

Media Release

June 27, 2005

Boom acquires Sherrin Hire and upgrades earnings guidance

Boom Logistics has signed an agreement to acquire Sherrin Hire, a national provider of travel towers and access equipment, for \$130 million.

The acquisition of Sherrin represents a very strong strategic fit with Boom's existing national crane hire network and strengthens its position as Australia's leading lifting solutions company.

Boom's chief executive officer, Rod Harmon, said Sherrin was an established and well-managed business with a reputation for outstanding customer service and a strong track record of organic growth.

"The acquisition is consistent with our growth strategy to expand into complementary lifting solutions with a focus on long-term relationships with blue-chip maintenance/ industrial customers," he said.

"We believe there are significant cross selling opportunities between the respective customer bases, with the combined strengths of Boom and Sherrin, creating a unique offering for our clients."

Sherrin, based at Eagle Farm in Queensland, has been operating since 1968. It has 24 branches located across Australia and employs more than 350 people.

Sherrin will continue to operate as a separate division of Boom under the Sherrin Hire name and will benefit from Boom's extensive customer network and growth profile.

Boom will retain all Sherrin employees and the company's previous owner, Michael Sherrin will assume the role of executive manager of the Sherrin business, reporting to Mr Harmon.

Mr Sherrin said Boom Logistics was a natural owner of his business.

"This is a great opportunity for Sherrin to secure its business growth prospects, provide more opportunities for employees and deliver an enhanced service offering for our customers," he said.

Sherrin's revenue segmentation is broadly consistent with Boom's operations and is as follows:

- 56% - Maintenance segment (industrial and mining),
- 14% - Government/ infrastructure,
- 13% - Non-residential construction,
- less than 1% - residential construction and,
- 16% - Other.

Sherrin's core business is the provision of large-scale travel towers and is the clear market leader with more than 80% market share. Over half of Sherrin's revenue is generated from equipment supplied with operators.

After the Sherrin acquisition Boom's revenue from the industrial and mining maintenance sectors will be 64%, revenue from government/ infrastructure will be 14% and non-residential construction 13%.

The purchase price represents a multiple of 4.9 times Sherrin's forecast pro forma EBITDA of \$26.8 million for the year to June 30, 2005 on revenue of \$66.9 million and the acquisition is expected to contribute a lift in Boom's earnings per share of 12% in the year ahead.

"Boom has a history of successfully acquiring and strengthening businesses that can deliver sustainable earnings growth. We are confident that this acquisition will be no exception," Mr Harmon said.

Institutional share placement

It is proposed that the acquisition of Sherrin will be funded from an underwritten institutional placement to raise \$67 million. ABN AMRO Rothschild and Wilson HTM are joint lead managers to the placement.

Existing Boom shareholders will have the opportunity to acquire up to \$5,000 of new shares under a Share Purchase Plan (SPP) at the institutional placement price.

Update on Boom's results for year to June 30

Mr Harmon also announced that Boom expects to achieve a net profit after tax of approximately \$15.3 million, equivalent to \$15.7 million pre goodwill amortisation for the year to 30 June 2005.

This forecast represents a 62% improvement in net profit from the previous year, which had included only nine months revenue from five acquisitions that were an integral part of the Initial Public Offering in October 2003.

Earnings per share is forecast to rise by approximately 21% for the year.

Mr Harmon said the forecast year-on-year increase was driven by strong underlying demand in key market segments with an underlying organic growth rate of 10%. In addition, the profit increase benefited from the contributions made by the acquisitions of Bower's Heavy Haulage & Crane Service and Brambles Bowen Cranes during the year.

Outlook

Mr Harmon said the outlook for Boom and Sherrin over the next 12 months remained positive across all key sectors, underpinned by the strong demand from resources and infrastructure development.

"In addition, Boom will be actively targeting cross-selling opportunities between the respective customer bases of Boom and Sherrin and this has significant potential to generate further growth," he said.

About Boom Logistics

Boom Logistics is a leading Australian lifting solutions company with a pivotal position in the burgeoning industrial maintenance, commercial construction and resources sector. The logistics group sells a range of lifting services including:

- Managed lifting solutions
- Contractual maintenance arrangements
- Engineering services and maintenance
- Equipment hire

Headquartered in Melbourne, Boom currently employs more than 600 people nationally. More company information is available at www.boomlogistics.com.au

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Editor's Note:

Boom Logistics also announced today the \$13.85 million purchase of Port Hedland Cranes from Brambles Australia Limited. A separate release has been issued.