BOOM LOGISTICS

ABN 28 095 466 961

Interim Financial Report
for the six months ended 31 December 2013

ABN 28 095 466 961

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Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as "the Group") consisting of Boom Logistics Limited and the entities it controlled for the half-year ended 31 December 2013.

Directors

The names of the Company's Directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Rodney John Robinson	(Chairman)
Mr Brenden Clive Mitchell	(Managing Director)
Ms Fiona Rosalyn Vivienne Bennett	(Non-Executive Director)
Mr Howard John Critchley	(Non-Executive Director)
Mr Terrence Charles Francis	(Non-Executive Director)
Mr Terence Alexander Hebiton	(Non-Executive Director)

Review and Results of Operations

The Group reported a net profit after tax for the half year ended 31 December 2013 of $4.9 million (1H13: $7.6 million). Earnings before interest expense and tax ("EBIT") were $11.7 million in 1H14 (1H13: $16.1 million).

At the trading level, net profit after tax was $5.4 million in 1H14 compared to $8.8 million in 1H13. Trading EBIT was $12.5 million compared to $17.8 million in the prior corresponding period.

The trading EBIT in 1H14 excludes $0.65 million of costs associated with restructuring activities in Moranbah and the transition to a shared services centre and $0.1 million of one-off legal costs associated with the Group's 18m glove and barrier legal claim.

The six months ended 31 December 2013 has been a period of consolidation that positions the Group well for future growth. Half-year highlights include:

- => Several contract wins and renegotiated contracts to support future growth;
- => Gearing reduced to 32% (37% at 30 June 2013);
- => Positive free cash flow of $13.4 million;
- => Net debt reduced to $102.0 million ($115.8 million at 30 June 2013);
- => Capital investment of $7.8 million and disposal of surplus assets of $9.9 million;
- => Net tangible assets per share of $0.52;

Market conditions continued to be challenging as the Group managed pricing pressure, subdued conditions in coal and infrastructure and the impacts of the loss of the BHPB Ports contract in FY13. However, Management responded by delivering further significant reductions the Group's cost base. Of particular importance was the support of employees in renegotiating EBAs to ensure an environment in which the Group is competitive across all markets in Australia and the Group will continue to drive for further productivity improvements within our EBA environment.

Whilst significant gains in transitioning the business in NW Australia have been made, the Group's Queensland operations in the Bowen Basin have been underperforming due to pricing pressures and volume volatility.

Revenue reductions in the period were primarily a consequence of:

- => the loss of the BHPB Ports contract in Port Hedland;
- => significant reduction in maintenance volumes in the Bowen Basin combined with demand volatility; and
- => the continued rundown of the access & general hire business within Boom Sherrin in keeping with the Group's "manage for cash" strategy for this business, offset by revenue increases in the core travel tower business compared to 2H13.

The Group has responded with ongoing initiatives including:

- => further restructuring with an additional 88 redundancies occurring in 1H14 across the business following the headcount reduction of 130 during FY13. This included reducing administration overheads with the transition of transactional accounting in Queensland and New South Wales into a shared services centre in Brisbane;

Directors' Report (continued)

Review and Results of Operations (continued)

- => refining the Group's labour model primarily through the renegotiation of EBAs to achieve greater flexibility;

- => focussing on major opportunities for growth in LNG, wind and resources, as well as pursuing opportunities in new projects and markets. This has resulted in the Group:

    - => being awarded the principal contract for the installation and mechanical completion of the Bald Hills Wind Farm in Victoria. This is expected to commence in April for a period of 7 months;

    - => extending services with existing customers on the Gorgon LNG project (on Barrow Island and at the land base at Henderson);

    - => winning new business with:
        - => Fortescue Metals Group;
        - => Leightons;
        - => Bulga Coal; and
        - => Wheatstone LNG project;

    - => retaining key customers such as Alcoa, Rio Tinto and Karara Mining;

- => redeploying under-utilised assets to dry hire or wet hire opportunities; and

- => the sale of surplus/obsolete assets to reduce net debt.

Capital Management

Deleveraging
The Group has previously communicated its intention to further reduce its debt to protect against any further market volatility. During the half year, supported by strong cash flow generation, the Group reduced its net debt from $115.8 million to $102.0 million with an associated reduction in gearing from 37% to 32%.

Following a fleet review to address changed market conditions in FY13, the Group set a target of achieving $10 million of surplus/obsolete asset sales in FY14. This target was met in the first half. With over $7 million of assets held for sale at December, asset sales are expected to continue in the second half. During January, the Group sold its Tasmanian access & general hire assets to local Management for proceeds of $1.55 million and a profit on sale was realised which will be recognised in second half accounts.

As expected, the Group has required limited capital expenditure during the half year with $7.8 million expended and $3.2 million of capital committed as at 31 December 2013. The Group believes that the existing crane fleet is well positioned to benefit from a market recovery without the requirement for significant amounts of capital expenditure in the short to medium term. The Group will however commit to a number of replacement assets in the core travel tower business during the second half, but the majority of these will not be delivered and operational until FY15.

Share buy back
No interim dividend has been declared for the FY14 year and the timing of a potential share buy back will continue to be assessed as the Group prioritises the deleveraging of the balance sheet and monitors market conditions.

Refinancing
In December, the Group successfully completed the refinancing of the company's syndicated bank debt facility, which was due to mature in August 2014.

The A$120 million 3 year revolving debt facility has been provided by existing syndicate members National Australia Bank and GE Capital and introduces ANZ Bank as a new syndicate member.

The rigorous due diligence performed as part of this refinancing has given the Group further significant comfort in respect of the carrying value of its assets.

In line with the Group's commitment to further debt reduction, the facility will amortise down to A$90 million over its life. The facility has an expiry date of January 2017.

Directors' Report (continued)

Review and Results of Operations (continued)

The new facility enables the Group to comfortably meet funding requirements over the 3 year period and includes a covenant package which compares favourably with the Group's previous arrangements.

The Group's overall cost of debt is expected to remain at an average of circa 7.5%, consistent with the previous facility.

Outlook

The Group expects prevailing market conditions to continue with the usual susceptibility to weather events in Q314 and with:

=> subdued and volatile demand expected in the mining sector;
=> infrastructure spending outside of LNG and iron ore to remain low through FY14;
=> utilities demand in both telecommunications and energy expected to be solid through FY14; and
=> increased activity in the wind farm sector.

The Group will continue to seek opportunities to improve its revenue base with both existing and new customers whilst also pursuing opportunities for further cost reductions.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Rounding

The amounts contained in this report and in the financial report are presented in Australian dollars and have been rounded to the nearest $1,000 (where rounding is applicable) under the option available under ASIC Class Order 98/100. The Group is of a kind to which the Class Order applies.

Signed in accordance with a resolution of the Directors.

John Robinson
Chairman

Brenden Mitchell
Managing Director

Melbourne, 12 February 2014

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Boom Logistics Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2013 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Paul McDonald

Paul McDonald

Partner

Melbourne

12 February 2014

Boom Logistics Limited
A.B.N. 28 095 466 961

Consolidated Interim Income Statement for the half-year ended 31 December 2013

	Note	2013 $'000	2012 $'000
Revenue	5	**142,313**	185,688
Salaries and employee benefits expense	5	**(66,420)**	(87,227)
Equipment service and supplies expense		**(35,035)**	(47,804)
Operating lease expense		**(5,854)**	(5,441)
Other expenses		**(8,410)**	(11,968)
Restructuring expense		**(656)**	(1,685)
Depreciation and amortisation expense	5	**(14,205)**	(15,437)
Profit before financing expense and income tax		**11,733**	16,126
Financing expense		**(4,695)**	(5,273)
Profit before income tax		**7,038**	10,853
Income tax expense		**(2,098)**	(3,267)
Net profit attributable to members of Boom Logistics Limited		**4,940**	7,586
Basic earnings per share (cents per share)		**1.0**	1.6
Diluted earnings per share (cents per share)		**1.0**	1.6
Franked dividends per share (cents per share)		**0.0**	0.0

The accompanying notes form an integral part of the Consolidated Interim Income Statement.

Boom Logistics Limited
A.B.N. 28 095 466 961

Consolidated Interim Statement of Comprehensive Income for the half-year ended 31 December 2013

	2013 $'000	2012 $'000
Net profit attributable to members of Boom Logistics Limited	**4,940**	7,586
Other comprehensive income / (loss)		
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges recognised in equity, net of tax	**314**	(27)
Other comprehensive income / (loss) for the half-year, net of tax	**314**	(27)
Total comprehensive income for the half-year attributable to members of Boom Logistics Limited	**5,254**	7,559

The accompanying notes form an integral part of the Consolidated Interim Statement of Comprehensive Income.

Boom Logistics Limited
A.B.N. 28 095 466 961

Consolidated Interim Statement of Financial Position as at 31 December 2013

	Note	31 December 2013 $'000	30 June 2013 $'000
CURRENT ASSETS			
Cash and cash equivalents		**5,850**	3,572
Trade and other receivables		**52,755**	55,440
Inventories		**416**	507
Prepayments and other current assets		**4,019**	2,843
Assets classified as held for sale		**7,059**	10,899
Income tax receivable		**4,450**	4,450
TOTAL CURRENT ASSETS		**74,549**	77,711
NON-CURRENT ASSETS			
Plant and equipment		**328,170**	336,678
Intangible assets		**74,018**	74,636
TOTAL NON-CURRENT ASSETS		**402,188**	411,314
TOTAL ASSETS		**476,737**	489,025
CURRENT LIABILITIES			
Trade and other payables		**17,058**	20,390
Interest bearing loans and borrowings	7	**1,155**	-
Provisions		**12,067**	15,404
Derivative financial instruments		**502**	332
Other liabilities		**5,237**	5,741
TOTAL CURRENT LIABILITIES		**36,019**	41,867
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	7	**106,611**	119,398
Provisions		**1,103**	1,778
Derivative financial instruments		**402**	1,019
Deferred tax liabilities		**13,881**	11,649
TOTAL NON-CURRENT LIABILITIES		**121,997**	133,844
TOTAL LIABILITIES		**158,016**	175,711
NET ASSETS		**318,721**	313,314
EQUITY			
Contributed equity	8	**318,065**	318,065
Retained earnings / (losses)		**794**	(4,146)
Reserves		**(138)**	(605)
TOTAL EQUITY		**318,721**	313,314

The accompanying notes form an integral part of the Consolidated Interim Statement of Financial Position.

Boom Logistics Limited
A.B.N. 28 095 466 961

Consolidated Interim Statement of Cash Flows for the half-year ended 31 December 2013

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Receipts from customers		**156,490**	204,962
Payments to suppliers and employees		**(141,034)**	(173,967)
Interest paid		**(4,186)**	(4,959)
Interest received		**81**	155
Income tax paid		**-**	-
Net cash provided by operating activities		**11,351**	26,191
Cash flows from investing activities			
Purchase of plant and equipment		**(7,843)**	(42,704)
Payment for intangible assets - software development costs		**-**	(1,175)
Proceeds from the sale of plant and equipment		**9,919**	3,960
Net cash from / (used in) investing activities		**2,076**	(39,919)
Cash flows from financing activities			
Proceeds from borrowings	7	**115,270**	39,380
Repayment of borrowings	7	**(126,419)**	(27,828)
Net cash (used in) / from financing activities		**(11,149)**	11,552
Net increase / (decrease) in cash and cash equivalents		**2,278**	(2,176)
Cash and cash equivalents at the beginning of the period		**3,572**	10,102
Cash and cash equivalents at the end of the period		**5,850**	7,926

The accompanying notes form an integral part of the Consolidated Interim Statement of Cash Flows.

Boom Logistics Limited
A.B.N. 28 095 466 961

Consolidated Interim Statement of Changes in Equity for the half-year ended 31 December 2013

	Issued Capital $'000	Retained Earnings $'000	Cash Flow Hedge Reserve $'000	Employee Equity Benefits Reserve $'000	Total Equity $'000
At 1 July 2012	318,065	(1,670)	(1,269)	613	315,739
Profit for the half-year	-	7,586	-	-	7,586
Other comprehensive loss	-	-	(27)	-	(27)
Total comprehensive income	-	7,586	(27)	-	7,559
Transactions with owners in their capacity as owners:					
Share based payments	-	-	-	196	196
At 31 December 2012	318,065	5,916	(1,296)	809	323,494
At 1 July 2013	**318,065**	**(4,146)**	**(947)**	**342**	**313,314**
Profit for the half-year	**-**	**4,940**	**-**	**-**	**4,940**
Other comprehensive income	**-**	**-**	**314**	**-**	**314**
Total comprehensive income	**-**	**4,940**	**314**	**-**	**5,254**
Transactions with owners in their capacity as owners:					
Share based payments	**-**	**-**	**-**	**153**	**153**
At 31 December 2013	**318,065**	**794**	**(633)**	**495**	**318,721**

The accompanying notes form an integral part of the Consolidated Interim Statement of Changes in Equity.

1. Corporate Information

The financial report of Boom Logistics Limited ("the Company") and its subsidiaries ("the Group") for the half-year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Directors on 12 February 2014.

Boom Logistics Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Stock Exchange.

During the period, the principal activity of the Group was the provision of lifting solutions.

2. Basis of Preparation and Accounting Policies

This general purpose condensed financial report for the half-year ended 31 December 2013 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual financial report as at and for the year ended 30 June 2013. The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2013 and considered together with any public announcements made by Boom Logistics Limited during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period, except for the adoption of new accounting standards AASB 119 Employee Benefits and AASB 13 Fair Value Measurement, both of which had no material effect on the financial position or performance of the Group.

3. Critical Accounting Estimates and Judgements

The preparation of the condensed interim financial statements for the half-year ended 31 December 2013 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

In preparing these condensed interim financial statements, the significant estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2013.

Going concern assumption
In preparing the financial report, the Directors made an assessment of the ability of the consolidated entity to continue as a going concern, which contemplates the continuity of business operations, realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report.

Based on forecast trading results and cash flows, the Directors believe that the consolidated entity will continue to generate sufficient operating results and cash flows to meet its funding requirements and debt covenants. These forecasts are necessarily based on best-estimate assumptions that and are subject to influences and events outside of the control of the consolidated entity. The forecasts, taking into account reasonably possible changes in trading performance, show that the consolidated entity will continue to operate within the level and terms of its debt facilities.

After making enquiries and considering the matters described above, the Directors have a reasonable expectation that the consolidated entity will have adequate resources to continue to meet its obligations as they fall due and remain within the limits of its debt facilities. For these reasons, they continue to adopt the going concern basis in preparing the financial report.

4. Segment Reporting

(a) Description of operating segments

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resource allocation and to assess performance.

The business is considered from a product perspective and has one reportable segment: "Lifting Solutions", which consists of all lifting activities including the provision of cranes, travel towers, access equipment and all associated services.

The segment information provided to the CODM is measured in a manner consistent with that of the financial statements.

Boom Logistics Limited is domiciled in Australia and all revenue is derived from external customers within Australia. Revenues of approximately $19.524 million or 14% of total segment revenue (31 December 2012: $34.248 million or 19%) are derived from a single external customer. These revenues are attributable to the Lifting Solutions segment.

(b) Segment information provided to the CODM

	Lifting Solutions $'000	Other * $'000	Consolidated $'000
Half-year ended: 31 December 2013			
Segment revenue			
Total external revenue	**139,776**	**-**	**139,776**
Inter-segment revenue	**-**	**-**	**-**
Revenue from external customers	**139,776**	**-**	**139,776**
Other income	**2,456**	**-**	**2,456**
Total segment revenue	**142,232**	**-**	**142,232**
Segment result			
Profit before net interest and tax	**18,660**	**(7,008)**	**11,652**
Interest income			**81**
Financing expense			**(4,695)**
Income tax expense			**(2,098)**
Profit from continuing operations			**4,940**
Segment assets and liabilities			
Segment assets	**466,475**	**10,262**	**476,737**
Segment liabilities	**138,210**	**19,806**	**158,016**
Additions to non-current assets	**8,105**	**675**	**8,780**
Depreciation and amortisation	**13,444**	**761**	**14,205**

** Other represents centralised costs including national office and shared services.*

4. Segment Reporting (continued)

(b) Segment information provided to the CODM (continued)

	Lifting Solutions $'000	Other * $'000	Consolidated $'000
Half-year ended: 31 December 2012			
Segment revenue			
Total external revenue	185,074	-	185,074
Inter-segment revenue	-	-	-
Revenue from external customers	185,074	-	185,074
Other income	459	-	459
Total segment revenue	185,533	-	185,533
Segment result			
Profit before net interest and tax	23,953	(7,982)	15,971
Interest income			155
Financing expense			(5,273)
Income tax expense			(3,267)
Profit from continuing operations			7,586
Year ended: 30 June 2013			
Segment assets and liabilities			
Segment assets	479,407	9,618	489,025
Segment liabilities	158,722	16,989	175,711
Additions to non-current assets	50,450	1,811	52,261
Depreciation and amortisation for half-year ended 31 December 2012	14,910	527	15,437

** Other represents centralised costs including national office and shared services.*

	Note	2013 $'000	2012 $'000

5. Revenue And Expenses

	Note	2013 $'000	2012 $'000
(a) Revenue from continuing operations			
Revenue from services		**139,776**	185,074
Interest income from other persons/corporations		**81**	155
		139,857	185,229
(b) Other income			
Net gains on disposal of plant and equipment		**2,456**	459
		2,456	459
Total revenue		**142,313**	185,688
(c) Expenses			
Salaries and employee benefits		**62,191**	82,073
Defined contribution superannuation expense		**4,229**	5,154
Total salaries and employee benefits expense		**66,420**	87,227
Depreciation of plant and equipment		**13,588**	15,122
Amortisation of intangible assets - software development costs		**617**	315
Total depreciation and amortisation expense		**14,205**	15,437

6. Dividends Paid And Proposed

	Note	2013 $'000	2012 $'000
(a) Dividends paid during the half-year			
Fully franked final dividends for 30 June 2013: nil (2012: nil)		**-**	-
(b) Dividends proposed and not recognised as a liability			
Fully franked interim dividends for financial year 30 June 2014: nil (2013: nil)		**-**	-

	31 December 2013 $'000	30 June 2013 $'000

7. Interest Bearing Loans And Borrowings

Syndicated debt facility refinancing
On 19 December 2013, the Group successfully entered into and drew down on a new agreement for the refinancing of the Group's syndicated bank debt facility. The A$120 million 3 year revolving debt facility has been provided by existing syndicate members National Australia Bank and GE Capital and introduces ANZ Bank as a new syndicate member. In line with the Group's commitment to further debt reduction, the facility will amortise down to A$90 million over its life. The facility has an expiry date of January 2017.

	31 December 2013 $'000	30 June 2013 $'000
Current		
Other interest bearing liabilities	**1,155**	-
Total current interest bearing liabilities	**1,155**	-
Non current		
Secured bank loans	**106,611**	119,398
Total non-current interest bearing liabilities	**106,611**	119,398
Total interest bearing liabilities	**107,766**	119,398

The following changes in interest bearing liabilities occurred during the half-year ended 31 December 2013:

Balance at 1 July 2013	**119,398**
Drawdown	
Syndicated bank loan	**111,419**
Insurance premium funding	**3,851**
Repayments	
Repayment of borrowings	**(126,419)**
Other movements	
Net movement of finance costs	**(483)**
Balance as at 31 December 2013	**107,766**

Throughout the period and as at 31 December 2013, the Group was in compliance with all banking covenants.

Gearing ratio
The Group monitors debt levels on the basis of the balance sheet gearing ratio. This ratio is calculated as net debt divided by equity.

	31 December 2013 $'000	30 June 2013 $'000
Interest bearing loans and borrowings	**107,766**	119,398
Less: cash and cash equivalents	**(5,850)**	(3,572)
Net debt	**101,916**	115,826
Total equity	**318,721**	313,314
Gearing ratio	**32%**	37%

	31 December 2013 $'000	30 June 2013 $'000

8. Contributed Equity

	31 December 2013	30 June 2013
Issued and fully paid ordinary shares	**318,065**	318,065

	Note	**31 December 2013 No. of shares**	**31 December 2013 $'000**
Movements in ordinary shares on issue			
At 1 July 2013		**470,598,576**	**318,065**
- Issued during the period		**4,270,188**	**-**
At 31 December 2013		**474,868,764**	**318,065**

9. Fair Value Measurement of Financial Instruments

Fair value estimation
The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Group holds no financial instruments for trading purposes.

The carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair values of interest rate swap contracts (designated as cash flow hedges) are determined using forward interest market rates at the reporting date.

Fair values versus carrying amounts
The fair value of all borrowings equals their carrying amount at 31 December 2013. The Group's fixed rate instruments attract interest at a rate that is consistent with current market rates.

Fair value hierarchy
The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 December 2013				
Financial liabilities				
- Interest rate swap contracts	**-**	**904**	**-**	**904**
30 June 2013				
Financial liabilities				
- Interest rate swap contracts	-	1,351	-	1,351

10. Commitments And Contingencies

Commitments
At 31 December 2013, the Group has capital commitments of $3.2 million for the purchase of property, plant and equipment (31 December 2012: $17.7 million).

Contingencies
Since the last annual reporting date, there has been no material change to any contingent assets or contingent liabilities.

11. Events After The Balance Sheet Date

Dividend
On 12 February 2014, the Directors of Boom Logistics Limited declared that no interim dividend would be paid for the half-year ended 31 December 2013.

Directors' Declaration

In accordance with a resolution of the Directors of Boom Logistics Limited, we state that:

In the opinion of the Directors:

(a) the financial statements and notes set out on pages 7 to 18 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2013 and the performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

John Robinson
Chairman

Brenden Mitchell
Managing Director

Melbourne, 12 February 2014

KPMG

Independent auditor's review report to the members of Boom Logistics Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Boom Logistics Limited, which comprises the consolidated statement of financial position as at 31 December 2013, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated interim statement of cash flows for the half-year ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year period.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Boom Logistics Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Boom Logistics Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Paul McDonald

Paul McDonald

Partner

Melbourne

12 February 2014