

## Chairman's Address to Shareholders at 2010 AGM

**Brisbane, 26 November 2010:** Austin Engineering Limited (ASX trading code: **ANG**) is pleased to announce the Chairman's address to shareholders as presented at the Company's 2010 Annual General Meeting held today.

### Austin Engineering Ltd Chairman's Address

Good morning ladies and gentlemen and welcome to the 7<sup>th</sup> Annual General Meeting of Austin Engineering Ltd.

I am pleased to be able to report another record profit for the group despite the effects of the GFC on the wider economic landscape and on the mining and resources business sectors in which we operate. This record result for the 09/10 financial year has furthermore had a positive effect on our share price.

The increase in profit, which was achieved on lower annual group revenues, can largely be attributed to the outstanding performance of our Middle East joint venture, the success of our Chilean operations and improved production efficiencies by our Australian and North American operations which produced very creditable earnings on lower revenue bases.

Michael Buckland will expand further on the highlights of the past year in his presentation.

Last year we commented on the business model and the strategy supporting that model and I can report that since the end of the FY10 financial year we have made two further acquisitions in Australia, namely those of Pilbara Hire Group in Western Australia and Phillips Engineering in the Hunter Valley region of New South Wales. Both of these acquisitions are targeted at providing regional service backup for our products. Phillips Engineering, which now operates as Austin Engineering Hunter Valley, will also provide facilities to assist with the assembly of ultra large bodies close to customers mine sites which will simplify transport logistics and reduce operating costs.

In addition to these acquisitions we have commenced construction of a facility in Indonesia to build and service our products in that growing market. This should be operational early in the 2011/2012 financial year.

Consolidating our South American operations has been a substantial focus for management over the last year and we expect to have our first manufacturing facility in La Negra, close to Antofagasta in northern Chile, in operation by the end of the first quarter of the new 2011 calendar year. Our first service facility in Calama in northern Chile should be operational by the third quarter of 2011 and our Columbian facility by July 2011. The results to date in South America confirm our initial expectations that this region will be a major contributor to future earnings for the Austin group.

Your company, as detailed on page one of the annual report, has experienced exceptional growth in the last five years, in part through organic growth but largely through very successful targeted acquisitions. In the near term, the facilities we are building in Indonesia and South America will move the balance in favour of organic growth as these facilities come on line. We continue however to be interested in further acquisitions that meet our investment and operational criteria.

I am also pleased to report that based on progress to date, orders on hand, the market outlook and customer requirements, we are anticipating a further increase in profit in FY11 over the previous financial year.

In conclusion I would like to announce that after 7 years as chairman, I have decided to step down at the end of this meeting in favour of Paul Reading who I am sure will provide excellent leadership and support for management. To provide continuity I will remain on the Board until my term expires at this time next year.

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## **Chairman's Address to Shareholders at 2010 AGM**

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As in previous years, I would like to close by thanking management and staff on your behalf for their efforts in ensuring another outstanding year and wish them well in the future.

I would now like to hand over to Michael Buckland to make his presentation.

Thank you.

For further information and questions on the above, please contact Managing Director Michael Buckland or Chief Financial Officer Colin Anderson on +61 7 3271 2622.

**End**

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**About Austin Engineering:** Austin Engineering Limited is an engineering company with manufacturing facilities in Australia, the USA, South America and the Middle East. The Australian facilities manufacture, assemble and overhaul products used in the mining and resources sector. Key product lines include dump truck bodies, large service vehicles, excavator buckets, materials handling equipment, mineral processing equipment as well as large structural steel projects. The USA facility (Westech) based in Casper, Wyoming, services the North and South American mining markets and is an industry-leading designer and manufacturer of specialised lightweight dump truck bodies. The Chile operation (Austin Engineering Chile) manufactures dump truck bodies and other mining products for the South American market. The Middle East operation principally services the aluminium smelter industries in the region. Austin also own rights to innovative welding processes which have been introduced to improve welding productivity. Robotic welding systems are also used for product lines, general fabrications and repetitive production processes.