



NATIONAL HIRE GROUP LIMITED (ASX CODE: NHR) HALF YEAR RESULTS - 31 DECEMBER 2001

Equipment hire specialist, National Hire Group Limited (ASX Code: NHR) reported a net loss after tax for the half year ended 31 December 2001 of \$176,000 on sales revenue of \$14,752,000. Sales revenue declined from \$16,176,000, a drop of \$1,424,000 or 8.8% over the corresponding period last year. The after tax loss compares to a profit of \$601,000 for the corresponding period last year.

No interim dividend has been declared.

On 24 October 2001 the company announced a restructure including redundancies and forecast a loss of between \$500,000 and \$600,000. The actual before tax loss of \$577,000 is satisfactorily within that forecast. The after tax loss of \$176,000 was determined after accounting for a deferred tax benefit of \$401,000 which includes \$310,000 brought to account from a prior period.

Costs incurred in the period included redundancies of \$250,000.

The half year has been very challenging due mainly to soft sales conditions reducing utilisation, shorter hire periods and competitive price pressures. This combined with the loss of trading following the events of September 11, resulted in sales declining by \$1,424,000 compared to the previous period which included the Olympic Games.

Given the expectation for building and construction activity to be greater than last year as reported by the ABS and BIS Shrapnel, our cost reduction program and a more rational market following the industry consolidation, we continue with our forecast of a small second half year profit for 2001/2002 and a return to normal levels the following year.

The company continues to review opportunities and acquisitions that will assist in delivering profitable growth and our commitment to our strategic intent to be a major participant in the equipment hire industry.

SUMMARY RESULTS

HALF YEAR ENDED 31 DECEMBER 2001 (\$'000)	2001	2000	% CHANGE
Total Revenue	14,752	16,176	(8.8%)
EBITDA	2,210	3,310	(30.2%)
Depreciation	1,847	1,570	(17.6%)
Amortisation goodwill/brands	157	157	-
EBIT	206	1,583	(87.0%)
Borrowing Costs	783	784	-
Pre tax Profit	(577)	799	(172.2%)
Tax Expense	401	(198)	-
Net Profit (Loss) After Tax	(176)	601	(129.3%)
Operating Profit After Tax before amortisation goodwill	(68)	709	(109.6%)
EPS (Ordinary Shareholders)	(0.63 ¢)	2.35 ¢	(126.8%)
Interim Dividend	-	0.25 ¢	-
Net Tangible Asset Backing	25.78 ¢	26.42 ¢	(2.4%)

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