

Emeco Holdings Limited Macquarie Capital Emerging Leaders Conference



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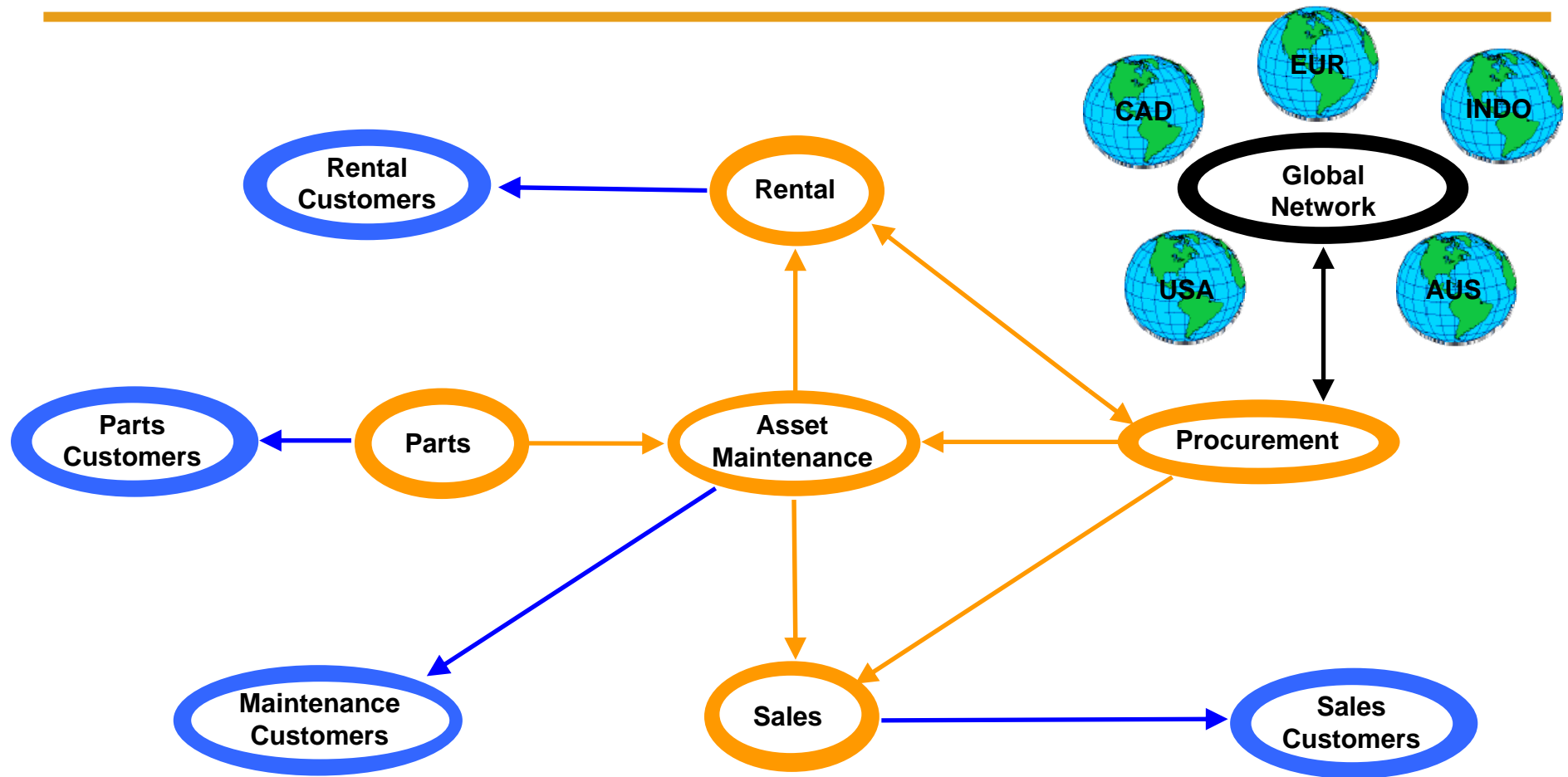
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Agenda

1. **Business Overview**
2. Financials
3. Strategic Outlook
4. Summary

Emeco's Global Business Model

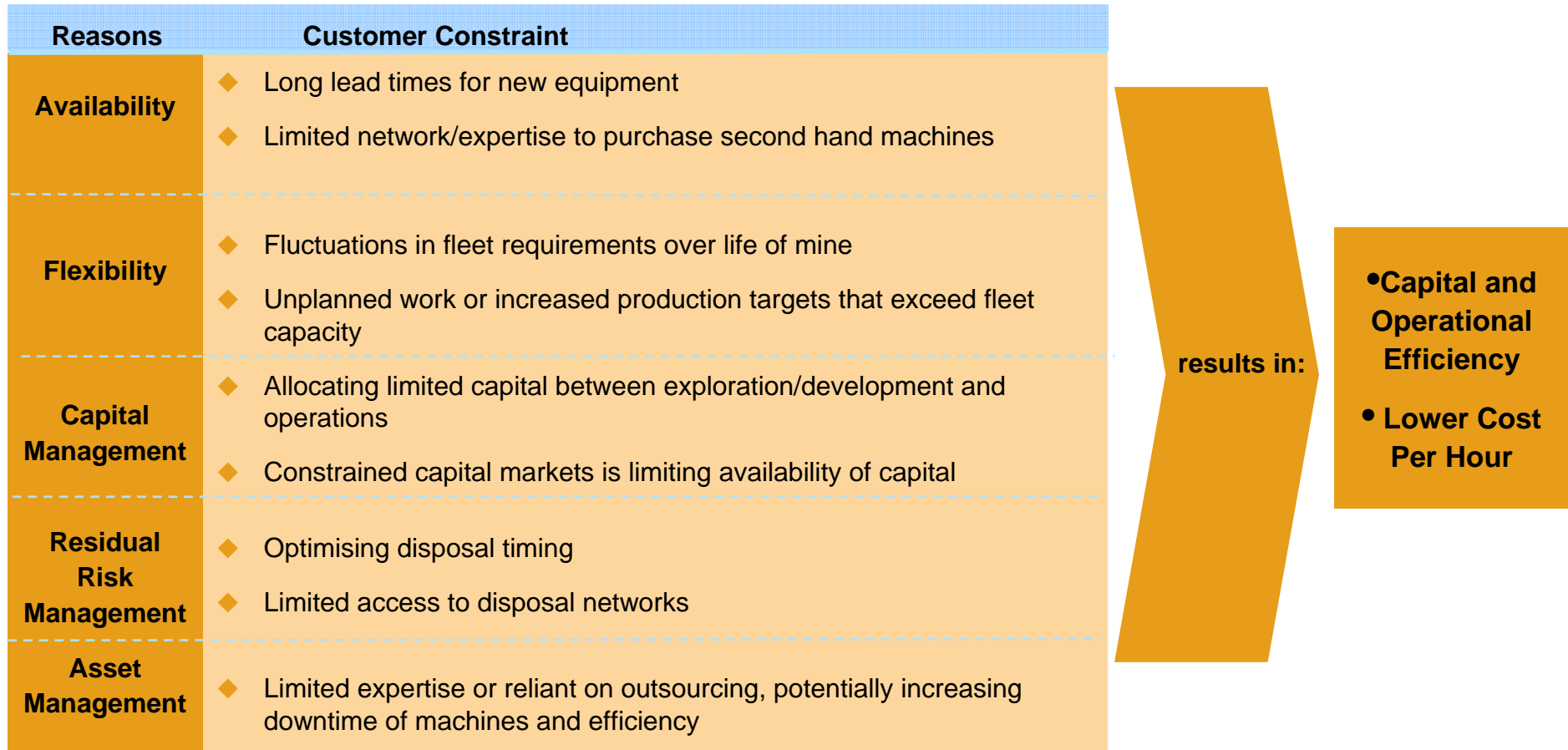


- Emeco Products & Services
- End user groups



Renting with Emeco

Companies rent from Emeco to increase capital & operational efficiencies and achieve lower costs per hour



Emeco's Competitive Advantages

Emeco continues to differentiate its products & services, offering superior flexibility and value-add to its customers operations

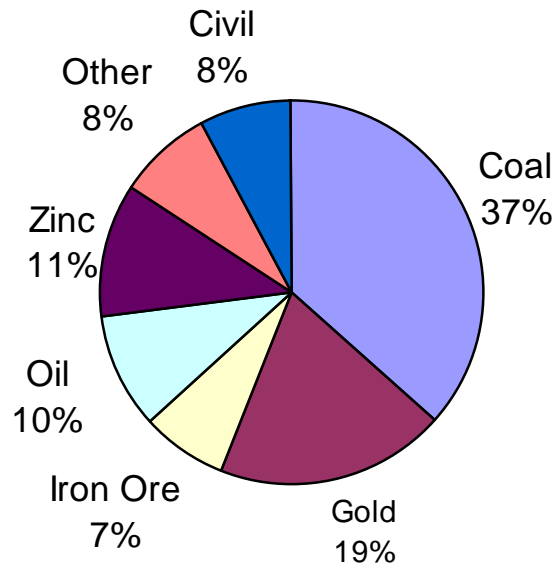
| | EMECO | Manufacturer Aligned Dealers | Other Independent Rental Companies |
|--|-------|------------------------------|------------------------------------|
| Provide machinery from a variety of manufacturers | ✓ | ✗ | ✓ |
| Global procurement capability to purchase low cost / low houred machines | ✓ | Limited | Limited |
| Redeploy / sell machines into other regions | ✓ | ✗ | Limited |
| Lower machine lead times than purchasing new | ✓ | ✗ | Limited |
| Access to capital | ✓ | Varies | Limited |
| Provide cost effective full maintenance options | ✓ | ✓ | ✗ |
| Primary business focused on providing dry hire heavy earthmoving solutions | ✓ | ✗ | Varies |
| Ability to supply a fleet for large contracts | ✓ | ✓ | Limited |
| OH&S policies, compliance and training | ✓ | ✓ | Limited |



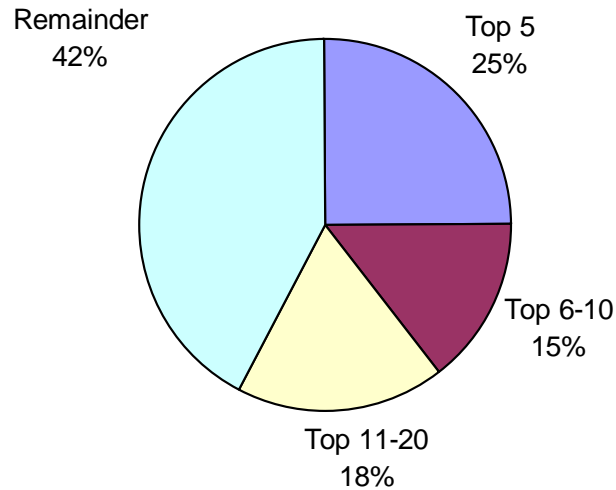
Diversification

Emeco is strategically diversified across customers and commodities

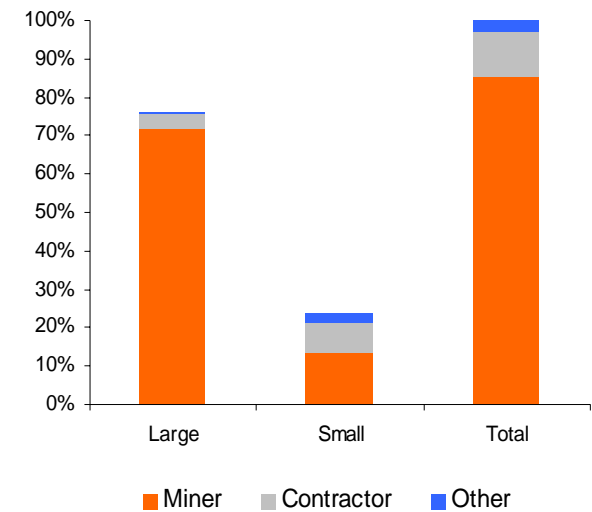
Rental Revenue by Commodity



Rental Revenue by Customer



Customer Type



Source: Emeco Management Oct-08

Note: Oil includes conventional oil and gas, oil sands and infrastructure related to the production of oil from the oil sands.

A Large customer is defined as companies with a market cap greater than \$1 billion, or JV / associates where a Large company is a major participant.



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2008 Financial Overview

- Operating revenues increased by 11.4% on 2007 to \$617.9m
- EBITDA increased by 3.0% to \$213.5m
- NPAT decreased by 9.6% to \$67.5m¹ **(2H08 NPAT increased by +21.4% on 1H08)**
- International business performance improvements in Indonesia, US & Canada in 2H08
- Successful refinancing of senior debt facilities from \$515m to \$630m
- Continued focus on efficient capital management contributed to 2H08 reductions in working capital of \$49m (ex. cash) & growth in free cash flow of 9.0% pcp
- Final fully franked dividend of 2.5 cps declared—Full year fully franked dividend of 4.5 cps, representing 42% of NPAT

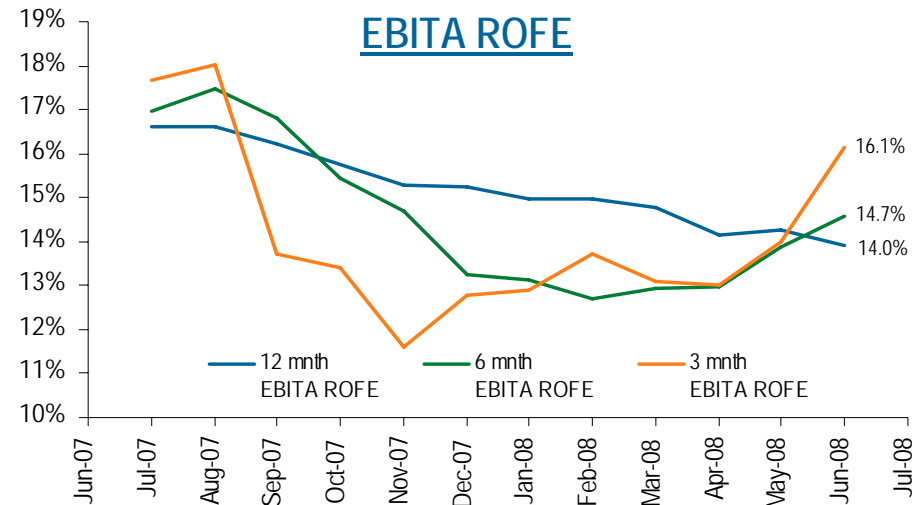
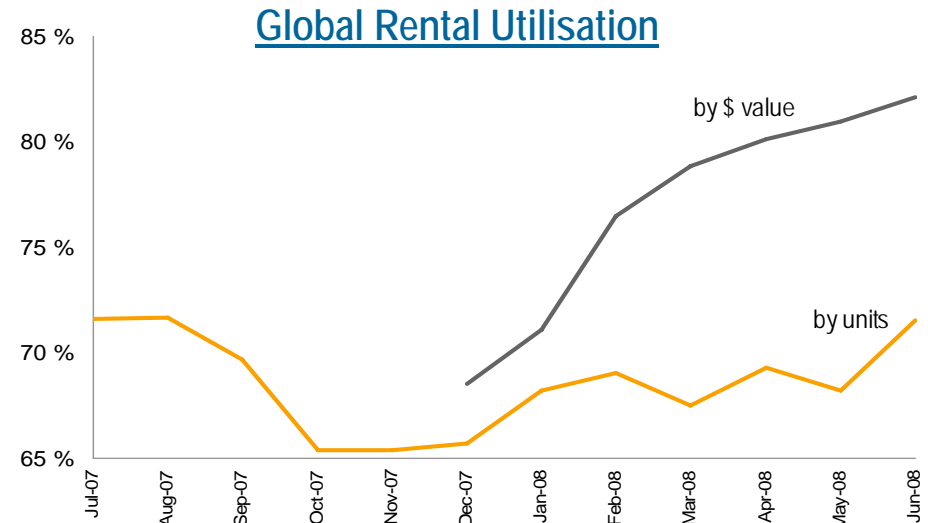
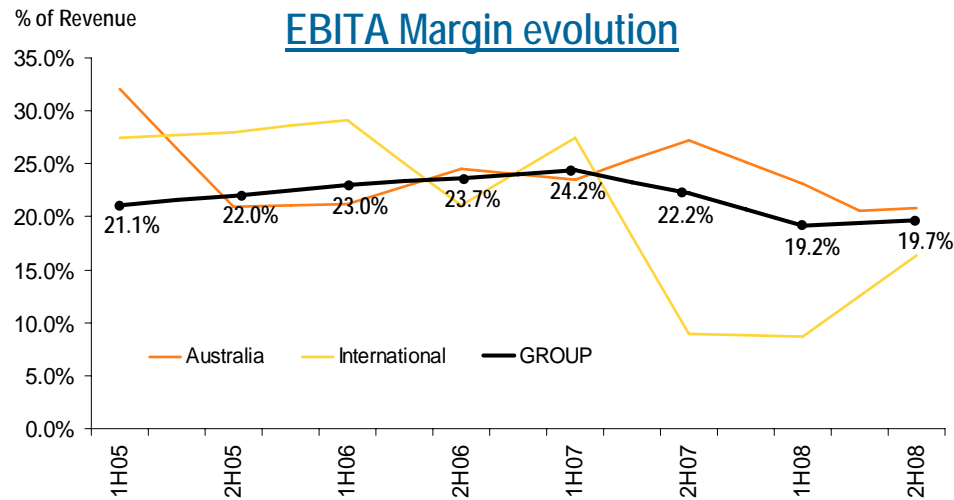
Note:

1. Including significant items of \$2.8m pre-tax and \$2.0m post tax



Performance trends

- Positive growth in fleet utilisation across all businesses globally
- Improving utilisation with stable cost structure expected to improve margins in FY09
- Improving ROFEs from 2H08 into FY09 through combination of higher utilisation and capital management initiatives



Balance sheet and gearing

Funding certainty, strong cashflow and conservative gearing leaves Emeco well positioned

| A\$m | Jun-07 | Dec-07 | Jun-08 | Change h/h (%) |
|---|----------------|----------------|----------------|----------------|
| Working capital ¹ | 110.2 | 95.8 | 108.3 | 13.1% |
| Sales and parts inventory | 142.1 | 202.7 | 145.4 | -28.2% |
| Rental plant | 520.2 | 561.0 | 578.1 | 3.1% |
| Total assets | 1,089.1 | 1,192.2 | 1,167.0 | -2.1% |
| Net assets | 672.9 | 685.9 | 701.7 | 2.3% |
| Net debt ² | 305.7 | 395.2 | 348.4 | -11.8% |
| Facilities headroom ³ | 202.0 | 111.9 | 282.8 | 152.7% |
| Gearing (net debt/ book equity) | 45.4% | 57.6% | 49.7% | |
| Gearing (net debt/ LTM EBITDA) | 1.48 | 1.92 | 1.63 | |
| Interest cover (EBITDA/ Interest) | 11.8 | 9.5 | 9.1 | |

- Successfully refinanced senior bank debt facility from \$515m to \$630m including \$595m 3 year senior facility
- Due to adverse credit markets effective interest rate expected to increase approximately 130bps
- Conservative gearing and strong interest cover demonstrates strong balance sheet fundamentals
- Focus on balance sheet efficiencies through working capital management, more stringent capital deployment hurdle rates

Notes:

1. Working capital excludes Sales and Parts inventory presented on line below
2. Net Debt calculated as Senior debt, plus Finance leases liabilities, less Cash
3. June 08 facilities headroom includes \$595m Senior debt facility, plus existing Finance lease facility of 36m, less Net Debt



Operating cash flow

Emeco continues to generate significant free cashflow

| A\$m | 12 months: | |
|---------------------------|----------------|----------------|
| | FY07 | FY08 |
| EBITDA | 207.3 | 213.5 |
| Working capital | (80.0) | (1.5) |
| FX/Other | 8.0 | (7.6) |
| Interest | (23.4) | (22.3) |
| Tax | (16.0) | (13.8) |
| Operating Cashflow | 95.9 | 168.3 |
| Maintenance capex: | | |
| Rental | (53.2) | (96.9) |
| Other (13.0) | (7.1) | (24.7) |
| Disposals | 47.3 | 43.8 |
| Free Cashflow | 82.9 | 90.4 |
| Dividends | (6.3) | (28.2) |
| Growth capex | (182.9) | (106.8) |
| Debt funded | (106.3) | (44.5) |
| Free cashflow funded | (76.6) | (62.2) |

- Net maintenance capex comprising equipment replacement & major overhauls lumpy but should trend towards depreciation over time
- FY09 growth in free cashflow expected from capex invested over last 12 months
- Capital base now well established to generate significant free cashflow for growth and capital management initiatives
- Primary focus on extracting greater returns on existing invested capital in FY09 whilst investing opportunistic growth capex to enhance ROFE

Notes:

1. FY07 tax reflects pro forma tax adjustment on pro forma adjustments, assuming no timing differences
2. Maintenance capex on motor vehicles, land and buildings and sundry equipment

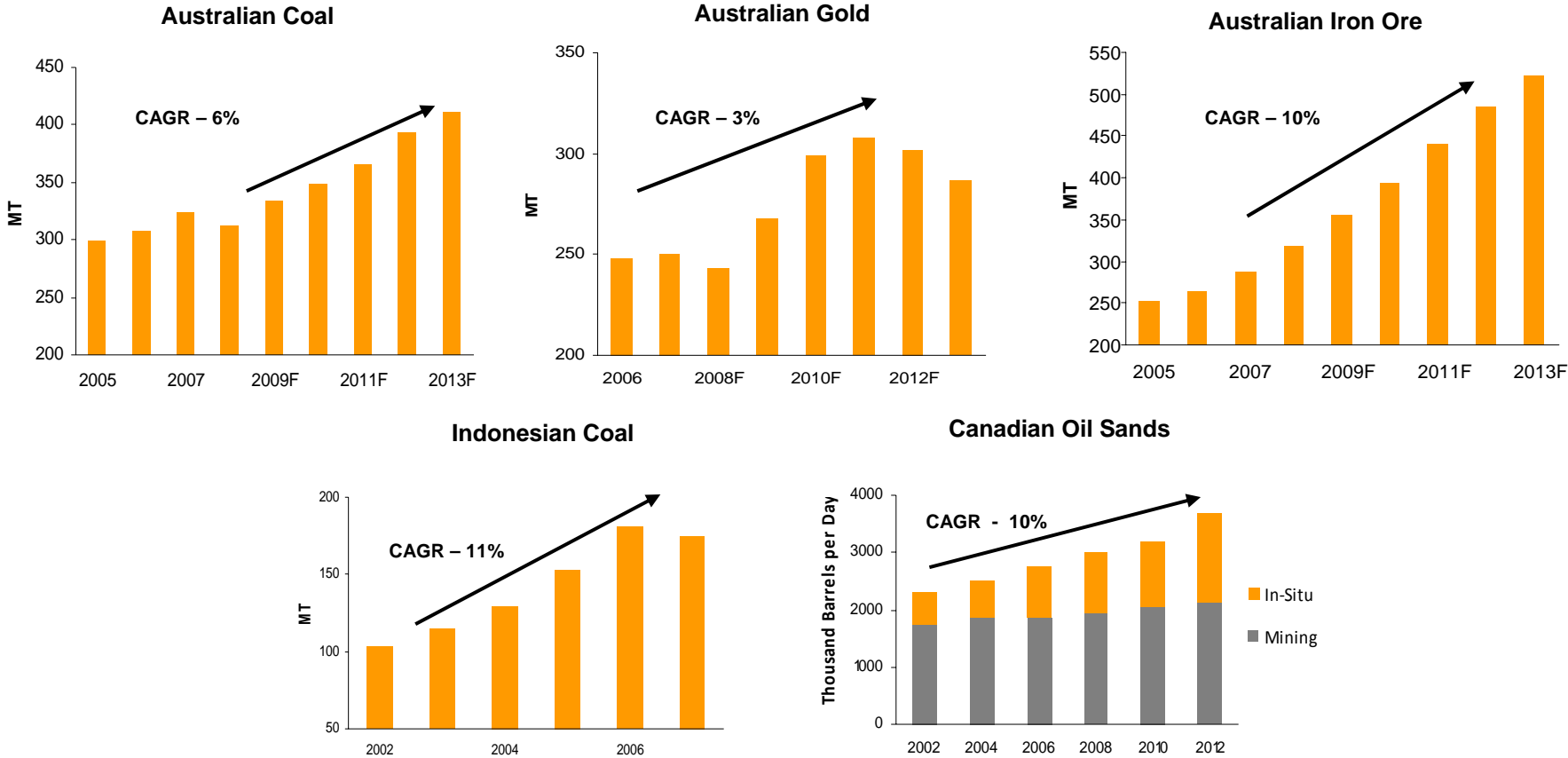


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Organic growth opportunities

Emeco's primary markets are forecast to continue growing at between 3–10% p/a over the medium term



Source: ABARE Commodity Outlook – March 2008, (Australian Coal represents total production of saleable coal)
 (CAPP) Canadian Association of Petroleum Producers Crude Oil Forecast, Market and Pipeline Expansion Report (June 2007)
 Ministry of Energy and Mineral Resources – Republic of Indonesia



Current market conditions

Emeco's outlook and earnings momentum remains positive

Australia

- Significant activity in coal, iron ore and gold markets are translating to strong fleet utilisation
- Limited availability of new equipment is driving higher utilisations and longer contract tenure
- Infrastructure de-bottleneck progress, though expected to take some time

Indonesia

- Higher coal production on the back of higher prices
- Re-engagement of Australian contract miners is driving Emeco's return to utilisations above 90%
- Numerous new projects coming to fruition, creating significant additional opportunities

Canada

- Oil sands mining activity and associated infrastructure increasing demand for equipment
- Metaliferrous mines continue to present new opportunities in British Columbia
- Emeco brand equity in region now well established
- New maintenance facility has bolstered Emeco's unique service offering



Current market conditions

Emeco's outlook and earnings momentum remain positive

United States

- Appalachian coal prices have increased 100% over past six months translating to increased activity
- US business infrastructure now well established to capitalise on opportunities
- Increased capacity in Parts business is delivering value
- Continued focus on quality of earnings

Europe

- Western Europe showing soft economic growth with limited trading opportunities
- Ongoing review of performance and strategic direction of business

Strategic outlook

Strategic growth

- Strategic focus delivering continued improvements in ROFE and utilisation levels whilst capturing any compelling growth opportunities that may arise
- Uncertainty of funding sources from debt and equity markets for our customers is translating into higher enquiry levels of Emeco rental offering
- Global mining activity in coal, iron ore and oil sands remains robust with a return to historic utilisation levels being witnessed

Balance sheet discipline

- With capital becoming increasingly constrained there is a renewed focus to improve capital efficiency with focus on management of working capital and returns on rental fleet



Strategic outlook

Organisational capabilities

- Continued integration of global business units and standardisation of Emeco systems and processes
- Enhancement of global procurement and asset management team to optimise global fleet
- Ongoing development of management team depth and capability (executive and operational) is translating into optimisation of existing business whilst pursuing strategic growth opportunities

Existing regions

- Australia businesses expecting continued growth due to supply and demand side factors
- Continue to deliver earnings quality in major international markets
 - Indonesia utilisation rates at all time high
 - Canada and US businesses demonstrate positive growth and profitability
 - Opportunities exist to relocate equipment across regions



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Summary

- Emeco is leveraged to mining volumes rather than commodity prices
- Whilst remaining diversified there is significant and increasing exposure to coal and iron ore
- Global fleet utilisation recovered in 2H08 and currently remains strong
- Cashflow generation from installed asset base plus secured funding leaves Emeco well placed for any future challenges or opportunities
- In addition to profit growth management remain focused on improving capital efficiency and enhancing group ROFE
- Emeco management remains confident in the outlook for FY2009 however global market conditions remain uncertain



Questions ?



“Helping you move the Earth”™

