

ASX Announcement

6 December 2011

**NATIONAL HIRE GROUP LIMITED ("NHR")
SEVEN ACHIEVES COMPULSORY ACQUISITION UNDER ITS TAKEOVER OFFER
OFFER PRICE INCREASED TO \$3.75**

Seven (National) Pty Ltd (**Seven**) announced last night that Elph Pty Ltd (**Elph**) has accepted its 21.9% holding in National Hire shares into Seven's takeover offer. Attached is a letter from Elph in relation to its acceptance.

Following Elph's acceptance, Seven and its associates have advised that they have reached a relevant interest in 98.7% of National Hire shares. Consequently, in accordance with its previous statements, Seven has increased its offer price from \$3.35 to \$3.75 per share and will compulsorily acquire all National Hire shares it does not already own. Shareholders who have already accepted Seven's offer will receive the additional \$0.40 per share from Seven. The offer period will now close on 19 December 2011.

Mr Stephen Donnelley, speaking on behalf of the Independent Board Committee, said "I am pleased that we were able to achieve a price for shareholders in excess of Seven's original offer price. Seven's final offer price of \$3.75 is within the Independent Expert's value range and I believe it represents an attractive price for National Hire shares. Given Seven can now compulsorily acquire National Hire shares, remaining National Hire shareholders should accept into Seven's offer to receive earlier payment for their shares."

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About National Hire

National Hire Group Limited owns equipment sales and support businesses which operates under the name Allight, Sykes and Primax 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 and power generation equipment and distributes Perkins engines, FG Wilson power generation sets and Rotair compressors. Sykes and Primax manufacture, sell and support dewatering solutions globally.

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.



5 December 2011

**Mr Stephen Donnelley
Chairman of the Independent Board Committee
National Hire Group Limited
12 Hoskins Road
Landsdale WA 6065**

Dear Stephen

Off market takeover offer by Seven (National) Pty Limited (Seven) for National Hire Group Limited (National Hire)

We refer to the offer by Seven to acquire all of the issued ordinary shares in National Hire in which Seven does not already hold a relevant interest.

Elph has given detailed and careful consideration to this matter and wishes to advise that it has reluctantly decided to accept the offer.

We remain positive about the future prospects of Coates Hire, Allight/Sykes and the other National Hire businesses however with Seven committed to the delisting of National Hire from the ASX, Elph has decided that it would prefer not to remain a minority shareholder in NHGL as a delisted entity, whether public or private.

We note that shareholders of National Hire who account for the overwhelming majority of all shares excluding those shares held by Seven and Elph prior to the offer, have now accepted Seven's increased offer.

Elph further notes that its acceptance will trigger a significantly improved financial outcome for all shareholders to whom the offer was made namely an increase of 75 cents per share above the original offer price of \$3.00 per share and 40 cents above the recently revised offer price of \$3.35 per share.

Current acceptances by other shareholders together with the opportunity for all shareholders to receive the benefit of the higher offer consideration have been factors in Elph's deliberations.

Elph consents to National Hire attaching a copy of this letter (in its entirety) to any announcement made to the ASX in connection with the Seven offer.

Yours faithfully
Elph Pty Ltd

Dale Elphinstone
EXECUTIVE CHAIRMAN

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