



INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

Danie Pretorius, Chief Executive Officer
André van Deventer, Chief Financial Officer
Cape Town
28-29 August 2013

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KEY FEATURES



- Revenues up by 18.3%
- Profit attributable to equity shareholders up by 61.4%
- Headline earnings up by 59.4% in US\$ and up by 87.3% in ZAR
- Expanding global footprint to Mali, DRC and Guatemala
- First automated machines went live at Sasol in South Africa, and in Peru and Chile in May 2013



KEY PERFORMANCE INDICATORS



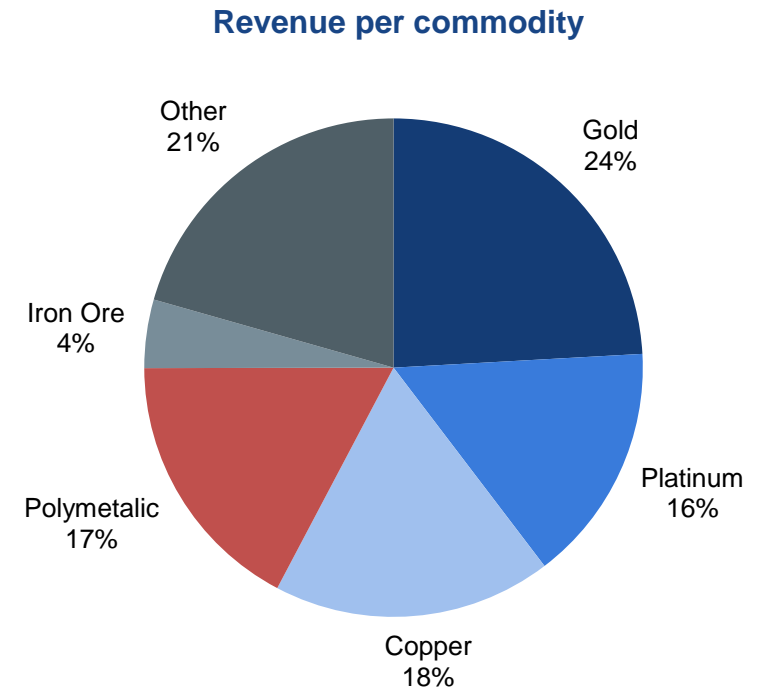
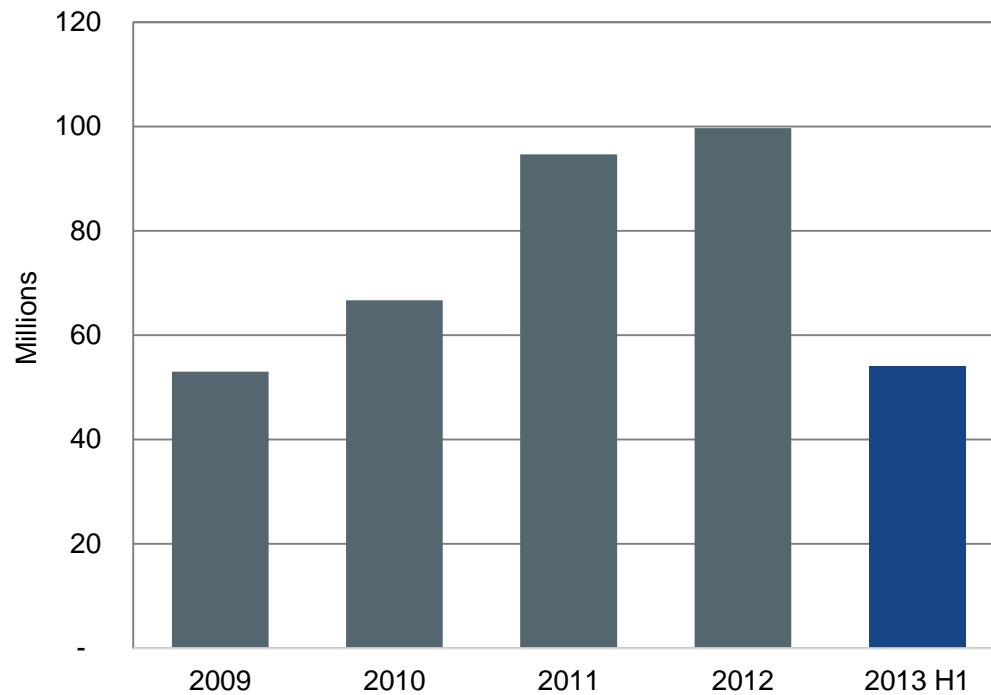
	2009	2010	2011	2012	H1 2013
Total capital project and production stage rigs	68	73	78	88	87
Utilisation (%)	65	80	80	71	73
Average revenue per operating rig (ARPOR) per month (US\$)	83,671	82,651	98,128	108,847	119 407
Total exploration stage rigs	40	43	54	64	63
Utilisation (%)	39	23	58	51	50
ARPOR (US\$)	43,228	71,874	51,705	34,293	32 537

KEY PERFORMANCE INDICATORS



ARPOR Summary				
Type of machine	Revenue	RPOR	Number of rigs	Utilization
Drain holes and slot raises	1 716 379	46 389	10	62%
Small	6 583 421	168 806	14	46%
Medium	11 202 976	114 316	20	82%
Large	17 754 172	144 343	24	85%
X large	1 858 367	97 809	5	63%
XX large	1 993 097	249 137	2	67%
Exploration surface	4 815 377	39 470	43	47%
Exploration underground	1 334 069	19 911	20	56%
Blind Hole Drilling	4 624 481	78 381	12	82%
Raiseboring	45 732 893	119 407	87	73%
Exploration	6 149 445	32 537	63	50%
Total	51 882 338		150	

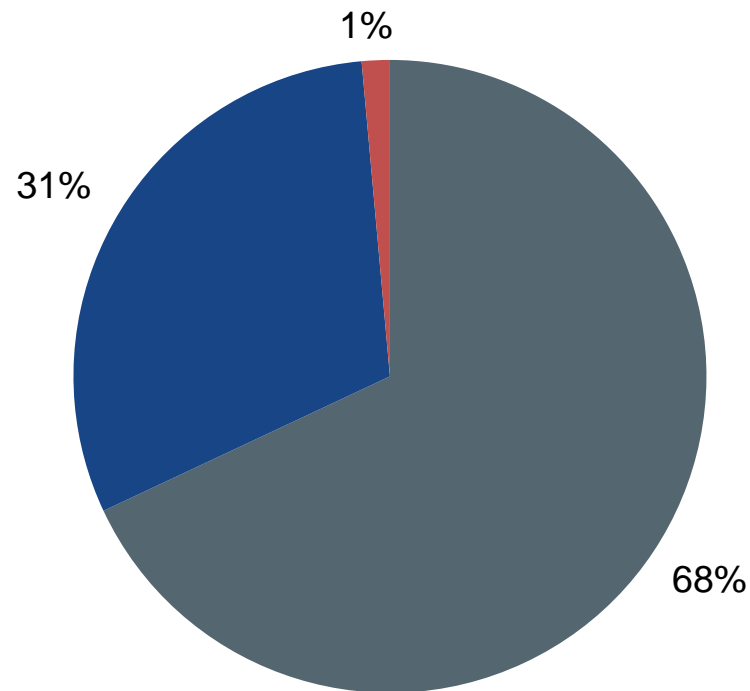
TRENDS: REVENUE (US\$m)



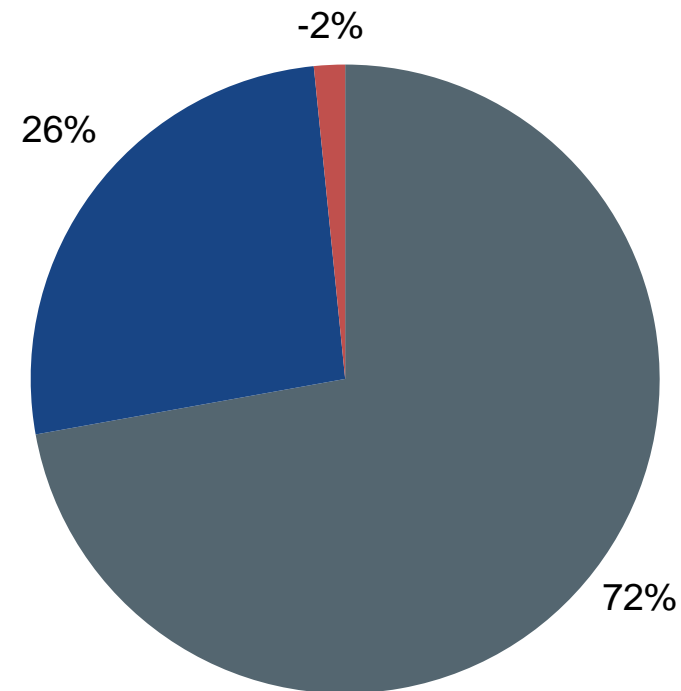
TRENDS: REVENUE AND PROFITS



Revenue

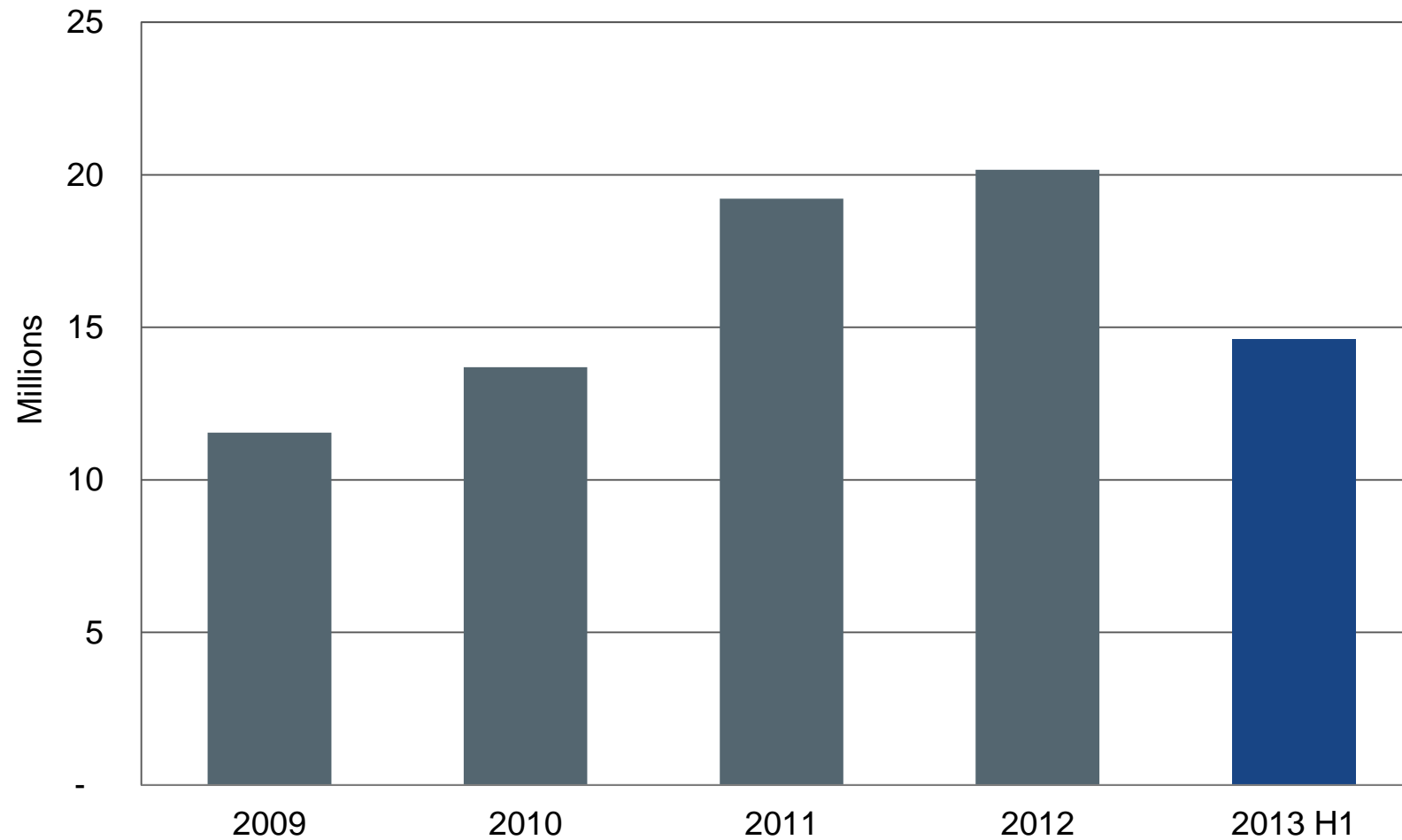


Gross profit

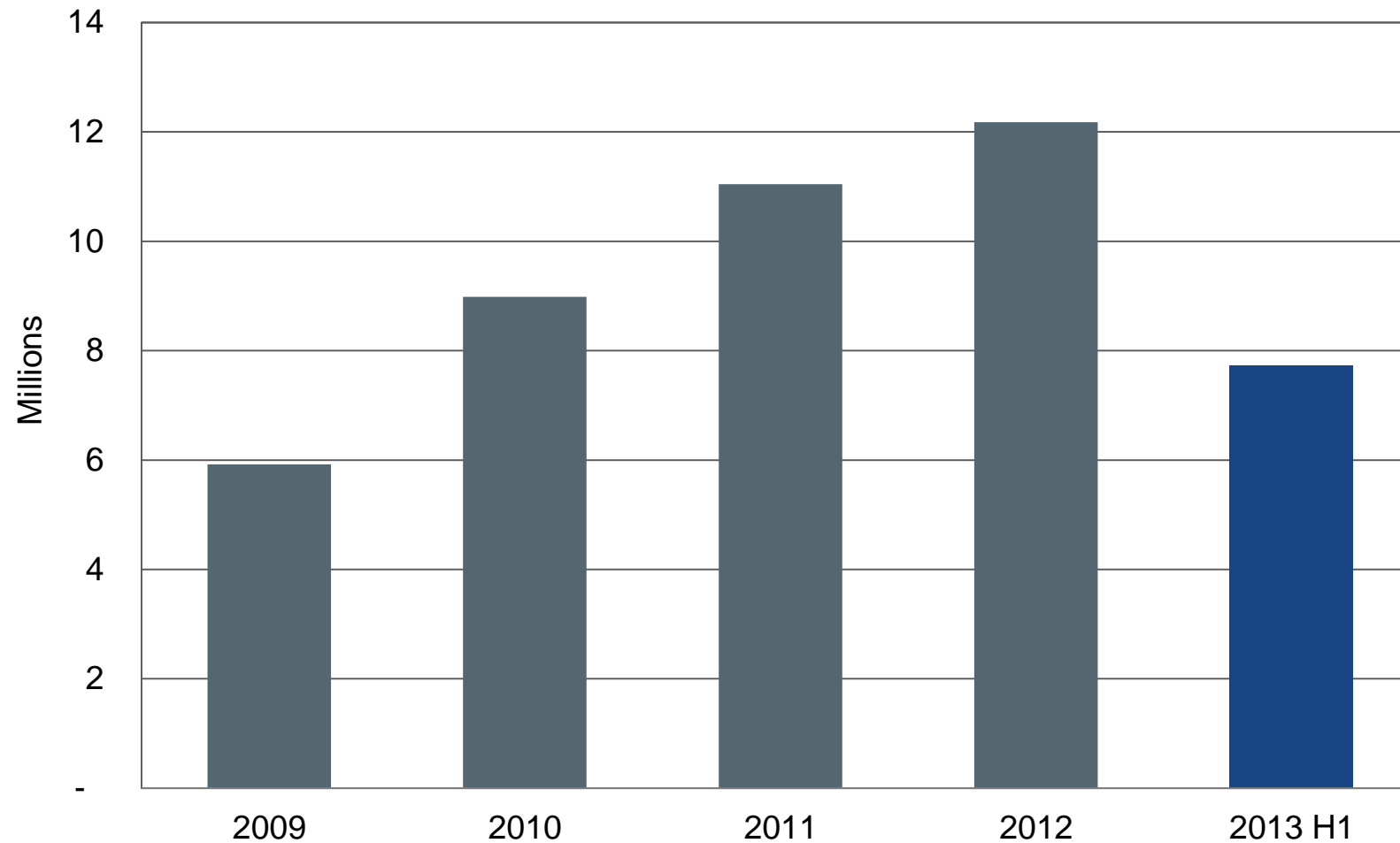


■ Latin America ■ Africa ■ Rest of the world

TRENDS: EBITDA (US\$m)



TRENDS: PROFIT AFTER TAXATION (US\$m)



COMPREHENSIVE INCOME (US\$m)



Continuing operations	Six months ended 30 June 2013	Comments
Revenue	54,055,183	<ul style="list-style-type: none"> Top-line revenue growth of 18% between 2012H1 and 2013H1 Gross margin of 35.5% in 2013H1 vs 32.3% 2012H1 Operating margin of 21.8% in 2013H1 vs 14.8% 2012H1 Ebitda of US\$14.6m in 2013H1 vs US\$8.2m in 2012H1 Net profit margin of 14.3% in 2013H1 vs 10.5% in 2012H1
Cost of sales	(34,856,225)	
Gross profit	19,198,958	
Other operating income	759,358	
Other operating expenses	(8,200,803)	
Operating profit	11,757,513	
Investment revenue	866,307	
Finance costs	(1,513,665)	
Profit before taxation	11,110,155	
Taxation	(3,380,680)	
Profit for the year	7,729,475	
Other comprehensive (loss)/income – net of taxation:		
Exchange differences on translating foreign operations	(9,802,981)	
Total comprehensive (loss)/income	(2,073,506)	
Profit attributable to:		
Owners of the parent	7,729,475	
Non-controlling interest	94,024	
Total comprehensive (loss)/income attributable to:		
Owners of the parent	(2,167,530)	
Non-controlling interest	94,024	

FINANCIAL POSITION (US\$m)



	At 30 June 2013	Comments
Assets		
Total non-current assets	68,219,643	
Total current assets	66,678,289	
Total assets	134,897,932	
Equity		
Equity	87,073,437	
Non-controlling interest	7,250,146	
Total equity	94,323,583	
Liabilities		
Total non-current liabilities	7,977,192	
Total current liabilities	32,597,157	
Total liabilities	40,574,349	
Total equity and liabilities	134,897,932	

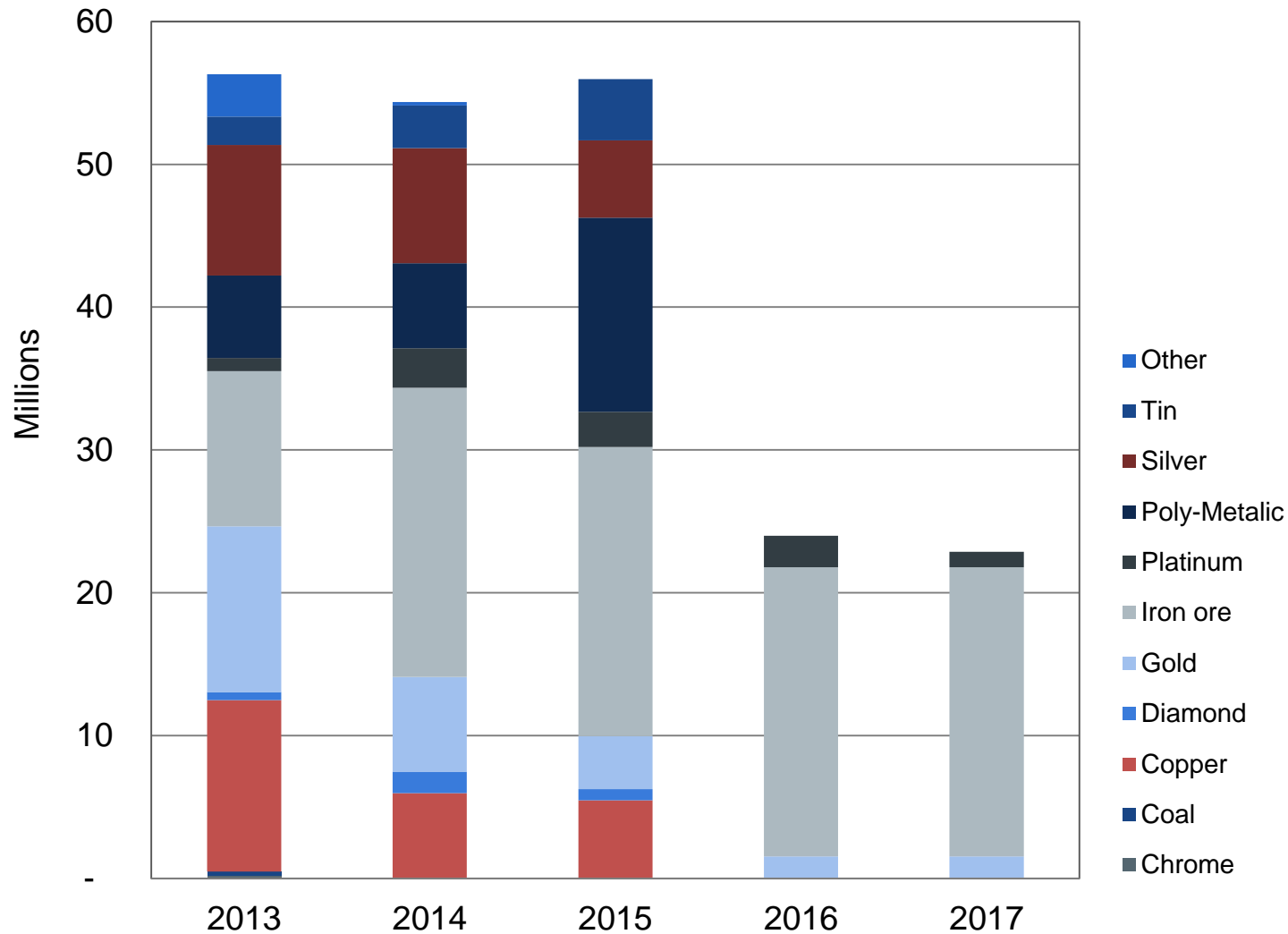
- Current ratio of 2.05:1 in H1:2013 compared with 1.76:1 in FY2012
- Gearing ratio of 8.4% in H1:2013 compared with 11.9% in FY2012
- Total interest-bearing debt of US\$7.9m compared with US\$11.5m in FY2012

CASH FLOW (US\$m)



	Six months ended 30 June 2013	Comments
Net cash flow from operating activities	(9,218,117)	<ul style="list-style-type: none"> Pre-payments for capital equipment included in Trade receivables amounting to USD10.6mil Capital expenditure for the period amounts to USD 9.8mil.
Net cash flow from investing activities	(17,946,789)	
Net cash flow from financing activities	(3,583,580)	
Total cash movement for the period	(30,748,486)	<ul style="list-style-type: none"> Related parties paid back amounting to USD 10.7mil. The bulk is (AMI Trust & Master Drilling)
Cash at the beginning of the period	49,573,277	
Effect of exchange rate movement on cash balances	(4,860,971)	
Total cash at the end of the period	13,963,820	

COMMITTED ORDERS (US\$m)



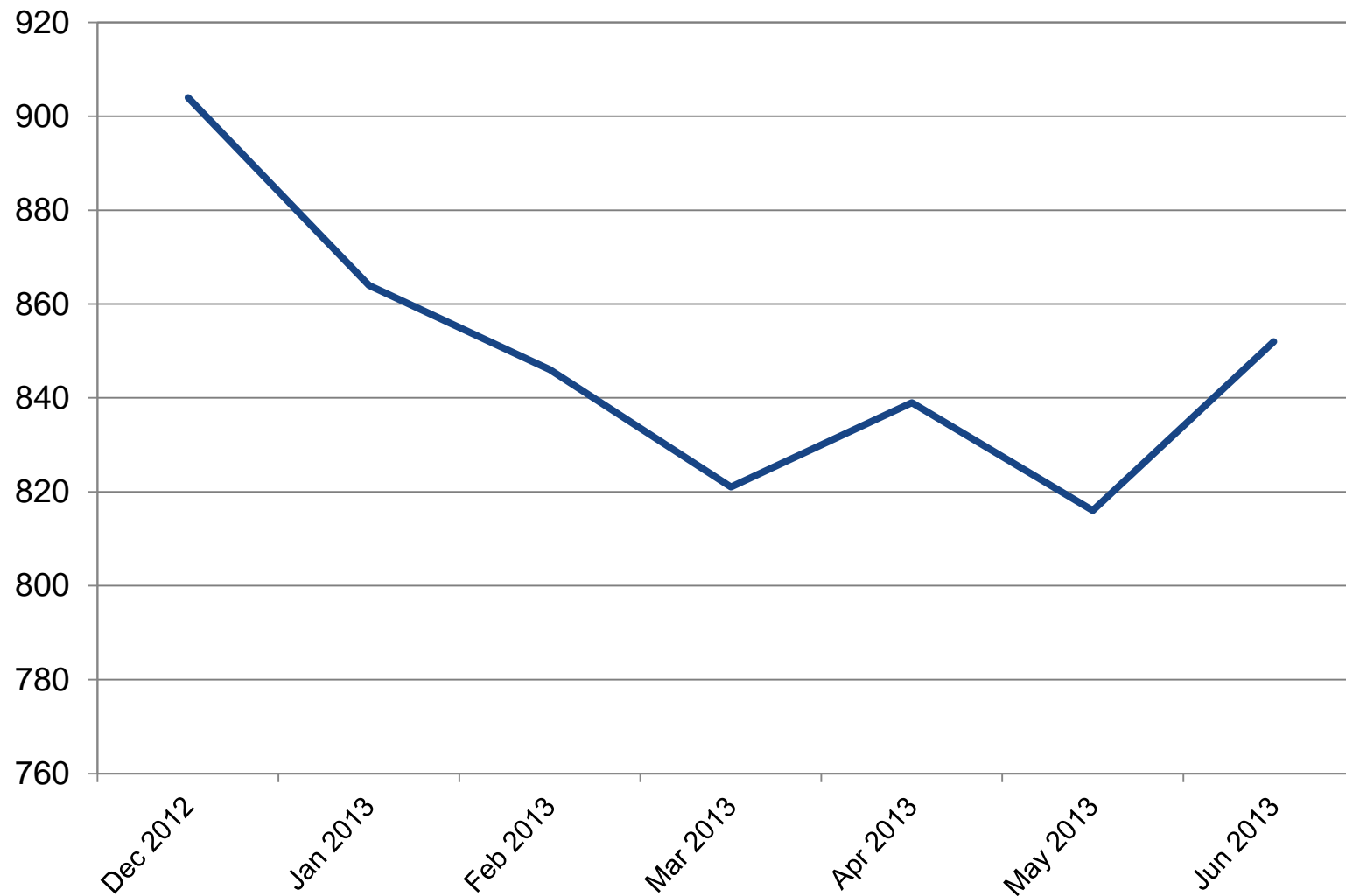
Latin America



Africa



JSE SHARE PRICE (CPS)



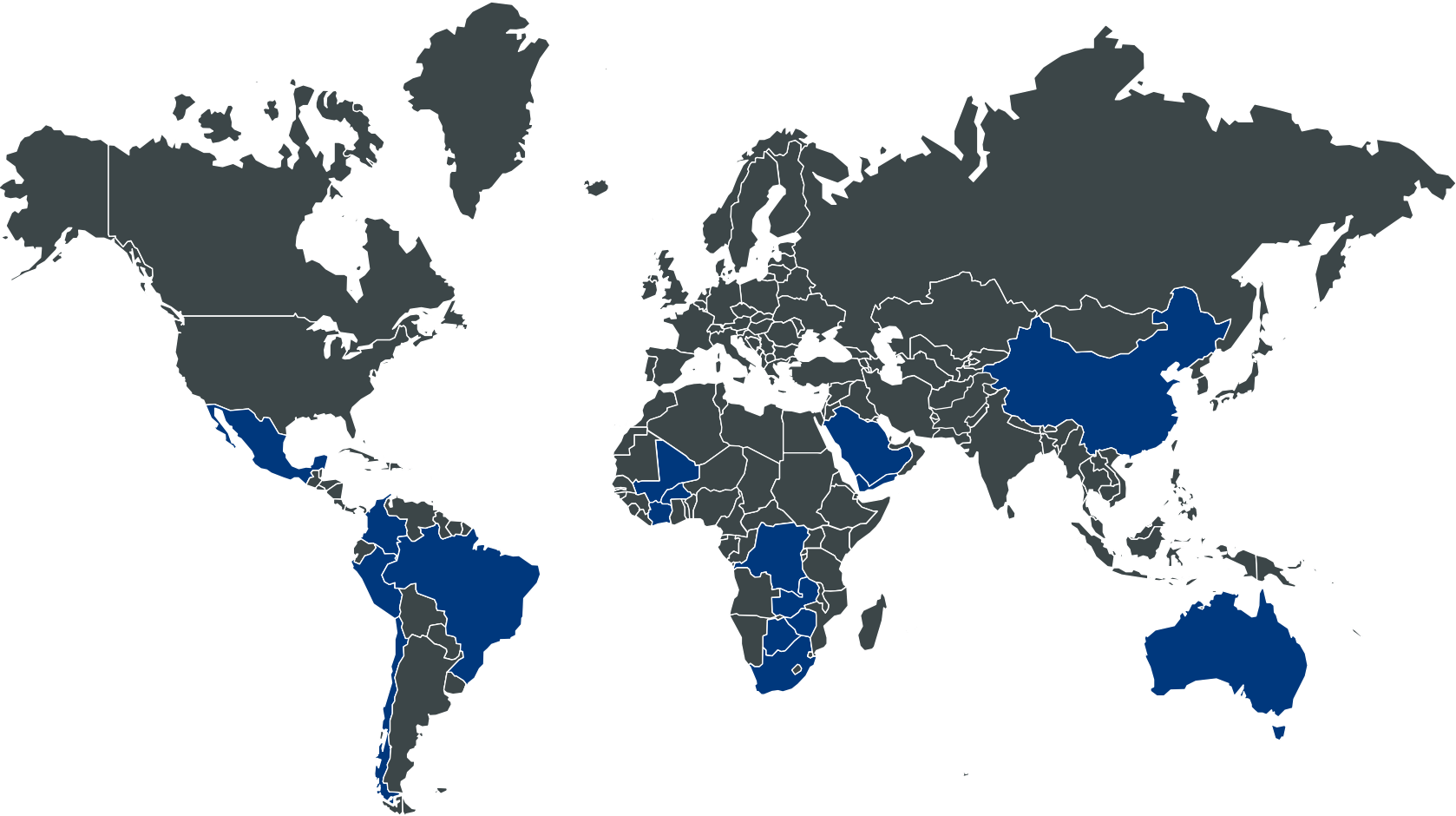
STRATEGIC INITIATIVES: 2013



- Grow the revenue base
 - from existing markets to existing services
 - expand into new geographical areas
 - expand drilling services
 - Increase margin
 - Technology optimisation and development
 - People capacity and development
- Organic
- Joint ventures



GLOBAL FOOTPRINT



OUTLOOK AND PROSPECTS



Master Drilling's strategy is to develop and grow its current position as a leading global specialised drilling company. This will be achieved through the continued expansion of its services; by strengthening and consolidating its position in existing markets; through focused organic growth; and through acquisitions and joint-venture partnerships. Master Drilling continues to enter into strategic discussions with major and mid-tier companies, and has provided the Company and its shareholders with a very promising step in achieving some of its strategic objectives.

Master Drilling made progress in its drilling automation strategies. The automation process will develop as Master Drilling advances its in-house technology, with development of the next phases currently underway, enabling the implementation, by year-end of fully automated insertion and removal of the drill rods and automatic remote-controlled spanners, among others. The Company has embarked on a four-phase project to enhance site safety, increase efficiency and lower the costs of raiseboring shafts. The initiative will bring down the number of workers on site to a minimum, and advance and intensify upskilling of operators. The efficiency of raiseboring is expected to be 30% higher while productivity, based on results from the group's first live automated project in South America during 2012, could potentially double as mechanisation and automation advance.

CONTACT DETAILS



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