



Earthmoving equipment solutions

WA Emerging Leaders Conference

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Chief Financial Officer



RENTAL | SALES | PARTS | ASSET MANAGEMENT

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- ◆ **Company Overview**
- ◆ **Emeco's Business Drivers**
- ◆ **Strategy**

Operational Overview

- ◆ **Challenging year but business model validated...**
 - ◆ FY09 Operating NPAT of \$57.7M ⁽¹⁾
 - ◆ Some regions outperformed
- ◆ **Well positioned...**
 - ◆ Positive cash flow
 - ◆ Debt reduction
 - ◆ Downsized European business
 - ◆ Global workforce of ~850 people
- ◆ **Looking forward...**
 - ◆ Positive volume outlook
 - ◆ Fleet-mix trending toward larger equipment
 - ◆ Growth in Australia, Indonesia & Canada

(1) FY09 Statutory NPAT of \$13.3M due to impairment and restructuring charges

Corporate Overview

- ◆ **Key points...**
 - ◆ Established Australia 1972
 - ◆ Listed on ASX 200 Index (ASX:EHL)
 - ◆ Market cap A\$536M
 - ◆ Debt facility A\$595M
 - ◆ 52 week range \$0.165 to \$0.985

- ◆ **Substantial shareholders:**
 - ◆ Franklin Resources 11.32%
 - ◆ Maple-Brown Abbott Limited 8.35%
 - ◆ Barclays Group 7.33%
 - ◆ 70% institutional investors

Source: Shareholders as at 19 October 2009, as disclosed in the substantial holding notices
Market cap and 52 week price range as at 19 October 2009

Financial Overview

◆ Profit and Loss, FY09 (A\$M)

	1H09	2H09	FY09
Revenue	309.8	218.4	528.2
EBITDA	128.6	82.3	210.9
EBIT	69.7	36.2	105.9
NPAT	39.0	18.7	57.7
EPS (cps)	6.2	3.0	9.1
DPS (cps)	2.0	2.0	4.0
Funds Employed	918.3	903.9	915.7
ROFE (%)	15.0%	8.0%	11.6%

◆ Cash Flow, FY09 (A\$M)

	FY09
Cash flow from Operating Activities	175.4
Rental Capital Expenditure	(107.7)
Cash flow from Investing Activities	(94.2)
Dividends	(28.2)
Cash flow from Financing Activities	(35.7)
Free Cash flow to reduce Debt	45.5

◆ Balance Sheet at June-09 (A\$M)

	Jun 09
Total Assets	1,121
Total Equity	683
Net Debt	331
Interest Cover	8.1
Net Debt: EBITDA	1.8
Net Debt: Equity	49%

◆ Funding Facilities at June-09 (A\$M)

Funding Facilities	Facility limit	Drawn	Headroom
Senior Debt Facility	595	328	267
Working Capital Facility	35	–	35
Finance Lease	33	14	18
Total	663	342	321

Global Coverage

Australia



Indonesia



Canada



USA



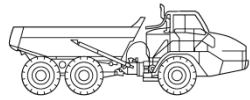
Europe



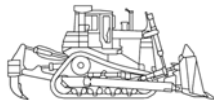
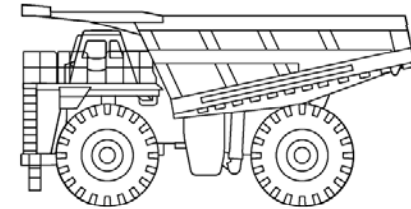
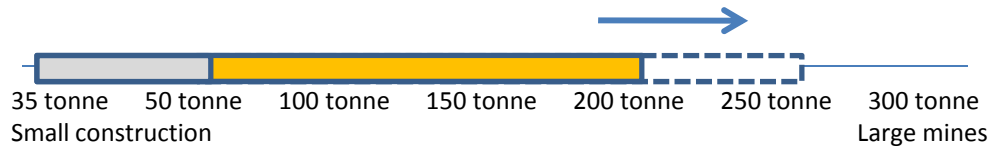
- ◆ Global fleet and inventory of around 2,000 machines
- ◆ Strong procurement network
- ◆ Redeployment opportunities minimise concentration risk

Equipment profile

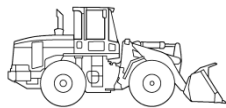
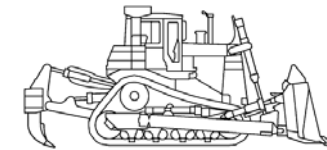
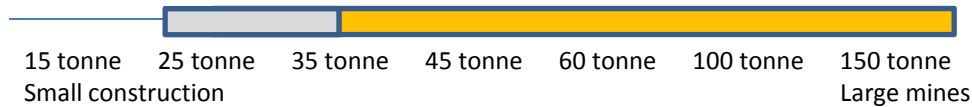
Independent supplier of well-maintained best-in-class equipment



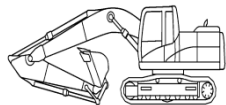
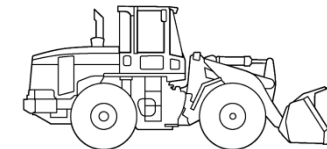
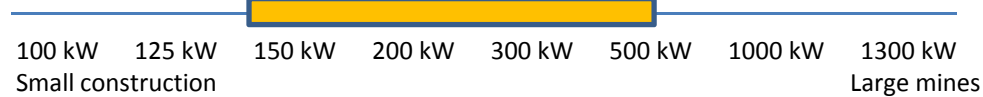
Truck



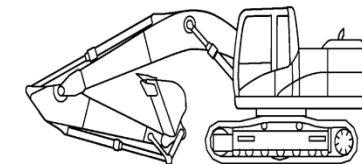
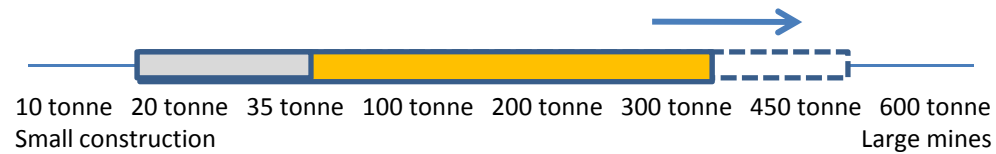
Dozer



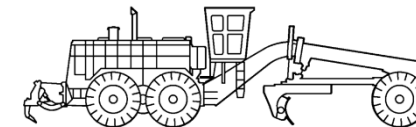
Loader



Excavator



Grader

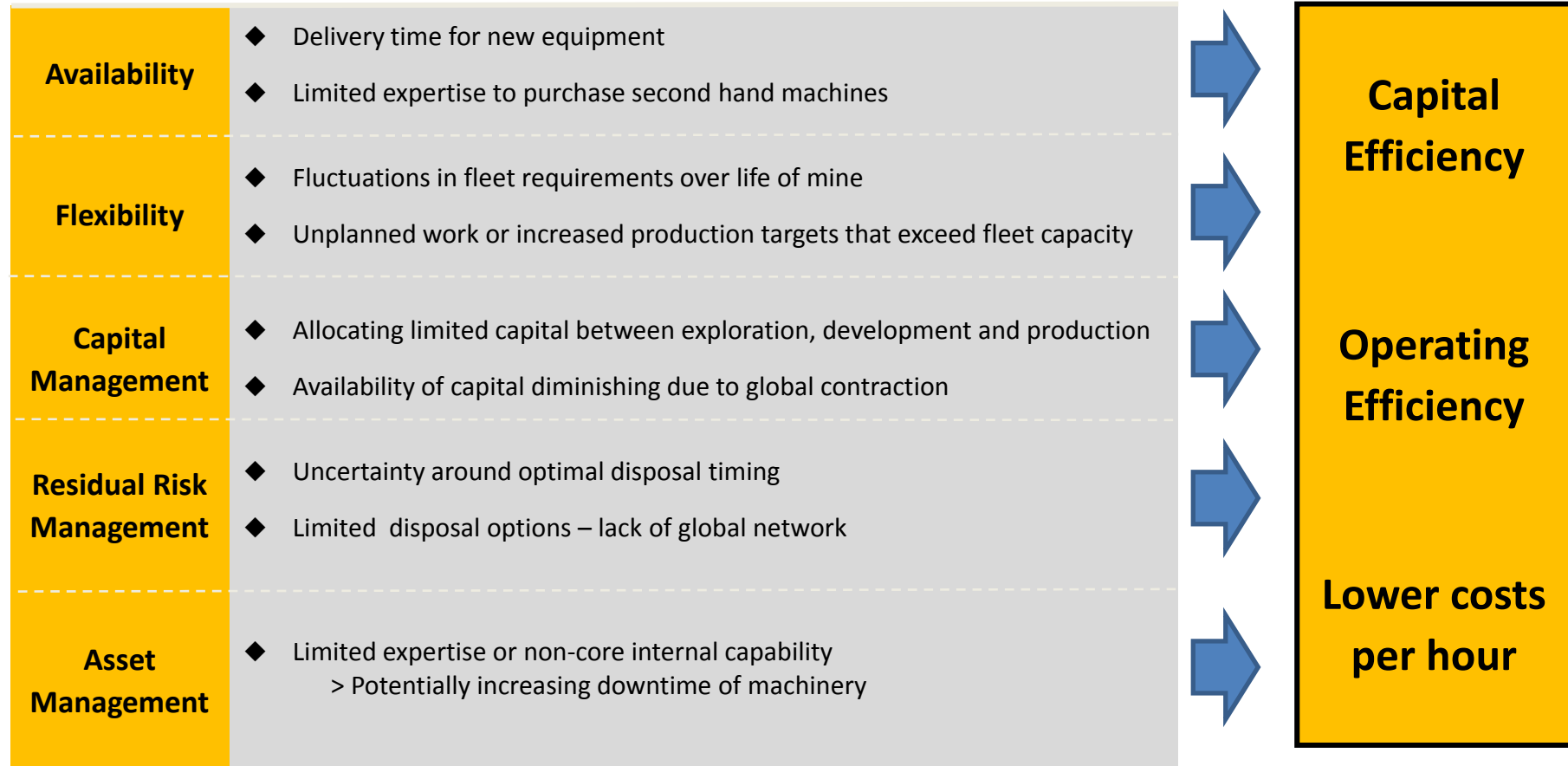


Why rent with Emeco?

5 main reasons why companies rent from Emeco...

Reasons:

Customer Constraint :



Customers

Establishing long-term supplier relationships with blue-chip customers

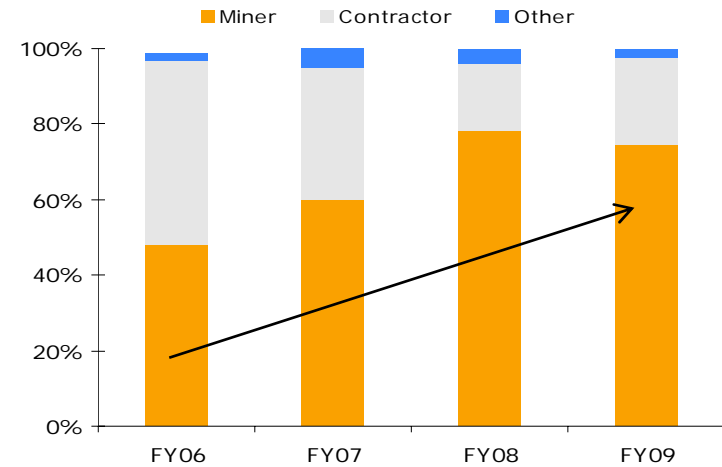
- ◆ 70% revenue from blue-chip customers
- ◆ Customer profile trending toward large mining houses
- ◆ Mix of miners and contractors demonstrates rental model appeals for variety of reasons
- ◆ Solid customer base:

Xstrata Coal	Barrick Gold	Rio Tinto Coal	
Rio Northparkes	Anglo Coal	Downer EDI	
Newcrest	Alcoa	Kagara	Newmont
Leightons	Xstrata Zinc	Rio Tinto Iron Ore	

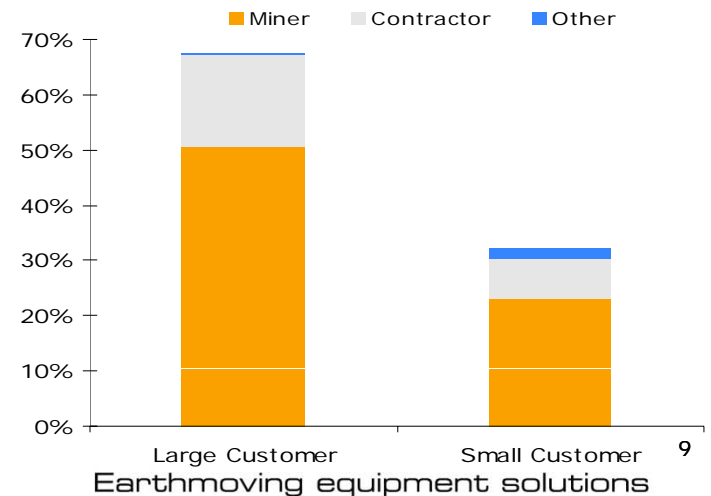
Large customers defined as market capitalisation >\$1B



Evolution of customer type



FY09 Customer composition

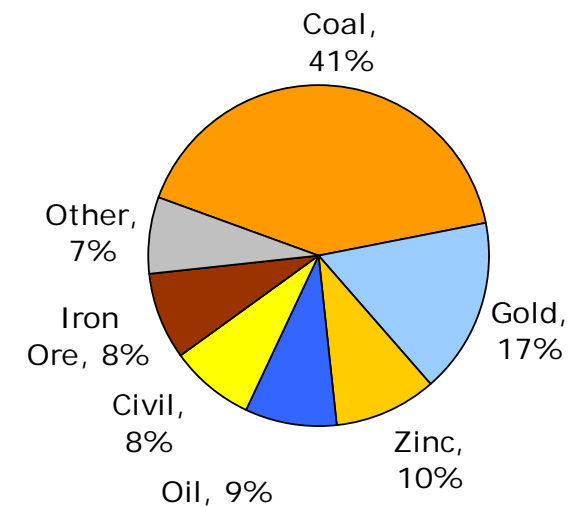


Commodities

Focus on increasing exposure to low cost producers in key commodities

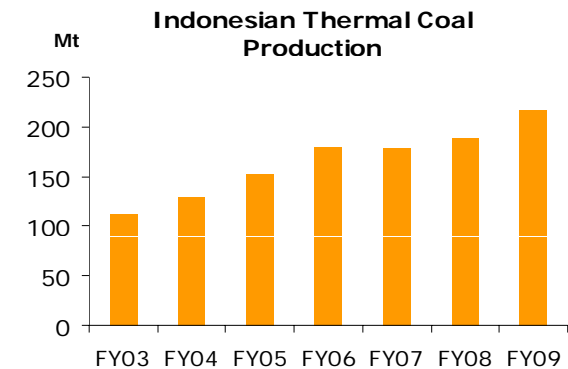
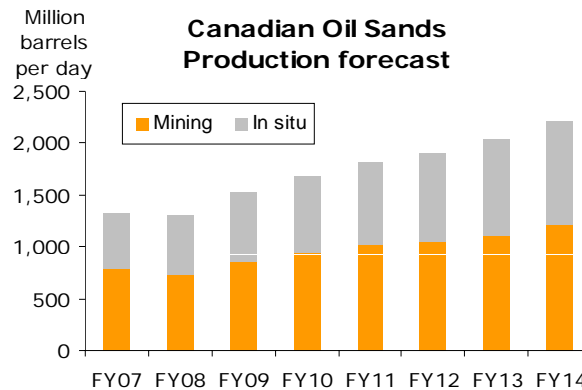
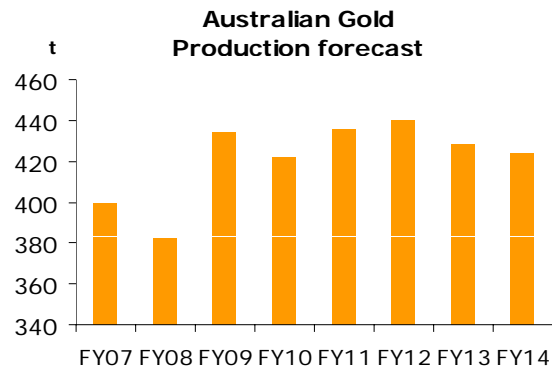
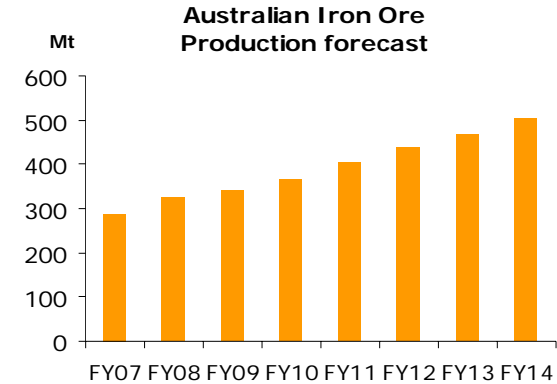
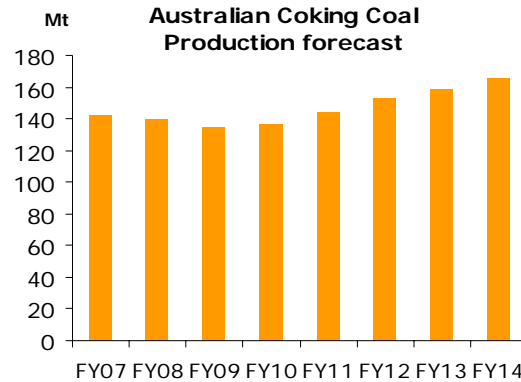
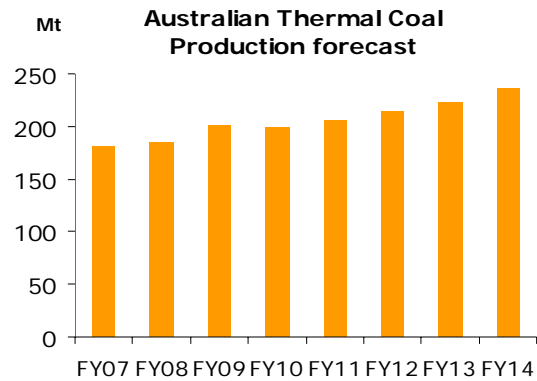
- ◆ **Thermal coal** volumes forecast to increase in Australia and Indonesia
- ◆ **Iron ore** and **coking coal** expected to strengthen
- ◆ Exposure to world class **gold** producers
- ◆ Canadian **oil sands** activity expected to increase in 2010
- ◆ Increasing **infrastructure** investments in Australia

Commodity exposure FY09



Organic Growth Opportunities

End-market volumes forecast to increase



Source: ABARE Commodity Outlook – March 2009,
 (CAPP) Canadian Association of Petroleum Producers Crude Oil Forecast 2009-2025
 Ministry of Energy and Mineral Resources – Republic of Indonesia

Strategy

Short-Term

- ◆ Downsizing Europe
- ◆ USA strategic review
- ◆ Liberating cash from underperforming assets
- ◆ Opportunistically purchase specific asset classes
- ◆ Engage new CEO to move forward with established senior management team
- ◆ Leverage earnings growth from installed asset base

Medium to Long-Term

- ◆ Reposition fleet away from small civil to large mining
- ◆ Increase exposure to low cost producers in key commodities
- ◆ Build scale and commodity diversification in Canada
- ◆ Explore alternative markets
- ◆ Enhance integrated approach to provide 'Rental, Sales, Parts & Asset Management' services
- ◆ Build depth in organisational management and technical capability
- ◆ Build long-term strategic supply relationships with blue-chip customers
- ◆ Develop long term diversified funding sources

Market Outlook

Increasingly positive outlook

Volumes

- ◆ Development volumes expanding as business confidence improves
- ◆ Growth in bulk commodities in Asia Pacific expected
- ◆ Canadian oil sands now stable, development activity to recommence in 2010
- ◆ Infrastructure activity increasing as Government projects gain traction

Equipment Capacity

- ◆ Short term excess capacity expected to unwind as activity recommences over FY10
- ◆ Early signs of tightening availability for larger mining equipment

Capital Availability

- ◆ Customers likely to remain cautious on capex for some time
- ◆ General recovery of credit flows expected to take longer than resource recovery
- ◆ Balance sheet and cash flow strategy positions Emeco to capture opportunities

Summary

- ✓ Emeco Business model has been validated
 - ✓ Solid operational NPAT
 - ✓ Significant free cash flow generated
- ✓ Activity across key commodities is improving
- ✓ Strengthening relationships with blue-chip customers
- ✓ Installed asset base to drive earnings recovery in FY10
- ✓ Strategy to liberate capital from underperforming assets
- ✓ Opportunity to invest in larger equipment in-line with growing demand
- ✓ Repositioning the business in FY10
- ✓ Continued growth in FY11



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Questions & Answers



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