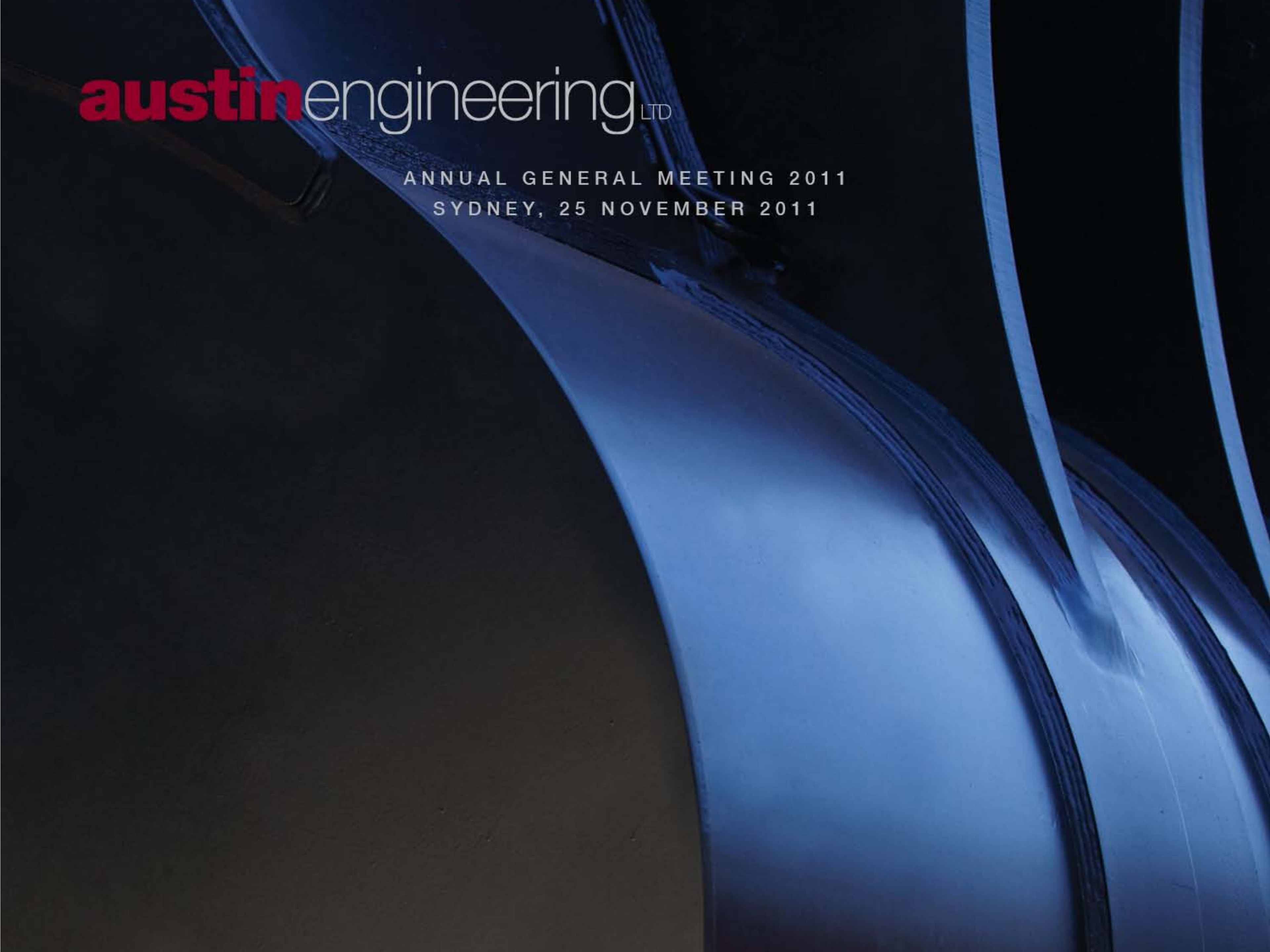
austinengineering LTD

ANNUAL GENERAL MEETING 2011

SYDNEY, 25 NOVEMBER 2011



Agenda

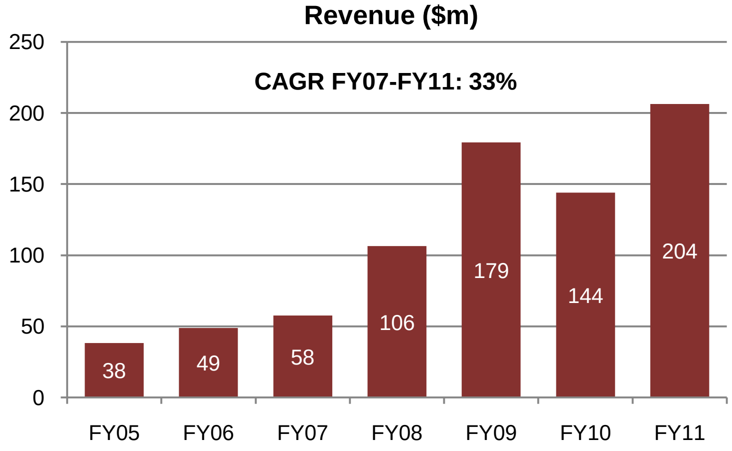
- Chairman's address
- Managing Director's address
- Questions on Managing Director's address
- AGM formalities
- Close and opportunity to meet over refreshments

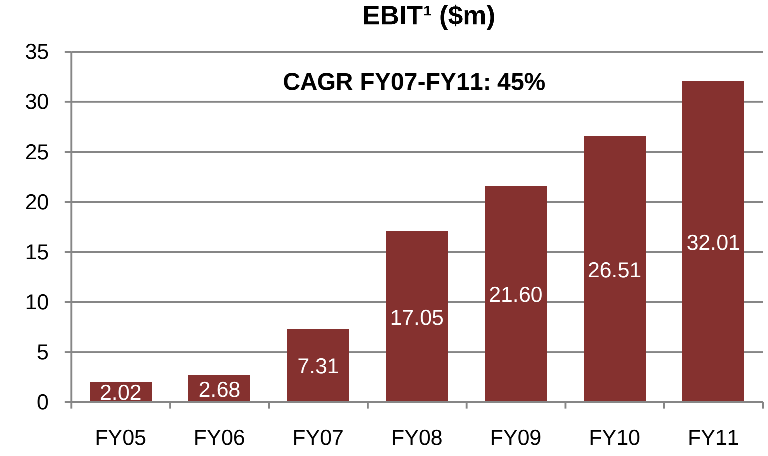
2011 Review and Achievements

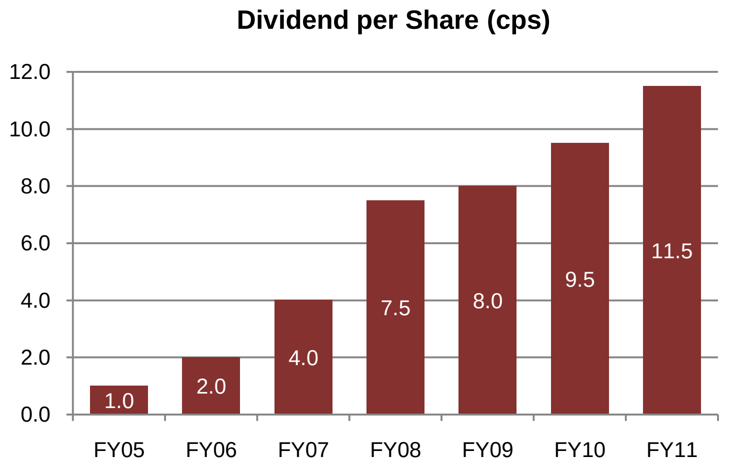
- » Record revenue and profit result for the group despite some disappointing results from Chilean and Hunter Valley operations
- » Higher overall activity levels across the group's operations during the year
- » Expanded geographical, product and service revenue bases following the acquisition of Pilbara Hire Group, Phillips Engineering and COR Cooling during the first half of FY 10/11
- » Total revenue of $204m for the year, up 41% on the previous year
- » Adjusted* EBIT of $32.0m for the year, up 21% on the previous year
- » Adjusted* NPAT of $21.9m for the year, up 14% on the previous year
- » Final dividend increased to 8.5cps, up 13% from last year's final dividend and a total dividend for the year of 11.5cps, up 21% from the previous full year dividend

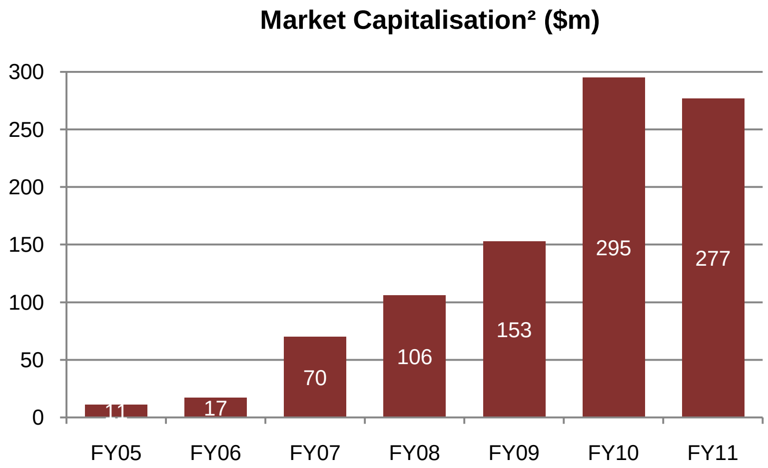
* Adjusted in the year to 30 June 2011 to exclude the effect of $0.5m of non-cash amortisation of customer intangibles

Revenue, EBIT and Dividend Growth









[1] Excludes gain on sale of properties in FY 06 and $0.5m amortisation of customer intangibles in FY 11

[2] As at 21 November 2011

Financial Results - FY 10/11

- Improved overall business conditions compared to the previous year
- Higher period-on-period activity levels across almost all of the group's operations, notably in Australia
- Middle East jv revenue down on previous year due to completion of two major projects in the previous period
- Addition of Pilbara Hire for the year, COR Cooling for seven months and Hunter Valley operations for eight months
- Variation in EBIT volumes and margins experienced during the year due to various factors including:
  - Delay in the completion of the Chile facility , which led to minimal products delivered during the last four months of the year and a negative EBIT contribution during this period
  - $1.1m operating loss for the Hunter Valley facility due poorly-performing inherited projects and production management issues
  - Strong AUD/USD exchange rate, causing a dilution in earnings for North and South American translated results
  - Expensing of $0.8m of start-up and initial operating costs for the group's expansion into Indonesia and Colombia
  - Expensing of $0.5m of net costs for new product development
  - Less relative contribution from Middle East jv operations, which normally operate at above average EBIT margins, due to project delays and unrest in Oman
- NPAT continued to benefit from very low interest costs on USD-denominated debt and lower income tax rates in Chile and the Middle East

	FY10/11 $m	FY 09/10 $m	Change
Revenue	203.72	144.01	+41%
EBITDA	35.71	29.04	+23%
Adjusted EBIT*	32.01	26.52	+21%
Adjusted PBT*	30.75	26.47	+16%
Adjusted NPAT*	21.95	19.26	+14%
Adjusted Basic Earnings per Share (cents)*	31.04	28.25	+10%
Final Dividend per Share (cents)	8.5	7.5	+13%

EBITDA/Revenue	17.3%	20.2%	
Adjusted EBIT/Revenue*	15.7%	18.4%	
Adjusted NPAT/Revenue*	10.8%	13.4%	

*Adjusted to remove $0.5m of customer intangibles amortisation in FY 10/11

Balance Sheet and Cash Flow

- Balance sheet strength utilised in the period to support business growth plans
- Reduction in net working capital level due to receipt of $18m of advance progress payments from customers just before the year-end for orders to be completed in FY11/12 and beyond
- Period-end cash balances remained strong, after funding of significant capex program
- Acquisitions - Pilbara Hire Group, Phillips Engineering and COR Cooling - funded by internal cash resources and bank debt during the period
- Although gross debt levels have increased, the net gearing ratio of ~12% is well within industry averages and bank convenant requirements
- Strong AUD/USD exchange rate also continued to have a favourable impact on the value of USD-denominated debt
- 12-month rolling EBIT interest cover of 19 times and net debt:EBITDA ratio of 0.39:1
- Solid underlying operating cash flow in the period with improved customer payment schedules and benefit of some significant advance payments from customers
- Total capex of $24.5m in the year, mainly comprising of investment in the new ‘La Negra’ workshop in Chile, the property and new workshop on Batam Island (Indonesia), initial payments for property and construction of the new workshop in Colombia and the Hunter Valley property and workshop

	Jun 11 $m	Jun 10 $m	Change
Working capital	-4.52	13.86	
Property, plant and equipment	53.67	30.27	+77%
Total assets	223.78	139.71	+60%
Total liabilities	120.04	53.05	+126%
Net assets	103.74	86.59	+20%
Cash	37.42	21.13	+77%
Gross Debt	51.17	23.28	+120%
Net Debt	13.75	2.15	
Net Gearing % (net debt/net debt plus equity)	11.7%	2.4%	

	FY 10/11 $m	FY 09/10 $m	Change
Operating cash flow	43.77	13.28	+230%
Investing cash flow	-53.06	-29.23	+82%
Financing cash flow	27.80	11.99	+132%
Total cash flows	18.51	-3.97	

Business Update - Australia

Queensland:

Brisbane:

- » Workload on hand is already at budgeted levels for the complete current financial year, with the first half of FY 12/13 now beginning to fill up
- » Maintaining improved levels of productivity and operating margins
- » Expected to provide another solid contribution to the group in the FY 11/12 financial year

Mackay:

- » Forward orders out till late 2nd half of the current financial year with further orders expected
- » Increased level of repair and maintenance services
- » Operating margins stable with previous year
- » New machinery providing improved efficiencies and new service capabilities
- » Further rationalisation/expansion of the Mackay businesses to be examined in the 2nd half of the financial year

New South Wales - Hunter Valley:

- » Phillips Engineering business acquired at the beginning of November 2010
- » Business not performing to expectations
- » New management team in place early December 2011
- » New clients gained due to the tie-up of Brisbane and Hunter Valley operations and expanded capabilities
- » Established long-term service agreements with key customers already in place

Business Update - Australia

Western Australia:

Perth:

- Excellent forward work-loading until October 2012
- Strong second half FY11/12 expected
- First order received from the world's largest miner for new truck bodies
- Very high level of tendering activity
- Introduction of new, innovative designs and products trials have commenced with very successful initial results
- New markets being examined with the new and expanded product range

Pilbara Hire:

- Strong forward workload and order prospects with long-term contracts in place
- Operating challenges with the retention of personnel in the Pilbara region
- Further expansion of the business into new locations and clients now underway, subject to availability of accommodation for employees
- New operating and marketing tie-up arrangements between Austin WA and Pilbara Hire will lead to new revenue streams
- Expected to operate on budget for FY11/12

COR Cooling:

Queensland (Mackay) and Western Australia (Perth and Kalgoorlie):

- Operating as per expectations
- Acquisition of three smaller companies in Brisbane and South Australia completed between July and October 2011 to broaden national presence and increase market share
- Strong forward workloads

Business Update - Americas

North America - Westech, Wyoming:

» First half of FY11/12 above internal budgets but overall activity levels still below longer-term averages

» No real signs of a sustained increase in market activity in North America

» New clients based in North America and the Canadian Tar Sands successfully brought on board

» New products trialled very successfully resulting in the award of new orders

» Introduction of further new and improved products and designs already underway and being trialled by customers

South America:

Chile:

» Recent order intake (52 bodies for a Chilean mining customer and 10 bodies for a new Bolivian customer) and forward prospects are expected to lead to a very strong second half for FY 11/12

» New ‘La Negra’ facility complete and will operate at 80% of capacity in second half

» Gross margins at budgeted levels

» Introduction to the market of the full range of JEC products has yet to produce significant amounts of revenue but is a current focus for management

» Purchase of the business in Calama in northern Chile now completed which will increase Austin’s exposure to repair and maintenance operations in this important market

» Following the purchase of the Calama business a strong emphasis on repair and maintenance contracts is underway with tenders already having been submitted

Colombia:

» New greenfield workshop facility to be completed in December 2011

» First orders received with high tendering activity for equipment and repair and maintenance services

» Very strong acceptance in the market for Austin’s presence in the country

Business Update - Middle East and Indonesia

Oman - Masco joint venture, Sohar:

» Underlying four-year (to 2012) maintenance contract performing at good levels

» Excellent operating margins

» New tender for the next major aluminium smelter project - Emal Stage 2 - expected to be received in December 2011 (Masco was involved in stage 1)

» Sohar aluminium smelter stage 2 go-ahead decision expected in December 2011 (Masco heavily involved in stage 1)

» EBIT forecast as per pcp

Indonesia - Batam Island:

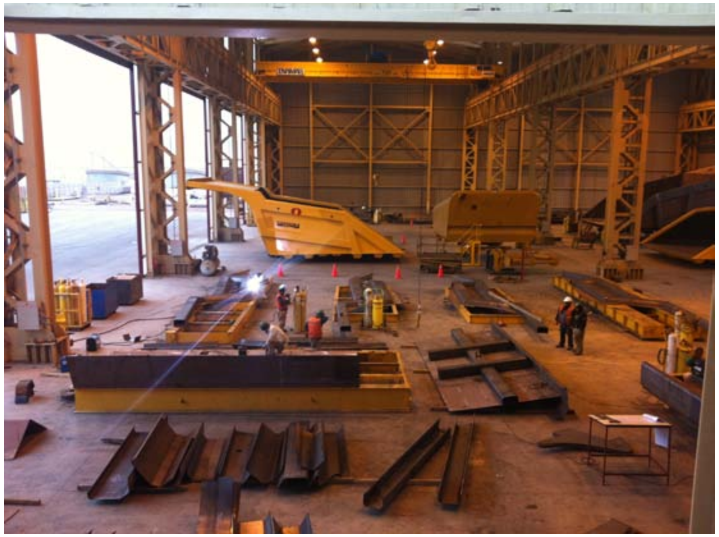
» New facilities opened October 2011

» Forward orders now received from existing and new customers, resulting in the workload stretching out to October 2012

» Efficiencies improving and expected to improve further as manufacturing commences on a series of orders for multiple dump truck bodies

» Trials of new JEC bodies underway with established customers

New Chile 'La Negra' Facilities

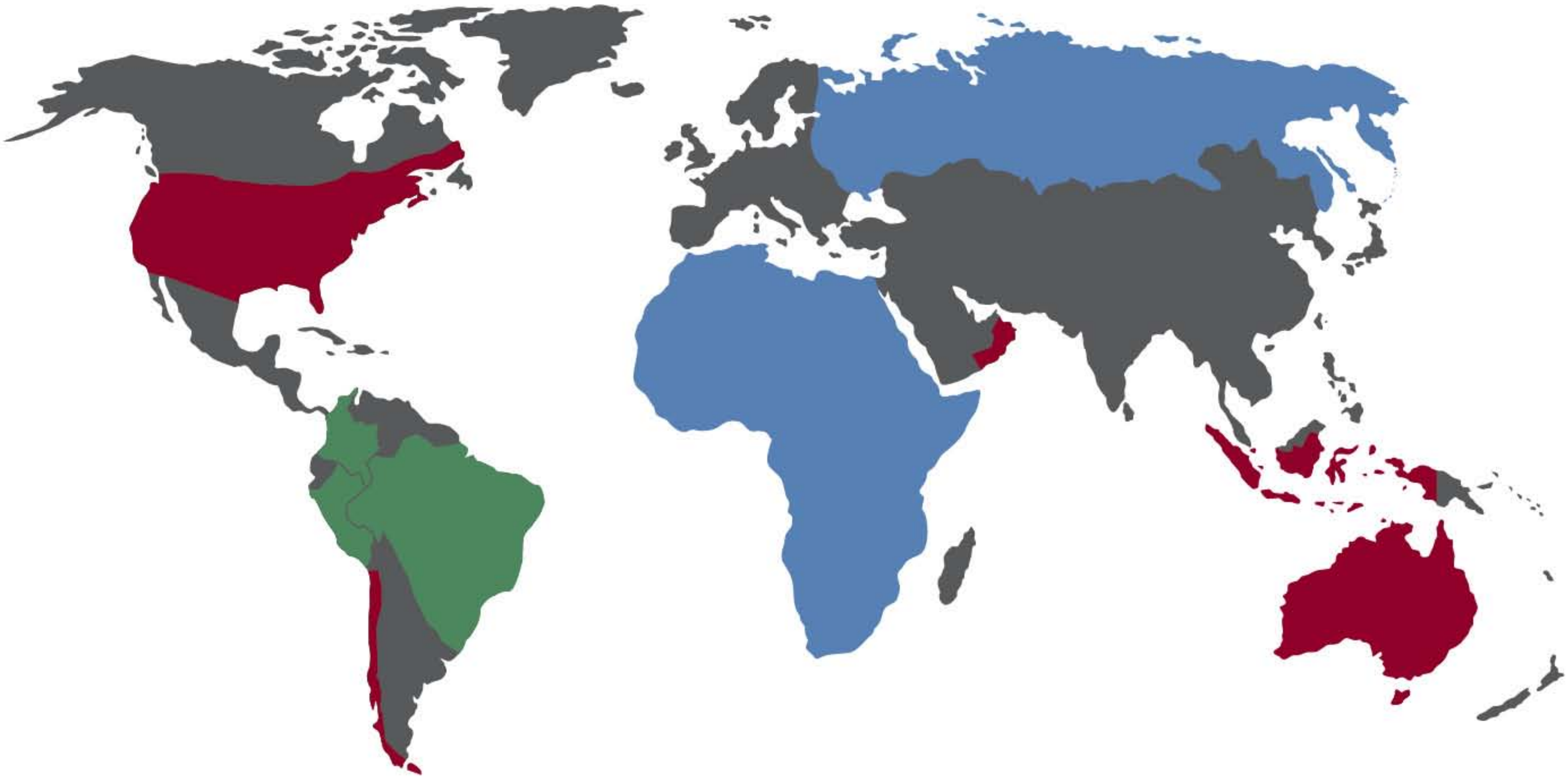


New Colombia and Indonesia Facilities

Above and Below: New workshop in Barranquilla, Colombia

Above: New workshop on Batam Island, Indonesia
Below: JEC bodies awaiting delivery to Indonesian customer

Existing Operations and Expansion Plans



Current operations 2011 **Current expansion plans** **Future expansion plans**

Expansion Plans Update

Peru:

» Following the award of the major equipment supply contract with Xstrata in June 2011, Austin is committed to having an operation to provide maintenance and other services in the region. Negotiations are currently underway with a potential acquisition target that will enable products to be manufactured and repaired in the region as well as to undertake maintenance services under the contract

» Target completion date for this acquisition is late December 2011 to January 2012

Brazil:

» Discussions underway with Brazil's largest miner for the supply of equipment and services under a global commercial arrangement

» The current scenario for the supply of equipment to this customer for its South American operations is for manufacture of products from our Chilean facilities due to cost/tax benefits for the customer

» Following formal presentations in November 2011, the outcome of these discussions is expected over the new 2-3 months

Africa:

» Currently supplying products to the country from Austin's facilities in Western Australia and Westech in North America

» During 2012 we will commence research on the viability of establishing one or more manufacturing facilities in the African continent

Russia/Mongolia:

» Products have already been supplied to Mongolia from Austin's Western Australia and Indonesian operations

» As with Africa, research will be undertaken during 2012 on the establishment of operations in these countries

Summary and Outlook

» Continue to establish and grow Austin as the premier supplier of products and the service of those products across the world

» Further introduction of new and advanced product ranges will open up new markets, revenue and profit streams

» Continuing diversification into other products used in the mining industry

» Further acquisitions and expansions, especially overseas, similar to our Australian growth strategy

» No foreseeable downturn in Austin's markets and demand for products and services

» Continued strong customer demand for the group's operations coming from both new and replacement equipment requirements

» Increase in the proportion of both repair and on-site maintenance revenue for our product ranges

» The new South American expansion initiatives will begin to provide additional profit contributions from the beginning of the second half of FY 11/12

» Increased revenue and profit going forward in the near and longer-term, leading to increased dividends paid

» Following high operational cash inflows in the second half of FY 10/11 (due to significant advance payments being received from customers), operating cash outflows will decrease in the first half of FY 11/12 but are expected to recover strongly in the second half of the year

» FY11/12 earnings expected to be strongly weighted towards the second half of the financial year, more so than in previous years, with an EBITA target of $40-45m for the year, based on current activities

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