



Investor Presentation

**Acquisition of Sherrin Hire
and Brambles' Port Hedland crane business**

June 2005

Providers of lifting solutions to Australia



Agenda

- Executive Summary
- Sherrin Hire
- Port Hedland Cranes
- BOOM post acquisitions
- Funding & Financials
- Capital Raising



Executive Summary

- BOOM has entered into two separate purchase agreements to acquire:
 - Sherrin Hire – a national provider of travel towers and access equipment
 - Brambles' Port Hedland crane business
- Purchase prices:
 - Sherrin Hire: \$60m equity value plus assumed debt of \$70m for enterprise value of \$130m
 - Pro-forma FY05 EBITDA multiple of 4.9x times
 - Port Hedland Cranes: \$13.85m acquisition consideration
 - Pro-forma FY05 EBITDA multiple of 3.8x times
- Both acquisitions are a very strong strategic fit for BOOM and EPS accretive
- Sherrin Hire to be funded by an institutional placement raising \$67m
- FY05 reported NPAT (pre goodwill amortisation) expected to be around \$15.7m (5% above consensus forecasts)
 - Translates to EPS of 14.9 cents
- Combined BOOM / Sherrin Hire proforma FY05 EPS (pre goodwill amortisation) is 19.4 cents, representing a 30% EPS increase



BOOM Profile

- Leading national provider of lifting solutions to Australian industry
- Largest provider of crane services with a current market share of 16%
- Focus is on the following key market segments:
 - Resources/Industrial maintenance
 - Government/Infrastructure
 - Non Residential Construction
- Predominantly blue chip client base
- Strong recurrent revenue streams from maintenance projects
- Operates in a market with high barriers to entry (ie. High initial capital setup costs)
- Management has proven integration skills having successfully completed 16 acquisitions
- Employs over 600 people



Sherrin Hire



Sherrin Hire profile

- Sherrin Hire is a provider of lifting solutions with a core focus on large scale travel towers
 - It is distinctly different from other access equipment hire companies
- Undisputed market leader in travel towers with more than 80% market share
- Other access equipment (eg. Boom lifts, knuckle booms and scissor lifts) and cranes are cross-sold to customers to support the primary offering
 - Around 40% of customers use multiple pieces of equipment
- 24 branches located in all states/territories except NT
 - Head office located in Eagle Farm, QLD
- Majority of revenue derived from large, complex pieces of equipment
 - around two-thirds of revenue derived from assets costing greater than \$150K each
- Wet hire is provided on travel towers and mobile cranes, dry hire the balance
 - Wet hire represents around 57% of revenue
- 100% owned by Michael Sherrin, established by Michael's father in 1968
- Employs over 350 people
- Revenue growth of over 15% pa over past 10 years





Sherrin Hire product offering

Travel Towers



Access Equipment



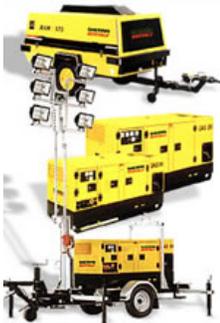
Cranes



Material Handlers



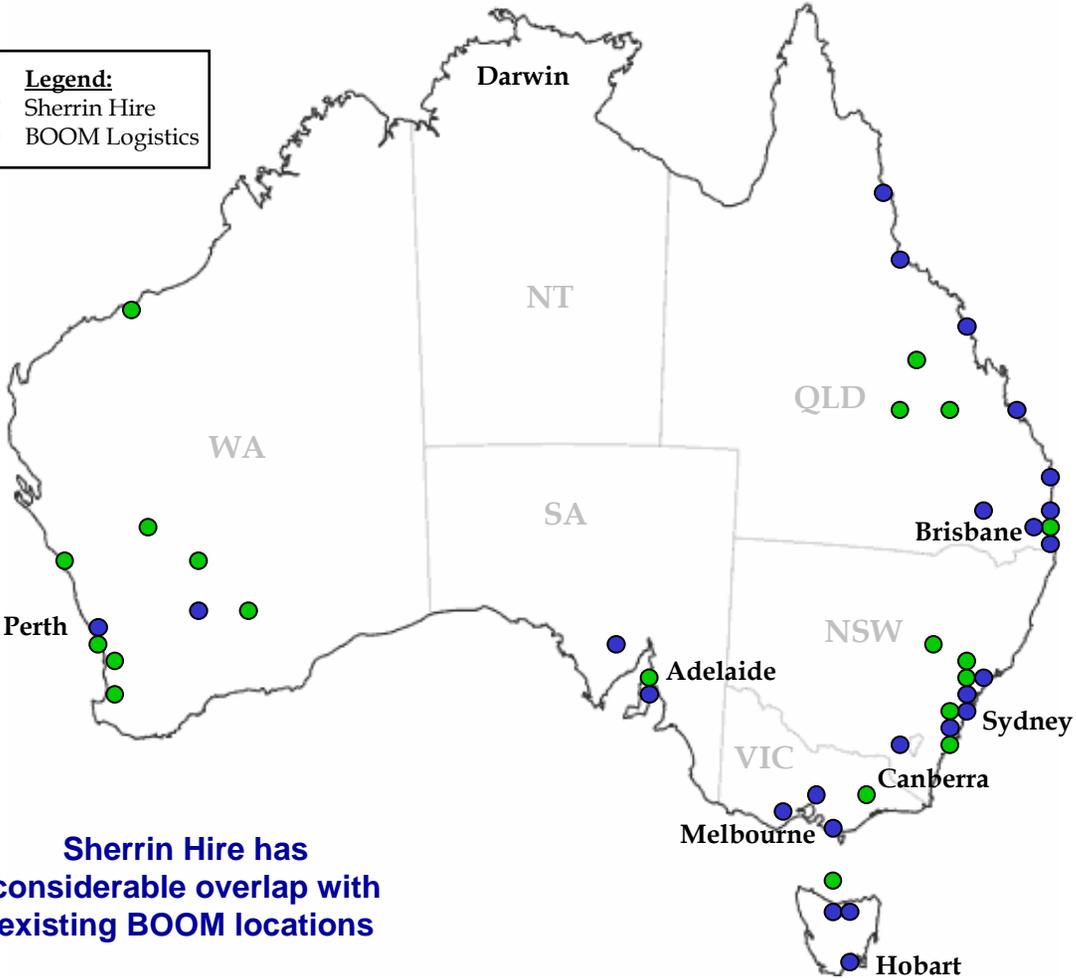
Energy





Sherrin Hire locations

Legend:
● Sherrin Hire
● BOOM Logistics



Sherrin Hire has considerable overlap with existing BOOM locations

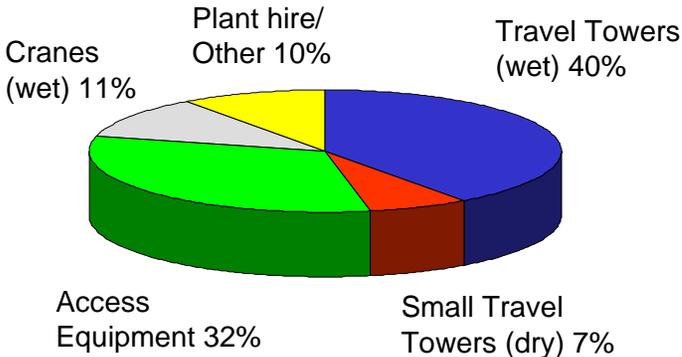


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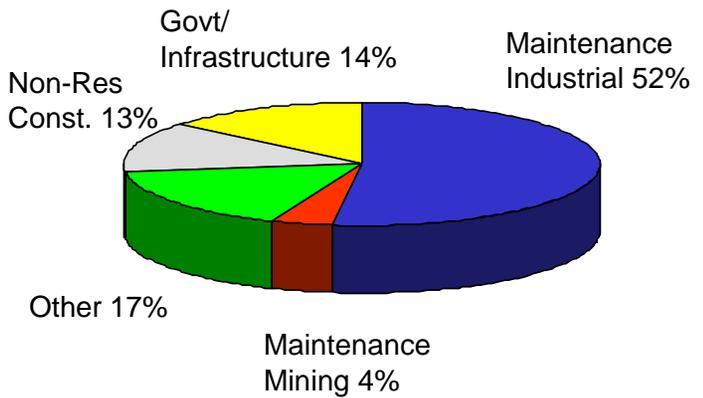
Sherrin Hire revenue analysis

FY05 Revenue by Equipment Type



- Large scale travel towers is core focus
- Other equipment is provided to support this service offering

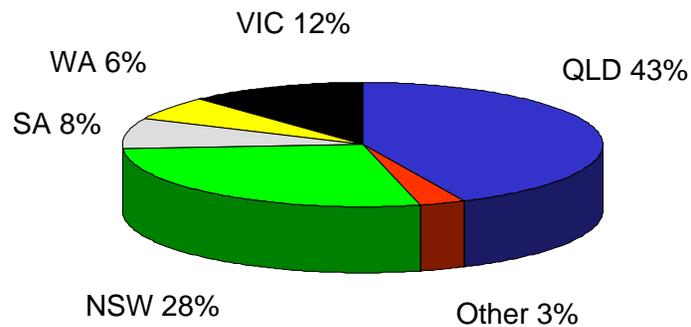
FY05 Revenue by Industry Segment



- Major focus is maintenance (industrial and mining)
- Material exposure to:
 - Govt / infrastructure spending
 - Non-residential construction spending
- Exposure to residential construction less than 1% of total

Sherrin Hire revenue analysis (Cont.)

FY05 Revenue by state



- Sherrin Hire is strongest on the eastern seaboard
- Strong potential for BOOM to facilitate growth in WA

Customers

- Sherrin Hire's customer base is diversified and includes many blue chip names
- As a proportion of FY05 revenue:
 - Top 10 customers = 23%
 - Top 20 customers = 27%
- 3 of Sherrin Hire's Top 10 customers are also significant BOOM customers
 - Port Waratah Coal
 - BlueScope Steel
 - OneSteel

Sherrin Hire competitor analysis

Equipment	Sherrin Hire		Larger Competitors											
	Sherrin Hire		Coates Hire		National Hire/Cat Rental		Kennards		Skyreach		A H Plant		Atlas Copco	
	Dry Hire	Wet Hire	Dry Hire	Wet Hire	Dry Hire	Wet Hire	Dry Hire	Wet Hire	Dry Hire	Wet Hire	Dry Hire	Wet Hire	Dry Hire	Wet Hire
Travel Towers - Large - Small	N Y	Y Y	N N	N N	N N	N N	N N	N N	N N	N N	N N	N N	N N	N N
Access Equipment - Large - Small	Y Y	N N	Y Y	N N	N Y	N N	N Y	N N	N Y	N N	N N	N N	N N	N N
Material Handlers	Y	N	N	N	Y	N	N	N	Y	N	N	N	N	N
Energy Equipment	Y	N	Y	N	Y	N	Y	N	N	N	Y	N	Y	N
Mobile Cranes	Y	Y	N	N	N	N	N	N	N	N	N	N	N	N

- Nearly 60% of Sherrin Hire's revenue is derived from sources in which it has no direct competition with large equipment hire companies



Sherrin Hire competitive advantages

- Undisputed market leadership in large end travel towers
- Strong brand name – which will be retained by BOOM
- Scale, range and quality of fleet
- Wet and dry hire services provided
- Reputation for outstanding customer service
- OH&S compliance
- High customer switching costs built around service standards and product bundling
- National coverage



Sherrin Hire acquisition rationale



Consistent with growth and operating strategy

- Expanding into complimentary lifting solutions
- Focus on maintenance/industrial customers and recurring revenues
- Focusing on blue chip clients and long term relationships

Revenue and cost synergies

- Significant cross-selling opportunities between respective customer bases
 - targets have already been identified such as Bowen Basin, Port Hedland

Additional growth platform

- Sherrin Hire has its own significant growth opportunities (eg. cross-selling to its own customers and infrastructure and resources spending)

Further increases barriers to entry

- Combining the strength of BOOM and Sherrin Hire creates a unique offering
- Greater customer switching costs through service bundling and quality

Low operational risk

- Sherrin Hire to be run as a separate division – minimising integration risk
- All key staff are retained – Michael Sherrin to undertake role promoting the cross-selling opportunities

Positive financial impact

- Acquiring on 4.9 times proforma FY05 EBITDA (excluding synergies)
- Strongly EPS accretive – circa 12% based on proforma FY05



Sherrin Hire risk factors

Risk	Mitigation
Integration risk	<ul style="list-style-type: none">• Sherrin Hire operation will be run as an independent division• BOOM management have a strong history of acquiring new operations• Value proposition not dependant upon extracting cost synergies
Cyclicality	<ul style="list-style-type: none">• Diversity of geographic and market segments and customer base
Loss of key management	<ul style="list-style-type: none">• All key management retained• Michael Sherrin to assume role promoting cross-selling opportunities• New financial manager to be appointed to support operations
Industrial action	<ul style="list-style-type: none">• Localised and depot specific arrangements• Strong employee relations
Decline in service standards	<ul style="list-style-type: none">• BOOM service standards are aligned with Sherrin Hire
Multiple brand confusion	<ul style="list-style-type: none">• Businesses sufficiently different for brand differentiation• Some co-branding may be sought in the medium term



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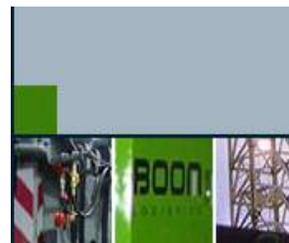
Sherrin Hire financial performance

Y/E 30 June (\$m)	FY03	FY04	FY05E	Proforma ⁽¹⁾ FY05E
Profitability				
Revenue	44.7	51.5	60.9	67.6
EBITDA	16.2	20.1	23.0	26.8
Depreciation			-7.8	-8.7
EBIT			15.2	18.1
Revenue increase (%)		15.2	18.3	31.3
EBITDA margin (%)	36.2	39.0	37.7	39.6
Capital Expenditure				
Sustaining capex ⁽²⁾	2.0	2.7	3.0	
Growth capex	11.3	15.6	23.9	

(1) Proforma FY05E numbers reflect assumed revenue that would have been derived had the equipment acquired during FY05 all been acquired at 1 July 2004

(2) Based on estimate of 10% to 15% of total capex

- Sherrin Hire has a strong track record of organic growth
 - Revenue CAGR of over 15% over past 10 years
 - From FY03 to FY05, revenue and EBITDA have forecast to increase by 17%pa and 19%pa
- Growth has been primarily driven by
 - Increased capacity
 - Cross-selling other equipment to customers
- Considerable free cash flow is generated pre growth capex
 - Minimal working capital requirements
- Focus has been on reinvestment of cash flow into growth and expansion
 - Immediate focus will be maximising previous spend





Port Hedland Cranes

Port Hedland Cranes

- BOOM to acquire Brambles' Port Hedland crane business ("Port Hedland Cranes") effective 1 July 2005
- Last of 5 crane businesses acquired from Brambles
- Sole customer is BHP Billiton Iron Ore
- Contract renewed on 1 April 2005 for 5 year term + option to extend for further 5 years
- Owns a well balanced fleet of 11 cranes up to 200t capacity as well as ancillary equipment
- Proforma FY05 forecast revenue of \$9.7m (based on new contract)
- Acquisition price is \$13.85m
 - Fair market value of assets acquired is \$5.85m
 - Settlement: \$7.55m – 30 June 2005, \$6.3m – 30 June 2006
 - Translates to EBITDA multiple of 3.8 times proforma FY05 EBITDA



Port Hedland Cranes acquisition rationale

- BOOM has an existing strong presence in Port Hedland – a growth corridor of WA
- Combining Port Hedland Cranes with BOOM's Port Hedland operations, means BOOM is well positioned to take advantage of:
 - Planned expansion by BHP Billiton of its Port Hedland iron ore activities
 - Other planned expansion projects within the region
- BHP Billiton contract provides:
 - Maintainable revenue
 - High barriers to entry
- Experienced management and skilled staff
- EPS accretive





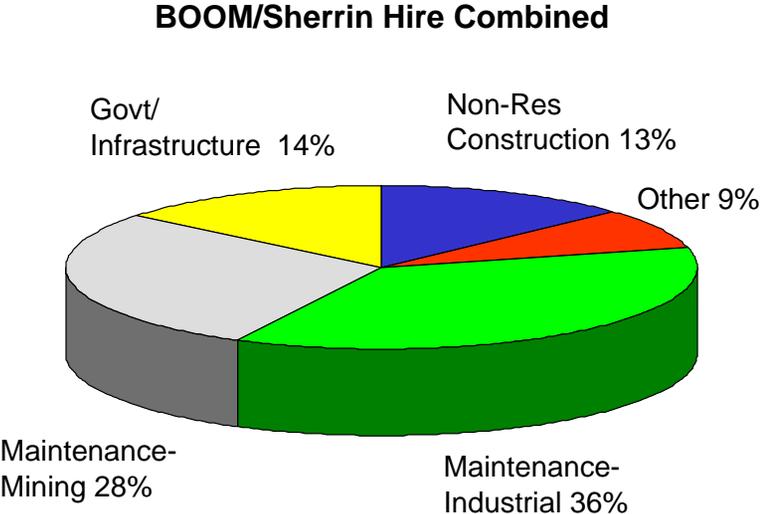
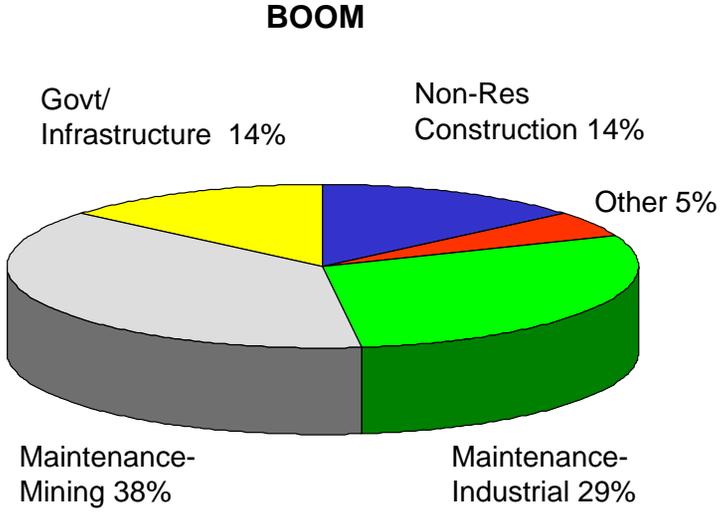
BOOM Post Acquisitions





BOOM segmentation post acquisition

Customer Segments (proforma FY05 revenue)



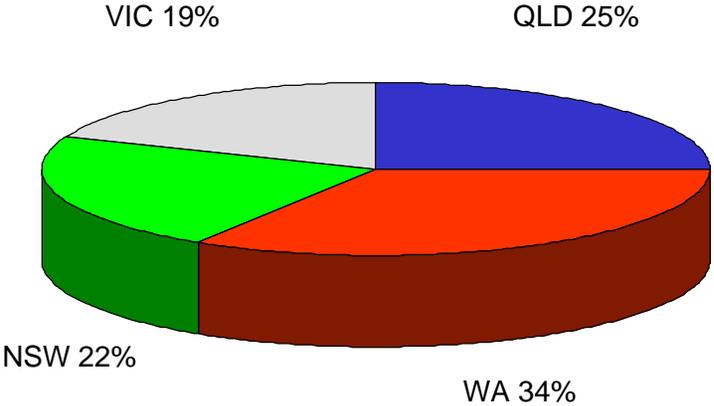
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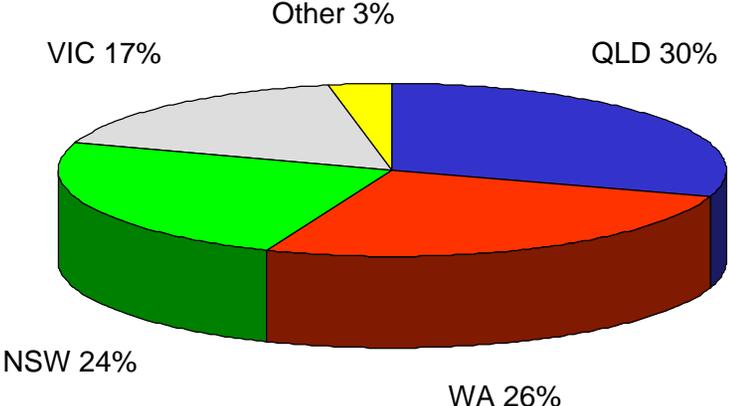
BOOM segmentation post acquisition

Geographic Segments (proforma FY05 revenue)

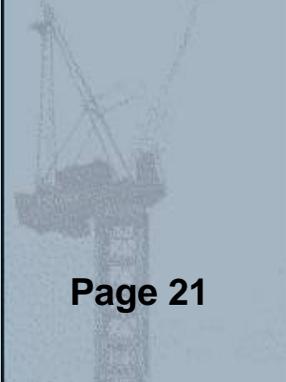
BOOM



BOOM/Sherrin Hire Combined



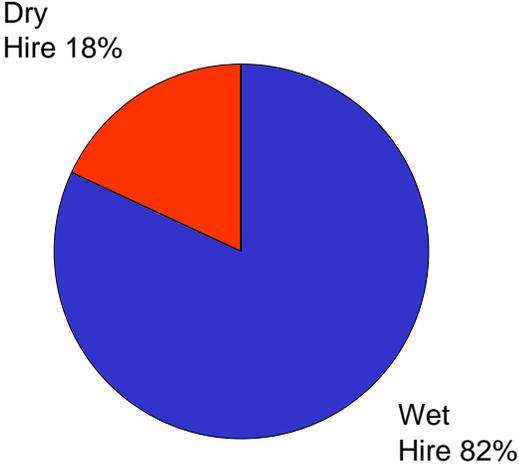
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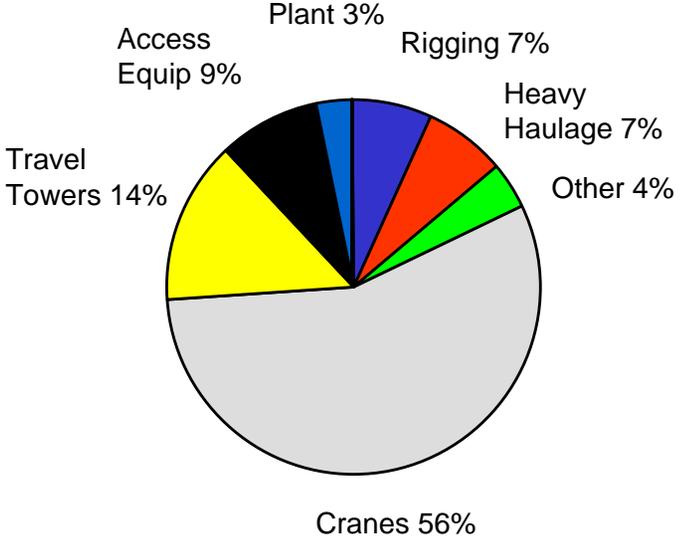


BOOM segmentation post acquisition

Revenue by hire mode



Revenue by equipment





Funding & Financials

Funding and gearing

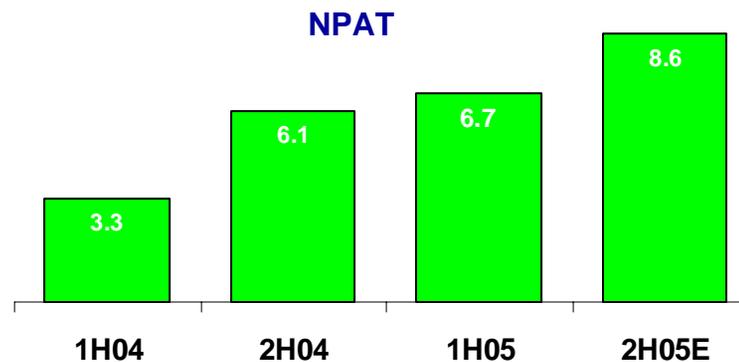
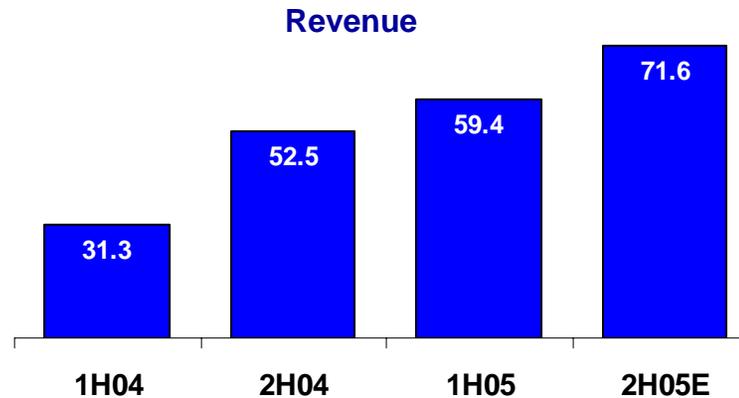


Sources and uses of funds	
Uses of funds	\$m
Sherrin enterprise value	130.0
Sherrin net debt assumed	70.0
Sherrin purchase consideration	60.0
Transaction costs	2.1
Working capital	10.9
	73.0
Sources of funds	
Institutional placement	67.0
SPP (estimate)	3.0
Vendor Equity – Sherrin	3.0
	73.0

Pro-forma Combined June 2005 Gearing	
Forecast net debt	\$105m
Proforma FY05 net debt / EBITA	2.1x
Proforma FY05 EBITA / interest	5.5x
Forecast net debt / equity	65%
<p>Note: Calculations assume: proforma earnings for Sherrin Hire and BOON for 12 months to 30 June 2005; completion date of Sherrin Hire is 30 June 2005; and whole of institutional placement and SPP is settled prior to 30 June 2005</p>	

FY05 performance update

- FY05 NPAT expected to be around:
 - \$15.7m (pre goodwill amortisation)
 - \$15.3m (post goodwill amortisation)
- EPS growth of around 21% in FY05
- Expected FY05 NPAT is 5% above market consensus
- Strength of result driven by:
 - Strong underlying demand in key market segments
 - Underlying organic growth of 10%
 - Successful integration of acquisitions
- Continue to maintain 50% dividend payout ratio



FY05 proforma financials (unaudited)

	FY05 Statutory Forecast	FY05 Proforma Adjusts ⁽¹⁾	FY05 Proforma		
			BOOM Normalised	Sherrin Hire	Combined
Revenue	131.0	26.7	157.7	66.9	224.6
EBITDA	32.4	8.9	41.3	26.8	68.1
<i>EBITDA margin</i>	24.7%	33.3%	26.2%	40.0%	30.3%
Depreciation	7.2	2.1	9.3	8.7	18.0
EBITA	25.3	6.7	32.0	18.1	50.1
Goodwill amortisation	0.4		0.4		0.4
Amortisation		0.8	0.8		0.8
EBIT	24.9	5.9	30.8	18.1	48.9
Net interest	3.0	1.0	4.0	5.1	9.1
Profit before tax	21.9	4.9	26.8	13.1	39.9
Tax expense	6.6	1.8	8.4	3.9	12.3
NPAT	15.3	3.1	18.4	9.1	27.5
NPAT (pre amortisation)	15.7 ⁽²⁾	3.9	19.6	9.1	28.7
<i>NPAT Margin</i>	12.0%	14.6%	12.4%	13.6%	12.8%
Weighted avg no. of shares	105.6		113.2	34.7 ⁽³⁾	147.9
EPS (pre amortisation) cents	14.9		17.3		19.4
EPS (post amortisation) cents	14.5		16.2		18.6

Note: Some balances may not add due to rounding

- (1) Adjusts for full year impact of acquisitions (Bowers, Bowen Cranes, Newcastle x 2 and Port Hedland) as if acquired 1 July 2004
- (2) Updated FY05 estimate
- (3) Comprises: Placement (based on midpoint of bookbuild price range), SPP (at Placement price) and Sherrin Hire vendor equity

Pre Sherrin Hire
Synergies

Market capitalisation post acquisition
and raising is circa \$300m

12% EPS uplift
Due to Sherrin Hire

Outlook

- Continuing organic growth
 - Outlook remains positive across all key sectors
 - underpinned by demand outlook for resources and infrastructure
- Cross-selling opportunities for BOOM / Sherrin Hire
- Strategic acquisitions
 - Potential for further opportunistic “bolt-on” acquisitions



Capital Raising



Equity offer structure

- **\$67 million Placement**
 - Indicative bookbuild price range of \$2.05 to \$2.15
 - Comprises 2 tranches:
 - \$35 million placement¹ of 16.75 million shares, up to 15% capacity, to settle T+3 (“Tranche 1 placement”)
 - \$32 million additional placement, conditional on shareholder approval (“Tranche 2 placement”)
 - Bookbuild to close 12.00pm Thursday 30 June 2005
 - Lead Managers: ABN AMRO Rothschild and Wilson HTM
 - Tranches 1 and 2 will rank for the final FY05 dividend
- **Share Purchase Plan, expected to raise \$3 million**
 - Up to \$5,000 per shareholder
 - Issued at placement price
 - Record date of 30 June 2005
 - Offer to be made November 2005

1. Based on the mid-point of price range

Indicative timetable

Institutional placement	Timing
Roadshow	Tuesday 28 – Wednesday 29 June 2005
Trading halt (2 days) plus suspension (1 day)	Tuesday 28 – Thursday 30 June 2005
Book closes	12.00pm Thursday 30 June 2005
Pricing and allocation	Thursday 30 June 2005
Settle Port Hedland acquisition	Thursday 30 June 2005
Settlement (Tranche 1 placement)	Tuesday 5 July 2005
Trading commencement (Tranche 1 placement)	Wednesday 6 July 2005
EGM to approve Tranche 2 placement	Thursday 4 August 2005
Settlement (Tranche 2 placement)	Friday 5 August 2005
Settle Sherrin Hire acquisition	Monday 8 August 2005
Trading commencement (Tranche 2 placement)	Monday 8 August 2005

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