

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 December 31, 2012 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. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Overview

We are a leading global business services provider of modular space and portable storage products with a lease fleet consisting of approximately 310,000 units. We have 286 branch and depot locations and operate in 37 countries across five continents. 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 heavy construction, government and education. To enhance our product and service offerings and our gross profit margin, we offer and charge for the delivery, installation and removal of our lease units and for other associated value-added products and services, such as damage waivers and extended warranties, fire extinguishers, air conditioning and wireless internet access points. 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 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.

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 seek to capitalize on our breadth and significant scale to focus on geographic market opportunities.

Our core leasing model is characterized by recurring revenue driven by long-term leases on long-lived assets that require minimal maintenance capital expenditures. Our average lease duration is approximately 20 months in EMEA, 35 months in North America and 24 months in Asia Pacific. The global average age of our fleet is less than nine 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 relatively young average age of our fleet compared to its economic life provides us with significant 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 263,000 units with a gross book value of approximately €2.4 billion as of March 31, 2013. 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 quarter of our size. We believe that our global footprint and substantial fleet size provide us with significant competitive advantages. In addition, our scale enables us to purchase units on favorable terms, providing incremental margin to both our leasing and sales businesses. We continue to seek opportunities to further optimize our profitability and lease economics, including through ongoing procurement and lean operating initiatives. For example, our global procurement and lean organizations coordinate activities and leverage best practices throughout our company in order to optimize procurement and operational productivity.

Our portable storage fleet of approximately 47,000 units 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.

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.

Acquisition of Target Logistics

In February 2013, we acquired 100% of the membership interests in Target Logistics Management LLC (“Target”). Target is a leading provider of full-service remote workforce accommodation solutions primarily in the United States and facilitates our continued strategic expansion in the remote accommodation segment.

The initial purchase price for Target is comprised of €64 million in cash, 6,749,269 shares of Holdings valued at €69 million, and €77 million of assumed indebtedness. We incurred €44 million of borrowings under the ABL Revolver as partial funding of the cash payment. In addition, the purchase agreement contains provisions for additional payments dependent on the future earnings of Target (the “Earnout Agreement”). Under the Earnout Agreement, former owners can earn up to €49 million if Target achieves certain performance objectives in 2013 which, if earned, would be paid equally in cash and shares in early 2014. In addition, the Earnout Agreement has a provision for cumulative value creation to be achieved over the subsequent years and payable based on events to occur in the future. The maximum amount of cash that can be paid under the Earnout Agreement (including the 2013 performance earnout, if any) is €87 million. The value of shares which could be transferred is not limited. We have completed an initial valuation of the Earnout Agreement and have recorded and estimated €1 million in purchase price contingent consideration.

The assets and liabilities of Target have initially been recorded at carrying value as we have not completed our determination of the fair value of the net assets acquired, primarily the fair value of deferred revenue and certain intangibles such as customer relationships and trade names. In addition, we are evaluating the book and tax differences for the assets and liabilities acquired from Target, including the deductibility of goodwill for tax purposes. The finalization of the purchase price allocation may result in values assigned to certain assets and liabilities that are different than that presented below. Such differences may impact the amount of rental income, depreciation or amortization of related assets recognized in future periods and such impact may be material. We expect to finalize the purchase price allocation in 2013 and the information presented herein if materially different will be revised based upon the final purchase price allocation.

The preliminary estimates of the fair value of the identifiable assets and liabilities for Target are as follows:

Fair value recognized on acquisition

<i>Assets</i>	
Cash and cash equivalents	€ 402
Trade receivables	7,834
Short-term financial assets	4,256
Prepaid expenses and other current assets	478
Rental equipment	93,923
Other property, plant and equipment	6,636
Other intangible assets	143
	<u>113,672</u>
 <i>Liabilities</i>	
Trade and other payables	8,766
Current taxes payable	128
Deferred revenue and customer deposits	23,064
Loans and borrowings	58,927
	<u>90,885</u>
Total identifiable net assets at fair value	<u>22,787</u>
Goodwill arising on acquisition	161,530
Total purchase price	<u>€ 184,317</u>

2012 Refinancing and Acquisition

On October 11, 2012, we completed a refinancing of its loans and obligations (the “2012 Refinancing”). As part of the 2012 Refinancing, we (i) issued €1.7 billion senior secured and senior unsecured notes; (ii) entered into a five year multicurrency asset-based revolving credit facility “the ABL Revolver” with a maximum availability of the equivalent of €33.0 million and borrowed the equivalent of €54.0 million under the ABL Revolver (iii) repaid €1.8 billion of secured bank facilities (iv) exchanged shares of Holdings to extinguish €559.0 million principal of secured bank facilities and Senior B3 debt; and (v) terminated existing interest rate swap agreements for a cash payment of €1.3 million. Substantially concurrent with the 2012 Refinancing, we completed the acquisition of 100% of the ownership of Ausco Holding S.à r.l. and its subsidiaries (“Ausco”), the leading provider of modular space in Australia and New Zealand from TDR in exchange for shares of Holdings. At the time of the acquisition of Ausco, €277 million of Ausco debt was also repaid. In addition, certain other indebtedness with related parties was eliminated through the contribution of the entities holding this debt to us by Holdings. Where shares of Holdings were used to effect the above transactions, Holdings further contributed the debt or asset to us through our share capital. For further discussion of the 2012 Refinancing, see Note 19 of the our Consolidated Financial Statements for the year ended December 31, 2012.

The acquisition of Ausco from TDR is a transaction among entities under common control. TDR had previously acquired Ausco on June 29, 2011 for cash consideration of €481.3 million. Our acquisition of Ausco is part of our strategy to grow the business through expansion into new geographic territories. We have elected to account for this acquisition under the pooling of interest method as permitted by IFRS prospectively from the date on which we took control. Under the pooling of interest method, the assets and liabilities of the combined entities are reflected at their respective carrying values, which reflect a step-up in the basis of the Ausco assets and liabilities to fair value as of the date of acquisition by TDR, and no new identifiable intangible assets or goodwill are recorded. The statement of comprehensive income reflects the income and expenses of the combined entity from October 11, 2012.

The carrying value of the identifiable assets and liabilities of Ausco acquired on October 11, 2012 were comprised of the following:

Cash and cash equivalents	€	21,092
Trade receivables		57,766
Inventories		11,059
Rental equipment, net		214,757
Other property, plant and equipment, net		40,028
Goodwill		300,969
Customer relationships		13,014
Trade name		17,285
Total assets		<u>675,970</u>
Trade and other payables		65,041
Current tax payable		12,501
Employee benefits		4,087
Provisions		5,039
Loans and borrowings		564,827
Derivative liabilities		7,858
Deferred tax liabilities		6,413
Total liabilities		<u>665,766</u>
Non-controlling interests		1,229
Net equity	€	<u>8,975</u>

Other Recent Acquisitions

In December of 2011, we completed the first part of a two phased acquisition plan to acquire the equity interests of several Brazilian entities, (collectively, “the Eurobras Entities”). In January 2012, we completed the second phase of the acquisition of the Eurobras Entities. The combined purchase price of the Eurobras Entities was €73.3 million. For further discussion of the Eurobras Entities acquisition, see Note 6 of our Consolidated Financial Statements for the year ended December 31, 2012.

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, including gasoline 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 revenue primarily from the leasing of our modular space and portable storage units. Included in our 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. In addition, included in leasing revenue are fees that we charge for the delivery and pick-up of our leasing equipment to and from our customers' premises, delivery of equipment we sell to our customers and repositioning our leasing equipment.

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 and the average rental rate per unit. 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 leasing revenue for that period to (ii) the average number of lease units hired out to customers during that period.

The table below sets forth the number of lease units on rent, the average utilization of our lease units and the average rental rate per unit for the periods specified below:

	Three Months Ended March 31,	
	2012	2013
Units on rent (average during the period)	232,629	227,755
Average utilization rate	75.0%	73.3%
Average monthly rental rate	€ 176	€ 193

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 as well as depreciation expense related to our rental 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 used unit sales consist primarily of the net book value of the unit at date of sale.

SG&A

Our 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 our facilities. Additionally, SG&A includes non-cash compensation charges related to movements in the fair value of share-based payment incentive plans.

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 can extend over several fiscal years. The restructuring costs are generally the cash costs to exit locations and reduce the size of the workforce in impacted areas.

Other Expense, Net

Our other expense, net primarily includes impairment of rental equipment, impairment of other property, plant and equipment held for sale and net loss on disposal of property, plant and equipment.

Use of Constant Currency

Foreign currency can have a major impact on our financial results. The reporting currency for our consolidated financial statements is the euro. The local currency of each country is the functional currency for each of our respective entities operating in that country. Thus, we hold assets, incur liabilities, earn revenue and pay expenses in a variety of currencies other than the euro, primarily the U.S. dollar, the British pound sterling, the Australian dollar, the Canadian dollar, the Polish zloty, the Czech koruna, the Brazilian real, the Mexican peso and the Romanian lei. Changes in exchange rates have had and may continue to have a significant, and potentially adverse, effect on our results of operations. Our primary risk of loss regarding foreign currency exchange rate risk is caused primarily by fluctuations in the following exchange rates: euro/U.S. dollar, euro/British pound sterling, euro/Canadian dollar, euro/Australian dollar and euro/Brazilian real. We have agreements with certain subsidiaries for repayment of a portion of the investments and advances made to these subsidiaries. As we anticipate repayment in the foreseeable future, we recognize the unrealized gains and losses in foreign currency transaction gain (loss) on the Consolidated Statements of Comprehensive Income. The exposure of our income from operations to fluctuations in foreign currency exchange rates is reduced in part because a majority of the costs that we incur in connection with our foreign operations are also denominated in local currencies. We cannot predict the effects of exchange rate fluctuations on our future operating results. We do not currently hedge our currency transaction or translation exposure, nor do we have any current plans to do so.

We are exposed to financial statement gains and losses as a result of translating the operating results and financial position of our subsidiaries that are not denominated in euros. We translate the local currency statements of comprehensive income of our foreign subsidiaries into euros using the average exchange rate during the reporting period. Changes in foreign exchange rates affect the reported profits and losses and cash flows of our subsidiaries and may distort comparisons from year to year.

As exchange rates are an important factor in understanding period-to-period comparisons, 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. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period. We use results on a constant currency basis as one measure to evaluate our performance. We calculate constant currency by calculating current period results using prior period foreign currency exchange rates. We generally refer to such amounts calculated on a constant currency basis as excluding or adjusting for the impact of foreign currency. These results should be considered in addition to, not as a substitute for, results reported in accordance with IFRS. Results on a constant currency basis, 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 IFRS.

Critical Accounting Policies

Our discussion and analysis of our financial condition, results of operations, liquidity and capital resources is based on our financial statements, which have been prepared in accordance with IFRS. IFRS 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 evaluate our estimates and judgments. Actual results may differ from these estimates. We believe that the following critical accounting policies involve a higher degree of judgment or complexity in the preparation of our financial statements.

Revenue Recognition

We generate revenue from leasing modular space and portable storage units and related products and services (including 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, and furniture, fire extinguishers, air conditioning and wireless internet access points), and from sales of new and used rental equipment.

We enter into various types of lease arrangements with customers. We classify these leases as either operating or finance based on an evaluation of the terms and conditions of the arrangements. Our primary business is conducted through operating leases that we enter into with our customers, but we occasionally enter into finance leases. Judgment is involved in determining whether or not we retain all the significant risks and rewards of ownership, a significant factor in determining classification of each lease. Lease income from operating leases is recognized in income on a straight-line basis over the lease term. Delivery, installation, maintenance and removal services associated with rental activities are recognized upon completion of the related services. For finance leases (i.e., capital leases) where we are a lessor, the revenue recognized at the inception of the lease is the fair value of the asset, or, if lower, the present value of the minimum lease payments accruing to us, computed at a market rate of interest. The finance income earned by us on such arrangements is recognized in interest income over the lease term.

Revenue from the sale of new and used units is measured at the fair value of the consideration received or receivable, net of returns and trade discounts. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured. Transfer of risks and rewards occurs when units are delivered and installed. Revenue from delivery and installation services incidental to the sales of rental equipment is recognized upon completion of delivery and installation of sold rental equipment.

Some equipment is sold under construction-type contracts. Construction-type contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that those variations will result in revenue and can be measured reliably. When the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognized in profit or loss in proportion to the stage of completion of the contract determined by reference to the proportion of the costs incurred to date compared to estimated total costs under the contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in profit or loss. For construction contracts in progress, a single asset (prepaid expense) or liability (deferred revenue) is presented for the total of costs incurred and recognized profits, net of progress payments and recognized losses, in the Consolidated Statements of Financial Position.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method, except for transactions among entities under common control, which are accounted for under the pooling of interest method as permitted by IFRS prospectively from the date on which control is taken. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the entity acquired, the difference is recognized in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Impairment is tested at least annually. For the purpose of impairment testing, we allocate goodwill acquired in a business combination, from the acquisition date, to each of our cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained. The determination of fair value of assets and liabilities in each of these circumstances is based to a considerable extent on management's judgment.

Provision for Impairment of Trade Receivables

Trade receivables are recognized initially at fair value and carried thereafter at amortized cost using the effective interest rate method, less provisions for doubtful accounts. Provision for impairment of trade receivables is recognized when there is objective evidence that we will not receive the cash flow due since the initial recognition of the receivables' terms. Provisions are measured as the difference between the assets' carrying amount and the present value of future cash flows discounted at the financial asset's original effective interest rate. Such provisions are stated in the Consolidated Statements of Comprehensive Income as selling, general and administrative expenses. The determination of the amount required to provide the provision for impairment of trade receivables requires judgment in evaluating the credit worthiness of customers and in projecting future credit losses on current receivables.

Provisions and Contingencies

We maintain provisions in a number of areas within our consolidated financial statements to provide coverage against exposures that arise in the ordinary course of business. These provisions cover areas such as uninsured losses, termination liabilities, reorganization activities and uncertain tax positions. We recognize a provision when we have a present legal or constructive obligation as a result of a past event, and it is more likely than not that an outflow of resources will be required to settle the obligations and the amount can be reasonably estimated. Significant judgment is involved in determining whether these conditions are met. If we determine these conditions are not met, no provisions are recognized. No provisions are made for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and, if appropriate, the risks specific to the obligation. Significant judgment is involved in assessing the exposures in these areas and hence in setting the level of the required provision.

Valuation of Financial Instruments

Where the fair value of financial assets and financial liabilities recorded in our Consolidated Statements of Financial Position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Rental Equipment

Estimates are used in the determination of useful lives and residual values for rental equipment. Estimates are also used in the determination of the fair value of assets held for sale.

Measurement of the Recoverable Amounts of Asset Groups and of Cash Generating Units or Groups of Cash Generating Units Containing Goodwill

As required by International Accounting Standard ("IAS") 36 *Impairment of Assets* we regularly monitor the carrying value of our asset groups, including rental equipment and goodwill. Impairment reviews compare the carrying values to the higher of fair value less costs to sell or the present value of future cash flows that are derived from the relevant asset groups, cash generating unit or groups of cash generating units. These reviews, therefore, depend on management estimates and judgments, in particular in relation to the forecasting of future cash flows, the discount rate applied to the cash flows and the selection of relevant market comparable data.

Share-Based Payments

Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield. The assumptions and models used for estimating fair value for share-based payments are disclosed in Note 14 to our Unaudited Interim Consolidated Financial Statements.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made in such interpretation, or future changes to such assumptions, could necessitate future adjustments to tax

benefit and expense already recorded. We establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which we operate. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. The ultimate resolution of tax audits and interpretations of tax regulations could necessitate future adjustments to provisions established, which would likely affect our income tax benefit (expense) and profit (loss).

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Selected Historical Consolidated Financial Data

	Three Months Ended	
	March 31,	
	2013	2012
	(in thousands)	
Statement of Comprehensive Income Data:		
Revenue:		
Leasing and services revenue:		
Modular space	€ 197,467	€ 180,916
Remote accommodations	30,254	—
Sales:		
New units	78,977	37,460
Rental units	<u>8,257</u>	<u>9,358</u>
Total revenue	314,955	227,734
Cost of revenues, excluding depreciation on rental equipment	(156,586)	(103,093)
Depreciation on rental equipment	<u>(46,575)</u>	<u>(42,046)</u>
Total cost of revenues	<u>(203,161)</u>	<u>(145,139)</u>
Gross profit	<u>111,794</u>	<u>82,595</u>
Selling, general and administrative expense	(108,633)	(70,184)
Other depreciation and amortization	(12,973)	(7,804)
Restructuring costs	(2,631)	(317)
Other expense, net	<u>(990)</u>	<u>(980)</u>
Operating profit (loss)	<u>(13,433)</u>	<u>3,310</u>
Interest income	146	588
Interest expense	(47,428)	(50,434)
Currency gains / (losses), net	(27,885)	9,803
Other finance income (expense)	<u>(1,286)</u>	<u>4,288</u>
Net finance expense	<u>(76,453)</u>	<u>(35,755)</u>
Loss before income tax	<u>(89,886)</u>	<u>(32,445)</u>
Income tax benefit	<u>9,286</u>	<u>3,082</u>
Loss for the period	(80,600)	(29,363)
Other comprehensive income, net of tax	<u>26,452</u>	<u>12,338</u>
Total comprehensive loss	<u>€ (54,148)</u>	<u>€ (17,025)</u>

Results of Operations

Three Months Ended March 31, 2013 Compared to the Three Months Ended March 31, 2012

<u>(in thousands)</u>	Constant Currency Basis				Actual	
	Three Months Ended March 31,				Three Months Ended March 31,	
	2013	% of Revenue	2012	% of Revenue	2013	% of Revenue
Revenue:						
Leasing and services:						
Modular space	€ 199,458	62.7%	€ 180,916	79.4%	€ 197,467	62.7%
Remote accommodations	30,331	9.5%	—	0.0%	30,254	9.6%
Sales:						
New units	80,055	25.2%	37,460	16.5%	78,977	25.1%
Rental units	<u>8,337</u>	2.6%	<u>9,358</u>	4.1%	<u>8,257</u>	2.6%
Total revenue	318,181	100.0%	227,734	100.0%	314,955	100.0%
Cost of revenues, excluding depreciation on rental equipment	(158,437)	49.8%	(103,093)	45.3%	(156,586)	49.7%
Depreciation on rental equipment	<u>(46,977)</u>	14.8%	<u>(42,046)</u>	18.5%	<u>(46,575)</u>	14.8%
Gross profit	<u>112,767</u>	35.4%	<u>82,595</u>	36.3%	<u>111,794</u>	35.5%
Selling, general and administrative expense	(109,521)	34.4%	(70,184)	30.8%	(108,633)	34.5%
Other depreciation and amortization	(13,151)	4.1%	(7,804)	3.4%	(12,973)	4.1%
Restructuring costs	(2,651)	0.8%	(317)	0.1%	(2,631)	0.8%
Other expense, net	<u>(986)</u>	0.3%	<u>(980)</u>	0.4%	<u>(990)</u>	0.3%
Operating profit (loss)	<u>€ (13,542)</u>	4.3%	<u>€ 3,310</u>	1.5%	<u>€ (13,433)</u>	4.3%

Revenue: Total revenue, on a constant currency basis, increased €90.5 million, or 39.7%, to €18.2 million for the three months ended March 31, 2013 from €227.7 million for the three months ended March 31, 2012. This increase was primarily driven by an increase of €84.3 million from the Asia Pacific operating region, an increase of €12.8 million from the operations of Target Logistics and an increase of €3.6 million, or 4.6%, from the North American operating region (exclusive of Target Logistics), partially offset, by a decrease of €8.2 million, or 6.0%, in the EMEA operating region and a decrease of €2.0 million, or 15.8%, from the Latin America operating region. Inclusive of the currency effect which accounted for a €3.2 million increase, total revenue increased €87.3 million to €15.0 million for the three months ended March 31, 2013 from €227.7 million for the three months ended March 31, 2012.

The increase in the Asia Pacific operating region's total revenue, on a constant currency basis, was attributable to our acquisition of Ausco in Australia and Portacom in New Zealand in October 2012.

The increase from the operations of Target Logistics to total revenue, on a constant currency basis, was attributable to our acquisition of Target in February 2013.

The increase in the North American operating region's total revenue (exclusive of Target Logistics), on a constant currency basis, was primarily attributable to an increase in modular space revenue of €2.8 million and an increase in the sale of new unit's revenue of €2.6 million, offset in part, by a decrease in the sale of rental units of €1.8 million. The €2.8 million increase in modular space was primarily driven by an increase in units on rent and average monthly rental rate in Canada. The €2.6 million increase in revenue from new unit sales was driven by increased business activity in the United States and Canada. The €1.8 million decrease in revenue from the sale of used units was primarily driven by a decrease in used sales in the United States and Canada.

The decrease in the EMEA operating region's total revenue, on a constant currency basis, was primarily driven by a decrease in modular space revenue of €10.9 million, mainly attributable to a reduction in units on rent

and average monthly rental rate in the United Kingdom and Iberia. This decrease was offset, in part, by an increase in the sale of new units of €2.1 million primarily in the United Kingdom. Additionally, the sale of rental units increased €0.6 million.

The €2.0 million decrease in the Latin America operating region's total revenue, on a constant currency basis, was primarily driven by a decrease in modular space revenue and new sales revenue in Brazil.

Average units on rent decreased from 232,629 to 227,755 for the quarter ended March 31, 2013 and 2012 respectively, mainly due to decreases in units on rent in the United Kingdom and Iberia, partially offset by, the acquisition of Ausco and growth in Canada and Latin America. Average utilization rate for the three months ended March 31, 2012 was 75.0%, as compared to 73.3% for the three months ended March 31, 2013. The decrease in average utilization rate was driven by the aforementioned decline in units on rent in the United Kingdom and Iberia. The average monthly rental rate increased from €176 as of March 31, 2012 to €193 at March 31, 2013 due to the Ausco acquisition which has a higher average monthly rental rate and a continued increase in the average monthly rental rate in Canada and the United States.

Gross Profit: Gross profit, on a constant currency basis, increased €30.2 million, or 36.5%, to €112.8 million for the three months ended March 31, 2013 from €82.6 million for the three months ended March 31, 2012. The increase was primarily driven by an increase of €30.4 million from the Asia Pacific operating region, an increase of €5.4 million from the operations of Target Logistics, and an increase of €1.7 million, or 5.1%, from the North America operating region (exclusive of Target Logistics), partially offset, by a decrease of €4.9 million, or 11.6%, from the EMEA operating region and a decrease of €2.4 million, or 31.3% in the Latin American operating region. Inclusive of the currency effect which accounted for a decrease of €1.0 million, gross profit increased €29.2 million to €111.8 million for the three months ended March 31, 2013 from €82.6 million for the three months ended March 31, 2012.

The increase in the Asia Pacific operating region's gross profit, on a constant currency basis, was attributable to our acquisition of Ausco in Australia and Portacom in New Zealand in October 2012.

The increase from the operations of Target Logistics to gross profit, on a constant currency basis, was attributable to our acquisition of Target Logistics in February 2013.

The increase in the North American operating region's gross profit (exclusive of Target Logistics), on a constant currency basis, was primarily attributable to the modular space revenue increase discussed above in Canada, partially offset, by an increase in rental equipment depreciation in Canada as the result of an increased investment in rental equipment.

The decrease in the EMEA operating region's gross profit, on a constant currency basis, was primarily attributable to the decline in revenue discussed above. This decline was offset, in part, by lower fleet depreciation as a result of reduced investments in rental equipment in EMEA in the three months ended March 31, 2013 compared to the three months ended March 31, 2012.

SG&A: SG&A expense, on a constant currency basis, increased €9.3 million, or 56.0%, to €109.5 million for the three months ended March 31, 2013 compared to €70.2 million for the three months ended March 31, 2012. Of the increase, €1.4 million is attributable to the acquisitions of Ausco and Target. The Company incurred €26.1 million more in management incentive plan expense in 2013 than in 2012 due to the non-cash change in the fair value of the share-based incentive plan liability. In addition, €3.6 million in acquisition costs was incurred related to the Target acquisition.

Other Depreciation and Amortization: Other depreciation and amortization, on a constant currency basis, increased €5.4 million, or 68.5% to €33.2 million for the three months ended March 31, 2013 compared to €7.8 million for the three months ended March 31, 2012 primarily as a result of the acquisition of Ausco and Target which had an impact of €5.3 million in 2013. The increase driven from acquisitions was partially offset by lower property, plant and equipment depreciation in the current year compared to the prior year in the United States and the United Kingdom.

Restructuring Costs: Restructuring costs, on a constant currency basis was €2.6 million for the three months ended March 31, 2013 compared to €0.3 million for the three months ended March 31, 2012 due to restructuring plans that were implemented in 2013 to streamline operations and reduce costs in France, Spain, and the United Kingdom.

Net Finance Income (Expense): Net finance expense increased €40.7 million, or 113.8%, to €76.5 million for the three months ended March 31, 2013 compared to €35.8 million for the three months ended March 31, 2012.

Interest income decreased €0.4 million to €0.2 million for the three months ended March 31, 2013 from €0.6 million for the three months ended March 31, 2012 and was attributable lower interest received on bank deposits.

Interest expense decreased €3.0 million, or 6.0%, to €47.4 million for the three months ended March 31, 2013 compared to €50.4 million for the three months ended March 31, 2012. Subsequent to the 2012 Refinancing and the acquisition of Ausco, the Company issued secured and unsecured bonds that bear interest at fixed rates, which are higher than the rate under our previous financing. See Note 19 to our Consolidated Financial Statements for the year ended December 31, 2012 for additional information regarding the 2012 Refinancing.

Currency gains (losses), net decreased by €7.7 million, or 384.5%, to a loss of €27.9 million for the three months ended March 31, 2013 from a gain of €9.8 million for the three months ended March 31, 2012. The decrease in currency gains was primarily attributable to the impact of foreign currency exchange rate changes on loans and borrowings and intercompany receivables and payables denominated in a currency other than the subsidiaries' functional currency.

Other finance income (expense) decreased €5.6 million, or 130.0%, to an expense of €1.3 million for the three months ended March 31, 2013 from an income of €4.3 million for the three months ended March 31, 2012 and was attributable to the change in the fair value of interest rate swap derivatives prior to being terminated as part of the 2012 Refinancing. In addition, €1.3 million of financing fees were incurred as part of the Target acquisition.

Income Tax Benefit: Income tax benefit increased €6.2 million or 201.3% to €9.3 million for the three months ended March 31, 2013 from €3.1 million for the three months ended March 31, 2012. The principal differences between the tax benefit that would be derived from the application of the statutory rates to the net operating loss and the actual income tax benefit for the three months ended March 31, 2013 and 2012 results from interest and other expenses which are deemed not deductible for income tax purposes, the inability to recognize the benefit of net operating losses in certain jurisdictions that are in a cumulative net operating loss position and the impact related to taxes provided for repatriation of earnings from our Canadian subsidiary.

Liquidity and Capital Resources

Following the 2012 Refinancing, our principal sources of liquidity are existing cash and cash equivalents, cash generated from operations and borrowings under our ABL Revolver. 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.

Cash Provided by (Used in) Operating Activities

Cash provided by operating activities for the three months ended March 31, 2013 was €6.3 million as compared to cash used in operating activities of €4.2 million for the three months ended March 31, 2012, an increase in cash provided by operating activities of €0.5 million. This increase was primarily driven by a decrease of €21.6 million in cash interest paid, partially offset by, an increase of €13.4 million in rental equipment purchases.

Cash Used in Investing Activities

Cash used in investing activities for the three months ended March 31, 2013 totaled €70.0 million as compared to €3.1 million for the three months ended March 31, 2012, an increase of €6.9 million. The increase in cash used in investing activities for the three months ended March 31, 2013 was the result €3.9 million more incurred for acquisitions in 2013 compared to acquisitions in 2012. In addition, the acquisition of property, plant and equipment increased for the three months ended March 31, 2013 by €3.0 million primarily driven by investments made by Ausco of €4.1 million.

Cash Flows Provided by (Used in) Financing Activities

Cash provided by financing activities of €4.6 million for the three months ended March 31, 2013 was €6.9 million greater compared to the cash used in financing activities of €2.3 million for the three months ended March 31, 2012 due to €03.0 million of receipts from borrowings in 2013 and €76.5 million in repayments of borrowings in 2013 under the ABL Revolver.

Capital Expenditures

We incurred capital expenditures for the purchase of rental equipment of €44.0 million during the three months ended March 31, 2013. During the three months ended March 31, 2012, we had rental equipment capital expenditures of €30.6 million.

Contractual Obligations

The following table presents information relating to our contractual obligations and commercial commitments as of March 31, 2013 (in thousands):

	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Long-term indebtedness, including current portion and interest	€ 3,417,732	€ 163,187	€ 1,344,522	€ 1,910,023
Capital lease obligations	71,600	46,779	24,771	50
Operating lease obligations	163,722	41,341	68,120	54,261
	<u>€ 3,653,054</u>	<u>€ 251,307</u>	<u>€ 1,437,413</u>	<u>€ 1,964,334</u>

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.

Recently Issued Accounting Standards

IAS 19 Employee Benefits - The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The adoption of these amendments did not have a material impact on our financial position or performance.

Qualitative and Quantitative Disclosure about Market Risk

As part of the 2012 Refinancing our existing interest rate swap agreements were repaid and terminated. Our primary ongoing market risks relate to foreign currency exchange rates and changes in interest rates.

Foreign Currency Risk

We are exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of our subsidiaries, the euro, the British pound sterling, the U.S. dollar, the Canadian dollar, the Czech koruna, the Polish zloty, the Romanian lei, the Mexican peso, the Brazilian real and after the acquisition of Ausco, the Australian dollar. Our exposure to currency risk changed substantially with the 2012 Refinancing as a result of the change in functional currency of our loans and borrowings.

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 €6.1 million.