



Boom Logistics Limited
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ASX Announcement

8 September 2004

BOOM Logistics Limited has applied to the ASX for a trading halt in relation to its securities. It proposes to acquire a long established mobile crane and heavy haulage business operating in the Eastern States. Boom intends to raise \$19.5m through an institutional placement and \$1.5m under a Share Purchase Plan to fund this acquisition and to provide funding for future acquisitions.

The proposed acquisition provides a complete lifting and haulage solution to customers involved in mining industrial, maintenance and civil engineering projects. As a leading service provider within its geographic market it will significantly increase BOOM's presence in Eastern Australia.

The proposed acquisition price is approximately \$16.3 million, consisting of an equity issue to the vendor of \$4.0 million and a net cash payment of \$10.1 million after adjustments.

The acquisition had annualised sales of approximately \$17.3 million and annualised EBITDA of approximately \$4.5 million in the 2004 financial year. This transaction is expected to be earnings per share neutral in the 2005 financial year.

It is proposed that the acquisition will be funded from the institutional placement of 13.0 million new ordinary shares at \$1.50 each to raise \$19.5 million, and will be jointly underwritten by Wilson HTM Corporate Finance Limited and Bell Potter Securities Limited. Existing BOOM shareholders will also have the opportunity to acquire up to \$5,000 of new shares (to a maximum of 1.0 million shares raising \$1.5 million) under a Share Purchase Plan at the institutional placement price. The issue of shares to the institutional investors and the vendor will be subject to shareholder approval at the company's AGM on October 15, 2004.

The equity raising will provide surplus funds of \$7.7 million after acquisition costs and working capital requirements and will reset the company's gearing level at 31%. This will enable the company to pursue other identified earnings per share positive acquisition opportunities.

Upon the completion of the institutional placement, BOOM Logistics proposes to enter into the Business Sale and Purchase Agreement whereupon Boom will immediately apply for the trading halt to be lifted.

For further information contact:

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