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• All references to dollars are to United States currency unless otherwise stated.
Safety & Environment

Our goal is adding value with zero harm – leading our industry by returning our employees home safely each day and performing our work with minimal impact to our neighbors or the environment.

• Safety Performance
  Tragic loss of Andy Buttram: one of our own. Involved in a motor vehicle accident while driving in hazardous conditions

• Make it Personal
  Program roll out features each employee’s family as a reminder of what is important – Getting home safely!

• THINK
  Field level risk assessment applied for all new tasks and any time things change.

• Sustainability
  Minimising impacts to air quality, implementing steps to conserve energy and water, and reducing waste generation and the use of hazardous material.
FY 2013 – Consolidated Results Summary

- **Revenue**
  - FY 2012: 2,012 (US $M)
  - FY 2013: 1,223 (US $M)

- **EBITDA**
  - FY 2012 (Statutory): (337) (US $M)
  - FY 2013 (Statutory): 254 (US $M)
  - FY 2013 (Adjusted): 107 (US $M)

- **Net Profit**
  - FY 2012 (Statutory): 68 (US $M)
  - FY 2013 (Statutory): (620) (US $M)
  - FY 2013 (Adjusted): (94) (US $M)

- **Key Points**
  - Sector-wide contraction in mining spend which began in the back half of 2012 persisted through 2013
  - Stable demand for underground applications and products
  - Drill rig utilisation\(^2\) down ~20 percentage points on a year over year basis
  - Realised $115 million of cost savings in 2013:
    - **Dec 2012 Initiative**: $55 million
    - **August 2013 Initiative**: $60 million with an additional $30 million expected in 2014
  - Approximately $421 million of the $461 million restructuring and impairment adjustments were non-cash
  - No dividend to be paid for FY 2013

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1 Adjusted EBITDA, Adjusted EBIT, and Adjusted NPAT are non-IFRS measures and are used internally by management to assess the performance of the business and, for 2013, have been derived from the Company’s financial statements by adding back US$444 million pre-tax (US$526 million post-tax) comprising US$461 million of restructuring charges and impairments, offset by a pension related gain of US$17 million.

2 See Footnote Disclosure 2 in the Appendix
2013 was a year of decline and contraction across the industry...

**Mining Performance**

SNL MEG*
- Pipeline Activity Index-

* Source: SNL Metals Economics Group

**Source: Bloomberg & BLY Analysis

---

**Key Commodity Trends**

**Gold ($/oz.)**

2012 Avg
2013 Avg

**Copper ($/lb.)**

2012 Avg
2013 Avg

**Iron Ore ($/MT)**

2013 Avg
2012 Avg

* Source: Bloomberg

**Source: Bloomberg & BLY Analysis
…which tempered demand for our services and products…

Drilling Services’ Historical Operating Rig Percentage

- In late 2013, operating rig utilisation fell below the low point experienced in April 2009
- A surplus of global rig capacity is leading to a very competitive environment

Products’ Historical Order Backlog (Indexed to Jan-09)

- Declining global utilisation rates resulting in reduced demand for products
- Inventory in place to fill existing customer demand

1 See Footnote Disclosure 2 in the Appendix
… and in response to the prevailing market conditions, Boart Longyear took action

Key Events & Themes Occurring in 2013

- Barcelona Mining Conference
  Miners focused on cost reductions & reduced capex

- Gold Selloff
  Largest in 33 years

- PDAC: SNL Metals Economics Group
  Expected 2013 exploration spend to decline after a 3 year rally

- Mining & Energy Project Cancelation
  Announcement that $147B of projects in Australia were delayed or canceled over the past year

- Mining Companies
  Major mining companies reported asset write-downs and further cost reduction activities

- Mining Companies
  Continue to focus on cost reduction and capital allocation

- BLY: Released full-year 2012 results & announced Richard O’Brien as BLY’s new CEO

- BLY: Announced $70m of cost out initiatives

- BLY: Executed bank Amendment #4

- BLY: Released mid-year 2013 results and announced another $90m cost out program

- BLY: Executed bank Amendment #5 & issued $300m High Yield Senior Notes

- BLY: CRA substantially reversed its C$58m assessment of the 2005 and 2006 tax years (Provincial reversal of C$11m)

- BLY: Released mid-year 2013 results & announced Richard O’Brien as BLY’s new CEO

- BLY: CRA substantially reversed its C$58m assessment of the 2005 and 2006 tax years (Provincial reversal of C$11m)
...and reduced its overall cost structure

(US $M)

<table>
<thead>
<tr>
<th>Expenditure Profile</th>
<th>Total expenditure reduction of $890 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2012 Variable Cost</td>
<td>$2,081</td>
</tr>
<tr>
<td>FY 2012 Capex</td>
<td>$(460)</td>
</tr>
<tr>
<td>Dec 2012 Initiative²</td>
<td>$(232)</td>
</tr>
<tr>
<td>Aug 2013 Initiative</td>
<td>$(55)</td>
</tr>
<tr>
<td>FY 2013 Expenditure Profile¹</td>
<td>$1,274</td>
</tr>
<tr>
<td>Aug 2013 Initiative</td>
<td>$1,274</td>
</tr>
<tr>
<td>Jan 2014 Initiative</td>
<td>$(30)</td>
</tr>
<tr>
<td>2014 Capex Plan</td>
<td>$(28)</td>
</tr>
<tr>
<td>FY 2013 Pro Forma Expenditure Profile¹</td>
<td>$(25)</td>
</tr>
<tr>
<td></td>
<td>$1,191</td>
</tr>
</tbody>
</table>

**Realised in 2013**

- Realised over $800m of expenditure reductions in FY2013

**To be realised in 2014**

- $(25)
- $(28)
- $(30)
- $1,191

---

The Jan 2014 initiative includes:

- Wage freezes and the suspension of profit sharing in certain jurisdictions
- Bonus plan aligned to the company’s ability to generate cash
- Ongoing consolidation of corporate and regional functions and facilities

---

Ongoing cost action in response to prevailing market conditions

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¹ See Footnote Disclosure 5 in the Appendix
² Realised an additional $15M of savings in FY2012

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FY 2013 Earnings Presentation 8
### Key Performance Indicators

#### 2013

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg. Rig Count</td>
<td>~1,150</td>
<td>~1,140</td>
<td>~1,040</td>
<td>~1,030</td>
</tr>
<tr>
<td>Avg. Operating Rig Utilisation (new)</td>
<td>~40%</td>
<td>~45%</td>
<td>~40%</td>
<td>~30%</td>
</tr>
<tr>
<td>Avg. Operating + Assigned Rig Utilisation</td>
<td>~60%</td>
<td>~50%</td>
<td>~45%</td>
<td>~40%</td>
</tr>
<tr>
<td>Avg. Product Backlog</td>
<td>~$40M</td>
<td>~$30M</td>
<td>~$20M</td>
<td>~$20M</td>
</tr>
<tr>
<td>Headcount</td>
<td>~8,300</td>
<td>~7,300</td>
<td>~6,020</td>
<td>~5,700</td>
</tr>
<tr>
<td>Net Debt</td>
<td>$571M</td>
<td>$564M</td>
<td>$530M</td>
<td>$526M</td>
</tr>
</tbody>
</table>

**Note:** Figures shown above are at period ends unless otherwise noted

### Positive
- Underground and large rotary businesses remain stable
- Targeted R&D investment continues
- Key Drilling Services project wins in 2013
- Ability to fulfill customer orders with existing stock

### Weaknesses
- Commodity prices remain depressed relative to recent price levels
- Global rig utilisation at historic lows
- Mining companies continue to reduce spend and focus on cost reduction

**Focus on safety, customer satisfaction, cost reduction, and deleveraging**

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1 See Footnote Disclosure 2 in the Appendix
2 See Footnote Disclosure 3 in the Appendix
Financial Overview
## FY 2013 Consolidated Overview

### (US $M)

<table>
<thead>
<tr>
<th>Statutory</th>
<th>2012</th>
<th>2013</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,012</td>
<td>1,223</td>
<td>-39%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>512</td>
<td>202</td>
<td>-61%</td>
</tr>
<tr>
<td>EBIT / Op Profit (loss)</td>
<td>127</td>
<td>(468)</td>
<td>NM</td>
</tr>
<tr>
<td>EBITDA (loss)</td>
<td>254</td>
<td>(337)</td>
<td>NM</td>
</tr>
<tr>
<td>NPAT (loss)</td>
<td>68</td>
<td>(620)</td>
<td>NM</td>
</tr>
<tr>
<td>EPS (cents)</td>
<td>15.0</td>
<td>(136.1)</td>
<td>NM</td>
</tr>
<tr>
<td>Cash from Operations</td>
<td>156</td>
<td>76</td>
<td>-51%</td>
</tr>
<tr>
<td>Net Debt</td>
<td>512</td>
<td>526</td>
<td>3%</td>
</tr>
<tr>
<td>Headcount</td>
<td>9,162</td>
<td>5,681</td>
<td>-38%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjusted¹</th>
<th>2012</th>
<th>2013</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,012</td>
<td>1,223</td>
<td>-39%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>512</td>
<td>202</td>
<td>-61%</td>
</tr>
<tr>
<td>EBIT / Op Profit (loss)</td>
<td>195</td>
<td>(24)</td>
<td>NM</td>
</tr>
<tr>
<td>EBITDA (loss)</td>
<td>322</td>
<td>107</td>
<td>-67%</td>
</tr>
<tr>
<td>NPAT (loss)</td>
<td>116</td>
<td>(94)</td>
<td>NM</td>
</tr>
<tr>
<td>EPS (cents)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Significant restructuring and impairment charges impact statutory results

¹ See Footnote Disclosure 1 in the Appendix
² Excludes interest & Taxes
³ See Footnote Disclosure 3 in the Appendix
FY 2013 Half over Half Overview

<table>
<thead>
<tr>
<th>Statutory</th>
<th>Adjusted1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H13</td>
<td>2H13</td>
</tr>
<tr>
<td>Revenue</td>
<td>719</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>134</td>
</tr>
<tr>
<td>Gross Margin as a % of Revenue</td>
<td>19%</td>
</tr>
<tr>
<td>EBIT / Op Profit (loss)</td>
<td>(307)</td>
</tr>
<tr>
<td>EBIT / Op Profit % of Revenue</td>
<td>-43%</td>
</tr>
<tr>
<td>EBITDA (loss)</td>
<td>(235)</td>
</tr>
<tr>
<td>EBITDA as a % of Revenue</td>
<td>-33%</td>
</tr>
<tr>
<td>NPAT (loss)</td>
<td>(329)</td>
</tr>
<tr>
<td>NPAT as a % of Revenue</td>
<td>-46%</td>
</tr>
<tr>
<td>EPS (cents)</td>
<td>(73.0)</td>
</tr>
<tr>
<td>Cash from Operations²</td>
<td>16</td>
</tr>
<tr>
<td>Net Debt³</td>
<td>564</td>
</tr>
<tr>
<td>Headcount</td>
<td>7,270</td>
</tr>
</tbody>
</table>

Challenging market conditions led to a 30% contraction in topline revenue from 1H13 to 2H13

1 See Footnote Disclosure 1 in the Appendix
2 Excludes interest & Taxes
3 See Footnote Disclosure 3 in the Appendix
Reconciliation: Statutory to Adjusted EBITDA

<table>
<thead>
<tr>
<th>(US $M)</th>
<th>Dec 2013 Statutory EBITDA</th>
<th>Goodwill Impairment</th>
<th>Equipment Impairment</th>
<th>Inventory Impairment</th>
<th>Severance</th>
<th>Intangibles/Other Impairments</th>
<th>Pension Gain</th>
<th>Dec 2013 Adjusted EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$337</td>
<td>$166</td>
<td>$110</td>
<td>$102</td>
<td>$45</td>
<td>$38</td>
<td>($17)</td>
<td>$107</td>
</tr>
</tbody>
</table>

Other considerations not included in Adjusted EBITDA:
- $23M impact of non-cash inventory obsolescence expense which is expected to be largely non-recurring in 2014
- $15M impact of fixed cost de-leveraging due to low manufacturing volumes which is expected to be ongoing until manufacturing volumes increase

1 See Footnote Disclosure 1 in the Appendix
FY 2013: Debt Bridge

(US $M)

Operations

Adj. NPAT 2  Cash Restructuring  Depreciation & Amortization  Taxes & Interest in NPAT  Cash Taxes & Interest

Working Capital

AR  AP  Inventory

Other

Capex  Dividends  Other Change in Cash

Gross Debt Dec 2012  Gross Debt Dec 2013

$602  $585

$94  $39  $(131)  $65  $(46)  $139  $(42)  $5  $(48)

$131  $74  1

$65  2

$(46)  $(102)  3

$42  4

$585

1. Reported net loss of $620m offset by $421m of non-cash impairment & restructuring charges and a $17m pension related gain

2. AR: Primarily driven by the year over year reduction in revenue

AP: Minimal purchasing levels as sales and consumption was filled with existing stock

Inventory: Continue to focus on cash generation due to inventory reduction

3. Cash capex of $42m compared to accrual capex of $49m

4. Significant items included in “Other Change in Cash”:
   • Proceeds from the disposal of a subsidiary: $25m
   • Proceeds from the sale of property, plant and equipment: $15m

1. See Footnote Disclosure 3 in the Appendix
2. See Footnote Disclosure 1 in the Appendix
Debt maturity profile significantly extended through issuance of Secured Notes

Pre-September 2013 Refinancing
Debt Maturity (US$ million)

Scheduled reductions in commitments in 2014 and 2015 under bank loan facility (per amendment dated 29 June 2013)

Post-September 2013 Refinancing
Debt Maturity (US$ million)

At Dec 31, 2013 the revolver was undrawn

No maturity prior to 2016

1 Scheduled reductions in commitments in 2014 and 2015 under bank loan facility (per amendment dated 29 June 2013)
Debt Covenant Compliance for FY 2013

Debt Compliance
(as of 31 Dec 2013)

1. Proforma EBITDA/Interest

Interest Cover (LTM)

3.8x

1.55x

2.5x

Covenant Requirements

2. AR + Inventory + Cash / Total Outstanding

31.2x

1.25x

1. (Accounts receivable + inventory + unrestricted cash of obligor subsidiaries) / total outstanding loans and letters of credit under the bank facility

2. Unrestricted cash of obligor subsidiaries plus availability under the bank facility

3. Assumes 12 months’ of interest expense on the senior secured notes issued in September 2013

3. Minimum Liquidity (Under Bank Facility)

$154M

$30M.

Liquidity

FY 2013 Earnings Presentation 16
Recent Amendment to the $140 million Revolving Credit Facility

---

Modified covenant structure to provide financial flexibility

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Min Asset Coverage</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Eliminated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Min Liquidity</strong></td>
<td>$30M</td>
<td>Suspended</td>
<td></td>
<td></td>
<td>$30M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Min Interest Coverage</strong></td>
<td>1.55X</td>
<td>Suspended</td>
<td></td>
<td></td>
<td>1.55X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Min LTM EBITDA</strong></td>
<td>N/A</td>
<td>$45M</td>
<td></td>
<td></td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Max Total Indebtedness</strong></td>
<td>N/A</td>
<td>$700M</td>
<td>$700M</td>
<td>$670M</td>
<td>$720M</td>
<td>$725M</td>
<td>$725M</td>
<td>$725M</td>
<td>$725M</td>
<td>$725M</td>
</tr>
</tbody>
</table>

Other Key Deal Terms:

- **Monthly Borrowing Base**: 75% of eligible AR plus 35% of eligible inventory
- **Drawn Pricing**: LIBOR + 475 basis points
- **Capital Expenditures**: Maximum of $55M per year

---

1 The amended facility retained the original maturity of 29 July 2016
2 Effective as of 22 Feb 2014
Canadian Tax Dispute

2005 to 2006 Audit

\[ \begin{align*}
\text{Original CRA Assessed Liability: C$88} \\
\text{Amount Withdrawn by CRA: C$79} \\
\text{Final Liability: C$9}
\end{align*} \]

- Anticipate the imminent release of C$37m collateral
- CRA Competent Authority withdrew its 2005/2006 assessments.
- The remaining 2005/2006 liability is for domestic issues and will be settled with amounts already paid related to the 2005-2006 tax periods, subject to timing.

2007 to 2009 Audit

\[ \begin{align*}
\text{Proposed CRA Assessed Liability: C$75} \\
\text{Estimated Security Required by CRA: C$41}
\end{align*} \]

- 2007 – 2009 assessed by Audit division are essentially on the same basis as the 2005/2006 assessments.
- Assessed liability includes interest and potential penalties.
- Will pursue appeals of the adjustments when they are officially assessed as well as relief from security requirement.

Note, all amounts presented on this page are in CAD Millions.
Business Overview

Northern Canada
Diversified End Market Exposure

**FY 2013 Total BLY Revenue – Products & Services**

- Global Products: 25%
- Performance Tooling: 19%
- Underground Coring: 15%
- Rotary/RC: 21%
- Surface Coring: 30%
- Other: 4%
- Drilling Equipment: 6%

**FY 2013 Total BLY Revenue by Region – Products & Services**

- USA: 22%
- Canada: 18%
- EMEA: 19%
- APAC: 29%
- LAM: 13%
- Other: 4%

**FY 2013 Drilling Services Revenue by Stage**

- Greenfield: 13%
- Water Services: 15%
- Production (in-Pit): 12%
- Development (Near Mine/Brownfield): 56%
- Non-Mining: 4%
- Non-Greenfield: 87%

**FY 2013 Drilling Services Revenue by Commodity**

- Gold: 39%
- Copper: 22%
- Nickel: 7%
- Iron: 12%
- Energy: 7%
- Other Metals: 8%
- Other: 5%
- Gold, Copper, Iron and Nickel: ~80%
FY 2013 Operations
Drilling Services

- Cost: Global actions flowing through P&L
- Utilisation: Below 2009 levels
- Markets: Key wins in 2013 – Chile, Saudi Arabia, Democratic Republic of Congo
- Price: 2013 realised impact in the mid-single digits
- Categories: Surface coring slow, underground stable, gaining traction in water services

### Drilling Services Performance

<table>
<thead>
<tr>
<th>Drilling Services</th>
<th>2012 (US$M)</th>
<th>1H13</th>
<th>2H13</th>
<th>2013 Half</th>
<th>% Change Half</th>
<th>% Change YOY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,516</td>
<td>538</td>
<td>379</td>
<td>917</td>
<td>-30%</td>
<td>-39%</td>
</tr>
<tr>
<td>COGS</td>
<td>1,187</td>
<td>453</td>
<td>330</td>
<td>783</td>
<td>-27%</td>
<td>-34%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>137</td>
<td>50</td>
<td>35</td>
<td>85</td>
<td>-32%</td>
<td>-38%</td>
</tr>
<tr>
<td>EBITDA(^1)</td>
<td>290</td>
<td>84</td>
<td>58</td>
<td>142</td>
<td>-31%</td>
<td>-51%</td>
</tr>
</tbody>
</table>

\(^1\) Does not include restructuring and impairment charges

Water Services Gaining Traction

Water Services: Nevada, USA

[Map image showing Water Services locations]
FY 2013 Operations

Products

Global 3rd Party Utilisation: Declined until Q3, flat in Q4
Price: 2013 realised impact in the low-single digits
Categories: Surface coring slow, underground steady
Backlog: At or slightly below 2009 levels
New Products: R&D investment to focus on production drilling opportunities & incremental improvements to enhance productivity
Non Cash Inventory Expense: $23M due to slow moving inventory (expected to be mostly non recurring)

Examples of Products that Launched in 2013

- Digital Control Interface
- S250 Rock Drill
- LX11 Multipurpose Rig
- Roller Latch Head Assembly
- RSUMX Reamer

FY 2013 Earnings Presentation 22
Driving Cost and Efficiencies
Synergies: Products & Drilling Services

Aftermarket & Maintenance Synergies
- Expanded aftermarket footprint using existing Drilling Services facilities
  - Resulted in key wins in Indonesia, West Africa and Western Canada
  - Improved resource utilisation – manpower, facilities and inventory

Supply Chain Synergies
- Focus on streamlining distribution channels – closer to customer base
  - Realigned Canadian warehouses to reduce lease expense, freight costs, and delivery time
- Reduction in overall inventory and lead times
  - Planning demand and supply resource consolidation
  - Resource leverage and elimination of redundant processes and inventory
Company Outlook
Current Commodity Landscape

**Key Commodity Themes**

- Broker consensus suggest that a significant price recovery in commodities may not occur in the near-future
- Miners continue to focus on free cash flow by reducing overall spending levels and cutting costs
- Miners are also incorporating more stringent capital allocation hurdle rates and decision process specifically addressing development projects, dividend payments, and M&A

**Gold: ~39% of DS Revenue**

- 2014 Consensus:
  - Mean: $1,227
  - High: $1,487
  - Low: $1,080

**Copper: ~22% of DS Revenue**

- 2014 Consensus:
  - Mean: $3.22
  - High: $3.63
  - Low: $2.86

**Iron Ore: ~12% of DS Revenue**

- 2014 Consensus:
  - Mean: $120
  - High: $144
  - Low: $104

Source: Bloomberg and public filings as of 18 Feb 2014
2014 Business Outlook

**Forecasting & Guidance:**
- The volatility and cyclicality of the industry make forecasting very challenging
- The Company will not provide Revenue and EBITDA guidance
- The Company will provide quarterly metrics & KPI’s

**Current Industry Conditions:**
- Mineral exploration and mining capital expenditures may remain at current levels and could compress even further in 2014
- Excess global rig capacity could put further downward pressure on price in the Drilling Services business while we expect pricing to remain flat to slightly down in the Products business
- Mining companies continue to deplete their existing reserve bases and will need to eventually replenish their reserves which should trigger a future recovery in mineral exploration spend

The Company is not providing Revenue & EBITDA guidance
The low-end of analysts’ consensus\(^1\) appears to be lagging current market conditions

2014 Forecast Considerations

**FY 2013 Revenue Profile**

<table>
<thead>
<tr>
<th></th>
<th>1H13</th>
<th>2H13</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H13</td>
<td>719</td>
<td>504</td>
<td>1,223</td>
</tr>
<tr>
<td>2H13</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q313</td>
<td>279</td>
<td>225</td>
<td></td>
</tr>
<tr>
<td>Q413</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FY 2013 Statutory EBITDA Profile**

<table>
<thead>
<tr>
<th></th>
<th>1H13</th>
<th>2H13</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H13</td>
<td>(235)</td>
<td>(102)</td>
<td>(337)</td>
</tr>
<tr>
<td>2H13</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q313</td>
<td>(1)</td>
<td>(101)</td>
<td></td>
</tr>
<tr>
<td>Q413</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FY 2013 Adjusted\(^2\) EBITDA Profile**

<table>
<thead>
<tr>
<th></th>
<th>1H13</th>
<th>2H13</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H13</td>
<td>80</td>
<td>27</td>
<td>107</td>
</tr>
<tr>
<td>2H13</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q313</td>
<td>19</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Q413</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Impact in 2014 relative to 2H13:*

- Pricing pressure & carry over impact from 2013
- Drilling activity levels declined from Q313 to Q413
- Continued strengthening of USD
- Flow through of cost programs
  - Aug 13 Initiative - $30M
  - Jan 14 Initiative - $28M
- Inventory obsolescence expense not expected to repeat in 2014
  - 1H13 - $10M
  - 2H13 - $13M

\(^1\) The Company notes that as of 22 Feb 2014, the low-end of consensus estimates found in Bloomberg for 2014 Revenue and EBITDA were $979m and $79m, respectively

\(^2\) See Footnote Disclosure 1 in the Appendix
Engaged Goldman Sachs to assess a comprehensive spectrum of strategic options

**Objectives of the Strategic Option Review:**
- Evaluate the feasibility and timing of all potential options available to the company
- Maximise value for all Boart Longyear stakeholders
- Preserve the franchise value of both the Drilling Services & Products businesses
- Provide continuity of services and products to our global customer base
- Ensure capital adequacy to continue as a going concern through the mining cycle and position the business to capture future growth when the market recovers
Boart Longyear’s 2014 Business Objectives

- Safety First
- Increase Margin
- De-Lever Balance Sheet
- Generate Cash
- Reduce Cost
- Focus on Customers
- Empower People
- Create Efficiencies
- Improve Liquidity
QUESTIONS?
FY 2013 Consolidated Overview

(US $M)

Revenue Bridge

<table>
<thead>
<tr>
<th>FY 2012</th>
<th>Price</th>
<th>Volume/Mix</th>
<th>FX</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,012</td>
<td>$(98)</td>
<td>$(659)</td>
<td>$(32)</td>
<td>$1,223</td>
</tr>
</tbody>
</table>

Adjusted¹ EBITDA Bridge

<table>
<thead>
<tr>
<th>FY 2012</th>
<th>Price</th>
<th>Volume/Mix</th>
<th>Material/Labor Inflation</th>
<th>SG&amp;A/Other</th>
<th>FX</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>$322</td>
<td>$(98)</td>
<td>$(182)</td>
<td>$(32)</td>
<td>$100</td>
<td>$(3)</td>
<td>$107</td>
</tr>
</tbody>
</table>

¹ See Footnote 1 in the Appendix
FY 2013 Performance Bridges - Products

(US $M)

**Products Revenue Bridge**

- Revenue down 38%; minimal price impact
- $23M of non-cash obsolescence reserves impacting margins
  - $10M in 1H; $13M in 2H
- $15M of negative manufacturing variances impacting margins due to idling of the plants
  - $7M in 1H; $8M in 2H

**Products EBITDA\(^1\) Bridge**

\(^1\) Does not include restructuring and impairment charges
FY 2013 Performance Bridges - Drilling Services

(DS $M)

**Drilling Services Revenue Bridge**

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>Price</th>
<th>Volume/Mix</th>
<th>FX</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,516</td>
<td>$(60)</td>
<td>$(517)</td>
<td>$(22)</td>
<td>$917</td>
</tr>
</tbody>
</table>

- Revenue down 39%; driven by lower utilisation
- Margins negatively impacted by:
  - Timing of reducing variable costs
  - One time severance costs
  - Price

**Drilling Services EBITDA\(^1\) Bridge**

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>Price</th>
<th>Volume/Mix</th>
<th>Material/Labor Inflation</th>
<th>SG&amp;A</th>
<th>FX</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$290</td>
<td>$(60)</td>
<td>$(105)</td>
<td>$(32)</td>
<td>$52</td>
<td>$(3)</td>
<td>$142</td>
</tr>
</tbody>
</table>

\(^1\) Does not include restructuring and impairment charges
## Reconciliation: Statutory to Adjusted

(US $M)

<table>
<thead>
<tr>
<th>$ in Millions</th>
<th>Statutory 2012</th>
<th>Adjustments</th>
<th>Adjusted 2012</th>
<th>Statutory 2013</th>
<th>Adjustments</th>
<th>Adjusted 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,012</td>
<td>-</td>
<td>2,012</td>
<td>1,223</td>
<td>-</td>
<td>1,223</td>
</tr>
<tr>
<td>EBIT</td>
<td>127</td>
<td>68</td>
<td>195</td>
<td>(468)</td>
<td>444</td>
<td>(24)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>254</td>
<td>68</td>
<td>322</td>
<td>(337)</td>
<td>444</td>
<td>107</td>
</tr>
<tr>
<td>NPAT</td>
<td>68</td>
<td>48</td>
<td>116</td>
<td>(620)</td>
<td>526</td>
<td>(94)</td>
</tr>
</tbody>
</table>

*1 See Footnote 1 in the Appendix*
Inventory

Inventory Balance

- Peaked at ~$570M in October 2012
- Continued focus on supply chain efficiencies to further decrease total company inventory
- Non-cash obsolescence expense of $23M expected to be largely non-recurring in 2014 and relates to our “slow moving” policy
## End Market Exposure

### Year over year comparison

<table>
<thead>
<tr>
<th>BLY Revenue - Products &amp; Services</th>
<th>FY 2013</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Drilling</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Surface Coring</td>
<td>30%</td>
<td>39%</td>
</tr>
<tr>
<td>Underground Coring</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Rotary/RC</td>
<td>21%</td>
<td>20%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Performance Tooling</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Drilling Equipment</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Drilling Services Revenue by Stage</th>
<th>FY 2013</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenfield</td>
<td>13%</td>
<td>28%</td>
</tr>
<tr>
<td>Development (Near Mine/Brownfield)</td>
<td>56%</td>
<td>51%</td>
</tr>
<tr>
<td>Production (in-Pit)</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Water Services</td>
<td>15%</td>
<td>11%</td>
</tr>
<tr>
<td>Non-Mining</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Drilling Services Revenue by Commodity</th>
<th>FY 2013</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td>39%</td>
<td>44%</td>
</tr>
<tr>
<td>Copper</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>Iron</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Nickel</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Other Metals</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Energy</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Environmental</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Other Metals</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue by Region - Products &amp; Services</th>
<th>FY 2013</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>Canada</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>EMEA</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>APAC</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>LAM</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
## Income Statement

<table>
<thead>
<tr>
<th></th>
<th>Year ended 2013</th>
<th>Year ended 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$'000</td>
<td>US$'000</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,222,853</td>
<td>2,011,507</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(1,020,718)</td>
<td>(1,499,060)</td>
</tr>
<tr>
<td>Gross margin</td>
<td>202,135</td>
<td>512,447</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>18,151</td>
<td>3,097</td>
</tr>
<tr>
<td>Sales and marketing expenses</td>
<td>(157,728)</td>
<td>(236,168)</td>
</tr>
<tr>
<td>Restructuring expenses and related impairments</td>
<td>(461,165)</td>
<td>(67,584)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(24,828)</td>
<td>(23,454)</td>
</tr>
<tr>
<td>Operating (loss) profit</td>
<td>(467,840)</td>
<td>126,848</td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>(40,914)</td>
<td>(30,065)</td>
</tr>
<tr>
<td>(Loss) profit before taxation</td>
<td>(505,903)</td>
<td>99,926</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(114,040)</td>
<td>(31,762)</td>
</tr>
<tr>
<td>(Loss) profit for the year attributable to equity holders of the parent</td>
<td>(619,943)</td>
<td>68,164</td>
</tr>
<tr>
<td>Earnings per share:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic (loss) earnings per share</td>
<td>(136.1) cents</td>
<td>15.0 cents</td>
</tr>
<tr>
<td>Diluted (loss) earnings per share</td>
<td>(136.1) cents</td>
<td>14.8 cents</td>
</tr>
</tbody>
</table>

## Other comprehensive income (loss)

<table>
<thead>
<tr>
<th></th>
<th>2013 US$'000</th>
<th>2012 US$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Loss) profit for the year attributable to equity holders of the parent</td>
<td>(619,943)</td>
<td>68,164</td>
</tr>
</tbody>
</table>

*Items that may be reclassified subsequently to profit or loss*
- Exchange differences on translation of foreign operations: (102,631) 6,324
- Items that will not be reclassified subsequently to profit or loss
  - Actuarial gain (loss) related to defined benefit plans: 28,008 (19,448)
  - Income tax on income and expense recognised directly through equity: (8,874) 3,088
- Other comprehensive loss for the year (net of tax): (83,497) (10,036)

**Total comprehensive (loss) income for the year attributable to equity holders of the parent**: (703,440) 58,128
## Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>31 December 2013 (US$'000)</th>
<th>31 December 2012 (US$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>59,053</td>
<td>89,628</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>196,912</td>
<td>260,502</td>
</tr>
<tr>
<td>Inventories</td>
<td>298,947</td>
<td>533,690</td>
</tr>
<tr>
<td>Current tax receivable</td>
<td>18,253</td>
<td>39,331</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>25,054</td>
<td>42,021</td>
</tr>
<tr>
<td>Assets classified as held for sale</td>
<td>-</td>
<td>33,997</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>598,219</td>
<td>999,169</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>408,311</td>
<td>628,691</td>
</tr>
<tr>
<td>Goodwill</td>
<td>103,974</td>
<td>290,786</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>92,028</td>
<td>128,158</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>110,243</td>
<td>192,352</td>
</tr>
<tr>
<td>Other assets</td>
<td>17,706</td>
<td>11,582</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>732,262</td>
<td>1,251,569</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,330,481</td>
<td>2,250,738</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>153,152</td>
<td>284,251</td>
</tr>
<tr>
<td>Provisions</td>
<td>33,263</td>
<td>36,271</td>
</tr>
<tr>
<td>Current tax payable</td>
<td>91,649</td>
<td>97,486</td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>84</td>
<td>189</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>278,148</td>
<td>418,197</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>585,375</td>
<td>601,733</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>1,179</td>
<td>7,757</td>
</tr>
<tr>
<td>Provisions</td>
<td>37,184</td>
<td>87,634</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>623,738</td>
<td>697,124</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>901,886</td>
<td>1,115,321</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>428,595</td>
<td>1,135,417</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued capital</td>
<td>1,129,014</td>
<td>1,122,189</td>
</tr>
<tr>
<td>Reserves</td>
<td>(37,312)</td>
<td>70,914</td>
</tr>
<tr>
<td>Other equity</td>
<td>(137,182)</td>
<td>(137,182)</td>
</tr>
<tr>
<td>(Accumulated Losses) Retained earnings</td>
<td>(525,925)</td>
<td>79,496</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>428,595</td>
<td>1,135,417</td>
</tr>
</tbody>
</table>
### Cash Flow Statement (1 of 2)

#### Year ended 2013

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>Year ended 2013 US$’000</th>
<th>Year ended 2012 US$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Loss) Profit for the year</td>
<td>(619,943)</td>
<td>68,164</td>
</tr>
<tr>
<td>Adjustments provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax expense recognised in profit</td>
<td>114,040</td>
<td>31,762</td>
</tr>
<tr>
<td>Finance costs recognised in profit</td>
<td>40,914</td>
<td>30,065</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>130,724</td>
<td>127,443</td>
</tr>
<tr>
<td>Interest income recognised in profit</td>
<td>(2,851)</td>
<td>(3,143)</td>
</tr>
<tr>
<td>(Gain) loss on sale or disposal of non-current assets</td>
<td>(364)</td>
<td>900</td>
</tr>
<tr>
<td>Loss on disposal of business</td>
<td>1,962</td>
<td>-</td>
</tr>
<tr>
<td>Impairment of current and non-current assets</td>
<td>405,016</td>
<td>36,300</td>
</tr>
<tr>
<td>Non-cash foreign exchange loss</td>
<td>2,888</td>
<td>1,472</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>1,230</td>
<td>7,304</td>
</tr>
<tr>
<td>Long-term compensation - cash rights</td>
<td>(31)</td>
<td>3,336</td>
</tr>
<tr>
<td>Changes in net assets and liabilities, net of effects from acquisition and disposal of business:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>45,851</td>
<td>45,906</td>
</tr>
<tr>
<td>Inventories</td>
<td>101,791</td>
<td>(140,276)</td>
</tr>
<tr>
<td>Other assets</td>
<td>16,427</td>
<td>(20,588)</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(138,746)</td>
<td>(39,668)</td>
</tr>
<tr>
<td>Provisions</td>
<td>(22,629)</td>
<td>6,742</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>76,279</td>
<td>155,719</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(31,616)</td>
<td>(28,928)</td>
</tr>
<tr>
<td>Interest received</td>
<td>2,851</td>
<td>3,143</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(36,012)</td>
<td>(65,722)</td>
</tr>
<tr>
<td>Net cash flows provided by operating activities</td>
<td><strong>11,502</strong></td>
<td><strong>64,212</strong></td>
</tr>
</tbody>
</table>
## Cash Flow Statement (2 of 2)

### Year ended Year ended

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$'000</td>
<td>US$'000</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(35,528)</td>
<td>(247,653)</td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>14,522</td>
<td>3,266</td>
</tr>
<tr>
<td>Intangible costs paid</td>
<td>(5,956)</td>
<td>(35,141)</td>
</tr>
<tr>
<td>Proceeds on disposal of subsidiary, net of cash disposed</td>
<td>24,810</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash flows provided by (used in) investing activities</strong></td>
<td>(2,152)</td>
<td>(279,528)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for share purchases for LTIP</td>
<td>-</td>
<td>(9,169)</td>
</tr>
<tr>
<td>Payments for debt issuance costs</td>
<td>(10,137)</td>
<td>(490)</td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>453,006</td>
<td>418,444</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>(461,139)</td>
<td>(129,872)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(4,612)</td>
<td>(55,340)</td>
</tr>
<tr>
<td><strong>Net cash flows (used in) provided by financing activities</strong></td>
<td>(22,882)</td>
<td>223,573</td>
</tr>
<tr>
<td><strong>Net (decrease) increase in cash and cash equivalents</strong></td>
<td>(13,532)</td>
<td>8,257</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td>89,628</td>
<td>82,286</td>
</tr>
<tr>
<td>Effects of exchange rate changes on the balance of cash held in foreign currencies</td>
<td>(17,043)</td>
<td>(915)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td><strong>59,053</strong></td>
<td><strong>89,628</strong></td>
</tr>
</tbody>
</table>
## Restructuring & Impairment Detail

For the year ended 31 December

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>(337.1)</td>
<td></td>
<td>254.3</td>
<td></td>
</tr>
<tr>
<td><strong>NPAT</strong></td>
<td>(619.9)</td>
<td></td>
<td>68.2</td>
<td></td>
</tr>
<tr>
<td>Goodwill impairments</td>
<td>166.3</td>
<td>166.3</td>
<td>6.8</td>
<td>6.8</td>
</tr>
<tr>
<td>Property, plant and equipment impairments</td>
<td>109.9</td>
<td>109.9</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Inventory impairments</td>
<td>101.9</td>
<td>101.9</td>
<td>7.7</td>
<td>7.7</td>
</tr>
<tr>
<td>Employee separation costs</td>
<td>44.8</td>
<td>44.8</td>
<td>31.6</td>
<td>31.6</td>
</tr>
<tr>
<td>Development asset impairments</td>
<td>14.6</td>
<td>14.6</td>
<td>8.4</td>
<td>8.4</td>
</tr>
<tr>
<td>Intangible assets impairments</td>
<td>9.1</td>
<td>9.1</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Other restructuring and impairment costs</td>
<td>14.6</td>
<td>14.6</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Gain on termination of post-retirement medical plan</td>
<td>(16.9)</td>
<td>(16.9)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Tax effect of above items and other tax write offs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total of significant items</td>
<td>444.3</td>
<td>525.6</td>
<td>67.6</td>
<td>47.9</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>107.2</td>
<td></td>
<td>321.9</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted NPAT</strong></td>
<td>(94.3)</td>
<td></td>
<td>116.1</td>
<td></td>
</tr>
</tbody>
</table>

---

(1) EBITDA is ‘Earnings before interest, tax, depreciation and amortisation’. Adjusted EBITDA is ‘Earnings before interest, tax, depreciation and amortisation and before significant items’. See reconciliation in section 7 ‘Non-IFRS Financial Information’.

(2) NPAT is ‘Net profit after tax’. Adjusted NPAT is ‘Net profit after tax and significant items’.

(3) These are non-IFRS financial information and have not been subject to audit by the Company’s external auditor.

(4) Includes tax expense on de-recognition of deferred tax assets accruing in prior years and unrecognised tax losses in the current year ($160.3 million)
Footnote Disclosures

• **Footnote 1:** Adjusted EBITDA, Adjusted EBIT, and Adjusted NPAT are non-IFRS measures and are used internally by management to assess the performance of the business and, for 2013, have been derived from the Company’s financial statements by adding back US$444 million pre-tax (US$526 million post-tax) comprising US$461 million of restructuring charges and impairments, offset by a pension related gain of US$17 million.

• **Footnote 2:** Drill rig utilisation defined as the average of the weekly average of operating rigs generating revenue. Previously, the Company has provided utilisation figures based on operating rigs, plus those assigned to a specific contract. To better align with market activity, it has elected to exclude assigned rigs from the utilisation metric.

• **Footnote 3:** Excludes contingent liabilities relevant to determining bank covenant compliance. See footnote #31 in Financial Report.

• **Footnote 4:** Transactions between segments are carried out at arm’s length and are eliminated on consolidation. Inter-segment revenue is counted as products are moved to a Drilling Services project (as opposed to a Drilling Services inventory location in the past).

• **Footnote 5:** Expenditure profile defined as operating costs plus capital expenditures.