11 December 2007

NORTHGATE PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2007

Northgate plc ("Northgate", the "Company" or the "Group"), the UK and Spain's leading specialist in light commercial vehicle hire, announces its interim results for the half-year ended 31 October 2007.

Highlights:

- Group revenue up by 6.4% to £278.9m (2006 – £262.1m).
- Profit before tax up 16% to £43.9m (2006 – £37.8m).
- Underlying profit before tax* up by 13% to £44.2m (2006 – £39.1m).
- Basic earnings per share up by 27% to 47.3p (2006 – 37.1p).
- Interim dividend increased by 15% to 11.5p (2006 – 10p).
- Fleet size of 65,800 vehicles (2006 – 65,300) in the UK and 59,500 vehicles (2006 – 51,000) in Spain.
- Operating margin* increased to 22.6% (2006 – 21.2%) in the UK and to 22.9% (2006 – 21.2%) in Spain.
- Utilisation of 91% in the UK and 90% in Spain.
- New bank facility and further issuance of unsecured loan notes provides significant headroom for further expansion.

* Stated before intangible amortisation of £1.8m (2006 – £1.9m) and non-recurring property profits of £1.5m (2006 – £0.6m).

Philip Rogerson, Chairman, commented on current trading and profits:

"Trading in both the UK and Spain is in line with our expectations and the Board remains confident of a satisfactory outcome for the full financial year."

Full statement and results attached.

For further information, please contact:

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Notes to Editors:

Northgate plc rents light commercial vehicles and sells a range of fleet products to businesses via a network of hire companies. Their NORFLEX product gives businesses access to a flexible method to acquire as many commercial vehicles as they require.

Further information regarding Northgate plc can be found on the Company's website:

http://www.northgateplc.com

Chairman's Statement

We are now half way through the first three years of the rolling strategic plan announced in January 2006, the overall aim of which is to continue to deliver annual double-digit earnings growth. This continues to be achieved with earnings per share growth of 27% for the six months, following a 24% increase in the last financial year. This increase reflects growth in profit before tax of 16% and a reduction in the Group's effective rate of corporation tax to 23% (2006 – 30%).

In the UK, we have seen the benefits of the restructuring of the business carried out in the last financial year, along with a continued good level of utilisation, a stable hire rate environment and a buoyant used vehicle market. The combination of these factors has enabled us to improve our UK rental operating margin to 22.6% (2006 – 21.2%).

The purchase of 100% of the equity of Hampsons (Self Drive Hire) Limited ("Hampsons") on 1 November 2007 for an estimated consideration of £9.8m plus acquired debt of £7.7m, is in line with our strategy of growth through selective acquisitions. Hampsons is based in Newark and operates a fleet of 1,600 vehicles from nine locations. The Hampsons business is well managed with a good reputation for service and will be retained as a separate brand within our enlarged network.

In Spain, the benefits of further fleet growth coupled with the economies of scale, particularly in purchasing have improved the operating margin to 22.9% (2006 – 21.2%). On 18 July 2007, we made our first bolt-on acquisition in Spain with the purchase of the trade and assets of Alquiservicios SA, a business based in Orense with a fleet of 700 vehicles. The acquisition, which has been absorbed into Record, gives us improved representation in the north-west of Spain along with one new location. It also helps to diversify the customer base.

The Group's financial results for the six months to 31 October 2007 are summarised as follows:

- Vehicle rental and associated revenue up by 6% to £278.9m (2006 – £262.1m).
- Underlying profit before tax* up by 13% to £44.2m (2006 – £39.1m).

- Basic earnings per share up by 27% to 47.3p (2006 – 37.1p) reflecting the growth in profit before tax and a reduced tax rate.

  *Stated before intangible amortisation of £1.8m (2006 – £1.9m) and non-recurring property profits of £1.5m (2006 – £0.6m).

Looking to the future the Group has renewed and extended its banking facilities and issued further unsecured loan notes in the Private Placement market in the USA. The Group's facilities now total £1,080m and provide significant headroom to fund the Group's growth in the medium term. The cost of the new bank facilities has been secured at a margin that is not materially different from existing debt facilities despite the current difficulties in the credit markets.

On 26 September 2007, Andrew Allner joined the Board of the Company as a Non-executive Director. Andrew has a strong financial background and has assumed the chairmanship of the Audit Committee from the date of his appointment.

On 31 December 2007, Gerard Murray will leave the Company to take up the position of Finance Director with The Vardy Group of Companies. The Board wishes him well in his new role and thanks him for his significant contribution to the continued growth and development of the Group during the last five years. The search for his replacement is well advanced and we hope to be able to announce his successor soon.

The Board has declared a 15% increase in the interim dividend to 11.5p per share (2006 – 10p), in line with its policy of progressive increases and signifying continued confidence in the Group's future prospects. This dividend is payable on 31 January 2008 to shareholders on the register at the close of business on 21 December 2007.

Current outlook

Trading in both the UK and Spain is in line with our expectations and the Board remains confident of a satisfactory outcome for the full financial year.

Results

Revenue from the UK during the six months to 31 October 2007 was broadly flat on the comparable period last year due to the average fleet size, utilisation levels and hire rates remaining in line with those of the prior period. As explained in the operational review below, the fleet size at the end of November 2007 is back in line with expectations and therefore revenues in the second half are expected to grow accordingly. The UK Rental operating margin has improved to 22.6% (2006 – 21.2%) due to the benefits arising from last year's business restructuring and the better residual values being achieved.

Revenue from Spain during the period has increased by 20% reflecting fleet growth of 17% and some modest hire rate increases. The Spanish rental margin has improved to 22.9% (2006 – 21.2%) reflecting the economies of scale, particularly in purchasing, which have more than offset a slight reduction in residual values.

	2007 £'000	2006 £'000
Revenue		
UK Rental	170,170	170,609
UK Fleet Management	7,323	6,799
Spain Rental	101,469	84,714
	278,962	**262,122**
Profit from operations		
UK Rental	38,435	36,194
UK Fleet Management	305	370
Spain Rental	23,276	17,944
Non-recurring property profit	1,498	606
Intangible amortisation	(1,807)	(1,969)
	61,707	**53,145**
Operating margins (excluding intangible amortisation and non-recurring property profits)		
UK Rental	22.6%	21.2%
UK Fleet Management	4.2%	5.4%
Spain Rental	22.9%	21.2%

There have been property disposals in both the UK and Spain that gave rise to profits of £1.5m (2006 – £0.6m) which have been classified as non-recurring.

The Group's profit before tax has been affected by the increasing cost of debt finance, particularly in respect of the Euro debt, with the European Central Bank base rate increasing by 0.75% over the prior period. The impact on Sterling debt is not material as substantially all of our UK borrowings have been hedged effectively since December 2006. Despite the increase in the cost of debt finance, interest cover remains healthy at 3.5 times (2006 – 3.5 times).

We have increased the proportion of net debt at fixed rates from 53% on 1 May 2007 to 66% at 31 October 2007. Sterling debt, which represents 28% of the total, is 100% fixed with an average fixed rate term of six years while the remaining debt, denominated in Euros, has 52% of its value fixed with an average fixed rate term of two years.

In order to ensure that we have sufficient funding to achieve both the anticipated growth levels in our existing business and to expand into new territories, we issued, on 20 November 2007, a further $62m of unsecured loan notes in the Private Placement market in the USA. In addition on 10 December 2007, we increased our bank facilities by entering into a series of three-year bilateral facilities totalling £130m with our existing banks.

Including these new bank facilities and the recent loan note issue, the Group's aggregate borrowing facilities now total £1,080m compared to net debt of £784m at 31 October 2007. The debt facilities have the following maturity profile:

Maturing:	**Amount £m**
2009	151
2010	604
2011	130
2012	30
2013	61
2016	104
	1,080

The Group's effective tax rate for the financial year is estimated to be 23% and this has been applied to the six month period ended 31 October 2007. The reduction of 7% in the tax rate compared to 31 October 2006 is substantially due to a combination of deferred taxation adjustments in the UK, the standard corporation tax rate applicable to the Spanish business being reduced to 32.5% (2006 – 35%) and the Spanish business continuing to benefit from specific tax concessions based on vehicle purchase reliefs.

Going forward, whilst the deferred taxation adjustments in the UK are not expected to recur, the UK corporation tax rate will reduce from 30% to 28% on 1 April 2008. In Spain, the main vehicle purchase relief will be phased out between now and 2011 but will be compensated in part by a further reduction in the standard corporation tax rate to 30% in the next financial year.

As a result of the above we anticipate our tax rate for future periods will be slightly higher than the 23% effective rate for this financial year.

During the period the Company acquired and cancelled 800,000 of its own Ordinary shares following volatility in the equity markets. The Board believe that these opportunistic share buy backs will not affect the Group’s ability to fund its future expansion and they are earnings enhancing for remaining shareholders.

Operational Review

UK

Following the successful integration of the Arriva Vehicle Rental ("AVR") acquisition and the restructuring of the UK business during 2006, the focus of the strategic plan moved to utilising the capacity of the Group's network and introducing fleet management products. The objectives are to increase the fleet, both organically and by selective acquisitions, while improving margins through further efficiencies.

By 31 October 2007, the UK fleet had increased to 65,800, from 65,300 vehicles on 1 May 2007. While this is below our targeted level of 5% annual growth, the shortfall arose between 1 May and the middle of August, since when we have achieved levels of growth in line with our expectations. By 30 November, the fleet had reached 68,500 vehicles, including 1,600 vehicles relating to the acquisition of Hampsons.

Currently, the Group has 21 hire companies operating from a network of 89 locations spread across the UK. The increase in locations since the start of the financial year is entirely due to the Hampsons acquisition. The only other property changes were in Manchester where we closed one location and relocated another to larger premises.

We have achieved an average utilisation rate of 91% (2006 – 91%) for the six months, maintaining the improvement achieved in the previous financial year.

Hire rates have remained stable throughout the period.

In the six months under review, we disposed of 13,800 vehicles (2006 – 11,400) from a network of nine locations. We have also continued the development of our retail and semi-retail channels to market, a process that has been assisted by the supply of good quality, clean vehicles generated by the AVR business. The proportion of vehicles being disposed of through these channels in the period increased to 19% (2006 – 16%), against our medium term target of 20%.

The used vehicle market has remained buoyant, primarily driven by the continued limited availability of new vehicles restricting supply into the used market. As a result, the higher profits on vehicle disposals are expected to continue in the short term. In accordance with our accounting policies we continue to review anticipated net book values and changes in the expected disposal values.

The combination of our improved vehicle sales performance and strong residual values gave rise to a reduction in the depreciation charge of £6.9m (2006 – £2.4m).

Our UK fleet management business, Fleet Technique Limited, has achieved an operating profit of £0.3m (2006 – £0.4m), in line with expectations. In addition, through Fleet Technique we have been able to perform service work on customers' own vehicles through our network of workshops, thereby helping to improve net operating costs. With the aim of improving our operating margin by reducing our repair costs, on 31 August 2007 we acquired a bodyshop business, GPS, located in Warwick. While we have previously carried out body repairs to our vehicles from a select number of hire companies, this is the first time we have owned a stand-alone centre, which will significantly increase our capacity. Subject to this move being successful we intend to extend our capability in this area in the medium term.

Spain

We continue to experience fleet growth in Spain in line with our expectations at 8.2% for the six months to reach a fleet of 59,500 vehicles as at 31 October 2007. Included in the growth of 4,500 vehicles are 700 arising from the acquisition of Alquiservicios SA referred to above.

Utilisation levels are in line with the previous year at 90% (2006 – 90%) and we continue to achieve a modest improvement in hire rates of between 1% and 2%.

During the period under review, we have disposed of 6,600 vehicles (2006 – 6,300). As the used vehicle market has remained relatively stable, we have continued to achieve profits on disposal which, in accordance with our accounting policies, have been adjusted against vehicle depreciation. The reduction in the depreciation charge for the period was £0.18m (2006 – £0.96m).

The ability to continue to dispose of our used vehicles efficiently becomes increasingly important as the fleet continues to grow. We are therefore in the process of putting in place a new structure for used vehicle disposals, with the aim of replicating our capability in the UK in the medium term.

With the exception of the Alquiservicios SA location, the number of branches has not changed in the period. We have, however, extended the facilities at some branches in order to allow for further expansion of their fleets.

Included in the improvement in operating margins are the full benefits derived from combining the purchasing power of the two businesses. The remaining integration synergies will become available when the common IT platform is achieved at the end of this financial year.

Since our first investment in Spain in July 2002 we have recognised the need to reduce our dependency on the construction sector and have actively pursued business in other sectors. The proportion of our customer base engaged in construction at 31 October 2007 is the same as at 30 April 2007 at 47% - the vast majority of which is related to infrastructure projects. Some of the larger construction companies are also engaged in other non-construction activities such as facilities management.

Other territories

Our strategic plan envisaged expansion into a new territory by the end of calendar year 2008. We continue to hold discussions with a number of target companies and potential partners and remain optimistic that we will be in a position to move forward with one of these opportunities before the end of the current financial year.

The businesses currently being targeted are from both the more mature European markets as well as from countries new to the European Union. As previously indicated, we expect the size of any transaction to be smaller than our initial investment in Spain.

Risks and Uncertainties

The operation of a public company involves a number of risks and uncertainties across a range of commercial, operational and financial areas. The principal risks and uncertainties that have been identified as being capable of impacting the Group's performance over the next six months of this financial year are set out below:

Vehicle Holding Costs

We aim to minimise the whole life holding cost of the vehicles in our fleet. An increase in new pricing or a reduction in the disposal values of vehicles being sold would increase our holding cost. Were we not able to recover any such increases from our customers, this would impact on our profitability. We manage the risk on new pricing by using our significant purchasing power to negotiate, before the end of the calendar year, fixed supply terms for the year ahead. As regards disposal values our business model allows us flexibility over the period we hold a vehicle, and therefore, in the event of a decline in residual values, we would mitigate the impact by ageing out our fleet.

Customers

The Spanish business generates 47% of its revenues from customers participating in construction. Whilst the vast majority of these customers are focused on infrastructure projects funded by central government and EU funds with reasonable forward visibility, if there was a significant downturn in demand, vehicles could be returned. Our initial response to such an event would be to seek to place these vehicles with customers in other sectors. Were the downturn to be more widespread, we would look to maintain utilisation at 90% through a combination of a decrease, or cessation, of vehicle purchases and an increase in vehicle disposals.

Hire Rates

The business model is operationally geared and any increase or decrease in hire rates will impact in full on the profit being achieved.

In the UK the business has previously experienced pressure on hire rates particularly during 2005. Since the beginning of 2006 hire rates in the UK have been stable.

Spanish hire rates have reflected a moderate increase year on year for the past few years, reflecting the inflationary nature of the Spanish economy.

Condensed Consolidated Income Statement
for the six months ended 31 October 2007

	Notes	Six months to 31.10.07 (Unaudited) £000	Six months to 31.10.06 (Unaudited) £000	Year to 30.4.07 (Audited) £000
Revenue	2	**278,962**	262,122	526,465
Cost of sales		**(186,428)**	(177,102)	(345,450)
Gross profit		**92,534**	**85,020**	**181,015**
Administrative expenses (excluding amortisation)		**(29,020)**	(29,906)	(70,037)
Amortisation		**(1,807)**	(1,969)	(3,922)
Total administrative expenses		**(30,827)**	(31,875)	(73,959)
Profit from operations	2	**61,707**	**53,145**	**107,056**
Investment income		**2,079**	1,072	3,764
Finance costs		**(19,923)**	(16,443)	(35,452)
Profit before taxation		**43,863**	**37,774**	**75,368**
Taxation	3	**(10,045)**	(11,200)	(20,885)
Profit for the period		**33,818**	**26,574**	**54,483**

Profit for the period is wholly attributable to equity holders of the parent Company.
All results arise from continuing operations.

Basic earnings per Ordinary share	4	**47.3p**	**37.1p**	**76.1p**
Diluted earnings per Ordinary share	4	**47.1p**	**37.0p**	**75.8p**

Condensed Consolidated Statement of Recognised Income and Expense

for the six months ended 31 October 2007

	Six months to 31.10.07 (Unaudited)	Six months to 31.10.06 (Unaudited)	Year to 30.4.07 (Audited)
	£000	£000	£000
Amounts attributable to equity holders of the parent Company			
Foreign exchange differences on retranslation of net assets of subsidiary undertakings	**4,115**	(2,281)	(1,756)
Foreign exchange differences on revaluation reserve	**24**	(11)	(11)
Net foreign exchange differences on long term borrowings held as hedges	**(3,985)**	1,875	1,425
Other foreign exchange differences recognised directly in equity	-	-	628
Net fair value (losses) gains on cash flow hedges	**(1,001)**	435	4,471
Share options fair value amount credited (charged) directly to equity	**159**	(202)	(75)
Net current tax credit recognised directly in equity	-	-	1,084
Net deferred tax credit (charge) recognised directly in equity	**300**	(159)	(2,616)
Actuarial gains (losses) on defined benefit pension scheme	**1**	(112)	445
Net (expense) income recognised directly in equity	**(387)**	**(455)**	**3,595**
Profit attributable to equity holders	**33,818**	26,574	54,483
Total recognised income and expense for the period	**33,431**	**26,119**	**58,078**

Condensed Consolidated Balance Sheet

31 October 2007

	31.10.07 (Unaudited)	31.10.06 (Unaudited)	30.4.07 (Audited)
	£000	£000	£000
Non-current assets			
Goodwill	**76,647**	72,247	75,120
Other intangible assets	**26,361**	28,288	26,804
Property, plant and equipment: vehicles for hire	**903,454**	812,753	860,052
Other property, plant and equipment	**70,635**	65,039	68,160
Total property, plant and equipment	**974,089**	877,792	928,212
	1,077,097	**978,327**	**1,030,136**
Current assets			
Inventories	**9,369**	8,065	8,709
Trade and other receivables	**197,723**	164,144	176,760
Cash and cash equivalents	**46,627**	12,231	35,039
	253,719	**184,440**	**220,508**
Non-current assets held for sale	**25,694**	18,110	21,941
TOTAL ASSETS	**1,356,510**	**1,180,877**	**1,272,585**
Current liabilities			
Trade and other payables	**98,217**	53,869	68,570
Tax liabilities	**11,684**	21,324	11,973
Short term borrowings	**45,474**	131,829	20,340
	155,375	**207,022**	**100,883**
Non-current liabilities			
Long term borrowings	**785,679**	606,496	770,022
Deferred tax liabilities	**41,583**	28,034	38,694
Retirement benefit obligation	**452**	1,429	555
	827,714	**635,959**	**809,271**
TOTAL LIABILITIES	**983,089**	**842,981**	**910,154**
NET ASSETS	**373,421**	**337,896**	**362,431**
Equity			
Share capital	**3,525**	3,555	3,560
Share premium account	**67,744**	66,746	67,230
Capital redemption reserve	**40**	-	-
Revaluation reserve	**1,067**	1,043	1,043
Merger reserve	**67,463**	67,463	67,463
Own shares reserve	**(8,294)**	(3,755)	(4,572)
Hedging reserve	**4,498**	3,391	5,199
Translation reserve	**2,054**	1,221	1,924
Retained earnings	**235,324**	198,232	220,584
TOTAL EQUITY	**373,421**	**337,896**	**362,431**

Total equity is wholly attributable to equity holders of the parent Company.

Condensed Consolidated Cash Flow Statement
for the six months ended 31 October 2007

	Notes	Six months to 31.10.07 (Unaudited) £000	Six months to 31.10.06 (Unaudited) £000	Year to 30.4.07 (Audited) £000
Net cash from operating activities	**6(a)**	**129,380**	**104,582**	**224,765**
Investing activities				
Interest received		**2,112**	744	3,145
Proceeds from disposal of vehicles for hire		**100,318**	91,591	188,512
Purchases of vehicles for hire		**(221,553)**	(205,433)	(437,947)
Proceeds from disposal of other property, plant and equipment		**1,865**	1,523	3,283
Purchases of other property, plant and equipment		**(4,925)**	(5,348)	(11,126)
Purchases of intangible assets		**(525)**	(741)	(1,281)
Payment of deferred consideration		**-**	(10,290)	(10,290)
Payments in respect of business combinations	**6(c)**	**(5,413)**	(49,540)	(49,340)
Net cash used in investing activities		**(128,121)**	**(177,494)**	**(315,044)**
Financing activities				
Dividends paid		**(11,019)**	(9,848)	(16,946)
Repayments of obligations under finance leases		**(12,456)**	(38,828)	(63,740)
Repayments of bank loans and other borrowings		**-**	-	(175,579)
Increase in bank loans and other borrowings		**45,531**	105,753	359,891
Proceeds from issue of share capital		**518**	1,765	2,254
Proceeds from sale of own shares		**350**	23	62
Payments to acquire own shares		**(4,073)**	(447)	(1,303)
Payments to acquire own shares for cancellation		**(8,166)**	-	-
Net cash from financing activities		**10,685**	**58,418**	**104,639**
Net increase (decrease) in cash and cash equivalents		**11,944**	(14,494)	14,360
Cash and cash equivalents at the beginning of the period		**34,467**	20,259	20,259
Effect of foreign exchange movements		**154**	(227)	(152)
Cash and cash equivalents at the end of the period	**6(b)**	**46,565**	**5,538**	**34,467**

Condensed Consolidated Statement of Changes in Equity

for the six months ended 31 October 2007

	Six months to 31.10.07 (Unaudited)	Six months to 31.10.06 (Unaudited)	Year to 30.4.07 (Audited)
	£000	£000	£000
Amounts attributable to equity holders of the parent Company			
Foreign exchange differences on retranslation of net assets of subsidiary undertakings	**4,115**	(2,281)	(1,756)
Foreign exchange differences on revaluation reserve	**24**	(11)	(11)
Net foreign exchange differences on long term borrowings held as hedges	**(3,985)**	1,875	1,425
Other foreign exchange differences recognised directly in equity	-	-	628
Net fair value (losses) gains on cash flow hedges	**(1,001)**	435	4,471
Share options fair value amount credited (charged) directly to equity	**159**	(202)	(75)
Actuarial gains (losses) on defined benefit pension scheme	**1**	(112)	445
Net current tax credit recognised directly in equity	-	-	1,084
Net deferred tax credit (charge) recognised directly in equity	**300**	(159)	(2,616)
Net (expense) income recognised directly in equity	**(387)**	**(455)**	**3,595**
Profit attributable to equity holders	**33,818**	26,574	54,483
Total recognised income and expense for the period	**33,431**	**26,119**	**58,078**
Dividends	**(11,072)**	(9,853)	(16,949)
Issue of Ordinary share capital (net of expenses)	**519**	1,765	2,254
Cancellation of Ordinary share capital	**(8,166)**	-	-
Net increase in own shares held	**(3,722)**	(424)	(1,241)
Net changes in total equity	**10,990**	**17,607**	**42,142**
Opening total equity	**362,431**	320,289	320,289
Closing total equity	**373,421**	**337,896**	**362,431**

Unaudited Notes

1. Basis of preparation and accounting policies
The interim financial information for the six months ended 31 October 2007, including comparative financial information, has been prepared on the basis of the accounting policies set out in the last annual report and accounts and in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34, as issued by the International Accounting Standards Board and adopted by the European Union.

The condensed financial statements are unaudited and were approved by the Board of Directors on 10 December 2007.

The condensed financial statements have been reviewed by the auditors and the independent review report is set out in this document.

The financial figures for the year ended 30 April 2007, as set out in this report, do not constitute statutory accounts for the purposes of Section 240 of the Companies Act 1985 but are derived from the statutory accounts for that financial year.

The statutory accounts for the year ended 30 April 2007 were prepared under IFRS and have been filed with the Registrar of Companies. They contained an unqualified audit report and did not include a statement under Section 237 (2) or (3) of the Companies Act 1985.

2. Segmental analysis

Business segments
For management purposes, the Group currently has two material business segments, which are the hire of vehicles and fleet management.

As such, the Directors consider that these are the two business segments on which the Group should report.

Geographical segments

The Group's operations are located in the United Kingdom, Republic of Ireland and Spain.

The Directors consider the United Kingdom and Republic of Ireland to be a single geographical segment on the grounds that the results and net assets of operations in the Republic of Ireland are immaterial to the Group as a whole.

	Six months to 31.10.07 (Unaudited)	Six months to 31.10.06 (Unaudited)	Year to 30.4.07 (Audited)
	£000	£000	£000
UK Hire of vehicles	**170,170**	170,609	337,370
UK Fleet management	**7,323**	6,799	13,738
UK Revenue	**177,493**	**177,408**	**351,108**
Spain Hire of vehicles	**101,469**	84,714	175,357
Total Revenue	**278,962**	**262,122**	**526,465**
UK Hire of vehicles	**38,892**	36,450	71,137
UK Fleet management	**305**	370	576
UK Amortisation	**(815)**	(1,029)	(2,035)
UK Profit from operations	**38,382**	**35,791**	**69,678**
Spain Hire of vehicles	**24,317**	18,294	39,265
Spain Amortisation	**(992)**	(940)	(1,887)
Spain Profit from operations	**23,325**	**17,354**	**37,378**
Total Profit from operations	**61,707**	**53,145**	**107,056**

3. Taxation

The charge for taxation for the six months to 31 October 2007 is based on the estimated effective rate for the year.

4. Earnings per share

	Six months to 31.10.07 (Unaudited)	Six months to 31.10.06 (Unaudited)	Year to 30.4.07 (Audited)
(a) Basic and diluted earnings per share			
The calculation of basic and diluted earnings per share is based on the following data:			
Earnings	**£000**	**£000**	**£000**
Earnings for the purposes of basic and diluted earnings per share, being net profit attributable to equity holders of the parent Company	**33,818**	**26,574**	**54,483**
Number of shares	**Number**	**Number**	**Number**
Weighted average number of Ordinary shares for the purposes of basic earnings per share	**71,442,468**	71,631,826	71,584,744
Effect of dilutive potential Ordinary shares:			
- share options	**396,185**	242,103	250,032
Weighted average number of Ordinary shares for the purposes of diluted earnings per share	**71,838,653**	71,873,929	71,834,776
Basic earnings per share	**47.3p**	**37.1p**	**76.1p**
Diluted earnings per share	**47.1p**	**37.0p**	**75.8p**
(b) Earnings per share before amortisation	**£000**	**£000**	**£000**
Earnings for the purposes of basic and diluted earnings per share (above)	**33,818**	26,574	54,483
Amortisation	**1,807**	1,427	3,922
Earnings for the purposes of basic and diluted earnings per share before amortisation	**35,625**	28,001	58,405
Basic earnings per share before amortisation	**49.9p**	**39.1p**	**81.6p**
Diluted earnings per share before amortisation	**49.6p**	**39.0p**	**81.3p**

5. Dividends

The proposed interim dividend of 11.5p per Ordinary share was approved by the Board of Directors on 10 December 2007 and has not been included as a liability as at 31 October 2007.

6. Notes to the consolidated cash flow statement

(a) Net cash from operating activities

	Six months to 31.10.07 (Unaudited) £000	Six months to 31.10.06 (Unaudited) £000	Year to 30.4.07 (Audited) £000
Profit from operations	**61,707**	53,145	107,056
Adjustments for:			
Depreciation of property, plant and equipment	**101,475**	98,022	193,885
Exchange differences	-	-	366
Amortisation of intangible assets	**1,807**	1,969	3,922
Gain on disposal of property, plant and equipment	**(1,545)**	(695)	(356)
Defined benefit pension charge (credit)	**4**	(236)	8
Share options fair value amount (charged) credited directly to equity	**159**	(202)	(75)
Operating cash flows before movements in working capital	**163,607**	**152,003**	**304,806**
(Increase) decrease in inventories	**(434)**	3,592	460
Increase in receivables	**(14,887)**	(10,401)	(16,810)
Increase (decrease) in payables	**6,891**	(13,093)	(5,838)
Cash generated by operations	**155,177**	**132,101**	**282,618**
Income taxes paid	**(5,948)**	(11,282)	(22,446)
Interest paid	**(19,849)**	(16,237)	(35,407)
Net cash from operating activities	**129,380**	**104,582**	**224,765**

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at bank, investments in money market instruments and bank overdrafts.

Bank overdrafts are included within cash equivalents on the grounds that they are repayable on demand and form an integral part of the Group's cash management.

Cash and cash equivalents, as described above, included in the cash flow statement comprise the following balance sheet amounts:

	31.10.07 (Unaudited) £000	31.10.06 (Unaudited) £000	30.4.07 (Audited) £000
Cash in hand and at bank	**14,817**	10,348	14,384
Short term investments	**31,810**	1,883	20,655
Gross cash and cash equivalents as reported	**46,627**	12,231	35,039
Bank overdrafts	**(62)**	(6,693)	(572)
Net cash and cash equivalents	**46,565**	**5,538**	**34,467**

(c) Business combinations

On 18 July 2007, the Group purchased the trade and fixed assets of Alquiservicios SA for a cash consideration of €7,755,000.

On 31 August 2007, the Group acquired the entire issued share capital of GPS Body Repairs Limited for a total consideration of £288,000, including deferred consideration of £93,000. Included in the fair value of the net assets acquired was £15,000 of cash balances.

7. Analysis of consolidated net debt

	31.10.07 (Unaudited) £000	31.10.06 (Unaudited) £000	30.4.07 (Audited) £000
Cash at bank and in hand	**14,817**	10,348	14,384
Short term investments	**31,810**	1,883	20,655
Bank overdrafts	**(62)**	(6,693)	(572)
	46,565	5,538	34,467
Bank loans	**(658,274)**	(685,759)	(601,326)
Loan notes	**(163,975)**	-	(168,628)
Vehicle related finance lease obligations	**(3,835)**	(40,539)	(16,104)
Deferred consideration	**(93)**	-	-
Preference shares	**(500)**	(500)	(500)
Property loans and other borrowings	**(4,414)**	(4,834)	(3,232)
	(784,526)	**(726,094)**	**(755,323)**

Interim announcement – Statement of the Directors

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34;

- the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

S J Smith
Chief Executive Officer

G T Murray
Finance Director

10 December 2007

INDEPENDENT REVIEW REPORT TO NORTHGATE PLC

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2007, which comprise the condensed consolidated income statement, the condensed consolidated balance sheet, the condensed consolidated statements of changes in equity/recognised income and expense, the condensed consolidated cash flow statement and related Unaudited Notes 1 to 7. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom Financial Services Authority.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2007 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom Financial Services Authority.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditor
10 December 2007
Leeds, United Kingdom