

Northgate plc

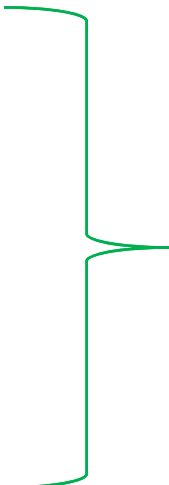
Interim Results

Six months ended 31 October 2010

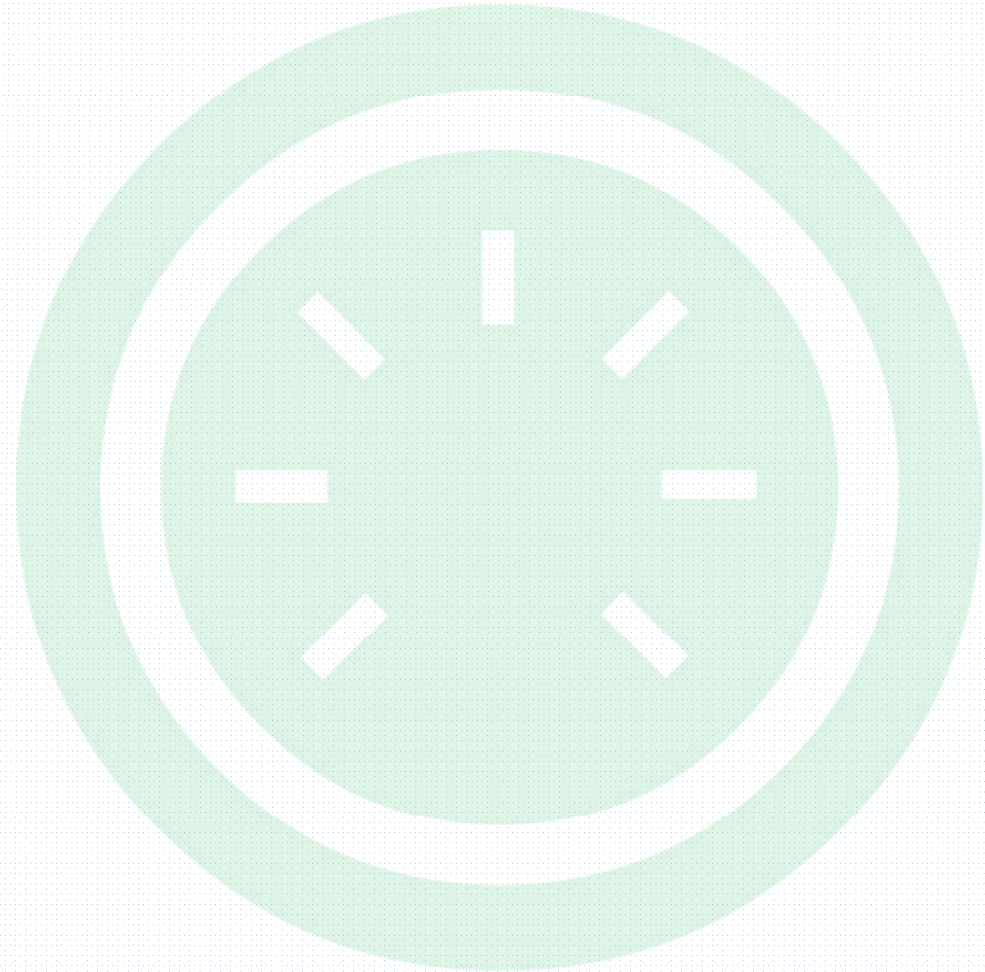
7 December 2010



Agenda

- Group Summary
 - Operational review
 - UK business
 - Spanish business
 - Financial performance
 - Outlook
- Bob Contreras
- Deborah Stevenson
- Bob Contreras
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Bob Contreras
Chief Executive



Group summary

- Performance and market environment
- UK restructuring
- Spain



UK operational highlights

- Utilisation at 92% average for H1
- Hire rate increase of 2% compared to H1 2009
- Used vehicle residual market pricing improvement sustained
- Competitive landscape
- Restructuring of UK business continues

UK restructuring

- Business now trades under one brand and 11 areas in the UK (plus Ireland)
- New IT system and processes implemented in five areas and central operations
- Additional focus on:
 - Workshop improvement
 - Driver logistics planning
 - Centralised planning, administration and finance
 - The commercial sales organisation and proposition
 - Staff training and development
- £10m annualised savings from April 2011

UK priorities

- Fundamental restructuring of business
- Pricing increases
- Completion of IT roll-out
- Fleet management
- Focus on ROCE and operating efficiencies

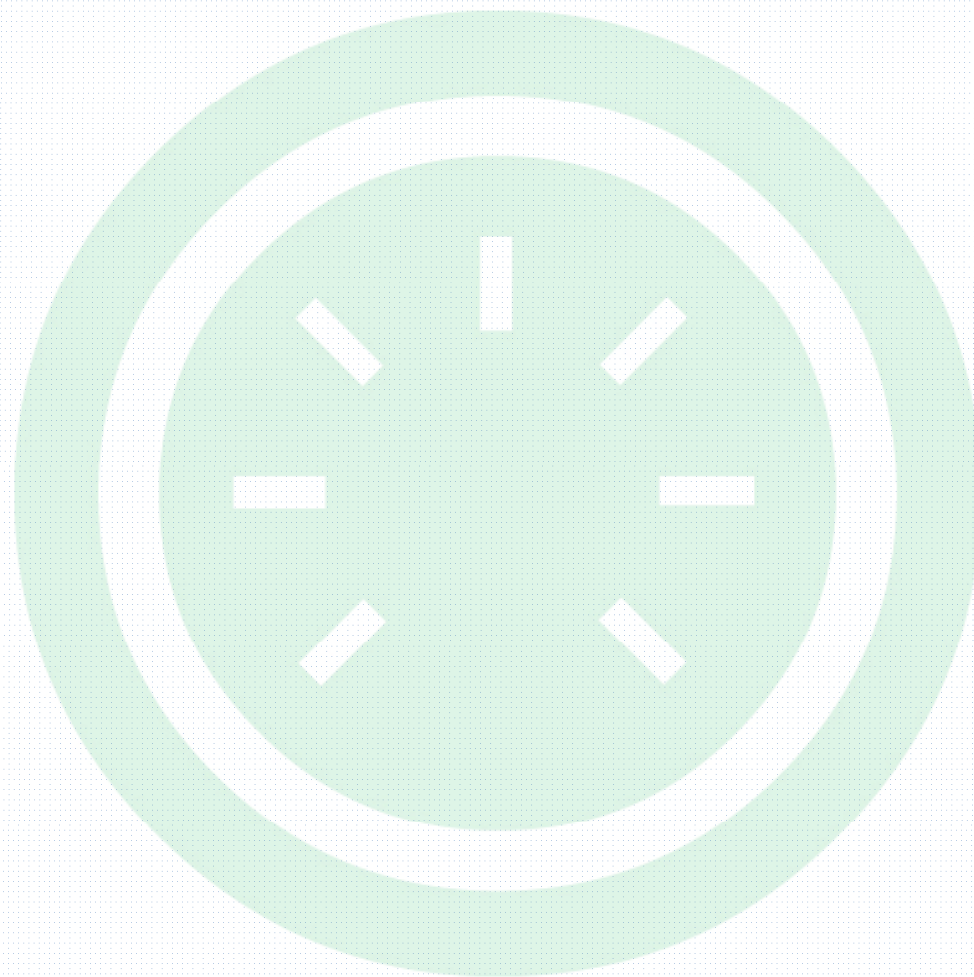
Spain operational highlights

- Achievement of utilisation targets
- Hire rate improvement
- Improvement in bad debt performance

Spain priorities

- Maintaining utilisation above 90%
- Focus on improving hire rates and ROCE
- Merger of Fualsa and Record
- Sector diversification
- Debtor management

Deborah Stevenson
CFO



Financial performance

	H1 2010	H1 2009	Change	H2 2009
Operating profit	£53.5m	£41.3m	+30%	£41.5m
Profit before tax	£27.2m	£22.0m	+24%	£14.5m
Cash interest cover	1.9 x	1.4 x		1.9 x
Operating margin	19.8%	14.3%		15.2%
Net debt	£580m	£706m	-£126m	£598m
Gearing	188%	267%	-79%	213%
Net assets per share	232.0p	199.1p		
ROCE	10.0%	5.9%	+4.1%	8.4%

Operating profit reconciliation

	UK	Spain	Head Office	Total
	£m	£m	£m	£m
2009 (H1) Operating profit	26.7	17.3	(2.7)	41.3
2010 Operating profit	38.5	17.1	(2.1)	53.5
Variance	11.8	(0.2)	0.6	12.2
<i>Variances:</i>				
- Disposal values	9.0	3.0	-	12.0
- Rental performance	2.7	(6.7)	-	(4.0)
- Overheads	0.1	3.5	0.6	4.2

Operating profit reconciliation

	UK	Spain	Head Office	Total
	£m	£m	£m	£m
2009 (H2) Operating profit	32.3	12.7	(3.5)	41.5
2010 Operating profit	38.5	17.1	(2.1)	53.5
Variance	6.2	4.4	1.4	12.0
<i>Variances:</i>				
- Disposal values	1.3	0.3	-	1.6
- Rental performance	2.4	2.7	-	5.1
- Overheads	2.5	1.4	1.4	5.3

Exceptional items

	2010 £m	2009 £m
Restructuring costs	6.1	1.4
Property write downs	1.8	-
Net property profit	(0.2)	(0.3)
Exceptional administrative expenses	7.7	1.1
Exceptional write down of intangibles	5.9	-
Covenant deferral fees	-	2.2
Old facility fees	-	4.2
Make whole on US loan notes	-	6.1
Exceptional interest expense	-	12.5
Total exceptional items	13.6	13.6

Cash flow and net debt

	£m
Opening net debt 1 May 2010	598
Cash flow	(27)
Non-cash movements	9
Closing net debt 31 October 2010	580
Facilities headroom (see Appendix)	171

Outlook

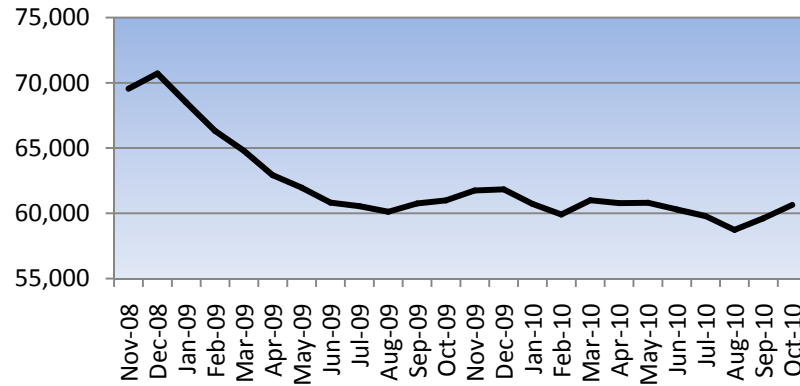


UK KPIs

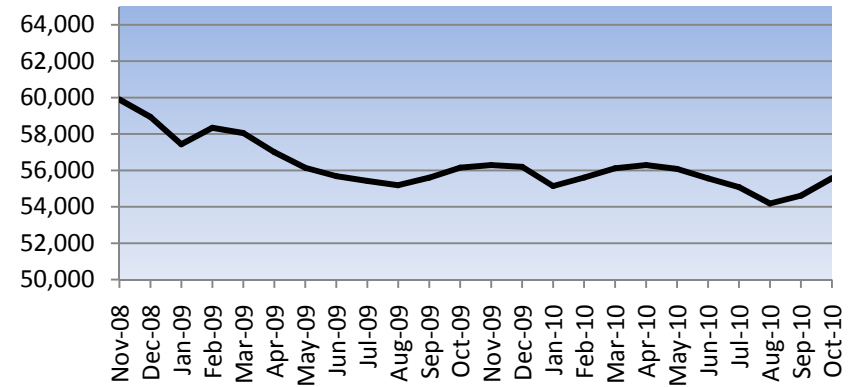
	2010	H1 2009	H2 2009
Fleet size (closing)	60,700	61,000	60,900
Utilisation (average)	92%	91%	91%
Closing vehicles on hire	55,600	56,200	56,200
Revenue per vehicle p.a.	£5,274	£5,116	£5,121
Operating margin	23.2%	16.1%	19.8%
Headcount	2,057	2,162	2,122

UK KPI performance

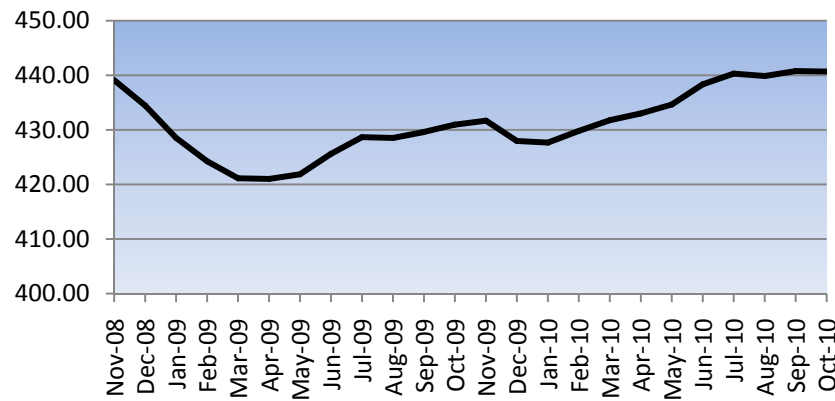
Closing Fleet Size



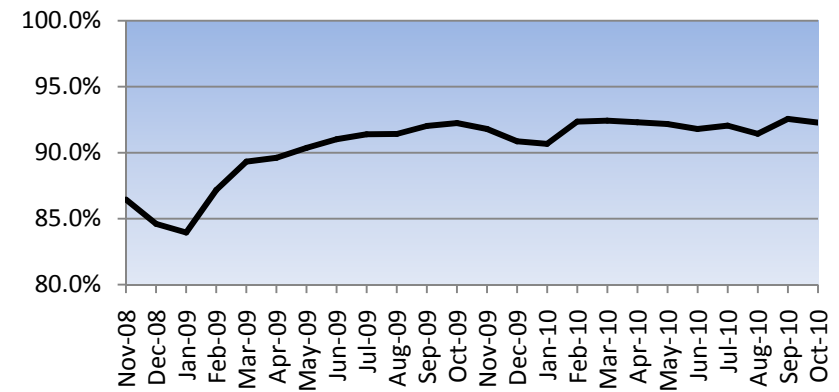
Vehicles on rent



Average monthly rate



Utilisation

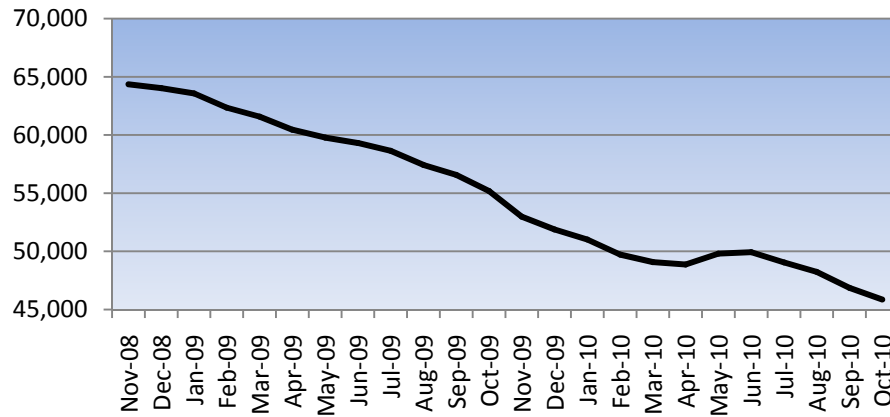


Spain KPIs

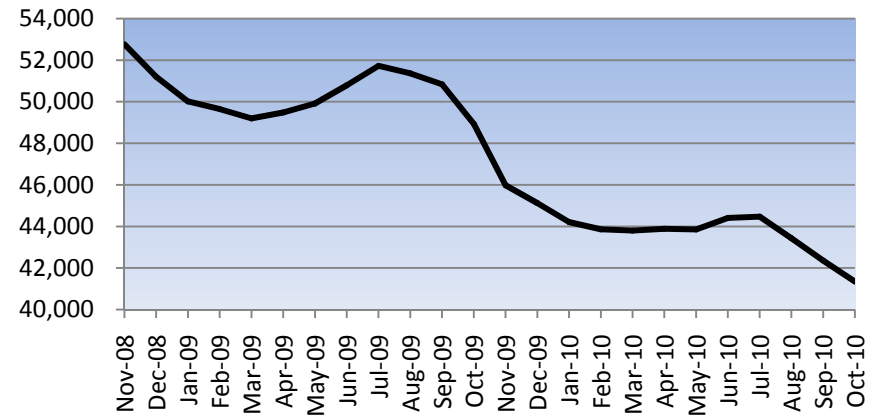
	2010	H1 2009	H2 2009
Fleet size (closing)	45,900	55,200	48,900
Utilisation (average)	90%	88%	88%
Closing vehicles on hire	41,100	48,100	44,000
Revenue per vehicle p.a.	€5,147	€4,854	€4,982
Operating margin	16.4%	14.0%	11.3%

Spain KPI performance

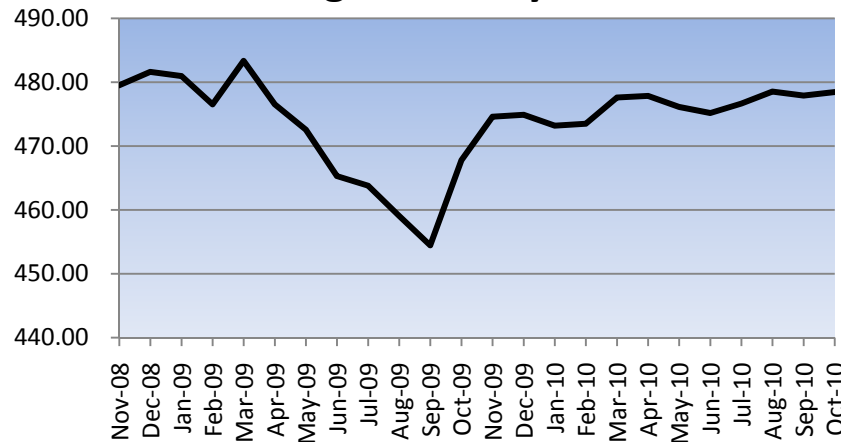
Closing Fleet Size



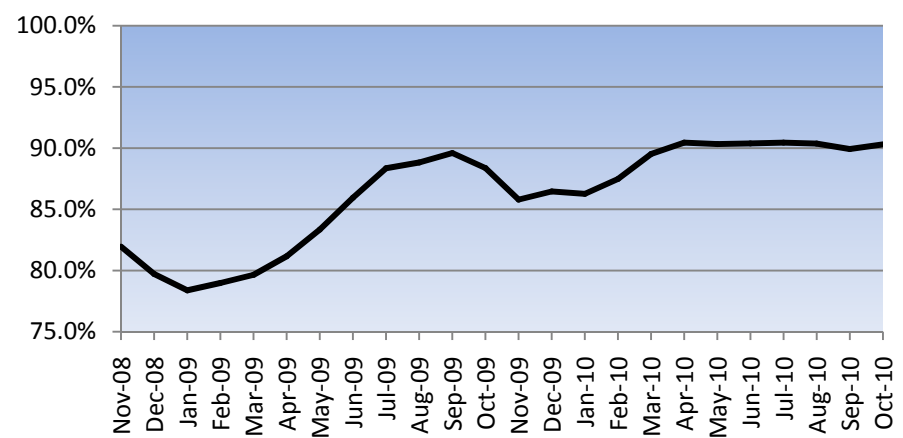
Average vehicles on rent



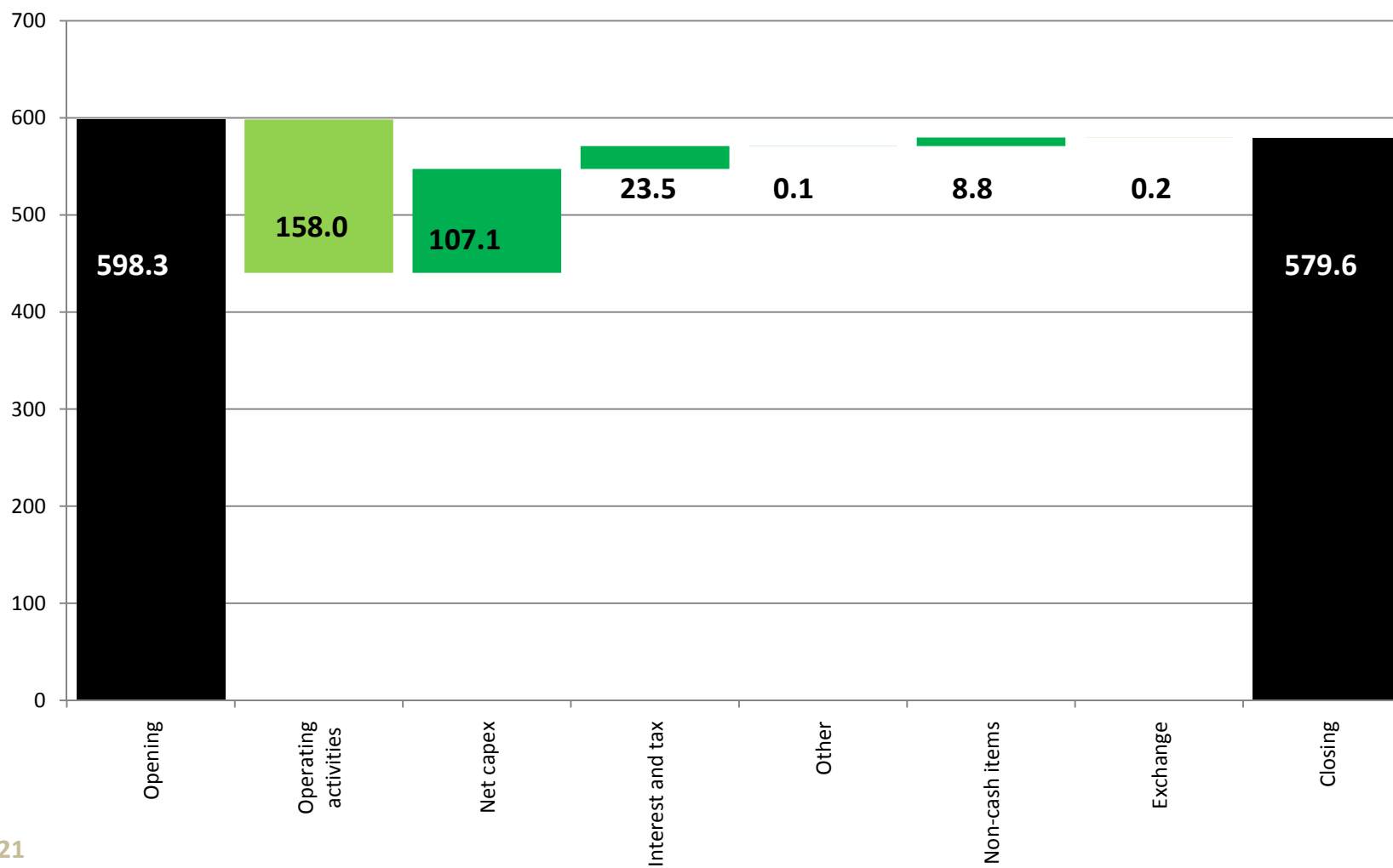
Average monthly rate



Utilisation



Operating cash flows



Group fleet capital expenditure

		2010	H1 2009	H2 2009
		£m	£m	£m
Purchases	UK	116.6	103.2	107.4
	Spain	73.8	35.0	63.9
Disposals	UK	(52.4)	(52.3)	(59.8)
	Spain	(38.4)	(30.0)	(40.7)
Net fleet capex*		99.5	55.9	70.8
Vehicles				
Purchases	UK	10,500	9,400	9,350
	Spain	7,400	3,200	5,900
		17,900	12,600	15,250
Disposals	UK	(10,700)	(12,400)	(10,300)
	Spain	(9,500)	(8,400)	(11,400)
		(2,300)	(8,200)	(6,450)

Facilities headroom

£m	October 2010	April 2010
Syndicated bank facilities	564	638
US loan notes	193	213
Other facilities	16	14
	773	865
Closing net debt	580	598
Unamortised arrangement fees	22	27
	602	625
Headroom	171	240

Cost of borrowing

£m	October 2010	Rate
Fixed rate borrowings		
US loan notes	193	8.7%
Bank borrowings	324	5.6%
	517	6.8%
Floating rate bank borrowings	85	4.8%
Arrangement fees	(22)	-
Net debt	580	6.5%

Financial covenants

	October 2010	April 2010
1) EBIT : Interest		
Actual	1.74 x	1.42 x
Covenant	1.28 x	1.21 x
2) Net debt/EBITDA		
Actual	1.98x	2.15 x
Covenant	2.47 x	2.46 x
3) Net tangible worth		
Actual	£314.0m	£291.6m
Covenant	£248.6m	£240.0m
4) Loan to value		
Actual	64%	72%
Covenant	85%	85%