

# Industrea

## Equity Placement Investor Presentation

18 October 2010



Not for distribution in the United States



# Disclaimer

---

- This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any security and neither this presentation nor anything contained in it shall form the basis of any contract or commitment. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. This presentation may not be distributed or released in the United States. Any securities described in this presentation have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities described in this presentation may not be offered, or sold within the United States, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. Reference should be made to the ‘International Offer Restrictions’ section at the end of this presentation for other international selling restrictions.
- This presentation may contain forward looking statements that are subject to known and unknown risk factors. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, loss of market share, key contract renewal, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, approvals and cost estimates.
- To the maximum extent permitted by law, the Company and Credit Suisse (Australia) Limited, their respective related bodies corporate, affiliates, directors, officers, employees, agents and advisers do not make any warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this presentation and disclaim all responsibility and liability for the information (including, without limitation, liability for negligence).
- Credit Suisse (Australia) Limited has not authorised, permitted or caused the issue, lodgement, submission or provision of this presentation, or makes or purports to make any statement in this presentation, and there is no statement in this presentation which is based on any statement by Credit Suisse (Australia) Limited.
- Investors should undertake their own analysis and obtain independent advice before investing in Industrea (ASX: IDL) shares. All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated. More information on Industrea can be found on the Company’s website at [www.industrea.com.au](http://www.industrea.com.au)

# Agenda

---

**Equity Raising Summary**

AMT Sales Contract

Company Overview

# Equity Raising Summary

---

## Offer size

- \$50 million institutional placement
- 12.3% of issued share capital

## Offer price

- Fixed issue price of \$0.42 per share

## Timing

- Books open immediately
- Books close on Tuesday, 19 October 2010 at 9.00am (Sydney time) <sup>(1)</sup>

## Ranking

- The new shares will be fully paid and will rank equally with the Company's existing quoted ordinary shares

## Manager and Underwriter

- Underwritten by Credit Suisse (Australia) Limited

(1) The underwriter reserves the right to close the books early



# Equity Raising Use of Proceeds

- Industrea intends to use the funds for potential acquisitions and / or to reduce debt
- Industrea has demonstrated an ability to successfully complete and integrate selected acquisitions as an integral element of the Company's growth strategy and is currently evaluating acquisition opportunities which may be material
- There are no assurances that the Company will be successful in acquiring any one of these opportunities. If the event that Industrea are unable to complete an acquisition, the funds will be used for debt reduction. The pro forma position is as follows:

<b>Net debt as at 30 June 2010</b>	<b>180.9</b>
Placement proceeds	50.0 <sup>1</sup>
<b>Pro forma net debt position post raising</b>	<b>130.9</b>

<sup>1</sup> Placement proceeds exclude transaction related costs

# Agenda

---

Equity Raising Summary

**AMT Sales Contract**

Company Overview

# AMT Sales Contract

## On 18 October 2010, Industrea announced a record order for its Collision Avoidance System

- The \$35.6 million order for Industrea's CAS-CAM/RF<sup>®</sup> collision avoidance equipment was placed by BHP Billiton Mitsubishi Alliance (BMA):
  - Supply of c. 3,100 units and a specialist software support contract
  - Installation across 6 open cut Bowen Basin mines:
    - Norwich Park
    - Saraji
    - Peak Downs
    - Goonyella Riverside
    - Blackwater
    - Gregory
  - Delivery schedule over two years:
    - c. 60% in FY11
    - c. 40% in FY12
- The size of the contract also serves to underline the product's "best of breed" status



# AMT Sales Contract (cont'd)

- On completion, more than 6,600 open cut mining CAS-CAM/RF® units will be operational in 33 sites around the world
- In addition to the impact over the coming two financial years the Company expects the contract to impact positively on the Division's recurring revenue stream
- CAS-CAM/RF® is a vehicle mounted collision avoidance system that provides advance warning and automatic object detection
- Promotes significantly improved safety performance at mine sites
- Other major customers include:
  - BHP
  - Rio Tinto
  - Anglo American
  - Vale
  - Shanxi Asian American
  - Daning Energy Corporation
  - Jincheng Anthracite Mining Group





# Agenda

---

Equity Raising Summary

AMT Sales Contract

Company Overview



# Company Overview

---

- Industrea Limited is headquartered in Queensland and is involved in the global provision of mining products and services
- Products and services are sold on a wide geographical footprint
- Industrea has five offices in Australia; two offices, one product support centre and one manufacturing unit in China; and one sales and service centre in Chile
- The Company is focused on distributing mining productivity and safety products in China through its wholly owned subsidiary, Wadam Industries, and does not undertake any mining services operations in China
- Global customers include:
  - BHP
  - Anglo Coal
  - Rio Tinto
  - Barrick Gold
  - Vale
  - Xstrata
- Major Chinese coal companies include:
  - Jincheng Mining Group
  - Shanxi Mining Group
  - Shen Dong Coal Co
  - Yangquan Coal Industry (Group) Co
  - Shenhua Energy Company
  - Quiyuan Coal Industry Co

# Divisional Overview



## Diesel Equipment

A vertical stack of four logos within a rounded rectangular frame. From top to bottom: "iME" with "industrea mining equipment" below it; "PJB" in a large, bold font; "KADE ENGINEERING" in a bold font; and "WADAM industries" in a bold font.

## Technology

A vertical stack of three logos within a rounded rectangular frame. From top to bottom: "AMT" with "advanced mining technologies" below it; "GPS" with "ONLINE SOLUTIONS" below it; and "WADAM industries" in a bold font.

## Mining Services

A logo within a rounded rectangular frame. It features a stylized "H" icon with diagonal stripes above the text "HUDDYS" in a bold font, with "mining services" in a smaller font below it.

Head office support

# Diesel Equipment Division



- The Diesel Equipment Division designs, manufactures and markets highly specialised mining vehicles for the underground and open cut mining sectors
- The Division comprises three core manufacturing companies, with Chinese sales delivered via Wadam
  - Products primarily sold into the underground coal mining industry in Australia and China
- 98% increase in revenue from FY09 to FY10 driven by strong Chinese order flow
- Production capacity extended in July 2009
- Higher capacity utilisation in the manufacture of vehicles
- New Industrea Mining Equipment (IME) vehicles introduced to the Chinese market including a 130 tonne Shearer Carrier and 80 tonne Roof Support Carrier
- Integration of the more powerful Caterpillar C9 engine in new vehicles
- IME manufactured approximately 50 vehicles in FY10 up from 27 in FY09
- Expanding installed equipment base in China driving recurring revenue
- PJB achieved a record year for domestic personnel carrier vehicle sales
- Kade Fabrication Facility assisted in increased production and improved quality control

# Technology Division



- The Technology Division designs, manufactures and markets highly specialised safety and productivity equipment for the underground and open cut mining sectors
- Products sold on a global basis
- Sales, distribution and services of OEM product into China (via Wadam)
- Drill Guidance System (DGS)
  - Continues as a global leader in underground coal methane gas drainage
  - AMT DGS is the dominant Chinese technology
  - Shipped 13 DGS units to China in FY10 up from 10 in FY09
  - Over 100 DGS units worldwide including 70 plus in China
  - Successful entry of drill guidance tool into the civil market in Japan and Russian coal market
- Collision Avoidance System (CAS-CAM/RF®)
  - Continuing penetration with global miners with further sales in Australia and South Africa
  - On completion of the BMA contract, c. 6,600 units installed / contracted worldwide, across 33 different mines
  - Strong outlook for CAS-CAM/RF® both domestically and globally, based on continuing focus on safety and productivity



# Mining Services Division

---



- The Mining Services Division (Huddy's) is the market leader in open cut contract mining services and equipment hire
- The Division offers integrated contract mining services across Eastern Australia
- Huddy's services include:
  - Mine planning
  - Project supervision
  - Heavy mining equipment hire
  - Trained equipment operator hire
  - Overburden, coal, and ore body mining and transportation
  - Drill and blast planning and activity
  - Transport to conveyor, railhead or other transport provider
- Recently secured new contracts with Cockatoo Coal for Baralaba mine and a contract extension at Rio Tinto Mt Thorley Warkworth
- Continued focus on regional, customer and commodity diversification



# International Offer Restrictions

---

- This document does not constitute an offer of securities in any jurisdiction in which it would be unlawful. New shares may not be offered or sold in any country outside Australia except to the extent permitted below.

## Hong Kong

- **WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the new shares have not been and will not be offered or sold in Hong Kong by means of any document, other than:
  - to "professional investors" (as defined in the SFO); or
  - in other circumstances that do not result in this document being a "prospectus" (as defined in the Companies Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.
- No advertisement, invitation or document relating to the new shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to new shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted new shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such shares.
- The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

# International Offer Restrictions (cont'd)

## New Zealand

- This document has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand). The securities are not being offered or sold within New Zealand, or allotted with a view to being offered for sale in New Zealand, and no person in New Zealand may accept the placement other than to:
  - § persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
  - § persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of the company ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

## Singapore

- This document and any other materials relating to the new shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of new shares, may not be issued, circulated or distributed, nor may the new shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.
- This document has been given to you on the basis that you are (i) an existing holder of the company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined under section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.
- Any offer is not made to you with a view to the new shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire new shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.



# International Offer Restrictions (cont'd)

---

## United Kingdom

- Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the new shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA). This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.
- Any invitation or inducement to engage in investment activity (within the meaning of s.21 FSMA) received in connection with the issue or sale of the new shares has only been communicated, and will only be communicated, in the United Kingdom in circumstances in which s.21(1) FSMA does not apply to the company.
- In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"); (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO; or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## United States

- This document has been prepared for publication in Australia and may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities described in this document may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.