Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	Boom Logistics Limited
ABN	28 095 466 961
Financial Year Ended	30 June 2015
Previous Corresponding Reporting Period	30 June 2014

Results for Announcement to the Market

	FY2015 $'000	**FY2014 $'000**	**Percentage increase /(decrease) over previous corresponding period**
Revenue	206,629	273,320	(24%)
Loss from continuing operations after tax	(36,874)	(79,455)	54%
Net loss for the period attributable to members	(36,874)	(79,455)	54%

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	NA	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Statutory result

Boom Logistics Limited (“Boom”), Australia’s leading provider of crane logistics and lifting solutions, recorded a statutory net loss after tax for the financial year ended 30 June 2015 (FY15) of $36.9 million (FY14 net loss of $79.5m). Statutory earnings before interest expense and tax (EBIT) was a loss of $33.2m (FY14 loss of $74.7m).

FY15 additional key points

- Positive free cash flow of $20.4m, after funding:
  - $8.4m of capital expenditure ($15.9m in FY14)
  - $5.8m of net interest expense ($7.6m in FY14)
- Surplus asset sales of $20.3m ($17.3m in FY14)
- Net debt reduced to $71.0m ($89.5m at 30 June 2014)
- Gearing (Net Debt / Total Equity) reduced to 36% (38% at 30 June 2014)
- Net Tangible Assets per share of $0.41 ($0.49 at 30 June 2014)

Review of operations in FY15

Market conditions and impacts

As noted in several market communications over the past two years, Boom’s industry environment has continued to change substantially. These changes and the impacts on the resources and mining services sector are well publicised. The specific implications for Boom have been a marked increase in earnings volatility against a backdrop of declining revenue and profitability.

In the first half to 31 December 2014, revenues and profitability were impacted by:

- Lower contract maintenance volumes in Western Australia, Central Queensland and New South Wales;
- downward price pressure in highly competitive markets; and
- project delays in the telecommunications and energy sectors.

Operational activity in Boom’s customer base in December and January is usually subdued. However, as noted in Boom’s market update in December 2014, activity during this period in FY15 was trending lower than anticipated. Several customers responded to declining commodity prices with actions such as the temporary closure of mine sites, cancelling routine maintenance activities and delaying projects.

The third quarter of the financial year saw a further fall in commodity prices, particularly in iron ore. As highlighted in Boom's market update in April 2015, Boom's operations in the second half to 30 June 2015 were significantly impacted:

- Western Australia was substantially affected by weaker commodity prices. Whilst Boom is not directly exposed to iron ore miners that are unfavourably positioned on the industry cost curve, activity in Western Australia as a whole declined substantially.
- Volatile trading conditions in Queensland continued, with customer activity that was sporadic and frequently subject to change at short notice.
- The travel tower business continued to be impacted by project delays.
- Boom's heavy lift division, which benefited from the Bald Hills Wind Farm project in the first half, saw less project activity in the second half.
- Operations in the Hunter Valley and Newcastle were impacted by lower levels of activity amongst key customers in coal mining and port operations.

Whilst activity levels have improved in the last quarter of the financial year, the improvement has been gradual and demand patterns continue to be volatile.

Operational improvement initiatives

Boom took several actions to mitigate the impact of adverse market conditions, including a restructuring reduction of 147 positions in FY15, an adjustment of 19% to Boom's total workforce. The annualised benefit of these reductions amounts to $11.6m in operational cost savings and $4.1m in overhead cost savings. Specific operational improvement actions include:

- Restructuring in the North West of Western Australia to establish an operational hub in Newman, resulting in the reduction of 34 operational positions and 3 overhead positions.
- Restructuring in Queensland to remove 55 operational positions.
- Restructuring in New South Wales to remove 24 operational positions and 3 overhead positions.
- The completion of the "One Boom" project to fully integrate the Boom Sherrin access and travel tower business with the crane logistics business in each State, leading to the reduction of 6 operating positions and 19 overhead positions.
- A reduction of 4 positions in the corporate office through the consolidation of key roles.
- A 40% reduction in travel and accommodation costs (in support of remote customer sites; FY15 $3.6m, FY14 $5.9m)
- A 25% reduction in sub-contracted equipment hire costs (FY15 $13.4m, FY14 $18.0m)
- On-going reviews to ensure Boom's well-maintained fleet of operating assets are appropriately deployed to support existing customers and new revenue opportunities, with the release of surplus assets for sale.

Proceeds from surplus asset sales

Cash proceeds from surplus asset sales for FY15 amounted to $20.3m, with a corresponding profit of $3.2m. Surplus asset sales proceeds in the last quarter of FY15 amounted to $6.3m.

Of the $20.3m of surplus asset sales in FY15, $7.2m or 35% were Assets Held For Sale (AHFS) assets, and $13.1m or 65% were released as surplus assets from the operating fleet. As at 30 June 2015, Boom had $250.0m of assets in its operating fleet and a further $8.8m of assets in AHFS.

Capital expenditure and working capital management

Boom has continued to limit capital expenditure to essential items such as 10-year inspections. Capital expenditure in FY15 amounted to $8.3m, of which $5.3m related to replacement capital expenditure committed in FY14. Boom's well-maintained fleet of operating assets are appropriate to meet current market demand and no significant capital expenditure is expected in FY16.

Boom has continued to focus on its accounts receivable processes in an environment where payment terms throughout the industry supply chain are being stretched. At 30 June 2015, Debtor Days Outstanding (Trade Receivables / Operating Revenue x 365) was 63.9 days (FY14 64.9 days).

Fixed asset impairments

Boom tests for asset impairments at each financial reporting date in keeping with the requirements of Australian Accounting Standards Board (AASB) standards *AASB 5: Non-current Assets Held for Sale and Discontinued Operations* and *AASB 136: Impairment of Assets*.

Assets held for sale

- Non-current assets are classified as Assets Held For Sale (AHFS) when the carrying amounts of these assets are expected to be recovered principally through a sale transaction rather than through continuing use.
- An AHFS asset is measured at the lower of carrying amount or fair value less costs to sell. As required by the accounting standard, Boom ceases to depreciate an asset once it is transferred out of the operating fleet and classified into AHFS.

Impairment of assets

- Boom refers to assets that are in continuing use as assets in the operating fleet or operating assets. These assets are deployed in Boom's State-based business units which are regarded as Cash Generating Units (CGUs) in the application of this accounting standard.
- Impairments are required when the total carrying amount of the assets within a CGU exceeds the amount to be recovered through the use or the sale of assets in the CGU.

Based on these assessments, Boom has recognised impairments in FY15 of $20.8m, comprising $6.3m applied to assets in AHFS and $14.5m applied to assets in the operating fleet.

These impairments are non-cash adjustments and have reduced Boom's net tangible asset backing per share by approximately $0.03 per share. Boom's net tangible assets per share as at 30 June 2015 was $0.41 per share.

Syndicated debt facility

As noted in Boom's market update on 30 June 2015, Boom has successfully negotiated a new set of debt covenants with its existing banking syndicate, effective through to the current facility's expiry in January 2017. In arriving at the new debt covenants, Boom sought to achieve several objectives:

- To remove the impact of earnings volatility on covenant positions.
- To reflect Boom's debt reduction program as its primary capital management priority.
- To recognise Boom's strong asset backing.
- To support restructuring to re-base Boom's cost structure in FY16.
- To ensure Boom is in a favourable position to re-finance its debt during the course of 2016 before the current facility expires in January 2017.

Boom's new banking covenants include:

- A Debt Service Cover Ratio to reflect cash flows available to cover interest costs.
- An Amortisation Schedule of the facility limit to reflect Boom's debt reduction program, funded by operational cash flows and proceeds from surplus asset sales.
- The removal of Earnings Leverage as a covenant at quarterly reporting points (Earnings Leverage is retained as a condition for share buybacks).

The Debt Service Cover Ratio (DSCR) is a ratio of Cash Flow Available for Debt Service to Debt Service costs. Interest income, capital expenditure, asset sales proceeds and restructuring costs are excluded from the calculation of Cash Flow Available for Debt Service. Debt Service costs include interest costs and exclude principal debt repayments. Boom's DSCR banking covenant requires the ratio to remain above 2.5x. Boom's DSCR as at 30 June 2015 was 3.5x.

The Amortisation Schedule has a facility limit of $82.5m at 30 June 2015, reducing on a quarterly basis to $37.5m when the facility expires in 18 months in January 2017. Boom's gross debt as at 30 June 2015 is $78.4m.

Boom has since paid down debt by a further $2m in July 2015.

The new debt covenants include revised pre-conditions on capital management initiatives such as share buybacks. These pre-conditions are:

- Gross debt is less than $40m.
- The ratio of Gross Debt to Trading EBITDA excluding non-recurring costs from the preceding twelve months is less than 2.5x.

In summary, Boom's new banking covenants reflect the Company's strategy to:

- ensure prudent balance sheet management, and to
- position the business favourably for re-financing in 2016 ahead of the current facility's expiry in January 2017.

Boom expects to commence the process to re-finance its debt in January 2016, twelve months prior to the current facility's expiry.

Dividends

Date the dividend is payable	NA
Record date to determine entitlement to the dividend	NA
Amount per security	Nil
Total dividend	Nil
Amount per security of foreign sourced dividend or distribution	NA
Details of any dividend reinvestment plans in operation	NA
The last date for receipt of an election notice for participation in any dividend reinvestment plans	NA

NTA Backing

	Current Period	**Previous corresponding period**
Net tangible asset backing per ordinary security (cents per share)	$0.41	$0.49

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Refer to comments noted above.

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects:

Basic and diluted EPS as at 30 June 2015 was negative 7.8 cents compared with a negative 16.8 cents at 30 June 2014.

At the end of the financial year, there were nil unissued ordinary shares in respect of which options were outstanding.

Returns to shareholders including distributions and buy-backs:

There were no returns to shareholders during the financial year.

Discussion of trends in performance:

A commentary on the results for the year ended 30 June 2015 is contained within the attached Annual Financial Statements.

Audit/Review Status

The accounts have been audited and a copy of the Auditor's Report is included within the Annual Financial Statements which accompany this report. The audit report contains an emphasis of matter paragraph from the auditors in relation to disclosures in the Financial Report regarding the going concern basis of preparation of the accounts, the status of the Group's operating environment and financing arrangements.

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	2015 Financial Report including a consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows and consolidated statement of changes in equity with accompanying notes. Additional Appendix 4E disclosure requirements can be found in the attached Annual Financial Report.
2	Independent Audit Report

Signed By (Director / Company Secretary)	
Print Name	**Brenden Mitchell**
Date	**11 August 2015**