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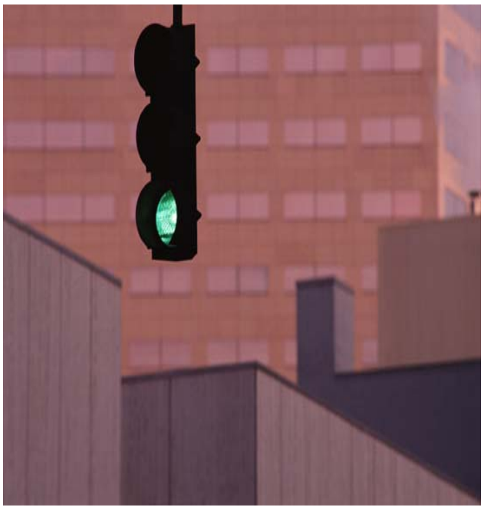
Review of financial year ended 30 April 2002



- Agenda
  - Highlights
  - Financial review
  - Outlook

3 July 2002

Northgate plc: review of financial year ended 30 April 2002

Good morning and welcome to our review of the financial year ended 30th April 2002.

The format for the presentation is as set out on the slide. I am going to cover the highlights of the year. Phil, will then briefly run through the numbers and review the key performance measures in the business. I will then conclude the presentation with the outlook for the year ahead and an overview of our plans for the continued growth of the business thereafter.

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KEY POINTS

- Network of 61 locations
- Fleet growth +12%
- Pre-tax profit +17%
- Earnings per share up 14%

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Firstly, then, the key points from our results which we are delighted to report is another year of good solid progress.

Network	61 locations at the year end (up by 13)
Fleet	up 12%, to 40,500 vehicles at 30th April 2002
Pre-tax profit	up 17%, at £31.7m
Earnings per share	up 14%, to 35.8p

Once again, it is pleasing to note that, at this level of growth, the business has been self-funding, with gearing actually reducing slightly year on year - from 173% to 170%.

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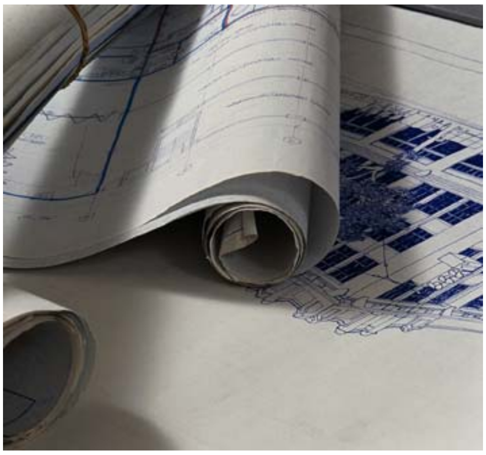
NEW LOCATIONS



- Hire companies
  - Aberdeen
  - Swindon
- Branches
  - Scunthorpe
  - Hunslet
  - Chester
  - Rochdale
  - Morecambe
  - Kendal
  - Alfreton
  - Exeter
  - Doncaster
  - Ashford
  - Peterborough

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In the financial year under review, we have opened a further 2 hire companies and 11 additional branches resulting in a network of 61 locations at the 30th April 2002. The new hire companies are in Aberdeen and Swindon; the branches are spread throughout the UK but with a fair proportion in the North. This is because in general they are attached to our more mature businesses. Whilst we now have effective national coverage, our programme of rolling out 12-15 new locations, primarily branches acting as in fills, continues.

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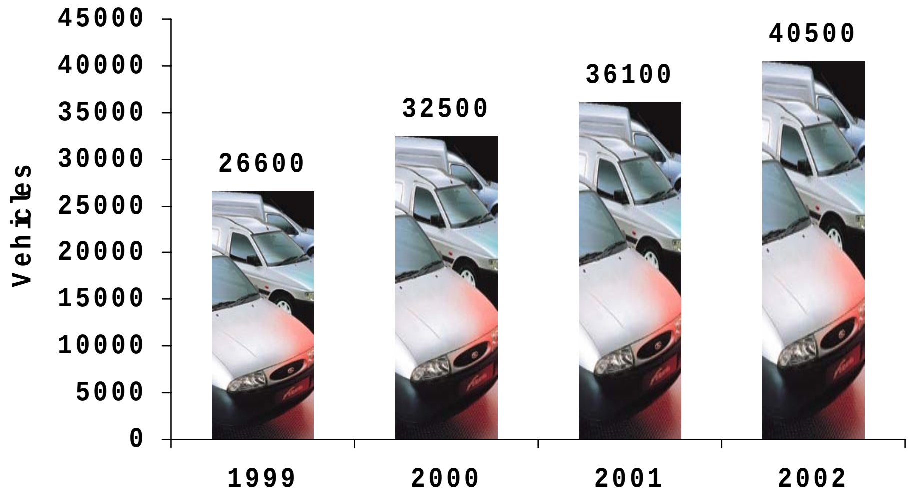
FLEET GROWTH



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During the month of April, our vehicle fleet passed the 40,000 milestone, ending the year at 40,500. This represents an increase of 12% over the previous year. The fleet increase of 4,400 units can be broken down into 2400 from locations already open in April 2001 and 2000 from the 13 locations added during the year.

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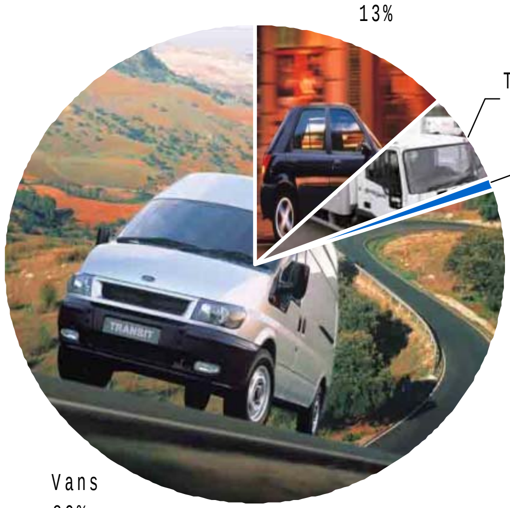
FLEET MIX BY CATEGORY



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Once again, fleet growth has not led to any change in the mix of vehicles on our fleet, with light commercials remaining dominant with 80% of the total.

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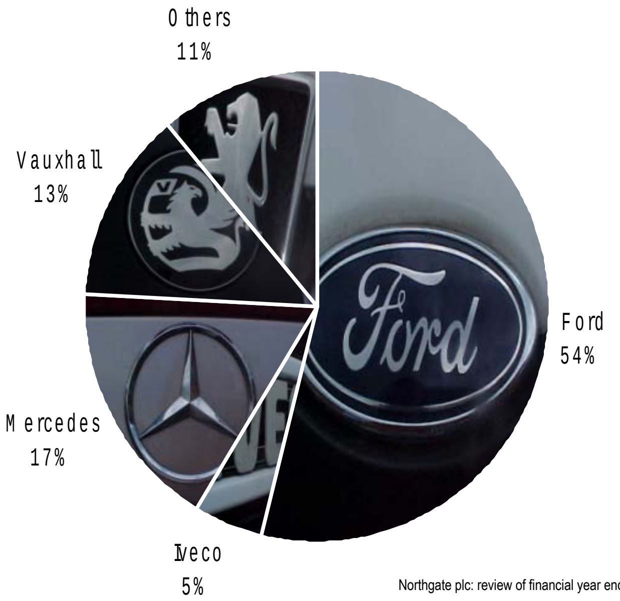
FLEET MIX BY MANUFACTURER



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Manufacturer mix

Turning now to the analysis of our fleet by manufacturer, there have been some further minor shifts in the percentage of product represented by each supplier over the last year.

The Ford share has reduced by 4%, primarily as a result of their not having a car-derived van product since ceasing production of the Escort in September 2001 and the Courier and Fiesta in November 2001. To replace these vehicles, we have used the Vauxhall Combo and, to a lesser extent, products from Peugeot and Citröen. There has also been growth in the “sub 1 tonne” market, i.e. mid-way between a car-derived van and a Transit. This is a category where Ford does not have a product and, once again, Peugeot and Citröen have been purchased. Consequently, their percentages have increased – Vauxhall by 3% and “the others” category (mainly Peugeot and Citröen) by 3%.

As Ford will not have a car-derived van until January 2003 when Connect (baby Transit) is available, this slight shift is likely to continue.

I would now like to hand over to Phil who will present our financial review, including comments on some of our key performance measures, such as utilization, hire rates and residuals.

Thanks Steve

I am pleased to report the results for Northgate for the year ended 30th April 2002. You have a copy of the preliminary statement. I would like to cover some of the detail behind those reported numbers.

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FINANCIAL HIGHLIGHTS

• Profit before tax	+16.8%
• Earnings per share	+14.0%
• Interest cover	3.37 times
• Locations	61
• “Global acquisition”	551 vehicles

Profit before tax and earnings per share have increased by 17% and 14% respectively. There is an increase in the tax charge compared to last year but we had anticipated that (having had a low charge last year.)

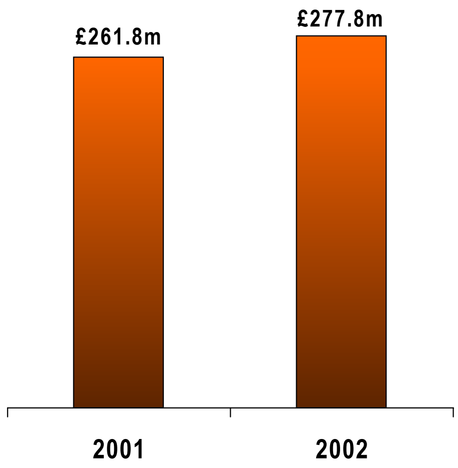
Interest cover has improved to 3.37 times from 2.8 times.

We have increased the network to 61 locations.

Also we made a small acquisition of a van rental business effective in April, so no real financial effect other than paying for it. The company is called Global and resulted in an increase to the fleet of just over 500 vehicles and two new locations included in the 13 Steve referred to earlier.

TURNOVER

- Turnover +6%
- Hire revenue +9%
- Used vehicle sales -3%

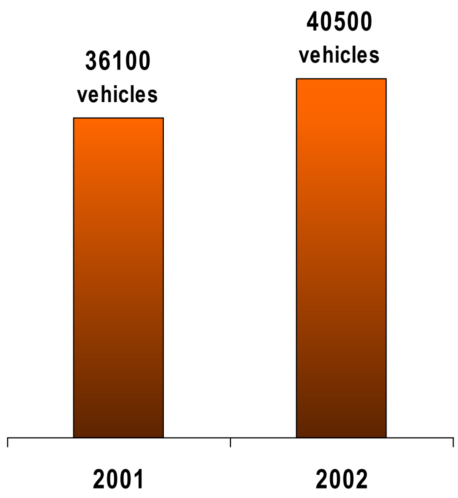


Let's move on to the revenue for last year.

The overall increase in turnover was 6% to 277.8m. As you know that includes revenue from hire operations which increased by over 9%, with a slight decline in the revenue from sale of used vehicles.

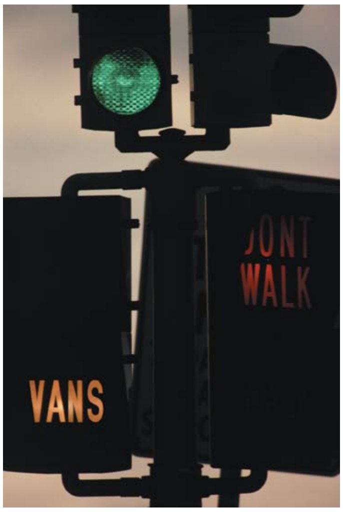
HIRE REVENUE - FLEET

- Average fleet +10%
- Acquisition 500+ vehicles



The elements behind the hire revenue, starting with fleet show an increase in the average fleet of 10% and this is the driver behind that revenue increase of over 9%. The Global acquisition, which added just over 500 vehicles to the fleet but not until April of this year, had a limited impact on the average fleet size or revenue. Fleet growth was evident in both more mature sites (4%)and the new locations.

HIRE RATES



- Low inflation
- Low interest rates
- Static hire rates
- Competition

Hire rates - we have been focussed on improving rates for the last year or two, They moved forward in year ending 2001 and we've kept them there but have not been able to move them forward any further. It's a difficult sell in the current economic world of low inflation and interest costs. We retain our focus on rates but it is a constant battle.

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UTILISATION

90%

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Utilisation – as you would expect, we did average 90% (in fact just under @ 89.7%) over the period, however this was slightly behind last year where we achieved over 90%, albeit by just points of one percent. We were hit, as we told you in January, with around 700 vehicles returned from NTL or NTL subcontractors which made a difficult month even more difficult. Just taking that a stage further, sites open two years or less achieved 84%, with the other sites in general achieving over 90%.

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RESIDUALS

- Similar volumes
- Market remains steady
- Improved management of residuals

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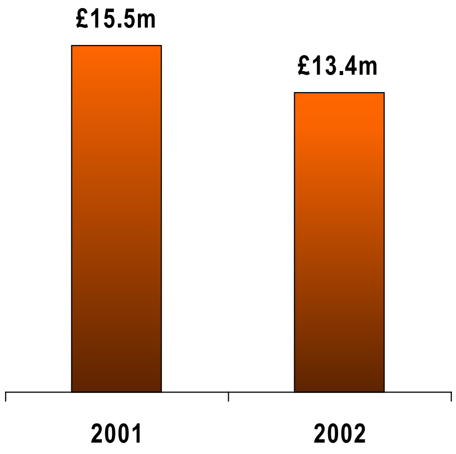
The number of disposals was slightly down compared to last year. The market remains good and residual sales are profitable. We aim to keep in balance over the long term (i.e. +/- £100), currently we are on the right side and the outlook remains positive.

As we have said before the commercial market is not as volatile as the car market and in addition the initiatives we have taken in the management of disposals gives us confidence going forward. In particular this year we've slightly restructured the sales team on a regional basis to enable younger, better quality vehicles, to be selected for disposal via Norcom (our used vehicle refurbishment operation).

In terms of general costs within the business, there are no significant areas of increase that are not related to new investments or fleet growth. I had anticipated that bad debts would increase in the second half. Touch wood, to date they haven't materialised and are just below last year's levels at CIRCA 0.5% of total turnover.

INTEREST COSTS

- Direct cost
- Capital intensive industry



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Clearly interest costs continue to show a significant benefit and in a capital-intensive business where interest is the second largest vehicle cost we hope rates continue at this level. As we have said however there is a trade off to some extent as we find it more difficult to sell a price increase which should reverse if rates increase.

Moving on to the balance sheet,

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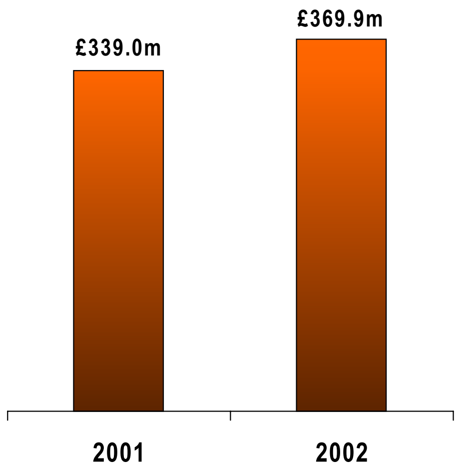
CAPITAL EMPLOYED

- Fleet
- Debtors
- Stocks



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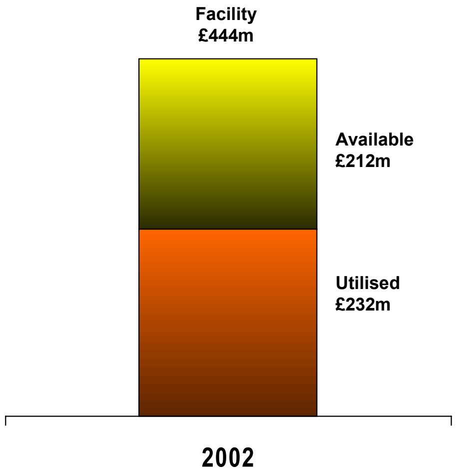
Capital employed increased by 9%, debtors rising in line with the increase in turnover (still maintaining collection periods at 45 to 50 days). No significant increase in the cost of vehicles has been apparent during the year.
Return on capital for the year was a healthy 12.7%, virtually the same as last year.

FUNDING

- Borrowings £232.0m from £214.7m
- Facilities of >£400m
- Interest cover 3.37 times
- Limited covenants
- Hedging



Borrowings have increased by 8% to £232.9m over the year although with the increase in retained earnings gearing has reduced from 173% to 170%. Facilities available to us remain over £444m and only 52% of those facilities are used. Only 17% of the facilities have any covenants attached to them with interest cover being the most significant of those. At a cover of 3.37 times we are well in excess of the required level of cover.

We continue to hedge our interest costs going forward and since last year end have added a further £20m of collars at £10m with a cap of 6% and a floor of 4% starting January 2002 and a further £10m at a cap of 6.5% and a floor of 4.5% starting April 2007.

SUMMARY

	2002	2001	
PBT	**£31.7m**	£27.1m	**+16.8%**
EPS	**35.8p**	31.4p	**+14.0%**
Dividend	**[15.0p]**	14.0p	**+7.1%**

In summary then:

Pbt and EPS both increased, 16.8% and 14% respectively and a proposed 7.1% increase in the dividend

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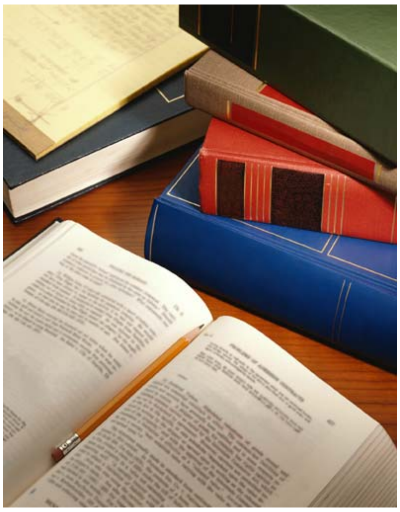
PEOPLE



- Training
- Recruit/Appraisal
- Yorflex
- Employee Share Scheme

Northgate plc: review of financial year ended 30 April 2002

That concludes the key issues but just before Steve talks more about the future, there are some initiatives around people we think important within the group worth reporting to you.

People

A significant factor in our success has been the commitment and dedication of our employees. To attract and retain the best people in a growing company, we have introduced a number of initiatives in the last year. In particular, improved our recruitment process, launched an induction programme for new employees, revised our personal development programme and introduced a flexible benefits package allowing about a quarter of our employees to tailor the structure of their remuneration to their individual needs. We have also reported on the success of our all employee share scheme where the take up is some 38% after only two years of operation.

Thanks Phil

CONTINUED GROWTH

- Beyond 2004
  - more rental sites
  - growth from “young” sites
  - development of non-rental products
  - Europe

Whilst we are very pleased to be able to report another good set of results, we accept that they are now history and your interest lies in the future and what comes next.

In terms of our core business, the rental of light commercials in the UK, we have now entered year 4 of our 5-year strategy for growth. Whilst nothing can be taken for granted, we are confident that our aim of a fleet size of 50,000 vehicles by April 2004 should be comfortably achieved. This will be in all probability from a network of just over 90 locations, against the 100 we originally forecast. Clearly this leaves us the opportunity to continue to expand the network of locations at least over the year or two after 2004 and, thereafter, with minor infills as the opportunity arises.

Fleet growth then will be driven by both this extension of the network and organic growth from those sites which have not yet reached maturity. Given that we will have around 30 locations less than two years old at April 2004, then there will remain significant opportunity for growth in the fleet, albeit perhaps at more modest rates than we have been used to achieving.

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EUROPE

- Continue to seek European expansion

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As we have previously stated our aim is to put in place both a rental operation in Europe and a number of non-rental, but vehicle-related, products in the UK to allow us to continue to take the business forward.

With regard to Europe, we continue to investigate a number of opportunities. Since we last reported, we have made considerable progress and are confident that we will be able to make our first move during the current reporting period.

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NORTHGATE CENTRAL RESERVATIONS

- Vehicle rental over the telephone
- A one-stop-shop giving customers an easy way to obtain the vehicles they need

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In terms of non-rental products, we are currently organizing these activities into a separate division, covering the following 4 main areas:

Vehicle Solutions:

(a) **Central Reservations**: our one-stop shop allowing customers to procure all their nationwide vehicle hire requirements through one phone call. 95% of all business is then sourced internally, thereby assisting with utilization throughout the group.

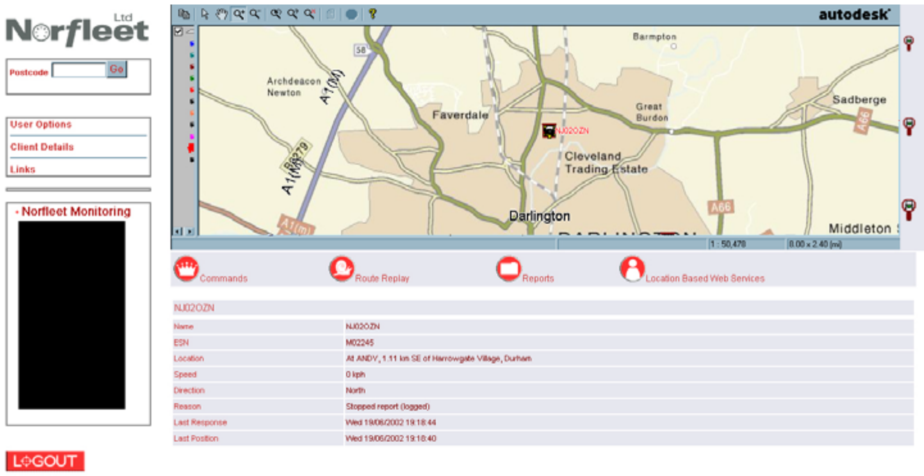
WANNAVAN.COM

- Easy van rental over the Web
- Aimed at retail and short-term business users

(b) **Wannavan.com**: effectively replicates Central Reservations but replaces the phone call, with the Internet for customers preferring to use this channel.

(c) **Vehicle Management**: provide commercial fleet management services for fleets which are too large for the local hire company to deal with in isolation.

NORFLEET VEHICLE MONITORING



- Flexible, effective Web based solution

Vehicle Monitoring

– Norfleet Vehicle Monitoring. Launched in March 2002 with 100 units installed to date. Its selling points are its flexibility, the fact that it is web-based and that it is fully inclusive of air time costs for downloading historic information.

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NORFLEET VEHICLE SERVICING & PARTS

- Servicing positioned as a separate product
- Customers benefit from our volume discounts and deals on parts

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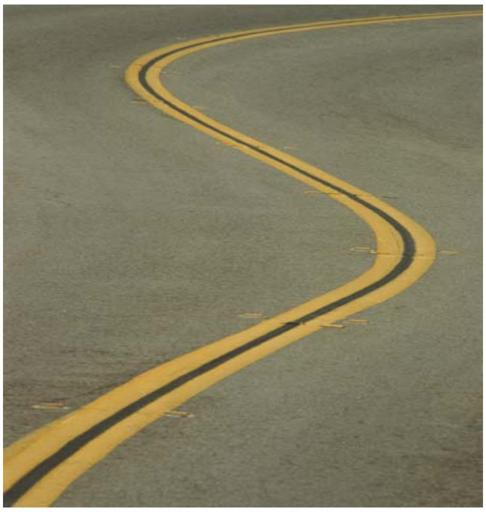
Parts & mobile servicing

– Makes use of our significant purchasing power on vehicle parts and spares and also the extensive service network via a web-based ordering system.

NORFLEET INCIDENT MANAGEMENT



- Accident management
- Insurance for fleets
- Owner driver product

Incident management – One for the future. We will look to develop products which will assist customers with all elements of fleet risk, i.e. Insurance, Accident Management and fleet breakdown.

All these products are being provided not just for their contribution to profits but also to tie rental customers more closely to us through offering services not provided by competitors (particularly smaller ones).

Enough to keep us pretty busy for the next few years, I am sure you will agree.

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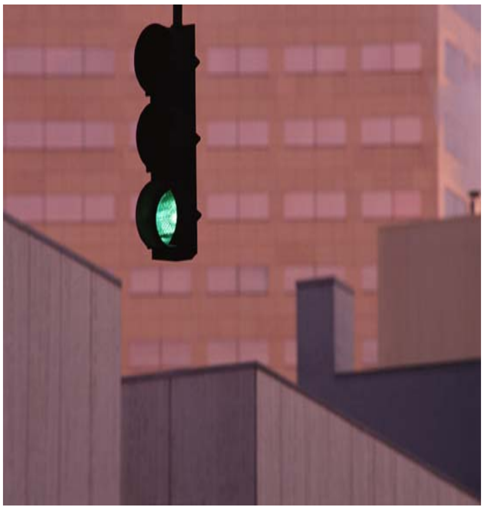
OUTLOOK



- Focus for the new year
  - UK Rental
    - new locations
    - fleet growth
    - hire rates
    - residuals
  - Europe
  - Non-rental
    - develop products
    - consolidate into one division
- Marathon not a sprint

For the immediate future, i.e. the next twelve months, however, the priorities remain as follows:

UK rental – new locations – open another 12-15 this year

- continue to grow the hire fleet
- to attempt to move hire rates forward again
- to retain the current balanced position or better on disposals of used vehicles

Europe - to take our first step in this new market and finally non-rental products

- to develop the new products and merge the activities into one division to simplify the structure and provide a platform for future growth.

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CONCLUSION

There are no one-off magical solutions and the key to success lies in grinding out small improvements in the daily operations of the business. As we continue to strive onwards with this objective, however, we are well placed to seize any opportunities that arise, with a strong balance sheet and an experienced and able management team. Our style has always been to treat business as a marathon, not a sprint, and we remain confident in our ability to maintain the steady pace we have set. In our case, over the next 12 months perhaps, “more of the same” will do.

Thank you for your attention.

EXTRA INFORMATION

Any question you may have relating to this presentation why not visit www.northgateplc.com and enter our FAQs area. Phil or Steve will be pleased to respond back via the Web site.