



"Helping you move the Earth"™

1H07 Results
Presentation

22 February 2007



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Agenda



1 Highlights

2 Financial results

3 Business overview

4 Outlook

Financial Highlights



- ◆ Revenue up 45.0% to \$251.6M
- ◆ Pro Forma EBITDA up 59.7% to \$99.8M with margins up 3.7% to 39.7%
- ◆ Pro Forma EBITA up 54.0% to \$61.3M with margins up 1.5% to 24.4%
- ◆ Pro Forma EBIT up 74.7% to \$59.4M with margins up 4.0% to 23.6%
- ◆ Pro Forma NPAT of \$34.8M with margin of 13.8%
- ◆ Pro Forma EPS of 5.51 cents
- ◆ ROFE EBITDA and EBITA of 28.4% and 17.4% are in line with FY07 Prospectus Forecast
- ◆ Fully Franked Interim dividend of 1c declared, representing a 39% payout ⁽¹⁾
- ◆ FY07 on track to meet prospectus forecasts

⁽¹⁾ 39% of statutory NPAT

- ◆ **A national safety action plan has been formulated to provide a timetable over the 2007/2008 calendar years for implementing enhancements to OH&S systems and procedures**
- ◆ **Emeco has boosted its OH&S capability internally and is focussing on ensuring staff receive appropriate training**
- ◆ **Emeco is currently implementing improvements to safety reporting systems to ensure meaningful, accurate information is available to management**
- ◆ **This will facilitate better planning and more cost effective use of resources**

Business Highlights



- ◆ **Successful Completion of IPO providing funds for future growth**
- ◆ **\$109M invested in Organic Growth YTD**
- ◆ **2 small acquisitions completed - \$24M**
- ◆ **Since the IPO, 5 step out sites providing future growth and improved brand recognition established in North America**
- ◆ **Additional \$57M procured and invested in Inventory (Machines and Tyres) in tight market conditions, further securing future operational and growth requirements**
- ◆ **Finalised negotiations for a strategic acquisition in Europe (Euro Machinery), providing a platform for future growth in Europe with a newly custom built maintenance facility, and increasing procurement capabilities**
- ◆ **Conditions underpinning Emeco's growth strategy over the medium term remains positive**

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Pro Forma Summary Financials



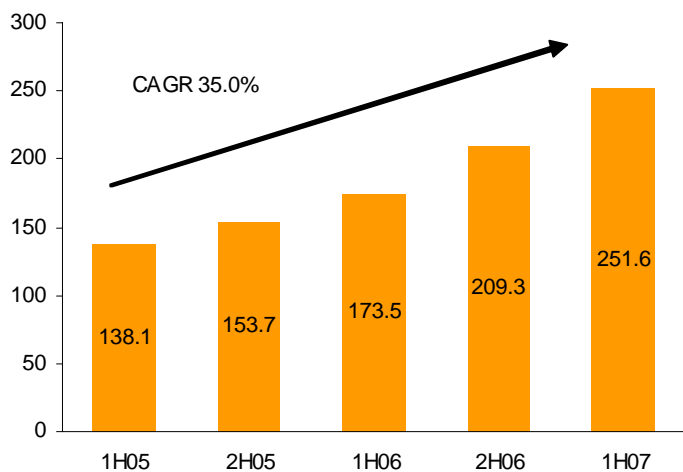
Growth continues to be driven by significant capital expenditure in rental machines and investment in inventory

6 months to:	Dec-05 \$M	Dec-06 \$M	Change %
Financial Performance			
Revenue	173.5	251.6	45.0%
EBITDA	62.5	99.8	59.7%
EBITA	39.8	61.3	54.0%
EBIT	34.0	59.4	74.7%
NPAT		34.8	
Gross Capital Expenditure			
Maintenance	27.5	21.3	-22.5%
Growth	103.1	132.9	28.9%
Total	130.6	154.2	18.1%
Rental Machine Numbers	621	969	56.0%
Sales Machine Numbers	217	366	68.7%

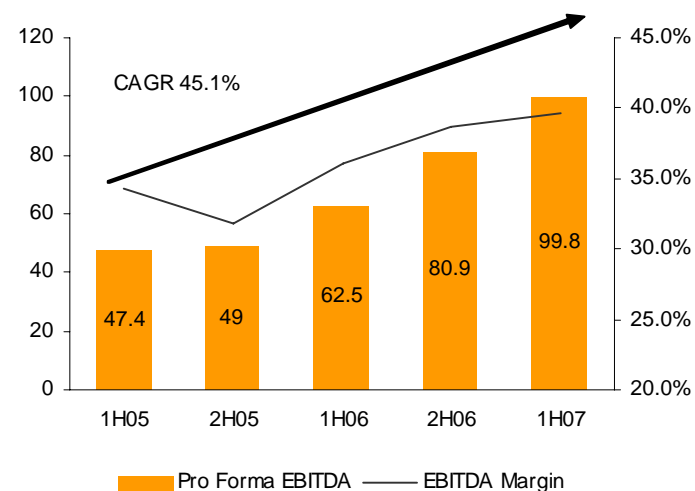
Continued Growth and Margin Expansion through 1H07



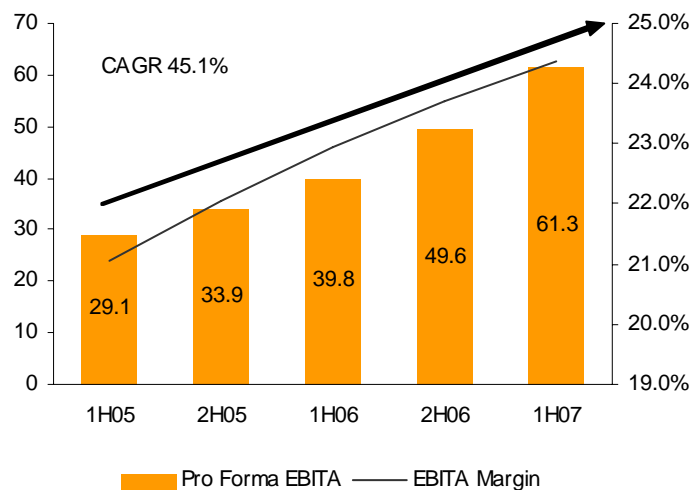
Revenue



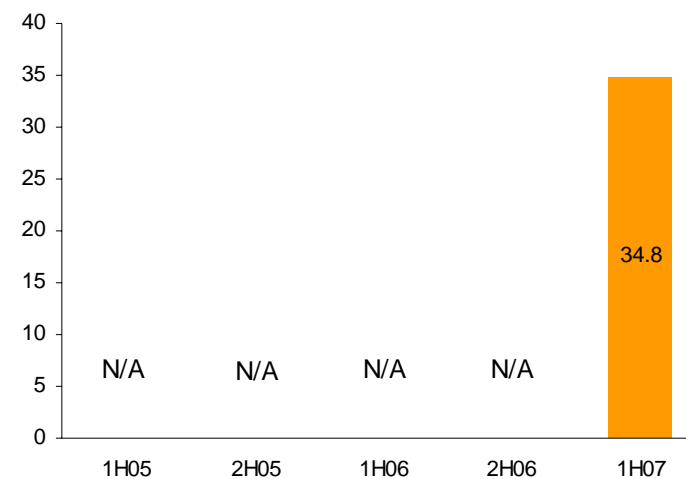
Pro Forma EBITDA



Pro Forma EBITA



Pro Forma NPAT



Working Capital



Working capital has increased with additional investment in machines and tyres to support future operating and growth requirements

6 months to:	Dec-05	Dec-06	Change
	\$M	\$M	%
Cash	5.4	10.8	100.0%
Receivables	57.3	89.7	56.5%
Inventory			
- Sales Machines	77.0	117.8	53.0%
- Other	32.9	54.8	66.6%
Payables	(33.4)	(42.5)	27.2%
Working Capital	139.2	230.6	65.7%

Balance Sheet



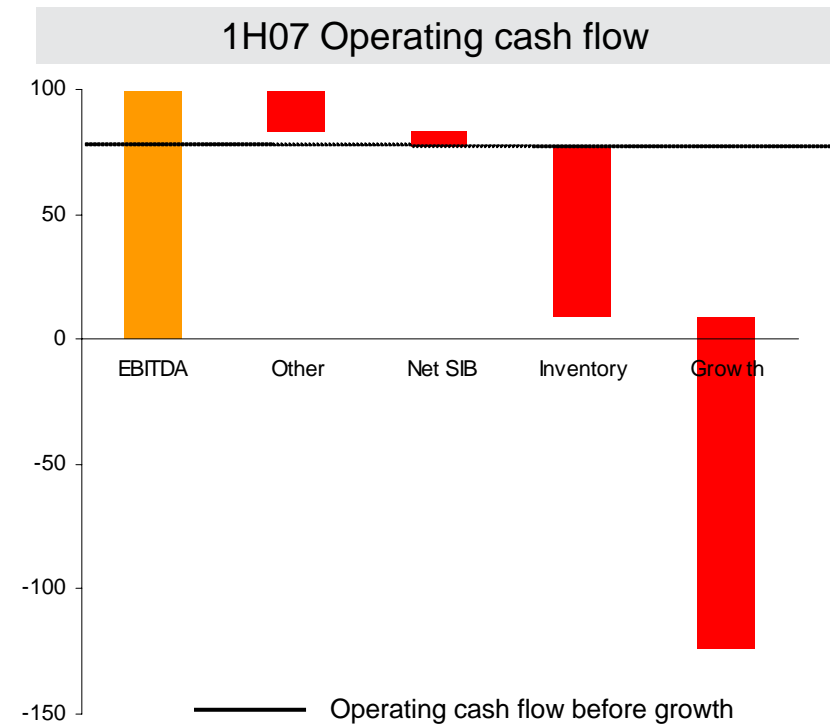
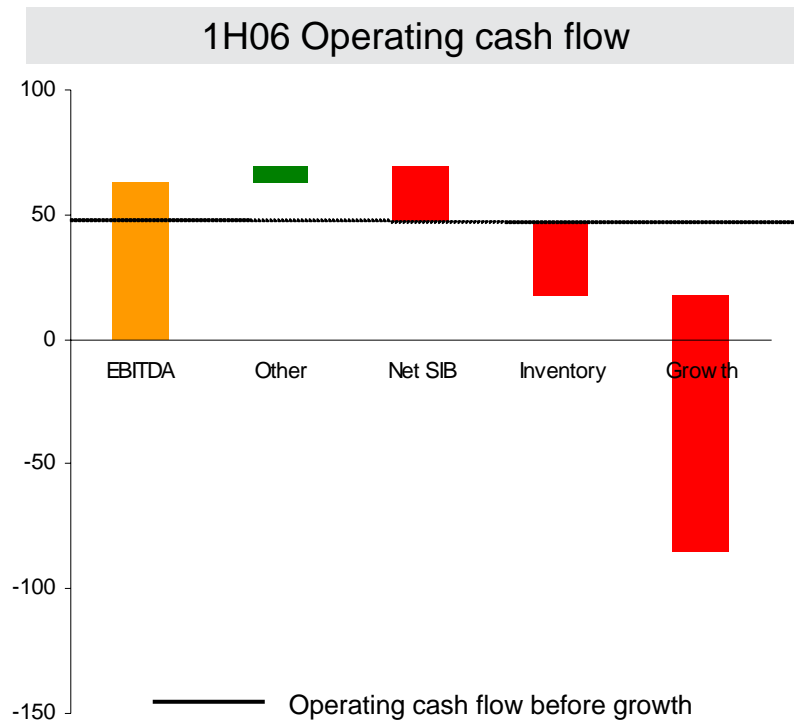
With the successful completion of the IPO, Emeco's balance sheet is now capable of supporting growth

6 months to:	Dec-05 \$M	Dec-06 \$M	Change %
Working Capital	139.2	230.6	65.7%
Rental Plant	299.9	513.0	71.1%
Total Assets	711.4	1,032.9	45.2%
Net Assets	218.8	644.7	194.7%
Net Debt	431.9	309.6	-28.3%
Gearing % (Net Debt/Equity)	197.4%	48.0%	
Available Existing Debt Facilities		245.1	

Cash Flow



Operating cash flows continue to grow and be re-invested into growth for the future



Note: Operating cash flows before financing and tax

Currency Risks



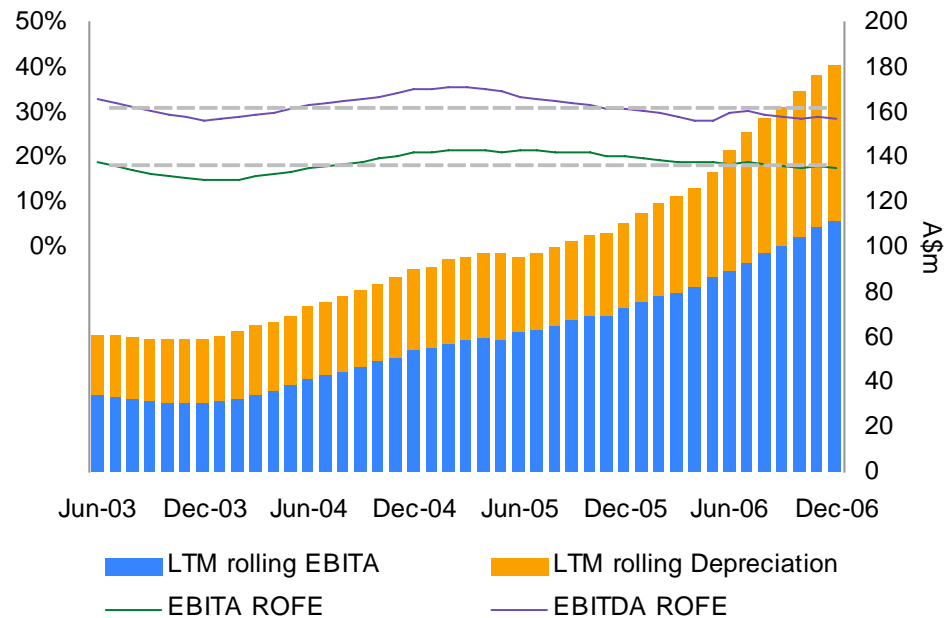
- ◆ **Adverse currency movements since preparing the Director's forecast has dampened the reported results as overseas operations, recorded in USD, CAD and EURO, are translated into AUD**
- ◆ **Currency translation has dampened EBITDA by \$1.3M and EBITA by \$0.7M in 1H07**
- ◆ **Emeco adopts a natural hedging policy whereby foreign denominated assets are matched with foreign denominated liabilities**
- ◆ **Although reported results are impacted by currency movements, the effect on quality of earnings and ROFE's are minimal**

Return on Funds Employed



Emeco has maintained strong and consistent pro forma ROFE's over time

Pro forma return on funds employed ("ROFE") ¹



- ◆ EBITA and EBITDA ROFE's currently in line with Prospectus Forecasts at 28.4% and 17.4%
- ◆ Marginal decline in ROFE's due to:
 - Increased deployment lags due mainly to port bottlenecks in Australia
 - Significant growth capital expenditure
 - Additional investment in Inventory

Source: Emeco Management

Notes:

1. Quotient of (i) the sum of EBITDA or EBITA, as the case may be, for each of the last twelve months, divided by (ii) Average Funds Employed for the same period. Average Funds Employed is the average of each month's closing net tangible assets plus interest bearing liabilities on the last day of each of the last twelve months

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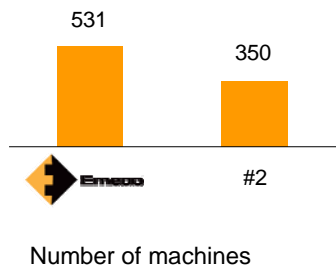
4 Outlook

Rental Market Share and Global Locations

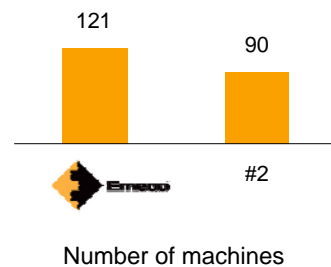


#1 market share in Australia and Indonesia and a growing presence in Canada, USA and Europe

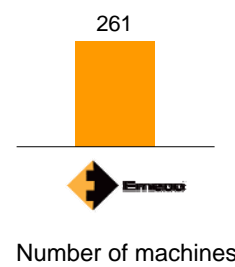
Australia



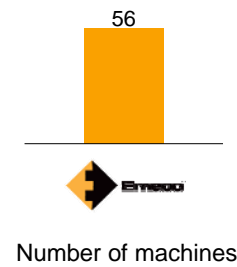
Indonesia



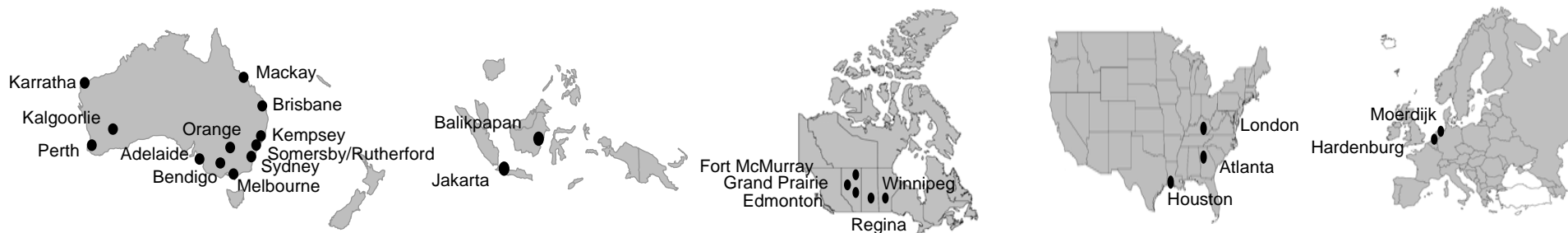
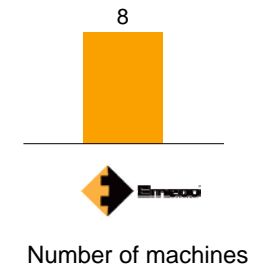
Canada



USA



Europe



Source: Emeco Management

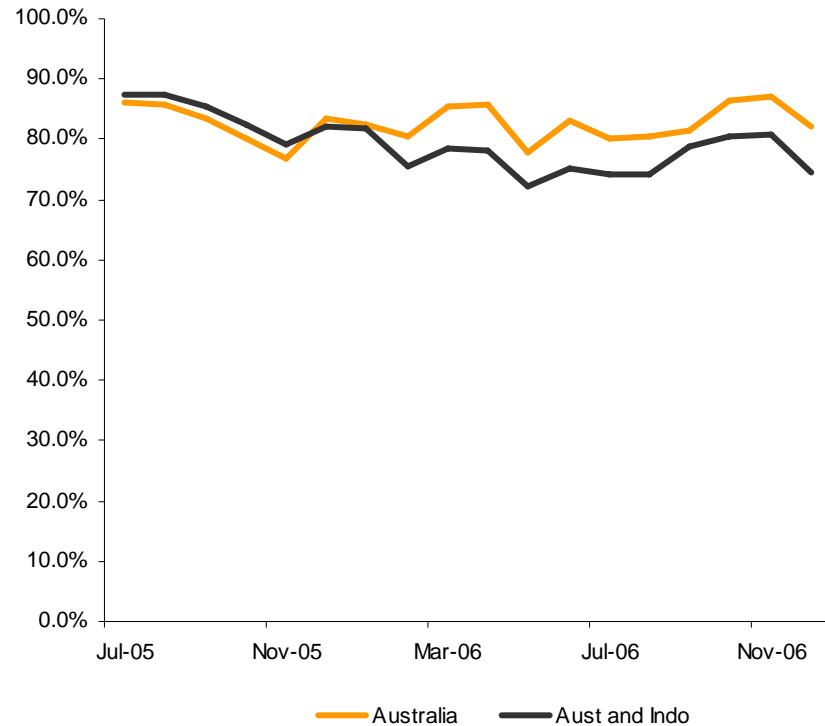
Notes: Machine numbers as of 1 January 2007 and includes Euro Machinery BV; #2 indicates Number 2 player in rental market

Utilisation and Customers

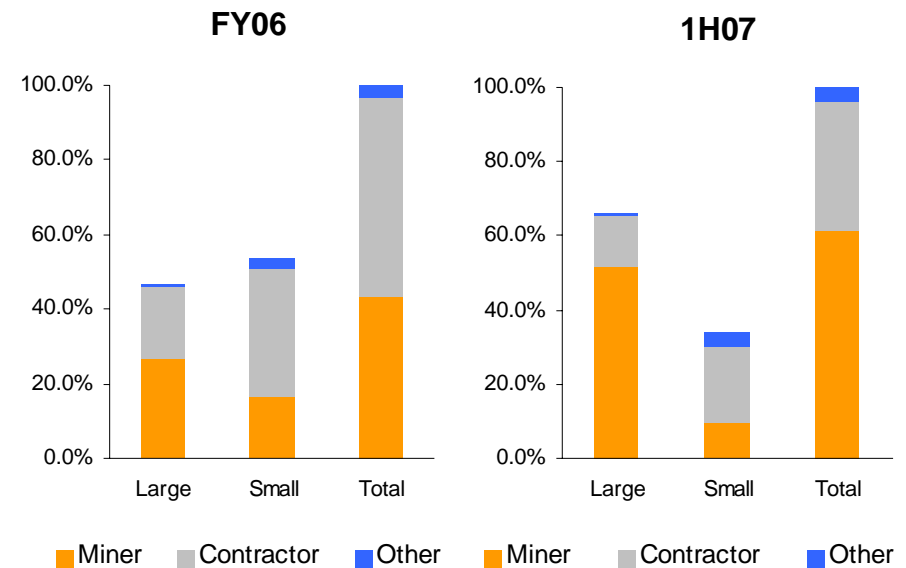


Utilisation rates have remained high in Australia whilst there has been a shift in customers from small contractors to large miners

Utilisation rates ¹



Type of Customer ²



Source: Emeco Management

Notes:

1. Percentage of Emeco's rental equipment which is at customer sites (excluding machines in transit)

2. A Large customer is defined as companies with a market cap greater than \$1 billion, or joint ventures or associates where a Large company is a major participant. Percentages are based on total revenue

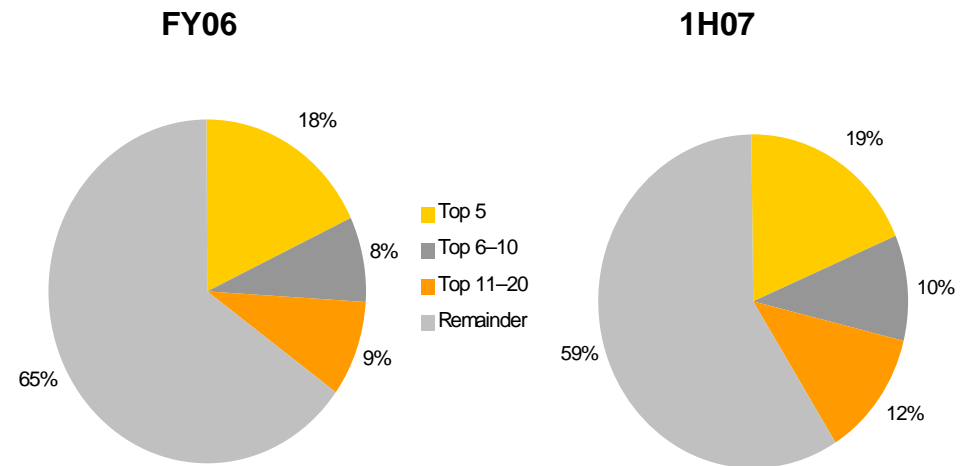
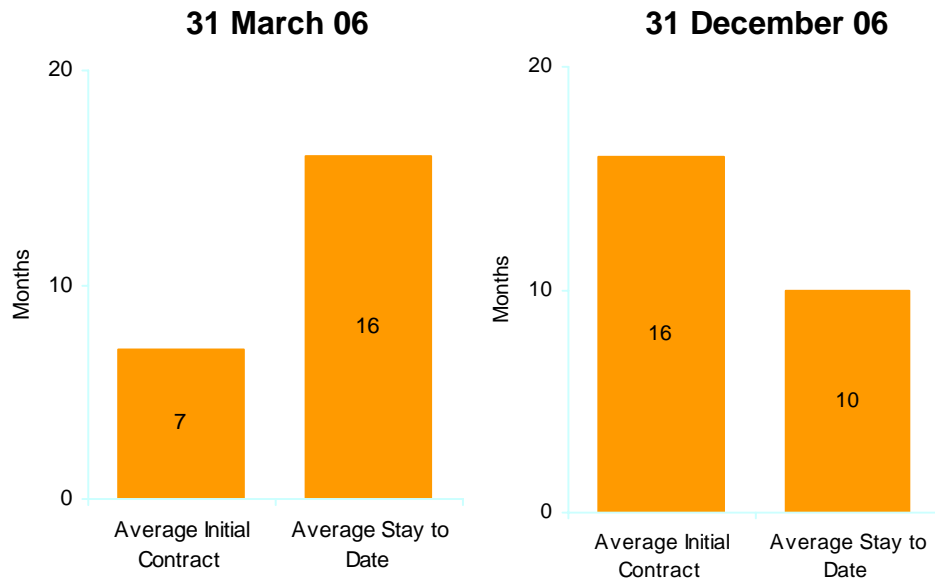
Contract and Customer Revenue Profile



Longer initial term contracts are being entered into with the shift in customers, whilst maintaining customer diversity

Average contract length

Customer revenue contribution



Blue chip customers

Anglo American

BHP Billiton

Newcrest Mining

Placer Dome

Rio Tinto

Xstrata

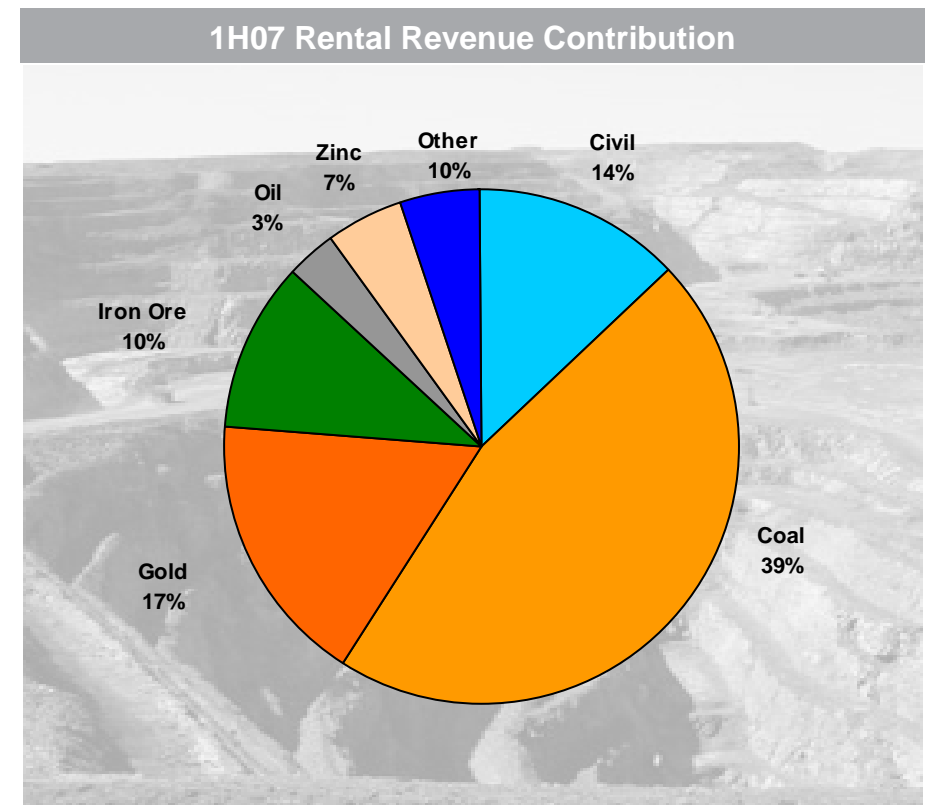
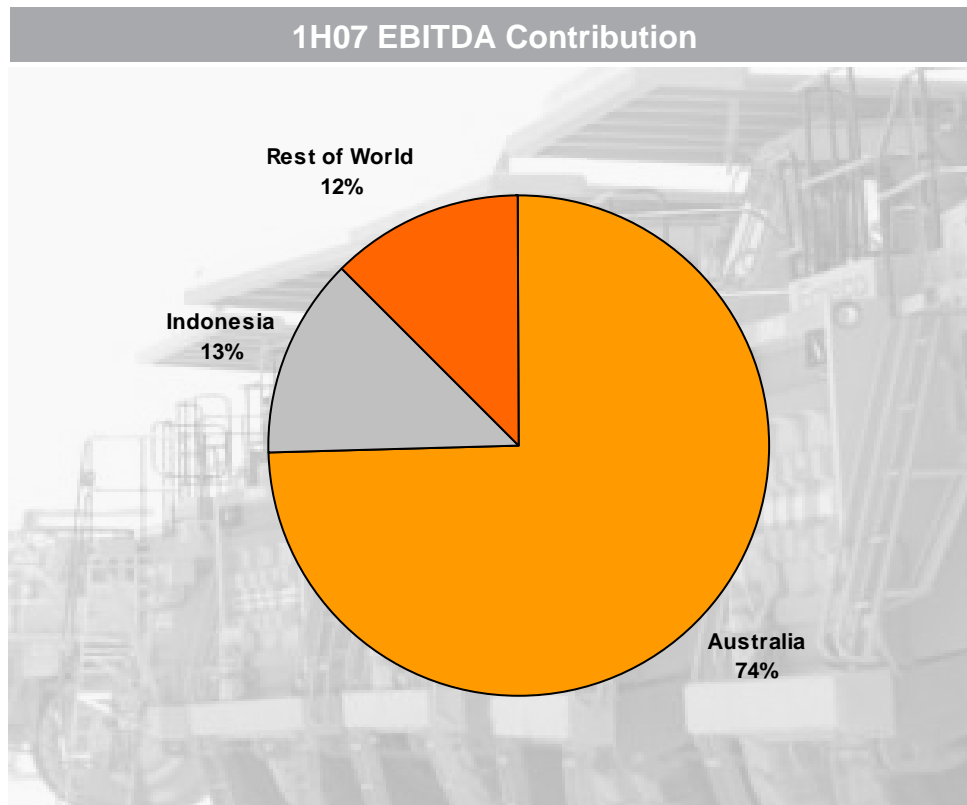
Zinifex

Note: Average contract length is based on rental contracts at 31 March and 31 December 2006 in Australia and Indonesia and Management estimates for total length of rental under each contract

Emeco's Market Segments



Growth in Australia and Canada has been achieved whilst maintaining diversity



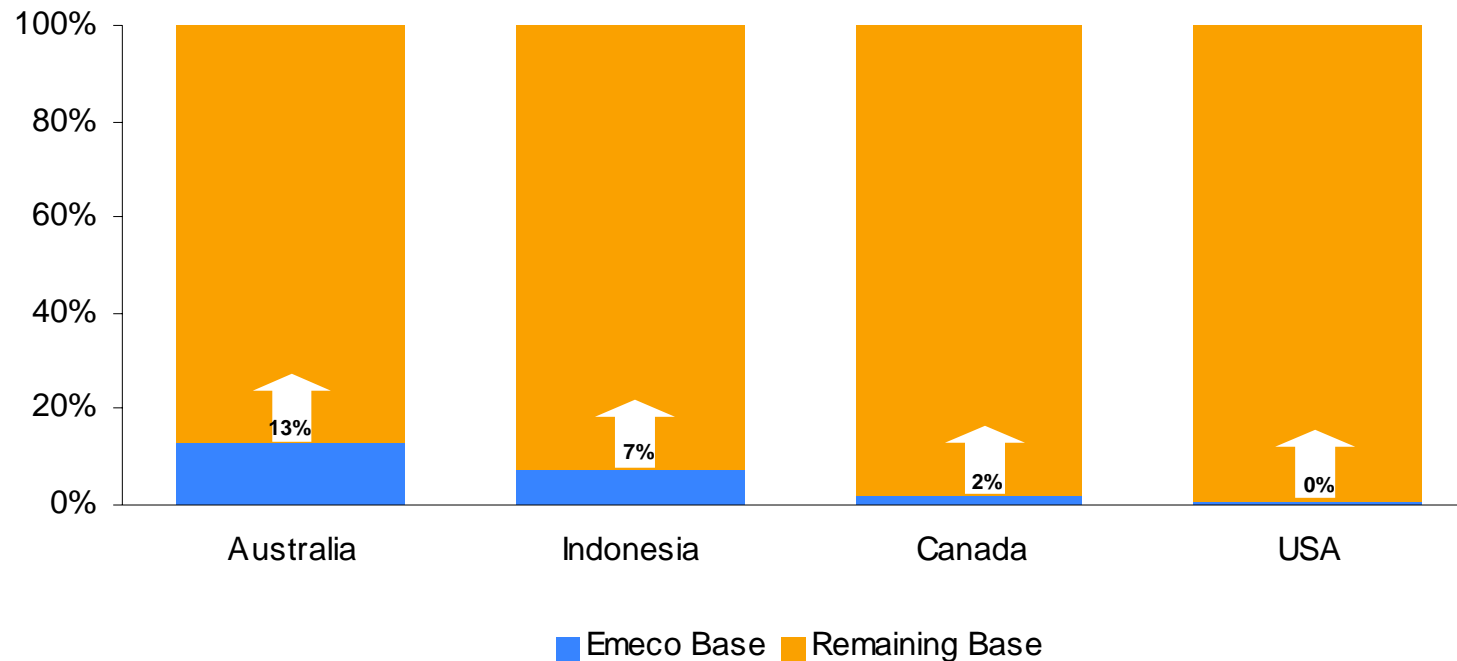
Source: Emeco Management

Note: Oil includes conventional oil and gas, oil sands and infrastructure related to the production of oil from the oil sands. EBITDA Contribution excludes Corporate costs

Significant potential to increase penetration of rental model



Management expects development of the rental market and changing attitudes to rental to drive further rental penetration and provides another avenue for growth



Source: Management estimates based on the number of comparable heavy earthmoving machines Emeco has and the total installed base of heavy earthmoving equipment as at 31 December 2006. The estimate of total installed base is sourced from the Parker Bay Company as at 31 December 2006, excluding draglines and drills.

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- ◆ Global demand for commodities is expected to remain strong, encouraging large capital expenditure programs to expand supply. Expanding supply continues to offer Emeco opportunities to provide miners/contractors a flexible, cost-effective rental alternative for expansion into FY08 and beyond
- ◆ Ongoing supply side constraints continue to provide Emeco with challenges and opportunities as the resources industry focuses on reducing costs
- ◆ Market conditions in Australia remain robust and the outlook remains positive with the continued emergence of new investment and deployment opportunities
- ◆ While the broader market in Indonesia also remains robust, some challenges are being experienced with a decline in utilisation rates. Under utilised equipment is being redeployed into Australia and North America
- ◆ Management will continue to address challenges in establishing sustainable businesses from start up operations in North America
- ◆ Acquisition of Euro Machinery will provide the operating platform for further expansion throughout Europe
- ◆ Management remains focused on building a sustainable, global business and will continue investing in its growth

Growth Strategy



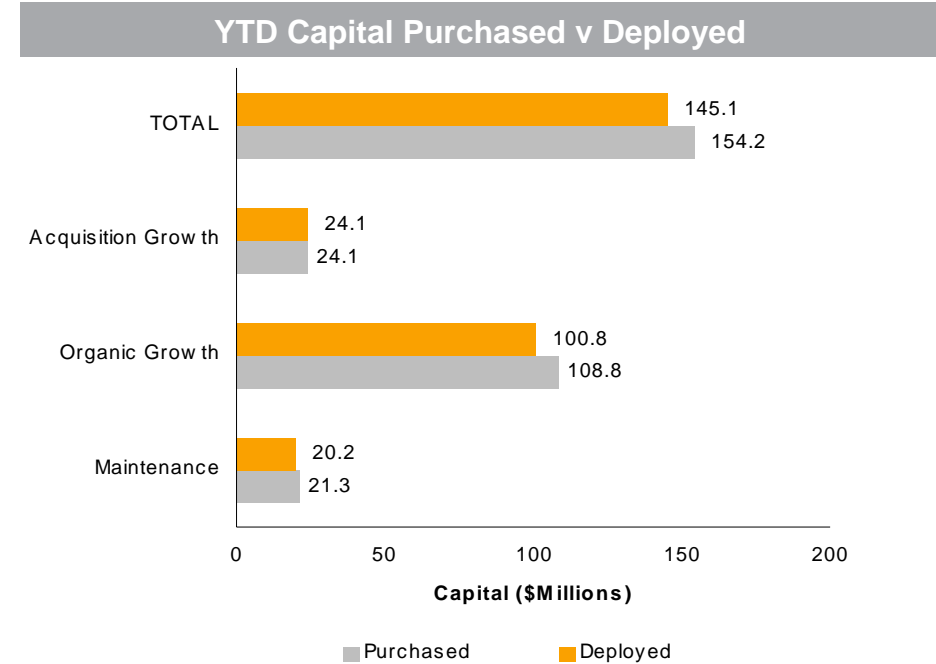
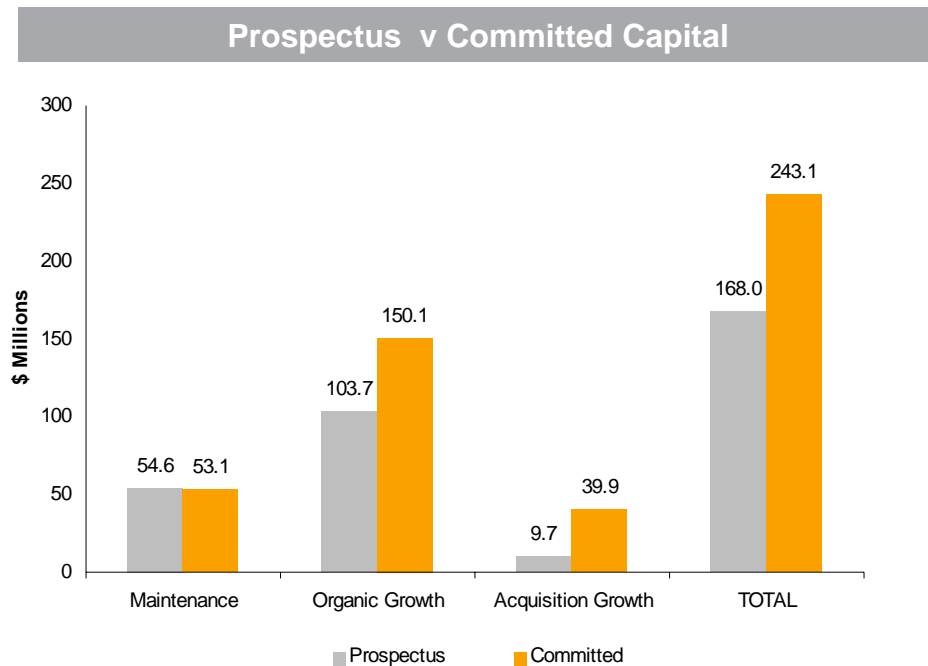
Going forward, Emeco expects growth to come from both organic growth and three distinct areas of step-out opportunities

Organic growth	<ul style="list-style-type: none">◆ Growth in earth moved is expected to continue in the mining industry served by Emeco in Australia, Indonesia and Canada◆ Key drivers of rental behaviour are expected to continue to underpin increased rental penetration going forward
Acquisitions	<ul style="list-style-type: none">◆ International scale and leadership position Emeco as the logical consolidator of small-medium scale fleet owners◆ Some acquisitions are being considered
New Geographies	<ul style="list-style-type: none">◆ Size of markets not served by Emeco is 3x the size of markets served◆ North America and Europe are expected to provide the next leg of global expansion for Emeco◆ Since the IPO, 5 branches have been established in USA and Canada and Euro Machinery acquired◆ Potential future markets include Africa, Chile and India
Non-mining opportunities	<ul style="list-style-type: none">◆ Civil construction and aggregates represents 14% of rental revenue YTD◆ Significant opportunities for growth in civil construction and aggregates

Strong capital expenditure to take advantage of growth



Emeco already has commitments in place that will exceed its 2007F prospectus capital expenditure



- ◆ 2H07 capex is currently forecast to be less than 1H07
- ◆ Additional organic and acquisition growth capex may be invested during 2H07 as opportunities arise
- ◆ Other than acquisitions, additional capex in 2H07 will have limited impact on FY07, but will underpin growth in FY08

Source: Emeco Management



- ◆ **Reported earnings are likely to continue to be impacted by adverse currency translation compared to the prospectus forecast**
- ◆ **Despite adverse currency translation and challenges facing management, Emeco is on target to meet Prospectus Forecast**
- ◆ **Except for acquisitions, any additional growth capital in 2H07 is expected to have minimal impact on FY07, but will underpin growth in FY08**