

23 February 2011

2010 FULL YEAR RESULTS

Boart Longyear Limited (**ASX: BLY**), the world's leading integrated provider of mineral exploration services and products, today announces its financial results for the year ended 31 December 2010. This release also provides guidance for 2011 and reports that Directors have approved a second half 2010 dividend of US 3.4 cents per share to be paid 15 April 2011.

POSITIONED FOR GROWTH
RESULTS SUMMARY
Full Year 2010 Results:

- Revenue of US\$1.476 billion, up 51 percent over full year 2009
- EBITDA of US\$222 million, up 100 percent over full year 2009
- NPAT of US\$85 million, up US\$100 million from the US\$15 million loss in 2009
- Earnings per share of US 18.5 cents per share for 2010
- Dividend of US 5.5 cents per share for 2010 (US 3.4 cents – 2H 2010)

Full Year 2011 Outlook:

- Revenue of US\$1.75 billion, up 19 percent over full year 2010
- EBITDA of US\$300 million, up 35 percent over full year 2010

Boart Longyear's 2010 full year results reflect strong growth in both its Drilling Services and Products businesses in all regions. The Products business' backlog was up 150 percent at the end of 2010 compared to the same period last year. Drilling Services' rig utilisation rose to 75 percent at the end of 2010. The Company has hired over 2,500 full time employees since January 2010, taking the global workforce to over 9,200 at the end of the year.

TOTAL COMPANY RESULTS OVERVIEW:

US \$M	2009	1H 2010	2H 2010	2010	'10/'09 % change
Revenue	978	685	791	1476	51%
Gross Margin	234	165	207	372	59%
<i>Gross Margin %</i>	24%	24%	26%	25%	
EBITDA	111	98	124	222	100%
<i>EBITDA Margin %</i>	11%	14%	16%	15%	
NPAT	(15)	33	52	85	-
<i>NPAT Margin %</i>	(2%)	5%	7%	6%	
EPS (cents)	(6.1)	7.1	11.4	18.5	
Cash from Operations	117	(13)	65	52	(56%)
Lost Time Days	377	-	-	306	(19%)

For personal use only

Total revenue for the year ended 31 December 2010 was US\$1.476 billion, an increase of 51 percent as compared to US\$978 million for the year ended December 2009. Total EBITDA for 2010 was US\$222 million, reflecting an increase of 100 percent as compared to 2009.

SEGMENT RESULTS OVERVIEW:

Drilling Services					
US \$M	2009	1H 2010	2H 2010	2010	% change
Revenue	737	511	569	1,080	47%
EBITDA	142	91	100	191	35%
<i>EBITDA Margin %</i>	<i>19%</i>	<i>18%</i>	<i>18%</i>	<i>18%</i>	
Products					
US \$M	2009	1H 2010	2H 2010	2010	% change
Revenue	241	175	220	395	64%
EBITDA	26	37	58	95	265%
<i>EBITDA Margin %</i>	<i>11%</i>	<i>21%</i>	<i>26%</i>	<i>24%</i>	

Global Drilling Services' EBITDA increased by 35 percent to US\$191 million as compared to US\$142 million in 2009. Global Products' EBITDA increased by 265 percent to US\$95 million as compared to US\$26 million in 2009.

Cash from operations of US\$52 million compares to US\$117 million for 2009. Additional cash was required to sustain growth as the business continued to improve in 2010. Capital expenditures in 2010 were US\$140 million, which was primarily spent on optimising the global rig fleet, systems technology and R&D.

DIVIDENDS

Earnings for the full year were US 18.5 cents per share. A dividend of US 3.4 cents per share for the second half of 2010 has been determined, representing 30 percent of net profit after tax. The Company's first half 2010 dividend was US 2.1 cents per share, which was paid in October 2010. The second half dividend will be 35 percent franked and is expected to be paid on 15 April 2011 to shareholders of record on 18 March 2011.

OUTLOOK

Boart Longyear's operating trends continued to improve through 2010. Both manufactured product and Drilling Services demand continued to be robust. Based on this upward trend, full year 2011 outlook is expected to be US\$1.75 billion in revenue and US\$300 million in EBITDA.

The Company remains focused on increasing shareholder value through organic growth, product innovation, safety, and margin expansion. Capital expenditures in 2011 are projected to be US\$200 million as fleet optimisation continues to support productivity and capacity expansion.

For personal use only



Boart Longyear Limited
ABN 49 123 052 728

919-929 Marion Road, Mitchell Park
South Australia 5043, Australia
Tel: +61 8 8375 8375 • Fax: +61 8 8377 0534
www.boartlongyear.com

Boart Longyear's CEO Craig Kipp commented, "We delivered strong operational performance and growth in 2010. This was a direct result of the ongoing global mining industry recovery and our efforts in 2009 focused on cost and balance sheet restructuring. As a result, we have been able to add manufacturing capacity, optimise our rig fleet, and also hire and train an expanded staff. We continue our focus on cost management and on maintaining a strong balance sheet."

Mr. Kipp continued, "As planned, we launched eleven new products in 2010, with more planned for 2011. Our global manufacturing capacity was enhanced last week when we commissioned our new rig assembly plant in Perth, WA."

With demand and pricing increasing through the end of 2010, we anticipate stronger 2011 rig utilisation rates to average between 75 and 80 percent, and an improved contracting environment. We believe Boart Longyear is well-positioned for profitable growth in 2011."

About Boart Longyear

Boart Longyear is a 120-year-old global mineral exploration company that provides mineral exploration services and drilling products for the global mining industry and also has a substantial drilling presence for water exploration, environmental sampling, energy, and oil sands exploration.

Headquartered in Salt Lake City, Utah, with 2010 sales of US\$1.476 billion and over 9,000 employees worldwide, the company conducts contract drilling services in 40 countries, and provides mining products to customers in over 100 countries. Regional offices and operations are located in Asia Pacific, EMEA, Latin America, and North America.

The company can be found on the Web at www.boartlongyear.com. To get Boart Longyear news direct, visit <http://www.boartlongyear.com/rss>.

Contacts:

Jay Clement
Vice President, Investor Relations/Treasury
Australia 08 8375 8300
USA +1 801 401 3712
ir@boartlongyear.com

Monika Portman
Corporate Communications Manager
USA +1 801 952 8451
monika.portman@boartlongyear.com

For personal use only