

Market release
15 November 2011

Chairman's Address to the 2011 Annual General Meeting

Ladies and Gentlemen, good morning and welcome to the Annual General Meeting of Emeco Holdings Limited for 2011.

After I have introduced the board of directors to you I will talk briefly about the Company's performance in financial year 2010/11 before asking our Managing Director and Chief Executive Officer, Keith Gordon to provide some further insights into Company's performance and the outlook for the business.

Board and Management

So firstly let me introduce the team I have here with me today:

Peter Johnston who joined the board in 2006, brings significant industry experience as CEO of Minara Resources as well as his chairmanship of the Minerals Council of Australia board.

John Cahill joined the Emeco board in 2008. John, who is standing for re-election today, is Perth based and brings CFO and CEO experience with Alinta and Alinta Infrastructure, as well as a leadership role in CPA. John is the chairman of our audit and risk committee.

Bob Bishop joined the Emeco board in June 2009. Bob is based in NSW and also has an extensive background in the resources industry having previously been CEO of a global mining and tunnelling business.

Peter Richards joined the board as an independent Non-Executive Director in June 2010. Peter has extensive global experience in the resources and broader industrial sectors including at CEO level.

Keith Gordon is Emeco's Managing Director and Chief Executive Officer. Keith joined Emeco in December 2009. Prior to joining Emeco Keith spent the previous 11 years in senior roles at Wesfarmers and he has brought to Emeco a valuable mix of strategic and operational skills and financial discipline that have already been used to good effect in the Emeco CEO role.

Lastly, I joined the Emeco board in 2005 prior to its IPO. I am based in Sydney, spent most of my executive career with CSR Limited and retired as its CEO in 2007. I have been a public company director for more than twenty years. In addition to my role as Chair of Emeco, I currently chair one



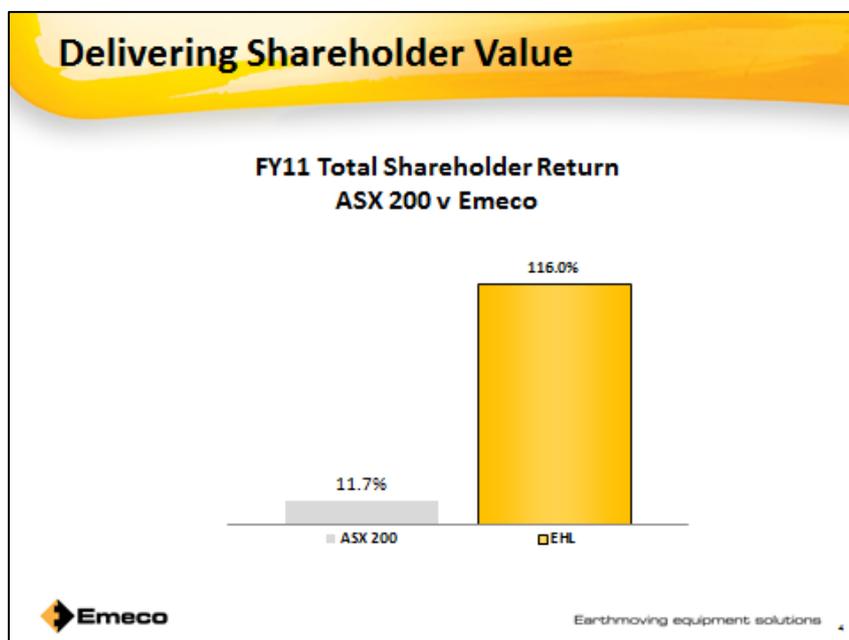
other private company, and have a range of unpaid and not for profit activities. I will also be standing for re-election here today.

The Emeco board is a small, hard-working board that I believe has the mix of skills and experience necessary to cost effectively monitor the performance of the Company on behalf of shareholders. I would like to thank all of my non-executive director colleagues for their contribution to the Company over the past year.

The global environment in which Emeco operates has changed quite dramatically over the past two years and the management team led by Keith continues to make excellent progress on a range of important strategic and operational issues that have allowed Emeco to adapt and succeed in this new environment.

Performance

The past twelve months has been a time of exciting change and development for Emeco. In July 2010 we agreed that the best value creating strategy for Emeco was to focus our dry rental model more on serving our mining customers in the major mining provinces of the world. The early steps in implementing this strategy have produced very encouraging results.



Among the notable achievements during the year were the timely implementation of our restructuring initiatives, the successful refinancing of our debt facilities, advancing our people strategy and further investment in large mining equipment. These actions have translated into improved shareholder returns with Emeco achieving a Total Shareholder Return (“TSR”) well in excess of the ASX 200 index over the past 12 months.

Despite a backdrop of ongoing volatility in global markets over the past year, we continued to observe significant growth in mining activity across all of our markets. Emeco's fleet utilisation reflected these strong activity levels resulting in Net Profit After Tax before significant items (Operating NPAT) improving by 36.3% to \$56.0 million and Return on Invested Capital (ROC) increasing from 8.3% to 11.3% over the past twelve months. Statutory NPAT for the full year was \$49.6 million reflecting a small loss from discontinued operations and a one-off debtor impairment in Indonesia.

Managing Capital Effectively

Central to delivering acceptable returns to shareholders is ensuring investment is directed towards quality assets, with any excess capital being duly returned to shareholders if it is surplus to the Company's needs.

As part of the strategic review we identified a number of non-core businesses and assets that have subsequently been disposed. These activities have resulted in the release of over \$56 million, or 8.9 cents per share, in underperforming capital over the course of FY11.

Of the total capital released, the board resolved to return \$31.6 million to shareholders in the form of a 5.0 cents per share fully franked special dividend. This initiative returned surplus capital and distributed some surplus franking credits to shareholders while maintaining the balance sheet capacity and gearing levels to pursue growth. In addition the Directors have declared interim and final dividends of 2.0 cents per share and 3.0 cents per share, both fully franked.

During the year we also successfully refinanced our debt facilities with our existing banking syndicate, achieving certainty around funding availability over the next three to five years to meet our growth objectives.

Safety

The safety of our employees and those we work with is a key priority of the board and we remain committed to continuous improvement in this area and our ultimate objective of "zero harm". Emeco continues to progress towards creating a world class safety management culture and we remain vigilant and committed to making Emeco an even safer workplace.

Our People, Community and the Environment

Re-enforcing the Company's ongoing commitment to its people, community and environment, I am pleased to report that Emeco published its inaugural sustainability report within the FY11 annual report this year.

We are working to deepen our engagement with the community and to improve our approach to measuring and managing our environmental footprint. I'm confident we are making the necessary progress in these areas, while delivering long-term, satisfactory returns to our shareholders.

Our employees continue to make outstanding contributions to the success of the Emeco business. On behalf of the board I would like to take this opportunity to thank everyone for their efforts over the past twelve months and for their ongoing commitment.

The Future

In recent months we have seen the re-emergence of risks to the global economy and financial system. We believe we are in a good position to manage these risks and we remain alert to the environment in which we operate.

At the same time we continue to observe robust commodity demand from emerging market economies which is driving strong fundamentals for the global mining industry. As a service provider to the mining sector, Emeco retains a positive outlook on activity levels in the near term which underpins the significant capital investment program being pursued in FY12 and provides opportunities for geographic expansion into the world's major mining regions.

The Company now has a solid base from which to grow having completed the restructure. In the year ahead, we will continue our focus on improving the performance of our existing businesses while pursuing growth which delivers superior returns for our shareholders.

The board is confident that Emeco can deliver steady and sustainable growth for shareholders over the coming years.

Finally, I would like to thank you – our shareholders for your support of the Company over the past year.

Further enquiries can be directed to:

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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.