

## **2005 ANNUAL GENERAL MEETING OF BOOM LOGISTICS LIMITED**

### **Chairman's Address**

In my address to you last year I commented that your Company was poised for the next phase of growth, having moved from being a relatively small privately controlled enterprise to a publicly listed company. The intervening period has indeed seen strong growth in all aspects of the business and I thought it useful to summarise some of the achievements over the past year.

We raised additional equity via an institutional placement and Share Purchase Plan issue to help fund the first of last year's acquisitions. This was the Bowers Heavy Haulage and Crane Service business in the Hunter Valley, giving us a strong presence in this important coal producing region. It also provided operating synergies and improved customer service by linking with our Port Kembla depot.

At the beginning of the third quarter we concluded the acquisition of Brambles Bowen Cranes, giving us good exposure to the important coal producers in Queensland's Bowen Basin and as with the NSW acquisition operating synergies as well as improved service reach from our established Brisbane base.

In June we announced three further acquisitions: The Carrington and Cameron crane businesses in Newcastle and Brambles Port Hedland Cranes in Western Australia. The Newcastle acquisitions have given us an operating base in this important industrial centre of NSW and have also increased our service network and support by linking with our Port Kembla and Hunter Valley operations. Similarly, the Brambles acquisition has dovetailed with our existing Port Hedland crane business and has extended our service offering in this rapidly expanding mining region.

We also announced at the end of June the intended acquisition of Sherrin Hire and a \$67 million institutional placement, supplemented by a Share Purchase Plan issue to be made later in the year. This acquisition was settled in early August and offers considerable opportunity for operating synergies and cross selling. Rod Harmon, Boom's CEO will talk in more detail about this in his address to you.

Although business acquisitions have been the primary source of company growth we have also continued to generate organic growth of around 10% per annum and in the past year this has been supported with an \$8 million investment in new cranes.

Changes to the scale of our business during the past year are illustrated by the 67% increase in our employees, a 35% increase in the size of our crane fleet and a 44% increase in the number of crane depots. These statistics predate the recent acquisition of Sherrin Hire.

So far I have focussed on the operational changes that have occurred over the last year. More importantly, these changes and those of the previous year have translated into substantial profit growth and shareholder return.

Net Profit after Tax increased by some 64% to \$15.4 million and Earnings per Share improved by 24%. This strong financial performance has resulted in a fully franked dividend payment for the full year of 6.9 cents per share, representing a 50% payout of after tax profit and an increase of 35% over the previous year.

Not surprisingly the Company's performance and future potential has been recognised by the investment community and the Company's share price has increased during the year by over 75%, lifting market capitalisation following the recent institutional placement to approximately \$400 million.

Looking ahead there is ample opportunity to generate further organic growth, particularly with the synergies presented by the Sherrin Hire business, as well as scope to continue extending our national presence. There also remains considerable scope to expand the Company through further acquisitions in our core business area. The benefits of the three acquisitions made in June of this year will also make their presence felt during the current year.

Much of the Company's success has been built on management's ability to quickly integrate acquired businesses into Boom, while preserving our operating culture, service quality and safety focus. Rod Harmon and his management team are to be complimented on the endeavour and attention to detail that has underpinned the Company's strong performance. This provides a solid platform from which to continue building the Company and consequent shareholder returns.

Thank you for your attention. I will now hand over to Rod Harmon, the Company's CEO who will take you through the current management initiatives.