

## National Hire Group Limited

ACN 076 688 938 ABN 61 076 688 938

12 Hoskins Road Landsdale WA 6065

Phone: (08) 9302 0000

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Website: [www.nationalhire.com.au](http://www.nationalhire.com.au)

### ASX Announcement

14 October 2010

### NATIONAL HIRE GROUP LIMITED (“COMPANY”) MAIL OUT TO SHAREHOLDERS

The following documents were posted to the Company’s shareholders today:

1. Notice of Annual General Meeting
2. Proxy Form
3. Letter to shareholders enclosing announcement of Sykes Group acquisition

The 2010 Annual Report, which was lodged on 30 September 2010 under a separate announcement and which is available on the Company’s website ([www.nationalhire.com.au](http://www.nationalhire.com.au)), will be sent to those shareholders who have elected to receive a copy.

### Contact

**Gayle McGarry**

**Company Secretary**

**08 9302 0000**

### About National Hire

National Hire Group Limited owns an equipment sales and support business which operates under the name Allight and a 46.1% interest in Coates Group Holdings Pty Ltd which owns the Coates Hire business.

Allight manufactures, assembles, sells and supports mobile lighting, power generation and dewatering equipment and distributes Perkins engines, FG Wilson power generation sets, Godwin wetends and Rotair compressors.

Coates Hire is the largest rental business in Australia and is one of the largest rental businesses globally. Coates Hire has been hiring equipment to the mining construction and event management sectors for more than a century, and today has a network of over 200 branches across Australia.

# National Hire

National Hire Group Ltd ACN 076 688 938

## Notice of Annual General Meeting

Notice is given that the Annual General Meeting of members of National Hire Group Limited (**National Hire**) will be held at The University Club of Western Australia, University of Western Australia, Hackett Drive, Entrance #1, Carpark #3, Crawley, Western Australia on Thursday 25 November 2010 at 2.30 pm Perth time.

### ORDINARY BUSINESS

#### Financial reports

To receive and consider the financial report and the reports of the directors and auditors of National Hire and its controlled entities for the year ended 30 June 2010.

No resolution is required to be moved in respect of this item.

#### 1 Resolution 1 – Remuneration Report

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

‘To approve the Remuneration Report for the year ended 30 June 2010.’

Note: The vote on this resolution is advisory only and does not bind the directors or National Hire.

#### 2 Resolution 2(a) – Re-election of Hon. Richard Court, AC

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

‘That the Hon. Richard Court, AC, who retires in accordance with National Hire’s Constitution and, being eligible for re-election, be re-elected as a director of National Hire.’

#### Resolution 2(b) – Re-election of Mr Stephen Donnelley

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

‘That Mr Stephen Donnelley, who retires in accordance with National Hire’s Constitution and, being eligible for re-election, be re-elected as a director of National Hire.’

Dated: 1 October 2010  
By order of the Board



Gayle McGarry  
Company Secretary

Explanatory notes for ordinary business

### RECEIPT OF FINANCIAL REPORT

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial report of National Hire for the financial year ended 30 June 2010 together with the directors’ declaration and report in relation to that financial year and the auditor’s report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of National Hire.

The Chairman will also provide shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by National Hire in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

#### 1 Resolution 1 – Remuneration report

The consolidated annual financial report of National Hire for the year ended 30 June 2010 contains a remuneration report which sets out the remuneration policy for National Hire and reports the remuneration arrangements in place for the managing director and non-executive directors. A copy of the remuneration report is set out on pages 18 to 25 of the consolidated annual financial report of National Hire and can also be found on National Hire’s website at [www.nationalhire.com.au](http://www.nationalhire.com.au).

Under the Corporations Act 2001 (Cth), the shareholder vote is advisory only and will not require National Hire to alter any arrangements detailed in the remuneration report, should the resolution not be passed. Notwithstanding the legislative effect of this requirement, the board has determined that it will take the outcome of the vote into account when considering the remuneration policy.

Shareholders will be given reasonable opportunity at the Annual General Meeting to ask questions and make comments on the remuneration report.

## 2 Resolution 2(a) – Re-election of Hon. Richard Court, AC

Hon. Richard Court, AC, retires by rotation in accordance with National Hire's Constitution. However, the retiring director may, if eligible in accordance with National Hire's Constitution, offer himself for re-election.

Mr Court offers himself for re-election. Mr Court has been a director of National Hire since July 2008.

Mr Court was Premier and Treasurer of Western Australia from 1993–2001. He retired from Parliament after 19 years as the Member for Nedlands. He was appointed Companion in the General Division of the Order of Australia in June 2003 for service to the Western Australian Parliament and to the community.

His Government led the LNG marketing push into new markets, the successful deregulation of the Western Australian gas markets and the successful privatisations of SGIO, BankWest, AlintaGas, Westrail Freight and the Dampier to Bunbury Natural Gas Pipeline.

Mr Court holds a Bachelor of Commerce degree from the University of Western Australia.

Mr Court is a director of WesTrac Pty Ltd, chairman of RISC Pty Ltd and chairman of Channel 7 Telethon Trust. He is also a non-executive director of Iron Ore Holdings Ltd.

### Resolution 2(b) – Re-election of Mr Stephen Donnelley

Mr Stephen Donnelley retires by rotation in accordance with National Hire's Constitution. However, the retiring director may, if eligible in accordance with National Hire's Constitution, offer himself for re-election.

Mr Donnelley offers himself for re-election. Mr Donnelley has been a director of National Hire since December 1996.

Mr Donnelley has over 20 years experience in the equipment hire industry, both as employee and principal. Mr Donnelley was Managing Director of National Hire from 1988 to 2008, being its founder and having been involved with the company since 1981. He is also a member of the Hire and Rental Association of Australia, an association of which he was previously a Vice President and a President and Vice President of its NSW region.

Mr Donnelley is also a non-executive director of Coates Group Holdings Pty Limited.

## Who can vote

You will be entitled to vote at the Annual General Meeting if you are registered as a holder of shares at 7.00 pm Sydney time on Tuesday 23 November 2010.

## Body corporate representatives

Please note that:

- a body corporate, by resolution of its directors, may authorise a person to act as its representative to vote at the meeting;
- a representative appointed by a body corporate will be entitled to exercise the same powers on behalf of the body corporate as the body corporate could exercise if it were an individual member of National Hire;

- to evidence the authorisation, either a "Certificate of Appointment of Corporate Representative" executed in accordance with section 127 of the Corporations Act or under the hand of its attorney, or an equivalent document evidencing the appointment is required; and
- the certificate or equivalent document must be provided to National Hire before the meeting.

## Proxies

Please note that:

- a member who is entitled to attend and cast a vote at the meeting may appoint a proxy (**Proxy**) to attend and vote for the member at the meeting;
- if a member appoints a body corporate as Proxy, the body corporate will need to ensure that it appoints, in accordance with section 250D of the Corporations Act, an individual as its corporate representative to exercise its powers at meetings and provides satisfactory evidence to National Hire or the company's Share Registry of the appointment of its corporate representative;
- the appointment may specify the proportion or number of votes that the Proxy may exercise;
- a member who is entitled to cast two or more votes at the meeting may appoint two Proxies and may specify the proportion or number of votes each Proxy is appointed to exercise;
- if the member appoints two Proxies and the appointment does not specify the proportion or number of the member's votes each Proxy may exercise, each Proxy may exercise half of the votes;
- if the member appoints one Proxy only, that Proxy is entitled to vote on a show of hands. If a member appoints two Proxies, neither Proxy is entitled to vote on a show of hands;
- where two Proxies are appointed, any fractions of votes resulting from the appointment of two Proxies will be disregarded;
- a Proxy need not be a member of National Hire; and
- a Proxy Form accompanies this Notice of Meeting.

Unless the member specifically directs the Proxy how to vote, the Proxy may vote as they think fit or abstain from voting.

If you wish to appoint a Proxy, you should complete the attached Proxy Form. Your Proxy Form must be received by no later than 5.30pm Sydney time on Tuesday 23 November 2010 at the address below:

Hand deliveries: Registries Limited  
Level 7  
207 Kent Street  
Sydney NSW 2000

Postal address: Registries Limited  
GPO Box 3993  
Sydney NSW 2001

Fax number: (02) 9279 0664

**FOR ALL ENQUIRIES CALL:**  
(within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

**FACSIMILE**  
+61 2 9290 9655

**ALL CORRESPONDENCE TO:**  
Registries Limited  
GPO Box 3993  
Sydney NSW 2001  
Australia

## Name and Address

### Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## YOUR VOTE IS IMPORTANT

**FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 5.30 pm (EDST) TUESDAY 23 NOVEMBER 2010**

## TO VOTE BY COMPLETING THE PROXY FORM

### STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

### STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### STEP 3 Sign the Form

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders must sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

### STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **2.30 pm (WST) on Thursday, 25 November 2010**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Proxies may be lodged :**

**BY MAIL -** Share Registry – Registries Limited, GPO Box 3993, Sydney NSW 2001 Australia

**BY FAX -** + 61 2 9290 9655

**IN PERSON -** Share Registry – Registries Limited, Level 7, 207 Kent Street, Sydney NSW 2000 Australia

### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration

**NATIONAL HIRE GROUP LIMITED**

<BARCODE>

<Address 1>  
 <Address 2>  
 <Address 3>  
 <Address 4>  
 \_\_\_\_\_ <Address 5>

**STEP 1 - Appointment of Proxy**

I/We being a member/s of **National Hire Group Limited** and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of National Hire Group Limited to be held at The University Club of Western Australia, University of Western Australia, Hackett Drive, Entrance #1, Carpark #3, Crawley, Western Australia on Thursday 25 November 2010 at 2.30pm (WST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**STEP 2 - Voting directions to your Proxy – please mark  to indicate your directions**

Ordinary Business		For	Against	Abstain*
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2(a)	Re-election of Hon. Richard Court , AC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2(b)	Re-election of Mr Stephen Donnelley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

\*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**STEP 3 - PLEASE SIGN HERE** This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

<b>Individual or Securityholder 1</b>	<b>Securityholder 2</b>	<b>Securityholder 3</b>
<b>Sole Director and Sole Company Secretary</b>	<b>Director</b>	<b>Director/Company Secretary</b>

Contact Name ..... Contact Daytime Telephone ..... Date / / 2010

# National Hire Group Limited

ACN 076 688 938 ABN 61 076 688 938

12 Hoskins Road Landsdale WA 6065  
Phone: (08) 9302 0000  
Fax: (08) 9302 0001  
Website: [www.nationalhire.com.au](http://www.nationalhire.com.au)

12 October 2010

Dear Shareholder

You will find enclosed with this letter a notice of meeting and proxy form for the National Hire Group Limited annual general meeting to be held on 25 November 2010. If you have elected to receive a hard copy of the annual report, you will also find it enclosed. For those who have not, you may find it on our website at [www.nationalhire.com.au](http://www.nationalhire.com.au).

We are delighted to advise that, subsequent to finalising and releasing the annual report, our subsidiary Allight Holdings Pty Ltd has entered into an agreement to acquire Sykes Group Pty Ltd, an Australian pump manufacturing business. A copy of the announcement made to the ASX on 8 October 2010 relating to the agreement is attached. The announcement sets out the details of the proposed acquisition, including the fact that it remains subject to certain conditions being satisfied.

The Sykes Group business fits with the board's previously declared desire to make value accretive acquisitions to expand the Allight business and, subject to completion occurring this calendar year, we look forward to reporting to shareholders on the expanded group in next year's annual report.

Yours sincerely

National Hire Group Limited



**Hon. Richard Court, AC**  
Chairman



**Andrew Aitken**  
Managing Director

## ASX Announcement

8 October 2010

### ACQUISITION OF SYKES GROUP

National Hire Group Limited (ASX: **NHR**) today announced that its subsidiary, Allight Holdings Pty Ltd, has entered into an agreement to acquire all of the issued shares in Pump Rentals Pty Ltd which, through its wholly owned subsidiary Sykes Group Pty Ltd, is one of the world's largest manufacturers and distributors of auto prime pumps for the mining, construction and civil engineering sectors. The acquisition will expand the product offering and export market penetration of National Hire's equipment sales and support business, Allight.

The proposed purchase price for Sykes Group is \$50 million (enterprise value). The transaction is subject to an additional earn-out amount of up to \$5 million if the combined equipment sales and support business achieves certain earnings before interest and tax (EBIT) hurdles before 31 December 2012. The acquisition will be funded from available cash reserves and a combination of new and existing debt facilities. Completion of the acquisition is subject to a number of conditions.

The acquisition is consistent with National Hire's strategy to pursue value accretive acquisition opportunities to expand the equipment sales and support business and would be earnings accretive on a pro forma basis for National Hire.

### Growth and Opportunities

The acquisition will enable National Hire's equipment sales and support business to offer a broader range of auto prime pump solutions to local and export markets. Andrew Aitken, Managing Director of National Hire said, "This is a company transforming acquisition for National Hire's equipment sales and support business. Sykes pumps employ advanced technology and are regarded as a premium brand in the global pump industry. Sykes Group provides scale, volume and distribution opportunities for National Hire that will help underpin future growth."

Sykes Group has established distribution networks and customers across a number of export markets including the United Arab Emirates, Africa, Indonesia, the United States and New Zealand. Andrew Aitken further said, "The acquisition enables us to expand our pump distribution into a number of new overseas markets. Over the longer term, we believe this will also create significant export opportunities for Allight's lighting towers and other product lines".

Sykes Group's manufacturing facilities in New South Wales and Dubai will enable the National Hire group to better service global markets with more efficient use of production facilities. Following the acquisition, the group is expected to have greater capacity to meet customer demand for sales and support of pumps, lighting towers and other distributed products. The additional manufacturing facilities, and Allight's access to premium engine components, is expected to enable National Hire to generate improved performance from the Sykes Group pump business.

Sykes Group has a highly experienced management team, sales force and engineering workforce, which will complement Allight's existing staff and support the combined group's activities.

### **About Sykes Group**

Sykes Group has been a major participant in Australia's pump market for over 40 years. Since 2003 it has extended its reach into major mining and construction markets around the world and today is one of the world's largest manufacturers and distributors of auto prime pumps.

Key features of the Sykes Group business are:

- established global pump design, manufacturing and distribution business
- specialises in the delivery of standard and custom built pumping equipment for large scale mining and industrial applications
- manufacturing facilities in Newcastle (NSW, Australia) and Dubai (United Arab Emirates)
- established distribution networks across Australia, United Arab Emirates, Africa, Indonesia, the United States and New Zealand
- Sykes employs approximately 100 people across the business and is led by a highly experienced and long standing management team
- expected turnover of \$50 - \$60 million for FY2011 (stand-alone basis).

### **Acquisition Conditions and Completion**

The acquisition is subject to a number of conditions precedent including finalisation of National Hire's financing arrangements for the acquisition. The acquisition consideration and any earnout payment will be paid in cash, funded from existing cash reserves and debt. As part of the transaction, the group's existing debt facilities will be utilised in conjunction with additional unsecured funding on arm's length terms from Seven Group Holdings Limited (SGH) or its subsidiaries. Existing debt facilities of \$25m to fund acquisitions are currently undrawn. This facility, together with the short term facility to be provided by SGH, is expected to be refinanced prior to the expiry of both facilities in November 2011.

Completion of the acquisition is expected to occur before the end of the calendar year, subject to satisfaction or waiver of all of the conditions in the acquisition agreement.

### **For further information please contact:**

Andrew Aitken  
Managing Director  
National Hire Group Ltd  
08 9302 0000  
0400 236 975  
[andrew.aitken@nhgl.com.au](mailto:andrew.aitken@nhgl.com.au)

Stephen Donnelley  
Director  
National Hire Group Ltd  
0418 266 844  
[stephen.donnelley@stirhill.com.au](mailto:stephen.donnelley@stirhill.com.au)

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