



ASX Release

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

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Emeco Holdings Limited ACN 112 188 815

EMECO CONCLUDES DISCUSSIONS WITH ORIONSTONE

Emeco advises that it has concluded discussions with Orionstone regarding a potential combination of both businesses.

After high level due diligence, agreement on a proposal that represents fair value for Emeco shareholders could not be reached. A financing solution to facilitate the combination of the two businesses has also not been developed.

Alec Brennan, Chairman, said "We are disappointed not to have been able to agree reasonable terms to merge the businesses, however, we must remain disciplined in the use of our shareholders capital, the financing we assume and ensure that any transaction provides Emeco shareholders with fair value. We are encouraged by the positive steps the business has made in the second half of FY15 and look forward to continued recovery in FY16."

Ken Lewsey, Chief Executive Officer and Managing Director, said "We are continuing to see positive trends in our business. Operationally, we have had a number of important contract wins in the first half of financial year 2015 with current utilisation of 74% compared with 51% at the same time last year. As part of our ongoing business improvement program (Project Fit), measures have been implemented that are expected to realise a \$14 million reduction in Emeco's cost base in FY16 with additional initiatives expected to achieve savings in excess of this figure going forward. There is significant overlap between the savings attributable to Project Fit and the synergies proposed by Orionstone."

"Our key goal remains to improve the quality and resilience of earnings in the Emeco rental model by increasing the profitability of the core rental business, maintaining the capital base and deleveraging. Given the capacity, flexibility and tenure of our financing, we are well positioned and will continue to evaluate opportunities to participate in consolidation in the sector."

Macquarie Capital is acting as financial adviser to Emeco.

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Investor and media enquiries

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About Emeco

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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