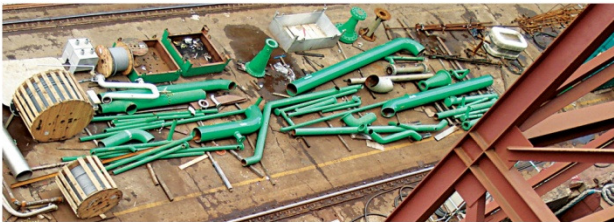




NORTHBRIDGE INDUSTRIAL SERVICES PLC

Interim Results, September 2011



HIGHLIGHTS

- Group revenue up 45% to £11.4 million (2010: £7.8 million)
- Profit before tax up 41% to £2.0 million (2010: £1.4 million)
- Gross margin unchanged at 63% (2010: 63%)
- Strong cash generation from operations of £2.4 million (2010: £1.9 million)
- Net gearing of 17% (2010: 31%)
- Interim dividend increased by 13% to 1.75 pence (2010: 1.55 pence)
- Investment in start-up operations in USA, France and Singapore
- Integration of Tasman Oil Tools is now fully complete
- 28% improvement in the underlying equipment sales

PRINCIPAL ACTIVITIES

- **Northbridge Industrial Services was incorporated for the purpose of acquiring companies that hire and sell specialist industrial equipment supplying a non-cyclical customer base.**

- **The principal activities of the subsidiary companies are:**
 - **Crestchic Ltd** (“*Crestchic*”) – the design, manufacture, sale and hire of loadbank equipment which is primarily used for the commissioning and maintenance of independent power sources such as diesel generators and gas turbines;

 - **Tasman Oil Tools Pty Limited** (“*Tasman*”) – hire of tools and equipment for the oil and gas industry in Australia;

 - **Northbridge (Middle East) FZE** (“*NME*”) – hire of equipment for the oil and gas industry in the Middle East;

 - **RDS (Technical) Ltd** (“*RDS*”) – the hire and service of generators and associated equipment to the oil and gas industries in the Caspian region;

 - **Allied Industrial Resources Limited** (“*AIR*”) – hire of specialised high flow/high pressure compressors together with specialist dryer units for Industrial users.

GEOGRAPHICAL PRESENCE

We have a presence, either directly or through agents, in:

	Owned	Agent
UK	✓	
Germany	✓	✓
North America	✓	
Brazil		✓
Singapore	✓	✓
Korea		✓
Middle East	✓	
Central Asia	✓	
France	✓	
Australia	✓	



GROUP STRATEGY

Founded in 2006:

To acquire and consolidate specialist industrial equipment business

Target criteria includes:

- Potential for expansion into complete outsourcing providers
- Supplying, or capable of supplying, a worldwide customer base
- Incorporating a strong element of rental and service work
- Capable of organic growth in their own right

Continue to search for suitable acquisitions

CRESTCHIC LIMITED

Background

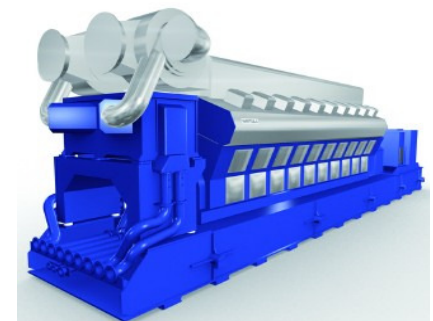
- Founded in 1983, based in Burton-on-Trent
- Profitable and cash generative business
- Designs, assembles, sells and rents specialist loadbank equipment to any size at any voltage and frequency to our customers' specific requirements
- Used for the commissioning and maintenance of independent power sources such as diesel generators and gas turbines
- Has access to a global loadbank fleet through its distributor arrangements

Drivers

- The need to test and maintain standby and independent power systems
- Increasing reliance on power critical technology within the banking, medical, marine and defence industries
- In certain geographies there is an increasingly unreliable global power infrastructure

Continued strong rental demand for Crestchic's products and services

- Loadbank revenue up by 52% compared with H1 2010
- Strong resilience in UK despite economic cycle
- Trading in line with expectations, and enquiries & quotes remain at high levels



NME – NORTHBRIDGE (MIDDLE EAST) FZE

Founded in the Jebel Ali Free Zone of Dubai to exploit opportunities in the Middle East

- Distributes Crestchic products in the Middle East as well as trading on its own account in the rental of transformers, generators and associated electrical equipment
- Continued development following launch in 2007
- Some equipment relocated to Singapore to service repeat business

RDS (Technical) Azerbaijan

- Previously a Crestchic agent
- Supplies generators and compressors
- Increased activity levels due to new phase of oil & gas investment

TASMAN OIL TOOLS

Acquisition completed in July 2010 following a Placing of 5,606,000 shares at 125p

Based in Perth, Western Australia, specialises in rental of equipment for the onshore and offshore oil industry

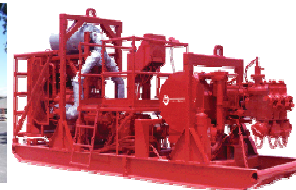
Tasman's hire fleet of 4000+ units include:

- Drill pipes and drill collars, drill strings
- Blow out preventers
- Hole openers
- Mud pumps
- Torque wrenches
- Power swivels
- Power tongs
- Power wash down units

Performance encouraging & integration now complete

Cash generative and profitable

- Initial deferred consideration payment made
- Final deferred consideration to be made on 30th September 2011

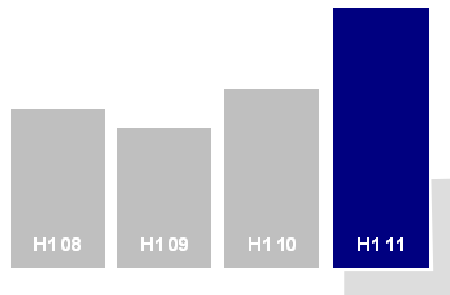


INTERIM RESULTS

45%

Revenue

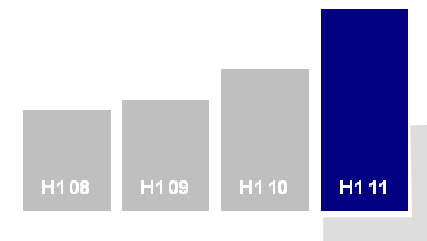
2011: £11.4m
2010: £ 7.8m
2009: £ 6.1m
2008: £ 6.9m



41%

Profit Before Tax

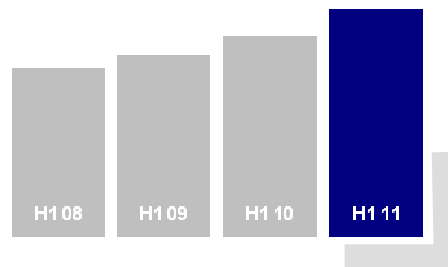
2011: £2.0m
2010: £1.4m
2009: £1.1m
2008: £1.0m



13%

Interim Dividend

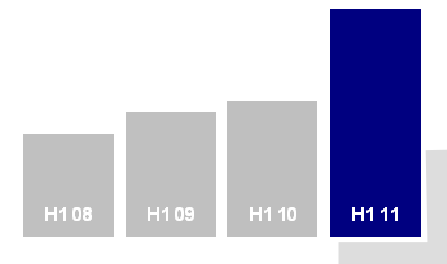
2011: 1.75p
2010: 1.55p
2009: 1.40p
2008: 1.30p



68%

Total Assets

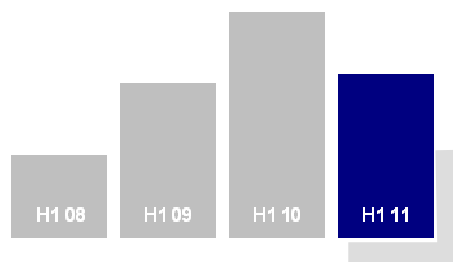
2011: £39.2m
2010: £23.4m
2009: £21.5m
2008: £17.6m



(6%)

EPS (Basic)

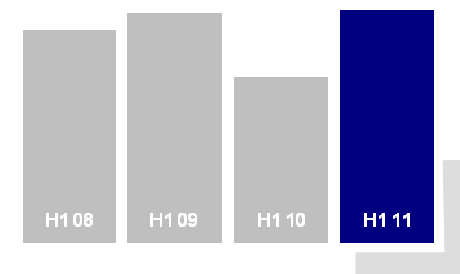
2011: 10.8p
2010: 11.5p
2009: 10.7p
2008: 9.9p



40%

EPS (Adjusted)*

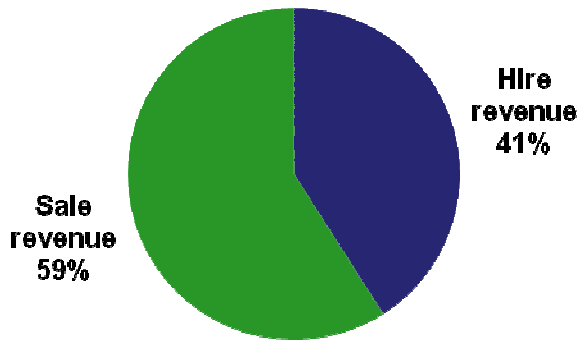
2011: 10.8p
2010: 7.7p
2009: 10.7p
2008: 9.9p



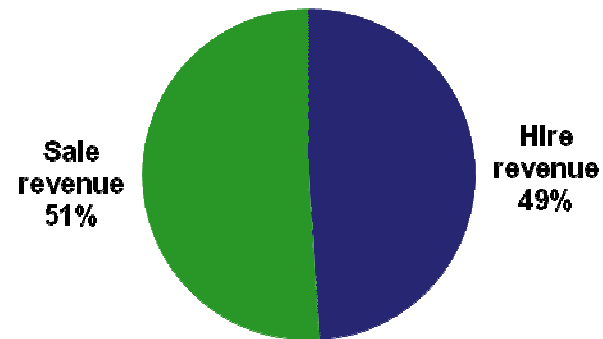
*excluding benefit of terminated ZincOx contract in 2010

REVENUE BY PRODUCT MIX

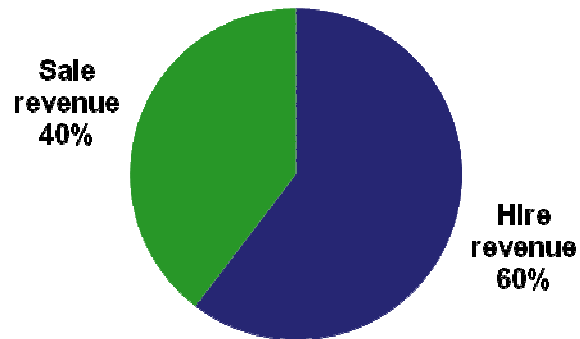
2007



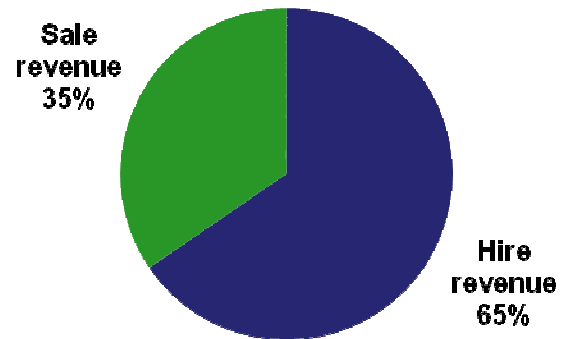
2008



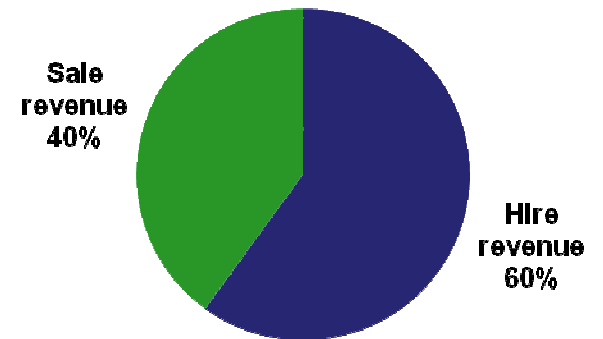
2009



2010



2011 H1



PROFIT & LOSS

	H1 2011 £'000	H1 2010 £'000	FY 2010 £'000
Revenue	11,380	7,828	19,327
Cost of sales	(4,268)	(2,872)	(7,264)
Gross profit	7,112	4,956	12,063
Selling and distribution costs	(2,392)	(1,735)	(3,848)
Administrative expenses	-	-	-
Excluding exceptional items	(2,585)	(1,710)	(4,123)
Exceptional items – acquisition related expenses	-	-	(195)
Total administrative expenses	(2,585)	(1,710)	(4,318)
Profits from operations	2,135	1,511	3,897
Net finance costs	(127)	(85)	(218)
Profit before income tax	2,008	1,426	3,679
Income tax expense	(352)	(402)	(643)
Profit for the year attributable to the equity holders of the parent	1,656	1,024	3,036
Earnings per share			
– basic (pence)	10.8	11.5	25.8
– diluted (pence)	10.5	11.3	25.5

- Revenue up 45% (underlying revenue up 5%)
- Gross margins maintained at 63%
- Increased amortisation of £320k (2010: £74k)
- Income tax rate of 17.5% (28.2%) due to CFC approval for NME and RDS

BALANCE SHEET

- Increase in intangible assets from Tasman acquisition giving rise to increased amortisation
- Increase in hire fleet value in PPE; total cost now £19.6m
- Increased bank debt of £5.7m (2010: £4.4m)
- Five year term loans for £3.2m at LIBOR +3.25%
- 15 year mortgage for £1.2m at Base +2.5%
- Gearing level of 17% (2010: 31%)
- Banking covenants very comfortable
- Deferred consideration for Tasman of AUD2.0m to be paid on 30th September 2011

	<u>H1 2011</u>	<u>H1 2010</u>	<u>FY 2010</u>
	£'000	£'000	£'000
Intangible assets	9,484	3,241	9,755
Property, plant and equipment	19,854	14,409	20,504
Inventories	1,858	1,107	1,010
Trade and other receivables	6,669	4,303	6,215
Cash and cash equivalents	1,364	346	2,588
Trade and other payables	3,812	3,310	3,424
Financial liabilities	1,923	2,547	1,703
Other financial liabilities	1,192	153	2,310
Provisions	-	-	71
Current tax liabilities	580	832	1,098
Financial liabilities – non current	3,775	1,918	4,382
Long-term provisions	-	106	-
Deferred tax liabilities	2,159	1,091	2,584
Total net assets	25,788	13,449	24,500

CASH FLOW

	H1 2011 £'000	H1 2010 £'000	FY 2010 £'000
	Cash flows from operating activities		
	2,008	1,426	3,679
	330	74	394
→ Non cash items total £1.4m in the period (2010: £0.8m) (amortisation/depreciation)	1,079	742	1,605
	139	85	226
	(156)	(12)	(34)
→ Cash generation from operations of £2.4m (2010: £1.9m)	(967)	(453)	95
	Cash generated from operations		
	2,433	1,862	5,965
	(139)	(85)	(226)
→ Investment in hire fleet of £0.7m	(1,073)	(587)	(1,188)
	(304)	(1,477)	(3,974)
→ Deferred consideration paid £1.1m	(1,076)	-	(6,509)
	(230)	30	(216)
→ Dividends paid in period of £0.5m	39	-	6,748
	(126)	(83)	2,130
→ Period end cash of £1.4m with £1.0m paid to vendors of Tasman in Jan'11	(271)	(261)	(529)
			-
→ Cash generation remains strong	(468)	(241)	(478)
	2,588	776	776
	(9)	12	89
	Cash and cash equivalents at end of period		
	1,364	(54)	2,588

Financial Indicators

	H1 2011	H1 2010
EBITDA	£3.5m	£2.3m
Capital Investment	£0.7m	£1.5m
Cash Generated From Operations	£2.4m	£1.9m
Net Borrowings	£4.3m	£4.3m
Interest Cover – EBITDA basis	27 times	27 times
Net Debt to EBITDA	1.2 times	1.9 times
Effective Tax Rate	17.5%	28.2%
Gearing	17%	31%
EPS adjusted*	10.8p	7.7p
DPS	1.75p	1.55p

*excluding benefit of terminated ZincOx contract in 2010

OUTLOOK

- Revenue and profitability of Group expected to be maintained
- Main customer base of power generation and the oil & gas sectors are seeing growth in most markets
- Continued demand for Group's manufactured loadbanks
- Increased investment in start up operations in USA, France and Singapore
- Actively seeking further acquisitions
- Increase in cash flow enabling further expansion of hire fleet and funding bolt-on acquisitions
- Encouraging outlook for Tasman which is performing inline with management expectations
- Strengthened management team

THE MANAGEMENT TEAM

Peter Harris, Chairman, aged 60

- Qualified as a Chartered Accountant having studied at Sheffield University
- Previously main board director RAC plc – responsible for fleet and inventory management businesses
- Grown from standing start their £1.2bn Lex Defence PFI outsourcing division

Eric Hook, Chief Executive, aged 57

- Over 20 years senior experience in industrial services sector businesses
- Previously CEO of Longville Group Limited and Andrews Sykes Group plc
- Refocused and grew Andrews Sykes from loss-making to PBT of £12m p.a.

Craig Robinson, Finance Director, aged 49

- Appointed FD on 1st April 2011, previously FD of Michelmersh Brick Holdings Plc which he joined in April 2002.
- Fellow of the Chartered Association of Certified Accountants

Ash Mehta, Non-executive Director, aged 45

- Part-time FD of NBIS from 1st April 2007 to 31st March 2011
- Qualified in 1992 with KPMG, held a number of senior financial roles in full listed & AIM companies

David Marshall, Non-Executive Director, aged 67

- Chairman of Western Selection plc, Creston plc and Doctors Direct plc.
- Non-executive director of Marylebone Warwick Balfour Group Plc, Finsbury Food Group plc & The Sanctuary Group plc

Jim Gould, Non-Executive Director, aged 77

- Crestchic MD and founder in 1983
- Qualified electrical engineer

Michael Dodson, Non- Executive Director, aged 64

- Fellow of the Institutions of Chemical and Electrical Engineers and a Chartered Engineer
- Has held directorships in over twenty companies ranging from large utilities, through MOD agencies to high-tech start ups