BOOM LOGISTICS LIMITED

Annual Report 2007

Corporate Directory

Directors

R. John Robinson
Terrance A Hebiton
Jane M Harvey
Dr. Huw G Davies
Terrence C Francis
Mark A Lawrence

Company Secretary

Iona MacPherson

Registered Office

Level 12, 390 St. Kilda Road
Melbourne, Victoria, 3004
Telephone (03) 9864 0200
Fax (03) 9864 0222

Internet Address

www.boomlogistics.com.au

Legal Advisers

DLA Phillips Fox

Auditors

PKF Chartered Accountants

Share Register

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford, Victoria, 3067
Investor enquiries 1300 850 505

Annual General Meeting

Friday, 19 October 2007
@ 10.00am
The Royce Hotel
379 St Kilda Road
Melbourne, Victoria

Contents

Chairman's Report

The past year has presented challenges as well as new opportunities. Along with many other sectors in the Australian economy we have experienced constraints related to rapid economic growth. In our case the most tangible effect has been the difficulty in accessing new equipment, with delivery of new cranes, for example, extending out beyond 12 months from date of order. This impacts upon service and maintenance costs of our lifting fleet as well as curbing organic growth opportunities.

We have also had to deal with extreme weather events, with severe cyclones on both the west and east coasts, and more recently rainfall in the Hunter Valley area near Newcastle at the highest level for fifty years. Open pit mining is particularly vulnerable to wet weather disruption and the iron ore operations in the Pilbara and the coal operations in Queensland's Bowen Basin and the Hunter Valley of New South Wales were all adversely affected at different times. These operations form an important part of our service base to the resources sector and disrupted operations lead to suspension of crane supported maintenance both in the immediate aftermath but also for extended periods as operators work to catch up on production shortfalls.

Despite these challenges the Company was able to deliver a 10.6% increase in after tax profit at $36.6 million. Earnings per share were marginally lower than the previous year at 21.5 cents compared to 21.8 cents, reflecting earnings dilution, resulting primarily from the issue of vendor equity early in the year.

Several acquisitions were made during the course of the year to position the Company for future growth. The largest of these was the James Group which was purchased in August 2006, providing a substantial dry hire crane business as well as a significant crane sales business. This was followed by three smaller acquisitions during the current year; with the GM Baden crane service business in March, D&D Cranes in April and the Moorland general access equipment hire business in May. These most recent acquisitions have of course not had time to fully contribute to the year's result.

Since listing in 2004 the Company's Board has adopted a policy of returning some 50% of net profit after tax to shareholders through the payment of fully franked dividends. I am pleased to report that a fully franked final dividend of 5.3 cents will be paid on 21 September 2007 to shareholders registered as at 31 August 2007. This brings the full year dividend to a fully franked 11 cents, representing an increase of 6% over the previous year.

Earlier I mentioned that the year had presented opportunities as well as challenges. Integration of the James and GM Baden businesses into Boom Logistics presents an opportunity for us to provide a unique spectrum of services from crane supply; crane servicing; crane hire, both wet and dry and and new and used crane sales, all supported by our detailed knowledge of the lifting solutions business. The lifting fleet management benefits that this provides within the Company can be equally extended to others in the infrastructure, utilities servicing and general construction areas, presenting opportunities for us to broaden our income base. We also continue to derive growth from cross selling opportunities at the Boom Sherrin interface and the recent Moorland Hire acquisition strengthens our position in the general access equipment market in Victoria.

Earlier in the year the Company announced that Rod Harmon would be retiring as Chief Executive and Managing Director at the conclusion of the Financial Year. Rod commenced as Chief Executive in April 2002, not long after the initial formation of the Company and well before its ASX listing in October 2003. He played a pivotal role in developing the Company into its current pre-eminent

position in the Australian national crane hire market and he leaves with our best wishes and a sense of achievement.

The Company's succession plan was announced at the time of Rod's intended departure and we are fortunate to have Mark Lawrence ready to take the Company forward. We have also announced a number of other changes at the senior executive level to ensure that there is sufficient management depth and versatility to generate strong shareholder returns as we look forward to the next stage in the Company's development. Brian Praetz, former General Manager of our Western Australian business has moved into the Chief Operating Officer role; Iona MacPherson has joined the Company from Australian Air Express as Chief Financial Officer; Adam Watson has moved from the Spotless Group to head up the newly created role of Executive General Manager-Strategic Development and Jim Carr formerly with Pioneer has taken the position of Executive General Manager Sales & Marketing.

In looking ahead, there are excellent opportunities to generate strong earnings growth by leveraging from the business platforms that we have added during the past year. The combination of crane and general access equipment hire, with specialised heavy equipment transport and crane sales and service presents the Company with a unique integrated market offering. Combined with a strong management team we have good cause to be optimistic about future growth.

In concluding I would like to acknowledge the Company's employees, including those who been integrated into the Company from newly acquired businesses. Their ability and their dedication to providing a superior service offering to our customers is the foundation of the Company's ongoing success.

John Robinson
Non-Executive Chairman

Managing Director's Report

This is my first address to you as Managing Director of Boom Logistics. I commenced with the company in 2002, and together with Rod Harmon, IPO listed the company in October 2003. Since that time I have continued to contribute to the company's strong growth profile.

During the 2007 financial year Boom Logistics continued to execute on its strategic plan. The initiatives undertaken have not only increased the size of the company but have enhanced the strength of its business model.

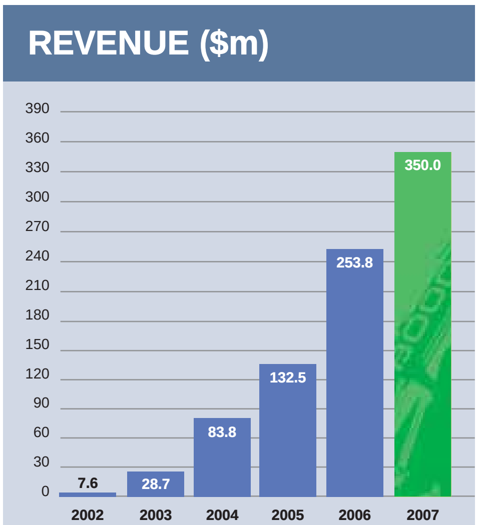
The 2007 financial year posed its challenges, with extreme weather conditions adversely impacting on customer demand, which in turn lead to some deferral of customer maintenance activity. The Tower crane division activity recovered during the year, albeit more slowly than anticipated. Equipment supply has become more challenging as global demand continues to exceed supply. That said, Boom's core operations maintained strong growth and good earnings over the period.

Our full year revenue of $350.0 million was 38% higher than last year's revenue of $253.8 million, reflecting the benefit of acquisitions completed during the year and reflecting an underlying growth rate of 7% after accounting for the above profit impacts. This revenue growth translated through to a full year net profit after tax of $36.6 million, representing an 11% increase on the last year's result of $33.1 million.

During the year the company invested a further $187.3 million to both maintain its operations and grow its business. Internal capital expenditure to replace equipment and support organic growth totaled $87.8 million whilst acquisitions completed totaled $99.5 million.

	Price	Date
James Group	$59.5m	Aug 2006
GM Baden	$5.6m	Mar 2007
D&D Cranes	$4.2m	Apr 2007
Moorland Hire	$30.2m	May 2007
Total	**$99.5m**	

The James Group acquisition provided Boom with an additional 72 dry hire cranes in a tight equipment supply market, a used cranes sales network capability, and provided the company with sole Australia distribution rights for the sale of new Tadano cranes, which are imported from Japan. The company subsequently acquired the business of GM Baden to enhance its after sales service capability, which is a key driver of the cranes sales market.



The D&D Cranes acquisition has provided our NSW operations with added crane support and customer diversity. The Moorland Hire acquisition has provided the Boom Sherrin (formerly Sherrin Hire) business with an enhanced presence in Victoria, a complementary customer base, and additional service offering opportunities.

As the Chairman mentioned earlier, Boom Logistics further enhanced its management team during the year. I must add that I am delighted with the calibre of

$m	2007	2006	% change
Financial performance			
Operating Revenue	350.0	253.8	38%
EBITDA	96.2	75.0	28%
EBIT	65.5	54.8	20%
Net Profit After Tax	36.6	33.1	10%
NPAT %	10.5%	13.1%	(2.6%)
Financial ratios			
Earnings per share (cents)	21.5	21.8	(1%)
Dividend per share (cents)	11.0	10.4	6%
Interest Cover (times)	4.9	7.1	(29%)
Net debt/ equity	79%	37%	42%

personnel that have joined our management team to support our current business operations and future growth objectives. Coupled with these management changes, on-line scheduling and on-line safety systems were implemented during the year to further refine our business processes and responsiveness.

Safety remains a priority focus area for the business. This year we achieved a 46% reduction in our Lost Time Injury Frequency Rate. This is the fourth consecutive year in which we have exceeded our annual 30% improvement target.

Our market segment focus and strong customer demand for our bundled service offering provides solid growth opportunities for the business in the coming financial year. We will continue to target strategic acquisitions and organic growth opportunities, whilst pursuing further operating efficiencies to enhance shareholder value.

In closing I would like to thank our shareholders and customers for their continued support during the year. I would also like to recognise the efforts of our loyal and dedicated employees whose commitment continues to drive the success of our company.

Mark Lawrence

Managing Director

Executive Summary

Background

BOOM listed on the ASX in October 2003. Its objective is to provide superior lifting solutions to Australian Industry.
BOOM maintains a national presence and is Australia's leading provider of integrated lifting solutions.

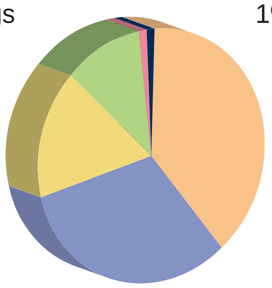
Services

The Company provides a range of lifting services including:

- Managed Lifting Solutions.
- Lifting support for Contractual Maintenance Arrangements.
- Crane Integration for Commercial Construction.
- Crane Engineering Services and Maintenance.
- Access Equipment Hire.
- Logistics and Specialised Heavy Transport.
- New and Used Crane Sales.

Sales by Industry Sector

Industrial Maintenance	39%
Resource Industry Maintenance	32%
Non Residential Construction	16%
Engineering/ Civil Construction	11%
Government/ Defence Maintenance	1%
Other Dwellings	1%



Business Profile

- Headquartered in Melbourne.
- National operations across 62 depots.
- Employs 1,373 staff.
- 586 Cranes ranging from 5 – 500 tonne.
- Over 2,500 items of other access and general hire equipment.

Competitive Strengths

- Ability to supply and support lifting and access solutions nationally.
- A large and flexible fleet to meet a wide range of lifting and access requirements for customers.
- A depth of industry experience and knowledge.
- A firm commitment to quality and systems assurance to deliver service excellence.
- Focus on safety regulation, management and compliance.
- Ability to provide innovative lifting solutions to meet challenging assignments.
- Financial capacity to secure and support national contracts.

Revenue Mix

Wet Hire	60%
Dry Hire	24%
Crane Sales	16%

Key Highlights for the Year

August 2006	■ Acquisition of James Group
March 2007	■ Acquisition of GM Baden
April 2007	■ Acquisition of D&D Crane Hire
May 2007	■ Acquisition of Moorland Hire
June 2007	■ Retirement of Rod Harmon and appointment of Mark Lawrence as the new CEO ■ Appointment of Iona MacPherson as the new CFO and Company Secretary

Financial Year to June 2007

- Revenue growth of 38%
- 46% improvement in Boom's LTIFR safety metric
- In relation to organisational statistics, the company has substantially grown by:

	June 06	June 07	% change
Employees	1,204	1,373	14%
Cranes	551	586	6%
Depots	53	62	17%

Operational Review

Background

Boom Logistics, through the execution of its strategic plan, aims to:

- Increase its presence as a leading national supplier of lifting solutions to Australian industry.
- Provide superior service to customers.
- Deliver attractive and sustainable returns to its shareholders.

Boom's strategic plan focuses on:

- Safety and quality excellence.
- Building a national brand.
- Broadening our customer base and service offerings.
- Enhancing our total lifting solution capabilities.
- Increasing geographic and market diversity.
- Increasing contracted revenue streams.
- Pursuing disciplined growth opportunities.

Our people

In line with our rate of growth we have continued to grow our workforce from 1,204 employees in 2006 to 1,373 in 2007, covering a wide range of disciplines including:

- Equipment Operators
- Riggers and Dogmen
- Fitters and Mechanics
- Truck Drivers
- Sales and Supervisors
- Engineers
- Safety Professionals
- Management

During the financial year we have focussed on further developing our people with the provision of in house and external training programmes including:

- Dupont safety training,
  Operator training and ticketing
- Management development courses
- Apprenticeship programmes
- Contract management training

These programmes will be further developed over the next 12 months as an integral part of our focus on improving the competency of our employees and providing higher levels of job satisfaction and career opportunities.


CATERPILLAR


BOON
BOON
BOON
LOGISTICS
BOON
LOGISTICS

Senior Management

Mark Lawrence	Chief Executive Officer
Iona MacPherson	Chief Financial Officer and Company Secretary
Brian Praetz	Chief Operating Officer
James Carr	Executive General Manager Sales & Marketing
Adam Watson	Executive General Manager Strategic Development
Craig Donaldson	General Manager – WA
Brenton Salleh	General Manager – VIC
Mark Apthorpe	General Manager – NSW
Ken Brown	General Manager – QLD
Steven Goulding	General Manager – Boom Sherrin
Peter Shelton	General Manager – James Equipment

Occupational Health, Safety, Environment & Quality

Our commitment to an injury free workplace is a core objective of our company, and in the last 12 months we have continued to achieve improvement toward this goal.
This year in the base Boom crane business we achieved a 46% improvement in our Lost Time Injury Frequency Rate (LTIFR) based on the following work practices:

- Ongoing leadership from the national safety work practice group.
- Application of best practice safety procedures, forms and policies.
- Maintained national accreditation to Quality Standard ISO 9001:2000.
- Implementation and application of a national incident reporting and management system – Trilogy.
- Maintenance of a national risk register.

Boom Sherrin (formerly Sherrin Hire), at the time of being acquired, had a higher LTIFR than the base Boom crane business. The immediate focus was to improve and align Boom Sherrin's safety performance with the base Boom crane business.

As a consequence, Boom Sherrin has achieved a 54% improvement in LTIFR and the focus in this area continues.

Customer Service

Over the past year Boom has enhanced its provision of lifting solutions to customers through the following initiatives:

- Increased crane fleet from 551 cranes to 586 ranging from 5 tonne to 500 tonne.
- Increased heavy equipment haulage fleet in Central Queensland and Western Australia.
- Further integration of the Boom Sherrin product range which includes:
    - Travel Towers
    - Access Equipment
    - Material Handlers
- Increased depot network from 53 to 62 providing greater national coverage.
- Enhancement of scheduling and safety capabilities through further development of the company's integrated management systems.

Operational Review

Divisional Overview

Headquartered in Melbourne, Boom Logistics has a national network of operations serving both regional and capital city markets.

Western Australia

We have a large and growing crane services network throughout Western Australia supported by the Boom Sherrin fleet of Access and Material Handling equipment. Depots are located at Welshpool, Bunbury, Kwinana, Kalgoorlie, Geraldton, Karratha, Mt. Newman and Port Hedland, with plans for locations in the Kimberly and Great Southern regions in the new financial year.

Our heavy haulage capability is now well established in the Pilbara region, with a view to further expansion.

We now provide customers with a comprehensive logistics package bringing together all of our capabilities, as we seek to maximise our opportunity in the very robust Western Australian economy that is forecast to continue beyond the next financial year.

Victoria

We provide a complete range of services in Victoria from depots based in the Latrobe Valley, Braeside, Laverton, Altona and Geelong. The Tower division, which services the national construction industry, is also based out of Victoria.

The Melbourne based activities experienced a challenging year. Activity in the building and construction sector was subdued, resulting in the Tower crane business delivering a soft result. Pleasingly there has since been an increase in these activity levels. The Latrobe Valley based business exceeded expectations as a result of increased shutdown work in the power industry, activities supporting the EastLink pre-cast concrete manufacturing facility and construction activities at the Maryvale Paper Mill.

The addition of Moorland Hire will provide Boom Sherrin a more comprehensive presence in the metro Melbourne hire market and Latrobe Valley hire market.

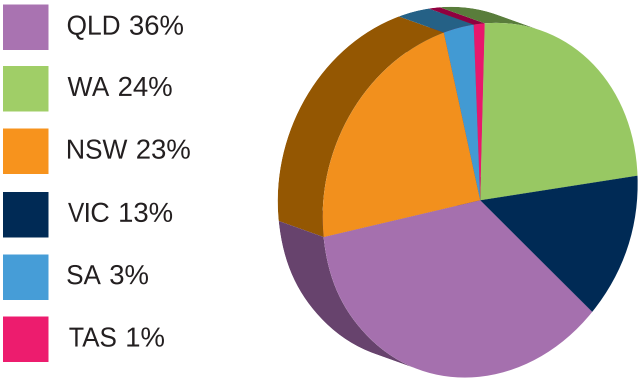
Tasmania

Boom Sherrin operates in Tasmania from depots located in Hobart, Burnie and Launceston.

The operations are focussed on the hydro power, power authorities, telecommunications and mining sectors.

Demand is anticipated to remain constant during the next financial year.

Geographical Segmentation Revenue Total $ 350m



South Australia

Boom Sherrin services are provided from depots located in Adelaide and Whyalla. The Adelaide highrise construction market continues to be serviced by our tower crane division in Melbourne.

The solid performance in South Australia is expected to continue into next year.

New South Wales

We provide a complete range of services including cranes, heavy equipment haulage, rigging and access equipment throughout this region from depots located in the Hunter Valley, Newcastle, Sydney and Wollongong.

We expect activity in the Hunter Valley coal producing region to continue at a high level into next year.

The recent acquisition of D&D Cranes will provide greater coverage of the Wollongong region.

Queensland

We experienced solid demand for both the Boom and the Boom Sherrin service offerings during the year and anticipate this will continue next financial year.

We continue to maintain an extensive network of branches at Eagle Farm, Toowoomba, Beenleigh, Moranbah, Blackwater, Middlemount, Mackay, Brisbane, Gladstone, Townsville, Ipswich and the Gold and Sunshine Coasts.

Queensland continues to benefit from the high levels of activity in the resources, infrastructure, and industrial sectors and this is reflected in a strong demand for our services. We are confident that these activity levels will continue in the coming year.

Acquisition Activity

	Price	Date	
JAMES EQUIPMENT Australia's Largest Crane Specialist	$59.5m	Aug 2006	• Integration has gone well – providing both internal and external benefits • Sales increased 29% in FY07 – exceeding expectations • EBITDA margin declined from 28% to 24% as 'new' All Terrain crane sales initially discounted
GM BADEN	$5.6m	Mar 2007	• Acquired to expand the James Equipment after sales service capability
D&D Crane Hire	$4.2m	Apr 2007	• Integration into core NSW business on schedule
MOORLAND HIRE	$30.2m	Jun 2007	• Strong complementary customer base • Solid performance since acquisition • Integration into Boom Sherrin progressing well • Opportunity to up sell Boom Sherrin offering to new customer base
Total	**$99.5m**		


BOON
BOON
NO ENTRY

Corporate Governance

Board of Directors

Rodney John Robinson (63)
BSc, MG Sc, F Aus IMM

Non-Executive Chairman
APPOINTED 15 NOVEMBER 2002

Mark Alan Lawrence (42)
B.Bus(Acc), CA

Managing Director
APPOINTED 1 JULY 2006

Dr Huw G Davies (66)
BSc (Hons), PhD (Geology)

Non-Executive Director
APPOINTED 15 NOVEMBER 2002

The Board adopts the ASX Principles of Good Corporate Governance and Best Practice Recommendations. Corporate governance practices applied by the company are set out below:

Board Composition

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

In compliance with the Constitution, Terrance Alexander Hebiton being eligible, will stand for re-election at the Annual General Meeting.

Corporate Governance

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.

Terrence Charles Francis (61)
B.E (Civil), MBA, FIE Aust,
FAICD, F Fin, MAIME

Non-Executive Director
APPOINTED 13 JANUARY 2005

Jane Margaret Harvey (52)
B.Com, MBA, FCA, FAICD

Non-Executive Director
APPOINTED 12 JULY 2005

Terrance Alexander Hebiton (56)

Non-Executive Director
APPOINTED 22 DECEMBER 2000

- 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 executives 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.

  Board Committees make recommendations to the Board, they are not delegated responsibility except as specifically authorised by the Board.

Corporate Governance

Directors' shareholdings in the company

There is no obligation under the Constitution for Directors to hold shares in the Company, although all presently do. Details of Directors' shareholdings are shown in the Directors' Report on pages 24 to 34.

Directors and senior management of the Company are restricted to buying or selling shares in the Company in the one-month period immediately following the announcement of annual and half-yearly results and/or the announcement of a material event, in accord with the Company's Securities Trading Policy. Under the Policy, Directors are required to notify the Chairman before any trading takes place.

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

Board Committees

The Board has established three committees to assist in managing its responsibilities. These are an Audit & Compliance Committee, a Nomination & Remuneration Committee and an Occupational Health Safety, Environment & Quality Committee.

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

Audit & Compliance Committee

The committee comprises three non-executive Directors. The external audit partner of PKF Chartered Accountants, internal audit partner of RSM Bird Cameron, Managing Director, Chief Financial Officer and other management personnel attend these meetings by invitation.

The current members are:

- Ms Jane Harvey - Chairman
- Dr Huw Davies
- Mr Terrence Francis

The responsibilities of the Audit and Compliance Committee are contained within its Charter and include:

- Assessment and monitoring of internal control adequacy.
- Monitoring the activities and effectiveness of the internal audit function.
- Overseeing and monitoring integrity of financial reporting.

- Review draft annual and half-yearly financial statements with management and external auditors and make recommendations to the full Board.
- Review and monitor the Company's compliance with law and ASX Listing Rules.
- Review performance against the Company's Code of Conduct.
- Report regularly to the Board on its activities and findings.
- Assessment and monitoring of enterprise-wide risk to the Company including ensuring systems and procedures for compliance with risk management policies are in place and operating effectively.
- Other responsibilities as required by the Board or considered appropriate.

During the year, RSM Bird Cameron, acting as the Company's internal auditors, undertook several internal control reviews within the business.

Nomination and Remuneration Committee

The committee comprises three non-executive Directors. The current members are:

- Mr John Robinson - Chairman
- Dr Huw Davies
- Ms Jane Harvey

The responsibilities of the Nomination and Remuneration Committee include:

- Assessment of the necessary competencies of Board members.
- Establishment and review of Board succession plans.
- Evaluation of the Board's performance.
- Consideration and recommendation to the full Board of the appointment and removal of Directors.
- Review and recommend the remuneration of non-executive Directors, the Chief Executive Officer and direct reports.
- Review and recommend remuneration policies applicable to Directors, senior executives and Company employees generally.
- The committee has particular responsibility for the annual review and consideration of the Chief Executive Officer's remuneration structure.
- Review and recommend general remuneration principles, including incentive schemes, bonuses, and share plans that reward individual and team performance.

In discharging its responsibilities, the committee draws on advice from external consultants.

Corporate Governance

Occupational Health, Safety, Environment and Quality Committee

The committee comprises three non-executive Directors. The Managing Director, Chief Operational Officer and the National Manager Quality, Safety & Risk attend these meetings by invitation.

The current members are:

- Mr John Robinson - Chairman
- Mr Jack Hebiton
- Mr Terrence Francis

Under its Charter, the OHSE&Q Committee's responsibilities include:

- Ensuring comprehensive safety strategies are put in place to eliminate injuries.
- Reviewing the Company's OHSE&Q performance and ensuring that appropriate action is taken to remedy any shortcomings.
- Ensuring that systems and procedures for compliance with policy and legislation are in place and routinely monitor them.
- Reviewing high-level risks and plans to mitigate these risks.
- Reviewing incident trends across the Company and associated action plans and ensure appropriate action if not satisfied.
- Undertaking detailed reviews of supporting documentation and draft OHSE&Q proposals prior to seeking Board approval.
- Benchmarking the Company's performance against industry counterparts and leading organisations.

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 and Company Policies

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/or drive towards best practice in its internal business controls, financial administration and accounting policies.
- The Company has in place policies to ensure it meets continuous disclosure requirements of the ASX.
- Directors and employees are bound by strict rules in the trading of company shares.
- The Company is committed to continuous improvement of workplace safety with the ultimate objective of no injuries to anyone, anytime.
- 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 and education as well as by periodic internal audit.


AC 350
BOOM
LOGISTICS
1300 362 666
Unauthorized persons are warned to keep out of working range of crane.
SWL 350t

Table of Contents

Boom Logistics Limited A.B.N. 28 095 466 961

DIRECTORS' REPORT

Your Directors of Boom Logistics Limited ("the company") submit their report for the year ended 30 June 2007.

Directors

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. He is currently Chairman of Global Mining Investments Limited and a Non-Executive Director of Perseverance Corporation Limited and PSI Limited. He is also Chairman of Prince Henry's Institute for Medical Research and Monash Health Research Precinct Limited. During the past three years, Mr. Robinson has not held any ASX listed public company directorships other than Global Mining Investments Limited (appointed 9 December 2005) and Perseverance Corporation Limited (appointed 12 February 2001).

Roderick Glynn Harmon
B.App.Sc
(former Managing Director)
(appointed 29 April 2002)

Mr. Harmon held various directorships and was an executive for BHP Billiton Limited for eleven years in various divisions including BHP's Steel, Collieries, Transport and Logistics businesses. He was Managing Director from the beginning of the financial year until his resignation on 29 June 2007.

Terrance 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 was a principal of Alpha Crane Hire, one of the founding entities of Boom Logistics.

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 and was responsible for the polymer, textile, resources and commercial activities of the organisation. Since that time he has been extensively involved in the electricity and gas industries and has undertaken distribution/ trading project assignments in Asia. He has been a director of a number of listed public and private companies. He is currently the Administrator of the SECV and Chair of its Executive Committee.

Terrence Charles Francis
B.E (Civil), MBA, FIE Aust, FAICD, F Fin, MAIME
(Non executive Director)
(appointed 13 January 2005)

Mr. Francis is currently Chairman of the Southern and Eastern Integrated Transport Authority, a Non-Executive Director of Nylex Limited, the Emergency Services Telecommunications Authority, and ANZ bank's private equity business. He is also a member of the Council of RMIT University. 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 ASX listed public company directorships other than Nylex Limited (appointed 30 October 2003).

Jane Margaret Harvey
B.Com, MBA, FCA, FAICD
(Non executive Director)
(appointed 12 July 2005)

Ms. Harvey is a former Partner of PricewaterhouseCoopers. She is currently a non-executive director of a number of organisations including Colonial Foundation Limited, IOOF Holdings Limited, the Royal Flying Doctor Service (Vic) which she chairs, Bayside Health Services, Rural Finance Corporation, the Telecommunications Industry Ombudsman and the Legal Services Board. During the past three years, Ms. Harvey has not held any ASX listed public company directorships other than IOOF Holdings Limited (appointed 18 October 2005). Ms. Harvey has extensive finance, strategic development and corporate governance experience.

Mark Alan Lawrence
B.Bus(Acc), C.A.
(Managing Director)
(appointed director 1 July 2006)

Mr. Lawrence was previously employed by Bovis Lend Lease for a period of six years. He held a number of finance roles including Global Finance Manager. Mr. Lawrence, originally from Deloitte Touche Tohmatsu, has been a Chartered Accountant for over 15 years. He was Finance Director and Company Secretary for the year ended 30 June 2007 and was appointed Managing Director on 1 July 2007.

DIRECTORS' REPORT (continued)

Company Secretary

Iona MacPherson
B.A., C.A.
(appointed 30 June 2007)

Ms. MacPherson was appointed to the position of Chief Financial Officer and Company Secretary in June 2007. She previously held the role of Chief Financial Officer and Company Secretary of Australian Air Express Ltd for 4 year and prior to that worked with KPMG for 13 years and has been a Chartered Accountant for over 13 years.

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	104,272
T.A. Hebiton	195,753
H.G. Davies	85,316
T.C. Francis	44,272
J.M. Harvey	15,800
M.A. Lawrence	326,777

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 & Compliance Committee		Nomination & Remuneration Committee		Occupational, Health, Safety, Environment & Quality Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
R.J. Robinson	11	11	-	-	1	1	2	2
R.G. Harmon	11	11	-	-	-	-	-	-
T.A. Hebiton	11	11	-	-	-	-	2	2
H.G. Davies	11	10	4	4	1	1	-	-
T.C. Francis	11	11	4	4	-	-	2	2
J.M. Harvey	11	11	4	4	1	1	-	-
M.A. Lawrence	11	11	-	-	-	-	-	-

DIRECTORS' REPORT (continued)

Corporate Structure

Boom Logistics Limited 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 of Directors and Officers

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.

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 consolidated entity was the provision of lifting solutions and sale of mobile cranes and associated spare parts.

Operating and Financial Review

The consolidated entity achieved both revenue and profit growth this financial year. Total revenue increased by 38% and profit after tax increased by 11% compared to the previous financial year. Revenue from continuing activities was $350,007,000 and profit after tax was $36,607,000.

Whilst the net profit position improved from the previous financial year, the net profit margin was impacted by adverse weather conditions, some deferrals of customer maintenance and equipment delays.

The unfavourable weather conditions in the second half of the financial year included cyclonic activity in northern Western Australia and Queensland during February and March, and flooding in New South Wales in June. These adverse weather impacts caused significant disruptions to operations and a subsequent deferral of customer demand as they sought to recover lost production time.

The Tower Crane operations activity level recovered during the year albeit slower than anticipated. However, performance increased from 6 tower cranes operating at the start of the financial year to 26 at the end of the financial year.

The successful acquisitions of the James Group, GM Baden, D&D Crane Hire and Moorland Hire were highlights during the financial year and have further cemented Boom's position as the leading integrated lifting solutions group in Australia and provide a solid platform for future growth.

Significant Changes in the State of Affairs

Shareholder equity increased to $288,205,000 from $265,538,000, an increase of $22,667,000 or 9%. The increase was largely due to increased profits resulting from the full year impact of acquisitions made in the previous financial year, and the following acquisitions made during the financial year:

- 1 national business; and
- 3 businesses between Queensland, New South Wales and Victoria.

Refer to note 24 in the financial statements for further acquisition details.

DIRECTORS' REPORT (continued)

Significant Events After the Balance Date

Subsequent to 30 June 2007, the consolidated entity signed several commercial hire purchase agreements to acquire plant and equipment to the value of $7,094,141.

On 15 August 2007, the directors of Boom Logistics Limited declared a fully franked final dividend of 5.3 cents per share totalling $9,041,925 in respect of the 2007 financial year. The dividend has not been provided for in the 30 June 2007 financial statements.

Likely Developments and Expected Results

The directors foresee that the company will continue to benefit from further organic growth and acquisition initiatives during the 2007/08 financial year.

Directors are cognisant of the requirement to continuously disclose material matters to the market. At this time, 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 company has adequate systems and processes in place to manage and comply with environmental regulations as they apply to the company.

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/corporate_governance

Remuneration Report

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

Nomination and remuneration committee

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

- Evaluating performance of the CEO against annual targets set by the Board;
- Reviewing remuneration packages for the CEO and senior management;
- Succession planning among the senior management group;
- Seeking out and recommending new appointees to the Board; and
- Reviewing directors' fees and Board performance.

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

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Executive remuneration policy

Executive remuneration is based upon the following principles:

- External competitiveness, using appropriate independent market survey data comparing Boom 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 and linked to increasing shareholder value; and
- Reward for performance represents a balance of annual and longer term targets.

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 (eg 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 a short term and long term component, with both 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 Boom Logistics 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 senior 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 company values.

Remuneration Report (continued)

Executive remuneration components (continued)

The STIP is applied following the annual audit of the Group's results and a review of individual performance against Board agreed targets set at the beginning of each financial year. Any payments made under the Plan occur in September and the incentive cost is deducted from the financial results before determining the performance reward. No payment is made should results fall short of individual targets.

Individual performance measures are reset each year and are determined by the business drivers appropriate to each position. The CEO's incentive payment, for example, is split 80:20 between earnings per share (EPS) and group safety performance, whereas General Managers are measured against their division's EBIT, company EPS and divisional safety performance, on a respective 40:40:20 ratio. Whilst, the National Manager for Quality, Safety and Risk's incentive payment is measured between group safety performance and company EPS on a 75:25 ratio.

(b) Long term incentive plan

The LTIP was established to provide reward for consistent performance over a rolling three year period with Total Shareholder Return (TSR) as the target. TSR is determined on the basis of combined dividend and share price growth. 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. Boom Logistics 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 senior executive group.

The annual value of the reward is converted into Boom Logistics shares at a price determined as the volume weighted average over the five business days preceding the grant date. The grant date is set two weeks after the release to ASX of the Group's annual results to ensure time for the market to adjust to the released information. The benefit does not vest until three years from grant date and vesting requires an average minimum annual TSR of 12% per annum over the three year period, as well as continuation of full time employment with the company over this time.

The operation of the LTIP is conducted through an Executive Share Trust administered by an independent third party and shareholder approval for continuation of the LTIP is sought at the commencement of each three year period at the General Meeting.

Remuneration review

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

Senior executive remuneration is reviewed by the Remuneration & Nominations Committee of the Board with input from the CEO in respect of executives directly reporting to him. Market survey data provided by external consultants is combined with individual performance appraisals to determine recommendations to go to the Board for approval. This process occurs in May 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 and recommending to the Board appropriate adjustments to his remuneration package.

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

Remuneration Report (continued)

Executive director remuneration

The former Managing Director Rod Harmon was appointed on 29 April 2002.

Mr Harmon had an employment contract that had no fixed term. He was entitled to terminate his contract on eight week's notice and was entitled to nine weeks notice from the Group. He was entitled to receive up to a maximum of 26 weeks severance pay if his employment was terminated on the grounds of redundancy. He was subject to a restrictive covenant during his employment and for 1 year after termination of such employment.

Mr Harmon's remuneration comprised a fixed annual reward; a short term incentive based on meeting annual performance targets set by the Board and a long term equity based incentive under the terms described under the LTIP section of this report.

Mr Harmon resigned on 30 June 2007. All LTIP that Mr. Harmon was entitled to was forfeited upon his resignation as the 3 year vesting condition was not met.

The Finance Director Mark Lawrence was appointed on 1 July 2006.

Mr Lawrence has an employment contract that has no fixed term. He is entitled to terminate his contract on eight week's notice. He may be entitled to receive up to a maximum 26 weeks severance pay if his employment is terminated on the grounds of redundancy. This is determined on length of service and currently stands at 8 weeks pay. He is subject to a restrictive covenant during his employment and for 1 year after termination of such employment.

Mr Lawrence's remuneration comprises a fixed annual reward; a short term incentive based on meeting annual performance targets set by the Board and a long term equity based incentive under the terms described under the LTIP section of this report.

Mr Lawrence resigned as Finance Director and Company Secretary on 30 June 2007 and was appointed Managing Director on 1 July 2007.

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

Board 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. The maximum aggregate sum for non-executive director remuneration of $400,000 was approved by shareholders at the 2004 Annual General Meeting.

Employee superannuation

The company currently contributes the 9% superannuation guaranteed amount as required by existing superannuation legislation to all employees with the exception of executive directors who receive 15% and senior executive group who receive 12% in accordance with their employment contracts.

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Compensation of non-executive directors and key management personnel

Details of non-executive directors and key management personnel remuneration for the year ended 30 June 2007 are as follows:

	Short Term				Post Employment		Long Term	Total	
	Salary & Fees	Cash Bonus	Non Monetary benefits	Other	Super-annuation	Retirement benefits	Share based payment		Total performance related
Non-Executive Directors									
John Robinson									
2007	120,000	-	-	-	10,800	-	-	130,800	-
2006	90,000	-	-	-	8,100	-	-	98,100	-
Terrance Hebiton									
2007	60,000	-	-	-	5,400	-	-	65,400	-
2006	45,000	-	-	-	4,050	-	-	49,050	-
Dr. Huw Davies									
2007	60,000	-	-	-	5,400	-	-	65,400	-
2006	45,000	-	-	-	4,050	-	-	49,050	-
Terrence Francis									
2007	60,000	-	-	-	5,400	-	-	65,400	-
2006	45,000	-	-	-	4,050	-	-	49,050	-
Jane Harvey									
2007	60,000	-	-	-	5,400	-	-	65,400	-
2006	45,000	-	-	-	4,050	-	-	49,050	-
Total Remuneration: Non-Executive Directors									
2007	360,000	-	-	-	32,400	-	-	392,400	
2006	270,000	-	-	-	24,300	-	-	294,300	

Remuneration Report (continued)

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

	Short Term				Post Employment		Long Term	Total	
	Base Salary	Cash Bonus[a]	Non Monetary benefits	Other[b]	Super-annuation	Retirement benefits	Share based payment[c]		Total performance related
Executives									
Roderick Harmon (Managing Director) [d]									
2007	468,974	300,300	1,357	30,000	75,001	-	-	875,632	34.3%
2006	433,445	206,250	-	30,000	56,250	-	90,000	815,945	36.3%
Mark Lawrence (Finance Director and Company Secretary) [e]									
2007	290,799	144,866	1,357	-	41,250	-	82,501	560,773	40.5%
2006	254,912	111,384	-	-	28,218	-	44,951	439,465	35.6%
Brian Praetz (Chief Operating Officer) [f]									
2007	219,141	26,871	-	12,000	26,823	-	39,413	324,248	20.4%
2006	181,843	54,925	-	12,000	21,395	-	26,871	297,034	27.5%
Steven Goulding (General Manager - Sherrin Hire Pty Ltd)									
2007	205,028	31,502	30,215	-	23,585	-	39,598	329,928	21.6%
2006	167,690	51,864	14,898	-	14,959	-	-	249,411	20.8%
Mark Apthorpe (General Manager - New South Wales Division)									
2007	177,432	33,470	-	-	20,878	-	34,196	265,976	25.4%
2006	161,472	36,022	-	-	19,824	-	24,780	242,098	25.1%
Frank Legena (National Manager - Quality, Safety and Risk)									
2007	151,819	34,978	8,775	20,625	18,014	-	30,021	264,232	24.6%
2006	145,162	43,771	19,350	-	17,489	-	21,861	247,633	26.5%
Brenton Salleh (General Manager - Victorian Division) [g]									
2007	176,908	28,624	-	-	17,517	-	33,416	256,465	24.2%
2006	141,525	32,130	-	-	18,470	-	23,868	215,993	25.9%
James Carr (Business Development Manager) [h]									
2007	138,813	-	204	-	15,500	-	31,000	185,517	16.7%
2006	-	-	-	-	-	-	-	-	-
Peter Shelton (General Manager - James Group) [i]									
2007	143,104	-	-	16,500	12,900	-	-	172,504	-
2006	-	-	-	-	-	-	-	-	-
Alex Pagonis (General Manager - Queensland Division) [j]									
2007	118,317	29,700	-	-	10,886	-	-	158,903	18.7%
2006	181,121	33,024	11,329	-	17,121	-	24,750	267,345	21.6%
Craig Donaldson (General Manager - Western Australia Division) [k]									
2007	95,224	-	-	-	10,500	-	-	105,724	-
2006	-	-	-	-	-	-	-	-	-
Ken Brown (General Manager - Queensland Division) [l]									
2007	30,620	-	-	-	3,400	-	-	34,020	-
2006	-	-	-	-	-	-	-	-	-
Total Remuneration: Executives									
2007	2,216,179	630,311	41,908	79,125	276,254	-	290,145	3,533,922	
2006	1,667,170	569,370	45,577	42,000	193,726	-	257,081	2,774,924	
Total Remuneration: Non-Executive Directors and Executives									
2007	2,576,179	630,311	41,908	79,125	308,654	-	290,145	3,926,322	
2006	1,937,170	569,370	45,577	42,000	218,026	-	257,081	3,069,224	

Remuneration Report (continued)

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

[a] Cash bonus is determined in accordance with the Short Term Incentive Plan outlined on page 5. The cash bonus is in relation to the STIP in the previous financial year. Approval for any bonus occurs after the end of the financial year.

[b] Other represents motor vehicle allowance.

[c] Share based payment represents ordinary shares in Boom Logistics Limited issued for nil consideration. For the purpose of this disclosure, the ordinary shares have been valued at market value at the grant date being $4.13 per share (2006: $2.756 per share). The share based payment vests over a rolling 3 year period from grant date. The portion relating to this reporting period was recognised in accordance with accounting policy note 3(r).

[d] Roderick Harmon resigned as Managing Director on 29 June 2007. Consequently, all share based payments issued to date, including 48,426 ordinary shares issued in August 2006 at a market value at that date of $4.13 per share were forfeited as the 3 year vesting condition was not met.

[e] Mark Lawrence resigned as Finance Director and Company Secretary on 30 June 2007. He was appointed Managing Director on 1 July 2007.

[f] Brian Praetz was appointed Chief Operating Officer on 1 January 2007. Previously, he was General Manager - Western Australia Division.

[g] Brenton Salleh is also a director of Boom Logistics (VIC) Pty Ltd.

[h] James Carr commenced employment with Boom Logistics Limited on 1 August 2006.

[i] Peter Shelton commenced employment with the Group on 1 August 2006 upon the asset acquisition of the James Group.

[j] Alex Pagonis resigned as General Manager - Queensland Division on 9 March 2007. Consequently, all share based payments issued to date, including 8,150 ordinary shares issued in August 2006 at a market value at that date of $4.13 per share were forfeited as the 3 year vesting condition was not met.

[k] Craig Donaldson commenced employment with Boom Logistics Limited on 1 January 2007.

[l] Ken Brown commenced employment with Boom Logistics Limited on 7 May 2007.

Shares granted as part of remuneration for the year ended 30 June 2007 (in accordance with the LTI plan)

Name	Grant date	Grant number	Vesting date	Value per share at grant date*	TSR benchmark	% of total remuneration
Mark Lawrence						
2007	23 Aug 06	19,976	23 Aug 09	$4.130	> 12% avg over 3 yrs	14.7%
2006	25 Aug 05	16,312	25 Aug 08	$2.756	> 9% avg over 3 yrs	10.2%
Brian Praetz						
2007	23 Aug 06	9,543	23 Aug 09	$4.130	> 12% avg over 3 yrs	12.2%
2006	25 Aug 05	9,752	25 Aug 08	$2.756	> 9% avg over 3 yrs	9.0%
Steven Goulding						
2007	23 Aug 06	9,588	23 Aug 09	$4.130	> 12% avg over 3 yrs	12.0%
2006	-	-	-	-	-	-
Mark Apthorpe						
2007	23 Aug 06	8,280	23 Aug 09	$4.130	> 12% avg over 3 yrs	12.9%
2006	25 Aug 05	8,993	25 Aug 08	$2.756	> 9% avg over 3 yrs	10.2%
Frank Legena						
2007	23 Aug 06	7,269	23 Aug 09	$4.130	> 12% avg over 3 yrs	11.4%
2006	25 Aug 05	7,933	25 Aug 08	$2.756	> 9% avg over 3 yrs	8.8%
Brenton Salleh						
2007	23 Aug 06	8,091	23 Aug 09	$4.130	> 12% avg over 3 yrs	13.0%
2006	25 Aug 05	8,662	25 Aug 08	$2.756	> 9% avg over 3 yrs	11.1%
James Carr						
2007	23 Aug 06	7,506	23 Aug 09	$4.130	> 12% avg over 3 yrs	16.7%
2006	-	-	-	-	-	-

* Value per share based on 5 day volume weighted average price prior to grant date.

DIRECTORS' REPORT (continued)

Auditor’s Independence Declaration to the Directors

Refer to the following page of the Directors’ Report.

Non-audit services

The following non-audit services were provided by PKF, the entity'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. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

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

- Tax compliance services $31,500

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 to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

John Robinson
Chairman

Mark Lawrence
Managing Director

Melbourne, 15 August 2007

PKF

Chartered Accountants
& Business Advisers

INDEPENDENCE DECLARATION

TO : THE DIRECTORS
BOOM LOGISTICS LIMITED

As lead engagement partner for the audit of Boom Logistics Limited and its controlled entities for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

PKF

PKF
Chartered Accountants

Michael Port

M L Port
Partner

15 August 2007
Melbourne

Tel: +61 3 9603 1700 | Fax: +61 3 9602 3870 | www.pkf.com.au
Victorian Partnership | ABN 56 527 914 493
Level 14 | 140 William Street | Melbourne | Victoria 3000 | Australia
GPO Box 5099 | Melbourne | Victoria 3001

Income Statement Year Ended 30 June 2007

		CONSOLIDATED		PARENT	
	Note	**2007 $'000**	2006 $'000	**2007 $'000**	2006 $'000
Revenue from continuing operations	4(a)	350,007	253,808	189,215	158,479
Salaries and employee benefits expense	4(b)	(121,533)	(97,932)	(81,544)	(65,332)
Equipment service and supplies expense		(66,170)	(60,712)	(49,144)	(41,134)
Cost of sales associated with cranes	4(b)	(36,811)	-	-	-
Depreciation and amortisation expense	4(b)	(30,876)	(20,250)	(15,441)	(9,812)
Finance costs		(13,924)	(9,240)	(7,434)	(4,184)
Operating leases		(8,102)	(5,718)	(3,941)	(2,501)
Other expenses		(20,338)	(13,062)	(12,684)	(8,847)
Profit before income tax		52,253	46,894	19,027	26,669
Income tax expense	5(a)	(15,646)	(13,754)	(5,503)	(7,681)
Net profit attributable to members of Boom Logistics Limited		36,607	33,140	13,524	18,988
Basic earnings per share (cents per share)	6	21.5	21.8		
Diluted earnings per share (cents per share)	6	21.5	21.8		
Franked dividends per share (cents per share)	7	11.0	10.4		

The accompanying notes form an integral part of this Income Statement.

Balance Sheet At 30 June 2007

		CONSOLIDATED		PARENT	
	Note	2007 $'000	2006 $'000	2007 $'000	2006 $'000
CURRENT ASSETS					
Cash and cash equivalents	8(a)	9,826	29,909	4,587	27,440
Trade and other receivables	9	66,204	49,196	37,946	34,154
Inventories	10	21,351	348	445	190
Prepayments and other current assets	11	5,505	4,450	3,618	3,015
TOTAL CURRENT ASSETS		102,886	83,903	46,596	64,799
NON CURRENT ASSETS					
Receivables	12	-	-	33,019	15,740
Other financial assets	13	-	-	79,846	79,846
Plant and equipment	14	388,199	292,724	186,559	144,527
Deferred tax assets	5(b)	3,286	3,641	2,093	2,664
Intangible assets	15(b)	107,749	51,399	37,058	17,186
TOTAL NON-CURRENT ASSETS		499,234	347,764	338,575	259,963
TOTAL ASSETS		602,120	431,667	385,171	324,762
CURRENT LIABILITIES					
Trade and other payables	17	45,569	14,853	10,932	6,704
Interest bearing loans and borrowings	18	69,512	39,719	32,560	18,123
Provisions	19	10,043	8,477	6,715	5,923
Income tax payable		1,189	529	1,664	644
Other current liabilities	20	4,252	4,671	6,410	4,008
TOTAL CURRENT LIABILITIES		130,565	68,249	58,281	35,402
NON CURRENT LIABILITIES					
Interest bearing loans and borrowings	18	168,923	88,546	74,585	38,597
Provisions	19	125	107	52	58
Deferred tax liabilities	5(b)	14,302	9,227	3,218	2,649
TOTAL NON-CURRENT LIABILITIES		183,350	97,880	77,855	41,304
TOTAL LIABILITIES		313,915	166,129	136,136	76,706
NET ASSETS		288,205	265,538	249,035	248,056
EQUITY					
Contributed equity	21	232,734	226,746	232,734	226,746
Retained earnings	22	56,573	38,555	16,020	21,085
Reserves	23	(1,102)	237	281	225
TOTAL EQUITY		288,205	265,538	249,035	248,056

The accompanying notes form an integral part of this Balance Sheet.

Cash Flow Statement Year Ended 30 June 2007

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000
Cash flows from operating activities					
Receipts from customers		362,385	255,485	202,156	159,860
Payments to suppliers and employees		(267,325)	(193,867)	(150,839)	(146,675)
Interest paid		(13,924)	(9,240)	(7,434)	(4,184)
Interest received		679	1,301	1,746	1,228
Income tax paid		(9,705)	(7,888)	(9,705)	(8,400)
Net cash provided by operating activities	8(b)	72,110	45,791	35,924	1,829
Cash flows from investing activities					
Purchase of plant and equipment		(22,009)	(50,128)	(10,465)	(21,162)
Acquisition of subsidiary/business net of cash acquired	24(b)	(77,675)	(87,441)	(59,713)	(86,961)
Proceeds from the sale of plant and equipment		853	2,038	317	1,419
Net cash used in investing activities		(98,831)	(135,531)	(69,861)	(106,704)
Cash flows from financing activities					
Proceeds from issue of shares net of transaction costs	21(b)	(12)	148,171	(12)	148,171
Proceeds from borrowings		55,949	-	40,149	-
Repayment of borrowings		(30,710)	(21,028)	(10,464)	(8,464)
Payment of dividends	7(a)	(18,589)	(13,547)	(18,589)	(13,547)
Net cash provided by financing activities		6,638	113,596	11,084	126,160
Net increase/(decrease) in cash and cash equivalents		(20,083)	23,856	(22,853)	21,285
Cash and cash equivalents at the beginning of the period		29,909	6,053	27,440	6,155
Cash and cash equivalents at the end of the period	8(a)	9,826	29,909	4,587	27,440

The accompanying notes form an integral part of this Cash Flow Statement.

Statement of Changes in Equity Year Ended 30 June 2007

	CONSOLIDATED				
	Issued Capital $'000	Retained Earnings $'000	Cash flow Hedge Reserve $'000	Employee Benefits Reserve $'000	Total Equity $'000
At 1 July 2005	70,075	18,962	-	71	89,108
Profit for the year	-	33,140	-	-	33,140
Issue of share capital	159,958	-	-	-	159,958
Share capital raising costs	(3,287)	-	-	-	(3,287)
Cost of share based payments	-	-	-	166	166
Equity dividends	-	(13,547)	-	-	(13,547)
At 30 June 2006	226,746	38,555	-	237	265,538
Profit for the year	-	36,607	-	-	36,607
Issue of share capital	6,000	-	-	-	6,000
Share capital raising costs	(12)	-	-	-	(12)
Cost of share based payments	-	-	-	56	56
Equity dividends	-	(18,589)	-	-	(18,589)
Gain / (loss) taken to equity	-	-	(1,395)	-	(1,395)
At 30 June 2007	232,734	56,573	(1,395)	293	288,205

	PARENT				
At 1 July 2005	70,075	15,644	-	59	85,778
Profit for the year	-	18,988	-	-	18,988
Issue of share capital	159,958	-	-	-	159,958
Share capital raising costs	(3,287)	-	-	-	(3,287)
Cost of share based payments	-	-	-	166	166
Equity dividends	-	(13,547)	-	-	(13,547)
At 30 June 2006	226,746	21,085	-	225	248,056
Profit for the year	-	13,524	-	-	13,524
Issue of share capital	6,000	-	-	-	6,000
Share capital raising costs	(12)	-	-	-	(12)
Cost of share based payments	-	-	-	56	56
Equity dividends	-	(18,589)	-	-	(18,589)
At 30 June 2007	232,734	16,020	-	281	249,035

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

1. Corporate Information

The financial report of Boom Logistics Limited for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 15 August 2007.

Boom Logistics Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group 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, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial report complies with Australian Accounting Standards and other authoritive pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretations.

(b) Historical cost convention

The financial report has been prepared in accordance with the historical cost convention except where stated.

(c) Critical accounting estimates

The preparation of financial statements in conformity with AIFRS 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. 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:

- Note 16 Impairment Testing of Goodwill
- Note 34 Financial Instruments

3. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(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 Group").

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

3. Summary of Significant Accounting Policies (continued)

(a) Basis of consolidation (continued)

Subsidiaries
All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.

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

Employee Share Trust
The Group has formed a trust to administer the Group's employee share schemes. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group.

Shares held by the Boom Logistics Limited Employee Share Trust are disclosed as treasury shares and deducted from contributed equity.

(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 equipment and services provided, and the repairs of cranes is recognised where the outcome, control of the right to be compensated for the services and the stage of completion can be reliably measured. Where the outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

Sale of goods
Revenue from the sale of cranes is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Transfer occurs upon receipt of the crane by the customer.

Interest revenue
Interest revenue is recognised when there is control of the right to receive the interest income.

(c) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(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.

3. Summary of Significant Accounting Policies (continued)

(d) Leases (continued)

Leases where the lessor retains substantially all risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis over which the benefit of the leased asset is diminished.

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, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. The allowance is determined based on management's best estimate at the time and reviewed again at reporting date. Bad debts are written off when identified.

(g) Inventories

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

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. They include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of inventories. Costs incurred in bringing inventories to their present location and conditions are included in the cost of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and 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 income 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 income tax liabilities are recognised for all taxable temporary differences except where the deferred income 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.

3. Summary of Significant Accounting Policies (continued)

(h) Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets 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 assets and unused tax losses can be utilised except where the deferred income 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 income 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 income tax asset to be utilised.

Unrecognised deferred income 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 income 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 effect accounting by members of the tax consolidation group
Members of the tax consolidation group, being Boom Logistics Limited and its subsidiaries have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidation group in accordance with their accounting profit for the period, while deferred taxes are allocated to members of the tax consolidation group in accordance with the principles of AASB 112 Income Taxes. Allocations under the tax funding agreement are made at the end of each reporting period.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' intercompany accounts with the tax consolidated group head company, Boom Logistics Limited. The group has applied the group allocation approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group.

(i) Other taxes

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.

3. Summary of Significant Accounting Policies (continued)

(j) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset 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 and Software Equipment	3 to 5 Years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

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

Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement in the other expenses line item.

3. Summary of Significant Accounting Policies (continued)

(k) 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.

Impairment is determined by assessing the recoverable amount of the cash generating unit (group of cash generating units) to which the goodwill relates. When the recoverable amount of the cash generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised.

When goodwill forms part of a cash generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(l) 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. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

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 at each financial year end. 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. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually 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.

3. Summary of Significant Accounting Policies (continued)

(l) Intangible assets (continued)

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

	Contractual Rights	Tadano Licence
Useful lives	*Finite*	*Finite*
Method used	*Life of contract*	*10 years - Straight line*
Internally generated / Acquired	*Acquired*	*Acquired*
Impairment test / Recoverable amount testing	*Amortisation method reviewed at each financial year end; Reviewed annually for indicator of impairment.*	*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.

(m) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset or cash generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount in which case the impairment loss is treated as a revaluation decrease.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(n) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

3. Summary of Significant Accounting Policies (continued)

(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 virtually certain. 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 borrowing cost.

(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 expected to be settled within 12 months of the reporting date are recognised in employee provisions in respect of employees' services 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.

(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.

3. Summary of Significant Accounting Policies (continued)

(r) Share-based payments (continued)

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.

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 by the company.

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) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share 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.

3. Summary of Significant Accounting Policies (continued)

(v) Other financial assets

Investments in controlled entities that are not classified as held for sale or included in a disposal group classified as held for sale are accounted for at cost.

(w) Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured to fair value at period end.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purposes of hedge accounting, hedges are classified as:

- Fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability;
- Cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability, or to a forecast transaction; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objectives and strategies for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair values or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair values or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

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 the cost of a non financial asset or liability, 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) Rounding

The amounts contained in this financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

3. Summary of Significant Accounting Policies (continued)

(y) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 7 Financial Instruments: Disclosures, Revised AASB 101 Presentation of Financial Statements, and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]

AASB 7, Revised AASB 101, and AASB 2005-10 are applicable to reporting periods beginning on or after 1 January 2007. The Group has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Group's and the parent entity's financial instruments and financial statements.

(ii) AASB Interpretation 10: Interim Financial Reporting and Impairment

AASB-I 10 prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. AASB-I 10 is applicable to reporting periods commencing on or after 1 November 2006. The Group has not recognised an impairment loss in relation to goodwill, investments in equity instruments or financial assets carried at cost in an interim reporting period nor subsequently reversed the impairment loss in the annual report. Application of the interpretation will therefore have no current impact on the Group's or the parent entity's financial statements.

(iii) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]

AASB 8 replaces the presentation requirements of segment reporting in AASB 114 Segment Reporting. The standards are applicable for reporting periods beginning on or after 1 January 2009. Application of the standards will not affect any of the amounts recognised in the Group's or the parent entity's financial statements as the standards are only concerned with disclosures.

(iv) AASB Interpretation 11: AASB 2 Share-based Payment - Group and Treasury Share Transactions and AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]

AASB-I 11 addresses the classification of a share-based payment transaction (as equity or cash settled), in which equity instruments of the parent or another group entity are transferred, in the financial statements of the entity receiving the services. The standards are applicable for reporting periods beginning on or after 1 March 2007. Application of the standards will not affect any of the amounts recognised in the Group's financial statements. The potential effect of the standards on the parent entity's financial statements has not yet been determined.

		CONSOLIDATED		PARENT	
	Note	2007 $'000	2006 $'000	2007 $'000	2006 $'000
4. Revenue and Expenses from Continuing Operations					
(a) Revenue					
Revenue from services		300,780	251,969	187,365	156,393
Revenue from sale of goods		48,341	-	-	-
Interest income from other persons/corporations		679	1,301	555	1,228
Interest income from subsidiaries		-	-	1,191	394
Net gains on disposal of plant and equipment		207	538	104	464
		350,007	253,808	189,215	158,479
(b) Expenses					
Salaries and employee benefits (net of superannuation)		114,397	92,281	77,103	62,081
Defined contribution plan expense		7,136	5,651	4,441	3,251
Total salaries and employee benefits expense		121,533	97,932	81,544	65,332
Depreciation of plant and equipment		29,398	19,708	14,879	9,270
Amortisation of intangibles		1,478	542	562	542
Total depreciation and amortisation expense		30,876	20,250	15,441	9,812
Cost of sales associated with cranes	(i)	36,811	-	-	-

(i) This amount represents the cost of inventory recognised through the Income Statement for the year ended 30 June 2007 associated with the sale of cranes, spare parts and after sales service.

5. Income Tax

The major components of income tax expense are:

(a) Income statement

	2007	2006	2007	2006
Current income tax				
Current income tax charge	10,174	6,968	4,548	7,392
Adjustments in respect of current income tax of previous years	(102)	(25)	(200)	(23)
Deferred income tax				
Relating to origination and reversal of temporary differences	5,574	6,811	1,155	312
	15,646	13,754	5,503	7,681
A reconciliation between tax expense and the accounting profit before income tax (multiplied by the Group's applicable income tax rate) is as follows:				
Accounting profit before tax	52,253	46,894	19,027	26,669
At the Group's statutory income tax rate of 30% (2006: 30%)	15,676	14,068	5,708	8,001
Expenditure not allowable for income tax purposes	532	286	455	273
Deductible amounts for income tax purposes recognised through equity	(460)	(575)	(460)	(570)
Adjustments in respect of current income tax of previous years	(102)	(25)	(200)	(23)
Income tax expense reported in the income statement	15,646	13,754	5,503	7,681

5. Income Tax (continued)

(b) Deferred income tax

Deferred income tax at 30 June relates to the following:

	BALANCE SHEET		INCOME STATEMENT	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Consolidated				
Deferred tax assets				
- Losses available for offset against future taxable income	-	675	675	-
- Employee leave provisions	3,050	2,575	(331)	(298)
- Allowance for doubtful debts	149	192	43	104
- Liability accruals	87	199	112	91
Gross deferred income tax assets	3,286	3,641		
Deferred tax liabilities				
- Accelerated depreciation for tax purposes	(14,302)	(9,227)	5,075	6,914
Gross deferred income tax liabilities	(14,302)	(9,227)		
Deferred tax (income) / expense			5,574	6,811
Parent				
Deferred tax assets				
- Losses available for offset against future taxable income	-	675	675	-
- Employee leave provisions	2,030	1,794	(221)	(412)
- Allowance for doubtful debts	46	63	17	38
- Liability accruals	17	132	115	26
Gross deferred income tax assets	2,093	2,664		
Deferred tax liabilities				
- Accelerated depreciation for tax purposes	(3,218)	(2,649)	569	660
Gross deferred income tax liabilities	(3,218)	(2,649)		
Deferred tax (income) / expense			1,155	312

The Group has tax losses arising in Australia of $nil (2006: $2,251,153) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose.

5. Income Tax (continued)

(c) Tax consolidation

Boom Logistics Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidation group with effect from 8 October 2003. Boom Logistics Limited is the head entity of the tax consolidation group.

On adoption of the tax consolidation legislation, the entities in the tax consolidation group entered into a tax funding agreement under which the wholly-owned entities compensate Boom Logistics Limited for any current tax payable assumed and are compensated by Boom Logistics Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Boom Logistics Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables.

6. 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.

The following reflects the income and share data used in the calculation of basic and diluted earnings per share:

	CONSOLIDATED	
	2007 $'000	2006 $'000
Net profit after tax	36,607	33,140
	No. of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share	170,455,385	152,177,630
Effect of dilutive securities: - share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	170,455,385	152,177,630
Number of ordinary shares at financial year end (including treasury shares)	170,602,360	169,080,182

	CONSOLIDATED		PARENT	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
7. Dividends Paid And Proposed				
(a) Dividends paid during the year				
Current year interim				
Fully franked dividends (5.7 cents per share) (2006: 5.2 cents per share)	9,724	7,890	9,724	7,890
Previous year final				
Fully franked dividends (5.2 cents per share) (2005: final dividend 3.9 cents per share)	8,865	5,657	8,865	5,657
	18,589	13,547	18,589	13,547
(b) Dividends proposed and not recognised as a liability				
Fully franked final dividends (5.3 cents per share) (2006: 5.2 cents per share)	9,042	8,865	9,042	8,865
(c) Franking credit balance				
The amount of franking credits available for the subsequent financial year are:				
- Franking account balance as at the end of the financial year at 30% (2006: 30%)			11,447	9,705
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year			1,189	529
- Franking debits that will arise from the payment of dividends as at the end of the financial year			-	-
			12,636	10,234
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			(3,875)	(3,799)
			8,761	6,435

The tax rate at which paid dividends have been franked is 30% (2006: 30%). Dividends proposed will be franked at the rate of 30% (2006: 30%).

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000

8. Cash and Cash Equivalents

(a) Reconciliation of cash

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000
Cash at bank and in hand		9,826	29,909	4,587	27,440
Closing cash balance		9,826	29,909	4,587	27,440

Cash at bank earns interest at floating rates based on daily bank deposit rates.

At 30 June 2007, the Group had available $74,865,000 (2006: $67,235,000) of undrawn borrowing facilities in respect of which all conditions precedent had been met.

(b) Reconciliation of the net profit after tax to the net cash flows from operations

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000
Net profit after tax		36,607	33,140	13,524	18,988
Non cash items					
Depreciation and amortisation of non current assets	4(b)	30,876	20,250	15,441	9,812
Net (profit)/loss on disposal of plant and equipment		(207)	(538)	(104)	(464)
Share based payments	23	56	166	56	166
Provision for doubtful debts		428	201	139	118
Changes in assets and liabilities					
(Increase)/decrease in trade and other receivables		(17,008)	(10,482)	(3,792)	(11,837)
(Increase)/decrease in inventories		(8,782)	9	(255)	62
(Increase)/decrease in deferred tax assets		437	(102)	571	(348)
(Increase)/decrease in prepayments and other assets		(1,034)	(227)	(603)	(11,365)
(Decrease)/increase in trade and other payables		23,030	(4,627)	4,228	(787)
(Decrease)/increase in current tax liability		660	(961)	1,020	(2,421)
(Decrease)/increase in deferred tax liabilities		5,075	6,914	569	660
(Decrease)/increase in provisions		925	627	735	1,006
(Decrease)/increase in other liabilities		1,047	1,421	4,395	(1,761)
Net cash flow from operating activities		72,110	45,791	35,924	1,829

(c) Non-cash financing and investing activities

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000
Settlement of business purchase with shares	24(a)	6,000	8,500	-	5,500
Acquisition of assets by means of finance leases		59,504	20,072	27,156	16,214
Share-based payments	23	56	166	56	166

		CONSOLIDATED		PARENT	
	Note	2007 $'000	2006 $'000	2007 $'000	2006 $'000

9. Trade and Other Receivables (Current)

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	Parent 2007 $'000	Parent 2006 $'000
Trade receivables	(i)	63,650	47,845	35,532	33,255
Allowance for doubtful debts		(495)	(641)	(155)	(209)
		63,155	47,204	35,377	33,046
Other receivables		3,049	1,992	2,569	1,108
Total current trade and other receivables		66,204	49,196	37,946	34,154

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

10. Inventories (Current)

	Consolidated 2007 $'000	Consolidated 2006 $'000	Parent 2007 $'000	Parent 2006 $'000
Stock on hand at cost	9,843	-	-	-
Stock in transit at cost	10,840	-	-	-
Fuel at cost	240	302	172	190
Other inventory at net realisable value	428	46	273	-
Total current inventories	21,351	348	445	190

Stock on hand and in transit represent cranes and spare parts held for sale within the Crane Sales and Service business segment arising from the asset acquisition of the James Group on 1 August 2006 and GM Baden on 6 March 2007.
Refer to notes 24 and 30 for further details.

Inventories recognised as expense during the year ended 30 June 2007 amounted to $50,218,000 representing $36,811,000 cost of sales associated with cranes and $13,407,000 fuel and tyres (2006: $11,006,000 fuel and tyres).

11. Prepayments and Other Current Assets

	Consolidated 2007 $'000	Consolidated 2006 $'000	Parent 2007 $'000	Parent 2006 $'000
Prepayments	5,287	4,242	3,510	2,807
Other	218	208	108	208
Total prepayments and other current assets	5,505	4,450	3,618	3,015

12. Receivables (Non Current)

	Consolidated 2007 $'000	Consolidated 2006 $'000	Parent 2007 $'000	Parent 2006 $'000
Amounts from wholly owned controlled entities	-	-	33,019	15,740
Total non current receivables	-	-	33,019	15,740

13. Other Financial Assets (Non Current)

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	Parent 2007 $'000	Parent 2006 $'000
Investments in controlled entities at cost	31	-	-	79,846	79,846
Total non current other financial assets		-	-	79,846	79,846

14. Plant and Equipment

(a) Opening balance at 1 July

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000
Plant and equipment					
At cost		325,107	138,800	163,367	108,291
Accumulated depreciation		(32,383)	(13,130)	(18,840)	(10,055)
Net carrying amount		292,724	125,670	144,527	98,236

(b) Closing balance at 30 June

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000
Plant and equipment					
At cost		449,155	325,107	219,032	163,367
Accumulated depreciation		(60,956)	(32,383)	(32,473)	(18,840)
Net carrying amount		388,199	292,724	186,559	144,527

(c) Reconciliation

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial year is as follows:

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000
Plant and equipment					
Carrying amount at beginning net of accumulated depreciation and impairment		292,724	125,670	144,527	98,236
Additions		89,439	68,269	37,645	37,013
Disposals / transfers	(i)	(6,362)	(1,272)	(4,162)	(582)
Impairment		-	-	-	-
Additions through acquisition of entities/businesses		41,796	119,765	23,428	19,130
Depreciation charge for the year	4(b)	(29,398)	(19,708)	(14,879)	(9,270)
Carrying amount at end net of accumulated depreciation and impairment		388,199	292,724	186,559	144,527

The carrying value of plant and equipment held under finance leases and hire purchase contracts, secured bank loans and commercial bills at 30 June 2007 is $233,051,999 (2006: $135,555,329). Additions, including acquisitions, during the year include $93,556,329 (2006: $84,902,993) of plant and equipment held under finance leases and hire purchase contracts and secured over bank loans and commercial bills.

Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

Plant and equipment with a carrying amount of $371,656,410 (2006: $278,743,599) for the Group and $186,559,216 (2006: $144,523,731) for the parent are pledged as securities for current and non current liabilities as disclosed in note 18.

(i) Disposals / transfers include equipment transferred to James Equipment Pty Ltd from parent and other subsidiary entities for on sale to external third parties and is reflected as part of James Equipment's inventory and operating results and cash flows.

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000
15. Intangible Assets					
(a) Opening balance at 1 July					
Goodwill		46,441	10,851	12,228	3,856
Contractual rights		4,958	5,380	4,958	5,380
Total net carrying amounts		51,399	16,231	17,186	9,236
(b) Closing balance at 30 June					
Goodwill	16	94,270	46,441	32,662	12,228
Contractual rights (net carrying amount)		4,396	4,958	4,396	4,958
Licence (net carrying amount)		9,083	-	-	-
Total net carrying amounts		107,749	51,399	37,058	17,186
(c) Reconciliations					
Goodwill					
Carrying amount at beginning net of impairment		46,441	10,851	12,228	3,856
Impairment		-	-	-	-
Additions through acquisition of entities/businesses		45,450	35,590	19,004	8,372
Acquisition costs reclassified as goodwill		2,379	-	1,430	-
Carrying amount at end net of impairment		94,270	46,441	32,662	12,228
Contractual rights					
Carrying amount at beginning net of accumulated amortisation and impairment		4,958	5,380	4,958	5,380
Impairment		-	-	-	-
Additions through acquisition of entities/businesses		-	120	-	120
Amortisation charge for the year		(562)	(542)	(562)	(542)
Carrying amount at end net of accumulated amortisation and impairment		4,396	4,958	4,396	4,958
Licence					
Carrying amount at beginning net of accumulated amortisation and impairment		-	-	-	-
Impairment		-	-	-	-
Additions through acquisition of entities/businesses		10,000	-	-	-
Amortisation charge for the year		(917)	-	-	-
Carrying amount at end net of accumulated amortisation and impairment		9,083	-	-	-

15. Intangible Assets (continued)

Goodwill is subject to annual impairment testing (see note 16).

Contractual rights are amortised on a straight line basis over the life of the contract.

Licence represents the Tadano distribution licence acquired as part of the asset purchase of the James Group (see note 24). This licence has been granted for a minimum of 3 years by Tadano with the option of renewal without significant cost at the end of this period provided that the entity meets certain predetermined targets. This licence has been assessed as having a finite life and is amortised on a straight line basis over a period of 10 years.

No impairment loss was recognised for continuing operations in the 2007 financial year.

16. Impairment Testing of Goodwill

Goodwill acquired through business combinations have been allocated to individual cash generating units for impairment testing. The recoverable amount of the cash generating units have been determined based on a value in use calculation using cash flow projections based on financial budgets approved by the board of directors covering the next financial year. Cash flows beyond this period are extrapolated using an average 5% growth rate to a maximum of 5 years including the next financial year. The discount rate applied to the cash flow projections is 9.9% being the Group's weighted average cost of capital.

	CONSOLIDATED		PARENT	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Carrying amount of goodwill allocated to each of the cash generating units				
- Sherrin Hire	41,079	27,218	-	-
- Central Queensland	9,015	8,372	9,015	8,372
- South East Queensland	3,235	3,080	-	-
- Port Hedland (WA)	3,029	2,701	3,029	2,701
- Morwell (VIC)	3,986	3,915	-	-
- Newcastle (NSW)	1,366	1,155	1,366	1,155
- Braeside (VIC)	18	-	18	-
- Singleton (NSW)	230	-	230	-
- Port Kembla (NSW)	775	-	775	-
- James Equipment	9,963	-	-	-
- Aitkin	18,229	-	18,229	-
- GM Baden	3,345	-	-	-
	94,270	46,441	32,662	12,228

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 budgeted margins are determined based on historical performances, adjusted for internal/external changes anticipated in the budgeted year.

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000

17. Trade and Other Payables (Current)

	Note	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Trade payables	(i)	37,752	13,471	6,174	5,693
Other payables		6,422	1,382	4,758	1,011
Forward currency contracts - cash flow hedges		1,395	-	-	-
Total current trade and other payables		45,569	14,853	10,932	6,704

(i) Trade payables are non interest bearing and are normally settled on 30 day terms.

18. Interest Bearing Loans and Borrowings

	Note	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current					
Obligations under finance leases and hire purchase contracts	18(a),25(b)	29,990	19,882	17,398	15,754
Secured bank loans	18(c),25(b)	8,260	16,213	-	-
Bills of exchange - secured	18(d),25(b)	25,434	1,255	12,500	-
Other loans - secured	18(b),25(b)	5,828	2,369	2,662	2,369
Total current interest bearing liabilities		69,512	39,719	32,560	18,123
Non current					
Obligations under finance leases and hire purchase contracts	18(a),25(b)	129,046	52,174	74,585	38,597
Secured bank loans	18(c),25(b)	33,208	32,068	-	-
Bills of exchange - secured	18(d),25(b)	6,669	4,304	-	-
Total non current interest bearing liabilities		168,923	88,546	74,585	38,597

(a) Obligations under finance leases and hire purchase contracts have an average lease term of 5 years. The average discount rate implicit in the leases is 7.4% (2006: 7.3%). Lease liabilities are secured by a charge over the leased assets and first registered mortgage over the whole of Boom Logistics Limited, Boom Logistics (VIC) Pty Ltd, and James Equipment Pty Ltd assets and guarantee and indemnities provided by Boom Logistics Limited and subsidiaries.

(b) Other loans represent financing of the group insurance premium repayable over 12 months (2006: 12 months) with an effective interest rate of 4.0% (2006: 4.2%) and trade finance of inventory repayable over 5 months with an effective interest rate of 7.8%. Other loans are secured over the Group's right and interest in the insurance policy and inventory.

(c) Secured bank loans are repayable over 4 years. The average interest rate is 7.6% (2006: 7.1%). Bank loans are secured by a first charge over certain of Sherrin Hire Pty Ltd's assets.

(d) Bills of exchange have maturities of 6 months to 3 years with effective interest rates of 6.5% to 7.6% (2006: 5.5% to 6.3%).

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000

18. Interest Bearing Loans and Borrowings (continued)

Financing facilities available
At reporting date, the following financing facilities had been negotiated and were available:

	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Total facilities:				
- bank overdraft	2,800	3,400	1,000	2,000
- bank loans and borrowings	310,500	192,100	306,900	160,000
	313,300	195,500	307,900	162,000
Facilities used at reporting date:				
- bank overdraft	-	-	-	-
- bank loans and borrowings	238,435	128,265	107,145	56,720
- utilised by controlled entities	-	-	131,290	71,545
	238,435	128,265	238,435	128,265
Facilities unused at reporting date:				
- bank overdraft	2,800	3,400	1,000	2,000
- bank loans and borrowings	72,065	63,835	68,465	31,735
	74,865	67,235	69,465	33,735

Assets pledged as security
The carrying amounts of assets pledged as security for current and non current interest bearing liabilities are:

	2007 $'000	2006 $'000	2007 $'000	2006 $'000
- Plant and equipment	138,604	143,189	80,901	85,923
- Plant and equipment under lease	233,052	135,555	105,658	58,604
Total value of assets pledged as security	371,656	278,744	186,559	144,527

19. Provisions

Employee leave entitlements

	2007 $'000	2006 $'000	2007 $'000	2006 $'000
At 1 July 2006	8,584	5,918	5,981	4,587
Acquisition of entities/businesses	659	2,016	51	365
Arising during the year	7,835	6,647	5,011	4,537
Utilised	(6,910)	(5,997)	(4,276)	(3,508)
At 30 June 2007	10,168	8,584	6,767	5,981
Current	10,043	8,477	6,715	5,923
Non current	125	107	52	58
	10,168	8,584	6,767	5,981

		CONSOLIDATED		PARENT	
	Note	2007 $'000	2006 $'000	2007 $'000	2006 $'000

20. Other Liabilities

Current					
PAYG tax withheld		461	395	240	307
Goods and services tax		1,622	1,236	1,100	837
Deferred cash settlement for business acquired		-	2,000	-	2,000
Other accrued expenses		2,169	1,040	1,264	864
Amounts payable to wholly owned controlled entities		-	-	3,806	-
Total other current liabilities		4,252	4,671	6,410	4,008

21. Contributed Equity

(a) Issued and paid up capital

Ordinary shares fully paid		232,734	226,746	232,734	226,746

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Parent does not have authorised capital nor par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Movements in shares on issue

		2007		2006	
		No. of shares	$'000	No. of shares	$'000
Beginning of the financial year		169,080,182	226,746	113,245,517	70,075
Issued during the year:					
- employee share incentive schemes	(i)	126,829	-	102,612	-
- prior year acquisitions	(ii)	-	-	2,613,567	8,500
- share placement	(iii)	-	-	53,118,486	151,458
- purchase of James Group	(iv)	1,395,349	6,000	-	-
- capital raising costs		-	(12)	-	(3,287)
Total issued during the year		1,522,178	5,988	55,834,665	156,671
End of the financial year		170,602,360	232,734	169,080,182	226,746
Treasury shares	(v)	(182,329)	-	-	-
Net of treasury shares		170,420,031	232,734	169,080,182	226,746

(i) This amount represents the granting of 126,829 ordinary shares to employees as part of the employee share incentive schemes for nil consideration during the financial year. Refer to note 26(b) for further details.

(ii) Amounts represent ordinary shares issued as part of consideration in acquiring 2 businesses in the prior year.

(iii) This amount represents share placements during the prior financial year to fund acquisitions and capital expenditures.

(iv) On 1 August 2006, 1,395,349 ordinary shares were issued as part consideration in acquiring the assets of the James Group. The value placed on the issue was the contract price being the 5 day volume weighted average price (VWAP) prior to that date of $4.30 per share.

(v) Treasury shares are shares in Boom Logistics Limited that are held by the Boom Logistics Limited Employee Share Trust for the purpose of issuing shares under the employee share incentive schemes and are deducted from equity.

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000
22. Retained Earnings					
Balance at the beginning of year		38,555	18,962	21,085	15,644
Net profit for the year		36,607	33,140	13,524	18,988
Total available for appropriation		75,162	52,102	34,609	34,632
Dividends paid	7(a)	(18,589)	(13,547)	(18,589)	(13,547)
Balance at end of year		56,573	38,555	16,020	21,085
23. Reserves					
Employee equity benefits reserve					
Balance at the beginning of year		237	71	225	59
Share based payments	(i)	56	166	56	166
Balance at end of year		293	237	281	225
Cash flow hedge reserve					
Balance at the beginning of year		-	-	-	-
Net movement on cash flow hedges	(ii)	(1,395)	-	-	-
Balance at end of year		(1,395)	-	-	-
Total reserves		(1,102)	237	281	225

(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.

24. Business Combination

(a) Acquisition of controlled entities and businesses

The following businesses were acquired during the 2007 financial year:

Entity Date of Acquisition Type of Acquisition	James Group 1 August 2006 asset purchase		GM Baden 6 March 2007 asset purchase		D&D Cranes 11 April 2007 asset purchase		Moorland Hire 31 May 2007 asset purchase		Total Acquisitions Year Ended 30 June 2007
	Recognised on acquisition	Carrying value	Recognised on acquisition	Carrying value	Recognised on acquisition	Carrying value	Recognised on acquisition	Carrying value	Recognised on acquisition
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
(i) Consideration									
- cash paid	53,463		5,638		4,242	12,332			75,675
- ordinary shares	6,000		-		-			-	6,000
- direct costs relating to the acquisition	1,136		110		75		155		1,476
	60,599		5,748		4,317		12,487		83,151
(ii) Net assets acquired									
- inventory	10,525	10,525	1,696	1,696	-	-	-	-	12,221
- prepayments	-	-	-	-	-	-	13	13	13
- other current assets	8	8	-	-	-	-	-	-	8
- plant and equipment	19,828	11,847	969	951	3,600	3,605 [b]	17,399	19,473	41,796
- contractual licence	10,000	-	-	-	-	-	-	-	10,000
- deferred tax assets	-	-	-	-	-	-	82	82	82
	40,361	22,380	2,665	2,647	3,600	3,605	17,494	19,568	64,120
- trade payables	(7,686)	(7,686)	-	-	-	-	-	-	(7,686)
- provisions	(76)	(76)	(258)	(258)	(51)	(51)	(274)	(274)	(659)
- other current liabilities	(191)	(191)	-	-	(7)	(7)	(13)	(13)	(211)
- interest bearing loans and borrowings	-	-	-	-	-	-	(17,863)	(17,863)	(17,863)
	(7,953)	(7,953)	(258)	(258)	(58)	(58)	(18,150)	(18,150)	(26,419)
Net assets acquired	32,408	14,427	2,407	2,389	3,542	3,547	(656)	1,418	37,701
(iii) Goodwill arising on acquisition [a]	28,191		3,341		775		13,143		45,450
(iv) Net cash effect									
Cash consideration paid	53,463		5,638		4,242		12,332		75,675
Net cash acquired	-		-		-		-		-
Net cash paid	53,463		5,638		4,242		12,332		75,675

[a] Goodwill arising on acquisition constitutes payment in excess of the net fair value of the identifiable assets, liabilities and contingent liabilities at acquisition date in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised.

[b] Amount represents the carrying value of plant and equipment as at 31 December 2006. The carrying value immediately before acquisition date was not available.

24. Business Combination (continued)

(a) Acquisition of controlled entities and businesses (continued)

Contributions from the business combination of D&D Cranes and Moorland Hire post acquisition date is not able to be disclosed as the original form of the business combinations have altered since acquisition date.

From the dates of acquisition, the James Group and GM Baden have contributed $5,566,000 to the net profit of the Group. If the business combinations had taken place at the beginning of the year, the profit from continuing operations for the Group would have been $37,564,000, and revenue from continuing operations would have been $359,494,000.

(b) Payments for business combinations

During the financial year, payments for business acquisitions were as follows:

		CONSOLIDATED		PARENT	
	Note	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Subsidiary/business acquired during the year net of cash acquired		75,675	76,142	57,713	76,142
Deferred cash settlement for businesses acquired in previous periods		2,000	11,299	2,000	10,819
		77,675	87,441	59,713	86,961

25. Commitments and Contingencies

(a) Operating leases commitments

The Group has entered into commercial leases on certain plant and equipment, motor vehicles and property. These leases have an average term of 1 to 10 years.

Minimum lease payments				
- within one year	8,919	5,555	4,019	2,109
- after one year but not more than five years	18,221	14,977	7,017	4,087
- more than five years	3,328	3,999	142	1,022
Aggregate operating lease expenditure contracted for at reporting date	30,468	24,531	11,178	7,218

(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		84,108	47,119	39,630	21,529
- after one year but not more than five years		194,223	100,067	85,468	43,782
- more than five years		-	1,655	-	-
Total minimum lease payments		278,331	148,841	125,098	65,311
- future finance charges		(39,896)	(20,576)	(17,953)	(8,591)
Net hire purchase liability		238,435	128,265	107,145	56,720
- current liability	18	69,512	39,719	32,560	18,123
- non current liability	18	168,923	88,546	74,585	38,597
		238,435	128,265	107,145	56,720

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000

25. Commitments and Contingencies (continued)

(c) Remuneration commitments

Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities are as follows:

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000
- within one year		151	180	151	180
- after one year but not more than five years		118	123	118	123
- more than five years		-	-	-	-
		269	303	269	303

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of executive directors and executives referred to in the Remuneration Report of the Directors' Report that are not recognised as liabilities.

(d) Capital commitments

Capital expenditure contracted for at reporting date but not recognised as liabilities are as follows:

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000
Plant and equipment					
- within one year		11,276	6,943	4,073	969
- after one year but not more than five years		-	-	-	-
- more than five years		-	-	-	-
		11,276	6,943	4,073	969

26. Employee Benefits and Commitments

(a) Employee benefits

The aggregate employee benefit liability is comprised of:

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT 2007 $'000	PARENT 2006 $'000
- accrued salaries, wages and on costs		2,339	1,005	1,483	744
- provisions (current)	19	10,043	8,477	6,715	5,923
- provisions (non current)	19	125	107	52	58
		12,507	9,589	8,250	6,725

(b) Employee share incentive schemes

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

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

26. Employee Benefits and Commitments (continued)

(b) Employee share incentive schemes (continued)

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 and/or $1,000 worth of ordinary shares in Boom Logistics Limited for nil consideration. The ordinary shares issued are held in trust for the requisite three years restrictive period and will be 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) selected 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.

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

	2007 Number of shares	2006 Number of shares
Balance at beginning of year	703,996	766,320
- issued for nil consideration	126,829	102,612
- purchased in lieu of cash remuneration	13,180	38,223
- sold / transferred during the year	(48,972)	(203,159)
- forfeited during the year	(182,329)	-
Balance at end of year	612,704	703,996

27. Events After the Balance Sheet Date

Subsequent to 30 June 2007, the consolidated entity signed several commercial hire purchase agreements to acquire plant and equipment to the value of $7,094,141.

On 15 August 2007, the directors of Boom Logistics Limited declared a fully franked final dividend of 5.3 cents per share totalling $9,041,925 in respect of the 2007 financial year. The dividend has not been provided for in the 30 June 2007 financial statements.

28. Auditors' Remuneration

	CONSOLIDATED		PARENT	
	2007 $	2006 $	2007 $	2006 $
The auditor of Boom Logistics Limited is PKF.				
Amounts received or due and receivable by PKF for:				
- an audit or review of the financial report of the entity and any other entity in the consolidated group:				
- PKF Perth	-	134,508	-	123,508
- PKF Melbourne	145,750	-	140,250	-
- other services in relation to the entity and any other entity in the consolidated group:				
- tax compliance (PKF Melbourne)	31,500	34,343	23,650	33,845
	177,250	168,851	163,900	157,353

29. Key Management Personnel

(a) Details of directors

(i) Non-executive directors

Rodney John Robinson	Chairman (Non-executive)
Terrance Alexander Hebiton	Director (Non-executive)
Dr. Huw Geraint Davies	Director (Non-executive)
Terrence Charles Francis	Director (Non-executive)
Jane Margaret Harvey	Director (Non-executive)

(ii) Executive directors

Roderick Harmon	Managing Director (resigned 29 June 2007)
Mark Lawrence	Finance Director and Company Secretary (resigned 30 June 2007, and appointed Managing Director effective 1 July 2007)

(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 reporting period:

Iona MacPherson	Chief Financial Officer and Company Secretary (appointed 30 June 2007)
Brian Praetz	Chief Operations Officer (appointed 1 January 2007 previously General Manager Western Australia Division)
James Carr	Business Development Manager (appointed 1 August 2006)
Frank Legena	National Manager - Quality, Safety and Risk
Brenton Salleh	General Manager - Victorian Division
Alex Pagonis	General Manager - Queensland Division (resigned 9 March 2007)
Mark Apthorpe	General Manager - New South Wales Division
Steven Goulding	General Manager - Sherrin Hire Pty Ltd
Peter Shelton	General Manager - James Group (commenced employment with the Group on 1 August 2006 upon the asset acquisition of the James Group)
Craig Donaldson	General Manager - Western Australia Division (appointed 1 January 2007)
Ken Brown	General Manager - Queensland Division (appointed 7 May 2007)

(c) Summarised compensation of key management personnel

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

	CONSOLIDATED		PARENT	
	2007 $	2006 $	2007 $	2006 $
Short-term employee benefits	3,327,523	2,594,117	2,901,174	2,359,665
Post employment benefits	308,654	218,026	272,169	203,067
Other long term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share based payments	290,145	257,081	250,547	257,081
Total compensation	3,926,322	3,069,224	3,423,890	2,819,813

Refer to the Remuneration Report in the Directors' Report for detail compensation disclosure on key management personnel. The Group has taken advantage of the relief provided by the Corporations Regulation 2M.6.04 to transfer the detail compensation disclosures on key management personnel to the Directors' Report.

29. Key Management Personnel (continued)

(d) Shareholdings of key management personnel

Ordinary shares held in Boom Logistics Limited (number) 30 June 2007	Balance 1 July 05	Granted as remuneration (i)	On exercise of options	Net change other (ii)	Balance 30 June 07
Non-Executive & Executive Directors					
John Robinson	104,272	-	-	-	104,272
Terrance Hebiton	132,452	-	-	63,301	195,753
Dr. Huw Davies	85,316	-	-	-	85,316
Terrence Francis	24,272	-	-	20,000	44,272
Jane Harvey	5,000	-	-	10,800	15,800
Roderick Harmon	1,683,353	48,426	-	(259,164)	1,472,615
Mark Lawrence	377,393	19,976	-	(70,592)	326,777
Executives					
Iona MacPherson	-	-	-	-	-
Brian Praetz	109,001	9,543	-	8,180	126,724
James Carr	-	7,506	-	20,000	27,506
Frank Legena	308,846	7,269	-	-	316,115
Brenton Salleh	751,514	8,091	-	(50,000)	709,605
Alex Pagonis	21,195	8,150	-	(29,345)	-
Mark Apthorpe	21,419	8,280	-	-	29,699
Steven Goulding	6,272	9,588	-	(6,272)	9,588
Peter Shelton	-	-	-	2,145	2,145
Craig Donaldson	-	-	-	2,600	2,600
Ken Brown	-	-	-	-	-
Total	3,630,305	126,829	-	(288,347)	3,468,787

Ordinary shares held in Boom Logistics Limited (number) 30 June 2006	Balance 1 July 05	Granted as remuneration (i)	On exercise of options	Net change other (ii)	Balance 30 June 06
Non-Executive & Executive Directors					
John Robinson	102,000	-	-	2,272	104,272
Terrance Hebiton	363,937	-	-	(231,485)	132,452
Dr. Huw Davies	86,000	-	-	(684)	85,316
Terrence Francis	22,000	-	-	2,272	24,272
Jane Harvey	-	-	-	5,000	5,000
Roderick Harmon	1,711,148	32,661	-	(60,456)	1,683,353
Executives					
Mark Lawrence	489,563	16,312	-	(128,482)	377,393
Brian Praetz	80,000	9,752	-	19,249	109,001
Frank Legena	376,369	7,933	-	(75,456)	308,846
Brenton Salleh	1,015,580	8,662	-	(272,728)	751,514
Alex Pagonis	12,213	8,982	-	-	21,195
Mark Apthorpe	12,426	8,993	-	-	21,419
Steven Goulding	-	-	-	6,272	6,272
Total	4,271,236	93,295	-	(734,226)	3,630,305

(i) Mr. Roderick Harmon and Mr. Alex Pagonis resigned during the financial year and forfeited the shares granted as remuneration as the 3 year vesting condition was not met.

(ii) 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.

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) Other transactions and balances with key management personnel

Amounts recognised at the reporting date in relation to other transactions

	2007 $'000	2006 $'000
Current liabilities		
- trade and other payables	-	103
Non current liabilities	-	-
	-	103

30. Segment Information

The Group's primary segment reporting format is business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. As the Group operates in Australia only, there is no secondary geographical segment reported.

The Group comprises the following main business segments:

Lifting Solutions
Hire of lifting equipment to various industries.

Crane Sales and Service
Sale of mobile cranes, associated spare parts and after sales service. This business segment commenced upon the asset acquisitions of the James Group on 1 August 2006 and GM Baden on 6 March 2007.

Inter-segment prices are determined on an arm's length basis. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated on consolidation.

30. Segment Information (continued)

The following tables present revenue and profit information and certain asset and liability information regarding business segments.

Year ended	30 June 2007 Lifting Solutions $'000	30 June 2007 Crane Sales and Service $'000	30 June 2007 Consolidated $'000	30 June 2006 Lifting Solutions $'000
Segment revenue				
Total external revenue	301,659	48,348	350,007	253,808
Inter-segment revenue	-	8,211	8,211	-
Total segment revenue	301,659	56,559	358,218	253,808
Inter-segment elimination			(8,211)	-
Total consolidated revenue			350,007	253,808
Segment result				
Segment results	59,099	8,523	67,622	56,134
Inter-segment elimination			(1,445)	-
Finance costs			(13,924)	(9,240)
Income tax expense			(15,646)	(13,754)
Net profit for the year			36,607	33,140
Segment assets and liabilities				
Segment assets	544,739	57,257	601,996	431,667
Inter-segment elimination			124	-
Total assets			602,120	431,667
Segment liabilities	260,644	53,395	314,039	166,129
Inter-segment elimination			(124)	-
Total liabilities			313,915	166,129
Other segment information				
Capital expenditure	88,466	973	89,439	68,269
Depreciation and amortisation	29,848	1,028	30,876	20,250
Cash flow information				
Net cash flow from operating activities	67,989	4,121	72,110	45,791
Net cash flow from investing activities	(91,405)	(7,426)	(98,831)	(135,531)
Net cash flow from financing activities	987	5,651	6,638	113,596

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 2007 %	% Equity interest 2006 %	Investment 2007 $'000	Investment 2006 $'000
James Equipment Pty Ltd	Australia	100	-	-	-
Sherrin Hire Pty Ltd	Australia	100	100	60,000	60,000
Boom Logistics (QLD) Pty Ltd	Australia	100	100	15,896	15,896
Boom Logistics (VIC) Pty Ltd	Australia	100	100	3,950	3,950
Hilyte Australia Pty Ltd *	Australia	100	100	-	-
Total investment in subsidiaries				79,846	79,846

* Investment is held by Boom Logistics (QLD) Pty Ltd.

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 in arm's length transactions 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 5(c).

Contributions to superannuation funds on behalf of employees are disclosed in note 4(b).

	CONSOLIDATED 2007 $	CONSOLIDATED 2006 $	PARENT 2007 $	PARENT 2006 $
The following transactions occurred with related parties:				
Sale of services				
- Hire of lifting equipment to subsidiaries	-	-	1,024,117	517,453
Purchase of goods and services				
- Hire of lifting equipment from subsidiaries/other related parties	4,017,162	1,236,981	3,594,510	948,750
- Purchase of cranes and spare parts from subsidiary/other related party	8,210,875	-	3,972,000	-
Tax consolidation legislation				
- Current tax payable assumed from wholly-owned tax consolidated entities	-	-	6,149,875	(305,928)
- Tax losses assumed from wholly-owned tax consolidated entities	-	-	-	(675,346)

31. Related Party Disclosure (continued)

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

	CONSOLIDATED		PARENT	
	2007 $	2006 $	2007 $	2006 $
Guarantees				
The parent entity has provided guarantees in respect of:				
- Finance leases and hire purchase contracts	-	-	67,053,000	17,705,000
- Secured bank loans	-	-	41,468,000	48,281,000
- Bills of exchange	-	-	19,603,000	5,559,000

32. Deed of Cross Guarantee

Pursuant to Class Order 98/1418, 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);

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	
Consolidated Income Statement	2007 $'000	2006 $'000
Profit before income tax	49,901	45,450
Income tax expense	(14,926)	(13,323)
Net profit for the period	34,975	32,127
Retained earnings at the beginning of the period	34,224	15,644
Dividends provided for or paid	(18,589)	(13,547)
Retained earnings at the end of the period	50,610	34,224

	CLOSED GROUP	
	2007	2006
32. Deed of Cross Guarantee (continued)	$'000	$'000
Consolidated Balance Sheet		
Current assets		
Cash and cash equivalents	8,782	29,675
Trade and other receivables	59,771	46,108
Inventories	21,178	243
Prepayments and other current assets	5,153	3,927
Total current assets	94,884	79,953
Non current assets		
Receivables	10,234	7,706
Other financial assets	19,846	19,846
Plant and equipment	349,876	261,236
Deferred tax assets	2,904	3,228
Intangible assets	100,528	44,404
Total non current assets	483,388	336,420
Total assets	578,272	416,373
Current liabilities		
Trade and other payables	44,668	12,345
Interest bearing loans and borrowings	66,129	37,240
Provisions	8,968	7,368
Income tax payable	1,428	566
Other current liabilities	3,605	3,414
Total current liabilities	124,798	60,933
Non current liabilities		
Interest bearing loans and borrowings	157,784	83,696
Provisions	110	107
Deferred tax liabilities	13,350	8,442
Other non current liabilities	-	2,000
Total non current liabilities	171,244	94,245
Total liabilities	296,042	155,178
Net assets	282,230	261,195
Equity		
Contributed equity	232,734	226,746
Retained earnings	50,610	34,224
Reserves	(1,114)	225
Total equity	282,230	261,195

33. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, other than derivatives, comprise bank loans, finance leases and hire purchase contracts, and cash and overdrafts.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Group also enters into derivative transactions, principally forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations. It is, and has been throughout the reporting period, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks as summarised below.

Foreign currency risk
The Group has transactional currency exposures arising from purchases of inventory in currencies other than the functional currency. 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.

Liquidity risk
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 2007, the Group's net debt to equity ratio was 79% (2006: 37%).

Credit risk
The Group's policy is to trade with recognised, creditworthy third parties. It is the Group's policy 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.

Fair value interest rate risk
As the Group holds fixed rate debt there is a risk that the economic value of a financial instrument will fluctuate because of changes in market interest rates. The level of fixed rate debt is disclosed in note 34(c) and it is acknowledged that this risk is a by-product of the Group's attempt to manage its cash flow interest rate risk.

34. Financial Instruments

(a) Fair values

All assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represents a reasonable approximation of fair value unless otherwise stated in the applicable notes.

(b) Foreign currency risk

The crane sales operation imports inventory 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 cash flows are expected to occur at various dates between 1 to 12 months from the balance date. At balance date, the details of outstanding contracts are:

	2007 $'000	2006 $'000	2007 Average exchange rate	2006 Average exchange rate
Consolidated				
Buy JP¥ / Sell AU$: Maturity 1-12 months	11,261	-	91.4646	-
Buy US$ / Sell AU$: Maturity 1 month	2,533	-	0.7818	-
Buy €uro / Sell AU$: Maturity 1-9 months	7,786	-	0.6047	-

The forward foreign currency contracts are considered to be fully effective hedges as they are matched against inventory purchases and any gain or loss on the contracts is taken directly to equity. When the inventory is delivered the amount recognised in equity is adjusted to the inventory 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. As at 30 June 2007, there was a change in the fair value of the forward foreign currency contract liability of $1,394,515 which was charged to equity.

34. Financial Instruments (continued)

(c) Interest rate risk	< 1 year $'000	> 1 year < 2 years $'000	> 2 year < 3 years $'000	> 3 year < 4 years $'000	> 4 year < 5 years $'000	> 5 years $'000	Total $'000	Weighted average effective interest rate %
(i) Year ended 30 June 2007								
Consolidated								
Financial assets								
- Cash (floating rate)	9,826	-	-	-	-	-	9,826	5.8%
weighted average effective interest rate	5.8%							
Financial liabilities - fixed rate								
- Finance leases and hire purchase contracts	2,837	12,086	25,354	24,645	93,978	135	159,035	7.4%
- Bank loans	-	-	1,260	25,288	14,920	-	41,468	7.6%
- Bills of exchange	22,786	-	5,500	-	3,818	-	32,104	7.5%
- Other loans	5,828	-	-	-	-	-	5,828	6.1%
weighted average effective interest rate	7.2%	7.4%	7.3%	7.3%	7.5%	8.4%		
Parent								
Financial assets								
- Cash (floating rate)	4,587	-	-	-	-	-	4,587	5.8%
weighted average effective interest rate	5.8%							
Financial liabilities - fixed rate								
- Finance leases and hire purchase contracts	2,075	8,117	12,288	21,463	48,040	-	91,983	7.3%
- Bills of exchange	12,500	-	-	-	-	-	12,500	7.5%
- Other loans	2,662	-	-	-	-	-	2,662	4.0%
weighted average effective interest rate	6.9%	7.4%	7.3%	6.9%	7.4%			

34. Financial Instruments (continued)

(c) Interest rate risk	< 1 year $'000	> 1 year < 2 years $'000	> 2 year < 3 years $'000	> 3 year < 4 years $'000	> 4 year < 5 years $'000	> 5 years $'000	Total $'000	Weighted average effective interest rate %
(ii) Year ended 30 June 2006								
Consolidated								
Financial assets								
- Cash (floating rate)	29,887	-	-	-	-	-	29,887	5.5%
weighted average effective interest rate	5.5%							
Financial liabilities - fixed rate								
- Finance leases and hire purchase contracts	9,007	4,033	11,086	19,095	25,374	3,461	72,056	7.3%
- Bank loans	10,794	-	-	1,461	29,606	6,420	48,281	7.1%
- Bills of exchange	-	1,233	-	-	-	4,326	5,559	6.1%
- Other loans	2,369	-	-	-	-	-	2,369	4.2%
weighted average effective interest rate	7.1%	6.7%	7.5%	7.3%	7.0%	7.3%		
Parent								
Financial assets								
- Cash (floating rate)	27,424	-	-	-	-	-	27,424	5.5%
weighted average effective interest rate	5.5%							
Financial liabilities - fixed rate								
- Finance leases and hire purchase contracts	8,329	3,000	8,771	9,809	24,442	-	54,351	7.2%
- Other loans	2,369	-	-	-	-	-	2,369	4.2%
weighted average effective interest rate	7.4%	6.8%	7.4%	7.1%	6.9%			

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument. The other financial instruments of the Group and Parent that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

Directors' Declaration

In accordance with a resolution of the directors of Boom Logistics Limited, we state that:

In the opinion of the directors:

(a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards, including other mandatory professional reporting requirements, and Corporations Regulations 2001;

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

(c) the audited remuneration disclosures set out on pages 27 to 33 of the directors' report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the Corporations Regulations 2001; and

(d) at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 32 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

This declaration has been made after receiving the declarations required to be made to the directors by the Managing Director and Chief Financial Officer in accordance with sections 295A of the Corporations Act 2001 for the financial period ending 30 June 2007.

On behalf of the Board

Mark Lawrence
Managing Director

John Robinson
Chairman

Melbourne, 15 August 2007

PKF

Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BOOM LOGISTICS LIMITED

We have audited the accompanying financial report of Boom Logistics Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising Boom Logistics Limited and the entities it controlled at the year's end or from time to time during the financial year.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of key management personnel ("remuneration disclosures"), as required by Accounting Standard AASB 124 Related Party Disclosures under the heading "remuneration report" within the directors' report and not in the financial report.

Directors' Responsibility for the Financial Report and the AASB 124 remuneration disclosures contained in the directors' report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors of the company are also responsible for the remuneration disclosures contained in the directors' report.

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. Our responsibility is to also express an opinion on the remuneration disclosures contained in the directors' report based on our audit.

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 and fair presentation of the financial report 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 and the remuneration disclosures in the directors' report.

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

Independence

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

Tel: +61 3 9603 1700 | Fax: +61 3 9602 3870 | www.pkf.com.au
Victorian Partnership | ABN 56 527 914 493
Level 14 | 140 William Street | Melbourne | Victoria 3000 | Australia
GPO Box 5099 | Melbourne | Victoria 3001

PKF
Chartered Accountants
& Business Advisers

Auditor's Opinion

In our opinion the financial report of Boom Logistics Limited is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date;

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

(c) the remuneration disclosures that are contained within the remuneration report of the directors' report comply with Accounting Standard AASB 124.

PKF

PKF
Chartered Accountants

15 August 2007
Melbourne

M L Port
Partner

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 2007.

(a) Distribution of Equity Securities

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

			Ordinary shares Number of holders	Ordinary shares Number of shares
1	-	1,000	2,235	1,516,700
1,001	-	5,000	6,165	17,424,685
5,001	-	10,000	2,391	18,130,245
10,001	-	100,000	1,463	30,869,520
100,001	and over		87	102,661,210
			12,341	170,602,360
The number of shareholders holding less than a marketable parcel of shares are:			135	14,685

(b) Twenty Largest Shareholders

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

		Listed ordinary shares Number of shares	Listed ordinary shares Percentage of ordinary shares
1	HSBC Custody Nominees (Australia) Limited	15,368,329	9.0
2	J P Morgan Nominees Australia Limited	13,689,022	8.0
3	National Nominees Limited	12,902,209	7.6
4	RBC Dexia Investor Services Australia Nominees Pty Ltd	8,324,074	4.9
5	Citicorp Nominees Pty Limited	3,792,796	2.2
6	Queensland Investment Corporation	3,563,998	2.1
7	Cogent Nominees Pty Limited	3,350,560	2.0
8	ANZ Nominees Limited	2,713,452	1.6
9	Tarni Investments Pty Ltd	2,410,522	1.4
10	Argo Investments Limited	2,250,000	1.3
11	Mr Leslie Raymond Holt	2,175,370	1.3
12	Mrs Patricia Gail Holt	2,175,370	1.3
13	Mirrabooka Investments Limited	1,700,000	1.0
14	Mr Hugh Anthony Morris	1,607,567	0.9
15	Harmon Consulting Pty Ltd	1,450,843	0.9
16	The Australian National University Investment Section	1,350,262	0.8
17	Mr Robert John Bower	1,348,488	0.8
18	Mr Thomas John Morris	1,229,241	0.7
19	Finook Pty Ltd	1,162,791	0.7
20	Bond Street Custodians Limited	1,137,791	0.7
Top twenty shareholders		83,702,685	49.1
Remainder		86,899,675	50.9
Total		170,602,360	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**
HSBC Custody Nominees (Australia) Limited	15,368,329	9.0
J P Morgan Nominees Australia Limited	13,689,022	8.0
National Nominees Limited	12,902,209	7.6

(d) Voting Rights

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

This page is intentionally blank

This page is intentionally blank