



**ASX Release**  
8 September 2015

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

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## **CREDIT RATING DOWNGRADES**

Following downgrades to Emeco's credit rating by Moody's to 'Caa1 negative' and Standard & Poor's (S&P) to 'B-', Fitch Ratings Services has downgraded Emeco's credit rating to 'B-'.

In discussions, each ratings agency noted their downgrades considered Emeco's recent operating and financial performance, plus their respective outlook on the markets in which Emeco operates. The consensus view was that the low commodity price environment would continue to impact Emeco despite our recent improvement in performance.

The ratings downgrades do not impact Emeco's debt structure or finance costs. Emeco's 144A bonds mature in March 2019. As at 31 August, Emeco had \$36 million of cash and an undrawn asset backed loan (except for \$9.6 million of bank guarantees).

Over the past 12 months the business has achieved utilisation growth to 75%, implemented its cost reduction program Project Fit which is expected to achieve cost savings of \$14 million in FY16 and developed the Emeco Operating System (EOS) to improve our internal efficiency while providing a better product to our customers. The continued focus on cost reduction, internal efficiencies and a better customer solution is expected to improve profitability in FY16 and beyond.

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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).

[emecogroup.com](http://emecogroup.com)