AUSTAL

2012 Financial Results
Investor Briefing Package

AGENDA

- **Results Highlights and Key events**
- **Group Financial Summary**
    - *Balance sheet review*
    - *Austal USA*
    - *Austal Australia*
    - *Service and Systems*
- **Order Book Backlog**
- **Summary**

RESULTS HIGHLIGHTS & KEY EVENTS

AUD $M	Dec-11	Dec-10	Change
Revenue	267.4	251.2	6%
EBIT	(4.0)	20.5	(120%)
Net profit after tax	(3.0)	14.1	(121%)
EPS	-1.63 cents	7.68 cents	

- **Operating loss driven by:**
  - **Low level of activity in Australian business until Customs project ramps up.**
  - **"First in class" issues with JHSV1.**

- **Return to profitability is expected through:**
  - **In the US, "Lessons learned" on JHSV 1 now captured and implemented, reflecting in performance of follow on hulls.**
  - **In Australia, increased activity from Customs project.**

BALANCE SHEET REVIEW

AUD $M	Dec-11	Jun-11	Change
Total Assets	707.4	674.6	5%
Cash	39.6	42.3	(6%)
Restricted cash	72.2	128.9	(44%)
Inventories	183.8	177.9	3%
Property, plant & equipment	291.2	208.3	40%
Total Liabilities	461.4	400.4	15%
Bank loans	46.7	16.7	180%
Go Zone Bonds ("GZB")	220.0	209.7	5%
Government Grants	52.3	45.5	15%
Equity	246.0	274.2	(10%)

- **GZB continues to be an efficient funding mechanism for US capital assets.**
- **Covenant breach lead to reclassification of long term debt to current, due to accounting standards requirements. Breach waived and classification of debts to revert next period.**
- **Sufficient cash and access to external working capital support.**

Austal USA

USD $M	Dec-11	Dec-10	Change
Revenue	240.8	149.1	62%
EBIT	5.0	13.9	(64%)
EBIT %	2%	9%	(7%)
PBT	1.0	13.3	(92%)

- **Non recurring "First in class" issues:**
  - **Recruitment rate versus efficiency and quality**
  - **Lack of design maturity leading to rework**
- **"Lessons learned" – JHSV 2 is performing as expected.**
- **JHSV 8 and 9 to be awarded imminently.**
- **LCS 10 and 12 to be awarded by 31 March 2012.**
- **Fully expect all vessels under both programs to be awarded in accordance with contract terms.**

AUSTAL SHIPS

AUD $M	Dec-11	Dec-10	Change
Revenue	30.5	93.0	(67%)
EBIT	(5.7)	6.8	(184%)
EBIT %	(19%)	7%	(26%)
PBT	(7.7)	11.0	(170%)

- **Continuation of trend from June 2011 – transitional period from commercial to defence shipbuilding.**
- **Asset utilisation to improve in line with ramp up of Customs contract.**

SERVICE & WESTPAC EXPRESS

AUD $M	Dec-11	Dec-10	Change
Revenue	13.5	13.2	2%
EBIT	(0.3)	1.3	(123%)
EBIT %	(2%)	10%	(12%)
PBT	(0.3)	1.3	(123%)

- **One of costs impacted WestPac Express charter profitability**
- **Consolidating global service footprint to support US Navy vessels.**
- **Pursuing opportunities in resources sector.**
- **Investing in Systems capability to support Cape Class Patrol Boat program and beyond.**

ORDER BOOK BACKLOG $1.87B AT DECEMBER 2011

- 3 x 127m Littoral Combat Ships for US Navy
- 7 x 103m Joint High Speed Vessels for US Navy
- 1 x 35m monohull ferry
- 1 x 41m catamaran ferry
- 8 x 58m patrol boats for Australian Customs
- 3 x 21m catamaran wind farm vessels
- LCS Technical Services for US Navy
- Service contracts in Trinidad and Tobago, Oman, Australia and USA
- “WestPac Express” charter extension

SUMMARY

- US production facility is full through to 2017.
- The ‘franchise’ from long term vessel programs is beginning to appear.
- Activity in the Australian operations is ramping up for the commencement of production for CCPB.
- Philippines Shipyard Operation is ramping up with construction of the first vessel underway.
- Investing in Service and Systems capacity to support US programs, CCPB and other military programs
- Expected to Return to profitability at full year.

QUESTIONS ?

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