BOOM
LOGISTICS

ANNUAL REPORT 2012

CORPORATE DIRECTORY

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ANNUAL GENERAL MEETING
Tuesday, 23 October 2012
at 11:00am
Arts Centre Melbourne
ANZ Pavilion
Level 8, 100 St Kilda Road
Melbourne Vic 3004

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OUR COMPANY

Boom Logistics Limited ("Boom" or "the Company") is a national industrial services group that provides superior crane logistics and lifting solutions to Australian Industry.

Boom delivers industrial services utilising operators and equipment – cranes, travel towers, transport and other assets – for major customers in the mining & resources, energy, utilities and infrastructure sectors.

Boom seeks to be recognised by our customers, employees, communities and shareholders as the supplier of high value lifting solutions without injury.

OUR GOALS

- To be the safest and leading lifting solutions company in Australia and equal to the best in the world.
- To be recognised as a top performing company of high standing and integrity delivering superior value to our customers, people and shareholders.
- To be respected by the community.

OUR VALUES

- Safety Always – people, community, equipment, property, environment.
- Our Customers – driving for our customer's success.
- Our People – our diversity and different skills make us strong.
- Teamwork – contributing, listening, looking out for one another and being accountable as individuals and as a team.
- Achieving our best so that our business thrives.

OUR PROFILE

- 45 depots nationally.
- Over 1,150 staff Australia wide.
- Over 490 cranes ranging from 5 to 750 tonne.
- Over 300 travel towers.

"Delivering industrial services utilising operators and equipment – cranes, travel towers, transport and other assets – for major customers in the mining & resources, energy, utilities and infrastructure sectors."

CHAIRMAN'S REPORT

> "In looking to the year ahead we expect further strong earnings growth, as indicated to the market in our August 2012 release."

In last year's annual report I indicated that the major business restructuring steps had been accomplished and that we could now focus attention on growing our mobile crane hire business and the high end travel tower segment within Boom Sherrin. I am pleased to report that during the intervening period we have made good progress and in August the Company announced a statutory Net Profit after Tax of $19.7 million for the 2012 Financial Year ("FY12"). At the underlying trading level, after adjustments for profit on the sale of the tower crane business less Boom Sherrin restructuring costs, we reported a profit of $18.5 million, a 246% increase on the FY11 underlying trading profit of $5.4 million. These numbers are discussed in more detail in the accompanying Managing Director's report. Directors have not declared a dividend for FY12 but we have indicated in our outlook statement an expectation that the payment of dividends should resume at the end of FY13.

The sharp improvement in operating performance is particularly pleasing as it was achieved against a backdrop of protracted industrial disputation at the Bowen Basin coal operations of our largest customer and a general environment of steep operating cost escalation. Our various contractual arrangements largely provide for cost recovery in such circumstances but there is always an unavoidable time lag before these adjustments are negotiated and realised. Performance was also tempered by the decision to defer some $20 million in capital expenditure until close to the end of FY12 to accommodate the commencement of the new Olympic Dam maintenance contract in June 2012.

Various internal operating adjustments were made throughout the year, particularly in the Boom Sherrin business, where several depots were closed and assets were relocated to improve returns. We also invested $58.2 million in plant and equipment during FY12, supported by a strong operating cashflow and the proceeds from sale of redundant assets. At the same time we were able to continue reducing our borrowings, with our gearing level falling from 40% to 36% by year end. The overall growth in our business translated to an increase in Net Tangible Asset backing per share from 48 cents to 52 cents by year end.

Our business is inherently capital intensive and in pursuing growth the primary operating discipline for us is the Return on Capital Employed (ROCE). This measure is applied across our decision making process whether in considering asset allocation across business locations, new business development opportunities or capital expenditure in general. Our internal benchmark is to generate a business wide ROCE that exceeds our weighted cost of capital by at least 1%. This implies a target of at least 13% under current circumstances and although we are not yet at this level we have made good progress during FY12, lifting our return from 5% to 8%, with an outlook for FY13 that brings this benchmark within reach. Importantly, at this level of performance shareholders will receive an appropriate risk weighted return on their equity.

At the time of our August 2012 results announcement we noted that our maintenance support activity in the resources sector accounts for about 62% of total crane logistics revenue. This sector of the economy has been impacted by negative sentiment as commodity prices have retreated from the highs of first Quarter calendar 2011, against a backdrop of sluggish US economic growth, ongoing deleveraging in Europe and slower growth in China. This negative sentiment has also extended to varying degrees across those companies that service the resources sector. In this regard it is worth noting that Boom Logistics is more sensitive to customer production volumes than commodity prices and that a number of our major customers have indicated to the market their intent to increase output over the next

few years, taking advantage of their internationally competitive operating costs. It is also worth noting that our sustainable forward earnings are not reliant upon new project development decisions by our customers, although such decisions present new tender opportunities and the potential to accelerate earnings growth.

In looking to the year ahead we expect further strong earnings growth, as indicated to the market in our August 2012 release. Based upon prevailing conditions we expect Earnings Before Interest Expense and Tax (EBIT) to increase from the FY12 trading level of $35.5 million to between $47 – $50 million. This expected growth is underpinned by some $60 million in capital investment through FY13; a full year's contribution from the new Olympic Dam maintenance contract; a full year's benefit from the Boom Sherrin restructuring; the flow through of contract pricing adjustments and planned operating improvements in the crane logistics business.

Management and employees have been responsible for implementing a major change program over the past three years and we are now starting to see the benefits of this strategic initiative in sharply improved financials. It is particularly pleasing that at the same time we have steadily improved our safety performance, with the 18% reduction in Total Recordable Injury Frequency Rate (TRIFR) in FY11 being further improved with a 39% reduction in FY12. Safety is a critical element in our value proposition to customers and we continue to strive for zero harm.

On Board related matters, Dr Huw Davies is retiring at this year's Annual General Meeting. Huw has been a strong contributor to Board deliberations over the years and his broad industrial experience coupled with extensive involvement in the electricity and gas industries has brought valuable insights to the Board. He will be missed as both a Director and a valued colleague.

In concluding I would like to acknowledge the skills and dedication at all levels in our workforce. The foundations that they have built over the last few years should provide a solid base for future growth and improved shareholder returns.

John Robinson
Non-Executive Chairman

MANAGING DIRECTOR'S REPORT

"Record profit growth of 53% at Trading EBIT level with improving safety underlines Boom's strategy and momentum. 62% of revenue in the Crane Logistics business now comes from the mining & resources sector."

Safety is critical to our customers, employees, fellow contractors, the community and hence our business. In this past year the business delivered a 39% reduction in our Total Recordable Injury Frequency Rate (TRIFR), which is a testament to the continuing focus our people are applying to our objective of zero harm. I am very pleased to report that our people continue to look systematically for improved ways of working safely. Through the continued energetic implementation of our Health, Safety, Environment & Quality Strategic Plan, we will further invest in building our safety and leadership capability to strengthen our culture and embed our first value – *"Safety Always"*.

Three years ago we embarked on a strategy to focus our core businesses of crane logistics and travel towers on mining & resources, energy, utilities and infrastructure. The ongoing execution of this strategy included exiting non-core businesses, restructuring the metropolitan businesses, reshaping the fleet and most importantly, renewing contracts and winning business in core markets, particularly in the mining & resources sector.

In the last twelve months we have sold our tower crane assets in Melbourne for $7.5 million with a profit on sale of $2.9 million and have exited the GM Baden maintenance business. With the decision to manage our access and general hire assets for cash, we restructured the Boom Sherrin business, closing six depots and redeploying fleet to higher yield areas. We also committed to $20 million of capital expenditure to refresh our travel tower fleet during FY13 to ensure we maintain our market leadership position in travel towers.

During FY12 we continued to re-sign major contracts, and importantly won the BHP Billiton Olympic Dam maintenance service contract for the existing facility which commenced in June. This contract is independent of the much reported expansion project.

In July FY13 we restructured the Brisbane crane logistics business with assets moved to Central Queensland, NSW, WA and the Heavy Lift & Projects business on the East Coast.

The impact of our strategy is that we are now a vastly different business than three years ago. As we start the new financial year, the majority of our revenue will come from the mining & resources sector across a diversified commodity range with good geographical spread. Our business on the whole serves customers who are lower cost producers and therefore well positioned through commodity cycles, and as a result of concentrating on delivering ongoing maintenance services our business is less affected by capital deferrals for expansion projects. Consequently, we expect to be less exposed to the volatility that caused us so much pain during the GFC and the transformational period during which we have executed our strategy.

This execution of our strategy has culminated in FY12 being a year of record profit growth, with our Trading EBIT rising 53% or $12.3 million to $35.5 million and our Trading NPAT growing 246% or $13.1 million to $18.5 million. Whilst underlining our strategy the result also points to the momentum in the business with a stronger second half performance. This result was achieved despite slower than anticipated production in the Bowen Basin impacted by the residual impacts of FY11 weather events and protracted industrial action at our customer's operation. Accommodation and Fly In Fly Out (FIFO) costs also rose more than anticipated in Queensland and WA posing severe challenges.

Our core businesses of crane logistics and travel towers achieved a combined revenue growth of 11% with crane logistics delivering 25% EBIT growth and Boom Sherrin 10% EBIT growth. Restructuring at the National Office in September also yielded a significant benefit.

Our capital expenditure during the year was $58.2 million, however a considerable amount of this came in the last quarter without the opportunity for us to realise returns in the FY12 year. The

June start of the Olympic Dam contract and delays from suppliers, particularly in travel towers, were the reasons for the timing of our capital spend.

This leads us to the critical issue of our Return on Capital Employed (ROCE). ROCE increased from 5% to 8% including goodwill, and on our tangible assets our returns improved from 6% to 10%. We are looking to deliver improved returns in the coming financial year with further improvements in FY14.

In conjunction with a disciplined approach to capital investment in the next two years, improvements in ROCE will come from:

- Further enhancing our value proposition;
- Continuing to strengthen our safety and quality frameworks;
- Leveraging off our existing infrastructure;
- Capitalising on the good work done in the restructuring of Boom Sherrin; and
- Supporting existing blue chip customers as their production volumes from existing facilities continue to increase.

With the full year impacts of Olympic Dam, and capital from investment in FY12 and our investment in travel towers and cranes during FY13, we look to double digit revenue growth from our core crane logistics and travel tower assets in the coming year.

When taking into account revenue growth, the benefits from restructuring and our drive to ensure better capital productivity, we believe FY13 will deliver a result in the range of $47– $50 million EBIT at trading level.

There will be continuing challenges as our customers look to us for support in reducing their cost of operations. There have been considerable cost escalations associated with increased FIFO requirements and wage costs fuelled by the increases in the mining & resources sector and related skills shortages. With the ongoing pressures to reduce costs it will be important to

Trading Result by Division – FY2011 and FY2012

$m	FY11	1H12	2H12	FY12
Revenue				
Crane Logistics	250.3	137.9	143.3	**281.2**
Boom Sherrin	72.9	34.0	30.0	**64.0**
Discontinued Businesses	16.8	3.5	0.0	**3.5**
Operating Revenue	**340.0**	**175.4**	**173.3**	**348.7**
Interest Income	0.4	0.2	0.3	**0.5**
Total Revenue	**340.4**	**175.6**	**173.6**	**349.2**
Trading EBIT				
Crane Logistics	30.9	18.8	19.7	**38.5**
Boom Sherrin	7.2	3.5	4.4	**7.9**
Discontinued Businesses	(0.6)	0.2	0.0	**0.2**
Melbourne Tower Cranes	1.1	0.2	0.0	**0.2**
James Group	(1.7)	0.0	0.0	**0.0**
Central Costs	(14.3)	(6.6)	(4.5)	**(11.1)**
Total Trading EBIT	**23.2**	**15.9**	**19.6**	**35.5**
Interest Expense	(9.3)	(4.3)	(3.7)	**(8.0)**
Borrowing Costs	(6.3)	(1.6)	(1.6)	**(3.2)**
Trading Profit before Tax	**7.7**	**10.0**	**14.3**	**24.3**
Tax	(2.3)	(3.1)	(2.7)	**(5.8)**
Trading Net Profit after Tax	**5.4**	**6.9**	**11.6**	**18.5**
Impairments	(39.2)	0.0	0.0	**0.0**
Trading Adjustments	(3.9)	(1.2)	0.0	**(1.2)**
Statutory Net Profit after Tax	**(37.7)**	**8.1**	**11.6**	**19.7**

maintain healthy returns to enable more investment in our customers' growth requirements. We will continue to focus on improving operating performance and total cost of operations within a sound quality and safety framework.

Boom Logistics operates in remote areas and is committed to continuing to employ skilled people and train our people to meet the anticipated demand. On our journey of encouraging diversity, in what is a very gender-biased industry, it is pleasing to acknowledge the path taken by Dianne Deegan. Dianne has been with Boom Logistics in Port Hedland for nearly six years and has become the first indigenous female open ticket crane operator in our business and we believe the first in Australia. We believe Dianne's example will be an inspiration to our people and the communities in which we operate.

Our people have continued to rise to the challenge of improving safety, customer service and business performance. The achievements and effective execution of strategy in 2012 have laid the foundation for a stronger result in FY13. I thank them once again for their outstanding contribution and look forward to working with them in the coming year.

Brenden Mitchell
Managing Director

HIGHLIGHTS

HEALTH, SAFETY, QUALITY & ENVIRONMENT

- ✔ A Long Term Injury Frequency Rate (LTIFR) of below 2.
- ✔ A 39% reduction in the Total Recordable Injury Frequency Rate (TRIFR) to 14.
- ✔ Introduction of Fatal & Catastrophic Risk protocols and Life Saving Rules across the business.
- ✔ Continuing implementation of the three year HSEQ Strategic Plan with an emphasis on risk reduction.
- ✔ Maintenance of AS/NZS 4801:2001 and AS/NZS ISO 9001:2008 certifications and compliance with all environmental management obligations.

FINANCIAL

- ✔ 11% revenue growth from continuing businesses.
- ✔ Record profit growth with an increase to $35.5m (53%) in trading EBIT and an increase to $18.5m (246%) in trading NPAT.
- ✔ Strong EBITDA and EBIT margin improvements driven by improved business mix and cost management initiatives.
- ✔ Disciplined approach to capital investment reflected in positive free cashflow and Net Debt to Equity of 36% at 30 June 2012 (40% at 30 June 2011).
- ✔ An increase in ROCE (including goodwill) from 5% to 8%.
- ✔ An increase in ROCE (excluding goodwill) from 6% to 10%.

MARKETS & GROWTH

- ✔ Awarded a $100 million, five year contract to supply a comprehensive service delivery model to BHPB Olympic Dam.
- ✔ Completion of the Suzlon AGL Oaklands Hill Windfarm ahead of schedule and safety incident free.
- ✔ New project and contract wins on the Gorgon Project, now including transport logistics.
- ✔ Three year contract extensions with Newmont Boddington Gold, Alcoa and BHP Billiton Illawarra Coal.
- ✔ A solid pipeline for crane logistics in the resources, LNG and renewable energy sectors.
- ✔ Successful implementation of the BMA transport contract.

OPERATIONS

- ✔ Continued growth in the mining & resources sector, which now contributes 62% (FY11 – 53%) of total crane logistics revenue.
- ✔ A total capacity of 2,820 tonnes added to the fleet at an average of 72 tonnes per crane. 2,116 tonnes of capacity was disposed, at an average of 38 tonnes per crane.
- ✔ The sale of the Melbourne tower crane assets in October 2011 for proceeds of $7.5 million and a profit on sale of $2.9 million.
- ✔ Restructure of Boom Sherrin operations with the closure of six depots and redeployment of assets to areas of greater demand and yield.

PEOPLE

- ✔ With the support of Boom's National Indigenous Employment Framework, a Boom employee created history as the first indigenous female to obtain an Open Crane Operators ticket.
- ✔ Significant on-going investment in training including ICAM Investigator Training and the "Leaders of Tomorrow" Supervisor Program.
- ✔ Continued systems improvement in payroll and financial systems.

OUR CUSTOMERS & MARKETS

OUR CUSTOMERS

Boom's core value proposition to our customers is to deliver high value industrial services, based on providing a total lifting solution involving specialised equipment, qualified and skilled people, industry knowledge, engineering expertise and best-practice safety and quality systems.

During FY12, Boom continued to execute its strategy to focus on sustaining long-term customer relationships in the mining & resources, energy, utilities and infrastructure sectors that are strongly aligned to Boom's value proposition.

Boom's 53% trading EBIT growth for FY12 reflects continued penetration of its core markets of mining & resources, energy, utilities and infrastructure, with a particular emphasis on blue chip customers in high growth regions including North West WA, the Bowen Basin and the Hunter Valley.

Boom's focus is on customers who are leaders and low cost producers in their respective markets and therefore are well positioned through commodity cycles. Boom continues to focus on ongoing maintenance and operational enhancement projects and is therefore less affected by capital deferrals for expansion projects.

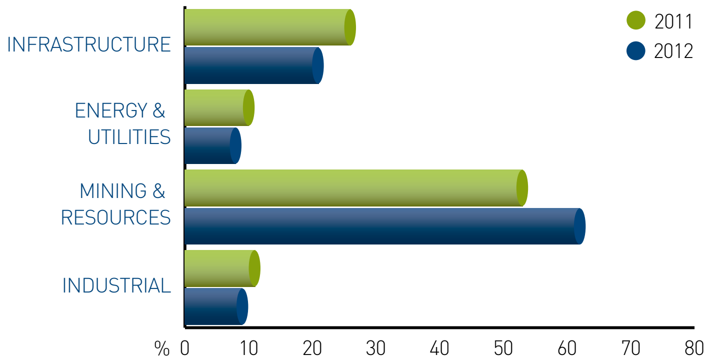
Boom's sustainable forward earnings are not reliant on new project development decisions by its customers. Such decisions do however present new tender opportunities and the potential for accelerated earnings growth.

REVENUE GROWTH IN CORE MARKETS

Revenue from our core business of crane logistics and travel towers achieved 11% growth in 2012.

Boom's resource customers in 2012 represented 62% of the crane logistics revenues, up from 53% in 2011.

Year on Year Trading by sector



Infrastructure projects represent 21% and the industrial sector represents 9% of the crane logistics revenue. The energy and utilities sector, largely comprising renewable energy windfarm construction, represented 8% of the crane logistics revenue.

Revenue from Boom's wet hire operations (crane and operator) increased by 16% compared with FY11 and rigging labour hire revenue increased by 34%.

In Western Australia crane logistics revenue growth was 23% in 2012. We continue our strong relationships with our major customers BHP Billiton and Rio Tinto in the North West, with further growth opportunities with other mining companies in the Pilbara region.

Activity in NSW is solid with 15% revenue growth in the crane logistics business through the major mining companies such as BHP Billiton, Rio Tinto and Xstrata located in the Hunter Valley.

In Queensland, revenue growth was 11% through major customers such as BMA, Dalrymple Bay Coal Terminal and with service companies that support the mining sector such as Downer EDI Mining.

Boom Sherrin's core business is travel towers where it holds the number one market position. 66% of Boom Sherrin revenues are in the utilities and industrial maintenance sectors which are growing through the travel tower offering. The Telstra 4G and associated carrier mobile telecommunications network upgrades represented the major activity in 2012.

MAJOR CUSTOMERS AND KEY CONTRACT WINS

In February 2012, a significant new contract was announced with BHP Billiton at Olympic Dam in South Australia. This new maintenance contract commenced in June 2012 and is valued at $100 million over the five year contract term. This new business required $20 million in capital investment to service the maintenance contract including establishing a purpose built maintenance facility in Roxby Downs. The contract consists of 20 cranes, a contract management team and 50 crew to service the existing BHP Billiton maintenance operation. Boom's experience and knowledge of BHP Billiton's operations in Western Australia, Queensland and NSW, and our commitment to our customers' quality and safety frameworks, were some of the key factors in securing this new contract.

In Queensland, Boom's largest customer, BHP Billiton Mitsubishi

Alliance (BMA) experienced lower than normal levels of activity due to industrial action and the residual impacts of the 2011 Central Queensland floods which affected maintenance and mining operations in the region. The new heavy haulage permit freight contract with BMA helped achieve solid revenues in FY12. Two major shutdown programs at the BP Refinery Bulwer Island plant were also completed during the year and these projects contributed positively to the FY12 result.

In NSW during FY12 a crane logistics contract was agreed with BHPB Billiton Illawarra Coal for a further three years and the Mount Arthur Coal contract was extended.

Boom also provided crane logistics services during FY12 on the major shutdown at Orica Australia which operated 24/7 and required up to 17 cranes on site.

Boom secured new contracts on the Gorgon Barrow Island LNG project in the North West during FY12. Boom was successful in winning a three year contract with CBI and Kentz joint venture (CKJV) for the Mechanical, Electrical Instrumental & Commissioning (MEI&C) project at Gorgon. The contract is for the transport logistics component of the project. Further crane logistics contracts have been won within the growing LNG sector with several new opportunities in the pipeline.

The South West region revenue growth is solid through servicing our existing blue chip customers including Newmont Boddington Gold and Alcoa. Our positive performance levels have seen both Alcoa and Newmont Boddington Gold commit to three year contract extensions. During FY12, Boom was awarded a contract by Leighton Contractors for the Mumbida Windfarm project in Western Australia.

At Boom Sherrin, preferred Elevated Work Platform (EWP) subcontractor status was secured with Ericsson Australia and this delivered significant revenue growth in travel tower services with major telecom engineering customers including the Telstra network build teams and their subcontractors. With a national infrastructure and Australia's single largest fleet of travel towers between 28 and 55 metres, Boom Sherrin is well positioned to maximise revenue growth in the telecommunications sector throughout FY13.

The enhanced 18 metre insulated Glove & Barrier travel tower fleet commenced its release to market during 2012. The focus was in the utilities maintenance sector with power distribution customers. The larger travel towers above 40 metres have been engaged in a number of large scale High Voltage Transmission projects throughout FY12. These included projects for BBUGL, Lend Lease, John Holland and ongoing maintenance upgrades across Queensland and NSW for Powerlink and AusGrid.

GROWTH OPPORTUNITIES

Boom's sales pipeline is strong in the mining & resources, energy, utilities and infrastructure sectors. Boom's ability to provide a total crane logistics and travel tower solution for the ongoing maintenance programs combined with its equipment reliability, safety and service are the key factors in being the provider of choice to the major mining companies.

With the expansion of the renewable energy sector and a number of major projects expected to commence in FY13, we foresee further new revenue opportunities in the wind farm sector.

Boom enters FY13 with sustainable revenue streams and a strong project pipeline.

OUR OPERATIONS

OUR VALUE PROPOSITION

With safety and operational discipline at its core, Boom's customer value proposition is based on total solutions involving:

Equipment

- Fleet aligned to industry requirements in mining & resources, energy, utilities and infrastructure projects.
- Well maintained fleet with maintenance records and Key Performance Indicator reporting for customers.

Operational Capability

- Experienced and trained workforce of supervisors, crane operators and riggers.
- Operational resources and infrastructure to support customers in our core markets.
- Planned and configured services involving operators, cranes, transport and other assets to meet complex customer requirements.

Engineering Expertise

- Pre-lift customer site survey and analysis.
- Detailed engineering lift studies to drive safety, efficiency and cost effectiveness.
- Project planning and project management.

Safety & Quality Systems

- Cultural alignment with our customer base with an uncompromising safety focus.
- ISO 9001 and AS4801 certification.
- Investment to drive continuous improvement in our safety systems, processes and organisation.

Boom's value proposition reaches far beyond equipment hire. Boom's services include planning and project management, multi-party logistics coordination, lift design & engineering, on-site supervision and lift control, on-site safety leadership, site-inducted personnel, task optimisation and cost control, project data capture and reporting, task assessments and continuous improvement analysis.

Boom's distinct value proposition provides a solid platform for future growth.

FLEET & INFRASTRUCTURE INVESTMENT

Boom has continued with its disciplined capital investment into the crane and travel tower fleet in line with the needs of our key blue chip customers in the mining & resources, energy, utilities and infrastructure sectors:

- 39 mobile cranes were added to the fleet in FY12 with an average capacity of 72 tonnes. These additions included 12 lower capacity cranes associated with Boom's new BHPB Olympic Dam contract and continued supply to BMA coal operations in Queensland;
- 56 low-end cranes were sold in FY12, with an average capacity of 38 tonnes;
- The 18m Glove & Barrier fleet has been refurbished and these enhanced assets have been phased back into use during FY12 and the entire 18m Glove and Barrier fleet will be operational by October 2012; and
- $20m of capital commitments have been made to refresh our travel tower fleet during FY13.

Boom will continue to strengthen its fleet to support the delivery of industrial services in our core markets.

During FY12, Boom further extended its national footprint with new operations being established in Newman, Western Australia and Olympic Dam, South Australia.

CRANE LOGISTICS

This year's improved financial results were achieved despite difficult business conditions through the year, including lower activity due to customer industrial action in the Bowen Basin and the residual impacts of FY11 weather events. The closure of a significant customer mine site in the Bowen Basin and pressures on operational costs in housing and accommodation in Queensland and North Western Australia were also challenges during the year.

Key operational events during the year include:

- Business expansion on the Gorgon LNG project, adding transport equipment to our current fleet of cranes;
- Completion of the Oaklands Hill Wind Farm construction project three weeks ahead of schedule and OH&S incident free;
- Sale of the Melbourne Tower Crane assets in October 2011 for proceeds of $7.5 million and a profit on the sale of $2.9 million;
- The successful operational transition of the BHPB Olympic Dam contract; and
- Improvements in the Newman infrastructure.

EAST COAST HEAVY LIFT & PROJECTS

During 2012, major infrastructure projects were a significant feature of the Brisbane operation. The Thiess-John Holland JV Airport Link project and the Banora Point bypass infrastructure project constructed by Abigroup were completed in FY12.

With these infrastructure projects completed, the Brisbane operation was restructured in July 2012. Several of their heavy lift cranes were transferred into the newly formed East Coast Projects Group. The Aitkin Cranes business, which is focussed on long-term, dry hire, infrastructure and construction project work, has also been integrated into the East Coast Projects Group.

The East Coast Projects Group will focus on major mining & resources, LNG and infrastructure projects and has a solid pipeline in FY13.

BOOM SHERRIN

The Boom Sherrin business restructured its operations in November 2011. The restructure resulted in the closure of six Boom Sherrin depots, with assets redeployed to areas of greater demand and higher yield. The benefits of the restructure were evident in the second half of FY12 with earnings before interest expense and tax growing 17% compared with the prior corresponding period.

Boom Sherrin's core business is travel towers where it holds the number one market position. Revenue in the travel tower business grew by 3% in FY12 through improved utilisation of the high-end fleet (40 metre-plus). As noted above, Boom is investing in replacement and growth travel tower assets in FY13 to build on Boom Sherrin's market-leading position.

Boom Sherrin will seek to maximise cash flows from its non-core access and general equipment hire in a zero capital investment environment by:

- Aligning infrastructure with the reduced asset base;
- Redeploying productive assets to higher yield areas; and
- Disposal of unproductive assets to maximise cash flow contribution.

OUR HEALTH, SAFETY, ENVIRONMENT & QUALITY

> "Boom's 39% reduction in its TRIFR is a significant move towards our goal of zero harm."

Boom's Health, Safety, Environment & Quality (HSEQ) goals underpinning our vision are:

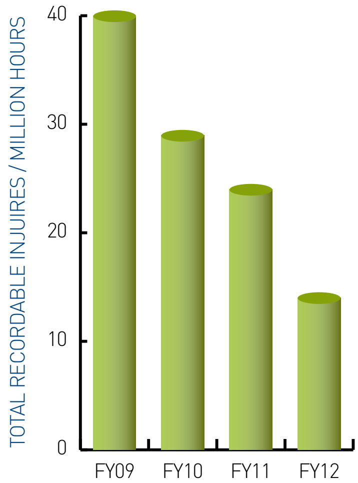
- To exceed client and other stakeholders' HSEQ expectations through consistently providing benchmarked high quality and incident free services;
- Establish a positive and proactive safety culture with well trained and competent people who demonstrate Boom's values and exceptional safety leadership; and
- Continue to develop and use excellent HSEQ processes and systems.

SAFETY

Boom's safety performance has continued to improve with the Company recording a 39% reduction in its Total Recordable Injury Frequency Rate (TRIFR) during the year. We will continue to strive for improvements that create 25% year on year reductions.

The improvement is attributed to our continued operational focus on safety as Boom's highest priority, to ensure our employees and customers are free of harm while we deliver high value crane logistics and travel tower lifting solutions.

Total Recordable Injury Frequency Rate ("TRIFR") Performance



Ensuring the safety and well being of our people, as we maintain our goal of zero harm, is an operational discipline that differentiates Boom from our competitors. It is a key component of the value proposition sought by our customers. Our safety culture strengthens our relationships with our customers and employees alike. Boom's ongoing emphasis on safety leadership, best practice safety systems and our *"Safety Always"* culture builds confidence with our customers and employees around predictable, reliable and consistent delivery of high value lifting solutions.

Boom has a three year HSEQ Strategic Plan with an emphasis on risk reduction. An extensive internal and external consultation process has been undertaken over the past year to interrogate the fatal and catastrophic safety risks that the business manages. The approach to Lifting Operations, Transport Operations, Mobile Elevated Work Platforms, Maintenance and Equipment, Working at Heights and Hazardous Energy have all benefitted from this process. The effect on plant safety, safety of our people and safety of those with whom we interact will be significant. An important additional effect of the engagement with our personnel is the strengthening of the commitment to a *"Safety Always"* approach.

Certification to AS/NZS 4801:2001 has been maintained.

SAFETY LEADERSHIP

At Boom, we take a four-tiered leadership approach to safety.

Safety Leadership Structure

Health, Safety, Environment & Quality (HSEQ) Committee

The HSEQ Committee, a sub-committee of the Board, meets quarterly and considers all aspects of Boom's safety environment. A summary of this committee's responsibilities is set out in the Corporate Governance section of this report.

Safety Leadership Team (SLT)

A safety leadership team, chaired by the Chief Executive Officer and comprising the general managers of every business unit, prioritises and monitors our safety environment and safety improvement activities. The SLT is supported by a team of safety professionals that operate nationally or within business units.

Personal Commitment Statements

All operational managers have prepared, and shared with their work groups, their personal safety commitment statements which articulate the individual behaviours they undertake to support Boom's goal of zero harm. All operational managers have their day-to-day safety responsibilities specified and monitored.

Training

Boom's operational training program contains a significant safety element that embeds good workplace safety as an operational discipline.

ENVIRONMENT

Boom continues to meet its community expectations and legal obligations in relation to environmental management. Boom complies with the National Greenhouse and Energy Reporting Act 2007 and we report our emissions and energy consumption each financial year.

QUALITY

The Company has maintained its certification to AS/NZS ISO 9001:2008.

OUR PEOPLE

> A great success story for Boom in 2012 reflects the ongoing commitment to diversity in the business. An employee in the North West business, Dianne Deegan, has created history by being the first indigenous female to obtain an Open Crane Operator's ticket.

OVERVIEW

As at 30 June 2012, Boom's workforce consisted of over 1,150 employees across a range of disciplines. 80% of the workforce directly interfaces or provides a service to customers, including operators, supervisors, safety professionals, engineers and sales employees. The remaining 20% include management, finance, human resources, information technology, procurement and support personnel.

Boom's engineering capability with extensive CAD design experience through our supervisors and engineers, provides our customers with technical expertise in safe lifting solutions.

Boom continues to focus on its strategy of building operational capability through its people, processes and systems to deliver its value proposition to our customers and to generate strong returns for shareholders.

A great success story for Boom in 2012 reflects the ongoing commitment to diversity in the business. An employee in the North West business, Dianne Deegan, has created history by being the first indigenous female to obtain an Open Crane Operators ticket. This is not only a first for Boom, it is understood to be a first for the Australian crane industry.

DIVERSITY

Boom's value proposition is founded on its ability to offer customers a safe and quality service. Boom strives to seek out and retain the finest talent with a view to developing a strong team that Boom's customers can rely on. Boom is committed to its value of treating all people with respect and recognises that diversity and a broad range of skills makes Boom strong. With a key element of Boom's value proposition based on its people's capability and expertise, a diverse and talented workforce is a key competitive advantage that differentiates Boom's service to the customers and the markets it supports.

The Boom Logistics Diversity Policy extends across the entire organisation, including the Board of Directors, senior executives, management and all other employees. The policy recognises diversity of gender, age, ethnicity, disability and cultural background.

INDIGENOUS PROGRAM

Boom's commitment to its Indigenous Program supports its customers and communities in Central Queensland and Western Australia. Boom's National Indigenous Employment Framework provides a basis for localised strategies for generating work opportunities and developing sustainable relationships with indigenous communities. Boom continues to make progress in the North West through indigenous development programs and traineeships.

TRAINING & DEVELOPMENT

Boom recognises the value in developing our people and considers this a key strategic priority for the business. Over the past 12 months, we have continued to see development in our supervisors through their completion of Certificate IV in Frontline Management. The impact of this program can be seen in the everyday running of the business, with key projects generated from the course being implemented within Boom.

Boom continues to invest in training and development for its operational staff to ensure operating tickets are maintained, safety standards are upheld, customer site inductions are current and operators are vocationally competent to meet the needs of our customers.

The management and support personnel in the business have also benefited from training throughout 2012. Boom has looked at strengthening the business development skills in our managers by having them participate in account management training. From a safety perspective, we continue to roll out ICAM (Incident Cause Analysis Method) training across the country, which involves safety professionals, supervisors, managers and executives.

CORPORATE GOVERNANCE

APPROACH TO GOVERNANCE

Corporate governance is important at Boom and is a fundamental part of the culture and the business practices of the Company. Directors of Boom have specific duties and responsibilities for ensuring good corporate governance practices are adopted by the Company.

The Company has securities listed on the Australian Stock Exchange (ASX) and therefore must also comply with a range of listing and corporate governance requirements.

The key aspects of the Company's corporate governance framework and primary corporate governance practices for the 2012 year are outlined below.

APPROACH TO GOVERNANCE

The Board has adopted the ASX Principles of Good Corporate Governance and Best Practice Recommendations 2010. Corporate governance practices applied by the Company are set out below.

BOARD AND COMMITTEE COMPOSITION

The Board currently has six Directors comprising five Non-Executive Directors and the Executive Managing Director. All of the Non-Executive Directors, including the Chairman, are Independent Directors in compliance with ASX Corporate Governance Best Practice guidelines.

Details of the respective Directors' qualifications, Directorships of other listed companies, including those held at any time in the three years immediately before the end of the financial year, experience and other responsibilities are provided in the Directors' Report on page 26 of the financial statements.

The Board may from time to time establish committees it considers necessary / appropriate to assist in carrying out its duties.

The Board has established the following committees and adopted charters setting out matters relevant to the composition, responsibilities and administration of these:

- Audit and Risk Committee (A&RC);
- Nomination and Remuneration Committee (N&RC); and
- Occupational Health, Safety, Environment and Quality Committee (OHSE&Q).

The current membership of the Board and its committees are as follows:

Director	Board	A&RC	N&RC	OHSE&Q
John Robinson	√ *		√ *	√ *
Terrence Francis	√	√		√
Huw Davies	√	√	√	
Fiona Bennett	√	√ *	√	
Terence Hebiton	√			√
Brenden Mitchell	√			√

* Denotes Chairman

These Committees do not in anyway diminish the overall responsibility of the Board for these functions.

In compliance with the Company's Constitution, Rodney John Robinson and Huw Geraint Davies will retire from office by rotation at the Annual General Meeting. Dr Davies has informed the Company that he will not seek re-election and Mr Robinson, being eligible, will stand for re-election at the Annual General Meeting.

CORPORATE GOVERNANCE

The Board reinforces the requirement for uncompromised corporate behaviour and accountability. In accordance with the ASX Corporate Governance guidelines and the Company's commitment to best practice Corporate Governance:

- The Board operates under a Code of Conduct which follows the Principles as set out by the Australian Institute of Company Directors;
- There is a Charter for the Board that defines its responsibilities;
- There is a regular assessment of the independence of each Director;
- Potential conflicts of interest by Directors will be reported to the Board and if necessary, interested Directors will be excluded from discussion of the relevant matter and will not vote on that matter;
- Directors provide the Company with details of their shareholdings in the Company and any changes;
- Directors comply with the Company's policies for Continuous Disclosure, Share Trading and its Code of Conduct;
- Directors have access, where necessary and at the cost of the Company, to independent, external and professional advice;
- Directors have ready access to the Company's Senior Management for direct information on the Company's affairs;
- Directors have the benefit of Directors' and Officers' Insurance;
- Directors have the benefit of an indemnity from the Company to the extent permitted by the Corporations Act as well as access to the Company's Board papers on terms agreed between the Company and the Board;
- The Board sets the membership and terms of reference for each Board Committee; and
- Board Committees make recommendations to the Board. They are not delegated responsibility except as specifically authorised by the Board.

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

There is no obligation under the Constitution for Directors to hold shares in the Company, although all Directors presently do. Details of Directors' shareholdings are shown in the Directors' Report on page 27 of the financial statements.

Directors and Senior Management of the Company are restricted to buying or selling shares in the Company to the six week period commencing on the second business day after the announcement of the annual and half-yearly results or the Annual General Meeting in accordance with the Company's Securities Trading Policy.

If a market announcement is made outside these periods which results in the market having the same price sensitive information as the Directors and Senior Management, then Directors and Senior Management may deal in Boom securities during the three week period commencing on the second business day after any such announcement.

Under the Securities Trading Policy, Directors are required to notify the Company Secretary or General Counsel within two days of each trade to enable the required disclosure to the ASX.

In accordance with the law, Directors and Senior Management are prohibited from buying or selling shares in the Company at any time when they are in possession of market sensitive information.

AUDIT & RISK COMMITTEE

The primary objectives of the Audit & Risk Committee are to assist the Board of Directors to discharge their obligations with respect to:

- The integrity and quality of interim and annual financial reporting and disclosures;
- Identification of material business, financial and regulatory risks;
- Compliance with relevant laws, regulations, standards and codes;
- Adequacy of the internal control framework; and
- Integrity of the internal and external audit functions.

The Committee comprises three Non-Executive Directors. The external and internal audit partners, Managing Director, Chief Financial Officer and other management personnel attend these meetings by invitation.

The responsibilities of the Audit & Risk Committee set out within its Charter include:

- Ensuring there are adequate policies in relation to material business and financial risk management, compliance and internal controls;
- Ensuring there is ongoing monitoring and assessment of the risk management, compliance and internal control systems;
- Monitoring the activities and effectiveness of the internal audit function;
- Overseeing and monitoring the integrity of financial systems, processes and reporting;
- Reviewing draft annual and half-yearly financial statements with management and external auditors and making recommendations to the full Board;
- Reviewing and monitoring the Company's compliance with law and ASX Listing Rules;
- Reviewing processes for promoting compliance with the Company's Code of Conduct;
- Reviewing processes for promoting compliance with the Company's Speaking Up Policy;
- Reviewing processes to manage related party transactions and potential conflicts of interest in line with the Company's Related Party Transactions Policy;
- Reporting regularly to the Board on its activities and findings;
- Making recommendations for the appointment or removal of the external and the internal auditors;
- Monitoring the ongoing independence of the external auditor; and
- Other responsibilities as required by the Board or considered appropriate.

The Company and Audit & Risk Committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually. Applications for tender for external audit services may be requested from time to time as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

In accordance with a recommendation by the Audit & Risk Committee, the Board sought and received Shareholder approval to appoint KPMG as the Company's external auditor at the 2008 Annual General Meeting. As a result, a new audit engagement partner was introduced for the year ended 30 June 2009. The same engagement partner has presided over the external audit of the Company for the years ended 30 June 2010, 30 June 2011 and 30 June 2012.

It is KPMG's policy to rotate audit engagement partners on listed companies every five years and in accordance with that policy appoint a new audit engagement partner.

KPMG has declared its independence to the Board through its representations to the Committee and provision of its Statement of Independence to the Board, stating that they have maintained their independence in accordance with the provisions of APES 110 – Code of Ethics for Professional Accountants and the applicable provisions of the Corporations Act 2001.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the Directors' Report and in note 28 to the financial statements.

The external auditor attends the Annual General Meeting and is available to answer Shareholder questions about auditor independence, accounting

OUR BOARD OF DIRECTORS

Rodney John Robinson (68)
BSc, MG Sc, F Aus IMM
Non-Executive Chairman
APPOINTED 15 NOVEMBER 2002

Fiona Rosalyn Vivienne Bennett (56)
BA (Hons), FCA, FAICD, FAIM
Non-Executive Director
APPOINTED 29 MARCH 2010

Terence Alexander Hebiton (61)
Non-Executive Director
APPOINTED 22 DECEMBER 2000

policies adopted by the Company, the conduct of the audit and the preparation and content of the audit report.

The internal audit function is carried out by PricewaterhouseCoopers who have the expertise to provide independent, objective assurance to the Audit & Risk Committee. The internal audit function is independent of the external auditor and is aimed at the promotion of efficiency, economy and effectiveness of management processes and systems of internal control.

The Audit and Risk Committee approves the scope of all internal audit activities to ensure it is appropriate in light of the key risks faced by Boom.

NOMINATION & REMUNERATION COMMITTEE

The principle function of the Nomination & Remuneration Committee is to review and make recommendations to the Board of Directors on remuneration packages and policies applicable to Directors, Senior Executives and Company employees generally.

The Committee comprises three Non-Executive Directors. The responsibilities of the Nomination and Remuneration Committee set out within its charter include:

- Assessing the necessary competencies of Board members;
- Establishing and reviewing the Board succession plans;
- Evaluating the Board's performance;
- Considering and recommending to the full Board the appointment and removal of Directors;
- Reviewing and recommending the remuneration of Non-Executive Directors, the Chief Executive Officer, and the Chief Executive's direct reports;
- Reviewing and recommending remuneration policies applicable to Directors, Senior Executives and Company Employees generally;
- The annual review and consideration of the Chief Executive Officer's remuneration structure; and
- Reviewing and recommending general remuneration principles, including incentive schemes, bonuses, and share plans that reward individual and team performance.

The Nomination & Remuneration Committee is responsible for the ongoing evaluation of the Board, its Committees and individual Directors and Executives.

The Executive Management team participates in the Company's performance management and development process. This is a performance review program which has been designed to provide a link between the Company business plan, vision, values, and Employee's performance. Executives are evaluated annually and their performance is compared against set standards and business objectives. The results of these reviews are considered when determining Executive remuneration.

Board effectiveness is monitored through the Chairman and by open discussion amongst members. External assistance is engaged to periodically provide structured evaluation of Board process and performance.

When a new Director is to be appointed, the Committee reviews the range of skills, experience and expertise on the Board, identifies its needs and prepares a short-list of candidates with appropriate skills and experience.

Where necessary, advice is sought from independent search consultants. The full Board then appoints the most suitable candidate based on specified selection and appointment criteria. Newly appointed Directors must submit themselves to Shareholders for election at the first Annual General Meeting following their appointment.

New Directors are provided with a letter of appointment setting out the Company's expectations including involvement with committee work,

Dr Huw Geraint Davies (71)
BSc (Hons), PhD (Geology)
Non-Executive Director
APPOINTED 15 NOVEMBER 2002

Terrence Charles Francis (66)
B.E (Civil), MBA, FIE Aust, FAICD, F Fin, D Bus (hon. causa)
Non-Executive Director
APPOINTED 13 JANUARY 2005

Brenden Clive Mitchell (53)
B.Sc (Chem) B.Bus (Multidiscipline)
Managing Director
APPOINTED 1 MAY 2008

their responsibilities, remuneration, including superannuation and expenses, requirement to disclose their interests and any matters which affect the Director's independence. New Directors are also provided with all relevant policies including the Company's share trading policy, the code of conduct policy, a copy of the Company's Constitution, organisational charts and details of indemnity and insurance arrangements.

A formal induction program which covers the operation of the Board and its Committees and financial, strategic, operations and risk management issues is also provided to ensure that Directors have significant knowledge about the Company and the industry within which it operates.

New Directors are advised of the time commitment required of them in order to appropriately discharge their responsibilities as a Director of the Company. Directors are required to confirm that they have sufficient time to meet this requirement. The Nomination & Remuneration Committee Charter is available on the Company's corporate website.

OCCUPATIONAL HEALTH, SAFETY, ENVIRONMENT & QUALITY ("OHSE&Q") COMMITTEE

The primary objective of the OHSE&Q Committee is to assist the Board of Directors to discharge their responsibilities in respect of health, safety, environment and quality matters.

The OHSE&Q Committee comprises at least two Non-Executive Directors and the Chief Executive Officer. The General Manager Health, Safety, Environment & Quality attends these meetings by invitation.

The responsibilities of the OHSE&Q Committee set out within its charter include:

- Reviewing the ongoing health and safety performance of Boom and monitoring its effective health and safety management;
- Receiving and considering information relating to HSEQ matters including incident reports and independent HSEQ audit reports;
- Considering information relating to HSEQ hazards and risks within Boom;
- Considering the systems, processes and resources through which HSEQ hazards and risks are eliminated or controlled; and
- Considering information and recommendations provided by Management regarding strategic or significant matters;

to enable the Committee to recommend the Board's endorsement of the OHSE&Q Strategy and Plan.

INTEGRITY AND RISK MANAGEMENT PROCESSES

The CEO and CFO have provided written declarations to the Board that the Company's financial records have been properly maintained, and that the Company's financial statements and notes give a true and fair view and comply with accounting standards.

In addition, this declaration also confirms that the financial statements are founded on a sound system of risk management and internal control which is operating effectively in all material respects in relation to financial reporting risks.

The Company has implemented a risk management framework and policy based on AS/NZS ISO 31000:2009 – Risk Management – Principles and Guidelines and the ASX Corporate Governance Principles and Recommendations. The framework is based around the following risk activities:

- Risk Identification: Identify all significant foreseeable risks associated with business activities in a timely and consistent manner;

OUR EXECUTIVE

Brenden Mitchell
Managing Director &
Chief Executive Officer

Iona MacPherson
Chief Financial Officer
& Company Secretary

Paul Martinez
Chief Information Officer
& Director of Strategy

- Risk Evaluation: Evaluate risks using an agreed risk assessment criteria;
- Risk Treatment/Mitigation: Develop mitigation plans for risk areas where the residual risk is greater than tolerable risk levels; and
- Risk Monitoring and Reporting: Report risk management activities and risk specific information to appropriate levels of management in a timely manner.

The Board, through the Audit & Risk Committee, reviews the Risk Management Policy and framework on a regular basis and satisfies itself that Management has in place appropriate systems for managing risk and maintaining internal controls.

The CEO and Senior Management team are responsible for identifying, evaluating and monitoring risk in accordance with the risk management framework. Senior Management is responsible for the accuracy and validity of risk information reported to the Board and also for ensuring clear communication of the Board and Senior Management's position on risk throughout the Company.

In particular, at the Executive Management and Business Unit Senior Management meetings held throughout the year, the CEO and members of their Management team review and identify key business and financial risks which could prevent the Company from achieving its objectives.

Additionally, a formal risk assessment process is part of each major capital acquisition with post acquisition reviews undertaken of major business acquisitions, major capital expenditures or significant business initiatives.

ENVIRONMENTAL REGULATION

The operations of the Company are subject to various environmental regulations under both Commonwealth and State legislation.

In making this report, the Directors note that the Company's operations involve the discharge and storage of potentially hazardous materials such as fuels, oils and paints. Some of these activities require a licence, consent or approval from Commonwealth or State regulatory bodies. This regulation of the Company's activities is typically of a general nature, applying to all persons carrying out such activities, and does not in the Directors' view comprise particular and significant environmental regulation.

Based upon enquiries within the Company, the Directors are not aware of any breaches of particular and significant environmental regulation affecting the Company's operations.

The Directors believe the environmental performance of the Company is sound and that the Company has appropriate systems in place for the management of its ongoing corporate environmental responsibilities.

CODE OF CONDUCT

The Company has an established Code of Conduct, which provides Employees and Directors with a practical set of guiding principles to help them make decisions in their day to day work.

The Code embodies honesty, integrity, quality, trust and respect. Employees and Directors are required to demonstrate these behaviours and comply with the Code of Conduct whenever they are identified as representatives of Boom.

Under the Code of Conduct:
- The Company will act with fairness, integrity and good faith in its dealings with its Employees, Customers, Subcontractors, Shareholders and other Stakeholders;
- The Company will strive for best practice in its internal business controls, financial administration and accounting policies;
- Directors and Employees are bound by strict rules in the trading of Boom shares;
- The Company is committed

Rosanna Hammond
General Manager –
Human Resources

Tony Spassopoulos
Director of Sales &
Marketing

Terese Withington
General Manager –
Boom Sherrin

to continuous improvement of workplace safety with the ultimate objective of no injuries to anyone at any time;

- The Company will continually develop its client relationships to provide outstanding service;
- The Company has, and will keep in place, employment practices and policies that accord with best practice including those in respect of occupational health and safety, anti-discrimination and conflict of interest;
- The Company recognises its place in the community and has in place policies and practices to protect the environment and to support selected community activities and projects in the areas in which it operates;
- The Company will be transparent in its reporting, including in respect of Board and Executive remuneration;
- The Company recognises its obligations to individuals' rights to privacy in respect of confidential information;
- The Company is committed to compliance with the law in all its operations;
- The Company will enforce and monitor compliance with the Code of Conduct through employment contracts, internal communication, education and performance management; and
- Directors, Employees, consultants and contractors engaged by the Company must act to ensure they maintain confidentiality, protect Stakeholder rights and have an obligation to report and investigate unethical behaviour.

The Company manages communication and compliance in respect of the Code of Conduct through employment contracts and ongoing internal communication including internet, intranet, Employee education sessions, performance management, tool box meetings, orientation & induction programmes and the distribution of an Employee Handbook.

Adherence with the Code of Conduct is managed by Senior Management and Business Unit Managers across the business. Where non-compliance occurs, Employees are counselled and disciplined in accordance with the Code of Conduct policy and with reference to the nature and severity of the breach.

DIVERSITY AT BOOM LOGISTICS

Boom is committed to seeking out and retaining the finest talent to ensure business growth and performance. We are committed to engaging the best people to do the best job possible. Our Code of Conduct confirms the Company's belief in treating all people with respect and recognises that our diversity and different skills make us strong.

Boom is committed to ensuring that composition of its Board and Committees is appropriate. The Board Charter clearly states it should comprise Directors with the appropriate mix of business expertise and experience.

At Boom, diversity includes differences that relate to gender, age, ethnicity, disability, and cultural background. We recognise that having a diverse and talented workforce is a key competitive advantage that differentiates our service in the marketplace and is a benefit to the Company as a whole. Diversity also benefits individuals and teams and enables us to reflect the diversity of our customers and the markets we operate in, all of which adds value to our operations and delivery of our strategy.

Gender diversity and inclusion is a key priority for Boom, and is reflective of the revised ASX Corporate Governance Principles and Recommendations issued in June 2010. Boom is committed to building strong female representation at all levels in the organisation, including Senior Management.

Boom Logistics has established a Diversity Policy and a series of targets to work towards that have been reviewed and approved by the Board. The CEO is accountable for implementing these requirements in accordance with Boom's Diversity Policy.

CORPORATE GOVERNANCE (CONTINUED)

In order to effect a structured approach to managing diversity, Boom:

- Has developed and implemented strategies, initiatives and programs to promote the Diversity Principles outlined above in its management structures;
- Has set measurable objectives and targets, or key performance indicators (KPIs), for the strategies, initiatives and programs to achieve Gender Diversity;
- Monitors, reviews and reports to the Board the Company's progress under the Diversity Policy; and
- Reports on the status of Gender Diversity KPIs in this annual report.

The Company's targets are tabled below:

Area	Target
Board gender diversity	At least 15% of the Board Members desirably should be female with the appropriate skills and attributes. Achieved at 30 June 2012.
Senior Managers gender diversity	At least 20% of Senior Managers desirably should be female with the appropriate skills and attributes. Senior Management is defined by the Company as direct reports to the Managing Director. Achieved at 30 June 2012.
Employee gender diversity	At least 10% of the Boom Logistics workforce desirably should be female with the appropriate skills and attributes. Achieved at 30 June 2012.

The targets which have been set are reviewed annually to ensure that these initiatives remain relevant and appropriate.

As at 30 June, Boom's performance with respect to meeting these requirements is as follows:

	Female 30 June 2012		Male 30 June 2012
	Actual	Target	Actual
Grand Total	13%	10%	87%
Directors	17%	15%	83%
Senior Managers	30%	20%	70%
Employee Group	13%	10%	87%

	Female 30 June 2011		Male 30 June 2011
	Actual	Target	Actual
Grand Total	12%	10%	88%
Directors	17%	15%	83%
Senior Managers	30%	20%	70%
Employee Group	12%	10%	88%

In addition to the targets set, the Company has developed a number of initiatives to encourage diversity in the workplace. These initiatives include ensuring Human Resources Policies and Procedures are aligned to the Diversity Policy, recruitment processes encourage diversity, education around diversity has been included in training programs rolled-out to Employees. Initiatives, including milestones, can be found on the Boom Logistics website.

Targets along with the implementation of the initiatives are monitored by the Nomination & Remuneration Committee. The Chief Executive Officer and the General Manager Human Resources have primary responsibility for the successful execution of the Diversity Policy and the associated initiatives.

In support of our customers and the communities we work within, Boom has developed an Indigenous Employment Framework. This framework outlines the Company's strategy of generating work opportunities and employment outcomes for Indigenous people and is designed to ensure that Boom's approach is consistent, transparent and equitable.

The objectives set out in the Indigenous Employment Framework document represent broad, long-term outcomes for increasing the employment by Boom Logistics work units of local Indigenous people. Whilst achieving these objectives is a priority for the Company, it is important to recognise the challenges involved in developing employment opportunities for all Employees.

TIMELY AND BALANCED DISCLOSURE

Boom aims to be transparent with all Stakeholders, including its Shareholders. Easy access to Company information is an important objective of our communications strategy.

SHAREHOLDER COMMUNICATION AND CONTINUOUS DISCLOSURE

The Company aims to keep Shareholders informed of the Company's performance and all major developments in an ongoing manner and encourages and promotes effective participation of Shareholders at General Meetings. Information is communicated to Shareholders through:

- The Half Year Financial Report and the Full Year Financial Report, results presentations, operational updates where appropriate, notice of meetings and explanatory materials which are published on the Company's corporate website and distributed to Shareholders where nominated;
- The Annual General Meeting and any other formally convened Company meetings; and
- All other information released to the ASX is posted to the Company's corporate website.

The Company further maintains a website to complement the official release of information to the market which catalogues all communications dating back to the Company's listing in 2003.

The Company is committed to ensuring that all stakeholders are provided with relevant and accurate information regarding its activities in a timely manner.

Boom has adopted a disclosure policy and internal reporting procedures which are designed to ensure that:

- Any material price sensitive information is reported to the CEO and CFO in a timely manner;
- Information is disclosed in a timely manner and in compliance with legal and regulatory obligations; and
- All stakeholders have an equal opportunity to receive and obtain externally available information issued by Boom.

Boom will immediately notify the market of any information related to its business which a reasonable person would expect to have a material effect on the price/value of its securities.

It should be noted that disclosure is not required where each of the following conditions is satisfied:

- A reasonable person would not expect the information to be disclosed; and
- The information is confidential; and
- One or more of the following apply:
  - the information concerns an incomplete proposal or negotiation;
  - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - the information is generated for the internal management purposes of the Company;
  - the information is a trade secret; or
  - it would be a breach of a law to disclose the information.

The CEO and CFO & Company Secretary have been nominated as the people responsible for communication with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, Shareholders, the media and the public.

All information disclosed to the ASX is posted on the Company's corporate website as soon as it is disclosed to the ASX. When analysts are briefed following half year and full year results announcements, the material used in the presentations is released to the ASX prior to the commencement of the briefing. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed and, if so, this information is also immediately released to the market.

BOOM LOGISTICS LIMITED

A.B.N. 28 095 466 961

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as "the Group") consisting of Boom Logistics Limited ("Boom Logistics" or "the Company") and the entities it controlled for the financial year ended 30 June 2012.

DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Rodney John Robinson BSc, MGSc, F Aus IMM (Non-executive Chairman) (appointed 15 November 2002)
Mr. Robinson was formerly Managing Director and CEO of Ashton Mining Limited. During the past three years, Mr. Robinson has held another ASX listed public company directorship and is currently Chairman of Global Mining Investments Limited (appointed 9 December 2005). Mr. Robinson is Chairman of the Boom Logistics Nomination & Remuneration Committee and the Occupational Health, Safety, Environment & Quality Committee.

Brenden Clive Mitchell B.Sc (Chem), B.Bus (Managing Director) (appointed 1 May 2008)
Mr. Mitchell worked for over ten years leading multifaceted and multi-location businesses for Brambles in Australia and the UK. He has previous experience in the fast moving consumer goods (FMCG) sector and upon moving to Brambles, Mr. Mitchell held senior positions in the equipment hire and the high compliance waste industry. Mr. Mitchell's last position for Brambles was leading the capital and people intensive municipal business in the UK with revenue of $550 million and 6,000 employees. During the past three years, Mr. Mitchell has not held any other ASX listed public company directorships.

Terence Alexander Hebiton (Non-executive Director) (appointed 22 December 2000)
Mr. Hebiton commenced his commercial career in the rural sector. In 1989, he acquired various business interests associated with land and property rental developments. In the late 1990s, Mr. Hebiton was Managing Director of Hazdon Holdings Pty Ltd. He is currently a director of a number of private companies and a director of Integrated Livestock Industries Ltd. He was a principal of Alpha Crane Hire, one of the founding entities of Boom Logistics. Mr. Hebiton was the CEO of Boom Logistics at its formation and ceased being an executive director in 2004. During the past three years, Mr. Hebiton has not held any other ASX listed public company directorships.

Dr. Huw Geraint Davies BSc (Hons), PhD (Geology) (Non-executive Director) (appointed 15 November 2002)
Dr. Davies was a Group Chief Executive and Director of BTR Nylex until his retirement in 1994. Since that time he has been involved in restructuring of manufacturing and service businesses and in the electricity and gas industries, together with distribution / trading project assignments in Asia. He has extensive experience as both an executive and non executive director of public, private and government businesses. He is currently the Administrator of the SECV and Chair of its Executive Committee. During the past three years, Dr. Davies has not held any other ASX listed public company directorships.

Terrence Charles Francis B.E (Civil), MBA, FIE Aust, FAICD, F Fin, D Bus (hon. causa) (Non-executive Director) (appointed 13 January 2005)
Mr. Francis is currently a Non-executive Director of the ANZ Specialist Asset Management Limited, and NBN Company Limited. He also advises business and government on governance and project development. Mr. Francis has extensive experience in resources and infrastructure development, and in finance as Vice President of Continental Illinois Bank, Executive Director of Deutsche Bank Australia, and Chief Executive Officer of Bank of America in Australia. During the past three years, Mr. Francis has not held any other ASX listed public company directorships.

Fiona Rosalyn Viviene Bennett BA (Hons), FCA, FAICD, FAIM (Non-executive Director) (appointed 29 March 2010)
Ms. Bennett is a Chartered Accountant with a strong finance and risk management background. She formerly held senior executive roles at BHP Billiton Limited and Coles Group Limited and was Chief Financial Officer at several organisations in the health sector. Ms. Bennett is a Director of Hills Holdings Limited, Alfred Health and the Legal Services Board of Victoria. During the past three years, Ms. Bennett has held another ASX listed public company directorship with Hills Holdings Limited (appointed 31 May 2010). Ms. Bennett is Chairman of the Boom Logistics Audit and Risk Committee.

COMPANY SECRETARY

Iona MacPherson BA, CA (appointed 30 June 2007)
Ms. MacPherson was appointed to the position of Chief Financial Officer and Company Secretary on 30 June 2007. She previously held the role of Chief Financial Officer and Company Secretary of Australian Air Express Pty Ltd for 4 years and prior to that worked with KPMG for 13 years and has been a Chartered Accountant for over 18 years.

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the Directors in the shares of Boom Logistics Limited were:

Name	Ordinary Shares
R.J. Robinson	680,000
T.A. Hebiton	547,995
H.G. Davies	291,547
T.C. Francis	185,745
F.R.V. Bennett	151,885
B.C. Mitchell	2,259,235

DIRECTORS MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

Name of director	Board of Directors		Audit & Risk Committee		Nomination and Remuneration Committee		Occupational, Health, Safety, Environment & Quality Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
R.J. Robinson	12	12	-	-	1	1	4	4
T.A. Hebiton	12	11	-	-	-	-	4	4
H.G. Davies	12	12	6	6	1	1	-	-
T.C. Francis	12	12	6	6	-	-	4	4
F.R.V. Bennett	12	12	6	6	1	1	-	-
B.C. Mitchell	12	12	-	-	-	-	4	3

CORPORATE STRUCTURE

Boom Logistics is a company limited by shares that is incorporated and domiciled in Australia. Boom Logistics Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are listed in note 31 of the financial statements.

INDEMNIFICATION AND INSURANCE

The Company has entered into Deeds of Access, Indemnity and Insurance with each of the Directors and the Company Secretary, under which the Company indemnifies, to the extent not precluded by law from doing so, those persons against any liability they incur in or arising out of discharging their duties. No indemnity has been granted to an auditor of the Group in their capacity as auditor.

During the financial year, the Company has paid an insurance premium for the benefit of the Directors and officers of the Company in accordance with common commercial practice. The insurance policy prohibits disclosure of the liability insured and the amount of the premium.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the year, the principal activity of the Group was the provision of lifting solutions.

DIRECTORS' REPORT (continued)

OPERATING AND FINANCIAL REVIEW

The Group reported an after tax profit of $19.705 million for the financial year (2011: $37.748 million loss) based on revenue of $352.141 million (2011: $338.332 million).

The result demonstrated growth in revenue, growth in profit and growth in return on capital employed as a result of the continuing execution of the Group's strategy.

The Group's business strategy focuses on delivering industrial services utilising operators and equipment (cranes, travel towers, transport and other assets) for major customers in the mining & resources, energy, utilities and infrastructure sectors. The strategy is premised on safety and shareholder value.

The Group focuses on customers who are low cost producers and therefore are well positioned through commodity cycles. The Group's operations are predominantly in support of ongoing maintenance and operational enhancement projects. Our sustainable forward earnings are not reliant on new project development decisions by our customers. Such decisions, do however present new tender opportunities and the potential for accelerated earnings growth.

Revenue growth from the Group's core operations (crane logistics and travel towers) was 11% compared with the prior corresponding period and EBIT margin improved to 10%, up from 7% in the prior year.

	FY12	FY11	% change
	$m	$m	
Crane Logistics (Continuing)	281.2	250.3	12%
Boom Sherrin Travel Towers	34.9	33.9	3%
Core Business Revenue	**316.1**	**284.2**	**11%**
Boom Sherrin Access & Other	29.1	39.0	(25%)
Revenue from Continuing Operations	**345.2**	**323.2**	**7%**
Revenue from Discontinued Businesses	3.5	14.7	
Operating Revenue	**348.7**	**337.9**	**3%**
Profit on sale of Melbourne tower crane assets	2.9	-	
Interest Income	0.5	0.4	(7%)
Total Statutory Revenue	**352.1**	**338.3**	**4%**

The crane logistics business achieved 8% revenue growth in FY12. Excluding revenue from the discontinued Melbourne tower crane assets, revenue from continuing operations grew by 12%. Earnings before interest expense and tax from continuing operations grew 25%.

This was achieved despite difficult business conditions through the year, including lower activity due to customer industrial action in the Bowen Basin and the residual impact of FY2011 weather events. The closure of a significant customer mine site in the Bowen Basin and pressures on operational costs in housing and accommodation in Queensland and North Western Australia were also challenges during the year.

Key events impacting crane logistics during the year included:

– Continued growth in the mining & resources sector, which now contributes 62% of total crane logistics revenue (up from 53% in FY2011). The majority of this business is in regular and critical maintenance activities;
– Revenue from the Group's wet hire operations (crane and operator) increased by 16% compared with FY2011 and rigging labour hire revenue increased by 34%;
– A successful tender and commencement of new business providing maintenance support for BHP Billiton's Olympic Dam's existing operations. The contract, which commenced in June 2012, is expected to generate $100 million of revenue over five years;
– Business expansion on the Gorgon LNG project, adding transport equipment to our current fleet of cranes;
– Completion of the Oaklands Hill Wind Farm construction project three weeks ahead of schedule and OH&S incident free; and
– Sale of the Melbourne tower crane assets in October 2011 for proceeds of $7.5 million and a profit on the sale of $2.9 million.

DIRECTORS' REPORT (continued)

OPERATING AND FINANCIAL REVIEW (continued)

With the BHPB Olympic Dam contract operational, and solid production forecasts from the Group's major customer segments (particularly in mining & resources), the crane logistics business will continue to deliver profitable growth and an improved return on capital in FY2013.

The Boom Sherrin business executed a restructure of its operations in November 2011 at a cost of $1.2 million. The restructure resulted in the closure of six Boom Sherrin depots, with assets redeployed to areas of greater demand and higher yield. The benefits of the restructure are evident in the 2H12 performance which saw growth in earnings before interest and tax of 17% compared with the prior corresponding period.

Boom Sherrin's core business is travel towers where it holds the number one market position. Revenue in the travel tower business grew by 3% in FY2012 through improved utilisation of the high end fleet (40 metre+). Investment in replacement and growth travel tower assets is scheduled for FY2013 to build on Boom Sherrin's market leading position.

The Group has previously stated that Boom Sherrin will seek to maximise cash flows from its non-core low end access and general equipment hire in a zero capital investment environment by:
- aligning infrastructure with the reduced asset base;
- re-deploying productive assets to higher yield areas; and
- disposing of unproductive assets to maximise cash flow contribution.

The Group reduced its Total Recordable Injury Frequency Rate ("TRIFR") down to 14.4 at 30 June 2012. This reflects a 39% reduction from the previous year as the Group continues its safety journey towards "zero harm".

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Melbourne tower crane sale

In October 2011, the Group announced the sale of its non-core Melbourne tower crane assets which was part of the Lifting Solutions operating segment. 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 with a net profit on sale of $2.9 million.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Dividend

On 14 August 2012, the Directors of Boom Logistics Limited declared that no final dividend would be issued for the financial year ended 30 June 2012.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Directors expect that the Group will continue to improve the profitability and market share of its major business sectors during the next financial year. This will require further investment in the Lifting Solutions segment which has performed well over recent years and offers sound opportunities for future development.

Directors are cognisant of the requirement to continuously disclose material matters to the market. At this time, other than matters addressed in this financial report there are no matters sufficiently advanced or at a level of certainty that would require disclosure.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Board confirms that the Group has adequate systems and processes in place to manage and comply with environmental regulations as they apply to the Group. This includes the National Greenhouse and Energy Reporting Act 2007 which requires the Group to report energy consumption and greenhouse gas emissions for the 12 months ended 30 June 2012 and future periods.

There have been no significant known breaches of any environmental regulations to which the Group is subject.

DIRECTORS' REPORT (continued)

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Boom Logistics Limited have followed recommendations set by the ASX Corporate Governance Council. For further information on corporate governance policies adopted by Boom Logistics Limited, refer to our website: www.boomlogistics.com.au/about-us/corporate-governance.

REMUNERATION REPORT – AUDITED

This report outlines the remuneration arrangements in place for Directors and executives of Boom Logistics Limited and the Group.

Nomination and Remuneration Committee

This Committee has responsibility for advising the Board of Directors on remuneration policy and related matters, including:

– Reviewing and making recommendations with regard to remuneration policies applicable to Directors, executives and employees generally;
– Reviewing and making recommendations in relation to the remuneration of non-executive Directors, CEO and other executives;
– Reviewing and recommending general remuneration principles, including incentive schemes, bonuses and share plans that reward individual and team performance;
– Reviewing and making recommendations to the Board of Directors with regard to termination policies and procedures for Directors, the CEO and other executives;
– Reviewing and making recommendations in relation to the Company's superannuation arrangements; and
– Reviewing and approving an annual remuneration report and making recommendations to the Board of Directors for the inclusion of the Remuneration Report in the Company's annual report.

The Committee comprises only independent non-executive Directors and is chaired by the Chairman of the Board of Directors. The Committee draws upon advice and market survey data from external consultants in discharging its responsibilities.

Executive remuneration policy

Executive remuneration is based upon the following principles:

– External competitiveness, using appropriate independent market survey data comparing the Group's remuneration levels against industry peers in terms of comparable job size and responsibilities;
– Internal equity, ensuring that executive remuneration across the Group is based upon a clear view of the scope of individual positions and the respective responsibilities, with motivation for continual improvement;
– A meaningful component of executive remuneration is "at risk" with entitlement dependent upon achievement of group and individual performance targets set by the Board of Directors and linked to increasing shareholder value; and
– Reward for performance represents a balance of annual and longer term targets.

Use of remuneration consultants

The Nomination and Remuneration Committee engages Hay Group as an independent external remuneration specialist to the Board of Directors to evaluate and benchmark the remuneration of key management personnel ("KMP"). Hay Group was paid $8,310 for the evaluation and benchmarking of KMP's remuneration for the current financial year. Hay Group evaluations and benchmarking data is provided to the Nomination and Remuneration Committee and is free from undue influence by members of the Group's KMP.

The following arrangements were made to ensure that the remuneration recommendations were free from undue influence:

– Hay Group was engaged by, and reported directly to, the chair of the Nomination and Remuneration Committee. The agreement for the provision of remuneration consulting services was executed by the chair of the Nomination and Remuneration Committee under delegated authority on behalf of the Board of Directors;
– The report containing Hay Group's evaluation was provided directly to the chair of the Nomination and Remuneration Committee;

REMUNERATION REPORT – AUDITED (CONTINUED)

Use of remuneration consultants (continued)

- Hay Group's benchmarking data is obtained directly from Hay Group and is used by the Nomination and Remuneration Committee to evaluate KMP remuneration; and
- Hay Group was permitted to speak to the KMPs throughout the engagement. However, Hay Group was not permitted to provide any KMPs with a copy of their draft or final report that contained their evaluations.

As a consequence, the Board of Directors is satisfied that the recommendations were made free from undue influence from any members of the KMP.

In addition to evaluating KMP's remuneration, Hay Group also provided benchmarking data through their remuneration database on a subscription basis. Hay Group was paid a total of $9,600 for providing this service.

Executive remuneration components

There are two primary elements to the Group's remuneration structure:

Fixed annual reward (FAR)

This element comprises base salary, any fringe benefits (e.g. motor vehicle allowance) and employer contributed superannuation. The individual FAR levels to be applied are established on an annual basis using external survey data provided by independent external consultants.

The survey data is drawn from the industrial sector of ASX listed enterprises and is provided on a comparable basis, taking account of the various factors that determine individual job scope and responsibility. The Group targets the market median for each position, projected ahead to the mid point of each year. The final determination of FAR for each executive, as a percentage of the market median, takes account of individual performance and experience in the position.

Executives have scope to vary the components that make up their FAR and can tailor their salary package to suit individual requirements.

Variable remuneration

This element of reward comprises various components determined by factors related to shareholder returns. The proportion of these "at risk" payments in the total remuneration structure is guided by market survey data provided by independent consultants. In this regard the Group targets typical reward structures as related to individual job scope and responsibility.

(a) *Short term incentive plan*

The short term reward is determined by the Group's Short Term Incentive Plan (STIP). The objectives of this plan are:
- To focus executives on key annual business goals and reinforce the link between performance and reward;
- Allow scope to recognise exceptional performance through a sliding scale of reward;
- Encourage teamwork as well as individual performance in meeting annual goals; and
- Align reward with the Group's values.

The STIP is applied following the annual audit of the Group's results and a review of individual performance against agreed targets set at the beginning of each financial year. Any payments made under the STIP will occur in the first half of the following financial year. No STIP payment is made should results fall short of targets. Individual performance measures are reset each year and are determined by the business drivers appropriate to each position.

REMUNERATION REPORT – AUDITED (CONTINUED)

Executive remuneration components (continued)

Variable remuneration (continued)

(b) *Long term incentive plan*

The Group's Long Term Incentive Plan (LTIP) was established to provide reward for consistent performance over a rolling three year period. It is based on the Group achieving a Return on Capital Employed (RoCE) of at least 1% greater than the pre tax investment Weighted Average Cost of Capital (WACC).

RoCE is defined as Trading Earnings Before Interest Expense & Tax / (Average Capital Employed less Goodwill). Trading Earnings Before Interest Expense & Tax is defined as "earnings before interest expense & tax" less one off, non-recurring items. Average Capital Employed is calculated with reference to the opening and closing balances of the financial year for: "trade and other receivables", "inventories", "assets classified as held for sale", "plant and equipment", and "trade and other payables". The pre tax investment WACC is determined using the 10 year bond rate as the risk free rate and using data sourced independently to determine the average Beta in Boom Logistics industry sector.

As with the STIP, the level of reward available under the LTIP is determined on the basis of market survey data provided by independent consultants. The Group has adopted the policy of aligning the level of LTIP reward to average market practice and the quantum is determined by individual job scope and responsibility among the executive group.

The annual value of the reward is converted into the Company's shares at a price determined as the volume weighted average over the five business days preceding the grant date. Shares issued after the end of the 2012 financial year will typically be granted 5 business days following the Company's Annual General Meeting to ensure time for the market to adjust to the released information. The benefit does not vest until 30 June 2015. Vesting requires continued full time employment with the Group over the three year period and RoCE must be greater than the pre tax investment WACC by 1% or more at the end of the three year period.

The operation of the LTIP is conducted through an Employee Share Trust administered by an independent third party – Remuneration Strategies Group.

(c) *Other incentive plans*

Executives can receive additional incentive benefits in relation to the delivery of key projects critical to the Group's future performance as assessed by the Nomination and Remuneration Committee. Executives have also participated in the Group's Executive Investment Trust.

Remuneration review

The review of executive and general staff remuneration is conducted annually through a formal process.

Executive remuneration is reviewed by the Nomination & Remuneration Committee of the Board of Directors with input from the CEO in respect of executives reporting directly to him. Market survey data provided by Hay Group (external independent remuneration specialist) is combined with individual performance appraisals to determine recommendations to go to the Board of Directors for approval. This process occurs in May/June of each year and remuneration adjustments take effect from the beginning of each financial year. The Committee has direct responsibility for reviewing CEO performance against targets set by the Board of Directors and recommending to the Board of Directors appropriate adjustments to his remuneration package.

Staff reviews are similarly conducted by the relevant General Managers, with overview from the CEO.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT – AUDITED (continued)

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Nomination and Remuneration Committee have regard to the following indices in respect of the current financial year and the previous financial years.

	2012	2011	2010	2009
	$'000	$'000	$'000	$'000
Net profit/(loss) attributable to members of Boom Logistics Limited	**$19,705**	$(37,748)	$6,541	$(27,486)
Dividends paid	**$-**	$-	$-	$3,422
Share price at financial year end	**$0.22**	$0.30	$0.39	$0.28
Return on capital employed (as defined on the previous page under "Long Term Incentive Plan" section)	**9.6%**	5.6%	2.6%	7.2%
Pre tax investment weighted average cost of capital (as defined on the previous page under "Long Term Incentive Plan" section)	**11.9%**	12.3%	12.2%	13.9%

The remuneration details of executive directors and senior executives are detailed on the following pages.

Managing Director remuneration

Mr. Mitchell has an employment contract that has no fixed term. Both the Company and Mr. Mitchell are entitled to terminate the employment contract on six month's written notice, except in the case of serious misconduct or neglect of duty. Contractual arrangements relating to a redundancy event are set out below.

The Hay Group system is used to determine the market position relating to the Managing Director role, comparing equivalent positions in comparative companies. Boom Logistics does not pay above market median for this position.

Mr. Mitchell's remuneration package as at 30 June 2012 comprised the following components:
– Fixed annual reward ("FAR") of $705,000 per annum, inclusive of superannuation contributions in line with the Superannuation Guarantee legislation. Mr. Mitchell's FAR is reviewed annually on 1 July each year taking into account the Group's performance, industry and economic conditions, and personal performance;
– Short term incentive plan ("STIP") equivalent to 40% of his FAR upon achievement of performance conditions set by the Board of Directors on an annual basis. The payment of any bonus under the STIP will take place after the finalisation of the annual accounts each year which typically occurs in the first half of the following financial year; and
– Long term incentive plan ("LTIP") equivalent to 45% of his FAR allocated in shares of the Company with a three year vesting condition, but subject to shareholder approval at the Company's Annual General Meeting.

If his employment is terminated on the grounds of redundancy or where a diminution in responsibility occurs, in addition to his notice period, he will be entitled to receive:
– 12 months pay calculated in accordance with his fixed annual reward at the date of redundancy or diminution;
– Long term incentive grants that have vested or qualify within annual vesting conditions, but have not satisfied the usual three year vesting hurdle; and
– Vested employee entitlements.

The STIP provides for a pro-rata payment of bonus on termination but subject to Board of Directors approval.

In the event that Mr. Mitchell is summarily dismissed, he will be paid for the period served prior to dismissal and any accrued leave entitlements. Mr. Mitchell would not be entitled to the payment of any bonus under the STIP or LTIP unless approved by the Board of Directors.

He is subject to restrictive covenants upon cessation of his employment for a maximum period of one year.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT – AUDITED (continued)

Non-Executive Director fees

Non-executive Director fees are determined by reference to external survey data, taking account of the Group's relative size and business complexity. No additional payments are made for serving on Board Committees; no equity incentives are offered and no retirement benefits are payable to any non-executive director. The maximum aggregate sum for non-executive director remuneration of $400,000 was approved by shareholders at the 2004 Annual General Meeting.

Other executives (standard contracts)

All executives have rolling contracts. Either the Company or the executive may terminate the executive's employment agreement by providing 3 months written notice or providing payment in lieu of the notice period (based upon the fixed component of the executive's remuneration). On termination by notice of the Company or the executive, any LTIP shares that have vested or that will vest during the notice period will be awarded. LTIP shares that have not yet vested will be forfeited. The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the executive is only entitled to that proportion of remuneration that is fixed, and only up to the date of termination. On termination with cause any unvested LTIP shares will be forfeited.

Insurance

Amounts disclosed for remuneration of Directors and specified executives exclude insurance premiums paid by the Company in respect of directors' and officers' liability insurance. The premium has not been allocated to the individuals covered by the insurance policy as, based on all available information, the directors believe that no reasonable basis for such allocation exists.

Remuneration report approval at FY2011 Annual General Meeting

The 30 June 2011 remuneration report received positive shareholder support at the FY2011 Annual General Meeting with a vote of 78% in favour.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT – AUDITED (continued)

Compensation of non-executive directors and other key management personnel

Details of non-executive directors and other key management personnel remuneration for the year ended 30 June 2012 are as follows:

	Short Term				Post Employment	Share-based Payments	Long Term	Total	
	Salary & fees	Cash bonus	Non monetary benefits	Other	Super-annuation	Shares	Long service leave		Total performance related
Non-Executive Directors									
John Robinson									
2012	**120,000**	**-**	**-**	**-**	**10,800**	**-**	**-**	**130,800**	**-**
2011	120,000	-	-	-	10,800	-	-	130,800	-
Terence Hebiton									
2012	**60,000**	**-**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
2011	60,000	-	-	-	5,400	-	-	65,400	-
Dr. Huw Davies									
2012	**60,000**	**-**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
2011	60,000	-	-	-	5,400	-	-	65,400	-
Terrence Francis									
2012	**60,000**	**-**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
2011	60,000	-	-	-	5,400	-	-	65,400	-
Fiona Bennett									
2012	**60,000**	**-**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
2011	60,000	-	-	-	5,400	-	-	65,400	-
Total Remuneration: Non-Executive Directors									
2012	**360,000**	**-**	**-**	**-**	**32,400**	**-**	**-**	**392,400**	**-**
2011	360,000	-	-	-	32,400	-	-	392,400	-

DIRECTORS' REPORT (continued)

REMUNERATION REPORT – AUDITED (continued)

Compensation of non-executive directors and other key management personnel (continued)

	Short Term				Post Employment		Share-based Payments	Long Term	Total	
	Cash salary	Cash bonus [a]	Non monetary benefits	Other [b]	Super-annuation	Termination benefits	Shares [c]	Long service leave		Total performance related
Executives										
Brenden Mitchell (Managing Director) [d]										
2012	**442,988**	**81,000**	**11,054**	**232,120**	**50,000**	**-**	**86,202**	**14,079**	**917,443**	**18.2%**
2011	417,667	-	10,133	194,035	49,999	-	101,554	12,403	785,791	12.9%
Iona MacPherson (Chief Financial Officer and Company Secretary) [e]										
2012	**330,523**	**47,088**	**-**	**32,000**	**26,702**	**-**	**27,564**	**9,666**	**473,543**	**15.8%**
2011	323,477	33,000	388	48,000	35,371	-	32,155	8,496	480,886	13.5%
Rosanna Hammond (General Manager – Human Resource) [f]										
2012	**182,081**	**17,004**	**-**	**23,440**	**19,783**	**-**	**11,944**	**4,383**	**258,635**	**11.2%**
2011	198,445	12,000	140	-	18,630	-	13,934	4,108	247,257	10.5%
Paul Martinez (Chief Information Officer and Director of Strategy) [g]										
2012	**367,638**	**45,360**	**-**	**-**	**36,542**	**-**	**26,905**	**8,235**	**484,680**	**14.9%**
2011	342,384	15,000	324	-	32,562	-	31,904	4,833	427,006	11.0%
Tony Spassopoulos (Director of Sales & Marketing) [h]										
2012	**218,723**	**39,240**	**-**	**112,928**	**25,000**	**-**	**22,970**	**7,037**	**425,898**	**14.6%**
2011	198,335	27,000	270	144,647	29,425	-	26,796	4,160	430,633	12.5%
Terese Withington (General Manager – Boom Sherrin) [i]										
2012	**294,067**	**-**	**-**	**25,000**	**41,816**	**-**	**18,376**	**5,013**	**384,272**	**4.8%**
2011	283,083	67,918	69	25,000	37,786	-	21,437	3,587	438,879	20.4%
Peter O'Shannessy (Chief Operating Officer) [j]										
2012	**61,148**	**39,312**	**-**	**-**	**14,733**	**-**	**-**	**(12,479)**	**102,714**	**38.3%**
2011	358,051	-	388	-	30,914	461,710	38,209	7,019	896,292	8.8%
Total Remuneration: Executives										
2012	**1,897,168**	**269,004**	**11,054**	**425,488**	**214,576**	**-**	**193,961**	**35,934**	**3,047,185**	**-**
2011	2,121,443	154,918	11,711	411,682	234,687	461,710	265,988	44,605	3,706,743	-
Total Remuneration: Non-Executive Directors and Executives – Group										
2012	**2,257,168**	**269,004**	**11,054**	**425,488**	**246,976**	**-**	**193,961**	**35,934**	**3,439,585**	**-**
2011	2,481,443	154,918	11,711	411,682	267,087	461,710	265,988	44,605	4,099,143	-

Refer to note 29 for further details.

REMUNERATION REPORT – AUDITED (continued)

Compensation of non-executive directors and other key management personnel (continued)

a *Cash bonus is determined in accordance with the incentive plans outlined on page 31.*

b *Other represents motor vehicle allowance, novated lease payments and contributions to the Group's Executive Investment Trust.*

c *Share-based payments represents ordinary shares in Boom Logistics Limited issued for nil consideration. For the purpose of this disclosure, the ordinary shares have been valued at fair value at the grant date being $0.290 per share, with the exception of Mr. Mitchell being $0.300 per share calculated as the higher of the fair value at grant date or $0.300 per share (2011: $0.450 per share). The share based payment vests over a 3 year period from grant date. Only the expense relating to the period has been recognised in accordance with accounting policy note 3(r).*

d *During the year, 287,186 ordinary shares granted in October 2008 at a fair value at that date of $0.520 per share were forfeited as the vesting conditions were not met.*

e *Ms. MacPherson is a director of all of Boom Logistics Limited's subsidiaries. During the year, 90,452 ordinary shares granted in October 2008 at a fair value at that date of $0.520 per share were forfeited as the vesting conditions were not met.*

f *During the year, 39,196 ordinary shares granted in October 2008 at a fair value at that date of $0.520 per share were forfeited as the vesting conditions were not met.*

g *During the year, 90,452 ordinary shares granted in October 2008 at a fair value at that date of $0.520 per share were forfeited as the vesting conditions were not met.*

h *During the year, 75,377 ordinary shares granted in October 2008 at a fair value at that date of $0.520 per share were forfeited as the vesting conditions were not met.*

i *During the year, 60,301 ordinary shares granted in October 2008 at a fair value at that date of $0.520 per share were forfeited as the vesting conditions were not met. Whilst Ms. Withington received a cash bonus of $67,918 in September 2011, this amount was accrued at the end of FY2011 and therefore, was disclosed in the prior year remuneration.*

j *In June 2011, Mr. O'Shannessy was notified that his position as Chief Operating Officer had been made redundant and the estimated redundancy payment of $461,710 was disclosed as part of his remuneration in the 30 June 2011 Annual Financial Report. Subsequent to 30 June 2011, the actual redundancy payment was as estimated. The disclosure for FY2012 reflects his remuneration received to the date of cessation on 7 September 2011. In addition, all share based payments issued to Mr. O'Shannessy were forfeited as the 3 year vesting conditions were not met.*

DIRECTORS' REPORT (continued)

REMUNERATION REPORT – AUDITED (continued)

Compensation of non-executive directors and other key management personnel (continued)

Shares granted as part of remuneration for the year ended 30 June 2012 (in accordance with the LTIP)

Name	Year	Grant date	Grant number	Vesting date	Fair value per share at grant date *	Vesting benchmark	Maximum value of grant ^
Brenden Mitchell	**2012**	**4 Nov 11**	**1,057,500**	**5 Nov 14**	**$0.300**	**RoCE > WACC by 1%**	**$359,550**
	2011	5 Nov 10	650,433	5 Nov 13	$0.450	RoCE > WACC by 1%	$221,147
	2010	4 Dec 09	705,556	4 Dec 12	$0.390	RoCE > WACC by 1%	$239,889
Iona MacPherson	**2012**	**4 Nov 11**	**349,397**	**5 Nov 14**	**$0.292**	**RoCE > WACC by 1%**	**$118,795**
	2011	5 Nov 10	210,064	5 Nov 13	$0.450	RoCE > WACC by 1%	$71,422
	2010	4 Dec 09	222,222	4 Dec 12	$0.390	RoCE > WACC by 1%	$75,555
Rosanna Hammond	**2012**	**4 Nov 11**	**151,405**	**5 Nov 14**	**$0.292**	**RoCE > WACC by 1%**	**$51,478**
	2011	5 Nov 10	91,028	5 Nov 13	$0.450	RoCE > WACC by 1%	$30,950
	2010	4 Dec 09	96,296	4 Dec 12	$0.390	RoCE > WACC by 1%	$32,741
Paul Martinez	**2012**	**4 Nov 11**	**336,575**	**5 Nov 14**	**$0.292**	**RoCE > WACC by 1%**	**$114,436**
	2011	5 Nov 10	202,355	5 Nov 13	$0.450	RoCE > WACC by 1%	$68,801
	2010	4 Dec 09	222,222	4 Dec 12	$0.390	RoCE > WACC by 1%	$75,555
Tony Spassopoulos	**2012**	**4 Nov 11**	**291,165**	**5 Nov 14**	**$0.292**	**RoCE > WACC by 1%**	**$98,996**
	2011	5 Nov 10	175,054	5 Nov 13	$0.450	RoCE > WACC by 1%	$59,518
	2010	4 Dec 09	185,186	4 Dec 12	$0.390	RoCE > WACC by 1%	$62,963
Terese Withington	**2012**	**4 Nov 11**	**232,931**	**5 Nov 14**	**$0.292**	**RoCE > WACC by 1%**	**$79,197**
	2011	5 Nov 10	140,043	5 Nov 13	$0.450	RoCE > WACC by 1%	$47,615
	2010	4 Dec 09	148,148	4 Dec 12	$0.390	RoCE > WACC by 1%	$50,370

* The fair values per share were assessed as the 5 day volume weighted average market price at the grant dates.

^ The maximum value of grants has been estimated based on a 52 week high in FY2012 of $0.34 per share. The minimum total value of each grant, if the applicable performance conditions are not met is nil.

DIRECTORS' REPORT (continued)

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS

The auditor's independence declaration is set out on page 40 and forms part of the directors' report for the financial year ended 30 June 2012.

NON-AUDIT SERVICES

The following non-audit services were provided by KPMG, the Company's auditor. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

KPMG received or are due to receive the following amounts for the provision of non-audit services:

Tax services	$92,100
Total remuneration for non-audit services	$92,100

PROCEEDINGS ON THE BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

ROUNDING

The amounts contained in this report and in the financial report are presented in Australian dollars and have been rounded to the nearest $1,000 (where rounding is applicable) under the option available under ASIC Class Order 98/100. The Group is of a kind to which the Class Order applies.

Signed in accordance with a resolution of the directors.

John Robinson
Chairman

Brenden Mitchell
Managing Director

Melbourne, 14 August 2012

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Boom Logistics Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2012 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Michael Bray
Partner

Melbourne

14 August 2012

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED INCOME STATEMENT

Year Ended 30 June 2012

	Note	2012	2011
		$'000	$'000
Revenue	5	**352,141**	338,332
Salaries and employee benefits expense	5(c)	**(157,119)**	(150,484)
Equipment service and supplies expense		**(92,986)**	(92,211)
Cost of sales associated with cranes	5(c)	**-**	(1,037)
Operating lease expense		**(10,221)**	(12,543)
Other expenses		**(24,805)**	(25,843)
Restructuring expense	19	**(1,173)**	(2,761)
Depreciation and amortisation expense	5(c)	**(28,640)**	(32,204)
Impairment expense	5(c)	**-**	(48,400)
Profit/(loss) before financing expenses and income tax		**37,197**	(27,151)
Financing expenses	5(c)	**(11,171)**	(15,557)
Profit/(loss) before income tax		**26,026**	(42,708)
Income tax (expense)/benefit	6(a)	**(6,321)**	6,929
Profit/(loss) from continuing operations		**19,705**	(35,779)
Loss from discontinued operations (net of income tax)	36	**-**	(1,969)
Net profit/(loss) attributable to members of Boom Logistics Limited		**19,705**	(37,748)
Basic earnings/(loss) per share (cents per share)	7	**4.2**	(8.2)
Diluted earnings/(loss) per share (cents per share)	7	**4.2**	(8.2)
Franked dividends per share (cents per share)	8	**-**	-

The accompanying notes form an integral part of the Consolidated Income Statement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year Ended 30 June 2012

	Note	2012	2011
		$'000	$'000
Net profit/(loss) attributable to members of Boom Logistics Limited		19,705	(37,748)
Other comprehensive loss			
Cash flow hedges recognised in equity, net of tax	24	(1,269)	(10)
Other comprehensive loss for the year, net of tax		(1,269)	(10)
Total comprehensive income/(loss) for the year attributable to members of Boom Logistics Limited		18,436	(37,758)

The accompanying notes form an integral part of the Consolidated Statement of Comprehensive Income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Note	2012	2011
		$'000	$'000
CURRENT ASSETS			
Cash and cash equivalents	9(a)	**10,102**	9,073
Trade and other receivables	10	**69,948**	57,783
Inventories	11	**313**	1,419
Prepayments and other current assets	12	**3,530**	4,138
Assets classified as held for sale	13	**4,603**	5,031
Income tax receivable	6(c)	**8,030**	8,029
TOTAL CURRENT ASSETS		**96,526**	85,473
NON-CURRENT ASSETS			
Plant and equipment	14	**342,290**	322,619
Intangible assets	15(b)	**74,215**	72,158
TOTAL NON-CURRENT ASSETS		**416,505**	394,777
TOTAL ASSETS		**513,031**	480,250
CURRENT LIABILITIES			
Trade and other payables	17	**36,847**	24,977
Interest bearing loans and borrowings	18	**16,670**	108,769
Provisions	19	**13,092**	14,934
Derivative financial instruments	20	**870**	-
Other liabilities	21	**4,295**	5,018
TOTAL CURRENT LIABILITIES		**71,774**	153,698
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	18	**107,186**	17,926
Provisions	19	**947**	929
Derivative financial instruments	20	**1,513**	-
Deferred tax liabilities	6(b)	**15,872**	10,266
TOTAL NON-CURRENT LIABILITIES		**125,518**	29,121
TOTAL LIABILITIES		**197,292**	182,819
NET ASSETS		**315,739**	297,431
EQUITY			
Contributed equity	22	**318,065**	318,065
Retained (losses)	23	**(1,670)**	(21,375)
Reserves	24	**(656)**	741
TOTAL EQUITY		**315,739**	297,431

The accompanying notes form an integral part of the Consolidated Statement of Financial Position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 30 June 2012

	Note	2012 $'000	2011 $'000
Cash flows from operating activities			
Receipts from customers		371,073	374,427
Payments to suppliers and employees		(324,468)	(324,186)
Interest paid		(10,610)	(12,692)
Interest received		449	485
Income tax (paid)/received		(2)	(3,930)
Net cash provided by operating activities	9(b)	36,442	34,104
Cash flows from investing activities			
Purchase of plant and equipment		(46,706)	(33,049)
Payment for intangible assets – software development costs		(2,387)	(631)
Proceeds from the sale of plant and equipment		15,282	5,763
Net cash (used in) investing activities		(33,811)	(27,917)
Cash flows from financing activities			
Proceeds from borrowings		52,333	28,957
Repayment of borrowings		(53,935)	(36,204)
Payment of dividends	8(a)	-	-
Net cash (used in) financing activities		(1,602)	(7,247)
Net increase/(decrease) in cash and cash equivalents		1,029	(1,061)
Cash and cash equivalents at the beginning of the period		9,073	10,134
Cash and cash equivalents at the end of the period	9(a)	10,102	9,073

The accompanying notes form an integral part of the Consolidated Statement of Cash Flows.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year Ended 30 June 2012

	Note	Issued Capital	Retained Earnings	Cash Flow Hedge Reserve	Employee Equity Benefits Reserve	Total Equity
		$'000	$'000	$'000	$'000	$'000
At 1 July 2010		318,065	16,373	10	448	334,896
Loss for the year		-	(37,748)	-	-	(37,748)
Other comprehensive loss	24	-	-	(10)	-	(10)
Total comprehensive loss		-	(37,748)	(10)	-	(37,758)
Transactions with owners in their capacity as owners:						
Cost of share based payments	24	-	-	-	293	293
At 30 June 2011		**318,065**	**(21,375)**	**-**	**741**	**297,431**
Profit for the year		**-**	**19,705**	**-**	**-**	**19,705**
Other comprehensive loss	24	**-**	**-**	**(1,269)**	**-**	**(1,269)**
Total comprehensive income		**-**	**19,705**	**(1,269)**	**-**	**18,436**
Transactions with owners in their capacity as owners:						
Cost of share based payments	24	**-**	**-**	**-**	**(128)**	**(128)**
At 30 June 2012		**318,065**	**(1,670)**	**(1,269)**	**613**	**315,739**

The accompanying notes form an integral part of the Consolidated Statement of Changes in Equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 30 June 2012

1. CORPORATE INFORMATION

The financial report of Boom Logistics Limited and its subsidiaries ("the Group") for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 14 August 2012.

Boom Logistics Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The Group is a for profit entity and the nature of its operations and principal activities are described in note 30.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Historical cost convention

The financial report has been prepared in accordance with the historical cost convention rounded to the nearest thousand dollars ($'000) in accordance with ASIC Class Order 98/100 unless otherwise stated. The financial report is presented in Australian dollars which is the Company's functional currency.

(c) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the following notes:

Impairment testing of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 3(l). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 16 for details of these assumptions.

Impairment testing of plant and equipment

The Group tests annually whether plant and equipment has suffered any impairment, in accordance with the accounting policy stated in note 3(m). The recoverable amounts of plant and equipment have been determined based on its value in use. These calculations require the use of assumptions. Refer to note 14 for details of these assumptions.

Useful lives and residual values of plant and equipment

The Group determines the estimated useful lives of assets and related depreciation charges for its plant and equipment based on the accounting policy stated in note 3(j). These estimates are based on projected capital equipment lifecycles for periods up to twenty years based on useful life assumptions.

Residual values are determined based on the value the Group would derive upon ultimate disposal of the individual piece of plant and equipment at the end of its useful life. The achievement of these residual values is dependent upon and could be impacted as a result of the industrial cycle.

Management will increase the depreciation charge where useful lives are less than previously estimated lives or there is evidence that residual values can not be achieved.

2. BASIS OF PREPARATION (continued)

Tax balances

Judgement and estimation is required over the calculation and recognition of current and deferred tax balances. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets, liabilities and expense/benefit in the period in which such determination is made.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise those temporary differences and losses, and the losses continue to be available having regard to their nature and timing of origination. Utilisation of tax losses also depends on the ability of the Group to satisfy certain tests at the time the losses are recouped.

(d) Changes in accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out in note 3.

These policies are consistent with those of the previous financial year, with the exception of the reclassification of capitalised software development costs from plant and equipment to intangible assets in accordance with AASB 138 Intangible Assets. The development costs incurred during the period related to the Group's investment in its new payroll and general ledger systems. Both are scheduled for completion in FY2013 and will be amortised over the useful life of the systems. The carrying value of intangible assets have increased by $3.405 million with plant and equipment decreasing by the same amount. Prior period comparatives have been adjusted accordingly, including the Statement of Cash Flows and note 5.

The Group has not elected to early adopt any accounting standards or amendments (refer to note 3(z)).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities, except as explained in note 2(d), which address changes in accounting policies.

Certain comparative amounts have been reclassified to conform with the current year's presentation as if an operation discontinued during the current year had been discontinued from the start of the comparative year (refer to note 36).

(a) Basis of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of Boom Logistics Limited and its subsidiaries as at 30 June each year. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

In the parent company financial statements, investments in subsidiaries are carried at cost.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from the hire of lifting/access equipment and services provided, and the repairs of cranes and other equipment is recognised where the right to be compensated for the services can be reliably measured.

Interest revenue

Interest revenue is recognised on a time proportionate basis using the effective interest method.

(c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (ie. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are recognised in the income statement using the effective interest rate method.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(d) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

(e) Cash and cash equivalents

Cash on hand and in banks are stated at nominal value

For the purposes of the cash flow statement, cash includes cash on hand and in banks net of outstanding bank overdrafts.

(f) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment (refer note 3(m)). Trade receivables are generally due for settlement within 30 – 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance for impairment of trade receivables is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an allowance for impairment had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(h) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Boom Logistics Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Boom Logistics Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Boom Logistics Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

(j) Plant and equipment

Plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When a major overhaul is performed, the cost is recognised in the carrying amount of plant and equipment only if the major overhaul extends the expected useful life of the asset or if the continuing operation of the asset is conditional upon incurring the expenditure. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of plant and equipment as a replacement only if it is eligible for capitalisation. The cost of the day-to-day servicing or the replacement of parts of plant and equipment is recognised in profit or loss as incurred.

Depreciation is recognised in the income statement on a straight line basis over the estimated useful life of each part of an item of plant and equipment as follows:

Mobile Cranes > 20T	**20 Years**
Travel Towers	**20 Years**
Tower Cranes	**20 Years**
Tower Sections / Frames	**20 Years**
Stiffleg Derricks	**20 Years**
Mobile Cranes < 20T	**10 Years**
Access Equipment	**10 Years**
Ancillary Equipment	**10 Years**
Office Equipment	**10 Years**
Workshop Equipment	**10 Years**
Leasehold Improvements	**Lesser of lease term or 10 Years**
Vehicles	**5 to 10 Years**
Computer Equipment	**3 to 5 Years**

Depreciation methods, useful lives and residual values are reviewed at each reporting date and at more regular intervals when there is an indicator of impairment or when deemed appropriate.

Gains or losses on sale of plant and equipment are included in the income statement in the year the asset is disposed of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Plant and equipment (continued)

Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. No depreciation is recognised whilst an asset is held for sale. Interest and other expenses attributable to the assets held for sale continue to be recognised.

(k) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate.

Intangible assets with indefinite useful lives are tested for impairment at each reporting date either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed at each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

A summary of the policies applied to the Group's intangible assets excluding goodwill is as follows:

	Software Development Costs
Useful lives	*Finite*
Method used	*Life of software*
Internally generated / Acquired	*Internally generated*
Impairment test / Recoverable amount testing	*Amortisation method reviewed at each financial year end; Reviewed annually for indicator of impairment.*

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

(m) Impairment of assets

Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit or a group of cash-generating units is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units or a group of cash-generating units that are expected to benefit from the synergies of the combination and at the lowest level monitored by management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

An impairment loss is recognised if the carrying amount of an asset, cash-generating unit or a group of cash-generating units exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is probable. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Employee benefits

Wages, salaries, annual leave, sick leave and rostered days off

Liabilities for wages and salaries, including non monetary benefits, annual leave, accumulating sick leave and rostered days off represent present obligations from employees' services provided to the reporting date and are recognised in employee provisions up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution plans are recognised as a personnel expense in the income statement in the period in which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(r) Share-based payments

The Group provides benefits to senior management of the Group in the form of share based payments, whereby senior management receives incentive based share allocations vesting upon achievement of preset performance targets over a rolling three year period.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Boom Logistics Limited (market conditions) if applicable.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Share-based payments (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

If an equity settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(s) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(t) Dividends

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(u) Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares outstanding during the year, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:
- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Financial instruments

Non-derivative financial instruments comprise investments in trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Measurement of each of the non-derivative financial instruments is covered in the respective policy notes – trade and other receivables 3(f), cash and cash equivalents 3(e), interest bearing loans and borrowings 3(o), and trade and other payables 3(n). Refer to note 33 for detailed disclosures.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control and substantially all risks and rewards of the asset.

Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Derivatives and hedging

The Group uses derivative financial instruments, such as forward foreign currency and interest rate swap contracts, to hedge its foreign currency risks and interest rate risks, respectively. Such derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 20. Movements in the hedging reserve in shareholders' equity are shown in note 24. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expense.

Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is a non financial asset (for example, inventory or fixed assets), the amounts taken to equity are transferred to the initial carrying amount of the non financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the income statement.

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments.

(y) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. The results of discontinued operations are presented separately in the consolidated income statement. Prior period comparatives have been adjusted where required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) New accounting standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They are not yet effective and have not been adopted by the Group in preparing this financial report.

(i) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013).

(ii) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 (effective 1 January 2015).

(iii) AASB 2011-4 Amendments to Australia Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective 1 July 2013).

(iv) AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australia Accounting Standards arising from AASB 119 (effective 1 January 2013).

(v) AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (effective 1 January 2013).

4. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has empowered senior management for developing and monitoring risk management guidelines and policies. The Chief Financial Officer reports regularly to the Board of Directors on relevant activities.

Risk management guidelines have been further developed to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management guidelines are regularly reviewed to reflect changes in market conditions and the Group's activities.

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management guidelines, policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group's policy is to trade with recognised, creditworthy third parties. It is the Group's practice that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group. Refer to note 33 for detailed disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

4. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial obligations as they fall due under both normal and stressed conditions without incurring unacceptable losses or damage to the Group's reputation. In order to meet these requirements management estimates the cash flows of the Group on a weekly basis.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts. At 30 June 2012, the Group's balance sheet gearing ratio was 36% (2011: 40%). This ratio is calculated as net debt divided by equity. Net debt is calculated as total interest bearing loans and borrowings less cash and cash equivalents. Equity is as shown on the Balance Sheet. Refer to note 33 for detailed disclosure.

Market risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. Refer to note 33 for detailed disclosure.

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group has transactional currency exposures arising from purchases of plant and equipment in currencies other than the functional currency. It is the Group's policy to hedge 100% of its estimated foreign currency purchases. The Group's policy is not to enter into forward currency contracts until a firm commitment is in place and to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness.

Interest rate risk

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The level of fixed and variable rate debt is disclosed in note 33.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to maintain healthy capital ratios, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the balance sheet gearing ratio. This ratio is calculated as net debt divided by equity. Information regarding compliance with debt facility requirements is disclosed in note 18.

	Note	2012	2011
		$'000	$'000
Interest bearing loans and borrowings	18	**123,856**	126,695
Less: cash and cash equivalents	9(a)	**(10,102)**	(9,073)
Net debt		**113,754**	117,622
Total equity		**315,739**	297,431
Gearing ratio		**36%**	40%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

		Note	2012 $'000	2011 $'000
5.	**REVENUE AND EXPENSES**			
(a)	**Revenue from continuing operations**			
	Revenue from services		347,825	336,115
	Revenue from sale of goods		-	1,345
	Interest income from other persons/corporations		449	482
			348,274	337,942
(b)	**Other income**			
	Net profit / (loss) on disposal of plant and equipment	(i)	3,867	390
			3,867	390
	Total revenue		352,141	338,332

(i) Net gains on disposal of plant and equipment included $2.9m profit on sale of the Melbourne tower crane assets which were sold in October 2011. This asset sale occurred within the Lifting Solutions operating segment.

		Note	2012 $'000	2011 $'000
(c)	**Expenses**			
	Salaries and employee benefits		147,655	141,933
	Defined contribution plan expense		9,464	8,551
	Total salaries and employee benefits expense		157,119	150,484
	Depreciation of plant and equipment	14	28,310	31,874
	Amortisation of intangible assets – software development costs	15(c)	330	330
	Total depreciation and amortisation expense		28,640	32,204
	Impairment of intangibles – goodwill	15(c)	-	19,623
	Impairment of plant and equipment	14	-	26,163
	Impairment of assets classified as held for sale	14	-	1,844
	Impairment of inventories		-	770
	Total impairment expense		-	48,400
	Financing expenses		11,171	15,557
	Cost of crane sales and servicing through the Crane Sales and Service segment		-	1,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	2012 $'000	2011 $'000
6. INCOME TAX		
The major components of income tax expense / (benefit) are:		
(a) Income tax expense		
Current income tax		
Current income tax expense / (benefit)	1,603	18
Adjustments in respect of current income tax of previous years	(1,603)	698
Deferred income tax		
Relating to origination and reversal of temporary differences	6,321	(7,645)
	6,321	(6,929)
A reconciliation between tax expense / (benefit) and the accounting profit before income tax (multiplied by the Group's applicable income tax rate) is as follows:		
Accounting profit/(loss) before tax from continuing operations	26,026	(42,708)
At the Group's statutory income tax rate of 30% (2011: 30%)	7,808	(12,812)
Expenditure not allowable for income tax purposes	116	180
Goodwill impairment not allowable for income tax purposes	-	5,880
Adjustments in respect of current income tax of previous years	(1,603)	50
Capital investment allowance	-	(227)
Income tax expense / (benefit) reported in the consolidated income statement	6,321	(6,929)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

6. INCOME TAX (continued)

(b) Deferred income tax

	BALANCE SHEET		INCOME STATEMENT	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Deferred income tax at 30 June relates to the following:				
Deferred tax assets				
– Employee leave provisions	**3,991**	3,853	**(138)**	(193)
– Allowance for impairment on financial assets	**386**	649	**263**	(174)
– Liability accruals	**395**	689	**294**	(274)
– Restructuring provisions	**-**	450	**450**	(450)
– Tax losses	**4,506**	8,361	**3,855**	(648)
– Cash flow hedges (recognised in other comprehensive income)	**715**	–		
Gross deferred income tax assets	**9,993**	14,002		
Deferred tax liabilities				
– Accelerated depreciation for tax purposes	**(25,865)**	(24,268)	**1,597**	(6,167)
– Foreign currency balances	**-**	-	**-**	261
Gross deferred income tax liabilities	**(25,865)**	(24,268)		
Net tax assets / (liabilities)	**(15,872)**	(10,266)		
Deferred tax expense / (income)			**6,321**	(7,645)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	Note	2012 $'000	2011 $'000
6. INCOME TAX (continued)			
(c) Income tax payable			
Income tax (receivable) / payable	(ii)	**(8,030)**	(8,029)

(ii) Income tax receivable represents a franking deficit tax offset of $3.687 million (2011: $3.687 million) and the anticipated tax refund in respect of the FY2012 year of $4.343 million (2011: $4.342 million).

(d) Tax losses

The Group has unused tax losses of $4.506 million (2011: $8.361 million) which has been recognised as a deferred tax asset as it is probable that sufficient taxable profit will be available to allow all the tax losses to be utilised.

7. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	2012	2011
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:		
Net (loss)/profit after tax	**19,705**	(37,748)
	No. of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share	**467,072,523**	461,280,299
Effect of dilutive securities:		
– employee share awards	**-**	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**467,072,523**	461,280,299
Number of ordinary shares at financial year end	**468,663,585**	465,011,147

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	Note	2012	2011
		$'000	$'000
8. DIVIDENDS PAID AND PROPOSED			
(a) Dividends paid during the year			
Current year interim			
Fully franked dividends (nil cents per share) (2011: nil cents per share)		-	-
Previous year final			
Fully franked dividends (nil cents per share) (2011: nil cents per share)		-	-
		-	-
(b) Dividends proposed and not recognised as a liability			
Fully franked dividends (nil cents per share) (2011: nil cents per share)		-	-
(c) Franking credit balance			
The amount of franking credits available for the subsequent financial year are:			
– Franking credits as at the end of the financial year at 30% (2011: 30%)		3	1
– Franking (deficits) / credits that will arise from the payment / (receipt) of income tax payable / (receivable) as at the end of the financial year	6(c)	(8,030)	(8,029)
– Franking debits that will arise from the payment of dividends as at the end of the financial year		-	-
		(8,027)	(8,028)
The amount of franking credits available for future reporting periods:			
– Impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period		-	-
		(8,027)	(8,028)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	Note	2012	2011
		$'000	$'000
9. CASH AND CASH EQUIVALENTS			
(a) Reconciliation of cash			
Cash at bank and on hand		10,102	9,073
Closing cash balance		10,102	9,073

Cash at bank earns interest at floating rates based on daily bank deposit rates. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 33.

	Note	2012	2011
(b) Reconciliation of the net profit/(loss) after tax to the net cash flows from operations			
Net profit/(loss) after tax		19,705	(37,748)
Non cash items			
Depreciation and amortisation of non-current assets	5(c)	28,640	32,204
Impairment of assets	5(c)	-	48,400
Net (profit)/loss on disposal of plant and equipment	5(b)	(3,867)	(390)
Share based payments	24	(128)	293
Reversal of unused provisions	19	(168)	-
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		(12,165)	1,534
(Increase)/decrease in inventories		1,106	2,151
(Increase)/decrease in prepayments and other assets		608	2,385
(Decrease)/increase in trade and other payables		(183)	(1,858)
(Increase)/decrease in current tax receivables		(1)	(4,052)
(Decrease)/increase in deferred tax liabilities		5,606	(7,645)
(Decrease)/increase in provisions		(1,824)	3,595
(Decrease)/increase in other liabilities		(887)	(4,766)
Net cash flow from operating activities		36,442	34,104
10. TRADE AND OTHER RECEIVABLES			
Trade receivables	(i)	66,763	57,723
Allowance for impairment	33(a)	(1,286)	(2,164)
		65,477	55,559
Other receivables		4,471	2,224
Total trade and other receivables		69,948	57,783

(i) Trade receivables are non interest bearing and are generally on 30 – 60 day terms. An allowance for impairment is made when there is objective evidence that a trade receivable is impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	2012 $'000	2011 $'000
11. INVENTORIES		
Stock on hand at cost	90	393
Stock on hand at net realisable value	-	776
	90	1,169
Fuel at cost	223	250
Total inventories	313	1,419

The decrease from the prior year is predominately due to the exit of the GM Baden business which is part of the Crane Sales and Service operating segment.

Inventories recognised as expense during the year ended 30 June 2012 amounted to $11,166,000 (2011:$13,254,000) representing $nil (2011: $2,815,000) cost of sales associated with cranes and $11,166,000 (2011:$10,439,000) fuel and tyres.

During the year ended 30 June 2012 the write-down of inventories to net realisable value amounted to $nil (2011: $770,000) which is disclosed in the impairment expense line in the income statement. Refer to note 5(c).

12. PREPAYMENTS AND OTHER CURRENT ASSETS

	2012 $'000	2011 $'000
Prepayments	2,891	3,686
Other current assets	639	452
Total prepayments and other current assets	3,530	4,138

13. ASSETS CLASSIFIED AS HELD FOR SALE

	2012 $'000	2011 $'000
Plant and equipment	4,603	5,031
Total assets classified as held for sale	4,603	5,031

Assets classified as held for sale at year end consists of cranes, travel towers and access equipment in the Lifting Solutions segment that are no longer in use and are available for immediate sale.

The carrying value of assets classified as held for sale held under finance leases, hire purchase contracts and secured bank loans at 30 June 2012 is $1,321,351 (2011: $847,000). Refer to note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	Note	Rental Equipment	Motor Vehicles*	Machinery, Furniture, Fittings & Equipment	Total
		$'000	$'000	$'000	$'000
14. PLANT AND EQUIPMENT					
Opening balance at 1 July 2010					
At cost		461,539	40,813	24,382	526,734
Accumulated depreciation		(128,062)	(17,199)	(15,478)	(160,739)
Net carrying amount		333,477	23,614	8,904	365,995
Year ended 30 June 2011					
Carrying amount at beginning net of accumulated depreciation and impairment		333,477	23,614	8,904	365,995
Additions		20,945	89	547	21,581
Disposals	(i)	(4,510)	(344)	(278)	(5,132)
Transfers		(3,063)	2,107	956	-
Impairment	5(c)	(27,336)	(671)	-	(28,007)
Transfer to / from assets held for sale		56	-	-	56
Depreciation charge for the year	5(c)	(27,373)	(2,357)	(2,144)	(31,874)
Carrying amount at end net of accumulated depreciation and impairment		292,196	22,438	7,985	322,619
Closing balance at 30 June 2011					
At cost		463,855	41,186	24,477	529,518
Accumulated depreciation		(171,659)	(18,748)	(16,492)	(206,899)
Net carrying amount		292,196	22,438	7,985	322,619
Year ended 30 June 2012					
Carrying amount at beginning net of accumulated depreciation and impairment		**292,196**	**22,438**	**7,985**	**322,619**
Additions		**49,992**	**6,588**	**1,675**	**58,255**
Disposals	(i)	**(8,815)**	**(1,131)**	**(500)**	**(10,446)**
Transfers		**2,332**	**(2,237)**	**(95)**	**-**
Transfer to / from assets held for sale		**172**	**-**	**-**	**172**
Depreciation charge for the year	5(c)	**(24,134)**	**(1,959)**	**(2,217)**	**(28,310)**
Carrying amount at end net of accumulated depreciation and impairment		**311,743**	**23,699**	**6,848**	**342,290**
Closing balance at 30 June 2012					
At cost		**474,242**	**43,190**	**24,468**	**541,900**
Accumulated depreciation		**(162,499)**	**(19,491)**	**(17,620)**	**(199,610)**
Net carrying amount		**311,743**	**23,699**	**6,848**	**342,290**

** Motor vehicles represent prime movers, trailers and forklifts.*

(i) Disposals include assets classified as held for sale that were disposed during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

14. PLANT AND EQUIPMENT (continued)

The carrying value of plant and equipment held under finance leases, hire purchase contracts and secured bank loans at 30 June 2012 is $177,525,044 (2011: $182,992,144), the majority of which is in the rental equipment category. Additions during the year include $37,044,877 (2011: $11,891,901) of plant and equipment held under secured bank loans.

Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities (refer to note 18).

Plant and equipment with a carrying amount of $342,290,000 (2011: $322,619,000) are pledged as securities for current and non current interest bearing loans and borrowings as disclosed in note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	Note	2012 $'000	2011 $'000
15. INTANGIBLE ASSETS			
(a) Opening balance at 1 July			
Goodwill		**70,810**	90,433
Software development costs (net carrying amount)		**1,348**	1,047
Total net carrying amounts		**72,158**	91,480
(b) Closing balance at 30 June			
Goodwill	16	**70,810**	70,810
Software development costs (net carrying amount)		**3,405**	1,348
Total net carrying amounts		**74,215**	72,158
(c) Reconciliations			
Goodwill			
Carrying amount at beginning of year net of impairment		**70,810**	90,433
Impairment	5(b)	**-**	(19,623)
Carrying amount at end of year net of impairment		**70,810**	70,810
Represented by:			
Cost (gross carrying amount)		**111,496**	111,496
Accumulated impairment		**(40,686)**	(40,686)
Net carrying amount		**70,810**	70,810
Software development costs			
Carrying amount at beginning net of accumulated amortisation and impairment		**1,348**	1,047
Additions – internal development		**2,387**	631
Amortisation charge for the year		**(330)**	(330)
Carrying amount at end net of accumulated amortisation and impairment		**3,405**	1,348
Represented by:			
Cost (gross carrying amount)		**4,339**	1,952
Accumulated amortisation and impairment		**(934)**	(604)
Net carrying amount		**3,405**	1,348

16. IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations has been allocated to cash generating units ("CGUs") for impairment testing. The recoverable amount of the CGUs has been determined based on a value in use calculation using cash flow projections premised on financial projections approved by the Board of Directors relating to the financial year ending 30 June 2013. Cash flows beyond this period are extrapolated using an average 4% growth rate over the period which is deemed a reasonable period for estimating cash flows beyond 2013 (up to a maximum of 10 years plus an appropriate terminal multiple) for the group of cash generating units being tested. The discount rate applied to the cash flow projections is 10.8% (2011: 12.3%) being the Group's pre-tax weighted average cost of capital. All variables impacting the WACC calculation have been updated to reflect current company and market conditions.

Allocation of Goodwill
The Group allocates goodwill acquired in a business combination to the groups of CGUs which are expected to benefit from the synergies of the combination.

	2012	2011
	$'000	$'000
Carrying amount of goodwill allocated to each CGU:		
– Crane Hire (Lifting Solutions segment)	**51,089**	51,089
– Travel Towers (Lifting Solutions segment)	**19,721**	19,721
	70,810	70,810

Key assumptions used in value in use calculations
The key assumption on which management has based its cash flow projections when determining the value in use of the cash generating units is that projected margins are determined based on historical performances, adjusted for internal/external changes anticipated in the forecast for the 2013 financial year.

The Group has considered a range of reasonably possible changes in key assumptions and do not believe that these changes would result in any material impairment loss being recognised.

17. TRADE AND OTHER PAYABLES

	2012	2011
Current		
Trade payables – creditors	**19,430**	18,893
Trade payables – letters of credit	**12,053**	-
Other payables	**5,364**	6,084
Total current trade and other payables	**36,847**	24,977

Trade payables are non-interest bearing and are normally subject to settlement on 30 day terms.

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 33.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

18. INTEREST BEARING LOANS AND BORROWINGS

	Note	2012	2011
		$'000	$'000
Current			
Obligations under finance leases and hire purchase contracts		16,670	33,378
Secured bank loans		-	75,391
Total current interest bearing liabilities	25(b)	16,670	108,769
Non-current			
Obligations under finance leases and hire purchase contracts		-	17,926
Secured bank loans		107,186	-
Total non-current interest bearing liabilities	25(b)	107,186	17,926
Total interest bearing liabilities	33(d)	123,856	126,695

Terms and debt repayment schedule	Currency	Nominal interest rate	Year of maturity	Carrying amount	
Finance leases and hire purchase contracts	AUD	8.5%	2012–2013	16,670	51,304
Secured bank loan	AUD	5.7%	2014	107,186	75,391
Total interest bearing liabilities				123,856	126,695

Refer to note 33(e) for disclosure of fair value versus carrying value.

Covenant Position

The Group is in compliance with all financial and non-financial banking covenants at 30 June 2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	Note	2012	2011
		$'000	$'000
18. INTEREST BEARING LOANS AND BORROWINGS (continued)			
Financing facilities available			
At reporting date, the following financing facilities had been negotiated and were available:			
Total facilities:			
– bank overdraft		1,500	1,500
– bank loans and borrowings		195,170	169,282
		196,670	170,782
Facilities used at reporting date:			
– bank overdraft		-	-
– bank loans and borrowings		123,856	126,695
		123,856	126,695
Facilities unused at reporting date:			
– bank overdraft		1,500	1,500
– bank loans and borrowings		71,314	42,587
		72,814	44,087
Assets pledged as security			
Fixed and floating charges are held over all of the assets of the Group including the following financial assets and plant and equipment:			
Current			
– Cash at bank and in hand	9	10,102	9,073
– Trade and other receivables	10	69,948	57,783
– Assets classified as held for sale	13	3,282	4,184
– Assets classified as held for sale under lease	13	1,321	847
Total current assets pledged as security		84,653	71,887
Non current			
– Plant and equipment		164,765	139,627
– Plant and equipment under lease		177,525	182,992
Total non-current assets pledged as security	14	342,290	322,619
Total value of assets pledged as security		426,943	394,506

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	2012	2011
	$'000	$'000
19. PROVISIONS		
Employee related provisions	**13,567**	14,213
Property leases	**222**	100
Legal	**250**	250
Restructuring	**-**	1,300
Total provisions	**14,039**	15,863
Current	**13,092**	14,934
Non-current	**947**	929
	14,039	15,863

Movements in each class of provision during the financial year, other than employee leave entitlements, are set out below:

	Restructuring	Workcover matter	Property lease	Total
	$'000	$'000	$'000	$'000
At 1 July	1,300	250	100	**1,650**
Arising during the year	1,341	-	122	**1,463**
Utilised	(2,473)	-	-	**(2,473)**
Unused amounts reversed	(168)	-	-	**(168)**
At 30 June	**-**	**250**	**222**	**472**

Employee related provisions

Employee related provisions include accrued annual leave, vesting sick leave, rostered days off, long service leave and bonus provisions.

Property leases

The provision for property leases includes make good provisions in respect of the Group's leased properties and a provision for surplus lease space for one of the recently exited Boom Sherrin leased property.

Legal

A provision has been recognised in relation to a legal matter which is currently underway. The provision was estimated based on legal advice and is expected to settle in FY2013.

Restructuring

During the financial year, the Group committed to the restructure of the Boom Sherrin business unit which is part of the Lifting Solutions segment. The restructuring was completed during the year with no restructuring provision remaining at year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	2012	2011
	$'000	$'000
20. DERIVATIVE FINANCIAL INSTRUMENTS		
Current liabilities		
Forward foreign exchange contracts – cash flow hedges	870	-
Non-current liabilities		
Interest rate swap contracts – cash flow hedges	1,513	-

Instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates in accordance with the Group's financial risk management policies (refer to note 4).

Forward foreign exchange contracts – cash flow hedges

The Group imports plant and equipment from various overseas countries. In order to protect against exchange rate movements, the Group enters into forward exchange contracts to purchase the foreign currencies. These contracts are hedging highly probable forecasted purchases and are timed to mature when payments are scheduled to be made.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the balance sheet by the related amount deferred in equity.

There was no hedge ineffectiveness in the current or prior year.

Interest rate swap contracts – cash flow hedges

Secured bank loans of the group are currently charged at variable interest rates. In order to protect from exposure to variability in interest rates, the Group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

Swaps currently in place cover approximately 92% (2011: nil) of the variable loan principal outstanding. The fixed interest rates range between 3.9% and 4.0% (2011: nil) and the variable rates are between 3.6% and 4.7% (2011: nil). The contracts are settled on a net basis and coincide with the dates on which interest is payable on the underlying debt.

All swaps are matched directly against the hedged item and as such are considered highly effective. The swaps are measured at fair value and all gains and losses attributable to the hedged risk are taken directly to equity and re-classified into profit or loss when the interest expense is recognised.

Risk exposures

Information about the Group's exposure to credit risk, foreign exchange and interest rate risk is provided in note 4. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of derivative financial assets mentioned above.

21. OTHER LIABILITIES

	2012	2011
Current		
PAYG tax withheld	582	292
Goods and services tax	720	2,224
Other accrued expenses	2,993	2,502
Total other current liabilities	4,295	5,018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	2012 $'000	2011 $'000
22. CONTRIBUTED EQUITY		
(a) Issued and paid up capital		
Ordinary shares fully paid	318,065	318,065

Ordinary shares have no par value and the company does not have a limited amount of authorised capital. All issued shares are fully paid. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Note	2012 No. of shares	2012 $'000	2011 No. of shares	2011 $'000
(b) Movements in shares on issue					
Beginning of the financial year		465,011,147	318,065	460,795,156	318,065
Issued during the year:					
– employee share incentive schemes	(i)	3,652,438	-	4,215,991	-
Total issued during the year		3,652,438	-	4,215,991	-
End of the financial year		468,663,585	318,065	465,011,147	318,065

(i) This amount represents the issue of 3,652,438 (2011: 4,215,991) ordinary shares to employees as part of the employee share incentive schemes for nil consideration during the financial year. Refer to note 26 for further details.

	Note	2012 $'000	2011 $'000
23. RETAINED EARNINGS			
Balance at the beginning of year		(21,375)	16,373
Net profit/(loss) for the year		19,705	(37,748)
Total		(1,670)	(21,375)
Dividends paid	8(a)	-	-
Balance at end of year		(1,670)	(21,375)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	Note	2012 $'000	2011 $'000
24. RESERVES			
Employee equity benefits reserve			
Balance at the beginning of year		741	448
Share based payments	(i)	(128)	293
Balance at end of year		613	741
Cash flow hedge reserve			
Balance at the beginning of year		-	10
Revaluation	(ii)	(1,758)	(10)
Deferred tax		715	-
Transfer to profit and loss		(226)	-
Balance at end of year		(1,269)	-
Total reserves		(656)	741

(i) The employee equity benefits reserve is used to record the value of share based payments to employees, including key management personnel, as part of their remuneration. Refer to note 26 for further details of these plans.

(ii) The cash flow hedge reserve is used to record the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item.

25. COMMITMENTS

(a) Operating leases commitments

The Group has entered into commercial leases on certain plant and equipment, motor vehicles and property. These leases have terms ranging from 1 to 10 years.

	2012 $'000	2011 $'000
Minimum lease payments		
– within one year	10,577	11,715
– after one year but not more than five years	14,904	18,350
– more than five years	2,362	1,762
Aggregate operating lease expenditure contracted for at reporting date	27,843	31,827

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	Note	2012 $'000	2011 $'000
25. COMMITMENTS (continued)			
(b) Interest bearing loans and borrowings commitments			
The Group has interest bearing loans and borrowings for various items of plant and equipment for periods of between 1 to 5 years.			
– within one year		**23,318**	112,391
– after one year but not more than five years		**112,801**	18,828
– more than five years		**-**	-
Total minimum payments		**136,119**	131,219
– future finance charges		**(12,263)**	(4,524)
Net liability		**123,856**	126,695
– current liability	18	**16,670**	108,769
– non-current liability	18	**107,186**	17,926
		123,856	126,695

The Company has provided guarantees in respect of interest bearing loans and borrowings as disclosed in note 32.

	Note	2012 $'000	2011 $'000
(c) Capital commitments			
Capital expenditure contracted for at reporting date but not recognised as liabilities are as follows:			
Plant and equipment			
– within one year		**20,322**	17,251
– after one year but not more than five years		**-**	-
– more than five years		**-**	-
		20,322	17,251
Intangible assets – software development costs			
– within one year		**1,838**	-
– after one year but not more than five years		**-**	-
– more than five years		**-**	-
		1,838	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	2012 $'000	2011 $'000
26. EMPLOYEE BENEFITS		
(a) Employee benefits		
The aggregate employee benefit liability is comprised of:		
– accrued salaries, wages and on costs	**2,886**	2,856
– provisions (current)	**12,620**	13,284
– provisions (non-current)	**947**	929
	16,453	17,069

(b) Employee incentive schemes

Three employee incentive schemes were established by Boom Logistics Limited to assist in attracting, retaining and motivating key employees as follows:

- Exempt Share Plan (ESP);
- Employee Share Trust (EST); and
- Executive Investment Trust (EIT).

The terms and conditions of the schemes are summarised as follow:

Exempt share plan (ESP)

Under this scheme, all permanent employees (excluding directors and executives) of Boom Logistics Limited with twelve months continuous service were offered 1,000 ordinary shares in October 2003 and $1,000 worth of ordinary shares in October/November 2004 in Boom Logistics Limited for nil consideration. The ordinary shares issued were held in trust for the requisite three years restrictive period or released earlier in the event of cessation of employment. The ordinary shares issued rank equally with and have the same rights as other fully paid ordinary shares of Boom Logistics Limited. This scheme has subsequently been discontinued with only the ordinary shares issued in previous financial years remaining in the share plan.

Employee share trust (EST)

Under this scheme, certain employees (excluding non-executive directors) approved by the Board of Directors are offered ordinary shares in Boom Logistics Limited by way of Share Units issued by the Share Plan Trustee. The Share Units are funded by way of an interest free loan provided by the Share Plan Trustee. The ordinary shares issued rank equally with and have the same rights as other fully paid ordinary shares of Boom Logistics Limited.

In June 2011, the Board of Directors approved the establishment of a Key Employee Retention Program (KERP). Participation in the program is at the discretion of the Board of Directors, on recommendation by the Managing Director. Directors and Executives are not eligible for this program. KERP will be administered under the Employee Share Trust with the offer of ordinary shares in Boom Logistics Limited having the same terms and conditions, except for the vesting conditions which is only limited to a three year continuous service period.

The fair value of shares issued under the employee share incentive schemes is determined based on the 5 day volume weighted average market price at grant date.

Executive investment trust (EIT)

Under this scheme, senior executives are invited to join the EIT and may contribute any part of their remuneration into the EIT for investment purposes. There are no performance conditions associated with this scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

26. EMPLOYEE BENEFITS (continued)

(b) Employee share incentive schemes (continued)

Information with respect to the number of ordinary shares issued and allocated under the employee share incentive schemes is as follows:

	2012 Number of shares	2011 Number of shares
Balance at beginning of year	6,676,643	2,262,811
– issued for nil consideration (including unallocated shares in the employee share schemes allocated during the year)	4,985,322	4,436,862
– sold / transferred during the year	(110,319)	(5,144)
– forfeited during the year	(1,691,086)	(17,886)
Balance at end of year	9,860,560	6,676,643

(c) Expenses/(income) arising from share based payment transactions

Total expenses arising from share based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2012 $'000	2011 $'000
Shares issued under employee share schemes	(128)	293
	(128)	293

27. EVENTS AFTER THE BALANCE SHEET DATE

Dividend

On 14 August 2012, the directors of Boom Logistics Limited declared that no final dividend would be issued for the financial year ended 30 June 2012.

28. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by KPMG:

	2012 $	2011 $
Audit services		
– audit and review of financial statements	279,100	255,500
Total audit services	279,100	255,500
Taxation, due diligence and other services		
– taxation services	92,100	95,750
– due diligence and other services	-	93,208
Total taxation, due diligence and other services	92,100	188,958
Total remuneration of KPMG	371,200	444,458

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

29. KEY MANAGEMENT PERSONNEL

(a) Details of directors

(i) Non-executive directors

John Robinson	Chairman (Non-executive)
Terence Hebiton	Director (Non-executive)
Dr. Huw Davies	Director (Non-executive)
Terrence Francis	Director (Non-executive)
Fiona Bennett	Director (Non-executive)

(ii) Executive directors

Brenden Mitchell	Managing Director

(b) Details of other key management personnel

The following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the year:

Iona MacPherson	Chief Financial Officer and Company Secretary
Rosanna Hammond	General Manager – Human Resource
Paul Martinez	Chief Information Officer and Director of Strategy
Tony Spassopoulos	Director of Sales and Marketing
Terese Withington	General Manager – Boom Sherrin
Peter O'Shannessy	Chief Operating Officer (ceased employment 7 September 2011)

(c) Summarised compensation of key management personnel

Summary of key management personnel compensation in the following categories is as follows:

	2012 $	2011 $
Short-term employee benefits	2,962,714	3,059,753
Post employment benefits	246,976	267,087
Other long term benefits	35,934	44,605
Termination benefits	-	461,710
Share based payments	193,961	265,988
Total compensation	3,439,585	4,099,143

Refer to the Remuneration Report in the Directors' Report for detailed compensation disclosure on key management personnel.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

29. KEY MANAGEMENT PERSONNEL (continued)

(d) Shareholdings of key management personnel

Ordinary shares held in Boom Logistics Limited (number) 30 June 2012	Balance 1 July 11	Granted and vested	Net change other (i)	Balance 30 June 12	Granted but not vested
Non-Executive & Executive Directors					
John Robinson	600,000	-	80,000	**680,000**	-
Terence Hebiton	547,995	-	-	**547,995**	-
Dr. Huw Davies	291,547	-	-	**291,547**	-
Terrence Francis (ii)	185,745	-	-	**185,745**	-
Fiona Bennett	96,385	-	55,500	**151,885**	-
Brenden Mitchell	1,659,235	-	600,000	**2,259,235**	2,413,489
Executives					
Iona MacPherson	325,434	-	12,437	**337,871**	781,683
Rosanna Hammond	39,196	-	-	**39,196**	338,729
Paul Martinez	90,452	-	100,000	**190,452**	761,152
Tony Spassopoulos	281,377	-	400,188	**681,565**	651,405
Terese Withington	20,000	-	-	**20,000**	521,122
Total	**4,137,366**	**-**	**1,248,125**	**5,385,491**	**5,467,580**

Ordinary shares held in Boom Logistics Limited (number) 30 June 2011	Balance 1 July 10	Granted and vested	Net change other (i)	Balance 30 June 11	Granted but not vested
Non-Executive & Executive Directors					
John Robinson	600,000	-	-	**600,000**	-
Terence Hebiton	795,222	-	(247,227)	**547,995**	-
Dr. Huw Davies	291,547	-	-	**291,547**	-
Terrence Francis (ii)	185,745	-	-	**185,745**	-
Fiona Bennett	-	-	96,385	**96,385**	-
Brenden Mitchell	1,659,235	-	-	**1,659,235**	1,643,175
Executives					
Iona MacPherson	325,434	-	-	**325,434**	522,738
Peter O'Shannessy	307,157	-	-	**307,157**	615,724
Rosanna Hammond	39,196	-	-	**39,196**	226,520
Paul Martinez	90,452	-	-	**90,452**	515,029
Tony Spassopoulos	281,377	-	-	**281,377**	435,617
Teresa Withington	20,000	-	-	**20,000**	348,492
Total	**4,595,365**	**-**	**(150,842)**	**4,444,523**	**4,307,295**

(i) These amounts represent ordinary shares purchased or sold directly or indirectly by the directors and executives during the financial year. These transactions have no connection with their roles and responsibilities as employees of the Group.

(ii) Includes 57,286 shares held under a nominee.

29. KEY MANAGEMENT PERSONNEL (continued)

(d) Shareholdings of key management personnel (continued)

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(e) Loans to key management personnel

Details of loans made to key management personnel of the Group, including their personally related parties, are set out below.

Aggregates for key management personnel	Balance 1 July	Balance 30 June	Interest charged	Interest not charged	Number in group 30 June
	$	$	$	$	
2012	**-**	**-**	**-**	**-**	**-**
2011	**66,332**	-	-	**1,578**	**-**

In 2012, there were no loans to individuals that exceeded $100,000 at any time.

Loans to key management personnel are for a period of 1 year repayable in monthly instalments, at nil interest rate and unsecured.

The amounts shown for interest not charged in the table above represents the amount of interest that would have been charged on an arm's length basis.

No write-downs or allowance for doubtful receivables have been recognised in relation to any loans made to key management personnel.

(f) Other transactions and balances with key management personnel

No amounts were recognised at the reporting date in relation to other transactions with key management personnel.

30. SEGMENT REPORTING

(a) Description of operating segments

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resource allocation and to assess performance.

The business is considered from a product perspective and has two reportable segment: "Lifting Solutions", which consists of all lifting activities including the provision of cranes, travel towers, access equipment and all associated services, and "National Office and Shared Services".

In prior year, the Group had three reportable segments: "Lifting Solutions", "Crane Sales and Service", and "National Office and Shared Services".

30. SEGMENT REPORTING (continued)

(b) Segment information provided to the CODM

	Lifting Solutions	Crane Sales and Service	National Office and Shared Services	Consolidated
	$'000	$'000	$'000	$'000
Year ended:		***30 June 2012***		
Segment revenue				
Total external revenue	347,825	-	-	347,825
Inter-segment revenue	-	-	-	-
Revenue from external customers	347,825	-	-	347,825
Segment result				
Profit before interest and tax	49,127	-	(12,379)	36,748
Depreciation and amortisation	(28,016)	-	(624)	(28,640)
Income tax expense		-	-	(6,321)
Segment assets and liabilities				
Segment assets	495,723	-	9,278	505,001
Total assets includes:				
Additions to non-current assets	57,748	-	2,894	60,642
Segment liabilities	50,961	-	4,220	55,181
Year ended:		***30 June 2011***		
Segment revenue				
Total external revenue	336,115	11,525	-	347,640
Inter-segment revenue	-	(8,116)	-	(8,116)
Revenue from external customers	336,115	3,409	-	339,523
Segment result				
Losses before interest and tax	(7,924)	(6,737)	(15,782)	(30,443)
Depreciation and amortisation	(31,471)	(116)	(670)	(32,257)
Plant and equipment impairment	(27,894)	(113)	-	(28,007)
Goodwill impairment	(18,269)	(1,354)	-	(19,623)
Income tax benefit				6,929
Segment assets and liabilities				
Segment assets	464,444	1,036	6,741	472,221
Total assets includes:				
Additions to non-current assets	21,191	13	1,008	22,212
Segment liabilities	39,439	866	5,553	45,858

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

30. SEGMENT REPORTING (continued)

(c) Other segment information

(i) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the CODM is measured in accordance with Australian Accounting Standards.

The revenues from external customers disclosed previously in note 5 are based on the financial information used to produce the Group's financial statements.

Segment revenue reconciles to total revenue from continuing operations as follows:

	2012	2011
	$'000	$'000
Total segment revenue	347,825	339,523
Interest income	449	485
Other revenue	3,867	397
Less revenue from discontinued operations	-	(2,074)
Total revenue from continuing operations	352,141	338,332

Boom Logistics Limited is domiciled in Australia and all revenue is derived from external customers within Australia. The consolidated entity is not reliant on any one customer for over 10% of its revenue generation.

(ii) Segment results

The CODM assesses the performance of the operating segments based on earnings before interest and tax. Interest income and financing expenditure are not allocated to segments as this type of activity is driven by the National Office treasury function which manages the cash and debt position of the Group.

A reconciliation of earnings before interest and tax to operating profit / (loss) before income tax is provided as follows:

	2012	2011
Profit / (loss) before interest and tax	36,748	(30,443)
Interest income	449	485
Financing expenses	(11,171)	(15,557)
Less earnings before interest and tax from discontinued operations	-	2,808
Profit / (loss) before income tax from continuing operations	26,026	(42,708)

(iii) Segment assets

The balances provided to the CODM with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Tax and any derivative related assets are not considered to be segment assets.

All assets are located within Australia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

30. SEGMENT REPORTING (continued)

(c) Other segment information (continued)

(iii) Segment assets (continued)

Reportable segment assets are reconciled as follows:

	2012 $'000	2011 $'000
Segment assets	**505,001**	472,221
Unallocated:		
– Income tax receivable	**8,030**	8,029
Total assets per the statement of financial position	**513,031**	480,250

(iv) Segment liabilities

The balances provided to the CODM with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. The Group's borrowings, tax and any derivative financial instruments are not considered to be segment liabilities as they are managed by the National Office treasury function.

Reportable segment liabilities are reconciled as follows:

	2012 $'000	2011 $'000
Segment liabilities	**55,181**	45,858
Unallocated:		
– Current derivative financial instruments	**870**	-
– Non-current derivative financial instrument	**1,513**	-
– Deferred tax liabilities	**15,872**	10,266
– Current interest bearing loans and borrowings	**16,670**	108,769
– Non-current interest bearing loans and borrowings	**107,186**	17,926
Total liabilities per the statement of financial position	**197,292**	182,819

(v) National Office and Shared Services

The balances provided to the CODM with respect to the National Office and Shared Services segment is measured in a manner consistent with that of the financial statements. Some of the expenses recognised in this category are incurred by other reportable segments, however, they are captured and reported internally within this segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

31. RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Boom Logistics Limited and the subsidiaries listed in the following table.

Name	Country of incorporation	Equity interest 2012	Equity interest 2011	Investment 2012	Investment 2011
		%	%	$'000	$'000
James Equipment Pty Ltd	Australia	**100**	100	**-**	-
Sherrin Hire Pty Ltd	Australia	**100**	100	**60,598**	60,598
Boom Logistics (QLD) Pty Ltd	Australia	**100**	100	**15,896**	15,896
Boom Logistics (VIC) Pty Ltd	Australia	**100**	100	**4,021**	4,021
Total investment in subsidiaries				**80,515**	80,515

Boom Logistics Limited is the ultimate parent company.

Details relating to key management personnel, including remuneration paid, are included in note 29.

Sales to and purchases from related parties are made at arm's length both at normal market prices and on normal commercial terms. Outstanding balances at year end are unsecured.

Terms and conditions of the tax funding arrangement are set out in note 3(h).

Contributions to superannuation funds on behalf of employees are disclosed in note 5(c).

	2012	2011
The following transactions occurred with related parties:	$	$
Parent entity		
Sale of services		
Hire of lifting equipment to subsidiaries	**511,350**	771,005
Purchase of goods and services		
Hire of lifting equipment from subsidiaries/other related parties	**4,703,075**	5,082,979
Purchase of cranes and spare parts from subsidiary/other related party	**-**	7,755,745
Sale commissions incurred from subsidiary for disposal of internal lifting equipment	**-**	139,063
Tax consolidation legislation		
Current tax payable assumed from wholly-owned tax consolidated entities	**8,810,366**	5,117,964
Other revenue and expenses		
Interest charged to/(from) subsidiaries	**(147,960)**	1,504,770
Dividend income from subsidiaries	**-**	-
Loans to/from related parties		
Subsidiaries – receivable / (payable)	**1,129,144**	2,513,748
No allowance for impairment of debts has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or impaired debts due from related parties.		
Guarantees		
The Company has provided guarantees in respect of:		
Finance leases and hire purchase contracts	**5,103,626**	18,448,752

32. DEED OF CROSS GUARANTEE

Pursuant to Class Order 98/1418 (as amended), the wholly owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and directors' report.

It is a condition of the Class Order that Boom Logistics Limited and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that Boom Logistics Limited guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. The subsidiaries have also given similar guarantees in the event that Boom Logistics Limited is wound up.

The subsidiaries subject to the Deed are:
- Sherrin Hire Pty Ltd (party to the Deed on 6 December 2005);
- James Equipment Pty Ltd (party to the Deed on 3 November 2006 by virtue of a Deed of Assumption);
- Boom Logistics (QLD) Pty Ltd (party to the Deed on 23 November 2007 by virtue of a Deed of Assumption); and together with Boom Logistics Limited, represent a "Closed Group" for the purposes of the Class Order.

The consolidated income statement and balance sheet of the entities that are members of the "Closed Group" are as follows:

	CLOSED GROUP	
	2012	2011
	$'000	$'000
Consolidated Income Statement		
Revenue	**342,634**	326,497
Salaries and employee benefits expense	**(151,639)**	(145,201)
Equipment service and supplies expense	**(90,808)**	(87,336)
Cost of sales associated with cranes	**-**	(2,582)
Operating lease expense	**(10,159)**	(12,774)
Other expenses	**(30,019)**	(25,828)
Restructuring expense	**(1,173)**	(4,808)
Depreciation and amortisation expense	**(27,744)**	(31,749)
Impairment expense	**-**	(48,400)
Financing expenses	**(11,254)**	(15,535)
Profit/(loss) before income tax	**19,838**	(47,716)
Income tax (expense)/benefit	**(4,465)**	8,429
Net profit/(loss) for the year	**15,373**	(39,287)
Retained earnings at the beginning of the year	**(27,238)**	12,049
Retained losses at the end of the year	**(11,865)**	(27,238)
Consolidated Statement of Comprehensive Income		
Profit/(loss) for the year	**15,373**	(39,287)
Other comprehensive income		
Cash flow hedges recognised in equity	**(1,269)**	(10)
Other comprehensive loss for the year, net of tax	**(1,269)**	(10)
Total comprehensive income/(loss) for the year	**14,104**	(39,297)

	CLOSED GROUP	
	2012	2011
	$'000	$'000
32. DEED OF CROSS GUARANTEE (continued)		
Consolidated Balance Sheet		
Current assets		
Cash and cash equivalents	**9,991**	9,000
Trade and other receivables	**67,897**	55,555
Inventories	**276**	1,402
Prepayments and other current assets	**3,523**	4,150
Assets classified as held for sale	**4,603**	5,031
Income tax receivable	**11,111**	9,262
Total current assets	**97,401**	84,400
Non-current assets		
Receivables	**-**	1,676
Investments	**4,021**	4,021
Plant and equipment	**330,559**	313,318
Intangible assets	**70,308**	68,269
Total non-current assets	**404,888**	387,284
Total assets	**502,289**	471,684
Current liabilities		
Trade and other payables	**36,577**	17,416
Interest bearing loans and borrowings	**16,588**	108,618
Derivative financial instruments	**870**	-
Provisions	**12,481**	12,991
Other liabilities	**4,060**	13,048
Total current liabilities	**70,576**	152,073
Non-current liabilities		
Payables	**1,644**	-
Interest bearing loans and borrowings	**107,186**	17,844
Provisions	**946**	916
Derivative financial instruments	**1,513**	-
Deferred tax liabilities	**14,880**	9,283
Total non-current liabilities	**126,169**	28,043
Total liabilities	**196,745**	180,116
Net assets	**305,544**	291,568
Equity		
Contributed equity	**318,065**	318,065
Retained earnings	**(11,865)**	(27,238)
Reserves	**(656)**	741
Total equity	**305,544**	291,568

	Note	2012 $'000	2011 $'000

33. FINANCIAL INSTRUMENTS

(a) Credit risk

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	2012 $'000	2011 $'000
Cash and cash equivalents	9	**10,102**	9,073
Trade and other receivables	10	**69,948**	57,783
		80,050	66,856

The Group's trade receivables only relate to Australian customers.

There is no significant concentration of credit risk for trade receivables at 30 June 2012.

Impairment losses

Trade receivables are non-interest bearing and are generally on 30 – 60 day terms. An allowance for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. A net impairment decrease of $877,000 (2011: $582,000) has been recognised by the Group in the current year. These amounts have been included in other expenses in the Consolidated Income Statement.

Movements in the allowance for impairment losses were as follows:

	Note	2012 $'000	2011 $'000
Balance at 1 July		**2,164**	1,582
Impairment loss recognised		**53**	1,107
Amounts written-off and/or written back		**(930)**	(525)
Balance at 30 June	10	**1,286**	2,164

At 30 June, the aging analysis of trade receivables is as follows:

	Total $'000	Current $'000	31–60 days $'000 PDNI* (i)	31–60 days $'000 CI^	+61 days $'000 PDNI* (i)	+61 days $'000 CI^
2012	**66,763**	**45,966**	**11,489**	**285**	**7,587**	**1,436**
2011	57,723	45,310	6,467	25	3,636	2,285

* Past due not impaired ('PDNI')

^ Considered impaired ('CI')

(i) Based upon the credit history of these classes of trade receivables, it is expected that these amounts will be received.

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at reporting date is the carrying amount of each class of receivables mentioned above. There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated.

33. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

The tables below analyse the Group's financial liabilities and net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

30 June 2012	Carrying amount	Contractual cash flows	6 mths or less	6–12 mths	1–2 years	2–5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivative financial liabilities							
Trade and other payables*	36,847	(36,847)	(36,847)	-	-	-	-
Finance leases and hire purchase contracts	16,670	(17,705)	(13,171)	(4,534)	-	-	-
Secured bank loans	107,186	(118,415)	(2,807)	(2,807)	(5,615)	(107,186)	-
Derivative financial liabilities							
Forward exchange contracts used for hedging purchases	870	(870)	(870)	-	-	-	-
Interest rate swaps – net settled	1,513	(1,513)	-	-	(684)	(829)	-
	163,086	(175,350)	(53,695)	(7,341)	(6,299)	(108,015)	-

30 June 2011	Carrying amount	Contractual cash flows	6 mths or less	6–12 mths	1–2 years	2–5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivative financial liabilities							
Trade and other payables*	24,977	(24,977)	(24,977)	-	-	-	-
Finance leases and hire purchase contracts	51,304	(54,924)	(22,925)	(13,171)	(18,828)	-	-
Secured bank loans	75,391	(76,295)	(76,295)	-	-	-	-
	151,672	(156,196)	(124,197)	(13,171)	(18,828)	-	-

* Excludes derivatives (shown separately).

33. FINANCIAL INSTRUMENTS (continued)

(c) Market risk

Foreign exchange risk

The Group imports fixed assets from various overseas countries. In order to protect against exchange rate movements, the Group has entered into forward exchange contracts to purchase the foreign currencies. These contracts are hedging highly probable forecasted purchases and they are timed to mature when payments are scheduled to be made. The risk is monitored using sensitivity analysis and cash flow forecasting and the cash flows are expected to occur at various dates within 12 months from the balance date.

The forward foreign currency contracts are considered to be fully effective cash flow hedges as they are matched against fixed asset purchases and any gain or loss on the contracts is taken directly to equity. When the asset is delivered, the amount recognised in equity is transferred to the fixed asset account in the balance sheet. In calculating the effectiveness of the forward foreign currency contracts, the forward exchange rate is adjusted to exclude the interest rate differential implicit in the forward exchange rate.

The Group's exposure to foreign currency risk at reporting date, expressed in Australian dollars, was as follows:

	2012 €uro	2011 €uro
	$'000	$'000
Trade payables	12,053	-
Forward exchange contracts		
– buy foreign currency (cash flow hedges)	870	-

Sensitivity analysis for currency risk

A 10 percent (2011: 10 percent) strengthening of the Australian dollar against the following currencies at 30 June would have increased /(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity	Profit or Loss
	$'000	$'000
2012		
€uro	973	-
	973	-
2011		
€uro	-	-
	-	-

A 10 percent (2011: 10 percent) weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

33. FINANCIAL INSTRUMENTS (continued)

(d) Interest rate risk

Profile

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments were:

	Note	Carrying amount 2012 $'000	2011 $'000
Fixed rate instruments			
Financial liabilities	(i)	**(116,670)**	(51,304)
		(116,670)	(51,304)
Variable rate instruments			
Financial assets – cash at bank and on hand	9	**10,102**	9,073
Financial liabilities	(i)	**(7,186)**	(75,391)
		2,916	(66,318)

(i) Fixed and variable rate instruments represent interest bearing loans and borrowings of $123,856,000 (2011: $126,695,000) per note 18.

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's fixed rate borrowings and receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7.

The Group is exposed to interest rate risk when funds are borrowed at floating interest rates. This risk is managed by taking into consideration the current and expected future debt profile, expectations regarding future interest rate movements and the potential to hedge against negative outcomes by entering into interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specific intervals (mainly monthly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The Group's exposures to interest rates on financial liabilities are detailed in note 18.

Sensitivity analysis for interest rate risk

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit and loss in respect of fixed rate instruments.

In respect of variable rate instruments, a change of 100 basis points up or down in interest rates would have decreased or increased the Group's profit and loss by $29,000 (2011: $663,000).

(e) Fair values

Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Group holds no financial instruments for trading purposes.

The carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

33. FINANCIAL INSTRUMENTS (continued)

(e) Fair values (continued)

The fair values of forward exchange contracts (designated as cash flow hedges) are determined using forward exchange market rates at the reporting date.

The fair values of interest rate swap contracts (designated as cash flow hedges) are determined using forward interest market rates at the reporting date.

Fair values versus carrying amounts

The fair value of all borrowings equals their carrying amount at 30 June 2012. The Group's fixed rate instruments attract interest at a rate that is consistent with current market rates.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices).
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
30 June 2012				
Financial liabilities				
– Foreign exchange contracts	-	870	-	870
– Interest rate swap contracts	-	1,513	-	1,513
	-	2,383	-	2,383
30 June 2011				
Financial liabilities				
– Foreign exchange contracts	-	-	-	-
	-	-	-	-

34. CONTINGENCIES

There are no contingent assets and liabilities identified at 30 June 2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

	2012 $'000	2011 $'000
35. PARENT ENTITY FINANCIAL INFORMATION		
(a) Summary financial information		
The individual financial statements for the parent entity show the following aggregate amounts:		
Statement of financial position		
Current assets	**73,619**	68,513
Total assets	**470,182**	440,483
Current liabilities	**51,706**	132,827
Total liabilities	**171,423**	153,142
Equity		
Contributed equity	**318,066**	318,065
Employee equity benefits reserve	**613**	741
Cash flow hedge reserve	**(1,269)**	-
Retained losses	**(18,651)**	(31,465)
	298,759	287,341
Net profit/(loss) after tax for the year	**12,813**	(27,053)
Total comprehensive income/(loss) for the year	**11,544**	(27,063)
(b) Capital commitments for the acquisition of property, plant and equipment		
Plant and equipment		
– within one year	**12,544**	17,251
– after one year but not more than five years	**-**	-
– more than five years	**-**	-
	12,544	17,251

(c) Guarantees entered into by the parent entity

The parent entity has entered into a Deed of Cross Guarantee with the effect that the parent entity guarantees debts in respect of its subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in note 32.

Guarantees provided by the parent entity in respect of loans of subsidiaries are disclosed in note 31.

(d) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2012 or 30 June 2011.

36. DISCONTINUED OPERATIONS

(a) Details of discontinued operations

There were no discontinued operations for the year ended 30 June 2012.

Discontinued operations for the year ended 30 June 2011 is presented below.

On 29 October 2010, the Group announced the decision to discontinue the operations of James Equipment which is part of the Crane Sales and Service operating segment. James Equipment ceased trading in its own right in the second half of the 2011 financial year and the subsidiary will be wound up in due course.

(b) Financial performance and cash flow information of discontinued operations

The financial performance and cash flow information of James Equipment for the year ended 30 June 2011 is presented below.

	Year ended 30 June 2011 $'000
Financial Performance	
Revenue	2,074
Expenses	(4,882)
Loss before income tax	(2,808)
Income tax benefit	839
Loss after income tax of discontinued operation	(1,969)
Basic (loss) per share (cents per share)	-
Diluted (loss) per share (cents per share)	-
Cash flow information	
Net cash inflows/(outflows) from operating activities	(871)
Net cash inflows/(outflows) from investing activities	8
Net cash inflows/(outflows) from financing activities	862
Net increase/(decrease) in cash generated by discontinued operation	(1)

(c) Assets and Liabilities of discontinued operations

The carrying values of assets and liabilities of James Equipment at cessation date was:

Assets	
Cash and cash equivalents	53
Trade and other receivables	46
Inventories	474
Prepayments	-
Plant and equipment	4
Deferred tax assets	335
Total assets	912

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year Ended 30 June 2012

36. DISCONTINUED OPERATIONS (continued)

(c) Assets and Liabilities of discontinued operations (continued)

	$'000
Liabilities	
Trade and other payables	**82**
Provisions	**-**
Other liabilities	**1,125**
Deferred tax liabilities	**(187)**
Total liabilities	**1,020**
Net assets/(liabilities)	**(108)**

DIRECTORS' DECLARATION

1 In the opinion of the directors of Boom Logistics Limited ("the Company"):

(a) the Consolidated Financial Statements and notes that are set out on pages 41 to 95, and the Remuneration Report in the Directors' Report, set out on pages 30 to 38, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2012 and of its performance for the financial year ended on that date; and

(ii) complying with Accounting Standards, (including the Australian Accounting Interpretations) and Corporations Regulations 2001;

(b) the directors draw attention to note 2(a) to the Consolidated Financial Statements which includes a statement of compliance with International Financial Reporting Standards;

and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

2 There are reasonable grounds to believe that the Company and the group entities identified in note 32 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

3 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2012.

Signed in accordance with a resolution of the Directors:

John Robinson	Brenden Mitchell
Chairman	**Managing Director**

Melbourne, 14 August 2012

KPMG

Independent auditor's report to the members of Boom Logistics Limited

Report on the financial report

We have audited the accompanying financial report of Boom Logistics Limited ("the Company"), which comprises the consolidated statement of financial position as at 30 June 2012, and consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 36 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Boom Logistics Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 30 to 38 of the directors' report for the year ended 30 June 2012. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of Boom Logistics Limited for the year ended 30 June 2012, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Michael Bray
Partner

Melbourne

14 August 2012

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 July 2012.

(a) Distribution of Equity Securities

The number of shareholders, by size of holding, in each class of share are:

			Ordinary shares	
			Number of holders	Number of shares
1	-	1,000	1,203	535,372
1,001	-	5,000	2,245	6,367,610
5,001	-	10,000	1,196	9,320,613
10,001	-	100,000	2,718	94,718,431
100,001	and over		357	357,721,559
			7,719	**468,663,585**
The number of shareholders holding less than a marketable parcel of shares are:			1,764	1,349,370

(b) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	BT Investment Mgt	51,981,771	11.1
2	Schroder Investment Mgt	40,309,601	8.6
3	Invesco Australia	29,818,662	6.4
4	McAleese Investments	25,017,065	5.3
5	Ohio State Teachers Retirement System	15,870,000	3.4
6	Dimensional Fund Advisors	14,400,302	3.1
7	Tribeca Investment Partners	13,416,862	2.9
8	QIC Asset Mgt	12,289,649	2.6
9	Boom Logistics Employee Share Plans	11,104,105	2.4
10	Legg Mason Asset Mgt Australia	9,123,303	1.9
11	Sigma Funds Mgt	5,456,958	1.2
12	Mr & Mrs Mark E Shannon	4,600,000	1.0
13	Argo Investments	4,500,000	1.0
14	Mr & Mrs Hugh A Morris	4,170,466	0.9
15	Australian National University Investment Board	3,530,683	0.8
16	Mr Bernard F O'Neill	3,267,113	0.7
17	Mr & Mrs Allan D Christie	3,200,000	0.7
18	LSV Asset Mgt	2,341,200	0.5
19	Mr Leslie R Holt	2,175,370	0.5
20	Mrs Patricia G Holt	2,175,370	0.5
Top twenty shareholders		258,748,480	55.2
Remainder		209,915,105	44.8
Total		**468,663,585**	**100.0**

ASX ADDITIONAL INFORMATION (continued)

(c) Substantial Holders

Substantial holders in the company are set out below:

	Listed ordinary shares	
	Number of shares	Percentage of ordinary shares
BT Investment Mgt	51,981,771	11.1
Schroder Investment Mgt	40,309,601	8.6
Invesco Australia	29,818,662	6.4
McAleese Investments	25,017,065	5.3

(d) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

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