



National Hire Group Limited
PO Box 195
Matraville NSW 2036
A.B.N 61 076 688 938

Telephone: (02) 9582 7922
Facsimile: (02) 9666 3701

17 December 2003

ASX Online
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Release by elodge

\$25,000,000 Placement to WesTrac Equipment Pty Limited

Please find attached the following announcement.

Should additional information be required please contact the writer on (02) 9582 7922
or 0418 266 844.

Yours truly,

A handwritten signature in black ink, appearing to read "Stephen Donnelley". The signature is fluid and cursive, written over a light blue horizontal line.

STEPHEN DONNELLEY
Managing Director



17 December 2003

\$25,000,000 Placement to WesTrac

National Hire Group Limited (ASX Code: NHR)

National Hire has today agreed (subject to shareholder approval) to place 100,000,000 ordinary fully paid shares at 25 cents each to WesTrac Equipment Pty Limited (**WesTrac**) to raise \$25 million. Upon allotment, WesTrac will emerge as the major shareholder with approximately 60% of the enlarged capital base.

WesTrac, a wholly owned subsidiary of Australian Capital Equity Pty Ltd, of which Mr Kerry Stokes is Chairman, is the Caterpillar dealer for Western Australia. Effective 09 April 2004 WesTrac has been appointed the Caterpillar dealer for New South Wales and the ACT.

The \$25 million capital injection by a substantial and committed shareholder is expected to be supplemented by additional debt. The total funds are to be invested in the business by expanding the equipment fleet, branch network and rolling out Cat Rental Stores in NSW and the ACT.

Subject to Caterpillar approval, which is a condition precedent to the agreement, National Hire intends to re-brand its NSW rental stores to Cat Rental Stores as from April 2004. The ability to trade under the Cat Rental Store name will provide National Hire with strong brand equity and a significant competitive advantage.

Commensurate with the majority share ownership, it is proposed that following the allotment of the new shares WesTrac will have majority Board representation with the appointment of three directors on a reconfigured Board of five Directors. Mr Stephen Donnelley will continue as the Managing Director and has agreed to a new 3 year contract.

The National Hire Board of Directors unanimously recommends the WesTrac placement to shareholders.

The Board believes that the key advantages of this transaction are;

- Higher growth prospects
- Access to greater opportunities
- Access to Cat Rental Store brand
- Additional management and Board expertise
- Increased market relevance
- The subscription price of \$0.25 is a:
 - 56% premium to the recently completed rights issue
 - 22% premium to the market price of an NHR share of \$0.205 at the close of business on 12 December 2003
 - 23% premium to the volume weighted average of an NHR share of \$0.204 over the last 3 months.

The Chairman of WesTrac, Mr Kerry Stokes said;

"We are pleased to have entered into a placement to subscribe additional capital in National Hire. This will enable National Hire with its 40 years of experience in the equipment hire business to join with market leaders WesTrac and Caterpillar. This investment in National Hire will complement the overall NSW Dealership strategy by providing a significant strategic rental services footprint from the outset."

The Managing Director of National Hire, Stephen Donnelley said:

"This is a one off transforming opportunity and it is one in which all shareholders will benefit. The company will become the second largest listed hire company in Australia and well placed to achieve our strategic intent of becoming an ASX 300 company."

"We are particularly excited about this deal as it enables National Hire to rapidly expand its existing position in the market and provides access to capital, equipment and management expertise that are essential for future expansion and growth. We are also enthusiastic about the branch expansion opportunities that will avail themselves post WesTrac becoming the Cat Dealer representative for NSW and the ACT."

A Notice of an Extraordinary General Meeting including an Explanatory Statement and opinion of an Independent Expert is being finalised and is expected to be mailed to shareholders within the next 10 days, with the date of the meeting to be in February 2004.

This transaction was initiated by Beerworth & Partners Limited who is advising National Hire.

For further information contact

National Hire
Stephen Donnelley
0418 266 844

WesTrac
Ray Romano
02 8908 2000

Further transaction details:

1. NHR Shareholdings Before and After WesTrac Placement

(000's)	Current Shareholdings	Post WesTrac Placement of \$25M @ \$0.25
Stephen Donnelley	19,931	19,931
Percent holding (%)	29.5%	11.9%
WesTrac	0	100,000
Percent holding (%)	0.0%	59.7%
All other shareholders	47,560	47,560
Percent holding (%)	70.5%	28.4%
Total Issued Capital	67,491	167,491

2. Placement Price Relative to Recent Share Trading of NHR shares

Period	VWAP	Placement Price (\$0.25) Premium
1 Month: 13 Nov 2003 to 12 Dec 2003	\$0.205	22.2%
3 Months: 13 Sep 2003 to 12 Dec 2003	\$0.204	22.7%
Since Rights Issue & FY2003 Results 22 Aug 2003 to 12 Dec 2003	\$0.204	22.7%
2003: 1 Jan 2003 to 12 December 2003	\$0.203	22.9%

All calculations based on NHR's share price close to 12 December 2003