

## Appendix 4E

### Full-year report

Year ended 30 June 2008

#### Name of entity

**NATIONAL HIRE GROUP LIMITED**

ABN

Year ended  
(current period)

Year ended  
(previous period)

**61 076 688 938**

**30 June 2008**

**30 June 2007**

#### 1. Results for announcement to the market

The following information is to be read in conjunction with the accounts for the year ended 30 June 2008 and attached to this document.

	Current period 30 June 2008 \$A'000	Previous period 30 June 2007 \$A'000	Change \$A'000	Change %
Revenue from continuing operations	84,125	69,319	14,806	Up 21%
Profit from continuing operations after tax	4,693	1,931	2,762	Up 143%
Profit from discontinued operations	37,831	17,381	20,450	Up 118%
Net profit for the year attributable to members of the parent entity	42,524	19,312	23,212	Up 120%

	Amount per security	Franked Amount
Final dividend	2.0 cents	2.0 cents
Interim dividend	4.0 cents	4.0 cents
Total dividend applicable to the year ended 30 June 2008	6.0 cents	6.0 cents

The record date for the final dividend is 26 September 2008 at 5:00pm, with payment to be made on 10 October 2008.

## **Commentary**

On 2 October 2007, National Hire Group Limited (**National Hire**) and The Carlyle Group announced an agreed transaction with Coates Hire Limited (**Coates Hire**) to acquire all of the outstanding shares in Coates Hire for \$6.59 cash per share via a scheme of arrangement. The transaction was completed on 9 January 2008.

A new company Coates Group Holdings Pty Limited (**Coates Group**) (formerly Ned Group Holdings Pty Limited) was incorporated as a subsidiary of National Hire specifically for the transaction.

National Hire funded its equity contribution of \$348 million in Coates Group by the transfer of its Rental Services business to Coates Group for \$278 million and \$70 million in cash.

The group's share of profit after tax in the equity investment in Coates Group from completion of the transaction for the financial year was \$1.2 million.

On 31 December 2007 National Hire raised approximately \$86 million through the issue of 28,657,143 fully paid ordinary shares at a price of \$3.00 per share to Elph Pty Ltd (a company controlled by Mr Dale Elphinstone). Following the placement, Elph Pty Ltd has a relevant interest of 19.9% in National Hire. Mr Elphinstone was appointed to the board on 30 January 2008.

### *Revenue:*

Revenue from continuing operations was \$84.1 million for FY2008 (FY2007 \$69.3 million) and represents a 21% increase over the previous year. Revenue growth was driven by continued strong sales growth in lighting towers from the mining sector in Australia and offshore.

### *Earnings before interest, tax, depreciation and amortisation:*

Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$6.1 million increased by 76% or \$2.6 million over the previous year's \$3.5 million.

### *Profit from continuing operations after income tax:*

Profit from continuing operations after tax of \$4.7 million represents an increase of 143% from the previous year's \$1.9 million.

### *Profit from discontinued operations after income tax:*

Profit of \$37.8 million from discontinued operations represents a \$11.9 million trading contribution from Rental Services up to the date of completion of the Coates transaction and the profit on transfer of the National Hire Rental Services business to Coates Group.

### *Dividend:*

A final fully franked dividend of 2.0 cents (2007: 5.0 cents) has been declared bringing the total dividend declared for FY2008 to 6.0 cents (2007: 8.0 cents) fully franked.

*Balance Sheet:*

Net assets increased to \$361.2 million from \$243.2 million primarily through:

- the issue of 28,657,143 shares to Elph Pty Ltd at \$3.00 per share;
- the transfer of the Rental Services business (including debt and intangibles) to Coates Group; and
- strong performance of the capital sales and parts and service business.

As at 30 June 2008 the group had \$nil borrowings with cash and cash equivalents of \$18.5 million.

**2. Net tangible assets**

	Current period 30 June 2008	Previous period 30 June 2007
Number of ordinary shares on issue	148,401,945	119,704,802
Net tangible asset backing per ordinary share	\$2.29	\$1.09

**3. Control gained/lost over entities**

Details of entities over which control has been gained or lost during the period		
Name of, or nature of, businesses lost	Date of loss of control	Contribution to entity's profit from ordinary activities
Rental Services	9 January 2008	\$11,871,000

**4. Dividend reinvestment plans**

No dividend reinvestment plan exists for National Hire.

**5. Associates and joint ventures**

Name of associate/joint venture	Reporting entity's percentage holding		Contribution to net profit/loss where material	
	Current Period	Previous corresponding period	Current Period	Previous corresponding period
Coates Group Holdings Pty Limited	47.15%	N/A	\$1,187,709	N/A

**6. Foreign entities**

The results of foreign entities are presented in accordance with Australian Accounting Standards.

**7. Audit or review status**

This report is based on accounts to which one of the following applies:

- |                                     |   |                          |  |
|-------------------------------------|---|--------------------------|--|
| <input checked="" type="checkbox"/> | The accounts have been audited  | <input type="checkbox"/> | The accounts have been subject to review           |
| <input type="checkbox"/>            | The accounts are in the process of being audited or subject to review | <input type="checkbox"/> | The accounts have not yet been audited or reviewed |