industrea Annual Report 2010

Growing scale, reach and profit

This annual report covers Industrea Limited and its controlled entities.

The registered office and principal place of business is:

Industrea Limited
ABN 22 010 720 117
Centenary Technology Park
532 Seventeen Mile Rocks Road
Sinnamon Park, Qld 4073
Brisbane, Australia

Industrea Limited

The Industrea Group of companies is a global provider of specialist mining services and products, with a focus on improving open cut and underground mining productivity and safety.

We build these businesses on the stable and growing platform of our successful Huddy's mining services business, which operates in the Mt Isa region, Bowen Basin and Hunter Valley.

Our diversified revenue streams stem predominantly from the design, manufacture, maintenance and support of mining equipment and technology, engineering and open cut contracting services.

The specialist range of mining products designed, manufactured and serviced by Industrea are widely acknowledged as world leaders in their speciality segments. They include open cut collision avoidance systems, underground methane gas drainage directional drilling systems, mobile asset tracking and driver safety performance road tools, along with flame-proof and explosion-proof underground diesel vehicles for mine personnel transportation and longwall mining equipment.

Industrea also distributes a select range of "best of breed" OEM mining products in China for companies including Tagor, Pirtek, Marathon RL, Filter Technology Australia, Hydco Drill Rigs and Inbye Mining Services.

The Annual General Meeting of Industrea Limited will be held in the Edinburgh Room at the Brisbane Club, 241 Adelaide Street, Brisbane on Friday 12 November 2010 at 10:00am Australian Eastern Standard Time.

Through the use of the Internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the company. All press releases, financial reports and other information are available from the 'Investor Information' and 'News & Events' areas of our website at www.industrea.com.au

For queries in relation to our reporting please call +61 7 3725 5400 or e-mail info@industrea.com.au

Contents

In FY2010 our products and services were sold into many of the world's leading mining markets, including Australia, USA, South America, South Africa, Indonesia, Papua New Guinea, Australia, and to the company's fastest growing market, China.

We have established strong customer relationships with many of the world's largest mining groups, including BHP Billiton, Rio Tinto Coal, Anglo Coal, Barrick Gold, Vale, Xstrata and several of China's leading mining groups including China Shenhua Energy Company, Jincheng Anthracite Mining Group and Shanxi Asian American Daning Energy Co.

In FY2010 we employed approximately 440 full-time staff and sub-contractors in offices and/or manufacturing bases in Australia (including Mt Isa and the Bowen Basin in Queensland, Mount Thorley, Thornton, Tomago and Gloucester in the Hunter Valley and Fountaindale in the Central Coast in New South Wales), Santiago in Chile and multiple locations in China.

Our group corporate head office is based in the Centenary Technology Park, Brisbane, Australia.

industrea

Our Businesses and Products

Industrea operates through three primary business divisions; Diesel Equipment, Technology and Mining Services (our Diesel Equipment and Technology businesses work closely with our China-based subsidiary Wadam Industries, to expand our business in this strategically important market).

Diesel Equipment

(2010 Revenue $113.0M)

Wadam Industries

Read more about our China growth story on page 4.

Business Units	Industrea Mining Equipment	P.J. Berriman	Kade Engineering
Products/Services	• Specialist flame and explosion proof underground mining vehicles • Longwall roof support carriers with 40T, 50T, 55T, 70T, 80T capacities • Longwall shearer carriers in configurations up to 130T • Mine graders, multi-purpose mine vehicles, mine dozers and mine retrievers for movement of longwall roof supports • Design, manufacture, maintenance, spares, service and support.	• Specialist flame and explosion proof underground mining vehicles • Personnel carriers, materials handling equipment, power generation units and accessories • Design, manufacture, maintenance, spares, service and support.	• Production and fabrication of specialist underground mining vehicles.
Markets Supplied	Underground mining sector in China and Australia. 280 vehicles operational including over 140 in China coal mines at end of FY2010.	Underground mining sector in China, Australia and India. 325 diesel powered vehicles operational in Australia and China, and over 5,000 electrical units utilised in mine sites in Australia.	Internal services provider. Specialist engineering fabrication work for external customers.
2010 Overview	Enlarged manufacturing facility and continued strong drive from China's coal production drives a record 50 units produced during year.	Strong pipeline results in full production capacity for much of the year. Initial sales of new product Flitmate power generation unit to BMA in Australia.	Fabrication at full capacity to supply PJB and IME record order pipeline. Strong external sales performance.
2011 Forecast	Strong demand to continue for new larger and more powerful units with increasing recurring revenue from spares and servicing.	Establishment of high volume manufacturing facility in China expected to open new sales channels. Expect continuing strong domestic manufacture and service demand. Growth of export sales to India.	Continuing strong internal demand to meet IME and PJB production requirements.

Technology
(2010 Revenue $70.6M)

Mining Services
(2010 Revenue $129.2M)

Advanced Mining Technologies	GPS Online Solutions	Huddy's Mining Services
• Underground methane gas drainage and directional drill guidance systems • Open cut mining collision avoidance systems for heavy and light vehicles • Remote asset monitoring systems.	• Design and implementation of asset location and driver performance monitoring systems for the mining and transport industries • Safety driver rating index, man down and GPS based tracking equipment for open cut mines.	• 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 » civil works.
Underground and open cut mining sectors in Australia, China, Russia, South Africa, Chile, Indonesia, Venezuela and PNG. 115 methane gas drainage and directional drilling systems operational at mines world-wide including 50 in China. Collison avoidance systems fitted to over 3,500 mining vehicles at 27 mine sites world-wide. 300 remote asset monitoring systems in operation in Australia and PNG.	Underground and open cut mining sectors in Australia, China and South America.	Open cut coal and metallurgical mining sectors in Mt Isa, Bowen Basin and Hunter Valley, Australia.
Continued strong demand results in increased unit sales into China, Russia and Australia, including largest single methane gas drainage system contract to date for $18.8 million to Yangquan Coal Industry Group Co. Spare parts sales climb to over $12 million.	Further development of CASLOG solution to provide value added sales for AMT collision avoidance system.	Successful expansion of existing contracts in Mt Isa, Bowen Basin and Hunter Valley boosts fleet utilisation rates.
Continued safety push by Chinese coal miners to increase demand, with larger unit orders and sales of spares. Additional growth expected from Australia, South Africa, South America and emerging North America markets.	Substantial increase in sites implementing full CASLOG solution.	Additional contracting opportunities for new contracts and expansion of existing contracts to unfold on back of stronger Australia mining sector confidence.

Our Achievements in 2010

In the 2009 Annual Report, in our forward outlook we outlined some of our priorities for the year ahead:

What We Stated

Increase group profitability in 2010

The record new business levels generated in 2009 would be sustained in 2010.

The opening of Newcastle's third coal export terminal in 2010 expected to open additional growth windows.

What We Achieved

Continued growth across all business units delivers revenue of $313.2m (up 21% on FY2009) and an increased Adjusted NPAT of $49.1 million (up 8% on FY2009), in line with our guidance issued in February 2010 and broad analyst expectations.

Increased NPAT **$49.1m**

Increased contracts exceed **$165m**

New business contracts and extensions to existing contracts for our Diesel Equipment, Mining Services and Technology divisions exceed $165 million during FY2010.

In March 2010 Huddy's Mining Services secures a $21.7 million contract extension for Rio Tinto's Mt Thorley Warkworth Mine in the Hunter Valley.

Secures Rio Tinto contract **$21.7m**

Our Chinese growth story

Industrea now enjoys a unique position through our market leading mine safety and productivity equipment to leverage off the strong underlying fundamentals which are continuing to drive the dynamic growth of China's coal mining industry. A forecast 9% GDP growth for 2010 and a dependence on coal for 70% of its energy ensures an ever growing market for Industrea's methane gas drainage, collision avoidance systems and longwall roof support carriers.

WADAM industries

Fact 1

Wadam Industries drives our continued expansion in China.

As a Beijing based business with over 18 years of in country experience and operation, the depth of relationships within the major Chinese coal mining bureaus is a major contributor to our continuing growth and sales successes in China.

Fact 2

As the world's economic powerhouse, China's position as the world's biggest exporter, auto-maker and steel-maker, is driven by its immense coal reserves, of which 95% are from longwall underground mines.

China is easily the world's largest and fastest growing coal producer with 44% of current global production or 3 billion tonnes p.a. Production is growing by around 9% p.a., representing yearly production growth of almost 300 million tonnes, equal to Australia's entire annual exports of coal.

Fact 3

The Chinese Government is continuing to vigorously enforce the rapid consolidation and modernisation of the nation's coal mining industry. More than 12,299 small mines were closed from 2005 to the end of 2008, largely replaced by the construction of new large scale mines demanding world best technology such as Industrea's to meet government decreed productivity and safety improvements.

New recurring revenue streams to be generated in 2010 from equipment sales, spares, service support from China.

We will continue to identify other global OEM suppliers who lack sales and distribution channels in China to further cement our market leading position there.

To open on-going growth opportunities for Huddy's Mining Services to meet the increased need for outsourced vehicle and equipment supply and maintenance in Australia.

Per month in new contracts from China **$10m**

Our entrenched position as a supplier of choice to China's leading coal producers for longwall roof support carriers, methane gas drainage and collision avoidance systems maintains momentum of $10 million per month in new contracts from China, including a significant increase over the prior year for those in spare parts and maintenance.

OEM range expanded in China with 3 new product lines

Industrea's China subsidiary, Wadam Industries Pty Ltd, expands OEM product range following appointment as exclusive distributor for three years for Marathon RL (rubber line) Insertion Machines and Marathon RL run flat inserts; Filter Technology Australia's filtration systems; Hydco drill rigs and Inbye Mining Services.

Significant new contracts won

Continued organic expansion achieved for Huddy's in the key Mt Isa, Bowen Basin and Hunter Valley markets, results in significant new long term contracts secured.

Fact 4

The Chinese Government is investing around $500 million a year on coal mining safety and stipulated that the mechanisation rate in coal mines must lift from an average of 60% to 85% by 2015.

Fact 5

Demand for coal mining equipment is forecast to increase by 30% in 2010, 40% in 2011 and 20% in 2012 based on the aggressive mine consolidation and expansion programs underway.

Fact 6

Industrea's state-of-the-art methane gas drainage, collision avoidance systems, longwall roof support carriers and flame and explosion proof diesel vehicles although well regarded by existing customers have substantial market available for growth.

Fact 7

Fuelled by the rapid escalation of China's coal production, Industrea's export sales into this market have increased 122% to $127.8 million in just the last financial year.

Our business is not the only thing getting bigger.

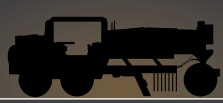
LWC80T_Heavy Duty

Longwall Roof Support Carriers
40 tonnes to 80 tonnes carrying capacity.

Driven by China's rapid consolidation of its existing coal mines into fewer but much larger, highly mechanised mines, deliveries of Industrea's market-leading diesel longwall equipment continue to experience buoyant year-on-year growth.

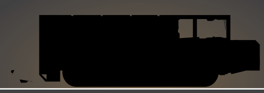
Longwall Roof Support Carrier

40 tonne to 80 tonne carrying capacity. Free steered articulated vehicle powered by explosion proof diesel engine and capable of transporting longwall roof supports quickly and efficiently.



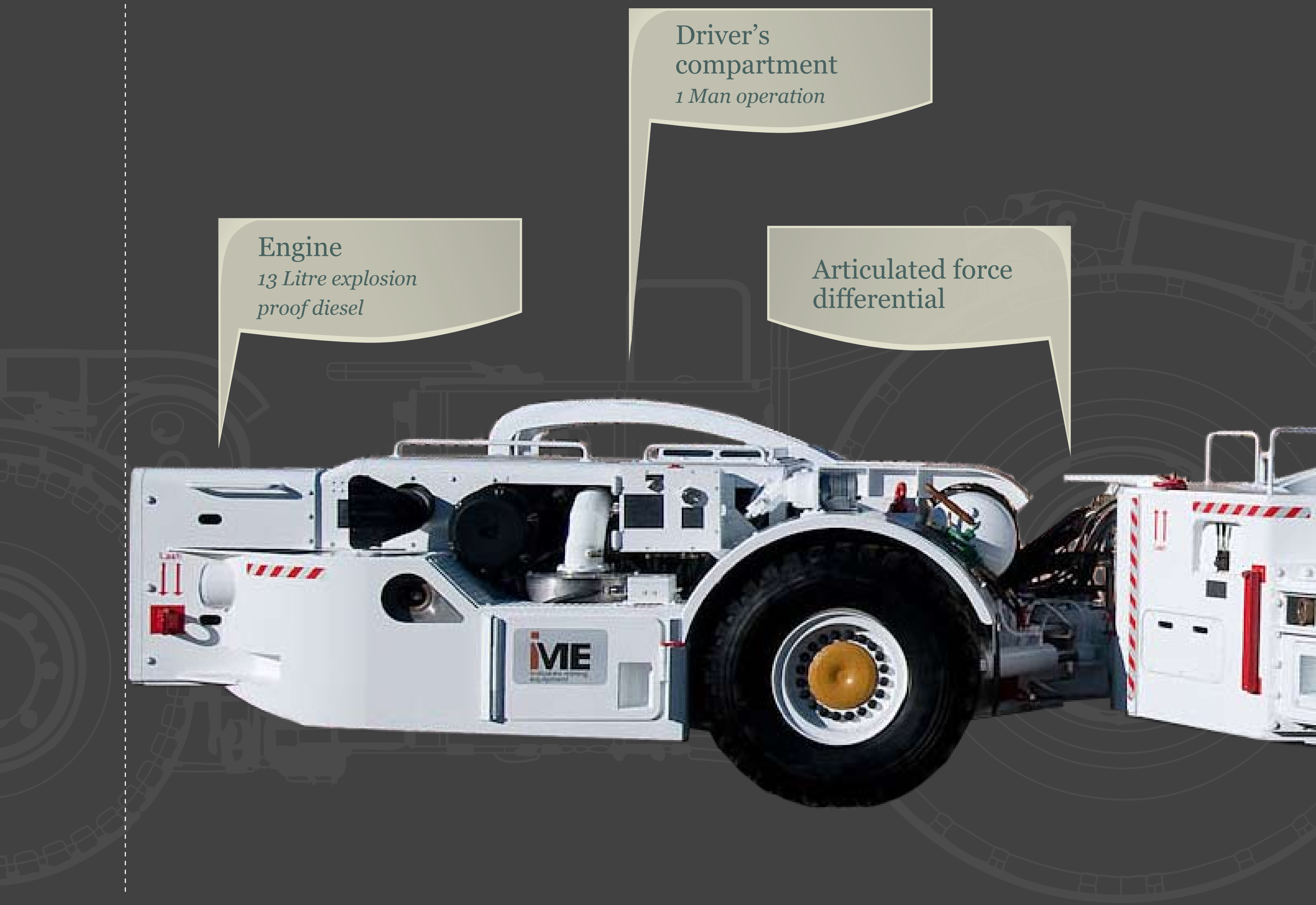
Mine Grader

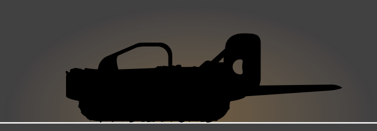
Hi torque grader.
Free steered articulated vehicle powered by explosion proof diesel engine for low seam height underground grading.



Longwall Shearer Carrier

Up to 130 tonne carrying capacity. Skid steer crawler track machine utilising hydraulic traction system for transporting coal seam shearers in underground coal mines.



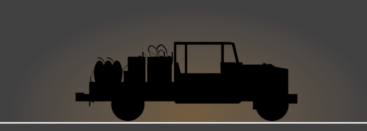


Mine Dozer

Operating weight of 50 tonne to 70 tonne. Diesel powered underground track type dozer primarily for the placement and retrieval of longwall roof supports in underground mines.

Mine Retriever

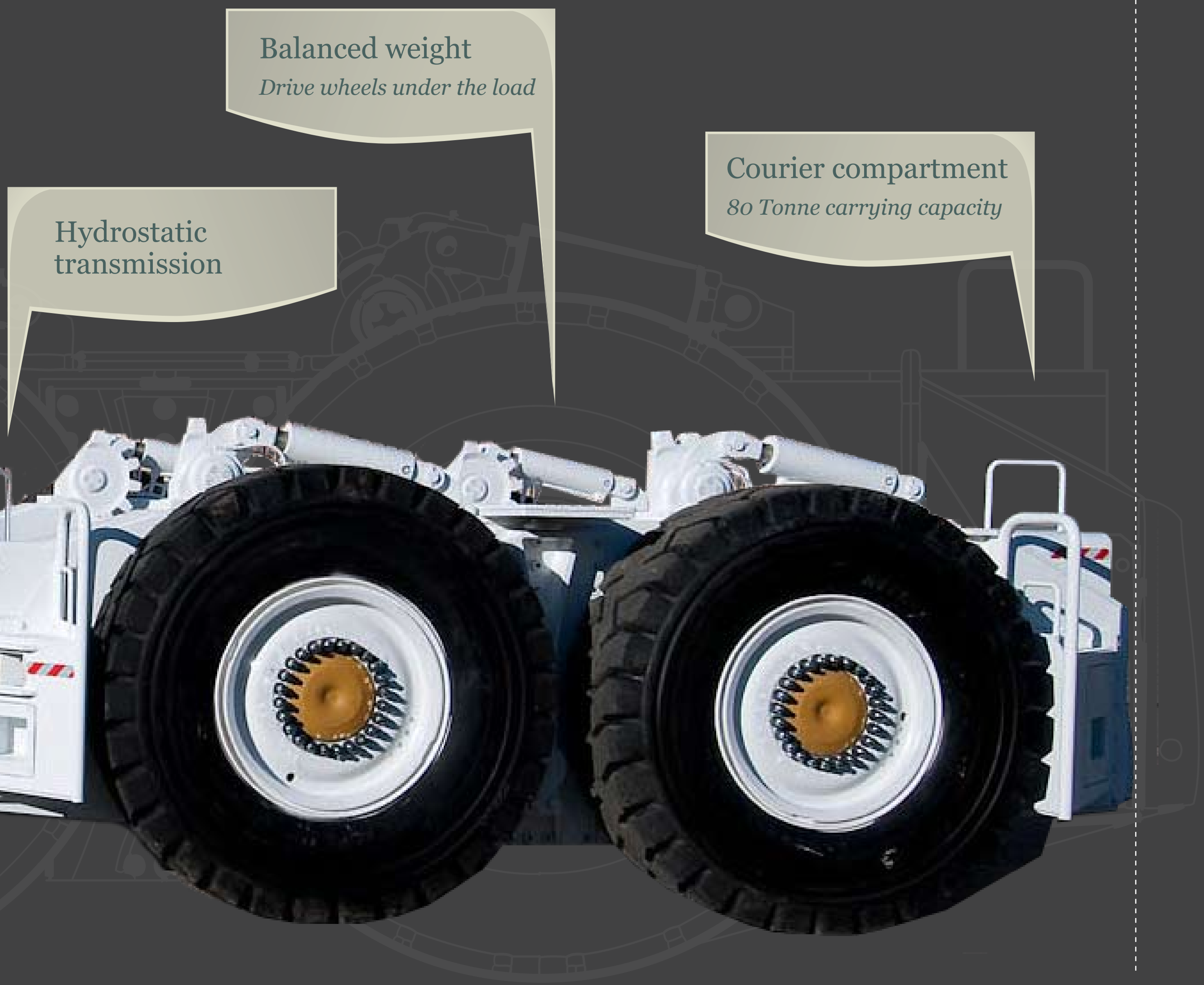
Operating weight of 50 tonne to 70 tonne. Electric powered underground track type dozer primarily for the placement and retrieval of longwall roof supports in underground mines.



PJB Nipper

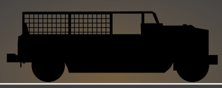
Passenger capacity up to 16 persons. Personnel vehicle and other variants powered by low emission explosion protected diesel engine system.

industrea



PJB Minecruiser

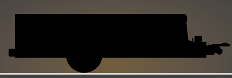
Passenger capacity up to 14. Personnel vehicle and other variants powered by low emission explosion protected diesel engine system.



PJB Minecruiser ROPS/FOPS

(Roll over protection system/ Falling object protection system)

Passenger capacity up to 11. ROPS/FOPS certified Personnel vehicle and other variants powered by low emission explosion protected diesel engine system.



PJB Flitmate

340kW electrical power generation unit at 1,000 volts. Tier II turbo charged low emission fire protected diesel engine system.


30

Chairman's Message

2010 proved not only another profitable year for Industrea, but also the successful conclusion of our first five year growth strategy.

The fundamentals of that strategy focused on growing our scale and export reach, enhancing the global competitiveness of our specialist mining products and technology, securing the right people to drive our ambitious growth plans and ensuring a sound capital management program was in place to sustain our concerted push into the world's most dynamic mining market, China. These achievements have consolidated a platform to accelerate Industrea's expansion both in Australia and globally in the years ahead.

Our record adjusted net profit after tax of $49.1 million was a highly commendable result, particularly when viewed in the context of the conditions we faced in the first half following the impact of the global financial crisis (GFC). Industrea's trading performance in the second half of the year was extremely strong, and importantly, there are clear signs that the momentum built across all our businesses during that period will be sustained throughout the current financial year.

Among the many highlights of the year were the strong recurring revenue streams of around $10 million per month from new Diesel Equipment and Technology sales into China, and the acquisition of our first business there to open a manufacturing presence in this critical market. On an equally positive note, Huddy's Mining Services successfully extended its reach into the Mt Isa, Bowen Basin and Hunter Valley regions.

2010 also reinforced the underlying resilience and core strength of Industrea's business model, and our clear focus on providing world-leading products and services which deliver tried and proven mine productivity and safety gains.

To reinforce this point, it is worth highlighting that at the height of the GFC, and despite most major mining groups in Australia maintaining strict CAPEX freezes, Industrea continued winning contracts for critical safety enhancing mining equipment, such as our collision avoidance systems.

Our productivity and mine safety products are all prioritised by mining customers as non-discretionary capital expenditure. In other words, they are considered indispensable investments throughout the life cycle of mine projects, and our forward strategy is to generate recurring income streams through not only new additional equipment contracts, but increasingly from sales of vital spare parts and product servicing and maintenance.

In 2010 the returns flowing from this strategy were clearly borne out, with spare parts and service revenue in FY2010 up 45% on the prior year to $48 million. This included our single largest after sales order to date, a $7.8 million contract to supply drill guidance system spare parts to the Jincheng Anthracite Mining Group.

By the close of FY2010 Industrea had over 3,500 collision avoidance units, 115 methane gas drainage and direction drilling systems, and over 600 diesel mining vehicles (longwall roof support carriers, mine dozers and flame and explosion-proof vehicles) in operation in various global locations.

An increasing portion of this equipment is being utilised in China's deep and gassy underground coal mines, which clearly reinforces the future incremental income we can derive from servicing and parts via our China Product Support Centre. Our Chinese product distribution and servicing arm Wadam Industries, continues to play a pivotal role in unlocking new business opportunities arising from China's rapid ramp-up of coal production, which is adding 300 million tonnes in volume every year to the existing 3 billion tonnes expected to be mined in 2010.

Increased NPAT

$49.1m

Spare parts and service revenue jumps

45%

As part of the next phase of our growth strategy, in July 2010 we announced the acquisition of a manufacturing business in China, a facility we plan to quickly expand to provide our first high-volume equipment manufacturing base in China.

I would like to take this opportunity of highlighting the input of Industrea's Managing Director and CEO Robin Levison to the further positive progress Industrea made in FY2010. Robin, as did his entire senior management team, again worked tirelessly and with great vigour, in ensuring we ended the year more strongly placed than ever to accelerate our growth onto the next level.

Industrea is also fortunate to have a skilled and committed group of employees, whose numbers continue to grow as we expand our global reach.

To further incentivise employee tenure and productivity, the board has endorsed the introduction of an Employee Share Ownership Plan. Initial allotments under this plan are due to commence in September 2010, and $1,000 of free shares will be progressively issued to most of our employees eligible for the upfront tax concession under the amendments to the Tax Act introduced in October 2009.

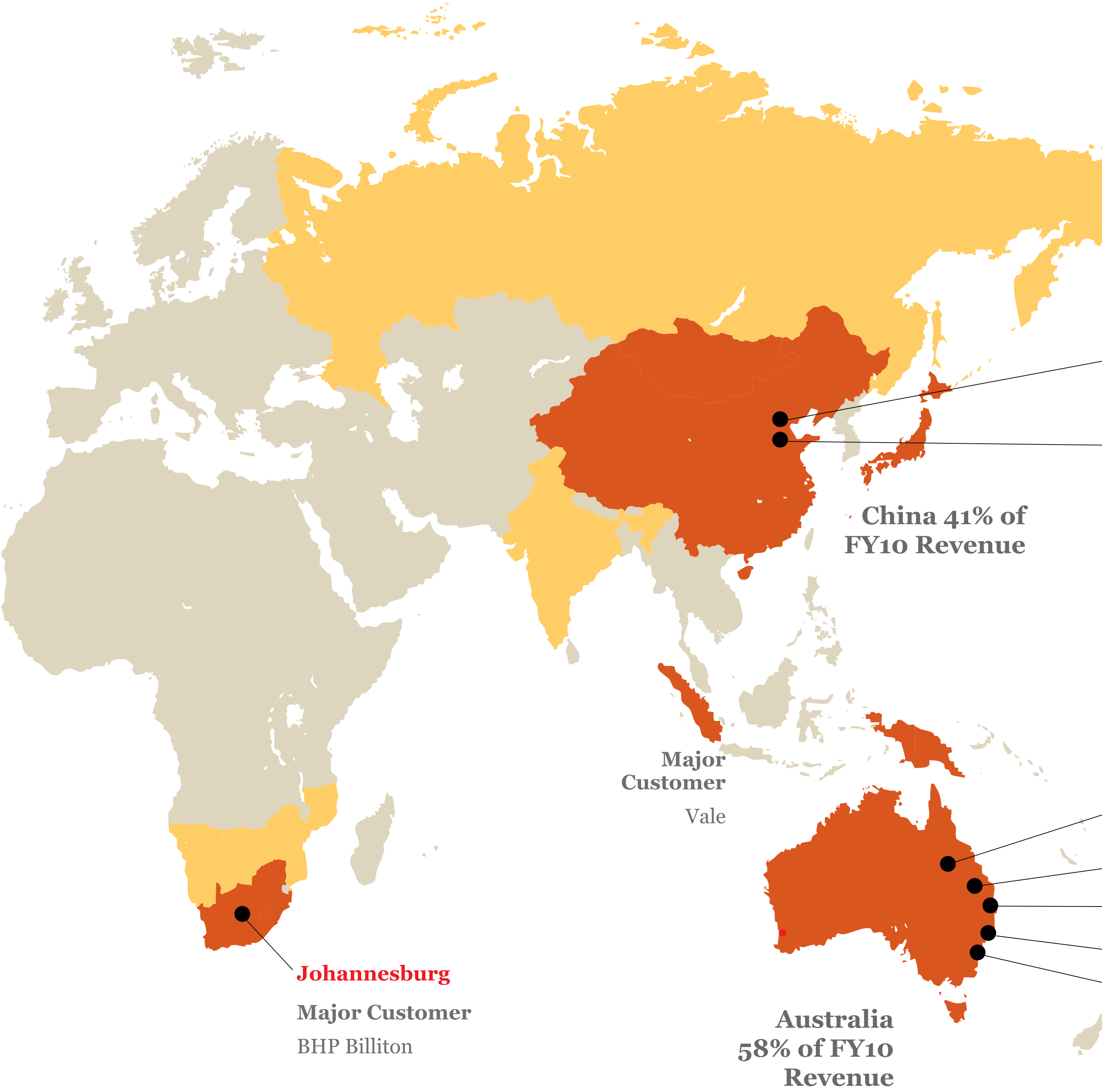
On a final note, I wish to extend a sincere thanks to my fellow board members for their diligence, vision and strategic advice during the year.

Industrea's board and senior management team are committed to delivering sustained growth in operations and profit during the company's next five year growth strategy, and to significantly increasing shareholder value over this time.

The Hon David Beddall

Chairman

Our Global Presence



- Industrea Offices
- Current Markets
- Target Markets

bhpbilliton RioTinto ANGLO COAL

xstrata | BARRICK | China Shenhua Energy Company | Jincheng Anthracite Mining Group | Shanxi Asian American Daning Co

Managing Director's Report

Another Successful Year

FY2010 represented another highly successful year for Industrea, and a period in which we opened new avenues of growth across an increasingly diverse client base and geographic market spread.

Our strategy of moving into new markets in mining products and services, and in particular our major investment in the world's biggest and most resilient resources market of China, increased revenue across all our businesses.

Our Diesel Equipment division which designs, manufactures, sells and supports world leading flame and explosion proof products for the underground coal longwall mining industry here in Australia and overseas, had a record output in FY2010. Increased sales into China by the division lifted overall revenue 97% over the prior year to $113.0 million.

Industrea's Technology Division also benefited from the Chinese coal industry's continued drive for improved productivity and safety standards, with revenue growing to $70.6 million. This included our largest ever single order into the Chinese market for our leading edge methane gas drainage and directional drilling systems of $18.8 million to Yangquan Coal Industry Group Co.

All up, export sales of Diesel Equipment and Technology products increased 96% over the prior year to $136.0 million. While Industrea is intent on opening growth opportunities in other emerging markets, including Russia, India, Indonesia and Alaska, China will remain a pivotal and increasingly profitable target for our productivity and safety equipment. The growing significance China will continue to have on future revenue streams was clearly underscored by its contribution to group revenue (on a geographic basis), lifting from 21% the prior year to 41% in FY2010.

Contributing to this lift was the growing revenue earned through servicing and spare parts for our existing Diesel Equipment and Technology products already in application in China. As a supplier of choice to an increasingly diverse group of China's leading coal producers, we are in a strong position to leverage significantly higher levels of recurring income from this key part of our China growth strategy.

In Australia, our Mining Services division consolidated its position in the Mt Isa, Bowen Basin and Hunter Valley regions by extending several standing contracts which will generate locked-in levels of increased revenue through the current financial year and beyond. By the end of FY2010 Huddy's was generating sustained cash flows totalling over $129 million per annum.

Export sales jump 96% to

$136m

Record Profit

Industrea's revenue from operating activities increased 21% over the prior year to a record $313.2 million on the back of a growing export pipeline into China and an expanded works program for our Mining Services business in Australia.

Adjusted net profit after tax (NPAT) also represented a record result at $49.1 million, up 8% on the comparative period.

Both revenue and NPAT were broadly in line with the market guidance issued in January 2010 of $300 to $330 million in revenue and NPAT of between $48 to $54 million.

Reported net profit attributable to members was $61.9 million. Reported profit after tax was inclusive of a benefit of $20.19m following clarification of taxation provisions relating to contractual assets acquired with the Huddy's Mining Services business. This benefit has not been included in adjusted NPAT for the year due to its one-off, non recurring nature. The directors believe that the inclusion and emphasis on an adjusted net profit after tax result for the period provides a clearer indication of the underlying earnings of the Company during the year.

EBITDA of $112.1 million was 11% higher than the previous year.

The profit result represented diluted earnings per share of 6.09 cents per share, compared to 1.83 cents per share the prior year.

Full year cash flows from operations of $64.8 million was up $21.5 million from FY2009. The Company's net cash position was impacted by the repayment of convertible bonds of $29.6 million and a significant investment in upgrading Huddy's equipment fleet and its forward works capacity.

The directors resolved to amend the Company's dividend policy increasing the ability to declare dividends up to 25% of adjusted NPAT (up from 20%). As a result directors declared a final fully franked dividend of 1 cent per share, lifting the full year ordinary dividend to 1.3 cents per share fully franked (2009: 1.25 cents per share fully franked). The record date for dividend entitlement is 14 October 2010 with payment scheduled for 5 November 2010.

Investing to sustain growth

In July 2010 Industrea opened an additional growth opportunity in China, with the acquisition of a mine strata control manufacturing business in Hebei Province. Although it currently supplies products for underground strata control systems, we intend expanding the plant during the first half of FY2011 so that manufacturing of a flame-proof and explosion-proof personnel and materials vehicle can commence by the end of 2010.

The initial vehicle, designed and manufactured exclusively for the China underground coal mining market, will be based on an existing PJ Berriman & Co model. We are confident that by melding a tried and tested Australian design with a China-based manufacturing capability, vehicles can be manufactured at a unit cost which is highly competitive for our Chinese mining customers.

The expansion of this facility will also obviously bolster our internal manufacturing capacity and ability to ramp up future product sales into China.

During the year we further strengthened our OEM channels in China with the addition of several world leading products distributorships, including Hydco drill rigs, Marathon tyre inserts, Filter Technology filters and Inbye Mining Services.

Building on the key additions to our senior management ranks made in the prior year, in January 2010 David White was appointed as Group Human Resources Manager to ensure global recruitment and retention strategies keep pace with Industrea's expansion plans both in Australia and overseas. In July 2010 we also appointed Michael Coffey to lead our overall group business development in the increasingly important Hunter Valley region in New South Wales.

We also strengthened the line management capabilities at both Huddy's Mining Services and Wadam Industries in China, by appointing specific industry related Senior General Managers to both organisations.

In October 2009, we announced the sale of our Microelectronics Technologies subsidiary. Following a review by senior management, it was considered that as a software development business whose limited revenue contribution was tied to hourly rates, Microelectronic Technologies no longer represented a strategic fit with our core business units, or our primary growth market of China.

A Stronger Balance Sheet

As a company with ambitious growth plans, it is vital that we augment our strong cash flows with a secure and competitively priced lending facility.

In July 2010, Industrea capitalised on the opportunity to refinance our senior debt facilities with the existing lending syndicate on favourable terms. Although not due for expiry until February 2011, the early signing of refinanced bank loan facilities on favourable terms represented an opportunity to maximise longer term shareholder value.

The re-negotiated facilities extend our senior debt with the same banking syndicate to August 2013, and provide a strong capital base to sustain our ambitious growth strategy over coming years.

In FY2010 we utilised strong company cash flow to complete the buyback of convertible bonds with a face value of $29.6 million from cash reserves. Following the conversion of $5 million worth of convertible bonds to equity in November 2009, we have reduced the convertible bond balance to $40.4 million as at end of June 2010. We are well advanced on plans to redeem these outstanding bonds, which mature in March 2011, through a mix of additional debt, use of existing facilities and cash flow from operations.

The original $75 million convertible bonds issued were used to partly fund the acquisition of Huddy's Mining Services in 2008.

In a positive endorsement of Industrea's growth strategy, in October 2009 the company raised $21.3 million from an oversubscribed Share Purchase Plan (SPP). Over 23% of shareholders accepted the offer to take up around 52.1 million additional shares with each shareholder investing an average of $9,000.

Industrea's net debt in FY2010, including the outstanding convertible bonds, decreased to $181 million. The company's balance sheet was significantly strengthened over the same period, with net assets increasing 48% to $240 million.


MADE BY
MALAYSIA
EN853-2SN
RESISTANT

Value in new China contracts at the start of FY'11

$25m

Outlook

The immediate forward outlook for Industrea is strong, with the robust trading conditions experienced across all business divisions throughout the second half of FY2010 expected to extend throughout the current financial year.

The next phase of our growth strategy is set to open a new wave of opportunities under what commentators have dubbed the 'decade of Asia', with the Company and its market-leading mine productivity and safety products firmly established in the right markets at precisely the right time.

Our new business pipeline into China continues to grow, with contracts finalised in July and August 2010 with Chinese coal miners for our technology and diesel products worth over approximately $25 million.

The continued resurgence of Australia's mining sector in the current financial year will deliver growing opportunities for all three of our business divisions, as investment continues in new and expanded projects.

The strategy mapped for the coming year will see continued innovation applied to the Industrea product line to ensure we fully capitalise on our extremely strong position in the world's fastest growing market, China, and unlock additional growth opportunities both here in Australia and other emerging export markets including Russia, India, Indonesia and Canada.

China's massive urbanisation drive, its position as the world's biggest exporter, auto-maker and steel-maker, continues to be fuelled by its immense coal reserves, of which 95% are underground.

The Chinese government's stringent measures to lift safety standards, mechanisation and mine consolidation targets will continue to drive increasing demand for Industrea's longwall diesel roof support vehicles and methane gas drainage systems.

Both our Diesel Equipment and Technology products are tailored specifically for use in larger underground mines, and with a number of key coal mining provinces including Shanxi, Inner Mongolia and Henan all having announced aggressive mine expansion plans, sustained demand for these products over coming years is assured.

Further afield, we expect Russia's and India's large and gassy coal mines to be rapidly modernised to a similar degree as in China. Following the successful sales of methane gas drainage systems into Russia in FY2010, we are confident of increasing sales into these highly prospective markets during the year ahead.

We are also receiving increasing enquiry levels from Indonesia and we view this market as a primary target with its domestic thermal coal production increasing rapidly to fuel escalating domestic consumption and exports to Asia.

With our refinancing complete and the strong recurring revenues and cash flows we are now generating, Industrea is better positioned than ever to execute our expansion plans.

While our main focus is on maximising organic growth both at home and abroad, we are constantly reviewing acquisitions that can add immediate accretive value to our existing business model.

With our footprint now firmly established in high growth countries and segments, and the focus on opening new markets in the year ahead, we are confident that through organic growth alone further strong increases in revenue and profitability will be delivered in FY2011.

Robin Levison

Managing Director and Chief Executive Officer

Review of Operations

Diesel Equipment

Industrea's Hunter Valley-based Diesel Equipment businesses, PJ Berriman (PJB) and Industrea Mining Equipment (IME) enjoyed buoyant trading throughout FY2010. Leveraging off the prior year's investment in boosting manufacturing capacity and the expanding reach of the company's China subsidiary, Wadam Industries, the Diesel Equipment division boosted revenue 97% above the prior year to $113.0 million

Demand for our highly specialised flame and explosion proof underground mining vehicles and world-leading capacity longwall roof support and shearer carriers finished the year at record levels, with Wadam Industries continuing to unlock new opportunities in the China market.

With China's coal industry consolidating its future production capacity around larger, more mechanised mines, we are now generating high levels of recurring income from our diesel equipment sales to new and repeat Chinese customers. This is also driving sales of increasingly larger capacity vehicles to meet the needs of these bigger and more mechanised mines. Indicative of these orders were a 130 tonne shearer carrier and 80 tonne roof support carriers completed for delivery to the world's largest coal miner, Shenhua Energy Group, during the first quarter of FY2011.

In a bid to ensure our diesel equipment products maintain their class-leading edge, new vehicles are now being fitted with a new more powerful Caterpillar C9 engine.

Following a tripling of its manufacturing capacity in July 2009, IME manufactured a record 50 longwall roof support and shearer carriers in FY2010, up from 27 units in the prior financial year.

The Kade fabrication facility, also located in the Hunter Valley, and which was acquired the prior year, is playing an increasingly important support role for the IME and PJ Berriman businesses. Their added capacity to provide internal fabrication services to both our other diesel businesses, has improved our production efficiencies and helped leverage the record production outputs from our Hunter Valley manufacturing plants in FY2010.

PJB matched this performance, running close to full production capacity for much of the year, and achieving a record year for domestic personnel carrier vehicle sales and support activities.

Our domestic order book was also bolstered by new equipment contracts with Rio Tinto's Kestral Mine and for a newly developed PJB product, "Flitmate" underground power generator, to BMA's Gregory Crinum Mine.

Strengthening demand from China's increasingly larger coal mines for new diesel units and spare parts is set to underwrite further strong growth in revenue in FY2011.

A priority in FY2011 will be to unlock new export channels in to the underground mining sectors in Russia, India and Indonesia.

Mining Services

The successful continued diversification of Huddy's Mining Services into new markets and a corresponding improvement in equipment utilisation rates in FY2010 delivered strong monthly cash flows and operating margins which progressively improved through the year.

Huddy's benefited from the capital expenditure freeze imposed by most large mining groups in Australia in response to the GFC, and an associated tightening of traditional lending channels. The result saw an increase in outsourcing demand from these groups to maintain on-going mine face operations.

Operating one of Australia's most up-to-date fleets of mine vehicles and machinery in Australia, Huddy's provides fully integrated contracting services including earth moving equipment and equipment operators, open cut mining and haul services, drill and blast services and mine planning and supervision.

In FY2010 we continued to progress Huddy's expansion into new resource markets outside its traditional operating base of Mt Isa, a process initiated during the prior financial year.

The $30 million per annum contract secured in July 2009 with Cockatoo Coal's Baralaba Coal Mine near Moura in Queensland extended Huddy's reach into the lucrative Bowen Basin coal mining region.

Huddy's presence in the increasingly important Hunter Valley region was also strengthened during the year following two major extensions of its existing contract with Warkworth Mining's (Rio Tinto Coal) Mount Thorley Warkworth Mine.

Under the first extension finalised in September 2009, Huddy's added an additional 17 heavy mining vehicles to the fleet utilised at the mine site, including seven deployed from the Mt Isa operations along with 10 new vehicles.

The new equipment acquired was funded by a mix of existing hire purchase facilities, equity and operations cash flow. In total $59.8 million was invested in Huddy's during the year. This is in line with our on-going commitment to Huddy's fleet renewal process and represents an investment in maintaining its competitive advantage of operating one of Australia's most up-to-date fleets of heavy mine vehicles and equipment.

In March 2010 a second major contract extension was finalised with Warkworth Mining under which the hire of an existing seven Caterpillar dump trucks was extended for an additional 24 months. The expanded fleet now operating at the Mount Thorley Warkworth Mine is generating approximately $40 million per annum in revenue.

$129m

mining services revenue in FY2010 from Huddy's.

Following these successful contract extensions, Huddy's now has the economies of scale and support infrastructure in place to capitalise on opportunities arising from the projected doubling of the Hunter Valley's thermal coal production to over 250 million tonnes by 2018.

In another milestone for the Mining Services Division, in Christmas 2009 Xstrata reopened its Handlebar Hill zinc and lead mine near Mt Isa with Huddy's recommencing contracting services to the site.

Indicative of the renewed levels of confidence within Australia's mining sector, Huddy's finished FY2010 on a strong note by winning a new $3.4 million contract in June with Xstrata subsidiary, Ernest Henry Mining for its Tailings Storage Facility Earthworks in Mt Isa.

FY2011 will see a sustained focus on further diversifying Huddy's regional, customer and commodity spread.

Technology Division

Industrea's Technology businesses, Advanced Mining Technologies (AMT) and GPS Online Solutions, design, manufacture and market world-leading safety and productivity enhancement equipment for the underground and open cut mining markets.

Continued strong demand from our key export market of China, along with Australia, South America, Russia and South Africa, helped drive sales of our specialist mine safety equipment to a record $70.6 million in FY2010.

In a growing response to the Chinese Government's concerted program to dramatically improve safety standards in the domestic coal industry, both new and existing Chinese customers are increasingly utilising AMT's superior methane gas drainage and directional drilling systems in deep and gassy mine sites throughout China.

During the year new contracts relating to AMT's methane gas drainage and directional drilling systems were signed with Zibo Mining Group's Tingnan Coal Mine, Jincheng Anthracite Mining Group, Yang Cheng County, Shanxi Coking Coal Group and Yangquan Coal Independent Group. A total of 13 methane gas drainage and directional drilling systems were shipped to China in FY2010, up from 10 the prior year. Significantly, the AMT DGS methane gas drainage system is now recognised as the dominant technology in the Chinese coal mining market.

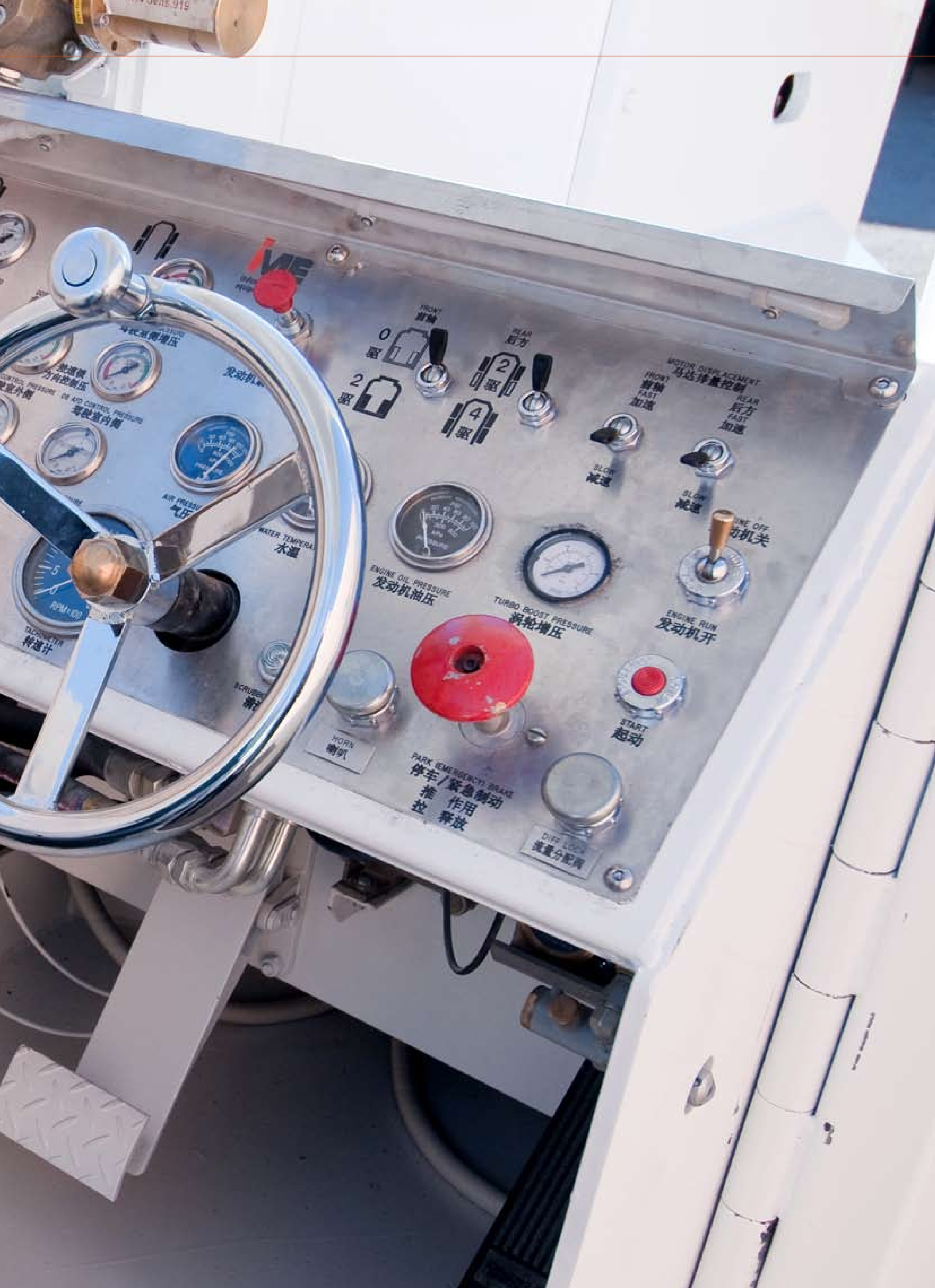
The contract signed in February 2010 with Yangquan Coal Independent Group was a milestone for Industrea with the $18.8 million sale of eight directional drilling and gas drainage systems representing the largest single contract signed by AMT and our China distribution arm, Wadam Industries.

Once delivered, this order will lift the base of AMT installed gas drainage systems to 115 globally, including over 70 in China.

The size of this critical equipment base is now supporting an increasingly large scale spare parts and maintenance business which is generating recurring after sales revenue.

A potentially new market was also uncovered, with a drill guidance system successfully trialled during the year for civil application in Japan.

AMT's presence in the lucrative South African market was also strengthened during the year with two contracts worth $2.7 million signed with BHP Billiton Hotazel Manganese Mine and another existing customer for Collision Avoidance CAS-CAM/RF™ technology. The outlook for AMT's Collision Avoidance technology remains very strong, given the increased focus on safety by miners both domestically and globally. There are now over 3,500 CAS-CAM/RF™ units installed worldwide across 27 mines.


FRONT
REAR
MOTOR DISPLACEMENT
FAST
SLOW
ENGINE OIL PRESSURE
发动机油压
TURBO BOOST PRESSURE
涡轮增压
ENGINE RUN
发动机开
START
起动
HORN
喇叭
PARK (EMERGENCY) BRAKE
停车/紧急制动
推 作用
拉 释放
RPM×100
TACHOMETER
转速计

Board and Management

Directors

Hon David Beddall *MAICD*

Non-executive Chairman

Appointed a Director in March 1999. Federal Member in the Australian Parliament from 1983 to 1998, including positions as Minister for Resources, Minister for Communications and Minister for Small Business, Constructions and Customs. President of the Australian Franchisees Association of Australia Incorporated, Member of the Australian Competition & Consumer Commission Franchising Consultative Committee, National Councillor (Alternate) of the Australian Industry Group and Councillor – Queensland Executive Member (Branch Secretary & Treasurer) of the Australian Industry Group (Qld). Since leaving Federal Parliament in 1998 David Beddall has operated in the private sector with a mixture of directorships with public and private companies as well as not for profit industry organisations.

Robin Levison *CA, GDBA, FAICD*

Managing Director & Chief Executive Officer

Appointed Managing Director in November 2005. Previously held the position of Managing Director at Spectrum Resources Limited, a New Zealand stock exchange listed technology investment company. Has also held senior roles with KPMG, investment bank DF Mainland and was a director of share broker Henry Hay McIntosh that later became Merrill Lynch New Zealand. Mr Levison is a director of St Aidan's Foundation Limited.

Lachlan McIntosh *B. Com*

Non-executive Director

Appointed a director in May 2004. Chartered Accountant specialising in profit enhancement and business turnaround. Managing Director of 22 Capital Pty Ltd. Non-Executive Chairman of ASX listed company Allied Brands Ltd (from 2006). Chairman of ASX listed SCV Group Limited (from July 2009).

Anthony McDonald *LLB MAICD*

Non-executive Director

Appointed a Director in November 2007. Lawyer involved in the natural resources sector in Australia and internationally. Previously held positions of director, secretary and legal advisor to a number of listed and unlisted public companies. Non-executive Director of ASX listed companies Planet Gas Limited (from 2003) and Deep Yellow Limited (from 2007).

Tim Netscher *MBA, B. Com, Bsc (Eng) (Chemical) MAICD*

Non-executive Director

Appointed a Director in February 2009. Currently Regional Senior Vice President Asia Pacific with Newmont Mining. Previously held executive director and senior management positions with major resource companies including Vale Australia, PT Inco (Indonesia), QNI Pty Ltd (BHP Billiton) and Impala Platinum Holdings Limited (South Africa. Mr Netscher is well known and experienced in the global resources business, having held leadership roles internationally in operations management, capital project development and business and strategy development in the base metals, nickel, coal, gold and platinum group metals industries.

Senior Management

Mr Kieran Wallis
B Bus CA

Chief Financial Officer

Appointed August 2008. Previously CFO of ASX listed GBST, a leading provider of transaction technology to the Australia and New Zealand investment sector. Experience in negotiating and executing major transactions and market listings.

Mr Wallis has resigned with effect from 30 September 2010.

Mr Phillip Hourigan
LLB, LLM, MAICD

General Counsel/Company Secretary

Appointed January 2009. Previously a partner with a leading international law firm. Over 20 years experience in corporate compliance, contract negotiation, technology procurement and intellectual property. Responsible for compliance and risk management at a Group level. Also fulfils statutory function as Company Secretary for all Group companies. Non-executive Director of not for profit Help Enterprises Limited (from 2008).

Mr David Cahill
BEcon, MBA

Chief International Officer

Appointed November 2008. Responsible for further developing Industrea's export growth. Also responsible for oversight of the Diesel Equipment and Technology Divisions comprising IME, PJB, Kade, AMT and GPS Online. Previous Senior roles with BP over 20 years in Australia, China, Europe and North America.

Dr Chris Doran *PhD*

Chief Technology Officer

Appointed 2003. Responsibility for innovation, technology development and information management systems, identifying new markets and opportunities for Industrea Group technologies and the alignment of group products with market needs. Over 20 years of mining service experience in communications, sensing and information technology on mobile equipment in surface and underground. Previous roles include Research Physicist (underground mining), Project Manager (machine reliability), Test Manager (telecommunications), Engineering Manager (mining communication systems), Regional Manager (geotechnical and mobile equipment fleet management) for leading companies in Australia and Canada.

Mr David White *B. App. Sc. (Chem.); Cert. Audio Eng.; Dip. HRM*

Group Human Resources Manager

Appointed January 2010. Responsible for the development and implementation of group-wide Human Resources frameworks and systems. Extensive public company experience predominantly within Campbell Brothers Limited with over 20 years in the Human Resources field. Industry experience base includes manufacturing, food processing, distribution, fast moving consumer goods, service provision, hospitality and corporate.

Mr Dale McNamara

Special Advisor to CEO

Moved onto Group Executive in 2009. Mr McNamara has in excess of 30 years experience in operational and management roles in the coal mining industry. Founder and Managing Director of Wadam Industries since 1993. Has extensive contacts throughout the Group's customer base in China focusing on export sales of safety and productivity mining equipment.

Corporate governance statement

Introduction

The Board of directors is responsible for the corporate governance of the Industrea Group of companies and this report outlines the framework for the Industrea Group's corporate governance regulation and management.

The Board is committed to fulfilling its corporate governance obligations and responsibilities in the best interests of the company and its stakeholders.

Industrea Group's corporate governance framework is aligned with the ASX Corporate Governance Council's 'Principles of Good Corporate Governance and Best Practice Recommendations' (2nd edition).

The table below summarises the Company's compliance with the ASX Principles:

Principle / Recommendation		Reference / Explanation	Does Industrea comply?
1	**Lay solid foundation for management and oversight**		
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Page 29, columns 1 and 2	Yes
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Page 31, column 2 and pages 41 to 45	Yes
1.3	Companies should provide the information indicated in the guide to reporting on Principle 1 as follows:		
	– an explanation of any departures from any Principle 1 recommendation;	N/A	N/A
	– whether a performance evaluation for senior executives has taken place during the reporting period under the process disclosed; and	Page 31, column 2 and pages 41 to 45	Yes
	– the Board Charter should be made publicly available;	The Board Charter is available on the corporate governance section of the company's website	Yes
2	**Structure the Board to add value**		
2.1	A majority of the Board should be independent directors.	Page 29, column 2	Yes
2.2	The chair should be an independent director.	Page 30, column 1	Yes
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Page 29, column 2	Yes
2.4	The Board should establish a nomination committee	Page 31, column 1	Yes
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	Page 31, column 2	Yes
2.6	Companies should provide the information indicated in the guide to reporting on Principle 2 as follows:		
	– the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report;	Page 40	Yes
	– the names of the directors considered by the Board to constitute independent directors and the company's materiality thresholds;	Page 29, column 1	Yes
	– the existence of any of the relationships listed in the ASX's commentary and an explanation of why the Board considers a director to be independent, notwithstanding the existence of those relationships;	Page 29, column 2 and note 26 on page 82	Yes
	– a statement as to whether there is a procedure agreed by the Board for directors to take independent professional advice at the expense of the company;	Page 30, column 2	Yes
	– the period of office held by each director in office at the date of the annual report;	Page 40	Yes
	– the names of members of the nomination committee and their attendance at meetings of the committee;	Pages 32 and 40	Yes

Principle / Recommendation	Reference / Explanation	Does Industrea comply?
– whether a performance evaluation for the Board, its committees and directors has taken place in the reporting period and whether it was in accordance with the process disclosed	Page 31, column 2	Yes
– an explanation of any departure from any Principle 2 recommendations;	N/A	N/A
The following material should be made publicly available:		
– a description of the procedure for the selection and appointment of new directors and the re-election of incumbent directors;	Page 30, columns 1 and 2	Yes
– the charter of the nomination committee; and	The Nomination Committee Charter is available on the corporate governance section of the company's website	Yes
– the Board's policy for the nomination and appointment of directors.	Page 30, columns 1 and 2	Yes
3 Promote ethical and responsible decision making		
3.1 Companies should establish a code of conduct and disclose the code or a summary of the code.	Page 31, column 2	Yes
3.2 Companies should establish a policy concerning trading in company securities by directors, senior executives and employees.	Page 32, column 2 and page 33, column 1	Yes
3.3 Companies should provide information indicated in the guide to reporting on Principle 3 as follows:		
– an explanation of any departures from any Principle 3 recommendations.	N/A	N/A
– The following material should be made publicly available:		
– any applicable code of conduct or summary.	The following documents are available on the corporate governance section of the company's website: – Ethics and Conduct Policy – Security Trading Policy	Yes
– the trading policy or a summary.		
4 Safeguard integrity in financial reporting		
4.1 The Board should establish an audit committee.	Page 31, column 1	Yes
4.2 The audit committee should be established so that it:		
– consists only of non-executive directors; – consists of a majority of independent directors; – is chaired by an independent chair, who is not chair of the Board; and – has at least three members.	Page 32	Yes
4.3 The audit committee should have a formal charter.	Page 31, column 1	Yes
4.4 Companies should provide information indicated in the guide to reporting on Principle 4 as follows:		
– the names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee;	Pages 32 and 40	Yes
– the number of meetings of the audit committee; and	Page 40	Yes
– explanation of any departures from any Principle 4 recommendations,	N/A	N/A
The following material should be made publicly available:		
– the audit committee charter; and	The Audit Committee Charter is available on the corporate governance section of the Company's website	Yes
– information on procedures for the selection and appointment of the external auditor, and the rotation of external audit engagement partners.	Page 33, column 2	Yes
5 Make timely and balanced disclosure		
5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for the compliance and disclose those policies or a summary of those policies.	Page 34, column 1	Yes

Principle / Recommendation	Reference / Explanation	Does Industrea comply?
5.2 Companies should provide the information indicated in the guide to reporting on Principle 5 as follows:		
– an explanation of any departures from any Principle 5 recommendations.	N/A	N/A
The following material should be made publicly available:		
– a summary of the policies and procedures designed to guide compliance with Listing Rule disclosure requirements.	The Continuous Disclosure Policy is available on the corporate governance section of the Company's website	Yes
6 Respect the rights of shareholders		
6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Page 34, column 2	Yes
6.2 Companies should provide the information in the guide to reporting on Principle 6 as follows:		
– an explanation of any departures from any Principle 6 recommendations.	N/A	N/A
The following material should be made publicly available:		
– how the company will communicate with its shareholders publicly.	The Shareholder Communications Policy is available on the corporate governance section of the Company's website	
7 Recognise and manage risk		
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Page 35, column 1	Yes
7.2 The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Page 35, columns 1 and 2	Yes
7.3 The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Page 35, column 2	Yes
7.4 Companies should provide the information in the guide to reporting on Principle 7 as follows:		
– an explanation of any departures from any Principle 7 recommendations;	N/A	N/A
– whether the Board has received the report from management under recommendation 7.2;	Page 35, column 2	Yes
– whether the Board has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) under recommendation 7.3.	Page 35, column 2	Yes
The following material should be made publicly available:		
– a summary of the company's policies on risk oversight and management of material business risks.	The Risk Management Policy is available on the corporate governance section of the Company's website	Yes
8 Remunerate fairly and responsibly		
8.1 The Board should establish a remuneration committee.	Page 31, column 1	Yes
8.2 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Pages 41 to 45	Yes
8.3 Companies should provide the information indicated in the guide to reporting on Principle 8 as follows:		
– the names of the members of the remuneration committee and their attendance at meetings of the committee;	Pages 32 and 40	Yes
– the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors; and	Pages 41 to 45	Yes
– an explanation of any departures from any Principle 8 recommendations.	N/A	N/A

Principle / Recommendation	Reference / Explanation	Does Industrea comply?
The following material should be made publicly available:		
– the charter of the remuneration committee; and	The Remuneration Committee Charter is available on the corporate governance section of the Company's website	Yes
– a summary of the company's policy on prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remunerations schemes.	Page 33, column 1. The Security Trading Policy is available on the corporate governance section of the Company's website	Yes

Industrea Limited's corporate governance practices were in place throughout the year ended 30 June 2010

Role of the Board

Relevant governance documents

– Board Charter

The role of the Board is to oversee and guide the management of Industrea and its businesses with the aim of protecting and enhancing the interests of its shareholders, taking into account the interests of other stakeholders, including employees, customers, suppliers and the wider community.

The Board has a Charter which clearly establishes the relationship between the Board and management and describes their functions and responsibilities.

The responsibilities of the Board include: Oversight of the company, including its control and accountability systems.

- oversight of the Industrea group, including its control and accountability systems;
- appointing and removing the Managing Director;
- where appropriate, ratifying the appointment (and the removal) of the Chief Operating Officer, Chief Financial Officer and Company Secretary;
- providing input into and final approval of management's development of corporate strategy and performance objectives;
- reviewing, ratifying and monitoring systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior managements' performance and implementation of strategy and ensuring appropriate resources are available.
- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestments;
- approving and monitoring financial and other reporting;
- reviewing and approving remuneration of the Managing Director and senior management;
- appointing, re-appointing or removing the company's external auditors (on recommendation of the Audit Committee); and
- monitoring and overseeing the management of shareholder and community relations.

The Managing Director/CEO is responsible to the Board for the day-to-day management of the Industrea group.

Structure and composition of the Board

The Board is currently comprised of 5 directors, with 4 non-executive directors, including the Chairman and 1 executive managing director.

Director Independence

Directors are expected to bring independent views and judgement to the Board's deliberations.

The Board includes a majority of non-executive independent directors and has a non-executive independent Chairman (with different persons filling the roles of Chairman and Managing Director).

The Board has reviewed the position and associations of all directors in office at the date of this report and considers that all 4 of the non-executive directors are independent. In considering whether a director is independent, the Board has had regard to the relationships affecting independent status and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence and the independence of the other directors, annually and as appropriate.

The test of whether a relationship is material is based on the nature of the relationship and the circumstances of the director. Materiality is considered from the perspective of the company, the director, and the person or entity with which the director has a relationship.

The Board has considered the independence of Mr Lachlan McIntosh by virtue of his association with 22 Capital Pty Ltd. On the basis of the details disclosed in note 26 on page 82 the Board has determined that the relationship does not interfere with Mr McIntosh's exercise of independent judgement.

The Board considers that Mr McIntosh is an independent director.

In addition, the Board has considered the independence of Mr David Beddall, in relation to his period of service as Chairman. The Board considers that the length of time that Mr Beddall has been on the Board does not have an adverse impact on his ability to bring an independent judgement to bear in decision making. The Board considers that having a director who has served on the Board for a longer period helps to ensure continuity of corporate knowledge and experience, provided that the capacity for active contribution and independent judgement is maintained.

The Board considers that Mr Beddall is an independent director given his continued and demonstrated performance and ability to make objective judgements on matters before the Board.

Retirement and re-election

The company's Constitution requires one third of the directors, other than the Managing Director, to retire from office at each annual general meeting. Directors who have been appointed by the Board during the year (as a casual vacancy or as an addition to the Board) are required to retire from office at the next annual general meeting.

Directors cannot hold office for a period in excess of three years or beyond the third annual general meeting following their appointment without submitting themselves for re-election. Retiring directors are eligible for re-election by shareholders.

Board support for directors retiring by rotation and seeking re-election is not automatic. A non-executive director is required to take into account the views of the other non-executive directors of the company when making a decision to stand for re-election.

Nomination and appointment of new directors

Recommendations of candidates for appointment as new directors are made by the Board's Nomination Committee for consideration by the Board as a whole. If it is necessary to appoint a new director to fill a vacancy on the Board or to complement the existing Board, a wide potential base of possible candidates is considered. In some cases, external consultants are engaged to assist in the selection process.

If a candidate is recommended by the Nomination Committee, the Board assesses the qualifications of the proposed new director against a range of criteria including background, experience, professional skills, personal qualities, the potential for the candidate's skills to augment the existing Board, and the candidate's availability to commit to the Board's activities. If these criteria are met and the Board appoints the candidate as a director, that director must retire at the next annual general meeting and will be eligible for election by shareholders at that meeting.

Induction of new directors

New directors are provided with a formal letter of appointment which sets out the key terms and conditions of appointment, including duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with committee work.

As part of the induction programme, the new director meets with the Chairman, the Audit Committee Chairman, the Managing Director, and other key executives. The programme also includes site visits to some of Industrea's key operations in accordance with the Board's annual programme of site visits.

Knowledge, skills and experience

All directors are expected to maintain the skills required to discharge their obligations to the company.

Directors are provided with papers, presentations and briefings on Group businesses and on matters which may affect the operations of the Group. Directors are also encouraged to undertake continuing education and training relevant to the discharge of their obligations as directors of the company. Subject to prior approval by the Chairman, the reasonable cost of continuing education and training is met by the company.

To assist directors to maintain an appropriate level of knowledge, skill and experience in the operations of the company, directors undertake site visits each year to a number of Industrea's businesses.

Board access to information and independent advice

All directors have unrestricted access to employees of the Group and, subject to the law, access to all company records and information held by Group employees and external advisers. The Board receives regular detailed financial and operational reports from senior management to enable it to carry out its duties.

Each director may obtain independent professional advice at the company's expense, to assist the director in the proper exercise of powers and discharge of duties as a director or as a member of a Board committee.

Directors are entitled to reimbursement of all reasonable costs where a request for reimbursement of the cost of such advice is approved by the Chairman. In the case of a request made by the Chairman, approval is required from the Chairman of the Audit Committee.

Conflicts of interest

Directors are required to avoid conflicts of interest and immediately inform their fellow directors should a conflict of interest arise. Directors are also required to advise the company of any relevant interests that may result in a conflict.

The Board has adopted the use of formal standing notices in which directors disclose any material personal interests and the relationship of these interests to the affairs of the company. A director is required to notify the company of any new material personal interests or if there is any change in the nature or extent of a previously disclosed interest.

Where a matter in which a director has a material personal interest is being considered by the Board, that director must not be present when the matter is being considered or vote on the matter, unless all of the other directors have passed a resolution to enable that director to do so or the matter comes within a category of exception under the Corporations Act 2001.

Operation of the Board

Relevant governance documents

– Board Charter
– Audit Committee Charter
– Nomination Committee Charter
– Remuneration Committee Charter

Committees of the Board

The Board has established an Audit Committee, a Nomination Committee and a Remuneration Committee as standing committees to assist the Board in the discharge of its responsibilities. All directors have a standing invitation to attend committee meetings.

These committees review matters on behalf of the Board and (subject to the terms of the relevant committee's Charter):

- refer matters to the Board for decision, with a recommendation from the committee (where the committee acts in an advisory capacity); or
- determine matters (where the committee acts with delegated authority), which it then reports to the Board.

Details of the membership, composition and responsibilities of each committee are detailed on page 32.

Performance evaluation

A Board performance review was conducted throughout April to June 2010 which was facilitated by an external consultant. The review was undertaken through the completion of a detailed questionnaire by all directors and a selected group of the senior management team followed by interviews with the external consultant. The process also concluded with a facilitated session by the external consultant. The results were considered by the Board as part of an annual planning session in June 2010.

Details of the performance review process for The Managing Director and senior management team are set out in the remuneration report, which forms part of the directors' report on pages 41 to 45 of this Annual Report.

Remuneration

Full details of the remuneration paid to non-executive and executive directors and senior executives are set out in the remuneration report on pages 41 to 45 of this Annual Report.

Ethical conduct and responsible decision-making

Relevant governance documents

– Ethics and Conduct Policy
– Board Charter
– Security Trading Policy

Conduct and ethics

The company has established and seeks to abide by an Ethics and Conduct Policy outlining the basis on which the Company promotes ethical and responsible decision making and behaviour.

The Ethics and Conduct Policy is aimed at maintaining the highest ethical standards of corporate behaviour and accountability across the Group. Employees and directors are expected to respect the law; respect confidentiality; properly use Group assets, information and facilities; value and maintain professionalism; avoid conflicts of interest; act in the best interests of shareholders; contribute to the company's reputation as a good corporate citizen; and act with honesty, integrity, decency and responsibility at all times.

	Audit Committee	Remuneration Committee	Nomination Committee
Members	– Mr Lachlan McIntosh (Chairman) – Mr David Beddall – Mr Tony McDonald	– Mr David Beddall (Chairman) – Mr Tony McDonald – Mr Lachlan McIntosh	– Mr David Beddall (Chairman) – Mr Robin Levison – Mr Tony McDonald – Mr Lachlan McIntosh – Mr Tim Netscher
Composition	The committee must comprise: – only non-executive directors; – a majority of non-executive directors who satisfy the criteria for independence; – a Chairman who satisfies the criteria for independence; – members who have an understanding of financial statements and general accounting principles; and – at least 1 member who has financial experience.	The committee must comprise: – only non-executive directors; and – at least 3 members	The committee must comprise such members as the Board determines from time to time.
Responsibilities include:	– Reviewing all published financial accounts of the company which require approval by the Board of directors, and discussion of the accounts with the external auditors and management prior to their submission to the Board; – Reviewing any changes in accounting policies or practices and subsequent effects on the financial accounts of the company; – Reviewing with management the terms of the external audit engagement in order to make recommendations to the Board; – Reviewing and assessing non audit services to be provided by the external auditor; – Monitoring and assessing the systems for internal compliance and control, legal compliance and risk management; – Advising on the appointment, performance and remuneration of the external auditor; and – Reviewing and monitoring the company's continuous disclosure policies and procedures.	– Reviewing and making recommendations to the Board on remuneration for the non-executive directors and fixed and variable remuneration of the Managing Director (including the level of participation in the long term incentive plan); – Reviewing and approving recommendations from the Managing Director on fixed and variable remuneration for senior executives (including the level and nature of participation in the long term incentive plan); and – Reviewing and approving human resources policies and practices for senior executives.	– Reviewing Board and committee composition and recommending new appointments to the Board and the committees; – Ensuring an effective induction programme for directors; – Reviewing Board succession plans; – Reviewing and making recommendations to the Board on the operation and performance of the Board and its Committees; and Making recommendations for the removal of directors.
Attendance	Details of meeting attendance for members of each committee are set out in the directors' report on page 40 of this Annual Report		

Whistleblower protection

Industrea encourages the reporting of unlawful and unethical behaviour, actively promotes and monitors compliance with the Ethics and Conduct Policy, and protects those who report breaches in good faith.

The Ethics and Conduct Policy provides protection to whistleblowers, as required by the Corporations Act 2001.

Under the policy, whistleblowers are protected from any disadvantage, prejudice or victimisation for reports made in good faith of any breaches of the policy or the Corporations Act 2001.

Guidelines were developed to assist directors and senior executives to manage reports of whistleblower complaints.

Security Trading Policy

The Company's Security Trading Policy regulates dealings by Directors, officers and employees in securities issued by the Company. In certain circumstances, this policy also applies to contractors and consultants. Consistent with the legal prohibitions on insider trading, under the trading policy all employees are prohibited from trading in the Company's issued securities while in possession of unpublished price sensitive information. Price sensitive information is that which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

As contemplated by the ASX listing rules, each Director has agreed to provide notice of any dealings in the Company's securities within 5 business days of any such dealing to enable the Company to comply with its corresponding obligation to notify the ASX. All senior management staff are required to obtain approval to deal in any of the Company's securities prior to placing an order or trade.

A director of Industrea or member of the Executive Management Committee who intends to buy or sell shares must:

- advise the Chairman or Managing Director in advance of their intention to trade; and
- confirm that they do not hold unpublished price sensitive information.

The directors of Industrea must also advise the Chairman if they intend to enter into, or have entered into, a margin lending or other security arrangement affecting the company's securities. The Chairman, in consultation with the Board, determines if such arrangements are material and therefore require disclosure to the market.

The company's Security Trading Policy prohibits directors and members of the Executive Management Committee from trading in the company's securities during 'black out' periods, being the periods:

- between 1 July and the announcement of the full year results;
- between 1 January and the announcement of the half year results; and
- one month prior to the AGM.

The Chairman, in consultation with the Board may permit trading during blackout periods in exceptional circumstances (such as severe financial hardship) and then only if the director or the Executive Management Committee member is not in possession of unpublished price sensitive information.

The company's Security Trading Policy prohibits executive directors and members of the Executive Management Committee from entering into transactions or arrangements which transfer the risk of any fluctuation in the value of shares obtained under Industrea's performance rights plan while the shares are subject to a restriction.

Integrity in financial reporting

Role of the Audit Committee

The Audit Committee monitors internal control policies and procedures designed to safeguard company assets and to maintain the integrity of financial reporting.

The Managing Director, CFO, Company Secretary, external auditor (BDO Audit (Qld) Pty Ltd), and any other persons considered appropriate, attend meetings of the Audit Committee by invitation.

The committee also meets from time to time with the external auditor in the absence of management.

Independence of the external auditor

Appointment of auditor

The company's external auditor is BDO Audit (Qld) Pty Ltd. The effectiveness, performance and independence of the external auditor is reviewed by the Audit Committee.

If it becomes necessary to replace the external auditor for performance or independence reasons, the Audit Committee will formalise a procedure and policy for the selection and appointment of a new auditor.

Independence declaration

The Corporations Act 2001 requires the external auditor to make an annual independence declaration, addressed to the Board, declaring that the auditor has maintained its independence in accordance with the Corporations Act 2001 and the rules of the professional accounting bodies.

BDO Audit (Qld) Pty Ltd has provided an independence declaration to the Board for the financial year ended 30 June 2010.

The independence declaration forms part of the directors' report and is provided on page 47 of this Annual Report.

Rotation of lead external audit partner

Mr Craig Jenkins is the lead audit partner for BDO Audit (Qld) Pty Ltd in relation to the audit of the company. Mr Jenkins was appointed for the audit to 30 June 2008 and will be due for rotation on 30 June 2013.

Restrictions on the performance of non-audit services by the external auditor

As part of the company's commitment to safeguarding integrity in financial reporting, the company has implemented procedures and policies to monitor the independence and competence of the company's external auditor.

Depending on the level of fees quoted for services, the engagement of the external auditor to undertake non-audit services requires the prior written approval of either the CFO, the Chairman of the Audit Committee or the Audit Committee. In the event that the amount of non-audit services fees incurred exceeds the total value of audit fees agreed by the company in that year, then all requests for the performance of non-audit services by the external auditor in excess of this limit must be approved by either the Chairman of the Audit Committee or the Audit Committee.

The Audit Committee has approved guidelines to assist in identifying the types of services that may compromise the independence of the external auditor. Examples of services that are considered to potentially compromise audit independence include valuation services and internal audit services.

Details of fees paid (or payable) to BDO Audit (Qld) Pty Ltd for non-audit services provided to the Industrea Group in the year ended 30 June 2010 are set out in the directors' report on page 46 of this Annual Report.

The Board has considered the nature of the non-audit services provided by the external auditor during the year and has determined that the services provided, and the amount paid for those services, are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and that the auditor's independence has not been compromised.

Attendance of external auditors at annual general meetings

The lead audit partner of BDO Audit (Qld) Pty Ltd attends and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report at the company's annual general meeting.

Continuous disclosure

Relevant governance documents

– Continuous Disclosure Policy

The company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the securities market and has adopted a Continuous Disclosure Policy covering:

- announcements to the ASX;
- prevention of selective or inadvertent disclosure;
- conduct of investor and analyst briefings;
- media communications;
- commenting on expected earnings;
- communication black-out periods; and
- review of briefings and communications.

Under the Continuous Disclosure Policy, the Managing Director, as the nominated disclosure officer, has responsibility for overseeing and coordinating the disclosure of information by the company to the ASX and for administering the policy and the Group's continuous disclosure education programme.

The Managing Director, as the disclosure officer, is also responsible for referring matters for disclosure to the Board. Decisions made by the directors in relation to any disclosures, are recorded at the Board's next meeting.

The Continuous Disclosure Policy, and the associated training and education programme, is reviewed and monitored by the Audit Committee. Compliance with the policy is also monitored by the Board.

Communications with Shareholders

Relevant governance documents

– Shareholder Communications Policy

The company places considerable importance on effective communications with shareholders. The company's Shareholder Communications Policy promotes the communication of information to shareholders through the distribution of an annual report and announcements through the ASX and the media regarding changes in its businesses, and the Chairman's address at the annual general meeting.

The annual and half year reports, ASX and media releases, and copies of significant business presentations and speeches, are available on the company's website. The company also provides shareholders with the opportunity to receive email alerts of significant announcements and advises of the availability of reports on the company's website.

The company regularly reviews its Shareholder Communications Policy and underlying processes to ensure effective communication with shareholders is maintained.

Annual general meeting

The company's annual general meeting is a major forum for shareholders to ask questions about the performance of the Industrea Group. It is also an opportunity for shareholders to provide feedback to the company about information provided to shareholders.

The company welcomes and encourages shareholder participation at general meetings to continue to improve the company's performance and shareholder communication.

Risk Management

Relevant governance documents

– Risk Management Policy

Risk oversight and management

The company is committed to the identification, monitoring and management of material business risks associated with its business activities across the Group and has embedded in its management and reporting systems a number of overarching risk management controls.

The risk management controls adopted by the company include:

- guidelines and limits for approval of all expenditure inclusive of capital expenditure and investments;
- a Group compliance programme supported by approved guidelines and standards covering safety, the environment, legal liability, risk identification, quantification and reporting, and financial controls;
- a comprehensive risk financing programme including risk transfer to external insurers;
- policies and procedures for the management of financial risk and treasury operations, including exposures to foreign currencies and movements in interest rates;
- a formal planning process of preparing three to five year strategic plans for the Group;
- annual budgeting and monthly reporting systems for all businesses, which enable the monitoring of progress against performance targets and the evaluation of trends;
- directors' financial due diligence questionnaires to management;
- appropriate due diligence procedures for acquisitions and divestments; and
- crisis management systems for all key businesses in the Group.

Divisional autonomy and responsibility to the Board

The company manages the diverse nature of its operations across the Group as autonomous divisions. The management of each division is required to implement the risk management policies and internal control systems to best manage the material business risks of the division in accordance with the company's structured group risk management programme.

Risks across all Industrea businesses is centrally collated by the senior management team. Management is required to regularly report to the Board on the effectiveness of the systems in managing the Group's material business risks.

Role of the Audit Committee

The Audit Committee assists the Board in relation to risk management. The Audit Committee executes this function through a compliance reporting programme developed to encompass the areas identified as most sensitive to risk.

Financial reporting

Managing Director and CEO and CFO declaration and assurance

In accordance with section 295A of the Corporations Act 2001, the Managing Director and CFO provided a written statement to the Board ('Declaration') that, in their opinion:

- the company's financial report presents a true and fair view of the company's financial condition and operating results and is in accordance with applicable accounting standards; and
- the company's financial records for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001.

With regard to the financial records and systems of risk management and internal compliance in this written statement, the Board received assurance from the Managing Director and the CFO that the Declaration was founded on a sound system of risk management and internal control and that the system was operating effectively in all material aspects in relation to the reporting of financial risks.

Financial Report

Contents

Directors' Report

The directors present their report on Industrea Limited (the parent company) and its controlled entities for the financial year ended 30 June 2010.

Directors

The directors in office at the date of this report are:

- Hon David P. Beddall MAICD
- Mr Robin Levison CA, GDBA, FAICD
- Mr Lachlan S. McIntosh B. Com
- Mr Anthony J. McDonald LLB, MAICD
- Mr Tim Netscher MBS, B. Com, Bsc (Eng) (Chemical), MAICD

Principal activities

Industrea Limited is headquartered in Queensland, Australia and comprises a group of companies involved in the global provision of mining products and services, with diversified revenue streams arising from asset management and engineering services.

The group's products and services are sold on a wide geographical footprint that includes USA, South Africa, Russia, Indonesia and Papua New Guinea with offices in 5 Australian locations, Santiago in Chile, South America and Beijing China.

The customers based in these areas include BHP Billiton, Rio Tinto Coal, Anglo American, BMA, Barrick Gold, Vale, Xstrata and several of China's leading mining groups including China Shenhua Energy Company, Jincheng Anthracite Mining Group and Shanxi Asian American Daning Energy Co.

Industrea is constantly expanding its range of products and services to suit our client's needs. Our current range of mining products includes but is not limited to:

- Collision Avoidance Systems
- Underground Directional Drilling including methane gas drainage
- Underground flame-proof and explosion-proof vehicles for use in longwall and personnel movement
- Contractor Management
- Mobile Asset Tracking
- Driver Safety performance index

The company also distributes a select range of OEM mining products for Sandvik Voist Alpine, Tagor, Pirtek, Marathon Tyres, Hydco International, Filter Technology Australia and Inbye Mining Services.

Industrea also offers fully integrated outsourced contract mining services through its Huddy's mining services subsidiary including:

- Mine planning
- Project supervisions
- Heavy mining equipment hire
- Trained equipment operator hire
- Overburden, coal and ore body mining and transportation
- Drill and blast planning and activity
- Crushing
- Transport to conveyor, railhead or other transport provider

Dividends

The directors recommend that a final dividend of 1.0 cents per share be paid. The dividend will be 100% franked at 30% corporate tax rate and be payable on 5 November 2010. An interim dividend of 0.3 cents per share was paid during the year, on 29 March 2010. The dividend was 100% franked.

A dividend of 1.0 cents per share was paid during the prior year, on 3 November 2009. The dividend was 100% franked.

Operating results and review of operations

The consolidated profit of the Industrea Group after providing for income tax was $61.9 million (2009: $15.3 million).

A review of the operations of Industrea Group during the year is included in the Managing Director and CEO's Report.

Financial Position

The net assets of the consolidated group increased by $77.2 million, to $240.0 million (2009: $162.9 million) at 30 June 2010. Total assets increased by $39.5 million to $490.3 million. This increase was primarily due to the acquisition of plant and equipment to expand the Mining Services vehicle fleet for new contracts commencing during the year and an increase in receivables and work in progress as a result of increased product sales.

The directors believe the group is in a strong and stable financial position to expand and grow its current operations.

Significant changes in state of affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

1. At the start of the year the company had on issue $75 million in 4% Convertible Bonds. In November 2009, $5 million in bonds were converted to ordinary shares in Industrea Limited. In March and June 2010, the company purchased convertible bonds totalling $17.6 million and $12 million respectively from cash reserves. The balance of bonds outstanding at 30 June 2010 is $40.4 million, the conversion price of the bonds is 39.0 cents per share.
2. In October 2009 the company completed a share purchase plan which raised $21.356 million at an average of 40.9 cents per share. The raising was undertaken for the purpose of providing additional capital for business expansion and resulted in the issue of approximately 52.2 million shares in Industrea Limited.
3. During the year the company instituted a Dividend Reinvestment Plan. The Industrea Dividend Reinvestment Plan provides eligible ordinary shareholders of Industrea Limited with the choice of applying dividends on their ordinary shares to acquiring new fully paid ordinary shares in Industrea rather than receiving those dividends directly in cash. Shares allotted under the Dividend Reinvestment Plan are allotted at the market price at the time of the allotment subject to a discretion by the directors to allow up to a 5% discount to the market price.

Changes in controlled entities

In September 2009, the company disposed of its interest in Microelectronic Technologies Pty Ltd, which was no longer core to operations, to the manager of that business. The total consideration on the sale was $259,000.

No other changes in controlled entities occurred during the year.

After balance date events

On 4 August 2010 Industrea completed for the refinance of senior debt facilities with its syndicate of bankers, National Australia Bank, Commonwealth Bank of Australia and Caterpillar Finance. The refinance extends the term on senior debt to August 2013 as detailed in Note 35.

Other than for the matters noted above, no matters or circumstances have arisen since the end of the financial year which, in the opinion of the Board, have significantly affected or may significantly affect the operations of Industrea Limited or the state of affairs of the group in future financial years.

Future developments and business strategies

Future developments, business strategies and expected future results of the group are referred to in the Managing Directors Report and Review of Operations. Further information as to the likely developments in the operations of the group and expected results of these operations in the subsequent financial years has not been included in this report as the directors believe, on reasonable grounds, it could unreasonably prejudice the interests of the Group.

Environmental issues

The group is subject to laws and regulations relating to protection of the environment.

The Group has implemented systems and processes for the collection and calculation of greenhouse gas emissions and energy use data in order to meet all reporting requirements. The Group did not exceed the facility or corporate reporting threshold for the period 1 July 2009 to 30 June 2010 under the National Greenhouse and Energy Reporting Act 2006.

The Group is not subject to the conditions imposed by the registration and reporting requirements of the Energy Efficient Opportunities Act 2006 in the current financial year as its energy consumption was below the registration threshold.

Directors' Report

Information on directors

Hon David P. Beddall MAICD Non-executive Chairman (Age 61)

Appointed March 1999. Federal Member in the Australian Parliament from 1983 to 1998, including positions as Minister for Resources, Minister for Communications and Minister for Small Business, Constructions and Customs. President of the Australian Franchisees Association of Australia Incorporated, Member of the Australian Competition & Consumer Commission Franchising Consultative Committee, National Councillor (Alternate) of the Australian Industry Group and Councillor – Queensland Executive Member (Branch Secretary & Treasurer) of the Australian Industry Group (Qld). Since leaving Federal Parliament in 1998 David Beddall has operated in the private sector with a mixture of directorships with public and private companies as well as not for profit industry organisations. Member of the Audit Committee, Remuneration Committee and Nomination Committee.

Interest in 1,736,401 shares in Industrea Ltd.

Mr Robin Levison CA, GDBA, FAICD Managing Director & Chief Executive Officer (Age 52)

Appointed November 2005. Previously held the position of Managing Director at Spectrum Resources Limited, a New Zealand stock exchange listed technology investment company. Has also held senior roles with KPMG, investment bank DF Mainland and was a director of share broker Henry Hay McIntosh that later became Merrill Lynch New Zealand. Mr Levison is a director of St Aidan's Foundation Limited. Member of the Nomination Committee.

Interest in 20,000,000 shares in Industrea Ltd and 2,000,000 performance rights over ordinary shares in Industrea Ltd.

Mr Lachlan S. McIntosh B. Com Non-executive Director (Age 45)

Appointed May 2004. Chartered Accountant specialising in profit enhancement and business turnaround. Managing Director of 22 Capital Pty Ltd. Non-Executive Chairman of ASX listed company Allied Brands Ltd (from 2006). Chairman of ASX listed SCV Group Limited (from July 2009). Chairman of the Audit Committee, Remuneration Committee and Nomination Committee.

Interest in 458,516 shares in Industrea Ltd.

Mr Anthony J. McDonald LLB, MAICD Non-executive Director (Age 52)

Appointed 14 November 2007. Lawyer involved in the natural resources sector in Australia and internationally. Previously held positions of director, secretary and legal advisor to a number of listed and unlisted public companies. Non-Executive Director of ASX listed companies Planet Gas Limited (from 2003) and Deep Yellow Limited (from 2007). Member of the Audit Committee, Remuneration Committee and Nomination Committee.

Interest in 552,706 shares in Industrea Ltd.

Mr Timothy C. Netscher MBS, B. Com, Bsc (Eng) (Chemical), MAICD Non-executive Director (Age 60)

Appointed 19 February 2009. Currently Regional Senior Vice President Asia Pacific with Newmont Mining. Previously held executive director and senior management positions with major resource companies including Vale Australia, PT Inco (Indonesia), QNI Pty Ltd (BHP Billiton) and Impala Platinum Holdings Limited (South Africa. Mr Netscher is well known and experienced in the global resources business, having held leadership roles internationally in operations management, capital project development and business and strategy development in the base metals, nickel, coal, gold and platinum group metals industries. Member of the Nomination Committee.

Interest in 304,347 shares in Industrea Ltd.

Company Secretary

The position of company secretary was held by Mr Phillip Hourigan LLB, LLM, MAICD. Mr Hourigan was previously a partner with a leading international law firm. Over 20 years experience in corporate compliance, contract negotiation, technology procurement and intellectual property. Responsible for compliance and risk management at a Group level. Also fulfils statutory function as Company Secretary for all Group companies. Non-executive Director of not for profit Help Enterprises Limited (from 2008).

Meetings of directors

During the financial year, twenty meetings of directors (including committees) were held. Attendances were as follows:

	Directors meetings		Audit committee meetings		Remuneration committee meetings		Nomination Committee	
Directors	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Hon D P Beddall	12	12	2	2	4	4	2	2
Mr R Levison	12	12	-	-	-	-	2	2
Mr L S McIntosh	12	12	2	2	4	2	2	2
Mr A J McDonald	12	12	2	2	4	4	2	2
Mr T C Netscher	12	12	-	-	-	-	2	2

Remuneration Report (Audited)

Remuneration Policy

The remuneration policy of Industrea Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The board of Industrea Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the remuneration committee and approved by the board after reviewing professional advice from independent external consultants.
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and are able to qualify for options and performance incentives.
- The remuneration committee reviews executive packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of executives is measured against agreed criteria set by the board with each executive and is based predominantly on the forecast growth of the consolidated group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option/rights arrangements. Key management personnel who participate in share and option/rights arrangements are subject to a policy governing the use of external hedging arrangements. Such personnel are prohibited from entering into hedge arrangements on vested shares and options/rights which form part of their remuneration package.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options and rights are valued using the Black-Scholes and binomial valuation methodologies.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the consolidated group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

Performance-based remuneration

As part of each executive director and executive's remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between directors/executives with that of the business and shareholders.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the group's goals and shareholder wealth, before the KPIs are set for the following year. Cash bonus payments to Executive Directors and Senior Executives in the current year were determined by the remuneration committee based upon performance against individual performance goals and the successful completion of significant projects up to the date of the bonus payments.

Remuneration Policy (Continued)

Company performance, shareholder wealth and directors and executives remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and executives. The method applied in achieving this is the use of share based payments to encourage alignment of personal and shareholder interests.

Remuneration in the form of cash bonuses and share based payments is dependent on the achievement of predetermined group profitability targets and personal performance criteria specific to individual roles. The following table shows the revenue, profits, dividends and share price for the past five years of the Company. The financial performance of the company over the last five years is reflected by the growth in revenue, profitability and dividends over this time. The share price of the company increased by 40% from the previous year to close at 35 cents at the end of the financial period. In the opinion of the directors, the share price continues to be impacted by industry and broader global financial market conditions however, the Remuneration Committee considers that the Company's performance-linked remuneration structure is appropriate to building shareholder value in the medium to long term.

	2006 ($'000)	2007 ($'000)	2008 ($'000)	2009 ($'000)	2010 ($'000)
Revenue	10,528	65,645	191,992	259,463	313,234
Adjusted Net profit/(loss)*	1,915	18,562	41,972	45,447	49,124
Share price at year end (cents)	7.3	44	49	25	35
Dividend (cents)	0.0	0.30	1.0	1.25	1.30

** Net profit after tax prior to amortisation and impairment of intangible assets and unrealised movements on interest rate hedging agreements.*

No share capital has been bought back during the period other than for treasury shares required to satisfy valid performance criteria.

Service agreements

Remuneration and other terms of employment for executive directors and executives are formalised in service contracts. All agreements with executives are subject to annual review. Each of the agreements provide for base pay, leave entitlements, superannuation and performance-related bonus. The agreements also contain normal provisions relating to the protection of confidential information and intellectual property rights as well as post employment restraints.

Unless otherwise stated, service agreements do not provide for pre-determined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy outlined above.

The manner of payment is determined on a case by case basis and is generally a mix of cash and non-cash benefits as considered appropriate by the Remuneration Committee.

Mr Levison's service agreement has a minimum term of 4 years ending in February 2012 and is able to be terminated at that time or by either party giving 12 months notice. All other executive agreements are expressed to be open ended appointments but may generally be terminated by the giving of three months notice by either party. Termination payments are not payable on resignation or under the circumstances of unsatisfactory performance.

Details of remuneration

The following tables provide remuneration details of people who were, during the financial year, members of key management personnel of the consolidated group and among the five group and company executives receiving the highest remuneration . The key management personnel are the directors of Industrea Ltd and group executive positions reporting directly to the Managing Director and CEO, being:

R Levison	Managing Director and Chief Executive Officer
D Cahill	Chief International Officer
Dr C Doran	Chief Technology Officer
P Hourigan	General Counsel and Company Secretary
D McNamara	Special Advisor to the CEO
K Wallis	Chief Financial Officer
D White	Group Human Resources Manager (appointed 27 January 2010)
R.Neill	Chief Operating Officer (resigned 29 December 2008)

Key Management Personnel	Short-term benefit Cash Salary and fees $	Cash Bonus $	Retention Bonus $	Post employment benefit Super-annuation $	Share based payments Options/ Rights $	Total $	Proportion of remuneration related to performance Options/ Rights %	Total %
Non-Executive Directors								
D Beddall								
2010	91,422	-	-	48,578	-	140,000	-	-
2009	78,422	-	-	61,578	-	140,000	-	-
L McIntosh								
2010	90,000	-	-	-	-	90,000	-	-
2009	90,000	-	-	-	-	90,000	-	-
A McDonald								
2010	90,000	-	-	-	-	90,000	-	-
2009	90,000	-	-	-	-	90,000	-	-
T Netscher								
2010	90,000	-	-	-	-	90,000	-	-
2009	32,679	-	-	-	-	32,679	-	-
Executive Director								
R Levison								
2010	780,000	873,600	-	198,432	52,336	1,904,368	3%	48.6%
2009	806,859	330,000	750,000	100,000	246,766	2,233,625	11%	26%
Other Key Management Personnel								
D Cahill								
2010	250,000	77,188	-	22,500	1,175	350,862	0.33%	22%
2009	170,870	-	-	14,625	15,025	200,520	7%	7%
Dr C Doran								
2010	250,000	76,382	-	22,500	1,175	350,057	0.33%	22%
2009	275,177	-	-	17,185	15,025	307,387	5%	5%
P Hourigan								
2010	232,115	25,615	-	20,890	4,000	282,620	1%	10%
2009	92,566	-	-	7,685	11,766	112,017	11%	11%
K Wallis								
2010	250,000	113,461	-	22,500	1,175	387,136	0.3%	30%
2009	237,126	-	-	20,424	15,025	272,575	6%	6%
D McNamara								
2010	250,000	-	-	-	-	250,000	-	-
2009	150,000	-	-	-	-	150,000	-	-
R Neill**								
2009	184,844	-	-	16,227	-	201,071	-	-
D White*								
2010	60,577	-	-	5,452	-	66,029	-	-
Total								
2010	2,434,114	1,166,246	-	340,852	59,861	4,001,072		
2009	2,208,543	330,000	750,000	237,724	303,607	3,829,874		

** Mr D White was appointed Group Human Resources Manager from 27 January 2010*

•• Mr R Neill resigned as Chief Operating Officer on 29 December 2008

Directors' Report

Details of remuneration (Continued)

Share based payment remuneration relates to the value of performance rights approved by the Board and recognised as an expense during the year. The actual number of rights that will vest to key management personnel is subject to the achievement of profitability and total shareholder return performance criteria as detailed below.

The cash bonus payments were all paid out in terms of the short term incentive scheme. The Managing Director and Chief Executive Officer can earn up to 125% of his fixed annual remuneration as a cash bonus. Other key management personnel can earn up to 50% of their fixed annual remuneration as cash bonuses. All parties receiving bonuses must maintain service to the company and they have a range of differing performance criteria in the form of KPI's assessed annually by the remuneration committee.

Cash Bonuses	R Levison	D Cahill	Dr C Doran	P Hourigan*	K Wallis
Grant Date	Oct 2009	Oct 2009	Oct 2009	Oct 2009	Oct 2009
% paid	90	62	61	20	90
% forfeited	10	38	39	80	10
	100	100	100	100	100

** Mr Hourigan commenced on 20/01/2009. The cash bonus paid in the year was an apportionment of the total entitlement based on 5 months of service.*

Share based payments

Performance Rights

Performance rights over shares in Industrea Limited are granted under the Industrea Performance Rights Plan which was approved by shareholders at the 2008 Annual General Meeting. The plan has been structured based on independent advice to provide long-term incentives for executives to deliver long-term shareholder returns. Under the plan, participants are granted performance rights for no cost which vest if certain performance criteria are met and the employees are still employed by the Group at the end of the vesting period. Participation in the plan is at the discretion of the Board.

The number of Rights that will vest under the Plan will be determined by reference to whether the performance conditions have been satisfied. The performance conditions that apply under the Plan are divided into two components – total shareholder return (TSR) and earnings per share growth (EPSG). Subject to the performance conditions being satisfied, Rights will vest in two instalments as follows:

Instalment	Vesting Date	% of Rights which vest	Performance period
1	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2010.	33%	1 July 2008 to 30 June 2010
2	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2011.	67%	1 July 2008 to 30 June 2011

In respect of each instalment, 50% of the Rights will be tested against TSR and 50% will be tested against EPSG for the relevant performance period.

In respect of TSR testing over a particular performance period, Rights will vest as follows:

TSR of the Company relative to a reference group of Companies (broadly being the ASX 200)	Proportion of Rights that Vest
less than 51st percentile	0
equal to 51st percentile	50%
greater than 51st percentile and less than 75th percentile	Increases on a straight line basis
equal to or greater than 75th percentile	100%

Rights tested against EPSG will vest as follows:

Compound EPSG	Proportion of EPS Rights to vest
less than 5%	0
equal to 5%	50%
greater than 5% and less than 10%	Increases on a straight line basis
equal to or greater than 10%	100%

No amount is payable to participate in the Plan or to acquire any Shares once the Rights vest.

The terms and conditions of performance rights affecting remuneration are as follows;

Grant Date	Date vested and exercisable	Exercise price	Value per performance right
18 November 2008	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2010.	Nil	$0.10 cents per right
18 November 2008	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2011.	Nil	$0.11 cents per right
20 January 2008	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2010.	Nil	$0.10 cents per right
20 January 2008	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2011.	Nil	$0.11 cents per right

Performance rights have no specified exercise period or expiry date and are deemed exercised when vested.

The terms and conditions of performance rights affecting remuneration are as follows;

The assessed fair value of performance rights at grant date is allocated equally over the period from grant date to vesting date and the amount included in the remuneration tables above. Fair values at grant date are independently determined using a binomial pricing model. Further information on Performance rights is set out in Note 32 to the financial statements.

Rights issued as remuneration

Details of rights issued as remuneration to directors and key management personnel are set out below. When exercisable, each performance right is convertible into one ordinary share of Industrea Limited. Performance rights carry no dividend or voting rights. Details regarding the valuation of rights granted during the year are included at Note 32.

	Number of rights granted during the year No.		Value of Rights granted $		Number of rights vested during the year No.	
	2010	2009	2010	2009	2010	2009
Executive Directors						
R Levison	-	2,000,000	-	212,333	-	-
Other key management personnel						
D Cahill	-	500,000	-	53,083	-	-
Dr C Doran	-	500,000	-	53,083	-	-
P Hourigan	-	500,000	-	53,083	-	-
K Wallis	-	500,000	-	53,083	-	-

Option holdings of Directors

Options over shares in Industrea Limited were granted to Directors in 2007. Details of options held by Directors during the year are as follows:

	Exercise Price	Expiry Date	Balance at 1 July 2009	# Movement during year	Balance at 30 June 2010	Vested and exercisable
D Beddall	$0.15	28 September 2009	250,000	(250,000)	-	-
L McIntosh	$0.15	28 September 2009	1,000,000	(1,000,000)	-	-
R Levison	$0.20	14 September 2009	10,000,000	(10,000,000)	-	-

 # All options were exercised at their exercise price during the year. The value of the $0.15 options at the exercise date was $350,000 and the value of the $0.20 options at exercise was $2,250,000. No options were granted or forfeited during the year.

End of Remuneration Report

Indemnifying officers or auditor

During or since the end of the financial year, Industrea Limited has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct, while acting in the capacity of director and/or officer of the Industrea Group, other than conduct involving a wilful breach of duty in relation to the Group and liability arising out of the conduct involving lack of good faith. The contract prohibits disclosure of the nature and limit of the liabilities insured against and the amounts of the premiums paid.

The Auditors have not been indemnified by Industrea Limited.

Options/Rights

At the date of this report, the unissued ordinary shares of Industrea Limited subject to performance rights are as follows:

Grant Date	Date vested and exerciseable	Exercise Price	Rights Outstanding
18 November 2008	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2010.	Nil	1,166,666
18 November 2008	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2011.	Nil	2,333,334
20 January 2009	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2010.	Nil	166,666
20 January 2009	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2011.	Nil	333,334
			4,000,000

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Industrea Group or intervened in any proceedings to which the Industrea Group is a party for the purpose of taking responsibility on behalf of the Industrea Group for all or any part of those proceedings.

The Industrea Group was not party to any such proceedings during the year.

Non-Audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services by BDO Audit (QLD) Pty Ltd during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee or board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2010.

Auditor Independence Declaration

The Auditor independence declaration forms part of the director's report and can be found on page 47.

Rounding of Amounts

The company is an entity to which ASIC Class Order 98/100 applies. Accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the board of directors.

Robin Levison
Managing Director & Chief Executive Officer

Dated this 24th day of September 2010

Auditor's Independence Declaration

BDO

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 18, 300 Queen St
Brisbane QLD 4000,
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY CRAIG JENKINS TO THE DIRECTORS OF INDUSTREA LIMITED

As auditor of Industrea Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Industrea Limited and the entities it controlled during the year.

Craig Jenkins

Director

BDO Audit (QLD) Pty Ltd

Brisbane, 24 September 2010

Statement of Comprehensive Income

for the year ended 30 June 2010

	Notes	Consolidated 2010 ($'000)	Consolidated 2009 ($'000)
Revenue	2	313,234	259,463
Purchases and cost of sales	3(a)	(152,657)	(113,196)
Employee benefits expense		(34,801)	(34,208)
Depreciation and intangible amortisation expenses	3(a)	(37,067)	(36,125)
Impairment – customer contract intangible assets	12	-	(17,185)
Bad and doubtful debts		(62)	(486)
Amortisation – acquisition finance costs		(3,389)	(2,598)
Amortisation – equity component of convertible bonds		(4,900)	(2,989)
Movement in fair value of interest rate swap agreement		3,327	(5,124)
Rental expenses and operating leases		(2,320)	(1,362)
Consultants fees		(1,139)	(703)
Financing costs	3(b)	(16,452)	(15,566)
Other expenses	3(c)	(10,170)	(8,253)
Profit before income tax expense		53,600	21,668
Income tax benefit/(expense)	4	8,376	(6,352)
Net profit attributable to members of Industrea Limited for the year		61,976	15,316
Other comprehensive income			
Movement in value of cash flow hedges- foreign exchange		(5,910)	6,307
Income tax attributable to other comprehensive income		1,773	(1,892)
Other comprehensive income for the year net of tax		(4,137)	4,415
Total comprehensive income attributable to members		57,839	19,731

		(Cents)	(Cents)
Basic earnings per share	31	6.67	1.81
Diluted earnings per share	31	6.09	1.83

(The above statement of comprehensive income should be read in conjunction with the notes to the financial statements)

Statement of Financial Position

as at 30 June 2010

	Notes	Consolidated 2010 ($'000)	Consolidated 2009 ($'000)
Current Assets			
Cash and cash equivalents	5/29	9,187	22,004
Trade and other receivables	6	67,138	44,973
Work in progress		30,630	18,126
Inventories	7	22,914	24,283
Financial assets at fair value through profit or loss	28	43	399
Derivatives	8	398	6,307
Other assets	9	701	399
Total current assets		131,011	116,491
Non-current assets			
Trade and other receivables	10	149	112
Property, plant and equipment	11	181,368	143,095
Intangible assets	12	177,752	191,043
Total non-current assets		359,269	334,250
Total assets		490,280	450,741
Current liabilities			
Trade and other payables	14	37,456	35,953
Current tax liabilities		8,036	13,520
Financial liabilities	15	43,289	17,685
Convertible bonds	17	38,898	-
Short term provisions	16	1,483	920
Vendor liability	30	10,000	15,913
Total current liabilities		139,162	83,991
Non-current liabilities			
Deferred tax liabilities	13	4,429	6,736
Financial liabilities	18	103,879	112,275
Convertible bonds	17	-	68,766
Derivatives	8	2,767	6,094
Vendor liability	30	-	10,000
Total non-current liabilities		111,075	203,871
Total liabilities		250,237	287,862
Net assets		240,043	162,879
Equity			
Issued capital	19	148,160	116,282
Treasury shares	19	(662)	(445)
Options reserve		7,742	7,803
Hedge reserve		278	4,415
Retained earnings		84,525	34,824
Total equity		240,043	162,879

(The above statement of financial position should be read in conjunction with the notes to the financial statements)

Statement of Changes in Equity

for the year ended 30 June 2010

	Note	Issued capital $'000	Treasury shares $'000	Retained earnings $'000	Options reserve $'000	Hedge reserve $'000	Total equity $'000
2010							
Balance at 1 July 2009		**116,282**	**(445)**	**34,824**	**7,803**	**4,415**	**162,879**
Profit after income tax		-	-	61,976	-	-	61,976
Other comprehensive income net of tax		-	-	-	-	(4,137)	(4,137)
Total comprehensive income		-	-	61,976	-	(4,137)	57,839
Transactions with owners in their capacity as owners							
Shares issued during the year net of transaction costs		31,878	-	-	-	-	31,878
On market acquisition		-	(217)	-	-	-	(217)
Share based payments		-	-	-	(61)	-	(61)
Dividends paid		-	-	(12,275)	-	-	(12,275)
Balance at 30 June 2010		**148,160**	**(662)**	**84,525**	**7,742**	**278**	**240,043**
2009							
Balance at 1 July 2008		**91,082**	**-**	**30,315**	**7,612**	**-**	**129,009**
Profit after income tax		-	-	15,316	-	-	15,316
Other comprehensive income net of tax		-	-	-	-	4,415	4,415
Total comprehensive income		-	-	15,316	-	4,415	19,731
Transactions with owners in their capacity as owners							
Shares issued during the year net of transaction costs		25,200	-	-	-	-	25,200
On market acquisition		-	(445)	-	-	-	(445)
Share based payments		-	-	-	191	-	191
Dividends paid		-	-	(10,807)	-	-	(10,807)
Balance at 30 June 2009		**116,282**	**(445)**	**34,824**	**7,803**	**4,415**	**162,879**

(The above statement of changes in equity should be read in conjunction with notes to the financial statements)

Statement of Cash Flows

for the year ended 30 June 2010

	Notes	Consolidated 2010 ($'000)	Consolidated 2009 ($'000)
Cash flows from operating activities			
Receipts from customers		328,966	265,348
Payments to suppliers and employees		(248,432)	(187,054)
Cash flow from operations		80,534	78,294
Interest received		443	1,161
Finance costs		(18,653)	(16,086)
Income taxes refunded/ (paid)		2,455	(20,078)
Net cash inflow provided by (used in) operating activities	29	64,779	43,291
Cash flows from investing activities			
Payments for property, plant and equipment		(42,941)	(9,242)
Payments for subsidiary net of cash acquired		(15,913)	(51,847)
Proceeds from sale of plant and equipment		893	4,377
Payment for development		(1,099)	(1,913)
Other Payments		-	(74)
Net proceeds on disposal of a subsidiary		42	-
Net cash used in investing activities		(59,018)	(58,699)
Cash flows from financing activities			
Proceeds from issue of shares		21,245	-
Share options exercised		4,130	-
Proceeds from borrowings – bank loans		15,000	50,000
Proceeds/(repayment) of bills		13,000	(8,500)
Treasury shares acquired on market		(217)	(445)
Repayment of borrowings		(31,372)	(34,054)
Repayment of convertible bonds		(29,600)	-
Dividends		(10,764)	(10,807)
Net cash provided by/ (used in) financing activities		(18,578)	(3,806)
Net increase/(decrease) in cash held		(12,817)	(19,214)
Cash at the beginning of the financial year		22,004	41,218
Cash at the end of the financial year	29	9,187	22,004

(The above statement of cash flows should be read in conjunction with notes to the financial statements)

The accompanying notes form part of this financial report.

Note 1. Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the consolidated group of Industrea Limited and controlled entities. Industrea Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Industrea Limited and controlled entities complies with all International Financial Reporting Standards (IFRS) in their entirety.

No new Australian Accounting Standards that have been issued but are not yet effective have been applied in the preparation of this financial report.

The financial report has been authorised for issue by the board of directors on 24 September 2010.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

The financial report has been prepared on an accruals basis and is based on historical costs except for derivatives and held-for-trading financial instruments that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged.

a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Industrea Limited ("company" or "parent entity") as at 30 June 2010 and the results of all controlled entities for the year then ended. Industrea Limited and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full. Non controlling interests in the results and equity of controlled entities are shown separately in the consolidated Statement on comprehensive income and Statement of financial performance respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated balance sheet from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Industrea Ltd.

b) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method required that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity.

At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss. Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

Note 1. Statement of significant accounting policies (continued)

c) Income tax

Income tax benefit (expense) for the year comprises current income tax benefit (expense) and deferred income tax benefit (expense).

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Industrea Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

d) Foreign currency translation

Transactions and balances

Foreign currency transactions are initially translated into Australian currency at the rate of exchange on the date of the transaction. At balance date amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are recognised in the statement of comprehensive income.

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

e) Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

f) Trade and other receivables

All trade debtors are recognised at amortised cost using the effective interest method. Collectability of trade debtors is reviewed on an ongoing basis. Debts, which are known to be impaired, are written off or otherwise provided for.

g) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of stock on the basis of weighted average costs.

Notes to the Financial Statements

for the year ended 30 June 2010

Note 1. Statement of significant accounting policies (continued)

h) Financial assets

The Group classifies its financial assets into the categories below. The classification depends on the purpose for which the investments were acquired. Management determines the classifications of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this classification at each reporting date.

Held-to-maturity investments

These investments have fixed maturities and it is the Group's intention to hold these investments to maturity. These investments are recognised at amortised cost using the effective interest method.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

Available for sale financial assets

Available for sale assets are reflected at fair value. Unrealised gains and losses are recognised directly in equity.

Financial Instruments

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Other

Other financial instruments include trade and other receivables and financial liabilities which include trade and other payables and borrowings. Refer to note 1 f), n) and o) for further details.

i) Derivatives and hedging activities

The Group uses derivative instruments such as forward exchange contracts and interest rate swap contracts, to hedge its risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The resulting gain or loss arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, is recognised in the statement of comprehensive income immediately.

The fair value of forward exchange contracts is determined using forward foreign exchange market rates at reporting date. The market rates are provided by the counterparty to the derivative.

The fair value of interest rate swap contracts is calculated as the present value of estimated future cash flows. The interest rate swap contracts do not qualify for hedge accounting. All future interest rate swaps will be accounted for on the basis that they will designated hedges and will qualify as a cash flow hedge.

The foreign exchange contracts entered into by the Group are designated and qualify as cash flow hedges.

The Group documents, at the inception of the hedging transaction, the relationship between hedging instruments and hedged items as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in the hedging transaction have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The gains or losses in respect of hedged transactions, which relate to future sales, are deferred and included in the measurement of the sale to which they relate when the anticipated transaction occurs. Any gains or losses on the hedge transaction after that date are included in the statement of comprehensive income.

The net amount receivable as a result of a hedge transaction is included as an asset or liability in the statement of financial position from the date of inception of the hedge. The corresponding unrealised gain or loss is recognised in equity in the hedging reserve. Changes in the fair value of the forward foreign exchange contracts are recognised through the hedging reserve until the anticipated underlying transaction occurs. Once the anticipated underlying transaction occurs amounts accumulated in equity are recycled through the statement of comprehensive income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that point in time any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity and is recognised when the forecast transaction is ultimately recognised. If a hedged transaction is no longer expected to occur the net cumulative gain or loss recognised in equity is transferred to the statement of comprehensive income for the year.

Note 1. Statement of significant accounting policies (continued)

j) Property, plant and equipment

Plant and equipment are measured on the cost basis less any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment over its expected useful life to the consolidated entity. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful life of plant and equipment is 3 to 10 years. Where items of plant and equipment have separately identifiable components, which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they relate.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased assets or present value of minimum lease payments. Lease payments are allocated between the reduction of the lease liability and interest expense.

Lease payment for operating lease where substantially all the risks and benefit remain with the Lessor are charged as expenses in the period when incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

k) Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

l) Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease, or the estimated useful life of the improvement to the consolidated entity, whichever is the shorter.

m) Intangible assets

Acquired separately and from a business combination

Intangible assets acquired are capitalised at cost. Intangible assets acquired from a business combination are recognised separately from goodwill and capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of intangible assets are assessed and the asset is amortised over its useful life on a straight-line basis. The useful life of acquired customer contracts is 3 years.

Intangible assets are tested for impairment where an indicator of impairment exists. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Note 1. Statement of significant accounting policies (continued)

m) Intangible assets (continued)

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net assets at the date of acquisition.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relative to the entity sold.

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies reflect that the project will deliver future economic benefits and that these benefits can be measured reliably. Development costs are amortised on a straight line basis over an estimated useful life of between 3 and 5 years.

n) Financial liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Convertible bond borrowings are measured at the fair value of the liability portion of the convertible bond as determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bond. The remainder of the proceeds are allocated to the conversion option. This is recognised and included in shareholders equity, net of income tax effects.

o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

p) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The group operates a number of share-based compensation plans. These include both a share option arrangement, employee share scheme and a performance rights plan. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options and rights are ascertained using Black-Scholes and binomial pricing models which incorporate all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

q) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets or relate to establishment costs which are amortised over the term of borrowing.

Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- finance lease charges;
- amortisation of borrowing costs; and
- unwinding of the discount on convertible bonds.

r) Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

Note 1. Statement of significant accounting policies (continued)

s) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the company, excluding any costs of servicing other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

t) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Contract revenue is recognised at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the entity and the economic benefit can be reliably measured. Contract revenue is recognised in the income statement in proportion to the work performed or stage of completion of the transaction at balance date.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

u) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are either credited to deferred income and amortised over the life of the asset to which it relates or deducted from the carrying value of the asset to which it relates.

v) Goods and services tax

Revenues, expense and assets are recognised net of the amount of GST except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. All receivables and payables in the statement of financial position are stated at inclusive of applicable GST. The net amount of GST receivable from or payable to the Australian Taxation Office at the balance date is included in either assets or liabilities as appropriate.

w) Provision for warranties

Provision is made for the Group's estimated liability on all products and services under warranty at balance date. The provision is measured at the present value of estimated future cash flows to settle the warranty obligation.

x) Comparative figures

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

y) Rounding of amounts

The entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly amounts in the financial report and director's report have been rounded off to the nearest $1,000 unless otherwise stated.

z) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. Actual results may differ from these estimates.

Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Note 1. Statement of significant accounting policies (continued)

z) Critical accounting estimates and judgements (continued)

Useful lives of property, plant and equipment and development costs

The Group's management determines the estimated useful lives and related depreciation/amortisation charges for its property, plant and equipment and development costs. The estimates are based on projected utilisation of assets and asset lifecycles for each class of property, plant and equipment and development costs. These could change significantly as a result of technical innovations, competitor actions, industry performance or other factors. Management will increase the depreciation/amortisation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Warranty claims

The Group generally offers warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends or currently known quality information that might suggest that past cost information may differ from future claims. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives, as well as parts and labour costs.

Recognised tax losses

Tax losses have been recognised as it is considered probable that future taxable profits will be generated against which the tax losses could be utilised.

aa) Segment report

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to and reviewed by the Group's chief operating decision maker, which for the Group is the Chief Executive Officer. This change is due to the adoption of IFRS 8 Operating Segments. Previously operating segments were determined and presented in accordance with AASB 14 Segment reporting. The new accounting policy in respect of segment operating disclosures has had no impact on disclosure in the financial statements.

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated entities other components. All operating segments operating results are reviewed regularly by the consolidated entities CEO and Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to and reviewed by the Group's chief operating decision maker, which for the Group is the Chief Executive Officer. This change is due to the adoption of IFRS 8 Operating Segments. Previously operating segments were determined and presented in accordance with AASB 14 Segment reporting. The new accounting policy in respect of segment operating disclosures has had no impact on disclosure in the financial statements.

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated entities other components. All operating segments operating results are reviewed regularly by the consolidated entities CEO and Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO and Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise, mainly corporate assets, head office expenses and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Note 1. Statement of significant accounting policies (continued)

bb) Adoption of new and revised Accounting Standards

The Group has adopted all of the new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current annual reporting period. Disclosures required by these standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of financial statements

AASB 101 prescribes the content and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit and loss are now disclosed as components of “other comprehensive income”. In this regard, such changes are no longer reflected in equity movements in the Statement of Changes in Equity.
- the adoption of the single income statement approach to the presentation of the Statement of Comprehensive Income; and
- other financial statements are renamed in accordance with the Standard.

Operating segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to and reviewed by the Group’s chief operating decision maker, which for the Group is the Chief Executive Officer. In this regard such information is provided using different measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included.

cc) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

- AASB 9 Financial Instruments includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 will become mandatory for the consolidated entity’s 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The consolidated entity has not yet determined the potential effect of the standard.
- AASB 124 Related Party Disclosures (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government related entities. The amendments, which will become mandatory for the consolidated entity’s 30 June 2012 financial statements, are not expected to have any impact on the financial statements.
- AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the consolidated entity’s 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.
- AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions resolves diversity in practice regarding the attribution of cash settled share-based payments between different entities within a group. As a result of the amendments AI 8 Scope of AASB 2 and AI 11 AASB 2 – Group and Treasury Share Transactions will be withdrawn from the application date. The amendments, which become mandatory for the consolidated entity’s 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project (June 2010) and AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (June 2010) contain eleven amendments to six standards and to one interpretation. The amendments will become mandatory for the consolidated entity’s 30 June 2011 and 30 June 2012 financial statements respectively. The consolidated entity has not yet determined the potential effect of these amendments.

Notes to the Financial Statements

for the year ended 30 June 2010

	Consolidated 2010 ($'000)	2009 ($'000)
Note 2. Revenue		
Revenue from operating activities	312,557	258,718
	312,557	258,718
Revenue from outside the operating activities		
Government grants	646	665
Damage recoveries	31	80
	677	745
Revenue	313,234	259,463

Note 3. Profit for the year

	2010 ($'000)	2009 ($'000)
(a) Expenses		
Purchases and cost of sales	152,657	113,196
Depreciation on plant and equipment	22,678	17,308
Amortisation - acquired customer contracts	13,059	17,746
Amortisation – capitalised development costs	1,330	1,071
	37,067	36,125
(b) Finance costs		
Interest and finance charges paid/payable	16,895	16,726
Interest received	(443)	(1,160)
Total	16,452	15,566
(c) Other costs		
Property related expenses	906	673
Travel costs	2,587	2,044
Accounting, tax and audit expenses	416	536
Computer supplies	401	448
Printing and stationery	257	104
Repairs and maintenance	262	393
Legal Fees	500	610
Telephone costs	584	390
Insurance	1,740	1,321
Share registry costs	424	208
Other	2,093	1,526
Total	10,170	8,253

	Consolidated 2010 ($'000)	Consolidated 2009 ($'000)

Note 4. Income tax expense

INCOME TAX

(a) Income tax expense / (benefit)

	2010 ($'000)	2009 ($'000)
Income tax comprises		
Current tax expense / (benefit)	8,895	16,749
Deferred tax expense / (benefit)	(534)	(11,055)
Under / (over) provided in prior year#	(16,737)	658
Income tax expense / (benefit)	(8,376)	6,352

(b) The Prima facie tax on profit before income tax is reconciled to the income tax provided in the financial report as follows:

	30% Tax Rate 2010 ($'000)	30% Tax Rate 2009 ($'000)
Prima facie tax payable on profit before income tax at 30% (2009: 30%):	16,080	6,500
Tax on Foreign Income	50	-
Add Tax effect of:		
Amortisation of intangible assets	3,918	9,700
Non-deductible amortisation of R & D and capitalised borrowing costs	1,387	1,071
Amortisation of conversion right	1,470	897
Other non-deductible items	226	11
Sub total	23,131	18,179
less Tax Effect of:		
Investment allowance claimed	(1,515)	(99)
Tax cost setting of intangible assets	(2,896)	-
Tax depreciation in excess of accounting depreciation	(1,363)	-
Work in progress	(4,175)	-
Interest rate swap	(998)	1,537
Repairs and maintenance claims	(1,008)	-
Other non-assessable income items	(1,394)	(1,669)
Prior period tax losses utilised in current year	(887)	(1,199)
	8,895	16,749
Under / (over) provided in prior year #	(16,737)	658
Net movement in opening and closing deferred tax asset and deferred tax liability	(534)	(11,055)
Income tax expense / (benefit)	(8,376)	6,352

(c) Tax effects relating to other comprehensive income.

	2010 ($'000)	2009 ($'000)
Tax effect of derivative instruments: hedge accounted	(1,773)	1,892
	(1,773)	1,892

 # The over provision for the prior year includes an adjustment of $20.19 million for a deduction claimed in the 2009 income tax return, but not included in the 30 June 2009 financial statements. The deduction is for the value of customer contracts following amendments to the legislation this financial year.

Note 4. Income tax expense (continued)

Tax consolidation legislation

Industrea limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Industrea Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Industrea Limited for any current tax payable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Industrea Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities financial statements.

The amounts receivable/payable under the tax funding agreement are due upon the receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may as also require payment of the interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as the current intercompany receivables or payables.

Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the group taxpayer approach to allocation.

	Consolidated	
	2010 ($'000)	2009 ($'000)
Note 5. Current assets – Cash and cash equivalents		
Cash at bank and on hand	9,187	22,004
Note 6. Current assets – Trade and other receivables		
Trade receivables	67,160	45,392
Provision for impairment of receivables	(22)	(419)
	67,138	44,973
An impairment loss of $22,000, (2009: $419,000) has been provisioned for customers who were in receivership or under administration at the end of the financial year.		
As of 30 June 2010, trade receivables of $4.152 million (2009: $1.419 million) were past due but not impaired. The receivables relate to a number of longstanding customers for whom there is no history of default. The ageing analysis of these trade debtors is as follows;		
Up to 3 months	3,014	431
3 to 6 months	662	988
Over 6 months	476	-
	4,152	1,419
Note 7. Current assets – Inventories		
Raw materials and stores – at cost	7,969	16,494
Finished goods – at cost	15,218	7,788
	22,914	24,293

	Consolidated	
	2010 ($'000)	2009 ($'000)

Note 8. Derivatives

	2010 ($'000)	2009 ($'000)
Current assets		
Forward exchange contracts	398	6,307
	398	6,307
Non-current liabilities		
Interest Rate Swap Agreements	2,767	6,094
	2,767	6,094

Forward exchange contracts – cash flow hedges

In accordance with treasury risk management policies, the Group uses forward exchange contracts to hedge against movements in contracted and anticipated future sales in foreign currencies. The Group designates certain forward exchange contract derivatives as hedging instruments. Designated derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at reporting date. Movements in the fair value of designated derivatives are recognised directly in a hedge reserve in equity.

Interest rate swap agreements

The Group uses interest rate swap agreements to hedge against fluctuations in interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The interest rate swap agreements do not qualify for hedge accounting. The resulting gain or loss arising from changes in the fair value of the derivatives is therefore recognised in the statement of comprehensive income.

	Consolidated	
	2010 ($'000)	2009 ($'000)

Note 9. Current assets - Other assets

	2010 ($'000)	2009 ($'000)
Prepayments	701	399
	701	399

Note 10. Non-current assets – Trade and other receivables

	2010 ($'000)	2009 ($'000)
Other receivables	149	112
	149	112

	Consolidated 2010 ($'000)	Consolidated 2009 ($'000)
Note 11. Non-current assets – Property, plant and equipment		
Land and buildings		
At cost	7,510	7,452
Accumulated depreciation	(522)	(458)
	6,988	6,993
Plant and equipment		
At cost	113,361	71,440
Accumulated depreciation	(30,748)	(16,292)
	82,613	55,149
Plant and equipment under hire purchase		
At cost	114,357	95,385
Accumulated amortisation	(22,590)	(14,431)
	91,767	80,953
Total plant and equipment	181,368	143,095

Non-current assets pledged as security

Refer to note 18 for information on non-current assets pledged as security by the parent entity or its controlled entities.

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Land and Buildings ($'000)	Plant and equipment ($'000)	Leased plant & equipment ($'000)	Total ($'000)
Consolidated				
Carrying amount at 1 July 2009	6,993	55,149	80,953	143,095
Additions	58	41,834	19,653	61,545
Disposals	-	(171)	(413)	(584)
Disposals through disposal of entity	-	(10)	-	(10)
Transfer between classes	-	268	(268)	-
Depreciation/Amortisation expense	(63)	(14,457)	(8,158)	(22,678)
Carrying amount at 30 June 2010	6,988	82,613	91,767	181,368
Consolidated				
Carrying amount at 1 July 2008	4,641	50,170	98,661	153,472
Additions	-	8,906	336	9,242
Disposals	-	(69)	(4,832)	(4,901)
Transfer between classes	-	3,857	(3,857)	-
Additions through acquisition of entity	2,408	182	-	2,590
Depreciation/Amortisation expense	(56)	(7,897)	(9,355)	(17,308)
Carrying amount at 30 June 2009	6,993	55,149	80,953	143,095

	Consolidated	
	2010 ($'000)	2009 ($'000)

Note 12. Non-current assets – Intangible assets

	2010 ($'000)	2009 ($'000)
Goodwill	169,622	169,622
Development cost capitalised	3,776	4,008
Customer contract valuation	4,354	17,413
Total non-current assets	177,752	191,043
Goodwill		
Opening balance	169,622	178,338
Adjustment to provisional accounting for Huddy's acquisition and earn-out	-	(9,405)
Acquisition of Kade Engineering	-	689
Closing balance	169,622	169,622
Development costs		
Development costs	6,737	6,580
Accumulated depreciation	(2,961)	(2,572)
	3,776	4,008
Opening balance	4,008	3,166
Capitalised	1,098	1,913
Amortised	(1,330)	(1,071)
Closing balance	3,776	4,008
Customer contract valuation		
Customer contracts	67,300	67,300
Accumulated amortisation/impairment	(62,946)	(49,887)
	4,354	17,413
Opening balance	17,413	52,344
Amortisation of customer contracts	(13,059)	(17,746)
Impairment of customer contracts	-	(17,185)
Closing balance	4,354	17,413

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the income statement. Goodwill has an indefinite life.

Notes to the Financial Statements

for the year ended 30 June 2010

Note 12. Non-current assets – Intangible assets (continued)

Impairment Disclosures

Goodwill

Goodwill has been allocated for impairment testing purposes to the following cash generating units.

	2010 ($'000)	2009 ($'000)
Huddy's Mining Services	139,057	139,057
Diesel Equipment	13,584	13,584
Technology	16,981	16,981
Total	169,622	169,622

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period with the period extending beyond 5 years extrapolated using an estimated growth rate. The cash flows are discounted using a discount rate of 18%. The long-term growth rate used to extrapolate cash flows beyond the five year period is 2% for the Huddy's Mining Services cash generating unit, and Nil for the other cash generating units. Long term growth rates used are consistent with forecasts included in industry reports and below historical growth rates achieved by the cash generating units.

Management has based the value-in-use calculations on approved budgets for each cash generating unit. Management has determined these budgets based on past performance and its expectations for the future. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period which are consistent with inflation rates applicable to the locations in which the cash generating units operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

Customer contract intangible assets

The impairment charge of $17.185 million in 2009 arose in the Huddy's Mining Services cash generating unit following the termination of the Handlebar Hill Open Cut Mine with effect from 12 February 2009. The carrying value of customer contract intangible assets at 30 June 2010, of $4.4 million, will be amortised to the statement of comprehensive income over the remaining useful life, being 4 months, in accordance with the Company's accounting policy.

Note 13. Deferred Tax

2010 Consolidated	Opening Balance ($'000)	Net Charged to Income ($'000)	Net Charged to Equity ($'000)	Closing Balance ($'000)
Deferred tax asset				
Carried forward tax losses	831	372	-	1,203
Employee benefits	795	72	-	867
Interest Rate Swaps	1,828	(998)	-	830
Provisions		224	64	-
Gross deferred tax assets	3,677	(490)	-	3,187
Deferred tax liability			-	
Deferred tax liability recognised on customer contracts	5,224	(6,814)	-	(1,590)
Deferred tax recognised on conversion right charged to equity	1,870	(1,420)	-	450
Deferred tax recognised on Foreign exchange contracts	1,892	-	(1,773)	119
Revaluations of financial assets	84	35	-	119
Property, plant and equipment	-	2,371	-	2,371
Development and government grants	1,342	392	-	1,734
Work in Progress	-	4,175	-	4,175
Borrowing costs	-	237	-	237
Gross deferred tax liabilities	10,413	(1,024)	(1,773)	7,616
Total net deferred tax liabilities	6,736	(534)	(1,773)	4,429

Note 13. Deferred Tax (continued)

2009 Consolidated	Opening Balance ($'000)	Net Charged to Income ($'000)	Net Charged to Equity ($'000)	Closing Balance ($'000)
Deferred tax asset				
Carried forward tax losses	2,030	(1,199)	-	831
Employee benefits	720	75	-	795
Interest Rate Swaps	291	1,537	-	1,828
Provisions	401	(177)	-	224
Gross deferred tax assets	3,442	236	-	3,677
Deferred tax liability	-		-	
Deferred tax liability recognised on customer contracts	15,703	(10,479)	-	5,224
Deferred tax recognised on conversion right charged to equity	2,767	(897)	-	1,870
Deferred tax recognised on Foreign exchange contracts	-	-	1,892	1,892
Revaluations of financial assets	84	-	-	84
Property, plant and equipment	520	(520)	-	-
Development and government grants	265	1,077	-	1,342
Gross deferred tax liabilities	19,339	(10,819)	1,892	10,413
Total net deferred tax liabilities	15,897	(11,055)	1,892	6,736

	Consolidated	
	2010 ($'000)	2009 ($'000)

Note 14. Current liabilities –Trade and other payables

Unsecured		
Trade payables	29,282	29,406
Other payables and accrued expenses	8,174	6,547
	37,456	35,953

Note 15. Current liabilities – Financial liabilities

Secured		
Hire purchase liabilities	17,851	17,568
Bank bills	13,000	-
Bank loans	15,000	2,700
Capitalised borrowing costs	(2,562)	(2,628)
	43,289	17,640
Unsecured		
Corporate Credit Card	-	45
Total Current Financial liabilities	43,289	17,685

Refer to Note 18 for terms and conditions.

Notes to the Financial Statements

for the year ended 30 June 2010

Note 16. Short term provisions

2010 Consolidated	Short term employee benefits $'000	Warranties $'000	Total $'000
Opening Balance at 1 July 2009	800	120	920
Increase/(decrease) in provision	(317)	880	563
Closing Balance at 30 June 2010	483	1,000	1,483

The warranties provision provides for production faults estimated to be incurred on equipment sold.

2009 Consolidated	Short term employee benefits $'000	Warranties $'000	Total $'000
Opening Balance at 1 July 2008	571	717	1,288
Increase/(decrease) in provision	229	(597)	(368)
Closing Balance at 30 June 2009	800	120	920

Note 17. Convertible bonds - Unsecured

The terms and conditions of the convertible bonds are:

Conversion: Holders of the bonds will have the right to convert Bonds into Ordinary shares at the then applicable conversion price at any time on or after the date which is 10 trading days after the date of public announcement by the issuer of its preliminary consolidated financial results for the year ended 30th June 2008 up to the close of business on the date which is 10 business days prior to the Maturity Date or, if the bond has been called for redemption prior to the Maturity Date, then up to the close of business on the date which is 10 days prior to the date fixed for redemption thereof. The issuer may elect in lieu of issuing Ordinary Shares upon any conversion of a Bond to pay the holder an amount equal to the value of the ordinary shares.

Maturity Date: 28th March 2011

Interest rate: 4 %

Initial conversion price: A$0.60

Conversion price reset: On the date falling 10 trading days immediately after the results announcement date and each 20 March commencing 20 March 2009 the conversion price will be reset to the lower of (a) the arithmetic average of the VWAP for one ordinary share for the 10 consecutive trading days ending on the day immediately prior to the reset date and (b) the then prevailing Conversion Price, provided that the adjusted conversion price is not less than 65 % of the Initial Conversion Price.

Conversion price after reset post 20 March 2009 reset is A$0.39.

A reconciliation of the carrying value of the convertible bond to the face value of the bond is as follows:

	2010 $'000	2009 $'000
Convertible bond at face value	75,000	75,000
Fair value of convertible bond recognised in equity	(10,375)	(10,375)
Recognised at initial receipt of bond	64,625	64,625
Bonds converted into equity during the year	(5,000)	-
Bonds repaid during the year	(29,600)	-
Cumulative amortisation of the fair value through the statement of comprehensive income	8,873	4,141
Carrying value at year end	38,898	68,766

	Consolidated	
	2010 ($'000)	2009 ($'000)

Note 18. Non-current liabilities – Financial liabilities

	2010 ($'000)	2009 ($'000)
Secured		
Hire purchase liabilities	13,346	16,220
Bank loans	90,533	98,032
Capitalised borrowing costs	-	(1,977)
Total non-current interest bearing liabilities	103,879	112,275
Total secured liabilities		
Total secured liabilities (current and non-current) are:		
Bank bills	13,000	-
Hire purchase liabilities	31,197	33,787
Bank loans	105,533	100,732
Total secured liabilities	149,730	134,519
CREDIT STANDBY ARRANGEMENTS		
Bank Guarantee facilities		
Bank Guarantee facility	232	232
Utilised at balance date	158	158
Unutilised at balance date	74	74
Bank Working Capital facilities		
Total working capital facilities	39,768	24,748
Utilised working capital facility at balance date	22,852	7,648
Unutilised at balance date	16,916	17,100
Bank loan facilities		
Total Bank loan facilities	115,532	125,732
Utilised bank loan facility at balance date	105,532	100,732
Unutilised at balance date	10,000	25,000
Convertible Bond facilities		
Total Convertible bond facility	40,400	75,000
Utilised Convertible Bond facility at balance date	40,400	75,000
Unutilised at balance date	-	-

Utilised working capital facilities at 30 June 2010 comprises performance bonds raised in favour of offshore customers and a bill draw down to the value of $13 million (2009: nil) to fund short term working capital needs. The performance bonds are required to be in place, in accordance with contractual terms, during the build and warranty period of export sales.

Note 18. Non-current liabilities – financial liabilities (continued)

Lease and hire purchase

Lease and hire purchase liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Borrowing costs

Borrowing costs relate to expenses incurred in relation to the issue of the bank loans. These costs are being amortised over period to maturity of the bank loans.

Bank Loans and overdraft

The bank facilities of Industrea Limited and its subsidiaries are secured by an interlocking guarantee and indemnity between Industrea Limited and its subsidiaries, supported by a fixed and floating charge over the whole of the assets and uncalled capital and uncalled but unpaid capital of Industrea Limited and its subsidiaries. In addition the bank has Commercial Mortgages over all the land and building assets of Industrea Limited and its subsidiaries. Industrea Limited has also provided a negative pledge to National Australia Bank.

All debt facilities, with the exception of the convertible bonds, have been refinanced subsequent to year end as disclosed in Note 35.

Note 19. Issued Capital

Movements in ordinary share capital - 2010

Date	Details	Number of shares	Issue price	($'000)
1-Jul-09	**Balance**	**864,023,140**		**116,282**
07 Aug 2009	Options exercised	250,000	0.15	37
27 Aug 2009	Options exercised	2,875,000	0.15	432
07 Sept 2009	Options exercised	5,000,000	0.19	950
03 Sept 2009	Options exercised	500,000	0.15	76
07 Sept 2009	Options exercised	875,000	0.15	131
09 Sept 2009	Options exercised	250,000	0.15	38
14 Sept 2009	Options exercised	5,000,000	0.20	1,050
16 Sept 2009	Options exercised	1,000,000	0.15	150
17 Sept 2009	Options exercised	1,000,000	0.15	150
18 Sept 2009	Options exercised	750,000	0.15	112
22 Sept 2009	Options exercised	2,500,000	0.15	375
23 Sept 2009	Options exercised	4,200,000	0.15	630
31 Oct 2009	Share issue plan	52,189,014	0.4092	21,355
03 Nov 2009	Dividend reinvestment plan	2,504,038	0.46	1,152
18 Nov 2009	Convertible bond conversion	12,820,512	0.39	5,000
31 Mar 2010	Dividend reinvestment plan	932,176	0.3753	350
	Share issue costs			-110
		956,668,880		**148,160**

Movements in ordinary share capital - 2009

1-Jul-08	**Balance**	**790,136,843**		**91,082**
01 Oct 2009	Huddy's Mining Services Tranche 2 payment	72,886,297	0.343	25,000
28 Feb 2009	Acquisition of Kade Engineering	1,000,000	0.20	200
		864,023,140		**116,282**

Unquoted options	2010 Number	2009 Number
Opening balance	24,200,000	24,200,000
Exercised	(24,200,000)	-
Closing balance	-	24,200,000

Note 19. Issued Capital (continued)

Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Treasury Shares

Treasury shares are shares in Industrea Limited that are held by the Industrea Performance Rights Plan Trust for the purpose of issuing shares under the Industrea Performance Rights Plan.

Movements in treasury shares – 2010

Date	Detail	Number of shares	$'000
Open balance		3,500,080	445
11 Sept 2009	Share issue plan	36,577	15
06 Oct 2009	On market acquisition of shares by the Trust	500,000	215
	Dividend		(13)
Closing balance		4,036,657	662

Movements in treasury shares - 2009

Date	Detail	Number of shares	$'000
8 Dec 2008	On market acquisition of shares by the Trust	500,000	72
16 Dec 2008	On market acquisition of shares by the Trust	500,000	74
23 Feb 2009	On market acquisition of shares by the Trust	1,000,000	102
4 Mar 2009	On market acquisition of shares by the Trust	500,000	50
27 Mar 2009	On market acquisition of shares by the Trust	399,618	59
31 Mar 2009	On market acquisition of shares by the Trust	100,382	15
1 Apr 2009	On market acquisition of shares by the Trust	491,294	72
3 Apr 2009	On market acquisition of shares by the Trust	8,786	1
Closing balance		3,500,080	445

Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the group can fund its operations and continue as a going concern.

The group's capital includes ordinary share capital and financial liabilities, supported by assets. There are no externally imposed capital requirements other than covenants on financial liabilities.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, dividends to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. The gearing ratio (calculated as total debt as a proportion of total assets) are as follows:

	2010 $'000	2009 $'000
Total debt	186,066	208,726
Total assets	490,280	450,741
Gearing ratio	38%	46%

Note 20. Dividends

The directors recommend a fully franked dividend of 1.0 cent per share (2009: 1.0 cents) to be paid to the holders of ordinary shares on 5 November 2010. The total amount of the dividend will approximate $9.6 million (2009: $9.4 million). The dividend has not been provided for in the financial statements. A fully franked interim dividend of 0.3 cents per share (2009: 0.25 cents) was paid on the 27 March 2010 amounting to $2.867 million (2009: $2.2 million). The total dividend for the year would be, inclusive of the proposed final dividend, 1.3 cents per share (2009: 1.25 cents).

The franked portion of the final dividend recommended after 30 June 2010 will be franked from existing franking credits. Franking credits available for subsequent years, based on a 30% tax rate, are $25.69 million (2009: $43.29 million). This balance includes franking credits that will arise from the payment of the provision for income tax and the impact of the estimated final dividend not recognised in the financial statements.

Note 21. Financial Risk Management

a) Financial Risk Management Policies

The group's financial instruments consist mainly of deposits with banks, loans and finance leases, investments, accounts receivable and payable, loans to and from subsidiaries, and derivatives.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

Derivatives are used by the group for hedging purposes. Such instruments include forward exchange and currency option contracts and interest rate swap agreements. The group does not speculate in the trading of derivative instruments.

A finance committee consisting of senior executives of the group meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The committee's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The finance committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

The main risks the Group is exposed to through the use of its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk, and share price risk. This note presents information about the exposure to each of the above risks. Further quantitative disclosures are included throughout these consolidated financial statements.

i) Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt and interest rate derivatives. At 30 June 2010, 28% of group interest bearing debt is fixed (2009: 96%). For further details on interest rate risk refer to Note 21 b (iii) below. Interest rates applicable to each class of asset or liability are detailed in individual notes to the financial statements.

The groups cash deposits and variable interest rate borrowings (including the interest rate swap) are sensitive to movements in interest rates. At 30 June 2010, the net effect on full year profit and equity as a result of a 100 basis point movement up or down in interest rates received and paid on variable interest rate securities, with all other variables remaining constant, would be an expense or benefit of $255,819, (2009: expense or benefit $20,972).

ii) Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the group's functional currency.

The group's policy is to hedge all material foreign currency sale contracts at the time that documentary letters of credit relating to the sale contract are in place. As such the sensitivity of profit and equity to foreign currency movements at 30 June 2010 is immaterial (2009: immaterial).

iii) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Credit risk arises from cash and cash equivalents, forward foreign exchange contracts and interest rate swap contracts, as well as credit exposures to customers.

The maximum exposure to credit risk, at the end of the reporting period, to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. Cash and cash equivalents are held in financial institutions having an AA credit rating.

Note 21. Financial Risk Management (continued)

Credit risk is managed through the use of procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound creditworthiness. Such monitoring is used in assessing receivables for impairment. All potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and customers that do not meet the group's strict credit policies may only purchase in cash or using documentary letters of credit from a recognised financial institution. Included in trade receivables are significant customers located in China that account for 43% of trade receivables at 30 June 2010 (2009: 35%).

Credit risk for derivative financial instruments arises from the potential failure by counter-parties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts and interest rate swaps is the net fair value of these contracts as disclosed in Note 8. Information on significant customers can be found in the segment report, Note 25.

iv) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group manages liquidity risk by monitoring forecast cash flows, the collection of trade receivables and payment of trade payables, use of borrowing facilities and ensuring that adequate unutilised borrowing facilities are maintained as disclosed in Note 18.

v) Share price risk

The group has investments in a number of ASX listed companies and a long term shareholding in CER Group Limited, a New Zealand stock exchange listed company. These investments are exposed to movements in the market price of their equity securities.

At 30 June 2010 the net effect on profit and equity of a 10% increase or decrease in the market value of the equity securities, with all other variables remaining constant is $4,300 (2009: $39,900 up/down).

b) Financial Instruments

i) Derivative Financial Instruments

Derivative financial instruments are used by the group to hedge exposure to exchange rate risk associated with foreign currency transactions and interest rate risk associated with movements in interest rates which impact on the borrowings of the consolidated group. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with.

ii) Forward exchange contracts – cash flow hedges

The group enters into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the economic entity against unfavourable exchange rate movements for both the contracted and anticipated future sales and purchases undertaken in foreign currencies.

Hedge accounting is applied to forward exchange contracts. At the end of the reporting period, the details of outstanding forward exchange contracts are:

	Sell USD/Buy AUD		Average Exchange Rate	
Notional amounts	2010 $'000	2009 $'000	2010 cents	2009 cents
Less than 6 months	37,336	24,903	83.15	69.0
Greater than 6 months	1,021	5,481	83.15	68.7

iii) Interest rate swaps

Interest rate swap transactions entered into by the consolidated group to exchange variable for fixed interest payment obligations to protect long-term borrowings from the risk of increasing interest rates. The consolidated group has both variable and fixed interest rate debt and enters into swap contracts to receive interest at both variable and fixed rates and to pay interest at fixed rates.

The notional principal amounts of the swap contracts are set in accordance with requirements of the consolidated group's borrowing facility. The settlement dates of the swap contracts correspond with interest payment dates of the borrowings which require settlement of net interest payable or receivable every 90 days. The swap contracts require settlement of the net interest receivable or payable and are brought to account as an adjustment to borrowing costs.

At balance date, the group had a swap contract in place over principal debt of $60 million, which reduces down to $30 million on 28 February 2011 and $Nil at 28 February 2012. The interest rate resets on a quarterly basis at a rate not exceeding 8.8%. As at 30 June 2009, the swap contract in place was for a principal debt of $75 million escalating to $90 million by the 30th November 2009 with the interest rate reset to a rate not exceeding 8.8%.

Notes to the Financial Statements

for the year ended 30 June 2010

Note 21. Financial Risk Management (continued)

iv) Financial assets and liabilities maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial performance. Derivative financial instruments have not been included in the maturity analysis as these contracts are settled on a net basis. Capitalised borrowing costs are also not included in the tables below.

2010 Consolidated	Note	Carrying amount ($'000)	Total Contractual cash flows ($'000)	Less than1 year ($'000)	1 to 3 years ($'000)	Greater than 3 years ($'000)
Financial assets						
Cash and cash equivalents	5	9,187	9,187	9,187	-	-
Trade and other receivables	6/10	67,287	67,287	67,138	149	-
Financial assets at fair value through profit or loss	28	43	43	-	-	43
		76,517	76,517	76,325	149	43
Financial liabilities						
Trade and other payables	14	37,456	37,456	37,456	-	-
Hire purchase liabilities	15/18	31,197	33,546	19,674	13,872	-
Bank Loans	15/18	105,532	123,139	21,719	40,887	60,532
Vendor Liability	30	10,000	10,000	10,000	-	-
Convertible bond	17	38,898	41,477	41,477	-	-
Bank Bill	15	13,000	13,000	13,000	-	-
		236,083	258,618	143,326	54,759	60,532
Total expected outflows		**(159,566)**	**(182,101)**	**(67,001)**	**(54,610)**	**(60,489)**

2009 Consolidated	Note	Carrying amount ($'000)	Total Contractual cash flows ($'000)	Less than1 year ($'000)	1 to 3 years ($'000)	Greater than 3 years ($'000)
Financial assets						
Cash and cash equivalents	5	22,004	22,004	22,004	-	-
Trade and other receivables	6/10	45,085	45,085	44,973	112	-
Financial assets at fair value through profit or loss	28	399	-	-	-	399
		67,488	67,488	66,977	112	399
Financial liabilities						
Trade and other payables	14	35,953	35,953	35,953	-	-
Corporate Credit Card	15	45	45	45	-	-
Hire purchase liabilities	15/17	33,788	39,579	19,565	20,014	-
Bank Loans	15/17	100,732	115,856	11,341	104,515	-
Vendor Liability	30	25,913	25,913	15,913	10,000	-
Convertible bond	17	68,766	80,250	3,000	77,250	-
		265,197	297,596	85,817	211,779	-
Total expected outflows		(197,709)	(230,188)	(18,840)	(211,667)	399

The tables above reflect contractual maturities that existed as at 30 June 2010 and 2009, notwithstanding that the group refinanced its debt subsequent to 30 June 2010 as detailed in Note 35.

Note 21. Financial Risk Management (continued)

v) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying amounts. The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability , either directly (i.e., as prices) or indirectly (i.e., derived from prices); or

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2010	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Listed equity securities	43	-	-	43
Foreign exchange contracts	-	398	-	398
Interest rate swap liability	-	(2,767)	-	(2,767)
	43	(2,369)	-	(2,326)
2009				
Listed equity securities	399	-	-	399
Foreign exchange contracts	-	6307	-	6307
Interest rate swap liability	-	(6,094)	-	(6,094)
	399	213	-	612

Note 22. Auditors remuneration

	Consolidated 2010 $	Consolidated 2009 $
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:		
Auditor of the parent entity – BDO	179,000	262,000
	179,000	262,000

Note 23. Contingent Assets and Liabilities

Wadam Industries, a wholly owned subsidiary of Industrea, has put in place performance bonds on equipment delivered into China and are issued in the normal course of business. The value of performance bonds at 30 June 2010 was $9.4 million (2009:$7.4 million).

Note 24. Leasing commitments

	Consolidated 2010 ($'000)	Consolidated 2009 ($'000)
Hire purchase		
Commitments in relation to hire purchase agreements are payable as follows:		
Within 1 year	19,674	19,509
Later than 1 year but not later than 5 years	13,872	17,071
Minimum lease payments	33,546	36,580
Less: Future finance charges	(2,349)	(2,792)
Total hire purchase liabilities	31,197	33,788
Representing hire purchase liabilities:		
Current (see Note 15)	17,851	17,568
Non-current (see Note 18)	13,346	16,220
	31,197	33,788

The group has hire purchases over predominately mining equipment with terms ranging from 3 to 4 years. The finance is provided by a syndicate of financiers with generally no terms to extend.

The weighted average interest rate implicit in the leases is 8.01 % (2009: 7.95%).

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable

	Consolidated 2010 ($'000)	Consolidated 2009 ($'000)
Operating leases		
Within 1 year	1,678	1,218
Later than 1 year but not later than 5 years	2,278	3,170
	3,956	4,388
Representing:		
Non-cancellable leases	3,956	4,388

The group leases various offices, motor vehicles and items of plant and equipment under non-cancellable operating leases within 1 to 5 years. The leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated.

Note 25. Segment information

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer, who is the Group's chief operating decision maker, in assessing performance and determining the allocation of resources.

The group is managed primarily on the basis of product category and service offerings since the diversification of the group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- The product sold and services provided by the segment;
- The manufacturing process;
- The type or class of customer;
- The distribution method; and
- Regulatory environments.

The group has identified three reportable segments on this basis. The Mining Services segment is involved in the provision of open cut mining and civil earthwork services including hire of equipment and operators, mine planning and design and mine management services. The Technology segment provides for the design, manufacture, sales and support of collision avoidance systems, methane gas drainage systems and ancillary mining technology products that enhance mine safety and efficiency. The Diesel Equipment segment manufactures, sells and supports flame and explosion proof underground mining equipment and vehicles. The Mining Services division targets domestic customers and markets. The target markets for the Technology and Diesel Equipment segments include domestic and foreign customers.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, the accounting policies adopted with respect to operating segments are determined in accordance with accounting policies that are consistent to those applied in the annual financial statements of the group.

Inter-segment transactions

Corporate charges are allocated to reporting segments based on a review of services provided by Corporate staff in support of the operating and strategic activities of the segment. The allocation of Corporate charges is representative of the likely consumption of head office expenditure in assessing segment performance and cost recoveries.

Segment assets

Segment assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Intangible assets are allocated to segments as indicated in the segment asset note. Derivative assets and deferred tax assets have not been allocated to operating segments.

Segment liabilities

Segment liabilities are measured in a manner consistent with that of the financial statements. Segment liabilities are allocated based on the operations of the segment. Segment liabilities include trade and other payables and related hire purchase liabilities. Other borrowings and tax liabilities are generally considered to belong to the Group as a whole and are not allocated.

Notes to the Financial Statements

for the year ended 30 June 2010

Note 25. Segment information (continued)

i) Segment Performance

	Mining Services $'000	Technology $'000	Diesel Equipment $'000	Other $'000	Total $'000
Year ended 30.06.2010					
Segment revenue	129,209	70,601	112,989	175	312,975
Revenue from disposal of subsidiary				260	260
Total group revenue	**129,209**	**70,601**	**112,989**	**435**	**313,235**
Segment net profit before tax	30,208	19,029	36,416	282	85,935
Amount not included in segment result but reviewed by the Chief operating decision maker					
Amortisation - customer contracts	(13,060)				(13,060)
Unallocated items:					
Finance costs					(12,766)
Movement in fair value of interest rate swap agreement					3,327
Amortisation - equity component of convertible bonds					(4,900)
Amortisation - acquisition finance costs					(3,389)
Other corporate expenses					(1,548)
Net profit before tax from continuing operations					**53,600**
Year ended 30.06.2009					
Segment revenue	132,668	68,912	57,205	678	259,463
Total group revenue	132,668	68,912	57,205	678	259,463
Segment net profit before tax	44,154	21,361	13,419	546	79,481
Amount not included in segment result but reviewed by the Chief operating decision maker:					
Amortisation - customer contracts	(17,746)				(17,746)
Impairment - customer contracts	(17,185)				(17,185)
Unallocated items:					
Finance costs					(10,326)
Movement in fair value of interest rate swap agreement					(5,124)
Amortisation - equity component of convertible bonds					(2,989)
Amortisation - acquisition finance costs					(2,598)
Other corporate expenses					(1,844)
Net profit before tax from continuing operations					21,668

Note 25. Segment information (continued)

ii) Segment Assets

	Mining Services $'000	Technology $'000	Diesel Equipment $'000	Other $'000	Total $'000
Year ended 30.06.2010					
Segment assets	**341,816**	**54,524**	**79,992**	**13,551**	**489,883**
Unallocated assets:					
Derivative assets					398
Total group assets					**490,280**
Segment asset increase for the period					
Capital expenditure	59,833	485	2,281	45	62,644
Year ended 30.06.2009					
Segment assets	307,649	39,660	70,379	26,745	444,433
Unallocated assets:					
Derivative assets					6,308
Total group assets					**450,741**
Segment asset increase for the period					
Capital expenditure	5,995	881	2,773	1,506	11,155

iii) Segment Liabilities

	Mining Services $'000	Technology $'000	Diesel Equipment $'000	Other $'000	Total $'000
Year ended 30.06.2010					
Segment liabilities	**41,588**	**15,252**	**10,871**	**10,461**	**78,172**
Unallocated liabilities:					
Derivative liabilities					2,767
Deferred tax liability					4,429
Deferred vendor consideration					10,000
Convertible bonds					38,899
Corporate borrowings					115,970
Total group liabilities					**250,237**
Year ended 30.06.2009					
Segment liabilities	**40,568**	**7,869**	**19,600**	**16,144**	**84,181**
Unallocated liabilities:					
Derivative assets					6,094
Deferred tax liability					6,736
Deferred vendor consideration					25,913
Convertible bonds					68,766
Corporate borrowings					96,172
Total group liabilities					**287,862**

Note 25. Segment information (continued)

iv) Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	2010 $'000	2009 $'000
Australia	177,255	190,154
Peoples Republic of China	127,894	57,583
South America	2,629	1,917
Other foreign countries	5,456	9,809
Total revenue	**313,234**	**259,463**

v) Assets by geographical region

The assets of the Group are primarily located in Australia. The Group maintains sales and support offices in Beijing, China and Santiago, Chile. However, the Group assets located in these geographical regions are immaterial.

vi) Major Customers

The Group has a number of customers to whom it provides both products and services. There are two customers in the mining services segment that contributed more than 10% of total revenue during the year. These customers made up respectively 14.8% and 14.6 % of total revenue for 2010 (2009: 32% and 3.5%).

Note 26. Interests of Directors and Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Report of the Directors for details of the remuneration paid or payable to each member of the Groups key management personnel for the year ended 30 June 2010.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated	
	2010	2009
Short-term benefits	3,600,359	3,288,543
Post-employment benefits	340,852	237,724
Share based payments	59,861	303,607
	4,001,072	3,829,874

Note 26. Interests of Directors and Key Management Personnel (KMP) (continued)

KMP Options and Rights Holdings

The number of options and rights held by each KMP of the Group during the financial year is as follows.

	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested during year	Vested and exerciseable	Vested and unexerciseable
30 June 2010								
D Beddall	250,000	-	250,000	-	-	-	-	-
L McIntosh	1,000,000	-	1,000,000	-	-	-	-	-
A McDonald	-	-	-	-	-	-	-	-
T Netscher	-	-	-	-	-	-	-	-
R Levison	12,000,000	-	10,000,000	-	2,000,000	-	-	-
D Cahill	500,000	-	-	-	500,000	-	-	-
Dr C Doran	500,000	-	-	-	500,000	-	-	-
P Hourigan	500,000	-	-	-	500,000	-	-	-
D McNamara	-	-	-	-	-	-	-	-
D White	-	-	-	-	-	-	-	-
K Wallis	500,000	-	-	-	500,000	-	-	-
	15,250,000	-	11,250,000	-	4,000,000	-	-	-

	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested at end of year	Vested and exerciseable	Vested and unexerciseable
30 June 2009								
D Beddall	250,000	-	-	-	250,000	250,000	250,000	-
L McIntosh	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-
A McDonald	-	-	-	-	-	-	-	-
T Netscher	-	-	-	-	-	-	-	-
R Levison	10,000,000	2,000,000	-	-	12,000,000	10,000,000	10,000,000	-
D Cahill	-	500,000	-	-	500,000	-	-	-
Dr C Doran	-	500,000	-	-	500,000	-	-	-
P Hourigan	-	500,000	-	-	500,000	-	-	-
D McNamara	-	-	-	-	-	-	-	-
R Neill	-	-	-	-	-	-	-	-
K Wallis	-	500,000	-	-	500,000	-	-	-
	11,250,000	4,000,000	-	-	15,250,000	11,250,000	11,250,000	-

Notes to the Financial Statements

for the year ended 30 June 2010

Note 26. Interests of Directors and Key Management Personnel (KMP) (continued)

Shareholdings of Directors and KMP

The number of ordinary shares in Industrea Limited held by directors and KMP of the Group during the financial year is as follows.

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2010					
D Beddall	1,449,744	-	250,000	36,657	1,736,401
L McIntosh	499,998	-	1,000,000	(1,041,482)	458,516
A McDonald	500,000	-	-	52,706	552,706
T Netscher	258,853	-	-	45,494	304,347
R Levison	14,807,273	-	10,000,000	(4,807,273)	20,000,000
D Cahill	-	-	-	-	-
Dr C Doran	-	-	-	-	-
P Hourigan	-	-	-	-	-
D McNamara	15,656,005	-	-	(4,634,211)	11,021,794
D White	-	-	-	-	-
K Wallis	9,090	-	-	-	9,090
	33,180,963	-	11,250,000	(10,348,109)	34,082,854

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2009					
D Beddall	1,299,744	-	-	150,000	1,449,744
L McIntosh	499,998	-	-	-	499,998
A McDonald	250,000	-	-	250,000	500,000
T Netscher	-	-	-	258,853	258,853
R Levison	14,807,273	-	-	-	14,807,273
D Cahill	-	-	-	-	-
Dr C Doran	-	-	-	-	-
P Hourigan	-	-	-	-	-
D McNamara	-	-	-	15,656,005	15,656,005
R Neill	-	-	-	-	-
K Wallis	-	-	-	9,090	9,090
	16,857,015	-	-	16,323,948	33,180,963

Other Related party transactions with directors and director-related entities

A director, L McIntosh is a director and shareholder of 22 Capital Pty Ltd. Industrea utilised the services of 22 Capital Pty Ltd during the year for specialist advice. The aggregate amount paid during the year was $4,000. No amounts were unpaid at balance date. The contract was based on normal commercial terms and conditions.

A Director, D Beddall is a director of D Beddall and Associates. D Beddall invoices Industrea from this entity for a portion of his directors fee. The aggregate amount paid during the year was $24,000 (2009: 24,000).

Note 27. Investments in controlled entities

Name of entity	Country of incorporation	2010 (%)	2009 (%)
Parent company: Industrea Limited	Australia		
GPS Online Engineering Pty Ltd	Australia	100	100
GPS Online Technology Centres Pty Ltd	Australia	100	100
GPS Online NZ Limited	New Zealand	100	100
GPS Online Solutions Pty Ltd	Australia	100	100
Waste Watch Systems Pty Ltd	Australia	100	100
Microelectronic Technologies Pty Ltd	Australia	-	100
QVEN Limited	Australia	100	100
Advanced Mining Technologies Pty Ltd	Australia	100	100
Wadam Industries Pty Ltd	Australia	100	100
PJ Berriman & Co. Pty Ltd	Australia	100	100
Industrea Mining Equipment Pty Ltd	Australia	100	100
Industrea Chile S.A.	Chile	100	100
Industrea South Africa (Pty) Ltd	South Africa	100	100
Industrea Property Pty Ltd	Australia	100	100
Norbre Pty Ltd	Australia	100	100
Huddy's Mining Services Pty Ltd	Australia	100	100
Industrea Hong Kong Limited China	Hong Kong	100	100
Industrea Hong Kong YL Limited China	Hong Kong	100	100
Industrea (Wadam) Beijing Mining Equipment Technical Services Co Ltd	China	100	100
Queensland Mining Developments Pty Ltd	Australia	100	100
Kade Engineering Pty Ltd	Australia	100	100

Deed of cross guarantee

A deed of cross guarantee between Industrea Ltd and the controlled entities listed below was enacted during the financial year and relief was obtained from preparing a separate financial reports under ASIC Class Order 98/1418. Under the deed, Industrea Ltd guarantees to support the liabilities and obligations of those controlled entities.

Huddy's Mining Services Pty Ltd

Wadam Industries Pty Ltd

QVEN Ltd

Norbre Pty Ltd

Advanced Mining Technologies Pty Ltd

PJ Berriman & Co Pty Ltd

Industrea Mining Equipment Pty Ltd

GPS Online Solutions Pty Ltd

Kade Engineering Pty Ltd

Queensland Mining Developments Pty Ltd

Note 27. Investments in controlled entities

The controlled entities listed above are the only parties to the Deeds of Cross Guarantee and are members of the Closed Group. The following are the aggregate totals, for each category, relieved under the deed:

	Closed Group 2010 $'000	Closed Group 2009 $'000
STATEMENT OF COMPREHENSIVE INCOME		
Profit before Income Tax	52,986	22,101
Income Tax	8,560	(6,636)
Profit after Income Tax	61,546	15,465
Comprehensive income net of tax	(4,137)	4,415
Total comprehensive income	57,409	19,880
STATEMENT OF FINANCIAL POSITION		
Current Assets		
Cash & Cash Equivalents	8,820	21,295
Trade & Other Receivables	66,179	43,928
Work in progress and accrued profit	30,630	18,126
Inventories	22,111	24,009
Financial Assets at fair value through profit/loss	43	399
Other Assets	3,445	366
Derivatives	398	6,307
Non-Current Assets		
Trade & Other Receivables	75	112
Property, plant & equipment	176,574	138,373
Deferred tax assets	-	3,677
Intangible assets	177,606	190,799
Total Assets	**485,882**	**447,391**
Current Liabilities		
Trade & Other Payables	37,465	35,555
Provision for income tax	8,066	13,443
Short term borrowings	43,728	17,684
Short term provisions	1,888	624
Vendor liability	10,000	15,913
Non-Current Liabilities		
Deferred tax liabilities	4,429	10,413
Long term borrowings	147,667	187,113
Long Term Provisions	-	119
Vendor Liabilities	-	10,000
Total Liabilities	**253,243**	**290,864**
Net Assets	**232,639**	**156,527**

	Consolidated	
	2010 ($'000)	2009 ($'000)

Note 28. Financial assets at fair value through profit or loss

Shares in Australian and New Zealand listed securities	43	399

Note 29. Reconciliation of profit after income tax to net cash inflow from operating activities

(a) Reconciliation of cash

Cash and cash equivalents	9,187	22,004

(b) Operating Profit/Loss after income tax	61,976	15,316
Depreciation and intangible amortisation expenses	37,067	36,125
Amortisation of acquisition finance costs	3,389	2,598
Amortisation of convertible bonds	4,900	2,989
Impairment – customer contract intangible assets	-	17,185
Unrealised loss on interest rate swap instrument	(3,327)	5,124
Unrealised foreign exchange (gain)/loss	380	(274)
Other non cash movements	(253)	964
(Increase)/decrease in trade and other receivables	(22,202)	5,210
(Increase)/decrease in work in progress	(12,504)	(18,126)
(Increase)/decrease in other assets	(302)	8,720
(Increase)/decrease in inventories	1,369	(8,450)
(Increase)/decrease in deferred tax asset	(11,235)	(235)
Increase/(decrease) in deferred tax liability	10,701	(8,926)
Increase/(decrease) in trade and other payables	(87)	(4,445)
Increase/(decrease) in provisions	(4,921)	(374)
Increase/(decrease) in other payables	(173)	(10,112)
	64,779	43,291

(c) Non Cash Financing and Investing activities

2010

There have been no non cash financing and investing activities in the current year.

During the year 12.82 million shares were issued from convertible bonds exercised to the value of $5 million. In addition, $1.502 million of dividends were satisfied through the issues of shares and the dividend reinvestment plan and $18.6 million of acquisitions in Plant and Equipment were financed by hire purchases.

2009

Purchase Consideration

As detailed in Note 30, the company has issued ordinary shares and have recognised earn out payables as a component of the consideration for these acquisitions. The total amounts are:

	Ordinary shares	Dollar value
Huddy's Mining Services Pty Ltd	72,886,297	$25,000,000
Kade Engineering Pty Ltd	1,000,000	200,000

Notes to the Financial Statements

for the year ended 30 June 2010

Note 30. Fair value of identifiable net assets of controlled entities acquired and disposed

2010

Microelectronic Technologies Pty Ltd

A subsidiary company, Microelectronic Technologies Pty Ltd, was disposed during the year for a total consideration of $259,000. The carrying value of the investment in the books was Nil.

Huddy's Mining Services Pty Ltd

An amount of $10,000,000 (30 June 2009: $25,000,000) on deferred settlement on the acquisition of Huddy's Mining Services Pty Ltd remains unpaid at balance date. This payment is due for settlement on or before the 30th of September 2010. The Company has undrawn Bank loan facilities of $10,000,000, as reflected in Note 18, to pay for the final tranche on deferred settlement.

2009

QMD Pty Ltd

With effect from 1 July 2008 Industrea acquired 100% of QMD Pty Ltd by way of a cash settlement with the vendors. QMD Pty Ltd is a property owning entity owning the property in Emerald out of which Industrea and its subsidiaries run their Bowen Basin operations.

Details of assets and liabilities acquired are as follows:

	Fair Value $'000
Cash assets	6
Receivables	3
Land at valuation	1,501
Trade and other payables	(294)
Purchase consideration inclusive of costs	1,216

Kade Engineering

With effect from 13 February 2009 Industrea acquired 100% of Kade Engineering Pty Ltd and property plant and equipment associated with the business. The purchase consideration was $1.8million plus additional consideration payable in the event that specific conditions were achieved. The purchase consideration is payable in 2 tranches:

1. The first tranche of $1 million was made by way of the issue of $200,000 of Industrea ordinary shares and a cash payment of $800,000.
2. The second tranche of $800,000 is payable in cash together with any additional consideration following the determination of the audited financial result for the year ended 30 June 2009. An amount of $112,500 has been provisioned in additional consideration payable.

Details of assets and liabilities acquired are as follows:

	Fair Value $'000
Cash and cash equivalents	240
Inventory	20
Work in progress	135
Accounts receivable	280
Land and buildings at directors valuation	900
Plant and equipment	125
Other assets	11
Trade and other payables	(203)
Provision for taxation	(69)
Other liabilities	(138)
Net assets acquired	1,301
Goodwill on acquisition	689
Purchase consideration inclusive of expenses	1,990

The acquired business contributed revenues of $1.4 million and net profit after tax of $434,000 to the Group for the period from acquisition to 30 June 2009.

Carrying amounts of assets and liabilities approximate their fair values.

	2010 (cents)	2009 (cents)

Note 31. Earnings per share

	2010 (cents)	2009 (cents)
Basic earnings per share	6.67	1.81
Diluted earnings per share	6.09	1.83

	2010 (Number)	2009 (Number)
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	929,425,864	844,403,419
Weighted average number of options/rights used in calculating diluted earnings per share	3,871,313	26,698,630
Weighted average number of bonds used in calculating diluted earnings per share	170,555,495	192,307,692
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	1,103,852,672	1,063,409,741

	2010 ($'000)	2009 ($'000)
Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Net Profit	61,976	15,316
Earnings used in calculating basic earnings per share	61,976	15,316
Reconciliations of earnings used in calculating diluted earnings per share		
Diluted earnings per share		
Net Profit after tax	61,976	15,316
Interest on dilutive instruments	5,226	4,123
Earnings used in calculating adjusted basic earnings per share	67,202	19,439

Convertible Bonds

Convertible bonds have not been included in the determination of basic earnings per share. Convertible Bonds are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. Interest on convertible bonds has been adjusted in determining dilutive earnings per share.

Notes to the Financial Statements

for the year ended 30 June 2010

Note 32. Share-based payments

Performance Rights

Performance rights over shares in Industrea Limited are granted under the Industrea Performance Rights Plan which was approved by shareholders at the 2008 Annual General Meeting. The plan has been structured based on independent advice to provide long-term incentives for executives to deliver long-term shareholder returns. Under the plan, participants are granted performance rights which vest if certain performance criteria are met and the employees are still employed by the Group at the end of the vesting period. Participation in the plan is at the discretion of the Board.

The number of Rights that will vest under the Plan will be determined by reference to whether the performance conditions have been satisfied. The performance conditions that apply under the Plan are divided into two components – total shareholder return (TSR) and earnings per share growth (EPSG). Subject to the performance conditions being satisfied, Rights will vest in two instalments as follows:

Instalment	Vesting Date	% of Rights which vest	Performance period
1	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2010.	33%	1 July 2008 to 30 June 2010
2	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2011.	67%	1 July 2008 to 30 June 2011

In respect of each instalment, 50% of the Rights will be tested against TSR and 50% will be tested against EPSG for the relevant performance period.

In respect of TSR testing over a particular performance period, Rights will vest as follows:

TSR of the Company relative to a reference group of Companies (broadly being the ASX 200)	Proportion of Rights that Vest
less than 51st percentile	0
equal to 51st percentile	50%
greater than 51st percentile and less than 75th percentile	Increases on a straight line basis
equal to or greater than 75th percentile	100%

Rights tested against EPSG will vest as follows:

Compound EPSG	Proportion of EPS Rights to vest
less than 5%	0
equal to 5%	50%
greater than 5% and less than 10%	Increases on a straight line basis
equal to or greater than 10%	100%

No amount is payable to participate in the Plan or to acquire any Shares once the Rights vest.

Set out below is a summary of rights granted under the plan.

Grant Date	Date vested and exerciseable	Exercise Price	Balance at beginning of year	Granted during the year	Exercised during the year	Balance at end of year	Vested and exerciseable
18 November 2008	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2010.	Nil	1,166,666	Nil	Nil	1,166,666	Nil
18 November 2008	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2010.	Nil	2,333,334	Nil	Nil	2,333,334	Nil
20 January 2009	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2011.	Nil	166,666	Nil	Nil	166,666	Nil
20 January 2009	On or shortly after the date on which the Company's financial results are announced for the financial year ended 30 June 2011.	Nil	333,334	Nil	Nil	333,334	Nil

Note 32. Share-based payments (continued)

Valuation of performance rights

The per unit fair value of rights granted as remuneration during the year has been derived based on external valuation advice. The valuation has been made using a binomial pricing model using standard pricing inputs such as underlying share price, expected dividends and expected risk free rates. In addition, the likely achievement of performance hurdles has been taken into account including an equal probability weighted total shareholder return (TSR) relative to benchmark companies.

Set out below are the fair values of performance rights and the key inputs used in the pricing model.

Series	Grant Date	Share Price at Grant $	Fair Value $	Dividend Yield %	Risk-free interest rate %	Term Months	Rights Outstanding 30/6/10
Nov'08 T1	18/11/08	$0.19	$0.10	5.3%	3.4%	19	1,666,666
Nov'08 T2	18/11/08	$0.19	$0.11	5.3%	3.7%	31	2,333,334
Jan'09 T1	20/01/09	$0.19	$0.10	5.3%	3.4%	19	166,666
Jan'09 T2	20/01/09	$0.19	$0.11	5.3%	3.7%	31	333,334

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefits expense were as follows:

	Consolidated	
	2010 ($'000)	2009 ($'000)
Options issued as remuneration	24	117
Shares issued as remuneration	24	70
Rights issued under Industrea performance rights plan	12	116
	60	303

Note 33. Parent entity disclosure

As at, and throughout, the financial year ended 30 June 2010 the parent entity was Industrea Limited.

Parent Entity	2010 $'000	2009 $'000
Current assets	6,358	15,619
Non-current	244,393	290,943
Total assets	250,751	306,562
Current liabilities	28,115	14,621
Non-current liabilities	134,388	209,160
Total liabilities	162,503	223,781
Net assets	88,248	82,781
Issued Capital	148,160	116,282
Reserves and treasury shares	7,358	12,218
Accumulated loses	(67,270)	(45,719)
Total shareholders' equity	88,248	82,781
Loss for the year	(8,594)	(15,725)
Total comprehensive income for the year	(12,731)	(11,310)

Parent entity guarantees in respect of its debts of its subsidiaries

The parent has entered into a Deed of Cross Guarantee with the effect that the company guarantees debts in respect of its subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed, are disclosed in Note 27.

Notes to the Financial Statements

for the year ended 30 June 2010

Note 34. Company Details

The registered office and principal place of business for Industrea limited is Centenary Technology Park, 532 Seventeen Mile Rocks Road, Sinnamon Park Queensland 4073.

Note 35. Subsequent events

On 4 August 2010 Industrea completed the refinance of senior debt facilities with its syndicate of bankers, National Australia Bank, Commonwealth Bank of Australia and Caterpillar Finance. The refinance extends the term on senior debt to August 2013.

Margins on the debt facilities are similar to the previously existing facility. The group is required to fix the interest rate on 50% of amortising and bullet term debt for the term of the facility. Establishment cost of the new facility was $1.9 million plus documentation costs. These costs will be expensed over the term of the new facility.

The refinanced facility includes headroom under the equipment lease tranche of approximately $44 million at 30 June 2010 and headroom of $10 million under the bullet term tranche to facilitate the final consideration payment on the acquisition of Huddy's Mining Services due in September 2010. The consideration payment of $10 million is reported as a Vendor Liability in the Statement of Financial Position. The refinancing will have the effect of extending the ultimate term to non-current for $10 million of liabilities classified as current in the Statement of Financial Position.

The makeup of the facility is as follows;

	Facility Limit $'000
Revolving equipment lease facility	75,000
Amortising term debt	45,000
Bullet term debt	70,000
Revolving working capital facility	25,000
Total senior debt facility	**215,000**

Directors Declaration

for the year ended 30 June 2010

The directors of the Company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:

    a) comply with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and

    b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the consolidated entity;

2. The financial statements also comply with International Reporting Standards as disclosed in note 1.

3. The Chief Executive Officer and Chief Financial Officer have each declared that:

    a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    b) the financial statements and notes for the financial year comply with the Australian Accounting Standards (including Australian Accounting Interpretations); and

    c) the financial statements and notes for the financial year give a true and fair view;

4. The remuneration disclosures contained in the Remuneration Report in the Directors' Report comply with section 300A of the Corporations Act 2001; and

5. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The company and a number of wholly-owned subsidiaries have entered into a deed of cross guarantee under which the company and those relevant subsidiaries guarantee the debts of each other. At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board

Robin Levison
Managing Director & Chief Executive Officer

Dated this 24th day of September 2010

Independent Auditor's Report

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 18, 300 Queen St
Brisbane QLD 4000,
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDIT REPORT

To the Members of Industrea Limited

Report on the Financial Report

We have audited the financial report of Industrea Limited, which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion:

(a) the financial report of Industrea Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Industrea Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

BDO Audit (QLD) Pty Ltd

BDO

CRAIG JENKINS

Director

Brisbane, 24 September 2010

Additional Information for Listed Public Companies

The shareholder information set out below was applicable as at 31 August 2010

A. Distribution of Equity securities

(a) Analysis of numbers of equity security holders by size of holding.

	Holders	Units	% of Issued Capital
1 – 1,000	387	170,589	0.02
1,001 – 5,000	2,506	7,728,962	0.81
5,001 – 10,000	1,662	13,412,327	1.40
10,001 – 100,000	5,113	180,985,654	18.92
100,001 – and over	881	754,371,345	78.85
	10,549	956,668,877	100.00

(b) Unmarketable parcels

The number of unmarketable parcels of shares is 685.

B. Equity security holders

(a) 20 largest quoted shareholders

The names of the 20 largest holders of quoted securities are listed below:

	Ordinary Shares	
Name	Number held	Percentage of Issued Shares
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	147,660,421	15.43
J P MORGAN NOMINEES AUSTRALIA LIMITED	51,994,323	5.43
MR JINPING ZHANG <JINPING ZHANG A/C>	25,326,086	2.65
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,061,588	2.62
NATIONAL NOMINEES LIMITED	23,984,367	2.51
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	19,346,559	2.02
EQUIPMENT COMPANY OF AUSTRALIA PTY LIMITED	17,070,471	1.78
CUSTODIAN NOMINEE COMPANY LTD	16,166,667	1.69
MR DENNIS JOSEPH MCGILLICUDDY & MRS GRACIELA MCGILLICUDDY	15,266,657	1.60
IGNITION CAPITAL PTY LTD <THE IGNITION A/C>	13,000,000	1.36
CITICORP NOMINEES PTY LIMITED	11,744,649	1.23
MR DALE MCNAMARA	11,021,794	1.15
MR BARRY SILVERSTEIN	10,721,657	1.12
MR ROBERT GEORGE ANGEL <HAMILHAVEN P/L S/FUND A/C>	8,841,156	0.92
GREENSAND PTY LTD	8,557,455	0.89
MRS BERNADETTE MCNAMARA	5,875,726	0.61
COGENT NOMINEES PTY LIMITED	5,523,930	0.58
CORSO MANAGEMENT SERVICES PTY LTD	5,500,000	0.57
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	5,316,522	0.56
MR JOSHUA ANDREW EAGLE	5,222,111	0.55
	433,202,139	45.28

(b) 20 largest quoted option holders

There are no listed options.

(c) Convertible Bond

$A75,000,000 4% Convertible Bond was issued on 27 February 2008 - $40,400,000 outstanding as at 30 June 2010 maturing 28 March 2011.

(d) Unquoted equity securities

Options issued with an exercise price of 15 cents to convertible note applicants in September 2006 entitling each note holder to 5 options for every note issued expired on 28 September 2009.

All executive share options with an exercise price of 20 cents expiring 14 September 2009 were exercised on 14 September 2009.

C. Substantial holders

The Substantial Shareholders in the company are set out below:

	Ordinary Shares	
Name	Number held	Percentage of Issued Shares
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	147,660,421	15.43

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

No voting rights.

Corporate Directory

Directors

Hon David P Beddall (Chairman)
Robin Levison (Managing Director & CEO)
Lachlan S McIntosh (Non executive Director)
Anthony J McDonald (Non executive Director)
Timothy C Netscher (Non executive Director)

Secretary

Phillip A Hourigan

Executive Team

Robin Levison (Managing Director and CEO)
Kieran Wallis (Chief Financial Officer)
Phillip Hourigan (General Counsel/Company Secretary)
Dr Chris Doran (Chief Technology Officer)
David Cahill (Chief International Officer)
David White (Group Human Resources Manager)
Dale McNamara (Special Advisor to CEO)

Principal Registered office in Australia

Centenary Technology Park
532 Seventeen Mile Rocks Road
Sinnamon Park QLD 4073
Brisbane, Australia

Tel: +61 7 3725 5400
Fax: +61 7 3376 6702
info@industrea.com.au
www.industrea.com.au

Share Registry

Computershare Investor Services Pty Limited
Level 19, 307 Queen Street
Brisbane QLD 4000
Australia

Tel: 1300 552 270
Tel: +61 3 9415 4000
Fax: +61 7 3237 2152
www.computershare.com.au

Auditor

BDO Audit (QLD) Pty Ltd
Level 18, 300 Queen Street
Brisbane QLD 4000 Australia

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227

Solicitors

Norton Rose
Grosvenor Place
255 George Street
Sydney NSW 2000 Australia

Tel: +61 2 9330 8000
Fax: +61 2 9330 8111

Banker

National Australia Bank
308-322 Queen Street
Brisbane QLD 4000 Australia

Tel: +61 7 3226 5400
Fax: +61 7 3234 5755

Listings

Industrea Limited shares are listed on the Australian Stock Exchange

ASX Code IDL

American Depositary Shares are listed on the International Prime QX Exchange of OTCQX

OTCQX Code IULTY

Industrea Corporate Head Office

Centenary Technology Park
532 Seventeen Mile Rocks Road
Sinnamon Park QLD 4073
Brisbane, Australia

Tel: +61 7 3725 5400
Fax: +61 7 3376 6702
www.industrea.com.au

Subsidiary Offices

NSW

Advanced Mining Technologies Pty Ltd
Industrea Mining Equipment Pty Ltd
Kade Engineering Pty Ltd
P J Berriman & Co Pty Ltd
Wadam Industries Pty Ltd

QLD

Emerald
P J Berriman & Co Pty Ltd

Mt Isa
Huddy's Mining Services Pty Ltd

Sinnamon Park
GPS Online Solutions Pty Ltd

China

Beijing
Industrea Wadam (Beijing) Mining Equipment Technical Services Co., Ltd.
Wadam Industries Pty Ltd

Shijiazhuang
Industrea Wadam (Shijiazhuang) Mining Equipment Co., Ltd.

Chile

Santiago
Industrea Chile S.A.

South Affrica

Johannesburg
Industrea South Africa (Pty) Ltd

industrea

www.industrea.com.au