

2007 ANNUAL GENERAL MEETING OF BOOM LOGISTICS LIMITED

Address by Chairman and Managing Director

Chairman's Address

At last year's Annual General meeting I noted that there remained scope to continue to grow the business through further acquisitions. The introduction of the James Group and more recently the GM Baden business has broadened our future growth opportunities. They provide us with the full spectrum of crane services, with new crane sales, crane servicing and used crane sales; all activities that integrate well into our base business. The D&D Crane Hire business, acquired during the last quarter of the year has improved our service offering in the important Wollongong region of NSW and the May acquisition of Moorland Hire complements our Sherrin access equipment hire business in Victoria.

These growth initiatives have of course been reflected in an expanded workforce, an increased equipment fleet and a broader geographical presence. All important factors in improving the scope of our service delivery to customers.

Turning to our financial performance, we reported an increase in Net Profit after Tax of 11% at \$36.6 million. This was established upon a 38% increase in revenue at \$350 million. Earnings per share dipped by 1% to 21.5 cents, reflecting the issue of vendor shares as part of the acquisition process and a minimal contribution to earnings from those acquisitions that took place late in the second half.

Although the overall for the year were generally satisfactory, operating margins came under some pressure as operating schedules were disrupted by extreme weather events in our major operating centres, both in Western Australia and along the east coast. We have also felt the effect of equipment supply delays resulting from continuing strong economic growth. I noted in the Annual report that new crane orders have extended out to a twelve month delivery. This impacts upon maintenance costs as equipment lives are necessarily extended and applies some constraint to organic growth opportunities. People turnover and management retention issues are also a consequence of strong economic growth and we share these problems with many other market sectors. These adverse elements are, however, only a minor irritant when compared to the business benefits being generated from buoyant economic conditions.

Increased profits and a positive outlook have again resulted in an increased dividend payment to shareholders with an increase of 6% to 11 cents per share fully franked. In this regard Directors have maintained the policy of returning approximately 50% of after tax profits to shareholders through dividend distribution.

In looking ahead, we now have four integrated and complementary platforms for future growth and those sectors of the economy in which we operate continue to prosper. There remains considerable opportunity for us to continue building the business through acquisition and organic growth.

We continue to manage business risk by diversifying our income base to reduce reliance on any one industry sector. Broadening our geographic presence is also part of this process. We also continue to emphasise our unique positioning in the market and the level of service offering that differentiates us from our competitors.

In concluding my remarks I would like to comment on the changes that have occurred in senior management. Shareholders will be aware that Rod Harmon retired as Chief Executive at the end of the financial year. He commenced in April 2002 and led the Company through its transition to an ASX listed entity and positioned Boom as the pre-eminent national crane hire company. He left with our best wishes and the knowledge of a job well done. Mark Lawrence had worked closely with Rod for much of this period as Chief Finance Officer and more recently as Finance Director and as part of the Company's succession plan had been groomed to take over the CEO role on Rod's departure. He brings to the role the experience gained from close involvement in the development of Boom over the past five years. Iona MacPherson has recently taken over as Chief Finance Officer, having previously operated in this position at Australian Air Express and Brian Praetz, formerly our General Manager of the Western Australian operations was appointed earlier in the year to the newly created Chief Operating Officer role. Other senior management positions have been established during the past twelve months reflecting the increased size and complexity of our growing business. I will leave it to the Chief Executive to include these matters in his address.

In handing over to Mark I would like to acknowledge the effort and dedication by management and employees at all levels in the Company. It is their endeavour that underpins our success.

Managing Director's Address

Good morning ladies and gentlemen and welcome to the Boom Logistics 2007 Annual General Meeting. I am delighted to be here today in my first address to you as Managing Director of Boom Logistics.

I am also pleased to advise that during the 2007 financial year Boom Logistics continued to execute on its strategic plan and in doing so achieved solid growth over the period.

Importantly, the initiatives undertaken have not only increased the size of the company but have enhanced the strength of our business model.

Revenue increased by almost \$100m to \$350m and this translated through to an 11% uplift in NPAT for the year.

As previously advised to the market, the 2007 financial year also presented challenges for the business.

Extreme weather conditions impacted on our major operating centres and adversely effected customer demand. This in turn led to deferral of some customer maintenance activity whilst they attempted to recover lost production.

Melbourne tower crane activity recovered during the year, albeit more slowly than anticipated. I am pleased to say that we now have a healthy array of tower cranes on the Melbourne skyline.

As has been well documented, equipment supply has become a more challenging issue as global demand continues to exceed supply. The James Equipment acquisition will go some way towards addressing the shortfall of new cranes.

In taking account of these issues, I am pleased to say that Boom's core operations still managed to deliver growth and solid profits over the period.

During the year four businesses were acquired totalling \$100 million dollars and a further \$48 million dollars was invested in new capital equipment to expand our operations.

I would like to take a brief moment of your time to talk about the acquisitions made and outline the benefits of these to our business model:

		Price	Date
James Group	Nat	\$59.5m	Aug 2006
GM Baden	NSW/QLD	\$5.6m	Mar 2007
D&D Cranes	NSW	\$4.2m	Apr 2007
Moorland Hire	VIC	\$30.2m	Jun 2007
Total		\$99.5m	

The James Group acquisition provided Boom with:

- 72 additional dry hire (dry = hired without operators) cranes in a tight equipment supply market,
- a used cranes sales network capability,
- sole Australian distribution rights for the sale of new Tadano cranes, which are imported from Japan.

Benefits

- Boom will be able to progressively replace & expand its fleet at a reduced capital cost, and repair and maintain its fleet at a lower cost of operations.
- An extension of our service offering to existing customers and provide access new customers through crane sales activity.

It is worth noting that a key driver of crane sales activity is the provision of 'after sales service'. Customers not only want to buy quality assets but require ready access to prompt after sales service.

Boom is well positioned to provide this service having the largest contingent of crane maintenance personnel in Australia. Add to that, the acquisition of GM Baden, which provides specialist All Terrain crane services, and we have the making a superior national after sales service network. The development of this capability will ultimately enhance Tadano market share in Australia.

The third acquisition made during the year was D&D Cranes in Wollongong NSW. Whilst small, this acquisition provides our NSW operations with added crane support, customer diversity, and puts it in a strong position to undertake future lifting services planned for the region.

Finally the Moorland Hire acquisition has provided the Boom Sherrin (formerly Sherrin Hire) business with an enhanced presence in Victoria, a complementary customer base, and additional service offering opportunities.

As the Chairman mentioned earlier, the Boom management team has been strengthened during the year. I must add that I am delighted with the calibre of personnel that have joined us. On-line scheduling and on-line safety systems were also implemented during the year to further refine our business processes and responsiveness.

Safety remains a priority focus area for the business. In the 2007 financial year we achieved a 46% reduction in our Lost Time Injury Frequency Rate. This is the fourth consecutive year in which we have exceeded our annual 30% improvement target.

The outlook for our key market segments remains favourable. We continue to target strategic acquisitions and organic growth opportunities, to enhance shareholder value.

In closing I would like to thank you, our shareholders, for your continued support during the year. I would also like to recognise the efforts of our loyal and dedicated employees whose commitment continues to drive the success of our company.