2012 ANNUAL GENERAL MEETING
OF BOOM LOGISTICS LIMITED

Addresses by Chairman and Managing Director

Chairman's Address

At this time last year I spoke about the structural changes that had been implemented across the business as we continued to adjust to a post GFC economy. The full benefit of those changes was however masked by the extreme weather events of 2011 and in particular the extended period of disruption to business activity across the Queensland coalfields resulting from cyclone Yasi. The positive impact of those FY11 structural changes together with further business improvement initiatives throughout FY12 is now evident in the FY12 financial results.

In August we announced a statutory Net Profit after Tax of $19.7 million and an underlying trading result of $18.5 million, after adjusting for the profit on the sale of our tower crane business less Boom Sherrin restructuring costs. This represents a 246% lift in performance over the underlying FY11 trading result of $5.4 million. The FY11 statutory result was of course impacted by non cash charges, primarily resulting from the Boom Sherrin restructure.

We have continued to implement business improvement initiatives into the new financial year, focussing activity where our value proposition provides the best returns. In parallel with structural change across the business we have also continued to introduce upgraded operating systems to keep pace with the need for operating data analysis and timely feedback to decision makers. I will leave it to the Chief Executive to detail the structural changes implemented during the past year as well as ongoing strategic initiatives.

In positioning the business for future growth and continuing the process of upgrading our operating assets, we invested $58.2 million in plant and equipment during the past year, with funding provided from a strong operating cashflow supplemented with proceeds from the sale of redundant equipment. The strong cashflow also enabled continued reduction in borrowings with our gearing level falling from 40% to 36% by year end. We plan to invest in the order of a further $60 million during the 2013 financial year to continue enhancing our asset base and to position the business for ongoing growth. This investment process is disciplined by a sharp focus on improving the return on capital employed. During the past year the return on trading assets increased from 7% to 10% and this improving trend is expected to continue into the 2013 financial year.

At the time of our release of financial results for the 2012 financial year we indicated that our expectation for the 2013 financial year was a continuation of the strong growth momentum. In particular we noted that based on prevailing conditions we expected earnings before interest and tax to range between $47-$50 million, compared with the trading performance for 2012 of $35.5 million.

The intervening period has shown some further softening in business activity and cost pressures have increased. I noted in the Annual Report that about 62% of our Crane Logistics revenue is generated from the resources industry and that this sector of the economy has been impacted by negative sentiment over recent months as commodity prices have retreated and

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costs have continued to escalate. Our primary role is to support maintenance activity across the various operations of our customers rather than new project construction and although we are not immune to an industry wide downturn our activity is directly related to production volume and only incidentally to commodity price. Our major customers in the resources sector are competitively positioned in terms of the international production cost curve for their outputs and are therefore well placed to maintain their level of activity.

Within the Boom Sherrin business the important travel tower component is primarily linked to servicing the telecommunications and energy utilities sectors. These continue to present solid growth opportunities and the capital spend for the current year is targeted to support this. The general access equipment business is being managed for cash following the major restructuring during the 2011 financial year. This equipment is more exposed to construction activity and has continued to underperform.

Supported by the first quarter of FY13, we maintain our performance outlook for the current year. Our Chief Executive will deal with this in more detail in his report.

In closing this address I would like to take a moment to pay tribute to Huw Davies who is retiring from the Board at this meeting. Huw joined the Board in 2002, well before the company was listed on ASX . His executive background and experience, particularly his knowledge of the power generation and utilities sector has been of great value in Board deliberations. On behalf of his Board colleagues I thank Huw for his valuable contribution over the last ten years and wish him well in his retirement.

In concluding I would like to acknowledge the skills and dedication at all levels in our workforce. The foundations that they have built over the last few years should provide a solid base for future growth and improved shareholder returns.

I will now hand over to Brenden Mitchell to deliver the Chief Executive’s report.

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Managing Director's Address

I am pleased to report a set of results for the 2012 financial year that are much improved on previous years with safety performance, trading performance, revenue growth and gearing all trending in the right direction.

Our commitment to safety is a key component of our success, and in the past year our business delivered a 39% reduction in our Total Recordable Injury Frequency Rate, following a 25% reduction in FY11. These improvements are a testament to the continuing focus by our people in our safety journey.

That isn't to say that more can't be done and as a business we reaffirm our commitment to Zero Harm and our strong belief that safety is inseparable from our operations and critical to operational discipline.

In this regard, it is with deep regret that I advise that one of our employees was fatally injured during an incident on a third party site on Friday the 5th of October. The employee was assisting a forklift driver with the loading of a Boom Logistics truck when he was struck by the load. No Boom crane or other Boom employees were involved. Our thoughts are with the employee's family and his work colleagues, and we continue to make every effort to assist the family and work colleagues concerned during this difficult period.

Three years ago we embarked on a strategy to focus on our core Crane Logistics business and Travel Towers within Boom Sherrin. The strategy included selling non-core businesses, restructuring the metropolitan businesses and reshaping our fleet. We restructured the Boom Sherrin business, closing six depots and redeploying fleet to higher yield areas with the decision to manage our access and general hire assets for cash.

In the first quarter of the FY13 year, the execution of the strategy has continued with the restructuring of the Brisbane Crane Logistics business with assets moved to central Queensland, NSW, WA and the Heavy Lift and Projects business on the East Coast.

The execution of our strategy also called for renewing contracts and winning new business in core markets particularly the mining and resources sector. In the last financial year, we continued to re-sign major contracts, and importantly won the BHP Billiton Olympic Dam maintenance contract for the existing mine site and processing facilities. This 5-year maintenance contract, which commenced in June, should not be confused with any expansion project in the region.

The impact of our strategy is that we are now a vastly different business than three years ago. 65% of our revenue in the Crane Logistics business now comes from mining and resources across a diversified commodity range with good geographical spread. Our business on the whole serves customers who are low cost producers better positioned through commodity cycles.

As a result of concentrating on delivering ongoing maintenance services our business is less affected by deferral of capital for expansion projects. Going forward we expect to be less exposed to the volatility that caused us so much pain during the GFC and the transformational period during which we executed our strategy

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BOOM LOGISTICS

The 2012 financial year was a year of record profit growth, with our Trading EBIT result up by $12.3 million to $35.5 million, an increase, of 53% and our Trading NPAT of $18.5 million up $13.1 million, an increase of 246%. Revenue growth in our core businesses of Crane Logistics and Travel Towers grew by 11%. This result was achieved despite slower than anticipated production in the Bowen Basin due to the residual impacts of FY11 weather events and industrial action in our customer's work force. Accommodation and Fly in Fly out (FIFO) costs also rose higher than anticipated in Queensland and WA, posing severe challenges. In short, the result confirms our strategy and importantly points to the momentum in the business with a stronger second half performance in FY12.

Capital expenditure during the year was $58.2 million. However, a considerable amount of this came in the last quarter without the opportunity for us to realise full returns in the FY12 year. This was due to the June start of Olympic Dam and delays from suppliers, particularly in Travel Towers.

Return on Capital Employed (ROCE) increased from 5% to 8% including Goodwill, and on our Tangible Assets our returns improved from 7% to 10%.

In the coming year, we expect to deliver improved returns and in FY14 we expect returns above the weighted average cost of capital.

These improvements will come from:

1. Further enhancing our value proposition;

2. Continuing to improve our safety and quality frameworks with the introduction of our Fatal and Catastrophic Risk Protocols and Life Saving Rules;

3. Leveraging off our infrastructure and performance with major customers;

4. Bedding down of the BHP Billiton Olympic Dam contract;

5. Capitalising on the restructuring of Boom Sherrin including reinvestment in Travel Towers and looking for the best outcome when managing the non-core Access assets for cash;

6. Disciplined capital expenditure including a planned investment of $20 million in Travel Towers to reinforce our market leadership and to capitalise on projects in the Telecommunications and Power sectors; and

7. Completion of our National Payroll implementation and Financial Systems implementation.

In FY13, we anticipate continuing challenges as our customers look to us for support in reducing their cost of operations. There have been considerable cost escalations associated with wages and increased FIFO requirements, fuelled by increases in the mining and resources sector and related skills shortages. Commodity price pressures are affecting the coal and steel sectors. We have seen a slight softening in volumes in coal activity, and a significant reduction in steel production. These factors in turn are impacting the coastal cities of Newcastle and Port Kembla. In addition, the construction sector where our non-core Access assets are utilised is performing poorly and delays in capital notably, Travel Towers have impacted the Boom Sherrin business.

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Despite the challenges, our first quarter this year delivered a Trading EBIT result of $12.2 million, excluding $0.5 million in restructuring costs for the Brisbane business. This Trading EBIT result is 35% up on the corresponding period last year.

Notwithstanding this strong start, our second quarter is typically seasonally lower due to fewer working days and lower customer activity. Based on the last two years, our second quarter has been approximately 26% lower than the first quarter.

Whilst it is always challenging in this environment to provide guidance, we felt it important to give our shareholders a view of what we should achieve under prevailing conditions given the structural improvements we have made in the business.

We maintain guidance of $47-$50 million Trading EBIT, predicated on production and maintenance volumes remaining solid in the coal sector, with some growth in iron ore volumes given the stated ambitions of our major customers and utility projects starting as planned. The strong pipeline in Travel Tower projects should mitigate against the low construction activity that impacts our Access assets in Boom Sherrin. What we can be confident of is that we are not subject to the same level of volatility that we were prior to the implementation of our strategy.

I would like to highlight, as I did in the annual report, the success of Diane Deegan. Diane, a six-year Boom Logistics employee, is the first indigenous female open ticket crane operator in our business, and possibly the first in Australia. Diane’s achievements are an inspiration to our people and to the communities in which we operate.

I would also like to acknowledge the contribution of Huw Davies to Boom Logistics and for his personal support during the last four years. Huw has questioned vigorously, challenged management effectively and shown a real passion for the business.

Our people have continued to rise to the challenge of improving safety, customer service and business performance. These achievements and the effective execution of our strategy in 2012 have laid the foundations for a stronger result in FY13 and I thank them once again for their outstanding contribution.

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