



NATIONAL HIRE GROUP LIMITED  
A.C.N. 076 688 938

PO Box 195  
MATRAVILLE NSW 2036

TELEPHONE: 029 582 7922  
FACSIMILE: 029 666 1679

## FACSIMILE MESSAGE TO:

**Company Name:** ASX **From:** RAY HARMAN  
**Attention:** COMPANY ANNOUNCEMENTS **Date:** 3 MARCH 2003  
**Fax Number:** 1300 300 021 ~~1800 999 279~~ **Pages:** 28  
**Subject:** NATIONAL HIRE GROUP LIMITED  
HALF-YEAR RESULTS - 31 DECEMBER 2002

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The below mentioned documents are following:

- **Appendix 4B**
- **Independent Review Report to the Members**
- **Directors' Report**
- **Directors' Declaration**
- **Market Announcement**



RAY HARMAN  
CHIEF FINANCIAL OFFICER

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**Appendix 4B**  
**Half yearly/preliminary final report**

*Rules 4.1, 4.3*

## Appendix 4B

### Half yearly/preliminary final report

Introduced 30/6/2002.

Name of entity

NATIONAL HIRE GROUP LIMITED

ABN or equivalent company reference

61 076 688938

Half yearly  
(tick)



Preliminary  
final (tick)



Half year/financial year ended ('current period')

31 December 2002

#### For announcement to the market

*Extracts from this report for announcement to the market (see note 1).*

SA'000

Revenues from ordinary activities ( <i>item 1.1</i> )	Up	4%	to	15,302
Loss from ordinary activities after tax attributable to members ( <i>item 1.22</i> )	down	41%	to	(103)
Profit (loss) from extraordinary items after tax attributable to members ( <i>item 2.5(d)</i> )				
Net loss for the period attributable to members ( <i>item 1.11</i> )	down	41%	to	(103)
<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>		
Final dividend ( <i>Preliminary final report only - item 15.4</i> )	Nil	Nil		
Interim dividend ( <i>Half yearly report only - item 15.6</i> )	Nil	Nil		
Previous corresponding period ( <i>Preliminary final report - item 15.5; half yearly report - item 15.7</i> )	Nil	Nil		
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) ( <i>see item 15.2</i> )	N/A			
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

+ See chapter 19 for defined terms.

Appendix 4B  
Half yearly/preliminary final report

### Condensed consolidated statement of financial performance

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities ( <i>see items 1.23 -1.25</i> )	15,301	14,752
1.2 Expenses from ordinary activities ( <i>see items 1.26 &amp; 1.27</i> )	14,568	14,546
1.3 Borrowing costs	791	783
1.4 Share of net profits (losses) of associates and joint venture entities ( <i>see item 16.7</i> )		
<b>1.5 Profit (loss) from ordinary activities before tax</b>	<b>(58)</b>	<b>(577)</b>
1.6 Income tax on ordinary activities ( <i>see note 4</i> )	45	(401)
<b>1.7 Profit (loss) from ordinary activities after tax</b>	<b>(103)</b>	<b>(176)</b>
1.8 Profit (loss) from extraordinary items after tax ( <i>see item 2.5</i> )		
<b>1.9 Net profit (loss)</b>	<b>(103)</b>	<b>(176)</b>
1.10 Net profit (loss) attributable to outside +equity interests		
<b>1.11 Net profit (loss) for the period attributable to members</b>	<b>(103)</b>	<b>(176)</b>
<b>Non-owner transaction changes in equity</b>		
1.12 Increase (decrease) in revaluation reserves		
1.13 Net exchange differences recognised in equity		
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)		
1.15 Initial adjustments from UIG transitional provisions		
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)		
<b>1.17 Total changes in equity not resulting from transactions with owners as owners</b>	<b>(103)</b>	<b>(176)</b>

Earnings per security (EPS)		Current period	Previous corresponding Period
1.18	Basic EPS	(0.004) ¢	(0.63) ¢
1.19	Diluted EPS	(0.004) ¢	(0.63) ¢

+ See chapter 19 for defined terms.

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**Notes to the condensed consolidated statement of financial performance**

**Profit (loss) from ordinary activities attributable to members**

	Current period - \$A'000	Previous corresponding period - \$A'000
1.20 Profit (loss) from ordinary activities after tax ( <i>item 1.7</i> )	(103)	(176)
1.21 Less (plus) outside <sup>+</sup> equity interests		
1.22 Profit (loss) from ordinary activities after tax, attributable to members	(103)	(176)

**Revenue and expenses from ordinary activities**

(see note 15)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.23 Revenue from sales or services	15,063	14,488
1.24 Interest revenue	12	2
1.25 Other relevant revenue	226	261
1.26 Details of relevant expenses	263	250
1.27 Cost of providing services	10,090	10,156
1.27 Administration & marketing costs	2,108	1,891
1.27 Other overheads	234	245
1.27 Depreciation and amortisation excluding amortisation of intangibles (see item 2.3)	1,716	1,847
1.27 Amortisation of intangibles	157	157
<b>Total expenses</b>	<b>14,568</b>	<b>14,546</b>
<b>Capitalised outlays</b>		
1.28 Interest costs capitalised in asset values		
1.29 Outlays capitalised in intangibles (unless arising from an <sup>+</sup> acquisition of a business)		

<sup>+</sup> See chapter 19 for defined terms.

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### Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	939	1,833
1.31 Net profit (loss) attributable to members ( <i>item 1.11</i> )	(103)	(176)
1.32 Net transfers from (to) reserves ( <i>details if material</i> )		
1.33 Net effect of changes in accounting policies		
1.34 Dividends and other equity distributions paid or payable		
<b>1.35 Retained profits (accumulated losses) at end of financial period</b>	<b>836</b>	<b>1,657</b>

### Intangible and extraordinary items

		<i>Consolidated – current period</i>			
		Before tax \$A'000	Related tax \$A'000	Related outside + equity interest \$A'000	Amount (after tax) attributable to members \$A'000
		(a)	(b)	(c)	(d)
2.1	Amortisation of goodwill	108			108
2.2	Amortisation of other intangibles	49			49
2.3	<b>Total amortisation of intangibles</b>	<b>157</b>			<b>157</b>
2.4	Extraordinary items (details)				
2.5	<b>Total extraordinary items</b>				

+ See chapter 19 for defined terms.

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**Comparison of half year profits**

- 3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the *1st* half year (item 1.22 in the half yearly report)
- 3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year

	Current year - \$A'000	Previous year - \$A'000
3.1		
3.2		

**Condensed consolidated statement of financial position**

	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
<b>Current assets</b>			
4.1 Cash	200	126	241
4.2 Receivables	5,498	5,659	5,203
4.3 Investments	500		
4.4 Inventories	11	14	13
4.5 Tax assets			
4.6 Other (provide details if material)	456	543	557
<b>4.7 Total current assets</b>	<b>6,665</b>	<b>6,342</b>	<b>6,014</b>
<b>Non-current assets</b>			
4.8 Receivables	193	188	167
4.9 Investments (equity accounted)			
4.10 Other investments	13	13	13
4.11 Inventories			
4.12 Exploration and evaluation expenditure capitalised ( <i>see para .71 of AASB 1022</i> )			
4.13 Development properties (+ mining entities)			
4.14 Other property, plant and equipment (net)	23,816	24,963	26,482
4.15 Intangibles (net)	6,651	6,808	6,965
4.16 Tax assets	594	584	631
4.17 Other (provide details if material)			
<b>4.18 Total non-current assets</b>	<b>31,267</b>	<b>32,556</b>	<b>34,258</b>
<b>4.19 Total assets</b>	<b>37,932</b>	<b>38,898</b>	<b>40,272</b>

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**Condensed consolidated statement of financial position continued**

	<b>Current liabilities</b>			
4.20	Payables	2,576	3,770	4,332
4.21	Interest bearing liabilities	7,611	5,630	4,233
4.22	Tax liabilities	40	79	24
4.23	Provisions exc. tax liabilities	888	897	876
4.24	Other (provide details if material)			
4.25	<b>Total current liabilities</b>	<b>11,115</b>	<b>10,376</b>	<b>9,465</b>
	<b>Non-current liabilities</b>			
4.26	Payables	1,050	1,050	
4.27	Interest bearing liabilities	10,094	11,813	14,451
4.28	Tax liabilities	1,459	1,404	1,358
4.29	Provisions exc. tax liabilities	226	164	173
4.30	Other (provide details if material)			16
4.31	<b>Total non-current liabilities</b>	<b>12,829</b>	<b>14,431</b>	<b>15,998</b>
4.32	<b>Total liabilities</b>	<b>23,944</b>	<b>24,807</b>	<b>25,463</b>
4.33	<b>Net assets</b>	<b>13,988</b>	<b>14,091</b>	<b>14,809</b>
	<b>Equity</b>			
4.34	Capital/contributed equity	13,152	13,152	13,152
4.35	Reserves			
4.36	Retained profits (accumulated losses)	836	939	1,657
4.37	<b>Equity attributable to members of the parent entity</b>	<b>13,988</b>	<b>14,091</b>	<b>14,809</b>
4.38	Outside <sup>+</sup> equity interests in controlled entities			
4.39	<b>Total equity</b>	<b>13,988</b>	<b>14,091</b>	<b>14,809</b>
4.40	Preference capital included as part of 4.37			

<sup>+</sup> See chapter 19 for defined terms.

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### Exploration and evaluation expenditure capitalised

*(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)*

	Current period \$A'000	Previous corresponding period - \$A'000
5.1 Opening balance		
5.2 Expenditure incurred during current period		
5.3 Expenditure written off during current period		
5.4 Acquisitions, disposals, revaluation increments, etc.		
5.5 Expenditure transferred to Development Properties		
5.6 Closing balance as shown in the consolidated balance sheet <i>(item 4.12)</i>		

### Development properties

*(To be completed only by entities with mining interests if amounts are material)*

	Current period \$A'000	Previous corresponding period - \$A'000
6.1 Opening balance		
6.2 Expenditure incurred during current period		
6.3 Expenditure transferred from exploration and evaluation		
6.4 Expenditure written off during current period		
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
6.7 Closing balance as shown in the consolidated balance sheet <i>(item 4.13)</i>		

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### Condensed consolidated statement of cash flows

		Current period \$A'000	Previous corresponding period - \$A'000
<b>Cash flows related to operating activities</b>			
7.1	Receipts from customers	15,012	14,493
7.2	Payments to suppliers and employees	(13,783)	(12,051)
7.3	Dividends received from associates		
7.4	Other dividends received		
7.5	Interest and other items of similar nature received	12	2
7.6	Interest and other costs of finance paid	(470)	(781)
7.7	Income taxes paid/refunded	(38)	(33)
7.8	Other (provide details if material)		
<b>7.9</b>	<b>Net operating cash flows</b>	<b>733</b>	<b>1,630</b>
<b>Cash flows related to investing activities</b>			
7.10	Payment for purchases of property, plant and equipment	(318)	(513)
7.11	Proceeds from sale of property, plant and equipment	218	260
7.12	Payment for purchases of equity investments		
7.13	Proceeds from sale of equity investments		
7.14	Loans to other entities		
7.15	Loans repaid by other entities		
7.16	Other (payment for purchase of investments)	(500)	
<b>7.17</b>	<b>Net investing cash flows</b>	<b>(600)</b>	<b>(253)</b>
<b>Cash flows related to financing activities</b>			
7.18	Proceeds from issues of <sup>+</sup> securities (shares, options, etc.)		
7.19	Proceeds from borrowings	7,744	500
7.20	Repayment of borrowings	(7,803)	(2,039)
7.21	Dividends paid		
7.22	Other (provide details if material)		
<b>7.23</b>	<b>Net financing cash flows</b>	<b>(59)</b>	<b>(1,539)</b>
<b>7.24</b>	<b>Net increase (decrease) in cash held</b>	<b>74</b>	<b>(162)</b>
7.25	Cash at beginning of period (see Reconciliation of cash)	126	403
7.26	Exchange rate adjustments to item 7.25.		
<b>7.27</b>	<b>Cash at end of period</b> (see Reconciliation of cash)	<b>200</b>	<b>241</b>

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### Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (If an amount is quantified, show comparative amount.)

During the year the consolidated entity acquired plant and equipment with an aggregate value of \$444,684 (Dec 2001: \$1,551,928) by means of hire purchase agreements. These acquisitions are not reflected in the statement of cash flows

### Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	200	509
8.2 Deposits at call		
8.3 Bank overdraft		(268)
8.4 Other (provide details)		
<b>8.5 Total cash at end of period (item 7.27)</b>	<b>200</b>	<b>241</b>

### Other notes to the condensed financial statements

#### Ratios

	Current period	Previous corresponding Period
<b>9.1 Profit before tax / revenue</b>		
Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	(0.37%)	(3.9%)
<b>9.2 Profit after tax / + equity interests</b>		
Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	(0.74%)	(1.2%)

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### Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

Basic earning per share (cents per share)	\$ (0.004)
Diluted earnings per share (cents per share)	(0.004)
Weighted average number of ordinary shares used in the calculation of basic earnings per share.	Quantity 28,109,498
Potential ordinary shares not considered dilutive: There are 594,082 options over un-issued ordinary shares exercisable by 14 April 2005. It is expected these options will not be exercised based on current market conditions. There are 4,708,334 convertible notes on issue with a maturity date of 30 April 2007. Each note has a face value of 75 cents and converts into one (1) ordinary share. Based on current market conditions it is expected the notes may not be converted and will be redeemed.	

### NTA backing

(see note 7)

	Current period	Previous corresponding Period
11.1 Net tangible asset backing per + ordinary security	26.10¢	25.78¢

### Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they have disclosed in their accounts in accordance with *AASB 1042: Discontinuing Operations* (see note 17).)

- 12.1 Discontinuing Operations

+ See chapter 19 for defined terms.

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### Control gained over entities having material effect

- 13.1 Name of entity (or group of entities)
- 13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was <sup>+</sup>acquired
- 13.3 Date from which such profit has been calculated
- 13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period

### Loss of control of entities having material effect

- 14.1 Name of entity (or group of entities)
- 14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control
- 14.3 Date to which the profit (loss) in item 14.2 has been calculated
- 14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period
- 14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

### Dividends (in the case of a trust, distributions)

- 15.1 Date the dividend (distribution) is payable
- 15.2 <sup>+</sup>Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if <sup>+</sup>securities are not <sup>+</sup>CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if <sup>+</sup>securities are <sup>+</sup>CHES approved)
- 15.3 If it is a final dividend, has it been declared?  
(Preliminary final report only)

<sup>+</sup> See chapter 19 for defined terms.

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**Amount per security**

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	Nil	Nil	Nil
15.5	Previous year	Nil	Nil	Nil
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	Nil	Nil	Nil
15.7	Previous year	Nil	Nil	Nil

**Total dividend (distribution) per security (interim plus final)**

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	Nil	Nil
15.9 Preference +securities	Nil	Nil

**Half yearly report - interim dividend (distribution) on all securities or  
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities <i>(each class separately)</i>		
15.11 Preference +securities <i>(each class separately)</i>		
15.12 Other equity instruments <i>(each class separately)</i>		
15.13 Total		

The +dividend or distribution plans shown below are in operation.

The last date(s) for receipt of election notices for the +dividend or distribution plans

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

+ See chapter 19 for defined terms.

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**Details of aggregate share of profits (losses) of associates and joint venture entities**

Group's share of associates' and joint venture entities <sup>2</sup> :	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Profit (loss) from ordinary activities before tax		
16.2 Income tax on ordinary activities		
16.3 Profit (loss) from ordinary activities after tax		
16.4 Extraordinary items net of tax		
16.5 Net profit (loss)		
16.6 Adjustments		
16.7 Share of net profit (loss) of associates and joint venture entities		

**Material interests in entities which are not controlled entities**

The economic entity has an interest (that is material to it) in the following entities. (If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
17.1 Equity accounted associates and joint venture entities				
17.2 Total				
17.3 Other material interests				
17.4 Total				

+ See chapter 19 for defined terms.

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### Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference +securities (description)				
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
18.3 +Ordinary securities	28,109,498	28,109,498		
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks				
18.5 +Convertible debt securities (description and conversion factor)	4,708,334	4,708,334		
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.7 Options (description and conversion factor)			Exercise Price	Expiry date (if any)
18.8 Issued during current period	594,082		\$0.58	14/04/05
18.9 Exercised during current period				
18.10 Expired during current period				
18.11 Debentures (description)				
18.12 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

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<b>18.13</b> Unsecured notes (description)		
<b>18.14</b> Changes during current period		
(a) Increases through issues		
(b) Decreases through securities matured, converted		

### Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *AASB 1005: Segment Reporting* and for half year reports, *AASB 1029: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's + accounts should be reported separately and attached to this report.)

National Hire's principal activity is the hire of general equipment, access equipment, temporary site accommodation, containers and portable toilets. These activities are conducted in a single geographical segment being the eastern seaboard of Australia.

+ See chapter 19 for defined terms.



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**Income Tax Expense**  
**Reconciliation of prima - facie income tax brought to account**

	Dec-02	Dec-01
	\$'000	\$'000
Operating loss before income tax	<u>(58)</u>	<u>(577)</u>
<p>The prima facie income tax, using applicable Australian tax rates, on profit from ordinary activities before income tax is reconciled to the income tax as follows:</p>		
Prima facie tax benefit on operating loss from ordinary activities before income tax at 30%.	(17)	(173)
Add tax effect of:		
Permanent differences	101	82
Tax losses brought to account from prior year	(39)	(310)
Income tax benefit attributable to operating profit	<u>45</u>	<u>(401)</u>

+ See chapter 19 for defined terms.

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### Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: *Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

#### Basis of financial report preparation

19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last +annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report. [Delete if preliminary final report.]*

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

The loss for the half year was affected by bringing to account extraordinary expenses of \$262,519 finalising all known costs relevant to the GE refinance.

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

\$2,917,892

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with AASB 1029: *Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with AASB 1001: *Accounting Policies-Disclosure*).

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

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19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last <sup>+</sup> annual report.

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### Additional disclosure for trusts

20.1 Number of units held by the management company or responsible entity or their related parties.

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20.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

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### Annual meeting

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place

--	--

Date

--	--

Time

--	--

Approximate date the <sup>+</sup>annual report will be available

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<sup>+</sup> See chapter 19 for defined terms.

Appendix 4B  
 Half yearly/preliminary final report

## Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

- 2 This report, and the †accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed (see note 2).

- 4 This report is based on †accounts to which one of the following applies.

(Tick one)

The †accounts have been audited.

The †accounts have been subject to review.

The †accounts are in the process of being audited or subject to review.

The †accounts have *not* yet been audited or reviewed.

- 5 If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately they are available. (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.*)
- 6 The entity has a formally constituted audit committee.

Sign here:

  
 (Director/Company Secretary)

Date: 3 MARCH 2003

Print name:

STEPHEN DONNELLY

† See chapter 19 for defined terms.

Appendix 4B  
\* Half yearly/preliminary final report

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## Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
3. **Condensed consolidated statement of financial performance**
  - Item 1.1 The definition of "revenue" and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.
  - Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franked amount per security at % tax" for items 15.4 to 15.7.
5. **Condensed consolidated statement of financial position**

**Format** The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last <sup>+</sup>annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

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<sup>+</sup> See chapter 19 for defined terms.

Appendix 4B  
Half yearly/preliminary final report

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6. **Condensed consolidated statement of cash flows** For definitions of "cash" and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. <sup>+</sup>Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the <sup>+</sup>ordinary securities (ie, all liabilities, preference shares, outside <sup>+</sup>equity interests etc). <sup>+</sup>Mining entities are *not* required to state a net tangible asset backing per <sup>+</sup>ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the <sup>+</sup>accounts. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A'000 headings must be amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A'000 headings must be amended.
10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.
11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the <sup>+</sup>ASIC under the Corporations Act must also be given to ASX. For example, a director's report and declaration, if lodged with the <sup>+</sup>ASIC, must be given to ASX.
12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.

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<sup>+</sup> See chapter 19 for defined terms.

**Appendix 4B**  
**Half yearly/preliminary final report**

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13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
15. **Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their <sup>+</sup>accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

16. **Relevant Items** *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term "relevance" is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.
17. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.
18. **Discontinuing operations**  
Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their <sup>+</sup>accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

19. **Format**  
This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

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<sup>+</sup> See chapter 19 for defined terms.

**INDEPENDENT REVIEW REPORT**  
**To the members of National Hire Group Limited**

**Scope**

We have reviewed the financial report of National Hire Group Limited in the form of Appendix 4B of the Australian Stock Exchange (ASX) Listing Rules, as set out on pages 1 to 21 for the half-year ended 31 December 2002 but excluding :-

Directors' Report - Review of Operations and Statutory Information pages 20 to 21.

The financial report includes the financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half-year or from time to time during the half-year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: "Interim Financial Reporting" and other mandatory professional requirements, statutory requirements and ASX Listing Rules as they relate to Appendix 4B, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to meet its obligations to lodge financial report with the Australian Securities & Investment Commission and the ASX.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

**Statement**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report, as defined in the scope section, of National Hire Group Limited is not in accordance with:

- (a) the Corporations Law, including:
- (i) giving a true and fair view of: the consolidated entity's financial position as at 31 December 2002 and its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 1029: "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements and ASX Listing Rules as they relate to Appendix 4B.

Date - 3 March 2003

Address - Level 18, 201 Elizabeth Street, Sydney

  
Weston Woodley & Robertson

Partner - Cameron Johnstone

The liability of Weston Woodley & Robertson is limited by, and to the extent of, the Accountants' Scheme under the Professional Standards Act 1994 (NSW).



## **DIRECTORS' REPORT AND DECLARATION**

Your Directors present their report on the consolidated entity consisting of National Hire Group Limited and the entities it controlled at the end of or during the half year ended 31 December 2002.

### **DIRECTORS**

The following persons were Directors of National Hire Group Limited during the whole of the half year up to the date of this report:

- **John Landerer, CBE, AM, LLB Hon LLD (Macq) (Non-Executive Chairman)**
- **Stephen Sherwood Donnelley (Chief Executive Officer)**
- **Philip Ronald Higginson, FAIM, FAICD (Non-Executive Director)**
- **John Edward Star, FCA (Non-Executive Director)**

### **REVIEW OF OPERATIONS**

A net loss after tax for the half year ended 31 December 2002 of \$103,000 compared to the corresponding period loss of \$176,000. The loss for the current half is after accounting for a significant item being \$263,000 refinancing charge.

Revenue was \$15,302,000 an increase of 3.7% over the previous corresponding period.

Operating profits for the period (before interest, tax, goodwill/brand name amortisation and significant items) were \$1,153,000 compared to the previous corresponding period of \$613,000 an increase of 88%.

Profit before tax and before goodwill/brand name amortisation and significant items was \$362,000 for the six months ended 31 December 2002 compared to a loss of \$170,000 a turnaround of \$532,000 to the corresponding period last year.

The pre-tax loss for the half year ended 31 December 2002 of \$58,000 compares favourably to a loss of \$577,000 for the corresponding period last year, a 90% or \$519,000 positive turnaround.

No dividend was declared.

The six months being reported saw the finalisation of the impact caused by the collapse of HIH Casualty and General Insurance Limited that caused significant disruption to the business. This issue has been extensively reported in previous announcements and

in the 2002 Annual Report. Upon the successful completion of the refinancing, capital expenditure recommenced in November 2002. Benefits will come from lower repairs and maintenance, increased revenue and replacement of sub-hire expense.

## OUTLOOK

The Directors are pleased that the demand for the Company's services is growing steadily as evidenced by the 3.7% revenue increase. The strength of the building and construction industry and the commencement of major projects in New South Wales should underpin a strong business environment. BIS Shrapnel forecast strong prospects for the building and construction industry for the next several years.

## ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.


## DIRECTORS' DECLARATION

In the opinion of the directors of National Hire Group Limited:

The financial statements and notes:

- (a) give a true and fair view of the financial position of the consolidated entity as at 31 December 2002 and of its performance, as represented by the results of its operations and its cash flows for the half year ended on that date; and
- (b) comply with Accounting Standards AASB 1029 "Interim Financial Reporting" and the Corporation Regulations; and
- (c) at the date of this declaration, there are reasonable grounds to believe National Hire Group Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with a resolution of the Directors

  
\_\_\_\_\_  
JOHN STAR

  
\_\_\_\_\_  
STEPHEN DONNELLEY

3-3-2003.



## **NATIONAL HIRE GROUP REPORTS IMPROVED PERFORMANCE**

### **NATIONAL HIRE GROUP LIMITED (ASX CODE: NHR) HALF-YEAR RESULTS - 31 DECEMBER 2002**

National Hire Group Limited (ASX Code: NHR) today reported a net loss after tax for the half year ended 31 December 2002 of \$103,000 compared to the previous corresponding period loss of \$176,000. The loss for the current half is after accounting for a significant item being \$263,000 refinancing charge.

Revenue was \$15,302,000 an increase of 3.7% over the previous corresponding period.

Operating profit for the period (before interest, tax, goodwill/brand name amortisation and significant items) was \$1,153,000 compared to the previous corresponding period of \$613,000 an increase of 88%.

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No dividend was declared.

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#### **OUTLOOK**

The Directors are pleased that the demand for the Company's services is growing steadily as evidenced by the 3.7% revenue increase. The strength of the building and construction industry and the commencement of major projects in New South Wales should underpin a strong business environment. BIS Shrapnel forecast strong prospects for the building and construction industry for the next several years.

**SUMMARY RESULTS**

<b>HALF YEAR ENDED 31 DECEMBER 2002 (\$'000)</b>	<b>2002</b>	<b>2001</b>	<b>% CHANGE</b>
<b>Total Revenue</b>	15,302	14,752	3.7%
<b>EBITDA</b>	2,606	2,210	17.9%
<b>Depreciation</b>	1,716	1,847	7.1%
<b>Operating Profit before interest, tax, goodwill/brand name amortisation and significant items</b>	1,153	613	88.1%
<b>Borrowing Costs</b>	791	783	(1%)
<b>Amortisation goodwill/brands</b>	157	157	-
<b>Significant Items</b>	263	250	
<b>Pre Tax Loss</b>	(58)	(577)	89.9%
<b>Tax Expense</b>	(45)	401	(111.2%)
<b>Net Loss After Tax</b>	(103)	(176)	41.3%

<b>EBIT &amp; before significant items</b>	996	456	118.4%
<b>Profit (loss) Before Tax goodwill/brand name amortisation and significant Items</b>	362	(170)	312.9%
<b>Profit (loss) After Tax before amortisation goodwill and brand names</b>	54	(19)	384.2%
<b>EPS (Ordinary Shareholders)</b>	(0.004¢)	(0.63 ¢)	99.4%
<b>Interim Dividend</b>	-	-	-
<b>Net Tangible Asset Backing</b>	26.10¢	25.78 ¢	1.2%

**Enquiries:** National Hire Group Limited  
Stephen Donnelley, Chief Executive Officer  
0418 266 844  
[www.nationalhire.com.au](http://www.nationalhire.com.au)

OR

National Hire Group Limited  
Ray Harman, Chief Financial officer  
0438 144 134  
[www.nationalhire.com.au](http://www.nationalhire.com.au)

**Dated:** 3 March 2003