

2 February 2000

ANNOUNCEMENT TO THE ASX AND PRESS RELEASE

As outlined to shareholders at the Company's 1999 annual general meeting, National Hire's Board has identified opportunities to expand the Company's business in its existing markets and establish equipment hire outlets in strategic Australian geographic markets where the Company has relatively little or no present exposure. The Board has resolved to adopt a growth strategy to take advantage of these opportunities in a manner which will complement both National Hire's existing branch network and also its range of hire equipment.

In order to implement the growth strategy the Board has convened a general meeting of shareholders to seek approval for the issue by the Company of convertible notes to raise up to \$10,000,000. Funds raised by the issue will be used to fund strategic acquisitions of complementary businesses, expansion of the hire fleet and, where appropriate, the establishment of new branches.

The proposed convertible notes will mature on or about 7 years from the date of their issue and will pay a coupon of 10% per annum, payable semi-annually in arrears on 31 October and 30 April, except that:

(a) the first payment of interest will be for the period from the date of allotment and issue to 31 October 2000; and

(b) the last payment of interest will be paid on the maturity date and will be for the period from 31 October 2006 until the maturity date.

The holder of the convertible notes will have the option to convert the convertible notes into fully paid ordinary shares in the Company on:

(a) 31 October 2001 ("**Initial Conversion Date**"); and

(b) each date for the payment of interest on the convertible notes occurring after the Initial Conversion Date, including the maturity date.

The convertible notes will be issue at a price to be determined by the Directors prior to the issue of the prospectus under which the convertible notes will be offered. This price will not be less than the minimum price required to allow the Company to claim interest on the convertible notes as a deductible expense in accordance with section 82SA(1)(d)(xi) of the *Income Tax Assessment Act 1936*.

Further details of the terms of the proposed convertible notes are contained in the Notice of Meeting which has been sent to shareholders.

The broker to the proposed issue, which will not be underwritten, will be JB Were & Son. Application will be made to the Australian Stock Exchange for listing of the convertible notes on the Australian Stock Exchange.

The meeting to consider the proposed issue will be held at the Pacific Room, the Wesley Conference Centre, 220 Pitt Street, Sydney on 2 March 2000 at 10.00am.

For further information, contact:

- **Stephen Donnelley, Managing Director**

Telephone: 9582 7922 or 0418 266 844

Or

- **Bruce Dawkins, Financial Controller**

Telephone: 9582 7922 or 0418 631 148