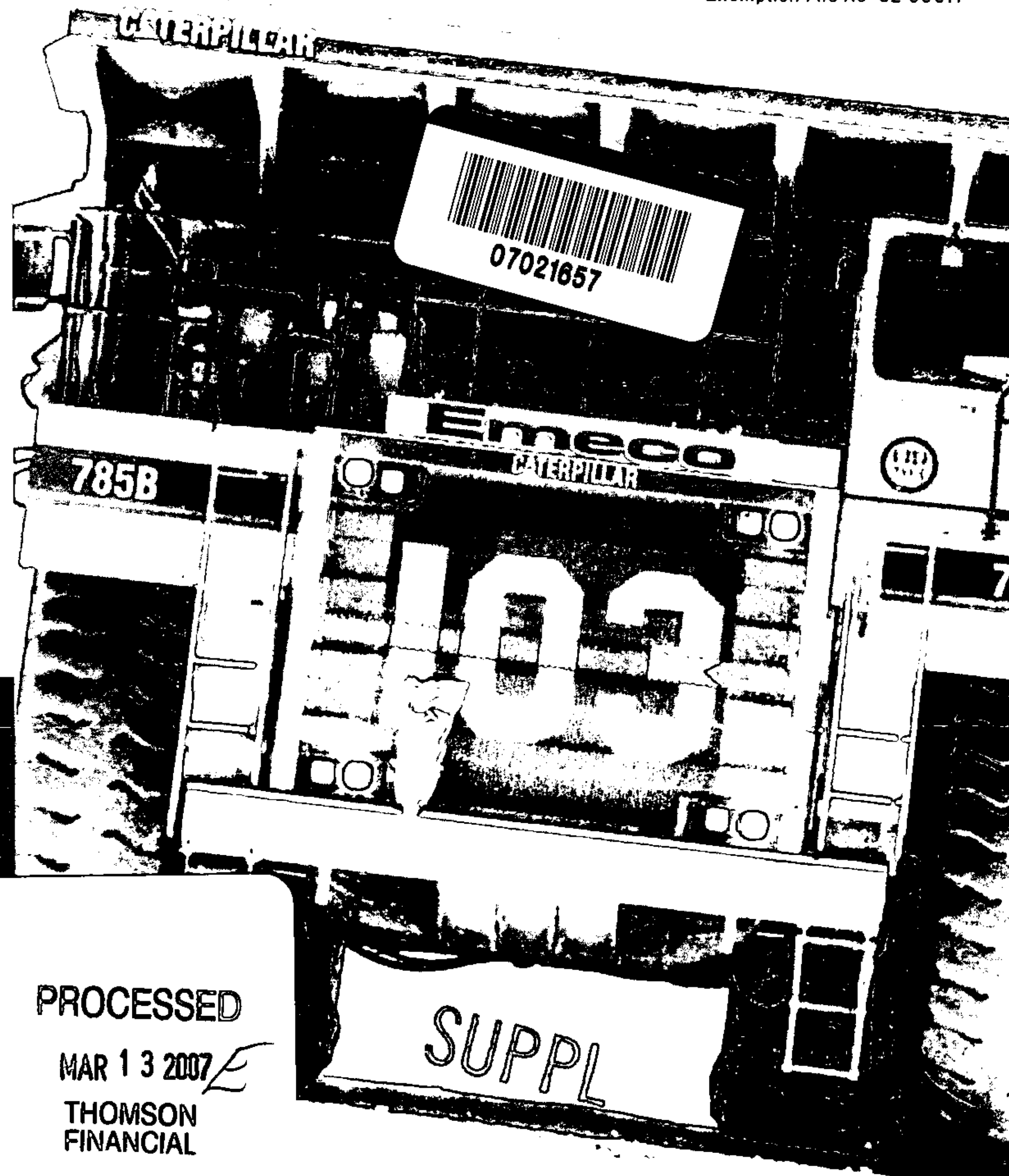
Emeco

**"Helping you move the Earth"™**




# Emeco Holdings Limited
# Business Overview

CONFIDENTIAL

File No 82-3

# Disclaimer and Important notice

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- 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.

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## Emeco rents dry-hire heavy earthmoving equipment to the mining and construction industries

File No 82

# Agenda

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1 **Business highlights**

2 **Industry overview**

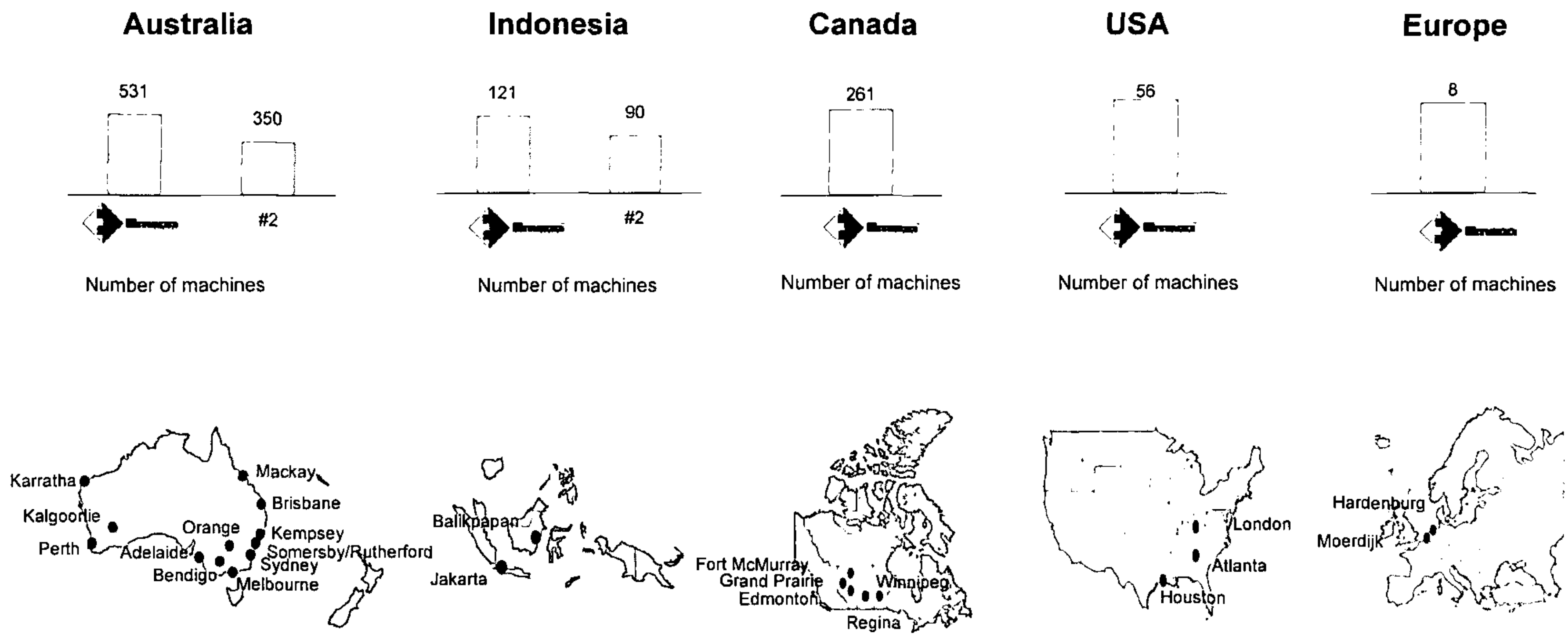
3 **Business overview**

4 **Financial overview**

File No 82-3

# Rental Market Share and Global Locations

## #1 market share in Australia and Indonesia and a growing presence in Canada, USA and Europe




Source: Emeco Management

Notes: Machine numbers as of 1 January 2007 and includes Euro Machinery BV; #2 indicates Number 2 player in rental market

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# Continued growth in “volume of earth moved” in existing markets

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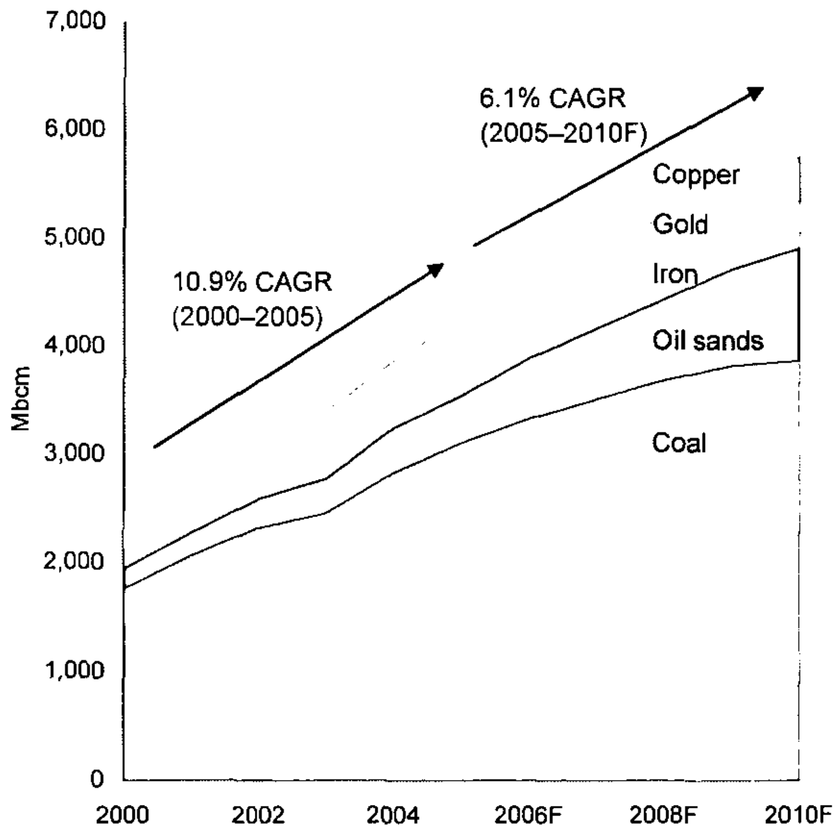
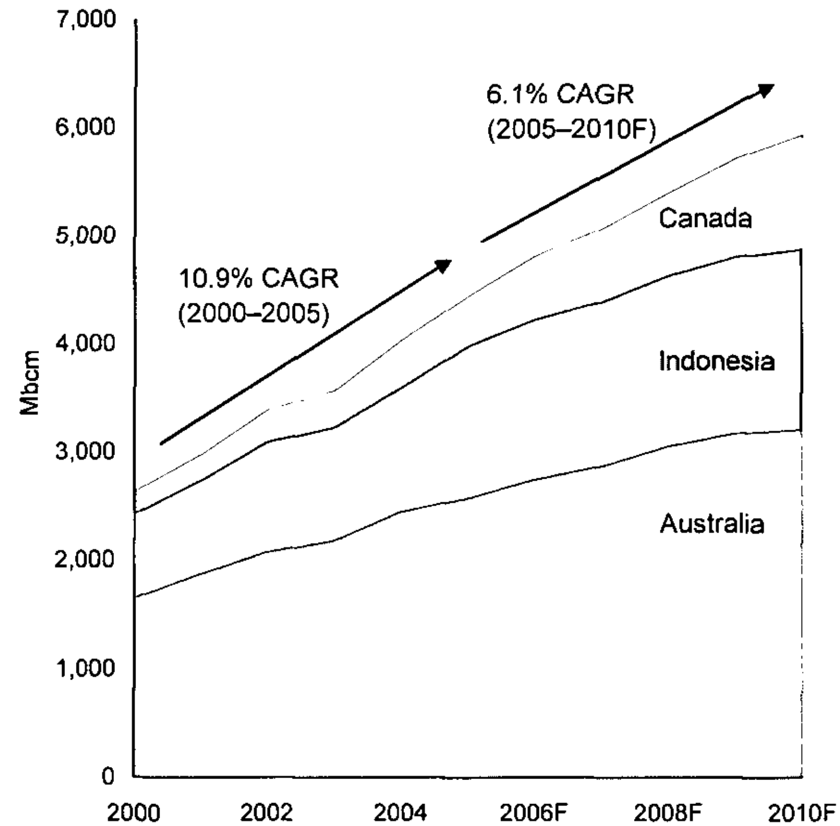
## Emeco’s growth is not dependent on commodity prices

Forecast earth moved by commodity




Forecast earth moved by country




Source: AME Mineral Economics

Notes: Charts based on volume of earth moved in Australia (open cut mining of coal, gold, iron ore, copper), Indonesia (open cut mining of coal, gold, copper) and Canada (open cut mining of oil sands). Emeco's equipment is used directly in the mining of coal, iron ore, gold and copper. In respect of the Canadian oil sands, Emeco's equipment is primarily used in the construction and maintenance of road and transport *infrastructure to support oil sands mining*

# Significant potential to increase penetration of rental model

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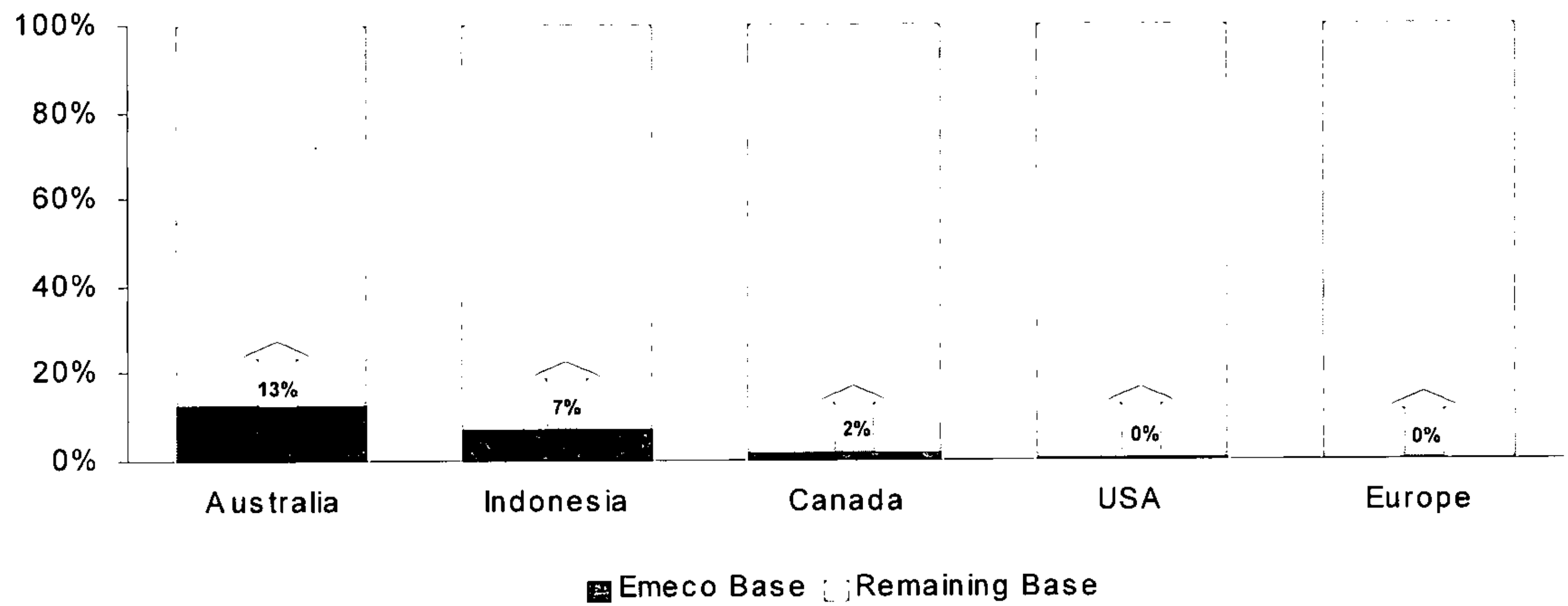
**Management expects development of the rental market and changing attitudes to rental to drive further rental penetration and provides another avenue for growth**




Source: Management estimates based on the number of comparable heavy earthmoving machines Emeco has and the total installed base of heavy earthmoving equipment as at 31 December 2006. The estimate of total installed base is sourced from the Parker Bay Company as at 31 December 2006, excluding draglines and drills.

File No 82-

# Growth through geographic and sector expansion

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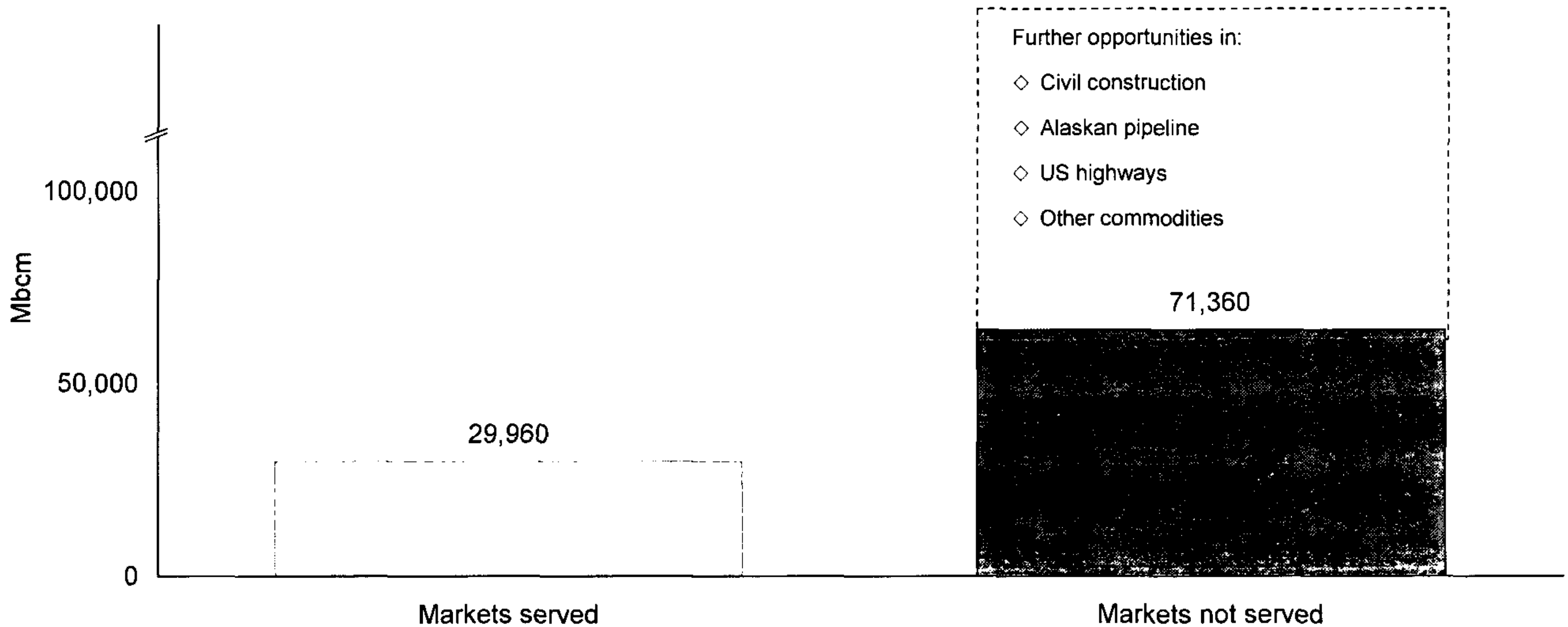
## There are many under-served markets, and Emeco has a track record in developing new rental markets

Volume of earth moved 2005–2010F

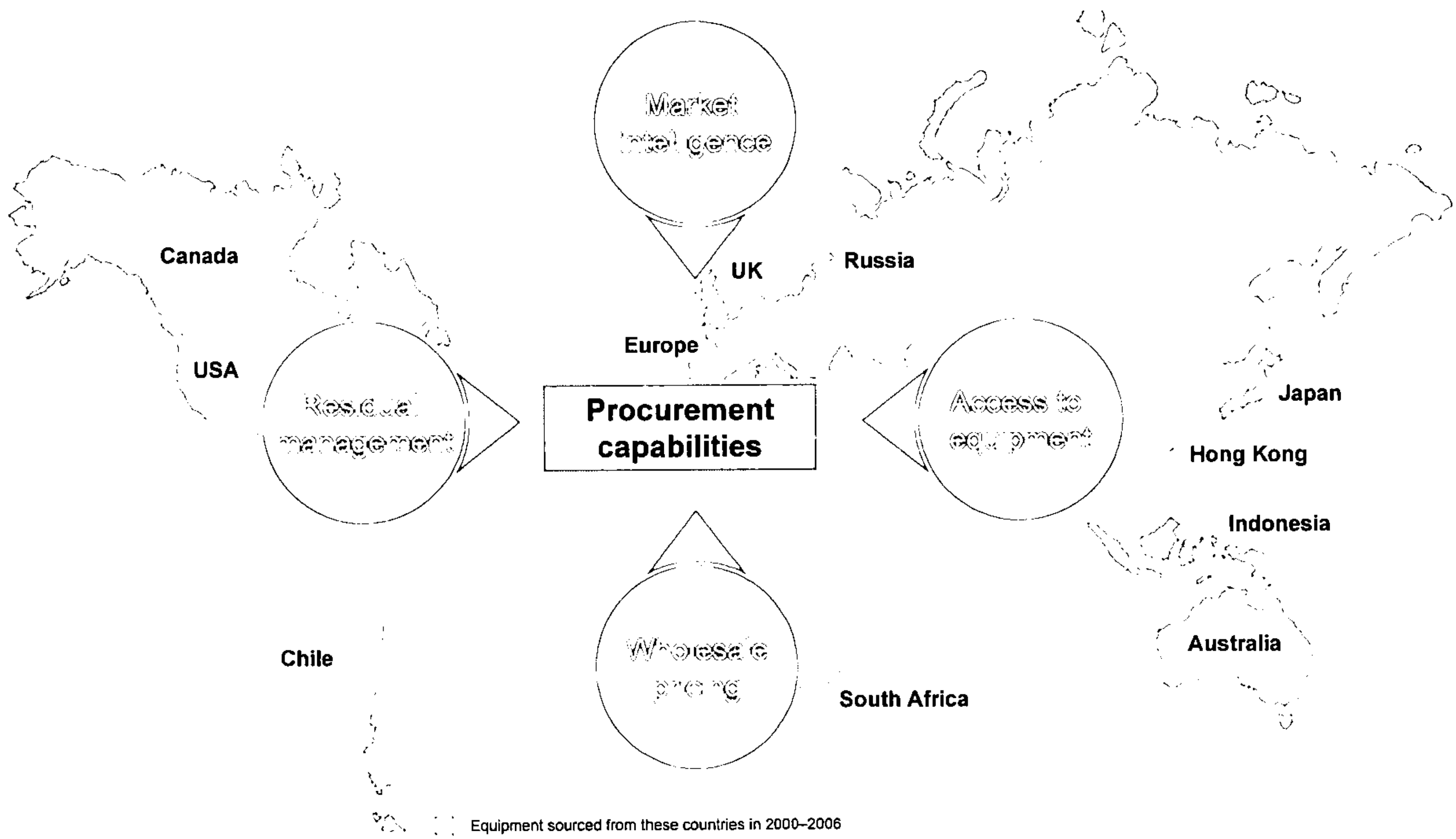



Source: AME Mineral Economics

Note: Markets served comprise Australia (open cut mining of coal, gold, iron ore, copper), Indonesia (open cut mining of coal, gold, copper) and Canada (open cut mining of oil sands). Markets not served comprise Australia (copper), Canada (*coal, iron ore, gold, copper) and Rest of world (for coal, iron ore, gold, copper and zinc)*

File No 82-3

# Competitive advantage through global procurement network




Equipment sourced from these countries in 2000–2006

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# World class custom built maintenance facilities

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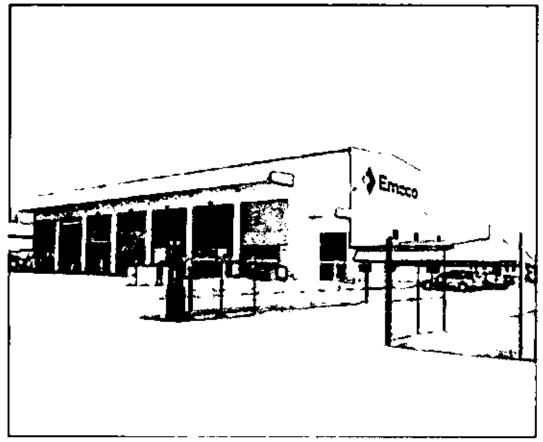
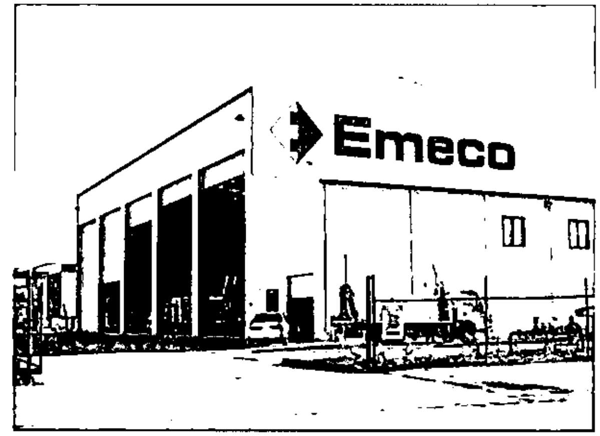
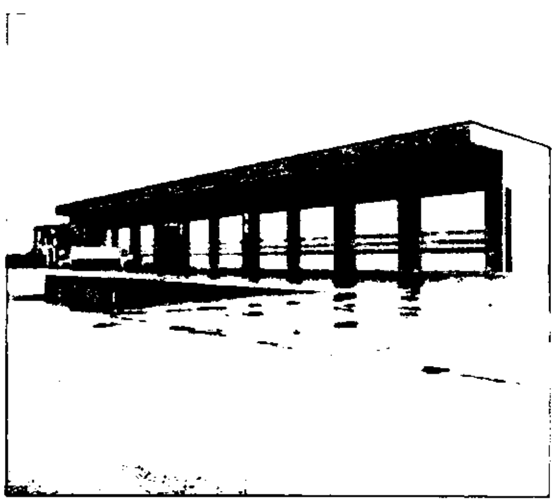
Euro Machinery New Premises – Hardenburg, Netherlands



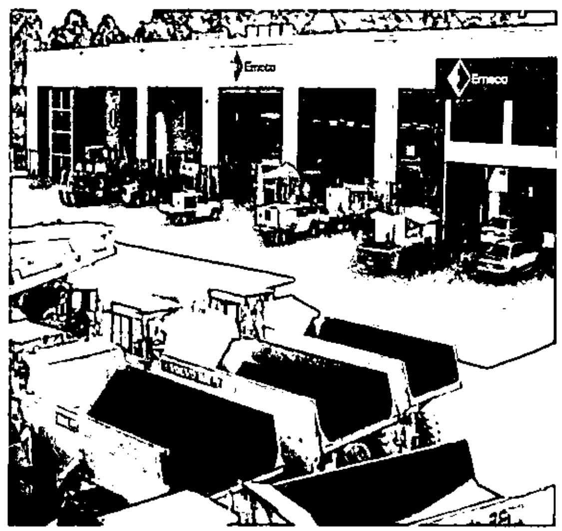

Emeco Premises – Mackay, QLD



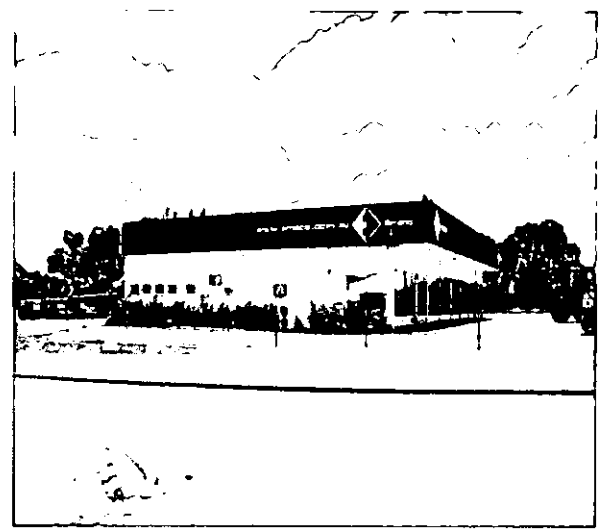

Emeco Premises – Rutherford, NSW



Euro Machinery New Premises – Hardenburg, Netherlands




Emeco Premises – Somersby, NSW



Emeco Premises - Redcliffe, WA

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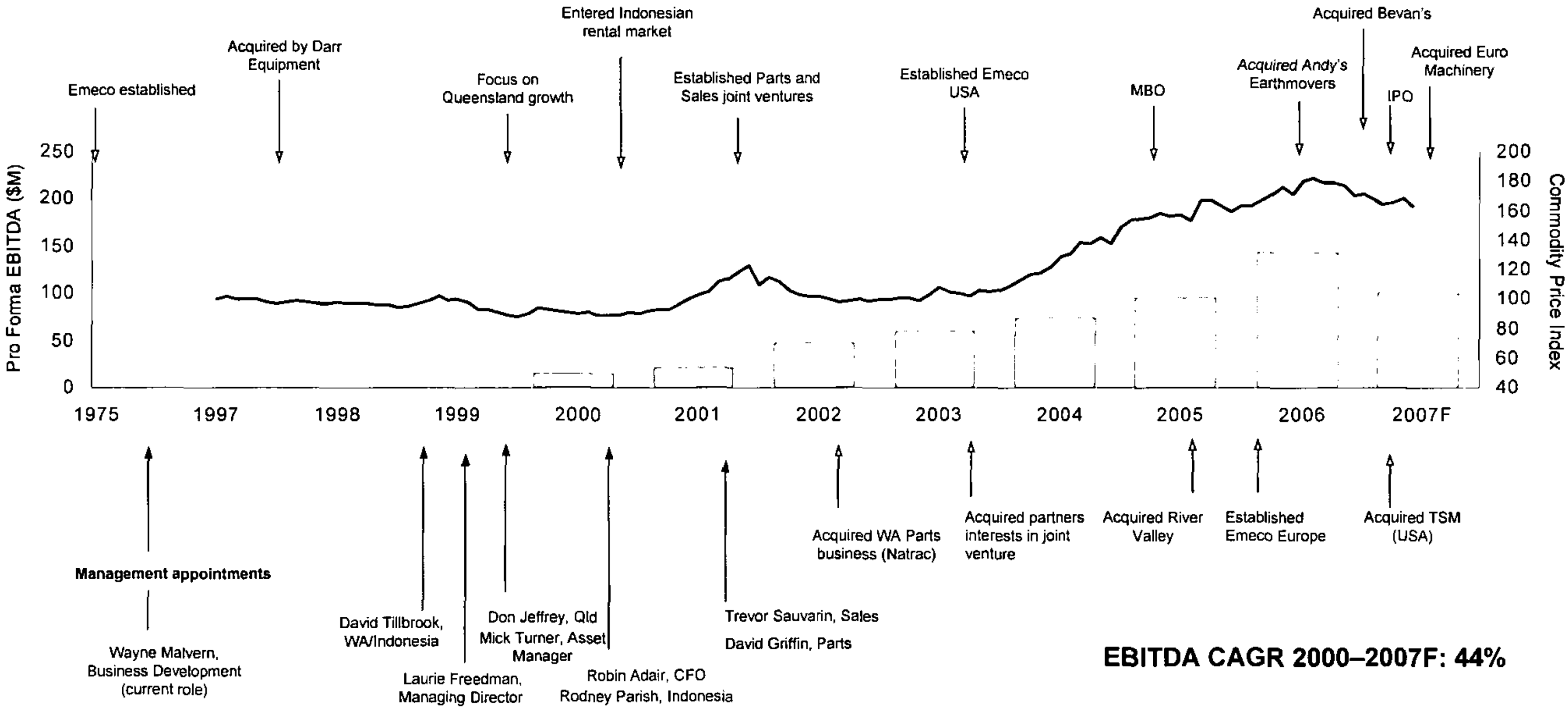
# Management's track record of execution

**Disciplined management of *growth capital*, successful entry into new geographic markets and strategic acquisitions in Australia, Canada and USA have delivered EBITDA CAGR of 44% since 2000**




**EBITDA CAGR 2000–2007F: 44%**

Source: Emeco Management

Note: Commodity price index is the equal-weighted average of indices of gold, coal and iron ore prices, with a base date of 1 January 1997

File No 82-3

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# Agenda

1 Business highlights

2 Industry overview

3 Business overview

4 Financial overview

# Emeco's primary market

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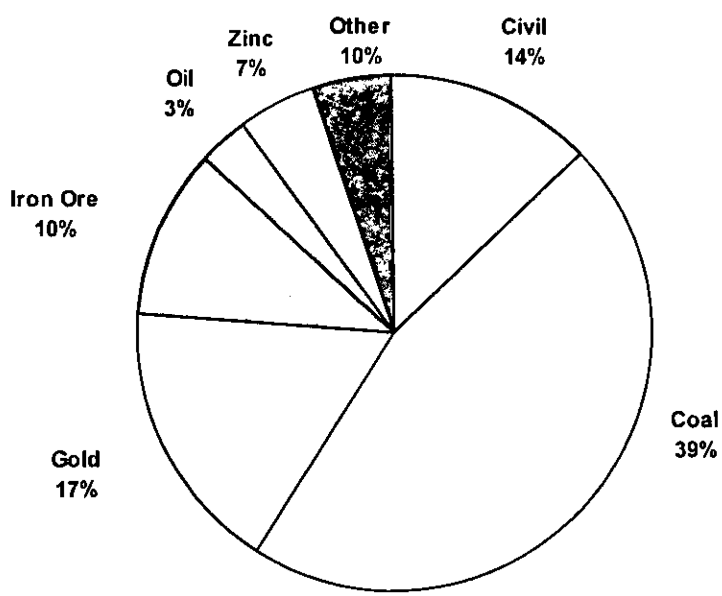
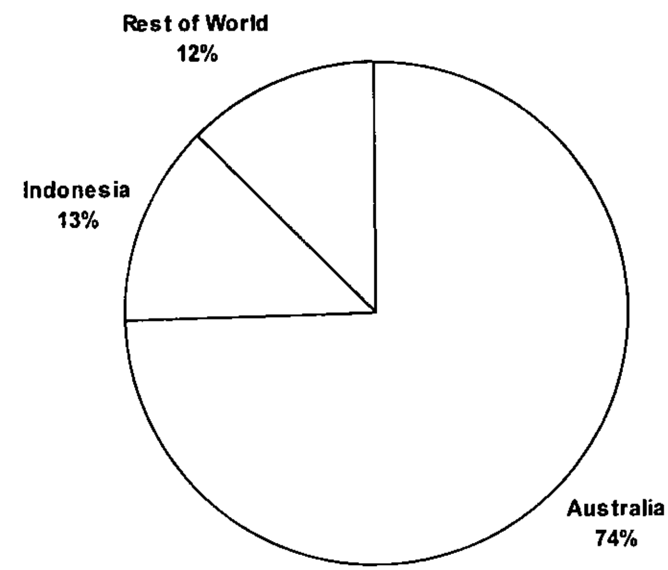
## Emeco primarily operates in the market for heavy earthmoving equipment rental, predominantly to the mining industry in Australia, Indonesia and Canada

1H07 Rental Revenue Contribution




1H07 EBITDA Contribution




Source: Emeco Management

Note: Oil includes conventional oil and gas, oil sands and infrastructure related to the production of oil from the oil sands. EBITDA Contribution excludes Corporate costs

File No 82

# Renting with Emeco

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**There are five main reasons why companies rent from Emeco which provides the customer with capital and operational efficiency and lower costs per hour**

| Reasons | Customer Constraint |
|---|---|
| **Availability** | Delivery delays for new equipment<br>Limited contacts/expertise to purchase second hand machines |
| **Flexibility** | Fluctuations in fleet requirements over life of mine<br>Unplanned work or increased production targets that exceed fleet capacity |
| **Capital Management** | Allocating limited capital between exploration/development and operations |
| **Residual Risk Management** | Optimising disposal timing<br>Disposal avenues available |
| **Asset Management** | Limited expertise or reliant on outsourcing, potentially increasing downtime of machines and efficiency |

Leads To

**Capital and Operational Efficiency and Lower Cost Per Hour**

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File No 82-

# Integrated business model

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**Emeco has an integrated business model, delivering low-houred machinery to customers with ongoing parts and maintenance support**

Rental

- 94% 1H07 pro forma EBITDA
- 157 staff
- 16 locations
- 969 units

- Market intelligence
- Access to equipment
- Wholesale pricing
- Residual management

Sales

- 4% 1H07 pro forma EBITDA
- 54 staff
- 18 locations
- 366 units

Parts and maintenance

- 2% 1H07 pro forma EBITDA
- 185 maintenance staff
- 51 parts staff
- 9 locations

Source: Emeco Management, fleet and staff numbers as of 31 December 2006

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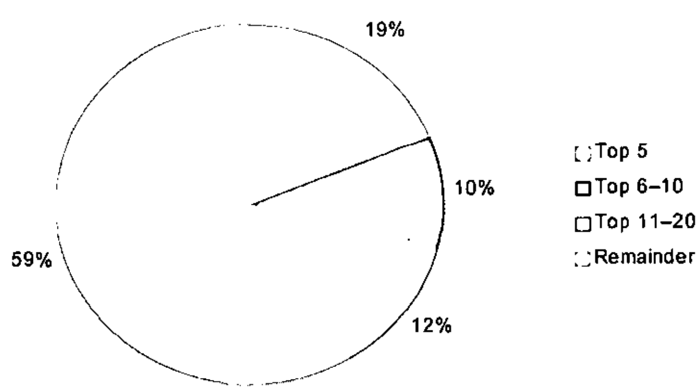
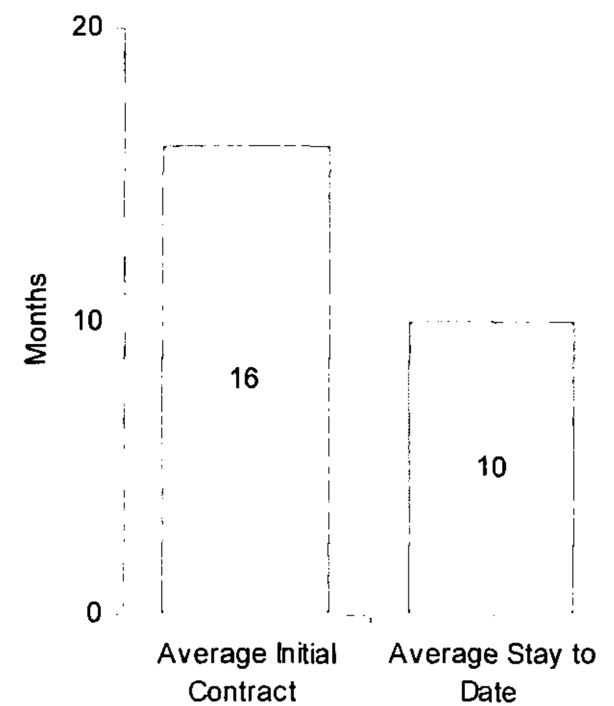
# Customer and contract profile

## Emeco rents to a diverse range of customers backed by short-term contracts that are typically extended

### Customer revenue contribution




### Average contract length




### Blue chip customers

**Anglo American** | **BHP Billiton** | **Newcrest Mining** | **Placer Dome** | **Rio Tinto** | **Xstrata** | **Zinifex**

Note: Average contract length is based on rental contracts at 31 December 2006 in Australia and Indonesia

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# Growth Strategy

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**Going forward, Emeco expects growth to come from both organic growth and three distinct areas of step-out opportunities**

| | |
|---|---|
| **Organic growth** | Growth in earth moved is expected to continue in the mining industry served by Emeco in Australia, Indonesia and Canada<br>Key drivers of rental behaviour are expected to continue to underpin increased rental penetration going forward |
| **Acquisitions** | International scale and leadership position Emeco as the logical consolidator of small-medium scale fleet owners<br>Some acquisitions are being considered |
| **New Geographies** | Size of markets not served by Emeco is 3x the size of markets served<br>North America and Europe are expected to provide the next leg of global expansion for Emeco<br>Since the IPO, 5 branches have been established in USA and Canada and Euro Machinery acquired<br>Potential future markets include Africa, Chile and India |
| **Non-mining opportunities** | Civil construction and aggregates represents 14% of rental revenue YTD<br>Significant opportunities for growth in civil construction and aggregates |

File No 82-3

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# Agenda

1 **Business highlights**

2 **Industry overview**

3 **Business overview**

4 **Financial overview**

File No 82-35

# Financial highlights

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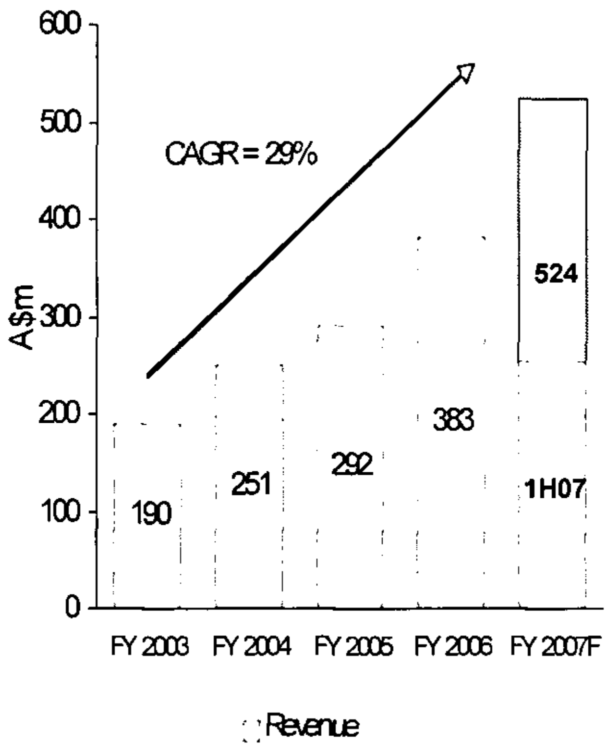
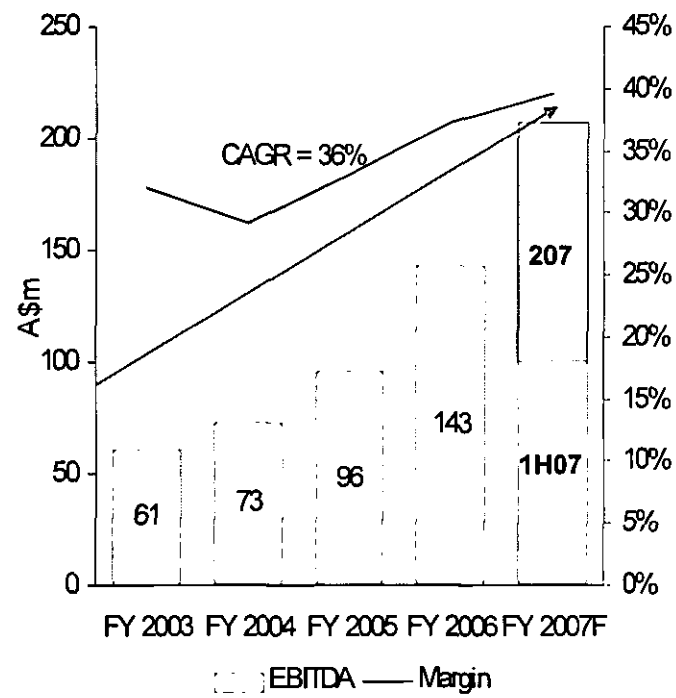
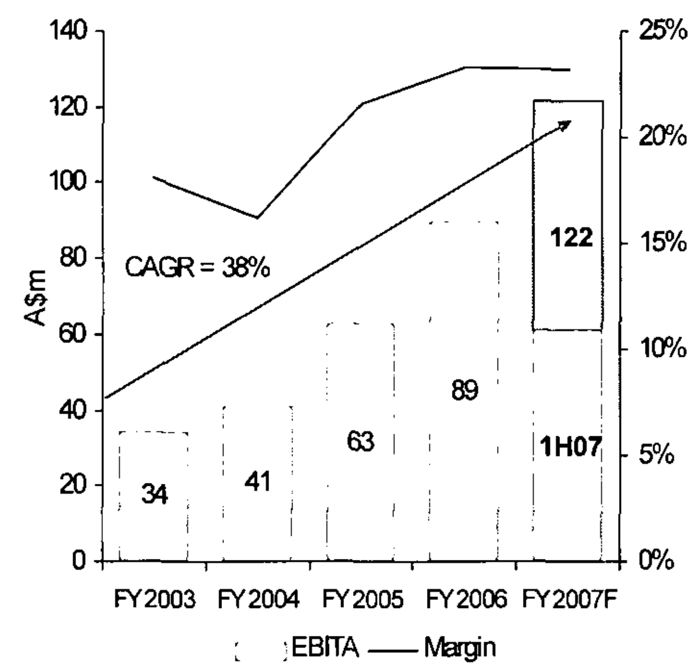
Pro forma revenue




Pro forma EBITDA




Pro forma EBITA




Source: Emeco Management

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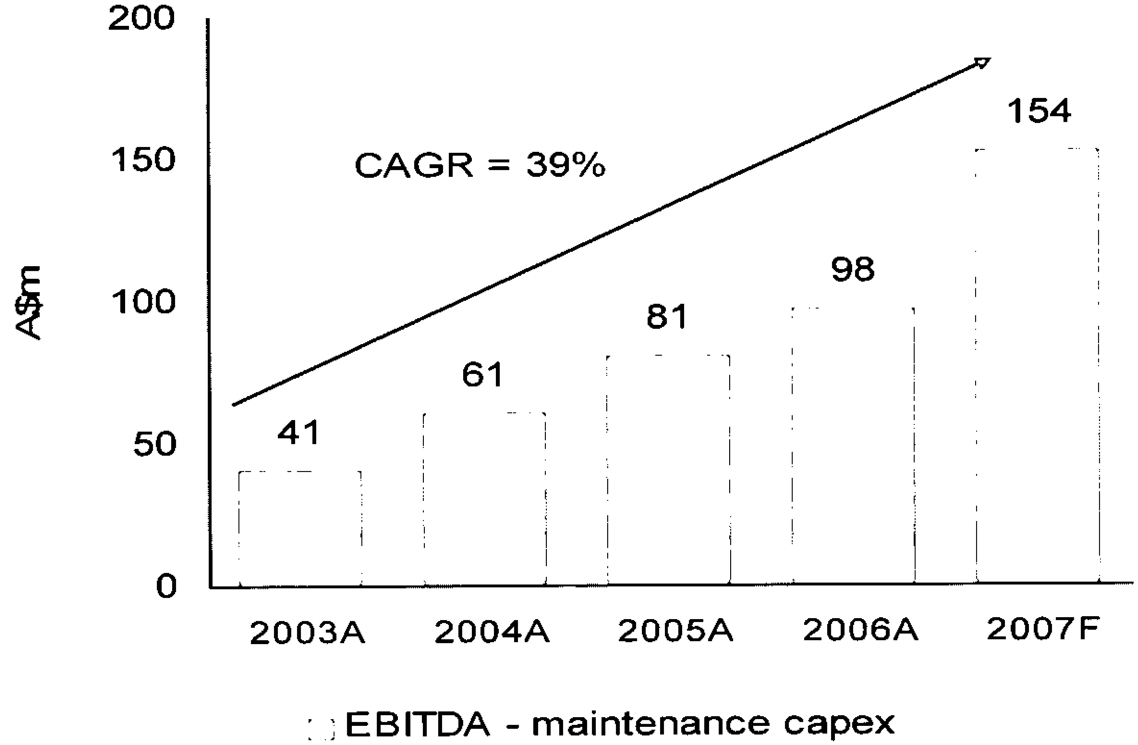
# Operating cashflow

**Strong growth in operating cashflows continue to support Emeco's growth aspirations**

Pro forma EBITDA - maintenance capex




Source: Emeco Management

# Utilisation and returns

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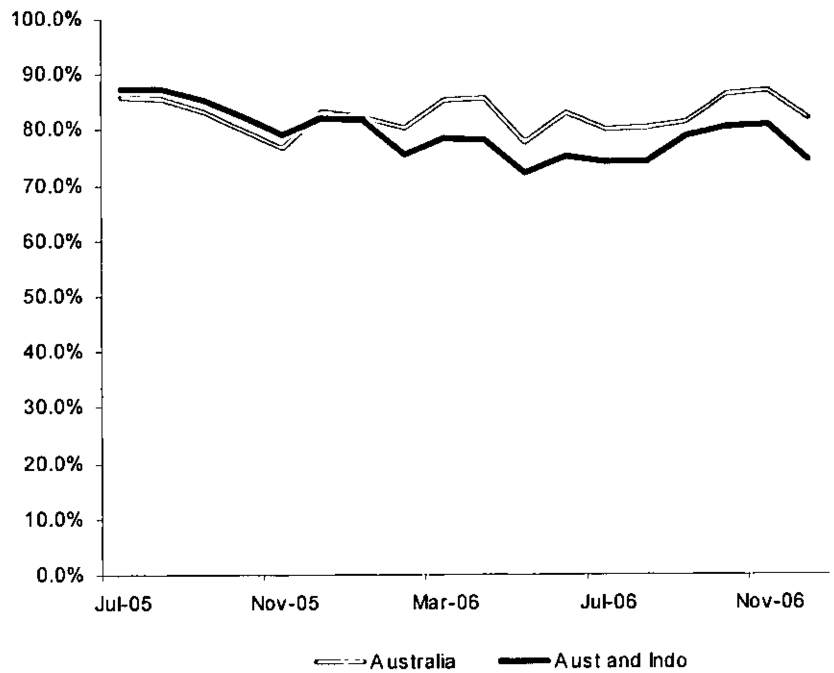
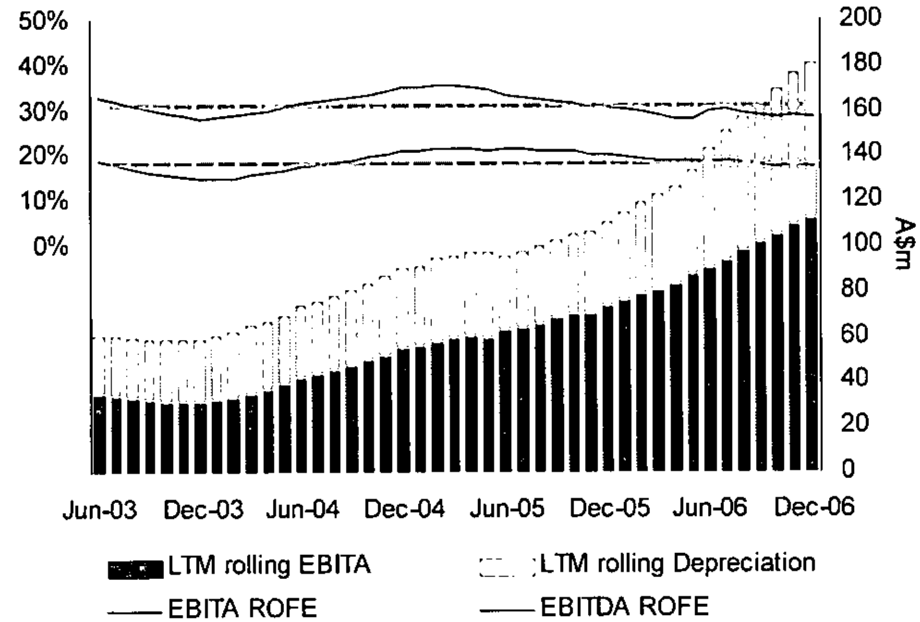
## Emeco's client base drives attractive utilisation rates and returns in Australian and Indonesian rental markets

Utilisation rates [1]




**The utilisation rate for Emeco's Australian and Indonesian rental fleet averages 79%**

Pro forma return on funds employed ("ROFE") [2]




**Emeco has maintained strong and consistent pro forma EBITA and EBITDA ROFEs over time**

Source: Emeco Management

Notes:

1. Percentage of Emeco's rental equipment which is at customer sites (excluding machines in transit)
2. 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

File No 82-3

# Run rate EBITDA

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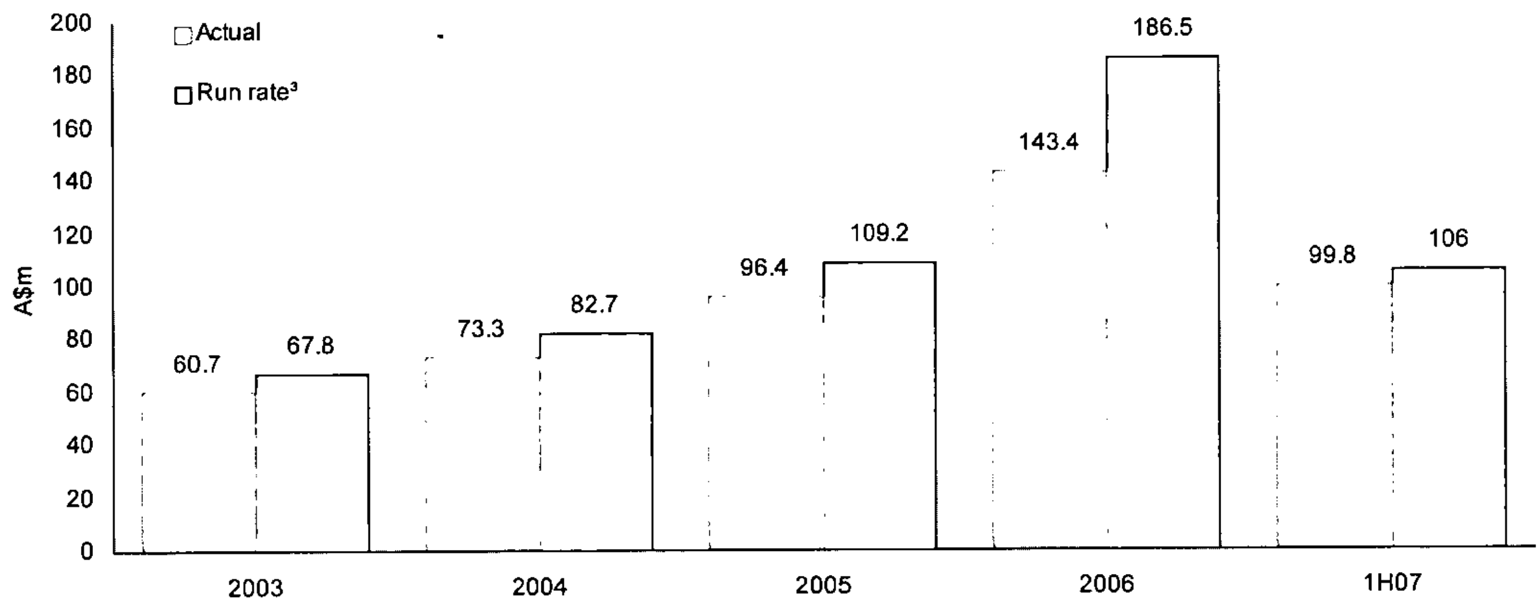
## Run rate EBITDA reflects the full year effect of capital expenditure throughout the financial year




| | 2003 | 2004 | 2005 | 2006 | 1H07 |
|---|---|---|---|---|---|
| **Funds employed (period end):** [1] | **204.9** | **261.6** | **326.8** | **627.9** | **747.8** |
| **Historical EBITDA ROFE** [2] | **33.1%** | **31.6%** | **33.4%** | **29.7%** | **28.4%** |

Source: Emeco Management

Notes:

1. Funds employed is defined as net tangible assets plus interest bearing liabilities at period end
2. Historical EBITDA ROFE is calculated as the quotient of the sum of EBITDA for each of the last twelve months, divided by average funds employed over the same period
3. Run rate is calculated as the product of funds employed at period end and historical EBITDA ROFE and in the context of the forecast period reflects the annualised input of existing contracts

File No 82-3501

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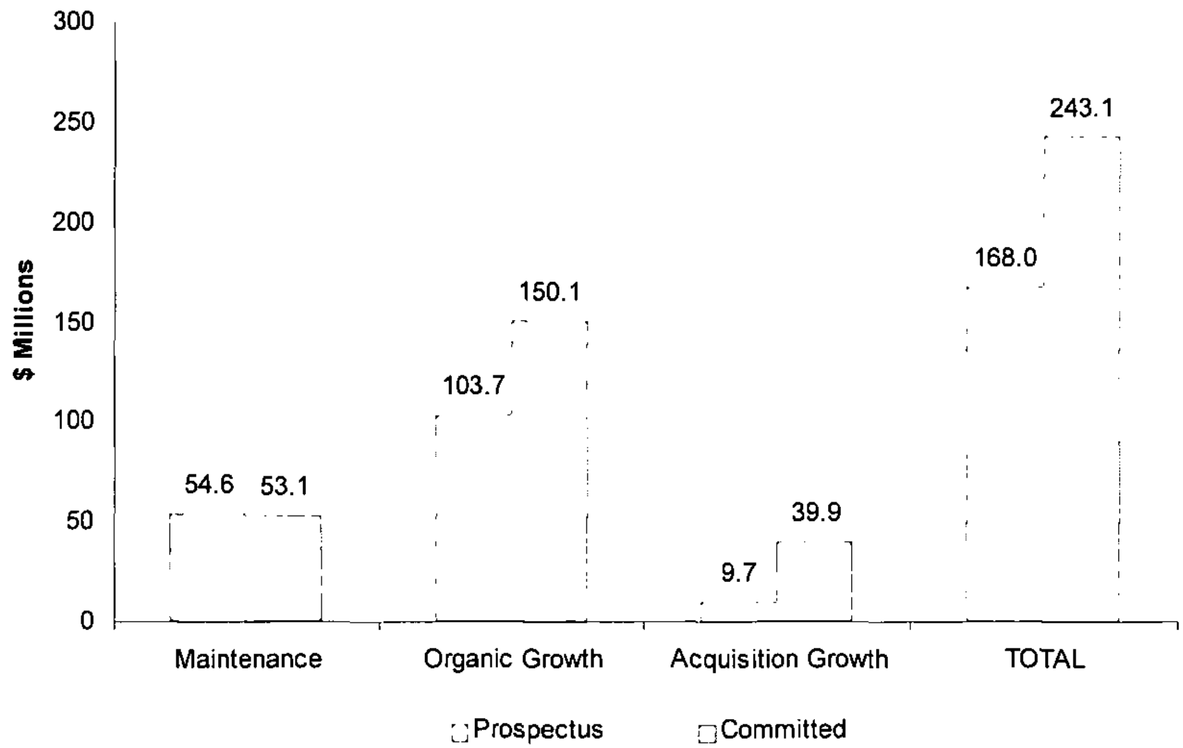
# Strong capital expenditure pipeline

**Emeco already has commitments in place that will exceed its 2007F prospectus capital expenditure**




Source: Emeco Management

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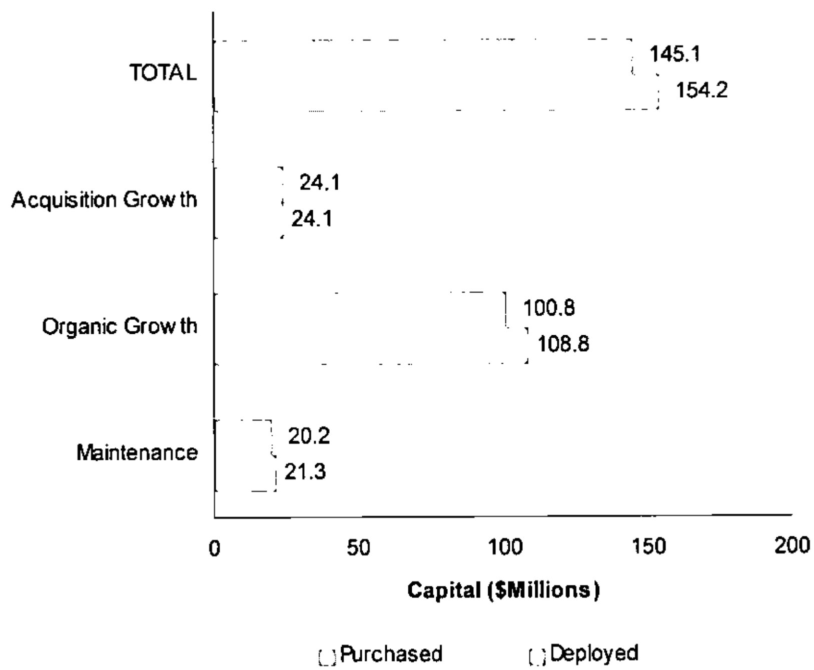
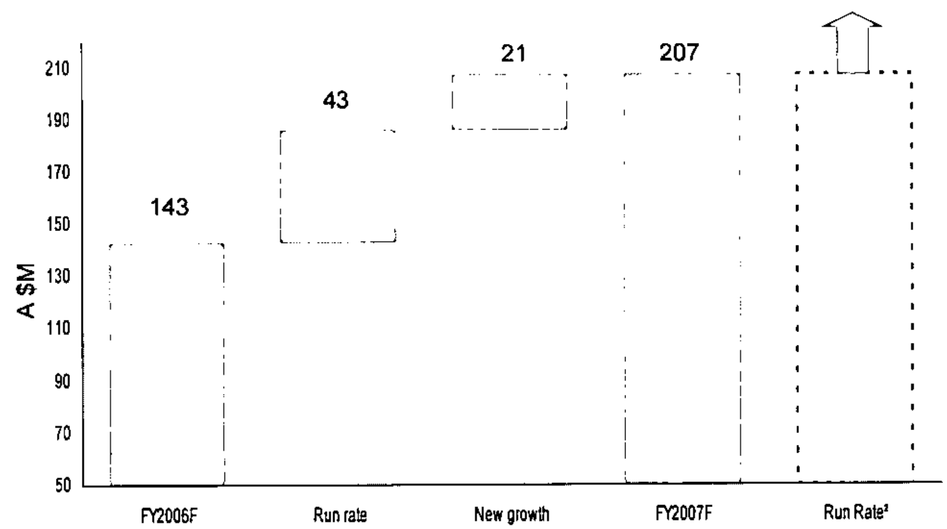
# Earnings lag from growth capital

**Inevitable lag between committed capital and earnings. Full year earnings from growth capital underpins growth in the following year**

YTD Capital Purchased v Deployed




Run Rate EBITDA




Source: Emeco Management

File No 8

# Statement of pro forma financial performance

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**Emeco has achieved its FY2006 prospectus forecast and is on track to achieve its FY2007 prospectus forecast**

| A$m | FY2003 | FY2004 | YOY % Change | FY2005 | YOY % Change | FY2006 | YOY % Change | FY2007F | YOY % Change |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | 189.9 | 251.3 | 32.3% | 291.8 | 16.1% | 382.8 | 31.2% | 524.5 | 37.0% |
| **EBITDA** | **60.7** | **73.3** | **20.8%** | **96.4** | **31.5%** | **143.4** | **48.8%** | **207.3** | **44.6%** |
| Depreciation | -26.4 | -32.5 | | -33.4 | | -54 | | -85.5 | |
| **EBITA** | **34.3** | **40.8** | **19.0%** | **63** | **54.4%** | **89.4** | **41.9%** | **121.8** | **36.2%** |
| Amortisation | -0.7 | -1.3 | | -9.4 | | -10.5 | | -3.4 | |
| **EBIT** | **33.6** | **39.5** | **17.6%** | **53.6** | **35.7%** | **78.9** | **47.2%** | **118.4** | **50.1%** |
| NPAT | | | | | | | | 70.3 | |
| **NPAT (before amortisation)** | | | | | | | | **73.7** | |

END