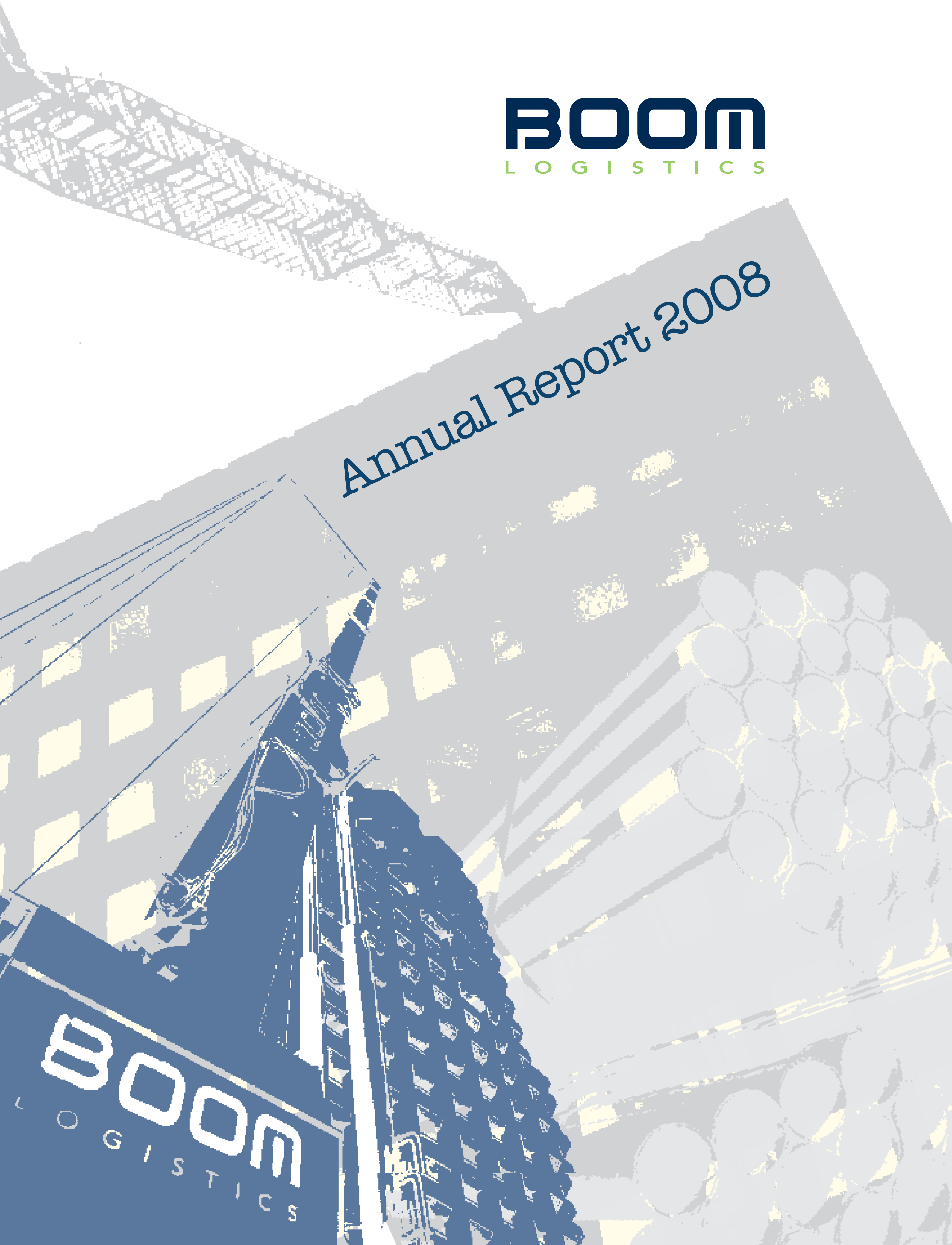
BOOM
LOGISTICS

Annual Report 2008



Corporate Directory

Directors
R. John Robinson
Terrance A Hebiton
Jane M Harvey
Dr. Huw G Davies
Terrence C Francis
Brenden C Mitchell

Company Secretary
Iona MacPherson

Registered Office
Level 6, 55 Southbank Boulevard
SOUTHBANK VIC 3006
Telephone (03) 9207 2500
Fax (03) 9207 2400

Internet Address
www.boomlogistics.com.au

Legal Advisers
Freehills
Minter Ellison
Hunt & Hunt
DLA Phillips Fox

Auditors
PKF Chartered Accountants

Share Register
Computershare Investor Services
Pty Limited
452 Johnston Street
Abbotsford, Victoria, 3067
Investor enquiries 1300 850 505

Annual General Meeting
Friday, 24 October 2008
@ 10.00am
The Royce Hotel
379 St Kilda Road
Melbourne, Victoria

Contents

Chairman's Report

Shareholders will be well aware that the past year has been extremely difficult and results have been disappointing. Problems began to emerge during the December Quarter when operating results, particularly from Western Australia and our Sherrin access equipment business, took a sudden downturn. It became evident over the following weeks that the underlying issues impacting the various business units had been developing over a long period, but had been obscured by the rapid growth generated from business acquisitions. Integration of the more recent acquisitions had not progressed to the extent previously advised to the Board and over time the acquisition process had created structural problems in terms of fleet mix, equipment availability and utilisation. A detailed review of the Sherrin equipment fleet revealed the issues dating back to the time of acquisition in 2005 that led to the non-cash balance sheet adjustments, as explained in the half-year results announcement.

In January the Board announced the departure of Chief Executive Mark Lawrence and the search for a new CEO. Brenden Mitchell, formerly Director Municipal Operations for Cleanaway in the UK, was appointed as Chief Executive and Managing Director at the beginning of May 2008. Brenden has a strong industrial services background, having worked in various senior management positions in Brambles Industries over a 12 year period. Another key appointment was made in March 2008 when the Board appointed Peter O'Shannessy as Chief Operating Officer. Peter also has a Brambles background having worked at General Management level in the Industrial Services Group covering crane hire, logistics management and industrial maintenance activities.

The March Quarter, prior to the management changes, was particularly difficult with a combination of dealing with the backlog of 10 year rebuilds in Queensland and the severe flooding events in Queensland's Bowen Basin, which prevented equipment activity for several months. Together with ongoing operating issues in Western Australia and the Sherrin business, the March Quarter resulted in a small operating loss. The business turnaround has since started to gain traction with an operating result in the June Quarter showing gains over the December Quarter and of course a significant recovery from the March Quarter.

Following the detailed asset review of the Sherrin business earlier in the year, work has continued across the rest of the Boom asset register. This has resulted in a number of additional Balance Sheet and prior period adjustments as earlier indicated to the market. The Board has relied upon previous formal management assurances as to the veracity of accounts and these have undergone the usual external audit process. Discrepancies related to the application of accounting policy as set by the Board and the carrying value of assets were not previously evident to the Board. Steps have since been taken to deal with these issues. I would like to take this opportunity to commend the Company's Chief Financial Officer Iona MacPherson who, since her appointment in 2007, has worked assiduously with her accounting team, external advisors and the Board's Audit and Compliance Committee to identify and remedy these issues.

John Robinson
Chairman

The full year result for the period ending 30 June 2008 is an after tax profit of $18.6 million, after both half year and full year accounting adjustments. This is 46% below the adjusted profit for the previous year and results in earnings per share of 10.9 cents. The full year after tax profit, before non-cash accounting adjustments is $22.1 million.

Since listing, the Company has applied a policy of returning approximately 50% of after tax net profit to shareholders through fully franked dividends. The Company has resolved to pay an interim fully franked dividend of 1 cent per share which will be paid on 6 October 2008 to shareholders registered as at 5 September 2008. This is in addition to the fully franked dividend of 4.5 cents per share for fiscal year 2008.

In entering the new Financial Year the Company has a Balance Sheet that has undergone detailed review and new auditors will be recommended for appointment at the Annual General Meeting. The Board has taken the necessary steps to strengthen the management team with both the recently appointed CEO and COO having solid industrial services experience at senior operating levels. Subsequent to the close of the 2008 Financial Year the Company has restructured its borrowings by negotiating a $175 million 3 year revolving credit facility and a $32 million 3 year working capital and general transactional banking facility. These facilities will be provided by a group of lenders comprising nabCapital, GE Capital and BankWest.

Borrowings through lenders outside of this group will remain and will be repaid over the life of the borrowings. It remains the case that the Company generates strong operating cashflows and is well placed to support ongoing organic growth initiatives and to reduce gearing levels over the next twelve months. The Board and management view this next twelve months as a period to restore operating performance, focus on organic growth opportunities in its core business and regain market confidence by creating sustainable shareholder value. Attention to operating detail will create the solid platform we need to consider external growth opportunities in the future.

I would like to conclude by paying tribute to the Company's workforce at all levels who strive to deliver superior customer service across the various business units. The Company remains the leading lifting services business in Australia and the Boom Logistics brand is something to be proud of.

Managing Director's Report

Brenden Mitchell
Managing Director &
Chief Executive Officer

I am pleased to be addressing you as the Managing Director of Boom Logistics.
I appreciate both the confidence and support the Board has shown in me, to lead the turnaround and deliver the required changes at Boom.

As the Chairman has indicated, the past year has been disruptive and difficult with a number of significant issues impacting on our performance. However, there are a number of factors that give us great confidence regarding the future operational performance and our ability to respond to the challenges that face us.

Revenue has continued to grow with a 43% increase in crane sales underpinned by our relationship with the market and quality leading manufacturer Tadano. Strong performances in Western Australia, Gippsland and South East Queensland have provided a 10% growth in crane hire revenue. When the impacts of the weather in Central Queensland and New South Wales are taken into account, this is a strong result.

Importantly, a 7% reduction in EBITDA associated with revenue growth of 17% indicates the issues in our business are not so much centered on revenue growth as on containing costs.

It is our view that revenue growth will continue in the 2009 Financial Year with stronger performances expected in New South Wales and Central Queensland.

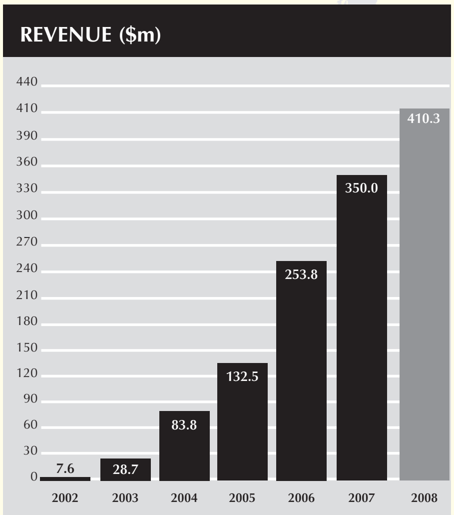
During the year we have completed an exhaustive balance sheet review and now have correct depreciation treatments and confidence in our asset values.

Regarding our financing arrangements, we have worked with our Bankers in maintaining a large proportion of our lease arrangements allowing Boom to preserve lower interest rates.

The outcomes achieved within these two critical areas can be largely attributed to the work completed by the Company's Chief Financial Officer, Iona MacPherson and her team, which I would like to acknowledge.

In the last 12 months we have assessed the organisational and capability requirements of our business. We recognise as critical the requirement for a clear focus on margin improvement through improved customer focus, operational efficiency and systems and process improvement to support our people.

Key new appointments within the business are Peter O'Shannessy as Chief Operating Officer, Terese Withington as General Manager Boom Sherrin and a number of General/ State Managers in the crane business and Boom Sherrin business which have added depth and strength to the existing management teams. With these appointments combined with the experience, energy and skills of our employees ensure we are well positioned to deliver on our objectives.



$m	FY07 (Restated)	FY08 (Final)	% change	FY08 (Underlying)
Financial performance				
Revenue	350.0	410.3	17%	410.3
EBITDA	96.8	90.0	7%	90.0
EBIT	62.9	47.5	(24%)	51.5
Net Profit After Tax	34.4	18.6	(46%)	22.1
NPAT %	9.8%	4.5%		5.4%
Financial ratios				
Earnings per share (cents)	20.2	10.9		
Dividend per share (cents)	11.0	5.5		

As reported in our announcements and presentations during the year, a number of issues impacted the business during the 2008 Financial Year:

* Inappropriate cross hire of third party cranes.
* The integration of the Moorland Hire business into Boom Sherrin.
* Underperforming capital investment in Boom Sherrin.
* Systems and process issues within the Crane hire business.
* Overhead increases and gross margin erosion associated with growing the business too fast, without the appropriate system and overhead focus.
* Skills shortages in remote areas.
* Weather events in NSW and Central Queensland.

The majority of these issues were due to internal, not external factors. As we address the underlying causes in the current capacity constrained market, with excellent revenue growth opportunities, we have a real opportunity to make solid improvements in the coming year.

Our strategic review confirms the importance of strengthening our market position in:

* Capital intensive industries requiring specialist maintenance services.
* Major infrastructure projects delivery.
* Travel Towers and high value access equipment where our people, capability and equipment mix has given us the market leadership position.
* Crane sales and services.
* Integrated lifting solutions requiring our diverse range of equipment services and specialised operational skills.

To do this we will focus on our customer requirements and:

* Assess and divest under performing assets and reinvest in assets that deliver to our strategic agenda.
* Invest in appropriate systems to deliver improved service and margin improvement.
* Focus our overhead on improving service delivery and value.
* Invest in the training of first line supervisors, customer service, scheduling personnel and business managers to increase our core management capability and ensure Boom is an employer of choice.

In visiting many of the locations within our business, I have seen the skill, energy and passion our people have for our business, and I would like to thank them for their support.

Our values of causing zero harm to people and our environment and delivering solutions, service and support to our customers are the foundation of what we do.

By taking personal responsibility and a commitment to team work and achieving the best we can for each of our stakeholders we will deliver superior shareholder value.

Importantly, in closing I would like to thank our shareholders for their support during a trying year, and also our customers whose ongoing support is critical to our success.

Executive Summary

Background

Boom listed on the ASX in October 2003. Its objective is to provide superior lifting solutions to Australian Industry.
Boom maintains a national presence and is Australia's leading provider of integrated lifting solutions.

Services

The Company provides a range of lifting services including:

- Managed Lifting Solutions.
- Contractual Maintenance Arrangements.
- Crane Integration for Commercial Construction.
- Crane Engineering Services and Maintenance.
- Equipment Hire.
- Logistics and Specialised Heavy Transport.
- New and Used Crane Sales.

Business Profile

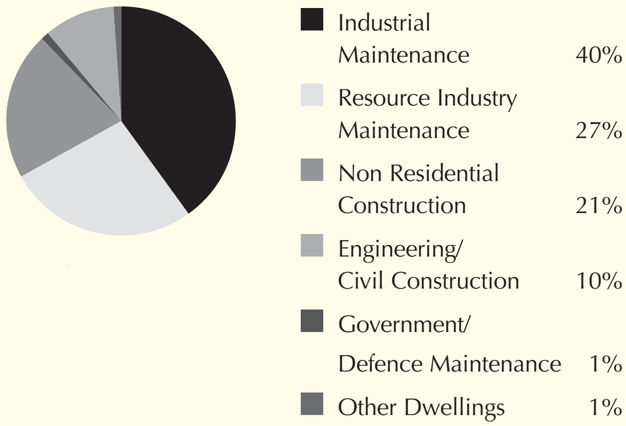
- Operates nationally from 54 depots.
- Headquartered in Melbourne.
- Employs 1,435 staff.
- 607 Cranes ranging from 5 - 500 tonne.
- Over 6,000 items of access and general hire equipment.

Revenue Mix

Competitive Strengths

- Ability to supply and support lifting and access solutions nationally.
- A large and flexible fleet to meet a wide range of lifting requirements for customers.
- A depth of industry experience and knowledge.
- A firm commitment to quality and systems assurance to deliver service excellence.
- Focus on zero harm and the accompanying safety regulation management and compliance.
- Ability to provide innovative lifting solutions.
- Financial capacity to secure national contracts to meet challenging assignments.

Sales by Segments



Operational Review

Background

- Continue to build its presence as a leading national supplier of lifting solutions to the Australian industry.
- Provide superior service to customers.
- Create an environment of success for its employees.
- Deliver attractive and sustainable returns to its shareholders.

Boom's strategic plan focuses on:

- Excellence in Safety.
- Matching capabilities with market opportunities in;
  - Contracted term maintenance (fixed installations).
  - Infrastructure and industrial development projects.
  - End-to-end logistics for major projects.
- Enhancing our service profile through bundled access equipment and crane service offerings.
- Excellence in customer interfacing operating systems.
- Continuing to pursue disciplined growth opportunities and expanding the geographical foot print of the equipment sales operations.

Our people

In line with Boom's growth we have continued to grow our workforce from 1,373 employees in 2007 to 1,435 in 2008, covering a wide range of disciplines including:

- Equipment Operators
- Riggers and Dogmen
- Fitters and Mechanics
- Schedulers and Supervisors
- Account Managers
- Engineers
- Safety Professionals
- Management

During the financial year we have focussed on further developing our people with the provision of in house and external training programmes including:

- Safety leadership training for Manager and Supervisors.
- Safety, Quality and Environment Auditor training.
- Operator training and ticketing.
- Apprenticeship programmes.
- Customer services and account management.
- OEM technical training.

These programmes will be expanded to include further leadership and project management training to skill today's frontline personnel in readiness for leadership roles into the future.

Operational Review

Senior Management

Brenden Mitchell
Managing Director &
Chief Executive Officer

Iona MacPherson
Chief Financial Officer
& Company Secretary

Occupational Health, Safety, Environment & Quality

Our operational focus and clear objective is the achievement of zero harm in the workplace.

Despite our continued journey of a year-on-year reduction of the Lost Time Injury Frequency Rate (LTIFR) and continued improvement in our measure of positive performance indicators (increased participation and number of safe act observations), the fatality of a work colleague tragically occurred in the business in August 2007.

This tragic loss of life serves to reinforce our desire to move beyond compliance as the driver of our safety behaviour to a personally and collegially held values based commitment to safety and zero harm.

In accepting this challenge and building on the systems and cultural platform in place, the leadership initiatives for the year ahead are:

- The formation of a Safety Leadership team.
- The continuing development of major hazard standards for the identification, analysis and control of major hazards that our operations are exposed to.
- Improvement in our incident investigation tools and leadership responses to incidents.
- Identification, analysis and implementation of a further business wide behavioural program.
- Broadening the capture, reporting and communication of our positive safety performance indicators (lead indicators).
- Further augmentation of our Information Management System to sponsor best practice procedures and processes across the businesses.
- Continuing to build our safety leadership competencies and understanding at all levels of the business.

Customer Service

Over the past year Boom has enhanced its provision of lifting solutions to customers through:

- Increased crane fleet from 586 cranes to 607 ranging from 5 tonne to 500 tonne.
- Increased Travel Towers from 333 to 367.

In addition, there is a recognition that we need to improve the way we deliver projects and integrate systems. This has led to a number of initiatives:

- Formation of a Programme Management Office and recruitment of a Chief Information Officer.
- Reassessment of our customer interface and scheduling system with a solution to be ready for implementation in the second half of the 2009 Financial Year.
- Enhancement of safety capabilities through further training and development of the Company's systems and process.

Peter O'Shannessy
Chief Operating Officer

Rosanna Hammond
General Manager - Human Resources

Terese Withington
General Manager - Boom Sherrin

Divisional Overview

Headquartered in Melbourne, Boom Logistics has a national network of operations serving both regional and capital city markets.

Western Australia

The Western Australia business consists of a large crane services network supported by the Boom Sherrin fleet of Access and Travel Tower equipment and the heavy haulage operations. Depots are located at Welshpool, Bunbury, Kwinana, Kalgoorlie, Leinster, Geraldton, Karratha, O'Connor, Wedgefield and Port Hedland.

The Western Australia operations underperformed, despite favourable business conditions. The underperformance was due to excessive equipment cross hire from third parties, eroding margin.

A number of actions have been taken to position the business well to deliver on contracted work and participate in the major industrial and infrastructure projects planned for the 2008/ 2009 Financial Year. Management has been strengthened with appointments to senior roles, along with improvement to our fleet and the introduction of disciplined business rules around cross hire of third party cranes.

Victoria

Our Victorian operations provide a complete range of cranes and access equipment services from the Latrobe Valley, Braeside, Laverton, Altona and Geelong depots. In addition, the Tower Crane division, which services the Victorian building and construction industry, and the national crane dry hire division - Aitkin Equipment are also based at Altona.

The Victorian mobile crane business has performed to expectation, which was led by the Morwell operation supporting the Maryvale Paper Mill expansion, however demand for equipment within the Melbourne market remained soft.

The access and travel tower operations underperformed, as systems integration and management turnover interfered with the effective integration of the Moorland Hire acquisition into the Boom Sherrin operations.

The tower cranes and national dry hire businesses both performed strongly with the Tower business recovering from weaker results the previous year.

Rectification of the systems issues associated with the access and travel tower operations and a focused rationalisation of the Melbourne mobile business, position the Victorian business for improvement in 2008/ 2009.

Operational Review

Tasmania

Boom Sherrin operates in Tasmania from depots located in Hobart, Burnie and Launceston.

The operations are focussed on the hydro power, power authorities, telecommunications and mining sectors.

Demand is anticipated to remain constant during the next financial year.

South Australia

Boom Sherrin services are provided from depots located in Adelaide and Whyalla. The Adelaide high-rise construction market continues to be serviced by our tower crane division out of Melbourne.

The steady performance in South Australia is expected to continue into next year, with opportunities for crane services expected in 2009.

New South Wales

We provide a complete range of services including cranes, heavy haulage, rigging and access equipment throughout this region from depots located in the Hunter Valley, Newcastle, Sydney and Wollongong.

The New South Wales business continued to service its contracted customer base with year-on-year fluctuation in customers' maintenance programs and adverse weather in the second half impacting on margin. Whilst demand for services from the major sites was below previous years with lower maintenance activity, the business is positioned well to support the major shutdown works planned for the 2008/ 2009 year with a bundled access equipment and crane equipment service offering.

Queensland

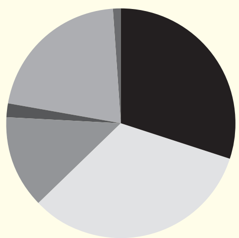
The business consists of an extensive network of branches at Eagle Farm, Toowoomba, Beenleigh, Moranbah, Blackwater, Middlemount, Mackay, Brisbane, Gladstone, Townsville, Ipswich and the Gold and Sunshine Coasts offering a full suite of Boom services. In addition to the cranes operation, the James Equipment sales and Boom Sherrin operations national offices are also based in Brisbane.

We experienced solid demand for both the Boom Cranes and the Boom Sherrin service offerings during the year. Flooding in the Bowen Basin and the introduction of the mandated '10 year inspection' legislation taking cranes out-of-service for test and inspection significantly impacted the second half of the financial year. Management turnover in the Boom Sherrin business also impacted our sales effort and therefore margin for the period.

The James Equipment division continued its strong sales record selling its full quota of allocated equipment from original equipment manufacturer suppliers.

The continued high levels of activity in the resources, infrastructure, and industrial sectors position this business for strong results in 2008/ 2009.

Geographical Segmentation



Revenue total $410.3m

QLD	30%
WA	33%
NSW	13%
VIC	21%
SA	2%
TAS	1%

Corporate Governance

Rodney John Robinson (64)
BSc, MG Sc, F Aus IMM

Non-Executive Chairman
APPOINTED 15 NOVEMBER 2002

Brenden Clive Mitchell (49)
B.Sc (Chem) B.Bus
(Multidiscipline)

Managing Director
APPOINTED 1 MAY 2008

Dr Huw G Davies (67)
BSc (Hons), PhD (Geology)

Non-Executive Director
APPOINTED 15 NOVEMBER 2002

Terrence Charles Francis (62)
B.E (Civil), MBA, FIE Aust,
FAICD, F Fin, MAIME

Non-Executive Director
APPOINTED 13 JANUARY 2005

Jane Margaret Harvey (53)
B.Com, MBA, FCA, FAICD

Non-Executive Director
APPOINTED 12 JULY 2005

Terrance Alexander Hebiton
(57)

Non-Executive Director
APPOINTED 22 DECEMBER 2000

Board of Directors

The Board adopts the ASX Principles of Good Corporate Governance and Best Practice Recommendations. Corporate governance practices applied by the Company are set out below.

Board Composition

The Board currently has six Directors comprising five non-executive Directors and the executive Managing Director. All five of the non-executive Directors, including the Chairman are Independent Directors in compliance with ASX Corporate Governance Best Practice guidelines.

In compliance with the Constitution, Terrence Charles Francis and Jane Margaret Harvey being eligible, will stand for re-election at the Annual General Meeting.

Corporate Governance

With the adjustments to correct prior period errors, the Board has reinforced their requirement for uncompromised corporate behaviour and accountability. In accordance with the ASX Corporate Governance guidelines and the Company's commitment to best practice Corporate Governance:

- The Board operates under a Code of Conduct which follows the Principles as set out by the Australian Institute of Company Directors.
- There is a Charter for the Board that defines its responsibilities.
- There is a regular assessment of the independence of each Director.
- Potential conflicts of interest by Directors will be reported to the Board and if necessary, interested Directors will be excluded from discussion of the relevant matter and will not vote on that matter.
- Directors provide the Company with details of their shareholdings in the Company and any changes.
- Directors comply with the Company's policies for Continuous Disclosure, Share Trading and its Code of Conduct.
- Directors have access, where necessary and at the cost of the Company, to independent, external and professional advice.
- Directors have ready access to the Company's senior executives for direct information on the Company's affairs.
- Directors have the benefit of Directors and Officers Insurance.
- Directors have the benefit of an indemnity from the Company to the extent permitted by the Corporations Act as well as access to the Company's Board papers on terms agreed between the Company and the Board.

- The Board sets the membership and terms of reference for each Board Committee.
- Board Committees make recommendations to the Board, they are not delegated responsibility except as specifically authorised by the Board.

Directors' shareholdings in the company

There is no obligation under the Constitution for Directors to hold shares in the Company, although all presently do. Details of Directors' shareholdings are shown in the Directors' Report on pages 20 to 32

Directors and senior management of the Company are restricted to buying or selling shares in the Company to the one-month period immediately following the announcement of the annual and half-yearly results and/or the announcement of a material event, in accordance with the Company's Securities Trading Policy. Under the Policy, Directors are required to notify the Chairman before any trading takes place.

In accordance with the law, Directors are prohibited from buying or selling shares in the Company at any time when they are in possession of market sensitive information.

Board Committees

The Board has established three committees to assist in managing its responsibilities. These are an Audit & Compliance Committee, a Nomination & Remuneration Committee and an Occupational Health Safety, Environment & Quality Committee.

These committees do not in anyway diminish the overall responsibility of the Board for these functions.

Audit & Compliance Committee

The Committee comprises three non-executive Directors. The external audit partner, internal audit partner (RSM Bird Cameron), Managing Director, Chief Financial Officer and other management personnel attend these meetings by invitation.

The current members are:

- Mrs Jane Harvey - Chairman
- Dr Huw Davies
- Mr Terrence Francis

The responsibilities of the Audit and Compliance Committee are contained within its Charter and include:

- Assessment and monitoring of internal control adequacy.
- Monitoring the activities and effectiveness of the internal audit function.
- Overseeing and monitoring integrity of financial reporting.
- Review draft annual and half-yearly financial statements with management and external auditors and make recommendations to the full Board.
- Review and monitor the Company's compliance with law and ASX Listing Rules.
- Review performance against the Company's Code of Conduct.
- Report regularly to the Board on its activities and findings.
- Assessment and monitoring of enterprise-wide risk to the Company including ensuring systems and procedures for compliance with risk management policies are in place and operating effectively.
- Other responsibilities as required by the Board or considered appropriate.

In accordance with a recommendation by the Audit and Compliance Committee, the Board will be seeking approval at the Annual General Meeting to appoint KPMG as the Company's new external auditor.

Corporate Governance

Nomination and Remuneration Committee

The committee comprises three non-executive Directors. The current members are:

- Mr John Robinson - Chairman
- Dr Huw Davies
- Mrs Jane Harvey

The responsibilities of the Nominator and Remuneration Committee include:

- Assessment of the necessary competencies of Board members.
- Establishment and review of Board succession plans.
- Evaluation of the Board's performance.
- Consideration and recommendation to the full Board of the appointment and removal of Directors.
- Review and recommend the remuneration of non-executive Directors, the Chief Executive Officer and direct reports.
- Review and recommend remuneration policies applicable to Directors, senior executives and Company employees generally.
- The committee has particular responsibility for the annual review and consideration of the Chief Executive Officer's remuneration structure.
- Review and recommend general remuneration principles, including incentive schemes, bonuses, and share plans that reward individual team performance.

In discharging its responsibilities, the committee draws on advice from external consultants.

Occupational Health, Safety, Environment and Quality Committee

The committee comprises three non-executive Directors. The Managing Director, Chief Operational Officer and the National Manager Quality, Safety & Risk attend these meetings by invitation.

The current members are:

- Mr John Robinson - Chairman
- Mr Jack Hebiton
- Mr Terrence Francis

Under its Charter, the OHSE&Q Committee's responsibilities include:

- Ensuring comprehensive safety strategies are put in place to eliminate injuries.
- Reviewing the Company's OHSE&Q performance and ensuring that appropriate action is taken to remedy any shortcomings.
- Ensuring that systems and procedures for compliance with policy and legislation are in place and routinely monitor them.
- Reviewing high-level risks and plans to mitigate these risks.
- Reviewing incident trends across the Company and associated action plans and ensure appropriate action if not satisfied.
- Undertaking detailed reviews of supporting documentation and draft OHSE&Q proposals prior to seeking Board approval.
- Benchmarking the Company's performance against industry counterparts and leading organisations.

Environmental Regulation

The operations of the Company are subject to various environmental regulations under both Commonwealth and State legislation.

In making this report, the Directors note that the Company's operations involve the discharge and storage of potentially hazardous materials such as fuels, oils and paints. Some of these activities require a licence, consent or approval from Commonwealth or State regulatory bodies. This regulation of the Company's activities is typically of a general nature, applying to all persons carrying out such activities, and does not in the Directors' view comprise particular and significant environmental regulation.

Based upon enquiries within the Company, the Directors are not aware of any breaches of particular and significant environmental regulation affecting the Company's operations.

The Directors believe the environmental performance of the Company is sound and that the Company has appropriate systems in place for the management of its ongoing corporate environmental responsibilities.

Code of Conduct and Company Policies

Under the Code of Conduct:

- The Company will act with fairness, integrity and good faith in its dealings with its employees, customers, subcontractors, shareholders and other stakeholders.
- The Company will strive for/or drive towards best practice in its internal business controls, financial administration and accounting policies.
- The Company has in place policies to ensure it meets continuous disclosure requirements of the ASX.
- Directors and employees are bound by strict rules in the trading of company shares.
- The Company is committed to continuous improvement of workplace safety with the ultimate objective of no injuries to anyone, anytime.
- The Company will continually develop its client relationships to provide outstanding service.
- The Company has, and will keep in place, employment practices and policies that accord with best practice including those in respect of occupational, health and safety, anti-discrimination and conflict of interest.
- The Company recognises its place in the community and has in place policies and practices to protect the environment and to support selected community activities and projects in the areas in which it operates.
- The Company will be transparent in its reporting, including in respect of Board and executive remuneration.
- The Company recognises its obligations to individuals' rights to privacy in respect of confidential information.
- The Company is committed to compliance with the law in all its operations.
- The Company will enforce and monitor compliance with the Code of Conduct through employment contracts, internal communication and education as well as by periodic internal audit.


OVERSIZE

BOOM LOGISTICS LIMITED

ABN 28 095 466 961

Annual Financial Report for the year ended 30 June 2008

TABLE OF CONTENTS

DIRECTORS' REPORT

Your Directors of Boom Logistics Limited ("the company") submit their report for the year ended 30 June 2008.

Directors

Rodney John Robinson BSc, MGSc, F Aus IMM (Non executive Chairman) (appointed 15 November 2002)

Mr. Robinson was formerly Managing Director and CEO of Ashton Mining Limited. He is currently Chairman of Global Mining Investments Limited. He is also Chairman of Prince Henry's Institute for Medical Research and Monash Health Research Precinct Limited and a Non-Executive Director of PSI Limited. During the past three years, Mr. Robinson has not held any ASX listed public company directorships other than Global Mining Investments Limited (appointed 9 December 2005) and Perseverance Corporation Limited (from 12 February 2001 to 26 August 2007).

Brenden Clive Mitchell B.Sc (Chem) B.Bus (Multidiscipline) (Managing Director) (appointed 1 May 2008)

Mr Mitchell worked for over ten years leading multifaceted and multi-location businesses for Brambles in Australia and the UK . He has previous experience in the FMCG sector and upon moving to Brambles, Mr. Mitchell held senior positions in the equipment hire and the high compliance waste industry. Mr Mitchell's last position for Brambles was leading the capital and people intensive Municipal business in the UK with revenue of $550 million and 6000 employees.

Terrance Alexander Hebiton (Non executive Director) (appointed 22 December 2000)

Mr. Hebiton commenced his commercial career in the rural sector. In 1989, he acquired various business interests associated with land and property rental developments. In the late 1990s, Mr. Hebiton was Managing Director of Hazdon Holdings Pty Ltd. He is currently a director of a number of private companies and was a principal of Alpha Crane Hire, one of the founding entities of Boom Logistics. Mr Hebiton was the CEO of Boom at its formation and ceased being an executive director in 2004.

Dr. Huw Geraint Davies BSc (Hons), PhD (Geology) (Non executive Director) (appointed 15 November 2002)

Dr. Davies was a Group Chief Executive and Director of BTR Nylex until his retirement in 1994 and was responsible for the polymer, textile, resources and commercial activities of the organisation. Since that time he has been extensively involved in the electricity and gas industries and has undertaken distribution / trading project assignments in Asia. He has extensive experience as both an executive and non executive director of public, private and government businesses. He served for six years on the GBCMA Board from its inception and recently took over the Chair and Chaired the Lake Mokoan Reference Committee, and later served on the Lake Mokoan Future Land Use Committee. He is currently the Administrator of the SECV and Chair of its Executive Committee.

DIRECTORS' REPORT (continued)

Terrence Charles Francis B.E (Civil), MBA, FIE Aust, FAICD, F Fin, MAIME (Non executive Director) (appointed 13 January 2005)

Mr. Francis is currently Chairman of the Southern and Eastern Integrated Transport Authority, a Non-Executive Director of Nylex Limited, the Emergency Services Telecommunications Authority, and ANZ bank's private equity business. He is also a member of the Council of RMIT University. Mr. Francis has extensive experience in resources and infrastructure development, and in finance as Vice President of Continental Illinois Bank, Executive Director of Deutsche Bank Australia, and Chief Executive Officer of Bank of America in Australia. During the past three years, Mr. Francis has not held any ASX listed public company directorships other than Nylex Limited (appointed 30 October 2003).

Jane Margaret Harvey B.Com, MBA, FCA, FAICD (Non executive Director) (appointed 12 July 2005)

Ms. Harvey is a former Partner of PricewaterhouseCoopers. She is currently a non-executive director of a number of organisations including Medibank Private Limited, Colonial Foundation Limited, IOOF Holdings Limited, the Royal Flying Doctor Service (Vic), Bayside Health Services and the Telecommunications Industry Ombudsman. During the past three years, Ms. Harvey has not held any ASX listed public company directorships other than IOOF Holdings Limited (appointed 18 October 2005). Ms. Harvey has extensive finance, strategic development and corporate governance experience.

Mark Alan Lawrence B.Bus(Acc), C.A. (former Managing Director) (appointed director 1 July 2006)

Mr. Lawrence was previously employed by Bovis Lend Lease for a period of six years. He held a number of finance roles including Global Finance Manager. Mr. Lawrence, originally from Deloitte Touche Tohmatsu, has been a Chartered Accountant for over 16 years.

He was Managing Director from the beginning of the financial year until his resignation on 1 February 2008.

Company Secretary

Iona MacPherson B.A., C.A. (appointed 30 June 2007)

Ms. MacPherson was appointed to the position of Chief Financial Officer and Company Secretary in June 2007. She previously held the role of Chief Financial Officer and Company Secretary of Australian Air Express Pty Ltd for 4 years and prior to that worked with KPMG for 13 years and has been a Chartered Accountant for over 14 years.

DIRECTORS' REPORT (continued)

Directors' interests in the shares and options of the company

As at the date of this report, the interests of the directors in the shares of Boom Logistics Limited were:

Name	Ordinary Shares
R.J. Robinson	300,000
T.A. Hebiton	245,753
H.G. Davies	135,316
T.C. Francis	66,772
J.M. Harvey	61,000
B.C. Mitchell	300,000

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

Name of director	Board of directors		Audit & compliance committee		Nomination and remuneration committee		Occupational, health, safety, environment & quality committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
R.J. Robinson	12	12	-	-	1	1	4	4
T.A. Hebiton	12	12	-	-	-	-	4	4
H.G. Davies	12	12	5	4	1	1	-	-
T.C. Francis	12	12	5	5	-	-	4	4
J.M. Harvey	12	11	5	5	1	1	-	-
B.C. Mitchell [a]	1	1	1	1	-	-	1	1
M.A. Lawrence [b]	6	6	-	-	-	-	-	-

[a] *Attendance from the date of appointment*

[b] *Attendance prior to resignation*

DIRECTORS' REPORT (continued)

Corporate Structure

Boom Logistics Limited is a company limited by shares that is incorporated and domiciled in Australia. Boom Logistics Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are listed in note 33 of the financial statements.

Indemnification and Insurance of Directors and Officers

The company has entered into Deeds of Access, Indemnity and Insurance with each of the directors and the company secretary, under which the company indemnifies, to the extent not precluded by law from doing so, those persons against any liability they incur in or arising out of discharging their duties.

During the financial year, the company has paid an insurance premium for the benefit of the directors and officers of the company in accordance with common commercial practice. The insurance policy prohibits disclosure of the liability insured and the amount of the premium.

Nature of Operations and Principal Activities

During the year, the principal activity of the consolidated entity was the provision of lifting solutions and sale of mobile cranes, associated spare parts, and after sales service.

Operating and Financial Review

The consolidated entity achieved a profit after tax result of $18,643,000 for the financial year.

As per the previous market guidance, the underlying full year operating result of $22.1 million was achieved, prior to accounting adjustments. The final result included the following:

- A $2.3 million impairment of goodwill in GM Baden due to a refocusing of this business; and
- A net unfavourable impact of $1.2 million from adjustments related to the correction of prior year errors.

Full details of the correction of prior year errors are disclosed in note 36.

The operating result was impacted by the following factors:

- Contracted cross hire expense for casual hire revenue in Western Australia;
- A poorly executed integration of the Moorland Hire acquisition following management turnover;
- Underperforming capital investment in Boom Sherrin;
- Inadequate crane hire systems and processes;
- Skill shortages in remote areas;
- Adverse weather conditions in the Bowen Basin in Queensland and in the Hunter Valley in NSW; and
- Rapid growth without integration reflected in overhead increases and gross margin erosion.

DIRECTORS' REPORT (continued)

Significant Changes in the State of Affairs

In addition to those identified at the half year, there have been a number of accounting errors detected in prior years that have been corrected in these financial statements. As a consequence, the 2007 results have been restated. Disclosure of the individual items giving rise to this restatement are set out in note 36 of the financial statements.

There has been a $2.3 million impairment of goodwill relating to the GM Baden business. The impairment is a consequence of a change in the positioning of the GM Baden business post acquisition. The original intent was to grow GM Baden into a national after sales service business to support the crane sales made through James Equipment. With the demand of 10 year rebuilds and other crane maintenance requirements, this business is now more internally focused and therefore, the current and forecast results do not support the carrying value of the full amount of goodwill paid upon acquisition.

Significant Events After the Balance Date

Dividend

On 13 August 2008, the directors of Boom Logistics Limited declared a fully franked dividend of 1.0 cent per share totalling $1,708,277. The dividend has not been provided for in the 30 June 2008 financial statements.

Classification of borrowings

The Group was in breach of its interest cover banking covenant as at 30 June 2008 with the National Australia Bank ("NAB") and the Australia & New Zealand Bank ("ANZ"). The company's interest cover requirement calculated on Earnings Before Interest and Tax being 3.0 times interest was 2.41 times at the year end. This resulted in the reclassification of $72.4 million of non-current borrowings with the NAB and ANZ into current borrowings.

Subsequent to 30 June 2008, the Group has obtained waivers from both NAB and ANZ rescinding their right to the immediate repayment of these borrowings.

Debt restructure

As announced on 13 August 2008, the Group has successfully obtained financing approval for a $165 million 3 year revolving debt facility, and a 3 year $32 million working capital and general transactional banking facility. The Group will retain many of its existing equipment finance lease and hire purchase facilities and therefore, continue to realise the benefits of the low fixed interest rates associated with these facilities. $56 million of these leases are incorporated in the 3 year revolving debt facility with an additional $98 million of leases retained with non-participating financiers. The Group expects to finalise facility documents in the coming weeks.

DIRECTORS' REPORT (continued)

Likely Developments and Expected Results

The directors expect that the company will improve the profitability of the business during the next financial year.

Directors are cognisant of the requirement to continuously disclose material matters to the market. At this time, other than matters addressed elsewhere in this financial report there are no matters sufficiently advanced or at a level of certainty that would require disclosure.

Environmental Regulation and Performance

The Board confirms that the company has adequate systems and processes in place to manage and comply with environmental regulations as they apply to the company.

Corporate Governance

With the adjustments to correct prior period errors, the Board has reinforced their requirement for uncompromised corporate behaviour and accountability. The directors of Boom Logistics Limited have followed recommendations set by the ASX Corporate Governance Council. For further information on corporate governance policies adopted by Boom Logistics Limited, refer to our website: www.boomlogistics.com.au/corporate_governance

Remuneration Report

This report outlines the remuneration arrangements in place for directors and executives of Boom Logistics Limited.

Nomination and remuneration committee

This Committee has responsibility for advising the Board on remuneration policy and related matters, including:

- Evaluating performance of the CEO against annual targets set by the Board;
- Reviewing remuneration packages for the CEO and senior management;
- Succession planning among the senior management group;
- Seeking out and recommending new appointees to the Board; and
- Reviewing directors' fees and Board performance.

The Committee comprises only Independent non-executive directors and is chaired by the Chairman of the Board. The Committee draws upon advice and market survey data from external consultants in discharging its responsibilities.

Executive remuneration policy

Executive remuneration is based upon the following principles:

- External competitiveness, using appropriate independent market survey data comparing Boom remuneration levels against industry peers in terms of comparable job size and responsibilities;
- Internal equity, ensuring that executive remuneration across the Group is based upon a clear view of the scope of individual positions and the respective responsibilities, with motivation for continual improvement;
- A meaningful component of executive remuneration is "at risk" with entitlement dependent upon achievement of Group and individual performance targets set by the Board and linked to increasing shareholder value; and
- Reward for performance represents a balance of annual and longer term targets.

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Executive remuneration components

There are two primary elements to the Group's remuneration structure:

Fixed annual reward (FAR)

This element comprises base salary, any fringe benefits (e.g. motor vehicle allowance) and employer contributed superannuation. The individual FAR levels to be applied are established on an annual basis using external survey data provided by independent external consultants.

The survey data is drawn from the Industrial sector of ASX listed enterprises and is provided on a comparable basis, taking account of the various factors that determine individual job scope and responsibility. The Group targets the market median for each position, projected ahead to the mid point of each year. The final determination of FAR for each executive, as a percentage of the market median, takes account of individual performance and experience in the position.

Executives have scope to vary the components that make up their FAR and can tailor their salary package to suit individual requirements.

Variable remuneration

This element of reward comprises a short term and long term component, with both determined by factors related to shareholder returns. The proportion of these "at risk" payments in the total remuneration structure is guided by market survey data provided by independent consultants. In this regard Boom Logistics targets typical reward structures as related to individual job scope and responsibility.

(a) Short term incentive plan

The short term reward is determined by the Group's Short Term Incentive Plan (STIP). The objectives of this plan are:

- To focus senior executives on key annual business goals and reinforce the link between performance and reward;
- Allow scope to recognise exceptional performance through a sliding scale of reward;
- Encourage teamwork as well as individual performance in meeting annual goals; and
- Align reward with company values.

The STIP is applied following the annual audit of the Group's results and a review of individual performance against Board agreed targets set at the beginning of each financial year. Any payments made under the Plan occur in September and the incentive cost is deducted from the financial results before determining the performance reward. No payment is made should results fall short of individual targets. Individual performance measures are reset each year and are determined by the business drivers appropriate to each position.

(b) Long term incentive plan

The LTIP was established to provide reward for consistent performance over a rolling three year period with Total Shareholder Return (TSR) as the target. TSR is determined on the basis of combined dividend and share price growth. As with the STIP the level of reward available under the LTIP is determined on the basis of market survey data provided by independent consultants. Boom Logistics has adopted the policy of aligning the level of LTIP reward to average market practice and the quantum is determined by individual job scope and responsibility among the senior executive group.

The annual value of the reward is converted into Boom Logistics shares at a price determined as the volume weighted average over the five business days preceding the grant date. The grant date is set two weeks after the release to the ASX of the Group's annual results to ensure time for the market to adjust to the released information. The benefit does not vest until three years from grant date and vesting requires an average minimum annual TSR of 12% per annum over the three year period, as well as continuation of full time employment with the Company over this time.

The operation of the LTIP is conducted through an Executive Share Trust administered by an independent third party and shareholder approval for continuation of the LTIP is sought at the commencement of each three year period in General Meeting.

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Remuneration review

The review of senior executive and general staff remuneration is conducted annually through a formal process.

Senior executive remuneration is reviewed by the Remuneration & Nominations Committee of the Board with input from the CEO in respect of executives directly reporting to him. Market survey data provided by external consultants is combined with individual performance appraisals to determine recommendations to go to the Board for approval. This process occurs in May/June of each year and remuneration adjustments take effect from the beginning of each financial year. The Committee has direct responsibility for reviewing CEO performance against targets set by the Board and recommending to the Board appropriate adjustments to his remuneration package.

Staff reviews are similarly conducted by the relevant General Managers, with overview from the CEO.

Executive director remuneration

The Managing Director Brenden Mitchell was appointed on 1 May 2008.

Mr Mitchell has an employment contract that has no fixed term. Both the company and Mr Mitchell are entitled to terminate the employment contract on six month's written notice, except in the case of serious misconduct or neglect of duty.

Mr Mitchell's remuneration package comprises the following components:

- Fixed annual reward ("FAR") of $635,000 per annum, inclusive of superannuation contributions in line with the Superannuation Guarantee legislation. Mr Mitchell's FAR will be reviewed annually on 1 July each year taking into account company performance, industry and economic conditions, and personal performance;
- Short term incentive plan ("STI Plan") equivalent to 40% of his FAR upon achievement of performance conditions set by the Board on an annual basis. The payment of any bonus under the STI Plan will take place after the finalisation of the annual accounts each year; and
- Long term incentive plan ("LTI Plan") equivalent to 45% of his FAR allocated in shares of the company with a three year vesting condition, but subject to shareholder approval at the company's Annual General Meeting.

If his employment is terminated on the grounds of redundancy or where a diminution in responsibility occurs, he will be entitled to receive:

- 12 months pay calculated in accordance with his fixed annual reward at the date of redundancy or diminution;
- Long term incentive grants that have vested or qualify within annual vesting conditions, but have not satisfied the usual three year vesting hurdle; and
- Vested employee entitlements.

The STI Plan does not provide for a pro-rata payment of bonus on termination.

In the event that Mr Mitchell is summarily dismissed, he will be paid for the period served prior to dismissal and any accrued leave entitlements. Mr Mitchell would not be entitled to the payment of any bonus under the STI or LTI Plans.

He is subject to restrictive covenants upon cessation of his employment with the company for a maximum period of one year.

The remuneration details of executive directors and senior executives are detailed on the following pages.

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Board fees

Non-executive director fees are determined by reference to external survey data, taking account of the Group's relative size and business complexity. No additional payments are made for serving on Board Committees; no equity incentives are offered and no retirement benefits are payable to any non-executive. The maximum aggregate sum for non-executive director remuneration of $400,000 was approved by shareholders at the 2004 Annual General Meeting.

Other executives (standard contracts)

All executives have rolling contracts. The company may terminate the executive's employment agreement by providing 1-3 months written notice or providing payment in lieu of the notice period (based upon the fixed component of the executive's remuneration). On termination on notice by the company, any LTIP that have vested or that will vest during the notice period will be released. LTIP shares that have not yet vested will be forfeited. The company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the executive is only entitled to that proportion of remuneration that is fixed, and only up to the date of termination. On termination with cause any unvested LTIP shares will be forfeited.

Employee superannuation

The company currently contributes the 9% superannuation guaranteed amount as required by existing superannuation legislation to all employees with the exception of the senior executive group and general managers who receive between 9% and 15% in accordance with their employment contracts.

Compensation of non-executive directors and key management personnel

Details of non-executive directors and key management personnel remuneration for the year ended 30 June 2008 are as follows:

	Short Term				Post Employment	Long Term			
	Salary & Fees	Cash Bonus	Non Monetary benefits	Other	Super-annuation	Share based payment	Long service leave	Total	Total performance related
Non-Executive Directors									
John Robinson									
2008	**120,000**	**-**	**-**	**-**	**10,800**	**-**	**-**	**130,800**	**-**
2007	120,000	-	-	-	10,800	-	-	130,800	-
Terrance Hebiton									
2008	**60,000**	**-**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
2007	60,000	-	-	-	5,400	-	-	65,400	-
Dr. Huw Davies									
2008	**60,000**	**-**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
2007	60,000	-	-	-	5,400	-	-	65,400	-
Terrence Francis									
2008	**60,000**	**-**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
2007	60,000	-	-	-	5,400	-	-	65,400	-
Jane Harvey									
2008	**60,000**	**-**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
2007	60,000	-	-	-	5,400	-	-	65,400	-
Total Remuneration: Non-Executive Directors									
2008	**360,000**	**-**	**-**	**-**	**32,400**	**-**	**-**	**392,400**	**-**
2007	360,000	-	-	-	32,400	-	-	392,400	**-**

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Compensation of non-executive directors and key management personnel (continued)

	Short Term				Post Employment		Long Term			
	Base Salary	Cash Bonus [a]	Non Monetary benefits	Other [b]	Super-annuation	Termination Benefits	Share based payment [c]	Long service leave	Total	Total performance related
Executives										
Brenden Mitchell (Managing Director) [d]										
2008	**74,062**	**-**	**-**	**-**	**41,000**	**-**	**-**	**79**	**115,141**	**-**
2007	-	-	-	-	-	-	-	-	-	-
Iona MacPherson (Chief Financial Officer and Company Secretary) [e]										
2008	**254,897**	**-**	**-**	**-**	**36,559**	**-**	**12,124**	**812**	**304,392**	**4.0%**
2007	-	-	-	-	-	-	-	-	-	-
Peter O'Shannessy (Chief Operating Officer) [f]										
2008	**97,958**	**-**	**87**	**-**	**10,800**	**-**	**-**	**71**	**108,916**	**-**
2007	-	-	-	-	-	-	-	-	-	-
James Carr (Executive General Manager - Sales & Marketing)										
2008	**169,721**	**-**	**6,839**	**-**	**19,200**	**-**	**8,112**	**984**	**204,856**	**4.0%**
2007	138,813	-	204	-	15,500	-	31,000	-	185,517	16.7%
Rosanna Hammond (Executive General Manager - Human Resource) [g]										
2008	**56,981**	**-**	**-**	**-**	**4,649**	**-**	**-**	**42**	**61,672**	**-**
2007	-	-	-	-	-	-	-	-	-	-
Teresa Withington (General Manager - Sherrin Hire Pty Ltd) [h]										
2008	**118,965**	**-**	**4,800**	**11,058**	**13,129**	**-**	**-**	**79**	**148,031**	**-**
2007	-	-	-	-	-	-	-	-	-	-
Mark Lawrence (former Managing Director) [i]										
2008	**292,182**	**13,750**	**1,524**	**-**	**62,833**	**80,519**	**-**	**-**	**450,808**	**3.1%**
2007	290,799	144,866	1,357	-	41,250	-	82,501	-	560,773	40.5%
Brian Praetz (former Chief Operating Officer) [j]										
2008	**114,889**	**12,500**	**232**	**5,000**	**18,747**	**-**	**-**	**-**	**151,368**	**8.3%**
2007	219,141	26,871	-	12,000	26,823	-	39,413	-	324,248	20.4%
Adam Watson (Executive General Manager - Strategic Development) [k]										
2008	**211,982**	**-**	**87**	**-**	**14,477**	**87,292**	**-**	**-**	**313,838**	**-**
2007	-	-	-	-	-	-	-	-	-	-

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

	Short Term				Post Employment		Long Term			
	Base Salary	Cash Bonus [a]	Non Monetary benefits	Other [b]	Super-annuation	Termination Benefits	Share based payment [c]	Long service leave	Total	Total performance related
Steven Goulding (former General Manager - Sherrin Hire Pty Ltd) [l]										
2008	**125,897**	**37,720**	**15,933**	**-**	**6,790**	**13,750**	**-**	**-**	**200,090**	**18.9%**
2007	205,028	31,502	30,215	-	23,585	-	39,598	-	329,928	21.6%
Mark Apthorpe (General Manager - New South Wales Division) [m]										
2007	177,432	33,470	-	-	20,878	-	34,196	-	265,976	25.4%
Frank Legena (former National Manager - Quality, Safety and Risk) [m,n]										
2007	151,819	34,978	8,775	20,625	18,014	-	30,021	-	264,232	24.6%
Brenton Salleh (former General Manager - Victorian Division) [m,o]										
2007	176,908	28,624	-	-	17,517	-	33,416	-	256,465	24.2%
Peter Shelton (General Manager - James Group) [m,p]										
2007	143,104	-	-	16,500	12,900	-	-	-	172,504	-
Alex Pagonis (former General Manager - Queensland Division) [q]										
2007	118,317	29,700	-	-	10,886	-	-	-	158,903	18.7%
Craig Donaldson (General Manager - Western Australia Division) [m,r]										
2007	95,224	-	-	-	10,500	-	-	-	105,724	-
Ken Brown (former General Manager - Queensland Division) [m,s]										
2007	30,620	-	-	-	3,400	-	-	-	34,020	-
Roderick Harmon (former Managing Director) [t]										
2007	468,974	300,300	1,357	30,000	75,001	-	-	-	875,632	34.3%

Total Remuneration: Executives										
2008	**1,517,534**	**63,970**	**29,502**	**16,058**	**228,184**	**181,561**	**20,236**	**2,067**	**2,059,112**	
2007	2,216,179	630,311	41,908	79,125	276,254	-	290,145	-	3,533,922	

Total Remuneration: Non-Executive Directors and Executives										
2008	**1,877,534**	**63,970**	**29,502**	**16,058**	**260,584**	**181,561**	**20,236**	**2,067**	**2,451,512**	
2007	2,576,179	630,311	41,908	79,125	308,654	-	290,145	-	3,926,322	

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Compensation of non-executive directors and key management personnel (continued)

[a] *Cash bonus is determined in accordance with the Short Term Incentive Plan outlined on page 26. The cash bonus is in relation to the STIP in the previous financial year. Approval for any bonus occurs after the end of the financial year. As a result of Group targets not being met, no short term cash bonuses were awarded during the 2008 financial year. The bonus paid in the current year is in relation to the 2007 financial year.*

[b] *Other represents motor vehicle allowance.*

[c] *Share based payment represents ordinary shares in Boom Logistics Limited issued for nil consideration. For the purpose of this disclosure, the ordinary shares have been valued at market value at the grant date being $2.67 per share (2007: $4.13 per share). The share based payment vests over a rolling 3 year period from grant date. In 2008, only the expense relating to this period has been recognised in accordance with accounting policy note 3(r).*

[d] *Brenden Mitchell was appointed Managing Director on 1 May 2008.*

[e] *Iona MacPherson was appointed Chief Financial Officer and Company Secretary on 30 June 2007. She is also a director of all of Boom Logistics Ltd's subsidiaries.*

[f] *Peter O'Shannessy was appointed Chief Operating Officer on 3 March 2008 and is also a director of all of Boom Logistics Ltd's subsidiaries.*

[g] *Rosanna Hammond was appointed Executive General Manager of Human Resource on 11 March 2008.*

[h] *Teresa Withington commenced employment with the Group on 14 January 2008.*

[i] *Mark Lawrence resigned as Managing Director on 1 February 2008. Consequently, all share based payments issued to date, including 100,037 ordinary shares granted in August 2007 at a market value at that date of $2.67 per share were forfeited as the 3 year vesting condition was not met.*

[j] *Brian Praetz resigned as Chief Operating Officer on 30 November 2007. Consequently, all share based payments issued to date, including 25,243 ordinary shares granted in August 2007 at a market value at that date of $2.67 per share were forfeited as the 3 year vesting condition was not met.*

[k] *Adam Watson commenced employment with Boom Logistics Limited on 23 July 2007 and resigned as Executive General Manager - Strategic Development on 30 April 2008. Consequently, all share based payments issued to date, including 17,886 ordinary shares granted in August 2007 at a market value at that date of $2.67 per share were forfeited as the 3 year vesting condition was not met.*

[l] *Steven Goulding resigned as General Manager - Sherrin Hire Pty Ltd on 30 October 2007. Consequently, all share based payments issued to date, including 9,588 ordinary shares granted in August 2006 at a market value at that date of $4.13 per share were forfeited as the 3 year vesting condition was not met.*

[m] *The executive did not meet the definition of a key management person under AASB 124 for the 2008 financial year.*

[n] *Frank Legena retired from his position as National Manager - Quality, Safety and Risk in February 2008.*

[o] *Brenton Salleh retired from his position as General Manager - Victorian Division in August 2007.*

[p] *Peter Shelton commenced employment with the Group on 1 August 2006 upon the asset acquisition of the James Group.*

[q] *Alex Pagonis resigned as General Manager - Queensland Division on 9 March 2007.*

[r] *Craig Donaldson commenced employment with Boom Logistics Limited on 1 January 2007 and resigned as General Manager - Western Australia Division on 23 May 2008.*

[s] *Ken Brown commenced employment with Boom Logistics Limited on 7 May 2007 and resigned as General Manager - Queensland Division on 12 October 2007.*

[t] *Roderick Harmon resigned as Managing Director on 29 June 2007.*

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Compensation of non-executive directors and key management personnel (continued)

Shares granted as part of remuneration for the year ended 30 June 2008 (in accordance with the LTI plan)

Name		Grant date	Grant number	Vesting date	Value per share at grant date *	TSR benchmark	% of total remuneration
Mark Lawrence [i]	**2008**	**29 Aug 07**	**100,037**	**29 Aug 10**	**$2.670**	**> 12% avg over 3 yrs**	**59.2%**
	2007	23 Aug 06	19,976	23 Aug 09	$4.130	> 12% avg over 3 yrs	14.7%
Brian Praetz [j]	**2008**	**29 Aug 07**	**25,243**	**29 Aug 10**	**$2.670**	**> 12% avg over 3 yrs**	**44.5%**
	2007	23 Aug 06	9,543	23 Aug 09	$4.130	> 12% avg over 3 yrs	12.2%
James Carr	**2008**	**29 Aug 07**	**11,967**	**29 Aug 10**	**$2.670**	**> 12% avg over 3 yrs**	**15.6%**
	2007	23 Aug 06	7,506	23 Aug 09	$4.130	> 12% avg over 3 yrs	16.7%
Iona MacPherson	**2008**	**29 Aug 07**	**17,886**	**29 Aug 10**	**$2.670**	**> 12% avg over 3 yrs**	**15.7%**
Adam Watson [k]	**2008**	**29 Aug 07**	**17,886**	**29 Aug 10**	**$2.670**	**> 12% avg over 3 yrs**	**15.2%**
Steven Goulding [l]	2007	23 Aug 06	9,588	23 Aug 09	$4.130	> 12% avg over 3 yrs	12.0%
Mark Apthorpe [m]	2007	23 Aug 06	8,280	23 Aug 09	$4.130	> 12% avg over 3 yrs	12.9%
Frank Legena [m,n]	2007	23 Aug 06	7,269	23 Aug 09	$4.130	> 12% avg over 3 yrs	11.4%
Brenton Salleh [m,o]	2007	23 Aug 06	8,091	23 Aug 09	$4.130	> 12% avg over 3 yrs	13.0%

** Value per share based on 5 day volume weighted average price prior to grant date.*

Auditor's Independence Declaration to the Directors

Refer to page 33 of the Financial Report.

Non-audit services

The following non-audit services were provided by PKF, the entity's auditor. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

PKF Melbourne received or are due to receive the following amounts for the provision of non-audit services:

- Tax compliance services $26,960

Rounding

The amounts contained in this report and in the financial report are presented in Australian dollars and have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

John Robinson
Chairman

Brenden Mitchell
Managing Director

Melbourne, 13 August 2008

DIRECTORS' REPORT (continued)

PKF

Chartered Accountants
& Business Advisers

INDEPENDENCE DECLARATION

TO : THE DIRECTORS
BOOM LOGISTICS LIMITED

As lead engagement partner for the audit of Boom Logistics Limited and its controlled entities for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF
Chartered Accountants

Michael Port

M L Port
Partner

13 August 2008
Melbourne

Tel: 61 3 9603 1700 | Fax: 61 3 9602 3870 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia
GPO Box 5099 | Melbourne | Victoria 3001

INCOME STATEMENT

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
			Restated		Restated
Revenue from continuing operations	5(a)	**410,267**	350,007	**222,900**	189,194
Salaries and employee benefits expense	5(b)	**(144,686)**	(121,533)	**(100,299)**	(81,544)
Equipment service and supplies expense		**(83,822)**	(66,170)	**(61,491)**	(49,144)
Cost of sales associated with cranes	5(b)	**(53,475)**	(36,811)	**-**	-
Depreciation and amortisation expense	5(b)	**(42,541)**	(34,186)	**(18,851)**	(15,259)
Finance costs	5(b)	**(19,671)**	(13,924)	**(9,613)**	(7,434)
Operating leases		**(9,720)**	(8,102)	**(5,152)**	(3,941)
Other expenses		**(28,501)**	(20,337)	**(18,964)**	(12,683)
Profit before income tax		**27,851**	48,944	**8,530**	19,189
Income tax expense	6(a)	**(9,208)**	(14,503)	**(2,562)**	(5,646)
Net profit attributable to members of					
Boom Logistics Limited		**18,643**	34,441	**5,968**	13,543
Basic earnings per share (cents per share)	7	**10.9**	20.2		
Diluted earnings per share (cents per share)	7	**10.9**	20.2		
Franked dividends per share (cents per share)	8	**5.5**	11.0		

The accompanying notes form an integral part of this Income Statement.

BALANCE SHEET

As at 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
			Restated		Restated
CURRENT ASSETS					
Cash and cash equivalents	9(a)	**1,801**	9,826	**590**	4,587
Trade and other receivables	10	**77,071**	66,204	**49,795**	37,946
Inventories	11	**20,566**	21,351	**364**	445
Prepayments and other current assets	12	**5,221**	5,505	**3,538**	3,618
Assets classified as held for sale	13	**6,218**	-	**3,308**	-
TOTAL CURRENT ASSETS		**110,877**	102,886	**57,595**	46,596
NON CURRENT ASSETS					
Receivables	14	**-**	-	**23,087**	32,446
Investments	15	**-**	-	**80,515**	80,515
Plant and equipment	16	**378,638**	356,892	**219,294**	169,160
Deferred tax assets	6(c)	**4,013**	4,109	**3,235**	2,916
Intangible assets	17(b)	**112,404**	116,807	**42,926**	43,254
TOTAL NON-CURRENT ASSETS		**495,055**	477,808	**369,057**	328,291
TOTAL ASSETS		**605,932**	580,694	**426,652**	374,887
CURRENT LIABILITIES					
Trade and other payables	19	**44,059**	45,569	**16,252**	14,738
Interest bearing loans and borrowings	20	**155,613**	69,512	**87,347**	32,560
Provisions	21	**11,871**	10,043	**8,932**	6,715
Income tax payable		**404**	1,203	**404**	1,672
Other liabilities	22	**7,340**	4,252	**6,042**	2,605
TOTAL CURRENT LIABILITIES		**219,287**	130,579	**118,977**	58,290
NON CURRENT LIABILITIES					
Trade payables	19	**-**	-	**31,132**	-
Interest bearing loans and borrowings	20	**99,276**	168,923	**43,388**	74,585
Provisions	21	**518**	125	**285**	52
Deferred tax liabilities	6(c)	**11,306**	8,447	**2,346**	696
TOTAL NON-CURRENT LIABILITIES		**111,100**	177,495	**77,151**	75,333
TOTAL LIABILITIES		**330,387**	308,074	**196,128**	133,623
NET ASSETS		**275,545**	272,620	**230,524**	241,264
EQUITY					
Contributed equity	23	**234,476**	234,476	**234,476**	234,476
Retained earnings	24	**40,740**	38,827	**(4,254)**	6,507
Reserves	25	**329**	(683)	**302**	281
TOTAL EQUITY		**275,545**	272,620	**230,524**	241,264

The accompanying notes form an integral part of this Balance Sheet.

CASH FLOW STATEMENT

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
Cash flows from operating activities					
Receipts from customers		**445,950**	362,385	**245,306**	202,156
Payments to suppliers and employees		**(352,178)**	(267,325)	**(191,826)**	(150,839)
Interest paid		**(19,671)**	(13,924)	**(9,613)**	(7,434)
Interest received		**473**	679	**1,278**	1,746
Income tax paid		**(7,053)**	(9,705)	**(7,053)**	(9,705)
Net cash provided by operating activities	9(b)	**67,521**	72,110	**38,092**	35,924
Cash flows from investing activities					
Purchase of plant and equipment	(i)	**(28,552)**	(22,009)	**(21,214)**	(10,465)
Acquisition of businesses net of cash acquired	26(b)	**-**	(77,675)	**-**	(59,713)
Proceeds from the sale of plant and equipment		**1,794**	853	**749**	317
Net cash (used in) investing activities		**(26,758)**	(98,831)	**(20,465)**	(69,861)
Cash flows from financing activities					
Proceeds from issue of shares net of transaction costs	23(b)	**-**	(12)	**-**	(12)
Proceeds from borrowings		**-**	55,949	**16,530**	40,149
Repayment of borrowings		**(32,059)**	(30,710)	**(21,425)**	(10,464)
Payment of dividends	8(a)	**(16,729)**	(18,589)	**(16,729)**	(18,589)
Net cash (used in) / provided by financing activities		**(48,788)**	6,638	**(21,624)**	11,084
Net increase/(decrease) in cash and cash equivalents		**(8,025)**	(20,083)	**(3,997)**	(22,853)
Cash and cash equivalents at the beginning of the period		**9,826**	29,909	**4,587**	27,440
Cash and cash equivalents at the end of the period	9(a)	**1,801**	9,826	**590**	4,587

(i) For the year ended 30 June 2008, the Group acquired plant and equipment with an aggregate cost of $77,065,000 of which $48,513,000 was acquired by means of interest bearing loans and borrowings. Cash payments of $28,552,000 were made to purchase plant and equipment.

The accompanying notes form an integral part of this Cash Flow Statement.

STATEMENT OF CHANGES IN EQUITY

Year Ended 30 June 2008

CONSOLIDATED	Issued Capital $'000 Restated	Retained Earnings $'000 Restated	Cash flow Hedge Reserve $'000	Employee Benefits Reserve $'000	Total Equity $'000 Restated
At 1 July 2006	228,488	22,975	-	237	251,700
Profit for the year	-	34,441	-	-	34,441
Issue of share capital	6,000	-	-	-	6,000
Share capital raising costs	(12)	-	-	-	(12)
Cost of share based payments	-	-	-	56	56
Equity dividends	-	(18,589)	-	-	(18,589)
Gain / (loss) taken to equity	-	-	(976)	-	(976)
At 30 June 2007	**234,476**	**38,827**	**(976)**	**293**	**272,620**
Profit for the year	**-**	**18,643**	**-**	**-**	**18,643**
Issue of share capital	**-**	**-**	**-**	**-**	**-**
Share capital raising costs	**-**	**-**	**-**	**-**	**-**
Cost of share based payments	**-**	**-**	**-**	**21**	**21**
Equity dividends	**-**	**(16,729)**	**-**	**-**	**(16,729)**
Gain / (loss) taken to equity	**-**	**-**	**991**	**-**	**991**
At 30 June 2008	**234,476**	**40,740**	**15**	**314**	**275,545**

PARENT	Issued Capital $'000 Restated	Retained Earnings $'000 Restated	Cash flow Hedge Reserve $'000	Employee Benefits Reserve $'000	Total Equity $'000 Restated
At 1 July 2006	228,488	11,553	-	225	240,266
Profit for the year	-	13,543	-	-	13,543
Issue of share capital	6,000	-	-	-	6,000
Share capital raising costs	(12)	-	-	-	(12)
Cost of share based payments	-	-	-	56	56
Equity dividends	-	(18,589)	-	-	(18,589)
At 30 June 2007	**234,476**	**6,507**	**-**	**281**	**241,264**
Profit for the year	**-**	**5,968**	**-**	**-**	**5,968**
Issue of share capital	**-**	**-**	**-**	**-**	**-**
Share capital raising costs	**-**	**-**	**-**	**-**	**-**
Cost of share based payments	**-**	**-**	**-**	**21**	**21**
Equity dividends	**-**	**(16,729)**	**-**	**-**	**(16,729)**
At 30 June 2008	**234,476**	**(4,254)**	**-**	**302**	**230,524**

The accompanying notes form an integral part of this Statement of Changes in Equity.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2008

1. Corporate Information

The financial report of Boom Logistics Limited for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on 13 August 2008.

Boom Logistics Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in note 32.

2. Basis of Preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report includes the separate financial statements of the company and the consolidated financial statements of the Group.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards ('IFRS').

(b) Historical cost convention

The financial report has been prepared in accordance with the historical cost convention except where stated.

(c) Critical accounting estimates

The preparation of financial statements in conformity with A-IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the following notes:

- Note 16 Plant and Equipment
- Note 18 Impairment Testing of Goodwill
- Note 26 Business Combination
- Note 27 Commitments and Contingencies
- Note 35 Financial Instruments

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

3. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of these new accounting standards are set out in the individual accounting policy notes set out below. The Group has also adopted the following Standards as listed below which only impacted on the Group's financial statements with respect to disclosure.

- AASB 101 'Presentation of Financial Statements' (revised October 2006)
- AASB 7 'Financial Instruments: Disclosures'

The Group has not elected to early adopt any accounting standards or amendments.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Boom Logistics Limited and its subsidiaries as at 30 June each year ("the Group").

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

In the parent company financial statements, investments in subsidiaries are carried at cost.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from the hire of lifting equipment and services provided, and the repairs of cranes and other equipment is recognised where control of the right to be compensated for the services and the stage of completion can be reliably measured. Where the outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

Sale of goods

Revenue from the sale of cranes is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Transfer occurs upon receipt of the crane by the customer.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

3. Summary of Significant Accounting Policies (continued)

(b) Revenue recognition (continued)

Interest revenue

Interest revenue is recognised when there is control of the right to receive the interest income.

(c) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(d) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Leases where the lessor retains substantially all risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis over which the benefit of the leased asset is diminished.

Operating lease payments are recognised as an expense in the profit and loss on a straight line basis over the lease term.

(e) Cash and cash equivalents

Cash on hand and in banks are stated at nominal value.

For the purposes of the cash flow statement, cash includes cash on hand and in banks net of outstanding bank overdrafts.

(f) Trade and other receivables

Trade receivables, which generally have 30 - 60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. The allowance is determined based on management's best estimate at the time and reviewed again at reporting date. Bad debts are written off when identified.

Gains and losses are recognised in the profit and loss when the receivables are written off or impaired.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

3. Summary of Significant Accounting Policies (continued)

(g) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. They include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of inventories. Costs incurred in bringing inventories to their present location and conditions are included in the cost of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2008

3. Summary of Significant Accounting Policies (continued)

(h) Income tax (continued)

Tax effect accounting by members of the tax consolidation group

Members of the tax consolidation group, being Boom Logistics Limited and its subsidiaries have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidation group in accordance with their accounting profit for the period, while deferred taxes are allocated to members of the tax consolidation group in accordance with the principles of AASB 112 Income Taxes. Allocations under the tax funding agreement are made at the end of each reporting period.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' intercompany accounts with the tax consolidated group head company, Boom Logistics Limited. The group has applied the group allocation approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

(j) Plant and equipment

Plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When each major overhaul is performed, its cost is recognised in the carrying amount of plant and equipment only if it is eligible for capitalisation under accounting standards or the major overhaul extends the expected useful life of the asset. The cost of the day-to-day servicing or the replacement of parts of plant and equipment is recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

3. Summary of Significant Accounting Policies (continued)

(j) Plant and equipment (continued)

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful life of each part of an item of plant and equipment as follows:

Mobile Cranes > 20T	**20 Years**
Travel Towers	**20 Years**
Tower Cranes	**20 Years**
Tower Sections / Frames	**20 Years**
Stiffleg Derricks	**20 Years**
Mobile Cranes < 20T	**10 Years**
Access Equipment	**10 Years**
Ancillary Equipment	**10 Years**
Office Equipment	**10 Years**
Workshop Equipment	**10 Years**
Leasehold Improvements	**Lesser of lease term or 10 Years**
Vehicles	**5 to 10 Years**
Computer Equipment and Software	**3 to 5 Years**

Depreciation methods, useful lives and residual values are reviewed at each reporting date and/or when required.

Gains or losses on sale of plant and equipment are included in the income statement in the year the asset is disposed.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(k) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

3. Summary of Significant Accounting Policies (continued)

(k) Intangible assets (continued)

Intangible assets with indefinite useful lives are tested for impairment at each reporting date either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed at each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

A summary of the policies applied to the Group's intangible assets is as follows:

	Contractual Rights	*Tadano Licence*
Useful lives	*Finite*	*Finite*
Method used	*Life of contract*	*3 years - Straight line*
Internally generated / Acquired	*Acquired*	*Acquired*
Impairment test / Recoverable amount testing	*Amortisation method reviewed at each financial year end; Reviewed annually for indicator of impairment.*	*Amortisation method reviewed at each financial year end; Reviewed annually for indicator of impairment.*

Correction of errors with regard to the useful lives of intangibles were conducted during the year ended 30 June 2008 (see notes 17 and 36).

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(l) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

3. Summary of Significant Accounting Policies (continued)

(m) Impairment of assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2008

3. Summary of Significant Accounting Policies (continued)

(n) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is probable. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) Employee benefits

Wages, salaries, annual leave, sick leave and rostered days off

Liabilities for wages and salaries, including non monetary benefits, annual leave, accumulating sick leave and rostered days off represent present obligations from employees' services provided to reporting date and are recognised in employee provisions up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution plans are recognised as a personnel expense in profit or loss when then are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in future payments is available.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2008

3. Summary of Significant Accounting Policies (continued)

(r) Share-based payments

The Group provides benefits to senior management of the Group in the form of share based payments, whereby senior management receives incentive based share allocations vesting upon achievement of preset performance targets over a rolling three year period.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Boom Logistics Limited (market conditions) if applicable.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

If an equity settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(s) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Employee Share Trust

The Group has formed a trust to administer the Group's employee share schemes. Shares held by the Boom Logistics Limited Employee Share Trust are disclosed as treasury shares and deducted from contributed equity.

(t) Dividends

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

3. Summary of Significant Accounting Policies (continued)

(u) Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Investments

Investments in controlled entities that are not classified as held for sale or included in a disposal group classified as held for sale are accounted for at cost.

(w) Financial instruments

Non-derivative financial instruments
Non-derivative financial instruments comprise investments in trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Measurement of each of the non-derivative financial instruments is covered in the respective policy notes - trade and other receivables 3(f), cash and cash equivalents 3(e), loans and borrowings 3(o), and trade and other payables 3(n).

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Derivative financial instruments and hedging
The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured to fair value at period end.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purposes of hedge accounting, hedges are classified as:

- Fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; or
- Cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability, or to a forecast transaction.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2008

3. Summary of Significant Accounting Policies (continued)

(w) Financial instruments (continued)

Derivative financial instruments and hedging (continued)
At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objectives and strategies for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair values or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair values or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

A hedge of the foreign currency risk of a highly probable commitment is accounted for as a cash flow hedge. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the income statement.

(x) Rounding

The amounts contained in this financial report have been presented in Australian dollars and rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

(y) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

Revised AASB 3 Business Combinations changes the application of acquisition accounting for business combinations and the accounting for non-controlling (minority) interests.

Key changes include: the immediate expensing of all transaction costs; measurement of contingent consideration at acquisition date with subsequent changes through the income statement; measurement of non-controlling (minority) interests at full fair value or the proportionate share of the fair value of the underlying net assets; guidance on issues such as reacquired rights and vendor indemnities; and the inclusion of combinations by contract alone and those involving mutuals. The revised standard becomes mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the revised standard on the Group's financial report.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

3. Summary of Significant Accounting Policies (continued)

(y) New accounting standards and interpretations not yet adopted (continued)

AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 8 and AASB 2007-3 are effective from annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires, adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group has not yet decided on when to adopt AASB 8. Application of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note of the financial report. However, at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

Revised AASB 101 Presentation of Financial Statements introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income".

The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the revised standard on the Group's disclosures.

Revised AASB 127 Consolidated and Separate Financial Statements changes the accounting for investments in subsidiaries.

Key changes include: the re-measurement to fair value of any previous/retained investment when control is obtained/lost, with any resulting gain or loss being recognised in profit or loss; and the treatment of increases in ownership interest after control is obtained as transactions with equity holders in their capacity as equity holders. The revised standard will become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the revised standard on the Group's financial report.

AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations

AASB 2008-1 changes the measurement of share-based payments that contain non-vesting conditions. AASB 2008-1 becomes mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the amending standard on the Group's financial report.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

4. Financial Risk Management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has empowered senior management for developing and monitoring risk management guidelines and policies. The Chief Financial Officer reports regularly to the Board of Directors on relevant activities.

Risk management guidelines have been further developed during the year to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management guidelines are regularly reviewed to reflect changes in market conditions and the Group's activities.

The Audit and Compliance Committee oversees how management monitors compliance with the Group's risk management guidelines, policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group's policy is to trade with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group. Refer to note 35 for detailed disclosure.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial obligations as they fall due under both normal and stressed conditions without incurring unacceptable losses or damage to the Group's reputation. In order to meet these requirements management estimates the cash flows of the Group on a weekly basis.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts. At 30 June 2008, the Group's balance sheet gearing ratio was 48% (2007: 47% restated). This ratio is calculated as gross debt divided by gross debt plus equity. Gross debt is calculated as total interest bearing loans and borrowings. Equity is as shown on the Balance Sheet. Refer to note 35 for detailed disclosure.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2008

4. Financial Risk Management (continued)

Market risk

Market risk is the risk that changes in market prices including foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. Refer to note 35 for detailed disclosure.

Currency risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group has transactional currency exposures arising from purchases of inventory in currencies other than the functional currency. It is the Group's policy to hedge 100% of its estimated foreign currency purchases. The Group's policy is not to enter into forward currency contracts until a firm commitment is in place and to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness.

Interest rate risk

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The level of fixed and variable rate debt is disclosed in note 35.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group entity monitors capital on the basis of the balance sheet gearing ratio. This ratio is calculated as gross debt divided by gross debt plus equity.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
			Restated		Restated
5. Revenue and Expenses from Continuing Operations					
(a) Revenue					
Revenue from services		**341,131**	300,780	**221,075**	187,365
Revenue from sale of goods		**68,609**	48,341	**-**	-
Interest income from other persons/corporations		**473**	679	**405**	555
Interest income from subsidiaries		**-**	-	**893**	1,170
Net gains on disposal of plant and equipment		**54**	207	**527**	104
		410,267	350,007	**222,900**	189,194
(b) Expenses					
Salaries and employee benefits (net of superannuation)		**137,014**	114,397	**95,306**	77,103
Defined contribution plan expense		**7,672**	7,136	**4,993**	4,441
Total salaries and employee benefits expense		**144,686**	121,533	**100,299**	81,544
Depreciation of plant and equipment		**38,138**	32,193	**17,775**	14,183
Amortisation of intangibles		**2,076**	1,993	**1,076**	1,076
Impairment of intangibles		**2,327**	-	**-**	-
Total depreciation and amortisation expense		**42,541**	34,186	**18,851**	15,259
Finance costs		**19,671**	13,924	**9,613**	7,434
Cost of crane sales and servicing through James Group		**53,475**	36,811	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
			Restated		Restated
6. Income Tax					
The major components of income tax expense are:					
(a) Income statement					
Current income tax					
Current income tax charge		**7,079**	10,384	**1,936**	4,954
Adjustments in respect of current income					
tax of previous years		**(400)**	(176)	**(705)**	(428)
Deferred income tax					
Relating to origination and reversal of					
temporary differences		**2,529**	4,295	**1,331**	1,120
		9,208	14,503	**2,562**	5,646
A reconciliation between tax expense and the accounting profit before income tax (multiplied by the Group's applicable income tax rate) is as follows:					
Accounting profit before tax		**27,851**	48,944	**8,530**	19,189
At the Group's statutory income tax rate of 30%					
(2007: 30%)		**8,355**	14,683	**2,559**	5,757
Expenditure not allowable for income tax purposes		**110**	68	**15**	23
Goodwill impairment not allowable for income tax purposes		**698**	-	**-**	-
Adjustments in respect of current income tax of previous years		**45**	(248)	**(12)**	(134)
Income tax expense reported in the income statement		**9,208**	14,503	**2,562**	5,646
(b) Amounts charged or credited directly to equity					
Net gain/(loss) on revaluation of cash flow hedge		**426**	(419)	**-**	-
Income tax expense reported in equity		**426**	(419)	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		BALANCE SHEET		INCOME STATEMENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
			Restated		Restated
6. Income Tax (continued)					
(c) Deferred income tax					
Deferred income tax at 30 June relates to the following:					
Consolidated					
Deferred tax assets					
- Losses available for offset against future taxableincome		**-**	-	**-**	675
- Employee leave provisions		**3,717**	3,050	**(667)**	(331)
- Allowance for impairment		**248**	149	**(99)**	43
- Liability accruals		**48**	910	**862**	572
Gross deferred income tax assets		**4,013**	4,109		
Deferred tax liabilities					
- Accelerated depreciation for tax purposes		**(10,308)**	(7,245)	**3,063**	3,941
- Intangible assets (finite life)		**(991)**	(1,621)	**(630)**	(605)
- Cash flow hedge (through equity)		**(7)**	419		
Gross deferred income tax liabilities		**(11,306)**	(8,447)		
Deferred tax (income) / expense				**2,529**	4,295

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		BALANCE SHEET		INCOME STATEMENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
			Restated		Restated
6. Income Tax (continued)					
(c) Deferred income tax (continued)					
Parent					
Deferred tax assets					
- Losses available for offset against future taxable income		**-**	-	**-**	675
- Employee leave provisions		**2,765**	2,030	**(735)**	(221)
- Allowance for impairment		**132**	46	**(86)**	17
- Liability accruals		**338**	840	**502**	575
Gross deferred income tax assets		**3,235**	2,916		
Deferred tax liabilities					
- Accelerated depreciation for tax purposes		**(1,680)**	300	**1,980**	404
- Intangible assets (finite life)		**(666)**	(996)	**(330)**	(330)
Gross deferred income tax liabilities		**(2,346)**	(696)		
Deferred tax (income) / expense				**1,331**	1,120

(d) Tax consolidation

Boom Logistics Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidation group with effect from 8 October 2003. Boom Logistics Limited is the head entity of the tax consolidation group.

On adoption of the tax consolidation legislation, the entities in the tax consolidation group entered into a tax funding agreement under which the wholly-owned entities compensate Boom Logistics Limited for any current tax payable assumed and are compensated by Boom Logistics Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Boom Logistics Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

7. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the calculation of basic and diluted earnings per share:

		CONSOLIDATED	
		2008	2007
		$'000	$'000
			Restated
Net profit after tax		**18,643**	34,441
		No. of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share			
		170,774,633	170,455,385
Effect of dilutive securities:			
- share options		**-**	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		**170,774,633**	170,455,385
Number of ordinary shares at financial year end (including treasury shares)		**170,827,735**	170,602,360

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
8. Dividends Paid and Proposed					
(a) Dividends paid during the year					
Current year interim					
Fully franked dividends (4.5 cents per share) (2007: 5.7 cents per share)		**7,687**	9,724	**7,687**	9,724
Previous year final					
Fully franked dividends (5.3 cents per share) (2006: final dividend 5.2 cents per share)		**9,042**	8,865	**9,042**	8,865
		16,729	18,589	**16,729**	18,589
(b) Dividends proposed and not recognised as a liability					
Fully franked dividends (1.0 cent per share) (2007: 5.3 cents per share)		**1,708**	9,042	**1,708**	9,042

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	2008	2007	2008	2007
		$'000	$'000	$'000	$'000
					Restated
8. Dividends Paid and Proposed (continued)					
(c) Franking credit balance					
The amount of franking credits available for the subsequent financial year are:					
- Franking account balance as at the end of the financial year at 30% (2007: 30%)				**11,607**	11,447
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year				**404**	1,203
- Franking debits that will arise from the payment of dividends as at the end of the financial year				**-**	-
				12,011	12,650
The amount of franking credits available for future reporting periods:					
- Impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period				**(732)**	(3,875)
				11,279	8,775
The tax rate at which paid dividends have been franked is 30% (2007: 30%). Dividends proposed will be franked at the rate of 30% (2007: 30%).					

9. Cash and Cash Equivalents					
(a) Reconciliation of cash					
Cash at bank and in hand		**1,801**	9,826	**590**	4,587
Closing cash balance		**1,801**	9,826	**590**	4,587
Cash at bank earns interest at floating rates based on daily bank deposit rates.					
(b) Reconciliation of the net profit after tax to the net cash flows from operations					
Net profit after tax *		**18,643**	34,441	**5,968**	13,543
Non cash items					
Depreciation and amortisation of non current assets *	5(b)	**40,214**	34,186	**18,851**	15,259
Impairment of intangibles	5(b)	**2,327**	-	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
			Restated		Restated
9. Cash and Cash Equivalents (continued)					
(b) Reconciliation of the net profit after tax to the net cash flows from operations					
Net (profit)/loss on disposal of plant and equipment		**(54)**	(207)	**(527)**	(104)
Share based payments	25	**21**	56	**21**	56
Allowance for Impairment		**333**	428	**237**	139
Changes in assets and liabilities					
(Increase)/decrease in trade and other receivables		**(11,200)**	(17,008)	**(7,297)**	(3,792)
(Increase)/decrease in inventories		**784**	(8,782)	**156**	(255)
(Increase)/decrease in deferred tax assets *		**96**	815	**(57)**	1,031
(Increase)/decrease in prepayments and other assets		**285**	(1,034)	**369**	(603)
(Decrease)/increase in trade and other payables		**8,703**	23,030	**14,691**	4,228
(Decrease)/increase in current tax liability *		**(799)**	813	**(537)**	1,167
(Decrease)/increase in deferred tax liabilities *		**2,859**	3,802	**746**	223
(Decrease)/increase in provisions		**2,221**	925	**2,450**	735
(Decrease)/increase in other liabilities		**3,088**	645	**3,021**	4,297
Net cash flow from operating activities		**67,521**	72,110	**38,092**	35,924
** Prior period comparative balances have been restated.*					
(c) Non-cash financing and investing activities					
Settlement of business purchase with shares	26(a)	**-**	6,000	**-**	-
Acquisition of assets by means of finance leases		**48,513**	59,504	**28,070**	27,156
Share based payments	25	**21**	56	**21**	56

10. Trade and Other Receivables (Current)					
Trade receivables	(i)	**74,160**	63,650	**46,972**	35,532
Allowance for impairment		**(828)**	(495)	**(441)**	(155)
		73,332	63,155	**46,531**	35,377
Other receivables		**3,739**	3,049	**3,264**	2,569
Total current trade and other receivables		**77,071**	66,204	**49,795**	37,946

(i) Trade receivables are non interest bearing and are generally on 30 - 60 day terms. An allowance for impairment is made when there is objective evidence that a trade receivable is impaired.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
11. Inventories (Current)					
Stock on hand at cost		**13,724**	9,843	**-**	-
Stock in transit at cost		**6,380**	10,840	**-**	-
Fuel at cost		**258**	240	**165**	172
Other inventory at net realisable value		**204**	428	**199**	273
Total current inventories		**20,566**	21,351	**364**	445

Stock on hand and in transit is represented by cranes and spare parts for sale within the Crane Sales and Service business segment arising from the asset acquisition of the James Group on 1 August 2006 and GM Baden on 6 March 2007. Refer to notes 26 and 32 for further details.

Inventories recognised as expense during the year ended 30 June 2008 amounted to $68,357,000 (2007: $50,218,000) representing $53,475,000 (2007: $36,811,000) cost of sales associated with cranes and $14,882,000 (2007: $13,407,000) fuel and tyres.

12. Prepayments and Other Current Assets					
Prepayments		**4,988**	5,287	**3,305**	3,510
Other		**233**	218	**233**	108
Total prepayments and other current assets		**5,221**	5,505	**3,538**	3,618

13. Assets classified as held for sale					
Plant and equipment	16	**6,218**	-	**3,308**	-
Total assets classified as held for sale		**6,218**	-	**3,308**	-

14. Receivables (Non Current)					
Amounts from wholly owned controlled entities	(i)	**-**	-	**23,087**	32,446
Total non current receivables		**-**	-	**23,087**	32,446

15. Investments					
Investments in controlled entities at cost	33, (i)	**-**	-	**80,515**	80,515
Total investments		**-**	-	**80,515**	80,515

16. Plant and Equipment					
(a) Opening balance at 1 July					
Plant and equipment					
At cost	(i)	**442,410**	318,419	**213,794**	158,186
Accumulated depreciation	(i)	**(85,518)**	(54,210)	**(44,634)**	(31,756)
Net carrying amount		**356,892**	264,209	**169,160**	126,430

(i) Comparative restated - refer to note 36 for further details.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
			Restated		Restated
16. Plant and Equipment (continued)					
(b) Closing balance at 30 June					
Plant and equipment					
At cost		**493,937**	442,410	**281,893**	213,794
Accumulated depreciation		**(115,299)**	(85,518)	**(62,599)**	(44,634)
Net carrying amount		**378,638**	356,892	**219,294**	169,160
(c) Reconciliation					
Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial year is as follows:					
Plant and equipment					
Carrying amount at beginning net of accumulated depreciation and impairment		**356,892**	264,209	**169,160**	126,430
Additions		**77,065**	89,439	**49,284**	37,645
Disposals / transfers	(i)	**(10,963)**	(6,359)	**(9,592)**	(4,160)
Impairment		**-**	-	**-**	-
Additions through acquisition of entities/ businesses		**-**	41,796	**-**	23,428
Additions through transfer from subsidiary		**-**	-	**31,525**	-
Transfer to assets held for sale	13	**(6,218)**	-	**(3,308)**	-
Depreciation charge for the year	5(b)	**(38,138)**	(32,193)	**(17,775)**	(14,183)
Carrying amount at end net of accumulated depreciation and impairment		**378,638**	356,892	**219,294**	169,160

The carrying value of plant and equipment held under finance leases and hire purchase contracts, secured bank loans and commercial bills at 30 June 2008 is $227,183,000 (2007: $214,135,000 restated). Additions, including acquisitions, during the year include $48,513,286 (2007: $93,556,329) of plant and equipment held under finance leases and hire purchase contracts and secured over bank loans and commercial bills.

Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

Plant and equipment with a carrying amount of $378,638,000 (2007: $356,892,000 restated) for the Group and $219,294,000 (2007: $169,160,000 restated) for the parent are pledged as securities for current and non current liabilities as disclosed in note 20.

(i) Disposals / transfers include equipment transferred to James Equipment Pty Ltd from parent and other subsidiary entities for on sale to external third parties and is reflected as part of James Equipment's inventory, operating results and cash flows.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	2008	2007	2008	2007
		$'000	$'000	$'000	$'000
			Restated		Restated
17. Intangible Assets					
(a) Opening balance at 1 July					
Goodwill		**111,496**	55,767	**40,026**	19,592
Contractual rights (net carrying amount)		**3,228**	4,304	**3,228**	4,304
Licence (net carrying amount)		**2,083**	-	**-**	-
Total net carrying amounts		**116,807**	60,071	**43,254**	23,896
(b) Closing balance at 30 June					
Goodwill	18	**109,169**	111,496	**40,774**	40,026
Contractual rights (net carrying amount)		**2,152**	3,228	**2,152**	3,228
Licence (net carrying amount)		**1,083**	2,083	**-**	-
Total net carrying amounts		**112,404**	116,807	**42,926**	43,254
(c) Reconciliations					
Goodwill					
Carrying amount at beginning net of impairment		**111,496**	55,767	**40,026**	19,592
Impairment		**(2,327)**	-	**-**	-
Additions through acquisition of entities/ businesses		**-**	55,729	**-**	20,434
Additions through transfer from subsidiary		**-**	-	**748**	-
Carrying amount at end net of impairment		**109,169**	111,496	**40,774**	40,026
Represented by:					
Cost (gross carrying amount)		**111,496**	111,496	**40,774**	40,026
Accumulated impairment		**(2,327)**	-	**-**	-
Net carrying amount		**109,169**	111,496	**40,774**	40,026

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
			Restated		Restated
17. Intangible Assets (continued)					
(c) Reconciliations					
Contractual rights					
Carrying amount at beginning net of accumulated amortisation and impairment		**3,228**	4,304	**3,228**	4,304
Impairment		**-**	-	**-**	-
Additions through acquisition of entities/ businesses		**-**	-	**-**	-
Amortisation charge for the year		**(1,076)**	(1,076)	**(1,076)**	(1,076)
Carrying amount at end net of accumulated amortisation and impairment		**2,152**	3,228	**2,152**	3,228
Represented by:					
Cost (gross carrying amount)		**5,380**	5,380	**5,380**	5,380
Accumulated amortisation and impairment		**(3,228)**	(2,152)	**(3,228)**	(2,152)
Net carrying amount		**2,152**	3,228	**2,152**	3,228
Licence					
Carrying amount at beginning net of accumulated amortisation and impairment		**2,083**	-	**-**	-
Additions through acquisition of entities/ businesses		**-**	3,000	**-**	-
Amortisation charge for the year		**(1,000)**	(917)	**-**	-
Carrying amount at end net of accumulated amortisation and impairment		**1,083**	2,083	**-**	-
Represented by:					
Cost (gross carrying amount)		3,000	3,000	**-**	-
Accumulated amortisation and impairment		(1,917)	(917)	**-**	-
Net carrying amount		**1,083**	2,083	**-**	-

Contractual rights are amortised on a straight line basis over the life of the contract.

Licence represents the Tadano distribution licence granted for a minimum of 3 years acquired as part of the asset purchase of the James Group (see note 26).

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

18. Impairment Testing of Goodwill

Goodwill acquired through business combinations have been allocated to individual cash generating units for impairment testing. The recoverable amount of the cash generating units have been determined based on a value in use calculation using cash flow projections based on financial projections approved by the board of directors covering the next two financial years. Cash flows beyond this period are extrapolated using an average 3% growth rate over the average remaining useful life (up to 8 years) of the underlying assets in the cash generating unit. The discount rate applied to the cash flow projections is 15.7% (2007: 9.9%) being the Group's pre-tax weighted average cost of capital.

Carrying amount of goodwill allocated to each of the cash generating units

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
			Restated		Restated
- Sherrin Hire		**41,818**	41,818	**-**	-
- Queensland		**16,679**	16,679	**14,192**	13,444
- Port Hedland (WA)		**5,753**	5,753	**5,753**	5,753
- Morwell (VIC)		**4,000**	4,000	**-**	-
- Braeside (VIC)		**18**	18	**18**	18
- Aitkin		**18,229**	18,229	**18,229**	18,229
- Newcastle (NSW)		**1,450**	1,450	**1,450**	1,450
- Singleton (NSW)		**230**	230	**230**	230
- Port Kembla (NSW)		**902**	902	**902**	902
- James Equipment		**18,736**	18,736	**-**	-
- GM Baden		**1,354**	3,681	**-**	-
		109,169	111,496	**40,774**	40,026

Key assumptions used in value in use calculations

The key assumption on which management has based its cash flow projections when determining the value in use of the cash generating units is that projected margins are determined based on historical performances, adjusted for internal/external changes anticipated in the forecast year.

Impairment losses recognised

An impairment loss, based upon a value in use calculation, of $2,327,000 relating to goodwill was recognised for continuing operations in the 2008 financial year. The impaired goodwill related to the purchase of GM Baden in 2007. The impairment loss has been recognised in the income statement in the line item 'depreciation and amortisation expense'. The cash-generating unit consists of the fixed assets of GM Baden included in the reportable crane sales and service segment. The impairment is a consequence of a change in the positioning of the GM Baden business post acquisition. The original intent was to grow GM Baden into a national after sales service business to support the crane sales made through James Equipment. With the demand of 10 year rebuilds and other crane maintenance requirements, this business is now more internally focused and therefore, the current and forecast results do not support the carrying value of the full amount of goodwill paid upon acquisition.

Refer to note 36 for correction of prior period errors impacting on Intangible balances disclosed above.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

				CONSOLIDATED		PARENT	
			Note	**2008**	2007	**2008**	2007
				$'000	$'000	**$'000**	$'000
19. Trade and Other Payables							
Current							
Trade payables			(i)	**39,620**	37,752	**14,000**	6,174
Other payables				**4,461**	6,422	**2,252**	4,758
Amounts to wholly owned controlled entities				**-**	-	**-**	3,806
Forward currency contracts - cash flow hedges				**(22)**	1,395	**-**	-
Total current trade and other payables				**44,059**	45,569	**16,252**	14,738
Non current							
Amounts to wholly owned controlled entities				**-**	-	**31,132**	-
Total non current trade and other payables				**-**	-	**31,132**	-
(i) Trade payables are non interest bearing and are normally settled on 30 day terms.							

20. Interest Bearing Loans and Borrowings							
Current							
Obligations under finance leases and hire purchase contracts			20(i)	**110,206**	29,990	**71,851**	17,398
Secured bank loans			20(i)	**8,094**	8,260	**-**	-
Bills of exchange - secured			20(i)	**26,615**	25,434	**12,500**	12,500
Other loans - secured			20(i)	**10,698**	5,828	**2,996**	2,662
Total current interest bearing liabilities			27(b)	**155,613**	69,512	**87,347**	32,560
Non current							
Obligations under finance leases and hire purchase contracts			20(i)	**71,114**	129,046	**43,388**	74,585
Secured bank loans			20(i)	**25,808**	33,208	**-**	-
Bills of exchange - secured				**2,354**	6,669	**-**	-
Total non current interest bearing liabilities			27(b)	**99,276**	168,923	**43,388**	74,585

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

				CONSOLIDATED			
				2008	**2008**	2007	2007
				$'000	**$'000**	$'000	$'000
				Fair value	**Carrying amount**	Fair value	Carrying amount
	Currency	Nominal interest rate	Year of maturity				
20. Interest Bearing Loans and Borrowings (continued)							
Terms and debt repayment schedule							
Finance leases and hire purchase contracts	**AUD**	**7.7%**	**2009 - 2013**	**181,320**	**181,320**	159,036	159,036
Secured bank loan	**AUD**	**7.6%**	**2009 - 2012**	**33,902**	**33,902**	41,468	41,468
Bills of exchange	**AUD**	**9.0%**	**2009 - 2011**	**28,969**	**28,969**	32,103	32,103
Other loans	**AUD**	**7.8%**	**2009**	**10,698**	**10,698**	5,828	5,828
Total interest-bearing liabilities				**254,889**	**254,889**	238,435	238,435

				PARENT			
				2008	**2008**	2007	2007
				$'000	**$'000**	$'000	$'000
				Fair value	**Carrying amount**	Fair value	Carrying amount
Terms and debt repayment schedule	Currency	Nominal interest rate	Year of maturity				
Finance leases and hire purchase contracts	**AUD**	**7.6%**	**2009 - 2013**	**115,239**	**115,239**	91,983	91,983
Bills of exchange	**AUD**	**9.1%**	**2009 - 2011**	**12,500**	**12,500**	12,500	12,500
Other loans	**AUD**	**4.4%**	**2009**	**2,996**	**2,996**	2,662	2,662
Total interest-bearing liabilities				**130,735**	**130,735**	107,145	107,145

Refer to note 35(d) for disclosure of fair value versus carrying value.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
20. Interest Bearing Loans and Borrowings (continued)					
Financing facilities					
Financing facilities available					
At reporting date, the following financing facilities had been negotiated and were available:					
Total facilities:					
- bank overdraft		**2,000**	2,800	**1,000**	1,000
- bank loans and borrowings		**254,889**	310,500	**236,676**	306,900
		256,889	313,300	**237,676**	307,900
Facilities used at reporting date:					
- bank overdraft		**-**	-	**-**	-
- bank loans and borrowings		**254,889**	238,435	**130,735**	107,145
- utilised by controlled entities		**-**	-	**105,941**	131,290
		254,889	238,435	**236,676**	238,435
Facilities unused at reporting date:					
- bank overdraft		**2,000**	2,800	**1,000**	1,000
- bank loans and borrowings		**-**	72,065	**-**	68,465
	20(i)	**2,000**	74,865	**1,000**	69,465
Assets pledged as security					
The carrying amounts of assets pledged as security for current and non current interest bearing liabilities are:					
- Plant and equipment		**151,455**	142,757	**87,718**	67,664
- Plant and equipment under lease		**227,183**	214,135	**131,576**	101,496
Total value of assets pledged as security		**378,638**	356,892	**219,294**	169,160

(i) The Group was in breach of its interest cover banking covenant as at 30 June 2008 with the National Australia Bank ("NAB") and the Australia & New Zealand Bank ("ANZ"). The company's interest cover requirement calculated on Earnings Before Interest and Tax being 3.0 times interest was 2.41 times at the year end. This resulted in the curtailment of the Group's financing facilities, and reclassification of $72.4 million of non-current borrowings with the NAB and ANZ into current borrowings.

Subsequent to 30 June 2008, the Group has obtained waivers from both NAB and ANZ rescinding their right to the immediate repayment of these borrowings.

As announced on 13 August 2008, the Group has successfully obtained financing approval for a $165 million 3 year revolving debt facility, and a 3 year $32 million working capital and general transactional banking facility. The Group will retain many of its existing equipment finance lease and hire purchase facilities and therefore, continue to realise the benefits of the low fixed interest rates associated with these facilities. $56 million of these leases are incorporated in the 3 year revolving debt facility with an additional $98 million of leases retained with non-participating financiers. The Group expects to finalise facility documents in the coming weeks.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
21. Provisions					
Employee leave entitlements					
At 1 July		**10,168**	8,584	**6,767**	5,981
Acquisition of entities/businesses		**-**	659	**-**	51
Arising during the year		**8,013**	7,835	**7,031**	5,011
Utilised		**(5,792)**	(6,910)	**(4,581)**	(4,276)
At 30 June		**12,389**	10,168	**9,217**	6,767
Current		**11,871**	10,043	**8,932**	6,715
Non current		**518**	125	**285**	52
		12,389	10,168	**9,217**	6,767

22. Other Liabilities					
Current					
PAYG tax withheld		**1,179**	461	**926**	240
Goods and services tax		**2,665**	1,622	**2,061**	1,100
Other accrued expenses		**3,496**	2,169	**3,055**	1,265
Total other current liabilities		**7,340**	4,252	**6,042**	2,605

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**		2007	
		No. of shares	**$'000**	No. of shares	$'000
					Restated
23. Contributed Equity					
(a) Issued and paid up capital					
Ordinary shares fully paid		**234,476**	**234,476**	234,476	234,476
(b) Movements in shares on issue					
Beginning of the financial year Issued during the year:		**170,602,360**	**234,476**	169,080,182	228,488
- employee share incentive schemes	(i)	**225,375**	**-**	126,829	-
- purchase of James Group	(ii)	**-**	**-**	1,395,349	6,000
- capital raising costs		**-**	**-**	-	(12)
Total issued during the year		**225,375**	**-**	1,522,178	5,988
End of the financial year		**170,827,735**	**234,476**	170,602,360	234,476
Treasury shares	(iii)	**(402,341)**	**-**	(182,329)	-
Net of treasury shares		**170,425,394**	**234,476**	170,420,031	234,476

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Parent does not have authorised capital nor par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(i) This amount represents the granting of 225,375 (2007: 126,829) ordinary shares to employees as part of the employee share incentive schemes for nil consideration during the financial year. Refer to note 28 for further details.

(ii) On 1 August 2006, 1,395,349 ordinary shares were issued as part consideration in acquiring the assets of the James Group. The value placed on the issue was the contract price being the 5 day volume weighted average price (VWAP) prior to that date of $4.30 per share.

(iii) Treasury shares are shares in Boom Logistics Limited that are held by the Boom Logistics Limited Employee Share Trust for the purpose of issuing shares under the employee share incentive schemes and are deducted from equity.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
			Restated		Restated
24. Retained Earnings					
Balance at the beginning of year		**38,827**	22,975	**6,507**	11,553
Net profit for the year		**18,643**	34,441	**5,968**	13,543
Total available for appropriation		**57,470**	57,416	**12,475**	25,096
Dividends paid	8(a)	**(16,729)**	(18,589)	**(16,729)**	(18,589)
Balance at end of year		**40,740**	38,827	**(4,254)**	6,507

25. Reserves					
Employee equity benefits reserve					
Balance at the beginning of year		**293**	237	**281**	225
Share based payments	(i)	**21**	56	**21**	56
Balance at end of year		**314**	293	**302**	281
Cash flow hedge reserve					
Balance at the beginning of year		**(976)**	-	**-**	-
Net movement on cash flow hedges	(ii)	**991**	(976)	**-**	-
Balance at end of year		**15**	(976)	**-**	-
Total reserves		**329**	(683)	**302**	281

(i) The employee equity benefits reserve is used to record the value of share based payments to employees, including key management personnel, as part of their remuneration. Refer to note 28 for further details of these plans.

(ii) The cash flow hedge reserve is used to record the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item.

26. Business Combination

(a) Acquisition of controlled entities and businesses

2008

The Group did not acquire any entities and/or businesses during the 2008 financial year.

NOTES TO THE FINANCIAL STATEMENTS Year Ended 30 June 2008

26. Business Combination (continued)

(a) Acquisition of controlled entities and businesses (continued) The following businesses were acquired during the 2007 financial year.

Entity	James Group		GM Baden		D&D Cranes		Moorland Hire		Total Acquisitions
Date of Acquisition	1 August 2006		6 March 2007		11 April 2007		31 May 2007		Year Ended
Type of Acquisition	asset purchase		asset purchase		asset purchase		asset purchase		30 June 2007
	Recognised on acquisition	Carrying value	Recognised on acquisition	Carrying value	Recognised on acquisition	Carrying value	Recognised on acquisition	Carrying value	Recognised on acquisition [c]
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
(i) Consideration									
- cash paid	53,463		5,638		4,242		12,332		75,675
- ordinary shares	6,000		-		-		-		6,000
- Direct costs relating to the acquisition	1,136		110		75		155		1,476
	60,599		5,748		4,317		12,487		83,151
(ii) Net assets acquired									
- inventory	10,525	10,525	1,696	1,696	-	-	-	-	12,221
- prepayments	-	-	-	-	-	-	13	13	13
- other current assets	8	8	-	-	-	-	-	-	8
- plant and equipment	19,828	11,847	969	951	3,600	3,605	17,399	19,473	41,796
- contractual licence	10,000	-	-	-	-	-	-	-	10,000
- deferred tax assets	-	-	-	-	-	-	82	82	82
	40,361	22,380	2,665	2,647	3,600	3,605	17,494	19,568	64,120
- trade payables	(7,686)	(7,686)	-	-	-	-	-	-	(7,686)
- provisions	(76)	(76)	(258)	(258)	(51)	(51)	(274)	(274)	(659)
- other current liabilities	(191)	(191)	-	-	(7)	(7)	(13)	(13)	(211)
- interest bearing loans and borrowings	-	-	-	-	-	-	(17,863)	(17,863)	(17,863)
- deferred tax liability	-	-	-	-	-	-	-	-	-
	(7,953)	(7,953)	(258)	(258)	(58)	(58)	(18,150)	(18,150)	(26,419)
Net assets acquired	32,408	14,427	2,407	2,389	3,542	3,547	(656)	1,418	37,701
(iii) Goodwill arising on acquisition [a]	28,191		3,341		775		13,143		45,450
(iv) Net cash effect									
Cash consideration paid	53,463		5,638		4,242		12,332		75,675
Net cash acquired	-		-		-		-		-
Net cash paid	53,463		5,638		4,242		12,332		75,675

[a] Goodwill arising on acquisition constitutes payment in excess of the net fair value of the identifiable assets, liabilities and contingent liabilities at acquisition date in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised.

[b] Amount represents the carrying value of plant and equipment as at 31 December 2006. The carrying value immediately before acquisition date was not available.

[c] Refer to note 36 for correction of prior period errors impacting on Business Combination comparative.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
26. Business Combination (continued)					
(b) Payments for business combinations					
During the financial year, payments for business acquisitions were as follows:					
Subsidiary/business acquired during the					
year net of cash acquired		**-**	75,675	**-**	57,713
Deferred cash settlement for businesses					
acquired in previous periods		**-**	2,000	**-**	2,000
		-	77,675	**-**	59,713

27. Commitments and Contingencies					
(a) Operating leases commitments					
The Group has entered into commercial leases on certain plant and equipment, motor vehicles and property. These leases have terms ranging from 1 to 10 years.					
Minimum lease payments					
- within one year		**9,728**	8,919	**5,324**	4,019
- after one year but not more than five years		**14,280**	18,221	**8,736**	7,017
- more than five years		**3,488**	3,328	**2,748**	142
Aggregate operating lease expenditure contracted for at reporting date		**27,496**	30,468	**16,808**	11,178

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
27. Commitments and Contingencies (continued)					
(b) Interest bearing loans and borrowings commitments					
The Group has interest bearing loans and borrowings for various items of plant and equipment for periods of between 1 to 5 years.					
- within one year	(i)	**99,219**	84,108	**48,525**	39,630
- after one year but not more than five years	(i)	**194,334**	194,223	**102,885**	85,468
- more than five years		**-**	-	**-**	-
Total minimum payments		**293,553**	278,331	**151,410**	125,098
- future finance charges		**(38,664)**	(39,896)	**(20,675)**	(17,953)
Net liability		**254,889**	238,435	**130,735**	107,145
- current liability	20	**155,613**	69,512	**87,347**	32,560
- non current liability	20	**99,276**	168,923	**43,388**	74,585
		254,889	238,435	**130,735**	107,145
(c) Remuneration commitments					
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities are as follows:					
- within one year		**96**	151	**96**	151
- after one year but not more than five years		**68**	118	**68**	118
- more than five years		**-**	-	**-**	-
		164	269	**164**	269
Amounts disclosed as remuneration commitments include commitments arising from the service contracts of executive directors and executives referred to in the Remuneration Report of the Directors Report that are not recognised as liabilities.					

(i) The borrowing commitments do not reflect the current / non-current split of interest bearing liabilities disclosed on the Balance Sheet as they have been classified taking into account the debt waivers obtained from the National Australia Bank and the Australia & New Zealand Bank subsequent to 30 June 2008.

The parent entity has provided guarantees in respect of interest bearing loans and borrowings as disclosed in note 33.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

		CONSOLIDATED		PARENT	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
27. Commitments and Contingencies (continued)					
(d) Capital commitments					
Capital expenditure contracted for at reporting date but not recognised as liabilities are as follows:					
Plant and equipment					
- within one year		**28,845**	11,276	**23,894**	4,073
- after one year but not more than five years		**-**	-	**-**	-
- more than five years		**-**	-	**-**	-
		28,845	11,276	**23,894**	4,073

28. Employee Benefits and Commitments					
(a) Employee benefits					
The aggregate employee benefit liability is comprised of:					
- accrued salaries, wages and on costs		**4,187**	2,339	**3,301**	1,483
- provisions (current)	21	**11,871**	10,043	**8,932**	6,715
- provisions (non current)	21	**518**	125	**285**	52
		16,576	12,507	**12,518**	8,250

(b) Employee share incentive schemes

Two employee share incentive schemes were established by Boom Logistics Limited to assist in attracting, retaining and motivating key employees as follow:

- Exempt Share Plan (ESP); and
- Employee Share Trust (EST).

The terms and conditions of the schemes are summarised as follow:

Exempt share plan (ESP)

Under this scheme, all permanent employees (excluding directors and executives) of Boom Logistics Limited with twelve months continuous service were offered 1,000 ordinary shares in October 2003 and $1,000 worth of ordinary shares in October/November 2004 in Boom Logistics Limited for nil consideration. The ordinary shares issued are held in trust for the requisite three years restrictive period and will be released earlier in the event of cessation of employment. The ordinary shares issued rank equally with and have the same rights as other fully paid ordinary shares of Boom Logistics Limited. This scheme has subsequently been discontinued with only the ordinary shares issued in previous financial years remaining in the share plan.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

28. Employee Benefits and Commitments (continued)

(b) Employee share incentive schemes (continued)

Employee share trust (EST)

Under this scheme, certain employees (excluding non executive directors) selected by the Board of Directors are offered ordinary shares in Boom Logistics Limited by way of Share Units issued by the Share Plan Trustee. The Share Units are funded by way of an interest free loan provided by the Share Plan Trustee. The ordinary shares issued rank equally with and have the same rights as other fully paid ordinary shares of Boom Logistics Limited.

Information with respect to the number of ordinary shares issued under the employee share incentive schemes is as follows:

	2008	2007
	Number of shares	Number of shares
Balance at beginning of year	**612,704**	703,996
- issued for nil consideration	**225,375**	126,829
- purchased in lieu of cash remuneration	**-**	13,180
- sold / transferred during the year	**(117,533)**	(48,972)
- forfeited during the year	**(220,012)**	(182,329)
Balance at end of year	**500,534**	612,704

29. Events After the Balance Sheet Date

Dividend

On 13 August 2008, the directors of Boom Logistics Limited declared a fully franked dividend of 1.0 cent per share totalling $1,708,277. The dividend has not been provided for in the 30 June 2008 financial statements.

Classification of borrowings

The Group was in breach of its interest cover banking covenant as at 30 June 2008 with the National Australia Bank ("NAB") and the Australia & New Zealand Bank ("ANZ"). The company's interest cover requirement calculated on Earnings Before Interest and Tax being 3.0 times interest was 2.41 times at the year end. This resulted in the reclassification of $72.4 million of non-current borrowings with the NAB and ANZ into current borrowings. Subsequent to 30 June 2008, the Group has obtained waivers from both NAB and ANZ rescinding their right to the immediate repayment of these borrowings.

Debt restructure

As announced on 13 August 2008, the Group has successfully obtained financing approval for a $165 million 3 year revolving debt facility, and a 3 year $32 million working capital and general transactional banking facility. The Group will retain many of its existing equipment finance lease and hire purchase facilities and therefore, continue to realise the benefits of the low fixed interest rates associated with these facilities. $56 million of these leases are incorporated in the 3 year revolving debt facility with an additional $98 million of leases retained with non-participating financiers. The Group expects to finalise facility documents in the coming weeks.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

	CONSOLIDATED		PARENT	
	2008	2007	**2008**	2007
	$	$	**$**	$
30. Auditors' Remuneration				
Amounts received or due and receivable by PKF for:				
- an audit or review of the financial report of the entity and any other entity in the consolidated group	**158,850**	145,750	**158,850**	140,250
- other services in relation to the entity and any other entity in the consolidated group	**26,960**	31,500	**26,960**	23,650
	185,810	177,250	**185,810**	163,900

31. Key Management Personnel

(a) Details of directors

(i) Non-executive directors

Rodney John Robinson	Chairman (Non-executive)
Terrance Alexander Hebiton	Director (Non-executive)
Dr. Huw Geraint Davies	Director (Non-executive)
Terrence Charles Francis	Director (Non-executive)
Jane Margaret Harvey	Director (Non-executive)

(ii) Executive directors

Brenden Mitchell	Managing Director (appointed 1 May 2008)
Mark Lawrence	Managing Director (resigned 1 February 2008)

(b) Details of other key management personnel

The following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the reporting period:

Iona MacPherson	Chief Financial Officer and Company Secretary (appointed 30 June 2007)
Peter O'Shannessy	Chief Operating Officer (appointed 3 March 2008)
Brian Praetz	Former Chief Operating Officer (resigned 30 November 2007)
James Carr	Executive General Manager - Sales and Marketing
Rosanna Hammond	Executive General Manager - Human Resource (appointed 11 March 2008)
Teresa Withington	General Manager - Sherrin Hire Pty Ltd (appointed 14 January 2008)
Adam Watson	Executive General Manager - Strategic Development (appointed 23 July 2007 and resigned 30 April 2008)
Steven Goulding	General Manager - Sherrin Hire Pty Ltd (resigned 30 October 2007)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

31. Key Management Personnel (continued)

(c) Summarised compensation of key management personnel

Summary of key management personnel compensation in the following categories is as follows:

	CONSOLIDATED		PARENT	
	2008	2007	**2008**	2007
	$	$	**$**	$
Short-term employee benefits	**1,987,064**	3,327,523	**1,672,691**	2,901,174
Post employment benefits	**260,584**	308,654	**240,665**	272,169
Other long term benefits	**2,067**	-	**1,988**	-
Termination benefits	**181,561**	-	**167,811**	-
Share based payments	**20,236**	290,145	**20,236**	250,547
Total compensation	**2,451,512**	3,926,322	**2,103,391**	3,423,890

Refer to the Remuneration Report in the Directors' Report for detail compensation disclosure on key management personnel. The Group has taken advantage of the relief provided by the Corporations Regulation 2M.6.04 to transfer the detail compensation disclosures on key management personnel to the Directors' Report.

(d) Shareholdings of key management personnel

Ordinary shares held in Boom Logistics Limited (number) 30 June 2008	Balance 1 July 07	Granted and vested as remuneration	Net change other (ii)	Balance 30 June 08	Granted but not vested as remuneration
Non-Executive & Executive Directors					
John Robinson	104,272	-	195,728	**300,000**	-
Terrance Hebiton	195,753	-	50,000	**245,753**	-
Dr. Huw Davies	85,316	-	50,000	**135,316**	-
Terrence Francis	44,272	-	22,500	**66,772**	-
Jane Harvey	15,800	-	45,200	**61,000**	-
Brenden Mitchell	-	-	300,000	**300,000**	-
Mark Lawrence	306,801	23,538	n/a	**n/a**	-
Executives					
Iona MacPherson	-	-	45,950	**45,950**	17,886
Peter O'Shannessy	-	-	-	**-**	-
James Carr	20,000	-	20,000	**40,000**	19,473
Rosanna Hammond	-	-	-	**-**	-
Teresa Withington	-	-	-	**-**	-
Brian Praetz	117,181	15,000	n/a	**n/a**	-
Adam Watson	n/a	-	n/a	**n/a**	-
Steven Goulding	-	-	n/a	**n/a**	-
Total	**889,395**	**38,538**	**729,378**	**1,194,791**	**37,359**

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

31. Key Management Personnel (continued)

(d) Shareholdings of key management personnel (continued)

Ordinary shares held in Boom Logistics Limited (number) 30 June 2007	Balance 1 July 06	Granted and vested as remuneration	Net change other (ii)	Balance 30 June 07	Granted but not vested as remuneration (i)
Non-Executive & Executive Directors					
John Robinson	104,272	-	-	104,272	-
Terrance Hebiton	132,452	-	63,301	195,753	-
Dr. Huw Davies	85,316	-	-	85,316	-
Terrence Francis	24,272	-	20,000	44,272	-
Jane Harvey	5,000	-	10,800	15,800	-
Roderick Harmon	1,683,353	-	(259,164)	1,424,189	-
Mark Lawrence	377,393	-	(70,592)	306,801	59,826
Executives					
Iona MacPherson	-	-	-	-	-
Brian Praetz	109,001	-	8,180	117,181	34,295
James Carr	-	-	20,000	20,000	7,506
Frank Legena (iii)	308,846	-	-	308,846	27,761
Brenton Salleh (iii)	751,514	-	(50,000)	701,514	30,333
Alex Pagonis (iii)	21,195	-	(21,195)	-	-
Mark Apthorpe (iii)	21,419	-	-	21,419	29,699
Steven Goulding	6,272	-	(6,272)	-	9,588
Peter Shelton (iii)	-	-	2,145	2,145	-
Craig Donaldson (iii)	-	-	2,600	2,600	-
Ken Brown (iii)	-	-	-	-	-
Total	3,630,305	-	(280,197)	3,350,108	199,008

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

31. Key Management Personnel (continued)

(d) Shareholdings of key management personnel (continued)

(i) Mark Lawrence (1 February 2008), Brian Praetz (30 November 2007), Adam Watson (30 April 2008), and Steven Goulding (30 October 2007) resigned during the financial year and forfeited the shares granted as remuneration as the 3 year vesting condition was not met.

(ii) These amounts represent ordinary shares purchased or sold directly or indirectly by the directors and executives during the financial year. These transactions have no connection with their roles and responsibilities as employees of the Group.

(iii) These executives have either resigned or were not considered key management personnel during the current financial year.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(e) Other transactions and balances with key management personnel

No amounts were recognised at the reporting date in relation to other transactions with key management personnel.

32. Segment Information

The Group's primary segment reporting format is business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. As the Group operates in Australia only, there is no secondary geographical segment reported.

The Group comprises the following main business segments:

Lifting Solutions

Hire of lifting equipment to various industries.

Crane Sales and Service

Sale of mobile cranes, associated spare parts and after sales service. This business segment commenced upon the asset acquisition of the James Group on 1 August 2006 and GM Baden on 6 March 2007.

Inter-segment prices are determined on an arm's length basis. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

32. Segment Information (continued)

The following tables present revenue and profit information and certain asset and liability information regarding business segments.

Year ended:	30 June 2008		
	Lifting Solutions $'000	Crane Sales and Service $'000	Consolidated $'000
Segment revenue			
Total external revenue	341,185	68,609	**409,794**
Inter-segment revenue	-	6,212	**6,212**
Total segment revenue	**341,185**	**74,821**	**416,006**
Inter-segment elimination			(6,212)
Un-allocated revenue			473
Total consolidated revenue			**410,267**
Segment result			
Segment results	51,358	6,954	**58,312**
Inter-segment elimination			(1,052)
Un-allocated expenses			(10,211)
Finance costs - net			(19,198)
Income tax expense			(9,208)
Net profit for the year			**18,643**
Segment assets and liabilities			
Segment assets	544,424	48,281	**592,705**
Inter-segment elimination			9,214
Un-allocated assets			4,013
Total assets			**605,932**
Segment liabilities	45,059	27,943	**73,002**
Inter-segment elimination			(9,214)
Un-allocated liabilities			266,599
Total liabilities			**330,387**
Other segment information			
Capital expenditure	76,742	323	**77,065**
Depreciation and amortisation	39,085	3,456	**42,541**
Cash flow information			
Net cash flow from operating activities	52,061	15,460	**67,521**
Net cash flow from investing activities	(26,465)	(293)	**(26,758)**
Net cash flow from financing activities	(31,963)	(16,825)	**(48,788)**

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

32. Segment Information (continued)

Year ended:	30 June 2007		
	Lifting Solutions $'000 Restated	Crane Sales and Service $'000 Restated	Consolidated $'000 Restated
Segment revenue			
Total external revenue	300,980	48,348	349,328
Inter-segment revenue	-	8,211	8,211
Total segment revenue	300,980	56,559	357,539
Inter-segment elimination			(8,211)
Un-allocated revenue			679
Total consolidated revenue			350,007
Segment result			
Segment results	61,418	8,528	69,946
Inter-segment elimination			(1,445)
Un-allocated expenses			(6,312)
Finance costs - net			(13,245)
Income tax expense			(14,503)
Net profit for the year			34,441
Segment assets and liabilities			
Segment assets	519,429	57,032	576,461
Inter-segment elimination			124
Un-allocated assets			4,109
Total assets			580,694
Segment liabilities	15,508	44,605	60,113
Inter-segment elimination			(124)
Un-allocated liabilities			248,085
Total liabilities			308,074
Other segment information			
Capital expenditure	88,466	973	89,439
Depreciation and amortisation	33,163	1,023	34,186
Cash flow information			
Net cash flow from operating activities	67,989	4,121	72,110
Net cash flow from investing activities	(91,405)	(7,426)	(98,831)
Net cash flow from financing activities	987	5,651	6,638

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

33. Related Party Disclosure

The consolidated financial statements include the financial statements of Boom Logistics Limited and the subsidiaries listed in the following table.

Name	Country of incorporation	% Equity interest		Investment	
		2008	2007	**2008**	2007
		%	%	**$'000**	$'000
					Restated
James Equipment Pty Ltd	Australia	**100**	100	**-**	-
Sherrin Hire Pty Ltd	Australia	**100**	100	**60,598**	60,598
Boom Logistics (QLD) Pty Ltd [a]	Australia	**100**	100	**15,896**	15,896
Boom Logistics (VIC) Pty Ltd	Australia	**100**	100	**4,021**	4,021
Hilyte Australia Pty Ltd [b]	Australia	**100**	100	**-**	-
Total investment in subsidiaries				**80,515**	80,515

[a] *In November 2007, Boom Logistics (QLD) Pty Ltd transferred all its assets and liabilities to Boom Logistics Ltd but is still 100% owned as the legal entity has not yet been wound up at reporting date.*
[b] *Investment is held by Boom Logistics (QLD) Pty Ltd.*

Boom Logistics Limited is the ultimate parent company.

Details relating to key management personnel, including remuneration paid, are included in note 31.

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year end are unsecured.

Terms and conditions of the tax funding arrangement are set out in note 6(d).

Contributions to superannuation funds on behalf of employees are disclosed in note 5(b).

	CONSOLIDATED		PARENT	
	2008	2007	**2008**	2007
	$	$	**$**	$
The following transactions occurred with related parties:				
Sale of services				
Hire of lifting equipment to subsidiaries	**-**	-	**3,803,189**	1,024,117
Purchase of goods and services				
Hire of lifting equipment from subsidiaries/other related parties	**-**	-	**4,447,011**	3,594,510
Purchase of cranes and spare parts from subsidiary/other related party	**-**	-	**-**	3,972,000
Tax consolidation legislation (i)				
Current tax payable assumed from wholly-owned tax consolidated entities	**-**	-	**4,649,775**	6,267,848

(i) Comparative restated - refer to note 36 for further details.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

	CONSOLIDATED		PARENT	
	2008	2007	**2008**	2007
	$	$	**$**	$
33. Related Party Disclosure (continued)				
No allowance for impairment of debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or impaired debts due from related parties.				
Guarantees				
The parent entity has provided guarantees in respect of:				
Finance leases and hire purchase contracts	**-**	-	**66,081,000**	67,053,000
Secured bank loans	**-**	-	**41,604,000**	41,468,000
Bills of exchange	**-**	-	**16,469,000**	19,603,000

34. Deed of Cross Guarantee

Pursuant to Class Order 98/1418, the wholly owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and directors' report.

It is a condition of the Class Order that Boom Logistics Limited and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that Boom Logistics Limited guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. The subsidiaries have also given similar guarantees in the event that Boom Logistics Limited is wound up.

The subsidiaries subject to the Deed are:

- Sherrin Hire Pty Ltd (party to the Deed on 6 December 2005);
- James Equipment Pty Ltd (party to the Deed on 3 November 2006 by virtue of a Deed of Assumption);
- Boom (QLD) Pty Ltd (party to the Deed on 23 November 2007 by virtue of a Deed of Assumption);

and together with Boom Logistics Limited, represent a "Closed Group" for the purposes of the Class Order.

The consolidated income statement and balance sheet of the entities that are members of the "Closed Group" are as follows:

	CLOSED GROUP	
	2008	2007
	$'000	$'000
		Restated
Consolidated Income Statement		
Profit before income tax	**25,537**	45,512
Income tax expense	**(8,450)**	(13,166)
Net profit for the period	**17,087**	32,346
Retained earnings at the beginning of the period *	**37,189**	21,287
Dividends provided for or paid	**(16,729)**	(18,589)
Retained earnings at the end of the period	**37,547**	35,044

** The 2008 Closed Group retained earnings at the beginning of the period differs from the 2007 retained earnings at the end of the period due to the inclusion of Boom (QLD) Pty Ltd into the Closed Group on 23 November 2007.*

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

	CLOSED GROUP	
	2008	2007
	$'000	$'000
		Restated
34. Deed of Cross Guarantee (continued)		
Consolidated Balance Sheet		
Current assets		
Cash and cash equivalents	**1,652**	8,782
Trade and other receivables	**72,564**	59,771
Inventories	**20,531**	21,178
Prepayments and other current assets	**5,158**	5,153
Assets classified as held for sale	**6,218**	-
Total current assets	**106,123**	94,884
Non current assets		
Receivables	**2,630**	10,234
Investments	**3,950**	19,846
Plant and equipment	**372,803**	325,412
Deferred tax assets	**3,890**	3,726
Intangible assets	**108,512**	105,505
Total non current assets	**491,785**	464,723
Total assets	**597,908**	559,607
Current liabilities		
Trade and other payables	**43,711**	44,668
Interest bearing loans and borrowings	**155,613**	69,512
Provisions	**11,324**	8,968
Income tax payable	**(1)**	1,442
Other current liabilities	**6,752**	3,604
Total current liabilities	**217,399**	128,194

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

	CLOSED GROUP	
	2008	2007
	$'000	$'000
		Restated
34. Deed of Cross Guarantee (continued)		
Consolidated Balance Sheet (continued)		
Non current liabilities		
Interest bearing loans and borrowings	**96,500**	154,401
Provisions	**508**	110
Deferred tax liabilities	**11,160**	8,077
Total non current liabilities	**108,168**	162,588
Total liabilities	**325,567**	290,782
Net assets	**272,341**	268,825
Equity		
Contributed equity	**234,465**	234,465
Retained earnings	**37,547**	35,044
Reserves	**329**	(684)
Total equity	**272,341**	268,825

		Consolidated		Parent	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
35. Financial Instruments					
(a) Credit risk					
Exposure to credit risk					
The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:					
Cash and cash equivalents	9	**1,801**	9,826	**590**	4,587
Trade and other receivables	10	**77,071**	66,204	**49,795**	37,946
Loans to subsidiaries	14	**-**	-	**23,087**	32,446
		78,872	76,030	**73,472**	74,979

Total Group's trade receivables only relate to Australian customers.

There is no significant concentration of credit risk for trade receivables at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

35. Financial Instruments (continued)

(a) Credit risk (continued)

***Exposure to credit risk* (continued)**

Impairment losses

Trade receivables are non-interest bearing and are generally on 30 - 60 day terms. An allowance for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss of $828,000 (2007: $495,000) has been recognised by the Group and $441,000 (2007: $155,000) by the parent in the current year. These amounts have been included in other expenses in the Income Statement.

Movements in the allowance for impairment losses were as follows:

		Consolidated		Parent	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
Balance at 1 July		**495**	641	**155**	209
Impairment loss recognised		**1,839**	677	**1,430**	379
Amounts written-off and/or written back		**(1,506)**	(823)	**(1,144)**	(433)
Balance at 30 June		**828**	495	**441**	155

At 30 June, the aging analysis of trade receivables is as follows:

	Total $'000	1-30 days $'000	31-60 days $'000 PDNI* (1)	31-60 days $'000 CI^	+61 days $'000 PDNI* (1)	+61 days $'000 CI^
2008						
Consolidated	**74,160**	**44,133**	**19,227**	**-**	**9,972**	**828**
Parent	**46,972**	**29,277**	**10,868**	**-**	**6,386**	**441**
2007						
Consolidated	63,650	37,211	18,226	-	7,718	495
Parent	35,532	20,718	10,014	-	4,645	155

* Past due not impaired ('PDNI')

^ Considered impaired ('CI')

(1) Based upon the credit history of these classes of trade receivables, it is expected that these amounts will be received.

There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

35. Financial Instruments (continued)

(b) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

CONSOLIDATED

30 June 2008	Carrying amount	Contractual cashflows (i)	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivative financial liabilities							
Trade and other payables*	**44,081**	**(44,081)**	**(44,081)**	**-**	**-**	**-**	**-**
Finance leases and hire purchase contracts	**181,320**	**(215,047)**	**(26,552)**	**(24,761)**	**(50,782)**	**(112,952)**	**-**
Secured bank loans	**33,902**	**(38,437)**	**(5,251)**	**(5,251)**	**(11,055)**	**(16,880)**	**-**
Bills of exchange – secured	**28,969**	**(29,371)**	**(26,253)**	**(453)**	**(907)**	**(1,758)**	**-**
Other loans – secured	**10,698**	**(10,698)**	**(9,699)**	**(999)**	**-**	**-**	**-**
Derivative financial liabilities							
Forward exchange contracts used for hedging purchases	**(22)**	**22**	**22**	**-**	**-**	**-**	**-**
	298,948	**(337,612)**	**(111,814)**	**(31,464)**	**(62,744)**	**(131,590)**	**-**

30 June 2007	Carrying amount	Contractual cashflows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivative financial liabilities							
Trade and other payables*	44,174	(44,174)	(44,174)	-	-	-	-
Finance leases and hire purchase contracts	159,036	(188,702)	(20,125)	(20,123)	(41,709)	(106,745)	-
Secured bank loans	41,468	(48,939)	(5,251)	(5,252)	(10,503)	(27,933)	-
Bills of exchange – secured	32,103	(34,862)	(25,929)	(1,600)	(3,056)	(4,277)	-
Other loans – secured	5,828	(5,828)	(4,941)	(887)	-	-	-
Derivative financial liabilities							
Forward exchange contracts used for hedging purchases	1,395	(1,395)	(1,395)	-	-	-	-
	284,004	(323,900)	(101,815)	(27,862)	(55,268)	(138,955)	-

* Excludes derivatives (shown separately).

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

35. Financial Instruments (continued)

(b) Liquidity risk (continued)

PARENT

30 June 2008	Carrying amount $'000	Contractual cashflows (i) $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Non-derivative financial liabilities							
Trade and other payables	**47,384**	**(47,385)**	**(16,253)**	**-**	**(31,132)**	**-**	**-**
Finance leases and hire purchase contracts	**115,239**	**(135,914)**	**(16,916)**	**(16,113)**	**(32,840)**	**(70,045)**	**-**
Bills of exchange – secured	**12,500**	**(12,500)**	**(12,500)**	**-**	**-**	**-**	**-**
Other loans – secured	**2,996**	**(2,996)**	**(2,996)**	**-**	**-**	**-**	**-**
	178,119	**(198,795)**	**(48,665)**	**(16,113)**	**(63,972)**	**(70,045)**	**-**

30 June 2007	Carrying amount $'000	Contractual cashflows $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Non-derivative financial liabilities							
Trade and other payables	14,738	(14,738)	(10,932)	(3,806)	-	-	-
Finance leases and hire purchase contracts	91,983	(108,998)	(11,403)	(12,127)	(24,497)	(60,971)	-
Bills of exchange – secured	12,500	(13,438)	(13,438)	-	-	-	-
Other loans – secured	2,662	(2,662)	(1,775)	(887)	-	-	-
	121,883	(139,836)	(37,548)	(16,820)	(24,497)	(60,971)	-

(i) The contractual cashflows do not reflect the current / non-current split of interest bearing liabilities disclosed on the Balance Sheet as they have been classified taking into account of the debt waivers obtained from the National Australia Bank and the Australia & New Zealand Bank subsequent to 30 June 2008.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

35. Financial Instruments (continued)

(c) Market risk

Currency risk

The crane sales operation imports inventory from various overseas countries. In order to protect against exchange rate movements, the Group has entered into forward exchange contracts to purchase the foreign currencies. These contracts are hedging highly probable forecasted purchases and they are timed to mature when payments are scheduled to be made.

The cash flows are expected to occur at various dates between 1 to 12 months from the balance date. At balance date, the details of outstanding forward foreign currency contracts are:

	2008	2007	**2008**	2007
	$'000	$'000	**Average exchange rate**	
Consolidated				
Buy JP¥ / Sell AU$: Maturity 1-2 months	**2,794**	11,261	**95.898**	91.465
Buy US$ / Sell AU$: Maturity 1 month	**-**	2,533	**-**	0.782
Buy €uro / Sell AU$: Maturity 1-2 months	**4,979**	7,786	**0.602**	0.605
Buy SGP$ / Sell AU$: Maturity 3 months	**166**	-	**1.267**	-

The forward foreign currency contracts are considered to be fully effective cash flow hedges as they are matched against inventory purchases and any gain or loss on the contracts is taken directly to equity. When the inventory is delivered, the amount recognised in equity is adjusted to the inventory account in the balance sheet. In calculating the effectiveness of the forward foreign currency contracts, the forward exchange rate is adjusted to exclude the interest rate differential implicit in the forward exchange rate.

As at 30 June 2008, there was a change in the fair value before tax of the forward foreign currency contract liability of $21,944 favourable (2007: $1,394,515 unfavourable) which was charged to equity. At balance date, the following foreign currency liabilities included in trade payables were unhedged:

	2008	2007
	$'000	$'000
Consolidated		
JP¥	**1,275**	-
€uro	**2,544**	-

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

35. Financial Instruments (continued)

(c) Market risk (continued)

Sensitivity analysis for currency risk

A 5 percent strengthening of the Australian dollar against the following currencies at 30 June would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2007.

	Consolidated		Parent	
	Equity $'000	Profit or loss $'000	Equity $'000	Profit or loss $'000
30 June 2008				
JP¥	**61**	**67**	**-**	**-**
€uro	**27**	**134**	**-**	**-**
SGP$	**25**	**-**	**-**	**-**
	113	**201**	**-**	**-**
30 June 2007				
JP¥	502	-	-	-
US$	135	-	-	-
€uro	391	-	-	-
	1,028	-	-	-

A 5 percent weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

35. Financial Instruments (continued)

(d) Interest rate risk

Profile

At the reporting date, the interest rate profile of the company and the Group's interest bearing financial instruments were:

		Consolidated		Parent	
		Carrying amount		Carrying amount	
	Note	**2008**	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
Fixed rate instruments					
Financial liabilities	20	**(215,222)**	(200,504)	**(115,239)**	(91,983)
		(215,222)	(200,504)	**(115,239)**	(91,983)
Variable rate instruments					
Financial assets	9	**1,801**	9,826	**590**	4,587
Financial liabilities	20	**(39,667)**	(37,931)	**(15,496)**	(15,162)
		(37,866)	(28,105)	**(14,906)**	(10,575)

The company and the Group are exposed to interest rate risk when funds are borrowed at both fixed and floating interest rates. This risk is managed by maintaining a majority of fixed interest rate borrowings and preferring to borrow at fixed interest rates. The company and the Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis for interest rate risk

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit and loss in respect of fixed rate instruments.

In respect of variable rate instruments, a change of 100 basis points up or down in interest rates would have increased or decreased the Group's profit and loss by $379,000 (2007: $281,000) and the company's profit and loss by $149,000 (2007: $106,000)

Fair values

Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Group holds no financial instruments for trading purposes.

The carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purpose is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Fair values versus carrying amounts

The fair value of borrowings equals their carrying amount as the impact of any market discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

36. Correction of Errors

Correction of accounting errors in previous financial years

Accounting errors were made in prior year in relation to:

- Incorrect allocation of values and useful lives to certain plant and equipment, and intangibles resulting in changes to goodwill, and depreciation and amortisation expenses;
- Incorrect treatment of stamp duty upon business combinations and upon the acquisition of certain items of plant and equipment resulting in changes to goodwill and depreciation; and
- Incorrect capitalisation of certain items in the fixed assets register resulting in asset write offs.

The impacts of these errors in the years ended 30 June 2006 and 30 June 2007 are set out below.

GROUP	June 07	Increase / (decrease)	June 2007 (Restated)	June 06	Increase / (decrease)	1 July 2006 (Restated)
	$'000	$'000	$'000	$'000	$'000	$'000
BALANCE SHEET (EXTRACT)						
Intangible assets - goodwill	94,270	17,226	111,496	46,441	9,326	55,767
Intangible assets - licence net carrying amount	9,083	(7,000)	2,083	-	-	-
Intangible assets - contractual right net carrying amount	4,396	(1,168)	3,228	4,958	(654)	4,304
Property plant and equipment at cost	449,155	(6,745)	442,410	325,107	(6,688)	318,419
Accumulated depreciation	(60,956)	(24,562)	(85,518)	(32,383)	(21,827)	(54,210)
Deferred tax asset	3,286	823	4,109	3,641	1,283	4,924
Income tax payable	(1,189)	(14)	(1,203)	(529)	139	(390)
Deferred tax liability	(14,302)	5,855	(8,447)	(9,227)	4,582	(4,645)
NET ASSETS	**288,205**	**(15,585)**	**272,620**	**265,538**	**(13,838)**	**251,700**
Contributed equity	232,734	1,742	234,476	226,746	1,742	228,488
Reserves	(1,102)	418	(684)	237	-	237
Current year profit and loss	36,607	(2,166)	34,441	N/A	-	-
Retained earnings	19,965	(15,579)	4,386	38,555	(15,580)	22,975
TOTAL EQUITY	**288,205**	**(15,585)**	**272,620**	**265,538**	**(13,838)**	**251,700**

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

36. Correction of Errors (continued)

Correction of accounting errors in previous financial years (continued)

GROUP	June 07 $'000	Increase / (decrease) $'000	June 2007 (Restated) $'000
INCOME STATEMENT (EXTRACT)			
Depreciation and amortisation expense	(30,876)	(3,309)	(34,185)
Profit before income tax	**52,253**	**(3,309)**	**48,944**
Income tax expense	(15,646)	1,143	(14,503)
Net profit attributable to members of Boom Logistics Limited	**36,607**	**(2,166)**	**34,441**

Basic and diluted earnings per share for the prior period comparative have also been restated. The amount of the correction for both basic and diluted earnings per share was a reduction of 1.3 cents per share for the year ended 30 June 2007.

PARENT	June 07 $'000	Increase / (decrease) $'000	June 2007 (Restated) $'000	June 06 $'000	Increase / (decrease) $'000	1 July 2006 (Restated) $'000
BALANCE SHEET (EXTRACT)						
Receivables - non current	33,019	(573)	32,446	15,740	(669)	15,071
Other financial assets	79,846	669	80,515	79,846	669	80,515
Intangible assets - goodwill	32,662	7,364	40,026	12,228	7,364	19,592
Intangible assets - contractual right net carrying amount	4,396	(1,168)	3,228	4,958	(654)	4,304
Property plant and equipment at cost	219,032	(5,238)	213,794	163,367	(5,181)	158,186
Accumulated depreciation	(32,473)	(12,161)	(44,634)	(18,840)	(12,916)	(31,756)
Deferred tax asset	2,093	823	2,916	2,664	1,283	3,947
Income tax payable	(1,664)	(8)	(1,672)	(644)	139	(505)
Deferred tax liability	(3,218)	2,522	(696)	(2,649)	2,176	(473)
NET ASSETS	**249,035**	**(7,771)**	**241,264**	**248,056**	**(7,790)**	**240,266**
Contributed equity	232,734	1,742	234,476	226,746	1,742	228,488
Current year profit and loss	13,524	19	13,543	N/A	-	-
Retained earnings	2,496	(9,532)	(7,036)	21,084	(9,531)	11,553
TOTAL EQUITY	**249,035**	**(7,771)**	**241,264**	**248,056**	**(7,790)**	**240,266**

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2008

36. Correction of Errors (continued)

Correction of accounting errors in previous financial years (continued)

PARENT	June 07 $'000	Increase / (decrease) $'000	June 2007 (Restated) $'000
INCOME STATEMENT (EXTRACT)			
Depreciation and amortisation expense	(15,442)	183	(15,259)
Interest income from sub	1,191	(21)	1,170
Profit before income tax	**19,027**	**162**	**19,189**
Income tax expense	(5,503)	(143)	(5,646)
Net profit attributable to members of Boom Logistics Limited	**13,524**	**19**	**13,543**

Basic and diluted earnings per share for the prior period comparative have also been restated. The amount of the correction for both basic and diluted earnings per share was a reduction of 1.3 cents per share for the year ended 30 June 2007.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Boom Logistics Limited, we state that:

In the opinion of the directors:

(a) the financial statements and notes of the company and consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards, including other mandatory professional reporting requirements, and Corporations Regulations 2001;

(b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable;

(c) the audited remuneration disclosures set out on pages 25 to 32 of the Directors' Report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the Corporations Regulations 2001; and

(d) at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 34 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

This declaration has been made after receiving the declarations required to be made to the directors by the Managing Director and Chief Financial Officer in accordance with sections 295A of the Corporations Act 2001 for the financial period ending 30 June 2008.

On behalf of the Board

John Robinson	Brenden Mitchell
Chairman	**Managing Director**

Melbourne, 13 August 2008

PKF
Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BOOM LOGISTICS LIMITED

We have audited the accompanying financial report of Boom Logistics Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration for both Boom Logistics Limited and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives ("remuneration disclosures") required by Accounting Standard AASB 124 Related Party Disclosures under the heading "remuneration report" within the directors' report and not in the financial report.

Directors' Responsibility for the Financial Report and the AASB 124 remuneration disclosures contained in the directors' report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with Australian Equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

The directors' of the company are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibility is to also express an opinion on the remuneration disclosures contained in the directors' report based on our audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the directors' report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Tel: 61 3 9603 1700 | Fax: 61 3 9602 3870 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia
GPO Box 5099 | Melbourne | Victoria 3001

PKF
Chartered Accountants
& Business Advisers

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion:

(a) the financial report of Boom Logistics Limited is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a); and

(c) the remuneration disclosures that are contained within the remuneration report of the directors' report comply with Accounting Standard AASB 124.

PKF

PKF
Chartered Accountants

M L Port
Partner

13 August 2008
Melbourne

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 July 2008.

(a) Distribution of Equity Securities

The number of shareholders, by size of holding, in each class of share are:

			Ordinary shares Number of holders	Ordinary shares Number of shares
1	-	1,000	1,895	1,281,200
1,001	-	5,000	5,234	15,096,097
5,001	-	10,000	2,277	17,663,133
10,001	-	100,000	1,882	45,356,925
100,001	and over		106	91,430,380
			11,394	170,827,735
The number of shareholders holding less than a marketable parcel of shares are:			792	281,570

ASX ADDITIONAL INFORMATION (continued)

(b) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	HSBC Custody Nominees (Australia) Limited	15,049,250	8.8
2	ANZ Nominees Limited	14,705,590	8.6
3	National Nominees Limited	11,520,308	6.7
4	Citicorp Nominees Pty Limited	4,793,081	2.8
5	J P Morgan Nominees Australia Limited	3,045,535	1.8
6	Tarni Investments Pty Ltd	2,420,522	1.4
7	Argo Investments Limited	2,250,000	1.3
8	Mr Leslie Raymond Holt	2,175,370	1.3
9	Mrs Patricia Gail Holt	2,175,370	1.3
10	Mr Hugh Anthony Morris	1,954,839	1.1
11	The Australian National University Investment Section	1,750,000	1.0
12	Bond Street Custodians Limited	1,611,505	0.9
13	Mr Robert John Bower	1,348,488	0.8
14	Mr Thomas John Morris	1,251,513	0.7
15	Australian Executor Trustees NSW Ltd	1,219,878	0.7
16	Finook Pty Ltd	1,147,791	0.7
17	Mr Charles Camilleri & Mrs Cecilia Camilleri	1,133,618	0.7
18	Mr Bernard Francis O'Neill	950,000	0.6
19	Oldmack Pty Ltd	906,611	0.5
20	Boom Logistics Employee Share Plans Pty Ltd	888,265	0.5
Top twenty shareholders		72,297,534	42.3
Remainder		98,530,201	57.7
Total		**170,827,735**	**100.0**
(c) Substantial Holders			
Substantial holders in the company are set out below:			
	HSBC Custody Nominees (Australia) Limited	15,049,250	8.8
	ANZ Nominees Limited	14,705,590	8.6
	National Nominees Limited	11,520,308	6.7

(d) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.