



ABN 28 095 466 961

**Half-Year Financial Report
for the half year ended 31 December 2007**



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CONTENTS	Page
Directors' Report	3
Auditor's Independence Declaration	4
Condensed Income Statement	5
Condensed Balance Sheet	6
Condensed Cash Flow Statement	7
Condensed Statement of Changes in Equity	8
Notes to the Condensed Financial Statements	9
Directors' Declaration	14
Independent Review Report	15

Directors' Report

Your directors submit their report for the half-year ended 31 December 2007.

Directors

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Rodney John Robinson	(Non executive Chairman)
Mark Alan Lawrence	(Managing Director) (resigned 1 February 2008)
Terrance Alexander Hebiton	(Non executive Director)
Dr. Huw Geraint Davies	(Non executive Director)
Terrence Charles Francis	(Non executive Director)
Jane Margaret Harvey	(Non executive Director)

Review and Results of Operations

The consolidated entity achieved revenue growth during the period but failed to improve on net profit. Revenue for the half year was \$202,424,000 (2006: \$170,446,000), representing an increase of 19%. This was due to the full impact from acquisitions made in the previous financial year.

Net profit after tax for the half year was \$12,425,000 (2006: \$18,349,000), representing a decrease of 32%. Whilst revenue performance was strong, NPAT was impacted by:

- => Accounting adjustments predominantly relating to the correction of useful lives on access equipment and travel towers incorrectly set at the time of acquisition which understated depreciation expenses; and

Margin erosion from:

- => Service provision versus asset utilisation with the need to improve on contract cost recovery;
- => Labour supply and cost pressures, particularly in remote areas;
- => Increased requirement for equipment cross hire due to 10 year rebuild program and shifting client maintenance requirements; and
- => Lower NPAT percentage due to increase in interest and depreciation expenses.

Rounding

The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.



John Robinson
Chairman

Melbourne, 13 February 2008



Chartered Accountants
& Business Advisers

13 February 2008

Board of Directors
Boom Logistics Limited
Level 12
390 St Kilda Road
MELBOURNE VIC 3004

Dear Directors

INDEPENDENCE DECLARATION

As lead engagement partner for the review of Boom Logistics Limited for the half-year ended 31 December 2007, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF
Chartered Accountants

M L Port
Partner

Condensed Income Statement
for the Half-Year ended
31 December 2007

		CONSOLIDATED	
	Note	2007 \$'000	2006 \$'000
Revenue from continuing operations	3	202,424	170,446
Salaries and employee benefits expense	3	(69,219)	(59,106)
Equipment service and supplies expense		(39,743)	(34,855)
Cost of sales associated with cranes	3	(26,106)	(13,986)
Depreciation and amortisation expense	3	(21,650)	(16,249)
Finance costs		(9,450)	(6,240)
Operating leases		(4,676)	(3,825)
Other expenses		(13,585)	(9,987)
		-----	-----
Profit before income tax		17,995	26,198
Income tax expense		(5,570)	(7,849)
		-----	-----
Net profit attributable to members of Boom Logistics Limited		12,425	18,349
		=====	=====
Basic earnings per share (cents per share)		7.3	10.8
Diluted earnings per share (cents per share)		7.3	10.8
Franked dividends per share (cents per share)		4.5	5.7

The accompanying notes form an integral part of this Condensed Income Statement.

Condensed Balance Sheet
as at
31 December 2007

		CONSOLIDATED	
	Note	31 December 2007 \$'000	30 June 2007 \$'000
CURRENT ASSETS			
Cash and cash equivalents		5,863	9,826
Trade and other receivables		70,987	66,204
Inventories		16,778	21,351
Prepayments and other current assets		4,768	5,505
Non-current assets classified as held for sale		8,258	-
TOTAL CURRENT ASSETS		106,654	102,886
NON-CURRENT ASSETS			
Plant and equipment		391,397	375,745
Deferred tax assets		4,175	3,286
Intangible assets		106,980	107,749
TOTAL NON-CURRENT ASSETS		502,552	486,780
TOTAL ASSETS		609,206	589,666
CURRENT LIABILITIES			
Trade and other payables		33,883	45,569
Interest bearing loans and borrowings	8	160,581	69,512
Provisions		11,095	10,043
Income tax payable		1,567	1,189
Other current liabilities		4,834	4,252
TOTAL CURRENT LIABILITIES		211,960	130,565
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings		101,444	168,923
Provisions		166	125
Deferred tax liabilities		11,210	10,566
TOTAL NON-CURRENT LIABILITIES		112,820	179,614
TOTAL LIABILITIES		324,780	310,179
NET ASSETS		284,426	279,487
EQUITY			
Contributed equity	6	232,734	232,734
Retained earnings		51,238	47,855
Reserves		454	(1,102)
TOTAL EQUITY		284,426	279,487

The accompanying notes form an integral part of this Condensed Balance Sheet.

Condensed Cash Flow Statement
for the Half-Year ended
31 December 2007

	Note	CONSOLIDATED	
		2007 \$'000	2006 \$'000
Cash flows from operating activities			
Receipts from customers		217,593	172,442
Payments to suppliers and employees		(172,315)	(127,188)
Interest paid		(9,450)	(6,240)
Interest received		286	405
Income tax paid		(5,438)	(3,559)
		-----	-----
Net cash provided by operating activities		30,676	35,860
		-----	-----
Cash flows from investing activities			
Purchase of plant and equipment		(6,596)	(12,514)
Acquisition of subsidiary/business net of cash acquired		-	(53,463)
Proceeds from the sale of plant and equipment		694	587
		-----	-----
Net cash used in investing activities		(5,902)	(65,390)
		-----	-----
Cash flows from financing activities			
Proceeds from issue of shares net of transaction costs		-	(12)
Proceeds from borrowings		-	35,500
Repayment of borrowings		(19,695)	(15,048)
Payment of dividends		(9,042)	(8,865)
		-----	-----
Net cash (used in) / provided by financing activities		(28,737)	11,575
		-----	-----
Net increase/(decrease) in cash and cash equivalents		(3,963)	(17,955)
Cash and cash equivalents at the beginning of the period		9,826	29,909
		-----	-----
Cash and cash equivalents at the end of the period		5,863	11,954
		=====	=====

The accompanying notes form an integral part of this Condensed Cash Flow Statement.

Condensed Statement of Changes in Equity
for the Half-Year ended
31 December 2007

CONSOLIDATED

	Issued Capital \$'000	Retained Earnings \$'000	Cash flow Hedge Reserve \$'000	Employee Benefits Reserve \$'000	Total Equity \$'000
At 1 July 2007	232,734	56,573	(1,395)	293	288,205
Correction of prior period errors	-	(8,718)	-	-	(8,718)
Profit for the period	-	12,425	-	-	12,425
Issue of share capital	-	-	-	-	-
Share capital raising costs	-	-	-	-	-
Cost of share based payments	-	-	-	68	68
Equity dividends	-	(9,042)	-	-	(9,042)
Gain / (loss) taken to equity	-	-	1,488	-	1,488
At 31 December 2007	232,734	51,238	93	361	284,426
At 1 July 2006	226,746	38,555	-	237	265,538
Correction of prior period errors	-	(6,244)	-	-	(6,244)
Profit for the period	-	18,349	-	-	18,349
Issue of share capital	6,000	-	-	-	6,000
Share capital raising costs	(12)	-	-	-	(12)
Cost of share based payments	-	-	-	153	153
Equity dividends	-	(8,865)	-	-	(8,865)
Gain / (loss) taken to equity	-	-	(489)	-	(489)
At 31 December 2006	232,734	41,795	(489)	390	274,430

The accompanying notes form an integral part of this Condensed Statement of Changes in Equity.

Notes to the Condensed Financial Statements
for the Half-Year ended 31 December 2007

1. Corporate Information

The financial report of Boom Logistics Limited for the half-year ended 31 December 2007 was authorised for issue in accordance with a resolution of the directors on 13 February 2008.

Boom Logistics Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in note 5.

2. Basis of Preparation and Accounting Policies

This general purpose condensed financial report for the half year ended 31 December 2007 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2007 and considered together with any public announcements made by Boom Logistics Limited during the half year ended 31 December 2007 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period.

Notes to the Condensed Financial Statements for
the Half-Year ended 31 December 2007

	CONSOLIDATED	
	2007 \$'000	2006 \$'000
3. Revenue and Expenses from Continuing Operations		
(a) Revenue		
Revenue from services	169,517	152,484
Revenue from sale of goods	33,251	17,458
Interest income from other persons/corporations	286	405
Net gains/(losses) on disposal of plant and equipment	(630)	99
	202,424	170,446
(b) Expenses		
Salaries and employee benefits (net of superannuation)	65,463	55,593
Defined contribution plan expense	3,756	3,513
	69,219	59,106
Depreciation of plant and equipment	20,869	15,551
Amortisation of intangibles	781	698
	21,650	16,249
Cost of sales associated with cranes	26,106	13,986
4. Dividends Paid And Proposed		
(a) Dividends paid during the half-year		
Fully franked final dividends for 30 June 2007: 5.3 cents (2006: 5.2 cents)	9,042	8,865
(b) Dividends proposed and not recognised as a liability		
Fully franked interim dividends for financial year 30 June 2008: 4.5 cents (2007: 5.7 cents)	7,687	9,724

Notes to the Condensed Financial Statements for
the Half-Year ended 31 December 2007

5. Segment Information

The primary reporting format for the Group is business segments.

The following table presents revenue and profit information for the business segments.

<i>Half-Year ended:</i>	<i>31 December 2007</i>		
	Lifting Solutions \$'000	Crane Sales and Service \$'000	Consolidated \$'000
Segment revenue			
Total external revenue	168,789	33,635	202,424
Inter-segment revenue	-	3,101	3,101
Total segment revenue	168,789	36,736	205,525
Inter-segment elimination			(3,101)
Total consolidated revenue			202,424
Segment result			
Segment results	23,059	4,700	27,759
Inter-segment elimination			(314)
Finance costs			(9,450)
Income tax expense			(5,570)
Net profit for the half year			12,425

<i>Half-Year ended:</i>	<i>31 December 2006</i>		
Segment revenue			
Total external revenue	152,932	17,514	170,446
Inter-segment revenue	-	5,218	5,218
Total segment revenue	152,932	22,732	175,664
Inter-segment elimination			(5,218)
Total consolidated revenue			170,446
Segment result			
Segment results	29,807	3,376	33,183
Inter-segment elimination			(745)
Finance costs			(6,240)
Income tax expense			(7,849)
Net profit for the half year			18,349

Notes to the Condensed Financial Statements for
the Half-Year ended 31 December 2007

9. Correction of Errors

Correction of error in recording of depreciation expenses in previous financial years

Due to the incorrect allocation of useful lives to certain plant and equipment, depreciation expenses for the years ended 30 June 2006 and 30 June 2007 were understated. The error had the effect on the following line items in the financial statements:

		CONSOLIDATED	
		Jun 06 \$'000	Jun 07 \$'000
<i>Balance Sheet</i>			
	<i>Impact</i>		
- Plant and equipment	overstated	8,920	12,454
		-----	-----
Total Assets		8,920	12,454
		-----	-----
- Deferred tax liabilities	overstated	2,676	3,736
		-----	-----
Total Liabilities		2,676	3,736
		-----	-----
- Retained earnings	overstated	6,244	8,718
		=====	=====
Total Equity	overstated	6,244	8,718
		=====	=====
<i>Income Statement (full year impact)</i>			
- Depreciation expense (i)	understated	8,920	3,534
		-----	-----
Profit before income tax		8,920	3,534
		-----	-----
- Income tax expense	overstated	2,676	1,060
		=====	=====
Net profit after income tax	overstated	6,244	2,474
		=====	=====

(i) Depreciation expense includes items of used plant and equipment (acquired as a result of a business combination) being:

=> Fully depreciated down to residual value where the age of the asset is older than the expected useful life of its respective asset class; and

=> Depreciation restated where the allocation of useful life was incorrect.

The error has been corrected by restating each of the affected financial statement line items in the prior period comparative as described above.

Basic and diluted earnings per share for the prior period comparative have also been restated. The amount of the correction for both basic and diluted earnings per share was a reduction of 0.7 cents per share for the half-year ended 31 December 2006.

Directors' Declaration

In accordance with a resolution of the directors of Boom Logistics Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with: the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and the performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



John Robinson
Chairman

Melbourne, 13 February 2008



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BOOM LOGISTICS LIMITED**

Chartered Accountants
& Business Advisers

We have reviewed the accompanying half-year financial report of Boom Logistics Limited ('Boom Logistics'), which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement or description of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising Boom Logistics and the entities it controlled at 31 December 2007 or from time to time during the half-year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of Boom Logistics are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Boom Logistics' financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Boom Logistics, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Boom Logistics would be in the same terms if it had been given at the time the auditor's review report was made.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Boom Logistics is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

PKF

PKF
Chartered Accountants

M L Port
Partner

13 February 2008
Melbourne

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