

21 March 2017

**ASX: EHL ('EMECO' OR 'THE COMPANY')**

## Recapitalisation and merger equity allocations

- **Post-Transaction equity allocation has been calculated**

Emeco today announces that pursuant to the Amended Restructuring Support Agreement signed on 30 December 2016 (**Amended RSA**), certain financial metrics regarding the equity allocation and issue price of shares to the various parties to the Amended RSA and under its pro rata renounceable entitlement offer (**Entitlement Offer**) have been calculated.

As disclosed in the Creditors' Scheme disclosure documents and the Shareholders' Notices of Extraordinary General Meeting, the recapitalisation of Emeco and mergers with Orionstone and Andy's (**Transaction**) is structured such that certain financial metrics of each party to the Transaction will be measured on the Calculation Date to determine the final number of new Emeco shares (**New Shares**) issued to each party.

The financial metrics to be calculated at the Calculation Date take into account (amongst other items):

- (1) the excess cash contributed by each party;
- (2) the fair market value of rental equipment;
- (3) the total principal outstanding of interest bearing liabilities; and
- (4) the balance of any finance leases outstanding.

Emeco's shareholders will own 36% of the combined group following completion of the Transaction if all existing shareholders fully participate in the Entitlement Offer, prior to the Management Incentive Plan. The pro forma ownership of Emeco following completion of the Entitlement Offer is detailed below:

Shareholder	% of shares outstanding
Existing Emeco shareholders	27%
Entitlement Offer – Participants	8%
Entitlement Offer – Underwriting Fee	1%
Black Diamond (Excluding Entitlement Offer underwriting)	22%
Other Emeco noteholders	12%
Orionstone shareholders	10%
Orionstone creditors	11%
Andy's shareholders	5%
Andy's creditors	5%
<b>Total</b>	<b>100%</b>

For further information about the methodology of calculating shares to be issued to the parties to the Amended RSA, please refer to the Shareholders Notice of Extraordinary General Meeting and supplementary Notice of Extraordinary General Meeting (released to ASX on 8 February 2017 and 23 February 2017, respectively) and the Explanatory Statement and supplementary disclosure for the creditors' scheme (released to ASX on 7 February 2017 and 23 February 2017, respectively).

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**Investor enquiries**

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Established in 1972, Emeco is the world's largest, independent mining equipment rental business and currently services major resource projects across Australia, Canada and Chile. Emeco pursues a best in class asset management strategy and operates a global fleet of equipment from a range of original equipment manufacturers to deliver the most effective equipment rental and maintenance solutions for its customers. Emeco is a publicly listed company on the Australian Securities Exchange (ASX:EHL).

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