FIRST QUARTER FY2011 EBIT AHEAD OF FULL YEAR FY2010 EBIT

The Board of Directors of leading short term computer rental group Hire Intelligence International Limited (ASX code: HII) are pleased to advise that unaudited earnings before interest and tax (EBIT) for the first quarter of FY2011 of $968,000 exceeded full year EBIT for FY2010 of $967,000.

Notwithstanding the adverse exchange conversion impact of the strong Australian dollar the Operations Division, comprising company owned outlets, and the group as a whole, performed well in the 1st Quarter of FY2011 when compared to the same quarter in the prior year with:

- Group revenue of $3.4 million up 17.9%
- Group EBIT of $1.0 million up 163%
- Operations Division revenue of $3.0 million up 19.8%
- Operations Division EBIT of $0.9 million up 149%.

The Western Australian Government has announced approval of a $584 million redevelopment inclusive of a 6 star hotel to be built in the old Treasury Building directly across the road from HII's Barrack Street premises.

Uncertainty exists with respect to FY2011 EBIT as a result of:

- Litigation with the guarantor of the UK Master Franchisee that may result in recovery of the $0.3 million provision for bad debts and legal costs as well as further amounts due but not invoiced. Unsuccessful litigation could mean the current provisions are materially inadequate.
- Successful/unsuccessful assignment of 4 franchised territories from the liquidator of the UK Master Franchisee to Cityside.
- Cost and length of time to find a suitable replacement tenant at 23 Barrack Street to replace the one that went into liquidation in August 2010.
- Impact of further structural changes.

Fully franked dividends of between 1.0 cents and 1.5 cents per share are currently anticipated to be declared during FY2011.

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