



Institutional Investor Presentation

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Half-year Summary



Financial Highlights and Growth Drivers

Revenue Diversification

Operating Performance

Balance Sheet

Cash flow H1 FY11

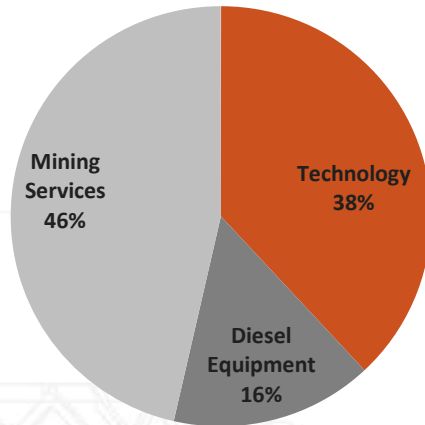
Highlights and Growth Drivers

| Half-year | | Dec'10 | % change (pcp) |
|---------------------------|------|--------|----------------|
| Revenue | \$'m | 173.5 | 23% ↑ |
| EBITDA (pre one-off item) | \$'m | 52.7 | 19% ↑ |
| Adjusted NPAT | \$'m | 19.6 | 11% ↑ |
| Interim dividend | cps | 1.0 | 11% ↑ |
| Net assets | \$'m | 297.8 | 38% ↑ |
| Net debt | \$'m | 138.4 | 31% ↓ |
| Gearing - leverage | % | 32% | 33% ↓ |

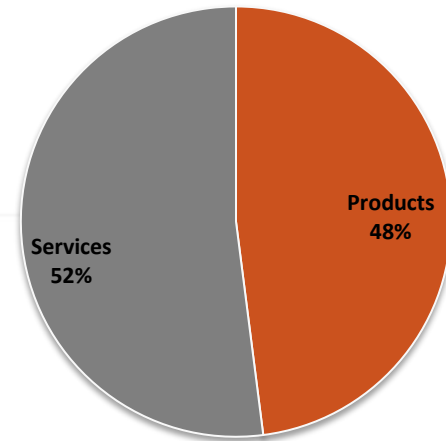
- Growth in Technology Division product sales
- Buoyant demand in Mining Services Division
- Strengthened balance sheet through institutional raising in October 2010
- Interim dividend of 1 cent fully franked delivered
- Expect strong 2nd half performance through:
 - Improved China and Diesel Division sales
 - New markets for CAS-CAM/RF® collision avoidance products
 - BMA collision avoidance contract to continue to ramp up
- EBITDA guidance in the range of \$120 - \$130 million

Revenue Diversification

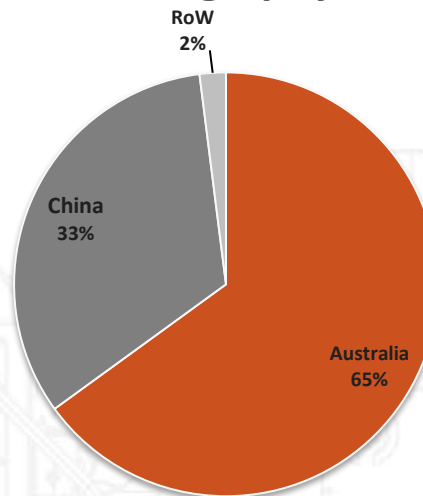
Revenue Contribution



Business Type



Geography



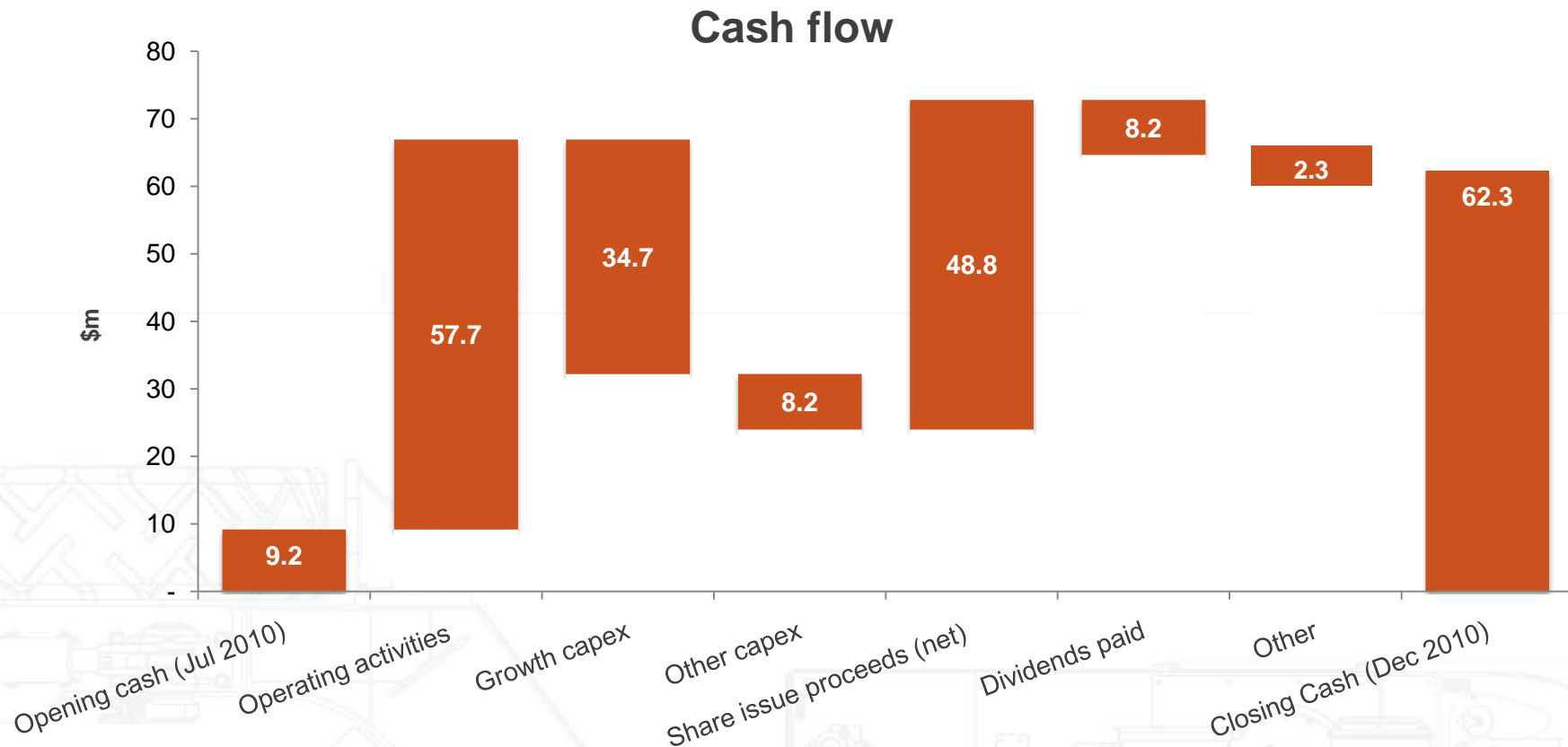
Operating Performance

| | | Dec'09 | Dec'10 | % Change |
|--|-----|--------|--------|----------|
| Revenue | \$m | 141.5 | 173.5 | 23% ↑ |
| EBITDA (pre one-off item) | \$m | 44.3 | 52.7 | 19% ↑ |
| EBITA | \$m | 33.9 | 38.4 | 13% ↑ |
| Adjusted NPAT (before investment allowance) | \$m | 15.7 | 19.6 | 25% ↑ |
| Adjusted NPAT | \$m | 17.7 | 19.6 | 11% ↑ |
| Adjusted EPS | cps | 5.88 | 5.83 | 0% — |
| DPS | cps | 0.9 | 1.0 | 11% ↑ |

Balance Sheet

| \$m | Dec'09 | Dec'10 |
|---|--------------|--------------|
| Operating assets | | |
| Working capital | 42.0 | 63.8 |
| PP&E | 189.9 | 201.1 |
| Intangibles | 184.4 | 174.9 |
| Other assets | 7.2 | 13.1 |
| Other liabilities | (6.5) | (16.6) |
| Net operating assets | 417.0 | 436.2 |
| Financed by: | | |
| Cash | (14.3) | (62.3) |
| Short term and long term debt | 215.4 | 200.7 |
| Net debt | 201.1 | 138.4 |
| Equity | 215.9 | 297.8 |
| Total funding | 417.0 | 436.2 |
| | | |
| Net debt / equity | 48% | 32% |
| Net debt / EBITDA (times annualised) | 2.2 | 1.3 |

Cash flow H1 FY11



- Improved net cash flow from operations 2011: \$57.7m (2010: \$17.4m)
- Capital raising from institutions for working capital and business growth
- Final dividend fully franked 2011: \$8.2m (2010: \$8.2m)

Operational Overview



Divisional Overview
Operational Units
Technology Division
Diesel Equipment Division
Mining Services Division

Divisional Overview

4 Industry focused divisions



CAS-CAM/RF

Open cut collision avoidance system

DGS

Underground In-seam drill guidance system



Longwall

Roof support carriers and longwall movement equipment

Personnel

Personnel Carriers

Power Units

Flitmate power generation unit

Drill rigs

In-seam coal drilling rigs

All vehicles are flameproof and explosion proof for use in underground coal mines



UIS

Underground in-seam coal drilling services

Future products and services



Mining Services

Open cut contracting

Drill & blast

Civil works

Operational Units



- Underground methane gas drainage directional drill guidance systems
- Open cut mining Collision Avoidance Systems
- Vehicle and heavy equipment tracking software solutions
- GPS in vehicle monitoring systems



- Design, manufacture and provision of maintenance, spares, service and support
- Heavy underground mining equipment especially for longwall relocation
- Design, manufacture and provision of maintenance, spares, service and support
- Specialist underground mining vehicles (flame and explosion proof)
- Materials handling equipment and accessories
- General engineering and fabrication services



- Specialised underground in-seam drilling services:
 - exploration work
 - Dewatering work
 - Gas drainage work



- Integrated contract mining services including
 - mine planning and management
 - open cut mining and earth moving services
 - earthmoving equipment and experienced operating staff
 - drill and blast contracting services



China based distribution, sales, service, spares and support of Industrea and OEM underground mining equipment into China

Manufacture of specialist mining products in China

Technology Division

| \$m | Dec'09 | Dec'10 | chg % |
|----------------|--------|--------|--------|
| Revenue | 27.7 | 66.0 | 138% ↑ |
| EBITA | 6.6 | 17.0 | 159% ↑ |
| EBITA Margin % | 24% | 26% | |



- New mine approvals to drive growth in Australian mining technology products
- Drill Guidance System (DGS) continues as global leader in underground coal methane gas drainage
- Additional order for 2 DGS units to Russia and continuing sales of drill guidance tool into civil market in Japan
- Major expansion of Collision Avoidance System (CAS-CAM/RF®) through \$35.6m BMA contract
- On completion of BMA contract over 6,500 units installed worldwide across 33 different mines
- Strong outlook for Collision Avoidance System both domestically and globally based on continued client emphasis on safety and productivity

Mining Equipment Division

| \$m | Dec'09 | Dec'10 | chg % |
|----------------|--------|--------|-------|
| Revenue | 54.6 | 27.0 | 50% ↓ |
| EBITA | 14.9 | 5.5 | 63% ↓ |
| EBITA Margin % | 27% | 20% | |



- New mine approvals to drive growth in Australian mining technology products
- Introduction of larger and more sophisticated equipment in late H210 and early 1H11
- Sales expected to rebound in 2H11
- New capital budgets allocated after Chinese New Year
- PJB performing strongly
- Continued development of PJB flameproof explosion proof underground personnel carrier exclusively for Chinese market

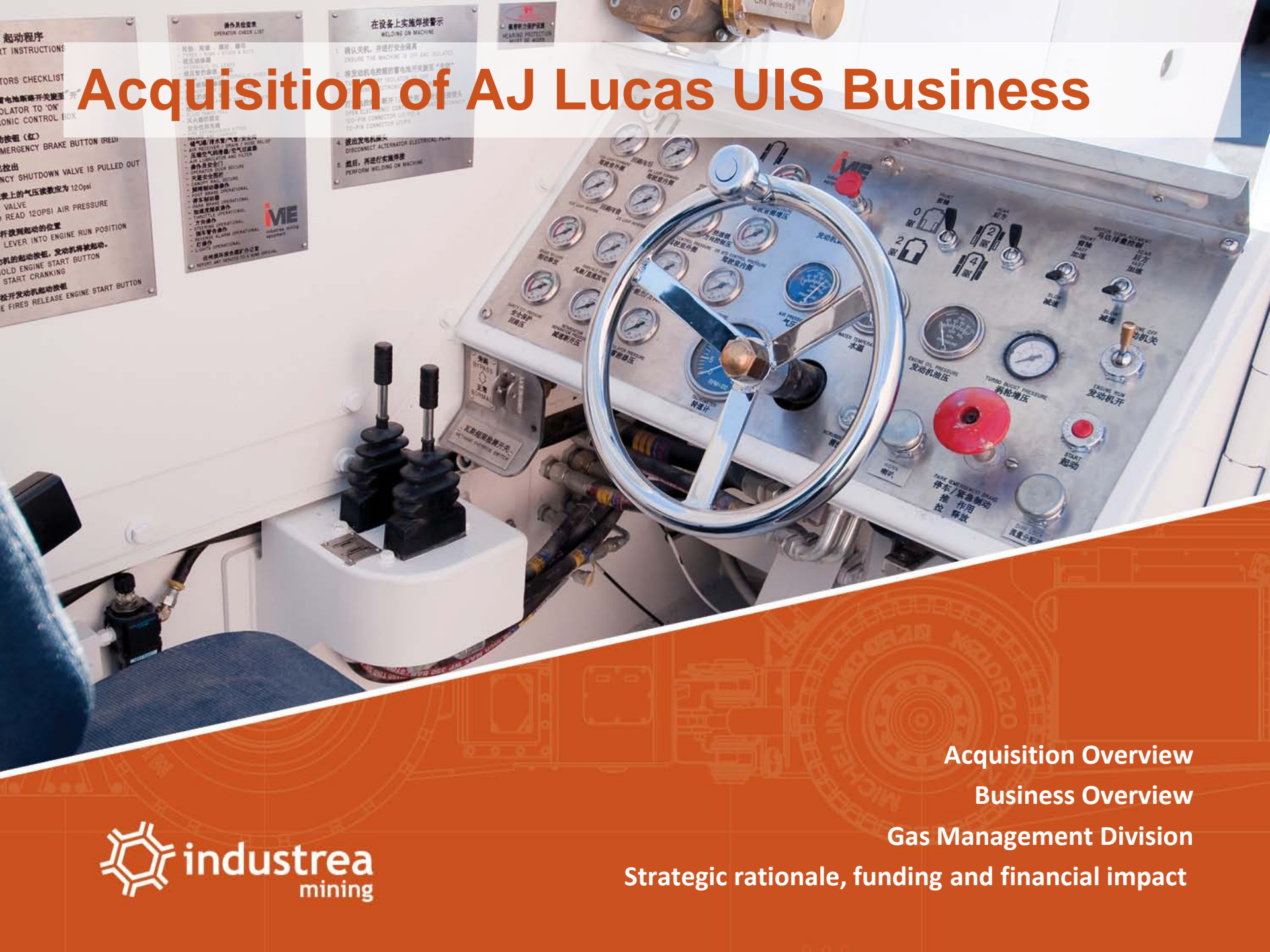
Mining Services Division

| \$m | Dec'09 | Dec'10 | chg % |
|----------------|--------|--------|-------|
| Revenue | 58.5 | 80.5 | 38% ↑ |
| EBITA | 12.7 | 17.4 | 37% ↑ |
| EBITA Margin % | 22% | 22% | |



Huddy's Mining Services Excavators at Mt Isa

- Expansion of works at Lady Annie and Blackstar Open Cut mines in Mt Isa
- Expansion prospects with Rio Tinto's Mt Thorley Warkworth to increase production
- Continued focus on geographic, customer and commodity diversification
- Expect organic growth through existing customers
- Multiple new contract opportunities 2011/12 period
- Baralaba revenues interrupted in 2H11 due to Queensland flooding



Acquisition of AJ Lucas UIS Business

Acquisition Overview

- Industrea has acquired the business assets and undertakings of the AJ Lucas Underground In-seam Services Business (“UIS Business”), for \$25.5 million:
 - The acquisition represents 4.8x EBITDA for the year ending 30 June 2012
- The UIS business is expected to report normalised revenue of c. \$16.4 million and normalised EBITDA of c. \$5.3 million for the year ending 30 June 2012
- The UIS Business was owned and operated the AJ Lucas Group Ltd (“AJ Lucas”)
- Completion of the acquisition occurred on 15 March 2011
- The acquisition represents a clear continuation of Industrea’s strategic objective to selectively target earnings enhancing bolt-on acquisitions and to pursue high margin opportunities across related sectors



xstrata



bhpbilliton



Centennial Coal



VALE

RioTinto



ANGLO
COAL

Peabody

Business Overview

- The UIS Business provides specialised underground in-seam drilling services:
 - Exploration work
 - Dewatering work
 - Gas drainage work
- The fleet currently includes 7 drilling rigs and 8 survey systems, together with associated spares, consumables and inventories
- UIS is currently the second largest industry player in Australia, with an estimated 44% market share. Other major providers include:

| | |
|-------------------|-----|
| - Valley Longwall | 48% |
| - Mastermyne | 4% |
| - GT Drilling | 4% |
- Current customers are located throughout Queensland and New South Wales and include Xstrata, BHP, Rio Tinto, Anglo Coal, Centennial Coal, Peabody and Vale
- UIS employs 45 staff including a longstanding operational management team
- Key contracts include:
 - Narrabri (Whitehaven Coal)
 - Moranbah (Anglo Coal)
 - Mandalong (Centennial Coal)



Gas Management Division

The UIS Business provides access to stable cash flows and solid growth prospects

| \$m | Forecast FY12 |
|-----|------------------|
|-----|------------------|

| | |
|---------|------|
| Revenue | 16.4 |
|---------|------|

| | |
|-------|-----|
| EBITA | 4.6 |
|-------|-----|

| | |
|----------------|-----|
| EBITA Margin % | 28% |
|----------------|-----|



- Acquisition of AJ Lucas underground In-Seam drilling business establishes Industrea as the second largest domestic provider of Underground Gaseous Drilling Services in Australia
- Diversified portfolio of services and client mine locations
- Experienced team allows us to broaden our drilling services offering in China
- Opportunities for strong integration of Technology division gas drainage steering tool and Equipment division underground drill rig both domestically and internationally



Strategic rationale, funding and financial impact

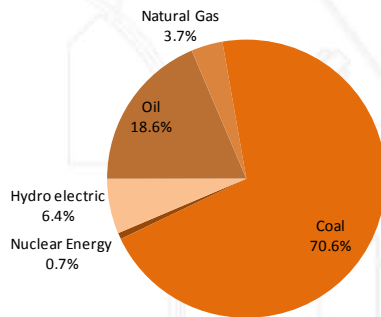
- The acquisition reinforces Industrea's recently announced initiative to establish a Gas Management Division:
 - The integration of the UIS Business will enable Industrea to roll-out a fully integrated gas management offering on an accelerated basis
- The acquisition offers Industrea a number of additional benefits including:
 - Provides a growth platform to continue developing Industrea's gas management operations
 - EPS accretive in the first year of full ownership
 - Provides a broader and enhanced gas management solution to Australian and International clients
 - Enhances earnings diversification
 - Reinforces Industrea's 'blue chip' client base which includes many of the industry's leading operators
- The acquisition of the UIS Business was funded from existing cash reserves
- The acquisition is expected to be EPS accretive in the first full financial year following completion

Strategy and Outlook

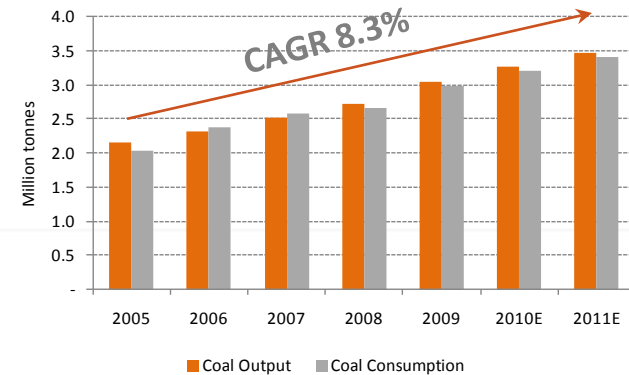


Chinese Coal Market - Coal Production

- China is the largest coal producer in the world producing 3.1 billion tonnes of coal in 2009 – 43.9% of global coal production
- China is expected to produce 3.5 billion tonnes of coal in 2011 representing a CAGR of 8.3% since 2005
- Approximately 97% of China's coal reserves are underground requiring highly specialised mining equipment
- China's coal production in 2009 grew 9%, whilst world coal production grew 2%
- China's demand for coal is driven by
 - Power generation (71% of power needs supplied by coal)
 - Steel production
 - Construction materials
- China's proven coal reserves at the end of 2009 were 114.5 billion tonnes representing 13.9% of global proven reserves

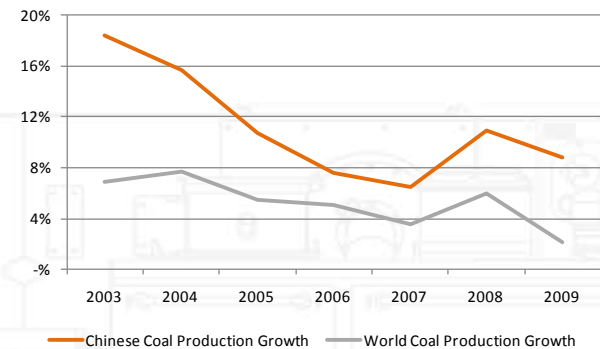


Chinese coal demand and supply



Source: sxcoal, CEIC, UBS estimates

Chinese and global coal production growth



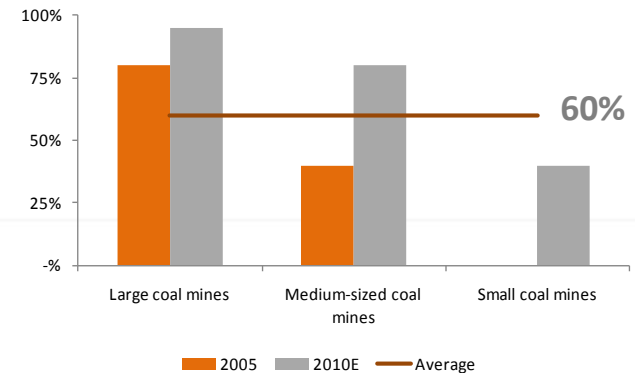
Source: BP Statistical Review of World Energy 2010

Chinese Coal Market - Safety & Productivity

China's Five-year plans have been designed to increase coal production, mechanisation, efficiency and safety

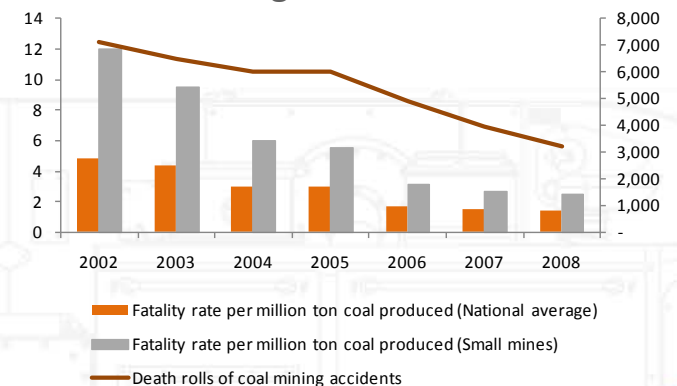
| China's Five-year plans | | |
|--|------------------------|------------------------|
| Key Priorities | 11th plan 2006-2010 | 12th plan 2011-2015 |
| Increase coal production | ✓ | |
| Target annual coal output of 3.6-3.8 bn tons by 2015 | | ✓ |
| Construction of large mines | ✓ | |
| Target 10 new large mining companies (capacity greater than 1000 mtpa) | | ✓ |
| Improvements in technology | ✓ | |
| Increased productivity | ✓ | |
| Increasing the mechanisation rate to above 75% | | ✓ |
| Better mine safety | ✓ | |
| Reduce number of mining companies to 4,000 | | ✓ |
| Environmental protection | ✓ | |

China's mechanisation



Source: CMIA, 11th Five-year plan

China's coal mining fatalities



Source: State Administration of Work Safety, Shanxi Government

Chinese Coal Market - Demand for Equipment

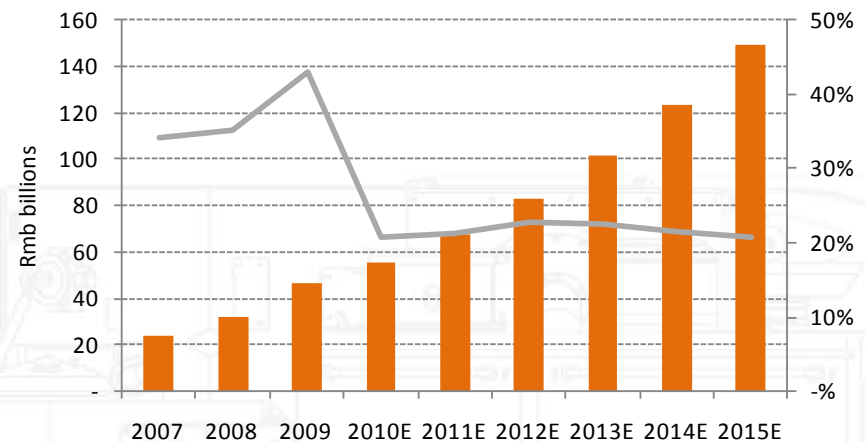
- China's demand for equipment is expected to be 56 Rmb billion in 2010 and 150 Rmb billion by 2015, representing a CAGR of 22%
- 97% of China's coal reserves are underground
 - Industrea is ideally positioned to distribute and service a wide range of in-house OEM
- Harsh operating conditions in China's underground mines results in greater replacement demand for equipment
- Consolidation of the coal mining industry will result in greater mechanisation driving demand for coal mining equipment
- Fixed asset investment of 240 Rmb billion in 2008 representing growth of 40% on the previous year

Percentage of underground mines



Source: BP Statistical Review of World Energy 2010

China's demand for coal mining equipment



Equipment Demand Equipment Demand Growth

Source: China National Coal Machinery Industry Association, UBS estimates

China Outlook

- New capital budgets allocated after Chinese New Year (Late February / early March)
- Expected increase in orders March through November, reflecting seasonal trends
- Manufacturing plant acquired and product build commencing
- Transition to providing complete suite of gas drainage and associated services in China
- Expanded gas drainage offering will provide increased client penetration and revenue opportunities
- Product expansion with Industrea “drill rig” manufacture
 - Total gas drainage package will incorporate AMT’s unique and market leading Drill Guidance System (DGS)
- AJ Lucas UIS acquisition strengthens overall gas management offering

Outlook

- Considering further strategic and earnings enhancing acquisitions to add to the Technology and Diesel Equipment divisions
- Australian market for all divisions expected to grow over next 24 months
- Expect substantially improved China and Diesel Division sales in 2nd half
- New markets for CAS-CAM/RF® collision avoidance products
- Strong performance under AMT BMA contract to continue in 2nd half
- Industrea Gas Management Pty Ltd set up to capitalise on Australian, Chinese and Russian underground gas drainage opportunities
- Resumption of Cockatoo Coal revenues in due course
- Targeting extensions of existing Mining Services division contracts to take advantage of conditions in connection with resources boom

Definitions

- Adjusted NPAT
 - Profit after tax pre non-cash amortisation, unrealised movements on interest rate hedging instruments and significant non-recurring items
- Working capital
 - Receivables, WIP, Inventory, Trade & other payables
- RoW
 - Rest of the world

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