

ASX Announcement
16 February 2011**First Half Performance**
Half Year Ended 31 December 2010
and Trading Update

National Hire Group Limited (ASX code: NHR) today reported a net profit after tax of \$10.3m for the six months ended 31 December 2010, up from \$2.8m for the previous corresponding period ("pcp") and in line with the trading update provided on 8 February 2011. As foreshadowed, this improvement in NPAT was mainly due to an increase in share of profit from equity accounted investments (i.e. share of profit from Coates Group Holdings Pty Ltd) which was up to \$11.4m from \$1.9m in the pcp.

Managing Director of National Hire, Mr Andrew Aitken, said:

"Coates Group has experienced some recovery in activity and margin in the last 6 months and is expecting this improvement to continue over the balance of the financial year. The Allight capital sales business is well placed to grow revenues both domestically and internationally following the Sykes Group acquisition. Demand from the global mining and infrastructure sectors is expected to underpin this improvement."

National Hire has decided not to pay an interim dividend given no dividends have been received in relation to the investment in Coates and the recent completion of the Sykes Group acquisition.

Key Results

- Equipment Sales and Support revenue - \$54.9m up 33% on pcp.
- NPAT - \$10.3m including \$11.4m share of profit from equity accounted investments (Coates Group).
- Net cash of \$12.8m.
- Net assets per share of \$2.64.

Key Financial Result Comparatives

Six months ended 31 December (\$million)	2010	2009	Change
Revenue from continuing operations	56.1	42.4	32%
EBITDA	0.4	1.7	(76%)
Depreciation & amortisation	(0.7)	(0.3)	133%
EBIT	(0.3)	1.4	(121%)
Finance costs	(0.5)	(0.1)	400%
Share of net profits of associates accounted for using the equity method	11.4	1.9	(500%)
Profit before tax	10.6	3.2	(231%)
Tax expense	(0.3)	(0.4)	(10%)
Net profit after tax from continuing operations	10.3	2.8	(268%)
EPS cents	6.95	1.87	(272%)
Interim DPS cents	-	-	-

Divisional Commentary for the Period

Allight - Equipment Sales and Support

Allight Holdings Pty Ltd acquired 100% of Pump Rentals Pty Ltd, the parent company of Sykes Group, on 23 November 2010.

Revenues over the past 6 months increased 33% against the pcp to \$54.9m primarily due to:

- the improvement in general trading conditions; and
- inclusion of Sykes Group revenues for 5 weeks of \$5.2m.

Inventory levels have increased to \$60.3m from \$35.5m due to both the Sykes Group acquisition and a higher investment in inventory to support improved trading conditions.

The results for the Allight business were adversely impacted on a consolidated basis by transaction costs relating to the Sykes Group acquisition.

Allight Holdings drew down on its existing ANZ facility during the period and obtained a new facility from National Hire to fund the Sykes Group acquisition. The facilities are required be re-negotiated before mid November 2011 and are therefore disclosed as current liabilities on balance sheet.

Coates Group

Improved trading conditions saw Coates Group revenues increase 4% over the pcp. This increase in revenue had a positive impact on Coates Group NPAT which increased from \$4.2m for the 6 months to December 2009 to \$24.7m for this period.

Six months ended 31 December (\$million)	2010
Revenue	497.3
Net profit after tax from continuing operations	24.7
Total Assets	2,770
Total Liabilities	1,974

Coates Group continues to be in compliance with its banking covenants, with net senior debt at \$1.48bn.

Going forward

Allight expects trading conditions to continue to improve in the second half of FY2011 and that margins will also improve with the Sykes Group integration into the Capital Sales business.

Continued improvement in business conditions, and improving margins due to this increased activity, should lead to increased profitability in Coates Group for the second half of the current financial year when compared against the second half of FY2010.

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With a positive outlook for both businesses, National Hire is revising up its expected FY2011 NPAT. NPAT is expected to be in the range of \$20m to \$25m for the twelve months to 30 June 2011 rather than the \$12m to \$16m stated in the 6 December 2010 trading update. Again, the majority of this increase is likely to be attributable to Coates Group.

Contact

Andrew Aitken
Managing Director
0400 236 975

About National Hire

National Hire Group Limited owns equipment sales and support businesses which operates under the name Allight, Sykes and Primax and a 46.1% interest in Coates Group Holdings Pty Ltd which owns the Coates Hire business.

Allight manufactures, assembles, sells and supports mobile lighting, power generation and dewatering equipment and distributes Perkins engines, FG Wilson power generation sets and Rotair compressors. Sykes and Primax manufacture, sell and support dewatering solutions globally.

Coates Hire is the largest rental business in Australia and is one of the largest rental businesses globally. Coates Hire has been hiring equipment to the mining construction and event management sectors for more than a century, and today has a network of over 200 branches across Australia.

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APPENDIX 4D

HALF-YEAR REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

(PREVIOUS CORRESPONDING PERIOD: HALF-YEAR ENDED 31 DECEMBER 2009)

NATIONAL HIRE GROUP LIMITED ABN 61 076 688 938 (ASX: NHR)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$A'000
Revenues from continuing operations	up	32.2%	to	56,056
Profit/(loss) from continuing operations after tax attributable to members	up	271.6%	to	10,317
Net profit/(loss) for the period attributable to members	up	271.6%	to	10,317
		Amount per security		Franked amount per security
Dividends				
Interim dividend recommended but not provided for		0.0c		0.0c
Previous corresponding period interim dividend		0.0c		0.0c
Record date for determining entitlements to the dividend			N/A	

Refer to the attached announcement and interim financial report for further information on the results for the half-year ended 31 December 2010. This information should be read in conjunction with the Company's most recent annual financial report.

Net Tangible Assets per Security	31 December 2010	31 December 2009
Net tangible asset backing per ordinary security	\$2.24	\$2.38

Interests in entities which are not controlled entities

Equity accounted associates	Percentage of ownership interest held	
	31 December 2010	31 December 2009
Coates Group Holdings Pty Ltd	46.1%	46.1%

The contribution to net profit from the above associate was \$11,381,168.

Business Combination

On 23 November 2010 Allight Holdings Pty Ltd acquired 100% of the issued share capital of Pump Rentals Pty Ltd (“Sykes Group Business”). The acquired business contributed revenues of \$5.2 million and net profit of \$500,000 to the Group for the period 23 November 2010 to 31 December 2010. If the acquisition had occurred on 1 July 2010, consolidated revenue of \$21.3 million and consolidated profit of \$1.7 million for the period ended 31 December 2010 would have been recognised.



ANDREW AITKEN
Managing Director

16 February 2011

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**National Hire Group Limited
Interim Financial Report**

ABN 61 076 688 938

For the Half-Year Ended 31 December 2010

National Hire Group Limited ABN 61 076 688 938
Interim Financial Report – 31 December 2010

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Directors' Report

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 2010.

Directors

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

Andrew Aitken
 Stephen Donnelley
 Dale Elphinstone
 Clive Isenberg
 James Walker
 Richard Court

Review of Operations

A summary of consolidated revenues and results for the half-year is set out below:

	Revenues		Results	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Sale of goods	54,992	41,490	1,497	1,723
Unallocated revenue	1,064	907	-	-
	<u>56,056</u>	<u>42,397</u>	<u>1,497</u>	<u>1,723</u>
Net unallocated expenses			(2,268)	(429)
Share of profit from associate			11,381	1,930
Profit before income tax expense			<u>10,610</u>	<u>3,224</u>
Income tax expense			(293)	(448)
Profit for the period			<u>10,317</u>	<u>2,776</u>

Comments on the operations and the results of those operations are set out below:

Capital sales and support revenue of \$56,056,000 increased by 32% from the previous corresponding period due to the improvement in general trading conditions. Improved trading conditions saw Coates revenues increase by 4% over the previous corresponding period. The increase in revenue had a positive impact on Coates NPAT which increased from \$4,200,000 to \$24,700,000. The contribution from Coates Hire has increased to \$11,381,000 from \$1,930,000 from the previous corresponding period.

Coates Hire continues to be in compliance with its banking covenants.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding of Amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and 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.

This report is made in accordance with a resolution of directors.



Andrew Aitken
Managing Director

PERTH
16 February 2011

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Auditor's Independence Declaration

As lead auditor for the review of National Hire Group Limited for the half year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the *review*.

This declaration is in respect of National Hire Group Limited and the entities it controlled during the period.



N R McConnell
Partner
PricewaterhouseCoopers

Sydney
16 February 2011

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National Hire Group Limited
Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2010

	2010 \$'000	2009 \$'000
Revenue from Continuing Operations	56,056	42,397
Other income	1	49
Changes in inventories of finished goods and work in progress	12,075	(5,457)
Raw materials and consumables used	(52,361)	(26,718)
Occupancy and communication	(1,627)	(1,457)
Advertising and promotion	(560)	(298)
Travel and accommodation	(565)	(383)
Employee benefits expense	(7,221)	(4,455)
Other expenses	(5,439)	(1,967)
Depreciation and amortisation expense	(665)	(318)
Finance costs	(465)	(99)
Share of net profits of associates accounted for using the equity method	11,381	1,930
Profit before Income Tax	10,610	3,224
Income tax expense	(293)	(448)
Profit for the Half-Year	10,317	2,776
Other Comprehensive Income:		
Share of other comprehensive income from associates	(1,636)	2,833
Exchange difference on translation of foreign operations	(170)	14
Total Comprehensive Income for the Half Year	8,511	5,623
	Cents	Cents
Earnings per Share for Profit Attributable to the Ordinary Equity Holders of the Company:		
Basic earnings per share	6.95	1.87
Diluted earnings per share	6.95	1.87

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**National Hire Group Limited
Consolidated Balance Sheet
As at 31 December 2010**

	31 December 2010 \$'000	30 June 2010 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	12,770	15,697
Trade and other receivables	28,871	21,954
Inventories	60,328	35,494
Derivative financial instruments	-	124
Current tax receivables	-	274
	101,969	73,543
Total current assets		
Non-Current Assets		
Receivables	42	42
Investments accounted for using the equity method	327,934	319,185
Property, plant and equipment	5,368	2,096
Intangible assets	60,873	22,788
Deferred tax assets	-	5,170
	394,217	349,281
Total non-current assets		
	496,186	422,824
Total Assets		
LIABILITIES		
Current Liabilities		
Trade and other payables	46,557	39,008
Borrowings	44,415	346
Derivative financial instruments	233	-
Provisions	3,657	308
	94,862	39,662
Total current liabilities		
Non-Current Liabilities		
Deferred tax liabilities	6,841	-
Provisions	2,308	156
	9,149	156
Total non-current liabilities		
	104,011	39,818
Total Liabilities		
	392,175	383,006
Net Assets		
EQUITY		
Contributed equity	293,930	293,771
Reserves	(3,833)	(2,526)
Retained profits	102,078	91,761
	392,175	383,006
Total Equity		

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

National Hire Group Limited
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2010

	Attributable to owners of National Hire Group Limited			
	Contributed equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 July 2009	293,771	(12,582)	87,250	368,439
Adjustment on change in accounting policy of associate	-	1,797	(1,797)	-
Total Comprehensive Income for the Half-Year	-	2,847	2,776	5,623
	<u>293,771</u>	<u>(7,938)</u>	<u>88,229</u>	<u>374,062</u>
Transactions with owners in their capacity as owners:				
Share of share based payments reserves of associate, net of tax	-	315	-	315
Employee retention shares and share options	-	114	-	114
	<u>-</u>	<u>429</u>	<u>-</u>	<u>429</u>
Balance at 31 December 2009	<u>293,771</u>	<u>(7,509)</u>	<u>88,229</u>	<u>374,491</u>
	Contributed equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 July 2010	293,771	(2,526)	91,761	383,006
Total Comprehensive Income for the Half-Year	-	(1,806)	10,317	8,511
	<u>293,771</u>	<u>(4,332)</u>	<u>102,078</u>	<u>391,517</u>
Transactions with owners in their capacity as owners:				
Share of share based payments reserves of associate, net of tax	-	386	-	386
Shares issued on exercise of options	159	-	-	159
Employee retention shares and share options	-	113	-	113
	<u>159</u>	<u>499</u>	<u>-</u>	<u>658</u>
Balance at 31 December 2010	<u>293,930</u>	<u>(3,833)</u>	<u>102,078</u>	<u>392,175</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

National Hire Group Limited
Consolidated Cash Flow Statement
For the half-year ended 31 December 2010

	Half-year 2010 \$'000	2009 \$'000
Cash Flows from Operating Activities		
Receipts from customers (inclusive of goods and services tax)	73,864	49,414
Payments to suppliers and employees (inclusive of goods and services tax)	(82,475)	(43,713)
	(8,611)	5,701
Interest received	330	112
Interest and other costs of finance paid	(312)	(50)
Income taxes (paid)/received	5,760	(491)
Net Cash (outflow)/inflow from Operating Activities	(2,833)	5,272
Cash Flows from Investing Activities		
Payments for property, plant and equipment	(283)	(1,162)
Proceeds from sale of property, plant and equipment	393	48
Payments for acquisitions net of cash acquired	(44,093)	-
Net Cash inflow/(outflow) from Investing Activities	(43,983)	(1,114)
Cash Flows from Financing Activities		
Proceeds from borrowings	43,991	-
Repayment of borrowings	(91)	-
Proceeds from issue of shares	159	-
Net Cash inflow from Financing Activities	44,059	-
Net increase/(decrease) in Cash and Cash Equivalents	(2,757)	4,158
Cash and cash equivalents at the beginning of the half-year	15,697	5,694
Effects of exchange rate changes on cash and cash equivalents	(170)	14
Cash and Cash Equivalents at end of the Half-Year	12,770	9,866

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

1 Basis of Preparation of Half-Year Report

This general purpose interim financial report for the half-year reporting period ended 31 December 2010 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by National Hire Group Limited ('the Group') during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2 Segment Information

(a) Description of segments

Management has determined the Group's reportable segments based on the reports and information reviewed by the key decision makers of the company. Management has identified two reportable segments which are its Allight business ('Allight') and the equity accounted investment in Coates Hire. The recently acquired Sykes business forms part of the Allight segment. The segment information provided to the Board for the reportable segments for the half-year ended 31 December 2010 is as follows:

(b) Primary Reporting Format - Business Segments

Half-Year 2010	Allight \$'000	Investment in Coates \$'000	All other segments \$'000	Total \$'000
Total Segment Revenue	54,992	-	-	54,992
Unallocated revenue	-	-	1,064	1,064
Consolidated Revenue	54,992	-	1,064	56,056
Segment Result	1,497	-	-	1,497
Net unallocated expenses	-	-	(2,268)	(2,268)
Share of profit from associate	-	11,381	-	11,381
Profit before Income Tax	1,497	11,381	(2,268)	10,610
Total Segment Assets	168,252	327,934	-	496,186
Total Segment Liabilities	104,011	-	-	104,011
Half-Year 2009	Allight \$'000	Investment in Coates \$'000	All other segments \$'000	Total \$'000
Total Segment Revenue	41,490	-	-	41,490
Unallocated revenue	-	-	907	907
Consolidated Revenue	41,490	-	907	42,397
Segment Result	1,723	-	-	1,723
Net unallocated expenses	-	-	(429)	(429)
Share of profit from associate	-	1,930	-	1,930
Profit before Income Tax	1,723	1,930	(429)	3,224
Total Segment Assets	122,871	312,072	-	434,943
Total Segment Liabilities	60,452	-	-	60,452

2 Segment Information (continued)

(c) Other segment information

- i) Segment revenue
Sales between segments are carried out at arms length and are eliminated on consolidation. Revenue to external customers is derived from the sale of goods and services. The revenue reported to the key decisions makers is measured in a manner consistent with the income statement.
- ii) Segment assets
Segment assets reported to the key decision makers are measured consistent with the balance sheet.
- iii) Segment liabilities
Segment liabilities reported to the key decision makers are measured consistent with the balance sheet.

3 Dividends

	Half-Year Ended	
	2010	2009
	\$'000	\$'000
(a) Ordinary Shares		
Dividends provided for or paid during the half-year	-	-
(b) Dividends not Recognised at the End of the Half-Year		
The directors did not declare an interim dividend in relation to the half-years 31 December 2010 and 31 December 2009.	-	-

4 Equity Securities Issued

	2010 Shares	2009 Shares	2010 \$'000	2009 \$'000
Issues of ordinary shares during the half-year	86,000	-	159	-

5 Contingencies

Guarantee – Rental Bond

National Hire Group Ltd has agreed to indemnify its bankers in respect of a guarantee for a rental bond, amounting to \$228,071 at 31 December 2010, given in favour of third parties. This guarantee may give rise to liabilities in the event the company defaults on its obligations under the terms of the lease agreement for its premises located in Australia and overseas.

Guarantee – Retention

National Hire Group Ltd has agreed to indemnify its bankers in respect of guarantees, amounting to \$40,531 at 31 December 2010, given in favour of third parties.

These insurance bonds may give rise to liabilities in the event the company fails to meet performance under the sale of goods and services contract.

No material losses are anticipated in respect of the above contingent liabilities.

6 Events Occurring after the Balance Sheet Date

There is no matter or circumstance that has arisen since 31 December 2010, that has significantly affected or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the company's state of affairs in the future financial periods.

7 Business Combination

On 23 November 2010 Allight Holdings Pty Ltd acquired 100% of the issued share capital of Pump Rentals Pty Ltd ("Sykes Group Business"). The acquired business contributed revenues of \$5.2 million and net profit of \$500,000 to the Group for the period 23 November 2010 to 31 December 2010. If the acquisition had occurred on 1 July 2010, consolidated revenue of \$21.3 million and consolidated profit of \$1.7million for the period ended 31 December 2010 would have been recognised.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	2010
Purchase consideration	\$'000
Cash paid	43,000
Plus overdraft acquired	1,093
Deferred consideration	7,000
Contingent consideration	4,159
Total purchase consideration	55,252

The assets and liabilities recognised as a result of the acquisition are as follows:

Trade receivables	7,163
Inventories	9,669
Deferred tax assets	751
Development Expenditure	1,344
Property, Plant and Equipment	3,745
Trade payables	(2,558)
Provision for employee benefits	(1,688)
Other current assets	164
Other current liabilities	(251)
Net identifiable assets acquired	18,339
Intangible assets acquired	36,913

As the acquisition occurred on 23 November 2010, the purchase price allocation process and assignment of fair values to assets and intangible assets acquired is still ongoing and is only expected to be finalised by 30 June 2011. The values disclosed here as assets and liabilities acquired and intangible assets acquired is therefore of a provisional nature.

(i) Acquisition-related costs

Acquisition related costs of \$1,541,072 are included in other expenses in profit.

(ii) Deferred and contingent consideration

A total of \$7million is payable as deferred consideration, payment of which is conditional upon the vendors finalizing the transfer out of the Sykes Group of certain assets that did not form part of the Sykes Group business and obtaining full and final releases of the Sykes Group for any liabilities relating to those assets (**Asset Transfer and Release**). Of the \$7million, a maximum of \$3million may fall due for payment in the 2011 financial year, with the earliest date for payment of the remaining \$4million being 1 July 2011.

A maximum of \$5million may become payable as further consideration for the acquisition of the Sykes Group business if the combined Allight/Sykes Group business satisfies certain EBIT hurdles before 31 December 2012.

The potential undiscounted amount of all future payments that the group could be required to make under this arrangement is between \$0 and \$5 million. The fair value of the contingent consideration arrangement of \$4,159,025 was estimated by applying the income approach. The fair value estimates are based on discount rate of 11.1% and assumes the Group satisfies certain EBIT hurdles before 31 December 2012.

In the Directors' Opinion:

- (a) the financial statements and notes set out on pages 5 to 11 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that National Hire Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Andrew Aitken
Managing Director

PERTH
16 February 2011

Independent auditor's review report to the members of
National Hire Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of National Hire Group Limited, which comprises the balance sheet as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the National Hire Group Limited Group (the consolidated entity). The consolidated entity comprises both National Hire Group Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of National Hire Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

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**Independent auditor's review report to the members of
National Hire Group Limited (continued)**

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of National Hire Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


PricewaterhouseCoopers


N R McConnell
Partner

Sydney
16 February 2011

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