



NATIONAL HIRE GROUP LIMITED (ASX CODE: NHR) ANNUAL RESULTS 30 JUNE 2002

National Hire Group Limited announced an after tax loss of \$894,000 for the 12 months to 30 June 2002 compared to a profit of \$109,000 for the previous corresponding period. This reporting period was significantly impacted by:-

1. A \$942,000 expense arrived at after a \$1,000,000 settlement arising from the collapse of HIH and associated legal expenses of \$70,000. The settlement has been discounted to \$872,000 after applying Australian Accounting Standard AASB1014. The discounted interest component of \$128,000 will be expensed against interest during the several years to 2008. This \$1,000,000 settlement was against a liability in excess of \$1,900,000. This issue is subject of an ASX announcement made Thursday 12 September 2002.
2. An expense of \$250,000 relating to redundancies resulting from the company restructure in October/November 2001.

The year's operating loss before tax and significant items (HIH cost and redundancy) was \$242,000.

Most pleasingly the second half saw the company return to profitability prior to the previously mentioned significant items.

The company earned EBITDA and significant items of \$5,221,000 and EBIT and significant items of \$1,315,000.

No dividends have been paid or declared during or in relation to the reporting period.

Following the post GST and Olympics building and construction industry downturn the market was further affected by the collapse of HIH impacting on the Homeowners Warranty insurance scheme. The events of September 11 again interrupted the market. They had considerable impact on the revenue of National Hire Group Limited.

Key Points to note:

- Revenue has declined this year by 4.8% (\$1,472,000) to \$28,989,000. Comparing the two half year periods the decline in the first half-year was 8.8% in the second half of the year the result was static (compared to the period Jan-Jun 2001).
- Interest costs have declined by \$114,000 as a result of net interest bearing liability reductions of \$2,067,000 during the year.
- Depreciation charges increased by \$281,000 to \$3,593,000 compared to the previous year.
- Operating costs before significant items referred to above fell by \$1,209,000.

Outlook

The demand in the building and construction sector in the second half of this year has resulted in National Hire Group recording a profit in the second half. The Company has achieved this in line with the reduction of the cost base.

The resolution of the HIH insurance matter allows the focus of management and resources towards the further recovery and growth of the business including the completion of a refinancing package that will provide increased and more flexible facilities that recognize the substantial worth of our existing equipment fleet.

National Hire has relocated one Victorian branch from Mt Waverley to Dandenong and in October will relocate the Penrith branch to a new site. The organic growth from these relocations will continue in parallel with the National Hire objective to grow through strategic acquisitions. We are currently pursuing appropriate growth opportunities.

The National Hire Group is involved in a number of major developments including Westfield projects in Eastgardens and Bondi Junction, Meritons World Square, Grant Constructions Chinese Embassy, L U Simon at Kensington and Hickory at St Kilda.

The building and construction industry is in a cyclical upswing after the downturn post the Olympics and introduction of GST. Whilst it can be expected that new residential construction will soften, non-dwelling construction, infrastructure projects and alterations and additions to existing residences are poised for strong recovery. It is expected that this increasing activity will drive demand for our hire services over the next few years.

Given the above the Directors are confident that the recent positive trends will continue. The Group however recognizes that the Australian economy can be affected by unstable external factors. The economy is currently in a low

inflationary cycle and therefore focus on cost control and debt reduction must be maintained.

Summary Results

YEAR ENDED 30 JUNE (\$'000)	2002	2001	% change
Total Revenue	28,989	30,461	(4.8)
EBITDA	5,221	5,484	(4.8)
Depreciation	(3,592)	(3,311)	8.4
Amortisation goodwill/brands	(314)	(314)	-
EBIT	1,315	1,859	(29.3)
Interest	(1,557)	(1,671)	(6.8)
Pre tax (loss) profit	(242)	188	-
Significant Items	(1,192)	-	-
Tax benefit (expense)	542	(79)	-
Net (loss) profit after Tax-Members	(894)	109	-
Preference Dividend	-	(115)	-
NPAT attributable to Ordinary Shareholders	(894)	(6)	-
(Loss) profit after Tax before amortisation goodwill and brand names	(580)	423	-
EPS (Ordinary Shareholder)	(3.18cents)	(0.03cents)	-
Total assets per ordinary share	138cents	147cents	
Net tangible assets per ordinary share	26cents	28cents	

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