South America Expansion & Capital Raising

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All dollar references are Australian dollars unless specified otherwise

Executive Summary

- **Austin is set to execute its South American expansion plans**
  - **Chile** - Proposal to acquire a steel dump truck business for cash of US$19.6 million (A$24.8 million)[1]
    - Non binding MOU containing key commercial terms has been negotiated, binding agreement in the process of being completed
    - Completion of acquisition will be conditional upon completion of due diligence by Austin, completion of financing (including appropriate shareholder approval) and signing of final contract documentation
    - Acquisition is expected to be completed in the second half of July 2009
  - **Brazil** - Intention to enter JV with large, well-established and respected engineering company in Brazil
- **Chilean target is the leading manufacturer and supplier of steel dump truck bodies in Chile**
  - Well-established manufacturer of mining products with a dominant market position
  - Design and range of dump truck bodies are complementary to Austin's Westech brand and products
  - Client base includes miners and OEMs well-known to Austin, with their equipment needs being very similar to Austin's existing product range
- **Acquisition funding via an Institutional Placement and Share Purchase Plan**
  - 2 Tranche Institutional Placement to raise $26.0 million[2]
  - Price of $1.45 set by way of bookbuild
  - Share Purchase Plan to raise up to $5.0 million at a price of $1.45
  - Certain Directors to participate in the capital raising[3]

Notes:

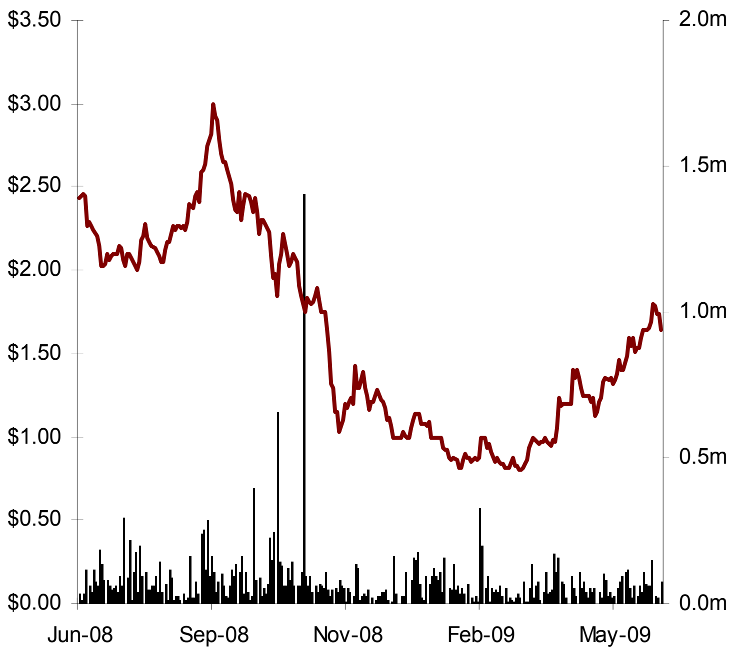
1. Assuming an AUD/USD exchange rate of 0.79
2. Tranche 2 is subject to entering binding agreement for the Chilean acquisition and any regulatory and shareholder approvals required
3. Subject to any regulatory and shareholder approvals required

About Austin

- **ASX listed designer, manufacturer and provider of specialised mining products and services**
  - World's largest non-OEM designer and manufacturer of mining dump truck bodies
  - Other key product lines include excavator buckets, service modules, tyre handlers and other specialised equipment used in the mining and resources business sectors
  - Established and proven branding through 'Westech' and 'JEC' range of products
- **Blue chip client base across mining, OEM and contracting**
- **High margin and growth business**
- **Established operations in Australia, the United States and the Middle East**
- **Track record of improving operational and financial performance**
  - Record financial performance in FY08: $17 million EBIT
  - Forecast FY09 EBIT of $20-$23 million expected to be achieved
- **Proven management team with demonstrated ability of creating shareholder value**
  - Successful track record of acquiring and integrating complementary businesses

About Austin

Share Price Performance (LTM)



Key 2008 financial data	
EBIT	$17.05m
Net profit	$11.54m
EPS	24.73c
Dividends per share (ff)	7.5c
Dividend policy	25-40% payout ratio

Board and executive team	
Peter Fitch	Chairman
Michael Buckland	Managing Director
Peter Pursey	Non-Exec Director
Eugene Fung	Non-Exec Director
Paul Reading	Non-Exec Director
Colin Anderson	CFO

Current trading data (at 9 June 2009)	
Share price	$1.64
Shares on issue	47.1m
Market capitalisation	$77.2m
Number of shareholders	3,200

Top 5 shareholders	
Bradken Ltd	13.2%
Thorney Pty Ltd	5.3%
Michael Buckland	5.3%
S J Quinlivan Pty Ltd	4.8%
National Nominees Ltd	3.1%

About Austin - Clients, Products, Locations

By type of customer:

Type	Client
Miners	Rio Tinto, BHP, Xstrata, Macarthur Coal, Anglo Coal
OEMs	Komatsu, Terex, Liebherr, Hitachi, Esco
Contractors	Leighton, Thiess, Macmahons, Golding Contractors, Downer EDI Mining
Others	John Holland, Barclay Mowlem, Aluminium Smelter Operators

- Good quality, blue-chip, supportive clients
- Ability to service client needs for the manufacture of both standard OEM (such as Komatsu and Terex) and non-OEM specialised (such as Westech) equipment
- Provision of responsive engineering and design services to develop products to suit specific needs are highly regarded by customers

By type of equipment and application:

Type	Application
Dump truck bodies	Iron ore, coal and other materials up to 350t payloads
Buckets	Iron ore, coal and other materials, up to 60t payloads
Service modules	Fuels, lubricants, waste liquids, multi-purpose loads
Others	Structural steelwork projects and specialised aluminium smelter components and assemblies

- New and replacement equipment for multiple applications
- Dump truck bodies last only 3-4 years
- Payload efficiency and utilisation critical
- Proven designs and solid on-field capability and results essential
- Operators are changing focus in order to increase efficiencies, reduce operating costs through innovative product designs

By geographical area:

Location	Area Serviced
Perth	Pilbara, Kalgoorlie, Africa, Indonesia
Brisbane and Mackay	Queensland, New South Wales, Indonesia
Wyoming, USA	Powder River coal basin, Canada, South America
Middle East	Oman

- Customer needs satisfied on a regional and national basis, unlike competitors
- Modern workshops can be ramped-up at relatively short notice to meet customer demands
- Utilisation of robotic welding technology to improve quality and delivery schedules

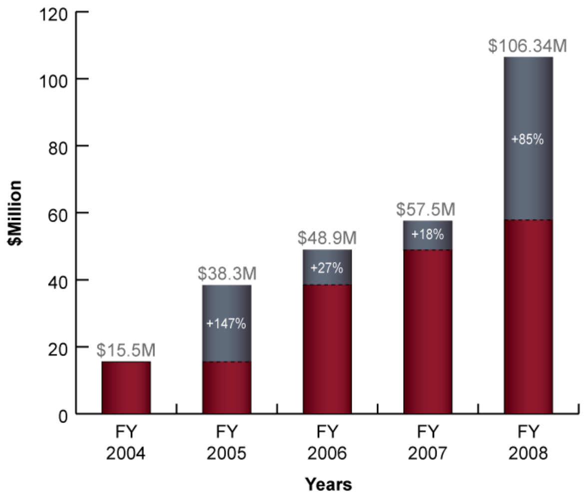
About Austin - Products

Above: Westech dump truck body, Below: JEC service module

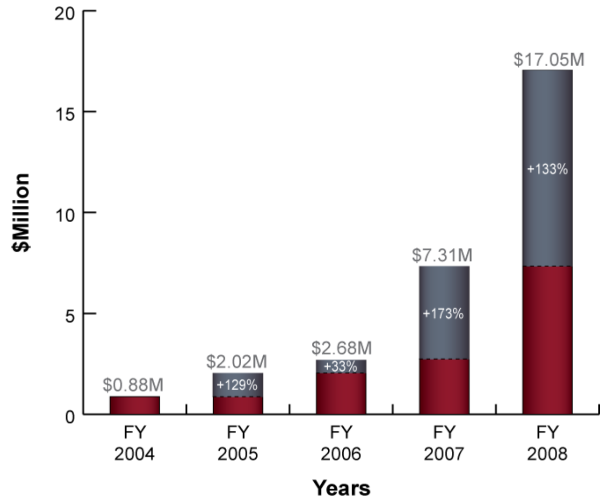
Above: JEC bucket, Below: JEC tyre handler

About Austin - Historic Financials

Revenue

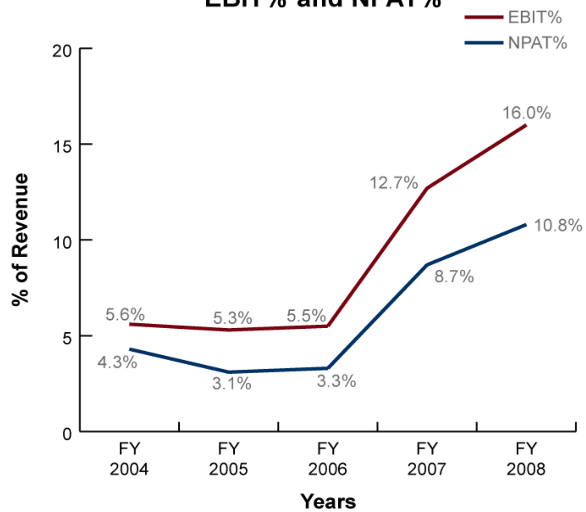


EBIT*



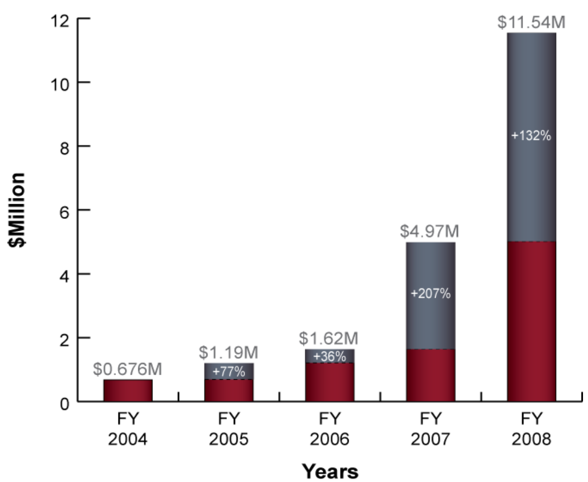
*Excluding gain on sale of properties in 2005/2006

EBIT%* and NPAT%*



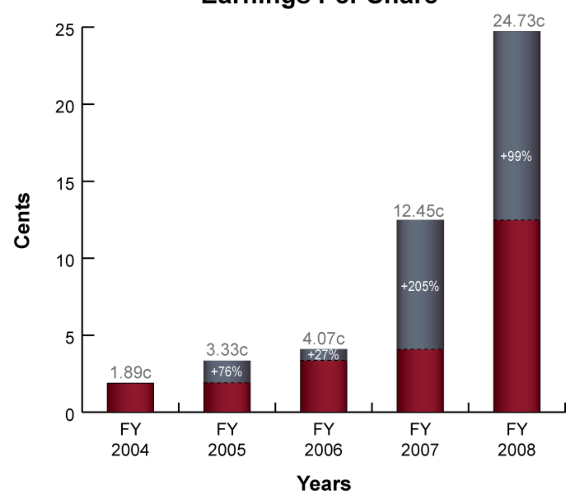
*Excluding gain on sale of properties in 2005/2006

Net Profit After Tax*



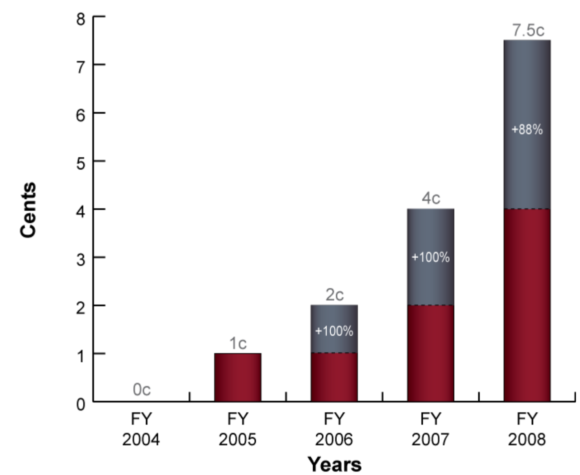
*Excluding gain on sale of properties in 2005/2006

Earnings Per Share*



*Excluding gain on sale of properties in 2005/2006

Total Annual Dividend Per Share



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About Austin - Financials for HY to 31 December 2008

	HY2008 $m	HY2007 $m	Increase %
Revenue	94.59	43.21	119%
EBITDA	13.12	7.86	67%
EBIT	12.09	7.00	73%
PBT	11.64	6.82	71%
NPAT	8.13	4.66	75%
Basic Earnings per Share (cents)	17.26cps	10.05cps	72%
EBITDA/Revenue	13.9%	18.2%	
EBIT/Revenue	12.8%	16.2%	
NPAT/Revenue	8.6%	10.8%	

	31 Dec 2008	30 June 2008	Increase %
Working capital	14.99	12.14	23%
Property, plant & equipment	25.85	21.85	18%
Intangible assets	18.72	16.75	12%
Total assets	98.20	82.82	19%
Total liabilities	62.67	51.20	22%
Net assets	35.53	31.62	12%
Gross debt	29.20	21.84	34%
Net debt (gross debt - cash)	19.80	16.03	24%
Net gearing	35.8%	33.6%	2.2%

- Strong increases in revenue in the period flowing from a high level of activity in the mining and resources business sector
- 49 Westech dump truck bodies delivered in Australia against 7 in the corresponding period
- EBIT result achieved against a background of significant cost pressure and availability of labour and steel
- Underlying solid business unit performance with high levels of activity and labour utilisation
- Some dilution in EBIT % margin caused by $0.8m of provisions for variations, lower than average margins on a newly-introduced product line and increased labour costs
- Average interest rate cost of 3.7% on Westech acquisition loan (over HY08) and EBIT interest cover >21

- $9.4m of period-end cash balances reflective of strong ($13.3m) positive underlying operational cash flow
- Debt mostly comprised of USD19m loan to fund Westech acquisition in 2007, increase caused by decline in AUD
- Increase in AUD equivalent value of USD debt supported by corresponding increase in Westech's USD assets
- USD19m loan extended to October 2010, interest only, with no change to covenants
- Relatively low net gearing with capacity to accommodate further business growth
- $2m of capex in the period, almost exclusively on productivity-enhancing equipment, funded from operational cash flow

About Austin - Market Positioning & Points of Differentiation

- **Niche market**
  - Limited worldwide competition with competitors being fragmented and regional
- **Product and service capability**
  - Proven JEC and Westech product ranges are recognised and accepted by major miners and OEMs as market leaders on an international basis, offering significant operational savings
- **Quality and stable customers**
  - Customers are encouraging Austin's business development and are keen to pursue strengthened, expanded and longer-term business relationships
- **Product life cycles**
  - Products are manufactured for new mines or mine expansion programs requiring new equipment
  - Products also manufactured for mines where existing equipment (such as dump truck bodies) requires to be replaced after 3-4 years of operation
- **Sustainable business model**
  - Proven productivity and profitability improvements from superior product designs
  - Significant international market opportunities utilising the existing business strategy and model
- **Dedicated and motivated management team**
  - Demonstrated capability to grow the business and to adapt to tough and evolving business conditions on an international basis

About Austin - Market Developments and Outlook

- **Marked reduction in the level of activity by major miners - but equipment is still being used**
  - Protracted conclusion to iron ore price negotiations has delayed expenditure decisions by major miners
  - Requirements for new and replacement equipment lower than 2008 levels
  - Enquiry and tendering activity is beginning to increase as OEMs look into the new financial year
- **Order book visibility**
  - Customers are likely to place orders for smaller volumes of equipment over shorter periods of time and their forward requirements are less certain
  - However, Queensland operations begin FY10 with a record workload well into the 2010 calendar year
  - Other operations actively pursue sales prospects and opportunities in order to lengthen order books
- **Improving cost environment and stable commercial conditions**
  - Skilled labour becoming more available and cheaper
  - Little movement in the cost of steel pre iron ore price negotiations but expected to ease
  - Commercial arrangements with customers and suppliers not expected to change significantly, with some further possible relief from high input costs
- **Earnings outlook for FY09 maintained**
  - Operations and activity levels over the past few months largely progressing as anticipated earlier in the January to June 2009 half-year period
  - EBIT for FY09 still forecast to be within the range of $20-$23 million, up 18%-35% over the previous financial year

South American Background

- **Austin has long identified South America as an exciting growth opportunity**
  - Significant analysis and business feasibility studies undertaken

The Opportunities

- **Chile and Brazil of particular interest**
  - Globally significant and established mining centres
  - Limited local competition and reliance on imported equipment
- **Low operational risk**
  - Westech dump truck bodies already successfully used in the region
  - Known costs of manufacture – 30% to 40% of costs are steel
  - Successful experience with Westech acquisition and Middle East JV

The Transactions

- **Chile – Proposal to acquire steel dump trucks business**
  - Cash consideration of US$19.6 million (A$24.8 million)[1]
- **Brazil - Intention to form a JV with large established and respected engineering company in Brazil**

The Impact

- **Dominant market position in a region of major mining activity**
  - Ability to leverage Chilean target's existing industry contacts and relationships
- **Establishment of an international growth platform in South America**
  - Austin's Westech and JEC products will be manufactured and introduced into region
- **Earnings diversity and enhancement**

Notes:

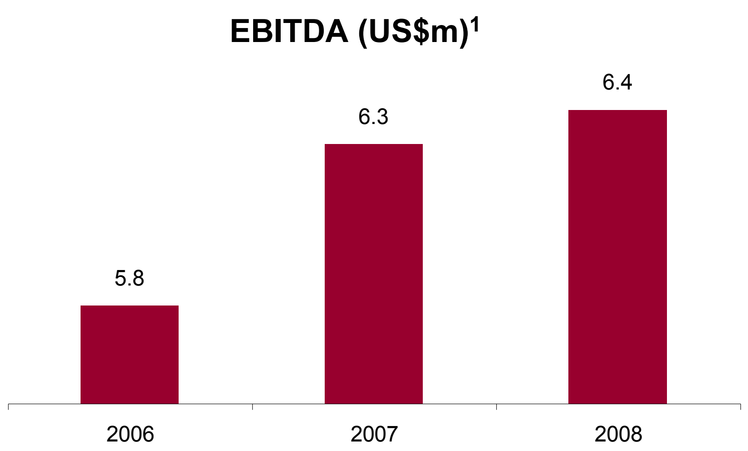
1. Assuming an AUD/USD exchange rate of 0.79

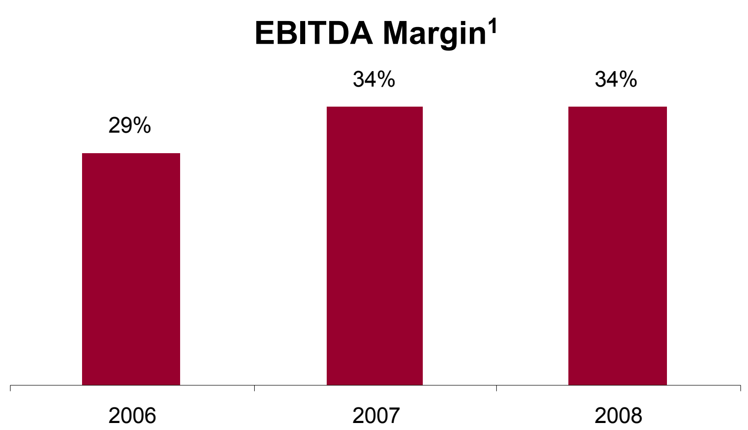
Chilean Target Overview

- **Chilean target is the leading manufacturer and supplier of steel dump truck bodies in Chile**
  - 36 year operating history
  - Dominant market position (c. 70% Chilean market share)
- **Proven profitable business in a high growth region**
  - Revenue of US$18.6 million and EBITDA of US$6.4 million in FY08
- **Long standing supply contracts with major regional miners**
  - Codelco, BHP B, Anglo American, Xstrata and Antofagasta Minerals
- **Complementary products and client base**
  - Design and range of dump truck bodies are complementary to Austin's Westech brand and products
  - Client base includes miners and OEMs well-known to Austin, with their equipment needs being very similar to Austin's existing product range
- **Strategically located in the North of Chile with direct access to mining markets in Brazil, Peru and Argentina**

Chilean Target Financial Profile

- **Proven profitable business**
  - Average EBITDA of approximately US$6.2 million at an average margin of 32% over the last three financial years
  - Underlying performance expected to remain sound despite global economic conditions
  - Strong prospects for securing a solid workload for the entire year in the very near future
  - EBITDA for FY10 expected to be at least US$3.8 million (reflecting recent global economic conditions) at approximately a 30% operating margin
  - Expected FY2010 EBITDA does not include any contributions from the introduction of Austin's JEC product range into the Chilean market where the potential demand for these products could be significant





Notes:

1. Unaudited Target accounts

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South American Background - About Chile

- **Established mining region with large volume and low cost operations**
  - World's leading producer of copper
  - Major miners include Codelco, BHP B, Anglo American, Xstrata and Antofagasta
- **Over 1,000 dump trucks at various stages of operational life**
- **Activity still strong, with major miners still progressing with expansion plans**
- **Very limited competition with major miners equipment needs generally satisfied by local suppliers**
- **Higher than average operating margins achievable once operations fully established**
- **Favourable fiscal regime**
  - Chilean government financial assistance packages potentially available to expand operations

Brazil Joint Venture Overview

- **Intention to expand into Brazil through a joint venture arrangement**
- **Large, well-established and respected engineering company identified**
  - Excellent engineering and production facilities and the ability to manufacture mining products
- **Virtually no local competition capable of servicing customer needs from a design, delivery with the cost benefits of volume production**
- **Upfront capital investment requirements not significant, with the joint venture partner undertaking product manufacture on a sub-contract basis to the joint venture**
- **Relatively easy and quick setup of operations possible, requiring some reconfiguration of the joint venture partner's production facilities**
- **EBIT earnings potential of around $0.8m (for Austin's 50% share) in the first year of operation**
  - Representing an EBIT margin of around 23%
  - Earnings potential does not include any contributions from the introduction of Austin's JEC product range
- **Setup of joint venture to be commenced very shortly**

Capital Raising

- **Institutional Placement to raise $26.0 million**
  - Tranche 1 - Approximately 7 million shares representing 15% of issued capital
  - Tranche 2 - Approximately 11 million shares required to raise the balance of $26 million (subject to entering binding agreement for the Chilean acquisition and any regulatory and shareholder approvals required)
  - $1.45 price set by way of bookbuild
  - Placement managed by Argonaut Securities Pty Ltd and Southern Cross Equities Limited

- **Share Purchase Plan (SPP) to raise up to $5.0 million**
  - $1.45 price set by Institutional Placement price
  - Up to $5,000 per eligible shareholder
  - Not underwritten and subject to scaleback
  - Proceeds from SPP will be used to provide further working capital and reduce gearing
  - Record date: 12th June 2009

- **New shares issued under the Institutional Placement and Share Purchase Plan will rank equally with existing shares**

- **Certain Directors will participate in the capital raising[1]**

Notes:

1. Subject to any regulatory and shareholder approvals required

Financial Impact on Austin

- **Capital raising will strongly position Austin to take advantage of the South American market opportunity**
- **Balance sheet strengthened for maximum financial flexibility**
  - Net gearing reduced to 15.9%[1]
- **Existing undrawn bank facilities available to fund increased working capital and liquidity requirements as the business grows**
  - Undrawn amount of $5.5 million
  - Low interest, USD denominated loan (current average interest cost of 2.5%)

Pro forma Financial Position $m	Forecast 30 Jun 09	Capital Raising[1]	Chile Acquisition[2]	Pro Forma
Cash	9.5	31.0	(26.0)	14.5
Debt	28.2			28.2
Net Debt	18.7			13.7
Equity	41.2	31.0		72.2
Gearing (Net Debt / Net Debt & Equity)	31.2%			15.9%

Notes:

1. Assuming $26.0 million placement and $5.0 million SPP
2. Assuming an AUD/USD exchange rate of 0.79 and including estimated transaction costs

Capital Raising - Indicative Timetable

Trading Halt	**Wednesday, 10 June 2009**
Institutional Roadshow (1 day Melbourne / & 2 days Sydney)	**Wednesday, 10 June to Friday, 12 June 2009**
Firms bids to Argonaut & Southern Cross	**Friday, 12 June 2009**
Allocations advised	**Friday, 12 June 2009**
Letter of offer sent to successful investors	Friday, 12 June 2009
Return of signed acceptance form by	**9:30 am ASWT Monday, 15 June 2009**
Lodge notice of EGM with ASX	Monday, 15 June 2009
ASX Announcement of Placement and resume trading	Tuesday, 16 June 2009
DvP Settlement of Tranche 1 of Placement	**Monday, 22 June 2009**
Expected trading of Tranche 1 Placement Shares	Monday, 22 June 2009
EGM to approve Tranche 2 Placement Shares	Approx. Monday, 27 July 2009
Expected DvP Settlement of Tranche 2 Placement Shares	**Approx. Thursday, 30 July 2009**

World's largest non-OEM designer and manufacturer of mining dump truck bodies

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