

# Interim Consolidated Results For The Six Months Ended 30 June 2016

## CORPORATE OFFICE

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**Presented by**  
Danie Pretorius, CEO  
Andre van Deventer, CFO



Business Overview



Operational Overview



Financial Overview



# Agenda

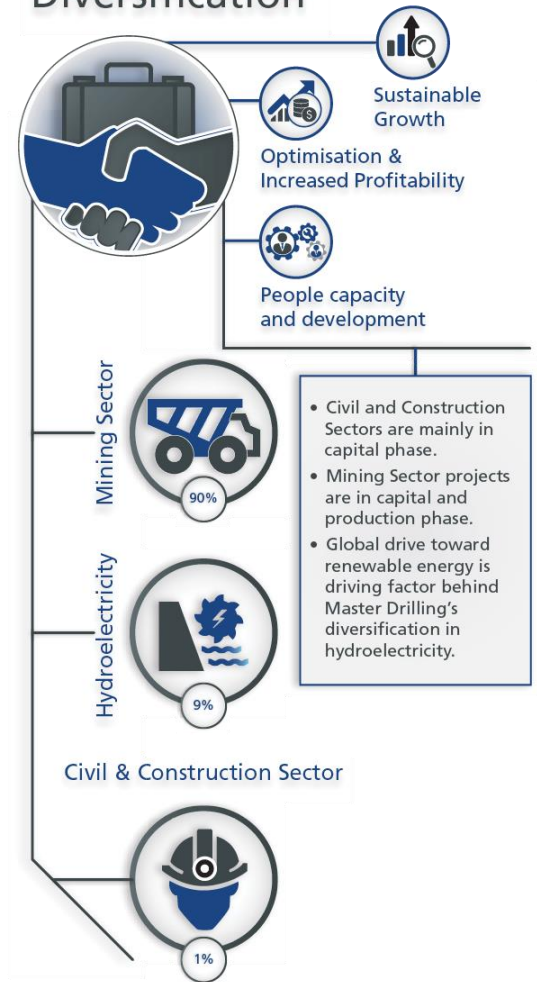




# BUSINESS OVERVIEW

Earnings In The Spotlight

## Business Sector Diversification





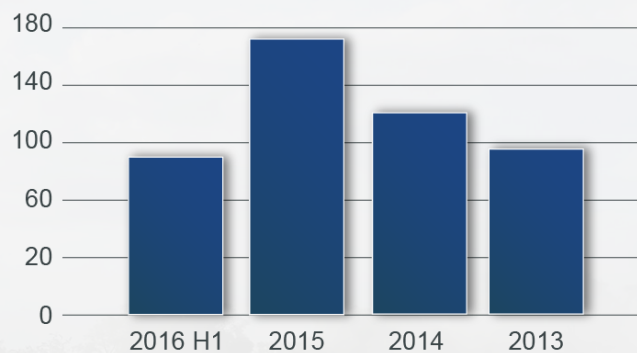
## Earnings In The Spotlight

- Acquired the assets & operations of Bergteament Latin America SpA.
- Secured a five year extension of a key AngloGold Ashanti contract in South America.
- Our diversification strategy was further supported by contracts awarded in Sierra Leone & Tanzania.
- First blind shafting contract in the USA.
- Cash resources will continue to be managed stringently in order to cater for new investment opportunities in capital projects in terms of our strategic-expansion drive.
- Protection of margin
- Stable Earnings

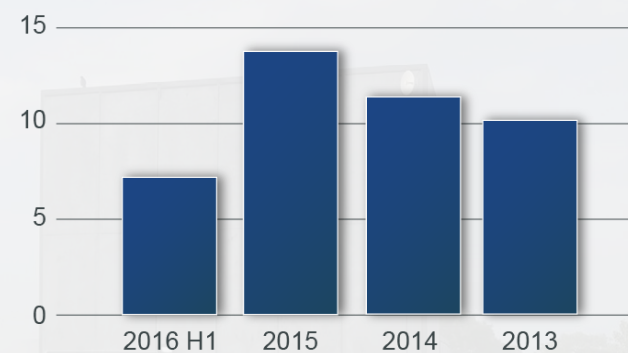


## Earnings per Share

### EPS (ZARc)



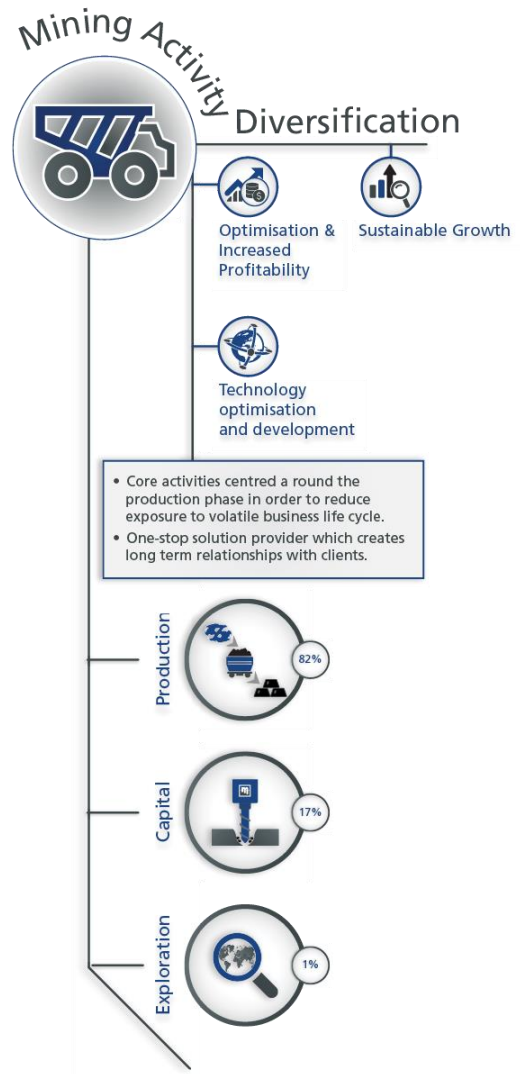
### EPS (USDc)





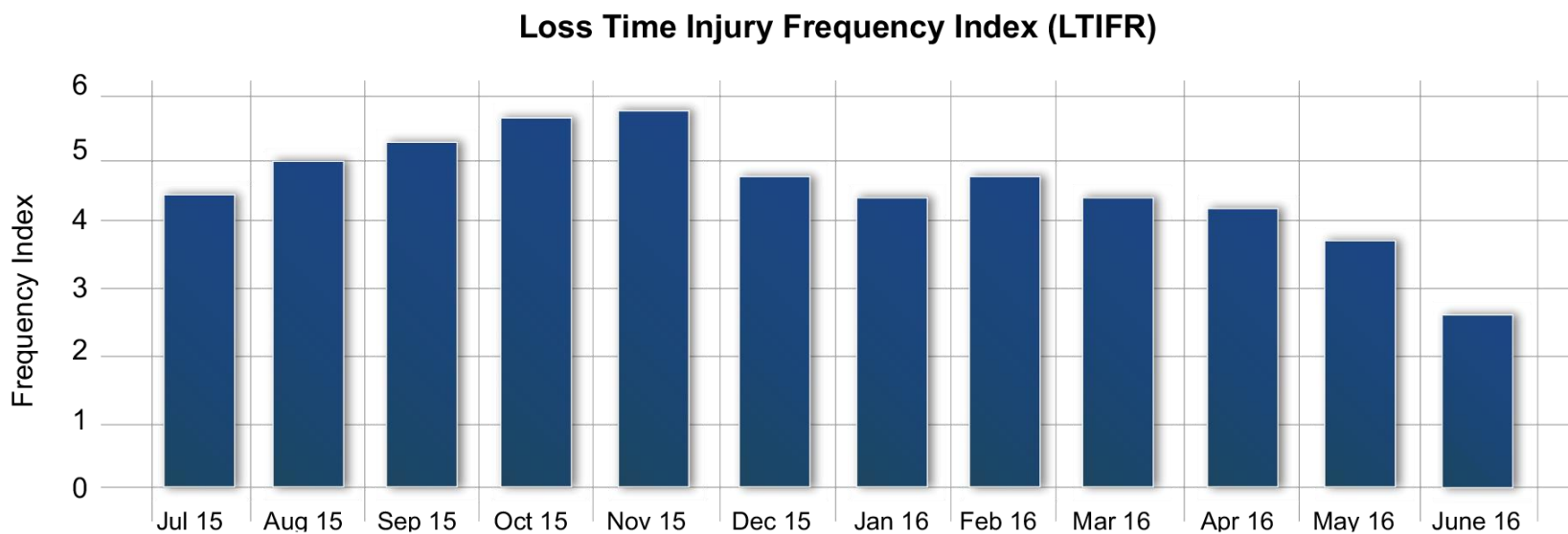
# OPERATIONAL REVIEW

- Safety Performance
- Revenue by Geographical Location
- Revenue by Business Sector
- Revenue by Mining Activity
- Revenue by Commodities
- Operational Key Performance Metrics
- Order Book



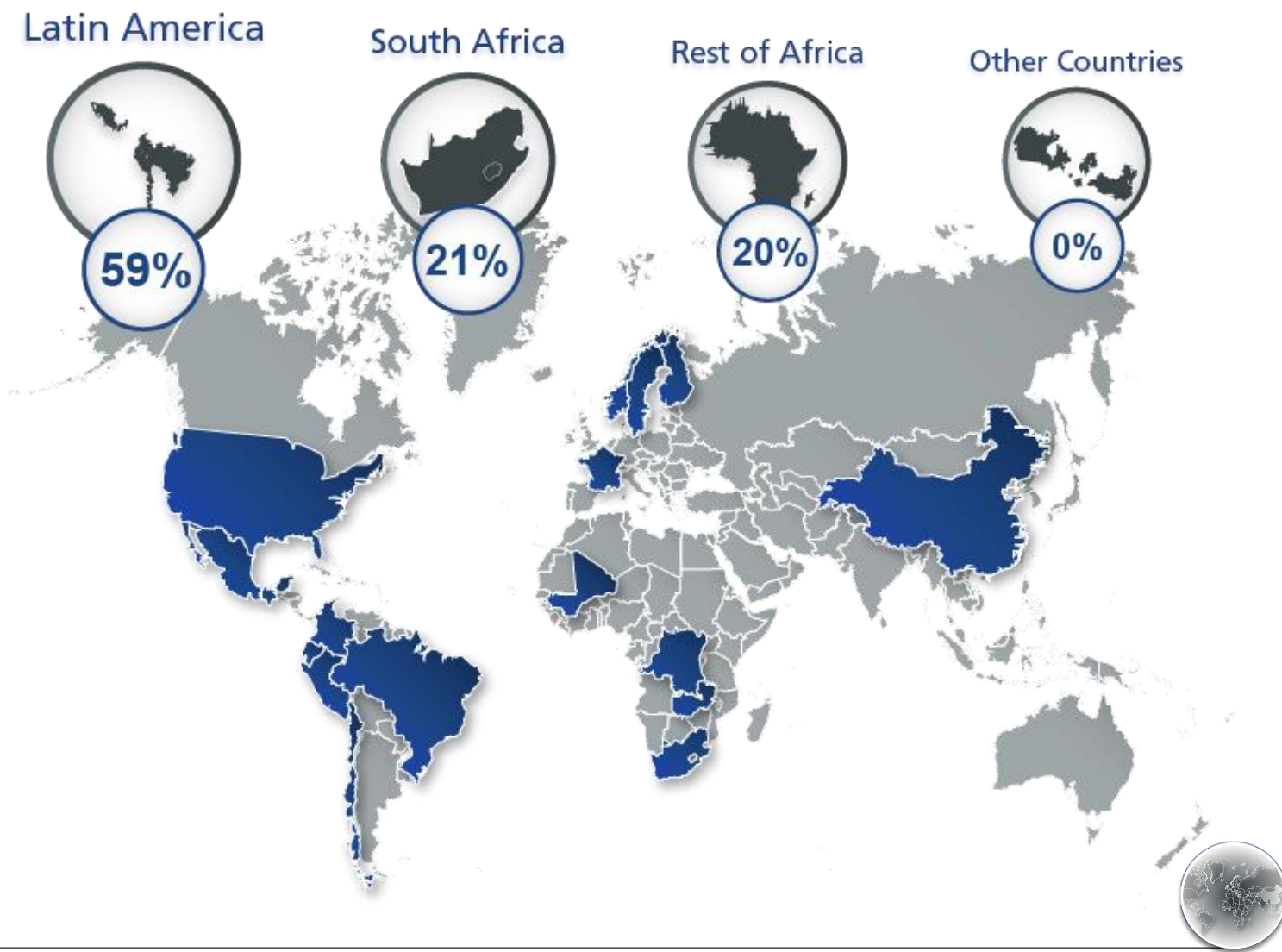


## Safety Performance

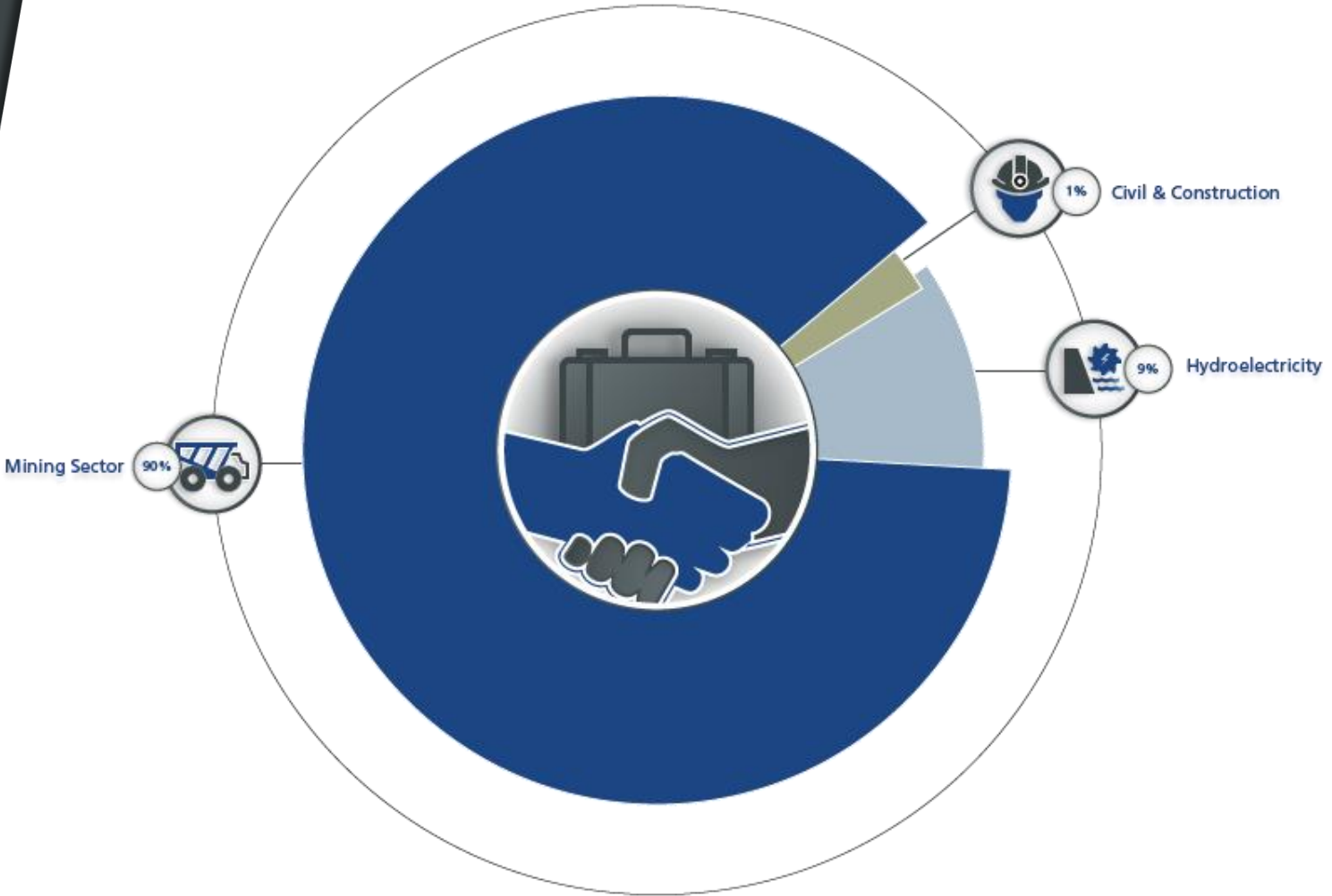




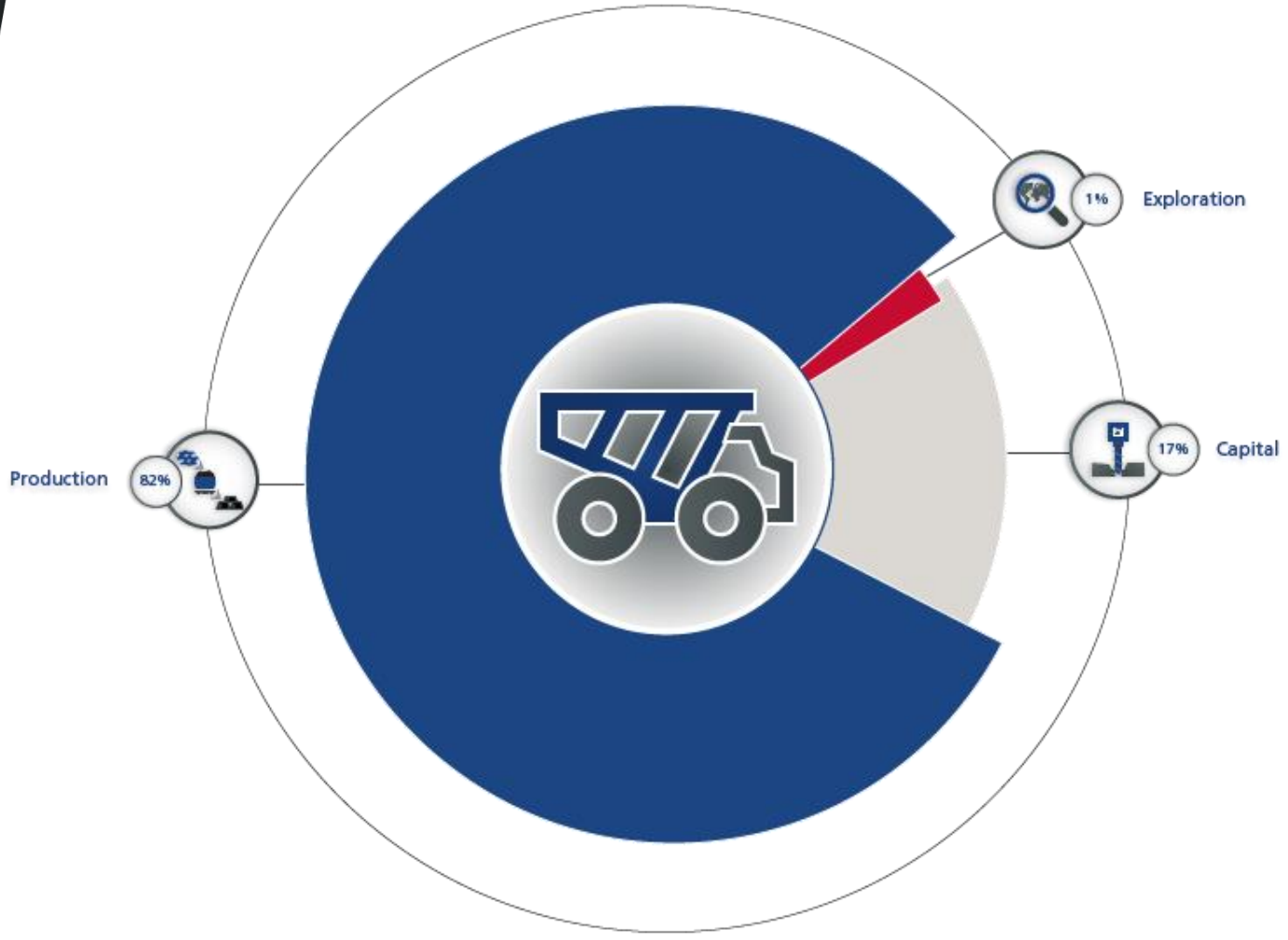
## Revenue by Geographical Location



# Revenue by Business Sector

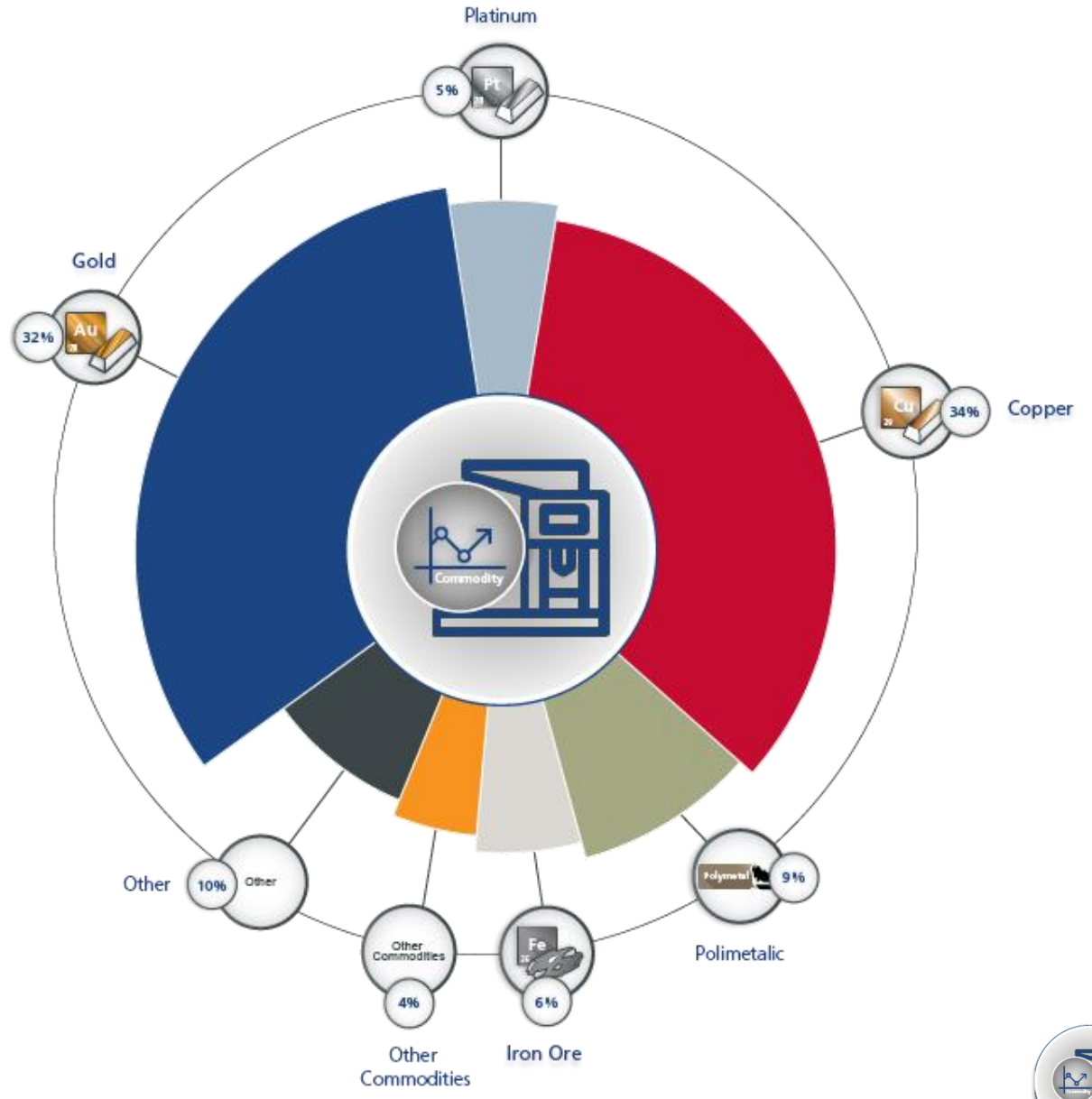


# Revenue by Mining Activity





# Revenue by Commodities



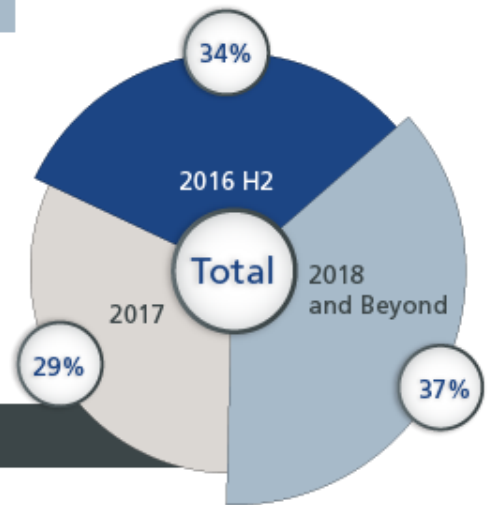
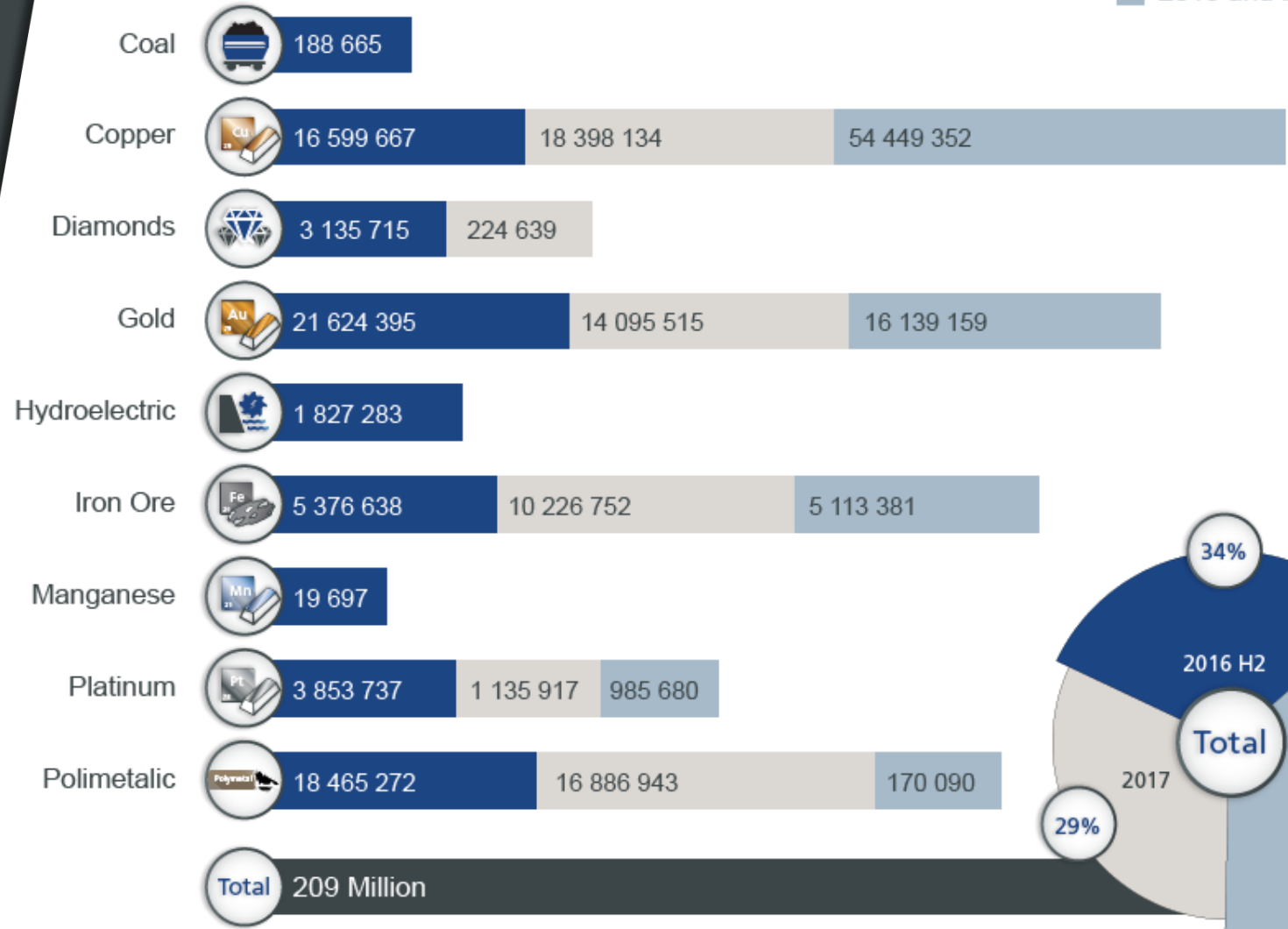
## Operational Key Performance Metrics

ARPOR Summary per annum	2013	2014	2015	2016H1
	Full Year	Full Year	Full Year	Half year
Total Raisebore rigs	88	94	98	102
Utilisation %	77%	75%	70%	71%
ARPOR* (US\$)	117 047	118 215	120 819	109 596
Total Slim rigs	74	45	48	49
Utilisation %	54%	54%	35%	31%
ARPOR* (US\$)	50 740	58 525	96 761	70 680

\*Average revenue per operating rig



# Order Book US\$

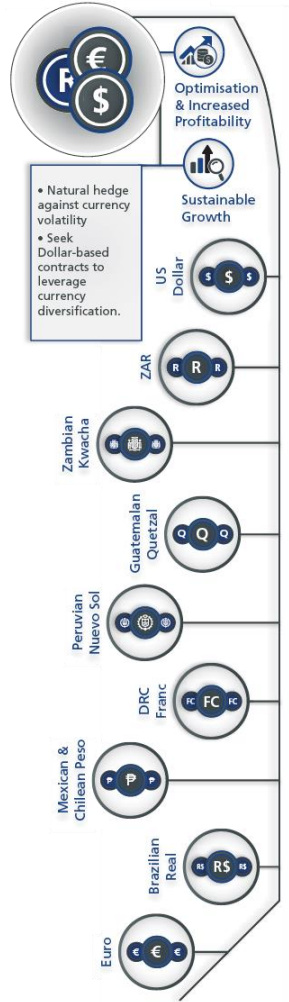






# FINANCIAL OVERVIEW

## Currency Diversification



- Salient Highlights
- Group Performance
- Group Financial Position
- Group Statement of Comprehensive Income
- Group Cash Flows



## Salient Highlights

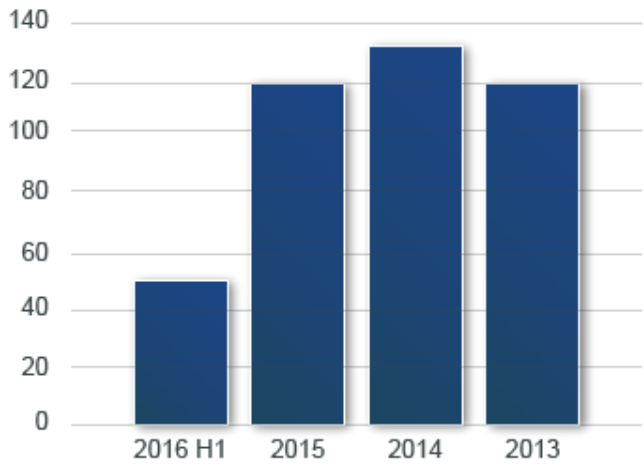


- ZAR Revenue up by 15.4% driven by the weakening ZAR
- US\$ Gross profit margin increased by 1.6% from 38.9% to 40.5%
- US\$ Profit after tax margin increased by 0.8% from 17.2% to 18.0%
- US\$ Headline earnings per share remained constant at 6.3 cents
- ZAR Headline earnings per share increased by 30.1% from 75,0 cents to 97,6 cents
- Steady increase in order book to US\$ 209 million

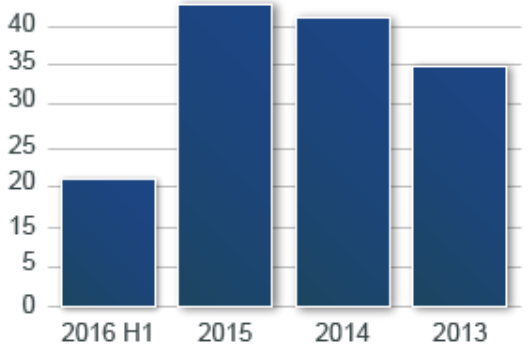


# Group Performance

### Revenue (USD'm)



### EBITDA (USD'm)





## Group Financial Position (US\$)

	June 2016	June 2015	Comments
<b>Assets</b>			
Total non-current assets	118 293 559	107 896 307	1) Acquisition of Bergteamet
Total current assets	82 978 545	72 680 326	2) Investment in inventory
Total assets	201 272 104	180 576 633	3) Sufficient cash
<b>Equity</b>			
Equity	116 018 774	101 956 069	
Non-controlling interest	16 626 536	16 309 067	
Total equity	132 645 310	118 265 136	
<b>Liabilities</b>			
Total non-current liabilities	33 658 723	30 148 320	4) Facility drawdown complete
Total current liabilities	34 968 071	32 163 177	
Total liabilities	68 626 794	62 311 497	
Total equity and liabilities	201 272 104	180 576 633	



## Group Statement of Comprehensive Income (US\$)

	June 2016	June 2015	Comments
<b>Revenue</b>	53 808 765	60 300 461	5) Currency impact -8.8%
Cost of sales	(31 997 953)	(36 816 661)	6) Cost control
<b>Gross Profit</b>	<b>21 810 812</b>	<b>23 483 800</b>	7) Margin protection 40.5%
Other operating income	516 516	829 956	
Other operating expenses	(8 914 143)	(8 675 566)	
<b>Operating profit</b>	<b>13 413 185</b>	<b>15 638 190</b>	
Investment revenue	398 053	474 483	
Finance costs	(1 276 002)	( 744 204)	
Share of profit in Associate	176 233	–	
<b>Profit before taxation</b>	<b>12 711 469</b>	<b>15 368 469</b>	
Taxation	(3 024 302)	(4 991 656)	
<b>Profit for the year</b>	<b>9 687 167</b>	<b>10 376 813</b>	



## Group Cash Flows (US\$)

	June 2016	June 2015	Comments
Net cash from operating activities	2 150 993	20 283 346	8) Investment in working capital
Net cash from investing activities	(8 073 114)	(16 163 686)	9) Continuous investment in fleet
Net cash from financing activities	3 047 729	(2 195 600)	10) Facility drawdown complete
<b>Total cash movement for the year</b>	<b>(2 874 392)</b>	<b>1 924 060</b>	
Cash at the beginning of the year	22 496 770	12 477 082	
Effect of exchange rate movement on cash balances	350 007	(781 753)	
<b>Total cash at the end of the year</b>	<b>19 972 385</b>	<b>13 619 389</b>	11) Sufficient cash



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# CORPORATE INFORMATION

## MASTER DRILLING GROUP UNITED

Registration number: 2011/008265/06

Incorporated in the Republic of South Africa

JSE share code: MDI ISIN: ZAE000171948

## REGISTERED AND CORPORATE OFFICE

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South Africa

## DIRECTORS

### Executive

Daniel (Danie) Coenraad Pretorius	Chief executive officer and founder
Andre Jean <i>van</i> Deventer	Financial director and chief financial officer
Barend Jacobus (Koos) Jordaan	Technical director
Gareth (Gary) Robert Sheppard •	Chief operating officer

### Non-executive

Hendrik Roux Van Der Merwe	Chairman and independent non-executive
Akhter Alli Deshmukh	Independent non-executive
Jacques Pierre de Wet	Independent non-executive
Johan Louis Botha	Independent non-executive
Shane Trevor Ferguson	Non-executive
Christopher Gerald O'Neill	Alternate director
Fred George Dixon	Alternate director
• <i>Resident in Peru</i>	

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## **SHARE TRANSFER SECRETARIES**

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