

**HIRE INTELLIGENCE INTERNATIONAL LIMITED
AND ITS CONTROLLED ENTITIES
ABN 79 098 210 121**

HALF-YEAR REPORT

31 DECEMBER 2012

APPENDIX 4D

The information contained in this document should be read in conjunction with Hire Intelligence International Limited's Half Year Report containing the Directors' Report and Financial Report for the half year ending 31 December 2012 and any public announcements made by the Company in accordance with the continuous disclosure obligations arising from the Corporations Act 2001 and the ASX listing rules.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Financial Data

	Half Year		
	<u>31-Dec-12</u>	<u>31-Dec-11</u>	<u>Percentage Change</u>
Revenue from ordinary activities	5,499,000	5,914,000	(7.02)%
Profit/(Loss) after tax from ordinary activities attributable to members	(423,000)	946,000	(144.71)%
Net profit/(loss) after tax attributable to members	(423,000)	946,000	(144.71)%

Dividends

No dividends have been declared by the entity after the half year ended 31 December 2012. No dividends were paid or declared during the reporting period.

The entity does not anticipate declaring a dividend this financial year.

Net Tangible Assets

	<u>31-Dec-12</u>	<u>31-Dec-11</u>	<u>Percentage Change</u>
Net tangible assets per share (cents)	15.98	15.09	5.90%

Commentary

Summary of Half Year to 31 Dec 2012 Compared with Half Year to 31 Dec 2011

- Equipment Rental Income of \$5.2 million down from \$5.7million in the prior year
- Revenue of \$5.5 million down 7.0%
- Loss before tax of \$0.2 million down \$1.6 million
- Loss before interest and tax (EBIT) of \$0.2 million down \$1.6 million

Balance Sheet Compared with Balance Sheet at 30 June 2012

Assets

- Current Assets of \$2.2 million up \$0.2 million
- Total Assets of \$15.8 million down \$0.9 million
- Net Assets of 19.0 cents per share reduced from 19.5 cents per share

Liabilities

- Current Liabilities of \$1.0 million down \$0.5 million
- Total Liabilities of \$1.1 million down \$0.5 million

FY2013 Half Year to 31 December 2012 Compared to FY2012 full year actual

Loss before tax of \$0.2 million compares to a profit of \$1.6 million for FY2012.

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Loss before interest and tax (EBIT) of \$0.2 million is \$1.8 million lower than the EBIT of \$1.6 million achieved in FY2012.

The former franchisee locations of Dublin, Glasgow, Manchester and Auckland continue to underperform due, in part, to competition from former franchisees in each location. The key locations of London and Sydney continue to face challenging trading conditions although it is the view of the directors that your company continues to outperform its competitors.

Our product range continues to expand to include a broader range of rental equipment. The company has implemented and further proposed a number of cost saving measures aimed at increasing return on investment to the shareholders.

The property at 23 Barrack Street is currently undergoing a \$700,000 upgrade which includes a new lift, new electrics, 6 new bathrooms, an upgraded foyer and front façade as well as new carpet, windows, ceilings and paint for 50% of the net lettable area. The capital works have been delayed and are now expected to be completed by 30 April at which point the property is expected to attract a higher rent per square metre.

Significant losses in most divisions delivered a result that was \$1.6 million worse for the first half when compared with the same period in the prior year. As a result the Board does not envisage declaring a dividend during FY2013.

The Net Assets of 19.0 cents per share have decreased from 19.5 cents per share since 30 June 2012.

Review of Half Year to 31 December 2012

The group achieved a loss of \$0.2 million for the half year to 31 December 2012 compared with an EBIT of \$1.3 million achieved during the corresponding period in the prior financial year.

Looking forward, profit growth is anticipated coming from several separate areas:

- Organic growth from existing equipment rental operations
- Increased property rent
- Potential acquisition of commercial properties
- Expansion into complimentary areas
- Diversification into new industries

Further information relating to Hire Intelligence International Limited's results is available in the half year report which accompanies this announcement.

Entities over which control has been gained

During the half-year, control was not gained over any entities.

Details of associates and joint venture entities

The entity does not currently have or is not a party to, any associates or joint ventures.

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Compliance Statement

This report is based on half year financial accounts ending 31 December 2012 which have been subject to review.

For further information please contact

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