



# HALF YEAR TO 31 DEC 2012

## RESULTS PRESENTATION

26 FEBRUARY 2013

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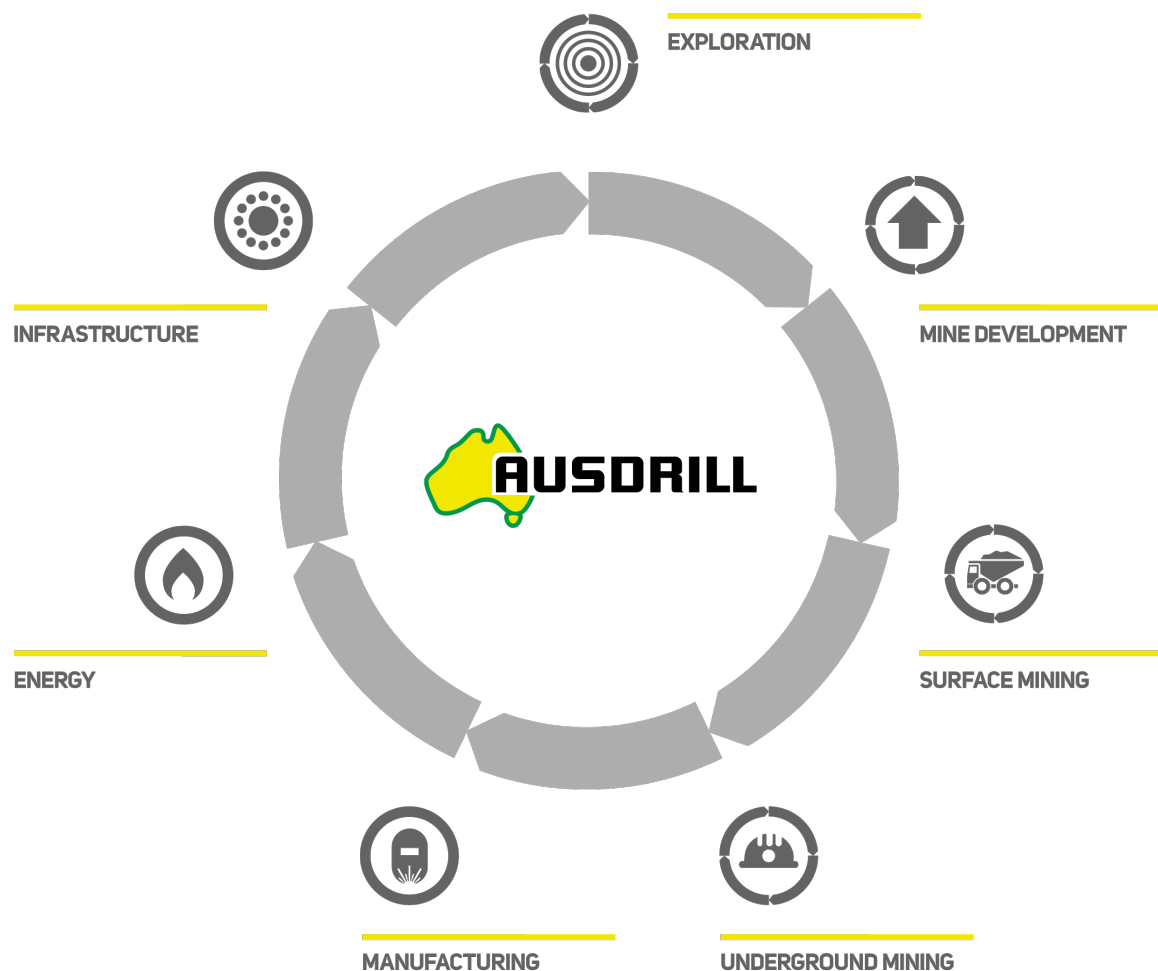
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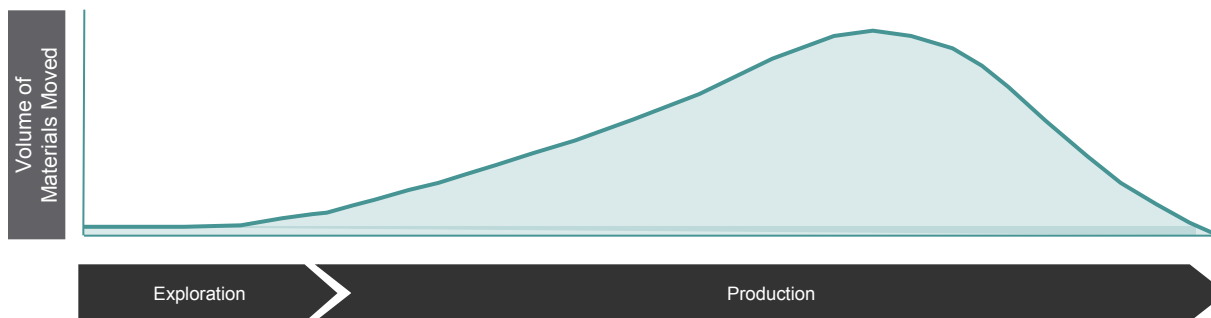


# BUSINESS OVERVIEW

## Focused on the Production Phase of the Mining Lifecycle



## Ausdrill Revenues Driven by Material Moved

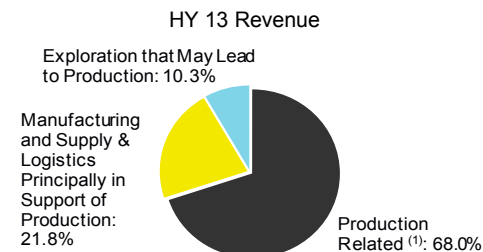


	Exploration	Development	Mining	Rehabilitation / Closure
Key Ausdrill Services	<ul style="list-style-type: none"> <li>• Exploration drilling</li> <li>• Manufacture of drill rigs and components</li> <li>• Mineral analysis</li> <li>• Waterwell drilling (artesian bores)</li> <li>• Supply and logistics</li> </ul>	<ul style="list-style-type: none"> <li>• Drill &amp; blast</li> <li>• In pit grade control</li> <li>• Waterwell drilling</li> <li>• Manufacture of drill pipe, hammers, bits and consumables</li> <li>• Earthmoving</li> <li>• Equipment hire</li> <li>• Mineral analysis</li> <li>• Explosives supply</li> <li>• Supply and logistics</li> </ul>	<ul style="list-style-type: none"> <li>• Drill &amp; blast</li> <li>• In pit grade control</li> <li>• Load and haul and crusher feed</li> <li>• Waterwell drilling</li> <li>• Manufacture of drill rigs and dump truck bodies</li> <li>• Manufacture of drill pipe, hammers, bits and consumables</li> <li>• Equipment hire</li> <li>• Mineral analysis</li> <li>• Explosives supply</li> <li>• Supply and logistics</li> </ul>	<ul style="list-style-type: none"> <li>• Waste dump rehabilitation</li> <li>• Supply and logistics</li> <li>• Equipment hire</li> </ul>
Key Driver	View on Mining Cycle	IRR of a Project	Cash Cost – Production vs. Realised Prices	Regulatory / Reputational
Volatility	Highest – Exploration delayed first in times of uncertainty. Exposure to majors helps reduce volatility	High – Project delays if demand contracts	Low – Production volume typically remains stable	Rehabilitation driven by end of mine

Note

1. Comprises of Drill & Blast, Contract Mining Services Africa, Equipment Hire, Waterwell Drilling

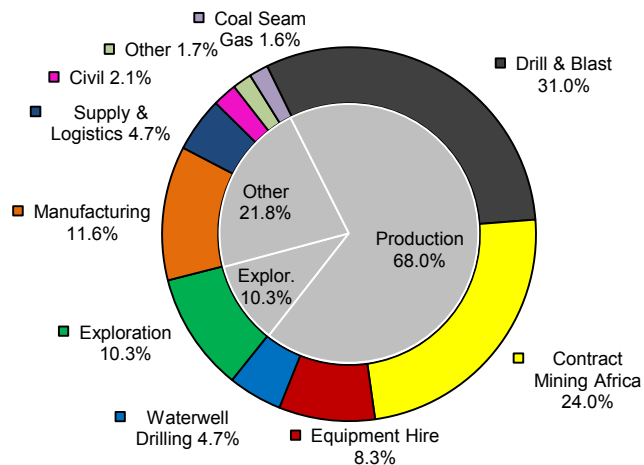
## Majority of Revenue Production Related



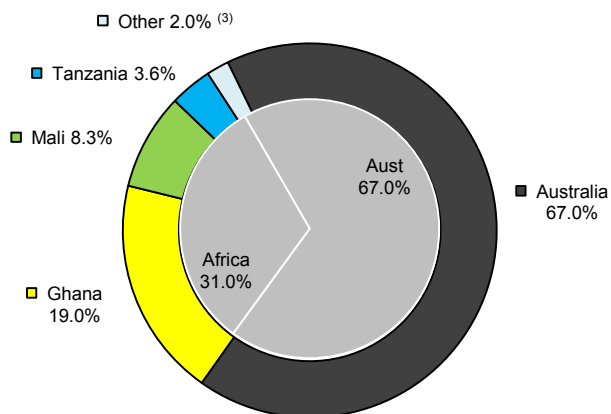
## Specialized Services that are Critical to Production

- ✓ Revenue related to volume of material moved or metres drilled
- ✓ Typically the exclusive provider of mining services to the mines where it is contracted
- ✓ Ausdrill services typically require specialised equipment and labour. Without our services, the mines cannot produce
- ✓ Exploration contracts a gateway into providing future production services

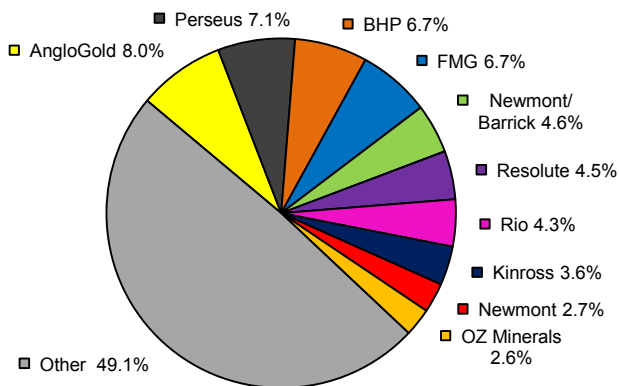
## Sales Revenue By Business Activity <sup>(1)</sup>



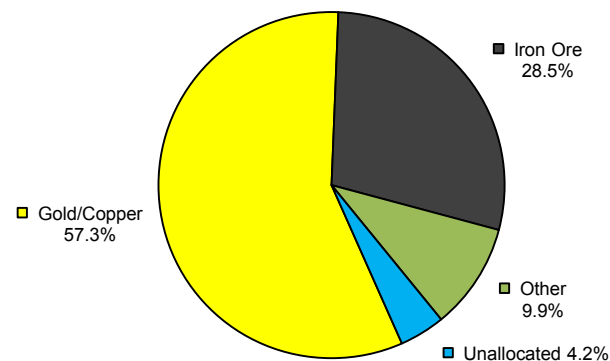
## Sales Revenue By Geography <sup>(1)</sup>



## Sales Revenue By Top 10 Customers <sup>(1)</sup>



## MSA and CMSA Sales Revenue by Commodity <sup>(4)</sup>



### Notes

1. Based on HY13 sales to external customers; HY13 Actual, Figures may not add due to rounding
2. Excludes exploration services undertaken in Africa – which are classified as “exploration”
3. Includes Supply Direct operations in U.K.
4. Based on HY13 sales revenue for Mining Services Australia (MSA) and Contract Mining Services Africa (CMSA) – representing 87% of total external revenue



# HALF YEAR HIGHLIGHTS AND RESULTS OVERVIEW



## Overview

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- Good performance achieved against a backdrop of a marked slow down in the sector
- Profits at an operational level (adjusted EBITDA and EBIT) better than prior corresponding period
- Slowdown evident in Australia in equipment hire, exploration, scaling back at FMG and less spending by mining companies
- Work commenced at Syama – largest contract for Ausdrill
- Conditions in Mali remain stable for the operations
- Capex spend in second half to be restricted
- Acquisition of BTP completed and integration underway as well as pursuit of synergies and opportunities
- Financing restructure completed with long term debt facilities now in place
- Fully franked dividend maintained
- Outlook for improved performance in second half

## Financial Performance

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Sales Revenue up 13.5% to \$578.8 million

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Attributable NPAT down 11.9% to \$48.1 million

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EBITDA up 0.6% to \$143.5 million

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EBIT down 6.4% to \$81.1 million

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PBT down 21.9% to \$61.4 million

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Significant items impacted reported NPAT by \$9.3 million

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Basic EPS down 13.1% to 15.72 cents per share

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Half Year interim DPS maintained at 6.5 cents per share

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Return on average capital invested<sup>1</sup> decreased from 14.5% to 10.6%

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1. Return on average capital = After tax EBIT/sum of average receivables, inventories, P,P&E, intangibles, associates less trade payables and current tax payable

## Operational Performance

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- Margins impacted by:
  - Decreased contribution from Manufacturing
  - Lower equipment deployment in equipment hire and exploration
  - Significant expenses being: unrealised FX losses; bad debt; debt restructuring costs and acquisition of BTP.
- Partially offset by:
  - Improved performance from AUMS JV
  - Improved performance from contract mining in West Africa
- 5 year mining services contract awarded by Resolute at Syama Gold Mining operation in Mali
- Renewals of contracts with KCGM (Superpit) and OZ Minerals (Prominent Hill)
- LOI received from Evolution Mining for drill and blast services over 4 years at Edna May Gold Mine
- Group employees (including AUMS JV) increased to 6,441 from 5,054 in corresponding half, mainly in Africa

## Strategic Performance

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- Complete mining services strategy in place:
  - Acquisition of BTP extends capability into equipment parts and sales
  - MinAnalytical ramping up operations and XRF installation underway
  - Connector Drilling fleet expanded to 12 at December 2012, with 3 additional rig suites being added in FY2013
  - Energy Drilling Australia fleet expanded from 2 to 3 with expansion into well servicing equipment
  - Rationalisation of Australian manufacturing businesses being planned
- Capacity increased with \$127 million investment in plant and equipment with over half in Africa (mainly Syama contract)
- Gearing (Net Debt: Net Debt & Equity) at 38% as at 31 December 2012
- A\$300 million Syndicated Finance Facility finalised
- US\$300 million Guaranteed Senior Unsecured Notes offering completed



# FINANCIAL PERFORMANCE

6 MONTHS TO 31 DECEMBER 2012



A\$ million	6 months to Dec 11	6 months to Jun 12	6 months to Dec 12	% Change from previous corresponding period
<b>Sales Revenue</b>	509.9	549.2	578.8	13.5%
<b>EBITDA</b>	142.7	145.8	143.5	0.6%
<i>EBITDA Margin <sup>(1)</sup></i>	28.0%	26.5%	24.8%	(320 bp)
<b>EBIT</b>	86.7	85.6	81.1	(6.4%)
<i>EBIT Margin <sup>(2)</sup></i>	17.0%	15.6%	14.0%	(300 bp)
<b>Profit attributable to Ausdrill</b>	54.6	57.6	48.1	(11.9%)
<i>Net Profit Margin <sup>(3)</sup></i>	10.7%	10.5%	8.3%	(240 bp)
Return on Average Capital <sup>(4)</sup>	14.5%		10.6%	(390 bp)

- Revenue at record levels
- Profits and margins impacted by slowdown in equipment hire, exploration, reduction at FMG and significant items

1) EBITDA Margin = Profit from continuing operations plus depreciation and amortisation expense plus net finance costs as a % of sales revenue

2) EBIT Margin = Profit from continuing operations plus net finance costs as a % of sales revenue

3) Net Profit Margin = Profit from continuing operations as a % of sales revenue

4) Return on average capital = After tax EBIT/sum of average receivables, inventories, P,P&E, intangibles, associates less trade payables and current tax payable

A\$ million	6 months to Dec 11	6 months to Dec 12
Unrealised foreign exchange gains/(losses)	2.5	(1.7)
Bad debt provision against Central Norseman Gold (in Administration)	-	(5.1)
Costs in relation to the restructure of Ausdrill's financing arrangements	-	(3.0)
Amortisation of intangibles in relation to Brandrill and Connector	(2.6)	(2.4)
Acquisition costs and amortisation/expensing of fair value uplift required under Accounting Standards in relation to the BTP acquisition	-	(6.0)
Contract variations recorded by AUMS	-	3.4
Gain on acquisition of EDA	0.5	-
Additional tax charge resulting from changes to Law	(2.3)	-
Tax effect on above	(0.4)	5.5
<b>Effect on Net Profit After Tax</b>	<b>(2.3)</b>	<b>(9.3)</b>

- Significant items are highlighted as these items are either non-recurring or do not reflect the underlying operational profitability of the businesses

A\$ million	6 months to Dec 11	6 months to Jun 12	6 months to Dec 12	% Change from previous corresponding period
<b>Sales Revenue</b>	509.9	549.2	578.8	13.5%
<b>EBITDA</b>	139.6	145.3	151.5	8.1%
<i>EBITDA Margin <sup>(1)</sup></i>	27.4%	26.5%	26.2%	(120 bp)
<b>EBIT</b>	86.2	86.9	92.8	7.1%
<i>EBIT Margin <sup>(2)</sup></i>	16.9%	15.9%	16.0%	(90 bp)
<b>Profit attributable to Ausdrill</b>	56.9	59.8	57.4	0.8%
<i>Net Profit Margin <sup>(3)</sup></i>	11.1%	10.8%	9.8%	(130 bp)
Return on Average Capital <sup>(4)</sup>	14.6%		11.9%	(270 bp)

- The adjusted financial performance reflects the resilience of the Ausdrill group as a result of geographic and product diversity

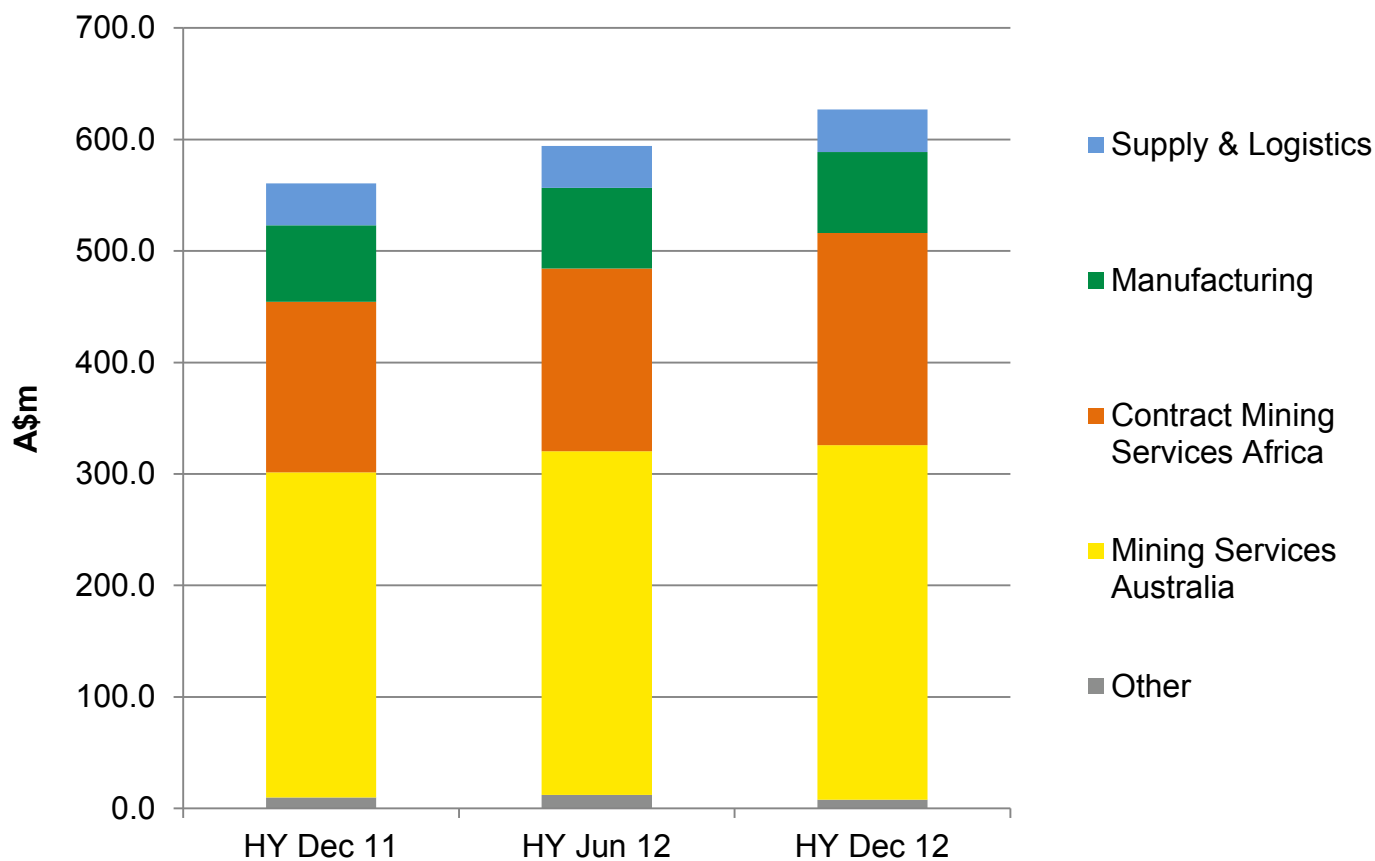
1) EBITDA Margin = Adjusted Profit from continuing operations plus depreciation and amortisation expense plus net finance costs as a % of sales revenue

2) EBIT Margin = Adjusted Profit from continuing operations plus net finance costs as a % of sales revenue

3) Net Profit Margin = Adjusted Profit from continuing operations as a % of sales revenue

4) Return on average capital = Adjusted After tax EBIT/sum of average receivables, inventories, P,P&E, intangibles, associates less trade payables and current tax payable

## Sales Revenue Composition (pre eliminations)

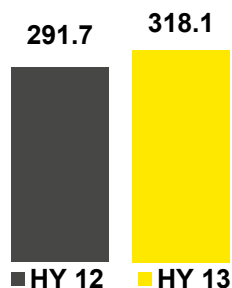


- Revenue increased in all segments except Other

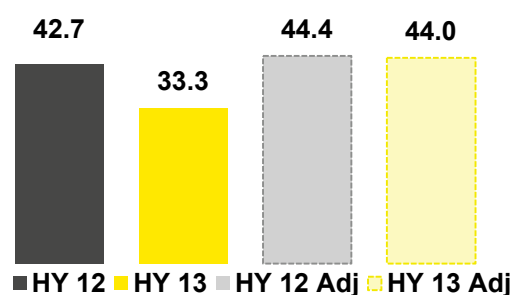
## Performance by Segment

### MINING SERVICES AUSTRALIA

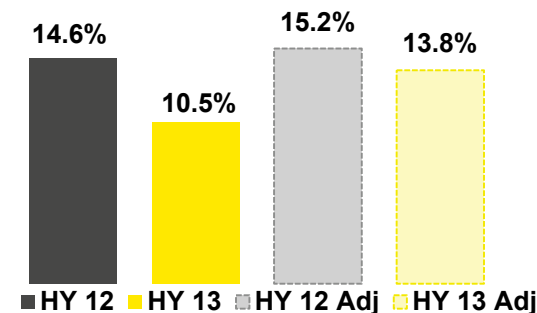
Sales Revenue (\$m)



EBIT (\$m)



EBIT Margin



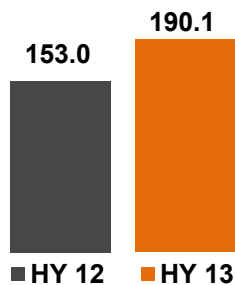
- Revenues impacted by slowdown in mining activity from September 2012 particularly at FMG, equipment hire and exploration services
- BTP acquired 31 Oct 2012 and equipment hire business integrated with Ausdrill Mining Services
- Parts and equipment sales lower than expected due to industry slowdown especially on East Coast
- Improved performance from Drill and Blast from key contracts renegotiated in 2012
- MinAnalytical now fully operational and XRF capability being installed (Operating loss of \$2.7 million)
- Waterwell drilling seeing increased competition in sector and increasing compliance costs
- Reported margins include effects of significant items with adjusted results shown above



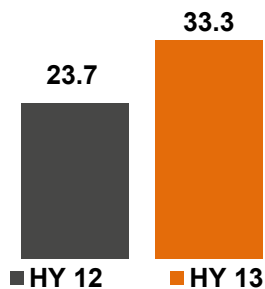
## Performance by Segment

### CONTRACT MINING SERVICES AFRICA

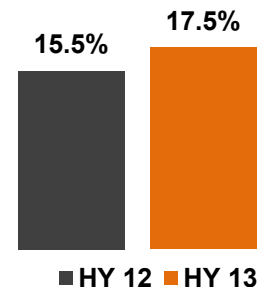
Sales Revenue (\$m)



EBIT (\$m)



EBIT Margin



- Revenues higher from increased level of activity
- Syama contract in Mali commenced in the half and now fully mobilised
- Planning underway for re-deployment of fleet at Yatela in Mali and Chirano in Ghana as contracts near completion
- Exploration services hampered by weather in Burkina Faso
- African Underground Mining Services (50% owned) contributed net profit of \$13.1 million (HY12: \$6.4 million) and is excluded from above results
- Effect of high A\$ has had negligible impact on reported earnings this half as average rates similar to corresponding period

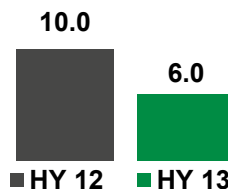
## Performance by Segment

### MANUFACTURING

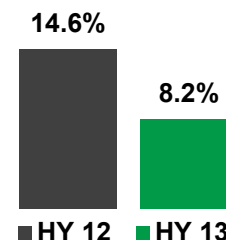
Sales Revenue (\$m)



EBIT (\$m)



EBIT Margin

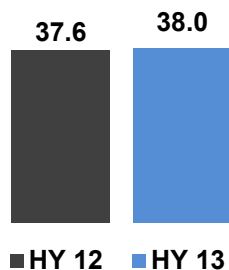


- DT HiLoad reported increased sales in the period whilst Drilling Tools Australia (DTA) and Remet Engineers recorded lower sales and profits
- Intersegment sales amount to \$32.3 million
- External sales make up more than half of segment sales
- DTA awaiting results of tender for supply of drilling consumables
- Rationalisation under way at DTA and Remet and new GM appointed
- Reported margins include effects of amortisation of intangibles of \$0.5 million (HY12: \$0.3 million)

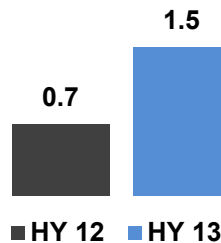
## Performance by Segment

### SUPPLY AND LOGISTICS

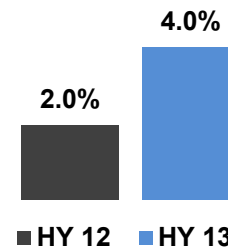
Sales Revenue (\$m)



EBIT (\$m)



EBIT Margin

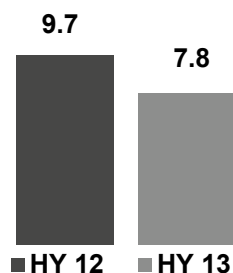


- Intersegment sales amount to \$15.5 million
- External sales amounted to 59% of total sales
- Good contribution from Logistics Direct in Ghana as a result of increased activities in the region

## Performance by Segment

### ALL OTHER

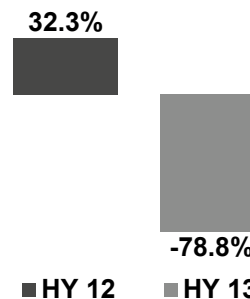
Sales Revenue (\$m)



EBIT (\$m)



EBIT Margin



- Comprises Diamond Communications, Properties and Corporate overheads
- Diamond Communications reported improved result from operations in western half of Australia
- EBIT includes unrealised FX gains, debt restructure costs and acquisition costs for BTP. Adjusted earnings above reflect the underlying results for the segment

## BTP Acquisition

Ausdrill acquired BTP on 31 October 2012 for \$161.3 million on a cash/debt free basis.

A\$ million	Book values	Fair Value adjustments	Fair Value at acquisition
Plant & Equipment	43.4	12.5 <sup>(1)</sup>	55.9
Intangible Assets	-	1.6 <sup>(2)</sup>	1.6
Goodwill	-	41.9	41.9
Inventories	55.4	10.5 <sup>(3)</sup>	65.9
Receivables	22.0	-	22.0
Payables	(23.7)	-	(23.7)
Other items – net	(2.3)	-	(2.3)
<b>Total</b>	<b>94.8</b>	<b>66.5</b>	<b>161.3</b>

(1) To be depreciated over remaining asset life

(2) To be amortised over life of customer contracts

(3) To be expensed as cost of sales as inventory is sold



## BTP Acquisition

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- ❑ Integration of acquisition is under way
- ❑ Identification of opportunities and synergies in progress as follows:
  - BTP undertaking feasibility of establishing a base in West Africa to service that market. AMS can provide springboard.
  - AMS has a large fleet of equipment and BTP can provide a portion of the parts required, other than those that must be provided under warranty from suppliers.
  - BTP provides options for sale of old or obsolete equipment or breakdown into components for resale
  - BTP provides global procurement options for parts
  - Integration of equipment hire fleet provides better options for clients
  - BTP to provide maintenance facilities for Ausdrill equipment that would have been outsourced
  - Cross selling opportunities between BTP and other business units

**CONTRACT MINING SERVICES**
**AFRICAN UNDERGROUND MINING SERVICES**

Ausdrill share of African Underground Mining Services on a pro-forma basis and adjusted for back claims

<b>A\$ million</b>	<b>6 months to Dec 11</b>	<b>6 months to Jun 12</b>	<b>6 months to Dec 12</b>
<b>Revenue</b>	52,032	63,397	<b>70,531</b>
<b>EBITDA</b>	13,713	18,016	<b>19,162</b>
<i>EBITDA Margin</i>	26.4%	28.4%	27.2%
<b>EBIT</b>	8,688	11,230	<b>11,297</b>
<i>EBIT Margin</i>	16.7%	17.7%	16.0%
<b>Profit before tax</b>	7,617	9,543	<b>10,055</b>
<b>Net profit after tax</b>	6,431	8,955	<b>9,762</b>

- Revenues and profits rising as AUMS increases activity levels
- Currently focussed in Ghana, Burkina Faso and Mali
- Contract renewals due at Gara and Yalea in Mali
- Reported results include variation claims relating to prior periods of \$3.4 million (50% share)
- The reported segment results for Contract Mining Services - Africa only includes the equity accounted share of profits of African Underground Mining Services (50% owned)

## Balance Sheet

A\$ million	As at Dec 12
Cash and cash equivalents	85.0
Receivables	223.3
Inventories	262.5
Property, plant and equipment	826.1
Intangibles	73.1
Other Assets	84.7
<b>Total Assets</b>	<b>1,554.7</b>
Payables	159.7
Borrowings	566.2
Provisions	12.0
Other Liabilities	39.6
<b>Total Liabilities</b>	<b>777.5</b>
<b>Shareholder Equity</b>	<b>777.2</b>

Note: Columns may not add due to rounding

- At 31 December 2012 the Group had net debt of \$481.2 million
- NTA per share increased to \$2.28 per share

## Cashflow

A\$ million	6 months to Dec 12
Operating cash flows after interest and tax	52.9
Debt repayments	(524.2)
Capital expenditure	(110.9)
Proceeds from asset disposals	1.9
Share issue proceeds	8.2
Proceeds from secured borrowings	431.7
Proceeds from unsecured borrowings	287.0
Purchase of business	(161.3)
Loan to Associates	(0.5)
Other movements	(7.3)
Cash flow before shareholder return	(22.7)
Dividends	(19.0)
<b>Net Cash Flow</b>	<b>(41.7)</b>

Note: Columns may not add due to rounding

- Operating cash generated during period impacted by increase in working capital
- High level of capex to cater increase in activity mainly in Africa
- Excludes capex under Hire Purchase agreements of \$14.7 million

Working Capital Changes since June 2012	A\$m
Receivables	(25.0)
Inventories	10.2
Payables	38.6
<b>Net Increase</b>	<b>23.8</b>

*Excludes impact of BTP acquisition with  
net working capital at acquisition of  
\$64.1 million*

## Capital Expenditure

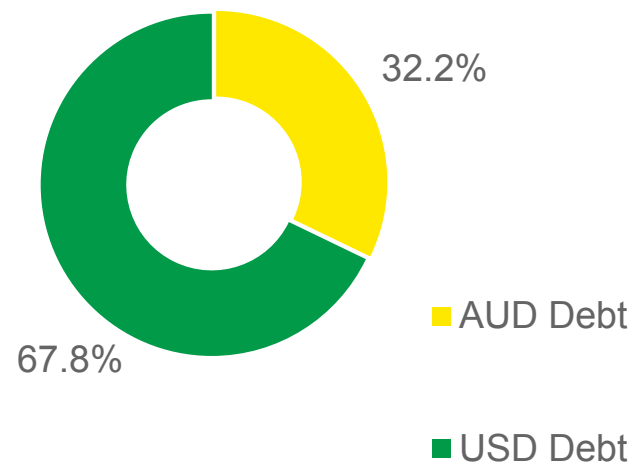
A\$ million		6 months to Dec 12
Australia	▪ Drill & Blast, Exploration, Connector, EDA	39.9
	▪ Mining Services (Equipment Hire)	14.4
		<b>54.3</b>
Africa	▪ Ghana	21.0
	▪ Mali	44.5
	▪ Tanzania	1.3
	▪ Zambia	1.1
	▪ Burkina Faso	(0.1)
		<b>67.8</b>
Manufacturing		4.1
Supply & Logistics		0.0
Other		1.2
<b>TOTAL</b>		<b>127.4</b>

- Net capex spend in 6 months to 31 December 2012 of \$127 million (incl HP's of \$14.7)
- Depreciation of \$59.4 million
- Balance of FY2013 capex dependant on new work



## Group Debt Position

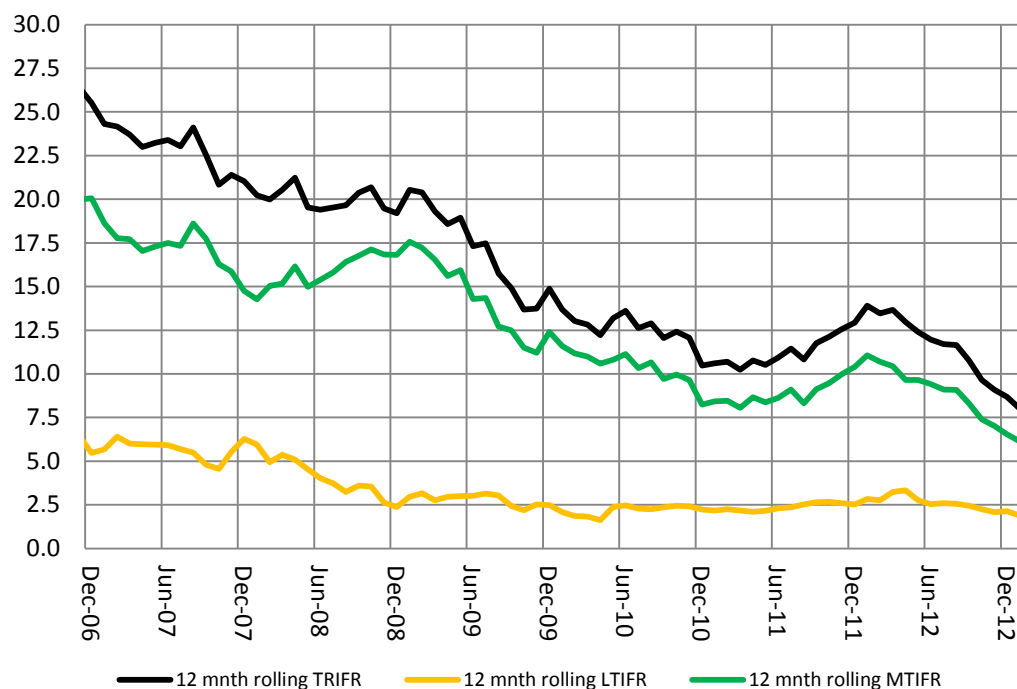
- At 31 December 2012 the Group had gross debt of \$566 million, net debt of \$481 million
- USD debt naturally hedged with African business
- Gearing (Net Debt : Net Debt & Equity) is 38%
- Net Interest Cover (Adj EBITDA: Adj Net Interest) of 9.1x
- Net Debt: adjusted EBITDA of 1.58x
- No off balance sheet debt – no operating leases are used for P&E
- AUMS JV is separately funded and is not included on balance sheet as it is equity accounted
- A\$300 million Syndicated Finance Facility finalised
- US\$300 million Guaranteed Senior Unsecured Notes offering completed with 7 year term





# SAFETY AND PEOPLE

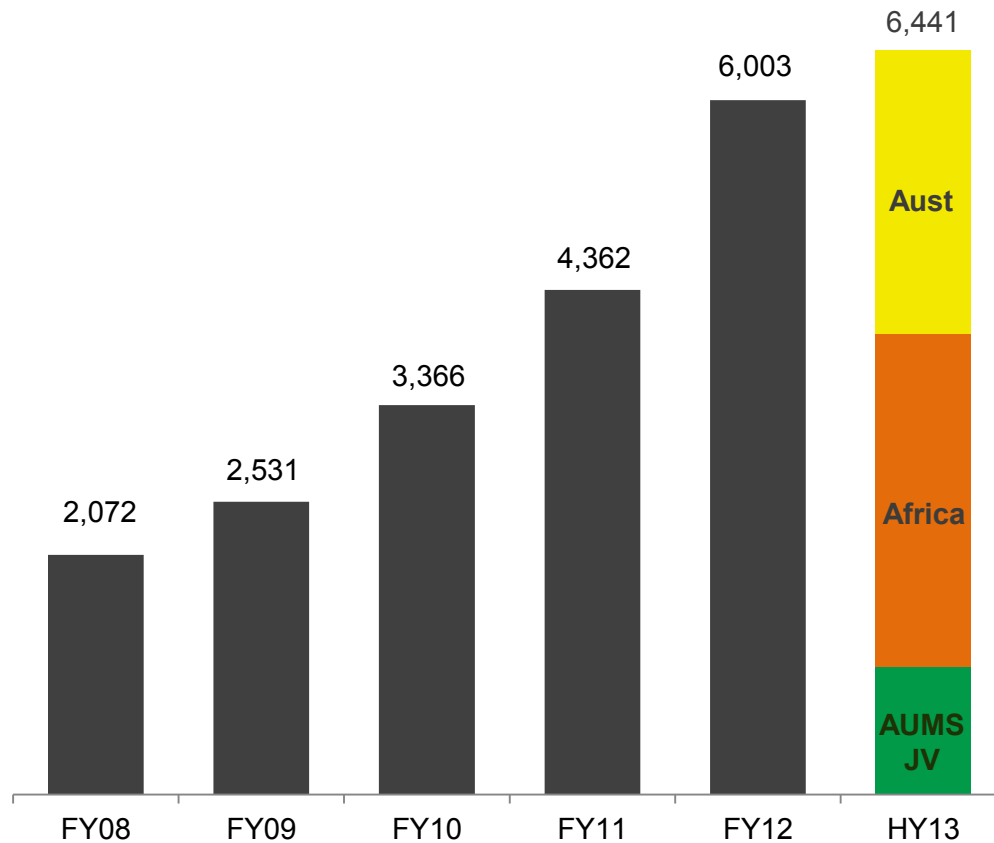
## Ausdrill Group



LTIFR: Lost Time Injury  
 MTIFR: Medical Treatment Injury  
 TRIFR: Total Recordable Injuries (sum of LTI's and MTI's)

## Current Projects

- Customisation of Event Management System, Training module, Incident module completed - Injury Management module in testing stage
- Site based Risk Assessments and Audits continue to be conducted
- Frontline Leadership training programme continuing
- Development of Procedure Based task observations for the field
- Document templates standardised



- Employee numbers continued to increase on the previous year as a result of acquisition of BTP and new work in Africa
- At 31 December 2012 the number of employees within the Group, including jointly owned entities, increased to 6,441 – an increase of 7.3% on the full year to June 2012 and 27.4% on the half year to December 2011



# OUTLOOK AND STRATEGY

DIVISION	STRATEGIC INITIATIVES
<b>Mining Services Australia</b>	<ul style="list-style-type: none"> <li>▪ Working principally for the major mining houses seeking long term contracts with a focus on the gold and iron ore industries whilst balancing customer concentration and commodity exposure</li> <li>▪ Continual upgrade of equipment to become a preferred hirer to the major players, and enter more maintained dry hire contracts with smaller mine owners</li> <li>▪ Increase core downstream services expertise: Pump Testing, Pump &amp; De-Watering infrastructure, Mine Site Water management</li> <li>▪ Maintain an advanced and new fleet of equipment</li> </ul>
<b>Contract Mining Services Africa</b>	<ul style="list-style-type: none"> <li>▪ Primarily work for the major mining houses seeking long term contracts with a focus on the gold mining industry</li> <li>▪ Significant new tendering opportunities for gold in the short term in Ghana, Mali, Ivory Coast, and Burkina Faso</li> <li>▪ Continue to build on expanding exploration clients</li> </ul>
<b>Manufacturing</b>	<ul style="list-style-type: none"> <li>▪ Expand manufacturing capability in Western Australia and Queensland and range of products</li> </ul>
<b>Supply and Logistics</b>	<ul style="list-style-type: none"> <li>▪ Evaluate establishment of office in the USA east coast to materially reduce shipping time to West Africa</li> </ul>
<b>BTP</b>	<ul style="list-style-type: none"> <li>▪ Integrate the BTP rental fleet into AMSA and expand east coast operations</li> <li>▪ Expand parts distribution and sales into Africa through leveraging Ausdrill's extensive African presence</li> <li>▪ Leverage equipment procurement and sales opportunities</li> </ul>

## POSITIVES

- Mining sector activity remains positive for production related services
- Target to achieve at least same level of reported NPAT in FY13 as in FY12 of \$112 million
- Outlook beyond FY13 remains positive in key sectors

## NEGATIVES

- Spending on equipment hire and exploration has been subdued
- Environment remains competitive and likely to become more competitive
- High Australian dollar impacts on translation of African earnings

## OUTSIDE OF OUR CONTROL

- Gold and iron ore prices are fluctuating, world economies still mixed and subject to uncertainty
- Effect and impact of further movements in exchange rates from the regions in which we operate





# APPENDICES



# APPENDICES

- OPERATING DIVISIONS

- CURRENT MAJOR CONTRACTS

- PROFIT & LOSS

- BALANCE SHEET

- CASHFLOW

- MANAGEMENT STRUCTURE

- CORPORATE SNAPSHOT

## MINING SERVICES AUSTRALIA



### DRILL & BLAST

Production drilling and blasting services in open cut mines, plus production grade control services and civil construction.

#### Equipment

- 56 x Small diameter top hammer drills
- 89 x Large diameter rotary and DTH blasthole drills
- 11 x Purpose built probe drills
- 30 x RC grade control drills



### EXPLORATION - KALGOORLIE

Reverse Circulation and Diamond Drilling on greenfield and brownfield sites throughout the Goldfields region. Includes a specialist lake fleet.

#### Equipment

- 10 x Diamond Drill Rigs
- 8 x RC Drill Rigs
- 3 x Lake Aircore Drill Rigs
- 3 x Land Aircore Drill Rigs



### AUSDRILL NORTHWEST

Ausdrill Northwest is an exploration drilling company specialising in RC and Diamond drilling within the northwest region of Western Australia's vast resource sector.

#### Equipment

- 11 x RC Drill Rigs
- 7 x Diamond Drill Rigs



### BEST TRACTOR PARTS (BTP)

BTP is Australia's leading non-OEM supplier of mining parts and mining equipment sales and rentals, including plant maintenance services

#### Equipment

- 57 x Dump Trucks
- 24 x Dozers
- 9 x Excavators
- 21 x Graders
- 36 x Service Trucks
- 21 x Water Carts
- 41 x Ancillary Fleet



Note: includes Ausdrill Mining Services equipment (now BTP)

## MINING SERVICES AUSTRALIA



### CONNECTOR DRILLING

Connector Drilling is a specialist hydrogeological drilling company with a versatile, modern fleet of dual rotary and conventional drill rigs.

#### Services include:

Water Monitoring & Production Bores

Dewatering & Depressurisation Bores

#### Equipment:

12 x Rigs with significant support equipment



### MINANALYTICAL LABORATORY SERVICES

Formed in late 2010, MinAnalytical is a quality-focused, independent analytical service company providing a range of geochemical and precious metals analyses to the mineral exploration and mining industry.

New laboratory based in Canning Vale, WA.



### ENERGY DRILLING AUSTRALIA

Energy Drilling Australia operates from Brisbane and specifically targets drilling services to the Oil & Gas Industry.

In addition to drilling, EDA is addressing well servicing within the CSG marketplace

#### Equipment

3 x Range 3 purpose built shallow oil and gas rigs consisting of ;

1 x Foremost Explorer

2 x Schramm TXD



### SYNEGEX

SynegeX is a manufacturer of bulk explosives, and provider of blasting accessories and equipment to the mining and civil construction industries in Western Australia.



## CONTRACT MINING SERVICES AFRICA



### AFRICAN MINING SERVICES

Full mining service from exploration drilling to crusher feed and civil works.

#### Equipment

- 10 x 140t Dump trucks
- 131 x 100t Dump trucks
- 42 x Hydraulic excavators
- 32 x Track dozers
- 16 x Graders
- 49 x Blast hole drills
- 7 x Grade control drills
- 21 x Exploration drills



### AFRICAN UNDERGROUND MINING SERVICES

50/50 Joint Venture with Barminco servicing underground development in West Africa.

#### Equipment

- 25 x Trucks
- 17 x Loaders
- 18 x Development Drills
- 7 x Production Drills
- 4 x Diamond Drills
- 3 x Cubex DTH Drills



### AUSDRILL TANZANIA

US\$150 million contract to perform drilling and blasting services at AngloGold Ashanti's Geita Gold Mine over 5 years.

Exploration work for various clients.

#### Equipment

- 11 x Blast hole rigs
- 2 x RC rigs
- 3 x Diamond drill rigs
- 3 x Multipurpose rigs



### AUSDRILL ZAMBIA

Exploration drilling services

#### Equipment

- 3 x Diamond drill rigs
- 1 x RC rig



## MINING EQUIPMENT AND PRODUCTS



### DRILLING TOOLS AUSTRALIA

Manufacturing business based in Canning Vale, WA producing product predominantly for external consumption.

State of the art facility using the highest quality alloy steels and expertise available.

Product lines include drilling consumables and spare parts.

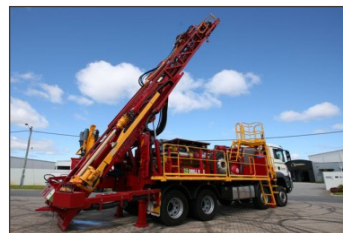


### REMET ENGINEERS

Drill Pipe and consumable manufacturer based in Kalgoorlie and Canning Vale, WA.

Specializing in Reverse Circulation, Conventional, and Drill and Blast Drill Pipe with an extensive range of associated subs and stabilizers.

High quality materials used in complete product range.



### DRILL RIGS AUSTRALIA

Drill Rig manufacturing business, producing RC rigs, grade control rigs, diamond drills, multi-purpose drills and probe drills, mostly for internal consumption.

Cutting edge technology is utilised in drill rig manufacturing processes to produce the most precise, cost effective and maintenance-friendly drill rigs in the industry.



### DT HI LOAD

DT HiLoad Australia is an Australian company designing and manufacturing the Hercules, a heavy duty, lightweight tray for off road, mining and quarry trucks. The company supplies mine sites and contractors globally, increasing mine productivity and bottom line profitability.



## SUPPLY, LOGISTICS AND OTHER



### SUPPLY DIRECT

Procurement and logistic services worldwide with offices in Perth, Australia, Surrey, UK, Johannesburg, South Africa and in Accra, Ghana.

Servicing our major clients into countries such as South Africa, Ghana, Mali, Mauritania, Eritrea, Tanzania, Asia, Bulgaria & Turkey.



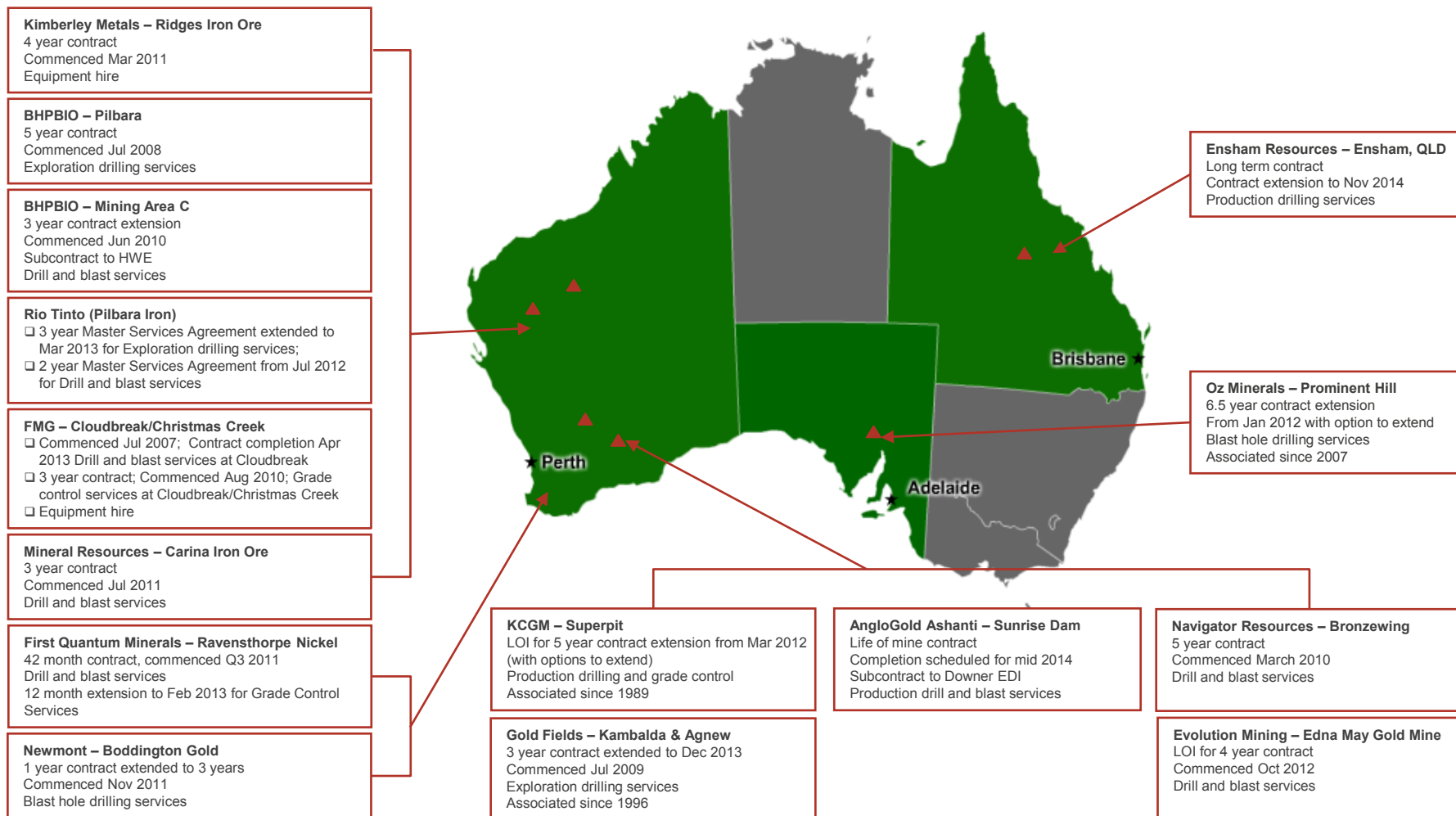
### DIAMOND

Construction services for the utility sector, majority of services to the telecommunications and power industries.

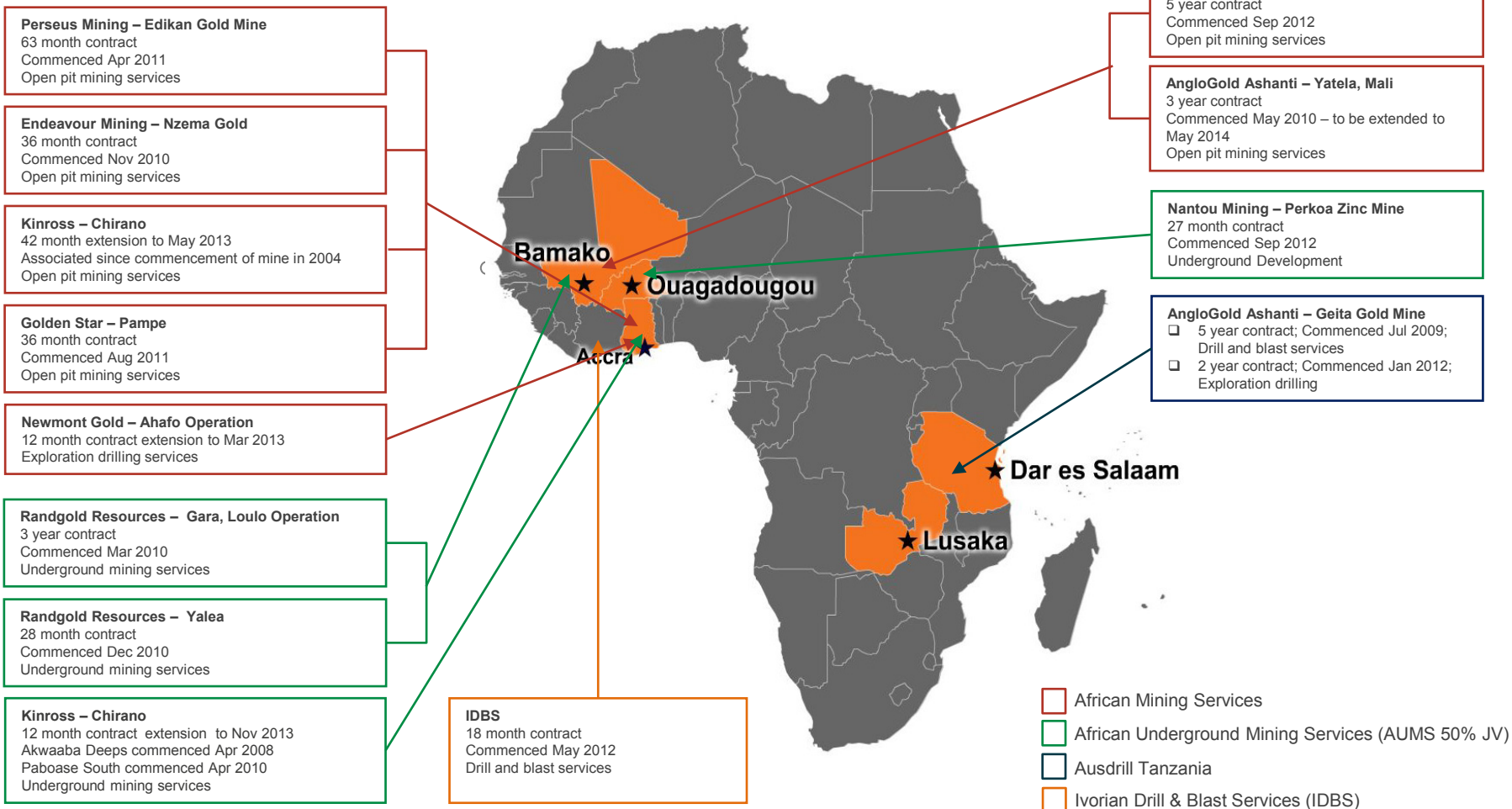




## MINING SERVICES AUSTRALIA



## CONTRACT MINING SERVICES AFRICA





A\$ million	HY DEC 11	HY JUN 12	HY DEC 12	% Change from previous corresponding period
<b>Sales Revenue</b>	509.9	549.2	<b>578.8</b>	13.5%
Interest Income	1.9	1.3	<b>1.3</b>	(28.6%)
Materials	(162.8)	(188.1)	<b>(187.3)</b>	15.0%
Labour	(166.6)	(171.2)	<b>(194.4)</b>	16.7%
Rental and hire	(12.7)	(11.1)	<b>(10.6)</b>	(16.6%)
Depreciation & Amortisation Expense	(56.0)	(60.1)	<b>(62.4)</b>	11.5%
Finance Costs	(10.0)	(13.0)	<b>(21.0)</b>	111.1%
Share of Associates Profits/(losses)	6.4	9.0	<b>13.1</b>	104.8%
Other items	(31.5)	(42.0)	<b>(56.2)</b>	78.5%
<b>Profit Before Tax</b>	78.6	73.9	<b>61.4</b>	(21.9%)
<b>EBITDA</b>	142.7	145.8	<b>143.5</b>	0.6%
<i>EBITDA Margin</i>	28.0%	26.5%	24.8%	
<b>EBIT</b>	86.7	85.6	<b>81.1</b>	(6.4%)
<i>EBIT Margin</i>	17.0%	15.6%	14.0%	
<b>Profit attributable to Ausdrill</b>	54.6	58.3	<b>48.1</b>	(11.9%)
<i>Net Profit Margin</i>	10.7%	10.6%	8.3%	

Note: Columns may not add due to rounding

A\$ million	HY DEC 11	HY DEC 12
<b>Profit Before Tax as reported</b>	<b>78.6</b>	<b>61.4</b>
Add Back:		
Interest Income	1.9	<b>1.3</b>
Finance Costs	(10.0)	<b>(21.0)</b>
<b>EBIT</b>	<b>86.7</b>	<b>81.1</b>
Depreciation & Amortisation Expense	(56.0)	<b>(62.4)</b>
<b>EBITDA</b>	<b>142.7</b>	<b>143.5</b>
<b>Significant items included in:</b>		
Profit Before Tax (items 1 to 9 below)	0.4	(14.8)
EBIT (items 1 to 8 below)	0.4	(11.8)
EBITDA (items 1 to 6 below)	3.0	(8.0)
(1) Unrealised foreign exchange gains/(losses)	2.5	(1.7)
(2) Bad debt provision against Central Norseman Gold (in Administration)	-	(5.1)
(3) Gain on acquisition of EDA	0.5	-
(4) Contract variations recorded by AUMS	-	3.4
BTP:		
(5) Expensing of fair value uplift on stock items acquired	-	(2.2)
(6) Acquisition costs	-	(2.4)
(7) Amortisation of intangibles and additional depreciation on plant and equipment	-	(1.4)
(8) Amortisation of intangibles in relation to Brandrill and Connector	(2.6)	(2.4)
(9) Costs in relation to the restructure of Ausdrill's financing arrangements	-	(3.0)

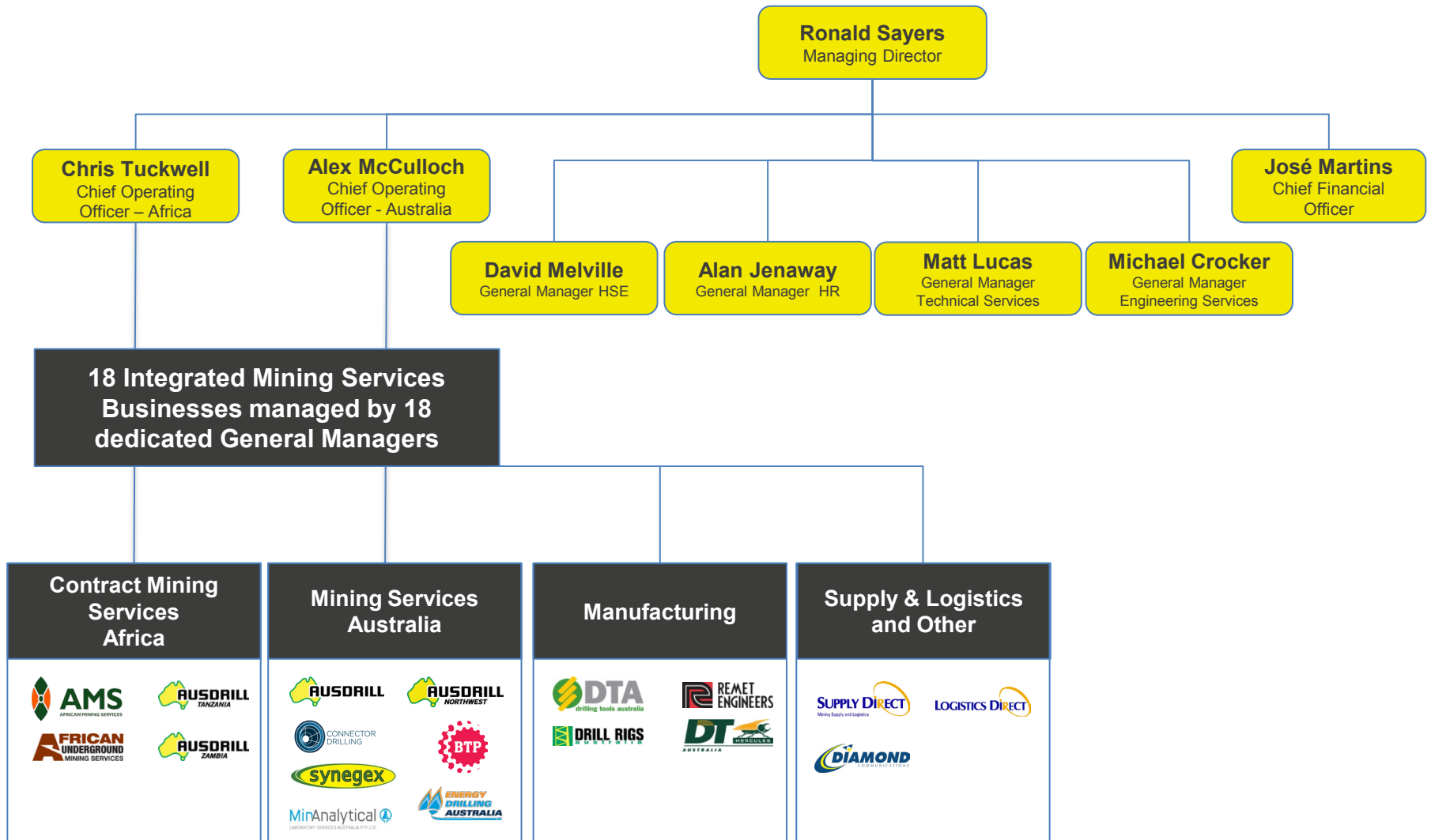
Note: Columns may not add due to rounding

A\$ million	HY DEC 11	FY JUN 12	HY DEC 12
Cash and cash equivalents	81.3	124.2	85.0
Current Receivables	188.3	226.4	223.4
Inventories	167.2	186.4	262.5
Property, plant and equipment	657.3	709.4	826.1
Intangibles	33.9	32.4	73.1
Other Assets	49.1	63.8	84.6
<b>Total Assets</b>	<b>1,177.1</b>	<b>1,342.6</b>	<b>1,554.7</b>
Payables	148.7	174.5	159.7
Borrowings	278.0	363.9	566.2
Provisions	10.0	10.7	12.0
Other Liabilities	43.3	52.7	39.6
<b>Total Liabilities</b>	<b>480.0</b>	<b>601.8</b>	<b>777.5</b>
<b>Shareholder Equity</b>	<b>697.1</b>	<b>740.8</b>	<b>777.2</b>
Net Debt	196.7	242.2	481.2

Note: Columns may not add due to rounding

A\$ million	HY DEC 11	HY JUN 12	HY DEC 12
Receipts from customers (inclusive of GST)	530.0	556.4	630.9
Payments to suppliers and employees (inclusive of GST)	(432.3)	(448.8)	(530.8)
	<b>97.7</b>	<b>107.7</b>	<b>100.1</b>
Interest received	1.9	1.3	1.3
Interest and other costs of finance paid	(9.5)	(12.0)	(16.8)
Income taxes paid	(22.2)	(11.2)	(34.5)
Other	0.4	2.6	2.7
<b>Net cash inflow from operating activities</b>	<b>68.3</b>	<b>88.5</b>	<b>52.9</b>
Payment for purchase of business	0.1	0.0	(161.3)
Payments for property, plant and equipment	(104.0)	(86.4)	(110.9)
Proceeds from sale of property, plant and equipment	1.0	4.4	1.9
Other	(9.4)	(1.4)	(0.7)
<b>Net cash (outflow) from investing activities</b>	<b>(112.2)</b>	<b>(83.4)</b>	<b>(271.0)</b>
Proceeds from issues of shares and other equity securities	0.9	0.9	8.2
Proceeds from secured borrowings	50.6	139.0	431.7
Proceeds from unsecured borrowings	0.0	0.0	287.0
Repayment of borrowings	(17.7)	(47.1)	(465.0)
Repayment of hire purchase and lease liabilities	(32.3)	(33.7)	(66.9)
Dividends paid to company's shareholders	(16.6)	(17.8)	(19.0)
<b>Net cash (outflow) inflow from financing activities</b>	<b>(15.1)</b>	<b>38.6</b>	<b>176.4</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(59.0)</b>	<b>43.7</b>	<b>(41.7)</b>
Cash and cash equivalents at the beginning of the period	140.7	0.0	124.2
Effects of exchange rate changes on cash and cash equivalents	(0.4)	(0.8)	(0.3)
<b>Cash and cash equivalents at end of period</b>	<b>81.3</b>	<b>42.9</b>	<b>82.2</b>

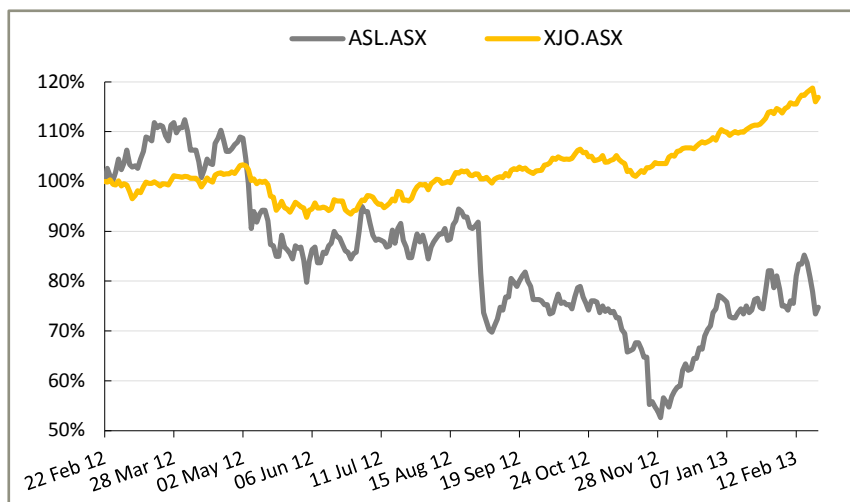
Note: Columns may not add due to rounding



## CAPITAL STRUCTURE

Share price (close as at 22 Feb 2012)	\$2.84
Fully paid ordinary shares	309.5 million
Market capitalisation (undiluted)	\$879 million
Cash (as at 31 Dec 2012)	\$85 million
Debt (as at 31 Dec 2012)	\$566 million
Enterprise value	\$1,360 million
Net Debt/Net Debt & Equity (as at 31 Dec 2012)	38%

## SHARE PRICE PERFORMANCE (REBASED)



## DIRECTORS AND SENIOR MANAGEMENT

Terence O'Connor	Chairman, Non-executive Director
Wallace King	Deputy Chairman, Non-executive Director
Ronald Sayers	Managing Director
Terrence Strapp	Non-executive Director
Donald Argent	Non-executive Director
Mark Connelly	Non-executive Director
José Martins	Chief Financial Officer
Alex McCulloch	COO Australian Operations
Chris Tuckwell	COO African Operations
Domenic Santini	Company Secretary
Strati Gregoriadis	General Counsel/Company Secretary

## SUBSTANTIAL SHAREHOLDERS

Name	Shareholding
Ronald Sayers / Cherry Garden Nominees	11.91%
PM & JL Bartlett / Bremerton Group	5.60%
Invesco	5.28%

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TO MINING**