



ABN 28 095 466 961

**Half-Year Financial Report
for the half year ended 31 December 2006**



ABN 28 095 466 961

CONTENTS	Page
Directors' Report	3
Auditor's Independence Declaration	4
Condensed Income Statement	5
Condensed Balance Sheet	6
Condensed Cash Flow Statement	7
Condensed Statement of Changes in Equity	8
Notes to the Condensed Financial Statements	9
Directors' Declaration	16
Independent Review Report	17

Directors' Report

Your directors submit their report for the half-year ended 31 December 2006.

Directors

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Rodney John Robinson	(Non executive Chairman)
Roderick Glynn Harmon	(Managing Director)
Terrance Alexander Hebiton	(Non executive Director)
Dr. Huw Geraint Davies	(Non executive Director)
Terrence Charles Francis	(Non executive Director)
Jane Margaret Harvey	(Non executive Director)
Mark Alan Lawrence	(Finance Director) (appointed 1 July 2006)

Review and Results of Operations

The consolidated entity experienced a significant increase in revenue and profit during the half-year. Revenue and profit after tax increased by 40% and 25% respectively on the same period last year. This was due to a combination of continued strong client demand, the full impact from acquisitions made in the previous half-year period, and the acquisition of a new business during the period. The impact of this acquisition is disclosed in the financial statements.

Rounding

The amounts contained in this report and in the half-year financial report 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.



Roderick Harmon
Managing Director



John Robinson
Chairman

Melbourne, 14 February 2007



Chartered Accountants
& Business Advisers

14 February 2007

Board of Directors
Boom Logistics Limited
Level 12
390 St Kilda Road
MELBOURNE VIC 3004

Dear Directors

INDEPENDENCE DECLARATION

As lead engagement partner for the review of Boom Logistics Limited for the half-year ended 31 December 2006, 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF
Chartered Accountants

M L Port
Partner

Condensed Income Statement
for the Half-Year ended
31 December 2006

	Note	CONSOLIDATED	
		2006 \$'000	2005 \$'000
Revenue from continuing operations	3	170,446	121,612
Salaries and employee benefits expense	3	(59,106)	(47,413)
Equipment service and supplies expense	3	(48,841)	(28,529)
Depreciation and amortisation expense	3	(14,482)	(9,155)
Finance costs	3	(6,240)	(4,367)
Operating leases	3	(3,825)	(2,511)
Other expenses		(9,987)	(7,223)
		-----	-----
Profit before income tax		27,965	22,414
Income tax expense		(8,379)	(6,687)
		-----	-----
Net profit attributable to members of Boom Logistics Limited		19,586	15,727
		=====	=====
Basic earnings per share (cents per share)		11.5	11.0
Diluted earnings per share (cents per share)		11.5	11.0
Franked dividends per share (cents per share)		5.7	5.2

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

Boom Logistics Limited
A.B.N. 28 095 466 961

Condensed Balance Sheet
as at
31 December 2006

	Note	CONSOLIDATED	
		31 December 2006 \$'000	30 June 2006 \$'000
CURRENT ASSETS			
Cash and cash equivalents		11,954	29,909
Trade and other receivables		63,690	49,196
Inventories	6	8,706	348
Prepayments and other current assets		4,502	4,450
		-----	-----
TOTAL CURRENT ASSETS		88,852	83,903
		-----	-----
NON-CURRENT ASSETS			
Plant and equipment		346,225	292,724
Deferred tax assets		3,188	3,641
Intangible assets		91,191	51,399
		-----	-----
TOTAL NON-CURRENT ASSETS		440,604	347,764
		-----	-----
TOTAL ASSETS		529,456	431,667
		=====	=====
CURRENT LIABILITIES			
Trade and other payables		23,001	14,853
Interest bearing loans and borrowings		53,683	39,719
Provisions		8,851	8,477
Income tax payable		2,643	529
Other current liabilities		5,410	4,671
		-----	-----
TOTAL CURRENT LIABILITIES		93,588	68,249
		-----	-----
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings		142,243	88,546
Provisions		150	107
Deferred tax liabilities		11,564	9,227
		-----	-----
TOTAL NON-CURRENT LIABILITIES		153,957	97,880
		-----	-----
TOTAL LIABILITIES		247,545	166,129
		=====	=====
NET ASSETS		281,911	265,538
		=====	=====
EQUITY			
Issued capital	9	232,734	226,746
Retained earnings		49,276	38,555
Reserves		(99)	237
		-----	-----
TOTAL EQUITY		281,911	265,538
		=====	=====

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

Condensed Cash Flow Statement
for the Half-Year ended
31 December 2006

		CONSOLIDATED	
	Note	2006 \$'000	2005 \$'000
Cash flows from operating activities			
Receipts from customers		172,442	119,387
Payments to suppliers and employees		(127,188)	(89,644)
Interest paid		(6,240)	(4,367)
Interest received		405	477
Income tax paid		(3,559)	(5,438)
		-----	-----
Net cash provided by operating activities		35,860	20,415
		-----	-----
Cash flows from investing activities			
Purchase of plant and equipment		(12,514)	(21,681)
Acquisition of subsidiary/business net of cash acquired	13(a)	(53,463)	(57,435)
Proceeds from the sale of plant and equipment		587	435
		-----	-----
Net cash used in investing activities		(65,390)	(78,681)
		-----	-----
Cash flows from financing activities			
Proceeds from issue of shares net of transaction costs		(12)	80,005
Proceeds from borrowings		35,500	-
Repayment of borrowings		(15,048)	(9,453)
Payment of dividends		(8,865)	(5,657)
		-----	-----
Net cash provided by financing activities		11,575	64,895
		-----	-----
Net increase/(decrease) in cash and cash equivalents		(17,955)	6,629
Cash and cash equivalents at the beginning of the period		29,909	6,053
		-----	-----
Cash and cash equivalents at the end of the period		11,954	12,682
		=====	=====

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

Condensed Statement of Changes in Equity
for the Half-Year ended
31 December 2006

CONSOLIDATED

	Issued Capital \$'000	Retained Earnings \$'000	Cash flow Hedge Reserve \$'000	Employee Benefits Reserve \$'000	Total Equity \$'000
At 1 July 2006	226,746	38,555	-	237	265,538
Profit for the period	-	19,586	-	-	19,586
Issue of share capital	6,000	-	-	-	6,000
Share capital raising costs	(12)	-	-	-	(12)
Cost of share based payments	-	-	-	153	153
Equity dividends	-	(8,865)	-	-	(8,865)
Gain / (loss) taken to equity	-	-	(489)	-	(489)
At 31 December 2006	232,734	49,276	(489)	390	281,911
At 1 July 2005	70,075	18,962	-	71	89,108
Profit for the period	-	15,727	-	-	15,727
Issue of share capital	84,458	-	-	-	84,458
Share capital raising costs	(1,627)	-	-	-	(1,627)
Cost of share based payments	-	-	-	100	100
Equity dividends	-	(5,657)	-	-	(5,657)
At 31 December 2005	152,906	29,032	-	171	182,109

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

Notes to the Condensed Financial Statements
for the Half-Year ended 31 December 2006

1. Corporate Information

The financial report of Boom Logistics Limited for the half-year ended 31 December 2006 was authorised for issue in accordance with a resolution of the directors on 14 February 2007.

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

The nature of the operations and principal activities of the Group are described in note 5.

2. Summary of Significant Accounting Policies

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Boom Logistics Limited as at 30 June 2006.

It is also recommended that the half-year financial report be considered together with any public announcements made by Boom Logistics Limited and its controlled entities during the half-year ended 31 December 2006 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Statement of compliance

The half-year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2006, and new accounting policies arising from the acquisition of the James Group described in note 2(d) & (e).

(c) Basis of consolidation

The half-year financial statements comprise the financial statements of Boom Logistics Limited and its subsidiaries during the period.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

**Notes to the Condensed Financial Statements
for the Half-Year ended 31 December 2006**

2. Summary of Significant Accounting Policies (continued)

(c) Basis of consolidation (continued)

The acquisition of the James Group on 1 August 2006 has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the half-year financial statements include the results of the James Group for the period from its acquisition on 1 August 2006.

(d) Inventories

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

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 estimated costs necessary to make the sale.

(e) 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;
- 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; or
- Hedges of a net investment in a foreign operation.

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.

Notes to the Condensed Financial Statements
for the Half-Year ended 31 December 2006

2. Summary of Significant Accounting Policies (continued)

(e) Derivative financial instruments and hedging (continued)

A hedge of the foreign currency risk of a firm 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.

Notes to the Condensed Financial Statements for
the Half-Year ended 31 December 2006

	CONSOLIDATED	
	2006	2005
	\$'000	\$'000
3. Revenue and Expenses from Continuing Operations		
(a) Revenue		
Revenue from services	169,942	121,026
Interest income from other persons/corporations	405	477
Net gains on disposal of plant and equipment	99	109
	-----	-----
	170,446	121,612
	-----	-----
(b) Expenses		
Salaries and employee benefits (net of superannuation)	55,593	44,659
Defined contribution plan expense	3,513	2,754
Equipment service and supplies	48,841	28,529
Depreciation and amortisation	14,482	9,155
Finance costs	6,240	4,367
Operating leases	3,825	2,511
4. Dividends Paid And Proposed		
(a) Dividends paid during the half-year		
Fully franked final dividends for 30 June 2006: 5.2 cents (2005: 3.9 cents)	8,865	5,657
(b) Dividends proposed and not recognised as a liability		
Fully franked interim dividends for financial year 30 June 2007: 5.7 cents (2006: 5.2 cents)	9,724	7,890

5. Segment Information

The consolidated entity operates in the lifting solutions industry and in Australia only.

	CONSOLIDATED	
	Dec 06	Jun 06
	\$'000	\$'000
6. Inventories		
Stock on hand	3,784	-
Stock in transit	4,518	-
Fuel at cost	358	302
Other inventory at net realisable value	46	46
	-----	-----
	8,706	348
	-----	-----

Notes to the Condensed Financial Statements for
the Half-Year ended 31 December 2006

7. Plant and Equipment

Acquisitions

During the half-year ended 31 December 2006, the Group acquired fixed assets with a cost of \$72,727,673. Included in this amount was the acquisition of the James Group on 1 August 2006 totalling \$19,828,000.

8. Interest Bearing Loans and Borrowings

During the half-year ended 31 December 2006, the Group raised \$83 million of interest bearing debt of which \$35 million represented debt funding for the acquisition of the James Group on 1 August 2006.

	CONSOLIDATED	
	Dec 06 \$'000	Jun 06 \$'000
9. Issued Capital		
Issued and fully paid ordinary shares	232,734	226,746
	Dec 2006	
	No. of shares	\$'000
<i>Movements in ordinary shares on issue</i>		
At 1 July 2006	169,080,182	226,746
Issued during the period:		
- Issued on 1 August 2006 for purchase of James Group	1,395,349	6,000
- Issued on 11 September 2006 for employee share plan	106,853	-
- Issued on 13 November 2006 for employee share plan	19,976	-
- Capital raising costs	-	(12)
	-----	-----
	170,602,360	232,734
	-----	-----

10. Commitments and Contingencies

Commitments

At 31 December 2006, the Group has capital commitments of \$15.2 million for purchase of plant and equipment.

Contingencies

Since the last annual reporting date, there has been no material change to any contingent assets or contingent liabilities.

Notes to the Condensed Financial Statements for
the Half-Year ended 31 December 2006

11. Financial Risk Management Objectives and Policies

Further to the disclosure under this heading on Note 31 (page 67) of the Annual Financial Report of Boom Logistics Limited as at 30 June 2006, the Group has entered into derivative transactions, principally forward currency contracts as a result of the acquisition of the James Group on 1 August 2006. The purpose is to manage currency risks arising from purchases of inventories in currencies other than the functional currency for which payment is anticipated more than one month after a firm commitment has been entered into.

It is the Group's policy not to enter into forward contracts until a firm commitment is in place and to negotiate the terms of the hedge derivatives to exactly match the terms of the hedged item to maximise hedge effectiveness. The forward currency contracts must be in the same currency as the hedged item.

At 31 December 2006, the Group has continued to hedge 100% of its foreign currency purchases.

12. Events After The Balance Sheet Date

On 14 February 2007, the directors of Boom Logistics Limited declared a fully franked interim dividend of 5.7 cents per share totalling \$9,724,335 in respect of the 2007 financial year. The dividend has not been provided for in the 31 December 2006 Condensed Financial Statements.

13. Business Combination

CONSOLIDATED

2006	2005
\$'000	\$'000

(a) Payments for subsidiary/business acquisitions

During the period, cash payments for business acquisitions were as follows:

Business acquired during the period net of cash acquired	53,463	54,618
Deferred cash settlement for businesses acquired in previous periods	-	2,817
	-----	-----
	53,463	57,435
	-----	-----

Notes to the Condensed Financial Statements
for the Half-Year ended 31 December 2006

13. Business Combination (continued)

(b) Acquisition of controlled entities and businesses

The following business was acquired during the reporting period:

Business Date of Acquisition Type of Acquisition	James Group 1 August 2006 Asset Purchase	
	Recognised on acquisition \$'000	Carrying value \$'000
(i) <i>Consideration</i>		
- cash paid	53,463	
- ordinary shares	6,000	
	59,463	
(ii) <i>Net Assets Acquired</i>		
- inventory	10,525	10,525
- other current assets	8	8
- plant and equipment	19,828	11,847
- contractual right	10,000	-
	40,361	22,380
- trade payables	(7,686)	(7,686)
- provisions	(76)	(76)
- other current liabilities	(191)	(191)
	(7,953)	(7,953)
Net assets acquired	32,408	14,427
(iii) <i>Goodwill arising on acquisition</i> ^a	27,055	

^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.

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 consolidated entity are in accordance with: the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and the performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (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.

On behalf of the Board



Roderick Harmon
Managing Director



John Robinson
Chairman

Melbourne, 14 February 2007

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Boom Logistics Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Boom Logistics Limited ('Boom Logistics'), which comprises the condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement or description of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising Boom Logistics and the entities it controlled at 31 December 2006 or from time to time during the half-year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of Boom Logistics are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Boom Logistics' financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Boom Logistics, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Boom Logistics would be in the same terms if it had been given at the time the auditor's review report was made.



Chartered Accountants
& Business Advisers

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Boom Logistics is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PKF

PKF
Chartered Accountants

M L Port

M L Port
Partner

Melbourne
14 February 2007