



Earthmoving equipment solutions

ASX Small to Mid Caps New York Conference

Keith Gordon
Managing Director



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Company Overview



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What is Emeco?

- ◆ **Quick facts...**

- ◆ Provision of earthmoving equipment solutions to blue-chip miners around the globe
- ◆ Large equipment range from Caterpillar, Komatsu, Hitachi, Volvo and Liebherr
- ◆ Operations across Australia, Indonesia and North America
- ◆ Divisions: Dry-hire Rental, Sales, Parts and Asset Management

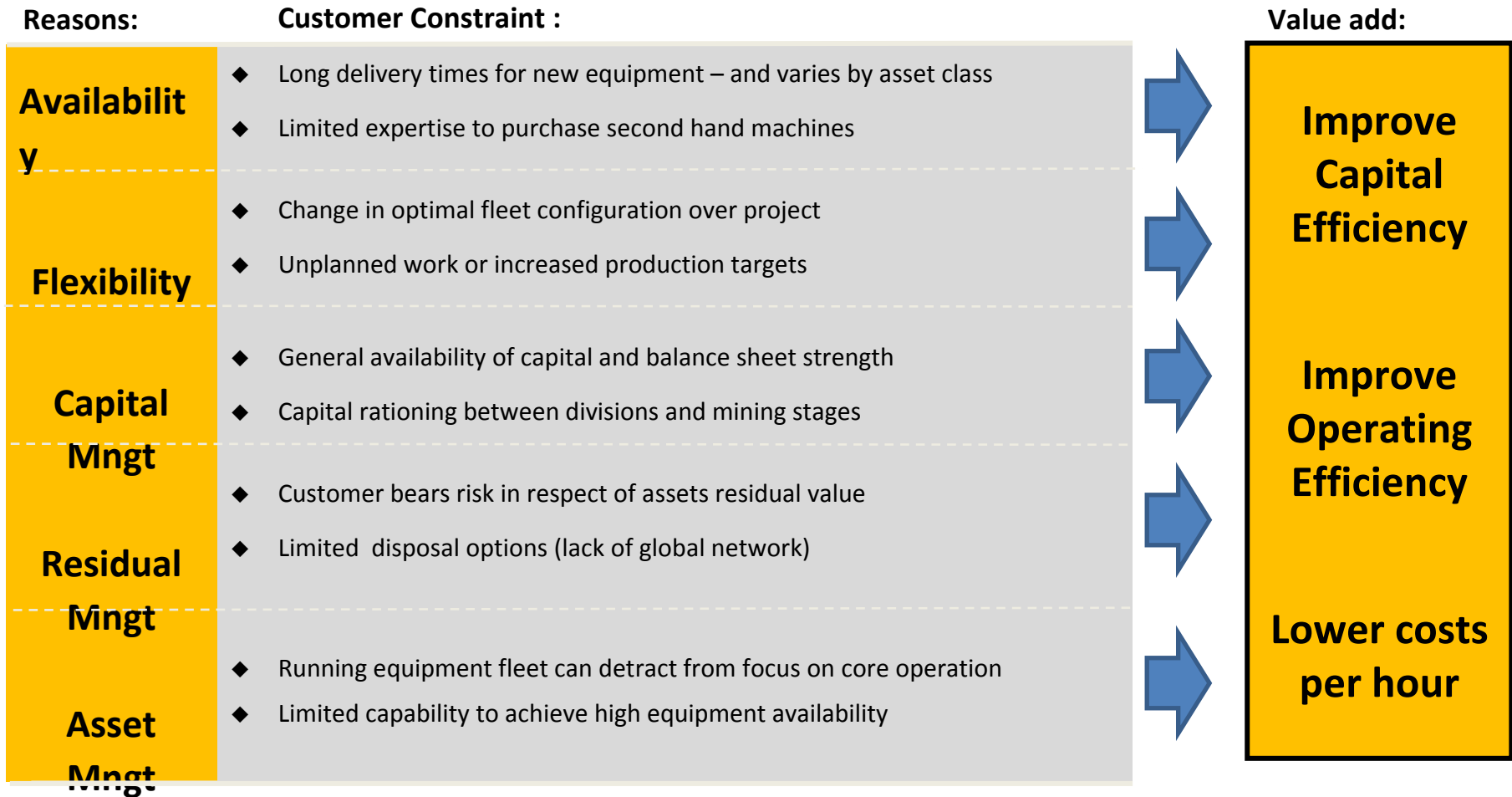
- ◆ Established Australia 1972
- ◆ Listed on ASX exchange (EHL:AU)
- ◆ Industry: Rental Auto/ Equipment
- ◆ Market cap A\$429.2M
- ◆ 52 week range A\$0.230 to A\$0.995

Market cap and 52 week price range as at 26 February 2010. Source: Bloomberg



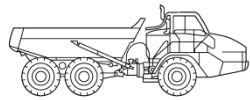
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Why do Customers choose Emeco?

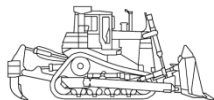
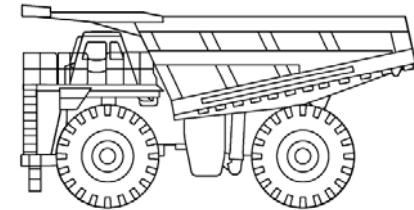
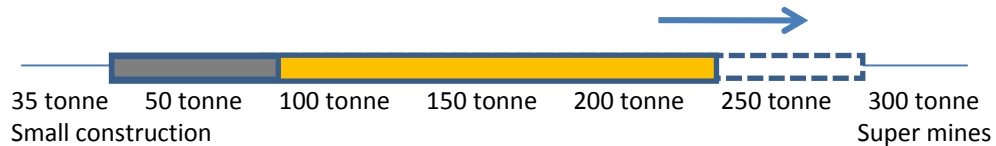


Asset profile

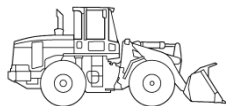
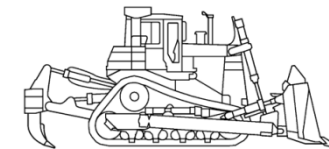
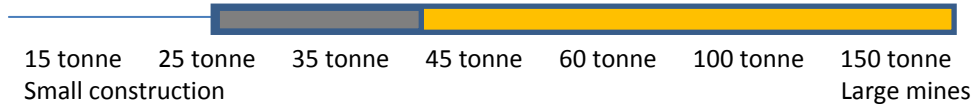
Independent supplier of well-maintained, best-in-class equipment



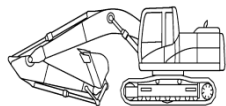
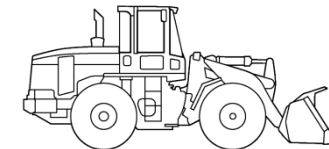
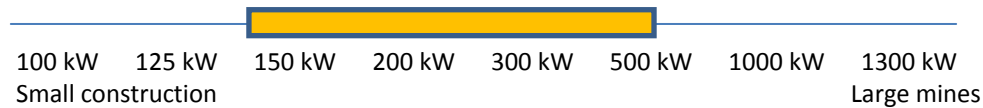
Truck



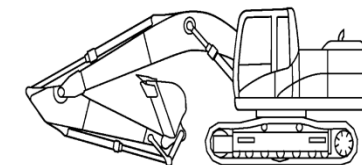
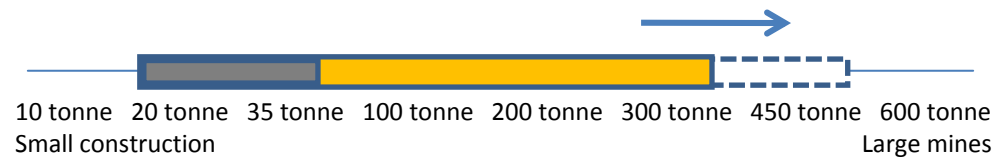
Dozer



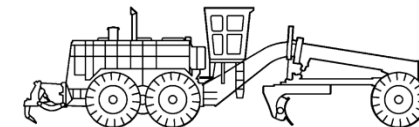
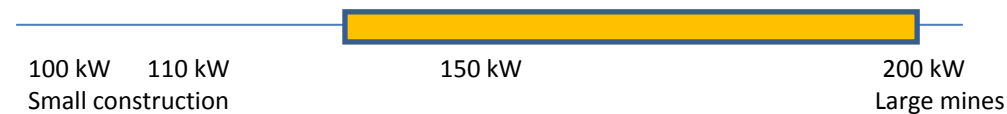
Loader



Excavator



Grader



Where are we today?

- ◆ **Current progress...**

- ◆ Bolster corporate management team
- ◆ Decisive action taken on underperforming businesses
- ◆ Generation of cash through disposal of underperforming assets
- ◆ Asset deployment currently around 78%
- ◆ Focus on improving utilization in core operations to drive earnings
- ◆ Fleet evolution strategy underway
- ◆ ROC identified as unsatisfactory





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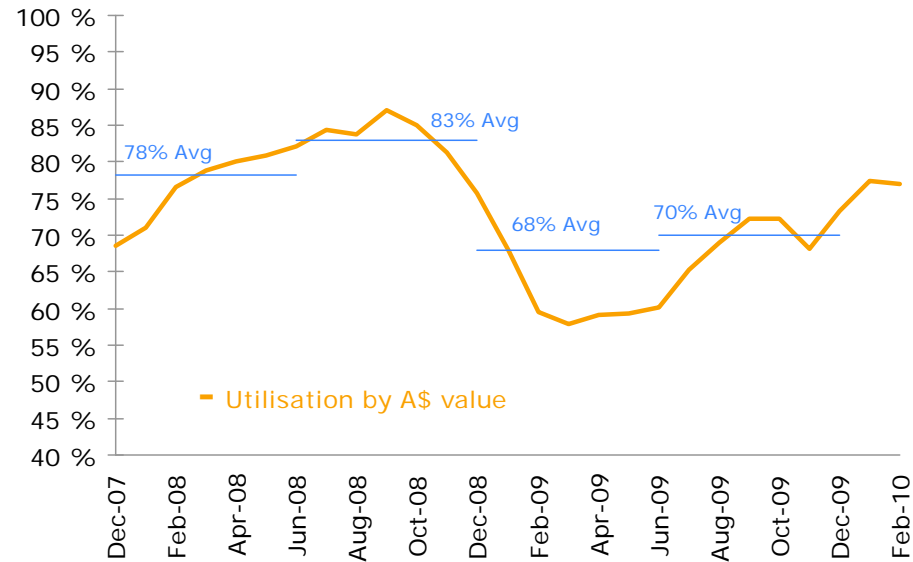
Markets & Drivers



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Rental Fleet Utilization

Improving utilization in 1H10...



Key business drivers:

- ◆ Percentage of fleet working on customer projects (currently at ~78%)
- ◆ Mine application of equipment (single or double shift hours)
- ◆ Emeco's ability to deliver high mechanical availability
- ◆ Speed of redeployment between projects

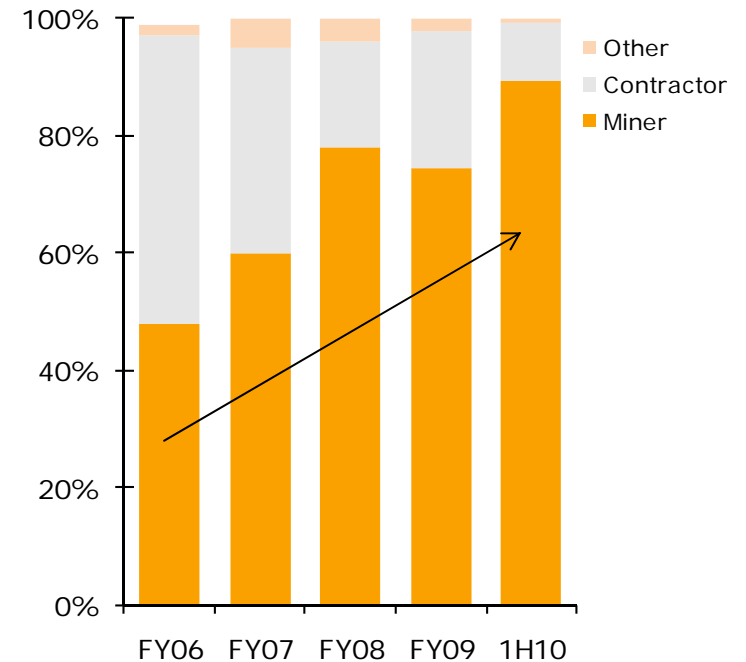
Customer exposure

Focusing on long-term supplier relationships with blue-chip customers

- ◆ ~70% revenue from large blue-chip customers
- ◆ Customer profile trending toward large mining houses
- ◆ Mix of miners and contractors demonstrates rental model appeals for variety of reasons
- ◆ Solid experience, past and present customers include:

Xstrata Coal	Anglo Coal	Rio Tinto Coal	
Rio Northparkes	Alcoa	Kidco	
Newcrest	FMG	Kagara	Xstrata Zinc
Leightons	BHP Billiton	Rio Tinto Iron Ore	

Evolution of customer type

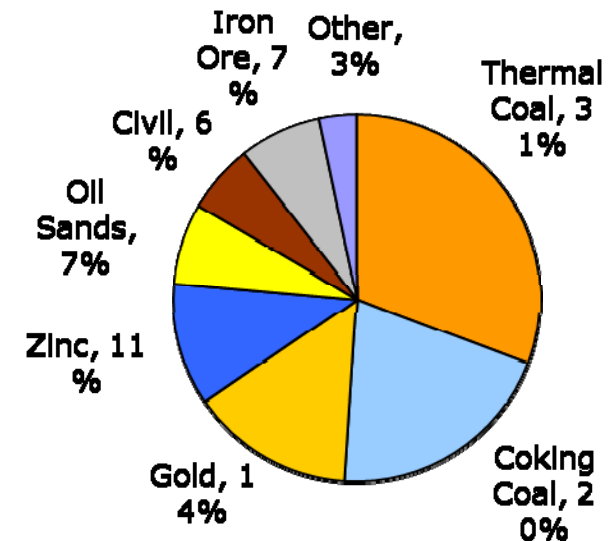


Leveraged to the mining cycle

Focus on increasing exposure to low cost producers in key commodities

- ◆ **Thermal coal** volumes forecast to increase in New South Wales, Australia and Kalimantan, Indonesia
- ◆ Exposure to West Australian **Iron ore** and Queensland **coking coal** expected to strengthen significantly over the coming period
- ◆ Exposure to world class **gold** producers in New South Wales, Western Australia and Indonesia
- ◆ Canadian **oil sands** activity increasing in 2010 with Emeco becoming more involved in core production works versus mine development
- ◆ Increasing **infrastructure** investments in Australia
- ◆ **Civil** business in North America and Europe non-core to Emeco's business going forward

Commodity exposure





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Performance

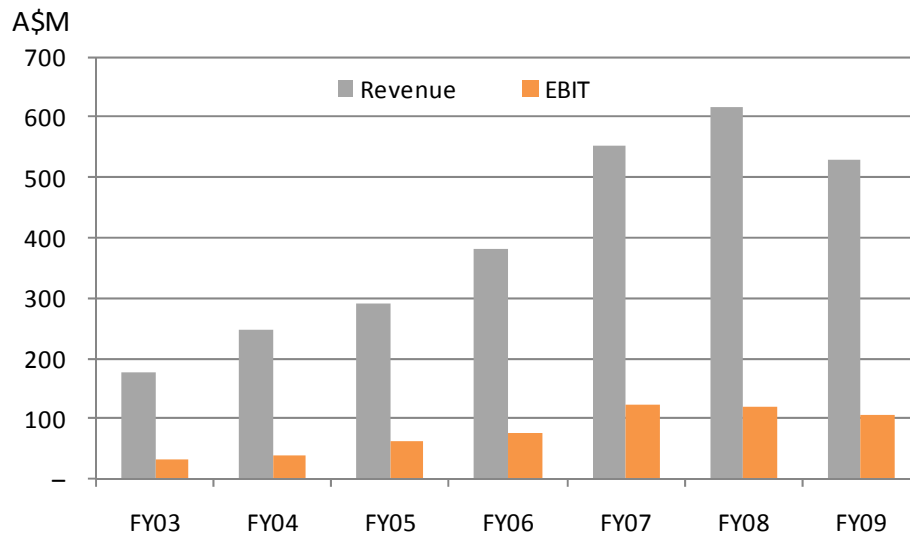


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Financial Performance

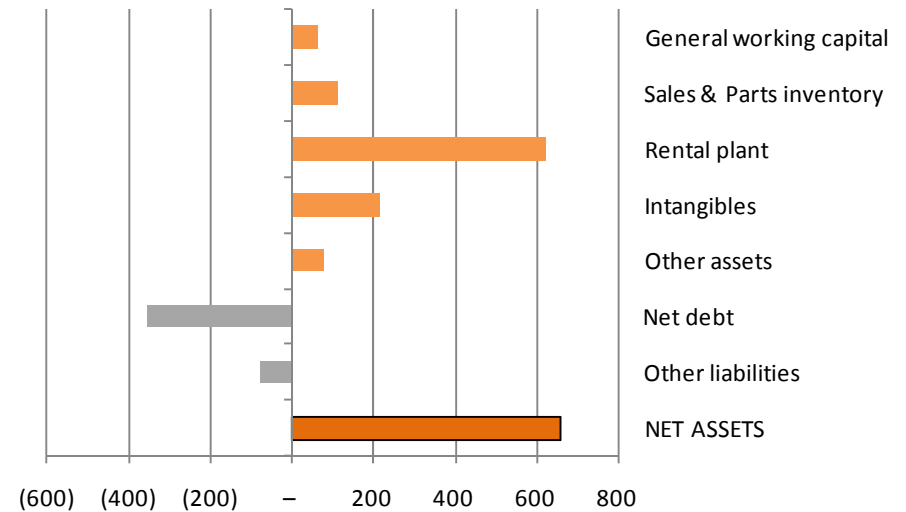
Focus on improving ROC and EBIT growth

Revenue & EBIT performance



- ◆ EBIT CAGR of 21.8% [FY02 to FY09]

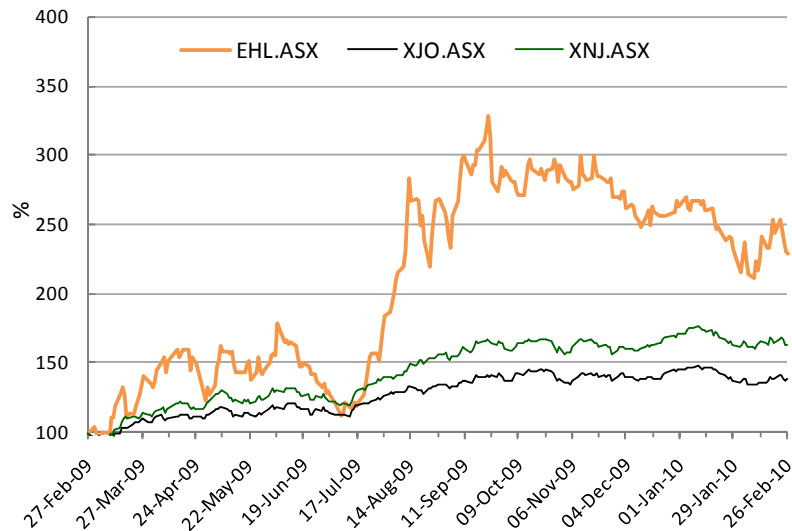
Balance sheet composition (31 Dec 2009)



- ◆ NTA of A\$449.7M, equivalent to \$0.712 as at 31 December 2009
- ◆ High quality earthmoving equipment equates to 62% of Total assets
- ◆ A\$595M senior debt facility

Share Performance

Indexed performance



- ◆ Over the past 12 months EHL share price has tracked above the ASX 200 and ASX Industrial indices

Emeco 52-week share price



- ◆ **Substantial shareholders:**
- ◆ Franklin Resources 9.52%
- ◆ Blackrock Investment 7.74%
- ◆ Maple-Brown Abbott 5.06%
- ◆ 70% institutional investors



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Strategy & Outlook



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Strategy

Immediate focus to improve core business while long-term strategic plan is finalised

Short-Term

- ◆ Exit Europe
- ◆ Exit Central Appalachian coal and restructure North America
- ◆ Liberate cash from underperforming assets
- ◆ Reduce debt
- ◆ Leverage earnings growth from installed asset base
- ◆ Evaluate investments in specific equipment asset classes
- ◆ Reposition fleet away from small civil to large mining fleet

Medium to Long-Term

- ◆ Long term strategic plan under development
- ◆ Focus will be on long term returns to Shareholders and improving ROC
- ◆ Further communication with the market as plan completed
- ◆ Safety will always remain top priority

Outlook

Emeco's performance is highly leveraged to mining recovery currently underway

Volumes

- ◆ Both mining development and production activity undergoing positive step-change as business confidence improves
- ◆ Thermal coal, coking coal and iron ore volumes growing rapidly in Asia Pacific
- ◆ Canadian oil sands development activity has recommenced
- ◆ Other commodities undergoing resurgence

Equipment Capacity

- ◆ Short term excess capacity is now returning to work as activity recommences over FY10
- ◆ Market availability of larger mining equipment now tightening
- ◆ Small civil equipment market in North America & Europe remains in oversupply – continually reducing exposure

Capital Availability

- ◆ General recovery of credit flows expected to take longer than resource recovery
- ◆ Some customers likely to remain cautious on capex in medium term

Forecasting NPAT of \$40 million to \$44 million in year ending 30 June 2010



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Questions

For further information visit our website at
www.emecogroup.com



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Company Contact Details

**Thank you for your interest in Emeco.
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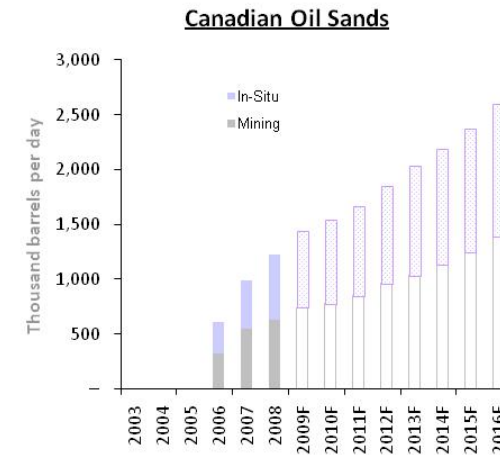
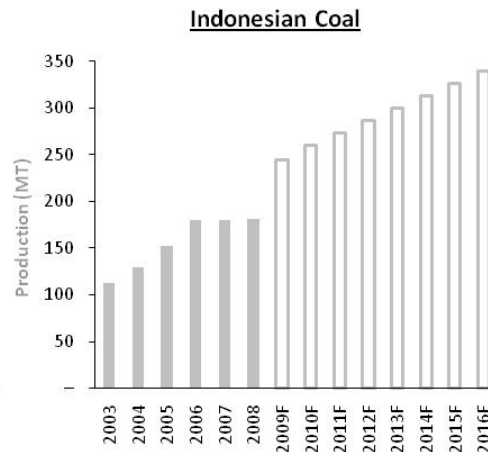
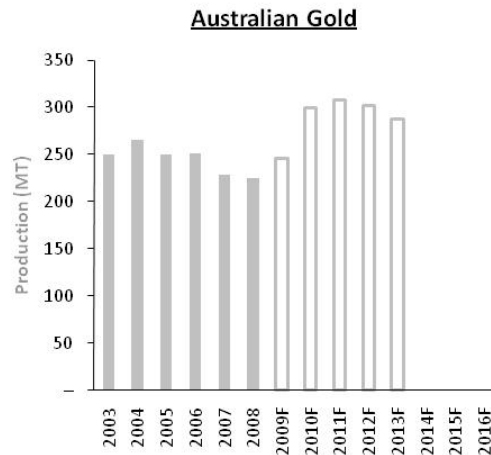
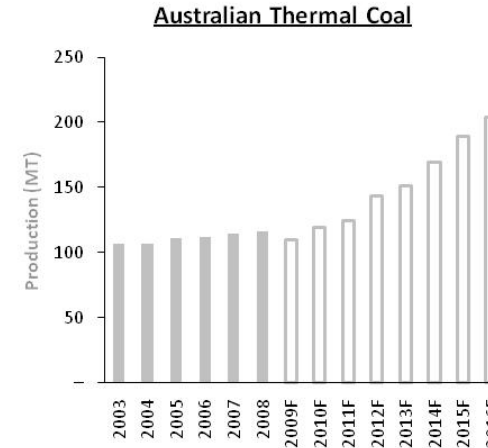
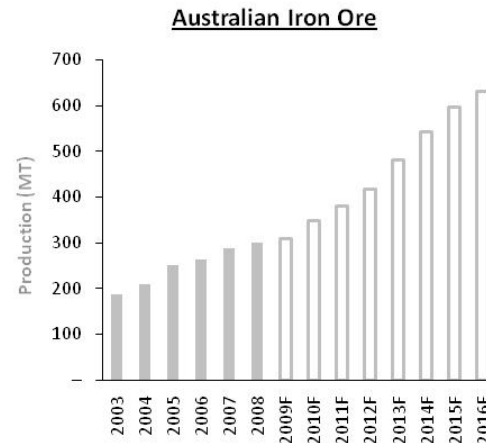
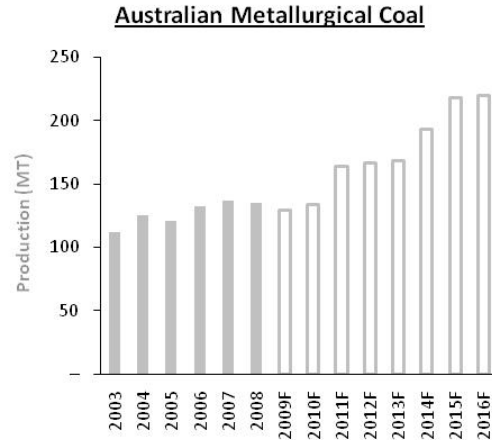
Appendix



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Organic Growth Opportunities

End-market volumes forecast to increase



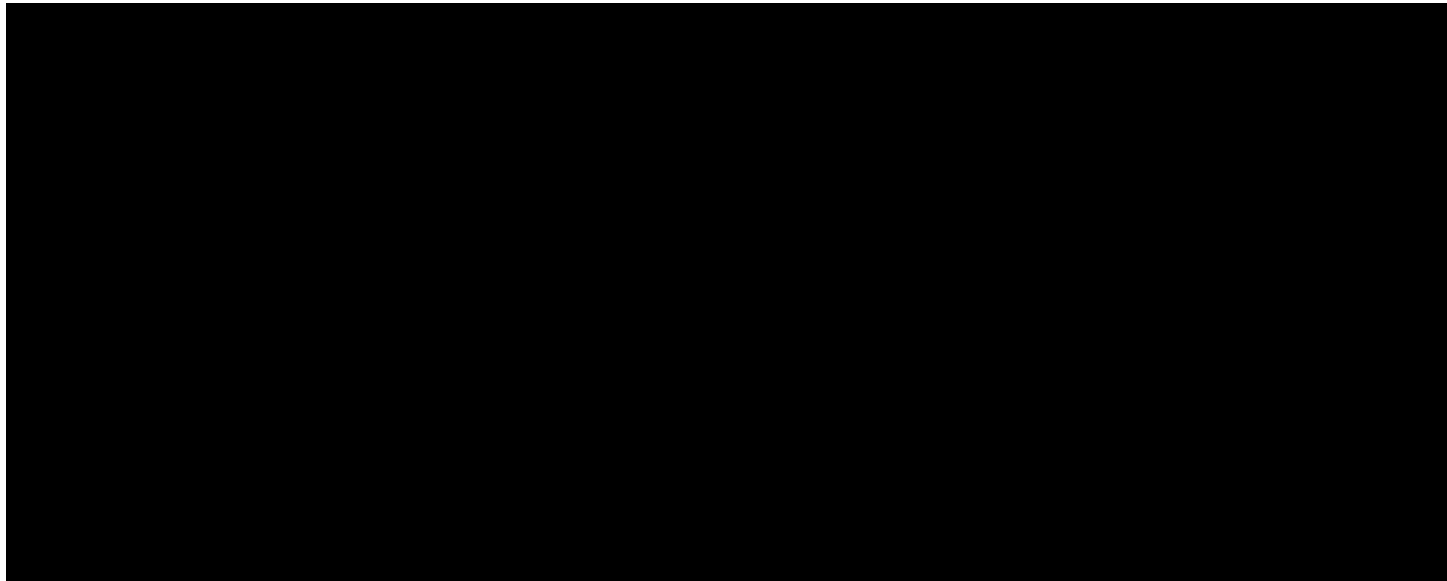
Source: ABARE Commodity Outlook, (CAPP) Canadian Association of Petroleum Producers Crude Oil Forecast 2009-2025, Ministry of Energy and Mineral Resources – Republic of Indonesia 20



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Financial Overview

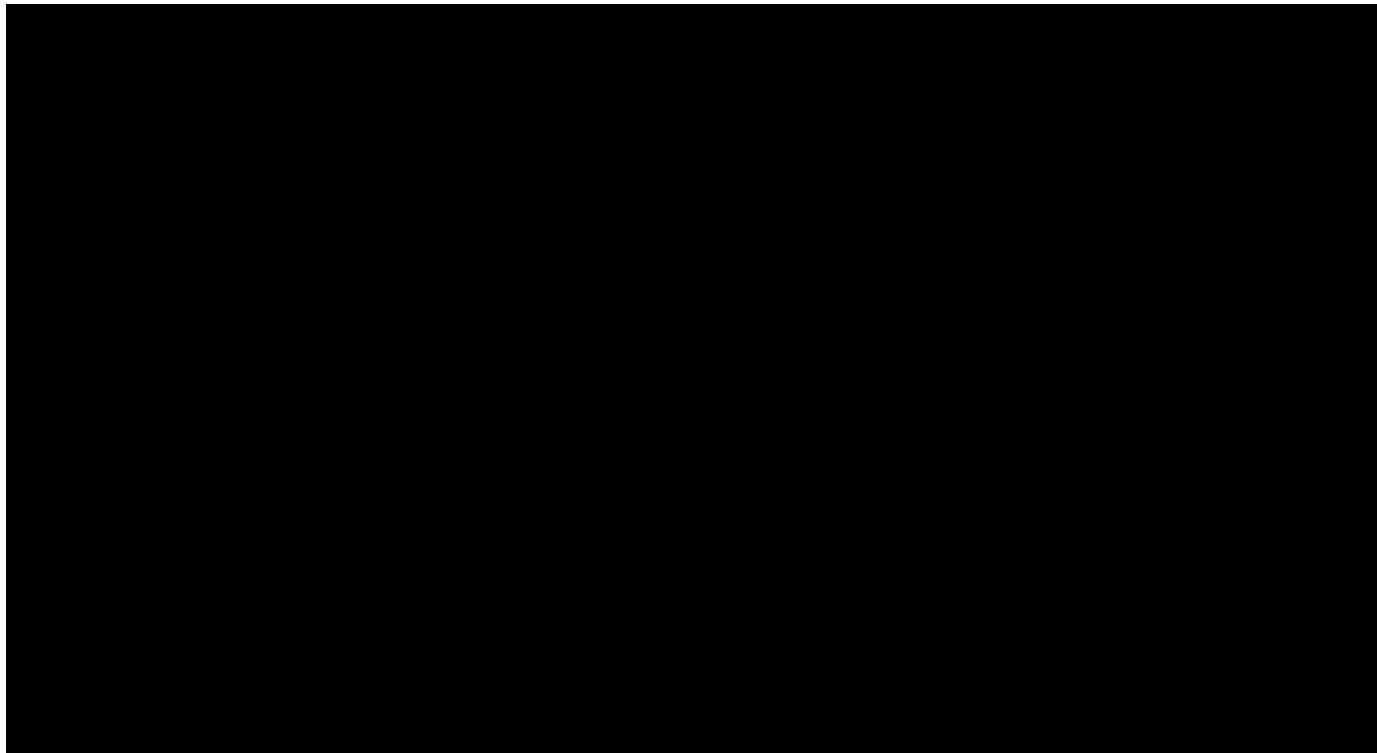
- ◆ Operating Profit statement, 6 month evolution to 31 December 2009 (A\$M)



For full financial information visit our website at
www.emecogroup.com/view/investors-centre

Financial Overview

- ◆ Cash Flow, 6 month evolution to 31 December 2009 (A\$M)



Note: EBITDA excludes non-cash items for purpose of cash flow

Financial Overview

◆ Balance Sheet at 31 December 2009 (A\$M)

A\$ Millions	Dec 07 A\$ m	Jun 08 A\$ m	Dec 08 A\$ m	Jun 09 A\$ m	Dec 09 A\$ m
General working capital	83	93	95	60	63
Sales & Parts inventory	203	144	167	135	113
Rental plant	557	571	643	623	620
Intangibles	223	224	235	216	214
Other assets	68	72	65	68	76
Net debt	(396)	(348)	(412)	(331)	(352)
Other liabilities	(52)	(54)	(57)	(88)	(69)
Net Assets	686	702	736	683	663
Facilities Headroom	161.5	208.8	273.6	331.2	301.5
Interest Cover	10.2	9.2	9.7	8.1	6.3
Net Debt: EBITDA	1.9	1.6	1.7	1.8	2.7
Net Debt: Equity	52%	50%	56%	49%	53%

◆ Funding Facilities at 31 December 2009 (A\$M)

Funding Facility	Facility limit (A\$M)	Drawn (31 Dec 09)	Headroom (A\$M)	Maturity
Multi-Currency Debt Facility	595	355	240	Aug 2011
Working Capital Facility	33	–	33	Range
Finance Lease	26	8	18	Range
Total	654	363	291	

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