Austal Limited (Austal) (ASX:ASB) is pleased to announce it has completed the sale of “Austal Hull 270”, the Company’s 102 metre trimaran stock vessel, for $61.5 million, further enhancing Austal’s capital flexibility.

Austal previously announced on 6 January 2014 that it had negotiated an option to purchase contract with the Channel Islands’ ferry operator, Condor Ferries, which has now been exercised.

Under the terms of the sale contract settlement and payment is effective immediately.

The post-tax proceeds from the sale of the vessel will be used to pay down infrastructure-related debt, providing Austal with even greater capital flexibility as the Company delivers on its significant $2.8 billion order book and pursues additional opportunities, such as variant-style defence vessels, extending existing vessel programs, and options for commercial vessels.

Condor Ferries has been operating since 1964 and carries more than 1 million guests and 200,000 guest vehicles between France, the UK and the Channel Islands each year.

Austal Hull 270 will remain at Austal’s commercial shipyard in the Philippines for customer modifications. The modifications will commence immediately and are valued at approximately $6 million, to be paid by Condor progressively as works are completed.

Austal Chief Executive Officer Andrew Bellamy said the significant capabilities provided at Austal’s Philippines shipyard had been crucial in securing the additional customisation contract.

The vessel is expected to be delivered for final fit-out to Condor’s operations in the UK in the first quarter of CY15 and commence operations in the English Channel by the second quarter of CY15, after a handover period.
Condor Chief Executive Officer James Fulford said: “It is fantastic to be adding this prestigious ship to our fleet. The 102 will offer increased reliability, capacity and comfort for our guests and we are very much looking forward to her arrival in our islands in the Spring.”

Mr Bellamy said: “It is very pleasing that we have been able to complete the sale of this asset.”

“The sale of the stock boat further strengthens Austal’s balance sheet by liberating cash that will be used to reduce infrastructure-related debt. It provides significant additional capital flexibility for the Company as we focus on winning new work and delivering on our significant order book.”

-Ends-

For further information contact:

Austal, Public Relations
Tel: +61 8 9410 1111
Fax: +61 8 9410 2564
Email: pubrel@austal.com
Website: www.austal.com

About Austal

Austal is a global defence prime contractor and a designer and manufacturer of defence and commercial ships. For more than 25 years Austal has been a leader in the design, construction and maintenance of revolutionary ships for Governments, Navies and Ferry operators around the world. More than 250 vessels have been delivered in that time.

Ships
Defence vessels designed and built by Austal include multi-mission combatants, such as the Littoral Combat Ship (LCS) for the United States Navy and military high speed vessels for transport and humanitarian relief, such as the Joint High Speed Vessel (JHSV) for the United States Navy and High Speed Support Vessel (HSSV) for the Royal Navy of Oman. Austal also designs, constructs, integrates and maintains an extensive range of patrol and auxiliary vessels for government agencies globally, including the Cape Class Patrol Boat Program for Australian Customs and Border Protection. Defence vessels are designed and constructed in Mobile, Alabama and in Henderson, Western Australia.

Austal has been at the forefront of the high speed ferry market since the early days of the industry. Our market leading designs of high performance aluminium vessels have long been at the heart of Austal’s research and development. Today, commercial ship construction is centred on our shipyard in Balamban, Philippines.

Systems
Austal has expertise in integrating complex systems into its ships, including ride control, ship management, and communication, sensors and weapon systems.
Support
Austal provides a wide range of support services, including through life support, integrated logistics support, vessel sustainment and systems support. These services are delivered through our global support network in the USA, Australia, Asia, the Caribbean and the Middle East together with partner shipyards worldwide.

About Condor Ferries
Condor Ferries was founded in 1964 and initially operated a guest service between France and the Channel Islands. In 1987 the first service linking the Channel Islands with the UK was launched and since then Condor Ferries has operated a year-round service connecting the UK through Poole, Weymouth and Portsmouth, the Channel Islands through Guernsey and Jersey and the ports of St Malo and Cherbourg in France.

Condor Ferries operates Condor Vitesse, Condor Express, and Condor Rapide fast cat ferries. In 1999 Commodore Clipper, a conventional car, guest and freight carrying vessel was introduced to the fleet to offer an all weather, year round service. Each year Condor Ferries carries more than 1 million guests and 200,000 guest vehicles.

Condor Ferries also operates Commodore Goodwill, as a freight only vessel. The Condor Ferries fleet carries 100,000 freight vehicles into the Channel Islands each year as well as exporting tonnes of local produce.

Condor Ferries is also an active member of the communities within which it operates and supports numerous organisations, sports and charities through sponsorship and travel.