

**Interim Results
for the Six Months Ended 30th June 2010**



Northbridge Industrial
Services plc

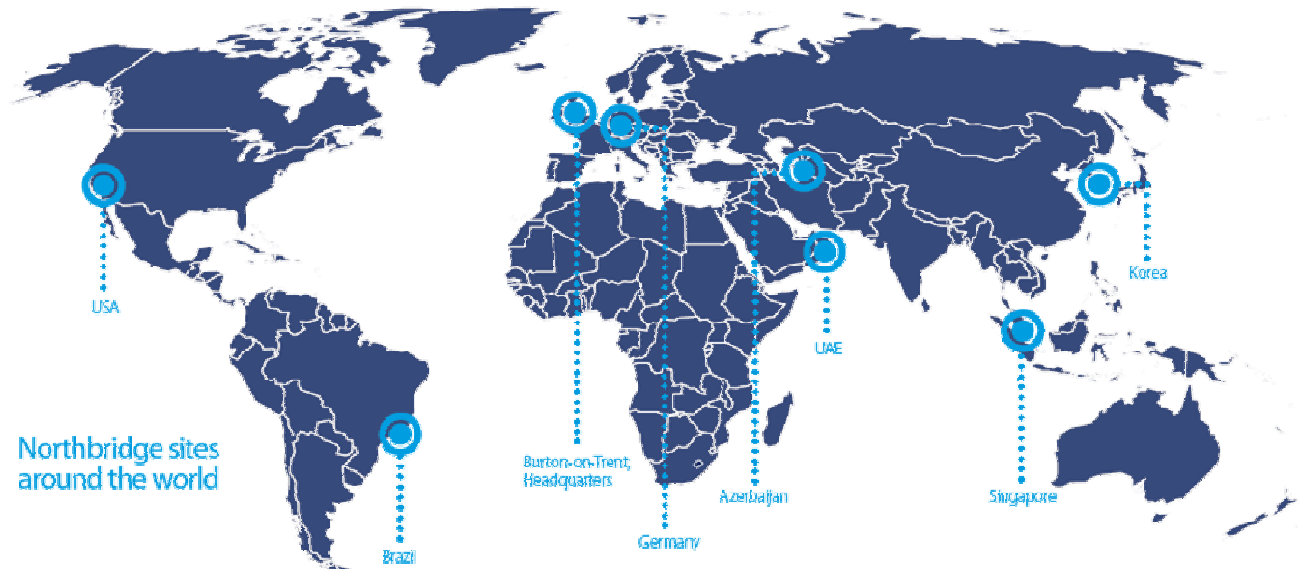
Presentation
September 2010



ABOUT NORTHBRIDGE INDUSTRIAL SERVICES PLC

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

- **We have a presence, either directly or through agents, in:**
 - UK
 - Germany
 - North America
 - Brazil
 - Singapore
 - Korea
 - Middle East
 - Central Asia
 - Australia



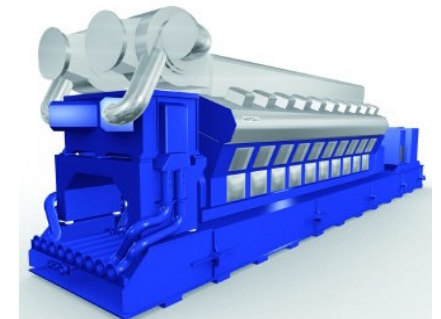
HIGHLIGHTS

- **Group revenue up 28% to £7.8 million (2009: £6.1 million)**
- **Pre-tax profits up 27% to £1.4 million (2009: £1.1 million)**
- **Gross margin stable at 63.3% (2009: 64.0%)**
- **Basic earnings per share up 7% to 11.5 pence (2009 10.7 pence)**
- **Strong cash generation from operations of £1.9 million (2009: £2.7 million)**
- **Interim dividend increased by 11% to 1.55 pence (2009: 1.40 pence)**

CRESTCHIC LIMITED

→ **Crestchic**

- founded in 1983, based in Burton-on-Trent
 - profitable and cash generative business
 - designs, assembles, sells and rents specialist loadbank equipment
 - has access to a global loadbank fleet through its distributor arrangements
 - technological expertise
-
- **Main subsidiary – trading in line with expectations**
 - **Good growth in activity**
 - **Sale of manufactured units rose by 7% in H1**
 - **Rental activity maintained following good growth in 2009**
 - **Strong resilience in UK despite economic cycle**
 - **Enquiries & quotes remain at high levels**



NME – NORTHBRIDGE (MIDDLE EAST) FZE

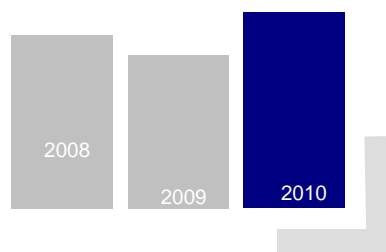
- **Sells and promotes Crestchic's products**
- **Operating its own hire fleet of industrial equipment**
- **Strong growth following launch in 2007**
- **Rental revenue up by 38% together with strong sales**
- **Subsidiary TTERS performing below expectation due to Dubai construction downturn**
 - Expect ed to improve when it becomes wholly owned by NME early next year and we are able to effect changes to its operations.
- **RDS (Technical) Azerbaijan**
 - Increased activity levels in H1 due to new phase of investment now commencing

INTERIM RESULTS 2010

+28%

Revenue

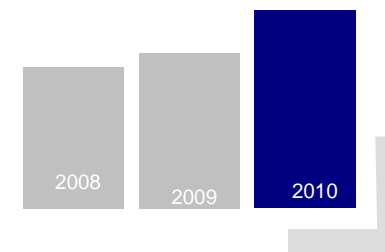
2010: £7.8m
2009: £6.1m
2008: £6.9m



+27%

Profit Before Tax

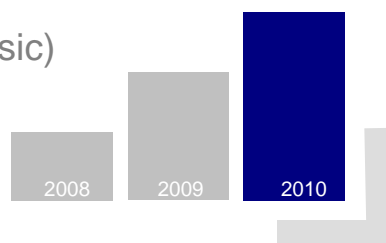
2010: £1.4m
2009: £1.1m
2008: £1.0m



+7%

Earnings Per Share (Basic)

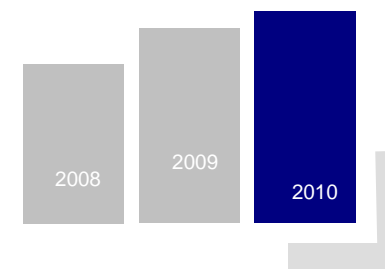
2010: 11.5p
2009: 10.7p
2008: 9.9p



+8%

Total Assets

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



CONSOLIDATED INCOME STATEMENT

	H1 2010 £'000	H1 2009 £'000
Revenue	7,828	6,101
Cost of sales	(2,872)	(2,195)
Gross profit	4,956	3,906
Selling and distribution costs	(1,735)	(1,596)
Administrative costs	(1,710)	(1,113)
Profits from operations	1,511	1,197
Finance costs	(85)	(78)
Profit before income tax	1,426	1,119
Income tax expense	(402)	(313)
Profit for the year attributable to the equity holders of the parent	1,024	806
Earnings per share		
- basic (p)	11.5	10.7
- diluted (p)	11.3	10.5

BALANCE SHEET

£'000	H1 2010	H1 2009
Intangible assets	3,241	3,526
PPE	14,409	11,332
Inventories and receivables	5,410	4,837
Cash	346	1,885
Total Assets	23,406	21,580
Current liabilities	(6,842)	(6,234)
Non-current liabilities	(3,115)	(3,450)
Total Liabilities	9,957	(9,684)
Net Assets	13,449	11,896

DEBT AND GEARING

- **Net gearing level at 30 June 2010 is 31% (2009: 24%)**

- **Debt increased post 30 June due to Tasman acquisition and new facilities - countered by increased equity**

- **Debt now comprised of;**
 - £3m acquisition debt
 - £3m trade finance facility (only partly utilised)
 - £1m “mortgage” against Dubai property
 - £1.3m mortgage against Burton property
 - £1m HP against compressor fleet
 - Net gearing at 31-Aug-10 of 21%; Gross gearing of 29%

CASH FLOW

£'000	H1 2010	H1 2009
Operating Activities	1,426	1,119
Adjustments	889	581
Inventories/receivables/payable	(453)	953
Tax and interest	(672)	(643)
Hire fleet expenditure	(1,477)	(1,850)
Net cash from Operating activities	(287)	160
Net cash from investing activities	30	(1,113)
Net cash from financing activities	(585)	961
Net increase in cash	(842)	8
Opening cash	776	2,078
Exchange gains on cash and cash equivalents	12	(201)
Closing cash	(54)	1,885

GROUP STRATEGY

No change since 2006:

To acquire and consolidate specialist industrial equipment business

Target criteria includes:

- Expansion potential into complete outsourcing providers
- Can supply non cyclical customer base
- Have a strong element of service work
- Revenue generation between £1m and £10m

Continue to search for suitable acquisitions

ACQUISITION OF TASMAN OIL TOOLS

- **Completed in July following a Placing of 5,606,000 shares at 125p in June**
- **Based in Perth, Western Australia, specialises in rental of equipment for the onshore and offshore oil industry in Australia**
- **Audited results for the year to June 2009: Revenue A\$11.5 million (£6.5million)**
- **Proforma 2010: Revenue A\$12.2 million, PBT A\$2.0 million (post rents)**
- **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



OUTLOOK

- **Despite global economic uncertainty, trading in H1 has improved**
- **Encouraging level of enquiries for both sales and rental in H2**
- **Benefit from acquisition of Tasman to enhance earnings immediately**
- **Increase in revenue from Hire increases cash flow enabling further expansion of hire fleet and funding bolt-on acquisitions**
- **Strong outlook for H2 2010 & FY 2011 based on pipeline and market trends**

Appendices

THE NORTHBRIDGE PROPOSITION

<p>Management</p> <ul style="list-style-type: none">→ outsourcing and hire sector expertise→ acquisition and PLC track record	<p>Growth outsourcing sectors</p> <ul style="list-style-type: none">→ energy – oil & gas, power generation, renewable utilities→ telecoms, media, internet and banking→ infrastructure – public sector, health and education
<p>Consolidation</p> <ul style="list-style-type: none">→ opportunity to consolidate growing specialist niche sectors→ number of acquisition opportunities in fragmented sectors→ acquisition target	<p>Trend to outsourcing</p> <ul style="list-style-type: none">→ niche provision of specialist equipment and services→ high degree of operational skill

THE MANAGEMENT TEAM

- **Peter Harris, Chairman, aged 57**
 - 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 55**
 - 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.

- **Ash Mehta, Finance Director, aged 44**
 - Qualified in 1992 with KPMG, held a number of senior financial roles in full listed & AIM companies
 - Founded Orchard Growth Partners, a professional services firm offering flexible FD services to SMEs
 - Sits on the Executive Committee of the Quoted Companies Alliance (QCA)

- **David Marshall, Non-Executive Director, aged 62**
 - 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 74**
 - Crestchic MD and founder in 1983

- **Michael Dodson, Non- Executive Director, aged 61**
 - Has held directorships in over twenty companies ranging from large utilities, through MOD agencies to high-tech start ups