



NATIONAL HIRE GROUP REPORTS IMPROVED PERFORMANCE

NATIONAL HIRE GROUP LIMITED (ASX CODE: NHR) HALF-YEAR RESULTS - 31 DECEMBER 2002

National Hire Group Limited (ASX Code: NHR) today reported a net loss after tax for the half year ended 31 December 2002 of \$103,000 compared to the previous corresponding period loss of \$176,000. The loss for the current half is after accounting for a significant item being \$263,000 refinancing charge.

Revenue was \$15,302,000 an increase of 3.7% over the previous corresponding period.

Operating profit for the period (before interest, tax, goodwill/brand name amortisation and significant items) was \$1,153,000 compared to the previous corresponding period of \$613,000 an increase of 88%.

Profit before tax and before goodwill/brand name amortisation and significant items was \$362,000 for the six months ended 31 December 2002 compared to a loss of \$170,000 a turnaround of \$532,000 to the corresponding period last year.

The pre-tax loss for the half-year ended 31 December 2002 of \$58,000 compares favourably to a loss of \$577,000 for the corresponding period last year, a 90% or \$519,000 positive turnaround.

No dividend was declared.

The six months being reported saw the finalisation of the impact caused by the collapse of HIH Casualty and General Insurance Limited that caused significant disruption to the business. This issue has been extensively reported in previous announcements and in the 2002 Annual Report. Upon the successful completion of the refinancing, capital expenditure recommenced in November 2002. Benefits will come from lower repairs and maintenance, increased revenue and replacement of sub-hire expense.

OUTLOOK

The Directors are pleased that the demand for the Company's services is growing steadily as evidenced by the 3.7% revenue increase. The strength of the building and construction industry and the commencement of major projects in New South Wales should underpin a strong business environment. BIS Shrapnel forecast strong prospects for the building and construction industry for the next several years.

SUMMARY RESULTS

HALF YEAR ENDED 31 DECEMBER 2002 (\$'000)	2002	2001	% CHANGE
Total Revenue	15,302	14,752	3.7%
EBITDA	2,606	2,210	17.9%
Depreciation	1,716	1,847	7.1%
Operating Profit before interest, tax, goodwill/brand name amortisation and significant items	1,153	613	88.1%
Borrowing Costs	791	783	(1%)
Amortisation goodwill/brands	157	157	-
Significant Items	263	250	
Pre Tax Loss	(58)	(577)	89.9%
Tax Expense	(45)	401	(111.2%)
Net Loss After Tax	(103)	(176)	41.3%

EBIT & before significant items	996	456	118.4%
Profit (loss) Before Tax goodwill/brand name amortisation and significant items	362	(170)	312.9%
Profit (loss) After Tax before amortisation goodwill and brand names	54	(19)	384.2%
EPS (Ordinary Shareholders)	(0.004¢)	(0.63 ¢)	99.4%
Interim Dividend	-	-	-
Net Tangible Asset Backing	26.10¢	25.78 ¢	1.2%

Enquiries: **National Hire Group Limited**
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www.nationalhire.com.au

OR

National Hire Group Limited
Ray Harman, Chief Financial officer
0438 144 134
www.nationalhire.com.au

Dated: 3 March 2003

DIRECTORS REPORT AND DECLARATION

Your Directors present their report on the consolidated entity consisting of National Hire Group Limited and the entities it controlled at the end of or during the half year ended 31 December 2002.

DIRECTORS

The following persons were Directors of National Hire Group Limited during the whole of the half-year up to the date of this report:

- # **John Landerer**, CBE, AM, LLB Hon LLD (Macq) (Non-Executive Chairman)
- # **Stephen Sherwood Donnelley** (Chief Executive Officer)
- # **Philip Ronald Higginson**, FAIM, FAICD (Non-Executive Director)
- # **John Edward Star**, FCA (Non-Executive Director)

REVIEW OF OPERATIONS

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ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

DIRECTORS DECLARATION

In the opinion of the directors of National Hire Group Limited:

The financial statements and notes:

- (a) give a true and fair view of the financial position of the consolidated entity as at 31 December 2002 and of its performance, as represented by the results of its operations and its cash flows for the half year ended on that date; and
- (b) comply with Accounting Standards AASB 1029 "Interim Financial Reporting" and the Corporation Regulations; and
- (c) at the date of this declaration, there are reasonable grounds to believe National Hire Group Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with a resolution of the Directors

JOHN STAR

STEPHEN DONNELLEY