

**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)

**ASX Announcement**

23 September 2011

**NATIONAL HIRE GROUP LIMITED (“NHR”)  
LETTER TO SHAREHOLDERS**

Pursuant to Listing Rule 3.17, attached is a copy of a letter which is being sent to NHR shareholders today.

**Gayle McGarry  
Company Secretary**

22 September 2011

Dear Shareholder,

### **Cash Takeover Offer by Seven Group Holdings Limited**

Seven (National) Pty Limited (referred to as “Seven” in this letter), a wholly owned subsidiary of Seven Group Holdings Limited, has announced its intention to make an off-market takeover offer to acquire the approximately 34% of shares in National Hire that Seven, or its associates, does not already own.

Seven will offer National Hire shareholders cash consideration of \$3.00 per National Hire share. Seven has stated that the offer price will be varied to \$3.60 per share in the event that it acquires 75% (by number) of National Hire shares that it offers to acquire under the bid<sup>1</sup> (i.e. it obtains a relevant interest in 91.55% of the National Hire shares) during the offer period.

Seven’s offer will be open for a minimum of one month from the date of dispatch of the takeover offer to National Hire shareholders. Seven has advised that it expects to dispatch the offers in early October 2011.

An independent board committee (IBC) of National Hire Directors that are not associated with Seven, comprising Mr Stephen Donnelley (Chairman), Mr Clive Isenberg and Mr Dale Elphinstone, has been formed to respond to the Seven takeover offer.

The IBC intends to evaluate the Seven takeover proposal together with its financial adviser, Grant Samuel Corporate Finance and, its legal adviser, Allen & Overy. It has also appointed Deloitte

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<sup>1</sup> This percentage is the minimum relevant interest required by Seven to compulsorily acquire any shares not accepted into the offer.

Corporate Finance Pty Limited, to prepare an independent expert's report on the Seven takeover offer stating whether, in the expert's opinion, the offer is fair and reasonable to National Hire shareholders (other than Seven and its associates).

The IBC will oversee the preparation of a target's statement containing its recommendation in relation to the offer and a statement by each IBC member of their intentions regarding the National Hire shares they own or control. In this regard, the IBC notes that it has been advised that Stirhill Pty Ltd, a company associated with Mr Stephen Donnelley, holding 1.3% of the National Hire shares and Elph Pty Limited, a company associated with Mr Dale Elphinstone holding 21.9% of the National Hire shares, are continuing to evaluate their individual positions regarding the Seven offer and have not presently formed any intention on whether they will accept or reject the offer.

The independent expert's report will be included in the target's statement. Based on Seven's proposed timing for dispatch of its offers, National Hire expects to issue its target's statement to shareholders in mid to late October 2011.

The IBC believes that National Hire shares have been significantly undervalued by the share market. Shareholders will have plenty of time to consider Seven's offer and will, in the target's statement, be provided with all material information known to the IBC that is relevant to the assessment of Seven's offer.

We will keep you informed of developments in this process. In the meantime, if you have any queries please do not hesitate to contact Gayle McGarry, Company Secretary on +61 8 9302 0000.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Donnelley', written in a cursive style.

**Stephen Donnelley**  
**Chairman, National Hire Independent Board Committee**