

National Hire Group Limited

ACN 076 688 938 ABN 61 076 688 938

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20 November 2009

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

Release by eLodge

**NATIONAL HIRE GROUP LIMITED ("COMPANY")
AGM PRESENTATIONS**

Please find attached the following:

1. Chairman's Address
2. 2009 Annual General Meeting Presentation

Contact
Gayle McGarry
Company Secretary

National Hire Group Limited
Chairman's Address and Trading Update
2009 Annual General Meeting

Good morning Ladies and Gentlemen. I am John Langoulant, the Chairman of National Hire Group Limited. It is now 10am. I welcome to the 2009 Annual General Meeting of the Company.

I am advised that a quorum is present and I now declare the meeting open.

I would like to take a moment to introduce the Board members to you.

- Mr Andrew Aitken
- The Hon Mr Richard Court
- Mr Stephen Donnelley
- Mr Dale Elphinstone
- Mr Clive Isenberg
- Mr Jim Walker

Also in attendance are:

- Ms Antoinette du Preez, our CFO and Joint Company Secretary;
- Ms Gayle McGarry, Joint Company Secretary;
- Mr Patrick Walsh, Allight Managing Director; and
- Mr Matthew Lunn of our auditor, PricewaterhouseCoopers.

All shareholders have been sent the Notice of Meeting and Explanatory Memorandum, so, unless anyone requires otherwise, I will take the Notice as read.

I propose to give a short address to the meeting and then proceed to the business set out in the Notice of Meeting.

Today National Hire consists of:

- i. a 46.1% investment in Coates Group Holdings Pty Ltd which owns the Coates Hire business, Australia's number 1 rental business; and
- ii. Full ownership of the Equipment Sales & Support business operating under the name Allight.

Although the operating environment during the period was difficult – especially the second six months of the year and continuing through the first half of the current financial year – shareholders can take a

number of positives from the results. The Allight equipment sales and support business grew revenues and successfully launched new products. Coates Hire completed the integration of the National Hire rental business and was able to focus on improving growth and implementing initiatives to maintain profitability in the new operating environment.

Revenue and EBIT for Allight, the Company's sole continuing operation, for the financial year ended 30 June 2009 were up 27% to \$106.7m and 28% to \$6.9m respectively against the 2008 financial year. In its first full financial year post merger of the National Hire and Coates rental businesses, the Company's investment in Coates Hire provided \$20.2m of NPAT.

The Company continues to have access to \$25m in bank facilities to fund organic and acquisitive growth opportunities. In addition, it had cash of \$5.7m at financial year end.

National Hire's reported net profit after tax for the year ended 30 June 2009 was \$25.1 million, which compared to \$42.5 million in 2008. The 2008 result included a profit from discontinued operations of \$37.8 million, being a consolidated after tax profit of \$25.9 million on the transfer of the National Hire Rental Services business to Coates Hire and a net profit contribution of \$11.9 million from the former National Hire Rental Services business for period from 1 July 2007 to 9 January 2008.

As at year end National Hire had total assets of \$401.3million. The largest asset is our investment in Coates Hire, with a carrying value of \$307.4 million. This was down marginally from last financial year when it was valued at \$309.9 million.

The Allight business has increased inventory from \$29.3 million to \$41.5 million over the last financial year as a result of:

- 27% increase in sales volume
- Higher purchasing costs as a result of the significant devaluation of the Australian dollar over the period; and
- Investment in the Nightshifter mobile lighting tower product.

National Hire continued to have no debt on its balance sheet as at year end.

Net tangible asset backing per share was \$2.34 as at 30 June 2009.

The change in cash flows has been due primarily to the increased investment in inventory in the Allight business previously mentioned.

As noted in the presentation, comparisons against the 2008 financial year are of limited value given 2008 included cash flows from the National Hire Rental Services business and various transactions relating to the Coates Hire transaction.

The Company's equity accounted share of profits from Coates Hire for the year was \$20.2 million.

The general decline in business activity in the broader economy resulted in Coates Hire experiencing a decline in revenue over the last 9 months of the financial year when compared to the first quarter.

Though profit margins reduced from their peak in the first quarter, cost management and synergy initiatives delivered from integration plans provided some margin support across the full financial year. Interest costs on debt also reduced through the partial unwind of interest rate hedges during the period. Capital expenditure in Coates Hire during the period was lower than the historic levels of the former Coates and National Hire rental businesses. Coates Hire believes that the cash flow savings will provide funding for the expected increased activity when projects initiated through Government stimulus packages gain momentum.

Both the Company and Carlyle marginally reduced their economic interest in Coates Hire to facilitate management investment.

No dividends were declared or paid by Coates Hire during or in relation to the last financial year and it is unlikely that any will be paid until debt levels within Coates Hire have been substantially reduced.

Since the end of the 2009 financial year, Coates Hire has:

- Launched the new coateshire brand
- Commenced radio, television and print advertising campaigns
- Concluded a 3 year national agreement with the unions that will operate until 30 March 2012
- Paid down a further \$100 million of its senior debt facility. In addition to the repayment of \$140 million in the first quarter of the 2009 financial year, the amount drawn under the senior debt facility has been reduced from \$2.025 billion to \$1.785 billion. With cash on deposit at 30 September 2009 of \$230 million, net senior debt is effectively \$1.555 billion.

The Company expects that NPAT for the first half of the 2010 financial year will be in the range of \$2 million to \$5 million compared with \$15.3 million the first half of the 2009 financial year. This estimate remains subject to completion of asset sales in Coates Hire in line with current expectations, audit review of the first half financial statements and reasonable trading conditions for the balance of the period.

The result will be impacted by Coates Hire's Allied divestment process and the deterioration in general trading conditions for both Coates Hire and Allight relative to the first half of the 2009 financial year. Coates Hire and Allight estimated revenues for the current half are down approximately 20% and 25% respectively.

In total, National Hire's NPAT is expected to be adversely affected by \$5.5 million to \$6.5 million by the Allied divestment process when compared with the first half of the 2009 financial year. On a positive note, significant cash has been generated from the Allied divestment process with total proceeds

expected to be in the order of \$95 to \$100 million once the process has been completed. These proceeds have been used to reduce debt levels.

Although trading conditions are expected to remain challenging for the rest of the calendar year, revenues in Coates Hire appear to have turned back up off their lows in recent months and utilization levels are improving. The Coates Hire business is starting to see the benefits of the stimulus spending and this spending is expected to gain traction in the second half of the current financial year. Coates Hire expects trading conditions for calendar year 2010 to be significantly better than those in 2009. Finally, I would like to reiterate the \$470 million reduction in net senior debt levels from the date of the merger of the National Hire and Coates rental businesses to \$1.555 billion. This has been achieved by sound capital management and strong cashflows in the Coates Hire business.

On behalf of the Board, I would like to thank all our employees and senior management for their hard work over the past 12 months and also thank our suppliers, customers and shareholders for their support.

National Hire Group Limited

2009 ANNUAL GENERAL MEETING

John Langoulant
Chairman

National Hire Group Limited

ALLIGHT

coateshire

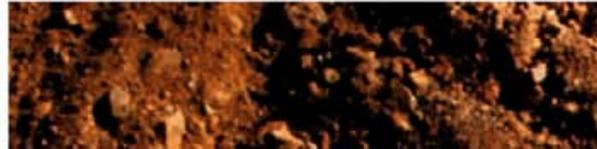


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Highlights

- Revenue from continuing operations up 27% on pcp
- EBIT from continuing operations up 28% on pcp
- Cash of \$5.7m and undrawn facilities of \$25m at balance date
- Coates Hire contribution to NPAT of \$20.2m (46% of Coates Hire NPAT)

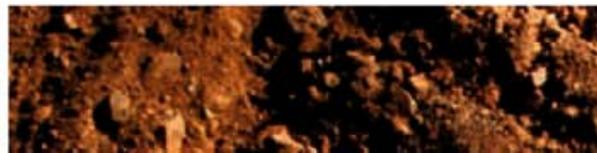


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Financial Performance

For 12 months ended 30 June (\$million)	2009	2008
Revenue from continuing operations	106.7	84.1
EBITDA	7.5	6.1
Depreciation and amortisation	(0.6)	(0.7)
EBIT	6.9	5.4
Finance costs	(0.4)	-
Share of net profits of associates accounted for using the equity method	20.2	1.2
PBT	26.7	6.6
Tax expense	(1.6)	(1.9)
Net profit after tax from continuing operations	25.1	4.7
Profit from discontinued operations	-	37.8
Reported net profit after tax	25.1	42.5
EPS from continuing operations (cents)	16.88	3.50
DPS relating to year's earnings fully franked (cents)	0.0	6.0

The financial implications of the Coates Hire transaction on the Company make comparisons between the current reported results and those from the previous corresponding period ("pcp") of limited use. The pcp was a transitional year which included full ownership of the National Hire Rental Business for part of the year, profit on disposal of the business and an equity accounted interest of 47% of Coates Hire while the current period reflects the equity accounted result of the Company's 46.1% investment in Coates Hire for the full 12 month period.



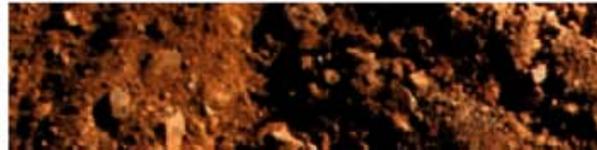
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Balance Sheet

As at 30 June (\$million)	2009	2008	Change
Cash	5.7	18.5	(69%)
Receivables	19.1	26.6	(28%)
Inventory	41.5	29.3	42%
Property Plant & Equipment	1.4	1.6	(15%)
Intangibles	21.1	21.3	(1%)
Investment in Associate	307.4	309.9	(0.8%)
Current Tax receivable	5.0	0.0	-
Other	0.1	0.5	(80%)
Total Assets	401.3	407.7	(2%)
Trade Payables	16.4	20.8	(21%)
Current tax liabilities	0.0	8.9	-
Deferred tax liabilities	15.9	16.6	(4%)
Other liabilities	0.6	0.2	200%
Net Assets	368.4	361.2	2%
Net Assets per Share - \$	2.48	2.43	2%
Net Tangible Assets per share - \$	2.34	2.29	2%

- Increase in inventory reflects:
 - Higher sales volumes (increase of 27%)
 - Increased purchasing costs as a result of the significant devaluation of the Australian dollar over the period
 - Investment in new product – Nightshifter lighting tower
- Movement in current tax items reflects completion of group consolidated tax returns
- Movement in value of Coates Hire investment primarily due to National Hire's share of:
 - NPAT \$20.2m
 - Negative mark to market on interest rate hedges (\$14.4m)
 - Management equity plan (\$4.7m)
 - Movement in other reserves of associate (\$0.7m)
 - Elimination of unrealised profits and other items (\$2.9m)



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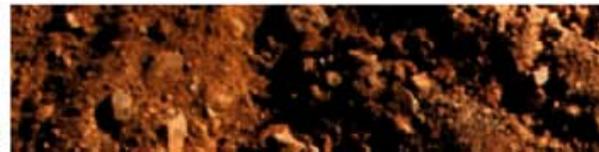


Cash Flow

For 12 months ended 30 June (\$million)	2009	2008
Net cash flow – trading activities	(12.0)	64.4
Interest & tax	(2.7)	(14.8)
Net cash flow operations	(14.7)	49.6
Net cash flow - investing	(4.9)	(124.0)
Net cash flows - financing	(3.0)	88.8
Net increase /(decrease) in cash held	(12.8)	14.4
Cash at beginning of period	18.5	4.1
Cash at period end	5.7	18.5

- The cash flow statement for 2008 includes cash flows from the National Hire rental division which was disposed of as part of the Coates Group transaction.
- The change in cash flows from operating activities is primarily due to the increased investment in inventory arising from devaluation of AUD\$ and product expansion into international markets.
- Cash flow from investing activities reflects funds received as part of the Coates Group management equity plan which reduced National Hire's investment in Coates Group.
- Cash flow from financing activities reflects final dividend paid by National Hire for FY08 of \$2.9m.

The financial implications of the Coates Hire transaction on the Company make comparisons between the current reported results and those from the previous corresponding period ("pcp") of limited use. The pcp was a transitional year which included full ownership of the National Hire Rental Business for part of the year, profit on disposal of the business and an equity accounted interest of 47% of Coates Hire while the current period reflects the equity accounted result of the Company's 46.1% investment in Coates Hire for the full 12 month period.

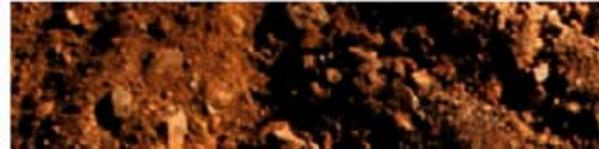


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Coates Hire

- National Hire's equity accounted share of profits from Coates Hire for the FY 2009 year was \$20.2m
- General decline in business activity during the period saw a decline in revenues over the last 3 quarters when compared with the revenue levels of the first quarter
- No dividends declared during or after the end of the period. Dividends are unlikely until debt levels have been substantially reduced.
- Cost management and synergy initiatives provided some margin support in the last 3 quarters
- Interest costs on debt have reduced through partial unwind of interest rate hedges during the period
- Capex spend was reduced from historic levels of former Coates and National Hire businesses due to reduced activity in broader economy
- National Hire and Carlyle each marginally reduced their economic interest in Coates Hire to facilitate management investment



National Hire



Coates Hire

- Launch of new Coates Hire brand commenced September 2009
- Radio, television and print advertising campaigns are currently underway
- Concluded a 3 year national agreement with the unions that will operate until 30 March 2012
- Senior debt facility reduced by \$140m during first quarter FY2009. Another \$100m was repaid during October 2009
- The original drawn \$2.025b senior debt facility now stands at \$1.785b drawn by Coates Hire
- \$230m cash on deposit at 30 September 2009 effectively reduces net senior debt to \$1.555b

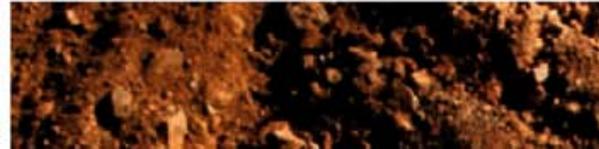


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Trading Update

- National Hire expects NPAT for the first half of FY 2010 to be in the range of \$2m to \$5m against first half FY2009 of \$15.3m. This estimate remains subject to completion of asset sales in Coates Hire in line with current expectations, reasonable trading conditions for the rest of the period and audit review
- The result will be impacted by the Allied divestment process and the deterioration in general trading conditions in Allight (revenues down 25%) and Coates Hire (revenues down 20%) relative to the previous corresponding period
- On a pcp basis, National Hire's NPAT has been adversely impacted by the Allied divestment process by \$5.5m to \$6.5m but debt levels within Coates Hire have been reduced through sale proceeds
- Coates Hire expects trading conditions for calendar year 2010 to be significantly better than 2009. Stimulus spending is starting to come through but is expected to gain traction in second half of FY 2010
- Revenues have turned back up off their lows in Coates Hire and utilisation levels are improving
- \$470m reduction in Coates Hire net senior debt levels from merger date to \$1.555 billion has been achieved by sound capital management and strong cash flows

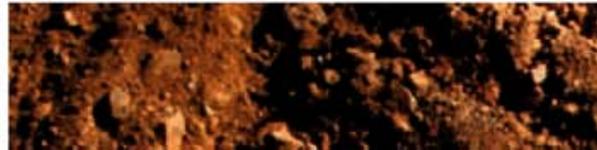


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Proxy Appointment

Res.	Item	For	Against	Open	Abstain
1	Approve 2009 Remuneration Report	100,873,131	219,154	87,825	1,518,681
2(a)	Re-elect Mr Dale Elphinstone	100,966,825	139,098	87,825	1,505,043
(b)	Re-elect Mr James Walker	101,085,825	20,098	87,825	1,505,043



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Resolutions

Resolution 1 – Remuneration Report

To consider, and if thought fit, to pass the following as an *ordinary resolution*:
'To approve the Remuneration Report for the year ended 30 June 2009.'



National Hire

Resolutions

Resolution 2(a) – Re-election of Mr Dale Elphinstone

To consider, and if thought fit, to pass the following as an ordinary resolution:
'That, Mr Dale Elphinstone, who retires in accordance with National Hire's Constitution and, being eligible for re-election, be re-elected as a Director of National Hire.'



National Hire



Resolutions

Resolution 2(b) – Election of Mr James Walker

To consider, and if thought fit, to pass the following as an ordinary resolution:

‘That, Mr James Walker, who retires in accordance with National Hire's Constitution and, being eligible for re-election, be re-elected as a Director of National Hire.’

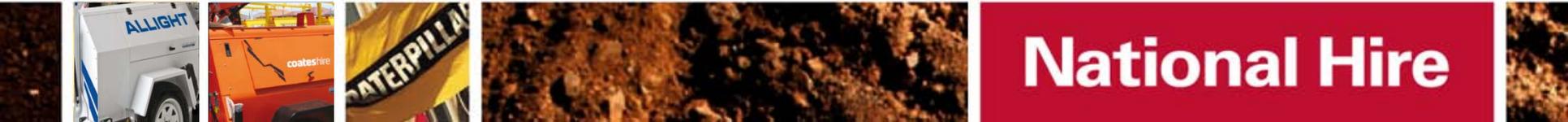


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Other Business

To consider any other business that might validly be brought before the meeting



National Hire