5 March 2015

Results for the twelve months ended 31 December 2014

SOLID 2014 TRADING PERFORMANCE

£m unless otherwise stated	**2014**	**2013**	**Reported**	**Underlying[1]**
Group revenue	1,577	1,573	-%	9%
Group revenue excl. pass through fuel	1,529	1,531	-%	9%
Trading profit[2]	306	352	(13)%	(2)%
Reported Trading margin	*19%*	*22%*		
Profit before tax	289	333	(13)%	
Diluted earnings per share (p)	82.49	92.03	(10)%	
Dividend per share (p)	27.12	26.30	3%	

- Full year results in line with expectations:
  - Solid underlying revenue growth with underlying trading profit broadly flat on last year;
  - Strong growth in the Americas and a good performance in EMEA;
  - Trading conditions remain challenging in APAC;
  - Reported results reflect £40 million adverse currency translation impact on trading profit;

- Local Business:
  - Underlying revenue up 8%, with slower growth in the second half, as anticipated;
  - Successful execution of Glasgow Commonwealth Games and FIFA World Cup in Brazil, with combined revenue of £19 million;

- Power Projects:
  - Underlying revenue up 10%, driven by 80MW diesel contract in Panama and the full year impact of gas contracts in Mozambique and Ivory Coast;
  - Full year order intake of 757MW (2013: 725 MW) and off-hire rate in line with the historic average;

- Final dividend up 3%, giving a full year dividend of 27.12 pence;

- Encouraging start to 2015:
  - Power on rent up 6% in the Local business;
  - 2015 year-to-date order intake of 287MW, with contract extensions in Argentina, Ivory Coast and Japan also secured;
  - Awarded contracts for inaugural European Games and PanAmerican Games in 2015, with combined revenue of circa £24 million;
  - Little impact from lower oil prices to date, but a possible headwind later in the year.

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[1] Underlying is defined as: adjusted for currency movements and pass-through fuel revenue from Power Projects, where we provide fuel to our contracts in Mozambique on a pass-through basis.
[2] Trading profit represents operating profit before gain on sale of property, plant and equipment.

Ken Hanna, Chairman, commented:
"The Group has delivered a solid trading performance in 2014, admirably handling the change in senior management and difficult operating conditions in a number of our markets."

Chris Weston, Chief Executive Officer, commented:
"Having visited a number of our locations around the world and met many of our people I am really enthused by what I have seen and heard. I plan to spend the next few months getting to know the business better and I look forward to coming back at our Interim results in August to share my views on the priorities for the Group in the next phase of our growth."

"At this early stage in the year, we are encouraged by the Group's performance. Whilst incremental mobilisation costs will impact first half results, overall for 2015, we currently expect underlying trading profit to be broadly in line with last year."

Regional performance metrics:

£m	Reported Revenue		Underlying[3]	Reported Trading Profit		Underlying[3]
	2014	2013		2014	2013	
Americas	684	645	19%	141	147	17%
APAC	246	303	(13)%	49	91	(42)%
EMEA excl fuel	599	583	9%	119	116	10%
Power Projects excl fuel	625	627	10%	170	196	-%
Local business	904	904	8%	139	158	(4)%

Future Reporting
The Group will provide its Q1 IMS on Thursday 14 May 2015. The Interim results will be announced on Thursday 6 August 2015.

Enquiries

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Analyst Presentation

A presentation will be held for analysts and investors today at 9am (GMT) at Etc Venues St Paul's, 200 Aldersgate, London EC1A 4HD. A live web-cast and a copy of the slides will be available on our website and investor relations app from 8.45am at www.aggreko.com/investors.

Interactive Communications

We have recently launched an investor relations and media app, the link for which to download it can be found on our website. In addition, video messages from Chris Weston and Carole Cran regarding today's results are now available on our app and the website, at www.aggreko.com/investors.

[3] Underlying is defined as: adjusted for currency movements and pass-through fuel revenue from Power Projects, where we provide fuel to our contracts in Mozambique on a pass-through basis.

OPERATING & FINANCIAL REVIEW

Aggreko delivered a solid trading performance in a difficult year. We faced challenging operating conditions in a number of our markets, particularly in Libya where security remains an ongoing concern. Against this backdrop, we are pleased that many of our markets delivered a strong performance and that overall the Group has performed in line with expectations.

Group Trading Performance

The Group delivered a solid trading performance in 2014, with revenue of £1,577 million, up 9% on an underlying[4] basis. The Local Business grew 8% on the same basis, as continued strength in the Americas and EMEA businesses offset weakness in our APAC business, which was significantly impacted by the slowdown in the Australian mining sector. In Power Projects, underlying revenue was up 10%, with growth coming from our 80MW diesel contract in Panama, where we are selling power to the spot market, combined with the full year impact of our gas contracts in Mozambique and the Ivory Coast. Offsetting this we saw a further reduction in revenue from our Japanese and US Military contracts, as well as the challenges of a particularly competitive market in Indonesia which saw volume and pricing come under pressure.

Overall, the Group reported margin was 19% (2013: 22%). In the Local business on-going weakness in the mining sector had a significant impact on our Australia Pacific business and challenging macro conditions in our Brazilian market put overall growth and margins under pressure. In Power Projects, as outlined above, a lower contribution from our Japanese and US Military contracts combined with the challenging market environment in Indonesia was partially offset by a bad debt provision release relating to our contracts in Argentina, where overdue debts were settled. The decline in margin impacted reported return on capital employed[5], which fell 2 percentage points to 19%.

Looking across the regions, the Americas delivered a strong performance with underlying revenue up 19% and trading profit up 17%. EMEA delivered a good performance, with underlying revenue up 9% and trading profit up 10%. As previously discussed, APAC had a challenging year and overall, underlying revenue declined 13% with a 42% reduction in trading profit.

On a reported basis, the movement in exchange rates in the period had a significant translational impact on results, reducing revenue by £126 million and trading profit by £40 million. This was driven by the strength of Sterling against all our major currencies[6] compared to the average rates in 2013.

Earnings and Dividends

The Group delivered a statutory profit before tax of £289 million (2013: £333 million). The diluted earnings per share was 82.49 pence, a 10% decline on the prior year.

The Group is proposing a final dividend per share of 17.74 pence. Subject to Shareholder approval this will result in a full year dividend of 27.12 pence (2013: 26.30 pence) per ordinary share; this equates to dividend cover of 3 times. Including the 75 pence per share special dividend paid during the year, the total cash dividend paid to Shareholders in 2014 was 102 pence.

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[4] Underlying excludes currency and pass-through fuel revenue from Power Projects, where we provide fuel to our contracts in Mozambique on a pass-through basis. A bridge between reported and underlying revenue and trading profits is provided at page 12 of the Financial Review.
[5] ROCE is calculated by taking the operating profit for a period and expressing it as a percentage of the average net operating assets at 1 January, 30 June and 31 December.
[6] Major currencies are the US Dollar, Euro, Australian Dollar, Argentinian Peso and Brazilian Real. The table on page 11 of the Financial Review sets out these major exchange rates.

Cashflow and Balance Sheet

During the year, we generated an operating cash inflow of £498 million (2013: £603 million). We continued to manage our capital expenditure tightly and to adjust it in response to market conditions. Fleet capital expenditure was £226 million (2013: £205 million), of which around 70% was spent on fleet for the Local Business, particularly small gas generators for the North American market; capital expenditure in Power Projects was principally in respect of 290MW of diesel engine refurbishments.

Net debt was £494 million at 31 December 2014, £131 million higher than the prior year and after £200 million was returned to Shareholders. This resulted in net debt to EBITDA of 0.9 times compared to 0.6 times in 2013.

Board and Management Changes

As announced on 29 May 2014, the Board appointed Chris Weston as Chief Executive Officer. He assumed this position on 2 January 2015.

Carole Cran was appointed as Chief Financial Officer, effective from 1 June 2014.

Uwe Krueger was appointed as a Non-Executive Director from 1 February 2015.

Outlook

Progress over the first two months of the year has been encouraging. In Power Projects we have seen a healthy order intake of 287MW, including new contracts in Argentina (150MW) and Myanmar (95MW). We are also pleased to have secured an extension to our contract in Japan and multi-year contract extensions in Argentina and Ivory Coast; however, the securing of further contract extensions and winning new work is key in order to drive growth this year. In the Local business power volumes on rent are up 6%.

Group wide, we have seen little impact from the lower oil price to date, however we continue to assess developments closely. For some markets the lower oil price may stimulate demand, but on balance we anticipate that it could be a headwind later in the year, as could continued security challenges in a number of our markets, in particular Libya.

Whilst incremental mobilisation costs will impact first half results, overall for 2015, we currently expect underlying trading profit to be broadly in line with last year.

REGIONAL PERFORMANCE REVIEW

The performance of our three regions is detailed below, along with an analysis of the global performance of our Local and Power Projects businesses.

Regional Trading Performance as reported in £ million

	Revenue			
			Reported	Underlying
	2014	2013	Change	Change
By Region	**£ million**	£ million	%	%
Americas	**684**	645	6%	19%
Asia, Pacific & Australia	**246**	303	(19)%	(13)%
Europe, Middle East & Africa	**647**	625	4%	9%
Group	**1,577**	1,573	-%	9%
By Business Line				
Local Business	**904**	904	-%	8%
Power Projects excl pass-through fuel	**625**	627	-%	10%
Pass-through fuel	**48**	42	13%	19%
Group	**1,577**	1,573	-%	9%
Group excluding pass-through fuel	**1,529**	1,531	-%	9%

	Trading profit			
			Reported	Underlying
	2014	2013	Change	Change
By Region	**£ million**	£ million	%	%
Americas	**141**	147	(4)%	17%
Asia, Pacific & Australia	**49**	91	(46)%	(42)%
Europe, Middle East & Africa	**116**	114	1%	10%
Group	**306**	352	(13)%	(2)%
By Business Line				
Local Business	**139**	158	(12)%	(4)%
Power Projects excl pass-through fuel	**170**	196	(13)%	-%
Pass-through fuel	**(3)**	(2)	(36)%	(43)%
Group	**306**	352	(13)%	(2)%
Group excluding pass-through fuel	**309**	354	(13)%	(2)%

The Americas

	Reported 2014 £ million	Reported 2013 £ million	Reported Change %	Underlying[7] Change %
Revenues				
Local	**457**	445	3%	12%
Power Projects	**227**	200	13%	39%
Total	**684**	645	6%	19%
Trading profit	**141**	147	(4)%	17%
Trading margin	**21%**	23%		

Our Americas business delivered a strong performance for the year. Underlying revenue increased by 19% and trading profit by 17%. Reported trading margin decreased from 23% to 21%, which included a negative impact from the currency mix of our contracts and the effects of challenging trading conditions in Brazil. Trading profit in the year included the benefit of a £7 million bad debt provision release relating to Argentina where, after a period of negotiation, the team successfully cleared overdue debts, which net of a small discount resulted in the provision release.

Underlying revenue in our Americas Local business increased 12% with rental revenue up 9% and services revenue up 18%. Rental revenue growth was driven by power rental revenue, which increased by 12%. Temperature control revenue grew by 3%, but cooler ambient temperatures across North America during the crucial summer season reduced demand. Oil-free compressed air revenue increased 1%.

In North America growth was broadly based; gas-fuelled generation grew 96%, driven by both shale and encouragingly a number of industrial and construction applications. In the oil and gas sector, the further introduction of small gas generators allowed us to deliver tailor made solutions to customers and substantially improve their operating efficiencies. At this point in time, we have seen little impact on our business from lower oil prices, however, customers are reducing their plans for capital expenditure and as such the medium term outlook is unclear.

Our Local business in Brazil faced a challenging year, with revenue falling 3%, excluding revenue from the FIFA World Cup where we provided all the broadcast power. Subdued economic conditions, combined with political uncertainty heading into the elections in October 2014 had an impact on trading. Given this, we carried out a reorganisation of our Brazilian business, which resulted in the consolidation of locations and fleet rationalisation to optimise utilisation; this has enabled us to enter 2015 in a stronger position. Elsewhere in South America the local business continued to grow strongly. Since the year end we have been awarded the contract for the Pan American Games and ParaPan American Games, to be held in Toronto, Canada in July and August 2015.

Power Projects revenue, on an underlying basis, was up 39% on last year, despite a £20 million decline in our US Military revenue as the US withdrawal from Afghanistan continues. The growth in Power Projects was driven by a number of new projects, most notably in Panama. We operated as a licensed generator selling electricity to the Panamanian wholesale market, providing 80MW of power in response to a hydro shortage. Having successfully completed the initial contract, which off-hired at the end of the third quarter, we were awarded a new 104MW, eight month diesel contract in November. We have operated in Argentina since 2008 and since the year end we have agreed a two-year extension for our 300MW of existing contracts and been awarded a further 150MW of new work.

[7] Underlying excludes currency.

Asia, Pacific and Australia (APAC)

	Reported 2014 £ million	Reported 2013 £ million	Reported Change %	Underlying[8] Change %
Revenues				
Local	**105**	128	(18)%	(9)%
Power Projects	**141**	175	(20)%	(15)%
Total	**246**	303	(19)%	(13)%
Trading profit	**49**	91	(46)%	(42)%
Trading margin	**20%**	30%		

Our APAC business had a challenging year with underlying revenue declining by 13% and trading profit declining by 42%. Reported trading margin declined from 30% to 20% largely driven by the Power Projects business and the Australia Pacific Local business.

The Local business saw underlying revenue decrease by 9%. Rental revenue decreased by 11% and services revenue by 2%. Within rental revenue power decreased by 11% and temperature control decreased by 7%.

Around 70% of APAC Local revenue was generated by the Australia Pacific business which faced very challenging market conditions driven by the slowdown in the mining sector. During 2014, the focus of our mining business changed to support the operation of existing mines rather than the larger projects associated with the construction phase of new mines, which have decreased. This was particularly notable in the North and West of the country. More positively, all other Local businesses experienced growth and we were particularly pleased with the performance in Singapore and our new business in South Korea. In India, whilst the first half was sluggish in the run-up to the election, the second half was much better; and we are hopeful that the economic environment will prove supportive, although competition remains intense.

Power Projects in APAC had another difficult year with revenue decreasing 15%, largely driven by Japan and Indonesia. We continue to have 148MW of diesel power on rent in Japan, however our gas contract for 100MW off-hired in 2013 and so meant a difficult comparator for the year. In Indonesia, intense competition led to volume and pricing pressure for both new contracts and extensions and resulted in a sharp year-on-year drop in revenues. Combined, the impact of reduced revenue and margins in Japan and Indonesia had a material impact on APAC's performance. That said, we are pleased to have secured a one year extension on our gas contracts and a multi-year extension on our 55MW diesel contract in Bangladesh and to have signed new work in the Philippines (42MW), Bangladesh (30MW) and Myanmar (21MW) during 2014; since the year end we have secured a new gas contract for 95MW in Myanmar and we are pleased to have further extended our contract in Japan until March 2016.

[8] Underlying excludes currency.

Europe, Middle East & Africa (EMEA)

	Reported 2014 £ million	Reported 2013 £ million	Reported Change %	Underlying[9] Change %
Revenues				
Local	**341**	331	3%	9%
Power Projects excl pass through fuel	**258**	252	3%	8%
Pass through fuel	**48**	42	13%	19%
Total	**647**	625	4%	9%
Trading profit				
Excl pass-through fuel	**119**	116	2%	10%
Pass-through fuel	**(3)**	(2)	(36)%	(43)%
Total	**116**	114	1%	10%
Trading margin excl. pass-through fuel	**20%**	20%		

Our EMEA business had a good year with underlying revenue increasing by 9% and trading profit by 10%. Reported trading margins were in line with prior year at 20%.

Revenue in our EMEA Local business was up 9% on last year on an underlying basis, with rental revenue up 14%. Within rental revenue, power increased by 16% and temperature control rose by 2%. We saw strong growth in our emerging market businesses, particularly in gas-fuelled generation in Russia and Romania, whilst the infrastructure work in Qatar continues in preparation for the 2022 World Cup. In our more developed European markets, solid base performance was boosted by off-shore wind farm commissioning work in the UK and Germany. We are pleased that this application was used elsewhere in the region, with our first contract for wind farm commissioning in South Africa. In Belgium, the business grew as we supported industrial customers concerned about power shortages as the national reserve margin fell. Elsewhere, France and Italy continued to be weak, whilst Spain performed well. Our African Local businesses have been growing well and our focus on the mining sector has resulted in a number of new contracts across the region. Iraq continues to grow, albeit at a slower rate in the second half, given the on-going security concerns; we remain cognisant of the security situation across the region and continue to safeguard our people and our assets.

We were pleased to have successfully supplied power for the Glasgow 2014 Commonwealth Games in our home city of Glasgow. In total, we provided 27MW of temporary power across the Games' 29 venues and the International Broadcast Centre. Towards the end of the year we also signed a contract to supply power to the inaugural European Games in Baku, which will be held in June 2015.

On 6 November 2014 we completed the acquisition of Golden Triangle Generators Limited, a leading provider of rental power solutions to customers in the northwest of the UK.

Revenue in our Power Projects business, excluding fuel, was up 8%, driven by the full year impact of on hires in Mozambique and the Ivory Coast in the second half of 2013. During the year the region won new contracts totalling 539MW, including 120MW in Libya, 50MW in Benin and 170MW of peak shaving in Saudi Arabia and Oman. The impact of these new contracts and the extension of the first phase of our gas contract in Mozambique for a further year was partly offset by the full year effect of off-hires in Kenya. In Libya, whilst our 120MW contract is effective, the security situation in the country continues to be a challenge and as such is closely monitored. Since the year end we are pleased to have extended our 200MW gas contract in Ivory Coast for a further three years.

[9] Underlying excludes currency and pass-through fuel for our Power Project contract in Mozambique.

BUSINESS LINE PERFORMANCE REVIEW

Whilst we report on a regional basis, we have also outlined the performance of our two business lines below, to provide further clarity on performance.

Power Projects Business Line

	Reported 2014 £ million	Reported 2013 £ million	Reported Change %	Underlying[10] Change %
Revenues				
Excl pass-through fuel	**625**	627	-%	10%
Pass-through fuel	**48**	42	13%	19%
Total	**673**	669	1%	10%
Trading profit				
Excl pass-through fuel	**170**	196	(13)%	-%
Pass-through fuel	**(3)**	(2)	(36)%	(43)%
Total	**167**	194	(14)%	-%
Trading margin excl pass-through fuel	**27%**	31%		

Our Power Projects business had a good year with underlying revenue increasing by 10%; this was largely driven by our 80MW diesel contract in Panama where we are selling electricity to the spot market, but also benefited from the full year impact of the gas on-hires in Mozambique and Ivory Coast commissioned in the second half of 2013. This growth was partially offset by the on-going anticipated decline in Japan and US Military contracts and a very competitive market in Indonesia.

Underlying trading profit was in line with last year, with the reported margin decreasing to 27% (2013: 31%). This was in line with our expectations and was caused by the wind-down of our higher margin Japan and US Military contracts and pricing pressure, particularly in Indonesia. These factors were partially offset by a bad debt provision release of £7 million, as overdue balances in Argentina were settled.

Order intake for 2014 was 757MW, ahead of the 725MW secured in 2013; the off-hire rate in 2014 was 32% (2013: 39%). At the end of the year, our order book was around 23,000MW months (2013: 25,000 MW months). Since the year end we have secured new work of 287MW and multi-year contract extensions of 488MW. We anticipate mobilisation costs will impact 2015 first half results as these new projects and contracts won in the fourth quarter of 2014 on-hire.

At the end of 2014 we had 925MW of gas-fuelled generation on rent, and revenue from gas was up 7% on the prior year. At the same point, we had 569MW of our more fuel efficient and higher output G3+ diesel sets in the fleet, including 212MW of our dual-fuel diesel and Heavy Fuel Oil (HFO) generators. As we have previously discussed, we are experiencing challenges with the HFO product relating to the fuel specification that our equipment can use and which has reduced the size of the addressable market. The issues that we are experiencing are not trivial and our engineering team, along with the support of engineering firm Ricardo, are working to resolve these issues and in the meantime, these sets are able to run on diesel.

[10] Underlying excludes currency and pass-through fuel.

Local Business Line

	Reported 2014 £ million	Reported 2013 £ million	Reported Change %	Underlying[11] Change %
Revenue	**904**	904	-%	8%
Trading profit	**139**	158	(12)%	(4)%
Trading margin	**16%**	18%		

Our Local business delivered a solid performance in the year with underlying revenue up 8%. As expected, the rate of growth slowed in the second half given tough comparatives. Rental revenue increased by 8% and services revenue by 9%; within rental, power increased 10%, driven by EMEA and the Americas, whilst temperature control increased by 2% and oil-free air increased 1%.

The increase in revenue was driven by good growth in emerging markets[12], in addition to strong performances from some of our more developed markets, most notably the United States, Canada, the UK and Germany. Our contracts for the FIFA World Cup in Brazil and the Glasgow 2014 Commonwealth Games contributed £19 million in revenue.

Trading profit in the Local business fell 4%, with a two percentage point reduction in the trading margin to 16%. This was largely due to the challenging trading conditions in our Australia Pacific business, as the mining sector continued to contract, as well as the more difficult macro environment in Brazil as a result of the subdued economic conditions.

[11] Underlying excludes currency.
[12] Emerging Local business markets defined as: Russia, Middle East, Asia, Africa and Latin America.

FINANCIAL REVIEW

A summarised Income Statement for 2014 as well as related ratios are set out below.

	2014	2013	Movement	
	£m	£m	As Reported	Underlying[13] Change
Revenues	**1,577**	1,573	-%	9%
Revenues excl pass-through fuel	**1,529**	1,531	-%	9%
Trading profit	**306**	352	(13)%	(2)%
Operating profit	**310**	358	(13)%	
Net interest expense	**(21)**	(25)	15%	
Profit before tax	**289**	333	(13)%	
Taxation	**(74)**	(87)	15%	
Profit after tax	**215**	246	(13)%	
Diluted earnings per share (pence)	**82.49**	92.03	(10)%	
Trading margin	**19%**	22%	(3)pp	
Underlying Trading margin	**20%**	22%	(2)pp	
ROCE	**19%**	21%	(2)pp	
Revenue (excluding pass-through fuel) to average gross rental assets	**62%**	64%	(2)pp	

Currency Translation

The movement of exchange rates during the year had the effect of reducing revenue and trading profit by £126 million and £40 million respectively. The largest currency impact on revenue came from the US dollar followed by the Argentinean Peso and then the Australian dollar and Brazilian Reals. Currency translation also gave rise to an £9 million decrease in the value of net assets as a result of year-on-year movements in the exchange rates. Set out in the table below are the principal exchange rates which affected the Group's profits and net assets.

(per £ sterling)	**2014**		2013	
	Average	**Year End**	Average	Year End
Principal Exchange Rates				
United States Dollar	**1.65**	**1.55**	1.57	1.65
Euro	**1.24**	**1.27**	1.18	1.19
UAE Dirhams	**6.06**	**5.71**	5.75	6.08
Australian Dollar	**1.83**	**1.92**	1.62	1.86
Brazilian Reals	**3.87**	**4.18**	3.38	3.89
Argentinian Peso	**13.37**	**13.29**	8.57	10.70
(Source: Bloomberg)				

[13] Underlying is defined as: adjusted for currency movements and pass-through fuel contracts in Mozambique.

Reconciliation of underlying growth to reported growth

The table below reconciles the reported and underlying revenue and trading profit growth rates:

	Revenue £ million	Trading profit £ million
2013 – As reported	1,573	352
Currency	(126)	(40)
2013 pass through fuel	(42)	2
2014 pass through fuel	48	(3)
Underlying growth	124	(5)
2014 – As reported	**1,577**	**306**
As reported growth	**-%**	**(13)%**
Underlying growth	**9%**	**(2)%**

Interest

The net interest charge of £21 million was £4 million lower than last year reflecting lower average net debt year on year, and arrangement fees included in the 2013 interest number for debt refinanced during the year. Interest cover, measured against rolling 12-month EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation), remained very strong at 27 times (2013: 26 times) relative to the financial covenant attached to our borrowing facilities that EBITDA should be no less than 4 times interest.

Taxation

Total Taxes
In 2014, Aggreko's worldwide operations resulted in direct and indirect taxes of £178 million (2013: £173 million) being paid to tax authorities. This amount represents all corporate taxes paid on operations, payroll taxes paid and collected, import duties, sales taxes and other local taxes.

Tax Charge
The Group's effective corporation tax rate for the year was 26% (2013: 26%) based on a tax charge of £74 million (2013: £87 million) on profit before taxation of £289 million (2013: £333 million).

Further information, including a detailed tax reconciliation of the current year tax charge, is shown at Note 9 in the Annual Report and Accounts.

Return to Shareholders

In June 2014 we completed a £200 million return of value to Shareholders, equivalent to 75 pence per ordinary share; as part of this, a further £2 million will be paid in 2015 to those Shareholders who elected to defer all or part of their return. Following the return, at 31 December 2014 our net debt stood at 0.9 times EBITDA (December 2013: 0.6 times) relative to our target level of around 1 times net debt to EBITDA.

Dividends

Subject to Shareholder approval the proposed final dividend of 17.74 pence will result in a full year dividend of 27.12 pence (2013: 26.30 pence) per ordinary share, giving dividend cover (Basic EPS divided by full year declared dividend) of 3 times (2013: 3.5 times), consistent with our objective of reducing cover to around 3 times.

Cashflow

The net cash inflow from operations during the year totalled £498 million (2013: £603 million). This funded total capital expenditure of £251 million which was up £23 million on the prior year. Of the £251 million, £226 million was spent on fleet with about 70% going to the Local business and the balance to the Power Projects business. Within Power Projects, a substantial portion of the spend was for the upgrade of our diesel sets to our higher output, more fuel efficient G3+ engines, a portion of which are also HFO compliant.

Net debt of £494 million at 31 December 2014 was £131 million higher than the prior year. As a result of the increase in net debt, net debt to EBITDA increased to 0.9 times (2013: 0.6 times).

There was a £73 million working capital outflow in the year (2013: £25 million outflow) mainly driven by an increase in accounts receivable balances, particularly in our Power Projects business, where debtor days increased to 110 days (2013: 95 days). The Group monitors the risk profile and debtor position of all contracts regularly, and particularly those in Power Projects, and deploys a variety of techniques to mitigate the risk of delayed or non-payment; these include securing advance payments, bonds and guarantees. The increase in debtor days reflects slower payments by a small number of customers in EMEA and APAC, partially offset by a better payment profile in the Americas. We have forms of payment protection in place for these customers in EMEA and APAC, and therefore this increase had little impact on the overall level of provision. Overall, the Power Projects bad debt provision at 31 December 2014 of £38 million was £11 million lower than at 31 December 2013 driven by our contracts in Argentina where £7 million was a release of provision reflecting improved cash collections in the second half of the year and the balance a small discount given on the services provided since the contracts inception in 2008.

Net Operating Assets

The net operating assets of the Group (including goodwill) at 31 December 2014 totalled £1,690 million, £92 million higher than 2013. The main components of net operating assets are:-

£ million	**2014**	2013	Movement Headline	Const Curr.[14]
Rental Fleet	**1,086**	1,082	-%	(2)%
Property & Plant	**91**	83	10%	18%
Inventory	**163**	149	10%	10%
Net Trade Debtors	**326**	285	15%	15%

A key measure of Aggreko's performance is the return (expressed as operating profit) generated from average net operating assets (ROCE). The average net operating assets in 2014 were £1,635 million, down 4% on 2013. In 2014, the ROCE decreased to 19% compared with 21% in 2013. This decrease was mainly driven by the reduction in trading margin in our Power Projects business and in our Local businesses in Australia Pacific and Brazil.

[14] Constant currency takes account of the impact of translational exchange movements in respect of our businesses which operate in currency other than sterling.

Property, plant and equipment

Rental fleet accounts for £1,086 million, or around 92%, of the net book value of property, plant and equipment used in our business; the great majority of equipment in the rental fleet is depreciated on a straight-line basis to a residual value of zero over 8 years, with some classes of non-power fleet depreciated over 10 years. The annual fleet depreciation charge of £243 million (2013: £257 million) relates to the estimated service lives allocated to each class of fleet asset. Asset lives are reviewed regularly and changed if necessary to reflect current thinking on their remaining lives in light of technological change, prospective economic utilisation and the physical condition of the assets.

Acquisition of Golden Triangle Generators Limited

On 6 November 2014, the Group acquired Golden Triangle Generators Limited, a power rental business in the UK with revenue of around £3 million.

Shareholders' Equity

Shareholders' equity decreased by £62 million to £1,078 million, represented by the net assets of the Group of £1,572 million before net debt of £494 million. The movements in Shareholders' equity are analysed in the table below:

Movements in Shareholders' Equity	**£ million**	**£ million**
As at 1 January 2014		**1,140**
Profit for the financial year	215	
Dividend[15]	(70)	
Retained earnings		145
Employee share awards		3
Issue of shares to employees under share option schemes		3
Return of value to Shareholders		(198)
Re-measurement of retirement benefits		(3)
Currency translation		(9)
Movement in hedging reserve		(3)
As at 31 December 2014		**1,078**

The £215 million of post-tax profit in the year represents a return of 20% on Shareholders' equity (2013: 22%) which compares to a Group weighted average cost of capital of 9%.

Pensions

Pension arrangements for our employees vary depending on best practice and regulation in each country. The Group operates a defined benefit scheme for UK employees, which was closed to new employees joining the Group after 1 April 2002; most of the other schemes in operation around the world are varieties of defined contribution schemes.

Under IAS 19: 'Employee Benefits', Aggreko has recognised a pre-tax pension deficit of £7 million at 31 December 2014 (2013: £6 million) which is determined using actuarial assumptions. The £1 million increase in the pension deficit is mainly driven by a reduction in corporate bond yields resulting in a lower discount rate which has increased the value placed on the liabilities of the scheme. This has been partially offset by the additional contribution of £2 million paid by the company in January 2014 in line with the recovery plan agreed for the Scheme following the actuarial valuation at 31 December 2011.

[15] Reflects the final dividend for 2013 of 17.19 pence per share (2013: 15.63 pence) and the interim dividend for 2014 of 9.38 pence per share (2013: 9.11 pence) that were paid during the year.

The main assumptions used in the IAS 19 valuation for the previous two years are shown in Note 27 of the Annual Report & Accounts. The sensitivities regarding these assumptions are shown in the table below.

		Deficit (£m)	Income statement cost (£m)
Assumption	**Increase/(decrease)**	**Change**	**Change**
Rate of increase in salaries	0.5%	(2)	-
Rate of increase in pensions	0.5%	(8)	(1)
Discount rate	(0.5)%	(15)	(1)
Inflation (0.5% increases on pensions increases, deferred revaluation and salary increases)	0.5%	(15)	(1)
Longevity	1 year	(3)	-

Capital Structure & Dividend Policy

The objective of Aggreko's strategy is to deliver long-term value to its Shareholders whilst maintaining a balance sheet structure that safeguards the Group's financial position through economic cycles. From an ordinary dividend perspective our objective is to provide a progressive through cycle dividend recognising the inherent lack of visibility and potential volatility of our business.

Treasury

The Group's operations expose it to a variety of financial risks that include liquidity, the effects of changes in foreign currency exchange rates, interest rates, and credit risk. The Group has a centralised treasury operation whose primary role is to ensure that adequate liquidity is available to meet the Group's funding requirements as they arise, and that financial risk arising from the Group's underlying operations is effectively identified and managed.

The treasury operations are conducted in accordance with policies and procedures approved by the Board and are reviewed annually. Financial instruments are only executed for hedging purposes, and transactions that are speculative in nature are expressly forbidden. Monthly reports are provided to senior management and treasury operations are subject to periodic internal and external review.

Liquidity and funding
The Group maintains sufficient facilities to meet its funding requirements over the medium term. At 31 December 2014, these facilities totalled £858 million in the form of committed bank facilities arranged on a bilateral basis with a number of international banks and private placement notes. The financial covenants attached to these facilities are that EBITDA should be no less than 4 times interest and net debt should be no more than 3 times EBITDA; at 31 December 2014, these stood at 27 times and 0.9 times respectively. The Group does not consider that these covenants are restrictive to its operations. The maturity profile of the borrowings is detailed in Note 17 in the Annual Report & Accounts.

Net debt amounted to £494 million at 31 December 2014 (2013: £363 million) and, at that date, un-drawn committed facilities were £367 million.

Interest rate risk
The Group's policy is to manage the exposure to interest rates by ensuring an appropriate balance of fixed and floating rates. At 31 December 2014, £305 million of the net debt of £494 million was at fixed rates of interest resulting in a fixed to floating rate net debt ratio of 62:38 (2013: 79:21).

Foreign exchange risk
The Group is subject to currency exposure on the translation into Sterling of its net investments in overseas subsidiaries. In order to reduce the currency risk arising, the Group uses direct borrowings in the same currency as those investments. Group borrowings are predominantly drawn down in the currencies used by the Group, namely US Dollar, Canadian dollar, Mexican Peso and Brazilian Reals.

The Group manages its currency flows to minimise foreign exchange risk arising on transactions denominated in foreign currencies and uses forward contracts and forward currency options, where appropriate, in order to hedge net currency flows.

Credit risk
Cash deposits and other financial instruments give rise to credit risk on amounts due from counterparties. The Group manages this risk by limiting the aggregate amounts and their duration depending on external credit ratings of the relevant counterparty. In the case of financial assets exposed to credit risk, the carrying amount in the balance sheet, net of any applicable provision for loss, represents the amount exposed to credit risk.

Insurance
The Group operates a policy of buying cover against the material risks which the business faces, where it is possible to purchase such cover on reasonable terms. Where this is not possible, or where the risks would not have a material impact on the Group as a whole, we self-insure.

Principal Risks and Uncertainties

In the day to day operations of the Group, we face risks and uncertainties. Our job is to mitigate and manage these risks and to aid this the Board has developed a formal risk management process which is described in the Annual Report and Accounts, alongside the principal risks and uncertainties which we believe could potentially impact the Group. These are summarised below:

- Economic activity;
- Oil price volatility;
- Exchange rate fluctuations;
- Political environment;
- Failure to collect payments or to recover assets;
- Competition;
- Product technology and emissions regulation;
- Failure to conduct business dealings with integrity and honesty;
- Safety and security; and
- People retention.

During 2014, we saw an increase in the risk in relation to a number of these factors. The oil price declined substantially in the latter part of 2014; security risks were heightened in Libya and Iraq; and safety risks increased with the threat of Ebola in West Africa.

Group Income Statement
For the year ended 31 December 2014

	Notes	**2014 £ million**	2013 £ million
Revenue	*1*	**1,577**	1,573
Cost of sales		**(674)**	(643)
Gross Profit		**903**	930
Distribution costs		**(407)**	(395)
Administrative expenses		**(190)**	(183)
Other income	*1*	**4**	6
Operating profit		**310**	358
Net finance costs			
- Finance cost		**(23)**	(26)
- Finance income		**2**	1
Profit before taxation		**289**	333
Taxation	*2*	**(74)**	(87)
Profit for the year		**215**	246

All profit for the period is attributable to the owners of the Company.

Basic earnings per share (pence)	*4*	**82.57**	92.15
Diluted earnings per share (pence)	*4*	**82.49**	92.03

Group Statement of Comprehensive Income
For the year ended 31 December 2014

	2014 £ million	2013 £ million
Profit for the year	**215**	246
Other comprehensive (loss)/income:		
Items that will not be reclassified to profit or loss		
Remeasurement of retirement benefits (net of tax)	**(3)**	(4)
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges (net of tax)	**(3)**	8
Net exchange losses offset in reserves (net of tax)	**(9)**	(87)
Other comprehensive loss for the year (net of tax)	**(15)**	(83)
Total comprehensive income for the year	**200**	163

Group Balance Sheet (Company Number: SC177553)
As at 31 December 2014

	Notes	**2014 £ million**	2013 £ million
Non-current assets			
Goodwill	*5*	**130**	133
Other intangible assets		**18**	18
Property, plant and equipment	*6*	**1,177**	1,165
Deferred tax asset	*11*	**22**	23
		1,347	1,339
Current assets			
Inventories	*7*	**163**	149
Trade and other receivables	*8*	**474**	417
Cash and cash equivalents		**37**	38
Derivative financial instruments		**5**	11
Current tax assets		**21**	21
		700	636
Total assets		**2,047**	1,975
Current liabilities			
Borrowings	*9*	**(76)**	(36)
Derivative financial instruments		**(1)**	(1)
Trade and other payables	*10*	**(303)**	(300)
Current tax liabilities		**(67)**	(68)
		(447)	(405)
Non-current liabilities			
Borrowings	*9*	**(455)**	(365)
Derivative financial instruments		**(7)**	(8)
Deferred tax liabilities	*11*	**(53)**	(51)
Retirement benefit obligation		**(7)**	(6)
		(522)	(430)
Total liabilities		**(969)**	(835)
Net assets		**1,078**	1,140
Shareholders' equity			
Share capital	*12*	**42**	49
Share premium		**20**	20
Treasury shares	*13*	**(14)**	(24)
Capital redemption reserve		**13**	6
Hedging reserve (net of deferred tax)		**(4)**	(1)
Foreign exchange reserve		**(81)**	(72)
Retained earnings		**1,102**	1,162
Total shareholders' equity		**1,078**	1,140

The financial statements on pages 17 to 33 were approved by the Board of Directors on 5 March 2015 and were signed on its behalf by:

K Hanna	**C Cran**
Chairman	Chief Financial Officer

Group Cash Flow Statement

For the year ended 31 December 2014

	Notes	2014 £ million	2013 £ million
Cash flows from operating activities			
Cash generated from operations	*(i)*	**498**	603
Tax paid		**(77)**	(68)
Interest received		**2**	1
Interest paid		**(22)**	(27)
Net cash generated from operating activities		**401**	509
Cash flows from investing activities			
Acquisitions (net of cash acquired)		**(4)**	-
Purchases of property, plant and equipment (PPE)		**(251)**	(228)
Proceeds from sale of PPE	*(i)*	**12**	14
Net cash used in investing activities		**(243)**	(214)
Cash flows from financing activities			
Net proceeds from issue of ordinary shares		**3**	1
Increase in long-term loans		**448**	430
Repayment of long-term loans		**(335)**	(637)
Net movement in short-term loans		**10**	(4)
Dividends paid to shareholders		**(70)**	(66)
Return of capital to shareholders		**(198)**	-
Purchase of treasury shares		**-**	(1)
Net cash used in financing activities		**(142)**	(277)
Net increase in cash and cash equivalents		**16**	18
Cash and cash equivalents at beginning of the year		**12**	1
Exchange loss on cash and cash equivalents		**(2)**	(7)
Cash and cash equivalents at end of the year		**26**	12

Reconciliation of net cash flow to movement in net debt

For the year ended 31 December 2014

	Note	2014 £ million	2013 £ million
Increase in cash and cash equivalents		**16**	18
Cash (inflow)/outflow from movement in debt		**(123)**	211
Changes in net debt arising from cash flows		**(107)**	229
Exchange (loss)/gain		**(24)**	1
Movement in net debt in year		**(131)**	230
Net debt at beginning of year		**(363)**	(593)
Net debt at end of year	*9*	**(494)**	(363)

Group statement of changes in equity

For the year ended 31 December 2014

As at 31 December 2014	Attributable to equity holders of the Company							
	Ordinary share capital £ million	Share premium account £ million	Treasury shares £ million	Capital redemption reserve £ million	Hedging reserve £ million	Foreign exchange reserve (translation) £ million	Retained earnings £ million	Total equity £ million
Balance at 1 January 2014	49	20	(24)	6	(1)	(72)	1,162	1,140
Profit for the year	-	-	-	-	-	-	215	215
Other comprehensive (loss)/income:								
Transfers from hedging reserve to revenue	-	-	-	-	(6)	-	-	(6)
Fair value gains on foreign currency cash flow hedge	-	-	-	-	2	-	-	2
Fair value gains on interest rate swap	-	-	-	-	1	-	-	1
Currency translation differences (i)	-	-	-	-	-	(9)	-	(9)
Remeasurement of retirement benefits (net of tax)	-	-	-	-	-	-	(3)	(3)
Total comprehensive (loss)/income for the year ended 31 December 2014	-	-	-	-	(3)	(9)	212	200
Transactions with owners:								
Employee share awards	-	-	-	-	-	-	3	3
Issue of ordinary shares to employees under share options schemes	-	-	10	-	-	-	(7)	3
Return of capital to shareholders	-	-	-	-	-	-	(198)	(198)
Capital redemption reserve	(7)	-	-	7	-	-	-	-
Dividends paid during 2014	-	-	-	-	-	-	(70)	(70)
	(7)	-	10	7	-	-	(272)	(262)
Balance at 31 December 2014	**42**	**20**	**(14)**	**13**	**(4)**	**(81)**	**1,102**	**1,078**

(i) Included in currency translation differences of the Group are exchange losses of £29 million arising on borrowings denominated in foreign currencies designated as hedges of net investments overseas, offset by exchange gains of £20 million relating to the translation of overseas results and net assets.

Group statement of changes in equity (continued)

As at 31 December 2013	Attributable to equity holders of the Company							
	Ordinary share capital £ million	Share premium account £ million	Treasury shares £ million	Capital redemption reserve £ million	Hedging reserve £ million	Foreign exchange reserve (translation) £ million	Retained earnings £ million	Total equity £ million
Balance at 1 January 2013	49	19	(34)	6	(9)	15	999	1,045
Profit for the year	-	-	-	-	-	-	246	246
Other comprehensive (loss)/income:								
Transfers from hedging reserve to property, plant and equipment	-	-	-	-	(2)	-	-	(2)
Transfers from hedging reserve to revenue	-	-	-	-	(6)	-	-	(6)
Fair value gains on foreign currency cash flow hedge	-	-	-	-	12	-	-	12
Fair value gains on interest rate swap	-	-	-	-	5	-	-	5
Currency translation differences (i)	-	-	-	-	-	(89)	-	(89)
Deferred tax on items taken to or transferred from equity	-	-	-	-	(1)	-	-	(1)
Current tax on items taken to or transferred from equity	-	-	-	-	-	2	-	2
Remeasurement of retirement benefits (net of tax)	-	-	-	-	-	-	(4)	(4)
Total comprehensive (loss)/income for the year ended 31 December 2013	-	-	-	-	8	(87)	242	163
Transactions with owners:								
Purchase of treasury shares	-	-	(1)	-	-	-	-	(1)
Employee share awards	-	-	-	-	-	-	(2)	(2)
Issue of ordinary shares to employees under share options schemes	-	-	11	-	-	-	(11)	-
Current tax on items taken to or transferred from equity	-	-	-	-	-	-	3	3
Deferred tax on items taken to or transferred from equity	-	-	-	-	-	-	(3)	(3)
New share capital subscribed	-	1	-	-	-	-	-	1
Dividends paid during 2013	-	-	-	-	-	-	(66)	(66)
	-	1	10	-	-	-	(79)	(68)
Balance at 31 December 2013	49	20	(24)	6	(1)	(72)	1,162	1,140

(i) Included in currency translation differences of the Group are exchange gains of £8 million arising on borrowings denominated in foreign currencies designated as hedges of net investments overseas, offset by exchange losses of £97 million relating to the translation of overseas results and net assets.

Notes to the Group Cash Flow Statement

For the year ended 31 December 2014

(i) Cashflow from operating activities	2014 £ million	2013 £ million
Profit for the year	**215**	246
Adjustments for:		
Tax	**74**	87
Depreciation	**259**	273
Amortisation of intangibles	**3**	5
Finance income	**(2)**	(1)
Finance cost	**23**	26
Profit on sale of PPE (see below)	**(4)**	(6)
Share-based payments	**3**	(2)
Changes in working capital (excluding the effects of exchange differences on consolidation):		
(Increase)/decrease in inventories	**(11)**	23
Increase in trade and other receivables	**(57)**	(32)
Decrease in trade and other payables	**(5)**	(10)
Net movement in provisions for liabilities and charges	**-**	(6)
Cash generated from operations	**498**	603

In the cash flow statement, proceeds from sale of PPE comprise:

	2014 £ million	2013 £ million
Net book amount	**8**	8
Profit on sale of PPE	**4**	6
Proceeds from sale of PPE	**12**	14

Profit on sale of PPE is shown within other income in the Income Statement.

Notes to the Accounts
for the year ended 31 December 2014

Note 1
Segmental reporting

(a) Revenue by segment

	External revenue	
	2014	2013
	£ million	£ million
Americas	**684**	645
Europe, Middle East and Africa	**647**	625
Asia, Pacific and Australia	**246**	303
Group	**1,577**	1,573
Local business	**904**	904
Power Projects	**673**	669
Group	**1,577**	1,573

(i) Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third-parties. All inter-segment revenue was less than £1 million.
(ii) Trading profit in table 1(b) below is defined as operating profit of £310 million. (2013: £358 million) excluding gain on sale of property, plant and equipment of £4 million (2013: £6 million).

(b) Profit by segment

	Trading profit		Gain on sale of PPE		Operating Profit	
	2014	2013	**2014**	2013	**2014**	2013
	£ million	£ million	**£ million**	£million	**£ million**	£million
Americas	**141**	147	**2**	3	**143**	150
Europe, Middle East and Africa	**116**	114	**1**	2	**117**	116
Asia, Pacific and Australia	**49**	91	**1**	1	**50**	92
Group	**306**	352	**4**	6	**310**	358
Local business	**139**	158	**2**	4	**141**	162
Power Projects	**167**	194	**2**	2	**169**	196
Operating profit	**306**	352	**4**	6	**310**	358
Finance costs - net					**(21)**	(25)
Profit before taxation					**289**	333
Taxation					**(74)**	(87)
Profit for the year					**215**	246

Note 1
Segmental reporting (continued)

(c) Depreciation and amortisation by segment

	2014 £ million	2013 £million
Americas	**101**	107
Europe, Middle East and Africa	**108**	109
Asia, Pacific and Australia	**53**	62
Group	**262**	278
Local business	**143**	144
Power Projects	**119**	134
Group	**262**	278

(d) Capital expenditure on property, plant and equipment and intangible assets by segment

	2014 £ million	2013 £ million
Americas	**134**	103
Europe, Middle East and Africa	**83**	68
Asia, Pacific and Australia	**39**	57
Group	**256**	228
Local business	**178**	117
Power Projects	**78**	111
Group	**256**	228

Capital expenditure comprises additions of property, plant and equipment (PPE) of £251 million (2013: £228 million), acquisitions of PPE of £2 million (2013: £nil million), and acquisitions of other intangible assets of £3 million (2013: £nil million).

(e) Assets/(liabilities) by segment

	Assets		Liabilities	
	2014 £million	2013 £million	**2014 £million**	2013 £million
Americas	**868**	819	**(102)**	(107)
Europe, Middle East and Africa	**789**	726	**(164)**	(160)
Asia, Pacific and Australia	**342**	375	**(43)**	(55)
Group	**1,999**	1,920	**(309)**	(322)
Local business	**1,127**	1,071	**(139)**	(144)
Power Projects	**872**	849	**(170)**	(178)
Group	**1,999**	1,920	**(309)**	(322)
Tax and finance payable	**43**	44	**(125)**	(123)
Derivative financial instruments	**5**	11	**(8)**	(9)
Borrowings	**-**	-	**(520)**	(375)
Retirement benefit obligation	**-**	-	**(7)**	(6)
Total assets/(liabilities) per balance sheet	**2,047**	1,975	**(969)**	(835)

(f) Average number of employees by segment

	2014 number	2013 number
Americas	**2,904**	2,771
Europe, Middle East and Africa	**2,332**	2,075
Asia, Pacific and Australia	**876**	903
Group	**6,112**	5,749
Local business	**4,112**	3,768
Power Projects	**2,000**	1,981
Group	**6,112**	5,749

Note 1
Segmental reporting (continued)

(g) Reconciliation of net operating assets to net assets

	2014 £million	2013 £million
Net operating assets	**1,690**	1,598
Retirement benefit obligation	**(7)**	(6)
Net tax and finance payable	**(82)**	(79)
	1,601	1,513
Borrowings and derivative financial instruments	**(523)**	(373)
Net assets	**1,078**	1,140

Note 2
Taxation

Analysis of charge in year	**2014 £ million**	2013 £ million
Current tax expense:		
- UK Corporation tax	**4**	5
- Double taxation relief	**-**	(1)
	4	4
- Overseas taxation	**77**	78
	81	82
Adjustments in respect of prior years:		
- UK	**-**	(5)
- Overseas	**(4)**	15
	(4)	10
	77	92
Deferred taxation (Note 11):		
- temporary differences arising in current year	**(4)**	3
- movements in respect of prior years	**1**	(8)
	74	87

The tax (charge)/credit relating to components of other comprehensive income is as follows:

	2014 £ million	2013 £ million
Deferred tax on hedging reserve movements	**-**	(1)
Deferred tax on retirement benefits	**-**	1
Current tax on exchange movements	**-**	2
	-	2

The tax (charge)/credit relating to equity is as follows:

	2014 £ million	2013 £ million
Current tax on share-based payments	**-**	3
Deferred tax on share-based payments	**-**	(3)
	-	-

Note 2
Taxation (continued)

Variances between the current tax charge and the standard 21.5% (2013: 23.3%) UK corporate tax rate when applied to profit on ordinary activities for the year are as follows:

	2014 £ million	2013 £ million
Profit before taxation	**289**	333
Tax calculated at 21.5% (2013: 23.3%) standard UK corporate rate	**62**	77
Differences between UK and overseas tax rates	**18**	6
Permanent differences	**(3)**	(1)
Impact of deferred tax rate changes	**(1)**	(1)
Deferred tax assets not recognised	**1**	4
Tax on current year profit	**77**	85
Prior year adjustments – current tax	**(4)**	10
Prior year adjustments – deferred tax	**1**	(8)
Total tax on profit	**74**	87
Effective tax rate	**26%**	26%

Note 3
Dividends

	2014 £ million	**2014 per share (p)**	2013 £ million	2013 per share (p)
Final paid	**46**	**17.19**	42	15.63
Interim paid	**24**	**9.38**	24	9.11
	70	**26.57**	66	24.74

In addition, the Directors are proposing a final dividend in respect of the financial year ended 31 December 2014 of 17.74 pence per share which will absorb an estimated £45 million of shareholders' funds. It will be paid on 26 May 2015 to shareholders who are on the register of members on 24 April 2015.

Note 4
Earnings per share

Basic earnings per share have been calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares in issue during the year, excluding shares held by the Employee Share Ownership Trusts which are treated as cancelled.

	2014	2013
Profit for the year (£ million)	**215**	246
Weighted average number of ordinary shares in issue (million)	**261**	267
Basic earnings per share (pence)	**82.57**	92.15

Note 4
Earnings per share (continued)

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. These represent share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2014	2013
Profit for the year (£ million)	**215**	246
Weighted average number of ordinary shares in issue (million)	**261**	267
Adjustment for share options and B shares (million)	**-**	-
Diluted weighted average number of ordinary shares in issue (million)	**261**	267
Diluted earnings per share (pence)	**82.49**	92.03

Note 5
Goodwill

	2014 £ million	2013 £ million
Cost		
At 1 January	**133**	145
Acquisitions	**1**	-
Exchange adjustments	**(4)**	(12)
At 31 December	**130**	133
Accumulated impairment losses	**-**	-
Net book value	**130**	133

On 6 November 2014, the Group acquired 100 per cent of the issued share capital of Golden Triangle Generators Limited (GTGL). The purchase consideration, paid in cash, comprises a fixed element of £4 million and further payments up to a maximum of £2 million dependant on financial performance during 2015. The fair value of net assets acquired was £5 million (Total assets of £5 million and total liabilities of £nil) resulting in goodwill of £1 million. GTGL is a leading provider of rental power solutions to customers in the northwest of the UK and this acquisition will help us increase our presence in the geographical area.

Goodwill impairment tests
Goodwill has been allocated to cash generating units (CGUs) as follows:

	2014 £ million	2013 £ million
Americas	**109**	113
Europe, Middle East and Africa	**13**	12
Asia, Pacific and Australia	**8**	8
Group	**130**	133
Local business	**128**	131
Power Projects	**2**	2
Group	**130**	133

Note 5
Goodwill (continued)

Goodwill is tested for impairment annually or whenever there is an indication that the asset may be impaired. Goodwill is monitored by management at an operating segment level. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for value in use calculations are those relating to expected changes in revenue and the cost base, discount rates and long-term growth rates. The discount rate used for business valuations was 8.8% after tax (2013: 8.6%), based on the weighted average cost of capital (WACC) of the Group. Before tax the estimated discount rate was 12.1% (2013: 11.7%). The WACC was calculated using the market capitalisation basis at 31 December 2014 (i.e. equity valued basis).

On the basis that the business carried out by all CGUs is closely related and assets can be redeployed around the Group as required, a consistent Group discount rate has been used for all CGUs. Values in use were determined using current year cash flows, a prudent view of future market trends and excludes any growth capital expenditure. A terminal cash flow was calculated using a long-term growth rate of 2.0%.

As at 31 December 2014, based on internal valuations, Aggreko plc management concluded that the values in use of the CGUs significantly exceeded their net asset value.

The Directors consider that there is no reasonably possible change in the key assumptions made in their impairment calculations that would give rise to an impairment.

Note 6
Property, plant and equipment

Year ended 31 December 2014

	Freehold properties £ million	Short Leasehold Properties £ million	Rental Fleet £ million	Vehicles, plant & equipment £ million	Total £ million
Cost					
At 1 January 2014	63	19	2,373	84	2,539
Exchange adjustments	2	-	68	-	70
Additions	12	2	226	11	251
Acquisitions	-	-	2	-	2
Disposals	-	(1)	(70)	(6)	(77)
At 31 December 2014	**77**	**20**	**2,599**	**89**	**2,785**
Accumulated depreciation					
At 1 January 2014	19	12	1,291	52	1,374
Exchange adjustments	2	-	42	-	44
Charge for the year	2	2	243	12	259
Disposals	-	(1)	(63)	(5)	(69)
At 31 December 2014	**23**	**13**	**1,513**	**59**	**1,608**
Net book values :					
At 31 December 2014	**54**	**7**	**1,086**	**30**	**1,177**
At 31 December 2013	44	7	1,082	32	1,165

Note 6
Property, plant and equipment continued

Year ended 31 December 2013

	Freehold properties £ million	Short Leasehold Properties £ million	Rental Fleet £ million	Vehicles, plant & equipment £ million	Total £ million
Cost					
At 1 January 2013	59	18	2,328	95	2,500
Exchange adjustments	(1)	(1)	(108)	(5)	(115)
Additions	7	2	205	14	228
Disposals	(2)	-	(52)	(20)	(74)
At 31 December 2013	**63**	**19**	**2,373**	**84**	**2,539**
Accumulated depreciation					
At 1 January 2013	18	10	1,134	62	1,224
Exchange adjustments	-	-	(54)	(3)	(57)
Charge for the year	2	2	257	12	273
Disposals	(1)	-	(46)	(19)	(66)
At 31 December 2013	**19**	**12**	**1,291**	**52**	**1,374**
Net book values :					
At 31 December 2013	**44**	**7**	**1,082**	**32**	**1,165**
At 31 December 2012	41	8	1,194	33	1,276

Note 7
Inventories

	2014 £ million	2013 £ million
Raw materials and consumables	**158**	144
Work in progress	**5**	5
	163	149

Note 8
Trade and other receivables

	2014 £ million	2013 £ million
Trade receivables	**381**	346
Less: provision for impairment of receivables	**(55)**	(61)
Trade receivables - net	**326**	285
Prepayments	**32**	26
Accrued income	**82**	77
Other receivables	**34**	29
Total receivables	**474**	417

The value of trade and other receivables quoted in the table above also represents the fair value of these items.

Note 9
Borrowings

	2014 £ million	2013 £ million
Non-current		
Bank borrowings	**214**	138
Private placement notes	**241**	227
	455	365
Current		
Bank overdrafts	**11**	26
Bank borrowings	**65**	10
	76	36
Total borrowings	**531**	401
Short-term deposits	**(7)**	(15)
Cash at bank and in hand	**(30)**	(23)
Net borrowings	**494**	363

Overdrafts and borrowings are unsecured.

Note 10
Trade and other payables

	2014 £ million	2013 £ million
Trade payables	**82**	81
Other taxation and social security payable	**8**	9
Other payables	**78**	77
Accruals	**113**	113
Deferred income	**22**	20
	303	300

The value of trade and other payables quoted in the table above also represents the fair value of these items.

Note 11
Deferred tax

	2014 £ million	2013 £ million
At 1 January	**(28)**	(28)
Impact of reduction	**1**	1
Deferred tax on acquisitions	**(1)**	-
Credit to the income statement (Note 2)	**2**	4
Debit to equity	**-**	(3)
Exchange differences	**(5)**	(2)
At 31 December	**(31)**	(28)

Note 12
Share capital

	2014 Number of Shares	2014 £'000	2013 Number of Shares	2013 £'000
(i) Ordinary shares				
At 1 January (2014 and 2013: Ordinary shares of $13^{549}/_{775}$ pence)	**269,029,545**	**36,880**	268,366,083	36,789
Employee share option scheme	**56,870**	**8**	663,462	91
Share consolidation (79 for 83 shares as at 27 May 2014*)	**(12,968,020)**	**-**	-	-
Share split:				
Deferred ordinary shares (Note (i))	**-**	**(17,147)**	-	-
B shares (Note (iii))	**-**	**(181)**	-	-
Transfer to capital redemption reserve (Note (ii))	**-**	**(7,182)**	-	-
At 31 December (2014: Ordinary shares of $4^{329}/_{395}$ pence; 2013:) Ordinary shares of $13^{549}/_{775}$ pence	**256,118,395**	**12,378**	269,029,545	36,880

*Based on 269,086,415 ordinary shares of $13^{549}/_{775}$ pence each on record date of 27 May 2014.

	2014 Number of Shares	2014 £'000	2013 Number of Shares	2013 £'000
(ii) Deferred ordinary shares of $6^{18}/_{25}$ pence (2013: $6^{18}/_{25}$ pence)				
At 1 January and 31 December	**182,700,915**	**12,278**	182,700,915	12,278
(iii) Deferred ordinary shares of $^{1}/_{775}$ pence (2013: $^{1}/_{775}$ pence)				
At 1 January and 31 December	**18,352,057,648**	**237**	18,352,057,648	237
(iv) Deferred ordinary shares of $9^{84}/_{775}$ pence (2013: nil)				
At 1 January	**-**	**-**	-	-
Share split (Note(i))	**188,251,587**	**17,147**	-	-
At 31 December	**188,251,587**	**17,147**	-	-
(v) B Shares of $9^{84}/_{775}$ pence (2013: nil)				
At 1 January	**-**	**-**	-	-
Share Split (Note(iii))	**1,989,357**	**181**	-	-
At 31 December	**1,989,357**	**181**	-	-

In June 2014 the Group completed a return of capital using a B share structure. The main terms of the return of capital and related consolidation of ordinary shares were:

- the issue of 1 B share of par value $9^{84}/_{775}$ pence for every 1 existing ordinary share held on the record date. This resulted in the creation of 269,086,415 B shares; and
- the issue of 79 new ordinary shares of par value $4^{329}/_{395}$ pence for every 83 existing ordinary shares held on the record date.

As a result of the return of capital:

(i) From the 269,086,415 B shares created a special dividend of 75 pence per B share was paid on 188,251,587 B shares, which then converted into deferred shares of negligible value resulting in a cash payment from the Company of £141.2 million on 6 June 2014;

(ii) A further 78,845,471 B shares were bought back at 75 pence each resulting in a cash payment from the Company of £59.1 million on 6 June 2014. As a result of this transaction £7,182k was transferred from ordinary share capital to the capital redemption reserve being 78,845,471 shares at par value $9^{84}/_{775}$ and;

(iii) The Company intends to further offer to purchase the remaining 1,989,357 B shares in the future at 75 pence each.

£2 million has been transferred back to the Group from the Group Employee Benefit Trust. Such amount represents the portion of the 2011 return of capital received by the Employee Benefit Trust in respect of the B shares created out of the ordinary shares held in the Employee Benefit Trust at the time of the 2011 return; and is equivalent to 55 pence per B share.

During the year 15 Ordinary shares of $13^{549}/_{775}$ pence each have been issued to the Aggreko plc Employee Benefit Trust. In addition 56,855 shares were allotted to US participants in the Long Term Incentive Plan.

Note 13
Treasury Shares

	2014 £ million	2013 £ million
Treasury Shares	**(14)**	(24)

Interests in own shares represents the cost of 824,036 of the Company's ordinary shares (nominal value $4^{329}/_{395}$ pence). Movement during the year was as follows:

	2014 Number of shares	2013 Number of shares
1 January	**1,331,750**	2,176,628
Purchase of shares	**-**	62,459
Shares received from Aggreko plc	**15**	-
Long-term Incentive Plan Maturity	**(183,306)**	(855,501)
Sharesave maturity	**(273,892)**	(51,836)
UK Deferred bonus plan	**(6,105)**	-
Share consolidation (79 for 83 shares)	**(44,426)**	-
31 December	**824,036**	1,331,750

These shares represent 0.3% of issued share capital as at 31 December 2014 (2013: 0.5%).

These shares were acquired by a trust in the open market using funds provided by Aggreko plc to meet obligations under the Long-term Incentive Arrangements and Aggreko Sharesave Plans. The costs of funding and administering the scheme are charged to the income statement of the Company in the period to which they relate. The market value of the shares at 31 December 2014 was £12 million (31 December 2013: £23 million).

Notes:

1. The above figures represent an abridged version of the Group's full Accounts for the year ended 31 December 2014, upon which the auditors have given an unqualified report.

2. The Annual Report will be posted to all shareholders on 24 March 2015 and will be available on request from the Secretary, Aggreko plc, 8th Floor, 120 Bothwell Street, Glasgow, G2 7JS. The Annual General Meeting will be held in Glasgow on 29 April 2015. The Annual Report contains full details of the principal accounting policies adopted in the preparation of these financial statements.

3. A final dividend of 17.74 pence per share will be recommended to shareholders and, if approved, will be paid on 26 May 2015 to shareholders on the register at 24 April 2015.

Responsibility statement

The Annual Report for the year ended 31 December 2014, which will be published on 24 March 2015, complies with the Disclosure and Transparency Rules in respect of the requirement to produce an Annual Financial Report. Ken Hanna, Chairman and Carole Cran, Chief Financial Officer, confirmed on behalf of the board that, to the best of their knowledge:

- the consolidated financial statements contained in the Annual Report for the year ended 31 December 2014, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the group; and

- the management report represented by the strategic report contained in the Annual Report for the year ended 31 December 2014 includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that the group faces.