Northgate plc

Interim Results – Six months to 31 October 2006

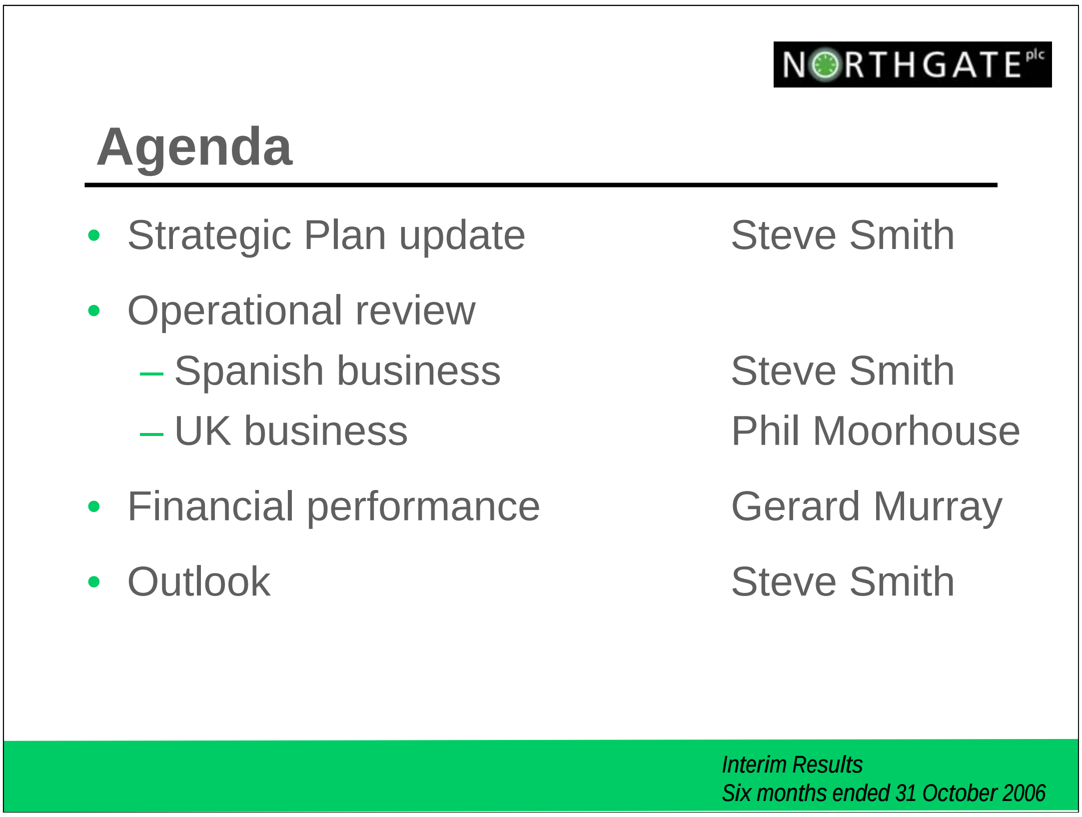
9 January 2007

Good morning everyone. Welcome to the presentation of our results for the six months ended 31 October 2006.

Steve Smith

Group Chief Executive

For any of you who have not met us before, my name is Steve Smith and I am CEO of Northgate. With me today are Phil Moorhouse – MD of the UK business – and Ged Murray, the Group Finance Director.



The agenda for today's presentation is as follows. I will give a brief introduction covering our performance both for the period and also against the targets set out in our strategic plan.

I will then cover in more detail our operations in Spain and Phil will do the same for our UK business.

Ged will then break down the Group numbers, look at other financial issues and, in particular, explain our recent treasury activity.

Finally, I will conclude with comments on current trading and the outlook for the remainder of the year.

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Group summary

- Successful integration of AVR acquisition and restructuring of UK business
- Excellent contribution from Record acquisition in Spain and continued growth from Fualsa
- US Private Placing raising £175m has diversified source of funding, increased maturity terms and interest rate hedging
- Strategy has delivered underlying PBT* up 38% to £39.7m
- Adjusted basic EPS increase of 25%
- Dividend up 11% to 10p (2005 – 9p)

** Pre amortisation*

Interim Results
Six months ended 31 October 2006

In the current period, we continued to execute the key elements of our three year Strategic Plan, announced in January 2006, and aimed at maintaining annual double-digit earnings growth.

In the UK, the Plan focussed on utilising the capacity in the Group's network to increase fleet by selective acquisitions and through organic growth of around 5%. The introduction of fleet management products was aimed at enhancing returns, from fleet management activity and from an increased usage of our extensive network of workshops and service facilities.

The acquisition of Arriva Vehicle Rental ("AVR") in February 2006 was in line with this objective. The integration of AVR was complete by the start of this financial year enabling us to commence a restructuring of the UK business, the second element of our Strategic Plan. This restructuring is now complete and has created a functional, rather than geographic, management structure for the business, albeit retaining significant autonomy within the 20 remaining hire companies. As well as improving productivity, evidenced by the improvement in utilisation in the period, it leaves us better able to deliver consistent customer service.

In May 2006 we concluded the purchase of the remaining 51% of Record Rent a Car, strengthening our leading position in the growing Spanish vehicle rental market. Demand for our product in Spain continues to be strong and we remain confident of achieving the targeted 15% annual fleet growth. We have now appointed a single management team and expect to make further progress in bringing together the operations of our two Spanish businesses in the second half of the financial year.

In December 2006, the Group concluded a Private Placement in the United States. Unsecured loan notes with maturity periods of seven to ten years were issued in order to raise $335m of new finance, which was immediately converted to a Sterling equivalent debt of £175m. The Group entered into a series of financial instruments to fix the rate of interest at an effective rate of 5.78% p.a. for the period of these notes. This exercise has diversified the Group's source of debt finance and increased the length of the overall term of its debt repayment profile.

In terms of financial results, we have achieved an increase in underlying profit before tax of 38% to £39.7m along with increasing adjusted earnings per share by 25% to 39.1p.

We have declared an 11.1% increase in the interim dividend to 10p per share to reflect these results.

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Spanish business

- Management structure established for enlarged Spanish business
- Common IT platform selected for 2007 implementation
- Opportunity for further synergies once common IT platform implemented

Interim Results
Six months ended 31 October 2006

Moving on to Spain. We acquired the remaining 51% of the share capital of Record Rent on 11 May 2006 for a consideration of €72.7m to add to the initial 49% of the share capital that had been acquired on 5 August 2005 for €54.8m. This acquisition significantly strengthened our position as the leader in the growing Spanish vehicle rental market and gave us a combined fleet size of Fualsa and Record of 47,000 vehicles at that time.

Following the acquisition of Record Rent, we began a process to consider both internal and external candidates for the position of CEO of the enlarged Spanish business. In September 2006, Fernando Pemartin, formerly Managing Director of Record Rent, was appointed as CEO for Spain. Subsequent to his appointment he has structured a unified management team to take the business forward. Given the strength of the existing management this team has been largely established internally. Certain vehicle purchasing and disposal synergies are currently being achieved with other purchasing savings in the pipeline, but some of the more substantial efficiencies will only be realised when Fualsa and Record operate on common IT platforms. We have now chosen the IT system currently used by Record for the combined entity and expect to complete the rollout into Fualsa during the second half of calendar year 2007.

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Spanish business KPIs

	2006	2005
Network	35	19
Fleet size	51,000	21,500
Utilisation	90%	88%
Revenue per vehicle p.a.	£3,458	£3,336
IAS adjustment to depreciation for disposals	£0.96m	£0.98m
Operating margin*	21.6%	22.9%

** Pre amortisation charge*

Interim Results
Six months ended 31 October 2006

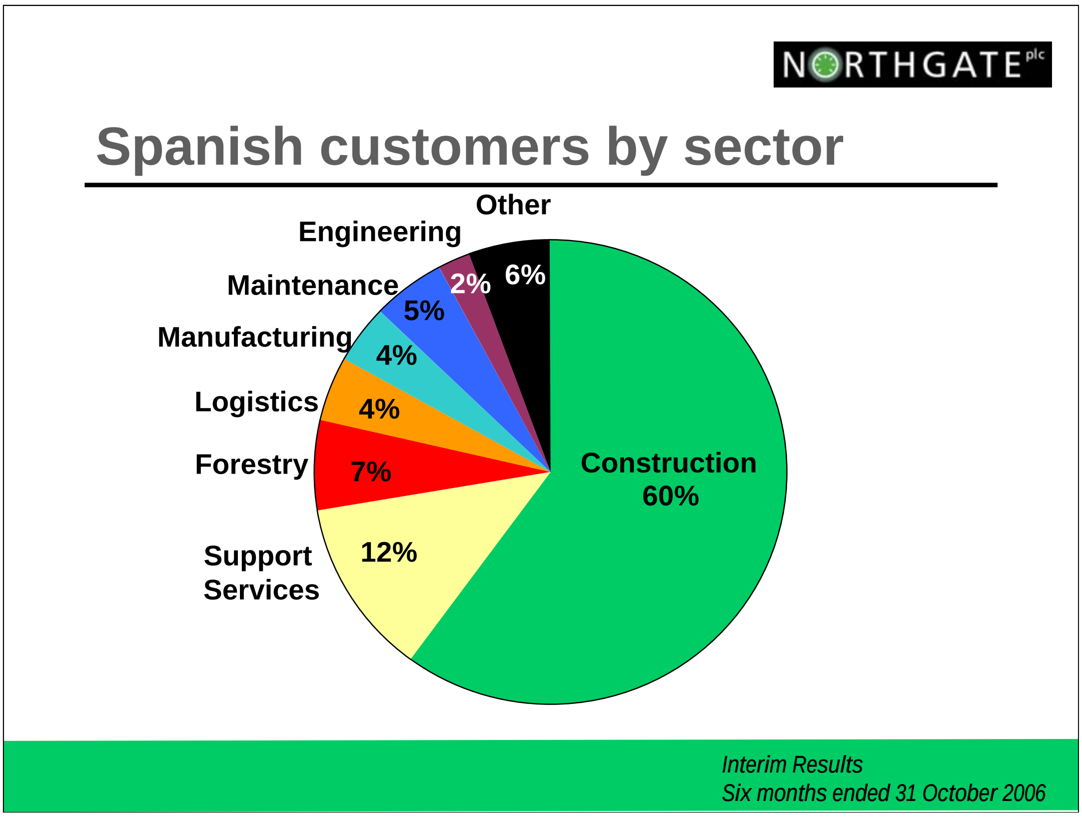
From this period onwards, we will report Fualsa and Record as one enlarged business. All of the numbers for the prior period on this slide are for Fualsa only.

There has been no change to the depot network since 1 May but we have relocated our branches in Cadiz and Malaga to larger premises to accommodate future growth. Going forward, whilst it is unlikely that we will need to significantly extend the depot network beyond its current 35 locations, further relocations are planned.

Since May 2006, the fleet size has increased by 8.5% to 51,000 vehicles in line with the targeted 15% per annum organic growth. Fleet utilisation has averaged over 90%, an improvement of 2% over the prior year, as a result of Record's inclusion and due to Fualsa's utilisation improving.

Hire rates are not experiencing the same competitive pressures as the UK since the market in Spain is growing at a much faster rate. This benefit is partially offset by an increase in the acquisition cost of new vehicles and consequent increase in vehicle holding costs. Comparisons with 2005 are difficult because that number related only to Fualsa which, in general, achieves a higher average revenue per vehicle.

Residual values remain steady and in line with the levels experienced at the end of the last financial year. The proceeds for the 6,300 vehicles sold gave rise to a reduction of just under £1m in the Spanish depreciation charge in accordance with IAS 16. This adjustment is almost identical to the prior year but on a larger volume of disposals, indicating that residual values achieved in this period are lower than the prior period but in line with those at the end of the last financial year.



Again, this slide combines the customers of both Record and Fualsa to illustrate the breakdown by sector of our business in Spain. The inclusion of Record has not significantly altered the profile, with the construction sector remaining dominant at 60%, and with little change in the last 6 months. There is however a reduction of a few percentage points, since our original investment in Spain.

Strategic objectives achieved to date

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- Retained Fualsa and Record brands
- Established unified management structure
- Purchasing synergies obtained

Interim Results
Six months ended 31 October 2006

Since the conclusion of the Record transaction in May, we have examined our business in Spain and concluded that the present dual brand structure is the most appropriate manner in which to serve the market. Our primary concern of moving to a single brand is the elimination of what is perceived as a choice between two independent suppliers for many of our customers and thereby the creation of a vacuum for competitors. We will therefore retain both brands, at least for the medium term.

As mentioned earlier, we now have a unified management team under the direction of the newly appointed CEO to take the integration process forward. They have formulated a plan which is scheduled to have the process materially complete by the end of this calendar year.

In the interim, we are obtaining synergies from purchasing as a combined entity. In particular, we have seen improved terms from vehicle manufacturers, from parts suppliers and from our insurers.

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Future strategic objectives

- Continued growth in a dynamic market
- Implement a common IT platform
- Obtain back office and further purchasing synergies
- Continued sector diversification

Interim Results
Six months ended 31 October 2006

For the calendar year ahead, the main objectives are:

• continued organic fleet growth of 15% per annum

• the smooth transition to a common IT platform

• the delivery of the back office synergies which should be achievable once we have that common IT platform

• and, finally, the continued diversification of our customer base away from its current dependency on the construction sector

On that note, I would like to pass you over to Phil who is going to review the performance of our business in the UK.

Phil Moorhouse
UK Managing Director

Thanks, Steve. Good morning, everyone.

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UK business

- Benefits from synergies of AVR integration and efficiencies from restructuring
- Profit from operations* up 23% to £36.8m (2005 - £29.9m)
- Residual market stronger than the prior period
- Stable hire rate environment

** Pre amortisation*

Interim Results
Six months ended 31 October 2006

As Steve said in his introduction, 2006 was a very busy year for the UK business, with our largest acquisition to date, Arriva, being immediately followed by a major restructuring of our hire operations. The successful integration of the Arriva business, and particularly the retention of almost 100% of the customer base, coupled with targeted growth in our existing business, contributed to an increase in operating profit of 23%.

The residual market for our used vehicles has been buoyant throughout the period, in part due to the shortage of product in certain sectors. This shortage was created by manufacturers delaying the introduction of new models in order to incorporate Euro IV compliant engines into the new vehicles. This resulted in fleet operators delaying replacements which, in turn, produced the shortage of used vehicles in the market. Whilst we expect market conditions to remain favourable in the second half, it is likely they will fall back slightly as operators commence replacing their fleets.

Whilst the rental market remains competitive, we have not seen the level of pricing pressure we experienced in the prior year, hire rates remaining stable since February 2006.

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Streamlining of hire companies

- Moved from geographical to functional management structure
- Created fewer, larger businesses while retaining national network coverage
- Estimated restructuring costs during the period £0.5m
- Benefits expected in future periods but 1% utilisation improvement evidence of benefits

Interim Results
Six months ended 31 October 2006

In June 2006, we announced a restructuring of the UK business. This restructuring has streamlined the number of hire companies from 35 to 20 to give fewer, but larger, business units, whilst retaining the existing geographic network of locations. The vast majority of hire companies now operate fleets of between 3,000 and 5,000 vehicles. The restructuring was complete by the end of the calendar year 2006, with the costs associated with the streamlining changes effected by 31 October 2006 and recognised in the income statement totalling £0.5m. We expect a number of efficiencies to accrue in future periods as a result of this restructuring, the most important being an overall improvement in fleet utilisation. The current period saw some improvement with an average fleet utilisation in the UK of 91%, up 1% on the prior year.

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UK business KPIs

- Network of 88 locations
- Fleet growth 2%
- Vehicles on hire increased by 3.4%
- Utilisation improved to 91% (2005 – 90%)
- Revenue per vehicle as predicted down 3%
- Residuals improved as retail proportion increases to 16% of total disposals

Interim Results
Six months ended 31 October 2006

This slide sets out the key performance indicators for the Group, each of which I will cover in more detail in the next few minutes.

As at 31 October, we operated from 88 locations, the same number as at the start of the period. Following completion of the streamlining process, the split between hire companies and branches is now 20:68 respectively. It is not planned that the number of locations will grow significantly in the medium term but there will be an ongoing programme of relocations to accommodate further growth when hire companies become constrained by the physical size of their premises.

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UK fleet growth

	Total Fleet	Vehicles on hire
Opening fleet	64,000	58,000
Closing fleet	65,300	60,000
Growth	2.0%	3.4%

Interim Results
Six months ended 31 October 2006

Whilst the fleet grew by 2%, vehicles on hire grew by over 3.4% because of the improvement in utilisation over the period. The fleet closed the period at just over 65,000 vehicles and we still believe we can achieve our target of 5% growth for the year, which would give us a fleet size of around 67,000 at April 2007.

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Revenue per vehicle

- Revenue per vehicle p.a. £5,278 (2005 - £5,456)
- Hire rates stable during period
- Reduction in hire rate against prior period is as expected due to:
  - Integration of AVR with different fleet and customer mix
  - Prior year rate reductions feeding into current period average

Interim Results
Six months ended 31 October 2006

Whilst hire rates have remained stable since February, revenue per vehicle has fallen, as we expected, by 3% compared to the prior period. This is as a result of (i) the rate reductions which took place between August 2005 and February 2006, feeding through into the current year and (ii) the integration of the Arriva fleet which achieved a lower average hire rate because of their fleet and customer mix – typically customers operating vehicles with lower mileages and less damage and also more small vans in their fleet. As we said at the time of the acquisition, this is generally compensated by a better residual value on disposal.

Vehicle sales

- Sold over 11,000 vehicles
- Increased retail proportion to 16% (2005 – 11%)
- Market strong due to short supply as fleet operators retain existing vehicles awaiting Euro IV models
- IAS 16 adjustment to depreciation arising from disposals

	2006	2005
Depreciation reduction (increase)	£2.4m	(£0.4m)
Units	11,400	11,300

Interim Results
Six months ended 31 October 2006

As I mentioned earlier, the used vehicle market has been strong due to lower volumes on the supply side, caused by delayed replacements. This can be seen in our disposal numbers which, at 11,400 vehicle sales, are only slightly ahead of the prior period's 11,300 disposals, despite our fleet being 20% larger.

This buoyant market, when coupled with a significant increase in the number of vehicles we have been able to sell through our retail channels (partly as a result of the Arriva acquisition), has enabled us to achieve a profit of £2.4m against the vehicles book value which under IAS 16 has been credited against depreciation.

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Fleet Technique Limited

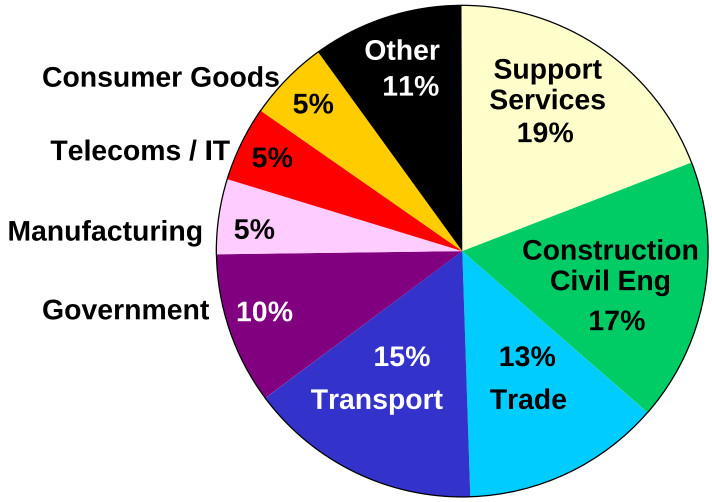
- Specialist fleet management business
- 15,000 vehicles under management
- Relocation of business in August 2006
- Contribution of £0.4m in line with expectations
- Cross selling benefits to accrue in the future

Interim Results
Six months ended 31 October 2006

As previously reported, the acquisition of Fleet Technique was completed in February. Our priority has been to relocate the business into larger premises and to develop a sales team within the business. Both are now complete. The business was relocated in August and we have recruited a senior person from within the industry to head up sales.

In its own right, the company has generated a small profit and we have begun to make Northgate's workshop network available to FTL's customer base. We have also begun to introduce our ability to manage all fleets to our sales and tendering process. Whilst tangible results are small in this period, we remain optimistic about the opportunities for this addition to our product offering.

UK customers by sector



Interim Results
Six months ended 31 October 2006

Nothing very specific to report on customer mix in that it is not materially different to July 2006. As we show here, a wide spread across a number of industry sectors. Construction and support services are the biggest sectors, with distribution the third, and together accounting for 51% of the customer base.

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Current strategic priorities

- Maximise benefits of restructuring
- Development of fleet management business
- Further acquisition opportunities in a fragmented market

Interim Results
Six months ended 31 October 2006

We are in a good position now. The last business to be restructured was completed before Christmas so our 20 operating hire companies are in place. As a result, they can now begin to settle down and we can focus on realising the benefits.

One area already apparent is better utilisation as the average fleets are now greater than before.

Improvements in efficiency and productivity will be driven through as well as a more consistent service offering across the Group to the larger clients.

Progress in Fleet Technique, although modest, has been made. There are two main lines of attack. Firstly, we can use the Northgate workshop network (now over 60 in the UK) to offer maintenance facilities to FTL's existing customer base. Secondly, it gives our sales team more opportunity to access the owned fleet market to increase, over the longer term, our penetration of Norflex. At the same time, we will continue to develop FTL's own customer base to increase vehicles under management.

As well as continuing to grow organically, opportunities to make further acquisitions remain in what is still a fragmented industry. This will enable us to further exploit the benefits of our depot network.

I will now hand you over to Ged to take you through the financials in a bit more detail.

Gerard Murray

Group Finance Director

Good morning everybody.

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Financial summary

Pre amortisation

	2006	2005	Change
Profit before tax (£m)	39.7	28.7	38%
Profit from operations (£m)			
– UK	36.8	29.9	23%
– Spain	18.3	7.7	136%
– Spain (Record associate)	-	1.2	-
Interest cover	3.5x	3.7x	
Gearing	306%	210%	
Dividend per share	10.0p	9.0p	11%

Interim Results
Six months ended 31 October 2006

In the next few slides I will try to highlight the underlying performance of the Group in the six months to October 2006. The main impacts during this period being the consolidation of the AVR acquisition in the UK and the Record acquisition in Spain.

The Group's profit before tax and amortisation has increased by 38%. The distribution of this increase is shown in the profit from operations whereby the UK has improved by 23% and Spain by 136%. Clearly the acquisitions that I mentioned earlier have driven much of this growth.

The leverage of the Group increased following the acquisition of Record in May 2006. This was forecast to be the case this time last year when gearing was predicted to be between 300% and 335% post the purchase of Record. This explains why the current period gearing is at 306% but interest cover has remained strong at 3.5 times compared to 3.7 times in 2005.

The Directors are pleased with progress to date and have therefore recommended an 11% increase in the interim dividend to 10p per share.

Profit before tax and amortisation

	2006 £000	2005 £000	Change
Profit before tax	37,774	28,291	34%
Amortisation	1,969	374	
	39,743	28,665	39%
IAS 1 – Record tax	-	511	
Underlying PBT	**39,743**	**29,176**	36%

Interim Results
Six months ended 31 October 2006

As we normally do, we have set out in the next few slides a review of the Group's published results against its underlying profits.

The first item to consider is the intangible amortisation change that is very dependent upon the assumptions used to calculate the value of intangibles and goodwill and also on the amortisation periods selected. The amounts for the Group for the six months period are £2m (2006) and £0.4m (2005).

Adjusting for this item means that the Group's PBT has increased by 39% but it should be noted that the 2005 profit before tax under IAS 1 is stated after its share of Record's taxation of £0.5m. Reclassifying this tax charge to the tax line for 2005 means that the underlying PBT for the Group in 2005 was £29.2m and hence the current year increase over the prior year is 36%.

In the slides that follow I am going to use this underlying PBT value in the segmental analysis so as to avoid having to add any amounts back on each slide.

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Profit from operations - Group

Pre amortisation

	UK £m	Spain £m	Total £m
Profit from operations	36.8	18.3	**55.1**
Finance costs (net)	(9.9)	(5.5)	**(15.4)**
Underlying PBT	**26.9**	**12.8**	**39.7**

Interim Results
Six months ended 31 October 2006

The first segmental analysis is to analyse the generation of the PBT between the UK and Spain. Profit from operations was £36.8m from the UK and £18.3m from Spain giving a Group profit from operations of £55.1m. Thus the UK is generating 67% of the Group's profit from operations and Spain 33%.

Profit from operations- UK

Pre amortisation

	FTL £m	Vehicle Rental £m	Total £m
Revenue	6.8	170.6	**177.4**
Profit from operations	0.4	36.4	**36.8**
Operating margin	5.4%	21.4%	**20.8%**

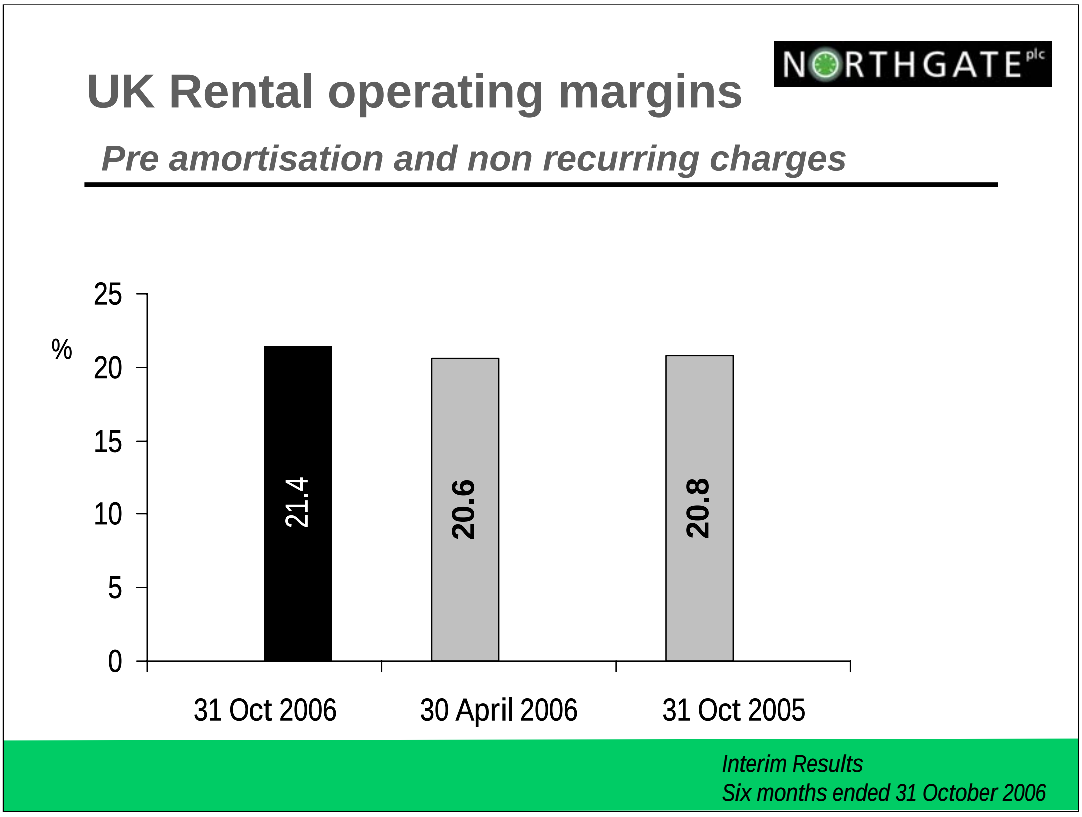
Interim Results
Six months ended 31 October 2006

Looking at the UK in more detail there were two acquisitions towards the end of the last financial year being FTL, a fleet management company, at the end of January 2006 and AVR on 3 February 2006.

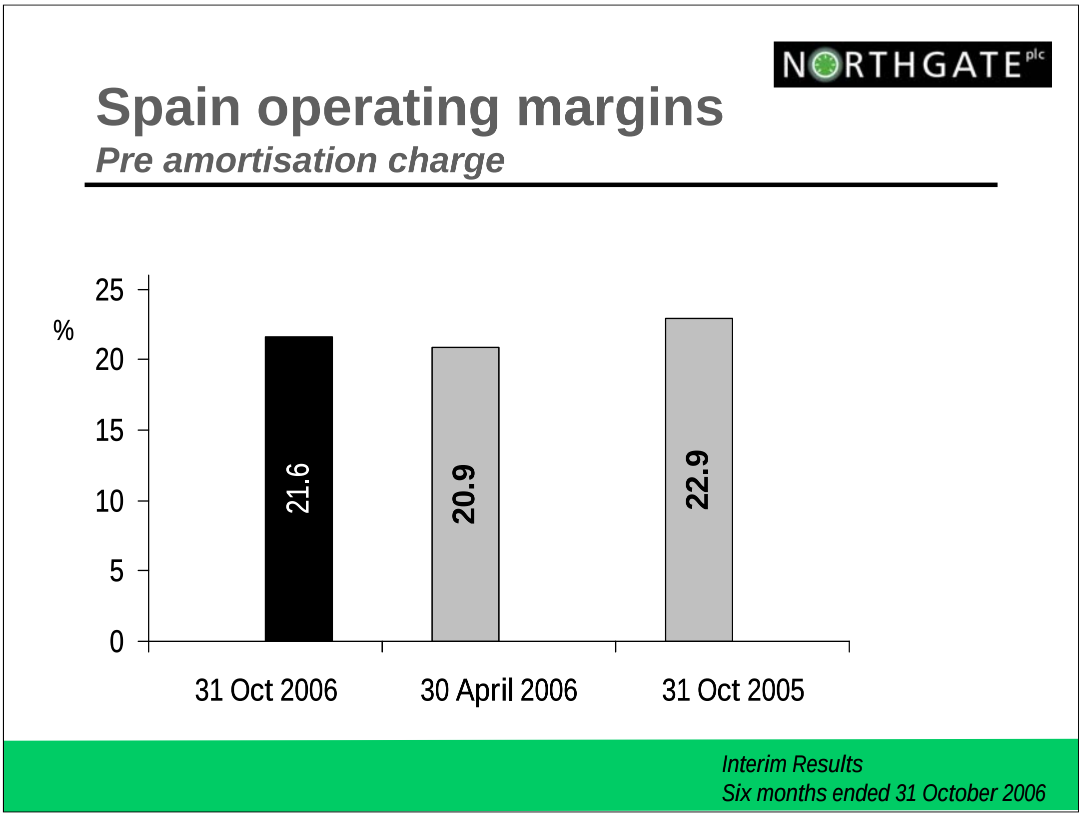
FTL is a lower margin business than the Group's core business of vehicle rental. The margin generated of 5.4% for the six month period is slightly ahead of the 3.6% margin achieved during its first three months of ownership. As has already been mentioned, progress in obtaining the expected benefits of this acquisition during this period have been modest but we are confident of progress in the future.

This lower margin from FTL does dilute the overall operating margin of the UK. Consequently we have segmented the revenue and profit from operations that the UK Rental business generates from the revenues and profits generated by fleet management.

This shows that whilst the UK has a blended margin of 20.8% the UK Rental margin is 21.4%.



Under IFRS the UK Rental margin of 21.4% shows an improvement of 0.6% over the prior period and 0.8% against the financial year ended 30 April 2006. This margin improvement has been achieved despite a fall in average hire rate of c3% and is derived from the operational gearing benefits from the AVR acquisition and efficiencies from the UK restructuring. The margin is stated after incurring c£0.5m of transactional costs associated with the UK restructuring.



Turning now to look at Spain on the same basis. The difficulty in making a meaningful comparison is that the current year represents the enlarged business but the prior year is Fualsa only.

As expected, the overall operating margin for the Spanish business has improved since the end of the last financial year because of the inclusion of Record who achieve a slightly higher margin than Fualsa. The operating margin for Fualsa in the prior period was 22.9% in a period when residual values were strong. In the second half of the prior financial year this margin fell to just over 19% as residual values were weaker, some planned investment in infrastructure was made and capacity issues were experienced for vehicle maintenance. The margin of 21.6% for the current period therefore represents satisfactory progress within the Spanish business as a whole. The next meaningful opportunity to improve margins will occur after the operating companies are on common IT platforms so that back office synergies can be obtained. This is scheduled for the second half of calendar year 2007.

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Group financial issues

- Residual values
- Bad debts
- Treasury – interest costs
- Treasury – financing

Interim Results
Six months ended 31 October 2006

As is normal, I will conclude with a review of some financial issues affecting the Group – being residual values, bad debts and treasury.

The UK residual values have already been touched upon by Phil so there is nothing more to add here.

In Spain the IAS 16 adjustment is £1m credit to depreciation for the current and prior periods – although the volumes increased. As Steve has already covered, the residual market in 2006 was weaker than 2005 but is at a similar level to that being achieved in the last quarter of the last financial year.

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Bad debt

- Historically 0.4% - 1% of Group revenue

Current year under IFRS:

	2006	2005
% of Revenue		
- UK	0.9	0.8
- Spain	0.9	0.8

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Moving on to bad debts – where there is nothing remarkable to report. We measure the bad debt experience as a percentage of revenue.

The historic range of 0.4% - 1.0% of revenue is achieved by both the UK and Spain. The UK percentage has increased slightly because the one area that was adversely impacted by the AVR acquisition and UK restructuring was debtors. The main impact was that the debt aged out slightly and under the Group's accounting policies this meant that a larger proportion of debt had to be provided for even though it is anticipated that the debt will be collected in the short term.

US Private Placing

- £175m of unsecured guaranteed loan notes
- Being issued December 2006 and January 2007
- Term 7 – 10 years
- Fixed coupon of 5.78%
- Pricing comparable to an A- rating

Interim Results
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Moving now to treasury issues and the strategy that has been adopted to address long term funding issues. The first objective related to the source of funding. Since we recently announced our intention to increase leverage within the business, growth would naturally require additional debt. Combining increased leverage with funding the large acquisitions of AVR and Record, planned growth in the UK and Spain and funding our anticipated move into a new jurisdiction suggested a debt requirement in excess of £1billion in the medium term.

The Group's existing bilateral facilities could absorb some of this requirement but in so doing a significant refinancing risk was being created. Alternative sources of finance were examined and we concluded that the US Private Placement market not only offered diversity in our source of funding, it also enabled us to introduce some longer term debt than the bilateral arrangements so that we now have 7 and 10 year terms on the loan notes that were issued, which totalled $335m.

The final objective of this exercise was to take advantage of the longer term funding in order to increase the level of effective interest rate hedging within the Group. Given the shape of the respective Euro and UK Sterling long-term interest rate curves we elected to swap the whole of the proceeds raised into UK Sterling raising £175m of additional funding. The majority of the funding was received in December with the final $50m loan note to be issued on 17 January 2007. The US coupon agreed with investors was comparable to a public bond issued by Ryder, with a credit rating of A-, in October 2006. The UK Sterling coupon payable on the loan notes is fixed at an average rate of 5.78% which compares favourably with the Group's variable rate funding.

Group facilities

Including loan notes

	£m	%
Loan notes	175	18
Bank loan facilities	755	77
Record & Fualsa residual facilities	52	5
	982	**100**
Net debt at 31 October 2006	726	

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Having completed the exercise we can look at the Group's overall facilities against the net debt at 31 October 2006 on a pro forma basis. The loan notes with terms of between 7 and 10 years make up 18% of the Group's facilities, the bilateral facilities that mature in three years time represent 77%. The final 5% comprises residual funding lines provided to Fualsa and Record through Spanish banks. It is expected that the vast majority of these will be discontinued within the next 12 months.

Thus the Group has funding capacity of over £250m as at 31 October 2006. The recent US Private Placement has introduced the Company to a new source of funding which it may choose to utilise again as part of its long term funding strategy.

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Interest rate hedging

Pro forma 31 October 2006

	%	£m	Rate %
Loan notes fixed rate debt		175	5.78
Sterling fixed rate debt		85	5.80
Euro fixed rate debt		100	2.80
Total fixed rate debt	50	360	-
Floating debt	50	366	-
Total debt	**100**	**726**	

Other hedges to a value of £115m (16% of net debt) are in place

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Looking now at the Group's hedging we can see that by looking at the 31 October 2006 assuming the loan notes had been in issue at this date that the Group's effective hedges would represent 50% of its net debt at that date with maturities extending to between 7 and 10 years. The distribution of the hedging instruments is very much weighted towards the Group sterling debt. With the recent increases in the Euribor official rate relative to long term fixed rates we believe that during the next 12 months we will have the opportunity to increase our Euro hedges so that the total proportion of net debt covered by effective hedges moves towards 70%. This excludes existing sterling collars covering £115m of debt which we consider to be only partially effective.

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Cash flow

Cash flow items	UK		Spain		Total	
	No.	£000	No.	£000	No.	£000
Vehicle purchases	11,900	116,358	10,600	89,075	22,500	205,433
Vehicle sales	11,400	62,894	6,300	28,697	17,700	91,591
Fleet depreciation		63,944		32,099		96,043
Other depreciation		1,489		490		1,979

Interim Results
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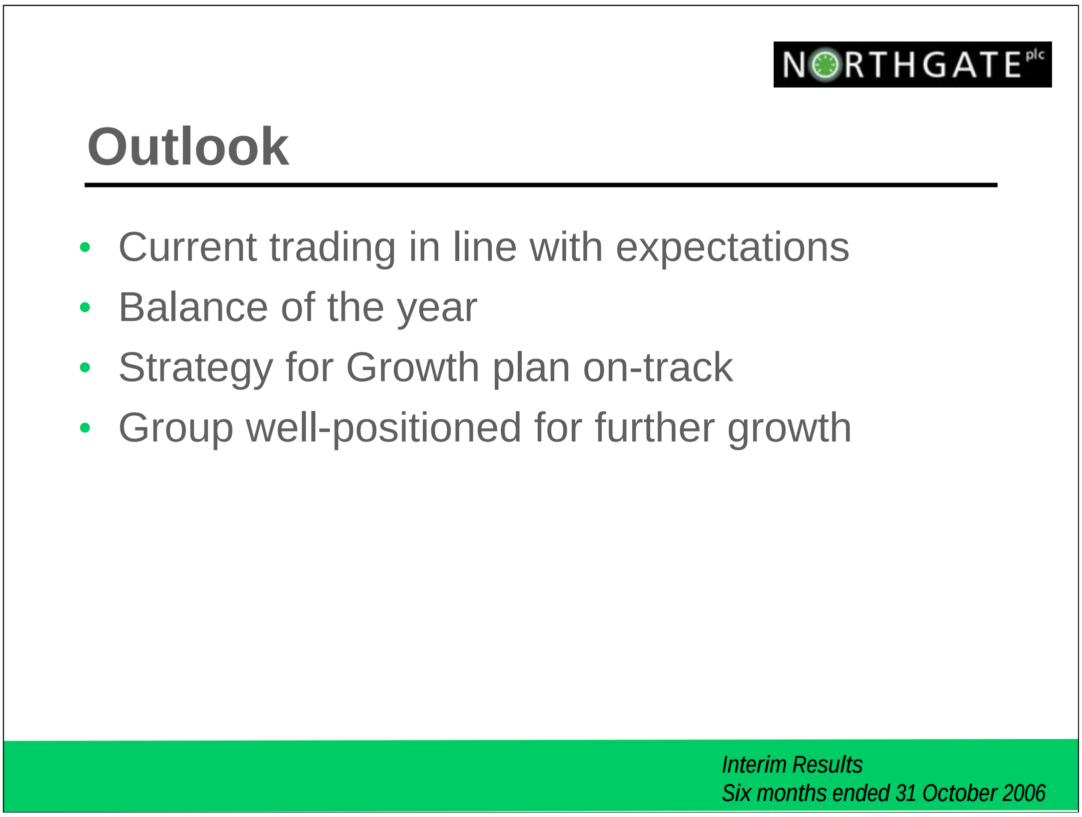
The final slide relates to the cash flow of the Group. As usual I have set out the vehicle purchases, disposals and depreciation charges associated with the UK and Spain to assist you with your models.



Thank you Ged

So, in conclusion, we are on track to achieve our key targets for the year.

For the year ahead, our priorities in the UK are to achieve the savings we expect from the recent streamlining process, to grow the business organically, and by acquisition, if appropriate opportunities present themselves, and to develop our fleet management business. In Spain, we need to successfully merge the two businesses whilst continuing to grow organically at the planned level of 15%.

The recent debt restructuring through the Private Placing leaves us well positioned for future growth along with reducing our exposure to any further increases in interest rates.

Our final objective for the year ahead is to source an acquisition in a new territory. We have assigned additional resource to this project and are beginning to assimilate targets that we can approach. We will keep you advised of our progress, but would not anticipate an acquisition being made until the back end of this year at the earliest.

Thank you for your attention. We would now be pleased to take any questions you may have.

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