

8 May 2014

Boart Longyear Announces 2014 First Quarter Results and Key Performance Indicators

Boart Longyear Limited (**ASX: BLY**), the world's leading supplier of drilling services, drilling equipment and performance tooling for mining and drilling companies, today announces key performance indicators for the first quarter ended 31 March 2014. All results referenced are in US dollars and unaudited.

2014 first quarter financial results:

- Revenue of \$197 million (1Q 2013: \$370 million)
- Statutory negative EBITDA of \$2 million (1Q 2013: positive EBITDA of \$35 million)
- Adjusted¹ EBITDA of \$4 million (1Q 2013: \$40 million)
- Net cash flows used by operating activities of \$6 million (1Q 2013: \$47 million)

Business highlights:

Targeted cost reductions of more than \$80 million for 2014 are on track and are in addition to over \$800 million of reductions achieved in 2013. The Company expects to achieve target SG&A levels of between \$165 million and \$170 million for full-year 2014. Inventory balances continue to reduce, with \$12 million in reductions achieved during the first quarter. Net cash flows used by operating activities for the first quarter of 2014 totaled \$6 million and reflected typical seasonal start-up costs occurring during the first part of each calendar year. By comparison, net cash flows used by operating activities in the first quarter of 2013 were \$47 million.

Gross debt balances at 31 March 2014 remained unchanged from year-end 2013 despite first quarter seasonal liquidity requirements. At 31 March 2014, the Company maintained \$130 million of available capacity under its bank credit facility, in addition to cash on hand of \$41 million. Subsequent to the quarter end, the Company drew \$26 million under its credit facility to fund senior note interest payments due 1 April 2014.

Comparative information:

(Millions) ²	First Quarter Ended			Fourth Quarter Ended
	2014	2013	2012	2013
Total Company				
Revenue	197.4	370.2	520.5	224.5
EBITDA	(1.9)	34.6	85.8	(100.8)
Adjusted EBITDA ¹	3.8	40.3	85.8	8.0
Net Cash Flows Provided By (Used By) Operating Activities	(6.3)	(46.6)	(42.0)	4.2
Net Debt ³	544.4	571.3	328.1	526.4
SG&A ⁴	41.2	59.0	77.1	43.6
Headcount	5,593	8,283	11,087	5,681
Global Drilling Services				
Revenue	139.6	272.3	391.7	163.4
EBITDA	11.2	41.1	76.7	15.5
Average Rig Utilisation	32%	39%	61%	31%
Average # of Drill Rigs (with E&I)	950	1,146	1,175	1,031
Average # of Drill Rigs (without E&I)	950	1,044	981	1,031
Headcount	3,874	6,749	8,909	4,338
Global Products				
Revenue	57.8	97.9	128.7	61.1
EBITDA	0.8	13.0	26.5	2.6
Average Backlog	15.2	43.3	82.4	19.4
Headcount ⁵	1,363	1,103	1,541	910

¹ Adjusted EBITDA is a non-IFRS measure and is used internally by management to assess the performance of the business and has been derived from the Company's financial results by adding back charges relating to restructuring and impairments

² Except headcount, utilisation and rigs. Figures are period end, except where averages are indicated.

³ Excludes contingent liabilities relevant to determining bank covenant compliance. See footnote #31 in Annual Financial Report.

⁴ Includes both direct and indirect SG&A. Figures shown on page 41 of the 2013 Annual Report are for indirect SG&A only and exclude costs associated with restructuring activities.

⁵ Increase in Global Products employees in 1Q2014 due to consolidation of maintenance and supply chain operations into the Global Products division

Business overview

Utilisation rates remained at relatively low levels during the first quarter of 2014, driving a 47% reduction in revenue compared to the first quarter of 2013 and a 91% reduction in adjusted EBITDA. Compared to the fourth quarter of 2013, revenue decreased \$27 million, or approximately 12%, as a result of a slow seasonal start-up, and adjusted EBITDA was down \$4 million. Backlog in the Global Products business was slightly lower than the previous quarter largely as a result of improved fulfillment times. Order book activity has held fairly constant from the fourth quarter of 2013.

Product development initiatives continue to progress and remain focused on production tooling, equipment, and incremental enhancements to existing products to drive improved safety and productivity. The Company continues to demonstrate innovative product leadership, launching a new underground drill rig, the LM™ 110, to the market in March, the most powerful Boart Longyear underground diamond coring drill rig to date. This rig delivers more torque, resulting in the ability to drill deeper and more productively. In addition, development initiatives around rod handling and automation continue in order to reinforce safety on the job site.

Although global exploration activity remains generally subdued, drilling at production-focused projects remains active; our underground coring and percussive rig fleets and water services fleet are at, or approaching, functionally full utilization. In addition, our diversified fleet and versatile crews have allowed us to pursue several significant non-mining related drilling projects in the municipal, agricultural, and energy sectors.

As previously announced in February, the Company has retained Goldman Sachs as a financial advisor to assist with a strategic review of capital options. The Company will disclose material developments of the strategic review at the appropriate time.

The Company will hold its Annual General Meeting on Monday, 19 May 2014 in Sydney.

Disclaimer

This announcement contains certain "forward-looking statements." The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control and may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

About Boart Longyear

With over 120 years of expertise, Boart Longyear is the world's leading provider of drilling services, drilling equipment, and performance tooling for mining and drilling companies globally. It also has a substantial presence in aftermarket parts and service, energy, mine de-watering, oil sands exploration, and production drilling.

The Global Drilling Services division operates in over 40 countries for a diverse mining customer base spanning a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals. The Global Products division designs, manufactures and sells drilling equipment, performance tooling, and aftermarket parts and services to customers in over 100 countries.

Boart Longyear is headquartered in Salt Lake City, Utah, USA, and listed on the Australian Securities Exchange in Sydney, Australia. More information about Boart Longyear can be found at www.boartlongyear.com. To get Boart Longyear news direct, visit <http://www.boartlongyear.com/rssfeed>.

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