

Business Growth, Acquisitions Drive 110% Rise in 1H Profit

Financial highlights

	Increase	HY2007	HY2006
Revenue	47%	\$43.21m	\$29.3m
EBIT	110%	\$7.00m	\$3.34m
PBT	105%	\$6.81m	\$3.33m
NPAT	100%	\$4.66m	\$2.33m
Basic Earnings per Share	72%	10.05c	5.85c
Net Assets	117%	\$24.90m	\$11.49m
Interim Dividend per Share	100%	1.0c	0.5c

Brisbane, February 18, 2007: Austin Engineering Limited (ASX trading code: **ANG**) today announced a record result for the six months ended December 31, 2007 highlighted by earnings before interest and tax of \$7 million, up 110% on a year ago.

Chairman Peter Fitch said the result comfortably exceeded the guidance given at the Company's Annual General Meeting in November. He attributed the more than doubling of EBIT to improved performance across all businesses, supported by high levels of industry activity and demand for Austin's JEC product range of dump truck bodies, excavator buckets and machining and steel fabrication services.

The result also included a full six-month contribution from the Austbore business in Mackay, acquired in April 2007, and one month from Western Technology Services (Westech) in Wyoming in the US, acquired in November 2007.

"Improved performance across all Austin's business units provided the backbone for this record half-year result," Mr Fitch said. "High demand for the company's products and constant improvements in productivity have created a stable earnings base and allowed Austin to deliver on its forecasts to the market."

Revenue was \$43.2 million, up 47%, while net profit of \$4.7 million represented a 100% increase from the corresponding period a year ago.

Austin announced an interim dividend of 1c per share, fully franked, double the payment for the corresponding period a year ago. The record date for the interim dividend is 29 February 2008 with the payment due on 28 March 2008.

Westech, the company's biggest acquisition at US\$19 million and its first in the US, contributed one month of revenue and profit to the half-year result. The business is performing to expectations and enters the second half of financial 2008 with a very good forward workload for its products, which include dump truck bodies, excavator buckets and ancillary products.

Outlook

Mr Fitch said Austin expected activity in the mining and resources industry to remain very positive for the foreseeable future, both for new projects and "repair and replace" work. The company, with its strong balance sheet, is focusing on both short- and long-term opportunities for revenue growth, in particular:

- Expansion of the Westech product range in South America and Canada
- Follow-on projects for the company's operations in the Middle East
- Manufacture, assembly, repair and maintenance of mining products at the new, redeveloped Kaldura facility at Mackay

“Looking ahead, the economic outlook for the resources industry is strong and that is anticipated to flow through to demand for Austin’s products,” Mr Fitch said. “Also, with a record order book, ongoing improvements in productivity and the contribution of new acquisitions, we expect to report strong increases in all the company’s key financial measures for the full-year.”

End

For further information, contact Michael Buckland or Colin Anderson on 07 3271 2622.

About Austin Engineering: Austin Engineering Limited is an engineering company with manufacturing facilities in Australia, USA and the Middle East. The Australian and USA facilities provide fabrication facilities servicing the mining, oil, gas and industrial sectors. Key product lines include products used in the resources industry including dump truck bodies, excavator buckets, materials handling equipment and large service vehicles as well as structural steel and mineral processing equipment. The Middle East operation provides specialised products and services for the aluminium smelter industry. Austin own rights to innovative welding processes which are being introduced to improve welding productivity, coupled with robotic applications to suit product lines, general fabrications and any repetitive production processes.