

## Black Diamond Reports First Quarter EBITDA of \$30.6 Million

Calgary, Alberta, May 7, 2015 - Black Diamond Group Limited ("Black Diamond", the "Company" or "we"), (TSX:BDI), a leading provider of workforce accommodation and modular workspace solutions, today announced its operating and financial results for the three months ended March 31, 2015 (the "Quarter"). All financial figures are expressed in Canadian dollars.

"After reaching a low in November, utilization in our camps experienced a modest rebound to 74% during the first quarter of 2015 as the first phase of the 1,244 bed camp in Dawson Creek, BC started earning rent in January. The second phase of this camp started earning rent in April," said Trevor Haynes, President and Chief Executive Officer of Black Diamond. "In general, activity in the Western Canadian Sedimentary Basin has bifurcated with operations in gas rich areas such as the the Montney and Duvernay regions continuing to be active, whereas the oilsands continues to be slow."

"The industry as a whole continues to anticipate additional announcements during the second quarter of 2015 that will provide further indication about the likelihood of the Pacific Northwest Liquefied Natural Gas project proceeding. Due to normal seasonality second quarter 2015 EBITDA is expected to be somewhat lower than the first quarter," added Mr. Haynes.

### First quarter 2015 Financial Highlights:

(in thousands, except where noted)	Three months ended March 31		
	2015 \$	2014 \$	Change %
<b>Revenue</b>			
Structures	57,629	67,989	(15)%
Energy Services	7,265	11,751	(38)%
Logistics	33,272	40,421	(18)%
International	1,529	4,415	(65)%
<b>Total Revenue</b>	<b>99,695</b>	<b>124,576</b>	<b>(20)%</b>
<b>EBITDA <sup>(1)</sup></b>	<b>30,628</b>	<b>42,384</b>	<b>(28)%</b>
<b>Profit (loss)</b>	9,029	17,903	(50)%
<b>Earnings Per share - Basic</b>	0.22	0.42	(48)%
<b>- Diluted</b>	0.22	0.41	(46)%
<b>Capital expenditures</b>	17,938	19,174	(6)%
<b>Dividends declared</b>	9,861	9,531	3 %
<b>Per share (\$)</b>	0.24	0.23	4 %
<b>Payout ratio <sup>(1)</sup></b>	36%	26%	

1. EBITDA and Payout ratio are supplemental non-GAAP measurements and do not have a standardized meaning prescribed by GAAP. Therefore, EBITDA and payout ratio may not be comparable to similar measures presented by other issuers. See "Non-GAAP Measures" for further details.

## **Operational Highlights:**

- EBITDA for the Quarter was \$30.6 million, which was modestly higher than our fourth quarter of 2014 and the guidance provided on March 4, 2015.
- Revenue for the Quarter was \$99.7 million, down 20% or \$24.9 million from a year ago primarily due to the impact of low commodity prices on business activity in the Structures, Energy Services and International business units.
- Administrative expenses for the Quarter were \$14.3 million, up 3% or \$0.4 million primarily due to severance expenses. Savings from Black Diamond's strategic cost initiative are expected to be realized in 2016.
- Net profit for the Quarter was \$9.0 million, down 50% or \$8.9 million from a year ago due primarily to the reasons described above. As a percentage, this decrease is larger than the decrease in EBITDA because depreciation stayed relatively static year over year.
- The Company continues to maintain a strong balance sheet. At March 31, 2015, the Net Debt to EBITDA ratio rose to 1.45 compared with 1.26 at December 31, 2014 as the result of capital expenditures related to the Dawson Creek 1,244 bed camp.
- The consolidated committed rental and lodging revenue yet to be earned from contracts in place at the end of the Quarter was \$116.2 million (Comparative Quarter - \$167.0 million). For comparison, consolidated committed rental and lodging revenue for the fourth quarter of 2014 was \$130.3 million.

## **Capital Spending**

Capital expenditures for the Quarter were \$17.9 million compared with \$19.2 million a year ago. Black Diamond has \$15.9 million in outstanding capital commitments as at March 31, 2015. Black Diamond's 2015 capital program is \$50 million.

## **Dividends and Payout Ratio**

The payout ratio (see "Non-GAAP Measures") for the Quarter increased to 36% compared with 26% during the same period last year as the result of a dividend increase in August 12, 2014 and lower distributable cash flow.

## **Outlook**

We expect second quarter 2015 EBITDA to be somewhat lower than the first quarter as would be expected due to normal seasonality. We remain confident that with the core run rate of Black Diamond's business, current contract coverage, and diverse range of marketable assets, we will be able to meet all of our financial obligations while continuing to pay a dividend which we have increased twice since the fourth quarter of 2013.

While we are optimistic that liquefied natural gas represents a positive opportunity for Black Diamond in 2015 and 2016, it is prudent to highlight the current uncertainty in the western Canadian oil and gas sector relative to future realized commodity pricing and the future of capital programs that are predicated on these economics.

## **Additional Information**

A copy of the Company's condensed consolidated interim unaudited financial statements for the three months ended March 31, 2015 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)) and [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com).

## **Conference Call**

Black Diamond will hold a conference call and webcast to discuss its results for the quarter at 11:00 a.m. Mountain Time (1:00 p.m. Eastern Time) today, Thursday, May 7, 2015.

To access the conference call by telephone dial toll free 1-866-696-5910. Callers from the Toronto area should use (416) 340-2217 (Conference ID: 7512766). Please connect approximately 10 minutes prior to the beginning of the call.

If listening by audio webcast, please log in 10 minutes before the start time at: <http://www.gowebcasting.com/5894>.

Slides to accompany the conference call can be accessed through <https://join.me/BDI-Investors>.

Following the conference call, an audio archive will be available in the Investor Events section of the Company's website at [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com).

## **Reader Advisory**

### ***Forward-Looking Statements***

Certain information in this news release contains forward-looking statements including the amount of funds that will be expended on the 2015 capital budget, management's assessment of Black Diamond's future operations, business prospects and opportunities and management's future expectations regarding the financial performance of the Company and its business units. With respect to the forward-looking statements contained in this news release, Black Diamond has made assumptions, regarding among other things: that Black Diamond will continue to conduct its operations in a manner consistent with past operations, that counterparties to contracts will perform the contracts as written and that there will be no unforeseen material delays in contracted projects. Although Black Diamond believes that the expectations reflected in the forward-looking statements contained in this news release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations or assumptions will prove to be correct. 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 and 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 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.

### ***Non-GAAP Measures***

In this news release, the following terms have been referenced: EBITDA (earnings before interest, taxation, depreciation and amortization) and payout ratio. Readers are cautioned that these measures are not defined under Generally Accepted Accounting Principles ("GAAP"). Readers are cautioned that these non-GAAP measures are not alternatives to measures under GAAP 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-GAAP measures should only be used in conjunction with the consolidated financial statements of the Company. A reconciliation between these measures and measures defined under GAAP is included in management's discussion and analysis for the three and twelve month period and year ended December 31, 2014 and 2013 filed on SEDAR.

## **About Black Diamond**

Black Diamond rents and sells portable workforce accommodation and work space solutions to business customers in Canada, the United States and Australia. In addition to providing turnkey lodging and other support services related to remote workforce accommodation and workspaces, we also provide specialized field rentals to the oil and gas industries of Canada and the United States. From twenty locations around the world, we serve multiple sectors including oil and gas, mining, power, construction, engineering, military, government and education.

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