





*The 50 metre vehicle-passenger ferry "Spirit of Kangaroo Island",
and the team that built it*

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Austal Limited Concise Report 2004

ABN 73 009 250 266

The Directors' Report, Concise Financial Report and Independent Audit Report contained within this document represent a Concise Report.

The 2004 Concise Report has been derived from Austal Limited's 2004 Annual Report. The financial statements included in the Concise Report cannot be expected to provide as full an understanding of Austal Limited's financial performance, financial position and financing and investing activities as provided by the 2004 Annual Report.

2004 Annual Report

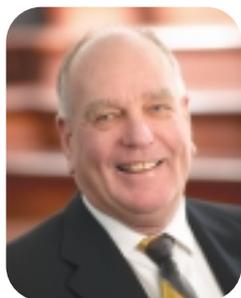
A copy of Austal Limited's 2004 Annual Report, together with the Independent Audit Report and Corporate Governance Statement, is available to all shareholders, and will be sent to shareholders without charge upon request. The financial statements can be requested by telephone on +61 8 9410 1111.

2004/2005 CALENDAR OF EVENTS

Annual General Meeting

The Annual General Meeting of shareholders will be held at 3.00pm on 22 October 2004 at the Fremantle Sailing Club, "Success Harbour", Marine Terrace, Fremantle, Western Australia.

CHAIRMAN'S REPORT



After the disappointing results of 2003 it is extremely pleasing to be able to report a return to profit in the past year. This significantly improved result can largely be attributed to a greater emphasis on projects involving the design and construction of commercial and defence vessels. Future sales and marketing effort will be focussed on these markets, where there are good prospects for future business growth.

This year we secured the contract to build a fleet of patrol boats for the Royal Australian Navy. The value of this order extends beyond the purely monetary. It guarantees a base level of income for over three years and thus reduces our exposure to the large fluctuations in work flow that typify the shipbuilding industry. Being selected for the RAN project was also vital to cementing our reputation in the international naval patrol boat market, where we see significant opportunities for further business development.

Our United States operation has also made significant progress delivering its largest vessel to date. With new management structures in place and increased productivity as workforce skills have been developed, the US operation's financial results have improved markedly.

This is particularly important as it is increasingly likely that, following our selection for the final design, we will also be involved in the construction of the US Navy's planned Littoral Combat Ship, a project that has the potential to grow our US operations beyond the scope of our current Australian activities.

Our participation in these exciting defence-related projects would not have been possible had we not taken steps to diversify our product range beyond fast ferries and to move into the protected US market through the establishment of the shipyard in Alabama.

Ferries and other vessels for commercial applications continue to be central to our business and the construction of the 126.7 metre trimaran ferry has, as expected, generated renewed interest in larger fast vessels. Like everyone at Austal, leading ferry operators are eagerly awaiting the results of the sea trials of this ground breaking vessel.

Our smaller vessels continue to make a valuable contribution to the overall results and are clearly highly respected by their owners. Two customers returned with orders for new vessels this year, one of them confirming orders for its sixth and seventh Austal vessels within a two year period. This customer loyalty also extends to the larger vehicle ferries, as evidenced by a new order from a Greek operator that already operates four of our vessels.

On behalf of the Board and Management, I would like to thank all the staff for their effort and commitment throughout the year. This has been instrumental in achieving the rapid turnaround in our results and with a number of exciting projects ahead of us, staff and shareholders can look to the future with confidence and enthusiasm.

A blue ink handwritten signature of John Rothwell, written in a cursive style.

JOHN ROTHWELL
Executive Chairman



Contract signing for the Royal Australian Navy patrol boat project

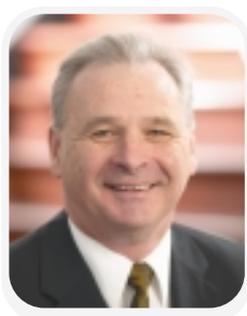


Greater emphasis on commercial and defence vessels contributed to this year's improved results



1. The workforce responsible for the 86 metre 'Spirit of Ontario I'
2. Austal staff including Engineering Co-ordinator Paul Quinn volunteered their time to raise money for local charities with an open day on 'Spirit of Ontario I' before it departed for North America

MANAGEMENT DISCUSSION AND ANALYSIS



The Group operating profit after tax and outside equity interests for the year has improved substantially from an \$18.7 million loss the previous year to a profit of \$20.1 million.

The turnaround in the result reflects the effect of lower losses from the completion of the last luxury motor yacht contracts as well as continued improvement in productivity in the commercial and defence contracts. The decline in the luxury motor yacht activities was replaced by increased production of patrol vessels leaving the revenue marginally higher than the previous year.

The efficiency of the US operation has been greatly improved with the loss (after outside equity interests) being reduced from \$12.9 million in 2003 to \$1.0 million in 2004.

The Group operating profit has also included a write back of the provision for the Austal Group Management Share Plan loans of \$2.4 million. A provision of \$3.7 million was created the previous year.

FINANCIAL SUMMARY

Year ended 30 June	2004 \$M	2003 \$M
Revenue	310.1	307.7
EBITDA	28.3	(34.8)
Depreciation & Amortisation	(3.9)	(4.6)
EBIT	24.4	(39.4)
Net Interest Received	0.3	2.7
Operating Profit Before Tax	24.7	(36.7)
Tax Benefit/(Expense)	(5.0)	12.5
Operating Profit After Tax	19.7	(24.2)
Outside Equity Interests	0.4	5.5
Net Profit After Tax and OEI	20.1	(18.7)
EBIT/Revenue (%)	7.9	(12.8)
Earnings Per Share (cps)	10.4	(9.7)
Net Assets	135.8	113.5
Return on Equity (%)	14.8	(16.5)

The main increase in interest bearing liabilities was a specific facility to provide the construction funding for a vessel which was in progress at the year end.

As a result of the losses in the previous year there are no franking credits. In view of this a dividend has not been declared for the year. Subject to operating requirements and market conditions, the company is proposing to buy back up to five per cent of its issued share capital over the next 12 months.

COMMERCIAL VESSELS

Austal has continued to be successful in the global market for high-speed vehicle-passenger ferries which, despite its currently subdued state, continues to be an important part of the company's business.

The 86 metre catamaran "Spirit of Ontario I" was the largest of four vehicle-passenger ferries completed in Australia during the year and is now operating between the USA and Canada across Lake Ontario, having made promotional stopovers in Hawaii and New York City during the delivery voyage.



Austal has delivered over 30 catamarans to Hong Kong, including two harbour cruise vessels completed this year. One of these is shown with an earlier Austal fast ferry in the background. (Photo courtesy of Alan Blunden)

In addition, a 56 metre ferry was delivered to an operator based in Tahiti and a 50 metre medium-speed vessel has been operating in South Australia since its completion in late 2003.

Fred. Olsen, S.A. took delivery of the 66 metre catamaran "Bocayna Express" for its operations in the Canary Islands. Austal is currently building that same company a 126.7 metre vehicle-passenger trimaran fast ferry which is on schedule for completion towards the end of 2004.



The 66 metre "Bocayna Express" is now operating in the Canary Islands (Photo courtesy of Fred. Olsen, S.A.)

Also currently under construction in Australia is an 85 metre vehicle-passenger catamaran which was ordered by Hellas Flying Dolphins (HFD) in April 2004. HFD is the largest operator in the Greek domestic ferry industry and its fleet of 23 fast vessels already includes four Austal-built catamarans.

Two 41 metre harbour cruise catamarans were completed during the period for New World First Travel Services for operation in Hong Kong. A related company placed an order for two 47.5 metre fast passenger ferries which are close sisterships to three catamarans delivered by Austal for the same operation in 2002.

North Star Cruises became a repeat customer during the period, confirming a contract for a 50 metre live-aboard vessel for its adventure cruise operations in the north-west of Australia. This will replace the customer's smaller vessel completed in 1999. This new live-aboard and a 37.7 metre research vessel ordered by a private client in May 2004 are being built in shipbuilding facilities previously utilised for the construction of luxury motor yachts.



Austal Senior Project Construction Manager Mark Dummett (right) shows Australian Defence Minister Senator Robert Hill (centre) and Rear Admiral Trevor Ruting (left) progress on the first RAN patrol boat. (Photo courtesy of RAN)

DEFENCE VESSELS

Three 22 metre Coast Guard vessels were completed for the Kuwait Ministry of Interior and handed over in March 2004. These were the company's first international patrol boat deliveries. Following on from these are 10 naval patrol boats which were ordered by the Republic of Yemen in 2003. Construction of these 37.5 metre vessels has been ongoing throughout the year, with the majority now launched. The project is scheduled for completion by December 2004.

In December 2003 Austal, in conjunction with its tender partner Defence Maritime Services, was awarded a contract to supply 12 new patrol boats for the Royal Australian Navy (RAN). Under the terms of this prestigious contract, Austal will design and build the 56 metre Armidale Class vessels over a 42 month period. Construction commenced on schedule in April 2004 and will continue until mid-2007.



Construction of 10 patrol boats for Yemen has been ongoing throughout the year. The project is due for completion by December 2004

LUXURY MOTOR YACHTS

Oceanfast continued to demonstrate its ability to produce luxury motor yachts to the highest industry standards with the completion of three yachts during the year. These vessels represented the outstanding balance of the motor yacht order book, and with no new contracts signed, there is currently no yacht construction activity.

Sales and marketing strategies have been reviewed with the intention of pursuing any future yacht contracts on a very selective basis.

The production facilities previously used for the building of luxury motor yachts are being utilised for the construction of commercial and defence vessels.

AUSTAL USA

"Zephyr", a 43 metre passenger-only catamaran built for a New York based customer, was the first of two deliveries from the US operation during the year. The second, a 58 metre vehicle-passenger catamaran, is the largest vessel so far built at the shipyard in Alabama. Production efficiency on this vessel was considerably higher than on previous US builds and the project was completed on schedule in May 2004.

In December 2003, Austal USA was awarded a contract to build a 31.2 metre catamaran which will be used to demonstrate high-speed vessel technology to the US Office of Naval Research.

The use of the company's technology in defence applications was highlighted in May 2004 when a team, including Austal, was awarded a contract to prepare a final design for the US Navy's Littoral Combat Ship project. The contract provides for options to build two LCS vessels following the completion of the design period in October 2005. This

project may involve the construction of up to 60 of these 127 metre long ships over the next 15 years. Austal is the ship designer and builder in the team, which is led by General Dynamics.

Production of a 105 metre catamaran ferry commenced in June 2004 following the signing of a contract, subject only to finance, with Hawaii Superferry (HSF). HSF plans to acquire two vessels for a new inter-island ferry service and has completed the first stage of its equity raising. Finance approval is expected by December 2004. The construction of this vessel will help facilitate the development of the resources necessary to undertake the LCS project.



Austal's US operation achieved considerably higher production efficiency during the build of "Lake Express", its largest vessel to date

ENVIRONMENTAL PERFORMANCE

Austal continues to focus on environmental legislation that affects the company's operations, including staying within external noise limitations and complying with the Montreal Protocol which governs the protection of the ozone layer by ensuring the use of approved gases.

Environmental issues, including global and local regulations, are also considered in the design and construction of clients' vessels. This includes ensuring that only approved paint and antifouling products are used and the continued development of hullforms that minimise wake wash generation to reduce possible adverse effects of these waves in environmentally sensitive areas. Research and development aimed at increasing vessel efficiency also has a positive environmental effect by reducing engine exhaust emissions.

PEOPLE

Austal's employees are its most valuable asset and the company is committed to providing a safe and rewarding working environment. The completion of the labour intensive luxury motor yacht projects during the year inevitably resulted in a reduction in workforce, particularly in the specialist trades associated with yacht construction. Where practical, workers were transferred onto the construction of other vessel types.

Productivity gains in all areas have been demonstrated and have flowed, in particular, from an enhanced project management approach. For the second year in a row there has been a significant improvement in safety, with the Lost Time Injury frequency rate halved. This means it is now at its lowest level ever and is significantly below the construction industry average.

The extended nature of the RAN contract enhances our ability to maintain a more stable workforce, providing a more secure workplace for our employees to further develop their skills and experience. The company continues to invest in its future workforce through its apprenticeship programme which provides an important influx of specialist skills into the workforce.

The US operation is also focussed on building its workforce in order to meet the demands of building larger vessels. This is being achieved through local recruitment and the transfer of experienced personnel from Australia to help facilitate further increases in production efficiency and skills development.



Looking to the future. Apprentices such as Shane Victor are a key to maintaining the company's skilled, productive workforce. Trimaran technology is attracting interest from both commercial and defence markets

OUTLOOK

The success of the Group's strategy means we have a solid forward order position. This is a result of securing the contract to build the RAN patrol boats, the majority of which are to be delivered in the 2006 and 2007 financial years.

In addition to a base load of construction work, the contract is a great endorsement of the company by one of the world's most highly regarded navies. Securing the order has confirmed our status as a highly credible designer and builder of patrol boats. The RAN contract, together with our recent Middle Eastern patrol boat projects, has opened up a number of opportunities with other countries which are currently being pursued.

Our stature in the naval market has also been enhanced through our participation in the US Navy's Littoral Combat Ship project in which our team is progressing steadily towards an initial construction contract. It is anticipated that this will be confirmed in late 2005, bringing with it the prospect of a major long-term production programme involving up to 60 ships. The team's progress to the final design phase indicates that the Austal aluminium trimaran is held in high regard as a fast naval platform. Other nations are also examining the potential for similar ships.

The LCS design is based on the same trimaran hullform that is currently being used in the 126.7 metre trimaran ferry for Fred. Olsen, S.A. Construction of this vessel has progressed according to plan and sea trials are scheduled for November 2004. The trimaran technology has attracted considerable interest from current ferry operators who are eagerly awaiting confirmation of the vessel's performance during trials. We expect that successful trials will be a catalyst for further trimaran ferry orders and simultaneously enhance our prospects for the LCS project.

Contracts on hand at 30 June 2004 amounted to \$460 million to be completed across the 2005, 2006 and 2007 financial years. Approximately 70 per cent of this is derived from defence-related projects and the remainder from commercial vessel construction. This workload provides a solid foundation for the future and a firm basis to further our strategy for growth through both commercial and defence opportunities in the United States, Australia and other markets around the world.

The performance of the Group was underpinned by our workforce who rose to the challenge of improving productivity, project management and securing the strategically critical RAN and LCS contracts. I would like to join our Executive Chairman in thanking everyone for their contribution.



ROBERT MCKINNON
Managing Director

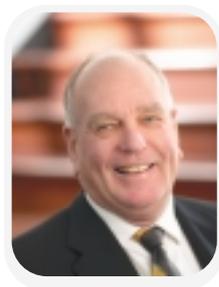


Austal, as part of a team led by General Dynamics, has been selected for the final design phase of the US Navy's Littoral Combat Ship project

PROFILE OF DIRECTORS

EXECUTIVE DIRECTORS

JOHN ROTHWELL AO - Executive Chairman



Director since 9 October 1987
Last elected 17 October 2001

With in excess of 30 years experience in boat and shipbuilding, John Rothwell has played a major role in the development of the Australian aluminium shipbuilding industry and is a founding director of Austal.

He is a member of Det Norske Veritas Australia and the Bureau Veritas Asia & Australia Committees, which are two Classification Societies used by Austal.

In January 2004, John Rothwell was appointed an Officer of the Order of Australia for services to the Australian shipbuilding industry through the development of trade links and for significant contributions to vocational education and training. In October 2002, John Rothwell was named the Ernst & Young "Australian Entrepreneur of the Year".

ROBERT MCKINNON CPA, FCIS - Managing Director



Director since 5 July 1999
Last elected 20 October 1999

Bob McKinnon joined Austal in early 1999 as General Manager after a long career with Capral Aluminium during which he held senior positions in finance, distribution and manufacturing operations.

Mr McKinnon was appointed to the Board of Directors in July 1999 and assumed the position of Managing Director in February 2000. He is responsible for the day to day operations of Austal and its subsidiaries.

MICHAEL ATKINSON CA (ZIM), CA (SA) - Executive Director, Finance & Company Secretary



Director since 14 September 1994
Last elected 15 October 2002

Michael Atkinson joined Austal in 1990 as Financial Controller and was appointed to the Board in 1994. He is a qualified Chartered Accountant with 10 years experience in the accounting profession in Zimbabwe and South Africa. On leaving the profession, he entered the railway and construction industry where he served in a senior financial capacity and as a Board member. Upon arrival in Australia in 1986 he worked in the electronics manufacturing and boatbuilding industries prior to joining Austal.

Unless otherwise indicated all Directors held their position as a Director throughout the entire financial year and up to the date of this report.

The maximum term of office for a Director on the Austal Board is three years, with the exception of the Managing Director who is exempted from retirement by rotation. Each year the longest serving one third of the Board must retire from office. A retiring Director is eligible for re-election.

NON EXECUTIVE DIRECTORS

CHRISTOPHER NORMAN B.Eng (Hons) - Non Executive Director

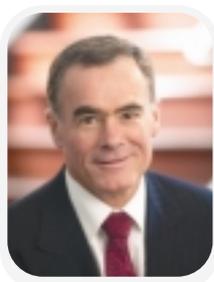


Director since 9 October 1987
Last elected 24 October 2003

Christopher Norman is one of the founding directors of Austal. He graduated from the University of New South Wales in 1986 with first class honours in Naval Architecture and has previously been Austal's Technical Director. Mr Norman has been a driving force in the technical and marketing success of the company and, with extensive experience in international marketing and sales, held the position of Sales Director between 1993 and 2002.

In May 2000, Christopher was awarded the prestigious A.G.M. Michell Award in recognition of outstanding service in the profession of Mechanical Engineering. He is a member of both the Royal Institution of Naval Architects and the Germanischer Lloyd Asean Committee.

JOHN POYNTON B.Com, FSIA, FAIM, FAICD - Independent Director



Director since 24 August 1998
Last elected 24 October 2003

John Poynton is Executive Chairman of Azure Capital, a corporate advisory firm based in Western Australia. He is a non executive director of Multiplex Ltd and Alinta Ltd and is a member of the Payments System Board of the Reserve Bank of Australia. He is also a member of the Business School at the University of Western Australia where he serves as an Adjunct Professor of Financial Management. John is Chairman of the Board of Governors at the Western Australian Museum Foundation.

ACHIM DRESCHER B.Ec - Independent Director



Director since 7 September 1998
Last elected 17 October 2001

Achim Drescher is the Chairman of Columbus Line Australia Pty Limited, a non executive director of Adsteam Marine Limited, Leighton Holdings Limited and Sword Securitisation Limited. Mr Drescher is also a non executive director of the Young Endeavour Youth Scheme (RAN).

Mr Drescher is a member of the Germanischer Lloyd Asean Committee. In 1997 Mr Drescher was awarded the "Cross of the Order of Merit" by the Federal Republic of Germany.

ROBERT BROWNING MSc, MBA, FAIM - Independent Director



Director since 2 September 2003
Last elected 24 October 2003

Robert Browning is Chief Executive Officer of Alinta Ltd, the operator and part owner of \$5.7 billion worth of energy infrastructure assets across Australia and New Zealand. He is also a non executive director of the Chamber of Commerce and Industry WA.

Prior to joining Alinta, Mr Browning was with global energy and services company, Aquila Inc, in a variety of vice president roles involved in strategic planning, operational and human resources management.

Mr Browning holds a Bachelor of Science degree from San Diego State University, an MBA from the University of Phoenix and a Master of Science from Massachusetts Institute of Technology, Sloan School of Management.

DIRECTORS' REPORT

The Board of Directors of Austal Limited submit their report for the financial year ended 30 June 2004.

The following persons were directors during the year:

John Rothwell
Robert McKinnon
Michael Atkinson
Christopher Norman
John Poynton
Achim Drescher
Robert Browning (appointed 2 September 2003)

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity are the design and manufacture of high performance vessels. These activities were unchanged from the previous year.

RESULTS

The profit of the consolidated entity for the financial year was \$20.113 million after income tax and outside equity interests.

REVIEW OF OPERATIONS

A review of the operations of the consolidated entity is outlined in the Management Discussion and Analysis.

DIVIDENDS

No dividends were paid during the year and no final dividend has been recommended for the year ended 30 June 2004.

SIGNIFICANT EVENTS AFTER YEAR END

There were no significant events occurring after year end.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

A general discussion of the group outlook is included in the Chairman's Report and Management Discussion and Analysis.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

A review of the significant changes in the state of affairs of the consolidated entity is outlined in the Management Discussion and Analysis.

ENVIRONMENTAL PERFORMANCE

The consolidated entity has a policy of at least complying with, but in most cases exceeding, environmental performance requirements. No environmental breaches have been notified by any Government Agency during the year ended 30 June 2004.

TOTAL NUMBER OF EMPLOYEES

As at 30 June 2004, the consolidated entity employed a total of 1,209 full-time equivalents (2003: 1,792 full-time equivalents).

DIRECTORS' REMUNERATION

Details of the remuneration paid directly or indirectly to directors of the Company, in connection with the management of the affairs of the entity and its subsidiaries, during the year to 30 June 2004 are as follows:

	Directors' Fees \$	Consultancy Fees \$	Base Salary \$	Super-annuation \$	Other \$	Total \$
John Rothwell	-	291,041	82,652	7,439	-	381,132
Robert McKinnon	-	-	332,053	29,351	84,991	446,395
Michael Atkinson	-	232,827	-	-	-	232,827
Christopher Norman	22,857	-	-	-	-	22,857
John Poynton	62,502	-	-	-	-	62,502
Achim Drescher	43,750	-	-	-	-	43,750
Robert Browning *	45,833	-	-	-	-	45,833
* Director for part of the year						

EXECUTIVE OFFICERS' REMUNERATION

The five most highly remunerated executive officers (excluding directors of the Company) are shown below. The parent entity does not employ any person.

	Consultancy Fees \$	Base Salary \$	Super-annuation \$	Bonus \$	Other \$	Total \$
Stewart Hill	-	121,261	30,983	-	30,418	182,662
Brad Draper	-	202,180	15,856	-	20,014	238,050
William Rotteveel	-	159,812	34,855	30,000	-	224,667
Greg Metcalf	-	213,922	16,506	-	93,646	324,074
Glenn Williams	163,495	-	-	20,000	-	183,495

REMUNERATION POLICY

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions. The expected outcomes of the remuneration structure are:

- a) retention and motivation of key executives
- b) attraction of quality management to the company

There is no scheme to provide retirement benefits to any director, other than statutory superannuation to the Managing Director and Chairman.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The directors held the following direct and indirect shareholdings in the Company at the date of this report:

	Direct	Indirect	Total
John Rothwell	33,724,685	-	33,724,685
Christopher Norman	26,595,621	6,600	26,602,221
Michael Atkinson	1,415,737	-	1,415,737
John Poynton	100,000	-	100,000

The following directors also participate in the Austal Group Management Share Plan and are subject to the rules of the Plan:

	Loan (\$)	Number of Shares
Robert McKinnon	1,745,145	1,855,186
Michael Atkinson	263,764	285,062
John Poynton	263,764	285,062
Achim Drescher	263,764	285,062

Directors have no other equity interest in either the parent entity or its subsidiaries.

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) held during the year and the number attended by each of the directors is as follows:

	Meetings of Directors	Meetings of Audit Committee	Meetings of Nomination and Remuneration Committee
Number of meetings held	7	4	3
Number of meetings attended by:			
John Rothwell	7	-	3
Robert McKinnon	7	-	-
Michael Atkinson	5	-	-
Christopher Norman	4	-	-
John Poynton	6	4	-
Achim Drescher	6	-	2
Robert Browning *	7	3	3
* Director for part of the year			

INDEMNIFICATION OF DIRECTORS

An indemnity agreement has been entered into between the parent entity and each of the directors named in this report. Under the agreement, the company has agreed to indemnify those directors against any claim or for any expenses or costs, which may arise as a result of work performed in their respective capacities.

Insurance arrangements established in the previous year concerning directors of the consolidated entity were renewed or continued during fiscal 2004. The terms of the insurance arrangements and premiums payable are subject to a confidentiality clause.

ROUNDING OF AMOUNTS

The parent entity is a company of the kind specified in the Australian Securities and Investment Commission class order 98/0100. In accordance with that class order, amounts in the financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of directors.



JOHN ROTHWELL
Chief Executive Officer



MICHAEL ATKINSON
Finance Director

Dated at Henderson this 20th day of August 2004

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2004 \$000	Consolidated 2003 \$000	2004 \$000	Parent 2003 \$000
Revenues from ordinary activities	2	310,110	307,776	1,933	13,257
Expenses from ordinary activities		(285,896)	(339,940)	(1,740)	(21,147)
Borrowing costs		(1,904)	(872)	(55)	(81)
Provision for Austal Group Management Share Plan loans		2,365	(3,714)	2,365	(3,714)
Profit/(loss) from ordinary activities before income tax expense		24,675	(36,750)	2,503	(11,685)
Income tax benefit/(expense) relating to ordinary activities		(4,977)	12,517	(1,197)	3,045
Net profit/(loss)		19,698	(24,233)	1,306	(8,640)
Net loss attributable to outside equity interests		(415)	(5,565)	-	-
Net profit/(loss) attributable to members of the parent entity		20,113	(18,668)	1,306	(8,640)
Net exchange difference on translation of financial report of self-sustaining foreign operations		102	292	-	-
Decrease in retained profits on adoption of revised accounting standard: AASB 1028 "Employee Benefits"		-	(212)	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		102	80	-	-
Total changes in equity other than those resulting from transactions with owners as owners attributable to members of the parent entity		20,215	(18,588)	1,306	(8,640)
Basic earnings per share (cents per share)	3	10.4	(9.7)	-	-
Diluted earnings per share (cents per share)	3	10.4	(9.7)	-	-

The accompanying notes form an integral part of this Statement of Financial Performance.

**STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2004**

	2004 \$'000	Consolidated 2003 \$'000	2004 \$'000	Parent 2003 \$'000
Current Assets				
Cash assets	79,595	27,512	216	257
Receivables	9,389	9,303	52,067	51,886
Inventories	50,631	62,417	-	-
Other financial assets	6,729	25,150	-	-
Other	2,937	-	-	-
Total Current Assets	149,281	124,382	52,283	52,143
Non-Current Assets				
Cash assets	2,623	4,133	-	-
Receivables	22,502	26,545	13,445	11,412
Other financial assets	3,902	2,929	2,175	1,789
Property, plant and equipment	59,842	62,471	17,627	18,102
Other	12,334	11,729	-	-
Total Non-Current Assets	101,203	107,807	33,247	31,303
Total Assets	250,484	232,189	85,530	83,446
Current Liabilities				
Payables	27,867	58,856	36	81
Interest bearing liabilities	33,586	4,510	-	-
Provisions	19,484	17,741	-	-
Other	16,432	20,748	-	-
Total Current Liabilities	97,369	101,855	36	81
Non-Current Liabilities				
Payables	874	2,443	-	-
Interest bearing liabilities	15,052	14,133	-	-
Deferred tax liabilities	823	-	823	-
Provisions	536	266	-	-
Total Non-Current Liabilities	17,285	16,842	823	-
Total Liabilities	114,654	118,697	859	81
Net Assets	135,830	113,492	84,671	83,365
Equity				
Contributed equity	46,171	46,171	46,171	46,171
Reserves	557	398	-	-
Retained profits	88,232	68,156	38,500	37,194
Parent entity interest	134,960	114,725	84,671	83,365
Outside equity interest	870	(1,233)	-	-
Total Equity	135,830	113,492	84,671	83,365

The accompanying notes form an integral part of this Statement of Financial Position.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$000	Consolidated 2003 \$000	2004 \$000	Parent 2003 \$000
Cash flows from operating activities				
Receipts from customers	309,546	298,431	5,198	3,028
Payments to suppliers and employees	(292,206)	(314,427)	(1,239)	(7,334)
Interest received	2,160	4,154	276	909
Borrowing costs paid	(4,115)	(1,001)	(55)	(81)
Dividends received	-	-	-	10,481
GST refunded	8,769	10,670	53	37
Tax paid	(2,661)	(2,018)	(2,661)	(527)
Net cash from (to) operating activities	21,493	(4,191)	1,572	6,513
Cash flows from investing activities				
Payments for plant and equipment	(1,200)	(2,000)	-	-
Payments for land	(174)	-	-	-
Payments for building additions	(10)	(2,076)	-	-
Payments for capital work in progress	(706)	(1,238)	-	-
Proceeds from sale of plant and equipment	87	69	-	-
Payments for intangible assets	(296)	(142)	-	-
Proceeds from sale of intellectual property	-	-	-	210
Purchase of controlled entity	(90)	-	(386)	-
Purchase of shares in unlisted entities	(3,028)	-	-	-
Loan from controlled entities	-	-	(1,559)	3,140
Loans advanced - others	332	(23)	332	(23)
Net cash to investing activities	(5,085)	(5,410)	(1,613)	3,327
Cash flows from financing activities				
Repayment of borrowings	(40,445)	(5,912)	(35,000)	-
Proceeds from borrowings	70,878	-	35,000	-
Dividends paid	-	(9,646)	-	(9,646)
Minority shareholders' contributions	-	3,115	-	-
Net cash from (to) financing activities	30,433	(12,443)	-	(9,646)
Net increase (decrease) in cash held	46,841	(22,044)	(41)	194
Cash at the beginning of the financial year	25,872	48,320	257	63
Effects of exchange rate changes on cash	18	(404)	-	-
Cash at the end of the financial year	72,731	25,872	216	257

The accompanying notes form an integral part of this Statement of Cash Flows.

NOTES TO THE CONCISE FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

This concise financial report has been derived from the full 2004 Financial Report as presented in the Austal Limited Annual Report, which complies with the Corporations Act 2001, Australian Accounting Standards and Urgent Issues Group Consensus Views. This concise financial report has been prepared in accordance with Accounting Standard AASB 1039 - "Concise Financial Reports" and the relevant provisions of the Corporations Act 2001. A full description of the accounting policies adopted by Austal Limited is provided in the full 2004 Financial Report.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous year.

NOTE 2. PROFIT AND LOSS ITEMS

Profit from ordinary activities after crediting the following revenues:

	2004 \$000	Consolidated 2003 \$000	2004 \$000	Parent 2003 \$000
Sales revenues				
Construction contract revenue and bounty income	286,308	285,295	-	-
Revenue from sale of goods	3,808	-	-	-
Total sales revenues	290,116	285,295	-	-
Other revenues				
Dividends from:				
- Related parties	-	-	-	10,481
Interest from:				
- Other unrelated parties	2,160	3,610	276	909
Proceeds on sale of non-current assets ^(a)	87	69	-	-
Rent received	28	29	1,588	1,588
Charter income	15,135	15,293	-	-
Scrap sales	964	1,068	-	-
Capital development grant	-	288	-	-
Sale of intellectual property	-	-	-	210
Other revenue	1,620	2,124	69	69
Total other revenues	19,994	22,481	1,933	13,257
Total revenues from ordinary activities	310,110	307,776	1,933	13,257
^(a) Net profit/(loss) on disposal of property, plant & equipment	(624)	(181)	-	-

NOTES TO THE CONCISE FINANCIAL STATEMENTS

NOTE 3. EARNINGS PER SHARE

	2004 \$000	Consolidated 2003 \$000
Basic earnings per share (cents per share)	10.4	(9.7)
Diluted earnings per share (cents per share)	10.4	(9.7)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	192,911,873	192,911,873
Net profit	19,698	(24,233)
Adjustments:		
Net profit attributable to outside equity interests	(415)	(5,565)
Earnings used in calculating basic and diluted earnings per share	20,113	(18,668)

There are no potential ordinary shares.

NOTE 4. DIVIDENDS

No dividends were paid during the year and no final dividend has been recommended for the year ended 30 June 2004 (2003: \$9.646m - 5 cent fully franked dividend per fully paid share).

NOTE 5. SUBSEQUENT EVENTS

There were no material subsequent events occurring after year end.

DIRECTORS' DECLARATION

The directors of Austal Limited declare that the accompanying Concise Financial Report is presented fairly in accordance with applicable Australian Accounting Standards and is consistent with the consolidated entity's 30 June 2004 financial report.

With regard to the 30 June 2004 financial report of Austal Limited, the directors declared that:

- a) The financial statements and associated notes comply with the Accounting Standards and Urgent Issues Group Consensus Views;
- b) The financial statements and notes give a true and fair view of the financial position and performance as at 30 June 2004 and performance of the Company and consolidated entity for the year then ended; and
- c) In the directors' opinion:
 - (i) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
 - (ii) The financial statements and notes are in accordance with the Corporations Act 2001, including sections 296 and 297.

This statement has been made in accordance with a resolution of directors.



JOHN ROTHWELL
Chief Executive Officer



MICHAEL ATKINSON
Finance Director

Dated at Henderson this 20th day of August 2004



■ **Central Park**
152 St Georges Terrace
Perth WA 6000
Australia

GPO Box M939
Perth WA 6843

■ Tel 61 8 9429 2222
Fax 61 8 9429 2436

Independent audit report to members of Austal Limited

Scope

The concise financial report and directors' responsibility

The concise financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Austal Limited (the company) and the consolidated entity, for the year ended 30 June 2004. The consolidated entity comprises both the company and the entities it controlled during the year.

The directors of the company are responsible for preparing a concise financial report that complies with Accounting Standard AASB 1039 "Concise Financial Reports", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the concise financial report.

Audit approach

We conducted an independent audit on the concise financial report in order to express an opinion on it to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 "Concise Financial Reports". We formed our audit opinion on the basis of these procedures, which included:

- testing that the information in the concise financial report is consistent with the full financial report, and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report that were not directly derived from the full financial report.

We have also performed an independent audit of the full financial report of the company for the year ended 30 June 2004. Our audit report on the full financial report was signed on 20 August 2004, and was not subject to any qualification. For a better understanding of our approach to the audit of the full financial report, this report should be read in conjunction with our audit report on the full financial report.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our audit of the full and concise financial reports, we were engaged to undertake the services disclosed in the notes to the financial statements of the full financial report. The provision of these services has not impaired our independence.

Audit opinion

In our opinion, the concise financial report of 30 June 2004 complies with Accounting Standard AASB 1039 "Concise Financial Reports".



Ernst & Young

Robert A Kirkby
Partner
Perth
20 August 2004

RAK/VB/AUSTAL/011

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)

SHAREHOLDER INFORMATION

The following information was extracted from the Company's register as at 28 July 2004.

DISTRIBUTION OF SHARES

	Number of Holders	Number of Ordinary Shares	% of Total Issued Capital
1 - 1,000	788	584,585	0.30
1,001 - 5,000	2,763	8,426,461	4.37
5,001 - 10,000	1,073	8,601,543	4.46
10,001 - 100,000	874	21,653,464	11.22
100,001 and over	61	153,645,820	79.65
TOTAL	5,559	192,911,873	100.00

TWENTY LARGEST SHAREHOLDERS

Rank	Shareholder	Number of Ordinary Shares	% of Total Issued Capital
1	Austro Pty Ltd	31,950,745	16.56
2	Longreach (WA) Pty Ltd	26,595,621	13.79
3	Citicorp Nominees Pty Limited	13,525,202	7.01
4	Austal Group Management Share Plan Pty Ltd	12,231,974	6.34
5	J P Morgan Nominees Australia Limited	11,772,711	6.10
6	Onyx (WA) Pty Ltd	11,090,834	5.75
7	RBC Global Services Australia Nominees Pty Limited	6,719,450	3.48
8	Mr Vincent Michael O'Sullivan	6,506,910	3.37
9	Westpac Custodian Nominees Limited	4,980,525	2.58
10	Garry Heys and Dorothy Heys	3,494,670	1.81
11	Citicorp Nominees Pty Limited	2,290,806	1.19
12	ANZ Nominees Limited	2,142,223	1.11
13	Lavinia Shipping Ltd	1,999,887	1.04
14	Zilon Pty Ltd	1,773,940	0.92
15	Pepperwood Holdings Pty Ltd	1,415,737	0.73
16	National Nominees Limited	1,410,929	0.73
17	Argo Investments Limited	1,200,000	0.62
18	Brispot Nominees Pty Ltd	1,112,939	0.58
19	Health Super Pty Ltd	1,101,996	0.57
20	Transfield (Part Owned) Pty Limited	850,000	0.44
		144,167,099	74.72

SUBSTANTIAL SHAREHOLDERS

Rank	Shareholder	Number of Ordinary Shares
1	Austro Pty Ltd (J Rothwell)	33,724,685
2	Longreach (WA) Pty Ltd (C Norman)	26,602,221
3	Onyx (WA) Pty Ltd (G Heys)	14,608,004
4	Commonwealth Bank of Australia	14,519,837
5	Austal Group Management Share Plan Pty Ltd	12,231,974
6	J P Morgan Nominees Australia Limited	11,772,711

VOTING RIGHTS

All ordinary shares issued by Austal Limited carry one vote per share without restriction.

CORPORATE DIRECTORY

DIRECTORS

Executive Directors

John Rothwell
Robert McKinnon
Michael Atkinson

Non Executive Directors

Christopher Norman
John Poynton
Achim Drescher
Robert Browning

AUDITORS

Ernst & Young
Level 34
152 St George's Terrace
Perth 6000
Western Australia

COMPANY SECRETARY

Michael Atkinson

REGISTERED OFFICE

100 Clarence Beach Road
Henderson 6166
Western Australia
Telephone: +61 8 9410 1111
Facsimile: +61 8 9410 2564

SHARE REGISTRY

Advanced Share Registry
Level 7
200 Adelaide Terrace
Perth 6000
Western Australia
Telephone: +61 8 9221 7288
Facsimile: +61 8 9221 7869



1.

2.

3.

1. "Aremiti 5", a 56 metre vehicle-passenger catamaran, was delivered to Tahiti
2. Three Austal-built catamarans in New York Harbor
3. Austal currently employs over 1,200 staff

