

National Hire

National Hire Group Limited
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A.B.N 61 076 688 938

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9 August 2004

**National Hire Services
include:**

National Hire Tools &
Equipment
National Hire Portaloo
National Hire Site Shed
National Hire HiLift
National Hire Pumps

ASX Online
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

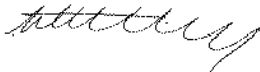
National Hire Group Limited (ASX Code: NHR)

Release by E-lodge

The below mentioned documents are following:-

- Market announcement
- Appendix 4E

Yours sincerely,



Stephen Donnelley
Managing Director
0418 266 844

National Hire

NATIONAL HIRE GROUP LIMITED (ASX CODE: NHR) FULL YEAR RESULTS – 30 JUNE 2004

IMPROVEMENT CONTINUES

National Hire Group Limited (ASX Code: NHR), a leading provider of equipment hire services, today announced after tax profit for the year ending 30 June 2004 of \$871,000, a \$783,000 improvement compared to the previous corresponding period. This improvement continues the recent trend and is particularly pleasing after considering the corporate activity undertaken in the year includes the successful completion of a \$6.3 million Renounceable Rights Issue, the \$25.0 million investment by WesTrac, the rebranding of the New South Wales business to The Cat Rental Store, the acquisition of the business of Ready Hire Australia Pty Ltd (Ready Hire) in South East Queensland and the planning for the New South Wales/ACT The Cat Rental Store expansion. These activities incurred transaction costs of \$647,000, which were expensed in the period.

Revenue was \$34,495,000, an increase of 13.5% over the previous corresponding period.

EBITDA before significant items for the period was \$6,942,000, which compares favourably to the previous corresponding period of \$5,765,000, representing an increase of \$1,177,000 or 20.4%.

Operating Profit before significant items, interest and tax was \$2,850,000 for the year, which compares to the previous corresponding period of \$2,045,000, an improvement of \$805,000 or 39.4%.

Operating profit before significant items and tax was \$2,090,000, which compares to the previous corresponding period of \$522,000, a \$1,568,000 improvement.

The pre-tax profit for the year ended 30 June 2004 was \$1,443,000, which compares to a profit of \$111,000 for the corresponding period last year, representing a \$1,332,000 improvement.

Basic earnings per share of 0.97 cents compares to the previous period of 0.31 cents.

No dividend was declared.

The \$25.0 million investment by WesTrac was completed by way of a Placement in March 2004 and provides the Company with the ability to trade under the The Cat Rental Store brand name in NSW. From the 9 April 2004 the Company commenced a rebranding program that has seen all of the NSW branches converted to the new brand, "National Hire The Cat Rental Store". The rebranding was completed on time. As part of the rebranding, the Company has acquired a range of equipment that is complimentary to its existing range. This equipment includes skid steer loaders, mini excavators and rollers. National Hire is in the process of finalising Phase 2 of the growth plan which includes the opening of new The Cat Rental Store locations and a product range expansion. The ability to trade under the strong brands of The Cat Rental Store and leverage off the WesTrac customer base, market reach and knowledge, provides the Company with a significant competitive advantage.

OUTLOOK

The Directors are pleased that the demand for the Company's services is growing steadily as evidenced by the 13.5% revenue increase. As a result of the WesTrac investment, the Company has the balance sheet and ability to fund the proposed expansion in NSW.

The Australian Bureau of Statistics survey of Hire Services 8567.0 published in June 2004 identified that revenue for the hire/lease services industry grew by 5.5% annually between 1999/2000 and 2002/2003, which continues the longer term trend that we have been experiencing.

The strength of the building and construction industry and major projects in NSW is underpinning a strong business environment. BIS Shrapnel forecasts strong prospects for the building and construction industry for the next several years. The Federal Government's recent announcement on road and rail improvements will further assist demand for the hire industry.

Directors and Management are very excited about the growth potential inherent in the rebranding, rollout and product range expansion. The implementation of this strategy has been deliberately measured during the first 4 months to ensure that a platform is established that will enable a successful rollout across all suitable markets in NSW. In particular, we are pleased with the strong relationship that has been established between National Hire and WesTrac.

The Directors and Management continue to evaluate growth opportunities and remain confident of the immediate prospects for the Company.

	2004 \$'000	2003 \$'000	Amount Change	% Change
Total Revenue	34,495	30,395	4,100	13.5%
EBITDA before significant items	6,942	5,765	1,177	20.4%
Operating profit before significant items interest & tax	2,850	2,045	805	39.4%
Net Interest	(760)	(1,523)	763	(50.1)%
Operating profit before significant items & tax	2,090	522	1,568	300.4%
Significant items	(647)	(411)	(236)	57.4%
Operating profit before tax	1,443	111	1,332	1200.0%
Tax benefit (expense)	(572)	(23)	(549)	2387.0%
Operating profit after tax	871	88	783	889.8%
Earnings per share - weighted average number of ordinary shares	0.97 cents	0.31 cents	0.66 cents	N/A

Enquiries: Stephen Donnelley,
Chief Executive Officer
0418 266 844

Ray Harman,
Chief Financial officer
0438 144 134

Dated: 9 August 2004

**APPENDIX 4E
PRELIMINARY FINAL REPORT**

**NATIONAL HIRE GROUP LIMITED (ABN 61 076 688938)
FULL YEAR RESULTS FOR THE PERIOD ENDED 30 JUNE 2004**

Results for announcement to the market

	Year ended 30 June 2004 \$A'000	Year ended 30 June 2003 \$A'000	Amount Change \$A'000	% Change
Revenue from ordinary activities	34,495	30,395	4,100	13.5
Profit from ordinary activities after tax attributable to members	871	88	783	889.8
Net profit for the period attributable to members	871	88	783	889.8

Dividends

No interim dividend was paid and no final dividend is proposed.

Audit

This report is based on accounts which have been audited.

Statement of financial performance

	Year ended 30 June 2004 \$A'000	Year ended 30 June 2003 \$A'000	Amount Change \$A'000	% Change
Sales revenues from ordinary activities	33,221	29,820	3,401	11.4
Other revenues from ordinary activities	1,274	575	699	121.6
Total revenue	34,495	30,395	4,100	13.5
Cost of goods sold	(23,274)	(20,248)	(3,026)	(14.9)
Administration and marketing costs	(4,428)	(4,767)	339	7.1
Depreciation and amortisation costs	(4,091)	(3,720)	(371)	(10.0)
Borrowing costs	(1,259)	(1,549)	290	18.7
Profit from ordinary activities before income tax expense	1,443	111	1,332	1200.0
Income tax expense relating to ordinary activities	(572)	(23)	(549)	(2387.0)
Profit from ordinary activities after related income tax expense	871	88	783	889.8

Earnings per share

	Year ended 30 June 2004 Cents	Year ended 30 June 2003 Cents
Basic earnings per share	0.97	0.31
Diluted earnings per share	0.97	0.31
	Number	Number
Weighted average number of ordinary shares used as the denominator Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and alternative earnings per share	89,936,608	28,109,498
Profit after tax	871,000	88,000
Earnings used in calculating earnings per share	871,000	88,000

Commentary

Net profit after tax for the year ended 30 June 2004 of \$871,000 compares favourably to the previous corresponding period profit of \$88,000. This is a \$783,000 improvement for the reporting period.

Significant items for the year, being costs associated with The Cat Rental Store implementation and Ready Hire acquisition, amounted to \$647,000. The previous corresponding period significant items being refinancing and redundancy costs amounted to \$411,000.

Total revenue for the year was \$34,495,000 an increase of 13.5% or \$4,100,000 over the previous corresponding period of \$30,395,000. Included in the total revenue for the year was interest received of \$499,000 resulting from the investment of the WesTrac placement proceeds. (Refer below)

Operating profit for the period (before interest, tax, goodwill/brand name amortisation and significant items) was \$3,164,000 compared to the previous corresponding period of \$2,359,000 an increase of 34.1%.

Profit before interest, tax and significant items was \$2,850,000 for the year which compares favourably to the previous corresponding period of \$2,045,000 representing an increase of \$805,000 or 39.4%.

The profit before tax for the year of \$1,443,000 compares favourably to the previous corresponding period of \$111,000 representing an increase of \$1,332,000.

Equity raising

During the twelve month period the Company completed a successful six for five renounceable rights issue raising \$6,301,007 and issuing 39,381,299 fully paid ordinary shares.

The Company effected repayment of \$1,996,000 loans provided by related party lenders which monies were used to subscribe for new shares in National Hire. Additionally, payments were made of \$568,000 relating to expenses incurred in the rights issue.

The capital raising was completed in October 2003.

During December 2003 the Company advised by way of an ASX market announcement that it had agreed (subject to shareholder approval and other conditions precedent) to place 100,000,000 fully paid ordinary shares at \$0.25 each to WesTrac Equipment Pty Ltd. Upon allotment WesTrac emerged as the major shareholder with approximately 60% of the enlarged capital base.

WesTrac is a wholly owned subsidiary of Australian Capital Equity Pty Ltd.

At a General Meeting held in February 2004 shareholders considered and voted in favour of the placement of the aforementioned 100,000,000 fully paid ordinary shares at an issue price of \$0.25 each to raise \$25,000,000.

Expenses to the placement amounted to \$756,000.

The transaction was completed in March 2004.

Business Acquisition

On 30 April 2004 National Hire Group Limited settled on the purchase of the business of Ready Hire Australia Pty Ltd.

The purchase increased the National Hire branch network from a single branch to 4 branches in the South East Queensland region.

The 3 new branches are Mayne and Beenleigh both suburbs of Brisbane and Bundall a suburb of the Gold Coast.

Employee options

During November 2003 National Hire Group Limited issued 600,000 employee options, under its employee share option plan.

The period during which the options may be exercised is between 20 November 2005 and 20 November 2007.

Consolidation of operating branch

During August 2003 the Murrumbidgee branch was consolidated with existing National Hire branches of Camperdown, Bexley and Hillsdale. The closure was a contributor to a cost reduction program aimed at reducing the company's operating costs while minimizing any impact on its hire revenue. All employee's, plant and equipment were transferred to other branches.

Subsequent events

There are no material subsequent events to advise on.

Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

Segment reporting

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 of Australia.

Adoption of International Financial Reporting Standards

The Company considers that the pending adoption of the Australian International Financial Reporting Pronouncements will not materially impact its financial performance or position except to the extent that intangible assets with an indefinite life (i.e. Goodwill) will require an impairment test on an annual basis.

Basis of preparation

The year end consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It is recommended that this report is read in conjunction with any public announcements made by National Hire Group Limited during the year in accordance with continuous disclosures requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by National Hire Group Limited and are consistent with those applied in the 30 June 2003 annual report.

Statement of financial position

	Year ended 30 June 2004 \$A'000	Year ended 30 June 2003 \$A'000
Current assets		
Cash assets	22,796	528
Receivables	6,636	5,697
Investments		500
Inventories	11	5
Other assets	671	308
Total current assets	30,114	7,038
Non-current assets		
Receivables	125	127
Other investments	13	13
Other property, plant and equipment	30,612	23,573
Intangibles	6,180	6,494
Tax assets	932	570
Total non-current assets	37,862	30,777
Total assets	67,976	37,815
Current liabilities		
Payables	7,774	4,216
Interest bearing liabilities	3,185	5,787
Tax liabilities	81	81
Provisions	98	72
Total current liabilities	11,138	10,156
Non-current liabilities		
Payables		1,896
Interest bearing liabilities	9,332	10,004
Tax liabilities	1,778	1,334
Provisions	306	246
Total non-current liabilities	11,416	13,480
Total liabilities	22,554	23,636
Net assets	45,422	14,179
Contributed equity	43,525	13,152
Retained profits	1,897	1,027
Total equity	45,422	14,179

Other property, plant and equipment

The increase of \$7,039,000 resulted from capital expenditure exceeding depreciation.

Interest bearing liabilities

During the year the company reduced its interest bearing debt by \$3,274,000.

Statement of cash flows

	Year ended 30 June 2004 \$A'000	Year ended 30 June 2003 \$A'000
Cash flows related to operating activities		
Receipts from customers	31,945	29,601
Payments to suppliers and employees	(22,940)	(24,405)
Interest and other items of similar nature received	499	26
Interest and other costs of finance paid	(890)	(933)
Income taxes paid	(76)	(77)
Net operating cash flows	8,538	4,212
Payment for purchases of property, plant and equipment	(7,504)	(1,962)
Payment for purchases of property, plant and equipment – Ready Hire acquisition	(3,049)	
Proceeds from sale of property, plant and equipment	533	506
Other (payment for purchase of investment)	500	(500)
Net investing cash flows	(9,520)	(1,956)
Proceeds from director related entities	100	1,096
Repayment to director related entity	(100)	
Proceeds from issue of shares	29,405	
Expenses relating to the issue of shares	(1,324)	
Proceeds from new financier	1,007	7,810
Repayment of commercial bills & fully drawn advance to previous financier		(5,350)
Repayments to new financier	(1,349)	(750)
Repayment of other loan	(1,538)	(449)
Repayment of borrowings	(2,950)	(4,211)
Net financing cash flows	23,251	(1,854)
Net increase in cash held	22,269	402
Cash at beginning of period	527	126
Cash at end of period	22,796	528

Statement of cash flows continued

	Year ended 30 June 2004 \$A'000	Year ended 30 June 2003 \$A'000
Reconciliation of profit from ordinary activities after income tax to the net cash flows from operating activities		
Profit from ordinary activities after income tax	871	88
Depreciation of non-current assets	3,658	3,332
Amortisation of non-current assets	358	407
Loss on disposal of property, plant and equipment	76	104
Interest expense for equipment acquisitions	280	509
Interest expense for convertible notes, scissor lift & other loan	90	107
Increase in provision for diminution – employee share plan	2	12
Change in operating assets and liabilities		
Decrease (Increase) in trade debtors	(685)	200
Decrease (Increase) in inventories	(5)	9
Decrease (Increase) in other receivables	(260)	64
Increase in prepayments	(358)	(18)
Decrease in future income tax benefit	52	14
Increase in deferred income tax payable	521	9
Increase (decrease) in trade and other creditors	4,015	(549)
Increase in employee entitlements		1
Decrease in provision for taxation	(77)	(77)
Net cash inflows from operating activities	8,538	4,212
Reconciliation of cash		
Cash balance comprises:		
Cash on hand	22,796	528
Closing cash balance	22,796	528

Income tax expense

	Year ended 30 June 2004 \$A'000	Year ended 30 June 2003 \$A'000
The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:		
Profit from ordinary activities before income tax expense	1,443	111
Income tax calculated @ 30%	433	33
Tax effect of permanent differences:		
Non-deductible depreciation and amortisation	94	94
Non-deductible interest	26	31
Other non-deductible items	19	47
Tax losses brought to account as a reduction of deferred income tax liability.		(182)
Income tax expense attributable to operating profit	572	23

Net tangible asset backing

	Year ended 30 June 2004 Cents	Year ended 30 June 2003 Cents
Net tangible asset backing per ordinary security	23.0	27.0

Statement of retained earnings

	Year ended 30 June 2004 \$A'000	Year ended 30 June 2003 \$A'000
Retained profits at beginning of year	1,027	939
Net profit attributable to members of the parent entity	871	88
Retained profits at end of year	1,898	1,027