Q1 2015 Financial Information

ALGECO SCOTSMAN™

ALGECO SCOTSMAN GLOBAL S.À R.L.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion of our financial condition and results of operations should be read together with our March 31, 2015 and December 31, 2014 consolidated financial statements and the notes thereto. This discussion contains forward-looking statements regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements that are based on management's current expectations, estimates and projections about our business and operations. Forward-looking statements include statements that are not historical facts and can be identified by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "plan," "may," "should," "will," "would," "project," and similar expressions. Our actual results may differ materially from those contained in or implied by any forward-looking statements. You are cautioned not to place undue reliance on any forward-looking statements, all of which speak only as of the date of this report.

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.

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 294,500 modular and storage units and we manage approximately 9,400 rooms in our remote accommodations business. We have 247 branch and depot locations and operate in 29 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 248,400 units with a gross book value of approximately $2.4 billion as of March 31, 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 9,400 fully managed rooms with a gross book value of $0.4 billion as of March 31, 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 46,100 units, with a gross book value of approximately $0.1 billion as of March 31, 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 global 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 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 costs of raw materials and labor;
- the competitive environment in which we operate; and
- capital and credit market conditions.

Components of Our Historical Results of Operations

Revenue

Our revenue consists mainly of leasing and 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 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.

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

	Three Months Ended March 31,	
	2015	2014
Modular units on rent (average during the period)	213,357	221,719
Average modular utilization rate	72.1%	73.4%
Average modular monthly rental rate*	$ 265	$ 260
Average remote accommodation rooms on rent	5,344	5,210
Average remote accommodation daily rate*	$ 100	$ 100

**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 as well as delivery, installation, maintenance and removal services and other incidental items related to accommodation services for our customers. Included in our sales revenue are charges for modifying or customizing sales equipment to customers' specifications.

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

Gross Profit

Cost of revenues associated with our leasing business includes payroll and payroll-related costs for branch personnel, material and other costs related to the repair, maintenance, storage, and transportation of our rental equipment. Cost of revenues associated with our remote accommodations business includes the costs of running our owned and operated facilities, such as employee costs, catering, transportation, occupancy and other facilities and services costs. Cost of revenue also includes depreciation expense associated with our rental equipment and remote accommodation equipment. Cost of revenues associated with our new unit sales business include the cost to buy, 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.

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 functional currency.

Fluctuation in foreign currency exchange rate can have a material impact on our financial results. The reporting currency for our interim condensed consolidated financial statements is the US 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, the Canadian dollar and the Brazilian real. 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; provided, that if an Exit Event does not occur prior to December 31, 2015, advance payments may be made in cash if certain performance targets are met which will reduce the ultimate payment attributable to cumulative value creation. The maximum amount of cash that can be paid under the Earnout Agreement is $115.0 million.

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 ABL revolver and secured and unsecured bonds, deferred financing fees and amortization of deferred debt gain.

Income tax benefit (expense)
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. 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.

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 three months ended March 31, 2015.

Selected Historical Consolidated Financial Data

The following summarizes our operating results for the three months ended March 31, 2015 and 2014 on an actual currency basis.

	Three months ended March 31, 2015	Three months ended March 31, 2014	$ Change
Revenues	*(Unaudited)*	*(Unaudited)*	
Leasing and services revenue:			
Modular space leasing	$ 186,066	$ 207,965	$ (21,899)
Modular space delivery and installation	50,047	55,300	(5,253)
Remote accommodations	49,423	51,502	(2,079)
Sales:			
New units	72,395	74,749	(2,354)
Rental units	6,846	6,394	452
Total revenues	364,777	395,910	(31,133)
Costs			
Cost of leasing and services:			
Modular space leasing	(47,616)	(49,501)	1,885
Modular space delivery and installation	(47,749)	(50,387)	2,638
Remote accommodations	(26,914)	(26,389)	(525)
Cost of sales:			
New units	(57,036)	(61,389)	4,353
Rental units	(4,649)	(4,026)	(623)
Depreciation of rental equipment	(49,392)	(50,550)	1,158
Gross profit	131,421	153,668	(22,247)
Expenses			
Selling, general and administrative expenses	(100,608)	(107,128)	6,520
Other depreciation and amortization	(12,521)	(14,621)	2,100
Restructuring costs	-	(1,737)	1,737
Currency gains (losses), net	(116,233)	28,397	(144,630)
Change in fair value of contingent considerations	13,671	(320)	13,991
Other expense, net	(737)	(171)	(566)
Operating profit (loss)	(85,007)	58,088	(143,095)
Interest expense, net	(48,925)	(52,689)	3,764
Loss on extinguishment of debt	-	(2,324)	2,324
Loss before income tax	(133,932)	3,075	(137,007)
Income tax benefit (expense)	11,592	(2,909)	14,501
Net loss	(122,340)	166	(122,506)
Less: Net loss attributable to noncontrolling interest	(85)	-	(85)
Net loss attributable to Algeco Scotsman Global S.à r.l.	$ (122,255)	$ 166	$ (122,421)

Revenue:
Total revenue decreased $31.1 million, or 7.9%, to $364.8 million for the three months ended March 31, 2015 from $395.9 million for the three months ended March 31, 2014. That decrease is comprised of a decrease related to unfavorable foreign currency movements of $39.5 million as most currencies weakened against the U.S. dollar, and an increase in revenue of $8.4 million primarily attributable to higher new unit sales in EMEA, offset by lower remote accommodation and modular space revenue in Asia Pacific associated with the weak economic climate in Australia.

Average modular units on rent for the three months ended March 31 for 2015 and 2014 were 213,357 and 221,719, respectively. The decrease was mainly due to declines in units on rent in Brazil, Australia, and Spain. Average modular utilization rate for the three months ended March 31, 2015 was 72.1%, as compared to 73.4% for the three months ended March 31, 2014. The decrease in average modular utilization rate was driven by lower utilization in Brazil, Australia, and Germany. The average modular monthly rental rate decreased to $238 from $260, mainly driven by the foreign currency exchange rates. At constant currency, the average modular monthly rate increased to $265 from $260 due to higher rental rates in the United States and the United Kingdom. Average remote accommodation rooms on rent for the three months ended March 31, 2015 and 2014 were 5,344 and 5,210, 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.

Gross Profit:
Gross profit decreased $22.3 million, or 14.5%, to $131.4 million for the three months ended March 31, 2015 from $153.7 million for the three months ended March 31, 2014. Approximately $15.0 million of the decrease was attributable to the effects of foreign currency as most currencies weakened against the U.S. dollar. The remaining $7.3 million was primarily the result of declines in modular space leasing gross profit due to the lower units on rent and slight margin reduction related to higher unit refurbishment costs in EMEA and the Americas. This decline was partially offset by an increase in new unit sales gross profit associated with the higher volume in EMEA.

SG&A:
SG&A expense decreased $6.5 million, or 6.1%, to $100.6 million for the three months ended March 31, 2015, as compared to $107.1 million for the three months ended March 31, 2014. Approximately $8.6 million of the decrease was attributable to the effects of foreign currency as most currencies weakened against the U.S. dollar. This decrease was offset by a $2.1 million increase driven by higher employee and occupancy costs in the Americas, increased legal fees in EMEA, and partially offset by lower corporate expenses.

Other Depreciation and Amortization:
Other depreciation and amortization decreased $2.1 million, or 14.4%, to $12.5 million for the three months ended March 31, 2015, compared to $14.6 million for the three months ended March 31, 2014 primarily as a result of declining intangible amortization due to certain intangibles being fully amortized.

Restructuring Costs:
Restructuring costs were $0.0 million for the three months ended March 31, 2015 as compared to $1.7 million for the three months ended March 31, 2014. The 2014 restructuring costs primarily relate to actions to streamline operations and reduce costs in North America, Netherlands and the United Kingdom.

Currency Gains (Losses), Net:
Currency losses, net increased by $144.6 million to $116.2 million loss for the three months ended March 31, 2015 compared to $28.4 million gain for the three months ended March 31, 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 as most currencies weakened against the U.S. dollar during the first quarter of 2015.

Change in Fair Value of Contingent Considerations:
The change in fair value of contingent considerations was income of $13.7 million for the three months ended March 31, 2015, compared to a $0.3 million expense for the three months ended March 31, 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 $0.7 million for the three months ended March 31, 2015 and $0.2 million for the three months end March 31, 2014.

Interest Expense, Net:
Interest expense decreased $3.8 million, or 7.2%, to $48.9 million for the three months ended March 31, 2015 from $52.7 million for the three months ended March 31, 2014. This decrease is primarily due to lower average outstanding amount of other debt, which carried higher average interest rates. 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 three months ended March 31, 2015 as compared to $2.3 million loss for the three months ended March 31, 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 $14.5 million to $11.6 million benefit for the three months ended March 31, 2015 compared to $2.9 million expense for the three months ended March 31, 2014. This increase in tax benefit was principally due to the increase in operating losses related to currency gains and losses, the recognition of $2.7 million of tax benefits related to the favorable resolution of prior year uncertain tax positions, and a one-time non-cash tax benefit of $5.2 million related to the reduction of deferred tax liabilities that were incorrectly recorded in prior periods, offset by an increase in the amount of losses for which no tax benefit is being recognized.

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 (“CAPEX”). In comparing EBITDA (a non GAAP financial measure) from year to year, we further adjust EBITDA to exclude non-cash compensation and the effect of what we consider transactions or events not related to our core business operations to arrive at what we define as adjusted EBITDA (“Adjusted EBITDA”). Capital expenditures primarily consist of purchases and upgrades for fleet expansion and enhancement.

The reconciliation of our consolidated net income (loss) before taxes to Adjusted EBITDA for the three months ended March 31, 2015 and 2014, in thousands of dollars, is as follows:

	Three months ended,	
	2015	**2014**
Net income (loss) before taxes	$ (133,932)	$ 3,075
Interest expense, net	48,925	52,689
Depreciation and amortization	61,913	65,171
EBITDA	(23,094)	120,935
Currency (gains) losses, net	116,233	(28,397)
Change in fair value of contingent considerations	(13,671)	320
Restructuring charges	-	1,737
Sponsor management fees	3,517	2,849
Loss on extinguishment of debt	-	2,324
Other expense	2,407	2,932
Adjusted EBITDA	$ 85,392	$ 102,700

Use of Non-GAAP Financial Measures

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.

Currency (gains) losses, net:
We incurred currency gains and losses on monetary assets and liabilities denominated in foreign currencies other than the functional currency in addition to non-cash charges related to our currency forward contracts. Substantially all currency gains (losses) are unrealized.

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 Capital LLP, 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 Ausco share plan, consulting expenses related to certain one-time projects, financing costs not classified as interest expense and losses on disposals of property, plant, and equipment.

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 March 31, 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 March 31, 2015 Compared to Three Months Ended March 31, 2014

	Reportable Business Segments				Currency Translation Adjustments	Corporate, Adjustments, and Eliminations	Consolidated
Three Months Ended March 31, 2015	**Americas**	**EMEA**	**Asia Pacific**	**Total**			
Leasing and services revenue:							
Modular space leasing	$ 79.5	$ 105.6	$ 21.9	$ 207.0	$ (20.9)	$ -	$ 186.1
Modular space delivery and installation	19.2	29.3	7.7	56.2	(6.1)	-	50.1
Remote accommodations	39.7	-	11.2	50.9	(1.5)	-	49.4
Sales:							
New unit sales	11.8	48.8	23.4	84.0	(9.9)	(1.7)	72.4
Rental units sales	3.8	3.1	1.0	7.9	(1.1)	-	6.8
Revenue	$ 154.0	$ 186.8	$ 65.2	$ 406.0	$ (39.5)	$ (1.7)	$ 364.8
Adjusted EBITDA	$ 45.7	$ 44.4	$ 12.9	$ 103.0	$ (9.4)	$ (8.2)	$ 85.4
Capital expenditures	$ 54.3	$ 15.1	$ 2.3	$ 71.7	$ (3.2)	$ 0.2	$ 68.7
Three Months Ended March 31, 2014							
Leasing and services revenue:							
Modular space leasing	$ 79.2	$ 104.6	$ 24.2	$ 208.0	$ -	$ -	$ 208.0
Modular space delivery and installation	17.5	30.7	7.1	55.3	-	-	55.3
Remote accommodations	34.3	-	17.2	51.5	-	-	51.5
Sales:							
New unit sales	18.2	31.5	25.0	74.7	-	-	74.7
Rental units sales	3.1	2.6	0.7	6.4	-	-	6.4
Revenue	$ 152.3	$ 169.4	$ 74.2	$ 395.9	$ -	$ -	$ 395.9
Adjusted EBITDA	$ 50.2	$ 42.7	$ 20.0	$ 112.9	$ -	$ (10.2)	$ 102.7
Capital expenditures	$ 21.7	$ 14.4	$ 8.6	$ 44.7	$ -	$ 0.4	$ 45.1

Americas

Revenue:
Total revenue increased $1.7 million, or 1.1%, to $154.0 million for the three months ended March 31, 2015 from $152.3 million for the three months ended March 31, 2014. That increase was primarily attributable to a $5.4 million, or 15.7%, increase in remote accommodations revenue driven by the continued ramp-up of a new facility, and stable daily rental rates, a $1.7 million, or 9.7%, increase in modular space delivery and installation revenue, and a $0.3 million, or 0.4%, increase in modular space leasing revenue driven by an increase in Value-Added Products and Services (“VAPS”) revenue in the United States. This was partially offset by a $6.4 million, or 35.2%, decline in new units sales volume.

Adjusted EBITDA:
Adjusted EBITDA decreased $4.5 million, or 9.0%, to $45.7 million for the three months ended March 31, 2015 from $50.2 million for the three months ended March 31, 2014. This decrease was primarily due an increase in SG&A associated with additional employee and branch occupancy costs.

Capital Expenditures:
Capital expenditures increased $32.6 million, or 150.2%, to $54.3 million for the three months ended March 31, 2015 from $21.7 million for the three months ended March 31, 2014. The increase was driven by additional remote accommodation spend related to the continued build out of a new facility.

EMEA

Revenue:
Total revenue increased $17.4 million, or 10.3%, to $186.8 million for the three months ended March 31, 2015 from $169.4 million for the three months ended March 31, 2014. That increase was primarily attributable to a $17.3 million, or 54.9%, increase in new unit sales revenue driven by volume improvements in France, Germany, and the United Kingdom. In addition, used rental unit sales revenue increased $0.5 million, or 19.2%. The increase in sales was partially offset by a $0.4 million, or 0.3%, decrease in combined modular space leasing and delivery and installation revenue.

Adjusted EBITDA:
Adjusted EBITDA increased $1.7 million, or 4.0%, to $44.4 million for the three months ended March 31, 2015 from $42.7 million for the three months ended March 31, 2014. The increase was driven by higher new sales gross profit partially offset by lower modular space leasing gross profit due to lower modular volume and higher unit refurbishment costs. The increase in gross profit was partially offset by higher SG&A driven by increased legal expenses.

Capital Expenditures:
Capital expenditures increased $0.7 million, or 4.9%, to $15.1 million for the three months ended March 31, 2015 from $14.4 million for the three months ended March 31, 2014. The increase was due to increased new fleet and fleet refurbishment spend in France.

Asia Pacific

Revenue:
Total revenue decreased $9.0 million, or 12.1%, to $65.2 million for the three months ended March 31, 2015 from $74.2 million for the three months ended March 31, 2014. The decrease is primarily the result of a $6.0 million, or 34.9%, decline in remote accommodation revenue associated with reduced occupancy. Additionally, modular space leasing revenue declined $2.2 million, or 9.3%, due to reduced utilization and rental rates, and new unit sales revenue decreased $1.6 million, or 6.4%.

Adjusted EBITDA:
Adjusted EBITDA decreased $7.1 million, or 35.5%, to $12.9 million for the three months ended March 31, 2015 from $20.0 million for the three months ended March 31, 2014. The decrease was primarily due to the lower gross profit associated with the lower remote accommodations and modular space volume.

Capital Expenditures:
Capital expenditures decreased $6.3 million, or 73.3%, to $2.3 million for the three months ended March 31, 2015 from $8.6 million for the three months ended March 31, 2014. We continue to minimize capital investment in Asia-Pacific while the market remains depressed.

Liquidity and Capital Resources

The following summarizes our cash flows for the three months ended March 31, 2015 and 2014 on an actual currency basis (in thousands):

	Three months ended March 31,			
	2015		2014	
Cash flow from operating activities	$	72.1	$	56.5
Cash flow from investing activities	$	(61.7)	$	(38.4)
Cash flow from financing activities	$	1.1	$	(4.6)

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 $2,095 million as of March 31, 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 three months ended March 31, 2015 was $72.1 million as compared to $56.5 million for the three months ended March 31, 2014. This increase in cash provided by operating activities is principally due to an increase in cash flow associated with working capital during the 2015 period.

Cash Flows From Investing Activities
Cash used in investing activities for the three months ended March 31, 2015 totaled $61.7 million as compared to $38.4 million for the three months ended March 31, 2014, an increase of $23.3 million. That increase was principally the result of a $25.2 million increase in purchases of rental equipment. We incurred capital expenditures for the purchase of rental equipment of $66.7 million and $41.5 million during the three months ended March 31, 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 three months ended March 31, 2015 totaled $1.1 million as compared to cash used of $4.6 million for the three months ended March 31, 2014, an increase of $5.7 million. That increase was principally attributed to our borrowings and repayments on debt. During the three months ended March 31, 2015 and 2014 our net proceeds (repayments) on borrowings were $1.2 million and ($4.5) million, respectively.

Contractual Obligations

The following table presents information relating to our contractual obligations and commercial commitments as of March 31, 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)	$ 3,866,923	$ 199,817	$ 3,667,106	$ -
Contingent consideration (b)	41,411	-	41,411	-
Joint Venture obligation (c)	11,225	4,650	6,575	-
Capital lease obligations	22,855	5,819	4,530	12,506
Operating lease obligations	237,766	53,539	110,705	73,522
	$ 4,180,180	$ 263,825	$ 3,830,327	$ 86,028

(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 joint venture. The remaining amount of committed capital contributions to the joint venture is approximately $11.2 million which we are required to fund during 2015 and 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 of our long-term 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 the 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 $8.8 million.

Condensed Consolidated Financial Statements

Algeco Scotsman Global S.à r.l.
Three Months Ended March 31, 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 March 31, 2015	Three months ended March 31, 2014
Revenues	*(Unaudited)*	*(Unaudited)*
Leasing and services revenue:		
Modular space leasing	$ 186,066	$ 207,965
Modular space delivery and installation	50,047	55,300
Remote accommodations	49,423	51,502
Sales:		
New units	72,395	74,749
Rental units	6,846	6,394
Total revenues	364,777	395,910
Costs		
Cost of leasing and services:		
Modular space leasing	(47,616)	(49,501)
Modular space delivery and installation	(47,749)	(50,387)
Remote accommodations	(26,914)	(26,389)
Cost of sales:		
New units	(57,036)	(61,389)
Rental units	(4,649)	(4,026)
Depreciation of rental equipment	(49,392)	(50,550)
Gross profit	131,421	153,668
Expenses		
Selling, general and administrative expenses	(100,608)	(107,128)
Other depreciation and amortization	(12,521)	(14,621)
Restructuring costs	-	(1,737)
Currency (losses) gains, net	(116,233)	28,397
Change in fair value of contingent considerations	13,671	(320)
Other expense, net	(737)	(171)
Operating (loss) profit	(85,007)	58,088
Interest expense, net	(48,925)	(52,689)
Loss on extinguishment of debt	-	(2,324)
Loss before income tax	(133,932)	3,075
Income tax benefit (expense)	11,592	(2,909)
Net (loss) income	(122,340)	166
Less: Net loss attributable to noncontrolling interest	(85)	-
Net (loss) income attributable to Algeco Scotsman Global S.à r.l.	$ (122,255)	$ 166

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

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

	Three months ended March 31,	
	2015	**2014**
	(Unaudited)	*(Unaudited)*
Net (loss) income	$ (122,340)	$ 166
Other comprehensive income (loss), net of tax		
Foreign currency translation	44,930	(5,433)
Other comprehensive income (loss), net of tax	44,930	(5,433)
Comprehensive loss	(77,410)	(5,267)
Less: Comprehensive loss attributable to noncontrolling interest	(85)	-
Comprehensive loss attributable to Algeco Scotsman Global S.à r.l.	$ (77,325)	$ (5,267)

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

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

	March 31, 2015	December 31, 2014
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	$ 63,918	$ 57,567
Trade receivables, net of allowances for doubtful accounts of $29,882 and $33,024, respectively	272,914	318,803
Inventories	43,824	49,591
Prepaid expenses and other current assets	71,722	61,136
Total current assets	452,378	487,097
Rental equipment, net	1,823,100	1,898,816
Other property, plant and equipment, net	214,003	229,497
Goodwill	627,488	665,443
Other intangible assets, net	286,605	296,397
Other non-current assets	30,400	33,578
Total assets	$ 3,433,974	$ 3,610,828
Liabilities		
Current liabilities		
Accounts payable	$ 134,530	$ 169,705
Accrued liabilities	224,817	189,952
Deferred revenue and customer deposits	82,454	88,352
Current portion of long-term debt	7,407	8,743
Total current liabilities	449,208	456,752
Long-term debt	3,218,113	3,277,358
Deferred tax liabilities	240,764	258,721
Deferred revenue and customer deposits	70,150	61,268
Other non-current liabilities	98,274	121,786
Total liabilities	4,076,509	4,175,885
Redeemable non-controlling interests	1,566	1,635
Shareholders' Deficit		
Common stock: $1.00 par, 213,289,086 shares issued and outstanding at March 31, 2015 and December 31, 2014 , respectively	737,831	737,831
Additional paid-in capital	1,614,571	1,614,571
Accumulated other comprehensive income	90,702	45,772
Accumulated deficit	(3,087,205)	(2,964,866)
Total shareholders' deficit	(644,101)	(566,692)
Total liabilities and shareholders' deficit	$ 3,433,974	$ 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 March 31,	
	2015	2014
	(Unaudited)	*(Unaudited)*
Cash flows from operating activities		
Net loss	$ (122,340)	$ 166
Adjustments for non-cash items:		
Depreciation and amortization	61,913	65,171
Provision for doubtful accounts	1,904	3,096
Gain on sale of rental equipment and other property, plant and equipment	(2,198)	(2,384)
Loss on extinguishment of debt	-	2,324
Amortization of deferred debt gain	(12,397)	(11,916)
Amortization of deferred financing fees	3,573	4,194
Change in fair value of contingent consideration	(13,671)	320
Deferred income tax benefit	(12,799)	(1,191)
Foreign currency adjustments	116,127	(28,273)
Changes in operating assets and liabilities:		
Net trade receivables	27,461	29,403
Inventories	2,342	(6,750)
Prepaid expenses and other current assets	7,502	22
Accounts payable and accrued liabilities	8,514	(965)
Deferred revenue and customer deposits	6,152	3,330
Cash flows from operating activities	72,083	56,547
Cash flows from investing activities		
Proceeds from sale of rental equipment	6,846	6,394
Purchase of rental equipment	(66,665)	(41,477)
Proceeds from the sale of property, plant and equipment	122	279
Purchase of property, plant and equipment	(2,021)	(3,618)
Net cash flows from investing activities	(61,718)	(38,422)
Cash flows from financing activities		
Receipts from borrowings	182,190	252,843
Repayment of borrowings	(180,972)	(257,332)
Principal payments on capital lease obligations	(103)	(124)
Net cash flows from financing activities	1,115	(4,613)
Effect of exchange rate changes on cash and cash equivalents	(5,129)	(250)
Net change in cash and cash equivalents	11,480	13,512
Cash and cash equivalents at beginning of year	57,567	60,111
Cash and cash equivalents at end of the period	$ 63,918	$ 73,373
Supplemental cash flow information:		
Interest paid	$ 6,883	$ 7,859
Income taxes paid	$ 2,614	$ 8,389
Assets acquired under capital leases	$ -	$ 2,568

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 main activity of the Company is to carry out all transactions pertaining directly or indirectly to the acquisition of participating interests as well as the financing of subsidiary companies. 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-month period ended March 31, 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 April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-03, Interest – Imputation of Interest (Subtopic 835-30), 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, consistent with debt discounts. The ASU is effective for nonpublic entities fiscal years beginning after December 15, 2015, and must be applied retrospectively. Early adoption is permitted for financial statements that have not been previously issued. The Company does not expect the adoption of ASU 2015-03 to have a material impact on its consolidated financial statements.

(amounts in thousands, unless stated otherwise)

2. Inventories

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

	March 31, 2015	December 31, 2014
Raw materials and consumables	$ 30,680	$ 31,375
Work in progress	4,612	9,151
Finished goods	8,532	9,065
	$ 43,824	$ 49,591

3. Rental equipment, net

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

	March 31, 2015	December 31, 2014
Modular space fleet	$ 2,554,189	$ 2,696,233
Remote accommodations	377,105	354,271
	2,931,294	3,050,504
Less: accumulated depreciation	(1,108,194)	(1,151,688)
Rental equipment, net	$ 1,823,100	$ 1,898,816

(amounts in thousands, unless stated otherwise)

4. Debt

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

Debt description	Interest rate	Year of maturity	March 31, 2015	December 31, 2014
Senior secured notes – USD	8.50%	2018	$1,108,762	$1,110,015
Senior secured notes – EUR	9.00%	2018	307,123	345,076
Senior unsecured notes – USD	10.75%	2019	908,343	914,826
ABL facility – USD	varies	2017	610,642	592,233
ABL facility – CAD	varies	2017	63,384	55,810
ABL facility – GBP	varies	2017	145,428	167,303
ABL facility – AUD	varies	2017	57,496	72,993
Other debt			1,487	1,747
Capital lease obligations			22,855	26,098
Total debt			3,225,520	3,286,101
Less: current maturities			(7,407)	(8,743)
Total long-term debt			$3,218,113	$3,277,358

The aggregate principal amount of debt outstanding at March 31, 2015 and December 31, 2014 was $3,022.9 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. 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 availability of the equivalent of $1.355 billion. 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 March 31, 2015 was the equivalent of $1,157.4 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. At March 31, 2015, the financial covenants 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 $133.8 million after consideration of the 90% covenant threshold at March 31, 2015, but would have been $253.8 million at March 31, 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 March 31, 2015, the weighted average interest rate for borrowings under the ABL Revolver was 3.18%. 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 March 31, 2015, the Group had issued letters of credit under the ABL Revolver in the amount of $20.2 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 three months ended March 31, 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 benefit (expense) was $11.6 million and ($2.9) million for the three months ended March 31, 2015 and 2014, respectively. Our tax benefit was larger during the three months ended March 31, 2015 compared with the three months ended March 31, 2014 primarily due to a pre-tax loss driven by foreign currency losses as compared to pre-tax income with foreign currency gains. Additionally, the income tax benefit for the three months ended March 31, 2015 includes a one-time non-cash tax benefit of $5.2 million related to the reduction of deferred tax liabilities that were incorrectly recorded in prior periods.

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 the tax effects of currency gains or losses from foreign exchange rate fluctuations discretely in the quarter in which they arise. The tax benefit (expense) recognized in the quarters ended March 31, 2015 and March 31, 2014 related to foreign exchange gains and losses was $4.2 million and ($3.2) million, respectively. In addition, the guidance under ASC 740 further provides that, in establishing the estimated annual effective tax rate, we exclude losses from jurisdictions in which no tax benefit is expected to be recognized for such losses. The Company did not apply its estimated annual effective tax rate to pre-tax losses of $28.7 million through March 31, 2015. Excluding currency gains and losses, and the losses of companies for which no tax benefit is expected to be recognized, the Company estimates that the estimated effective tax rate for 2015 will be between 22.75% and 27.50%.

The Company accounts for uncertain tax positions pursuant to the recognition and measurement criteria under ASC 740. It is reasonably possible that approximately $1.3 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 March 31, 2015 (amounts in millions):

Currencies	Buy	Sell
USD / Australian $	$25.3	A$30.3
USD / GBP	$29.0	£24.2
USD / Euro	$21.0	€13.5

The gain recognized in income on foreign currency forward contracts that were not designated as hedging instruments for the three months ended March 31, 2015 was $4,989. There were no foreign currency forward contracts outstanding during the three months ended March 31, 2014.

Fair value measures

The fair value of the 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.

(amounts in thousands, unless stated otherwise)

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

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		
March 31, 2015		**Level 1**	**Level 2**	**Level 3**
Financial assets (liabilities) measured measured at fair value				
Contingent consideration	$ 41,411	$ -	$ -	$ 41,411
Derivative assets	6,431	-	6,431	-
Total	$ 47,842	$ -	$ 6,431	$ 41,411
Financial assets (liabilities) not measured at fair value				
Senior notes	$ 2,324,228	$ -	$ 1,983,966	$ -
ABL facility	876,950	-	883,451	-
Total	$ 3,201,178	$ -	$ 2,867,417	$ -

	Carrying Amount	Fair Value		
December 31, 2014		**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	$ 56,716	$ -	$ 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	$ -

(amounts in thousands, unless stated otherwise)

In connection with an acquisition in 2013, the Company entered into an earnout agreement (the "Earnout Agreement"), which provides for additional payments dependent on cumulative value creation to be achieved over the subsequent years between acquisition and an Exit Event, as defined in the Earnout Agreement. The Earnout Agreement provides the former owners the opportunity to earn additional consideration for cumulative value creation to be achieved over the subsequent years between the acquisition and an Exit Event. Amounts payable under the Earnout Agreement are to be paid in shares of Holdings if such cumulative value creation goals are achieved; provided, that if an Exit Event does not occur prior to December 31, 2015, advance payments may be made in cash if certain performance targets are met which will reduce the ultimate payment attributable to cumulative value creation. The maximum amount of cash that can be paid under the Earnout Agreement is $115.0 million. At March 31, 2015 and December 31, 2014 the value of the Earnout liability was $41,411 and $55,081, respectively.

At March 31, 2015 and December 31, 2014, the following key assumptions were utilized in developing the contingent consideration liability:

Inputs	March 31, 2015	December 31, 2014
EBITDA volatility	28.0%	32.0%
Discount rate	11.5%	11.5%
Exit multiple	11.2x	11.0x
Estimated years (Term) to exit	0.5 - 2.00	0.75 - 2.25

An increase in the exit multiple of 1.0x at March 31, 2015 and December 31, 2014 would result in increases in the fair value of the contingent consideration of $13.4 million and $14.1 million, respectively.

7. Restructuring

The Company incurred costs of $0 and $1,737, net of reversals, during the three months ended March 31, 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	Total
Balance at December 31, 2014	$ 4,335	$ 5,132	$ 9,467
Cash payments during the period	(956)	(1,012)	(1,968)
Foreign currency & other	(244)	(363)	(607)
Balance at March 31, 2015	$ 3,135	$ 3,757	$ 6,892

The Group anticipates that the remaining actions contemplated under the $6,892 accrual as of March 31, 2015, will be completed during 2015.

8. Share-based payments

Long-term Incentive Plan

The Group implemented a management incentive plan (the "Plan") in October 2010. 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 depending on the level of EV. 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 $56,770 and $54,596 at March 31, 2015 and December 31, 2014, respectively.

9. Commitments, guarantees and contingencies

Commitments

Warranties

The Company 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.

(amounts in thousands, unless stated otherwise)

The following is a summary of the warranty liability activity for the three months ended March 31:

	2015	2014
Balance at the begininng of the period	$ 6,456	$ 8,311
Warranty accruals	2	-
Warranty reversals	(2,200)	(10)
Warranty settlements	(37)	(114)
Foreign currency and other	(574)	82
Balance at the end of the period	$ 3,647	$ 8,269

Contingencies

Legal claims

The Group is in the preliminary stages 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 $9.8 million to $45.7 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 claimants allege abuse of authority by the majority shareholders in transferring shares into a new legal entity and allege damages of approximately $23.8 million. The Group does not believe there is any merit to the claim and no provision has been made in the consolidated financial statements. The Group is actively defending against the claim. On February 26, 2015, the Group received the court judgment in this matter and prevailed on all grounds. The decision can be appealed by the plaintiffs and the Group is now awaiting the plaintiffs' decision on whether or not they intend to appeal.

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 $3,517 and $2,849 for monitoring fees and consulting and management advisory services during the three months ended March 31, 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 $1,203 and $1,244 as of March 31, 2015 and December 31, 2014. Additionally, the Group had payables due to affiliates of $4,338 and $4,850 as of March 31, 2015 and December 31, 2014, respectively.

11. Subsequent events

The Company has evaluated subsequent events through May 27, 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 three months ended March 31, 2015 and that no subsequent events have occurred that would require disclosure in the notes thereto.

ALGECO SCOTSMAN™

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