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**National Hire Services include:**  
National Hire Tools & Equipment  
National Hire Portaloo  
National Hire Site Shed  
National Hire HiLift  
National Hire Pumps

22 July 2003

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

Release by eLodge

**Investor Presentation July 2003**

The Company wishes to release to the market the following Investor Presentation that will be made today.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Stephen Donnelley". The signature is fluid and cursive, written over a light grey horizontal line.

**STEPHEN DONNELLEY**  
**MANAGING DIRECTOR**  
**0418 266 844**



# INVESTOR PRESENTATION

Stephen Donnelley

July 2003

# PRESENTATION FOCUS

- National Hire Today
- The Hire Industry
- National Hire Competitive Framework
- Growth Strategy
- Summary



# VISION AND INTENT

Our Vision	Our Strategic Intent	Our Success
<p>To be the leading provider of innovative service solutions in the Australian equipment industry. This means the sale of:</p>	<p>To grow the business for the benefit of our major stakeholders:</p>	<p>Will be achieved through:</p>
<ul style="list-style-type: none"> <li>■ Hire</li> <li>■ Logistics</li> <li>■ Training</li> <li>■ Service &amp; Maintenance</li> <li>■ Equipment and Associated Products</li> <li>■ Management and Administration</li> </ul>	<ul style="list-style-type: none"> <li>■ Our Shareholders – Grow value</li> <li>■ Our Customers – Safe and valued service partnerships</li> <li>■ Our People – Opportunities to develop and grow</li> <li>■ Our suppliers – Build sound business partnerships</li> </ul>	<ul style="list-style-type: none"> <li>■ Supporting our people to achieve continual improvement</li> <li>■ Application of improved management systems</li> <li>■ Identifying opportunities to expand our existing business</li> <li>■ Optimising capital resources</li> </ul>



# SALES BY MARKET SEGMENT 2001-2002(%)

Market	The Industry	National Hire
Construction	33.1	40
Industrial	26	24
Civil	19	4
Retail	12.1	25
Government	7	3
Events	3	1



# KEY POINTS

- Clear focus on the hire industry
- Successfully managed transition from private to public company
- Directors and management team experienced, capable with capacity
- Revenue, profit and dividend growth prior to the Olympics 2000
- Current contribution derived from volume branches regardless of product or customer
- 75% of customers from the wholesale sector
- Products skewed towards Light Tools and Equipment



# THE HIRE INDUSTRY

- Hire is an outsourcing opportunity with companies preferring to concentrate on core activities to streamline cost and operating structure. The key drivers are:
  - Lower operating costs including management, maintenance & storage.
  - Improved productivity resulting from less downtime.
  - Reduces capital investment in non core area.
  - Transfers risk of equipment ownership.
  - Reporting & accounting procedures are simplified and return on asset ratios will be improved.
  - End of equipment life risks are negated with no residual disposal on obsolescence costs
  - Regulatory Compliance ( O.H & S and National Plant Standard)



# CURRENT INDUSTRY SIZE

- This industry accounts for about 0.16% of GDP

- Plant Hire and Leasing:

DITAC	ABS	IBIS
1984/85	1999/2000	2001/2002
\$750M	\$2208M	\$2363M

- NHGL Focus Market after excluding unserviced and not carried product is 48.5% of the total market being \$1070M





# KEY POINTS

- Dry Hire
- Outsourcing
- \$2B industry growing at 5% pa
- NH operates in 50% of market
- Profit drivers are cyclical and seasonal, however increasing driven by scale, access to resources and management skills



# KEY INDUSTRY PARTICIPANTS

Coates*	Listed	30.7%
Kennards	Private	6.5%
AH	Listed	6.3%
Ausco	Listed Foreign	5.7%
National Hire*	Listed	2.6%
Instant CY	Private	2.6%
Aggreko	Listed Foreign	1.7%
Atlas Copco	Listed Foreign	1.4%
Active	Private	1.4%
Australian Skyreach	Private	1.1%
Sherrin	Private	1.1%
Onsite	Private	1%
Allight	Private	1%
Others		36.9%
*Full product range		
Top 13 account for 63.1% of the market		

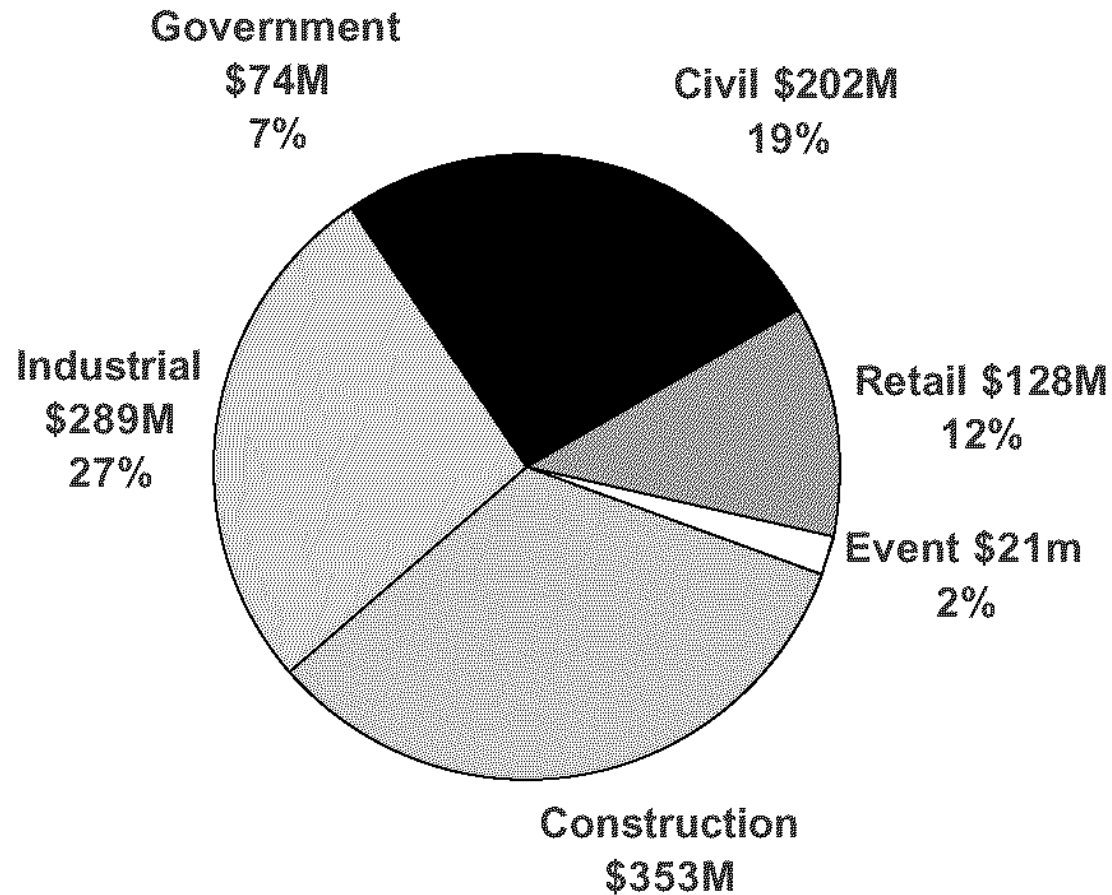


# KEY POINTS

- Top 10 Participants accounts for 60% of the market
- Huge gap between the number 1.
- Full product supplier.
- Comprehensive unified model.
- National Hire demand currently above capacity



# THE MARKET



**National Hire estimates**



# CUSTOMER TYPES - WHOLESALE

## CONSTRUCTION (\$39 Billion – ABS 8755)

### ■ Key Drivers of Growth

- Building Cycle
- Building Investment Cycle
- Non-dwelling building commencements

### ■ Prospects

- Building cycle entering upturn culminating in a mid decade boom with a less volatile bust than previous cycle
- Building Investment will take over as key driver by late 2003 with strong investment in Non Dwelling building
- Surge in Alterations and Additions

### ■ Customer Drivers

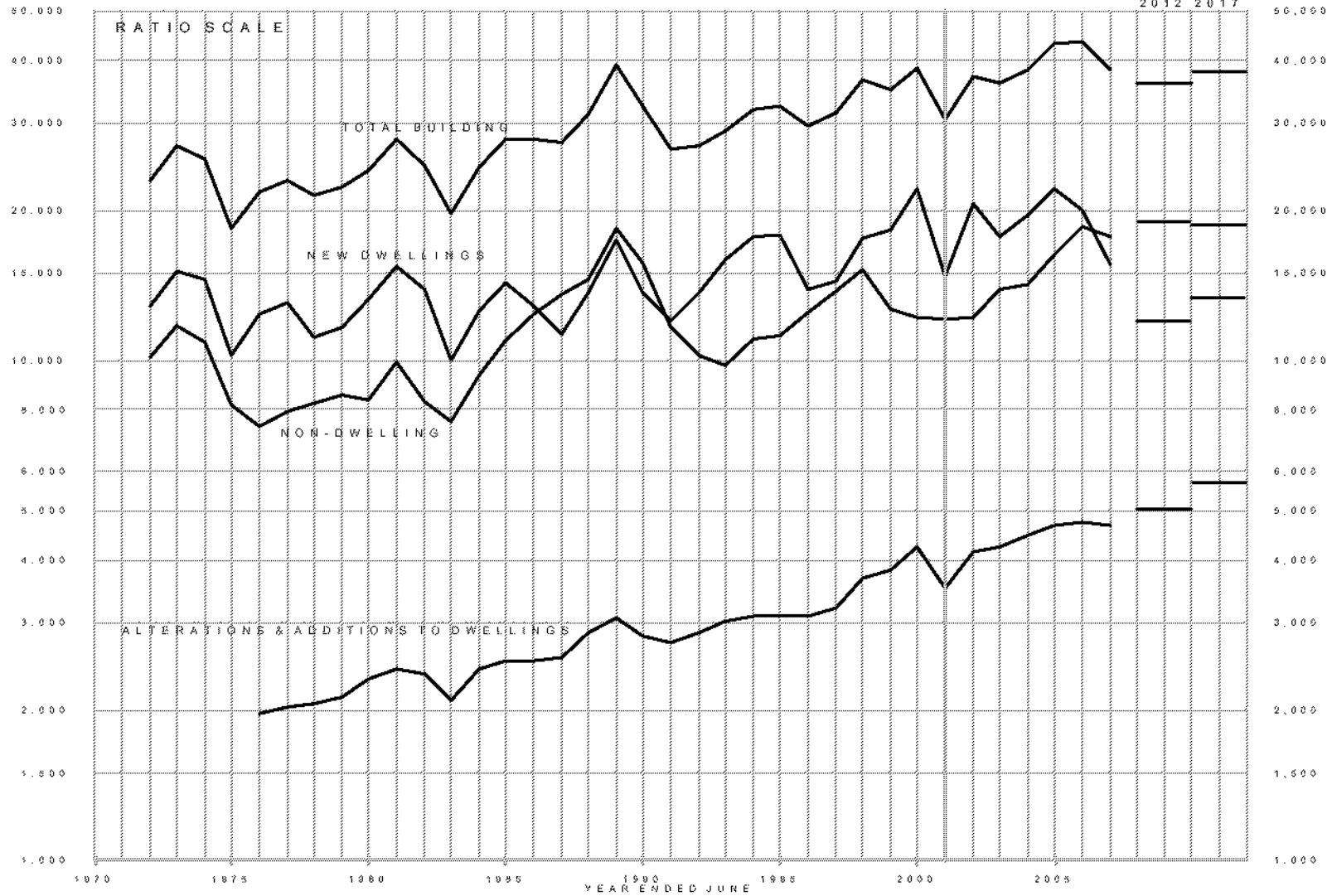
- Equipment Reliability
- Fast Response times
- Price/Cost Effectiveness
- Product range
- Relationships
- Security of supply



# BIS Shrapnel, Building in Australia 2002-2017

AUSTRALIA  
TOTAL BUILDING  
VALUE OF COMMENCEMENTS IN 1989/2000 CHAIN VOLUME MEASURES (\$M)

CHART 7.1



# CUSTOMER TYPES – WHOLESALE

## INDUSTRIAL (\$120 Billion – BIS Shrapnel)

### ■ Key Drivers of Growth

- Local & Global demand
- Environmental Legislation
- Primary Resource pricing
- \$ AUS

### ■ Prospects

- Growth due to continued outsourcing
- Continued rationalisation in Manufacturing

### ■ Customer Drivers

- Reliability (down time minimised)
- Equipment Management support
- Fast Response times
- Price/Cost Effectiveness
- Product range
- Relationships
- Security of supply



# CUSTOMER TYPES - RETAIL

## SMALL TRADES

- **Key Drivers of Growth**
  - Construction Cycle
  - Stable Interest rates
  - Housing pricing / Renovation levels
  - DIFM
  
- **Prospects**
  - Strong due to construction activity
  - Strong renovation market
  - Continual Household outsourcing
  
- **Customer Drivers**
  - Reliability
  - Location
  - Cost of hire V purchase
  - Product range
  - Relationships





# CUSTOMER TYPES - RETAIL

## DIY

- **Key Drivers of Growth**
  - Home loan interest rates
  - Disposable income levels
  - Lifestyle Focus
  - Media driven
  
- **Prospects**
  - Very good with low interest rates
  - Good Lifestyle Culture
  
- **Customer Drivers**
  - Service levels and knowledge
  - Location
  - Product availability
  - Security of Supply
  - Presentation



# SUMMARY OF CUSTOMER DRIVERS

## WHOLESALE

- Equipment reliability (minimal downtime)
- Fast response
- Product range
- Price / cost effectiveness
- Relationships
- Security of Supply
- Equipment management support

## RETAIL

- Location
- Cost of purchase vs. hire
- Service levels



# KEY POINTS

- Construction, industrial and civil equates for 78% of the hire market and is in a cyclical upswing
- Customer drivers are linked to equipment, distribution, relationships and information
- National Hire Top 20 Customer dominated by Construction and Industrial Companies
- 80/20 Rule



# KEY POINTS

- Deliver Profit
- Growth cycle next 4 – 6 years driven by the growth stage of the life cycle, demand, outsourcing and consolidation
- 1989 top 33 equals 60%. today its top 10 equals 60%
- Our product, distribution and customers place us in an ideal position to take advantage of demand and consolidation.  
Delivering scale, rewards and growth



# Summary

INDUSTRY	CUSTOMERS	COMPETITIVE LANDSCAPE	NATIONAL HIRE COMPETITIVE ADVANTAGE
<p>Outsource solution</p> <p>Continual growth</p> <p>Non-residential Construction boom</p>	<p>Strong demand</p> <p>Alternative for total supply</p>	<p>Consolidation</p> <p>Limited product range</p> <p>Limited distribution</p> <p>Difficult to access capital</p>	<p>Equipment range</p> <p>Distribution</p> <p>Strong management</p> <p>Wholesale commitment</p> <p>Comprehensive Unified</p> <p>Public Company</p> <p>Need for Scale / Profitability</p>

