

Boom Logistics Limited Announcement

12 October 2011
ASX code: BOL

SALE OF VICTORIAN TOWER CRANES & TRADING UPDATE

Sale of Victorian Tower Cranes

Boom Logistics Limited ("Boom") today announced the sale of its non-core Victorian Tower Crane assets. The asset sale comprised 34 tower cranes, a small number of supporting mobile cranes, stock and ancillary equipment.

Gross proceeds from the sale were \$7.5 million and once all wash up adjustments are finalised, the net profit on sale is expected to be over \$3 million.

The sale of these non-core assets is in line with Boom's strategic focus on its core crane business which supports the high growth resources, energy, utilities and infrastructure sectors, with the capital released contributing to Boom's investment plans in the core Crane Logistics and Travel Tower businesses.

Boom's Chief Executive Officer, Brenden Mitchell said: "This sale is another positive step in aligning Boom's core business with our key markets, particularly in resources and energy. The transaction releases capital previously allocated to a non-core business for investment in higher returns markets".

Trading Update

The financial impacts of the Tower Crane asset sale are not included in the first quarter results as the sale was transacted in October.

The Earnings before Interest & Tax ("EBIT") result for the first quarter was \$9.0m. This \$9.0m represents a trading result as there were no significant one-off non-recurring items in the period.

This result exceeds the EBIT of \$8.9m generated during the entire second half of FY11 which was affected by protracted flooding and consequent reduced customer activity in the east coast coal industry.

Factors influencing the quarter include:

- production levels in the Bowen Basin improving, although they are not yet at pre-flood target levels;
- continued solid volumes from the Hunter Valley;
- a strong Newcastle outcome supported by shutdown work;
- higher activity levels in SW WA; and

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- infrastructure to improve margins is being set up in NW WA to support revenue growth in new markets. This is expected to be completed by the end of November.

Other operational plans are on schedule and a further update will be provided at the Annual General Meeting on 28 October 2011.

Further Information:

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