



BOON
LOGISTICS
LIMITED

**Annual
General
Meeting**

29 October 2010

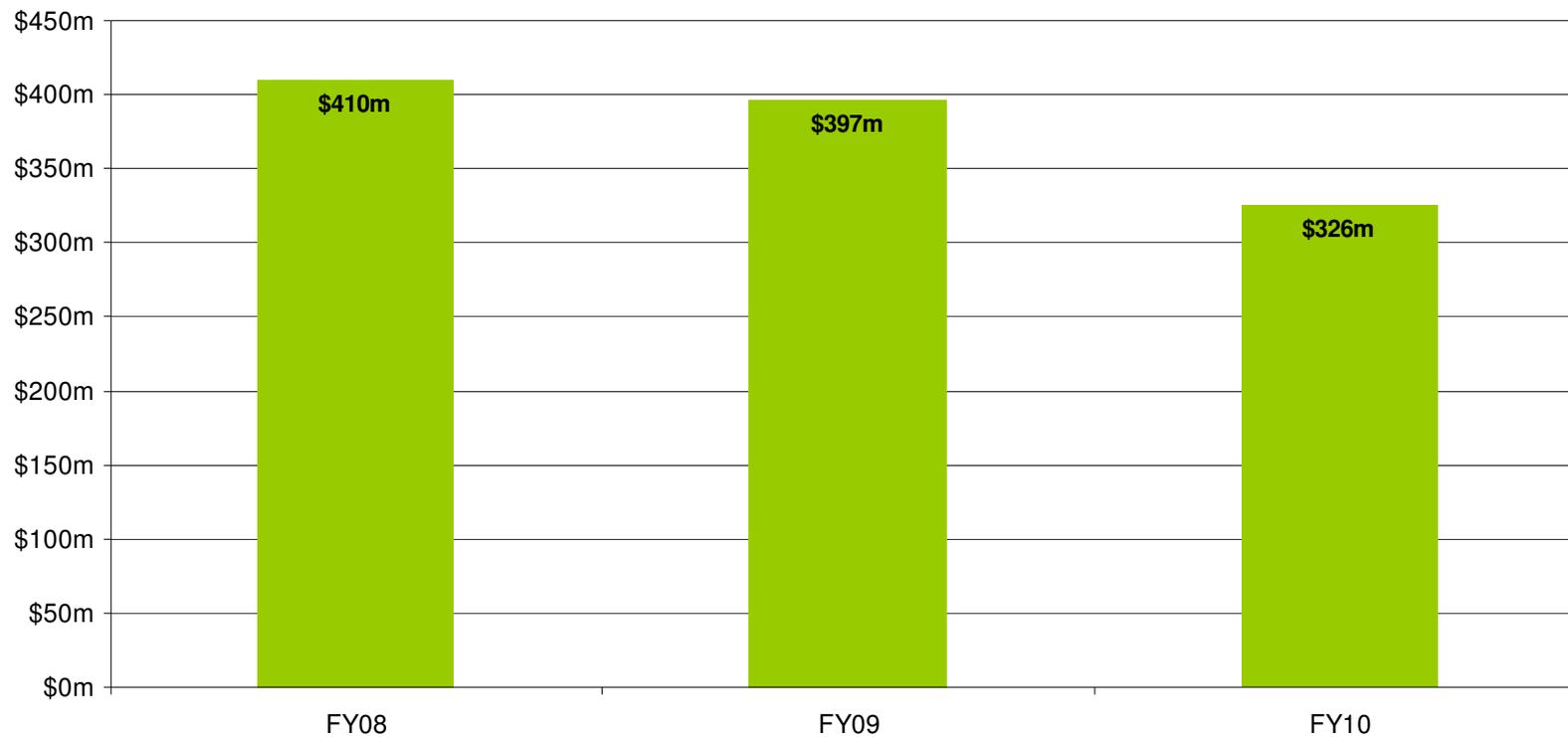
Chairman's Address

Mr John Robinson

Impact of the Global Financial Crisis

Boom's customers reduced activity in existing projects, new projects and ongoing maintenance, leading to an 18% decline in revenue in FY10

Revenue



FY10 Operating Performance

- Full year reported NPAT of \$6.5m
- Full year trading NPAT of \$4.1m (after excluding one off items)

EBIT \$m	FY09	FY10	Variance (\$)	Variance (%)
Crane Logistics	38.4	21.1	(17.3)	(45%)
Boom Sherrin	11.8	10.6	(1.2)	(10%)
James Group	0.9	(2.0)	(2.9)	(322%)
National Office	(17.7)	(17.9)	(0.2)	(1%)
Group Total	33.4	11.8	(21.6)	(65%)

- Marked improvement in Q410, continuing into FY11

Repositioning Initiatives

- **Continued focus on value proposition – most valued by blue chip customers in the industrial, resources and infrastructure sectors**
- **Strong processes in safety, service quality and environmental standards**
- **Highly valued technical and engineering expertise**
- **Diverse range of equipment to service our blue chip customer base**
- **Significant recent contract wins**

Broader Operational Base

There has been a broadening of the business base, particularly with blue chip customers:

- **Traditional strength in maintenance support for the industrial, resources and infrastructure sectors**

2010 contract wins:

- BHP (renewal)**
- Anglo American Coal**
- Rio Tinto**

- **New emphasis on major project activity in high growth sectors**

2010 contract wins:

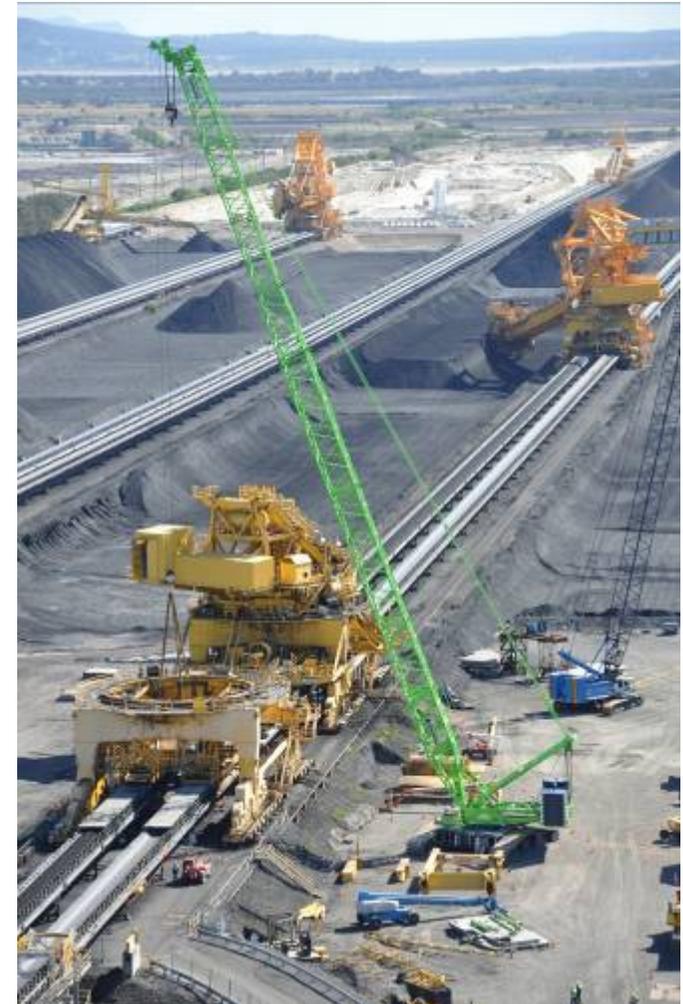
- TDK JV (Gorgon)**
- Sandvik Mining**
- Suzlon Wind Farm construction**

Fleet re-shaping

Strategic re-balancing of fleet capacity in FY10

Size	Additions	Disposals
0 – 50 tonne	17	32
>50 – 129 tonne	10	3
130 tonne+	18	3
Total	45	38
Capacity	5,711 tonnes added	1,518 tonnes disposed
Average per unit	127 tonnes	40 tonnes

Investment includes \$42 million in mobile cranes



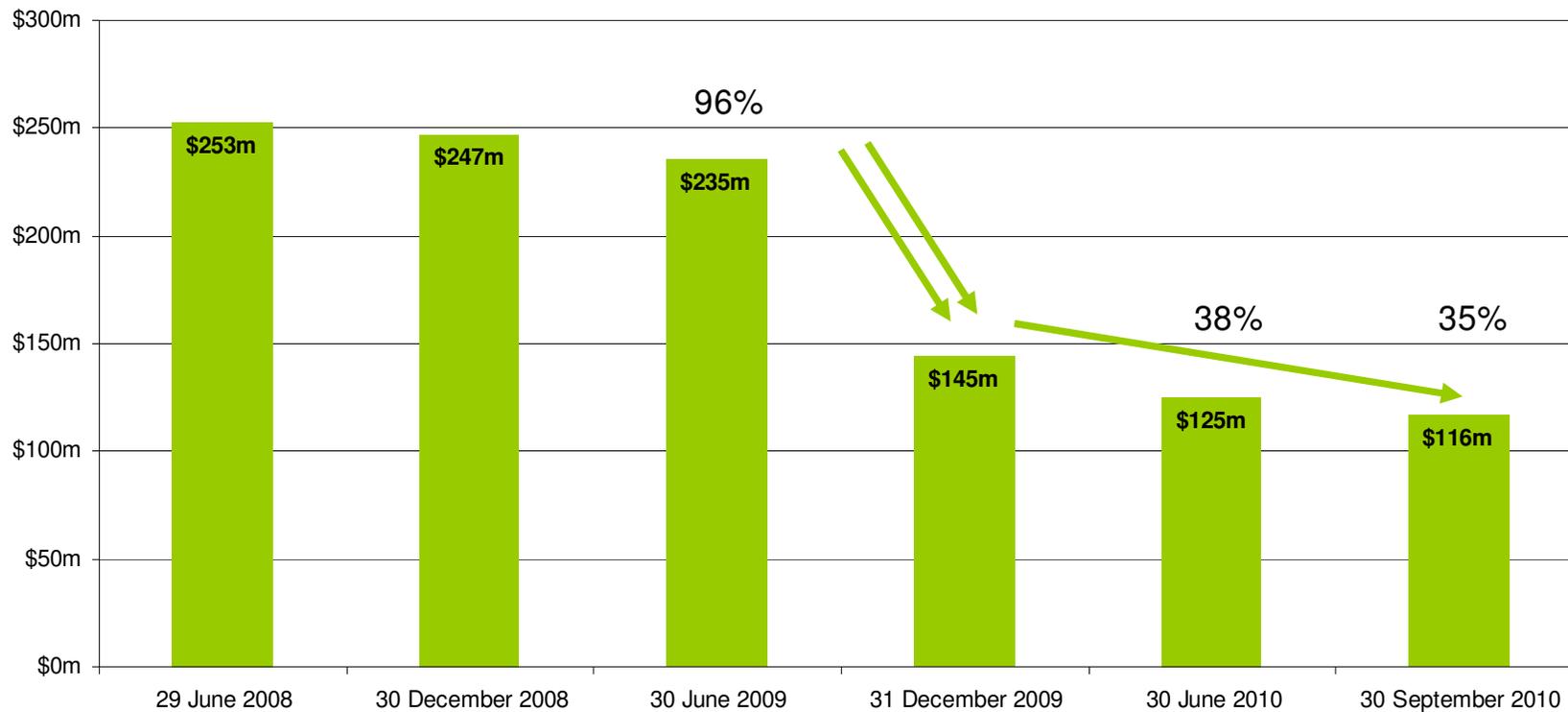
James Equipment

- **Solid historical performance through FY06 - FY08, generating acceptable returns**
- **Capital equipment market downturn impacted FY09**
- **Goodwill fully written down at the end of FY09**
- **Conclusion of the Tadano sales agreement during FY10**
- **Currency environment favouring new equipment purchases**
- **FY10 operating loss**
- **Decision to exit to re-focus on Boom's core crane logistics business**

Net Debt Reduction

Balance sheet gearing has been reduced to 38% as at 30 June 2010, down from 96% at 30 June 2009

Net Debt and Gearing

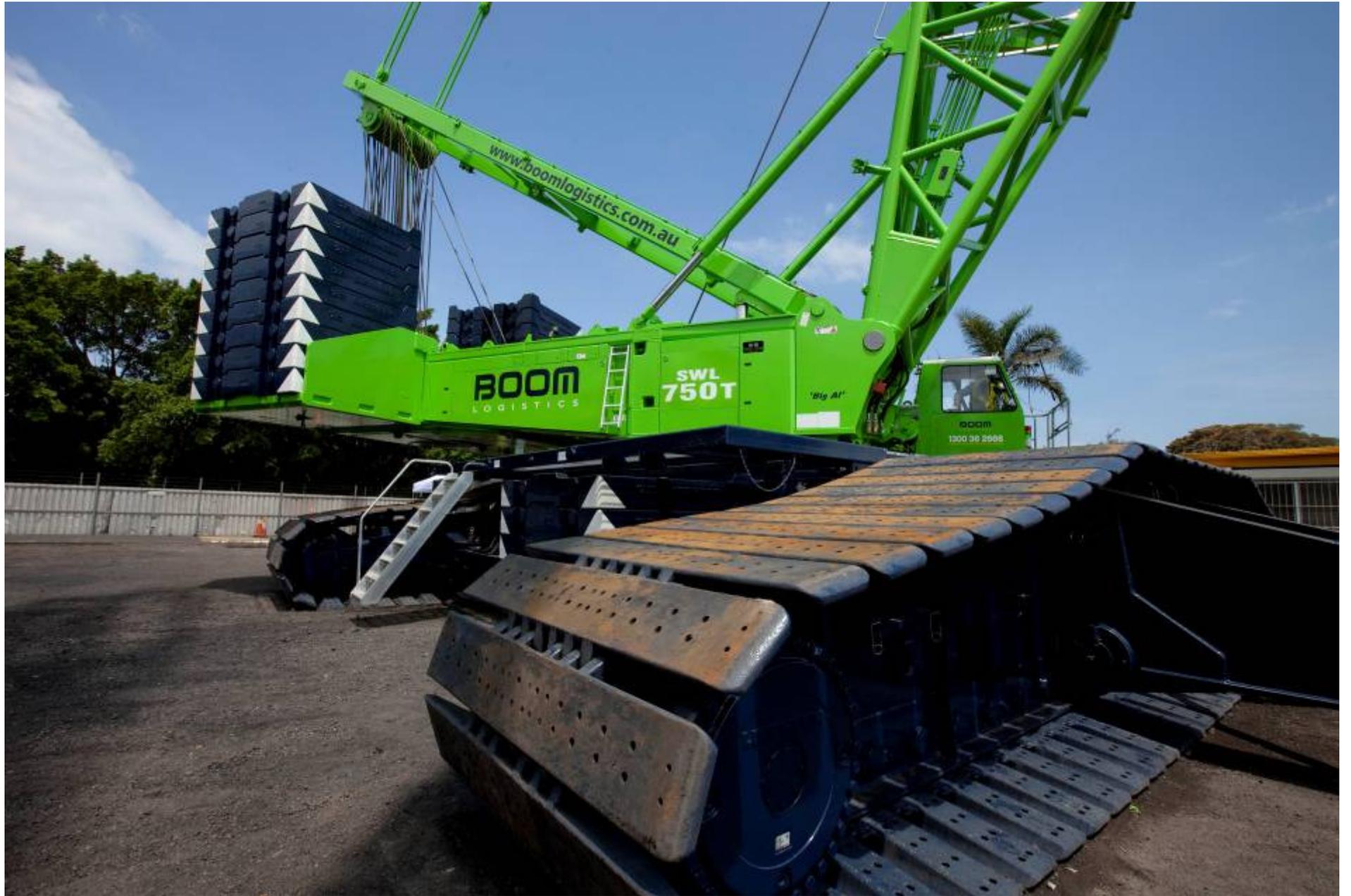


Archer Approach

- **Incomplete, unsolicited, and highly conditional proposal from Archer Capital**
- **Timed to coincide with the end of a prolonged post GFC downturn in the industrial services sector which has been reflected in reduced business activity and a depressed Boom share price**
- **Significant work undertaken by the Board and management to assess the value of Boom**
- **Did not reflect Boom's operating leverage to the value of its asset base through the group's strong pipeline of growth opportunities and continued conversion of these opportunities**
- **Relationship between Archer and McAleese (both a major shareholder and competitor) remains obscure**
- **The Board rejected the indicative proposal on the basis that it materially undervalued the Company**

Outlook Summary

- **Solid start to FY11, continuing on from Q410**
- **Continued contract wins in growth markets**
- **Significant re-positioning of the core business has strengthened our market leadership position**
- **Strong leverage to the resources, infrastructure and utilities sectors**



Managing Director's Address

Mr Brenden Mitchell

FY10 Revenue

- **Total revenue reduction of \$72m in FY10**
 - **Crane Logistics down \$39m (predominantly occurred in the first half)**
 - **Boom Sherrin down \$7m**
 - **James Equipment down \$26m**
- **Challenging first half across the business**
- **Improvement in the second half in Crane Logistics and Boom Sherrin**

Key actions in FY10

- **Underperforming businesses restructured, particularly in metropolitan areas**
- **\$87 million equity raising to strengthen the balance sheet to position for growth**
- **Critical contract wins providing a sound foundation for future revenue growth**

Continued Actions in FY11

- **Closure of the Melbourne Mobile business**
- **Headcount reductions in Port Kembla and Brisbane**
- **Redeployment of underutilised fleet to key Coal (Hunter Valley and Bowen Basin) and Iron Ore (WA) markets**
- **Boom Sherrin depot consolidations**
- **James Equipment exit**

Boom's Strategy

Boom's strategy is premised on:

- **Safety – for our people, our customers, the community and the environment; and**
- **Shareholder Value – to maximise Boom's value for our shareholders.**

The key elements of our strategy are to continue to:

STRONG CUSTOMER VALUE PROPOSITION		Enhance Boom's core value proposition for our customers based on total solutions involving equipment, operational capability, engineering expertise and best-practice safety and quality systems.
CUSTOMER FOCUS IN HIGH-GROWTH MARKETS		Target contract-based customer relationships in high-growth industrial services and major project development markets in the resources, energy, utilities and infrastructure sectors that are strongly aligned with Boom's core value proposition.
RE-BALANCE THE FLEET		Re-balance the crane fleet in line with customer needs in our chosen markets, with an emphasis on investment in high-end cranes that deliver strong returns and strong operational pull-through (operators, transport and other assets).
BUILD CAPABILITIES		Develop our people, processes and systems to deliver our value proposition to our customers and to generate strong returns for our shareholders.

Core Value Proposition

Boom delivers industrial services and supports major project development for customers in the resources, energy, utilities and infrastructure sectors

Our customer value proposition is based on total solutions involving:

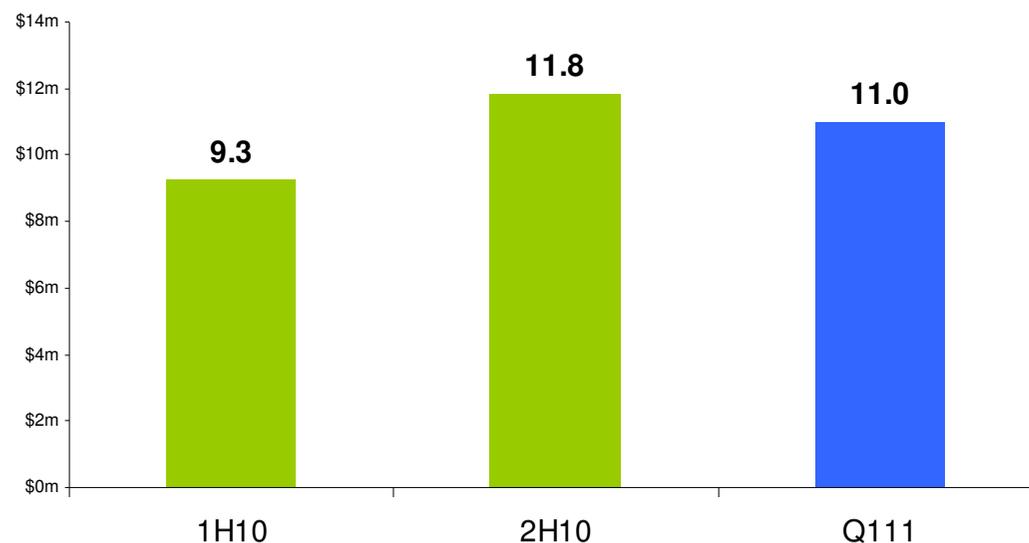
EQUIPMENT	<ul style="list-style-type: none">• Fleet adapted to industry requirements in resources, energy, utilities and infrastructure projects• Well-maintained fleet with maintenance records and KPI reporting for customers
OPERATIONAL CAPABILITY	<ul style="list-style-type: none">• Experienced and trained workforce of Supervisors, Crane Operators and Riggers• Resources and infrastructure to support customers in our core markets• Planned and configured services involving operators, cranes and transport to meet complex customer requirements
ENGINEERING EXPERTISE	<ul style="list-style-type: none">• Pre-lift customer site survey and analysis• Detailed engineering lift studies to drive safety and cost effectiveness• Project Planning and Project Management
SAFETY AND QUALITY SYSTEMS	<ul style="list-style-type: none">• Cultural alignment with our customer base: uncompromising safety focus• ISO 9001 and AS4801 certification• Best practices in safety systems, processes and organisation

Q1 FY11 Trading Update

Significantly improved EBIT from Crane Logistics

\$m	Crane Logistics	Boom Sherrin	James Group	National Office	Group Total
Revenue	66.3	18.6	1.7	-	86.6
EBIT	11.0	1.5	(0.4)	(5.6) ²	6.5 ¹

Crane Logistics EBIT



– Better quality revenue driving stronger EBIT off lower utilisation

– Contract wins to underpin future performance

1. The first quarter trading result excludes one-off restructuring costs of \$0.65 million

2. National Office costs include \$1.8 million of syndicated debt borrowing costs and external advisor fees

Q1 FY11 Trading Update

- **Boom Sherrin result not as strong in first quarter**
 - **Project delays and deferrals**
 - **Weather impacts in Queensland and Victoria**
 - **Run rate improving and a strong pipeline in the telecommunications and utilities sectors**

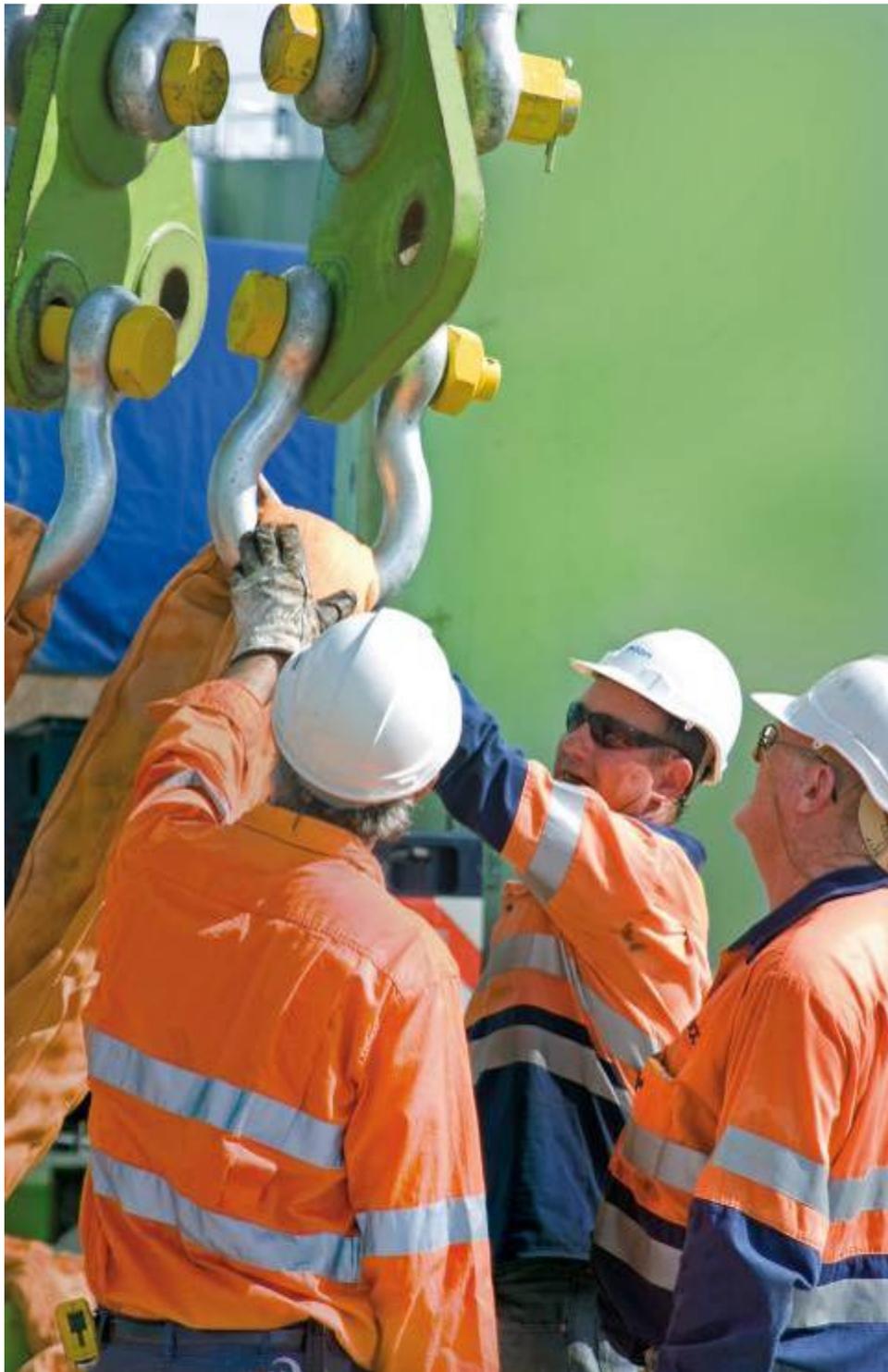
- **Crane Logistics focus on faster growing markets will drive EBIT margin improvement**

Operational Leverage

- **Given the large capital base, increases in utilisation and revenue have a significant drop through to profit**
- **As demand increases, utilisation picks up and price uplift will follow, increasing the revenue drop through to profit**
- **In Boom's core markets, there is scope to run some assets at greater than 100% utilisation as customers maintain continuous production cycles**
- **New capital investment will drive strong returns, and returns for the current asset base will increase**

Boom's Values

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



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