



BOOM
LOGISTICS
LIMITED

**Annual General Meeting
28 October 2011**

Chairman's Address

Mr John Robinson

FY11 Overview

- **Reshaping of the business, with a clear focus on the core mobile crane and travel tower activities**
- **Severe and protracted weather events, particularly impacted the Bowen Basin in the second half**
- **Mitigating impacts through broadening of the business in terms of operating activity, customer profile and location**

FY11 Trading Results

Year on year improvement in all trading metrics

<i>\$m</i>	FY10	1H11	2H11	FY11	FY11 pcp
Total Revenue	328.4	171.0	169.4	340.4	4%
Trading EBITDA	49.8	31.2	24.3	55.5	11%
Trading EBITDA Margin	15%	18%	14%	16%	
Trading EBIT	19.0	14.9	8.3	23.2	22%
Trading EBIT Margin	6%	9%	5%	7%	
Trading Net Profit after Tax	4.1	5.1	0.3	5.4	31%

- The FY11 trading result excludes \$5.6m one-off restructure costs relating to the exit James Equipment and GM Baden and other depot restructuring. Impairments of \$47.6m relating to goodwill (\$19.6m) and assets (\$28.0m) were also recognised in FY11.

Trading Result Reconciliation

\$m	EBIT	NPAT
Trading Result	23.2	5.4
Interest income	(0.5)	-
1H11 restructure costs	(3.3)	(2.4)
2H11 restructure costs	(1.5)	(1.0)
GM Baden restructure costs (inventory impairment)	(0.8)	(0.6)
Boom Sherrin adjustments		
Access related goodwill write off	(18.3)	(18.3)
Access related asset write off	(19.1)	(13.4)
Glove & Barrier write down	(3.7)	(2.6)
Assets scheduled for sale write down	(1.7)	(1.2)
GM Baden goodwill write off	(1.4)	(1.3)
Assets scheduled for sale write down	(3.3)	(2.3)
Statutory Result	(30.4)	(37.7)

Business Restructure – Boom Sherrin

- **Low end access equipment**
 - **Increased competition**
 - **Low barriers to entry**
 - **Highly competitive metropolitan markets**
 - **No future investment by Boom**
- **Travel Towers**
 - **Strong market presence**
 - **Alignment with core strategy**
 - **Continued future investment**

Business Exits

- **James Equipment**
 - Crane sales business exited
 - Tadano sales agreement concluded June 2009
 - Challenging trading conditions under a stronger \$AUD
 - Aitkin Dry Hire business acquired with James Equipment continues to deliver strong margins within the Crane Logistics business
- **GM Baden (Crane Maintenance and Repair)**
 - Maintenance systems and processes integrated into core business
- **Melbourne Tower Cranes**
 - Sold in October for \$7.5 million
 - c. \$3 million profit on sale
 - Allows future investment focussed on core mobile cranes and travel tower assets

Business Restructure Impacts

- **Lower fixed cost base through business exits and restructure**
- **Flatter management structure**
- **Improved systems**
- **Re-financed debt, with a lower cost of funds**
- **Improved first quarter result in FY12**

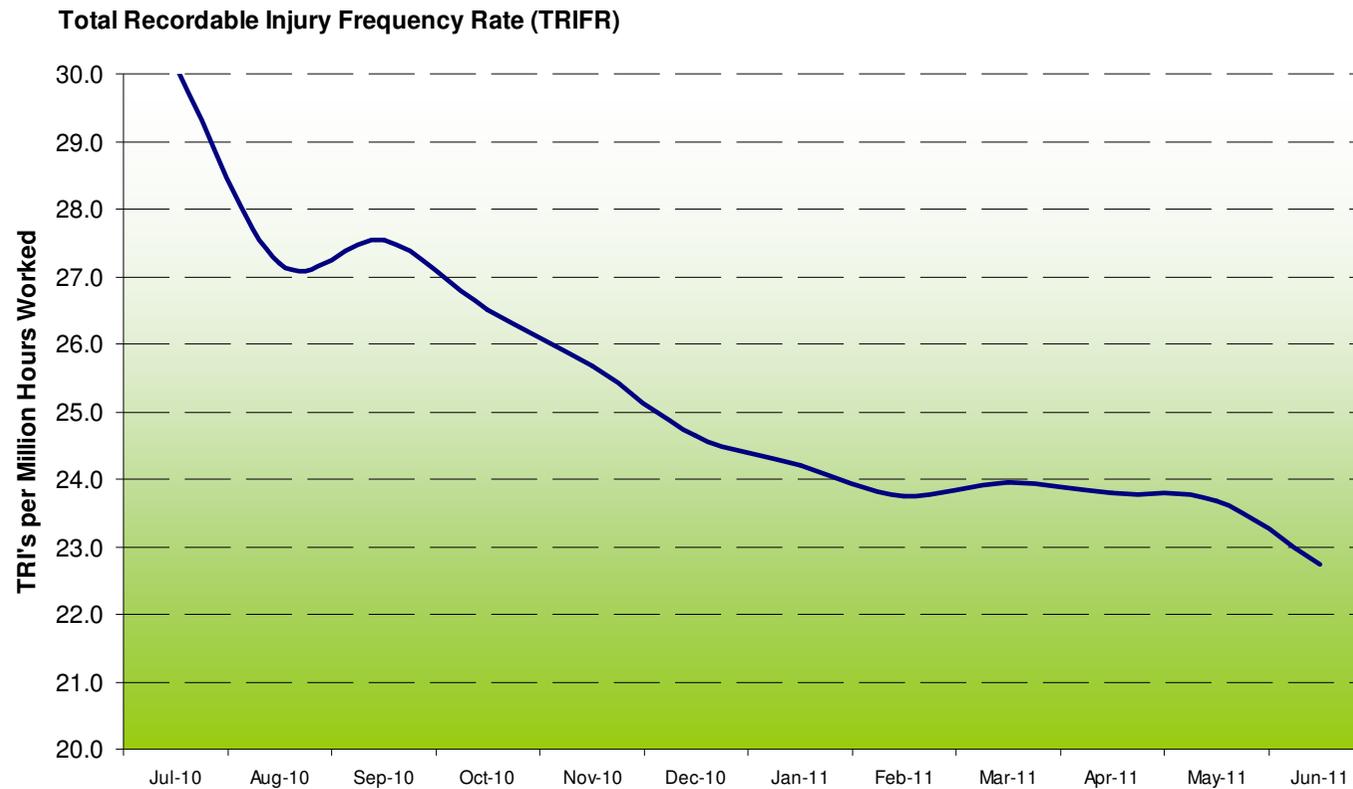


Managing Director's Address

Mr Brenden Mitchell

Safety Journey

- **25% reduction in Total Recordable Injury Frequency Rate**
- **No injuries and no significant equipment damage due to FY11's extreme weather events**



FY11 Results

- **Crane Logistics experienced strong growth in resources and energy sectors**
- **Weather events and soft metropolitan markets particularly impacted the second half**
- **Significant disruptions to customers operations**
- **Trading NPAT of \$5.4 million**

FY11 Divisional Results

\$m	1H10	2H10	FY10	1H11	2H11	FY11	FY11 pcp
Revenue							
Crane Logistics	106.9	117.5	224.5	130.9	132.7	263.6	17%
Boom Sherrin	38.2	40.1	78.3	36.9	35.6	72.5	(7%)
James Group - Discontinued	17.3	5.6	22.9	2.6	0.8	3.4	(85%)
Operating Revenue	162.4	163.1	325.6	170.4	169.1	339.6	4%
National Office ¹	0.5	2.3	2.8	0.6	0.3	0.9	(69%)
Total Revenue	162.9	165.4	328.4	171.0	169.4	340.4	4%
Trading EBIT²							
Crane Logistics	9.4	11.7	21.1	19.9	12.2	32.0	52%
Boom Sherrin	5.1	5.5	10.6	3.5	3.7	7.2	(32%)
James Group - Discontinued	(0.6)	(1.4)	(2.0)	(1.0)	(0.7)	(1.7)	13%
National Office ³	(6.6)	(4.1)	(10.7)	(7.4)	(6.8)	(14.3)	(34%)
Total Trading EBIT	7.3	11.7	19.0	14.9	8.3	23.2	22%

1. National Office includes foreign exchange gains / losses, profit / loss on sale of fixed assets and interest income. The 2H10 result included \$1.0m of interest income from the ATO associated with tax refunds and \$0.9m of foreign exchange gains.

2. FY11 EBIT excludes \$5.6m one-off restructure costs and \$47.6m one-off goodwill and asset impairments.

3. National office EBIT includes the impacts of foreign exchange gains / losses and interest income.

Impacts of Strategic Focus

- **Exit of the non-core James Equipment and GM Baden businesses**
- **No future investment in access and general hire equipment, requiring goodwill and asset impairments**
- **Streamlining of National Office**
- **Sale of the Melbourne tower crane assets in October 2011**

A focussed crane logistics and travel tower business, concentrating on the resources, energy, utilities and infrastructure sectors

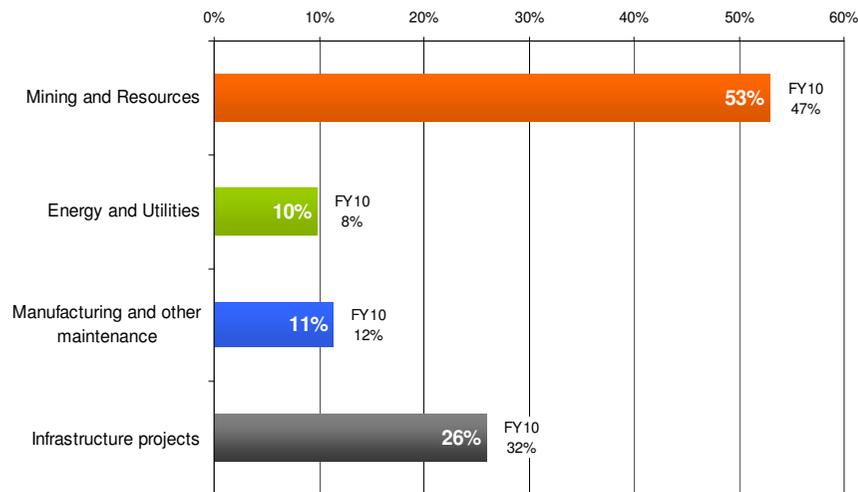
Core Business

CRANE LOGISTICS	Crane Logistics		<ul style="list-style-type: none">• Supply of cranes on a wet or dry (manned or unmanned) basis.• Market focus on resources, energy, infrastructure and utilities.• Value proposition aligned with major blue chips.• Specialised transport equipment.
TRAVEL TOWERS	Aitkin Cranes		<ul style="list-style-type: none">• Supply of dry hire cranes.• National network of cranes.
TRAVEL TOWERS	Boom Sherrin		<ul style="list-style-type: none">• Supply of high end travel towers, with or without an operator.• Market focus on utilities, industrial services and resources.

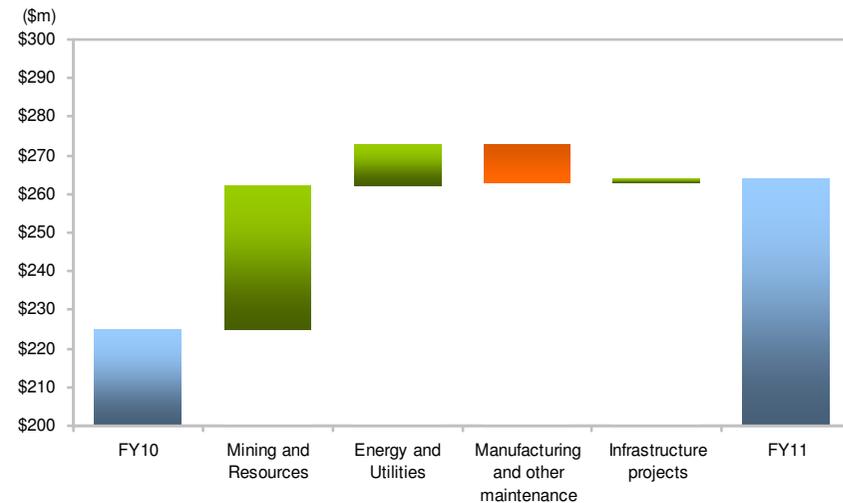
Crane Logistics – Strong Growth in Core Markets

- Continued focus on the resources, energy, utilities and infrastructure sectors
- Combined FY11 revenue growth of 30% in the mining & resources (27%) and energy sectors (47%)

REVENUE CONTRIBUTION BY MARKET SECTOR



REVENUE GROWTH BY MARKET SECTOR

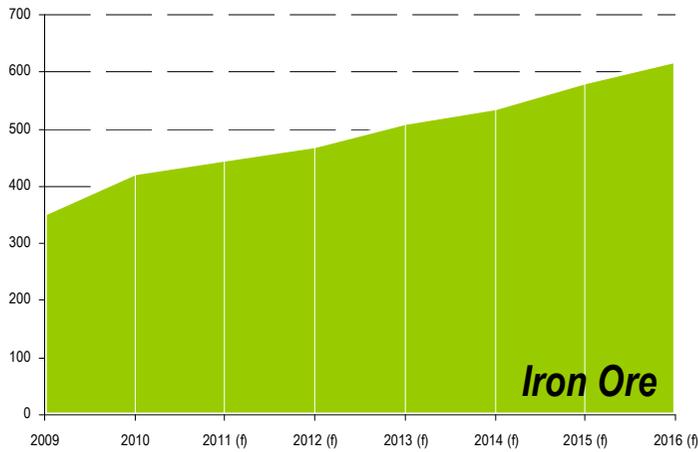


FY12 Priorities

- **Continued implementation of the Health, Safety, Environment and Quality plan**
- **Meeting the significant growth expectations of Boom's blue chip customers in the resources, energy, utilities and infrastructure sectors, with targeted capital investment**
- **Reshaping Boom Sherrin operations**
- **Improved capability in the fast growing markets of the Bowen Basin, the Hunter Valley and North West WA**
- **Maintaining focus on the cost base, particularly with the challenges in operating in fast growing, remote locations**

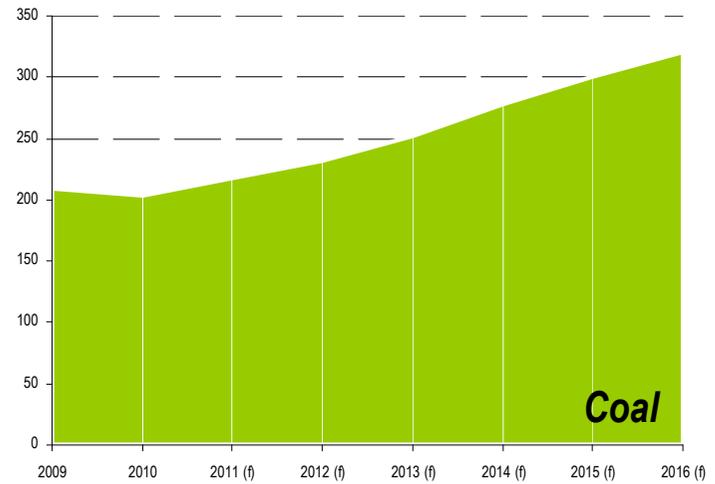
Strong Growth Projected in Boom's Customer's Markets

Australian Iron Ore Production (Mt)



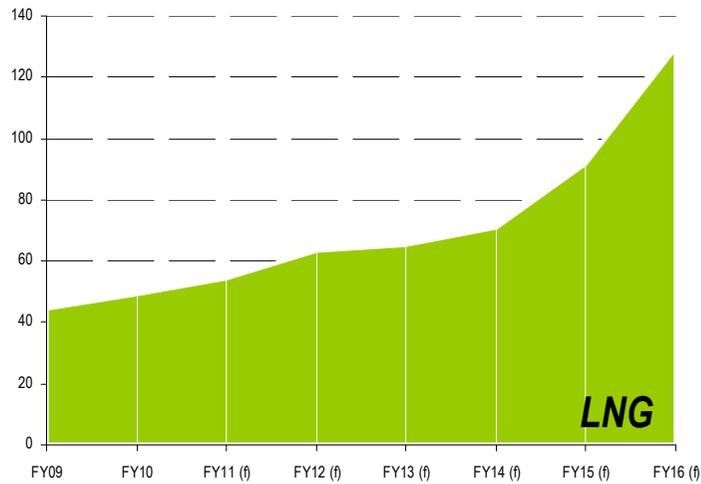
Source: ABARES, Australian Commodities Report, March 2011

Australian Thermal Coal Production (Mt)



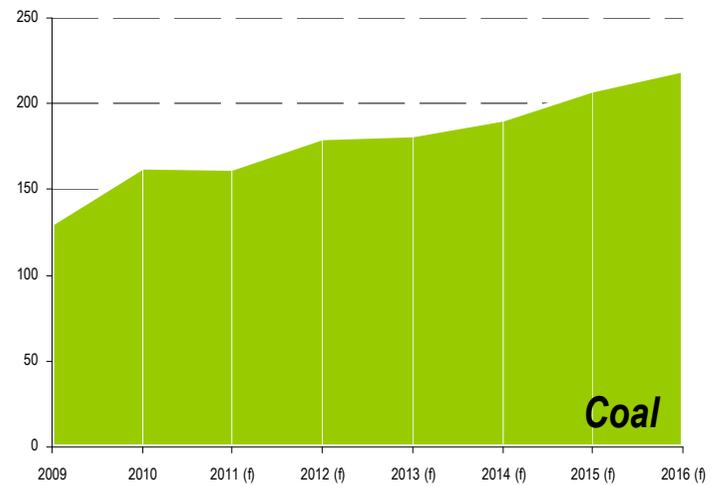
Source: ABARES, Australian Commodities Report, March 2011

Australian LNG Production (Gm³)



Source: ABARES, Australian Commodities Report, March 2011

Australian Metallurgical Coal Production (Mt)



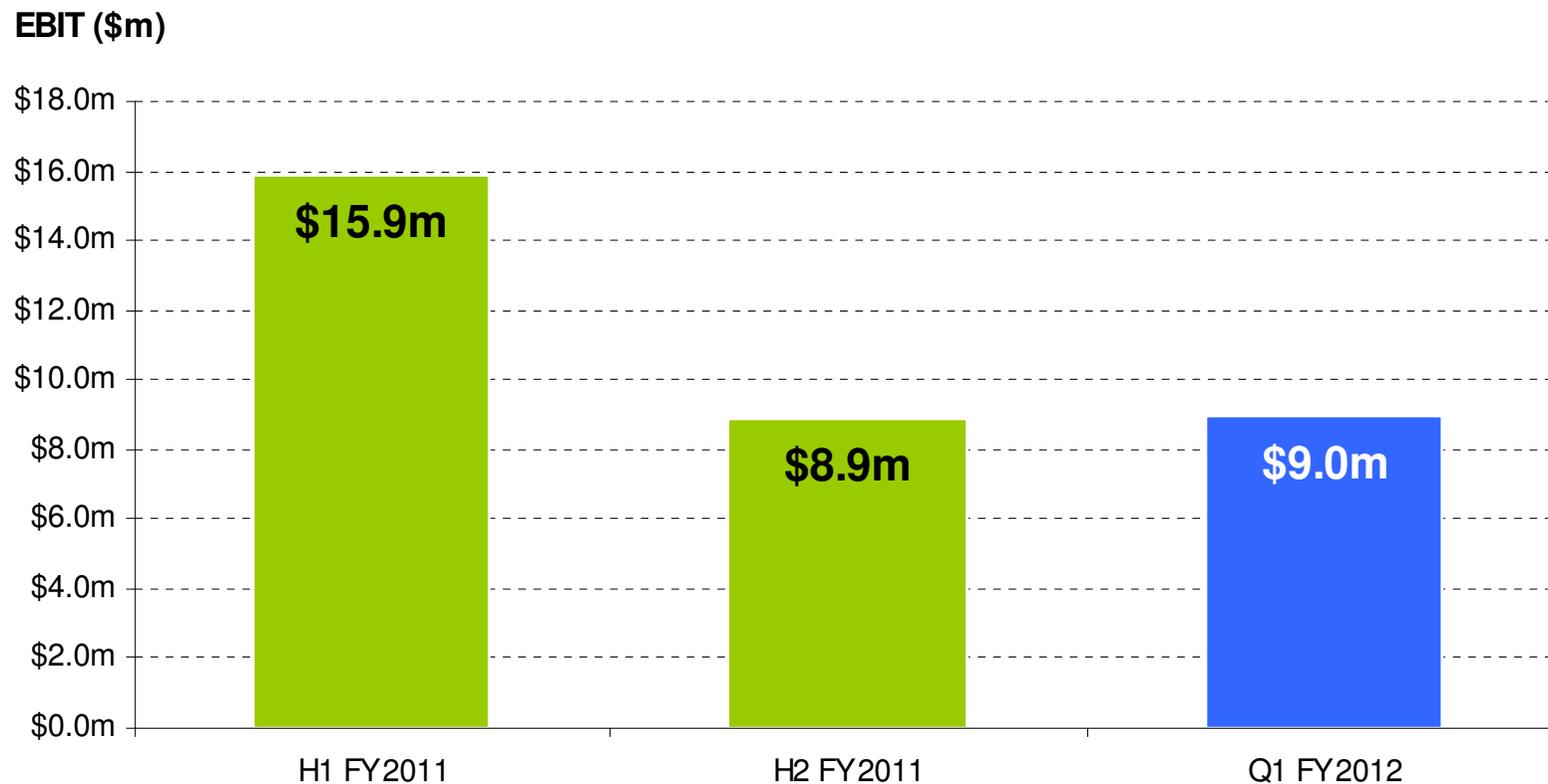
Source: ABARES, Australian Commodities Report, March 2011

Boom Sherrin Strategy

- **Market focus on utilities (power and telecommunications), industrial services and resources**
- **Competitive national presence in these markets**
- **Targeted future capital investment in travel towers**
- **Restructure to align infrastructure with core markets – to be effective by 30 November 2011:**
 - Closure of six branches
 - Redeployment of over 400 assets
 - Reduction of 54 permanent roles
 - FY12 restructuring expense of \$2.5 million
 - Ongoing annualised benefit expected to be c. \$6 million p.a.

FY12 - Strong First Quarter Result

- Strategy and restructure impacts have resulted in a strong first quarter



Outlook

- **Strong first quarter reflects impacts of strategic focus and provides a solid base for FY12**
- **Significant growth expectations from Boom's blue chip customer base**
- **Focus on cost management and development of capability in high growth, remote regions**
- **EBIT guidance of \$35 - \$40 million maintained**



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