

Date: 22 February 2012

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

**RE: Industrea Limited Appendix 4D – Half Year Report**

Dear Sir/Madam,

Please find attached a copy of the Appendix 4D Half-Year Report issued today by Industrea Limited:

Yours sincerely



Phillip Hourigan  
General Counsel/Company Secretary

**Industrea Limited**

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## Industrea Limited and its Controlled Entities

### Industrea Limited

#### Appendix 4D

#### Half Year Report Ended 31 December 2011

#### Results for announcement to the Market

	6 months ended 31 December 2011 \$'000	6 months ended 31 December 2010 \$'000		Movement %
Revenues	174,532	173,493	Up	0.6%
Profit/(Loss) after tax attributable to members	15,059	17,549	Down	(14.2%)
Net Profit/(Loss) for the period attributable to members	15,059	17,549	Down	(14.2%)

For a brief explanation of the figures reported above, refer to pages 7 to 5 of this report.

Dividends	Amount per Security	Percentage Franked
Interim dividend  Ex-dividend date: 8 March 2012 Record date: 15 March 2012 Date payable: 5 April 2012	1.0 cent	100%
Prior corresponding period:	1.0 cents	100%
<b>Dividend Reinvestment Plan</b>  The Industrea Dividend Reinvestment Plan (DRP) is in operation and the recommended interim dividend of 1 cent per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest cent) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at a 5% discount to the market price (calculated as the average of the daily volume weighted average market price rounded to the nearest cent of all shares in the Company sold on ASX during the 5 trading days commencing 2 trading days after the Record Date in respect of the relevant dividend). The final time for receipt of an election notice for participation in the DRP is 5pm 15 March 2012. Shares issued under the DRP will rank equally with existing ordinary shares.		

Earnings per share*	Current period	Previous corresponding period
Basic and diluted earnings per ordinary share	4.11 cents	5.21 cents

Net tangible assets per security	Current period	Previous corresponding period
Net tangible asset backing per ordinary share	34.31 cents	33.78 cents

\*Refer to Note 7

#### Control gained over entities having a material effect

No material entities were acquired during the period.

## *Industrea Limited and its Controlled Entities*

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# *Industrea Limited and its Controlled Entities*

## *Directors' Report*

The Directors present their report together with the consolidated interim financial report of Industrea Limited ABN 22 010 720 117 ("Company") for the half-year ended 31 December 2011.

### **Directors Report**

The names of the Directors of the Company who held office during or since the end of the half-year are:

The Hon. David P Beddall  
Chairman (appointed 12 March 1999)

Robin Levison  
Managing Director & CEO (appointed  
30 November 2005)

Lachlan McIntosh  
Non-executive Director (appointed 4 May 2004)

Anthony McDonald  
Non-executive Director (appointed 14 November 2007)

Timothy Netscher  
Non-executive Director (appointed 19 February 2009)

### **Operating Results**

		<b>Half-year</b>		
<b>Financial Overview</b>		<b>2011</b>	2010	Change
Operating revenue	\$'000	<b>174,532</b>	173,493	0.6%
EBITDA	\$'000	<b>52,609</b>	51,607	1.9%
Reported NPAT	\$'000	<b>15,059</b>	17,549	(14.2%)
Net cash flow from operations	\$'000	<b>24,526</b>	57,710	(57.5%)
Basic EPS	Cents	<b>4.11</b>	5.21	(21.1%)
Interim dividend per share	Cents	<b>1.00</b>	1.00	0%

**Industrea Limited and its Controlled Entities**  
**Directors' Report**

**Review of Group Operations**

Revenue from operating activities of \$174.532 million was slightly ahead of the comparable 2010 result (\$173.493 million).

EBITDA of \$52.609 million was slightly ahead of the comparable 2010 result of \$51.607 million.

Net profit after tax of \$15.059 million was down 14.2% on the prior corresponding period (2010: \$17.549 million)

An increase in depreciation charge and effective taxation rate in the period impacted on the Net Profit result. The higher depreciation expense resulted primarily from capital expenditure incurred in FY11 on additional open cut mining equipment to support the expanding operations in the Mining Services division. The increased effective tax rate in the current period (29.6%) compared to the comparable period (25.5%) was largely attributed to a one off tax deduction claimed in the comparable period with respect to a conversion premium paid on the close out of convertible bonds.

Group net assets increased modestly to \$328.665 million (June 2011: \$320.820 million). Property plant and equipment increased to \$256.340 million (June 2011: \$209.074 million). Net debt increased to \$213.200 million (June 2011: \$160.738 million) mainly to fund additional hire purchases for Industrea Mining Services (IMS) vehicles.

The group generated \$24.526 million net cash flow from operating activities reflecting an increase in payments to suppliers and employees for the prior period (2010: \$57.710 million). Capital expenditure in the period was \$34.888 million (2010: \$23.561 million). The majority of this capital expenditure related to continuing fleet renewal and growth capex of \$7.800 million and maintenance capex of \$18.900 million in the Mining Services segment.

**Segment Activity**

The Equipment segment incorporates the operations of Industrea Mining Equipment (IME) and Kade Engineering and the activities of the Beijing based Industrea Wadam distribution business relating to sales and support of mining equipment. This segment's revenue increased to \$41.545 million (2010: \$27.008 million) due to much higher domestic demand. Net profit before tax increased to \$7.848 million (2010: \$5.037 million)

The Technology segment incorporates Industrea Mining Technology (IMT) and the activities of the Beijing based Industrea Wadam distribution business related to sales of mine safety technology products. This division recorded revenue of \$20.294 million (2010: \$65.986 million) and net profit before tax of \$5.052 million or 25% of revenue (2010: \$16.848 million). This significantly lower sales performance reflected a change in the distribution method for its methane gas drainage systems in China and lower than anticipated revenue and profit from the CAS-CAM/RF® collision avoidance system contract with BMA for open cut coal mining sites in the Bowen Basin.

Industrea's newest segment, Industrea Gas Management (IGM), made a modest first half contribution to Group Revenue and Net Profit before tax. This period was one of consolidation with capital and revenue expenditures required to enhance the competitiveness and quality of its operating assets as a result of the limited investment by the previous owner. This and a temporary closure at Anglo's Moranbah North mine contributed to the modest result delivered.

The Mining Services segment is made up Industrea Mining Services (IMS). This division recorded revenue \$104.789 million (2010: \$80.403 million) and grew strongly reflecting the expansion of works at Lady Annie and Blackstar Open Cut mines in Mt Isa, the addition of further dry hire equipment at Rio Tinto's Mt Thorley Warkworth Mine, and the undertaking of levee work and the recommencement of mining coal at Cockatoo Coal's Baralaba mine site during the period. Net profit before tax of \$17.439 million or 16.5% of revenue reflected significantly higher depreciation costs compared to the prior period (2010: \$15.482 million or 19.2% of revenue).

**Industrea Limited and its Controlled Entities**  
**Directors' Report**

**Events Subsequent to Balance Date**

In January Industrea announced the re-signing of a mining contract with Xstrata. The Xstrata contract was for a further 2 years for an estimated \$ 132 million in revenue.

In February 2012, a new contract was entered into with Anglo America for 10 new Caterpillar 789C vehicles dry hired for its Foxleigh mine in the Bowen Basin in Queensland.

Industrea Gas Management (IGM) has recently signed drilling services contract with Centennial Coal. The drilling services contract provides a framework for IGM to provide drilling services to each of Centennial's Angus Place, Charbon, Mandalong, Myuna and Springvale underground coal mines in New South Wales for an initial term of 2 years to February 2014 with the option for a further 1 year extension.

**Dividend**

The directors recommend that an interim dividend of 1 cent per share be paid (2010: 1 cent). The dividend will be 100% franked at 30% corporate tax rate and be payable on 5<sup>th</sup> April 2012.

**Outlook**

Industrea continues to explore new avenues for growth across its diverse client base and geographical markets. Further commentary on the outlook for the group is included in the results presentation accompanying this report.

Industrea has provided updated positive guidance for the 2012 financial year on Revenue and EBITDA growth between 10% to 15% and NPAT growth in the range of 5% to 10%.

**Rounding of Amounts**

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

**Auditors Independence Declaration**

In accordance with the Corporations Act 2001 Section 307C, the auditors of the Company, BDO Audit (Qld) Pty Ltd have provided a signed auditors independence declaration to the Directors in relation to the half-year ended 31 December 2011 and is included on page 6.

Signed in accordance with a resolution of the Directors.



Robin Levison  
Managing Director and Chief Executive Officer  
22 February 2012  
Queensland, Australia

### Auditors Independence Declaration



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Australia

DECLARATION OF INDEPENDENCE BY C R JENKINS TO THE DIRECTORS OF INDUSTREA LIMITED

As lead auditor for the review of Industria Limited for the half year ended 31 December 2011, 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 review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Industree Limited and the entities it controlled during the period.

A handwritten signature in dark ink, appearing to be "G. A. H.", written over a horizontal line. The signature is stylized and somewhat cursive.

C. B. JENKINS

Director

BDO Audit (QLD) Pty Ltd

Brisbane, 22 February 2012

[illegible]

# *Industrea Limited and its Controlled Entities*

## Interim Financial Report

### Consolidated Statement of Comprehensive Income For the Half-Year Ended 31 December 2011

	Notes	Half-year	
		2011	2010
		\$'000	\$'000
Revenue		174,532	173,493
Insurance Income		1,000	-
Changes in inventories		6,134	12,662
Raw materials and consumables used		(94,145)	(104,874)
Employee benefits expense		(23,765)	(18,988)
Depreciation		(20,118)	(14,271)
Amortisation expenses		(3,418)	(7,013)
Bad and doubtful debts		(20)	(304)
Movement in fair value of interest rate swap		535	1,231
Rental expenses and operating leases		(1,571)	(1,342)
Consultants fees		(314)	(556)
Business acquisition costs		(46)	(1,143)
Financing costs		(8,157)	(7,905)
Other expenses		(9,255)	(7,341)
<b>Profit before income tax expense</b>		<b>21,392</b>	<b>23,649</b>
<b>Income tax expense</b>		<b>(6,333)</b>	<b>(6,100)</b>
<b>Net profit attributable to members of Industrea Limited for the half year</b>		<b>15,059</b>	<b>17,549</b>
Other Comprehensive Income			
Movement in value of cash flow hedges- foreign exchange		(500)	771
Movement in value of cash flow hedges- interest rate swaps		(1,530)	515
Income tax attributable to other comprehensive income		608	(385)
Other Comprehensive Income for the half year net of tax		(1,422)	901
<b>Total Comprehensive Income for the half year attributable to members</b>		<b>13,637</b>	<b>18,450</b>
		<b>(Cents)</b>	<b>(Cents)</b>
Basic and diluted earnings per share	8	4.11	5.21

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the financial statements.



## *Industrea Limited and its Controlled Entities*

### Consolidated Statement of Financial Position At 31 December 2011

	<b>Consolidated Entity</b>	
	<b>Dec 2011</b>	<b>Jun 2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>		
Cash and cash equivalents	22,052	21,342
Trade and other receivables	58,318	72,021
Work in progress	31,263	23,732
Inventories	50,876	44,742
Financial assets at fair value through profit and loss	-	43
Derivatives	1,044	1,544
Other assets	4,701	1,331
<b>Total Current Assets</b>	<b>168,254</b>	<b>164,755</b>
<b>Non-Current Assets</b>		
Trade and other receivables	33	110
Property, plant and equipment	256,340	209,074
Intangible assets	202,068	203,437
<b>Total Non-Current Assets</b>	<b>458,441</b>	<b>412,621</b>
<b>Total Assets</b>	<b>626,695</b>	<b>577,376</b>
<b>Current Liabilities</b>		
Trade and other payables	35,015	46,013
Current tax liabilities	15,757	14,966
Financial liabilities	67,737	33,767
Short term provisions	876	1,508
Vendor liability	-	1,476
<b>Total Current Liabilities</b>	<b>119,385</b>	<b>97,730</b>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	9,530	9,450
Financial liabilities	167,515	148,313
Derivatives	1,600	1,063
<b>Total Non-Current Liabilities</b>	<b>178,645</b>	<b>158,826</b>
<b>Total Liabilities</b>	<b>298,030</b>	<b>256,556</b>
<b>Net Assets</b>	<b>328,665</b>	<b>320,820</b>
<b>Equity</b>		
Issued capital	208,608	203,966
Treasury shares	(155)	(607)
Options reserve	2,115	2,050
Hedge reserve	(562)	860
Retained earnings	118,659	114,551
<b>Total Equity</b>	<b>328,665</b>	<b>320,820</b>

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

**Industrea Limited and its Controlled Entities**

**Consolidated Statement of Changes In Equity  
For the Half-Year Ended  
31 December 2011**

	<b>Issued Capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Options Reserve \$'000</b>	<b>Hedge Reserve \$'000</b>	<b>Total \$'000</b>
<b>Balance at 01 July 2011</b>	<b>203,966</b>	<b>(603)</b>	<b>114,551</b>	<b>2,050</b>	<b>860</b>	<b>320,820</b>
Profit after income tax	-	-	15,059	-	-	15,059
Other comprehensive income net of tax	-	-	-	-	(1,422)	(1,422)
Total comprehensive income	-	-	15,059	-	(1,422)	13,637
Transactions with owners in their capacity as owners						
Shares issued during the period	4,642	-	-	-	-	4,642
Shares redeemed	-	418	-	-	-	418
Share based payments	-	-	-	65	-	65
Dividend (payment)/received	-	30	(10,950)	-	-	(10,920)
<b>Balance at 31 December 2011</b>	<b>208,608</b>	<b>(155)</b>	<b>118,659</b>	<b>2,115</b>	<b>(562)</b>	<b>328,665</b>
<b>Balance at 01 July 2010</b>	<b>148,160</b>	<b>(662)</b>	<b>84,525</b>	<b>7,742</b>	<b>278</b>	<b>240,043</b>
Profit after income tax	-	-	17,549	-	-	17,549
Other comprehensive income net of tax	-	-	-	-	901	901
Total comprehensive income	-	-	17,549	-	901	18,450
Shares issued during the period	54,709	-	-	-	-	54,709
Share based payments	-	-	-	24	-	24
Conversion of convertible bonds	-	-	-	(5,752)	-	(5,752)
Dividend (payment)/received	-	46	(9,704)	-	-	(9,658)
<b>Balance at 31 December 2010</b>	<b>202,869</b>	<b>(616)</b>	<b>92,370</b>	<b>2,014</b>	<b>1,179</b>	<b>297,816</b>

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

**Industree Limited and its Controlled Entities**

**Consolidated Statement of Cash Flows  
For The Half-Year Ended 31 December 2011**

	Half-year	
	2011	2010
	\$'000	\$'000
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	195,566	185,094
Payments to suppliers and employees	(157,332)	(115,743)
Cash flow from operations	38,234	69,351
Interest received	94	547
Interest and other costs of finance paid	(8,251)	(8,253)
Income taxes paid	(5,551)	(3,935)
<b>Net cash inflow from operating activities</b>	<b>24,526</b>	<b>57,710</b>
<b>Cash Flows From Investing Activities</b>		
Payments for property, plant and equipment	(34,888)	(23,561)
Payments to vendors of subsidiary	(1,475)	(10,000)
Payment for business assets acquired	(41)	-
Payments for unsuccessful acquisition	-	(1,138)
Payments for development	(1,607)	(2,128)
Proceeds on sale of non-current assets	340	711
<b>Net cash outflow from investing activities</b>	<b>(37,671)</b>	<b>(36,116)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of shares	-	50,000
Capital raising costs	-	(1,220)
Repayment of convertible bonds	-	(40,382)
Proceeds from borrowings – bank loans	27,782	50,380
Repayment of borrowings	(7,500)	(16,750)
Refinancing costs	(150)	(2,336)
Dividends paid	(6,277)	(8,158)
<b>Net cash inflow from financing activities</b>	<b>13,855</b>	<b>31,534</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>710</b>	<b>53,128</b>
Net cash and cash equivalents at beginning of period (net of overdrafts)	21,342	9,187
<b>Net cash and cash equivalents at end of period</b>	<b>22,052</b>	<b>62,315</b>

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements

## Industrea Limited and its Controlled Entities

### Notes to the financial Statements

#### Note 1. Statement of Significant Accounting Policies

The interim financial report for the half year ended 31 December 2011 is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by Industrea Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001. The accounting policies and methods of computation are consistent with those applied in the 30 June 2011 annual report.

The half-year interim financial report does not include full disclosures of the type normally included in an annual financial report.

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Investments and Securities Commission relating to "rounding off" of amounts in the directors' report and the financial statements to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial statements in accordance with that Class Order.

#### Note 2. Segment Information

The Group's operating segments have remained consistent, but for the inclusion of IGM for the half year ended 31 December 2011. IGM is Industreas Gas Management business acquired on 15 March 2011.

##### (i) Segment Performance

Six months ended 31.12.2011	Mining Services \$'000	Technology \$'000	Diesel Equipment \$'000	IGM \$'000	Other \$'000	Total \$'000
Revenue from external customers	104,789	20,294	41,545	7,841	62	174,532
Inter segment revenue	-	-	-	-	-	-
Insurance revenue	1,000	-	-	-	-	1,000
<b>Total group revenue</b>	<b>105,789</b>	<b>20,294</b>	<b>41,545</b>	<b>7,841</b>	<b>62</b>	<b>175,532</b>
 <b>Segment net profit before tax</b>	 <b>17,439</b>	 <b>5,052</b>	 <b>7,848</b>	 <b>304</b>	 <b>(63)</b>	 <b>30,580</b>
<i>Amount not included in segment result:</i>						
Amortisation - customer contracts				(1,570)		(1,570)
<i>Unallocated items:</i>						
Finance costs						(6,068)
Movement in fair value of interest rate swap agreement						535
Amortisation - acquisition finance costs						(441)
Other corporate expenses						(1,644)
<b>Net profit before tax from continuing operations</b>						<b>21,392</b>

**Industree Limited and its Controlled Entities**

**(i) Segment Performance (continued)**

<b>Six months ended 31.12.2010</b>	<b>Mining Services \$'000</b>	<b>Technology \$'000</b>	<b>Diesel Equipment \$'000</b>	<b>IGM \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
Revenue from external customers	80,403	65,986	26,950	-	35	173,374
Inter segment revenue	-	-	-	-	-	-
Profit on sale of fixed assets	203	-	58	-	-	261
Loss on disposal of fixed assets	(142)	-	-	-	-	(142)
<b>Total group revenue</b>	<b>80,464</b>	<b>65,986</b>	<b>27,008</b>		<b>35</b>	<b>173,493</b>
<b>Segment net profit before tax</b>	<b>15,482</b>	<b>16,848</b>	<b>5,037</b>		<b>(55)</b>	<b>37,312</b>
<i>Amount not included in segment result:</i>						
Amortisation - customer contracts	(4,353)					(4,353)
<i>Unallocated items:</i>						
Finance costs						(6,026)
Movement in fair value of interest rate swap agreement						1,231
Amortisation - convertible bonds						795
Amortisation - acquisition finance costs						(2,845)
Cost of unsuccessful acquisition						(1,138)
Other corporate expenses						(1,327)
<b>Net profit before tax from continuing operations</b>						<b>23,649</b>

**(ii) Segment Assets**

<b>31.12.2011</b>	<b>Mining Services \$'000</b>	<b>Technology \$'000</b>	<b>Diesel Equipment \$'000</b>	<b>IGM \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
<b>Segment assets</b>						
<i>Unallocated assets:</i>	411,992	57,693	89,731	32,142	34,093	625,651
Derivative assets						1,044
<b>Total group assets</b>						<b>626,695</b>

<b>30.06.2011</b>	<b>Mining Services \$'000</b>	<b>Technology \$'000</b>	<b>Diesel Equipment \$'000</b>	<b>IGM \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
<i>Unallocated assets:</i>	366,294	57,821	92,195	32,412	27,110	575,832
Derivative assets						1,544
<b>Total group assets</b>						<b>577,376</b>

## *Industrea Limited and its Controlled Entities*

### **Note 3. One-Off Significant Items**

#### **2011**

- (a) During the period Industrea Mining Technology (IMT) was notified of a suspension and termination of different deliverables under a contract with BHP Billiton Mitsubishi Alliance (BMA). A mutual agreement was reached whereby BMA returned to IMT unused and uninstalled inventory and components in return for IMT passing credits on sales recognised by IMT. The net impact of these requirements was an additional pre-tax cost of \$3.157 million. The returned inventory is in saleable condition.
- (b) In October 2011, Industrea successfully negotiated with its banking syndicate to increase its working capital facility and HP facility. The working capital facility increased from \$25M to \$40M. The HP facility was increased from \$75M to \$95M.
- (c) Property Plant and Equipment. The following table is a reconciliation of the movement in property plant and equipment for the period under review

	<b>Land and buildings \$'000</b>	<b>Plant and Equipment \$'000</b>	<b>Leased Plant and Equipment \$'000</b>	<b>Total \$'000</b>
Opening balance 01 July 2011	7,686	113,120	88,268	209,074
Additions	4,688	21,611	41,559	67,858
Disposals	-	(462)	(10)	(472)
Transfer between classes	-	20,166	(20,166)	-
Depreciation/ Amortisation expense	(29)	(13,207)	(6,882)	(20,118)
Closing Balance 31 December 2011	12,345	141,227	102,769	256,340

- (d) Following the Board of Taxation's review of the Rights to Future Income (RTFI) rules under the tax consolidation regime submitted to the Government on 31 May 2011, the Government announced on 25 November 2011 the intention to change the tax law in this area on a retrospective basis. The Government's announcement as at the date of this report, has not been further clarified and currently no draft legislation is available to assess the impact of any potential changes to Industrea. Industrea has claimed tax deductions of \$67.300M (tax benefit of \$20.190M) relating to RTFI. What the proposed changes are is uncertain, as is the impact of any potential changes. The historical deductions claimed are on the basis of legislation in place and in the absence of any draft legislation or further announcements from the Government clarifying the impacts of the proposed changes at the date of issue of this report, the outcome is unknown.

## *Industree Limited and its Controlled Entities*

### **Note 4. Dividends**

	<b>Half-year</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Ordinary Shares		
Dividends provided for or paid	<b>10,950</b>	9,704

Dividends not recognised at the end of the half-year

In addition to the above dividends, since the end of the half-year the directors have declared the payment of an interim dividend of 1 cent per fully paid ordinary share (2010: 1 cent), fully franked based on tax paid at 30%. The aggregate amount of the dividend to be paid on 5<sup>th</sup> April 2012 out of retained earnings at 31 December 2011, but not recognised as a liability at the end of the half-year is:

	<b>3,690</b>	3,639
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During the half year ending 31 December 2011, the Dividend Reinvestment Plan was in operation. This resulted in the cash component of dividends paid of \$6.3 million (2010: \$8.2 million) and the share allotment component of \$4.6 million (2010: \$1.5 million).

### **Note 5. Equity Securities Issued**

	<b>Half-year</b>		<b>Half-year</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance	<b>364,733,566</b>	228,900,998	<b>203,966</b>	147,720
Dividend Reinvestment Plan	<b>4,258,869</b>	3,559,142	<b>4,642</b>	1,502
Conversion of convertible bonds	-	11,794,870	-	4,600
Institutional Placement (19 Oct 2010)	-	119,047,620	-	50,000
Share issue costs net of tax	-	-	-	(1,221)
Employee Share Plan allotment	-	575,665	-	268
Closing balance (net of share issue costs)	<b>368,992,435</b>	363,878,295	<b>208,608</b>	202,869

The following shares were issued during the period:

- (i) On 16 November 2010 the Company completed a 3 for 1 consolidation of the Company's capital resulting in the number of ordinary shares on issue reducing from 1,091,646,174 to 363,878,295 fully paid ordinary shares.

## **Industrea Limited and its Controlled Entities**

### **Note 6. Business Combinations and Disposals**

No entities were acquired or disposed during the current period.

### **Note 7. Earnings Per Share**

As stated in Note 5 above, the Company consolidated its share capital and in accordance with the Australian Accounting Standards Board Statement AASB 133; the basic and diluted earnings per share figure for the comparable period has been restated.

	<b>Half-year</b>	
	<b>2011</b>	<b>2010</b>
<b>Basic and diluted earnings per share (cents per share)</b>	<b>4.11</b>	<b>5.21</b>
Net profit used as the numerator in calculating basic earnings per share (\$'000)	<b>15,059</b>	<b>17,549</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<b>366,011,227</b>	<b>336,762,649</b>

### **Note 8. Events Subsequent To Balance Date**

In January Industrea announced the re-signing of a mining contract with Xstrata. The Xstrata contract was for a further 2 years for an estimated \$ 132 million in revenue.

In February 2012, a new contract was entered into with Anglo America for 10 new Caterpillar 789C vehicles dry hired for its Foxleigh mine in the Bowen Basin in Queensland.

Industrea Gas Management has recently signed drilling services contract with Centennial Coal. The recently signed drilling services contract provides a framework for IGM to provide drilling services to each of Centennial's Angus Place, Charbon, Mandalong, Myuna and Springvale underground coal mines in New South Wales for an initial term of 2 years to February 2014 with the option for a further 1 year extension.

Industrea has also declared an interim dividend as noted in Note 4 above

### **Note 9. Contingent liabilities**

During the period Industrea Mining Services successfully negotiated an extension of an existing contract with Baralaba Coal. The negotiations resolved any uncertainty with respect to dewatering costs at the flood affected site.

Industrea Wadam, a wholly owned subsidiary of Industrea, has put in place performance bonds on equipment delivered into China and these are issued in the normal course of business. The value of these performance bonds at 31 December 2011 was \$7.473 million (June 2011: \$8.104 million).



## ***Industrea Limited and its Controlled Entities***

### **Directors' Declaration**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 16
  - a. comply with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half year ended on that date.
2. 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.

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

Director



***Robin Levison***

Dated this 22<sup>nd</sup> day of February 2012

## Independent Auditor's Review Report to Members



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Australia

### INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Industree Limited

#### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Industree Limited, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Industree Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (Qld) Pty Ltd ABN 61 124 082 692 is a member of a network of independent member firms affiliated with the BDO network of member firms affiliated with BDO Australia Pty Ltd ABN 61 124 082 692, an Australian company limited by guarantee. BDO Audit (Qld) Pty Ltd and BDO Australia Pty Ltd are the member of BDO Australia Pty Ltd, a UK company limited by guarantee, and for the purposes of the International Standards on Review Engagements ("ISREs") issued by the International Federation of Accountants ("IFAC") and the International Standards on Auditing ("ISAs") issued by the International Board of Standards and Practices for Certified Accountants ("IBCFCA").



## **Industrea Limited and its Controlled Entities**

### **Corporate Directory**

#### **Board of Directors**

Hon David P. Beddall (Non-executive 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 Management Team**

Robin Levison (Managing Director and CEO)  
Dale McNamara (Deputy CEO)  
Jeff Watson (Chief Financial Officer)  
Phillip Hourigan (General Counsel/Company Secretary)  
Tabatha Kattau (Chief Human Resources Officer)

#### **Principal Registered Office in Australia**

Centenary Technology Park  
532 Seventeen Mile Rocks Road  
Sinnamon Park, Brisbane  
QLD 4073 Australia  
Tel: +61 7 3725 5400  
Fax: +61 7 3376 6702  
[info@industrea.com.au](mailto:info@industrea.com.au)  
[www.industrea.com.au](http://www.industrea.com.au)

#### **Share Registry**

Computershare Investor Services Pty Limited  
GPO Box 2975, Melbourne  
VIC 3001, Australia  
Tel: 1300 552 270  
Tel: +61 3 9415 4000  
Fax: +61 7 3237 2152  
[www.computershare.com.au/investor](http://www.computershare.com.au/investor)

#### **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 Securities 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, Brisbane  
QLD 4073 Australia  
Tel: +61 7 3725 5400  
Fax: +61 7 3376 6702  
[www.industrea.com.au](http://www.industrea.com.au)

#### **Subsidiary Offices**

##### **NSW**

Industrea Mining Technology Pty Ltd  
Industrea Mining Equipment Pty Ltd  
Kade Engineering Pty Ltd  
Industrea Wadam Pty Ltd  
Industrea Gas Management Pty Ltd

##### **QLD**

##### **Emerald**

Industrea Mining Equipment Pty Ltd

##### **Mt Isa**

Industrea Mining Services 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 Africa**

##### **Johannesburg**

Industrea South Africa (Pty) Ltd