

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

**HALF-YEAR REPORT**

**31 DECEMBER 2008**

## Contents

	<b>Page</b>
Directors' report	<b>3</b>
Auditors' independence declaration	<b>8</b>
Consolidated income statement	<b>9</b>
Consolidated balance sheet	<b>10</b>
Consolidated cash flow statement	<b>11</b>
Consolidated statement of changes in equity	<b>12</b>
Notes to the consolidated financial statements	<b>13</b>
Director' declaration	<b>19</b>
Auditor's review report	<b>20</b>

## **DIRECTOR'S REPORT**

The directors of Hire Intelligence International Limited (HII) present their report together with the consolidated financial report for the half-year ended 31 December 2008 and the auditor's review report thereon.

Notwithstanding the worsening international economic climate Hire Intelligence anticipates normalised (excluding abnormal items) full year earnings before interest and tax (EBIT), being between \$1.8 million and \$2.6 million. This compares with \$1.9 million in FY2008. If the midpoint of the range is achieved the current financial year will be Hire Intelligence's 6<sup>th</sup> consecutive year of normalised growth in EBIT since floating in 2002.

These solid results flow from the effectiveness of our:

- highly skilled, fully trained, motivated employees
- innovative sales and marketing techniques
- tight cost controls
- iconic brand
- integrated computer fleet management and accounting system
- business process technology
- KPIs
- reporting systems
- critical mass and
- financial strength

Our company owned outlets as a group are currently anticipated to continue achieving strong growth with Busby losses continuing this financial year. The Franchise Division is expected to continue its decline. Corporate expenses remain tightly controlled.

HII currently anticipates declaring a fully franked dividend of between 1.8 cents and 2.7 cents per share.

Hire Intelligence is financially sound with no debt and \$6.6 million cash assets on 31 December 2008. The Net Assets of 17.8 cents per share have increased by 4.3% since 30 June 2008.

### **About Hire Intelligence**

Hire Intelligence is Australia's dominant short-term business Information Technology (IT) and Audio-Visual (AV) equipment rental supplier. Its company owned outlets in London and key Australian capital cities form the core of its solid and consistent profitability.

In addition to the 6 directly operated outlets, another 10 franchised operations cover 22 territories across Australia, the UK, the Republic of Ireland and New Zealand. The business is now the second largest operator in the UK.

During the 2008 fiscal year, a new venture, "Busby Web Solutions" was created to market and deliver web solutions and operates independent of the equipment rental business.

The group consists of three business divisions: Operations, Franchising and Web Solutions, each reporting to the Corporate Head Office. The Franchise and Web Solutions businesses are

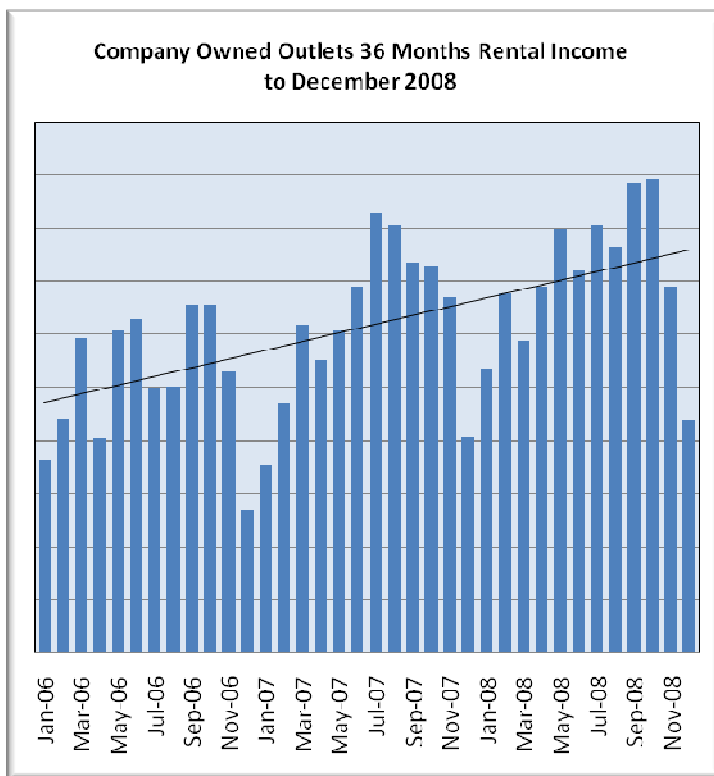
operated by wholly-owned subsidiaries (Cityside Asset Pty Ltd and Busby Web Solutions Pty Ltd respectively).

Hire Intelligence has created a powerful proprietary business process system to control every aspect of outlet operations with a comprehensive Operations Manual and related training courseware. This is coupled with advanced bespoke IT systems to ensure highly consistent and cost effective operations.

The rental business boasts an impressive track record of consistent double digit normalised operating profit growth over more than five consecutive years since listing in 2002.

### Review of Half Year to 31 December 2008

First half revenue of \$6,276,000 grew by 5.2% compared with the corresponding period in the prior year notwithstanding a 42.4% decline in the Franchise Division's revenue. The Operations Division (company owned outlets) achieved an 11.4% revenue growth when compared with the same half in the prior year.



EBIT of \$1,160,000 for the half year to 31 December 2008 compares with \$1,295,000 achieved during the corresponding period in the prior financial year. The first half's results were impacted by 6 months of Busby losses (\$311,000 worse). When Busby is excluded the rental business inclusive of the franchise division achieved 13.6% normalised profit growth with an EBIT of \$1,471,000 for the 6 months ended 31 December 2008.

The results in FY2008 were skewed towards the first half as the second half was impacted by losses incurred in Busby Web Solutions.

	<u>FY2008</u>		<u>FY2009</u>
	<u>1st half</u>	<u>Full Year</u>	<u>1st Half</u>
Earnings before Interest & Tax	1,295,000	1,912,000	1,160,000
Busby Losses		- 606,000	- 311,000
EBIT Excluding Busby	1,295,000	2,518,000	1,471,000

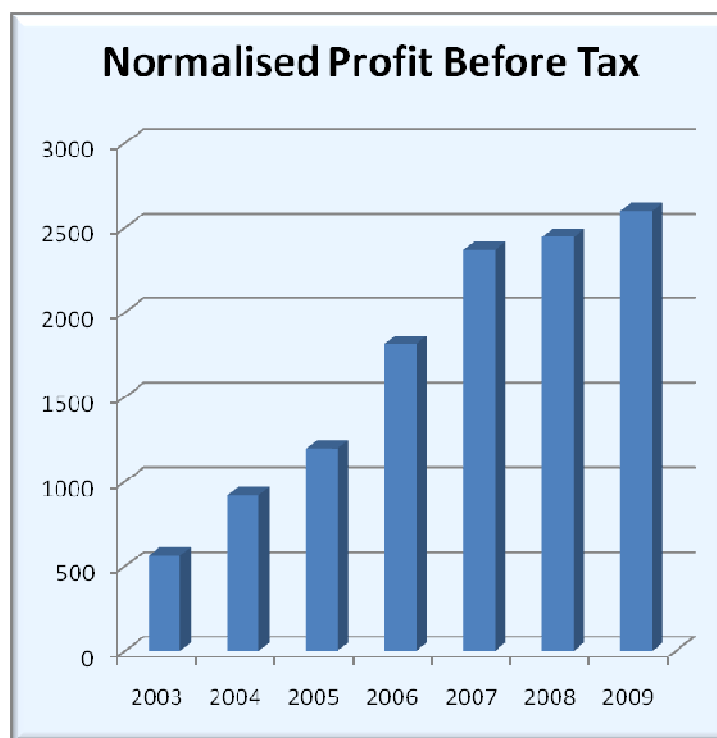
Busby's losses are forecast to be lower in the second half than in the first half of FY2009.

HII listed on the ASX in January 2002. Its full year results from 1 July 2002 are reflected in the table below.

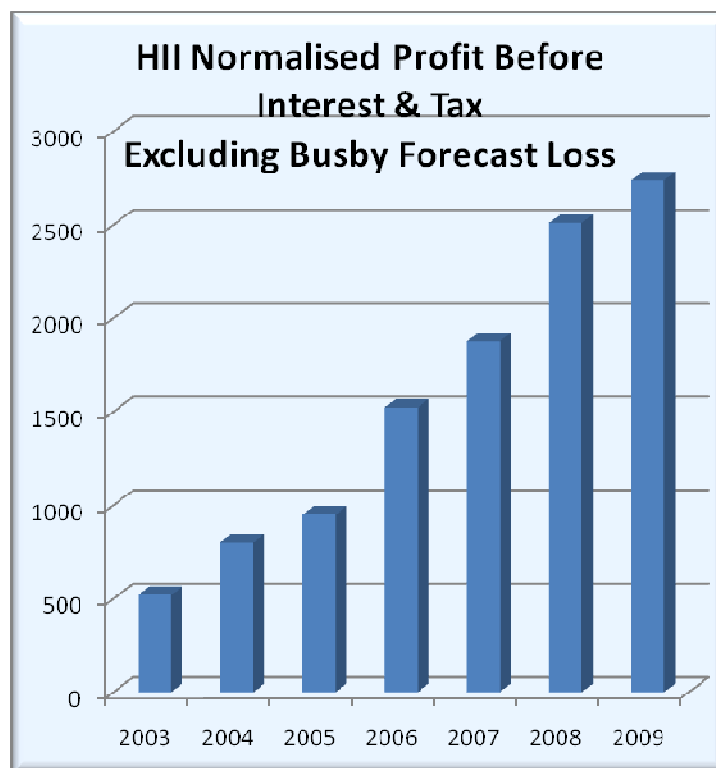
Financial Years Ending 30 June	<u>AGAAP</u>	<u>AGAAP</u>	<u>AIFRS</u>	<u>AIFRS</u>	<u>AIFRS</u>	<u>AIFRS</u>	<u>Forecast Range</u>		
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Low</u>	<u>High</u>
A\$(000)									
Profit/Loss from ordinary activities	(2,234)	(5,258)	1,195	1,813	3,072	2,447		2,050	2,850
Add back Goodwill amortisation	2,799	6,551							
Less profit on sale of UK MF		(370)							
Less profit on moving premises					(703)				
Add back Abnormal Legal Fees								150	150
<b>Normalised Earnings Before Tax</b>	<b>565</b>	<b>923</b>	<b>1,195</b>	<b>1813</b>	<b>2,369</b>	<b>2,447</b>		<b>2,200</b>	<b>3,000</b>
Less interest income	(45)	(128)	(245)	(290)	(493)	(535)		(400)	(400)
<b>Normalised EBIT</b>	<b>520</b>	<b>795</b>	<b>950</b>	<b>1,523</b>	<b>1,876</b>	<b>1,912</b>		<b>2,200</b>	
<b>Growth on Prior Year</b>		<b>52.9%</b>	<b>19.5%</b>	<b>60.3%</b>	<b>23.2%</b>	<b>1.9%</b>		<b>15.1%</b>	

The table demonstrates that HII is showing a continuing upward normalised profit trend whether earnings before tax or earnings before interest and tax are used.

In the two graphs below the normalised Profit before Tax and the normalised (before extraordinary losses) Earnings before Interest and Tax for FY2009 are shown as the midpoint of their respective current forecast range.



The chart graphically illustrates the ongoing growth in normalised profit before tax being achieved by HII inclusive of the midpoint of the forecast range for FY2009 notwithstanding the worsening international economic climate. The graphs show that whether Busby is included or excluded HII continues to achieve growth in profits.



Since the conclusion of the half year ended 31 December 2008 the Thames Valley franchise has reverted to company control with a profit neutral impact. The Irish master franchise will revert to Hire Intelligence with effect from 1 March 2009. It is expected to have a marginally positive impact on the company's results.

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

- Organic growth from existing equipment rental operations with the primary focus on company owned outlets
- Growth in web solutions
- Expansion into complimentary areas
- Diversification into new industries

### Directors

The directors of Hire Intelligence International Limited (HII) at any time during or since the end of the half-year are:

Name

Period of directorship

Mr Thomas R. Crage  
Managing Director & Chairman

Director since September 2001

Mr Keegan T Crage  
Executive Director

Director since 1 December 2005

Mr Jason F Crage  
Non-Executive Director

Director since 19 December 2005

### **Rounding off**


The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

### **Auditor's Independence Declaration**

A copy of the auditors independence declaration as required under section 307c of the Corporations Act 2001 is set out on page 8.

Dated at Perth, this 27<sup>th</sup> day of February 2009

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'T. Crage', is written over a faint, light-colored rectangular stamp or watermark.

**Thomas R. Crage**  
Director



BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd  
128 Hay Street  
SUBIACO WA 6008  
PO Box 700  
SUBIACO WA 6872  
Phone 61 8 9380 8400  
Fax 61 8 9380 8499  
aa.perth@bdo.com.au  
www.bdo.com.au

ABN 79 112 284 787

27 February 2009

The Directors  
Hire Intelligence International Limited  
2/110 Jersey Street  
Jolimont WA 6014

Dear Sirs

**DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF HIRE INTELLIGENCE INTERNATIONAL LIMITED**

As lead auditor of Hire Intelligence International Limited for the period ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink that reads 'C Burton'.

**Chris Burton**  
Director

A handwritten signature in black ink that reads 'BDO Kendalls'.

**BDO Kendalls Audit & Assurance (WA) Pty Ltd**  
Perth, 27 February 2009



**CONSOLIDATED INCOME STATEMENT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	Note	Consolidated	
		2008	2007
		\$'000	\$'000
Revenue from continuing operations	9	6,276	5,968
Cost of sales		(1,458)	(1,186)
		<hr/>	<hr/>
Gross profit		4,818	4,782
Distribution expenses		(254)	(204)
Marketing expenses		(428)	(431)
Occupancy expenses		(335)	(332)
Administrative expenses		(2,641)	(2,513)
Amortisation of trademarks		-	(7)
		<hr/>	<hr/>
<b>Results from operating activities</b>		<b>1,160</b>	<b>1,295</b>
Financial income		243	250
Financial expenses		(1)	-
		<hr/>	<hr/>
<b>Net financial income</b>		<b>242</b>	<b>250</b>
<b>Profit before income tax expense</b>		<b>1,402</b>	<b>1,545</b>
Income tax expense	4	(421)	(467)
		<hr/>	<hr/>
<b>Net profit for the half year attributable to members of Hire Intelligence International Limited</b>	<b>3</b>	<b>981</b>	<b>1,078</b>
Basic earnings per share:			
Ordinary shares (cents per share)	7	1.27	1.40
Diluted earnings per share		N/A	N/A

The income statement is to be read in conjunction with the notes to the financial statements set out on pages 13 to 18.

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2008**

	Note	Consolidated	
		31 December 2008 \$'000	30 June 2008 \$'000
<b>Current assets</b>			
Cash and cash equivalents		6,563	7,284
Trade and other receivables		1,145	1,538
Inventories		125	133
Other assets		192	154
<b>Total current assets</b>		<b>8,025</b>	<b>9,110</b>
<b>Non-current assets</b>			
Available for Sale financial assets	10	97	534
Trade and other receivables		586	740
Property, plant and equipment		3,611	3,488
Intangible assets		3,724	3,716
Deferred tax assets		92	167
<b>Total non-current assets</b>		<b>8,110</b>	<b>8,645</b>
<b>Total assets</b>		<b>16,135</b>	<b>17,755</b>
<b>Current liabilities</b>			
Trade and other payables		814	1,201
Income tax payable		447	390
Employee benefits		-	276
Provisions		292	1,697
Deferred income		184	245
<b>Total current liabilities</b>		<b>1,737</b>	<b>3,809</b>
<b>Non-current liabilities</b>			
Deferred income		586	738
Employee benefits		135	97
<b>Total non-current liabilities</b>		<b>721</b>	<b>835</b>
<b>Total liabilities</b>		<b>2,458</b>	<b>4,644</b>
<b>Net assets</b>		<b>13,677</b>	<b>13,111</b>
<b>Equity</b>			
Contributed equity	5	37,729	37,729
Reserves		(905)	(490)
Accumulated losses		(23,147)	(24,128)
<b>Total equity</b>		<b>13,677</b>	<b>13,111</b>

The balance sheet should be read in conjunction with the notes to the financial statements set out on pages 13 to 18.

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	<b>Consolidated</b>	
	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	7,305	5,989
Cash payments in the course of operations	(5,306)	(4,439)
Interest received	243	250
Borrowing costs paid	(1)	-
Income taxes paid	(289)	(141)
	<u>1,952</u>	<u>1,659</u>
<b>Net cash provided by operating activities</b>		
<b>Cash flows from investing activities</b>		
Proceeds on disposal of non-current assets	9	279
Payments for brand names, trade marks and other intangibles	(8)	(9)
Payments for property, plant and equipment	(1,138)	(1,681)
	<u>(1,137)</u>	<u>(1,412)</u>
<b>Net cash used in investing activities</b>		
<b>Cash flows from financing activities</b>		
Dividends paid	(1,536)	(466)
	<u>(1,536)</u>	<u>(466)</u>
<b>Net cash used in financing activities</b>		
<b>Net increase/(decrease) in cash held</b>	(721)	(219)
Cash at the beginning of the financial period	7,284	7,882
	<u>6,563</u>	<u>7,663</u>
<b>Cash at the end of the financial period</b>		

The cash flow statement should be read in conjunction with the notes to the financial statements set out on pages 13 to 18.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

<b>31 December 2007</b>		<b>\$000's</b>			
<b>Consolidated</b>	<b>Share capital</b>	<b>Translation reserve</b>	<b>Revaluation Reserve</b>	<b>Retained earnings</b>	<b>Total</b>
Balance at 1 July 2007	37,729	(194)	-	(24,292)	<b>13,243</b>
Foreign exchange differences	-	(102)	-	-	<b>(102)</b>
Net income recognised directly in equity	-	-	-	-	<b>-</b>
Total net recognised income and expense for the period	-	-	-	1,078	<b>1,078</b>
Balance at 31 December 2007	<b>37,729</b>	<b>(296)</b>	<b>-</b>	<b>(23,214)</b>	<b>14,219</b>

<b>31 December 2008</b>		<b>\$000's</b>			
<b>Consolidated</b>	<b>Share capital</b>	<b>Translation reserve</b>	<b>Revaluation Reserve</b>	<b>Retained earnings</b>	<b>Total</b>
Balance at 1 July 2008	37,729	(491)	-	(24,128)	<b>13,110</b>
Foreign exchange differences	-	23	-	-	<b>23</b>
Revaluations	-	-	(437)	-	<b>(437)</b>
Net income recognised directly in equity	-	-	-	-	<b>-</b>
Total net recognised income and expense for the period	-	-	-	981	<b>981</b>
Balance at 31 December 2008	<b>37,729</b>	<b>(468)</b>	<b>(437)</b>	<b>(23,147)</b>	<b>13,677</b>

The statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 13 to 18.

**Notes to the consolidated i financial statements**

<b>Note</b>	<b>Page</b>
1. Significant accounting policies	<b>14</b>
2. Segment reporting	<b>16</b>
3. Profit for the half year	<b>17</b>
4. Income taxes	<b>17</b>
5. Capital and reserves	<b>18</b>
6. Contingent liabilities	<b>18</b>
7. Earnings per share	<b>18</b>

## Notes to the consolidated financial statements

### 1. Significant accounting policies

This general purpose financial report for the interim half year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied in its consolidated financial report as at and for the year ended 30 June 2008. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Hire Intelligence International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied, unless otherwise stated.

#### *a) Basis of Preparation*

The financial report is presented in Australian dollars.

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) and AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

*Compliance with International Financial Reporting Standards (IFRS)*

Australian Accounting Standards include Australian equivalents to IFRS. Compliance with AIFRS ensures that the consolidated financial statements and notes Hire Intelligence International Ltd comply with IFRS.

*Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment properties.

*Critical accounting estimates*

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

## Notes to the consolidated financial statements (continued)

### *b) Income tax*

Income tax on the income statement for the periods presented comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- (i) goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and
- (ii) differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

### *c) Segment reporting*

Segment information is presented in the consolidated financial statements in respect of the consolidated entity's business segments, which are the primary basis of segment reporting. The business segment reporting format reflects the consolidated entity's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

## Notes to the consolidated financial statements (continued)

### 2. Segment reporting

The consolidated entity comprises the following primary business segments:

- IT and AV Equipment Rentals
- Web solutions
- Franchising

	Computer Equipment rentals		Franchising		Web Development		Eliminations		Consolidated	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Revenue</b>										
External segment revenue	5,822	5,225	366	743	88	-	-	-	6,276	5,968
Inter-segment revenue	-	-	134	125	-	-	(134)	(125)	-	-
Total segment revenue	5,822	5,225	500	868	88	-	(134)	(125)	6,276	5,968
<hr/>										
<b>Total revenue</b>									<b>6,276</b>	5,968
<hr/>										
<b>Result</b>										
Segment result	1,418	1,278	333	419	(311)	-	-	-	1,440	1,697
<b>Unallocated corporate expenses</b>									<b>(38)</b>	(152)
<hr/>										
Profit before tax									<b>1,402</b>	1,545
Income tax expense									<b>(421)</b>	(467)
<b>Net profit</b>									<b>981</b>	1,078



## **Notes to the consolidated financial statements (continued)**

### **3. Profit for the half year**

There were no unusual income or expense items in the current financial reporting period.

### **4. Income taxes**

#### **Current tax**

Current tax expense for the interim periods presented is the expected tax payable on the taxable income for the period, calculated as the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Current tax for current and prior periods is classified as a current liability to the extent that it is unpaid. Amounts paid in excess of amounts owed are classified as a current asset.

#### **Deferred tax**

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the estimated average annual effective income tax rate for the interim periods presented.

The primary components of the entity's recognised deferred tax assets include temporary differences related to employee benefits, provisions and other items.

Deferred tax expense arises from the origination and reversal of temporary differences, the effects of changes in tax rates and the benefit of tax losses recognised.

## Notes to the consolidated financial statements (continued)

### 5. Capital and reserves

<b>Share capital</b>	<i>31 December</i>	<i>30 June</i>
	<i>2008</i>	<i>2008</i>
	<i>000's</i>	<i>000's</i>
Issued and paid-up capital	37,729	37,729
77,032,958 (June 2008: 77,032,958) fully paid ordinary shares	<hr/>	<hr/>

### Dividends

No dividends have been declared by the entity after the half year ended 31 December 2008. A fully franked 2 cent dividend of \$1,540,659 was paid for by the consolidated entity on 20<sup>th</sup> August 2008.

### 6. Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

### 7. Earnings per share

#### Basic earnings per share

The calculation of basic earnings per share for the six months ended 31 December 2008 was based on the profit attributable to ordinary shareholders of \$981,000 (six months ended 31 December 2007: \$1,078,000) and a weighted average number of ordinary shares outstanding during the six months ended 31 December 2008 of 77,032,958 (six months ended 31 December 2007: 77,032,958). There are no dilutive potential ordinary shares.

### 8. Acquisition of Canberra operation

On 1<sup>st</sup> July 2008 Hire Intelligence International Limited acquired all of the rental assets of the Hire Intelligence Canberra from the retiring franchisee. The franchise agreements were terminated and in accordance with the franchise agreements rental assets approximating \$100,000 in value were sold to Hire Intelligence International at their written down value. Hire Intelligence International was provided with the customer list and diversion of phone lines at no cost and deems the transaction to be recorded in the accounts at fair value.

### 9. Comparative Information

In accordance with AASB 1027 Consolidated and Separate Financial Statements, at 31 December 2008 the disclosing entity has only disclosed consolidated revenue to the extent of external sales. In comparatives the 31 December 2007 consolidated revenue have been adjusted accordingly which has had no impact on the profit of the consolidated entity.

### 10. Available for Sale

The value of the company's Available for Sale assets have been adjusted with the movement recognised in equity after the directors assessed the nature, timing and value of the assets in addition to the market movements.

***Directors' declaration***

In the opinion of the directors of Hire Intelligence International Limited ("the company"):

1. the financial statements and notes set out on pages 8 to 18, are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated Perth this 27th day of February 2009.

Signed in accordance with a resolution of the directors:



---

Tom Crage  
*Managing Director*



BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd  
 128 Hay Street  
 SUBIACO WA 6008  
 PO Box 700  
 SUBIACO WA 6872  
 Phone 61 8 9380 8400  
 Fax 61 8 9380 8499  
 aa.perth@bdo.com.au  
 www.bdo.com.au

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Hire Intelligence International Limited

ABN 79 112 284 787

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Hire Intelligence International Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement or description of accounting policies, other selected explanatory notes and the directors' declaration (in order for the consolidated entity to lodge the half-year financial report with the Australian Securities and Investments Commission).

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *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 Interim and Other Financial Reports 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 2008 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 Hire Intelligence International 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. 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.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the exact time that this auditor's review report was made.

*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 Hire Intelligence International 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 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

**BDO Kendalls Audit & Assurance (WA) Pty Ltd**

BDO Kendalls



**Chris Burton**

Director

Perth, 27 February 2009