ASX RELEASE

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AUSDRILL'S REVENUE UP 13.4%, MAINTAINS OPERATING PERFORMANCE

Highlights

- **Revenue up 13.4% from $511.7m to $580.2m**
- **EBITDA up 0.6% from $142.7m to $143.5m**
- **EBIT down 6.4% from $86.7m to $81.1m**
- **Profit attributable to Ausdrill down 11.9% from $54.6m to $48.1m**
- **Significant items reduced after tax reported earnings by $9.3m**
- **Basic earnings per share down 13.1% from 18.09 cents per share to 15.72 cents per share (excluding significant items, basic earnings per share down 0.5% from 18.85 cents per share to 18.76 cents per share)**
- **Interim dividend maintained at 6.5 cents per share, fully franked**
- **First half affected by mining sector slowdown – however business is poised for an improvement in conditions in Australia and continued positive outlook for Africa**

Diversified mining services company Ausdrill Limited's **(ASX: ASL)** revenue increased 13.4% to $580.2 million during the six months to 31 December 2012.

All key divisions of the Group recorded an increase in revenue as a result of Ausdrill's strategy of increasing its operational capacity to meet ongoing demand from the mining sector, along with increased activity in Africa.

However, the Group's profits were impacted by a number of significant items as well as a general slowdown in activity in the Australian mining sector from September 2012 onwards.

As a result, the Group has reported attributable net profit of $48.1 million for the period, a decrease of 11.9% over the prior corresponding period.

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The result includes a number of significant items principally relating to the restructure of financing arrangements, the acquisition of Best Tractor Parts (BTP) and a large bad debt provision.

After adjusting for the effects of the significant items of $9.3 million, Ausdrill recorded an adjusted profit after tax of $57.4 million (see Attachment A), which is in line with the prior corresponding period's adjusted profit after tax of $56.9 million. This demonstrates the benefits of the Group's strategy of providing a diverse and vertically integrated service to the mining industry.

Earnings per share fell by 13.1%. However, when significant items are excluded, earnings per share fell by 0.5%.

A fully franked interim dividend of 6.5 cents per share will be paid to Ausdrill Shareholders on 15 May 2013. Shareholders will be entitled to participate in the dividend reinvestment plan at a 2.5% discount.

Ausdrill Managing Director Mr Ron Sayers said: "By making strategic acquisitions and building businesses from the ground up, we have put together a very comprehensive portfolio of services we can offer our customers across every stage of the mining process. This strategy has resulted in Ausdrill maintaining operating profitability even though the mining sector experienced a slowdown in activities from September 2012 onwards."

"Our diversity and in particular the continued strong growth from Africa places Ausdrill in good stead as the mining sector resumes activity in 2013."

Outlook

At an operating level the second half should see the benefit of a full six month contribution from the BTP acquisition as well as the ramp-up at the Syama project in Mali, where Ausdrill is carrying out work under a US$540 million contract. Improved trading conditions are also expected in Western Australia as a result of improved confidence from a higher iron ore price, with conditions for coal related services in Queensland and NSW also expected to recover during the period albeit at a slower rate. This is however tempered by the fact that the mining industry is seeking to reduce costs and defer discretionary expenditure which, along with increased competition and surplus equipment, may lead to tightening margins.

Taking into consideration these matters, and subject to any change in circumstances, the Company expects that the second half performance for FY2013 will be better than that reported in the first half with an overall target of at least matching the reported net profit after tax for the year ended 30 June 2012 of $112 million.

The resource industry is expected to remain strong over the medium term in Australia and Africa where Ausdrill has a long established presence and local know-how and, as a consequence, Ausdrill remains very well placed for continued growth 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 6,000 staff worldwide.

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ATTACHMENT A

Half Year Results to 31 December 2012

Reconciliation of Reported Net Profit to Adjusted Net Profit

A$ million	Revenue	EBITDA	EBIT	Finance Costs	Tax	After Tax Profit Attributable to Ausdrill
As Reported	**580.2**	**143.5**	**81.1**	**(19.7)**	**(13.8)**	**48.1**
Significant Items						
• Unrealised foreign exchange gains/(losses)		(1.7)	(1.7)			(1.7)
• Bad debt provision against Central Norseman Gold (in Administration)		(5.1)	(5.1)			(5.1)
• Contract variations recorded by AUMS		3.4	3.4			3.4
• BTP:						
– Expensing of fair value uplift on stock items acquired		(2.2)	(2.2)			(2.2)
– Acquisition costs		(2.4)	(2.4)			(2.4)
– Amortisation of intangibles and additional depreciation on plant & equipment			(1.4)			(1.4)
• Amortisation of intangibles in relation to Brandrill and Connector			(2.4)			(2.4)
• Costs in relation to the restructure of Ausdrill's financing arrangements				(3.0)		(3.0)
• Tax effect					5.5	5.5
Adjusted Earnings	**580.2**	**151.5**	**92.9**	**(16.7)**	**(19.3)**	**57.4**

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