereby they promote the Group as a preferred supplier to their sub-contractor base on commercial terms and service levels that have been agreed in advance.

No single customer accounted for more than 3% of the Group's total revenue for the 39 week period ended 27 September 2014. Over the same period, the Group's 20 largest customers together accounted for approximately 16% of its total revenue.

Logistics and Operations

The Group responds to its customers' needs for ease of access to tools and equipment by operating its businesses from more than 265 locations across the United Kingdom and Ireland. As at 27 September 2014, the core HSS network comprised a national distribution centre, ten regional distribution centres, 25 local distribution centres and approximately 230 trading locations across the United Kingdom and Ireland. Its ABird and Apex networks comprise 14 depots and the UK Platforms network comprises 12 depots.

Distribution

Central to the Group's operations is the Group-wide management of its hire fleet whereby tools and equipment physically located anywhere in the Group's network can be made available to any of the Group's customers in the United Kingdom and Ireland, generally within 24 hours from when a customer places their order. The Group has built a distinctive hub-and-spoke operating model to facilitate the distribution of its hire fleet, and continues to evolve and refine this model. Currently, the Group's national distribution centre acts as a cross-docking distribution centre for its UK-based regional distribution centres, all of which carry an extensive fleet of equipment and have repair and maintenance workshops as well as transport capabilities. These regional distribution centres support the Group's local distribution centres that manage distribution activities for their local area. The Group's distribution centres also support its network of selling branches. The Group's regional and local distribution centres are supported by its extensive fleet of liveried vehicles managing deliveries both to selling branches and directly to customers. See "*—New National Engineering and Distribution Centre*" below for information on planned changes to the Group's distribution network.

As a result of this retail-style distribution model, the Group's branches concentrate on selling to customers rather than a traditional hire industry operational focus on distribution and maintenance. In distribution centres co-located with a branch, there is clear separation between "behind the blue doors" maintenance and transport management and "in front of the blue doors" selling and customer service. In addition, the Group is in the process of closing older selling branches and rolling out new Local Format Branches, which are smaller in size (down to approximately 2,000-2,500 square feet from 5,000 square feet for older selling branches), and have an exclusive focus on sales and customer service. Local Format Branches will typically recover all costs associated with their opening in approximately one year of trading.

The Group's network as at 27 September 2014 is illustrated by the map below:

Engineering

Maintenance, repair and refurbishment of the Group's equipment and tools are critical to maintaining the availability of the Group's hire fleet—one of the Group's key customer propositions—and maximising the rate of return on the Group's asset base. Maintenance and repair of the Group's hire fleet are primarily managed at the Group's regional distribution centres. Tools and equipment collected from, or returned by, a customer at the end of their hire period are tested according to a mandatory system-controlled process on the Group's main operating system, Spanner, which aims to ensure quality and safety for the next customer. A product requiring repair or maintenance is sent via the Group's distribution network to one of the Group's regional distribution centres for work by a team of specially trained fitters and engineers who assess the product and, if economically viable, restore the product to its full working condition. Products are prioritised to meet seasonal or specific customer demand and, therefore, return on assets.

The Group also employs a team of approximately 140 mobile engineers who are deployed to customer sites to maintain and test larger equipment, returning it to working order. The mobile engineering team is equipped with vans which mirror the workstations of a fitter within a branch, including Spanner, to achieve consistent quality wherever the repair takes place. Mobile engineers are targeted on their "first fix" rate, meaning that equipment is repaired for a customer on their full visit, rather than needing to go back with specific parts or other specialist expertise. In 2013, the first fix rate for UK Platforms was 88%.

In 2013, recognising that the supply chain for spare parts was delaying engineers' ability to repair products, the Group engaged Unipart to manage spare parts on its behalf. Unipart works with suppliers to maintain and operate a centralised spares warehouse at its facility at Honeybourne, West Midlands, that is designed to enable timely delivery of parts akin to the processes used in the automotive sector.

In the first quarter of 2014, the Group engaged Unipart to develop "The HSS Way", a bespoke version of "The Unipart Way", which deploys "Kaizen-based" tools for continual improvement which originated in Japanese automotive industries to reengineer business processes. "The HSS Way" is being rolled out across the Group's engineering network to drive efficiencies in workshop and maintenance operations, decrease repair times and thereby drive performance and higher standards in the Group's engineering capabilities. The Group has set up a dedicated Engineering Services Division with the aim of developing specialism and concentration through its network.

In addition, through the Group's refurbishment centre in Manchester, the Group has extended equipment life for certain categories of equipment, such as powered access, power and lighting, reducing the Group's equipment replacement costs by approximately 70% (savings equate to cost of refurbishment compared to the replacement cost of asset, and excludes any residual value of the equipment). The current refurbishment centre has grown in size and scope since its opening in 2010 and the Group is planning to expand and relocate to larger premises in 2015. Generally, the Group's refurbishment activities focus on HSS powered access and lighting equipment, UK Platforms powered access equipment and ABird power generation equipment, although the Group continues to assess the scope for refurbishment.

New National Engineering and Distribution Centre ("NEDC")

As part of the Group's continuous development and transformation, as described above in "*—Strategy—Develop and enhance the Group's hub-and-spoke distribution network*", the Group is in the process of developing the Group's national distribution centre into an enhanced NEDC, which is planned to open during 2015, which will centralise the Group's testing, repair and maintenance operations. The Directors believe this will create a more efficient and uniform repair and maintenance process which is developed to scale and makes use of engineering line processes and conventions whereby colleagues specialise in one element of the overall throughput of the facility. The Group is currently in discussions with Unipart to outsource the operation of the NEDC.

Under this model, distribution to all the Group's selling branches will come from the NEDC, enabling the local distribution centres to focus purely on distribution and collection to customers in the local area rather than additionally servicing branches. The Directors believe this will allow for scalability in line with growth. In addition, responding to customer feedback regarding collections, the process for collection will be separated from the process of delivery, allowing for further specialisation and management of the fleet in order to enhance availability and asset return.

Suppliers

The Group constantly reviews its equipment fleet to ensure that it is sourcing the right products to meet customer demand. The Group purchases its core hire fleet from more than 350 suppliers, with the majority of its hire fleet being sourced from a core group of 20 to 30 strategic suppliers, most of whom are based in the United Kingdom and Europe. The Group has also begun directly sourcing from Asia, with a particular focus on China. Products which are sourced from Asia are not brand sensitive, such as heating, air conditioning and some landscaping equipment, with the priority being placed on products that third-party distributors already purchase from that region. The Directors expect the volume of these purchases from Asia to continue to increase as a percentage of the Group's overall capital expenditure. The Group has long established relationships with its key suppliers for new equipment as well as replacement parts to support its ongoing fleet maintenance. In some of its key equipment categories, notably powered access, power generation and breaking and drilling, the Group has developed strong relationships with certain key suppliers, such as sourcing the majority of its generators for ABird and Apex from Bruno. This has enabled it to benefit from attractive pricing terms as well as market-leading product innovation.

The Group selects its equipment suppliers based upon quality, the price of their product, technical support and availability of spare parts. Its HSS OneCall suppliers are chosen based on their product quality, reliability and service levels with respect to delivery, collection and administration. The Group maintains a broad supplier base in order to seek to maximise fleet availability to meet its customer demand.

Information Technology

The Group has a range of IT solutions which are designed to both support its customer focus and enhance operational efficiency. The Group has a fully integrated IT platform that provides total stock and fleet visibility. In many cases the customer-facing IT systems are given a user-friendly interface into the Group's operating system, Spanner, such that information is provided in real-time and in line with the Group's commitment to provide transparent information to customers. For example, HSS LiveHire provides more than 18,000 of the Group's account customers full access to their rental contracts and all related documentation, and allows customers to reduce the duration of their hires, and therefore their costs, by being able to terminate a hire agreement instantly online.

Through its brand-specific websites, the Group offers all of its customers information on its products and services, as well as information on its extensive branch network. The Group's HSS.com website won "Website of the Year" at the 2014 Hire Awards of Excellence and, on average across 2013 and 2014, the Group had more than 60% online visitor share as measured by Hitwise each month against a competitor set defined by management in the tool and equipment rental market. The Group's specialist businesses, ABird, Apex and UK Platforms, also have branded websites containing a wide range of tools specific to the product set and customer base including, for ABird, access to its RFM-enabled Smart Equipment where customers can view the performance of a generator, monitor usage and order fuel remotely from desktops, tablets or mobiles. HSS Training also has a fully interactive online booking and course scheduling capability, and the Directors believe the system supports customer retention by also serving as a full training records system. Approximately 17% of HSS Training revenue is generated from bookings made online. All of the Group's websites are supported by a social media strategy, extending customer communication via Facebook and Twitter.

The Directors believe the Group has historically stayed ahead of competitors in the online space, and is currently preparing for the launch of a new integrated e-commerce platform to support all of the Group's brands which is expected to become fully operational in March 2015. The Directors believe that it will be the first fully transactional website in the UK equipment hire industry. The website is based on the principles of best practice for consumer websites, but modified to serve the Group's B2B customers. Customers will be able to hire tools and equipment online from both core HSS equipment categories and specialist brands in one transaction, which the Directors believe will increase cross-selling as well as present upselling opportunities. In addition, the system provides account management and reporting capabilities, which aims to reduce costs for customers by allowing them to manage the volume and duration of equipment on hire. The website is also being built to be fully responsive in order to better serve the increasing number of customers who visit the Group's websites from mobile and tablet devices. The Directors believe that this investment positions the Group ahead of its competitors for the anticipated movement of B2B services online.

Spanner has been developed in-house, and the Group supplements its core applications with a range of packaged, outsourced and bespoke systems in order to provide the Group with additional functionality. Spanner plays a critical role in the operation of the Group's distribution network, all equipment maintenance processes and records and all customer transactions. This creates an extensive history of information of customer behaviour and asset performance that provides a rich source of operating and sales data that the Group leverages to drive decision-making and strategy. At the point of sale, either through Livehire, in a branch or through the customer service centre, Spanner will automatically locate the nearest distribution centre to the customer with the product availability to execute an order. All deliveries are then routed automatically via the Group' overnight distribution network. By acting as the asset management system for the Group, Spanner is also used by colleagues to check that the correct hire fleet is available in its selling branches for customer pick up.

The Group has global positioning system ("GPS")-enabled fleet management systems, which help the Group to plan delivery and collection routes. The Group's GPS fleet management systems show the Group's logistics teams and its customers where vehicles are located, which increases vehicle productivity. The Group's drivers use personal digital assistants to record customer deliveries, like those used by standard parcel delivery firms. These records are fully integrated into Spanner, so that customers can access the proof of delivery. Spanner also processes all data relating to equipment utilisation, equipment performance and team productivity across the Group's network.

The Group's business critical systems have resilient hardware, business continuity plans and, where required, third-party support contracts. Its systems operate over a resilient communications network with all key operating sites having back up communication facilities and ongoing network monitoring to minimise operating disruptions. The Group's key IT infrastructure is also spread over a number of sites to improve overall resilience and to provide disaster recovery capability.

The Group's IT systems are supported by a team of approximately 32 colleagues who provide day-to-day management of the IT servers and databases, desktop, network and voice/data infrastructure, along with developing and supporting the portfolio of the Group's business applications. In addition, the Group's IT function has a team of approximately 11 colleagues who deliver both IT and non-IT operational support together with support for a variety of business-led projects. The Directors believe that the Group's in-house IT expertise allows continuous enhancements to the operating system in order to drive customer focus and productivity.

Sales and Marketing

The Group is a direct selling organisation that leverages on the strong relationships that it has established with customers. The Group's hub-and-spoke distribution network enables all branch-based colleagues to fully concentrate on further developing these customer relationships and subsequently on driving sales, instead of also having to manage transport and maintenance of equipment, as in traditional equipment hire business models. This branch-based sales force focuses on developing business from its local markets. In many cases, a sales branch is provided with a liveried sales van so that colleagues are able to leave the branch and visit local work sites and businesses to develop their customer relationships. All depots for the Group's specialist businesses as well as local branches have their own portfolio of customers as well as targets for cross-selling, new business and discount control. This focus contributes to a somewhat different customer mix particularly for the Group's Local Format Branches compared to the Group as a whole. For the 39 week period ended 27 September 2014, cash customers, branch accounts, regional accounts and key accounts comprised approximately 19%, 39%, 29% and 14% of Local Format Branch revenue, respectively.

In addition to colleagues located at sales branches, the Group has approximately 150 dedicated field-based sales colleagues serving as either area sales managers with a regional portfolio, key account managers with a national portfolio across more complex customers or as specialist sales forces for UK Platforms, ABird, Apex, HSS OneCall, HSS Training and to serve the major build and fit out projects in Central London where the Group operates a temporary "onsite facility". These field-based sales colleagues are provided support by on-site project managers and field managers who build customer relationships and provide expertise to customers at the point of equipment use.

Branch sales are also supported by targeted marketing campaigns that communicate what the Directors believe are the Group's unique selling points and values both "above the line" with radio, press and outdoor advertising and "below the line" with targeted direct marketing and the bi-annual publication of the Group's catalogues for its core business and specialist brands. Through focused market research, the Group's marketing team positions the Group's brands, helps develop new business propositions and communicates with customers regarding the Group's services, products and innovations through multiple channels including catalogues, websites and email marketing, press relations, exhibitions, trade press advertising, sponsorship and direct marketing. These communications are generally specific to sector and brand but also support the Group's sales force in facilitating cross-selling. The marketing team also seeks to protect the HSS brand through maintenance of a press office and guidelines on brand use.

In addition, the Group operates a central contact centre in Manchester which handles sales enquiries from its full range of customers, including those of HSS OneCall. The centre has approximately 300 colleagues (with capacity for more than 600 seats) and handles customer calls and internet enquiries, and also answers customer calls that have been redirected from sales branches.

Colleagues, Colleague Training and Development

Colleagues

The table below sets out the Group's average monthly number of colleagues for the periods indicated.

	52 week period ended			39 week period ended	
	31 December 2011	29 December 2012	28 December 2013	28 September 2013	27 September 2014
Distribution	667	596	614	585	615
Inventory maintenance	310	323	307	304	386
Administrative	1,290	1,443	1,691	1,497	1,839
Total	2,267	2,362	2,612	2,386	2,840

Colleagues are distributed among the Group's, regional and branch level locations, with the vast majority being employed at branch level. The Group also has approximately 150 sales representatives on the road, organised in teams aimed at key accounts, regional customers and specialist customers.

None of the Company's colleagues are covered by a collective bargaining agreement or represented by a labour organisation. To date, the Group has not experienced a labour-related work stoppage. The Directors believe that the Group's relations with its colleagues have been and continue to be good.

Colleague Training and Development

In 2013, the Group opened its training academy, HSS Academy, the first of its kind in the UK equipment rental market, to offer training programmes to sales colleagues working in its branches and new colleagues joining the business. This dedicated facility provides a comprehensive induction and training programme for all the Group's new branch colleagues to support the sales skills, technical customer service and systems skills required to service its customers. The Group plans to extend the HSS Academy to operational colleagues beginning in 2015, with courses such as product training to engineering colleagues and driver and logistics management training to colleagues in the logistics division. Alongside, the Group offers structured needs based training and development programmes to its colleagues through its team of in house learning and development specialists, who supply specific product training. The Group also operates an apprenticeship programme for fitters across its workshops to ensure it develops and maintains a broad based pool of technical skills within the business. The Group also organises a programme with its drivers for Driver Certificate of Professional Competence accreditation and support professional skills development for a number of its head office colleagues in accounting, credit management, marketing and human resources.

Health and Safety

Safety is one of the Group's primary customer values. The Group is committed to ensuring that health and safety is "what we do around here", and has implemented an ongoing safety programme designed to ensure safety "ownership" through every colleague. This has resulted in an ongoing reduction in accidents. For the 52 week period ended 28 December 2013, there was a 12% reduction in accidents, as recorded in the accident reporting system managed by the health, safety, environmental and quality ("HSEQ") team, even though the Group experienced an 8% increase in the number of colleagues during this period). Colleagues are also required to record all "near misses" as well as accidents in order to inform decisions regarding colleague, customer and community safety.

New colleagues are given induction training which includes specific training on health and safety procedures and protocols. Furthermore, the Group ensures that colleagues who perform potentially hazardous tasks (for example, the testing of lifting equipment) are competent to do so on the basis of appropriate education, training and/or experience. The Group uses competence control systems through its operating system which locks out colleagues who are not trained on high hazard tasks for tasks that may involve such exposure.

The Directors believe the Group is the only equipment hire company in the UK to have been awarded a British Safety Council four star award. Various companies within the Group are accredited to ISO:9001, ISO:14001 and/or the Occupational Health and Safety Management standard 18001 (OHSAS:18001) by the British Standards Institute (BSI). Further accreditations specific to safety held include the hire industry specific "SafeHire" Award from Hire Association Europe (HAE), the Railway Industry Supplier

Qualification Scheme (RISQS, previously known as Achilles Link-up) for the rail industry and the Utilities Vendor Database (UVDB) for the utilities industry. The Group is also a member of IPAF (the International Powered Access Federation), IOSH (the Institute of Occupational Safety and Health) and PASMA (the Prefabricated Access Suppliers and Manufacturers Association), amongst other bodies which define standards for the safe maintenance and operation of equipment. The Group also holds a ROSPA (Royal Society for the Prevention of Accidents) Gold Award.

All equipment is assessed for safety and tested prior to every hire to seek to ensure it is fit for purpose. It is then provided with a safety service checklist and operating and safety instructions before being made available for hire. A dedicated internal audit team works to ensure that safety standards are being met, while the Group HSEQ team works with all areas of the business including colleagues and customers on targeted actions such as risk assessments, training and accident investigations. In response to a powered access industry problem of entrapment, when using powered access equipment, the Group has developed the "Activ-Shield Bar" in conjunction with the manufacturer Haulotte. This unique safety feature has been fitted across UK Platform's diesel boom fleet to ensure "safety as a standard", and is now available to Group customers. All divisions of the Group encourage regular external audits of the Group's health and safety performance, these include audits by the UK's largest accreditation body UKAS as well as a number of strategic key account customers.

The HSEQ team also operates a dedicated health and safety helpdesk which provides access to advice, information and literature on health and safety procedures and legislation, personal protection and operating equipment to customers or potential customers.

Intellectual Property

The Group owns the rights to its most important trademark, "HSS Hire", along with all of the other trade names under which it operates, as well as the accompanying logos and images. Its core intellectual property consists mainly of certain trademarks and trade names that the Group owns. Trademarks of acquired businesses are transferred into the Group or registered as necessary.

Environmental Matters

The Group recognises that the nature of its business is fundamentally one of sustainability, and sets out a series of regular, measured commitments to limit its impact on the environment. By purchasing robust equipment that is repeatedly hired, used, returned, tested and hired, the Group is able to extend a product's lifecycle, thereby reducing the consumption of natural resources and minimising the emissions and waste, which would otherwise be produced in manufacturing and transportation processes for further production of equipment. The Group's investment in a new purpose-built refurbishment centre shows that it plans to significantly increase the equipment that is refurbished through the centre. The Group also focuses on ensuring that old equipment and products are disposed of in a sustainable way, working within a documented system that uses trained personnel to assess whether spare parts or tools and equipment can be recycled and how they should be disposed of.

The Group aims to reduce CO2 emissions by making its vehicles and network increasingly fuel efficient. The Group's distribution network and vehicle telematics are designed to facilitate efficient vehicle routing, and the reduction of journey lengths. All HSS drivers are trained in best practice driving to seek to minimise fuel consumption, and the vehicle fleet is equipped with fuel-saver and "stop-start" features.

The Group drives energy efficiency within its various site locations via smart meters and energy efficient lighting. The Group is part of the CRC Energy Efficiency Scheme and all of its energy is supplied via Opus using renewable sources. The Group has also implemented widespread recycling policies across its network and recycles packaging, paper, plastics and electrical equipment. Since 2012, recycling levels have improved from around 30% to above 60%.

Insurance

The Group-wide insurance coverage includes policies for risks associated with its business. These policies provide insurance cover for property damage and business interruption, combined liability (i.e. employers' and public and product liability), motor accidents, contractors' plant and airside liability (i.e. in relation to its airport operations) in addition to standard corporate insurances including crime, directors and officers and professional indemnity in relation to its training business. The Group's risk management and brokerage services are provided by Marsh. Its key insurance providers include Zurich Insurance, Lloyds

Underwriters, Liberty and Chubb. The Directors believe that its insurance coverage is sufficient for the risks associated with its operations and that its policies are in accordance with customary industry practices. However, there can be no guarantee that the coverage the Group maintains will be sufficient to cover the cost of defence or other damages in the event of a significant claim.

PART 7

DIRECTORS, SENIOR MANAGERS AND CORPORATE GOVERNANCE

Directors

The following table lists the names, positions and ages of the Directors. In anticipation of the Offer and Admission, the Directors became Directors of the Company on 9 January 2015 or (in the case of Chris Davies and Steve Trowbridge) 7 January 2015.

Name	Age	Position
Alan Peterson	67	Non-Executive Chairman
Neil Sachdev	56	Independent Non-Executive Deputy Chairman
Chris Davies	60	Chief Executive Officer
Steve Trowbridge	41	Chief Financial Officer
John Gill	47	Chief Operating Officer
Fiona Perrin	47	Group Sales and Marketing Director
Amanda Burton	56	Independent Non-Executive Director
Douglas Robertson	61	Independent Non-Executive Director
Thomas Sweet-Escott	57	Non-Executive Director

Alan Peterson (Non-Executive Chairman)

Mr. Peterson has served as the Group's chairman since December 2012. He also served as the Group's chairman between 2004 and 2007. Mr. Peterson's experience over the last 25 years includes involvement in a number of public and private equity backed businesses across the United Kingdom, Europe and North America. He has held the role of chief executive officer and chairman in a number of manufacturing, industrial and retail companies, such as Enterprise Group PLC, Azelis Holdings SA, Rockware Group and Meyer International PLC. He is also the chairman of Pattonair Holdings Limited. Mr. Peterson became 3i's first Industrialist in Residence in 2001, serving until 2005. Mr. Peterson is a graduate of Loughborough University and is a Companion of the Chartered Management Institute.

Neil Sachdev (Independent Non-Executive Deputy Chairman)

Mr. Sachdev joined Tesco PLC in 1978, rising to the position of property director before joining J Sainsbury PLC as commercial director in March 2007. He was subsequently appointed property director in June 2010 and he held this position until leaving J Sainsbury PLC in March 2014. He was chairman of the Institute of Grocery Distribution until April 2014. He is currently chairman of Market Tech Holdings Limited (Camden Market); chairman of Martins Properties (Chelsea) Limited; and non-executive director at Intu plc where he is chairman of the remuneration committee and a member of the audit, corporate responsibility and nomination committees. He also currently serves as a non-executive director of Medico-Dental Holdings Limited, Intu Properties plc and NHS Properties Limited.

Chris Davies (Chief Executive Officer)

Mr. Davies joined the Group as chief executive officer in 2006 and oversaw the sale of the Group's business from 3i to Och Ziff and Aurigo in 2007, as well as the Group's subsequent sale to the Exponent Shareholders in 2012. Before joining the Group, Mr. Davies was appointed by the private buyers of the Hunter Boot Company as its chief executive officer in order to rebuild the company out of administration. Prior to gaining experience in private equity and management buy-ins, Mr. Davies was the managing director for Disney Stores Europe between 2003 and 2005 and worked for Staples Inc. as vice president of Merchandising (Europe) from 2001, following his position as managing director for the United Kingdom from 1998. Mr. Davies started his management career at the builders' merchants, Harcros, in 1989 as branch manager. In 1991 he was appointed marketing director, following which he was appointed operations director and was then promoted to group finance director. He oversaw the sale of Harcros to Jewsons and was subsequently appointed managing director for building materials at the new parent company. Mr. Davies holds a bachelor's degree in pure science from Aberdeen University and is a Fellow of the Chartered Institute of Marketing.

Steve Trowbridge (Chief Financial Officer)

Mr. Trowbridge joined the Group in 2008 as group financial controller and was promoted to finance director in 2011, before being appointed chief financial officer in 2014. Prior to joining the Group, he held a number of positions at Thomson Reuters, including investor relations manager and most recently as senior head of finance. He previously worked as an equity analyst at SG Securities and as a finance manager at Cable & Wireless. Mr. Trowbridge holds a master's degree in Geography from St Hugh's College, University of Oxford and is a Fellow of the Institute of Chartered Accountants in England and Wales, having qualified whilst working at Ernst & Young LLP.

John Gill (Chief Operating Officer)

Mr. Gill joined the Group as chief financial officer in February 2009 and was appointed chief operating officer in 2014. Before joining the Group, he served as finance director at Screwfix Direct Ltd, a subsidiary of Kingfisher plc, from June 2006. Prior to that, Mr. Gill held a number of roles at Kingfisher plc, including those of senior corporate development manager, head of corporate development and head of corporate strategy. He worked for GE Capital between 1995 and 2000, ultimately serving as the finance director of the French operations of their asset leasing company, European Equipment Finance, and then finance manager of mergers & acquisitions for GE Capital. Mr. Gill spent his early career in various finance roles at Cable & Wireless Group and BP. Mr. Gill holds a bachelor's degree in chemistry from Sheffield University and is an Associate of the Chartered Institute of Management Accountants.

Fiona Perrin (Group Sales and Marketing Director)

Ms. Perrin joined the Group as Sales and Marketing Director in May 2007, having previously worked for five years at Rentokil Initial where she set up and managed the group wide division "Initial Integrated Services" before launching the Initial brand online worldwide. Prior to this, she was the European marketing director of the datacentre company, Digiplex. Ms. Perrin began her career in advertising, before moving into corporate publishing, setting up a marketing communications agency, Enigma, in 1994 specialising in the outsourcing market where she also launched the market intelligence portal Information Facilities Management. Ms. Perrin holds a bachelor's degree in English from Sussex University and is a qualified NCTJ journalist. She is currently chair of the promotions committee of the European Rental Association.

Amanda Burton (Independent Non-Executive Director)

Ms. Burton is the senior independent non-executive director of Monitise PLC and a non-executive director of Copthorn Holdings Ltd, and she chairs the remuneration committee for both companies. Until December 2014 she served as the chief operating officer of Clifford Chance LLP. She was also previously the senior independent non-executive director of Galliford Try PLC and a non-executive director of Fresca Group Limited.

Douglas Robertson (Independent Non-Executive Director)

Mr. Robertson is finance director of SIG plc. He was previously finance director of Umeco plc from 2007 until 2011, and finance director of Seton House Group Limited from 2002 until 2007. He has also held a variety of divisional finance director roles within Williams plc and was previously managing director of Tesa Group, Chubb's hotel security division.

Thomas Sweet-Escott (Non-Executive Director)

Mr. Sweet-Escott co-founded Exponent in 2004. He is primarily responsible for investments in the financial services sector and also serves on the boards of Trainline plc and Pattonair Holdings Limited. He has previously served on the boards of V. Group and Lowell, and worked for 3i in London and in Madrid. He has a master's degree in natural sciences from Cambridge University.

Senior Managers

The Company's current Senior Managers, in addition to the Executive Directors listed above, are as follows:

Name	Age	Position
Darron Cavanagh	38	Managing Director of ABird and Apex
Steve Gaskell	38	Managing Director of HSS OneCall
John Hardman	42	Human Resources and HSEQ Director
Michael Killeen	60	Managing Director of HSS Scotland and Ireland
Paul Lewis	34	Managing Director of Reintec and TecServ
Jon-Paul Overman	35	Managing Director of HSS England and Wales
Miguel Vicos	44	Managing Director of UK Platforms
Mark Winfield	41	Director of HSS Training

Darron Cavanagh (Managing Director of ABird and Apex)

Mr. Cavanagh joined HSS as a hire consultant in 1993, aged 17. He rose through the business, taking a series of operational and sales roles including regional director of London before becoming field sales director in 2011. He was appointed sales director for ABird in 2013 and managing director of ABird and Apex in 2014.

Steve Gaskell (Managing Director of HSS OneCall)

Mr. Gaskell has been with HSS since 2005 in commercial, sales and operational roles. Most recently, as logistics director, he was responsible for the transformation of the Group's transport and logistics network into the current hub-and-spoke network. Mr. Gaskell became managing director of HSS OneCall in 2013. Prior to joining HSS, he held several business transformation roles in Accord plc before being appointed operations director for Promark Accord. He started his career at the strategy consultancy LEK.

John Hardman (Human Resources and HSEQ Director)

Mr. Hardman joined HSS in 2008 as human resources director and in 2011 also took over accountability for health, safety, environment and quality. Prior to joining the Group, he worked for the 4u Group as head of human resources of its Direct business, and during his time there supported the integration of the dial-a-phone acquisition. Prior to this, Mr. Hardman worked for Pfizer, where he served on the human resources and marketing leadership teams and took a lead role on human resources aspects in the creation of Pfizer's pan-European marketing structure. He was later promoted to the role of business director of Pfizer. He is a member of the Chartered Institute of Personnel and Development and holds a postgraduate professional diploma in human resources management.

Michael Killeen (Managing Director of HSS Scotland and Ireland)

Mr. Killeen joined HSS in 2005 as managing director of HSS Ireland through the Group's acquisition of Laois Hire, which he had established in 1992. Mr. Killeen now runs HSS's Scottish and Irish operations. Prior to establishing Laois, Mr. Killeen worked for his family's civil engineering business.

Paul Lewis (Managing Director of Reintec and TecServ)

Mr. Lewis began his career in the Rentokil Initial graduate scheme before becoming a sales manager for their integrated services division. In 2006 he moved to the facilities management specialist SGP as a business analyst, before being appointed as general manager for AIMITA, a facilities management provider. Joining HSS in 2010, he rose to head the key account function. In 2013 he was appointed as managing director of Reintec and TecServ.

Jon-Paul Overman (Managing Director of HSS England and Wales)

Mr. Overman joined HSS in 1999 as a weekend assistant at HSS's branch in Slough. He was appointed a regional manager in 2003, key account director in 2006 and managing director for London and the South East of England in 2007. He was appointed as group sales director in 2011 and managing director of HSS England and Wales in 2012.

Miguel Vicos (Managing Director of UK Platforms)

Mr. Vicos joined HSS in 1997 as a branch manager, progressing through various area and regional management roles in West London and the South East of England, being appointed divisional director for London and the South East of England in 2013. In 2014, he was appointed managing director of UK Platforms. He started his career at a family-owned hire business.

Mark Winfield (Director of HSS Training)

Mr. Winfield joined the Group in 2008 as the director of HSS Training. He previously worked for 12 years at Enterprise Rent-A-Car, rising to become group rental manager.

Corporate governance

UK Corporate Governance Code

The Board is committed to the highest standards of corporate governance. The Board will comply with the UK Corporate Governance Code (the "Governance Code") published in September 2014 by the Financial Reporting Council except as set out below. As envisaged by the Governance Code, the Board has established an audit committee, a nomination committee and a remuneration committee. If the need should arise, the Board may set up additional committees as appropriate.

The Governance Code recommends that at least half the board of directors of a UK-listed company, excluding the chairman, should comprise non-executive directors determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement. The Company will not be compliant with the requirements of the Governance Code in this respect. However, the Company intends to become fully compliant with the Governance Code in this respect within a period of 24 months.

Alan Peterson, the Non-Executive Chairman, and Thomas Sweet-Escott are not considered to be independent for the purposes of the Governance Code. In Mr. Peterson's case, this is as a result of the additional fees paid to him pursuant to a consultancy agreement between him, Hero Acquisitions Limited and Peterson Consultancy Services Limited during the period since he became Chairman of Hampshire Topco Limited in December 2012. In addition, Mr. Peterson has a long-standing business relationship with Exponent and is currently chairman of Pattonair Holdings Limited, an Exponent portfolio company. Thomas Sweet-Escott is not considered to be independent because of his role at Exponent.

The Directors recognise that the Company does not comply with the recommendation of the Governance Code that the Chairman should be independent on appointment. However, the Directors believe that, in order to ensure maximum continuity in the Group's transition from a privately owned company to a listed company, Mr. Peterson should remain as Non-Executive Chairman of the Company. The Directors believe Mr. Peterson's significant sector experience and his current and historic tenure as Chairman of the Group bring significant knowledge and experience which is and will continue to be valuable to the Group. It is currently expected that Mr. Peterson will step down as Chairman if the Exponent Shareholders reduce their shareholding to below 10% of the Company's issued share capital.

Audit committee

The audit committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group's annual and half year financial statements and accounting policies, internal and external audits and controls, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the internal audit, internal controls, whistleblowing and fraud systems in place within the Group. The audit committee will normally meet not less than four times a year.

The audit committee is chaired by Douglas Robertson and its other members are Neil Sachdev and Amanda Burton. The Governance Code recommends that all members of the audit committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment and that one such member has recent and relevant financial experience. The Board considers that the Company complies with the requirements of the Governance Code in this respect.

Nomination committee

The nomination committee assists the Board in reviewing the structure, size and composition of the Board. It is also responsible for reviewing succession plans for the Directors, including the Chairman and Chief Executive and other senior executives. The nomination committee will normally meet not less than twice a year.

The nomination committee is chaired by Alan Peterson and its other members are Amanda Burton, Douglas Robertson, Neil Sachdev and Thomas Sweet-Escott. The Governance Code recommends that a majority of the nomination committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Company complies with the requirements of the Governance Code in this respect.

Remuneration committee

The remuneration committee recommends the Group's policy on executive remuneration, determines the levels of remuneration for Executive Directors and the Chairman and other senior executives and prepares an annual remuneration report for approval by the Shareholders at the annual general meeting. The remuneration committee will normally meet not less than three times a year.

The remuneration committee is chaired by Amanda Burton and its other members are Douglas Robertson and Neil Sachdev. The Governance Code recommends that all members of the remuneration committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Group complies with the requirements of the Governance Code in this respect.

Share dealing code

The Company has adopted, with effect from Admission, a code of securities dealings in relation to the Shares which is based on, and is at least as rigorous as, the model code as published in the Listing Rules. The code adopted will apply to the Directors and other relevant employees of the Group.

Relationship Agreement with Exponent and the Exponent Shareholders

Immediately prior to Admission, it is expected that the Exponent Shareholders will hold approximately 73.4% of the voting rights attached to the issued share capital of the Company, assuming that the Offer Price is set at the mid-point of the Price Range. Immediately following the Offer and Admission, it is expected that the Exponent Shareholders will hold between 33.4% and 50.8% of the voting rights attached to the issued share capital of the Company, depending on the determination of the Offer Price and assuming no exercise of the Over-allotment Option, and between 26.4% and 46.4% assuming the Over-allotment Option is exercised in full.

None of the Company's major shareholders have or will have different voting rights attached to the Shares they hold.

On 22 January 2015, the Company, Exponent and the Exponent Shareholders entered into the Relationship Agreement which will, conditional upon Admission, regulate the ongoing relationship between them. The principal purpose of the Relationship Agreement is to ensure that the Company and its subsidiaries are capable of carrying on their business independently of Exponent and the Exponent Shareholders, that transactions and relationships with Exponent and the Exponent Shareholders (including any transactions and relationships with any member of the Group) are at arm's length and on normal commercial terms, and that the goodwill, reputation and commercial interests of the Company are maintained. In addition, the Relationship Agreement contains undertakings from Exponent and the Exponent Shareholders that neither it nor they will: (i) take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules or (ii) propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules. The Relationship Agreement will continue for so long as (a) the Shares are listed on the premium listing segment of the Official List and traded on the London Stock Exchange's main market for listed securities and (b) Exponent and the Exponent Shareholders together are entitled to exercise or to control the exercise of 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company.

Under the Relationship Agreement, Exponent is able to appoint a Non-executive Director to the Board for so long as the Exponent Shareholders are entitled to exercise or to control the exercise of 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company. The first such appointee is Mr. Sweet-Escott. In addition, under the Relationship Agreement, following Admission Exponent will be able to appoint an observer to attend Board meetings.

Certain governance matters in relation to the Group have previously been addressed in an investment agreement, between certain Group companies and certain of the Selling Shareholders, dated 16 October 2012 which has since been amended and restated (the "Investment Agreement"). The Investment Agreement will terminate automatically upon Admission.

The Directors believe that the terms of the Relationship Agreement will enable the Group to carry on its business independently of Exponent and the Exponent Shareholders and ensure that all transactions and relationships between the Company and/or the members of the Group (on the one hand) and Exponent and the Exponent Shareholders (on the other) are, and will be, on arm's length terms and on a normal commercial basis.

Conflicts of interest

Mr. Sweet-Escott is a partner at Exponent and Mr. Peterson has a long-standing business relationship with Exponent and is chairman of Pattonair Holdings Limited, an Exponent portfolio company. Immediately following Admission, it is expected that the Exponent Shareholders will hold between 33.4% and 50.8% of the issued share capital of the Company.

Save as set out in the paragraph above, there are no potential conflicts of interest between any duties owed by the Directors or Senior Managers to the Company and their private interests or other duties.

PART 8

SELECTED FINANCIAL INFORMATION

The selected financial information set out below has been extracted without material amendment or, in the case of the 52 week period ended 27 September 2014, derived from Part 11 (*Historical Financial Information*) of this Prospectus, where it is shown with important notes describing some of the line items.

Combined and consolidated income statement

	52 week period ended			39 week period ended		52 week period ended
	31 December 2011	29 December 2012	28 December 2013	28 September 2013	27 September 2014	27 September 2014
				(unaudited)		(unaudited)
			(in millions of £)			
Revenue	**177.0**	**181.6**	**226.7**	**163.5**	**208.5**	**271.6**
Cost of sales	(53.8)	(60.3)	(73.5)	(51.2)	(73.7)	(96.0)
Gross profit	**123.2**	**121.3**	**153.2**	**112.4**	**134.8**	**175.6**
Distribution costs	(26.0)	(23.6)	(28.7)	(20.7)	(26.2)	(34.3)
Administrative expenses	(86.4)	(93.9)	(104.2)	(76.2)	(90.0)	(118.0)
Other operating income	1.1	1.2	1.0	0.8	0.9	1.2
Adjusted EBITDA	**41.9**	**41.3**	**56.2**	**41.0**	**51.8**	**67.0**
Less: Exceptional items	(3.5)	(9.9)	(3.9)	(2.9)	(1.0)	(2.0)
Less: Depreciation and amortisation	(26.4)	(26.5)	(31.0)	(21.8)	(31.3)	(40.4)
Total operating profit	**12.0**	**5.0**	**21.4**	**16.3**	**19.5**	**24.5**
Finance income	0.0	0.0	0.0	0.0	0.0	0.0
Movement in derivative financial instruments	(1.8)	1.1	1.6	0.9	(1.2)	(0.5)
Finance costs	(23.5)	(16.7)	(20.3)	(14.8)	(24.6)	(30.1)
Adjusted (Loss)/Profit before tax	(8.0)	2.3	4.9	4.4	2.5	3.0
Less: Exceptional items (pre finance)	(3.5)	(9.9)	(3.9)	(2.9)	(1.0)	(2.0)
Less: Finance exceptional items	(1.8)	(2.9)	1.6	0.9	(7.8)	(7.1)
(Loss)/Profit before tax	**(13.3)**	**(10.5)**	**2.6**	**2.4**	**(6.3)**	**(6.1)**
Income tax (charge)/ credit	(0.3)	0.5	(2.2)	(1.7)	0.3	(0.2)
(Loss)/Profit for the financial period	**(13.6)**	**(10.1)**	**0.4**	**0.8**	**(6.0)**	**(6.3)**

Combined and consolidated statement of financial position

	As at			
	31 December 2011	**29 December 2012**	**28 December 2013**	**27 September 2014**
	(in millions of £)			
ASSETS				
Non-current assets				
Intangible assets	125.6	163.2	166.2	170.8
Property, plant and equipment	56.6	65.4	99.9	141.4
Derivative financial instruments	—	—	1.2	—
	182.2	**228.6**	**267.2**	**312.2**
Current assets				
Inventories	3.4	3.8	5.4	6.1
Trade and other receivables	52.6	51.5	67.4	83.4
Cash and cash equivalents	4.1	1.5	2.9	5.2
	60.1	**56.8**	**75.7**	**94.7**
Total assets	**242.3**	**285.4**	**342.9**	**406.9**
LIABILITIES				
Current liabilities				
Trade and other payables	(203.6)	(43.9)	(64.9)	(113.7)
Current tax liabilities	(0.1)	(0.1)	(1.3)	(0.5)
	(203.7)	**(44.0)**	**(66.1)**	**(114.2)**
Non-current liabilities				
Trade and other payables	(0.3)	(3.0)	(5.0)	(7.2)
Financial liabilities—loans and borrowings	(203.0)	(219.2)	(252.9)	(274.7)
Provisions	(8.6)	(14.9)	(14.9)	(13.1)
Deferred tax liability	—	(9.9)	(9.4)	(9.4)
Derivative financial instruments	(1.6)	(0.4)	—	—
	(213.5)	**(247.4)**	**(282.3)**	**(304.4)**
Total liabilities	**(417.2)**	**(291.4)**	**(348.4)**	**(418.7)**
Net (liabilities)/assets	**(174.9)**	**(6.0)**	**(5.5)**	**(11.8)**
EQUITY				
Share capital	—	—	0.0	0.0
Share premium	—	0.1	0.1	0.1
Hero Topco Limited Invested capital	(174.9)	—	—	—
Retained earnings	—	(6.1)	(5.6)	(11.9)
Total equity attributable to owners of the company	**(174.9)**	**(6.0)**	**(5.5)**	**(11.8)**

Combined and consolidated statement of cash flow

	52 week period ended			39 week period ended	
	31 December 2011	29 December 2012	28 December 2013	28 September 2013 (unaudited)	27 September 2014
			(in millions of £)		
Cash flows from operating activities					
Cash generated from operations before change in hire fleet	37.5	35.9	42.0	29.6	37.4
Purchase of hire equipment	(21.5)	(20.6)	(22.7)	(18.8)	(28.7)
Cash generated from operations	16.0	15.3	19.3	10.8	8.8
Net interest paid	(10.0)	(16.5)	(9.9)	(5.8)	(18.4)
Income tax paid	0.1	—	(1.5)	(0.5)	(0.7)
Net cash generated from operating activities	**6.1**	**(1.3)**	**7.9**	**4.5**	**(10.4)**
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired	0.8	(7.6)	(26.4)	(25.9)	(6.7)
Purchases of non-hire property, plant and equipment	(5.6)	(4.7)	(5.9)	(3.9)	(6.0)
Net cash used in investing activities	**(4.8)**	**(12.3)**	**(32.4)**	**(29.7)**	**(12.7)**
Cash flows from financing activities					
Proceeds from borrowings	—	53.7	33.0	30.0	218.0
Repayments of borrowings	(2.5)	(46.3)	(0.4)	—	(192.0)
Capital element of finance lease payments	(0.3)	(0.4)	(2.8)	(1.8)	(3.4)
Net cash used in financing activities	**(2.8)**	**7.0**	**29.8**	**28.2**	**22.6**
Net (decrease)/increase in cash and cash equivalents	(1.6)	(6.6)	5.4	3.0	(0.5)
Cash and cash equivalents at beginning of the period	5.6	4.1	(2.5)	(2.5)	2.9
Cash and cash equivalents at end of the period	**4.0**	**(2.5)**	**2.9**	**0.5**	**2.4**

PART 9

OPERATING AND FINANCIAL REVIEW

This Part 9 (Operating and Financial Review) is based on and should be read in conjunction with Part 2 (Presentation of Financial and Other Information), Part 5 (Industry Overview), Part 6 (Business Description) and Part 11 (Historical Financial Information). Prospective investors should read the entire document and not just rely on the summary set out below. The financial information considered in this Part 9 (Operating and Financial Review) is extracted from the financial information set out in Part 11 (Historical Financial Information).

The following discussion of the Company's results of operations and financial conditions contains forward-looking statements. The Company's actual results could differ materially from those that it discusses in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Prospectus, particularly under Part 1 (Risk Factors) and Part 2 (Presentation of Financial and Other Information). In addition, certain industry issues also affect the Company's results of operations and are described in Part 5 (Industry Overview).

OVERVIEW

The Group is a leading provider of tool and equipment hire and related services in the United Kingdom and Ireland with a key focus on delivering safety, value, availability and support to its customers. The Group concentrates on the "maintain" and "operate" segments of the tool and equipment hire market, as the Directors believe that these segments offer greater opportunities for the Group to generate higher and more stable returns on assets as opposed to providing large plant and heavy machinery geared to construction activities in the more cyclical "new build" segment.

The Group complements its offering of tool and equipment hire with a range of value-added, specialist services that have been developed in response to customer demand and specifically oriented to the "maintain" and "operate" segments. The Directors believe that the combination of these products and services helps to differentiate the Group from its competitors, embed the Group more deeply with its customers and establish a "one-stop-shop" in order to capture a greater share of its customers' potential spending. The Directors believe that the Group is the second largest provider of tool and equipment hire and related services in the United Kingdom based on revenue and the second largest provider of temporary power generation in the United Kingdom based on fleet size. The Group is also the second largest provider of powered access equipment in the United Kingdom based on fleet size as reported by Cranes & Access magazine.

Under the Group's customer-focussed business model, for the 52 week period ended 31 December 2011 to the 12 months ended 27 September 2014, Group revenue grew at a CAGR of 17% and Adjusted EBITDA grew at a CAGR of 19%, market share in the UK increased from 3.6% to 4.7% and return on assets increased from 21% to 26%. The Group has a strong focus on optimising its deployment of capital, only entering market segments where it believes returns are sufficiently attractive.

The Group caters to a long-standing and diversified customer base, comprising over 35,000 "live" accounts ranging from large, blue-chip companies to smaller, local businesses across a range of sectors with over 90% of the Group's revenue generated from B2B customers in the 52 week period ended 28 December 2013. As of 27 September 2014, the Group operates from over 265 locations, serviced by a delivery fleet of over 400 commercial vehicles and approximately 2,900 colleagues, through a well-established hub and spoke distribution network comprising a national distribution centre, ten regional distribution centres, 25 local distribution centres and approximately 230 trading locations, that aims to maximise equipment availability on an on-demand or next-day basis. The Directors believe the Group's distribution network enables the Group to serve its customers "anytime, anywhere".

The Group's core businesses are:

- HSS Hire: The Group provides an extensive range of tools and equipment for hire across approximately 1,600 product lines driven by customer demand. Equipment categories include powered access, lifting and handling, heating, cooling and drying, lighting and power, breaking and drilling and site works.
- HSS OneCall: In response to the Group's customers' specific demands, the Group works with a network of more than 300 suppliers to source approximately 2,000 lines of equipment that the Group does not hold as a part of its hire fleet.

- HSS Training: The Group's specialist training business is aimed at meeting the training requirements of its customers, offering 240 industry-recognised technical and safety courses at 36 training venues throughout the United Kingdom and Ireland.

The Group's core businesses together accounted for £208.0 million or 91.8% of the Group's revenue for the 52 week period ended 28 December 2013 and £181.7 million or 87.1% of the Group's revenue for the 39 week period ended 27 September 2014.

The Group's primary specialist businesses are:

- ABird and Apex: ABird, acquired in October 2012, is the Group's specialist provider of temporary power generation and distribution equipment and services. The Group further expanded its temporary power operation through the March 2014 acquisition of Apex, a leading Scottish generator hire company. The Directors believe that the Group is now the second largest provider of temporary power generation in the United Kingdom based on fleet size.
- UK Platforms: In June 2013 the Group acquired UK Platforms, a specialist powered access business which, combined with the powered access operations of its HSS Hire business, has created the second largest provider of powered access equipment in the United Kingdom based on fleet size as reported by Cranes & Access magazine.
- Reintec and TecServ: As an alternative to the traditional hire contract, the Group offers equipment management solutions to the contract cleaning market under the Reintec and TecServ brands. With these services, the Group provides customers with the benefits of management, maintenance, compliance and cost efficiency services and expertise.

The Group's specialist businesses together accounted for £18.6 million or 8.2% of the Group's revenue for the 52 week period ended 28 December 2013 and £26.8 million or 12.9% of the Group's revenue for the 39 week period ended 27 September 2014.

The Directors believe that the Group's HSS brand is the most widely recognised in the UK tool and equipment hire markets. The Directors also believe that the Group consistently provides a superior customer service proposition to its competitors, with a leading Net Promoter Score ("NPS"), which is a measure of customers' willingness to recommend the Group's products and services, as determined by regular surveys undertaken on behalf of the Group by TNS. The products and services that the Group provides are often critical to the business operations of its customers. The Group's focus on delivering safety, value, availability and support is underpinned by what the Directors consider to be customers' key concerns: the ability for suppliers to meet their requirements at short notice; the safety and quality of equipment; price competitiveness; and customer service.

CURRENT TRADING AND PROSPECTS

The Group has continued to trade in line with management's expectations since 27 September 2014. The Group has opened nine additional Local Format Branches in the fourth quarter of 2014, bringing the total number of Local Format Branches opened in the three year period ended 27 December 2014 to 43. Overall, the Directors continue to remain confident of the Group's future prospects.

It is anticipated that the Company's next trading update will be its annual results announcement for the 52 weeks ended 27 December 2014, which is expected to be published in April 2015.

KEY FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The results of the Group's operations have been, and will continue to be, affected by many factors, some of which are beyond the Group's control. This section sets out certain key factors the Directors believe have affected the Group's results of operation and/or financial condition in the period under review and/or could have a significant effect on its results of operations and/or financial condition in the future.

Customers

The Group's revenue and cash flows are affected by its ability to retain existing business and generate new business from existing and new customers, and the terms at which the Group is able to retain or generate business. The Group has developed a strong reputation as a leading service provider in the United Kingdom and Ireland and this visibility and reputation, combined with its existing customer base, gives the Group a strong platform from which to win new business. Additionally, the Group's extensive offering enables it to cross-sell its core and specialist products and services to its customers allowing it, the Directors believe, to meet their requirements to a greater extent.

The Directors believe that a strong relationship with customers can lead to increased revenue and account profitability. Because of the generally flexible nature of the Group's business arrangements with its customers, the factors that influence the terms on which the Group retains business from its existing customers are the same factors that influence the terms on which the Group wins new business. The Group has won new customers and been successful in maintaining the loyalty of its existing customers by capitalising on its knowledge of its customers' requirements and processes together with its ability to offer value-added services. These include equipment maintenance and management and the integration of its IT systems with the internal ordering and billing systems of certain of its large customers, thereby also enabling the Group to reduce its administrative costs. Due to its size and scale combined with its reputation for consistency and high levels of service, the Group has also been able to collaborate with some of its customers to develop an innovative supply chain model whereby its customers promote the Group as a preferred supplier to their subcontractor base. The Group has successfully implemented this model with some of its leading customers including Sainsbury's and Heathrow Airports Limited.

In any period, the mix of the Group's customers also impacts its results of operation. The Group's customers range from its key accounts, who typically represent its higher volume customers with recurring hire needs, to its local cash customers, who typically represent its higher margin customers. The Group's strategy over the last several years has been to increase the proportion of its revenue derived from its key accounts, which has helped the Group achieve higher sales volumes although at slightly lower margins. A number of its key account customers have been with the Group for more than 15 years. By continuing to increase its key account customer base, the Group has been able to achieve repeat business as these customers tend to remain loyal to providers, like the Group, that provide consistently high levels of service.

Trends in customer demand also impact the Group's financial results. The Group's largest revenue source is hire revenue, which represents payments received from its customers in return for their use of the Group's equipment. The Group also generates revenue from its rehire activities primarily through its HSS OneCall operations. Unlike under its hire operations, under the Group's rehire operations, it incurs third-party supplier costs in connection with the procurement of tool and equipment for rehire. As a result, the rehire operations typically deliver lower EBITDA margins than the hire operations. On the other hand, the Group does not incur capital expenditure in respect of supply of equipment under its rehire operations which, in comparison to its hire operations, typically generate higher cash flows. As a result, if customer demand for its hire products increases in a particular period, the Group would typically generate higher EBITDA margins. On the other hand, if customer demand for its rehire products increases in a particular period, the Group would generate lower EBITDA margins during that period, although it may benefit from higher cash flows during that period. The Group has also grown its market share and customer base by penetrating new and attractive market segments with no or low levels of penetration by equipment hire companies (for example, the cleaning and ground care segments).

Availability

The Directors believe that the availability of its hire tools and equipment is a key driver of its sales. The Group has focused on increasing availability in terms of the range of products that it offers and in terms of speed of delivery. In terms of the range of products that it offers, the Group seeks to ensure that its hire fleet comprises equipment in sufficient quantities to meet demand. The Group manages this through ongoing assessment of the quantity of equipment on hire, future orders placed by customers, quantity of its offline equipment (i.e., equipment awaiting test or repair), prevailing levels of equipment write off and customer loss, and any rehire opportunities. If the Group identifies a shortfall in its hire fleet, it often procures additional equipment to add to its hire fleet. The Group's broad product range has historically enabled it to attract repeat business from its existing customers and maintain customer loyalty. In terms of delivery, the Group increases the availability of its hire fleet through its ability to respond promptly to customer orders. The Group constantly monitors stock levels to ensure that its equipment is well distributed throughout its branch network to meet customer demand. Where the Group identifies a potential shortfall, its hub-and-spoke distribution model allows the Group to move equipment efficiently within twenty four hours across its network. As a result, the branch network allows the Group to share a floating inventory of hire stock between its locations and, in turn, drives increases in availability. The Group has also continued to complement the internal sourcing of the tools and equipment required by its customers with the external sourcing of products from third parties through its HSS OneCall business. As at 27 September 2014, the gross book value of the Group's fleet was £251 million.

Availability of the hire stock also impacts the Group's utilisation rates. The Group measures utilisation as the percentage of available time that an item of hire stock is out on hire. As demand for the Group's products approaches available supply, the utilisation rates rise, which favourably impacts the Group's revenue, profitability and return on assets. The table below sets out the Group's utilisation rates for its core and specialist businesses for the periods indicated.

	52 week period ended						
	30 March 2013	29 June 2013	28 September 2013	28 December 2013	29 March 2014	28 June 2014	27 September 2014
				(unaudited)			
Core(1)	43%	43%	44%	45%	46%	46%	47%
Specialist(2)	51%	58%	62%	68%	69%	69%	70%

(1) Core utilisation is calculated as average units hired divided by average units owned in a month, then averaged over the relevant 52-week period.

(2) Specialist utilisation for the 52 week periods ended 30 March 2013, 29 June 2013 and 28 September 2013 respectively comprise ABird and Reintec only. UK Platforms is included in the 52 week period ended 28 December 2013 and all periods thereafter and Apex is included from the 52 week period ended 27 September 2014. Specialist utilisation represents the average utilisation rate of the specialist businesses included in the reporting period, calculated using the same method as for core utilisation at each business level.

The Group is led by trends in customer demand in planning its hire fleet and in organising the supply and delivery of equipment to its customers. The Group's approach to expenditure on hire fleet has centred on retaining sufficient flexibility in response to customer demand. This approach has enabled the Group to deliver an industry-leading return on assets. The Group's return on assets for the 52 week periods ended 28 December 2013, 29 December 2012 and 31 December 2011 was 30%, 21% and 21%, respectively. See "—*Key Performance Indicators*" below.

Pricing

The Group devotes considerable attention to the pricing of its products and services. The Group typically sets prices for its products as a discount to list prices as is standard in its industry. While offering lower discounts to the Group's customers can result in higher margins, it can also prompt some customers to move their business to a competitor. In order to find a balance between optimising margins and retaining customer base, the Group has developed a structured and disciplined approach to pricing. In the first instance, the Group agrees a set of prices with its customers which are recorded in the operating system. In general, longer term contracts are offered lower prices and higher discounts than short-term contracts. As a result, key and regional customers typically benefit from better pricing terms owing to volume discounts and the longer term nature of their contracts. The Group maintains a strict scrutiny of and closely tracks the discounts that it offers. The Group has also developed a clear hierarchy of authority within the company for the approval of discounts based on the importance and revenue contribution of the customer. All of these measures have helped the Group to maintain a strong pricing discipline, which the Directors believe enables the Group to enhance margins. While price remains a key factor, the Directors believe that the availability and quality of its hire fleet and its high service levels are stronger drivers of its financial performance.

Operational productivity and efficiency

The Group's competitiveness and long-term profitability depend, to a significant degree, on its ability to control costs (including costs of rehire and resale, distribution, labour and stock maintenance), capital expenditures and working capital, and maintain efficient operations. The Group implements various initiatives designed to reduce costs and working capital needs on a continual basis in order to enhance profitability and cash flow generation. For example, the Group has begun directly sourcing from Asia, with a particular focus on China, as early indications suggest significant cost savings of approximately 30% could be achieved on a small number of equipment lines (approximately 10% of core capital expenditure). The Directors expect that in addition to cost savings this will mitigate inflationary pressures on equipment costs generally across the hire fleet.

This strategy to achieve operational excellence is supported by the Group's investment in processes and technologies that enable it to operate its business in a more efficient manner. For example, the Group has recently introduced a workplace management system to plan and monitor colleague rotas and work shift assignments, to seek to maximise the efficiency of its colleagues. The Group has continued to improve its distribution network, constantly adjusting delivery vehicle capacity at each of its distribution centres to increase the number of deliveries and collections achieved per vehicle. The Group has also recently implemented a new management process for the spare parts that it requires to maintain its tools and equipment, which is expected to significantly shorten the lead time required for obtaining these spare parts. The Group expects that this process will continue to improve the productivity of its maintenance personnel, while also increasing the speed at which equipment can be made available, thereby reducing the amount of capital tied up in equipment that is awaiting test or repair.

In addition to these initiatives, the Group is focused on inventory management and capacity utilisation, while continuing to control levels of capital expenditure and working capital.

Acquisitions

From time to time, the Group acquires providers of hire fleets and specialist services that complement its current offering to broaden the range of its hire products and services and increase the Group's presence in existing and new markets, which impacts its financial performance. Through its strategic acquisitions, the Directors believe the Group has historically been able to increase its capacity and make available to its customers a more expansive and comprehensive range of hire products and services. The Group's recent acquisitions include:

- ABird: On 31 October 2012, the Group acquired Abird Superior Limited and its wholly-owned subsidiary, Abird Limited, a provider of temporary power generation and associated products and services. This acquisition has enabled the Group to offer a wider range of large capacity and specialist generators and to provide more comprehensive services to its customers who operate in the temporary power market. The Group has consolidated ABird's results of operations from 1 November 2012.
- UK Platforms: On 28 June 2013, the Group acquired UK Platforms Limited and its subsidiary, Access Rentals (UK) Limited, a provider of electric and diesel powered access products, including scissor lifts, boom lifts and telehandlers. UK Platforms' fleet of powered access equipment has enabled the Group to offer its customers a wider range of powered access equipment and more comprehensive services. The Group has consolidated UK Platforms' results of operations from 1 July 2013.
- MTS and TecServ: the Group acquired two smaller businesses which are the trade and assets of the Irish division of Mobile Traffic Solutions ("MTS") in August 2013 and Premiere FCM Limited ("TecServ") in the United Kingdom in November 2013. MTS is a specialist provider of traffic management equipment, supplying traffic and crowd management solutions for hire or purchase to major road contractors, local authorities and event companies throughout Ireland. The Group has combined the operations of the Irish division of MTS with that of its Irish subsidiary to grow its offering in Ireland. In October 2014 the Group also acquired the trade and assets of the UK division of MTS. TecServ is a specialist provider of maintenance services for cleaning services, and complements the Reintec business, which the Group launched in 2011, to provide fully outsourced cleaning equipment.
- Apex: On 31 March 2014, the Group acquired Apex Generators Limited, a specialist generator hire business operating primarily across Scotland with customers in the construction, house-building, event, industrial, marine and offshore sectors. The acquisition was undertaken to support the Group's existing specialist power division, which includes the ABird business, and to enable the Group to better service a wider geographical area. The Group has consolidated Apex's results of operations from 1 April 2014.

Seasonality and cyclicality

The seasonality and cyclicality of the equipment rental industry results in variable demand for the Group's products. The Group typically experiences higher demand between July and November of each year and, as a result, it tends to generate slightly higher revenue during the second half of each fiscal year as compared to the first half of the year. In addition, although hire equipment purchases are generally matched to demand, they tend to be greater in the first half of the year, particularly for the specialist businesses, as fleet is bought in advance of the Group's busier period. The Group typically experiences a slowdown in demand during Christmas, which partially offsets the increase in revenue during the second half of the year. The Group also experiences seasonality impacts as a result of the nature of its hire fleet and the distribution of its product categories. A small proportion of the Group's product categories are in demand during different times of the year. Lighting and heating equipment, for instance, typically experience higher levels of demand during the winter season, while gardening and landscaping products experience higher levels of demand in the spring and summer seasons. Weather patterns can exacerbate these trends with particularly cold, hot or wet periods driving higher or lower demand among the Group's product categories.

Due to the Group's focus on the "maintain" and "operate" markets as opposed to the "new build construction" market, its revenue and operating results are not significantly dependent on activity in the commercial construction industry in the United Kingdom. As a result, the Group's operations are not materially impacted by cyclical trends experienced in the "new build construction" market.

Currency translation

The Group's reporting currency is the pound sterling. However, a small proportion of its assets, liabilities, revenue and costs are denominated in euros. For the 52 week period ended 28 December 2013, the Group generated 9% of its revenue in euros. Fluctuations in the value of the euro with respect to the pound therefore have had, and may continue to have, an impact on the Group's financial condition and results of operations as reported in pounds.

Impact of the acquisition by Exponent and the Reorganisation

The Group was acquired by companies controlled, managed or advised by Exponent in October 2012. In common with most private equity sponsored acquisitions, the structure of the acquisition and subsequent investments in the Group had a material effect on the reported financial position and results of operations of the Group included in Part 11 (*Historical Financial Information*). In particular, the Group incurred finance costs of £23.5 million, £16.7 million, £20.3 million and £24.6 million in the 52 week periods ended 31 December 2011, 29 December 2012 and 28 December 2013 and the 39 week period ended 27 September 2014, respectively, relating principally to interest on shareholder loan notes. On completion of the Reorganisation, the shareholder loan notes will be exchanged for shares in Hampshire Topco Limited and subsequently for Shares in the Company, and interest will no longer accrue thereon.

KEY PERFORMANCE INDICATORS

The Directors monitor the Group's performance by regularly reviewing return on assets, as the Group considers this measure to give greater understanding of the drivers of the Group's performance. The Directors believe return on assets to be the Group's primary KPI. Return on assets is not a measure of financial performance under generally accepted accounting principles, including IFRS, and should not be considered in isolation or as an alternative to the IFRS financial statements set out in Part 11 (*Historical Financial Information*).

The table below sets out the Group's return on assets for the periods indicated.

	52 week period ended			
	31 December 2011	**29 December 2012**	**28 December 2013**	**27 September 2014**
Return on assets(1)	21%	21%	30%	26%

(1) Calculated as Adjusted EBITA divided by the total of average total assets (excluding goodwill) subtracted by average current liabilities. Average total assets and current liabilities for 2011 are calculated using available UK GAAP data for the 2010 balance sheet and IFRS data for the 2011 balance sheet.

DESCRIPTION OF KEY LINE ITEMS

Revenue

Revenue represents amounts receivable in respect of goods and services supplied, reduced by trade discounts that the Group offers and excluding value-added tax. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, stated net of discounts, rebates, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured when it is probable that future economic benefits will flow to the entity, and when certain criteria have been met.

Cost of sales

Cost of sales represents direct costs incurred in the provision of the Group's services including, among others, costs of:

- hiring equipment from third parties, which is then rehired to the Group's customers;

- resale, representing the purchase cost of diesel and gas supplied to the Group's customers, other hire related consumables and any other items purchased and subsequently resold to its customers;
- customer training courses operated by third parties on the Group's behalf;
- depreciation of the Group's hire fleet; and
- stock maintenance, representing the costs associated with the testing and repair of the Group's hire fleet.

Distribution costs

Distribution costs represent the costs associated with the operation of its delivery vehicle fleet such as the cost of lease, fuel and insurance, and the payment of salaries to the drivers that the Group employs. It also represents the costs associated with third-party haulage and freight. Exceptional items classified as distribution costs relate primarily to certain of the Group's restructuring costs.

Administrative expenses

Administrative expenses represent the overhead costs of the business, including:

- branch based costs such as costs associated with the Group's sales employees, rent and business rates, depreciation (other than of hire fleet) and utilities;
    - costs associated with the Group's field based sales employees;
- costs associated with the Group's customer contact centre including the cost of salaries, rent and utilities;
- the cost of the Group's head office functions including those of its IT, finance, human resource functions; and
- amortisation of goodwill arising from acquisitions.

Exceptional items classified as administrative expenses relate primarily to the costs of the Group's "dark" stores (unoccupied properties), which do not use and which do not generate rental income through sublet or otherwise. They also relate to certain of the Group's restructuring costs.

Other operating income

This represents rental income earned through the sublet of properties that are surplus to the Group's requirements. The operating costs associated with these sublet properties are treated as an ongoing item (not an exceptional item) under the Group's administrative expenses.

Finance costs

Finance costs represent the charges (accrued or paid) associated with the Group's bank loans and overdrafts, loans from parent companies and finance leases. This line item also represents the amortisation of any costs associated with the raising of finance that have been capitalised and spread over the life of the facility. Costs classified as exceptional relate to costs incurred in the early termination of the Group's financing arrangements such as banking facilities or instruments such as its interest rate swaps.

Adjusted EBITDA

Adjusted EBITDA is not defined or recognised under IFRS and there are no generally accepted principles governing the calculation of this measure. The Group defines Adjusted EBITDA as loss/profit for the period before interest, tax, depreciation and amortisation and exceptional items. Depreciation and amortisation includes hire stock asset disposals, hire stock write offs and customer losses.

Results of Operations

The 39 week period ended 27 September 2014 compared to the 39 week period ended 28 September 2013

The table below sets out the Group's results for the 39 week period ended 27 September 2014 compared to the 39 week period ended 28 September 2013:

	39 week period ended		
	28 September 2013	27 September 2014	Percentage change
	(unaudited) (in millions of £)		
Revenue	**163.5**	**208.5**	**27.5%**
Cost of sales	(51.2)	(73.7)	43.9%
Gross profit	**112.4**	**134.8**	**19.9%**
Distribution costs	(20.7)	(26.2)	26.6%
Administrative expenses	(76.2)	(90.0)	18.1%
Other operating income	0.8	0.9	12.5%
Adjusted EBITDA	**41.0**	**51.8**	**26.3%**
Less: Exceptional items	(2.9)	(1.0)	(65.5)%
Less: Depreciation and amortisation	(21.8)	(31.3)	43.6%
Total operating profit	**16.3**	**19.5**	**19.6%**
Finance income	0.0	0.0	NM(1)
Movement in derivative financial instruments	0.9	(1.2)	NM(1)
Finance costs	(14.8)	(24.6)	66.2%
Adjusted Profit/(Loss) before tax	**4.4**	**2.5**	**NM(1)**
Less: Exceptional items (pre finance)	(2.9)	(1.0)	NM(1)
Less: Finance exceptional items	0.9	(7.8)	NM(1)
Profit/(Loss) before tax	**2.4**	**(6.3)**	**NM(1)**
Income tax (charge)/credit	(1.7)	0.3	NM(1)
Profit/(Loss) for the financial period	**0.8**	**(6.0)**	**NM(1)**

(1) Not meaningful

Revenue

The Group's revenue for the 39 week period ended 27 September 2014 increased by £44.9 million, or 27.5%, from £163.5 million in the 39 week period ended 28 September 2013 to £208.5 million in the 39 week period ended 27 September 2014. More than half of this increase (18.6%) was due to growth in its acquired customers. The Group's key and regional account customers delivered a large proportion of this growth alongside ABird, which continued to benefit from the investments made in expanding its hire fleet during 2013 and 2014, increasing its depot network and deploying remote fleet management technology. HSS OneCall and HSS Training also continued to deliver strong growth, representing an increase in revenue of 74.1% and 17.6%, respectively, for the 39 week period ended 27 September 2014 compared to the 39 week period ended 28 September 2013. Revenue from the Group's hire business increased by 18.5%, reflecting growing demand from its key account and regional account customers and continued investment in the depth of its hire fleet to support this customer demand. Its acquired businesses (UK Platforms, Apex Generators and TecServ) together delivered revenue growth of 9.3% (net of the revenue contribution from UK Platforms in the period 29 June 2013 to 28 September 2013, which the Group now considers organic).

Revenue by reportable segment

The table below presents a breakdown of the Group's revenue by reportable segment for the 39 week periods ended 28 September 2013 and 27 September 2014.

	39 week period ended	
	28 September 2013	**27 September 2014**
	(unaudited)	
	(in millions of £)	
HSS Core(1)	151.9	181.7
HSS Specialist(2)	11.6	26.8
Total revenue from external customers	**163.5**	**208.5**

(1) HSS Core comprises the provision of tool and equipment hire and related services.

(2) HSS Specialist comprises the provision of generator, powered access and cleaning hire equipment and the provision of cleaning maintenance services, under the Group's specialist brands.

Cost of sales

The Group's cost of sales for the 39 week period ended 27 September 2014 increased by £22.5 million, or 43.9%, from £51.2 million in the 39 week period ended 28 September 2013 to £73.7 million in the 39 week period ended 27 September 2014. This increase was due in part to the strong growth in HSS OneCall revenue, with the associated third-party supplier costs accounting for £11.8 million of the increase. The remaining increase was due primarily to the acquisition of UK Platforms in June 2013, TecServ in November 2013 and Apex Generators in March 2014, and the resultant increase in stock maintenance and depreciation costs due to the increased size of its hire fleet.

Gross profit

The Group's gross profit for the 39 week period ended 27 September 2014 increased by £22.4 million, or 19.9%, from £112.4 million in the 39 week period ended 28 September 2013 to £134.8 million in the 39 week period ended 27 September 2014.

Distribution costs

The Group's distribution costs for the 39 week period ended 27 September 2014 increased by £5.5 million, or 26.6%, from £20.7 million in the 39 week period ended 28 September 2013 to £26.2 million in the 39 week period ended 27 September 2014. The operations of the Group's acquired businesses (UK Platforms, Apex Generators and TecServ), accounted for £3.3 million of the increase. The remaining increase reflects the increase in expenses required to support the continued growth in volume of both its hire business and ABird.

Administrative expenses

The Group's administrative expenses increased by £13.8 million, or 18.1%, to £90.0 million in the 39 week period ended 27 September 2014 from £76.2 million in the 39 week period ended 28 September 2013. This was in part due to £3.2 million of additional administrative expenses relating to the acquisitions of UK Platforms, Apex Generators and TecServ, representing expenses associated with rent, depot staff and central support. Administrative expenses also grew due to increased levels of business activity and inflationary pressures on the Group's costs related to salaries (driven by an increase in its total number of colleagues and cost per colleague) and properties (as the Group continued to expand its branch network through 2013 and 2014). The Group has opened 14 new branches during the 39 week period ended 27 September 2014, six of which (Cambridge, Hanworth, Borehamwood, Tottenham, Crayford and Epsom) were opened in the 13 week period ended 27 September 2014. The Group also made an additional investment in marketing initiatives to promote further growth. In addition, to support the increase in demand for training programmes from its customers, the Group incurred additional costs related to the salaries of training professionals and administration overhead.

Other operating income

The Group's other operating income of £0.9 million in the 39 week period ended 27 September 2014 was marginally higher than other operating income of £0.8 million in the 39 week period ended 28 September 2013, as the number of its "dark" stores (non-trading properties) being sublet increased slightly, from 48 branches being fully or partially sublet as at 28 September 2013 to 58 as at 27 September 2014.

Total operating profit

The Group's total operating profit for the 39 week period ended 27 September 2014 increased by £3.2 million, or 19.6%, from £16.3 million in the 39 week period ended 28 September 2013 to £19.5 million in the 39 week period ended 27 September 2014.

Finance costs

The Group's finance costs for the 39 week period ended 27 September 2014 increased by £9.8 million, or 66.2%, from £14.8 million in the 39 week period ended 28 September 2013 to £24.6 million in the 39 week period ended 27 September 2014, primarily due to £6.6 million of accelerated debt issuance costs as the new financing structure was put in place in February 2014. These costs related to the previous capital structure and were being amortised over the life of the underlying term loans. The remainder of the increase largely relates to the interest payable on the Notes which the Group issued in February 2014.

(Loss)/Profit before tax

The Group reported a loss before tax of £6.3 million for the 39 week period ended 27 September 2014 compared to a profit of £2.4 million for the 39 week period ended 28 September 2013.

Exceptional items

The Group's exceptional items for the 39 week period ended 27 September 2014 were a charge of £8.8 million, compared to a charge of £2.0 million in the 39 week period ended 28 September 2013. This change was primarily due to the write off of previously capitalised debt issue costs.

Income tax (charge)/credit

The Group had an income tax credit of £0.3 million for the 39 week period ended 27 September 2014 compared to an income tax charge of £1.7 million for the 39 week period ended 28 September 2013.This change was primarily due to the increase in EBITDA being offset by accelerated debt issuance costs and the interest payable on the Notes which the Group issued in February 2014.

(Loss)/Profit for the financial period

The Group reported a loss of £6.0 million for the 39 week period ended 27 September 2014 compared to a profit of £0.8 million for the 39 week period ended 28 September 2013.

Adjusted EBITDA

The Group's Adjusted EBITDA for the 39 week period ended 27 September 2014 increased by £10.8 million, or 26.3%, from £41.0 million in the 39 week period ended 28 September 2013 to £51.8 million in the 39 week period ended 27 September 2014. This increase was primarily due to revenue growing at 27.5%, a faster rate than the 18.2% growth in administrative costs, which comprised the largest part of the Group's cost base.

Adjusted EBITDA by reportable segment

The table below presents a breakdown of the Group's Adjusted EBITDA by reportable segment for the 39 week periods ended 28 September 2013 and 27 September 2014.

	39 week period ended	
	28 September 2013	**27 September 2014**
	(unaudited)	
	(in millions of £)	
HSS Core[(1)]	36.0	38.3
HSS Specialist[(2)]	5.0	13.5
Adjusted EBITDA	**41.0**	**51.8**

(1) HSS Core comprises the provision of tool and equipment hire and related services, along with all Group head office costs.

(2) HSS Specialist comprises the provision of generator, powered access and cleaning hire equipment and the provision of cleaning maintenance services, under the Group's specialist brands.

The 52 week period ended 28 December 2013 compared to the 52 week period ended 29 December 2012

The table below sets out the Group's results for the 52 week period ended 28 December 2013 compared to the 52 week period ended 29 December 2012:

	52 week period ended		
	29 December 2012	28 December 2013	Percentage change
	(in millions of £)		
Revenue	**181.6**	**226.7**	**24.8%**
Cost of sales	(60.3)	(73.5)	21.9%
Gross profit	**121.3**	**153.2**	**26.3%**
Distribution costs	(23.6)	(28.7)	21.6%
Administrative expenses	(93.9)	(104.2)	11.0%
Other operating income	1.2	1.0	(16.7)%
Adjusted EBITDA	**41.3**	**56.2**	**36.1%**
Less: Exceptional items	(9.9)	(3.9)	(60.6)%
Less: Depreciation and amortisation	(26.5)	(31.0)	17.0%
Total operating profit	**5.0**	**21.4**	**NM(1)**
Finance income	0.0	0.0	NM(1)
Movement in derivative financial instruments	1.1	1.6	45.5%
Finance costs	(16.7)	(20.3)	21.6%
Adjusted (Loss)/Profit before tax	**2.3**	**4.9**	**NM(1)**
Less: Exceptional items (pre finance)	(9.9)	(3.9)	NM(1)
Less: Finance exceptional items	(2.9)	1.6	NM(1)
(Loss)/Profit before tax	**(10.5)**	**2.6**	**NM(1)**
Income tax (charge)/credit	0.5	(2.2)	NM(1)
(Loss)/Profit for the financial period	**(10.1)**	**0.4**	**NM(1)**

(1) Not meaningful

Revenue

The Group's revenue for the 52 week period ended 28 December 2013 increased by £45.1 million, or 24.8%, from £181.6 million in the 52 week period ended 29 December 2012 to £226.7 million in the 52 week period ended 28 December 2013. This increase was primarily due to growth in the Group's organic revenue driven by an increase in demand from its existing customers and by its newly acquired customers. The Group's key and regional account customers, in particular, accounted for much of the growth. The Group's HSS OneCall business and its HSS Training business were the fastest growing businesses during the period, representing an increase in revenue of 31.7% and 27.0%, respectively, for the 52 week period ended 28 December 2013 compared to the 52 week period ended 29 December 2012, primarily due to the Group's efforts to promote these rehire and non-hire offerings to its customers. Revenue from the Group's hire business increased by 13.4%, driven by a greater demand from its key account customers and its investment in the depth of its hire fleet to support this demand. The Group also benefitted from growth through the acquisitions of UK Platforms and TecServ during this period which resulted in revenue growth of 6.3% for the 52 week period ended 28 December 2013 compared to the period 29 December 2012.

Revenue by reportable segment

The table below presents a breakdown of the Group's revenue by reportable segment for the 52 week periods ended 29 December 2012 and 28 December 2013.

	52 week period ended	
	29 December 2012	**28 December 2013**
	(in millions of £)	
HSS Core[(1)]	180.4	208.0
HSS Specialist[(2)]	1.2	18.6
Total revenue from external customers	**181.6**	**226.7**

(1) HSS Core comprises the provision of tool and equipment hire and related services.

(2) HSS Specialist comprises the provision of generator, powered access and cleaning hire equipment and the provision of cleaning maintenance services, under the Group's specialist brands.

Cost of sales

The Group's cost of sales for the 52 week period ended 28 December 2013 increased by £13.2 million, or 21.9%, from £60.3 million in the 52 week period ended 29 December 2012 to £73.5 million in the 52 week period ended 28 December 2013. This increase was mainly due to the strong growth in the Group's HSS OneCall (rehire) revenue, with the associated third-party supplier costs accounting for £4.9 million of the increase. Resale costs increased by £1.5 million during the period, primarily due to the cost of diesel resold to the Group's customers under its ABird business. The Group also experienced an increase in its stock maintenance costs during the period mainly due to the increased size of its hire fleet following its acquisition of ABird and UK Platforms.

Gross profit

The Group's gross profit for the 52 week period ended 28 December 2013 increased by £31.9 million, or 26.3%, from £121.3 million in the 52 week period ended 29 December 2012 to £153.2 million in the 52 week period ended 28 December 2013.

Distribution costs

The Group's distribution costs for the 52 week period ended 28 December 2013 increased by £5.1 million, or 21.6%, from £23.6 million in the 52 week period ended 29 December 2012 to £28.7 million in the 52 week period ended 28 December 2013. This was principally due to the acquisitions of ABird and UK Platforms which increased distribution costs by £3.5 million. The remaining increase represented increased expenses of £1.5 million to support the growth in volume of the Group's hire business.

Administrative expenses

The Group's administrative expenses increased by £10.3 million, or 11.0%, to £104.2 million in the 52 week period ended 28 December 2013 from £93.9 million in the 52 week period ended 29 December 2012. This was principally due to approximately £5.8 million in additional administrative expenses relating to the acquisitions of ABird in October 2012 and UK Platforms in June 2013 for the 52 week period ended 28 December 2013, representing expenses associated with rent, depot staff, central support and the rationalisation of back office activities. Administrative expenses also grew due to increased levels of business activity and inflationary pressures on the Group's costs related to salaries (driven by an increase in its total number of colleagues and cost per colleague) and utilities. The Group also made additional investment during the period in marketing initiatives to promote further growth. In addition, to support the increase in demand for training programmes from its customers, the Group incurred additional cost related to the salaries of training professionals and administration overhead.

Other operating income

The Group's other operating income decreased by £0.2 million, or 16.7%, to £1.0 million in the 52 week period ended 28 December 2013 from £1.2 million in the 52 week period ended 29 December 2012, primarily due to a decrease in the number of "dark" stores (non-trading properties) that were being sublet.

Total operating profit

The Group's total operating profit for the 52 week period ended 28 December 2013 increased by £16.4 million from £5.0 million in the 52 week period ended 29 December 2012 to £21.4 million in the 52 week period ended 28 December 2013.

Finance costs

The Group's finance costs for the 52 week period ended 28 December 2013 increased by £3.6 million, or 21.6%, from £16.7 million in the 52 week period ended 29 December 2012 to £20.3 million in the 52 week period ended 28 December 2013, primarily due to the acquisition of the Group by Exponent in October 2012. Although interest charges relating to the Group's borrowings under senior facility agreements were reduced during this period, this reduction was offset by accrued (non-cash) interest on shareholder loan notes.

(Loss)/Profit before tax

The Group reported a profit before tax of £2.6 million for the 52 week period ended 28 December 2013 compared to a loss of £10.5 million for the 52 week period ended 29 December 2012.

Exceptional items

The Group's exceptional items for the 52 week period ended 28 December 2013 were a cost of £2.3 million, compared to a cost of £12.8 million in the 52 week period ended 29 December 2012. This change was primarily due to the non-recurrence of costs incurred in the 52 week period ended 29 December 2012, as a result of the acquisition of the Group by Exponent and refinancing its existing debt.

Income tax (charge)/credit

The Group had an income tax charge of £2.2 million for the 52 week period ended 28 December 2013 compared to a tax credit of £0.5 million in the 52 week period ended 29 December 2012. This change was primarily due to the improved Group operating profit and lower levels of interest incurred under the Group's senior facility agreements.

(Loss)/Profit for the financial period

The Group reported a profit of £0.4 million for the 52 week period ended 28 December 2013 compared to a loss of £10.1 million for the 52 week period ended 29 December 2012.

Adjusted EBITDA

The Group's Adjusted EBITDA for the 52 week period ended 28 December 2013 increased by £14.9 million, or 36.1%, from £41.3 million in the 52 week period ended 29 December 2012 to £56.2 million in the 52 week period ended 29 December 2012. This increase was primarily due to revenue growing at 24.8%, a faster rate than the 11.0% growth in administrative costs, which comprised the largest part of the Group's cost base.

Adjusted EBITDA by reportable segment

The table below presents a breakdown of the Group's Adjusted EBITDA by reportable segment for the 52 week periods ended 29 December 2012 and 28 December 2013.

	52 week period ended	
	29 December 2012	**28 December 2013**
	(in millions of £)	
HSS Core[(1)]	40.9	46.6
HSS Specialist[(2)]	0.4	9.6
Adjusted EBITDA	**41.3**	**56.2**

(1) HSS Core comprises the provision of tool and equipment hire and related services, along with all Group head office costs.

(2) HSS Specialist comprises the provision of generator, powered access and cleaning hire equipment and the provision of cleaning maintenance services, under the Group's specialist brands.

The 52 week period ended 29 December 2012 compared to the 52 week period ended 31 December 2011

The table below sets out the Group's results for the 52 week period ended 29 December 2012 compared to the 52 week period ended 31 December 2011:

	52 week period ended		
	31 December 2011	29 December 2012	Percentage change
	(in millions of £)		
Revenue	**177.0**	**181.6**	**2.6%**
Cost of sales	(53.8)	(60.3)	12.1%
Gross profit	**123.2**	**121.3**	**(1.5)%**
Distribution costs	(26.0)	(23.6)	(9.2)%
Administrative expenses	(86.4)	(93.9)	8.7%
Other operating income	1.1	1.2	9.1%
Adjusted EBITDA	**41.9**	**41.3**	**(1.4)%**
Less: Exceptional items	(3.5)	(9.9)	NM[1]
Less: Depreciation and amortisation	(26.4)	(26.5)	0.4%
Total operating profit	**12.0**	**5.0**	**(58.3)%**
Finance income	0.0	0.0	NM[1]
Movement in derivative financial instruments	(1.8)	1.1	NM[1]
Finance costs	(23.5)	(16.7)	(28.9)%
Adjusted (Loss)/Profit before tax	**(8.0)**	**2.3**	**NM[1]**
Less: Exceptional items (pre finance)	(3.5)	(9.9)	NM[1]
Less: Finance exceptional items	(1.8)	(2.9)	61.1%
(Loss)/Profit before tax	**(13.3)**	**(10.5)**	**(21.1)%**
Income tax (charge)/credit	(0.3)	0.5	NM[1]
Loss for the financial period	**(13.6)**	**(10.1)**	**(25.7)%**

(1) Not meaningful

Revenue

The Group's revenue for the 52 week period ended 29 December 2012 increased by £4.6 million, or 2.6%, from £177.0 million in the 52 week period ended 31 December 2011 to £181.6 million in the 52 week period ended 29 December 2012. This increase was primarily due to an increase in spend from the Group's existing key customers and an increase in the number of its newly acquired key account customers. The HSS OneCall business and the HSS Training business experienced an increase in revenue of 24.7% and 22.1%, respectively, for the 52 week period ended 29 December 2012 compared to the 52 week period ended 31 December 2011, as a result of greater awareness among the Group's customers of the availability of these services owing to the Group's increased marketing efforts and, in the case of HSS Training, owing to its new website that facilitated on line booking. This was offset by a small decrease in revenue from the Group's hire business.

Revenue by reportable segment

The table below presents a breakdown of the Group's revenue by reportable segment for the 52 week periods ended 31 December 2011 and 29 December 2012.

	52 week period ended	
	31 December 2011	**29 December 2012**
	(in millions of £)	
HSS Core(1)	177.0	180.4
HSS Specialist(2)	—	1.2
Total revenue from external customers	**177.0**	**181.6**

(1) HSS Core comprises the provision of tool and equipment hire and related services.

(2) HSS Specialist comprises the provision of generator, powered access and cleaning hire equipment and the provision of cleaning maintenance services, under the Group's specialist brands.

Cost of sales

The Group's cost of sales for the 52 week period ended 29 December 2012 increased by £6.5 million, or 12.1%, from £53.8 million in the 52 week period ended 31 December 2011 to £60.3 million in the 52 week period ended 29 December 2012, primarily due to an increase of 22.7% in costs associated with the Group's HSS OneCall (rehire) business, which grew in the 52 week period ended 29 December 2012 to address customer demand. In addition, the first full year of operation of the Group's contract with a newly acquired key account customer (which the Group acquired at the end of 2011), resulted in higher stock maintenance costs (as a result of certain maintenance services outsourced to the Group by this customer) in the 52 week period ended 29 December 2012 compared to the 52 week period ended 31 December 2011. Productivity gains resulting from the consolidation of the Group's maintenance facilities pursuant to the development of the Group's hub-and-spoke operating model in the second half of 2011 partly offset its increase in cost of sales during the 52 week period ended 29 December 2012.

Gross profit

The Group's gross profit for the 52 week period ended 29 December 2012 decreased by £1.9 million, or 1.5%, from £123.2 million in the 52 week period ended 31 December 2011 to £121.3 million in the 52 week period ended 29 December 2012.

Distribution costs

The Group's distribution costs for the 52 week period ended 29 December 2012 declined by £2.4 million, or 9.2%, from £26.0 million in the 52 week period ended 31 December 2011 to £23.6 million in the 52 week period ended 29 December 2012, primarily due to the benefits resulting from the development of the Group's hub-and-spoke operating model in the second half of 2011, which delivered a first full year of efficiencies in 2012. For example, as a result of the implementation of the Group's new operating model, by the end of the 52 week period ended 29 December 2012, the numbers of the Group's front line vehicles across England, Scotland and Wales declined by more than 20% compared to the beginning of 2011, which resulted in a decline in the Group's vehicle lease costs, thereby offsetting inflationary pressures in relation to fuel and driver salaries.

Administrative expenses

The Group's administrative expenses increased by £7.5 million, or 8.7%, to £93.9 million in the 52 week period ended 29 December 2012 from £86.4 million in the 52 week period ended 31 December 2011, primarily due to inflationary pressures on the Group's costs related to salaries, rent and business rates. At the end of 2011, the Group took on a number of colleagues from a new key account customer that it acquired, which also increased the Group's administrative expenses in the 52 week period ended 29 December 2012.

Other operating income

The Group's other operating income remained relatively stable at £1.2 million in the 52 week period ended 29 December 2012 as compared to £1.1 million in the 52 week period ended 31 December 2011, as the Group's sublet property portfolio remained broadly stable.

Total operating profit

The Group's total operating profit for the 52 week period ended 29 December 2012 decreased by £7.0 million, or 58.3%, from £12.0 million in the 52 week period ended 31 December 2011 to £5.0 million in the 52 week period ended 29 December 2012.

Finance costs

The Group's finance costs for the 52 week period ended 29 December 2012 decreased by £6.8 million, or 28.9%, from £23.5 million in the 52 week period ended 31 December 2011 to £16.7 million in the 52 week period ended 29 December 2012, primarily due to the change in the Group's capital structure following its acquisition by Exponent in the year 2012 and the cessation of interest charges relating to its former senior facility agreement and other indebtedness. During the 52 week period ended 29 December 2012 the Group also incurred exceptional costs in the amount of £1.7 million associated with the termination of an interest rate swap agreement in November 2012.

(Loss)/Profit before tax

The Group's loss before tax for the 52 week period ended 29 December 2012 decreased by £2.8 million, or 21.1%, from £13.3 million loss in the 52 week period ended 31 December 2011 to a £10.5 million loss in the 52 week period ended 29 December 2012.

Exceptional items

The Group's exceptional items for the 52 week period ended 29 December 2012 increased by £7.5 million from £5.3 million in the 52 week period ended 31 December 2011 to £12.8 million in the 52 week period ended 29 December 2012. This increase was primarily due to costs incurred in the 52 week period ended 29 December 2012, as a result of the acquisition of the Group by Exponent and refinancing its existing debt.

Income tax (charge)/credit

The Group had an income tax credit of £0.5 million for the 52 week period ended 29 December 2012 compared to a tax charge of £0.3 million in the 52 week period ended 31 December 2011. This change was primarily due to deferred tax credits recorded in the 52 week period ended 29 December 2012.

Loss for the financial period

The Group's loss for the financial period decreased by £3.5 million, or 25.7%, from a £13.6 million loss in the 52 week period ended 31 December 2011 to a £10.1 million loss in the 52 week period ended 29 December 2012.

Adjusted EBITDA

The Group's Adjusted EBITDA for the 52 week period ended 29 December 2012 decreased by £0.6 million, or 1.4%, from £41.9 million in the 52 week period ended 31 December 2011 to £41.3 million in the 52 week period ended 29 December 2012. This increase was primarily due to the 2.6% growth in revenue being more than offset by the 8.7% increase in administrative costs, which comprised the largest part of the Group's cost base.

Adjusted EBITDA by reportable segment

The table below presents a breakdown of the Group's Adjusted EBITDA by reportable segment for the 52 week periods ended 31 December 2011 and 29 December 2012.

	52 week period ended	
	31 December 2011	**29 December 2012**
	(in millions of £)	
HSS Core(1)	41.9	40.9
HSS Specialist(2)	—	0.4
Adjusted EBITDA	**41.9**	**41.3**

(1) HSS Core comprises the provision of tool and equipment hire and related services, along with all Group head office costs.

(2) HSS Specialist comprises the provision of generator, powered access and cleaning hire equipment and the provision of cleaning maintenance services, under the Group's specialist brands.

Liquidity and Capital Resources

The Group's principal source of liquidity on an ongoing basis is its operating cash flow. The Group's ability to generate cash depends on its future operating performance, which in turn depends to some extent on general economic, financial, industry and other conditions, many of which are beyond the Group's control, as well as the other factors discussed in Part 1 (*Risk Factors*). In addition, the Group has access to a Revolving Credit Facility to service its working capital and general corporate needs. The availability of this facility is dependent upon conditions, include ongoing compliance with a maintenance covenant tested quarterly as described further under paragraph 11.5.2 of Part 14 (*Additional Information—Revolving Credit Facility*).

Cash flows

The table below presents the Group's cash flows for the periods indicated below.

	52 week period ended			39 week period ended	
	31 December 2011	**29 December 2012**	**28 December 2013**	**28 September 2013**	**27 September 2014**
				(unaudited)	
			(in millions of £)		
Net cash generated from operating activities	6.0	(1.3)	7.9	4.5	(10.4)
Net cash used in investing activities	(4.8)	(12.3)	(32.4)	(29.7)	(12.7)
Net cash used in financing activities	(2.8)	7.0	29.8	28.2	22.6
Cash and cash equivalents at end of the period	**4.0**	**(2.5)**	**2.9**	**0.5**	**2.4**

Net cash (used in)/generated from operating activities

Net cash used in operating activities was £10.4 million for the 39 week period ended 27 September 2014, compared to net cash generated from operating activities of £4.5 million for the 39 week period ended 28 September 2013. This movement reflects the higher levels of investment made in hire equipment during this period and higher interest payments resulting from the changes to the Group's capital structure in February 2014.

Net cash generated from operating activities was £7.9 million for the 52 week period ended 28 December 2013, compared to net cash used in operating activities of £1.3 million for the 52 week period ended 29 December 2012. This movement reflects the improved profitability of the Group and lower interest payments that were partially offset by higher levels of investment made in hire equipment.

Net cash used in operating activities was £1.3 million for the 52 week period ended 29 December 2012, compared to net cash generated from operating activities of £6.0 million for the 52 week period ended 31 December 2011. This movement reflects broadly flat profitability and hire stock investment that were partially offset by higher interest payments.

Net cash (used in)/from investing activities

Net cash used in investing activities was £12.7 million for the 39 week period ended 27 September 2014, a decrease of £17.0 million, or 57.2%, as compared to net cash used in investing activities of £29.7 million for the 39 week period ended 28 September 2013. This decrease was primarily due to the acquisition of UK Platforms in June 2013, whereas the smaller acquisition of Apex occurred in March 2014.

Net cash used in investing activities was £32.4 million for the 52 week period ended 28 December 2013, an increase of £20.1 million as compared to net cash used in investing activities of £12.3 million for the 52 week period ended 29 December 2012. This increase was primarily due to the acquisitions of UK Platforms in June 2013 and TecServ in November 2013.

Net cash used in investing activities was £12.3 million for the 52 week period ended 29 December 2012, an increase of £7.5 million as compared to net cash used in investing activities of £4.8 million for the 52 week period ended 31 December 2011. This increase was primarily due to the acquisition of ABird in October 2012.

Net cash (used in)/from financing activities

Net cash from financing activities was £22.6 million for the 39 week period ended 27 September 2014, a decrease of £5.6 million, or 19.9%, as compared to net cash from financing activities of £28.2 million for the 39 week period ended 28 September 2013. This decrease was primarily due to the offering of Notes in February 2014 and subsequent drawings under the Group's Revolving Credit Facility for working capital purposes and to fund the acquisition of Apex. The 39 week period ended 28 September 2013 included only funds raised to acquire UK Platforms.

Net cash from financing activities was £29.8 million for the 52 week period ended 28 December 2013, an increase of £22.8 million as compared to net cash from financing activities of £7.0 million for the 52 week period ended 29 December 2012. This increase was primarily due to funds raised to acquire UK Platforms.

Net cash from financing activities was £7.0 million for the 52 week period ended 29 December 2012, as compared to net cash used in financing activities of £2.8 million for the 52 week period ended 31 December 2011. This movement reflects the net proceeds from the acquisition of the Group by Exponent in 2012, while for the 52 week period ended 31 December 2011 the Group's results included only repayments under existing facilities.

Capital expenditure

The table below presents a breakdown of the Group's capital expenditure for the periods indicated below.

	52 week period ended			39 week period ended
	31 December 2011	29 December 2012	28 December 2013	27 September 2014
	(in millions of £)			
Core capital expenditure	20.0	20.5	27.2	35.0
Specialist capital expenditure	—	0.2	3.6	25.7
Non-hire stock capital expenditure	5.6	4.7	5.9	6.0
Total capital expenditures	**25.6**	**25.4**	**36.7**	**66.6**

The Group categorises its capital expenditures as core, specialist and non-hire stock fixed asset additions. Core and specialist capital expenditures relate to purchases of hire stock assets in relation to the Group's core and specialist businesses, respectively. Non-hire stock capital expenditures relate to expenditures on, for example, the development of IT systems, vehicle trackers, signage, equipment racking and leasehold property improvements.

The Group has historically funded its core and specialist capital expenditure initially with supplier credit terms, with a majority subsequently settled in cash and a proportion rolled into finance leases. The aggregate value of finance leases outstanding is limited under the terms of the Revolving Credit Facility to £20 million (of which £12.3 million was used as at 27 September 2014, as detailed in "—*Contractual Obligations*" below). A number of the Group's finance leases are subject to a number of terms and conditions, including in relation to change of control. To the extent the Offer is determined to constitute a change of control under the terms of any of the Group's finance leases and the lessors thereunder exercise their termination rights, the Group expects to draw down sufficient amounts under its Revolving Credit Facility (which, following Admission, is expected to be substantially undrawn) to redeem any amounts owed under such leases or to enter into new finance leases on commercially acceptable terms.

The Group has historically funded non-hire stock capital expenditure through drawings under its Revolving Credit Facility and cash generated from operations.

In the 39 week period ended 27 September 2014, capital expenditure reflected increased investment in the Group's specialist businesses to deepen its hire fleet and to support geographic expansion. In addition, the increase in non-hire capital expenditure reflected the roll-out of Local Format Branches and development of the Group's e-commerce platform. In line with the growth of its hire fleet in recent years, the Group's capital expenditure was historically in excess of its depreciation charge, which the Group expects to continue in the medium term.

For the 52 week period ended 27 December 2014, the Group expects its capital expenditure to have been approximately £75 to £80 million, matching customer demand. In 2015, the Group expects its core capital expenditure to be approximately £40 million, specialist capital expenditure to be approximately £25 million and non-hire capital expenditure to be approximately £12 million. Core capital expenditure and non-hire capital expenditure include spend of approximately £135,000 to open each Local Format Branch, split broadly evenly between hire stock and property. The Group expects its capital expenditure in 2016 to be broadly similar, subject to market demand.

Working capital

The main components of the Group's working capital are trade debtors balances, representing amounts owed by its account customers, and trade creditor balances, representing amounts owed to its suppliers in respect of its hire stock purchases, third-party equipment hire and other expenses, where the Group obtains deferred payment terms. Other than in respect of timing effects on the payment of hire stock purchases, the Group does not typically experience significant movements in its working capital between accounting periods. In addition, within working capital, the Group accounts for stocks of consumables and fuel held for resale, and stocks of spare parts used to repair its equipment. The Group does not typically experience material movements in these stock balances between accounting periods. Other working capital balances include amounts owed or due in respect of taxes, prepayments and accruals. A large proportion of the Group's leasehold properties require quarterly rental payments (treated as prepayments). Value-added tax and corporation tax also require quarterly payments. These payments may impact the Group's working capital movements between accounting periods.

Borrowings

The table below presents a breakdown of the Group's interest-bearing loans and borrowings as at the dates indicated.

	As at				
	31 December 2011	**20 December 2012**	**28 December 2013**	**28 September 2013**	**27 September 2014**
				(unaudited)	
			(in millions of £)		
Non-current					
Term loans	201.0	124.2	151.9	153.3	—
Notes	—	—	—	—	193.6
Loan notes	2.0	95.0	101.0	100.7	81.1
	203.0	**219.2**	**252.9**	**254.0**	**274.7**
Current					
Term loans	0.2	0.4	0.9	0.8	—
Revolving credit facility	—	—	3.0	—	18.0
Bank overdraft	—	4.0	—	—	2.8
	0.2	**4.4**	**3.9**	**0.8**	**20.8**

See paragraph 11.4 of Part 14 (*Additional Information—The Group's financing arrangements*) for a description of the Group's indebtedness. The Group intends to use the net proceeds from the issue of the

New Shares to redeem approximately £64.0 million of the Notes currently outstanding and to repay approximately £21.0 million currently outstanding under the Revolving Credit Facility.

Contractual obligations

The following table summarises the Group's material contractual obligations as at 27 September 2014.

	Within 1 year	Between 1 and 5 years	More than 5 years	Total
		(in millions of £)		
Borrowings[(1)]	0.0	200.0	81.4	281.4
Finance lease obligations[(2)]	5.1	7.2	0.0	12.3
Total	**5.1**	**207.2**	**81.4**	**293.7**

(1) Nominal amounts only.

(2) Finance lease obligations represent hire equipment acquired under the Group's finance lease facilities in respect of its core HSS Hire and specialist businesses.

The Group's future operating lease commitments represent its operating leases in respect of the land and buildings, and vehicles that it leases, which is set out in the following table. These include lease obligations in respect of the Group's "dark" stores, the majority of which will lapse in the next four years. As at 27 September 2014 the Group held leases to 91 "dark" stores, which are its closed branches awaiting disposal, of which approximately 64% are either fully or partially sublet.

	Within 1 year	Between 1 and 5 years	More than 5 years	Total
		(in millions of £)		
Operating lease obligations	**21.0**	**55.3**	**33.7**	**110.0**

Off balance sheet arrangements

From time to time, the Group undertakes forward purchases in support of its electricity requirements. The Group does not believe that any of these arrangements has or could have a material adverse effect on the Group's results of operations, financial condition or liquidity.

Dividend Policy

The Directors intend to adopt a progressive dividend policy, alongside earnings growth, with a medium term target of three to 4.5 times normalised earnings cover (being the Group's net income before amortisation and exceptional items, after the deduction of a standard rate of tax as a multiple of aggregate dividends paid for the relevant period).

Assuming that there are sufficient distributable reserves at the time, the Directors intend that the Company will pay an interim dividend and a final dividend in respect of each financial year in the approximate proportions of one-third and two-thirds, respectively, of the annual total dividend. The first dividend to be paid by the Company is intended to be the interim dividend in respect of the 2015 financial year.

The Company may revise its dividend policy from time to time.

Quantitative and Qualitative Disclosures about Market Risks

Financial risk management

The Group's activities expose it to a variety of financial risks: cash flow and fair value interest rate risk, credit risk and liquidity risk. Risk management is carried out under policies approved by the board of Directors. Financial risk management is carried out by the Chief Financial Officer under a policy approved by the board. The board approves written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and liquidity risk and receives regular reports on such matters.

For a description of the Group's financial, credit and liquidity risks see note 14 of Part 11 (*Historical Financial Information*).

Critical Accounting Policies and Estimates

For a description of the Group's critical accounting judgements and key sources of estimation and uncertainty, see note 2y of Part 11 (*Historical Financial Information*).

PART 10

CAPITALISATION AND INDEBTEDNESS

Capitalisation and indebtedness

The table below sets out the Group's capitalisation as at 27 September 2014.

The capitalisation information has been extracted without material adjustment from the Group's financial information included in Part 11 (*Historical Financial Information*) as at 27 September 2014.

	27 September 2014
	£000
Shareholder's equity	
Share capital	2
Share premium	99
Total	**101**

There has been no material change in the Group's capitalisation since 27 September 2014.

The table below sets out the Group's indebtedness as at 22 November 2014.

	22 November 2014
	(in millions of £) (unaudited)
Total current debt	
Guaranteed	4.2
Secured	6.4
Unguaranteed/unsecured	19.6
Total non-current debt (excluding current portion of long-term debt)	
Guaranteed	200.0
Secured	6.2
Unguaranteed/unsecured	84.7
Total	**321.1**

The table below sets out the Group's net indebtedness as at 22 November 2014.

	22 November 2014
	(in millions of £) (unaudited)
Cash	4.7
Cash equivalents	—
Trading securities	—
Liquidity	4.7
Current financial receivable	—
Current bank debt	19.6
Current portion of non-current debt	—
Other current financial indebtedness	10.6
Current Financial Debt	**30.2**
Net current financial indebtedness	**25.6**
Non-current bank loans	—
Other non-current financial debt	290.9
Non-Current financial indebtedness	**290.9**
Net financial indebtedness	**316.4**

The amounts disclosed above are the gross amounts due under the Group's existing credit facilities. Under IFRS, borrowings are disclosed net of unamortised transaction costs of £6.5 million as of 22 November 2014.

The Group has no indirect and contingent indebtedness.

PART 11

HISTORICAL FINANCIAL INFORMATION

Section A: Accountant's report on the Historical Financial Information

The Directors
HSS Hire Group plc
25 Willow Lane
Mitcham, Surrey
CR4 4TS

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP

22 January 2015

Dear Sirs

HSS Hire Group plc

We report on the combined and consolidated financial information set out in Section B of Part 11 below (the "Financial Information Table"). The Financial Information Table has been prepared for inclusion in the prospectus dated 22 January 2015 (the "Prospectus") of HSS Hire Group plc (the "Company") on the basis of the accounting policies set out in note 2 to the Financial Information Table. This report is required by item 20.1 of Annex I to the PD Regulation and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Financial Information Table in accordance with the basis of preparation set out in note 2(a) to the Financial Information Table.

It is our responsibility to form an opinion as to whether the Financial Information Table gives a true and fair view, for the purposes of the Prospectus and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

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We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Financial Information Table gives, for the purposes of the Prospectus dated 22 January 2015, a true and fair view of the state of affairs of the Group as at the dates stated and of its profits/losses, cash flows and changes in equity/recognised income and expense for the periods then ended in accordance with the basis of preparation set out in note 2(a) to the Financial Information Table.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

Section B: Historical Financial Information

Combined and Consolidated Income Statements

	Note	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
		£000s	£000s	£000s	£000s	£000s
Revenue	3	177,012	181,582	226,698	163,549	208,484
Cost of sales		(53,783)	(60,273)	(73,525)	(51,169)	(73,655)
Gross profit		123,229	121,309	153,173	112,380	134,829
Distribution costs		(25,981)	(23,644)	(28,692)	(20,665)	(26,231)
Administrative expenses		(86,358)	(93,925)	(104,178)	(76,155)	(89,987)
Other operating income	4	1,074	1,216	1,049	755	873
Total operating profit		11,964	4,956	21,352	16,315	19,484
Adjusted EBITDA(1)	3	41,856	41,322	56,172	40,966	51,783
Less: Exceptional items	7	(3,507)	(9,864)	(3,864)	(2,857)	(1,015)
Less: Depreciation and amortisation		(26,385)	(26,502)	(30,956)	(21,794)	(31,284)
Total operating profit		**11,964**	**4,956**	**21,352**	**16,315**	**19,484**
Finance income	5	29	30	12	3	4
Movement in derivative financial instruments	7, 14	(1,792)	1,140	1,589	900	(1,154)
Finance costs	5, 7	(23,500)	(16,667)	(20,316)	(14,776)	(24,623)
(Loss)/Profit before tax		**(13,299)**	**(10,541)**	**2,637**	**2,442**	**(6,289)**
Adjusted (Loss)/Profit before tax		(8,000)	2,269	4,912	4,399	2,501
Less: Exceptional items (pre finance)	7	(3,507)	(9,864)	(3,864)	(2,857)	(1,015)
Less: Finance exceptional items	7	(1,792)	(2,946)	1,589	900	(7,775)
(Loss)/Profit before tax		**(13,299)**	**(10,541)**	**2,637**	**2,442**	**(6,289)**
Income tax (charge)/credit	9	(269)	455	(2,224)	(1,665)	333
(Loss)/Profit for the financial period		(13,568)	(10,086)	413	777	(5,956)
Loss attributable to:						
Owners of the Company		(13,568)	(10,086)	413	777	(5,956)
(Loss)/Earnings per share						
Basic (loss)/earnings per share (pence)	10	(13,761)	(10,229)	419	788	(6,003)
Diluted (loss)/earnings per share (pence)	10	(13,761)	(10,229)	419	788	(6,003)

(1) Adjusted EBITDA is defined as operating profit before Interest, Tax, Depreciation and Amortisation and exceptional items. Depreciation and amortisation includes hire stock asset disposals, hire stock write offs and customer losses.

The amortisation charge, certain administrative expenses and the interest and tax charges of Hero Acquisitions Limited consolidated results for the periods up to the Acquisition on 25 October 2012 reflect the goodwill, capital structure, financing and other arrangements of Hero Acquisitions Limited within the Hero Topco Limited group. See note 1 for details.

The directors have taken advantage of the option within section 390 of the Companies Act 2006 to make the historical financial information up to a date seven days either side of the company's accounting reference date.

Combined and Consolidated Statements of Other Comprehensive Income

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£000s	£000s	£000s	£000s	£000s
(Loss)/Profit for the financial period	(13,568)	(10,086)	413	777	(5,956)
Items that may be reclassified to profit or loss:					
Exchange differences arising on translation of foreign operations . .	(231)	(92)	96	86	(543)
Other comprehensive (loss)/income for the period, net of tax	(231)	(92)	96	86	(543)
Total comprehensive (loss)/income for the period	(13,799)	(10,178)	509	863	(6,499)
Attributable to owners of the Company	(13,799)	(10,178)	509	863	(6,499)

The combined and consolidated statements of other comprehensive income of Hero Acquisitions Limited consolidated results for the periods up to the Acquisition on 25 October 2012 reflect the goodwill, capital structure, financing and other arrangements of Hero Acquisitions Limited within the Hero Topco Limited group. See note 1 for details.

The directors have taken advantage of the option within section 390 of the Companies Act 2006 to make the historical financial information up to a date seven days either side of the company's accounting reference date.

Combined and Consolidated Statements of Financial Position

	Note	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
		£000s	£000s	£000s	£000s	£000s
ASSETS						
Non-current assets						
Intangible assets	11	125,601	163,226	166,212	168,269	170,820
Property, plant and equipment	12	56,580	65,423	99,877	92,265	141,390
Derivative financial instruments		—	—	1,154	465	—
		182,181	228,649	267,243	260,999	312,210
Current assets						
Inventories	15	3,366	3,754	5,417	3,836	6,072
Trade and other receivables	16	52,641	51,485	67,394	67,445	83,408
Cash and cash equivalents (excluding bank overdrafts)	17	4,063	1,523	2,871	456	5,190
		60,070	56,762	75,682	71,737	94,670
Total assets		**242,251**	**285,411**	**342,925**	**332,736**	**406,880**
LIABILITIES						
Current liabilities						
Trade and other payables	18	(203,594)	(43,862)	(64,854)	(54,523)	(113,745)
Current tax liabilities		(67)	(134)	(1,274)	(1,752)	(491)
		(203,661)	(43,996)	(66,128)	(56,275)	(114,236)
Non-current liabilities						
Trade and other payables	18	(252)	(3,045)	(5,019)	(4,646)	(7,172)
Loans and borrowings	20	(203,042)	(219,159)	(252,898)	(254,044)	(274,682)
Provisions	21	(8,641)	(14,886)	(14,939)	(13,313)	(13,147)
Deferred tax liability	19	—	(9,881)	(9,421)	(9,584)	(9,437)
Derivative financial instruments		(1,575)	(435)	—	—	—
		(213,510)	(247,406)	(282,277)	(281,587)	(304,438)
Total liabilities		**(417,171)**	**(291,402)**	**(348,405)**	**(337,862)**	**(418,674)**
Net liabilities		**(174,920)**	**(5,991)**	**(5,480)**	**(5,126)**	**(11,794)**
EQUITY/(DEFICIT)						
Share capital	22	—	—	2	2	2
Share premium		—	99	99	99	99
Hero Topco Limited Invested capital		(174,920)	—	—	—	—
Retained deficit		—	(6,090)	(5,581)	(5,227)	(11,895)
Total deficit attributable to owners of the Company		**(174,920)**	**(5,991)**	**(5,480)**	**(5,126)**	**(11,794)**

The statement of financial position for 2011 reflects the goodwill, capital structure, financing and other arrangements of Hero Acquisitions Limited within the Hero Topco Limited group. See note 1 for details.

The directors have taken advantage of the option within section 390 of the Companies Act 2006 to make the historical financial information up to a date seven days either side of the company's accounting reference date.

Combined and Consolidated Statements of Changes in Equity

	Share Capital	Share premium	Hero Topco Limited invested capital	Retained earnings	Total Equity/(Deficit) (attributable to owners)
	£000s	£000s	£000s	£000s	£000s
Balance at 31 December 2010	**—**	**—**	**(161,121)**	**—**	**(161,121)**
Total comprehensive income for the period					
Loss for the period	—	—	(13,568)	—	(13,568)
Foreign exchange difference	—	—	(231)	—	(231)
Total comprehensive income for the period	—	—	(13,799)	—	(13,799)
Balance at 31 December 2011	**—**	**—**	**(174,920)**	**—**	**(174,920)**
Total comprehensive income for the period					
Loss for the period	—	—	(3,186)	(6,900)	(10,086)
Foreign exchange difference	—	—	(92)	—	(92)
Total comprehensive income for the period	—	—	(3,278)	(6,900)	(10,178)
Transactions with owners recorded directly in equity					
Waiver of external debt	—	—	157,290	—	157,290
Capital contribution pre acquisition	—	—	6,580	—	6,580
Changes in ownership interests on Acquisition (note 1)	—	—	14,328	—	14,328
Issue of share capital	—	99	—	—	99
Capital contribution post acquisition	—	—	—	810	810
Balance at 29 December 2012	**—**	**99**	**—**	**(6,090)**	**(5,991)**
Total comprehensive income for the period					
Loss for the period	—	—	—	413	413
Foreign exchange difference	—	—	—	96	96
Total comprehensive income for the period	—	—	—	509	509
Transactions with owners recorded directly in equity					
Share issue	2	—	—	—	2
Balance at 28 December 2013	**2**	**99**	**—**	**(5,581)**	**(5,480)**
Balance at 29 December 2012	**—**	**99**	**—**	**(6,090)**	**(5,991)**
Total comprehensive income for the period					
Loss for the period	—	—	—	777	777
Foreign exchange difference	—	—	—	86	86
Total comprehensive income for the period	—	—	—	863	863
Transactions with owners recorded directly in equity					
Share issue	2	—	—	—	2
Balance at 28 September 2013	**2**	**99**	**—**	**(5,227)**	**(5,126)**
Balance at 28 December 2013	**2**	**99**	**—**	**(5,581)**	**(5,480)**
Total comprehensive income for the period					
Loss for the period	—	—	—	(5,956)	(5,956)
Foreign exchange difference	—	—	—	(543)	(543)
Total comprehensive income for the period	—	—	—	(6,499)	(6,499)
Transactions with owners recorded directly in equity					
Share based payment				185	185
Balance at 27 September 2014	**2**	**99**	**—**	**(11,895)**	**(11,794)**

The share capital and reserves of Hero Acquisitions Limited for the two periods up to the Acquisition on 25 October 2012 reflects the goodwill, capital structure, financing and other arrangements of Hero Acquisitions Limited within the Hero Topco Limited group. See note 1 for details.

The directors have taken advantage of the option within section 390 of the Companies Act 2006 to make the historical financial information up to a date seven days either side of the company's accounting reference date.

Combined and Consolidated Statements of Cash Flow

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£000s	£000s	£000s	£000s	£000s
(Loss)/Profit before income tax	(13,299)	(10,541)	2,637	2,442	(6,289)
Adjustments for:					
—Depreciation	19,413	19,916	23,953	16,510	23,656
—Loss on of hire stock disposals	6,598	4,904	3,431	2,545	4,743
—Amortisation	449	1,010	3,288	2,441	2,856
—(Profit)/loss on disposal of property, plant and equipment	(75)	673	284	297	29
—Losses/(gains) on financial instruments at fair value through profit or loss	1,792	(1,140)	(1,589)	(900)	1,154
—Other finance costs—net	23,471	16,637	20,304	14,773	24,619
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):					
—Inventories	(1,167)	(388)	(1,663)	188	(199)
—Trade and other receivables	(790)	(1,335)	(10,244)	(10,069)	(15,239)
—Trade and other payables	1,618	5,944	2,029	2,183	3,867
—Provisions	(554)	192	(368)	(832)	(1,792)
Cash generated from operations before changes in hire fleet	**37,456**	**35,872**	**42,062**	**29,578**	**37,405**
Purchase of hire equipment	(21,494)	(20,615)	(22,731)	(18,805)	(28,650)
Cash generated from operations	**15,962**	**15,257**	**19,331**	**10,773**	**8,755**
Net interest paid	(10,015)	(16,515)	(9,930)	(5,765)	(18,409)
Income tax received/(paid)	131	—	(1,498)	(521)	(713)
Net cash generated/(utilised) from operating activities	**6,078**	**(1,258)**	**7,903**	**4,487**	**(10,367)**
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	802	(7,640)	(26,440)	(25,859)	(6,743)
Purchases of non hire property, plant and equipment	(5,604)	(4,689)	(5,933)	(3,884)	(5,958)
Net cash used in investing activities	**(4,802)**	**(12,329)**	**(32,373)**	**(29,743)**	**(12,701)**
Cash flows from financing activities					
Proceeds from borrowings	—	53,732	33,002	30,000	218,000
Repayments of borrowings	(2,504)	(46,308)	(375)	—	(192,005)
Capital element of finance lease payments	(345)	(397)	(2,789)	(1,791)	(3,394)
Net cash used in financing activities	**(2,849)**	**7,027**	**29,838**	**28,209**	**22,601**
Net (decrease)/increase in cash and cash equivalents	**(1,573)**	**(6,560)**	**5,368**	**2,953**	**(467)**
Cash and cash equivalents at beginning of the period	5,636	4,063	(2,497)	(2,497)	2,871
Cash and cash equivalents at end of the period	**4,063**	**(2,497)**	**2,871**	**456**	**2,404**

The cash flows of Hero Acquisitions Limited for the two periods up to the Acquisition on 25 October 2012 reflects the goodwill, capital structure, financing and other arrangements of Hero Acquisitions Limited within the Hero Topco Limited group. See note 1 for details.

The directors have taken advantage of the option within section 390 of the Companies Act 2006 to make the historical financial information up to a date seven days either side of the company's accounting reference date.

Notes to the historical financial information

1. GENERAL INFORMATION

Hampshire Topco Limited (the "Company") is a company incorporated and domiciled in the United Kingdom, and the address of the registered office is 12 Henrietta Street, London, WC2E 8LH. The Company is a holding company of Hampshire Midco Limited and its subsidiaries, together (the "Group").

On 25 October 2012 Hero Acquisitions Limited was acquired by Havana Bidco Limited (the "Acquisition"). Prior to the Acquisition, Hero Acquisitions Limited was an indirect subsidiary of Hero Topco Limited, the investment vehicle for the former owners of Hero Acquisitions Limited. At the date of the Acquisition the ultimate parent of Havana Bidco Limited was Havana Topco Limited which subsequently changed its name on 23 May 2014 to Hampshire Topco Limited.

For the purposes of this historical financial information, the term "Group" means, prior to 25 October 2012, Hero Acquisitions Limited and its consolidated subsidiaries and undertakings (the "Hero Acquisitions Group"), and, thereafter, Hampshire Topco Limited (the "Company") and its consolidated subsidiaries and undertakings, including the Hampshire Topco Group. Following Admission, the "Group" unless the context otherwise requires shall mean HSS Hire Group plc and its consolidated subsidiaries and undertakings.

2. ACCOUNTING POLICIES

a) Basis of preparation

The directors have taken advantage of the option within section 390 of the Companies Act 2006 to make the historical financial information up to a date seven days either side of the company's accounting reference date.

This combined and consolidated historical financial information therefore presents the financial track record of the Group for the fifty two week periods ended 31 December 2011, 29 December 2012, 28 December 2013 and the thirty nine week periods ended 28 September 2013 and 27 September 2014 of those businesses which are part of the Group at the date of this document.

The historical financial information is prepared for the purposes of inclusion in the Prospectus of the Company for the purposes of admission on the main market operated by the London Stock Exchange. This financial information has been prepared in accordance with the requirements of the Prospectus Directive regulation and the Listing Rules, in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), except as noted below, and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS.

IFRS does not provide for the preparation of combined and consolidated financial information and, accordingly, in preparing the combined and consolidated financial information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars, as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board, have been applied. The application of these conventions results in a material departure from IFRS. In other respects IFRS has been applied.

Due to a change in capital structure of the Group on 25 October 2012, the historical financial information is prepared on a combined and consolidated basis which reflects the following:

For the fifty two week period ended 31 December 2011

The financial information is based on the consolidated financial statements of Hero Acquisitions Limited.

For the fifty two week period ended 29 December 2012

The financial information is based on the aggregation of the consolidated financial statements of Hero Acquisitions Limited for the 52 weeks ended 29 December 2012 and the financial statements of Hampshire Topco Limited, Hampshire MidCo Limited and Hampshire BidCo Limited for the period from 25 October 2012 to 29 December 2012.

2. ACCOUNTING POLICIES (Continued)

For the fifty two week period ended 28 December 2013, the thirty nine week period ended 28 September 2013 and the thirty nine week period ended 27 September 2014

The financial information is based on the consolidated financial statements of Hampshire Topco Limited and its subsidiaries and undertakings.

The Group's deemed transition date to IFRS is 1 January 2011. The principles and requirements for first time adoption of IFRS are set out in IFRS 1 "First-time adoption of International Financial Reporting Standards". IFRS 1 allows certain exemptions in the application of particular standards to prior periods in order to assist companies with the transition process. In this regard, the Group has not applied the requirements of IFRS3 to acquisitions that occurred before 1 January 2011.

This combined and consolidated historical financial information is prepared on a going concern basis and under the historical cost convention, as modified for the revaluation of certain financial instruments. The historical financial information is presented in thousands of pounds sterling ("£") except when otherwise indicated.

The combined and consolidated historical financial information has not been prepared in accordance with IAS 33 given the changes in the capital structure. An illustrative earnings per share measure for the three years and nine months is included in note 10 to present the earnings attributable to the Ordinary Shares as at the Listing date.

The preparation of historical financial information in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's reasonable knowledge of the amount, event or actions, actual results may differ from those estimates.

The principal accounting policies adopted in the preparation of the consolidated financial information are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

b) Going concern

Note 14 includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments, and its exposure to credit risk and liquidity risk.

The directors have also considered the adequacy of the Group's debt facilities with specific regard to the following factors: -

- there is no requirement to redeem any of the Senior Secured Notes until 1 August 2019.
- The financial covenants relating to the revolving credit facility secured by the Group, and as detailed in note 14.

The Group's forecasts and projections, taking into account the receipt of net proceeds from the proposed admission of the ordinary shares of HSS Hire Group plc to the London Stock Exchange's main market for listed securities, reasonably possible changes in trading performance and senior debt and interest repayments falling due as detailed in note 20, show that the Group is expected to be able to operate within the level of its current facilities for the foreseeable future.

After reviewing the above, taking into account current and future developments and principal risks and uncertainties, and making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the historical financial information.

c) Basis of consolidation

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred.

2. ACCOUNTING POLICIES (Continued)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or in other comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated.

d) Segment reporting

IFRS8 requires operating segments to be reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management team, including the Chief Executive Officer, Chief Operating Officer and Chief Finance Officer.

For management purposes, the Group is organised into segments based on services provided, and information is provided to the management team on these segments for the purposes of resource allocation and segment performance management and monitoring.

The management team considers there to be two reportable segments: -

- ***HSS Core***—provision of tool and equipment hire and related services
- ***HSS Specialist***—the provision of generator, powered access and cleaning hire equipment and the provision of cleaning maintenance services, under specialist brands

All trading activity and operations are in the United Kingdom and Republic of Ireland.

e) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within Administrative expenses.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date.

The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income.

2. ACCOUNTING POLICIES (Continued)

The combined and consolidated historical financial information is presented in sterling which is the Company's functional currency.

f) Property, plant and equipment

Land and buildings comprise leasehold and freehold retail outlets, workshops and offices, and are stated at cost or fair value, less depreciation or provision for impairment where appropriate. Land is not depreciated and depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

• Leasehold properties with less than fifty years unexpired	Over unexpired period of lease
• Freehold buildings and long leasehold properties	Over fifty years
• Plant & machinery	Two to ten years
• Materials and equipment held for hire	Two to ten years

Materials and equipment held for hire purposes are valued at cost less an amount, based on varying rates, according to normal working lives of between one and ten years, computed on the basis of cost, to cover depreciation, to write the assets down to between ten percent and nil, and to cover wastage and obsolescence. Profits or losses arising when customers are invoiced for loss of equipment held for hire purposes are calculated by reference to average written down values.

Gains and losses on disposals of materials and equipment held for hire are determined by comparing the proceeds with the carrying amount and are recognised within depreciation and amortisation in the Income Statement.

g) Intangible assets and Goodwill

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred and the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Intangible assets

Intangible assets are separately identified from goodwill on an acquisition, and a fair value attributed to those assets.

The HSS brand was first established in the late 1950's, and therefore given its longevity the directors consider the HSS brand intangible asset to have an indefinite life and it is not therefore amortised, but instead subjected to annual impairment testing using the relief from royalty methodology.

If the fair value is estimated to be less than its carrying amount, the carrying amount is reduced to its fair value. Where an impairment loss subsequently reverses, the carrying amount is increased to the revised estimate, but so that the increased amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. Any impairment losses or reversals are recognised immediately in profit or loss.

2. ACCOUNTING POLICIES (Continued)

The directors have also assessed the other brand intangibles of ABird, UK Platforms, TecServ and Apex acquired by the Group in October 2012, June 2013, November 2013 and March 2014 respectively, and determined that they have useful economic lives of 20 years. These brand intangibles are therefore amortised over their useful economic lives.

Customer relationships are valued at acquisition using the excess of earnings methodology and amortised over their useful economic life. The directors have estimated the customer relationship intangible assets recognised on the Acquisition of the Group in October 2012, TecServ in November 2013 and Apex in March 2014 as having useful economic lives of 10 years and accordingly are amortising their values over that period.

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed four years.

h) Derivative financial instruments

Historically the Group has used a derivative financial instrument to manage its exposure to interest rate risk. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period. The resulting gain or loss is recognised in the profit or loss immediately. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than twelve months and is not expected to be realised or settled within twelve months. Other derivatives are presented as current assets or liabilities.

Further details are disclosed in note 14.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provision is made for those inventory items where the net realisable value is estimated to be lower than cost. Net realisable value is based on both historical experience and assumptions regarding estimated future sales value.

j) Trade receivables

Trade receivables are amounts due from customers for tools and equipment rented, and related services performed, in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

2. ACCOUNTING POLICIES (Continued)

Trade receivables are initially recognised at fair value, and subsequently at amortised cost less provision for impairment.

k) Cash and cash equivalents

In the combined and consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. In the combined and consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

l) Equity and liabilities

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

(i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and

(ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the Group's own equity instruments..

Ordinary shares are classified as equity.

The following describes the nature and purpose of each reserve within shareholder's equity:

Share premium

The amount subscribed for share capital in excess of nominal value, less any costs directly attributable to the issue of new shares.

Retained earnings

Cumulative net gains and losses recognised in the group combined and consolidated comprehensive income statement.

m) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

o) Cost of sales, distribution costs and administrative expenses

Cost of sales includes direct costs associated with the Group's principal business of equipment hire. Such costs include hire stock rehire, resale, maintenance and depreciation costs. Distribution expenses comprise vehicle costs and transport wages. Administrative expenses comprise principally staff and property costs and costs of acquisitions.

2. ACCOUNTING POLICIES (Continued)

p) EBITDA and Adjusted EBITDA

Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) and Adjusted EBITDA are non-GAAP measures used by management to assess the operating performance of the Group. EBITDA is defined as operating profit before interest, tax, depreciation and amortisation. Depreciation and amortisation includes disposals and write offs of materials and equipment held for hire, and customer losses. Exceptional items are excluded from EBITDA to calculate Adjusted EBITDA.

The Directors primarily use the Adjusted EBITDA measure when making decisions about the Group's activities. As these are non-GAAP measures, Adjusted EBITDA and Adjusted operating profit measures used by other entities may not be calculated in the same way and hence not directly comparable.

q) Financing income and costs

Financing costs comprise interest payable on borrowings, and gains and losses on financial instruments that are recognised in the income statement.

Interest is recognised in the income statement as it accrues, using the effective interest rate. Interest payable on borrowings includes a charge in respect of attributable transaction costs, which are recognised in the income statement over the period of the borrowings on an effective interest basis. The interest expense component of finance lease payments is recognised in the income statement using the lease's implicit interest rate.

r) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined and consolidated historical financial information. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

s) Employee benefits

Pensions obligations

The Group operates employees' optional stakeholder retirement and death benefit schemes. Both employee and employers are required to make contributions with the employers' contributions for each employee determined by the level of contribution made by the employee and the employee's length of

2. ACCOUNTING POLICIES (Continued)

service within the Group or subsidiary company. The employer's contributions are charged against profits in the year in which the contributions are due.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

t) Provisions

Provisions for onerous leases, restructuring costs and legal claims are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated

Provision for decommissioning is recognised in full when the related facilities are installed. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related property. The amount recognised is the estimated cost of decommissioning, discounted to its net present value, and is reassessed each year in accordance with local conditions and requirements. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is included as a finance cost.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

u) Revenue recognition

The Group's activities consist of supplying hire and equipment services, principally within the UK. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, stated net of discounts, rebates, returns and value added taxes.

The Group recognises revenue when the amount of revenue can be reliably measured when it is probable that future economic benefits will flow to the entity. Revenue is recognised as follows:

• hire activities	over the period of hire
• damaged/lost hire stock compensation	when the loss or damage is identified
• Training and support services	at the point of sale, when a right to consideration arises

v) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

In the event that lease incentives are received, such incentives are recorded as a liability and recognised on a straight-line basis in profit and loss as a reduction of the rental expense from the inception of the lease to the end of the lease term.

2. ACCOUNTING POLICIES (Continued)

The Group leases certain property, plant and equipment. Where the Group has substantially all the risks and rewards of ownership, the leases are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

w) Exceptional items

Exceptional items are disclosed separately in the historical financial information where it is necessary to do so to provide further understanding of the financial performance of the Group. Exceptional items are items of income or expense that have been shown separately due to the significance of their nature or amount and include acquisition costs, fair value movements on derivative financial instruments and restructuring costs.

x) Share based payments

The Group awards certain employees equity-settled, share- based compensation plans on a discretionary basis.

The fair value of the employee services received in exchange for the grant of the awards is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the awards granted, excluding the impact of any non-market vesting conditions (for example, profitability and revenue growth targets). Non-market vesting conditions are included in assumptions about the number of awards that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of awards that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The Group has applied IFRS2 'Share based payments' and has adopted the Black-Scholes model for the purposes of computing 'fair value' for the awards.

y) Critical accounting estimates and assumptions

The preparation of the historical financial information in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, expenses and related disclosures. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. This forms the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may however differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based, or as a result of new information or further information. Such changes are recognised in the period in which the estimate is revised.

Certain accounting policies are particularly important to the preparation and explanation of the Group's financial information. Key assumptions about the future and key sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities over the next twelve months are set out below.

If business conditions were different, or if different assumptions were used in the application of the Group's policy for useful economic lives or residual values, materially different amounts could be reported in the Group's financial statements.

2. ACCOUNTING POLICIES (Continued)

(a) Impairment of Goodwill, Intangible Assets and Fixed Assets

These assets are reviewed annually for impairment as described above to ensure that they are not carried above their estimated recoverable amounts. To assess if any impairment exists, estimates are made of the future cash flows expected to result from the use of the asset and its eventual disposal. Actual outcomes could vary from such estimates of discounted future cash flows. Factors such as lower than anticipated sales could result in shortened useful lives or impairment.

(b) Income taxes

Estimates may be required in determining the level of current and deferred income tax assets and liabilities, which the directors believe are reasonable and adequately recognise any income tax related uncertainties. Various factors may have favourable or adverse effects on the income tax assets or liabilities. These include changes in tax legislation, tax rates and allowances, future levels of spending and the Group's level of future earnings.

(c) Useful Economic Life of assets

The Group's policy for applying useful economic lives and residual values of assets has been determined through applying historical experience and taking into consideration the nature of assets and their intended use.

(d) Decommissioning costs relating to property assets

The present value of the future expected outflows for these costs are initially estimated when the related facilities are installed, and regularly reviewed by the property director taking into account any expected changes in the anticipated cost of decommissioning.

z) Adoption of new and revised standards

Standards, amendments and interpretations effective and adopted by the Group:

IFRS expected to be applicable, in so far as this is currently known, to the first annual financial statements of the Group for the year ended 31 December 2014, have been applied. The accounting policies adopted in the presentation of the historical financial information reflect the adoption of the following new standards as of 1 January 2014:

- IAS 28 (revised 2011), 'Investments in associates and joint ventures' (effective 1 January 2014). This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.
- IAS 32 (amendment), 'Financial instruments—Presentation' on asset and liability offsetting (effective 1 January 2014). This amendment clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.
- IFRS 10 'Consolidated financial statements' (effective 1 January 2014). This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess.
- IFRS 11 'Joint arrangements' (effective 1 January 2014). This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed.
- IFRS 12 'Disclosure of interests in other entities' (effective 1 January 2014). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

2. ACCOUNTING POLICIES (Continued)

- Amendments to IAS 36, 'Impairment of assets' (effective 1 January 2014). These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

These new and revised standards have not had a material impact on the historical financial information.

Standards, amendments and interpretations endorsed but not yet effective:

- IFRS 9 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces IAS 39. IFRS 9 will become effective for the accounting periods starting on 1 January 2018, subject to EU endorsement.
- IFRS 15 'Revenue from contracts with customers' will become effective for accounting periods starting on 1 January 2017, subject to EU endorsement.

The impact of these standards is currently being assessed.

3. SEGMENTAL INFORMATION

As explained in note 2d, the management team considers the reportable segments to be "HSS Core" and "HSS Specialist". All segment revenue, operating profit, assets and liabilities are attributable to the principal activity of the Group being the provision of tool and equipment hire and related services in the United Kingdom and Ireland.

	52 week period ended 31 December 2011		
	HSS Core	HSS Specialist	Total
	£000s	£000s	£000s
Total revenue from external customers	177,012	—	177,012
Adjusted EBITDA	41,856	—	41,856
Depreciation and amortisation	(26,385)	—	(26,385)
Exceptional items	(3,507)	—	(3,507)
Segment operating profit	11,964	—	11,964
Total assets	242,251	—	242,251
Total liabilities	417,171	—	417,171
Additions to non-current assets in the period (excluding derivative financial instruments)			
Intangible assets	256	—	256
Property, plant and equipment	25,616	—	25,616
Total	25,872	—	25,872

	52 week period ended 29 December 2012		
	HSS Core	HSS Specialist	Total
	£000s	£000s	£000s
Total revenue from external customers	180,375	1,207	181,582
Adjusted EBITDA	40,880	442	41,322
Depreciation and amortisation	(26,113)	(389)	(26,502)
Exceptional items	(9,864)	—	(9,864)
Segment operating profit	4,903	53	4,956
Total assets	271,574	13,837	285,411
Total liabilities	285,195	6,207	291,402
Additions to non-current assets in the period (excluding derivative financial instruments)			
Intangible assets	160,041	3,397	163,438
Property, plant and equipment	25,403	9,011	34,414
Total	185,444	12,408	197,852

3. SEGMENTAL INFORMATION (Continued)

	52 week period ended 28 December 2013		
	HSS Core	HSS Specialist	Total
	£000s	£000s	£000s
Total revenue from external customers	208,049	18,649	226,698
Adjusted EBITDA	46,561	9,611	56,172
Depreciation and amortisation	(24,993)	(5,963)	(30,956)
Exceptional items	(1,654)	(2,210)	(3,864)
Segment operating profit	19,914	1,438	21,352
Total assets	291,665	51,260	342,925
Total liabilities	335,094	13,311	348,405
Additions to non-current assets in the period (excluding derivative financial instruments)			
Intangible assets	1,823	4,451	6,274
Property, plant and equipment	52,998	9,092	62,090
Total	54,821	13,543	68,364

	39 week period ended 28 September 2013 (Unaudited)		
	HSS Core	HSS Specialist	Total
	£000s	£000s	£000s
Total revenue from external customers	151,947	11,602	163,549
Adjusted EBITDA	35,975	4,991	40,966
Depreciation and amortisation	(18,101)	(3,694)	(21,794)
Exceptional items	(2,642)	(215)	(2,857)
Segment operating profit	15,232	1,082	16,315
Total assets	283,393	49,343	332,736
Total liabilities	325,554	12,308	337,862
Additions to non-current assets in the period (excluding derivative financial instruments)			
Intangible assets	1,033	6,452	7,485
Property, plant and equipment	37,971	8,124	46,095
Total	39,004	14,576	53,580

	39 week period ended 27 September 2014		
	HSS Core	HSS Specialist	Total
	£000s	£000s	£000s
Total revenue from external customers	181,677	26,807	208,484
Adjusted EBITDA	38,279	13,504	51,783
Depreciation and amortisation	(23,575)	(7,709)	(31,284)
Exceptional items	(1,566)	551	(1,015)
Segment operating profit	13,138	6,346	19,484
Total assets	326,153	80,727	406,880
Total liabilities	383,438	35,236	418,674
Additions to non-current assets in the period (excluding derivative financial instruments)			
Intangible assets	2,384	5,080	7,464
Property, plant and equipment	45,586	24,636	70,222
Total	47,970	29,716	77,686

4. OTHER OPERATING INCOME

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£000s	£000s	£000s	£000s	£000s
Property rental income	1,074	1,216	1,049	755	873
	1,074	1,216	1,049	755	873

5. FINANCE INCOME AND COST

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£'000	£'000	£'000	£'000	£'000
Bank loans and overdrafts	14,284	13,293	8,592	6,277	1,131
Investor loan notes	—	1,699	9,844	7,323	6,224
Senior secured notes	—	—	—	—	8,655
Finance leases	23	207	479	285	731
Interest unwind on discounted provisions	285	76	(27)	(11)	76
Debt issue costs[1]	502	1,386	1,185	844	7,500
Interest payable to parent undertaking	8,406	—	—	—	—
Other interest payable	—	6	243	58	306
Interest expense on financial liabilities at amortised cost	23,500	16,667	20,316	14,776	24,623
Finance costs	**23,500**	**16,667**	**20,316**	**14,776**	**24,623**
Finance income	**(29)**	**(30)**	**(12)**	**(3)**	**(4)**
Net finance cost	**23,471**	**16,637**	**20,304**	**14,773**	**24,619**

(1) debt issue costs charged to profit and loss in September 2014 arose as a result of the bond issue and refinancing undertaken in February 2014

6. PROFIT/(LOSS) BEFORE TAX

Operating profit is stated after charging / (crediting):

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£000s	£000s	£000s	£000s	£000s
Amortisation of intangible assets	449	1,009	3,288	2,442	2,856
Depreciation and other charges in respect of materials and equipment held for hire					
—owned assets	14,274	14,914	16,221	11,458	16,650
—leased assets	193	366	2,146	1,412	2,860
Depreciation of other tangible fixed assets					
—owned assets	4,946	4,636	5,586	3,640	4,146
Hire stock asset disposals, write-offs and customer losses	6,523	5,577	3,715	2,842	4,772
	26,385	26,502	30,956	21,794	31,284
Operating lease rentals					
—land and buildings	15,530	16,464	16,175	12,221	12,093
—motor vehicles	4,137	4,144	5,934	4,352	5,256
Sublease rental income	(1,074)	(1,216)	(1,049)	(755)	(873)
Foreign exchange (gain) / loss	(95)	45	(5)	(12)	8
	44,883	45,939	52,012	37,600	47,768
Auditor's remuneration					
—audit of the Company and consolidated financial statements	20	25	15	11	13
—audit of the Company's subsidiaries pursuant to legislation	62	91	157	118	121
Auditor's remuneration—services relating to corporate finance transactions	10	93	427	427	198
	92	209	599	556	332

7. EXCEPTIONAL ITEMS

Items of income or expense that have been shown either because of their size or their nature, or that are non-recurring are considered as exceptional items and are presented within the line items to which they relate in the Combined and Consolidated Income Statements.

7. EXCEPTIONAL ITEMS (Continued)

An analysis of the amount presented as exceptional items in this historical financial information is given below.

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£000s	£000s	£000s	£000s	£000s
Restructuring costs					
Included in distribution costs	417	57	48	48	—
Included in administrative expenses	3,090	6,129	3,190	2,224	845
	3,507	6,186	3,238	2,272	845
Acquisition costs					
Included in administrative expenses	—	3,678	626	585	170
Exceptional items (pre finance)	**3,507**	**9,864**	**3,864**	**2,857**	**1,015**
Refinance costs					
Included in finance costs	—	4,086	—	—	6,621
Fair value movement on derivative financial instruments					
Included in finance costs	1,792	(1,140)	(1,589)	(900)	1,154
Finance exceptional items	**1,792**	**2,946**	**(1,589)**	**(900)**	**7,775**
Total exceptional items	**5,299**	**12,810**	**2,275**	**1,957**	**8,790**

Restructuring costs

During the financial periods presented in this historical financial information the Group has incurred costs in relation to the restructuring of the business and its operations. Principally these costs relate to redundancies and the costs associated with exiting unprofitable stores including the cost of onerous leases.

The tax effect of these items was to reduce the tax charge by £0.2 million (December 2011 reduction of £0.9 million, December 2012 reduction of £1.5 million, December 2013 reduction of £0.5 million, September 2013 reduction of £0.5 million).

Acquisition costs

During the financial periods presented in this historical financial information, costs have been incurred relating to acquisitions. Principally these costs have related to legal and professional fees associated with the acquisitions. In accordance with IFRS these have been expensed as incurred and are presented as exceptional.

The tax effect of these items was to reduce the tax charge by £0.1 million (December 2011 nil, December 2012 reduction of £0.2 million, December 2013 nil, September 2013 nil).

Refinance costs

In 2012 and 2014 the Group incurred costs associated with restructuring its debt. These costs include £1,701,000 in relation to the termination of the interest rate swap held over £147,000,000 of the senior debt that was refinanced as part of the Acquisition.

The tax effect of these items was to reduce the tax charge by £1.3 million (December 2011 nil, December 2012 reduction of £0.8 million, December 2013 nil, September 2013 nil).

7. EXCEPTIONAL ITEMS (Continued)

Fair value movement on derivative financial instruments

In 2011 the Group held an interest rate swap to fix interest at 1.77% in respect of £147,000,000 of the senior debt which was refinanced as part of the Acquisition. Subsequently, the Group took out an interest rate swap to fix LIBOR interest at 0.959% in respect of £120,000,000 of the senior debt which was due to expire on 26 November 2016. The fair value movements taken to the Combined and Consolidated Income Statement have been presented as exceptional items.

The tax effect of these items was to reduce the tax charge by £0.2 million (December 2011 reduction of £0.5 million, December 2012 increase of £0.3 million, December 2013 increase of £0.4 million, September 2013 increase of £0.2 million).

8. EMPLOYEES AND DIRECTORS

Employee numbers

The average monthly number of people (including executive directors) employed were as follows:

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	No.	No.	No.	No.	No.
Distribution	667	596	614	585	615
inventory maintenance (cost of sales)	310	323	307	304	386
Administrative	1,290	1,443	1,691	1,497	1,839
	2,267	2,362	2,612	2,386	2,840

Staff costs (including executive directors)

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£'000	£'000	£'000	£'000	£'000
Wages and salaries	49,583	50,497	59,727	43,394	52,022
Employer's national insurance contributions and similar taxes	4,893	5,321	5,730	4,235	4,894
Other pension costs	1,012	1,102	1,331	936	1,175
Share based payments	—	—	—	—	185
	55,488	56,920	66,788	48,565	58,276

Directors' remuneration

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£'000	£'000	£'000	£'000	£'000
Aggregate emoluments	982	1,095	867	747	862
Pension contributions made	103	69	53	40	29
Share based payments	—	—	—	—	79
	1,085	1,164	920	787	970

8. EMPLOYEES AND DIRECTORS (Continued)

Remuneration of the highest paid director

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£'000	£'000	£'000	£'000	£'000
Aggregate emoluments	316	481	466	402	433
Pension contributions made	28	30	30	23	10
	344	511	496	425	443

Key management compensation

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£'000	£'000	£'000	£'000	£'000
Wages and salaries	2,283	2,422	1,950	1,433	2,614
Employer's national insurance contributions and similar taxes	283	311	240	176	335
Other pension costs	75	117	126	93	95
Share based payments	—	—	—	—	142
	2,641	2,850	2,316	1,702	3,186

The Key Management of the group comprise the directors along with senior managers from central support services and divisional and regional operations.

9. INCOME TAX EXPENSE

(a) Analysis of charge/(credit) in the year

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£'000	£'000	£'000	£'000	£'000
Current tax:					
UK corporation tax on the loss for the year	202	(23)	2,776	2,079	—
Tax payable/(recoverable)[1]	67	(167)	—	—	—
Adjustments in respect of prior years	—	—	79	59	—
Total current tax	269	(190)	2,855	2,138	—
Deferred tax credit for the period	—	(265)	(631)	(473)	(333)
Tax charge / (credit) on loss on ordinary activities	269	(455)	2,224	1,665	(333)

(1) Tax payable/(recoverable) in respect of a loan made to the HSS Employee Benefit Trust as a shareholder. The tax was recovered when the loan was subsequently waived.

9. INCOME TAX EXPENSE (Continued)

(b) Factors affecting the tax charge in the year

The tax assessed on the loss for the year differs from the standard UK corporation rate of tax. The differences are explained below:

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£'000	£'000	£'000	£'000	£'000
(Loss)/Profit on ordinary activities before tax	(13,299)	(10,541)	2,637	2,442	(6,289)
UK corporation tax at 26.5% (2011), 24.5% (2012), 23.25% (2013), 21.67% (2014) on loss on ordinary activities	(3,524)	(2,583)	613	568	(1,363)
Effects of:					
Expenses not deductible for tax purposes	1,703	2,484	2,439	1,718	2,011
Unprovided deferred tax movements on short term timing differences	2,520	(261)	(423)	(317)	369
Tax payable/(recoverable)[1]	67	(167)	—	—	—
Utilisation of unrecognised tax losses brought forward	(676)	(33)	(18)	(14)	(960)
Difference in foreign tax rate	—	—	(59)	(44)	—
Losses carried forward	179	187	92	69	—
Release of deferred tax on intangible assets acquired	—	(82)	(499)	(374)	(391)
Adjustments in respect of prior years	—	—	79	59	—
Total tax charge/(credit)	269	(455)	2,224	1,665	(333)

(1) Tax payable/(recoverable) in respect of a loan made to the HSS Employee Benefit Trust as a shareholder. The tax was recovered when the loan was subsequently waived.

(c) Factors that may affect future tax charge

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the Group's profits for the period ended 27 September 2014 are taxed at an effective rate of 22%. Further changes to the UK Corporation tax system were announced in the March 2013 Budget Statement. The 2013 Finance Act includes legislation to reduce the main rate of corporation tax from 21% to 20% from 1 April 2015. The reduction in tax rate to 20% was substantively enacted on 2 July 2013 and, therefore, has been included in the historical financial information to measure the deferred tax assets and liabilities.

10. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the result attributable to equity holders by the weighted average number of ordinary shares in issue.

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
Loss attributable to owners (£000)	(13,568)	(10,086)	413	777	(5,956)
Basic loss per ordinary share (pence)	(13,761)	(10,229)	419	788	(6,003)
Diluted loss per ordinary share (pence)	(13,761)	(10,229)	419	788	(6,003)
Basic weighted average number of ordinary shares	98,600	98,600	98,600	98,600	99,209
Diluted weighted average number of ordinary shares	98,600	98,600	98,600	98,600	99,209

There are no shares or options with a dilutive effect and hence the basic and diluted earnings per share are the same.

The earnings per share presented for the 52 week period ended 31 December 2011 and 29 December 2012 are based on the issued share capital of Hampshire Topco Limited at the date of the Acquisition (for further details see Note 1).

As described in Note 29, HSS Hire Group plc will acquire the entire ordinary share capital of Hampshire Topco Limited immediately following determination of the Offer Price, on or about 3 February 2015, through a share for share exchange.

The share capital of HSS Hire Group plc comprises 1 ordinary share and 50,000 redeemable preference shares and accordingly a supplementary earnings per share has not been presented in a tabular format in the historical financial information.

11. INTANGIBLE ASSETS

	Goodwill	Customer relationships	Brand	Software	Total
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 January 2011	**124,804**	**—**	**—**	**3,582**	**128,386**
Additions	—	—	—	256	256
At 31 December 2011	**124,804**	**—**	**—**	**3,838**	**128,642**
Eliminated on acquisition	(124,804)	—	—	—	(124,804)
Arising on acquisition	112,218	24,500	21,900	—	158,618
Additions for the period following the acquisition	2,997	—	400	1,423	4,820
At 29 December 2012	**115,215**	**24,500**	**22,300**	**5,261**	**167,276**
Additions	3,231	300	920	1,823	6,274
At 28 December 2013	**118,446**	**24,800**	**23,220**	**7,084**	**173,550**
Additions	4,151	900	29	2,384	7,464
At 27 September 2014	**122,597**	**25,700**	**23,249**	**9,468**	**181,014**
Accumulated amortisation:					
At 1 January 2011	**—**	**—**	**—**	**(2,592)**	**(2,592)**
Amortisation	—	—	—	(449)	(449)
At 31 December 2011	**—**	**—**	**—**	**(3,041)**	**(3,041)**
Amortisation	—	(408)	(3)	(598)	(1,009)
At 29 December 2012	**—**	**(408)**	**(3)**	**(3,639)**	**(4,050)**
Amortisation	—	(2,453)	(42)	(793)	(3,288)
At 28 December 2013	**—**	**(2,861)**	**(45)**	**(4,432)**	**(7,338)**
Amortisation	—	(1,905)	(50)	(901)	(2,856)
At 27 September 2014	**—**	**(4,766)**	**(95)**	**(5,333)**	**(10,194)**
Net book value:					
At 1 January 2011	**124,804**	**—**	**—**	**990**	**125,794**
At 31 December 2011	**124,804**	**—**	**—**	**797**	**125,601**
At 29 December 2012	**115,215**	**24,092**	**22,297**	**1,622**	**163,226**
At 28 December 2013	**118,446**	**21,939**	**23,175**	**2,652**	**166,212**
At 27 September 2014	**122,597**	**20,934**	**23,154**	**4,135**	**170,820**
Cost					
At 29 December 2012	**115,215**	**24,500**	**22,300**	**5,261**	**167,276**
Additions	5,572	—	880	1,033	7,485
At 28 September 2013	**120,787**	**24,500**	**23,180**	**6,294**	**174,761**
Accumulated amortisation:					
At 29 December 2012	**—**	**(408)**	**(3)**	**(3,639)**	**(4,050)**
Amortisation	—	(1,839)	(33)	(570)	(2,442)
At 28 September 2013	**—**	**(2,247)**	**(36)**	**(4,209)**	**(6,492)**
Net book value:					
At 28 September 2013	**120,787**	**22,253**	**23,144**	**2,085**	**168,269**

IFRS3 requires that, on acquisition, intangible assets are recorded at fair value. As explained in note 2a, the Group has not applied the requirements of IFRS3 to acquisitions that occurred before 1 January 2011.

As explained in note 2(g), the directors consider the HSS Brand intangible asset to have an indefinite life, and it is not therefore amortised The ABird, UK Platforms, TecServ and Apex brand intangibles are amortised over their useful economic lives which have been determined as 20 years.

11. INTANGIBLE ASSETS (Continued)

Amortisation of intangibles that have not been determined as indefinite life intangible assets is charged to profit or loss and is included within administrative expenses. Goodwill arising on acquisition is allocated to the CGU, or group of CGUs expected to benefit from the synergies of the combination.

Impairment testing is carried out at the cash generating unit (CGU) level on an annual basis. The following is a summary of the goodwill and indefinite life intangible allocation for each reportable segment:

Goodwill	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£000s	£000s	£000s	£000s	£000s
HSS Core	124,804	112,218	115,215	115,215	118,446
HSS Specialist	—	2,997	3,231	5,572	4,151
	124,804	115,215	118,446	120,787	122,597

Brand	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£000s	£000s	£000s	£000s	£000s
HSS Core	—	21,900	21,900	21,900	21,900
	—	21,900	21,900	21,900	21,900

A significant part of the goodwill and indefinite life intangibles, £162,376,000, relates to the Acquisition of the business by Exponent on 25 October 2012, and has not been impaired since Acquisition.

The Group estimates the recoverable amount of a CGU using a value in use model by projecting pre-tax cash flows for the next five years together with a terminal value using a growth rate. The key assumptions underpinning the recoverable amounts of the CGUs tested for impairment are forecast revenue and capital expenditure relating to hire equipment.

The forecast revenues in the model are based on the overall growth rates for the UK equipment hire market, with adjustments made for incremental growth relating to management actions.

The level of capital expenditure relating to hire equipment is linked to revenue growth based on historical data available to management.

The five year plans used in the impairment models are based on management's past experience and future expectations of performance.

The pre-tax discount rate used in all periods is 11.24% derived from a WACC calculation and benchmarked against similar organisations operating within the sector. The growth rate used is 3% in all periods which does not exceed the medium term average for the sector.

The total recoverable amount in respect of goodwill and brand intangible, as assessed by management using the above assumptions, is greater that the carrying amount and therefore no impairment charge has been booked in each period.

Management consider that it is not reasonably possible for the assumptions to change so significantly as to eliminate the excess.

12. PROPERTY PLANT AND EQUIPMENT

	Land & Buildings	Plant & Machinery	Materials & Equipment held for hire	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2011	39,486	37,408	117,232	194,126
Foreign exchange differences	—	(19)	(245)	(264)
Additions	403	5,201	20,012	25,616
Disposals	—	(20)	(19,203)	(19,223)
At 31 December 2011	39,889	42,570	117,796	200,255
Accumulated depreciation				
At 1 January 2011	23,126	32,021	81,939	137,086
Foreign exchange differences	—	(14)	(197)	(211)
Charge for the year	3,114	1,890	14,409	19,413
Disposals	—	(8)	(12,605)	(12,613)
At 31 December 2011	26,240	33,889	83,546	143,675
Net book amount				
At 31 December 2011	13,649	8,681	34,250	56,580

	Land & Buildings	Plant & Machinery	Materials & Equipment held for hire	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2012	39,889	42,570	117,796	200,255
Foreign exchange differences	(1)	(18)	(210)	(229)
Additions	2,574	2,115	20,714	25,403
Acquired on acquisition	—	318	8,693	9,011
Transfers	1,056	(1,056)	—	—
Disposals	(2,634)	(285)	(18,021)	(20,940)
At 29 December 2012	40,884	43,644	128,972	213,500
Accumulated depreciation				
At 1 January 2012	26,240	33,889	83,546	143,675
Foreign exchange differences	—	(13)	(137)	(150)
Charge for the year	2,196	2,328	15,392	19,916
Disposals	(2,069)	(178)	(13,117)	(15,364)
At 29 December 2012	26,367	36,026	85,684	148,077
Net book amount				
At 29 December 2012	14,517	7,618	43,288	65,423

12. PROPERTY PLANT AND EQUIPMENT (Continued)

	Land & Buildings	Plant & Machinery	Materials & Equipment held for hire	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2013	40,884	43,644	128,972	213,500
Foreign exchange differences	—	20	176	196
Additions	3,225	2,708	30,862	36,795
Acquired on acquisition	242	126	24,927	25,295
Disposals	(515)	(261)	(15,423)	(16,199)
At 28 December 2013	43,836	46,237	169,514	259,587
Accumulated depreciation				
At 1 January 2013	26,367	36,026	85,684	148,077
Foreign exchange differences	—	13	145	158
Charge for the year	2,397	2,688	18,868	23,953
Disposals	(353)	(133)	(11,992)	(12,478)
At 28 December 2013	28,411	38,594	92,705	159,710
Net book amount				
At 28 December 2013	15,425	7,643	76,809	99,877

	Land & Buildings	Plant & Machinery	Materials & Equipment held for hire	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2013	40,884	43,644	128,972	213,500
Foreign exchange differences	1	24	256	281
Additions	1,894	1,991	21,661	25,546
Acquired on acquisition	242	109	20,198	20,549
Disposals	(694)	(77)	(10,247)	(11,018)
At 28 September 2013	42,327	45,691	160,840	248,858
Accumulated depreciation				
At 1 January 2013	26,367	36,026	85,684	148,077
Foreign exchange differences	—	17	174	191
Charge for the year	1,767	1,873	12,870	16,510
Disposals	(432)	(51)	(7,702)	(8,185)
At 28 September 2013	27,702	37,865	91,026	156,593
Net book amount				
At 28 September 2013	14,625	7,826	69,814	92,265

12. PROPERTY PLANT AND EQUIPMENT (Continued)

	Land & Buildings	Plant & Machinery	Materials & Equipment held for hire	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2014	43,836	46,237	169,514	259,587
Foreign exchange differences	(5)	(73)	(781)	(859)
Additions	2,508	3,450	60,671	66,629
Acquired on acquisition	—	109	3,484	3,593
Transfers	—	—	—	—
Disposals	(25)	(23)	(16,034)	(16,082)
At 27 September 2014	46,314	49,700	216,854	312,868
Accumulated depreciation				
At 1 January 2014	28,411	38,594	92,705	159,710
Foreign exchange differences	—	(52)	(529)	(581)
Charge for the year	2,044	2,102	19,510	23,656
Disposals	(1)	(15)	(11,291)	(11,307)
At 27 September 2014	30,454	40,629	100,395	171,478
Net book amount				
At 27 September 2014	15,860	9,071	116,459	141,390

The net book value of materials and equipment held for hire includes an amount of £11,668,000 (28 September 2013: £9,149,000, 28 December 2013: £10,041,000, 29 December 2012: £6,384,000, 31 December 2011: £353,000) in respect of assets held under finance leases. The depreciation charge for assets held under finance leases was £2,860,000 (9 months to 28 September 2013: £1,412,000, 52 weeks to 28 December 2013: £2,146,000, 52 weeks to 29 December 2012: £366,000, 52 weeks to 31 December 2011: £193,000).

Amounts disclosed as acquired on acquisition in each reported period reflect the net book value of property plant and equipment included in the business combinations detailed in note 28. The historical cost of the property, plant and equipment acquired on acquisition included in the historical financial information is £72,899,000 (Land and buildings £472,000, Plant and machinery £1,517,000 and Materials and equipment held for hire: £70,910,000).

13. INVESTMENTS IN SUBSIDIARIES

The principal subsidiary undertakings of the Group at 27 September 2014 are presented below:

		Percentage of ordinary shares held
Company	Country of incorporation	27 September 2014
Intermediate holding companies		
Hampshire Midco Ltd	United Kingdom	100%
Hampshire Bidco Ltd	United Kingdom	100%
Hero Acquisitions Ltd	United Kingdom	100%
HSS Hire Service Holdings Ltd	United Kingdom	100%
HSS Hire Service Finance Ltd	United Kingdom	100%
Bannagroe Ltd	Republic of Ireland	100%
Abird Superior Ltd	United Kingdom	100%
Hire and equipment services companies		
HSS Hire Service Group Ltd	United Kingdom	100%
A1 Hire & Sales Ltd	United Kingdom	100%
Laois Hire Services Ltd	Republic of Ireland	100%
ABird Ltd	United Kingdom	100%
Apex Generators Ltd	United Kingdom	100%
UK Platforms Ltd	United Kingdom	100%
Group financing company		
HSS Financing PLC	United Kingdom	100%
Training company		
HSS Training Ltd	United Kingdom	100%
Group trade debtors administration company		
1st Collection Services Ltd	United Kingdom	100%
Cleaning equipment services company		
TecServ Cleaning Equipment Services Ltd	United Kingdom	100%

14. FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities are:

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£'000	£'000	£'000	£'000	£'000
Financial assets					
Trade and other receivables and accrued income	40,866	45,306	59,690	61,877	76,443
Due from former parent undertakings	5,041	—	—	—	—
Derivative financial instruments	—	—	1,154	465	—
Cash and cash equivalents	4,063	1,523	2,871	456	5,190
	49,970	46,829	63,715	62,798	81,633

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£'000	£'000	£'000	£'000	£'000
Financial liabilities					
Bank and other borrowings	203,209	223,554	256,772	254,794	295,468
Obligations under finance lease	424	5,137	8,427	7,315	12,300
Trade payables	16,532	20,288	29,493	20,839	54,420
Due to former parent undertakings	167,000	—	—	—	—
Accrued interest on borrowings	6,298	1,626	6,985	5,697	4,258
Derivative financial instruments	1,575	435	—	—	—
	395,038	251,040	301,677	288,645	366,446

The fair value of financial assets and financial liabilities are not materially different to their carrying value.

Financial risk management

The Group's activities expose it to a variety of financial risks: cash flow and fair value interest rate risk, credit risk and liquidity risk.

Risk management is carried out under policies approved by the board of directors. Financial risk management is carried out by the Chief Financial Officer under a policy approved by the board. The board approves written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and liquidity risk and receives regular reports on such matters.

(a) Market risks

i. Cash flow and fair value interest rate risk

Following the refinancing in February 2014, the Group's borrowings are principally fixed rate notes. Cash flow risk resulting from interest rates is limited to the Group's overdraft and other short-term borrowings and, as a result, the directors do not consider it significant. The Group previously held fixed-to-floating interest rates swaps, but the refinancing rendered these unnecessary and all swap arrangements were cancelled at the time of the refinancing.

The directors continue to monitor the Groups' funding requirements and external debt markets to ensure that the Group's borrowings are appropriate to its requirements in terms of quantum, rate and duration. The directors acknowledge that a majority of fixed rate debt exposes the Group to fair value risk, but, after considering expectations of future interest rate movements, believe this risk to be within a reasonable tolerance for the current needs of the business. Since this fair value interest rate risk arises as result of market interest rate fluctuations in comparison to the Group's fixed rates, it

14. FINANCIAL INSTRUMENTS (Continued)

does not affect profit or loss or equity. The fair value of the Group's debt instruments is not materially different from their book value.

ii. Foreign exchange risk

The Group is exposed to translation risk resulting from its Irish subsidiaries. However, this is not considered material to the Group's equity.

(b) Credit risk

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

The Group has implemented policies to manage potential credit risk before sales are made, and the directors do not expect any significant losses of receivables that have not been provided for as shown in note 16.

Customer credit terms are determined using independent ratings agency data and regularly updated to reflect any identified and relevant changes in customer circumstances or trading conditions. If no independent rating is available an internal assessment is made of the credit quality of the customer, taking into account their financial position, past experience and other factors. Individual credit limits are set based on internal or external ratings in accordance with limits set by the board. Sales to retail customers are settled in cash or using major credit cards.

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted

(c) Liquidity risk

Group finance regularly monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (note 20) at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance. The financial covenant in place on the Group's revolving credit facility at 27 September 2014 is a minimum EBITDA of £35 million on a rolling twelve months basis.

Capital Management

The Group relies on capital for organic and acquisitive growth, the purchase of rental equipment to replace equipment that has reached the end of its useful economic life and to secure and establish new rental locations and branches. Total capital is defined as "equity" as shown in the combined and consolidated statement of financial position plus net debt (total borrowings less cash). The Group manages its capital structure using a number of measures and taking into account its future strategic plans. Such measures include ensuring the Group maintains sufficient liquidity and compliance with a maintenance covenant. In addition to the cash that the Group has generated from its operations, over recent years it has renegotiated its debt structure including the issue of a fixed interest rate bond, fixed term loan notes and secured shorter term bank borrowing through a revolving credit facility.

Financial Instruments at fair value through profit and loss

The valuation of all financial derivative assets and liabilities carried at fair value is based on hierarchy level 2.

Fair value hierarchy levels are defined as follows:

- ***Level 1***: quoted prices (unadjusted) in active markets for identical assets and liabilities;

14. FINANCIAL INSTRUMENTS (Continued)

- ***Level 2***: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- ***Level 3***: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of interest rate swap contracts are calculated by management based on external valuations received from the Group's bankers and is based on anticipated future interest yields.

15. INVENTORIES

The cost of inventories recognised as an expense and included in cost of sales is £23,393,232 (September 2013: £13,566,773, December 2013: £20,200,419, December 2012: £18,141,850 and December 2011: £18,605,825). At 27 September 2014 the inventory provision amounted to £1,456,861 (September 2013: £nil, December 2013: £1,179,918, December 2012: £nil and December 2011: £nil)

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£000s	£000s	£000s	£000s	£000s
Inventory held for resale	2,709	2,879	5,116	3,160	5,389
Inventory spares	657	875	1,481	676	2,140
Gross Inventories	**3,366**	**3,754**	**6,597**	**3,836**	**7,529**
Inventory provision	—	—	(1,180)	—	(1,457)
	3,366	3,754	5,417	3,836	6,072

The following table details the movements in the provision for impairment of inventories:

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£000s	£000s	£000s	£000s	£000s
Balance at the beginning of the period	—	—	—	—	1,180
Impairment losses recognised	—	—	1,180	—	277
Balance at the end of the period	—	—	1,180	—	1,457

16. TRADE AND OTHER RECEIVABLES

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£'000	£'000	£'000	£'000	£'000
Trade receivables	36,451	41,631	55,848	57,464	71,622
Less provision for impairment of trade receivables	(1,648)	(1,598)	(2,610)	(2,175)	(3,611)
Trade receivables—net	**34,803**	**40,033**	**53,238**	**55,289**	**68,011**
Due from former parent undertakings	5,041	—	—	—	—
Other debtors	2,364	1,499	812	947	767
Prepayments and accrued income	10,433	9,786	13,177	11,042	14,463
Corporation tax	—	167	167	167	167
	52,641	51,485	67,394	67,445	83,408

16. TRADE AND OTHER RECEIVABLES (Continued)

Amounts due from former parent undertaking, other debtors and prepayments and accrued income do not contain impaired assets. There is no difference between the carrying value and fair value of all trade and other receivables.

Provisions are estimated based upon past default experience and the Directors' assessment of the current economic environment. The creation and release of receivables is charged/(credited) to administrative expenses in the income statement.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

The following table details the movements in the provision for impairment of receivables.

	52 week period ended 31 December 2011	52 week period ended 29 December 2012	52 week period ended 28 December 2013	Unaudited 39 week period ended 28 September 2013	39 week period ended 27 September 2014
	£000s	£000s	£000s	£000s	£000s
Balance at the beginning of the period	(2,494)	(1,648)	(1,598)	(1,598)	(2,610)
Impairment losses released/ (recognised)	679	(570)	(1,019)	(581)	(1,002)
Amounts recovered during the period	167	620	7	4	1
Balance at the end of the period	(1,648)	(1,598)	(2,610)	(2,175)	(3,611)

Debt past due date, but not impaired

The aging profile of trade receivables that are past due but not impaired is:

Days overdue	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£'000	£'000	£'000	£'000	£'000
1 to 30 days	2,894	3,044	4,431	3,800	4,733
30 to 60 days	1,492	819	2,054	1,698	2,378
61 to 90 days	143	—	41	25	147
over 90 days	311	—	—	452	723
	4,840	3,864	6,526	5,975	7,981

These amounts have not been impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable.

17. CASH AND CASH EQUIVALENTS

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£'000	£'000	£'000	£'000	£'000
Cash	4,063	1,523	2,871	456	5,190
	4,063	1,523	2,871	456	5,190
Bank overdrafts	—	(4,020)	—	—	(2,786)
Cash and cash equivalents	4,063	(2,497)	2,871	456	2,404

The carrying amount of cash and cash equivalents approximates to their fair value.

17. CASH AND CASH EQUIVALENTS (Continued)

The Group's banking arrangements are subject to a master netting arrangement with their principal bankers. The net balance of a portfolio of accounts, some of which may be in overdraft and some may be in credit, represents the balance held. In the period ended 28 September 2013, the year ended 28 December 2013 and the year ended 31 December 2011 the net of these accounts was in credit and therefore this has been disclosed as cash in these periods. The gross cash book deficits netted against cashbook surpluses in these periods was £5,580,000, £78,000 and £257,000 respectively.

18. TRADE AND OTHER PAYABLES

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£'000	£'000	£'000	£'000	£'000
Current					
Bank and other borrowings	167	4,395	3,875	750	20,786
Obligations under finance lease	172	2,092	3,408	2,669	5,127
Trade payables	16,532	20,288	29,493	20,839	54,420
Due to former parent undertakings	167,000	—	—	—	—
Other taxes and social security costs	3,229	4,117	4,759	6,363	6,199
Other creditors	787	1,446	3,092	3,985	2,559
Accrued interest on borrowings	6,298	1,626	6,985	5,697	4,258
Accruals and deferred income	9,409	9,898	13,242	14,220	20,396
	203,594	43,862	64,854	54,523	113,745
Non-current					
Obligations under finance lease	252	3,045	5,019	4,646	7,172
	252	3,045	5,019	4,646	7,172

The carrying amount of trade and other payables principally comprise amounts outstanding for trade purchases and is considered to approximate fair value. Accrued interest substantially relates to bank borrowings and loan notes.

Obligations under finance leases represent the cumulative difference between the income statement charge for finance leases and the cash payments made in accordance with the lease agreement, less any payments made to date.

19. DEFERRED TAX

Deferred tax is provided in full on taxable temporary differences under the liability method using applicable tax rates. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

	Capital allowances	Acquired intangible assets	Total
	£'000	£'000	£'000
At 1 January 2011	—	—	—
(Charge) credit to Income Statement	—	—	—
At 31 December 2011	—	—	—
Deferred tax assets	**—**	**—**	**—**
Deferred tax liabilities	**—**	**—**	**—**
At 31 December 2011	**—**	**—**	**—**
(Charge) credit to Income Statement	183	82	265
Arising on Acquisition	(786)	(9,360)	(10,146)
At 29 December 2012	**(603)**	**(9,278)**	**(9,881)**
Deferred tax assets	**—**	**—**	**—**
Deferred tax liabilities	**(603)**	**(9,278)**	**(9,881)**
At 29 December 2012	**(603)**	**(9,278)**	**(9,881)**
(Charge) credit to Income Statement	132	499	631
Arising on Acquisition	73	(244)	(171)
At 28 December 2013	**(398)**	**(9,023)**	**(9,421)**
Deferred tax assets	**—**	**—**	**—**
Deferred tax liabilities	**(398)**	**(9,023)**	**(9,421)**
At 28 December 2013	**(398)**	**(9,023)**	**(9,421)**
At 29 December 2012	**(603)**	**(9,278)**	**(9,881)**
(Charge) credit to Income Statement	99	374	473
Arising on Acquisition	—	(176)	(176)
At 28 September 2013	**(504)**	**(9,080)**	**(9,584)**
Deferred tax assets	**—**	**—**	**—**
Deferred tax liabilities	**(504)**	**(9,080)**	**(9,584)**
At 28 September 2013	**(504)**	**(9,080)**	**(9,584)**
At 28 December 2013	**(398)**	**(9,023)**	**(9,421)**
(Charge) credit to Income Statement	(58)	391	333
Arising on Acquisition	(163)	(186)	(349)
At 27 September 2014	**(619)**	**(8,818)**	**(9,437)**
Deferred tax assets	**—**	**—**	**—**
Deferred tax liabilities	**(619)**	**(8,818)**	**(9,437)**
At 27 September 2014	**(619)**	**(8,818)**	**(9,437)**

At 27 September 2014, £8,916,000 (28 December 2013: £8,900,000, 28 September 2013: £9,063,000, 29 December 2012 £9,383,000, 31 December 2011 £nil) of the deferred tax liability is expected to crystallise after more than one year.

As at 27 September 2014 the Group had an unrecognised deferred tax asset relating to trading losses of £3,430,000 (31 December 2011: £220,000, 29 December 2012: £188,000, 28 December 2013: £4,750,000 and 28 September 2013: £4,750,000). The Group also has an unrecognised deferred tax asset relating to timing differences on plant & provisions of £6,620,000, (31 December 2011: £10,292,000, 29 December 2012:

19. DEFERRED TAX (Continued)

£9,819,000, 28 December 2013: £8,389,000 and 28 September 2013: £8,317,000). No deferred tax assets have been recognised on the basis that it is not sufficiently certain when taxable profits that can be utilised to absorb the reversal of the timing difference will be made in the future.

20. LOANS AND BORROWINGS

(a) Bank and other borrowings

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£'000	£'000	£'000	£'000	£'000
Non-current					
Term loans	201,032	124,170	151,940	153,314	—
Senior secured note	—	—	—	—	193,599
Loan notes	2,010	94,989	100,958	100,730	81,083
	203,042	219,159	252,898	254,044	274,682
Current					
Term loans	167	375	875	750	—
Revolving credit facility	—	—	3,000	—	18,000
Bank overdraft	—	4,020	—	—	2,786
	167	4,395	3,875	750	20,786

The nominal amount of the Group's debt at each reporting date is as follows:

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£'000	£'000	£'000	£'000	£'000
Secured Senior Term Loan 'A'	—	40,000	39,018	40,623	—
Secured Senior Term Loan 'B'	—	90,000	90,000	90,000	—
Secured Senior Term Loan 'C'	—	—	20,000	20,000	—
Secured Senior Term Loan 'D'	—	—	10,000	10,000	—
Secured Senior Bank Facility 'B'	90,050	—	—	—	—
Secured Senior Bank Facility 'C1'	60,509	—	—	—	—
Secured Senior Bank Facility 'C2'	23,898	—	—	—	—
Secured Senior Bank Facility 'D'	28,751	—	—	—	—
Secured Senior note	—	—	—	—	200,000
Loan notes	2,010	95,401	101,329	101,118	81,395
	205,218	225,401	260,347	261,741	281,395

Loan notes are 10% fixed rate unsecured payment in kind notes maturing in 2032, and the Secured Senior note is a 6.75% fixed rate bond maturing in 2019.

20. LOANS AND BORROWINGS

Interest rates applicable are as follows:

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	% above LIBOR	% above LIBOR	% above LIBOR	% above LIBOR	% above LIBOR
Secured Senior Term Loan 'A'	—	4.25%	4.25%	4.25%	—
Secured Senior Term Loan 'B'	—	4.75%	4.75%	4.75%	—
Secured Senior Term Loan 'C'	—	—	7.00%	7.00%	—
Secured Senior Term Loan 'D'	—	—	10.50%	10.50%	—
Secured Senior Bank Facility 'B'	3.75%	—	—	—	—
Secured Senior Bank Facility 'C1'	4.25%	—	—	—	—
Secured Senior Bank Facility 'C2'	5.25%	—	—	—	—
Secured Senior Bank Facility 'D'	15.00%	—	—	—	—
Revolving credit facility	4.25%	4.25%	4.25%	4.25%	2.50%

Borrowings have the following maturity profile:

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£'000	£'000	£'000	£'000	£'000
Less than one year	8,252	8,224	9,428	9,992	13,500
Two to five years	266,290	38,890	161,834	38,624	254,000
Over five years	—	837,338	704,997	832,674	487,167
	274,542	884,452	876,258	881,289	754,667
Less interest cash flows:					
Term loans	(69,324)	(87,196)	(49,776)	(53,413)	—
Senior secured note	—	—	—	—	(67,500)
Loan notes	—	(571,855)	(566,135)	(566,135)	(405,773)
Total principal cash flows	205,218	225,401	260,347	261,741	281,395

The term loans are secured by fixed and floating charges over the assets of the Group.

The Group has undrawn committed borrowing facilities of £39,214,000 at 27 September 2014 (£7,000,000 at 28 December 2013, £10,000,000 at 28 September 2013, £5,631,000 at 29 December 2012, £7,000,000 at 31 December 2011).

(b) Finance leases

The Group's future minimum payments under finance leases are as follows:

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£'000	£'000	£'000	£'000	£'000
Less than one year	172	2,092	3,408	2,669	5,127
Two to five years	252	3,045	5,019	4,646	7,172
	424	5,137	8,427	7,315	12,299

21. PROVISIONS FOR LIABILITIES

	Non-trading stores	Dilapidations	Other	Total
	£'000	£'000	£'000	£'000
At 1 January 2011	**3,853**	**5,342**	**—**	**9,195**
Additions		60		60
Utilised during the year	(1,799)	(40)	—	(1,839)
Unwind of provision	—	285	—	285
Increase/(decrease) in dilapidations provisions to property, plant and equipment	—	(244)	—	(244)
Charged to the income statement	1,184	—	—	1,184
At 31 December 2011	**3,238**	**5,403**	**—**	**8,641**
Arising on acquisition	5,575	—	—	5,575
Utilised during the year	(115)	(36)	—	(151)
Unwind of provision	(31)	76	—	45
Increase/(decrease) in dilapidations provisions to property, plant and equipment	—	(233)	—	(233)
Charged to the income statement	988	—	21	1,009
At 29 December 2012	**9,655**	**5,210**	**21**	**14,886**
Acquired	1,625	—	—	1,625
Additions	—	(46)		(46)
Utilised during the year	(1,478)	(19)	—	(1,497)
Unwind of provision	(191)	(27)	—	(218)
Increase/(decrease) in dilapidations provisions to property, plant and equipment	—	492	—	492
Credited to the income statement	(303)	—	—	(303)
At 28 December 2013	**9,308**	**5,610**	**21**	**14,939**
Additions	—	(123)	—	(123)
Utilised during the year	(1,249)	—	—	(1,249)
Unwind of provision	(140)	76	—	(64)
Increase/(decrease) in dilapidations provisions to property, plant and equipment	—	(228)	—	(228)
Credited to the income statement	(128)	—	—	(128)
At 27 September 2014	**7,791**	**5,335**	**21**	**13,147**
At 29 December 2012	**9,655**	**5,210**	**21**	**14,886**
Additions	—	(24)		(24)
Utilised during the year	(1,331)	—	—	(1,331)
Unwind of provision	(164)	76	—	(88)
Increase/(decrease) in dilapidations provisions to property, plant and equipment	—	(249)		(249)
Charged to the income statement	119	—	—	119
At 28 September 2013	**8,279**	**5,013**	**21**	**13,313**

Provisions for non-trading stores relate to property provisions for the current value of contractual liabilities the Group has in respect of leasehold premises. These liabilities are for future rent and rates payments on premises the Group no longer operationally uses.

The dilapidations provisions represent decommissioning costs in respect of the Group's leasehold properties.

There are inherent uncertainties in measuring the provisions of the future outflows, although the outflows are expected to arise over a period of up to 20 years.

22. SHARE CAPITAL

Number of ordinary shares

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	No.	No.	No.	No.	No.
Allotted, called up and fully paid					
A Ordinary shares at £0.0001 each	—	80,000	80,000	80,000	80,000
B Ordinary shares at £0.0001 each	—	18,600	18,600	18,600	20,000
D Ordinary shares at £1 each	—	—	2,000	2,000	2,000
	—	98,600	100,600	100,600	102,000

Nominal value of ordinary shares

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£	£	£	£	£
Allotted, called up and fully paid					
A Ordinary shares at £0.0001 each	—	8	8	8	8
B Ordinary shares at £0.0001 each	—	2	2	2	2
D Ordinary shares at £1 each	—	—	2,000	2,000	2,000
	—	10	2,010	2,010	2,010

The voting rights and restrictions attached to the Ordinary £1 shares (issued by Hero Acquisitions Limited) and the A Ordinary, B Ordinary and D Ordinary shares (issued by Hampshire Topco Limited) are as described in the Articles of Association of those companies, and are summarised as follows:

Voting rights are attached to the shares in the values of:

- 75 per cent attributable to A shares
- 25 per cent to D shares.

The holders of the D ordinary shares' entitlement to dividends is restricted to the lower of 97% of the aggregate total subscription price paid for the B ordinary shares and the D ordinary shares and an amount equal to the aggregate of 10% of the subscription price of the D ordinary shares compounded at a rate of 10% per annum.

Save for any proposed variation in class rights, holders of the B and C shares have no voting rights (nor attend or receive notice of the general meeting). In anticipation of the IPO, steps to restructure the share capital of Hampshire Topco Limited have been performed as set out in note 29 (post balance sheet events).

No dividends have been paid or proposed in any of the periods included in the track record.

Other than those disclosed in the tables above, there were no movements in shares allotted during the period.

23. SHARE BASED PAYMENTS

Ordinary B shares

In 2012 the Group issued 18,600 Ordinary B shares to certain employees. Subsequently 150 awards were forfeited by employees in 2013. In 2014 the Group issued a further 1,775 Ordinary B shares. On an exit event the shares can be sold by the holder at market value. The shares cannot be sold or exchanged under any other circumstances. In order to be eligible to hold the shares at an exit event the employee must have remained in employment with the Group for a specified period of time.

23. SHARE BASED PAYMENTS (Continued)

The fair value of the awards at the date of grant has been measured using a Black Scholes pricing model. The inputs used in the model are set out below.

	52 week period ended 29 December 2012	39 week period ended 27 September 2014
Grant Date Year		
Expected Life of options (years)	6	1.5
Exercise Prices	£nil	£ nil
Market values of underlying shares	£ 1	£108
Risk free rate	4%	4%
Expected share price volatility	70%	70%
Expected dividend yield	0%	0%

The total charge for the year relating to employee share based payment plans recorded in the historical financial information is £185,000 (2013: £nil, 2012: £nil, 2011: £nil).

24. COMMITMENTS AND CONTINGENCIES

The Group's total commitments under non-cancellable operating leases is set out below:

	31 December 2011	29 December 2012	28 December 2013	Unaudited 28 September 2013	27 September 2014
	£000s	£000s	£000s	£000s	£000s
Land and buildings					
Within one year	15,018	15,356	15,953	15,670	16,288
Between one and five years	54,731	51,991	49,919	49,588	50,519
After five years	40,673	32,610	29,198	29,118	33,652
	110,422	99,957	95,070	94,376	100,459
Other					
Within one year	3,950	4,969	5,239	4,919	4,748
Between one and five years	6,067	8,529	8,250	7,989	4,790
After five years	—	—	—	—	—
	10,017	13,498	13,489	12,908	9,538
	120,439	113,455	108,559	107,284	109,997

25. PENSION COMMITMENTS

The Group provides stakeholder pension schemes to employees and assets of all schemes are held separately from those of the Group in an independently administered fund. At 27 September 2014, no contributions were owing to the scheme (28 September 2013: nil, 28 December 2013: nil, 29 December 2012: nil, 31 December 2011: nil).

26. RELATED PARTY TRANSACTIONS

September 2014

It is proposed that a loan will be made by Hampshire Topco Limited to Steve Trowbridge prior to Admission in order to enable him to pay the income tax and employee national insurance contributions arising on any difference between the unrestricted market value of the B shares in Hampshire Topco Limited acquired by him in 2014 and the subscription price actually paid. The loan will be for up to £31,490 and will be written off by Hampshire Topco Limited upon Admission or (if Admission does not occur) on a future exit event.

26. RELATED PARTY TRANSACTIONS (Continued)

During the period entities managed by Exponent Private Equity LLP charged the Group fees of £112,500, and nil was outstanding at 27 September 2014. The Group held outstanding loan notes together with accrued interest of £83,356,898 owed to Exponent Private Equity LLP at 27 September 2014.

December 2013

During the period entities managed by Exponent Private Equity LLP charged the Group fees of £157,000, and nil was outstanding at 28 December 2013. The Group held outstanding loan notes together with accrued interest of £106,132,750 owed to Exponent Private Equity LLP at 28 December 2013.

December 2012

During the period entities managed by Exponent Private Equity LLP charged the Group fees of £40,000, and nil was outstanding at 31 December 2012. In the period prior to the Acquisition Aurigo Hero LP (the previous ultimate controlling party) charged the Group £165,000 in fees and nil was outstanding at 29 December 2012. The Group held outstanding loan notes together with accrued interest of £96,288,658 owed to Exponent Private Equity LLP at 29 December 2012.

December 2011

During the period Aurigo Hero LP charged the Group £200,000 in fees and nil was outstanding at 31 December 2011. The Group held outstanding loan notes together with accrued interest of £2,010,381 owed to Aurigo Hero LP at 31 December 2011.

27. ULTIMATE PARENT UNDERTAKING

By virtue of its majority shareholding, Hampshire Topco Limited is controlled by funds managed by Exponent Private Equity LLP.

28. BUSINESS COMBINATIONS

a) Period ended 27 September 2014

On 31 March 2014 the Group acquired the entire share capital of Apex Generators Ltd through its subsidiary Abird Superior Limited. Apex Generators Limited specialises in the hire of generators and associated equipment.

28. BUSINESS COMBINATIONS (Continued)

The assets and liabilities of Apex Generators Limited and its fair values are set out below:

	Provisional Fair Value
	£'000
Intangible assets	929
Property, plant and equipment	3,610
Inventory	456
Trade and other receivables	854
Cash	358
Creditors and provisions	(3,610)
Net assets acquired	**2,597**
Goodwill	3,393
Total consideration	**5,990**
Satisfied by	
Cash	5,990

Acquisition related costs of £170,000 have been charged to administrative expenses in the combined and consolidated income statement for the period ended 27 September 2014.

The revenue included in the combined and consolidated statement of comprehensive income since 31 March 2014 contributed by Apex Generators Limited was £3,792,000. Apex Generators Limited also contributed profit of £951,000 over the same period.

b) Period ended 28 December 2013

On 28 June 2013 HSS Hire Service Group Limited acquired the entire share capital of UK Platforms Limited, a powered access hire company. On 22 November 2013 HSS Hire Service Group Limited acquired the entire share capital of TecServ Cleaning Equipment Services Limited (formerly Premiere FCM Limited), a specialist provider of cleaning equipment services. Further details are given below. A further immaterial acquisition in the year gave rise to goodwill of £62,000.

The assets and liabilities of UK Platforms Limited and its fair values are set out below:

	Fair Value
	£'000
Intangible assets	880
Property, plant and equipment	25,874
Inventory	238
Trade and other receivables	5,182
Cash	406
Creditors and provisions	(5,782)
Finance leases	(2,208)
Net assets acquired	**24,590**
Goodwill	3,356
Total consideration	**27,946**
Satisfied by	
Cash	**27,946**

The fair value adjustments relate to the revaluation of the hire stock fleet to fair value, the recognition of provisions in line with the policies of HSS Hire Service Group and the recognition of the UK Platforms brand intangible asset.

28. BUSINESS COMBINATIONS (Continued)

Of the consideration, £2,000,000 relates to deferred consideration due in less than one year. This consideration was paid on 31 December 2013.

Acquisition costs of £585,000 have been charged to administrative expenses in the combined and consolidated income statement for the period ended 28 December 2013.

The fair value of trade and other receivables is £5,182,000. The gross contractual amount for trade and other receivables due is £5,552,000 of which £370,000 is expected to be uncollectible.

The revenue included in the combined and consolidated statement of comprehensive income since 28 June 2013 contributed by UK Platforms Limited was £11,203,000. UK Platforms Limited also contributed losses of £132,000 over the same period.

Had UK Platforms Limited been consolidated from 1 January 2013, the combined consolidated statement of income would show revenue of £236,564,000 and losses of £453,000.

The assets and liabilities of TecServ Cleaning Equipment Services Limited and its fair values are set out below:

	Fair Value
	£'000
Intangible assets	340
Property, plant and equipment	17
Inventory	358
Trade and other receivables	483
Cash	(51)
Creditors and provisions	(910)
Net assets acquired	**237**
Gain on bargain purchase	(187)
Total consideration	**50**
Satisfied by	
Cash	50

The fair value adjustments relate to the creation of an inventory obsolescence provision and the recognition of the TecServ brand and customer relationships intangible assets.

Acquisition costs of £41,000 have been charged to administrative expenses in the combined and consolidated income statement for the period ended 28 December 2013.

The revenue included in the combined and consolidated statement of comprehensive income since 22 November 2013 contributed by TecServ Cleaning Equipment Services Limited was £148,000. TecServ Cleaning Equipment Services Limited also contributed losses of £1,068,000 over the same period.

Had TecServ Cleaning Equipment Services Limited been consolidated from 1 January 2013, the combined consolidated statement of income would show revenue of £228,542,000 and profit of £463,000.

28. BUSINESS COMBINATIONS (Continued)

c) Period ended 29 December 2012

As described in note 1, on 25 October 2012 Hampshire Bidco Limited acquired the entire share capital of Hero Acquisitions Limited. The Hero Acquisitions group of companies specialises in the supply and hire of equipment and services. On 31 October 2012 the group acquired, via its wholly owned subsidiary HSS Hire Service Group Limited, ABird Superior Limited. Further details are given below.

The assets and liabilities of Hero Acquisitions Limited and its fair values are set out below:

	Fair Value
	£'000
Intangible assets	48,021
Property, plant and equipment	55,230
Inventory	3,379
Trade and other receivables	49,131
Cash	413
Creditors and provisions	(52,121)
Finance leases	(1,282)
Corporation tax	—
External debt	(213,876)
Net liabilities acquired	**(111,105)**
Goodwill	112,218
Total consideration	**1,113**
Satisfied by	
Cash	1,113

The fair value adjustments relate to provisions for break and other fees to be incurred by Hero Acquisitions group post acquisition, the write back of group relief balances, provisions for onerous properties, customer rebates and recognition of brand and customer relationships intangible assets.

The fair value of the net liabilities of Hero Acquisitions Limited acquired excludes pre-acquisition goodwill of £124,804,000.

Acquisition related costs of £3,425,000 have been charged to administrative expenses in the combined and consolidated income statement for the period ended 29 December 2012.

The fair value of trade and other receivables due is £49,300,000. The gross contractual amount for trade and other receivables due is £50,716,000 of which £1,461,000 is expected to be uncollectible.

The revenue included in the combined and consolidated statement of comprehensive income since 25 October 2012 contributed by Hero Acquisitions Limited was £29,952,000. Hero Acquisitions Limited also contributed losses of £5,494,000 over the same period.

The revenue included in the combined and consolidated statement of comprehensive income from 1 January 2012 to 29 December 2012 contributed by Hero Acquisitions Limited was £181,582,000. Hero Acquisitions Limited also contributed losses of £8,680,000 over the same period.

28. BUSINESS COMBINATIONS (Continued)

The assets and liabilities of ABird Superior Limited and its fair values are set out below:

	Fair Value
	£'000
Intangible assets	400
Property, plant and equipment	8,911
Inventory	246
Trade and other receivables	1,922
Cash	91
Creditors and provisions	(1,985)
Finance leases	(4,160)
Corporation tax	(154)
Deferred tax	(790)
Net assets acquired	**4,481**
Goodwill	2,997
Total consideration	**7,478**
Satisfied by	
Cash	7,478

The fair value adjustments relate to the recognition of provisions in line with the policies of Hero Acquisitions group and the recognition of the ABird brand intangible.

Acquisition related costs of £252,000 have been included in administrative expenses in the combined and consolidated income statement for the year ended 29 December 2012.

The fair value of trade and other receivables is £1,922,000. The gross contractual amount for trade and other receivables due is £1,922,000 of which nil is expected to be uncollectible.

The revenue included in the combined and consolidated statement of comprehensive income since 31 October 2012 contributed by ABird Superior Limited was £1,051,000. ABird Superior Limited also contributed losses of £543,000 over the same period.

Had ABird Superior Limited been consolidated from 1 January 2012, the combined consolidated statement of income would show revenue of £188,819,000 and losses of £9,557,000.

29. POST BALANCE SHEET EVENTS

On 12 January 2015, the Group issued a notice of intention to seek admission to the London Stock Exchange through the issue of shares in a newly formed ultimate parent company HSS Hire Group plc.

HSS Hire Group plc was incorporated on 7 January 2015 as a private company limited by shares in the United Kingdom and re-registered as a public limited company on 19 January 2015.

On incorporation the share capital of HSS Hire Group plc was £50,001 divided into 1 ordinary share of £1.00 each and 50,000 redeemable preference shares of £1.00 each.

Pursuant to the Company entering into a Reorganisation Agreement on 21 January 2015 HSS Hire Group plc will replace Hampshire Topco Limited as the holding company of the Group, immediately following determination of the Offer Price, on or about 3 February 2015, through a share for share exchange.

As part of the reorganisation, the loan note holders will transfer all of their interests in the notes to Hampshire Topco Limited in consideration for the issue of ordinary shares in Hampshire Topco Limited. Such shares in Hampshire Topco Limited will subsequently be exchanged for shares in HSS Hire Group plc as part of the reorganisation. It is proposed that, immediately following the determination of the Offer Price, on or about 3 February 2015, an aggregate loan note balance of approximately £86,000,000 including £795,500 of accrued interest will be converted into ordinary shares. In addition, at the same date, the 50,000 preference shares are to be redeemed.

30. UK GAAP to IFRS information

As stated in note 1 this combined and consolidated historical financial information has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The date of transition to IFRS is 1 January 2011 (the "Transition date").

The accounting policies described in note 1 were applied when preparing combined and consolidated historical financial information for the periods ended 31 December 2011, 29 December 2012, 28 December 2013, 28 September 2013 and 27 September 2014 and the combined and consolidated statements of financial position as at the Transition date.

In preparing its opening IFRS Consolidated Statement of Financial Position and adjusting amounts reported previously in the historical financial information prepared in accordance with UK GAAP (Generally Accepted Accounting Practice in the UK, previous GAAP), the Group has applied IFRS 1 First-Time Adoption of International Financial Reporting Standards, which contains a number of voluntary exemptions and mandatory exceptions from the requirement to apply IFRS retrospectively.

Exceptions and Exemptions used during transition to IFRS

The Group has applied the following mandatory exception required by IFRS 1 in the conversion from UK GAAP to IFRS:

- Estimates—Hindsight is not used to create or revise estimates. The estimates previously made by the Company under UK GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policies.

Adjustments Made in Connection with Transition to IFRS

The most significant impacts of the adoption of IFRS on the Group's previously reported financial information are as follows:

- Cessation of goodwill amortisation and charging previously capitalised acquisition costs to profit or loss in the period they were incurred
- The reclassification of capitalised software costs from tangible fixed assets to intangible assets
- The creation and amortisation of intangible assets resulting from the business combinations in the periods ended 29 December 2012, 28 December 2013, 28 September 2013 and 27 September 2014.
- The creation of a financial liability relating to accrued sales rebates.
- The recognition of the fair value of derivative financial instruments.

Impact on the cash flow statements

The Group has made a number of reclassifications to the values reported under UK GAAP in order to present its cash flows in accordance with IFRS. These reclassification adjustments have no significant impact on the results presented for each type of the Group's activities.

Below are the reconciliations of Combined and Consolidated Statements of Financial Position as of 31 December 2011 and 28 December 2013 and the Combined and Consolidated Income Statement and Combined and Consolidated Statement of Other Comprehensive Income for the 52 week period ended 28 December 2013.

30. UK GAAP to IFRS information (Continued)

	1 January 2011						
	UK GAAP	Software[c]	Financial Instruments[d]	Rebates[f]	Property provisions[g]	Other	IFRS
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
ASSETS							
Non-current assets							
Intangible assets	124,804	990	—	—	—	—	125,794
Property, plant and equipment	56,214	(990)			2,633	(817)	57,040
Investments	776	—	—	—	—	—	776
Derivative financial instruments	—	—	217	—	—	—	217
	181,794	—	217	—	2,633	(817)	183,827
Current assets							
Inventories	2,199	—	—	—	—	—	2,199
Trade and other receivables	51,851	—	—	—	—	—	51,851
Cash and cash equivalents (excluding bank overdrafts)	5,620	—	—	—	—	—	5,620
	59,670	—	—	—	—	—	59,670
Total assets	241,464	—	217	—	2,633	(817)	243,497
LIABILITIES							
Current liabilities							
Trade and other payables	(195,140)	—	—	(1,947)	—	—	(197,087)
Current tax liabilities	(3)	—	—	—	—	—	(3)
	(195,143)	—	—	(1,947)	—	—	(197,090)
Non-current liabilities							
Trade and other payables	(42)	—	—	—	—	—	(42)
Loans and borrowings	(198,291)	—	—	—	—	—	(198,291)
Provisions	(6,562)	—	—	—	(2,633)	—	(9,195)
	(204,895)	—	—	—	(2,633)	—	(207,528)
Total liabilities	(400,038)	—	—	(1,947)	(2,633)	—	(404,618)
Net (liabilities)/assets	(158,574)	—	217	(1,947)	—	(817)	(161,121)
EQUITY/(DEFICIT)							
Retained (deficit)/earnings	(158,574)	—	217	(1,947)	—	(817)	(161,121)
Total (deficit)/equity attributable to owners of the Company	(158,574)	—	217	(1,947)	—	(817)	(161,121)

30. UK GAAP to IFRS information (Continued)

	28 December 2013									
	UK GAAP	Goodwill[a]	Lease incentives[b]	Software[c]	Financial Instruments[d]	Acquisition costs[e]	Rebates[f]	Property provisions[g]	Other	IFRS
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
ASSETS										
Non-current assets										
Intangible assets	144,899	15,477	—	2,650	—	(4,304)	1,984	5,749	(243)	166,212
Property, plant and equipment	101,038	—	—	(2,650)	—	—	—	1,964	(475)	99,877
Derivative Financial Instruments	—	—	—	—	1,154	—	—	—	—	1,154
	245,937	15,477	—	—	1,154	(4,304)	1,984	7,713	(718)	267,243
Current assets										
Inventories	5,417	—	—	—	—	—	—	—	—	5,417
Trade and other receivables	67,103	—	—	—	—	—	—	—	291	67,394
Cash and cash equivalents (excluding bank overdrafts)	2,871	—	—	—	—	—	—	—	—	2,871
	75,391	—	—	—	—	—	—	—	291	75,682
Total assets	321,328	15,477	—	—	1,154	(4,304)	1,984	7,713	(427)	342,925
LIABILITIES										
Current liabilities										
Trade and other payables	(63,615)	—	(9)	—	—	—	(1,230)	—	—	(64,854)
Current tax liabilities	(709)	—	—	—	—	—	—	—	(565)	(1,274)
	(64,324)	—	(9)	—	—	—	(1,230)	—	(565)	(66,128)
Non-current liabilities										
Trade and other payables	(5,019)	—	—	—	—	—	—	—	—	(5,019)
Loans and borrowings	(253,295)	—	—	—	—	—	—	—	397	(252,898)
Provisions	(7,978)	—	—	—	—	—	—	(6,961)	—	(14,939)
Deferred tax liability	(399)	(9,603)	—	—	—	—	—	—	581	(9,421)
	(266,691)	(9,603)	—	—	—	—	—	(6,961)	978	(282,277)
Total liabilities	(331,015)	(9,603)	(9)	—	—	—	(1,230)	(6,961)	413	(348,405)
Net (liabilities)/assets	(9,687)	5,874	(9)	—	1,154	(4,304)	754	752	(14)	(5,480)
EQUITY/(DEFICIT)										
Share capital	2	—	—	—	—	—	—	—	—	2
Share premium	99	—	—	—	—	—	—	—	—	99
Retained (deficit)/ earnings	(9,788)	5,874	(9)	—	1,154	(4,304)	754	752	(14)	(5,581)
Total (deficit)/equity attributable to owners of the Company	(9,687)	5,874	(9)	—	1,154	(4,304)	754	752	(14)	(5,480)

30. UK GAAP to IFRS information (Continued)

	52 week period ended 28 December 2013								
	UK GAAP	Goodwill[(a)]	Lease incentives[(b)]	Financial Instruments[(d)]	Acquisition costs[(e)]	Rebates[(f)]	Property provisions[(g)]	Other	IFRS
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Revenue	225,816	—	—	—	—	824	—	58	226,698
Cost of sales	(73,417)	—	—	—	—	—	—	(108)	(73,525)
Gross profit	152,399	—	—	—	—	824	—	(50)	153,173
Distribution costs	(28,644)	—	—	—	—	—	—	(48)	(28,692)
Administrative expenses	(109,277)	5,053	(9)	—	(626)	—	917	(236)	(104,178)
Other operating income	1,049	—	—	—	—	—	—	—	1,049
Total operating profit	15,527	5,053	(9)	—	(626)	824	917	(334)	21,352
Adjusted EBITDA[(1)]	55,150	(1)	(9)	—	—	824	199	10	56,172
Less: Exceptional items	(4,296)	—	—	—	(626)	—	1,010	48	(3,864)
Less: Depreciation and amortisation	(35,327)	5,054	—	—	—		(292)	(392)	(30,956)
Total operating profit	**15,527**	**5,053**	**(9)**	**—**	**(626)**	**824**	**917**	**(334)**	**21,352**
Loss on sale of fixed assets	**(284)**	**—**	**—**	**—**	**—**	**—**	**—**	**284**	**—**
Profit on ordinary activities before interest and tax	**15,243**	**5,053**	**(9)**	**—**	**(626)**	**824**	**917**	**(50)**	**21,352**
Finance income	12	—	—	—	—	—	—	—	12
Movement in derivative financial instruments	—	—	—	1,589	—	—	—	—	1,589
Finance costs	(20,550)	—	—	—	—	—	(163)	397	(20,316)
(Loss)/Profit before tax	(5,295)	5,053	(9)	1,589	(626)	824	754	347	2,637
Income tax expense	(2,158)	—	—	—	—	—	—	(66)	(2,224)
(Loss)/Profit for the financial year	(7,453)	5,053	(9)	1,589	(626)	824	754	281	413
(Loss)/Profit attributable to:									
Owners of the Company	(7,453)	5,053	(9)	1,589	(626)	824	754	281	413

(1) Adjusted EBITDA is defined as operating profit before Interest, Tax, Depreciation and Amortisation and exceptional items. Depreciation and amortisation includes hire stock asset disposals, hire stock write offs and customer losses.

	28 December 2013								
	UK GAAP	Goodwill[(a)]	Lease incentives[(b)]	Financial Instruments[(d)]	Acquisition costs[(e)]	Rebates[(f)]	Property provisions[(g)]	Other	IFRS
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
(Loss)/Profit for the financial year	(7,453)	5,053	(9)	1,589	(626)	824	754	281	413
Items that may be reclassified to profit or loss:									
Exchange differences arising on translation of foreign operations	96	—	—	—	—	—	—	—	96
Other comprehensive (loss)/income for the year, net of tax	96	—	—	—	—	—	—	—	96
Total comprehensive (loss)/income for the year	(7,357)	5,053	(9)	1,589	(626)	824	754	281	509
Attributable to owners of the Company	(7,357)	5,053	(9)	1,589	(626)	824	754	281	509

(a) *Goodwill*—Under UK GAAP goodwill was previously being amortised over a period of 20 years. Under IFRS, goodwill is not amortised but subject to annual impairment review. The cost of goodwill at 1 January 2011, under IFRS, represents the unamortised amount of goodwill.

(b) *Lease Incentives*—Under UK GAAP, lease incentives were amortised over the period of associated benefit being the shorter of the period of the lease or the period to the next rent review date. Under IFRS, lease incentives are amortised over the term of the lease.

(c) *Software*—Under UK GAAP costs associated with the development of software for use by the business was capitalised as part of the associated fixed assets. On adoption of IFRS capitalised amounts relating to software have been included in intangible assets

(d) *Financial Instruments*—The Group's derivative financial instruments comprise interest rate swap contracts purchased to hedge the cash flows arising from variable interest rate borrowings. Under UK GAAP the fair value of such derivatives were not recognised on the balance sheet. The adoption of IFRS has resulted in the recognition of the derivatives at fair value in the balance sheet of the Group and any resulting gain or loss recognised in profit or loss immediately.

(e) *Acquisition costs*—Under UK GAAP costs in respect of acquisitions were capitalised and included in the total consideration paid. Under IFRS these costs have been charged to profit or loss as incurred.

(f) *Rebates*—Under UK GAAP liabilities relating to rebates earned and payable are measured at management's best estimate of the amounts expected to be paid. Under IFRS, a financial liability can only be de-recognised when the liability is extinguished, either when the obligation is discharged, is cancelled or expires. The adoption of IFRS has led to the creation of a financial liability relating to earned but unclaimed rebates due to customers.

30. UK GAAP to IFRS information (Continued)

(g) *Property provisions*—Having reviewed the nature of the dilapidations clauses contained in the Group's property leases, management consider that the dilapidation costs to be incurred on exiting the leases are best described as costs incurred to return the asset to its former condition. Accordingly, management consider it appropriate to recognise a provision in full at the inception of the lease when fit out works are installed A corresponding amount, equivalent to the provision, is recognised in property plant and equipment. The carrying value of the provision is discounted to its net present value and is reassessed each year. The unwinding of the discount on the decommissioning provision is included as a finance cost. The amount capitalised in property plant and equipment is depreciated over the lease term. On adoption of IFRS the carrying value of property provisions and fixed assets have been increased and the expense in profit or loss has been reclassified from administrative expenses to depreciation.

PART 12

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Section A: Unaudited pro forma financial information

Introduction

The unaudited pro forma statement of net assets set out below has been prepared to illustrate the effect of the Offer on the consolidated net assets of the Group as if the Offer had occurred on 27 September 2014.

This unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, the pro forma statement of net assets addresses a hypothetical situation and does not represent the real financial position of the Group. The unaudited pro forma statement of net assets is compiled on the basis set out in the notes below, from the combined and consolidated balance sheet of the Group as at 27 September 2014, as set out in Part 11 (*Historical Financial Information*). It may not, therefore, give a true picture of the Group's financial position or results nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The pro forma financial information has been prepared on the basis set out in the notes below and in accordance with Annex II to the Prospectus Directive Regulation.

Unaudited condensed pro forma statement of net assets as at 27 September 2014

		Adjustments		
	As at 27 September 2014	**IPO proceeds and repayment of borrowings**	**Reorganisation**	**Unaudited Pro Forma Total**
	(Note 1)	**(Note 2)**	**(Note 3)**	**(Note 4)**
		In millions of £		
Non-current assets				
Intangible assets	170.8	—	—	170.8
Property, plant and equipment	141.4	—	—	141.4
Total non-current assets	312.2	—	—	312.2
Current assets				
Inventories	6.1	—	—	6.1
Trade and other receivables	83.4	—	—	83.4
Cash and cash equivalents	5.2	3.1	—	8.2
Total current assets	94.7	3.1	—	97.7
Total assets	**406.9**	**3.1**	**—**	**409.9**
Current liabilities				
Trade and other payables	(113.7)	18.0	2.0	(93.8)
Current tax liabilities	(0.5)	—	—	(0.5)
Total current liabilities	(114.2)	18.0	2.0	(94.3)
Non-current liabilities				
Trade and other payables	(7.2)	—	—	(7.2)
Loans and borrowings	(274.7)	64.0	81.1	(129.6)
Provisions	(13.1)	—	—	(13.1)
Deferred tax liability	(9.4)	—	—	(9.4)
Total non-current liabilities	(304.4)	64.0	81.1	(159.3)
Total liabilities	**(418.6)**	**82.0**	**83.1**	**(253.6)**
Net (liabilities)/assets	**(11.7)**	**85.1**	**83.1**	**156.3**

(1) The financial information has been extracted without material adjustment from the combined and consolidated financial information of the Group as set out in Section B of Part 11 (*Historical Financial Information*). In connection with the Offer, the Group will undertake a reorganisation as described in paragraph 11.3 of Part 14 (*Additional Information*) and resulting in the Company becoming the ultimate holding company of the Group. The Company was incorporated on 7 January 2015 as a private company limited by shares in the United Kingdom and re-registered as a public limited company on 19 January 2015. The insertion of a new holding company constitutes a group reconstruction and will be accounted for using merger accounting principles. The group reconstruction will not be effective until on or around 3 February 2015 and the combined and

consolidated financial statements will be presented as if Hampshire Topco Limited and its subsidiaries and the Company had always been part of the same group.

(2) This column reflects the net impact of the following adjustments relating to the proposed Offer:

a. Receipt of net IPO proceeds: reflects the net proceeds of the Offer receivable by the Company being gross proceeds of £103.0 million, less estimated fees and expenses in relation to the Offer of £13.5 million.

b. Repayment of borrowings: reflects the intention of the Group to repay £85.0 million of the principal indebtedness as at 27 September 2014 together with a redemption premium and any outstanding accrued and unpaid interest on the quantum of the Notes redeemed of approximately £4.5 million (assuming an illustrative redemption date of 12 February 2015). Following the Offer, the Group intends to repay approximately £21.0 million outstanding under the Revolving Credit Facility. The amount outstanding under the Revolving Credit Facility as at 27 September 2014 was £18.0 million. The unaudited pro forma statement of net assets therefore reflects how, had the Offer occurred on 27 September 2014, £3.0 million of cash, currently intended to be used to repay part of the Revolving Credit Facility, would remain on the Group's balance sheet in total current assets. These amounts are to be repaid out of the proceeds of the Offer as described in Part 13 (*Details of the Offer*).

(3) Immediately following the determination of the Offer Price, approximately £83.4 million (balance presented gross of £0.3 million issue costs as at 27 September 2014), including outstanding accrued and unpaid interest of approximately £2.0 million (as at 27 September 2014), will be owed by Hampshire Midco Limited to the Exponent Shareholders, ESP 2006 Conduit LP and ESP 2008 Conduit LP (together, the "Shareholder Loan Note Holders") in respect of loan notes (the "Shareholder Loan Notes") held by the Shareholder Loan Note Holders pursuant to a loan note instrument dated 25 October 2012. As part of the Reorganisation, the Shareholder Loan Note Holders will transfer all of their interests in the Shareholder Loan Notes to Hampshire Topco Limited in consideration for the issue by Hampshire Topco Limited to the Shareholder Loan Note Holders of ordinary shares in Hampshire Topco Limited (the "Shareholder Loan Note Transfer"). Such shares in Hampshire Topco Limited will subsequently be exchanged for Shares in the Company as part of the Reorganisation.

(4) No adjustment has been made to reflect the trading results of the Group since 27 September 2014.

The Directors
HSS Hire Group plc
25 Willow Lane
Mitcham, Surrey
CR4 4TS

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP

22 January 2015

Dear Sirs

HSS Hire Group plc (the "Company")

We report on the pro forma net asset statement (the "Pro forma financial information") set out in Section A of Part 12 of the Company's prospectus dated 22 January 2015 (the "Prospectus"), which has been prepared on the basis described in the notes to the Pro forma financial information, for illustrative purposes only, to provide information about how the proposed Offer might have affected the Historical Financial Information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ending 27 September 2014. This report is required by item 20.2 of Annex I to the PD Regulation and is given for the purpose of complying with that PD Regulation and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro forma financial information in accordance with item 20.2 of Annex I to the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II to the PD Regulation as to the proper compilation of the Pro forma financial information and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of the Company.

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We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

a) the Pro forma financial information has been properly compiled on the basis stated; and

b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3 R(2)(f), we are responsible for this report as part of the Prospectus and we declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

PART 13

DETAILS OF THE OFFER

Background

Through the issue of New Shares pursuant to the Offer, the Company intends to raise gross proceeds of £103.0 million. The Selling Shareholders are expected to offer between 5,119,048 and 44,559,716 Existing Shares so as to raise expected gross proceeds for the Selling Shareholders of up to £117 million (if both the Offer Price and the Existing Share Offer Size are set at the top of their respective ranges). The Company will not receive any of the proceeds from the sale of the Existing Shares, all of which will be paid to the Selling Shareholders.

The Offer is being made by way of:

- an Institutional Offer by the Company and the Selling Shareholders to certain institutional investors in the UK and elsewhere outside the United States in reliance on Regulation S and in the United States, to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; and
- an Intermediaries Offer by the Company and the Selling Shareholders to Intermediaries for onward distribution to retail investors in the UK, the Channel Islands and the Isle of Man.

Certain restrictions that apply to the distribution of this Prospectus and the Shares being issued and sold under the Offer in jurisdictions outside the United Kingdom are described below.

When admitted to trading, the Shares will be registered with ISIN number GB00BVFD4645 and SEDOL (Stock Exchange Daily Official List) number BVFD464 and trade under the symbol "HSS".

Following Admission, and dependant on the Offer Price, it is expected that between 35.0% and 54.2% of the Company's issued ordinary share capital will be held in public hands (within the meaning of paragraph 6.1.19 of the Listing Rules) (assuming that the Over-allotment Option is not exercised) and between 40.3% and 62.3% if the Over-allotment Option is exercised in full.

The Company, the Selling Shareholders and the Underwriters are not bound to proceed with the Offer. Completion of the Offer will be subject, inter alia, to the determination of the Offer Price and the Offer Size and each of the Company's, Exponent's and the Underwriters' decisions to proceed with the Offer. It will also be subject to the satisfaction of conditions contained in the Underwriting Agreement including Admission occurring and the Underwriting Agreement not having been terminated. The Offer cannot be terminated once unconditional dealings in the Shares have commenced. Further details of the Underwriting Agreement are set out in paragraph 8.1 of Part 14 (*Additional Information*).

The rights attaching to the Shares issued or sold pursuant to the Offer, including any Shares sold pursuant to the Over-allotment Option, will be uniform in all respects, including the right to vote and the right to receive all dividends and other distributions declared, made or paid in respect of the Company's share capital after Admission. The Shares will, immediately on and from Admission, be freely transferable under the Articles of Association.

The three independent Non-Executive Directors, who each joined the Board on 9 January 2015, intend to subscribe for Shares at the Offer Price with an aggregate value of £120,000. Such subscription will not be made as part of the Offer.

Reasons for the Offer and use of proceeds

The Directors believe that the Offer will:

- enable the Group to reduce its current leverage and provide greater capacity for additional capital expenditure to drive future growth in the business;
- further increase the Group's profile, brand recognition and credibility with its customers, suppliers and colleagues;
- assist in recruiting, retaining and incentivising key management and colleagues; and
- provide a partial realisation of the investment in the Group by its existing shareholders.

The Company expects to receive approximately £103.0 million from the subscription of New Shares in the Offer before estimated underwriting commissions, fees and expenses incurred in connection with the Offer of approximately £13.5 million. As a result, the Company expects to receive net proceeds of approximately £89.5 million from the Offer.

The Company intends to use the net proceeds from the issue of the New Shares as follows:

- to redeem approximately £64.0 million of the Notes currently outstanding at a redemption price of 106.750% of their principal amount, thereby paying a redemption premium together with any outstanding accrued and unpaid interest on the value of the Notes redeemed of approximately £4.5 million; and
- to repay approximately £21.0 million outstanding under the Revolving Credit Facility, plus any accrued and unpaid interest.

Through the sale of Existing Shares pursuant to the Offer, the Company expects the Selling Shareholders to raise between £25 million and £79 million (if the Offer Price is set at the mid-point of the Price Range) before taking into account expenses associated with the Offer. Assuming the Offer Price is set at the mid-point of the Price Range, the aggregate underwriting commissions and amounts in respect of stamp duty or SDRT payable by the Selling Shareholders in connection with the Offer are estimated to be between approximately £1 million and £3 million.

Offer Size, Offer Price, Bookbuilding and Allocations

This section should be read in conjunction with the section entitled Part 4 (*Expected Timetable of Principal Events and Offer Statistics*).

The Offer comprises an offer of which:

- between 39,312,977 and 49,047,619 are New Shares being offered for subscription by the Company; and
- up to 44,559,716 are Existing Shares being offered for sale by the Selling Shareholders,

up to a maximum of 83,872,693 Shares.

It is currently expected that the New Share Offer Size and the Existing Share Offer Size will be set within the New Share Offer Size Range and the Existing Share Offer Size Range, respectively. However, the number of New Shares to be issued may fall outside the New Share Offer Size Range and/or the number of Existing Shares to be sold may fall outside the Existing Share Offer Size Range. See "*—Withdrawal Rights*" below for the steps the Company will take should the New Share Offer Size be set above or below the New Share Offer Size Range and/or the Existing Share Offer Size be set above or below the Existing Share Offer Size Range. The actual number of New Shares to be issued by the Company and Existing Shares to be sold by the Selling Shareholders in the Offer will only be determined at the time the Offer Price is determined and could be higher or lower than those ranges. In addition, further Shares representing 15% of the Offer Size will be made available by the Over-allotment Shareholders pursuant to the Over-allotment Option described below.

All Shares issued or sold pursuant to the Offer will be issued or sold at the Offer Price. It is currently expected that the Offer Price will be in the price range of 210 pence to 262 pence per Share but the Offer Price may be set within, above or below that Price Range. See "*—Withdrawal Rights*" below for the steps the Company will take should the Offer Price be set above the Price Range or the Price Range is revised higher.

A number of factors will be considered in deciding the Offer Price and the Offer Size, including prevailing market conditions, the level and the nature of the demand for Shares, the Group's historical performance, estimates of its business potential and earning prospects and the objective of encouraging the development of an orderly and liquid after-market in the Shares. The Offer Price and the Offer Size will be established at a level determined in accordance with these arrangements, taking into account indications of interest received (whether before or after the times and/or dates stated). Accordingly, the Offer Price will not necessarily be the highest price at which all of the Shares subject to the Offer could be issued or sold. The Offer Price will be jointly determined by the Company, Exponent and the Joint Bookrunners.

The Underwriters will solicit from prospective institutional investors indications of interest in acquiring Shares pursuant to the Institutional Offer. Prospective institutional investors will be required to specify the number of Shares which they would be prepared to acquire either at specified prices or at the Offer Price (as finally determined). There is no minimum or maximum number of Shares which can be applied for in the Institutional Offer. In addition, applications for Shares are expected to be sought by the Intermediaries in the Intermediaries Offer on the basis that the number of Shares which may be allocated will vary depending on the Offer Price. Applications will then be aggregated and submitted by each Intermediary on behalf of its clients and this demand will be taken into account by the Company alongside indications of interest in the Institutional Offer in establishing the Offer Price and the Offer Size as described above in respect of the Offer.

In the event that demand for the Shares being offered exceeds the number of Shares made available in the Offer, allocations may be scaled down in any manner by the Company and Exponent in consultation with the Joint Bookrunners, and applicants may be allocated Shares having an aggregate value which is less than the sum applied for. The Company and Exponent may allocate such Shares in consultation with the Joint Bookrunners, provided that the final determination as to allocation will be made by the Company (and there is no obligation to allocate such Shares proportionately).

The Offer Price will be jointly determined by the Company, Exponent and the Joint Bookrunners. The New Share Offer Size and the Existing Share Offer Size will be determined by the Company and Exponent in consultation with the Joint Bookrunners. The Offer Price, the New Share Offer Size and the Existing Share Offer Size are expected to be announced on 4 February 2015. The Pricing Statement, which will contain the Offer Price, the New Share Offer Size and the Existing Share Offer Size, will be published in printed form and available free of charge at the registered office of the Company until 14 days after Admission. In addition, the Pricing Statement will be published in electronic form and available (subject to certain restrictions) on the Company's website at www.hsshiregroup.com. The Company and Exponent, in consultation with the Joint Bookrunners, reserve the right to increase or decrease the aggregate number of Shares issued and/or sold under the Offer.

If (i) the Offer Price is set above the Price Range or the Price Range is revised higher; and/or (ii) the number of New Shares to be issued by the Company is set above or below the New Share Offer Size Range (subject to the minimum free float requirements agreed by the Company with the UK Listing Authority); and/or (iii) the number of Existing Shares to be sold by the Selling Shareholders is set above or below the Existing Share Offer Size Range (subject to the minimum free float requirements agreed by the Company with the UK Listing Authority), then the Company will make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended and the expected day of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to subscribe for or purchase Shares would be made clear in the announcement. Full details of the statutory right to withdraw an offer to purchase Shares pursuant to section 87Q of FSMA are set out in "*—Withdrawal Rights*" below.

The Selling Shareholders have agreed to pay the stamp duty chargeable on a transfer of Existing Shares and/or SDRT chargeable on agreements to transfer Existing Shares arising in the UK (currently at a rate of 0.5%) on the initial sale of Existing Shares under the Offer and the sale of Existing Shares pursuant to the exercise of the Over-allotment Option. Each investor which acquires Existing Shares in the Offer will be deemed to undertake that such investor shall not submit any reclaim to HMRC in respect of any stamp duty or SDRT so paid or accounted for by the Selling Shareholders in respect of the Offer.

The Institutional Offer

Under the Institutional Offer, the Shares will be offered to (i) certain institutional investors in the UK and elsewhere outside the United States in reliance on Regulation S and (ii) in the United States to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Certain restrictions that apply to the distribution of the Prospectus and the offer and sale of the Shares in jurisdictions outside the UK are described below in "*—Selling Restrictions*".

The latest date for indications of interest in acquiring Shares under the Institutional Offer is set out in Part 4 (*Expected Timetable of Principal Events and Offer Statistics*) but that time may be extended at the discretion of the Global Co-ordinator (with the agreement of the Company).

Each investor in the Institutional Offer will be required to undertake to pay the Offer Price for the Shares sold to such investor in such manner as shall be directed by the Underwriters, which is the same price at which all Shares are to be sold in the Offer.

Participants in the Institutional Offer will be notified of the number of Shares that they have been allocated as soon as practicable following pricing and allocation. Each prospective investor in the Institutional Offer will be contractually committed to acquire the number of Shares allocated to it at the Offer Price and, to the fullest extent permitted by law, will be deemed to have agreed that it will not be entitled to exercise any rights to rescind or terminate or, subject to any statutory withdrawal rights, otherwise withdraw from, such commitment.

The Intermediaries Offer

Members of the general public in the United Kingdom, the Channel Islands and the Isle of Man may be eligible to apply for Shares through the Intermediaries, by following their relevant application procedures, by no later than 2 February 2015. Underlying Applicants are responsible for ensuring that they do not make more than one application under the Intermediaries Offer (whether on their own behalf or through other means, including, but without limitation, through a trust or pension plan).

The Intermediaries Offer is being made to retail investors in the United Kingdom, the Channel Islands and the Isle of Man only. Individuals who are aged 18 or over, companies and other bodies corporate, partnerships, trusts, associations and other unincorporated organisations are permitted to apply to subscribe for or purchase Shares in the Intermediaries Offer.

No Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom, the Channel Islands and the Isle of Man except in certain limited circumstances and with the consent of the Global Co-ordinator. Applications under the Intermediaries Offer must be by reference to the total monetary amount the applicant wishes to invest and not by reference to a number of Shares or the Offer Price.

An application for Shares in the Intermediaries Offer means that the applicant agrees to acquire the Shares at the Offer Price. Each applicant must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the applicant as required and all such refunds will be in accordance with the terms provided by the Intermediary to the applicant. The Company, the Selling Shareholders and the Banks accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Intermediaries may charge retail investors a fee for buying or holding the allocated Shares for them (including any fees relating to the opening of an individual savings account or a self-invested personal pension for that purpose) provided that the Intermediary has disclosed the fees and terms and conditions of providing those services to the retail investor prior to the underlying application being made.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions (further details of which are set out at paragraph 19 of Part 14 (A*dditional Information*)) which regulate, inter alia, the conduct of the Intermediaries Offer on market standard terms and provide for the payment of commission to any Intermediary that elects to receive commission from the Company or the Selling Shareholders.

In making an application, each Intermediary will also be required to represent and warrant, among other things, that they are not located in the United States and are not acting on behalf of anyone located in the United States. Under the Intermediaries Offer, the Shares will be offered outside the United States only in offshore transactions as defined in, and in reliance on, Regulation S.

The Intermediaries may prepare certain materials for distribution or may otherwise provide formation or advice to retail investors in the United Kingdom, the Channel Islands and the Isle of Man, subject to the terms of the Intermediaries Terms and Conditions. Any such materials, information or advice are solely the responsibility of the Intermediaries and will not be reviewed or approved by any of the Banks, the Selling Shareholders or the Company. Any liability relating to such documents will be for the Intermediaries only. **If an Intermediary makes an offer to a retail investor pursuant to the Intermediaries Offer, that Intermediary shall provide to such retail investor at the time the offer is made (i) a copy of the Prospectus or a hyperlink from which the Prospectus may be obtained and (ii) the terms and conditions of the relevant offer made by the Intermediary to the retail investor.**

Each Intermediary will be informed by the Receiving Agent, after consultation with the Joint Bookrunners, by approximately 7:00 am on 4 February 2015 by fax or email of the aggregate number of Shares allocated in aggregate to their underlying clients (or to the Intermediaries themselves) and the total amount payable in respect thereof. The allocation of Shares between the Institutional Offer and the Intermediaries Offer will be determined by the Company and Exponent after having consulted with the Joint Bookrunners (on behalf of the Underwriters). The allocation policy for the Intermediaries Offer will be determined by the Company and Exponent after having consulted with the Joint Bookrunners. Each Intermediary will be required to apply the allocation policy to each of its underlying applications from retail investors.

Pursuant to the Intermediaries Terms and Conditions, the Intermediaries have undertaken to make payment of the consideration for the Shares allocated, at the Offer Price, to the Receiving Agent, in accordance with details to be communicated on or after the time of allocation, by means of CREST against the delivery of the Shares at the time and/or date set out in Part 4 (*Expected Timetable of Principal Events and Offer Statistics*) or at such other time and/or date after the day of publication of the Offer Price as may be agreed by the Company, Exponent and the Global Co-ordinator and notified to the Intermediaries.

The publication of this Prospectus and/or any supplementary prospectus and any other actions of the Company, Exponent, the Selling Shareholders, the Banks, the Intermediaries or other persons in connection with the Offer should not be taken as any representation or assurance by any such person as to the basis on which the number of Shares to be offered under the Intermediaries Offer or allocations within the Intermediaries Offer will be determined, and all liabilities for any such action or statement are hereby disclaimed by the Company, Exponent, the Selling Shareholders and the Banks.

Each investor who applies for Shares in the Intermediaries Offer through an Intermediary shall, by submitting an application to such Intermediary, be deemed to acknowledge and agree that such investor is not relying on any information or representation other than as is contained in the Prospectus, the Pricing Statement or any supplementary prospectus.

NISAs

The Shares will be "qualifying investments" for the stocks and shares component of a NISA and the Directors will use their reasonable endeavours to manage the affairs of the Company so as to enable this status to be maintained. Save where an account manager is acquiring Shares using available funds in an existing NISA, an investment in Shares by means of NISA is subject to the usual annual subscription limits applicable to new investments into a NISA.

Sums received by a Shareholder on a disposal of Shares will not count towards the Shareholder's annual limit but a disposal of Shares held in a NISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year. Individuals wishing to invest in Shares through a NISA should contact their professional advisors regarding their eligibility.

Over-allotment and stabilisation

In connection with the Offer, J.P. Morgan Cazenove, as Stabilising Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other stabilising transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings in the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measure be taken to stabilise the market price of the Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilising transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Shares up to a maximum of 15% of the total number of Shares comprised in the Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such overallotments and/or from sales of Shares effected by it during the stabilising period, the Over-allotment Shareholders have granted to the Stabilisation Manager the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for additional Shares at the Offer Price, which represent up to an additional 15% of the Offer Size. The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings in the Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being issued or sold in the Offer and will form a single class for all purposes with the other Shares.

For a discussion of certain stock lending arrangements entered into in connection with the Over-allotment Option, see paragraph 8.1 of Part 14 (*Additional Information—Underwriting arrangements*).

Listing, dealing and settlement arrangements

The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, including Admission occurring and becoming effective by 8.00 a.m. (London time) on 9 February 2015 or such later date as may be determined in accordance with such agreement, and to the Underwriting Agreement not have having been terminated. Further details of the Underwriting Agreement are set out in paragraph 8.1 of Part 14 (*Additional Information*).

Application will be made to the FCA for all the Shares to be listed on the Official List and Application will be made to the London Stock Exchange for all the Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

It is expected that dealings in the Shares will commence on a conditional basis on the London Stock Exchange at 8.00 a.m. (London time) on 4 February 2015. The expected date for settlement of such dealings will be 9 February 2015. All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a "when issued basis". If the Offer does not become unconditional in all respects, any such dealings will be of no effect and any such dealings will be at the risk of the parties concerned.

It is expected that Admission will become effective and that dealings in the Shares will commence on an unconditional basis on the London Stock Exchange at 8.00 a.m. (London time) on 9 February 2015. It is intended that the issue of Shares allocated to investors who wish to hold Shares in uncertificated form will take place through CREST on Admission. Temporary documents of title will not be issued. Dealings in advance of crediting of the relevant CREST stock account will be at the risk of the person concerned.

In connection with the Offer, each of the Banks and any affiliate acting as an investor for its own account may take up the Shares and in such capacity may retain, purchase or sell for its own account such securities and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Offer. Accordingly, references in this Prospectus to the Shares being offered or placed should be read as including any offering or placement of securities to any of the Banks and any affiliate acting in such capacity. The Banks do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

CREST

CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. With effect from Admission, the Articles will permit the holding of Shares in the CREST system.

Application has been made for the Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any shareholder so wishes. CREST is a voluntary system and holders of Shares who wish to receive and retain share certificates will be able to do so.

Underwriting arrangements

The Underwriters have entered into commitments under the Underwriting Agreement pursuant to which (subject to the execution by the Company, the Exponent Shareholders and the Underwriters of the Pricing Agreement) they have agreed severally (and not jointly or jointly and severally), subject to certain conditions, to use their reasonable endeavours to procure subscribers for the New Shares to be issued by the Company and purchasers for the Existing Shares to be sold by the Selling Shareholders in the Offer, and to the extent that such New Shares and/or Existing Shares are not so subscribed or purchased, to subscribe for or purchase themselves such Shares, in each case at the Offer Price. The Underwriting Agreement contains provisions entitling the Underwriters to terminate the Offer (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Offer and these arrangements will lapse and any moneys received in respect of the Offer will be returned to applicants without interest. The Underwriting Agreement provides for the Underwriters to be paid a commission in respect of the New Shares issued, the Existing Shares sold and any Over-allotment Shares sold following exercise of the Over-allotment Option. Any commissions received by the Underwriters may be retained, and any Shares acquired by them may be retained or dealt in, by them, for their own benefit.

Further details of the terms of the Underwriting Agreement are set out in paragraph (*Additional Information—Underwriting arrangements*). Certain selling and transfer restrictions are set out below.

The Company, the Selling Shareholders and the Underwriters expressly reserve the right to determine, at any time prior to Admission, not to proceed with the Offer. If such right is exercised, the Offer will lapse and any monies received in respect of the Offer will be returned to investors without interest.

Lock-up arrangements

Pursuant to the Underwriting Agreement, the Company has undertaken that from the date of the Underwriting Agreement until the date falling 180 days after the date of Admission, it will not, without the prior written consent of the Joint Bookrunners, directly or indirectly, offer, issue, allot, lend, mortgage, assign, charge, pledge, sell or contract to sell or issue, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing, save that the foregoing restrictions shall not apply in respect of (a) the issue of Shares pursuant to the Offer or the Reorganisation; or (b) the issue of Shares pursuant to the grant or exercise of options under share option schemes described in this Prospectus.

Pursuant to the Underwriting Agreement and related arrangements, the Selling Shareholders and Alan Peterson have undertaken that from the date of the Underwriting Agreement until the date falling 180 days after the date of Admission, and the EBT, the other Directors and the other Management Shareholders have undertaken, that from the date of the Underwriting Agreement until the date falling 365 days after the date of Admission, not to without the prior written consent of the Joint Bookrunners, except for certain customary exceptions and, in the case of certain Selling Shareholders, a Share Pledge Exception (described below) set out in the Underwriting Agreement, directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing other than pursuant to the Offer. In addition to certain customary exceptions, the Underwriting Agreement provides an exception to the lock-up arrangements which permits certain Selling Shareholders, with the prior written consent of the Joint Bookrunners, to grant share pledges to one or more finance providers provided, in circumstances where there is a transfer of shares pursuant to the grant of such a pledge, such providers enter in to equivalent lock-up arrangements for the remainder of the relevant period (the "Share Pledge Exception"). Transfers of shares pursuant to the enforcement of any pledge entered into pursuant to the Share Pledge Exception are also permitted, provided that the relevant pledgee would be subject to the lock-up arrangements.

Further details of these arrangements, which are contained in the Underwriting Agreement, are set out in paragraph 8.1 of Part 14 (*Additional Information—Underwriting arrangements*).

Withdrawal rights

In the event that the Company is required to publish a supplementary prospectus, applicants who have applied to subscribe for or purchase Shares in the Offer will have at least two Business Days following the publication of the supplementary prospectus within which to withdraw their offer to acquire Shares in the Offer.

In addition, in the event that (i) the Offer Price is set above the Price Range or the Price Range is revised higher; and/or (ii) the number of new Shares to be issued by the Company is set above or below the New Share Offer Size Range (subject to the minimum free float requirements agreed by the Company with the

UK Listing Authority); and/or (iii) the number of Existing Shares to be sold by the Selling Shareholders is set above or below the Existing Share Offer Size Range (subject to the minimum free float requirements agreed by the Company with the UK Listing Authority) then applicants who have applied to subscribe for or purchase Shares in the Offer would have a statutory right to withdraw their offer to subscribe for or purchase Shares in the Offer in its entirety pursuant to section 87Q of FSMA before the end of a period of two Business Days commencing on the first Business Day after the date on which an announcement of this is published via a Regulatory Information Service announcement for each later date as may be specified in that announcement). in those circumstances, the Pricing Statement would not be issued until this deadline for exercising such statutory withdrawal rights has ended.

If the application is not withdrawn within the stipulated period, any offer to apply for Shares in the Offer will remain valid and binding. Institutional investors wishing to exercise a statutory right to withdraw their offer to subscribe for or purchase Shares in the Offer must do so by lodging a written notice of withdrawal by hand (during normal business hours only) at the office of the Global Co-ordinator at its address set out in Part 3 (*Directors, Secretary, Registered and Head Office and Advisers)* so as to be received no later than two Business Days after the date on which the supplementary prospectus is published or the date on which an announcement is made (as described above). Notice of withdrawal given by any other means or which is deposited with or received after the expiry of such period will not constitute a valid withdrawal. Applicants who have applied for Shares via the Intermediaries who wish to withdraw an application following publication of a supplementary prospectus or an announcement is made (as described above) should contact the Intermediary through whom they applied for details of how to withdraw an application.

Selling restrictions

The distribution of this Prospectus and the offer of Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the offer of Shares contained in this Prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for or purchase any of the Shares to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

European Economic Area

In relation to each member state of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State") no Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Global Co-ordinator for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

For the purposes of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state. The expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Global Co-ordinator has been obtained to each such proposed offer or resale. The Company, the Selling Shareholders, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Underwriters of such fact in writing may, with the prior consent of the Global Co-ordinator, be permitted to acquire Shares in the Offer.

United States

The Shares have not been and will not be registered under the US Securities Act or under any applicable securities laws or regulations of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States except to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

In addition, until 40 days after the commencement of the Offer of the Shares an offer or sale of Shares within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

The Underwriting Agreement provides that the Underwriters may directly or through their respective United States broker-dealer affiliates arrange for the offer and resale of Shares within the United States only to QIBs in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

Each acquirer of Shares within the United States, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

(a) it is (a) a QIB within the meaning of Rule 144A, (b) acquiring the Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein, (c) acquiring the Shares for investment purposes, and not with a view to further distribution of such Shares, and (d) aware, and each beneficial owner of the Shares has been advised, that the sale of the Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

(b) it understands that the Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the US Securities Act and that the Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (a) to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (c) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder (if available) or (d) pursuant to an effective registration statement under the US Securities Act, in each case in accordance with any applicable securities laws of any state of the United States. It further (a) understands that the Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Shares established or maintained by a depositary bank, (b) acknowledges that the Shares (whether in physical certificated form or in uncertificated form held in CREST) are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Shares and (c) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.

(c) it understands that the Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE US SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR RESALES OF THE ORDINARY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS; and

(d) it represents that if, in the future, it offers, resells, pledges or otherwise transfers such Shares while they remain "restricted securities" within the meaning of Rule 144, it shall notify such subsequent transferee of the restrictions set out above.

The Company, the Underwriters and their affiliates and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Australia

This Prospectus (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia ("Corporations Act"); (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission ("ASIC"), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (c) may not be provided in Australia other than to select investors ("Exempt Investors") who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (ii) are "wholesale clients" for the purpose of section 761G of the Corporations Act.

The Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Shares, each purchaser or subscriber of Shares represents and warrants to the Company, the Selling Shareholders, the Underwriters and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Shares under this Prospectus, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Shares each purchaser or subscriber of Shares undertakes to the Company, the Selling Shareholders, the Underwriters that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Shares, offer, transfer, assign or otherwise alienate those Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Japan

The Shares have not been, and will not be, registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 as amended, the "FIEL") and disclosure under the FIEL has not been, and will not be, made with respect to the Shares. Neither the Shares nor any interest therein may be offered, sold, resold, or otherwise transferred, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and all other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities. As used in this paragraph, a resident of Japan is any person that is resident in Japan, including any corporation or other entity organized under the laws of Japan.

PART 14

ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors (whose names and principal functions are set out in Part 7 (*Directors, Senior Managers and Corporate Governance*)) accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

2. Incorporation and share capital

2.1 The Company was incorporated and registered in England and Wales on 7 January 2015 as a private company limited by shares under the Act with the name HSS Hire Group Limited and with the registered number 9378067.

2.2 On 19 January 2015, the Company was re-registered as a public limited company with the name HSS Hire Group plc.

2.3 The Company's registered office and principal place of business is at 25 Willow Lane, Mitcham, Surrey CR4 4TS and its telephone number is 020 8260 3100.

2.4 The principal laws and legislation under which the Company operates and the ordinary shares have been created are the Act and regulations made thereunder.

2.5 The share capital of the Company on incorporation was £50,001 divided into one ordinary share of £1.00 and 50,000 redeemable preference shares of £1.00 each, all of which were allotted to Exponent Private Equity Partners GP II, LP (the "Subscriber Shareholder"). No further shares have been issued since incorporation.

2.6 Immediately following determination of the Offer Price, on or about 3 February 2015, resolutions will be put to the Subscriber Shareholder, as the Company's only shareholder at that time, by member's written resolutions, to enable the Company to issue Shares to acquire Hampshire Topco Limited pursuant to the Reorganisation Deed described in paragraph 11.3 of Part 14 (*Additional Information—Reorganisation Deed*).

2.7 Immediately following determination of the Offer Price, on or about 3 February 2015, the following resolutions will also be put to the Company's shareholder, by member's written resolutions:

2.7.1 in substitution for any prior authority conferred upon the Board, the authority conferred on the Board by Article 12 of the Articles will be conferred for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the annual general meeting of the Company to be held in 2016 (or, if earlier, at the close of business on the date falling 15 months after the resolution conferring it is passed), and for that period the section 551 amount shall comprise, condition on Admission:

(a) the aggregate nominal value of the New Shares to be issued on Admission by the Company pursuant to the Offer and the subscription for Shares by the Non-Executive Directors; and

(b) in substitution for any unused authority under paragraph 2.7.1(a) on the day of Admission, (i) up to an aggregate nominal amount equal to one third of the aggregate nominal value of the share capital of the Company on the day following Admission, and (ii) in connection with an offer by way of a rights issue only to holders of Shares in proportion (as nearly as practicable) to their existing holdings and to people who are holders of other equity securities if this is required by the rights of those equity securities, or if the Directors of the Company consider it necessary, as permitted by the rights of those equity securities, up to an aggregate nominal amount equal to two thirds of the aggregate nominal value of the share capital of the Company on the day following Admission (including within such limit any shares or rights issued under (i) above);

2.7.2 in substitution for any prior authority conferred upon the Board, the power conferred on the Board by Article 13 of the Articles will be conferred for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the annual general meeting of the Company to be held in 2016 (or, if earlier, at the close of business on the date falling 15 months after the resolution conferring it is passed), and for that period the section 561 amount shall comprise, condition on Admission:

(a) the equivalent amount to that determined pursuant to paragraph 2.7.1(a) above; and

(b) in substitution for any unused power conferred under paragraph 2.7.2(a) on the day following Admission, up to an aggregate nominal amount equal to 5% of the aggregate nominal value of the share capital of the Company on the day following Admission;

2.7.3 the Company will be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of Shares each subject to the following conditions:

(a) the maximum aggregate number of Shares will represent 10% of the Company's issued ordinary share capital on the day following Admission;

(b) the minimum price (excluding expenses) which may be paid for each Share is one pence (being the nominal value of a Share);

(c) the maximum price (excluding expenses) which may be paid for each Share is the higher of: (i) 105% of the average of the middle market quotations for the Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share as derived from the London Stock Exchange Trading System; and

(d) the authority shall expire on the date falling 18 months after the resolution conferring it is passed or, if earlier, at the end of the annual general meeting of the Company to be held in 2016 so that the Company may, before the expiry of the authority enter into a contract to purchase Shares which will or may be executed wholly or partly after the expiry of such authority;

2.7.4 the Company will be authorised in accordance with the Articles, until the Company's next annual general meeting, to call general meetings on 14 clear days' notice; and

2.7.5 the Company and all companies that are its subsidiaries at any time up to the end of the annual general meeting of the Company to be held in 2016, will be authorised, in aggregate, to:

(a) make political donations to political parties and/or independent election candidates not exceeding £100,000 in total;

(b) make political donations to political organisations other than political parties not exceeding £100,000 in total; and

(c) incur political expenditure not exceeding £100,000 in total.

For the purposes of this authority the terms "political donation", "political parties", "independent election candidates", "political organisation" and "political expenditure" have the meanings given by sections 363 to 365 of the Act.

The Company notes that it is not its policy to make political donations and that it has no intention of using the authority for that purpose.

2.8 Save as disclosed above and in paragraphs 6 and 8 below:

2.8.1 no share or loan capital of the Company has, within three years of the date of this Prospectus, been issued or agreed to be issued, or is now proposed to be issued (other than pursuant to the Offer), fully or partly paid, either for cash or for a consideration other than cash, to any person;

2.8.2 no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of any such company; and

2.8.3 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

2.9 The Company will be subject to the continuing obligations of the FCA with regard to the issue of shares for cash. The provisions of section 561(1) of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 1166 of the Act) apply to the issue of shares in the capital of the Company except to the extent such provisions are disapplied as referred to in paragraph 2.6.2 above.

2.10 Immediately following Admission, and assuming the Offer Price is set at the mid-point of the Price Range, the issued share capital of the Company is expected to be £1,546,610 comprising 154,661,016 Shares of one pence each (all of which will be fully paid or credited as fully paid).

2.11 The Shares are in registered form and, subject to the provisions of the Regulations, the Directors may permit the holding of Shares of any class in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the Regulations). Where Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited.

2.12 The New Shares being issued pursuant to the Offer will be issued at a price of between 210 pence and 262 pence per New Share, representing a premium of between 209 and 261 pence over their nominal value of one pence each, which price is payable in full on application.

3. Articles of Association

The Articles of Association of the Company (the "Articles") include provisions to the following effect:

3.1 *Share rights*

Subject to the provisions of the Act, and without prejudice to any rights attached to any existing shares or class of shares: (i) any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine; and (ii) shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the holder and the Board may determine the terms, conditions and manner of redemption of such shares provided that it does so prior to the allotment of those shares.

3.2 *Voting rights*

Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

No member shall be entitled to vote at any general meeting in respect of a share unless all moneys presently payable by him in respect of that share have been paid.

If at any time the Board is satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 793 of the Act and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Board may, in its absolute discretion at any time thereafter by notice to such member direct that, in respect of the shares in relation to which the default occurred, the member shall not be entitled to attend or vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or on a poll.

3.3 *Dividends and other distributions*

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. Except as otherwise provided by the rights and restrictions attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but no amount paid on a share in advance of the date on which a call is payable shall be treated for these purposes as paid on the share.

Subject to the provisions of the Act, the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution.

If the share capital is divided into different classes, the Board may also pay, at intervals determined by it, any dividend payable at a fixed rate if it appears to the Board that the profits available for distribution justify the payment. If the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

Except as otherwise provided by the rights and restrictions attached to any class of shares, all dividends will be declared and paid according to the amounts paid-up on the shares on which the dividend is paid.

The Board may, if authorised by an ordinary resolution of the Company, offer any holder of shares the right to elect to receive shares, credited as fully paid, by way of scrip dividend instead of cash in respect of the whole (or some part, to be determined by the Board) of all or any dividend.

Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

Except as provided by the rights and restrictions attached to any class of shares, the holders of the Company's shares will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings. A liquidator may, with the sanction of a special resolution and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members.

3.4 ***Variation of rights***

Rights attached to any class of shares may be varied or abrogated with the written consent of the holders of three-quarters in nominal value of the issued shares of the class, or the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

3.5 ***Lien and forfeiture***

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The Company may sell, in such manner as the Board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 13 clear days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.

The Board may from time to time make calls on the members in respect of any moneys unpaid on their shares. Each member shall (subject to receiving at least 13 clear days' notice) pay to the Company the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the board may give the person from whom it is due not less than 13 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

3.6 ***Transfer of shares***

A member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

The Board may, in its absolute discretion, refuse to register the transfer of a certificated share which is not a fully paid share, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis. The Board may also refuse to register the transfer of a certificated share unless the instrument of transfer:

3.6.1 is lodged, duly stamped (if stampable), at the office or at another place appointed by the Board accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

3.6.2 is in respect of one class of share only; and

3.6.3 is in favour of not more than four transferees.

If the Board refuses to register a transfer of a share in certificated form, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

Subject to the provisions of the Regulations, the Board may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

3.7 *Alteration of share capital*

Subject to the Act, the Company may by ordinary resolution increase, consolidate or sub-divide its share capital.

3.8 *Purchase of own shares*

Subject to the Act and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class in any way and at any price (whether at par or above or below par).

3.9 *General meetings*

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Act. The Board may call general meetings whenever and at such times and places as it shall determine.

3.10 *Directors*

3.10.1 *Appointment of Directors*

Unless otherwise determined by ordinary resolution, the number of Directors shall be not less than two but shall not be subject to any maximum in number. Directors may be appointed by ordinary resolution of Shareholders or by the Board.

3.10.2 *No share qualification*

A Director shall not be required to hold any shares in the capital of the Company by way of qualification.

3.10.3 *Annual retirement of Directors*

At every annual general meeting held after the first annual general meeting after the date of adoption of the Articles, all Directors at the date of notice of annual general meeting shall retire from office.

3.10.4 *Remuneration of Directors*

The emoluments of any Director holding executive office for his services as such shall be determined by the Board, and may be of any description.

The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate £600,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such Director shall be paid a fee for that service (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board.

In addition to any remuneration to which the Directors are entitled under the Articles, they may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Company or any of its subsidiary undertakings or any body corporate associated with, or any business acquired by, any of them, and for any member of his family or any person who is or was dependent on him.

3.10.5 *Permitted interests of Directors*

Subject to the provisions of the Act, and provided that he has disclosed to the Board the nature and extent of his interest (unless the circumstances referred to in section 177(5) or section 177(6) of the Act apply, in which case no such disclosure is required), a Director notwithstanding his office:

3.10.5.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

3.10.5.2 may act by himself or for his firm in a professional capacity for the Company (otherwise than as auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

3.10.5.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is (directly or indirectly) interested as a shareholder or otherwise or with which he has such relationship at the request or direction of the Company; and

3.10.5.4 shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate the acceptance, entry into or existence of which has been approved by the Board pursuant to Article 146 of the Articles or which he is permitted to hold or enter into by virtue of paragraph 3.10.5.1, 3.10.5.2 or 3.10.5.3.

3.10.6 *Restrictions on voting*

A Director shall not vote on any resolution of the Board concerning a matter in which he has an interest which can reasonably be regarded as likely to give rise to a conflict with the interests of the Company, unless his interest arises only because the resolution concerns one or more of the following matters:

3.10.6.1 the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;

3.10.6.2 the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;

3.10.6.3 a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

3.10.6.4 a contract, arrangement, transaction or proposal concerning any other body corporate in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he and any persons connected with him do not to his knowledge hold an interest (as that term is used in sections 820 to 825 of the Act) representing 1% or more of either any class of the equity share capital (excluding any shares of that class held as treasury shares) of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be likely to give rise to a conflict with the interests of the Company in all circumstances):

3.10.6.5 a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and

3.10.6.6 a contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any Directors or for persons who include Directors.

3.10.7 *Indemnity of officers*

Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every Director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under the Act.

4. Directors' and Senior Managers' interests

4.1 The interests in the share capital of the Company of the Directors and Senior Managers (all of whom, unless otherwise stated, are beneficial or are interests of a person connected with a Director or a Senior Manager) will be as follows:

(A) Mid-point of the Price Range

	Immediately prior to Admission[(1)(2)]		Immediately following Admission[(2)(3)]	
Director/Senior Manager	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
Alan Peterson[(4)]	1,516,576	1.4%	909,946	0.6%
Neil Sachdev[(5)]	—	—	10,593	0.0%
Chris Davies	4,094,267	3.7%	2,456,561	1.6%
Steve Trowbridge	1,137,220	1.0%	682,332	0.4%
John Gill	2,577,972	2.3%	1,546,784	1.0%
Fiona Perrin	1,440,751	1.3%	864,451	0.6%
Amanda Burton[(6)]	—	—	31,779	0.0%
Douglas Robertson[(7)]	—	—	8,474	0.0%
Thomas Sweet-Escott	—	—	—	—
Darron Cavanagh	208,490	0.2%	125,094	0.1%
Steve Gaskell	113,722	0.1%	68,234	0.0%
John Hardman	758,147	0.7%	454,889	0.3%
Michael Killeen	758,147	0.7%	454,889	0.3%
Paul Lewis	113,722	0.1%	68,234	0.0%
Jon-Paul Overman	758,147	0.7%	454,889	0.3%
Miguel Vicos	208,490	0.2%	125,094	0.1%
Mark Winfield	303,258	0.3%	181,955	0.1%

(1) The interests of Shares as at the date of this Prospectus have been stated on the basis that the Reorganisation described in paragraph 11.3 of this Part 14 (*Additional Information*) has been completed in full.

(2) The Shares are held by the EBT on behalf of the relevant Director or Senior Manager.

(3) Assuming such Director or Senior Manager sells the maximum number of Shares he or she has indicated he or she will make available in the Offer.

(4) Alan Peterson also has an interest in the Shares as a result of his interest in the Exponent Shareholders.

(5) Neil Sachdev intends to subscribe for Shares with a value of £25,000 at the Offer Price outside the Offer.

(6) Amanda Burton intends to subscribe for Shares with a value of £75,000 at the Offer Price outside the Offer.

(7) Douglas Robertson intends to subscribe for Shares with a value of £20,000 at the Offer Price outside the Offer.

In addition, Thomas Sweet-Escott has an interest in the Shares as a result of his interest in the Exponent Shareholders.

(B) Bottom of the Price Range[1]

Director/Senior Manager	Immediately prior to Admission		Immediately following Admission	
	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
Alan Peterson	1,316,110	1.2%	789,666	0.5%
Neil Sachdev	—	—	11,904	0.0%
Chris Davies	3,552,951	3.4%	2,131,771	1.4%
Steve Trowbridge	986,846	0.9%	592,108	0.4%
John Gill	2,237,157	2.1%	1,342,295	0.9%
Fiona Perrin	1,250,311	1.2%	750,187	0.5%
Amanda Burton	—	—	35,714	0.0%
Douglas Robertson	—	—	9,523	0.0%
Thomas Sweet-Escott	—	—	—	—
Darron Cavanagh	180,921	0.2%	108,553	0.1%
Steve Gaskell	98,684	0.1%	59,211	0.0%
John Hardman	657,897	0.6%	394,739	0.3%
Michael Killeen	657,897	0.6%	394,739	0.3%
Paul Lewis	98,684	0.1%	59,211	0.0%
Jon-Paul Overman	657,897	0.6%	394,739	0.3%
Miguel Vicos	180,921	0.2%	108,553	0.1%
Mark Winfield	263,158	0.2%	157,895	0.1%

(1) See the footnotes to the table in (A) above.

In addition, Thomas Sweet-Escott has an interest in the Shares as a result of his interest in the Exponent Shareholders.

(C) Top of the Price Range[1]

Director/Senior Manager	Immediately prior to Admission		Immediately following Admission	
	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
Alan Peterson	1,677,254	1.5%	1,006,353	0.7%
Neil Sachdev	—	—	9,541	0.0%
Chris Davies	4,528,147	3.9%	2,716,889	1.8%
Steve Trowbridge	1,257,750	1.1%	754,650	0.5%
John Gill	2,851,146	2.5%	1,710,688	1.1%
Fiona Perrin	1,593,395	1.4%	956,037	0.6%
Amanda Burton	—	—	28,625	0.0%
Douglas Robertson	—	—	7,633	0.0%
Thomas Sweet-Escott	—	—	—	—
Darron Cavanagh	230,587	0.2%	138,353	0.1%
Steve Gaskell	125,775	0.1%	75,465	0.0%
John Hardman	838,500	0.7%	503,100	0.3%
Michael Killeen	838,500	0.7%	503,100	0.3%
Paul Lewis	125,775	0.1%	75,465	0.0%
Jon-Paul Overman	838,500	0.7%	503,100	0.3%
Miguel Vicos	230,587	0.2%	138,353	0.1%
Mark Winfield	335,400	0.3%	201,240	0.1%

(1) See the footnotes to the table in (A) above.

In addition, Thomas Sweet-Escott has an interest in the Shares as a result of his interest in the Exponent Shareholders.

4.2 In so far as is known to the Directors, the following are the interests (within the meaning of Part VI of the Act) (other than interests held by the Directors) which represent, or will represent, directly or indirectly, 3% or more of the issued share capital of the Company assuming no exercise of the Over-allotment Option:

(A) Mid-point of the Price Range

	Immediately prior to Admission(1)		Immediately following Admission(2)		Immediately following Admission(3)	
Shareholders	**Number of Shares**	**Percentage of issued share capital**	**Number of Shares**	**Percentage of issued share capital**	**Number of Shares**	**Percentage of issued share capital**
Exponent Shareholders	81,494,392	73.4%	52,923,680	34.2%	77,647,748	50.2%
Standard Life	14,591,979	13.1%	9,476,251	6.1%	13,903,219	9.0%

(1) The interests of Shares as at the date of this Prospectus have been stated on the basis that the Reorganisation described in paragraph 11.3 of this Part 14 (*Additional Information*) has been completed in full.

(2) Assuming the relevant Shareholder sells the maximum number of Shares it expects to make available at the mid-point of the Price Range.

(3) Assuming the relevant Shareholder sells the minimum number of Shares it expects to make available at the mid-point of the Price Range.

(B) Bottom of the Price Range

	Immediately prior to Admission(1)		Immediately following Admission(2)		Immediately following Admission(3)	
Shareholders	**Number of Shares**	**Percentage of issued share capital**	**Number of Shares**	**Percentage of issued share capital**	**Number of Shares**	**Percentage of issued share capital**
Exponent Shareholders	78,660,174	74.4%	54,629,632	35.3%	78,660,174	50.8%
Standard Life	14,084,509	13.3%	9,781,718	6.3%	14,084,509	9.1%

(1) The interests of Shares as at the date of this Prospectus have been stated on the basis that the Reorganisation described in paragraph 11.3 of this Part 14 (*Additional Information*) has been completed in full.

(2) Assuming the relevant Shareholder sells the maximum number of Shares it expects to make available at the bottom of the Price Range.

(3) Assuming the relevant Shareholder sells the minimum number of Shares it expects to make available at the bottom of the Price Range.

(C) Top of the Price Range

	Immediately prior to Admission(1)		Immediately following Admission(2)		Immediately following Admission(3)	
Shareholders	**Number of Shares**	**Percentage of issued share capital**	**Number of Shares**	**Percentage of issued share capital**	**Number of Shares**	**Percentage of issued share capital**
Exponent Shareholders	83,766,094	72.7%	51,556,312	33.4%	76,805,043	49.7%
Standard Life	14,998,729	13.0%	9,231,412	6.0%	13,752,320	8.9%

(1) The interests of Shares as at the date of this Prospectus have been stated on the basis that the Reorganisation described in paragraph 11.3 of this Part 14 (*Additional Information*) has been completed in full.

(2) Assuming the relevant Shareholder sells the maximum number of Shares it expects to make available at the top of the Price Range.

(3) Assuming the relevant Shareholder sells the minimum number of Shares it expects to make available at the top of the Price Range.

Save as disclosed above, in so far as is known to the Directors, there is no other person who is or will be immediately following Admission, directly or indirectly, interested in 3% or more of the issued share capital of the Company, or of any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company. The Directors have no knowledge of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. None of the Company's major shareholders have or will have different voting rights attached to the shares they hold in the Company.

4.3 No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group or any of its subsidiary undertakings and which were effected by the Group or any of its subsidiaries during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.

4.4 The Group intends to make a loan to Steve Trowbridge and certain other Management Shareholders (who are not Directors), as described in paragraph 5.5 of this Part 14 (*Additional Information*). There are no other outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any of the Directors.

4.5 The following table sets out the interests of each of the Selling Shareholders other than the interests of the EBT which holds Shares on or behalf of the Directors and other Management Shareholders as described in paragraph 4.1 of this Part 14 *(Additional Information)*, prior to the Offer and the range of the number of Shares each such Selling Shareholder has indicated that it will make available in the Offer at the points indicated in the Price Range.

(A) Mid-point of the Price Range

Selling Shareholder	Shares owned prior to the Offer[1] No.	%	Minimum number of Shares to be sold in the Offer[2] No.	%	Maximum number of Shares to be sold in the Offer No.	%
Exponent Private Equity Partners GP II, LP[3]	71,105,996	64.1%	3,356,297	4.7%	24,928,695	35.1%
Exponent Havana Co-Investment Partners GP Limited[3]	9,887,396	8.9%	466,698	4.7%	3,466,372	35.1%
ESP 2006 Conduit LP[4]	8,251,667	7.4%	389,489	4.7%	2,892,910	35.1%
ESP 2008 Conduit LP[4]	6,340,312	5.7%	299,271	4.7%	2,222,818	35.1%
Exponent Private Equity Founder Partner GP II Limited[3]	501,000	0.5%	23,649	4.7%	175,645	35.1%

(1) The interests of Shares as at the date of this Prospectus have been stated on the basis that the Reorganisation described in paragraph 11.3 of this Part 14 (*Additional Information*) has been completed in full.

(2) Assuming no exercise of the Over-allotment Option.

(3) One of the Exponent Shareholders, for which the business address is 12 Henrietta Street, London WC2E 8LH.

(4) A holding company of Standard Life, for which the business address is 1 George Street, Edinburgh EH2 2LL.

(B) Bottom of the Price Range[1]

Selling Shareholder	Shares owned prior to the Offer No.	%	Minimum number of Shares to be sold in the Offer No.	%	Maximum number of Shares to be sold in the Offer No.	%
Exponent Private Equity Partners GP II, LP	68,633,024	65.0%	0	0.0%	20,967,264	30.5%
Exponent Havana Co-Investment Partners GP Limited	9,543,550	9.0%	0	0.0%	2,915,537	30.5%
ESP 2006 Conduit LP	7,964,730	7.5%	0	0.0%	2,433,210	30.5%
ESP 2008 Conduit LP	6,119,779	5.8%	0	0.0%	1,869,581	30.5%
Exponent Private Equity Founder Partner GP II Limited	483,600	0.5%	0	0.0%	147,741	30.6%

(1) See the footnotes to the table in (A) above.

(C) Top of the Price Range[1]

Selling Shareholder	Shares owned prior to the Offer		Minimum number of Shares to be sold in the Offer		Maximum number of Shares to be sold in the Offer	
	No.	%	No.	%	No.	%
Exponent Private Equity Partners GP II, LP . .	73,088,149	63.4%	6,073,701	8.3%	28,103,891	38.5%
Exponent Havana Co-Investment Partners GP Limited	10,162,998	8.8%	844,555	8.3%	3,907,881	38.5%
ESP 2006 Conduit LP	8,481,654	7.4%	704,834	8.3%	3,261,369	38.5%
ESP 2008 Conduit LP	6,517,075	5.7%	541,575	8.3%	2,505,948	38.5%
Exponent Private Equity Founder Partner GP II Limited	514,947	0.4%	42,795	8.3%	198,010	38.5%

(1) See the footnotes to the table in (A) above.

5. Directors' terms of employment or appointment

5.1 The Directors and their functions are set out in Part 7 (*Directors, Senior Managers and Corporate Governance*). Each of the Executive Directors has entered into a new service agreement with the Company and each of the Non-Executive Directors has entered into a letter of appointment with the Company.

5.2 ***Executive Directors***

5.2.1 Chris Davies (Chief Executive Officer) was appointed to the Board on 7 January 2015. He entered into a service agreement with the Company on 9 January 2015, conditional on and effective from Admission. Mr. Davies is entitled to receive an annual salary of £383,000. Mr. Davies does not receive Company pension contributions or a cash allowance in lieu of pension.

Steve Trowbridge (Chief Financial Officer) was appointed to the Board on 7 January 2015. He entered into a service agreement with the Company on 9 January 2015, conditional on and effective from Admission. Mr. Trowbridge is entitled to receive an annual salary of £218,000. The Company will contribute an amount equal to 10% of Mr. Trowbridge's annual salary to the HSS Pension Plan or he may take a cash allowance in lieu of pension.

John Gill (Chief Operating Officer) was appointed to the Board on 9 January 2015. He entered into a service agreement with the Company on 9 January 2015, conditional on and effective from Admission. Mr. Gill is entitled to receive an annual salary of £275,000. The Company will contribute an amount equal to 10% of Mr. Gill's annual salary to the HSS Pension Plan or he may take a cash allowance in lieu of pension.

Fiona Perrin (Group Sales and Marketing Director) was appointed to the Board on 9 January 2015. She entered into a service agreement with the Company on 9 January 2015, conditional on and effective from Admission. Ms. Perrin is entitled to receive an annual salary of £208,000. The Company will contribute an amount equal to 10% of Ms. Perrin's annual salary to the HSS Pension Plan or she may take a cash allowance in lieu of pension.

5.2.2 Each Executive Director will be eligible to participate in the Company's annual performance related bonus scheme and, at the discretion of the Remuneration Committee, in any other incentive scheme operated for Executive Directors. Each Executive Director will be eligible to earn an annual bonus of up to 100% of their annual salary. The amount of any annual bonus to be paid is subject to the approval of the Remuneration Committee and subject to the achievement of performance conditions, set by the Remuneration Committee and linked to the Executive Director's performance and the performance of the Company.

5.2.3 Each Executive Director will be eligible to participate in the Company's Deferred Bonus Plan, Long Term Incentive Plan and Sharesave Scheme (each described at paragraph 6 of this Part 14 below).

5.2.4 Each Executive Director is eligible to receive private medical insurance for themselves and their family, permanent health insurance and life assurance. Each Executive Director is also entitled to reimbursement of reasonable expenses incurred by them in the performance of their duties.

5.2.5 Each Executive Director is entitled to a company car or cash allowance in lieu. Currently, Mr. Davies, Mr. Trowbridge and Ms. Perrin receive a company car. Mr. Gill receives an annual cash allowance in lieu of a company car benefit equal to £18,000.

5.2.6 Each Executive Director is entitled to 25 working days' paid holiday per year plus UK bank holidays and public holidays.

5.2.7 Each Executive Director's service agreement is terminable by either the Executive Director or the Company on 12 months' written notice. The Company is also entitled to terminate each Executive Director's employment immediately and make a payment in lieu of notice comprising the Executive Director's annual salary in respect of the notice period (or remaining part of it) and a sum equal to the value of other benefits (including pension contributions but excluding bonus) during the notice period (or the remaining part of it).

5.2.8 The Company may elect at its discretion to make the payment in lieu of notice as a lump sum or in equal monthly instalments over the notice period (or the remaining part of it). There is a mechanism in each Executive Director's service agreement to reduce the instalments where the Executive Director commences alternative employment during the notice period.

5.2.9 On termination, the Executive Directors are not contractually entitled to a pro-rata bonus in respect of their service during the financial year. However, the Remuneration Committee may exercise discretion to pay such a bonus if appropriate.

5.2.10 Pursuant to section 79 to 82 of the Enterprise and Regulatory Reform Act, the Executive Directors' remuneration will be subject to shareholder approval. In the event that such approval is not obtained when required, the service agreements provide that the Executive Directors will have no entitlement to compensation or damages in respect of loss suffered as a consequence.

5.2.11 Each of the Executive Directors is subject to a confidentiality undertaking without limitation in time and to non-competition, non-solicitation (in relation to staff and customers) and non-dealing (in relation to customers) restrictive covenants for a period of six months after the termination of their respective employment arrangements.

5.2.12 Each Executive Director will have the benefit of a qualifying third party indemnity from the Company (the terms of which are in accordance with the Act) and appropriate directors' and officers' liability insurance.

5.3 ***Non-Executive Directors***

5.3.1 The appointments of the Chairman and each of the Non-Executive Directors are for a fixed term of three years, commencing on 9 January 2015 and subject to re-election when appropriate by the Company in general meeting.

5.3.2 Alan Peterson is entitled to receive an annual fee of £150,000 for his role as Non-Executive Chairman.

5.3.3 Neil Sachdev is entitled to receive an annual fee of £60,000 for his role as Independent Non-Executive Deputy Chairman.

5.3.4 Amanda Burton and Douglas Robertson are each entitled to receive an annual fee of £50,000. Thomas Sweet-Escott is entitled to receive an annual fee of £40,000, which will be paid to Exponent.

5.3.5 The Chairman and Non-Executive Directors are not entitled to receive any compensation on termination of their appointments and are not entitled to participate in the Company's share, bonus or pension schemes. Their appointments may be terminated at any time upon written notice or in accordance with the Articles or the Act or upon their resignations.

5.3.6 In addition, as Thomas Sweet-Escott has been appointed by Exponent pursuant to the Relationship Agreement, if the Exponent Shareholders no longer exercise or control the exercise of 10% of the votes able to be cast on all or substantially all matters at general meetings of the Company, Thomas Sweet-Escott's appointment may be terminated by the Board.

5.3.7 The Chairman and Non-Executive Directors are also entitled to reimbursement of reasonable expenses.

5.3.8 Pursuant to section 79 to 82 of the Enterprise and Regulatory Reform Act, the Chairman's and Non-Executive Directors' remuneration will be subject to shareholder approval. In the event that such approval is not obtained when required, the appointment letters provide that they will have no entitlement to compensation or damages in respect of loss suffered as a consequence.

5.3.9 The Chairman and Non-Executive Directors are subject to confidentiality undertakings without limitation in time. They are also subject to non-competition restrictive covenants for the duration of their appointments. The Chairman is additionally subject to a non-competition restrictive covenant for six months after the termination of his appointment.

5.3.10 The Chairman and Non-Executive Directors will have the benefit of a qualifying third party indemnity from the Company (the terms of which are in accordance with the Act) and appropriate directors' and officers' liability insurance.

5.4 Save as set out in paragraphs 5.2 and 5.3 above, there are no existing or proposed service agreements or letters of appointment between the Directors and any member of the Group.

5.5 ***Directors' and Senior Managers' Remuneration***

Under the terms of their service contracts, letters of appointment and applicable incentive plans, in the year ended 28 December 2013, the aggregate remuneration and benefits to the Directors and Senior Managers of the Group who served during the 52 week period ended 28 December 2013, consisting of 13 individuals, was £2,070,128.

The Directors who were remunerated by the Group in the 52 week period ended 28 December 2013 were Alan Peterson, Chris Davies, Steve Trowbridge, John Gill and Fiona Perrin. Under the terms of their service contracts, letters of appointment and applicable incentive plans, in the year ended 28 December 2013, they were remunerated as follows:

Name	Position	Annual Salary (£)	Other Benefits (£)	Date of Joining the Group
Alan Peterson . . .	Chairman	28,000	72,000	1 January 2012
Chris Davies	Chief Executive Officer	300,000	45,493	29 August 2006
Steve Trowbridge .	Chief Financial Officer	146,450	18,305	3 November 2008
John Gill	Chief Operating Officer	232,943	43,029	23 February 2009
Fiona Perrin	Group Sales and Marketing Director	170,685	29,838	4 June 2007

It is proposed that loans will be made by Hampshire Topco Limited to Steve Trowbridge and certain other Management Shareholders (who are not Directors) prior to Admission in order to enable them to pay the income tax and employee national insurance contributions arising on any difference between the unrestricted market value of shares acquired in 2014 and the subscription price actually paid. The loan to Steve Trowbridge will be for up to £31,490 and the maximum aggregate value of the loans to the other Management Shareholders will be £33,065. It is proposed that such loans will be written off by Hampshire Topco Limited upon Admission.

5.6 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the 52 week period ended 28 December 2013.

5.7 ***Future remuneration policy***

5.7.1 In anticipation of Admission, the Company undertook a review of its remuneration policy for Directors in order to ensure that it is appropriate for the listed company environment. In undertaking this review, the Company sought independent, specialist advice.

5.7.2 The Company's remuneration package for Executive Directors has been designed based on the following key principles:

- to promote the long term success of the Company, with transparent and stretching performance conditions, which are rigorously applied;
- to provide appropriate alignment between the Company's strategic goals, shareholder returns and executive reward; and

- to have a competitive mix of base salary and short and long term incentives, with an appropriate proportion of the package determined by stretching targets linked to the Company's performance.

In connection with these key principles, the Board has adopted, conditional on Admission, several new share plans. These are the HSS 2015 Deferred Bonus Plan and the HSS 2015 Long Term Incentive Plan. Executive Directors are also eligible to participate in the all-employee HSS 2015 Sharesave Plan on the same terms as all other employees.

5.7.3 Executive Directors' fixed and variable remuneration packages applying post-Admission have been determined taking into account:

- the role, experience and performance of the Executive Director;
- remuneration arrangements at UK listed companies of a similar size and complexity; and
- best practice guidelines for UK listed companies set by institutional investor bodies.

5.7.4 With effect from Admission, the Company will operate share ownership guidelines under which Executive Directors are required to build or maintain (as relevant) a shareholding in the Company equivalent in value to 100% of their annual salary.

5.7.5 In accordance with UK company law, the Company will submit its remuneration policy for Directors to a binding vote of its shareholders at the Company's next annual general meeting. Accordingly, the Company will set out its future remuneration policy relating to Directors' remuneration in the Company's first annual report and accounts following Admission.

5.8 ***Directors' and Senior Managers' current and past directorships and partnerships***

Set out below are the directorships (unless otherwise stated) and partnerships held by the Directors and Senior Managers (other than, where applicable, directorships held in the Company and, following the Reorganisation, its subsidiaries and the subsidiaries of the companies listed below), in the five years prior to the date of this Prospectus:

Name	Current directorships/partnerships	Past directorships/partnerships
Alan Peterson	Peterson Consultancy Services Limited Enterprise Group Holdings Limited Pattonair Holdings Limited	PHS Group plc Enterprise Managed Services Limited Inhoco 3366 Limited The Peterson Consultancy Limited Azelis Holdings SA Azelis SA
Neil Sachdev	Market Tech Holdings Limited Martins Properties (Chelsea) Limited Intu plc Sixth Sense Partnership Limited Querkus Ltd. NHS Properties Limited Medico-Dental Holdings Limited Intu Properties plc	IGD Services Ltd Sainsbury's Supermarkets Ltd.
Chris Davies	—	Rentecnika Iberica SA
Steve Trowbridge	—	—
John Gill	—	Rentecnika Iberica SA
Fiona Perrin	—	—
Amanda Burton	Monitise plc Copthorn Holdings Ltd	Fresca Group Ltd Fresca ESOP Ltd M&W Mack Trustees Ltd Galliford Try PLC OSC Services Pvt Ltd Oscar Services Ltd
Douglas Robertson	SIG plc	Umeco plc
Thomas Sweet-Escott	Trainline International Holdings Ltd Trainline plc Exponent (Rainbow) SPV 1 Limited Exponent Private Equity LLP Exponent Private Equity (Holdings) LLP Cumberland House BPRA Property Fund LLP Pattonair Holdings Limited	Lowell Group Limited V. Group Limited Exponent (Rainbow) Funding Limited
Darron Cavanagh	—	—
Steve Gaskell	—	—
John Hardman	—	—
Michael Killeen	—	—
Paul Lewis	—	—
Jon-Paul Overman	—	—
Miguel Vicos	—	—
Mark Winfield	—	—

5.8.1 Within the period of five years preceding the date of this Prospectus, none of the Directors or Senior Managers:

(a) has had any convictions in relation to fraudulent offences;

(b) save as described in 5.8.2 and 5.8.3 below, has been a member of the administrative, management or supervisory bodies or director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of any bankruptcy, receivership or liquidation of such company; or

(c) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of affairs of a company.

5.8.2 Alan Peterson was a director of The Peterson Consultancy Limited from 6 March 2000 until 11 June 2013, the date at which The Peterson Consultancy Limited was put into voluntary liquidation to realise cash funds for its owners.

5.8.3 On 21 July 2011, Thomas Sweet-Escott was appointed director of non-trading holding companies Exponent (Rainbow) SPV 1 Limited, Exponent (Rainbow) SPV 4 Limited, Exponent (Rainbow) SPV 5 Limited, Exponent (Rainbow) SPV 2 Limited, and Exponent (Rainbow) SPV 3 Limited (the "Rainbow Companies"). Between July 2013 to April 2014, the Rainbow Companies were placed into creditor's voluntary liquidation. The Rainbow Companies are either now dissolved or will be dissolved in the near future.

6. Employee share plans

Following Admission, the Company intends to operate the following share plans: the HSS 2015 Long Term Incentive Plan (the "LTIP"); the HSS 2015 Deferred Bonus Plan (the "DBP"); and the HSS 2015 Sharesave Scheme (the "Sharesave Scheme").

The LTIP and the DBP are, together, referred to as the "Executive Plans" and the Executive Plans and the Sharesave Scheme are together referred to as the "Share Plans".

Since the Company has no immediate plans to make grants under the Share Plans, no details of awards are given below.

The principal features of the Share Plans are summarised below. Certain provisions which are common to the Executive Plans and certain provisions which are common to all of the Share Plans are summarised following the plan specific summaries.

6.1 *The HSS 2015 Long Term Incentive Plan*

The LTIP is a discretionary executive share plan. The LTIP will be administered and operated by the Remuneration Committee and all decisions in relation to the participation in the LTIP by Executive Directors will be taken by the Remuneration Committee.

6.1.1 *Eligibility*

Any employee (including an Executive Director) of the Company or any of its subsidiaries will be eligible to participate in the LTIP at the discretion of the Remuneration Committee.

6.1.2 *Timing of first grant*

The Remuneration Committee intends to grant awards under the LTIP to Executive Directors and other senior executives in 2016 following the announcement of the Company's results for the year ending 31 December 2015, although discretion will be retained to grant awards at other times, as described below.

6.1.3 *Form of Awards*

Awards under the LTIP may be in the form of:

(a) a conditional right to acquire Shares at no cost to the participant ("Conditional Award");

(b) an option to acquire Shares at no cost to the participant ("Nil-Cost Option"); or

(c) a right to receive a cash amount which relates to the value of a certain number of notional Shares ("Cash Award"),

and Conditional Awards, Nil-Cost Options and Cash Awards granted under the LTIP are together referred to as "LTIP Awards" and each an "LTIP Award" as appropriate.

References in this paragraph 6 to Shares include notional Shares to which a Cash Award relates, where appropriate. As described in paragraph 6.1.8 below, awards under the LTIP may also be granted as "Qualifying LTIP Awards".

6.1.4 *Performance conditions*

Unless the Remuneration Committee determines otherwise, LTIP Awards will be subject to the satisfaction of a performance condition which will determine the proportion (if any) of the Award which will vest at the end of a performance period of at least three years. LTIP Awards to the Company's Executive Directors will always be subject to performance conditions.

The first LTIP Awards are intended to be granted in 2016, and the Remuneration Committee will determine the performance conditions in advance of those grants taking account of the Company's strategy and priorities at that time. Performance conditions will be based on financial measures and it is intended that they will include both an earnings measure and a return measure (which shall be assessed independently, with the weightings of the measures to be determined by the Remuneration Committee in advance of the grants).

Any performance condition may be amended or substituted if one or more events occur which cause the Remuneration Committee to consider that an amended or substituted performance condition would be more appropriate. Any amended or substituted performance condition would not be materially less difficult to satisfy.

6.1.5 Individual limits

LTIP Awards will not be granted to a participant over Shares with a market value (as determined by the Remuneration Committee) in excess of 125% of salary in respect of any financial year. However, the Remuneration Committee may, in its discretion, grant LTIP Awards above this level in exceptional circumstances, subject to an overall limit of 250% of salary. Where a "Qualifying LTIP Award" is granted, the Shares subject to the "Qualifying Option" will not count towards these limits for the reason referred to in paragraph 6.1.8 below.

6.1.6 *Grant of LTIP Awards*

LTIP Awards may only be granted within the six week period following Admission, the announcement of the Company's results for any period, any day on which a restriction on the grant of LTIP Awards is lifted, or on any day on which the Remuneration Committee determines that exceptional circumstances exist. However, it is intended that the first LTIP Awards will be granted in 2016 following the announcement of the Company's results for the year ending 31 December 2015.

6.1.7 *Vesting and exercise*

LTIP Awards that are subject to a performance condition will normally vest as soon as practicable after the end of any performance period (or on such later date as the Remuneration Committee determines) and then only to the extent that any performance condition has been satisfied. Where LTIP Awards are granted without a performance condition, they will usually vest on the third anniversary of the grant date (or on such other date as the Remuneration Committee determines). Nil-Cost Options will then normally be exercisable until the tenth anniversary of the grant date.

6.1.8 *Qualifying LTIP Awards*

A schedule to the LTIP permits the grant of options which are intended to satisfy the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 ("Qualifying Options"). Subject to satisfaction of the requirements of the applicable tax legislation, Qualifying Options may be exercised in a tax advantaged manner.

A participant may hold Qualifying Options at any one time over shares with a market value (determined at the point of grant) of up to £30,000 (or such other limit as may be permitted by the applicable tax legislation from time to time). Qualifying Options will have a per Share exercise price equal to the market value of a Share at the date of grant.

The provisions of the LTIP apply to Qualifying Options, other than where the applicable tax legislation requires the provisions of the LTIP to be varied.

A participant granted a Qualifying LTIP Award will be granted both an ordinary LTIP Award in the form of a Nil-Cost Option and a Qualifying Option, with the ordinary LTIP Award subject to conditions that it:

(a) can only be exercised at the same time as the Qualifying Option (unless the Qualifying Option is released); and

(b) will be exercised automatically when the Qualifying Option is exercised.

On the exercise of a Qualifying LTIP Award, the extent to which the ordinary LTIP Award is exercised will be scaled back to reflect the gain made on the exercise of the Qualifying Option, so that the pre-tax position is the same as if the Qualifying Option had not been granted. Because of this scale back provision, the Shares subject to the Qualifying Option do not count towards the individual limit on LTIP participation referred to in paragraph 6.1.5 above, so as to avoid double counting.

6.2 *The HSS 2015 Deferred Bonus Plan*

The DBP is a discretionary executive share plan. The DBP will be administered and operated by the Remuneration Committee and all decisions in relation to the participation in the DBP by Executive Directors will be taken by the Remuneration Committee.

6.2.1 *Eligibility*

The DBP will operate in conjunction with the Company's annual bonus plan. Any employee (including an Executive Director) of the Company or any of its subsidiaries will be eligible to participate in the DBP at the discretion of the Remuneration Committee. The Remuneration Committee's current intention is that the first awards under the DBP will be granted in 2016 in respect of bonuses earned for the year ending 31 December 2015.

Awards under the DBP ("DBP Awards" and each a "DBP Award" as appropriate) may be granted in the same form as awards under the LTIP.

6.2.2 *Grant of DBP Awards*

The Remuneration Committee may determine that a proportion of a participant's annual bonus will be deferred into a DBP Award. The Remuneration Committee's current intention is that for Executive Directors and other relevant executives, any bonus earned above 50% of salary will be deferred into a DBP Award, unless the amount to be deferred would, in the opinion of the Remuneration Committee, result in a DBP Award over a small number of Shares which would make the grant of the DBP Award unduly administratively burdensome.

The number of Shares subject to a DBP Award will be such number of Shares as has a market value (as determined by the Remuneration Committee) equal to the value of the annual bonus deferred into a DBP Award.

DBP Awards may only be granted within the six week period following the announcement of the Company's results for any period, the determination of a participant's annual bonus, any day on which a restriction on the grant of DBP Awards is lifted, or on any day on which the Remuneration Committee determines that exceptional circumstances exist. However, it is intended that the first DBP Awards will be granted in 2016 in respect of bonuses earned for the year ending 31 December 2015.

6.2.3 *Vesting and exercise*

DBP Awards they will usually vest on the second anniversary of the grant date (or on such other date as the Remuneration Committee determines). Nil-Cost Options will then normally be exercisable until the tenth anniversary of the grant date.

6.3 ***Common terms of the Executive Plans***

6.3.1 *Dividends*

The Remuneration Committee may provide additional cash or Shares to a participant in the LTIP or DBP based on the value of some or all of the dividends paid on vested Shares to which his LTIP Award or DBP Award relates. In these circumstances, the Remuneration Committee has the discretion to determine the basis on which this additional amount will be calculated, which may assume the reinvestment of the relevant dividends into Shares.

Alternatively, the Remuneration Committee may determine that the number of Shares to which a participant's LTIP Award or DBP Award relates shall increase to take account of dividends paid on vested Shares from the grant date until the date of vesting on such terms as determined by the Remuneration Committee. The Remuneration Committee may determine that the participant shall receive the cash equivalent of the additional Shares.

6.3.2 *Cessation of Employment*

Except in certain circumstances, set out below, DBP Awards and LTIP Awards (whether or not vested) will lapse immediately upon a participant ceasing to be employed by or holding office with any member of the Group.

If a participant ceases to be employed or hold office as a result of his death, ill-health, injury, disability, or the sale of the business or entity that employs him out of the Group or for any other reason at the Remuneration Committee's discretion (each a "Good Leaver Reason"), unvested DBP Awards and LTIP Awards may vest and, in the case of a Nil-Cost Option, be exercised, and vested but unexercised Nil-Cost Option may be exercised, in each case as set out below. If a participant ceases to be employed or hold office for a Good Leaver Reason, the Remuneration Committee will decide whether any unvested DBP Award or LTIP Award will continue until the originally anticipated vesting date or vest at the time of cessation. To the extent a Nil-Cost Option vests, it will be exercisable for a period of six months following the date of vesting, or 12 months in the event of death.

DBP Awards will vest in full unless the Remuneration Committee determines that the extent to which the DBP Award vests should be reduced to take account of the period of time that has elapsed between the grant date and the date on which the participant ceases to be employed or hold office.

The extent to which an LTIP Award vests will be determined by the Remuneration Committee by reference to the extent to which any applicable performance condition has been satisfied at the end of the performance period or the date of cessation as appropriate. In addition, unless the Remuneration Committee determines otherwise, the extent to which the LTIP Award vests will be reduced to take account of the period of time that has elapsed between the grant date and the date on which the participant ceases to be employed or hold office.

If a participant ceases to be employed or hold office for a Good Leaver Reason, any vested but unexercised Nil-Cost Option that he holds may be exercised during the period of six months following the date of cessation, or 12 months in the event of death.

6.3.3 *Corporate events*

In the event of a change of control of the Company, DBP Awards and LTIP Awards will vest as soon as practicable after such event.

LTIP Awards will vest taking into account the extent that any performance condition has been satisfied, and, unless the Remuneration Committee determines otherwise, the period of time which has elapsed between the grant date and the relevant event. DBP Awards will vest in full. Nil-Cost Options will then be exercisable for a period of one month.

Alternatively, the Remuneration Committee may permit participants to exchange DBP Awards and LTIP Awards for equivalent awards which relate to shares in a different company. If the change of control is an "internal reorganisation" of the Group, participants will be required to exchange their DBP Awards and LTIP (rather than those Awards vesting).

If other corporate events occur such as a winding-up of the Company, demerger, delisting, special dividend or other event which, in the opinion of the Remuneration Committee, may affect the current or future value of Shares, the Remuneration Committee may determine that DBP Awards and LTIP Awards will vest. LTIP Awards will vest subject to satisfaction of any relevant performance condition and, unless the Remuneration Committee determines otherwise, the period of time which has elapsed between the grant date and the relevant event. DBP Awards will vest in full. The Remuneration Committee will determine in these circumstances the length of time during which Awards structured as Nil-Cost Options can then be exercised.

6.3.4 *Clawback and malus*

LTIP Awards—clawback

At any time after the delivery of Shares or cash in respect of a vested LTIP Award but prior to the second anniversary of such delivery, the Remuneration Committee may, in its discretion, determine to require a participant to:

(a) make a cash payment to the Company in respect of some or all of the Shares or cash delivered to him pursuant to that Award; and/or

(b) transfer for nil consideration some or all of the Shares delivered to him pursuant to that Award,

in the following circumstances:

(a) a material misstatement of the Company's audited financial results;

(b) an error in the information or assumptions on which the Award was granted or vests including an error in assessing any applicable performance condition;

(c) a material failure of risk management by the Company, any member of the Company's Group or a relevant business unit;

(d) serious reputational damage to the Company, any Group member or a relevant business unit; or

(e) material misconduct on the part of the participant.

LTIP Awards and DBP Awards—malus

In addition, the Remuneration Committee may, in its discretion, determine at any time prior to the delivery of Shares or cash in respect of a DBP Award or LTIP Award to:

(a) reduce the number of Shares to which the Award relates;

(b) cancel the Award; or

(c) impose further conditions on the Award

in the circumstances referred to above (which will include, in the case of DBP Awards, an error in assessing the performance condition which applied to the annual bonus deferred into the DBP Award), or in other circumstances as determined by the Remuneration Committee.

6.3.5 *Alternative method of satisfaction of Awards*

At any time before the point at which a DBP Award or an LTIP Award (which, in either case, is not a Cash Award) has vested, or a Nil-Cost Option has been exercised, the Remuneration Committee may decide to pay a participant a cash amount equal to the value of the Shares he would otherwise have received.

6.4 ***The HSS 2015 Sharesave Scheme***

The Sharesave Scheme is an "all employee" share option plan, which is intended to satisfy the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 and which will be administered and operated by the Remuneration Committee.

6.4.1 *Eligibility*

Each time that the Remuneration Committee decides to operate the Sharesave Scheme, it must invite all employees of the Company and designated participating subsidiaries of the Company who are UK-resident taxpayers (including Executive Directors) to apply for options over Shares ("Sharesave Options"). The Remuneration Committee's current intention is that invitations will first be issued in the third quarter of 2015, although discretion will be retained to issue invitations at other times, as described below. Employees invited to participate may be required to have competed a minimum qualifying period of service before they can participate (of up to five years).

6.4.2 *Sharesave Contracts and Sharesave Options*

An eligible employee who applies for a Sharesave Option must enter into a contract with a savings institution under which he agrees to save up to £500 per month (or such other limit as may be permitted under the applicable tax legislation from time to time) over a period of three or five years (a "Sharesave Contract").

Sharesave Options will be granted with a per Share exercise price determined by the Remuneration Committee which will not be less than 80% (or such other percentage as is permitted under the applicable tax legislation from time to time) of the market value of a Share when the invitation is issued. The number of Shares subject to each Sharesave Option will be such number as can be acquired at the exercise price using the proceeds of the relevant Sharesave Contract.

6.4.3 *Issue of invitations*

Invitations to apply for Sharesave Options may only be issued within the six week period following Admission, the announcement of the Company's results for any period, the announcement or coming into effect of changes to the legislation governing tax qualifying share option schemes, any day on which a restriction on the issue of invitations is lifted, or on any day on which the Remuneration Committee determines that exceptional circumstances exist.

However, it is intended that invitations will first be issued in the third quarter of 2015.

6.4.4 *Vesting and exercise*

Ordinarily, Sharesave Options will be exercisable for a period of six months following the maturity of the related Sharesave Contract.

However, Sharesave Options may be exercised early if the participant ceases employment as a result of: death, injury, disability, redundancy, retirement, the transfer out of the Group of the company by which or business in which the participant is employed or, provided the Sharesave Option has been held for at least three years, the termination of his employment for any other reason other than where he is summarily dismissed by his employer. A participant will have six months within which to exercise his option in these circumstances, or 12 months in the event of death.

6.4.5 *Corporate events*

In the event of a change of control or a voluntary winding-up of the Company, Sharesave Options may be exercised within a period of up to six months. Alternatively, Sharesave Options may be exchanged (with the agreement of the acquiring company and the participant) for equivalent options over shares in the acquiring company. Sharesave Options will be exchanged (or will lapse) in the event of an "internal reorganisation" of the Group.

6.5 ***Provisions which are common to the Share Plans***

6.5.1 *Terms of LTIP Awards, DBP Awards and Sharesave Options*

LTIP Awards, DBP Awards and Sharesave Options may be granted over newly issued Shares, treasury Shares or Shares purchased in the market, and are not transferable (other than on death). No payment will be required for the grant of an LTIP Award, DBP Award or Sharesave Option, and no such award or option will form part of pensionable earnings.

6.5.2 *Overall limits*

The Share Plans are subject to the following overall limits.

In any 10 year period, the number of Shares which may be issued under the LTIP, DBP, Sharesave Scheme and under any other share plan adopted by the Company may not exceed 10% of the issued ordinary share capital of the Company from time to time.

The LTIP and DBP are subject to a further limit such that in any 10 year period, the number of Shares which may be issued under the LTIP, DBP, and under any other discretionary share plan adopted by the Company may not exceed 5% of the issued ordinary share capital of the Company from time to time.

Treasury Shares will be treated as newly issued for the purpose of these limits until such time as guidelines published by institutional investor representative bodies determine otherwise.

6.5.3 *Adjustments*

In the event of a variation of the Company's share capital or a rights issue or, in the case of the LTIP and DBP, a demerger, delisting, special dividend, or other event, which may, in the Remuneration Committee's opinion, affect the current or future value of Shares, the number of Shares subject to an LTIP Award, DBP Award or Sharesave Option and the exercise price applying to any Sharesave Option (and/or, in respect of the LTIP, the performance condition attached to an LTIP Award), may be adjusted.

6.5.4 *Amendment and termination*

The Remuneration Committee may amend any of the Share Plans or the terms of any award or option granted under them at any time, provided that prior approval of the Company's shareholders in a general meeting will be required for amendments to the advantage of eligible employees or participants relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash comprised in an award or option and the impact of any variation of capital.

However, any minor amendment to benefit the administration of any Share Plan, to take into account legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment may be made by the Remuneration Committee without shareholder approval.

No amendment may be made to the material disadvantage of participants in a Share Plan unless consent is sought from the affected participants and given by a majority of them.

The Share Plans will usually terminate on the tenth anniversary of their adoption but the rights of existing participants will not be affected by any termination.

6.6 ***Employee Benefit Trust***

6.6.1 The EBT was established by the Company as a discretionary employee benefit trust. The EBT can be used to benefit employees and former employees of the Group and certain of their dependents. The Company has the power to appoint and remove the trustee.

6.6.2 The trustee of the EBT has the power to acquire Shares. Any Shares acquired may be used for the purposes of the Share Plans or other employee share plans established by the Group from time to time. The EBT will be funded by way of loans and other contributions by the Company (or a Group Company).

6.6.3 The EBT may not, at any time, without prior Shareholder approval, hold more than 5% of the issued ordinary share capital of the Company (after deducting any Shares held as nominee for individuals under the EBT). Any Shares to the EBT following Admission will count for the purposes of the limits set out in paragraph 6.5.2 above.

6.6.4 The EBT will act as nominee for 17 Management Shareholders in relation to Shares derived from pre-Admission management incentive arrangements.

7. Pensions

The Company operates various defined contribution group personal pension schemes for employees employed in the United Kingdom to which the relevant employer makes contributions based on the employee's level of contributions and the relevant scheme's eligibility requirements. In the Republic of Ireland, the relevant employer makes contributions to employees' personal pension schemes. No pension scheme is operated by the Company in the Republic of Ireland.

The Company does not operate a defined benefit pension scheme for the benefit of its Directors or Senior Managers.

8. Underwriting arrangements

8.1 *Underwriting Agreement*

On 22 January 2015 the Company, the Directors, the Selling Shareholders and the Underwriters entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement:

8.1.1 subject to the execution by the parties thereto of the Pricing Agreement, the Company has agreed, subject to certain conditions, to allot and issue, at the Offer Price, the New Shares to be issued in connection with the Offer;

8.1.2 subject to the execution by the parties thereto of the Pricing Agreement, the Selling Shareholders have agreed, subject to certain conditions, to sell the Shares in the Offer at the Offer Price;

8.1.3 and subject to the execution by the parties thereto of the Pricing Agreement, the Underwriters have severally (and not jointly or jointly and severally) agreed, subject to certain conditions, to use their reasonable endeavours to procure subscribers and, to the extent that such New Shares are not so subscribed, to subscribe themselves for the New Shares (in such proportions as will be set out in the Underwriting Agreement) and to use their reasonable endeavours to procure purchasers for the Existing Shares and, to the extent that such Existing Shares are not so purchased, purchase themselves the Existing Shares (in such proportions as will be set out in the Underwriting Agreement) pursuant to the Offer, in each case at the Offer Price;

8.1.4 the Underwriters will deduct from the proceeds of the Offer to the Company a commission of 2.0% of the product of the Offer Price and the number of New Shares allotted pursuant to the Offer and from the proceeds of the Offer to the Selling Shareholders a commission of 2.0% of the product of the Offer Price and the number of Shares sold in the Offer (including following any exercise of the Over-allotment Option) less an amount equal to 0.75% of the product of the Offer Price and the number of Shares issued or sold in the Intermediaries Offer which will be paid as a commission to the Intermediaries by the Receiving Agent in connection with the Intermediaries Offer;

8.1.5 in addition, the Underwriters may also be paid a discretionary commission of up to 1.5% of the aggregate gross proceeds of the Offer;

8.1.6 the several (and not joint or joint and several) obligations of the Underwriters to use their reasonable endeavours to procure subscribers and/or purchasers for the New Shares and Existing Shares, as the case may be, and to the extent that such New Shares and/or Existing Shares are not so subscribed or purchased, to subscribe for or purchase themselves such Shares at the Offer Price on the terms of the Underwriting Agreement are subject to certain conditions. These conditions include, among other things, the execution by the parties thereto of the Pricing Agreement, absence of any breach of representation or warranty under the Underwriting Agreement and Admission occurring on or before 9 February 2015 (or such later time and/or date as the Global Co-ordinator and the Company may agree in writing). In addition, each Joint Bookrunner (on behalf of itself and the other Underwriters) has the right to terminate the Underwriting Agreement, exercisable in certain circumstances, prior to Admission;

8.1.7 J.P. Morgan Cazenove, as Stabilising Manager, has been granted the Over-allotment Option by the Over-allotment Shareholders pursuant to which it may purchase or procure purchasers for additional Shares at the Offer Price, which represent up to an additional 15% of the Offer Size, for the purposes of covering short positions arising from over-allocations, if any, in connection with the Offer and/or from sales of Shares, if any, effected during the stabilising period. Except as required by law or regulation, neither the Stabilising Manager, nor any of its agents, intends to disclose the extent of any over-allotments and/or stabilising transactions conducted in relation to the Offer. The number of Over-allotment Shares to be transferred pursuant to the Over-allotment Option, if any, will be determined not later than 6 March 2015. Settlement of any purchase of Over-allotment Shares will take place shortly after such determination (or if acquired on Admission, at Admission). If any Over-allotment Shares are acquired pursuant to the Overallotment Option, the Stabilising Manager will be committed to pay to the Over-allotment Shareholders, or procure that payment is made to it of, an amount equal to the Offer Price multiplied by the number of Over-allotment Shares purchased from such Over-allotment Shareholder, less commissions and expenses;

8.1.8 the Selling Shareholders have agreed to pay any stamp duty and/or stamp duty reserve tax arising on the sale of Shares;

8.1.9 the Company has agreed to pay the costs, charges, fees and expenses of the Offer (together with any related value added tax);

8.1.10 each of the Company, the Directors and the Selling Shareholders have given certain representations, warranties and undertakings, subject to certain limits, to the Underwriters;

8.1.11 the Company has given an indemnity to the Underwriters on customary terms; and

8.1.12 the parties to the Underwriting Agreement have given certain covenants to each other regarding compliance with laws and regulations affecting the making of the Offer in relevant jurisdictions.

8.2 ***Management Shareholder Lock-up Deeds***

Each of the Management Shareholders (other than any Directors, who have agreed to lock-up arrangements set out in the Underwriting Agreement) has undertaken that from the date of this Prospectus until the date falling 365 days after the date of Admission, they will not, without the prior written consent of the Joint Bookrunners, except for certain customary exceptions set out in the lock-up deed, directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing other than pursuant to the Offer.

8.3 ***Stock lending agreement***

In connection with settlement and stabilisation, J.P. Morgan Cazenove, as Stabilising Manager, has entered into a stock lending agreement with the Over-allotment Shareholders. Pursuant to this agreement, the Stabilising Manager will be able to borrow up to a maximum of 15% of the total number of Shares comprised in the Offer (excluding the Shares subject to the Over-allotment Option) on Admission for the purposes, amongst other things, of allowing the Stabilising Manager to settle, on Admission, over-allotments, if any, made in connection with the Offer. If the Stabilising Manager borrows any Shares pursuant to the stock lending agreement, it will be required to return equivalent securities to the Over-allotment Shareholders by no later than the third business day after the date that is the 30th day after the commencement of conditional dealings in the Shares on the London Stock Exchange.

9. Subsidiaries and principal establishments

The Company will be the principal operating and holding company of the Group. The principal subsidiaries and subsidiary undertakings of the Company (excluding dormant companies) will be as follows:

9.1 ***Subsidiaries and subsidiary undertakings***

Name	Country of incorporation and registered office	Class and percentage of ownership interest and voting power	Field of activity
Hampshire Topco Ltd	United Kingdom	100%	Intermediate holding company
Hampshire Midco Ltd	United Kingdom	100%	Intermediate holding company
Hampshire Bidco Ltd	United Kingdom	100%	Intermediate holding company
Hero Acquisitions Ltd	United Kingdom	100%	Intermediate holding company
HSS Financing plc	United Kingdom	100%	Issuer of Notes
HSS Hire Service Holdings Ltd	United Kingdom	100%	Intermediate holding company
HSS Hire Service Finance Ltd	United Kingdom	100%	Intermediate holding company
Bannagroe Ltd	Republic of Ireland	100%	Intermediate holding company
Abird Superior Ltd	United Kingdom	100%	Intermediate holding company
HSS Hire Service Group Ltd	United Kingdom	100%	Hire and equipment services
A1 Hire & Sales Ltd	United Kingdom	100%	Hire and equipment services
Laois Hire Services Ltd	Republic of Ireland	100%	Hire and equipment services
Abird Ltd	United Kingdom	100%	Hire and equipment services
Apex Generators Ltd	United Kingdom	100%	Hire and equipment services
UK Platforms Ltd	United Kingdom	100%	Hire and equipment services
HSS Training Ltd	United Kingdom	100%	Training
1st Collection Services Ltd	United Kingdom	100%	Administration of Group trade debtors
TecServ Cleaning Equipment Services Ltd	United Kingdom	100%	Cleaning equipment services

9.2 *Principal establishments*

The following are the principal establishments of the Group:

Site	Size (ft²)	Ownership/Lease	Lease Expiry	Next Break Date
Regional Distribution Centres				
Leeds	43,278	Short leasehold	6 May 2033	7 May 2023
Beckton	39,000	Short leasehold	15 November 2022	16 November 2017
Manchester Piccadilly	38,408	2 short leaseholds	1 October 2017	N/A
Heathrow	37,200	3 short leaseholds	24 December 2020	N/A
Coatbridge	35,920	Short leasehold	23 August 2018	N/A
Solihull	32,522	Short leasehold	25 February 2023	26 February 2018
Bristol	32,000	Short leasehold	8 December 2021	N/A
Cambridge	9,360	Short leasehold	22 December 2017	N/A
Local Hire Centres (operate as regional distribution centres)				
Belfast	26,500	Short leasehold	17 June 2022	N/A
Dublin	22,960	Short leasehold	14 December 2027	1 June 2017
Offices and Refurbishment Centres				
Manchester Office and Refurbishment Centre(1)	38,900 (8,900 office; 30,000 refurbishment centre)	Short leasehold	12 May 2016	N/A
Mitcham	16,706	Freehold	N/A	N/A
Oakland House (Manchester)	27,512	Short leasehold	26 August 2024	N/A
Mosley Road Refurbishment Centre(2)	37,730	Agreement to lease short leasehold	July 2040	July 2030
Oakland House (6th Floor)(2)	11,970	Agreement to lease short leasehold	January 2025	N/A

(1) The existing lease of the Manchester Office and Refurbishment Centre will be surrendered without charge immediately upon completion of the Mosley Road Refurbishment Centre.

(2) The exact lease expiry dates are dependent upon completion of the landlord's works to these sites. As leases have not yet been finalised, neither location is currently incurring a rental charge.

10. Statutory auditors

The auditors of the Company for the period from incorporation on 7 January 2015 to the present have been BDO LLP, chartered accountants, whose registered address is at 55 Baker Street London W1U 7EU. BDO LLP have audited the consolidated accounts for the Group as at and for the periods ended 31 December 2011, 29 December 2012 and 28 December 2013, in accordance with International Standards on Auditing (UK and Ireland). For the period ended 28 December 2013, BDO LLP have made a report under section 495 of the Act in respect of this set of statutory accounts and such report was unqualified and did not contain a statement under sections 498(2) or 498(3) of the Act.

11. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group: (a) within the two years immediately preceding the date of this Prospectus which are, or may be, material to the Company or any member of the Group, and (b) at any time and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this Prospectus:

11.1 *Underwriting Agreement*

The Underwriting Agreement described in paragraph 8.1 of this Part 14 (*Additional Information*).

11.2 *Relationship Agreement*

The Relationship Agreement is described in "Relationship Agreement with Exponent and the Exponent Shareholders" in Part 7 (*Directors, Senior Managers and Corporate Governance*).

11.3 *Reorganisation Deed*

The reorganisation deed between (among others) the Company, Hampshire Topco Limited, certain subsidiaries of Hampshire Topco Limited, Exponent Private Equity Partners GP II LP, Exponent Havana Co-Investment Partners GP Limited, ESP 2006 Conduit LP, ESP 2008 Conduit LP, Exponent Private Equity Founder Partner GP II Limited and the Executive Directors (the "Reorganisation Deed") was entered into on 22 January 2015. Pursuant to the Reorganisation Deed, the Company will replace Hampshire Topco Limited as the holding company of the Group, immediately following determination of the Offer Price, through a share for share exchange.

In addition, amongst other matters, pursuant to the Reorganisation Deed the Directors and other Management Shareholders (or their respective nominees) agreed to the court-approved capital reduction of the Company's Shares to be undertaken following Admission and the shareholder resolution approving such capital reduction. It is contemplated that the court-approved capital reduction of the Company will be initiated following Admission. The purpose of the capital reduction is to create distributable reserves to enable the Company to pay dividends post-Admission. This will result in the cancellation of all share premium attaching to the Shares. The capital reduction has been approved (conditional on Admission) by a special resolution of the shareholders of the Company passed prior to the date of this document, and will require the approval of the Companies Court.

11.4 *Shareholder Loan Note Transfer*

Immediately following the determination of the Offer Price, approximately £86 million, including accrued interest of approximately £795,500, will be owed by Hampshire Midco Limited to the Exponent Shareholders, ESP 2006 Conduit LP and ESP 2008 Conduit LP (together, the "Shareholder Loan Note Holders") in respect of loan notes (the "Shareholder Loan Notes") held by the Shareholder Loan Note Holders pursuant to a loan note instrument dated 25 October 2012. As part of the Reorganisation, the Shareholder Loan Note Holders will transfer all of their interests in the Shareholder Loan Notes to Hampshire Topco Limited in consideration for the issue by Hampshire Topco Limited to the Shareholder Loan Note Holders of ordinary shares in Hampshire Topco Limited (the "Shareholder Loan Note Transfer"). Such shares in Hampshire Topco Limited will subsequently be exchanged for Shares in the Company as part of the Reorganisation.

11.5 *The Group's financing arrangements*

11.5.1 *£200 million 6.75% Senior Secured Notes due 2019 (the "Notes")*

In February 2014, HSS Financing plc (the "Notes Issuer") issued the Notes under an indenture dated 6 February 2014, between the Notes Issuer, Hero Acquisitions Limited and certain subsidiaries of Hero Acquisitions Limited (the "Notes Guarantors") and U.S. Bank Trustees Limited, as trustee (the "Trustee") (the "Indenture"). Interest is payable on the Notes on 1 February and 1 August of each year, beginning on 1 August 2014. The Notes will mature on 1 August 2019.

The Notes are guaranteed on a senior secured basis ("Notes Guarantees") by the Notes Guarantors. The Notes and the Notes Guarantees are secured by liens on certain assets that also secure the Note Issuer's obligations under a £60.0 million super senior revolving credit facility agreement (the "Revolving Credit Facility Agreement").

At any time on or after 1 February 2016, the Notes Issuer may on any one or more occasions redeem the Notes, in whole or in part, at its option, at a redemption price equal to the applicable percentage of principal amount set forth below plus accrued and unpaid interest.

Period	Redemption Price
2016	103.375%
2017	101.688%
2018 and thereafter	100.000%

Prior to 1 February 2016, the Notes Issuer may redeem, at its option, some or all of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, plus the applicable "make-whole" premium. Prior to 1 February 2016, the Notes Issuer may also redeem up to 35% of the original aggregate principal amount of the Notes using the net cash proceeds from certain equity offerings at a price equal to 106.750%, if at least 65% of the originally issued aggregate principal amount of the Notes remains outstanding. Additionally, the Notes Issuer may redeem all, but not less than all, of the Notes in the event of certain developments affecting taxation.

The Indenture limits, among other things, the ability of Hero Acquisitions Limited and its restricted subsidiaries to incur or guarantee additional indebtedness; pay dividends or make other distributions or purchase or redeem stock; make certain investments; make certain other restricted payments; enter into agreements that restrict certain restricted subsidiaries' ability to pay dividends; transfer or sell certain assets; enter into certain transactions with affiliates; create liens on assets to secure indebtedness; effect a consolidation or merger; and impair the security interests. Each of these covenants is subject to a number of significant exceptions and qualifications.

In connection with the Offer, as described in Part 13 (*Details of the Offer*), the Company expects to redeem approximately £64.0 million of the Notes currently outstanding at a redemption price of 106.750% of their principal amount, thereby paying a redemption premium together with any outstanding accrued and unpaid interest on the value of the Notes redeemed of approximately £4.5 million.

11.5.2 *Revolving Credit Facility*

In February 2014, Hero Acquisitions Limited, the other Notes Guarantors and the Notes Issuer entered into a Revolving Credit Facility Agreement with, among others, Barclays Bank PLC as facility agent and U.S. Bank Trustees Limited as security agent (the "Security Agent") (the "Revolving Credit Facility").

The Revolving Credit Facility may be utilised by any current or future borrower under the Revolving Credit Facility Agreement in Euros, U.S. Dollars, Sterling or any other readily available and agreed currency by the drawing of cash advances or the issue of letters of credit and ancillary facilities. The Revolving Credit Facility may be applied towards the working capital and general corporate purposes of Hero Acquisitions Limited and its restricted subsidiaries (the "Restricted Group").

In addition, Hero Acquisitions Limited may elect to request additional commitments under the Revolving Credit Facility Agreement (the "Additional Facility Commitments"). Hero Acquisitions Limited and the lenders may agree to certain terms in relation to the Additional Facility Commitments, including the margin and the termination date (each subject to parameters as set out in the Revolving Credit Facility Agreement) and the availability period.

The Revolving Credit Facility may be utilised from 6 February 2014 until the date falling one month prior to the maturity date of the Revolving Credit Facility (being 6 February 2019) in respect of the facility and in relation to any additional facility thereunder, the date specified in the applicable additional facility notice.

Loans under the Revolving Credit Facility Agreement will initially bear interest at rates per annum equal to LIBOR or, for loans denominated in euro, EURIBOR, plus any applicable margin. Beginning on the first anniversary of the issue date of the Notes, the margin on the loans will be subject to reduction if certain leverage ratios are met. The margin on any loans under an Additional Facility Commitment will be agreed between the Hero Acquisitions Limited and the relevant lenders (subject to the parameters as set out in the Revolving Credit Facility Agreement). A commitment fee is payable on the aggregate undrawn and uncancelled amount of the Revolving Credit Facility from the issue date of the Notes to the end of the availability period for the Revolving Credit Facility at a rate of 40% of the applicable margin for the Revolving Credit Facility.

The Revolving Credit Facility Agreement also permits each lender to require the mandatory prepayment of all amounts due to that lender upon a Change of Control (as defined in the Revolving Credit Facility Agreement). The Revolving Credit Facility Agreement also requires the Group to prepay the Revolving Credit Facility with the net cash proceeds received by the Group from certain disposals of assets, to the extent that such net cash proceeds exceed certain agreed thresholds and have not been applied for other permitted purposes.

Hero Acquisitions Limited, the other Notes Guarantors and the Notes Issuer have provided a senior guarantee of all amounts payable to the finance parties under the Revolving Credit Facility Agreement and the hedging banks under certain secured hedging agreements, subject to limitations imposed by applicable law, and certain of the Agreed Security Principles (as defined in the intercreditor agreement between among others, the Notes Issuer, the Notes Guarantors, the lenders under the Revolving Credit Facility, the Security Agent and the Trustee.

The Revolving Credit Facility is secured by the same collateral as the Notes.

The Revolving Credit Facility Agreement contains certain of the incurrence covenants and related definitions (with certain adjustments and exceptions) that are set forth in the Indenture. Subject to certain exceptions set out in the Revolving Credit Facility Agreement, Hero Acquisitions Limited may not, and shall procure that no other member of the Restricted Group will, repay, prepay, purchase, defease, redeem or otherwise directly or indirectly acquire or retire the principal amount of the Notes (or, in each case, any replacement or refinancing thereof as permitted under the Revolving Credit Facility Agreement from time to time) prior to its scheduled maturity date in a manner which involves the payment of cash consideration to a person which is not a member of the Restricted Group. The exceptions to such covenant include (among other things) payments that do not exceed 50% of the aggregate original principal amount of the Notes as at the issue date of the Notes or incurred at any time after the issue date of the Notes.

The Revolving Credit Facility Agreement requires the Company to maintain a minimum EBITDA of £35 million (subject to limited cure provisions) if, at 5:00 pm London time on the last day of the relevant measurement period, the aggregate amount of all outstanding utilisations under the Revolving Credit Facility and ancillary facility outstandings are equal to or greater than 25% of the total Revolving Credit Facility at the date of the Revolving Credit Facility Agreement.

12. UK Taxation

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. They are based on current UK legislation and what is understood to be the current practice of HMRC as at the date of this Prospectus, both of which are subject to change, possibly with retroactive effect.

The following statements apply only to Shareholders who are resident and, in the case of individuals, domiciled for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Shares as an investment (other than in an individual savings account or self invested pension plan) and who are the absolute beneficial owner of both the Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

The statements summarise the current position and are intended as a general guide only. Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

12.1 *Taxation of Dividends*

The Company is not required to withhold tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

12.1.1 *UK resident individual Shareholders*

An individual Shareholder who is resident for tax purposes in the UK and who receives a dividend from the Company will generally be entitled to a tax credit equal to one-ninth of the amount of the dividend received, which is equivalent to 10% of the aggregate of the dividend received and the tax credit (the "gross dividend"), and will be subject to income tax on the gross dividend (which will be regarded as the top slice of the individual's income). An individual UK resident Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the gross dividend at the rate of 10% (2014/2015), so that the tax credit will satisfy the income tax liability of such a Shareholder in full. Where the tax credit exceeds the Shareholder's tax liability the Shareholder cannot claim repayment of the tax credit from HMRC.

An individual UK resident Shareholder who is subject to income tax at the higher rate or the additional rate will be liable to income tax on the gross dividend at the rate of 32.5% or 37.5% respectively (2014/2015) to the extent that such sum, when treated as the top slice of that Shareholder's income, falls above the threshold for higher rate or additional rate income tax. After taking into account the 10% tax credit, a taxpayer liable to tax on the gross dividend wholly at the higher rate will therefore be liable to additional income tax of 22.5% of the gross dividend, equal to 25% of the cash dividend, and a taxpayer liable to tax on the gross dividend wholly at the additional rate will be liable to additional income tax of 27.5% of the gross dividend, equal to approximately 30.6% of the cash dividend.

An individual UK Shareholder who has ceased to be resident for tax purposes in the UK or is treated as resident outside the UK for the purposes of a double tax treaty for a period of five years or less and who receives or becomes entitled to dividends from the Company during that period of temporary non-residence may, if the Company is treated as a close company for UK tax purposes and certain other conditions are met, be liable for income tax on those dividends on his or her return to the UK.

12.1.2 *UK resident corporate Shareholders*

It is likely that most dividends paid on the Shares to UK resident corporate shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules. Shareholders within the charge to corporation tax should consult their own professional advisers.

12.1.3 *UK resident exempt Shareholders*

UK resident Shareholders who are not liable to UK tax on dividends, including pension funds and charities, are not entitled to claim repayment of the tax credit attaching to dividends received from the Company.

12.1.4 *Non-UK resident Shareholders*

Shareholders who are resident outside the UK for tax purposes will not generally be able to claim repayment of any part of the tax credit attaching to dividends received from the Company, although this will depend on the existence and terms of any double taxation convention between the UK and the country in which such Shareholder is resident. A Shareholder resident outside the UK may also be subject to non-UK taxation on dividend income under local law. A Shareholder who is resident outside the UK for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

12.1.5 *Distributions following a reduction of capital*

As part of the Reorganisation, the Company was added to the Group's structure. In order to create distributable reserves from which distributions can be made subsequent to Admission, it is proposed that the Company will undertake a capital reduction in accordance with the U.K. Companies Act 2006 and Companies (Reduction of Share Capital) Order 2008. In the case of U.K. resident corporate shareholders, the Corporation Tax Act 2010 confirms that a distribution paid out of a reserve created on a reduction of capital will be treated for U.K. tax purposes as an income distribution and so the statements in paragraph 12.1.2 above will apply.

In the case of shareholders subject to U.K. income tax, HMRC have confirmed that they regard such a distribution as an income distribution and so the statements in paragraph 12.1.1 above should apply.

12.2 ***Taxation of disposals***

A disposal or deemed disposal of Shares by a Shareholder who is resident in the UK for tax purposes may, depending upon the Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals and indexation for corporate shareholders), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

Shareholders who are not resident in the UK will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Shares are used, held or acquired.

An individual Shareholder who has ceased to be resident for tax purposes in the UK or is treated as resident outside the UK for the purposes of a double tax treaty ("Treaty non-resident") for a period of five years or less (or, for departures before 6 April 2013, ceases to be resident or ordinarily resident or becomes Treaty non-resident for a period of less than five tax years) and who disposes of all or part of his Shares during that period may be liable to capital gains tax on his return to the UK, subject to any available exemptions or reliefs.

If an individual Shareholder who is subject to income tax at the higher or additional rate becomes liable to UK capital gains tax on the disposal of Ordinary Shares, the applicable rate will be 28% Other individual Shareholders may only be liable to any such capital gains tax at a rate of 18%.

12.3 ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

12.3.1 *The Offer*

The transfer of, or agreement to transfer, Shares sold by the Selling Shareholders under the Offer will generally give rise to a liability to stamp duty and/or SDRT at a rate of 0.5% of the Offer Price (in the case of stamp duty, rounded up to the nearest multiple of £5). The Selling Shareholders have agreed to meet any such liability.

12.3.2 *Subsequent Transfers*

Stamp duty at the rate of 0.5% (rounded up to the next multiple of £5) of the amount or value of the consideration given is generally payable on an instrument transferring Shares. An exemption from stamp duty is available on an instrument transferring Shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate amount or value of the consideration exceeds £1,000.

A charge to SDRT will also arise on an unconditional agreement to transfer Shares (at the rate of 0.5% of the amount or value of the consideration payable). However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee.

12.3.3 *Shares transferred through paperless means including CREST*

Paperless transfers of Shares, such as those occurring within CREST, are generally liable to SDRT rather than stamp duty, at the rate of 0.5% of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system. The charge is generally borne by the purchaser. No stamp duty or SDRT will arise on a transfer of Shares into the CREST system unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5%) will arise.

12.3.4 *Shares held through Clearance Systems or Depositary Receipt Arrangements*

Special rules apply where Shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts within Section 67 or Section 93 of the Finance Act 1986 or a person providing a clearance service within Section 70 or Section 96 of the Finance Act 1986, under which SDRT or stamp duty may in some circumstances be charged at a rate of 1.5%. Following litigation, HMRC have confirmed that they will no longer seek to apply the 1.5% SDRT charge on an issue of shares into a clearance service or depositary receipt arrangement on the basis that the charge is not compatible with EU law. HMRC's view is that the 1.5% SDRT or stamp duty charge will continue to apply to transfers of shares into a clearance service or depositary receipt arrangement unless they are an integral part of an issue of share capital. This view is currently being challenged in further litigation. **Accordingly, specific professional advice should be sought before incurring a 1.5% stamp duty or SDRT charge in any circumstances.**

The statements in this paragraph 12.3.4 apply to any holders of Shares irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

12.4 ***Inheritance Tax***

The Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the holder is neither domiciled in the UK nor deemed to be domiciled there under certain rules relating to long residence or previous domicile. Generally, UK inheritance tax is not chargeable on gifts to individuals where such gifts are made more than seven complete years prior to the death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

Special rules also apply to close companies and to trustees of settlements who hold Shares, bringing them within the charge to inheritance tax. Shareholders should consult an appropriate tax adviser if they make a gift or transfer at less than market value or intend to hold any Shares through trust arrangements.

13. US Federal Income Taxation

The following discussion is a summary based on present law of certain US federal income tax considerations relevant to the acquisition, ownership and disposition of Shares. This discussion is not a complete description of all tax considerations that may be relevant. It addresses only US Holders (as defined below) that purchase Shares in the Offer, will hold Shares as capital assets and use the US dollar as their functional currency. The discussion is a general summary; it is not a substitute for tax advice. This discussion does not address the tax treatment of persons subject to special rules, such as banks or other financial institutions, insurance companies, regulated investment companies, real estate investment trusts, dealers, traders in securities that elect to mark-to-market, tax-exempt entities, persons owning directly, indirectly or constructively 10% or more of the Company's share capital, US expatriates, investors liable for alternative minimum tax, persons holding Shares as part of a hedge, straddle, conversion, constructive sale or other integrated financial transaction or persons holding Shares in connection with a permanent establishment or fixed base outside the United States. It also does not address US federal taxes other than income tax (*e.g.*, estate and gift taxes), US state and local, or non-US tax considerations.

As used in this section, "US Holder" means a beneficial owner of Shares that is, for US federal income tax purposes (i) a citizen or individual resident of the United States, (ii) a corporation or other business entity treated as a corporation created or organised under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of one or more US persons and the primary supervision of a US court or (iv) an estate the income of which is subject to US federal income tax without regard to its source.

The US federal income tax treatment of a partner in an entity treated as a partnership for US federal income tax purposes that holds Shares generally will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their own tax advisors regarding the specific US federal income tax consequences to their partners of the partnership's acquisition, ownership and disposition of Shares.

13.1 *Dividends*

Subject to the discussion below under "Passive Foreign Investment Company Rules", distributions on the Shares generally should be included in a US Holder's gross income as ordinary dividend income to the extent of the Company's current and accumulated earnings and profits as determined under US federal income tax laws. The Company does not except to maintain calculations of its earnings and profits for US federal income tax purposes. Therefore, a US Holder should expect that such distributions will generally be treated as a dividend from foreign sources upon receipt. Dividends will not be eligible for the dividends-received deduction generally available to US corporations. If the Company qualifies for benefits under the United States-United Kingdom tax treaty (the "Treaty") and is not a PFIC in the year of distribution or in the preceding year, dividends on the Shares will qualify for the reduced rates applicable to qualified dividend income of certain eligible non-corporate US Holders that satisfy a minimum holding period and other generally applicable requirements. The Company believes it will qualify for benefits under the Treaty.

Dividends paid in a currency other than US dollars will be includable in income in a US dollar amount based on the exchange rate in effect on the date of receipt whether or not the currency is converted into US dollars or otherwise disposed of at that time. A US Holder's tax basis in the non-US currency will equal the US dollar amount included in income. Any gain or loss realised on a subsequent disposition or conversion of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss. If dividends paid in a currency other than US dollars are converted into US dollars at the spot rate in effect on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

13.2 *Dispositions*

Subject to the discussion below under "Passive Foreign Investment Company Rules", a US Holder generally will recognise capital gain or loss on the sale or other disposition of Shares in an amount equal to the difference between the US Holder's adjusted tax basis in the Shares and the US dollar value of the amount realised from the sale or other disposition.

A US Holder's adjusted tax basis in the Shares generally will be the US dollar value of the purchase price paid in the Offer. Any gain or loss generally will be treated as arising from US sources and will be long-term capital gain or loss if the US Holder's holding period exceeds one year. Deductions for capital loss are subject to limitations. A loss may nonetheless be a long-term capital loss regardless of a US Holder's actual holding period to the extent the US Holder has received qualified dividends eligible for reduced rates of tax prior to a sale or other disposition of its Shares that exceeded 10% of such US Holder's basis in the Shares.

A US Holder that receives a currency other than US dollars on the sale or other disposition of Shares will realise an amount equal to the US dollar value of the currency received at the spot rate on the date of sale or other disposition (or, in the case of cash basis and electing accrual basis US Holders, the settlement date). An accrual basis US Holder that does not elect to determine the amount realised using the spot rate on the settlement date will recognise foreign currency gain or loss equal to the difference between the US dollar value of the amount received based on the spot exchange rates in effect on the date of sale or other disposition and the settlement date. A US Holder will have a tax basis in the currency received equal to the US dollar value of the currency received at the spot rate on the settlement date. Any gain or loss realised on a subsequent disposition or conversion of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss.

13.3 *Passive Foreign Investment Company Rules*

The Company believes that it was not classified as a passive foreign investment company, or PFIC, for US federal income tax purposes for its most recent taxable year ending 31 December 2014 and, based on the composition of Company's current gross assets and income (including the income and assets of the Group) and the manner in which the Company expects the Group to operate its business in future years, the Company believes that it should not be classified as a PFIC for US federal income tax purposes for the Company's current taxable year or in the foreseeable future. In general, a non-US corporation is a PFIC for any taxable year in which, taking into account a pro rata portion of the income and assets of 25% or more owned subsidiaries, either (i) at least 75% of its gross income is passive income or (ii) at least 50% of the average value of its assets is attributable to assets that produce or are held to produce passive income. For this purpose, passive income generally includes, among other things, interest, dividends, rents, royalties and gains from the disposition of investment assets (subject to various exceptions) and property that produces passive income. Whether the Company is a PFIC is a factual determination made annually, and the Company's status could change depending among other things upon changes in the composition and relative value of its gross receipts and assets. Because the market value of the Company's assets may be determined in large part by the market price of the Shares, which is likely to fluctuate after the offering, there can be no assurance that the Company will not be a PFIC in the current or any future taxable year.

If the Company were a PFIC for any taxable year in which a US Holder holds Shares, such US Holder will be subject to additional taxes on any excess distributions and any gain realised from the sale or other taxable disposition of the Shares (including certain pledges) regardless of whether the Company continues to be a PFIC. A US Holder will have an excess distribution to the extent that distributions on Shares during a taxable year exceed 125% of the average amount received during the three preceding taxable years (or, if shorter, the US Holder's holding period). To compute the tax on excess distributions or any gain, (i) the excess distribution or gain is allocated ratably over the US Holder's holding period, (ii) the amount allocated to the current taxable year and any year before the Company became a PFIC is taxed as ordinary income in the current year and (iii) the amount allocated to other taxable years is taxed at the highest applicable marginal rate in effect for each year and an interest charge is imposed to recover the deemed benefit from the deferred payment of the tax attributable to each year.

A US Holder may be able to avoid some of the adverse impacts of the PFIC rules described above by electing to mark the Shares to market annually. The election is available only if the Shares are considered "marketable stock," which generally includes stock that is regularly traded in more than de minimis quantities on a qualifying exchange. The Company believes the London Stock Exchange is a qualifying exchange for this purpose. If a US Holder makes the mark-to-market election, any gain from marking the Shares to market or from disposing of them would be ordinary income. Any loss from marking the Shares to market would be recognised only to the extent of unreversed gains previously included in income. Loss from marking the Shares to market would be ordinary, but loss on disposing of them would be capital loss except to the extent of mark-to-market gains previously included in income. No assurance can be given that the Shares will be traded in sufficient frequency and quantity to be considered "marketable stock" or whether the London Stock Exchange will continue to be considered a qualifying exchange for purposes of the PFIC mark-to-market election. A valid mark-to-market election cannot be revoked without the consent of the US Internal Revenue Service ("IRS") unless the Shares cease to be marketable stock.

Each US Holder is encouraged to consult its own tax advisor as to the Company's status as a PFIC and whether a mark to market election is available or desirable in their particular circumstances.

13.4 *Medicare Tax on Net Investment Income*

Certain non-corporate US Holders whose income exceeds certain thresholds generally will be subject to a 3.8% surtax tax on their "net investment income" (which generally includes, among other things, dividends on, and capital gain from the sale or other disposition of Shares). Non-corporate US Holders should consult their own tax advisors regarding the possible effect of such tax on their ownership and disposition of Shares.

13.5 *Reporting and Backup Withholding*

Dividends on the Shares and proceeds from the sale or other disposition of Shares may be reported to the IRS unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to reportable payments unless the holder makes the required certification, including providing its taxpayer identification number or otherwise establishes a basis for exemption. Any amount withheld may be credited against a US Holder's US federal income tax liability or refunded to the extent it exceeds the holder's liability, provided the required information is timely furnished to the IRS.

Certain non-corporate US Holders are required to report information with respect to Shares not held through an account with a domestic financial institution to the IRS. US Holders who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors about these and any other reporting obligations arising from their investment in Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

14. Enforcement and civil liabilities under US federal securities laws

The Company is a public limited company incorporated under English law. Many of the Directors are citizens of the United Kingdom (or other non-US jurisdictions), and a portion of the Company's assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Directors or to enforce against them in the US courts judgments obtained in US courts predicated upon the civil liability provisions of the US federal securities laws. There is doubt as to the enforceability in England, in original actions or in actions for enforcement of judgments of the US courts, of civil liabilities predicated upon US federal securities laws.

15. Litigation

There are no governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Prospectus, which may have, or have had, a significant effect on the Company's and/or the Group's financial position or profitability.

16. Related party transactions

Save as described in the Group's audited consolidated Historical Financial Information set out in Part 11 (*Historical Financial Information*) and the Relationship Agreement described in "Relationship Agreement in Exponent and the Exponent Shareholders" in Part 7 (*Directors, Senior Managers and Corporate Governance*), there are no related party transactions between the Company or members of the Group and related parties.

17. Working capital

In the opinion of the Company, taking into account the net proceeds receivable by the Company from the subscription for New Shares in the Offer, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

18. No significant change

There has been no significant change in the financial or trading position of the Group since 27 September 2014, the date to which the Historical Financial Information set out in Part 11 was prepared.

19. Intermediaries

The Intermediaries authorised at the date of this document to use this document in connection with the Intermediaries Offer are:

Name	Address
AJ Bell Securities Limited	Trafford House Chester Road Manchester M32 0RS
Albert E Sharp LLP	Seven Elm Court Arden Street Stratford Upon Avon CV37 6PA
ALL IPO PLC	Suite 27, Essex Technology Centre The Gables Fyfield Road Ongar, Essex CM5 0GA
Alliance Trust Savings Limited	PO Box 164 8 West Marketgait Dundee DD1 9YP
Arnold Stansby & Co Limited	Alexandra Buildings Queen Street Manchester M2 5JJ
Barclays Bank PLC	1 Churchill Place London E14 5HP
Brewin Dolphin Limited	12 Smithfield Street London EC1A 9BD
Beaufort Asset Clearing Services Limited	131 Finsbury Pavement London EC2A 1NT
Canaccord Genuity Wealth Management Ltd	41 Lothbury London EC2R 7AE
Charles Stanley & Co Ltd	25 Luke Street London EC2A 4AR

Name	Address
Cornhill Capital Limited	4th floor 18 St Swithin's Lane London EC4N 8AD
Equiniti Financial Services Limited	Aspect House Spencer Road Lancing West Sussex BN99 6DA
Hargreave Hale Limited	9-11 Neptune Court Hallam Way Blackpool FY4 5LZ
Hargreaves Lansdown Asset Management Limited	One College Square South Anchor Road Bristol BS1 5HL
iDealing.com Limited	114 Middlesex Street London E1 7HY
Interactive Investor Trading Limited	Standon House 21 Mansell Street London E1 8AA
JM Finn & Co	4 Coleman Street London EC2R 5TA
Jarvis Investment Management Ltd	78 Mount Ephraim Tunbridge Wells Kent TN4 8BS
Killik & Co	46 Grosvenor Street London W1K 3HN
Midas Investment Management Limited	2nd Floor, Arthur House Chorlton Street Manchester M1 3FH
Novum Securities Limited	47 Park Lane London W1K 1PR
Old Park Lane Capital Plc	49 Berkeley Square London W1J 5AZ
Paul E Schweder Miller & Co	46-50 Tabernacle Street London EC2A 4SJ
Redmayne-Bentley LLP	9 Bond Court Leeds LS1 2JZ

Name	Address
Reyker Securities Plc	17 Moorgate London EC2R 6AR
Rowan Dartington & Co. Ltd.	Colston Tower Colston Street Bristol BS1 4RD
Shore Capital Stockbrokers Limited	Bond Street House 14 Clifford Street London W1S 4JU
SVS Securities Plc	110 Fenchurch Street London EC3M 5JT
TD Direct Investing (Europe) Limited	Exchange Court Duncombe Street Leeds LS1 4AX
The Share Centre Limited	Oxford House Oxford Road Aylesbury HP21 8SZ
Walker Crips Stockbrokers Limited	Finsbury Tower 103-105 Bunhill Row London EC1Y 8LZ
WH Ireland Limited	11 St James's Square Manchester M2 6WH

Any new information with respect to financial intermediaries unknown at this time of approval of this Prospectus including in respect of: (i) any intermediary financial institution that is appointed by the Company in connection with the Intermediaries Offer after the date of this document following its agreement to adhere to and be bound by the Intermediaries Terms and Conditions, and (ii) any Intermediary that ceases to participate in the Intermediaries Offer, will be made available on the Company's website at www.hsshiregroup.com.

Intermediaries Terms and Conditions

The Intermediaries Terms and Conditions regulate the relationship between the Company, the Selling Shareholders, the Intermediaries Offer Adviser, the Banks and each of the Intermediaries that is accepted by the Company to act as an Intermediary after making an application for appointment in accordance with the Intermediaries Terms and Conditions.

19.1 ***Capacity and liability***

The Intermediaries have agreed that, in connection with the Intermediaries Offer, they will be acting as agent for retail investors in the United Kingdom, the Channel Islands and the Isle of Man who wish to acquire Shares under the Intermediaries Offer (the "Underlying Applicants"). None of the Company, any of the Selling Shareholders, the Intermediaries Offer Adviser or any of the Banks will have any responsibility for any liability, costs or expenses incurred by any Intermediary.

19.2 *Eligibility to be appointed as an Intermediary*

In order to be eligible to be considered by the Company for appointment as an Intermediary, each intermediary must be:

(a) authorised by the FCA or the Prudential Regulatory Authority in the United Kingdom; or

(b) authorised by a competent authority in another EEA jurisdiction with the appropriate authorisation to carry on the relevant activities in the United Kingdom; or

(c) a member firm of the London Stock Exchange conducting business in the Channel Islands or the Isle of Man; or

(d) in respect of acting as agents for Underlying Applicants in Jersey, authorised by the Jersey Financial Services Commission to carry on the relevant class of investment business in Jersey; or

(e) a person licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) to carry on restricted activities in respect of category 2 controlled investments under such Law

and in each case have appropriate permissions, licences, consents and approvals to act as Intermediary in the United Kingdom, Jersey, Guernsey or the Isle of Man, as applicable. Each Intermediary must also:

(a) be a member of CREST; or

(b) have arrangements with a clearing firm that is a member of CREST.

Each Intermediary must also, to the extent applicable, conduct its business in the Isle of Man in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008 or any relevant exclusion or exemption therefrom and all other relevant Isle of Man laws and regulations.

19.3 *Application for Shares*

A minimum application amount of £1,000 per Underlying Applicant will apply. There is no maximum limit on the monetary amount that underlying applicants may apply to invest. The Intermediaries have agreed not to make more than one application per Underlying Applicant. Any application made by investors through any Intermediary is subject to the terms and conditions agreed with each Intermediary.

Allocations of Shares under the Intermediaries Offer will be at the absolute discretion of the Company and Exponent, after consultation with the Joint Bookrunners. If there is excess demand for Shares in the Intermediaries Offer, allocations of Shares may be scaled down to an aggregate value which is less than that applied for. Each Intermediary will be required by the Company to apply the basis of allocation to all allocations to Underlying Applicants who have applied through such Intermediary.

19.4 *Effect of Intermediaries Offer Application Form*

By completing and returning the Intermediaries Offer Application Form, the Intermediary will be deemed to have irrevocably agreed to invest or procure the investment in Shares of the aggregate amount stated on the Intermediaries Offer Application Form or such lesser amounts in respect of which such application may be accepted. The Company, the Selling Shareholders and the Global Co-ordinator reserve the right to reject, in whole or in part, or to scale down, any application for Shares in the Intermediaries Offer.

19.5 *Commission*

The Intermediaries who have elected to receive it will receive a commission of 0.75% of the amount equal to the Offer Price multiplied by the aggregate number of New Shares subscribed or Existing Shares sold pursuant to the Intermediaries Offer.

19.6 *Information and communications*

The Intermediaries have agreed to give certain undertakings regarding the use of information provided to them in connection with the Intermediaries Offer (both prior to and following publication of the Prospectus). The Intermediaries have given certain undertakings regarding their role and responsibilities in the Intermediaries Offer and are subject to certain restrictions on their conduct in connection with the

Intermediaries Offer, including in relation to their responsibility for information, communications, websites, advertisements and their communications with clients and the press.

19.7 ***Representations and warranties***

The Intermediaries have given representations and warranties that are relevant for the Intermediaries Offer, and have agreed to indemnify the Company, the Selling Shareholders, the Intermediaries Offer Adviser and the Banks against any loss or claim arising out of any breach by them of the Intermediaries Terms and Conditions or as a result of a breach of any duties or obligations under FSMA or under any rules of the FCA or any applicable laws or as a result of any other act or omission by an Intermediary in connection with the purchase and/or resale of Shares by the Intermediaries or any Underlying Applicant.

20. Consents

PricewaterhouseCoopers LLP is a member firm of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion of the reports in Part 11 (*Historical Financial Information*) and Part 12 (*Unaudited Pro Forma Financial Information*), in the form and context in which they appear and has authorised the contents of those parts of this Prospectus which comprise its reports for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

A written consent under the Prospectus Rules is different from a consent filed with the SEC under Section 7 of the Securities Act. As the Shares have not been and will not be registered under the Securities Act, PricewaterhouseCoopers LLP has not filed and will not be required to file a consent under Section 7 of the Securities Act.

21. General

21.1 The fees and expenses to be borne by the Company in connection with Admission including but not limited to the Underwriters' commission, the Intermediaries' Commission, the FCA's fees, professional fees and expenses and the costs of printing and distribution of documents are estimated to amount to approximately £13.5 million (including VAT). In addition, the Selling Shareholders have agreed to pay their expenses in connection with the sale of Shares including underwriting commissions of up to approximately £3.4 (assuming that the Offer Price is set at the mid-point of the Offer Price Range and no Over-allotment Shares are acquired pursuant to the Over-allotment option).

21.2 The financial information contained in this Prospectus does not amount to statutory accounts within the meaning of section 434(3) of the Act. Full audited accounts have been delivered to the Registrar of Companies for the Company for the financial years ended 31 December 2011, 29 December 2012 and 28 December 2013.

21.3 Each New Share is expected to be issued at a premium of between 209 pence and 261 pence to its nominal value of one pence.

22. Documents available for inspection

Copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following Admission at the offices of Freshfields Bruckhaus Deringer LLP at 65 Fleet Street, London EC4Y 1HS:

(a) the Articles of Association of the Company;

(b) the Historical Financial Information of the Company in respect of the 52 week periods ended 31 December 2011, 29 December 2012 and 28 December 2013 and the 39 week period ended 27 September 2014, together with the related audit report from PricewaterhouseCoopers LLP, which is set out in Part 11 (*Historical Financial Information*);

(c) the unaudited interim financial information in respect of the 39 week period ended 28 September 2013, which is set out in Part 11 (*Historical Financial Information*);

(d) the report from PricewaterhouseCoopers LLP on the pro forma financial information, which is set out in Part 12 (*Unaudited Pro Forma Financial Information*);

(e) the consent letter referred to in "Consents" in paragraph 20 above; and

(f) this Prospectus.

Dated: 22 January 2015

PART 15

DEFINITIONS AND GLOSSARY

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

"ABird" or "ABird Power Solutions"	Abird Superior Limited and its wholly-owned subsidiary, Abird Limited
"Act"	the Companies Act 2006, as amended
"Activ Shield Bar"	a safety feature developed in conjunction with manufacturer Haulotte on the Group's platform access fleet
"Admission"	the admission of the Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities
"Apex"	Apex Generators Limited
"Articles"	the Articles of Association of the Company to be adopted upon Admission
"B2B"	business-to-business
"Banks"	J.P. Morgan Cazenove, Numis and Berenberg
"Berenberg"	Joh. Berenberg, Gossler & Co. KG, London Branch
"Board"	the board of directors of the Company
"City Code"	the City Code on Take-overs and Mergers
"Co-lead Manager"	Berenberg
"Company"	HSS Hire Group plc
"CREST"	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK and Ireland Limited is the operator
"Directors"	the Executive Directors, the Non-Executive Directors and the Chairman
"EBT"	Equiniti Trust (Jersey) Limited, which holds Shares on behalf of the Group's employees, former employees and certain other persons
"EEA"	the European Economic Area
"EU"	the European Union
"ex-fleeting"	the write off or loss of equipment from the hire fleet
"Executive Directors"	the executive Directors of the Company
"Existing Share Offer Size"	the number of Existing Shares to be sold in the Offer
"Existing Share Offer Size Range"	between 5,119,048 Shares and 44,559,716 Shares
"Existing Shares"	Shares be sold as part of the Offer by the Selling Shareholders (excluding, for the avoidance of doubt, the Over-allotment Shares)
"Exponent"	Exponent Private Equity LLP
"Exponent Shareholders"	Exponent Private Equity Partners GP II, LP, Exponent Havana Co-Investment Partners GP Limited and Exponent Private Equity Founder Partner GP II Limited
"FCA"	the Financial Conduct Authority
"FSMA"	the Financial Services and Markets Act 2000, as amended

"Governance Code"	the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time
"Group"	the Company and its consolidated subsidiaries and subsidiary undertakings and, prior to 25 October 2012, Hero Acquisitions Limited and its consolidated subsidiaries and undertakings and thereafter until on or around 3 February 2015 Hampshire Topco Limited and its consolidated subsidiaries and undertakings
"HMRC"	HM Revenue and Customs
"IFRS"	International Financial Reporting Standards, as adopted by the European Union
"Indenture"	the indenture dated 6 February 2014 governing the terms of the Notes among, amongst others, the Notes Issuer, the guarantors party thereto and U.S. Bank Trustees Limited as trustee
"in-fleeting"	the introduction of new equipment into the hire fleet
"Intermediaries"	the entities listed in section 19 of Part 14 (*Additional Information*), together with any other intermediary that is appointed by the Company in connection with the Intermediaries Offer after the date of this document
"Intermediaries Offer"	the offer of Shares to the Intermediaries as described in Part 13 (*Details of the Offer*)
"Intermediaries Offer Adviser"	Solid Solutions (Associates) UK Limited
"Intermediaries Offer Application Form"	the form of application for Shares in the Intermediaries Offer used by the Intermediaries
"Intermediaries Terms and Conditions"	the terms and conditions on which each Intermediary has agreed to be appointed by the Company to act as an Intermediary in the Intermediaries Offer and pursuant to which Intermediaries may apply for Shares in the Intermediaries Offer, details of which are set out in section 19 of Part 14 (*Additional Information*)
"J.P. Morgan Cazenove"	J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove)
"Joint Bookrunners"	J.P. Morgan Cazenove and Numis
"Listing Rules"	the listing rules of the FCA made under section 74(4) of the FSMA
"live" account	a customer that has transacted with the Group in the prior twelve months
"London Stock Exchange"	London Stock Exchange plc
"Management Shareholders"	the Chairman, Executive Directors, Senior Managers and other senior employees of the Group that currently hold shares in Hampshire Topco Limited that will be exchanged for Shares in the Company in the Reorganisation, together with relevant family members that will also hold Shares
"MTS"	Mobile Traffic Solutions
"NDEC"	National Engineering and Distribution Centre
"New Share Offer Size"	the number of New Shares to be issued in the Offer
"New Share Offer Size Range"	between 39,312,977 Shares and 49,047,619 Shares

"New Shares"	new Shares in the Company to be allotted and issued as part of the Offer
"NISA"	New Individual Savings Account
"Non-Executive Directors"	the non-executive Directors of the Company
"Notes"	the £200 million 6.75% Senior Secured Notes due 2019 issued by HSS Financing plc
"Notes Issuer"	HSS Financing plc
"Numis"	Numis Securities Limited
"Offer"	the issue of New Shares by the Company and the sale of Existing Shares by the Selling Shareholders described in Part 13 (*Details of the Offer*)
"Offer Price"	the price at which each Share is to be issued or sold pursuant to the Offer
"Offer Size"	the aggregate of the New Shares to be issued pursuant to the Offer and the Existing Shares to be sold pursuant to the Offer, to be set out in the Pricing Statement
"Official List"	the Official List of the FCA
"Over-allotment Option"	the option granted to the Stabilising Manager by the Over-allotment Shareholders to purchase, or procure purchasers for additional Shares, which represent up to an additional 15% of the Offer Size, as more particularly described in Part 13 (*Details of the Offer*)
"Over-allotment Shareholders"	Exponent Private Equity Partners GP II, LP, Exponent Havana Co-Investment Partners GP Limited, ESP 2006 Conduit LP, ESP 2008 Conduit LP and Exponent Private Equity Founder Partner GP II Limited
"Over-allotment Shares"	the existing Shares the subject of the Over-allotment Option
"PCAOB"	the Public Company Accounting Oversight Board (United States)
"Price Range"	between 210 pence and 262 pence per Share
"Pricing Agreement"	the pricing agreement to be executed by the Company, the Selling Shareholders, the Over-allotment Shareholders and the Underwriters immediately prior to the announcement of the Offer Price pursuant to which, among other things, each Underwriter severally, and not jointly or jointly and severally, agrees to use reasonable endeavours to procure subscribers for the New Shares and purchasers for the Existing Shares to be sold in the Offer, and to the extent that such Shares are not so subscribed or purchased, subscribe for or purchase themselves such number of New Shares and such number of Existing Shares to be sold in the Offer, in each case at the Offer Price
"Pricing Statement"	the pricing statement to be published on or about 4 February 2015 by the Company detailing the Offer Price and the number of Shares which are the subject of the Offer
"Prospectus"	the final prospectus approved by the FCA as a prospectus prepared in accordance with the Prospectus Rules made under section 73A of the FSMA

"Prospectus Directive"	the expression "Prospectus Directive" means Directive 2003/71/EC (including by Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State.
"qualified institutional buyers" or "QIBs"	has the meaning given by Rule 144A
"Qualified Investors"	persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive
"Receiving Agent"	Equiniti Limited
"Registrars"	Equiniti Limited
"Regulation S"	Regulation S under the US Securities Act
"Relationship Agreement"	the relationship agreement entered into between the Company, Exponent and the Exponent Shareholders described in "Relationship Agreement with Exponent and the Exponent Shareholders" in Part 7 (*Directors, Senior Managers and Corporate Governance*)
"Remuneration Committee"	the remuneration committee of the Board (or such other delegated committee of the Board authorised to consider remuneration and/or share schemes matters)
"Reorganisation"	the reorganisation of the Group in preparation for the Offer as described in paragraph 11.3 of Part 14 (*Additional Information*)
"Reorganisation Deed"	the reorganisation deed between (among others) the Company, Hampshire Topco Limited, certain subsidiaries of Hampshire Topco Limited, Exponent Private Equity Partners GP II, LP, Exponent Havana Co-Investment Partners GP Limited, ESP 2006 Conduit LP, ESP 2008 Conduit LP, Exponent Private Equity Founder Partner GP II Limited and the Executive Directors
"return on assets"	calculated as Adjusted EBITA divided by the total of average total assets (excluding goodwill) subtracted by average current liabilities. Average total assets and current liabilities for 2011 are calculated using available UK GAAP data for the 2010 balance sheet and IFRS data for the 2011 balance sheet
"Revolving Credit Facility"	the £60.0 million revolving credit facility made available pursuant to the Revolving Credit Facility Agreement
"Revolving Credit Facility Agreement"	the revolving credit facility agreement governing the £60.0 million super senior revolving credit facility dated 30 January 2014
"Rule 144A"	Rule 144A under the US Securities Act
"SDRT"	stamp duty reserve tax
"Selling Shareholders"	the Shareholders selling Shares as part of the Offer, being Exponent Private Equity Partners GP II LP, Exponent Havana Co-Investment Partners GP Limited, ESP 2006 Conduit LP, ESP 2008 Conduit LP, Exponent Private Equity Founder Partner GP II Limited and the EBT
"Senior Managers"	the individuals identified as such in Part 7 (*Directors, Senior Managers and Corporate Governance*)
"Shareholders"	the holders of Shares in the capital of the Company

"Shares"	the ordinary shares of the Company, having the rights set out in the Articles
"Sponsor"	J.P. Morgan Cazenove
"Stabilising Manager"	J.P. Morgan Cazenove
"TecServ"	TecServ Cleaning Equipment Services Limited (formerly, Premiere FCM Limited)
"UK"	the United Kingdom of Great Britain and Northern Ireland
"UK Platforms"	UK Platforms Limited and its subsidiary, Access Rentals (UK) Limited
"Underlying Applicants"	retail investors in the United Kingdom, the Channel Islands and the Isle of Man who wish to acquire Shares under the Intermediaries Offer
"Underwriters"	J.P. Morgan Cazenove, Numis and Berenberg
"Underwriting Agreement"	the underwriting and sponsor's agreement entered into between the Company, the Directors, the Selling Shareholders and the Underwriters described in paragraph 8.1 of Part 14 (*Additional Information*)—Underwriting arrangements
"Unipart"	Unipart Group Limited
"United States" or "US"	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
"US Exchange Act"	United States Securities Exchange Act of 1934, as amended
"US GAAP"	accounting principles generally accepted in the United States
"US GAAS"	auditing standards generally accepted in the United States
"US Securities Act"	United States Securities Act of 1933, as amended

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