

Northgate plc

Preliminary Results – Year ended 30 April 2009 Equity Issue and Refinancing

10 July 2009



Good morning everyone. Welcome to the presentation of our results for the financial year ended 30 April 2009. We will also be covering our recent debt refinancing and the equity issue announced today.

For any of you who do not know me, my name is Steve Smith and I am the CEO of Northgate. With me today are Bob Contreras, the Group Finance Director and Paul Tallentire, our Deputy Chief Executive.

Important notice

This document has been issued by Northgate plc (the "Company") and comprises written materials/slides for a presentation concerning preliminary annual results of the Company for the financial year ended 30 April 2009 and the proposed offer by way of equity of new ordinary shares (the "Securities") of the Company (the "Equity Issue"). This document is an advertisement and not a prospectus and investors should not subscribe for or purchase any shares referred to in this document except on the basis of information in the prospectus. Copies of the prospectus will, following publication, be available from the Company's registered office and on the Company's website. This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company, nor shall any part of it nor the fact of its distribution form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of the Company.

This announcement is not for distribution, directly or indirectly, in or into the United States, Australia, Canada, Japan, or South Africa or any other jurisdiction where the same would be unlawful. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act") or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of any of the Securities in the United States. The Securities have not been approved or disapproved by the US Securities and Exchange Commission, any state's securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Securities or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence. The Securities will not be registered under the securities laws of Australia, Canada, Japan or South Africa and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an applicable exemption from and in compliance with any applicable securities laws. There will be no public offer in any of Australia, Canada, Japan or South Africa.

N. M. Rothschild & Sons Limited ("Rothschild"), Onel Securities Limited ("Onel Securities") or RBS Hoare Govett Limited ("RBS"), each of which is authorised and regulated in the United Kingdom by the FSA, are acting exclusively for the Company and no one else in connection with the Placing and Rights Issue and will not regard any other person (whether or not a recipient of this announcement) as a client in relation to the Placing and Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to the Placing and Rights Issue or any matters referred to in this announcement. This presentation includes "forward-looking statements" within the meaning of Section 27A and Section 21E of the United States Securities Exchange Act of 1934. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company's financial position and projections, business plan, financial model and future covenant ratios and compliance, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions made by the Company regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Although the Company believes such assumptions to be reasonable, various factors exist that could cause the Company's actual results, performance and achievements to differ materially from those in the forward-looking statements, including, without limitation, deteriorating economic conditions in the Company's markets. More detailed information on the potential factors that could affect the financial results of Northgate is contained in Northgate's public filings and reports. These forward-looking statements speak only as of the date of this presentation. The Company expressly disclaims any obligation or undertaking to release any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any forward-looking statement is based. Accordingly, undue reliance should not be placed upon these forward-looking statements.

Agenda

- Overview
- Recent trading and management response
- New Strategic Plan
- Financial performance
- Equity issue and refinancing
- Summary

The agenda for today's presentation is as follows.

Firstly, I will briefly summarise the year just ended and then cover in more detail our operations in the UK and Spain, particularly in relation to the actions taken in the second half of the year.

Paul will follow with a review of the key aspects of our new Strategic Plan, which has formed the basis of the refinancing with our lenders.

Bob will break down the Group numbers, deal with the key financial issues and explain the recent refinancing of our debt and the terms of our equity issue.

Finally, I will conclude with a comment on current trading and open up the presentation for questions.

Overview



Overview

- Market and economic backdrop
- Refinancing of Group's bank facilities and private placement notes
 - New committed secured facilities of c.£880m of which c.£670m mature in September 2012
 - Refinancing conditional on completion of an Equity issue to raise net proceeds of at least £100m
- Fully underwritten Equity issue to raise net proceeds of approximately £108m
- New strategic plan
- Update on executive team

Without doubt, the year just ended has been the most demanding the business has faced in its 28-year history. The deteriorating economic conditions in both territories have caused customers to off-hire vehicles at unprecedented levels. When combined with a significant fall in residual values, this has created a "perfect storm" for the business.

The scale and severity of the reduction in the on rent fleet (c.5% in the UK and c.10% in Spain since September 2008) put severe pressure on utilisation levels, which fell to a low point of 84% in the UK and 78% in Spain.

The significant fall in used vehicle values in both territories contributed to an increase in the Group's depreciation charge, moving from a reduction of £10m in 2008 to an additional charge of £20.8m in 2009: a swing of over £30m.

The fall in hire revenues and the additional depreciation charge produced a reduction in underlying pre-tax profit for the year to £27.5m, a fall of 67% over the prior year. The difficult trading conditions also necessitated a review of the Group's businesses, the result of which was the impairment of assets announced in March 2009. In broad terms, the Group wrote off goodwill of £82m along with £99m from the value of its vehicle fleet. Post these adjustments, the Group generated a loss for the year of £195m, leaving net assets of £155m as at 30 April 2009, equivalent to approximately 220p per share.

The write-down of assets, coupled with the strong Euro and our poor trading, began to put pressure on certain of the covenants incorporated into our lending structure. Therefore, we approached our lenders, both banks and private placement noteholders, in early March 2009 to renegotiate the terms of our borrowing in advance of any breach. As we were unable to conclude the process by April, waivers were obtained to defer testing until the end of September. As Bob will cover in detail in his presentation, we are pleased to announce we have now concluded these negotiations and have in place a funding package appropriate to the Group's medium-term requirements.

Overview

- Market and economic backdrop
- Refinancing of Group's bank facilities and private placement notes
 - New committed secured facilities of c.£880m of which c.£670m mature in September 2012
 - Refinancing conditional on completion of an Equity issue to raise net proceeds of at least £100m
- Fully underwritten Equity issue to raise net proceeds of approximately £108m
- New strategic plan
- Update on executive team

6

*Preliminary Results
Year ended 30 April 2009*

In broad terms the facilities are £880m, of which £670m (the bank facilities) mature in 2012. The private placement notes maintain their original maturity dates, subject to a satisfactory refinancing of the bank debt in 2012. These facilities, which are conditional on receipt of net proceeds from an equity issue of at least £100m, will give us headroom of between £100m and £150m against the requirements forecast in our Strategic Plan.

These negotiations had been preceded by the preparation of a new Strategic Plan. As you may recall, our previous Plan, announced in January 2006, was set against a very different economic environment and trading background to that which exists today. The Board therefore produced a new Plan against which a financing structure appropriate to the new financial markets could be applied.

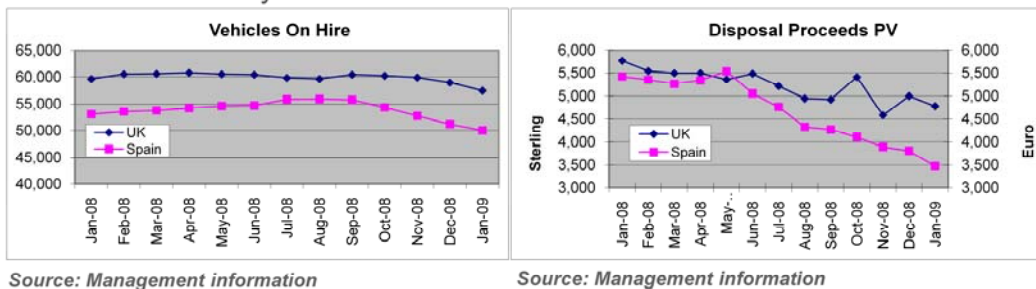
Paul will cover this Plan in detail during his presentation but, in essence, it contains the following elements:

- a reduction in the size of the fleets in both the UK and Spain;
 - an improvement in used vehicle sales performance in Spain;
 - an increase in hire rates in the UK;
 - further elimination of cost;
- and thereby improved profitability.

Finally, as previously announced, it had been my intention to step down as Chief Executive on 1 August 2009, but given the recent trading, debt refinancing and equity fundraising I have agreed to remain as CEO until 30 June 2010. Paul will continue to be responsible for the day to day operations of the Group. It is planned that Paul will take over as CEO on 1 July 2010 at which time I will take up the role of Deputy Chairman for the nine months to 31 March 2011.

Economic impact on recent trading

- Autumn 2008 saw an aggressive decrease in demand for rental vehicles
- Normal mitigation is to recover utilisation rates by flexing vehicle purchases and disposals
- An unprecedented decrease in demand in the used vehicle market caused disposal proceeds per vehicle to drop considerably



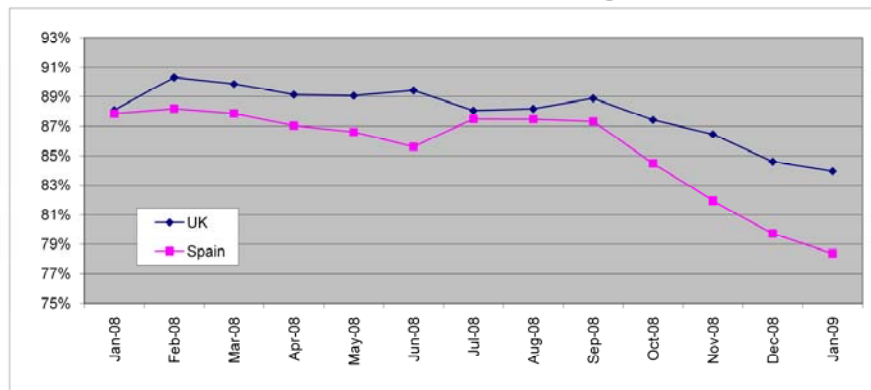
Source: Management information

Source: Management information

As can be seen from the graph on the left we saw a rapid decline in the demand for our rental service from September onwards. Whilst this is to be expected in the early part of a downturn, or recession, as customers return vehicles they no longer require, the speed and severity were beyond anything the business has previously experienced. The reduction in the number of vehicles on hire for the four months to the end of January was c.5% in the UK and c.10% in Spain. Our normal response in such a situation would be to increase the rate of vehicle disposals. Unfortunately as can be seen from the graph on the right, we were selling into a rapidly declining used vehicle market. In addition, our business in Spain did not have a sufficiently developed used vehicle sales structure to be able to sell the numbers required to right-size the fleet as quickly as we are required.

Utilisation

- The speed and severity of the reduction in rental demand combined with a weakness in the used vehicle market caused utilisation to fall below 90% target



Source: Management information

8

Preliminary Results
Year ended 30 April 2009

As a consequence of these two factors, utilisation levels were put under unprecedented pressure and fell from September onwards. They reached a low of 84% in the UK and 78% in Spain in January. Whilst January is our normal low point in the year, these levels are c.3% and c.9% behind our expected utilisation at that time of year.

Management response to market conditions

- Focus on recovery of utilisation rates
- Extension of vehicle age profile through reduced purchasing
- Acceleration of vehicle disposals resulting in a reduction in fleet size
 - From a peak of 70,700 to 62,900 in the UK and 64,800 to 60,400 in Spain
- Development of used vehicle sales channels in Spain
- Modest temporary discounting of hire rates
- Total headcount reduction of 359 personnel (10)% resulting in full year payroll cost savings of c.£6.5m

9

*Preliminary Results
Year ended 30 April 2009*

Given the challenging trading environment we faced, it was necessary to take measures to improve operational performance and reduce cost wherever possible, until such time as circumstances improved. In this regard, the key objective, as always, was to maximise utilisation.

There are two levers to pull to reduce the fleet, i.e. increase vehicle disposals and reduce purchases. As regards purchases of new vehicles, our approach was to age the fleet and reduce the number of new vehicles bought for replacement. As a consequence, new vehicle purchases from January to April 2009 totalled only 3,000 vehicles in the UK; in Spain the reduction was even more dramatic with only 2,000 vehicles being purchased in the whole of the second half of FY 2009.

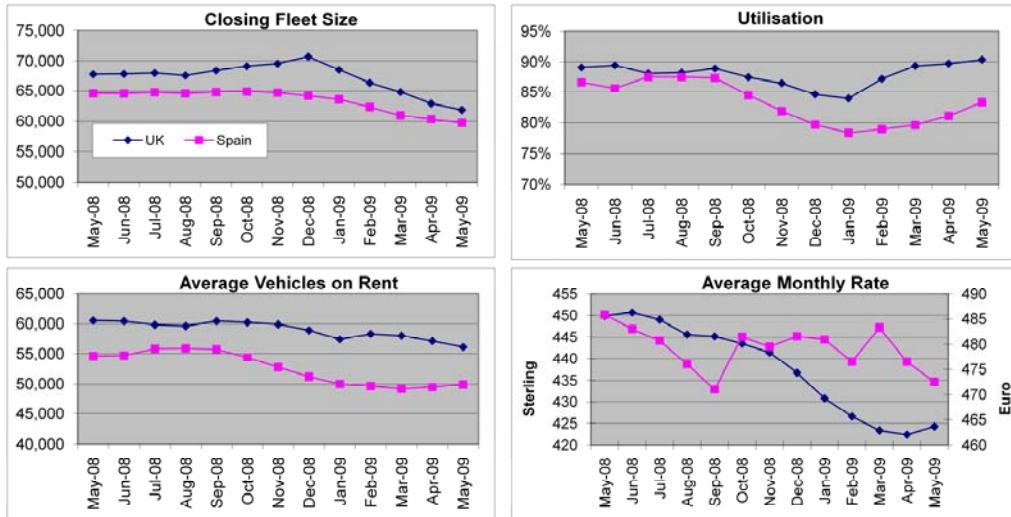
As regards disposals, we sold 9,600 vehicles in the UK between January and April 2009 and 5,600 vehicles in Spain in the same period. The impact of these two actions was to reduce the fleet size from its peak level by 7,800 in the UK and 4,400 in Spain.

We have made significant progress in developing our sales channels for used vehicles in Spain in the second half of the year. As at 30 April 2009 we had a network of six dedicated used vehicle sales sites and three locations shared with the rental business. We have also developed two new sales channels, one for export and one for retail customers within Spain. The export channel is to assist with the volume of disposals with export representing 23% of last year's disposals; the retail channel will help improve our average margin on disposal. In total we have invested £1.3m in developing this network during the year and have already seen a benefit with vehicle volumes in the last five months up 50% on the same period in the prior year.

It was also necessary to introduce some modest short term discounting of hire rates to promote unutilised stock and to encourage customers to continue renting vehicles beyond their normal replacement age. This has temporarily reduced hire rates in the UK by c.4% and in Spain by c.1%. The process to reverse this trend and recover the rates has already begun and will be explained in the next slide.

Finally, as a result of the reduction in the fleet size we have rationalised the structure of the Group, reducing the network by 11 locations and the headcount by 359. The transactional costs have all been accounted for in the financial year ended 30 April 2009, and will produce full year personnel cost savings of c.£6.5m.

2010 YTD KPI performance



Source: Management information

10

Preliminary Results
Year ended 30 April 2009

So what impact have these measures had and how is the business performing now. The first graph shows the fleet declining as described on the previous slide.

The average vehicles on rent in the UK saw further modest falls in March and April but has now started to level off. In Spain the average number of vehicles on rent has begun to increase as we benefit from some seasonal business with car rental companies. This business will run through until October when the majority of vehicles occupied in this area will be returned and then sold.

The average monthly hire rate in the UK has fall around 4% since September but has started to increase from May onwards. This progress has continued in June and July, as short term discounts are removed, general price increases are implemented and a higher tariff is applied on any new vehicles supplied to customers. As competitors also seek to increase prices to recover costs, we are confident that hire rates will improve in the year ahead.

The slight fall in the average hire rate in Spain is the impact of the summer rentals. As can be seen from the graph there was a similar impact last year with rates recovering in October when the vehicles were returned from the car rental companies. There has been no reduction in pricing with core customers.

For us the most important graph is utilisation. As can be seen we have returned to 90% utilisation from April in the UK. By the end of June we were just under 92%. In Spain we were at 84% in May and 87% by the end of June. We will achieve 90% in Spain by August. This will reduce by 3% to 4% in the autumn as the summer rental vehicles are returned and we dispose of them. We are targeting to then be back at 90% utilisation by the end of the year.

Repositioning for a stronger business

- The refinancing package will provide Northgate with a stronger and more resilient capital structure by:
 - Providing headroom under the financial covenants now and flexibility in the event markets deteriorate further
 - Providing an appropriate financial base from which to implement the new strategic plan; and
 - Placing the Group in a better position to take advantage of future economic recovery
- The Board believes that, with the refinancing and the new strategic plan, the medium and long term prospects for the Group remain strong

In summary we believe we have implemented the necessary operational actions to position the business to commence the new Strategic Plan.

The debt refinancing and new equity issue will provide the appropriate financial base from which to deliver that plan and allow the Group to take advantage of whatever opportunities arise.

New Strategic Plan



On that note I will now pass you over to Paul.

Our strategic objectives



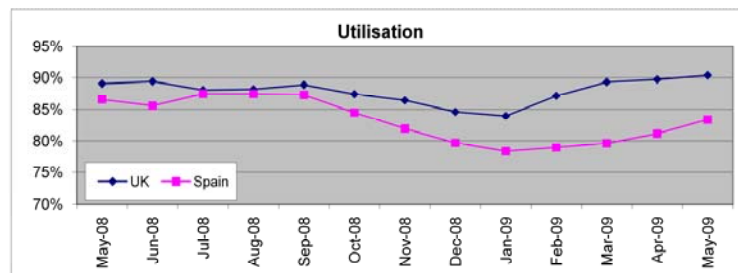
- New strategic plan focussed on creating a more efficient and cash generative business with reduced indebtedness
- Key focus on maintaining targeted level of utilisation of at least 90%

Thank you Steve. In the next section of the presentation I will summarise our plans for the UK and Spanish businesses. These plans have formed the basis of the discussions with our lenders.

As explained previously our business model adopted in the UK and Spain is very simple, we buy, rent and then dispose of vehicles. The plan we have developed faces up to the difficult markets we are facing and does not rely on sudden economic recovery to provide top line benefit, it focuses on ensuring we improve the operational efficiency of the model through working with a highly utilised fleet and reducing our operating cost base. It also generates cash as we reduce the fleet to maintain a high utilisation level. Properly executed the plan will ensure we are ready to both seize any opportunities which arise and subsequently respond to any improvement in our end markets.

Builds upon FY 2009 actions

- UK business currently achieving >90% utilisation
- Spanish business targeting 90% utilisation from August 2009
- Disposal capability in Spain already at targeted 1,500 per month level
- Cost/overhead reductions ahead of plan
- UK IT implementation progressing to plan – completion H1 2010



Source: Management information

14

Preliminary Results
Year ended 30 April 2009

Before I go on to explain the content of the plan, let's just reflect on what we have achieved over the last six months and therefore the platform upon which this plan has been built. The UK business is now operating at over 90% utilisation and the Spanish business will get there in August, admittedly with the benefit of vacation rentals. It will however return to 90% plus utilisation by the end of the year. We have addressed a major issue in Spain by increasing our vehicle disposal capability to c.1,500 vehicles per month; this is now in line with the requirements of our three year business plan. We have decreased the fleet by almost 8,000 in the UK and 4,400 in Spain and executed the cost reduction programmes communicated at the half year. We have completed the IT system implementation in Spain and the UK programme is on track. Finally, we have commenced implementation of the vast majority of the key components of the Strategic Plan.

I will explain the elements of the plan in the UK and then in Spain. Whilst the plans are very similar they have some subtle differences reflecting the markets we operate in, our organisation and the different capabilities that exist in both countries.

Northgate UK

Actions across the business cycle

- Fleet management
 - Maximising utilisation: target >91%
 - Improving residual values
- Improved hire rates
- Efficiencies from new IT system
- Depot network and cost base

Rental operations

- Workshop and bodyshop improvements
- "Driving Change" through hire companies
- Segment focus for national sales

Vehicle purchasing

- Minimum commitment with manufacturers
- Vehicle mix to reflect most profitable makes and models

Used vehicle disposals

- Further development of retail channels
- Target of 30% of disposals through retail

The UK is already operating at over 91% and through the three year period we will operate at up to 92% utilisation. At the same time the fleet will age slightly to 21 months. To achieve this we will focus on minimising the number of vehicles off the road, getting the right vehicle mix and, in the absence of winning new business, disposing of vehicles to maintain this level. Whilst 92% is undoubtedly a high level of utilisation, we have operated at this rate in the past. As the volume of vehicles we will have to sell is less than in previous years this will enable us to focus on achieving a better residual value.

Throughout the three year plan we will improve the hire rate year on year. The market has experienced unprecedented price pressure over recent times as finance has been available for competitors to grow, creating excess supply in the market. However, the increase in the holding cost of our vehicles, as reflected in the increase in our depreciation policy, must now be recouped from the market. Hire rate increases have been communicated and the focus is being moved to profitability by vehicle and by customer to target necessary improvements. This focus will continue through the three year period.

At the present time the 21 hire companies and supporting functions operate on common, but stand alone IT systems. The business is migrating to a total enterprise solution which will cover all hire companies and support functions. The system has been successfully implemented in vehicle purchasing and vehicle disposals, phase 1 of the project, and will be rolled out to all hire companies through this financial year. The system will allow us to operate much more efficiently by providing better management information on a national basis and reducing administration.

During the second half of the last financial year we closed two depots. A further three depots are being closed in Quarter 1. We will continue to review our footprint as we manage the size of the fleet to deliver high levels of utilisation. In addition we will adjust the hub and spoke model within each of the hire companies, such that we move longer term rental vehicles / larger customers to a "volume" site and use the satellite locations to manage a smaller number of vehicles and focus on the local market. Where already introduced this has improved efficiencies and reduced headcount per vehicle.

Northgate UK

Actions across the business cycle

- Fleet management
 - Maximising utilisation: target >91%
 - Improving residual values
- Improved hire rates
- Efficiencies from new IT system
- Depot network and cost base

Rental operations

- Workshop and bodyshop improvements
- “Driving Change” through hire companies
- Segment focus for national sales

Vehicle purchasing

- Minimum commitment with manufacturers
- Vehicle mix to reflect most profitable makes and models

Used vehicle disposals

- Further development of retail channels
- Target of 30% of disposals through retail

Moving to the buy phase of the cycle, we have and will continue to make low volume commitments with the motor manufacturers to give us flexibility in managing the size, age and mix of the fleet. The mix of the fleet will be revised according to the profitability of certain manufacturers' models and customers' requirements. As new vehicles are introduced to the fleet we will seek to increase the hire rate we charge.

In the UK we operate over 60 workshops maintaining our vehicles and, in some cases, maintaining and repairing our customers owned vehicles. In addition we operate three bodyshops. There is a wide variation in performance of these workshops and a programme has been commenced to roll out best practise, standard operating procedures and mandated national agreements with third party suppliers. Significant potential exists in reducing the net cost of maintaining and repairing our vehicles, both from generating income and from reducing our cost base in purchasing and how we work with third party suppliers. On a like for like basis, we are aiming to reduce net worth by £2.5m, £4m and £7m p.a. over the three years of the Strategic Plan.

“Driving Change” is the name of the programme we are using to define operational best practise within a hire company and then roll this out to the rest of the network. It is very detail orientated and covers over 80 day to day processes which in aggregate make a significant change to the way a hire company operates. It covers moving to the hub and spoke model I mentioned earlier, the management techniques on a daily basis and how to improve standards within the workshop and customer service. This has been implemented in one hire company so far and is currently being rolled out in a second. The results within the first hire company are impressive with significant staff reductions, better customer service scores, more fleet available to rent and reduced costs within the workshop.

Northgate UK

Actions across the business cycle

- Fleet management
 - Maximising utilisation: target >91%
 - Improving residual values
- Improved hire rates
- Efficiencies from new IT system
- Depot network and cost base

Rental operations

- Workshop and bodyshop improvements
- "Driving Change" through hire companies
- Segment focus for national sales

Vehicle purchasing

- Minimum commitment with manufacturers
- Vehicle mix to reflect most profitable makes and models

Used vehicle disposals

- Further development of retail channels
- Target of 30% of disposals through retail

As I stated, our plans are based upon a conservative view of the economy and not reliant upon growth. In this situation we are planning for increased churn of vehicles i.e. an increased number of off and on-hires as customers flex their business to the difficult economy. We therefore require new business generation, this equates to c.12,000 p.a. Our focus in generating new business will be in two primary sectors. Firstly, large multi-site customers who will benefit from the Northgate range of services and our national coverage. This will be targeted with a central sales team. Within this sector we have formed a dedicated team to grow our public sector business. The local hire company sales teams will focus on local business and primarily on smaller local accounts where at present we are under penetrated.

Finally to the sell phase of the cycle in the UK. The volumes we need to dispose of through the plan are in line with our capabilities. In fact, unless market conditions change significantly, we can dispose of more, therefore the focus is on the further development of the retail channels to improve the revenue per vehicle on disposal. The Van Monster brand is now well established and with the addition of new web channels we are projecting a significant growth in retail sales as a proportion of overall sales throughout the three year period. Our forecast is for this to grow to 28% in year 1.

So in summary in the UK – we will operate at high utilisation through a focus on fleet management, we will reduce the cost of our operations through workshop actions, the Driving Change programme, the new IT system and by changing our footprint and we will improve the return per vehicle through pricing, vehicle mix and by analysing profit per customer.

All of these actions will place the UK business in a much stronger position to seize profitable growth opportunities when the economy strengthens and the demand for our service increases.

Northgate Spain

Actions across the business cycle

- Fleet management
 - Improving utilisation: target >90%
 - Improving vehicle availability
- Improved hire rates
- Cost base / footprint
- Vehicle quality

Rental operations

- Hire rate and profitability by customer
- Workshop performance
- Segment focus – accelerate diversification
- Bad debt management

Vehicle purchasing

- Minimum commitment with manufacturers
- Vehicle mix
- Vehicle sourcing

Used vehicle disposals

- Capability now at 1,500 vehicles per month
- Programme continues to improve operations
- Improved quality of vehicles at time of disposal
- Development of retail channels

18

*Preliminary Results
Year ended 30 April 2009*

Now, turning to Spain, I will go through the elements of the plan in the same order as for the UK.

Our approach to fleet management in Spain will be the same as in the UK, although obviously we are starting from a point with lower utilisations. With the volume of disposals per month now in line with the three year plan, in the first year we will age the fleet by 2 months to increase utilisations to over 90%. As I stated earlier this will be helped over the summer with vacation rentals, reduce slightly in the autumn and then grow again to 90%. The focus within the Spanish business will be on reducing the time vehicles spend in workshops to increase the vehicles available to rent. As in the UK the new vehicles being brought into the fleet will be used to improve vehicle mix and average hire rates.

Finally, to give you an indication of the actions we are taking in the first year of the plan, we will be reducing the fleet by a further 10,000 vehicles by the end of the year to achieve the 90% utilisation.

As Steve indicated we have closed the former Record head office and now have all central functions located in Madrid. This leaves us with 32 rental sites and 6 dedicated vehicle sales locations. The total number of vehicle sales locations will grow to 10, a net increase of 1 as three are at rental locations. We will continue to review the footprint of our locations in Spain, especially where we operate both brands in the same city.

Northgate Spain

Actions across the business cycle

- Fleet management
 - Improving utilisation: target >90%
 - Improving vehicle availability
- Improved hire rates
- Cost base / footprint
- Vehicle quality

Rental operations

- Hire rate and profitability by customer
- Workshop performance
- Segment focus – accelerate diversification
- Bad debt management

Vehicle purchasing

- Minimum commitment with manufacturers
- Vehicle mix
- Vehicle sourcing

Used vehicle disposals

- Capability now at 1,500 vehicles per month
- Programme continues to improve operations
- Improved quality of vehicles at time of disposal
- Development of retail channels

19

*Preliminary Results
Year ended 30 April 2009*

The final action that impacts across the vehicle cycle is the focus on vehicle quality. In Spain our offering is self insured and this results in a lot more damage to the vehicles than in the UK, which cannot be reclaimed from the customer. The end result of this is that the quality of the vehicles impacts our ability to re-rent them later in their life and reduces the residual value when we come to sell them. The repair budget for the Spanish operation has therefore been increased and our stance on damage, abuse and offering customers damage prevention options will be improved.

As in the UK we have agreed and will continue to agree to minimum volume commitments. Our vehicle purchases will be targeted at vehicles with reduced holding costs and we will take opportunities to negotiate enhanced terms when excess supply exists. We will also be evaluating purchasing through other channels, and outside of Spain.

Hire rates have been increased generally and higher tariffs introduced for new vehicles. The replacement cycle for new vehicles will improve the return per vehicle as we replace vehicles where short term discounts had been applied to encourage customers to keep them beyond our normal age profile. Faced with the reduction in demand in the Spanish economy we will be utilising some excellent capability within the CAP IT system we use in Spain to review profitability by customer. This review process will help us target lower margin business (either due to low hire rates or, more likely, the cost of maintaining and repairing vehicles). This will result in customer specific actions.

In Spain we have over 30 workshops. We do not have the same geographical coverage as in the UK, therefore the percentage of repairs and maintenance done outside of our workshops is higher. We will increase the percentage of repairs done in-house and at the same time we will consolidate and negotiate improved terms with the retained external service providers. This will help balance the cost of additional maintenance I spoke about earlier, which we need to improve vehicle quality to aid on-rent count and produce a better disposal result.

Northgate Spain

Actions across the business cycle

- Fleet management
 - Improving utilisation: target >90%
 - Improving vehicle availability
- Improved hire rates
- Cost base / footprint
- Vehicle quality

Rental operations

- Hire rate and profitability by customer
- Workshop performance
- Segment focus – accelerate diversification
- Bad debt management

Vehicle purchasing

- Minimum commitment with manufacturers
- Vehicle mix
- Vehicle sourcing

Used vehicle disposals

- Capability now at 1,500 vehicles per month
- Programme continues to improve operations
- Improved quality of vehicles at time of disposal
- Development of retail channels

20

*Preliminary Results
Year ended 30 April 2009*

The Spanish business remains dependent upon the civil construction and infra-structure sectors. Whilst this reliance has reduced over recent years we will accelerate the diversification of our customer base through a focus on winning new business in different sectors. Forestry, distribution, local government and energy are being targeted and sales teams are measured on their non-construction sector gains.

Given the economic climate in Spain there is clearly a risk of increased bad debt. The commercial teams in Spain have therefore introduced strict new customer credit approval processes and we will continue to operate a very conservative approach to risk relative to the Spanish market. In addition we have increased the resource in the finance department to collect existing debt.

In the year just ended our capability to dispose of the vehicle volumes needed to maintain high utilisation levels has been the biggest issue in Spain. Our progression to selling c.1,500 units per month, albeit at a higher loss per vehicle, means that we now have a disposal volume capability in line with our requirements for the planning period. Having achieved the volume capability, the focus now is on improving margin. We aim to achieve this through an improved quality of the vehicles, the quality of the sales teams and sales locations and, finally, the introduction of the Van Monster retail brand. The latter will be introduced by mid year in four locations to improve our retail penetration percentage and thereby our average residual value on disposal.

So in Spain as in the UK, we will return to operating at high utilisation. We will reduce costs in the workshop whilst investing in our vehicles, improving quality of vehicles both to rent and to sell. We will improve our return by increasing hire rates and reducing the cost of our footprint, and finally we will manage our customer base to minimise the risk of bad debt and over time reduce our dependency on the wider construction sector.

Summary

The new strategic plan aims to deliver:

- High utilisation
- Improved operational efficiency
- Incremental cost reduction
- Reduced indebtedness
- Positioning for recovery in our end markets

and does not assume economic recovery

So in summary, our approach to improving our business in challenging markets is broadly the same across both countries but has some subtle differences due to market, competitor and differences within our own organisation. The focus is on running a highly efficient fleet, reducing our cost base and improving the margins with improved rental pricing. The plans reviewed here are already being implemented and are on track. The result of delivering these plans is that we will produce a highly efficient fleet, have standardised core processes, have removed cost and hence will place ourselves in a very strong position to seize profitable growth opportunities when the demand for our product climbs.

Financial performance



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

Estimated 2009 financial performance

£'m	Unaudited 2009	Audited 2008	Change
Underlying pre-tax profits*	27.5	83.1	(67)%
Underlying operating profits*			
– UK	39.2	74.4	(47)%
– Spain	32.6	47.4	(31)%
Total	71.8	121.8	(41)%
Adjusted earnings per share*	29.3p	91.8p	(68)%
Net debt**	886	903	(2)%
Tangible NAV per share	220p	407p	(46)%
Reported pre-tax (losses)/profits	(195.6)	79.5	(346)%

*Before intangible amortisation and assets impairment of £186.2m and exceptional items of £37.0m in 2009 (2008 – credit £1.1m)

**Taking into account the fixed exchange rates at which the US Loan Notes have been swapped

Note: All numbers that are referenced to 30 April 2009 are draft unaudited results

23

*Preliminary Results
Year ended 30 April 2009*

Good morning everybody. Over the next few slides I will cover the financial performance of the Group this year and then move on to details of the refinancing.

As you can see, the results reflect the impact of the deterioration in market conditions which we have experienced, particularly in the second half. All the figures set out are stated before intangible amortisation and exceptional costs, the largest element of which being the impairment, which I will cover in a later slide. Overall in 2009 there has been a 67% fall in underlying profits. The largest part of this fall has been in the second half of the year when the Group broadly broke even, a small profit of £1m. Both the UK and Spain, allowing for currency translation benefits, have been equally affected.

I would just like to draw out a couple of other points:

Net debt, which I'll cover in more detail later, has reduced by £17m to £886m from 1 May 2008. However, adjusting for the strengthening of the Euro and the swaps cancellation costs, net debt would have reduced by £137m; of which £98m has been achieved in the second half.

Tangible net asset value of £155m at 30 April represents £2.20 per share.

Operating profit reconciliation

	UK £m	Spain £m	Total £m
2008 underlying operating profit*	74.4	47.4	121.8
2009 underlying operating profit*	39.2	32.6	71.8
Variance	35.2	14.8	50.0
Variances			
Disposal losses	18.5	12.4	30.9
Rental performance	18.5	6.6	25.1
Overheads	(1.7)	2.6	0.9
Exchange rate benefit	-	(6.9)	(6.9)

*Before intangible amortisation and assets impairment of £186.2m and exceptional items of £37.0m in 2009 (2008 – credit £1.1m)

Note: All numbers that are referenced to 30 April 2009 are draft unaudited results

24

Preliminary Results
Year ended 30 April 2009

This slide reconciles the 2009 and 2008 operating profit and I will explain the main variances. Of the £50.1m year on year variance in underlying operating profit, the largest element is the £31m swing in disposal losses.

In the UK we moved from a £12m gain in 2008 (£447 per vehicle) to a loss for 2009 of £6.5m (closer to £300 per vehicle loss), therefore a swing in operating profits of £18.5m.

In Spain we have gone from a loss of c.£2m (c.£150 per vehicle) to a loss of £14.3m (c.£1,100 per vehicle). A swing in operating profits of £12.4m.

In the UK in recent months there has been an improvement in residuals such that post impairment we now anticipate the loss per vehicle in the UK being below £100. Spanish residual values have stabilised and, after impairment, we plan to be in a similar position as the UK by the end of the year.

The good news within this is that we have continued to dispose of vehicles, 23,400 in the UK compared to 26,800 in the prior year. In Spain, disposals were 13,200 compared to 13,600 in the prior year.

The next largest variance relates to the rental fleet. UK utilisation for the year has been at an average of 88%, which is some 3% below the prior year. They reached a low point of 84% in January 2009 and as a result of the actions taken are currently 91%. As far as hire rates are concerned, the UK has seen a decline of approximately 5% in 2009 due to intense price competition as many rental companies have had standing fleets, and a small amount of discounting on our part.

Examining the operating profit variance in Spain you need to take account of the benefit of the strength of the Euro relative to Sterling. The average in this financial year has been 1.18 compared to 1.38 in the prior year. Overall the benefit is £5.4m to PBT. In Spain the average utilisation for the year was 83%, which is some 6% below the prior year. They reached a low point of 78% in January and as a result of the actions taken have recovered to 86% currently. We should reach 90% as we mentioned, early in August 2009. Pricing has remained fairly constant and we have managed to extend a large number of contracts with minimal impact on pricing.

Exceptional items summary (2009)

	£m
Goodwill and fleet impairment	180.9
Interest rate derivative cancellation	32.7
Restructuring costs*	3.1
Bank fees**	1.2
Total exceptional costs	217.9

**Restructuring costs relate mainly to closure of Record Head Office and relocation to Madrid*

***Bank fees relate to the April covenant waiver fee*

Note: All numbers that are referenced to 30 April 2009 are draft unaudited results

This slide summarises some £218m of exceptional costs in 2009 and I'll cover the two largest on the next slide.

Exceptional items

- Impairment Review
 - Impairment to goodwill and assets for the year ended 30 April 2009: pre tax impact £181m
 - Approximate reduction per vehicle:

UK	£415
Spain	£1,000
- Interest rate swaps cancellation
 - €475m interest rate swaps with 3.5 years remaining at 4.64%
 - Cancellation to benefit from low interest rate environment
 - Swaps cancellation cost of £32.7m treated as exceptional item in FY 2009

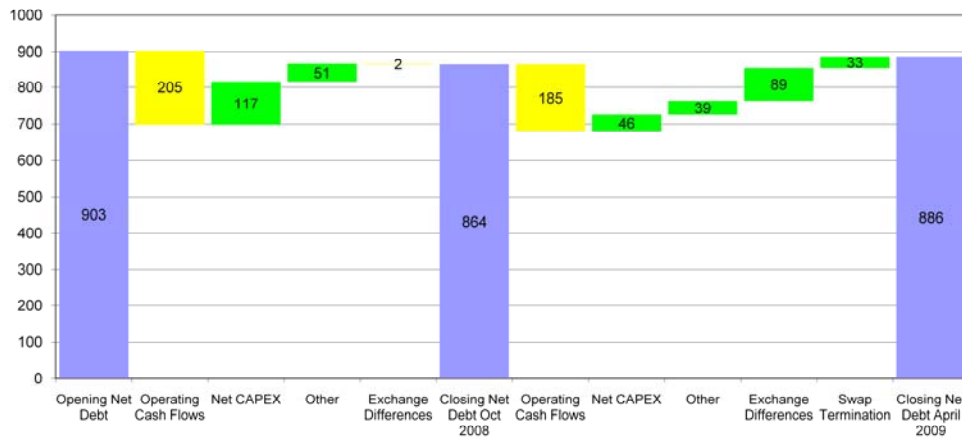
Note: All numbers that are referenced to 30 April 2009 are draft unaudited results

Following the deterioration in trading conditions, we were required to conduct an impairment review. The result of the review is an impairment to both goodwill and assets with a total pre-tax impact of £181m. We wrote down the fleet by £92m, £415 per vehicle in the UK and €1,337 per vehicle in Spain for FY 2010.

Going forward when we sell vehicles, due to the reduction in net book value following this impairment write down, we should eliminate the majority of losses without requiring any improvement in current market conditions. We are also increasing depreciation going forward in the UK from 19.2% to 20.7% and in Spain from 17% to 20% to reinforce this and thereby ensure new vehicles are also appropriately written down to their expected value at the time of disposal.

In February we had interest rate swaps of £475m at 4.64% with c.3.5 years remaining. The decision was taken to cancel the swaps in order to take advantage of the low interest rate environment and further rate reductions; which is what has happened. We anticipate payback of 3 years or less and the swaps cancellation has been treated as an exceptional item in FY 2009.

Cash flow bridge from 2008 to 2009



Source: Management information

Note: All numbers that are referenced to 30 April 2009 are draft unaudited results

27

Preliminary Results
Year ended 30 April 2009

This slide sets out the bridge of the debt movement over the year; with most of the reduction being achieved in the second half. This is mostly driven by the reduction in net Capex in the second half compared to the first half (some £71m) which resulted in a reduction of £17m in net debt year on year with closing debt of £886m, £800m in constant currency terms i.e. at €1.27:£1, the 30 April rate. Adjusting for the foreign translation effect of £87m and the swaps cancellation of £33m resulted in an underlying reduction in net debt of £137m from 1 May 2009.

Fundraising and refinancing



Refinancing and capital structure

- New committed bank facilities of £880m*
 - Maturity profile for £670m** to 2012
- US Private Placement Notes maturity unchanged from 2012-2017**
 - Revised covenants on basis of new strategic plan
 - Revised cost structure

	Existing facilities	New facilities
Private placement loan notes	£239m	£210m
Euro bank debt	£661m	£510m
GBP bank debt	£205m	£160m
Total	£1,105m	£880m

* Includes private placement notes and £108m net equity proceeds - £/\$:1.64 - £/€:1.17

** Subject to successful bank refinancing before September 2012

29

Preliminary Results
Year ended 30 April 2009

Following the bank refinancing we have total committed facilities of c.£880m, conditional upon a fundraising of at least £100m.

The US placement notes retain their original maturity date subject to the banks refinancing in 2012.

Revised covenants appropriate to the trading conditions over the next few years are covered on the next few slides together with the cost structure.

A comparison of the new and existing facilities is shown in the table. We have sufficient headroom over the next three years under the new facilities to allow us to execute our Strategic Plan and accommodate modest growth should our markets improve.

Banking facilities

- Amortisation of £110m by 31 December 2010
- Cost
 - Bank margin of 3.25% and coupon 'bump' to noteholders of 2.17%
 - Extra margin of 25 bps to 175 bps based upon quarterly LTV test
 - Total cost of putting new facilities in place of c.3.8% (including up front arrangement fee of 2.75%)

Under the agreement we will be repaying £110m of debt by December 2010. Our lending margins to the banks (over LIBOR/Euribor) have increased from the average of the debt refinanced in September 2008 of 1.08% to 3.25%. The coupon increase for noteholders is equivalent to that of the banks i.e. an additional margin of 2.17%. The effective overall interest rate will be just over 6%.

There is a margin grid of an additional 25bps to 175bps based upon asset coverage of the debt, but our forecast does not see us paying more than 3.25%. Up-front fees are 3.8%, equivalent to £32m including arrangement, waiver fees, legal costs and advisers.

Revised covenants

- Revised covenants based on new strategic plan and current market conditions

	Covenant test under existing facilities	Revised covenant test under new facilities
Tangible net worth ⁺	£170m	£226m ^{**}
Loan to value ⁺	n/a	85%
Net debt/EBITDA [*]	3.5 x	c.2.5 x
EBIT/ Interest cover [*]	1.75 x	1.04 - 1.39 x
Gearing [*]	400%	n/a

- Net debt as at 30 April 2009 of £886m^{***}

⁺ Tested monthly

^{*} Tested quarterly

^{**} Covenant level increased by equity issue

^{***} Taking into account the fixed exchange rates at which the US Loan Notes have been swapped

Note: All numbers that are referenced to 30 April 2009 are draft unaudited results

Set out on this slide are the four covenants which have been reset to provide 30% headroom over our three year plan therefore providing protection against a further downturn.

Now I'll pass you back to Steve.

Reasons for the equity issue

- **Securing new banking facilities**
 - *If the Equity Issue proceeds are not received, the new facilities will not become effective*
 - As a result, it is highly likely that the Group would breach its debt covenants at the next test date on 31 August 2009
- **Reducing the Group's interest payments**
 - The net proceeds of the Equity issue will be used to repay debt
 - Will reduce the Group's interest repayment under the new facilities
- **Establishing a stronger and more resilient capital structure for the Group**
 - Provides greater financial protection in the event that the Group's markets continue to weaken
- **Continued implementation of operational improvements**
 - Strengthened financial framework will allow the Group to continue with current initiatives, including the implementation of the new strategic plan
 - Improved financial flexibility will enable the Group to balance optimisation of cost efficiencies with the need to remain prepared for future improvement in demand

Equity issue details

- Equity issue to raise approximately £108m (net of expenses)
- Subject to shareholder approval
- Fully underwritten

Conclusion



Conclusion

- Northgate remains a successful and cash generative business
- The strategic plan sets out decisive action to reduce costs, grow profitability and position the Group for recovery in its markets
- The establishment of a stronger and more resilient capital structure will enable the Group to focus on implementing long term operational improvements
- This will ensure the Group is better placed to take advantage of a recovery in demand from its end markets
- The Board believes that the medium and long term prospects for the Group remain strong

Following nine years of growth in sales and earnings, 2009 was undoubtedly a disastrous year in terms of our results.

However, we believe the corrective actions taken to improve operational performance, coupled with the impairment of assets and the write-off of the interest rate swaps, have positioned the company to grow profitability going forward.

Having reached an acceptable refinancing package with our lenders and obtained the support of our shareholders through the equity issue, this will allow us to implement the new Strategic Plan, take advantage of any opportunities that arise and return to delivering value to our shareholders, as we have consistently done in the past.

Questions



Thank you for your attention, we would now be pleased to answer your questions.