

AUSTAL LIMITED



AUSTAL SHIPS



IMAGE MARINE



OCEANFAST



AUSTAL USA

- Austal Limited is an integrated aluminium shipbuilder based in Western Australia;
- The company operates from three construction yards in Henderson, WA and one in Mobile, Alabama in the USA;
- Austal's product range includes passenger and vehicle passenger ferries, cruise yachts, luxury motor yachts, dinner cruise and live-aboard vessels, patrol and offshore support craft, and defence vessels over 100 metres in length;
- The company sells internationally under four brands: Austal Ships, Image Marine, Oceanfast and Austal USA

AUSTAL LIMITED

Image Marine

Vessels < 50 M
Passenger
Ferries
Live-aboard
Vessels
Patrol Craft
Offshore Boats

Oceanfast

Luxury Motor
Yachts

Austal Ships

Vessels to 100+ M
Vehicle Ferries
Passenger Ferries
Defence
Applications
Cruise Yachts
Patrol Craft
Offshore Boats

Austal USA

30% Bender Shipbuilding
USA

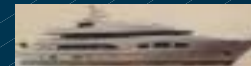
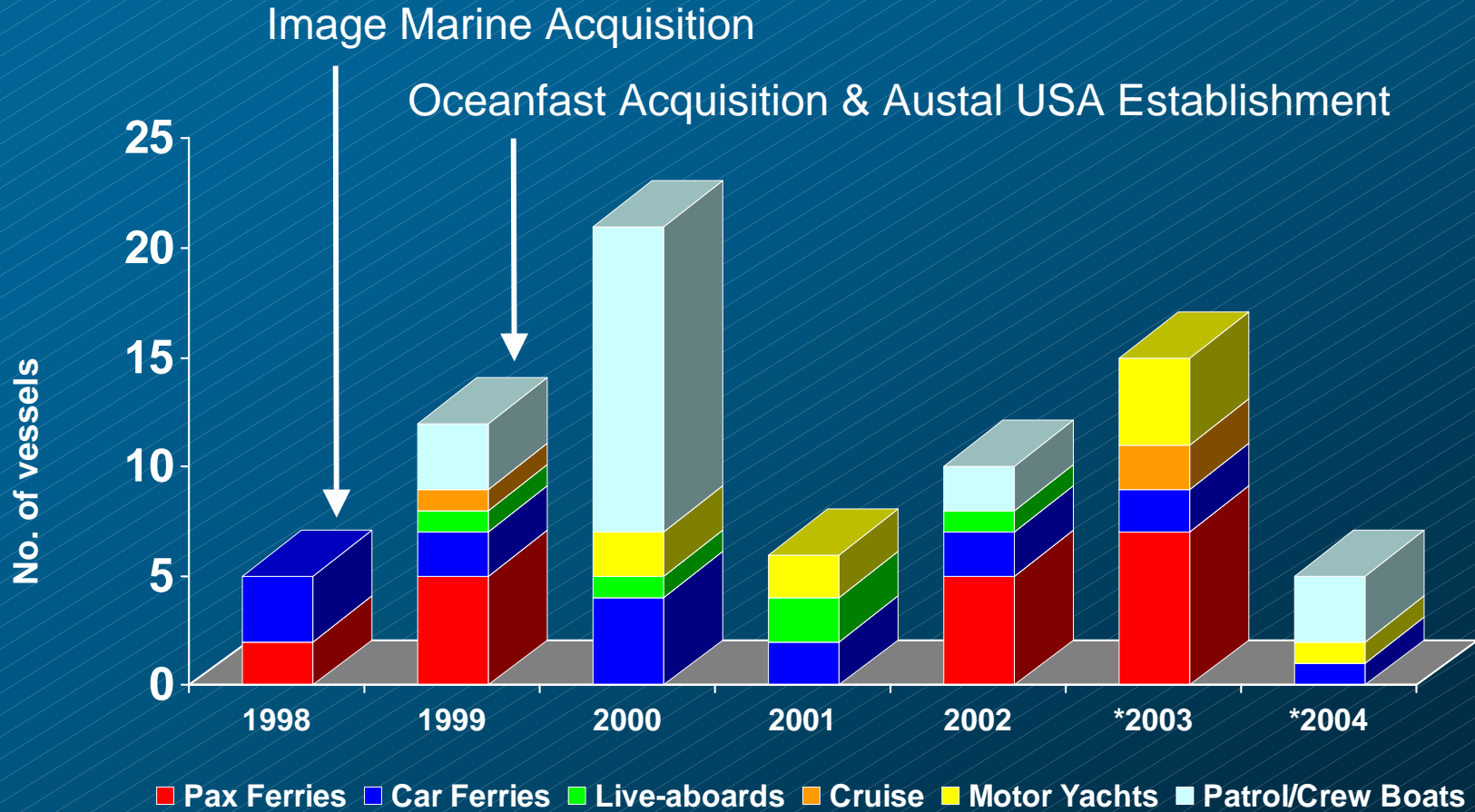
US Domestic
Market
Full Austal
Shipbuilding
Range
(except Motor
Yachts)

STRATEGY PERSPECTIVES



- Building shareholder value by targeting profitable markets and building long-term stable revenue streams;
- Growth strategy based on diversification of products and identification of new markets to reduce cyclical risk;
- Internal focus on production efficiency and costs;
- Long-term goal of building a separate revenue stream from service and maintenance of Austal vessels in global locations

VESSEL DELIVERIES SINCE ASX LISTING



Austal Ships

- 2 x 69 metre cruise yachts for Tahiti;
- 86 metre vehicle-passenger catamaran for North America;
- 66 metre vehicle-passenger catamaran for Fred Olsen;
- 49.9 metre vehicle-passenger ferry for Kangaroo Island.
- 56 metre passenger ferry for Tahiti

Image

- 2 x 40 metre passenger catamarans for Norway;
- 2 x 41 metre harbour cruise vessels for Hong Kong;
- 3 x 22 metre coast guard patrol boats for Kuwait.



VESSELS UNDER CONSTRUCTION

Oceanfast

- 54 metre full displacement steel hull motor yacht;
- 56.5 metre full displacement steel hull motor yacht;
- 58 metre high speed luxury motor yacht;
- 53 metre luxury motor yacht.

Austal USA

- 34 metre dinner cruise vessel for Miami;
- 43.5 metre passenger ferry for New York.



FINANCIAL PERSPECTIVES

- Listed on the ASX in December 1998 and is now capitalised at \$153 million;
- Track record of profits despite cyclical nature of the industry and short-term troughs;
- Balance of revenue streams across key product and geographic markets;
- Demonstrated ability to build long-term revenue and earnings in difficult, cyclical industry;
- Strong focus on generating shareholder value and returns;
- Current contract order book of \$455 million:
 - FY 2002 - \$325 million
 - FY 2003 - \$340 million
 - FY 2004 - \$106 million

2003 HALF YEAR RESULTS

- Net loss of \$13.5 million for half year to 31 December 2002;
- Cost overruns at Oceanfast and Austal USA
- Delay in delivery of 86 metre fast ferry for CATS to enable port facilities to be completed;
- Anticipated full year loss;
- Traditional Austal/Image commercial business has remained profitable with 2003 half year EBIT of \$9.25 million.

OPERATIONAL CHANGES FOR IMPROVED PERFORMANCE

Oceanfast

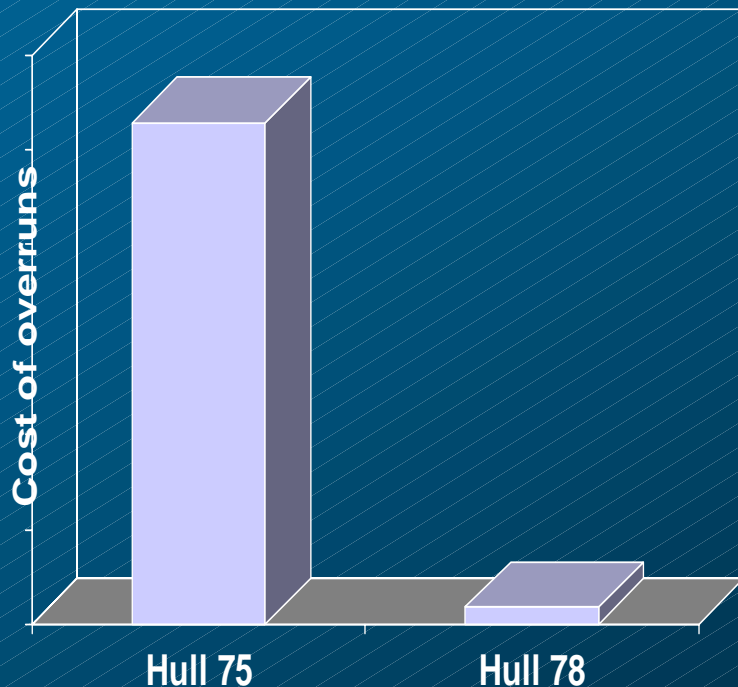
- Standardisation of contract specifications;
- Application of more efficient production practices;
- Structural changes to project management to better suit demands of current and future projects.



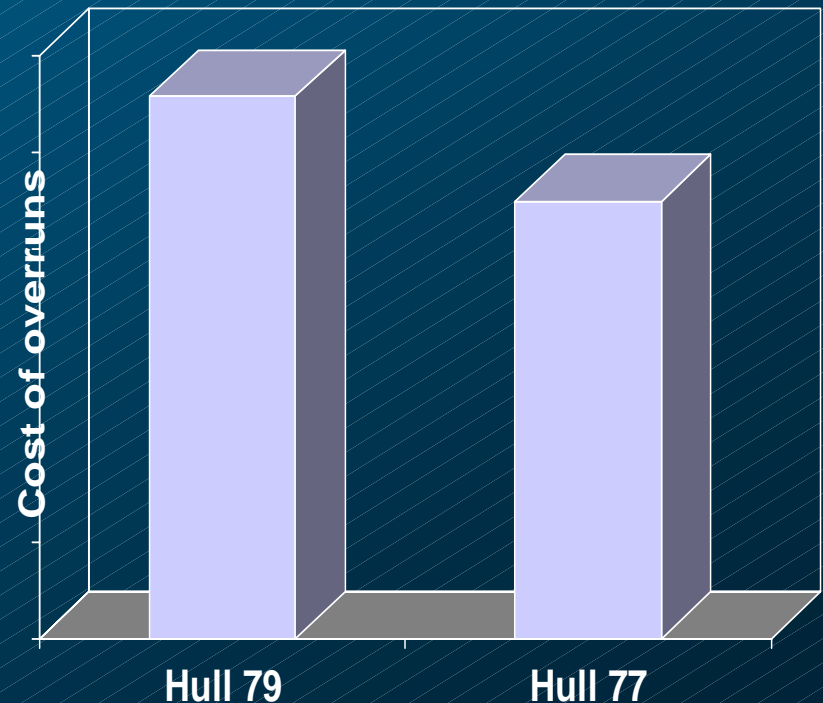
IMPROVED PRODUCTION EFFICIENCIES AT OCEANFAST

Improved production techniques and efficiencies are evident from the decrease in aluminium and steel fabrication overruns at Oceanfast, after the first 10 months of production of each vessel

ALUMINIUM



STEEL



OPERATIONAL CHANGES FOR IMPROVED PERFORMANCE

Austal USA

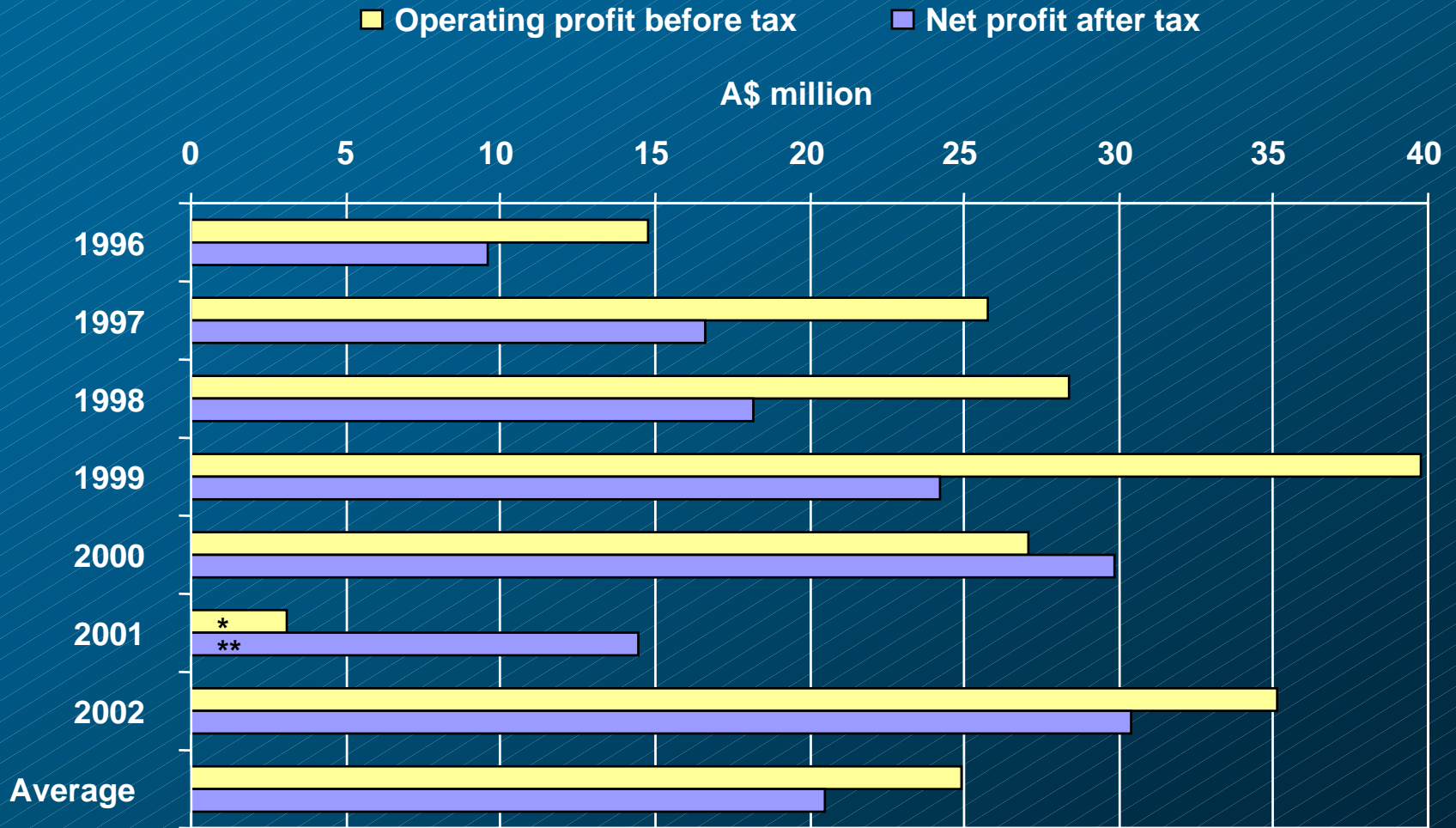
- Implementation of an increased understanding of regulatory requirements for U.S. built vessels which will result in lower design and production costs;
- Continued focus on increasing the workforce and implementation of training programs to enhance the skill base.



AUSTAL REVENUE HISTORY



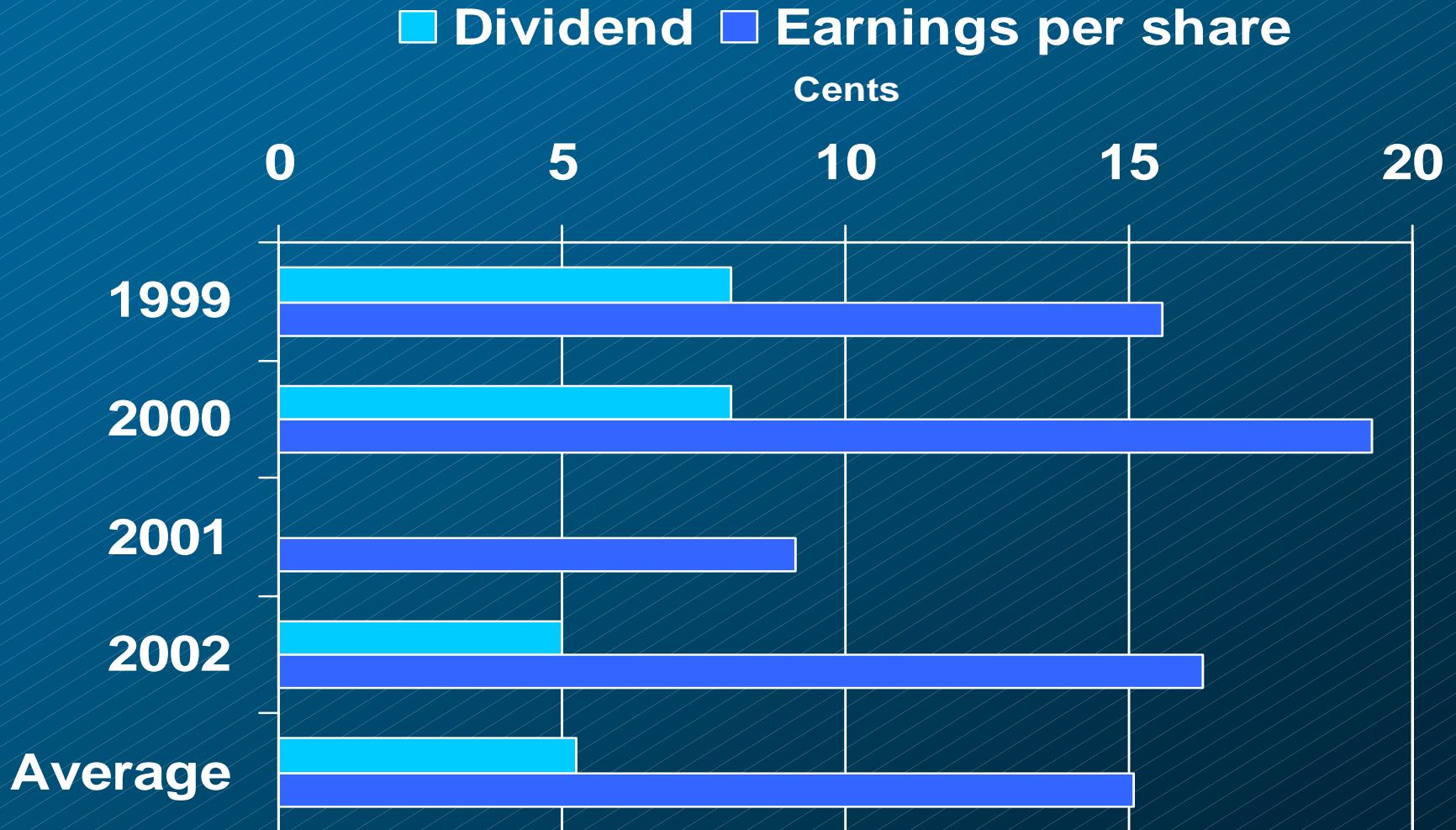
AUSTAL FINANCIAL HISTORY



* Operating profit before tax adversely effected by foreign exchange loss of \$9.5M

** Tax favourably impacted by prior year tax adjustment of \$9.8M

AUSTAL FINANCIAL HISTORY



FINANCIAL POSITION

	December 2002 \$M	June 2002 \$M
TOTAL CURRENT ASSETS	101.7	142.3
TOTAL NON-CURRENT ASSETS	107.3	90.8
TOTAL CURRENT LIABILITIES	87.6	94.0
TOTAL NON-CURRENT LIABILITIES	0.5	4.5
NET ASSETS	120.9	134.6
INCLUDES CASH OF	51.0	48.3

NON-CURRENT RECEIVABLES

NON-CURRENT RECEIVABLES	DEC 2002 \$M		JUNE 2002 \$M
Austal Group Management Share Plan	15,463		15,103
Provision for loss on AGMSP	(4,084)		
Conferry (loans – payable over the next 4 years)	8,800		2,116
Euroferrys (10% preference shares redeemed out of profit)	7,729		8,464
TOTAL	27,908		846

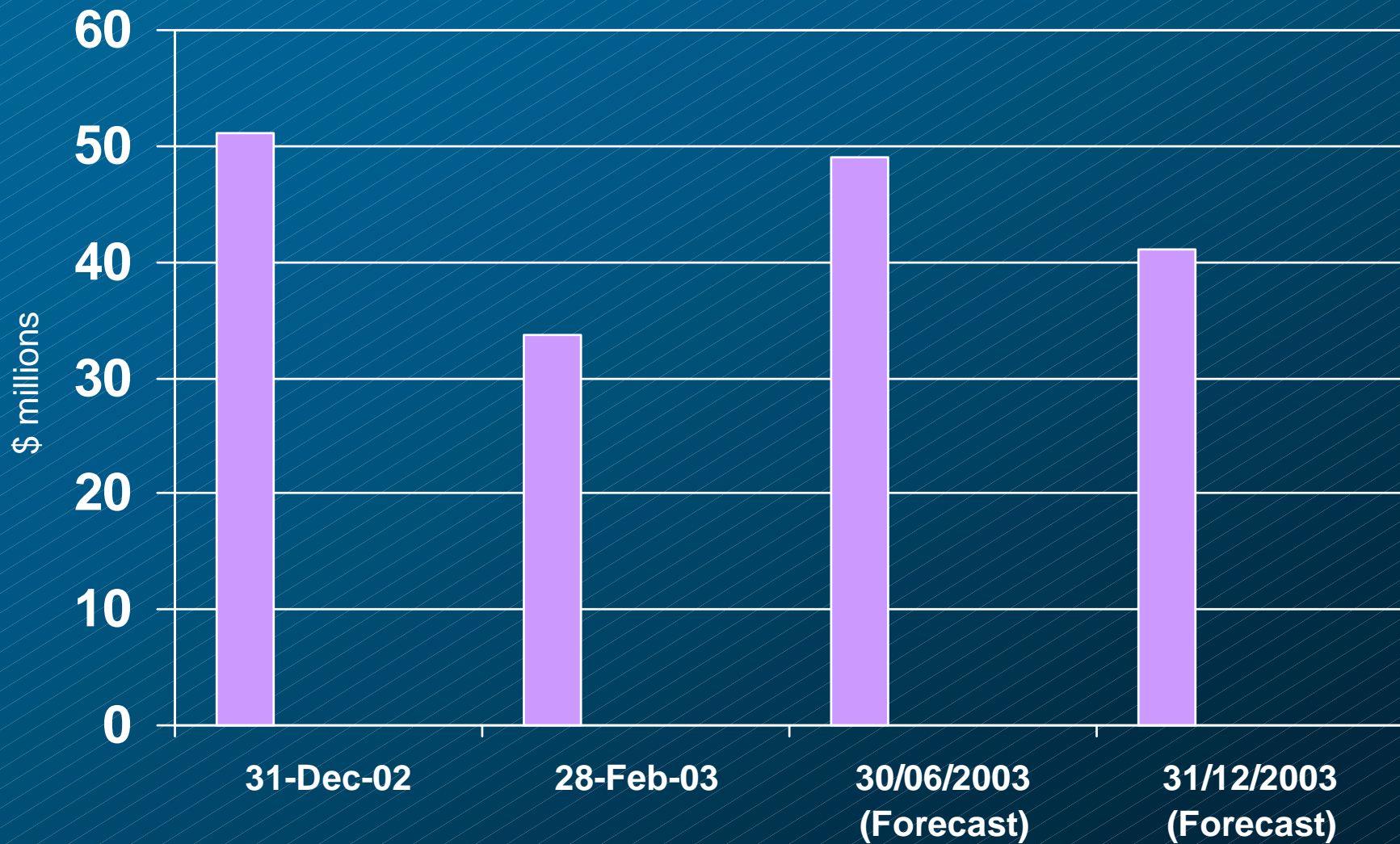


AUSTAL GROUP INVENTORY

	December 2002 \$M	June 2002 \$M
TOTAL WORK IN PROGRESS	43.6	80.7

NB: Decrease is due to the delivery of an 86 metre vehicle-passenger ferry for Conferry

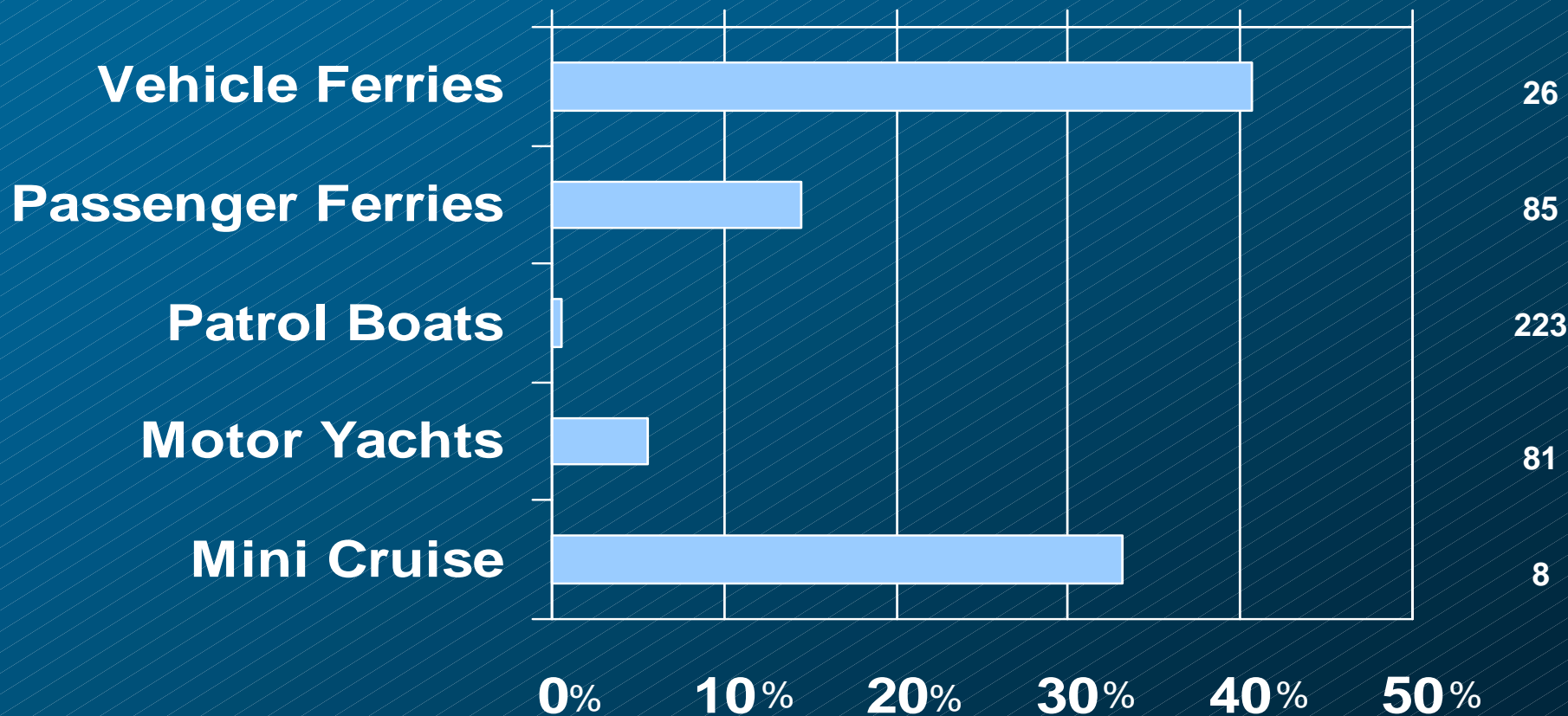
CASH ASSETS



AUSTAL GROUP MARKET COMPETITIVENESS

Total Market
number of
vessels*

Estimated Market Share



* Based on orders published from start January 2001 to end February 2003
(Source: Internal Austal research primarily from trade publications and competitor announcements)

Austal Ships and Image Marine - Commercial and Defence

Austal Ships

- Consistent revenue and profit performance:
- Continued product diversification in addition to ferries :
 - cruise
 - defence
 - patrol boats (eg. RAN patrol boats)



Image Marine

- Continued specialisation in core products



Austal Ships and Image Marine - Commercial and Defence

Continued development:

- meet operators requirements;
- address the needs of new applications for high speed vessels;
- maintain technological advantage over other shipyards

Product development evident through an increase in orders for the medium-sized passenger ferry market



Oceanfast

- Increased share of the lucrative luxury motor yacht market
- Interest from benchmark quality product i.e. “Aussie Rules”



Austal USA

- Existing orders a significant step in US yard becoming a major supplier of aluminium vessels to the US commercial market;
- Development of facilities and workforce to participate in future major US military projects e.g. Littoral Combat Ship and Theatre Support Vessel programs



Military applications of high-speed multi-hull vessels:

Littoral Combat Ship

- Current bid for a preliminary design is to be submitted by 14 April 2003.
- Result and selection for preliminary design will be 90 days after submission ie mid July 2003 and 2 - 3 teams will be awarded US\$10m to undertake a 7 month preliminary design.
- The Navy will then select 2 builders to build 2 prototype vessels.
- One builder will commence construction of a vessel at the start of 2005, with a build time of 24 months. The second builder will build their vessel commencing at the start of 06, with a build time of 24 months
- A down select will occur (no date specified) which would result in one successful team commencing 3 vessels in 08 and 4 vessels in 09.
- Navy predicts 30 to 60 vessels to be built over an unspecified period.

Military applications of high-speed multi-hull vessels:

US Army Theatre Support Vessel

- Tender released in May 03 with a submission date in October 03.
- Selection of one builder.
- First vessel to commence in 04.
- 7 vessels to be built over an unspecified time frame (estimated to be 4 - 5 years).
- Preliminary specifications were released to industry mid March 03

In closing...

- Core commercial business is profitable with enquiries being received across the product range;
- Group financial position remains strong;
- Vehicle/passenger ferry market still subdued;
- Lessons learned and skills acquired at Oceanfast to facilitate an increased share in the luxury yacht market;
- Military requirements becoming clearer and providing ‘blue sky’ opportunities for multi-hulled high-speed vessels and short-term opportunities for patrol boats.

AUSTAL LIMITED



AUSTAL SHIPS



IMAGE MARINE



OCEANFAST



AUSTAL USA