



**December 2009
Half Year Results**

23 February 2010

1H10 Overview

Profit

- NPAT of \$0.4m.
- Operating result largely consistent with 2H09 on a lower revenue base. This was achieved through the successful execution of restructuring and cost saving initiatives.
- Production levels and maintenance activity from major customers remain subdued.
- Tender activity showing strong improvement throughout 1H10 and beyond.
- A Capital Investment Allowance tax benefit of \$2.2m has been recognised in relation to capital equipment ordered in 2009 and commissioned during the half year.

Balance Sheet

- Successful \$67 million equity raising (with a further \$20 million raised through a Share Purchase Plan in February 2010).
- Reduction in borrowings of \$96 million in the six month period (\$63 million of net equity raising proceeds and \$33 million of cash flows which included \$15 million of tax refunds).
- \$27m capital invested, predominantly in heavy lift cranes.
- Net debt to equity of 46% (96% – 30 June 2009).
- NTA valuation of \$0.55 (\$0.89 – 30 June 2009) – reduction as a consequence of equity raising.

Cash Flow

- Cash flows from operating activities of \$25.5 million.
- Inventory levels reduced by a further \$15 million to \$10 million (\$25m at June 2009).
- \$15m of tax refunds and interest received with a further and final \$4.9m anticipated to be received in 2H10.

Dividend

- No interim dividend declared for 1H10 and no dividend to be paid in FY10. Dividends to be paid beyond FY10 will be determined each period by the Board having regard to a number of factors including general economic conditions, investment opportunities, Boom's operating performance and financial position.

Strategic Focus

- To reposition fleet to high capacity, high margin equipment.
- Enhancing our project capability whilst sustaining and growing our industrial maintenance activity.

Trading Results

\$m	1H09	2H09	FY09 ¹	1H10	VS 2H09
Revenue	223.5	173.5	397.0	162.8	(6%)
EBITDA	47.8	21.5	69.3	19.9	(7%)
EBITDA margin	21%	12%	17%	12%	
Depreciation	(17.0)	(17.2)	(34.2)	(14.6)	
EBITA	30.8	4.7	35.5	5.3	13%
EBITA margin	14%	3%	9%	3%	
Amortisation	(1.1)	(1.0)	(2.1)	(0.5)	
EBIT	29.7	3.7	33.4	4.8	30%
Net Interest	(10.0)	(6.5)	(16.5)	(7.5)	
Profit before tax	19.7	(2.8)	16.9	(2.7)	4%
Tax	(5.9)	1.0	(4.9)	3.1	
NPAT	13.8	(1.8)	12.0	0.4	122%

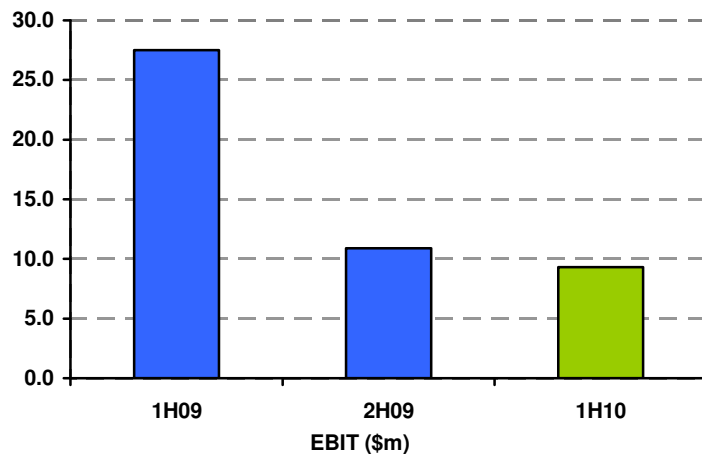
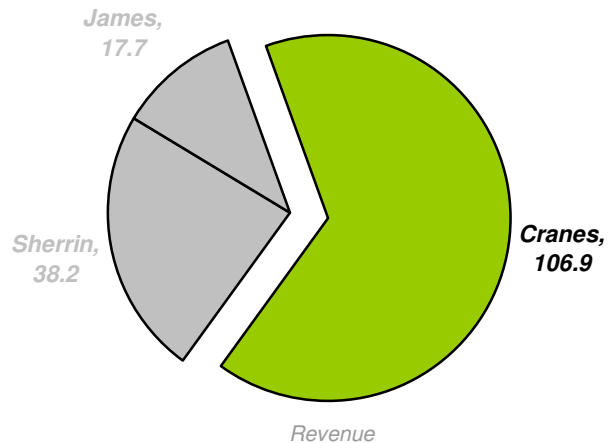
1. FY09 trading result excludes one off impairment and restructure costs of \$39.5m incurred in 2H09.

1H10 Divisional Results

\$m	1H09	2H09	FY09 ¹	1H10	VS 2H09
Revenue					
Crane Hire	146.3	116.3	262.6	106.9	(8%)
Boom Sherrin	47.3	37.6	84.9	38.2	2%
James Equipment	29.9	19.6	49.5	17.7	(10%)
Divisional Total	223.5	173.5	397.0	162.8	(6%)
EBIT					
Crane Hire	27.5	10.9	38.4	9.3	(15%)
Boom Sherrin	9.6	2.2	11.8	5.1	132%
James Equipment	1.4	(0.5)	0.9	(0.6)	20%
Divisional EBIT	38.5	12.6	51.1	13.8	10%

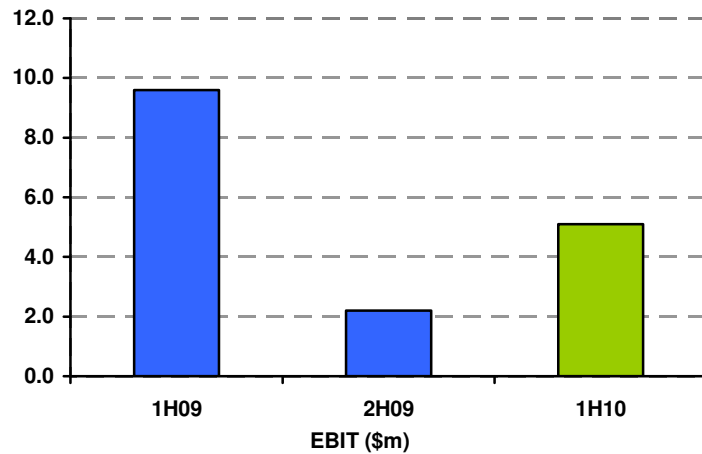
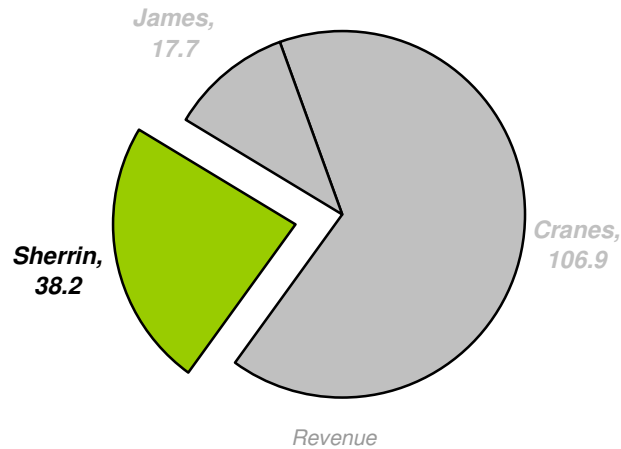
1. FY09 trading result excludes net one off impairment and restructure costs of \$39.5m incurred in 2H09.

1H10 Divisional Results – Crane Hire



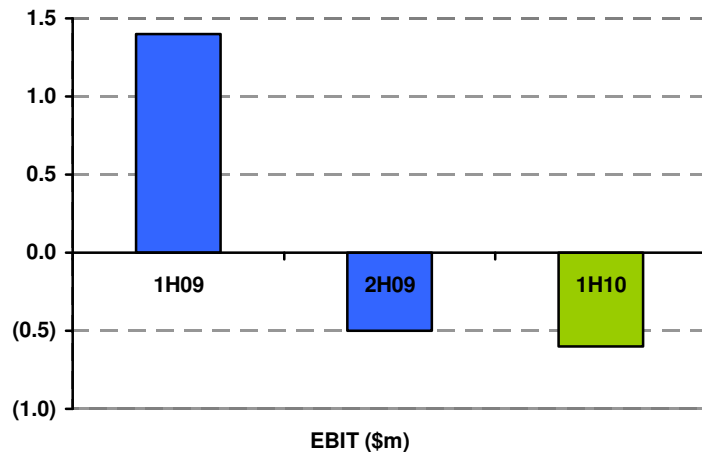
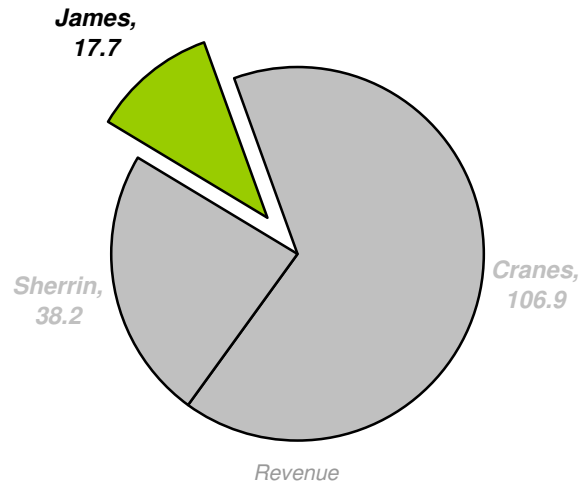
- Revenue performance slightly below that of 2H09, particularly impacted through Brisbane, Port Kembla and Perth Metro.
- Wet hire crane utilisation at 66% (2H09 - 72%).
- Successful cost reduction initiatives, predominantly through direct labour, implemented early.
- Strong increase in sales pipeline, level of customer enquiry and tender activity experienced – further conversion of pipeline expected in 2H10.
- Visibility over the growing pipeline and increased tender activity has resulted in the requirement to preserve skilled labour to meet future demands.
- New heavy lift fleet commissioned late 2009 / early 2010 for operation in 2H10. Heavy lift fleet includes 750 tonne crawler crane, two 450 tonne mobile cranes and a 400 tonne mobile crane.

1H10 Divisional Results – Boom Sherrin



- Slight improvement on 2H09 volumes, predominantly led by Travel Towers servicing the Utilities and Telecommunications sectors.
- Competitive pressures still impacting market pricing, but cost reduction initiatives have improved margins.
- Tender activity, customer enquiry and sales pipeline showed improvement in 1H10, particularly in Travel Towers. Conversion already evident in 2H10.
- New sales model for Access Equipment implemented in 1H10 to yield benefits into 2H10 and beyond.
- Improvements have been evident in social infrastructure and utilities with commercial construction still slow to recover.

1H10 Divisional Results – James Group



- Market demand still subdued, with only minimal benefit seen from the Capital Investment Allowance.
- SANY crawler cranes sales enquiries increasing.
- Benefits still being realised from the James Equipment business via a continued focus on:
 - Boom fleet asset sales;
 - Boom fleet procurement; and
 - Boom fleet servicing.
- Transitional plans in place with Tadano.
- Management are looking to further improve efficiencies in the James Group in 2H10. Headcount has already been reduced in 2H10 and the potential for consolidation of maintenance activities is being reviewed.

Financial Position

	June 2009	December 2009	Mvmt
Cash	10.6	9.0	(1.6)
Trade Receivables	52.0	47.8	(4.2)
Other Receivables	13.0	6.1	(6.9)
Inventories	25.0	10.3	(14.7)
Assets Held For Sale	7.8	3.1	(4.7)
Plant & Equipment	351.9	364.9	13.0
Intangibles	91.5	91.0	(0.5)
Other current & non-current assets	9.7	9.5	(0.2)
Total Assets	561.5	541.7	(19.8)
Payables	23.5	36.4	12.9
Borrowings	245.9	149.6	(96.3)
Provisions	13.7	12.4	(1.3)
Other current & non-current liabilities	33.7	34.3	0.6
Total Liabilities	316.8	232.7	(84.1)
Net Assets	244.7	309.0	64.3

- Completion of successful \$67 million equity raising¹.
- Reduction in borrowings of \$96 million in the six month period (\$63 million of net equity raising proceeds and \$33 million of cash flows which included \$15 million of tax refunds).
- Net Debt to Equity of 46% (96% - June 2009).
- 23% headroom on Earnings Leverage Ratio banking covenant at 31 December (with greater headroom on all others).
- NTA valuation of \$0.55 (\$0.89 - June 2009) – due to equity raising.

Notes: 1. A further \$20 million of equity was raised in February 2010 through a Share Purchase Plan to further strengthen the balance sheet for future growth.

Capital Expenditure

	1H10 Actual	2H10 Forecast	FY10 Forecast
FY10 Capex	14.0	18.5	32.5
Capital procured on 12 month deferred payment terms	13.4	8.7	22.1
Total Capital Commitments	27.4	27.2	54.6

- In line with Boom's strategic objectives, capital investments have been prioritised towards high capacity, high margin assets, or to satisfying new contract wins and other major customer requirements. These capital investments include:
 - **1H10:** the 750 tonne crawler crane and a 400 tonne mobile crane; and
 - **2H10:** two 450 tonne mobile cranes.
- The capital procured on 12 month deferred payment terms forms part of current FY11 planned capex. Boom has taken advantage of favourable supplier payment terms in the current market which has enabled long term, strategically aligned assets to be added to the fleet, accelerating earnings ahead of debt.

Note: FY10 balance sheet capital movement includes circa \$3.0m associated with the finalisation of a FY09 crane purchase (a 220 tonne mobile crane).

Cash Flow

	1H09	1H10	Mvmt
Net receipts / (payments)	47.8	18.2	(29.6)
Net interest received / (paid)	(10.0)	(6.8)	3.2
Income tax received / (paid)	(0.9)	14.1	15.0
Cash provided from operating activities	36.9	25.5	(11.4)
Purchase of plant and equipment	(20.4)	(14.3)	6.1
Proceeds from the sale of plant and equipment	4.4	5.0	0.6
Cash used in investing activities	(16.0)	(9.3)	6.7
Net repayments of borrowings	(18.2)	(82.8)	(64.6)
Payment of dividends	(1.7)	-	1.7
Proceeds from issue of shares	-	66.8	66.8
Payments for issuing shares	-	(1.8)	(1.8)
Cash used in financing activities	(19.9)	(17.8)	2.1
Net increase / (decrease) in cash	1.0	(1.6)	(2.6)
Closing cash	2.7	9.0	6.3

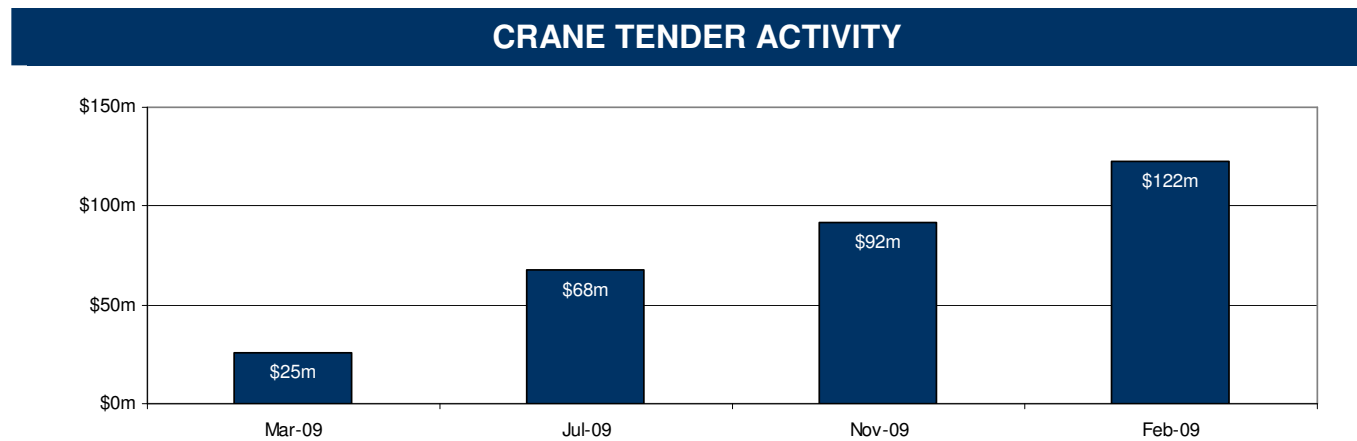
- \$14.6 million of tax refunds¹ and \$0.5 million of associated interest received are reflected in the cash flow position.
- \$67 million raised from the institutional and retail components of the equity raising², with the net proceeds applied to debt reduction.
- In addition to the repayment of borrowings of \$83 million, trade finance repayments of \$12m are included in net receipts/payments.
- Plant and equipment were cash funded whilst the business renegotiated its covenant positions with the banks.

Notes: 1. Tax refunds comprise \$9.7m relating to prior years and \$4.9m relating to 2009. A further \$4.9 million of tax refunds and associated interest is expected to be received in 2H10.

2. A further \$20 million of equity was raised in February 2010 through a Share Purchase Plan.

Tender and Project Activity - Cranes

- Qualified tenders have increased from \$92 million mid-November 2009 to \$122 million mid-February 2010.



- Of the current \$122 million qualified tenders Boom have won \$30 million of annualised revenue, \$92 million being undecided.
- Successful tender activity has resulted in a number of significant contract wins, including Rio Tinto, TDKJV (Gorgon), Bechtel / Sandvik and Newmont Boddington Gold.
- Boom's current success rate in tenders is over 50%.

Outlook

Whilst overall economic activity is forecast to be subdued in the second half, project activity continues to show strong upward momentum as we look towards late 2H10 and beyond, with signs of increased maintenance activity evident from our customer base.

The second half is likely to be at the lower end of the EBIT guidance of \$16 million - \$26 million with an NPAT result of \$2 million - \$5 million.

This guidance includes:

- the increased revenue associated with the recent investment in large cranes;
- specific contracts recently won and their full year impacts;
- an increased average utilisation based on anticipated activity around maintenance and shutdowns; and
- some sales conversion on increased SANY crawler crane enquiries.



BOOM

LOGISTICS
LIMITED

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