

National Hire Group Limited

ACN 076 688 938 ABN 61 076 688 938

12 Hoskins Road Landsdale WA 6065
Phone: (08) 9302 0000
Fax: (08) 9302 0001
Website: www.nationalhire.com.au

ASX Announcement
22 November 2011

NATIONAL HIRE GROUP LIMITED ("NHR") SUPPLEMENTARY TARGET'S STATEMENT

As required by section 647(3) of the Corporations Act, attached is a copy of the Second Supplementary Target's Statement dated 22 November 2011 and served today by National Hire Group Limited (ASX:NHR) on Seven (National) Pty Limited (Seven).

This document supplements NHR's Target's Statement dated 18 October 2011 and First Supplementary Target's Statement dated 20 October 2011 in response to Seven's replacement Bidder's Statement and first supplementary Bidder's Statement dated 4 October 2011, second supplementary Bidder's Statement dated 31 October 2011 and notice of variation dated 21 November 2011.

Gayle McGarry
Company Secretary

About National Hire

National Hire Group Limited owns an equipment sales and support business which operates under the name Allight and a 46.1% interest in Coates Group Holdings Pty Ltd which owns the Coates Hire business.

Allight manufactures, assembles, sells and supports mobile lighting, power generation and dewatering equipment and distributes Perkins engines, FG Wilson power generation sets, Godwin wetends and Rotair compressors.

Coates Hire is the largest rental business in Australia and is one of the largest rental businesses globally. Coates Hire has been hiring equipment to the mining construction and event management sectors for more than a century, and today has a network of over 200 branches across Australia.

SUPPLEMENTARY TARGET'S STATEMENT

This document is a supplementary target's statement dated 22 November 2011 under section 644 of the Corporations Act. It is the Second Supplementary Target's Statement issued by National Hire Group Limited (ABN 61 076 688 938) (National Hire) in relation to the off-market takeover offer (Offer) by Seven (National) Pty Limited (ACN 153 299 159) (Seven), a wholly owned subsidiary of Seven Group Holdings Limited ABN 46 142 003 469 (SGH), to acquire all of the issued ordinary shares in National Hire (Shares) in which SGH does not already have a relevant interest.

This Second Supplementary Target's Statement supplements, and should be read together with, the Target's Statement dated 18 October 2011 (Target's Statement) and the First Supplementary Target's Statement dated 20 October 2011 in relation to the Offer. Capitalised terms used in this Second Supplementary Target's Statement have the same meaning as given in section 9 of the Target's Statement, unless the context requires otherwise.

1. REVISED OFFER FROM SEVEN

Since the announcement of Seven's Offer for National Hire on 4 October 2011, discussions have been held with Seven with the aim of securing an improved offer for Shareholders.

Seven announced last night that it has increased its General Offer Price from \$3.00 per Share to \$3.35 per Share in cash. In addition, if before the end of the Offer Period, Seven and its associates acquire a relevant interest in 91.55% of National Hire (which would allow Seven to compulsorily acquire the outstanding Shares in National Hire), Seven will increase the Incremental Offer Price to \$3.75 per Share (previously \$3.60 per Share) (together, the **Revised Offer**).

The revised Incremental Offer Price of \$3.75 per Share will only be available to Shareholders if Elph Pty Ltd (**Elph**) (holding 21.93% of the Shares) accepts the Revised Offer. Seven has stated that once Stirhill Pty Ltd (**Stirhill**) accepts the Revised Offer, Seven will have sufficient acceptances such that only Elph's acceptance would be required to make the revised Incremental Offer Price of \$3.75 per Share payable.

Seven has declared that it will not increase the Offer Consideration beyond \$3.75 per Share.

Seven's Offer has been extended until 7:00pm (Sydney time) on 5 December 2011.

2. MR DONNELLEY AND MR ISENBERG'S RECOMMENDATIONS

After giving careful consideration to Seven's Revised Offer and the other factors set out in the Target's Statement and Supplementary Target Statements, Mr Donnelley and Mr Isenberg (being two of the three members of the Independent Board Committee) **recommend that Shareholders accept Seven's Revised Offer.**

Mr Donnelley intends to accept (or procure the acceptance of) the Revised Offer in respect of the 1.34% of Shares held by Stirhill.

The revised General Offer Price of \$3.35 per Share represents an 8.5% discount to the lower end of the Independent Expert's control value range for the Shares of \$3.66 to \$4.30 per Share, but Mr Donnelley and Mr Isenberg believe this

discount is reasonable given Seven and its associates already have a controlling shareholding in National Hire (67.88% as at 18 November 2011). Additionally, if Seven acquires a relevant interest of 91.55% of National Hire, Shareholders will receive the revised Incremental Offer Price of \$3.75 per share which falls within the Independent Expert's control value range for National Hire Shares.

Mr Donnelley said "The Revised Offer from Seven represents attractive value for National Hire Shareholders in the circumstances, and while there may be a possibility of realising greater value in the future by remaining a Shareholder, Mr Isenberg and I cannot be confident that this opportunity will be available in the foreseeable future. Mr Isenberg and I recommend shareholders take this opportunity to realise \$3.35 per Share (and possibly up to \$3.75 per Share)."

3. MR ELPHINSTONE'S RECOMMENDATION

While Messrs Donnelley and Isenberg have changed their recommendation, Mr Elphinstone maintains with respect to Seven's Revised Offer his previous recommendation set out in the Target's Statement dated 18 October 2011. Mr Elphinstone's recommendation is:

- **Accept the Revised Offer** if you are likely to want to sell your Shares in the foreseeable future. The Revised Offer provides an attractive premium to recent trading prices and Mr Elphinstone cannot be confident that the opportunity to realise a higher price in the foreseeable future will be available. Mr Elphinstone considers that accepting the Revised Offer represents a lower risk option for Shareholders.
- **Reject the Revised Offer** by doing nothing if you wish to retain your exposure to National Hire's businesses and investments with a view to potentially achieving greater value in the longer term and are prepared to accept the risks and uncertainties that may be associated with retaining a shareholding in National Hire. Mr Elphinstone considers that rejecting the Revised Offer is a higher risk option for Shareholders.

Elph intends to reject the Revised General Offer price of \$3.35 and has not made any decision whether it would accept the revised Incremental Offer Price of \$3.75 per Share.

4. OTHER INFORMATION

The Independent Directors encourage you to read this Second Supplementary Target's Statement, together with the Target's Statement, the First Supplementary Target's Statement, the Bidder's Statement and Supplementary Bidder's Statements and the 2011 Annual Report carefully and in full, and to seek independent financial, legal, taxation or other professional advice.

If you have any questions, you can call the National Hire Information Line for further information on 1300 560 339 (within Australia) or +61 2 8011 0354 (outside Australia) which will be open between 8:30 a.m. and 5:30 p.m. (Sydney time) Monday to Friday until the end of the offer period.

AUTHORISATION

A copy of this Second Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers takes any responsibility for its contents.

This Second Supplementary Target's Statement has been approved by a resolution passed by the Directors.

Signed for and on behalf of National Hire Group Limited:

Date: 22 November 2011

A handwritten signature in dark ink, appearing to read 'Stephen Donnelley', with a stylized flourish at the end.

Stephen Donnelley

Chairman, National Hire Independent Board Committee