

Boom Logistics Limited Announcement

18th February 2008
ASX code BOL

The Company's Directors wish to advise the market of the following:

- The breach in banking covenant advised to the market is a "technical" breach resulting from non-cash Boom Sherrin depreciation adjustments of \$1.226 million in the first half 2008 result. Without this adjustment the EBIT interest cover ratio would have been over 3 and no breach would have occurred.
- The banks issued a waiver in full recognition of the technical nature of the breach and with a clear view of the Company's accounts and forecasts.
- There are no penalties associated with the technical breach and there are no constraints on management of the Company's business.
- The Company's bank facilities remain in place with no change to any conditions other than the waiver and the Company has only approximately \$14 million of borrowings subject to refinancing during the next 12 months in addition to the rollover of normal trade finance facilities. The refinancing component comprises a mix of commercial bills and equipment finance.
- The Company's business is a strong cash generator and with an EBITDA to interest ratio of 5.2 is well able to service its borrowings.
- The Company has no requirement for either additional debt or equity finance facilities to sustain the current business and organic growth projections.

Media enquiries:

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