Q2 2015 Financial Information

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ALGECO SCOTSMAN GLOBAL S.À R.L.
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, 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 may differ materially from those stated in or implied by these forward-looking statements. A number of factors could cause actual results, performance 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 and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. There can be no assurance that the results 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 June 30, 2015 and December 31, 2014 consolidated financial statements and the notes thereto.

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, "EMEA" means Europe, the Middle East and Africa, "Americas" means the United States, Canada, Mexico, and Brazil, 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").

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 293,000 modular and storage units and we manage approximately 10,300 rooms in our remote accommodations business. We have 246 branch and depot locations and operate in 28 countries across five 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, such as damage waivers and extended warranties, and the rental of steps, ramps, furniture, fire extinguishers, air conditioning and wireless internet access points. 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 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 23 months in EMEA, 31 months in the Americas and 18 months in Asia Pacific. The global average age of our fleet is approximately ten 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 247,000 units with a gross book value of approximately $2.5 billion as of June 30, 2015. 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 10,300 fully managed rooms with a gross book value of $0.4 billion as of June 30, 2015. 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 46,000 units, with a gross book value of approximately $0.1 billion as of June 30, 2015, 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. As an example, our procurement, lean and commercial excellence organizations coordinate activities and leverage best practices throughout our company in order to optimize procurement and operational productivity.

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.

Industry Trends and Factors Affecting Our Business

We expect that the demand for our products and services will increase due to the following two key growth drivers in the modular space market:

- growing need and resulting demand for space; and
- increasing shift from traditional fixed on-site built space to modular space solutions.

Our financial performance is generally impacted by several other factors, including:

- the duration and severity of economic movements, whether globally or within the industry sectors or geographic regions within which we operate;
- fluctuations in interest rates and foreign currency exchange rates;
- fluctuations in the price of commodities, including crude oil;
- fluctuations in the costs of raw materials and labor;
- the competitive environment in which we operate; and
- capital and credit market conditions.

Our remote accommodations business in the Americas has one facility that accounts for approximately 49 percent of its remote accommodations rooms on rent as of June 30, 2015. That facility is operated by our customer on behalf of a U.S. government agency. That U.S. government agency is involved in litigation, which we are not a party to, which asserts the U.S. government agency is violating a 1997 consent decree and related settlement agreement. The U.S. 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.

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 enhancement services related to leasing such as lease equipment repairs, rentals of fire extinguishers, air conditioning and wireless internet access points and 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 unit enhancements, 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 June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Modular units on rent (average during the period)	213,726	225,137	213,624	223,514
Average modular utilization rate	72.9%	74.7%	72.5%	74.0%
Average modular monthly rental rate*	$ 269	$ 269	$ 269	$ 265
Average remote accommodation rooms on rent	5,722	4,907	5,594	5,043
Average remote accommodation daily rate*	$ 113	$ 101	$ 107	$ 101

**at constant currency*

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. 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 include 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 rate can have a material impact on our financial results. Our reporting currency is the U.S. dollar. We hold assets, incur liabilities, earn revenue and pay expenses in a variety of currencies other than the U.S. 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: U.S. dollar/euro, U.S. dollar/British pound sterling, U.S. dollar/Canadian dollar and U.S. 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 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") and $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"), deferred financing fees and amortization of deferred debt gain.

Income Tax Benefit (Expense)

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, certain non-deductible expenses such as excess interest expense and certain stewardship costs, and tax losses in certain jurisdictions where we record a valuation allowance against such tax losses. 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 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 U.S. 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. To the extent there are material differences between our estimates and the actual results of operations will be affected.

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 discussion and analysis for the year ended December 31, 2014. There has been no material changes in any of our critical accounting policies during the six months ended June 30, 2015.

Selected Historical Consolidated Financial Data

Three months ended June 30, 2015 compared to three months ended June 30, 2014

The following summarizes our operating results for the three months ended June 30, 2015 and 2014 on an actual currency basis:

	Three months ended June 30, 2015	Three months ended June 30, 2014	$ Change
Revenues	*(Unaudited)*	*(Unaudited)*	
Leasing and services revenue:			
Modular space leasing	$ 189,823	$ 221,203	$ (31,380)
Modular space delivery and installation	54,168	66,089	(11,921)
Remote accommodations	57,796	48,799	8,997
Sales:			
New units	77,842	89,475	(11,633)
Rental units	6,495	8,848	(2,353)
Total revenues	386,124	434,414	(48,290)
Costs			
Cost of leasing and services:			
Modular space leasing	47,122	54,930	(7,808)
Modular space delivery and installation	50,544	59,765	(9,221)
Remote accommodations	26,098	26,124	(26)
Cost of sales:			
New units	68,176	75,473	(7,297)
Rental units	3,927	5,278	(1,351)
Depreciation of rental equipment	59,703	51,898	7,805
Gross profit	130,554	160,946	(30,392)
Expenses			
Selling, general and administrative expenses	93,587	107,622	(14,035)
Other depreciation and amortization	13,758	14,075	(317)
Restructuring costs	5,494	1,067	4,427
Currency gains, net	(48,052)	(21,687)	(26,365)
Change in fair value of contingent considerations	(13,117)	(3,503)	(9,614)
Other expense, net	236	384	(148)
Operating profit (loss)	78,648	62,988	15,660
Interest expense, net	49,117	51,840	(2,723)
Income before income tax	29,531	11,148	18,383
Income tax expense (benefit)	3,839	(3,484)	7,323
Net income	25,692	14,632	11,060
Less: Net income (loss) attributable to noncontrolling interest	10	(445)	455
Net income attributable to Algeco Scotsman Global S.à r.l.	$ 25,682	$ 15,077	$ 10,605

Revenue:
Total revenue decreased $48.3 million, or 11.1%, to $386.1 million for the three months ended June 30, 2015 from $434.4 million for the three months ended June 30, 2014. That decrease includes the effect of unfavorable foreign currency movements of $45.8 million as most currencies weakened against the U.S. dollar. Excluding the effects of foreign currency, total revenue decreased 0.6%. That decline was attributable to a (0.7%), 6.6%, and (15.2%) (decrease) increase in revenues in the Americas, EMEA and APAC, respectively. The 0.7% revenue decline in the Americas reflected the impact of weaknesses in new sales being nearly offset by an increase in remote accommodation revenue. The 6.6% revenue increase in EMEA was primarily as a result of increased new unit sales. Revenue in APAC declined 15.2% as a result of the weak economic climate in Australia.

Average modular units on rent for the three months ended June 30, 2015 and 2014 were 213,726 and 225,137, respectively. The decrease was mainly due to declines in units on rent in the United Kingdom, Brazil, Australia and Spain. Average modular utilization rate for the three months ended June 30, 2015 was 72.9%, as compared to 74.7% for the three months ended June 30, 2014. The decrease in average modular utilization rate was driven by lower utilization in Brazil and Australia. The average modular monthly rental rate decreased to $239 from $269, mainly driven by the foreign currency exchange rates. At constant currency, the average modular monthly rate remained constant at $269. Average remote accommodation rooms on rent for the three months ended June 30, 2015 and 2014 were 5,722 and 4,907, respectively. The increase was due to the impact of additional rooms on rent in the Americas primarily associated with the ramp-up of a new facility partially offset by a reduction in rooms on rent in Asia Pacific. The average remote accommodation daily rate was $109 for the three months ended June 30, 2015 as compared to $101 for the three months ended June 30, 2014. At constant currency, the average remote accommodation daily rate was $113 and $101.

Gross Profit:
Gross profit decreased $30.4 million, or 18.9%, to $130.6 million for the three months ended June 30, 2015 from $160.9 million for the three months ended June 30, 2014. Approximately $16.3 million of the decrease was attributable to the effects of foreign currency as most currencies weakened against the U.S. dollar. The remaining decrease in gross profit was primarily the result of an increase in fleet depreciation. Our gross margin was 33.8% and 37.0% for the three months ended June 30, 2015 and 2014, respectively. Our gross margin, excluding the effects of depreciation, was 49.3% and 49.0% for the three months ended June 30, 2015 and 2014, respectively.

SG&A:
SG&A expense decreased $14.0 million, or 13.1%, to $93.6 million for the three months ended June 30, 2015, as compared to $107.6 million for the three months ended June 30, 2014. Approximately $11.2 million of the decrease was attributable to the effects of foreign currency as most currencies weakened against the U.S. dollar and a decrease of $2.9 million primarily due to lower corporate employee costs.

Other Depreciation and Amortization:
Other depreciation and amortization decreased $0.3 million, or 2.2%, to $13.8 million for the three months ended June 30, 2015, compared to $14.1 million for the three months ended June 30, 2014.

Restructuring Costs:
Restructuring costs were $5.5 million for the three months ended June 30, 2015 as compared to $1.1 million for the three months ended June 30, 2014. The 2015 restructuring costs primarily related to actions to streamline operations and reduce costs in North America, Germany and certain corporate functions.

Currency Gains, Net:
Currency gains, net increased by $26.4 million to a $48.1 million gain for the three months ended June 30, 2015 compared to a $21.7 million gain for the three months ended June 30, 2014. The increase in currency gains, net is primarily attributable to the impact of foreign currency exchange rate changes on intercompany loans and borrowings and intercompany receivables and payables denominated in a currency other than the subsidiaries' functional currencies.

Change in Fair Value of Contingent Considerations:

The change in fair value of contingent considerations resulted in income of $13.2 million for the three months ended June 30, 2015, compared to $3.5 million of income for the three months ended June 30, 2014. The decrease in fair value in 2015 is a result of projected softness in occupancy for customers in the oil and gas segments.

Other Expense, Net:

Other expense, net was $0.2 million for the three months ended June 30, 2015 and $0.4 million for the three months end June 30, 2014.

Interest Expense, Net:

Interest expense decreased $2.7 million, or 5.2%, to $49.1 million for the three months ended June 30, 2015 from $51.8 million for the three months ended June 30, 2014. This decrease is primarily due to the effects of foreign currency exchange rates on the interest associated with our euro denominated Senior Secured Notes and on our non-U.S. dollar denominated ABL Revolver borrowings during the current period. See Note 4 to our 2015 consolidated financial statements for additional information regarding our loans and borrowings.

Income Tax Benefit (Expense):

Income tax expense, net, increased $7.3 million to $3.8 million of tax expense for the three months ended June 30, 2015 compared to $3.5 million tax benefit for the three months ended June 30, 2014. This increase in tax expense was largely driven by a $5.0 million tax benefit recognized in 2014 upon the resolution of a tax uncertainty, a rate increase during the three months ended June 30, 2015 enacted in the Canadian province of Alberta which resulted in $1.6 million of expense and a decrease in the amount of currency losses, offset by a Brazil withholding tax reversal during the three months ended June 30, 2015.

Six months ended June 30, 2015 compared to six months ended June 30, 2014

The following summarizes our operating results for the six months ended June 30, 2015 and 2014 on an actual currency basis:

	Six months ended June 30,		
	2015	2014	$ Change
Revenues	*(Unaudited)*	*(Unaudited)*	
Leasing and services revenue:			
Modular space leasing	$ 375,889	$ 429,168	$ (53,279)
Modular space delivery and installation	104,215	121,389	(17,174)
Remote accommodations	107,219	100,301	6,918
Sales:			
New units	150,237	164,224	(13,987)
Rental units	13,341	15,242	(1,901)
Total revenues	750,901	830,324	(79,423)
Costs			
Cost of leasing and services:			
Modular space leasing	94,738	104,431	(9,693)
Modular space delivery and installation	98,293	110,152	(11,859)
Remote accommodations	53,012	52,513	499
Cost of sales:			
New units	125,212	136,862	(11,650)
Rental units	8,576	9,304	(728)
Depreciation of rental equipment	109,095	102,448	6,647
Gross profit	261,975	314,614	(52,639)
Expenses			
Selling, general and administrative expenses	194,195	214,750	(20,555)
Other depreciation and amortization	26,279	28,696	(2,417)
Restructuring costs	5,494	2,804	2,690
Currency gains (losses), net	68,181	(50,084)	118,265
Change in fair value of contingent considerations	(26,788)	(3,183)	(23,605)
Other expense, net	973	555	418
Operating profit (loss)	(6,359)	121,076	(127,435)
Interest expense, net	98,042	104,529	(6,487)
Loss on extinguishment of debt	-	2,324	(2,324)
Income before income tax	(104,401)	14,223	(118,624)
Income tax expense	7,753	575	7,178
Net income (loss)	(96,648)	14,798	(111,446)
Less: Net income (loss) attributable to noncontrolling interest	(75)	(445)	370
Net income attributable to Algeco Scotsman Global S.à r.l.	$ (96,573)	$ 15,243	$ (111,816)

Revenue:
Total revenue decreased $79.4 million, or 9.6%, to $750.9 million for the six months ended June 30, 2015 from $830.3 million for the six months ended June 30, 2014. That decrease includes the effect of unfavorable foreign currency movements of $85.3 million as most currencies weakened against the U.S. dollar. Excluding the effects of foreign currency, total revenue increased 0.7%. That increase was attributable to a 0.2%, 8.3%, and (13.7%) increase (decrease) in revenues in the Americas, EMEA and APAC, respectively. The 0.2% revenue increase in the Americas reflected the impact of an increase in remote accommodation revenue and weaknesses in new sales. The 8.3% revenue increase in EMEA was primarily as a result of increased new unit sales. Revenue in APAC declined 13.7% as a result of the weak economic climate in Australia.

Average modular units on rent for the six months ended June 30, 2015 and 2014 were 213,624 and 223,514, respectively. The decrease was mainly due to declines in units on rent in the United Kingdom, Brazil, Australia and Spain. Average modular utilization rate for the six months ended June 30, 2015 was 72.5%, as compared to 74.0% for the six months ended June 30, 2014. The decrease in average modular utilization rate was driven by lower utilization in Brazil and Australia. The average modular monthly rental rate decreased to $239 from $265, mainly driven by the foreign currency exchange rates. At constant currency, the average modular monthly rate increased to $269 from $265. Average remote accommodation rooms on rent for the six months ended June 30, 2015 and 2014 were 5,594 and 5,043, respectively. The increase was due to the impact of additional rooms on rent in the Americas primarily associated with a new facility partially offset by a reduction in rooms on rent in Asia Pacific. The average remote accommodation daily rate was $103 for the six months ended June 30, 2015 as compared to $101 for the six months ended June 30, 2014. At constant currency, the average remote accommodation daily rate was $107 and $101.

Gross Profit:
Gross profit decreased $52.6 million, or 16.7%, to $262.0 million for the six months ended June 30, 2015 from $314.6 million for the six months ended June 30, 2014. Approximately $31.4 million of the decrease was attributable to the effects of foreign currency as most currencies weakened against the U.S. dollar. The remaining $21.3 million was primarily the result of increased fleet depreciation and higher costs of leasing. Our gross margin was 35.1% and 37.9% for the six months ended June 30, 2015 and 2014, respectively. Our gross margin, excluding the effects of depreciation, was 49.4% and 50.2% for the six months ended June 30, 2015 and 2014, respectively.

SG&A:
SG&A expense decreased $20.6 million, or 9.6%, to $194.2 million for the six months ended June 30, 2015, as compared to $214.8 million for the six months ended June 30, 2014. Approximately $19.8 million of the decrease was attributable to the effects of foreign currency as most currencies weakened against the U.S. dollar and a decrease of $0.8 million primarily due to lower corporate expenses.

Other Depreciation and Amortization:
Other depreciation and amortization decreased $2.4 million, or 8.4%, to $26.3 million for the six months ended June 30, 2015, compared to $28.7 million for the six months ended June 30, 2014 primarily as a result of declining intangible amortization due to certain intangibles being fully amortized.

Restructuring Costs:
Restructuring costs were $5.5 million for the six months ended June 30, 2015 as compared to $2.8 million for the six months ended June 30, 2014. The 2015 restructuring costs primarily related to actions to streamline operations and reduce costs in North America, Germany and certain corporate functions.

Currency Losses (Gains), Net:
Currency losses, net increased by $118.3 million to a $68.2 million loss for the six months ended June 30, 2015 compared to a $50.1 million gain for the six months ended June 30, 2014. The increase in currency losses, net is primarily attributable to the impact of foreign currency exchange rate changes on intercompany loans and borrowings and intercompany receivables and payables denominated in a currency other than the subsidiaries' functional currencies.

Change in Fair Value of Contingent Considerations:
The change in fair value of contingent considerations resulted in income of $26.8 million for the six months ended June 30, 2015, compared to $3.2 million of income for the six months ended June 30, 2014. The decrease in fair value in 2015 is a result of projected softness in occupancy for customers in the oil and gas segments.

Other Expense, Net:
Other expense, net was $1.0 million for the six months ended June 30, 2015 and $0.6 million for the six months end June 30, 2014.

Interest Expense, Net:
Interest expense decreased $6.5 million, or 6.2%, to $98.0 million for the six months ended June 30, 2015 from $104.5 million for the six months ended June 30, 2014. This decrease is primarily due to the effects of foreign currency exchange rates on the interest associated with our euro denominated Senior Secured Notes and on our non-U.S. dollar denominated ABL Revolver borrowings during the current period. See Note 4 to our 2015 consolidated financial statements for additional information regarding our loans and borrowings.

Loss on Extinguishment of Debt:
Loss on extinguishment of debt, net, was $0.0 million for the six months ended June 30, 2015 as compared to $2.3 million loss for the six months ended June 30, 2014. As more fully disclosed in our 2014 consolidated financial statements, the 2014 loss on extinguishment of debt related to the repayment of certain financing in conjunction with amending our ABL Revolver.

Income Tax Benefit (Expense):
Income tax benefit, net, increased $7.2 million to a $7.8 million tax benefit for the six months ended June 30, 2015 compared to a $0.6 million tax benefit for the six months ended June 30, 2014. The increase in tax benefit is primarily due to pre-tax loss driven by foreign currency losses as compared to pre-tax income with foreign currency gains.

Business Segments

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.

EBITDA and Adjusted EBITDA are financial measures not calculated and presented in accordance with GAAP. These financial measures may exclude items that are significant in understanding and assessing our financial condition and results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flow from operations or other measures of profitability, liquidity or performance under GAAP. These measures may not be comparable to similarly-titled measures used by other companies.

The reconciliation of our consolidated net income (loss) before taxes to EBITDA and to Adjusted EBITDA for the three and six months ended June 30, 2015 and 2014, in thousands of dollars, is as follows:

	Three months ended,		Six months ended,	
	2015	2014	2015	2014
Net income (loss) before taxes	$ 29,531	$ 11,148	$ (104,401)	$ 14,223
Interest expense, net	49,117	51,840	98,042	104,529
Depreciation and amortization	73,461	65,973	135,374	131,144
EBITDA	152,109	128,961	129,015	249,896
Currency (gains) losses, net	(48,052)	(21,687)	68,181	(50,084)
Change in fair value of contingent considerations	(13,117)	(3,503)	(26,788)	(3,183)
Restructuring charges	5,494	1,067	5,494	2,804
Sponsor management fees	3,286	2,550	6,803	5,399
Loss on extinguishment of debt	-	-	-	2,324
Other expense	1,513	1,063	3,920	3,995
Adjusted EBITDA	$ 101,233	$ 108,451	$ 186,625	$ 211,151

The following provides a discussion of the non-cash and what we consider transactions or events not related to our core business operations that are excluded to arrive 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 an acquisition related earnout agreement. See Note 6 in our consolidated financial statements for more information on the fair value of the earnout.

Restructuring charges:
We incurred costs associated with restructuring plans designed to streamline operations and reduce costs. See Note 7 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 10 in our consolidated financial statements for more information on sponsor management fees.

Other expense:
Other expense includes non-cash charges for the a share plan of our Australian subsidiary, consulting expenses related to certain one-time projects, financing costs not classified as interest expense and losses on disposals of property, plant, and equipment.

Business Segment Results

Our financial results are aggregated into three geographic areas, Americas, EMEA 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 summarizes our geographical financial information, in millions of dollars, for the three months ended June 30, 2015 and 2014, on a constant currency basis. In the comparison of 2015 to 2014, the 2015 results have been translated at the 2014 actual exchange rates.

Business Segment Results
Three Months Ended June 30, 2015 Compared to Three Months Ended June 30, 2014

	Reportable Business Segments				Currency Translation Adjustments	Corporate, Adjustments, and Eliminations	Consolidated
Three Months Ended June 30, 2015	**Americas**	**EMEA**	**Asia Pacific**	**Total**			
Leasing and services revenue:							
Modular space leasing	$ 79.9	$ 113.0	$ 21.4	$ 214.3	$ (24.4)	$ (0.1)	$ 189.8
Modular space delivery and installation	22.1	33.1	6.0	61.2	(7.1)	-	54.1
Remote accommodations	46.8	-	13.3	60.1	(2.3)	-	57.8
Sales:							
New unit sales	14.5	57.7	20.1	92.3	(11.5)	(3.0)	77.8
Rental units sales	4.2	1.9	1.0	7.1	(0.5)	-	6.6
Revenue	$ 167.5	$ 205.7	$ 61.8	$ 435.0	$ (45.8)	$ (3.1)	$ 386.1
Adjusted EBITDA	$ 54.6	$ 51.7	$ 12.2	$ 118.5	$ (10.8)	$ (6.5)	$ 101.2
Capital expenditures	$ 47.3	$ 25.0	$ 3.0	$ 75.3	$ (4.7)	$ 0.5	$ 71.1
Three Months Ended June 30, 2014							
Leasing and services revenue:							
Modular space leasing	$ 82.0	$ 113.5	$ 25.7	$ 221.2	$ -	$ -	$ 221.2
Modular space delivery and installation	21.5	36.1	8.5	66.1	-	-	66.1
Remote accommodations	33.2	-	15.6	48.8	-	-	48.8
Sales:							
New unit sales	26.0	41.2	22.3	89.5	-	-	89.5
Rental units sales	5.9	2.1	0.8	8.8	-	-	8.8
Revenue	$ 168.6	$ 192.9	$ 72.9	$ 434.4	$ -	$ -	$ 434.4
Adjusted EBITDA	$ 57.0	$ 46.6	$ 16.7	$ 120.3	$ -	$ (11.8)	$ 108.5
Capital expenditures	$ 19.8	$ 28.9	$ 12.0	$ 60.7	$ -	$ 0.6	$ 61.3

Americas

Revenue:
Total revenue decreased $1.1 million, or 0.7%, to $167.5 million for the three months ended June 30, 2015 from $168.6 million for the three months ended June 30, 2014. The decrease was primarily attributable to an $11.5 million, or 44.2%, decrease in new unit sales, a $1.7 million, or 28.8%, decrease in rental unit sales, and a $2.1 million, or 2.6%, decrease in modular space leasing revenue due to lower utilization in Brazil and Canada, which was partially offset by a $13.6 million, or 41.0%, increase in remote accommodations revenue, due to the impact of additional rooms on rent associated with the ramp-up of a new facility.

Adjusted EBITDA:
Adjusted EBITDA decreased $2.4 million, or 4.2%, to $54.6 million for the three months ended June 30, 2015 from $57.0 million for the three months ended June 30, 2014. This decrease was primarily due to an increase in SG&A associated with additional employee and branch occupancy costs.

Capital Expenditures:
Capital expenditures increased $27.5 million, or 138.9%, to $47.3 million for the three months ended June 30, 2015 from $19.8 million for the three months ended June 30, 2014. The increase was driven by additional remote accommodation capital expenditures related to the construction of a new facility.

EMEA

Revenue:
Total revenue increased $12.8 million, or 6.6%, to $205.7 million for the three months ended June 30, 2015 from $192.9 million for the three months ended June 30, 2014. That increase was primarily attributable to a $16.5 million, or 40.0%, increase in new unit sales revenue driven by volume improvements in France and Germany. The increase in sales was partially offset by a $3.0 million, or 8.3%, decrease in modular space delivery and installation revenue.

Adjusted EBITDA:
Adjusted EBITDA increased $5.1 million, or 10.9%, to $51.7 million for the three months ended June 30, 2015 from $46.6 million for the three months ended June 30, 2014. The increase was driven by higher modular space gross profit in France and the UK as well as SG&A cost savings.

Capital Expenditures:
Capital expenditures decreased $3.9 million, or 13.5%, to $25.0 million for the three months ended June 30, 2015 from $28.9 million for the three months ended June 30, 2014. The decrease was due to reduced refurbishment spending in the UK.

Asia Pacific

Revenue:
Total revenue decreased $11.1 million, or 15.2%, to $61.8 million for the three months ended June 30, 2015 from $72.9 million for the three months ended June 30, 2014. The decrease is primarily the result of a $6.8 million, or 19.9%, decline in combined modular space leasing and delivery and installation revenue, a $2.3 million, or 14.7%, decline in remote accommodations revenue associated with lower room occupancy, and a $2.0 million, or 8.7%, decline in combined sales revenue.

Adjusted EBITDA:
Adjusted EBITDA decreased $4.5 million, or 26.9%, to $12.2 million for the three months ended June 30, 2015 from $16.7 million for the three months ended June 30, 2014. The decrease was primarily due to the lower gross profit associated with the lower modular units on rent and the lower remote accommodations occupancy.

Capital Expenditures:
Capital expenditures decreased $9.0 million, or 75.0%, to $3.0 million for the three months ended June 30, 2015 from $12.0 million for the three months ended June 30, 2014. We continue to minimize capital investment in Asia-Pacific given current market conditions.

Business Segment Results
Six Months Ended June 30, 2015 Compared to Six Months Ended June 30, 2014

	Reportable Business Segments				Currency Translation Adjustments	Corporate, Adjustments, and Eliminations	Consolidated
Six Months Ended June 30, 2015	**Americas**	**EMEA**	**Asia Pacific**	**Total**			
Leasing and services revenue:							
Modular space leasing	$ 159.4	$ 218.6	$ 43.3	$ 421.3	$ (45.3)	$ (0.1)	$ 375.9
Modular space delivery and installation	41.3	62.4	13.7	117.4	(13.2)	-	104.2
Remote accommodations	86.5	-	24.5	111.0	(3.8)	-	107.2
Sales:							
New unit sales	26.3	106.5	43.5	176.3	(21.4)	(4.7)	150.2
Rental units sales	8.0	5.0	2.0	15.0	(1.6)	-	13.4
Revenue	$ 321.5	$ 392.5	$ 127.0	$ 841.0	$ (85.3)	$ (4.8)	$ 750.9
Adjusted EBITDA	$ 100.3	$ 96.1	$ 25.1	$ 221.5	$ (20.2)	$ (14.7)	$ 186.6
Capital expenditures	$ 101.6	$ 40.1	$ 5.3	$ 147.0	$ (7.9)	$ 0.7	$ 139.8
Six Months Ended June 30, 2014							
Leasing and services revenue:							
Modular space leasing	$ 161.2	$ 218.1	$ 49.9	$ 429.2	$ -	$ -	$ 429.2
Modular space delivery and installation	39.0	66.8	15.6	121.4	-	-	121.4
Remote accommodations	67.5	-	32.8	100.3	-	-	100.3
Sales:							
New unit sales	44.2	72.7	47.3	164.2	-	-	164.2
Rental units sales	9.0	4.7	1.5	15.2	-	-	15.2
Revenue	$ 320.9	$ 362.3	$ 147.1	$ 830.3	$ -	$ -	$ 830.3
Adjusted EBITDA	$ 107.2	$ 89.3	$ 36.7	$ 233.2	$ -	$ (22.0)	$ 211.2
Capital expenditures	$ 41.5	$ 43.3	$ 20.6	$ 105.4	$ -	$ 1.0	$ 106.4

Americas

Revenue:
Total revenue increased $0.6 million, or 0.2%, to $321.5 million for the six months ended June 30, 2015 from $320.9 million for the six months ended June 30, 2014. The increase was primarily attributable to a $19.0 million, or 28.1%, increase in remote accommodations revenue as a result of additional rooms on rent associated with a new facility, and by a $2.3 million, or 6.0%, increase in modular space delivery and installation revenue, which was offset by a $17.9 million, or 40.5%, decrease in new unit sales, and a $1.8 million, or 1.1%, decrease in modular space leasing revenue due to a decrease in average units on rent in Brazil and Canada.

Adjusted EBITDA:
Adjusted EBITDA decreased $6.9 million, or 6.4%, to $100.3 million for the six months ended June 30, 2015 from $107.2 million for the six months ended June 30, 2014. This decrease was primarily due an increase in SG&A associated with additional employee and occupancy costs.

Capital Expenditures:
Capital expenditures increased $60.1 million, or 144.8%, to $101.6 million for the six months ended June 30, 2015 from $41.5 million for the six months ended June 30, 2014. The increase was driven by additional remote accommodation capital expenditures related to the construction of a new facility and additional refurbishment spending in the U.S.

EMEA

Revenue:
Total revenue increased $30.2 million, or 8.3%, to $392.5 million for the six months ended June 30, 2015 from $362.3 million for the six months ended June 30, 2014. That increase was primarily attributable to a $33.8 million, or 46.5%, increase in new unit sales revenue driven by volume improvements in France, Germany, and the U.K. The increase in sales was partially offset by a $4.4 million, or 6.6%, decrease in modular space delivery and installation revenue.

Adjusted EBITDA:
Adjusted EBITDA increased $6.8 million, or 7.6%, to $96.1 million for the six months ended June 30, 2015 from $89.3 million for the six months ended June 30, 2014. The increase was driven by higher new sales gross profit in France and Germany associated with higher volumes and modular space gross profit improvements in the U.K.

Capital Expenditures:
Capital expenditures decreased $3.2 million, or 7.4%, to $40.1 million for the six months ended June 30, 2015 from $43.3 million for the six months ended June 30, 2014. The decrease was due to reduced refurbishment spending in the UK.

Asia Pacific

Revenue:
Total revenue decreased $20.1 million, or 13.7%, to $127.0 million for the six months ended June 30, 2015 from $147.1 million for the six months ended June 30, 2014. The decrease is primarily the result of an $8.3 million, or 25.3%, decline in remote accommodations revenue due to lower room occupancy attributable to depressed commodity prices, an $8.5 million, or 13.0%, decline in combined modular space leasing and delivery and installation revenue due to lower units on rent, and a $3.3 million, or 6.8% decline in combined sales revenue.

Adjusted EBITDA:
Adjusted EBITDA decreased $11.6 million, or 31.6%, to $25.1 million for the six months ended June 30, 2015 from $36.7 million for the six months ended June 30, 2014. The decrease was primarily due to the lower gross profit associated with the lower modular unit on rent volume and the lower remote accommodations occupancy.

Capital Expenditures:
Capital expenditures decreased $15.3 million, or 74.3%, to $5.3 million for the six months ended June 30, 2015 from $20.6 million for the six months ended June 30, 2014. We continue to minimize capital investment in Asia-Pacific given current market conditions.

Liquidity and Capital Resources

The following summarizes our cash flows for the six months ended June 30, 2015 and 2014 on an actual currency basis (in thousands):

	Six months ended June 30,	
	2015	**2014**
Cash flow from operating activities	$ 69,704	$ 52,704
Cash flow from investing activities	(126,139)	(90,775)
Cash flow from financing activities	54,598	30,061

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, including possible acquisitions. We may also seek to finance our capital expenditures under purchase money, capital leases or other debt arrangements 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, 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 and Unsecured Notes, with an aggregate principal amount of approximately $2,126 million as of June 30, 2015, 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 six months ended June 30, 2015 was $69.7 million as compared to $52.7 million for the six months ended June 30, 2014. This $17.0 million increase in cash provided by operating activities is principally due to an increase in cash flow associated with working capital during the 2015 period, partially offset by the decrease in net income after adjusting for non-cash items.

Cash Flows from Investing Activities

Cash used in investing activities for the six months ended June 30, 2015 totaled $126.1 million as compared to $90.8 million for the six months ended June 30, 2014, an increase of $35.3 million. That increase was principally the result of a $36.3 million increase in purchases of rental equipment. We incurred capital expenditures for the purchase of rental equipment of $133.7 million and $97.4 million during the six months ended June 30, 2015 and 2014, respectively. We anticipate that our net capital expenditures for the purchase of rental equipment during 2015 will be approximately $200 million to $230 million.

Cash Flows from Financing Activities

Cash provided by financing activities for the six months ended June 30, 2015 totaled $54.6 million as compared to $30.1 million for the six months ended June 30, 2014, an increase of $24.5 million. That increase was principally attributed to our borrowings and repayments on debt. During the six months ended June 30, 2015 and 2014 our net proceeds on borrowings were $58.1 million and $27.9 million, respectively.

Contractual Obligations

The following table presents information relating to our contractual obligations and commercial commitments as of June 30, 2015 (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)	$ 3,895,778	$ 201,713	$ 3,694,065	$ -
Contingent consideration (b)	28,293	-	28,293	-
Joint Venture obligation (c)	6,594	-	6,594	-
Capital lease obligations	36,968	7,415	10,571	18,982
Operating lease obligations	239,915	52,162	110,558	77,195
	$ 4,207,548	$ 261,290	$ 3,850,081	$ 96,177

(a) As more fully disclosed in Note 4 of our consolidated financial statements, long-term indebtedness includes borrowings and interest under our Senior Secured and Unsecured Notes and our ABL Revolver.
(b) As more fully disclosed in Note 2 of our 2014 consolidated financial statements, we have entered into an agreement that may require us to make additional payments to the former owners of Target.
(c) As more fully disclosed in Note 2 of our 2014 consolidated financial statements, we have made a contribution to acquire an equity interest in a Chinese joint venture. The remaining amount of committed capital contributions to the joint venture is approximately $6.6 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: U.S. dollar/euro, U.S. dollar/British pound sterling, U.S. dollar/Canadian dollar, and U.S. 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 14 in our 2014 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 $9.4 million.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Algeco Scotsman Global S.à r.l.
Three and Six Months Ended June 30, 2015 and 2014

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 June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenues	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Leasing and services revenue:				
Modular space leasing	$ 189,823	$ 221,203	$ 375,889	$ 429,168
Modular space delivery and installation	54,168	66,089	104,215	121,389
Remote accommodations	57,796	48,799	107,219	100,301
Sales:				
New units	77,842	89,475	150,237	164,224
Rental units	6,495	8,848	13,341	15,242
Total revenues	386,124	434,414	750,901	830,324
Costs				
Cost of leasing and services:				
Modular space leasing	47,122	54,930	94,738	104,431
Modular space delivery and installation	50,544	59,765	98,293	110,152
Remote accommodations	26,098	26,124	53,012	52,513
Cost of sales:				
New units	68,176	75,473	125,212	136,862
Rental units	3,927	5,278	8,576	9,304
Depreciation of rental equipment	59,703	51,898	109,095	102,448
Gross profit	130,554	160,946	261,975	314,614
Expenses				
Selling, general and administrative expenses	93,587	107,622	194,195	214,750
Other depreciation and amortization	13,758	14,075	26,279	28,696
Restructuring costs	5,494	1,067	5,494	2,804
Currency losses (gains), net	(48,052)	(21,687)	68,181	(50,084)
Change in fair value of contingent considerations	(13,117)	(3,503)	(26,788)	(3,183)
Other expense, net	236	384	973	555
Operating profit (loss)	78,648	62,988	(6,359)	121,076
Interest expense, net	49,117	51,840	98,042	104,529
Loss on extinguishment of debt	-	-	-	2,324
Profit (loss) before income tax	29,531	11,148	(104,401)	14,223
Income tax expense (benefit)	3,839	(3,484)	(7,753)	(575)
Net income (loss)	25,692	14,632	(96,648)	14,798
Less: Net income (loss) attributable to noncontrolling interest	10	(445)	(75)	(445)
Net income (loss) attributable to Algeco Scotsman Global S.à r.l.	$ 25,682	$ 15,077	$ (96,573)	$ 15,243

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 Income (Loss)
(Dollars in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2015	**2014**	**2015**	**2014**
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Net income (loss)	$ 25,692	$ 14,632	$ (96,648)	$ 14,798
Other comprehensive income (loss), net of tax				
Foreign currency translation	(50,309)	254	(5,379)	(5,179)
Other comprehensive income (loss), net of tax	(50,309)	254	(5,379)	(5,179)
Comprehensive income (loss)	(24,617)	14,886	(102,027)	9,619
Less: Comprehensive income (loss) attributable to noncontrolling interest	10	(445)	(75)	(445)
Comprehensive income (loss) attributable to Algeco Scotsman Global S.à r.l.	$ (24,627)	$ 15,331	$ (101,952)	$ 10,064

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)

	June 30, 2015	December 31, 2014
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	$ 51,163	$ 57,567
Trade receivables, net of allowances for doubtful accounts of $30,516 and $33,024, respectively	271,300	318,803
Inventories	46,896	49,591
Prepaid expenses and other current assets	68,641	61,136
Total current assets	438,000	487,097
Rental equipment, net	1,838,576	1,898,816
Other property, plant and equipment, net	212,479	229,497
Goodwill	628,419	665,443
Other intangible assets, net	281,574	296,397
Other non-current assets	31,051	33,578
Total assets	$ 3,430,099	$ 3,610,828
Liabilities		
Current liabilities		
Accounts payable	$ 148,842	$ 169,705
Accrued liabilities	133,469	144,172
Accrued interest	46,309	45,780
Deferred revenue and customer deposits	87,830	88,352
Current portion of long-term debt	8,791	8,743
Total current liabilities	425,241	456,752
Long-term debt	3,280,056	3,277,358
Deferred tax liabilities	240,708	258,721
Deferred revenue and customer deposits	63,032	61,268
Other non-current liabilities	88,142	121,786
Total liabilities	4,097,179	4,175,885
Redeemable non-controlling interests	3,149	1,635
Shareholders' Deficit		
Common stock: $1.00 par, 213,289,086 shares issued and outstanding at June 30, 2015 and December 31, 2014 , respectively	737,831	737,831
Additional paid-in capital	1,612,986	1,614,571
Accumulated other comprehensive income	40,393	45,772
Accumulated deficit	(3,061,439)	(2,964,866)
Total shareholders' deficit	(670,229)	(566,692)
Total liabilities and shareholders' deficit	$ 3,430,099	$ 3,610,828

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 June 30,		Six months ended June 30,	
	2015	2014	2015	2014
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Operating activities				
Net income (loss)	$ 25,692	$ 14,632	$ (96,648)	$ 14,798
Adjustments for non-cash items:				
Depreciation and amortization	73,461	65,973	135,374	131,144
Provision for doubtful accounts	1,764	2,181	3,668	5,277
Gain on sale of rental equipment and other property, plant and equipment	(1,743)	(3,603)	(3,941)	(5,987)
Loss on extinguishment of debt	-	-	-	2,324
Amortization of deferred debt gain	(12,526)	(12,039)	(24,923)	(23,955)
Amortization of deferred financing fees	3,450	4,212	7,023	8,406
Change in fair value of contingent consideration	(13,117)	(3,503)	(26,788)	(3,183)
Deferred income tax benefit	539	(6,786)	(12,260)	(7,977)
Restructuring impairment costs	1,882	-	1,882	-
Foreign currency adjustments	(42,288)	(22,963)	73,839	(51,236)
Changes in operating assets and liabilities:				
Net trade receivables	5,153	(13,280)	32,614	16,123
Inventories	(2,272)	(1,322)	70	(8,072)
Prepaid expenses and other assets	(4,970)	475	(7,561)	497
Accrued interest	(49,322)	(51,086)	542	494
Accounts payable and other accrued liabilities	13,715	17,089	(17,542)	(35,456)
Deferred revenue and customer deposits	(1,797)	6,177	4,355	9,507
Cash flows from operating activities	(2,379)	(3,843)	69,704	52,704
Investing activities				
Proceeds from sale of rental equipment	6,495	8,848	13,341	15,242
Purchase of rental equipment	(67,004)	(55,884)	(133,669)	(97,361)
Proceeds from the sale of property, plant and equipment	153	76	275	355
Purchase of property, plant and equipment	(4,065)	(5,373)	(6,086)	(8,991)
Net cash flows from investing activities	(64,421)	(52,333)	(126,139)	(90,755)
Financing activities				
Receipts from borrowings	230,688	214,313	412,878	467,156
Repayment of borrowings	(173,842)	(181,896)	(354,814)	(439,228)
Contribution from non-controlling partner	-	2,373	-	2,373
Principal payments on capital lease obligations	(3,363)	(116)	(3,466)	(240)
Net cash flows from financing activities	53,483	34,674	54,598	30,061
Effect of exchange rate changes on cash and cash equivalents	562	901	(4,567)	651
Net change in cash and cash equivalents	(12,755)	(20,601)	(6,404)	(7,339)
Cash and cash equivalents at beginning of period	63,918	73,373	57,567	60,111
Cash and cash equivalents at end of the period	$ 51,163	$ 52,772	$ 51,163	$ 52,772
Supplemental cash flow information:				
Interest paid	$ 107,920	$ 111,993	$ 114,803	$ 119,852
Income taxes paid	$ 3,007	$ 7,112	$ 5,621	$ 15,501
Assets acquired under capital leases	$ -	$ 9,022	$ -	$ 11,590

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, South 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") and Canada, Algeco in Europe, Elliott in the United Kingdom ("UK"), Ausco in Australia, Portacom in New Zealand, Eurobras in Brazil 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, that 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 and six-month periods ended June 30, 2015 are not necessarily indicative of the operating results that may be expected for the full fiscal year ending December 31, 2015 or any future period.

These condensed consolidated financial statements should be read in conjunction with the Company's December 31, 2014 audited consolidated financial statements and accompanying notes thereto.

Recently issued accounting standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU No. 2014-09"). ASU No. 2014-09 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 July 2015, the FASB voted and approved to defer the effective date of ASU 2014-09 by one year. As a result, ASU No. 2014-09 will be effective for

fiscal years beginning after December 15, 2018 and interim reporting periods within annual reporting periods beginning after December 15, 2019, with early adoption permitted but not prior to the original effective date of annual periods beginning after December 15, 2016. ASU 2014-09 is to be applied retrospectively, or on a modified retrospective basis. The Company is currently evaluating the impact of adopting ASU No. 2014-09 on its consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, Interest – Imputation of Interest (Subtopic 835-30) ("ASU No. 2015-03"), simplifying the presentation of debt issuance costs. The amended guidance requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. ASU No. 2015-03 is effective for fiscal years beginning after December 15, 2015, and must be applied retrospectively. The Company does not expect the adoption of ASU 2015-03 to have a material impact on its consolidated financial statements.

2. Inventories

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

	June 30, 2015	December 31, 2014
Raw materials and consumables	$ 32,577	$ 31,375
Work in progress	5,490	9,151
Finished goods	8,829	9,065
	$ 46,896	$ 49,591

3. Rental equipment, net

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

	June 30, 2015	December 31, 2014
Modular space fleet	$ 2,626,560	$ 2,696,233
Remote accommodations	385,900	354,271
	3,012,460	3,050,504
Less: accumulated depreciation	(1,173,884)	(1,151,688)
Rental equipment, net	$ 1,838,576	$ 1,898,816

4. Debt

The carrying value of debt outstanding at June 30, 2015 and December 31, 2014 consisted of the following:

Debt description	Interest rate	Year of maturity	June 30, 2015	December 31, 2014
Senior secured notes – USD	8.50%	2018	$1,106,497	$1,110,015
Senior secured notes – EUR	9.00%	2018	317,470	345,076
Senior unsecured notes – USD	10.75%	2019	900,437	914,826
ABL facility – USD	varies	2017	643,830	592,233
ABL facility – CAD	varies	2017	58,394	55,810
ABL facility – GBP	varies	2017	151,983	167,303
ABL facility – AUD	varies	2017	82,886	72,993
Other debt			2,724	1,747
Capital lease obligations			24,626	26,098
Total debt			3,288,847	3,286,101
Less: current maturities			(8,791)	(8,743)
Total long-term debt			$3,280,056	$3,277,358

The aggregate principal amount of debt outstanding at June 30, 2015 and December 31, 2014 was $3,096.8 million and $3,077.1 million, respectively. As more fully disclosed in Note 9 of Notes to Consolidated Financial Statements for the year ended December 31, 2014, 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) (2015 – 2019) as follows: 2015 - $38.8 million, 2016 - $41.3 million, 2017 - $45.2 million, 2018 - $50.4 million, and 2019 - $33.3 million.

Senior Secured Notes, Senior Unsecured Notes and ABL Revolver

The Company has outstanding $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 on April 15 and October 15. 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.

In addition, the Group maintains a multicurrency asset-based revolving credit facility (the "ABL Revolver") with a maximum potential availability of the equivalent of $1,355.0 million. Certain of the Company's subsidiaries in the US, Canada, the UK, Australia and New Zealand are borrowers (the

"Borrowers") under the ABL Revolver. 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 June 30, 2015 was the equivalent of $1,156.4 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, which effectively limit the Group's borrowings under the ABL to 90% of the available facility. The Group expects to have greater than 10% availability under the ABL Revolver through the remainder of 2015; as such, the Group does not expect to be subject to the financial covenants. The availability under the ABL Revolver was $72.8 million after consideration of the 90% covenant threshold at June 30, 2015, but would have been $192.8 million at June 30, 2015 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 June 30, 2015, the weighted average interest rate for borrowings under the ABL Revolver was 3.13%. The ABL Revolver requires the payment of an annual commitment fee on the unused available borrowings of between 0.25% and 0.5% per annum. At June 30, 2015, the Group had issued letters of credit under the ABL Revolver in the amount of $20.3 million. Letters of credit and bank guarantees carry fees of 2.625% of the outstanding balance and reduce the amount of available borrowings.

Other

During the six months ended June 30, 2014, the group paid $40.8 million to pay off outstanding debt obligations of $38.5 million. Therefore, the Group recognized a loss on extinguishment of debt of $2.3 million which represented the interest and penalties associated with the early termination of the agreement.

5. Income taxes

Income tax expense (benefit) was $3.8 million and ($7.8) million for the three and six months ended June 30, 2015, respectively, compared to ($3.5) million and ($0.6) million for the same periods of 2014. The Company's tax expense was larger during the three months ended June 30, 2015 compared with the three months ended June 30, 2014 primarily due to a reduction in the pre-tax loss driven by foreign currency gains in 2015, $1.6 million of additional tax expense related to Canadian tax legislation enacted in 2015, and a tax benefit recognized in 2014 upon the resolution of a tax uncertainty. The Company's tax benefit was larger during the six months ended June 30, 2015 as compared to the same period in 2014 primarily due to pre-tax loss driven by foreign currency losses as compared to pre-tax income with foreign currency gains.

The Company accounts for income taxes in interim periods under Accounting Standards Codification ("ASC") 740-270, Income Taxes – Interim Reporting, which generally requires us 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 both the (1) tax effects of currency gains or losses from foreign exchange rate fluctuations and (2) income or expense related to changes in the Target Logistics' contingent earn-out discretely in the quarter in which they arise. The tax expense (benefit) recognized in the three and six months ended June 30, 2015 and June 30, 2014 related to these two items was $1.6 million and ($2.6) million and $0.7 million and $3.9 million, respectively. In addition, the guidance under ASC 740 further provides that, in establishing the estimated annual effective tax rate, the Company excludes 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 $64.7 million through June 30, 2015. Excluding the tax impact of the aforementioned items, the Company estimates that the estimated effective tax rate for 2015 will be between 12.75% and 17.50%.

The Company accounts for uncertain tax positions pursuant to the recognition and measurement criteria under ASC 740. It is reasonably possible that approximately $1.7 million of unrecognized tax benefits will be recognized within the next twelve months.

6. Financial instruments and fair value measurements

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. The following summarizes the contractual notional amount of forward contracts as of June 30, 2015 (amounts in millions):

Currencies	Buy	Sell
USD / Australian $	$23.0	A$29.2
USD / GBP	$20.0	£13.3
USD / Euro	$41.5	€37.1

The net gain (loss) recognized in income on foreign currency forward contracts that were not designated as hedging instruments for the three and six months ended June 30, 2015 was ($3,289) and $1,700, respectively. We realized gains associated with the settlement of foreign currency forward contracts of $3,134 during the three and six months ended June 30, 2015. There were no foreign currency forward contracts outstanding during the three and six months ended June 30, 2014.

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

The fair value of the Company's Senior Secured Notes and Senior Unsecured Notes is based on their latest sales 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 based upon observable market data.

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

	Carrying Amount	Fair Value		
June 30, 2015		**Level 1**	**Level 2**	**Level 3**
Financial assets (liabilities) measured measured at fair value				
Contingent consideration	$ (28,293)	$ -	$ -	$ (28,293)
Derivative assets	2,059	-	2,059	-
Derivative liabilities	(2,086)	-	(2,086)	-
Total	$ (28,320)	$ -	$ (27)	$ (28,293)
Financial assets (liabilities) not measured at fair value				
Senior notes	$ (2,324,404)	$ -	$ (1,927,663)	$ -
ABL facility	(937,093)	-	(943,180)	-
Total	(3,261,497)	-	(2,870,843)	-

December 31, 2014	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial assets (liabilities) measured measured at fair value				
Contingent consideration	$ (55,081)	$ -	$ -	$ (55,081)
Derivative assets	1,635	-	1,635	-
Total	$ (53,446)	$ -	$ 1,635	$ (55,081)
Financial assets (liabilities) not measured at fair value				
Senior notes	$(2,369,917)	$ -	$(2,029,832)	$ -
ABL facility	(888,339)	-	(896,595)	-
Total	$(3,258,256)	$ -	$(2,926,427)	$ -

In connection with an acquisition in 2013, 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 June 30, 2015 and December 31, 2014 the value of the Earnout liability was $28,293 and $55,081, 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 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 June 30, 2015 and December 31, 2014, the following key assumptions were utilized in developing the contingent consideration liability:

Inputs	June 30, 2015	December 31, 2014
EBITDA volatility	25.0%	32.0%
Discount rate	11.9%	11.5%
Exit multiple	10.8x	11.0x
Estimated years (Term) to exit	0.75 - 2.25	0.75 - 2.25

An increase in the exit multiple of 1.0x at June 30, 2015 and December 31, 2014 would result in increases in the fair value of the contingent consideration of $11.4 million and $14.1 million, respectively.

7. Restructuring

The Company incurred costs of $5,494 and $2,804, net of reversals, during the six months ended June 30, 2015 and 2014, 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 each year:

	Employee termination costs	Contract termination costs	Impairment of long-life assets	Total
Balance at December 31, 2014	$ 4,335	$ 5,132	$ -	$ 9,467
Charges during the period	3,612	-	1,882	5,494
Cash payments during the period	(1,748)	(1,325)	-	(3,073)
Non-Cash	-	-	(1,882)	(1,882)
Foreign currency & other	(1,046)	264	-	(782)
Balance at June 30, 2015	$ 5,153	$ 4,071	$ -	$ 9,224

The 2015 restructuring costs relate primarily to the Group's operations in North America, Germany, and Russia, and largely consist of employee termination costs and impairments of long-lived assets to be disposed of to their estimated fair value. As part of the restructuring plan initiated in the second quarter, certain employees were required to render future service in order to receive their termination benefits. The termination costs associated with these employees will be recognized over the period from the date of communication of termination to the employee to the actual date of termination. The Company expects to recognize an additional $882 in costs during 2015 related to these employees. The Company expects the restructuring actions to be substantially completed by June 30, 2016.

8. 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 LTICP upon an Exit, based upon the estimated EV of the Group was $40,988 and $54,596 at June 30, 2015 and December 31, 2014, respectively.

9. Commitments, guarantees and contingencies

Commitments

Warranties

The Group provides product and service warranties for modular space units sold and rented. The types of warranties offered generally range from one year to limited lifetime, while certain products carry no warranty. Historical warranty and service claim experience forms the basis for warranty obligations recognized. Adjustments are recorded to the warranty liability as new information becomes available. Current warranty provisions are recorded in other accrued liabilities in the consolidated balance sheet. Non-current warranty provisions are recorded in other non-current liabilities in the consolidated balance sheet.

The following is a summary of the warranty liability activity for the six months ended June 30:

	2015	2014
Balance at the begininng of the period	$ 6,456	$ 8,311
Warranty accruals	2	25
Warranty reversals	(2,186)	(103)
Warranty settlements	(63)	(1,411)
Foreign currency and other	(534)	76
Balance at the end of the period	$ 3,675	$ 6,898

Contingencies

Legal claims

The Group is in the process of resolving certain issues involving compliance with laws in certain jurisdictions. While the Group believes that these matters will be resolved within a reasonable timeframe for such matters with no monetary settlement and accordingly no reserve has been recorded, the ultimate outcome of these matters is uncertain. In the event of an adverse resolution, the Group estimates that based on current information, exposure in the range of $8.9 million to $44.5 million is possible. The Group does not believe that the resolution of these matters will be material to its financial position or results of operations.

In 2011, certain shareholders of Algeco/Scotsman Group S.à r.l., a subsidiary of the Company, filed a summons in the District Court of Luxembourg against nine defendants, including certain Group subsidiaries. The plaintiffs alleged abuse of authority by the majority shareholders in transferring shares into a new legal entity and alleged damages of approximately $21.9 million. On February 26, 2015, the Group received the court judgment in this matter and prevailed on all grounds. On June 1, 2015, the plaintiffs confirmed that they had decided not to appeal the court judgment.

10. 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 $3,286 and $2,550 for monitoring fees and consulting and management advisory services during the three months ended June 30, 2015 and 2014, respectively. TDR charged $6,803 and $5,399 for the above mentioned fees and services to the Group for the six months ended June 30, 2015 and 2014, 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 $1,298 and $1,244 as of June 30, 2015 and December 31, 2014. Additionally, the Group had payables due to affiliates of $4,400 and $4,850 as of June 30, 2015 and December 31, 2014, respectively.

11. Subsequent events

The Company has evaluated subsequent events through August 19, 2015, 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 six months ended June 30, 2015 and that no subsequent events have occurred that would require disclosure in the notes thereto.

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