Emeco Holdings Limited
2007 Annual Results Presentation

Emeco

Disclaimer

- This presentation may contain forward looking statements that are subject to a range of risk factors and uncertainties. Whilst these statements are considered to be based on reasonable assumptions, the statements themselves and the assumptions upon which they are based may be affected by a range of circumstances which could cause actual results to differ significantly from the results expressed or implied in these forward looking statements. These circumstances include, but are not limited to: changes in the demand for volume of earth moved in the mining and civil construction sectors, changing customer preferences regarding the rental of heavy earthmoving equipment, industry competition, price fluctuations and general economic and financial market conditions, both in Australia and internationally. To the maximum extent permitted by law, Emeco Holdings Ltd, its directors, officers, employees and agents disclaim liability for any loss or damage which may be suffered by any person through the use of or reliance on anything contained in or omitted from this presentation.

- The information in this presentation is not an offer or recommendation to purchase or subscribe for securities in Emeco Holdings Ltd or to retain any securities currently held.

Agenda

1. **Highlights**
2. **Financial Results**
3. **Operational Overview**
4. **Outlook**

FY07 Financial Highlights

- Revenue up 44.8% to $554.4M
- Pro Forma EBITDA up 44.6% to $207.3M with a margin of 37.2%
- Pro Forma EBITA up 43.7% to $128.5M with a margin of 23.1%
- Pro Forma NPAT of $74.7M with a margin of 13.4%
- Pro Forma NPATA of $78.2M with a margin of 14.0%
- Pro Forma EPS of 11.8 cents
- ROFE EBITDA and EBITA of 27.8% and 17.3%
- Fully Franked Final dividend of 2.5c declared, with total dividends of 3.5c declared for the year
- Positive outlook for 2008

Emeco

Staff Health and Safety

- A Safety Health and Environment Team comprising senior Emeco executives and the national OH&S manager has been formed to assist in the ongoing development of our OH&S systems and to monitor Emeco's performance
- An Emeco Safety Health and Environment Plan setting out the key features of Emeco's OH&S and Environmental management systems and processes has been rolled out across our Australian operations
- Emeco has continued to boost its OH&S capability with the appointment of 3 additional regional OH&S advisors and the recruitment of a dedicated national OH&S manager is underway
- Safety audits have been conducted at all Australian workshop sites and improvement plans are being implemented

FY07 Business Highlights

- Solid FY07 result above prospectus forecast whilst enduring significant challenges
- $243M of capital invested during the year; $183M in growth capital ($135M organic growth and $48M in acquisitions) and $60M in maintenance capital
- Increasing acceptance of our product offering by customers who want availability, flexibility, capital management, residual risk management and asset management
- A shift to longer initial term contracts with blue chip miners
- Growth achieved whilst maintaining high utilisation and quality of earnings rates on capital invested
- Recruited experienced senior leaders and staff throughout the world to continue driving our growth ambitions
- Continued to expand our global operations

Emeco's Global Vision

- We have continued to make significant progress in establishing the foundations for our global business vision

Global Vision

- We have made significant progress to become a major world player

Rank 07	Rank 06	Company	Turnover (€ million) 06/07	Turnover (€ million) 05/06	Head Office	Areas of Operation	Type of Rental Company	Number of Depots	Number of Staff	Contact Details
14	15	H&E Equipment Services	427	375	Baton Rouge, Louisiana, USA	USA	Construction equipment	42	1677	+1 225 298 5200 www.he-equipment.com
15	13	Hewden Stuart PLC	420	426	Glasgow, Scotland	UK	Construction equipment	360	3600	+44 1698 805700 www.hewden.co.uk
										Figures include Tool Hire division sold to Speedy Hire.
16	19	Cramo	402	334	Helsinki/Vantaa, Finland	Finland, Sweden, Denmark, Norway, Estonia, Latvia, Lithuania, Russia, Poland, Czech Republic	Construction equipment, tools	245	1828	+46 8 623 54 77 www.cramo.com
										Netherlands business sold in April '07.
17	17	Algeco	376	362	Macon, France	UK, Portugal, Spain, France, Italy, Belgium, Germany, Poland, Czech Republic, Slovakia	Accomodation	133	2800	+33 142 862300 www.algeco.com
										Includes figures from Elliott Group in UK. Business owned by TDR Capital
18	7	NES Rentals	347	488	Chicago, USA	USA	Construction equipment	110	2000+	+1 800 NES RENT www.nesrentals.com
19	20	Select Plant Hire Company Ltd	334	264	Grays, Essex, UK	England, Scotland, Ireland, Middle East	Construction equipment, tools, tower cranes	10	217	+44 01375 390 666 www.selectplant.com
										Majority of sales with owner, Laing O'Rourke
20	74	Emeco Holdings	313	75	Perth, Australia	Australia, Canada, Indonesia, USA, NL	Heavy construction and mining equipment	24	500	+61 8 9420 0222 www.emeco.com.au
21	38	Mediaco Lifting	300	150	Marseille, France	France, North/West Africa, Worldwide	Cranes, construction equipment	70	2050	+33 4 91 038191 www.mediaco.fr
22	NEW	Kanamoto Co	293	-	Sapporo, Japan	Japan	Construction equipment	148	1452	+81 11 209 1631 www.kanamoto.co.jp
23	42	Liebherr-Mietpartner	290	143	Ludwigshafen, Germany	Germany, France, Italy, Spain, Austria, Switzerland, UK	Construction equipment	141	310	+49 6237 40060 www.liebherr.com
24	24	Williams Scotsman International	260	241	Baltimore, Maryland, USA	Canada, USA, Mexico, Spain	Accommodation	100+	1947	+1 410 931 6000 www.willscot.com
25	22	Maxim Crane	250 (Est)	253.3 (Est)	Bridgeville, PA, USA	USA	Cranes and aerial platforms	35	2900	+1 412 504 0200 www.maximcrane.com

Source: International Rental News – June 2007

Foundations of a Global Business- Indonesia

- Our Indonesian operations are ideally located to service the extensive coal fields of Kalimantan and metalliferous operations in the surrounding area

Foundations of a Global Business- Indonesia

- A number of new opportunities are being discussed and evaluated to expand geographically into S.E Asia within the next couple of years

Emeco sites

Opportunities

Foundations of a Global Business- Indonesia

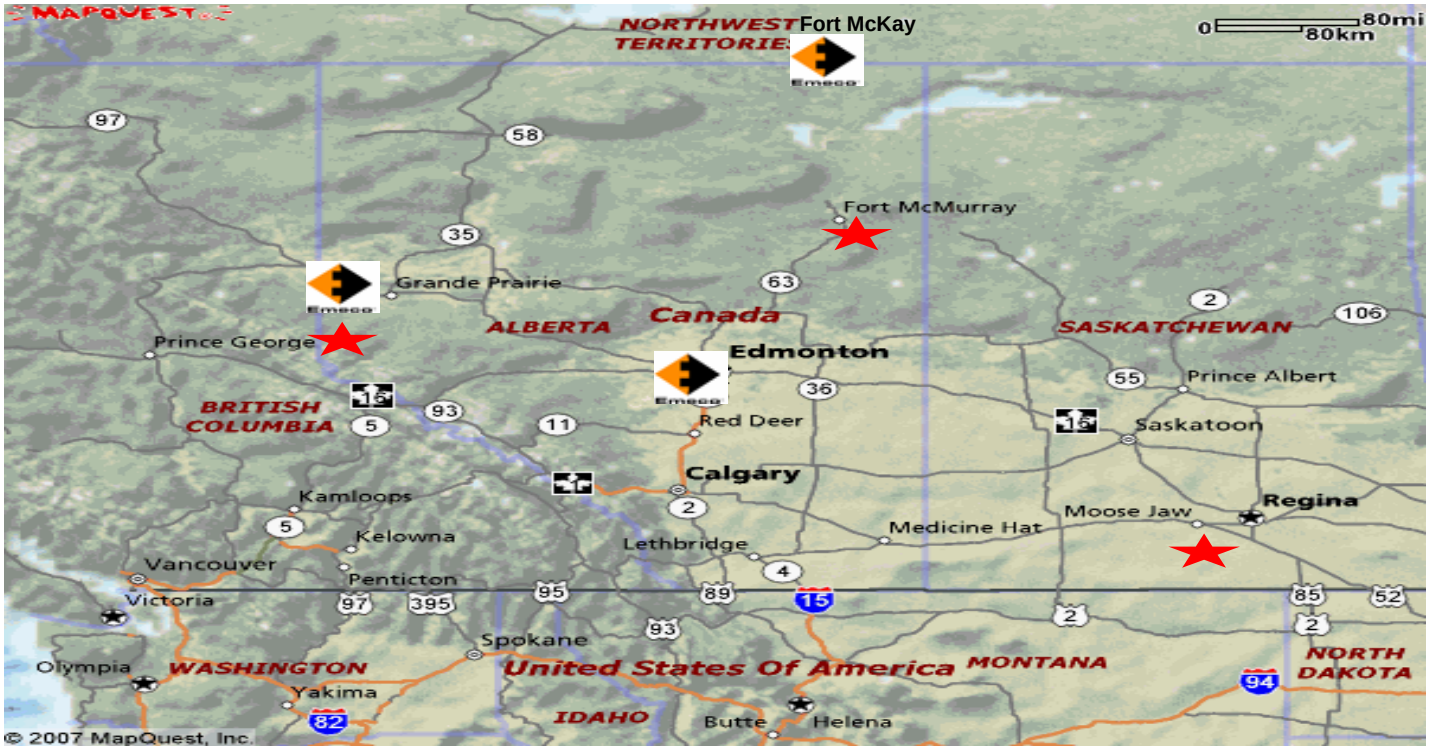
- Land was acquired in 2007 and a new facility is to be built in 2008 to service the S.E Asian region, enabling us to replicate the product offerings available in Australia

Foundations of a Global Business- Canada

- Emeco acquired River Valley in August 2005 with 114 rental machines, operating from Edmonton

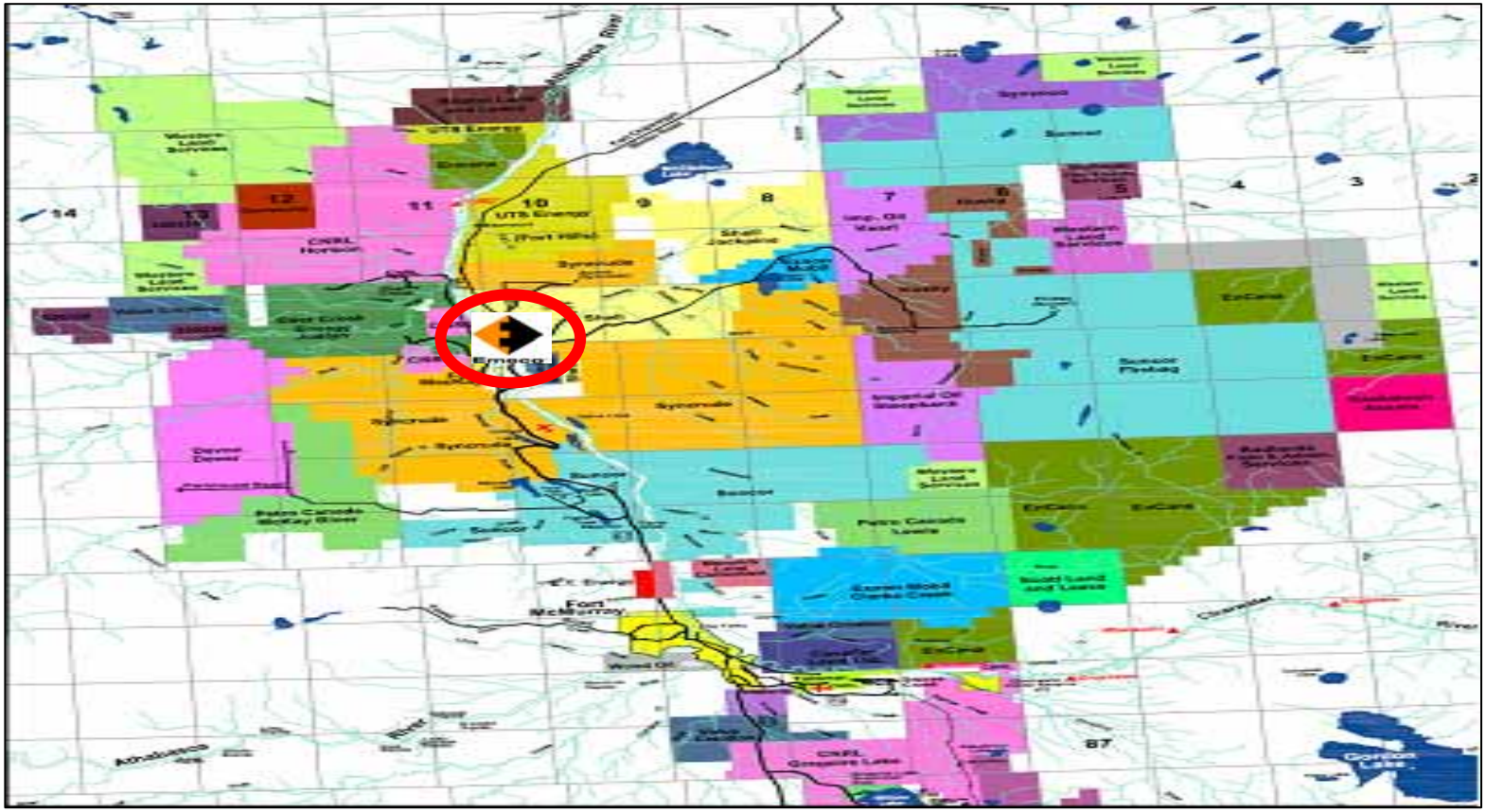
Foundations of a Global Business- Canada

- In 2007, 2 new sites were opened and local, experienced business development staff were recruited
- Rental machine numbers increased to 281 machines and procurement of sales inventory commenced



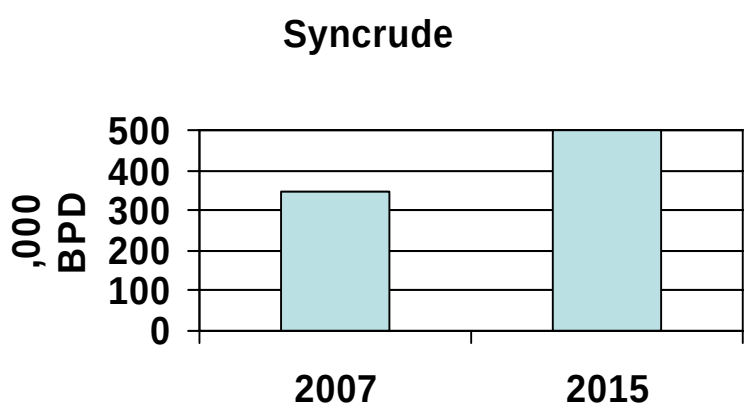
Foundations of a Global Business- Canada

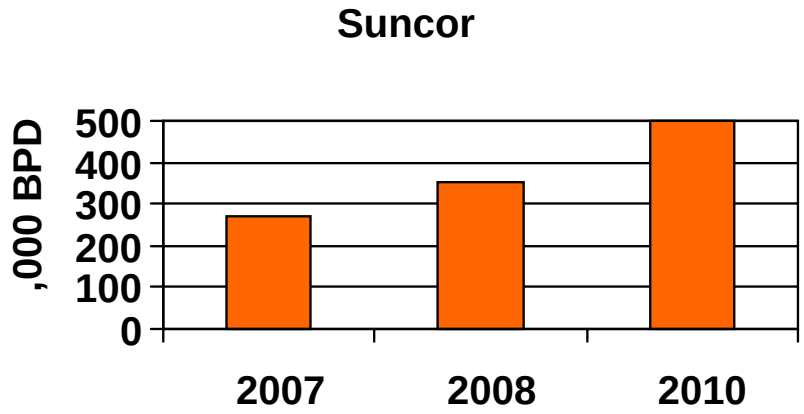
- The new Fort McKay site is located in the middle of the “oil sands patch”, surrounded by leases granted to predominantly 4 major producers

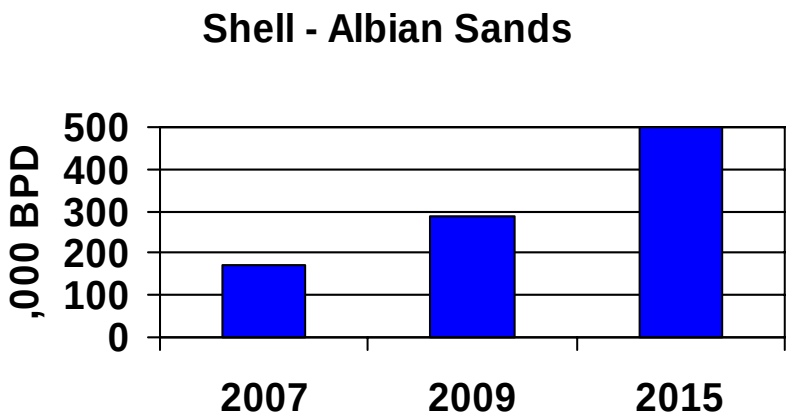


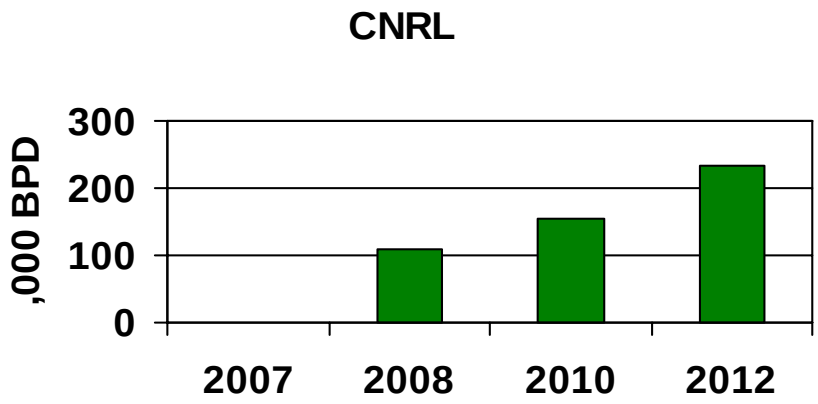
Foundations of a Global business- Canada

- The 4 major producers have several oil field expansions under construction to increase production









Foundations of a Global Business- Canada

- Larger rental machines are being brought into Fort McKay as demand from clients grow

Foundations of a Global Business- Canada

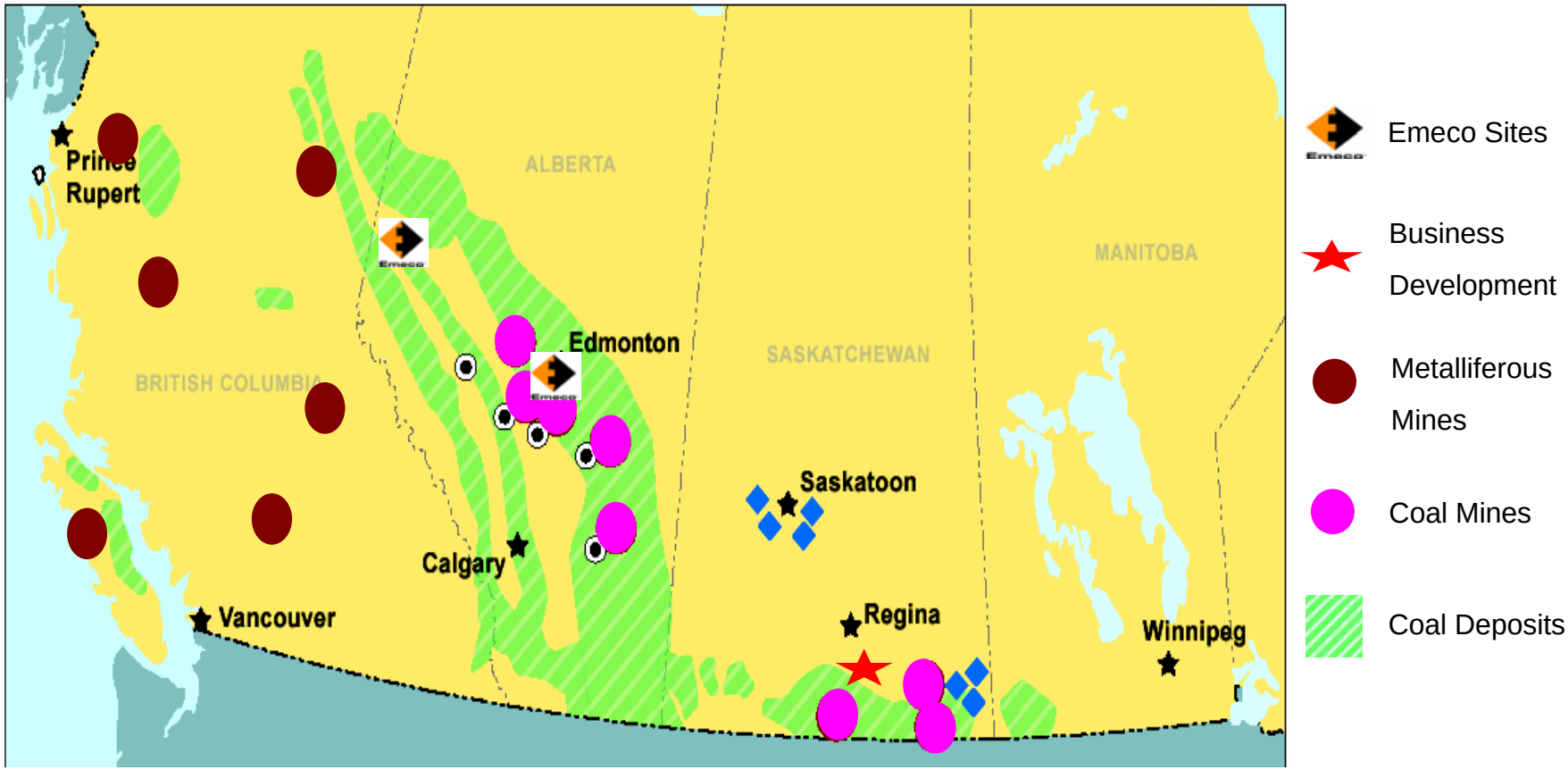
- Construction of custom built facilities has commenced at Fort McKay to enable us to replicate the product offerings available in Australia ……

Foundations of a Global Business- Canada

- …… as the current maintenance facility is inadequate!

Foundations of a Global Business- Canada

- Edmonton and Grand Prairie targeted mining and construction markets



Foundations of a Global Business- USA

- Emeco acquired equipment from TSM in July 2006 and established a new site in London, Kentucky to target opportunities in the Appalachian coal mining region

Foundations of a Global Business- USA

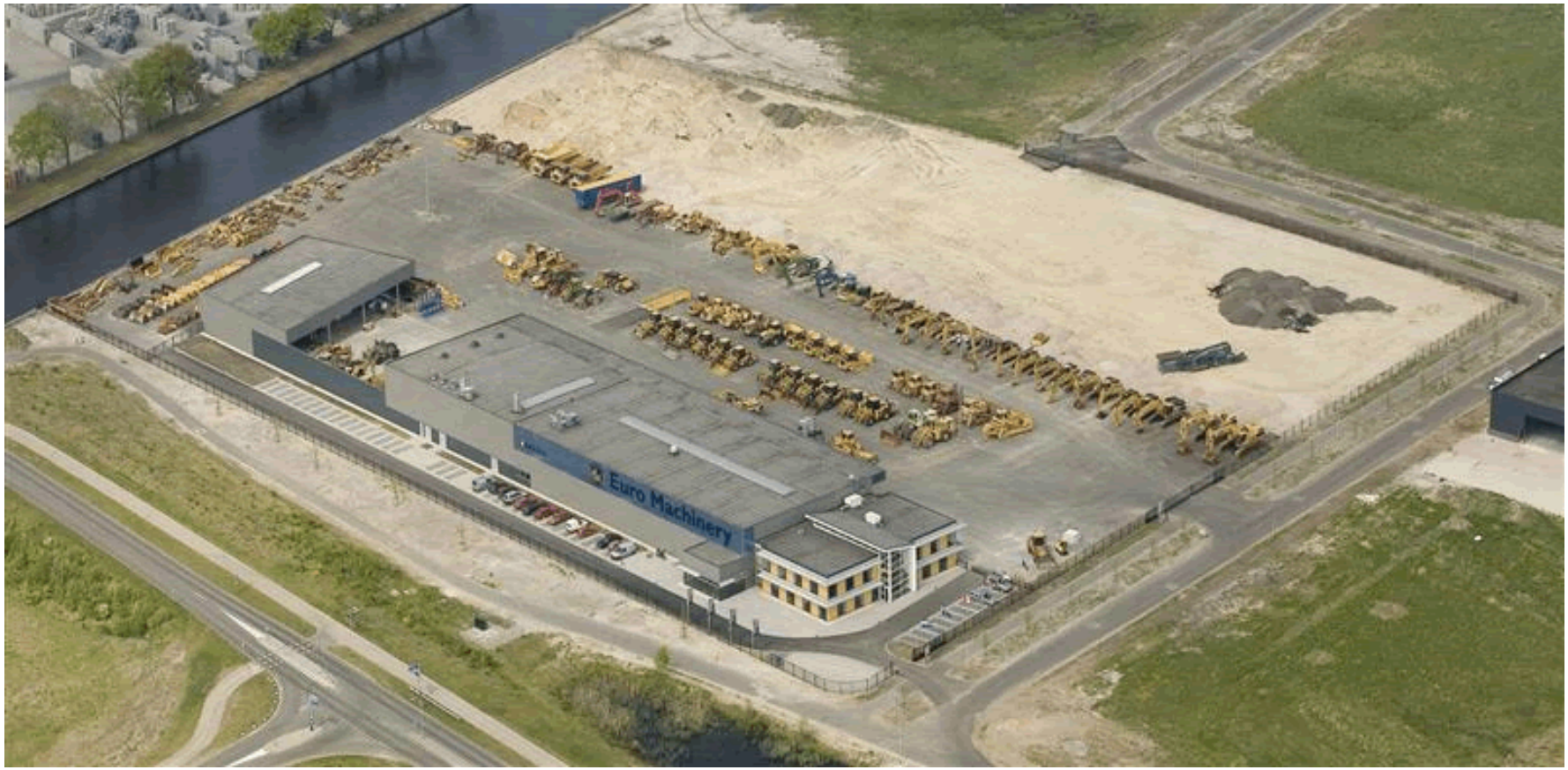
- A new custom built facility is being constructed in London, Kentucky, to enable us to replicate the product offerings available in Australia

Foundations of a Global Business- Europe

- Emeco acquired Euro Machinery on 1 January 2007…..

Foundations of a Global Business- Europe

- ….. and relocated the business to a 40,000m2 world class custom built facility in Hardenberg in March 2007



Foundations for a Global Business- Europe

- Euro Machinery provides Emeco with a major trading platform in Europe from which we can grow
- An experienced Australian rental manager has recently been appointed Managing Director of Europe to evaluate, establish and promote complimentary rental and parts businesses throughout Europe and nearby countries

Foundations of a Global Business- Europe

- Since acquiring Euro Machinery, we have recruited additional experienced sales representatives. Our sales team in Europe are now fluent in 10 languages and trade across Europe in conjunction with our global procurement division

Euro Machinery

Fluent Languages

Fluent English

Agenda

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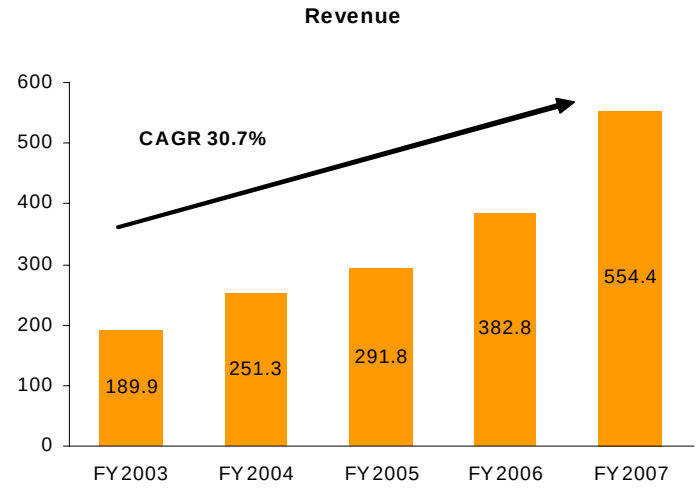
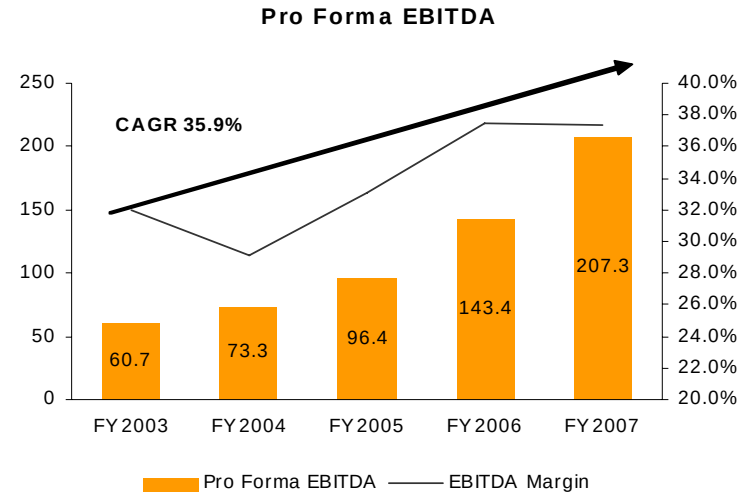
Pro forma summary financials

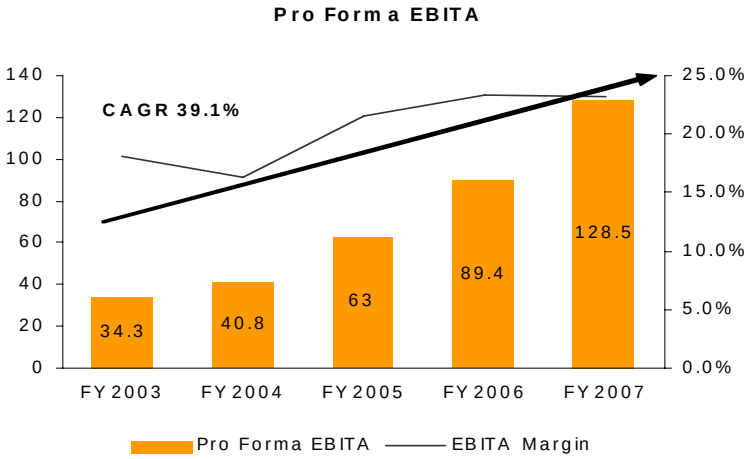
Growth continues to be driven by significant capital expenditure in rental machines and investment in inventory

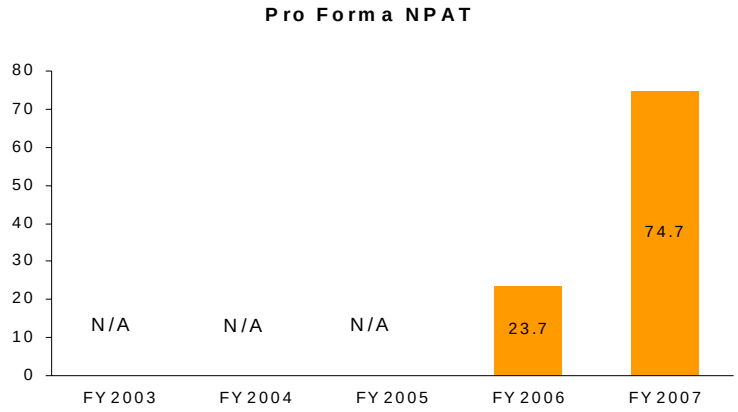
12 months to:	Jun-06 $M	Jun-07 $M	Change %
Financial Performance			
Revenue	382.8	554.4	44.8%
EBITDA	143.4	207.3	44.6%
EBITA	89.4	128.5	43.7%
EBIT	78.9	125.0	58.4%
NPAT	23.7	74.7	215.2%
NPATA	34.2	78.2	128.7%
Gross Capital Expenditure			
Maintenance	45.8	60.3	
Growth	267.3	182.9	
Total	313.1	243.2	
Rental Machine Numbers	814	1,013	
Sales Machine Numbers	254	405	

Continued Growth through FY07 whilst maintaining margins









Working Capital

- Working capital increased with additional investment in machines and tyres to support future operating and growth requirements

- Emeco has negotiated a new 5 year “preferred customer” guaranteed supply contract with a renowned global tyre manufacturer with 2 x 5 year renewal options, which will enable a reduction in our tyre inventory

12 months to:	Jun-06 $M	Jun-07 $M	Change %
Cash	19.2	27.7	44.3%
Receivables	71.5	81.1	13.5%
Inventory			
- Sales Machines	73.5	116.5	58.5%
- Parts	23.1	25.6	10.8%
- Other	18.8	45.0	139.4%
Payables	(42.6)	(43.6)	2.3%
Working Capital	163.5	252.3	54.3%

Balance Sheet

Emeco remains conservatively geared and has $249M in unused facilities in place to fund future growth

	Jun-06 $M	Jun-07 $M	Change %
Working Capital	163.5	252.3	54.3%
Rental Plant	423.4	520.2	22.9%
Total Assets	892	1,097.5	23.0%
Net Assets	236.3	672.9	184.8%
Net Debt	569.9	295.1	-48.2%
Gearing % (Net Debt/Equity)	241.2%	43.9%	
Remaining Available Facilities		249.3	
Pro Forma Interest Cover (EBIT/Interest)	1.8	6.5	

Cash Flow

As incremental working capital requirements reduce, free cash flow before growth will increase, which can either be re-invested in growth or returned to shareholders

	Statutory Jun-07 $M	Pro Forma Jun-07 $M
EBITDA	**205.9**	**207.3**
Working Capital	(80.0)[1]	(80.0)[1]
Non Cash/Other Items	8.0	8.0
Interest	(32.1)	(23.4)
Tax	(8.8)	(16.0)
Operating Cash Flow	**93.0**	**95.9**
Maintenance Capex		
Rental	(53.2)	(53.2)
Other	(7.1)	(7.1)
Disposals	47.3	47.3
Net Maintenance Capex	**(13.0)**	**(13.0)**
Free Cash Flow before Growth	**80.0**	**82.9**
Dividends	(6.3)	(6.3)
Growth Capex	(182.9)	(182.9)
Debt Funded Growth	**(109.2)**	**(106.3)**

Note 1: Increase in working capital of $88.8M less $8.8M of working capital acquired with Euro Machinery, which is included as growth capex

Currency Risk

- Adverse currency movements since preparing the Director's Forecast has dampened the reported results as overseas operations, recorded in USD, CAD and EURO, are translated into AUD

  - Currency translation has dampened EBITDA by $3.3M and EBITA by $1.6M in FY07

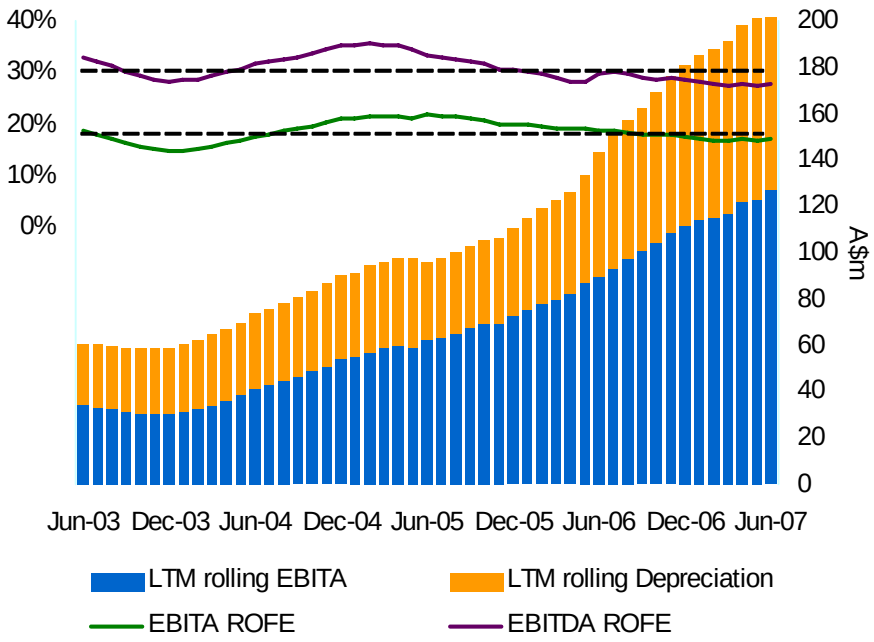
- Emeco adopts a natural hedging policy whereby foreign denominated assets are matched with foreign denominated liabilities

- Although reported results are impacted by currency movements, the effect on quality of earnings and ROFE's are minimal

Return on funds employed

- Emeco continues to maintain strong and consistent pro forma ROFE's

Pro forma return on funds employed ("ROFE")[1]



- EBITDA and EBITA ROFE's slightly below average at 27.8% and 17.3%
- Marginal decline in ROFE's due to:
  - Investment in expanding offshore operations and capability
  - Additional investment in Inventory

Notes:

1. Quotient of (i) the sum of EBITDA or EBITA, as the case may be, for each of the last twelve months, divided by (ii) Average Funds Employed for the same period. Average Funds Employed is the average of each month's closing net tangible assets plus interest bearing liabilities on the last day of each of the last twelve months

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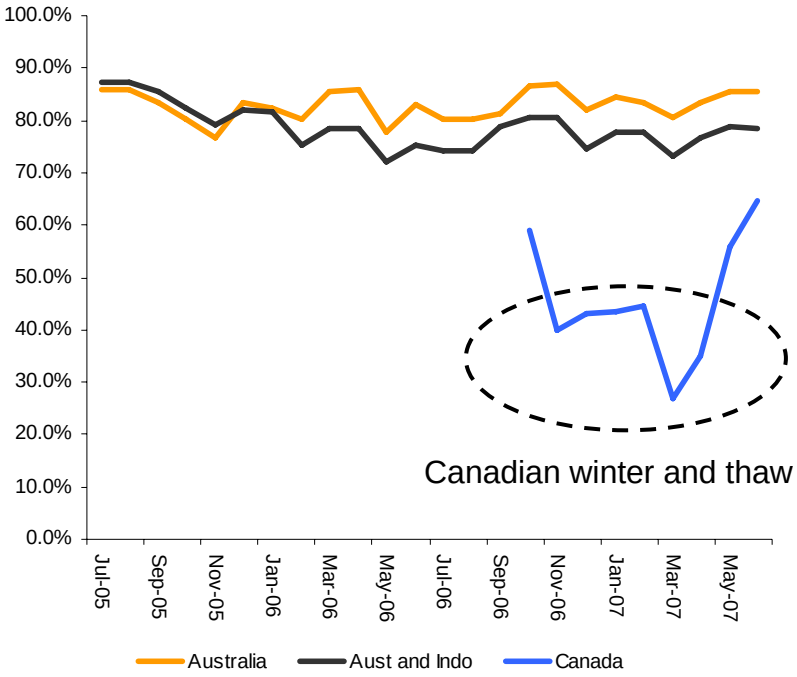
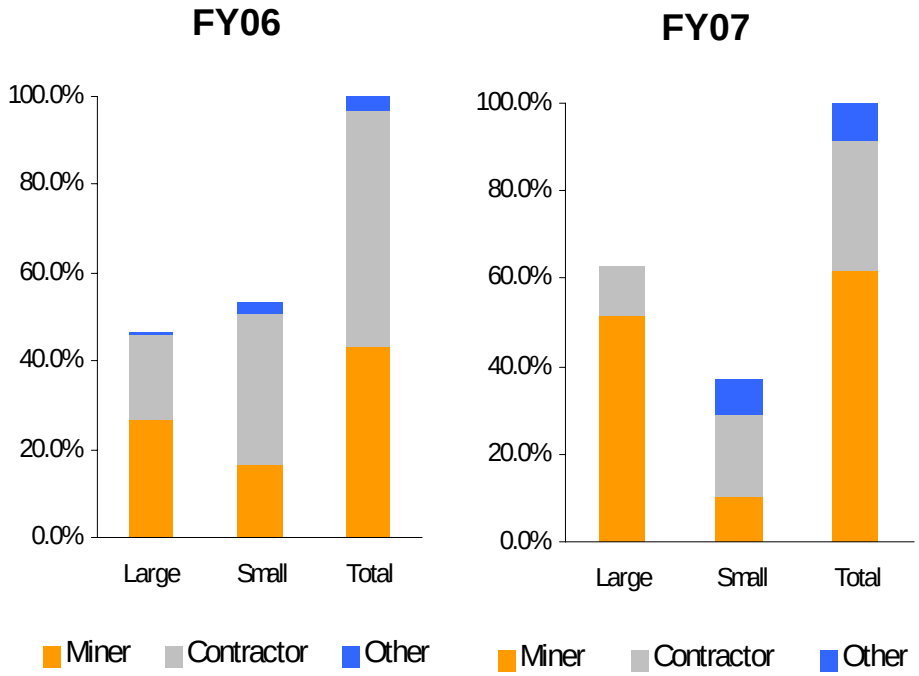
Utilisation and Customers

- Utilisation rates have remained high in Australia whilst there has been a shift in customers from small contractors to large miners

Utilisation Rates[1]



Type of Customer[2]



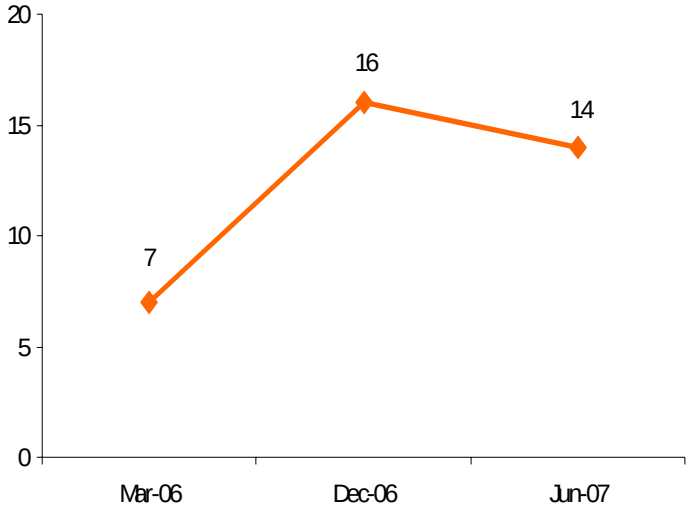
Notes:

1. Percentage of Emeco's rental equipment which is on rental at customer sites (excluding machines in transit)
2. A Large customer is defined as companies with a market cap greater than $1 billion, or joint ventures or associates where a Large company is a major participant. Percentages are based on revenue

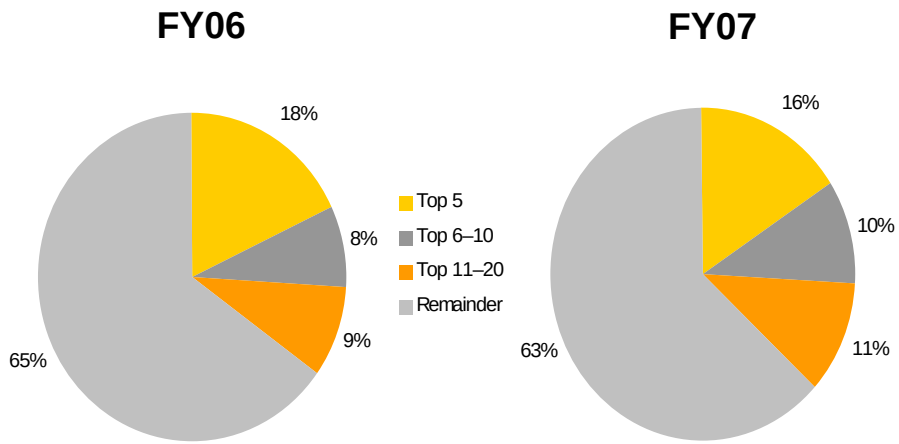
Contract and Customer Revenue Profile

- Longer initial term contracts are being entered into with the shift in customers, whilst maintaining customer diversity

Average initial contract length



Customer revenue contribution

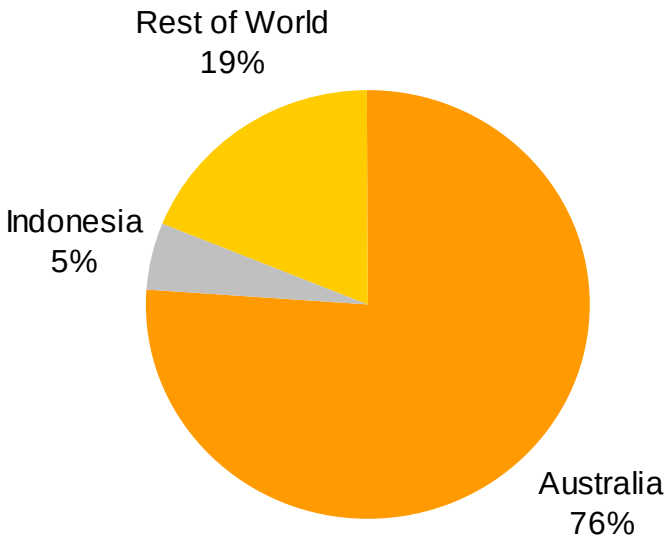


Note: Average contract length is based on contracted machines at 31 March 2006 and 30 June 2006 in Australia and Indonesia

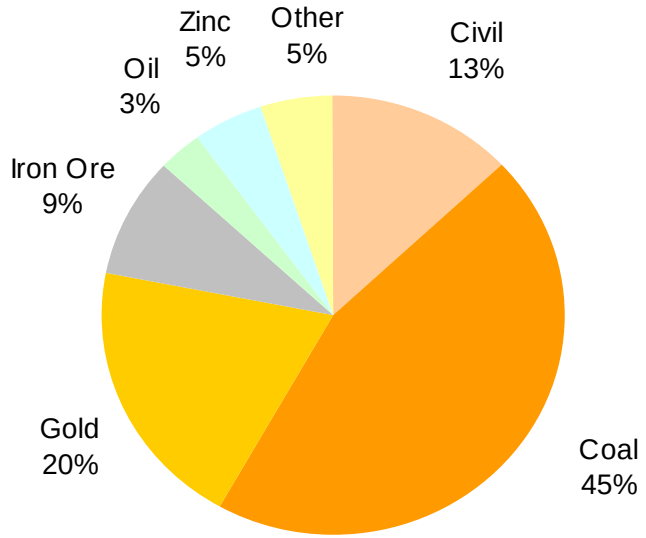
Emeco's Market Segments

- Growth in Australia and Canada has been achieved whilst maintaining diversity

FY07 Revenue Contribution



FY07 Rental Revenue Contribution



Note: Oil includes conventional oil and gas, oil sands and infrastructure related to the production of oil from the oil sands

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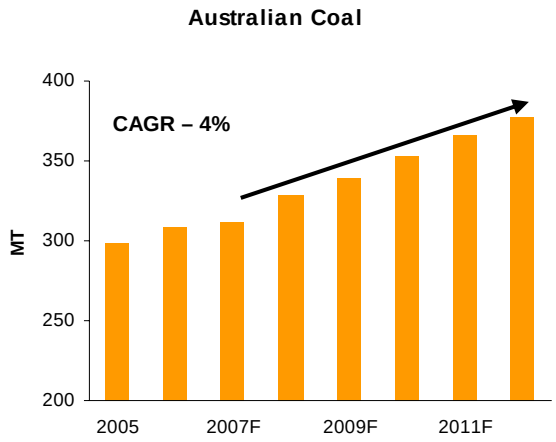
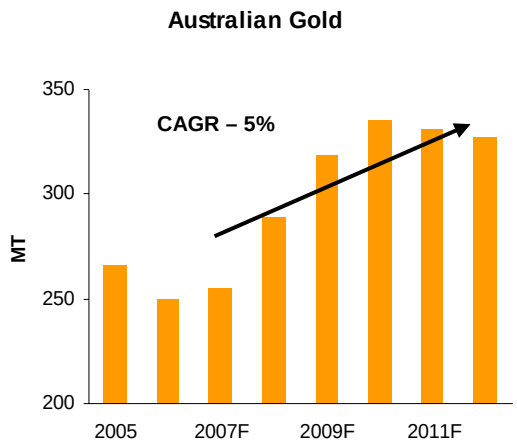
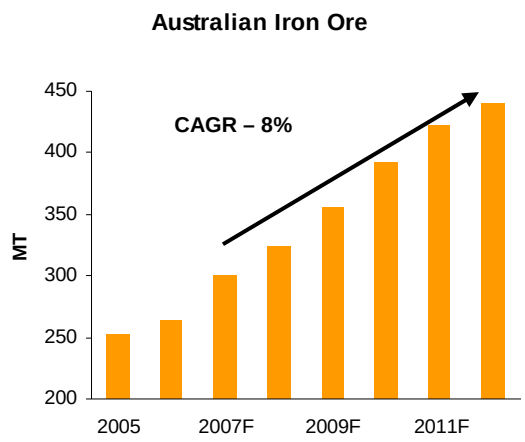
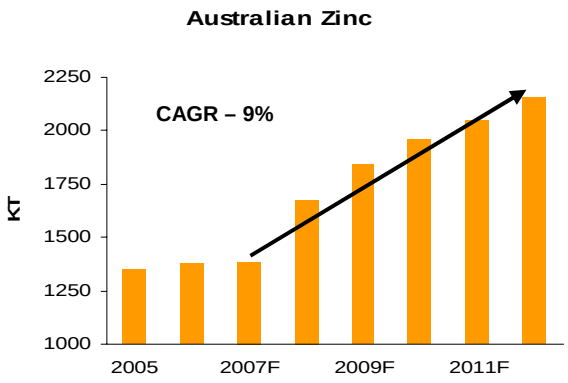
Market Outlook

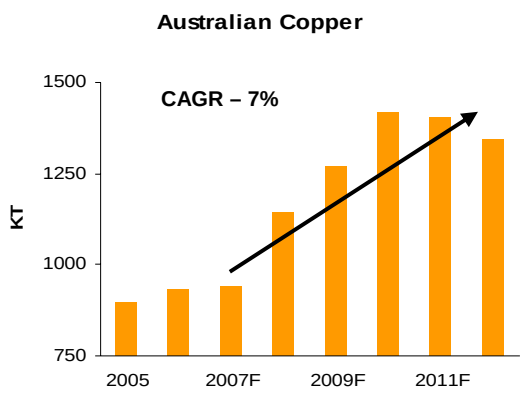
- Emeco's primary markets are forecast to continue growing at between 4% – 10% p/a over the medium term

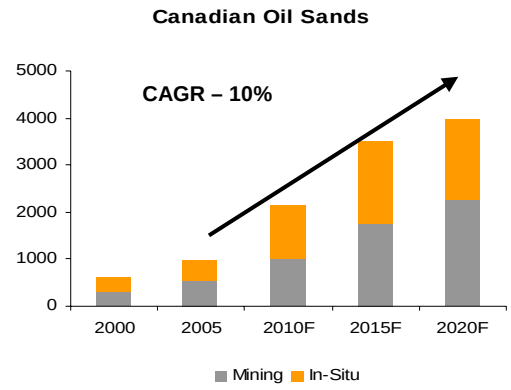












Source: ABARE Commodity Outlook – March 2007 and CAPP – Canadian Crude Oil Production and Supply Forecasts 2006-2020 (May 2006)

Growth Outlook

- Emeco is strongly positioned to grow through:
  - growth in volumes of earth moved in our primary markets
  - increasing customer acceptance and penetration of our rental model
  - developing our investments in new regions by:
    - establishing our presence and building on our brand and reputation
    - broadening our product offering
  - strategic geographic expansion with our customers or by acquisition
  - utilising our expanded global procurement capabilities to exploit arbitrage opportunities

Capital Expenditure Outlook

- Gross maintenance capital for FY08 is likely to be circa $100M
- Growth capital of up to $250M can be funded from existing facilities and free cash flow in FY08 as suitable investment opportunities arise, such as:
  - Organic Growth – Currently discussing opportunities with clients in excess of $100M
    - $25M has been committed as at the end of July
  - Additional investment required to establish:
    - rental and parts businesses in Europe
    - a parts business in USA
    - a presence in adjoining provinces in Canada
  - M&A opportunities in Australia

Future Outlook

- Emeco has an exciting future with significant growth potential

Market Outlook

- forecast CAGR 4% – 10% in primary markets over the next 5 years

Business Model

- accepted by customers and scalable globally with high barriers to entry

People

- talented, experienced, committed and motivated teams across our global businesses

Financing

- strong balance sheet and cash flows enabling investment in growth without further equity

Returns on Investment

- strict internal criteria to achieve growth whilst maintaining ROFE's

Strategy

- grow and diversify our business model globally

Emeco
"Helping you move the Earth"™
Q & A