BOOM
LOGISTICS

2014 Annual General Meeting

22 October 2014

Mr John Robinson

Chairman

FY14 Performance

- **Twin pressures of downward price movements and lower activity levels across our traditional client base**

  - Excess service capacity built up over the boom years of the resources sector is driving significant price competition for new tender opportunities

  - Boom is unwilling to enter contract terms which would generate a loss

  - Cost escalation in the resource boom period has left a significant legacy

FY14 Performance

- **Cost control has been a focus with a progressive lowering of the cost structure in both the fixed and variable categories**
  - Labour force reductions to match increased efficiency and changing customer demand
  - Investment in systems and processes to streamline administration and improve business control data
  - Integration of the Boom Sherrin Travel Tower division with Crane Logistics

- **Continued focus on fleet planning – selling redundant equipment and older assets**

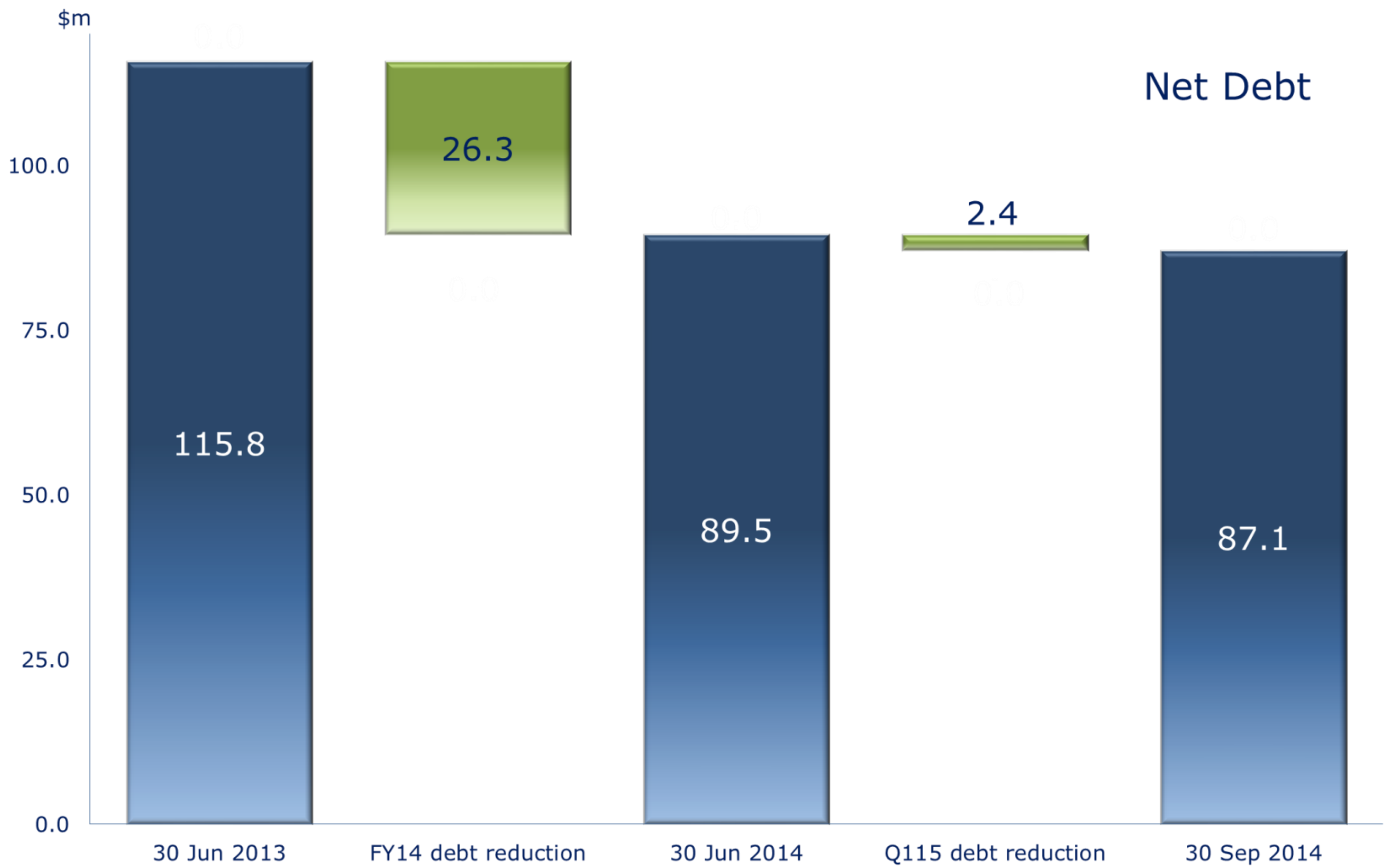
FY14 Result

$m	FY13	FY14	% change
NTA per share	0.51	**0.49**	
Total Revenue	338.4	**273.3**	**(19%)**
Total Trading EBIT	26.0	**14.0**	**(47%)**
Trading EBIT Margin	*8%*	***5%***	
Trading Net Profit after Tax	10.7	**3.9**	**(65%)**
Non-Trading Adjustments	(13.2)	**(83.4)**	
Statutory Net Profit after Tax	(2.5)	**(79.5)**	

Note:
1. All Statutory references reflect International Financial Reporting Standards (IFRS) financial information. Trading results reflect non-IFRS financial information and exclude one-off items such as restructuring costs.
2. Boom's FY14 Trading EBIT result is a non-IFRS measure that excludes $88.7m of one-off items, comprising Goodwill impairment ($70.8m), asset impairment ($9.3m), restructuring costs ($8.3m) and legal fees associated with Boom Sherrin's 18m Glove and Barrier legal action ($0.3m). Boom's FY14 Trading NPAT is a non-IFRS measure that excludes the after-tax impact of these one-off items, being $83.4m.

Cashflow and debt reduction

- **Substantial free cash flows applied to debt reduction**
- **FY15 planned redundant asset sales of $15 million and modest new capital requirements**



Q115 debt reduction achieved in addition to cash funding $3.9 million of asset purchases

Outlook for FY15

- Continue to keep downward pressure on costs
- Business restructuring wherever efficiency gains are identified
- Continued diversification of the revenue base, including competing for a share of infrastructure projects along the East Coast

Mr Brenden Mitchell

Managing Director

FY14 Review

- Commodity price degradation impacting Boom's customers
- Crane Logistics maintenance services have reduced and infrastructure spend has not yet increased on the East Coast
- Travel Tower project delays in the utilities segment
- Reduced pricing and lower demand have resulted in 19% lower revenue compared with FY13
- Continued positive cash flow generation, supplemented by the sale of surplus assets, has enabled further debt reduction

FY14 Actions

- Headcount reductions of 103 in FY14 with a further 44 in Q115
- Deciding not to tender at a loss for the BMA contract
- "One Boom" integration project commenced to generate cost savings and facilitate cross selling of services
- Robust EBA negotiations and continued freeze in executive salaries through FY15
- Heightened focus on the sale of surplus and older equipment and non core access equipment
- Reduced capital expenditure
- Focus on increasing revenue outside of the commodity sectors

Safety

- 20% improvement in the Total Recordable Injury Frequency Rate of the course of the year
- Striving to achieve a TRIFR below 10 during FY15
- Safe Act Observations by Managers and Supervisors have increased 63% year on year – the highest level in 5 years

Customers

- **Continued focus on serving our customers**
  - Bald Hills Wind Farm
  - Sydney Rail Corp bridge build

- **Boom continues to deliver a strong value proposition to customers facing significant time, quality and safety pressures**

Organisational Structure

BOOM
LOGISTICS

❑ More responsive through faster decision making

Chief Executive Officer
Brenden Mitchell

- **CFO & Director of Strategy**
  Paul Martinez
- **General Manager Health Safety Environment & Quality**
  Robert Wright
- **General Manager Human Resources**
  Rosanna Hammond
- **Executive General Manager - East Coast**
  Tony Spassopoulos
- **Executive General Manager - West Coast**
  Gary Watson
- **General Counsel & Company Secretary ***
  Malcolm Ross

* Mr Ross reports to the the Chairman in his capacity as Company Secretary.

Cost Focus

- **Redundancies and labour management have driven cost reductions**
  - 17% reduction in direct labour headcount
  - 14% reduction in overhead labour headcount
  - As a consequence, labour cost as a percentage of revenue has reduced in FY14

Asset Base

- **51 surplus cranes sold during FY14**
  - $17.8 million proceeds
  - Capital expenditure limited to $16.8 million
  - Crane fleet average age of 9 years
- **NTA of 49 cents per share underpinned by:**
  - Over $196 million of capital investment over the last 5 years
  - The refurbishment of 78 Glove & Barrier Travel Towers
  - Independent market valuation
- **FY14 Balance Sheet management through lower than planned capital expenditure, increased surplus asset sales and debt reduction**

FY15 Focus

- **Continue to serve our customers well and safely**
  - Profitable revenue growth in areas we currently operate in
  - Delivering on current projects to secure ongoing revenue streams
  - Expanding opportunities with recently gained customers
- **Continue our focus on costs**
  - Queensland and New South Wales coal regions are suffering badly
  - North West WA provides growth opportunities, but significant cost pressure and volatile revenue streams
  - Labour recoverability
  - Further streamlining of administration and overhead costs
- **Disciplined capital management**
  - Capital expenditure less than depreciation
  - Further debt reduction
  - Improvement in trade receivables position
  - $15 million in asset sales

Disclaimer

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