NORTHGATE

Northgate plc

Preliminary Results
Year ended 30 April 2010

30 June 2010

Agenda

- Group Summary — Bob Mackenzie
- Operational review
  - UK business
  - Spanish business
- Financial performance
- Outlook

Bob Contreras

Bob Mackenzie

Chairman

Group summary

- Historic performance and refinancing
- Management changes
- UK restructuring
- Spain

Bob Contreras

Chief Executive

UK operational highlights

- Utilisation at 91% average
- Hire rate increase of 3%
- Stabilisation of hire market
- Improvement in used vehicle residual market

UK priorities

- Fundamental restructuring of business
- Pricing increases
- Completion of IT roll-out
- Focus on ROCE

UK restructuring

- One Northgate
- Starts with 20 companies ⇨12 companies run as one business under one brand
- New system basis for business blueprint and improved customer service
- Targeting annualised savings of >£10m by April 2011
- Other potential savings – maintenance spend is over £50m in total

Spain operational highlights

- Achievement of utilisation targets
- Fleet management resulting in cash generation
- Development of used vehicle sales capability
- Impact of and focus on debtors
- New management for Spanish operations

Spain priorities

- Maintaining utilisation over 90%
- Focus on improving hire rates and ROCE
- Further cost efficiencies
- Sector diversification
- Debtor management

Financial performance

Financial performance

	April 2010	April 2009
Operating profit	£82.8m	£71.8m
Profit before tax	£36.5m	£27.5m
Operating margin	14.7%	11.8%
Net debt	£598m	£886m
Gearing	213%	571%
ROCE	8.4%	5.8%

Operating profit reconciliation

	UK £m	Spain £m	Head Office £m	Total £m
2009 Operating profit	43.8	32.6	(4.6)	71.8
2010 Operating profit	58.9	30.0	(6.1)	82.8
Variance	**15.1**	**(2.6)**	**(1.5)**	**11.0**
Variances:				
- Disposal values	20.9	13.6	-	34.5
- Rental performance	(1.2)	(10.8)	-	(12.0)
- Overheads	(4.6)	(5.4)	(1.5)	(11.5)

Exceptional items

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	2010 £m	2009 £m
Restructuring costs (Execs. £1.1m)	6.3	3.1
Net property losses	0.4	-
Impairment of assets	-	180.9
Exceptional administrative expenses	**6.7**	**184.0**
Covenant deferral fees	2.2	1.1
Old facility fees	4.2	-
Make whole on US loan notes	8.8	-
Termination of interest swaps	-	32.7
Exceptional interest expense	**15.2**	**33.8**

Cash flow and net debt

	£m
Opening net debt 1 May 2009	**886**
Cash flow	(261)
Exchange movements	(9)
Non-cash movements	(18)
Closing net debt 30 April 2010	**598**
Facilities headroom (see Appendix)	**240**

Outlook

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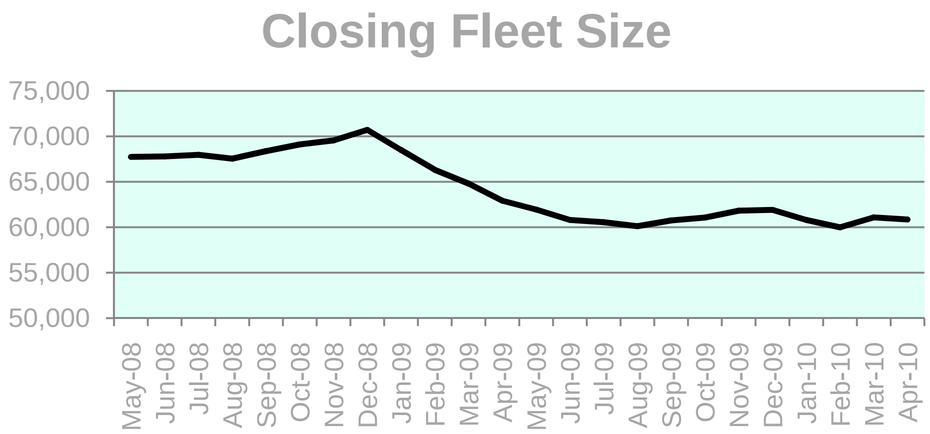
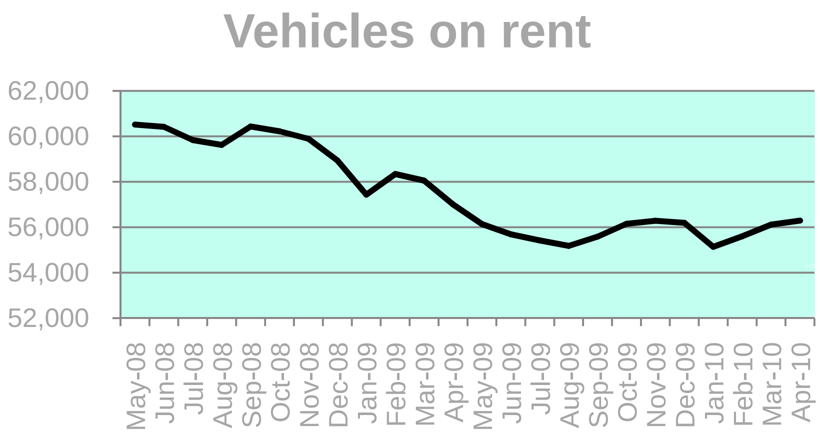
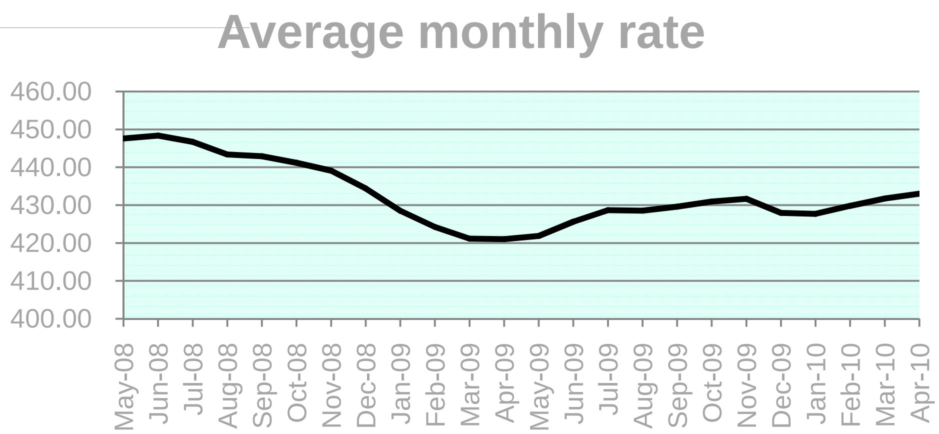
UK KPIs

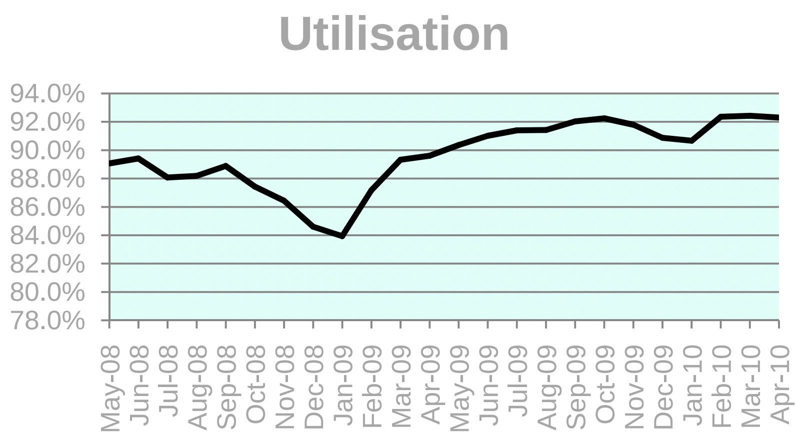
	2010	2009
Fleet size (closing)	60,900	62,900
Utilisation (average)	91%	88%
Closing vehicles on hire	56,200	56,700
Revenue per vehicle p.a.	£5,118	£5,090
Operating margin	18.0%	12.4%
Headcount	2,122	2,253

UK KPI performance









Source: Management information

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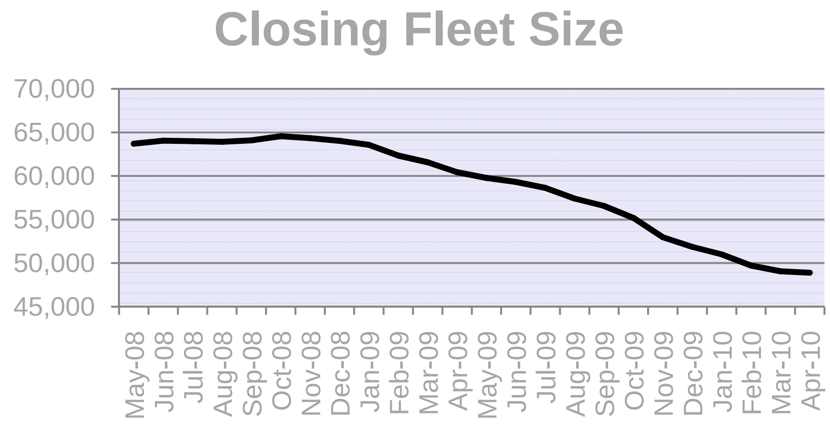
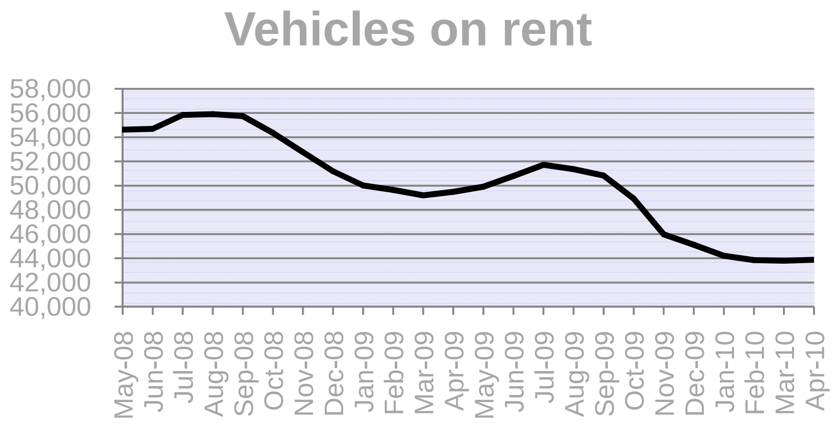
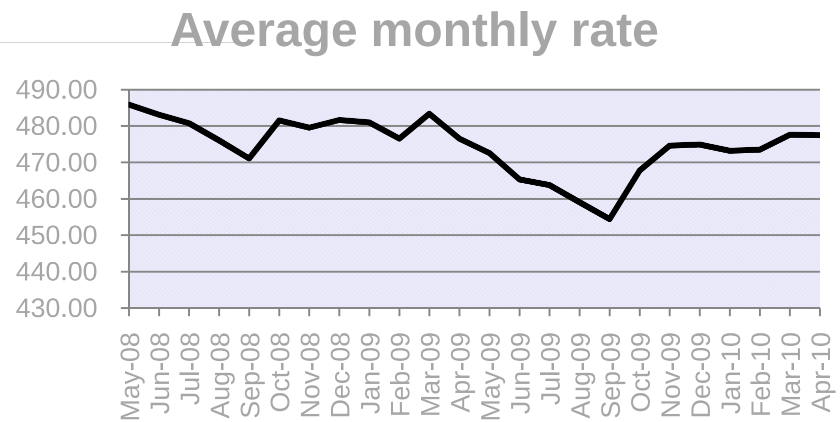
Spain KPIs

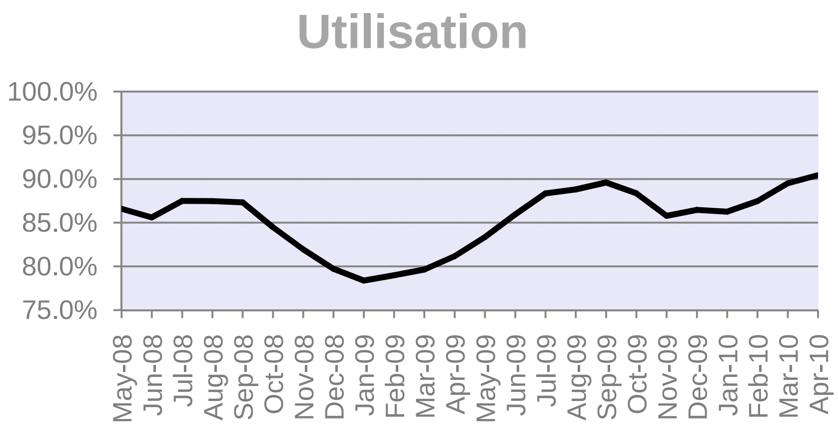
	2010	2009
Fleet size (closing)	48,900	60,400
Utilisation (average)	88%	83%
Closing vehicles on hire	44,100	50,500
Revenue per vehicle p.a.	€4,914	€4,793
Operating margin	12.7%	12.7%

Spain KPI performance









Source: Management information

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Financial summary

£m	April 2010			April 2009
	UK	Spain	Total	Total
Revenue (excluding vehicle sales)	328.2	235.5	563.7	609.6
Operating profit (excluding vehicle disposals)	52.4	34.2	86.6	108.6
Vehicle disposals	6.5	(4.2)	2.3	(32.2)
Total operating profit	58.9	30.0	88.9	76.4
Head office	-	-	(6.1)	(4.6)
Group operating profit			**82.8**	**71.8**
Operating margin %	18.0%	12.7%	14.7%	11.8%
Cash interest			(40.4)	(42.4)
Non cash interest			(5.9)	(1.9)
Profit before tax			**36.5**	**27.5**

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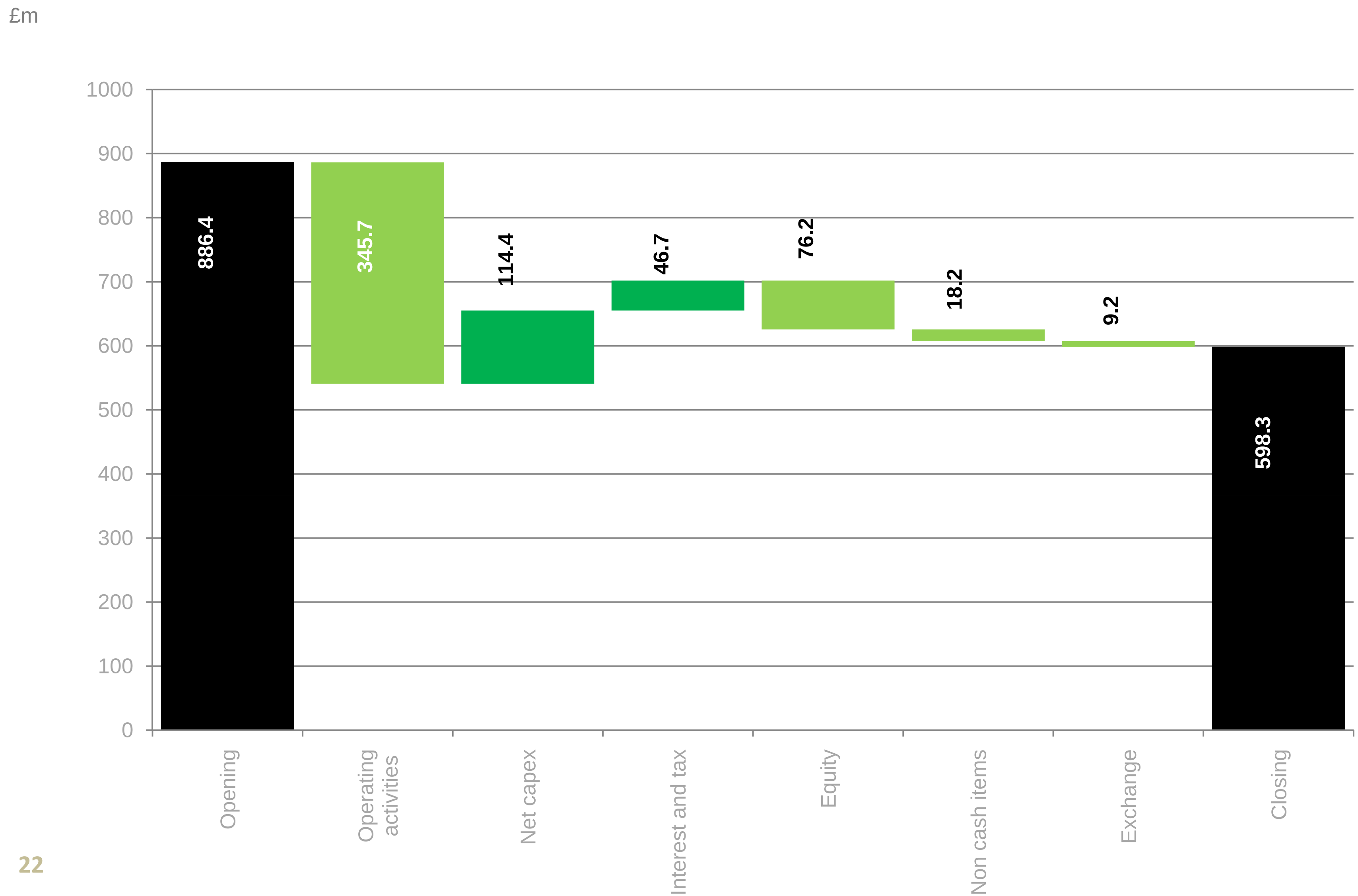
Operating cash flows



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Group fleet capital expenditure

		2010 £m	2009 £m
Purchases	UK	205.5	208.4
	Spain	93.6	112.0
Disposals	UK	(118.0)	(98.7)
	Spain	(71.4)	(50.5)
Net fleet capex		**109.7**	**171.2**
Vehicles			
Purchases	UK	18,750	16,900
	Spain	9,100	8,800
		27,850	**25,700**
Disposals	UK	(22,700)	(23,400)
	Spain	(19,800)	(13,200)
		(14,650)	**(10,900)**

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Facilities headroom

£m	April 2010
Syndicated bank facilities	648
US loan notes	213
Other facilities	4
	865
Closing net debt	598
Unamortised arrangement fees	27
	625
Headroom	**240**

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Cost of borrowing

£m	April 2010	Rate
Fixed rate borrowings		
US loan notes	213	8.7%
Bank borrowings	237	5.6%
	450	**7.0%**
Floating rate bank borrowings	175	3.8%
Arrangement fees	(27)	-
Net debt	**598**	**5.9%**

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Financial covenants

	April 2010
1) EBIT : Interest	
Actual	1.92 x
Covenant	1.21 x
2) Net debt/EBITDA	
Actual	2.04 x
Covenant	2.46 x
3) Net tangible worth	
Actual	£291.6m
Covenant	£240.0m
4) Loan to value	
Actual	67%
Covenant	85%