



NATIONAL HIRE GROUP LIMITED
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Company Name:	ASX	From:	STEPHEN DONNELLEY
Attention:	COMPANY ANNOUNCEMENTS	Date:	24 OCTOBER 2001
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Subject:	NATIONAL HIRE GROUP LIMITED – COMPANY RESTRUCTURE		

When releasing its 2001 results on 10 September 2001 the Company commented on the state of business activity at that time, the effect this was having on its earnings at that time and the outlook for the remainder of the current financial year.

Since those results were released, weak market conditions have continued with monthly sales continuing to be volatile and increasing pressure on maintaining acceptable margins. This combined with the economic factors caused by the election, the upcoming traditional holiday period and overseas events has prompted management to introduce remedial actions referred to in our announcement of 10 September 2001. The measures include the introduction of a new management structure and implementation of cost reduction strategies.

In order to improve earnings during this difficult economic period the Company has reviewed its staffing levels and is implementing a reduction in staffing levels through redundancies and natural attrition of staff. To date 23 people or 14% of total staff numbers have been affected by the restructuring at a cost of approximately \$200,000.

In the half year to 31 December 2001 the Company expects to report a loss after those restructuring costs in the order of \$500,000 to \$600,000. This compares to a profit after tax of \$601,000 for the corresponding period in the previous financial year.

Based on the current sales level and the reduced staffing levels, it is expected that the Company will post a small profit in the second half of the current financial year.

STEPHEN DONNELLEY
CHIEF EXECUTIVE OFFICER