

25 FEBRUARY 2015

HALF YEAR FINANCIAL RESULTS TO 31 DEC 2014

Key Points

- Sales Revenue \$413.6 million (down 2.3%)
- EBITDA¹ \$59.1 million (down 37.2%)
- EBIT¹ \$15.0 million (down 63.1%)
- Operating Profit after tax \$19.9 million* (up 3.7%)
- Statutory loss² after tax and impairment charges \$177.4 million
- Interim dividend of 1.0 cent per share, fully franked

Diversified mining services company Ausdrill Limited (**ASX: ASL**) has delivered an operating profit of \$19.9 million* on sales revenue of \$413.6 million for the six months to 31 December 2014.

However, as a result of impairment charges totalling \$197.3 million, as announced to the market on 17 February 2015, the Company has reported a statutory loss after tax of \$177.4 million.

The Group recorded a decrease in revenue as a result of the continued challenging trading conditions for service providers to the mining sector.

Earnings for the period were impacted by the cessation of work for clients in the iron ore sector, delays in achieving continuity of work in the energy drilling sector, lower than expected volumes due to a deferral of mining at the Syama project in Africa and continued underperformance of parts of the business including exploration, mineral assaying and equipment hire.

Earnings per share fell to a loss of 56.81 cents per share.

A fully franked interim dividend of 1.0 cent per share will be paid to Ausdrill shareholders on 31 March 2015.

Cash flow from operations was \$76.9 million, up 17% on the previous corresponding period. Ausdrill also continued its strategy of deleveraging the business and during the period restricted net capital expenditure to \$9.9 million, whilst paying down debt of \$56.8 million.

** Figures exclude the effects of any impairment charges*

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Ausdrill Managing Director, Mr Ron Sayers, said: “Ausdrill continues to experience challenging business conditions, largely as a result of the lower commodity prices and the completion of expansion activities in the Pilbara.

“However, the lower Australian dollar means the domestic gold industry is poised for a recovery. Gold is our core business, and we therefore expect to benefit from a resumption of spending by the industry which is likely to occur later this year.”

Outlook

Ausdrill expects that the mining industry will continue to focus on cost savings programs as well as deferral of non-essential expenditure including capital works and exploration programs. However, maintenance and gold exploration activity is expected to increase in the next 12 months. This recovery will be assisted by the lower Australian dollar, the gold price, the forecast increase in volumes of production of iron ore from the Pilbara and the continuing high level of coal exports from Mackay and Newcastle.

Ausdrill also expects to secure additional work that is currently the subject of tenders. This work can be undertaken with only a minimal amount of new capital expenditure required.

Taking into consideration these matters, and subject to any change in circumstances, the Company expects revenues and EBITDA in the second half of the 2015 financial year to be similar to the first half, excluding any significant items or impairment expense.

The resource industry is expected to improve over the medium term in both Australia and Africa where Ausdrill has a long established presence and local know-how. As a consequence, Ausdrill remains very well placed for a recovery beyond the current financial year.

About Ausdrill

Ausdrill (ASX: ASL) is a diversified mining services company. Since its formation in Kalgoorlie in 1987, Ausdrill has grown significantly and now has operations across Australia, Africa and the United Kingdom. Ausdrill is a leader in providing services in contract mining, grade control, drill & blast, exploration, mineral analysis, procurement & logistics and manufacturing. The Ausdrill Group employs over 4,000 staff worldwide.

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Notes

1. Non-IFRS Financial Information

- “Operating profit” is profit /(loss) before impairment charges
- “EBITDA” is “Earnings before interest, tax, depreciation and amortization, and significant items”
- “EBIT” is “earnings before interest and tax and significant items”

These terms are non-IFRS financial measures which Ausdrill uses in managing its business. They have been included to provide additional insight and understanding of business performance for users of this information. When reviewing business performance these non-IFRS financial measures should be used in addition to and not as a substitute for IFRS financial information provided. These non-IFRS financial measures do not have a standard definition under IFRS and may be calculated differently by different companies.

2. Statutory profit / (loss) is profit / (loss) after tax.

3. Disclaimer for Forward Looking Statements

This release includes forward looking statements concerning projected earnings, revenue, growth, outlook or other matters for the financial year ending 30 June 2015 or beyond. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or other similar words and include statements regarding certain plans, strategies and objectives of management, trends and outlook. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Ausdrill’s actual results, performance and achievements or industry results to differ materially from any future results, performance or achievements, or industry results, expressed or implied by these forward-looking statements.

Forward-looking statements are based upon management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect Ausdrill’s business and operations in the future. Ausdrill cannot give any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct, or that Ausdrill’s business and operations will not be affected in any substantial manner by other factors not currently foreseeable by management or beyond its control. Any forward-looking statements contained in this release speak only as of the date of this release. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, Ausdrill disclaims any obligation or undertaking to publicly update or revise any forward-looking statement contained in this release or to reflect any change in management’s expectations with regard thereto after the date hereof of any change in events, conditions or circumstances on which any such statement is based. No representation or warranty, express or implied, is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, projections or prospects referred to in this release.