

**Austin Engineering
Full Year 2008 Presentation**

August 18, 2008

FY2008 Highlights - Another Record Performance

- Revenue up 85% to \$106m
- EBIT up 133% to \$17.05m, in line with earnings guidance issued in July 2008
- EPS up 99% to 24.7cps
- Full year dividend up 88% to 7.5cps
- Record results driven by strong demand for the company's products and services
- Improved performance across the existing Australian-based operations as a result of efficiencies flowing from high levels of capacity utilisation
- Westech result ahead of expectations, driven by ongoing strong demand in the North American resources market and licence fees generated in Australia and South America
- Record result achieved against a background of three months of lost contribution from Kaldura operations in Mackay due to severe flooding events in Central Queensland
- Record order intake over the last three months of the financial year with over \$50m of orders received
- Productive capacity increased by 65% in WA and Mackay operations

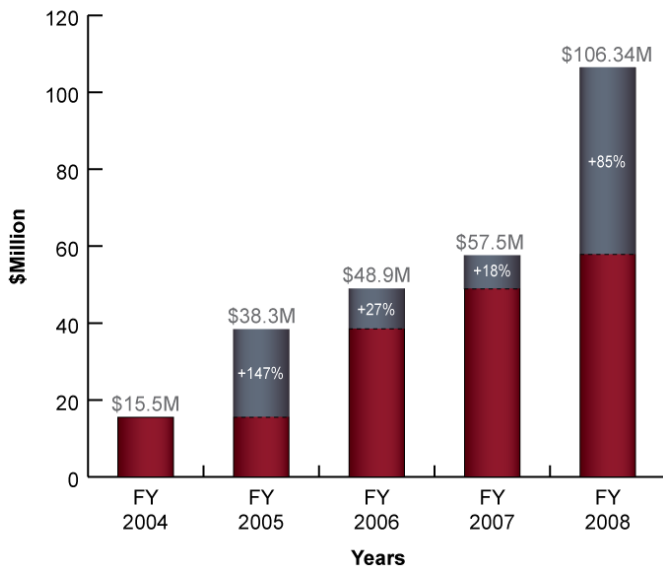


Financial highlights for FY2008

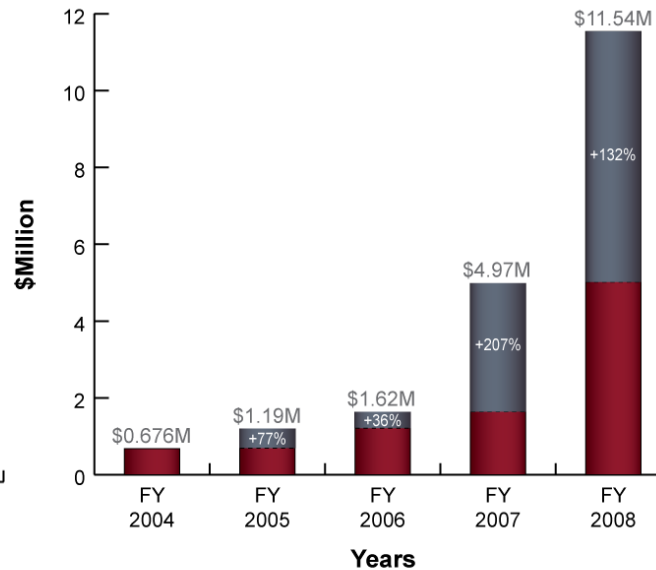
	FY2008 \$m	FY2007 \$m	Increase %
Revenue	106.34	57.50	85%
EBITDA	18.86	8.46	123%
EBIT	17.05	7.31	133%
PBT	16.40	7.10	131%
NPAT	11.54	4.98	132%
Basic earnings per share (cents)	24.73	12.45	99%
Final dividend per share (cents)	6.5	3.5	86%
Total annual dividend per share (cents)	7.5	4.0	88%
Net assets	31.62	18.61	70%
EBITDA/Revenue	17.7%	14.7%	
EBIT/Revenue	16.0%	12.7%	
NPAT/Revenue	10.8%	8.7%	

Track record of growth

Revenue



Net Profit After Tax*

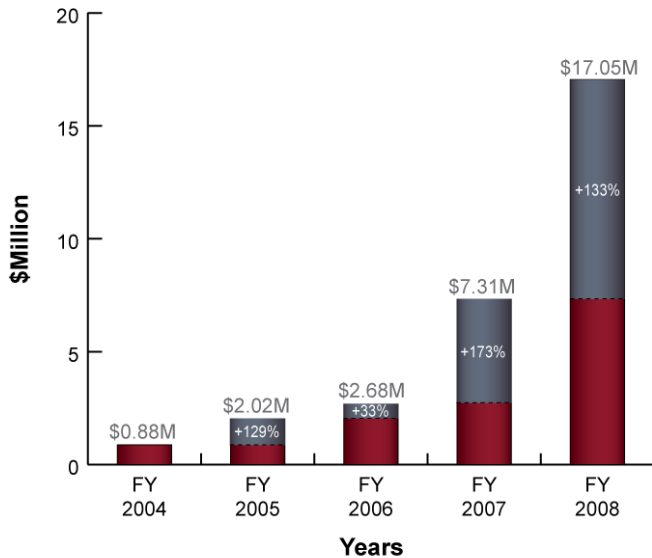


* Excluding gain on sale of properties in 2005/2006

- ✓ Revenue growth achieved through strong demand for products and services
- ✓ Revenue includes full year of contribution from Austbore and seven months of Westech
- ✓ Revenue growth of 30% across existing Queensland and WA operations
- ✓ Improved NPAT result reflects higher revenue volumes and operating margins and low cost (<4%) of US\$19m of debt funding for Westech acquisition

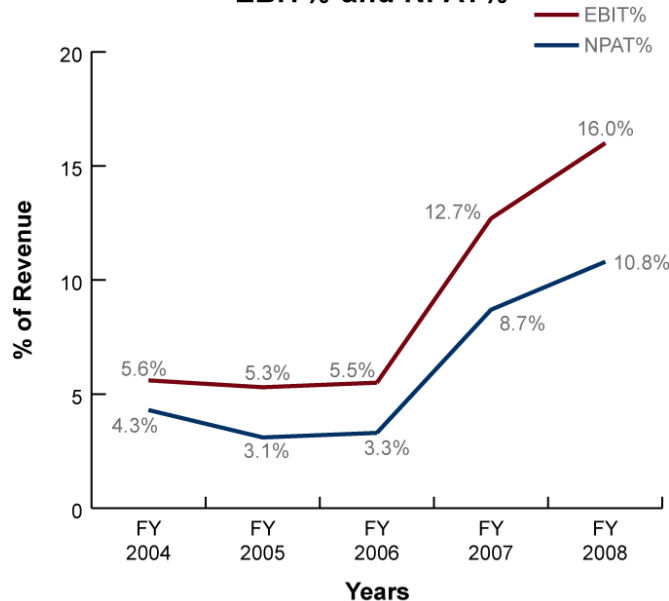
Track record of growth

EBIT*



* Excluding gain on sale of properties in 2005/2006

EBIT%* and NPAT%*

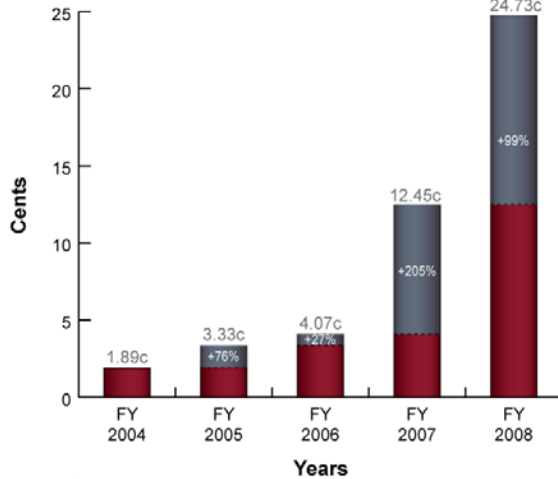


* Excluding gain on sale of properties in 2005/2006

- ✓ Significant EBIT and NPAT volume increase from increased revenue
- ✓ High levels of capacity utilisation throughout the year resulted in greater efficiencies
- ✓ Improved margins from consolidation into product-line manufacture and increased exposure to repair and maintenance markets
- ✓ Increased performance despite three months of lost contribution in Kaldura Mackay due to flooding in Central Queensland over January/February 2008
- ✓ External licence fee revenue of \$0.9m generated since Westech acquisition

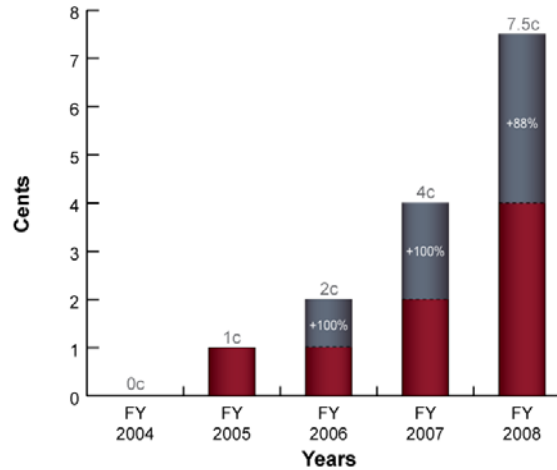
Track record of growth

Earnings Per Share*



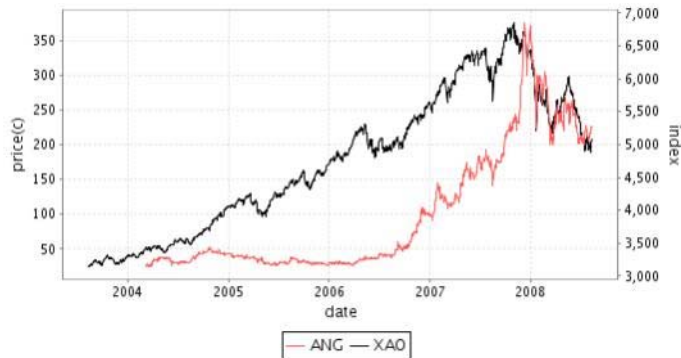
* Excluding gain on sale of properties in 2005/2006

Total Annual Dividend Per Share

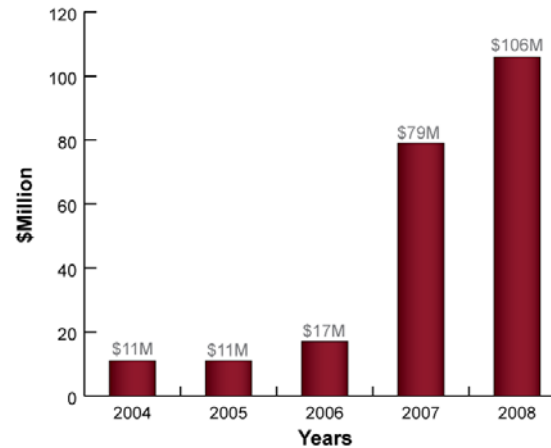


✓ Increased EPS and DPS performance flowing from underlying increased revenues, profitability improvements and solid business fundamentals

Five Year Chart



Market Capitalisation



Austin's balance sheet

	30 June 2008 \$m	30 June 2007 \$m	Increase %
Working capital	12.14	7.88	54%
Property, plant and equipment	21.85	9.99	119%
Intangible assets	16.75	9.60	75%
Total assets	82.82	41.15	101%
Total liabilities	51.20	22.54	127%
Net assets	31.62	18.61	70%
Debt	21.84	8.85	147%
Net debt (debt less free cash resources)	16.03	2.54	531%
Gearing % (net debt/net debt plus equity)	33.6%	12.0%	
Gearing (net debt/EBITDA)	0.85	0.30	
Interest cover (EBIT/interest cost)	20.45	18.00	
NTA per share (\$)	0.32	0.23	

- ✓ Net asset growth of 70% over the year
- ✓ Continued strong, positive cash balances
- ✓ Increased property asset base following acquisition of Westtech and completion of workshop redevelopment in Mackay
- ✓ Relatively low (<\$1m pa) underlying capital expenditure requirements
- ✓ Debt mostly US\$19m loan to fund Westtech purchase
- ✓ US\$19m loan carries low (<4%) interest cost, with an opportunity to lock-in interest rate
- ✓ Ability to secure further USD debt and accommodate further acquisitions and growth
- ✓ EBIT/Interest cover >20 for the year

Austin's cashflow

	FY2008 \$m	FY2007 \$m
Operating cashflow	13.48	3.67
Capex cashflow	(5.67)	(1.44)
Investing cashflow	(23.45)	(17.04)
Financing cashflow	15.14	9.25
Net cash flow	(0.50)	(5.56)
Free cash resources	5.81	6.31

- ✓ Solid operational cash flow in the year of \$13.5m
- ✓ Ongoing benefit of advance progress payments from customers
- ✓ \$5.7m expended on capital programs to expand capacity and improve productivity and profitability, all funded from cashflow
- ✓ \$6.8m of debt associated with purchase of Austbore in 2007 repaid during the year
- ✓ Successful completion of \$2.2m capital raising in July 2007
- ✓ Westech acquisition funding package secured with interest-only, US dollar loan and interest rate <4% at June 2008

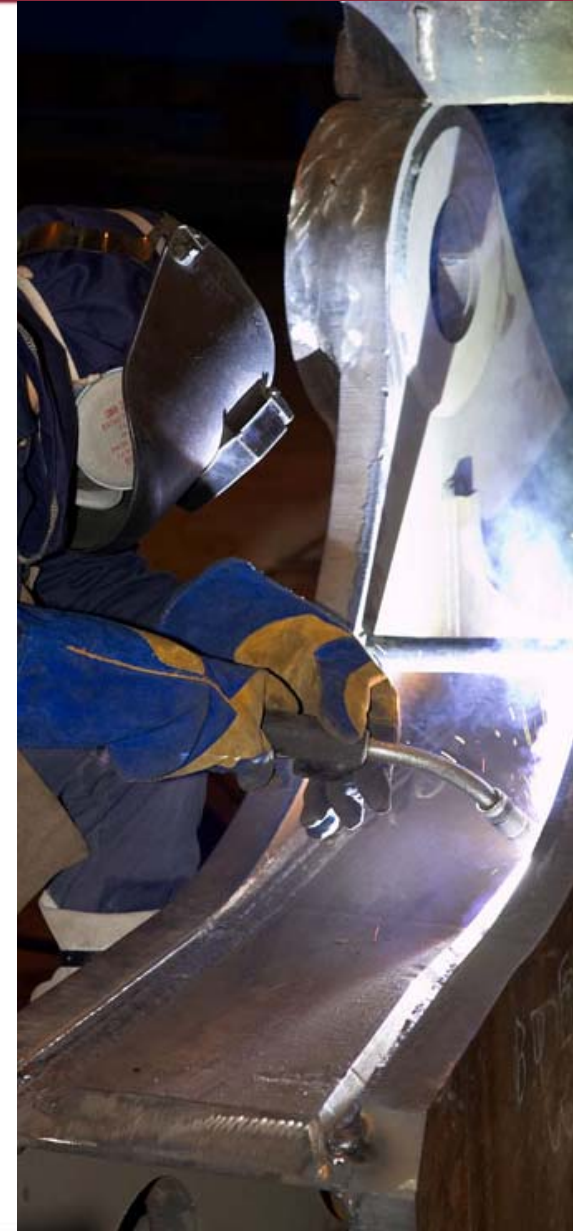
Operational review - Perth

- Record revenue and productive activity in the year
- High level of activity for dump truck bodies, excavator buckets and associated equipment manufacture from WA mining sector
- Benefits of second workshop leased in September 2007 and associated 65% capacity increase realised
- Westtech dump truck body range successfully introduced into operations
- Additional, new, tipper bin product lines successfully introduced into operations
- Further capital investment in new production systems underway to improve logistics and profitability in FY2009 and on
- Solid order book and ongoing order intake, with deliveries stretching out into the end of 1H FY2010



Operational review - Brisbane

- Significantly improved business and operating conditions during the year
- High level of activity throughout the year with much higher levels of capacity utilisation
- Customer base successfully expanded
- Increased and successful marketing of Westtech dump truck body range
- Ability to manufacture larger, more complex mining products demonstrated
- Full order book and capacity utilisation for the remainder of current financial year, with very favourable market conditions expected to continue thereafter



Operational review - Westech

- Operations successfully and easily integrated into Austin's existing management and operational structures
- High level of activity since acquisition, with a solid and consistent manufacturing activity base
- Operating result ahead of expectations for the seven months since acquisition
- Ongoing market expansion of Westech bodies, as evidenced by \$0.9m of licence fees generated from the sale of Westech bodies by Cainsa in South America and \$1.1m of licence fees on sales in Australia
- High forward workload forecast throughout FY2009, due to ongoing strong demand from the North American mining sector, despite wider adverse economic conditions in the region
- Further market expansion in Canada, South America and other overseas locations actively being pursued
- Introduction of Austin's JEC product ranges into Westech's markets and customer base also being pursued



Operational review - Mackay

- Revenue and contributions from the Kaldura operation significantly impacted by major flooding in the Central Queensland coalfields over January and February 2008
- Three months of lost revenue and profit contribution experienced by Kaldura, due to associated delays in the movement of equipment from the coalfields over January to March 2008
- Productive activity restored from April onwards with full workshops at the end of the financial year
- New \$3.8m Kaldura workshop successfully completed in the year, lifting productive capacity by 65%, leading to increased capabilities including the assembly of Westech dump truck bodies, water tanks and other mining equipment
- Austbore contributed a full year's worth of revenue and profit, with solid workload levels and operational performance
- Purchase of 3,500m² block of land adjacent to existing Austbore facility completed, leading to the opportunity to expand operations down the track



Operational review - Middle East

- Busbar manufacture project for Sohar Aluminium Smelter completed on time and to the customer's exacting standards
- Four year maintenance contract worth a minimum of US\$4m awarded to the joint venture for the repair of anode stems for the Sohar Aluminium Smelter
- US\$4m contract also awarded to the joint venture for installation of busbars for EMAL smelter project in Abu Dhabi
- Currently tendering for a major smelter project in Iceland
- Expected to tender for second stage of Sohar Aluminium Smelter project in March 2009



Outlook

- Record work in hand with order book now stretching into FY2010
- Further increases in all key financial measures forecast for FY2009
- Market conditions across all locations expected to remain very strong as the resources business sector continues to maintain and expand operations
- Manufacture of parts and assemblies in China actively being considered in order to meet increased demand and workload, particularly for dump truck bodies
- Further marketing initiatives being undertaken to consolidate and grow Austin's position as the world's largest non-OEM designer and manufacturer of mining dump truck bodies
- Specific market development in South America, Canada, the Middle East and other emerging economies being targeted
- Further and wider business expansion opportunities being considered, backed by financial capacity and a strong balance sheet



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

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