

ASX Release
5 November 2010

FIRST HALF EARNINGS GUIDANCE

- ◆ Earnings for 1H11 expected to be in the range of \$27 million to \$29 million
- ◆ Fleet utilisation remains robust at 89% with strong mining customer demand
- ◆ Recontracting of large Australian rental fleets now finalised
- ◆ Risks to 1H11 earnings from first quarter Queensland weather events has now diminished
- ◆ New debt facility provides certainty on interest costs going forward
- ◆ AUD appreciation has impacted contribution from Indonesia and Canada

Emeco Holdings Limited (ASX:EHL) today announced that it expects Net Profit After Tax (NPAT) for 1H11 to be in the range of \$27 million to \$29 million. The anticipated result reflects the strong recovery in utilisation experienced across all Emeco's core businesses in 2H10, which has continued into 1H11.

Keith Gordon, Chief Executive Officer, said "We have previously indicated that we consider the run-rate earnings achieved in 2H10 (operating NPAT of \$27.5 million) to be a reasonable guide for our FY11 earnings. We have been able to confirm that view after completing four months of trading and having now gained certainty around some of the risk factors to first half earnings."

"At an operational level, we had some large fleets coming to contract end during this first half which posed some risks to earnings; however we have now largely secured new contracts for these fleets. We were also conscious of the significant rain in Queensland during September and October. Fortunately this has not materially impacted any of our contracts during this period." Mr Gordon said.

The completion of Emeco's debt refinancing has provided certainty on interest costs for the balance of 1H11. The increase in interest margins and the write-off of capitalised borrowing costs are reflected in the 1H11 earnings guidance.

The strong appreciation in the Australian Dollar is expected to dampen the translated earnings contribution from the Indonesian and Canadian businesses in FY11, assuming currencies remain at current levels for the balance of the financial year. Despite the translation impact, the underlying businesses are achieving strong utilisation and are performing in-line with expectations. Emeco estimates the surge in the Australian Dollar since July 2010 has impacted 1H11 NPAT by approximately \$1 million.

Mr Gordon said "With fleet utilisation currently at 89% and continued strong demand for equipment, we are starting to reap the benefits of our strategy of focusing on mining customers in Australia, Canada and Indonesia. We believe that the long term fundamentals for commodities in these markets will support further investment in mining equipment."

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.