



BOOM

L O G I S T I C S

BOOM Logistics Limited

Investor Presentation

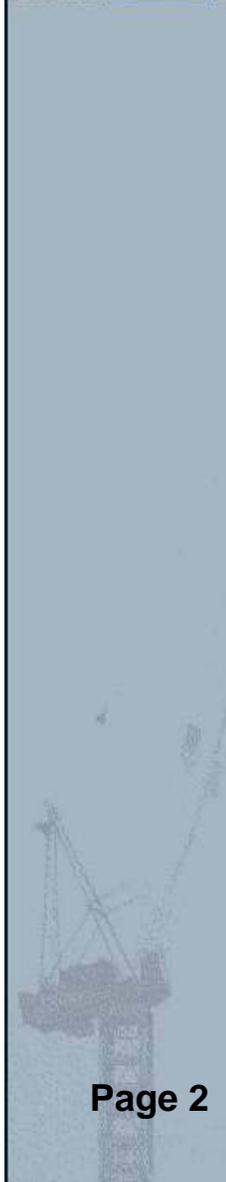
Proposed purchase of Bowers and capital raising

September 2004

Providers of lifting solutions to Australia

Summary

- **BOOM Logistics** is proposing to acquire the business of **Bowers Heavy Haulage and Crane Service (“Bowers”)** which is based in the **Hunter Valley, NSW**
- Gross purchase price is \$16.3m - target settlement date is 20 October 2004
 - Consideration comprises: \$4.0m of BOOM shares, assumption of \$0.8m of employee entitlements, transfer of debt of \$1.4m and cash of \$10.1m
- Acquisition to be funded by \$21.0m equity raising, comprising:
 - \$19.5m institutional placement – **13.0m shares at \$1.50 each** - to be underwritten by Wilson HTM and Bell Potter – conditional on shareholder approval at 15 Oct 2004 AGM
 - \$1.5m Share Purchase Plan to shareholders – capped at 1.0m shares at \$1.50 each
- Surplus cash of approximately \$7.7m is being raised (above the requirements of the Bowers acquisition) – which is available for other identified acquisition opportunities
- The acquisition of Bowers and the equity raising (including the surplus cash raising) is expected to be EPS neutral in FY05
- Wilson HTM and Bell Potter have provided the opportunity to previously escrowed shareholders to sell shares in conjunction with the placement (at the placement price)



Bowers - profile

- Established in 1946 and based in the Hunter Valley, NSW
- provides wide-ranging lifting and haulage services (incl. ancillary support)
- average age of the equipment is 8 years old and well maintained
- services coal miners, power generation bodies and civil engineering projects
- employs experienced staff in all facets of lifting service provision
- maintains a diverse and solid client base
- Revenue segmentation:
 - 91% Maintenance
 - 6% Engineering & construction
 - 1% Non-residential construction
 - 2% Other



Bowers business overview & strategic rationale

	Feature	Strategic Rationale
Location	<ul style="list-style-type: none"> Hunter Valley based 	<ul style="list-style-type: none"> Significantly increase NSW presence Backup to existing Port Kembla operations
Customer Focus	<ul style="list-style-type: none"> Coal miners Power generation bodies Civil engineering projects 	<ul style="list-style-type: none"> Blue chip clients Complimentary industry expertise Customer diversification
Business Segmentation	<ul style="list-style-type: none"> Maintenance = 91% Engineering = 6% Other = 3% 	<ul style="list-style-type: none"> Recurring / high quality revenue stream
Resources	<ul style="list-style-type: none"> 44 cranes, 20 prime movers (+ ancillary equipment) and 88 employees 	<ul style="list-style-type: none"> Creates further asset synergies Adds strategic assets to national pool
Market position	<ul style="list-style-type: none"> Leading service provider within geographic market 	<ul style="list-style-type: none"> Quality operations High barriers to entry
Opportunities	<ul style="list-style-type: none"> Bowers operation is locally focussed 	<ul style="list-style-type: none"> Combined operations can leverage off each other for better asset utilisation and organic growth



Consideration and Balance Sheet impact

Consideration	
	\$m
Gross purchase price	16.3
Less: employee entitlements	(0.8)
Less: debt transferred	(1.4)
Net purchase price	14.1
Funding:	
Cash	10.1
Vendor equity ¹	4.0
Total	14.1

- 1 (a) Pricing determined based on 5 day VWAP prior to transaction announcement
 (b) shares are escrowed for 6 months

Balance Sheet impact		
As at 30 June 2004 (\$m)	Actual	Proforma ²
Cash	2.6	12.8
Plant & equipment	78.1	94.4
Intangibles	7.1	7.1
Other assets	21.5	21.5
Total assets	109.3	135.8
Borrowings	35.3	36.7
Provisions	3.9	4.7
Other liabilities	18.4	18.4
Total liabilities	57.6	59.8
Net assets	51.7	76.0
Net debt/equity	63.2%	31.4%

- 2 Proforma financial position prepared as if Bowers acquisition and equity raising had occurred on 30 June 2004

Bowers financial performance and acquisition multiple

Bowers financial performance		
Y/End 30 June 2004	Actual	Proforma ¹
Revenue	16.6	17.3
EBITDA	4.3	4.5
EBITDA margin	25.7%	26.0%

Implied acquisition multiple	
	\$m
Gross purchase price	16.3
EBITDA (FY04 proforma)	4.5
EBITDA multiple	3.6x

1 Includes incremental estimated revenue/earnings from recently purchased cranes on an annualised basis



Proposed equity raising & share sell-down

- \$21.0m equity raising, comprising:
 - (a) Institutional placement :
 - 13.0m shares at \$1.50 each to raise \$19.5m
 - to be underwritten by Wilson HTM and Bell Potter
 - **conditional on shareholder approval at AGM on 15 Oct 2004**
 - (b) Share Purchase Plan offered to shareholders:
 - Up to \$5,000 per shareholder
 - Capped at 1.0m shares at \$1.50 per share raising \$1.5m
- Approximately \$7.7m of the equity raising is surplus to the Bowers acquisition (after working capital requirements and transaction costs) - which will be applied to the funding of other identified acquisition opportunities
- Wilson HTM and Bell Potter have provided the opportunity to previously escrowed shareholders to sell shares in conjunction with the placement (at the placement price)



Timetable

Bids submitted to Wilson HTM	up to 4.30pm Wednesday 8 Sept 2004
Allocations notified	Late pm Wednesday 8 Sept 2004
Sell-down shares traded	Friday 10 Sept 2004
Settlement for sell-down shares	Wednesday 15 Sept 2004
AGM – approve placement	Friday 15 Oct 2004
Settlement for placement	Tuesday 19 Oct 2004
Settle Bowers acquisition	Wednesday 20 Oct 2004
Placement shares commence trading	Wednesday 20 Oct 2004

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