

Message from the Chairman

Industrea recorded strong organic growth across our businesses, with revenue climbing 35% to \$259.5 million.

Industrea's ability to not only weather, but surmount the challenges of the global economic downturn in 2009 underscores the resilience of the group's business model, the increasing diversity of our earnings streams and an ability to sustain growth into the future.

Despite the dramatic and rapid downturn of trading conditions in the Australian resource sector and the deteriorating global economy, Industrea recorded strong organic growth across our businesses, with revenue climbing 35% to \$259.5 million.

A robust new business pipeline for our Diesel Equipment, Technology and International business units, along with the successful diversification of the Huddy's Mining Services operation into new domestic contracting markets all contributed to the strong revenue growth.

In total over \$100 million in new contracts were secured in 2009, with the burgeoning Chinese coal industry propelling a significant lift in export contracts for our longwall mining safety and productivity products.

Significantly, much of the new business won in 2009 was against strong global competition, highlighting the growing world-wide recognition of our products as unrivalled technological leaders and "best in category".

A stand-out feature of our trading performance, despite the economic down-turn, was the ability to maintain margins at much the same levels as the prior years. As a result, our adjusted net profit after tax increased to \$45.4 million, in the middle of the revised market guidance issued in January 2009.

While our sphere of operations undoubtedly expanded in 2009 and the reputation of our technology and products was further enhanced, an equally positive outcome for the year was the significant bolstering of our internal capabilities with key additions to our senior management ranks.

The appointments of a new Chief International Officer, General Counsel and Company Secretary, and Chief Financial Officer add considerable depth and expertise to our executive team, and provide an underlying foundation for the ambitious growth blueprint now in place for the company.

In October 2008, Industrea's Managing Director and CEO, Robin Levison, committed to remain in his position for another four years. Robin has played an instrumental role in driving Industrea's expansion, through both organic growth and key acquisitions, and his presence at the company's helm until at least July 2012 ensures that the company's forward momentum is guaranteed.





Robin has been the driving force in developing the current Industrea business model, with its twin streams of income derived from the provision of mining services as well as a suite of world leading mining products. In this process he has had the full support of the Industrea board of directors.

Robin and his management team, to quote stockbroking firm Ord Minnett's review of Industrea in July this year, turned in "a herculean effort" in successfully guiding Industrea through what proved a challenging year.

We also had the great pleasure of adding Tim Netscher to Industrea's board in February 2009. Tim has an impressive track record in the resource sector, currently serving as Vice President Asia/Pacific for Newmont Mining and previously serving as Vale Australia's Managing Director and holding senior positions with Billiton. His extensive international experience and capabilities in strategic development have already added significant value to our diversification and vertical integration strategies.

I extend my sincere thanks to all directors for their invaluable contribution during the year to Industrea's continued success, and their commitment to driving the company's expansive growth strategy.

As we enter the new financial year, there are no doubts that Industrea is more

strongly positioned than ever to capitalise on the opportunities we believe will continue to unfold in the mining sector both domestically and globally.

Our balance sheet remains in good order, and we have the people, products and plans in place to lift the company onto the next level of its growth path.

In August 2009 Industrea announced details of a Share Purchase Plan to raise \$20 million to help fund the continued growth of our mining services business and to capitalise on new product sales opportunities identified in the key market of China.

With trading conditions expected to progressively improve in the domestic market, and the burgeoning Chinese coal industry increasingly pursuing non-discretionary safety and productivity equipment, all our business units are poised for further growth in 2010.

At the start of the new financial year our forward order book was continuing to swell, and most importantly we are seeing significant levels of recurring revenue being locked in through both new and existing projects. Indicative of these ever increasing recurring revenue streams, were the \$30 million per annum contract win with Cockatoo Coal for its Baralaba Coal Mine in the Bowen Basin in July 2009 and the \$33.1 million in new contracts signed with Chinese thermal

coal customers for gas drainage and productivity and safety equipment in July, August and mid September 2009.

To our valued shareholders, customers and staff, thank you for your continued loyalty and support. There are no doubts that for all those directly associated with Industrea, 2010 will prove another rewarding year for the company and one in which we make further major progress on our goal of becoming a leading integrated global mining services and products provider.

A handwritten signature in black ink, appearing to read 'David Beddall', written in a cursive style.

The Hon David Beddall
Chairman