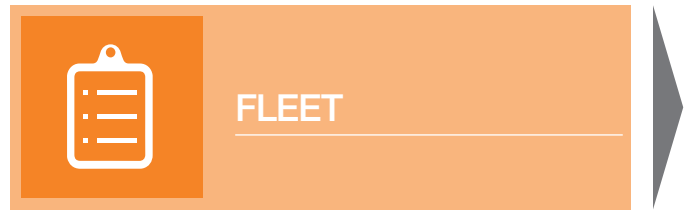
HOW WE CREATE VALUE
THROUGH OUR BUSINESS MODEL



Human

We have a highly skilled and professional workforce of over 7,700 employees worldwide

Supply chain

We work with suppliers to ensure the components and services they provide comply with our quality standards

Design and manufacture

We work closely with engine manufacturers and technology partners to design and manufacture equipment that is fuel efficient, emissions compliant and with a unique capital cost advantage

Financial

The Group has a strong balance sheet with sufficient facilities available

Intellectual

We invest in our technology and operating procedures to deliver better performance

Power

9,695MW £926m assets[1]

Chillers

1,294MW £53m assets[1]

Oil-free air

634cfm £12m assets[1]

Ancillaries

£95m assets[1]

KEY INPUTS

Relationships

We have longstanding relationships with many of our suppliers, notably Cummins, our main engine supplier. We also have sourcing relationships across the globe where we work very closely with suppliers to ensure that the components and services provided comply with our quality standards.

1 Net asset value

How our strategy maximises performance

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Risks that are involved

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GLOBAL FOOTPRINT & LOGISTICS

LOCAL BUSINESS

POWER PROJECTS

KEY OUTPUTS

Maintain and Service

211

Sales and Service Centres worldwide operating a hub and spoke model

4

Power Projects hubs on major shipping routes

Local business revenue

£904m

Average contract value: £21k

The Local business rents power and temperature control equipment to a diverse range of customers who operate it themselves; we service and maintain it

Power Projects revenue

£625m (excluding pass-through fuel)

Average contract value: £5 million per annum

The Power Projects business sells electricity which we deliver using power plants built, owned and operated by ourselves

The value we create

- Supporting industry and commerce
- Providing power for countries and communities
- Enabling key events around the world
- Innovating to build a sustainable business
- Global employment
- Strong brand and good reputation
- Rewarding careers
- Shareholder returns

OUR PROJECT LIFE CYCLE IS EXPLAINED ON THE NEXT PAGE

Understand the requirement

Design and Plan

Proposal

Mobilise, Install and Commission

Operate

Service and Maintain

Demobilise

Service and Refurbish

HOW WE CREATE VALUE
ACROSS THE PROJECT LIFE CYCLE

THE TYPICAL LIFE CYCLE OF A PROJECT

Understand the requirement	Design and Plan	Proposal	Mobilise, Install and Commission
1	2	3	4

Local business

> 68,500	580 people	27,400	hours – days
quotes per year	**dedicated sales force**	**pieces of equipment**	**installation time**
Customers approach us through sales channels or existing relationships; our sales people also offer solutions before problems arise. We meet the customer, discuss their needs and conduct a site survey.	Typically, we meet the production manager on-site to get a better indication of what is needed. Then we draw up a design, taking account of any environmental or regulatory requirements.	Based on the plan, a quote is drawn up with guidance from the internal pricing model. A proposal is then made to the customer and once agreed, a contract is signed.	Once the contract is signed, we begin mobilising the equipment. We install it on-site, test it and commission the contract. In most cases the customer is responsible for providing the fuel.

Power Projects

c.250	30 people	4,881MW	weeks – months
quotes per year	**dedicated sales force**	**available**	**installation time**
In most cases a tender is produced, whilst in other cases we present solutions to the customer to show how we can solve their power issues. Both involve meeting the customer and understanding their needs.	Following a site survey and additional exploratory work, we draw up a plan to meet the customer requirements, including all the logistics and site civil works. This can vary considerably in complexity, from a simple, small diesel contract, to a large gas contract which might include building a gas pipeline and transmission.	Based on the contract specification a quote is drawn up. This is either presented directly to the customer, or in the case of a tender, the bid is often opened publicly in front of the local press. Negotiations will typically then take place before a final price is agreed and a contract signed.	Equipment is shipped from the nearest hub or another project which has recently demobilised and usually travels by sea, rail and road to the site. Installing a project typically takes a number of weeks and once this is complete the site is commissioned and operational. In most instances, the customer is responsible for providing the fuel.

Operate

5

50
days average contract duration

After an explanation on operating procedures, customers operate the equipment themselves and call us if there are any issues.

1 year
average contract duration

We sell power. We own and operate our facilities which are run by Aggreko employees. These tend to be a combination of locally trained teams and Aggreko personnel with previous Power Projects experience.

Service and Maintain

6

>1,500
dedicated engineers

Our service engineers will visit the site as necessary. Our remote monitoring equipment can alert customers and engineers to potential problems before they occur. For some short contracts, servicing may not be needed.

>1,100
dedicated engineers

The equipment needs regular servicing and maintaining, the frequency of which depends on how hard it is running. Our technicians are permanently on-site and will service and maintain equipment as required.

Demobilise

7

76,500
sets off-hired in 2014

The customer retains the right to determine whether or not to off-hire the equipment or extend the contract. When they choose to off-hire, we remove our equipment and demobilise.

1,219MW
off-hired and demobilised in 2014

At the end of the initial contract term, customers have the option to off-hire or extend the contract. Typically around a third of contracts on hire at the beginning of the year will off-hire during the year. When a customer decides to off-hire, we remove our equipment and leave the site exactly as we found it.

Service and Refurbish

8

3 days
average time to turnaround a diesel generator

Equipment coming off-hire is returned to our service centres, where it is serviced and made available to go back out on-hire.

290MW
of refurbishments in 2014

Equipment that is demobilised is returned to one of the hubs, where it is serviced or refurbished.

Our 1MW diesel generators that have reached the end of their useful life are refurbished which can include an upgrade to our more fuel efficient/higher electrical output engine at around 70% of the original cost and giving another eight years of useful life.

Read more about refurbishments
Page 61

HOW WE CREATE VALUE
USING OUR RESOURCES

Human

Aggreko has over 6,300 permanent and 1,400 temporary employees worldwide, united by our unique culture which has developed over more than 50 years. Our people are highly skilled and are used to reacting quickly, doing a professional job in a safe manner and above all, responding effectively under pressure.

We have enormous strength and depth throughout the business. Our sales and commercial teams are highly trained and understand the financial, regulatory and environmental logistics of operating in challenging markets; our engineers and technicians are trained to problem solve in even the most difficult situations to keep our equipment operating; supported by strong back office functions.

Our people are our biggest asset. Therefore it is essential that our people are properly trained and are remunerated and incentivised appropriately. Each part of the business has training programmes in place to provide our employees with the necessary skills to perform their role; training is a combination of on-the-job learning and specific skill development through training courses.

Read more about our people

Page 62

The Company's remuneration policy, set out in the Corporate governance report, is aligned with the key objectives of growing earnings and delivering strong returns on capital employed. These metrics are used for the Group's long-term incentive scheme and senior managers' annual bonuses. We also encourage all employees to own shares in the Company and currently over 2,400 people participate in the Sharesave programme.

Read more about our remuneration policy

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Supply Chain

Aggreko's supply chain capability in managing suppliers to provide goods and services in around 100 countries is a key part of our business model, including the logistics of getting equipment and supplies into and out of these countries in a short period of time. We have long standing relationships with many of our suppliers, notably Cummins, our main engine supplier. We also have sourcing relationships across the globe where we work very closely with suppliers to ensure that the components and services provided comply with Aggreko's quality standards.

Design and Manufacture

Unusually for a rental company, we design and assemble most of our power equipment. Our specialist in-house teams based in Dumbarton, Scotland, understand intimately the requirements of the environment in which the fleet operates. We operate equipment for its useful life; we do not build our equipment to sell. This gives a powerful incentive to maintain it well, which gives a longer life and better reliability.

Designing and assembling our own fleet gives us a unique competitive advantage:

- **Optimise equipment to meet our particular operational requirements**
- **Design equipment for reliability and longevity**
- **Material capital cost advantage through economies of scale and not paying the final assembly margin (20–40% over competitors)**
- **React quickly to customer requirements with lead times of only a few months from engine order to the equipment being in the fleet**

We currently purchase most of our temperature control equipment externally to suit the needs of local markets.

Fleet is managed on a real time basis across the world and is transferable across all sectors and applications, which enables us to optimise utilisation and therefore its deployment and returns.

Financial

The Group has sufficient facilities to meet our funding requirements over the medium term. These facilities have a range of maturities and are satisfied by the following covenants:

Funding Source	Covenants	Performance as at December 2014
Lenders	EBITDA ≥4x Interest	EBITDA to Interest: 27x
	Net debt/EBITDA ≤3x	Net debt to EBITDA: 0.9x

The Group does not consider these covenants restrictive and under normal business conditions looks to operate the business with net debt/EBITDA ratio of around one. The Group believes that this is the appropriate level given the characteristics of the Group, including the inherently risky nature of where we operate, in particular in the Power Projects business.

Fleet is at the heart of any rental business; it is the core of the service we offer and managing it effectively is necessary to ensure the long-term sustainability of our business

OUR DESIGN AND ASSEMBLY CAPABILITY

230
permanent Dumbarton employees

20,978
power units available

9,695MW
power in the fleet

Purpose-built facility to flex volume

Flexible employee base (230 permanent and up to 275 contractors)

Design and assembly with 50 years' experience

Major sub-assembly bought in from key strategic suppliers
- Engine c.50%
- Alternator c.10%
- Container c.10%

20-40% capital cost advantage on new diesel and gas generators

Refurbished and upgraded diesel for c.70% of original cost per MW

HFO as refurbishment for c.85% of original diesel cost per MW

In the fleet within 10-12 weeks of order

90%
of cost is major sub-assemblies

£226m
fleet capex in 2014

20–40%
capital cost advantage

Intellectual

We have built a competitive advantage by designing our own equipment that is fit for purpose. Key attributes of our equipment are:

- **Durable and portable – has to be lifted and transported hundreds of times during its life**
- **Ability to work in extreme conditions, both temperature and altitude**
- **Fuel efficient**
- **Safe**
- **Quiet**
- **Reliable**
- **Compliant with environmental and safety regulations**

Furthermore, in recent years we have invested in the underlying technology to deliver better performance and new capability in our 1MW generators. We were the first company in the world to develop and assemble 1MW gas generators in 20 foot containers; we have increased the power output of our 1MW diesel engines by 15% whilst improving fuel consumption by 4% and we have re-engineered the same engines to allow them to run on Heavy Fuel Oil.

We have also developed a process to allow us to re-cycle and refurbish our large diesel generators at the end of their useful life, for significantly less than the cost of a new generator. At the same time, we re-engineer it to the latest specification.

Read more about generator refurbishments
See page 61