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*Leading the World in the Design and Construction  
of High Speed Aluminium Vessels  
Presentation to US Institutional Investors*

June 2010



- Austal facts
- Austal Australia
- Austal USA
- Summary



## Austal facts



- Largest aluminium shipbuilder in the world, founded over 20 yrs ago
- Global customer base
- Designed and built more than 200 vessels including;
  - Revolutionary warship for the US Navy
  - Patrol Boats for the Australian Navy and Coast Guard
  - High speed ferries capable of record speeds of up to 100km/h-plus
  - Large commercial vessels able to carry more than 1400 passengers and 350 cars.
  - Luxury, award winning private vessels
- An international industry leader founded in Western Australia and now with world class facilities in Mobile, AL supporting the US Navy



- Listed on the Australian Stock Exchange in 1998 (Stock Code: ASB)
- Shipyard locations: Henderson, Western Australia  
Mobile, Alabama, USA
- Employees: 975 in Henderson  
1,500 in Mobile
- Product Base: Passenger and vehicle-passenger ferries, coastal combat ships, high speed military support vessels, patrol boats, cruise vessels, live-aboards, and private vessels.



# Recent Financial Results



AUD \$M	H1 2010	FY 2009	FY 2008
Revenue	\$ 221.0	\$ 500.4	\$ 626.1
EBIT	\$ 21.1	\$ 1.5	\$ 52.6
Net profit after tax	\$ 15.5	\$ 9.2	\$ 52.3
EPS	8.5 cents	5.0 cents	28.3 cents
Cash balance	\$ 72.0	\$ 93.0	\$ 258.9
NTA	\$ 249.1	\$ 235.7	\$ 218.7

- 2009 results impacted by \$46M of abnormal items. Adjusted NPAT is \$38.5M
- Strong underlying balance sheet and historically low debt
- Only financial debt is "Go Zone Bonds" of \$65.7M which are tax exempt variable rate demand bonds (VRDBs), a subset of the municipal bond market.
- Capital for growth will be funded by the existing undrawn allocation of long term VRDB – no other capital required, US\$130M available to draw
- Predictability of future earnings is underpinned by the JHSV contract with the US Navy

# Over \$1.3B Currently Under Construction



- 1 x 107m vehicle ferry for Virtu Ferries (Malta)
- 1 x 113m vehicle ferry for Nordic Ferry Services (Denmark)
- 4 x 41m passenger ferries for NIDCO (Trinidad and Tobago)
- 3 x 103m Joint High Speed Vessel (JHSV) for US Department of Defence
- Long lead materials for JHSV 4 and 5
- 1 x 127m Littoral Combat Ship (LCS) for US Navy
- 1 x 102m trimaran vehicle ferry (spec built)
- 2 x 47m caterman ferries for L'Express des Illes (Guadeloupe)
- 1 x 48m luxury motor yacht (spec built)



# Global Market Global Reach



- Austal construction facilities
- Austal vessels delivered / in service
- Austal service centres



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Austal Australia



- Mature business which seeded the Group's global operations and holds the Group's substantial patented intellectual property
- Focus is on the global commercial ferry market and non US defence vessels
  - Large vehicle passenger ferries (80 metres to 125 metres)
  - Medium size passenger ferries (20 metres to 60 metres)
  - Near shore patrol and police vessels (20 metres to 60 metres)
  - Luxury vessels (30 metres plus)
- Transactional business which has been impacted by the global financial crisis and the strength of the Australian dollar
- Developing a Service and Maintenance business to smooth earnings





- Expect to build revenue to circa \$60M pa by 2012. Delivered \$26M in H1 2010, up from \$7M in FY 09
- Operations now established in Egypt, Trinidad & Tobago, Oman, Hong Kong, Darwin and Spain.
- Announced multi-year contracts this fiscal year:
  - Egyptian Government - 3-year term, plus 2-year option valued at \$12M
  - Trinidad & Tobago Government - 5-year term valued at ~\$19.7M
  - Oman National Ferries Company – 1-year term valued at \$4.4M, plus four 1-year options
- These contracts underpin strategy of building longer-term, more predictable income streams





Austal Image

Austal Ships

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Austal USA



- Formed in 2000 and delivered its first vessel in 2002
- Strategy was to develop a production capability in the US ultimately targeting the US defence sector
- Strategy has been successful and Austal has been awarded:
  - contracts to construct 2 Littoral Combat Ships (USS Independence and USS Coronado)
  - options to deliver 10 Joint High Speed Vessels
    - 3 out of 10 options have been converted to contracts (JHSV 1, 2 &3)
    - procurement contracts have been awarded by Navy to buy the long lead materials for vessels 4 and 5
- Next major strategic target is to win the Littoral Combat Ship 10 vessel award





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# Joint High Speed Vessel (JHSV)



- The US Department of Defence's high speed Theatre Support Vessel
- JHSV 1 under full construction, delivery December 2011
- JHSV 2 and 3 full construction awarded January 2010
- Options for a further seven vessels
- Long lead time material orders for vessels 4 and 5 awarded in June 2010
- Average selling price per ship over 10-ship program is US\$160M per vessel (total US \$1.6B)
- Austal expects to deliver a JHSV every 6 months from late 2012
- Predictable revenue stream of US\$320M pa from 2012 to 2015 (approx. 60% of Austal's historical revenue)

# Joint High Speed Vessel (JHSV)



- US Navy's current 30-year shipbuilding plan calls for up to 41 JHSVs
- US Army also calling for 12 JHSVs
- Austal-built Hawaii Superferry recently used in Haitian relief effort demonstrated capability of this vessel type
- Substantial "Through Life Support" prospect
- Austal is presently the sole supplier of these vessels to the US military

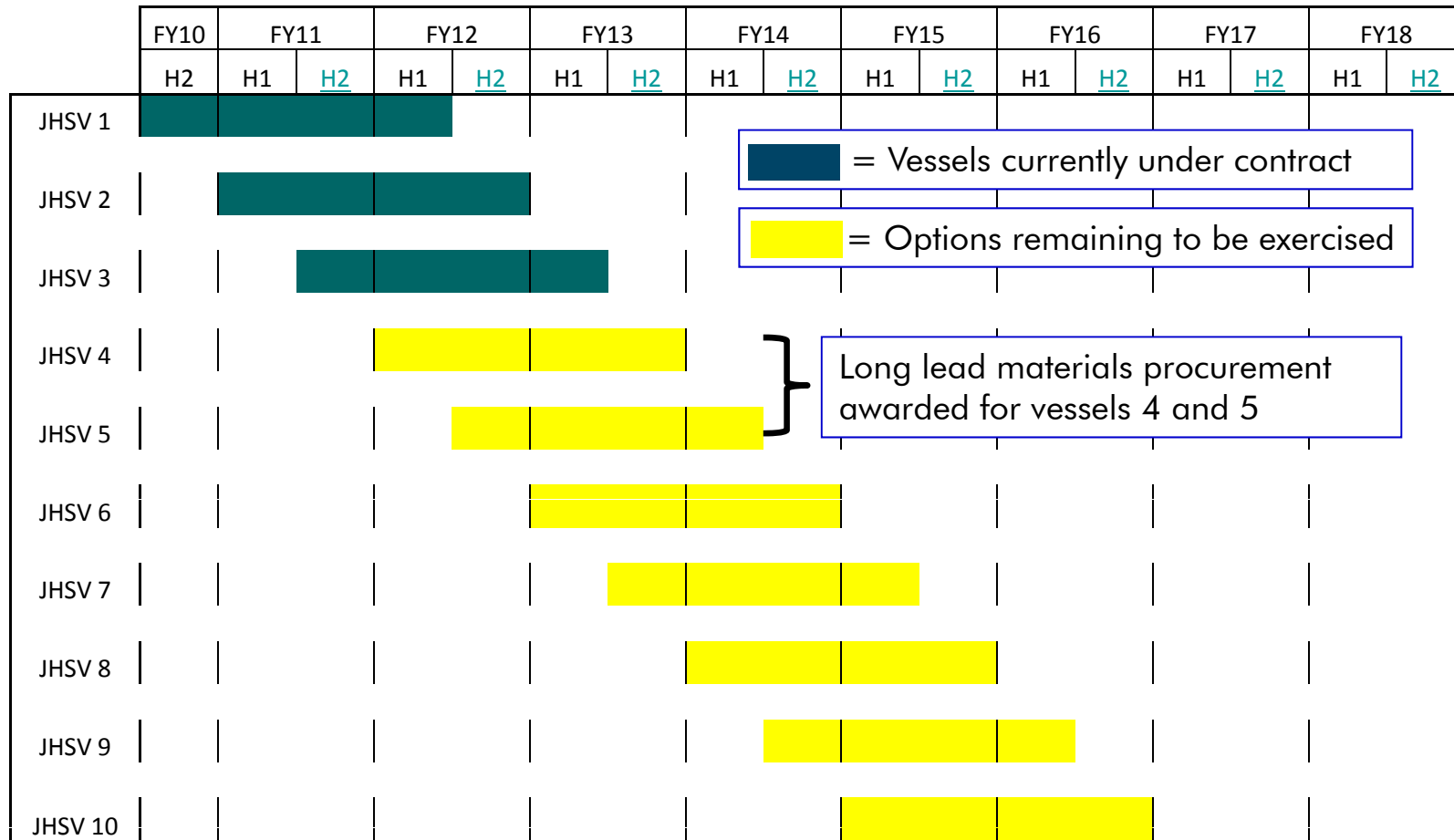


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# Joint High Speed Vessel (JHSV)



## JHSV Build Schedule:



Recurring revenue is circa US\$320M pa FY12 to FY15

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# Littoral Combat Ship

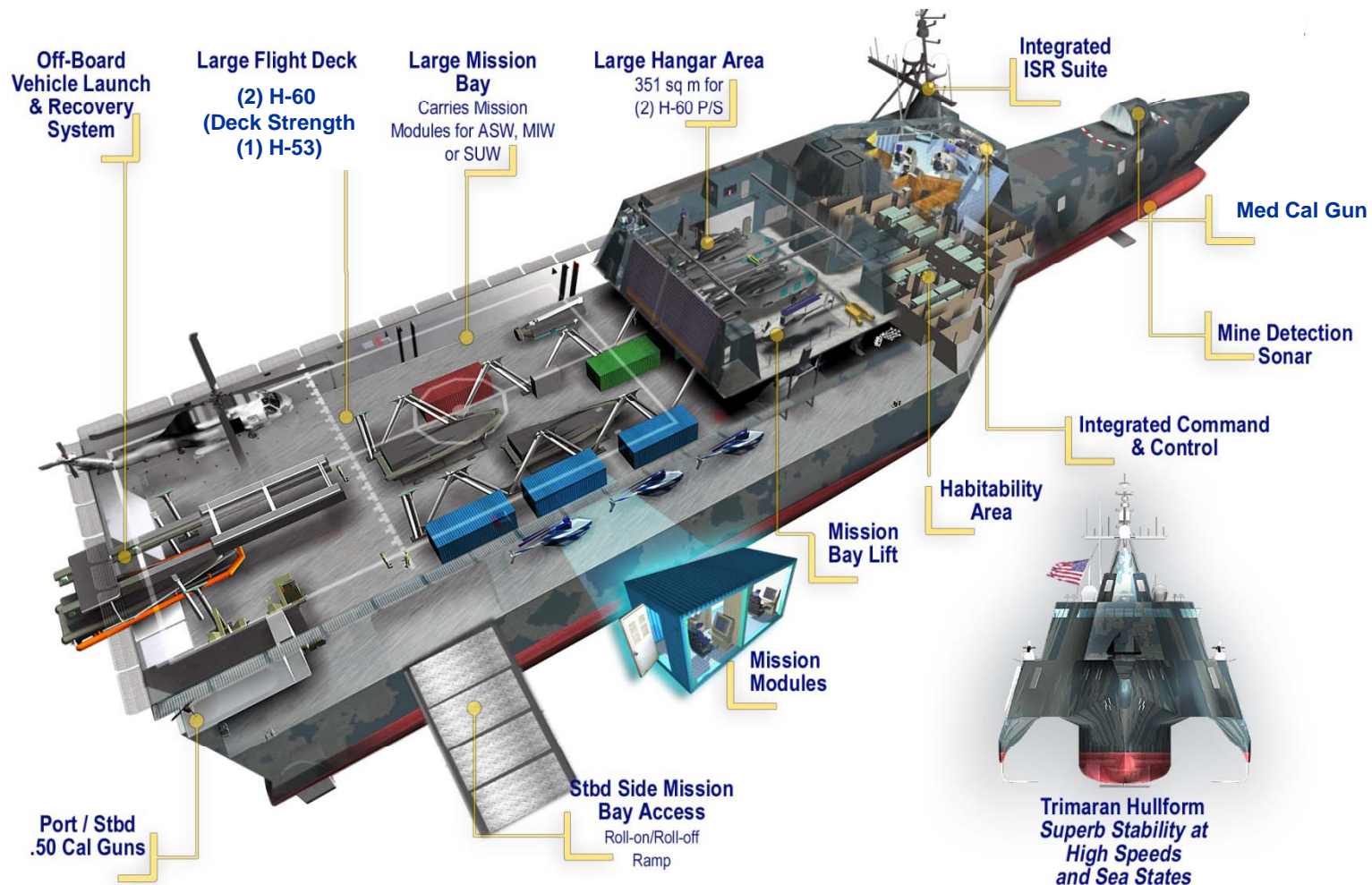


127m Littoral Combat Ship (LCS 2)  
*USS Independence* departed Austal  
USA on 26 March 2010

- LCS 4, *USS Coronado*, approximately 25% complete. With design now mature, production costs are running 30% less than LCS 2. Delivery is scheduled for late 2012
- Austal USA and General Dynamics – Advanced Information Systems, are bidding for a 10 vessel contract worth circa US\$4.5B. The competition is a Lockheed Martin led consortium.
- Austal is acting as Prime Contractor in the bid, with GD – AIS as our subcontractor
- Navy remains committed to a 55 vessel LCS program as part of a 313 ship fleet plan
- Contract award is expected in July/August 2010



## GENERAL DYNAMICS Littoral Combat Ship



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## LCS Build Schedule:

	FY10		FY11		FY12		FY13		FY14		FY15		FY16		FY17		FY18	
	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	
LCS 4 (Coronado)	█	█	█	█	█													
LCS 5			█	█	█	█	█											
LCS 6				█	█	█	█	█	█									
LCS 7					█	█	█	█	█	█								
LCS 8						█	█	█	█	█	█							
LCS 9							█	█	█	█	█	█						
LCS 10								█	█	█	█	█	█					
LCS 11									█	█	█	█	█	█				
LCS 12										█	█	█	█	█	█			
LCS 13											█	█	█	█	█	█		
LCS 14													█	█	█	█	█	

█ = Vessel currently under contract  
█ = 10 vessel award if Austal wins

Recurring revenue is circa US\$500M pa FY13 to FY15

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# United States Navy Order book potential



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	FY10	FY11		FY12		FY13		FY14		FY15		FY16		FY17		FY18	
	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2
LCS 4 (Coronado)	Blue	Blue	Blue	Blue	Blue												
JHSV1	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue												
LCS 5			Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow								
JHSV 2		Dark Blue	Dark Blue	Dark Blue	Dark Blue												
LCS 6				Yellow	Yellow	Yellow	Yellow	Yellow	Yellow								
JHSV 3			Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue										
LCS 7				Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow						
JHSV 4				Orange	Orange	Orange	Orange	Orange	Orange								
LCS 8						Yellow	Yellow	Yellow	Yellow	Yellow	Yellow						
JHSV 5						Orange	Orange	Orange	Orange	Orange							
LCS 9								Yellow	Yellow	Yellow	Yellow	Yellow	Yellow				
JHSV 6								Orange	Orange	Orange	Orange	Orange	Orange				
LCS 10										Yellow	Yellow	Yellow	Yellow	Yellow			
JHSV 7										Orange	Orange	Orange	Orange	Orange			
LCS 11											Yellow	Yellow	Yellow	Yellow	Yellow		
JHSV 8											Orange	Orange	Orange	Orange	Orange		
LCS 12												Yellow	Yellow	Yellow	Yellow	Yellow	
JHSV 9												Orange	Orange	Orange	Orange	Orange	
LCS 13													Yellow	Yellow	Yellow	Yellow	
JHSV 10													Orange	Orange	Orange	Orange	
LCS 14														Yellow	Yellow	Yellow	Yellow

- = LCSs currently under contract
- = JHSVs currently under contract
- = JHSV options remaining to be exercised
- = LCS 10-vessel award if Austal wins contract

By year-end 2012, Austal's total order book may exceed \$2B



## Summary



- Proven business that continues to deliver growth opportunities though international expansion and diversification
- Current visibility and predictability of earning streams is unparalleled in Austal's history
- With JHSV program Austal today is the sole supplier of a vessel which will comprise one sixth of the Navy's future fleet
- Potential award of LCS will deliver a step change in the earnings profile. Austal will be building vessels that comprise one third of the Navy's future fleet
- At share price of A\$2.20, LCS is "free"
- "Buy/Outperform" ratings from Macquarie and UBS





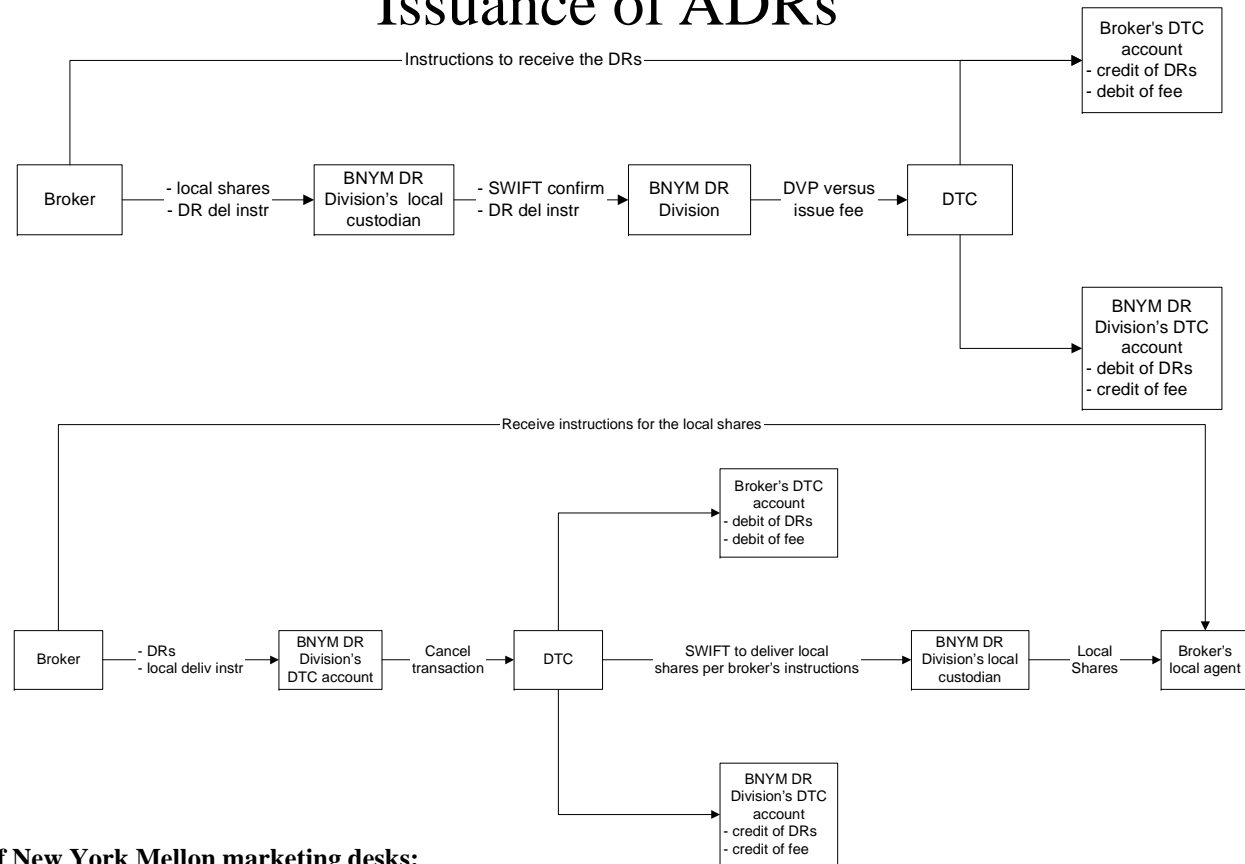
Austal ADR shares trade on the U.S. OTC market under the following information:

- Symbol **AUTLY**
- CUSIP **05211M105**
- Ratio **1ADR : 10 ORDs**
- Country **Australia**
- Effective Date **February 18, 2005**
- Underlying SEDOL **6137162**
- Underlying ISIN **AU000000ASB3**
- Depository **BNY Mellon**

**ADR Benefits to U.S. Investors:**

- ADRs give access to cross-border market liquidity
- ADRs are cost-effective
- ADRs are convenient to own:
  - Quoted in U.S. dollars
  - Dividends paid in U.S. dollars
  - Seamless Tax reclamation process

## Issuance of ADRs



**For more information, please call The Bank of New York Mellon marketing desks:**

- |  |   |  |  |
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Questions?



# Appendix



## Hull forms

# Product Overview



Commercial Vehicle / Pax



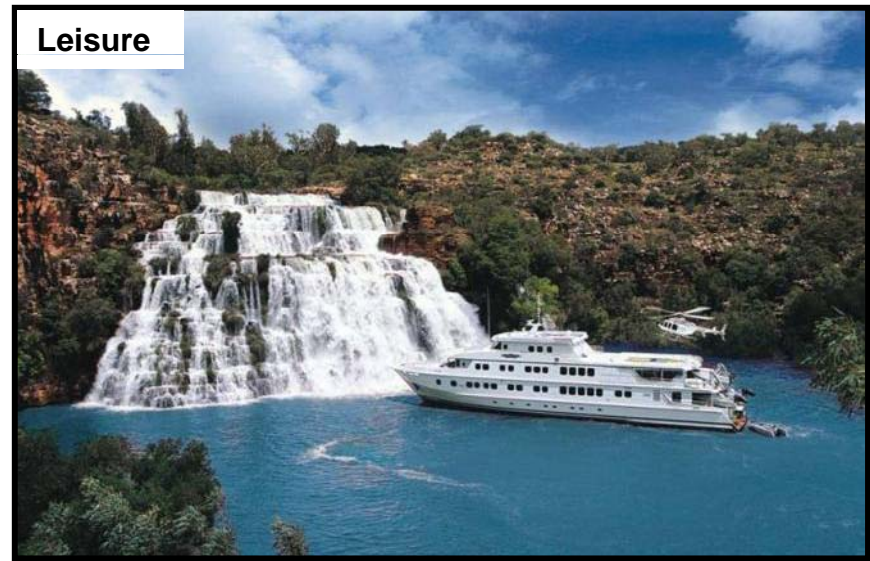
Commercial Passenger



Defence



Leisure



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# Product Overview – Hull forms



**Trimaran**



**Catamaran**



**Monohull**

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Total Vessels Constructed	221
Patrol Boats / Naval	71
Commercial	143
Private	7
Hull Types:	
Monohull	83
Catamaran	134
Trimaran	4

Completed, under construction and on order as at May 2010.



## The Journey

# The Austal Journey



1988

- Commenced operations with a vision to build high quality commercial vessels for the international market.

1989

- First delivery of "Spoil Sport", a 30 metre live aboard dive vessel.

1990

- Acquires waterfront facilities in Henderson for construction of large vehicle passenger ferries.

1993

- Austal had become the world's leading manufacturer of 40 metre passenger catamarans and the dominant supplier to Asia.
- Introduced gas turbine propulsion and the first two installations of the Austal developed motion control system (SeaState).

1994

- Expands production facilities to enable construction of 2 x 100m vessels side by side.





1996

- Opens regional office in Tokyo, Japan.

1998

- Entered the patrol boat market securing an order for eight Bay Class vessels for the Australian Customs Service.
- Listed on the Australian Stock Exchange.
- Acquires Image Marine.

1999

- Austal USA is established in Mobile, Alabama. Austal partnered with Bender Shipbuilding & Repair Co Inc.
- Acquires Oceanfast.

2001

- Austal became the first company to supply the US military with a high speed Theatre Support Vessel (TSV) "WestPac Express".
- New Oceanfast shipbuilding facility opened.





## 2005

- Delivery of Austal's first trimaran, "Benchijigua Express".
- General Dynamics is awarded the contract for the US Navy's Littoral Combat Ship (LCS). Austal is the LCS seaframe designer and builder.

## 2006

- Austal USA is fully acquired by Austal Ltd.

## 2007

- Austal USA reaches 1000th employee milestone.
- Delivery of "Alakai", the largest aluminium ferry built in the USA.
- Signs largest individual contract for 2 x 69m and 2 x 88m vehicle-passenger ferries.

## 2008

- Austal Awarded Preliminary Design Contract For US Navy / Army Joint High Speed Vessels (JHSV)
- Launch of LCS "USS Independence".



Steaming ahead: Austal revealed the US Navy could require up to 62 of the combat vessels over the next 30 years.

### Austal gets go-ahead for \$135m combat ship deal

**CATHY BOLT**  
WA shipbuilder Austal will announce today it has locked away the biggest and probably most significant single contract in its history—a primary order worth around \$135 million to build a new combat ship for the US Navy.

Austal called a trading halt in its shares on the weekend pending what it said was an expected finalisation this morning of the details of the contract for the new Littoral Combat Ship.

A spokesman said it had received news early yesterday that its partner and the prime contractor in the venture, US defence group General Dynamics, had been awarded a contract by the US Navy for the detailed design and construction of the first of LCS vessels.

Austal's role is to design and build the vessel's "seaframe", essentially the ship into which General Dynamics will plug its weapons systems. It is yet to confirm the value of the deal but executive chairman John Rothwell told the company's general meeting on Friday it expected its share of each LCS boat to be around \$250 million to \$310 million.

He also said the navy could require up to 62 of the LCS vessels over the next 30 years, including 27 within the next decade.

He said it was unclear how these might be shared between General Dynamics-Austal and Lockheed Martin, which also won a contract last year to develop an alternative prototype design for the LCS and has already started building its first ship.

But Austal believed its vessel would prove superior, including because its flight deck was much larger and higher above the water.

Although it has slightly less speed, it would be much less power-hungry. The LCS ship will be built in Austal's Admiralty shipyard in Murdoch, Australia where it has been upgrading its facilities and workforce in anticipation of the LCS work and other defence and commercial orders.

Confirmation of the first LCS order has already been factored into most market forecasts for Austal but it will shore up confidence of another long-term income stream for the company and demonstrably boost its credentials in the huge global defence market.

The latest estimates of likely future demand for the vessels is also likely to buoy investor sentiment.

**FLASHBACK SATURDAY**  
Austal poised for big US Navy contracts

## Austal signs its largest contract

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2009

- US Navy orders second Austal Littoral Combat Ship (LCS)
- Austal USA opens new modular manufacturing facility
- Construction of first Austal Joint High Speed Vessel commences

2010

- First Austal LCS joins US Navy Fleet
- Austal Awarded contracts for two additional Joint High Speed Vessels
- Next generation 102 metre trimaran launched
- European service hub opens



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For further information  
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