



Earthmoving equipment solutions

2009 Full Year Results

Laurie Freedman
CEO & Managing Director

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Chief Financial Officer



RENTAL | SALES | PARTS | ASSET MANAGEMENT

Presentation Overview

- ◆ Highlights
- ◆ Financials
- ◆ Strategy & Outlook
- ◆ Question & Answer
- ◆ Appendices



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Highlights

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CEO & Managing Director



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Overview

♦ Challenging year but business model validated...

- ♦ Record 1st half NPAT
- ♦ 2nd half NPAT severely impacted by economic crisis
- ♦ Despite tough environment, some business units outperformed

♦ Well positioned...

- ♦ Delivered on cash flow and debt reduction strategy
- ♦ Downsizing European business
- ♦ Enhanced management capability

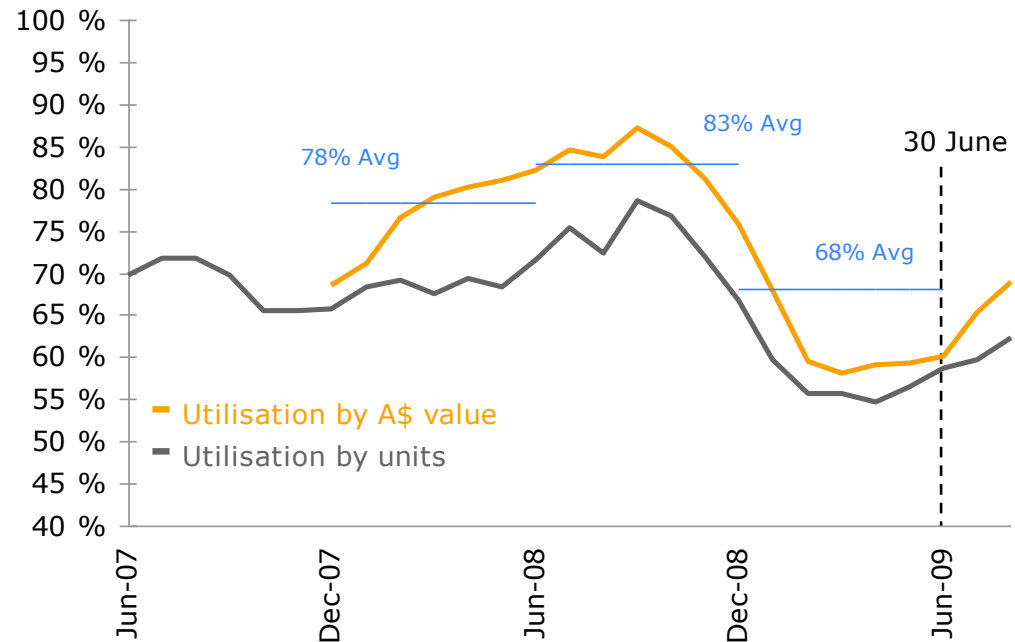
♦ Looking forward...

- ♦ Industry showing signs of improvement
- ♦ Volume outlook for key commodities is positive
- ♦ Underutilised capacity immediate driver of earnings
- ♦ Moving overall fleet toward larger mining equipment
- ♦ Continued growth in Australia, Indonesia & Canada

Rental Fleet Utilisation

Unprecedented volatility impacted 2H09...

- ◆ NSW and Indonesia robust despite downturn
- ◆ Canada, Western Australia, Queensland and USA heavily impacted
- ◆ Project postponements and mine closures impacted entire industry
- ◆ Financial system instability influenced behaviour
- ◆ Continued demand for large mining equipment



- ✓ Global footprint providing redeployment opportunities for idle fleet
- ✓ Utilisation levels beginning to improve across all Emeco's markets
- ✓ Focus on recycling idle capital and reconfiguring fleet

Customers

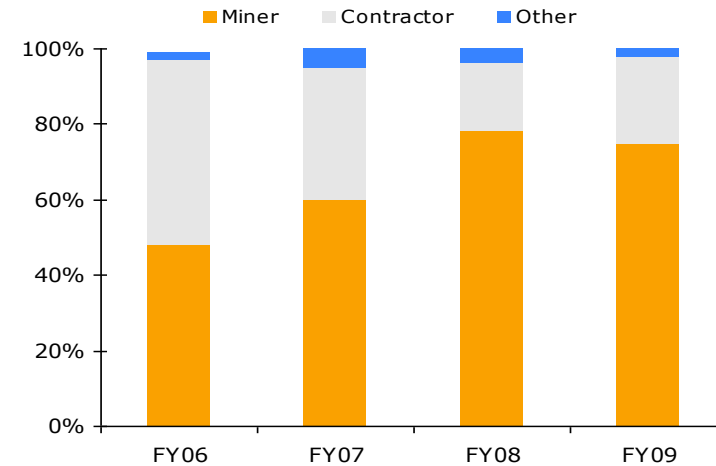
Establishing long-term supplier relationships with blue-chip customers

- ♦ 70% of revenue coming from major blue-chip customers
- ♦ Customer profile trending toward large mining houses as brand equity increases
- ♦ Customer mix of miners and contractors demonstrates rental model appeals for various reasons
- ♦ Solid customer base:

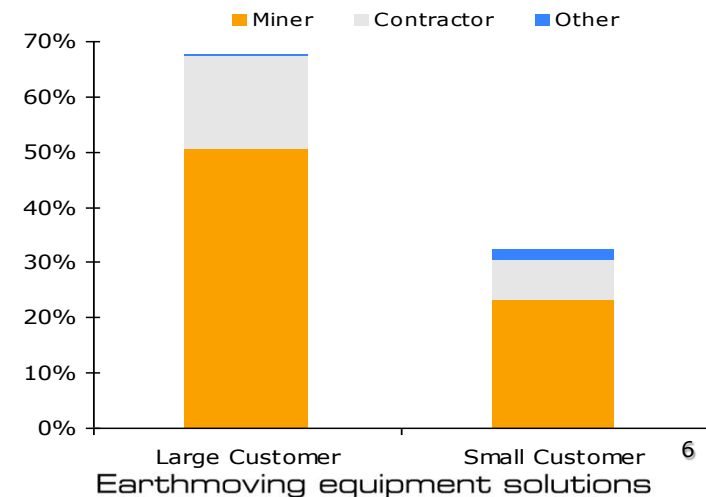
Xstrata Coal	Barrick Gold	Rio Tinto Coal	
Rio Northparkes	Anglo Coal	Downer EDI	
Newcrest	Alcoa	Kagara	Newmont
Leightons	Xstrata Zinc	Rio Tinto Iron Ore	

Large customers defined as market capitalisation >\$1B

Evolution of customer type



FY09 Customer composition

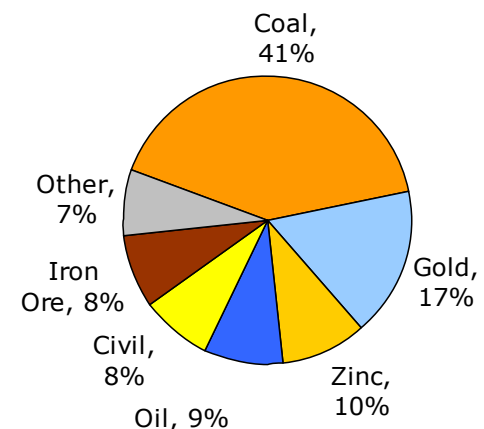


Commodities

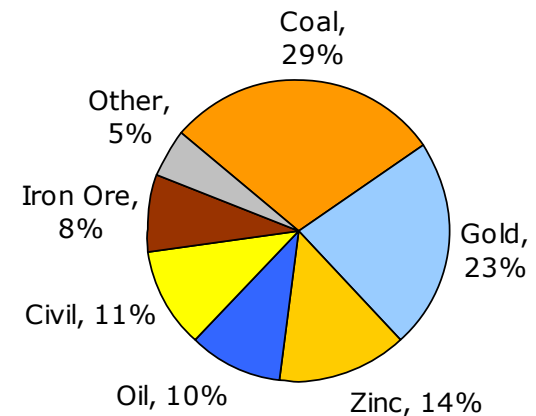
Remaining exposed to large volume commodities

- ♦ **Thermal coal** production forecast rise by 8% in Australia and 4% in Indonesia in 2010 (ABARE, June-09)
- ♦ **Iron ore** and **coking coal** expected to strengthen in response to a global economic recovery
- ♦ Strategic relationships with world class **gold** producers expected to maintain exposure
- ♦ Supply entire production fleet for Xstrata's McArthur River **zinc** mine in Northern Territory
- ♦ Canadian **oil sands** activity expected to increase in 2010 at current pricing levels
- ♦ Increasing **infrastructure** investments in Australia expected to create opportunities
- ♦ Strategic focus on increasing exposure to **low cost producers** in key commodities

FY09



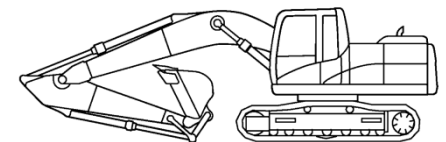
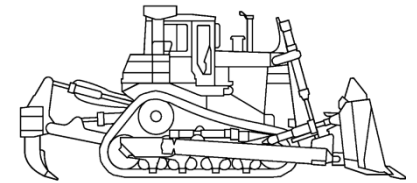
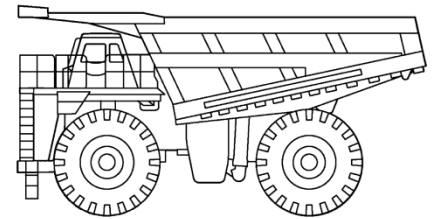
FY08



Equipment

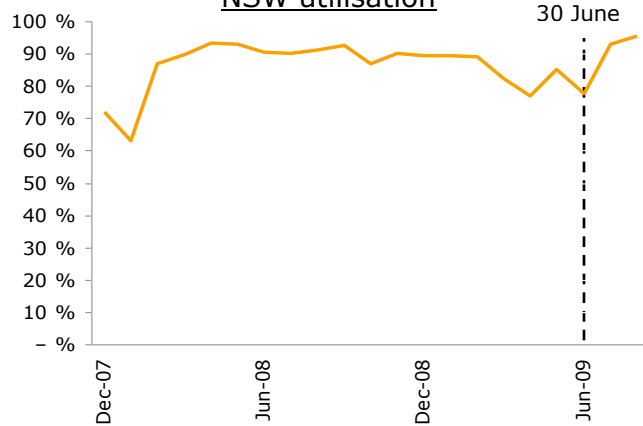
Monitoring equipment trends across global markets and identifying reconfiguration opportunities

- ◆ Liquidity in global equipment markets impacted by economic crisis
- ◆ Small civil equipment values have declined in North America / Europe
- ◆ Large mining equipment values remain robust
- ◆ Continued to deliver POSA on disposal of rental fleet
- ◆ Downsizing exposure to small civil equipment in North America / Europe
- ◆ Strategy to exit underperforming assets and reinvest in large mining equipment
- ◆ Emeco's asset quality continues to be valued by end-user markets
- ◆ Maintaining global procurement footprint critical to the business model

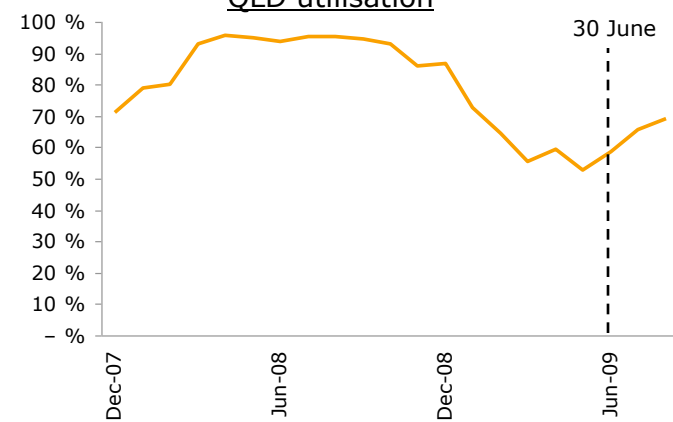


Business Unit Performance

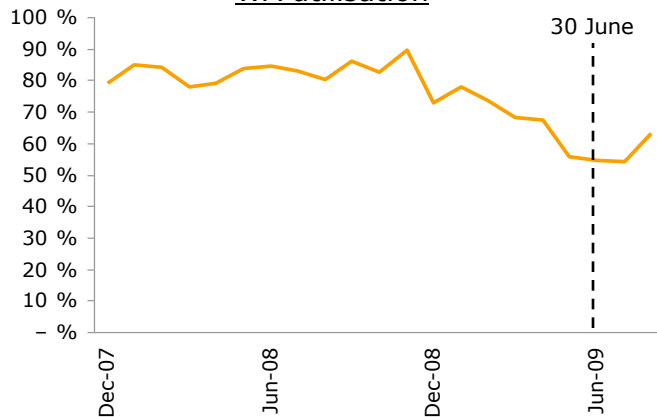
NSW utilisation



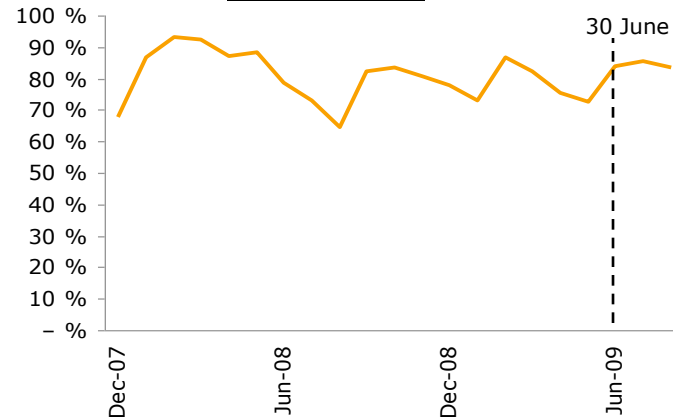
QLD utilisation



WA utilisation



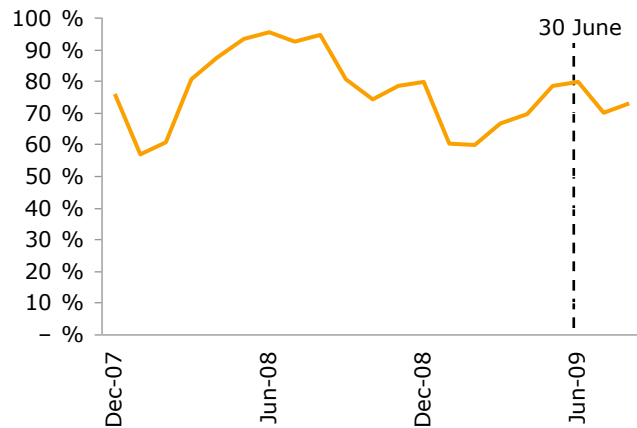
VIC utilisation



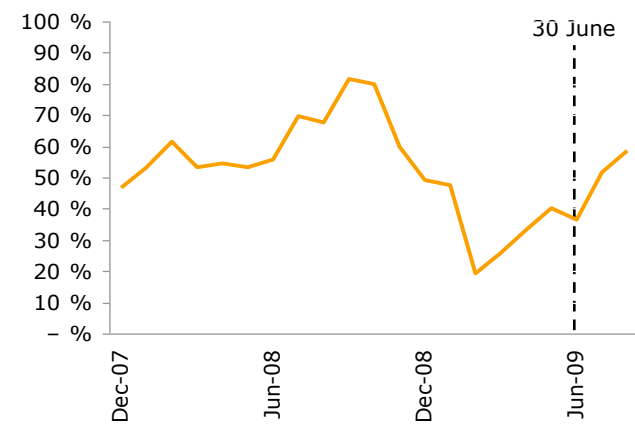
Utilisation defined as WDV percentage of Emeco's rental fleet that is on rent (excluding machines in transit)

Business Unit Performance

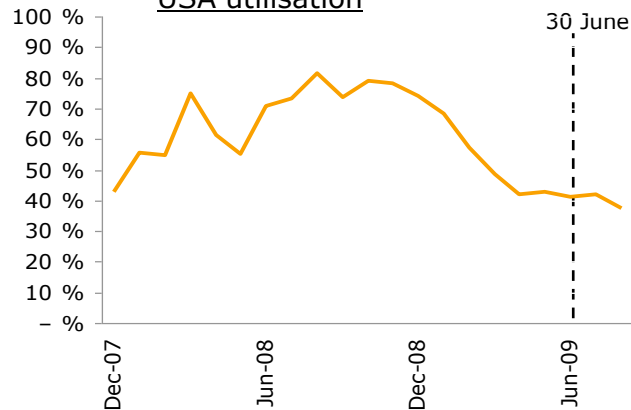
Indonesia utilisation



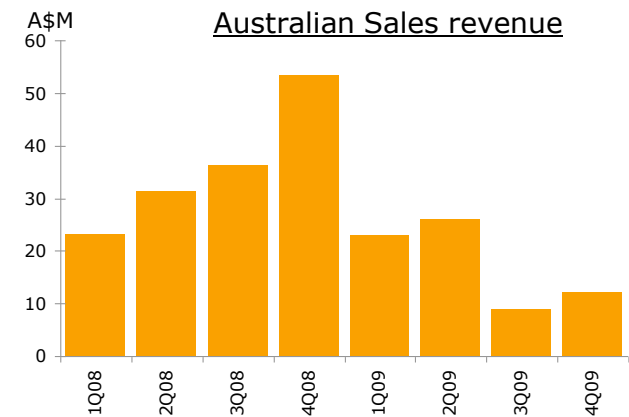
Canada utilisation



USA utilisation



Australian Sales revenue



Utilisation defined as WDV percentage of Emeco's rental fleet that is on rent (excluding machines in transit)



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Financials

Stephen Gobby
Chief Financial Officer



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Financial Performance

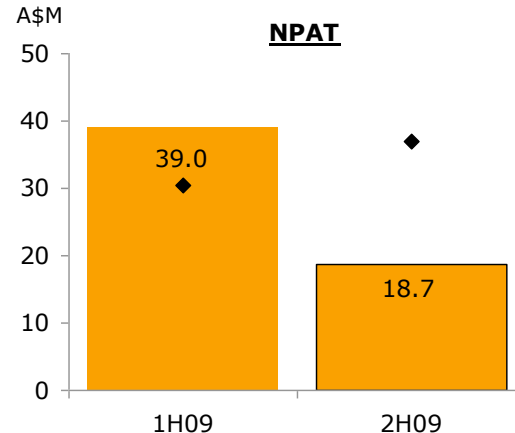
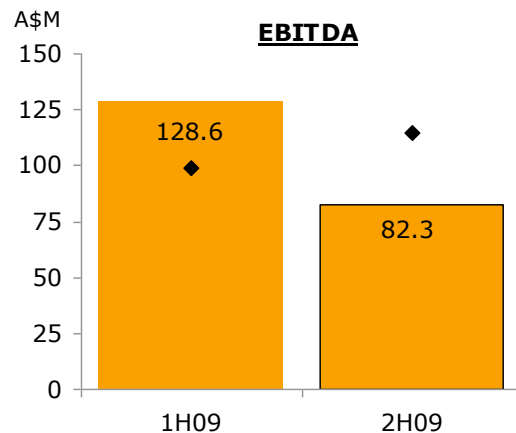
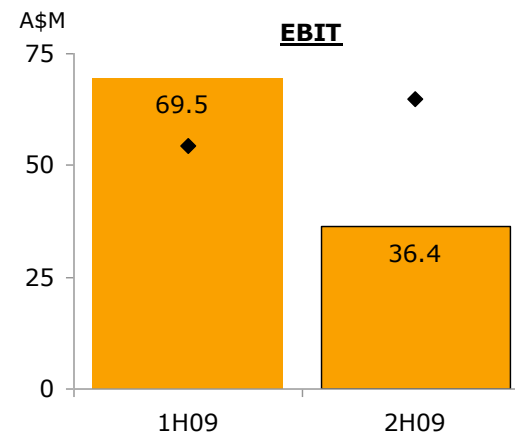
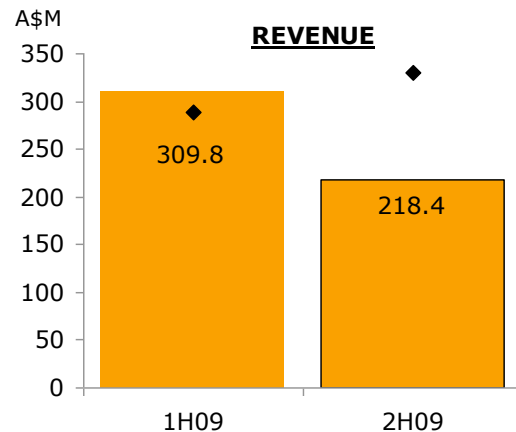
Achievement of \$57.7M Operating NPAT

A\$ Millions	FY08	FY09	FY09	Var
	Operating	Operating	Statutory	Operating
Revenue	617.9	528.2	528.2	(14.5)%
EBITDA	213.5	210.9	185.3	(1.2)%
<i>margin (%)</i>	<i>34.5</i>	<i>39.9</i>		
EBITA	120.3	106.3	80.7	(11.6)%
<i>margin (%)</i>	<i>19.5</i>	<i>20.1</i>		
NPATA	68.6	58.1	26.2	(15.3)%
NPAT	67.5	57.7	13.3	(14.5)%
EPS (cps)	10.7	9.1	2.1	(14.6)%
DPS (cps)	4.5	4.0	4.0	(11.1)%
Funds Employed	842.8	915.7	914.1	8.7%
ROFE (%)	14.0%	11.6%	8.8%	(17.1)%

Funds employed defined as the average net tangible assets plus interest bearing liabilities for the period
 ROFE calculated as EBITA for the period divided by average Funds Employed for the period

Contrasting halves

Record first half profit but second half impacted by economic crisis...

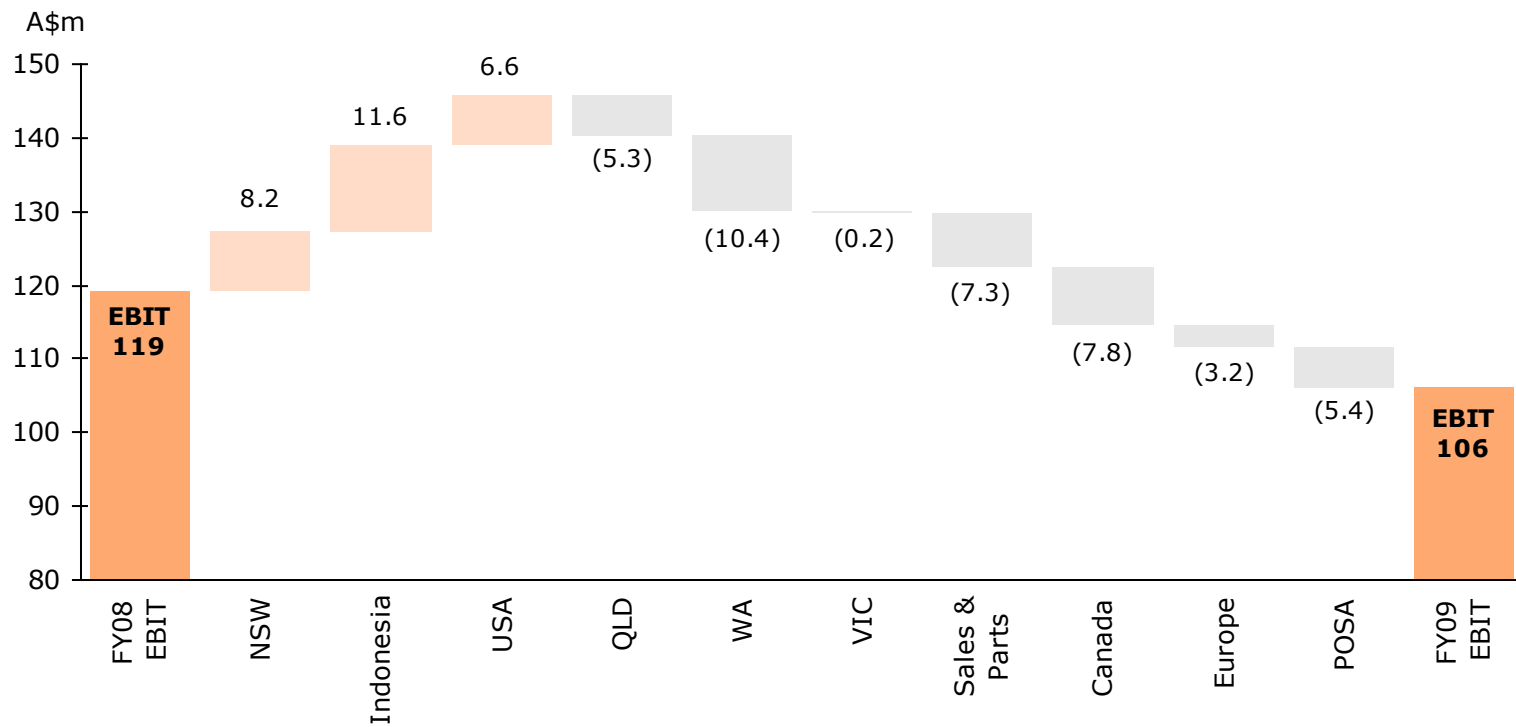


...however utilisation bottomed in March 2009 and recovery underway

♦ Reflects comparative 2008 half year result

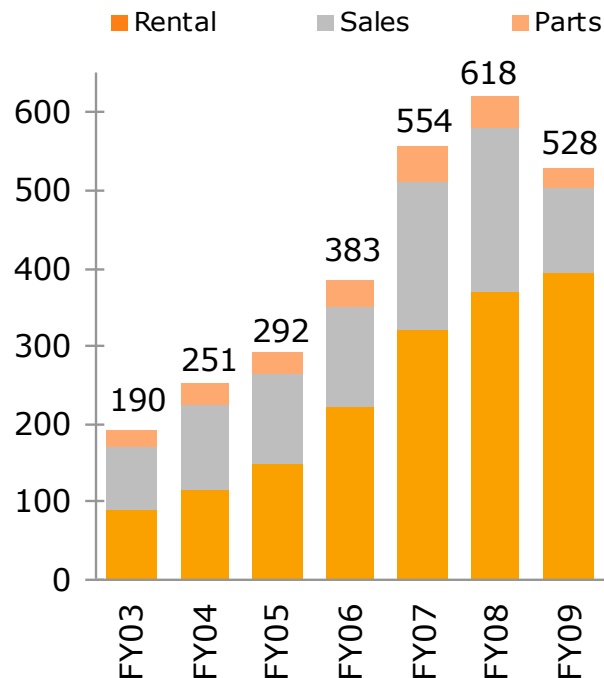
Business Performance

**Whilst overall performance was down
there were continued improvements in some businesses...**



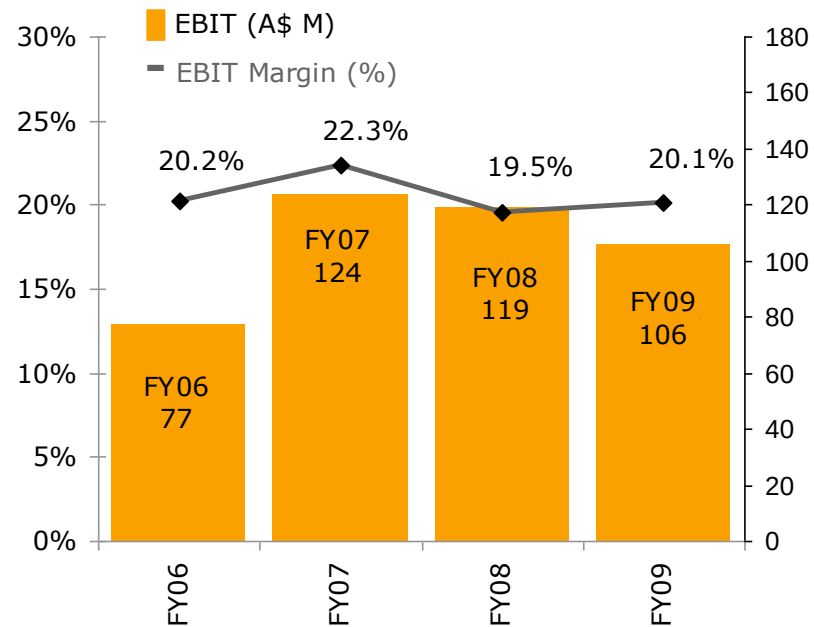
Earnings Composition

REVENUE



- ◆ Revenue growth available as asset base is now established
- ◆ Significant installed capacity with fleet mix and reconfiguration of fleet ongoing
- ◆ Further revenue growth to come

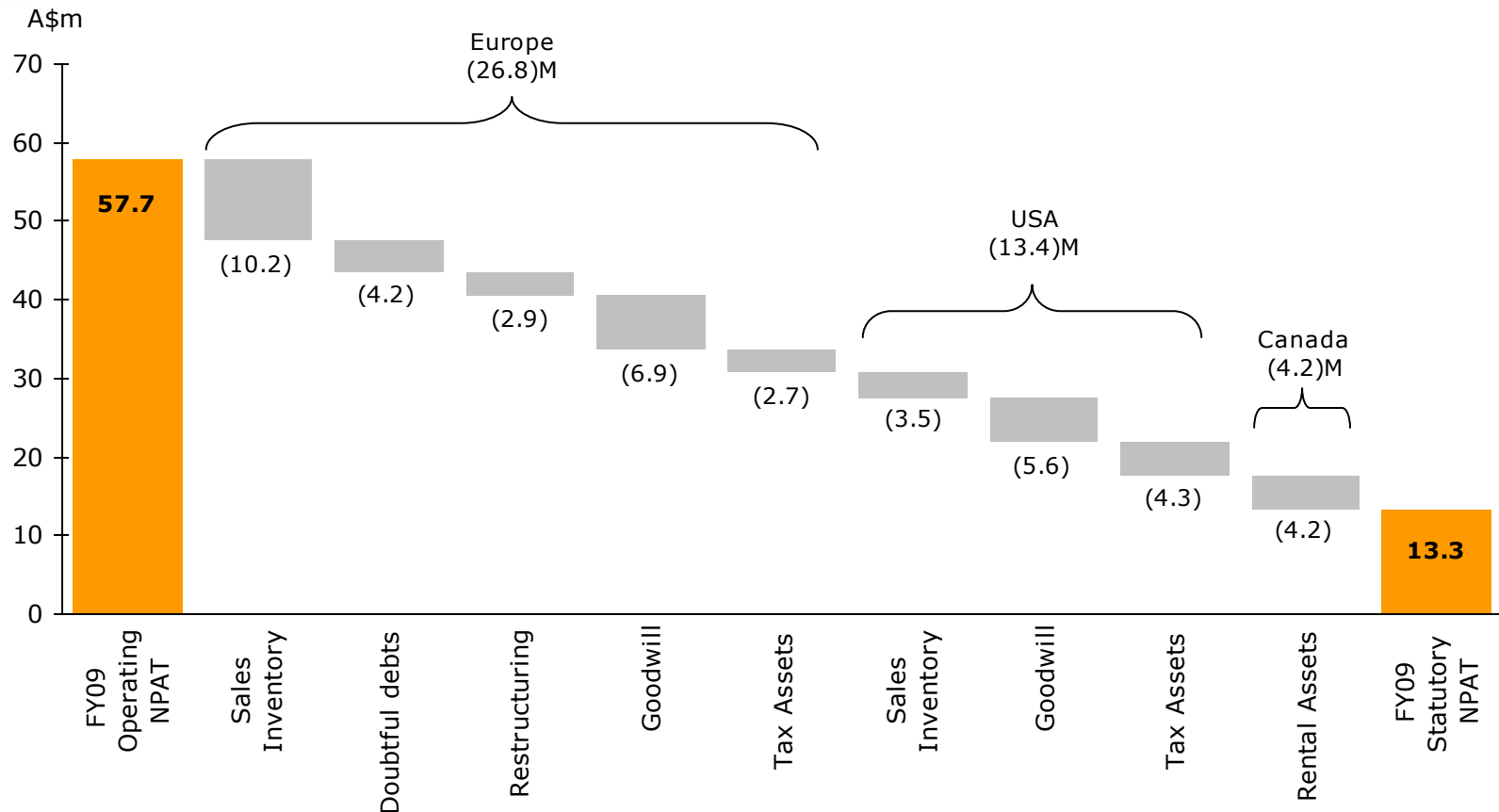
EBIT & MARGINS



- ◆ Utilisation significant influence
- ◆ Demonstrating cost flexibility
- ◆ Sales mix

One-off Significant Items

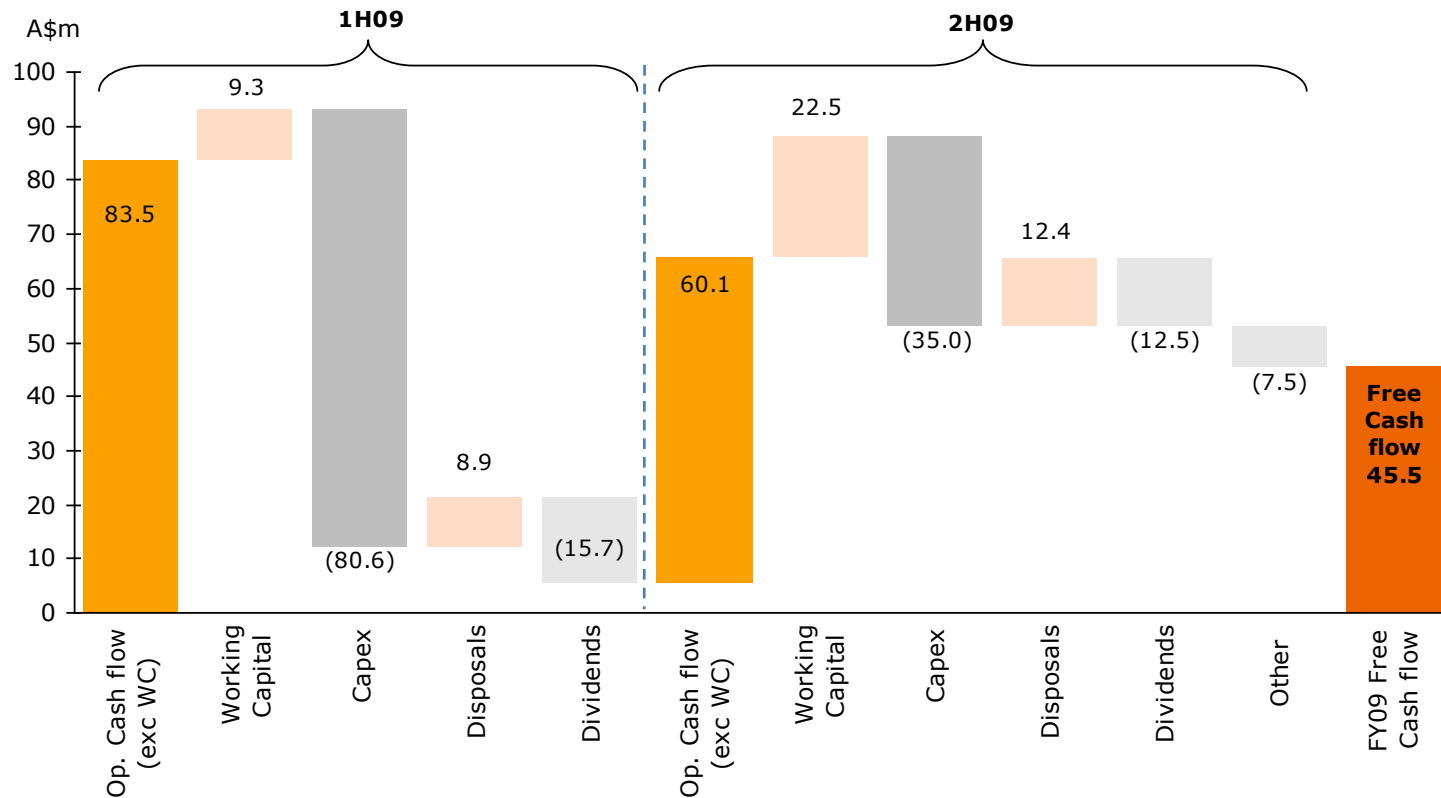
One-off, largely non-cash items impacting NTA by 6%...



✓ Decisive action taken to liberate underperforming capital

Cash Flow

Strong cash flow in tough environment demonstrates the flexibility of the business model...



- ✓ Operating Cash flow after capex of 12.9 cents per share
- ✓ Capex flexibility to “right size” the balance sheet through the earnings cycle
- ✓ Debt repayment of \$46M during FY09 despite difficult trading conditions

Balance Sheet & Borrowings

Quality balance sheet with sound funding position

- ♦ NTA of \$0.74 after one-off impairments
- ♦ Benefits of working capital focus paying off
- ♦ Capex limited until outlook improves
- ♦ Continuing focus on debt reduction
- ♦ Cash flow flexibility permits quick realignment of debt to lower earnings profile to maintain sound ratios
- ♦ Comfortable tenure and headroom with existing debt facility
- ♦ Syndicate comprising mix of quality domestic and offshore banks

Balance Sheet	Jun 08	Dec 08	Jun 09
	A\$ m	A\$ m	A\$ m
Total Assets	1,167	1,266	1,121
Total Equity	702	736	683
Net Debt	348	412	331
Interest Cover	9.2	9.7	8.1
Net Debt: EBITDA	1.6	1.7	1.8
Net Debt: Equity	50%	56%	49%

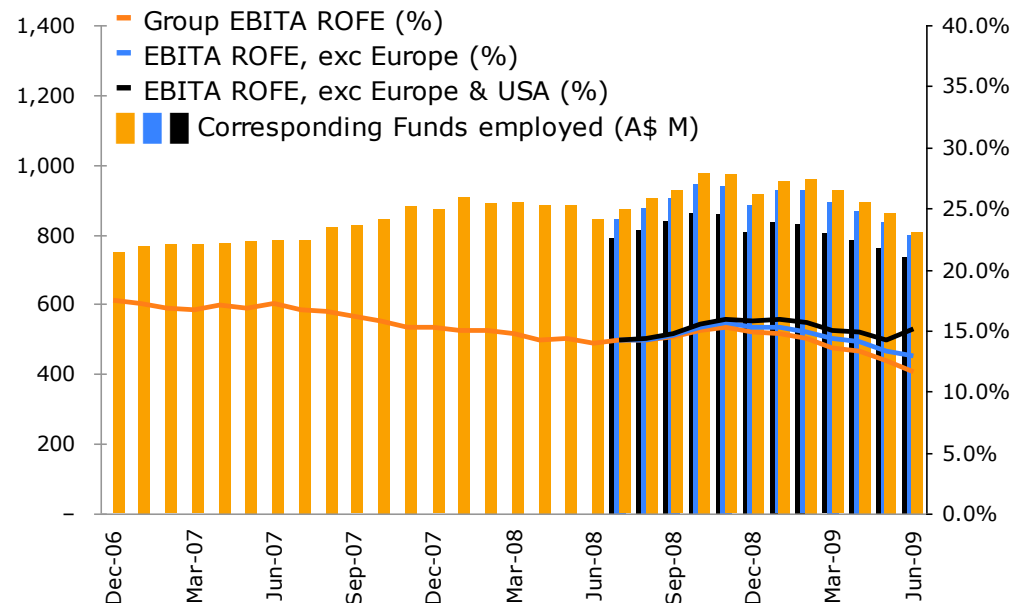
Net debt comprises senior debt plus finance leases less cash

Funding Facility	Facility limit (A\$M)	Drawn (30 June 09)	Headroom (A\$M)	Maturity
Multi-Currency Debt Facility	595	328	267	Aug 2011
Working Capital Facility	35	–	35	Nov 2009
Finance Lease	33	14	18	Range
Total	663	342	321	

Return on Funds Employed

Focused on improving ROFE and delivering superior returns to shareholders

- ◆ Future ROFE improvements from installed asset base
- ◆ Focus on recycling underperforming capital
- ◆ Fleet reconfiguration to meet customer demands will enhance return on funds



- ✓ Improving utilisation profile to drive earnings from installed asset base
- ✓ Strategy to liberate cash from underperforming assets will reduce Funds Employed
- ✓ Strong balance sheet and cash flow to invest in medium term growth



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Strategy & Outlook

Laurie Freedman
CEO & Managing Director



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Strategy

Short-Term

- ♦ Downsizing Europe
- ♦ USA Strategic review
- ♦ Further debt reduction until outlook clearer
- ♦ Liberating cash from underperforming assets
- ♦ Engage new CEO to move forward with established senior management team
- ♦ Leverage earnings growth from installed asset base
- ♦ Opportunistically purchase specific asset classes

Medium to Long-Term

- ♦ Reposition fleet away from small civil to large mining
- ♦ Increase exposure to low cost producers in key commodities
- ♦ Build scale and commodity diversification in Canada
- ♦ Explore alternative markets
- ♦ Enhance integrated approach to provide 'Rental, Sales, Parts & Asset Management' services
- ♦ Build depth in organisational management and technical capability
- ♦ Build long-term strategic supply relationships with blue-chip customers
- ♦ Develop long term diversified funding sources

Market Outlook

Positive signs emerging...

Volumes

- ♦ Production volumes expected to remain solid
- ♦ Development volumes expanding as business confidence improves
- ♦ Growth in bulk commodities in Asia Pacific expected
- ♦ Canadian oil sands now stable, development activity to recommence in 2010
- ♦ Infrastructure activity increasing as Government projects gain traction

Equipment Capacity

- ♦ Short term excess capacity expected to unwind as activity recommences over FY10
- ♦ Early signs of tightening availability for larger mining equipment
- ♦ Small civil equipment in North America & Europe will take some time to wash through

Capital Availability

- ♦ Companies likely to remain cautious on capex for some time
- ♦ General recovery of credit flows expected to take longer than resource recovery
- ♦ Balance sheet and cash flow strategy positions Emeco to capture opportunities

...however economic recovery profile uncertain

Summary

- ✓ Emeco Business model has been validated during the year
 - ✓ Solid operational NPAT
 - ✓ Significant free cash flow generated
 - ✓ Further debt reduction
- ✓ Activity across key commodities appears to be rebounding
- ✓ Strengthening relationships with blue-chip customers
- ✓ Installed asset base to drive earnings recovery in FY10
- ✓ Strategy to liberate capital from underperforming assets to reinvest for medium term growth
- ✓ Repositioning the business in FY10 for continued earnings growth in FY11
- ✓ Assuming continued improvements in end markets over FY10, forecasting NPAT of \$46 million to \$53 million in FY10



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Questions & Answers



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Appendix

- ◆ Financials
- ◆ Australia review
- ◆ Indonesia review
- ◆ Canada review
- ◆ USA review
- ◆ Europe review

Financials

Cash Flow

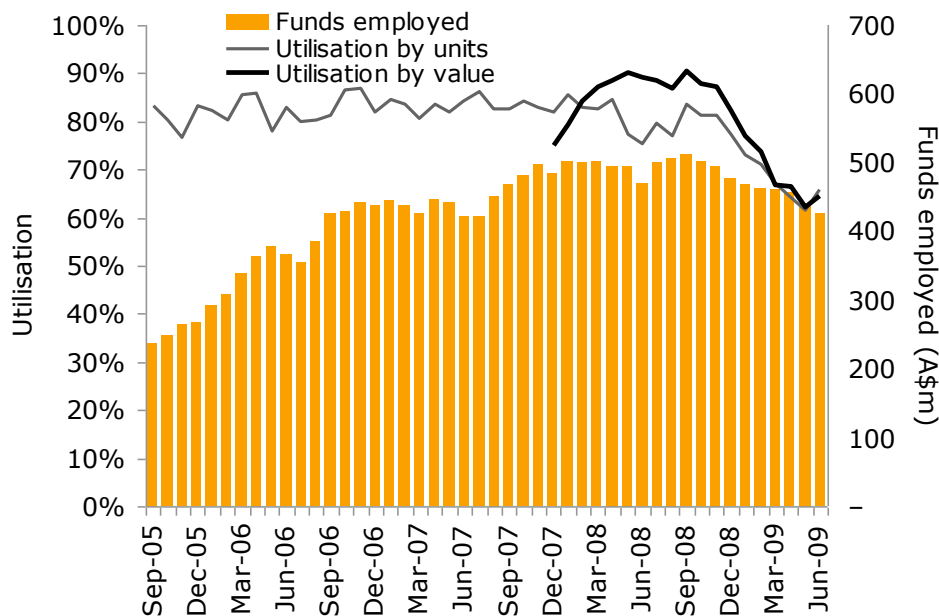
A\$ Millions	FY08 A\$ m	FY09 A\$ m	Var A\$ m
EBITDA	214.4	209.5	(4.9)
General Working Capital	(19.5)	15.7	35.2
Sales & Parts Inventory	(2.1)	16.1	18.2
Interest & Borrowing costs	(24.3)	(29.8)	(5.5)
Share purchases for LTI	(1.0)	(2.9)	(1.9)
Income tax payments	(14.0)	(33.1)	(19.2)
Cash flow from Operating Activities	153.6	175.4	21.8
Rental Capital Expenditure	(203.8)	(107.7)	96.1
Other Property, Plant & Equipment	(5.1)	(7.9)	(2.8)
Disposals	43.8	21.3	(22.5)
Cash flow from Investing Activities	(165.1)	(94.2)	70.9
Dividends	(28.2)	(28.2)	0.0
Other financing activities	(1.0)	(7.5)	(6.5)
Cash flow from Financing Activities	(29.2)	(35.7)	(6.5)
Free Cash flow to reduce Debt	(40.7)	45.5	86.2

Balance sheet

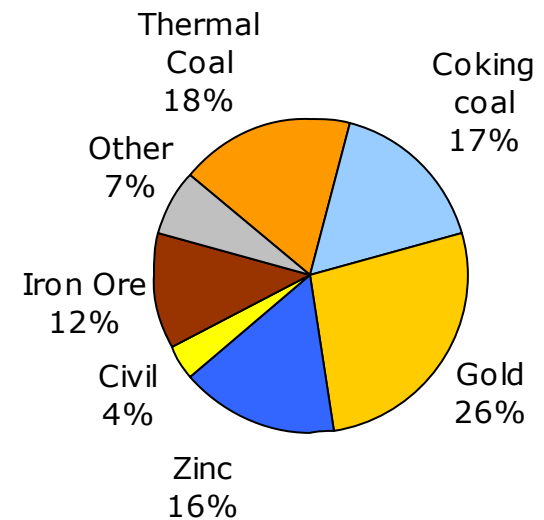
A\$ Millions	Dec 07 A\$ m	Jun 08 A\$ m	Dec 08 A\$ m	Jun 09 A\$ m
General working capital	83	93	95	60
Sales & Parts inventory	203	144	167	135
Rental plant	557	571	643	623
Intangibles	223	224	235	216
Other assets	68	72	65	68
Net debt	(396)	(348)	(412)	(331)
Other liabilities	(52)	(54)	(57)	(88)
Net Assets	686	702	736	683
Facilities Headroom	161.5	208.8	273.6	331.2
Interest Cover	10.2	9.2	9.7	8.1
Net Debt: EBITDA	1.9	1.6	1.7	1.8
Net Debt: Equity	52%	50%	56%	49%

Australia

Funds Employed & Utilisation



Rental End Market



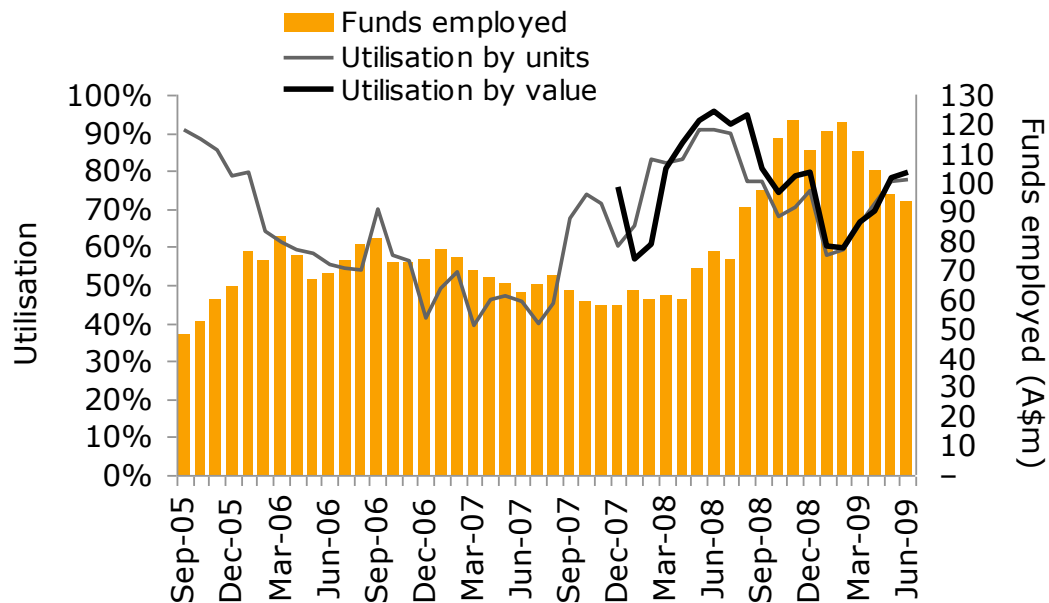
Percentages based on revenue for FY09

Funds employed is defined as net tangible assets plus interest bearing liabilities

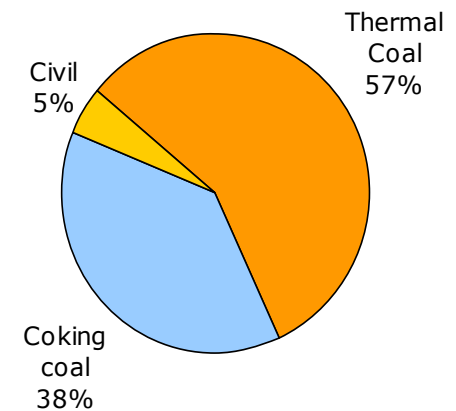
Utilisation is defined as percentage of Emeco's rental fleet that is on rental at customer sites (excluding machines in transit)

Indonesia

Funds Employed & Utilisation



Rental End Market



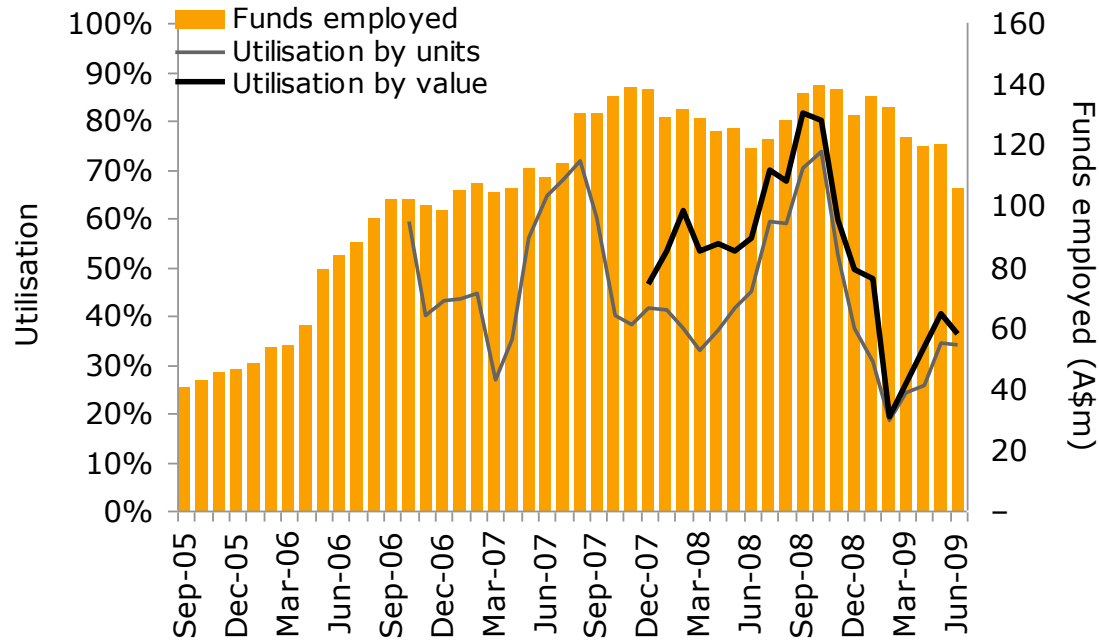
Percentages based on revenue for FY09

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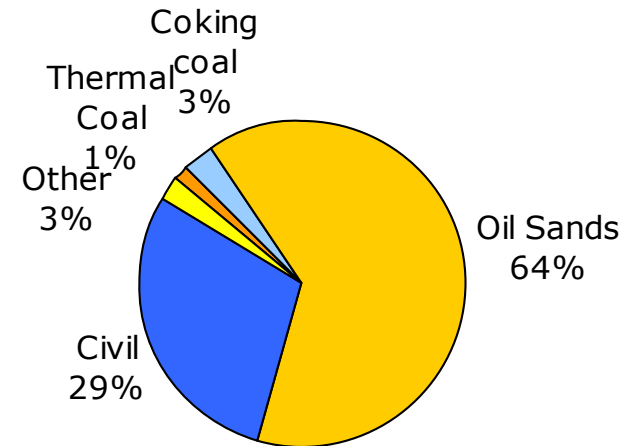
Utilisation is defined as percentage of Emeco's rental fleet that is on rental at customer sites (excluding machines in transit)

Canada

Funds Employed & Utilisation



Rental End Market



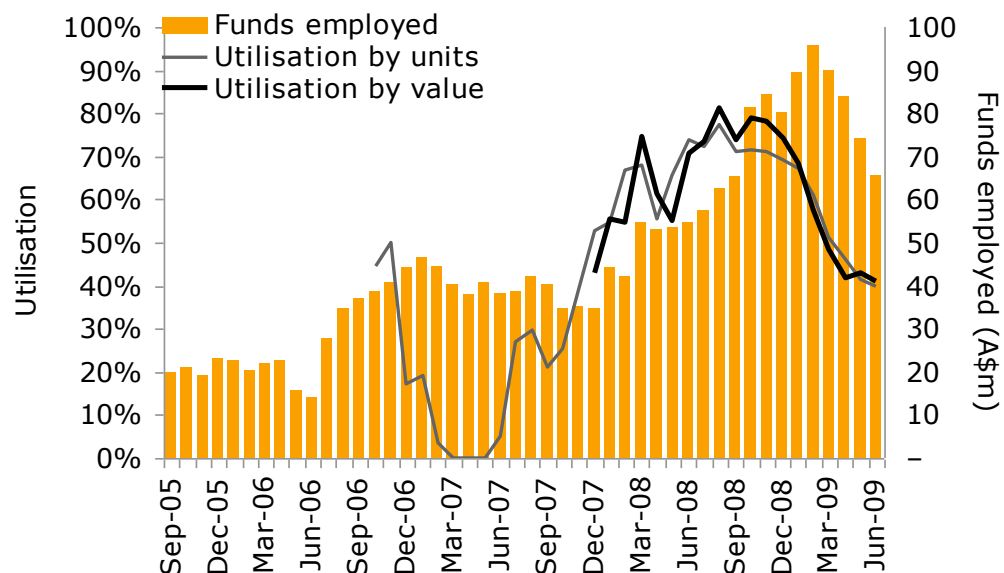
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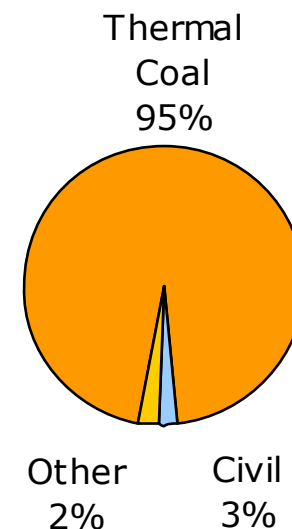
Utilisation is defined as percentage of Emeco's rental fleet that is on rental at customer sites (excluding machines in transit)

USA

Funds Employed & Utilisation



Rental End Market



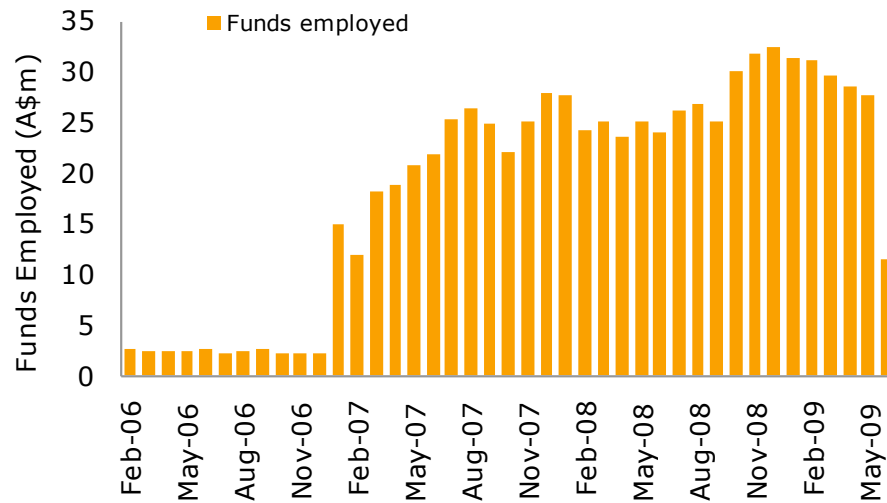
Percentages based on revenue for FY09

Funds employed is defined as net tangible assets plus interest bearing liabilities

Utilisation is defined as percentage of Emeco's rental fleet that is on rental at customer sites (excluding machines in transit)

Europe

Funds Employed



Funds employed is defined as net tangible assets plus interest bearing liabilities

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