



BOOM
LOGISTICS
LIMITED

**Full Year Results
Presentation
22 August 2011**

Summary

■ **\$5.4m trading NPAT profit, a 32% increase on FY10 trading NPAT of \$4.1m.**

■ **\$37.7m reported NPAT loss for FY11, including \$39.1m one-off impairments and \$4.0m of one-off restructure costs.**

■ **Continuing improvement in the core crane logistics business for the full year despite 2H11 impacts of severe weather events.**

- 17% revenue increase on prior year with a corresponding 52% trading EBIT increase.
- Continued strong demand in core market segments of resources, energy, utilities and infrastructure. Revenue growth of 30% in resources and energy.
- Re-signing of key contracts including BHP Mitsubishi Alliance, Boom's largest customer, for a 3-year expanded contract.
- Weather events impacted cash flow, which in turn impacted capital expenditure. The capital plan for FY12 focuses on reducing cross hire to improve margins.

■ **Strategic focus on core business with disciplined capital investment has led to one-off restructure costs and non-cash impairments:**

- Boom Sherrin – no investment in FY11 with focus on travel towers in FY12.
- James Equipment exit completed.
- GM Baden exit underway and will be completed in Q112.
- National Office restructure.

■ **Successful completion of three year, \$150 million syndicated debt facility.**

■ **Continued execution of our strategy and our focus on the growing resources, energy, utilities and infrastructure sectors will deliver profitable growth and improved returns in FY12 and beyond.**

Boom Logistics Overview

Crane Logistics

FY11 Revenue = \$264 million

Net Trading Assets¹ = \$281 million

- Australia's largest provider of crane logistics services
- Strong value proposition based on equipment, operational capability; engineering expertise and best practice safety and quality systems.
- Over 490 cranes, up to 750 tonne capacity
- 23 depots nationwide, 850 employees
- Significant number of blue chip customers in Australia's highest growth markets and regions, including BMA, BHP, Rio Tinto, Gorgon partners and Alcoa.
- Contract-based customer relationships with strong track record of contract renewals
- Sustainable, recurring revenues

Boom Sherrin

FY11 Revenue = \$73 million

Net Trading Assets¹ = \$76 million

- National provider of travel towers and access equipment hire
- Major market presence with over 300 travel towers
- The core travel tower business also supported by over 3,600 items of access and general hire equipment
- 22 branches nationwide, 300 employees

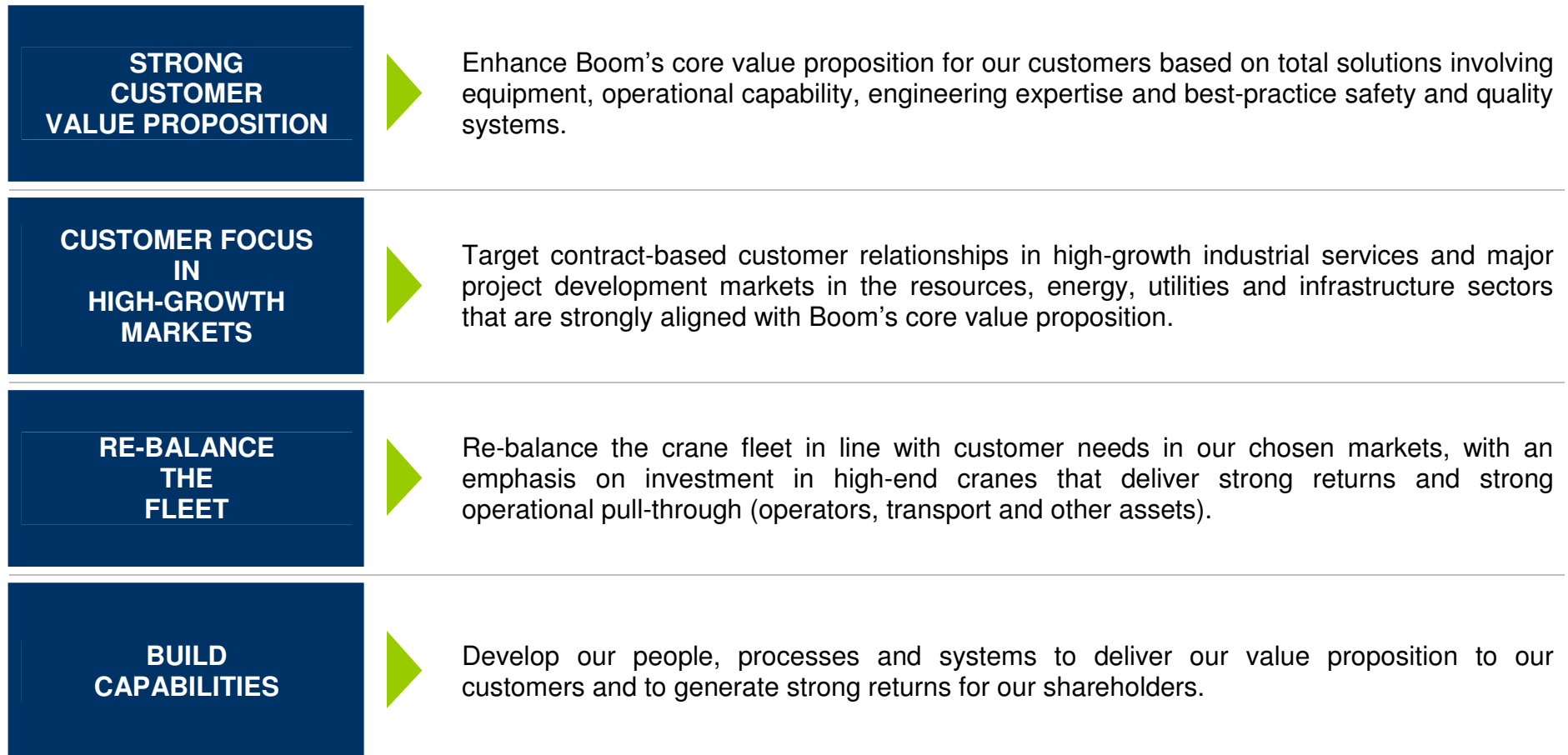
1. Net Trading Assets as at 30 June 2011.

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:



Sound progress being made on strategic priorities

RESHAPE THE BUSINESS

- 17% revenue growth in Crane Logistics with 30% growth in the resources and energy sectors
- James and Baden exit
- Boom Sherrin focus on travel towers and cash generation

DRIVE PROFIT IMPROVEMENT AND RETURNS

- Capital investment to reduce cross hire will further improve margins
- Drive operational improvements in
 - Tender and contracting focus on ensuring ability to retain skills and recover labour costs
 - Indirect cost reduction with National Office restructure and systems improvement
 - Maintenance system rolled out nationally
- Continue to focus on return on capital investment disciplines

INVEST IN GROWTH

- Continued focus on core business of cranes and travel towers

INVEST IN PEOPLE, CAPABILITIES AND CULTURE

- Continued focus on safety culture and capability
- Enhanced management capability allowing streamlined National Office structure
- On-going investment in training
- Systems improvement in Payroll and Financial systems continuing and will be completed within 12 - 18 months

Restructure and impairment

- Strategic focus on core business with disciplined capital investment has led to restructure costs and non-cash impairments.

Restructure costs	
• Business exits (James, Baden, Melbourne Mobile)	\$4.5m
• National Office restructure costs	\$1.1m

Non-cash impairments	
• Goodwill (GM Baden, Boom Sherrin)	\$19.6m
• Boom Sherrin asset impairments	\$20.8m
• Boom Sherrin Glove & Barrier components	\$3.7m
• Crane Logistics - assets scheduled for sale write downs	\$3.4m



- Continued strategic focus on core business of Crane Logistics
- Strategy for Boom Sherrin going forward:
 - Disciplined capital investment in Travel Tower business sectors where strong returns on capital invested are achievable
 - Manage the access business for cash by relocating assets into areas where demand is strong and aligning infrastructure to the asset base

FY11 Trading Results

- Year on year improvement in all trading metrics.

\$m	1H10	2H10	FY10	1H11	2H11	FY11	FY11 pcp
Total Revenue	162.9	165.4	328.4	171.0	169.4	340.4	4%
Trading EBITDA	22.5	27.3	49.8	31.2	24.3	55.5	11%
Trading EBITDA Margin	14%	17%	15%	18%	14%	16%	
Trading EBIT	7.3	11.7	19.0	14.9	8.3	23.2	22%
Trading EBIT Margin	4%	7%	6%	9%	5%	7%	
Trading Net Profit after Tax	0.5	3.6	4.1	5.1	0.3	5.4	31%

1. 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.
2. A reconciliation of the Statutory Reported result and the Trading result as reported in this presentation is set out at Appendix 1.

Detailed Group Trading Results are set out at Appendix 2.

FY11 Divisional Results

- Crane Logistics benefited from strong growth in resources (iron ore, coal and gold) and energy (gas and windfarms) sectors, with a 4% EBIT margin improvement on prior year.
- Boom Sherrin result influenced by strategic investment focus on Crane Logistics and weather impacts.

\$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 EBIT^{2 3}							
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 ⁴	(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%

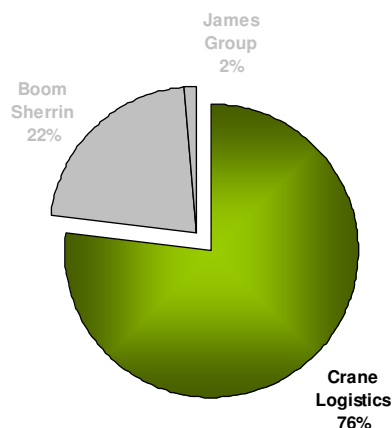
1. National Office includes foreign exchange gains / losses, profit / loss on sale of fixed assets and interest income. The 2H10 result included \$1.0m of interest income from the ATO associated with tax refunds and \$0.9m of foreign exchange gains.

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

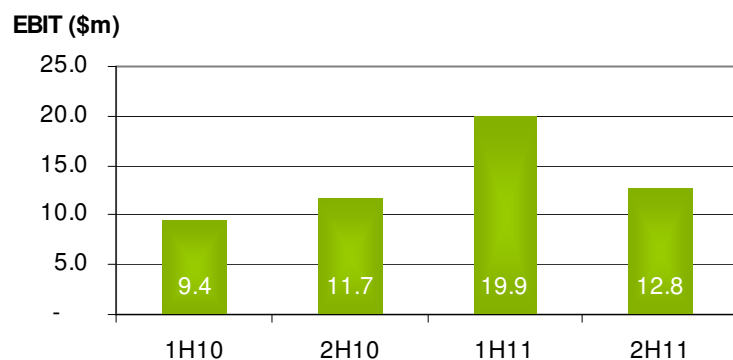
3. National office EBIT includes the impacts of foreign exchange gains / losses and interest income.

FY11 Divisional Results – Crane Logistics

FY11 REVENUE CONTRIBUTION



FY10 – FY11 HALF-ON-HALF MOVEMENTS



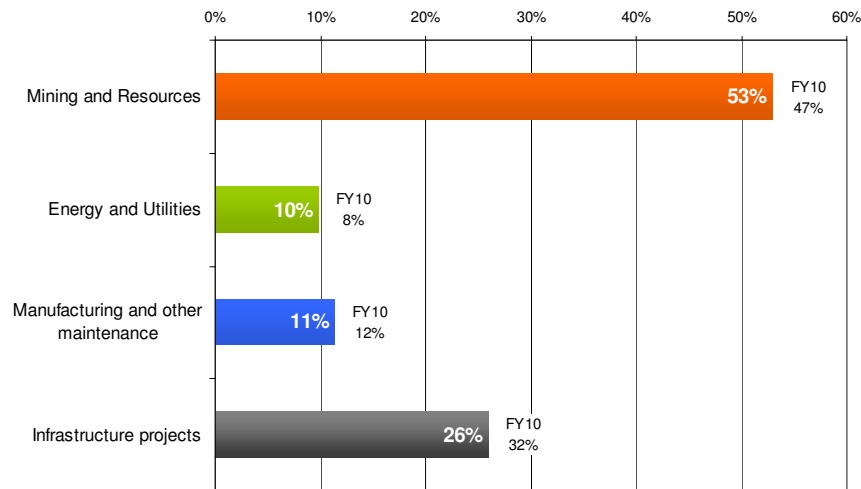
HIGHLIGHTS

- 17% increase in revenue on prior year and corresponding 52% increase in trading EBIT and a 4% trading EBIT margin uplift.
- Improving market conditions in resources, energy and utilities particularly the Bowen Basin, Hunter Valley and WA.
- Renewal of a number of key contracts including BMA, Boom’s largest customer, for an expanded suite of services.
- Weather events created a volatility of revenue which squeezed margins, particularly in high fixed cost environments in remote areas.
- There has been strong revenue growth in new markets where supporting infrastructure is now being developed to improve margins (e.g. Newman, WA).
- Capital restricted in 2H11 due to uncertainty created by weather events. Revenue growth was therefore supported by cross hire, limiting margins.
- Capital plan for FY12 focusing on reducing cross hire to improve margins supporting our key customers in growth markets.
- Successful early completion of windfarm construction project for Suzlon at AGL’s Oaklands Hill site.

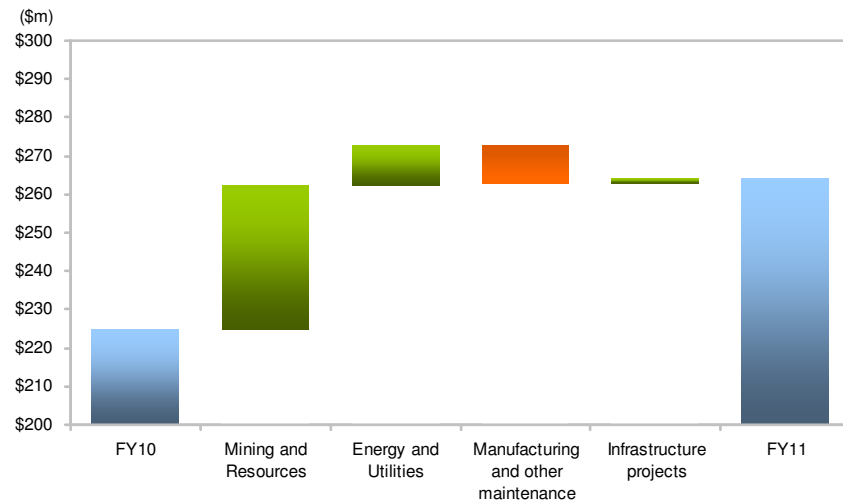
Crane Logistics – Strong growth in core markets

- 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



Boom's value proposition at work – 2 case studies



Gorgon LNG Project Western Australia

- First crane on site in December 2009 (100t).
- Expanded range of equipment increased to 12 cranes, including:
 - Frannas and rough terrains;
 - 100t to 220t mobiles; and
 - Crawlers up to 250t.
- Customers include TDK Joint Venture, Ertech, Monadelphous, Laing O'Rourke/Select, Toll Energy.
- Well positioned for future activity.



Suzlon AGL Oaklands Hill windfarm

- Windfarm construction project - 32 towers installed
- Completed incident free and two weeks ahead of schedule.
- 23 crew and 12 cranes on site including 750t crawler, 300t, 100t and frannas.
- Integration with multiple contractors on site including mechanical, electrical and specialist transport.

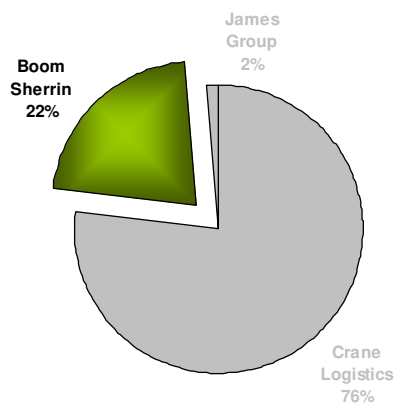
FY12-14 Crane Logistics New Business Pipeline

- Currently \$450m of new tender opportunities in the pipeline.
- The pipeline is continuing to grow.



FY11 Divisional Results – Boom Sherrin

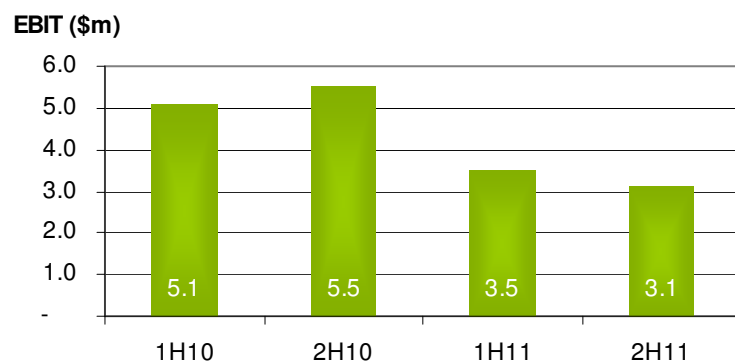
FY11 REVENUE CONTRIBUTION



HIGHLIGHTS

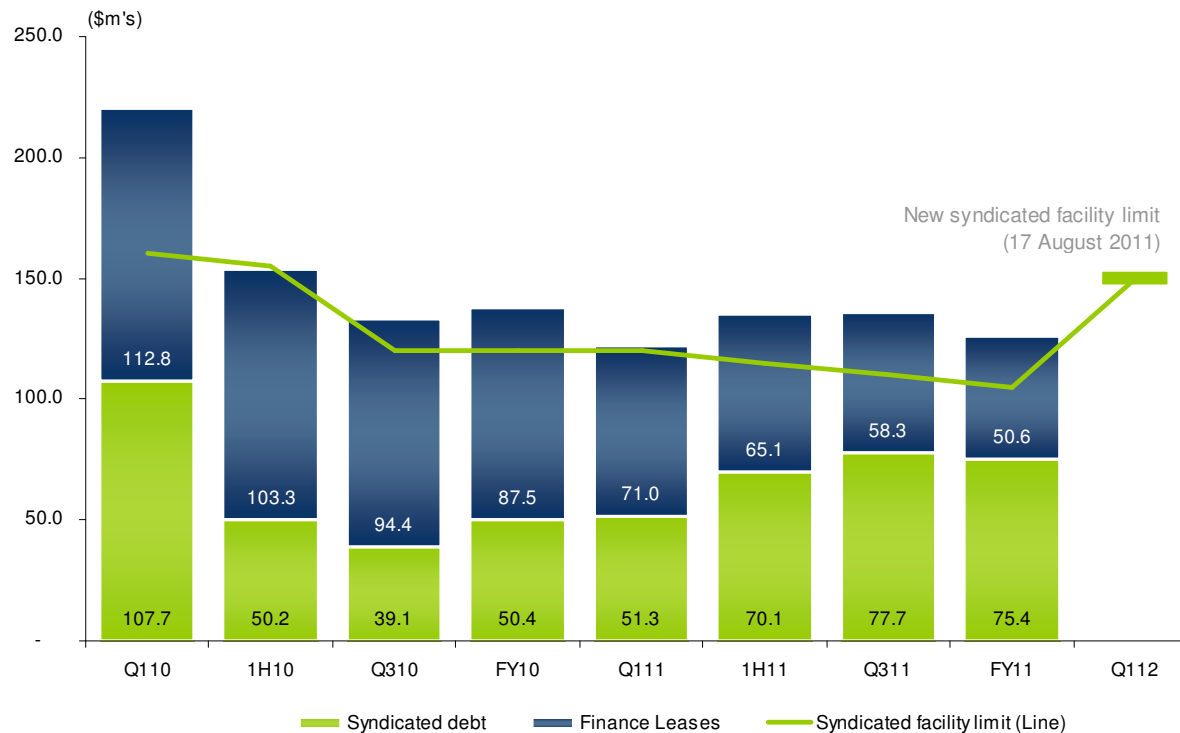
- Boom Sherrin result influenced by the strategic investment focus on Crane Logistics.
- Weather impacts with resultant project delays and inactivity reduced revenue and margins.
- Access delivers low return on assets compared to travel towers.
- Infrastructure reductions undertaken.
- Continued review of infrastructure to ensure alignment with the asset base.
- 20% ROCE hurdle for travel tower investment.

FY10 – FY11 HALF-ON-HALF MOVEMENTS



Debt Facilities

- \$150 million, 3 year revolving facility finalised.
- Cost of debt is forecast to reduce to 9% (down from 12%).
- New funding allows Boom to pursue its growth objectives.
- Existing syndicate of banks maintained, demonstrating ongoing support.
- Increase in overall facility size (previous facility had amortised down to \$105 million at June 2011).
- Finance leases continue to amortise, with final expiry in March 2013.



Balance Sheet (Statutory)

\$m	June 2011	June 2010	\$m Mvmt
Cash	9.1	10.1	(1.0)
Trade Receivables	57.8	59.3	(1.5)
Other Receivables	8.0	4.0	4.0
Inventories	1.4	9.1	(7.7)
Assets Held For Sale	5.0	5.3	(0.3)
Plant & Equipment	324.0	367.0	(43.0)
Intangibles	70.8	90.4	(19.6)
Other current & non-current assets	4.2	6.6	(2.4)
Total Assets	480.3	551.8	(71.5)
Payables ¹	26.1	43.1	(17.0)
Borrowings	126.7	135.1	(8.4)
Provisions	14.2	12.3	1.9
Other current & non-current liabilities	15.9	26.4	(10.5)
Total Liabilities	182.9	216.9	(34.0)
Net Assets	297.4	334.9	(37.5)

- Net Debt to Equity of 39% (38% at June 2010).
- As at 30 June 2011:
 - Net Tangible Assets per share of \$0.49.
 - Net Assets per share of \$0.64
- Capital additions of \$20.9m during FY11, with capital allocations driven by major customer requirements.
- Impairments of \$47.6m undertaken at 30 June 2011 (\$39.1m after tax):
 - Boom Sherrin goodwill and low end access and general hire assets (\$42.8m)
 - Other impairments (\$5.0m), comprising assets scheduled for sale and GM Baden goodwill. Exchange rates at historic highs means unproductive assets scheduled for sale now to generate cash, will be impaired.

1. June 2010 payables includes \$17m of Letters of Credit relating to capital procured on deferred payment terms. This amount was transferred to Borrowings during 1H11.

Cash Flow (Statutory)

\$m	FY11	FY10	\$m Mvmt
Net receipts / (payments) ¹	50.2	42.6	7.6
Net interest received / (paid) ¹	(12.2)	(11.5)	(0.7)
Income tax received / (paid)	(3.9)	14.1	(18.0)
Cash provided from operating activities	34.1	45.2	(11.1)
Purchase of plant and equipment	(33.7)	(32.5)	(1.2)
Proceeds from the sale of plant and equipment	5.8	7.0	(1.2)
Cash used in investing activities	(27.9)	(25.5)	(2.4)
Repayments of borrowings	(36.2)	(119.0)	82.8
Proceeds from borrowings	29.0	16.6	12.4
Payment of dividends	-	-	-
Proceeds from issue of shares	-	86.8	(86.8)
Payments for issuing shares	-	(4.6)	4.6
Cash used in financing activities	(7.2)	(20.2)	13.0
Net increase / (decrease) in cash	(1.0)	(0.5)	(0.5)
Closing cash	9.1	10.1	(1.0)

- Cash flow position continues to be solid.
- \$32.1m of finance leases (principal and residuals) were paid out using cash during the period.
- A total of \$33.7m of plant and equipment expenditure impacted the cash flow in the period, comprising:
 - \$12.8m of deferred capital (assets were on the balance sheet in FY10 but payment terms were deferred); and
 - \$20.9m of new capital purchases.
- No dividend declared for FY11.

1. Syndicated debt borrowing costs have been reclassified as Interest Paid (previously reported as payments to suppliers of \$2.4m in 1H10 and \$3.2m in 1H11).

Sound progress being made on strategic priorities

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Outlook

■ Strategy and key market activity on track.

- Contract and revenue expansion expected from major customers and projects.
- Bowen Basin activity will continue to recover after weather impacts.
- Hunter Valley, resources WA and LNG growth forecast to be strong.
- Port Kembla environment still expected to be challenging, however improvement through the Sydney Water contract and Heavy Lift activity is anticipated.
- Boom Sherrin investment focused on travel towers in high return activities.
- Continued review of Boom Sherrin infrastructure to ensure alignment with the asset base and associated returns.

■ Continued margin and revenue growth to occur in the Crane Logistics business.

■ Boom Group

- EBIT range of \$35 - \$40 million for FY12.
- Net Tangible Assets per share expected to increase to \$0.53 at 30 June 2012, up from \$0.49 at 30 June 2011.
- ROCE to increase to c. 10% at 30 June 2012, up from 6% as at 30 June 2011.
- Indirect labour cost savings of \$1.5m.

■ Crane Logistics

- EBIT of c. \$45 million, with capital expenditure of c. \$65 million.
- ROCE to increase to c. 15% at 30 June 2012, up from 12% as at 30 June 2011.

■ Boom Sherrin

- EBIT of c. \$6 million.
- ROCE to be c. 8%.



**Investor
enquiries:**

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Chief Financial Officer and
Company Secretary

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Appendix 1: 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)

Appendix 2: Group Trading Results - Detail

\$m	1H10	2H10	FY10	1H11	2H11	FY11	FY11 pcp
Crane Logistics	106.9	117.5	224.5	130.9	132.7	263.6	17%
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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%
Foreign Exchange Gain / (Loss)	0.1	0.9	1.0	0.0	0.0	0.0	
Profit / (Loss) on Sale of Fixed Assets	0.2	0.3	0.4	0.4	(0.0)	0.4	
Interest Income	0.2	1.2	1.4	0.2	0.3	0.5	
Total Revenue	162.9	165.4	328.4	171.0	169.4	340.4	4%
Trading EBITDA¹	22.5	27.3	49.8	31.2	24.3	55.5	11%
Trading EBITDA Margin	14%	17%	15%	18%	14%	16%	
Depreciation	(14.6)	(15.1)	(29.8)	(16.4)	(15.8)	(32.1)	
Amortisation	(0.5)	(0.5)	(1.0)	0.0	(0.1)	(0.1)	
Trading EBIT	7.3	11.7	19.0	14.9	8.3	23.2	22%
Trading EBIT Margin	4%	7%	6%	9%	5%	7%	
Interest Expense	(7.5)	(4.9)	(12.4)	(4.6)	(4.7)	(9.3)	
Borrowing Costs ²	(2.4)	(3.4)	(5.7)	(3.2)	(3.1)	(6.3)	
Trading Profit before Tax	(2.6)	3.4	0.8	7.1	0.6	7.7	837%
Tax	3.1	0.2	3.3	(2.0)	(0.3)	(2.3)	
Trading Net Profit after Tax³	0.5	3.6	4.1	5.1	0.3	5.4	31%

1. 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.

2. Borrowing costs includes line fees.

3. A reconciliation of the Statutory Reported result and the Trading result as reported in this presentation is set out at Appendix 1.

Disclaimer

Future performance and forward looking statements

This presentation contains certain “forward-looking statements”. The words “anticipate”, “believe”, “expect”, “project”, “predict”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, opinions and estimates are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Boom that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements and neither Boom nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.

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