

ASX Release**21 November 2005****AH PLANT HIRE DUE DILIGENCE COMPLETED – ACQUISITION CONTRACT EXECUTED**

National Hire Group Limited (ASX: NHR) is pleased to announce that contracts have been signed with Nylex Limited for the purchase of all of the shares of Australian Highway Plant Services Pty Ltd for an enterprise value of \$111 million following the successful conclusion of due diligence .

Acquisition completion is scheduled for 3 January 2006 and is subject to the approval of Nylex Limited shareholders.

National Hire will fund the acquisition through debt facilities.

The AH Plant Hire Business

AH Plant Hire is a leading supplier of earthmoving and associated plant on short-term and long-term rental to public and private–sector clients in a variety of industries, including earthmoving and civil engineering, infrastructure and highway construction and road maintenance. The business operates through a network of 20 branches in regional and metropolitan centres throughout the eastern states and South Australia.

AH Plant Hire has a fleet of over 2,000 items of plant ranging from 3 tonne rollers up to 30 tonne hydraulic excavators. In the past two financial years, the fleet has been upgraded through a \$37.6 million capital expenditure program.

In the financial year to 30 June 2005, AH Plant Hire generated external sales revenue of \$59.7 million resulting in an EBITDA of \$25.8 million and PBT of \$12.2 million.

Integration with National Hire

The acquisition of AH Plant Hire further diversifies National Hire's revenue streams by geography and market segment.

The civil and infrastructure markets, along with mining & associated industries, are key target market segments for growth within National Hire's Rental Services division. With infrastructure spending by the Federal and State governments (particularly in NSW & QLD), it is expected that this segment will experience growth through to 2010. AH Plant Hire has a strong position providing hire equipment to infrastructure projects enabling National Hire to capitalise on the strength of this sector.

Providing up to 20 new branch locations, the acquisition will add significantly to National Hire's existing 49 locations throughout Australia, in particular bolstering its Queensland, regional NSW and Victorian presence.

National Hire's larger equipment range presents opportunity to cross-sell additional product to AH Plant Hire customers, including Allight lighting towers and pumps, FG Wilson generators and variable message boards, all of which are manufactured and/or distributed by National Hire's Capital Sales division.

Consolidated Group

Upon completion AH Plant Hire will be initially be consolidated within the National Hire Group as a specialist business unit continuing the focus on earthmoving and associated plant. This specialisation complements the recent expansion in NSW of the Caterpillar Compact Construction Equipment (CCE) and Building Construction Product (BCP), as well as the core products of the Cat Rental Store in Western Australia. Cross selling between the other National Hire specialist business units of National Hire Portaloo, National Hire Hi Lift Rental, National Hire Site Shed Rentals, National Hire Pumps and National Hire Allight will deliver expanded and improved services to all customers.

It is expected that synergies will include a common IT rental management system , improved equipment fleet management and equipment utilisation across the combined fleet. In a full year the combined cost base of National Hire and AH Plant Hire can be expected to benefit from operational efficiencies, purchasing power, reduced sub hire and fleet use delivering annual cost savings of around \$3 million.

Capital Expenditure

Capital expenditure of up to \$27m will be provided to accelerate the fleet reinvestment program and to extend the range and depth of the AH Plant Hire fleet, to take advantage of market opportunities and fleet efficiencies. This will come through the purchase of additional fleet, including for example Allight lighting towers, dewatering systems and power generation equipment and the reallocation of a portion of the existing National Hire fleet.

Transaction Funding

The Company's financiers, ANZ and Westpac, have confirmed their commitment to provide funding for the transaction and capital expenditure through an overall company facility of up to \$250m.

National Hire's Managing Director, Mr Stephen Donnelley said; "the acquisition of a well established and profitable business such as AH Plant Hire accelerates our aggressive growth strategy and expands National Hire's presence in South Australia, Victoria and Queensland as well as further strengthening our share of the NSW market. Joining with National Hire, AH Plant Hire will have a positive impact on National Hire's earnings per share before synergies."

FOR FURTHER INFORMATION PLEASE CONTACT:

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