

Appendix 4D

Half Year Report to the Australian Stock Exchange

Name of Entity	Boom Logistics Limited
ABN	28 095 466 961
Half Year Ended	31 December 2014
Previous Corresponding Reporting Period	31 December 2013

Results for Announcement to the Market

	31 December 2014 \$'000	31 December 2013 \$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from operations	115,611	142,313	(19%)
Profit / (loss) from continuing operations after tax attributable to members	(3,358)	4,940	(168%)
Net profit / (loss) for the period attributable to members	(3,358)	4,940	(168%)

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	NA	NA
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	NA	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Boom Logistics Limited (“Boom”), Australia’s leading provider of crane logistics and lifting solutions, today announced a net loss after tax for the half year ended 31 December 2014 1HFY15 of \$3.4 million (1HFY14: \$4.9 million net profit). Earnings before interest expense and tax (“EBIT”) in 1HFY15 were a \$1.4 million loss compared to an \$11.7 million profit in 1HFY14.

At the trading level, net profit after tax was a loss of \$1.3 million in 1HFY14 compared to a \$5.4 million profit in 1HFY14. Trading EBIT was a \$1.4 million profit compared to \$12.5 million in 1HFY14 and compared to \$1.5 million in 2HFY14.

The 1HFY15 trading EBIT result of \$1.4 million excludes:

- a non-cash asset impairment charge of \$1.6 million relating to surplus assets classified as Assets Held For Sale;
- \$0.9 million of costs associated with redundancy costs primarily in Queensland, New South Wales, Western Australia and Central Costs;
- \$0.1 million in site closure and transportation costs incurred in relocating fleet from Central Queensland;
- \$0.1 million in implementation costs relating to the “One Boom” project to integrate the Boom Sherrin and crane logistics businesses nationally; and
- \$0.1 million of one-off legal costs associated with Boom’s 18m glove and barrier legal claim.

The 1HFY15 trading NPAT result of a \$1.3 million loss excludes the after tax impact of the items above (\$2.1 million).

Operations

As noted in Boom’s market update on 16 December 2014, challenging market conditions in the second half of FY14 continued in the first half of FY15.

With declining commodity prices, customers in the mining and resources sector continue to apply significant price pressures and demand patterns remain volatile.

Revenue reductions in the first half were mainly due to:

- lower contract maintenance volumes in Western Australia, Central Queensland, and New South Wales;
- downward price pressure in highly competitive markets; and
- project delays in the telecommunications and energy sectors, affecting travel tower revenues.

Revenue declines in the first half were mitigated by several revenue generation activities, including:

- In Western Australia, significant shutdown support activity for key customers including Newmont's Boddington Gold Mine, FMG and Alcoa, and continued dry hire revenue for the Gorgon LNG project.
- In South Australia, continued maintenance activity at BHPB Olympic Dam with shutdown work in the early months of 1HFY15.
- In Victoria, successful execution of the Senvion Bald Hills Wind Farm project, with Boom providing an expanded service offering to include mechanical and electrical completion in addition to lifting services and ancillary equipment.
- In New South Wales, on-going activity with key customers in the Hunter Valley, Newcastle and Port Kembla, with the Heavy Lift division supporting the Senvion Bald Hills Wind Farm project. Work has also commenced on the Sydney Entertainment Centre project.
- In Queensland, following the winding up of the BMA maintenance contract, business development resources have been re-focussed and are gaining traction with high-value short term projects supporting coal activity in the Bowen Basin as well as coal seam gas activity in the Surat Basin.
- In Boom Sherrin, base load work in the telecommunications and energy sectors has been steady, notwithstanding the project delays mentioned above, with ongoing high-voltage transmission line work and 4G / LTE upgrades.

Across all businesses, Boom continues to drive profit improvement initiatives, including:

- A heightened sales focus on dry hire opportunities to improve asset utilisation, at improved margins.
- The addition of dedicated business development resources in WA, Queensland and New South Wales to target short-term high value projects across several industry sectors.
- The reduction of 110 Full-Time Equivalent operational positions and the reduction of 10 overhead positions.
- The consolidation of the Mackay Haulage business with assets redeployed to Western Australia.
- A continued focus on constructively improving EBA terms and conditions.
- Rigorous labour planning and management to mitigate the impact of volatile demand.
- In line with the One Boom project to integrate the Boom Sherrin and Crane Logistics businesses, the consolidation of depots (Mackay, Port Kembla).

With prevailing conditions of lower market demand, Boom continues to adjust its crane fleet with on-going reviews to assess unproductive assets against revenue opportunities and consequently to identify surplus assets for sale. In the half year, 43 assets were sold for proceeds of \$7 million in the cranes business. In keeping with our

strategy to manage Boom Sherrin's access business for cash, more than 500 access equipment units were sold for proceeds of \$2 million. In total, Boom generated assets sales of \$9.3 million in the first half, against a full year target of \$15 million. The value of Boom's asset base has been re-affirmed by surplus asset sales in 1HFY15, with a net Profit On Sale of Assets being realised.

Capital and Cash Management

Boom continues to limit capital expenditure and during the half year \$6.9 million was expended, of which \$5.6 million related to replacement capital expenditure for travel towers that was committed in FY14. Boom's existing crane fleet is well positioned to address current market demand and no further significant capital expenditure is expected in the remainder of this financial year.

Boom has focused on improving the company's accounts receivable processes and achieved an accounts receivable position of \$43.1 million at 31 December 2014, \$12.3 million lower than the \$55.4 million balance at 30 June 2014.

Boom generated operating cash flows of \$11.5 million in 1HFY15 and surplus asset sales contributed additional cash flows of \$9.3 million. After capital expenditure amounting to \$7.0 million, Boom generated \$13.8 million of free cash flows.

This free cash flow enabled a reduction in net debt to \$76.1 million, down from \$89.5 million at 30 June 2014. Gearing, (Net Debt divided by Equity) reduced from 38% at 30 June 2014 to 33% at 31 December 2014.

Share Buy Back

Boom has previously stated that the potential for a share buy back will be assessed against a clear priority to deleverage the balance sheet. With on-going market uncertainty and volatile trading conditions, Boom will continue to prioritise balance sheet management to adjust the company's debt levels in the near term, and will consider the potential to support a share buy back once the company has a more stable earnings outlook and currently volatility in pricing pressures and activity levels have settled.

Debt Facilities

In December 2013 Boom completed a refinancing of the company's syndicated bank debt facility, with an expiry date of January 2017. This facility continues to be in place with the original A\$120 million 3 year revolving debt facility scheduled to amortise down to \$90 million over its life.

Outlook

Boom expects prevailing market conditions to continue with no indications that conditions will ease in the near term:

- subdued and volatile demand patterns in operations in the mining and resources sector;
- significantly lower capital project expenditure in mining and resources;
- very low government expenditure on major public infrastructure projects;
- underlying demand in the telecommunications and energy sectors expected to be solid but subject to project delays; and
- activity in the wind farm sector is expected to increase but only in the next financial year.

Boom will continue to improve its revenue base with both existing and new customers, pursue further cost reductions and proactively manage its balance sheet.

Dividends

Date the dividend is payable	NA
Record date to determine entitlement to the dividend	NA
Amount per security	Nil
Total dividend	Nil
Amount per security of foreign sourced dividend or distribution	NA
Details of any dividend reinvestment plans in operation	NA
The last date for receipt of an election notice for participation in any dividend reinvestment plans	NA

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security (cents per share)	48.3	51.5

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	NA
Date control gained	NA
Profit / (loss) from ordinary activities after tax of the controlled entity since the date in the current period on which control was acquired.	NA
Profit / (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	NA

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	NA
Date control lost	NA
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	NA
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	NA

Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
NA				
Aggregate Share of Net Profits				

Foreign Entities Accounting Framework

For foreign entities provide details of which accounting standards have been adopted (e.g. International Accounting Standards)

NA

Audit/Review Status

This report is based on accounts to which one of the following applies:

(Tick one)

The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
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If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Half-Year Financial Report
2	Audit Review Report

Signed By (Director/Company Secretary)	
Print Name	BRENDEN MITCHELL
Date	10 FEBRUARY 2015