• World’s largest aluminium shipbuilder
• Shipyards in US, Australia and Philippines
• Service/Support Centres in Darwin, Cairns, San Diego and Singapore
• Only Australian company in world’s top 100 Defence Contractors & Australia’s largest Defence exporter
• Prime contractor for 2 major US Navy shipbuilding programs & only foreign company to Prime Contract ships for the US Navy
• The sole supplier of Commonwealth patrol capability for last 18 years. Bidding next version – the Offshore Patrol Vessel (OPV)
• >$1.3 billion in revenues.
• >4700 employees globally.

Ships Delivered FY2017 = 10
• 2 USA, 6 Henderson & 2 Philippines:
  • 1 x LCS10
  • 1 x EPF8
  • 2 x HSSV’s (strictly speaking only 1; 1 was delivered in FY2016)
  • 1x CMS 70m
  • 1 x Swire 57m
  • 2 x 2Go 30m
  • 2 x Capes

Ships Under Construction as at FY 2017 reporting = 14
9 USA, 1 Philippines, (3 since), 2 Henderson & 2 China:
• 1 x PPB
• 1 x Mols
• 1 x FRS
• 2 x Aulong
• 6 x LCS (14, 16, 18, 20, 22, 24)
• 3 x EPF (9, 10, 11)

Sustainment Programs = 32
• 10 x Capes (8 x ABF, 2 x RAN)
• 7 x Armidales
• 5 x LCS (delivered)
• 8 x EPF (delivered)
• 2 x HSSV’s

Vessel Programs
• Commonwealth of Australia – 19 x PPB-R
• US Navy – 14 x LCS and 12 x EPF
• Molslinjen – 109m catamaran
• 2Go – 2 x 30m ferries
• FRS – 1 x 56m Ferry
• Seaspovill – 1 x 50m ferry + 3 additional recent awards
Ferry Orders in Last (approx.) 18 months = 13

- 1 x Mols
- 1 x Seaspovill
- 2 x 2Go
- 1 x FRS
- 2 x Aulong
- 1 x VS Ferries Corp
- 1 x Fjord Line
- 2 x Wisdom Marine
- 2 x FOSA
• Revenue was flat as expected and we have indicated that will continue into 2018 as US revenues decline as the shipbuilding programs hit steady state, and non-US businesses grow, based on recent order wins.
• Underlying EBIT was above our projected range of $50-$55M and showed a sharp improvement over the previous year which had been affected by LCS problems in the USA. Philippines made a small profit of lowish turnover and Henderson made a loss because of costs of sustainment on Cape Class.
• Dividend has remained at 4C for the full year and effective dividend rate of [X]% fully grossed up. Expect dividend to remain.
• $820.1m in contracts over calendar years 2016 and 2017 ~ 64% previous 10 years
• Size and quality of non-USA book has been growing substantially and represents one of our best through our history
• Includes $305m PPB and 4x circa $100m ferries. Total order intake over previous 18 months is well over **(\$2.5B)*** over last 2 years.
• Opportunities remain strong with multiple new Ferry and Defence programs ahead.
• You can see that in 2016 and 2017 vessel awards are at a peak level ($820.1m in contracts)
• A major difference however is the quality of the opportunities. We now have 4 x circa 100M+ vessels in the order book but only built 6 in the last 20 years
PERFORMANCE

• LCS 8 – USS Montgomery commissioned September 2016
• LCS10 – USS Gabrielle Giffords delivered 23 December 2016, commissioned June 2017
• LCS 12 – USS Omaha delivered Sept 2017
• LCS14 – in next few months

• 3 issues on LCS:
  • Program performance;
  • New orders; and FFG-X.
  • Program performance has improved substantially post the shock trials with production now in a steady rhythm with substantial cost efficiencies being demonstrated. We have already delivered better than 20% cost savings and expect to get to nearer 30% on man hours.
• Mobile believed to be the lowest cost naval producer in the USA.
US PROGRAMS – LITTORAL COMBAT SHIP

- LCS 28 Ordered
- LCS 30 Ordered
- 15 x Independence-class

- ORDERS
  - LCS 28 (Yet to be named) – contract announced June 2017
  - LCS 30 (Yet to be named) – contract announced October 2017
  - 15th Independence class LCS to be built by Austal
  - Order value to date in excess of $8 billion

- LCS 28 & 30 won as a result of a cost shoot out with the Freedom variant
- Austal’s Independence Class won (even though it is a fundamentally more expensive ship to build). This resulted in a 2 ship award.
• FFG(X) Request for Proposals anticipated November 2017; Austal has prepared an ‘up-gunned’, LCS based Frigate solution as shown
• US Navy may award as many as three design contracts for the FFG(X) competition.
• 6 companies who may bid on the program: Austal USA, BAE Systems, Fincantieri, General Dynamics Bath Iron Works, Huntington Ingalls Industries and Lockheed Martin.
• Expect LCS to transition to FFG-X earliest 2020

• SPECIFICATIONS
  Hull: Trimaran
  Length: 419 ft
  Beam: 104 ft
  Draft: 15 ft
  Full Load Displacement: Approx. 3,500 MT
  Speed: More than 32 kts
  Range: More than 4,300 nm @ 12 kts
  Berthing: 130
  Mission Bay Size: 7,000 sq ft
  Watercraft Operations: 2x 7m RHIB launch and recovery, up to sea state 3
  Flight Operations: 1x H-60, up to sea state 5
  Hangar: 1x H-60 and 1x MQ-8C
- EPF 8 – USNS Yuma delivered April 2017
- EPF 9 – USNS City of Bismarck launched June 2017
- Orders received for EPFs 11 and 12 bringing total contract value to more than $2 billion
- Orders for EPF’s 11 and 12 announced September 2016
• 12 vessels from 2018
• 2 in Adelaide, 10 in Henderson
• $1.5B Acquisition program with a $2B support program to be bid later
• OPV80 RAN design from Fassmer
• Decision expected in next 2-4 weeks
• This program is the single most important project Henderson has ever bid or is likely to bid as it creates a backbone of work for the next 15-20 years. Ensures Henderson survives. Other Defence, commercial and sustainment work will see Henderson develop further.
Video of OPV80 RAN (shown at Pacific 2017)
• Guardian Class – Pacific Patrol Boat Replacement
  • 19 steel hull vessels for 12 Pacific Islands
  • 11 tonnes aluminium, 85 tonnes steel per vessel
  • 150 workers at peak, from mid 2018 thru to mid 2022
• Dedicated PPB shipbuilding facility Hope Valley Road, Naval Base
• Launch date of Boat #1 - June 2018; Boat #19 - Dec 2022
• Delivery date Boat #1 - October 2018; Boat #19 - April 2023
• First vessel under construction; on schedule for delivery in 4th quarter 2018. Hull currently completing painting.
• 2nd vessel commencing construction November 2017
• Program on schedule and cost but still a year before final delivery
• SEA5000 – 9 Frigates for RAN from 2020
• Austal teaming agreement with ASC to offer local, Australian owned solution for Frigates construction
• Future of Australian owned shipbuilding will be defined by this program
• Frigate down selected by mid CY18
• Political support for Austal in this program is improving
• Capes 9 and 10 for Royal Australian Navy commenced construction December 2015
• Cape Fourcroy delivered April 2017
• Cape Inscription delivered May 2017
• Austal providing in-service support to Australian Border Force and Royal Australian Navy vessels (10 in total) through Henderson, Darwin and Cairns
• Molslinjen (Denmark) 109 metre high speed vehicle passenger ferry - ‘Express4’
• Approx $100million contract
• 827 tonnes of Aluminium, Lightship Weight 1400 tonnes
• Approx 300 peak resources occurring early 2018
• 10th Aug 2018 Launch
• Handover 10th Jan 2019
• 21 month Construction Period from cut metal till handover.
• Test bed program for major and ongoing production improvements
• 109 metre high speed vehicle passenger ferry for Fjord Line, Norway
• AU$108 million contract
• Launch July 2019
• Delivery January 2020
• 100 workers engaged at peak production
• 860 tonnes aluminium
• First large vessel build for Philippines. Previous largest was 80m.
• Philippines improvement developing well.
• Build will trigger up to US$30M of additional infrastructure
• 2 x 117metre trimarans for Fred Olsen SA of Spain (Canary Islands)
• A$190million
• Adds to Benchijigua Express – 127m trimaran designed and built by Austal in 2005
• One build in Australia, one in Philippines (TBC?)
• New version under development for last 12 months. Before award.
• Austal only company in the world to design and construct large Trimarans. Major differentiator.
• Key advantage is seakeeping. Big issue for ferry reliability and passenger comfort.
• 1 x 50 metre high speed passenger ferry for Seaspovill (South Korea)
• Delivered July 2017
• $13 million
• 256 workers engaged during production
• 73 tonnes aluminium
• 2 x 30 metre high speed passenger ferries for 2GO (Philippines) – delivered June 2017 – contract value A$16 million – 251 production workers engaged – 37 tonnes aluminium each
• 1 x 56 metre high speed passenger ferry under construction for FRS (Germany) – Launching Jan 2018, Delivery March 2018 – 265 workers engaged – 127 tonnes aluminium
• 2 x 50 metre high speed passenger ferries under construction for Brave Line (Wisdom) of Taiwan – Launching Dec 2018 and Jan 2019, Delivery Feb and April 2019 – 99 tonnes of aluminium each
• 1 x 30 metre high speed passenger ferry scheduled for construction for VS Grand Ferries (Philippines) – Launching April 2018, Delivery May 2018 – 69 workers engaged – 36 tonnes of aluminium
• Aulong joint venture with Jianglong Shipbuilding established June 2016
• First contract from Blue Sea Jet of China - 42 metre high speed passenger ferry in August 2016 - A$10 million – anticipated delivery Nov 2017
• 2nd contract from Blue Sea Jet - 35 metre high speed passenger ferry in August 2017 - A$5.6 million – cutting metal April 2018
• As mandated by the Chinese government, passenger ferries over 25 years will be forced to be scrapped
• Analysis shows that 31 units (high-speed aluminum passenger ferries) operating in Guangdong province will be built/replaced in next five years; valued at approx CNY2.5bn/ AUD500 million.
• According to economic research center of China Shipbuilding Industry Corporation, during the 13th Five Year Plan (2016-2020), demand for law enforcement (patrol) boats will be CNY50-100bn /AUD$10bn-20bn
• ‘Rashid Behbudov’ – 70 metre Large Offshore Crew Transfer Vessel (LCTV) for CMS of Azerbaijan completed in approx 12 months following hybrid build across Philippines and Australian shipyard – delivered Sept 2016 – Incat Crowther Design
• ‘Pacific Kestrel’ – 57 metre Large Offshore Crew Transfer Vessel (LCTV) for Swire Pacific Offshore delivered November 2016 – Incat Crowther Design – 393 workers engaged – 143 tonnes of aluminium
• Market slowing rapidly due to oil price falls. Do not expect further sales in next 2 years at least.
Key strategy has been to build a reliable long term revenue stream from sustainment from the Navy ships built by Austal in Australia, USA and rest of the world.

- 4 x Armidale Class Patrol Boats have been completed under the remediation contract/program; HMAS Wollongong, Childers, Armidale and Launceston; 7 in total.
- Cape Class fleet (8 x ABF and 2 x RAN) sustained by Austal through teams based in Henderson, Cairns and Darwin – entire fleet has been serviced.
- Austal USA established well in this market.
- Income has grown year on year by ~$40 million and is now at circa $190 million p.a. with further increases expected in FY2018.
• Austal’s aim is to be the most efficient shipbuilder in our class in the world.
• Major improvements made on MOLS vessel and clear focus on future reductions.
• Showing the cost build from the Philippines to Henderson.
KEY STRATEGIES
• Win the FFG-X Program in USA to seal long term future.
• OPV and Frigate role in Australia to underpin operations for decades.
• Maintain and stretch leadership position in Fast Ferries worldwide.
• Continue focus on sustainment growth for lower risk continuous income.
• Develop our people and facility resources.
• Thereby drive increasing shareholder returns.
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