Northgate plc

Preliminary Results – Year ended 30 April 2008

1 July 2008

Good morning everyone. Welcome to the presentation of our results for the financial year ended 30 April 2008.

NORTHGATE plc

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 the newest member of our team, Bob Contreras, the Group Finance Director.

Agenda

• Group Summary	Steve Smith
• Operational review	
– Spanish business	Steve Smith
– UK business	Phil Moorhouse
• Financial performance	Bob Contreras
• Outlook and new territories	Steve Smith

Preliminary Results
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The agenda for today's presentation is as follows. I will briefly cover our performance for the year and compare it to 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.

Bob will then break down the Group numbers, deal with the key financial issues and explain our treasury strategy and current debt profile.

Finally, I will conclude with a comment on current trading and the year ahead, along with an update on the status of our discussions in respect of expansion into new territories.

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Group summary

- Revenue growth of 10%
- Good utilisation and stable hire rates
- Buoyant used vehicle market in the UK
- Bolt-on acquisitions
- 10% increase in Group operating profit*
- Adjusted basic EPS* increase of 13%
- Total dividend up 10% to 28.0p (2007 - 25.5p)

** Pre amortisation charge and property profit*

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The year saw us continue to execute the key elements of our three-year Strategic Plan, announced with our results in January 2006, and aimed at maintaining annual double-digit earnings growth.

In the UK, we have benefited from a stable hire rate environment and a buoyant used vehicle market for much of the year. We have supplemented these positive external factors with our usual focus on maintaining a high level of utilisation and achieving the benefits from the restructuring of the business carried out in the last financial year. We also grew the business both organically and through the acquisition of Hampsons (Self Drive Hire) Limited ("Hampsons") on 1 November 2007 and the vehicle fleet of Abington Vehicle Rental Limited ("Abington") on 30 November 2007. As a consequence, the UK fleet grew by 5% to close the year at 68,600 vehicles, including 1,870 arising from the acquisitions.

The improvement in vehicle utilisation to 91%, achieved in the prior year as a result of the restructuring, has been maintained in the current year.

Whilst the rental market has remained competitive, we have not needed to discount prices heavily to retain hire business and, as a consequence, hire rates have been stable throughout the year. Finally, the strong used vehicle market in the UK has contributed to a reduction in our depreciation charge of £12.0m. The above factors have combined to produce an increase in the rental-operating margin to 20.6% in the UK.

In Spain, we have grown the fleet by 14%, including 700 vehicles acquired with the purchase of the trade and assets of Alquiservicios S.A. ("Alquiservicios") on 18 July 2007. This fleet growth combined with a utilisation level of 89% and modestly improved hire rates has produced revenue growth of 24%.

Benefits from economies of scale have partly compensated for the additional depreciation charge arising from the weaker residual market with operating margins reducing slightly to 21.8%. Spain now represents 39% of the Group's profit from operations. The strength of the Euro relative to Sterling during the year has added £4.7m to Group operating profit.

For the Group overall, while growth of 10% at the operating profit level was satisfactory, there has been a significant impact from the additional interest costs arising from higher interest rates in both the UK and Spain. Net finance costs have increased by 22% to £38.7m. Of the £7.0m of increased interest costs, £1.7m arises from the strength of the Euro.

Despite this higher interest burden, we have achieved growth in earnings per share of 13% which, following a 24% increase in the prior year, keeps us on track with our overall objective.

Based on these results the Board has recommended to shareholders a final dividend of 16.5p, an increase of the total dividend of 10% over the prior year, which is covered 3.3 times.

Spanish business

- Fleet growth of 14%
- Benefits from purchasing synergies
- Alquiservicios acquisition
- Operating margin* 21.8% (2007 - 22.4%)
- Successful migration to common IT platform

** Pre amortisation charge and property profit*

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Moving on to Spain.

We are pleased to report that our Spanish business delivered annual fleet growth of 14%, only marginally behind the target in our Strategic Plan. Given the difficulties which the Spanish economy has experienced, particularly in the second half of the year, this is a very creditable achievement.

We have continued to achieve further modest economies of scale in respect of vehicle purchases and consumables. We have also achieved a further improvement in our insurance costs as a result of joint negotiation in respect of the two companies on renewal.

On 18 July 2007 we made our first bolt-on acquisition in Spain with the purchase of the trade and assets of Alquiservicios, a business based in Orense with a fleet of 700 vehicles. The business was immediately absorbed into Record, and produced improved representation in northwest Spain along with some assistance towards our aim of diversifying the customer base.

The above factors only partly compensated for the weaker residual market and operating margin reduced to 21.8% from 22.4% in the prior year.

Just after the year-end we successfully migrated Fualsa on to the Record IT system. This not only gives us common operating and financial information for managing the business, but also allows us the possibility of merging duplicated functions.

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Spanish business KPIs

	2008	2007
Network	37	36
Fleet size	62,750	55,000
Utilisation	89%	90%
Revenue per vehicle p.a.	€5,132	€5,077
IAS (increase)/reduction to depreciation for disposals	(€2.6m)	€2.9m
Operating margin*	21.8%	22.4%

** Pre amortisation charge and property profit*

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The network of depots increased to 37 as a result of the acquisition of Alquiservicios, with its branch in Orense. In addition, we have relocated to larger premises in Barcelona, Pamplona and Zaragoza. It is not anticipated that the network will change significantly in the year ahead as our current locations already provide good geographic coverage across Spain, although there will again be a small number of relocations.

The fleet grew to 62,750 vehicles, which I will cover in more detail in the next slide.

We have seen more churn in the hire fleet in the period since 1 January due to a higher rate of off-hires, mainly from smaller businesses. As higher churn makes it more difficult to maintain utilisation in the short term, we consequently fell marginally below our targeted level of 90%. Overall, however, we still achieved an average of 89% for the year.

We continue to achieve a modest improvement in hire rates with the average rate up by 1% over the prior year. This improvement reflects in part the increases in the capital cost of new vehicles.

We sold 13,600 used vehicles during the year compared to 12,200 in 2007. This gave rise to an increase in the vehicle depreciation charge of €2.6m versus a reduction of €2.9m in 2007. Of these disposals 4%, compared to 5% in 2007, were through semi-retail and retail channels.

In the new financial year we plan to align depreciation policies between our two Spanish operating companies, Fualsa and Record. This will have the effect of increasing the expected depreciation charge in the year by around £2m.

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Fleet movement

	Total Fleet
Fleet at 30 April 2007	**55,000**
Organic growth	**3,800**
Acquisition of Alquiservicios	**700**
Fleet at 31 October 2007	**59,500**
Organic growth	**3,250**
Fleet at 30 April 2008	**62,750**

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This slide gives a little more detail on the fleet movement for the year. As can be seen, the first half was the stronger period for growth but an increase of 3,250 vehicles, or 5.5%, in the last six months was a good achievement.

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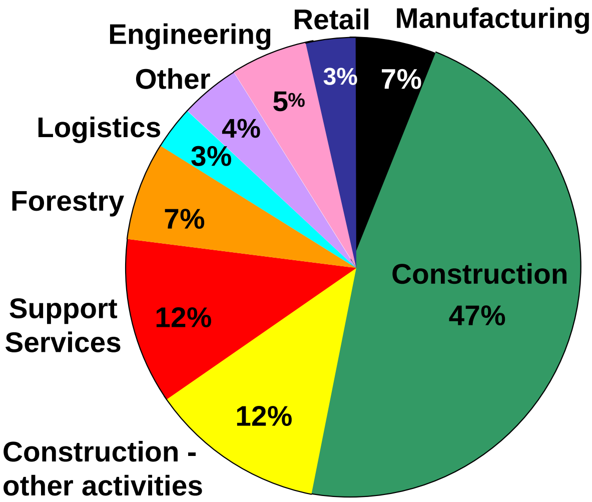
Spanish customers by sector



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We continue to recognise the need to diversify the customer base and reduce our dependency on the construction sector. Construction activity represents 47% of the customer base. It is important to once again remind everyone that the vast majority of our customers are large construction companies who are primarily involved in infrastructure projects, funded by the EU and central government. Our construction customers are also involved in other non-construction activities such as facilities management, which we estimate represents 12% of our business. We continue to have no material direct exposure to real estate development.

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Objectives for the near term

- Grow fleet in line with revised target
- Development of vehicle sales network
- Continued sector diversification
- Merge activities where synergies available

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Given the current economic climate in Spain we do not expect to achieve the 15% growth envisaged in our Strategic Plan. We do however still expect to see some increase in the fleet, with single digit percentage growth now our forecast. As always, utilisation will be our key performance measure, and fleet growth will only come from increased customer demand.

The creation of a used vehicle disposals structure, with a capability similar to that of the UK, remains our medium term goal and a key target for the business. The property stage is well under way and during the next few months we should have dedicated used vehicle sales locations operating in Barcelona, Madrid, Murcia and Seville. The development of other disposal channels within Spain and the creation of an export capability are also progressing.

To date our larger construction customers have not been materially affected by the real estate downturn and should benefit from the increased government spend on infrastructure announced earlier this year. However the diversification of the customer base remains an important medium term objective.

Finally having successfully completed the move to a common IT platform we have commenced the examination of activities which are duplicated across the two companies, particularly in the back office. In the year ahead we would expect to realise the synergies which may be available.

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

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Phil Moorhouse
UK Managing Director

Thanks, Steve. Good morning, everyone.

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UK business

- Profit from operations* up to £74.4m (2007 - £71.7m)
- Strong residual market
- Stable hire rate environment
- Acquisitions of Hampsons and Abington
- Acquisition of body repair facility - GPS

** Pre amortisation charge*

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Fleet growth close to our target, a continued high level of utilisation and a stable hire rate environment has produced an increase in hire revenues of 2.3%. In addition we made two small bolt-on acquisitions, Hampsons and Abington. We have also invested in a body repair facility through the acquisition of GPS in August 2007. When combined with a very strong residual market for used vehicles, particularly in the first half of the year, and some further efficiencies in operations, this has led to an increase in the operating margin to 20.6% (2007 - 20.4%).

UK business KPIs

	2008	2007
Network	86	82
Fleet size	68,600	65,300
Utilisation	91%	91%
Revenue per vehicle p.a.	£5,156	£5,218
IAS adjustment to depreciation for disposals	£12.0m	£8.5m
Operating margin*	20.6%	20.4%

** Pre amortisation charge and property profit*

Preliminary Results
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Following the restructuring in the prior year, the network has increased with eight additional locations arising from the acquisition of Hampsons being offset by four branch mergers. By 30 April 2008, we operated through 21 hire companies with a network of 86 locations. In the year ahead, we do not expect a material change to the overall number of locations, but would expect to relocate certain primary and secondary sites to achieve our optimum operating structure and drive further efficiencies.

In the UK, the fleet has increased from 65,300 to 68,600 vehicles, including 1,600 vehicles relating to the acquisition of Hampsons and 270 vehicles purchased from Abington, a growth rate of 5% (2% organically). Organic growth has been stronger in the second half of the year, with the fleet increasing by 930 vehicles organically, compared to 500 in the traditionally stronger first half of the year.

We have successfully maintained a utilisation rate of 91% for the year, despite the last few months of the year experiencing a higher level of "churn" with more frequent rental returns being compensated by additional business gains. This demonstrates the value of our product to our customers alongside the capability of our business model to react to changing circumstances. Utilisation remains our most important key performance indicator and the one on which we focus whatever the prevailing economic climate.

As in the previous financial year we have been able to maintain average hire rates, with growth in some rates offset by reductions with other customers, particularly to retain existing business. However, while competition for new business remains keen, we have not experienced the same level of downward pressure on hire rates last seen in 2005/06. With similar hire rates and fleet mix revenue per vehicle is, not surprisingly, almost identical to the previous year.

UK fleet growth

	Total Fleet
Fleet at 30 April 2007	65,300
Organic growth	500
Fleet at 31 October 2007	65,800
Hampsons acquisition	1,600
Abington acquisition	270
Organic growth	930
Fleet at 30 April 2008	68,600

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This slide shows the actual fleet breakdown referred to earlier, the significant points being, firstly, stronger organic growth in the traditionally weaker second half of the year. Secondly, showing the addition of Hampsons fleet acquired as part of our ongoing strategy. Hampsons fit well geographically to our business and have a reputation for excellent customer service.

Vehicle sales

- Sold 26,800 vehicles (2007 - 24,700)
- Increased retail proportion to 20% (2007 - 16%)
- Market remained strong
- IAS 16 adjustment to depreciation arising from disposals

	2008	2007
Depreciation reduction	£12.0m	£8.5m
Units	26,800	24,700

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Through the extended network of vehicle sales sites created last year, we have once again achieved a record number of disposals in the year with total sales of 26,800 vehicles (2007 - 24,700).

The extended network and, in particular, the additional retail sites and our brand "Van Monster" have also enabled us to increase the proportion of vehicles disposed of through our retail and semi-retail channels to achieve our medium-term target of 20% through these channels (2007 - 16%). The continued supply of good quality vehicles being generated by the hire company network, which improved following the acquisition of the Arriva Vehicle Rental business in 2006, is also crucial to this success.

The year has also seen one of the strongest used vehicle markets for some time, driven by both good demand and a shortage of supply, particularly in the first half of the year.

As a consequence of both the improved sales channels and the buoyant market, we have achieved good residual values necessitating, in accordance with our accounting policies, a reduction in the depreciation charge for the year of £12.0m (2007 - £8.5m).

As we stated in our interim report, we expected the vehicle supply shortages to continue only in the short term and, since January this year, we have seen evidence of improved supply. Concerns over the economy and the credit crunch affecting availability of finance have also caused a decrease in demand for second hand vehicles. As a consequence, residual values have eased, particularly in the latter part of the financial year, as evidenced by the split in the first half and second half adjustment to depreciation of £7m and £5m respectively.

The first part of the current financial year has seen a further easing in used vehicle prices and, as a consequence, we would expect the reduction in depreciation to be lower in the year ahead. Ongoing depreciation rates, in accordance with our accounting policies, are reviewed regularly together with vehicles expected residual values and useful economic life.

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Fleet Technique Limited

- Specialist fleet management business
- Increase in jobs managed to over 72,000
- Operating profit increased to £0.8m

  (2007 - £0.6m)
- Improved operating margin
- Assistance with major rental contracts

Preliminary Results
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Over 72,000 jobs were carried out in the year by Fleet Technique Ltd ("FTL"), our fleet management subsidiary, on behalf of our customers and generating revenue of £15.5m, an increase of 13% over the prior year. Included in this were a number of significant contract wins, including becoming sole supplier to a large construction company, a four-year extension with a utilities company and the provision of scheduled maintenance management for a vehicle manufacturer.

There was also an improvement in operating efficiency within the business and in particular the employee cost per job, which fell by 9%.

The combination of the above produced an operating profit of £0.8m (2007 - £0.6m) from an improved operating margin of 5% (2007 - 4.2%).

Equally important however is the role played by FTL in helping secure rental business, particularly from larger companies which require a full vehicle solutions package rather than just a rental offering. This was recently demonstrated when we secured our first complete fleet solutions offering with a FTSE listed support services plc, as I will now explain.

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Case study

- FTSE 250 company
- Invited to tender – October 2007
- Proposal – February 2008
  - Risk reduction
  - Improved carbon footprint
  - Increase compliance
  - Cost savings
- April 2008 contract awarded

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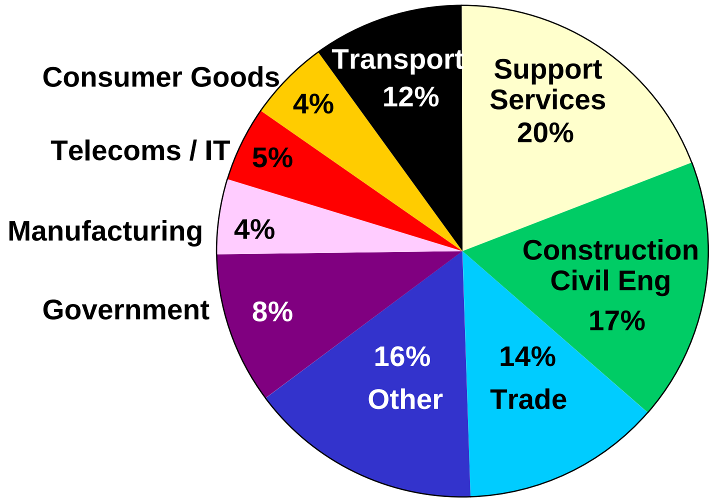
In October 2007 we were invited by an FTSE 250 plc to provide a complete solution for the customer, giving visibility and control to ensure operating efficiency, environmental consideration, compliance and best value. Following a fleet audit for this customer, we were able to identify the potential for reductions in CO_2 emissions and increased efficiencies, both operational and financial, through our single sourced solution. Every product in our portfolio will be utilised to support a service that will cover over 1,800 vehicles.

Our solution identified a core fleet policy around 'best value' vehicle choices for the customer's commercial and car fleet. Every vehicle model was chosen based on a matrix comparing fuel economy, CO_2 emissions and cost. Reduced risk, greater compliance and control were achieved through our implementation of a total management solution through our contact centres based in Darlington and Gateshead utilising the joint skills of each team. Total visibility was achieved for the customer and the customer's local divisions through access to our fleet management software Fleet Dynamix. Our offering was then underpinned with a full range of additional services for the customer utilising our full product range, these include:

- Driver Helpline
- Vehicle Monitoring (Commercial vehicles)
- Interim Management of existing vehicle relationships and ongoing services
- Fuel cards
- Management of new contract hire executive vehicles
- Driver licence checks
- Accident management

The result for the customer 'One Stop Shop' for all fleet needs delivered through one platform with multiple suppliers managed by Northgate. We expect that the success of this project will enable Northgate to deliver similar fleet solutions in the year ahead.

UK customers by sector



Preliminary Results
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This slide shows our customer make-up by sector, which simply reaffirms that the customer base is spread across all the major sectors – with construction and transport being the largest, followed by support services.

To close, what are our priorities for the year ahead?

Firstly we aim to achieve further modest fleet growth. Utilisation, as ever, remains our most important key performance measure and, should the economy deteriorate, maintaining our 90% level will be where our attention is focused.

We expect to continue with the development of our fleet management business, both in its own right and also as an important feature of our full vehicle solution proposition to customers.

Finally, the combined impact of tightening credit markets and a worsening economic climate may well produce potential acquisitions, where these offer value we believe we remain well positioned to take advantage of any such opportunities.

Thank you; and let me now hand you over to Bob.

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Bob Contreras

Group Finance Director

Good morning everybody. One month after joining Northgate I am pleased to be presenting our financial results for the year.

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Financial summary

	2008	2007	Change
Profit before tax (£m)*	83.1	79.3	5%
Profit from operations (£m)*			
– UK	74.4	71.7	4%
– Spain	47.4	39.3	21%
Interest cover	3.1x	3.4x	
Gearing	312%	290%	
Adjusted earnings per share*	91.8p	81.6p	13%
Dividend per share	28.0p	25.5p	10%

**Pre intangible amortisation of £4.7m (2007 - £3.9m) and exceptional property profit of £1.1m in Spain*

Preliminary Results
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Over the next few slides I will cover the underlying performance of the Group during the year with particular focus on our cash flow and debt management.

The underlying profit before tax and amortisation of intangibles has increased by 5%. In the underlying profit we have excluded a property profit of £1.1m arising from an insurance claim resulting from a fire at our Seville branch in Spain. Of the £10.8m increase in Group operating profit 75% has been generated in Spain and 25% in the UK. The strength of the Euro has benefited the Spanish results by £4.7m; 58% of their increase in operating profits. Against this, the Euro's strength increased total Group interest costs by £1.7m.

The Group's absolute level of net debt has increased by £139m to £894m, £85m of this increase due to the Euro's strength; the Group's gearing ratio has increased from 290% to 312% and interest cover was 3.1 times. Adjusted to a constant Euro/Sterling exchange rate, gearing would have been 274%.

Adjusted earnings per share has increased by 13% benefiting from the lower effective tax rate of 23%.

The Board, based on the results for the year, has recommended a final dividend of 16.5p per share, giving an overall year on year dividend increase of 10%.

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Underlying profit before tax

	2008 £000	2007 £000	Change
Profit before tax	79,492	75,368	5%
Amortisation	4,693	3,922	
Exceptional property profit	(1,098)	-	
Underlying PBT*	**83,087**	**79,290**	**5%**

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Over the next few slides the Group's underlying profits are analysed in more detail.

The first item we adjust for, as in prior years, is the intangible amortisation charge. The amount charged against profits in the year was £4.7m compared to £3.9m in the prior year. The increase relates to a mixture of current year acquisitions £0.4m and amortisation of our software platform in the UK.

As mentioned earlier, we have excluded a £1.1m property profit arising from an insurance claim received following a fire in our Seville branch as hopefully a non-recurring item. The business interruption impact upon our results was not material.

Adjusting for both these items results in an increase in the Group's underlying PBT by 5%. It is this underlying PBT figure that I will use in the segmental analysis that follows.

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Profit from operations - Group

	UK £m	Spain £m	2008 Total £m	2007 Total £m	Change %
Revenue	360.8	217.7	578.5	526.5	10
Profit from operations*	74.4	47.4	121.8	111.0	10
Finance costs (net)			(38.7)	(31.7)	22
Underlying PBT			**83.1**	**79.3**	**5**

**Pre intangible amortisation of £4.7m (2007 - £3.9m) and exceptional property profit of £1.1m in Spain*

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Analysing the contribution of the UK and Spain, the UK represents 62% of the Group's revenue compared to 67% in 2007 and contributed 61% of the Group's operating profit compared to 65% in 2007.

Spain represents 38% of the Group's revenue up from 33% in 2007 and contributes 39% of the Group's operating profit, up from 35% in 2007. This is as a result of both the faster fleet growth in Spain compared to the UK and the strength of the Euro.

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Profit from operations - UK

	FTL £m	Vehicle Rental £m	Total £m
Revenue	15.6	345.2	**360.8**
Profit from operations*	0.8	73.6	**74.4**
Operating margin* – 2008	**5.0%**	**21.3%**	**20.6%**
Operating margin* – 2007	**4.2%**	**21.1%**	**20.4%**

** Pre amortisation charge*

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Looking at the UK's results in more detail I have split out the UK revenues and profits between FTL, the Group's fleet management company and the UK rental business.

As can be seen, FTL is a lower margin business than the core UK rental business. A 13% increase in revenue and operating efficiencies has resulted in an improvement in operating margins from 4.2% to 5.0%.

The UK rental margin has increased slightly to 21.3% from 21.1% as a result of the strength of the residual market referred to earlier.

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Profit from operations - Spain

	2008 £m	2007 £m	
Revenue	217.7	175.4	24%
Profit from operations*	47.4	39.3	21%
Operating margin*	21.8%	22.4%	

** Pre amortisation charge and property profit*

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This is the second financial year that both Fualsa and Record have been 100% owned by the Group. Consequently results for the two years are on a comparable basis. There was one small fleet acquisition of 700 vehicles in July 2007.

Revenues have increased by 24% compared to fleet growth of 14%. At constant currencies the revenue increase would have been 17%; 19% in the first half and 14% in the second half of the year. Operating margin declined by 0.4% mainly representing the weakening of the Spanish used vehicle market.

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Cash flow and debt management

- Cash flows
- Source of funds
- Group facilities and maturity profile
- Interest rate hedging
- Covenants

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Moving on to treasury matters I will discuss our cash flows, funding structure and our interest rate management.

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Operating cash flows

	2008 £m	2007 £m
Operating profit	118.2	107.1
Depreciation	216.7	193.9
Amortisation	4.7	3.9
Working capital movement	(5.7)	(22.2)
Other movements	1.4	(0.1)
Cash generated from operations	335.3	282.6
Interest paid (gross)	(35.9)	(35.4)
Taxation paid	(13.4)	(22.5)
Underlying cash flow after interest and tax	**286.0**	**224.7**

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Underlying cash flow after tax and interest was £335m, some £53m higher than 2007. This was driven by higher operating profits and improved working capital management.

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Cash flow

Cash flow items	2008 UK No.	2008 UK £000	2008 Spain No.	2008 Spain £000	2008 Total No.	2008 Total £000	2007 £000
Vehicle purchases	30,100	287,897	21,350	181,541	51,450	469,438	437,947
Vehicle sales	26,800	146,477	13,600	49,636	40,400	196,113	188,512
Fleet depreciation		123,828		89,822		213,650	190,095
Other depreciation		2,094		992		3,086	3,790

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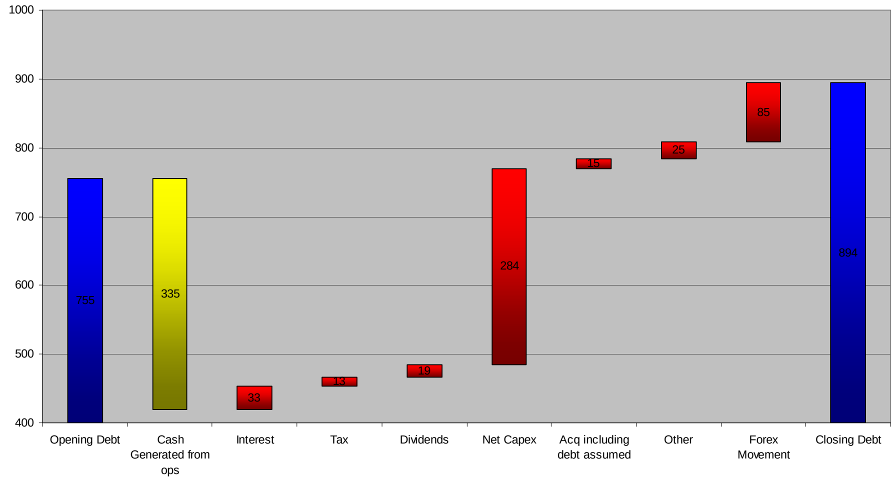
For further details on the cash flow I have set out the component parts of the Group's main fixed asset expenditure. Year on year vehicle purchases have increased by an additional £31m as a result of the 9% overall growth in the vehicle fleet. Balanced against this, cash generated from disposals has generated an additional £8m.

Application of cash flows



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The chart sets out the component parts of the movement in our net debt and the application of cash flows. Of the increase in net debt of £139m, £14m relates to acquisitions but significantly £85m has arisen from the translation of our Euro debt at a year-end exchange rate of £/Euro 1.27 versus 1.46 at April 2007. Excluding this currency related increase, net debt would have increased by £54m.

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Source of funds

- US Private Placing Dec 2006 - $335m
- US Private Placing Nov 2007 - $62m
- 5 year bank facility - £755m
- 3 year bank facility - £130m
- Other permissible debt - £100m

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Looking now at our funding structure. In December 2006 the Group made its first move into the US Private Placement market. This move was made for a number of reasons including diversifying the Group's source of funding and also increasing the maturity profile of the Group's debt. This provided the Group with 7 and 10 year debt and, following a request from one major investor who missed this placement, we followed the December 2006 placement up with a smaller $62m Private Placement on 20 November 2007 on a five year term.

In recent years our other main source of debt financing has been a five year £755m facility through a series of bilaterals with seven UK and European banks. On 10 December 2007 we entered into another series of bilaterals with a number of the same banks to provide a further £130m facility to the Group over three years.

Finally, under both our Private Placing and bank debt agreements we have the option to have up to £100m of additional debt from other sources.

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Group facilities – maturity profile

	£m
2009	152
2010	617
2011	133
2013	31
2014	63
2017	107
	1,103
Net debt at 30 April 2008	**894**

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We can review our facilities for their maturity profile and compare them with our net debt position at 30 April 2008.

The maturity profile extends from 2009 to 2016 with the majority of the facilities expiring in January 2010. In renewing our three-year facility in November 2007 we did not encounter any difficulty and negotiated only a slightly higher borrowing margin than on the earlier facilities.

Our discussions to date with our banking partners have not identified any issues with renewal and we will progress this over the coming months.

With our increased facilities at November 2007 our headroom was £209m at April 2008 compared to £222m at the prior year-end.

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Interest rate hedging

	%	£m	*Average Rate %
Loan notes fixed rate debt:			
December 2006		170	5.78
November 2007		31	5.19
Sterling fixed rate debt		55	4.42
Euro fixed rate debt		336	3.63
Total fixed rate debt	66	592	4.4
Floating debt	34	302	
Total debt	**100**	**894**	

**Excluding margin*

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At the year-end some 66% of our net debt was hedged at an average rate of 4.4% excluding margin. We therefore have £302m of debt at floating rates.

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Interest rate hedging

Post year end hedging movements	£m	Average Rate %
Contracts matured	164	2.74
New Euro contracts	158	5.01

- Remain at 66% hedged
- New total average rate of hedged debt - 4.99%*
- 95% of hedge contracts expire from FY 2012 onwards

** Excluding margin*

Preliminary Results
Year ended 30 April 2008

Post year-end, interest rate swaps totalling £164m have matured. The majority of these were Euro denominated and the average interest rate was 2.74%. We have entered into new three and five year EURIBOR interest swaps equivalent to £158m at an average rate of 5%. As a result, 66% of our debt remains hedged at a new overall average rate of 4.99%. 95% of our interest rate swaps now expire from FY 2012 onwards.

Covenants

	30 April 2008
Tangible assets not less than £170m	**£287m**
Gearing not greater than 400%*	**312%**
Ratio of net debt to EBITDA not greater than 3.5	**2.6**
Interest cover not less than 1.75	**3.1**

**Calculated adding back goodwill and other intangible assets*

Preliminary Results
Year ended 30 April 2008

Finally, both our bilateral facilities and US placement funding are subject to a number of key financial covenants. Set out on this slide is our position at 30 April 2008, which demonstrates significant headroom against all of the covenants.

Now I'm going to pass you back to Steve.

NORTHGATE plc

Outlook

- Current trading
- Other territories
- Group well-positioned for further growth in the medium term

Preliminary Results
Year ended 30 April 2008

Thank you Bob.

The Group has made good progress in the year just ended despite more challenging economic conditions in the second half of the year, particularly in Spain.

The current year has started with a further easing in used vehicle prices in both the UK and Spain, and the prospect of higher interest rates in the coming months. We are however still targeting growth in our businesses in both the UK and Spain. Consequently we expect overall profits to be at similar levels to last year.

If there is a further marked deterioration in economic activity we are confident our business model has the proven flexibility to adapt to the changing conditions. In particular, our ability to quickly reduce our vehicle fleet and thereby generate cash, will leave us in a strong financial position when markets improve. Such difficult times are also likely to see companies experience capital constraints and also be reluctant to enter long term contracts making our flexible rental offering more attractive.

We are also continuing to progress opportunities in new territories within the European Union but, being mindful of the current financial markets, are moving at a more modest pace with these discussions. In the medium term we remain convinced that the low rental penetration levels throughout Europe continue to offer the Group a significant opportunity for further expansion

Northgate plc

Preliminary Results – Year ended 30 April 2008

1 July 2008