

A U S T A L L I M I T E D

C O N C I S E R E P O R T 2 0 0 2



AUSTAL SHIPS

AUSTAL USA

IMAGE MARINE

OCEANFAST



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

The 2002 Concise Report has been derived from Austal Limited's 2002 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 2002 Annual Report.

2002 ANNUAL REPORT

A copy of the Austal Limited's 2002 Annual Report, together with the Independent Audit Report, 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.

2002/2003 CALENDAR OF EVENTS

ANNUAL GENERAL MEETING

The Annual General Meeting of shareholders will be held at 3.00 pm on 15th October 2002 at the Fremantle Sailing Club, "Success Harbour", Marine Terrace, Fremantle, Western Australia.



AUSTAL LIMITED CONCISE REPORT 2002

ABN 73 009 250 266

Chairman's Report	3
Management Discussion and Analysis	4
Profile of Directors	12
Directors' Report	14
Statement of Financial Position	17
Statement of Financial Performance	18
Statement of Cashflows	19
Notes to the Financial Statements	20
Directors' Declaration	21
Corporate Governance	22
Independent Audit Report	23
Shareholder Information	24
Corporate Directory	25



CHAIRMAN'S REPORT



J O H N R O T H W E L L - E X E C U T I V E C H A I R M A N

Strategically, the year has been very satisfying and I am confident that we now have the building blocks in place for ongoing growth and a secure future for the Company.

Austal Ships has experienced phenomenal success with the introduction of fast ferry technology to military applications. The 101 metre vehicle-passenger ferry, "WestPac Express", is now operating under long-term charter to the US Military and continues to exceed expectations. We anticipate a number of orders from the US Defence in the foreseeable future as a consequence of the success of this vessel.

Austal Ships' short-listing for a major Royal Australian Navy patrol boat tender confirms the Company as a credible potential military supplier and confirms that our defence portfolio is expanding to meet the needs of the military market.

Three years after the acquisition of Oceanfast, and with a solid management team in place, the company is now a world-class manufacturer of luxury motor yachts. This foundation provides an opportunity to substantially increase our market share in this business area.

Image Marine is performing well and expertise in the construction of an expanding range of vessel types bodes well for future orders from a growing customer base.

January 2002 marked the successful delivery of Austal USA's first vessels and the Alabama based shipyard is establishing itself in the US domestic market. Austal USA is perfectly positioned to achieve the long-term business strategies of expanding its capabilities and production

techniques with a view to capitalising on future US military needs. The recent appointment of a new Chief Executive Officer with military experience will assist in this process.

Due to the success of our Auto Express range of vessels, our market share of vehicle-passenger ferries is anticipated to increase once the current world surplus stocks of these vessels depletes. Our ongoing strategy of broadening Austal's product base also continues to deliver results.

In a difficult climate, we have secured orders for cruise yachts, vehicle-passenger and passenger-only ferries, and luxury motor yachts. At the same time we have delivered successful vessels to the ferry, live-aboard tourism and crew/supply sectors and have made significant advances in the defence market.

We have the structures in place throughout the Company to ensure that we grow and move forward confidently. Positive opportunities exist for increased market share in the large ferry, military vessel, patrol boat and luxury motor yacht sectors and we will continue to grasp these opportunities with great enthusiasm.

On behalf of the Board of Directors, I would like to thank all Austal group employees and shareholders for their ongoing dedication and commitment to the company.

A handwritten signature in black ink, appearing to read "John Rothwell".

JOHN ROTHWELL - EXECUTIVE CHAIRMAN



B O B M C K I N N O N - M A N A G I N G D I R E C T O R

The group's profit performance has improved considerably compared with the previous year and is in line with the prospectus forecast.

This financial year, one large vehicle ferry was substantially completed and the placement of the 101 metre stock boat with the US Marines contributed significantly to the improved earnings for the current year. In addition, orders were received for 10 smaller vessels and one luxury motor yacht.

Product diversification has enabled the group to maintain its workforce despite the reduction in large ferry contracts.

Whilst the market for large vehicle-passenger ferries remains lower than desired, overall enquiry levels have increased and other products such as Oceanfast's luxury motor yachts, the smaller Image Marine live-aboards, passenger-only catamarans and cruise yachts have all helped to compensate for the low level of activity in the global market for the large ferries.

The phasing out of the Bounty (Ships) Act 1980 in Australia and similar assistance in the OECD countries, has not had a significant impact on the results for the year nor the group's competitiveness in the market.

A favourable outcome of the Australian Taxation Office audit on Research and Development expenditure has resulted in a further \$1.3 million write back of the tax provision. In addition, the use of tax losses has reduced the tax charge for the year by \$4.8 million.

Financial Summary

	2002	2001
Year ending 30 June	\$M	\$M
Revenue	343.6	194.5
EBITDA	37.9	6.2
Depreciation & Amortisation	(4.4)	(4.2)
EBIT	33.5	2.0
Net Interest Received	1.6	1.1
Operating Profit Before Tax	35.1	3.1
Tax Benefit / (Expense)	(5.9)	10.7
Operating Profit After Tax	29.3	13.8
Outside Equity Interests	1.1	0.7
Net Profit After Tax and OEI	30.4	14.5
% EBIT / Sales	10.0	1.1
Earnings Per Share (cps)	16.3	9.1
Net Assets	134.6	83.6
Return on Equity	22.6	17.3

During the year the company raised \$32.1 million capital through the issue of 32,082,903 shares, which was used to undertake major capital projects and provide additional working capital. Projects undertaken during the year include the new slipway facilities for Oceanfast and the purchase of land for future expansion.





Ferries and Cruise Yachts

Since commencing operation with the US Marines in July 2001, the 101 metre "WestPac Express" has exceeded all operational expectations and is delivering strategic and cost advantages to US defence. The success of this vessel places Austal at the forefront of this market, positioning the company to capitalise on future opportunities for fast ferry applications in global defence markets.

In September 2001, Venezuelan ferry operator, Conferry, placed an order for an 86 metre vehicle-passenger catamaran. This is the customer's second contract with Austal and was delivered to Conferry shortly after year end.

During the 2001/2002 financial year, several new orders were secured demonstrating the diversity of Austal's product range.

The 56 metre vehicle-passenger ferry, "Fares Al Salam", was delivered to an Egyptian ferry operator in April 2002. The vessel is the beginning of a fleet upgrade for the client and is the first newbuild from the Australian high-speed ferry industry for this region.

An order for three 47.5 metre passenger catamarans for Hong Kong, secured in October 2001, re-introduces Austal into the Chinese market. These vessels were ordered by New World First Ferry of Hong Kong, one of the largest ferry operators in the Asia Pacific region.

In May this year, Austal was awarded a contract for two catamarans for ferry operator, OVDS of Norway. The contract is Austal's second for Norway and was won in very competitive circumstances, including competition from local Norwegian shipyards.

Austal's presence in the cruise yacht market has also been further demonstrated with a contract for two 69 metre cruise yachts signed in February 2002. Ordered by Bora Bora Cruises of Tahiti, the yachts are scheduled for delivery in early 2003.

The 39 metre boutique cruise catamaran for Hotel Properties Limited, reported in the last annual report, has now been constructed and departed for the Maldives in early August. Two river catamarans were delivered to Portuguese operator, Transtejo in September 2001, adding a new product line to Image Marine's build expertise.

A 22 metre catamaran for a private owner was launched just after year end and represents another successful aspect of the group's diversification strategy.

Luxury Motor Yachts

Oceanfast continues to increase its share of the luxury motor yacht market and now has four of these high value vessels on order. During the year, Oceanfast delivered its first luxury motor yacht since being acquired by Austal. This has led to numerous enquiries from potential customers and recognition of the high quality and standard of Oceanfast yachts.

A 54 metre full displacement steel hull motor yacht and a 56.6 metre full displacement steel hull motor yacht currently under construction are due to be delivered in 2003.

Greg Norman's 69.5 metre expedition yacht, "Aussie Rules", is now nearing completion and is expected to set a new benchmark in motor yacht construction.

In November 2001, Oceanfast, secured a new order for a 52 metre (170ft) luxury motor yacht for a new Oceanfast client. The vessel will be delivered towards the end of the 2003 calendar year.

The growth in production of luxury motor yachts has increased training costs and led to manufacturing inefficiencies during the year. This has resulted in a loss from this product line in the 2002 financial year. The labour force is expected to stabilise and productivity improve in the 2003 fiscal year.



Since commencing operation
with the US Marines,
“WestPac Express” has exceeded
all operational expectations



Austal USA has established a strong foothold in the US domestic market including vessels for the New York region



Two river catamarans were delivered to Portugal, adding a new product line to Image Marine's build expertise





Austal USA

Austal USA delivered its first vessels - two 45.7 metre (150ft) crew/supply vessels in January 2002 ahead of schedule.

Following the first delivery, Austal USA has established a strong foothold in the US domestic market securing a number of new orders. A contract for a 34 metre dinner cruise vessel was signed in October 2001. The catamaran will operate in the Miami and Biscayne Bay area and is due to be delivered in November this year.

The 25 metre passenger catamaran commenced as a stock vessel in 2001 has been sold to Lighthouse Fast Ferry of New York and will operate from Keyport to Manhattan, providing a key addition to fast ferry operations in the region.

Also in the New York market, a contract for a 41 metre (135ft) dinner cruise monohull was signed. The vessel will offer luxury dinner cruises of the New York skyline for social and corporate groups.

Austal USA continues to invest in training in all areas of production in addition to implementing apprenticeship programmes specific to the shipbuilding industry. Business strategies remain focused on increasing the workforce to take advantage of opportunities available to the company in the promising US military and commercial market. At this stage of development Austal USA is operating at a loss. With the establishment of this company in the US market, greater turnover and the benefits of training programmes, the company is expected to contribute significantly to the group's profitability in the future.

Environmental Performance

Environmental management continues to be a very important issue to our clients, the community, governments and regulatory authorities.

Austal is dedicated to directing research and development activities towards ensuring that the impact of wash and wake from ferries on seashore habitats is minimised through continually improving hull design and operating procedures. We have also developed engineering solutions to control noise and air pollution.

Other environmental initiatives include the reduction of greenhouse gas emissions by using zero-polluting refrigerants in air conditioning systems as well as the use of low toxicity and environmentally responsible paints and anti-foulings.

Our research and development effort will continue to grow and integrate environmentally friendly technologies into our range of vessels.

People

Through the success of our product diversification strategy and the subsequent orders that have followed from this, Austal group employee numbers have increased over the past year and we now employ approximately 1,800 people across the group.

Recruiting highly skilled employees remains a key focus. The implementation of a new recruiting process across the group ensures the Company attracts and employs the highest quality candidates for the job.



Recent changes to the Western Australian Industrial Relations Laws will affect current State Workplace Agreements when they expire. 93% of the Austal Group workforce are now registered under the jurisdiction of an Australian Workplace Agreement.

We remain dedicated to our well-established and accredited apprenticeship and traineeship programme and continue to recognise that training in this forum ensures the future growth of the company in its many different levels.

The safety and wellbeing of our employees is essential for the Austal group to achieve its business strategies and continued growth. The lost time injury frequency rate improved during the year and the subsequent cost of injuries decreased by over 18% compared to the previous year.

Many of the Group's employees have been involved in training activities during the year, focused on enhancing our culture of optimising the contribution of all employees to continually and significantly improve productivity and further reduce operating costs.

Outlook

There has been an increase in the sales enquiry rate and we are working hard towards ensuring that these enquiries lead to future orders and the development of new markets. This is showcased by the 12 new contracts signed across the group since July 2001.

The outstanding success of our Theatre Support Vessel, "WestPac Express", in achieving 99% availability and improved efficiency for the United States Marine Corps, has clearly shown the effectiveness of the application of fast ferries for military use. We are confident that this

market offers potential and we are in an advantageous position to capitalise on this developing market in the future.

It is expected that opportunities in the luxury yacht market will continue to flow, delivering further contracts. Oceanfast will strive to increase its share of this market and, in particular, enhance opportunities from the high profile associated with Greg Norman's "Aussie Rules".

Through maintaining a focus on the necessity and importance of diversification, exploring new market opportunities, employing and developing new skills and technologies and investing in our valued workforce, the Austal group will continue to enhance shareholder value.

The Directors acknowledge the significant effort made during the year by the skilled and loyal workforce.

A handwritten signature in black ink, appearing to read "Bob McKinnon". The signature is fluid and cursive.

BOB MCKINNON - MANAGING DIRECTOR



PROFILE OF DIRECTORS



Front Row (L to R)

Michael Atkinson CA (Zim) CA (SA) - Executive Director, Finance
Bob McKinnon CPA, FCIS - Managing Director

Back Row (L to R)

John Poynton B.Com, FSIA, FAIM, FAICD – Non Executive Director
William Ferris AO, B.Ec (Hons), MBA (Harvard) – Non Executive Director
John Rothwell - Executive Chairman
Achim Drescher, B.Ec – Non Executive Director
Kevin Stanley - Executive Director, Production Development and Advanced Engineering

(absent) Chris Norman (B.Eng Hons) - Executive Director, Sales

John Rothwell - Executive Chairman

With in excess of 25 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 June 1999, Mr Rothwell was awarded the Western Australian Citizen of the Year in the category of "Commerce and Industry" for his contribution to this field. During 2000, he was awarded the International Business Award by the International Business Council of Western Australia. In August 2002, Mr Rothwell was awarded the Western Region Entrepreneur of the Year award in the category of Services – including Financial, Business and Property.

Bob McKinnon CPA, FCIS - Managing Director

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.

In November 2000, Mr McKinnon was appointed Chairman of the Australian Shipbuilders Association.

Michael Atkinson CA (Zim) CA (SA) - Executive Director, Finance

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 boat building industries prior to joining Austal.

Kevin Stanley - Executive Director, Production Development and Advanced Engineering

Kevin Stanley is a founding director of Austal and has been involved in the boat and shipbuilding industry for over 17 years. As Austal's Shipyard Manager, he was responsible for all matters relating to vessel production, design, sea trialing, delivery and after sales service. In November 1999, Kevin relinquished this position to become Director of Production Development and Advanced Engineering. This role has included the establishment of the Austal USA production facility in addition to continued development of existing Australian operations. His role also includes directing the Group's research and development activities.

Chris Norman (B.Eng Hons) - Executive Director, Sales

Chris 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 has held the position of Sales Director since 1993.

In May 2000, Chris 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 Institute of Naval Architects and the Germanischer Lloyd Asean Committee.

John Poynton B.Com, FSIA, FAIM, FAICD – Non Executive Director

John Poynton is Chairman of Poynton and Partners Group Pty Ltd, a corporate advisory and management consulting firm with offices in Perth and Sydney. Mr Poynton is a non executive director of AlintaGas and a member of the Payments Systems Board of the Reserve Bank of Australia. He is also Chairman of the Western Australian Museum Foundation. He was appointed to the Austal Board in August 1998.

Between 1988 and 1990 Mr Poynton served as the Chairman of the Australian Stock Exchange (Perth) Ltd and as a Director of the ASX Ltd.

William Ferris AO, B.Ec (Hons), MBA (Harvard) – Non Executive Director

William Ferris is Executive Chairman and a founding principal of Castle Harlan Australian Mezzanine Partners Pty Limited, one of Australia's leading providers of venture capital. Mr Ferris is also a Director of Tucker Seabrook (Aust) Pty Limited, the RAMS Home Loans Group, Chairman of Bradken Resources Limited and Chairman of The Garvan Institute of Medical Research. He has been on the Austal board since 1994.

Mr Ferris was appointed Deputy Chairman of the Australian Trade Commission in 1986 and was Chairman from 1988 to 1993. In 1990 Mr Ferris was made an Officer in the Order of Australia for service to international trade and industry. He served as Chairman of the Australian Venture Capital Association in 1997.

Achim Drescher, B.Ec – Non Executive Director

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 Sydney Maritime Museum Limited (The Heritage Fleet). He was appointed to the Austal Board in September 1998.

Mr Drescher was a founding director of the German Australian Chamber of Industry and Commerce in 1977 and the Chamber's Chairman from 1986-1993. In 1997 Mr Drescher was awarded the "Cross of the Order of Merit" by the Federal Republic of Germany.

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 Board of Directors of Austal Limited has pleasure in submitting its report in respect of the financial year ended 30 June 2002.

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

	DIRECT	INDIRECT	TOTAL
John Rothwell	32,574,685	15,000	32,589,685
Robert McKinnon	-	-	-
Chris Norman	28,602,221	6,000	28,608,221
Kevin Stanley	8,917,569	8,800	8,926,369
Michael Atkinson	1,415,737	-	1,415,737
John Poynton	-	-	-
William Ferris	-	-	-
Achim Drescher	-	-	-

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

DIRECTOR	LOAN (\$)	NUMBER OF SHARES
Robert McKinnon	819,392	855,186
Michael Atkinson	248,301	285,062
William Ferris	248,301	285,062
John Poynton	248,301	285,062
Achim Drescher	248,301	285,062

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

PRINCIPAL ACTIVITIES

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

RESULTS

The profit of the consolidated entity for the financial year was \$30.4 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 section.

DIVIDENDS

The following dividends of the consolidated entity have been provided for during the financial year (\$000):

Fully franked dividend as declared by the directors and payable on 25 October 2002 - \$9,646

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, but in most cases exceeding environmental performance requirements. No environmental breaches have been notified by any Government Agency during the year ended 30 June 2002.

DIRECTORS' REMUNERATION

Details of the remuneration paid directly or indirectly to directors of the Company during the year to 30 June 2002 is as follows:

DIRECTORS	DIRECTORS FEES \$	CONSULTANCY FEES \$	BASE SALARY \$	SUPER- ANNUATION \$	TOTAL \$
John Rothwell	-	287,145	84,984	2,495	374,624
Robert McKinnon	-	-	309,216	23,246	332,462
Chris Norman	10,000	115,554	-	-	125,554
Kevin Stanley	-	226,935	-	-	226,935
Michael Atkinson	-	197,513	-	-	197,513
John Poynton	40,000	-	-	-	40,000
William Ferris	40,000	-	-	-	40,000
Achim Drescher	40,000	-	-	-	40,000

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.

EXECUTIVE OFFICERS	CONSULTANCY FEES \$	BASE SALARY \$	SUPER- ANNUATION \$	TOTAL \$
Stewart Hill	-	136,779	26,715	163,494
Brad Draper	-	189,789	13,103	202,892
William Rotteveel	-	105,310	45,619	150,929
Alan Lerchbacher*	-	85,266	-	85,266
Glenn Williams	173,370	-	-	173,370

* Employed as an executive for part of the year

REMUNERATION POLICY

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the directors. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of the directors. No directors emoluments were tied to profitability for the financial year.

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:

DIRECTORS	MEETINGS OF DIRECTORS	MEETINGS OF AUDIT COMMITTEE	MEETINGS OF REMUNERATION COMMITTEE
Number of meetings held	6	4	1
Number of meetings attended by:			
John Rothwell	6	-	-
Robert McKinnon	6	-	-
Chris Norman	4	-	-
Kevin Stanley	5	-	-
Michael Atkinson	5	4	-
John Poynton	6	4	-
William Ferris	4	-	1
Achim Drescher	5	-	1

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2002

	CONSOLIDATED		PARENT	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
CURRENT ASSETS				
Cash assets	48,320	6,057	63	204
Receivables	13,344	15,869	74,999	44,843
Inventories	80,718	62,278	-	-
TOTAL CURRENT ASSETS	142,382	84,204	75,062	45,047
NON-CURRENT ASSETS				
Receivables	26,529	42,847	15,103	32,851
Other financial assets	-	-	897	897
Property, plant and equipment	63,603	61,890	18,581	15,918
Intangible assets	710	1,420	-	-
TOTAL NON-CURRENT ASSETS	90,842	106,157	34,581	49,666
TOTAL ASSETS	233,224	190,361	109,643	94,713
CURRENT LIABILITIES				
Payables	23,525	34,831	2,315	2,954
Interest bearing liabilities	26,227	15,729	-	4,300
Tax liabilities	9,074	8,834	5,677	8,483
Provisions	27,155	18,373	9,646	-
Other	8,118	15,297	-	-
TOTAL CURRENT LIABILITIES	94,099	93,064	17,638	15,737
NON-CURRENT LIABILITIES				
Tax liabilities - deferred	4,029	-	-	-
Interest bearing liabilities	468	13,668	-	13,200
TOTAL NON-CURRENT LIABILITIES	4,497	13,668	-	13,200
TOTAL LIABILITIES	98,596	106,732	17,638	28,937
NET ASSETS	134,628	83,629	92,005	65,776
EQUITY				
Contributed equity	46,171	14,068	46,171	14,068
Reserves	(19)	911	-	93
Retained profits	87,036	66,203	45,834	51,615
Parent entity interest	133,188	81,182	92,005	65,776
Outside equity interest	1,440	2,447	-	-
TOTAL EQUITY	134,628	83,629	92,005	65,776

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2002

	NOTE	CONSOLIDATED		PARENT	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Revenues from ordinary activities	2	343,598	194,543	4,064	14,888
Expenses from ordinary activities		(307,360)	(189,491)	(1,541)	(9,974)
Borrowing costs		(1,114)	(1,917)	(30)	(30)
Profit from ordinary activities before income tax expense		35,124	3,135	2,493	4,884
Income tax benefit/(expense) relating to ordinary activities		(5,872)	10,708	1,279	7,785
Net profit		29,252	13,843	3,772	12,669
Net loss attributable to outside equity interests		(1,120)	(649)	-	-
Net profit attributable to members of the parent entity		30,372	14,492	3,772	12,669
Net exchange difference on translation of financial report of self-sustaining foreign operations		(732)	818	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		(732)	818	-	-
Total changes in equity other than those resulting from transactions with owners as owners attributable to members of the parent entity		29,640	15,310	3,772	12,669
Basic earnings per share (cents per share)		16.3	9.1	-	-
Diluted earnings per share (cents per share)		16.3	9.1	-	-

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2002

	CONSOLIDATED		PARENT	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	364,295	181,703	26,471	1,776
Payments to suppliers and employees	(370,211)	(208,237)	(1,224)	(10,573)
Interest received	2,694	3,058	574	1,548
Interest paid	(1,114)	(1,913)	(30)	(30)
GST refunded / (paid)	11,392	10,330	168	(89)
Tax refunded / (paid)	(2,820)	2,998	(2,820)	2,998
Net cash from (to) operating activities	4,236	(12,061)	23,139	(4,370)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for plant and equipment	(1,096)	(8,451)	-	-
Payments for land	(2,724)	-	(2,573)	-
Payments for building additions	(564)	(13,958)	(1,231)	(92)
Proceeds from sale of land and buildings	1,260	-	1,260	-
Proceeds from sale of plant and equipment	450	-	-	3,675
Loan to controlled entities	-	-	(34,876)	(4,410)
Loans advanced - others	(130)	-	(463)	-
Net cash used in investing activities	(2,804)	(22,409)	(37,883)	(827)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from share issues	32,851	8,877	32,851	8,877
Payment of share issue costs	(748)	-	(748)	-
Repayment of borrowings	(17,500)	(393)	(17,500)	(393)
Proceeds from borrowings	26,228	18,055	-	14,900
Trust distributions received	-	141	-	141
Dividends paid	-	(12,795)	-	(12,795)
Austral Group Management Share Plan	-	(8,297)	-	(8,297)
Net cash from financing activities	40,831	5,588	14,603	2,433
Net increase (decrease) in cash held	42,263	(28,882)	(141)	(2,764)
Cash at the beginning of the financial year	6,057	34,939	204	2,968
Cash at the end of the financial year	48,320	6,057	63	204

NOTE 1. ACCOUNTING POLICIES:

This concise financial report has been derived from the full 2002 Financial Report as presented in the Austal Limited Annual Report, which comply 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 2002 Financial Report. The accounting policies are consistent with those of the previous financial year.

CONSOLIDATED		PARENT	
2002	2001	2002	2001
\$000	\$000	\$000	\$000

NOTE 2. PROFIT AND LOSS ITEMS:

Profit from ordinary activities after crediting the following revenues:

Sales revenues:

Construction contract revenue and bounty income	336,333	187,921	-	11,794
---	---------	---------	---	--------

Other revenues:

Dividends from:

- Other unrelated parties	-	141	-	141
---------------------------	---	-----	---	-----

Interest from:

- Other unrelated parties	2,694	3,058	574	1,548
---------------------------	-------	-------	-----	-------

Net foreign exchange gains	517	-	485	-
----------------------------	-----	---	-----	---

Proceeds on sale of non-current assets (a)	1,710	-	1,260	-
--	-------	---	-------	---

Rent received	25	173	1,585	1,406
---------------	----	-----	-------	-------

Scrap sales	847	1,348	-	-
-------------	-----	-------	---	---

Capital development grant	-	530	-	-
---------------------------	---	-----	---	---

Other revenue	1,472	1,372	160	-
---------------	-------	-------	-----	---

Total other revenue	7,265	6,622	4,064	3,095
---------------------	-------	-------	-------	-------

Total revenues from ordinary activities	343,598	194,543	4,064	14,889
---	---------	---------	-------	--------

(a) Profit on sale of non-current assets	609	1,548	609	1,548
--	-----	-------	-----	-------

CONSOLIDATED

2002	2001
\$000	\$000

NOTE 3. EARNINGS PER SHARE:

Basic earnings per share (cents per share)	16.3	9.1
--	------	-----

Diluted earnings per share (cents per share)	16.3	9.1
--	------	-----

Weighted average number of ordinary shares used in the calculation of basic earnings per share	185,876,610	159,216,255
--	-------------	-------------

Net profit	29,252	13,843
------------	--------	--------

Adjustments:

Net profit attributable to outside equity interests	(1,120)	(649)
---	---------	-------

Earnings used in calculating basic and diluted earnings per share	30,372	14,492
---	--------	--------

NOTE 4. DIVIDENDS:

Final franked dividend (5c per share) (2001: Nil)	9,646	-
---	-------	---

Dividends proposed will be franked at the rate of 30%.

NOTE 5. SEGMENT INFORMATION:

The consolidated entity operates in one business - the manufacture of high performance aluminium and composite vessels in Australia and the United States of America. Geographical segments have not been shown as the United States of America segment is not material.

NOTE 6. SUBSEQUENT EVENTS:

There were no significant events occurring after year end.

SHAREHOLDER INFORMATION

The following information was extracted from the Company's register as at 23 July 2002

DISTRIBUTION OF SHARES

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1 -1,000	900	627,897	0.33
1,001 - 5,000	1,833	5,592,918	2.90
5,001 - 10,000	706	5,496,735	2.85
10,001 - 100,000	471	11,482,853	5.95
100,001 and over	57	169,711,470	87.97
		192,911,873	100.00

TWENTY LARGEST SHAREHOLDERS

RANK	SHAREHOLDER	TOTAL UNITS	% ISSUED CAPITAL
1	Austro Pty Ltd	30,800,745	15.97
2	Longreach (WA) Pty Ltd	28,595,621	14.82
3	J P Morgan Nominees Australia Limited	25,000,033	12.96
4	Austal Group Management Share Plan Pty Ltd	12,866,308	6.67
5	Citicorp Nominees Pty Ltd	12,449,897	6.45
6	Onyx (WA) Pty Ltd	11,388,521	5.90
7	Pearce Holdings Pty Ltd	7,752,072	4.02
8	National Nominees Limited	6,231,875	3.23
9	RBC Global Services Australia Nominees Pty Ltd	5,890,046	3.05
10	Garry Heys & Dorothy Heys	3,494,670	1.81
11	Lavinia Shipping Ltd	1,924,387	1.00
12	Zilon Pty Ltd	1,773,940	0.92
13	ANZ Nominees Limited	1,709,629	0.89
14	Commonwealth Custodial Services Limited	1,604,400	0.83
15	Cogent Nominees Pty Ltd	1,555,046	0.81
16	Pepperwood Holdings Pty Ltd	1,415,737	0.73
17	Argo Investments Limited	1,200,000	0.62
18	Kevin Stanley & Julie Stanley	1,165,197	0.60
19	Mr Vincent Michael O'Sullivan	1,094,600	0.56
20	Westpac Custodian Nominees Limited	1,042,391	0.55
		158,955,115	82.39

SUBSTANTIAL SHAREHOLDERS

NAME	NUMBER OF ORDINARY SHARES
Austro Pty Ltd (J Rothwell)	32,589,685
Longreach (WA) Pty Ltd (C Norman)	28,608,221
Onyx (WA) Pty Ltd (G Heys)	14,883,191
Pearce Holdings Pty Ltd (K Stanley)	8,926,369

VOTING RIGHTS

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

AUSTAL SHIPS PTY LTD

100 CLARENCE BEACH RD HENDERSON WESTERN AUSTRALIA 6166

TEL: +61 8 9410 1111 FAX: +61 8 9410 2564

WWW.AUSTAL.COM

AUSTAL USA LLC

100 DUNLAP DRIVE MOBILE ALABAMA 36602 USA

TEL: +1 251 434 8000 FAX: +1 251 434 8080

IMAGE MARINE PTY LTD

15 EGMONT RD HENDERSON WESTERN AUSTRALIA 6166

TEL: +61 8 9437 6666 FAX: +61 8 9437 6677

WWW.IMAGEMARINE.COM.AU

OCEANFAST PTY LTD

18 CLARENCE BEACH RD HENDERSON WESTERN AUSTRALIA 6166

TEL: +61 8 9494 9999 FAX: +61 8 9494 9900

WWW.OCEANFAST.COM.AU
