



"Helping you move the Earth"™

# Emeco Holdings Limited Business Overview

CONFIDENTIAL





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**Emeco rents dry-hire heavy earthmoving equipment to the mining and construction industries**



**1 Business highlights**

2 Industry overview

3 Business overview

4 Financial overview

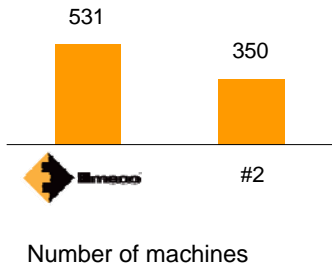


# Rental Market Share and Global Locations

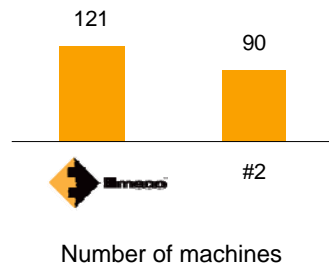


#1 market share in Australia and Indonesia and a growing presence in Canada, USA and Europe

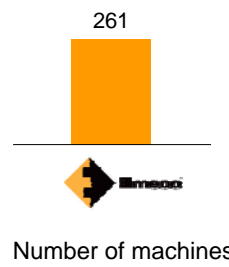
## Australia



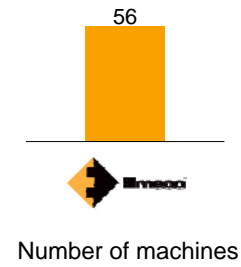
## Indonesia



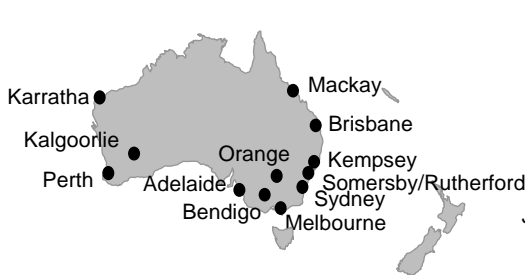
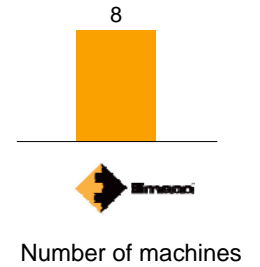
## Canada



## USA



## Europe



Source: Emeco Management

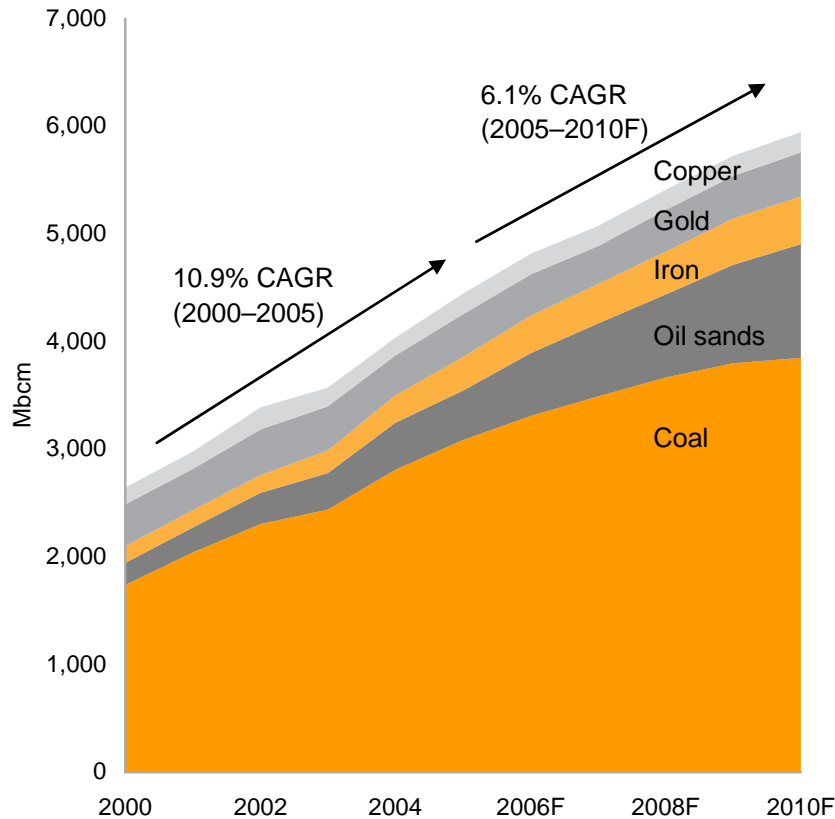
Notes: Machine numbers as of 1 January 2007 and includes Euro Machinery BV; #2 indicates Number 2 player in rental market

# Continued growth in “volume of earth moved” in existing markets

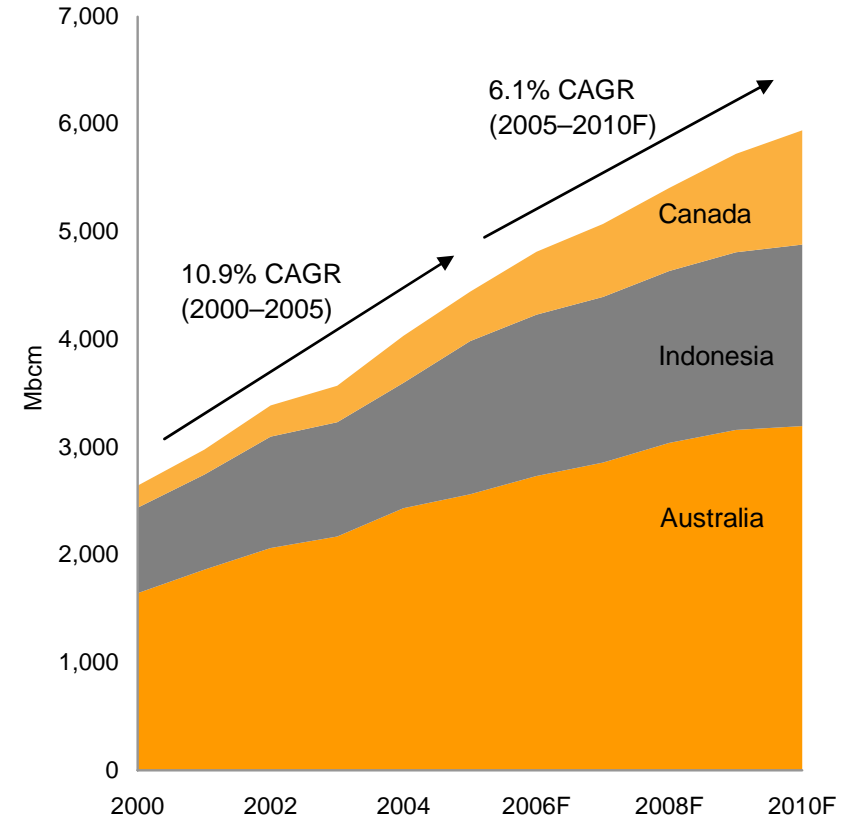


## Emeco’s growth is not dependent on commodity prices

Forecast earth moved by commodity



Forecast earth moved by country



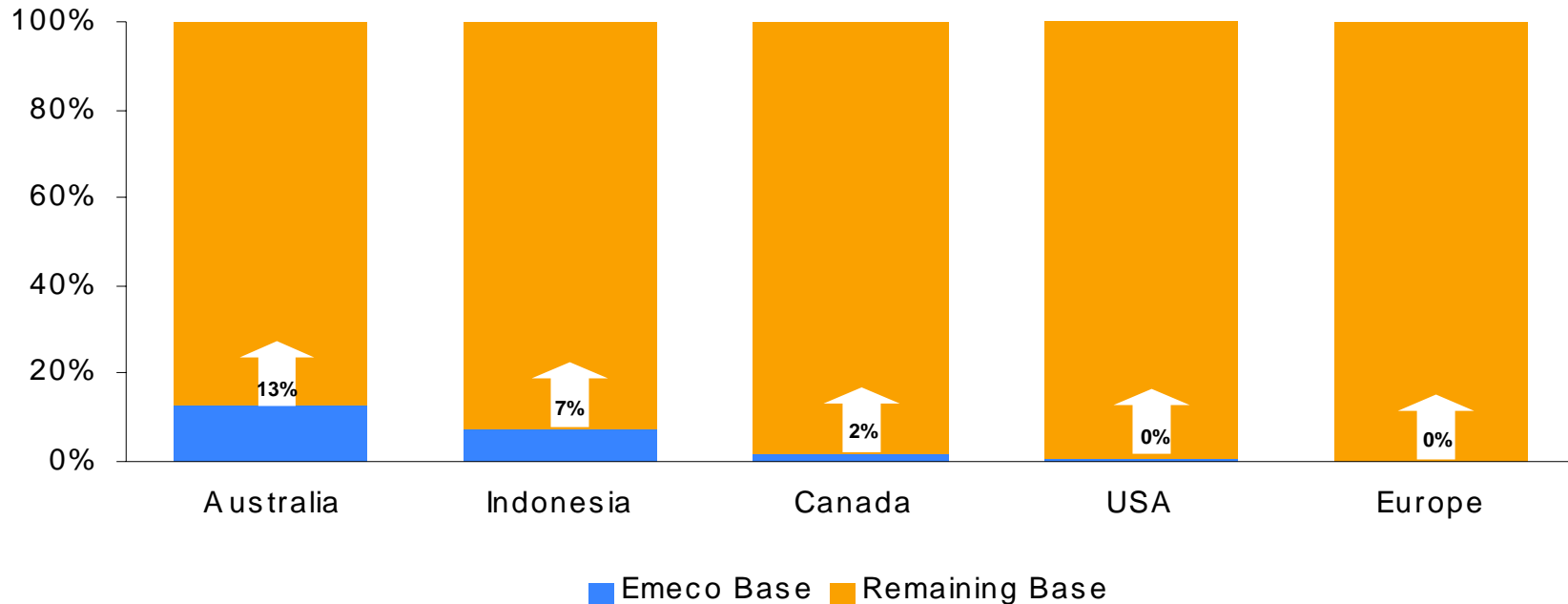
Source: AME Mineral Economics

Notes: Charts based on volume of earth moved in Australia (open cut mining of coal, gold, iron ore, copper), Indonesia (open cut mining of coal, gold, copper) and Canada (open cut mining of oil sands). Emeco's equipment is used directly in the mining of coal, iron ore, gold and copper. In respect of the Canadian oil sands, Emeco's equipment is primarily used in the construction and maintenance of road and transport infrastructure to support oil sands mining

# 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



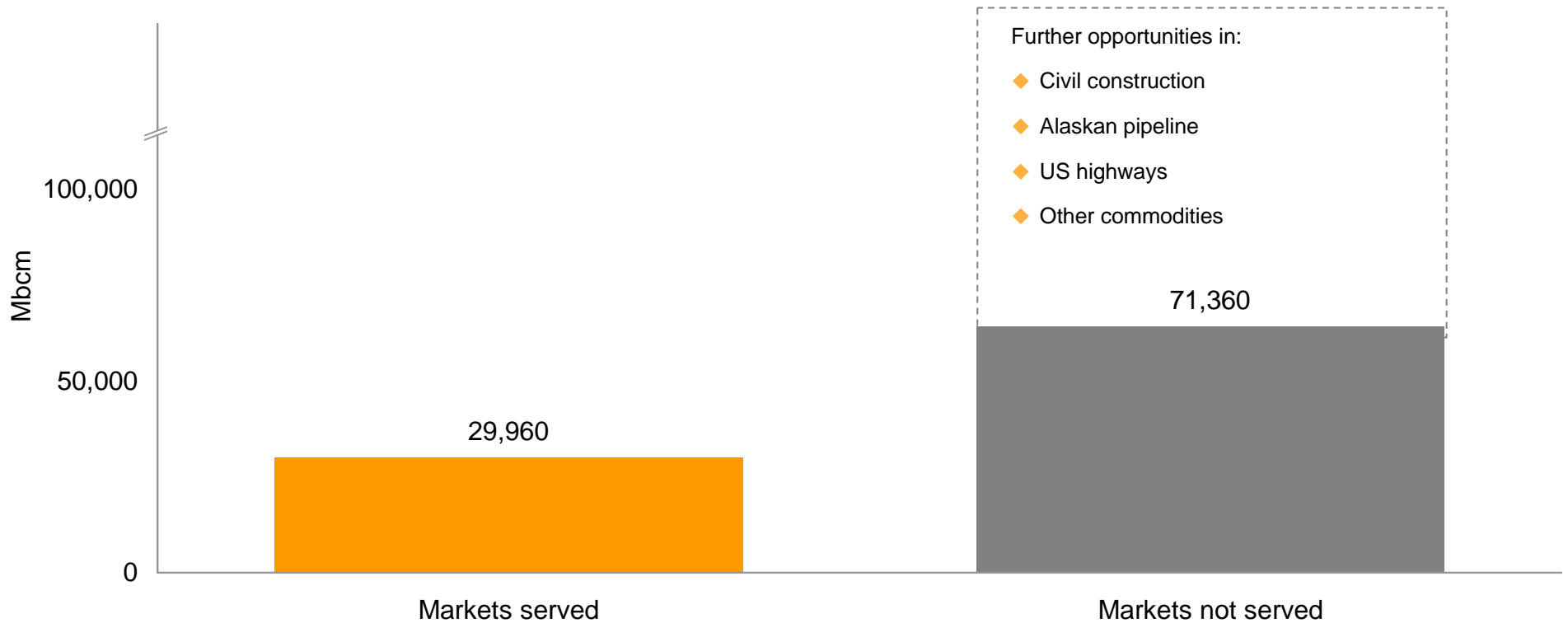
Source: Management estimates based on the number of comparable heavy earthmoving machines Emeco has and the total installed base of heavy earthmoving equipment as at 31 December 2006. The estimate of total installed base is sourced from the Parker Bay Company as at 31 December 2006, excluding draglines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

# Growth through geographic and sector expansion



There are many under-served markets, and Emeco has a track record in developing new rental markets

Volume of earth moved 2005–2010F

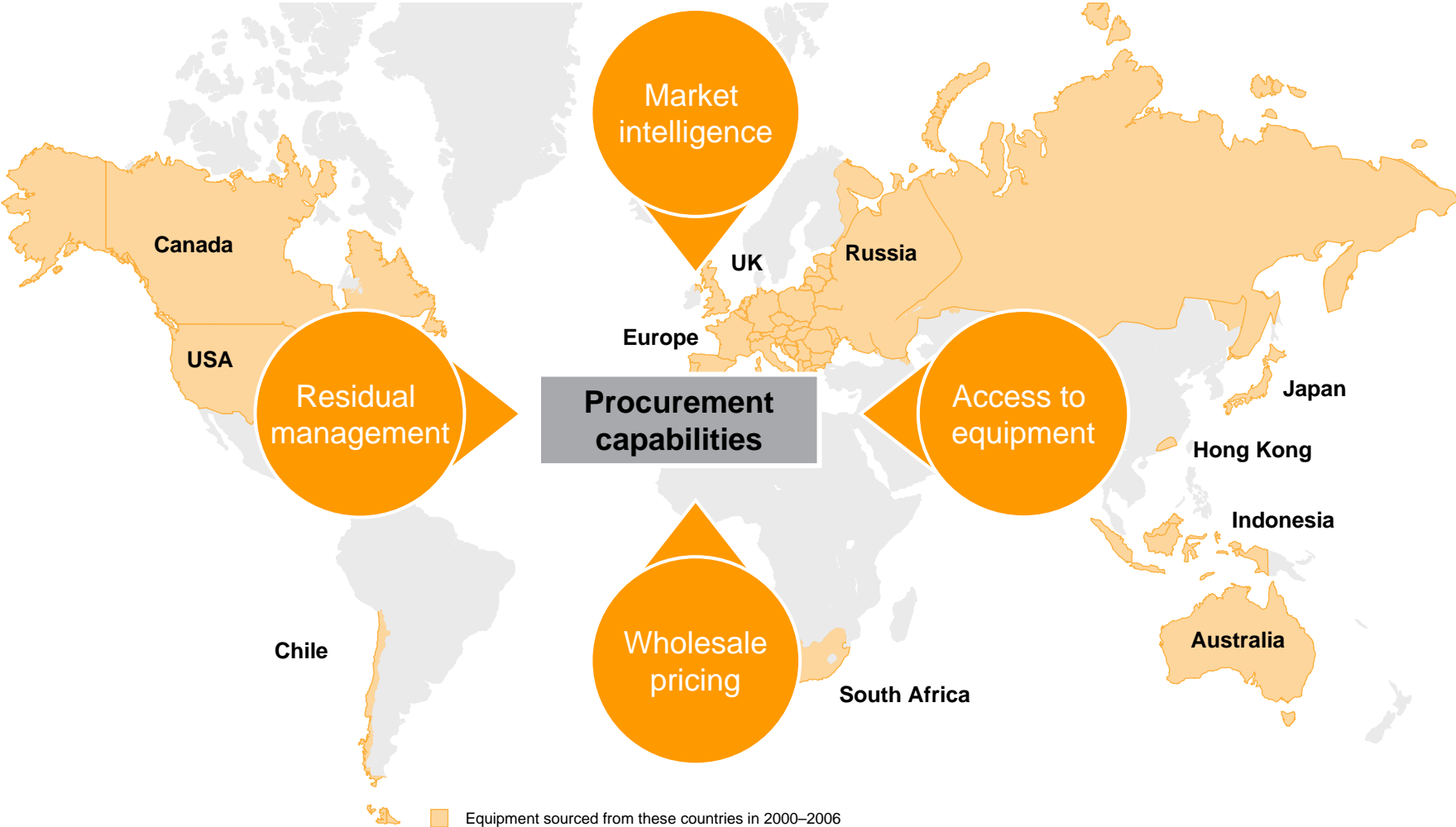


Source: AME Mineral Economics

Note: Markets served comprise Australia (open cut mining of coal, gold, iron ore, copper), Indonesia (open cut mining of coal, gold, copper) and Canada (open cut mining of oil sands). Markets not served comprise Australia (copper), Canada (coal, iron ore, gold, copper) and Rest of world (for coal, iron ore, gold, copper and zinc)



# Competitive advantage through global procurement network



# World class custom built maintenance facilities



Euro Machinery New Premises – Hardenburg, Netherlands



Emeco Premises – Mackay, QLD



Emeco Premises – Rutherford, NSW



Euro Machinery New Premises – Hardenburg, Netherlands



Emeco Premises – Somersby, NSW

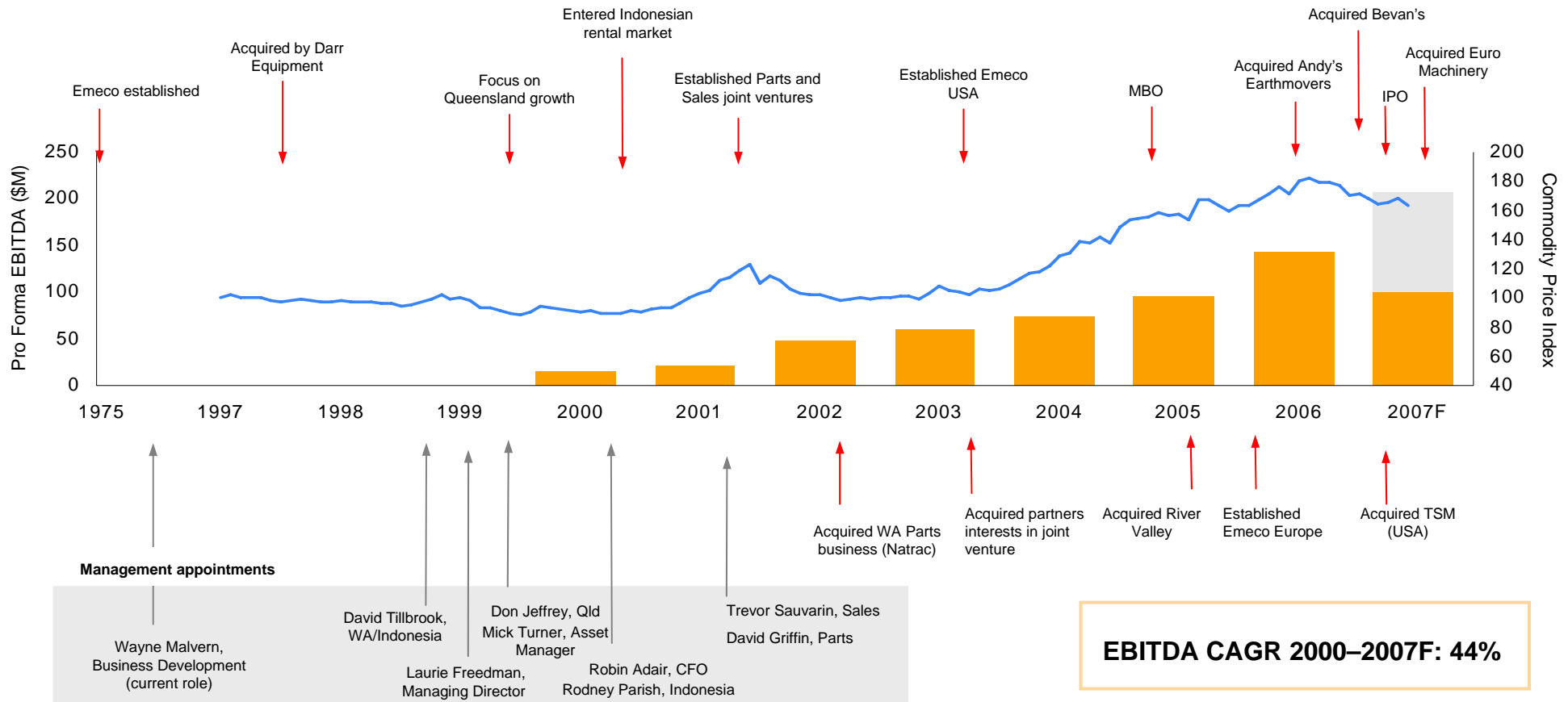


Emeco Premises - Redcliffe, WA

# Management's track record of execution



**Disciplined management of growth capital, successful entry into new geographic markets and strategic acquisitions in Australia, Canada and USA have delivered EBITDA CAGR of 44% since 2000**



Source: Emeco Management

Note: Commodity price index is the equal-weighted average of indices of gold, coal and iron ore prices, with a base date of 1 January 1997

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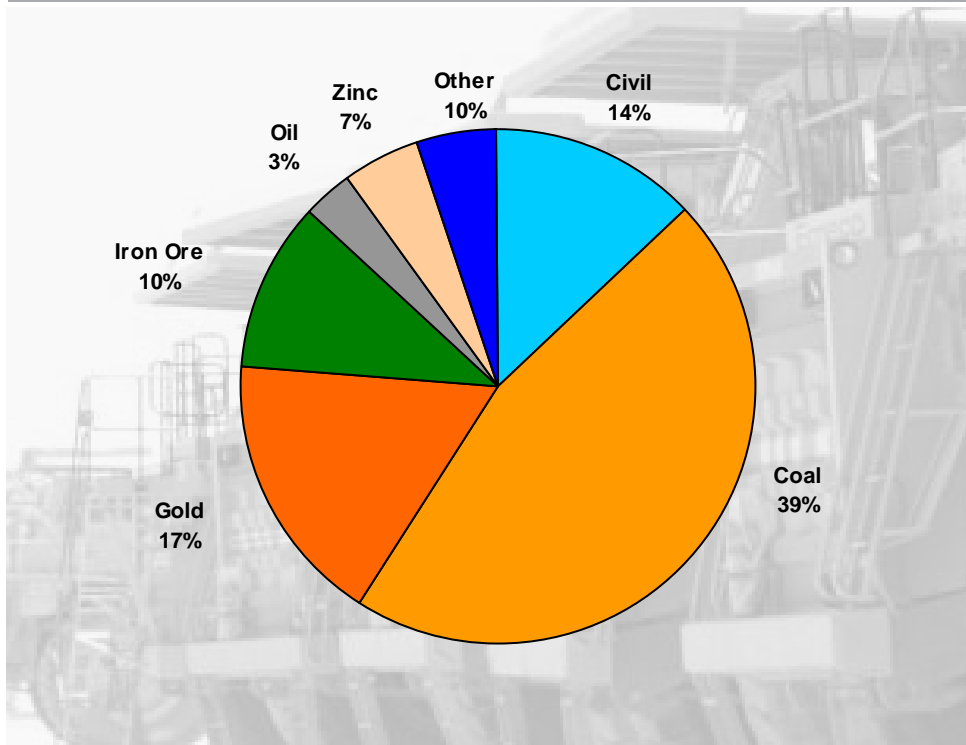
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# Emeco's primary market

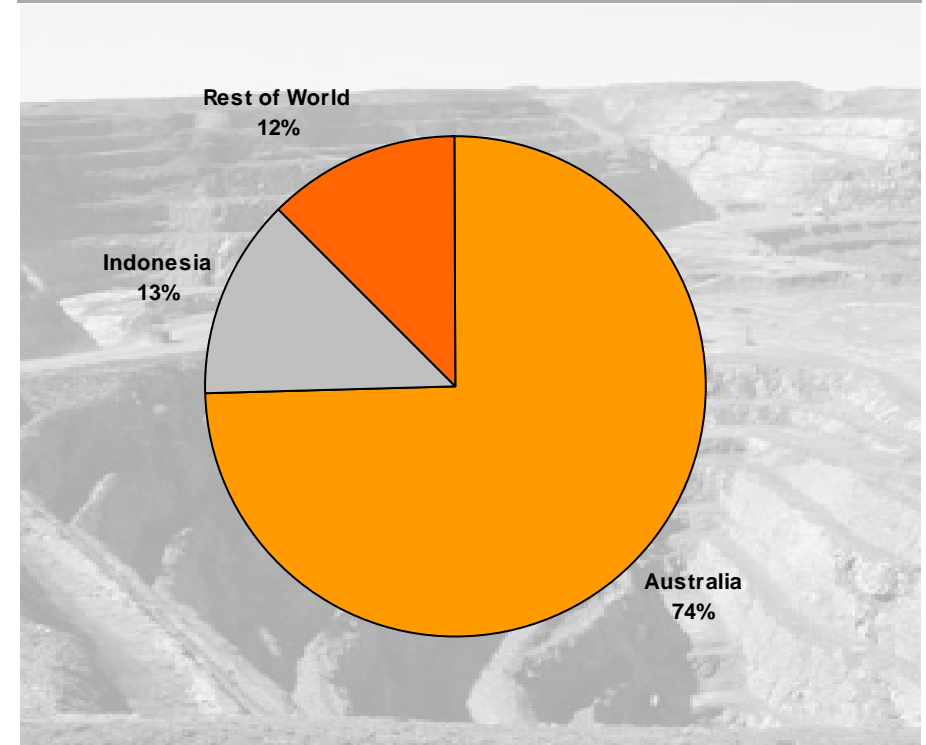


Emeco primarily operates in the market for heavy earthmoving equipment rental, predominantly to the mining industry in Australia, Indonesia and Canada

1H07 Rental Revenue Contribution



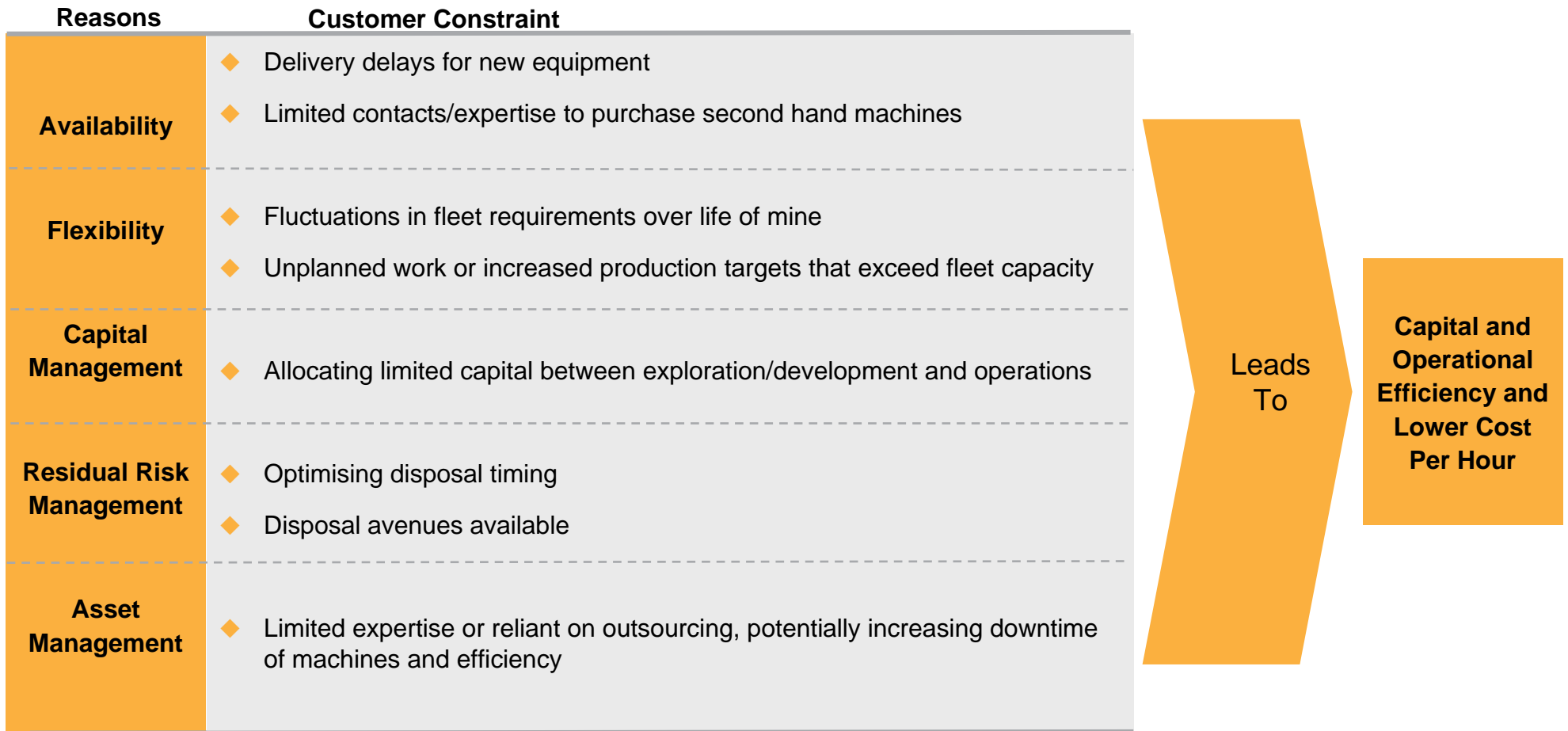
1H07 EBITDA Contribution



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

**There are five main reasons why companies rent from Emeco which provides the customer with capital and operational efficiency and lower costs per hour**





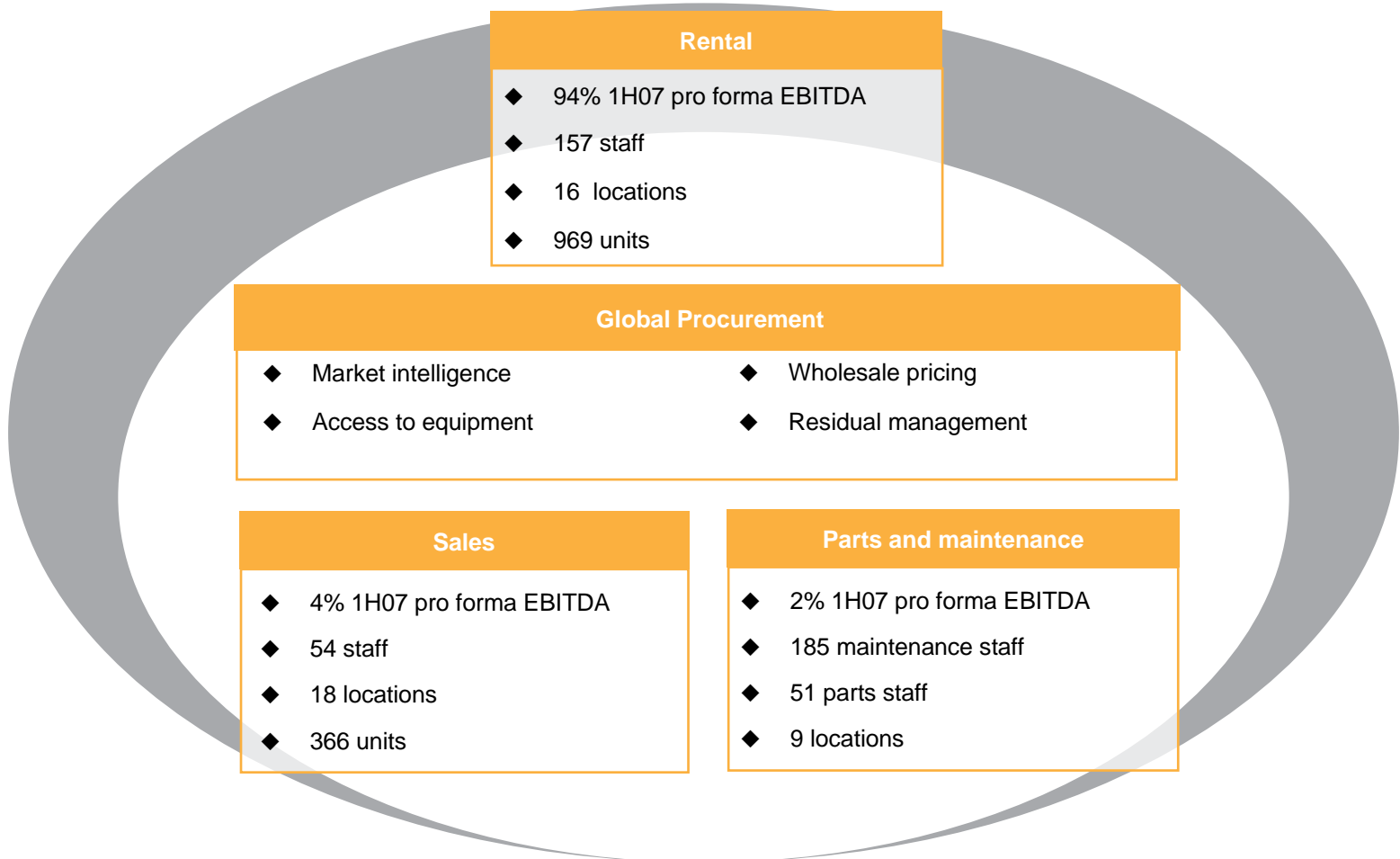
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**Emeco has an integrated business model, delivering low-houred machinery to customers with ongoing parts and maintenance support**



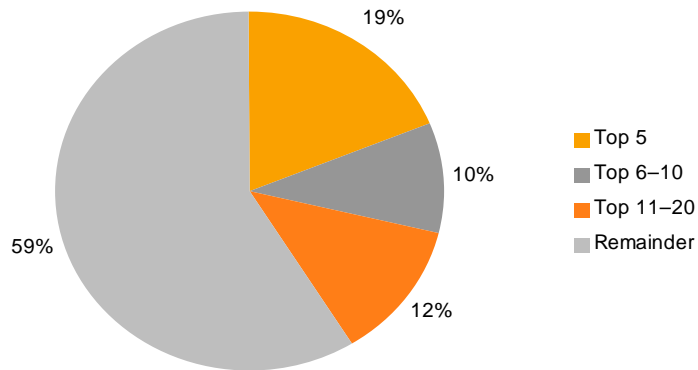
Source: Emeco Management, fleet and staff numbers as of 31 December 2006

# Customer and contract profile

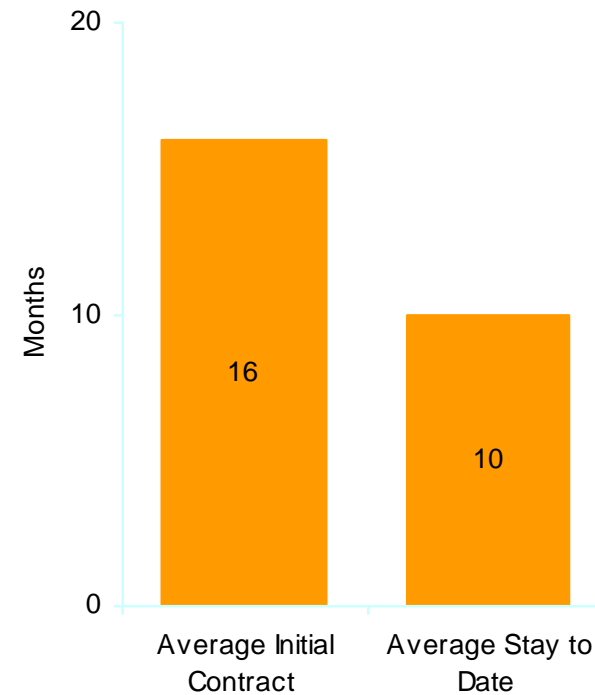


Emeco rents to a diverse range of customers backed by short-term contracts that are typically extended

Customer revenue contribution



Average contract length



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 December 2006 in Australia and Indonesia

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

## Organic growth

- ◆ 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

- ◆ International scale and leadership position Emeco as the logical consolidator of small-medium scale fleet owners
- ◆ Some acquisitions are being considered

## New Geographies

- ◆ 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

- ◆ Civil construction and aggregates represents 14% of rental revenue YTD
- ◆ Significant opportunities for growth in civil construction and aggregates

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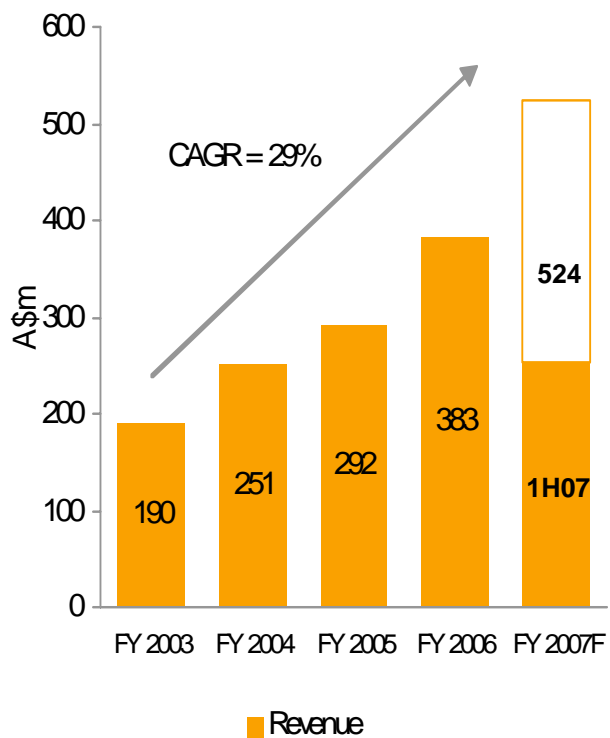
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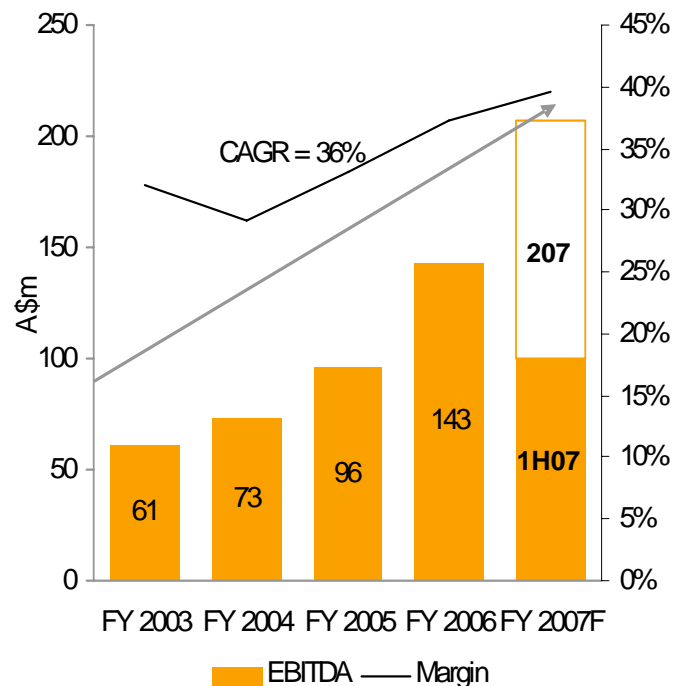
# Financial highlights



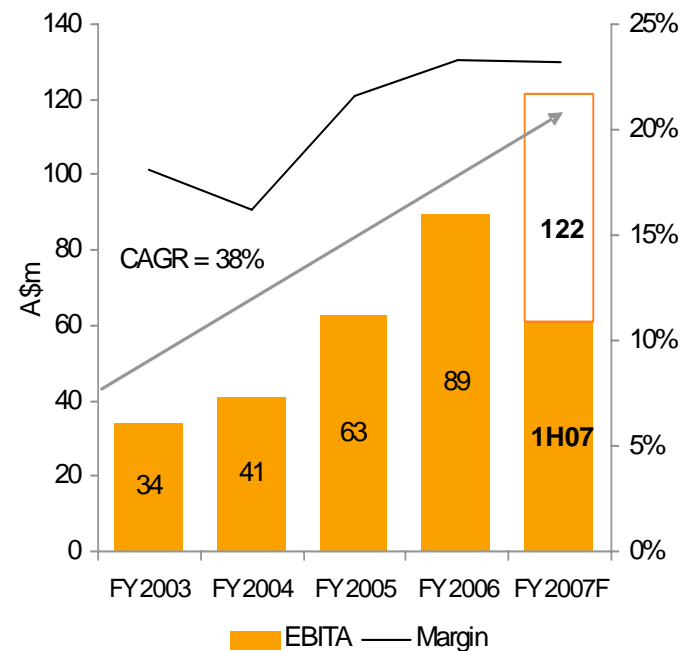
Pro forma revenue



Pro forma EBITDA



Pro forma EBITA

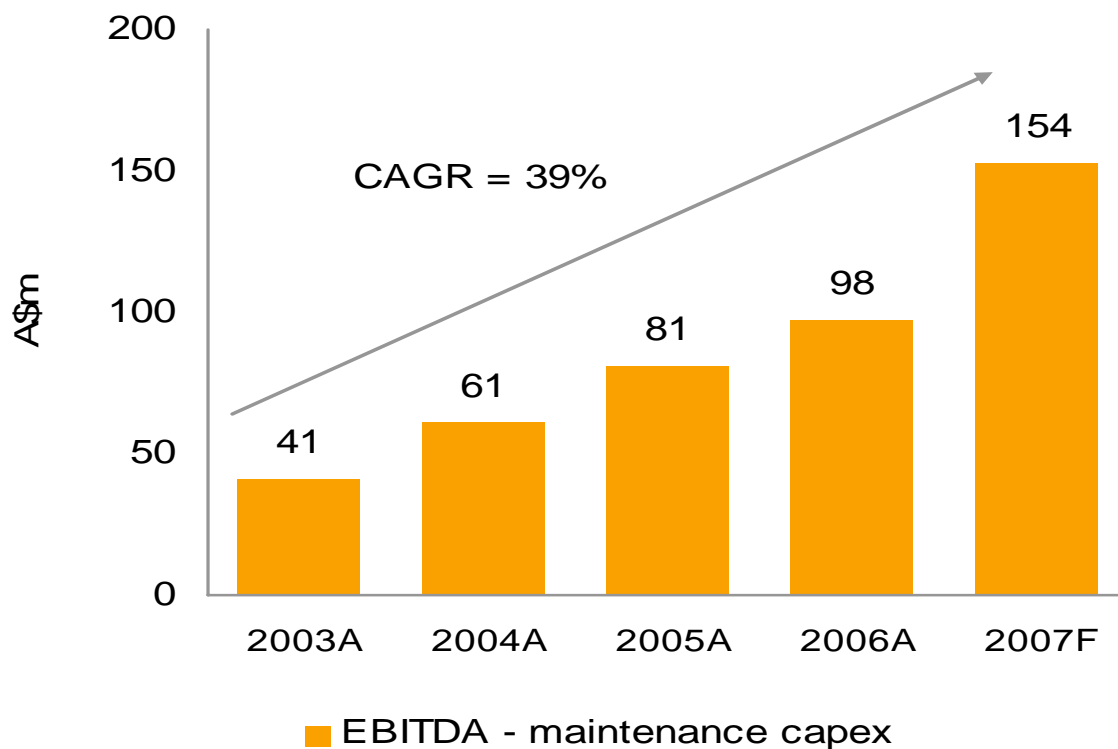


Source: Emeco Management



Strong growth in operating cashflows continue to support Emeco's growth aspirations

Pro forma EBITDA - maintenance capex

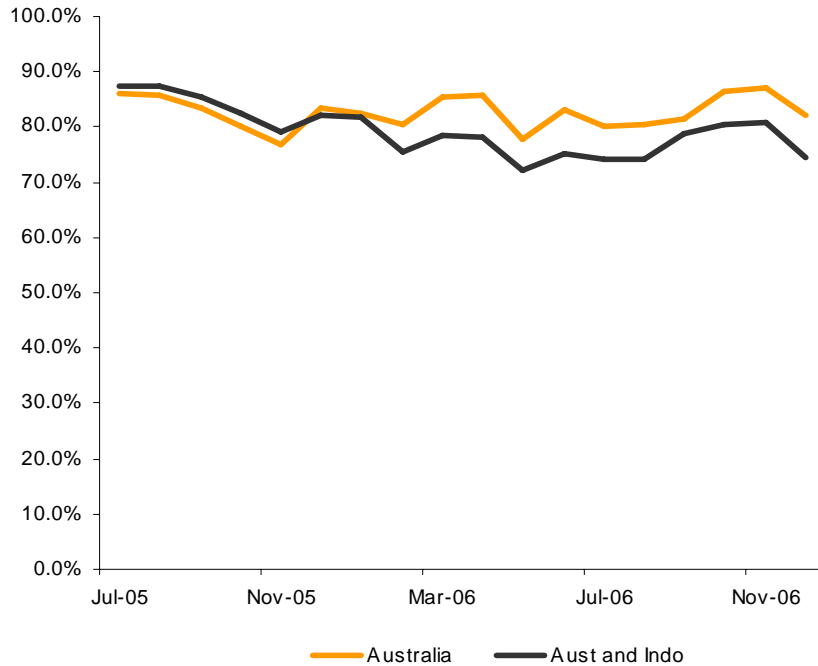


# Utilisation and returns

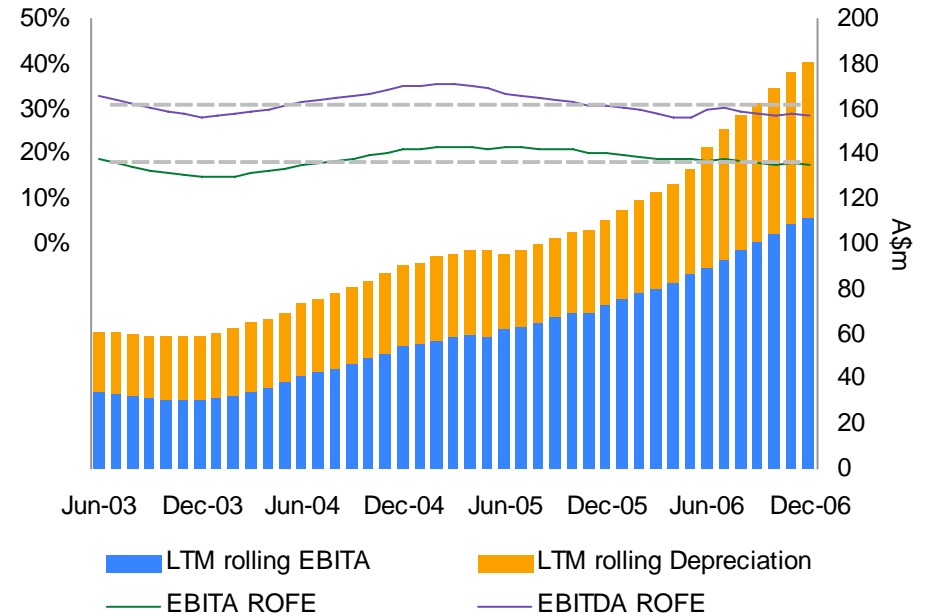


## Emeco's client base drives attractive utilisation rates and returns in Australian and Indonesian rental markets

Utilisation rates <sup>1</sup>



Pro forma return on funds employed ("ROFE") <sup>2</sup>



**The utilisation rate for Emeco's Australian and Indonesian rental fleet averages 79%**

**Emeco has maintained strong and consistent pro forma EBITA and EBITDA ROFEs over time**

Source: Emeco Management

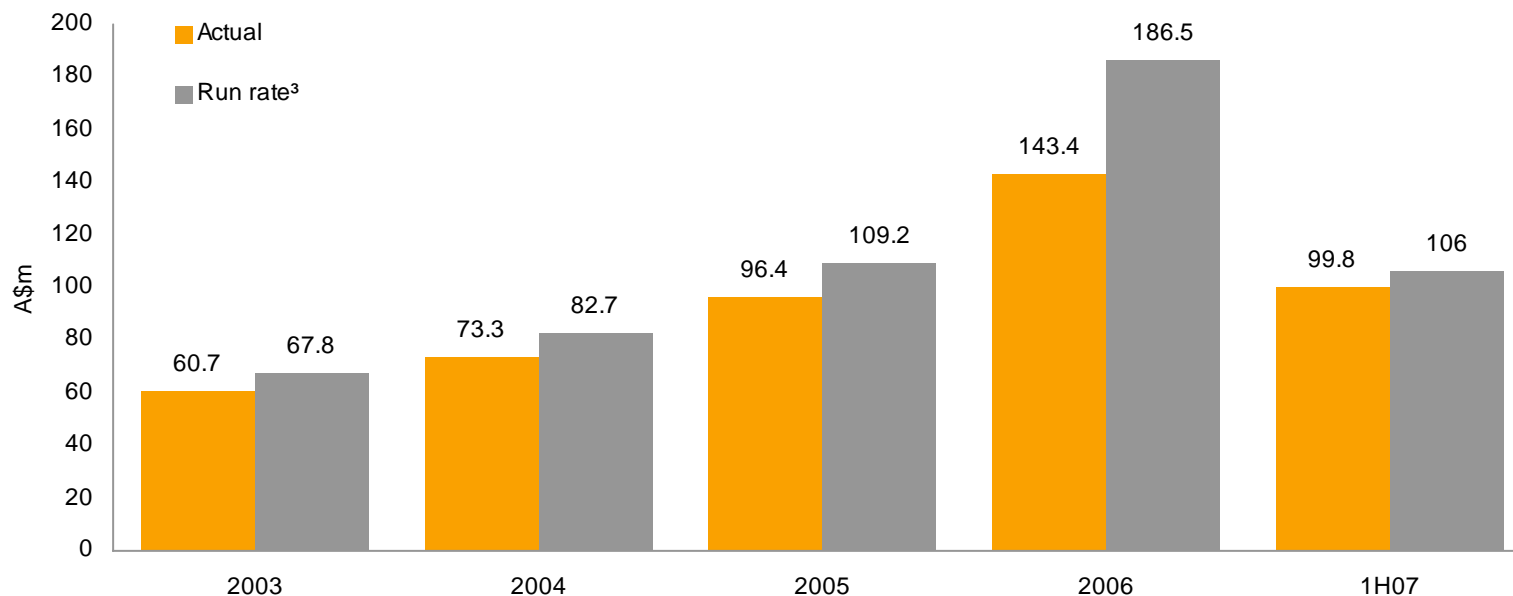
Notes:

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

# Run rate EBITDA



Run rate EBITDA reflects the full year effect of capital expenditure throughout the financial year



**Funds employed  
(period end):<sup>1</sup>**

**204.9**

**261.6**

**326.8**

**627.9**

**747.8**

**Historical EBITDA  
ROFE<sup>2</sup>**

**33.1%**

**31.6%**

**33.4%**

**29.7%**

**28.4%**

Source: Emeco Management

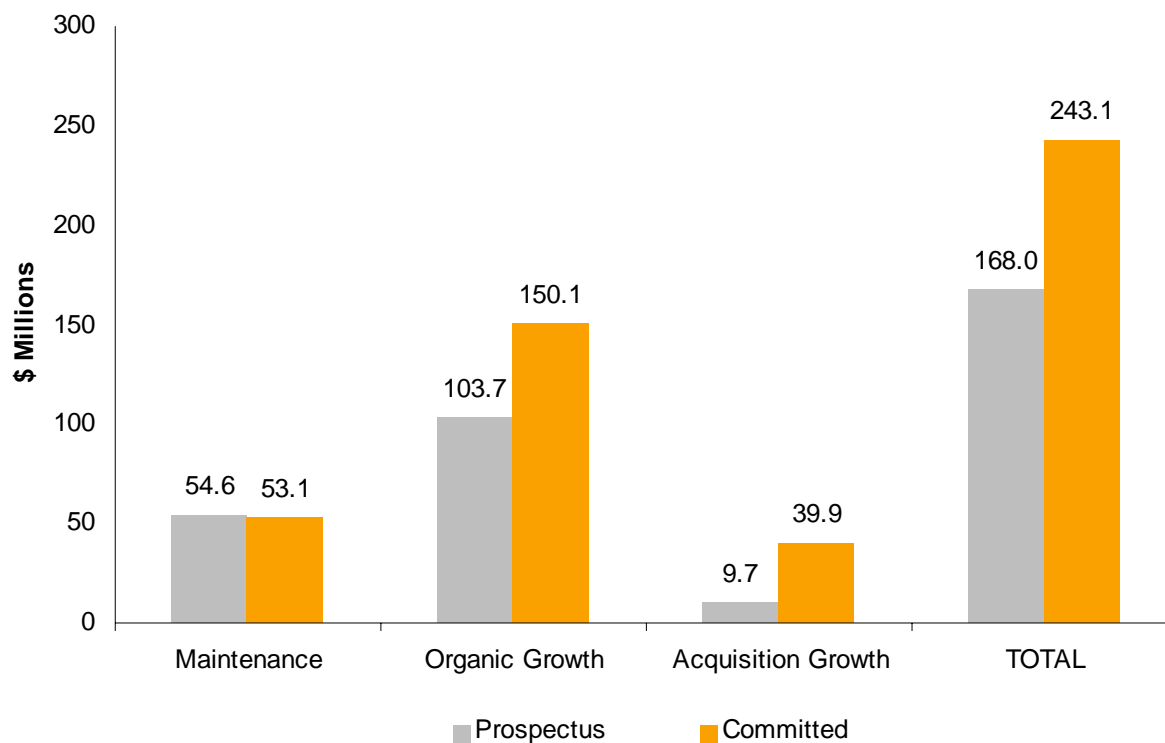
Notes:

1. Funds employed is defined as net tangible assets plus interest bearing liabilities at period end
2. Historical EBITDA ROFE is calculated as the quotient of the sum of EBITDA for each of the last twelve months, divided by average funds employed over the same period
3. Run rate is calculated as the product of funds employed at period end and historical EBITDA ROFE and in the context of the forecast period reflects the annualised input of existing contracts

# Strong capital expenditure pipeline



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

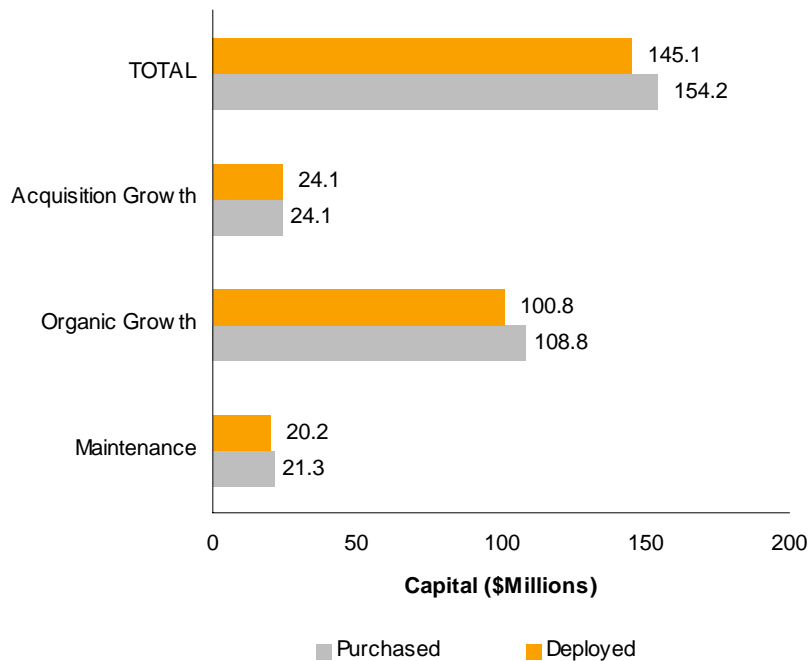


# Earnings lag from growth capital

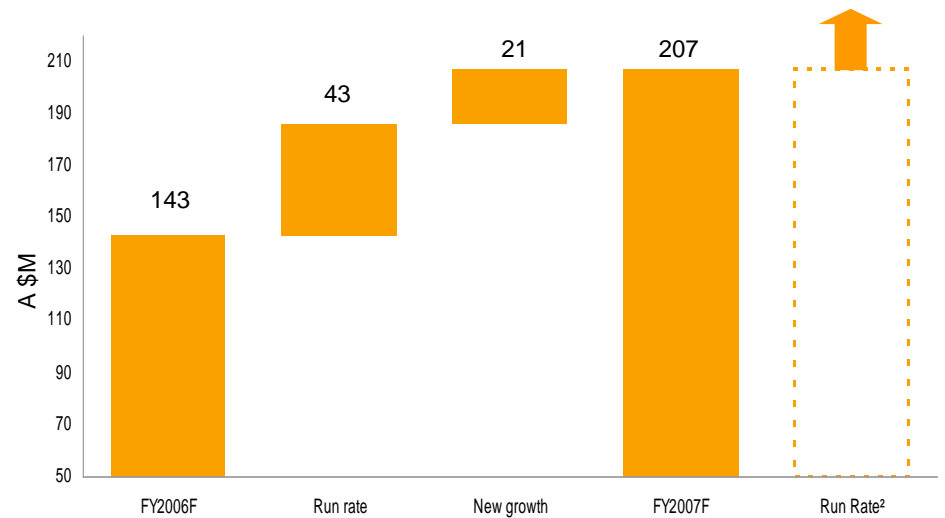


Inevitable lag between committed capital and earnings. Full year earnings from growth capital underpins growth in the following year

YTD Capital Purchased v Deployed



Run Rate EBITDA



Source: Emeco Management

# Statement of pro forma financial performance



Emeco has achieved its FY2006 prospectus forecast and is on track to achieve its FY2007 prospectus forecast

A\$m	FY2003	FY2004	YOY % Change	FY2005	YOY % Change	FY2006	YOY % Change	FY2007F	YOY % Change
Revenue	189.9	251.3	32.3%	291.8	16.1%	382.8	31.2%	524.5	37.0%
<b>EBITDA</b>	<b>60.7</b>	<b>73.3</b>	<b>20.8%</b>	<b>96.4</b>	<b>31.5%</b>	<b>143.4</b>	<b>48.8%</b>	<b>207.3</b>	<b>44.6%</b>
Depreciation	-26.4	-32.5		-33.4		-54		-85.5	
<b>EBITA</b>	<b>34.3</b>	<b>40.8</b>	<b>19.0%</b>	<b>63</b>	<b>54.4%</b>	<b>89.4</b>	<b>41.9%</b>	<b>121.8</b>	<b>36.2%</b>
Amortisation	-0.7	-1.3		-9.4		-10.5		-3.4	
<b>EBIT</b>	<b>33.6</b>	<b>39.5</b>	<b>17.6%</b>	<b>53.6</b>	<b>35.7%</b>	<b>78.9</b>	<b>47.2%</b>	<b>118.4</b>	<b>50.1%</b>
NPAT								70.3	
<b>NPAT (before amortisation)</b>								<b>73.7</b>	