



NEWS RELEASE

May 9, 2013

**BLACK DIAMOND GROUP LIMITED REPORTS RECORD FIRST QUARTER RESULTS AND INCREASES 2013 CAPEX TO \$115 MILLION**

**Calgary, Alberta** - (TSX: BDI) Black Diamond Group Limited ("Black Diamond" or the "Company") is pleased to announce its financial and operational results for the three months ended March 31, 2013.

**FIRST QUARTER 2013 CONSOLIDATED HIGHLIGHTS**

Black Diamond has realized significant increases in revenue generation for the three months ended March 31, 2013 compared to the same period in 2012. Revenue generation in the first quarter of 2013 was \$91.0 million compared to \$59.0 million, or a 54% increase. EBITDA of \$40.5 million increased from \$26.5 million for the same period in 2012, or a 53% increase.

This increase is reflective of an increase in the Company's consolidated rental fleet during 2012, the increase in the number of rooms operated under the Logistics platform as well in the level of sales and operations associated with a larger fleet. Significant projects, such as the opening of the renovated and expanded Sunday Creek Lodge, has also contributed to the large increase in revenues compared to 2012. In addition, the first quarter of 2013 saw the addition of revenue from the Company's International business unit.

Rental revenue generated for the period was \$40.4 million, 51% higher than the prior year's comparable period. Non-rental revenue was \$24.8 million and lodging revenue was \$25.8 million.

**FIRST QUARTER 2013 BUSINESS UNIT HIGHLIGHTS**

**STRUCTURES BUSINESS UNIT**

The Structures business unit ended the quarter with 2,861 workforce accommodation units in the rental fleet which averaged 95% utilization for the period. The workforce accommodation and operated camp bedcount reached 11,751 during the period and the space rentals units reached 3,120 with 85% average utilization.

The business unit generated \$48.5 million in revenue in Q1 2013 compared to \$35.3 million in the same period of 2012. Rental revenue increased from \$19.6 million in Q1 2012 to \$30.7 million in 2013. Non-rental revenue increased to \$17.8 million up from \$15.7 million in Q1 2012.

EBITDA increased from \$20.2 million in Q1 2012 to \$29.7 million in Q1 2013.

**LOGISTICS BUSINESS UNIT**

The Logistics business unit ended the quarter with a bedcount of 3,625. The business unit generated \$25.8 million in lodging revenue compared to \$11.71 million in the same quarter of 2012.

EBITDA increased from \$4.9 million in Q1 2012 to \$7.6 million in Q1 2013.

**ENERGY SERVICES BUSINESS UNIT**

The Energy Services business unit ended the quarter with 290 drilling accommodation units in the fleet which averaged 77% utilization, a drilling accommodation bedcount of 921 and 2,333 units in the surface rental fleet which averaged 39% utilization. The business unit generated \$10.7 million in revenue compared to \$12.0 million in the same quarter of 2012.

EBITDA decreased from \$5.7 million in Q1 2012 to \$4.2 million in Q1 2013.



## **INTERNATIONAL BUSINESS UNIT**

The International business unit closed its first quarter with rental revenues of \$3.3 million and non-rental revenue of \$2.7 million. The business unit ended the quarter with 1,110 workforce accommodation and space rental units in the fleet with an average utilization of 82%. The workforce accommodation bedcount for the business unit reached 1,610.

EBITDA for the quarter was \$2.6 million. There is no comparative period figure as this is a new operating unit.

## **DIVIDENDS**

The Company paid dividends of \$0.060 per share per month in January and February, and paid dividends of \$0.070 per share in March 2013 resulting in a payout ratio for Q1 2013 of 22% compared to 23% for Q1 2012. The Board of Directors of Black Diamond is confident that the cash generated from operations will be sufficient to meet the dividend obligations for the foreseeable future.

## **OUTLOOK**

Management is very pleased with the Company's first quarter results and the substantial increases in revenue and EBITDA from the comparative period in 2012. Black Diamond's business platform continues to perform well and management anticipates strong aggregate full-year 2013 results driven by the significant investments made in the Company's fleets and operated facilities throughout 2012 and the early part of 2013, combined with the overall strength of the Company's business platform.

This is the first full quarter from which Black Diamond has recognized revenue and corresponding EBITDA from its Australian acquisitions. It is anticipated that the contribution from this business unit will grow as the business platform is expanded in Australia.

Management is confident that continued strong demand and recent contract awards indicate that oilsands development projects, unconventional oil and gas development, resource-related infrastructure projects, and mining developments will continue to produce strong results for the Company's workforce lodging and temporary workspaces. Furthermore, Black Diamond is continuing to capitalize on the ongoing trend towards more executive-style lodging, higher square footage per occupant and fully operated solutions.

Management anticipates that the second quarter results will show considerable growth on a year-over-year basis, however, due to the expected sequencing of new projects and seasonality, management anticipates that the second quarter results will be lower than the first quarter. As 2013 progresses, management expects that the third and fourth quarters will see continued growth year-over-year and quarter-over-quarter.

To date, Black Diamond has committed approximately \$80 million of its previously announced \$90 million 2013 capital budget. In light of continued strong demand for the Company's workforce lodging and temporary workspaces and to address projects in development, the Board of Directors has approved an increase in the 2013 capital budget to \$115 million. It is anticipated the Company will fund this increase through cash flow and available credit facilities.

## **SUMMARY FINANCIAL STATEMENTS**

The following is a summary of the Company's unaudited consolidated interim statement of financial position as at March 31, 2013 and December 31, 2012 and the Company's unaudited consolidated interim statements of net income and cash flows for the three month periods ended March 31, 2013 and 2012. These summary statements should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements including the accompanying notes for the three month periods ending ended March 31, 2013 and 2012 as filed on SEDAR.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)**  
as at March 31, 2013 and December 31, 2012

(Expressed in thousands)	2013	2012
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	4,763	2,697
Trade and accrued receivables	89,735	76,578
Due from related parties	150	121
Prepaid expenses and other current assets	9,337	7,477
	103,985	86,873
<b>Non-Current</b>		
Long-term receivables	1,607	2,708
Investment in associate	1,739	—
Property and equipment	464,325	423,281
Intangible assets	13,606	9,757
Goodwill	40,203	34,577
	625,465	557,196
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Bank indebtedness	1,556	—
Accounts payable and accrued liabilities	33,041	39,486
Due to related parties	2,325	1,174
Dividends payable	2,907	2,472
Income taxes payable	1,758	8,524
	41,587	51,656
<b>Non-Current</b>		
Long-term debt	155,362	96,359
Risk management liability	1,238	1,324
Asset retirement obligations	2,255	1,955
Deferred income taxes	47,974	44,821
	248,416	196,115
<b>Shareholders' equity</b>		
Share capital	312,560	309,140
Contributed surplus	4,302	4,431
Non-controlling interest	5,454	5,274
Accumulated other comprehensive loss	(1,676)	(3,285)
Retained earnings	56,409	45,521
	377,049	361,081
	625,465	557,196

**CONSOLIDATED STATEMENT OF NET INCOME (unaudited)**  
for the three month periods ended March 31,

(Expressed in thousands, except per share amounts)

	2013	2012
	\$	\$
<b>Revenue</b>	90,980	58,957
<b>Direct costs</b>	39,458	25,357
<b>Gross Profit</b>	51,522	33,600
<b>Expenses</b>		
Administrative expenses	12,311	7,689
Depreciation of property and equipment	10,824	7,314
Amortization of intangibles	220	220
	23,355	15,223
<b>Operating profit</b>	28,167	18,377
Finance costs	1,652	1,416
Equity in loss of associate	53	—
<b>Income before income taxes</b>	26,462	16,961
<b>Income tax</b>		
Current	4,638	3,120
Deferred	1,990	1,040
	6,628	4,160
<b>Net income</b>	19,834	12,801
Net income (loss) attributable to non-controlling interest	1,070	(242)
<b>Net income attributable to Black Diamond Group Limited</b>	18,764	13,043
<b>Net income per share</b>		
Basic	0.46	0.35
Diluted	0.46	0.34

**CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)**  
for the three month periods ended March 31,

(Expressed in thousands)

	2013	2012
	\$	\$
<b>Operating activities</b>		
Net Income attributable to Black Diamond Group Limited	18,764	13,043
Add (deduct) non-cash items:		
Depreciation of property and equipment	10,824	7,314
Amortization of intangible assets	220	220
Equity in loss of associate	53	—
Net income/(loss) attributable to non-controlling interest	1,070	(242)
Unrealized foreign exchange loss	25	(28)
Finance costs	1,652	1,416
Deferred income taxes	1,990	1,040
Share-based compensation expense	999	595
	35,597	23,358
Book value of used fleet sales in operating activities	918	2,056
Change in long-term receivables	1,101	—
Change in non-cash working capital related to operating activities	(24,038)	(5,616)
<b>Net cash from operating activities</b>	<b>13,578</b>	<b>19,798</b>
<b>Investing activities</b>		
Purchase of property and equipment	(21,926)	(19,677)
Purchase of Australia Portable Buildings Pty. Ltd.	(39,349)	—
Purchase of minority interest in APB Britco LP	(1,792)	—
Change in non-cash working capital related to investing activities	(2,466)	(1,024)
<b>Net cash used in investing activities</b>	<b>(65,533)</b>	<b>(20,701)</b>
<b>Financing activities</b>		
Proceeds from long-term debt	55,000	—
Repayment of long-term debt	(10,000)	—
Net draw on operating facility	13,944	—
Interest paid in the period	(1,595)	(1,340)
Dividend payments	(7,442)	(5,875)
Distribution to non-controlling interest	(890)	—
Purchase of shares in trust	(600)	(993)
Increase in bank indebtedness	1,556	—
Share options exercised	2,892	3,110
Change in non-cash working capital related to financing activities	1,151	(534)
<b>Net cash from/(used in) financing activities</b>	<b>54,016</b>	<b>(5,632)</b>
<b>Decrease in cash and cash equivalents</b>	<b>2,061</b>	<b>(6,535)</b>
Cash and cash equivalents, beginning of period	2,697	22,990
Effect of foreign currency rate changes on cash and cash equivalents	5	(5)
<b>Cash and cash equivalents, end of period</b>	<b>4,763</b>	<b>16,450</b>



### **Additional Information**

A copy of the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2013 and 2012 and related management's discussion and analysis have been filed with the Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

### **Conference Call**

Black Diamond will host a conference call for analysts, investors and interested parties to discuss its first quarter financial and operational results at 4:30 p.m. MST on May 9, 2013. Trevor Haynes, President and Chief Executive Officer, and Michael Burnyeat, Executive Vice President and Chief Financial Officer, will be in attendance. The call can be accessed by calling 416-340-2217 or toll free 1-866-696-5910 (Participant pass code 9763785) prior to the scheduled start time. Digital playback of the conference call will be available on the Company's website.

### **About Black Diamond**

Founded in 2003, Black Diamond Group Limited is a provider of remote workforce accommodations, modular space solutions and oilfield products and services in Canada, the United States and Australia. With its corporate head office located in Calgary, Alberta, Black Diamond provides its products and services to a full spectrum of industries including oil, natural gas, mining, power, construction, engineering, military, government and education.

Through its direct and indirect wholly-owned subsidiaries and through its approximate 50% equity participation in certain aboriginal limited partnerships, Black Diamond operates four complementary business units comprised of Black Diamond Structures, Black Diamond Logistics, Black Diamond Energy Services and Black Diamond International.

Black Diamond Structures rents and sells remote workforce housing and modular workspace solutions and provides associated services; Black Diamond Logistics provides turnkey lodging services, remote facility management and supply chain solutions; Black Diamond Energy Services rents and sells a complement of oilfield equipment and services; and Black Diamond International rents and sells remote workforce housing and modular workspace solutions and provides associated services outside of North America.

Black Diamond operates its four complementary business units in 17 strategic locations across Canada, the United States and Australia.

### **For more information please contact:**

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### Reader Advisory

Certain information in this news release contains forward-looking statements including management's assessment of future plans and operations of Black Diamond including, without limitation, the Board of Director's future expectations regarding dividend levels set out under the heading "Dividends" and management's future expectations of the operational and financial performance of the Company during 2013 set out under the heading "Outlook". These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Black Diamond's control including, without limitation, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of exchange rates, environmental risks, industry competition, availability of qualified personnel and management, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the forgoing list of factors is not exhaustive. Additional information on these and other factors that could affect Black Diamond's operations and financial results are included in Black Diamond's annual information form for the year ended December 31, 2012 and other reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) and at Black Diamond's website ([www.blackdiamondgroup.com](http://www.blackdiamondgroup.com)). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Black Diamond does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

In this news release, the following terms have been referenced: EBITDA (earnings before interest, taxation, depreciation and amortization), gross profit and payout ratio. Readers are cautioned that these measures are not defined under International Financial Reporting Standards ("IFRS"). Readers are cautioned that these non-IFRS measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of the Company's performance or cash flows, a measure of liquidity or as a measure of actual return on the common shares of the Company. These Non-IFRS measures should only be used in conjunction with the consolidated financial statements of the Company. A reconciliation between these measures and measures defined under IFRS is included in management's discussion and analysis for the three months ended March 31, 2013 filed on SEDAR.