

National Hire Group Limited

ACN 076 688 938 ABN 61 076 688 938

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ASX Announcement

20 September 2011

NATIONAL HIRE GROUP LIMITED ("NHR") CASH TAKEOVER OFFER BY SEVEN GROUP HOLDINGS LIMITED

National Hire shareholders are advised to take NO ACTION at this stage

Seven (National) Pty Limited, (a wholly owned subsidiary of Seven Group Holdings Limited) has announced its intention to make a conditional off-market takeover offer to acquire the approximately 34% of shares in National Hire that Seven does not already own. A copy of Seven's bidder's statement which has been lodged with ASIC and ASX and served on National Hire is attached.

Seven is offering National Hire shareholders cash consideration of \$3.00 per National Hire share. However, Seven has also indicated that if it acquires 75% (by number) of National Hire shares that it offers to acquire under the bid (ie it obtains a relevant interest in 91.55% of the National Hire shares, the threshold required for Seven to compulsorily acquire any shares not accepted into the offer) Seven will increase its offer to \$3.60 per share. Seven's takeover offer is subject only to statutory prescribed occurrence conditions. Seven's offer will be open for a minimum of one month from the date of dispatch of the bidder's statement to National Hire shareholders.

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

The IBC will:

- evaluate the Seven takeover proposal together with its financial adviser, Grant Samuel Corporate Finance and, its legal adviser, Allen & Overy;
- appoint an Independent Expert to prepare an independent expert's report to opine on whether the Seven takeover offer is fair and reasonable to National Hire shareholders (other than Seven and its associates); and
- oversee the preparation of a target's statement responding to the bidder's statement and containing its recommendation in relation to the offer. The independent expert's report will be included in the target's statement.

"We believe National Hire shares have been significantly undervalued by the share market" said Mr Donnelley. "National Hire shareholders will have plenty of time to consider this proposal. As such, National Hire shareholders are advised to take no action in relation to the Seven takeover offer until National Hire issues its target's statement containing a formal recommendation in relation to the Seven takeover offer."

While there can be no assurance that Seven will increase the offer price under its proposal (other than in the circumstances described above), National Hire notes that shareholders who sell their shares on market will not receive the benefit of any increased price under the takeover offer.

Contact

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Lindsay CMA
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Ross Grant
Grant Samuel Corporate Finance
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About National Hire

National Hire Group Limited owns equipment sales and support businesses which operates under the name Allight, Sykes and Primax 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 and power generation equipment and distributes Perkins engines, FG Wilson power generation sets and Rotair compressors. Sykes and Primax manufacture, sell and support dewatering solutions globally.

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.

This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

Bidder's Statement

containing the Offer by

Seven (National) Pty Limited
ACN 153 299 159

(a wholly-owned subsidiary of Seven Group Holdings Limited)
to purchase all of your ordinary shares in

National Hire Group Limited
ABN 61 076 688 938

Key dates

Date of this Bidder's Statement	20 September 2011
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Date of Offer	<i>[left blank]</i>
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Offer close (unless extended or withdrawn)	7.00pm (Sydney time) on <i>[left blank]</i>
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Key Contacts

Share registrar for the Offer	Seven Offer Information Line*
Boardroom Pty Limited	[insert]
Level 7	
207 Kent Street	
Sydney NSW 2000	

* Calls to these numbers may be recorded.

Important notices

Nature of this document

This Bidder's Statement is issued by Seven (National) Pty Limited ACN 153 299 159 (**Seven** or **Bidder**), a wholly-owned subsidiary of Seven Group Holdings Limited ACN 142 003 469 (**SGH**) under Part 6.5 of the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 20 September 2011. Neither ASIC nor its officers takes any responsibility for the content of this Bidder's Statement.

Investment advice

In preparing this Bidder's Statement, Seven has not taken into account the individual objectives, financial situation or needs of individual National Hire shareholders. Accordingly, before making a decision whether or not to accept the Offer, you may wish to consult with your financial or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which National Hire, Seven, SGH and the members of the SGH Group operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of Seven, the officers or employees of Seven, any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to National Hire information

The information on National Hire and National Hire's securities contained in this Bidder's Statement has been prepared by Seven using publicly available information.

The information in this Bidder's Statement concerning National Hire and the assets and liabilities, financial position and performance, profits and losses and prospects of National Hire, has not been independently verified by Seven. Accordingly Seven does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to National Hire's business may be included in National Hire's target's statement which National Hire must provide to its shareholders in response to this Bidder's Statement.

Privacy

Seven has collected your information from the National Hire register of shareholders for the purpose of making this Offer and, if accepted, administering your holding of National Hire Shares. The Corporations Act requires the name and address of shareholders to be

held in a public register. Your information may be disclosed on a confidential basis to Seven's related bodies corporate and external service providers, and may be required to be disclosed to regulators such as ASIC. The registered address of Seven is Level 2, 38-42 Pirrama Road, Pyrmont, New South Wales, 2009.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in clause 10 of this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Seven (National) Pty Limited

ACN 153 299 159

20 September 2011

Dear Shareholders

Takeover bid for National Hire Group Limited

Seven Group Holdings Limited (**SGH**), through its wholly-owned subsidiary Seven (National) Pty Limited (**Seven**), is pleased to make the Offer for your shares in National Hire Group Limited (**National Hire**).

SGH's wholly-owned subsidiary, WesTrac Pty Limited has an existing interest in 66.20% of issued Shares of National Hire. While SGH wishes to remain invested in National Hire, SGH is conscious of the very low liquidity of National Hire Shares on the ASX. This has consequences including:

- shareholders not necessarily having a meaningful opportunity to sell their National Hire Shares;
- National Hire Shares have traded at a discount to what may otherwise be considered their value due to the lack of liquidity; and
- despite the fact that the ASX listing is not providing the advantages for which SGH would have hoped in terms of shareholder liquidity, National Hire incurs significant additional cost to maintain the listing, including listing fees and compliance costs.

SGH would prefer that National Hire delist and is proposing to National Hire that after the closing of this bid it would convene a shareholders' meeting and put a resolution for the delisting of National Hire from the ASX. However, SGH is conscious that other shareholders may prefer not to own shares in an unlisted vehicle. Seven is therefore making the Offer with a view to offering all shareholders that would prefer not to be part of an unlisted National Hire to exit for a cash price which represents a substantial premium to the recent trading price of National Hire.

The Offer is a full cash offer of \$3.00 for each National Hire Share. It is unconditional other than a condition that, in relation to National Hire, there is no 'prescribed occurrence' (essentially a capital change or insolvency event).

Whilst the Offer does not have a minimum acceptance condition, Seven would prefer to own 100% of National Hire following the Offer rather than a lesser percentage. If, before the end of the Offer Period, Seven acquires at least 75% (by number) of the National Hire Shares that it offers to acquire under the Takeover Bid it will be entitled to compulsorily acquire the remaining Shares in National Hire not owned by the SGH Group and it will vary the Offer to increase the price to \$3.60 per National Hire Share. Assuming that SGH's interest in National Hire is the same at the beginning of the Offer Period as at the date of this Bidder's Statement, SGH's interest in National Hire will need to reach 91.55% before the end of the Offer Period in order for the price to be increased to \$3.60.

I urge you to read this Bidder's Statement carefully to understand the Offer.

SGH and National Hire have certain directors in common. Therefore, protocols have been established to ensure appropriate separation and governance as between SGH and

Seven on the one hand, and National Hire on the other, in National Hire's consideration of this Offer.

Yours sincerely

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

Peter Gammell

Chairman – Seven (National) Pty Limited

Managing Director and Group CEO – Seven Group Holdings Limited

Why you should accept the Offer

The information in this section should be read together with the detailed information set out in this Bidder's Statement. You should read this Bidder's Statement in full before deciding whether or not to accept the Offer. If you are in any doubt as to how to deal with this Bidder's Statement, you should consult your stockbroker, legal or financial adviser as soon as possible.

Seven is offering a substantial premium for Your Shares under the Offer

Seven is offering \$3.00 cash consideration for each National Hire Share that you own.

The \$3.00 offer represents a significant premium to recent trading:

- A 60% premium to the closing price of National Hire Shares on 16 September 2011, the last trading day before the date on which Seven announced the Offer. The premium will be 91% if the Offer is varied to increase the price to \$3.60.
- A 74% premium to the volume weighted average price of National Hire Shares for the month ending 16 September 2011. The premium will be 109% if the Offer is varied to increase the price to \$3.60.
- A 87% premium to the volume weighted average price of National Hire Shares for the three months ending 16 September 2011. The premium will be 124% if the Offer is varied to increase the price to \$3.60.

Seven will vary the Offer to increase the price to \$3.60 cash if, before the end of the Offer Period, it acquires at least 75% (by number) of the National Hire Shares that it offers to acquire under the Takeover Bid. Assuming that SGH's interest in National Hire is the same at the beginning of the Offer Period as at the date of this Bidder's Statement, SGH will need a relevant interest in at least 91.55% of the National Hire Shares on issue before the end of the Offer Period in order for the price to be increased to \$3.60. To achieve this level of acceptances would require Elph Pty Limited, National Hire's second largest shareholder, to have accepted the Offer.

If you accept the Offer at a time before Seven has reached this 75% threshold, and Seven subsequently reaches this threshold before the end of the Offer Period, Seven would then pay you the additional 60 cents per National Hire Share for which you had accepted the Offer. **If \$3.60 per Share becomes payable, the increased price of \$3.60 per Share would be paid to all National Hire shareholders that accept the Offer, irrespective of when they accept. It will not be paid to these shareholders who sell their Shares on the ASX during the Offer Period. Seven will pay the applicable consideration to accepting shareholders within 5 Business Days of acceptance. If shareholders accept the Offer and the Offer is later varied to increase the price, any additional payment by virtue of the increase will be made within 5 days of the price increase.**

The cash Offer represents an opportunity to sell your National Hire Shares without incurring brokerage cost

The Offer provides you with 100% cash consideration for your National Hire Shares. By accepting the Offer:

- you will receive \$3.00 cash per National Hire Share. Seven will vary the Offer to increase the price to \$3.60 cash if, before the end of the Offer Period, Seven acquires at least 75% (by number) of the National Hire Shares that it offers to acquire under the Takeover Bid. Assuming that SGH's interest in National Hire is the same at the beginning of the Offer Period as at the date of this Bidder's Statement, SGH will need a relevant interest in at least 91.55% of the National Hire Shares on issue before the end of the Offer Period;
- you will not incur any brokerage charges that may otherwise be payable on sale of your National Hire Shares; and
- you will be paid no later than 5 Business Days after Seven receives your acceptance.

National Hire is a relatively illiquid stock. The Offer enables shareholders to exit with certainty that would not otherwise be available.

If Seven acquires a significant proportion of National Hire Shares and National Hire remains listed, trading volumes could decrease even further. In addition, Seven is proposing that National Hire convene a shareholders' meeting and put a resolution for its delisting from ASX given the very low levels of trading and liquidity in National Hire Shares on ASX. It could be more difficult to sell your National Hire Shares in these circumstances.

If entitled to do so, Seven intends to compulsorily acquire your National Hire Shares and, if that occurs, there may be considerable delay in receiving your cash consideration if you do not accept the Offer during the Offer Period.

If Seven is not entitled to compulsorily acquire the remaining National Hire Shares, and following the Offer, National Hire is delisted and there are less than 50 shareholders remaining in National Hire, National Hire will no longer be subject to the takeovers rules in the Corporations Act which provide certain protections to minority shareholders. See clause 8.4 for more detail.

Illiquidity of market

- There is a low level of trading of National Hire Shares making it difficult for shareholders to sell National Hire Shares on market.
- Seven considers that the National Hire Shares have been, and are, trading at a materially lower price than they should be having regard to the underlying assets of National Hire.
- Seven is offering you an opportunity to realise value for Your Shares by offering to acquire Your Shares from you for consideration that is at a significant premium to recent market prices.

No competing offer

At the date of this Bidder's Statement, there is no other offer that has been made or announced for the Shares and Seven believes that a competing offer is unlikely in the context that SGH, its holding company, controls 66.20% of all National Hire Shares.

1 Summary of the Offer

What Seven is offering to buy	<p>Seven is offering to buy all National Hire Shares, including Shares that are issued during the Offer Period whether due to the conversion of National Hire Options or otherwise, on the terms set out in this Bidder's Statement.</p> <p>You may only accept this Offer in respect of all Shares held by you.</p>
What you will receive if you accept the Offer	<p>If you accept the Offer you will, subject to the satisfaction of the condition to the Offer, receive for each of Your Shares \$3.00 cash.</p> <p>Seven will vary the Offer to increase the price to \$3.60 cash if, before the end of the Offer Period, Seven acquires at least 75% (by number) of the National Hire Shares that it offers to acquire under the Takeover Bid. Assuming that SGH's interest in National Hire is the same at the beginning of the Offer Period as at the date of this Bidder's Statement, SGH will need a relevant interest in at least 91.55% of the National Hire Shares on issue before the end of the Offer Period in order for the price to be increased to \$3.60.</p>
When will you be paid	<p>Generally, Seven will pay the cash consideration to you no later than 5 Business Days after you accept the Offer.</p> <p>Full details of when consideration will be provided are set out in clause 9.6 of this Bidder's Statement.</p>
No brokerage on acceptances	<p>You will not pay brokerage if you accept the Offer. No such costs are expected, but if there were any such costs they would be borne by Seven.</p>
Close of the Offer	<p>The Offer closes at 7.00pm (Sydney time) on <i>[left blank]</i>, unless it is extended under the Corporations Act in which case that Offer will close on a later date.</p>
How you accept the Offer	<p>You may only accept the Offer for all your National Hire Shares.</p> <p>Issuer sponsored shareholders</p> <p>If your National Hire Shares are held on National Hire's issuer sponsored subregister (such holdings will be evidenced by an 'I' appearing next to your holder number on the enclosed Acceptance Form), to accept this Offer, you must check Box A, complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it to the address indicated on the Acceptance Form before the Offer closes.</p> <p>CHESSE sponsored shareholders</p> <p>If your National Hire Shares are in a CHESSE Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form), you may accept the Offer by either:</p> <ul style="list-style-type: none"> • checking Box A, completing and signing the Acceptance Form

enclosed with this Bidder's Statement and returning it to the address indicated on the form; or

- calling your broker and instructing your broker to accept the Offer on your behalf,

before the Offer closes.

Participants

If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.

Full details on how to accept the Offer are set out in clause 9.3 of this Bidder's Statement.

Where to go for further information

For queries on how to accept the Offer, see the enclosed Acceptance Form or call the Seven Offer Information Line on **[insert]**.

For queries in relation to your National Hire shareholding, call Boardroom Pty Limited on 1300 737 760.

For all other queries in relation to the Offer, please contact the Seven Offer Information Line on **[insert]**.

Please note that any calls to the above numbers may be recorded. Inquiries in relation to the Offer will not be received on any other telephone numbers of Seven or its advisers.

Important notice

The information in this clause 1 is a **summary only** of the Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement.

You should read the entire Bidder's Statement and the target's statement that National Hire will shortly be sending to you, before deciding whether to accept the Offer.

2 Information on SGH

2.1 Overview of Seven

Seven, the Bidder, is an indirect wholly-owned subsidiary of SGH. Seven was incorporated on 19 September 2011, for the purpose of making the Takeover Bid.

Seven is a direct wholly-owned subsidiary of Seven Network, a key investment and operating holding company for SGH Group investments.

2.2 Directors

(a) Directors of Seven

Brief profiles of the directors of Seven as at the date of this Bidder's Statement are as follows:

(1) **Peter Joshua Thomas Gammell**

Director of Seven since its incorporation. Director of SGH since February 2010. Appointed Managing Director and Group Chief Executive Officer of SGH on 28 April 2010. Director of Seven Network since November 1997. Director of Seven Media Group Pty Limited since December 2006. Director of WesTrac Holdings Pty Limited since 1990. Chairman of Coates Group Holdings Pty Limited. Director of National Hire from 10 December 2004 to 12 May 2008. Alternate Director of National Hire from 12 May 2008 to 2 June 2010. Director of Seven West Media (formerly known as West Australian Newspapers Holdings Limited) since 25 September 2008. Director of Consolidated Media Holdings Limited since 10 September 2009. Deputy Chairman of Australian Capital Equity Pty Limited and group companies. Member of the Institute of Chartered Accountants of Scotland.

(2) **Bruce Ian McWilliam**

Director of Seven since its incorporation. Director of SGH since April 2010. Director of Seven Network since September 2003. Appointed Commercial Director for Seven Network in May 2003. Director of Seven Media Group Pty Limited since December 2006. Former partner of law firms Gilbert & Tobin, Turnbull McWilliam and Allen Allen & Hemsley specialising in media and commercial law. Former Director BskyB, Executive Director News International Television and General Counsel, News International plc. Director of Australian News Channel Pty Limited. Director of Engin Limited since 31 October 2006 (company delisted on 8 August 2011). Director of vividwireless Group Limited (formerly Wireless Broadband Australia Limited and Unwired Group Limited) since 14 January 2008 (company delisted on 7 May 2008). Honorary Fellow of the University of Sydney. Chairman, Sydney University Law School Advisory Committee. Council Member, St Pauls College, University of Sydney. Honorary Governor – The Thalidomide Foundation Limited.

(3) **Peter Joseph Lewis**

Director of Seven since its incorporation. Mr Lewis joined Seven Network as Chief Financial Officer in May 1998. In December 2008 he was also appointed Chief Operating Officer of Seven Media Group – the media operating part of SGH. His previous position was Head of Business Affairs for the Sydney Olympic Broadcasting Organisation. He has extensive experience in financial management for media companies including Network Ten and Galaxy Media. Mr Lewis holds a Bachelor of Commerce degree and Master of Commerce degree from the University of New South Wales. He is President of Group of 100 Inc, an Associate Member of the Institute of Chartered Accountants in Australia, a

Member of the Australian Society of Certified Practising Accountants and a Fellow of the Institute of Corporate Secretaries and Administrators.

(b) **Directors of SGH**

Brief profiles of the directors of SGH as at the date of this Bidder's Statement are as follows:

(1) **Kerry Matthew Stokes AC**

Executive Chairman of SGH since April 2010. Executive Chairman of Seven Network since July 1999. Prior to that Non Executive Chairman since June 1995. Appointed a Companion in the General Division of the Order of Australia in the Queen's Birthday honours announced on 9 June 2008. Chairman of Seven Media Group Pty Limited since December 2006. Chairman of Australian Capital Equity Group which has significant interests in activities which include media and entertainment and property and industrial activities. Director of Seven West Media (formerly known as West Australian Newspapers Holdings Limited) since 25 September 2008 and appointed Chairman on 11 December 2008.

(2) **Peter David Ritchie AO**

Deputy Chairman of SGH since April 2010. Deputy Chairman of Seven Network since August 1991. Officer in the General Division of the Order of Australia. Chairman of the Remuneration & Nomination Committee, Member of the Audit & Risk Committee, Member of the Independent & Related Party Committee, of SGH. Bachelor of Commerce (University of New South Wales). Fellow of CPA Australia. Former Chairman of McDonalds Australia Limited and former Director of Westpac Banking Corporation, Solution 6 Holdings Limited and the University of New South Wales Foundation Limited. Current Chairman of Mortgage Choice Limited and a Director since 5 April 2004. Current Chairman of Reverse Corporation Limited and a Director since 1 October 2002.

(3) **Peter Joshua Thomas Gammell**

Director of SGH since February 2010. His profile is set out above at section 2.2(a)(1).

(4) **David John Leckie**

Director of SGH since April 2010. Director of Seven Network since April 2003 and Group Chief Executive Officer and Managing Director of Seven West Media. Chief Executive Officer of the Seven Media Group since December 2006. Director of Seven Media Group Pty Limited since December 2006. Bachelor of Arts, (Macquarie University), majoring in Economic and Financial Studies. Former Chairman of Pacific Magazines. Former Chief Executive Officer of the Nine Network. Former Director of Australian News Channel Pty Limited. Former Director of Free TV Australia Limited. Former Director of Yahoo!7.

(5) **James Allan Walker**

Director of SGH since February 2010. Chief Executive Officer, WesTrac Group. Managing Director WesTrac Pty Limited since November 2000. Over twenty years experience with the WesTrac Group and over forty years experience in the equipment industry. Prior to joining the WesTrac Group, roles were held with Hastings Deering and Morgan Equipment. Director of Coates Hire and National Hire. National President of the Australian Institute of Management.

(6) **Elizabeth Dulcie Boling**

Director of SGH since April 2010. Director of Seven Network since August 1993. Member of the Remuneration & Nomination Committee, Member of the Independent & Related Party Committee, of SGH. Former Chair and Chief Executive of Southdown Press; former Chief Executive Magazines, PMP Limited; former Director of News Limited, ING Australia Limited and Tourism Victoria. Former Member of the board of the Australian Cancer Research Foundation, the Mental Health Research Institute of Victoria and former Trustee of the National Gallery of Victoria.

(7) Terry James Davis

Director of SGH since June 2010. Group Managing Director, Coca-Cola Amatil Limited since 12 November 2001. Chairman of the Independent & Related Party Committee, Member of the Remuneration & Nomination Committee, of SGH. Director of St. George Bank Limited from December 2004 to December 2008. Over fourteen years experience in the global wine industry including Managing Director of Beringer Blass (the wine division of Foster's Group Limited) and Managing Director of Cellarmaster Wines Group between 1987 and 1997. Council Member of the University of New South Wales Council since 2006.

(8) Christopher John Mackay

Director of SGH since June 2010. Chairman and Chief Investment Officer of Magellan Financial Group Limited. Member of the Audit & Risk Committee, Member of the Independent & Related Party Committee, of SGH. Considerable experience in business management, capital allocation, risk management and investment. A former investment banker and corporate and banking lawyer, with broad experience in the financial and corporate sectors over many years. Formerly Chairman of the investment bank UBS Australasia; having previously been its Chief Executive Officer. A member of the Federal Treasurer's Financial Sector Advisory Council and a former member of the Business Council of Australia and Director of the International Banks & Securities Association. A Director of Consolidated Media Holdings Limited since 8 March 2006. A Director of Magellan Financial Group Limited since 21 November 2006 and a Director of Magellan Flagship Fund Limited since 29 September 2006. Former Director of Crown Limited from 6 July 2007 to 7 March 2008 and of New Privateer Holdings Limited from 26 April 2006 to 31 August 2007.

(9) Bruce Ian McWilliam

Director of SGH since April 2010. His profile is set out above at section 2.2(a)(2).

(10) Ryan Kerry Stokes

Director of SGH since February 2010. Executive Director since April 2010. Director of Seven Network since December 2005. CEO of Australian Capital Equity Pty Limited and associated companies. Director of Seven Media Group Pty Limited since December 2006. Director WesTrac Pty Limited. Director Yahoo!7. Chairman of vividwireless Pty Limited and a Director of vividwireless Group Limited (formerly Wireless Broadband Australia Limited and Unwired Group Limited) since 8 January 2008 (company delisted on 7 May 2008). Director of Engin Limited since 31 October 2006 (company delisted on 8 August 2011). Alternate Director of Seven West Media since 4 November 2008. Director of Consolidated Media Holdings Limited since 10 September 2009. Bachelor of Commerce (Curtin University). Former Chairman of Pacific Magazines. Former Chairman of Headspace, the Federal Government's National Youth Mental Health Foundation. Previous experience in international investment banking.

(11) Richard Anders Uechtritz

Director of SGH since June 2010. Member of the Remuneration & Nomination Committee, Member of the Independent & Related Party Committee, of SGH. Chief Executive Officer and Director of JB Hi-Fi Limited from 26 July 2000 to 28 May 2010. Over twenty years experience in retailing. Co-founder of Rabbit Photo and Smith Kodak Express. Director of Kodak (Australasia) Proprietary Limited from 30 July 1998 to 20 July 2000.

(12) Professor Murray Charles Wells

Director of SGH since April 2010. Director of Seven Network since July 1995. Chairman of the Audit & Risk Committee, Member of the Independent & Related Party Committee, of SGH. PhD, University of Sydney. M.Com, University of Canterbury. Fellow of CPA Australia, Fellow of the Academy of Social Sciences of Australia. Emeritus Professor of Accounting, former Director of the Graduate School of Business and the Foundation of

the Graduate School of Business at the University of Sydney. Director, Kaplan Higher Education Pty Limited. Former Chairman and Director of Australian National Business School Limited. Executive Director, Australian Scholarships Foundation.

2.3 History, structure and ownership of the SGH Group

(a) History

SGH was incorporated in February 2010 for the purposes of the merger of WesTrac Holdings Pty Limited and Seven Network, becoming the parent company of the new group. SGH was listed on ASX in April 2010.

(b) Structure

SGH is a holding company that conducts business operations through its subsidiaries. The chart attached as Annexure A of this Bidder's Statement shows the organisational structure of SGH and its major subsidiaries.

As at 16 September 2011, SGH had a market capitalisation of approximately \$3.08 billion, comprising ordinary shares (\$2.64 billion) and Transferable Extendable Listed Yield Shares (TELYS) (\$0.44 billion). SGH is headquartered in Sydney. Mr Kerry Stokes AC, through Wroxby Pty Limited ACN 061 621 921, Ashblue Holdings Pty Limited ACN 068 180 898 and North Aston Pty Limited ACN 009 387 606 (which are entities associated with Mr Stokes), is the largest substantial holder of SGH with an interest in 67.66% of SGH's fully paid ordinary shares.

(c) Ownership

The table below sets out the substantial shareholders of SGH. The remaining shares are held by minority shareholders.

Substantial holder	Number of shares	Voting power
Mr Kerry Stokes, Wroxby Pty Limited, Ashblue Holdings Pty Limited, North Aston Pty Limited and others	207,304,349	67.66%
Ausbil Dexia Limited	15,525,327	5.07%

2.4 Principal activities of the SGH Group

The SGH Group is a significant Australian diversified operating and investment group that is listed on the ASX. SGH has through WesTrac Holdings Pty Limited two core investment arms, being the WesTrac Group and the Seven Network Group. Information on each of the core investment arms and their principal activities is set out below.

WesTrac Group

Entity	Interest	Principal activities
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WesTrac Pty Limited (WesTrac Australia)	100%	WesTrac Australia is an authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory. WesTrac Australia is one of only four authorised Caterpillar dealers in Australia and is the leading provider of heavy equipment in each of its service territories. It primarily services the mining and construction markets. WesTrac Australia distributes Caterpillar equipment in the heavy equipment industry, which includes mining and construction machinery.
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WesTrac China Limited	100%	WesTrac China is one of only four authorised Caterpillar dealers in China. WesTrac China is an authorised Caterpillar dealer in its North Eastern China service territory, which covers six provinces and the municipalities of Beijing and Tianjin. WesTrac China operates in the construction, mining, marine, power generation and petroleum markets in North Eastern China.
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National Hire	66.20%	Further information about the principal activities of National Hire and its subsidiaries is set out in section 3.
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Seven Network Group

Entity	Interest	Principal activities
Seven West Media	29.57% and \$250 million Convertible Preference Shares	<p>Seven West Media is listed on the ASX and is Australia's largest diversified media business, owning:</p> <ul style="list-style-type: none"> • Australia's largest commercial television network (by audience and advertising market share), The Seven Network; • the leading metropolitan newspaper in West Australia, The West Australian; • the second largest publisher of magazines in Australia, Pacific Magazines; • 23 regional newspapers across Western Australia, and a 49.9% stake in Community Newspaper Group, a joint venture with News Limited publishing 17 local newspapers in Western Australia; • nine regional radio licences, including RED FM, WA FM and Spirit Radio Network; • a specialist publishing business and digital division; and • a 50% interest in one of Australia and New Zealand's leading online platforms, through its joint venture in Yahoo!7.
Consolidated Media Holdings Limited	24.44%	<p>Consolidated Media Holdings is listed on the ASX and holds a 25% interest in the pay television operator FOXTEL and a 50% interest in Premier Media Group.</p> <p>Premier Media Group owns and operates the FOXSports,</p>

Fuel TV and How To television channels.

Prime Media Group Limited	11.38%	<p>Prime Media Group is listed on the ASX and is a diversified media operator with operations in both Australia and New Zealand including:</p> <ul style="list-style-type: none"> • free-to-air television services through its PRIME Television Network and Golden West Network, both of which share a programming affiliation with The Seven Network; • radio services throughout Queensland, focusing on the north and south east; and • broadcasting production services and digital out-of-home advertising through PRIME Digital Media which has a strategic partnership with Yahoo!7.
vividwireless Group Limited	100%	vividwireless owns and operates Australia's first 4Gwireless broadband network covering parts of Perth, Sydney, Melbourne, Adelaide, Brisbane and Canberra.
Engin Limited	100%	Engin is a leading Australian internet telephony company owning an Australian communications network delivering Voice over Internet Protocol (VoIP) telephone services.

2.5 Financial information on the SGH Group

(a) Basis of presentation of historical financial information

The historical financial information below relates to the SGH Group and does not reflect any impact of the Offer. It is a summary only and the full financial accounts for SGH for the financial periods described below, which include the notes to the accounts, can be found in SGH's annual reports (or, where appropriate, the preliminary final report) for those periods.

(b) Historical information of the SGH Group

(1) Consolidated statement of financial position

The historical consolidated statement of financial position of the SGH Group as at 30 June 2011 set out below has been extracted from the preliminary final unaudited consolidated statement of financial position of the SGH Group as at 30 June 2011, being the last balance date prior to the date of this Bidder's Statement. This was released to the ASX on 25 August 2011.

Seven Group Holdings Limited and its Controlled Entities
Consolidated Statement of Financial Position
As at 30 June 2011

	2011 \$'000	2010 \$'000
CURRENT ASSETS		
Cash and cash equivalents	71,145	455,205
Trade and other receivables	550,431	405,468
Inventories	989,626	682,673
Current tax assets	13,123	-
Other current assets	24,507	36,068
Derivative financial instruments	2,587	124
Total current assets	1,651,419	1,579,538
NON-CURRENT ASSETS		
Investments accounted for using the equity method	1,482,052	1,724,687
Trade and other receivables	3,840	11,224
Derivative financial instruments	-	4,666
Other financial assets	884,379	395,926
Property, plant and equipment	264,928	241,094
Intangible assets	526,233	577,351
Deferred tax assets	10,616	16,603
Total non-current assets	3,172,048	2,971,551
Total assets	4,823,467	4,551,089
CURRENT LIABILITIES		
Trade and other payables	496,093	365,341
Derivative financial instruments	18,261	5,305
Interest bearing loans and borrowings	347,133	302,234
Deferred income	113,370	42,331
Current tax liabilities	-	1,953
Provisions	89,143	58,547
Total current liabilities	1,064,000	775,711
NON-CURRENT LIABILITIES		
Trade and other payables	8,477	5,625
Interest bearing loans and borrowings	561,124	383,989
Derivative financial instruments	103,796	12,104
Deferred tax liabilities	378,768	473,832
Provisions	7,198	2,613
Deferred income	18,182	17,070
Total non-current liabilities	1,077,545	895,233
Total liabilities	2,141,545	1,670,944
Net assets	2,681,922	2,880,145
EQUITY		
Contributed equity	2,615,852	2,608,852
Reserves	(714,807)	(574,500)
Retained earnings	632,287	706,045
Total equity attributable to equity holders of the Company	2,533,332	2,740,397
Non-controlling interest	148,590	139,748
Total equity	2,681,922	2,880,145

(2) Consolidated income statement

The consolidated income statement of the SGH Group for the year ending 30 June 2011 shown below has been extracted from the preliminary final unaudited consolidated income statement for that year and released to ASX on 25 August 2011.

Seven Group Holdings Limited and its Controlled Entities
Consolidated Income Statement
Preliminary final report for the year ended 30 June 2011

	For the year ended 30 June 2011 \$'000	From incorporation to 30 June 2010 \$'000
Revenue		
Revenue from product sales	1,969,202	336,909
Revenue from product support	1,141,018	194,871
Other	52,614	5,804
Total revenue	3,162,834	537,584
Other income		
Dividend income	35,536	-
Gain on sale of property, plant & equipment	481	523
Fair value movement of derivatives	-	2,038
Net gain on sale of investments and equity accounted investees	58,679	203
Other	28,843	-
Total other income	123,539	2,764
Share of results from equity accounted investees	143,588	14,266
Impairment of equity accounted investees	(305,648)	-
Accounting gain on acquisition of Seven Network Limited	-	726,343
Expenses excluding depreciation and amortisation		
Materials cost of inventory sold and used	(2,091,874)	(363,548)
Raw materials and consumables purchased	(110,003)	(20,927)
Employee benefits expenses	(448,304)	(72,917)
Operating lease rental expense	(46,170)	(5,271)
Impairment of non-current assets	(18,701)	-
Fair value movement of derivatives	(5,374)	-
Other expenses	(248,763)	(68,954)
Total expenses excluding depreciation and amortisation	(2,969,189)	(531,617)
Depreciation and amortisation	(67,770)	(11,737)
Profit before net finance costs and tax	87,354	737,603
Finance income	7,422	3,718
Finance costs	(62,385)	(16,852)
Net finance costs	(54,963)	(13,134)
Profit before tax	32,391	724,469
Income tax benefit/(expense)	47,522	(5,727)
Profit for the period	79,913	718,742
Profit for the period attributable to:		
Equity holders of the Company	70,412	718,034
Non-controlling interest	9,501	708
Profit for the period	79,913	718,742
Statutory earnings per share (EPS)		
Ordinary shares		
Basic earnings per share (\$)	\$ 0.12	\$ 5.87
Diluted earnings per share (\$)	\$ 0.12	\$ 5.87

(3) Consolidated statement of comprehensive income

The statement of comprehensive income of SGH Group for the year ending 30 June 2011 shown below has been extracted from the preliminary final unaudited consolidated statement of comprehensive income for that year and released to ASX on 25 August 2011.

Seven Group Holdings Limited and its Controlled Entities
Consolidated Statement of Comprehensive Income
Preliminary final report for the year ended 30 June 2011

	For the year ended 30 June 2011 \$'000	From incorporation to 30 June 2010 \$'000
Profit for the period	79,913	718,742
Other comprehensive income		
Net change in fair value of available-for-sale financial assets	27,304	24,024
Impairment of available-for-sale financial asset reclassified to profit or loss	2,910	-
Cash flow hedges: effective portion of changes in fair value	(21,114)	9,693
Foreign currency differences for foreign operations	(164,741)	40,037
Income tax on items of other comprehensive income	12,223	(9,560)
Other comprehensive (expense)/income for the period, net of tax	(143,418)	64,194
Total comprehensive (expense)/income for the period	(63,505)	782,936
Total comprehensive (expense)/income for the period attributable to:		
Equity holders of the Company	(72,347)	780,786
Non-controlling interest	8,842	2,150
Total comprehensive (expense)/income for the period	(63,505)	782,936

(4) SGH issued securities

As at the date of this Bidder's Statement, SGH's issued securities consisted of:

- 306,410,281 fully paid ordinary shares; and
- 4,963,640 Transferrable Extendable Listed Yield Shares (TELYS4).

(c) Management commentary on FY11 results

Financial Results	Results for year ended 30 June 2011
Reported profit before tax	\$32.4m
Reported profit after tax	\$79.9m
Statutory earnings per share	12 cents
Final dividend per ordinary share	18 cents
 Profit before tax (excluding significant items)	 \$298.0m
Profit after tax (excluding significant items)	\$248.3m
Earnings per share (excluding significant items)	67 cents

As the SGH Group was only established in April 2010, a comparison of the unaudited FY11 results to the unaudited FY10 pro-forma results prepared on the basis that SGH had operated as a combined group throughout FY10 is set out below.

Twelve month pro forma results	Results for year ended 30 June 2011	Pro forma year ended 30 June
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		2010
Total revenue & other income	\$3,371.2m	\$2,498.3m
EBITDA (excluding significant items)	\$420.8m	\$246.2m
EBIT (excluding significant items)	\$353.0m	\$181.2m
Profit before tax (excluding significant items)	\$298.0m	\$147.7m
Net Profit after tax (excluding significant items)	\$248.3m	N/A

Note: pro-forma NPAT for year ended 30 June 2010 is not presented above as tax expense was not calculated due to impact of changes in deferred tax balances.

For the financial year ended 30 June 2011 SGH reported a statutory profit before taxation of \$32.4 million and a net profit after taxation of \$79.9 million with profit attributable to shareholders of SGH of \$70.4 million.

SGH reported earnings before interest, tax and depreciation and amortisation (EBITDA)¹ of \$420.8 million on total revenue and other income of \$3,371.2 million. Earnings before interest and taxation (EBIT)² was \$353.0 million for the financial year.

Profit before taxation (excluding significant items) was \$298.0 million and net profit after taxation (excluding significant items) was \$248.3 million.

The result was underpinned by total trading revenue of \$3,162.8 million, being 31 per cent higher than the pro forma 2010 result. The result was driven by SGH's strongly performing core businesses.

The financial result reflects SGH's sale of its shareholding in Seven Media Group and the writing down of investments, including Seven West Media and Consolidated Media Holdings Limited, to reflect share prices of both companies at 30 June 2011. Significant items total a \$168.4 million loss net of tax.

As at 30 June 2011 SGH had net assets of \$2,681.9 million, including a listed securities portfolio of \$652.3 million, excluding Seven West Media and Consolidated Media Holdings Limited. It had \$522.4 million in available undrawn facilities at 30 June 2011.

2.6 Publicly available information about SGH

SGH is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, SGH is subject to the listing rules of ASX which require continuous disclosure of any information SGH has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. SGH's file is available for inspection at ASX during normal business hours.

In addition, SGH is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by SGH may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about SGH is available in electronic form from: www.sevengroup.com.au.

¹ EBITDA represents profit before net finance costs and taxation, excluding depreciation, amortisation, impairment and gains on the sale of investments.

² EBIT represents profit before net finance costs and tax, and significant items.

2.7 Announcement by SGH in relation to the Offer

On 20 September 2011, SGH made a public announcement to ASX in relation to the Offer. A copy of that announcement is contained in Attachment 1 of this Bidder's Statement.

3 Information on National Hire and National Hire Group

3.1 Overview of National Hire

National Hire is an investment holding company consisting of:

- (a) a wholly-owned equipment sales and support business, Allight Holdings Pty Limited, which operates under the Allight name; and
- (b) a 46.1% investment in Coates Group Holdings Pty Limited, which owns the Coates Hire business.

Allight manufactures, assembles and sells Allight mobile lighting towers, power generation and dewatering equipment. It also distributes Perkins engines and FG Wilson power generation sets. It has also recently acquired Sykes Group Pty Limited which manufactures and distributes auto prime pumps for the mining, construction and civil engineering sectors.

Coates Hire is the largest equipment hire business in Australia with over 200 branches and satellite locations and serves the mining, construction and event management sectors.

3.2 Directors

As at the date of this Bidder's Statement, there are 6 directors of National Hire. The directors of National Hire are as follows:

(a) **Andrew Aitken, Managing Director**

Appointed December 2004. Mr Aitken was a non-executive Director of National Hire up until his appointment as Managing Director in May 2008. He is also a non-executive Director of Coates Group Holdings Pty Limited. Mr Aitken joined Australian Capital Equity Pty Limited in 2003 where his focus was on the development of its equipment rental businesses. Prior to coming to Australia in 2003, Mr Aitken worked in the South African financial services industry for 13 years. The majority of his experience was as Managing Director of various funds management and private banking operations. As a result of the consolidation of the industry, Mr Aitken has been involved with the integration and merger of a number of financial services businesses. Mr Aitken holds a Bachelor of Commerce degree and an honours degree from the University of Natal and the University of Cape Town respectively and a post graduate diploma in social studies from Oxford University.

(b) **Hon. Richard Court, AC, Non-executive Director, Chairman**

Appointed July 2008 (appointed Chairman May 2010). Mr Court was Premier and Treasurer of Western Australia from 1993 to 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 Limited, Chairman of RISC Pty Limited and Chairman of Channel 7 Telethon Trust. The other listed public companies of which he is or was a Director in the last 3 years are GRD Limited (appointed July 2004 and resigned November 2009) and Iron Ore Holdings Limited (appointed November 2007).

(c) Stephen Donnelley, Non-executive Director

Appointed December 1996. Mr Donnelley has over 20 years experience in the equipment hire industry, both as an employee and principal. Mr Donnelley was Managing Director of National Hire from 1988 to May 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. Special responsibilities at National Hire include membership of the audit committee, chairing the nomination committee and safety, health and environmental committee, membership of the remuneration committee.

(d) Dale Elphinstone, Non-executive Director

Appointed January 2008. Mr Elphinstone is the Executive Chairman of the Elphinstone/William Adams group of companies, which includes the Caterpillar Dealerships in Victoria and Tasmania and other business interests in Australia and New Zealand. The other listed public companies of which he is or was a Director in the last 3 years were Coote Industrial Limited (appointed July 2010) and Queensland Gas Company Limited (appointed October 2002 and resigned November 2008). Special responsibilities at National Hire include being a member of the audit committee, the nomination committee, the remuneration committee and the safety, health and environmental committee.

(e) Clive Isenberg, Non-executive Director

Appointed March 2004. Mr Isenberg is Managing Director of Octet Finance Pty Limited, a company providing supply chain finance and working capital finance solutions in Australia, China and the USA. Mr Isenberg was until May 2000 the owner and Managing Director of Scottish Pacific Business Finance Pty Limited, a position he held for 18 years. He has also held the position of General Manager of St. George Bank Business Customer Division. Mr Isenberg is an associate of the Institute of Chartered Accountants in Australia, a fellow of the Certified Practising Accountants and a graduate of accounting. He has extensive experience in financial services and for many years was a Director of Bank of Scotland subsidiaries in Australia including Capital Finance Limited, BOS International Limited and the holding company of Bank of Western Australia. Mr Isenberg was the founder and past Chairman of the Institute for Factors and Discounters of Australia and was Chairman of Factors Chain International (an international association of leading cash flow financiers) between 1997 and 1999. Special responsibilities at National Hire include chairing the audit committee and the remuneration committee and being a member of the nomination committee.

(f) James Walker, Non-executive Director

Appointed June 2008. Mr Walker is the Chief Executive Officer of the WesTrac Group. The WesTrac Group is the dealer for Caterpillar in Western Australia, New South Wales and the Australian Capital Territory as well as provinces in North East China. Mr Walker has been with the WesTrac Group for more than 20 years. As a result of the merger of the WesTrac Group and Seven Network, Mr Walker became an executive Director of the WesTrac Group's parent company, SGH. He is also a non-executive Director of Coates Group Holdings Pty Limited. Prior to his employment at WesTrac Pty Limited, Mr Walker spent considerable time with other Australian Caterpillar dealers, namely Hastings Deering and Morgan Pty Limited and the Bougainville Dealership in Papua New Guinea. Mr Walker is National President of the Australian Institute of Management and a member of the Executive Council of the Chamber of Minerals and Energy. The other listed public company of which he is or was a Director in the last 3 years is SGH (appointed February 2010). Special responsibilities at National Hire include being a member of the audit committee and the safety, health and environmental committee.

3.3 History, structure and ownership of National Hire Group

(a) History

National Hire was established in 1981 and is listed on the ASX. National Hire operates two divisions: rental services and capital sales. The rental services business trades as National Hire The Cat Rental Store® in New South Wales, the Australian Capital Territory and Western Australia, and as National Hire in Queensland, Victoria, South Australia and the Northern Territory. The capital sales division (Allight mobile lighting towers, Perkins engines, FG Wilson power generation and Sykes dewatering equipment) trades as Allight in Australia, Indonesia and the United States.

In December 2004, National Hire acquired all of the assets to conduct The Cat Rental Stores® operations in Western Australia and all of the shares of Allight Holdings Pty Limited.

National Hire is now one of the leading hire companies in Australia, the manufacturer and distributor of Allight mobile lighting towers, and a distributor of FG Wilson power generation and de-watering equipment, Sykes pumps and Perkins engines.

In January 2008, National Hire, through a special purpose vehicle with The Carlyle Group, completed its acquisition of 46.1% of Coates Hire Limited which is an equipment hire company with over 120 years of experience, supplying to a wide variety of markets including engineering, civil construction, building construction and maintenance, mining and resources, manufacturing, government, industrial shutdowns and events.

On 8 October 2010, National Hire announced that it has entered into an agreement to acquire Pump Rentals Pty Limited which, through Sykes Group Pty Limited, is one of the world's largest manufacturers and distributors of auto prime pumps for the mining, construction and civil engineering sectors.

(b) Structure

National Hire's wholly-owned subsidiaries are:

- Allight Holdings Pty Limited
- Allight Pty Limited
- Allight USA Inc
- FGW Pacific Pty Limited
- National Hire Facilitation Pty Limited
- Pump Rentals Pty Limited
- Sykes Group Pty Limited
- Sykes New Zealand Limited
- Sykes Fleet Services Pty Limited
- Primax Pumps Inc.

National Hire also holds a 46.1% interest in Coates Group Holdings Pty Limited.

(c) Ownership

WesTrac Pty Limited, a wholly-owned subsidiary of SGH, holds 98,300,404 National Hire Shares, giving it voting power of 66.20% in National Hire. Elph Pty Limited owns 32,559,745 National Hire Shares giving it voting power of 21.93%. The other Shares are split between minority shareholders.

3.4 Principal activities of National Hire

National Hire is an operating and investment group consisting of a wholly-owned equipment sales and support business which operates under the Allight name, and a 46.1% investment in Coates Group Holdings Pty Limited which owns the Coates Hire business. National Hire announced in November 2010 that it had acquired 100% of pump business Sykes.

3.5 Financial information on the National Hire Group

(a) Basis of presentation of historical financial information

The historical financial information below relates to National Hire on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts for National Hire for the financial periods described below, which include the notes to the accounts, can be found in National Hire's annual reports for those periods.

(b) Historical financial information on the National Hire Group

(1) Statement of financial position

The summarised historical statement of financial position of the National Hire Group as at 30 June 2011 set out below has been extracted from the preliminary final audited consolidated statement of financial position of the National Hire Group as at 30 June 2011, being the last balance date prior to the date of this Bidder's Statement.

National Hire Group Limited
Consolidated balance sheet
As at 30 June 2011

	2011 \$'000	2010 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	6,662	15,697
Trade and other receivables	39,614	21,952
Inventories	79,278	35,494
Derivative financial instruments	6	124
Current tax receivables	-	2,559
Total current assets	125,560	75,826
Non-current assets		
Receivables	-	42
Investments accounted for using the equity method	337,114	319,185
Property, plant and equipment	5,081	2,096
Deferred tax assets	-	2,885
Intangible assets	61,416	22,788
Total non-current assets	403,611	346,996
Total assets	529,171	422,822
LIABILITIES		
Current liabilities		
Trade and other payables	37,202	39,006
Borrowings	51,934	346
Current tax liabilities	6,589	-
Provisions	10,516	308
Total current liabilities	106,241	39,660
Non-current liabilities		
Borrowings	127	-
Deferred tax liabilities	12,063	-
Provisions	2,643	156
Total non-current liabilities	14,833	156
Total liabilities	121,074	39,816
Net assets	408,097	383,006
EQUITY		
Contributed equity	293,930	293,771
Reserves	(4,104)	(2,526)
Retained earnings	118,271	91,761
Total equity	408,097	383,006

(2) **Statement of financial performance**

The summarised historical statement of financial performance of the National Hire Group for the period ended 30 June 2011 shown below has been extracted from the preliminary final audited consolidated statement of financial performance for the year ended 30 June 2011.

National Hire Group Limited
Consolidated statement of comprehensive income
For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Revenue from continuing operations		
Sale of goods	130,763	84,819
Services	2,729	163
Other revenue from ordinary activities	2,078	1,952
Total revenue	135,570	86,934
Other income	114	70
Expenses		
Cost of sales of goods	(61,767)	(74,059)
Changes in inventories of finished goods and work in progress	(26,816)	7,475
Depreciation and amortisation expense	(2,014)	(740)
Occupancy and communication	(4,910)	(2,969)
Advertising and promotion	(1,641)	(692)
Employee benefits expense	(18,224)	(9,196)
Travel and accommodation	(1,586)	(749)
Other expenses	(9,790)	(3,352)
Interest and finance charges	(2,668)	(230)
Results from operating activities	6,268	2,492
Share of net profit of associate accounted for using the equity method	22,816	4,103
Profit before income tax	29,084	6,595
Income tax expense	(2,574)	(825)
Profit from continuing operations	26,510	5,770
Other comprehensive income		
Movement in share-based payments reserve of associate, net of tax	1,176	914
Movement in hedge reserve of associate, net of tax	1,789	10,124
Exchange differences on translation of foreign operations	(495)	14
Share of other comprehensive (loss) of associates	(4,177)	(2,479)
Other comprehensive income (loss) for the year, net of tax	(1,707)	8,573
Total comprehensive income for the year	24,803	14,343
Total comprehensive income for the year is attributable to:		
Owners of National Hire Group Limited	24,803	14,343
	Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the parent entity:		
Basic earnings per share	17.86	3.89
Diluted earnings per share	17.86	3.89
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the parent entity:		
Basic earnings per share	17.86	3.89
Diluted earnings per share	17.86	3.89

3.6 Publicly available information about National Hire Group

National Hire is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, National Hire is subject to the listing rules of ASX which require continuous disclosure of any information National Hire has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. National Hire file is available for inspection at ASX during normal business hours.

In addition, National Hire is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by National Hire may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about National Hire is available in electronic form from: www.nationalhire.com.au.

4 Information on National Hire's securities

4.1 National Hire's issued securities

According to documents provided by National Hire to ASX, as at the date of this Bidder's Statement, National Hire's issued securities consisted of:

- 148,487,945 Shares; and
- 1,000,000 Options.

4.2 Interests in National Hire Securities

As at the date of this Bidder's Statement:

- Seven's voting power in National Hire was 66.20%; and
- Seven had a relevant interest in 98,300,404 Shares (and no Options).

As at the date of the Offer:

- Seven's voting power in National Hire was *[left blank]*%; and
- Seven had a relevant interest in *[left blank]* Shares (and *[left blank]* Options).

4.3 Dealings in Shares

(a) Previous four months

Neither Seven nor any associate of Seven has provided, or agreed to provide, consideration for National Hire Securities under any purchase or agreement during the 4 months before the date of this Bidder's Statement.

(b) Period before Offer

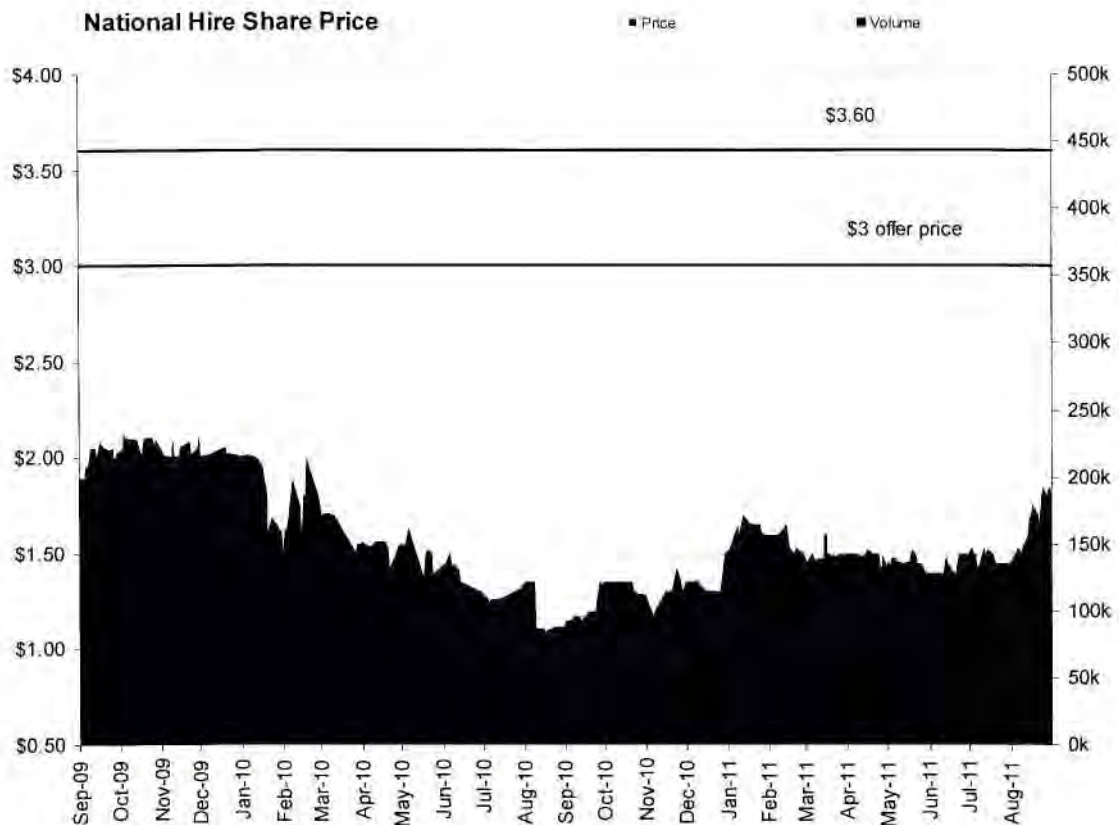
Neither Seven nor any associate of Seven has provided, or agreed to provide, consideration for National Hire Securities under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer, except as described below.

[left blank]

4.4 Recent share price performance of National Hire

The latest recorded sale price of National Hire Shares on ASX before the Announcement Date and the date on which this Bidder's Statement was lodged with ASIC was \$1.88, as at close of trading on ASX on 16 September 2011.

The following chart illustrates the share price of National Hire Shares on ASX for the two year period before the Announcement Date.



4.5 National Hire Share Option Plan

According to documents provided by National Hire to ASX, as at the date of this Bidder's Statement, National Hire currently has in operation the National Hire Group Limited 2005 Share Option Plan which is designed to provide long-term incentives for senior management (including executive Directors) to deliver long-term shareholder returns. Under the plan, participants are granted options over unissued Shares which only become exercisable if certain performance standards are met. Options are granted under the plan for no consideration.

In its 2011 preliminary final report, National Hire discloses that Mr Andrew Aitken, Managing Director of National Hire, is currently the only participant in that option plan and is the holder of 1,000,000 Options entitling him upon exercise to acquire 1,000,000 Shares in National Hire. The Options are first exercisable on 21 November 2011 at an exercise price of \$2.00, subject to performance conditions being met.

The terms of the plan provide that any options granted under the plan are subject to accelerated vesting in the event of a takeover. Accordingly, the Options may be exercised following the announcement of the Takeover Bid.

Unless exercised, Mr Aitken's Options will expire on 21 November 2013.

4.6 Effect of the Offer on Options

The Offer extends to National Hire Shares that are issued on the exercise of National Hire Options during the period from the Register Date to the end of the Offer Period. The Options are exercisable during the Offer Period.

If, before the end of the Offer Period, Seven acquires at least 75% (by number) of the National Hire Shares that it offers to acquire under the Takeover Bid Seven will give a

notice of compulsory acquisition to all outstanding National Hire shareholders, even if the National Hire Shares to which those notices relate are issued:

- after the Offer closes but before the notices are given (pursuant to section 661A(4)(b) of the Corporations Act); or
- on exercise of National Hire Options, up to 6 weeks after the notices are given (pursuant to section 661A(4)(c) of the Corporations Act).

Seven may seek to acquire the National Hire Options by agreement. If not all of the Options are acquired by Seven or cancelled pursuant to agreements or other arrangements, and Seven is entitled to compulsorily acquire any outstanding Shares, Seven presently intends to seek to compulsorily acquire or cancel any outstanding Options pursuant to Part 6A.2 of the Corporations Act, although it reserves the right not to do so.

4.7 No pre-Offer benefits

During the period of 4 months before the date of this Bidder's Statement, neither Seven nor any associate of Seven gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or
- dispose of National Hire Shares,

and which is not offered to all holders of National Hire Shares under the Offer.

During the period from the date of this Bidder's Statement to the date before the date of the Offer, neither Seven nor any associate of Seven gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or
- dispose of National Hire Shares,

and which is not offered to all holders of National Hire Shares under the Offer, except as follows:

[left blank]

4.8 No escalation agreements

Neither Seven nor any associate of Seven has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

5 Sources of consideration

5.1 Total consideration

The consideration for the acquisition of the Shares to which the Offer relates will be satisfied wholly in cash.

If acceptances are received for all Shares on issue as at the date of this Bidder's Statement (other than those National Hire Shares in which Seven has a relevant interest) and all National Hire shareholders accept the Offer, the amount of cash that Seven would be required to pay under the Offer would be approximately \$180,675,148.

In addition, if holders of all Options on issue as at the date of this Bidder's Statement exercise those Options and accept the Offer in respect of the Shares issued to them, an additional \$3,600,000 will be payable by Seven under the Offer.

Accordingly, the maximum amount of cash that Seven could be required to pay under the Offer is \$184,275,148, together with transaction costs (**Maximum Offer Consideration**).

This section 5.1 assumes that Seven will, before the end of the Offer Period, acquire at least 75% (by number) of the National Hire Shares that it offers to acquire under the Takeover Bid, so that the higher price of \$3.60 will be payable under the varied Offer.

5.2 Sources of cash consideration

(a) Identity of persons to provide cash consideration

The cash consideration payable under the Offer will be provided under the terms of an intra-group facility between Seven and another wholly-owned subsidiary of SGH, WesTrac Holdings Pty Limited (**WesTrac Holdings**). Details of this intra-group facility are disclosed in clause 5.2(b) below.

WesTrac Holdings has a syndicated revolving loan facility (**external facility**), which is available to meet its obligations under the intra-group facility with Seven. Details of the external facility are set out in clause 5.2(c) below.

(b) Particulars of intra-group facility

Seven and WesTrac Holdings have agreed on an intergroup facility of an amount which exceeds the Maximum Offer Consideration.

Under the terms of the intra-group facility, WesTrac Holdings will ensure that the funds are available to Seven before Seven is required to pay for any Shares acquired by it or to pay any fees, expenses and duties in relation to the Offer.

WesTrac Holdings will ensure that the funds remain available while Seven has any outstanding obligation to pay for Shares acquired by it under the Offer or in exercise of rights of compulsory acquisition of Shares under the Corporations Act (**Commitment Period**) or to pay any such fees, expenses and duties.

In the event the funds are provided as loans:

- Seven must pay interest on the principal outstanding from time to time at the rate (if any) specified from time to time by WesTrac Holdings. Interest (if any) will be calculated daily and payable upon demand by WesTrac Holdings, except during the Commitment Period, when interest will be capitalised. WesTrac Holdings may capitalise any interest that is not paid when demanded. Capitalised interest is treated as principal outstanding for all purposes, including the calculation of interest; and

- Seven must repay the principal outstanding, together with all accrued but unpaid interest, upon demand by WesTrac Holdings. However, no demand for repayment may be made by WesTrac Holdings during the Commitment Period.

After the expiry of the Commitment Period, WesTrac Holdings may, by giving notice to Seven, at any time and from time to time during the five years following the date of 20 March 2012, elect to convert any part of the amount due to it from Seven into fully paid ordinary shares in Seven. Upon receipt of notice from WesTrac Holdings, Seven must allot and issue to WesTrac Holdings or its nominee such number and class of fully paid ordinary shares as WesTrac Holdings and Seven may agree for these purposes or, in the absence of agreement, such number of fully paid ordinary shares as the auditor of WesTrac Holdings may certify have a market value equal to the amount to be capitalised by the issue of shares. Upon allotment and issue of the shares, the amount capitalised by the issue of shares will be regarded as paid in full.

(c) **Particulars of external facility**

WesTrac Holdings has an unsecured syndicated revolving loan facility upon which it may draw in order to meet its obligations under the intra-group facility. Australia and New Zealand Banking Group Limited is the 'Agent' under this external facility. The available amount for draw down by WesTrac Holdings exceeds the Maximum Offer Consideration.

The external facility is not subject to any material unfulfilled pre-conditions to the making available of the funds, other than:

- the giving of a funding notice by WesTrac Holdings; and
- there being no event of default (or potential event of default) in existence or arising from the borrowing of those funds. Among other things, this requires that WesTrac Holdings be in compliance with the covenants in the external facility, including a minimum interest coverage ratio and a maximum leverage ratio. The external facility also includes a set of events of default that are customary for facilities of that type.

As at the date of this Bidder's Statement, none of SGH, WesTrac Holdings or Seven is aware of any reason why the conditions precedent to the making available of funds will not be satisfied in time to allow those amounts to be available to pay any amounts that Seven may be required to pay under the Offer as and when such amounts are due under the terms of the Offer.

The external facility will be available for the entire commitment and for so long as Seven has obligations in terms of the compulsory acquisition of any remaining Shares. If WesTrac Holdings elects to refinance the external facility during the Offer Period, replacement financing will be obtained such that WesTrac's ability to meet its obligations under the intra-group facility are not adversely affected.

The amount undrawn under the external facility exceeds the maximum amount payable under the Offer assuming all shareholders other than related bodies corporate of Seven accept the Offer, together with transaction costs.

6 Seven's intentions in relation to National Hire

6.1 Introduction

Seven is making the Offer with the concurrence of SGH. Accordingly, the intentions of Seven are the same as the intentions of SGH.

The intentions of Seven are set out in this section of this Bidder's Statement. Those intentions have been formed on the basis of facts and information concerning National Hire, and the general business environment, which are known at the time of preparing

this Bidder's Statement. Final decisions will only be reached by Seven in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and accordingly may vary as new information becomes available or circumstances change.

6.2 Overview and rationale for the Offer

SGH already has control of National Hire.

SGH considers that the advantages to National Hire and the shareholders of National Hire remaining listed on the ASX are outweighed by the disadvantages for key reasons set out below.

Accordingly, Seven would prefer that National Hire delist and is proposing to National Hire that after the closing of the Takeover Bid it would convene a shareholders' meeting and put a resolution for the delisting of National Hire from the ASX. However, SGH is conscious that other National Hire shareholders may prefer not to own shares in an unlisted vehicle. Seven is therefore making the Offer with a view to offering all shareholders that would prefer not to be part of an unlisted National Hire to exit for a cash price which represents a substantial premium to recent trading price of National Hire Shares.

- (a) Although an ASX listing would typically offer shareholders liquidity, in practice trading in National Hire Shares has been illiquid. 66.20% of National Hire Shares are held by its largest shareholder, a related entity of Seven. The next largest shareholder Elph Pty Limited holds 21.93%. This means that 88.13% of National Hire Shares are held by its two largest shareholders and accordingly, this leaves only 11.87% of National Hire Shares held by other investors.

As a consequence only 1,945,926 Shares, representing less than 1.31% of National Hire Shares have traded in the last 12 months before the date of this Bidder's Statement. Such low volumes of trading makes it hard for shareholders to buy and sell Shares at full value.

- (b) Seven considers that it is detrimental to National Hire shareholders to be trading their National Hire Shares for a materially lower value than the value of the underlying assets of National Hire.
- (c) Seven estimates that the cost of listing and associated compliance costs to National Hire is at least \$500,000 per annum.

Seven would prefer to own 100% of National Hire following the Offer rather than a lesser percentage below 100%. If, before the end of the Offer Period, Seven acquires at least 75% (by number) of the National Hire Shares that it offers to acquire under the Takeover Bid it will be able to compulsorily acquire the remaining Shares in National Hire. Seven will vary the Offer to increase the price to \$3.60 per National Hire Share if it reaches this 75% threshold before the end of the Offer Period.

6.3 Intentions for National Hire as a wholly-owned controlled entity

This clause 6.3 describes Seven's intentions if, before the end of the Offer Period, Seven acquires at least 75% (by number) of the National Hire Shares that it offers to acquire under the Takeover Bid, and so becomes entitled to proceed to compulsory acquisition of outstanding Shares in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, Seven's current intentions are as follows:

(a) Corporate matters

Seven intends to:

- proceed with compulsory acquisition of the outstanding Shares in accordance with the provisions of Part 6A.1 of the Corporations Act, including any National

Hire Shares which are issued after the close of the Offer as a result of the exercise of Options (see clause 4.5 of this Bidder's Statement). Seven would pay those shareholders the Offer consideration;

- arrange for National Hire to be removed from the official list of the ASX; and
- replace certain members of the Board with the nominees of Seven. Replacement board members have not yet been identified by Seven and their identity will depend on the circumstances at the relevant time. However, it is expected that the majority of the replacement board members will be members of SGH management team.

(b) **Impact on Employees**

Seven has no current intentions to materially change the operations of National Hire and therefore there is not expected to be any adverse impact on National Hire employees.

6.4 Intentions for National Hire as a part owned controlled entity

At the end of the Offer Period, Seven may have a relevant interest in at least 75% of Shares (but have acquired less than the number of Shares by the end of the Offer Period necessary to proceed with compulsory acquisition) and the number of non-employee shareholders in National Hire may fall to 50 or less. Seven may pass a resolution to change the status of National Hire from a public company to a proprietary company in accordance with section 162 of the Corporations Act.

This clause 6.4 describes Seven's intentions if SGH were to increase its control in National Hire, but Seven was not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, Seven's current intentions are as follows:

(a) **Corporate matters**

After the end of the Offer Period, Seven intends:

- if Seven and its associates acquire an interest in at least 75% of Shares and the number of National Hire shareholders (other than employee shareholders) falls to 50 or less, (subject to the Corporations Act and the constitution of National Hire) to call a shareholders' meeting and pass a special resolution to change the status of National Hire from a public company to a proprietary company in accordance with section 162 of the Corporations Act;
- if Seven and its associates acquire less than 75% of Shares, to take steps to have National Hire removed from the official list of the ASX. Seven intends to vote in favour of any resolution put to National Hire shareholders for its delisting. Based on Seven's shareholding, any such vote would be passed; and
- (subject to the Corporations Act and the constitution of National Hire) to seek to replace some of the members of the board of National Hire who are not connected with SGH with nominees of SGH, so that the proportion of such nominees is broadly similar to the voting power of SGH. Replacement board members have not yet been decided by SGH and their identity will depend on the circumstances at the relevant time; however, it is expected that the majority of the replacement board members will be members of the SGH management team.

It is possible that, even if Seven is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, Seven may be, or subsequently become, entitled to exercise rights of general compulsory acquisition under Part 6D.2 of the Corporations Act; for example, as a result of acquisitions of Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act or by reaching an interest in excess of 90% (but where it has not

been able to acquire at least 75% (by number) of the National Hire Shares that it offers to acquire under the Takeover Bid). If so, it intends to exercise those rights.

(b) **Dividends and funding**

Seven will review the level of dividends payable by National Hire to ensure that these dividends are appropriate, having regard to any capital funding requirements of National Hire identified from time to time.

National Hire has substantial debt as a result of its recent acquisition of Pump Rentals Pty Limited and it is therefore expected that in line with prior years, Seven would propose that no dividends will be declared or paid by National Hire in the foreseeable future.

The above indication of the future dividend policy is subject to the contingencies of future years.

(c) **Limitations in giving effect to intentions**

The ability of Seven to implement the intentions set out in this clause 6.4, will be subject to the legal obligations of National Hire directors to have regard to the interests of National Hire and all National Hire shareholders, and the requirements of the Corporations Act and (for so long as National Hire remains listed on ASX) the ASX Listing Rules relating to transactions between related parties. Seven will only make a decision on the above mentioned courses of action following such legal and financial advice as Seven considers appropriate in relation to those requirements.

6.5 Other intentions

Subject to the matters described above in this clause 6 and elsewhere in this Bidder's Statement, it is the intention of Seven, on the basis of the facts and information concerning National Hire that are known to it and the existing circumstances affecting the assets and operations of National Hire at the date of this Bidder's Statement, that:

- the business of National Hire will be conducted in the same manner as at the date of this Bidder's Statement;
- there will be no redeployment of the fixed assets of National Hire; and
- the present employees of National Hire will continue to be employed by National Hire.

7 Tax considerations

7.1 Introduction

The following is a general description of the Australian income and capital gains tax consequences to National Hire shareholders of the acceptance of the Offer. The comments set out below are relevant only to those National Hire shareholders who hold their Shares as capital assets for purpose of investment.

National Hire shareholders who are not resident in Australia for tax purposes should take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of acceptance of the Offer. The following summary is intended only for Australian resident National Hire shareholders.

The following description is based upon the Australian law and administrative practice in effect at the date of this Bidder's Statement, but it is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of every National Hire shareholder. National Hire shareholders should seek independent professional advice in relation to their own particular circumstances.

7.2 Australian resident shareholders

Acceptance of the Offer will involve the disposal by National Hire shareholders of their Shares by way of transfer to Seven. This change in the ownership of the Shares will constitute a capital gains tax event for Australian capital gains tax purposes.

National Hire shareholders who are Australian residents may generally make a capital gain or capital loss on the transfer of Shares acquired on or after 20 September 1985, depending on whether their capital proceeds from the disposal of the Shares are more than the cost base (or in some cases indexed cost base) of those Shares, or whether the capital proceeds are less than their reduced cost base of those Shares.

The capital proceeds of the capital gains tax event will be the consideration price of \$3.00 (or \$3.60 if, before the end of the Offer Period, Seven acquires at least 75% (by number) of the National Hire Shares that it offers to acquire under the Takeover Bid) per Share received by the National Hire shareholder in respect of the disposal of the Shares. The cost base of the Shares is generally including their cost of acquisition and any incidental costs of acquisition and disposal that are not deductible to the shareholder.

If the Shares were acquired or deemed to have been acquired at or before 11.45am on 21 September 1999 and held for at least 12 months before their disposal, a National Hire shareholder who is an individual, a complying superannuation entity or the trustee of a trust may choose to adjust the cost base of the Shares to include indexation by reference to changes in the consumer price index from the calendar quarter in which the Shares were acquired until the quarter ended 30 September 1999. National Hire shareholders who are companies will include that indexation adjustment if their Shares were acquired or deemed to have been acquired at or before 11.45am on 21 September 1999. These indexation adjustments are taken into account only for the purposes of calculating capital gain; they are ignored when calculating the amount of any capital loss.

Individuals, complying superannuation entities or trustees that have held Shares for at least 12 months but do not index the cost base of the Shares should be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Shares by 50% in the case of individuals and trusts or by 33% for complying superannuation entities.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. Any net capital gain is included in

assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains.

7.3 Non-resident shareholders

National Hire shareholders who are not resident in Australia for income tax purposes are generally not subject to Australian capital gains tax on the disposal of Shares if they and their associates have not held 10% or more of the issued Shares at any time in the five years preceding the disposal of their Shares.

7.4 Goods and services tax

Holders of National Hire Shares should not be liable to GST in respect of a disposal of those Shares.

8 Additional information

8.1 Date for determining holders of Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

8.2 Consents

This Bidder's Statement contains statements made by, or statements said to be based on statements made by, SGH. SGH has consented to the inclusion of:

- each statement it has made; and
- each statement which is said to be based on a statement it has made,

in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Bidder's Statement.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, (free of charge), during the Bid Period, please contact the Seven Offer Information Line on **[insert]**. For legal reasons, calls to this number may be recorded.

As permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains share price trading data sourced from Thomson Reuters without its consent.

8.3 Social security and superannuation implications of Offer

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

8.4 Application of other Corporations Act provisions

(a) Chapter 6 of the Corporations Act

If:

- National Hire is removed from the official list of the ASX; and
- at that time National Hire has only 50 non-employee members or less (whether as a result of acceptances under the Offer received by Seven or otherwise),

the provisions of Chapter 6 of the Corporations Act will no longer apply to National Hire. Chapter 6 of the Corporations Act contains detailed restrictions, designed to protect minority shareholders, on a change of control or acquisition of a substantial interest in a company such as National Hire without all shareholders participating equally and having

adequate time and information on which to make decisions about selling to an acquirer of shares in the company. Among other things, Chapter 6 prohibits Seven (and its associates) acquiring relevant interests in further Shares otherwise than as permitted by that Chapter (for example, under a takeover bid). In this situation, these restrictions would no longer apply and Seven would be permitted, for example, to agree to purchase any number of Shares from other National Hire shareholders by private treaty on an individual basis.

(b) **Application of Corporations Act continuous disclosure provisions**

If National Hire:

- is removed from the official list of the ASX; and
- has fewer than 100 shareholders,

then it will cease to be subject to the continuous disclosure rules which would otherwise require it to disclose as soon as practicable with ASIC any information of which it is aware but is not generally available and could reasonably be expected to be materially price or value sensitive.

8.5 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a National Hire shareholder whether or not to accept the Offer; and
 - (b) known to SGH,
- which has not previously been disclosed to National Hire shareholders.

9 The terms and conditions of the Offer

9.1 Offer

- (a) Seven offers to acquire all of Your Shares on and subject to the terms and conditions set out in this section 9 of this Bidder's Statement.
- (b) The consideration under the Offer is \$3.00 per Share.
- (c) By accepting this Offer, you undertake to transfer to Seven not only the Shares to which the Offer relates, but also all Rights attached to those Shares (see clause 9.5(b)(6) and clause 9.6(c)).
- (d) The Offer is being made to each person registered as the holder of Shares in the register of National Hire shareholders at open of business (Sydney time) on the Register Date. The Offer also extends to:
 - (1) holders of securities that come to be Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities and which are on issue as at the Register Date; and
 - (2) any person who becomes registered, or entitled to be registered, as the holder of Your Shares during the Offer Period.
- (e) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your Shares, then:
 - (1) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Shares; and
 - (2) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Shares you hold to which the Offer relates; and
 - (3) the Offer will be deemed to have been withdrawn immediately at that time.
- (f) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Shares as trustee or nominee for, or otherwise on account of, another person, you may accept the Offer, as if a separate Offer on the same terms and conditions as this Offer had been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Seven Offer Information Line on **[insert]** to request those additional copies.
- (g) If Your Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.
- (h) The Offer is dated *[left blank]*.

9.2 Offer Period

- (a) Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00pm (Sydney time) on the later of:
 - (1) *[left blank]*; or

- (2) any date to which the Offer Period is extended.
- (b) Seven reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, the Offer is varied to improve the consideration offered then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

9.3 How to accept this Offer

(a) General

- (1) Subject to clause 9.1(e) and clause 9.1(f), you may accept this Offer only for all of Your Shares.
- (2) You may accept this Offer at any time during the Offer Period.

(b) Shares held in your name on National Hire's issuer sponsored subregister

To accept the Offer for Shares held in your name on National Hire's issuer sponsored sub-register (in which case your Security holder Reference Number will commence with 'I'), you must:

- (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

(c) Shares held in your name in a CHESS Holding

- (1) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (this is normally the stockbroker either through whom you bought your Shares or through whom you ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (2) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (3) Alternatively, to accept this Offer for Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form. See clause 9.3(e)(4).
- (4) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

(d) Shares of which you are entitled to be registered as holder

To accept this Offer for Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

- (1) complete and sign the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
- (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

(e) Acceptance Form and other documents

- (1) The Acceptance Form forms part of the Offer.
- (2) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by Seven at one of the addresses shown on the Acceptance Form before the end of the Offer Period.
- (3) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by facsimile, it will be deemed to be received in time if the facsimile transmission is received (evidenced by a confirmation of successful transmission) before the end of the Offer Period, but you will not be entitled to receive the consideration to which you are entitled until your original Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received at one of the addresses shown on the Acceptance Form.
- (4) When using the Acceptance Form to accept this Offer in respect of Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of the Offer and the instruction on the Acceptance Form) are received by Seven in time for Seven to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (5) The postage and transmission of the Acceptance Form and other documents is at your own risk.

9.4 Validity of acceptances

- (a) Subject to this clause 9.4, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in clause 9.3.
- (b) Seven will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of that Offer. Seven is not required to communicate with you prior to or after making this determination. The determination of Seven will be final and binding on all parties.
- (c) Notwithstanding clauses 9.3(b), 9.3(c), 9.3(d) and 9.3(e), Seven may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Seven.

- (d) Where you have satisfied the requirements for acceptance in respect of only some of Your Shares, Seven may, in its sole discretion, regard the Offer to be accepted in respect of those of Your Shares but not the remainder.
- (e) Seven will provide the consideration to you in accordance with clause 9.6, in respect of any part of an acceptance determined by Seven to be valid.

9.5 The effect of acceptance

- (a) Once you have accepted this Offer, you will be unable to revoke your acceptance. The contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Shares from the Offer or otherwise dispose of Your Shares.
- (b) By signing and returning the Acceptance Form, or otherwise accepting this Offer pursuant to clause 9.3, you will be deemed to have:
 - (1) accepted this Offer (and any variation of it) in respect of, and, subject to the condition to this Offer in clause 9.7 being fulfilled or freed, agreed to transfer to Seven, Your Shares (even if the number of Shares specified on the Acceptance Form differs from the number of Your Shares), subject to clause 9.1(e) and clause 9.1(f);
 - (2) represented and warranted to Seven, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your Shares (including any Rights) to Seven is registered, that all Your Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in Your Shares (including any Rights) to Seven, and that you have paid to National Hire all amounts which at the time of acceptance have fallen due for payment to National Hire in respect of Your Shares;
 - (3) irrevocably authorised Seven (and any director, secretary, nominee or agent of Seven) to alter the Acceptance Form on your behalf by inserting correct details relating to Your Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by Seven to make it an effective acceptance of the Offer or to enable registration of Your Shares in the name of Seven;
 - (4) if you signed the Acceptance Form in respect of Shares which are held in a CHESS Holding, irrevocably authorised Seven (or any director, secretary, nominee or agent of Seven) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of Your Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
 - (5) if you signed the Acceptance Form in respect of Shares which are held in a CHESS Holding, irrevocably authorised Seven (or any director, secretary, nominee or agent of Seven) to give any other instructions in relation to Your Shares to your Controlling Participant, as determined by Seven acting in its own interests as a beneficial owner and intended registered holder of those Shares;
 - (6) irrevocably authorised and directed National Hire to pay to Seven, or to account to Seven for, all Rights in respect of Your Shares, subject, if this Offer is withdrawn, to Seven accounting to you for any such Rights received by Seven;
 - (7) irrevocably authorised Seven to notify National Hire on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Shares is the address specified by Seven in the notification;

- (8) with effect from the time and date the condition to that Offer in clause 9.7 has been fulfilled or freed, to have irrevocably appointed Seven (and any director, secretary, nominee or agent of Seven) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to Your Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings and all court-convened meetings of National Hire and to request National Hire to register, in the name of Seven or its nominee, Your Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
 - (9) with effect from the time and date the condition to that Offer in clause 9.7 has been fulfilled or freed, to have agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting or any court-convened meeting of National Hire or to exercise or purport to exercise any of the powers and rights conferred on Seven (and its directors, secretaries, nominees and agents) in clause 9.5(b)(8);
 - (10) agreed that in exercising the powers and rights conferred by the powers of attorney granted under clause 9.5(b)(8), the attorney will be entitled to act in the interests of Seven as the beneficial owner and intended registered holder of Your Shares;
 - (11) agreed to do all such acts, matters and things that Seven may require to give effect to the matters the subject of this clause 9.5(b) (including the execution of a written form of proxy to the same effect as this clause 9.5(b) which complies in all respects with the requirements of the constitution of National Hire) if requested by Seven;
 - (12) agreed to indemnify Seven in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Security holder Reference Number or in consequence of the transfer of Your Shares to Seven being registered by National Hire without production of your Holder Identification Number or your Security holder Reference Number for Your Shares;
 - (13) represented and warranted to Seven that, unless you have notified it in accordance with clause 9.1(f), Your Shares do not consist of separate parcels of Shares;
 - (14) irrevocably authorised Seven (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASXC Settlement Operating Rules to transfer Your Shares to Seven's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under the Offer; and
 - (15) agreed, subject to the condition in clause 9.7 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Seven may consider necessary or desirable to convey Your Shares registered in your name and Rights to Seven.
- (c) The undertakings and authorities referred to in clause 9.5(b) will remain in force after you receive the consideration for Your Shares and after Seven becomes registered as the holder of Your Shares.

9.6 Payment of consideration

- (a) Subject to clause 9.4(b) and this clause 9.6 and the Corporations Act, Seven will provide the consideration due to you for Your Shares 5 Business Days after we receive your acceptance.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):

- (1) if that document is given with your Acceptance Form, Seven will provide the consideration in accordance with clause 9.6(a);
 - (2) if that document is given after your Acceptance Form and before the end of the Offer Period, Seven will provide the consideration due to you 5 Business Days after we receive your acceptance; or
 - (3) if that document is given after the end of the Offer Period, and Seven will provide the consideration within 5 Business Days after that document is given.
- (c) If you accept this Offer, Seven is entitled to all Rights in respect of Your Shares. Seven may require you to provide all documents necessary to vest title to those Rights in Seven, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Seven, or if you have received the benefit of those Rights, Seven will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Seven) of those Rights, together with the value (as reasonably assessed by Seven) of the franking credits, if any, attached to the Rights.
- (d) The consideration payable by Seven to you under the Offer will be paid to you by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) to the address as shown on your Acceptance Form.
- (e) If at the time you accept the Offer any of the following:
- (1) *Banking (Foreign) Exchange Regulations 1959* (Cth);
 - (2) regulations made under the *Charter of the United Nations Act 1945* (Cth) imposing financial sanctions; or
 - (3) any other law,
- require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for Your Shares, or would make it unlawful for Seven to provide any consideration to you for Your Shares, you will not be entitled to receive any consideration for Your Shares until all requisite authorities, clearances or approvals have been received by Seven.

9.7 Condition of this Offer – no prescribed occurrences

Subject to clause 9.8, the completion of the Offer and any contract that results from an acceptance of this Offer, are subject to between the Announcement Date and the date 3 Business Days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (a) National Hire converting all or any of the Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) National Hire or a subsidiary of National Hire resolving to reduce its share capital in any way;
- (c) National Hire or a subsidiary of National Hire entering into a buy-back agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) National Hire or a subsidiary of National Hire making an issue of shares (other than shares issued as a result of the exercise of Options into Shares) or granting an option over its shares or agreeing to make such an issue or grant such an option;
- (e) National Hire or a subsidiary of National Hire issuing, or agreeing to issue, convertible notes;

- (f) National Hire or a subsidiary of National Hire disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) National Hire or a subsidiary of National Hire charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) National Hire or a subsidiary of National Hire resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of National Hire or of a subsidiary of National Hire;
- (j) the making of an order by a court for the winding up of National Hire or of a subsidiary of National Hire;
- (k) an administrator of National Hire or of a subsidiary of National Hire being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) National Hire or a subsidiary of National Hire executing a deed of company arrangement; or
- (m) the appointment of a receiver or receiver and manager in relation to the whole, or a substantial part, of the property of National Hire or of a subsidiary of National Hire.

9.8 Nature and benefit of condition

- (a) The condition in clause 9.7 is a condition subsequent. The non-fulfilment of the condition subsequent does not until the end of the third Business Day after the end of the Offer Period), prevent a contract to sell Your Shares from arising, but entitles Seven by written notice to you, to rescind the contract resulting from your acceptance of the Offer.
- (b) Subject to the Corporations Act, Seven alone is entitled to the benefit of the condition in clause 9.7, or to rely on any non-fulfilment of it.
- (c) Each condition arising from each paragraph in clause 9.7 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

9.9 Freeing the Offer of the condition

Seven may free the Offer, and any contract resulting from its acceptance, from the condition subsequent in clause 9.7, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to National Hire and to ASX declaring the Offer to be free from the condition, in accordance with section 650F of the Corporations Act. This notice may be given not less than 7 days before the end of the Offer Period.

If, at the end of the Offer Period the condition in clause 9.7 has not been fulfilled all contracts resulting from the acceptance of the Offer in respect of which Seven has not yet paid accepting National Hire shareholders will be automatically void.

9.10 Notice on status of condition

The date for giving the notice on the status of the condition required by section 630(1) of the Corporations Act is *[left blank]* (subject to extension in accordance with section 630(2) if the Offer Period is extended).

9.11 Withdrawal of the Offer

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Seven will give notice of the withdrawal to ASX and to National Hire and will comply with any other conditions imposed by ASIC.

- (b) All contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) A withdrawal pursuant to clause 9.11 will be deemed to take effect:
 - (1) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date on which that consent in writing is given by ASIC; or
 - (2) if the withdrawal is subject to conditions imposed by ASIC, on and after the date on which those conditions are satisfied.

9.12 Variation of the Offer

Seven may vary this Offer in accordance with the Corporations Act.

9.13 No stamp duty or brokerage

- (a) Seven will pay any stamp duty on the transfer of Your Shares to it.
- (b) As long as Your Shares are registered in your name and you deliver them directly to Seven, you will not incur any brokerage in connection with your acceptance of this Offer.

9.14 Governing laws

The Offer and any contract that results from your acceptance of it are to be governed by the laws in force in New South Wales, Australia.

10 Definitions and interpretation

10.1 Definitions

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
Acceptance Form	the acceptance form enclosed with this Bidder's Statement.
Announcement Date	the date of the announcement of the Offer by Seven, being 20 September 2011.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 or, where the context requires, the financial market that it operates.
ASX Settlement	ASX Settlement Pty Limited ABN 49 008 504 532.
ASX Settlement Operating Rules	the operating rules of the ASX Settlement which govern the administration of the Clearing House Electronic Sub-register System.
Bidder's Statement	this document, being the statement of Seven under Part 6.5 Division 2 of the Corporations Act relating to the Offer.
Business Day	means a day on which banks are open for business in Sydney, New South Wales excluding a Saturday, Sunday or public holiday.
Board	the board of directors of National Hire.
CGT	capital gains tax.
CHESS Holding	a number of Shares which are registered on National Hire's share register being a register administered by the ASX Settlement and which records uncertificated holdings of Shares.

Term	Meaning
Controlling Participant	in relation to Your Shares, has the same meaning as in the ASX Settlement Operating Rules.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Holder Identification Number	has the same meaning as in the ASX Settlement Operating Rules.
Issuer Sponsored Holdings	a holding of Shares on National Hire's issuer sponsored subregister.
Listing Rules	the Official Listing Rules of ASX, as amended and waived by ASX from time to time.
National Hire	National Hire Group Limited ABN 61 076 688 938.
National Hire Group	the corporate group comprising National Hire and its subsidiaries.
National Hire Securities	comprising the Shares and the Options.
Offer	the Offer for Shares under the terms and conditions contained in section 9 of this Bidder's Statement.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with clause 9.2 of this Bidder's Statement.
Options	options to subscribe for Shares issued under the National Hire Group Limited 2005 Share Option Plan.
Participant	an entity admitted to participate in the Clearing House Electronic Sub-register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.
Register Date	the date set by Seven under section 633(2) of the Corporations Act.
Rights	all accreditations, rights or benefits of whatever kind attaching or arising from Shares directly or indirectly at or after the Announcement Date (including, but

Term	Meaning
	not limited to, all dividends or other Distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by National Hire or any of its subsidiaries).
Security holder Reference Number or SRN	has the same meaning as in the ASX Settlement Operating Rules.
Seven	Seven (National) Pty Limited ACN 153 299 159.
Seven Network	Seven Network Limited ABN 21 052 816 789.
Seven West Media	Seven West Media Limited ABN 91 053 480 845.
SGH	Seven Group Holdings Limited ABN 46 142 003 469.
SGH Group	the corporate group comprising SGH and its subsidiaries.
Shares	fully paid ordinary shares in the capital of National Hire.
Takeover Bid	the off-market takeover bid constituted by the dispatch of the Offer in accordance with the Corporations Act.
Takeover Transferee Holding	has the same meaning as in the ASX Settlement Operating Rules.
WesTrac Group	the corporate group comprising WesTrac Pty Limited and its subsidiaries.
Your Shares	subject to clause 9.1(e) and clause 9.1(f), the Shares (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of National Hire at the open of business (Sydney time) on the Register Date, or (b) to which you are able to give good title at the time you accept this Offer during the Offer Period.

10.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a clause, attachment and schedule is a reference to a clause of and an attachment and schedule to this Bidder's Statement as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances, or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (h) a reference to time is a reference to time in Sydney, Australia;
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

11 Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution passed by the directors of Seven.

date 20 September 2011

Signed for and on behalf of
Seven (National) Pty Limited
by

sign here ▶

Director

print name

Peter Gammell

Attachment 1

Announcement in relation to the Offer

20 September 2011

Seven announces cash offer for National Hire Group Limited

Seven Group Holdings Limited (**SGH**) announced today that its wholly owned subsidiary, Seven (National) Pty Limited (**Seven**) proposes to make an off-market takeover offer for the outstanding shares in National Hire Group Limited (**National Hire**). SGH already has an interest in 66.20% of National Hire shares.

The offer is being made because even though SGH wishes to remain invested in National Hire, SGH is conscious of the very low liquidity of National Hire Shares on the ASX. This has consequences for other shareholders including:

- Shareholders do not necessarily have another meaningful opportunity to sell their National Hire shares;
- National Hire shares have traded at a discount to what may otherwise be considered their value due to the lack of liquidity; and
- Despite the fact that the ASX listing is not providing the advantages for which SGH would have hoped in terms of shareholder liquidity, National Hire incurs significant additional cost to maintain the listing, including listing fees and compliance costs.

The cash offer price is \$3.00 per National Hire share. It is unconditional other than a condition that, in relation to National Hire, there is no 'prescribed occurrence'.

The \$3.00 offer represents a significant premium to recent trading:

- A 60% premium to the closing price of National Hire Shares on 16 September 2011, the last trading day before the date on which Seven announced the Offer.
- A 74% premium to the volume weighted average price of National Hire Shares for the month ending 16 September 2011.
- A 87% premium to the volume weighted average price of National Hire Shares for the three months ending 16 September 2011.

As stated above, SGH would prefer that National Hire delist and is proposing to National Hire that, after the closing of the bid, a National Hire shareholders meeting would be convened and a resolution put for the delisting of National Hire from the ASX. However, SGH is conscious that other shareholders may prefer not to own shares in an unlisted vehicle. Seven is therefore making the \$3.00 per share Offer with a view to offering all shareholders that would prefer not to be part of an unlisted National Hire to exit for a cash price which, as indicated above, represents a substantial premium to the recent trading price of National Hire.

Whilst the Offer does not have a minimum acceptance condition, Seven would prefer to own 100% of National Hire following the Offer rather than a lesser percentage. If, before the end of the Offer Period, Seven acquires

WesTrac

at least 75% (by number) of the National Hire Shares that it offers to acquire under the Takeover Bid it will be entitled to compulsorily acquire the remaining Shares in National Hire not owned by the SGH Group and it will vary the Offer to increase the price to \$3.60 per National Hire Share. Assuming that SGH's interest in National Hire is the same at the beginning of the Offer Period as at the date of this Bidder's Statement, SGH's interest in National Hire will need to reach 91.55% before the end of the Offer Period in order for the price to be increased to \$3.60.

If SGH was to reach this level of acceptances and increase the offer to \$3.60, the premium would be:

- A 91% premium to the closing price of National Hire Shares on 16 September 2011, the last trading day before the date on which Seven announced the Offer.
- A 109% premium to the volume weighted average price of National Hire Shares for the month ending 16 September 2011.
- A 124% premium to the volume weighted average price of National Hire Shares for the three months ending 16 September 2011.

Seven will pay the applicable consideration to accepting shareholders within 5 Business Days of acceptance. If shareholders accept the Offer and the Offer is later varied to increase the price, any additional payment by virtue of the increase will be made within 5 days of the price increase.

SGH and National Hire have certain directors in common. Therefore, protocols have been established to ensure appropriate separation and governance as between SGH and Seven on the one hand, and National Hire on the other, in National Hire's consideration of this Offer.

National Hire shareholders will receive full details of the offer including acceptance forms, in Seven's bidder's statement to be mailed to National Hire shareholders by early October.

Queries and information: Simon Francis 02 8777 7162 sfrancis@seven.com.au