AUSTAL

AUSTAL LIMITED | 2013 | CONCISE REPORT

CONTENTS

SHIPS • SYSTEMS • SUPPORT

2013 Annual Report

The 2013 Concise report has been derived from Austal Limited's 2013 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 that provided by the 2013 Annual Report.

A copy of Austal Limited's 2013 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.

Cover image: Cape St George, the first-in-class Cape Class Patrol Boat, was successfully delivered by Austal to Australian Customs and Border Protection in the year.

1. *The $330 million Cape Class Patrol Boat contract underwrites work at Austal's Henderson shipyard until the end of 2015.*
2. *Austal's focussed team successfully implemented efficiency improvements across the business in the year, driving strong profit growth.*
3. *Construction of the 80 metre catamaran ferry in the Philippines progressed well as Austal's workforce grew to 500 staff, as planned.*
4. *USS Coronado, the second Littoral Combat Ship constructed by Austal, successfully performed builder's sea trials in the Gulf of Mexico during the year as it neared delivery to the US Navy.*

SHIPS • SYSTEMS • SUPPORT

On behalf of the Board of Austal Limited, it is my pleasure to present to you the 2013 Annual Report.

The past 12 months represented a year of transformation for Austal. In that time:

- Critical steps were taken to improve Austal's debt position and balance sheet through a $77.9 million capital raising.
- A new syndicated bank facility agreement was executed subsequent to 30 June 2013 which extended maturity until 31 December 2015.
- The new bank facility agreement had not been executed at reporting date and therefore the debt associated with the new facility has been designated as a current liability. The debt was reclassified as a non-current liability as of 19 July 2013.
- Operational improvements were made at our US shipyard, which translated into improved margins and profit growth for the year.
- Funding was confirmed for two more Littoral Combat Ships and the final Joint High Speed Vessel under our existing contracts with the US Navy.
- First-in-class *Cape St George* was delivered to Australian Customs and Border Protection, and construction of the other Cape Class Patrol Boats at our base in Henderson, Western Australia ramped up.
- The Philippines Shipyard Operation was fully mobilised, with the first vessel delivered in December 2012.
- The Service and Systems Division was restructured to align with current work and anticipated opportunities.

The Chief Executive Officer, Andrew Bellamy, will provide more detail in his report on the operational achievements for the year, as well more detail on the strategic direction and outlook for Austal.

CAPITAL RAISING

The $77.9 million Entitlement Offer, at a material discount to the share price, was a challenging but critical decision during the year which significantly improved Austal's debt position and balance sheet. The Entitlement Offer was well supported by existing shareholders and a number of new shareholders who I welcome to the register. I wish to thank shareholders for their support and I look forward to sharing in the Company's future successes with you.

FINANCIAL RESULTS

Management and staff delivered operational improvements and efficiencies across the business which were a key driver in delivering significantly improved earnings before interest, tax, depreciation and amortisation (EBITDA) result of $62.6 million and net profit after tax of $35.7 million which were both in line with market guidance. The profit result was positively impacted by the recognition of $11.0 million of non-cash research and development tax credits from prior years.

Reconciliation of EBITDA:

Year ended 30 June 2013	$'000
Profit before income tax	26,726
Finance costs	13,571
Finance income	(2,231)
EBIT	38,066
Depreciation	21,914
Amortisation	2,595
EBITDA1	62,575

1. EBITDA is a non-IFRS measure. The information is unaudited but is extracted from the audited financial statements.

The operational improvements and efficiencies implemented across the business were sustained throughout the year. For example, the lessons learned in the construction of the first-in-class Joint High Speed Vessel, USNS *Spearhead*, were applied to JHSV 2 and improved processes implemented across the entire JHSV program. This has driven ongoing margin growth at our US shipyard.

▲ *Austal delivered a number of significant milestones in the year on the Littoral Combat Ship program, with Austal now focussed on the 10-ship award as prime contractor to the US Navy, worth approximately US$3.5 billion.*

Meanwhile, financial performance from our Henderson shipyard in Western Australia improved as we delivered the first vessel in the $330 million contract to design, construct and service the Cape Class Patrol Boats.

BOARD AND SENIOR MANAGEMENT

Austal Deputy Chairman John Poynton, AM, resigned from the Board of Directors in June to devote more time to his other business and not-for-profit activities. John joined the Board in 1998 and helped Austal to expand from being a Western Australian fast ferry builder to include international operations and significant defence contracts and capabilities. In addition, finance executive Michael Atkinson announced his retirement in June following 23 years with Austal, and as such resigned from his role as Executive Director. I wish to thank both John and Michael for their dedication and contribution to the Company over an extended period.

Austal has commenced a process to identify and appoint a new non-executive director following these changes, specifically targeting candidates who have solid international and commercial experience. In addition, Austal promoted Greg Jason as Chief Financial Officer in January. Greg was previously Chief Operating Officer of Austal's Asia operations, and made a significant contribution to the successful acquisition and activation of our Philippines shipyard. He worked closely with Michael over a six month period to ensure a smooth transition to CFO.

At Austal's US operations in the year, we welcomed Rear Admiral USN (Retired) John "Dugan" Shipway to Chair the Board of Austal USA. Rear Admiral Shipway's appointment followed a distinguished naval career, including 35 years in the US Navy and senior management roles in naval shipbuilding and support. Austal also promoted Craig Perciavalle to President of Austal USA, after previously working as Senior Vice President of Operations. Their extensive experience will help to ensure our US shipyard delivers Navy contracts efficiently and effectively, moving into serial production of vessels that the US Navy regards as crucial to its future operations.

REMUNERATION REPORT

The Board of Directors appreciates that there were concerns with the 2012 Remuneration Report, reflected in the voting at last year's Annual General Meeting. Your Board has reflected on shareholder feedback on remuneration and has taken steps to ensure that these concerns have been addressed. Key decisions made by your Board include:

- Reducing the number of executives that are entitled to participate in the long-term incentive plan (LTIP)
- The allocation of performance rights approved by shareholders at the FY2012 AGM for the CEO was subsequently not confirmed by the Board in FY2013
- Clearly identifying the performance measures used for the LTIP, with a strong bias towards return on invested capital (ROIC) and total shareholder return
- Short-term incentives are clearly linked to the delivery of performance criteria over a twelve month period, principally EBIT and Cash

We encourage shareholders to read the Remuneration Report to better understand the changes and approach your Board has taken to remuneration.

OUTLOOK

The significant steps we took to transform Austal in the year have placed the Company in a stronger position to deliver on our significant order book and progress the operational improvements we have made. The US Navy funded an additional US$825.7 million of work in the 12 months, taking our order book to $2.6 billion as at 30 June 2013. This secures revenue through to 2017. With a record amount of work in hand, our focus is to deliver prudent cash management and continue to drive operational improvements across our businesses, with a long-term view to return dividends to shareholders.

I would like to take a moment to acknowledge our employees for their loyalty and hard work during the year. The achievements we made would not have been possible without their professionalism and dedication. And to shareholders, thank you for your ongoing support of Austal during the year. After a difficult decision in the capital raising, I am pleased that we have delivered on the operational and financial performance to drive shareholder value, and your Board will focus on continuing to achieve this objective.

John Rothwell AO
Chairman

▲ The Cape Class Patrol Boat contract presents further opportunities being explored by Austal, including an Australian defence requirement for Cape Class-style vessels and variant-type vessels offshore.

Austal delivered significant operational improvements which translated into improved profitability for the Group.

OPERATIONAL IMPROVEMENTS

Management's focus was to implement operational improvements to deliver a turn-around in operating profit. Improving margins at our state of the art shipyard in the US where Austal is contracted to construct US$5 billion worth of Littoral Combat Ships (LCS) and Joint High Speed Vessels (JHSV) for the US Navy was the primary driver in improved profitability for the Group. It is pleasing that management and staff successfully implemented lessons learnt from the construction of the first-in-class JHSV. Austal delivered JHSV 1 and JHSV 2 to the US Navy and JHSV 3 was launched. LCS 4 performed sea trials during the year in preparation for delivery in FY2014. Construction of LCS 6, 8, and 10 progressed well.

Operational improvements at our Australian shipyard delivered a break-even result after a period of losses, as production of the Cape Class Patrol Boats (CCPB) ramped up. The $330 million contract to design, construct and support these vessels for Australian Customs and Border Protection underwrites work at our Australian shipyard in Henderson until the first half of FY2016. Delivery of Cape St George (CCPB 1) and laying the keel on CCPB 2 were the highlights of the year.

Meanwhile, our expansion into the Philippines was successful, returning a strong profit in its first full year of operation. Repositioning the construction of commercial vessels to the Philippines has ensured that Austal can retain a competitive position in the market. The Philippines operation mobilised 476 employees, delivered the first vessel, and progressed in the construction of an 80 metre commercial ferry for a repeat customer.

A number of improvements were made to the Service and Systems division. The organisation was re-structured to a geographical basis in order to improve efficiencies, drive margin growth, and alignment to work opportunities. The service base at Henderson was consolidated into the nearby shipbuilding facility, whilst the service base in Spain was closed, reflecting the challenges in the economies of Spain and Europe. Meanwhile, Austal substantially expanded its service capability in Darwin through the acquisition of Hydraulink NT and its associated business KM Engineering, in recognition of the growing significance of the Asia-Pacific region to US and Australian naval forces.

STRATEGY

We made significant progress in implementing the strategic plan, which included reducing gearing through a reduction in net debt to strengthen the balance sheet. The order book was maintained at $2.6 billion following appropriation of funds in line with US Navy contracts. This secures work through until 2017 with two additional LCS and one JHSV funded in the year.

Our strategy is clear for the year ahead. Austal will continue to improve margins in the US through operational efficiency. Australian Operations will expand to deliver the Cape Class Patrol Boat contract and target opportunities for domestic and export defence contracts. Technology transfer to the Philippines Operation will continue, and capacity will be expanded in line with market potential. All three business units will pursue service and systems opportunities from their well established shipbuilding operations.

A prudent cash management focus will ensure that costs and inflows are aligned. This will enhance Austal's ability to deliver on the record amount of work in progress and strategic objectives.

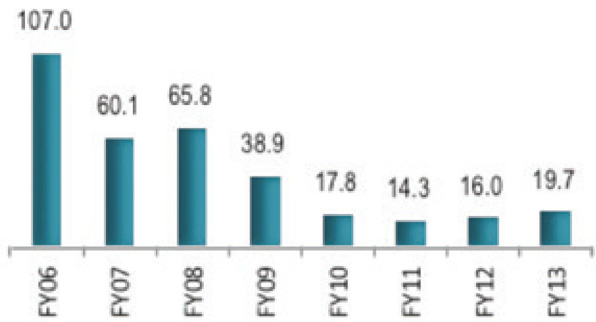
SAFETY

Safety remains our equal priority with productivity and quality. I am focused on achieving change across the Company without sacrificing our commitment to providing a safe environment for our employees, customers and visitors.

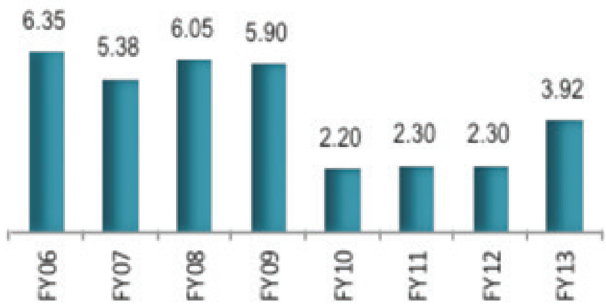
We are actively and progressively moving Austal to a learning culture and analyse our opportunities for improvement from a point of understanding how things happen rather than why. It is disappointing to report an increased Lost Time Injury Frequency Rate in FY2013. We are increasing our focus on training in recognition of a large influx of new employees in the Philippines and US operations.

Our goal of ZERO Harm means no injuries to anyone, ever and while aspirational remains a target to strive for.

Austal reports safety performance in accordance with AS1885.1.



Medical Treatment Injury Frequency Rate
(per million hours worked)



Lost Time Injury Frequency Rate
(per million hours worked)

PEOPLE

A key part of our high performance culture is ensuring that Austal is a great place to work and that we view the capability of our people as our primary source of competitive advantage.

The people of Austal have achieved a great deal over the last year and I would like to acknowledge the outstanding contribution and commitment of all Austal employees, contractors, customers and partners during 2012/13 on behalf of the leadership team.

Our Values of Excellence, Customer, Integrity and Teamwork have been the basis for many tangible and sustainable business successes throughout the year.

OUTLOOK

Austal is better positioned to deliver on the $2.6 billion order book as a result of improved margins and strengthening the Company's balance sheet in FY2013.

We will sustain the operational improvements and margins, delivering on our two major contracts for the US Navy, the LCS and JHSV. We expect two LCS to be funded in FY2014 as per the contract. The US Navy has demonstrated strong ongoing support to the high performance, low-cost LCS despite sequestration. Austal is well positioned to win new US Navy construction and vessel support contracts.

The translation of profits from our US operations are directly impacted by the A$/US$ exchange rate. We could expect to see a benefit in profit translation with markets forecasting further weakening of the A$. A weaker A$ also improves the international competitiveness of our Australian business.

We will continue to improve productivity in our Australian operations as we transition efficiency production of the remaining Cape Class Program. Opportunities exist to construct similar vessels for domestic and export defence markets.

We will continue to transfer technological capabilities to the Philippines Operations whilst we pursue new commercial contracts building on a successful maiden profit.

Our Service and Systems products have been developed in preparation for deployment to US and Australian defence vessels.

Future success will be built upon improving operating margins, implementing production efficiencies, and a prudent cash management focus. These measures will leave Austal best placed to deliver on the record amount of work in progress and strategic objectives to deliver returns to shareholders.

Andrew Bellamy

Andrew Bellamy
Executive Director And Chief Executive Officer

▲ *Austal's state-of-the-art US shipyard underwent considerable operational improvement in the year as efficiencies on the LCS and JHSV programs were implemented.*

Austal reported a net profit after tax of $35.7 million in FY2013, compared to $11.0 million in FY2012. FY2013 earnings before interest, tax, depreciation and amortisation was $62.6 million for the year compared to $35.4 million in FY2012. The improvement in earnings was driven by growth in margins, particularly at our US shipyard, where we implemented the lessons learnt from the challenges on the first-in-class Joint High Speed Vessel (JHSV 1) and improved processes across the shipyard.

Revenue for the year grew by 38 per cent from $653.0 million in FY2012 to $902.8 million. The US operation was the largest contributor to revenue, delivering $749.4 million (FY2012: $570.3 million) and $39.2 million in earnings before interest and tax (EBIT) (FY2012: $15.8 million) as Austal continued to perform work on its major LCS and JHSV contracts for the US Navy. Performance at our non-US operations also improved, with the Australian division returning to a break-even EBIT after a period of losses (FY2012: $13.6 million loss) and the Philippines Operation reported a $5.0 million EBIT (FY2012: $0.8 million loss), its maiden profit in its first full year of operations. The Service and Systems division, which was restructured in the year, delivered an EBIT loss of $0.5 million (FY2012: $1.6 million profit). Austal's net debt was reduced to $132.9 million (FY2012: $159.7 million) after $77.9 million in funds from a capital raising were used to reduce indebtedness and strengthen the balance sheet.

FINANCIAL SUMMARY

Year ended 30 June	2013 $'000	2012 $'000
Revenue*	902,813	652,996
Depreciation, Amortisation & Impairment	(24,509)	(18,869)
EBIT	38,066	16,577
Net Interest (Paid)/Received	(11,340)	(4,020)
Operating Profit Before Tax	26,726	12,557
Tax (Expense)/Benefit	9,016	(1,514)
Operating Profit After Tax	35,742	11,043
% EBIT/Revenue	4.2	2.5
Basic Earnings Per Share (cps)	12.03	4.62
Net Assets	407,187	277,047
Return on Equity (%)	8.8	3.9

*Excludes other income

A financial breakdown for each business unit has been included below, including IFRS and non-IFRS information. This information has been extracted from the audited financial statements and included in order to demonstrate growth across the primary segments.

US OPERATIONS

	FY2013 ($m)	FY2012 ($m)
Revenue	749.4	570.3
EBIT	39.2	15.8
EBIT margin (%)	5.2%	2.7%
PBT	23.5	8.5

Austal's US operations continued to be the biggest contributor to earnings. Earnings before interest and tax from Austal's US operations was $39.2 million on $749.4 million in revenue. This was a 148 per cent increase on the $15.8 million EBIT reported in FY2012. Importantly, operational improvements and the implementation of lessons learnt in the construction of the first-in-class JHSV 1 drove margin growth, with an EBIT margin of 5.2 per cent in FY2013 compared to 2.7 per cent in FY 2012.

As expected, three more vessels were added to the order book under the major US Navy contracts. Funds for the final JHSV under Austal's 10-vessel US$1.6 billion contract were appropriated in December 2012. This added US$166.9 million to the order book and funds work on the JHSV program through to 2017. Meanwhile, funds for the fifth and sixth LCS under the US$3.5 billion contract – LCS 14 and 16 – were appropriated in March 2013, also in line with expectations. This added a further US$681.7 million to the order book and ensured funding on the LCS program was also secured through to 2017. Importantly, funds for LCS 14 and 16 were appropriated following the commencement of sequestration measures under the Budget Control Act, providing confidence in future funding. Austal expects funds for the next two vessels, LCS 18 and 20, to be appropriated in FY2014, and the final two, LCS 22 and 24, to be funded in FY2015.

Austal delivered the first-in-class JHSV, USNS Spearhead (JHSV 1), in December 2012. The JHSV program matured with productivity improved by lessons learnt in the construction of JHSV 1. JHSV 2, USNS *Choctaw County* was delivered in June 2013 after successfully completing builder's sea trials in March and acceptance trials in May which was six months after the delivery of JHSV 1. JHSV 3, USNS Millinocket was also launched in May and Austal celebrated the keel laying of JHSV 4. These achievements demonstrate the speed at which the JHSV program developed during the year.

The LCS program also delivered a number of significant milestones during FY2013. USS *Coronado* (LCS 4), the US Navy's fourth LCS and second built by Austal USA and General Dynamics, was performing builder's sea trials in the Gulf of Mexico by the end of the year. Austal anticipates delivery of this vessel to the US Navy in the near-term. Meanwhile the keel of LCS 6 – the first LCS being built by Austal as the prime contractor under the 10-vessel contract – was laid in October 2012. Construction on LCS 8 and LCS 10 progressed well in the year, with the keel laying for LCS 8 performed in June 2013.

Austal completed a reduced capital expenditure program at the US shipyard as expected, following the commissioning of the majority of the facilities in FY2012 and expanded its US workforce to 3,306.

NON-US OPERATIONS

AUSTRALIAN OPERATIONS

	FY2013 ($m)	FY2012 ($m)
Revenue	90.3	63.7
EBIT	0.5	(13.6)
EBIT margin (%)	0.6%	n/a
PBT	5.4	(9.2)

Austal's Australian operations delivered an improved result in FY2013, breaking even at the EBIT level after a $13.6 million loss in FY2012 and a loss in FY2011. This result was driven by improved productivity at the Henderson shipyard on the $330 million contract to design, construct and service the Cape Class Patrol Boat for Australian Customs and Border Protection. Austal delivered the first vessel first-in-class *Cape St George* (CCPB 1) in April 2013 following the keel laying in June 2012. The delivery of *Cape St George* underlined Austal's prime contracting credentials and total solution capability encompassing ships, systems and support. A phased increase in construction activity on subsequent patrol boats commenced in the year, with all eight due to be completed by August 2015.

PHILIPPINES OPERATIONS

	FY2013 ($m)	FY2012 ($m)
Revenue	40.0	1.9
EBIT	5.0	(0.8)
EBIT margin (%)	12.5%	n/a
PBT	5.0	(0.8)

Austal generated EBIT of $5.0 million in FY2013, a maiden profit in its first full year of operation at the shipyard. This was driven by the delivery of a 27 metre trimaran wind farm vessel and the ongoing construction of an 80 metre commercial vehicle ferry, which is expected to be delivered in the second quarter of FY2014. Foreign exchange movements had a significant positive impact on the financial result.

Austal mobilised 476 employees in the year as planned. The Company continued to transfer technology to the Philippines shipyard to establish a sustainable level of capability.

SERVICE AND SYSTEMS OPERATIONS

	FY2013 ($m)	FY2012 ($m)
Revenue	59.0	19.4
EBIT	(0.5)	1.6
EBIT margin (%)	n/a	8.2%
PBT	(0.4)	1.6

Austal entered into a number of partnerships in the year to enhance its service offering in the Asia-Pacific region, enhancing the Company's support offering to the US Navy and other navies active in the Asia-Pacific region.

Austal substantially expanded its service capability in Darwin through the acquisition of Hydraulink NT and its associated business KM Engineering, in recognition of the growing significance of the Asia-Pacific region to US and Australian naval forces.

The US Navy's Military Sealift Command (MSC) exercised two, six month options in the year (August 2012 & January 2013) for the charter of the Austal high speed vessel, the WestPac Express to support the operations of the United States Marine Corps' Third Marine Expeditionary Force.

SAFETY PERFORMANCE

Another challenging year to maintain our overall safety performance, having a full year of operations in our new Philippines Shipyard, restructuring to drive greater efficiencies in our Australian Operations and continued rapid growth of our workforce in our US Operations. The culture, experience levels and the diversity of our workplaces all changed with the potential to impact on our safety performance.

OCCUPATIONAL HEALTH AND SAFETY POLICY

Austal's Occupational Safety and Health (OSH) Policy was reviewed and our focus remains on safe people, safe practices and safe work environments and promotes a workplace culture that raises awareness of individual responsibility for safety and health. Austal's safety culture is sustained as these components become accepted workplace practice and are supported by strong leadership.

SAFE PEOPLE

Once again the US Operations received two significant safety awards during the year: the American Longshore Mutual Association's Safest Large Shipyard Award and the Shipbuilders Council of America Award for Excellence in Safety. The latter is awarded to member shipyards with the lowest rate of recordable workplace injuries and Austal USA has received this award for the last 5 consecutive years.

Austal's Australian Operations were again recognised by the Industrial Foundation for Accident Prevention as a Gold level Safe Way achiever for the 3rd consecutive year.

The safety of our people is at the forefront of everything we do.

▲ *The Joint High Speed Vessel program has been considerably de-risked, as lessons learnt with first-in-class JHSV 1 were implemented in construction of JHSV 2 and subsequent vessels.*

THE BOARD OF DIRECTORS OF AUSTAL LIMITED SUBMIT THEIR REPORT FOR THE YEAR ENDED 30 JUNE 2013.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

NAMES, QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

JOHN ROTHWELL AO
Non-Executive Chairman

With 40 years of experience in boat and shipbuilding, John has played a major role in the development of the Australian aluminium shipbuilding industry and is a Founding Director of Austal.

John was appointed a Council member of the Australian National Maritime Museum in June 2004 and became Chairman of the Capital Works Committee of that organisation in November 2005. John was appointed an Officer of the Order of Australia in January 2004, for services to the Australian shipbuilding industry through the development of trade links and for significant contributions to vocational education and training. John was named the Ernst & Young "Australian Entrepreneur of the Year" in October 2002.

John stepped down as Executive Chairman and Chief Executive Officer on 22 August 2008 to continue as Non Executive Chairman.

MICHAEL ATKINSON CA (ZIM), CA (SA) – Executive Director

Michael joined Austal in 1990 as Financial Controller and was appointed to the Board in 1994. Michael is a qualified Chartered Accountant 10 years of experience in the accounting profession. Prior to joining Austal, Michael entered the railway and construction industry where he served in a senior financial capacity and as a Board member.

Michael retired from the Board of Directors of Austal Limited on the 30 June 2013.

JOHN POYNTON BCom, FS Fin, FIAM, FAICD, AM, CitWA
Independent Director

John is a Co-Founder and Executive Chairman of Azure Capital. John is the deputy Chairman of Austal Limited and is a Non-Executive Director of Burswood Ltd. In the not-for-profit arena, he chairs Giving West and the Board of Celebrate WA. John is a member of Social Ventures Australia and the Curtin Foundation.

Previously, John was a Chairman of ASX Perth, Fleetwood, Alinta and the West Australian Museum Foundation – Director of Multiplex; Member of the Higher Education Endowment Fund Advisory Board, Payments System Board of the Reserve Bank of Australia, EFIC and of the Business School at the University of Western Australia.

John is a Life Member and Senior Fellow of the Financial Services Institute of Australasia (FINSIA), a Fellow of the Australian Institute of Company Directors (AICD) and of the Australian Institute of Management (AIM).

John is a Member in the General Division of the Order of Australia and is a past recipient of a WA Citizen of the Year award in the industry and commerce category.

John holds a Bachelor of Commerce and an honorary Doctor of Commerce from the University of Western Australia.

John resigned from the Board of Directors of Austal Limited on the 28 June 2013.

DARIO AMARA BEng (Distn) FIEAust CPEng – Independent Director

Dario is an engineer and experienced Chief Executive with business experience and networks gained over 30 years in the Australian and International Markets; spanning the engineering and construction sectors.

Dario has a record of achievement in establishing, growing and rejuvenating businesses and strategic leadership and has served as CEO of John Holland Asia Ltd and CEO of GRD Minproc Ltd.

Dario is currently Non-Executive Chairman of Mission New Energy Limited. He has also served as Chairman of the West Australian Opera Company, the Art Gallery of Western Australia, Heritage Perth and as a Board Member of the Perth International Arts Festival. He is currently a Board Member of the Murdoch University Art Collection.

DAVID SINGLETON
Independent Director

David brings to Austal a wealth of highly relevant business expertise and experience in both the defence and resources sectors.

David has held numerous senior roles with BAE Systems (formerly British Aerospace), which is one of the world's largest defence companies. He served as Group Head of Strategy and Mergers & Acquisitions in London from 1997 to 1998 and again in 2003. In the intervening years, David was BAE's Managing Director of Asset Management before spending three years in Rome as the Chief Executive Officer of Alenia

Marconi Systems (AMS). AMS was a European leader of naval warfare and air defence systems, C4I, ground and naval radars, command and control training systems and naval support.

David started his career with the UK Ministry of Defence and worked in research, development and manufacturing as well as senior management roles in Royal Ordnance which by then was part of BAE. He has also served as a member of the National Defence Industries Council in the UK, and as a board member and Vice President (Defence) of Intellect, a leading trade association for the UK technology industry.

David is the CEO and Managing Director of Perth-based mineral exploration company Poseidon Nickel Limited. Prior to this role, he served as CEO and Managing Director of Clough Limited between 2003 and 2007. David is also a Non-Executive Director of Quickstep Holdings, both ASX listed entities.

David was appointed to the Board of Directors of Austal Limited on 21 December 2011.

ANDREW BELLAMY BSc (Hons) Material Science, MA (Marketing)
Chief Executive Officer

Andrew has more than 20 years of business leadership experience in North America, Europe, Middle East and Asia. Andrew is responsible for the Group's worldwide operations and is also a member of the Board of Austal Limited and the Board of Austal USA.

Andrew joined Austal in September 2008, initially in the capacity of Head of Global Sales and Marketing. In this role Andrew was responsible for the Sales and Marketing function across all Austal's international businesses, including the strategically significant US operations. In 2010, Andrew was appointed Chief Operating Officer of Austal's Australian businesses and oversaw the growth and expansion of Austal's international network of locations at a time of significant turbulence in global markets. Andrew was appointed Chief Executive Officer of Austal in February 2011.

While at the helm of Austal, Andrew has been instrumental in Austal's emergence as a global defence prime contractor, following the award of several significant contracts including the Cape Class Patrol Boat programme for the Australian Customs and Border Protection Service, as well as the Joint High Speed Vessel and Littoral Combat Ship programmes for the US Navy.

Prior to joining Austal, Mr Bellamy held senior positions within the Oil and Gas industry with Honeywell and ICI. Mr Bellamy holds a BSc (Hons) in Materials Science from University of Sunderland and an MA (Marketing) from University of Lincoln and Humberside.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the interests of the directors in the shares of Austal Limited were:

	Number of Ordinary Shares Direct	Number of options^ Direct
John Rothwell	32,200,745	-
Dario Amara	50,000	-
David Singleton	28,600	-
Andrew Bellamy	799,958	280,000

^ This represents options granted from the Employee Option Share Plan (ESOP) (refer to note 28 of the full 2013 Financial Report). There were no additional ordinary shares issued or options granted to directors and exercised between the balance date and the date of this report.

PRINCIPAL ACTIVITIES

The principal activities during the year of entities within the consolidated entity were the design, manufacture and support of high performance aluminium vessels. These activities are unchanged from the previous year.

RESULTS

The profit of the consolidated entity for the financial year was $35.742 million after income tax (2012: $11.043 million).

REVIEW OF OPERATIONS

A review of the operations and financial position of the consolidated entity is outlined in the Review of Operations on page 6.

DIVIDENDS

No dividend has been declared for the year ended 30 June 2013 (2012: Nil).

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Austal executed a new Syndicated Facility Agreement which provides the following facilities through until 31 December 2015:

- US$190 million of Letters of Credit to support the Go Zone Bonds in the USA
- US$20.7 million of Equipment Asset Financing in the USA
- A$100 million of Performance Bonding and other Letters of Credit
- A$50 million of Revolving Credit Facility

The Board of Directors approved the redemption of US$54.960 million of Go Zone Bonds utilising restricted cash from the capital raising that was conducted in FY2013.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

A general discussion of the group outlook is included in the Chairman's Report on page 2 and the Review of Operations on page 6.

SIGNIFICANT CHANGES IN THE STATE OF THE AFFAIRS

A review of the significant changes in the state of affairs of the consolidated entity is outlined in the Review of Operations on page 6.

ENVIRONMENTAL REGULATION AND 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 2013.

SHARE OPTIONS

As at the date of this report, there were 9,323,790 un-issued ordinary shares under options. Refer to Note 28 of the full 2013 Financial Report for further details of the options outstanding. There were no options exercised during the year.

TOTAL NUMBER OF EMPLOYEES

The consolidated entity employed a total of 4,269 full-time equivalents (2012: 3,237 full-time equivalents) at 30 June 2013.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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 to the extent allowed by the law, for any expenses or costs which may arise as a result of work performed in their respective capacities.

During the financial year, the parent entity has paid premiums in respect of a contract insuring the directors and officers of the consolidated entity in respect of liability resulting from these indemnities. The terms of the insurance arrangements and premiums payable are subject to a confidentiality clause.

REMUNERATION REPORT (AUDITED)

This Remuneration report outlines the remuneration arrangements in place for Directors and Executives of Austal Limited (the Company) and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

For the purposes of this report, the term 'executive' encompasses the Chief Executive, senior executives and general managers of the Parent and the Group. KMP for the year are set out in the table below.

REMUNERATION REPORT (AUDITED) (continued)

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors reviews the remuneration of all individual Directors, including the issue of any performance rights or variable remuneration and makes recommendations to the Board in addition to reviewing the overall remuneration policy of the company.

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 Executives fairly and appropriately with reference to relevant employment market conditions. Benchmarking of remuneration is undertaken against comparable sized companies in the Australian manufacturing sector.

The Company aims to reward executives and senior managers with an amount and mix of fixed and variable remuneration commensurate with their position and responsibilities within the Company. This is done in order to:

- attract and retain exceptional employees ('key employees') that have the capacity to significantly impact the growth and profitability of the Company;
- align key employees' behaviour towards the growth and profitability objectives of the Company; and reward key employees for sustained contributions to business success; and
- maintain balance between the interests of shareholders and rewarding of executives in order to promote the long term benefits of driving returns to shareholders and retaining quality personnel.

Summary of changes to the remuneration structure in 2013

At the 2012 Annual General Meeting of shareholders, more than 25 per cent of votes cast were against the resolution to adopt the 2012 Remuneration Report, though the resolution was carried by a simple majority. In light of this vote, the Board and Remuneration Committee conducted a review of the Group's remuneration structure in an effort to address the concerns raised by shareholders. The Company has implemented a number of remuneration measures for 2013 including:

- Reducing the number of KMP and other executives that are entitled to participate in the long-term incentive plan (LTIP)
- Clearly identifying the performance measures used for the LTIP
- 70% based on return on invested capital (ROIC) and 30% on total shareholder return (TSR)
- Deferring the issuance of performance rights under the LTIP
- Specifically linking short-term incentives (STI) to the delivery of performance criteria, principally EBIT and Cash
- Restructured the executive team to reduce costs
- Freezing KMP and Director salaries in 2013 (except where a change in role occurred)

The Board believes that these measures address the concerns held by shareholders, specifically regarding the award of incentive payments. The Board's intent is to ensure the Company's remuneration structure reflects shareholders' interests and supports the achievement of improved business performance over the long-term by motivating talented executives to deliver results that deliver sustainable returns to shareholders.

Structure

Non-executive directors receive fixed remuneration, in the form of salary and fees. However, they do not receive retirement benefits, nor do they participate in any incentive programs. The board considers this approach allows non-executive directors to maintain genuine independence.

The remuneration for the KMP and executives consists of fixed remuneration, being base salary, superannuation and non-monetary benefits and variable remuneration as listed below. Fixed remuneration is not linked to performance conditions.

The Company's remuneration policy also provides for appropriate proportions of remuneration to be either 'at risk', or in the form of equity (or both), to ensure there is alignment between the creation and development of shareholder value and executive remuneration. For example, the Chief Executive Officer's remuneration includes an issue of shares up to a maximum of 50% of the value of fixed annual remuneration. For the year ended 30 June 2012, the Chief Executive Officer was issued securities to the value of 30% of fixed remuneration – the minimum equity component of remuneration.

KMP and other executives are generally eligible to participate in an annual STI scheme which is designed to align business performance with a financial incentive. No STI was paid in 2013 as a result of the scheme suspension in 2012.

Further, the Board considers a freeze on the salaries of KMP and directors would further demonstrate the Company's commitment to ensuring the priority of shareholder interests in determining remuneration packages. As a result, the salaries earned by KMP and fees earned by directors during 2013 were frozen at 2012 levels, with the exception of KMP, whose roles changed during the year. Austal restructured the executive team to drive competitiveness and in order to preserve as much value as possible for shareholders.

LONG TERM INCENTIVE PLAN

The Long Term Incentive Plan (LTIP) which replaces Austal's previous executive share option plan aims to reward KMP with the issue of performance rights commensurate with their position and responsibilities within the Company so as to:

- attract and retain exceptional employees ('key employees') that have the capacity to significantly impact the growth and profitability of the Company;
- align key employees' behaviour towards the growth and profitability objectives of the Company; and reward key employees for sustained contributions to business success.

The LTIP was developed with the assistance of Mercer, an independent employee share plan consultant. There are separate LTIP for Australian and US executives to take into account relevant US regulations.

Suspension of the LTIP in 2013

In light of the concerns raised by shareholders through the vote at the 2012 AGM regarding the Remuneration Report and remuneration of KMP, the Company elected to suspend the LTIP for 2013, and no performance rights were issued during the year. This was despite the LTIP being approved by shareholders at the AGM.

Given the positive outlook for the Company, the Board expects certain KMP will be eligible for performance rights under the LTIP in the years ahead. However the number of KMP eligible for performance rights under the new LTIP will be significantly lower than those entitled to options under the previous share option plan. Eligibility for performance rights under the LTIP is dependent on the achievement of specific performance hurdles, being Return On Invested Capital (ROIC) and Total Shareholder Return (TSR). The approach to these performance hurdles is detailed below.

Structure

The performance rights may be granted to KMP and executives in accordance with the LTIP rules and set by the Remuneration Committee.

The terms of each offer to participate in the LTIP may differ depending on the relevant KMP role. Shares issued following the vesting of any performance rights will generally be subject to a restriction on trading for at least 12 months, although the holder will be entitled to any dividends paid during that restricted period.

The Board believes that following the suspension and subsequent re-shaping of the LTIP, including the reduction in the number of KMP entitled to participate, is in the best interests of shareholders. Entitlement to performance rights under the LTIP is based solely on measures which deliver improved results to shareholders, thereby ensuring that the objectives of KMP and shareholders are necessarily aligned.

REMUNERATION REPORT (AUDITED) (continued)

Performance hurdles

The granting of performance rights is tied exclusively to overall company performance, measured against ROIC and TSR targets set periodically by the Board. The targets will be based on company-wide performance, rather than business unit performance, in order to maximise alignment with shareholder interests – Performance rights will not vest unless these hurdles, are met. Performance hurdles will be measured over a prescribed period determined by the board.

ROIC measure

70% of the performance rights that vest under the LTIP will be tied to the achievement of an average ROIC target over the prescribed period. The ROIC target will be based on company-wide performance, rather than business unit performance, in order to maximise alignment with shareholder interest. Performance rights will vest based on actual ROIC versus target ROIC over the measurement period. The threshold ROIC level will be set by the Board and will normally be at or above current ROIC when rights are issued.

TSR measure

30% of any LTI award will depend on the achievement of TSR levels prescribed by the Board. To be eligible for the full entitlement of performance rights under this aspect of the LTI Plan, TSR must exceed 25% over a prescribed period. The LTI entitlement reduces progressively as TSR figures step down below 25%, such that if TSR over the prescribed period is less than 25% then performance rights based on TSR will not vest. Maintenance of existing TSR performance in itself is not enough to meet the hurdle required for performance rights under this measure. The Board considers this to be consistent with its objective of improving returns to shareholders.

SHARE OPTION PLAN

The Share Option Plan, which has been replaced by the LTIP, rewarded KMP with the issue of share options commensurate with their position and responsibilities within the Company so as to:

- attract and retain exceptional employees ('key employees') that have the capacity to significantly impact the growth and profitability of the Company;
- align key employees' behaviour towards the growth and profitability objectives of the Company; and reward key employees for sustained contributions to business success.

Structure

The share options are granted to executives and senior managers based on the eligibility criteria set by the Remuneration Committee. Eligibility for the plan will be linked to employee performance. The exercise of the options will vest after 3 years subject to meeting the company performance criteria.

Performance hurdle

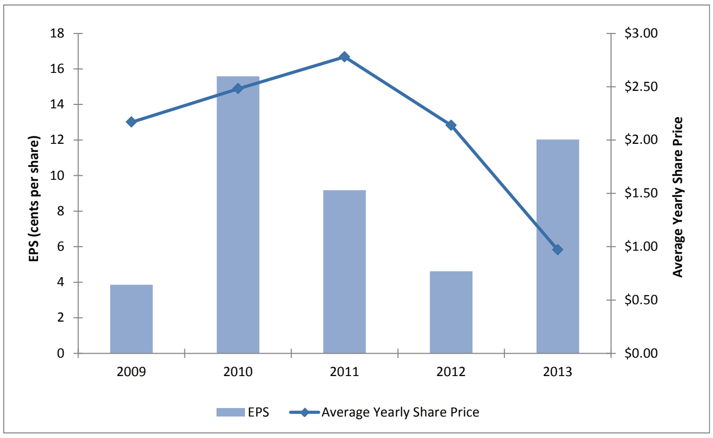
The Company uses a relative Total Shareholder Return (TSR) as the performance hurdle for the share option plan. Relative TSR was selected as the share option plan performance hurdle as it ensures an alignment between comparative shareholder return and reward for executives.

The Company's performance against the hurdle is determined by comparing the TSR against the return of the Small Industrials Accumulation Index (or another appropriate index) for the three year period commencing on 1 July prior to the grant date. The series of options issued at that grant date would lapse if the TSR does not exceed the return of the Small Industrials Accumulation Index for a particular three year period.

In relation to the options issued after 3 November 2009, the options vest if the TSR of Austal Limited exceeds 25% for each three year period after issuance. The percentage vesting reduces on a sliding scale if the TSR is below 25%, until no options vest if the TSR is below 5%.

Group performance

The graph below shows the performance of the Company as compared to the movement in the Company's earnings per share (EPS) over time.



DETAILS OF KEY MANAGEMENT PERSONNEL FOR THE YEAR ENDED 30 JUNE 2013

EXECUTIVES

Executive Directors

Mr Andrew Bellamy	Chief Executive Officer
Mr Michael Atkinson(1)	Executive Director

Senior Executives

Mr Greg Jason(5)	Chief Financial Officer
Mr Graham Backhouse(3)	President Australia
Mr Joey Turano(2)	President Philippines
Mr Brian Leathers	Chief Financial Officer USA
Mr Craig Perciavalle(4)	President USA
Mr Charles McGill(7)	Chief Operating Officer Service & Systems
Mr Richard Simons(6)	Chief Financial Officer

NON-EXECUTIVE DIRECTORS

Mr John Rothwell	Non-Executive Chairman
Mr John Poynton(8)	Independent Director
Mr Dario Amara	Independent Director
Mr David Singleton	Independent Director

(1) Mr Michael Atkinson retired on the 30th of June 2013.
(2) Mr Joey Turano was appointed to President Philippines on the 5th of November 2012.
(3) Mr Graham Backhouse was appointed to President Australia on the 3rd of December 2012.
(4) Mr Craig Perciavalle was appointed President USA on the 13th of December 2012.
(5) Mr Greg Jason was appointed to the position of Chief Financial Officer on the 15th of January 2013.
(6) Mr Richard Simons ceased employment on the 2nd of October 2012.
(7) Mr Charles McGill ceased employment on the 28th of March 2013.
(8) Mr John Poynton resigned on the 28th of June 2013.

▲ *USNS Choctaw County, Austal's second Joint High Speed Vessel, was delivered to the US Navy in June, six months after first-in-class JHSV 1.*

REMUNERATION REPORT (AUDITED) (continued)

REMUNERATION OF KEY MANAGEMENT PERSONNEL FOR THE YEAR ENDED 30 JUNE 2013.

TABLE 1: REMUNERATION FOR THE YEAR ENDED 30 JUNE 2013 AND 30 JUNE 2012

		Short-Term								
		Salary & Fees $	Cash Bonus $	Other Monetary Benefits $	Non-Monetary Benefits $	Termination Payments	Share-based Payment Options $	Total $	% Performance related	% Options
Non-executive directors										
John Rothwell[1]	2013	363,636	-	-		-	-	363,636	-	-
	2012	366,667	-	-		-	-	366,667	-	-
John Poynton[2] [9]	2013	90,000	-	-		-	-	90,000	-	-
	2012	90,000	-	-		-	-	90,000	-	-
Dario Amara	2013	93,000	-	-		-	-	93,000	-	-
	2012	93,000	-	-		-	-	93,000	-	-
David Singleton	2013	85,000	-	-		-	-	85,000	-	-
	2012	45,076	-	-		-	-	45,076	-	-
Christopher Norman[10]	2012	42,500	-	-		-	-	42,500	-	-
Ian Campbell[11]	2012	90,000	-	-		-	-	90,000	-	-
Executive directors										
Michael Atkinson[14]	2013	327,750	-	-	-	-	60,337	388,087	15.5	15.5
	2012	392,192	37,962	-	-	-	44,524	474,678	17.4	9.4
Andrew Bellamy	2013	750,405	-	175,342	-	-	150,590	1,076,337	14.0	14.0
	2012	755,217	92,656	25,000	-	-	345,165	1,218,038	35.9	28.3
Other key management personnel										
Joey Turano(3)	2013	108,251	-	2,027	10,246	-	-	120,524	-	-
Graham Backhouse[4]	2013	130,263	-	11,724	-	-	-	141,987	-	-
Craig Perciavalle[5]	2013	332,024	-	17,296	-	-	40,444	389,764	10.4	10.4
Greg Jason[6]	2013	295,263	-	18,330	1,119	-	74,594	389,306	19.2	19.2
	2012	178,446	16,166	15,190	-	-	52,053	261,855	26.1	19.9
Brian Leathers	2013	330,331	-	6,084	-	-	39,336	375,751	10.5	10.5
	2012	2,933	581	-	-	-	428	3,942	25.6	10.8
Richard Simons[7][13]	2013	124,949	-	16,424	-	332,647	(123,048)	350,972	(35.1)	(35.1)
	2012	438,221	56,025	25,689	-	-	66,809	586,744	20.9	11.4
Charles McGill[8]	2013	258,981	-	19,807	-	-	(7,790)	270,998	(2.9)	(2.9)
	2012	49,051	-	25,132	-	-	2,672	76,855	3.5	3.5
Joseph Rella[12]	2012	407,216	59,983	-	-	-	(144,830)	322,369	(26.3)	(44.9)

(1) Mr John Rothwell's fee for 2012 and 2013 is exclusive of GST.
(2) Mr John Poynton's fee for 2012 and 2013 is exclusive of GST.
(3) Mr Joey Turano was appointed to President Philippines on the 5th of November 2012.
(4) Mr Graham Backhouse was appointed to President Australia on the 3rd of December 2012.
(5) Mr Craig Perciavalle was appointed President USA on the 13th of December 2012.
(6) Mr Greg Jason was appointed to the position of Chief Financial Officer on the 15th of January 2013.
(7) Mr Richard Simons ceased employment on the 2nd of October 2012.
(8) Mr Charles McGill ceased employment on the 28th of March 2013.
(9) Mr John Poynton resigned on the 28th of June 2013.
(10) Mr Christopher Norman resigned on the 16th of December 2011.
(11) Mr Ian Campbell resigned on the 30th of June 2012.
(12) Mr Joseph Rella resigned on the 22nd of June 2012.
(13) Mr Simons' remuneration for 2013 includes a termination payment following his resignation in October 2012.
(14) Mr Michael Atkinson's fee for 2012 and 2013 is exclusive of GST.

REMUNERATION REPORT (AUDITED) (continued)

TABLE 2: SUMMARY OF CONTRACTUAL PROVISIONS FOR KMP EXECUTIVES

Name	Employing company	Contract duration	Termination notice period company(1)(2)	Termination notice period executive(2)
Andrew Bellamy	Austal Limited	Unlimited	3 months	3 months
Michael Atkinson	Austal Limited	Unlimited	0 months	0 months
Richard Simons(5)	Austal Limited	Unlimited	9 months	9 months
Greg Jason	Austal Limited	Unlimited	12 weeks	12 weeks
Charles McGill(4)	Austal Service Pty Ltd	Unlimited	3 months	3 months
Graham Backhouse	Austal Ships Pty Ltd	Unlimited	12 weeks	12 weeks
Joey Turano	Austal Philippines Pty Ltd	Unlimited	1 month(3)	3 months
Craig Perciavalle	Austal USA LLC	Unlimited	0 months	0 months
Brian Leathers	Austal USA LLC	Unlimited	6 months	6 months

(1) Termination provisions – Austal may choose to terminate the contract immediately by making a payment equal to the Company Notice Period fixed remuneration in lieu of notice. In the event of termination for serious misconduct or other nominated circumstances, executives are not entitled to this termination payment.
(2) On termination of employment, executives will be entitled to the payment of any fixed remuneration calculated up to the termination date, any leave entitlement accrued at the termination date and any payment or award permitted under the remuneration policy.
(3) Termination period is accrued at a rate of 1 month per year of service.
(4) Mr McGill ceased employment on the 28th of March 2013.
(5) Mr Richard Simons ceased employment on the 2nd of October 2012.

▲ *USS Coronado, the second Littoral Combat Ship constructed by Austal, successfully performed builder's sea trials in the Gulf of Mexico during the year as it neared delivery to the US Navy.*

REMUNERATION REPORT (AUDITED) (continued)

TABLE 3: COMPENSATION OPTIONS: GRANTED AND VESTED DURING THE YEAR

		Terms & Conditions for each Grant					
	Award Year	Options granted during the year No.	Grant Date	Fair value per options at award date ($)	Vesting date	No. vested during year	No. lapsed during year
Andrew Bellamy	2013	-	-	-	-	-	-
	2012	-	-	-	-	-	-
	2011	-	28/09/2010	-	28/09/2013	-	-
	2010	-	03/11/2009	-	31/08/2012	140,000	-
Michael Atkinson	2013	-	-	-	-	-	-
	2012	-	21/10/2011	-	20/12/2014	-	-
	2011	-	28/09/2010	-	28/09/2013	-	-
	2010	-	03/11/2009	-	31/08/2012	140,000	-
	2008	-	24/10/2007	-	13/09/2010	-	-
Greg Jason	2013	-	-	-	-	-	-
	2012	-	20/12/2011	-	20/12/2014	-	-
	2011	-	28/09/2010	-	28/09/2013	-	-
	2010	-	03/11/2009	-	31/08/2012	140,000	-
	2009	-	10/09/2008	-	10/09/2011	-	-
Craig Perciavalle	2013	-	-	-	-	-	-
	2012	-	20/12/2011	-	20/12/2014	-	-
	2011	-	28/09/2010	-	28/09/2013	-	-
	2010	-	03/11/2009	-	31/08/2012	70,000	-
	2009	-	10/09/2008	-	10/09/2011	-	-
Brian Leathers	2013	-	-	-	-	-	-
	2012	-	20/12/2011	-	20/12/2014	-	-
	2011	-	28/09/2010	-	28/09/2013	-	-
	2010	-	03/11/2009	-	31/08/2012	70,000	-
	2009	-	10/09/2008	-	10/09/2011	-	-
Richard Simons^	2013	-	-	-	-	-	-
	2012	-	20/12/2011	-	20/12/2014	-	140,000
	2011	-	28/09/2010	-	28/09/2013	-	140,000
	2010	-	25/02/2010	-	27/02/2013	-	140,000
Charles McGill	2012	-	20/12/2011	-	20/12/2014	-	70,000
Total						**560,000**	**490,000**

^ 420,000 options were forfeited on cessation of employment.

REMUNERATION REPORT (AUDITED) (continued)

TABLE 4: OPTIONS GRANTED AS PART OF REMUNERATION DURING THE YEAR

	Value of options granted during the year $	Value of options exercised during the year $	Value of options forfeited during the year1 $	Value of options lapsed during the year $
30 June 2013				
Richard Simons*	-	-	-	-
Charles McGill*	-	-	-	-

1. The options had no intrinsic value as at the date of forfeiture.

END OF REMUNERATION REPORT (AUDITED)

DIRECTORS' MEETINGS

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

	Directors' Meetings	Meetings of Audit Committee	Meetings of Nomination and Remuneration Committee
Number of meetings held	8	4	3
Number of meetings attended:			
John Rothwell	8	-	3
Michael Atkinson	6	2	-
John Poynton*	5	-	3
David Singleton	8	4	3
Dario Amara	8	4	-
Andrew Bellamy **	8	4	3

* Director for part of the 2013 year.
** Attended as a guest at Audit Committee and Remuneration Committee meetings.

COMMITTEE MEMBERSHIP

As at the date of this report, the Company had an Audit Committee and a Nomination and Remuneration Committee of the Board of Directors.

Members acting on the committees of the Board during the year were:

AUDIT	NOMINATION AND REMUNERATION
D Amara^	D Singleton^
D Singleton	J Poynton*
M Atkinson	J Rothwell

^ Designates the Chairman of the committee.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors received the following declaration from the auditor of Austal Limited.

Building a better working world

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of Austal Limited

In relation to our audit of the financial report of Austal Limited for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the ***Corporations Act 2001*** or any applicable code of professional conduct.

Ernst & Young

Robert Kirkby
Partner
19 September 2013

RK:DJ:Austal:023

NON-AUDIT SERVICES

Non-audit services provided by the entity's auditor, Ernst & Young, during the year, are disclosed in note 26 of the full 2013 Financial Report. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Signed in accordance with a resolution of directors.

J ROTHWELL AO

Chairman

A BELLAMY

Executive Director and Chief Executive Officer

Dated at Henderson this 19th day of September 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
As at 30 June 2013

	Notes	2013	2012
		$'000	$'000
Revenue	2	902,813	652,996
Cost of sales – construction contracts		(767,858)	(589,391)
Cost of sales – service		(30,970)	(12,203)
Chartering expenses		(8,502)	(7,912)
Gross profit		95,483	43,490
Other income		26,015	32,932
Administration expenses		(71,212)	(44,356)
Marketing expenses		(9,989)	(12,299)
Impairment of assets		-	(2,545)
Finance costs		(13,571)	(4,665)
Profit before income tax		**26,726**	**12,557**
Income tax benefit / (expense)		9,016	(1,514)
Profit after tax		**35,742**	**11,043**
Profit attributable to:			
Owners of the parent		35,870	11,043
Non-controlling interests		(128)	-
		35,742	**11,043**
Other comprehensive income			
Amounts that may subsequently be reclassified to profit and loss:			
Cash flow hedges:			
- Gain/(loss) taken to equity		10,644	(28,207)
- Transferred to profit and loss		(3,177)	(6,404)
- Transferred to Inventory		(15,427)	(922)
Foreign currency translations		11,516	(1,703)
Income tax benefit/(expense)		9,894	10,674
Amounts that will not subsequently be reclassified to profit and loss:			
Revaluation of land and buildings		-	42,152
Income tax benefit/(expense)		-	(14,661)
Other comprehensive income for the period, net of tax		**13,450**	**929**
Total comprehensive income for the year		49,192	11,972
Total comprehensive income attributable to:			
Owners of the parent		49,320	11,972
Non-controlling interests		(128)	-
Earnings Per share (cents Per share)			
- basic for profit for the year attributable to ordinary equity holders of the parent	3	12.03	4.62
- diluted for profit for the year attributable to ordinary equity holders of the parent	3	12.01	4.61

	2013 $'000	2012 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	38,030	51,811
Restricted cash	69,673	52,940
Trade and other receivables	102,743	96,172
Inventories	277,888	193,529
Prepayments	7,653	6,538
Derivatives	7,749	36,041
	503,736	437,031
Assets classified as held for sale	-	1,561
Total Current Assets	**503,736**	**438,592**
Non-current Assets		
Other financial assets	4,141	944
Trade and other receivables	-	18
Derivatives	1,651	10,625
Property, plant and equipment	399,917	370,383
Intangible assets and goodwill	12,526	5,045
Deferred tax assets	22,647	380
Total Non-current Assets	**440,882**	**387,395**
Total Assets	**944,618**	**825,987**
LIABILITIES		
Current Liabilities		
Trade and other payables	133,813	128,626
Derivatives	12,193	2,186
Interest-bearing loans and borrowings	243,614	18,973
Provisions	25,128	18,250
Government grants	4,221	3,561
Income tax payable	24,537	27,394
Other	21,790	27,288
Total Current Liabilities	**465,296**	**226,278**
Non-current Liabilities		
Derivatives	4,885	5,757
Interest-bearing loans and borrowings	1,163	246,444
Provisions	2,217	2,060
Government grants	52,794	48,753
Deferred tax liabilities	11,076	19,648
Total Non-current Liabilities	**72,135**	**322,662**
Total Liabilities	**537,431**	**548,940**
Net Assets	**407,187**	**277,047**
EQUITY		
Contributed equity	111,329	31,762
Reserves	37,308	22,595
Retained earnings	258,560	222,690
Equity attributable to owners of the Parent	**407,197**	**277,047**
Non - Controlling Interests	(10)	-
Total Equity	**407,187**	**277,047**

	2013 $'000	2012 $'000
Cash flows from operating activities		
Receipts from customers	894,029	555,639
Payments to suppliers and employees	(930,149)	(521,472)
Interest received	2,231	644
Interest paid	(13,571)	(4,665)
Income tax received/(paid)	(10,580)	4,860
GST refunds/(payments)	2,172	(1,870)
Net cash (used in)/from operating activities	(55,868)	33,136
Cash flows from investing activities		
Receipts of government grants	4,763	8,698
Proceeds from sale of property, plant and equipment	9,351	-
Proceeds from the sale of assets held for sale	6,898	-
Purchase of property, plant and equipment	(21,265)	(131,459)
Purchase of intangible assets	(3,478)	(1,849)
Acquisition of subsidiary/investment	(2,914)	-
Net cash (used in)/from investing activities	(6,645)	(124,610)
Cash flows from financing activities		
Repayment of loan – exercise of in substance options	-	289
Proceeds from issue of shares net of transaction costs	75,065	-
Repayment of borrowings	(93,368)	(40,557)
Loans received	50,244	69,743
Equity dividends paid	-	(11,284)
Gain(loss) on derivatives	32,227	-
Net cash (used in)/from financing activities	64,168	18,191
Net increase/(decrease) in cash and cash equivalents	1,655	(73,283)
Net foreign exchange differences	1,297	6,932
Cash and cash equivalents at beginning of period	104,751	171,102
Cash and cash equivalents at end of Period	**107,703**	**104,751**

	Attributable to equity holders of the parent								
	Issued capital $'000	Reserved shares* $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Cash flow hedge reserve $'000	Other Reserves** $'000	Total $'000	Non-Controlling Interest $'000	Total Equity $'000
As at 1 July 2011	**41,075**	**(9,900)**	**222,931**	**(8,865)**	**41,508**	**(12,580)**	**274,169**	**-**	**274,169**
Currency translation differences	-	-	-	(1,703)	-	-	(1,703)	-	(1,703)
Asset revaluation net of tax	-	-	-	-	-	27,491	27,491	-	27,491
Transfers to inventory	-	-	-	-	(645)	-	(645)	-	(645)
Net gains taken to equity	-	-	-	-	(19,745)	-	(19,745)	-	(19,745)
Transfers to profit and loss	-	-	-	-	(4,469)	-	(4,469)	-	(4,469)
Total other comprehensive income for the year	-	-	-	(1,703)	(24,859)	27,491	929	-	929
Profit for the year	-	-	11,043	-	-	-	11,043	-	11,043
Total comprehensive income for the year	-	-	11,043	(1,703)	(24,859)	27,491	11,972	-	11,972
Equity Transactions:									
Shares issued	298	-	-	-	-	-	298	-	298
Options exercised	-	289	-	-	-	-	289	-	289
Cost of share-based payments	-	-	-	-	-	1,603	1,603	-	1,603
Equity dividends	-	-	(11,284)	-	-	-	(11,284)	-	(11,284)
As at 30 June 2012	**41,373**	**(9,611)**	**222,690**	**(10,568)**	**16,649**	**16,514**	**277,047**	**-**	**277,047**

▲ *A further two Littoral Combat Ships were funded in the year, as per the contract, securing work at Austal's US shipyard through to 2017.*

	Attributable to equity holders of the parent								
	Issued capital $'000	Reserved shares* $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Cash flow hedge reserve $'000	Other Reserves** $'000	Total $'000	Non-Controlling Interest $'000	Total Equity $'000
As at 1 July 2012	**41,373**	**(9,611)**	**222,690**	**(10,568)**	**16,649**	**16,514**	**277,047**	**-**	**277,047**
Currency translation differences	-	-	-	19,022	-	-	19,022	-	19,022
Transfers to inventory	-	-	-	-	(10,799)	-	(10,799)	-	(10,799)
Net gains taken to equity	-	-	-	-	7,451	-	7,451	-	7,451
Transfers to profit and loss	-	-	-	-	(2,224)	-	(2,224)	-	(2,224)
Total other comprehensive income for the year	-	-	-	19,022	(5,572)	-	13,450	-	13,450
Profit for the year	-	-	35,870	-	-	-	35,870	(128)	35,742
Total comprehensive income for the year	-	-	35,870	19,022	(5,572)	-	49,320	(128)	49,192
Equity Transactions:									
Shares issued	77,891	-	-	-	-	-	77,891	-	77,891
Transaction costs	(1,823)	-	-	-	-	-	(1,823)	-	(1,823)
Cost of share-based payments	-	-	-	-	-	1,263	1,263	-	1,263
Acquisition of Subsidiary	3,499	-	-	-	-	-	3,499	(118)	3,381
As at 30 June 2013	**120,940**	**(9,611)**	**258,560**	**8,454**	**11,077**	**17,777**	**407,197**	**(10)**	**407,187**

** Refer to note 20 of the full 2013 Financial Report for details of movements in other reserves
*Reserved shares are in relation to the Austal Group Management Share Plan.

▲ *Austal's service and systems division grew revenue in the year and implemented a streamlined geographical structure for future efficiencies and margin improvement.*

NOTE 1. BASIS OF PREPARATION OF THE CONCISE REPORT

This concise financial report has been derived from the full 2013 Financial Report as presented in the Austal Limited Annual Report, which complies with the *Corporations Act 2001* and Australian Accounting Standards. 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*.

The Concise Financial Report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the Financial Report.

A full description of the accounting policies adopted by Austal Limited is provided in the full 2013 Financial Report. The presentation currency used in this concise financial report is Australian Dollar.

NOTE 2. REVENUE AND EXPENSES

	2013 $'000	2012 $'000
Revenue and Expenses from Continuing Operations		
(a) Revenue		
Construction contract revenue	849,514	617,847
Charter revenue	15,459	11,298
Service revenue	32,287	20,007
Rental revenue	500	680
Sale of scrap	2,822	2,519
Interest from other unrelated parties	2,231	645
	902,813	652,996
(b) Other income		
Government grants	4,763	4,550
Training reimbursement	6,754	8,822
Gain on disposal of property, plant and equipment	115	4,269
Net foreign exchange gain	6,029	9,037
Foreign exchange gain on forward currency options less deferred premiums	3,352	5,114
Other income	5,002	1,140
	26,015	32,932

NOTE 3. EARNINGS PER SHARE

	2013 $'000	2012 $'000	2013 Number	2012 Number
Net profit attributable to ordinary equity holders of the parent from continuing operations	35,870	11,043		
Weighted average number of ordinary shares (excluding reserved shares) for basic earnings per share			271,713,717	183,766,205
Effect of dilution – share options			522,537	462,579
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution			272,236,254	184,288,742
Earnings per share (cents per share)	12.03	4.62		
Diluted earnings per share (cents per share)	12.01	4.61		

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements. 9,139,165 (2012: 11,273,611) potential ordinary shares have been excluded from the earnings per share calculation as they were not considered dilutive.

▲ *The US Navy has demonstrated strong ongoing support to the high performance, low-cost LCS despite sequestration, with Austal well positioned to win new US Navy construction and vessel support contracts.*

NOTE 4. OPERATING SEGMENTS

Identification of reportable segments:

For management purposes the group is organised into four business segments based on the location of the production facilities, related sales regions and types of activity.

The Chief Executive Officer monitors the performance of the business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss. Finance costs, finance income and income tax are managed on a group basis.

The Group's reportable segments are as follows:

Henderson Shipyard Operations ("HSO")

The HSO business manufactures high performance aluminium defence vessels for markets worldwide, excluding the USA.

USA Operations

The USA manufactures high performance aluminium defence vessels for the U.S. Navy.

Service & Systems Operations

The Service business provides training and on-going support and maintenance for high performance vessels and includes the chartering of a vessel to the U.S. Navy's Military Sealift Command.

Philippines Shipyard Operations ("PSO")

The PSO business manufactures high performance aluminium commercial vessels for markets worldwide, excluding the USA.

Other/Unallocated

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Cost of group services
- Corporate overheads
- Revenue from property leased to other group segments
- Finance revenue and costs
- Taxation
- Assets held for sale
- Derivatives
- Commercial vessel charter contracts

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 2 to the full 2013 Financial Report.

Inter-entity sales are recognised based on an arm's length pricing structure.

NOTE 4. OPERATING SEGMENTS (continued)

	HSO $'000	USA $'000	PSO $'000	Service & Systems $'000	Other / Unallocated $'000	Eliminations / Adjustments $'000	Total $'000
Year Ended 30 June 2013							
Revenues							
External customers	59,417	749,383	33,057	46,377	12,348	-	900,582
Inter-segment	30,928	-	6,929	12,585	2,333	(52,775)	-
Total revenues (i)	**90,345**	**749,383**	**39,986**	**58,962**	**14,681**	**(52,775)**	**900,582**
Segment result (EBIT) (ii)	**506**	**39,184**	**5,020**	**(465)**	**(16,156)**	**9,977**	**38,066**
Depreciation and amortisation	(1,030)	(18,708)	(708)	(809)	(3,254)	-	(24,509)
Gain on deferred premium	-	-	-	-	3,352	-	3,352
Segment assets	101,393	604,650	41,621	44,994	423,677	(271,717)	944,618
Segment liabilities	(44,944)	(517,244)	(36,960)	(46,411)	(74,339)	182,466	(537,431)
Year Ended 30 June 2012							
Revenues							
External customers	48,993	570,300	1,942	30,238	878	-	652,351
Inter-segment	14,740	-	-	2,600	2,010	(19,350)	-
Total revenues (i)	**63,733**	**570,300**	**1,942**	**32,838**	**2,888**	**(19,350)**	**652,351**
Segment result (EBIT) (ii)	**(13,653)**	**15,796**	**(798)**	**405**	**31,064**	**(16,237)**	**16,577**
Depreciation and amortisation	(1,597)	(12,256)	(142)	(841)	(1,488)	-	(16,324)
Gain on deferred premium	-	-	-	-	5,114	-	5,114
Segment assets	130,294	480,586	-	331	327,546	(112,770)	825,987
Segment liabilities	(62,316)	(421,479)	(813)	(1,449)	(71,479)	8,596	(548,940)

(i). Segment revenue does not include finance revenue of $2.231 million (30 June 2012: $0.645 million).

(ii). Segment result does not include finance revenue of $2.231 million (30 June 2012: $0.645 million) and finance costs of $13.571 million (30 June 2012: $4.665 million).

Reconciliation of segment result	2013 $'000	2012 $'000
Segment profit	38,066	16,577
Finance income	2,231	645
Finance expenses	(13,571)	(4,665)
Consolidated profit before income tax	**26,726**	**12,557**

Reconciliation of segment revenue	2013 $'000	2012 $'000
Segment revenue	900,582	652,351
Finance income	2,231	645
Consolidated revenue	**902,813**	**652,996**

NOTE 5. DIVIDENDS PAID AND PROPOSED

No dividend has been proposed for years ended 30 June 2013 and 30 June 2012.

NOTE 6. EVENTS AFTER THE BALANCE DATE

Austal executed a new Syndicated Facility Agreement which provides the following facilities through until 31 December 2015:

- US$190 million of Letters of Credit to support the Go Zone Bonds in the USA
- US$20.7 million of Equipment Asset Financing in the USA
- A$100 million of Performance Bonding and other Letters of Credit
- A$50 million of Revolving Credit Facility

The Board of Directors approved the redemption of US$54.960 million of Go Zone Bonds utilising restricted cash from the capital raising that was conducted in FY2013.

▲ *USS Coronado, the second Littoral Combat Ship constructed by Austal.*

The directors of Austal Limited declare that the accompanying Concise Financial Report is presented fairly in accordance with Accounting Standard AASB 1039 Concise Financial Report and is consistent with the consolidated entity's 30 June 2013 financial report.

With regard to the 30 June 2013 financial report of Austal Limited, the directors declared that:

1. In the opinion of the directors:
   (a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
      (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
      (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
2. The financial Statements and notes also comply with International Financial Reporting Standards.
3. In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.
4. This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial period ending 30 June 2013.

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

On behalf of the Board.

J ROTHWELL AO

Chairman

Dated at Henderson this 19th day of September 2013

▲ *Construction on the Littoral Combat Ship program was a driver in strong revenue growth and improved earnings at our US shipyard.*

Building a better working world

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's report to the members of Austal Limited

Report on the Concise Financial Report

We have audited the accompanying concise financial report of Austal Limited which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and related notes, derived from the audited financial report of Austal Limited for the year ended 30 June 2013. The concise financial report also includes the directors' declaration. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' Responsibility for the Concise Financial Report

The Directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 ***Concise Financial Reports***, and the ***Corporations Act 2001,*** and for such internal controls as the directors determine are necessary to enable the preparation of the concise financial report.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with ASA 810 Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Austal Limited for the year ended 30 June 2013. We expressed an unmodified audit opinion on the financial report in our report dated 30 August 2013. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with AASB 1039 Concise Financial Reports.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the ***Corporations Act 2001***.

RK:DJ:Austal:025

Building a better working world

Page 2

Auditor's Opinion

In our opinion, the concise financial report and the directors' declaration of Austal Limited for the year ended 30 June 2013 complies with Accounting Standard AASB 1039 ***Concise Financial Reports***.

Report on the Remuneration Report

The following paragraphs are copied from our Report on the Remuneration Report for the year ended 30 June 2013.

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the ***Corporations Act 2001***. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Austal Limited for the year ended 30 June 2013, complies with section 300A of the ***Corporations Act 2001***.

Ernst & Young

Robert Kirkby
Partner
Perth
19 September 2013

RK:DJ:Austal:025

The following information was extracted from the Company's register as at 23 August 2013.

DISTRIBUTION OF SHARES

	Number of Holders	Number of Units	% of Total Issued Capital
1 – 1,000	1,439	727,707	0.21
1,001 – 5,000	2,082	5,817,657	1.68
5,001 – 10,000	805	6,234,028	1.80
10,001 – 100,000	883	24,101,628	6.96
100,001 and over	76	309,292,175	89.35
TOTAL	**5,285**	**346,173,195**	**100.00**

TWENTY LARGEST SHAREHOLDERS

Rank	Shareholder	Total Units	% Issued Capital
1	HSBC Custody Nominees	63,903,464	18.46
2	J P Morgan Nominees Australia Limited	50,322,109	14.54
3	National Nominees Limited	43,992,038	12.71
4	Austro Pty Ltd	32,200,745	9.30
5	Longreach (WA) Pty Ltd	26,595,621	7.68
6	Citicorp Nominees Pty Ltd	24,582,926	7.10
7	Mr Vincent Michael O'Sullivan	12,758,872	3.69
8	Onyx (WA) Pty Ltd	9,817,570	2.84
9	Austal Group Management Share Plan Pty Ltd	4,351,113	1.26
10	RBC Investor Services Australia Nominees Pty Limited	2,874,887	0.83
11	Garry Heys & Dorothy Heys	2,844,670	0.82
12	QIC Limited	2,727,487	0.79
13	Mr William Robert Chambers	2,645,650	0.76
14	Lavinia Shipping Ltd	2,355,000	0.68
15	BNP Paribas Noms Pty Ltd	2,325,415	0.67
16	UBS Nominees Pty Ltd	2,010,088	0.58
17	Mossisberg Pty Ltd	1,883,945	0.54
18	Mirrabooka Investments Limited	1,500,000	0.43
19	Pepperwood Holdings Pty Ltd	1,415,737	0.41
20	Lujeta Pty Ltd	1,295,812	0.37
		292,403,149	**84.46**

SUBSTANTIAL SHAREHOLDERS

Rank	Shareholder	No. of Ordinary Shares
1	HSBC Custody Nominees	63,903,464
2	J P Morgan Nominees Australia Limited	50,322,109
3	National Nominees Limited	43,992,038
4	Austro Pty Ltd (J Rothwell)	32,200,745
5	Longreach (WA) Pty Ltd (C Norman)	26,595,621
6	Citicorp Nominees Pty Ltd	24,582,926

Voting Rights

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

DIRECTORS

Executive Directors

Andrew Bellamy

Non-Executive Directors

John Rothwell

Dario Amara

David Singleton

AUDITORS

Ernst & Young

The Ernst & Young Building

11 Mounts Bay Road

Perth 6000

Western Australia

COMPANY SECRETARY

Adrian Strang

REGISTERED OFFICE

100 Clarence Beach Rd

Henderson 6166

Western Australia

Telephone: +61 8 9410 1111

Facsimile: +61 8 9410 2564

SHARE REGISTRY

Advanced Share Registry Services

110 Stirling Highway

Nedlands 6009

Western Australia

Telephone: +61 8 9389 8033

Facsimile: +61 8 9389 7871

▲ Austal was awarded work to construct its eighth wind farm vessel and is pursuing ongoing opportunities in this market.

SHIPS • SYSTEMS • SUPPORT

Email: pubrel@austal.com
Tel: +61 8 9410 1111 Fax: +61 8 9410 2564

WWW.AUSTAL.COM