FOR IMMEDIATE RELEASE
17 August 2017

Capital Drilling Limited
("Capital Drilling", the "Group" or the "Company")

Half Year Results
For the period ended 30 June 2017 and Interim Dividend

Capital Drilling Limited (CAPD:LN), a leading drilling solutions company focused on emerging and developing markets, today announces half year results for the period ended 30 June 2017.

HALF YEAR RESULTS FOR THE PERIOD ENDED 30 JUNE 2017*

	H1 2017	H1 2016
Average Fleet Size (No. of drill rigs)	**93**	94
Fleet Utilisation (%)	**56**	40
ARPOR ($)	**191,000**	175,000
Capex ($ m)	**4.2**	4.1
Revenue ($ m)	**62.3**	41.7
EBITDA[1] ($ m)	**11.6**	7.3
EBIT[1] ($ m)	**5.2**	0.2
Net Profit (Loss) After Tax ($ m)	**2.6**	(0.8)
Cash From Operations ($ m)	**13.1**	7.7
Earnings (loss) per Share		
Basic (cents)	**1.9**	(0.6)
Diluted (cents)	**1.9**	(0.6)
Interim Dividend per Share (cents)	**0.5**	1.5
Net Asset Value per Share[1] (cents)	**50.3**	54.5
Return on Capital Employed (%)**	**5.1**	(6.4)
Return on Total Assets (%)**	**3.6**	(5.1)
Net Cash[1] ($ m)	**3.3**	7.0
Net Cash/Equity (%)	**4.9**	9.5

**All amounts are in USD unless otherwise stated*
*** Twelve months rolling average*

(1) EBDITA, EBIT, Net Asset Value per share and Net Cash are non-IFRS financial measures, and should not be used in isolation or as a substitute for Capital Drilling Limited financial results presented in accordance with IFRS. For definitions and reconciliations of these measurements to the most directly comparable financial calculated and presented in accordance with IFRS, please refer 'APPENDIX: GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES'.

Financial Overview

- First half revenue of $62.3 million, 49% higher than H1 2016 ($41.7 million) and 21% higher than H2 2016 ($51.6 million)
- Continued strength in cash generated from operations of $13.1 million, 70% higher than H1 2016 of $7.7 million (H2 2016: $4.7 million)
- Operating cash flow margin of 21% for H1 2017, compared to 18.6% for H1 2016 (H2 2016: 9.1%)
- Net profit after tax of $2.6 million, representing a return to profitability for the Group
- Cash reserves increased to $18.4 million at 30 June 2017 from $12.7 million at 31 December 2016
- Net cash of $3.3 million compared to $0.6 million at 31 December 2016
- Final dividend in relation to the 2016 financial year of $1.4 million paid in May 2017 (H1 2016: $3.4 million)
- Interim dividend of 0.5 cent per share to be paid on 6th October 2017 (2016: Interim dividend of 1.5 cents per share)

Operational and Strategic Review

- Exploration contracts awarded in H1 2017 include:
  - Acacia Mining (Tanzania): 2 rigs, program completed over Q1
  - Aton Resources (Egypt): 1 rig, program completed over Q1
  - Aura Energy (Mauritania): 1 rig, program commences in Q3
  - Algold (Mauritania): 2 rigs, commenced February (Phase 2)
    - Extended through Phase 3 program
    - Phase 4 program due to commence late Q3 (expanding to 3 rigs)
  - MRL (Mauritania): 1 rig, program completed over Q2
  - OreCorp Limited (Mauritania); 1 rig, program completed over Q2
  - Thani Stratex (Egypt): 1 rig, Phase 1 completed Q1, Phase 2 completed Q2
    - Phase 3 program due to commence in Q4 (1 rig)
- Exploration contract wins in Capital Drilling's existing geographic footprint, allowing the Group to benefit from pre-existing infrastructure.

- Production and mine site contracts awarded in H1 2017 include:
  - Alecto Minerals (Botswana): 2 rigs, program completed July
  - AngloGold Ashanti (Tanzania): 2 rigs added to the existing production contract
  - Kinross Gold (Mauritania): 2 rigs, through the award of a 3-year Grade Control contract at the Tasiast Mine
    - Commenced drilling in Q2 2017
  - Resolute Mining (Mali): 2 new rigs, through the award of a 3-year underground drilling contract at the Syama Mine
    - Commencing drilling in Q3 2017
- Additional production contract wins adding greater depth to the Group's long term contracts

- H1 utilisation of 56%, improved from 40% in H1 2016, on an average fleet size of 93 rigs
- H1 Average Revenue per Operating Rig (ARPOR) increased to $191,000 (H1 2016: $175,000)
- Solid performance across the major production contracts:
  - Rig replacements for 3 rigs at North Mara (Acacia) and Sukari (Centamin) commissioned in Q1 2017
  - An additional 2 rigs mobilised to Geita (AngloGold Ashanti) in H2 2017
- Improved performance in exploration over Q2 2017
- Continued focus on capital discipline with H1 CAPEX of $4.2 million, substantially below previous expectations

CAPITAL DRILLING

Health & Safety

- Mauritania (Algold Exploration) achieved 1 year LTI free in April 2017
- Previously announced world class achievements:
    - Tanzania (Mwanza) achieved 9 Years LTI free in January 2017
    - Mauritania (Tasiast Project) achieved 6 years LTI free in February 2017

Financials

Statement of Financial Position Data	**H1 2017 $m**	**FY 2016 $m**
Non-Current Assets	44.9	45.8
Current Assets	58.2	54.8
Total Assets	**103.1**	**100.6**
Non-Current Liabilities	-	10.0
Current Liabilities	35.1	23.8
Total Liabilities	**35.1**	**33.8**
Equity	68.0	66.8
Cash	18.4	12.7
Debt	15.1	12.1
Net Cash	3.3	0.6

Statement of Cash Flow Data	**H1 2017 $m**	**H1 2016 $m**
Operating cash flows before working capital	12.1	8.0
Adjustments for working capital changes	1.0	(0.3)
Cash from operations	13.1	7.7
Finance charges	(0.3)	(0.1)
Taxation	(1.4)	(1.3)
Net cash generated from operating activities	11.4	6.4
Investing Activities		
Net cash used in investing activities	(7.1)	(3.8)
Financing Activities		
Movement in long term liabilities	3.0	2.0
Dividend paid	(1.4)	(3.4)
Net cash used in financing activities	1.6	(1.4)
Net increase (decrease) in cash	5.9	1.2
Opening cash balance	12.7	13.4
FX on cash	(0.2)	(0.4)
Closing cash balance	18.4	14.2

Outlook

- Trading conditions continue to be supportive, continued strength in commodity prices & capital markets activities
- Economic indicators remain favourable, driving recent strong performance in industrial metal prices, particularly copper
- Increased levels of activity in exploration drilling, across both the juniors and more recently in budget allocations from mining companies
- Recent contract awards add to the Group's portfolio of long term production and mine site based contracts
- Legislative developments in Tanzania contribute uncertainty to the outlook and will continue to be monitored closely
- Enhanced discipline in capital expenditure and solid cash flows from operations underpin the Group's strong balance sheet; advanced negotiations are underway for debt refinance, with two credit approvals received

In view of a conclusion of drilling activities in Serbia, four months ahead of expectations, and a slight easing in delineation drilling activities in Tanzania, the Group now guides for full year revenue at the lower end of previous revenue guidance of $120 million to $130 million. Despite the more cautious revenue guidance we continue to expect profitability in line with current market estimates. Enhanced working capital management and discipline around Group CAPEX has driven a materially stronger than anticipated performance in cash generation over H1 2017. As a result of asset redeployment within the Group we expect this capital disciple to continue to be a strong contributor over the course of 2017.

Commenting on the results, Jamie Boyton, Executive Chairman of Capital Drilling, said:

"Capital Drilling's improved performance, which saw a return to profitability in the first half of 2017, was driven primarily by increasing rig utilisation, with H1 2017 utilisation of 56% representing a 40% increase on H1 2016. The improved utilisation, coupled with a 9% increase in ARPOR, drove revenue growth of 49% over the first half of 2016.

The improved revenue and profit for the Group reflects a solid performance across the core contracts, underpinned by the improved market conditions which started firming in late Q2 2016. While the initial uplift in activity was associated with predominantly gold and speciality metals companies, this has broadened over H1 2017 with an improving outlook in industrial metals, particularly copper. Capital markets activities continue to provide solid support to activity levels underpinning expenditure by junior miners and explorers, while we have seen the initial evidence of increased exploration and development expenditure from the established mining companies.

We are particularly encouraged by the award of two new long term production / mine site contracts, specifically grade control drilling at the Tasiast Mine in Mauritania and underground drilling at the Syama Mine in Mali. The addition of these two contracts, both at existing Capital Drilling sites, adds depth to the Group's portfolio of long term contracts and demonstrate Capital Drilling's success in expanding our range of drilling services to our customers.

Recent legislative changes in Tanzania are concerning and clearly creating uncertainty. While we expect a reduction in delineation drilling at the Geita Gold Mine in H2 2017, there has been no impact to activity levels on the Group's production drilling contracts at the North Mara and Geita Gold mines. The uncertainty is however having a material impact on exploration activity within the country and is likely to continue to impact investment decisions for the foreseeable future. The lack of exploration activity is consistent with Capital Drilling's guidance. As we have previously stated we will continue to monitor developments closely and keep our investors updated on any further developments.

We remain in excellent financial health, generating solid free cash flow over the period. This strong cash generation, coupled with enhanced discipline around capital expenditure, has seen the Group end the period with net cash of $3.3 million. As consequence of this strong performance we have today declared an interim dividend of 0.5cps for the H1 2017 period, payable on October 6, 2017."

Capital Drilling will host a conference call on Thursday 17 August at 9am (London, UK time) to update investors and analysts on its results. Participants may join the call by dialling one of the following numbers, approximately 10 minutes before the start of the call. A copy of the Company's presentation will be available on www.capdrill.com.

UK Toll-free Dial In: 0808 237 0040
International Dial In Numbers: http://events.arkadin.com/ev/docs/FEL_Events_International_Access_List.pdf

Participant PIN Code: 39398888#

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About Capital Drilling

Capital Drilling provides specialised drilling services to mineral exploration and mining companies in emerging and developing markets, for exploration, development and production stage projects. The Company currently owns and operates a fleet of 93 drilling rigs with established operations in Botswana, Egypt, Ethiopia, Kenya, Mali, Mauritania, Serbia and Tanzania. The Group's corporate headquarters is in Mauritius.

Cautionary note regarding forward looking statements

Certain information contained in this report, including any information on Capital Drilling's plans or future financial or operating performance and other statements that express management's expectations, or estimates of future performance, constitute forward-looking statements. Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties, which remain unchanged from those disclosed in our Prospectus. Capital Drilling cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Capital Drilling to be materially different than the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include the inherent risks involved in exploration and development of mineral properties, changes in economic conditions, changes in the worldwide price of commodities and project execution delays, many of which are beyond the control of Capital Drilling. Nothing in the report should be construed as either an offer to sell or a solicitation to buy or sell Capital Drilling securities.

INDEPENDENT REVIEW REPORT TO CAPITAL DRILLING LIMITED

We have been engaged by the company to review the condensed consolidated set of interim financial statements in the half-yearly financial report for the six months ended 30 June 2017 which comprises the consolidated condensed statements of comprehensive income, financial position, changes in equity, the cash flow statement and related notes 8 to 21. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board ("IAASB"). Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (the "IASB"). The condensed consolidated set of interim financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the IASB.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated set of interim financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity" issued by the IAASB. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of interim financial statements in the half-yearly financial report for the six months ended 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by the IASB and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: H. Loonat
Partner
Johannesburg, South Africa
17 August 2017

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CAPITAL DRILLING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2017

	Notes	Six months ended 30 June 2017 $	Six months ended 30 June 2016 $
Revenue		62,332,410	41,714,801
Cost of sales		(44,898,001)	(28,982,615)
Gross profit		17,434,409	12,732,186
Administration costs		(5,808,075)	(5,402,327)
Depreciation		(6,392,131)	(7,089,799)
Profit from operations		5,234,203	240,060
Share of income from associate		5,213	9,587
Interest income		137,264	6,763
Finance charges		(543,557)	(253,477)
Realised (loss) gain on available-for-sale shares		(183,495)	90,202
Fair value adjustment on financial assets through profit and loss - Share Options		(123,989)	655,224
Profit before taxation		4,525,639	748,359
Taxation	3	(1,945,364)	(1,588,416)
Profit (Loss) for the period		2,580,275	(840,057)
Other comprehensive (loss) income:			
Other comprehensive (loss) income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		38,454	35,665
Share of exchange differences on translation of foreign operations from associate		(25,932)	(35,851)
Net (loss) gain on revaluation on available-for-sale financial assets		(369,336)	870,807
Cumulative loss (gain) reclassified to profit and loss on sale of available-for-sale financial assets		183,495	(90,202)
Total other comprehensive (loss) income for the period		(173,319)	780,419
Total comprehensive income (loss) for the period		2,406,956	(59,638)
Profit (Loss) per share:			
Basic (cents per share)	4	1.9	(0.6)
Diluted (cents per share)	4	1.9	(0.6)

CAPITAL DRILLING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2017

	Notes	30 June 2017	31 December 2016
		$	$
ASSETS			
Non-current assets			
Property, plant and equipment	6	42,428,260	45,129,741
Investment in associate	7	2,397,691	467,933
Deferred taxation		84,245	205,706
Total non-current assets		44,910,196	45,803,380
Current assets			
Inventory		19,865,585	19,361,181
Trade and other receivables		13,644,238	15,591,138
Prepaid expenses and other assets		3,511,129	5,240,278
Taxation		539,295	549,435
Investments		2,204,427	1,316,243
Cash and cash equivalents		18,422,658	12,728,555
Total current assets		58,187,332	54,786,830
Total assets		103,097,528	100,590,210
EQUITY AND LIABILITIES			
Equity			
Share capital	8	13,524	13,490
Share premium	8	21,933,772	21,697,470
Equity-settled employee benefits reserve		323,861	441,883
Foreign currency translation reserve		(25,932)	(38,454)
Investments revaluation reserve		(148,921)	36,920
Retained earnings		45,867,040	44,639,236
Total equity		67,963,344	66,790,545
Non-current liabilities			
Long-term liabilities	9	-	10,000,000
Total non-current liabilities		-	10,000,000
Current liabilities			
Trade and other payables		16,235,501	18,364,357
Taxation		3,774,203	3,340,183
Current portion of long-term liabilities	9	15,124,480	2,095,125
Total current liabilities		35,134,184	23,799,665
Total equity and liabilities		103,097,528	100,590,210

CAPITAL DRILLING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
30 June 2017

				Reserves			
	Share capital	Share premium	Retained earnings	Equity-settled employee benefits reserve	Foreign currency translation reserve	Investments revaluation reserve	Total equity
	$	$	$	$	$	$	$
Balance at 31 December 2015	13,460	21,566,856	54,883,674	282,075	(35,665)	(43,550)	76,666,850
Issue of shares	30	130,614	-	(130,644)	-	-	-
Recognition of share-based payments	-	-	-	185,754	-	-	185,754
Total comprehensive (loss) profit for the period	-	-	(840,057)	-	(186)	780,605	(59,638)
- Loss for the period	-	-	(840,057)	-	-	-	(840,057)
- Other comprehensive income for the period	-	-	-	-	(186)	780,605	780,419
Dividends paid (2.5 cents per share) - Note 5	-	-	(3,372,605)	-	-	-	(3,372,605)
Balance at 30 June 2016	13,490	21,697,470	50,671,012	337,185	(35,851)	737,055	73,420,361
Balance at 31 December 2016	13,490	21,697,470	44,639,236	441,883	(38,454)	36,920	66,790,545
Issue of shares	34	236,302	-	(236,336)	-	-	-
Recognition of share-based payments	-	-	-	118,314	-	-	118,314
Total comprehensive profit (loss) for the period	-	-	2,580,275	-	12,522	(185,841)	2,406,956
- Profit for the period	-	-	2,580,275	-	-	-	2,580,275
- Other comprehensive (loss) for the period	-	-	-	-	12,522	(185,841)	(173,319)
Dividends paid (1 cents per share) - Note 5	-	-	(1,352,471)	-	-	-	(1,352,471)
Balance at 30 June 2017	13,524	21,933,772	45,867,040	323,861	(25,932)	(148,921)	67,963,344

CAPITAL DRILLING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2017

	Notes	Six months ended Reviewed 30 June 2017 $	Reviewed 30 June 2016 $
Operating activities:			
Cash from operations	10	13,130,720	7,743,863
Interest received		137,264	6,763
Finance charges paid	9	(514,202)	(147,273)
Taxation paid		(1,379,743)	(1,250,156)
Net cash generated from operating activities		11,374,039	6,353,197
Investing activities:			
Purchase of property, plant and equipment	6	(4,207,845)	(4,099,402)
Proceeds from disposal of property, plant and equipment		374,938	541,238
Acquisition of available-for-sale investments		(1,752,387)	(291,236)
Proceeds on disposal of available-for-sale investments		370,878	74,250
Investment in associate	7	(1,912,023)	-
Net cash used in investing activities		(7,126,439)	(3,775,150)
Financing activities:			
Long-term liabilities raised	9	6,500,000	2,000,000
Long-term liabilities repaid	9	(3,500,000)	-
Dividend paid	5	(1,352,471)	(3,372,605)
Net cash used in financing activities		1,647,529	(1,372,605)
Net increase in cash and cash equivalents		5,895,129	1,205,442
Cash and cash equivalents at the beginning of the period		12,728,555	13,369,091
Translation of foreign currency cash and cash equivalent adjustment		(201,026)	(399,908)
Cash and cash equivalents at the end of the period		18,422,658	14,174,625

CAPITAL DRILLING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2017

1. Basis of presentation and accounting policies

Preparation of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements of Capital Drilling Limited and Subsidiaries ("Capital Drilling" or the "Group") as at and for the six months ended 30 June 2017 (the "Interim Financial Statements") have been prepared in accordance with International Accounting Standard ("IAS") No. 34, "Interim Financial Reporting". They should be read in conjunction with the annual consolidated financial statements and the notes thereto in the Group's Annual Report for the year ended 31 December 2016 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Accounting policies

The condensed consolidated interim financial statements have been prepared on the going concern basis under the historical cost convention, except for certain financial instruments which are measured at fair value. The Group has adopted a number of new standards and interpretations effective on or before 1 January 2017, which were described in note 2 of the consolidated financial statements for the year ended 31 December 2016. The adoption of these standards and interpretations did not have a material impact on the condensed consolidated interim financial statements. The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2016, except for income tax expense which is recognised based on the management's estimate of the weighted average effective annual tax rate expected for the full financial year.

The preparation of financial statements in conformity with IFRS recognition and measurement principles requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on an on-going basis using current available information. Changes in facts and circumstances may result in revised estimates and actual results could differ from those estimates.

2. Operations in the interim period

Capital Drilling Limited is incorporated in Bermuda. The Group provides drilling services including but not limited to exploration, development, grade control and blast hole drilling services to mineral exploration and mining companies located in emerging and developing markets. The Group also provides some equipment rental and information technology services to mining and mining related companies.

During the six months ended 30 June 2017, the Group provided drilling services in Botswana, Serbia, Egypt, Mauritania, Mali and Tanzania.

The seasonality of the Group's operations has no significant impact on the condensed consolidated interim financial statements.

3. Taxation

Capital Drilling Limited is incorporated in Bermuda. No taxation is payable on the results of the Bermuda business. Taxation for other jurisdictions is calculated in terms of the legislation and rates prevailing in the respective jurisdictions.

3. Taxation (continued)

The Group operates in multiple jurisdictions with complex legal and tax regulatory environments. In certain of these jurisdictions, the Group has taken income tax positions that management believes are supportable and are intended to withstand challenge by tax authorities. Some of these positions are inherently uncertain and include those relating to transfer pricing matters and the interpretation of income tax laws. The Group periodically reassesses its tax positions. Changes to the financial statement recognition, measurement, and disclosure of tax positions is based on management's best judgment given any changes in the facts, circumstances, information available and applicable tax laws. Considering all available information and the history of resolving income tax uncertainties, the Group believes that the ultimate resolution of such matters will not likely have a material effect on the Group's financial position, statements of operations or cash flows.

Due to the tax charge calculations in certain countries in which the Group operates being based on revenues instead of profits, the consolidated taxation expense for the period is not directly linked to profits and losses.

	Six months ended	
	30 June 2017	**30 June 2016**
	$	**$**
4. Earnings (Loss) per share		
Basic Earnings (loss) per share: The profit (loss) and weighted average number of ordinary shares used in the calculation of basic earnings (loss) per share are as follows:		
Profit (Loss) for the period used in the calculation of basic earnings (loss) per share	2,580,275	(840,057)
Weighted average number of ordinary shares for the purposes of basic earnings (loss) per share	135,076,227	134,753,539
Basic earnings (loss) per share (cents)	1.9	(0.6)
Diluted earnings (loss) per share: The profit (loss) used in the calculations of all diluted earnings (loss) per share measures are the same as those used in the equivalent basic earnings (loss) per share measures, as outlined above.		
Weighted average number of ordinary shares used in the calculation of basic earnings (loss) per share	135,076,227	134,753,539
- Dilutive share options #	362,813	149,326
Weighted average number of ordinary shares used in the calculation of diluted earnings (loss) per share	135,439,040	134,902,865
Diluted earnings (loss) per share (cents)	1.9	(0.6)

For the purposes of calculating diluted earnings (loss) per share, the share options of 2.34 million [2016: 5.35 million] were excluded as they are anti-dilutive as the exercise price is higher than the current share price.

5. Dividends

During the six months ended 30 June 2017, a dividend of 1.0 cents per ordinary share, totalling $1,352,471 (six months ended 30 June 2016: 2.5 cents per ordinary share, totalling $3,372,605) was declared and paid.

6. Property, plant and equipment

During the six months ended 30 June 2017, the Group acquired $4.2 million (2016: $4.1 million) of drilling rigs and other assets to expand its operations and for the replacement of existing assets.

The Group disposed of property, plant and equipment with a net carrying amount of $0.5 million (2016: $0.6 million) during the period. A loss of $0.1 million (2016: $0.1 million) was incurred on the disposal of property, plant and equipment.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets may be impaired. As at 30 June 2017, the market capitalisation exceeded the net asset value and there were no other indicators of impairment.

7. Investment in associate

During the six months ended 30 June 2017, the Group acquired a 33% interest in A2 Global Ventures Inc. (“A2”), as part of a phased strategic investment to acquire 50% interest before the end of December 2017. A2 is headquartered in Vancouver, Canada, where it operates a central hub laboratory, supported by feeder laboratories in Guyana, Myanmar and Sweden, providing laboratory testing services to the mining and exploration industries, particularly in emerging markets. The consideration for the acquisition was $1.9 million including transaction costs. The investment in A2, has been accounted on the historical cost basis as A2’s financial information is not available.

	Six months ended	
	30 June 2017	**31 December 2016**
	$	**$**
8. Issued capital and share premium		
Authorised capital		
2,000,000,000 (2016: 2,000,000,000) ordinary shares of 0.01 cents (2016: 0.01 cents) each	200,000	200,000
Issued and fully paid:		
135,247,159 (30 June 2016: 134,903,396) ordinary shares of 0.01 cents (31 December 2016: 0.01 cents) each	13,524	13,490
Share premium:		
Balance at the beginning of the period	21,697,470	21,566,856
Issue of shares	236,302	130,614
Balance at the end of the period	21,933,772	21,697,470

On 4 April 2017, the Company issued 343,763 new common shares pursuant to the company’s employee incentive scheme. The shares rank pari passu with the existing common shares.

9. Long term liabilities

Long term liabilities consist of a $18.6 million revolving credit facility (“RCF”) provided by Standard Bank (Mauritius) Limited. The RCF has an annual interest rate of 5.25% above the prevailing three month US$ LIBOR (payable in arrears), and has an annual commitment fee of 1% of the undrawn balance.

The facility will stepdown as follow:
- $15 million- 31 August 2017
- $10 million- 30 November 2017
- Zero - 2 February 2018

Security for the Standard Bank (Mauritius) Limited facility comprise:
- Upward corporate guarantees from Capital Drilling Egypt (Limited Liability Company), Capital Drilling (T) Limited and Capital Drilling (Botswana) Proprietary Limited.
- A negative pledge over the assets of Capital Drilling Ltd and Capital Drilling Egypt (Limited Liability Company).

As at the reporting date and during the year under review, the Group has complied with all covenants attached to the loan facility.

	Six months ended	
	30 June 2017	**31 December 2016**
	$	**$**
Standard Bank (Mauritius) Limited		
Balance at 1 January	12,095,125	5,096,001
Amounts received during the period	6,500,000	14,000,000
Interest accrued during the period	543,557	772,793
Interest paid during the period	(514,202)	(773,669)
Principal repayments during the period	(3,500,000)	(7,000,000)
	15,124,480	12,095,125
Less: Current portion included under current liabilities	(15,124,480)	(2,095,125)
Due after more than one year	-	10,000,000

Management is currently negotiating the refinancing of the above revolving credit facility. The refinancing would be based on corporate guarantees from Capital Drilling Egypt (Limited Liability Company) and Capital Drilling (T) Limited with two separate financial institutions.

10. Cash from operations

	Six months ended 30 June 2017 $	Six months ended 30 June 2016 $
Profit before taxation	4,525,639	748,359
Adjusted for:		
- Depreciation	6,392,131	7,089,799
- Loss on disposal of property, plant and equipment	142,257	104,340
- Realised loss (gains) on available-for-sale shares	183,495	(90,202)
- Fair value adjustment on financial assets through profit and loss	123,989	(655,224)
- Share based payment expense	118,314	185,754
- Interest income	(137,264)	(6,763)
- Finance charges	543,557	253,477
- Share of income from associate	(5,213)	(9,587)
- Unrealised foreign exchange loss on foreign exchange held	201,026	399,908
Operating profit before working capital changes	12,087,931	8,019,861
Adjustments for working capital changes:		
- (Increase) decrease in inventory	(504,404)	318,090
- Decrease (increase) in trade and other receivables	1,946,900	(302,896)
- Decrease in prepaid expenses and other assets	1,729,149	1,607,108
- Decrease in trade and other payables	(2,128,856)	(1,898,300)
	13,130,720	7,743,863

11. Segmental analysis

Operating segments are identified on the basis of internal management reports about components of the Group that are regularly reviewed by the Chief Executive Officer in order to allocate resources to the segments and to assess their performance. Information reported to the Group’s Chief Executive Officer for the purposes of resource allocation and assessment of segment performance is focused on the region of operation. For the purposes of the segmental report, the information on the operating segments have been aggregated into the principal regions of operations of the Group. The Group’s reportable segments under IFRS 8 are therefore:

- Africa: Derives revenue from the provision of drilling services.
- Rest of world: Derives revenue from the provision of drilling services and related logistic, equipment rental and information technology support services.

Information regarding the Group’s operating segments is reported below. At 30 June 2017, management reviewed the composition of the Group's operating segments and the allocations of operations to the reportable segments.

CAPITAL DRILLING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2017

11. Segmental analysis (continued)

Segment revenue and results:
The following is an analysis of the Group's revenue and results by reportable segment:

For the six months ended 30 June 2017	**Africa**	**Rest of World**	**Consolidated**
	$	**$**	**$**
External revenue	55,188,168	7,144,242	62,332,410
Segmental gross profit	19,050,428	(1,616,019)	17,434,409
Administration costs and depreciation, net of other income	(9,580,383)	(1,011,286)	(10,591,669)
Segment profit (loss)	9,470,045	(2,627,305)	6,842,470
Central administration costs and depreciation, net of other income			(1,608,537)
Profit from operations			5,234,203
Realised (loss) on available-for-sale shares			(183,495)
Fair value adjustment on financial assets through profit and loss - Share Options			(123,989)
Interest income			137,264
Share of income from associate			5,213
Finance charges			(543,557)
Profit before tax			4,525,639

For the six months ended 30 June 2016	**Africa**	**Rest of World**	**Consolidated**
	$	**$**	**$**
External revenue	40,361,890	1,352,911	41,714,801
Segmental gross profit	14,128,643	(1,396,457)	12,732,186
Administration costs and depreciation, net of other income	(10,557,569)	(1,208,812)	(11,766,381)
Segment profit (loss)	3,571,074	(2,605,269)	965,805
Central administration costs and depreciation, net of other income			(725,745)
Profit from operations			240,060
Realised gain on available-for-sale shares			90,202
Fair value adjustment on financial assets through profit and loss - Share Options			655,224
Interest income			6,763
Share of income from associate			9,587
Finance charges			(253,477)
Profit before tax			748,359

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment profit represents the profit earned by each segment without the allocation of central administration costs, depreciation, other income, share of losses from associate, finance charges, and income tax. This is the measure reported to the Group's Chief Executive Officer for the purpose of resource allocation and assessment of segment performance.

CAPITAL DRILLING LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2017

11. Segmental analysis (continued)

	Six months ended 30 June 2017 $	Six months ended 30 June 2016 $
Segment assets:		
Africa	138,185,655	121,774,887
Rest of world	29,162,399	14,801,971
Total segment assets	167,348,054	136,576,858
Head office companies	39,709,123	31,726,985
	207,057,177	168,303,843
Eliminations *	(103,959,649)	(75,371,955)
Total assets	103,097,528	92,931,888
Segment liabilities:		
Africa	31,694,352	24,714,022
Rest of world	17,712,149	10,505,807
Total segment liabilities	49,406,501	35,219,829
Head office companies	88,215,910	58,214,814
	137,622,411	93,434,643
Eliminations *	(102,488,227)	(73,923,116)
Total liabilities	35,134,184	19,511,527

For the purposes of monitoring segment performance and allocating resources between segments the Group's Chief Executive Officer monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of property, plant and equipment used by the head office companies, certain amounts included in other receivables, and cash and cash equivalents held by the head office companies.

* Eliminations include inter-group accounts receivable, inter-group accounts payable and inter-group investments.

Other segment information:

	30 June 2017 $	30 June 2016 $
Depreciation		
Africa	5,610,218	6,105,737
Rest of world	616,229	833,078
Total segment depreciation	6,226,447	6,938,815
Head office companies	165,684	150,984
	6,392,131	7,089,799

	Six months ended	
	30 June 2017	30 June 2016
	$	$
11. Segmental analysis (continued)		
Additions to property, plant and equipment		
Africa	3,610,324	4,089,444
Rest of world	162,315	-
Total segment additions	3,772,639	4,089,444
Head office companies	435,206	9,958
	4,207,845	4,099,402

Information about major customers

Included in revenues arising from the Africa segment are revenues of approximately $35.7 million (2016: $35.4 million) which arose from sales to customers that represent more than 10% of the Group's revenue.

12. Commitments

The Group has the following capital commitments at 30 June 2017:

Committed capital expenditure	1,898,404	294,333

The Group has outstanding purchase orders amounting to $6.5 million at 30 June 2017 (30 June 2016: $4.0 million).

13. Contingencies

There has been no change to our contingent liabilities as disclosed in the Annual Financial Statements for the year ended 31 December 2016.

14. Events post the reporting date

Amendments and changes to the Tanzania Mining Act of 2010:

The Tanzanian Parliament passed SPECIAL BILL SUPPLEMENT No2, No3 & No4 on the 28 of June 2017. The legislative changes were Gazetted on the 7 of July 2017, resulting in the changes being effective from this date.

Although the new legislation has significant impact on mineral right holders, it does impact on Capital Drilling as a service provider to the mineral right holders. Included in the Legislative changes are additional legislation to the current Mining Act of 2010, with specific reference to the additional PART VIII (LOCAL CONTENT, CORPORATE SOCIAL RESPONSIBILITY & INTEGRITY PLEDGE). Clause 102 of the additional Part legislate Provision of goods & services by Tanzania entrepreneurs. Mineral right holders shall give preference to goods or services produced or available in Tanzania. Where goods or services are not available in Tanzania a Joint Venture shall be established with 25% shareholding from a local Tanzania company. Clause 102(9) defines a local Tanzania company as a company incorporated under the Tanzanian Companies Act, with 100% shareholding by Tanzanian citizens, or a company in a joint venture partnership with Tanzanian citizens with shareholding of not less than 51%.

Capital Drilling is currently engaged with advisors in Tanzania to determine the practical application of this clause.

14. Events post the reporting date (Continue)

Interim dividend declared:

The directors proposed that an interim dividend of 0.5 cent per share be paid to shareholders on 6 October 2017. This dividend has not been included as a liability in these condensed consolidated interim financial statements. The proposed dividend is payable to all shareholders on the Register of Members on 8 September 2017. The total estimated interim dividend to be paid is $0.7 million (2016: $2 million). The payment of this dividend will have no tax consequences for the Group.

15. Going concern

The Group has set specific objectives and also has policies and processes in place to manage its capital and its financial, credit risk and liquidity risks.

The Group has borrowings and debt facilities which, together with its clients' receipts, fund its day to day working capital requirements. Volatile economic conditions may create uncertainty particularly over (a) the level of demand for the Group's services; (b) exchange rate fluctuations against the US Dollar and thus the consequence for the cost of the Group's direct costs; and (c) the availability of bank financing in the foreseeable future.

The Group's forecasts and projections, taking into account potential changes in its performance, show that the Group should be able to operate within the level of its capital structure. The Group continuously discusses its future borrowing and / or refinancing needs with its bankers and no matters have been drawn to its attention to suggest that these needs may not be met on acceptable terms.

The directors confirm that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group continues to adopt the going concern basis of accounting in preparing the interim financial statements.

16. Financial instruments

Financial instruments that are measured in the consolidated statement of financial position or disclosed at fair value require disclosure of fair value measurements by level based on the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Group's available-for-sale financial assets, with a fair value of $1.9 million (31 December 2016: $0.9 million) are listed equity securities in the mining industry that measured at fair value at the end of each reporting period. The available-for-sale investments are designated as level 1 in the fair value hierarchy. Their fair value is determined using quote bid prices in an active market. The Group's held-for-trading financial assets, with a fair value of $0.3 million (31 December 2016: $0.4 million) are options and warrants to acquire shares in listed equity securities that are not traded in an active market. The held-for-trading financials assets are designated as level 3 in the fair value hierarchy.

Their fair value is determined using a binomial tree model valuation technique based on observable market data that includes the value of the underlying security, the exercise price, volatility and risk free rate of return.

The fair values of financial instruments that are not traded in an active market are determined using standard valuation techniques. These valuation techniques maximise the use of observable market data where available and rely as little as possible on Group specific estimates. The directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements are approximately equal to their fair values. The fair values disclosed for the financial assets and financial liabilities are classified in level 3 of the fair value hierarchy have been assessed to approximate their carrying amounts based on a discounted cash flow assessment.

CAPITAL DRILLING LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITY
For the six months ended 30 June 2017

We confirm that to the best of our knowledge:

a) the condensed set of consolidated interim financial statements, which has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Boards gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by DTR4.2.4R;

b) the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR4.2.8; and

c) there has been no significant individual related party transactions during the first six months of the financial year and nor have there been any significant changes in the Group's related party relationships from those reported in the Group's annual financial statement for the year ended 31 December 2016.

ON BEHALF OF THE DIRECTORS

Jamie Boyton
Chairman of the Board of Directors

Brian Rudd
Executive Director

CAPITAL DRILLING LIMITED

Principal Risks and Uncertainties

The Group operates in environments that pose various risks and uncertainties. Aside from the generic risks that face all businesses, the Group's business, financial condition or results of operations could be materially and adversely affected by any of the risks described below.

These risks should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties nor are they listed in order of magnitude or probability. Additional risks and uncertainties that are not presently known to the Directors, or which they currently deem immaterial, may also have an adverse effect on the Group's operating results, financial condition and prospects.

The principal risks associated with the business are:

Area	Description	Mitigation
Fluctuation in levels of mining activity	The Group is highly dependent on the levels of mineral exploration, development and production activity within the markets in which it operates. A reduction in exploration, development and production activities, or in the budgeted expenditure of mining and mineral exploration companies, will cause a decline in the demand for drilling rigs and drilling services.	The Group is seeking to balance these risks by building a portfolio of long term drilling contracts, expanding into new geographic areas and implementing its Lean Operating Model.
Reliance on key customers	The Group's revenue is reliant on a small number of key customers. The loss of a key customer, or a significant reduction in the demand for drilling provided to a key customer will have a significant adverse effect on the Group's revenues.	The Group has entered into long term production contracts with its key customers for periods between 2 to 5 years. Contract renewal negotiations are initiated well in advance of expiry of contracts to ensure contract renewals are concluded without interruption to drilling services. The Group has and continues to monitor projects closely and invest a significant amount of time into client relationship and service level monitoring at all levels of the business. A key part of this process is the quarterly project steering committee meetings with key client stakeholders that provide a forum for monitoring and reporting on project performance and key performance indicators ("KPI's"), contractual issues, pricing and renewal.

Area	Description	Mitigation
Key personnel and staff retention	The Group's ability to implement a strategy of pursuing expansion opportunities is dependent on the efforts and abilities of its executive directors and senior managers. In addition, the Group's operations depend, in part, upon the continued services of certain key employees. If the Group loses the services of any of its existing key personnel without timely and suitable replacements, or is unable to attract and retain new personnel with suitable experience as it grows, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected. In addition, business may be lost to competitors which members of senior management may join after leaving their positions with the Group.	The Group has expanded capabilities in the areas of business development, supply chain, finance, training and health and safety and continues to do so through the recruiting of senior managers in the various fields, implementing comprehensive training programmes and providing employees with international exposure in their fields. The Group has implemented remuneration policies that seeks to recruit suitable talent and to remunerate talent at levels commensurate with market levels.
Operating risks	Operations are subject to various risks associated with drilling including, in the case of employees, personal injury, malaria and loss of life and, in the Group's case, damage and destruction to property and equipment and interruption or suspension of drill site operations due to unsafe drilling operations. The occurrence of any of these events could adversely impact the Group's business, financial condition, results of operations and prospects, lead to legal proceedings and damage the Group's reputation. In particular, clients are placing an increasing focus on occupational health and safety, and deterioration in the Group's safety record may result in the loss of key clients.	The Executive Leadership Team and managers provide leadership to projects on the management of these risks and actively engage with all levels of employees. The Group have implemented and continue to monitor and update a range of health and safety policies and procedures, including equipment standards and standard work procedures. Employees are provided with training regarding risks associated with their employment, policies and standard work procedures. All serious near misses or incidents are reported and fully investigated and mitigating actions implemented. Health and Safety statistics and incident reports are monitored throughout our projects and the various management structures of the Group, including the HSSE committee. Where necessary policies and procedures are updated to reflect developments and improvement needs. The Group maintains adequate insurance policies to provide insurance cover against operating risks.

Area	Description	Mitigation
Currency fluctuations	The Group receives the majority of its revenues in US dollars. However, some of the Group's costs are in other currencies in the jurisdictions in which it operates. Foreign currency fluctuations and exchange rate risks between the value of the US dollar and the value of other currencies may increase the cost of the Group's operations and could adversely affect the financial results. As a result, the Group is exposed to currency fluctuations and exchange rate risks.	To minimise the Group's risk, the Group tries to match the currency of operating costs with the currency of revenue. Funds are pooled centrally in the head office bank accounts to the maximum extent possible. The group have implemented procedures to allow for the repatriation of funds to the Group's Head Office bank accounts from jurisdictions where exchange control regulations are in effect.
Political, economic and legislative risk	The Group operates in a number of jurisdictions where the political, economic and legal systems are less predictable than in countries with more developed industrial structures. Significant changes in the political, economic or legal landscape in such countries may have a material effect on the Group's operations in those countries. Potential impacts include restrictions on the export of currency, expropriation of assets, imposition of royalties or other taxes targeted at mining companies, and requirements for local ownership. Political instability can also result in civil unrest, industrial action and nullification of existing agreements, mining permits or leases. Any of these may adversely affect the Group's operations or results of those operations.	The Group has invested in a number of countries thereby diversifying exposure to any single jurisdiction. The Group monitors political and regulatory developments in the jurisdictions it operates in through a number of service providers and advisors. Senior management regularly reports to the Board on any political or regulatory changes in the jurisdictions we operate in. Where significant events occur, we work closely with our clients, advisors and other stakeholders to address these events.

CAPITAL DRILLING LIMITED
APPENDIX: GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES

The following terms and alternative performance measures are used in the half year results release for the six months ended 30 June 2017.

ARPOR (**Average Revenue Per Operating Rig**)	Average revenue for the period / Monthly average active operating rig
EBITDA	Earnings before interest, taxes, depreciation, amortisation and additional specific items
NET CASH (DEBT)	Cash and cash equivalents less short term and long term debt
RETURN ON CAPITAL EMPLOYED (%)	Profit from operations / (Average total assets – Average current liabilities)
RETURN ON TOTAL ASSETS (%)	Profit from operations / Average total assets
OPERATING CASH FLOW MARGIN	Cash from operations / Revenue
NET ASSET VALUE PER SHARE (CENTS)	Total equity / Weighted average number of ordinary shares
AIFR	All incident frequency rate
DES	Drilling equipment standards
HSSE	Health, Safety, Social and Environment
KPI	Key Performance Indicator
LTI	Lost Time Injury

Reconciliation of alternative performance measures to the financial statements:

	Six months ended	
	30 June 2017	**30 June 2016**
	$	**$**
ARPOR can be reconciled from the financial statements as per the below:		
Revenue per financial statements ($)	62,332,410	41,714,801
Non-drilling revenue ($)	(2,654,410)	(2,123,175)
Revenue used in the calculation of ARPOR ($)	59,678,000	39,591,626
Average revenue for the period	9,946,333	6,598,604
Monthly Average active operating Rigs	52	38
Monthly Average operating Rigs	93	94
ARPOR (rounded to nearest $'000)	191,000	175,000
EBITDA can be reconciled from the condensed consolidated interim financial statements as per the below:		
Profit (Loss) for the period	2,580,275	(840,057)
Depreciation	6,392,131	7,089,799
Taxation	1,945,364	1,588,416
Share of income from associate	(5,213)	(9,587)
Interest income	(137,264)	(6,763)
Finance charges	543,557	253,477
Fair value adjustment on financial assets through profit and loss - Share Options	123,989	(655,224)
Realised gain (loss) on available-for-sale shares	183,495	(90,202)
EBITDA	11,626,334	7,329,859

	Six months ended	
	30 June 2017	30 June 2016
	$	$
Net cash (debt) can be reconciled from the condensed consolidated interim financial statements as per the below:		
Cash and cash equivalents	18,422,658	12,728,555
Long-term liabilities	-	(10,000,000)
Current portion of long-term liabilities	(15,124,480)	(2,095,125)
Net cash (debt)	3,298,178	633,430
Net Asset Value per share (cents) can be calculated as per the below:		
Total Equity	67,963,344	73,420,361
Weighted average number of ordinary shares used in the calculation of basic earnings per share	135,076,227	134,753,539
Net Asset Value per share (Cents)	50.31	54.48

EBITDA

EBITDA represents profit or loss for the period before interest, income taxes, depreciation and amortisation adjusted for share of income (loss) from associate, interest income, finance charge, fair value adjustment on financial assets at fair value through profit and loss and realised gain (loss) on available-for-sale shares.

EBITDA is non-IFRS financial measure that is used as supplemental financial measures by management and external users of financial statements, such as investors, to assess our financial and operating performance. These non-IFRS financial measures will assist our management and investors by increasing the comparability of our performance from period to period.

We believe that including EBITDA assists our management and investors in:-

(i) understanding and analysing the results of our operating and business performance, and

(ii) monitoring our ongoing financial and operational strength in assessing whether to continue to hold our shares. This is achieved by excluding the potentially disparate effects between periods of depreciation and amortisation, income (loss) from associate, interest income, finance charge, fair value adjustment on financial assets at fair value through profit and loss and realised gain (loss) on available-for-sale shares, which may significantly affect comparability of results of operations between periods.

(iii) EBITDA has limitations as analytical tools and should not be considered as alternatives to, or as substitutes for, or superior to, profit or loss for the period or any other measure of financial performance presented in accordance with IFRS. Further other companies in our industry may calculate these measures differently than we do, limiting their usefulness as a comparative measure.

Net cash (debt)

Net cash (debt) is a non-GAAP measure that is defined as cash and cash equivalents less short term and long term debt.

Management believe that net cash (debt) is a useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of borrowings after taking account of cash and cash equivalents within the Group's business that could be utilised to pay down the outstanding borrowings. Management believes that net debt can assist securities analysts, investors and other parties to evaluate the Group. Net cash (debt) and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing net debt as reported by the Group to net cash (debt) of other companies.

Net Asset Value per share (cents)

Net Asset Value per share (cents) is a non-financial measure taking into consideration the total equity over the weighted average number of shares used in the calculation of basic earnings per share.

Management believes that the net asset value per share is a useful indicator of the level of safety associated with each individual share because it indicates the amount of money that a shareholder would get if the Group were to liquidate. Management believes that net asset value per share can assist securities analysts, investors and other parties to evaluate the Group.

Net asset value per share and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing net asset value per share as reported by the Group to net asset value per share of other companies.