Austal Limited
2010 Annual General Meeting

22 October 2010

Results Highlights and Key Events

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AUD $M	2010	2009	Change
Revenue	521.4	500.4	4%
EBIT	52.7	1.5	3,413%
Net profit after tax	37.1	9.2	303%
EPS	20.3 cents	5.0 cents	306%
NPAT adj. for abnormal items	*39.6*	*38.5*	*3%*

Key events during FY 2010:

- **Full award of contracts for additional Joint High Speed Vessels (JHSV)**
- **LCS final pricing submitted**
- **MMF commissioned and reaching designed throughput levels**
- **17 vessels delivered (16 out of Australian facilities)**
- **Virtu Ferries 107m catamaran delivered subsequent to year end**
- **Consolidation of Margate, Tasmania and Egmont Road facilities into Austal Ships**

Segment Results

AUD $M EBIT	2010	2009	Change
Austal Australia	27.6	25.7	7%
Austal USA	23.7	-24.7	196%
Service	3.9	N/A	
Other	(2.5)	0.5	
TOTAL	52.7	1.5	3,413%

- **Austal Australia's strong productivity improvement measures and cost savings efforts generated stronger EBIT despite lower revenue**
- **Austal USA now building momentum and consistency in its order book**
- **First full year of dedicated focus on Service as a business unit yielded positive results**

2011 Investment Program

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AUD $M	2010 Actual	Aust.
Plant & Equipment	12.3	1.6
Furniture & Equipment	1.7	0.9
Information Technology	1.9	0.6
Building improvements	23.0	0.4
New Office		
New land and improvements		
Bay 5 additions		
MMF Phase II		
TOTAL	38.9	3.5

- **Facility expansion at Austal USA tailored to support the existing order book (JHSV)**
- **To-date, 39% of the $207M invested in Austal USA has been funded by local, State and Federal grants**

Vessels Completed FY 2010

2 x 22m Queensland Police Boats

4 x 21m Maltese Coast Guard Vessels

6 x 30m Trinidad & Tobago Patrol Boats

1x 127m US Navy Littoral Combat Ship

Vessels Completed FY 2010

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4 x 48m Water Taxis

Vessels Completed Subsequent to Year End

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1 x 107 metre vehicle ferry for Malta

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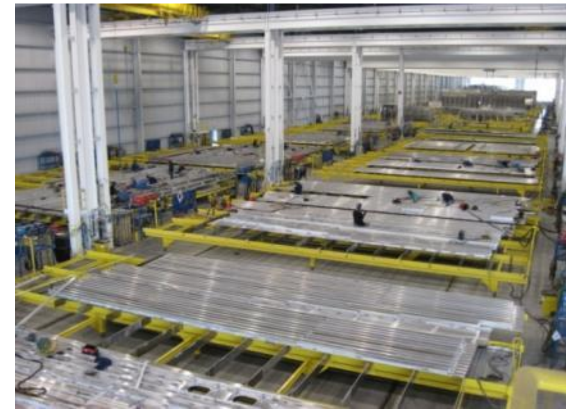
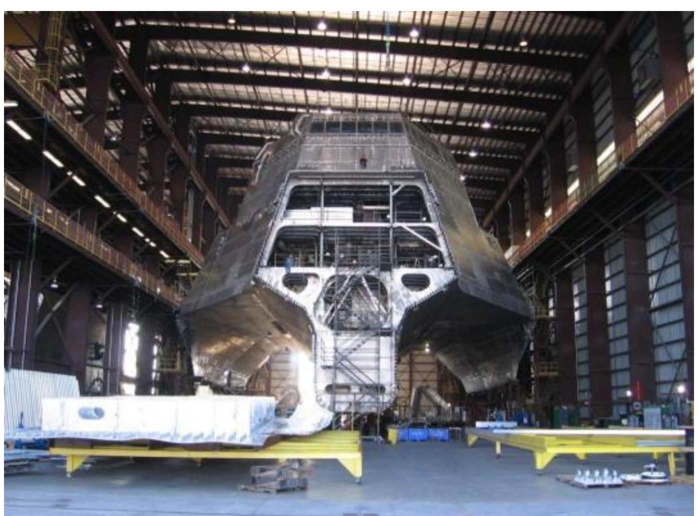
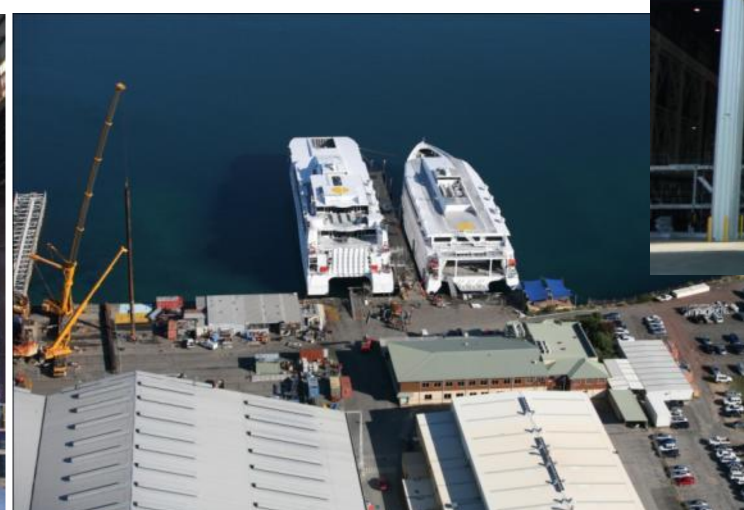
Approximately $1.4B Currently Under Contract

- 1 x 113m vehicle ferry for Nordic Ferry Services (Denmark)
- 2 x 47m passenger ferries for L’Express des Illes (Guadeloupe)
- 1 x 127m Littoral Combat Ship (LCS) for US Navy
- 5 x 103m Joint High Speed Vessel (JHSV) for US DOD
- 1 x 102m trimaran vehicle ferry (stock vessel)
- 1 x 48m luxury motor yacht (stock vessel)







Positioning Austal for the Future

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Predictable shareholder returns in the future will be driven by:

- **Military shipbuilding contracts**
- **Innovative, new designs**
- **State-of-the-art production facilities and techniques**
- **Leveraging our intellectual property**
- **Financial capability**
- **Expansion of service offerings**
- **A talented workforce**

Military Shipbuilding Contracts

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- LCS 4, *USS Coronado*, approximately 36% complete.
- Tender for 10 vessel contract worth circa US$4.5B is pending
- First 5 of 10 JHSVs now under contract. JHSV program could grow to 52 vessels over time
- Austal continues to pursue patrol boat contracts in Australia and abroad
- Currently tendering for an 8-vessel Australian Customs contract
- RAN's Multi-Role Vessel tender expected in next 3-5 years.


US Navy
Littoral Combat Ship

Patrol Boats


Proposed RAN
Multi-Role Vessel


US Army-Navy
Joint High Speed Vessel

Innovative, New Designs

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- Austal continues to refine and improve its trimaran design
    - Superior seakeeping
    - Lower operating costs
    - Greater passenger comfort
    - High payload capacity

- New product development includes
    - An "efficient catamaran" design, achieving high speeds at lower operating costs
    - Low cost passenger ferry design

State-of-the-art Production Facilities and Techniques

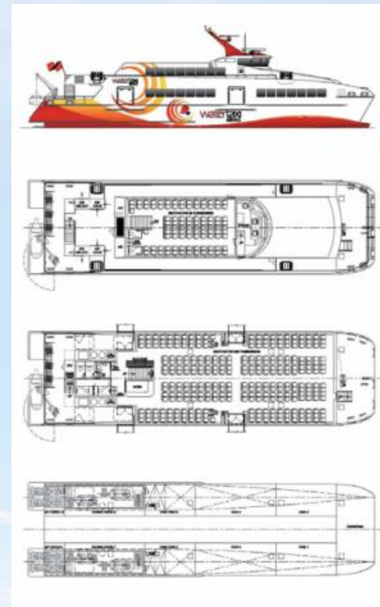
Austal differentiates ourselves from the competition through superior construction techniques:

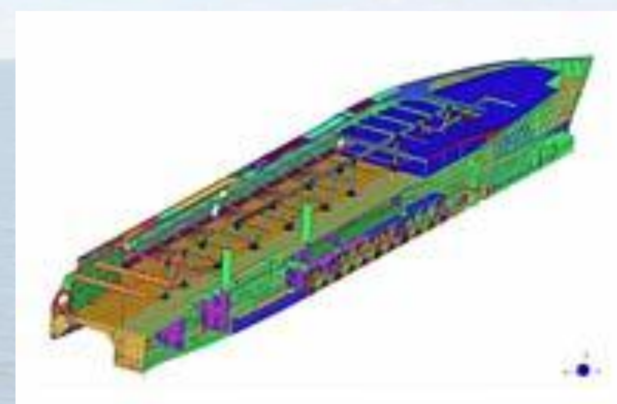
- Commissioned our Module Manufacturing Facility in Alabama
- Waste elimination program and "Lean Manufacturing"
- Maximising automation
  - Rotating construction jigs
  - Multi-headed gantry welders
  - Computer-numerically controlled router cutters and pipe-benders
- 3-D design software
- Modular construction

Leveraging Our Intellectual Property

Expanding our reach into untapped markets while protecting our I.P.:

- Improved IP management process
- Technology transfer model developed
- Positioning Austal to be able to produce ships around the world in countries seeking local content through
  - Joint ventures
  - Partnerships
  - Simple contractual relationships





Financial Capability

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Austal has strengthened its ability to pursue large construction projects:

- **Renegotiated the corporate banking facility to allow for expansion of debt facilities, if necessary, to support continued growth in the business**

- **Access to a further US$140M in Gulf Opportunity Zone bonds with interest rates well below standard commercial terms**

- **Leveraged US government grants through Katrina funding and MARAD (over US$37M received to-date)**

Expansion of Service Offerings

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Geographic expansion of our service business:

- Geographic expansion puts us in closer contact with our customers on a daily basis
  - Darwin
  - Spain
  - Egypt
  - Trindad & Tobago
  - Oman

- Multi-year service and maintenance contracts

- Through-life-support contracts for the Joint High Speed Vessel program and, potentially, LCS

A Talented Workforce

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- Management teams in Australia and the US have been strengthened
  - New COO in Australia
  - New CFO
  - Greater management depth

- The workforce in the US has grown to 1,800 and may double with an LCS contract win

- The safety record in all our facilities is better than ever (lost time injury frequencies are less than half the industry standard)

- Design and production innovations have been driven by our workforce

Concluding Remarks

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- Current visibility and predictability of earning streams is unparalleled in Austal's history
- Balance sheet remains strong and capital is in place to fund expansionary requirements as required
- With JHSV program Austal *today is the sole supplier* of a vessel which may ultimately become a 52 ship class
- Potential award of LCS will deliver a step change in the earnings profile. The US Navy is still committed to a 55-ship LCS class
- Proven business that continues to deliver growth opportunities through international expansion and diversification

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