



THE AUSTAL SUPPLIER NEWSLETTER / OCTOBER 2017

WELCOME



Hello and welcome to the first edition of All Hands, a newsletter created especially for our industry leading suppliers and partners who help us deliver advanced ships to customers around the world.

In 2017, we have launched a category management initiative across Austal's procurement that has seen a new team

established, with a strategic focus on longer term contracts for suppliers.

We have also merged the Philippines and Australian supply chain teams, allowing key equipment purchases for both Austal Australia and Austal Philippines to be managed by one team, with the delegation, knowledge and experience to develop effective, valuable partnerships with suppliers.

Penelope Patterson *Head of Supply Chain*

AUSTAL IN THE NEWS

RECORD RUN OF LARGE FERRY ORDERS IN 2017

Austal is proud to announce three major commercial export contracts, with a combined value of A\$298 million.

A 109m high-speed vehicle passenger catamaran ferry for Fjord Line of Norway was secured in August, followed by two 117m high-speed vehicle passenger trimaran ferries for long term customer Fred Olsen S.A of the Canary Islands, Spain in October.



109m High-speed Catamaran for Fjord Line



117m High-speed Trimaran for Fred Olsen S.A

The three all-aluminium vessels will be a hybrid build across the Philippines and Australian shipyards and provide opportunities for Austal's Australian supply chain to support production and fit out. Construction of the Fjord Line vessel is due to commence in Q4 2017, with delivery planned for January 2020.

SUPPLIER NEWS

/ The Pacific Patrol Boat Replacement (PPB-R) Project is now well underway, with the ceremonial keel laying for the first vessel (Hull 521) attended by the Minister for Defence Industry, the Hon Christopher Pyne MP on 31 July 2017. The nineteen 39.5m steel monohull patrol boats will be gifted to 12 Pacific Island nations from 2018-2023.



Austal PPB-R

/ Austal is bidding with German ship designer, Fassmer for the Australian Government's \$3 billion Offshore Patrol Vessel contract, comprising of twelve vessels for the Royal

Australian Navy in Adelaide SA and Henderson WA from 2018. To highlight supply chain opportunities for companies across Australia, Austal has been conducting OPV industry engagement forums in key metropolitan and regional centres attracting over 850 people to 10 events.



Austal Fassmer OPV80 RAN

/ With new defence contracts, such as PPB-R and OPV come an increased requirement for supplier information. This may include items such as intellectual property, corporate documentation and reporting data. Austal's Category Management team and our Contracts Specialist, Ulrich Schiller, are happy to meet with you or to discuss any of these requirements in more detail.

FOCUS SUPPLIER

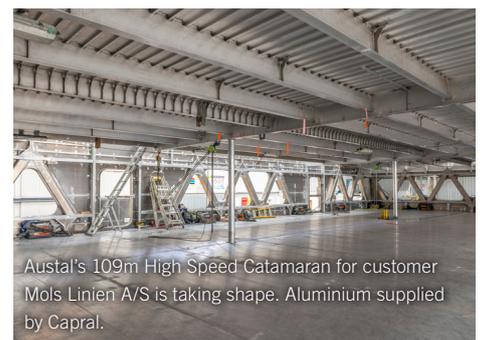


Capral Aluminium is Australia's largest manufacturer and distributor of aluminium products into the aviation, defence, transport and marine industries.

Capral offers rolled and extruded products and value-add finished product solutions, and has supplied aluminium plate and extrusions for every vessel built by Austal

for more than 25 years. Nigel Williamson, Capral's WA State Manager for Industrial Products told us that Austal is a National Top 10 Customer for Capral Aluminium and they were extremely proud to be Austal's major Aluminium supplier, and excited to be associated with one of the World's leading shipyards.

For more information on Capral Aluminium Industrial Solutions, visit www.capral.com.au or call Capral on +61 8 64991215.



Austal's 109m High Speed Catamaran for customer Mols Linien A/S is taking shape. Aluminium supplied by Capral.

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