

9 December 2004

ASX Online
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Release by eLodge

Please find attached the following:

- Announcement of Share Purchase Plan
- Acting Chairman's Address
- Presentation to Shareholders

Yours sincerely



Stephen Donnelley
Managing Director
0418 266 844

9 December 2004

SHARE PURCHASE PLAN

Further to the Company's announcement of 1 November 2004 regarding its proposed acquisitions of Allight Holdings Pty Ltd, the Western Australian Cat Rental Store business and its proposed \$40m institutional placement, the Company announced today that in the event that it obtains shareholder approval for these transactions its general meeting today and the transactions are completed, it will offer each shareholder with a registered address in Australia, the opportunity to acquire up to \$5,000 fully paid ordinary shares in the Company at \$0.35 per share through an SPP.

The Record Date for entitlements under the SPP is today, 9 December 2004. Under normal trading processes, in order for a person to be entitled to participate in the SPP they would have had to acquire shares on or before Monday 6 December 2004. Documentation in relation to the SPP is expected to be dispatched to eligible shareholders on around 22 December 2004.

If the total value of the shares applied for under the SPP exceeds \$5 million, the Company will scale back allocations.

Yours sincerely



Stephen Donnelley
Managing Director
0418 266 844

ACTING CHAIRMAN'S ADDRESS**General Meeting 9 December 2004**

Good morning Ladies and Gentlemen.

It is my pleasure to welcome you to today's General Meeting that has been called in relation to the proposed acquisition of The Cat Rental Store business in Western Australia and Allight Holdings Pty Ltd and a \$40 million Institutional placement.

I declare the meeting open and I am advised there is quorum present.

Before I begin would you please check to ensure that your mobile phones have been switched to silent mode or turned-off. Thank you

My name is Stephen Donnelley, Managing Director of National Hire Group Limited and I will Chair today's meeting. As you may be aware Ray Romano our Chairman is an employee of WesTrac Pty Limited and a director of WesTrac Pty Limited, WesTrac Holdings Pty Limited and Allight Holdings Pty Limited, companies related to the proposed acquisitions, and the Board has decided that it would be appropriate to have an independent chairman for today's general meeting.

We now come to the notice of meeting and I move that the Notice convening the meeting be taken as read.

Would a member care to second that motion?

I now put the motion to the meeting.

Would all those in favour of the motion please raise their right hand?

Would all those against the motion please raise their right hand?

I declare the motion carried.

I would like to take a moment to introduce the other Directors.

Ray Romano, Clive Isenberg, John Star and Gavin Armstrong.

Ray Harman is National Hire's Company Secretary.

Prior to putting the 6 resolutions to the meeting for shareholder approval I would like to briefly overview the transactions, update the meeting regarding the conditions precedent and provide the proxy data.

Detailed information regarding the transaction has been provided to shareholders in the Notice of Meeting and Explanatory Statement dated 2 November 2004.

The equipment hire industry is highly fragmented and National Hire believes it is currently the seventh largest operator by revenue with a market share of approximately 1.3%. The combination of the National Hire, Cat Rental Store business in WA and Allight standalone businesses is expected to hold a market

share that exceeds 3%. With the exception of Coates Hire, management believes that all other market participants hold individual market shares of approximately 3% or below.

The Cat Rental Store business in Western Australia, an equipment rental business, is currently wholly owned by National Hire's major shareholder, WesTrac, the appointed Caterpillar dealer in Western Australia and NSW/ACT. The business commenced in 2001 and currently operates from eight stores. The business has established a solid base over the past three years based on the quality of customer service provided and the Cat brand.

Allight specializes in the hire and sale of mobile lighting equipment, power generation equipment and de-watering pumps and is also a leading designer, assembler and distributor of such equipment. Additionally Allight is an Australian distributor of Perkins engines and FG Wilson power generating sets. Both FG Wilson and Perkins are wholly owned subsidiaries of Caterpillar Inc. WesTrac is currently a majority shareholder in Allight.

National Hire has agreed to acquire the assets of The Cat Rental Store business in Western Australia and 100% of the shares in Allight for an equity consideration of \$46.9 million and \$65 million respectively, valuing the Contracted Acquisitions at \$111.9 million, subject to cash completion adjustments for the acquisition of The Cat Rental Store business. The consideration for both acquisitions will be satisfied by the issue of 298.4 million new National Hire shares at a fixed price of 37.5 cents per share. The Acquisition shares to be issued to the vendors will be subject to the voluntary escrow arrangements detailed in the explanatory statement.

The Independent Expert's Report, prepared by Lonergan Edwards & Associates, and included in documentation sent to shareholders, concluded that the Contracted Acquisitions are fair and reasonable.

In conjunction with the contracted acquisitions, National Hire has made an offer to Institutional Investors at an offer price of 35 cents per share to raise \$40 million primarily to fund additional plant and equipment to be deployed across the combined group. The Contracted Acquisitions and the \$40 million Capital Raising are each conditional on the other.

Further to the Company's announcement of 1 November 2004 regarding the proposed acquisitions of Allight Holdings Pty Ltd, the Western Australian Cat Rental Store business and the proposed \$40m institutional placement, the Company today announces that in the event of shareholder approval for these transactions at today's general meeting and the transactions are completed, it will offer each shareholder with a registered address in Australia, the opportunity to acquire up to \$5,000 fully paid ordinary shares in the Company at \$0.35 per share through an SPP.

The Record Date for entitlements under the SPP is today, 9 December 2004. Under normal trading processes, in order for a person to be entitled to participate in the SPP they would have had to acquire shares on or before Monday 6 December 2004.

Documentation in relation to the SPP is expected to be dispatched to eligible shareholders on around 22 December 2004.

If the total value of the shares applied for under the SPP exceeds \$5 million, the Company will scale back allocations.

National Hire believes that the Contracted Acquisitions and Capital Raising will significantly increase revenues, earnings and earnings per share, while allowing the Company to better serve customers by expanding the store network and range of equipment.

The Capital Raising and the Contracted Acquisitions are expected to provide a number of benefits to the Company including:

- establishment of the company as a viable national supplier with stronger more recognizable branding including National Hire The Cat Rental Store in NSW/ACT and WA with improved geographical diversification and increased distribution capability. This will allow the Company to provide improved customer service;
- provide an impetus and financial base for National Hire to actively participate in the rationalization of the Australian equipment hire market;
- improve customer industry diversification;
- result in improved earnings per share in the first year after completion of the capital raising and contracted acquisitions; and
- increase market capitalisation and relevance to institutional investors.

Two of today's resolutions deal with the proposal to elect Messrs Peter Gammell and Andrew Aitken to the Board as non-executive directors. Peter and Andrew are employed by Australian Capital Equity Pty Limited the parent company of WesTrac. Subject to shareholder approval for the Contracted Acquisitions and Capital Raising, it is intended that Mr Gavin Armstrong will resign from the Board and be appointed Chief Financial Officer of National Hire. National Hire will then have a Board comprised of 5 non-executive directors. Two directors, John Star and Clive Isenberg, are deemed to be independent under the published National Hire Corporate Governance Principles. The other 3 non-executive directors, Ray Romano non-executive chairman, Peter Gammell and Andrew Aitken, are not considered to be independent. The board views their inclusion as an advantage because of the particular experience and skills that the chairman, the other non-executive directors and I, as managing director, bring to the governance of the company.

Prior to moving to today's business I close by saying that our Company had its origins in Wollongong, a steel and coal mining area, 23 years ago. We started as a single branch with 10 scissor lifts and 2 staff. Along the way there have been many exciting and rewarding moments. Equally we have faced challenges. At all times we have remained focused on growing into a customer focused, people driven and a leading hire industry business. Today represents a significant step forward on our growth path.

Your Directors unanimously recommend that you vote in favour of the resolutions. Ray Romano and Gavin Armstrong have an interest in Resolutions 1, 2, 3 and 4. For an explanation of the interest please refer to item 4.2 in the Notice of Meeting.

I am able to report that the various conditions precedent have either been met or will be waived. Therefore, subject to shareholder approval today, the Company expects the transaction to be completed tomorrow.

I would now like to open the meeting to any questions shareholders may have on the matters before them today. Could you please state your name when asking your question?

National Hire Group Limited

General Meeting

9 December 2004



Mr Stephen Donnelley

Acting Chairman



Agenda

- Acting Chairman's address
- Questions
- Formal business
- Light refreshments



Questions from the Floor



Proxies

Resolution	Item	For	Against	Abstain
Resolution 1	Acquisitions by the Company	27,391,794	29,898	0
Resolution 2	Issue of Shares by the Company in consideration of the Acquisitions	27,385,794	30,898	0
Resolution 3	Issue of Shares by the Company to Institutional Investors	25,881,391	213,258	1,327,043
Resolution 4	Approval under Item 7 of Section 611 of the Corporations Act	27,303,354	84,298	14,840
Resolution 5	To elect Mr Peter JT Gammell as a Director of the Company	127,386,794	29,898	5,000
Resolution 6	To elect Mr Andrew D Aitken as a Director of the Company	127,386,794	29,898	5,000



Resolution 1 – Acquisition by the Company

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

That, subject to the passing of Resolutions 2, 3 and 4, for the purposes of Listing Rules 10.1 and 11.1.2 approval is given for the Company to:

- (i) acquire The Cat Rental Store Business in Western Australia from WesTrac on the terms and conditions of the Sale of Business Agreement; and*
- (ii) acquire all of the share capital of Allight by:*
 - (a) acquiring from WesTrac Holdings 57,875,002 shares in Allight, representing 67.3% of the share capital of Allight;*
 - (b) acquiring from Minute Lube 5,625,000 shares in Allight, representing 6.5% of the share capital of Allight; and*
 - (c) acquiring from Botica 22,499,998 shares in Allight, representing 26.2% of the share capital of Allight,*
in each case on the terms and conditions of the Share Sale Agreement.



Resolution 2 – Issue of Shares by the Company in consideration for the Acquisitions

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

That, subject to the passing of Resolutions 1, 3 and 4, for the purposes of Listing Rules 10.1 and 10.11 approval is given for the Company to:

(i) allot and issue 125,104,053 Shares to WesTrac, in consideration for the acquisition of The Cat Rental Store Business in Western Australia on the terms and conditions of the Sale of Business Agreement;

(ii) allot and issue:

(a) 116,647,291 Shares to WesTrac Holdings, in consideration for the acquisition of 57,875,002 shares in Allight;

(b) allot and issue 11,337,209 Shares to Minute Lube, in consideration for the acquisition of 5,625,000 shares in Allight; and

(c) allot and issue 45,348,833 Shares to Botica, in consideration for the acquisition of 22,499,998 shares in Allight,

in each case on the terms and conditions of the Share Sale Agreement.



Resolution 3 – Issue of Shares by the Company to Institutional Investors

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

That, subject to the passing of Resolutions 1, 2 and 4, for the purposes of Listing Rule 7.1 approval is given for the Company to issue and allot 114,285,714 Shares to Institutional Investors and the Underwriter at an issue price of 35 cents per Share on the terms and conditions more particularly set out in section 3.3 of the Explanatory Statement.



Resolution 4 – Approval under Item 7 of Section 611 of the Corporations Act

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

That, subject to the passing of Resolutions 1, 2 and 3, the:

(i) allotment and issue of 125,104,053 Shares to WesTrac, in consideration for the acquisition of The Cat Rental Store

Business in Western Australia on the terms and conditions of the Sale of Business Agreement;

(ii) allotment and issue of 116,647,291 Shares to WesTrac Holdings, in consideration for the acquisition of 57,875,002 shares

in Allight on the terms and conditions of the Share Sale Agreement;

(iii) the acquisition by Westrac, WesTrac Holdings and ACE of a Relevant Interest in the Shares to be issued to Botica and

Minute Lube as a consequence of the entering into and performance of the Shortfall Indemnity Agreements;

(iv) the acquisition by WesTrac, WesTrac Holdings and ACE of any or all of the Shares to be issued to Botica and Minute Lube as a

result of exercising their rights to acquire or control the disposal of those Shares under the Shortfall Indemnity Agreements;

(v) the acquisition by the Company of a Relevant Interest in the Shares to be issued to WesTrac, WesTrac Holdings and Botica

and Minute Lube as a consequence of the entering into and performance of the Voluntary Escrow Agreements; and

(vi) the acquisition by Westrac Holdings and ACE of a Relevant Interest in the Shares to be issued to Botica and Minute Lube as a consequence of the entering into and performance of the Voluntary Escrow Agreements, are approved for the purposes of Item 7 of Section 611 of the Corporations Act.



Resolution 5 – To elect Mr Peter JT Gammell as a Director of the Company

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

That, subject to the passing of Resolutions 1, 2, 3 and 4 and the completion of the Contracted Acquisitions, Mr Peter JT Gammell be appointed as a non-executive Director of the Company effective upon completion of the Contracted Acquisitions.



Resolution 6 – To elect Mr Andrew D Aitken as a Director of the Company

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

That, subject to the passing of Resolutions 1, 2, 3 and 4 and the completion of the Contracted Acquisitions, Mr Andrew D Aitken be appointed as a non-executive Director of the Company effective upon completion of the Contracted Acquisitions.



Meeting Closed

Light Refreshments

