

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2004**

## DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2004.

### Directors

John Robinson  
Fiona Bennett  
Dr. Huw G Davies  
Roderick Glynn Harmon  
Terence Alexander Hebiton  
Douglas Edwin Williams

### Company Secretary

Mark Lawrence

All of the above officers of the company were in office for the full financial year and at the date of this report.

### 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 and options of Boom Logistics Limited were:

Name	Ordinary Shares **	Options
J. Robinson	100,000	-
R.G. Harmon	1,658,571	-
T.A. Hebiton	2,207,722	2,015,000 *
D.E. Williams	13,122,155	-
F. Bennett	50,000	-
H.G. Davies	80,000	-

\* Refer to Note 19(c) in the financial statements for further details of the options issued.

\*\* These ordinary shares are held directly by the directors and do not include ordinary shares held indirectly or by their personally-related entities.

### 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		Remuneration committee		Occupational, Health Safety, Environment & Quality committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
J. Robinson	13	13	-	-	1	1	2	2
R.G. Harmon	13	13	-	-	-	-	-	-
T.A. Hebiton	13	13	4	4	-	-	2	2
D.E. Williams	13	12	-	-	-	-	2	1
F. Bennett	13	13	4	4	1	1	-	-
H.G. Davies	13	12	4	4	1	1	-	-

## Indemnification 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.

## Directors' and Officers' Remuneration

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the directors, the chief executive officer and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company. Further details on the remuneration of directors and executives are also provided in Note 28 to the financial statements.

Details of the nature and amount of each element of the emolument of each director of the company and each of the five executive officers of the company and consolidated entity receiving the highest emolument for the financial year are as follows:

### Directors

Name	Salary & Fees	Bonus	Non Monetary benefits	Super	Other	Option Value	Total Emolument	Number of Options
	\$	\$	\$	\$	\$	\$	\$	
J. Robinson	70,000	-	-	6,300	-	-	76,300	-
R.G. Harmon	310,919	9,138	89	24,188	1,326,857	-	1,671,191	-
T.A. Hebiton	31,250	-	-	2,813	-	-	34,063	-
D.E. Williams	91,317	20,000	3,834	5,611	-	-	48,096	-
F. Bennett	31,250	-	-	2,813	-	-	34,063	-
H.G. Davies	31,250	-	-	2,813	-	-	34,063	-

### Executive Officers

Name	Salary & Fees	Bonus**	Non Monetary benefits	Super	Other	Option Value	Total Emolument	Number of Options
	\$	\$	\$	\$	\$	\$	\$	
M. Lawrence	183,464	9,972	213	15,750	120,000	-	329,399	-
D. Baker	159,125	28,600	849	13,680	120,000	-	316,203	-
B. Praetz	171,112	10,961	-	14,130	120,000	-	322,254	-
F. Legena	143,919	10,354	4,931	12,707	-	-	171,911	-
L. Holt *	127,341	-	5,604	10,500	-	-	143,445	-

\* L. Holt commenced employment with Boom Logistics Limited on 7 October 2003.

\*\* The payment of bonuses under the Short Term Incentive Plan requires Board set targets to be met and they operate on an incremental scale for progressive above target performance. Targets comprise a mix of financial and safety targets appropriately weighted to reflect function responsibilities.

## **Nature of Operations and Principal Activities**

During the year, the principal activities of the consolidated entity consisted of the provision of lifting solutions, crane and heavy haulage services.

## **Review of Results and Operations**

Profit after income tax expense of the consolidated entity for the year ended 30 June 2004, amounted to \$9,405,000. This represents a 265% increase on 2002-2003 of \$2,577,000. The company also generated \$11,238,000 in net operating cash flow for the year ended 30 June 2004

All business units performed well during the financial year as a result of strong client demand, particularly in the resources sector. The 6 businesses acquired were successfully integrated into the company.

## **Significant Changes in the State of Affairs**

The significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

- ASX public listing of the company on 14 October 2003; and
- Acquisition of 6 businesses to provide the company with a national presence and capability.

## **Events Subsequent to Reporting Date**

On 1 July 2004, Boom Logistics Limited paid \$1.15m to Brambles Australia Limited as full and final settlement of the Brambles (Port Kembla NSW) asset purchase. Upon payment, Boom Logistics Limited was discharged from the Deed of Charge over the assets purchased.

On 1 July 2004, the consolidated entity signed a commercial hire purchase agreement to acquire 7 cranes to the value of \$1,368,477. As at 30 June 2004, this transaction was recorded as a trade creditor as ownership had passed and a liability was incurred by the consolidated entity.

On 16 August 2004, the directors of Boom Logistics Limited declared a fully franked final dividend of 3.9 cents per share on ordinary shares (\$3,601,463) in respect of the 2004 financial year. The dividend has not been provided for in the 30 June 2004 financial statements.

## **Likely Future Developments and Expected Results**

The directors foresee that the company will continue to benefit from further organic growth and acquisition initiatives during the 2004/05 financial year.

Further disclosures of information as to likely developments in the operations of the consolidated entity and expected results of those operations would be prejudicial to the interests of the consolidated entity. Accordingly, such information has not been included in this Report.

## **Environmental Regulation**

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

## **Corporate Governance**


In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Boom Logistics Limited support and have adhered to the principles of corporate governance.

## Rounding

The amounts contained in this report and in the 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.

**Director**   
.....  
John Robinson

**Director**   
.....  
Roderick G. Harmon

Melbourne, 16 August 2004