Q1 2016 Financial Information

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements, which reflect industry outlook, our expectations regarding our future growth, results of operations, operational and financial performance, liquidity and capital resources, business prospects and opportunities, challenges and future events, uses of cash, capital expenditures and investments, strategic transactions, initiatives, the impact of foreign currency fluctuations, accounting and tax estimates, financing plans, and contingent payments. All statements other than statements of historical fact are forward-looking statements. Words such as, but not limited to, "anticipate," "continue," "estimate," "expect," "may," "might," "will," "project," "should," "would," "believe," "intend," "continue," "could," "plan," "predict," and negatives of these words and similar expressions are intended to identify forward-looking statements. In particular, statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations are forward-looking statements. Although the forward-looking statements contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations reflect management's current beliefs based upon information currently available to management and upon assumptions which management believes to be reasonable, actual results or events may differ materially from those stated in or implied by these forward-looking statements. A number of factors could cause actual results, performance, events or achievements to differ materially from the results expressed or implied in the forward-looking statements. Readers should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause our actual results, performance, events and achievements in future periods to differ materially from those expressed or implied by such forward-looking statements. There can be no assurance that the results, performance, events or achievements contemplated in the forward-looking statements will be realized. We cannot assure you that forward-looking statements will prove to be accurate, as actual actions, results and future events could differ materially from those anticipated or implied by such statements. All forward-looking statements included in this Management's Discussion and Analysis of Financial Condition and Results of Operations are expressly qualified in their entirety by the foregoing cautionary statements. All future written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. These forward-looking statements are made only as of the date of this Management's Discussion and Analysis of Financial Condition and Results of Operations and, except as required by law, we undertake no obligation, and specifically decline any obligation, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This discussion of our financial condition and results of operations should be read together with our March 31, 2016 and December 31, 2015 consolidated financial statements and the notes thereto and the risk factors described in our fourth quarter 2015 Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introductory Note

Unless the context otherwise requires, all references to "we," "us," "our," the "Group" and the "Company" refer to Algeco Scotsman Global S.à r.l., a limited liability company incorporated under the laws of Luxembourg, together with its subsidiaries. As used in this discussion, "Americas" means the United States (US), Canada, and Mexico, "Europe" means our operations within various countries in Europe, and "Asia Pacific" means Australia, New Zealand, and China. The Group's ultimate parent is Algeco/Scotsman Holding S.à r.l. ("Holdings"), a limited liability company incorporated under the laws of Luxembourg, which is principally owned by a group of investment funds managed by TDR Capital LLP ("TDR").

Risk Factors

Our business operations and the implementation of our business strategy are subject to significant risks inherent in our business, including, without limitation, the risks and uncertainties disclosed in our management discussion and analysis for the year ended December 31, 2015. The occurrence of any one or more of those risks could have a material adverse effect on our condensed consolidated balance sheet, statement of operations, comprehensive income and cash flows and could cause actual results to differ materially from our historical results. While we believe we have identified and discussed the key risk factors affecting our business in our management discussion and analysis for the year ended December 31, 2015, there may be additional risks and uncertainties not presently known or currently believed not to be significant that may adversely affect our business, operations, industry, financial position and financial performance in the future. As well as other variables affecting our operating results, past financial performance should not be considered a reliable indicator of future performance and historical trends may not be consistent with results or trends in future periods. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements.

Overview

We are the leading global business services provider focused on modular space, secure storage solutions and remote accommodations. Our lease fleet consists of approximately 275,000 modular and storage units and we manage approximately 11,300 rooms in our remote accommodations business. We have 239 branch and depot locations and operate in 25 countries across four continents. We seek to capitalize on our breadth and significant scale to focus on geographic market opportunities. Changes in our geographic mix can affect our results of operations due to jurisdictional differences, including those related to the level of economic activity and growth and the competitiveness of a particular market.

We lease our modular space and portable storage units to customers in diverse end-markets, including energy and natural resources, commercial, industrial, manufacturing, residential and infrastructure construction, government and education. To enhance our product and service offerings and our gross profit margin, we offer delivery, installation and removal of our lease units and other associated add-ons and value-added products and services ("VAPS"), such as the rental of steps, ramps, furniture, fire extinguishers, air conditioning, wireless internet access points, damage waivers and extended warranties. We provide remote facility management solutions to customers working in remote environments through turnkey lodging, catering, transportation, security and logistical services. We also complement our core leasing business by selling both new and used units, allowing us to leverage our scale, achieve purchasing benefits and, through used unit sales, lower the average age of our lease fleet. Our modular space and remote accommodation products include offices, classrooms, accommodation/sleeper units, work camp products, special purpose temporary spaces and other self-sufficient multi-unit modular structures, which offer our customers flexible, low cost, high quality and timely solutions to meet their space needs, whether short-, medium- or long-term.

Our core leasing model is characterized by recurring revenue driven by leases on long-lived assets that require modest maintenance capital expenditures. Our average lease duration is approximately 24 months in Europe, 33 months in the Americas and 21 months in Asia Pacific. The global average age of our fleet is approximately eleven years. We typically recoup our initial investment in purchased units in less than three years, which allows us to obtain significant value over the economic life of our units, which can exceed 20 years. The average age of our fleet compared to its economic life provides us with financial flexibility, allowing us to maintain our cash flow generation during economic downturns by temporarily reducing capital expenditures, without significantly impairing our fleet's value.

Our modular space fleet consists of approximately 232,000 units with a gross book value of approximately $2.5 billion as of March 31, 2016. Our fleet is generally comprised of standardized, versatile products that can be configured to meet a wide variety of customer needs. All of our modular space units are intended to provide convenient, comfortable space for occupants at a location of their choosing. On a global basis, our next largest competitor is less than a third of our size. We believe that our global footprint and substantial fleet size provide us with competitive advantages. In addition, our scale enables us to purchase units on favorable terms, providing incremental margin to both our leasing and sales businesses.

Our remote accommodations business is comprised of approximately 11,300 fully managed rooms with a gross book value of $0.4 billion as of March 31, 2016. Our remote accommodations business provides living and sleeping space solutions, which are typically utilized for workforces in remote locations. The majority of these units offer full suite "hotel-like" rooms to our customers. In addition to leasing these remote accommodations products to our customers, we also provide remote facility management solutions which include catering services, recreational facilities and on-site property management.

Our portable storage fleet of approximately 43,000 units, with a gross book value of approximately $0.1 billion as of March 31, 2016, is primarily comprised of steel containers, which address customers' need for secure, temporary, on-site storage on a flexible, low-cost basis. Our portable storage fleet provides a complementary product to cross-sell to our existing modular space customers, as well as new customers.

We continue to seek opportunities to further optimize our profitability and lease economics through our ongoing commercial initiatives, procurement, and lean operating initiatives.

Our sales business complements our core leasing business by allowing us to offer "one-stop shopping" to customers desiring short-, medium- and long-term space solutions. Our sales business also enhances our core leasing business by allowing us to regularly sell used equipment and replace it with newer equipment. In addition, our ability to consistently sell used units and generate cash flow from such sales allows us to partially offset the cash required for capital expenditures.

Other Matters Affecting Our Business and Recent Developments

Proposed Merger with ModSpace

On March 16, 2016 we entered into a conditional agreement with Modular Space Corporation ("ModSpace") to merge our and ModSpace's North American modular space operations. The merger will be effected through the contribution of our North American modular space business into ModSpace. If the transaction takes place, we anticipate that we will receive a combination of cash and equity in the combined business. The transaction is subject to a number of conditions including minimum financing conditions, applicable regulatory clearances and other customary closing conditions.

On April 20, 2016, our subsidiary, Williams Scotsman International, Inc. ("WSII"), and ModSpace each received a supplementary information request ("SIR") from the Canadian Competition Bureau ("CCB") with respect to the proposed merger. The SIR from the CCB is part of the normal course regulatory process under the Competition Act, R.S.C, 1985, c. C-34, as amended (the "Act"). The Company intends to respond expeditiously to this request and continue to work cooperatively with the CCB in connection with this review. Completion of the transaction remains subject to the expiration or termination of the waiting period under the Act, financing and other customary closing conditions.

The parties to the conditional merger agreement are currently evaluating various capital structure alternatives (as part of the financing requirement). Failure to satisfy any of these financing conditions and other conditions could result in the transaction not being completed on a timely basis, or at all.

Under the terms of the conditional merger agreement, which has been approved by both companies' relevant Boards of Directors, ModSpace and we will, prior to any dilution which may result from the contemplated financing of the transaction, each own approximately half of the equity of the merged business and we will receive additional cash consideration in connection with our contribution of our North American modular space business.

We currently anticipate that approximately $700 million of the proceeds received by us in the merger will be used to repay borrowings under our existing ABL Revolver (as defined below). Any surplus cash we receive will primarily be used to reinvest into targeted project capital expenditures in our remaining businesses. No prepayment event in relation to the closing of the transaction under the notes is expected. Immediately following the merger, we expect that the entities comprising our North American modular space business that are being merged with ModSpace will no longer be our subsidiaries. Accordingly, such entities would no longer be obligors under or guarantee any of our outstanding indebtedness and the liens on the stock and assets of such entities securing our outstanding indebtedness will be released.

US litigation relating to the North American Remote Accommodations Business

Our remote accommodations business in the Americas has one facility that accounted for approximately 52 percent of our remote accommodations rooms on rent as of March 31, 2016. That facility is operated by our customer on behalf of a US government agency. That US government agency is involved in litigation, which we are not a party to, which asserts the US government agency is violating a 1997 consent decree and related settlement agreement. The US government agency is contesting this matter. We cannot predict what impact, if any, this litigation will have on the operations of that facility. Any court decision or government action that impacts this facility could affect our financial condition and results of operations.

Sale of Eurobras

As more fully disclosed in our consolidated financial statements as of and for the year ended December 31, 2015, on October 30, 2015 we sold our Brazilian subsidiary, Eurobrás Construções Metálicas Moduladas Ltda ("Eurobras"), to a third party. Eurobras had approximately 10,800 modular units and previously operated eight branch locations. The sale of Eurobras resulted in the Group ceasing operations in Brazil.

Components of Our Historical Results of Operations

Revenue

Our revenue consists mainly of leasing, services and sales revenue. We derive our leasing and services revenue primarily from the leasing of our modular space, portable storage units and remote accommodations. Included in our modular space leasing revenue are VAPS such as rentals of steps, ramps, furniture, fire extinguishers, air conditioners, wireless internet access points, damage waivers, and extended warranties Modular space delivery and installation revenue includes fees that we charge for the delivery and pick-up of our leasing equipment to and from our customers' premises, and repositioning our leasing equipment. Our remote accommodations leasing and services revenue is comprised of the leasing and operation of our remote workforce accommodations where we provide housing, catering, and transportation to meet our customers' requirements.

The key drivers of changes in leasing revenue are the number of units in our lease fleet, the average utilization rate of our lease units, the average rental rate per unit, the total number of beds under management in remote accommodations, the average remote accommodation rooms on rent, the average remote accommodation daily rate, and changes in the level of enhancement services provided. The utilization rate of our lease units is the ratio, at the end of each period, of (i) the number of units in use (which includes units from the time they are on hire to a customer until the time they are returned to us) to (ii) the total number of lease units in our fleet. Our average rental rate per unit for a period is equal to the ratio of (i) our rental income, excluding services and VAPS, for that period to (ii) the average number of lease units hired out to customers during that period. Our average remote accommodation rooms on rent is calculated as (i) the number of rooms on rent at the end each month during the period, divided by (ii) the number of months in the period. Our average remote accommodation daily rate is the ratio of (i) our remote accommodations revenue to (ii) the average daily remote accommodations rooms on rent during that period.

The table below sets forth the average number of units on rent in our modular space lease fleet, the average utilization of our lease units, the average rental rate per unit, the average remote accommodation rooms on rent, and the average remote accommodation rate for the periods specified below:

	Three months ended March 31,	
	2016	**2015**
Modular units on rent (average during the period)	208,016	213,357
Average modular utilization rate	75.1%	72.1%
Average modular monthly rental rate*	$ 221	$ 230
Average remote accommodation rooms on rent	4,929	5,344
Average remote accommodation daily rate*	$ 106	$ 100

**at constant currency, with average modular monthly rental rate for 2015 based on the reclassification of certain revenue from rental income to VAPS*

In addition to our leasing revenue, we also generate revenue from sales of new and used modular space and portable storage units to our customers as well as delivery, installation, maintenance, removal services, and other incidental items related to accommodation services for our customers. Included in our sales revenue are charges for modifying or customizing sales equipment to customers' specifications.

We believe that customers with identified long-term needs for modular space or portable storage solutions prefer to purchase, rather than lease, such units. As a result, shifts in our end-market mix can affect the proportion of our revenue derived from our leasing and sales businesses.

Gross Profit

Cost of revenues associated with our leasing business includes payroll and payroll-related costs for branch personnel, material and other costs related to the repair, maintenance, storage, and transportation of our rental equipment. Cost of revenues associated with our remote accommodations business includes the costs of running our owned and operated facilities, such as employee costs, catering, transportation, occupancy, and other facilities and services costs. Cost of revenue also includes depreciation expense associated with our rental equipment and remote accommodation equipment. Cost of revenues associated with our new unit sales business includes the cost to purchase, assemble, transport, and customize units that are sold. Cost of revenues for our rental unit sales consist primarily of the net book value of the unit at date of sale.

SG&A

Our selling, general, and administrative ("SG&A") expense includes all costs associated with our selling efforts, including marketing costs and salaries and benefits, including commissions of sales personnel. It also includes our overhead costs, such as salaries of our administrative and corporate personnel and the leasing of facilities we occupy.

Other Depreciation and Amortization

Other depreciation and amortization includes depreciation of all assets other than rental equipment and includes amortization of our intangibles assets.

Restructuring Costs

Restructuring costs include costs associated with certain restructuring plans designed to streamline operations and reduce costs. Our restructuring plans are generally country or region specific and generally completed within a one year period. The restructuring costs include the cash costs to exit locations and reduce the size of the workforce or facilities in impacted areas. The restructuring costs also include the non-cash impairment associated with certain owned facilities that will be disposed.

Currency Gains (Losses), net

Currency gains (losses), net include unrealized and realized gains and losses on monetary assets and liabilities denominated in foreign currencies at the reporting date other than the subsidiary's functional currency.

Fluctuation in foreign currency exchange rates can have a material impact on our financial results. Our reporting currency is the US dollar. We hold assets, incur liabilities, earn revenue, and pay expenses in a variety of currencies other than the US dollar, primarily the euro, the British pound sterling, the Australian dollar, and the Canadian dollar. Changes in exchange rates have had and may continue to have a significant, and potentially adverse, effect on our results of operations. We have financing agreements, loans, advances, and amounts due to and from our subsidiaries that are denominated in currencies other than the functional currency of the subsidiary. Our primary foreign currency exchange rate risk is caused by fluctuations in the following exchange rates: US dollar/euro, US dollar/British pound sterling and US dollar/Australian dollar. The exposure of our income from operations to fluctuations in foreign currency exchange rates is mitigated in part because a majority of the costs that we incur in connection with our foreign operations are also denominated in local currencies.

Change in Fair Value of Contingent Considerations

Contingent considerations represent the change in the fair value of the contingent liability of the Earnout Agreement (as defined below). In connection with an acquisition in 2013, the Company entered into an earnout agreement (the "Earnout Agreement"). The Earnout Agreement provides the former owners the opportunity to earn additional consideration (the "Earnout") dependent on cumulative value creation to be achieved over the subsequent years between acquisition and an Exit Event, as defined in the Earnout Agreement. Amounts payable under the Earnout Agreement are to be paid in shares of Holdings if such cumulative value creation goals are achieved.

Other Expense, Net

Our other expense, net primarily consists of gain or (loss) on disposal of other property, plant and equipment and other financing related costs.

Interest Expense

Interest expense consists of cost of external debt including the Group's multicurrency asset-based revolving credit facility (the "ABL Revolver"), $1,075.0 million and €275.0 million of fixed rate senior secured notes due October 15, 2018 (the "Senior Secured Notes"), $745.0 million of fixed rate senior unsecured notes due October 15, 2019 (the "Senior Unsecured Notes"), deferred financing fees, and amortization of deferred debt gain.

Income Tax Expense (Benefit)

We are subject to income taxes in both Luxembourg and numerous foreign jurisdictions in which we operate. Our overall effective tax rate is affected by a number of factors, such as the relative amounts of income we earn in differing tax jurisdictions, tax losses in certain jurisdictions where we record a valuation allowance against such tax losses, and certain non-deductible expenses such as excess interest expense and certain stewardship costs. The rate is also affected by discrete items that may occur in any given year, such as reserves for uncertain tax positions, but are not consistent from year to year. Income tax expense, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits reflect our best estimate of current and future taxes to be paid.

Use of Constant Currency

We believe that changes in currency exchange rates are an important factor in understanding period-to-period comparisons of our financial results. Accordingly, we present financial results on a constant currency basis in addition to our reported actual currency results. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period. We calculate constant currency results by calculating current year results using prior-year currency exchange rates. We generally refer to such amounts as excluding or adjusting for the impact of foreign currency or being on a constant currency basis. These constant currency results should be considered in addition to, as opposed to as a substitute for, our actual currency results. Constant currency results, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with US generally accepted accounting principles ("GAAP").

Critical Accounting Policies

Our discussion and analysis of our financial condition, results of operations, liquidity and capital resources is based on our interim condensed consolidated financial statements, which have been prepared in accordance with GAAP. GAAP requires that we make estimates and judgments that affect the reported amount of assets, liabilities, revenue and expenses and the related disclosure of contingent assets and liabilities. We base these estimates on historical experience and on various other assumptions that we consider reasonable under the circumstances. We reevaluate our estimates and judgments. The actual results experienced by us may differ materially and adversely from our estimates.

For a complete description of our critical accounting policies that affect our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements, refer to our consolidated financial statements and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2015. There have been no material changes in any of our critical accounting policies during the three months ended March 31, 2016.

Selected Historical Consolidated Financial Data

The following summarizes our operating results for the three months ended March 31, 2016 and 2015:

	Three months ended March 31, 2016	Three months ended March 31, 2015	$ Change
	(Unaudited)	*(Unaudited)*	
Revenues			
Leasing and services revenue:			
Modular space leasing	$ 177,379	$ 186,066	$ (8,687)
Modular space delivery and installation	51,292	50,047	1,245
Remote accommodations	47,391	49,423	(2,032)
Sales:			
New units	62,063	72,395	(10,332)
Rental units	6,177	6,846	(669)
Total revenues	344,302	364,777	(20,475)
Costs			
Cost of leasing and services:			
Modular space leasing	45,594	47,616	(2,022)
Modular space delivery and installation	48,714	47,749	965
Remote accommodations	19,358	26,914	(7,556)
Cost of sales:			
New units	52,774	57,036	(4,262)
Rental units	3,959	4,649	(690)
Depreciation of rental equipment	49,184	49,392	(208)
Gross profit	124,719	131,421	(6,702)
Expenses			
Selling, general and administrative expenses	91,487	100,608	(9,121)
Other depreciation and amortization	7,028	12,521	(5,493)
Restructuring costs	133	-	133
Currency (gains) losses, net	(28,396)	116,233	(144,629)
Change in fair value of contingent considerations	123	(13,671)	13,794
Other expense, net	396	737	(341)
Operating profit (loss)	53,948	(85,007)	138,955
Interest expense, net	49,440	48,925	515
Profit (loss) before income tax	4,508	(133,932)	138,440
Income tax expense (benefit)	1,407	(11,592)	12,999
Net income (loss)	3,101	(122,340)	125,441
Less: Net income (loss) attributable to noncontrolling interest	61	(85)	146
Net income (loss) attributable to Algeco Scotsman Global S.à r.l.	$ 3,040	$ (122,255)	$ 125,295

Revenue:

Total revenue decreased $20.5 million, or 5.6%, to $344.3 million for the three months ended March 31, 2016 from $364.8 million for the three months ended March 31, 2015, primarily as a result of the effect of unfavorable foreign currency movements of $11.3 million as most currencies were weaker against the US dollar during the reporting period, on a comparative basis. Excluding the effects of foreign currency, total revenue decreased $9.2 million or 2.5%, primarily as a result of a (3.1%) and (19.7%) decrease in revenues in the Americas and Asia-Pacific, respectively, partially offset by a 3.7% increase in revenue in Europe. The 3.1% revenue decrease in the Americas was primarily the result of lower modular leasing revenue, as a result of weakness in Canada and the sale of Eurobras, lower new unit sales, principally in Canada, and an increase in remote accommodation revenue associated with a new facility. Revenue in Asia-Pacific declined 19.7% as a result of the continued weak economic climate in Australia largely due to reduced commodity sector demand. The 3.7% revenue increase in Europe was primarily a result of increased modular lease revenue driven by higher units on rent, improved rental rates, and increased VAPS revenue which was partially offset by lower new and rental unit sales.

Average modular units on rent for three months ended March 31, 2016 and 2015 were 208,016 and 213,357, respectively. The decrease was mainly due to the sale of Eurobras, as well as declines in units on rent in Asia-Pacific and Canada. The average modular utilization rate for three months ended March 31, 2016 was 75.1%, as compared to 72.1% the prior year's quarter. The increase in average modular utilization rate was driven by increases in the US and Germany, as well as by the positive impact from the sale of Eurobras which had lower utilization rates. The average modular monthly rental rate decreased to $214 from $230, due partially to the effects of foreign currency as most currencies weakened against the US dollar, as well as declines in rental rates in Asia Pacific and Canada. At constant currency, the average modular monthly rate was $221 for three months ended March 31, 2016. Average remote accommodation rooms on rent for three months ended March 31, 2016 and 2015 were 4,929 and 5,344, respectively. The average remote accommodation daily rate was $104 for three months ended March 31, 2016 as compared to $100 the prior year. At constant currency, the average remote accommodation daily rate was $106 for three months ended March 31, 2016. The decrease in rooms on rent was due to lower occupancy in both Asia-Pacific and Americas, while the average daily rate increase was driven by the Americas.

Gross Profit:

Gross profit decreased $6.7 million, or 5.1%, to $124.7 million for the three months ended March 31, 2016 from $131.4 million for the three months ended March 31, 2015. Approximately $3.5 million of the decrease was attributable to the effects of foreign currency as most currencies were weaker against the US dollar, on a comparative basis. The decrease in gross profit was also driven by declines in both modular leasing and new sales volume, primarily in Asia Pacific and Canada. This decrease was partially offset by increases in remote accommodation gross profit in the Americas as a result of improved margins on a new remote accommodations facility as well as increased VAPS margins driven by volume throughout Europe and the Americas. Our gross profit was 36.2% and 36.0% for the three months ended March 31, 2016 and 2015, respectively. Our gross profit, excluding depreciation, was 50.5% and 49.6% for the three months ended March 31, 2016 and 2015, respectively.

SG&A:

SG&A expense decreased $9.1 million, or 9.0%, to $91.5 million for the three months ended March 31, 2016, compared to $100.6 million for the three months ended March 31, 2015. Approximately $2.7 million of the decrease was attributable to the effects of foreign currency as most currencies were weaker against the US dollar, on a comparative basis. The remaining decrease was driven by lower employee related costs, reductions in legal and professional expenses, and lower costs as a result of the sale of Eurobras.

Other Depreciation and Amortization:

Other depreciation and amortization decreased $5.5 million, or 44.0%, to $7.0 million for the three months ended March 31, 2016, compared to $12.5 million for the three months ended March 31, 2015, primarily as a result of the full amortization of certain intangibles and the sale of Eurobras.

Restructuring Costs:

Restructuring costs were $0.1 million for the three months ended March 31, 2016 as compared to zero for the three months ended March 31, 2015. The 2016 restructuring costs primarily relate to actions to streamline operations and reduce costs in North America.

Currency (Gains) Losses, Net:

Currency (gains) losses were ($28.4) million for the three months ended March 31, 2016 compared to $116.2 million for the three months ended March 31, 2015. The increase in currency gains was primarily attributable to the impact of foreign currency exchange rate changes on loans and borrowings and intercompany receivables and payables denominated in a currency other than the subsidiaries' functional currency. Our currency (gains) losses, net are primarily attributable to fluctuations in the following exchange rates: US dollar / euro, US dollar / British pound sterling, and US dollar / Australian dollar.

Change in Fair Value of Contingent Considerations:

The change in contingent considerations was expense of $.1 million for the three months ended March 31, 2016, compared to income of $13.7 million for the three months ended March 31, 2015. The income in 2015 was a result a decrease in fair value due to of projected softness in occupancy for customers in the oil and gas segments. The 2016 expense was related to an increase in fair value of the Earnout.

Other Expense, Net:

Other expense, net was $0.4 million for the three months ended March 31, 2016 and $0.7 million for the three months ended March 31, 2015.

Interest Expense, Net:

Interest expense increased $0.5 million, or 1.0%, to $49.4 million for the three months ended March 31, 2016 from $48.9 million for the three months ended March 31, 2015. This increase is primarily due to an increase in the average borrowings on the ABL Revolver. See Note 5 to our March 31, 2016 condensed consolidated financial statements for additional information regarding our loans and borrowings.

Income Tax Expense (Benefit):

Income tax expense, net, increased $13.0 million to $1.4 million expense for the three months ended March 31, 2016 compared to $11.6 million benefit for the three months ended March 31, 2015. This increase in tax expense was principally due to the decrease in operating losses and foreign currency gains through March 31, 2016, as compared to foreign currency losses through March 31, 2015. Additionally, in the first quarter of 2015 the Company recognized $2.7 million of tax benefits related to the favorable resolution of prior year uncertain tax positions, and a one-time non-cash tax benefit of $5.2 million related to the reduction of deferred tax liabilities that were incorrectly recorded in prior periods. In the first quarter of 2016, the Company recognized a tax benefit of $1.5 million related to a state net operating loss true-up.

Adjusted EBITDA

In managing our business, management focuses on growing leasing revenues in new and existing markets, earnings before interest, taxes, depreciation and amortization ("EBITDA"), and allocation of capital expenditures. In comparing EBITDA (a non GAAP financial measure) from year to year, we further adjust EBITDA to exclude certain non-cash items and the effect of what we consider transactions or events not related to our core business operations to arrive at what we define as adjusted EBITDA ("Adjusted EBITDA"). Capital expenditures primarily consist of purchases and upgrades for fleet expansion and enhancement.

The reconciliation of our consolidated net income (loss) before taxes to Adjusted EBITDA for the three months ended March 31, 2016 and 2015, in thousands of dollars, is as follows:

	Three months ended March 31, 2016	Three months ended March 31, 2015
Net income (loss) before taxes	$ 4,508	$ (133,932)
Interest expense, net	49,440	48,925
Depreciation and amortization	56,212	61,913
EBITDA	110,160	(23,094)
Currency (gains) losses, net	(28,396)	116,233
Change in fair value of contingent considerations	123	(13,671)
Restructuring costs	133	-
Sponsor management fees	2,029	3,517
Other expense	4,591	2,407
Adjusted EBITDA	$ 88,640	$ 85,392

EBITDA and Adjusted EBITDA are not measurements of our financial performance under GAAP and should not be considered as alternatives to net income (loss) or other performance measures derived in accordance with GAAP, or as alternatives to cash flow from operating activities as measures of our liquidity. EBITDA and Adjusted EBITDA should not be considered as discretionary cash available to us to reinvest in the growth of our business or as measures of cash that will be available to us to meet our obligations. In addition, our measurement of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies. We believe that EBITDA and Adjusted EBITDA provide useful information to investors about us and our financial condition and results of operations for the following reasons: (i) they are among the measures used by our management team to evaluate our operating performance; (ii) they are among the measures used by our management team to make day-to-day operating decisions and (iii) they are frequently used by securities analysts, investors and other interested parties as a common performance measure to compare results across companies in our industry.

The following provides a discussion of non-cash items and what we consider transactions or events not related to our core business operations that are excluded from EBITDA to compute at Adjusted EBITDA:

***Currency (gains) losses, net**:*
We incurred currency gains and losses on monetary assets and liabilities denominated in foreign currencies other than the subsidiaries' functional currency. Substantially all such currency (gains) losses are unrealized. In addition, currency gains and losses include any mark-to-market and periodic cash settlements related to our currency forward contracts.

Change in fair value of contingent consideration:
We recorded the non-cash change in fair value of the Earnout. See Note 8 in our consolidated financial statements for more information on the fair value of the Earnout.

Restructuring costs:
We incurred costs associated with restructuring plans designed to streamline operations and reduce costs. See Note 9 in our consolidated financial statements for more information on restructuring charges.

Sponsor management fees:
We incurred costs from our principal owner, TDR, for monitoring fees and consulting and management advisory services. See Note 12 in our consolidated financial statements for more information on sponsor management fees.

Other expense:
Other expense includes consulting expenses related to certain one-time projects, financing costs not classified as interest expense, gains and losses on disposals of property, plant, and equipment, and non-cash charges for our share-based compensation plans.

Business Segments

Our financial results are aggregated into three geographic areas, Americas, Europe, and Asia Pacific and operating results are similarly defined, and reviewed by management, geographically. All of our locations operate in their local currency and fluctuations in foreign currency exchange rates can have a major impact on our financial results. As discussed above, we believe that the presentation of results on a constant currency basis in addition to reported results helps improve investors' ability to understand our operating results and evaluate our performance in comparison to prior periods.

The following tables and discussion summarize our geographical financial information, in millions of dollars, for the three months ended March 31, 2016 and 2015, on a constant currency basis. In the comparison of 2016 to 2015, the 2016 results have been translated at the 2015 actual exchange rates.

Business Segment Results
Three Months Ended March 31, 2016 Compared to Three Months Ended March 31, 2015

	Reportable Business Segments				Currency Translation Adjustments	Corporate, Adjustments, and Eliminations	Consolidated
Three Months Ended March 31, 2016	**Americas**	**Europe**	**Asia Pacific**	**Total**			
Leasing and services revenue:							
Modular space leasing	$ 72.6	$ 95.9	$ 14.7	$ 183.2	$ (5.8)	$ -	$ 177.4
Modular space delivery and installation	19.1	26.2	7.6	52.9	(1.6)	-	51.3
Remote accommodations	41.0	-	7.0	48.0	(0.7)	0.1	47.4
Sales:							
New unit sales	9.9	40.4	15.1	65.4	(2.9)	(0.5)	62.0
Rental units sales	3.0	1.8	1.7	6.5	(0.3)	-	6.2
Revenue	$ 145.6	$ 164.3	$ 46.1	$ 356.0	$ (11.3)	$ (0.4)	$ 344.3
Adjusted EBITDA	$ 53.7	$ 38.2	$ 5.5	$ 97.4	$ (2.3)	$ (6.5)	$ 88.6
Capital expenditures	$ 13.4	$ 15.5	$ 2.6	$ 31.5	$ (0.7)	$ 0.1	$ 30.9
Three Months Ended March 31, 2015							
Leasing and services revenue:							
Modular space leasing	$ 77.0	$ 89.8	$ 19.3	$ 186.1	$ -	$ -	$ 186.1
Modular space delivery and installation	18.7	24.6	6.7	50.0	-	-	50.0
Remote accommodations	39.6	-	9.8	49.4	-	-	49.4
Sales:							
New unit sales	11.3	41.7	20.8	73.8	-	(1.4)	72.4
Rental units sales	3.7	2.4	0.8	6.9	-	-	6.9
Revenue	$ 150.3	$ 158.5	$ 57.4	$ 366.2	$ -	$ (1.4)	$ 364.8
Adjusted EBITDA	$ 44.9	$ 37.3	$ 11.3	$ 93.5	$ -	$ (8.1)	$ 85.4
Capital expenditures	$ 53.7	$ 12.8	$ 2.1	$ 68.6	$ -	$ 0.1	$ 68.7

Americas

Revenue:
Total revenue decreased $4.7 million, or 3.1%, to $145.6 million for the three months ended March 31, 2016 from $150.3 million for the three months ended March 31, 2015. This decrease was primarily attributable to a $4.4 million, or 5.7%, decline in modular space leasing revenue due primarily to lower utilization and modular rental rates in Canada associated with reduced commodity sector demand. New unit sales revenue decreased $1.4 million, or 12.4%, associated with reduced sale opportunities in Canada. Rental unit sales revenue declined $0.7 million, or 18.9%. Remote accommodations revenue increased $1.4 million, or 3.5%, as an increase in the average remote accommodation daily rate, principally attributable to a new facility, more than offset a reduction in average rooms on rent.

Adjusted EBITDA:
Adjusted EBITDA increased $8.8 million, or 19.6%, to $53.7 million for the three months ended March 31, 2016 from $44.9 million for the three months ended March 31, 2015. This increase was primarily driven by an increase in remote accommodations gross profit associated with a new facility, VAPS gross profit driven by higher volumes, as well as reduced selling, general, and administrative expenses both in Canada and related to the positive impact of the sale of Eurobras.

Capital Expenditures:
Capital expenditures decreased $40.3 million, or 75.0%, to $13.4 million for the three months ended March 31, 2016 from $53.7 million for the three months ended March 31, 2015. The net decrease was driven by the prior year expenditures related to a new facility and reduced investments in our Canadian rental fleet.

Europe

Revenue:
Total revenue increased $5.8 million, or 3.7%, to $164.3 million for the three months ended March 31, 2016 from $158.5 million for the three months ended March 31, 2015. The revenue increase was driven by a $6.1 million, or 6.8%, increase in modular space leasing revenue as a result of an increase in units on rent and rental rates. The increase in modular space leasing revenue includes the impact of the asylum seeker opportunity in Germany. Additionally, improvements in VAPS revenue also contributed to the modular space leasing revenue increase. New unit and rental unit sales revenue decreased by $1.3 million, or 3.1%, and $.6 million, respectively.

Adjusted EBITDA:
Adjusted EBITDA increased $0.9 million, or 2.4%, to $38.2 million for the three months ended March 31, 2016 from $37.3 million for the three months ended March 31, 2015. While gross profit declined, this decline was more than offset by lower SG&A associated with reduced employee costs and lower bad debt expense.

Capital Expenditures:
Capital expenditures increased $2.7 million, or 21.1%, to $15.5 million for the three months ended March 31, 2016 from $12.8 million for the three months ended March 31, 2015, primarily driven by increased new fleet investment and fleet refurbishment in Germany partially associated with the asylum seeker opportunity as well as additional investment in the United Kingdom.

Asia Pacific

Revenue:

Total revenue decreased $11.3 million, or 19.7%, to $46.1 million for the three months ended March 31, 2016 from $57.4 million for the three months ended March 31, 2015. The decrease is primarily the result of a $4.6 million, or 23.8%, decline in modular space leasing revenue and a $5.7 million, or 27.4%, decline in new unit sales revenue as a result of weak market conditions in Australia spurred by the commodities related energy and natural resources sectors. Remote accommodations revenue declined $2.8 million, or 28.6%, due to reduced utilization and rental rates associated with the lower demand.

Adjusted EBITDA:

Adjusted EBITDA decreased $5.8 million, or 51.3%, to $5.5 million for the three months ended March 31, 2016 from $11.3 million for the three months ended March 31, 2015. The decrease was primarily a result of lower gross profit, principally as a result of the lower revenue levels, which was partially offset by lower selling, general, and administrative expenses.

Capital Expenditures:

Capital expenditures increased $0.5 million, or 23.8%, to $2.6 million for the three months ended March 31, 2016 from $2.1 million for the three months ended March 31, 2015. The increase was driven by new fleet investments in our China joint venture, as we continue to minimize capital investments in Australia, given current market conditions.

Corporate Adjustments and Eliminations

Revenue:

Total corporate adjustments and eliminations to consolidated revenue were ($0.4) million and ($1.4) million for the three months ended March 31, 2016 and 2015, respectively. The corporate adjustments to revenue primarily pertain to the elimination of intercompany leasing and sales transactions between the business segments.

Adjusted EBITDA:

Total corporate adjustments and eliminations to consolidated Adjusted EBITDA decreased $1.6 million, to ($6.5) million for the three months ended March 31, 2016 from ($8.1) million for the three months ended March 31, 2015. The decrease was primarily a result of lower corporate selling, general, and administrative expenses as a result of reduced headcount and lower legal and professional fees.

Capital Expenditures:

Total corporate adjustments to consolidated capital expenditures were $0.1 million and $0.1 million for the three months ended March 31, 2016 and 2015, respectively. These amounts are primarily the capital expenditures attributable to the corporate functions.

Liquidity and Capital Resources

The following summarizes our cash flows for the three months ended March 31, 2016 and 2015 on an actual currency basis (in thousands):

	Three months ended March 31, 2016		Three months ended March 31, 2015	
Cash flow from operating activities	$	41.3	$	72.1
Cash flow from investing activities		(24.3)	$	(61.7)
Cash flow from financing activities		(16.9)	$	1.1

Our principal sources of liquidity are our existing cash and cash equivalents, cash generated from operations and borrowings under our ABL Revolver. We anticipate that our principal uses of cash will be to fund capital expenditures, provide working capital, meet debt service requirements and finance our strategic plans. We may also seek to finance our capital expenditures under purchase money, capital leases, or other debt arrangements, including those from our primary equity owner, that provide liquidity or favorable borrowing terms. Based on our current level of operations and available cash, we believe our cash flows from operations, together with availability under our ABL Revolver and other sources of financing, will provide sufficient liquidity to fund our current obligations, projected working capital requirements, debt service requirements, and capital spending requirements for the foreseeable future.

Our Senior Secured Notes and Senior Unsecured Notes, with an aggregate principal amount of approximately $2,292 million as of March 31, 2016, provide for interest payment on a semi-annual basis in April and October. Accordingly, our cash flows from operations are impacted by the timing of these semi-annual interest payments.

Cash Flows From Operating Activities

Cash provided by operating activities for the three months ended March 31, 2016 was $41.3 million as compared to cash provided by operating activities of $72.1 million for the three months ended March 31, 2015. This decrease in cash provided by operating activities is a result of lower cash provided by working capital in the 2016 quarter as compared to the 2015 quarter.

Cash Flows From Investing Activities

Cash used in investing activities for the three months ended March 31, 2016 totaled $24.3 million as compared to $61.7 million for the three months ended March 31, 2015, a decrease of $37.4 million. The decrease in cash used in investing activities was principally the result of a decrease in cash used of $37.9 million for the purchase of rental equipment. We incurred capital expenditures for the purchase of rental equipment of $28.8 million and $66.7 million during the three months ended March 31, 2016 and 2015, respectively.

Cash Flows From Financing Activities

Cash used in financing activities for the three months ended March 31, 2016 totaled $16.9 million as compared to cash provided of $1.1 million for the three months ended March 31, 2015, a decrease of $18.0 million. The decrease was primarily due to a $16.6 million increase in the level of net repayments of borrowings in 2016 compared to net receipts from borrowings in 2015.

Our financing activities are more fully disclosed in Note 5 of our consolidated financial statements.

Contractual Obligations

The following table presents information relating to our contractual obligations and commercial commitments as of March 31, 2016 (in thousands):

	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Long-term indebtedness, including current portion and interest (a)	$ 3,722,387	$ 207,222	$ 3,515,165	$ -
Contingent consideration (b)	4,582	-	4,582	-
Joint Venture obligation (c)	6,348	6,348	-	-
Capital lease obligations	35,375	7,114	10,188	18,073
Operating lease obligations	219,003	45,036	105,161	68,806
	$ 3,987,695	$ 265,720	$ 3,635,096	$ 86,879

(a) As more fully disclosed in Note 5 of our consolidated financial statements, long-term indebtedness includes borrowings and interest under our Senior Secured Notes and Senior Unsecured Notes and our ABL Revolver.
(b) As more fully disclosed in Note 2 of our 2015 consolidated financial statements, we have entered into the Earnout Agreement that may require us to make additional payments.
(c) As more fully disclosed in Note 2 of our 2015 consolidated financial statements, we hold an equity interest in a Chinese joint venture. The remaining amount of committed capital contributions to the joint venture is approximately $6.3 million which we are required to fund during 2016.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Seasonality

Although demand from certain of our customers is seasonal, our operations, as a whole, are not impacted in any material respect by seasonality.

Impact of Inflation

We believe that inflation has not had a material effect on our results of operations.

Qualitative and Quantitative Disclosure about Market Risk

Our primary ongoing market risks relate to foreign currency exchange rates and changes in interest rates.

Foreign Currency Risk

Our primary risk of loss regarding foreign currency exchange rate risk is caused by fluctuations in the following exchange rates: US dollar/euro, US dollar/British pound sterling, US dollar/Canadian dollar, and US dollar/Australian dollar. We have agreements with certain subsidiaries for repayment of a portion of the investments and advances made to these subsidiaries. We recognize the unrealized gains and losses, including those associated with investments and advances made to our subsidiaries, in foreign currency transaction gain (loss) on the consolidated statements of comprehensive income.

We are also exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of our subsidiaries.

We manage a portion of our exposure to fluctuations in currency risk associated with the interest payments on certain intercompany debt held in foreign currencies by entering into foreign currency forward contracts with maturities ranging from one to twenty-four months. These foreign currency forward contracts are intended to mitigate the impact of foreign currency movements on the interest payments. For further information on the foreign currency forward contracts refer to Note 7 in our March 31, 2016 condensed consolidated financial statements.

Interest Rate Risk

Borrowings under our ABL Revolver are variable rate debt. Interest rate changes generally impact the amount of our interest payments and, therefore, our future earnings and cash flows, assuming other factors are held constant. An increase in interest rates by 100 basis points on our variable rate debt would increase annual interest expense by approximately $9.3 million.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Algeco Scotsman Global S.à r.l.
Three Months Ended March 31, 2016 and 2015

Algeco Scotsman Global S.à r.l.

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Algeco Scotsman Global S.à r.l.
Condensed Consolidated Statements of Operations
(Dollars in thousands)

	Three months ended March 31, 2016	Three months ended March 31, 2015
	(Unaudited)	*(Unaudited)*
Revenues		
Leasing and services revenue:		
Modular space leasing	$ 177,379	$ 186,066
Modular space delivery and installation	51,292	50,047
Remote accommodations	47,391	49,423
Sales:		
New units	62,063	72,395
Rental units	6,177	6,846
Total revenues	344,302	364,777
Costs		
Cost of leasing and services:		
Modular space leasing	45,594	47,616
Modular space delivery and installation	48,714	47,749
Remote accommodations	19,358	26,914
Cost of sales:		
New units	52,774	57,036
Rental units	3,959	4,649
Depreciation of rental equipment	49,184	49,392
Gross profit	124,719	131,421
Expenses		
Selling, general and administrative expenses	91,487	100,608
Other depreciation and amortization	7,028	12,521
Restructuring costs	133	-
Currency (gains) losses, net	(28,396)	116,233
Change in fair value of contingent considerations	123	(13,671)
Other expense, net	396	737
Operating profit (loss)	53,948	(85,007)
Interest expense, net	49,440	48,925
Profit (loss) before income tax	4,508	(133,932)
Income tax expense (benefit)	1,407	(11,592)
Net income (loss)	3,101	(122,340)
Less: Net income (loss) attributable to noncontrolling interest	61	(85)
Net income (loss) attributable to Algeco Scotsman Global S.à r.l.	$ 3,040	$ (122,255)

See the accompanying notes which are an integral part of these condensed consolidated financial statements.

Algeco Scotsman Global S.à r.l.
Condensed Consolidated Statements of Comprehensive Loss
(Dollars in thousands)

	Three months ended March 31,	
	2016	**2015**
	(Unaudited)	*(Unaudited)*
Net income (loss)	$ 3,101	$ (122,340)
Foreign currency translation	1,822	44,930
Comprehensive income (loss)	4,923	(77,410)
Less: Comprehensive income (loss) attributable to noncontrolling interest	61	(85)
Comprehensive income (loss) attributable to Algeco Scotsman Global S.à r.l.	$ 4,862	$ (77,325)

See the accompanying notes which are an integral part of these condensed consolidated financial statements.

Algeco Scotsman Global S.à r.l.
Condensed Consolidated Balance Sheets
(Dollars in thousands)

	March 31, 2016	December 31, 2015
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	$ 63,087	$ 60,657
Trade receivables, net of allowances for doubtful accounts of $24,283 and $24,653 respectively	268,246	264,841
Inventories	46,626	40,482
Prepaid expenses and other current assets	45,839	40,554
Total current assets	423,798	406,534
Rental equipment, net	1,792,073	1,782,654
Other property, plant and equipment, net	202,735	202,436
Goodwill	411,958	395,653
Other intangible assets, net	267,615	264,713
Other non-current assets	14,914	15,398
Total assets	$ 3,113,093	$ 3,067,388
Liabilities		
Current liabilities		
Accounts payable	$ 152,223	$ 171,957
Accrued liabilities	116,222	106,365
Accrued interest	95,363	46,283
Deferred revenue and customer deposits	98,355	89,763
Current portion of long-term debt	14,076	11,949
Total current liabilities	476,239	426,317
Long-term debt	3,242,319	3,249,204
Deferred tax liabilities	176,467	170,269
Deferred revenue and customer deposits	50,853	58,209
Other non-current liabilities	49,392	50,519
Total liabilities	3,995,270	3,954,518
Redeemable non-controlling interests	2,775	2,684
Shareholders' Deficit		
Common stock: $1.00 par, 213,289,086 shares issued and outstanding	737,831	737,831
Additional paid-in capital	1,612,986	1,612,986
Accumulated other comprehensive income	88,757	86,935
Accumulated deficit	(3,324,526)	(3,327,566)
Total shareholders’ deficit	(884,952)	(889,814)
Total liabilities and shareholders’ deficit	$ 3,113,093	$ 3,067,388

See the accompanying notes which are an integral part of these condensed consolidated financial statements.

Algeco Scotsman Global S.à r.l.
Condensed Consolidated Statements of Cash Flows
(Dollars in thousands)

	Three Months Ended March 31,	
	2016	**2015**
	(Unaudited)	*(Unaudited)*
Operating activities		
Net income (loss)	$ 3,101	$ (122,340)
Adjustments for non-cash items:		
Depreciation and amortization	56,212	61,913
Provision for doubtful accounts	1,401	1,904
Gain on sale of rental equipment and other property, plant and equipment	(2,380)	(2,198)
Amortization of deferred debt gain	(12,909)	(12,397)
Amortization of deferred financing fees	3,861	3,573
Change in fair value of contingent consideration	123	(13,671)
Deferred income tax expense (benefit)	1,831	(12,799)
Foreign currency adjustments	(30,981)	116,127
Changes in operating assets and liabilities:		
Trade receivables, net	(8)	27,461
Inventories	(5,688)	2,342
Prepaid expenses and other assets	(5,366)	7,502
Accrued interest	49,060	49,863
Accounts payable and other accrued liabilities	(15,639)	(41,349)
Deferred revenue and customer deposits	(1,366)	6,152
Cash flows from operating activities	41,252	72,083
Investing activities		
Proceeds from sale of rental equipment	6,177	6,846
Purchase of rental equipment	(28,770)	(66,665)
Proceeds from the sale of property, plant and equipment	406	122
Purchase of property, plant and equipment	(2,118)	(2,021)
Net cash flows from investing activities	(24,305)	(61,718)
Financing activities		
Receipts from borrowings	127,636	182,190
Repayment of borrowings	(143,015)	(180,972)
Principal payments on capital lease obligations	(1,520)	(103)
Net cash flows from financing activities	(16,899)	1,115
Effect of exchange rate changes on cash and cash equivalents	2,382	(5,129)
Net change in cash and cash equivalents	2,430	6,351
Cash and cash equivalents at beginning of period	60,657	57,567
Cash and cash equivalents at end of the period	$ 63,087	$ 63,918
Supplemental cash flow information:		
Interest paid	$ 9,293	$ 6,883
Income taxes paid, net of refunds received	$ 1,307	$ 2,614

See the accompanying notes which are an integral part of these condensed consolidated financial statements.

1. Summary of significant accounting policies

Organization and nature of operations

Algeco Scotsman Global S.à r.l. (further referred to as the "Company" or together with its subsidiaries (the "Group")) is a limited liability company (société à responsabilité limitée) incorporated under the laws of Luxembourg. The Group, through its operating subsidiaries, engages in the leasing and sale of mobile offices, modular buildings and storage products and their delivery and installation throughout Europe, North America and Asia Pacific. The Group also provides full-service remote workforce accommodation solutions in North America and the Asia Pacific region.

The Group carries out its business activities principally under the names Williams Scotsman and Target Logistics in the United States ("US"), Canada and Mexico, Algeco in Europe, Elliott in the United Kingdom ("UK"), Ausco in Australia, Portacom in New Zealand and Algeco Chengdong in China. The Group's ultimate parent is Algeco/Scotsman Holding S.à r.l. ("Holdings"), a limited liability company incorporated under the laws of Luxembourg, which is principally owned by a group of investment funds managed by TDR Capital LLP ("TDR").

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with US generally accepted accounting principles ("GAAP") for interim financial information. They do not include all information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments, which are of a normal and recurring nature, necessary to present fairly the financial position and the results of operations for the interim periods presented.

The results of operations for the three month period ended March 31, 2016 is not necessarily indicative of the operating results that may be expected for the full fiscal year ending December 31, 2016 or any future period.

These condensed consolidated financial statements should be read in conjunction with the Company's December 31, 2015 audited consolidated financial statements and accompanying notes thereto.

Recently issued accounting standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance clarifies the principles for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance affects entities that enter into contracts with customers to transfer goods or services, and supersedes prior GAAP guidance, namely Accounting Standards Codification Topic 605 — Revenue Recognition. In August 2015, the FASB issued ASU Update No. 2015-14, Revenue from

Contracts with Customers (Topic 606) Deferral of the Effective Date, which provided for the adoption of the new standard by non-public companies for fiscal years beginning after December 15, 2018. As a result, the new standard will be effective for the Company's fiscal year ending December 31, 2019. Early adoption is permitted for all entities, but not before the original effective date for public business entities (i.e., annual reporting periods beginning after December 15, 2016). The Company is currently evaluating the impact of the pronouncement on its consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory (Topic 330)*. This guidance is intended to simplify the subsequent measurement of inventories by replacing the current lower of cost or market test with a lower of cost and net realizable value test. The guidance applies only to inventories for which cost is determined by methods other than last-in first-out and the retail inventory method. The new standard will be effective for the Company's fiscal year ending December 31, 2017, and early adoption is permitted. The Company is currently evaluating the impact of the pronouncement on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02 *Leases (Topic 842)*. This guidance revises existing practice related to accounting for leases under Accounting Standards Codification Topic 840 Leases (ASC 840) for both lessees and lessors. The new guidance requires lessees to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The lease liability will be equal to the present value of lease payments and the right-of-use asset will be based on the lease liability, subject to adjustment such as for initial direct costs. For income statement purposes, the new standard retains a dual model similar to ASC 840, requiring leases to be classified as either operating or finance. For lessees, operating leases will result in straight-line expense (similar to current accounting by lessees for operating leases under ASC 840) while finance leases will result in a front-loaded expense pattern (similar to current accounting by lessees for capital leases under ASC 840). While the new standard maintains similar accounting for lessors as under ASC 840, the new standard reflects updates to, among other things, align with certain changes to the lessee model. The standard is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company is currently evaluating the impact of the pronouncement on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09 *Improvements to Employee Share-Based Payment Accounting to ASC Topic 718, Compensation—Stock Compensation*. The guidance amends several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The standard is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2017. The Company is currently evaluating the impact of the pronouncement on its consolidated financial statements.

(amounts in thousands, unless stated otherwise)

2. Conditional merger of North American business

On March 16, 2016, the Company entered into a conditional agreement with Modular Space Corporation ("ModSpace") to merge the North American operations of the two companies. The merger will be effected through the contribution of the Company's North American modular space business, Williams Scotsman International, Inc., into ModSpace. Under the terms of the conditional merger agreement, which has been approved by both companies' relevant Boards of Directors, ModSpace and the Company will, prior to any dilution which may result from the contemplated financing, each own approximately half of the equity in the merged business and the Company will receive additional cash consideration in connection with its contribution of its North American modular space business.

The transaction is subject to a number of conditions including minimum financing conditions, applicable regulatory clearances and other customary closing conditions. The parties are currently evaluating various capital structure alternatives (as part of the financing requirement). Failure to satisfy any of the conditions could result in the transaction not being completed on a timely basis, or at all.

Pursuant to the terms of the agreement, a significant portion or all of the consideration will be used to repay borrowings under the Company's existing ABL Revolver. Any surplus cash received by the Company will primarily be used to reinvest into targeted project capital expenditures in its remaining businesses. There is not expected to be any prepayment event under the Company's Senior Secured Notes in relation to the closing of the transaction.

Immediately following the merger it is expected that the entities comprising the Company's North American modular space business that are being merged with ModSpace will no longer be subsidiaries of the Company. Accordingly, such entities would no longer be obligors under or guarantee any of the Company's outstanding indebtedness and the liens on the stock and assets of such entities securing the Company's outstanding indebtedness will be released.

3. Inventories

The classification of inventories at the dates indicated below was as follows:

	March 31, 2016	December 31, 2015
Raw materials and consumables	$ 31,994	$ 29,799
Work in progress	8,865	5,326
Finished goods	5,767	5,357
	$ 46,626	$ 40,482

(amounts in thousands, unless stated otherwise)

4. Rental equipment, net

Rental equipment, net at the dates indicated below consisted of the following:

	March 31, 2016	December 31, 2015
Modular space fleet	$ 2,610,040	$ 2,548,514
Remote accommodations	409,259	401,267
	3,019,299	2,949,781
Less: accumulated depreciation	(1,227,226)	(1,167,127)
Rental equipment, net	$ 1,792,073	$ 1,782,654

5. Debt

The carrying value of debt outstanding at March 31, 2016 and December 31, 2015 consisted of the following:

Debt description	Interest rate	Year of maturity	March 31, 2016	December 31, 2015
Senior secured notes – USD	8.50%	2018	$ 1,095,768	$1,097,460
Senior secured notes – EUR	9.00%	2018	320,342	306,708
Senior unsecured notes – USD	10.75%	2019	876,318	884,352
ABL facility – USD	varies	2017	627,025	641,644
ABL facility – CAD	varies	2017	47,272	48,514
ABL facility – GBP	varies	2017	128,403	128,669
ABL facility – AUD	varies	2017	115,096	109,144
Other debt			22,693	21,305
Capital lease obligations			23,478	23,357
Total debt			3,256,395	3,261,153
Less: current maturities			(14,076)	(11,949)
Total long-term debt			$ 3,242,319	$ 3,249,204

The aggregate principal amount of debt outstanding at March 31, 2016 and December 31, 2015 was $3,104.1 million and $3,099.9 million, respectively. As more fully disclosed in Note 8 of the Notes to Consolidated Financial Statements for the year ended December 31, 2015, the excess of the carrying value of debt over the aggregate principal amount of the debt is attributable to the modifications of prior debt that occurred in 2012 and 2009, net of deferred lender fees incurred as a result of the Company's 2012 refinancing. The excess of the carrying value of the modified debt, net of the deferred lender fees over the principal due, is being amortized as a reduction of interest expense over the remaining contractual terms of the Senior Secured Notes, Senior Unsecured Notes and ABL Revolver (each as defined below); amortization for the three months ended March 31, 2016 and 2015, was $9,048 and $8,824, respectively.

Senior Secured Notes, Senior Unsecured Notes and ABL Revolver

The Group's senior secured and senior unsecured notes include $1,075.0 million and €275.0 million of fixed rate senior secured notes due October 15, 2018 (the "Senior Secured Notes") and $745.0 million of fixed rate senior unsecured notes due October 15, 2019 (the "Senior Unsecured Notes"). The Senior Secured Notes and Senior Unsecured Notes bear interest payable semi-annually. Certain of the Company's subsidiaries organized in Australia, Canada, Hungary, New Zealand, the UK, the US, France, Germany, Luxembourg and Spain guarantee the Senior Secured Notes and the Senior Unsecured Notes.

Certain of the Company's subsidiaries in the US, Canada, the UK, Australia and New Zealand are borrowers (the "Borrowers") under a five year multicurrency asset–based revolving credit facility (the "ABL Revolver") with a maximum availability of the equivalent of $1.355 billion. The amount which the Group can borrow is based on a defined formula of available assets, principally tangible assets calculated monthly (the "borrowing base"). The ABL Revolver is secured by a first lien on these tangible assets which comprise substantially all rental equipment, property, plant and equipment and trade receivables in the US, Canada, the UK, Australia and New Zealand. The borrowing base at March 31, 2016 was the equivalent of $1,112.2 million. The ABL Revolver includes certain financial covenants, a leverage ratio and a fixed charge coverage ratio, calculated on a Group level. These financial covenants are only subject to monitoring in the event that the Group's borrowings under the ABL have exceeded 90% of the available facility. At December 31, 2015, the financial covenants effectively limit the Group's borrowings under the ABL to 90% of the available facility. The Group had greater than 10% availability under the ABL Revolver in 2015; as such, the Group was not subject to the financial covenants. The availability under the ABL Revolver was $49.9 million after consideration of the 90% covenant threshold at March 31, 2016, but would have been $169.9 million at March 31, 2016 without consideration of the 90% covenant threshold.

Borrowings under the ABL Revolver bear interest payable on the first day of each quarter for the preceding quarter at a variable rate based on LIBOR or another applicable regional bank rate plus a margin. The margin varies based on the amount of total borrowings under the ABL Revolver with the margin increasing as borrowings increase. At March 31, 2016, the weighted average interest rate for borrowings under the ABL Revolver was 3.44%. The ABL Revolver requires the payment of an annual commitment fee on the unused available borrowings of between 0.375% and 0.5% per annum.

6. Income taxes

Income tax expense (benefit) was $1.4 million and ($11.6) million for the three months ended March 31, 2016 and 2015, respectively. The Company's tax benefit was smaller during the three months ended March 31, 2016 compared with the three months ended March 31, 2015 primarily due to a pre-tax income driven by foreign currency gains as compared to a pre-tax loss with foreign currency losses. Additionally, the income tax benefit for the three months ended March 31, 2015 includes a one-time non-cash tax benefit of $5.2 million related to the reduction of deferred tax liabilities that were incorrectly recorded in prior periods and $2.7 million of tax benefits related to the favorable resolution of prior year uncertain tax positions, which is partially offset by a one-time non-cash benefit of $1.5 million related to deferred state net operating losses in the first quarter of 2016.

The Company accounts for income taxes in interim periods under ASC 740-270, Income Taxes – Interim Reporting, which generally requires the Company to apply an estimated annual consolidated effective tax rate to consolidated pre-tax income. This guidance also provides that certain items should be excluded from the estimated annual tax rate, and instead, the tax attributable to the item should be discretely recognized in the interim period in which they arise. In this regard, the Company records the tax effects of currency gains or losses from foreign exchange rate fluctuations discretely in the quarter in which they arise. The tax expense (benefit) recognized in the quarters ended March 31, 2016 and March 31, 2015 related to foreign exchange gains and losses was $2.5 million and ($4.2) million, respectively. In addition, the guidance under ASC 740 further provides that, in establishing the estimated annual effective tax rate, the Comapny exclude losses from jurisdictions in which no tax benefit is expected to be recognized for such losses. The Company did not apply its estimated annual effective tax rate to pre-tax losses of $24.0 million through March 31, 2016. Excluding currency gains and losses, and the losses of companies for which no tax benefit is expected to be recognized, the Company estimates that the estimated effective tax rate for 2016 will be between 27.50% and 32.50%.

The Company accounts for uncertain tax positions pursuant to the recognition and measurement criteria under ASC 740. It is reasonably possible that approximately $1.1 million of unrecognized tax benefits will be recognized within the next twelve months.

7. Derivative financial instruments

We manage a portion of our exposure to fluctuations in currency risk associated with the interest payments on certain intercompany debt held in foreign currencies by entering into foreign currency forward contracts with maturities ranging from one to twenty-four months. These foreign currency forward contracts are intended to mitigate the impact of foreign currency movements on the interest payments. The foreign currency forward contracts are utilized as economic hedges, but are not designated as fair value or cash flow hedges. Changes in the fair value of all derivatives are recognized in profit or loss as part of currency gains (losses), net line item in the consolidated statements of operations, with the offsetting amount for unsettled positions being included in either prepaid expenses and other current assets, other non-current assets, accrued liabilities, or other long-term liabilities. The following summarizes the contractual notional amount of forward contracts as of March 31, 2016 (amounts in millions):

Currencies	Buy	Sell
USD / Australian $	$ 24.3	A$ 33.1
USD / GBP	$ 20.0	£ 13.3
USD / Euro	$ 38.7	€ 34.8

The net (loss) gain recognized in income on foreign currency forward contracts that were not designated as hedging instruments for the three months ended March 31, 2016 and 2015 was ($2,549) and $4,989, respectively. We realized gains associated with the settlement of foreign currency forward contracts of $0 for the three months ended March 31, 2016 and 2015, respectively.

8. Fair value measures

Fair value measures

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company utilizes the suggested accounting guidance for the three levels of inputs that may be used to measure fair value:

Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs, other than Level 1 inputs in active markets, that are observable either directly or indirectly; and

Level 3 - Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions

The Group has assessed that the fair value of cash and short-term deposits, trade receivables, trade payables, capital lease liabilities, other current liabilities, and other debt approximate their carrying amounts largely due to the short-term maturities of these instruments.

(amounts in thousands, unless stated otherwise)

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy:

March 31, 2016	**Carrying Amount**	**Fair Value Level 1**	**Fair Value Level 2**	**Fair Value Level 3**
Financial assets (liabilities) measured at fair value				
Contingent consideration	$ (4,704)	$ -	$ -	$ (4,704)
Derivative assets	1,190	-	1,190	-
Derivative liabilities	(2,315)	-	(2,315)	-
Total	$ (5,829)	$ -	$ (1,125)	$ (4,704)
Financial assets (liabilities) not measured at fair value				
Senior notes	$ (2,292,428)	$ -	$ (1,286,998)	$ -
ABL facility	(917,795)	-	(924,975)	-
Total	$ (3,210,223)	$ -	$ (2,211,973)	$ -

December 31, 2015	**Carrying Amount**	**Fair Value Level 1**	**Fair Value Level 2**	**Fair Value Level 3**
Financial assets (liabilities) measured at fair value				
Contingent consideration	$ (4,582)	$ -	$ -	$ (4,582)
Derivative assets	1,830	-	1,830	-
Derivative liabilities	(403)	-	(403)	-
Total	$ (3,155)	$ -	$ 1,427	$ (4,582)
Financial assets (liabilities) not measured at fair value				
Senior notes	$ (2,288,520)	$ -	$ (1,432,314)	$ -
ABL facility	(927,971)	-	(936,611)	-
Total	$ (3,216,491)	$ -	$ (2,368,925)	$ -

(amounts in thousands, unless stated otherwise)

Senior Notes and ABL Facility

The fair value of the Company's Senior Secured Notes and Senior Unsecured Notes is based on their last trading price at the end of each period obtained from a third-party which is considered a Level 2 input in the fair value hierarchy, as there is not an active market for these notes. The fair value of the Company's ABL Revolver is primarily based upon observable market data such as market interest rates.

Derivatives

The Company's foreign currency forward contracts are measured on a recurring basis utilizing foreign currency spot rates and forward rates quoted by banks or foreign currency dealers.

Contingent consideration

In connection with an acquisition, the Company entered into an earnout agreement (the "Earnout Agreement"), which provides for contingent consideration (the "Target Earnout") to the former owners. The additional payments attainable under the Earnout Agreement are dependent on cumulative value creation over the years between the acquisition and an Exit Event, as defined in the Earnout Agreement. Amounts payable under the Earnout Agreement upon an Exit Event are to be paid in shares of Holdings if such cumulative value creation goals are achieved. At March 31, 2016 and December 31, 2015 the value of the Earnout liability was $4,704 and $4,582, respectively.

The Target Earnout is based on the future amounts of EBITDA and capital expenditures of Target and the future EBITDA exit multiple value of Target Logistics or the Group at an Exit Event. A Monte Carlo Simulation approach under a risk-neutral framework is used to simulate the future values of EBITDA, which are then combined with a series of Exit Event scenarios to estimate the fair value of the Target Earnout. At March 31, 2015 and December 31, 2015, the following key assumptions were utilized in developing the contingent consideration liability:

Inputs	March 31, 2016	December 31, 2015
EBITDA volatility	20.0%	23.0%
Discount rate	11.8%	12.3%
Exit multiple	10.3	9.4
Estimated years (Term) to exit	0.5 - 2.00	0.75 - 2.25

An increase in the exit multiple of 1.0x at March 31, 2016 and December 31, 2015 would result in increases in the fair value of the contingent consideration of $6.3 million and $3.0 million, respectively.

(amounts in thousands, unless stated otherwise)

9. Restructuring

The Company incurred costs of $133 and $0, net of reversals, during the three months ended March 31, 2016 and 2015, respectively, associated with restructuring plans designed to streamline operations and reduce costs. The following is a summary of the activity in our restructuring accruals for three months ended March 31, 2016:

	Employee termination costs	Contract termination costs	Total
Balance at December 31, 2015	$ 4,486	$ 2,880	$ 7,366
Charges during the period	133	-	133
Cash payments during the period	(2,430)	(357)	(2,787)
Foreign currency and other	203	(69)	134
Balance at March 31, 2016	$ 2,392	$ 2,454	$ 4,846

The 2016 restructuring costs relate primarily to the Group's operations in North America and consist of employee termination costs. The Company may recognize additional costs during 2016 as it finalizes previous estimates and actions in connection with the plan. The restructuring actions are expected to be substantially completed by June 30, 2016.

10. Share-based payments

Long-term Incentive Plan

The Group maintains a management incentive plan (the "Plan"). Participants in the Plan include participants in a previous plan who exchanged shares in that plan for B and/or D shares in the Plan and new participants ("Joiners") who received C or E shares. These participants received shares of Algeco/Scotsman Management S.C.A. ("ASM"), a subsidiary of Holdings outside the Group. Other than the potential payout described below, holders of shares of ASM have no rights.

Participants in the Plan are entitled to a payout, the amount of which depends on the enterprise value ("EV") of the Group at a sale (of all equity securities or substantially all assets), listing or liquidation ("Exit"). The payout increases as the EV increases and is payable in either cash or shares. The share-based payment awards under the Plan are considered to contain both service and performance conditions and the performance conditions would not be considered probable until an Exit occurs. Therefore, the Group has not recognized any compensation expense related to the Plan in the consolidated financial statements.

In June 2014, the Group implemented a long term cash incentive plan ("LTCIP") for active employees who participate in the Plan. The LTCIP is a cash award plan with annual contributions to a bonus pool based on the annual performance of the Group and is payable, in certain circumstances, on an Exit which, for purposes of the LTCIP does not include a liquidation. Participants vest over a four-year period beginning with the effective date of their award and fully vest at an Exit. At an Exit, a participant will receive the higher of the award under the Plan or the LTCIP. Payment will be made under the Plan first with any additional amount, if applicable, paid from LTCIP. Any amounts payable under the LTCIP are payable in cash. The share-based payment awards under the LTCIP are considered to contain both service and performance conditions and the performance conditions would not be considered probable until an Exit occurs. Therefore, the Group has not recognized any compensation expense related to the LTCIP in the consolidated financial statements. The estimated fair value of the payout under the Plan and the LTCIP upon an Exit was $46,734 and $42,285 at March 31, 2016 and December 31, 2015, respectively.

11. Contingencies

Legal claims

The Group is involved in various lawsuits or claims in the ordinary course of business. Management is of the opinion that there is no pending claim or lawsuit which, if adversely determined, would have a material impact on the Group's financial condition.

12. Related parties

The ultimate parent of the Company is Holdings and the ultimate controlling shareholder of Holdings and the Company is TDR.

TDR charged the Group $2,029 and $3,517 for monitoring fees and consulting and management advisory services during the three months ended March 31, 2016 and 2015, respectively. These fees are included within selling, general, and administrative expenses in the consolidated statements of operations.

The Group had amounts receivable due from affiliates in the amount of $1,403 and $1,403 as of March 31, 2016 and December 31, 2015, respectively. Additionally, the Group had payables due to affiliates of $4,272 and $4,213 as of March 31, 2016 and December 31, 2015, respectively.

13. Subsequent events

The Company has evaluated subsequent events through May 12, 2016, the date of issuance of these financial statements, and determined that no subsequent events had occurred that would require recognition in its interim condensed consolidated financial statements for the three months ended March 31, 2016 and that no subsequent events have occurred that would require disclosure in the notes thereto.

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