

ASX Release  
3 November 2010

## EMECO COMPLETES DEBT REFINANCING - STRATEGIC PLAN ON TRACK

- ◆ Successful execution of \$450 million senior debt facility
- ◆ 3 year and 5 year tranches deliver extended debt maturity profile
- ◆ Refinancing completed with seven banks from existing syndicate
- ◆ Strong balance sheet in place to pursue value creating strategies

Emeco Holdings Limited (ASX:EHL) today reported the successful execution of a \$450 million senior debt package with a syndicate of seven banks. This refinancing will replace the Group's existing \$595 million debt facility which was to mature in August 2011.

The debt package comprises a 3 year \$300 million and a 5 year \$150 million revolving multi-currency facility. This provides the Company with total debt facilities of approximately \$507 million, inclusive of a 5 year \$25 million finance lease facility with Komatsu Finance and a \$32 million working capital facility.

Stephen Gobby, Chief Financial Officer, said "One of the primary objectives of our funding strategy was to establish an extended debt maturity profile and ultimately reduce our medium term refinancing risk. We also wanted to re-size our facility so that we had sufficient headroom to service growth but without surplus headroom which increases costs. This transaction has delivered on our strategy."

The new facility comprises a banking syndicate of seven domestic and international banks led by Westpac, ANZ, BOS International and Commonwealth Bank, all of which were participants in the previous senior debt facility. Completing the refinancing with existing banks highlights the banking group's confidence in Emeco.

The refinancing will give rise to an increase in Emeco's weighted average cost of debt to approximately 8% including transaction costs, which reflects current credit market conditions. The Company will also write off capitalised borrowing costs of approximately \$0.6 million (after tax) in FY11 relating to the previous debt facility.

In July 2010, Emeco announced a strategy focused on servicing its mining customers in its core markets of Australia, Indonesia and Canada. The completion of the debt refinancing is another important step forward in delivering on the Company's strategic objectives.

Mr Gobby said "With a robust outlook for operating cash flow, gearing below our target range of 1.5 times net debt to EBITDA and net debt of approximately \$285 million, this refinancing provides Emeco with a strong balance sheet to pursue value creating strategies over the coming years."

The Company will hold its Annual General Meeting in Perth, Western Australia on 16 November 2010.



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**About Emeco**

Emeco is a leading global provider of heavy earthmoving equipment with offices in Australia, Indonesia and North America. Emeco has integrated rental, sales, parts, maintenance and procurement into a single business for high reliability, low-houred heavy earth moving equipment for the mining sector. Emeco is not aligned with any earthmoving equipment manufacturer and has a global fleet of approximately 1,000 machines including equipment manufactured by Caterpillar, Hitachi, Komatsu, Liebherr and Volvo. Emeco's ordinary shares are traded on the Australian Stock Exchange under ASX code EHL.