MDR700: Mobile Coring Rig

1H 2015 Results
August 2015

BOART LONGYEAR™

Important Notice and Disclaimer

- This presentation has been prepared by Boart Longyear Limited, ABN 49 123 052 728 (**Boart Longyear** or the **Company**). It contains general information about the Company's activities as at the date of the presentation. It is information given in summary form and does not purport to be complete. The distribution of this presentation in jurisdictions outside Australia may be restricted by law, and you should observe any such restrictions.

- This presentation is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy, securities in any jurisdiction. Neither this document nor anything in it shall form the basis of any contract or commitment. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any investor. All investors should consider such factors in consultation with a professional advisor of their choosing when deciding if an investment is appropriate.

- The Company has prepared this presentation based on information available to it, including information derived from public sources that have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein.

- This presentation includes forward-looking statements within the meaning of securities laws. Any forward-looking statements involve known and unknown risks and uncertainties, many of which are outside the control of the Company and its representatives. Forward-looking statements may also be based on estimates and assumptions with respect to future business decisions, which are subject to change. Any statements, assumptions, opinions or conclusions as to future matters may prove to be incorrect, and actual results, performance or achievement may vary materially from any projections and forward-looking statements.

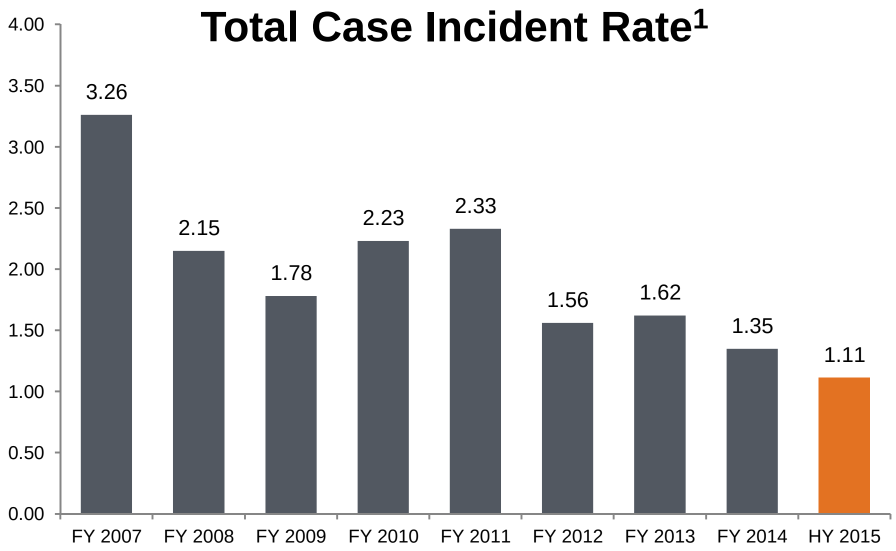
- Due care and attention should be undertaken when considering and analysing the financial performance of the Company.

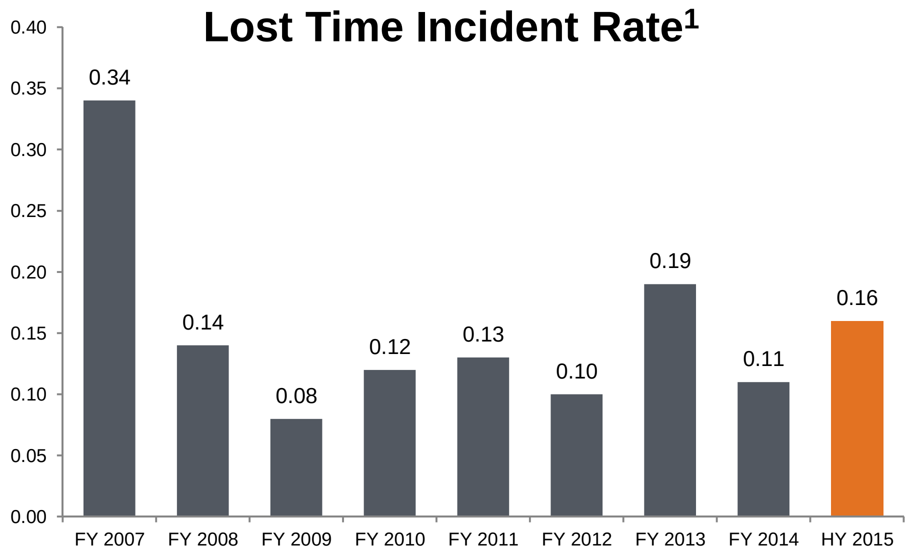
- All references to dollars are to United States currency unless otherwise stated.

Footnotes referred to throughout presentation are described on slides 38 & 39

Safety & Environment

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





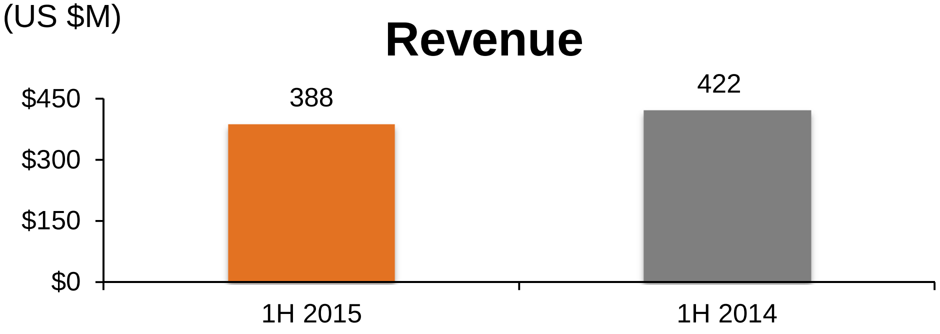
- **Safety Performance**
  - Significant improvement in overall recordable injury cases.
  - Moderate increase in lost time injuries.
  - No fatalities.
- **Proactive Safety Culture**
  - Focused field leadership interactions with field employees covering significant areas of risk.
  - Continuation of Drilling Supervisor "Boots on the Ground" training program throughout LAM and EMEA regions.
- **Continual Improvement**
  - Focus on significant incident root cause analysis and corrective actions, supported by operations-centric incident reviews.

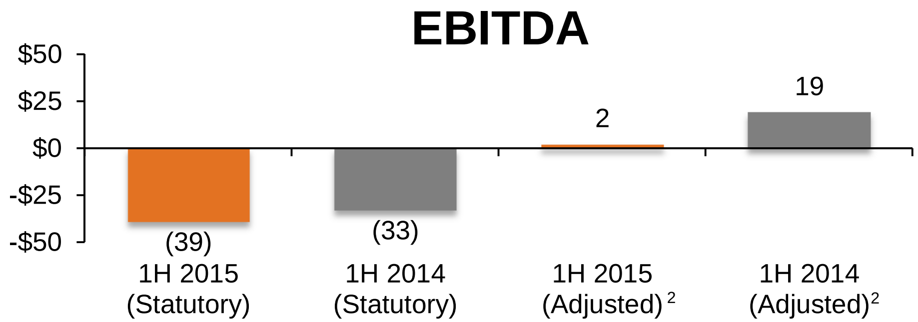
Reductions in recordable injury cases supported by field leadership interactions

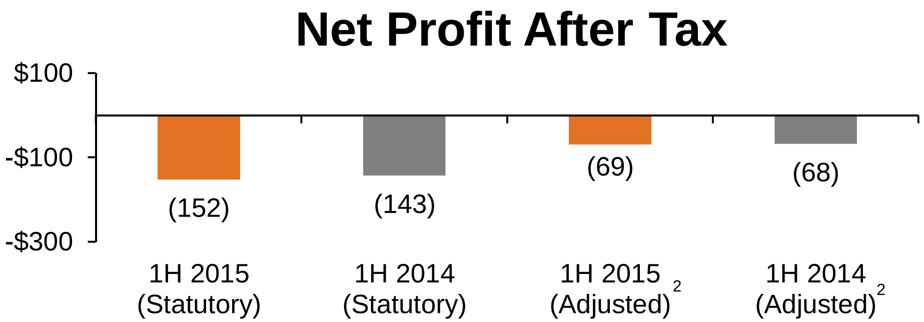
BOART LONGYEAR™

Consolidated Results Summary: 1H 2015

(US $M)







- 1H 2015 continued to be a difficult period for the industry and the Company due to declining or stagnant prices for metals and mined commodities.
- Stable demand for underground applications and products.
- Consolidated revenue was down $34M, $29M of which was due to unfavourable currency translation; revenue was also impacted by the flow-through of 2014 price reductions in Drilling Services. Whilst price appears to be stabilising in 2015, oversupply of drill rigs persists.

- Products' margins were up due to better fixed cost absorption, while Drilling Services' margins were down due to price and start-up costs related to non-mining projects.
- $41M of significant items in 1H 2015 of which $31M were impairment-related and non-cash, down from $52M in 1H 2014 of which $43M were impairment-related and non-cash.

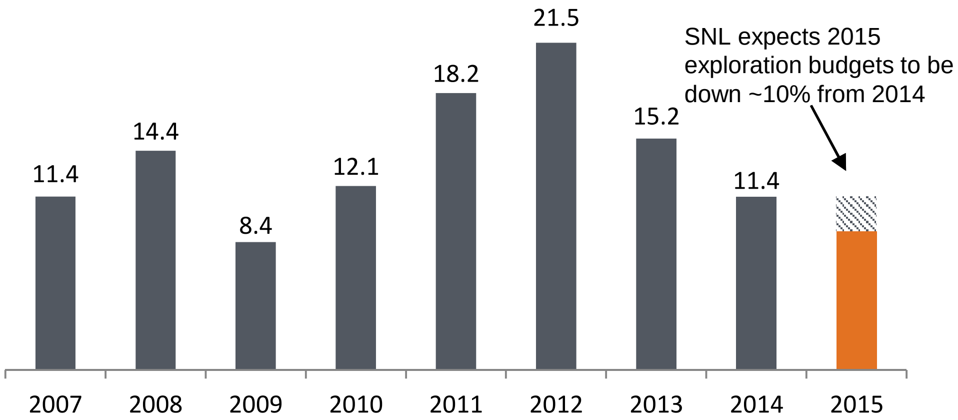
- Statutory EPS loss of 17.2 cents compared to a loss of 31.3 cents in 1H 2014 on 903.7M additional shares.
- No interim dividend to be paid.

BOART LONGYEAR™

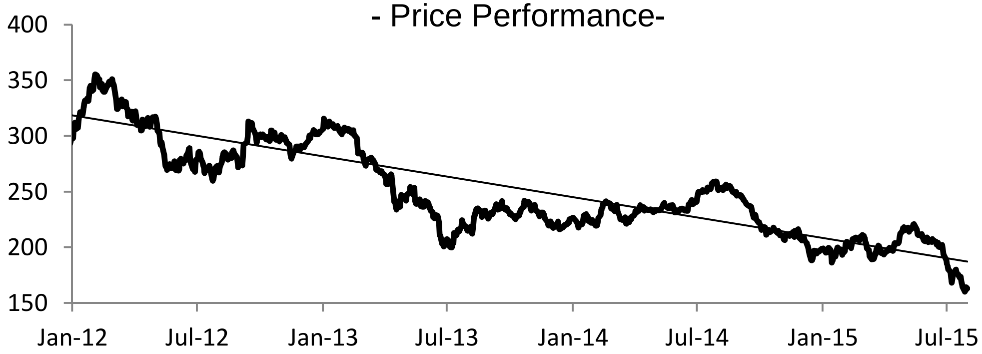
Key mining performance indicators continue to decline

Mining Performance

SNL MEG[3]
- Exploration Spend (US$ Billions)

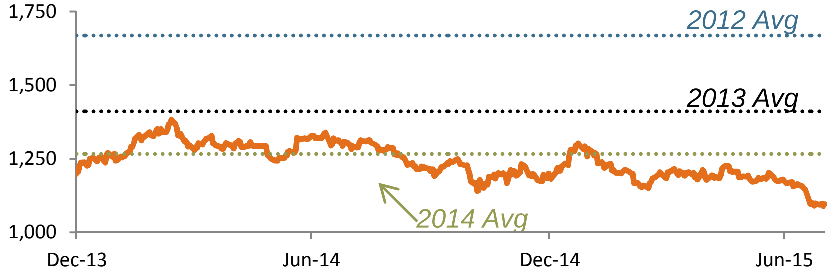


Bloomberg Mining Index[4]
- Price Performance-

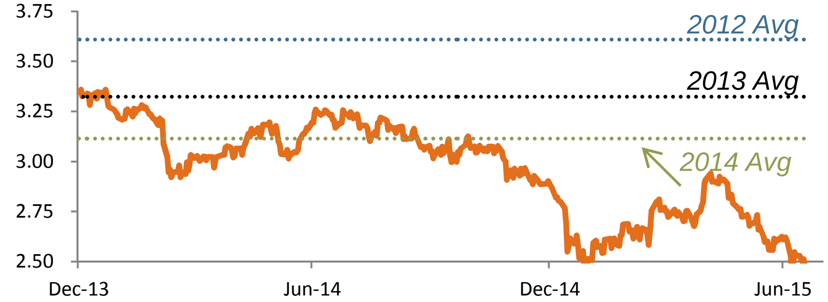


Key Commodity Trends[4]

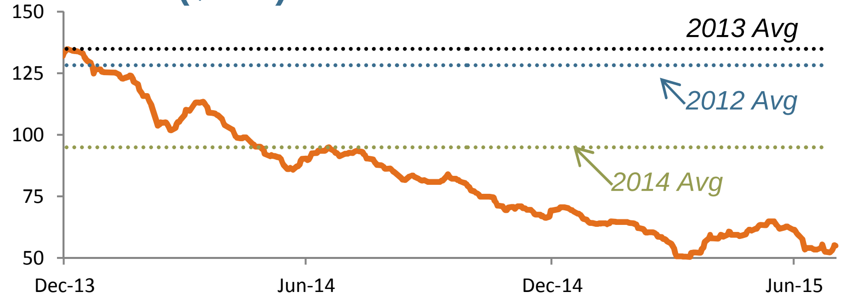
Gold ($/oz.)



Copper ($/lb.)

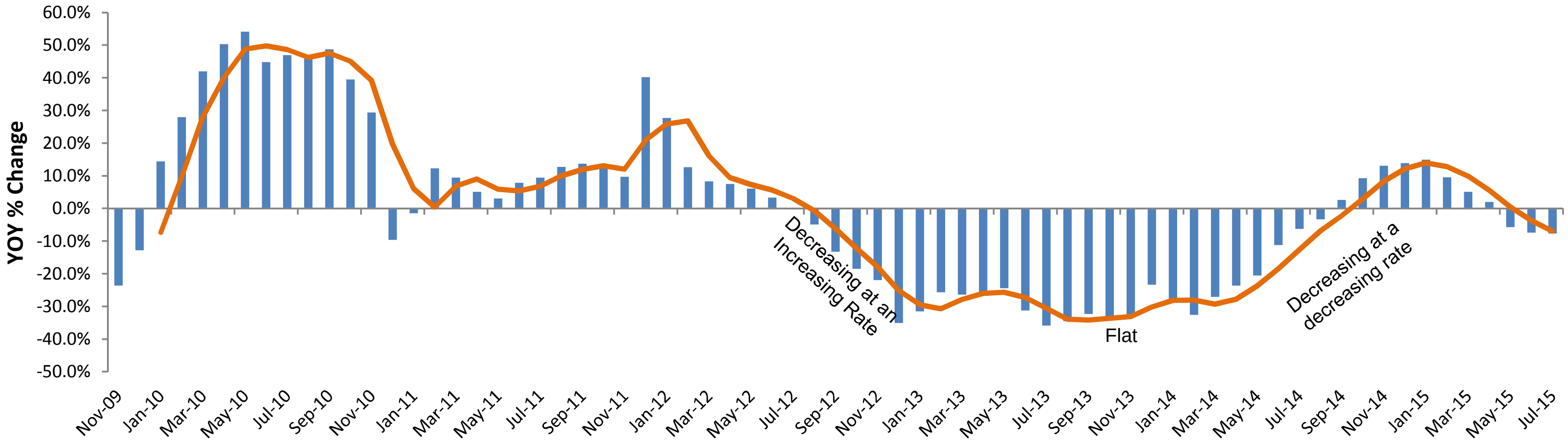


Iron Ore ($/MT)

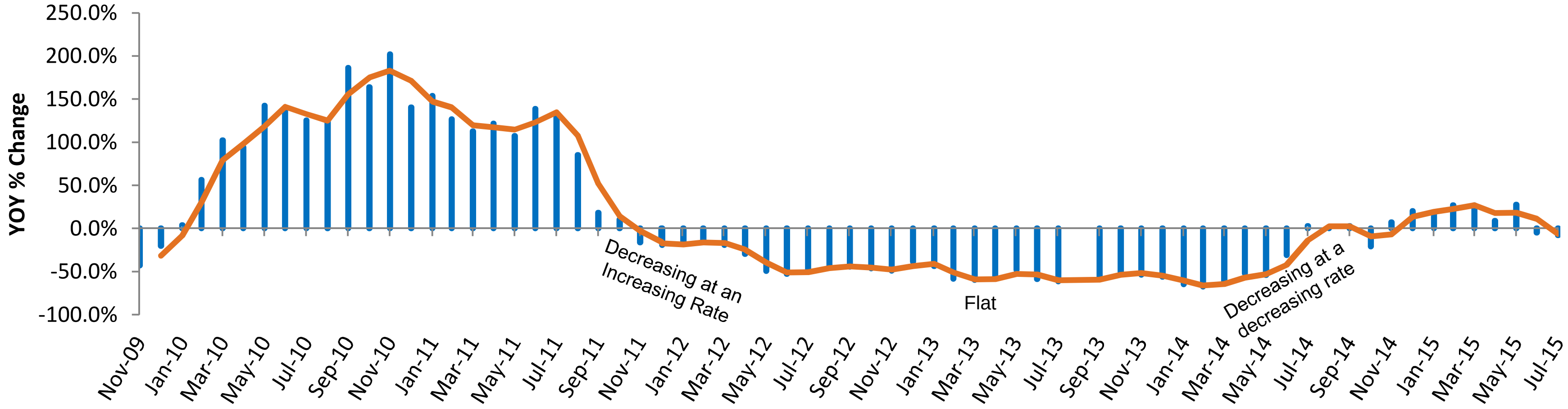


Operating rigs & Products' backlog showing less variability but remain at historically low levels

Year over Year % Change in Drilling Services' Operating Rigs[5]



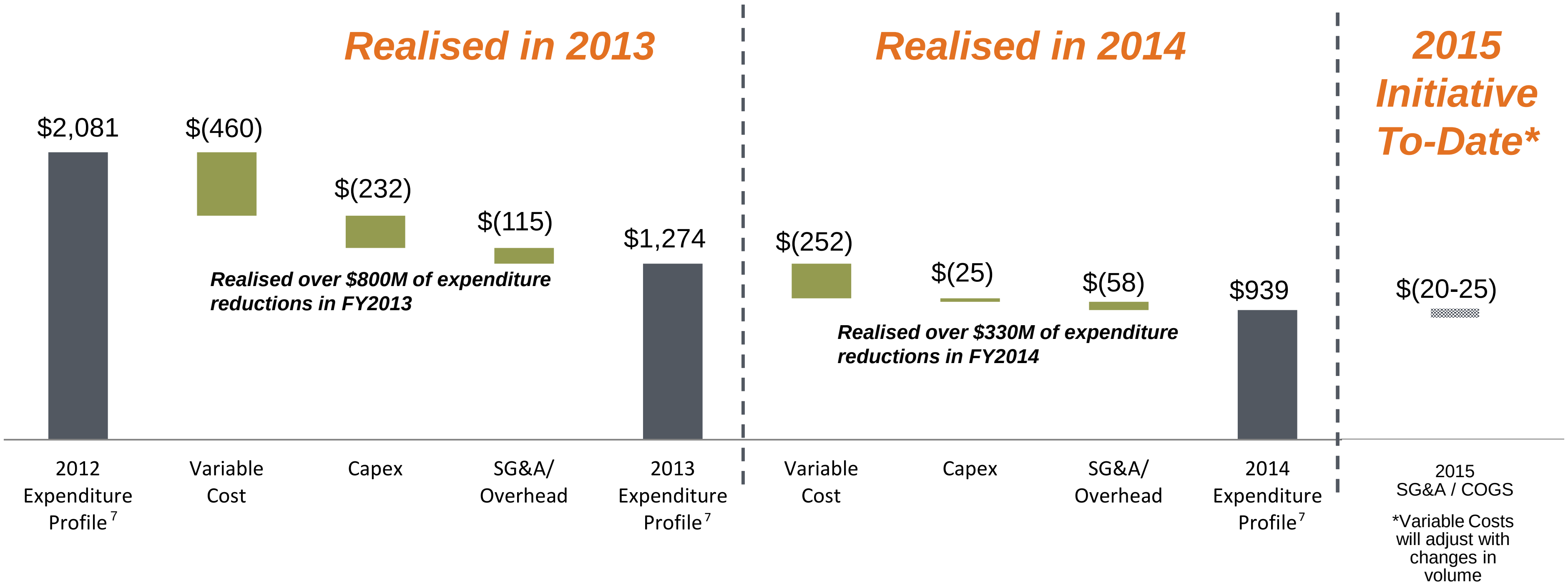
Year over Year % Change in Products' Order Backlog



Continuing to manage our overall cost structure very closely

(US $M)

Reduced expenditure profile by over $1.1 billion since 2012[6]



Further analysis is underway to improve cost structure in 2015

Financial Overview

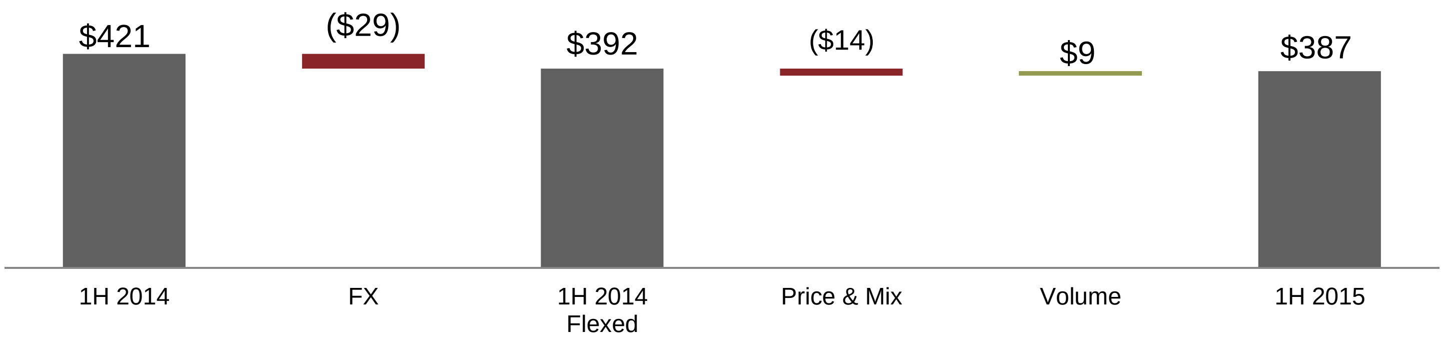
BOART LONGYEAR™

Consolidated Overview: 1H 2015

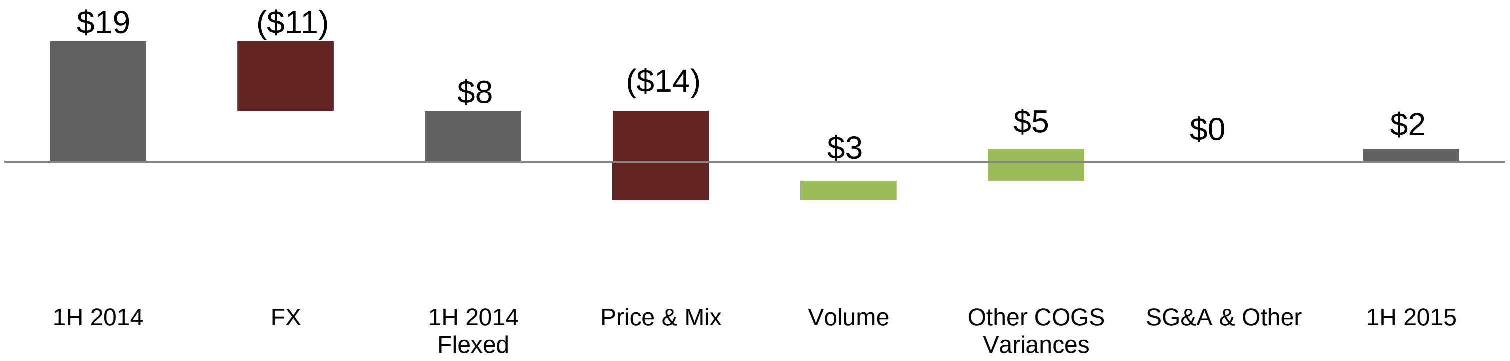
Price concessions partially offset by improved volume and cost savings

(US $M)

Revenue Bridge



Adjusted EBITDA[2] Bridge

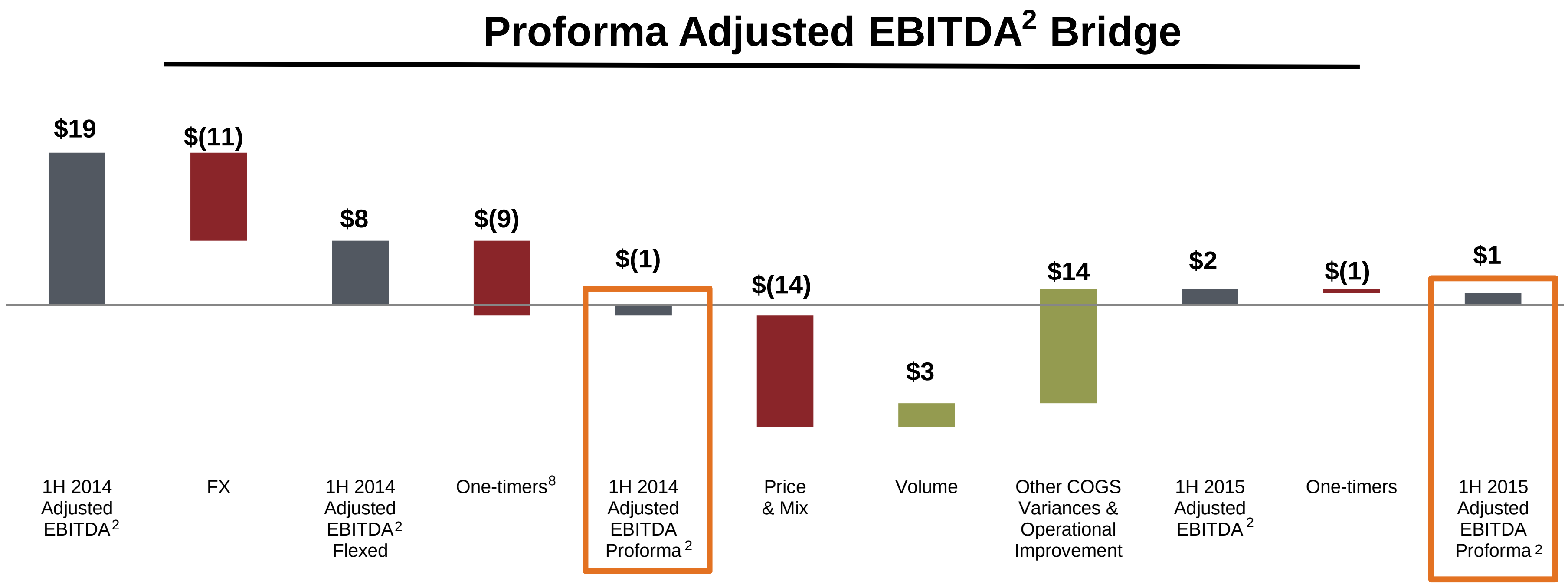


BOART LONGYEAR™

Consolidated Overview: 1H 2015

Proforma Adjusted EBITDA shows operational improvement

(US $M)



Half over Half Overview:
1H 2015 vs 1H 2014

Statutory

US $M, except EPS	1H 2015	1H 2014	% Change Fav / (Unfav)
Revenue	**387.5**	**421.5**	**(8.1%)**
Gross Margin	**17.5**	**7.7**	**127.3%**
Gross Margin as a % of Revenue	5%	2%	
Operating Loss	**(84.0)**	**(86.0)**	**2.3%**
Operating Loss as a % of Revenue	(22%)	(20%)	
EBITDA Loss	**(39.4)**	**(33.0)**	**(19.4%)**
EBITDA Loss as a % of Revenue	(10%)	(8%)	
NPAT Loss	**(152.3)**	**(142.8)**	**(6.7%)**
NPAT Loss as a % of Revenue	(39%)	(34%)	
EPS (Cents)	**(17.2)**	**(31.3)**	**45.0%**

Adjusted[2]

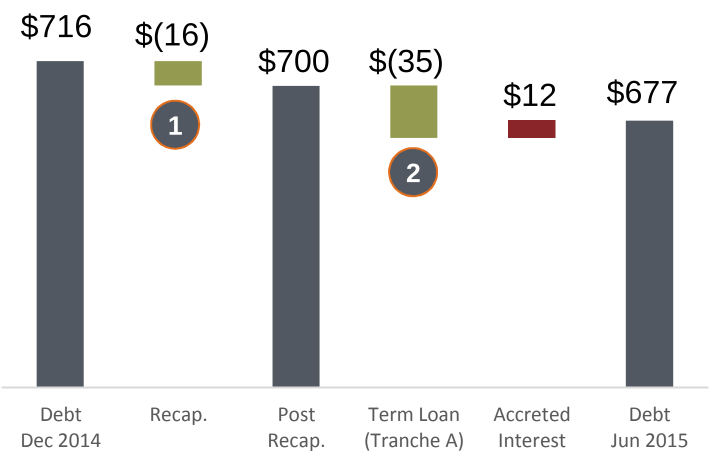
US $M	1H 2015	1H 2014	% Change Fav / (Unfav)
Revenue	**387.5**	**421.5**	**(8.1%)**
Adjusted Gross Margin	**51.6**	**55.9**	**(7.7%)**
Adjusted Gross Margin as a % of Revenue	13%	13%	
Adjusted Operating Loss	**(42.9)**	**(34.3)**	**(25.1%)**
Adjusted Operating Loss as a % of Revenue	(11%)	(8%)	
Adjusted EBITDA	**1.7**	**18.7**	**(90.9%)**
Adjusted EBITDA as a % of Revenue	0%	4%	
Adjusted NPAT Loss	**(68.8)**	**(68.0)**	**(1.2%)**
Adjusted NPAT Loss as a % of Revenue	(18%)	(16%)	

Significant restructuring and related impairment charges impacted statutory results

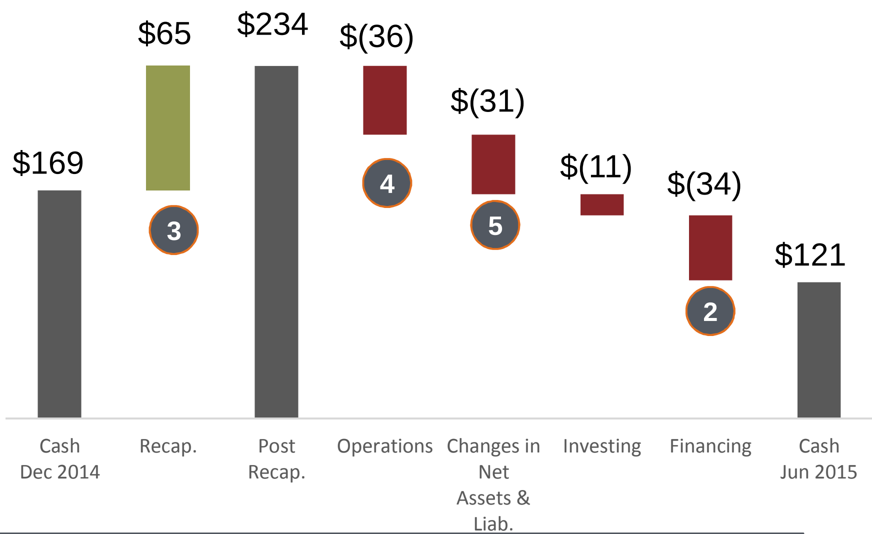
Net debt increased by $8M to $556M

(US $M)

Gross Debt



Cash



1. Equitisation of Senior Unsecured Notes of $16M
2. Reflects pay down of Term Loan, tranche A with cash concurrent with closing of new ABL facility.
3. Rights issue proceeds of $84M, less accrued recapitalisation costs of $18M
4. Primarily driven by net cash interest of $22M and cash taxes of $16M
5. Primarily driven by an increase in receivables of $25M due to revenue seasonality (note: change due to accrued recapitalisation costs of $18M reflected in Recap.)

Note: Figures in bridge may not foot due to rounding

BOART LONGYEAR™

2015 Full Year Outlook

Considerations in evaluating 2015 outlook include:

	2015
Revenue	Volumes consistent with first half 2015 runrate, but adjusting for any further: > Read-through of price reductions from 2014 > Currency movements
SG&A	Similar to first half 2015 runrate, with full year expectations between US$165 million to US$170 million
Capex	Similar to first half 2015 runrate, with full year target of US$25 million, but subject to changing market conditions
Working Capital	Release expected in second half 2015, with full year release estimated at US$25 million to US$35 million, primarily as a result of inventory reductions (excluding impact of recapitalisation fees)

Note: working capital refers to trade receivables and inventory, less trade payables

- Risks to full-year performance include:
  - Further mineral exploration and mining capital expenditure reductions
  - Excess global rig capacity puts further pressure on Drilling Services' pricing
  - Commodity prices falling materially, including in response to China volatility
  - Political or macro economic disruption in key markets
  - Possible additional significant items if our market and business performance continue to weaken
  - Adverse currency movements, including a stronger US dollar

Drilling Services Agricultural Site: California, USA

Business Overview

BOART LONGYEAR™

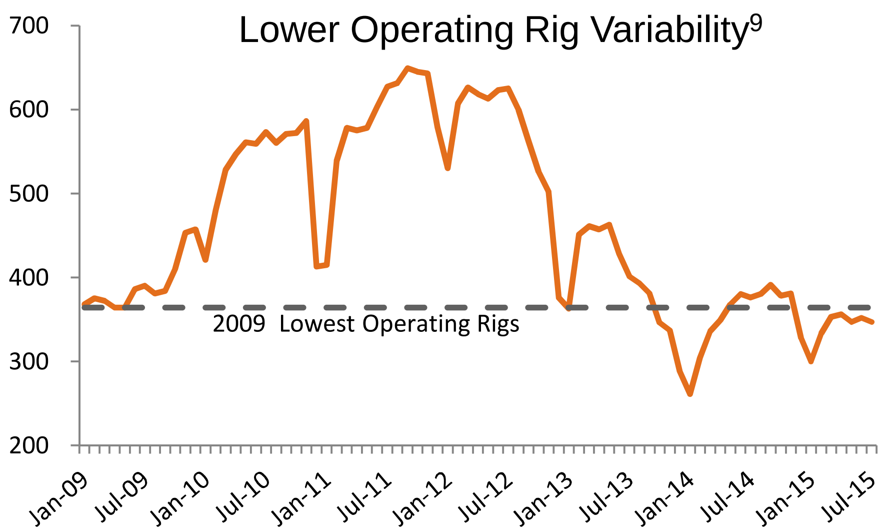
Drilling Services: 1H 2015 Operations

Lower operating rig variability but 2014 pricing impacting results

(US $M)	1H 2015	1H 2014	Change Fav/(Unfav)
Revenue	281	308	(9%)
COGS	258	281	8%
SG&A	30	28	(5%)
EBITDA	**22**	**37**	**(40%)**
EBITDA as a % of Revenue	*8%*	*12%*	

Key Performance Indicators	1H 2015	1H 2014	Change
Average Operating Rigs[5]	340	333	2%
Average Rig Utilisation[5]	37%	36%	1%
Average # of Drill Rigs	927	948	(2%)
Headcount (30 June)	3,478	4,130	(15%)

- Revenue down ~9% from 1H 2014 levels
- Average Rig Utilisation up ~1 percentage points vs 1H 2014
- Surface coring utilisation ~36%, underground near capacity
- Pricing down ~5% from 1H 2014
- Cost, productivity and volume improvements partially offsetting price

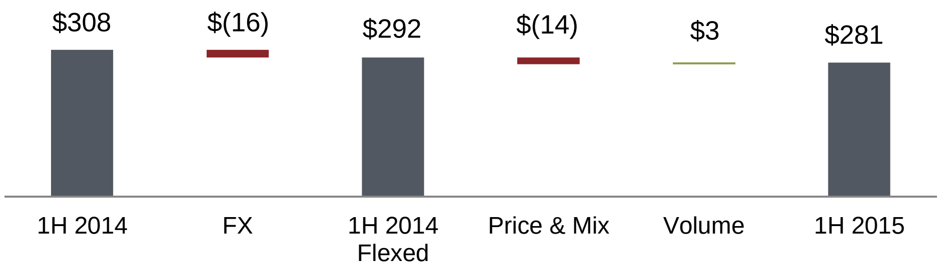


BOART LONGYEAR™

Drilling Services: 1H 2015 Performance Bridges

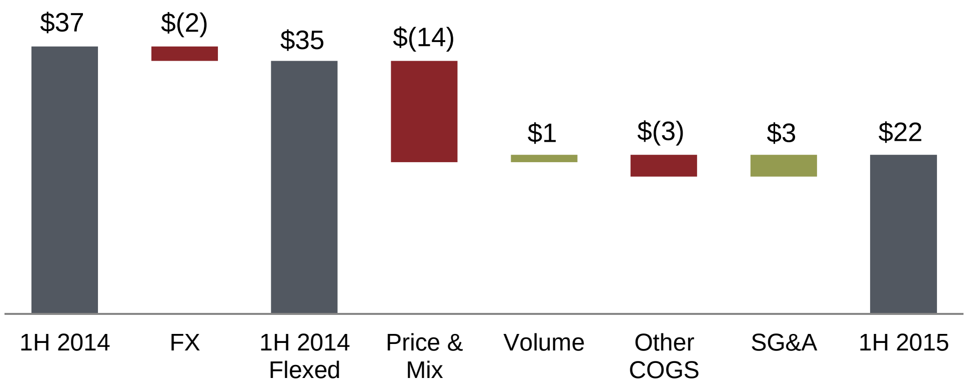
(US $M)

Drilling Services Revenue Bridge



- Adjusted for FX, revenue down due to price

Drilling Services EBITDA[2] Bridge

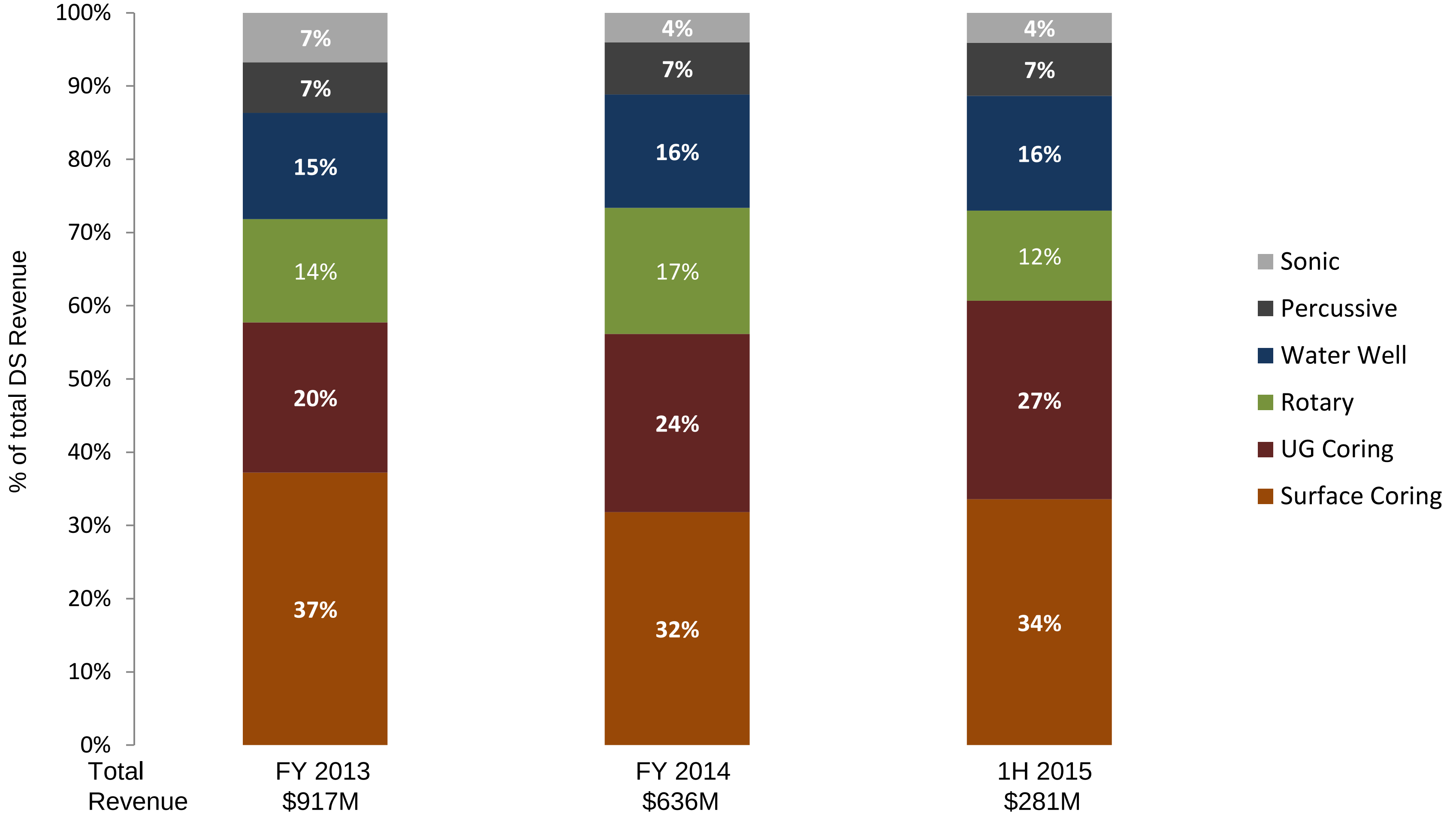


- Margins primarily impacted by price and pre-spending on projects
- Positive traction on SG&A

BOART LONGYEAR

Drilling Services: Revenue by Rig Type

Surface coring remains depressed while underground applications, including coring and percussive are stable

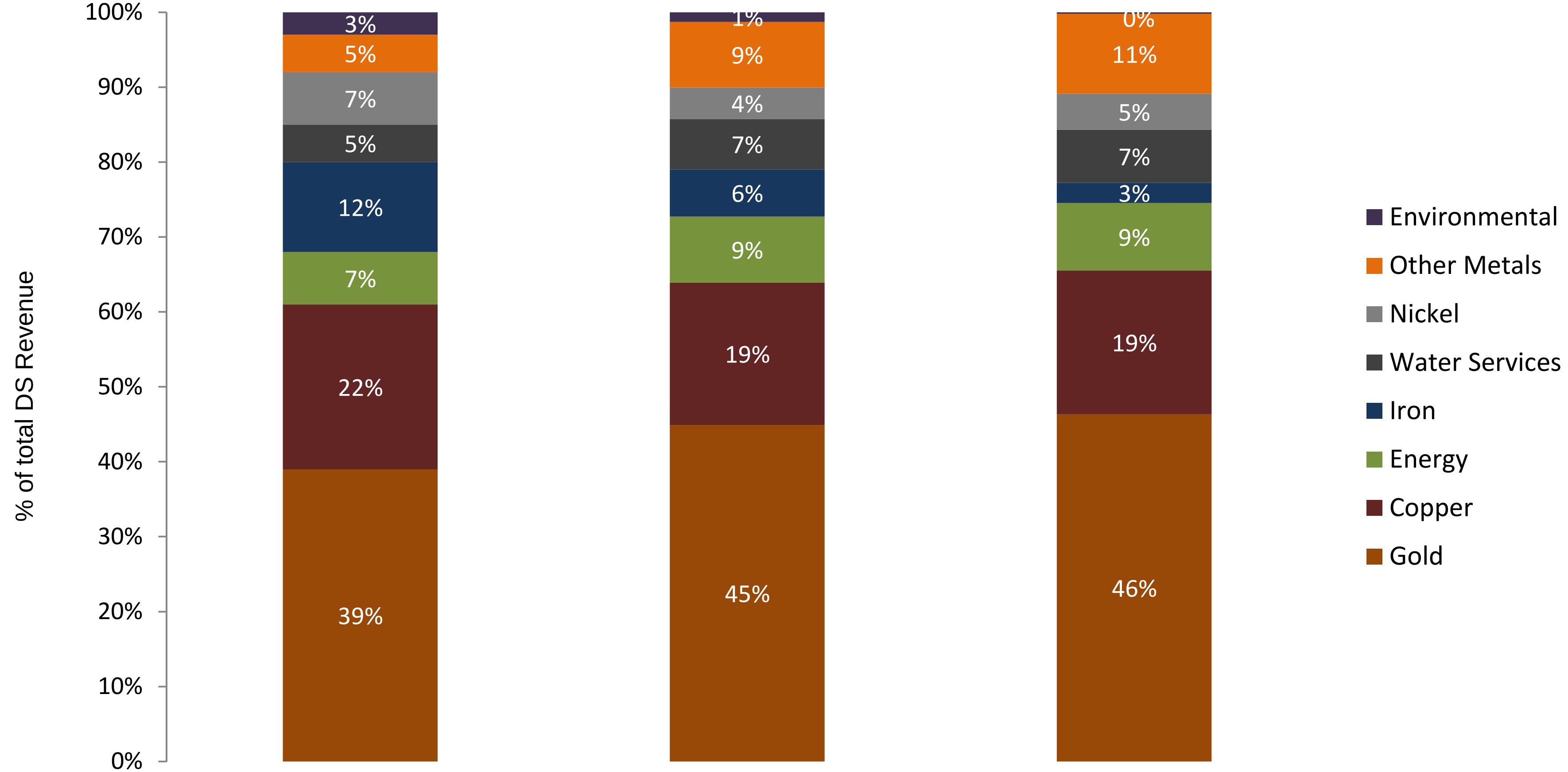


Relative revenue down slightly in rotary, with flat to slight increases in other rig types

BOART LONGYEAR™

Drilling Services: Revenue by Commodity

Copper and Gold remain our key commodities

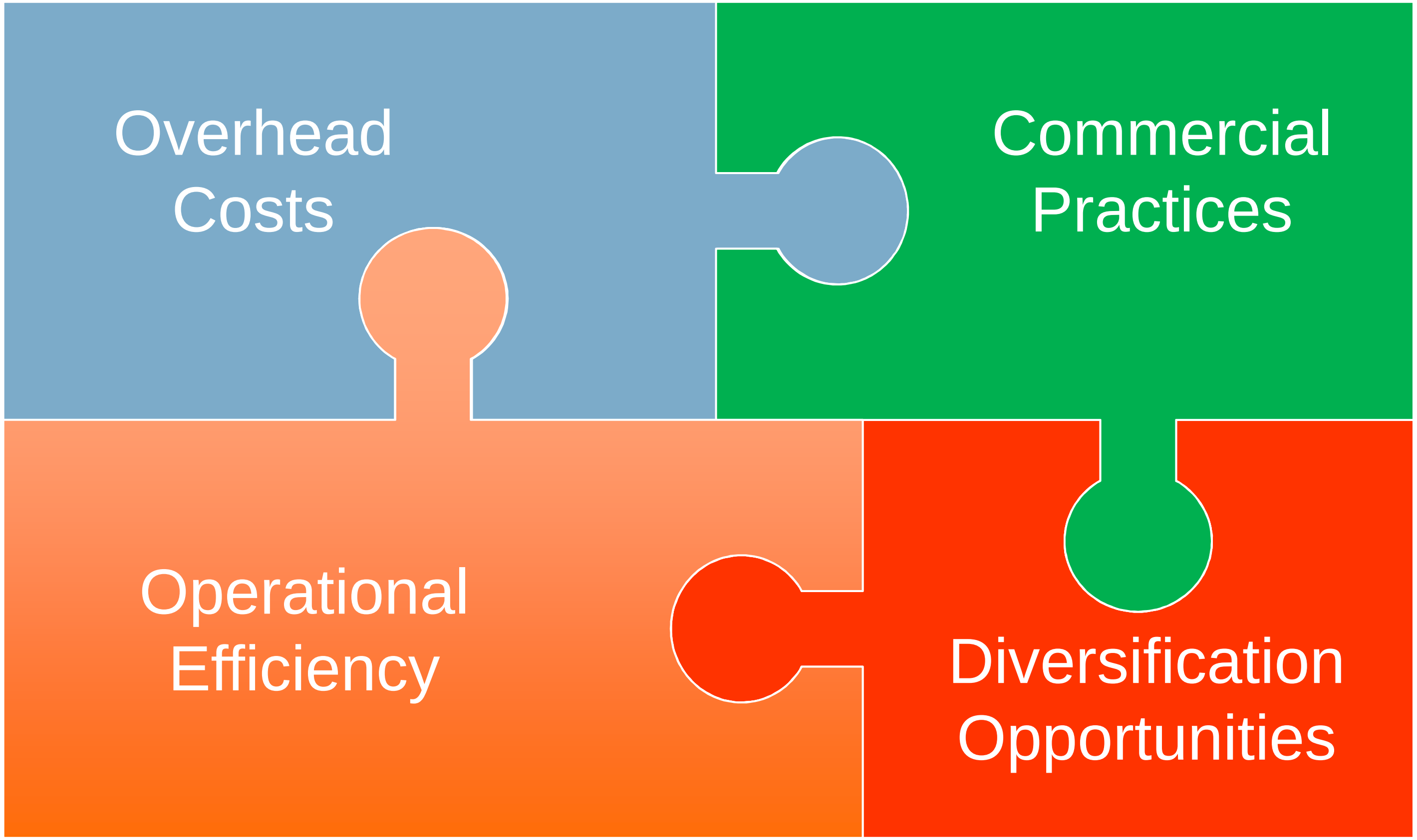


Total Revenue	FY 2013	FY 2014	1H 2015
	$917M	$636M	$281M

Relative share of revenue by commodity not materially different through recent cycle, although iron-ore continues to decline

BOART LONGYEAR™

Drilling Services
A Comprehensive Approach



Global Products: 1H 2015 Operations

Markets appear to be stabilising, with order backlog and profitability improving

(US $M)	1H 2015	1H 2014	Change Fav/(Unfav)
Revenue	106	113	(6%)
COGS	78	85	9%
SG&A	26	29	9%
EBITDA	**7**	**6**	**22%**
EBITDA as a % of Revenue	*7%*	*5%*	

Proforma [11] – (US $M)	1H 2015	1H 2014	Change Fav/(Unfav)
Sales to Boart Longyear Drilling Services Division	27	38	(28%)
Proforma Revenue	**133**	**151**	**(12%)**

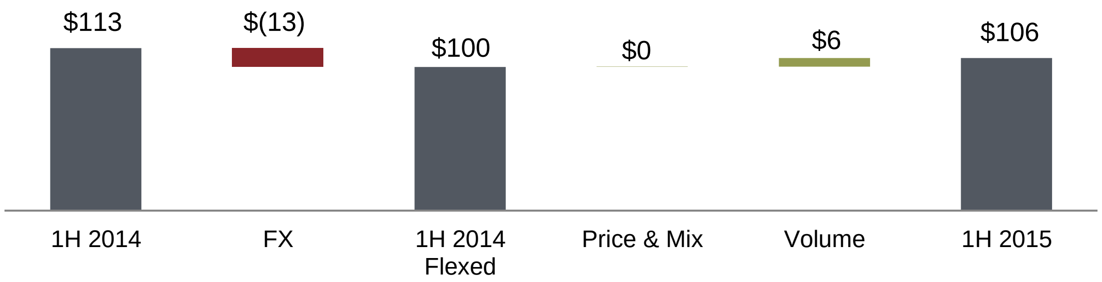
Key Performance Indicators (US $M, except headcount)	1H 2015	1H 2014	Change Fav/(Unfav)
Average Backlog [10]	19	16	16%
Headcount	1,321	1,382	4%

- Pricing relatively flat from 1H 2014 to 1H 2015
- Despite lower revenue due to unfavourable currency translations, EBITDA improved from 1H 2014 to 1H 2015 due to improved fixed cost leverage in our manufacturing plants and further SG&A reductions (driven mainly by FX)
- Surface coring continues to be slow; underground steady
- Order backlog showing improvement as some customers are choosing to hold more stock
- R&D investment remains focused on incremental improvements to enhance productivity and safety

Global Products:
1H 2015 Performance Bridges

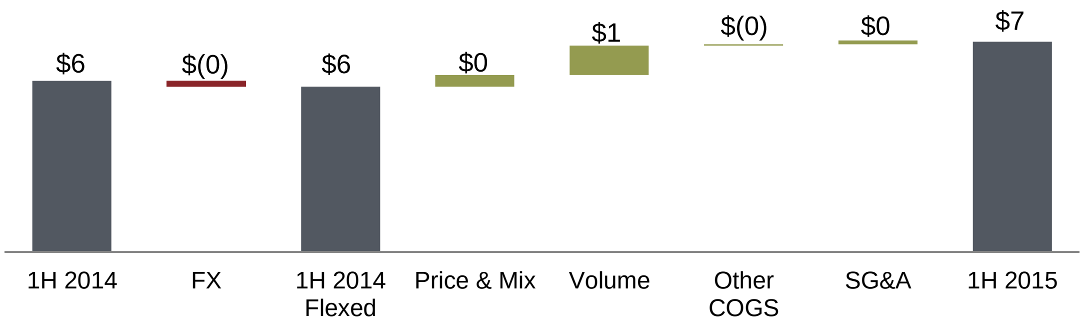
(US $M)

Products' Revenue Bridge



- Adjusted for FX, revenue improved due to volume; price relatively flat

Products' EBITDA[2] Bridge



- EBITDA up primarily due to volume

Global Products: Product Innovation

Focus on Safety and Productivity

Launched

LS250 MiniSonic™ Rig: Compact footprint rig with a proven sonic head that delivers continuous 'in-situ' core samples.

BLH Reverse Circulation Hammer: a new hammer for reverse circulation applications that deliver performance, reliability, simplicity, and low operating costs.

Coming Soon

Expansion of Boart Longyear's rod-handling solutions for surface coring rigs

MDR700: Underground coring rig with advanced mobility and capable of wide drilling angles.

LF™350: Deep hole coring rig: 30 metric tons of pullback delivers high performance and productivity at significant depths.

LM 90 Underground Rig

Conclusion

BOART LONGYEAR™

125 Years Strong

Safety	• Make safety personal • Product innovation to enhance operational safety • Continuous improvement initiatives
Customer	• Focus product development efforts around customer needs • Increase focus on commercial processes and profitability analysis
Operations	• Continue to drive efficiencies and overhead costs • Focus efficiency efforts at drill rig sites • Disciplined capital management and cost control • Focus on managing working capital
Liquidity	• Available liquidity to sustain operations, with $121 million of cash at 30 June 2015 and access to $24 million under ABL

Safety Leaders

Citi Research

Deep Dive | Equities

13 July 2015 | 124 pages

ESG & SRI

Australia/NZ

- ESG

Deep Dive

Safety Spotlight: ASX100 Companies & More

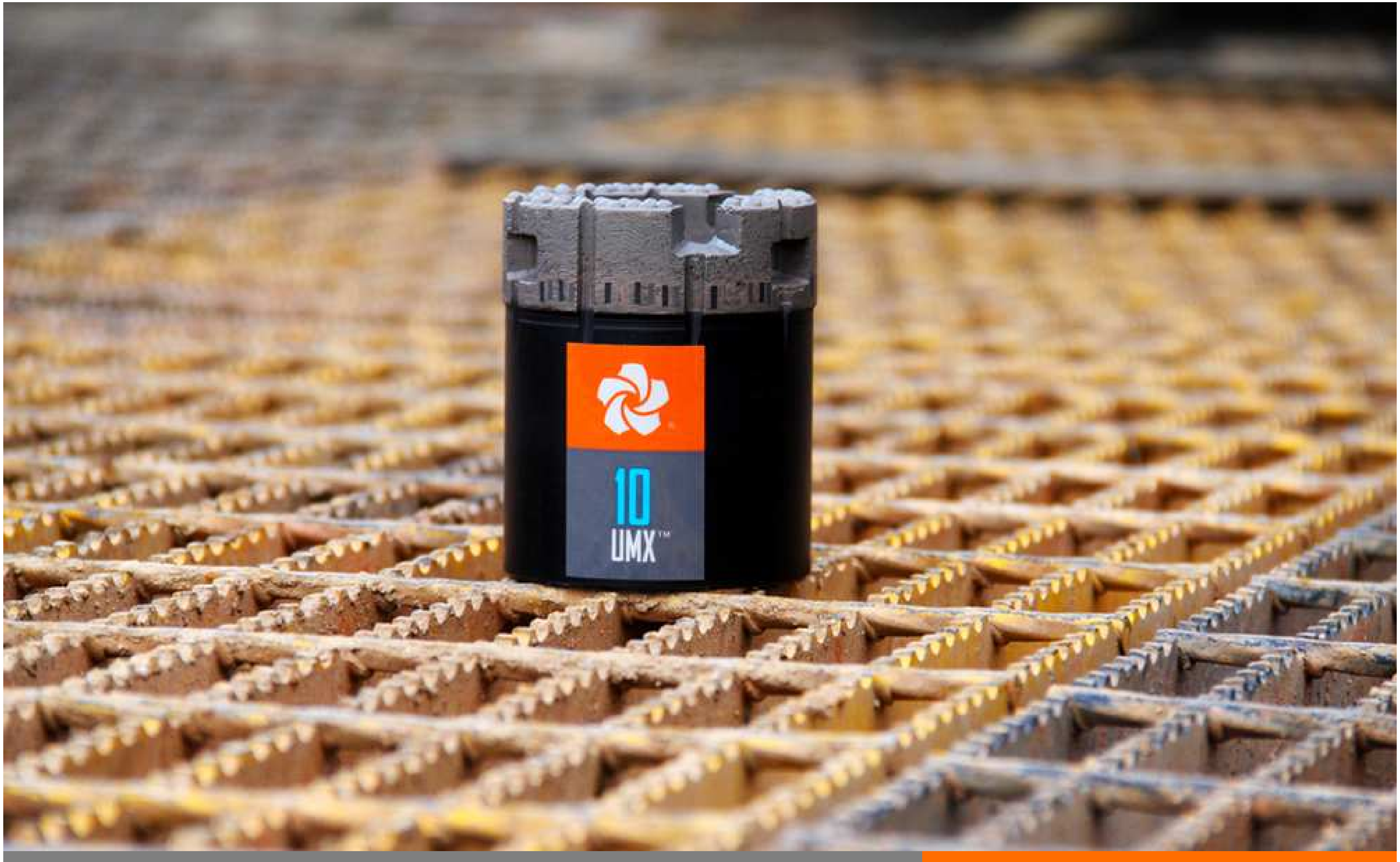
Injury & Fatalities Data FY05 to March FY15 Presented & Interpreted

- **Safety Performance of ASX-Listed Companies** — Our in depth analysis covers the safety performance of the ASX100 companies plus 26 others. This 2015 report is compiled in response to continuing strong investor and company interest in our safety research and data.
- **Report Overview** — Our report includes injury rate and fatalities data since FY05. We show which companies report which safety data, finding that all but 19 of the ASX100 companies now report some safety data. We show comparative and trend data for injuries and fatalities. We also include a detailed table listing 597 fatalities that occurred since FY05, with a brief explanation of "what happened and where" in each case.
- **Safety Thematics** — We include summaries of our recent research on developing country statistics; process safety; safety and executive remuneration; workplace impacts of obesity; and FIFO mental health.

Elaine Prior
+61-2-8225-4891
elaine.prior@citi.com
Joel Quintal
joel.quintal@citi.com

TOP 16% Performance by Boart Longyear in FY 2014 as Measured by Lost Time Injury Frequency Rate

QUESTIONS?



Appendix

BOART LONGYEAR™

Key Performance Indicators

US$ Millions	Quarters ended 2015 Q2	Q1	Quarters ended 2014 Q4	Q3	Q2	Q1	Quarters ended 2013 Q4	Q3	Q2	Q1
Total Company										
Revenue	200.3	187.2	205.8	239.3	224.1	197.4	224.5	279.5	348.7	370.2
EBITDA	(25.2)	(14.2)	(61.9)	12.3	(31.1)	(1.9)	(100.8)	(1.2)	(269.7)	34.6
Adjusted EBITDA [2]	11.2	(9.5)	(3.2)	15.9	14.9	3.8	8.0	18.8	40.1	40.3
Operating Loss	(44.6)	(39.4)	(83.3)	(15.7)	(56.6)	(29.4)	(130.8)	(30.4)	(304.3)	(2.2)
Proft (Loss) from Trading Activities [2]	(3.6)	(24.2)	(14.3)	(6.2)	(4.1)	(23.3)	(19.3)	(4.9)	16.4	7.9
Net cash flows (used in) provided by operating activities	(10.2)	(74.9)	(6.8)	10.1	(8.3)	(6.3)	4.1	36.1	17.8	(46.5)
Net Debt	556.1	538.1	547.6	550.9	555.8	544.4	526.4	523.0	563.8	571.3
Adjusted SG&A [2]	40.0	39.5	40.7	40.4	42.1	41.2	43.6	48.4	51.1	59.0
# of employees	5,151	5,537	5,933	5,972	5,871	5,593	5,681	6,020	7,270	8,283
Global Drilling Services										
Revenue	145.1	136.1	151.8	176.0	168.7	139.6	163.4	216.3	265.3	272.3
EBITDA	18.1	4.0	9.1	22.9	25.4	11.2	15.5	42.7	42.6	41.1
Average # of Operating Drill Rigs	352	327	362	382	366	300	324	391	453	425
Average # of drill rigs (without E&I)	921	933	944	953	945	950	1,031	1,037	1,037	1,044
Average rig utilisation	38%	35%	38%	40%	39%	32%	31%	37%	43%	39%
# of employees	3,478	3,833	4,172	4,208	4,130	3,874	4,338	4,737	5,859	6,749
Global Products										
Revenue	55.2	51.1	53.9	63.3	55.4	57.8	61.1	63.2	83.3	97.9
EBITDA	4.5	2.6	1.2	7.0	5.0	0.8	2.6	(8.2)	8.7	13.0
Average backlog	18.4	18.9	19.3	20.3	16.9	15.2	19.4	19.8	31.5	43.3
# of employees	1,321	1,338	1,393	1,407	1,382	1,363	910	899	990	1,103

Positives

- Drilling services for underground and large rotary have remained stable, albeit at a low level
- Overall demand, in both Products and Drilling Services, has stabilised
- Ability to fulfill most customer orders for Global Products with existing stock

Weaknesses

- Commodity prices remain depressed relative to recent price levels
- Global rig utilisation near historic lows
- Pricing pressure continues in Drilling Services, though appears to be stabilising in 1H 2015
- Mining companies continue to focus on cost reductions

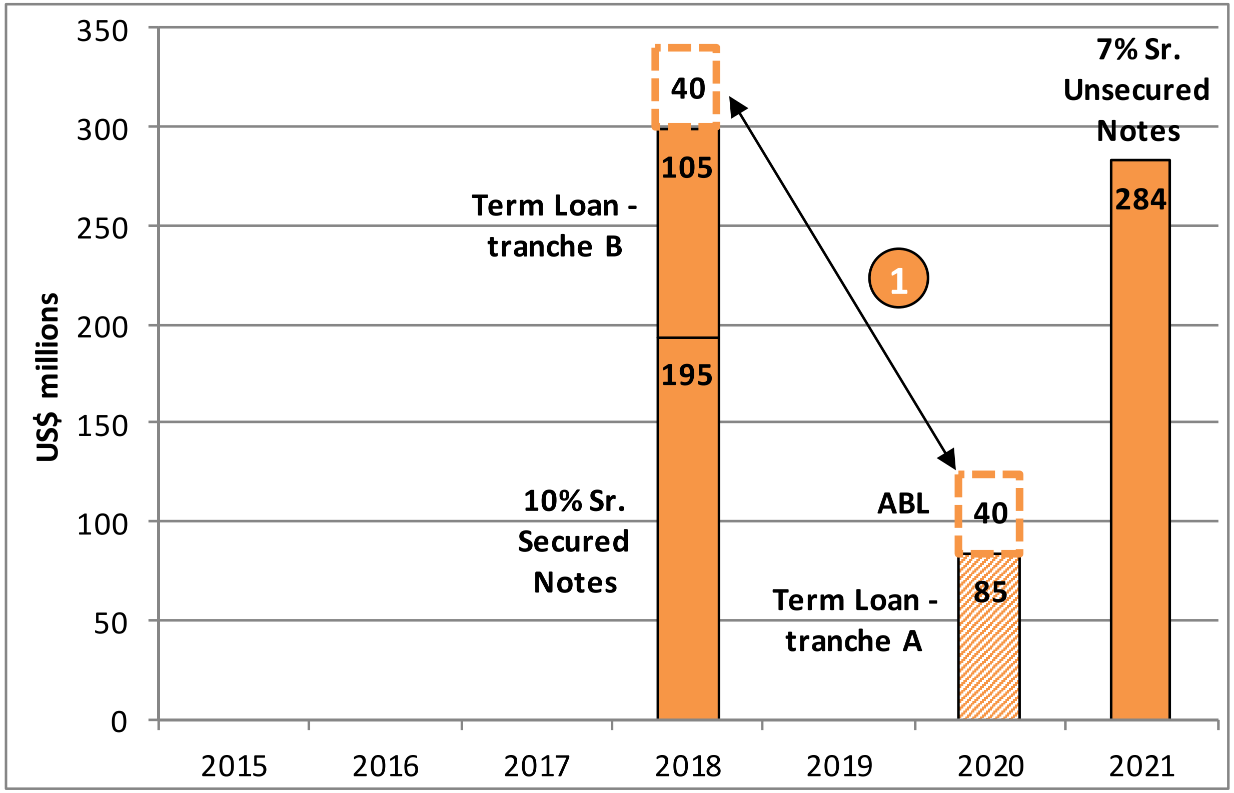
Note: Quarterly data has not been subject to review or audit by the Company's external auditors. Figures are period-end except where averages are indicated.

Focus on safety, customers, cost efficiency and liquidity

BOART LONGYEAR™

Debt Maturity Schedule

(US $M)



1 *If* Term Loan-tranche B and 10% Senior Secured Notes have not been refinanced prior to July 2018, ABL maturity accelerates to 2018 (in advance of Term Loan-tranche B and 10% Notes) instead of 2020

BOART LONGYEAR

Tax Audit Update

2007-2009 Canada Audit

Income Adjustment	Total Exposure (taxes and interest)
C$105 million	C$62 million
Reflects aggregated CRA and provincial assessments	

- Disputed amounts relate entirely to inter-company transactions (Product sales, Royalties and Management Fees). These proposed adjustments were determined on substantially the same basis as the assessments for the 2005 to 2006 period that were subsequently reversed by the CRA.
- In October 2014, the CRA notified the Company it does not intend to pursue transfer pricing penalties related to the 2007-2009 disputed adjustments.
- CRA Competent Authority division review is underway and decision by CRA is expected soon.
- Security requirements with relevant taxing authorities not expected to materially impact liquidity.

2010-2012 Canada Audit

In August 2015, the CRA notified the Company they plan to dispute some of the Company's transfer pricing adjustments. Disputed amounts mainly relate to inter-company transactions (Royalties, Management Fees and Commercial Support Payments to a Swiss Affiliate). The Company expects the audit will be concluded, and assessments will be issued, prior to the end of the 2015 calendar year although the amount of any assessments is unclear at the present time.

2013 Canada Audit

- Field work has started on the audit of the 2013 tax year. We would expect similar transfer pricing adjustments to be disputed as in prior years.

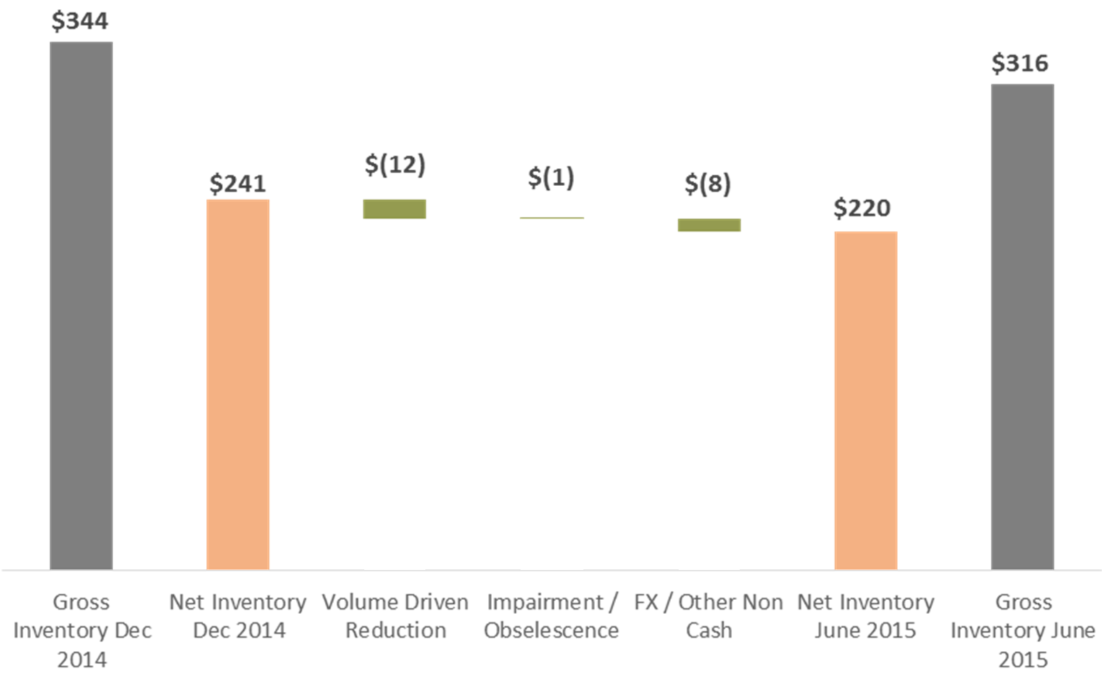
2010-2011 U.S. Audit

The Company's U.S. income taxes for the 2010 and 2011 tax years are under audit and field work is complete. The Company has been notified that the IRS intends to propose transfer pricing adjustments relating to: (1) increasing intellectual property royalties paid by foreign subsidiaries to the U.S., (2) disallowing deductions for payments made from the U.S. to affiliated foreign distributors of the Products business and (3) disallowing deductions for payments made to a Swiss affiliate for the Global Drilling Services business under a Commercial Support Agreement. The Company expects the audit will be concluded, and assessments will be issued, prior to the end of the 2015 calendar year, although the amounts of any assessments is unclear at the present time.

Inventory

(US $M)

Inventory Balance

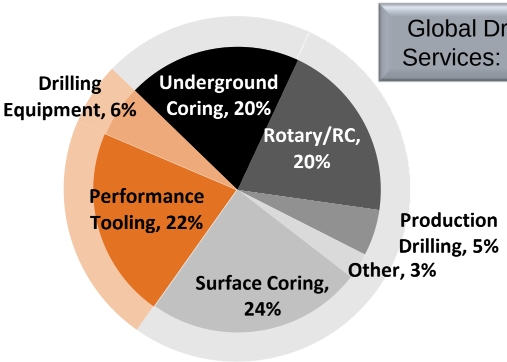


- Peaked at ~$570M gross in October 2012
- Continued focus on supply chain efficiencies to further decrease total company inventory

Diversified End Market Exposure

1H 2015 Total BLY Revenue – Products & Services

Global Drilling Services: 72%



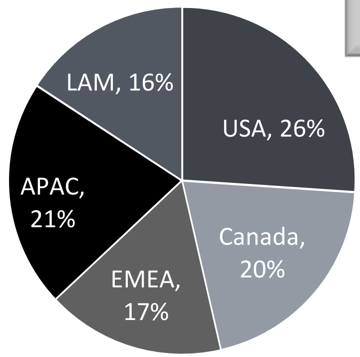
Global Products: 28%

BLY Revenue - Products & Services

% of Revenue	1H 2015	1H 20114
Production Drilling	5%	8%
Surface Coring	24%	21%
Performance Tooling	22%	22%
Rotary/RC	20%	22%
Drilling Equipment	6%	5%
Underground Coring	20%	17%
Other	3%	5%
Total	**100%**	**100%**

1H 2015 Total BLY Revenue by Region – Products & Services

Global revenue base

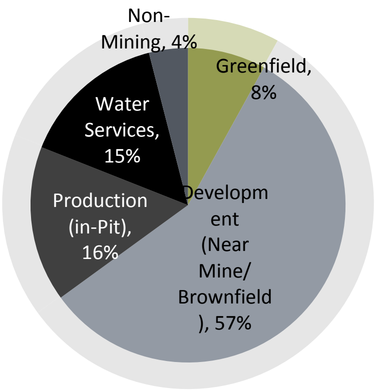


BLY Revenue by Region - Products & Services

% of Revenue	1H 2015	1H 20114
USA	30%	22%
Canada	22%	18%
EMEA	16%	21%
APAC	20%	26%
LAM	12%	13%
Total	**100%**	**100%**

1H 2015 Drilling Services Revenue by Stage

Greenfield: 8%



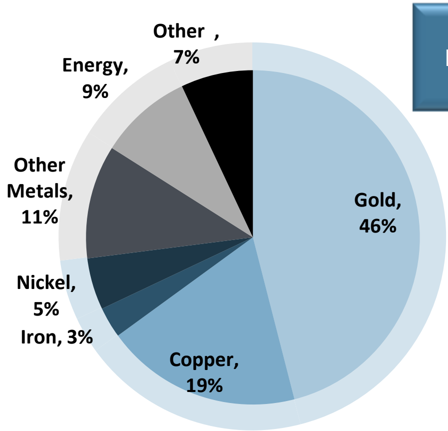
Non Greenfield: 92%

Drililng Services Revenue by Commodity

% of Revenue	1H 2015	1H 20114
Gold	46%	43%
Copper	19%	20%
Iron	3%	7%
Nickel	5%	4%
Other Metals	11%	10%
Energy	9%	9%
Environmental	0%	0%
Other	7%	7%
Total	**100%**	**100%**

1H 2015 Services Revenue by Commodity

Gold, Copper, Iron and Nickel: ~73%



Drilling Services Revenue by Stage

% of Revenue	1H 2015	1H 20114
Greenfield	8%	9%
Development (Near Mine/Brownfield)	57%	54%
Production (in-Pit)	16%	17%
Water Services	15%	14%
Non-Mining	4%	6%
Total	**100%**	**100%**

BOART LONGYEAR™

Income Statement

	Half-year ended 30 June 2015 US$'000	Half-year ended 30 June 2014 US$'000
Continuing operations		
Revenue	387,470	421,495
Cost of goods sold	(370,013)	(413,841)
Gross margin	17,457	7,654
Other income	1,885	4,310
General and administrative expenses	(67,101)	(65,430)
Selling and marketing expenses	(19,288)	(21,330)
Other expenses	(16,983)	(11,157)
Operating loss	(84,030)	(85,953)
Interest income	2,106	2,809
Finance costs	(36,842)	(30,911)
Loss before taxation	(118,766)	(114,055)
Income tax expense	(33,583)	(28,771)
Loss for the period attributable to equity holders of the parent	(152,349)	(142,826)
Loss per share		
Basic loss per share	(17.2) cents	(31.3) cents
Diluted loss per share	(17.2) cents	(31.3) cents
Other comprehensive loss		
Loss for the period attributable to equity holders of the parent	(152,349)	(142,826)
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	(22,990)	(3,642)
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains (losses) related to defined benefit plans	7,054	(5,439)
Income (tax) benefit on income and expense recognised directly through equity	(1,013)	1,121
Other comprehensive loss for the period, net of tax	(16,949)	(7,960)
Total comprehensive loss for the period attributable to equity holders of the parent	(169,298)	(150,786)

BOART LONGYEAR™

Balance Sheet

	30 June 2015 US$'000	31 December 2014 US$'000
Current assets		
Cash and cash equivalents	120,738	168,784
Trade and other receivables	152,996	137,442
Inventories	220,332	241,260
Current tax receivable	9,548	15,446
Prepaid expenses and other assets	18,996	18,723
Total current assets	522,610	581,655
Non-current assets		
Property, plant and equipment	210,697	279,306
Goodw ill	101,506	102,471
Other intangible assets	67,789	77,268
Deferred tax assets	57,926	68,427
Non-current tax receivable	14,699	13,710
Other assets	14,451	17,530
Total non-current assets	467,068	558,712
Total assets	989,678	1,140,367
Current liabilities		
Trade and other payables	130,938	167,024
Provisions	25,825	23,941
Current tax payable	101,380	100,223
Total current liabilities	258,143	291,188
Non-current liabilities		
Loans and borrow ings	676,864	716,344
Deferred tax liabilities	20,252	17,715
Provisions	32,432	44,903
Total non-current liabilities	729,548	778,962
Total liabilities	987,691	1,070,150
Net assets	**1,987**	**70,217**
Equity		
Issued capital	1,261,433	1,159,069
Reserves	(107,071)	(82,785)
Other equity	(137,182)	(137,182)
Accumulated loss	(1,015,193)	(868,885)
Total equity	**1,987**	**70,217**

BOART LONGYEAR™

Cash Flow Statement (1 of 2)

	Half-year ended 30 June 2015 US$'000	Half-year ended 30 June 2014 US$'000
Cash flows from operating activities		
Loss for the period	(152,349)	(142,826)
Adjustments provided by operating activities:		
Income tax expense recognised in profit	33,583	28,771
Finance costs recognised in profit	36,842	30,911
Depreciation	35,568	44,034
Amortisation	9,089	8,870
Interest income recognised in profit	(2,106)	(2,809)
Loss (gain) on sale or disposal of non-current assets	59	(206)
Impairment of current and non-current assets	31,222	42,488
Non-cash foreign exchange loss	7,023	760
Share-based compensation	1,336	1,500
Long-term compensation - cash rights	1,725	2,342
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
Decrease (increase) in assets:		
Trade and other receivables	(25,376)	7,187
Inventories	12,814	22,474
Other assets	2,000	(5,580)
(Decrease) increase in liabilities:		
Trade and other payables	(35,399)	(13,127)
Provisions	(3,221)	(8,725)
Cash (used in) provided by operations	(47,190)	16,064
Interest paid	(24,330)	(28,555)
Interest received	2,106	2,809
Income taxes paid	(15,697)	(4,914)
Net cash flows used in operating activities	**(85,111)**	**(14,596)**

Cash Flow Statement (2 of 2)

	Half-year ended 30 June 2015 US$'000	Half-year ended 30 June 2014 US$'000
Cash flows from investing activities		
Investment in unconsolidated subsidiary	(1,706)	-
Purchase of property, plant and equipment	(9,535)	(6,451)
Proceeds from sale of property, plant and equipment	1,649	2,739
Intangible costs paid	(952)	(3,423)
Net cash flows used in investing activities	**(10,544)**	**(7,135)**
Cash flows from financing activities		
Proceeds from the issuance of shares	83,732	-
Payments for debt issuance costs	(1,289)	(838)
Proceeds from borrowings	-	51,000
Repayment of borrowings	(35,000)	(13,085)
Net cash flows provided by financing activities	**47,443**	**37,077**
Net (decrease) increase in cash and cash equivalents	(48,212)	15,346
Cash and cash equivalents at the beginning of the period	168,784	59,053
Effects of exchange rate changes on the balance of cash held in foreign currencies	166	(5,724)
Cash and cash equivalents at the end of the period	**120,738**	**68,675**

BOART LONGYEAR™

Restructuring & Impairment Detail

US$ Millions	For the half-year ended 30 June 2015 US$ Millions	2015 US$ Millions	2014 US$ Millions	2014 US$ Millions
EBITDA	**(39.4)**		**(33.0)**	
NPAT		**(152.3)**		**(142.8)**
Recapitalisation costs	2.1	2.1	-	-
Impairments				
Property, plant and equipment	31.0	31.0	41.4	41.4
Intangible assets	0.2	0.2	-	-
Inventories	-	-	1.1	1.1
Employee and related costs	5.2	5.2	3.5	3.5
Other restructuring expenses	2.6	2.6	5.7	5.7
Tax effect of significant items and other tax w rite offs		42.4		23.1
Total of significant items	41.1	83.5	51.7	74.8
Adjusted EBITDA[2]	**1.7**		**18.7**	
Adjusted NPAT[2]		**(68.8)**		**(68.0)**

Proforma Income Statement (effects of removing significant items)

	For the half-years ended 30 June 2015			2014		
	As Reported	Significant Items	Adjusted Balance	As Reported	Significant Items	Adjusted Balance
Continuing operations						
Revenue	387.5	-	387.5	421.5	-	421.5
Cost of goods sold	(370.0)	34.1	(335.9)	(413.8)	48.3	(365.5)
Gross margin	17.5	34.1	51.6	7.7	48.3	56.0
Other income	1.9	-	1.9	4.3	-	4.3
General and administrative expenses	(67.1)	6.7	(60.4)	(65.4)	2.4	(63.0)
Selling and marketing expenses	(19.3)	0.3	(19.0)	(21.3)	1.0	(20.3)
Significant items	-	(41.1)	(41.1)	-	(51.7)	(51.7)
Other expenses	(17.0)	-	(17.0)	(11.2)	-	(11.2)
Operating loss	(84.0)	-	(84.0)	(85.9)	-	(85.9)

Footnote Disclosures

- ***Footnote 1:*** Per 200,000 work hours.
- ***Footnote 2:*** Loss from Trading Activities, Adjusted Gross Margin, Adjusted Operating Loss, Adjusted SG&A, Adjusted EBITDA and Adjusted NPAT Loss are non-IFRS measures and are used internally by management to assess the underlying performance of the business and have been derived from the Company's financial results by adding back significant items (i.e., charges relating to recapitalisation, impairments, restructuring, and employee and related costs). In the case of Proforma Adjusted EBITDA additional adjustments are made to account for one-time items, in the case of Adjusted NPAT, additional adjustments are made to account for the tax effect of significant items and other tax write offs and, in the case of Loss from Trading Activities, adjustments are made to Adjusted Operating Loss to remove other expense/income.
- ***Footnote 3***: Source: SNL Metals Economics Group.
- ***Footnote 4***: Source: Bloomberg.
- ***Footnote 5***: Operating rigs defined as the number of weekly operating rigs generating revenue. Utilisation figures based on operating rigs divided by rigs held in the fleet.
- ***Footnote 6****:* Realised an additional $15M of savings in FY2012.
- ***Footnote 7****:* Expenditure profile defined as operating costs plus capital expenditures.
- ***Footnote 8:*** The largest one-timer relates to a litigation settlement in 2014 and other non-cash adjustments.
- ***Footnote 9:*** As of 30 June 2015 operating rigs totalled approximately 350.

Footnote Disclosures cont.

- ***Footnote 10***:Backlog as of 30 June 2015 was $19M.
- ***Footnote 11**:* Transactions between segments are carried out at arm's length and are eliminated on consolidation.