

ASX ANNOUNCEMENT (ASX Code: ANG)

6 February 2019

Sale of Chile crane assets

Austin Engineering Limited (“Austin”) announces that it has entered into an agreement to sell a package of 13 cranes to a local crane dealership in Chile for \$7.3 million. This represents a gain of \$0.5 million based on book values after impairments recorded on 30 June 2018. Settlement is expected mid-February 2019, with funds utilised to repay finance leases and finalise employment arrangements with remaining staff.

Austin is in discussions with multiple parties in South America to sell the remaining crane, forklift and other assets which have a combined impaired book value of \$5.4 million. Austin is retaining assets totalling an impaired book value of \$1.0 million for long-term client leases and for use within its core Chilean business.

A contract of sale has been signed for the crane business operating property in La Coipa, Chile for net proceeds of \$3 million. The sale is expected to be completed by 30 June 2019 and will realise a net profit on sale of \$1 million.

Austin has also recently completed the sale of its vacant Peru workshop in Lurin for net proceeds of \$2 million, representing a net gain on the sale of \$1 million. Peru’s operations were moved to a rented facility in Arequipa earlier in calendar year 2018.

Following completion of these transactions, Austin’s debt position in the South American region is expected to reduce from \$20.5 million in 30 June 2018, to approximately \$8 million.

Mr Peter Forsyth, Managing Director of Austin, said “The sale of a significant proportion of our mobile crane assets and crane operating facility in Chile represents a continuation of our strategy to divest Austin of non-core assets and operations and reduce debt. The reduction in borrowings will further strengthen the balance sheet and enhance the potential returns from the South American region through reduced debt servicing costs.”

The Company maintains its focus on reduction of net debt and divestment of non-core assets with a view to directing its capital towards growth in core operations and improving its capital structure and shareholder returns.

End

For further information contact:

Peter Forsyth – Managing Director on +61 7 3723 8600
Sam Cruickshank – Chief Financial Officer on +61 7 3723 8600

Media - Giles Rafferty, FIRST Advisers on +61 481 467 903

About Austin Engineering: An Australian based engineering company, headquartered in Brisbane, with operations in Australia, Asia, North and South America. In Australia Austin manufactures, assembles, repairs and maintains (on and off-site) products used in the mining and resources sector. Key product lines include dump truck bodies, water tanks, excavator buckets and materials handling equipment. In Australia and South America specialised field services to the mining industry are provided by Austin's site services divisions. The equipment and service needs of mining and oil and gas-related customers in Asia are delivered through a world class production facility on Batam Island in Indonesia. Austin's facility in the USA is based in Casper, Wyoming and is an industry-leading designer and manufacturer of high-efficiency dump truck bodies and water tanks. It services the North American, Mexican and Canadian mining markets. In South America, Austin has operations located in Chile, Peru and Colombia that manufacture, repair and maintain dump truck bodies and other mining products for their respective markets. For more information visit www.austineng.com.au