



**BOOM**  
LOGISTICS

**Annual General Meeting  
27 November 2009**

**BOOM**  
LOGISTICS

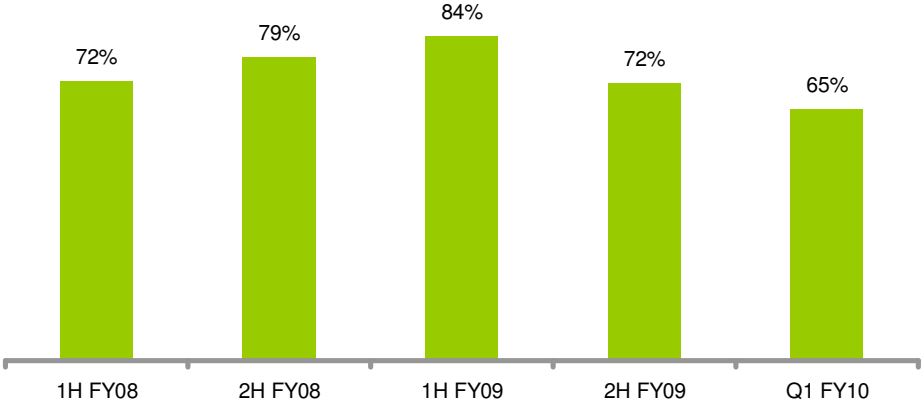
## **Chairman's Address**

**Mr John Robinson**

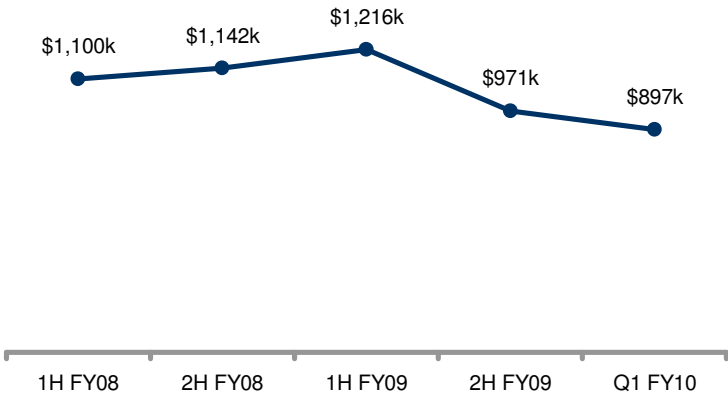
# Impact of Global Financial Crisis

Fleet utilisation and revenue per day has been impacted by the economic downturn

**CRANE UTILISATION**



**GROUP REVENUE PER DAY**



## FY09 group results

<i>\$m</i>	FY08	1H09	2H09	FY09 <sup>1</sup>
Revenue	409.9	223.5	173.5	397.0
<b>EBITDA</b>	<b>89.7</b>	<b>47.8</b>	<b>21.5</b>	<b>69.3</b>
EBITDA margin	22%	21%	12%	17%
Depreciation	(38.1)	(17.0)	(17.2)	(34.2)
<b>EBITA</b>	<b>51.5</b>	<b>30.8</b>	<b>4.7</b>	<b>35.5</b>
EBITA margin	13%	14%	3%	9%
Amortisation	(4.4)	(1.1)	(1.0)	(2.1)
<b>EBIT</b>	<b>47.1</b>	<b>29.7</b>	<b>3.7</b>	<b>33.4</b>
Net Interest <sup>2</sup>	(19.3)	(10.0)	(6.5)	(16.5)
<b>Profit before tax</b>	<b>27.9</b>	<b>19.7</b>	<b>(2.8)</b>	<b>16.9</b>
Tax	(9.2)	(5.9)	1.0	(4.9)
<b>NPAT</b>	<b>18.6</b>	<b>13.8</b>	<b>(1.8)</b>	<b>12.0</b>

1. FY09 trading result excludes one off impairment and restructure costs of \$39.5m incurred in 2H09.

2. Net Interest includes interest income of \$1.1m (bank interest and tax refund interest).

## Summary of FY09 one off items

\$ million	Gross impact	Tax impact	Net impact
<b>Trading NPAT</b>	<b>16.9</b>	<b>(4.9)</b>	<b>12.0</b>
<b>Intangible asset impairments</b>			
James Equipment goodwill <sup>1</sup>	(18.8)	–	(18.8)
<b>Tangible asset impairments</b>			
Property, plant and equipment (including assets held for sale) <sup>2</sup>	(18.3)	5.5	(12.8)
James Equipment Crane inventory and Stock <sup>3</sup>	(2.6)	0.8	(1.8)
<b>Total tangible asset impairments</b>	<b>(20.9)</b>	<b>6.3</b>	<b>(14.6)</b>
<b>Restructure<sup>4</sup></b>	<b>(3.1)</b>	<b>0.9</b>	<b>(2.2)</b>
<b>Tax adjustment<sup>5</sup></b>	<b>–</b>	<b>(3.9)</b>	<b>(3.9)</b>
<b>Reported NPAT</b>	<b>(25.9)</b>	<b>(1.6)</b>	<b>(27.5)</b>

1. Assessed using a value in use calculation

2. Operational assets assessed and adjusted as necessary for value in use, residual value and useful life calculations. Operational assets identified as ready for sale, valued based on prevailing market conditions for used equipment

3. James Equipment crane inventory valued based on prevailing market conditions for used equipment. Stock relates to James Equipment and GM Baden workshop stock and consumables.

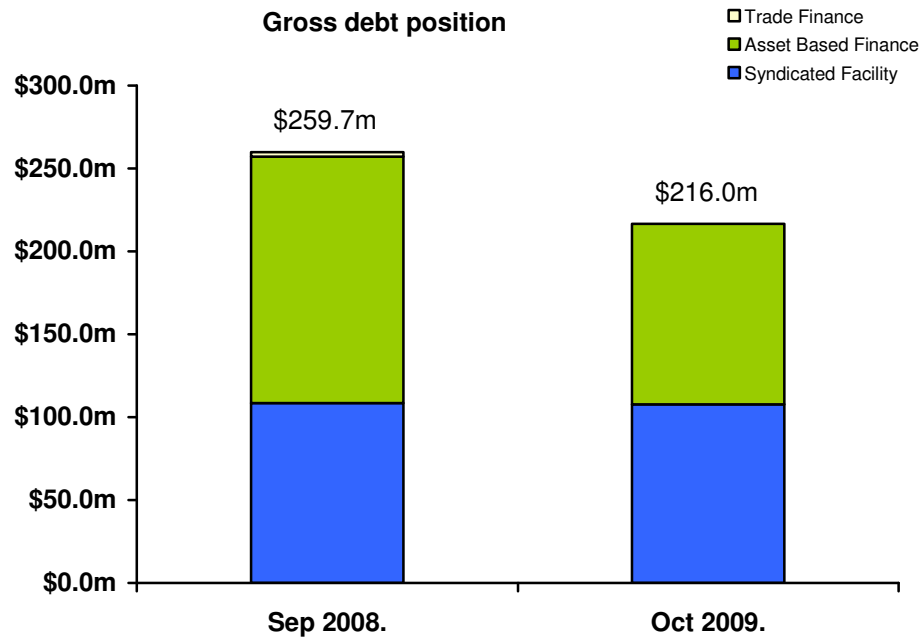
4. Costs associated with 2H09 restructure activity

5. Relates to tax adjustments claimed for the financial years ended 30 June 2002 to 30 June 2004. Whilst these periods are considered “closed” to claims, Boom Management have made a formal request to the Commissioner asking that he exercise his discretion to allow a claim for this period to proceed. Should Boom’s request be granted, this tax charge will be reversed in FY10.

# Banking arrangements

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- Syndicated facility until September 2011 with nabCapital, BankWest and GE Capital
- Working capital facility with BankWest and nabCapital
- Amortising asset based lease arrangements with several financiers





# Equity raising overview

<b>\$67M EQUITY RAISING</b>	<ul style="list-style-type: none"><li>• Accelerated pro-rata 1 for 1 non-renounceable entitlement offer raising c. \$52m<ul style="list-style-type: none"><li>– Institutional component of c. \$13m</li><li>– Retail component of c. \$39m. Eligible retail shareholders may also apply for additional New Shares in excess of their entitlement</li></ul></li><li>• Institutional placement of c. \$15m</li></ul>
<b>OFFER PRICE</b>	<ul style="list-style-type: none"><li>• Offer price for the Entitlement Offer and Placement of \$0.30 per New Share<ul style="list-style-type: none"><li>– 36.2% discount to last close of \$0.47<sup>(1)</sup></li><li>– 38.9% discount to 5 day VWAP of \$0.49<sup>(2)</sup></li><li>– 19.8% discount to the TERP of \$0.37<sup>(3)</sup></li></ul></li></ul>
<b>UNDERWRITING</b>	<ul style="list-style-type: none"><li>• Entitlement Offer and Placement fully underwritten by RBS</li></ul>
<b>SHARE PURCHASE PLAN</b>	<ul style="list-style-type: none"><li>• Non-underwritten SPP of up to \$20m at \$0.30 per New Share<ul style="list-style-type: none"><li>– To be undertaken after the close of the retail offer period</li></ul></li></ul>
<b>RANKING</b>	<ul style="list-style-type: none"><li>• New Shares will rank equally with existing BOOM shares</li></ul>

<sup>1</sup> BOOM's last closing price on 16 November 2009 (the last trading day before the commencement of the trading halt on 17 November 2009).

<sup>2</sup> BOOM's 5 business day volume weighted average price before the commencement of the trading halt on 17 November 2009.

<sup>3</sup> The theoretical ex-rights price ("TERP") is the theoretical price at which BOOM shares should trade immediately after the ex-date for the Entitlement Offer and takes into account the number of New Shares to be issued in the placement. The theoretical ex-rights price is a theoretical calculation only and the actual price at which BOOM shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal TERP.

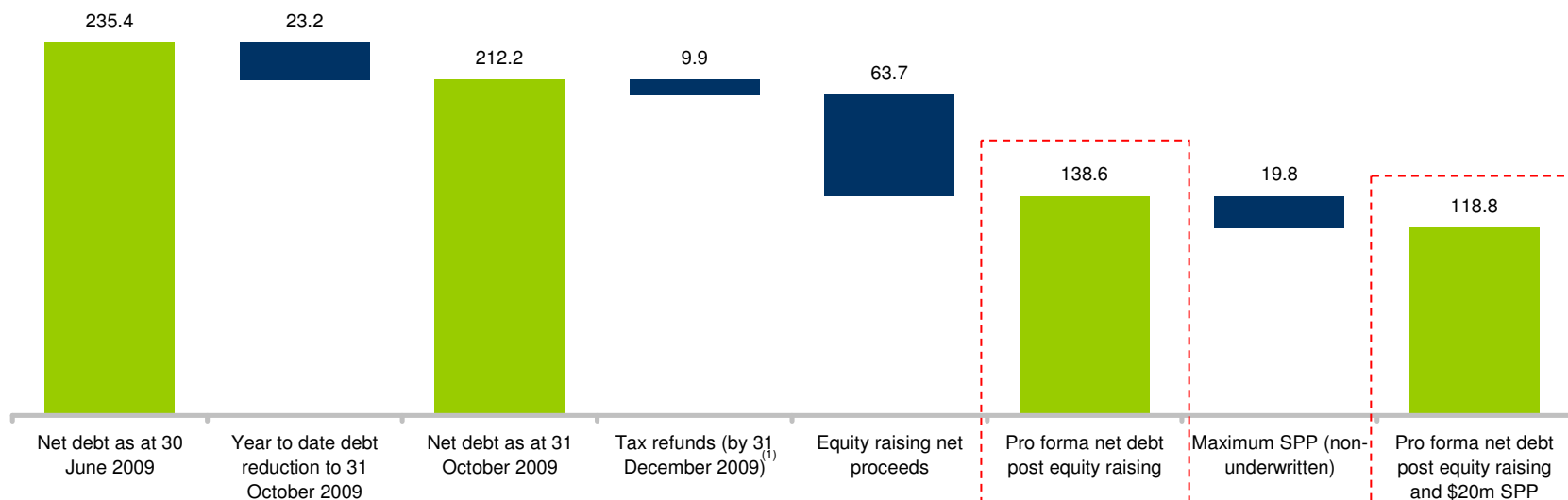
## Indicative equity raising timetable

<b>Event</b>	<b>Date</b>
Retail Entitlement Offer opens	Friday 27 November 2009
Retail Entitlement Offer booklet and Entitlement and Acceptance Form dispatched to eligible retail shareholders	Friday 27 November 2009
Settlement of Institutional Entitlement Offer and Placement	Tuesday 1 December 2009
Issue of New Shares under the Institutional Entitlement Offer and Placement, and normal trading of these shares expected to commence on ASX	Wednesday 2 December 2009
Retail Entitlement Offer period closes	5.00pm (AEDT) Tuesday 15 December 2009
Settlement of Retail Entitlement Offer	Wednesday 23 December 2009
Issue of New Shares under the Retail Entitlement Offer	Thursday 24 December 2009
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	Tuesday 29 December 2009
Dispatch of holding statements	Tuesday 29 December 2009
SPP Offer	January 2010



# Improved net debt position

## PRO FORMA NET DEBT POSITION (\$M)



PRO FORMA DEBT METRICS		
Gearing <sup>(2)</sup>	45%	36%
<b>PRO FORMA BASED ON FY10 GUIDANCE<sup>(3)</sup></b>		
Pro forma net debt / EBITDA	2.5x	2.2x
EBITDA / net interest <sup>(4)</sup>	5.5x	6.4x
EBIT / net interest <sup>(4)</sup>	2.1x	2.4x
<b>PRO FORMA BASED ON FY09 ACTUALS<sup>(5)</sup></b>		
Pro forma net debt / EBITDA	1.9x	1.7x
EBITDA / net interest <sup>(4)</sup>	7.1x	8.3x
EBIT / net interest <sup>(4)</sup>	3.5x	4.1x

<sup>1</sup> Tax refunds of \$5m received on 11 November 2009, and a further \$5m expected prior to 31 December 2009.

<sup>2</sup> Defined as net debt / book equity. Pro forma book equity as at 31 October 2009, adjusted for equity raising.

<sup>3</sup> Based on FY10 EBITDA of \$55m (mid-point of guidance announced to the ASX on 4 November 2009) and FY10 EBIT guidance of \$21m (mid-point), see page 22.

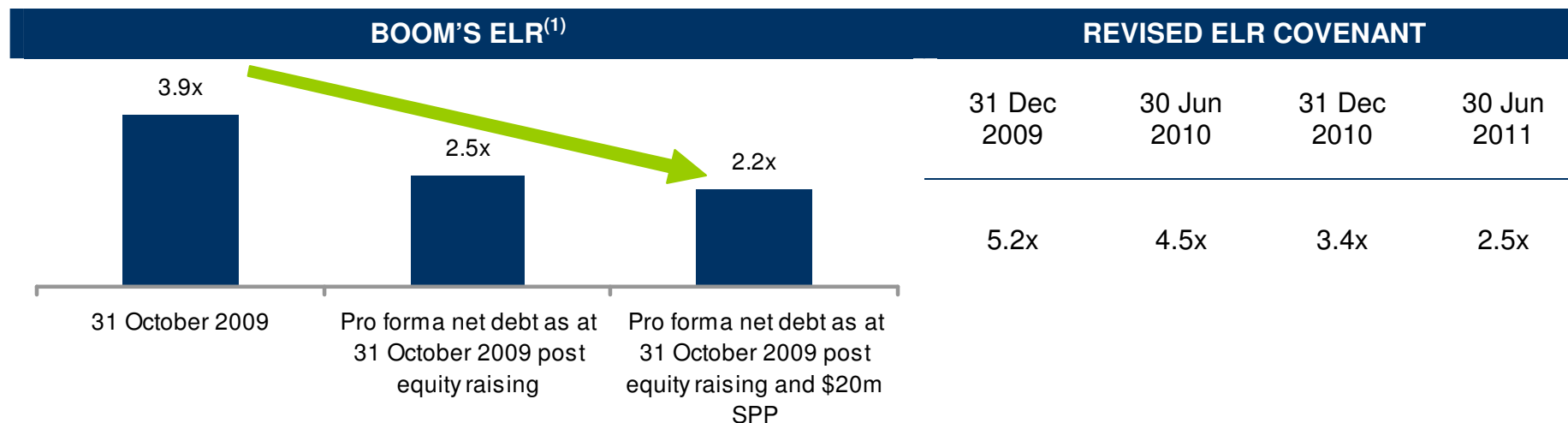
<sup>4</sup> Net interest based on a weighted average interest rate of 7.2%; excludes interest impact of tax refunds.

<sup>5</sup> Based on FY09 actual EBITDA of \$71.4m and EBIT of \$35.1m, pre one-off restructuring costs and impairment charges.

## Improved covenant position

Following the equity raising, BOOM will have significant headroom on each of its banking covenants

BOOM's banks have agreed, conditional upon an equity raising, to amend its ELR covenant, providing significant headroom<sup>(1)</sup>



BOOM's other covenants all have significant headroom throughout FY10

- Debt Service Cover Ratio
- Balance Sheet Gearing
- Asset Leverage

<sup>1</sup> Based on FY10 EBITDA of \$55m (mid-point of guidance announced to the ASX on 4 November 2009).

## Unsolicited and highly conditional proposal

On 17 November 2009, BOOM entered a trading halt pending an announcement on the equity raising

After this trading halt was in place and after strong support from investors for the equity raising, BOOM received an incomplete, unsolicited, and highly conditional proposal from McAleese Investments (its 12.2% shareholder) an associate of Harbrew Group

- This proposal follows a previous, unsolicited merger approach in July 2009 from Harbrew whereby BOOM would acquire Harbrew's business. That proposal did not meet BOOM's investment criteria

The proposal:

- McAleese to acquire 100% of BOOM at \$0.60 per share in cash through a Scheme of Arrangement
- Highly conditional, including being subject to unspecified due diligence, finalisation of funding with McAleese financiers, BOOM not proceeding with its proposed capital raising and requires shareholder and court approvals
- BOOM to grant exclusivity with a 1% break fee in favour of McAleese

The proposal represents:

- discount of 32% to BOOM's Net Tangible Assets of \$0.89 as at 30 June 2009
- 8% premium to the three month VWAP of \$0.56 prior to the approach
- 6% premium to the one month VWAP of \$0.57 prior to the approach

The Board has REJECTED the proposal:

- It is highly conditional and incomplete compared to the certainty of an underwritten equity raising
- Proceeding only with their proposal would prevent BOOM from raising much needed equity to deleverage its balance sheet and deal with bank covenant issues

# Positioned for recovery

## UNIQUE MARKET POSITION

- Australia's largest crane hire company, over twice the size of nearest competitor
- Market leader in Travel Tower hire, over six times the size of nearest competitor
- A leading Access Equipment hire business
- National footprint
- Established relationships with blue-chip customers across a diverse range of sectors

## STRONG LEVERAGE TO ECONOMIC RECOVERY

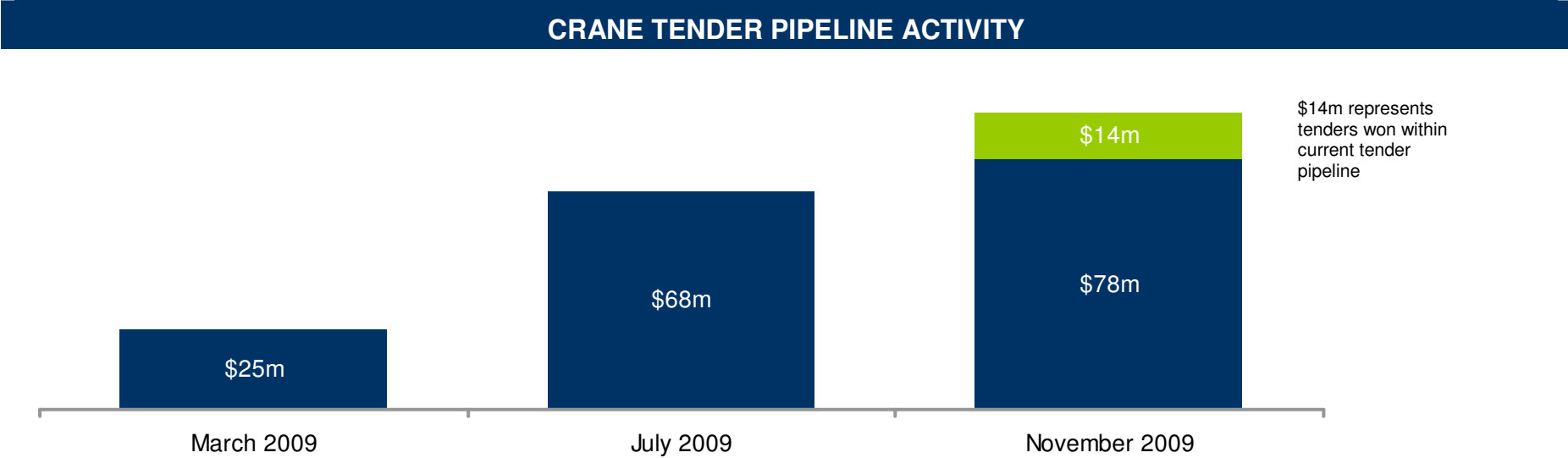
- Over \$350m of plant and equipment<sup>(1)</sup>
- Diversified and well maintained but under-utilised fleet
- Focused capital investment in the last 18 months
- Fixed cost leverage to deliver margin improvement and cash generation
- Growth strategy to benefit from cycle up-turn

## FAVOURABLE MARKET OUTLOOK

- Australia has over \$180bn in major projects anticipated over the next 3 years which will require crane and lifting solutions
- Strong pipeline and tender activity

<sup>1</sup> As at 30 June 2009.

# Improving pipeline



BOOM has achieved a >40% success rate on projects it has tendered for



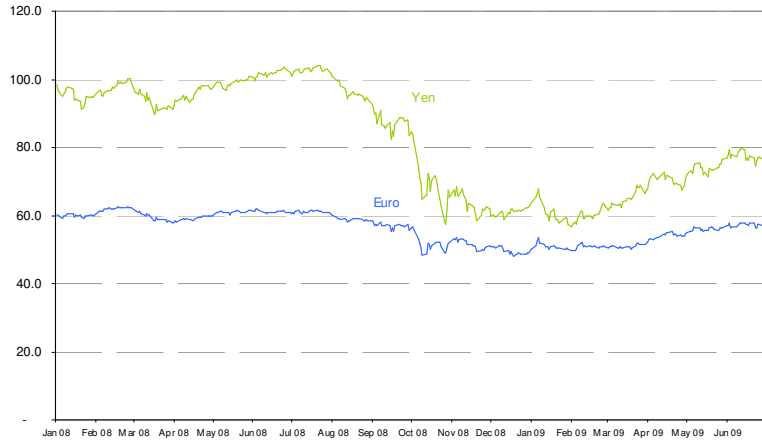


## Managing Director's Address

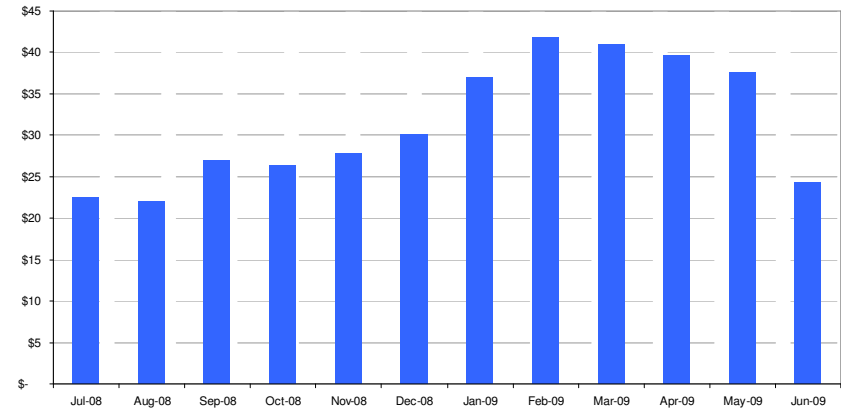
**Mr Brenden Mitchell**



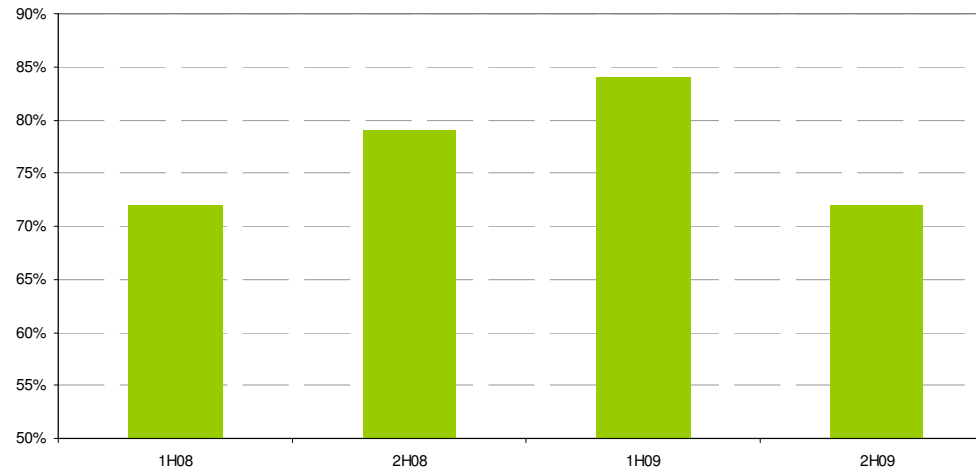
# Boom's FY09 challenges



Currency decline



Inventory build



Wet Hire Crane Utilisation decline

# Management actions position BOOM for upturn: Completed initiatives

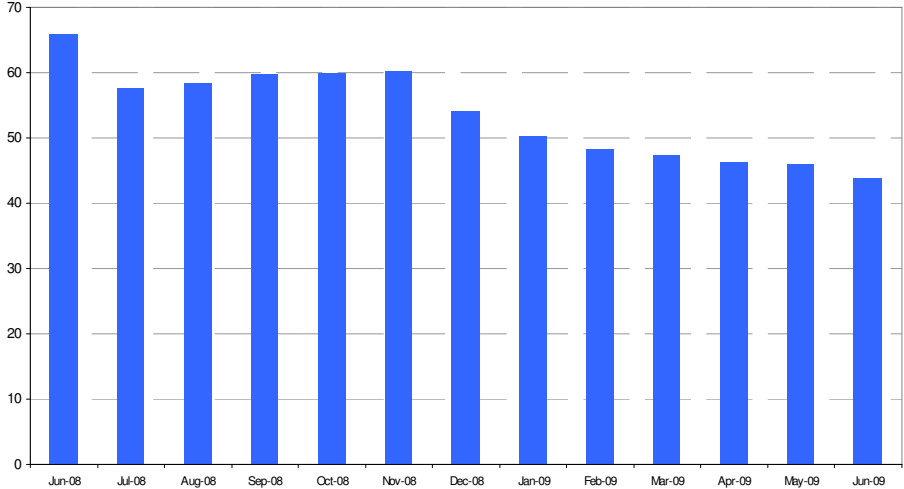
	INITIATIVE	OUTCOME
<b>MANAGEMENT</b>	<ul style="list-style-type: none"> <li>Strengthening of management structure and team</li> <li>Key General Manager appointments made in business units</li> </ul>	<ul style="list-style-type: none"> <li>Highly skilled and experienced team now in place – significant experience in industrial services</li> </ul>
<b>FINANCIAL DISCIPLINE</b>	<ul style="list-style-type: none"> <li>Debt facilities restructured and simplified</li> <li>Legacy accounting and tax issues identified and addressed</li> <li>Established a framework for making investment decisions</li> <li>Strong emphasis on cash management</li> </ul>	<ul style="list-style-type: none"> <li>3 year syndicated debt facility established in September 2008; now with revised ELR covenant (post equity raising)</li> <li>Tax refunds of \$23.5m identified and \$19.6m refunds already received</li> <li>More efficient allocation of capital across and within business units</li> <li>Debtor days and inventory levels reduced</li> </ul>
<b>OPERATIONS AND BUSINESS DEVELOPMENT</b>	<ul style="list-style-type: none"> <li>Restructuring commenced during 4Q FY09</li> <li>New strategic approach to relationship management</li> <li>Customer interface system overhauled and roll out commenced</li> <li>National procurement function established</li> </ul>	<ul style="list-style-type: none"> <li>130 headcount reduction achieved by August 2009</li> <li>Consolidated major contracts, re-established relationships and won new long-term contracts</li> <li>Developed key alliances in resources, LNG, renewable energy and infrastructure sectors</li> <li>Improved customer service and reduced revenue leakage</li> <li>Procurement expected to provide further savings in FY10</li> </ul>
<b>SAFETY AND TRAINING</b>	<ul style="list-style-type: none"> <li>Heightened safety focus – including establishing a Safety Leadership Team</li> <li>Training and development needs of depot management and supervisors identified</li> </ul>	<ul style="list-style-type: none"> <li>Strong safety disciplines aligned with customer expectations</li> <li>Training advisors engaged and program established to enhance skill levels across the workforce</li> <li>Appointment of high quality National Safety Manager</li> </ul>

# Management actions position BOOM for upturn: Near term priorities

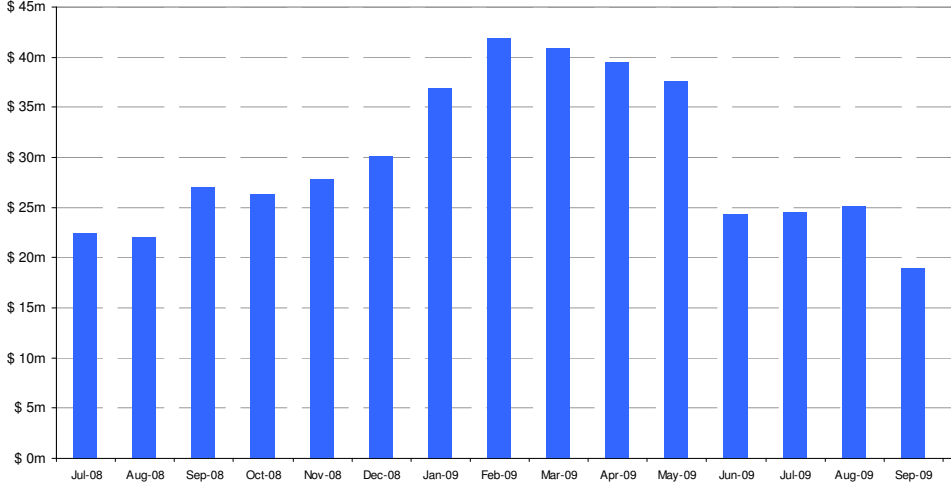
	INITIATIVE	OUTCOME
<b>OPERATIONAL IMPROVEMENTS</b>	<ul style="list-style-type: none"> <li>Reduce total costs and increase variable relative to fixed costs</li> </ul>	<ul style="list-style-type: none"> <li>Additional operational improvement projects underway               <ul style="list-style-type: none"> <li>Maintenance and workshops</li> <li>Transport</li> </ul> </li> </ul>
<b>SECTOR SPECIFIC OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Renewable energy</li> <li>LNG</li> <li>Resources</li> <li>Schools building program</li> <li>Other government infrastructure</li> <li>Telecoms and utilities</li> </ul>	<ul style="list-style-type: none"> <li>Renewable energy – relationships established with significant incremental revenue opportunities emerging</li> <li>LNG – alliances in place and business positioned for major projects</li> <li>Resources – contracts and relationships in place; positioned for project expansion</li> <li>Schools building program – particularly relevant for BOOM Sherrin</li> <li>Other government infrastructure – significant opportunities for Crane Hire</li> <li>Telecoms and utilities – Travel Tower opportunities for line maintenance and mobile tower rollouts</li> </ul>
<b>ASSET BASE</b>	<ul style="list-style-type: none"> <li>Improve margins</li> </ul>	<ul style="list-style-type: none"> <li>Strategic review of fleet to re-weight fleet towards high capacity, high margin cranes and Travel Towers</li> <li>Cranes identified for sale – progress will be market dependent</li> </ul>
<b>SAFETY AND TRAINING</b>	<ul style="list-style-type: none"> <li>Stronger alignment of safety culture with customers</li> <li>Become an employer of choice</li> </ul>	<ul style="list-style-type: none"> <li>Completion of training program for sales, supervisors and Branch Managers in safety, finance and sales</li> </ul>

# Working capital improvements

## DEBTORS DAYS

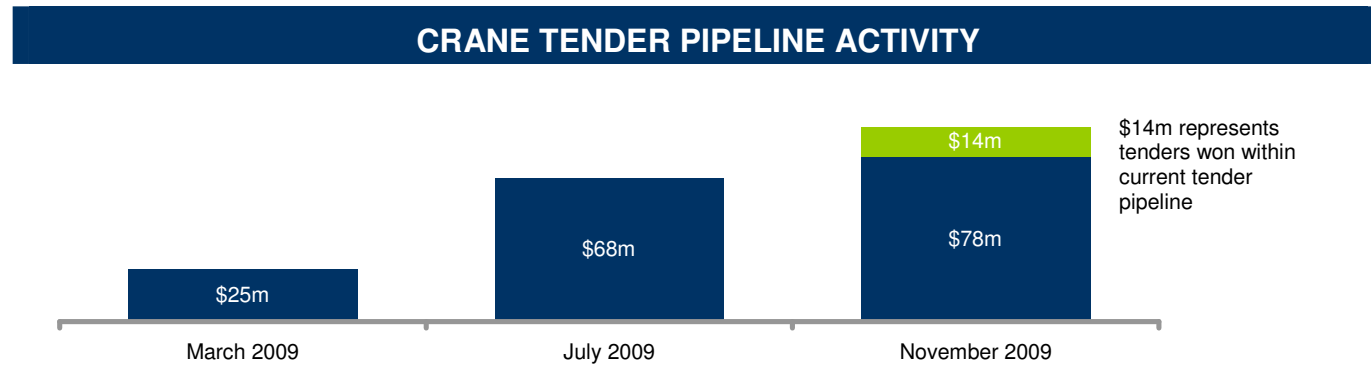


## INVENTORY



## Improving pipeline evidences upturn

The internal tender pipeline for BOOM's crane business has increased from \$25m in March 2009 to \$92m as at 13 November 2009



This is as a consequence of

- An increase in tendering activity in the market place
- A focused approach to the sales pipeline and tendering management by BOOM

BOOM has achieved a >40% success rate on projects it has tendered for

BOOM's focused investment will support expected pipeline

- 750 tonne Liebherr Crawler Crane expected to arrive in December 2009 – the first to acquire a 750 tonne Crawler Crane for the Australian market
- 400 tonne Liebherr Mobile Crane and 450 tonne Grove mobile crane

# Well positioned to capitalise on major project pipeline

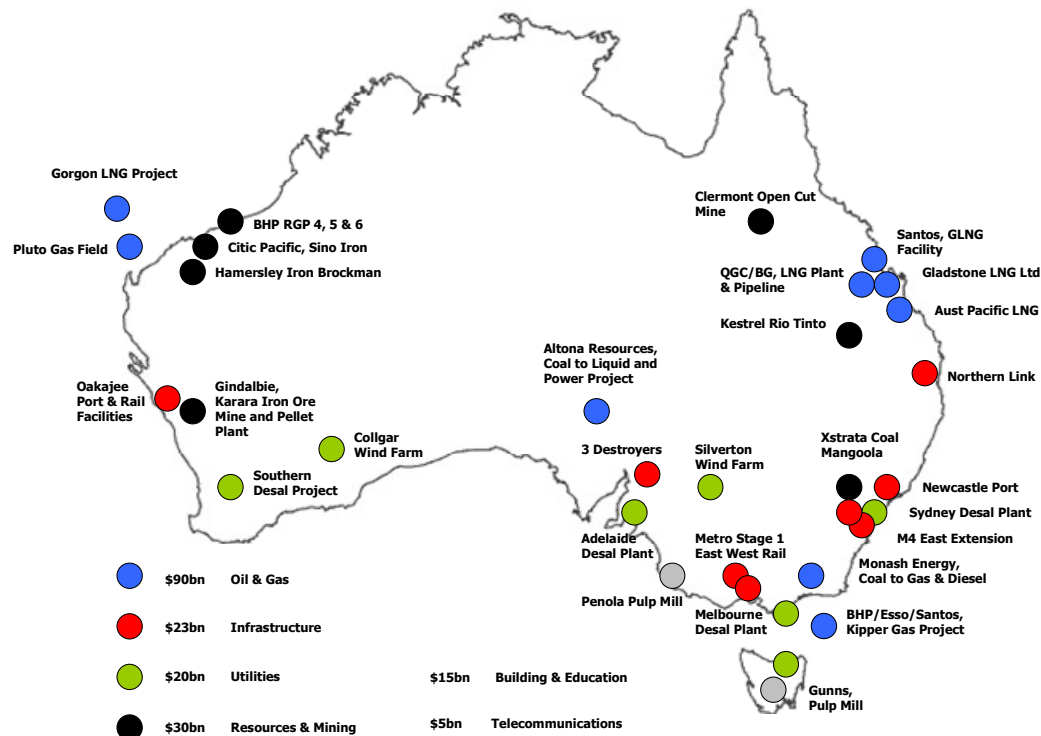
Over \$180bn in major projects anticipated over the next 3 years in Australia

BOOM has strong relationships with all major contractors for these projects

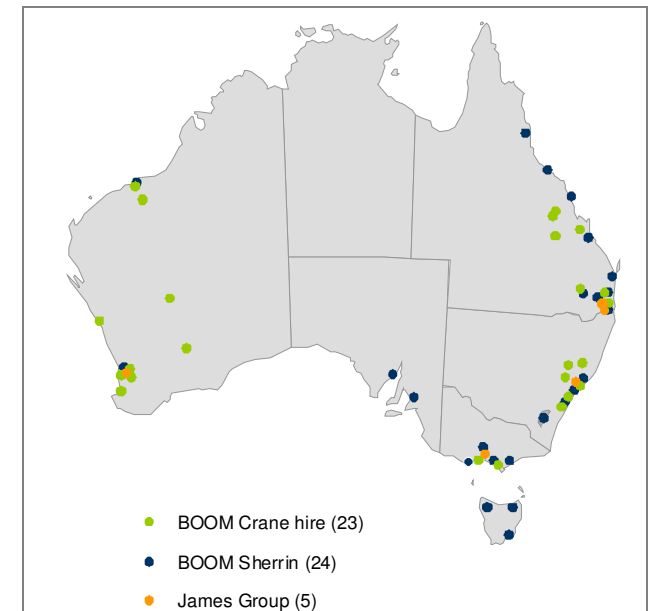
Crane and lifting solutions required for all projects

- Long-term revenue opportunities beyond the project life through shut down and ongoing maintenance work
- BOOM's nationwide network of depots ideally positions it to service these projects

## MAJOR PROJECTS IN AUSTRALIA

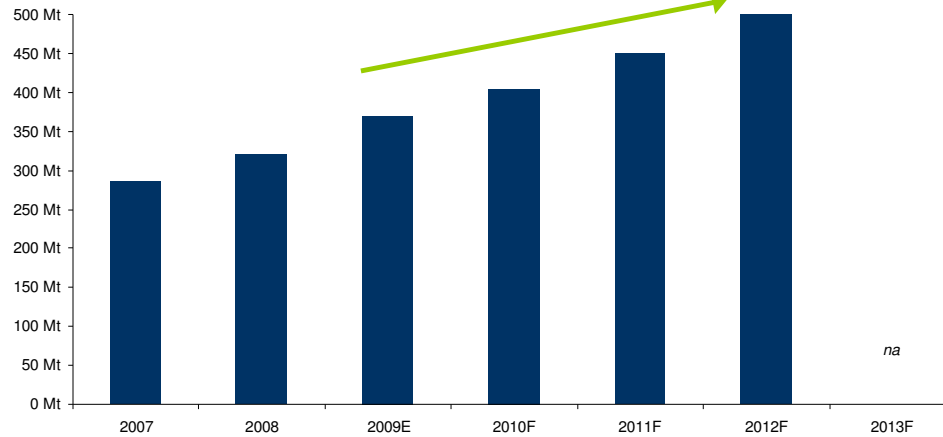


## BOOM'S NATIONWIDE NETWORK

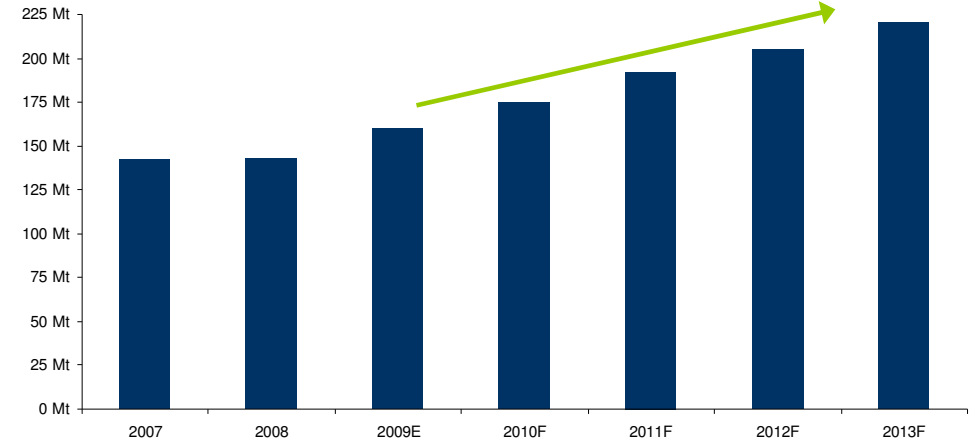


# Strong industry growth is forecast across BOOM's key markets

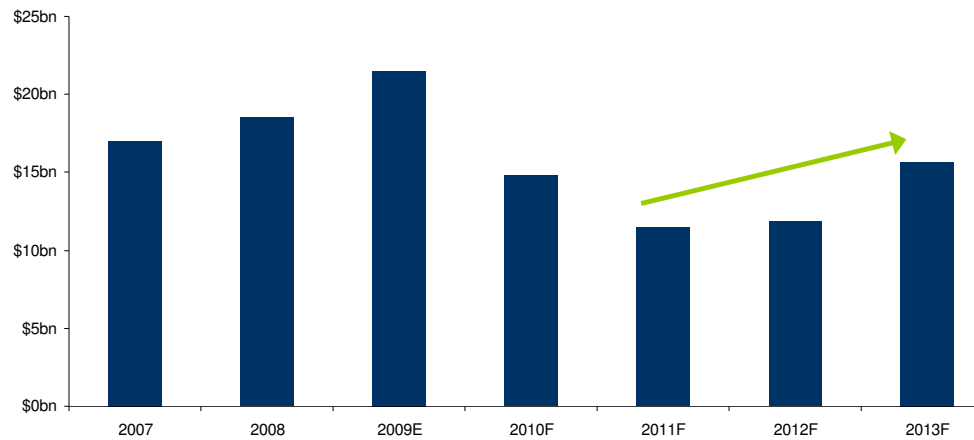
## AUSTRALIAN IRON ORE EXPORTS



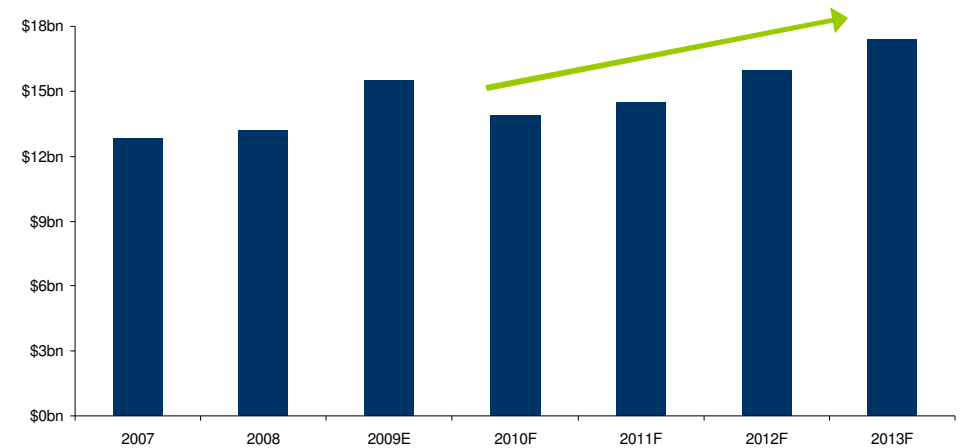
## AUSTRALIAN COKING COAL VOLUMES



## VALUE OF MINING & HEAVY INDUSTRY WORK



## VALUE OF TRANSPORT & CONSTRUCTION WORK



Source: BIS Shrapnel, Macquarie Research and Wood McKenzie.

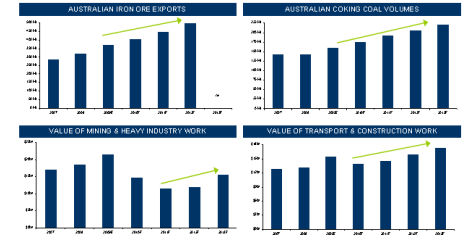


# Established presence in key market segments.....

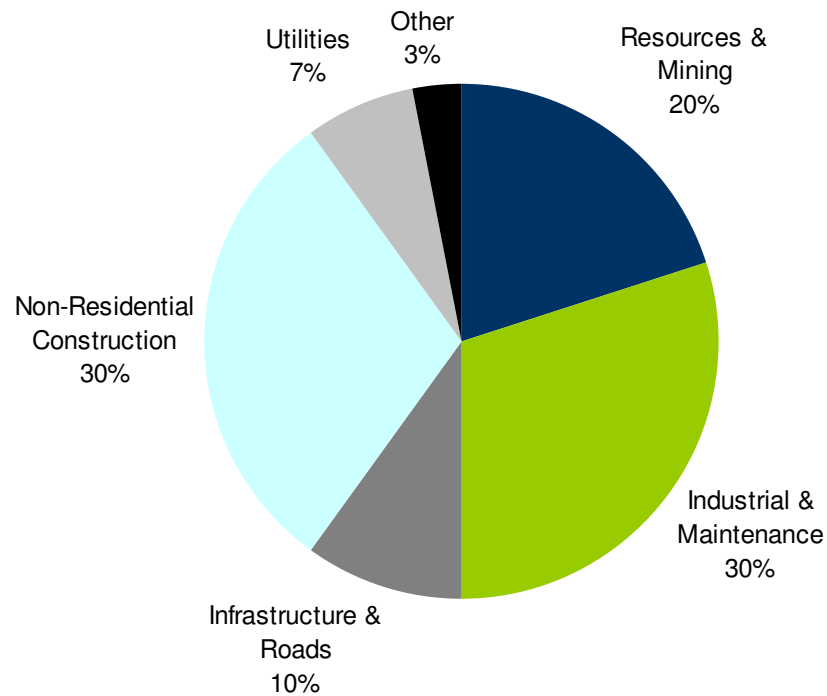
Crane revenue aligned to the key growth markets

Well established in the resources and mining sector

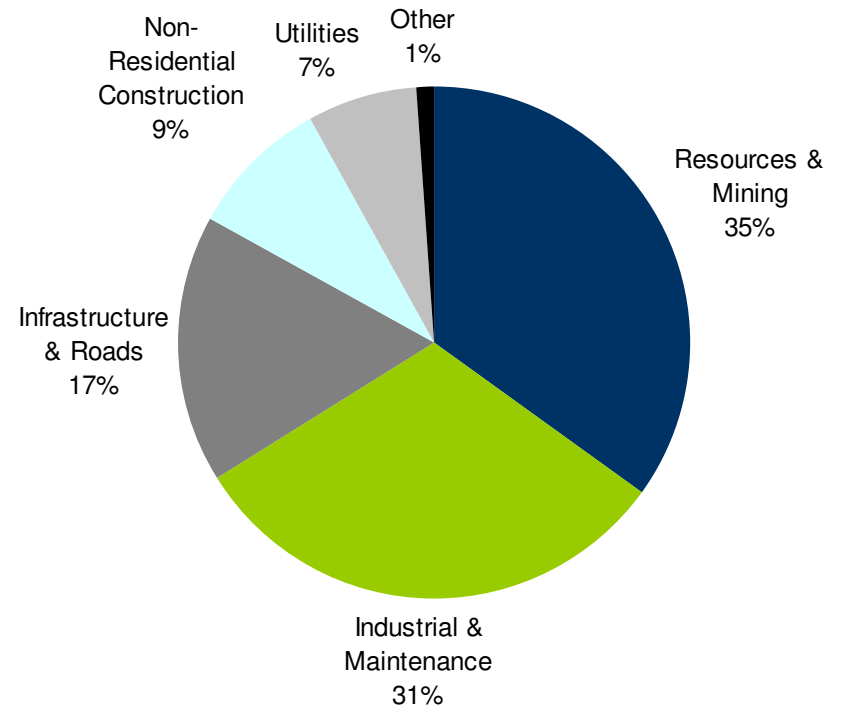
Significant opportunity in construction segment (e.g. LNG)



**AUSTRALIAN CRANE HIRE MARKET (BY VALUE OF WORK)<sup>(1)</sup>**

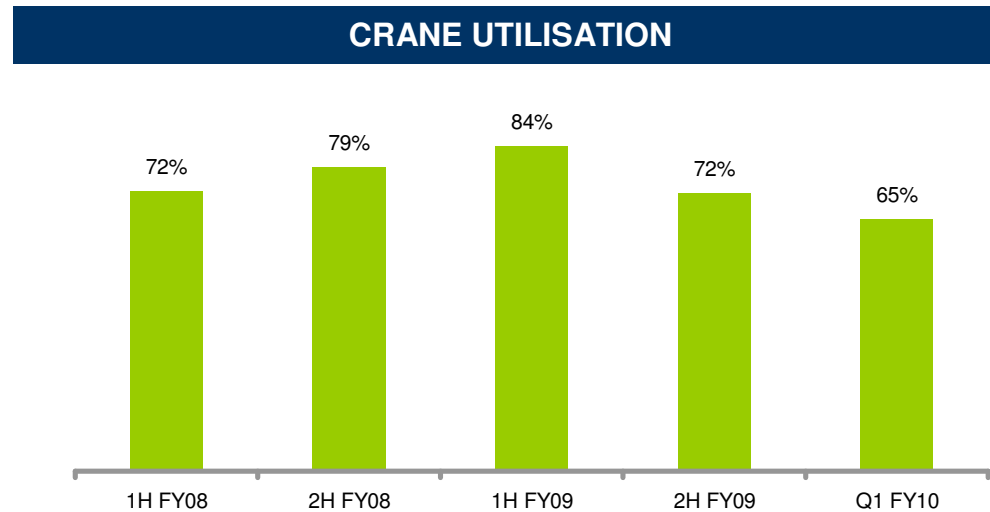


**BOOM FY09 REVENUE BY SEGMENT<sup>(1)</sup>**

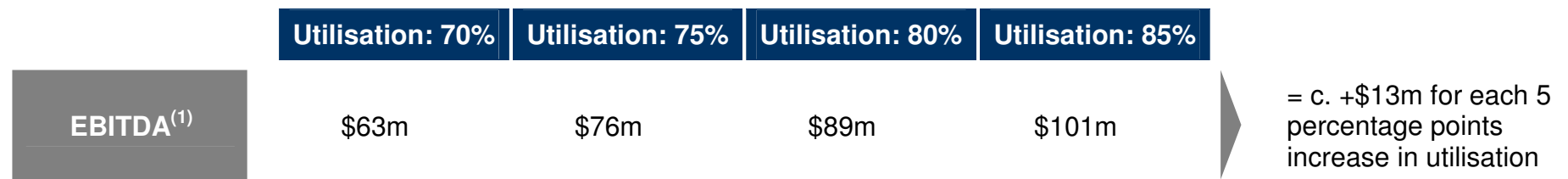


<sup>1</sup> Source: BIS Shrapnel/BOOM analysis.

## ...with strong leverage to upside



Increasing utilisation by 5 percentage points in the crane hire business (with a proportional revenue increase in the BOOM Sherrin business) and no price growth, should deliver an additional \$13m EBITDA:



BOOM's target for average crane utilisation is greater than 80%

<sup>1</sup> EBITDA sensitivity based on BOOM's existing fixed and variable cost profile, incrementally adding back the 2H FY09 restructuring cost savings based on increased utilisation.

<sup>2</sup> Return on Capital Employed (ROCE) will be determined with reference to gross capital employed.

<sup>3</sup> Weighted Average Cost of Capital (WACC) will be determined using the 10 year bond rate as the risk free rate and using data sourced from Bloomberg to determine the average Beta in BOOM's industry sector.

## Business model delivers a strong value proposition

REQUIREMENT	BOOM'S STRENGTHS
<b>GEOGRAPHIC COVERAGE</b>	<ul style="list-style-type: none"> <li>✓ Diverse national footprint, further underpinned by the mobile nature of the majority of BOOM's fleet</li> </ul>
<b>INFRASTRUCTURE</b>	<ul style="list-style-type: none"> <li>✓ Established business infrastructure, built up over many years</li> </ul>
<b>EQUIPMENT</b>	<ul style="list-style-type: none"> <li>✓ Total solution: lifting equipment and access equipment, rigging services and heavy haulage</li> <li>✓ Diversity and nature of mobile equipment enables maximum fleet availability</li> </ul>
<b>EXPERTISE &amp; EXPERIENCE</b>	<ul style="list-style-type: none"> <li>✓ Technical expertise includes engineering services to develop ideal methods of lifting for customers</li> <li>✓ National training programme to build expertise across the group</li> </ul>
<b>PEOPLE &amp; RELATIONSHIPS</b>	<ul style="list-style-type: none"> <li>✓ Long-term relationships with major blue-chip customers</li> <li>✓ Improved customer interface system for optimal speed and quality of operational mobilisation</li> <li>✓ Personnel, supervisors and managers directly employed by BOOM</li> </ul>
<b>SAFETY</b>	<ul style="list-style-type: none"> <li>✓ Safety first focus with goal of zero harm</li> <li>✓ Recognised safety culture with dedicated leadership team</li> <li>✓ Safety and quality system accredited</li> </ul>

## FY10 guidance

FY10 EBITDA guidance of \$50m - \$60m announced to the ASX on 4 November 2009 maintained

Guidance based on:

- Year to date operating performance, with conditions consistent with those experienced in the first four months of FY10
- Specific operational improvements relating to maintenance, transport and procurement
- FY10 capital expenditure of c. \$26m (primarily in Crane Hire)
- New equipment on its way, for which projects already identified
  - 750 tonne Crawler Crane
  - 450 tonne Mobile Crane
  - 400 tonne Mobile Crane

FY10 EBIT guidance is provided at \$16m - \$26m

- Depreciation associated with the \$50m - \$60m EBITDA of \$33m
- Depreciation is based on the existing asset base, adjusted for the c. \$26m of capital additions and planned disposals
- Amortisation of \$1m associated with contractual rights

On the basis of this guidance, BOOM does not anticipate paying a distribution for FY10









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# Item 1

## Financial Statements and Reports



## Item 2

# Adopt Remuneration Report

## Item 2 – Adopt Remuneration Report (non binding resolution)

	Number of Shares	%
For	41,684,698	80.58
Against	9,306,127	17.99
Discretionary *	741,590	1.43
		100%

The number of the Chairman's discretionary proxy votes are 568,838 (1.10%).

Note: These figures relate to the proxies lodged 48 hours prior to the meeting.

## **Item 3A**

### **Re-election of Director Rodney J. Robinson**

## Item 3A – That Rodney J. Robinson be re-elected as a director of the Company

	Number of Shares	%
For	44,570,721	85.15
Against	6,974,369	13.33
Discretionary *	797,105	1.52
		100%

The number of the Chairman's discretionary proxy votes are 616,053 (1.18%).

Note: These figures relate to the proxies lodged 48 hours prior to the meeting.

## **Item 3B**

### **Re-election of Director Huw G. Davies**

## Item 3B – That Huw G. Davies be re-elected as a director of the Company

	Number of Shares	%
For	42,320,036	80.85
Against	9,220,054	17.61
Discretionary *	804,605	1.54
		100%

The number of the Chairman's discretionary proxy votes are 623,553 (1.19%).

Note: These figures relate to the proxies lodged 48 hours prior to the meeting.

## **Item 4**

# **Granting of share units to the Managing Director**

**Item 4 – That approval be given for the purposes of ASX Listing Rule 10.14 and all other purposes for the grant of Share Units to the Managing Director, Brenden Mitchell, in accordance with the terms of the Boom logistics Limited Long Term Incentive Plan and on the terms summarised in the Explanatory Notes.**

	Number of Shares	%
<b>For</b>	<b>40,790,422</b>	<b>81.40</b>
<b>Against</b>	<b>8,493,000</b>	<b>16.95</b>
<b>Discretionary *</b>	<b>829,761</b>	<b>1.65</b>
		<b>100%</b>

The number of the Chairman’s discretionary proxy votes are 654,709 (1.31%).

Note: These figures relate to the proxies lodged 48 hours prior to the meeting.





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