



Forgacs Engineering is playing a greater role in the \$8 billion Air Warfare Destroyer project securing an extra two AWD blocks and providing more shipbuilding work for Newcastle and the Hunter Region.

The construction of three Hobart Class Air Warfare Destroyers for the Royal Australian Navy is the largest naval shipbuilding contract in Australia and Forgacs is part of the team building the AWDs.

Adelaide-based ASC is the lead shipbuilder for the project with the project managed by the AWD Alliance – the project execution organisation including ASC, Raytheon and the Defence Materiel Organisation.

Forgacs has been awarded 40 hull blocks thus far, making it the leading block supplier for the project. A total of 90 modules or hull blocks will be constructed for the three vessels (30 per vessel), each fitted with electricals and plumbing.

Construction started on AWD blocks at the expanded Newcastle Defence Shipyard recently with assistance from the NSW Government. This complements Forgacs' Tomago Defence Shipyard, now largely dedicated to AWD block build.



At peak production, AWD work at Newcastle Defence Shipyard should provide jobs for more than 180 people.

Work on the warships is currently underway at four shipyards – Forgacs’ facilities in Tomago and Newcastle, BAE’s facility in Williamstown and the ASC South shipyard in Adelaide. Hull construction is progressing on 30 of the 31 hull blocks for the first ship which will be named HMAS Hobart. The second will be known as HMAS Brisbane and the third HMAS Sydney.

The three ships and their support systems will be delivered to the Royal Australian Navy from 2015. They will represent a significant increase in the air warfare capabilities of the Australian Defence Force with one of the world’s most advanced multi-mission warships.

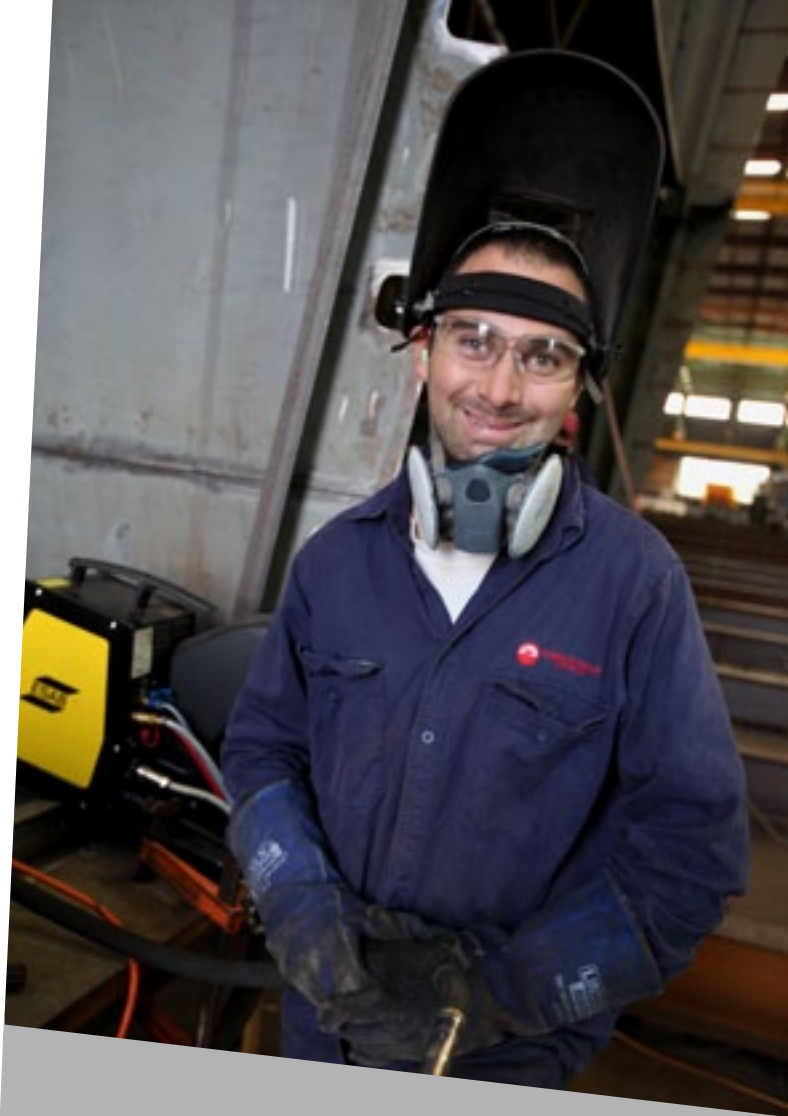
ASC is well advanced on blocks for the decking and main superstructure components and will consolidate all the blocks into complete ships. This will be followed by integration, commissioning and trials. BAE Systems is working on the ‘keel’ blocks. Forgacs is working on blocks for the aft superstructure and the bow.

Forgacs General Manager Tony Lobb said there were many advantages working in the Hunter including the deep-water harbour facilities and the region’s industry-ready labour force.

Forgacs recently expanded its Newcastle Defence Shipyard, taking out a 10-year lease from the Newcastle Port Corporation on a purpose-designed marine build site previously used for luxury super yacht construction.

Further AWD block work would also give Forgacs the opportunity to prepare for a future major subcontractor role on subsequent major Defence marine contracts.

As such, Forgacs said it was looking strategically at contracts such as the \$1.8 billion SEA1180 contract, future frigates and future submarine contracts.



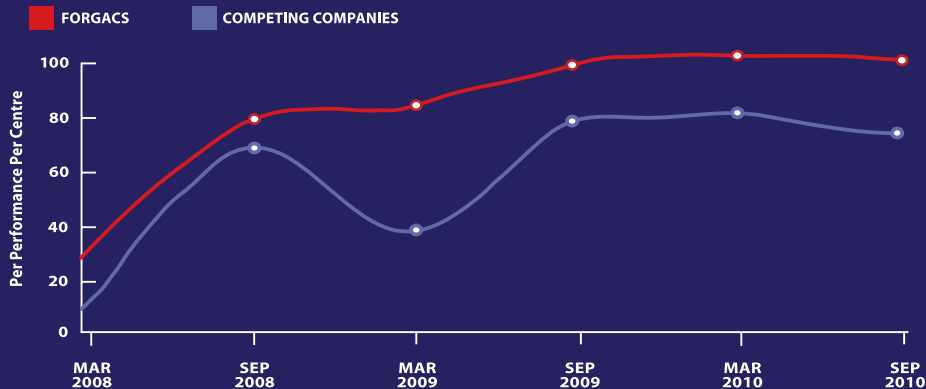
Air Warfare Destroyer by the Numbers

Each vessel is:

- Is 147m long – longer than an Australian football field.
- Has 51 kilometres of piping;
- 427 kilometres of electrical cable;
- 2,500 tonnes of structural steel;
- 6 kilometres of rope;
- 1.5 million fasteners;
- 4,700 mechanical valves; and
- 137,800 litres of paint.

FORGACS PERFORMANCE OVERVIEW

Forgacs performance compared to other companies in areas of defence technology.



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