

30 AUGUST 2011

---

## AUSDRILL REPORTS A RECORD NET PROFIT AFTER TAX OF \$73.3 MILLION

### Highlights

- Sales Revenue up 32.3% from \$631.0 m to \$834.6 m
- EBITDA up 30.0% from \$150.4 m to \$195.4 m
- EBIT up 40.2% from \$80.5 m to \$112.9 m
- Profit before tax is up 53.7% from \$64.7 m to \$99.5 m
- Profit after tax is up 52.2% from \$48.2 m to \$73.3 m
- Basic earnings per share up 14.4% from 23.71 cents per share to 27.13 cents per share on an enlarged capital base
- Final Dividend of 6.5 cents per share, fully franked
- Continuing positive outlook for the mining sector

Ausdrill Limited (ASX: ASL) today reported a record after tax profit of \$73.3 million, in excess of forecast and 52.2% up on last year.

Revenue for 2010 / 11 was \$834.6m, an increase of 32.3%. The boost in revenue and profit is a result of the expansion of the Group's asset base through increased capital expenditure to meet growth in the industry. The Group has also benefitted from the contribution from Brandrill, the drilling and blasting company it acquired in December 2009.

Ausdrill Managing Director Ron Sayers said: "This is our seventh consecutive year of record profits. It clearly demonstrates the success of our strategy of providing a diverse and integrated service to the mining industry."

Shareholders will benefit from the strong result, with Ausdrill increasing the final dividend to 6.5 cents per share, bringing the total dividend for the financial year to 12.0 cents per share.

**BRINGING MORE  
TO MINING**

Strong commodity prices have underpinned activity in this sector and in particular the record gold price enhances the profitability of mining projects.

“Ausdrill is particularly well placed to meet the growing needs of the sector. Historically more than 60% of the Group’s mining services revenues have been derived from the gold sector. We are also experiencing increasing revenues from the iron ore sector, particularly in the Pilbara,” Mr Sayers said.

Ausdrill is continuing to expand its service offering, in line with its previously stated intention of providing a full range of services to the mining industry. Ausdrill has established a mineral assaying business, MinAnalytical Laboratory Services, and acquired Connector Drilling, a hydrogeological drilling business.

“We consider that the services offered by these businesses will be in high demand and will complement the services already provided to our mining clients. These new Ausdrill businesses form part of our strategy to be a complete mining services provider to the industry,” Mr Sayers said.

## Financial Performance

A\$ million	12 months to June 2010	12 months to June 2011	% change from previous corresponding period
<b>Revenue</b>	631.0	<b>834.6</b>	32.3
<b>EBITDA</b>	150.4	<b>195.4</b>	30.0
<b>EBIT</b>	80.5	<b>112.9</b>	40.2
<b>Profit before tax</b>	64.7	<b>99.5</b>	53.7
<b>Profit after tax</b>	48.2	<b>73.3</b>	52.2

Revenue has increased following the acquisition of Brandrill, which now forms part of the Australian contract mining services segment as well as continued growth in all other parts of the Group.

Ausdrill has reported an increase in the level of work in hand for its contract mining services business to \$1.84 billion up from \$1.15 billion in July 2010. The key areas of growth have been the award of new contracts in Africa (by Perseus, Adamus and Golden Star) as well as expansion of work emanating from the growth in iron ore projects in the Pilbara.

EBITDA has increased from \$150.4 million in 2010 to \$195.4 million for the year ended 30 June 2011 whilst the EBITDA margin of 23.4% is slightly lower than the margin of 23.8% seen in the year to June 2010 which included the effects of the Brandrill acquisition for the first time.

This result was achieved despite the adverse impact of the strong Australian dollar on the reported profits, costs incurred in the acquisition and start-up of new businesses and provisions made on disputed receivables.

EBIT has increased from \$80.0 million in 2010 to \$112.9 million for the year ended 30 June 2011 whilst the EBIT margin of 13.5% has improved from that seen in the year ended June 2010 of 12.8%, mainly as a result of improved utilisation of equipment during the year.

The after tax profit has increased from \$48.2 million in 2010 to \$73.3 million for the year ended 30 June 2011. The improved profits also include the continued benefit of a lower tax charge due to the profits from the operations in Mali being tax exempt for the first eight years and a revenue based tax system applying in Tanzania.

Net cash inflow from operating activities was \$117.3 million (2010: \$123.0 million) and was constrained due to the growth of the business requiring additional investment in working capital.

During the year to 30 June 2011 Ausdrill continued to expand its asset base and acquired property, plant and equipment of \$179 million. The capital expenditure was incurred across most of the segments within the Group with the African business representing more than half of the year's expenditure. The African segment has expanded into new countries including Zambia and Burkina Faso and is also benefitting from an increased level of activity in the gold sector as well as iron ore and copper.

The financial position of Ausdrill remains strong with a net debt to equity ratio of 12.7%, cash of \$141 million, and interest cover (EBIT/Net Interest) of 8.4 times. Ausdrill's net tangible asset position has increased from \$1.78 per share to \$2.06 per share.

## Outlook

Ausdrill is continuing to pursue a strategy of:

- working primarily for the major mining houses;
- seeking long term contracts whenever possible;
- focusing on services to the gold mining industry, which historically has provided more than 60% of Ausdrill's revenue; and
- participating in the growth of services required for production of iron ore, particularly in the Pilbara.

While there are significant uncertainties in terms of the global economic outlook, Ausdrill believes this approach will stand the group in very good stead for the next 12 months.

Ausdrill remains in an excellent financial position and has a range of businesses that are now reaping the rewards of the investment made in prior years.

Ausdrill's Board is confident that 2011 / 12 will be a year of continued growth. Based on the level of work currently in hand and the expected continued growth in the sector, Ausdrill is targeting the A\$1 billion revenue mark with a commensurate increase in after tax profits, though these are of course subject to potential uncertainties associated with the volatility in world financial markets, exchange rates, tightness in labour markets and execution of the contracted work to plan.

---

### **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.*

For further information, please contact:

Mr Ron Sayers  
Managing Director  
Ausdrill Limited  
Tel: +618-9311 5666

Mr José Martins  
General Manager – Corporate Finance and Investor  
Relations  
Ausdrill Limited  
Tel: +618-9311 5666

David Ikin  
Professional Public Relations  
Tel: +618-9388 0944