

ASX Announcement 3 June 2010

Coates Hire expands with acquisition of Monash Hire

Coates Hire today announces the acquisition of the Monash Hire business, based in Mt Waverley Victoria. Coates Hire will fund the acquisition from existing cash reserves and completion is expected on 4 June 2010.

Monash Hire is a well established business and has built a strong reputation in the industry. In 2009, Monash Hire was awarded the highly coveted "Rental Company of the Year" by the HRIA (Hire and Rental Industry Association).

Included in this acquisition is a well maintained hire fleet, 35 employees and five branches, located in Victoria (Mt Waverly, Hastings and Coburg), Queensland (Mackay) and Auckland (New Zealand).

The acquisition is expected to be earnings accretive for Coates Hire and is consistent with managements strategy to grow core businesses where appropriate returns are able to be generated. The acquisition will provide the following benefits:

- Immediate growth in the Victorian access and general hire market
- Additional hire fleet, together with active contracts and Monash Hire customers, will deliver immediate returns
- An entry point into the New Zealand hire market, providing an opportunity to evaluate growth prospects in a market in which the business does not currently operate.

The acquisition of Monash Hire is the first significant acquisition by Coates Hire since the January 2008 merger with the National Hire business and indicates the commitment of Coates Hire's Management Team and Board to continue to develop the business.

Contact

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About National Hire

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

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

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.