

Boom Logistics Limited Announcement

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Boom Logistics Limited – Trading Update

Boom Logistics Limited (“Boom”), Australia’s leading provider of crane logistics and lifting solutions, has reviewed its outlook for the financial year ending 30 June 2013 in light of the March quarter result and the prevailing market conditions in the mining services, construction and infrastructure sectors.

Based on Boom’s results for the March quarter and the prevailing market conditions, Boom will not achieve the expected result for the 2013 financial year (“FY13”) of circa \$39 million.

The trading EBIT for the third quarter of FY13 was \$7m million below expectations. This was driven by the prevailing market conditions including:

- reduced and volatile maintenance volumes in the coal sector;
- a continuing drive from major mining companies to reduce costs which has resulted in significant variability in activity and a pushback on service rates;
- the pipeline of projects in the power and utility sectors, serviced by our travel towers, not proceeding as scheduled; and
- continued low activity in the construction and infrastructure sectors impacting on both the Access business and Heavy Lift Projects business.

Whilst some projects have now commenced and the fourth quarter is not exposed to the same weather impacts as the third quarter, given the prevailing volatility and market conditions, it is not possible to accurately predict the year end position at this time.

Boom has continued to respond to the more challenging operating environment by implementing a number of significant restructuring activities. Forty two redundancies have been effected over March and April bringing the total number of redundancies this financial year to 101 as Boom targets business wide cost reductions and increased operating flexibility.

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