MAJOR Partners on the Ground

NEWS RELEASE

Major Drilling Announces Second Quarter Results, Net Cash Position Improves by $18 Million

MONCTON, New Brunswick (December 4, 2013) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its second quarter of fiscal year 2014, ended October 31, 2013.

Highlights

In millions of Canadian dollars (except earnings per share)	Q2-14	Q2-13	YTD-14	YTD-13
Revenue	$92.3	$199.6	$200.5	$437.2
Gross profit	30.0	66.7	65.1	148.0
As percentage of sales	32.5%	33.4%	32.5%	33.8%
Adjusted EBITDA(1)	15.7	47.9	35.3	107.9
As percentage of revenue	17.0%	24.0%	17.6%	24.7%
Net (loss) earnings	(19.1)	22.3	(17.6)	54.2
(Loss) earnings per share	(0.24)	0.28	(0.22)	0.69

(1) Earnings before interest, taxes, depreciation and amortization, excluding restructuring charges and goodwill impairment (see "non-GAAP financial measures")

- Net cash position (net of debt) has improved by $18.1 million and stands at $48.5 million.
- Major Drilling posted quarterly revenue of $92.3 million, down 54% from the $199.6 million recorded for the same quarter last year.
- Gross margin percentage for the quarter was 32.5%, compared to 33.4% for the corresponding period last year.
- During the quarter, the Company posted a goodwill impairment charge of $12.1 million, a combined write down and unrecognized tax losses of $5.5 million, and $0.7 million in restructuring charges. Combined, these charges represent a negative impact to second quarter 2014 earnings of $18.3 million.
- Net loss was $19.1 million or $0.24 per share ($0.24 per share diluted) for the quarter, compared to net earnings of $22.3 million or $0.28 per share ($0.28 per share diluted) for the prior year quarter.

“The current economic environment continues to impact drilling in the short to medium-term, particularly on gold projects where the Company has seen a significant slowdown in activity in calendar 2013. Sources of funding for junior mining companies are limited, and as such many of their projects, both in the base metals and gold sectors, have been delayed or cancelled. In a number of jurisdictions, uncertainty as to the policies of host governments or issues of land tenure also continue to have an impact on results. Accordingly, second quarter revenue was significantly impacted as compared to revenue realized in the same period last year. As expected, many mining companies did not extend their drilling activities beyond their original 2013 annual budgets during the quarter. Lower levels of demand have significantly increased competitive pressures and will likely continue to have an impact for the remainder of calendar 2013 and beyond. Despite lower pricing levels, the Company maintained good margin performance thanks to the improved productivity of our crews, however going forward, further reductions in pricing will be more difficult to offset by gains in productivity. Despite current conditions, we are pleased that Major Drilling was able to improve its net cash position by $18.1 million during the quarter,” said Francis McGuire, President and CEO of Major Drilling.

“Given current market conditions, the Company performed a valuation of its assets during the quarter. As a result, a goodwill impairment of $12.1 million related to Chile was recognized, primarily due to reduced cash flow expections in the near term in Chile. The goodwill write-off is non-cash in nature and does not affect liquidity or cash flows from operating activities. Also, the Company wrote down and unrecognized tax losses for a total of $5.5 million on its Australian and Colombian deferred tax assets related to carry-forward losses given the uncertainty in the near-term outlook for adequate taxable income in Australia and Colombia. Finally, the Company incurred additional restructuring charges of $0.7 million as it continues to reduce costs across the organization.”

“The Company continues to have a variable cost structure whereby most of its direct costs, including field staff, go up or down with contract revenue and a large part of the Company’s other expenses relate to variable incentive compensation based on the Company’s profitability. The Company will continue to focus on cash management by limiting capital expenditures, by reducing inventory and by closely monitoring costs. At the same time, the Company’s financial strength allows it to continue to invest in safety, to maintain its equipment in excellent condition, and to retain skilled employees, all of which are essential to react quickly when the industry recovers.”

“Long-term, the fundamental drivers of our business remain positive, with worldwide supply for most metals expected to tighten. With the number of projects being either delayed or cancelled around the world, we believe that in the medium-term, most commodities could face an imbalance between supply and demand, and that the need to develop resources in areas that are increasingly difficult to access will increase, which should increase demand for specialized drilling. This ongoing structural change in the industry toward specialized drilling and our continued focus on specialized drilling over the years has positioned us favorably relative to the industry.”

“It is important to note that we are now in our third quarter, traditionally the weakest quarter of our fiscal year, as mining and exploration companies shut down, often for extended periods over the holiday season. At this time, most senior and intermediate companies are still working through their budget process and have yet to decide on post-holiday start-up dates. Also, due to the time it takes to mobilize once contracts are awarded, a slow pace of start-ups is expected in January, which will impact overall third quarter revenue. We expect pricing to remain competitive until utilization rates pick up significantly, especially in conventional drilling. Therefore, as we have experienced in some past years, we expect to generate a seasonal loss in the upcoming third quarter."

"Despite the difficult environment, we have one of the most solid balance sheets in our industry with $75.1 million in cash and total debt of $26.6 million at the end of the quarter, for a net cash position of $48.5 million. Net capital expenditures for the quarter were $4.9 million as we purchased 2 rigs and support equipment, while retiring 13 rigs. This strong financial position will also allow us to respond to well-priced opportunities should they arise," observed Mr. McGuire. "Finally, I would like to congratulate our employees on over 2.4 million hours worked in the last four months without a single lost time injury."

Second quarter ended October 31, 2013

Total revenue for the quarter was $92.3 million, down 54% from revenue of $199.6 million recorded in the same quarter last year. Uncertainty around economic matters impacting the mining market caused some customers to delay or cancel their exploration drilling plans, which impacted the quarter's results compared to last year. In a number of jurisdictions, uncertainty as to the policies of host governments or issues of land tenure also had an impact on quarter results. Moreover, many junior customers have scaled back or suspended drilling activities as compared to last year.

Revenue for the quarter from Canada-U.S. drilling operations decreased by 54% to $43.7 million compared to the same period last year as both countries were affected by the slowdown in the industry.

South and Central American revenue was down 66% to $17.5 million for the quarter, compared to the same quarter last year. Mexico, Chile and Argentina were affected by a reduction in work by juniors and the cancellation of projects. Additionally, in Colombia and Argentina, geopolitical factors have slowed the exploration efforts of many mining companies.

Australian, Asian and African operations reported revenue of $31.1 million, down 43% from the same period last year. Three main factors affected the region's revenue: 1) Australia, where projects have been cancelled due to high costs being incurred by mining companies and new mining taxes, 2) Mongolia, which is affected by political uncertainty around mining laws, and 3) Tanzania, where the Company has closed its operations.

The overall gross margin percentage for the quarter was 32.5%, down from 33.4% for the same period last year, but still a historically strong margin. Reduced pricing due to increased competitive pressures and delays impacted margins, however the Company has been able to recapture some of this loss through productivity gains and cost cutting.

General and administrative costs were down 22% from last year at $12.3 million for the quarter compared to $15.8 million in the same period last year. With the decrease in activity, the Company has reduced its general and administrative costs by implementing reductions of salaried employees, restructuring certain branches, and reducing management salaries.

Other expenses for the quarter were $1.0 million, down from $3.3 million in the same quarter last year, due primarily to lower incentive compensation expenses given the Company's decreased profitability.

A goodwill impairment of $12.1 million was recognized during the quarter. The goodwill write-off is non-cash in nature and does not affect liquidity or cash flows from operating activities. Although this goodwill impairment is attributable to reduced cash flow expectations in Chile for the near term, this does not reflect a change in the Company's commitment to continue to operate in Chile.

The provision for income tax for the quarter was an expense of $8.7 million compared to an expense of $11.4 million for the prior year period. This quarter's tax expense was impacted by a combined write down and unrecognized tax losses of $5.5 million on its Australian and Colombian deferred tax assets related to carry-forward losses given the uncertainty in the near-term outlook for adequate taxable income in Australia and Colombia. Also, the tax expense for the quarter was impacted by differences in tax rates between regions, non tax affected losses, and non-deductible expenses.

Non-GAAP Financial Measure

In this news release, the Company uses the non-GAAP financial measure, EBITDA. The Company believes this non-GAAP financial measure provides useful information to both management and investors in measuring the financial performance of the Company. This measure does not have a standardized meaning prescribed by GAAP and therefore it may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

Forward-Looking Statements

Some of the statements contained in this press release may be forward-looking statements, such as, but not limited to, those relating to worldwide demand for gold and base metals and overall commodity prices, the level of activity in the minerals and metals industry and the demand for the Company's services, the Canadian and international economic environments, the Company's ability to attract and retain customers and to manage its assets and operating costs, sources of funding for its clients, particularly for junior mining companies, competitive pressures, currency movements, which can affect the Company's revenue in Canadian dollars, the geographic distribution of the Company's operations, the impact of operational changes, changes in jurisdictions in which the Company operates (including changes in regulation), failure by counterparties to fulfill contractual obligations, and other factors as may be set forth, as well as objectives or goals, and including words to the effect that the Company or management expects a stated condition to exist or occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements by reason of factors such as, but not limited to, the factors set out in the discussion on pages 16 to 18 of the 2013 Annual Report entitled "General Risks and Uncertainties", and such other documents as available on SEDAR at www.sedar.com. All such factors should be considered carefully when making decisions with respect to the Company. The Company does not undertake to update any forward-looking statements, including those statements that are incorporated by reference herein, whether written or oral, that may be made from time to time by or on its behalf, except in accordance with applicable securities laws.

Based in Moncton, New Brunswick, Major Drilling Group International Inc. is one of the world's largest metals and minerals contract drilling service companies. To support its customers' varied exploration drilling requirements, Major Drilling maintains field operations and offices in Canada, the United States, South and Central America, Australia, Asia, and Africa.

Financial statements are attached.

Major Drilling will provide a simultaneous webcast of its quarterly conference call on ***Thursday, December 5, 2013 at 9:00 AM (EST).*** *To access the webcast please go to the investors/webcast section of Major Drilling's website at www.majordrilling.com and click the attached link, or go directly to the CNW Group website at www.newswire.ca for directions. Participants will require Windows MediaPlayer, which can be downloaded prior to accessing the call. Please note that this is listen only mode.*

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Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Operations

(in thousands of Canadian dollars, except per share information)
(unaudited)

	Three months ended October 31		Six months ended October 31	
	2013	2012	**2013**	2012
TOTAL REVENUE	**$ 92,268**	$ 199,637	**$ 200,479**	$ 437,202
DIRECT COSTS	**62,257**	132,938	**135,346**	289,225
GROSS PROFIT	**30,011**	66,699	**65,133**	147,977
OPERATING EXPENSES				
General and administrative	**12,269**	15,763	**25,316**	33,062
Other expenses	**1,018**	3,323	**2,083**	8,593
Loss (gain) on disposal of property, plant and equipment	**263**	(141)	**433**	(133)
Foreign exchange loss (gain)	**780**	(112)	**2,004**	(1,481)
Finance costs	**224**	728	**538**	1,466
Depreciation of property, plant and equipment	**12,801**	12,416	**25,976**	24,538
Amortization of intangible assets	**342**	955	**684**	2,020
Impairment of goodwill (note 10)	**12,057**	-	**12,057**	-
Restructuring charge (note 11)	**678**	-	**2,712**	-
	40,432	32,932	**71,803**	68,065
(LOSS) EARNINGS BEFORE INCOME TAX	**(10,421)**	33,767	**(6,670)**	79,912
INCOME TAX - PROVISION (note 7)				
Current	**4,684**	11,394	**8,475**	24,903
Deferred	**3,995**	24	**2,433**	785
	8,679	11,418	**10,908**	25,688
NET (LOSS) EARNINGS	**$ (19,100)**	$ 22,349	**$ (17,578)**	$ 54,224
(LOSS) EARNINGS PER SHARE (note 8)				
Basic	**$ (0.24)**	$ 0.28	**$ (0.22)**	$ 0.69
Diluted	**$ (0.24)**	$ 0.28	**$ (0.22)**	$ 0.68

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Comprehensive (Loss) Earnings

(in thousands of Canadian dollars)
(unaudited)

	Three months ended October 31		Six months ended October 31	
	2013	2012	**2013**	2012
NET (LOSS) EARNINGS	**$ (19,100)**	$ 22,349	**$ (17,578)**	$ 54,224
OTHER COMPREHENSIVE (LOSS) EARNINGS				
Items that may be reclassified subsequently to profit or loss				
Unrealized gains (losses) on foreign currency translations (net of tax)	**9,642**	(1,726)	**4,613**	5,925
Unrealized gain (loss) on interest rate swap (net of tax)	**35**	(9)	**(33)**	(153)
COMPREHENSIVE (LOSS) EARNINGS	**$ (9,423)**	$ 20,614	**$ (12,998)**	$ 59,996

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Changes in Equity

For the six months ended October 31, 2012 and 2013

(in thousands of Canadian dollars)

(unaudited)

	Share capital	Reserves	Share-based payments reserve	Retained earnings	Foreign currency translation reserve	Total
BALANCE AS AT MAY 1, 2012	$ 230,763	$ 121	$ 11,797	$246,809	$ (1,791)	$487,699
Share-based payments reserve	(93)	-	1,572	-	-	1,479
Dividends	-	-	-	(7,915)	-	(7,915)
	230,670	121	13,369	238,894	(1,791)	481,263
Comprehensive earnings:						
Net earnings	-	-	-	54,224	-	54,224
Unrealized gains on foreign currency translations	-	-	-	-	5,925	5,925
Unrealized loss on interest rate swap	-	(153)	-	-	-	(153)
Total comprehensive earnings	-	(153)	-	54,224	5,925	59,996
BALANCE AS AT OCTOBER 31, 2012	$ 230,670	$ (32)	$ 13,369	$293,118	$ 4,134	$541,259
BALANCE AS AT MAY 1, 2013	**$ 230,985**	**$ 40**	**$ 14,204**	**$283,088**	**$ 10,012**	**$538,329**
Share-based payments reserve	**-**	**-**	**981**	**-**	**-**	**981**
Dividends	**-**	**-**	**-**	**(7,916)**	**-**	**(7,916)**
	230,985	**40**	**15,185**	**275,172**	**10,012**	**531,394**
Comprehensive loss:						
Net loss	**-**	**-**	**-**	**(17,578)**	**-**	**(17,578)**
Unrealized gains on foreign currency translations	**-**	**-**	**-**	**-**	**4,613**	**4,613**
Unrealized loss on interest rate swap	**-**	**(33)**	**-**	**-**	**-**	**(33)**
Total comprehensive loss	**-**	**(33)**	**-**	**(17,578)**	**4,613**	**(12,998)**
BALANCE AS AT OCTOBER 31, 2013	**$ 230,985**	**$ 7**	**$ 15,185**	**$257,594**	**$ 14,625**	**$518,396**

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Cash Flows
(in thousands of Canadian dollars)
(unaudited)

	Three months ended October 31		Six months ended October 31	
	2013	2012	**2013**	2012
OPERATING ACTIVITIES				
(Loss) earnings before income tax	**$ (10,421)**	$ 33,767	**$ (6,670)**	$ 79,912
Operating items not involving cash				
Depreciation and amortization	**13,143**	13,371	**26,660**	26,558
Loss (gain) on disposal of property, plant and equipment	**263**	(141)	**433**	(133)
Share-based payments reserve	**451**	712	**981**	1,479
Impairment of goodwill	**12,057**	-	**12,057**	-
Restructuring charge	**-**	-	**665**	-
Finance costs recognized in earnings before income tax	**224**	728	**538**	1,466
	15,717	48,437	**34,664**	109,282
Changes in non-cash operating working capital items	**9,683**	19,053	**107**	(642)
Finance costs paid	**(217)**	(729)	**(527)**	(1,464)
Income taxes paid	**(3,109)**	(7,554)	**(9,460)**	(15,443)
Cash flow from operating activities	**22,074**	59,207	**24,784**	91,733
FINANCING ACTIVITIES				
Repayment of long-term debt	**(3,968)**	(4,071)	**(17,034)**	(5,635)
Dividend paid	**-**	-	**(7,916)**	(7,123)
Cash flow used in financing activities	**(3,968)**	(4,071)	**(24,950)**	(12,758)
INVESTING ACTIVITIES				
Payment of consideration for previous business acquisition	**-**	-	**(205)**	(813)
Acquisition of property, plant and equipment (note 6)	**(6,005)**	(16,111)	**(11,209)**	(39,512)
Proceeds from disposal of property, plant and equipment	**1,067**	998	**2,883**	1,266
Cash flow used in investing activities	**(4,938)**	(15,113)	**(8,531)**	(39,059)
Effect of exchange rate changes	**897**	287	**1,510**	(108)
INCREASE (DECREASE) IN CASH	**14,065**	40,310	**(7,187)**	39,808
CASH, BEGINNING OF THE PERIOD	**61,059**	36,735	**82,311**	37,237
CASH, END OF THE PERIOD	**$ 75,124**	$ 77,045	**$ 75,124**	$ 77,045

Major Drilling Group International Inc.
Interim Condensed Consolidated Balance Sheets
As at October 31, 2013 and April 30, 2013
(in thousands of Canadian dollars)
(unaudited)

	October 31, 2013	April 30, 2013
ASSETS		
CURRENT ASSETS		
Cash	**$ 75,124**	$ 82,311
Trade and other receivables	**74,335**	98,079
Income tax receivable	**10,497**	10,013
Inventories	**83,330**	88,118
Prepaid expenses	**7,578**	6,119
	250,864	284,640
PROPERTY, PLANT AND EQUIPMENT	**323,326**	339,971
DEFERRED INCOME TAX ASSETS	**4,113**	5,601
GOODWILL (note 10)	**40,223**	52,736
INTANGIBLE ASSETS	**2,597**	3,279
	$ 621,123	$ 686,227
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	**$ 45,403**	$ 73,315
Income tax payable	**4,565**	5,251
Current portion of long-term debt	**9,717**	9,097
	59,685	87,663
LONG-TERM DEBT	**16,875**	34,497
DEFERRED INCOME TAX LIABILITIES	**26,167**	25,738
	102,727	147,898
SHAREHOLDERS' EQUITY		
Share capital	**230,985**	230,985
Reserves	**7**	40
Share-based payments reserve	**15,185**	14,204
Retained earnings	**257,594**	283,088
Foreign currency translation reserve	**14,625**	10,012
	518,396	538,329
	$ 621,123	$ 686,227

1. NATURE OF ACTIVITIES

Major Drilling Group International Inc. (“the Company”) is incorporated under the Canada Business Corporations Act and has its head office at 111 St. George Street, Suite 100, Moncton, NB, Canada. The Company’s common shares are listed on the Toronto Stock Exchange (“TSX”). The principal source of revenue consists of contract drilling for companies primarily involved in mining and mineral exploration. The Company has operations in Canada, the United States, South and Central America, Australia, Asia and Africa.

2. BASIS OF PRESENTATION

Statement of compliance
These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”) and using the accounting policies as outlined in the Company’s annual Consolidated Financial Statements for the year ended April 30, 2013.

These statements were authorized for issue on December 4, 2013 by the Board of Directors.

Basis of consolidation
These Interim Condensed Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Operations from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-group transactions, balances, income and expenses are eliminated on consolidation, where appropriate.

Basis of preparation
These Interim Condensed Consolidated Financial Statements have been prepared based on the historical cost basis except for certain financial instruments that are measured at fair value, using the same accounting policies and methods of computation as presented in the Company’s annual Consolidated Financial Statements for the year ended April 30, 2013, with the exception of the impact of certain amendments to accounting standards or new interpretations issued by the IASB, which were applicable for fiscal years beginning on or after January 1, 2013. The adoption of these amendments and standards has not had a material impact on the accounting policies, methods of computation or presentation applied by the Company.

3. FUTURE ACCOUNTING CHANGES

The Company has not applied the following new and revised IASB standards that have been issued but are not yet effective:

IFRS 9 *(as amended in 2010) Financial Instruments*
IAS 32 *(amended) Financial Instruments: Presentation*
IAS 36 *Impairment of Assets*
IAS 39 *Financial Instruments: Recognition and Measurement*

The adoption of the above standards is not expected to have a significant impact on the Company's Consolidated Financial Statements.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Significant areas requiring the use of management estimates relate to the useful lives of property, plant and equipment for amortization purposes, property, plant and equipment and inventory valuation, determination of income and other taxes, assumptions used in compilation of share-based payments, fair value of assets acquired and liabilities assumed in business acquisitions, amounts recorded as accrued liabilities, and impairment testing of goodwill and intangible assets.

The Company applied judgment in determining the functional currency of the Company and its subsidiaries, the determination of cash generating units ("CGUs"), the degree of componentization of property, plant and equipment, and the recognition of provisions and accrued liabilities.

5. SEASONALITY OF OPERATIONS

The third quarter (November to January) is normally the Company's weakest quarter due to the shutdown of mining and exploration activities, often for extended periods over the holiday season, particularly in South and Central America.

(in thousands of Canadian dollars, except per share information)

6. PROPERTY PLANT & EQUIPMENT

Capital expenditures for the three months ended October 31, 2013 were $6,005 (2012 - $17,815) and for the six months ended October 31, 2013 were $11,209 (2012 - $41,216). The Company obtained direct financing for the three and six months ended October 31, 2013 of nil (2012 - $1,704).

7. INCOME TAXES

The income tax expense for the period can be reconciled to accounting profit as follows:

	2014 Q2	2013 Q2	**YTD 2014**	YTD 2013
(Loss) earnings before income tax	**$ (10,421)**	$ 33,767	**$ (6,670)**	$ 79,912
Statutory Canadian corporate income tax rate	**28%**	28%	**28%**	28%
Expected income tax (recovery) expense based on statutory rate	**(2,918)**	9,455	**(1,868)**	22,375
Non-recognition of tax benefits related to losses	**1,005**	316	**1,081**	631
Other foreign taxes paid	**77**	343	**202**	698
Rate variances in foreign jurisdictions	**1,390**	810	**1,844**	1,390
Permanent differences	**3,308**	242	**3,668**	391
De-recognition of previously recognized tax losses	**4,536**	-	**4,536**	-
Other	**1,281**	252	**1,445**	203
Income tax expense recognized in net earnings	**$ 8,679**	$ 11,418	**$ 10,908**	$ 25,688

The Company periodically assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, the Company records its best estimate of these tax liabilities, including related interest charges. Inherent uncertainties exist in estimates of tax contingencies due to changes in tax laws. While management believes they have adequately provided for the probable outcome of these matters, future results may include favorable or unfavorable adjustments to these estimated tax liabilities in the period the assessments are made, or resolved, or when the statutes of limitations lapse.

(in thousands of Canadian dollars, except per share information)

8. (LOSS) EARNINGS PER SHARE

All of the Company's earnings are attributable to common shares therefore net earnings are used in determining earnings per share.

	2014 Q2	2013 Q2	**YTD 2014**	YTD 2013
Net (loss) earnings for the period	**$ (19,100)**	$ 22,349	**$ (17,578)**	$ 54,224
Weighted average shares outstanding – basic (000's)	**79,161**	79,147	**79,161**	79,147
Net effect of dilutive securities:				
Stock options (000's)	**-**	453	**-**	537
Weighted average number of shares – diluted (000's)	**79,161**	79,600	**79,161**	79,684
(Loss) earnings per share:				
Basic	**$ (0.24)**	$ 0.28	**$ (0.22)**	$ 0.69
Diluted	**$ (0.24)**	$ 0.28	**$ (0.22)**	$ 0.68

There were no anti-dilutive options for the three and six months ended October 31, 2013. The calculation of the diluted earnings per share for the three and six months ended October 31, 2012 exclude the effect of 349,252 and 126,820 options, respectively, as they were anti-dilutive.

The total number of shares outstanding on October 31, 2013 was 79,161,378.

9. SEGMENTED INFORMATION

The Company's operations are divided into three geographic segments corresponding to its management structure, Canada - U.S., South and Central America, and Australia, Asia and Africa. The services provided in each of the reportable segments are essentially the same. The accounting policies of the segments are the same as those described in the Company's annual Consolidated Financial Statements for the year ended April 30, 2013. Management evaluates performance based on earnings from operations in these three geographic segments before finance costs, general corporate expenses and income taxes. Data relating to each of the Company's reportable segments is presented as follows:

(in thousands of Canadian dollars, except per share information)

9. SEGMENTED INFORMATION (Continued)

	2014 Q2	2013 Q2	**YTD 2014**	YTD 2013
Revenue				
Canada – U.S.	**$ 43,665**	$ 93,980	**$ 97,032**	$ 206,817
South and Central America	**17,524**	50,897	**39,262**	120,310
Australia, Asia and Africa	**31,079**	54,760	**64,185**	110,075
	$ 92,268	$ 199,637	**$ 200,479**	$ 437,202
(Loss) earnings from operations				
Canada – U.S.	**$ 4,161**	$ 20,305	**$ 11,524**	$ 45,776
South and Central America	**(14,486)**	8,622	**(16,573)**	25,373
Australia, Asia and Africa	**2,250**	9,813	**3,697**	18,834
	(8,075)	38,740	**(1,352)**	89,983
Eliminations	**(133)**	(987)	**(285)**	(466)
	(8,208)	37,753	**(1,637)**	89,517
Finance costs	**224**	728	**538**	1,466
General corporate expenses*	**1,989**	3,258	**4,495**	8,139
Income tax	**8,679**	11,418	**10,908**	25,688
Net (loss) earnings	**$ (19,100)**	$ 22,349	**$ (17,578)**	$ 54,224

*General and corporate expenses include expenses for corporate offices and stock options. Amounts presented in the previous period under general corporate expenses have been allocated to other segments consistent with current year presentation.

Canada – U.S. includes revenue of $24,442 and $55,582 for Canadian operations for the three months ended October 31, 2013 and 2012, respectively, and $62,786 and $122,607 for the six months ended October 31, 2013 and 2012, respectively.

	2014 Q2	2013 Q2	**YTD 2014**	YTD 2013
Depreciation and amortization				
Canada – U.S.	**$ 5,662**	$ 5,585	**$ 11,472**	$ 11,065
South and Central America	**2,980**	2,613	**5,994**	5,825
Australia, Asia and Africa	**3,970**	3,672	**8,093**	7,699
Unallocated corporate assets	**531**	1,501	**1,101**	1,969
Total depreciation and amortization	**$ 13,143**	$ 13,371	**$ 26,660**	$ 26,558

	October 31, 2013	April 30, 2013
Identifiable assets		
Canada – U.S.	**$ 206,942**	$ 243,027
South and Central America	**189,500**	224,878
Australia, Asia and Africa	**162,025**	165,318
	558,467	633,223
Eliminations	**-**	(38)
Unallocated and corporate assets	**62,656**	53,042
	$ 621,123	$ 686,227

Canada – U.S. includes property, plant and equipment at October 31, 2013 of $90,097 (April 30, 2013 - $97,110) for Canadian operations.

(in thousands of Canadian dollars, except per share information)

10. IMPAIRMENT OF GOODWILL

For the purposes of assessing impairment, the Company's assets are grouped and tested at the cash generating unit ("CGU") level. The Company has operations in Canada, the United States, South and Central America, Australia and Africa and management has determined that its CGUs are identifiable at the country level as this is the smallest identifiable group of assets that generate cash inflows that are largely independent of cash inflows from other assets or groups of assets.

Due to the weakness in the Chilean market caused by the recent changes in labor laws and the severity of the downturn in that market, the Company recorded an impairment of goodwill of $12,057 in the South and Central American segment during the current quarter.

Cash flow projections were calculated over a five-year period based on budgeted earnings, forecasted from historical earnings, using the value-in-use method, with a discount rate of 13.22% (2012 13.00%).

11. RESTRUCTURING CHARGE

Restructuring charges of $678 and $2,712 for the three and six months ended October 31, 2013 consist of employee severance charges relating to the restructuring plan implemented in some of the Company's operations in the previous year and continued in the current year.

12. FINANCIAL INSTRUMENTS

There are no significant changes to financial instruments compared to the Company's annual Consolidated Financial Statements for the year ended April 30, 2013 except for the following:

Fair value

The carrying values of cash, trade and other receivables, demand credit facility and trade and other payables approximate their fair value due to the relatively short period to maturity of the instruments. The following table shows carrying values of long-term debt, which approximates its fair value, as most debts carry variable interest rates and the remaining fixed rate debts have been acquired recently and their carrying values continue to reflect fair value. The fair value of the interest rate swap included in long-term debt is measured using quoted interest rates.

	October 31, 2013	April 30, 2013
Long-term debt	**$ 26,592**	$ 43,594

(in thousands of Canadian dollars, except per share information)

12. FINANCIAL INSTRUMENTS (Continued)

Credit risk

As at October 31, 2013, 79.0% of the Company's trade receivables were aged as current (April 30, 2013 - 86.0%) and 3.5% of the trade receivables were impaired (April 30, 2013 – 3.1%).

The movements in the allowance for impairment of trade receivables during the six-month periods were as follows:

	October 31, 2013	October 31, 2012
Opening balance	**$ 2,790**	$ 2,236
Increase in impairment allowance	**445**	317
Write-off charged against allowance	**(844)**	(113)
Foreign exchange translation differences	**14**	(6)
Ending balance	**$ 2,405**	$ 2,434

Foreign currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Corporation's reporting currency. The Company monitors the exchange rate fluctuations and manages the foreign currency monetary accounts on a regular basis and acts accordingly. The Corporation operates in several geographic areas and is exposed to foreign currency risk, primarily, but not limited to, the Canadian dollar to United States dollar exchange rate. The Corporation does not use currency derivative instruments to manage its exposure to foreign currency fluctuations.

The carrying amounts of net monetary assets that: (i) are denominated in currencies other than the functional currency of the respective Company subsidiary; (ii) cause foreign exchange rate exposure; and (iii) may include intercompany balances with other subsidiaries, are USD $215 as of October 31, 2013. If the Canadian dollar moved by plus or minus 10% at October 31, 2013, the unrealized foreign exchange gain or loss recognized in net earnings would move by approximately $22.

Inherent uncertainties exist in the foreign currency markets due to some countries' economic difficulties. While management continues to monitor and manage the currency risks, future results may include favorable or unfavorable adjustments to foreign exchange gain or loss.

Liquidity risk

The following table details contractual maturities for the Company's financial liabilities.

	1 year	2-3 years	4-5 years	thereafter	Total
Trade and other payables	$ 45,403	$ -	$ -	$ -	$ 45,403
Long-term debt	9,717	11,946	2,095	2,834	26,592
	$ 55,120	$ 11,946	$ 2,095	$ 2,834	$ 71,995