

24 October 2005

NATIONAL HIRE GROUP LIMITED (ASX CODE: NHR) ENTERS AGREEMENT TO ACQUIRE AH PLANT HIRE FOR \$115 MILLION

The Board of National Hire Group Limited (“National Hire”) is pleased to announce that National Hire has entered into a conditional agreement with Nylex Limited (“Nylex”) relating to the purchase of Australian Highway Plant Services Pty Ltd, the business operating as AH Plant Hire and any additional business within the Nylex Group of companies associated with the hire of plant and equipment (jointly being “the Acquisition”)

The proposed purchase price of the Acquisition is an enterprise value of \$115 million, payable in cash.

GROWTH, OPPORTUNITIES AND PERFORMANCE

The AH Plant Hire acquisition will add further scale benefits and business synergies to National Hire following on from the integration of The Cat Rental Stores (WA) and Allight Holdings completed in June 2005. This will provide an uplift to National Hire earnings per share for 2006 and beyond.

Stephen Donnelley, Managing Director of National Hire said “The acquisition will provide excellent growth opportunities for the National Hire Group. These benefits include the substantial entry into the civil and road construction markets in addition to expanding our footprint and capabilities on the east coast of Australia through the existing 20 AH Plant Hire branches. Additionally we will be improving customer diversification and diluting the cyclical nature of the traditional National Hire markets. This Acquisition will enable National Hire to enhance performance through further economies of scale.”

Mr. Donnelley further said “The experience of the AH Plant Hire team in developing the heavy plant hire market coupled with the National Hire team will facilitate the development and growth of the combined businesses. Given the success of the National Hire team in integrating acquisitions we are confident of a successful merger.”

“The Acquisition further consolidates our position in the heavy plant hire market and allows greater penetration into the building construction product segment.”

“Further more the Acquisition will provide National Hire with additional regional opportunities predominately within New South Wales, Victoria and the rapidly growing Queensland market.”

“This transaction is another stage in our plan to deliver a complete “one stop shop” national customer network, to be the employer of choice and providing our employees with opportunity for career growth and to achieve a strong financial performance for shareholders.”

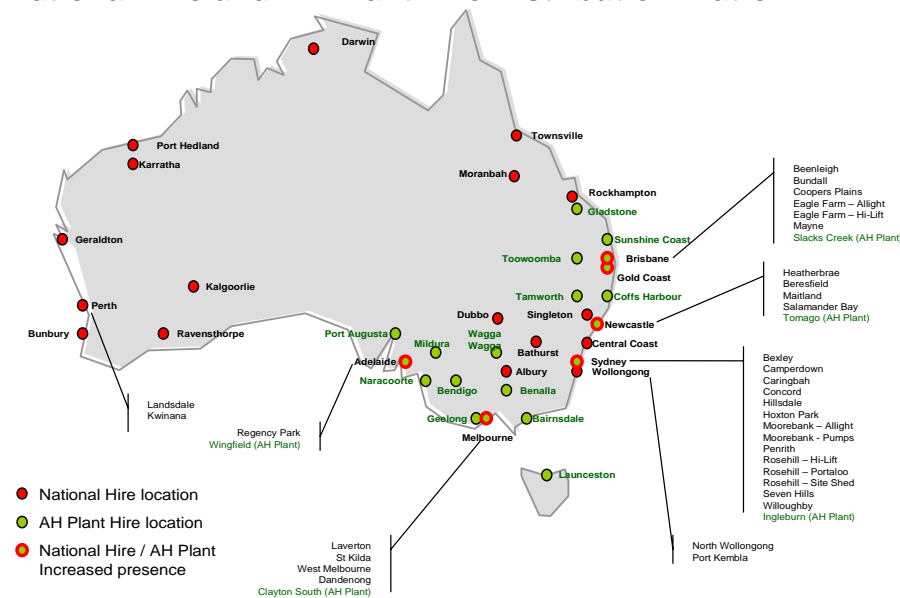
Projected financial performance of AH Plant Hire will be subject to verification during due diligence.

AH Plant Hire Business Description¹

AH Plant Hire supplies rental equipment to the civil and road construction markets and operates in 20 service centres throughout the eastern states and South Australia. The division is supported by a fully integrated fleet management logistics framework, enabling the rapid and efficient distribution of construction plant to a broad range of customers.

In the financial year to 30 June 2005 AH Plant Hire had external sales revenue of \$59.7 million and operating profit of \$12.2 million. The fleet reinvestment program has seen capital expenditure of \$21.4 million invested in new equipment for FY2005 and when consolidated with the \$16.2 million capital expenditure of FY2004 a total of \$37.6 million has been invested in the renewing of the plant and equipment hire fleet in the past 2 years.

National Hire and AH Plant Hire Distribution Platform



¹ Information about AH Plant Hire was obtained from publicly available information.

Strategic Growth

The AH Plant Hire acquisition is in line with the strategic objectives detailed in the National Hire 2005 Annual Report and provides a pathway for diversified growth.

This acquisition will provide 20 new locations for National Hire widening the geographic footprint of the business. The product range, customer base and diversification in geographic locations continue toward the objective of reducing National Hire's exposure to the cyclical nature of the rental industry.

National Hire is currently well positioned as a substantive provider of equipment solutions throughout Australia and when combined with AH Plant Hire, customers will have greater access to a "one stop shop" for product and a comprehensive service by specialists with product expertise and local knowledge throughout a national 70 store network.

Being a major participant in the civil and road construction segment the Acquisition provides the National Hire Group with the opportunity to further benefit from Government infrastructure initiatives and investment which is in accord with the Company's strategic intent.

The AH Plant Hire customer base and locations will provide National Hire with increased cross selling opportunities for its core products. These include Allight lighting towers and pumps, FG Wilson generators and variable message boards which are manufactured and distributed by the Capital Sales division of National Hire.

We will continue to drive our strong market position in these product groups in both sales and rental.

Acquisition Conditions and Proposed Timetable

The Acquisition is subject to a number of conditions including National Hire being satisfied with the results of its due diligence enquiries, a favourable report by an independent expert appointed by Nylex, obtaining all necessary shareholder approvals and execution of a definitive sale agreement. The timetable contemplated by the parties envisages completion in early January 2006, with the economic benefit of the business passing on 1 January 2006.

Funding

It is intended the Acquisition be funded out of debt facilities however the directors intend to review the optimal funding mix post completion of the transaction, having regard to any additional expansion opportunities that may be under consideration at that time. This will ensure that the Company retains financial flexibility to participate in suitable growth opportunities as and when they arise.

The directors advise that should there be an equity raising it will not be significant unless a specific opportunity is identified that requires additional equity to be raised. National Hire's major shareholder WesTrac has stated that it intends to support any such capital raising to the extent of its pro rata share.

FOR FURTHER INFORMATION PLEASE CONTACT:

Stephen Donnelley
Managing Director
(02) 9582 7922
0418 266 844
stephen.donnelley@nationalhire.com.au

Gavin Armstrong
Chief Financial Officer
(02) 9582 7922
0438 777 192
gavin.armstrong@nationalhire.com.au