

30 March 2006

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

**BY eLODGEMENT**

Dear Sir

Please find attached the following:

1. **Investor Presentation**

Kind regards



**STEPHEN DONNELLEY**  
Managing Director

enc

# National Hire Group Limited

## Presentation – Lodge Partners Conference



> manufacture > distribute > service > sales > hire

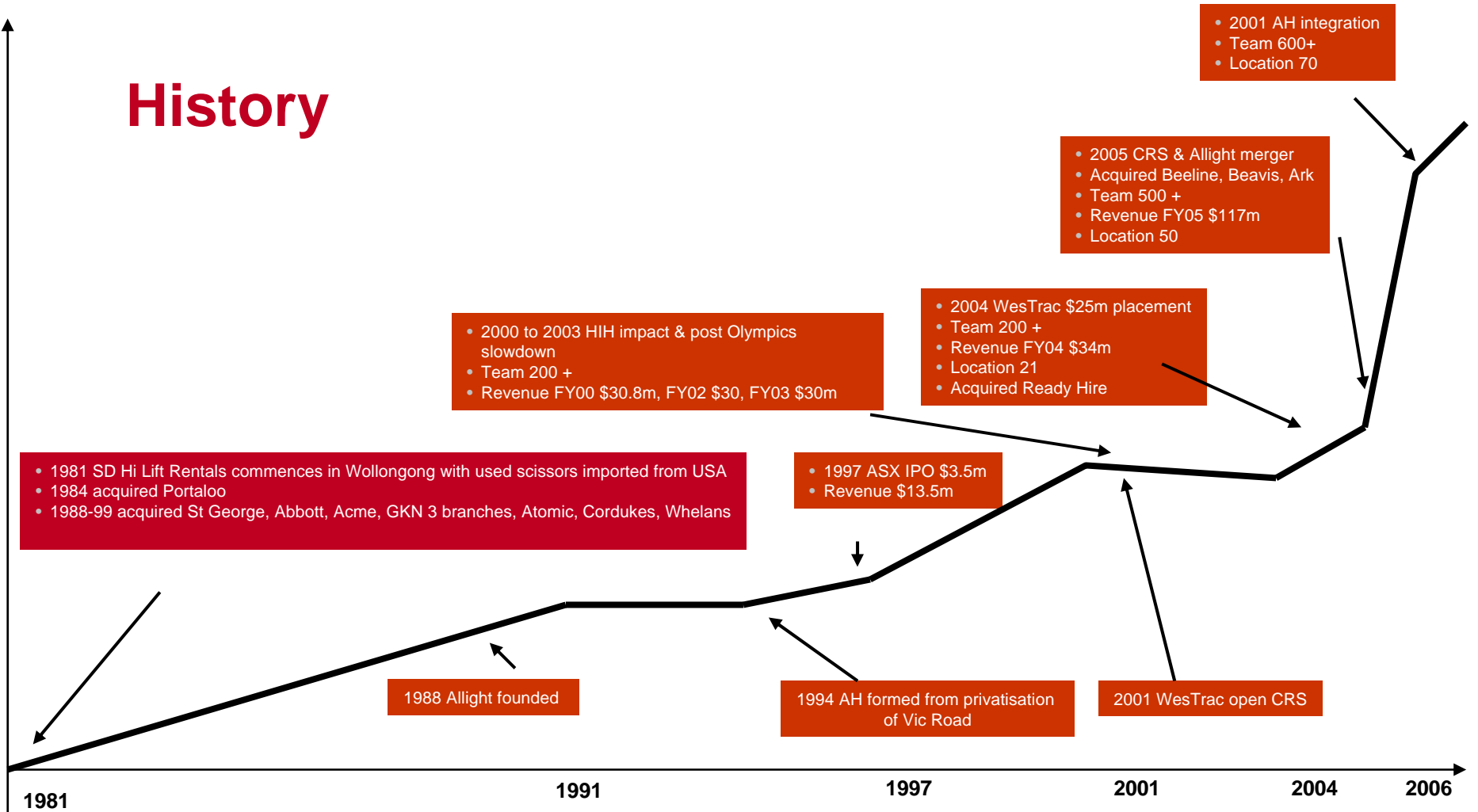
30 March 2006

Stephen Donnelley, Chief Executive Officer

## **Overview**

- Equipment hire company and major seller/distributor of Allight and Caterpillar business enterprise products Perkins and FG Wilson
- Business comprises – Rental Services (c.70%) and Capital Sales (c.30%)
- Business well balanced by geography, customers and industry
- Majority shareholder (67%) WesTrac, the Cat distributor for NSW, ACT and WA.
- Through WesTrac, exclusive license for CRS Brand in NSW, ACT & WA
- Past 18 months spent \$130m on capex plus \$247m on acquisitions
- Gained Index status (All Ordinaries) on 17 March 2006
- Current market cap (@\$1.72) - \$205 million (cf \$9m at June 2003)

# History

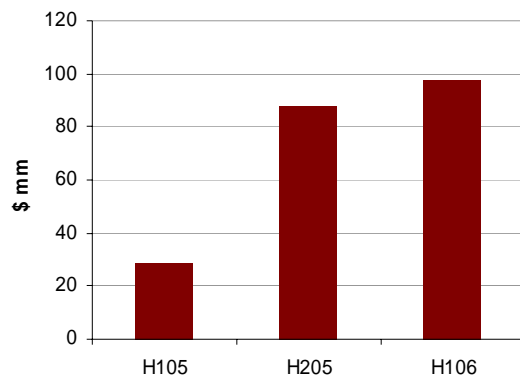


## INDUSTRY EVENTS

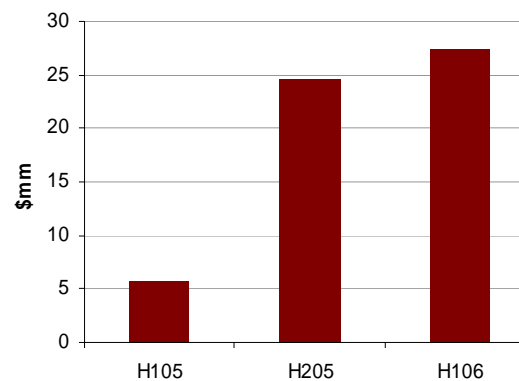
1982 Recession Active sold to Coates	1988 GKN consolidation	1990 Recession Brambles acquire Wreckair then Cockburn	2000 Sydney Olympics GST construction pull forward Collapse of HIH	2001/02 Coates acquire Wreckair	2004/05 Consolidation
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# Results Snapshot

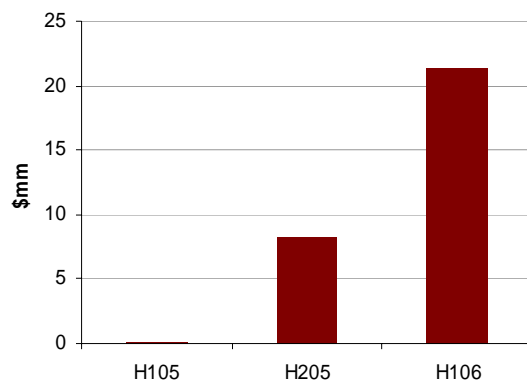
Revenue



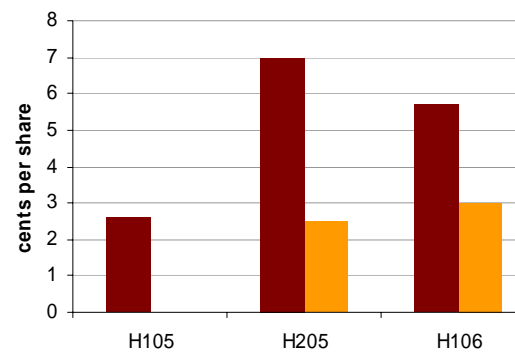
EBITDA



Operating cashflow



EPS (pre tax consolidation benefit in prior periods) and DPS



# Ownership Board and Executives

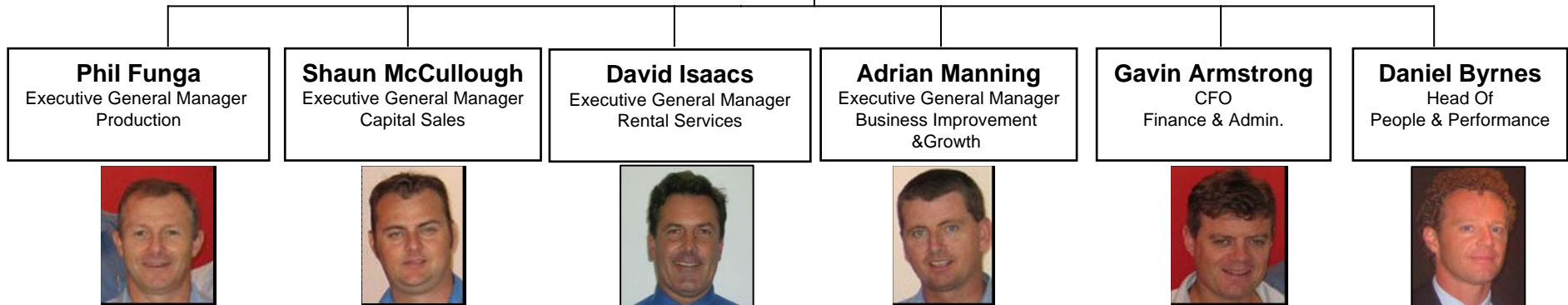
## Ownership & Shareholders

WesTrac 67%. A wholly owned subsidiary of ACE of which Mr Kerry Stokes is Chairman. A leading Cat dealer with dealerships in NSW/ACT, WA & China. 2,200 Shareholders in total, with top 20 having 86%, 119.6m Ordinary shares on issue, Market Cap approximately \$200m

**Board of Directors**  
Ray Romano, Chairman  
Stephen Donnelley, Managing Director  
Peter Gammell  
Andrew Aitken  
Clive Isenberg  
John Star



**Stephen Donnelley**  
Managing Director



# Agenda

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- Strategy
  - Execution
  - Priorities
  - Outlook
-

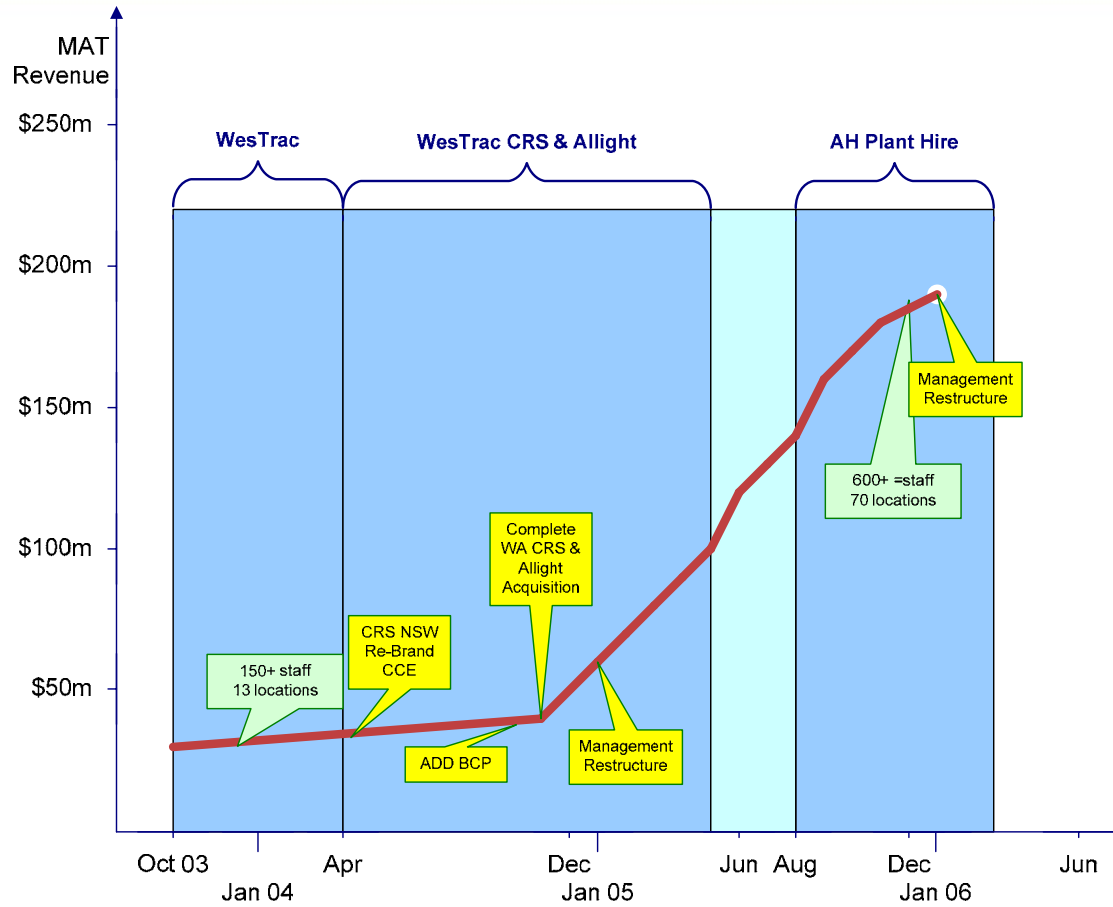
## **Strategic Intent**

***“To be the leader in comprehensive and innovative equipment solutions with a reputation for service excellence”***

- Grow scale and margins by market share expansion through strategic acquisitions and aggressive product rollout
- Develop the WesTrac and Caterpillar relationship for customer leverage
- Leadership in core identified product areas eg. CCE/BCP and Allight
- National coverage to deliver geographical, customer & industry diversification

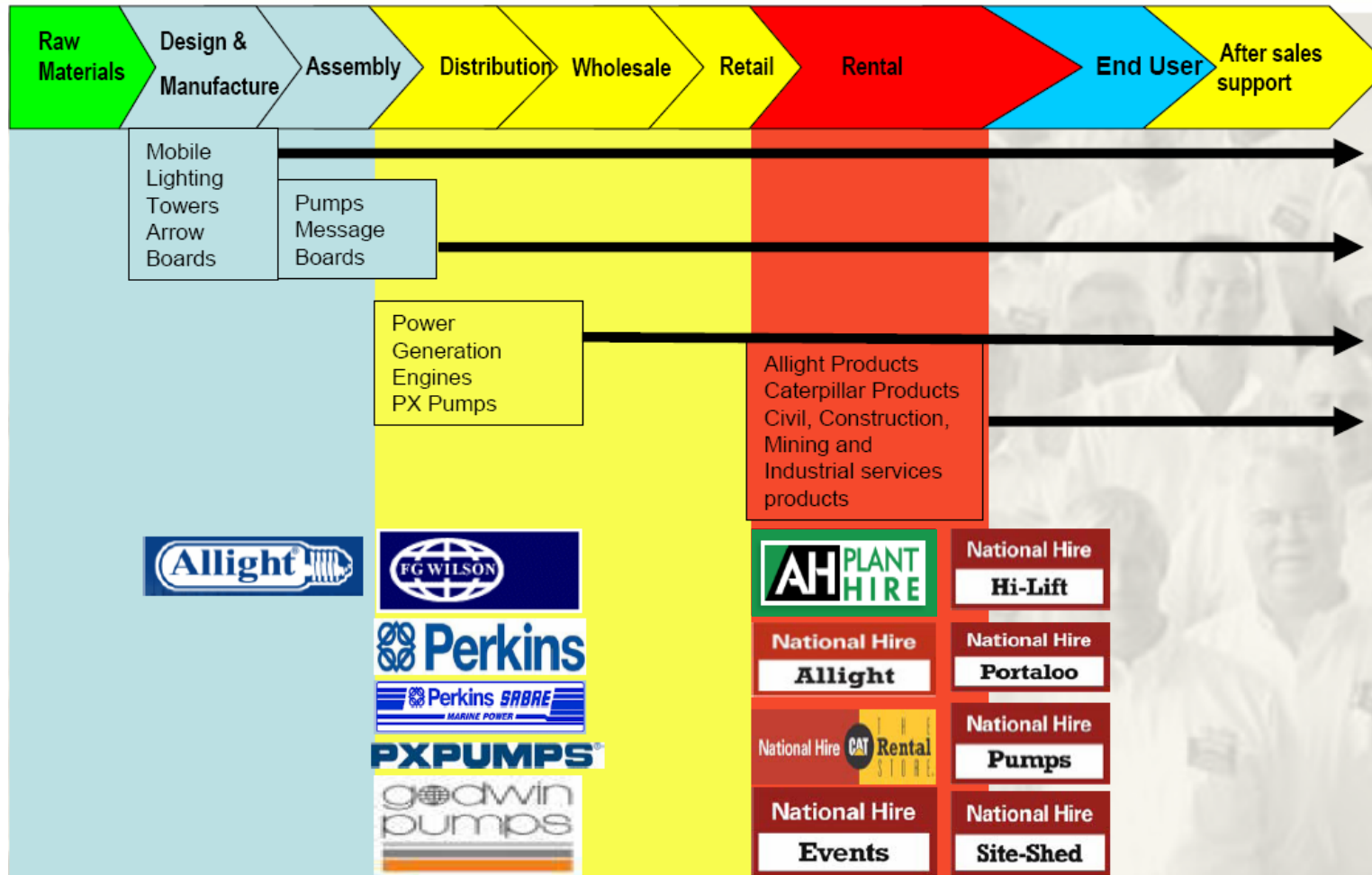


# Transformation over past two years

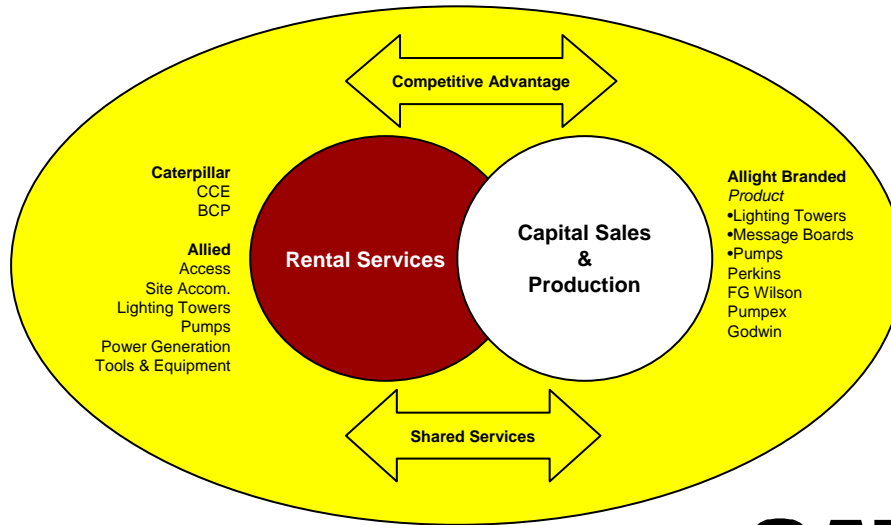


The Graph shows actual Moving Annual Total Revenue to December 2005

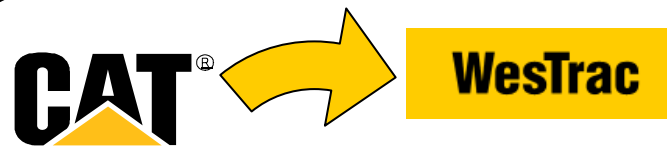
# What We Do



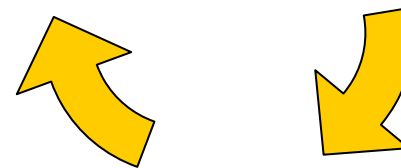
# Business Model



- Brand Exposure
- Market Share
- Caterpillar is a technology leader and the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines and industrial gas turbines



- Caterpillar distribution (NSW/ACT & WA)
- Used Equipment
- Parts & Service

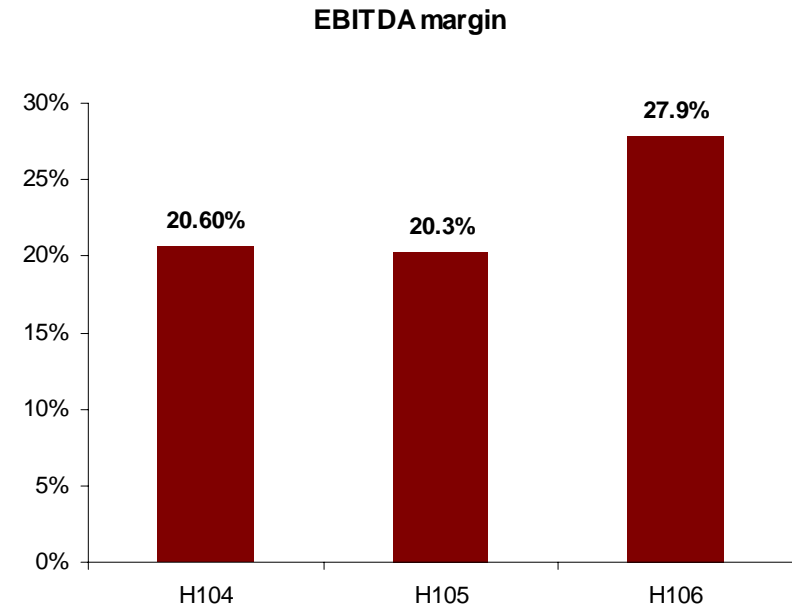
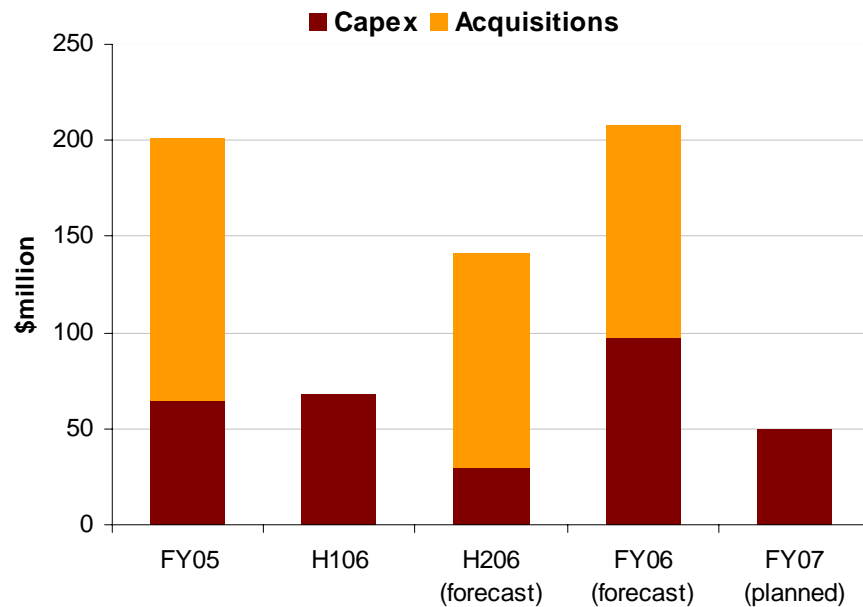


- Access to customers
- Competitive product & services
- Knowledge & systems
- Whole of product life management

National Hire is The Cat Rental Store licensee in NSW/ACT & WA

# Investment in Growth

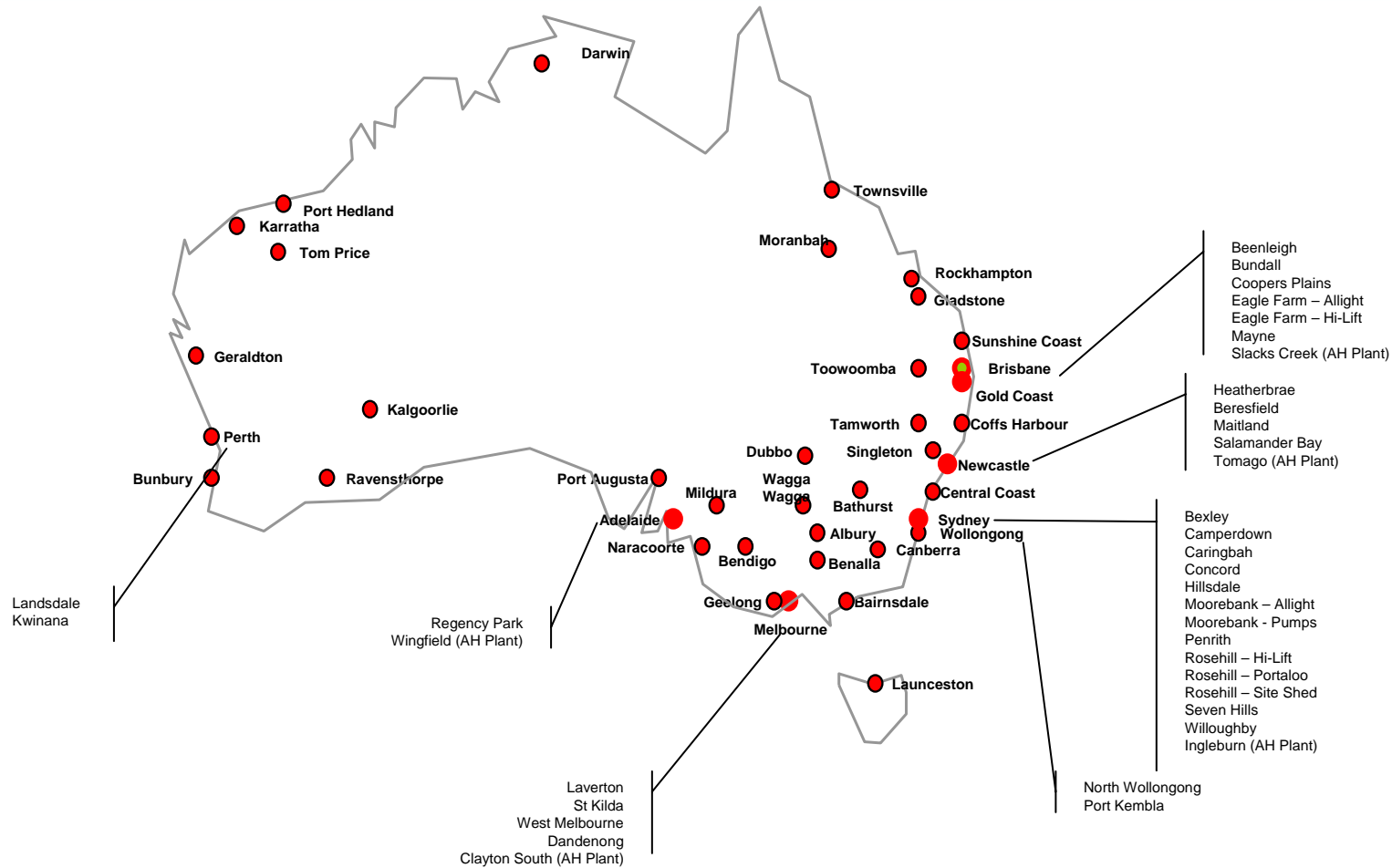
## Objective 1 - EBITDA Margin



The transformation has been fuelled by acquisitions & capital expenditure.  
A core objective has been to deliver margin benefit from scale

# Investment in Growth

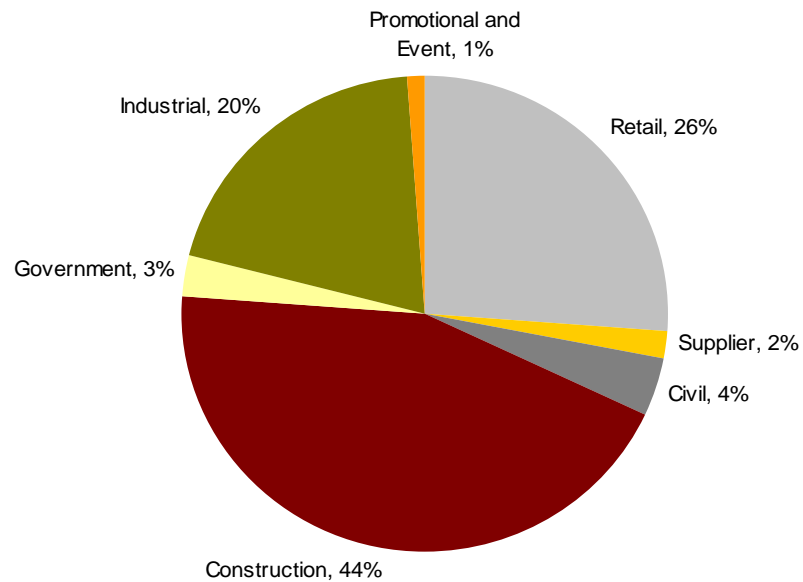
**Objective 2** - Australia wide, major centre distribution capability



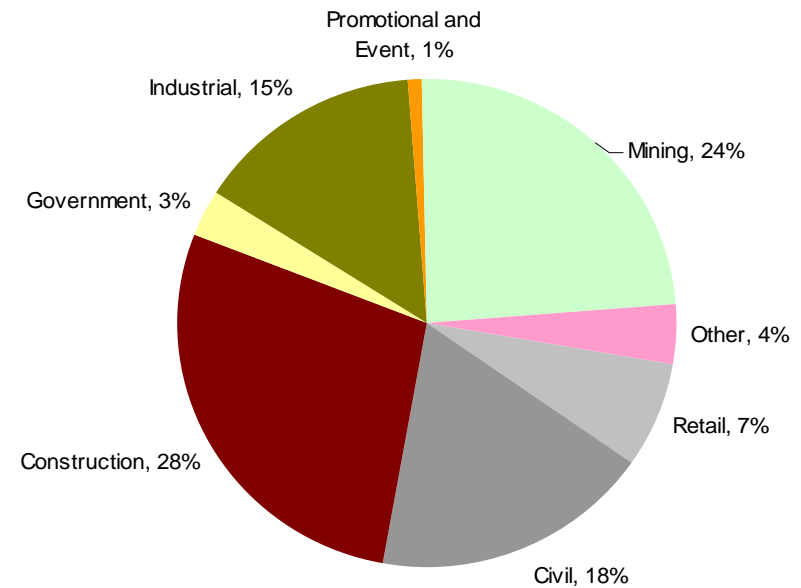
# Investment in Growth

## Objective 3 – Delivering customer segment diversity

**% Sales By Market Segment YTD July 2003 - June 2004**  
Source: Investor Presentation 2003 -2004 Full Year Results



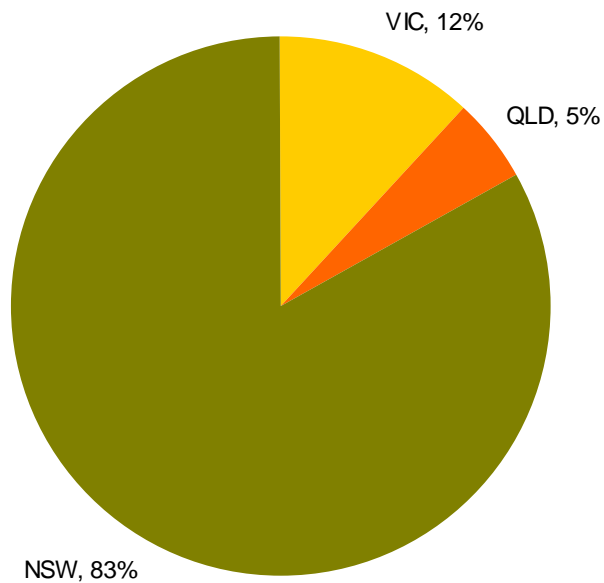
**% Sales By Market Segment 1H06**  
Source: 1H06 Investor Presentation



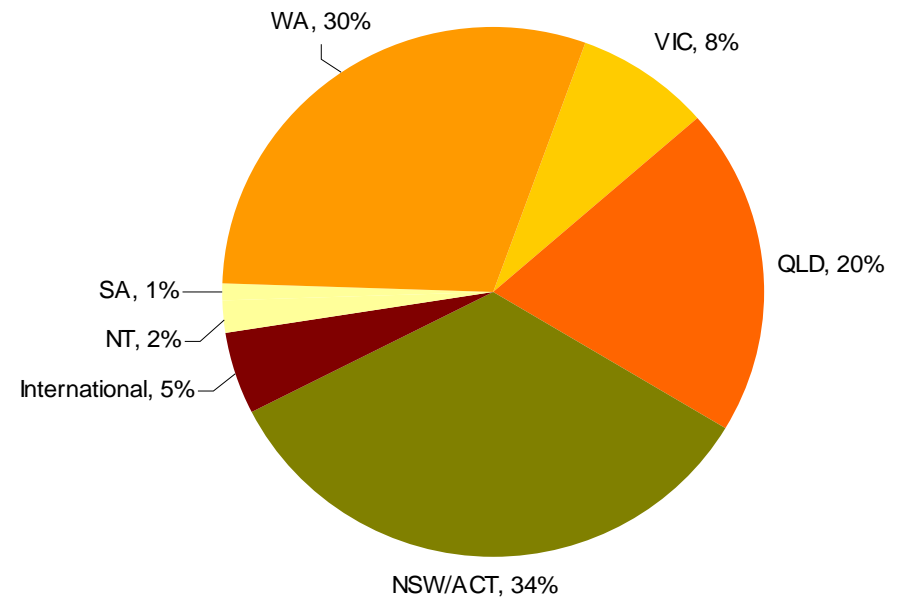
# Investment in Growth

## Objective 4 – Geographical spread

**% Sales By State YTD July 2003 - June 2004**  
Source: Investor Presentation 2003 -2004 Full Year Results



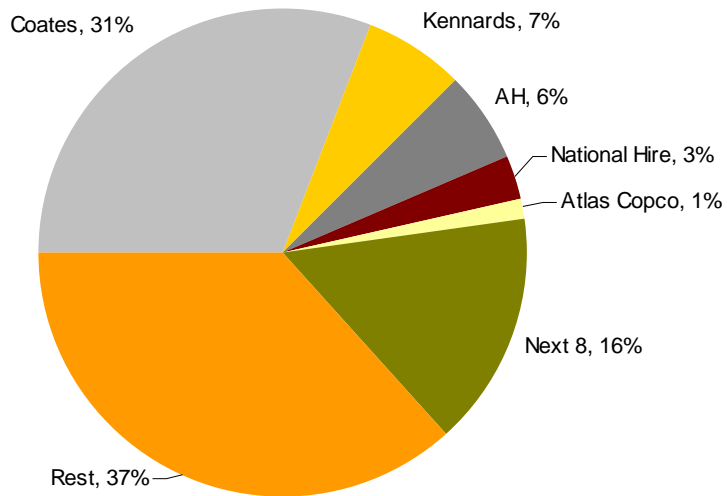
**% Sales By State YTD 1H06**  
Source: Source: 1H06 Investor Presentation



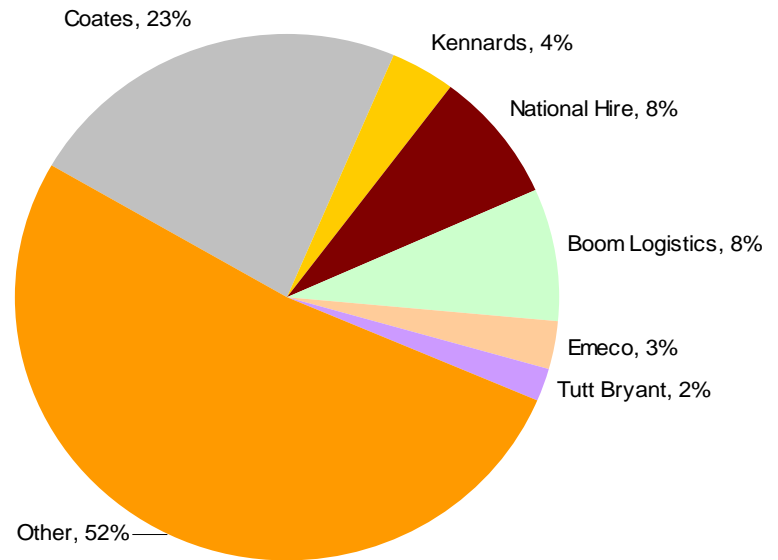
# Investment in Growth

**Objective 5** – Establishing ourselves as No. 2 in the Rental Services

**%Hire Industry Market Share**  
Source: National Hire Estimates 2003, Managing Director's Presentation Annual General Meeting 21 November 2003



**%Hire Industry Market Share**  
**Owning the Space Presentation 2005**





# Branding

1. Rental Services - National Hire across Australia. Strong Caterpillar brand within WA & NSW/ACT as the licensee for The Cat Rental Store in these states
2. Capital Sales - Build Allight plus promote distributorships

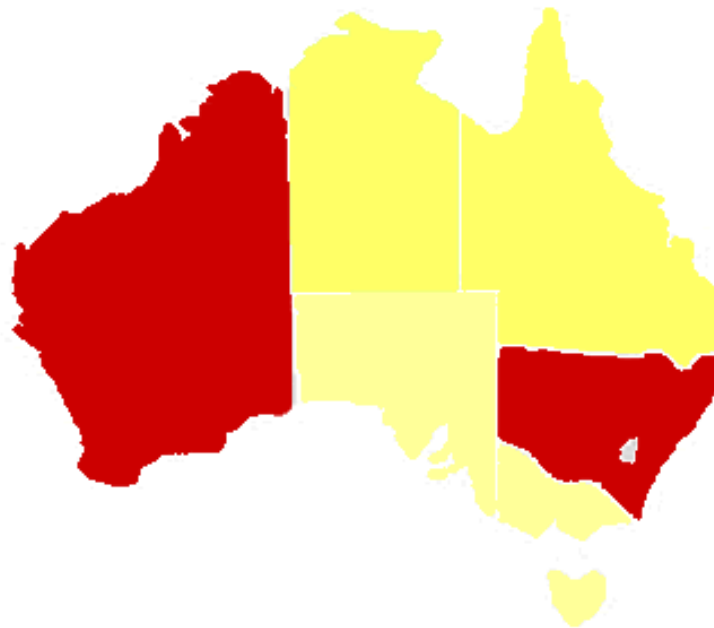
**Rental Services**

National Hire **CAT** Rental STORE

National Hire **Allight** **AH PLANT HIRE**

National Hire **Portaloo** National Hire **Events**

National Hire **Site-Shed** National Hire **Hi-Lift**



**Capital Sales**

**Allight**

**FG WILSON**  
Distributor

**Perkins**  
Distributor

godwin  
pumps

## **Strategic Priorities**

- Continue to participate in industry consolidation
- Focus on building leadership position in those areas we choose eg. CCE/BCP and Allight
- Defend our space by ensuring we have competitive cost position and superior customer service
- Drive efficiencies and improved operating performance following the recent significant capex programme
- To increase fleet utilisation over the next 18 months
- Leveraging the WesTrac and Caterpillar relationships

## **Outlook**

- Industry conditions – BIS Shrapnel expects the strong conditions currently being experienced in the non-residential construction, civil infrastructure and mining sectors to continue
  - Non-residential building – strong growth in all states except NSW/Tasmania
  - Cyclical downturn in Australian dwellings – NSW particularly
  - Civil engineering – strong continued growth in QLD and WA – NSW stabilising
  - Mining – WA and QLD “extraordinary growth”
- Forecasting revenue growth in excess of 45% for H206 over H106, including contribution from AH Plant Hire
- Forecast EBITDA margin in H206 of slightly above 30%