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### Boart Longyear Announces Record Full-Year Profit

Boart Longyear Limited (**ASX: BLY**), the world's leading provider of mineral exploration products and services, announces today its financial results for the full year ended 31 December 2011. The Company also provides guidance for 2012 and reports that directors have determined a dividend of 5.6 US cents per share for the second half of 2011. This dividend payment is scheduled for 13 April 2012. The 2011 full-year revenue and profit are a record for the 120-year old company.

#### RESULTS SUMMARY

##### Full Year 2011 Results:

- Revenue of US\$2.02 billion, up 37% over full year 2010
- EBITDA of US\$356 million, up 60% over full year 2010
- NPAT of US\$160 million, up 89% over full year 2010
- Earnings per share of 35.1 US cents, up 89% over full year 2010
- Return on equity (ROE) of 14%, up 75% from 8% ROE recorded in 2010

##### Full Year 2012 Outlook:

- Forecast revenue of US\$2.3 billion, up 14% over full year 2011
- Forecast EBITDA of US\$460 million, up 27% over full year 2011

Demand in 2011 remained strong, particularly in the emerging markets of Africa and Latin America. Sales for drilling capital equipment doubled, indicating ongoing optimism for a robust drilling market. Rig utilisation for Drilling Services averaged approximately 75% throughout 2011. Prices continue to recover from 2009 lows, and both manufacturing and drilling productivity continue to increase, driven by the Company's capital investment in past years.

	2010	1H 2011	2H 2011	2011	'11/'10 % Change
<b>Revenue</b>	<b>1,476</b>	<b>959</b>	<b>1,061</b>	<b>2,020</b>	37%
<b>Gross Margin</b>	<b>372</b>	<b>259</b>	<b>305</b>	<b>564</b>	52%
<i>Gross Margin %</i>	25%	27%	29%	28%	
<b>EBITDA</b>	<b>222</b>	<b>165</b>	<b>191</b>	<b>356</b>	60%
<i>EBITDA Margin %</i>	15%	17%	18%	18%	
<b>NPAT</b>	<b>85</b>	<b>74</b>	<b>86</b>	<b>160</b>	89%
<i>NPAT Margin %</i>	6%	8%	8%	8%	
<b>EPS (cents)</b>	<b>18.5</b>	<b>16.1</b>	<b>19.0</b>	<b>35.1</b>	89%
<b>Cash from Operations</b>	<b>52</b>	<b>22</b>	<b>176</b>	<b>198</b>	282%
<b>Headcount</b>	<b>9,221</b>			<b>10,572</b>	15%
<b>Lost Time Days</b>	<b>367</b>			<b>307</b>	-16%

Strong operational cash flow during 2011 enabled Boart Longyear to invest US\$343 million in working capital and organic growth for new products and fleet upgrades, while keeping the leverage ratio at 0.7x. This included:

- Drilling Services continued its capital investment in more profitable drilling technologies and margin accretive contracts. These include mine water services and also working with key clients to expand in promising geographies.
- The Products business increased its ongoing investment in R&D and launched ten new products during the year. The number of patent applications filed hit a new record of 210. All this supports the Company's success in developing proprietary and innovative technologies.

Capital expenditure in 2012 is expected to be US\$300 million and to be financed by internally generated funds. Boart Longyear is well positioned for additional growth in 2012.

<b>Drilling Services</b>					
<b>US \$M</b>	<b>2010</b>	<b>1H 2011</b>	<b>2H 2011</b>	<b>2011</b>	<b>% change</b>
<b>Revenue</b>	<b>1,080</b>	<b>682</b>	<b>766</b>	<b>1,448</b>	<b>34%</b>
<b>EBITDA</b>	<b>191</b>	<b>129</b>	<b>167</b>	<b>296</b>	<b>55%</b>
<i>EBITDA Margin %</i>	<i>18%</i>	<i>19%</i>	<i>22%</i>	<i>20%</i>	

  

<b>Products</b>					
<b>US \$M</b>	<b>2010</b>	<b>1H 2011</b>	<b>2H 2011</b>	<b>2011</b>	<b>% change</b>
<b>Revenue</b>	<b>395</b>	<b>277</b>	<b>295</b>	<b>572</b>	<b>45%</b>
<b>EBITDA</b>	<b>95</b>	<b>67</b>	<b>65</b>	<b>132</b>	<b>39%</b>
<i>EBITDA Margin %</i>	<i>24%</i>	<i>24%</i>	<i>22%</i>	<i>23%</i>	

In a major upgrade of the Company's global technology platform, it completed a 40 country, two year implementation of a new Oracle ERP system. This global system brings all operating units around the world onto a single digital platform. The system encompasses a full suite of Oracle modules, including human resources, engineering, sourcing, accounts payable, receivables, finance, logistics, manufacturing, fleet management, and time and labour. It has already provided a foundation to enhance visibility across the Company's global operations, simplify operations, speed transactions, ensure compliance and controls, and accelerate growth.

#### **DIVIDEND**

Earnings per share (EPS) for full year 2011 were 35.1 US cents, up 89% from the same period last year. A second half dividend of 5.6 US cents per share has been determined, representing 30% of net profit after tax for the second half of 2011. The dividend will be 15% franked and is expected to be paid on 13 April 2012 to shareholders of record on 16 March 2012.

#### **OUTLOOK**

Operating trends and global demand for products and services continues to be strong. Based on this and other favourable factors, the Company's full year 2012 revenue outlook is US\$2.3 billion, which is 14% higher than full year 2011, and its EBITDA outlook is US\$460 million, a 27% increase over full year 2011. Capital expenditures in 2012 are planned at US\$300 million, an increase of US\$79 million over last year.

Boart Longyear's CEO, Craig Kipp, commented, "During 2011, Boart Longyear delivered a 120-year company record for revenue and profits. The Company is delivering productivity metrics exceeding the previous 2008 benchmarks. This is a direct result of ongoing organic investment in the business, consistent with the roadmap developed in 2009, post the Global Financial Crisis (GFC).

"We expect continued margin and revenue expansion for both the Products and Services businesses over the short term. Our ongoing initiative to convert manufacturing fixed costs to variable cost, coupled with the introduction of rigorous standards for commercial contracts and utilisation, are driving these improvements.

"We continue on the following long-term roadmap to deliver shareholder value:

- Geographic expansion: Africa, Australia, and Latin America;
- Mine water services: Taking 20 years of experience and expanding globally;
- Acquisition: Oracle enables bolt-on businesses, making integration easier;
- Fleet optimisation: Shift mix to multi-purpose and deeper, more productive rigs;
- Sonic drilling: Mining expansion and the sale of our unique technology rigs;
- Equipment leasing: Expansion of drill rig sales through leasing;
- Product innovation: Continued investment in drilling R&D; and
- Technical service group: Expansion of the global rig services and spare parts programs.

"The ongoing organic investment in the business has resulted in significant returns on equity. This strategy has allowed us to maintain and grow the largest surface coring, underground coring, reverse circulation, rotary, and sonic fleets in the world. These assets support our key global mining customers and allow us to follow them in all geographies.

"The continued investment in drilling R&D has also resulted in 10 additional new products launched in 2011. One of these products, the UMX Diamond Bit, recently won the 2012 Mining Magazine Exploration Award."

### **About Boart Longyear**

Boart Longyear is the world's largest mineral exploration drilling company. With over 120 years of expertise, the Company provides both drilling services and complementary drilling products for the global mineral exploration industry. It also has a substantial drilling and products presence in mine dewatering, environmental sampling, energy, and oil sands exploration.

Boart Longyear is headquartered in Salt Lake City, Utah, USA and is listed on the Australian Securities Exchange (ASX) in Sydney, Australia. Sales in 2011 were over US\$2.0 billion and the company employs over 10,000 employees worldwide. Contract drilling services are conducted in over 40 countries, and exploration products are manufactured in seven global factories and sold to customers in over 100 countries.

More information about Boart Longyear can be found on the Web at [www.boartlongyear.com](http://www.boartlongyear.com). To get Boart Longyear news direct, visit <http://www.boartlongyear.com/rssfeed>.

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