LOXAM

QUARTERLY REPORT MARCH 31, 2013

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DEFINITIONS

In this document:

- "Company" means Loxam S.A.S., and "we", "us", "our" and "our group" refer to Loxam S.A.S. and its consolidated subsidiaries, unless the context requires otherwise;
- "EBITDA" means operating income plus depreciation of fixed assets;
- "Adjusted EBITDA" means EBITDA plus non-recurring costs;
- "Free cash flow" means EBITDA (before capital gains on fleet disposals) plus the proceeds from disposals of fixed assets less the following: (i) gross capital expenditures, (ii) finance income and expense, (iii) income taxes (excluding deferred taxes), (iv) increases in working capital requirement and (v) miscellaneous items.
- "Gross book value" means the total acquisition cost of the equipment in our fleet;
- "Gross debt" means loans and debt owed to credit institutions, bonds, lease liabilities, bank overdrafts and other financial debt, plus accrued interest on debt;
- "Net debt" means gross debt less cash and cash equivalents (cash plus marketable investment securities);
- "Organic" and "like-for-like" mean to changes in revenues for the period indicated compared to the prior comparable period, excluding changes in the scope of consolidation; and
- "Utilization rate" means the number of days that our equipment is actually rented in a given period divided by the number of business days in such period, weighted on the basis of our reference rental value of the equipment.

NOTICE

All financial information in this quarterly report has been prepared in accordance with French GAAP and is presented in million of euros. It has not been audited nor reviewed by our statutory auditors.

In this document we use certain non-GAAP measures, such as EBITDA, free cash flow and net debt, because we believe they and similar measures are widely used by certain investors as supplemental measures of performance and liquidity. These non-GAAP measures may not be comparable to other similarly titled measures of other companies and may have limitations as analytical tools. Non-GAAP measures such as EBITDA, free cash flow and net debt are not measurements of our performance or liquidity under French GAAP and should not be considered to be alternatives to operating income or any other performance measures derived in accordance with French GAAP. They should not be considered to be alternatives to cash flows from operating, investing or financing activities as a measure of our liquidity as derived in accordance with French GAAP.

Rounding adjustments have been made in calculating some of the financial and other information included in this document. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

The following discussion and analysis is based on, and should be read in conjunction with, our unaudited interim consolidated financial statements included elsewhere in this quarterly report and our audited annual consolidated financial statements included in our 2012 annual report.

This document contains certain statements that are forward-looking. These statements refer in particular to the Company's forecasts, projections, future events, trends or objectives which are naturally subject to risks and contingencies that may lead to actual results materially differing from those explicitly or implicitly included in these statements. Such forward-looking statements are not guarantees of future performance. The Company, as well as its affiliates, directors, advisors, employees and representatives, expressly disclaim any liability whatsoever for such forward-looking statements. The Company does not undertake to update or revise the forward-looking statements that may be presented in this document to reflect new information, future events or for any other reason and any opinion expressed in this document is subject to change without notice.

This document does not constitute, or form part of, an offer or invitation to sell or purchase, or any solicitation of any offer to purchase or subscribe for, any securities of the Company in any jurisdiction whatsoever. This document shall not form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement	**Three months ended March 31,**	
(in million of euros)	**2012**	**2013**
	(unaudited)	
Revenues	198.7	171.4
Other operating income	12.7	10.9
Purchases consumed	(23.4)	(20.1)
Personnel expenses	(51.9)	(52.9)
Other operating expenses	(61.6)	(67.3)
Taxes and duties	(4.4)	(3.9)
Depreciation, amortization, and provisions	(47.1)	(39.1)
Operating income	**22.9**	**(1.0)**
Finance income and expense	(7.7)	(10.5)
Exceptional income and expense	0.1	0.0
Income tax	(6.3)	3.1
Amortization or depreciation of goodwill and intangible assets	0.2	0.0
Consolidated net income	**9.1**	**(8.4)**
Minority interests	(0.0)	0.0
Net income, group share	**9.1**	**(8.4)**

Consolidated balance sheet **(in million of euros)**	**As at December 31, 2012 (audited)**	**As at March 31, 2013 (unaudited)**
Intangible assets and goodwill	927.1	926.5
Tangible assets	343.2	344.8
Financial investments	5.0	5.1
Fixed assets	**1,275.3**	**1,276.4**
Inventory and work-in-progress	17.9	18.8
Trade receivables and related accounts	194.9	184.5
Other receivables and accruals	19.6	25.8
Marketable investment securities	50.1	158.2
Cash	11.7	23.6
Current assets	**294.2**	**411.0**
Total assets	**1,569.5**	**1,687.4**
Provisions for contingencies and charges	23.1	20.5
Loans and financial debt	840.0	980.8
Supplier payables and related accounts	69.7	67.0
Other liabilities and accruals	132.8	123.7
Shareholders' equity, group share	503.6	495.0
Minority interests	0.3	0.4
Total liabilities and equity	**1,569.5**	**1,687.4**

Condensed cash-flow statement **(in million of euros)**	**Quarter Ended March 31, 2012 (unaudited)**	**Quarter Ended March 31, 2013 (unaudited)**
Cash flow from operations	26.3	16.9
Cash flow from investing activities	(12.5)	(25.3)
Cash flow from financing activities	(15.1)	121.5
Change in cash and cash equivalents	**(1.3)**	**113.1**
Cash and cash equivalents at the end of the period	**56.9**	**168.9**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the notes thereto. Our financial statements as of and for the three months ended March 31, 2012 and 2013 have been prepared in accordance with French GAAP and have not been audited.

Overview of our Business

With total revenues of €800.7 million in the 12-month period ended March 31, 2013, Loxam is the leading European equipment rental group for the construction, industry, public works and events sectors.

Our business is split in three business divisions:

- Generalist France, which includes equipment for earth moving (backhoes and loaders), aerial work (booms and scissors), handling (forklifts and telehandlers), compaction (compactors and rollers), and building (concrete mixers and saws), as well as hand-operated tools such as power drills, chainsaws and jackhammers. As of March 31, 2013, our generalist network included 454 branches. We rent generalist equipment under our Loxam Rental, Loueurs de France, Laho and Locarest brands;
- Specialist France, which includes high-access equipment, modular shelters, large compressors and generators, heavy compaction equipment, suspended platforms and scaffolding. As of March 31, 2013, our specialist network included 60 branches. We rent specialist equipment in France under several specific brands, such as Loxam Access, Loxam Module, Loxam Power and Laho TEC; and
- International, which comprises our specialist and generalist equipment offerings in 10 other countries (Denmark, Belgium, the Netherlands, Germany, Spain, the United Kingdom, Ireland, Switzerland, Luxembourg and Morocco) and comprised a network of 88 branches as of March 31, 2013.

We rent an equipment range of 1,000 different types of equipment and tools. We also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. As of December 31, 2012, our rental fleet consisted of approximately 167,000 pieces of equipment (excluding accessories) with an estimated replacement value of €1.6 billion.

Economic conditions in the first quarter of 2013

Economists have revised downwards their estimates of growth for the French economy in 2013, as growth for 2012 was lower than anticipated due to weaker private investment. With two consecutive quarters of negative growth in the French GDP in Q4 2012 and Q1 2013, the French economy has entered into recession and an improvement is not expected before the second half of 2013.

According to its April 2013 press release, the French Building Federation (FFB) expects that the number of housing starts for 2013 will reach 327,000, which represents approximately 7% less than in 2012 (350,000 housing starts) and 2% below that of 2009 (334,000). However, the French Government has decided to stimulate the construction market and is in the process of introducing an incentive package for new construction as well as for the maintenance and repair segments. We believe that these measures will not have an effect in 2013.

In a context of general spending cuts by local authorities, demand for civil engineering work is expected to be almost flat as a result of ongoing major works, such as high speed railway lines, that have already started and will continue into 2013.

Finally, Q1 2013 had two fewer trading days (-3%) versus Q1 2012 and this had a corresponding impact on the level of our turnover in the first quarter.

Investment in new equipment

Our gross capital expenditure in the first quarter of 2013 amounted to €37.5 million, of which €33.8 million was fleet capex.

Changes to our rental network

We operated 602 branches as of March 31, 2013, compared to 598 as of December 31, 2012. We opened five branches in the first quarter of 2013, and closed one branch as part of our continuous network management.

Seasonality

In addition to the weak economic environment, our performance in Q1 2013 was affected by unusually severe weather conditions in most of the countries where we operate. Poor weather delayed some construction work, which negatively affected demand for our services.

Significant Events of the quarter

In January 2013, we issued €300 million principal amount of 7.375% senior subordinated notes due 2020. We used a portion of the net proceeds of the issuance to repay €150.0 million under our syndicated credit facilities. The senior subordinated notes are subordinated in right of payment to our syndicated credit facilities and certain of our bilateral facilities and hedging obligations.

In Q1 2013 we completed the rollout of the ERP Rentalman platform throughout our French business and have started the preparatory work to implement it in our international business.

Results of Operations

The table below sets out our consolidated results of operations for the three months ended March 31, 2012 and 2013, and for the 12 months ended March 31, 2012 and 2013.

Consolidated Income Statement Data	**Three months ended March 31,**		**12 months ended March 31,**	
(in million of euros)	**2012**	**2013**	**2012**	**2013**
	(unaudited)		**(unaudited)**	
Revenues	198.7	171.4	828.0	800.7
Other operating income	12.7	10.9	52.8	45.5
Purchases consumed	(23.4)	(20.1)	(99.2)	(92.8)
Personnel expenses	(51.9)	(52.9)	(199.0)	(217.2)
Other operating expenses	(61.6)	(67.3)	(276.0)	(270.3)
Taxes and duties	(4.4)	(3.9)	(15.3)	(15.3)
Depreciation, amortization, and provisions	(47.1)	(39.1)	(178.0)	(164.7)
Operating income	**22.9**	**(1.0)**	**113.1**	**86.1**
Finance income and expense	(7.7)	(10.5)	(31.6)	(32.9)
Exceptional income and expense	0.1	0.0	(1.0)	0.2
Income tax	(6.3)	3.1	(26.6)	(21.4)
Amortization or depreciation of goodwill and intangible assets	0.2	0.0	(11.3)	(3.2)
Consolidated net income	**9.1**	**(8.4)**	**42.5**	**28.8**
Minority interests	(0.0)	0.0	0.1	0.0
Net income, group share	**9.1**	**(8.4)**	**42.6**	**28.8**

The following table sets out certain key figures in each of the generalist France, specialist France and international divisions for the quarters ended March 31, 2012 and 2013, and for the 12-month periods ended March 31, 2012 and 2013.

(in million of euros, except percentages)	Three months ended March 31, 2012	Three months ended March 31, 2013	12 months ended March 31, 2012	12 months ended March 31, 2013
	(unaudited)		(unaudited)	
Revenues[1]				
Generalist France	138.9	116.7	563.9	548.9
Specialist France	32.9	31.1	139.8	136.3
France	171.8	147.8	703.7	685.2
International	26.9	23.5	124.3	115.6
Total	198.7	171.4	828.0	800.7
Adjusted EBITDA [2]				
Generalist France[3]	45.6	25.4	191.4	166.2
Specialist France[3]	12.1	9.8	54.5	47.2
France	57.7	35.2	245.9	213.4
International	6.6	3.8	36.9	33.4
Real Estate[4]	0.3	0.3	1.4	1.6
Total	64.6	39.3	284.3	248.4
Margin (%)	32.5%	22.9%	34.3%	31.0%

Notes:

(1) To present generalist and specialist revenues generated in France by division, we aggregate the revenue of each branch assigned to that division, and we allocate rebates provided annually to certain large clients. Revenues for generalist France and specialist France are presented following the allocation of these rebates.

(2) Adjusted EBITDA corresponds to EBITDA excluding non recurring costs. For the three-month periods ended March 31, 2012 and 2013, adjusted EBITDA excludes, respectively, €7.2 million and €5.1 million of costs relative to the issue of senior subordinated notes in January 2013. For the 12-month periods ended March 31, 2012 and 2013, adjusted EBITDA excludes, respectively, €10.2 million and €12.4 million of costs relative to the issue of senior subordinated notes or to the refinancing of our syndicated loan and the Locarest loan. These non-recurring costs have been allocated to the generalist France division.

(3) To present specialist and generalist adjusted EBITDA generated in France by division, we allocate rebates pro rata based on revenues, which are accounted for centrally, and then allocate direct expenses (which represent a majority) directly to a given branch. Indirect expenses are allocated centrally or regionally and are then allocated to a given branch according to a factor that is based on that branch's revenues, the gross value of its equipment or the rental value of its equipment.

(4) Real estate adjusted EBITDA corresponds to rental income from real estate held by the group that is not assigned to a division.

Three months ended March 31, 2013 compared to three months ended March 31, 2012

Revenues

Revenues decreased by 13.7% to €171.4 million in the first quarter of 2013 from €198.7 million in the first quarter of 2012. The drop in revenues was primarily due to weaker demand for rental equipment as a result of the weak construction market, which was exacerbated by the prolonged and cold winter and a reduced number in trading days in Q1 2013 . For the 12 month-period ended March 31, 2013, revenues decreased by 3.3% to €800.7 million compared to the corresponding period ended March 31, 2012.

Revenues from our generalist France division decreased by 16.0% to €116.7 million in the first quarter of 2013 from €138.9 million in the first quarter of 2012. Generalist France represented 68.1% of total revenues in the first quarter of 2013, compared to 69.9% in the first quarter of 2012.

Revenues from our specialist France division decreased by 5.5% to €31.1 million in the first quarter of 2013 compared to €32.9 million in the first quarter of 2012. The relatively stronger performance of our specialist division was helped by the performance of Loxam Power (due to its exposure to industrial customers), Loxam TP (involved in the large civil engineering projects) and Loxam Module (exposed to long term contracts). Specialist France represented 18.2% of total revenues in the first quarter of 2013, compared to 16.6% in the first quarter of 2012.

International revenues decreased by 12.6% to €23.5 million in the first quarter of 2013 compared to €26.9 million in the first quarter of 2012. Our operations outside of France were also hit by bad weather in most of the countries in Europe where we operate and also by the persistently difficult economic situation in Spain. Our largest international markets were Denmark, Belgium and the Netherlands. Our international division represented 13.7% of total revenues in the first quarter of 2013, compared to 13.5% in the first quarter of 2012.

Other operating income

Other operating income, which includes mainly our write-backs of provisions on current assets and capital gains on disposed fleet assets, decreased by 14.2% to €10.9 million in the quarter ended March 31, 2013 from €12.7 million in the quarter ended March 31, 2012. This decrease was principally caused by lower write-backs of provisions on current assets.

Purchases consumed

Purchases consumed decreased by 14.1% to €20.1 million in the quarter ended March 31, 2013 compared to €23.4 million in the quarter ended March 31, 2012, due to the slowdown in activity.

Personnel expenses

Personnel expenses increased by 1.9% to €52.9 million in the quarter ended March 31, 2013 from €51.9 million in the quarter ended March 31, 2012. This increase was caused by a change in our accounting policy relating to the provision of vacation pay. An accrual for vacation pay amounting €2.0 million was recorded in the quarter ended March 31,2013, while no accrued vacation pay was recorded in the quarter ended March 31, 2012.

Other operating expenses

Other operating expenses increased by €5.7 million to €67.3 million in the quarter ended March 31, 2013 from €61.6 million in the quarter ended March 31, 2012, primarily due to the €5.2 million cost of the issue of the senior subordinated notes, in the first quarter of 2013. Excluding the cost related to the senior subordinated notes issue, our other operating costs increased by 0.9% compared to the first quarter of 2012.

Our largest expenses in this category were transport-related costs (€16.5 million) which were stable compared to the first quarter of 2012, real estate rent (€10.9 million) which was flat, subcontracted maintenance (€6.3 million), which increased by 3% and general administrative expenses (€7.2 million) which increased by 7% as we rolled out Rentalman and other software.

Depreciation, amortization, and provisions

Depreciation, amortization, and provisions decreased by 17.0% to €39.1 million in the quarter ended March 31, 2013 compared to €47.1 million in the quarter ended March 31, 2012, as the high level of capital expenditure made in 2007 and 2008 are becoming fully depreciated as a result of our 5 year depreciation policy for most of our fleet.

Financial income and expense

Net financial expense increased by €2.8 million to €10.5 million in the quarter ended March 31, 2013 compared to €7.7 million in the quarter ended March 31, 2012, primarily due to the addition of the interest cost of the senior subordinated notes issued in January 2013.

Income tax

Income tax was a gain of €3.1 million in the quarter ended March 31, 2013, compared to an expense of €6.3 million in the quarter ended March 31, 2012, as income before tax and amortization or depreciation of goodwill and intangible assets was a loss amounting to €12.4 million in the quarter ended March 31, 2013, compared to a profit of €15.3 million in the quarter ended March 31, 2012 .

Net income (loss), group share

As a result of the factors described above, we had a net loss of €8.4 million in the quarter ended March 31, 2013 , compared to net income of €9.1 million in the quarter ended March 31, 2012.

Adjusted EBITDA

Adjusted EBITDA amounted to €39.3 million in the first quarter of 2013 compared to €64.6 million in the first quarter of 2012. For the 12-month period ended March 31, 2013, adjusted EBITDA amounted to €248.4 million in 2013 compared to €284.3 million in the corresponding period ended March 31, 2012.

Adjusted EBITDA from our generalist France division amounted to €25.4 million in the three-month period ended March 31, 2013 compared to €45.6 million in the three-month period ended March 31, 2012. Our adjusted EBITDA margin for generalist France was 21.8% in the three-month period ended March 31, 2013. Adjusted EBITDA from our generalist France division amounted to €166.2 million in the 12-month period ended March 31, 2013 compared to €191.4 million in the 12-month period ended March 31, 2012. Our adjusted EBITDA margin for generalist France was 30.3% in the 12-month period ended March 31, 2013.

EBITDA from our specialist France division amounted to €9.8 million in the three-month period ended March 31, 2013 compared to €12.1 million in the three-month period ended March 31, 2012. Our EBITDA margin for specialist France was 31.5% in the three-month period ended March 31, 2013. EBITDA from our specialist France division amounted to €47.2 million in the 12-month period ended March 31, 2013 compared to €54.5 million in the 12-month period ended March 31, 2012. Our EBITDA margin for specialist France was 34.6% in the 12-month period ended March 31, 2013.

EBITDA from our international division amounted to €3.8 million in the three-month period ended March 31, 2013 compared to €6.6 million in the three-month period ended March 31, 2012. Our EBITDA margin for international was 16.2% in the three-month period ended March 31, 2013. EBITDA from our international division amounted to €33.4 million in the 12-month period ended March 31, 2013 compared to €36.9 million in the 12-month period ended March 31, 2012. Our EBITDA margin for international was 28.9% in the 12-month period ended March 31, 2013.

Liquidity and Capital Resources

We use cash to pay for working capital requirements, taxes, interest payments, capital expenditures, acquisitions and to service our indebtedness in accordance with repayment schedules.

Our sources of liquidity consist mainly of the following:

- cash generated from our operating activities;
- borrowings under our syndicated credit facilities (including the revolving credit facility) and bilateral facilities; and
- net proceeds from our senior subordinated notes and any other debt securities we may issue in the future.

As of March 31,2013, we had €300 million principal amount outstanding of senior subordinated notes issued in January 2013, €243.0 million outstanding under our syndicated credit facilities after repayment of €150.0 million in January 2013, and we had bilateral facilities in a total amount of €366.3 million and finance leases in a total amount of €49.3 million. Cash and cash equivalents on our balance sheet amounted to €168.9 million.

We also have a €75 million revolving credit facility, which we may use for general corporate purposes. As of March 31, 2013, this revolving credit facility was not drawn.

Capital expenditure

Our gross capital expenditure was €37.5 million in the first quarter of 2013 compared to €28.0 in the first quarter of 2012.

Our net capital expenditure (defined as gross capital expenditures less proceeds from disposals of fixed assets) was €33.7 million in the first quarter of 2013 versus €23.5 million in the first quarter of 2012.

Adjusted EBITDA

We define EBITDA as operating income plus depreciation of fixed assets. We define Adjusted EBITDA as EBITDA plus non-recurring costs. The following table presents a reconciliation of adjusted EBITDA to operating income and net income for the periods indicated.

	Three months Ended March 31,		**12 months Ended March 31,**	
(in millions of euros)	**2012**	**2013**	**2012**	**2013**
	(unaudited)		**(unaudited)**	
Adjusted EBITDA	64.6	39.3	284.3	248.3
Non-recurring costs(1)	-	(5.2)	(10.2)	(12.3)
EBITDA	64.6	34.1	274.1	236.0
Depreciation of fixed assets	(41.7)	(35.1)	(161.0)	(149.9)
Operating income	22.9	(1.0)	113.1	86.1
Finance income and expense	(7.7)	(10.5)	(31.6)	(32.9)
Exceptional income and expense	0.1	0.0	(1.0)	0.2
Income tax	(6.3)	3.1	(26.6)	(21.4)
Amortization or depreciation of goodwill and intangible assets	0.2	0.0	(11.3)	(3.2)
Consolidated net income	9.1	(8.4)	42.5	28.8

Notes :

(1) Non-recurring costs for the three-month period ended March 31, 2013 included the cost of the issue of senior subordinated notes, amounting to €5.2 million. For the 12 month-periods ended March 31, 2012 and 2013, non-recurring costs included, respectively, the costs paid in connection with refinancing our syndicated loan and Locarest loans representing a total amount of €10.2 million, and the cost of the issue of senior subordinated notes representing a total amount of €12.3 million.

Free cash flow

We define free cash flow as EBITDA (before capital gains on fleet disposals) plus the proceeds from disposals of fixed assets less the following: (i) gross capital expenditure, (ii) finance income and expense, (iii) income taxes (excluding deferred taxes), (iv) changes in working capital requirement and (v) miscellaneous items. Free cash flow, as presented in this report, does not reflect the impact of dividend payments to shareholders, capital increases, buybacks or acquisitions, which could affect the cash situation of the group.

Free cash flow was a negative amount of €21.0 million for the quarter ended March 31, 2013 compared to a positive amount of €3.0 million for the quarter ended March 31 2012. Free cash flow was €61.9 million for the 12-month period ended March 31, 2013 versus €47.1 million for the corresponding period ended March 31, 2012.

The following table presents a reconciliation of free cash flow to EBITDA for the periods indicated.

(in millions of euros)	**Three months Ended March 31,**		**12 months Ended March 31,**	
	2012	**2013**	**2012**	**2013**
	(unaudited)		**(unaudited)**	
EBITDA before capital gains on fleet disposals	61.8	31.1	262.8	220.3
+ Proceeds from disposals of fixed assets	4.5	4.0	18.0	21.8
- Gross capital expenditures	(28.0)	(37.7)	(165.9)	(148.6)
- Finance income and expense	(7.7)	(10.5)	(31.6)	(32.9)
- Income taxes[(1)]	(9.2)	0.0	(26.9)	(24.8)
- +/- Change in working capital requirement[(2)]	(17.7)	(8.5)	(8.4)	25.3
- Miscellaneous	(0.6)	0.6	(0.9)	0.8
= Free cash flow [(3)]	**3.0**	**(21.0)**	**47.1**	**61.9**

Notes:

(1) Corresponds to taxes immediately payable (i.e., excluding deferred taxes).

(2) Change in working capital requirement is calculated as the difference between working capital requirement at the end of the relevant period and working capital requirement at the beginning of the relevant period, at constant exchange rates and excluding changes in scope of consolidation.

(3) Before payment of dividends, capital increases and acquisitions.

Net debt

We define net debt as gross debt less cash and cash equivalents (cash plus marketable investment securities). The following table presents a reconciliation of net debt to amounts included in the consolidated balance sheet as of the dates indicated.

(in millions of euros)	**As of March 31, 2012 (unaudited)**	**As of December 31, 2012 (audited)**	**As of March 31, 2013 (unaudited)**
Senior subordinated notes	-	-	300.0
Bank loans	874.9	784.1	609.3
of which syndicated credit facilities	475.0	393.0	243.0
of which bilateral loans	399.9	391.2	366.3
Accrued interest on loans	2.4	3.4	7.6
Lease liabilities	30.7	44.6	49.3
Other financial debt	2.7	1.6	1.6
Bank overdrafts	23.5	6.2	13.0
Loans and financial debt (gross debt)	934.2	840.0	980.8
Cash	(54.8)	(11.7)	(23.6)
Marketable investment securities	(25.6)	(50.1)	(158.2)
Cash and cash equivalents	(80.4)	(61.8)	(181.8)
Net debt	853.9	778.2	798.9

Gross debt on March 31, 2013 amounted to €980.8 million versus €840.9 million on December 31, 2012. The increase of €139.9 million corresponds largely to the portion of the proceeds from the issuance of senior subordinated notes that was not used to repay our syndicated credit facilities. Our net debt on March 31, 2013 amounted to €798.9 million, an increase of €20.7 million compared to December 31, 2012. Our net debt position as of March 31, 2013 was €55.0 million lower compared to March 31, 2012.

Debt maturity profile

The table below provides the maturity profile of our outstanding indebtedness, as of March 31, 2013.

(in millions of euros)	Total	2013 (April to Dec.)	2014	2015	2016	2017	2018	2019	2020 and later
Syndicated credit facilities	243.0	32.0	47.0	72.0	92.0	—	—	—	—
Bilateral loans	366.3	107.3	100.2	84.7	50.8	22.9	0.1	0.1	0.2
Finance leases	49.3	9.4	11.5	11.0	11.6	5.4	0.4	—	—
Loans and financial debt owed to credit institutions	658.6	148.7	158.7	167.7	154.4	28.3	0.5	0.1	0.2
Other loans and financial debt	22.2	21.5	0.1	—	0.3	0.3	—	—	—
Senior subordinated notes	300.0	—	—	—	—	—	—	—	300.0
Total debt	980.8	170.2	158.8	167.7	154.7	28.6	0.5	0.1	300.2

Hedging Policy

As of March 31, 2013, approximately 64% of our borrowings and other financial debt were at variable rates, mostly linked to EURIBOR. We use derivative instruments, principally swaps (some of which have a cancellation option exercisable by the bank counterparty), from time to time to reduce our net exposure to changes in the variable rates on our outstanding indebtedness. As of March 31, 2013, these instruments covered a notional amount of €649.3 million against 3-month EURIBOR for a maximum term of 10 years. For the first quarter of 2013, these instruments covered an average of €684.9 million at an average fixed rate of 2.44%, compared to an average of €672.4 million at an average fixed rate of 2.54% for the first quarter of 2012.

The table below presents our hedging levels for the periods indicated.

(in millions of euros, except percentages)	As of March 31, 2012 (unaudited)	As of December 31, 2012 (audited)	As of March 31, 2013 (unaudited)
Bank loans	874.9	784.2	609.3
Amount hedged	672.0	674.7	649.3
% hedged	77%	86%	107%
Average rate (after hedging)	2.54%	2.50%	2.44%

The large majority of our revenues, expenses and obligations are denominated in euros. However, we are subject to limited market risk relating to exchange rate fluctuations, primarily in respect of Danish krone, pounds sterling, Swiss francs and Moroccan dirham. Our hedging contracts in respect of exchange rate fluctuations as of March 31, 2013 covered current liabilities denominated in pounds sterling in an amount of GBP 6.7 million.

APPENDIX:
UNAUDITED FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS	*(€ '000s)*	**03.31.2013** (unaudited)	**31.12.2012** (audited)
Fixed assets		**1,276,437**	**1,275,284**
Goodwill		224	235
Intangible assets		926,321	926,824
Tangible assets		344,798	343,193
Financial investments		5,093	5,032
Current assets		**411,000**	**294,236**
Inventory and work-in-progress		18,819	17,882
Trade receivables and related accounts		184,548	194,928
Other receivables and accruals		25,786	14,771
Marketable securities		158,217	27,914
Cash		23,630	35,104
Total assets		**1,687,436**	**1,569,520**

LIABILITIES	*(€ '000s)*	**03.31.2012** (unaudited)	**31.12.2012** (audited)
Shareholders' equity (Group share)		**495,001**	**503,565**
Equity capital		258,223	258,223
Premiums		1,882	1,882
Consolidated reserves and earnings (1)		235,796	244,225
Other		-899	-764
Non-controlling interests		**393**	**359**
Provision for contingencies and charges		**20,544**	**23,106**
Debt		**1,171,498**	**1,042,490**
Loans and financial debt		980,787	840,040
Suppliers and related accounts		66,997	69,678
Other liabilities and accruals		123,714	132,773
Total liabilities		**1,687,436**	**1,569,520**

(1) Inc. net income for the period		-8,428	46,344

INCOME STATEMENT

(€ '000s)	**03.31.2013 (3 months)** (unaudited)	**03.31.2012 (3 months)** (unaudited)	**12.31.2012 (12 months)** (audited)
Revenues	**171,371**	**198,683**	**828,056**
Other operating income	10,897	12,661	47,268
Operating revenues	*182,268*	*211,345*	*875,324*
Purchases consumed	20,095	23,367	96,033
Personnel expense	52,861	51,948	216,265
Other operating expenses	67,300	61,626	264,581
Taxes and duties	3,878	4,350	15,741
Depreciation, amortization and provisions	39,108	47,139	172,744
Operating income	**-973**	**22,916**	**109,960**
Financial income and expense	-10,507	-7,732	-30,151
Current income from consolidated companies	**-11,480**	**15,184**	**79,809**
Exceptional income and expense	13	71	271
Income tax	3,080	-6,309	-30,758
Net income from consolidated companies	**-8,387**	**8,945**	**49,322**
Amortization and impairment on goodwill and intangible assets	-11	164	-3,035
Consolidated net income	-8,397	9,110	46,287
Non-controlling interests	31	-18	-56
Net income, Group share	-8,428	9,127	46,344
Earnings per share in euros	-0.33	0.36	1.79

CASH FLOW STATEMENT

			03.31.2013 (3 months)	12.31.2012 (12 months)
	(€ '000s)		(unaudited)	(audited)
	Cash flows from operating activities			
	Net income from consolidated companies		-8,387	49,322
	Elimination of expense and income that have no cash impact or are unrelated to the operations			
-	Change in deferred taxes		-3,065	-3,252
+	Amortization, depreciation and provisions		35,575	155,919
-	Gains on disposals of fixed assets		-2,944	-15,570
=	Gross operating cash flow from consolidated companies		21,180	186,419
-	Change in WCR relating to business operations		-4,298	15,755
=	**Cash flows from operating activities**	**A**	**16,882**	**202,174**
	Cash flows from investing activities			
-	Purchase of fixed assets		-29,331	-109,617
+	Proceeds from disposal of fixed assets		4,006	22,306
	Impact of changes in scope of consolidation			
-	Cost of securities		-	-1,846
+	Cash acquired on new consolidations		-	-763
=	**Cash flows from investing activities**	**B**	**-25,325**	**-89,920**
	Cash flows from financing activities			
-	Dividends paid to parent company shareholders		-	-4,856
-	Dividends paid to non-controlling shareholders of consolidated companies		-	-
+	Capital increase in cash		-	4,775
+	Issuance of loans		318,040	116,200
-	Repayment of loans		-196,544	-230,919
=	**Cash flows from financing activities**	**C**	**121,496**	**-114,800**
	Change in cash and cash equivalents	**A+B+C**	**113,052**	**-2,546**
	Opening cash and cash equivalents (including overdrafts on current accounts)		55,663	58,134
	Closing cash and cash equivalents (including overdrafts on current accounts)		168,895	55,663
	Effect of exchange rate differences		-180	-75
			113,052	**-2,546**

NOTES

Significant events of the period

The Group issued €300 million in bonds in January 2013, and used €150 million of the proceed to do a partial repayment of the syndicated loan facility.

Accounting rules and policies

The consolidated financial statements comply with generally accepted French accounting principles, specifically with respect to the enactment of Regulation 99-02 by decree on June 22, 1999, which was issued by the French Accounting Committee (CRC). The interim financial statements for the period between January 1, 2013 and March 31, 2013 have been prepared pursuant to Recommendation 99 R01 regarding methods for preparing and presenting interim financial statements. The accounting policies used for the period ended March 31, 2013 are identical to those used for the annual financial statements at December 31, 2012.

1. ***Consolidation scope and methods***

As the parent company has exclusive control over all Group companies, all the companies are fully consolidated.

The financial statements are denominated in thousands of euros.

2. Currency translation method

Assets and liabilities in foreign currencies are translated into euros according to the closing rate method :

- the balance sheet accounts are translated at the closing rate for the period ended March 31, 2013.
- income and expenses, and net income are translated at the average exchange rate.

Translation differences are recorded within equity for companies outside the euro zone.

Exchange rates applied for the period ended 03.31.2013 (euro against foreign currency) are as follows:

	UNITED KINGDOM	SWITZERLAND	DENMARK	MOROCCO	POLAND
Closing rate	0.84560	1.28050	7.45530	11.07800	4.18040
Average rate	0.81610	1.20720	7.46100	11.16250	4.07400

3. Elimination of intra-Group transactions

All transactions between Group companies have been eliminated, as well as any income or loss generated internally.

4. Change in accounting policies

No change in accounting policies has occurred since the end of the previous financial year. However, an expense for accrued vacation pay was recorded in the interim financial statements for the period ended March 31,2013, amounting to €2 088 thousand of euros, though it wasn’t recorded in the interim financial statements for the period ended March 31,2012.

5. ***Goodwill and intangible assets***

5.1. ***Goodwill***

Goodwill is the difference between the acquisition cost of the shares and the overall value of the assets and liabilities, and market share identified at the acquisition date.

The acquisition cost includes expenses directly related to the acquisition, as well as the discounted value of the debt in cases where payment is deferred or spread.

Furthermore, assets and liabilities that can be identified at the acquisition date are valued at fair value, which may result in recognizing goodwill.

Goodwill is amortized on a straight-line basis, over a period that considers the assumptions selected, and the objectives established and documented at the time of the acquisition. This period does not exceed 20 years.

5.2. ***Other intangible items***

In the case of operating companies that have been acquired in order to increase the Group's market share by increasing its network of branches (which is the case for all the companies acquired), a separate asset is recognised on a separate line (market share) under intangible assets. Market share was previously presented under the category "business assets". The market share value is assessed based on the results generated by these companies, their development, and their ability to increase their customer loyalty through national agreements.

Market share is not amortized, but its value is tested annually and when the Group identifies evidence of impairment. The impairment test on market share consists in comparing its carrying amount with future cash flows, as determined on the basis of medium-term plans. When the carrying amount of the market share is higher than the value of the discounted cash flows, an impairment loss is recognized.

Other intangible assets are recorded at their acquisition cost on the balance sheet, excluding financial expenses.

As at 03.31.2013, the Group has not identified any impairment over the past 3 months.

6. ***Tangible assets***

Tangible assets are shown at their historical acquisition cost, less accumulated depreciation.

Depreciation is calculated on a straight-line basis over the useful life of the assets.

The main useful lives used are as follows:

- Buildings.. 10 to 20 years
- Building fixtures and fittings .... 5 to 20 years
- Plant, equipment and tools.. 2 to 7 years
- Other tangible assets .... 2 to 5 years

The depreciation and amortization rules applied by the Company comply with current professional practices.

According to the rules determined by CRC Regulations 2002-10 and 2004-06, the tangible assets of French companies must be broken down into individual components with different useful lives. We have not identified any asset likely to be subject to a breakdown by component.

So the Group did not review its accounting depreciation and amortization schedules as part of the application of CRC Regulations 2002-10 and 2004-06.

The features specific to the leasing profession do not allow us to assess residual values for all the equipment on a consistent and accurate basis.

7. <u>Finance leases</u>

Some fixed assets are subject to lease agreements, under the terms of which the Group assumes the benefits and risks of ownership. In this case, the assets are adjusted in order to recognize and classify the value of the leased items under fixed assets and the corresponding financial liability under liabilities. The fixed asset is depreciated according to the Group's policy and its economic useful life. The liability is amortized over the term of the lease agreement.

8. <u>Financial investments</u>

Investments held in the fully-consolidated companies are eliminated in consolidation. They are replaced by the assets, liabilities, and net financial position of the companies concerned.

The gross values of the investments in non-consolidated companies are assessed at their historical acquisition cost.

Transactions denominated in foreign currencies are recorded at the closing rate for the financial year.

Potential impairment losses are determined in relation to market value.

9. <u>Inventories</u>

Inventories are valued at weighted average cost, or at the last known purchase price.

Finished goods inventory is valued based on the last purchase price or production cost.

A write-down of inventory is recognized when the realisable value is lower than the book value.

10. <u>Receivables and payables</u>

These are valued at their nominal amounts. An allowance for bad and doubtful receivables is recognized when the recoverable amount of receivables is lower than their book value.

Transactions in foreign currencies are translated at the exchange rate on the transaction date.

Gains and losses arising from the translation of balances at the closing rate are recorded in the income statement.

11. Marketable securities

The historical cost of the marketable securities reported on the balance sheet is compared with their market value at the closing date. If the recoverable value falls below the market value, an impairment loss is recognized.

12. Provision for contingencies and charges

This item includes provisions for retirement awards, provisions for deferred taxes, provisions for jubilee awards, and other provisions for contingencies and charges that are justified by certain and probable risks, and have been estimated on a case-by-case basis.

Procedures for calculating retirement provisions:

- Benefits are calculated based on age, seniority, life expectancy, and the staff turnover ratio.
- Acquired benefits are capped at 3.5 months' salary for employees who have worked for the company for over 30 years.
- The provision calculated in this way is then discounted at the 10-year interest rate (2.52%), in order to take into account the length of time between the employee's age and their retirement at 65.
- Social security charges at a rate of 44% have been recognised.

Actuarial gains and losses are recognised through the income statement.

Group companies that are included in a defined contribution scheme pay their contributions to pension management funds and are not subject to this restatement.

13. Other operating income

Other operating income primarily includes provision reversals, expense transfers, net gains on rental equipment disposals, and the property rents invoiced.

14. Extraordinary income

Net extraordinary income consists of net gains on the disposal of fixed assets, excluding rental equipment disposals, and of non-recurring events in the operation of the business.

15. Income tax

The tax charge for the period comprises both current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is also recognised in equity.

Current tax corresponds to the accumulated income tax payable on the taxable income of all the companies in the Group. There are two tax consolidation schemes in the Group : one for the French companies, and one for the Danish companies.

Deferred taxes result from:

- temporary differences between the tax base and the accounting base;
- consolidation adjustments.

Deferred tax is calculated using the liability method, at the tax rate in effect at the beginning of the next financial year.

Deferred tax assets and liabilities are offset against each other at the level of each company.

In case of tax losses, deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against these losses in a close future, or if it is possible to offset deferred tax assets with deferred tax liabilities.

16. Currency and interest-rate derivatives

- Exchange rate risk:

The foreign currency hedging agreements in place at March 31, 2013 covered receivables of GBP 6,860 K.

- Interest-rate risk:

The Group uses derivatives to reduce its net exposure to interest rate risk when it determines conditions are appropriate to mitigate risks based on market expectations. The group enters into “swap” agreements to hedge such risk.

At March 31, 2013, these interest-rate hedging instruments covered a notional amount of €649,301 K against the 3-month EURIBOR for a maximum term of 10 years.

The income and expense generated by interest rate swaps is recorded in the income statement on a *pro rata* basis.

17. Non-controlling interests

This is the non-controlling shareholders’interest in the financial position and results of the consolidated subsidiaries.

18. Related parties

No material transactions were entered into otherwise than at arm’s length.

SCOPE OF CONSOLIDATION

	SIREN N°	% control	% held	Held by	Consolidation method
French companies					
SAS Loxam	**450776968**	**100%**	**100%**	**Parent company**	**full**
SAS Loxam Module	433911948	100%	100%	Loxam	full
SAS Loxam Power	366500585	100%	100%	Loxam	full
Foreign companies					
Loxam Access UK	United Kingdom	100%	100%	Loxam	full
Loxam GMBH	Germany	100%	100%	Loxam	full
Loxam S.A.	Switzerland	100%	100%	Loxam	full
Loxam S.A.	Belgium	100%	100%	Loxam	full
Loxam Ltd	Ireland	100%	100%	Loxam	full
Loxam Alquiler	Spain	100%	100%	Loxam	full
Loxam BV	Netherlands	100%	100%	Loxam	full
Loxam Denmark Holding A/S	Denmark	100%	100%	Loxam	full
Loxam Denmark A/S	Denmark	100%	100%	Loxam Denmark Holding	full
Atlas Rental	Morocco	100%	51%	Loxam	full
LEV SARL	Luxembourg	100%	100%	Loxam	full
Loxam S.P. Z.O.O.	Poland	100%	100%	Loxam	full
Real estate companies					
SCI Bagneux	384564472	100%	100%	Loxam	full
SCI Est Pose	340583160	100%	100%	Loxam	full
SAS Loxam Grande Armée	572045953	100%	100%	Loxam	full
EURL Norleu	409981024	100%	100%	Loxam	full
SCI Tartifume	328948013	100%	100%	Loxam	full
SCI Thabor	332962125	100%	100%	Loxam and Loxam Power	full

SHAREHOLDERS’ EQUITY

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (GROUP SHARE)

(€ ‘000s)	CAPITAL	PREMIUMS	CONSOLIDATED RESERVES	RESULT FOR THE FINANCIAL YEAR	OTHER: TRANSLATION DIFFERENCES	OTHER: OWN SHARES HELD BY THE COMPANY	TOTAL SHAREHOLDERS' EQUITY
Position at 12.31.2011	**255,573**		**162,964**	**39,779**	**-1,203**		**457,113**
2012 movements:							
Capital decrease	2,650	1,882					4,531
Appropriation of earnings			34,923	-39,779			-4,856
Other changes			-6	46,344	439		46,777
Position at 12.31.2012	**258,223**	**1,882**	**197,881**	**46,344**	**-764**		**503,566**
2013 movements:							
Appropriation of earnings			46,344	-46,344			-
Other changes				-8,428	-135		-8,564
Position at 03.31.2013	**258,223**	**1,882**	**244,225**	**-8,428**	**-900**	**0**	**495,001**