



GOODWILL WRITE OFF BY HII

The Board of Directors of leading short term equipment rental group, Hire Intelligence International Limited (ASX:HII), advises that it believes it will be necessary to write off \$499,000 goodwill in its 100% owned subsidiary Cityside Asset Pty Ltd (Cityside).

Cityside operates the franchise business of the HII group of companies. Some Australian company owned outlets have been paying franchise fees to Cityside however your Board has today decided that those franchise fee arrangements would cease effective from 1 March 2010. The outlets will however be charged franchise fees effective 1 March equal to one month of fees. This will have no impact on operating profit as it simply shifts earnings from Cityside to either Hi-Intelli Pty Ltd, another of HII's 100% owned subsidiaries, or to its parent company, HII.

It does however impact Cityside's profitability which changes to a little below breakeven. It also impacts the carrying value of its goodwill.

The net effect of the \$499,000 write off of goodwill will result in forecast EBIT reducing to between \$1.4 million and \$2.0 million. The normalised EBIT range of \$1.9 million to \$2.5 million remains unchanged if the \$0.5 million goodwill write off is ignored.

A handwritten signature in black ink, appearing to read 'Tom Cragg', is positioned above the printed name and title.

Tom Cragg
Chairman & Managing Director
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