Date 17 February 2011

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

RE: Industrea Limited Delivers Strong Operating Performance

Dear Sir/Madam,

Please find attached a copy of the Media Release issued today by Industrea Limited as part of the company's 2011 half year results to be read in conjunction with the Appendix 4D report.

Yours faithfully

Phillip Hourigan
General Counsel/Company Secretary

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For immediate release to the market

INDUSTREA Limited

ASX Code IDL (OTCQX: IULTD)

17 February 2011

(To be read in conjunction with the Appendix 4D released simultaneously)

INDUSTREA H1 RESULTS: SOLID PERFORMANCE WITH STRONG OUTLOOK

- Half year revenue of $174 million, EBITDA of $52 million, Adjusted NPAT of $20 million.
- Cashflow from operations of $57.7 million (HY10: $17.3 million)
- Growth in Technology and Mining Services Divisions, Diesel Equipment Division impacted by lower than expected orders from China.
- Stronger second half expected, with recovery in Diesel Equipment sales and increased Chinese order flow.
- New gas drainage product launched including new Industrea drill rig assembly.
- Balance sheet strengthened by repaying $36 million convertible bonds, extending debt maturity and raising $50 million of new capital.
- Fully franked interim dividend of 1 cent declared.
- 2011 full year guidance of revenues $340 - $360 million, EBITDA of $120 - $130 million and Adjusted NPAT of $50 - $55 million.

Global mining products and services provider Industrea Limited (ASX: IDL) today announced results for the six-month period ended 31 December 2010. Adjusted net profit after tax of $20 million, a gain of 11% compared to the previous corresponding period, with revenue up 23% and EBITDA up 17%.

The results include particularly strong growth in the Technology Division, where revenues increased by 138% to $66 million and EBITA by 158% to $17 million, and another solid performance by the Mining Services Division, which lifted revenue 38% to $81 million and EBITA 37% to $17 million. Subdued activity in the Diesel Equipment Division, which was impacted by lower than expected orders from China, resulted in a 51% decrease in revenue to $27 million and a 63% fall in EBITA to $6 million.

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Statutory reported NPAT was $18 million, although a direct comparison between the corresponding periods is not appropriate, given one-off accounting adjustments in HY10 which included a $20 million benefit, arising from a reversal of acquisition tax.

Managing Director and CEO of Industrea, Robin Levison, said good progress had been made in most areas of the Industrea business and the company entered the second half in a very strong position.

“Industrea has again delivered a profitable performance during the period, with healthy growth in key financial metrics. Our revenue base is deliberately diversified by business type and geographies. The benefits of this diversification were apparent in this period, with continued growth in the Technology and Mining Services Divisions offsetting an underperformance in the Diesel Equipment Division.

“Industrea’s business is traditionally stronger in the second half of the financial year. We expect to again deliver higher revenue and profits in the second half in comparison with the first half. In particular Diesel Equipment Division sales are expected to rebound.

“Our strategy in China is gaining real traction and the outlook for continued improvement is positive. Chinese customers will have new capital budgets allocated after the conclusion of the Chinese New Year, which is expected to result in increased orders in March through to November.

“Industrea has continued to consolidate its relationships with large global mining customers such as BHP Billiton, Rio Tinto, Xstrata, Vale, and Anglo American during the period. An increasing amount of Industrea’s revenue was recurring, reflecting deeper and stronger customer relationships. Over recent years we have actively targeted blue chip customers such as these and it is heartening to see these relationships being further embedded.

“Industrea’s Balance Sheet improved during the period with a successful $50 million institutional capital raising. The raising has enhanced Industrea’s financial flexibility and places the company in a good position to take full advantage of future opportunities, including potential future acquisitions,” Mr Levison said.
A fully franked interim dividend of 1 cent has been declared, an 11% increase compared to the previous corresponding period (HY10: 0.9 cents).

Division performance

The Technology Division delivered a particularly strong performance during the period. The highlight was a record $36 million order from BHP Billiton Mitsubishi Alliance (BMA) for more than 3,100 CAS-CAM/RF® units, to be installed at six of BMA’s open cut coal mining sites throughout the Bowen Basin in Queensland. The Technology Division also received a record number of orders for its Drill Guidance System. Client emphasis on safety and productivity augurs well for continued demand for Industrea’s market leading safety systems.

The Technology Division has launched an enhanced gas drainage offering, expanding the suite of products and services which will provide increased client penetration and revenue opportunities. The service will be delivered through a new company, Industrea Gas Management, and will initially target opportunities in Australia, China and Russia to provide underground gas drainage services. Industrea has begun manufacturing its own drill rig assembly, which will result in an integrated offering when combined with Industrea's drill guidance and gas drainage systems.

Performance of the Diesel Equipment Division was impacted by lower than expected Chinese demand but business activity is expected to return to normal in the second half. Demand for diesel equipment is expected to mirror the strength in the other divisions. Manufacture of a new flameproof and explosion proof underground personnel carrier developed exclusively for the Chinese market is due for completion shortly.

The Mining Services Division delivered healthy organic growth, reflecting the expansion of works at Lady Annie and Blackstar Open Cut mines in Mt Isa. In addition the contracts with Rio Tinto's Mt Thorley Warkworth Mine and Xstrata's Ernest Henry Mine delivered expected revenue growth for those contracts during the half. Weather events at Baralaba have had some impact. Operations at the mine are currently suspended due to flooding.

International markets

China continues to be the key international market for Industrea and is expected to be a substantial platform for future growth, especially the Chinese coal sector. China is already the largest coal producer in the world and accounted for more than 43% of global coal production in 2009. China's coal production has expanded at an annual compound growth rate in excess of 8% since 2005.

Mr Levison said that Industrea has been deliberately positioned to take advantage of opportunities in China.

"Expansion of the Chinese coal industry will be a reality for many years ahead. The Chinese Government's current five-year plan has placed particular emphasis on this expansion.

"More than 97% of China's coal reserves are underground which requires specialised equipment. The industry will continue to consolidate, become increasingly mechanised, and much more safety conscious. Operating conditions in China's underground mines are harsh, with high amounts of gas."

"All of this means enormous opportunities for Industrea. China's demand for equipment is expected to be 150 Rmb billion by 2015 and we are well positioned to serve this demand."

"In the immediate future we expect the Chinese New Year will bring in new capital budgets for our clients and increased orders in the second half. Longer term, we are confident China will continue to be a key growth engine for Industrea," Mr Levison said.

Industrea's international activities continued to expand outside of China, with the sale of two AMT Drill Guidance Systems to clients in Russia and continuing sales of the drill guidance tool into the civil market in Japan.

In addition the Technology Division entered into contracts for the delivery of its CAS-CAM collision avoidance system with customers in South America and South Africa.

Outlook

Mr Levison said Industrea's outlook for continued long term expansion was positive.

"Our strategy remains intact and we are on track for an improved financial performance in the second half, driven by a rebound in the Diesel Equipment Division, expanded activity in China, and the continuing performance of our Technology and Mining Services Divisions."

"We expect to report revenues of $340 - $360 million, EBITDA of $120 - $130 million and Adjusted NPAT of $50 - $55 million for the full year."

"The key drivers of the core mining industries are all positive. We have a robust pipeline of new opportunities, and expect expanded orders from existing customers."

"We will continue to investigate small bolt-on acquisitions as part of our growth strategy, with possible acquisitions in the Technology and Diesel Equipment Divisions. We have a proven ability to integrate acquired businesses and grow profitability at the acquired businesses, which will be an important element of our growth strategy," Mr Levison said.

<ENDS>

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About Industrea

Industrea provides highly specialised products and services to the mining industry. Customers throughout the world use Industrea's products and services to enhance the safety and productivity of their mining operations.

Industrea's Diesel Equipment Division supplies equipment such as flame proof and explosion proof underground mining vehicles; the Technology Division supplies underground drilling instrumentation, coal seam degasification equipment, and collision avoidance systems; the Mining Services Division provides services including open cut mining, equipment hire and civil contracting services.

Industrea has well established and growing positions in the Australian and Chinese coal mining industries. Clients include BHP Billiton, Rio Tinto, Xstrata, Barrick Gold, Anglo Coal, Vale, Anglo American, and leading Chinese firms China Shenhua Energy, Jincheng Anthracite Mining Group, and Shanxi Asian American Daning Energy Corporation.