



**COMPANY ANNOUNCEMENT
30 AUGUST 2013**

AUSTAL DELIVERS RECORD REVENUE AND IMPROVES MARGINS, MEETING FULL-YEAR EARNINGS GUIDANCE

Summary of results:

- Record revenue of \$902.8 million, a 38% increase on FY2012
- EBITDA of \$62.6 million (FY2012: \$35.5m)
- EBIT of \$38.1 million (FY2012: \$16.6m)
- NPAT of \$35.7 million (FY2012: \$11.0m)
- Earnings in line with market guidance:
 - \$67.0 million EBITDA, excluding the sale of the stock yacht¹
 - \$38.8 million NPAT, excluding the sale of the stock yacht²
- Ongoing EBIT margin improvement at USA operations, driven by efficiency improvements (5.2% for FY2013 vs 2.7% for FY2012)
- Australia and Philippines operations profitable for the year
- Restructure of Service and Systems operations to drive efficiencies
- Strengthened balance sheet and simplified debt structure, including a new syndicated bank facility agreement with maturity extended to December 2015 (executed subsequent to year end)
- Order book of \$2.6 billion, securing construction work through to 2017

Austal Limited (**Austal**) (ASX:ASB) is pleased to announce a net profit after tax of \$35.7 million for the year ended 30 June 2013 following strong revenue growth and margin improvement across the Company's operations.

Austal drove sustained operational improvements and efficiencies in its businesses throughout the year to improve the Company's margins. Overall group EBIT margins were 4.2 per cent in the year

¹ EBITDA guidance was \$66-71 million, which also excluded the sale of the stock boat.

² NPAT guidance was \$35-40 million, which also excluded the sale of the stock boat.

(FY2012: 2.5 per cent), with Austal achieving 5.2 per cent EBIT margin at its US operations for the year compared to 2.7 per cent in FY2012.

This margin growth for the Group was achieved on record revenue of \$902.8 million for the year, a 38% increase from FY2012, primarily from the growth in construction of vessels under contract from the US Navy.

This margin and revenue growth substantially improved Austal's earnings from last year, meeting guidance provided to the market:

- Headline EBITDA was \$62.6 million. EBITDA was \$67.0 million after removing the one-off impact of the sale of the stock yacht (a \$4.4 million pre-tax loss), representing an 88.7 per cent increase on FY2012.
- Net profit after tax was \$35.7 million. NPAT was \$27.8 million after removing the one-off impact of the sale of the stock yacht (a \$3.1 million after-tax loss) and \$11.0 million of non-cash research and development tax credits from prior years.

Austal was also successful in meeting its target of a breakeven result at its Australian shipyard, recording an EBIT of \$0.5 million. The Company's Philippines shipyard recorded a maiden EBIT of \$5.0 million in its first full year of operations.

The Service and Systems division was restructured in the year to improve efficiencies and align with work opportunities.

Austal's balance sheet was significantly strengthened, with gearing of 25.1 per cent at year end compared to 36.7 per cent at 30 June 2012.

Austal Chief Executive Officer Andrew Bellamy said it was a great achievement by Austal management and staff to drive operational improvements and grow margins to improve the company's financial performance.

"Our key objectives for the year were to drive operational improvements and efficiencies across our businesses and strengthen the balance sheet to support our record order book, and we took major steps in the year to deliver on those," Mr Bellamy said.

"The operational improvements were very pleasing. Our EBIT margins in the US grew to 5.2 per cent for the year, meeting our target of more than 5 per cent margin, through implementing the lessons

learnt from the construction and delivery of the first-in-class Joint High Speed Vessel across the shipyard.

“Outside the US we returned our Australian operations to a breakeven result as construction on the \$330 million Cape Class Patrol Boat contract increased, and we reported a maiden profit at our Philippines shipyard in its first full year as we delivered on commercial and wind farm vessels.

“These improvements and revenue growth enabled us to meet our stated earnings guidance for the year.

“Importantly, in the year Austal’s balance sheet was significantly strengthened. Debt was reduced through the \$77.9 million capital raising, we sold one of the two stock boats, and negotiated a new, simplified syndicated banking agreement with an extended credit facility.”

Mr Bellamy said Austal was targeting revenue of \$1 billion in FY2014, while further improving EBIT margins in the US and Australia as construction of Littoral Combat Ships and Joint High Speed Vessels for the US Navy grows and the Cape Class contract matures following delivery of the first-in-class vessel in April.

“Looking ahead, our aim is to deliver on our record amount of work in hand by ensuring prudent cash management practices across our businesses,” Mr Bellamy said.

“We will also continue to pursue opportunities to win new defence vessel construction and service contracts, particularly in Asia and the Middle East, and continue the transfer of technological capabilities to our Philippines shipyard to secure new commercial contracts there.

“Meanwhile, Austal is well placed to win support work in line with US Navy, Australian Navy and Australian Customs deployments in the Asia Pacific region during the year through our network of service yards and partnerships in the region.”

-Ends-

Conference call details

Austal CEO Andrew Bellamy will host a conference call to discuss the FY2013 results, including a Q&A session, at 8:00am Perth time (AWST) / 10:00am Sydney time (AEST) today. Access details to the call are provided below:

Conference ID: 31168308

Dial-in details: Domestic participants can dial either of the numbers below to join the call. Participants will need to quote the ID provided above.

Toll: +61 2 8314 8370 or Toll free: 1800 123 296

International toll-free numbers are also available for each country listed below. For countries not listed below, the Australian Toll number can be dialled.

Canada	1855 5616 766
China	4001 203 085
Hong Kong	800 908 865
India	1800 3010 6141
Japan	0120 985 190
New Zealand	0800 452 782
Singapore	800 616 2288
United Kingdom	0808 234 0757
United States	1855 293 1544

Archived Call: An archived copy of the call will be available shortly after the conclusion of the call via <http://www.openbriefing.com/OB/1204.aspx>.

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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.