



**FY10 Results  
Presentation  
11 August 2010**

# Summary

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■ **We have been through a severe market and industry downturn as evidenced by our FY10 trading NPAT of \$4.1m**

■ **We are seeing strong signs of recovery, indicating the worst is behind us**

- Crane Wet Hire utilisation back up to 81% in Q4 FY10.
- Group revenue per day back above \$1m in Q4 FY10 (last achieved in Q2 FY09).

■ **We have repositioned the business for growth**

- Strengthened the balance sheet through debt reduction (net debt to equity of 38%, down from 96% at 30 June 2009).
- Restructured under-performing businesses.
- Actively re-shaped the crane fleet mix to reflect focus on industrial services and major project development:
  - 86 cranes sold in FY09 and FY10 (predominantly older, low capacity units).
  - Invested \$42m in mobile cranes in FY10.
  - All mobile crane investment directed towards key customers in growth markets.

■ **Growth prospects for Boom are substantial – in the near term and over the next 5 years**

- Projects in the resources, energy and utilities sectors of nearly \$50 billion underway.
- Boom well-positioned to target both construction activity and ongoing maintenance.
- Recent contract wins underline the strength of Boom's value proposition to capture the growth opportunity.

# Boom Logistics Overview

## Crane Logistics

**FY10 Revenue \$224 million**

Net Trading Assets<sup>1</sup> \$267 million

- Australia's largest provider of crane logistics services
- Strong value proposition based on:
  - Equipment;
  - Operational capability;
  - Engineering expertise; and
  - Best practice safety and quality systems.
- Resources and infrastructure to support customers in high-growth markets
  - Over 530 cranes
  - 23 depots nationwide, 850 employees
- Delivers industrial services and major project development support to a significant number of blue chip customers in:
  - Resources
  - Energy
  - Utilities
  - Infrastructure
- Contract-based customer relationships with strong track record of contract renewals

## Boom Sherrin

**FY10 Revenue \$78 million**

Net Trading Assets<sup>1</sup> \$129 million

- Nationwide provider of travel towers and access equipment hire
- Over 6,000 items of access and general hire equipment including over 320 elevated work platforms and travel towers
- Strong value proposition particularly in the utilities sector:
  - Equipment;
  - Operational expertise; and
  - Best practice safety and quality systems
- 22 branches nationwide, 320 employees
- Strategic move to more contract-based customer relationships

## James Equipment

**FY10 Revenue \$23 million**

Net Trading Assets<sup>1</sup> \$10 million

- Specialist crane sales and crane maintenance business

1. At 30 June 2010.



## FY10 Results

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# FY10 Trading Results

Severe trading conditions since 2H FY09 but strong recovery in Q4 FY10.

Substantial improvement in 2H FY10 EBIT: up 46% on 1H FY10 and 89% up on 2H FY09.

\$m	1H09	2H09	FY09	1H10	2H10	FY10	1H10 pcp	2H10 pcp	FY10 pcp
Crane Logistics	146.3	116.3	262.6	106.9	117.0	223.9			
Boom Sherrin	47.3	37.6	84.9	38.2	40.1	78.3			
James Equipment	29.9	19.6	49.5	17.7	5.7	23.4			
<b>Total Revenue</b>	<b>223.5</b>	<b>173.5</b>	<b>397.0</b>	<b>162.8</b>	<b>162.8</b>	<b>325.6</b>	(27%)	(6%)	(18%)
<b>EBITDA</b>	<b>47.8</b>	<b>21.5</b>	<b>69.3</b>	<b>19.9</b>	<b>21.3</b>	<b>41.2</b>	(58%)	(1%)	(41%)
EBITDA margin	21%	12%	17%	12%	14%	13%			
Depreciation	(17.0)	(17.2)	(34.2)	(14.6)	(15.2)	(29.8)			
Profit on sale of fixed assets	-	0.4	0.4	-	0.4	0.4			
<b>EBITA</b>	<b>30.8</b>	<b>4.7</b>	<b>35.5</b>	<b>5.3</b>	<b>7.6</b>	<b>12.9</b>	(83%)	62%	(64%)
EBITA margin	14%	3%	9%	3%	5%	4%			
Amortisation	(1.1)	(1.0)	(2.1)	(0.5)	(0.5)	(1.0)			
<b>EBIT</b>	<b>29.7</b>	<b>3.7</b>	<b>33.4</b>	<b>4.8</b>	<b>7.0</b>	<b>11.8</b>	(84%)	89%	(65%)
Net interest	(10.0)	(6.5)	(16.5)	(7.5)	(3.5)	(11.0)			
<b>Profit before tax</b>	<b>19.7</b>	<b>(2.8)</b>	<b>16.9</b>	<b>(2.7)</b>	<b>3.5</b>	<b>0.8</b>	(114%)	225%	(101%)
Tax	(5.9)	1.0	(4.9)	3.1	0.2	3.3			
<b>NPAT</b>	<b>13.8</b>	<b>(1.8)</b>	<b>12.0</b>	<b>0.4</b>	<b>3.7</b>	<b>4.1</b>	(97%)	306%	(66%)

1. A reconciliation of the Statutory Reported result and the Trading result as reported in this presentation is set out at Appendix 1.

## FY10 Divisional Results

Revenue improvement of 9% in Crane Logistics and 5% in Boom Sherrin in 2H FY10 versus 1H FY10.

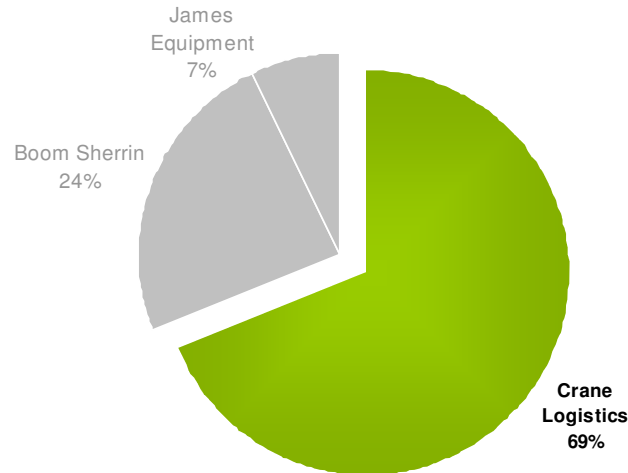
Strong EBIT improvement of 27% in Crane Logistics and 8% in Boom Sherrin in 2H FY10 versus 1H FY10.

\$m	1H09	2H09	FY09	1H10	2H10	FY10
<b>Revenue</b>						
Crane Logistics	146.3	116.3	262.6	106.9	117.0	223.9
Boom Sherrin	47.3	37.6	84.9	38.2	40.1	78.3
James Equipment	29.9	19.6	49.5	17.7	5.7	23.4
<b>Total Revenue</b>	<b>223.5</b>	<b>173.5</b>	<b>397.0</b>	<b>162.8</b>	<b>162.8</b>	<b>325.6</b>
<b>EBIT</b>						
Crane Logistics	27.5	10.9	38.4	9.3	11.8	21.1
Boom Sherrin	9.6	2.2	11.8	5.1	5.5	10.6
James Equipment	1.4	(0.5)	0.9	(0.6)	(1.4)	(2.0)
National Office <sup>1</sup>	(8.8)	(8.9)	(17.7)	(9.0)	(8.9)	(17.9)
<b>Total EBIT</b>	<b>29.7</b>	<b>3.7</b>	<b>33.4</b>	<b>4.8</b>	<b>7.0</b>	<b>11.8</b>

1. National Office includes Syndicated Debt line fees of \$5.7m in FY10 (\$4.7 in FY09).  
Excluding Syndicated Debt line fees, National Office costs have reduced by \$0.8m in FY10.

# FY10 Divisional Results – Crane Logistics

## FY10 REVENUE CONTRIBUTION



## HIGHLIGHTS

- Difficult trading conditions in 1H FY10.
- Challenges in select markets has resulted in restructuring in June and July, and redeployment of fleet to growth markets.
- Strong recovery in wet hire utilisation in Q4 FY10.
- Key markets are leading the recovery in North West WA, the Bowen Basin and Hunter Valley.
- Positive financial effects of major contract activity and fleet investment coming through.
- Q4 FY10 volume and profitability providing a strong entry point for further improvement in FY11.

## FY09 – FY10 HALF-ON-HALF MOVEMENTS

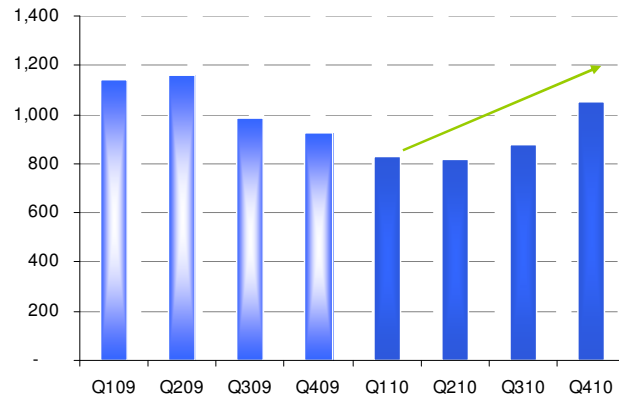
	1H09 to 2H09	2H09 to 1H10	1H10 to 2H10
<b>Revenue</b>	↓ 21%	↓ 8%	↑ 9%
<b>EBIT</b>	↓ 60%	↓ 15%	↑ 27%

# Quarterly Performance Indicators

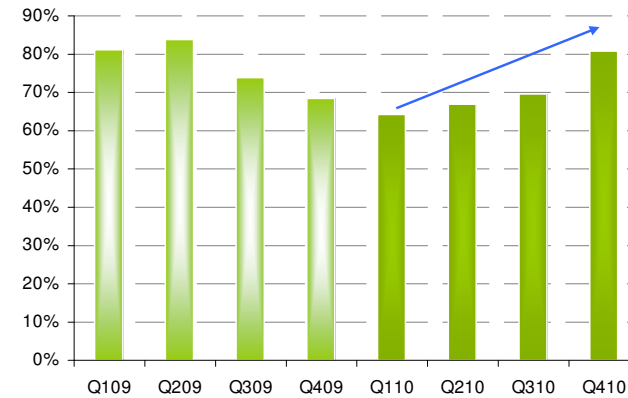
Strong signs of recovery indicating the worst of the market downturn is over.

Early evidence of Boom's strategy to drive the business in growth markets with a higher-returning fleet mix.

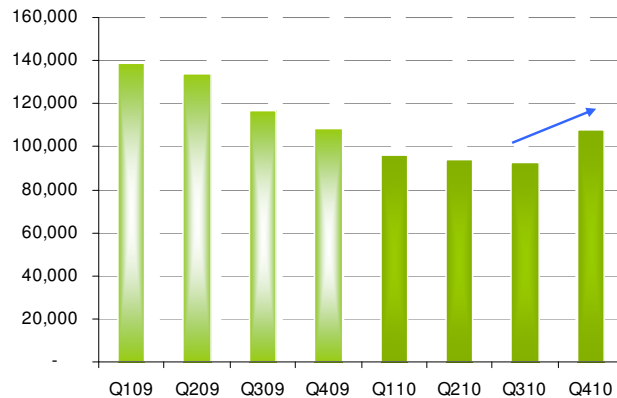
## GROUP REVENUE PER DAY (\$'000's)



## CRANE WET HIRE UTILISATION



## BILLED CRANE WET HIRE HOURS



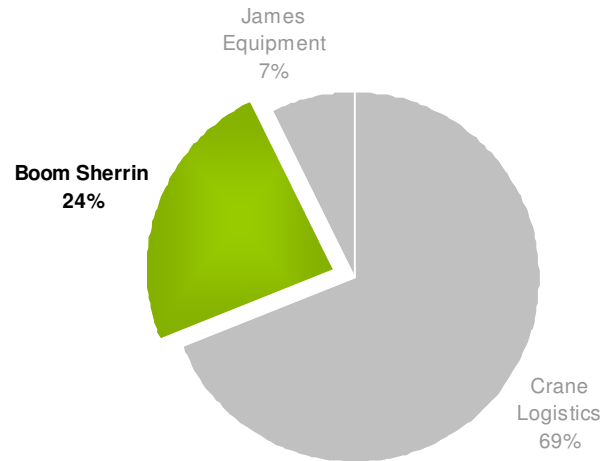
- Upturn in Q4 FY10 revenue per day (compared with Q3 FY10) driven by:
  - Western Australia - Cranes + 29%
  - Queensland - Cranes + 23%
  - Boom Sherrin + 16%
  - Hunter Valley - Cranes +12%
- Historically, price improvement lags utilisation improvement.

Note: Crane wet hire revenue historically c. 60% of total crane logistics revenue. Expected to be c. 58% with stronger operational pull-through as Boom expands its fleet in high-capacity cranes.



# FY10 Divisional Results – Boom Sherrin

## FY10 REVENUE CONTRIBUTION



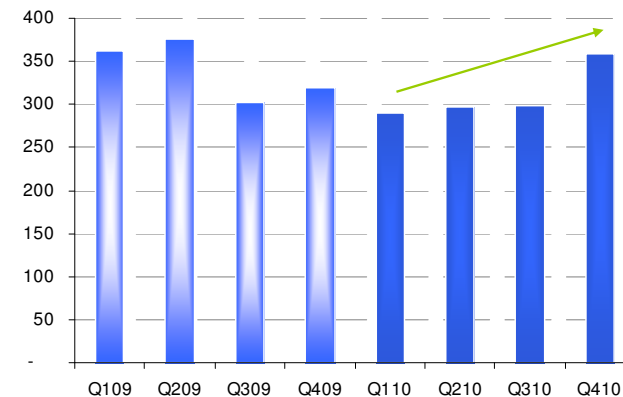
## HIGHLIGHTS

- Consistently improving second half revenue performance from Travel Towers.
- Growth opportunities driven by major infrastructure investment by utilities and telecommunications customers.
- Margins are returning due to increased utilisation.
- Access equipment hire markets remain competitive although improvements were achieved in Q4 FY10.
- Strong management and cost control has been a major factor in margin improvement.
- Q4 FY10 Travel Tower volume and pipeline providing a sound lead into FY11.

## FY09 – FY10 HALF-ON-HALF MOVEMENTS

	1H09 to 2H09	2H09 to 1H10	1H10 to 2H10
<b>Revenue</b>	↓ 21%	↑ 2%	↑ 5%
<b>EBIT</b>	↓ 77%	↑ 132%	↑ 8%

Revenue per day

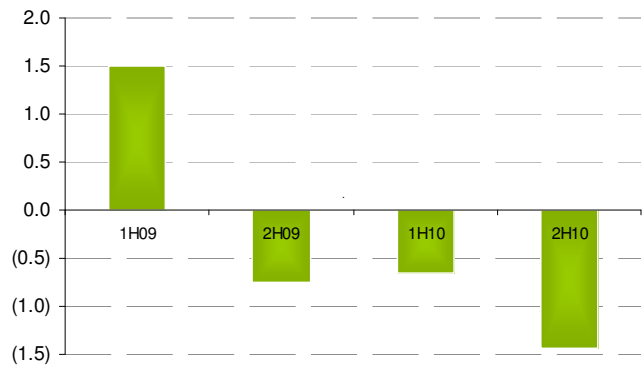


# FY10 Divisional Results – Other

## EBIT Contribution (\$m)

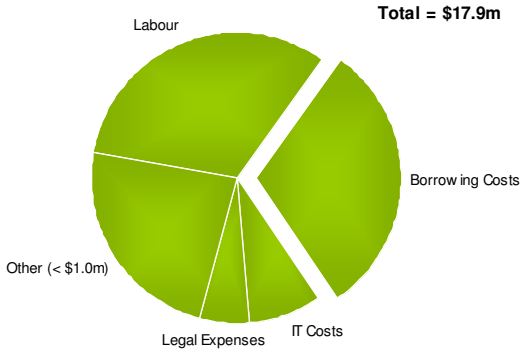
## Highlights

**James  
Equipment**



- Continued challenging market for crane sales.
- Headcount and fixed costs have been reduced, as a pre-cursor to reconsidering restructuring options.
- Re-directed to Boom fleet asset sales, crane procurement and fleet servicing.

**National  
Office**



- Syndicated debt facility line fees of \$5.7m included in National Office costs.
- Focus on providing support processes and maintaining governance across the Group.

# Balance Sheet

\$m	30 June 2009	30 June 2010	\$m Mvmt
Cash	10.6	10.1	(0.5)
Trade Receivables	52.0	59.3	7.3
Other Receivables	13.0	4.0	(9.0)
Inventories	25.0	9.1	(15.9)
Assets Held For Sale	7.8	5.3	(2.5)
Plant & Equipment	351.9	367.0	15.1
Intangibles	91.5	90.4	(1.1)
Other current & non-current assets	4.9	6.5	1.6
<b>Total Assets</b>	<b>556.7</b>	<b>551.8</b>	<b>(4.9)</b>
Payables <sup>1</sup>	23.5	43.1	19.6
Borrowings	245.9	135.1	(110.8)
Provisions	13.7	12.3	(1.4)
Other current & non-current liabilities	28.9	26.4	(2.5)
<b>Total Liabilities</b>	<b>312.0</b>	<b>216.9</b>	<b>(95.1)</b>
<b>Net Assets</b>	<b>244.7</b>	<b>334.9</b>	<b>90.2</b>

- Completion of \$87 million equity raising and Share Purchase Plan strengthened the Balance Sheet for future growth.
- Reduction of \$111 million in gross debt (via net equity raising proceeds, operating cash flows and tax refunds).
- Strategic capital investment of \$42m in mobile cranes still undertaken during a period of debt reduction.
- Net Debt to Equity of 38% (96% at June 2009).
- Compliance, with headroom, across all banking covenants.
- As at 30 June 2010:
  - Net Tangible Assets per share of \$0.53.
  - Net Assets per share of \$0.73.

1. FY10 payables includes \$17m of Letters of Credit relating to capital procured on deferred payment terms. This amount will transfer to Borrowings in FY11.

# Cash Flow

\$m	FY09	FY10	\$m Mvmt
Net receipts / (payments) <sup>1</sup>	84.6	43.1	(41.4)
Net interest received / (paid)	(16.8)	(12.0)	4.7
Income tax received / ( paid)	(0.2)	14.1	14.4
<b>Cash provided from operating activities</b>	<b>67.6</b>	<b>45.3</b>	<b>(22.3)</b>
Purchase of plant and equipment	(38.0)	(32.5)	5.5
Proceeds from the sale of plant and equipment	10.8	7.0	(3.8)
<b>Cash used in investing activities</b>	<b>(27.2)</b>	<b>(25.5)</b>	<b>1.7</b>
Repayments of borrowings	(153.3)	(119.0)	34.3
Proceeds from borrowings	125.1	16.6	(108.5)
Payment of dividends	(3.4)	-	3.4
Proceeds from issue of shares	-	86.8	86.8
Payments for issuing shares	-	(4.6)	(4.6)
<b>Cash used in financing activities</b>	<b>(31.6)</b>	<b>(20.2)</b>	<b>11.4</b>
<b>Net increase / (decrease) in cash</b>	<b>8.8</b>	<b>(0.5)</b>	<b>(9.2)</b>
<b>Closing cash</b>	<b>10.6</b>	<b>10.1</b>	<b>(0.5)</b>

- Sound cash flow disciplines through challenging trading period.
- Significant operating cash flow improvement in Q4 FY10.
- \$15m of FY10 capital expenditure funded through cash.
- \$14.6 million of tax refunds<sup>2</sup> and \$0.5 million of associated interest received are reflected in the cash flow position.
- No dividend declared for FY10. Future dividends will be determined each period by the Board having regard to a number of factors including general economic conditions, investment opportunities, Boom's operating performance and financial position.

2. James Equipment Trade Finance repayments of \$12m are included in net receipts / payments.

3. Tax refunds comprise \$9.7m relating to prior years (pre FY09) and \$4.9m relating to FY09.



**Strategy Update**

# Boom's Strategy

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Boom's strategy is premised on:

- Safety – for our people, our customers, the community and the environment; and
- Shareholder Value – to maximise Boom's value for our shareholders.

The key elements of our strategy are to continue to:



# Core Value Proposition

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Boom delivers industrial services and supports major project development for customers in the resources, energy, utilities and infrastructure sectors.

Our customer value proposition is based on total solutions involving:

<b>EQUIPMENT</b>		<ul style="list-style-type: none"><li>• Fleet adapted to industry requirements in resources, energy, utilities and infrastructure projects</li><li>• Well-maintained fleet with maintenance records and KPI reporting for customers</li></ul>
<b>OPERATIONAL CAPABILITY</b>		<ul style="list-style-type: none"><li>• Experienced and trained workforce of Supervisors, Crane Operators and Riggers</li><li>• Resources and infrastructure to support customers in our core markets</li><li>• Planned and configured services involving operators, cranes and transport to meet complex customer requirements</li></ul>
<b>ENGINEERING EXPERTISE</b>		<ul style="list-style-type: none"><li>• Pre-lift customer site survey and analysis</li><li>• Detailed engineering lift studies to drive safety and cost effectiveness</li><li>• Project Planning and Project Management</li></ul>
<b>SAFETY AND QUALITY SYSTEMS</b>		<ul style="list-style-type: none"><li>• Cultural alignment with our customer base: uncompromising safety focus</li><li>• ISO 9001 and AS4801 certification</li><li>• Best practices in safety systems, processes and organisation</li></ul>

# Boom's Value Proposition at work – 2 case studies



## Complex, heavy-lift mining construction project

- 750t crawler and operational team contracted for full utilisation over a fixed term of 8 months.
- Boom selected for its best-in-class asset, operational team and work methods.
- Daily pre-lift planning and safety meetings on-site, integrated with customer's operations.
- Latest safety systems and processes providing detailed load data of each lift.



## Multi-site crane logistics in the coal mining industry

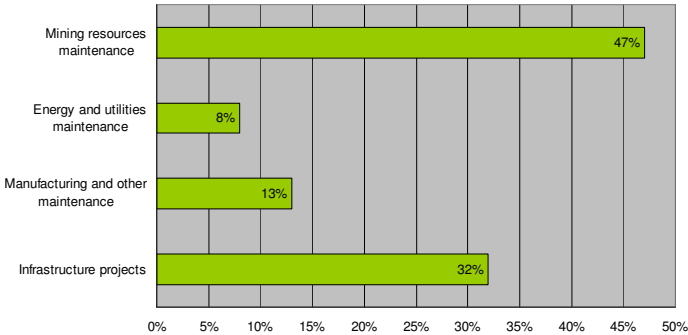
- Contract-based, crane logistics across multiple sites for a major coal mining customer. Relationship >10 years.
- Boom provides logistics management, operators and lift design services for the customer's plant maintenance programs.
- Fleet of 45 cranes and support equipment.
- More than 90 qualified operators with site-specific knowledge, specialist skills and safety training.
- Monthly operational KPI reporting for customer.



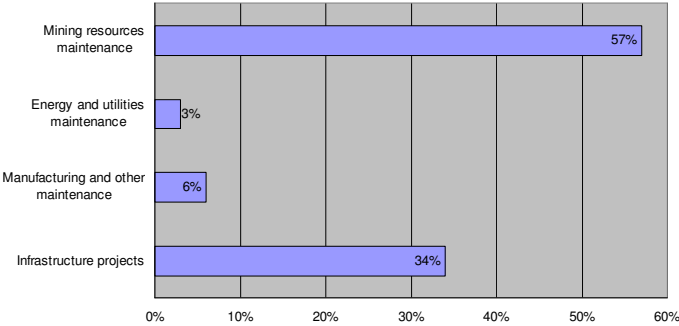
# Customer Focus

We will continue to focus on delivering industrial services and major project development support to customers in resources, energy, utilities and infrastructure.

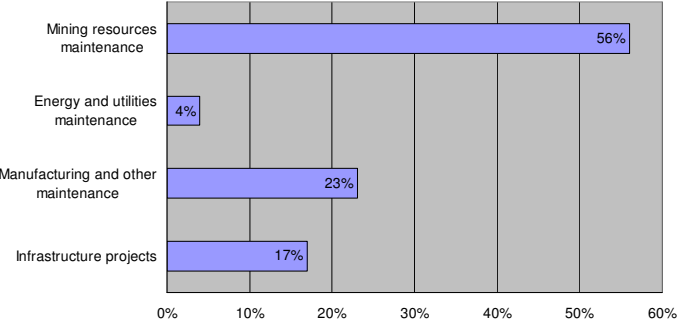
**BOOM % Crane Logistics Revenue <sup>1</sup>**



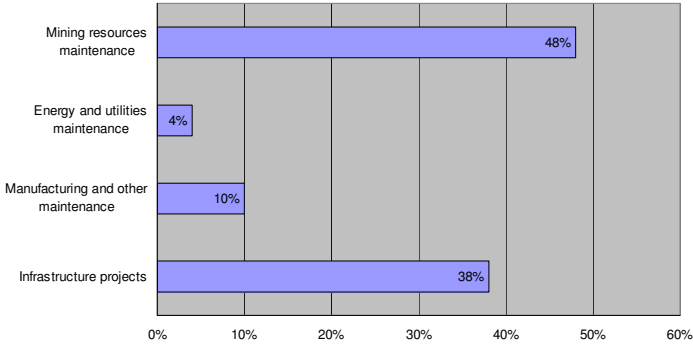
**QLD % Crane Logistics Revenue <sup>1</sup>**



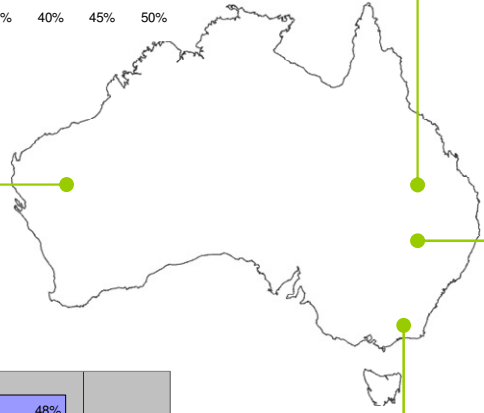
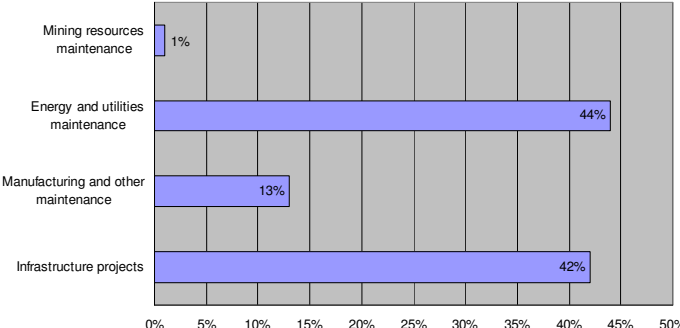
**NSW % Crane Logistics Revenue <sup>1</sup>**



**WA % Crane Logistics Revenue <sup>1</sup>**



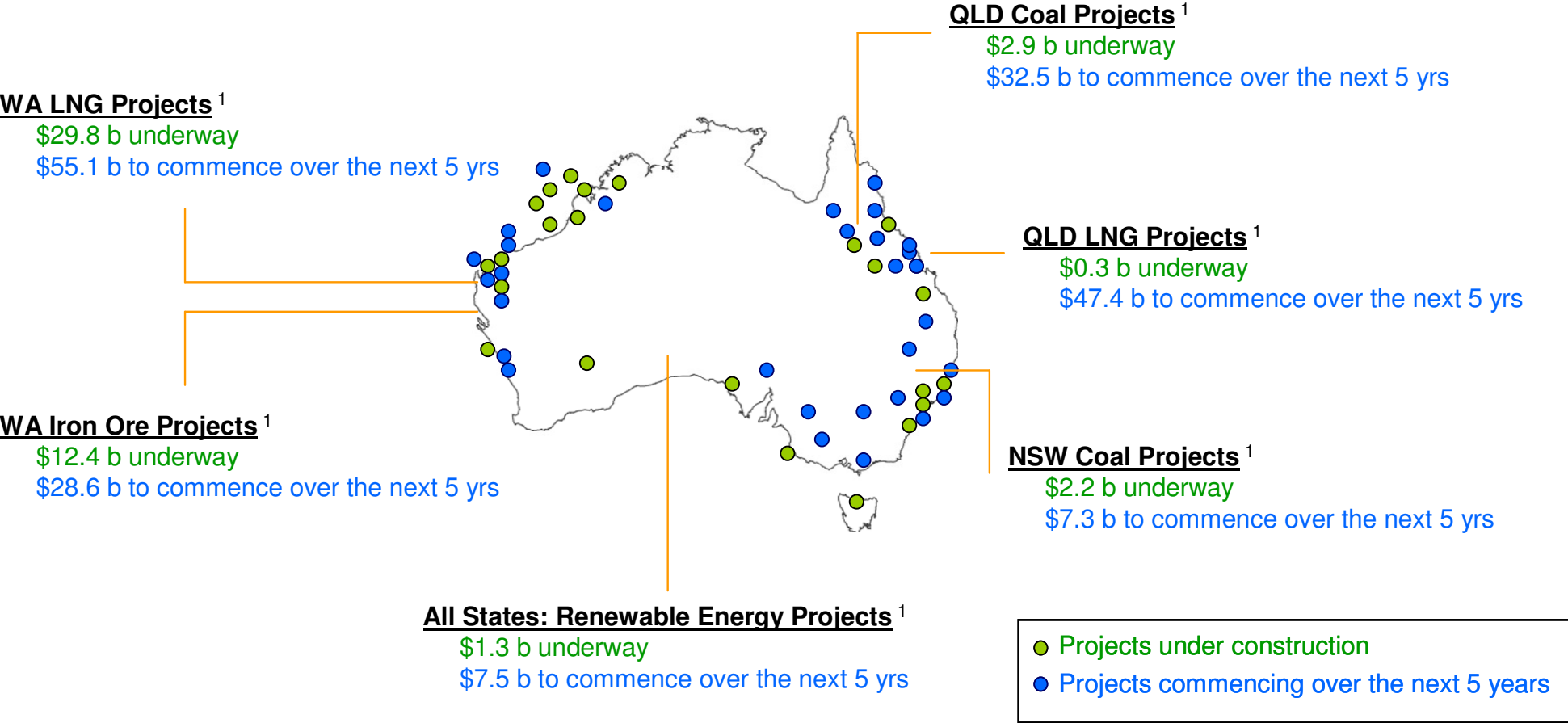
**VIC % Crane Logistics Revenue <sup>1</sup>**



<sup>1</sup> FY10 Revenue. Includes Wet and Dry Crane Hire, Labour and Rigging and Transport Services

# Growth Potential

Growth prospects for crane logistics in our core markets, in the near term and over the next 5 years, are substantial <sup>2</sup>. Boom is well-positioned to target construction activity and ongoing maintenance contracts.



<sup>1</sup> BIS Shrapnel Engineering Construction in Australia 2009/10 – 2023/24 (Mar 2010), Leighton GMO (Feb 2010), Boom Logistics analysis

<sup>2</sup> Total crane logistics revenues typically in the range of 1% to 2% of total project value.

## Contract Wins

Recent contract wins demonstrate the strength of our value proposition and our customer relationships in high-growth markets.

Announcement Date	Customer	Contract Term	Contract Highlights
Dec 09	TDK Joint Venture Gorgon Project (WA)	15-month contract with a 12-month option to extend	<ul style="list-style-type: none"> <li>Crane logistics for the Barrow Island Construction Village</li> <li>Revenue c. \$4m over 15 months</li> </ul>
Dec 09	Newmont Boddington Gold (WA)	3-year contract	<ul style="list-style-type: none"> <li>Crane logistics for general maintenance and shutdown programs</li> </ul>
Dec 09	Sandvik Mining and Construction (NSW)	8-month project	<ul style="list-style-type: none"> <li>Port Waratah Coal Services 3XP expansion project</li> <li>Fully utilised 750t crawler and operator for project duration</li> </ul>
Feb 10	Rio Tinto Iron Ore (WA)	3-year contract with 2 further 3-year options to extend	<ul style="list-style-type: none"> <li>Revenue c. \$20m over 3 years</li> <li>Crane logistics for shutdown and maintenance programs across 10 major mining operations</li> </ul>
Jun 10	Anglo American Metallurgical Coal Operations (QLD)	3-year contract	<ul style="list-style-type: none"> <li>Revenue c. \$6m over 3 years</li> <li>Crane logistics for general maintenance and shutdown programs</li> </ul>
Jun 10	BP Kwinana Refinery (WA)	3-year contract	<ul style="list-style-type: none"> <li>Crane logistics for major shutdown and maintenance programs</li> </ul>
Jun 10	BHP Billiton Iron Ore (WA)	3-year contract with 2 further 2-year options to extend	<ul style="list-style-type: none"> <li>Revenue c. \$35m over 3 years</li> <li>Crane logistics for shutdown and maintenance programs in Port Hedland</li> </ul>

# FY11 Priorities

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<b>RESHAPE THE BUSINESS</b>		<ul style="list-style-type: none"><li>• Drive crane logistics growth in industrial services and major project development markets</li><li>• Redeploy fleet to maximise revenue and returns</li><li>• Manage non-core businesses for cash</li></ul>
<b>DRIVE PROFIT IMPROVEMENT AND RETURNS</b>		<ul style="list-style-type: none"><li>• Drive operational improvements in<ul style="list-style-type: none"><li>○ Maintenance management</li><li>○ Labour cost management</li><li>○ Working capital management</li><li>○ Indirect costs</li></ul></li><li>• Continue to focus on return on capital disciplines in the fleet</li></ul>
<b>INVEST IN GROWTH</b>		<ul style="list-style-type: none"><li>• Invest in fleet mix to address market demand in resources, energy, utilities and major infrastructure projects</li></ul>
<b>INVEST IN PEOPLE, CAPABILITIES AND CULTURE</b>		<ul style="list-style-type: none"><li>• Continued focus on safety culture and capability</li><li>• On-going investment in training</li><li>• Continue to enhance management talent pool</li><li>• Next phase of system and process improvements: operational and financial management, payroll and labour cost management</li></ul>

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# Outlook

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■ **Boom expects a continuation of the recovery experienced in Q4 FY10, including:**

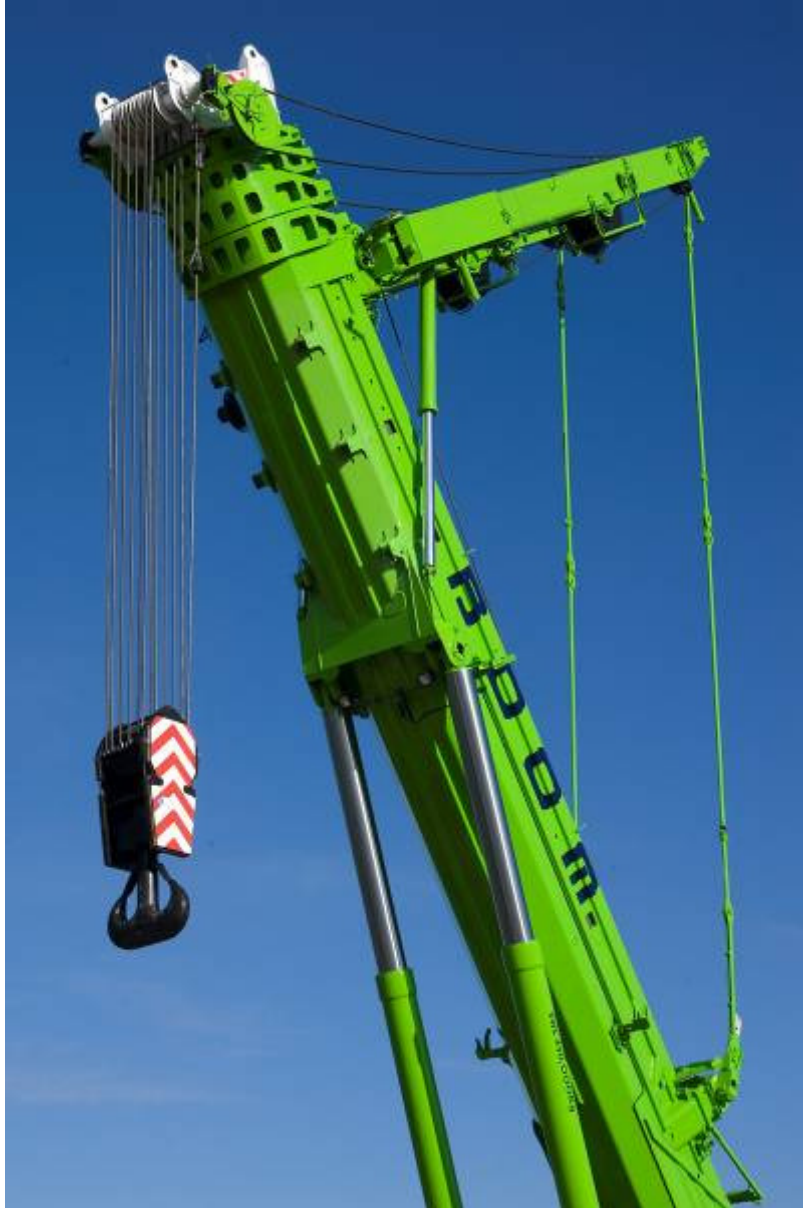
- improved utilisation of the existing asset base;
- flow through of significant new contracts;
- price recovery over time; and
- further redeployment of assets to benefit from its restructuring in underperforming sectors.

■ **Boom will continue to focus on key growth markets where its value proposition is strong:**

- resources (coal, iron ore, LNG, etc);
- energy;
- utilities; and
- infrastructure.

■ **Boom is seeing continued strong pipeline conversion in its industrial services and major project development markets.**

■ **Supported by its strengthened balance sheet, Boom will continue to invest in strategic equipment to support growth.**



Investor enquiries:

**Brenden Mitchell**

Managing Director and  
Chief Executive Officer

03 9207 2500

**Iona MacPherson**

Chief Financial Officer and  
Company Secretary

03 9207 2500

# Appendix 1: NPAT Reconciliation

\$m	FY10
<b>Trading NPAT</b>	<b>4.1</b>
One-off redundancy and restructure costs	(1.7)
Impairment charges	(0.4)
Tax benefit on above noted one-off charges	0.6
Prior period tax refund (2002 – 2004)	3.9
<b>Statutory NPAT</b>	<b>6.5</b>

## One-off redundancy and restructure costs

In response to the subdued demand experienced in certain markets, restructuring of labour and assets has occurred during the financial year at a cost of \$1.0m (\$0.7m after tax impact).

An additional \$0.7m of Borrowing Costs (\$0.5m after tax impact) were incurred during the year, associated with the restructure of the syndicated banking facility at the time of the equity raising.

## Impairment charges

At each reporting date, Management perform a detailed impairment assessment of Boom's assets and stock. The objective of the review is to identify any material operating assets, assets flagged as held for sale or stock which were being carried at a written down value in excess of their recoverable amount. A total asset impairment of \$0.4m (\$0.3m after tax impact) has been incurred in FY10.

## Prior period tax refund (2002 – 2004)

Relates to tax adjustments claimed for the financial years ended 30 June 2002 to 30 June 2004. In FY10 Boom Management were successful in a request to the Commissioner asking that he exercise his discretion to allow a claim for this 'closed' period to proceed.