



Northgate Information Solutions to be Acquired by KKR

December 21, 2007

London, 21 December 2007 - The Boards of NIS Acquisitions and Northgate Information Solutions plc are pleased to announce that they have reached agreement on the terms of a recommended acquisition of Northgate at a price of 95 pence in cash for each Northgate Share, valuing the entire issued and to be issued share capital of Northgate at approximately £593 million.

NIS Acquisitions is a newly incorporated company formed at the direction of funds advised by Kohlberg Kravis Roberts for the purpose of implementing the Transaction.

Northgate is a market leader in providing specialist software, outsourcing and information technology services to the human resources, local government, education and public safety markets. Northgate employs 6,490 staff and operates in 46 countries across five continents. Northgate has approximately 4,500 large/medium customers and approximately 10,500 small to medium enterprise (SME) customers worldwide.

The price of 95 pence for each Northgate Share represents:

- a premium of 40.5 per cent. to the average Closing Price of 67.6 pence per Northgate Share for the month ended 11 December 2007, the Business Day prior to Northgate's announcement that it had received an approach which may or may not lead to an offer for Northgate; and
- a premium of 60.3 per cent. to the Closing Price of 59.25 pence per Northgate Share on 11 December 2007, the Business Day prior to Northgate's announcement that it had received an approach which may or may not lead to an offer for Northgate.

The Directors of Northgate, who have been so advised by Rothschild, consider the terms of the Transaction to be fair and reasonable. In providing its advice, Rothschild has taken into account the commercial assessments of the Directors of Northgate. Accordingly, the Directors of Northgate intend unanimously to recommend that Northgate Shareholders vote in favour of the Transaction at the Meetings (or, in the event that the Transaction is implemented by way of a takeover offer, to accept or procure acceptance of such offer) as the Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 1,660,231 Northgate Shares in aggregate, representing approximately 0.3 per cent. of Northgate's issued share capital.

In addition, GAP North Limited (a General Atlantic company), which holds 68,780,000 Northgate Shares and Jos Sluys, a Director of Northgate, who holds 45,349,200 Northgate Shares, have each today sold to NIS Acquisitions their respective holdings, in aggregate representing 19.6 per cent. of Northgate's issued share capital, at a price of 95 pence per Northgate Share. Aggregated with the irrevocable undertakings of the Directors referred to above, NIS Acquisitions has acquired or received irrevocable undertakings representing, in aggregate, approximately 19.9 per cent. of Northgate's issued share capital.

It is intended that the acquisition will be implemented by way of a court-sanctioned scheme of arrangement under section 425 of the Companies Act. The Scheme Document will be posted to Shareholders as soon as reasonably practicable.

Commenting on today's announcement, Todd Fisher, Partner of Kohlberg Kravis Roberts, said:

"Kohlberg Kravis Roberts is delighted that the Board of Northgate has unanimously agreed to recommend our offer. We have significant experience in the technology services sector and look forward to working with Northgate's management team to address the numerous opportunities to grow Northgate into a leading international provider of software solutions and outsourcing services to the human resources and public sector markets."

Commenting on the Transaction, Ron Mackintosh, Chairman of Northgate, said:

"Under its current management team Northgate has made significant progress over the past few years, culminating in the recent acquisition of ARINSO which has transformed the group into a global provider of HR software and services with operations in 46 countries. I believe this offer will enable the company to accelerate its future development and realise its full potential. Kohlberg Kravis Roberts is offering a price which reflects Northgate's fundamental value, and under Kohlberg Kravis Roberts's ownership Northgate and all its stakeholders can look to the future with confidence."

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Notes to Editors:

About KKR

Established in 1976, KKR is a leading global alternative asset manager. The core of the Firm's franchise is sponsoring and managing funds that make private equity investments in North America, Europe, and Asia. Throughout its history, KKR has brought a long-term investment approach to portfolio companies, focusing on working in partnership with management teams and investing for future competitiveness and growth. Additional funds that KKR sponsors include KKR Private Equity Investors, L.P. (NYSE Euronext Amsterdam: KPE), a permanent capital fund that invests in KKR-identified investments; and two credit strategy funds, KKR Financial (NYSE: KFN) and the KKR Strategic Capital Funds, which make investments in debt transactions. KKR has offices in New York, Menlo Park, San Francisco, London, Paris, Hong Kong, and Tokyo. More information about KKR is available at: www.kkr.com

About Northgate

Founded in 1969, Northgate Information Solutions is a market leader in providing specialist software, outsourcing and information technology (IT) services to the human resources, local government, education and public safety markets. The company currently employs over 6,000 staff and operates in 46 countries across 5 continents. Northgate has approximately 4,500 large/medium customers and approximately 10,500 small/medium enterprise (SME) customers world wide.

The many corporate organisations Northgate works closely with include approximately 100 of the Fortune 500 companies, 90% of the UK local authorities and all of the UK's regional police forces.

Furthermore, Northgate manages many customers' key systems, providing a broad range of flexible and cost effective outsourced solutions available either at client sites or hosted at their own data centre.

More information about Northgate is available at: <http://www.Northgate-is.com/>