

## **MARKET ANNOUNCEMENT**

### **BOOM LOGISTICS LIMITED - 2004 ANNUAL GENERAL MEETING**

#### **Chairman's Address**

Clearly the past year has been one of substantial change for the Company and I believe it is worth revisiting the highpoints before looking ahead.

We commenced the year as a relatively small privately controlled enterprise formed from the amalgamation of several mobile crane businesses operating in the Perth metropolitan area and a Victorian based tower crane company with an associated mobile crane business.

In the first month of the year we acquired a crane business operating in the Kalgoorlie area of Western Australia and had already identified other acquisition opportunities that would project the Company towards its objective of becoming a national lifting solutions business. These acquisitions required a level of funding and flexibility that only a public listing would allow and the Company successfully concluded an IPO in October 2003, raising \$21 million in new capital. The ASX listing also provided the Company with the currency of public listed scrip, a useful adjunct to acquiring privately owned businesses. The five businesses acquired as a consequence of the IPO, not only increased the overall size of our Company it also dramatically extended our geographic reach with a presence in Port Hedland in North Western Australia, Port Kembla in NSW, Brisbane and two further operations in Victoria.

Business acquisitions have also stimulated organic growth as our ability to offer customers fleet flexibility, a national presence, improved service and an integrated approach to lifting solutions has provided new opportunities. The extent of our organic growth is demonstrated by expenditure on new cranes during the year of some \$5.6 million.

A measure of the physical change that your Company has undergone during the past year can be illustrated by comparing the 100 cranes at the commencement of the year with the fleet of 269 cranes at year end. During the same period our employees have increased from 140 to 398. These physical changes are not however, an end in themselves, they are part of the process of building shareholder value and in this regard we have exceeded our forecasts.

Our FY 2004 after tax profit of \$9.4 million was 6% above our IPO forecast of \$8.9 million. This improved outcome has allowed a similar increase in dividends to shareholders, from the IPO forecast of 4.8 cents to a fully franked 5.1 cents, representing a payout of 50% of the Company's after tax profit.

Management's ability to successfully integrate six new businesses into the Company, whilst also exceeding financial forecasts has established BOOM's credibility in the investment market and this of course has translated into strong share price performance. In terms of market credibility we are also mindful of the need to observe best practice in Corporate Governance and your Board has been diligent in introducing the various structures and elements that are integral to meeting ASX guidelines.

It is now time to look ahead. The Company has ably demonstrated the effectiveness of its business model during the past year and is now poised for the next growth phase. As in the previous year, we expect this to occur by way of both acquisition and organic growth and Rod Harmon will shortly talk more about this.

It is worth noting that the market in which we operate is characterised by a multitude of small privately owned family businesses. BOOM is the largest crane business in Australia, yet we account for only about 11% of the national market. This indicates that with our sound business model and clear strategy there is ample opportunity for growth and further creation of shareholder value.

Before handing over to Rod, I would like to take a moment to pay tribute to two groups of individuals that have laid the foundations for our success.

The founding shareholders of BOOM had the vision of creating a national lifting solutions company and they took the risks required to initiate this enterprise, including seed capital and giving personal guarantees against borrowed funds. They have since been well rewarded, but without their vision and energy we would not be here today.

I would also like to commend Rod and his management team for their skill and effort in taking the Company through to an ASX listing, successfully integrating six new businesses into BOOM and exceeding the IPO financial forecasts. The fact that much of this was achieved in only eight months, between listing and year end amplifies their achievement.

I believe there is good cause for optimism in the period ahead, with new growth initiatives already in view and continuing strength in the market sectors in which we operate.

Thank you for your attention. I will now hand over to Rod Harmon, the Company's CEO who will take you through some of the current management initiatives.