



**COMPANY ANNOUNCEMENT
18 JULY 2013**

AUSTAL UPGRADES EARNINGS GUIDANCE

Austal Limited (**Austal**) (ASX:ASB) is pleased to upgrade its earnings guidance for the full year ended 30 June 2013.

Austal is revising net profit after tax guidance to be in the range of \$35 to \$40 million. This and all guidance is exclusive of the impact of stock boats. Austal had previously provided net profit after tax guidance of \$23-26 million. The upgraded guidance is a result of the non-cash recognition of research and development tax credits from prior years.

Austal reaffirms that its full year EBITDA guidance will be in the range of \$65-71 million exclusive of the impact of stock boats, consistent with previous guidance.

Austal Chief Executive Officer Andrew Bellamy said he was pleased the company had continued to deliver on the operational improvements which have driven improved EBITDA in the second half of the financial year.

"While the tax benefit is a boost to our bottom line, it is simply the recognition of non-cash tax credits from prior years. It is pleasing however that the operational improvements and efficiencies that management and staff have driven across our businesses have been sustained throughout the year."

"Austal's Littoral Combat Ship and Joint High Speed Vessel contracts in the United States continue to mature. LCS 4 is completing builder's sea trials and construction of LCS 6, 8, and 10 are progressing well. Meanwhile, our JHSV program continues to improve performance through delivering cost improvements."

"Our financial performance in Australia has also improved as we deliver on our \$330 million contract to design, construct and service the Cape Class Patrol Boats."

Austal expects to report its full year results on 29 August 2013.

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About Austal

Austal is a global defence prime contractor. The Company designs, constructs and maintains revolutionary platforms such as the Littoral Combat Ship (LCS) and the Joint High Speed Vessel (JHSV) for the United States Navy, as well as an extensive range of patrol and auxiliary vessels for defence forces and government agencies globally. Austal also designs, installs, integrates and maintains sophisticated communications, radar and command and control systems.

Austal benefits from its position as a world leader in the design, construction and support of customised, high performance aluminium vessels for the commercial high speed ferry market, an achievement gained over a period of nearly 25 years.

Austal's primary facilities comprise a dedicated defence shipyard in Henderson, Western Australia; a dedicated defence shipyard in Mobile, Alabama; and a dedicated commercial shipyard in Balamban, Philippines. The Company also provides vessel support services from its facilities in Australia, the United States, Asia, the Caribbean, and the Middle East. Systems development, sales and support are coordinated from Austal's facility in Canberra, Australia.

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