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**ASX ANNOUNCEMENT (ASX Code: ANG)**

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### **Chairman's Address to Shareholders**

Good morning ladies and gentlemen.

Welcome to the 14th Annual General Meeting of Austin Engineering and thank you for joining us. My name is Jim Walker and I am your Chairman.

As it is now past 10.00am and a quorum is present, I declare this meeting open. You should have collected a coloured admission card at the registration desk as you entered the meeting room. You will need this card when it comes to voting on the motions being put to the meeting. If you do not have an admission card, can you please return to the registration desk and obtain one from there.

I will start the meeting with some safety and housekeeping matters.

In the event of an evacuation, the Brisbane Convention and Exhibition Centre staff will act as fire wardens and they will direct you safely from the building. Please follow the directions of the Centre staff.

As a courtesy, if you have a mobile phone, could you please check that it is switched off or turned on to silent.

The agenda for today's meeting will include an address by myself as Chairman, followed by our Managing Director's address and presentation. There will be time for questions before we commence the formal proceedings of the Annual General Meeting.

I am pleased to advise that notice of this meeting has been provided to shareholders in accordance with the requirements of the Corporations Act and with your permission I propose to take the notice of meeting as read. Additional copies of the notice of meeting are available from the registration desk.

I now take this opportunity to introduce your directors. Joining us today is our Managing Director, Peter Forsyth and your non-executive directors – Charlie Sartain and Chris Indermaur.

Our Chief Financial Officer and Company Secretary, Christine Hayward is also in attendance.

A number of our Austin team are with us today, along with the Company's auditor, Craig Jenkins from BDO. Mr Jenkins will be available to answer shareholder questions relating to the Financial Statements and Reports included in the 2017 Annual Report.

Today, we have two resolutions to consider, however, before we commence the formal part of the meeting, I am going to give a brief overview of the Company's performance and key activities over the past year.

I will then invite our Managing Director, Peter Forsyth to update shareholders on our current operations and strategic priorities for the Company.

After Peter's presentation, there will be an opportunity to ask questions.

I will now present my address to shareholders.

I will start by describing some of the key messages from our last financial year.

#### **Industry conditions have improved**

Market conditions have improved throughout the 2017 calendar year with major mining companies increasing their spending on replacement components for their fleets. Commodity prices have continued to strengthen resulting in increased opportunities for the mining sector.

**Austin has improved its products and services**

Austin has continued to improve its ability to supply a wide range of customised mining attachments that are designed by our experienced engineering team to meet client's very specific requirements, and are manufactured to the highest possible quality standard. As a result Austin products have become increasingly important to our clients.

Our engineering team research and development activities are constantly seeking new innovative product, and our latest designs deliver increased productivity and lower operating costs for both Austin and our clients.

**Austin's profitability has grown in comparison to recent years**

The Company's performance improved markedly during January 2017 to June 2017, as a result of the implementation of our internal strategies and improved market conditions.

Revenue of \$243.3 million is an increase of 24.5% in comparison to the 2016 financial year. The normalised EBITDA of \$14.3 million achieved for the second half of the 2017 financial year was an excellent outcome for Austin, given the first half breakeven result.

The Board has determined that no dividend will be declared for the year ended 30 June 2017.

**Our outlook is positive**

Based on results to date and visibility over committed orders, I would like to take this opportunity to confirm that the normalised EBITDA for the first half 2018 is expected to be in the range of \$10 million to \$12 million.

Austin's order book and committed work, support a high proportion of expected revenues over the next six months to March 2018. Client inquiries, orders received, tenders submitted remain high.

Based on the information available today our expectations are that profitability in the second half of the financial year 2018 will be similar to the first half. As with prior years, we expect to provide full year EBITDA guidance at the time of our half year results, in February 2018.

**The refinance of our Australian debt has been finalised**

As announced to shareholders and the market in our release this morning, I am pleased to advise that repayment has been made of each of our Australian debt facilities.

This is a great outcome for Austin, as the LIM term loan was due for repayment in July 2018, and the increased term associated with the new facilities provides greater financial stability for Austin into the future.

In closing, on behalf of the Board I would like to thank our employees for their dedication and hard work, during what has been a challenging and transformative period for the Company. Our people are critical to our success and I thank them for their efforts.

I also acknowledge our clients, subcontractors and suppliers who continue to be an essential part of our business. We value the strong relationships we have with our clients and we look forward to supporting their goals and aspirations well into the future.

To my fellow Directors, thank you for your continued support and efforts throughout the year.

Finally and most importantly, I would like to acknowledge our shareholders. We appreciate your patience and support and we look forward to delivering improved results in the years ahead.

Thank you.

I will now invite our Managing Director, Peter Forsyth to the lectern, to provide an update on our current operations and what lies ahead for the business.

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For further information, contact:

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