



18 February 2010

Company Announcements  
Australian Securities Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000  
AUSTRALIA

Dear Sir/Madam

**RE: Industrea Limited 2010 Half-year Results Presentation**

Please find attached a copy of the 2010 Half-year Results Presentation to be issued today by Industrea Limited as part of the company's 2010 interim results release.

Yours sincerely

**Phillip Hourigan**  
**Company Secretary**

**Industrea Limited**

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# 2010 Half-year Results Presentation

Robin Levison – MD & CEO

Kieran Wallis – CFO

February 2010



# Agenda

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Key Points

Half-year Snapshot

Financial Results

Operational Overview

Strategy and Outlook

# Key Points

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- Revenue of \$141.5m – Adjusted NPAT\* of \$17.7m
- Solid growth carrying forward for second half of FY10
- Diversity of earnings – customer and geographical diversity
- Strong drivers for continuing growth to FY11 and beyond
  - Recovering local market
  - Growth in export markets – particularly China safety push
- Improvement in mining services sector
- New markets for expansion developing
- FY10 outlook of Adjusted NPAT between \$48-\$54m
- Interim dividend of 0.3 cents fully franked declared

*\*Adjusted NPAT - net profit after tax pre non-cash amortisation, unrealised movements on interest rate hedging instruments and significant non-recurring items.*

# Half-year Snapshot

Half-year (A\$m)	Dec-09	Dec-08	Change
<b>Revenue</b>	<b>141.5</b>	145.8	(3.0%)
<b>Adjusted NPAT*</b>	<b>17.7</b>	24.6	(28.2%)
<b>Reported NPAT</b>	<b>33.4</b>	(2.6)	1,406%
<b>Interim Dividend</b>	0.3 cents	0.25 cents	20.0%
<b>Adjusted EPS</b>	1.96 cents	2.99 cents	(34.4%)

*\*Adjusted NPAT - net profit after tax pre non-cash amortisation, unrealised movements on interest rate hedging instruments and significant non-recurring items.*

# Agenda

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Key Points

Half-year Snapshot

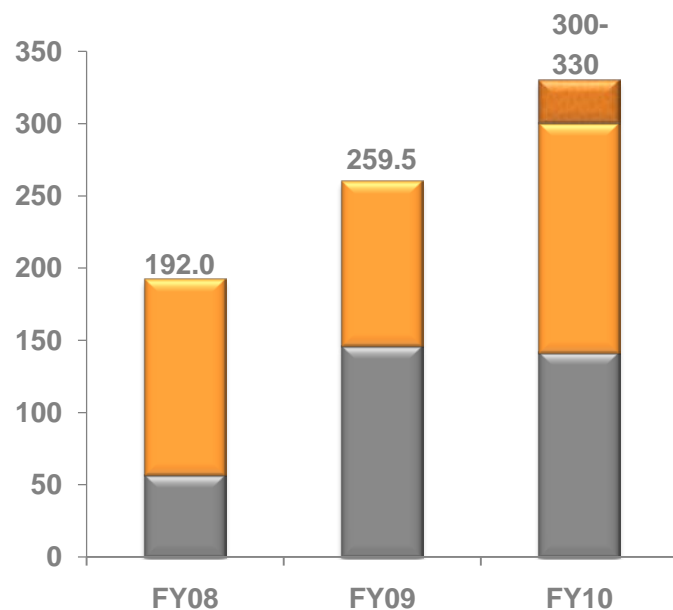
Financial Results

Operational Overview

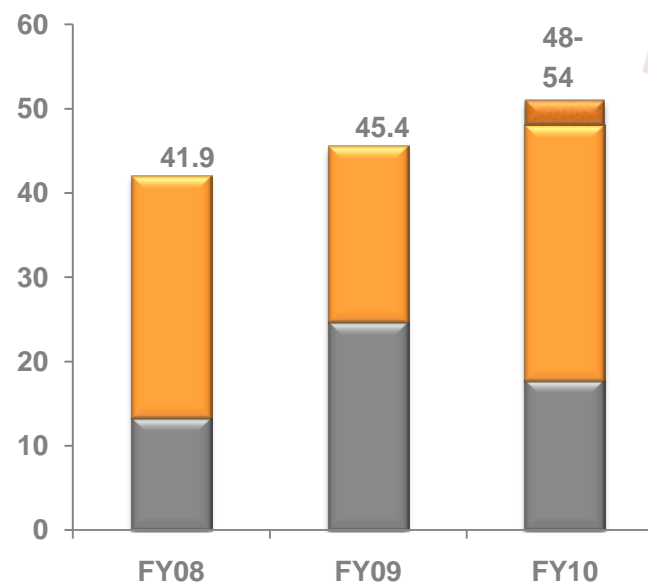
Strategy and Outlook

# Financial Performance and Guidance

## Revenue A\$/m



## Adjusted NPAT\* A\$/m



H1

H2

Forecast Range

\*Adjusted NPAT - net profit after tax pre non-cash amortisation, unrealised movements on interest rate hedging instruments and significant non-recurring items.

# Income Statement

Half-year (A\$m)	Dec-09	Dec-08	Change
<b>Revenue</b>	<b>141.5</b>	146.0	-3.0%
<b>EBITDA</b>	<b>44.3</b>	52.8	-16.2%
Depreciation	<b>(10.4)</b>	(8.4)	
<b>EBITA</b>	<b>33.8</b>	44.4	-23.8%
Amortisation	<b>(2.3)</b>	(1.6)	
Finance costs	<b>(8.4)</b>	(7.6)	9.6%
Tax Expense	<b>(5.5)</b>	(10.6)	
<b>Adjusted NPAT*</b>	<b>17.7</b>	24.6	-28.2%
Reported NPAT	<b>33.4</b>	(2.6)	1406%
EBITDA margin	<b>31.3%</b>	36.2%	
EBITA margin	<b>23.9%</b>	30.4%	

\*Adjusted NPAT - net profit after tax pre non-cash amortisation, unrealised movements on interest rate hedging instruments and significant non-recurring items.

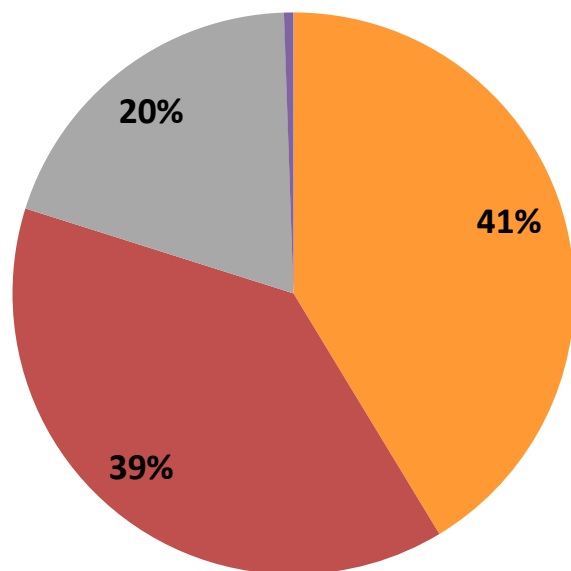


# Financial Results – by Segment

Half year (A\$'000)	Dec'09		Dec'08		Change
<b>Revenue</b>					
Mining Services	58,480		84,906		-31%
Diesel Equipment	54,554		19,895		174%
Technology	27,685		40,738		-32%
Other	766		539		42%
<b>Total Revenue</b>	<b>141,485</b>		<b>146,078</b>		<b>-3%</b>
<b>Total EBITDA</b>					
	<b>44,255</b>	<b>31%</b>	<b>52,805</b>	<b>36%</b>	<b>-16%</b>
<b>EBITA</b>					
Mining Services	12,676	22%	33,158	39%	-62%
Diesel Equipment	14,866	27%	2,514	13%	162%
Technology	6,586	23%	9,668	24%	54%
Other	(321)		(955)		
<b>Total EBITA</b>	<b>33,807</b>		<b>44,385</b>		<b>-24%</b>

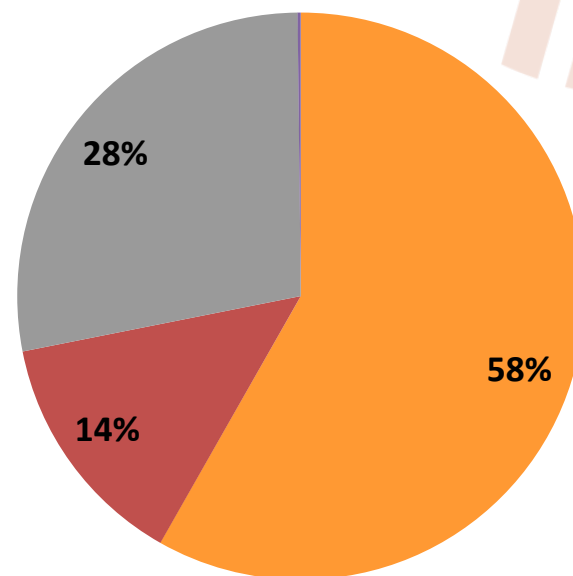
# Revenue Diversification – by Segment

Half-year Dec-09



■ Mining Services    ■ Diesel Equipment  
■ Technology        ■ Other

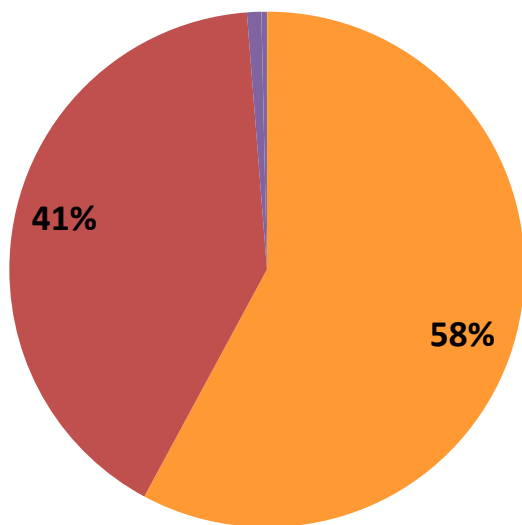
Half-year Dec-08



■ Mining Services    ■ Diesel Equipment  
■ Technology

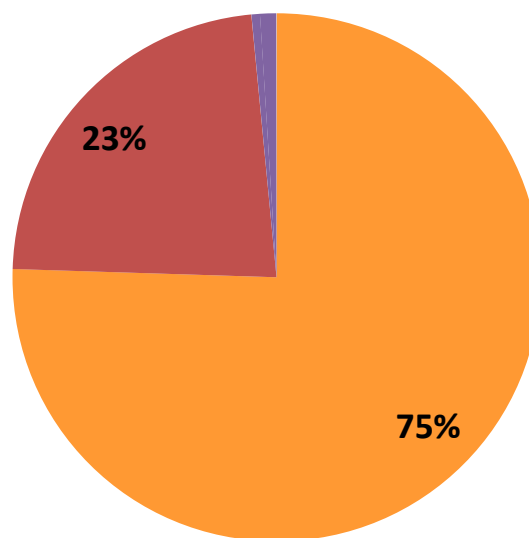
# Revenue Diversification – by Geography

Half-year Dec-09



■ Australia ■ China ■ Other

Half-year Dec-08



■ Australia ■ China ■ Other

# Cashflow

Half year (A\$m)	Dec-09	Dec-08
<b>Net cashflow from operations</b>	<b>17.4</b>	<b>44.7</b>
Add:		
Income tax paid	0.9	7.7
Interest and costs of finance	7.4	6.2
Increase /(decrease) in working capital	18.6	(5.8)
<b>EBITDA</b>	<b>44.3</b>	<b>52.8</b>
<i>Movement in working capital:</i>		
Increase in receivables	12.3	8.1
Increase/(decrease) in inventory	(2.6)	(11.2)
Decrease/(increase) in payables	(10.8)	9.14
Decrease in unearned income/client prepayments	17.5	
Other movements in working capital	2.2	(0.2)
	18.6	5.8

# Balance Sheet

Balance Sheet (A\$m)	as at Dec-09	as at Jun-09
Cash and receivables	89.7	85.0
Inventories	21.7	24.2
Property plant and equipment	189.8	143.1
Intangible assets	184.4	191.0
Other assets	4.0	1.0
Trade and other payables	(44.0)	(49.4)
Borrowings	(149.6)	(130.0)
Convertible bonds	(65.8)	(68.8)
Deferred tax positions	(2.7)	(6.7)
Vendor liability	(10.0)	(25.9)
Other liabilities	(0.8)	(0.8)
Derivative instruments (at fair value)	(0.9)	0.2
<b>Net Assets</b>	<b>215.9</b>	<b>162.9</b>
<b>Net Debt</b>	<b>135.2</b>	<b>112.5</b>
<b>Net Debt + Bonds</b>	<b>205.2</b>	<b>187.5</b>
<b>Gearing (net debt/net debt + equity)</b>	<b>38.5%</b>	<b>40.8%</b>
<b>Gearing (net debt/EBITDA)</b>	<b>1.47</b>	<b>1.12</b>

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Half Year Snapshot

Financial Results

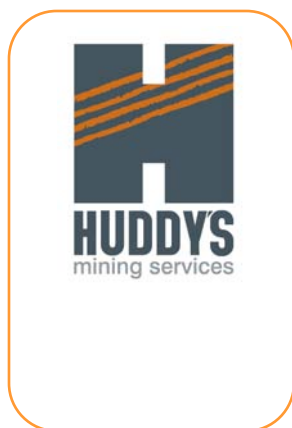
Operational Overview

Strategy and Outlook

# Industry Focused Divisions



## Mining Services



## Diesel Equipment



## Technology



Head office support

# Operational Performance

## Mining Services

- Diversification strategy succeeding with revenues outside Mt Isa lead/zinc now forming upwards of 50% of ongoing mining services revenue
- Continue organic growth
- Targeting greater utilisation of equipment on existing sites



## Technology

- Global productivity and safety emphasis – non-discretionary spend
- Dominant methane gas drainage technology – DGS
  - Recent \$18m single order indicative of larger orders going forward
  - Approximately 50 units in China alone
  - New markets beyond mining for guidance technology developing
  - Facilitates maximum gas velocity and energy conversion of coal seam gas



## Diesel Equipment

- Major clients sales in China continuing
- New IME Mine Dozer opportunities
- PJB achieved 20 new orders over last 12 months with full order book to end of FY10





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# Proven Business Strategy

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## Diesel Equipment and Technology

- Building on key strengths in the design, manufacture and supply of mining productivity and safety equipment to the mining sector globally
- Expansion of manufacturing and design capacity in Hunter Valley
- Export emphasis to China and new markets including Russia, India, Canada, Alaska
- Strengthening of recurring revenue from service, spare and support offering
- Acquisition opportunities again apparent to add capital, expertise and products to international sales channel

## Mining Services

- Geographic, commodity and customer diversification
- Strong organic growth profile
- Building on areas of strength (Mt Isa, Bowen Basin, Hunter Valley) existing infrastructure
- Disciplined fleet management and maintenance
- Top tier 2 – lower overhead provider

# Industrea outlook

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## Chinese strength

Government initiative for safety and productivity improvement  
Expect China sales to continue at average of \$10m per month

## Installed Equipment Base

Recurring annuity revenue to become material as equipment fleet in the field increases with a particular concentration in China (circa 100 IME vehicles and 50 AMT gas drainage units in China)

## Key Client Relationships Strengthened

Shenhua Energy Group bonded spares warehouse, BMA Collision Avoidance installed, Anglo American Chock Carriers and Shearer Carriers delivered for Longwall installation  
Rio Tinto Mt Thorley Warkworth contract size increased, Xstrata HandleBar Hill Contract restarted,

## Increased Mining Services Activity

Both increased revenues and/or improved commercial terms from Rio Tinto, Cockatoo Coal and Xstrata

## Year End Guidance

Full Year guidance: revenue of \$300-\$330m and Adjusted NPAT of \$48-\$54m confirmed with improved outlook for FY2011

# Appendix – Reconciliation of Adjusted NPAT

(A\$000)	Dec-09	Dec-08	Comment
<b>Adjusted net profit after tax</b>	<b>17,689</b>	<b>24,645</b>	
<i>less: adjusting items</i>			
Amortisation - convertible bond	(1,996)	(1,574)	being the value of conversion rights embedded in convertible bonds attributable to the year. The notional value of the bond conversion rights is expensed to the income statement over the life of the bond.
Amortisation - customer contracts intangibles	(6,530)	(11,216)	being the notional cost of customer contracts acquired with the Huddy's Mining Services business. This value is expensed over the life of the contracts.
Impairment - customer contract intangibles	-	(17,185)	being the balance of the notional cost of the Handlebar Hill customer contract acquired with the Huddy's Mining Services business. This value was expensed upon termination of the contract during the year.
Movement in fair value of interest rate swap	2,159	(8,887)	being the non-cash movement in the mark to market valuation of an interest rate swap agreement used by Industrea to hedge interest rate risk on debt facilities.
Tax effect of adjusting items	1,910	11,659	being the non-cash movement in the mark to market valuation of an interest rate swap agreement used by Industrea to hedge interest rate risk on debt facilities.
Tax benefit arising on clarification of acquisition tax provisions	20,190	-	being adjustment to deferred tax provisions on the acquisition of the Huddy's Mining Services business
<b>Reported net profit/(loss) after tax</b>	<b>33,422</b>	<b>(2,558)</b>	

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