

## HEAD OFFICE

173 Cobalt Street (PO Box 64)  
Carole Park QLD 4300 Australia

**Ph** +61 7 3271 2622

**Fax** +61 7 3271 3689

**Email** enquiry@austineng.com.au

**Web** www.austineng.com.au

**ABN** 60 078 480 136

**austin**engineering LTD

## Chairman's Address to Shareholders at 2014 AGM

**Brisbane, 21 November 2014:** Austin Engineering Limited (ASX Trading code: **ANG**) is pleased to announce the Chairman's address to shareholders as presented at the Company's 2014 Annual General Meeting held today.

### Austin Engineering Ltd Chairman's Address

"I now have pleasure in delivering the Chairman's address. The financial year ended June 2014 was one of the most difficult years that your Company has ever faced. At last year's AGM I anticipated that performance in the first half would be considerably below the first half of the previous year, with a stronger second half. While this turned out to be true for the first half, unfortunately the challenges of this first six months continued, with the miners deferring expenditure on replacement products and repair and maintenance. Overall the results for the full year were revenues of \$210 million down 27% and an EBITDA of \$15.2 million, down 70%.

Due to this slowdown in the second half and the subsequent effect on cash flow, the Directors elected to keep the interim dividend payment at the same level as last year and cancel the final dividend.

Prior to the end of the 2013/2014 financial year the company renegotiated its banking covenants and was in compliance with them at 30th June 2014. Despite significant capital expenditure in South America during the year, gearing at year-end was 36%. This is, however, higher than we would like and the Managing Director, in his presentation, will address our plans to reduce the debt.

We continue to believe that our policy of strategic geographical locations, particularly our diversification strategy into South America, is correct. We have won a number of multi-year contracts off-shore and anticipate stronger growth in these regions than what we are currently seeing in Australia.

While the Company has budgeted for an increased full-year result in the current financial year, the challenges of the last eighteen months are continuing. We are however experiencing an increased level of activity. We are still firmly of the view that the miners cannot continue to extract record levels of commodities, but defer replacement products and repair and maintenance. As can be seen from last year's result, where a fall in revenues of \$80 million generated a decrease in EBITDA of \$36 million, your Company is heavily leveraged to any upswing in revenues.

In closing my address I would like to thank our Managing Director Mr Michael Buckland, his management and staff, for their efforts in a challenging year and also to acknowledge the valuable support of you, our shareholders.

I will now invite Michael to make his Managing Directors presentation. He will take you through the operational areas of the Company and highlight our expansion plans going forward."

**End**

For further information, contact Managing Director Michael Buckland or Chief Financial Officer Scott Richardson on +61 7 3271 2622.

---

**About Austin Engineering:** Austin Engineering Limited is an engineering company with manufacturing facilities in Australia, the USA, South America, and Indonesia. The Australian facilities manufacture, assemble, repair and maintain (on and off-site) 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, industrial radiator and cooling products as well as large structural steel projects. The USA facility (Westech) based in Casper, Wyoming, services the North American and Canadian mining markets and is an industry-leading designer and manufacturer of high-efficiency dump truck bodies. The operations located in Chile, Peru and Colombia manufacture, repair and maintain dump truck bodies and other mining products for their respective markets and, in Chile, also provide specialised heavy equipment lifting and transportation services for mining and industrial markets. The Indonesian production facility on Batam Island serves the equipment and service needs of mining and oil and gas-related customers in Indonesia and Asia. Austin also own rights to innovative and automated welding processes and these have been introduced into operations in order to improve production efficiencies. For more information visit [www.austineng.com.au](http://www.austineng.com.au).