

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

HALF-YEAR REPORT

31 DECEMBER 2007

Contents

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

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 2007 and the auditor's review report thereon.

It is with pleasure that we advise shareholders of the solid growth being achieved in your IT and AV rental business as well as the work being undertaken to ensure your Busby Web Solutions business will be growing from a solid base comprising sound infrastructure with cutting edge systems and technology as well as qualified, highly skilled employees.

Review of operations

Summary of Half Year to 31 Dec 2007 Compared with Half Year to 31 Dec 2006

- ▲ Revenue of \$6.1 million up 30.2%
- ▲ Normalised Profit from operating activities of \$1.3 million up 25.7%
- ▲ Normalised earnings before interest and tax (EBIT) of \$1.3 million up 25.7%
- ▲ Normalised Pre-tax Profit of \$1.5 million up 23.4%
- ▲ Acquired all Victorian and Queensland franchises which started operating as company owned outlets in Melbourne and Brisbane with effect from 1 July 2007
- ▲ Diversified into web solutions industry
- ▲ 5th consecutive year in which normalised EBIT expected to increase

Balance Sheet Compared with Balance Sheet at 30 June 2007

Assets

- ▲ Current Assets of \$9.8 million up 0.2 million
- ▲ Total Assets of \$17.8 million up 0.5 million due to increase in equipment of 0.6 million
- ▲ Net Assets of 18.5 cents per share have increased by 7.4%

Liabilities

- ▼ Current Liabilities of \$2.7 million down 0.3 million
- ▼ Total Liabilities of \$3.5 million down 0.4 million

Comparison to previous FY2008 full year forecast

- ▲ Fully Franked Dividend expectation now between 2.2 cents and 2.8 cents per share for FY2008
- ▲ Earnings before interest and tax (EBIT) forecast range narrowed to between \$1.9 million and \$2.6 million – yielding a midpoint of \$2.25 million (prior year EBIT was \$1.876 million).
- ▲ The midpoint of the EBIT range of the Computer Rental Division (i.e. after adding back to profit the midpoint of the forecast loss for Busby Web Solutions) is \$2.7 million (prior year EBIT was \$1.876 million).

Nature of Business

HII has developed an award winning business to business operation renting computer and audio visual equipment from company owned outlets in London, Sydney, Melbourne, Brisbane and Perth. A 100% owned subsidiary has franchised that model across Australia, New Zealand, the United Kingdom and Ireland.

In November 2007 HII launched its newly developed web solutions business operating under the name Busby Web Solutions. It aims at generating revenue through an international team of Franchisees. Since the launch of Busby it has appointed 4 franchisees (3 in the UK and 1 in Australia) as well as Licensees for Germany and Portugal. Licensees find franchisees on behalf of Busby. It currently has a team of 6 employees with more planned to be appointed in the coming months.

HII's business and franchise models are built on proprietary systems and business processes technology facilitating highly cost effective operations. In addition to the wide range of proprietary systems developed for its rental operations, some of which can be applied to web solutions, it has also developed a number of unique proprietary systems for Busby. These include a customer visibility

profiling system, search engine optimisation analysis procedures and a project management system. Quality Assurance processes are in place as are administrative procedures. Franchisees are provided 2 weeks training which is backed up by a 325 page Operation Manual and Franchisor support.

HII is the market leader in the Australian short term computer and audio visual rental market, is the second largest operator in the United Kingdom and holds a strong position in the New Zealand and Irish markets.

Group First Half Results

Key Financial Data for First Half of FY2008

	<u>6 months to:</u>	
	<u>31-Dec-07</u>	<u>31-Dec-06</u>
Sales Revenue	6,145,000	4,720,000
Normalised Earnings Before Interest & Tax	1,295,000	1,030,000
Normalised Profit from Operating Activities	1,295,000	1,030,000
Normalised Profit before tax	1,545,000	1,249,000
Net Profit After Tax	1,078,000	1,418,000
Basic Earnings Per Share (cents)	1.40	1.84

Group Sales Revenue of \$6.1 million during the six months to 31 December 2007 was 30.2% up compared with the corresponding period in the prior year.

The six months to 31 December 2006 benefited from a once off profit of \$830,000 associated with our move to new premises in London. This profit is excluded when comparing normalised results. Normalised results in the 6 months to 31 December 2007 are after subtracting \$0.2 million costs associated with Busby Web Solutions.

It is particularly pleasing that normalised profit before income tax grew from \$1.0 million for the 6 months to 31 December 2006 to \$1.3 million for the six months ending 31 December 2007 notwithstanding \$0.2 million loss from Busby Web Solutions.

Hire Intelligence is financially sound with no debt and \$7.7 million cash assets on 31 December 2007.

Busby Web Solutions is expected to be an excellent future revenue and profit generator however this can only be achieved by ensuring it has industry leading systems and technology which is what we are currently developing and refining. This means extra employees focussing on infrastructure, systems and technology development rather than focussing on revenue and profit generation in the short term. As a result Busby is expected to operate at a loss of between \$0.3 million and \$0.6 million this financial year.

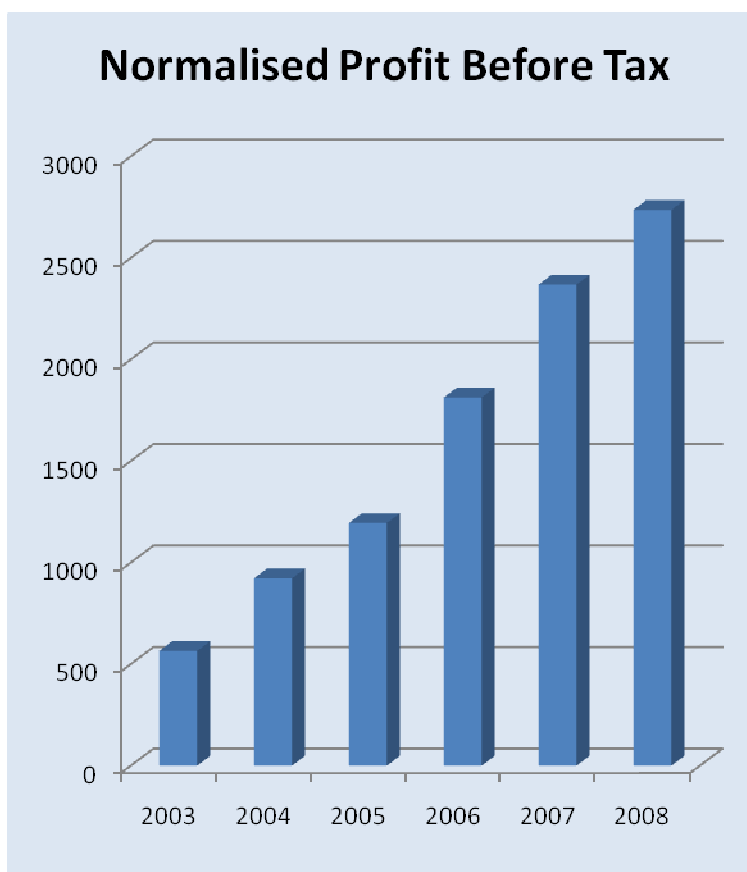
Notwithstanding the anticipated losses emanating from Busby earnings before interest and tax (EBIT) for the 2008 financial year are expected to be between \$1.9 and \$2.6 million.

HII currently anticipates declaring a fully franked dividend of between 2.2 cents and 2.8 cents per share.

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

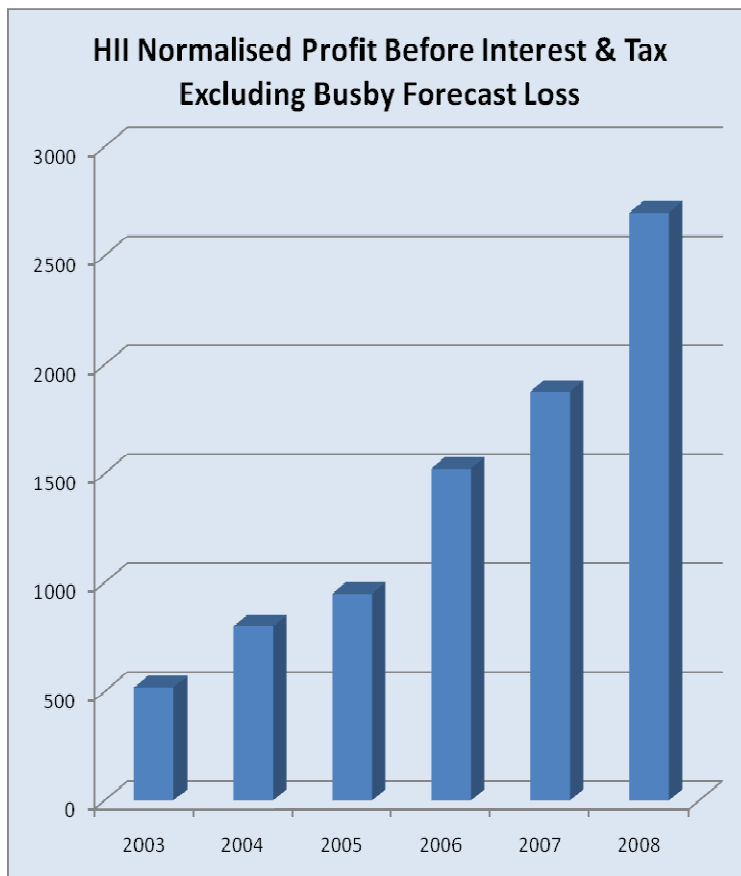
Financial Years Ending 30 June	AGAAP	AGAAP	AIFRS	AIFRS	AIFRS	Forecast Range 2008	
	2003	2004	2005	2006	2007	Low	High
AS\$(000)							
Profit/Loss from ordinary activities	(2,234)	(5,258)	1,195	1,813	3,072	2,387	3,087
Add back Goodwill amortisation	2,799	6,551					
Less profit on sale of UK MF		(370)					
Less profit on moving premises					(703)		
Normalised Earnings Before Tax	565	923	1,195	1,813	2,369	2,387	3,087
Less interest income	(45)	(128)	(245)	(290)	(493)	(487)	(487)
Normalised EBIT	520	800	950	1,523	1,876	2,250	
Growth on Prior Year		53.8%	18.8%	60.3%	23.2%	19.9%	

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. The normalised EBIT for FY2008 is shown as the midpoint of its 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 FY2008.

The chart below shows substantially stronger growth for HII and its core computer and audio visual rental business when the midpoint of the FY2008 forecast loss on Busby (\$450,000) is excluded from HII's normalised profit before interest and tax (FY2008 midpoint of forecast EBIT of \$2,700,000 : exclusive of Busby loss). This constitutes a 43.9% increase over prior year.



Segment reporting shows a substantial decrease in unallocated corporate expenses. With effect from 1 July 2007 corporate costs have been allocated to specific outlets or divisions where they are capable of apportionment. This has resulted in a substantially greater cross charge of corporate expenses to the Equipment Rental Operating Division. Notwithstanding this increase in allocated corporate costs the Division posted an increase in its segment 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
- Strong growth in web solutions
- Expansion into complimentary areas
- Possible 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:

<u>Name</u>	<u>Period of directorship</u>
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.

Dated at Perth, this 28th day of February 2008

Signed in accordance with a resolution of the directors:



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

The Directors
Hire Intelligence International Limited
Unit 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 year ended 31 December 2007, 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'. The signature is written in a cursive style with a large, stylized 'C' and 'B'.

Chris Burton
Director

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Subiaco, 28 February 2008

**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Note	Consolidated	
		2007 \$'000	2006 \$'000
Sales revenue		6,145	4,720
Cost of sales		(1,363)	(1,195)
		<hr/>	<hr/>
Gross profit		4,782	3,525
Compensation from office relocation		-	1,257
Office relocation expense		-	(427)
Distribution expenses		(204)	(127)
Marketing expenses		(431)	(219)
Occupancy expenses		(332)	(233)
Administrative expenses		(2,513)	(1,732)
Amortisation of trademarks		(7)	(184)
Results from operating activities		<hr/> 1,295 <hr/>	<hr/> 1,860 <hr/>
Financial income		250	222
Financial expenses		-	(3)
Net financial income		<hr/> 250 <hr/>	<hr/> 219 <hr/>
Profit before income tax expense		1,545	2,079
Income tax expense	4	<hr/> (467) <hr/>	<hr/> (661) <hr/>
Net profit attributable to members of Hire Intelligence International Limited		<hr/> 1,078 <hr/>	<hr/> 1,418 <hr/>
Basic earnings per share:			
Ordinary shares (cents per share)	7	1.40	1.84
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 17.

**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Note	Consolidated	
		31 December 2007 \$'000	30 June 2007 \$'000
Current assets			
Cash and cash equivalents		7,663	7,882
Trade and other receivables		1,780	1,468
Inventories		154	106
Other assets		173	157
Total current assets		<u>9,770</u>	<u>9,613</u>
Non-current assets			
Trade and other receivables		733	857
Property, plant and equipment		3,407	2,778
Intangible assets		3,708	3,704
Deferred tax assets		100	228
Total non-current assets		<u>7,948</u>	<u>7,567</u>
Total assets		<u>17,718</u>	<u>17,180</u>
Current liabilities			
Trade and other payables		1,243	1,174
Income tax payable		1,024	828
Employee benefits		156	153
Provisions		77	568
Deferred income		189	272
Total current liabilities		<u>2,689</u>	<u>2,995</u>
Non-current liabilities			
Employee benefits		77	87
Provisions		733	855
Total non-current liabilities		<u>810</u>	<u>942</u>
Total liabilities		<u>3,499</u>	<u>3,937</u>
Net assets		<u>14,219</u>	<u>13,243</u>
Equity			
Contributed equity	5	37,729	37,729
Reserves		(296)	(194)
Accumulated losses		(23,214)	(24,292)
Total equity		<u>14,219</u>	<u>13,243</u>

The balance sheet should be read in conjunction with the notes to the financial statements set out on pages 13 to 17.

**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

	Consolidated	
	2007	2006
	\$'000	\$'000
Cash flows from operating activities		
Cash receipts in the course of operations	5,989	4,601
Cash payments in the course of operations	(4,439)	(3,317)
Interest received	250	223
Borrowing costs paid	-	(3)
Other revenue	-	1,257
Income taxes paid	(141)	(95)
	<hr/>	<hr/>
Net cash provided by operating activities	1,659	2,666
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds on disposal of non-current assets	279	264
Payments for brand names, trade marks and other intangibles	(9)	-
Payments for property, plant and equipment	(1,681)	(1,045)
	<hr/>	<hr/>
Net cash used in investing activities	(1,412)	(781)
	<hr/>	<hr/>
Cash flows from financing activities		
Dividends paid	(466)	-
Repayment of borrowings	-	-
	<hr/>	<hr/>
Net cash used in financing activities	(466)	-
	<hr/>	<hr/>
Net increase/(decrease) in cash held	(219)	1,885
Cash at the beginning of the financial period	7,882	7,084
	<hr/>	<hr/>
Cash at the end of the financial period	7,663	8,969
	<hr/> <hr/>	<hr/> <hr/>

The cash flow statement should be read in conjunction with the notes to the financial statements set out on pages 13 to 17.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

31 December 2006

\$000's

Consolidated	Share capital	Translation reserve	Retained earnings	Total
Balance at 1 July 2006	37,729	(21)	(24,416)	13,292
Foreign exchange differences	-	19	-	19
Net income recognised directly in equity	-	-	-	
Total net recognised income and expense for the period	-	-	1,418	1,418
Balance at 31 December 2006	37,729	(2)	(22,998)	14,729

31 December 2007

\$000's

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

The statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 13 to 17.

Notes to the condensed consolidated interim financial statements

Note	Page
1. Significant accounting policies	14
2. Segment reporting	16
3. Profit for the half year	17
4. Income taxes	17
5. Capital and reserves	18
6. Contingent liabilities	18
7. Earnings per share	18
8. Establishment of Melbourne and Brisbane operations	18
9. Subsequent events	18

Notes to the condensed consolidated interim financial statements

1. Significant accounting policies

This general purpose financial report for the interim half year reporting period ended 31 December 2007 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 2007. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2007 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.

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 condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim financial statements (continued)

2. Segment reporting

The consolidated entity comprises the following primary business segments:

- IT and AV Equipment Rentals
- Franchising

Business Segments	IT & AV Equipment Rentals		Franchising		Eliminations		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
External sales revenue	5,402	4,123	743	597	-	-	6,145	4,720
Inter-segment revenue	-	160	125	126	(125)	(286)	-	-
Unallocated corporate income	-	-	-	-	-	-	-	1,257
Total segment revenue	5,402	4,283	868	723	(125)	(286)	6,145	5,977
Result								
Segment result	1,278	1,269	419	563	-	-	1,697	1,832
Unallocated corporate income							-	1,257
Unallocated corporate expenses							(152)	(1,010)
Profit from ordinary activities before related income tax							1,545	2,079

Notes to the condensed consolidated interim 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 condensed consolidated interim financial statements (continued)

5. Capital and reserves

Share capital	<i>31 December 2007 000's</i>	<i>30 June 2007 000's</i>
Issued and paid-up capital	37,729	37,729
77,032,958 (June 2006: 77,032,958) fully paid ordinary shares		

Dividends

No dividends have been declared by the entity after the half year ended 31 December 2007. A fully franked 0.6 cent dividend of \$462,197.74 was paid for by the consolidated entity during the half year ended 31 December 2007.

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 2007 was based on the profit attributable to ordinary shareholders of \$1,107,000 (six months ended 31 December 2006: \$1,418,000) and a weighted average number of ordinary shares outstanding during the six months ended 31 December 2007 of 77,032,958 (six months ended 31 December 2006: 77,032,958). There are no dilutive potential ordinary shares.

8. Acquisition of Brisbane and Melbourne operations

On 1st July 2007, being the beginning of the period, Hire Intelligence International acquired all of the rental assets of the Hire Intelligence Melbourne operations for \$322,130 and all of the rental assets of Hire Intelligence Brisbane operations for \$258,658, being their written down value at 30 June 2007 in both instances, from the retiring franchisee. These amounts were recognised in the books of Hire Intelligence International at acquisition date at the purchase price as this price reflects the fair value of the assets acquired.

The franchise agreements were terminated and the rental assets were sold to Hire Intelligence at written down value. Hire Intelligence was provided with the customer list and diversion of phone lines at no cost. The consideration did not include a component for the customer lists, phone lines, signage, and other business assets, that were also transferred to Hire Intelligence

9. Subsequent events

Establishment of Indian private company

On 24th January 2008 Hire Intelligence International established KV Web Solutions Private Limited in India. Hire owns 51% of the entity which was established to account for the JV it has with an Indian web solutions group.

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 13 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 2006 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 Standard AASB 134 *Interim Financial Reporting* 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 28th day of February 2008.

Signed in accordance with a resolution of the directors:



Tom Craze
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 condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year (in order for the disclosing 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 disclosing 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 designing, implementing 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 an Interim Financial Report 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 disclosing entity's financial position as at 31 December 2007 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 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 2007 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

Subiaco, 28 February 2008