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ASX Announcement

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BOOM to acquire Sherrin Hire and upgrades earnings guidance for FY2005

- BOOM Logistics Limited ("BOOM") to acquire Sherrin Hire ("Sherrin"), a national provider of travel towers and access equipment, for an enterprise value of \$130 million
- Attractive price : 4.9x pro-forma EBITDA of \$26.8 million for 12 months to 30 June 2005
- The acquisition of Sherrin is expected to be at least 12% EPS accretive
- Acquisition funding through a \$70 million placement and associated SPP
- BOOM's FY05 reported NPAT expected to be around \$15.3 million (equivalent to \$15.7 million NPAT pre goodwill amortisation), 5% above consensus forecast.

Acquisition of Sherrin Hire

BOOM today announced that it has signed an option agreement to acquire Sherrin for an acquisition price of \$60 million plus assumed net debt of \$70 million. It intends to exercise that option on 4 July 2005 with settlement to occur early August 2005 following an Extraordinary General Meeting of its members described below.

The enterprise value of \$130 million represents an EBITDA multiple of 4.9 times Sherrin's forecast pro forma EBITDA of \$26.8 million for the 12 months to 30 June 2005. The acquisition is expected to generate at least 12% EPS growth in the year ahead.

The acquisition of Sherrin represents a very strong strategic fit with BOOM and confirms BOOM as one of Australia's leading lifting solutions companies.

The Sherrin business has been operating since 1968, has 24 branches located across Australia and employs over 350 people.

Sherrin's core focus is the provision of large scale travel towers where it is the clear market leader with more than 80% market share. Other access equipment and cranes are also provided to customers to support this primary offering. Over half of Sherrin's revenue is generated from equipment supplied with operators.

Sherrin's revenue segmentation is broadly consistent with Boom's operations and is as follows:

- 56% - Maintenance segment (industrial and mining),
- 14% - Government/ infrastructure,
- 13% - Non-residential construction,
- less than 1% - residential construction, and
- 16% - Other.

Sherrin's customer base is diversified and includes many blue chip names providing considerable customer overlap with BOOM.

All employees of Sherrin will be retained with the current owner, Michael Sherrin continuing as the Executive Manager for the operations. Sherrin will continue to operate as an independent entity under the "Sherrin Hire" name, and will benefit from Boom's extensive customer network and growth profile.

BOOM's Chief Executive Officer, Mr Rod Harmon, said: "Sherrin is an established and well managed business with a reputation for outstanding customer services. Sherrin has a strong track record of organic growth, having achieved compound annual revenue growth in excess of 15% over the past 10 years".

"The acquisition is consistent with our growth and operating strategy to expand into complimentary lifting solutions, focus on maintenance / industrial customers, wet hire philosophy and focus on blue chip clients and long term relationships".

"This acquisition provides an additional platform of growth for BOOM. Sherrin has strong organic growth potential and we believe there are significant cross selling opportunities between the respective customer bases. BOOM and Sherrin combined will create a unique offering for clients".

"BOOM has a history of successfully acquiring and integrating businesses that deliver sustainable earnings growth. We are confident that this acquisition will be no exception", Mr Harmon said.

Acquisition funding

It is proposed that the acquisition of Sherrin will be funded from an underwritten institutional placement. The placement is expected to comprise a \$35 million firm placement and a \$32 million placement conditional on shareholder approval. Joint Lead Managers to the placement will be ABN AMRO Rothschild and Wilson HTM. BOOM's shares will be placed in a two day trading halt and one day suspension while the placement is conducted.

Subject to approval of the placement, existing BOOM shareholders will have the opportunity to acquire up to \$5,000 of new shares under a Share Purchase Plan ("SPP") at the institutional placement price. The record date for the SPP is 30 June 2005. The SPP offer will be made in November 2005 to enable BOOM to offer participating shareholders the maximum allowable allocation of \$5000 as per ASIC Class Order requirements. These requirements prescribe that a \$5,000 SPP can be made only once every 12 months, without the need for a separate disclosure document. BOOM's last SPP was offered in November 2004.

Boom will convene an Extraordinary General Meeting on 4 August 2005 to seek member approval for the issue of shares under the placement and for the approval of the issue of shares as part of the purchase price being paid to the vendors of Sherrin Hire Pty Ltd.

Update on BOOM's FY2005 Results

BOOM also announced that it expects to achieve a net profit after tax of around \$15.3 million, equivalent to \$15.7 million pre goodwill amortisation for the year to 30 June 2005.

This forecast represents a 62% improvement in net profit from the previous year, which had included only nine months revenue from five acquisitions that were an integral part of the Initial Public Offering in October 2003.

Earnings per share is forecast to rise by approximately 21% for the year.

Mr Harmon said "the forecast year-on-year increase was driven by strong underlying demand in key market segments with an underlying organic growth rate of 10%. In addition, the profit increase benefited from the contributions made by the acquisitions of Bower's Heavy Haulage & Crane Service and Brambles Bowen Cranes during the year".

Outlook

Mr Harmon said "the outlook for Boom and Sherrin over the next 12 months remained positive across all key sectors, underpinned by the strong demand from resources and infrastructure development".

"In addition, Boom will be actively targeting cross-selling opportunities between the respective customer bases of Boom and Sherrin and this has significant potential to generate further growth," he said.

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About BOOM Logistics

BOOM Logistics (ASX – BOL) is a leading Australian lifting solutions company with a pivotal position in the burgeoning industrial maintenance, commercial construction and resources sector. The logistics group sells a range of lifting services including:

- Managed lifting solutions
- Contractual maintenance arrangements
- Engineering services and maintenance
- Equipment hire

Headquartered in Melbourne, BOOM currently employs more than 600 people nationally.