BOOM
LOGISTICS

ANNUAL REPORT 2009

Corporate Directory

DIRECTORS

R. John Robinson
Terrance A Hebiton
Dr. Huw G Davies
Terrence C Francis
Brenden C Mitchell

COMPANY SECRETARY

Iona MacPherson

REGISTERED OFFICE

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INTERNET ADDRESS

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LEGAL ADVISERS

Freehills
Minter Ellison

AUDITORS

KPMG

SHARE REGISTER

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford, Victoria, 3067
Investor enquiries 1300 850 505

ANNUAL GENERAL MEETING

Friday, 27 November 2009
@ 10.30am
Crown Promenade Conference Centre
8 Whiteman Street, Southbank Victoria

Contents

Chairman's Report

John Robinson - Non-Executive Chairman

The past year presented two contrasting operating environments: The first half through to 31 December 2008 was generally buoyant with solid demand in most sectors of Boom's business. At the end of the first half we were able to post an after tax operating result of $13.8 million, some 4.5% ahead of the previous comparable period. This result had been built upon strong improvement in utilisation levels across the Company's crane fleet and the Boom Sherrin access hire business had started to show steady revenue generation. We were also able to report the successful completion of a $175 million 3 year revolving credit facility plus a $32 million working capital and general transactional banking facility. Early indications of the impact of the Global Financial Crisis on the real economy were, however, becoming evident in the post September period with lower than expected sales in both new and used cranes through our James Equipment business.

Operating conditions rapidly deteriorated in January 2009 and the slowdown in business activity became more entrenched as the March Quarter progressed. This experience was shared across all sectors of the economy, but the industrial based service companies like Boom were particularly impacted as customers sharply cut back on maintenance and development activity. Construction projects also stalled as credit markets' concerns deepened and the Company was faced with the difficult decision of reducing employee numbers as part of an essential cost cutting program. These challenging conditions eroded gains made during the first half and resulted in a disappointing year end performance.

In August, the Company announced a full year underlying operating result of $12 million. This was subject to a number of one off items and impairment charges giving rise to a net loss of $27.5 million. The majority of these accounting adjustments were directly related to the impact on Boom of the global economic crisis during the second half. Recognising the prevailing financial circumstances and the Company's relatively high balance sheet leverage Directors have not declared a final dividend, leaving the full dividend for the year at 1 cent fully franked.

$M	FY09	FY08	% CHANGE	FY09 (TRADING)
Financial Performance				
Revenue	399.5	410.3	(3%)	399.5
EBITDA	65.7	90.0	(27%)	69.3
EBIT	(7.7)	47.5	(116%)	33.4
Net Profit After Tax	(27.5)	18.6	(248%)	12.0
NPAT %	(6.9%)	4.5%		3.0%

The Company continues to generate solid cash flows and this has allowed net debt to be reduced by $17.7 million during the year to $235.4 million, whilst also investing an additional $38 million in the business; predominantly in the crane division. The rebate of tax payments associated with the previous years' accounting adjustments have provided additional scope to lower borrowings and by 30 September 2009 it is expected that debt will have been reduced by a further $17 million to approximately $218 million. Although the Company is meeting its debt servicing obligations and reducing overall debt levels it has been necessary to obtain a waiver from the bank syndicate over one of the four banking covenants. This relates to the Earnings Leverage Ratio covenant which is determined on a 12 month rolling basis and consequently reflects the particularly difficult March Quarter. We continue to work positively with the banks to develop a longer term solution to this particular covenant issue.

In the current market those companies with relatively high balance sheet gearing have experienced depressed share prices and although Boom is progressively deleveraging its position from operating cash flows, it is seen as necessary to take a definitive step to deal with the issue. This has prompted the strategic review that was announced to the market in July. A number of opportunities are being assessed including the merger proposal received from Boom's major shareholder. Directors expect to be in a position to present the progress and any outcomes of the strategic review to shareholders at the Annual General Meeting to be held in November.

In looking ahead, the worst of the economic crisis appears to be behind us although the extent of general business recovery is expected to be gradual and is not yet evident in the market place. Recent announcements of major resource projects, together with infrastructure projects and other government investment initiatives, present ample opportunities to increase our activity levels when the recovery sets in. Boom is well positioned with its strong asset base and national footprint to benefit from this prospective uplift in project work, whilst also continuing to generate growth from its industrial services activity.

In closing, I would like to acknowledge the dedication and effort of management and employees in a particularly challenging business environment. Boom continues to be Australia's largest lifting solutions company and our reputation for safety and service delivery bears testament to the Company's people.

John Robinson

Non-Executive Chairman

Managing Director's Report

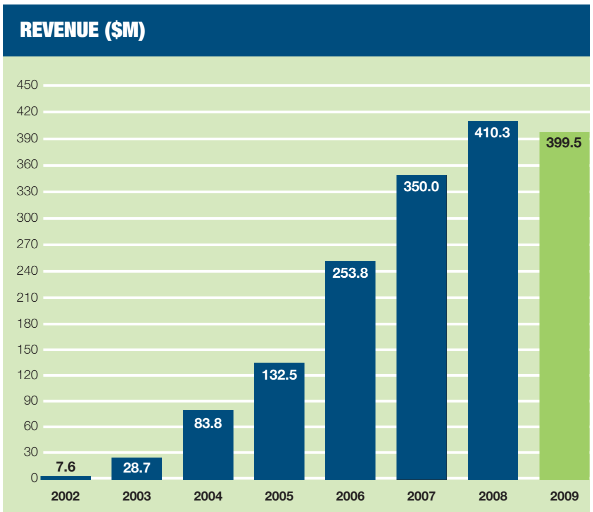
Brenden Mitchell - Managing Director

As your Chairman has indicated, the past year has indeed been a challenging one. Despite this, we have not lost any focus on our key objective of becoming the safest and leading lifting company equal to the best in the world. This year has seen significant progress towards Boom's goal of zero harm to our people, customers and the environment. This has been achieved through the introduction of a dedicated Safety Leadership Team ("SLT") and the roll out of Boom's "Safety Always" approach. Key activities of the SLT are highlighted within the Occupational Health, Safety, Environment & Quality ("OHSE&Q") section of this report.

Given the priority of safety within our business, as a personal safety commitment as Managing Director of Boom Logistics I will:

- actively promote a zero harm culture and ensure that safety of our employees, customers and the environment is at the forefront of the decisions I and the Executive Team make;
- listen to employees, and engage staff and customers on how to deliver on zero harm;
- take a personal interest in incidents that impact on our people and our customers;
- promote both personal, team and business accountability for operational discipline within the business;
- support and encourage the SLT and leaders at all levels of the business to improve safety outcomes;
- ensure the business actively supports the training, education and the health & wellbeing of our people; and
- accept responsibility for the safety outcomes of the Boom Logistics business.

Turning to Boom's operational and financial performance, the 2009 financial year comprised two very different halves in delivering the trading result of $12.0 million. There were encouraging results in the first half of the financial year where significant work by our people improved our run rate and margins from the second half of the 2008 financial year. Solid foundations had been laid, with the completion of a 3 year syndicated banking facility and a further strengthening of the management team. The full onset of the Global Financial Crisis had a major impact on the second half of the financial year with a significant drop in overall demand in each of our business segments.



The key factors that impacted the Boom business were:

- a downturn in the resources, non-residential construction and industrial services markets in the second half;
- a slowdown in projects and production levels of major customers;
- some mining and industrial sites going into care and maintenance;
- increased competitive pressures due to lower overall market demand for lifting services; and
- a depressed capital equipment market.

The speed and severity of the slowdown and the associated contraction in credit markets resulted in an inventory build up and a consequential margin decline in the James Equipment business.

After a pleasing improvement from Boom Sherrin in the first half of the year, this business was hit particularly hard in the second half. This was felt predominantly in access equipment where utilisation rates suffered a decline of 20%. In Queensland, where our market position is the strongest, severe coastal weather conditions also impacted revenue in the second half.

Our core crane hire business saw strong improvement in utilisation, margins and return on investment rates in the first half. However, the downturn in the activity of core industrial and resource customers in the second half impacted Boom and a fall in average equipment utilisation levels of 10% was experienced.

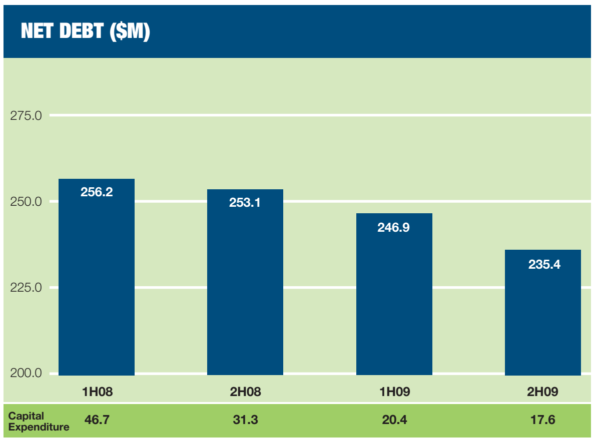
Whilst the Melbourne mobile operations and the Boom Sherrin business had already been subject to restructuring activity, with the depth of the downturn and the impacts of the Global Financial Crisis becoming clear within the third quarter, further restructure planning commenced. The most significant impact of this restructure activity was 130 of our people being made redundant. During the restructuring process, a further 40 cranes were identified for sale, predominantly in the low lifting capacity, low margin sectors. In addition, Executive and Senior Management salaries were frozen. Restructuring and other initiatives completed during the year have resulted in annualised cost reductions of more than $13 million across the business.

Given the prevailing market conditions, thorough and detailed asset impairment testing was required at year end under accounting standards. As a consequence of this work an $18.8 million non-cash impairment was made to write off the James Equipment goodwill. A $20.9 million non-cash impairment was made in total to fixed assets, assets held for sale, crane stock and spare parts stock.

The James Equipment goodwill impairment was required given the reduced cash flow generation from the James Equipment cranes sales business operating in the depressed capital equipment market. This business operates in a cyclical market segment and future cash flows based on the prevailing market conditions did not provide significant certainty to carry the goodwill associated with this entity.

Despite the operational and financial impacts experienced in the second half, there was positive progress made in many areas across all facets of the business:

- the reinvestment in capital of $38 million was all focused on the right equipment mix and strategically aligned to contracts and core customer and market requirements;
- despite the second half financial performance, and after taking account of the $38 million capital investment noted above, the business still delivered a very positive cashflow outcome for the year. This facilitated a further $17.7 million net debt reduction. We have both met and exceeded all debt repayment obligations during the year and continue to do so today;



- whilst we experienced a lower financial result, the business continues to demonstrate its strong ability to generate cash. This has been delivered through working capital improvements. Significantly, debtors days reduced from 66 to 46 over the course of the year and inventory levels reduced from their peak of $42 million in February to $25 million by the end of the year;

Managing Director's Report

- as noted above, our SLT is in place and we have appointed a General Manager OHSE&Q to support and drive our commitment to a “Safety Always” culture;
- our Morwell Branch was awarded the Crane Industry Council of Australia's Lift of the Year Award for a demonstration of operational excellence relating to a major lift for Australian Paper at their Maryvale Mill in Victoria. In addition, this team's demonstration of high levels of skill and inventiveness also resulted in Boom receiving the People's Choice Award as voted by our peers and suppliers. Our Queensland business was also recognised and highly commended in these awards;
- relationships have been formed or further developed with key stakeholders in major industry sectors including Energy Development such as the Gorgon Project, Wind Farms, Mining and Infrastructure;
- our core customer interface and operational system has been significantly upgraded and is being rolled out nationally with completion scheduled for late October 2009;
- Boom has received $14.7 million plus interest in respect of amended taxation assessments submitted by Boom for the financial years ended 30 June 2005 to 30 June 2008. Additional tax adjustments for the financial years ended 30 June 2002 to 30 June 2004 are being prepared to enable Boom to lodge claims for a further $3.9 million tax refund plus interest; and
- key organisational development needs and training requirements have been identified, with training to be rolled out in the coming year.

Looking to the future, what is very clear is that with the utilisation capacity within our existing fleet and a relatively high fixed cost component within our business, we are highly leveraged to a turnaround. We will be ready and well positioned to take advantage of an improving economy.

Your Chairman has already touched on the strategic review which is currently underway. The strategic review is centred on strengthening Boom's Balance Sheet, whilst ensuring Boom is able to capitalise on the growth opportunities expected from the many projects planned for Australia over the next three to five years. This focus will enable us to support and grow with our customers, with all options considered in the context of maximising shareholder value.

This coming year will continue to offer significant challenges as the flow through from the Global Financial Crisis is experienced. We will continue to focus on consolidating our restructuring activity and further improving our operational and customer service performance. We will be working closely with our customers to position for the economic turnaround, and to ensure we are ready to take advantage of the pipeline opportunities identified to ensure a positive start to the 2011 financial year.

Whatever this next year brings I know one thing with certainty: our people are passionate about achieving success and will work tirelessly to deliver positive outcomes to both our customers and our shareholders. I thank them for their continuing efforts in what has been a very challenging year.

In closing, I would like to reaffirm that a “Safety Always” with zero harm approach will always be an important priority at Boom, together with our continuing commitment to delivering the best value possible to all of our stakeholders.

Brenden Mitchell
Managing Director

Operational Review

SENIOR MANAGEMENT

Brenden Mitchell
Managing Director &
Chief Executive Officer

Iona MacPherson
Chief Financial Officer
& Company Secretary

Peter O'Shannessy
Chief Operating Officer

Paul Martinez
Chief Information Officer

BACKGROUND

Boom's objective is to provide superior lifting solutions capability to Australian Industry. Boom maintains a national presence and is Australia's leading provider of integrated lifting solutions. Boom seeks to be recognised by our customers, employees, communities and shareholders as the supplier of high value lifting solutions without injury.

BOOM'S GOALS

- To be the safest and leading lifting solutions company in Australia and equal to the best in the world.
- To be recognised as a top performing company of high standing and integrity delivering superior value for our customers, people and shareholders.
- To be respected by the communities we are part of.

BOOM'S VALUES

- Safety Always - people, community, equipment, property, environment.
- Our Customers - driving for our customer's success.
- Our People - our diversity and different skills make us strong.
- Teamwork - contributing, listening, looking out for one another and being accountable as individuals and as a team.
- Achieving our best so that our business thrives.

BUSINESS PROFILE

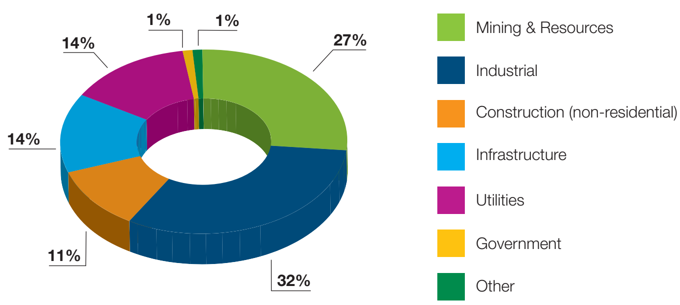
- Operates nationally from 52 depots.
- National Office is located in Melbourne.
- Employs 1,277 staff.
- Operates 580 cranes ranging from 5 - 500 tonne.
- Over 6,000 travel tower, access equipment and general hire assets.

SERVICES

Boom provides a range of lifting services & solutions including:

- Managed Lifting Solutions.
- Contractual Maintenance Arrangements.
- Crane Integration for Commercial Construction.
- Engineering Services and Maintenance.
- Equipment Hire.
- Logistics and Transport.
- New and Used Crane Sales.

OPERATING SEGMENT SALES



Rosanna Hammond
General Manager - Human Resources

Tony Spassopoulos
Executive General Manager - Sales & Marketing

Terese Withington
General Manager - Boom Sherrin

OPERATIONAL IMPROVEMENTS

During the year, Boom successfully completed a range of operational improvements including:

Management

- An enhanced, highly skilled management team, with significant experience in industrial services has been created.

Financial disciplines

- $175 million three year syndicated debt facility and a $32 million working capital facility established in September 2008.
- Tax refund of $14.7 million achieved with further refunds of $3.9 million expected.
- Strong emphasis on cash management processes with significant improvements in cash collections.

Operations, business development and organisational alignment

- Restructuring and other operational improvements completed to deliver an expected annualised EBITDA benefit of over $13 million.
- A new, strategic approach to relationship management developed.
- Matching skills capabilities with market opportunities.
- Investment focus on large capacity cranes and equipment.
- Customer interface system overhauled and roll out underway.
- Continued to build on our specialised skill base across the business in engineering, project management and OHSE&Q management.
- Established a dedicated Projects Group with access to core operational expertise within regional businesses.
- Reduced reliance on externally hired equipment.
- Remedied Boom Sherrin/Moorland Hire integration systems issues with revenue recovery underway.

Safety and training

- Heightened safety focus, including the recruitment of a General Manager OHSE&Q and the establishment of a Safety Leadership Team.

Restructure activity

- With a significant downturn in the Mining, Building and Construction and Infrastructure projects triggered by the Global Financial Crisis, Boom reduced its workforce by 10% in the fourth quarter of 2009. This was implemented in 90 days, without interruption to customer service or industrial dispute.

Operational Review

DIVISIONAL OVERVIEW

Boom has a national network of operations serving both regional and capital city markets. A summary of each region and recent highlights is set out below.

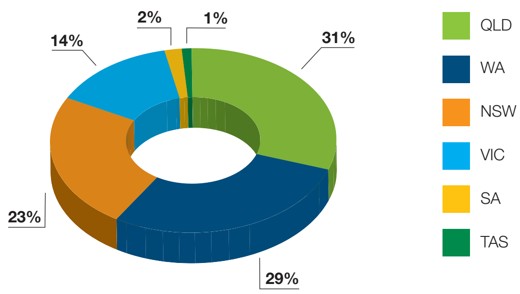
Western Australia

The Western Australia business consists of a large crane services network supported by the Boom Sherrin fleet of access and travel tower equipment and the heavy haulage operations. Depots are located at Welshpool, Bunbury, Kwinana (Naval Base), Geraldton, Karratha, O'Connor, Wedgefield and Port Hedland.

2008/2009 saw a strategic review and restructuring of the Western Australia business resulting in:

- A revised organisational structure to include a second General Manager in the North West region to support growth, enhance customer service and drive operational discipline.
- The closure of the Kalgoorlie and Leinster depots in the Goldfields region in the face of a sharp decline in mining activity in the second half.
- The outsourcing of several of the small mobile fleet (<25t capacity) in the Perth Metro market consistent with the strategic plan.

Revenue by Geographical Segmentation



- Introduction of new fleet in the Bunbury, Naval Base, Geraldton and Port Hedland depots.
- Implementation of an enhanced access hire equipment operating structure.

The business is positioned well with an improved fleet and sharper customer focus.

Victoria

Our Victorian operations provide a complete range of cranes and access equipment services from the Latrobe Valley, Braeside, Laverton, Altona and Geelong depots. In addition, the tower crane division, which services the Victorian building and construction industry, and the national crane dry hire division, Aitkin Equipment, are also based at Altona.

The strategic review of the Victorian operations led to:

- Consolidation of properties with a reduction of three properties in the Melbourne Metropolitan area and one property in Geelong.
- Simplification and flattening of the organisational structure eliminating one tier of management overhead.
- Consolidation of the mobile crane and tower crane operations under a single management and supervisory structure.
- Opening of reporting lines of the national Aitkin dry hire division into the business development and projects group.

Queensland

The Queensland business consists of an extensive network of branches at Eagle Farm, Toowoomba, Moranbah, Blackwater, Middlemount, Mackay, Brisbane, Gladstone, Townsville, Ipswich and the Gold and Sunshine Coasts, offering a full suite of Boom services. The James Equipment and Boom Sherrin national offices are based in Brisbane.

In 2009 Boom executed a contract renewal with BHP Billiton Mitsubishi Alliance (BMA) to supply crane and ancillary services to BMA's coal mining facilities located in the Bowen Basin, Queensland.

Boom and BMA have operated successfully in partnership since 2005 and this contract renewal confirms Boom as the markets' major supplier of crane services to the region and to the mining industry.

Boom is proud to be a long term supplier to BMA and will continue to provide the highest level of cost effective services, exceptional safety performance, reliability and availability of equipment.

New South Wales

Boom provide a complete range of services including cranes, heavy haulage, rigging and access equipment throughout this region from depots located in the Hunter Valley, Newcastle, Sydney and Wollongong.

Tasmania

Boom Sherrin operates in Tasmania from depots located in Hobart, Burnie and Launceston. The operations are focused on the hydro power, power authorities, telecommunications and mining sectors.

South Australia

Boom Sherrin services are provided from depots located in Adelaide and Whyalla. The Adelaide high-rise construction market continues to be serviced by our tower crane division out of Melbourne. The steady performance in South Australia is expected to continue into next year.

OCCUPATIONAL HEALTH, SAFETY, ENVIRONMENT & QUALITY

Significant structural improvements have been made over the last year to support Boom's goal of zero harm. Steps have been taken to achieve the expressed vision of being recognised by our customers, employees, communities and shareholders as the supplier of high value lifting solutions without injury.

Specifically, the Safety Leadership Team ("SLT"), a review group of the most senior operational managers within the business, is actively designing the culture necessary to deliver this vision.

Key activities over the last year are set out below:

- A number of SLT led projects have been launched to standardise best safety systems and practices across the business. Included in these is a major focus on our front line supervisory group. There has been an immediate emphasis with regard to "on the job" safety leadership training with a longer term focus on operational management mentoring and coaching through the "Leaders of Tomorrow" development program. The deliverable from these training programmes is effective and uncompromising safety leadership across the business.
- A project is underway to standardise maintenance practices across the business. This will provide the opportunity to embed a safety operational discipline around fleet management evolving from operating safely in workshops to maintaining our equipment safely.
- Certification to AS 4801 (Safety) and ISO 9001 (Quality) have been retained during the year. Actively leveraging off these standards provides for focused and targeted activities and supports ongoing continuous improvement.
- The appointment of a General Manager for Occupational Health, Safety, Environment & Quality to drive and reinforce the cultural elements of safety and flow these through to operational management practices across the business to deliver a zero harm work place. This critical safety focus will lead to an organisation-wide operational discipline that will uniquely position Boom in the market place.

Operational Review

OUR PEOPLE

Indigenous Program

Critical to the success of our vision is that we recognise and engage indigenous people and their communities, commit to the development and improvement of employment opportunities in these communities, and acknowledge and build on such culturally significant partnerships.

Boom has initiated a number of projects to support the development of our employees, supervisors and managers to be safety leaders, to commit to the principles of equal opportunity, to be culturally aware and to support the regions and communities they work in.

We have set a target of 16% indigenous participation in the Northwest and will work with our customers and the communities we are part of to achieve this target.

Training & development

To enhance our peoples' capability in the required core skills and competencies of effective organisations, a series of training programs were developed during the year. These programs are scheduled for roll out during the 2010 financial year and are fundamental in shaping Boom's "can-do" culture. These programs include:

- Effective Leadership.
- Leaders of Today.
- Leaders of Tomorrow.

These initiatives plus our ongoing training and development in safety, operator training & ticketing and customer service will ensure our employees continue to build their skills and Boom grows an empowered "can-do" culture.


BOON

Corporate Governance

Rodney John Robinson (65)
BSc, MG Sc, F Aus IMM

Non-Executive Chairman
APPOINTED 15 NOVEMBER 2002

Terrance Alexander Hebiton (58)

Non-Executive Director
APPOINTED 22 DECEMBER 2000

Dr Huw G Davies (68)
BSc (Hons), PhD (Geology)

Non-Executive Director
APPOINTED 15 NOVEMBER 2002

Terrence Charles Francis (63)
B.E (Civil), MBA, FIE Aust, FAICD, F Fin, MAIME
Non-Executive Director
APPOINTED 13 JANUARY 2005

Brenden C Mitchell (50)
B.Sc (Chem) B.Bus (Multidiscipline)
Managing Director
APPOINTED 1 MAY 2008

BOARD OF DIRECTORS

The Board adopts the ASX Principles of Good Corporate Governance and Best Practice Recommendations. Corporate governance practices applied by the company are set out below:

BOARD COMPOSITION

The Board currently has five Directors comprising four non-executive Directors and the executive Managing Director. All of the non-executive Directors, including the Chairman, are Independent Directors in compliance with ASX Corporate Governance Best Practice guidelines.

Details of the respective Directors' qualifications, directorships of other listed companies, including those held at any time in the three years immediately before the end of the financial year, experience and other responsibilities are provided in the Directors' Report - refer page 24 of this Annual Report.

In compliance with the Constitution, Mr John Robinson being eligible, will stand for re-election at the Annual General Meeting.

CORPORATE GOVERNANCE

The Board reinforces the requirement for uncompromised corporate behaviour and accountability. In accordance with the ASX Corporate Governance guidelines and the Company's commitment to best practice Corporate Governance:

- The Board operates under a Code of Conduct which follows the Principles as set out by the Australian Institute of Company Directors.
- There is a Charter for the Board that defines its responsibilities.
- There is a regular assessment of the independence of each Director.
- Potential conflicts of interest by Directors will be reported to the Board and if necessary, interested Directors will be excluded from discussion of the relevant matter and will not vote on that matter.
- Directors provide the Company with details of their shareholdings in the Company and any changes.
- Directors comply with the Company's policies for Continuous Disclosure, Share Trading and its Code of Conduct.
- Directors have access, where necessary and at the cost of the Company, to independent, external and professional advice.
- Directors have ready access to the Company's senior executives for direct information on the Company's affairs.
- Directors have the benefit of Directors' and Officers' Insurance.
- Directors have the benefit of an indemnity from the Company to the extent permitted by the Corporations Act as well as access to the Company's Board papers on terms agreed between the Company and the Board.
- The Board sets the membership and terms of reference for each Board Committee.
- Board Committees make recommendations to the Board, they are not delegated responsibility except as specifically authorised by the Board.


BOOM SHERRIN
70 METRE
ALL WHEEL DRIVE

Corporate Governance

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

There is no obligation under the Constitution for Directors to hold shares in the Company, although all presently do. Details of Directors' shareholdings are shown in the Directors' Report on page 25.

Directors and senior management of the Company are restricted to buying or selling shares in the Company to the six week period commencing on the second business day after the announcement of the annual and half-yearly results or the Annual General Meeting in accordance with the Company's Securities Trading Policy.

If a market announcement is made outside these periods which results in the market having the same price sensitive information as the Directors and Executives, then Directors and Executives may deal in Boom securities during the three week period commencing on the second business day after any such announcement.

Under the Policy, Directors are required to notify the Company Secretary or General Counsel for disclosure to the ASX within 2 days of each trade.

In accordance with the law, Directors are prohibited from buying or selling shares in the Company at any time when they are in possession of market sensitive information.

BOARD COMMITTEES

The Board has established three committees to assist in managing its responsibilities. These are an Audit & Risk Committee, a Nomination & Remuneration Committee and an Occupational Health, Safety, Environment & Quality Committee.

These committees do not in anyway diminish the overall responsibility of the Board for these functions.

AUDIT & RISK COMMITTEE

The Committee currently comprises two non-executive Directors. Due to the resignation of Mrs Jane Harvey during 2009 there is a vacancy on the Committee for an additional non-executive Director. The external audit partner, Managing Director, Chief Financial Officer and other management personnel attend these meetings by invitation.

The current members are:

- Dr Huw Davies
- Mr Terrence Francis

The responsibilities of the Audit & Risk Committee are contained within its Charter and include:

- Ensuring there are adequate policies in relation to risk management, compliance and internal controls.
- Ensuring there is ongoing monitoring and assessment of the risk management, compliance and internal control systems.
- Monitoring the activities and effectiveness of the internal audit function.
- Overseeing and monitoring integrity of financial reporting.
- Reviewing draft annual and half-yearly financial statements with management and external auditors and making recommendations to the full Board.
- Reviewing and monitoring the Company's compliance with law and ASX Listing Rules.
- Reviewing performance against the Company's Code of Conduct.
- Reporting regularly to the Board on its activities and findings.
- Assessing and monitoring of enterprise-wide risk to the Company including ensuring systems and procedures for compliance with risk management policies are in place and operating effectively.
- Other responsibilities as required by the Board or considered appropriate.
- Making recommendations for the appointment or removal of the external and the internal auditors.
- Monitoring the ongoing independence of the external auditor.

The company and Audit & Risk Committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender for external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

In accordance with a recommendation by the Audit & Risk Committee, the Board sought and received shareholder approval to appoint KPMG as the Company's external auditor at the 2008 Annual General Meeting. As a result, a new audit engagement partner was introduced for the year ended 30 June 2009.

It is KPMG's policy to rotate audit engagement partners on listed companies every five years and in accordance with that policy appoint a new audit engagement partner.

KPMG has declared its independence to the Board through is representations to the Committee and provision of its Statement of Independence to the Board, stating that they have maintained their independence in accordance with the provisions of APES 110 - Code of Ethics for Professional Accountants and the applicable provisions of the Corporations Act 2001.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the Directors' Report and in note 29 to the financial statements.

The external auditor will attend the Annual General Meeting and be available to answer shareholder questions about auditor independence, accounting policies adopted by the Company, the conduct of the audit and the preparation and content of the audit report.

NOMINATION & REMUNERATION COMMITTEE

The committee comprises two non-executive Directors. The current members are:

- Mr John Robinson - Chairman
- Dr Huw Davies

The responsibilities of the Nomination and Remuneration Committee include:

- Assessing the necessary competencies of Board members.
- Establishing and reviewing the Board succession plans.
- Evaluating the Board's performance.
- Considering and recommending to the full Board the appointment and removal of Directors.
- Reviewing and recommending the remuneration of non-executive Directors, the Chief Executive Officer and direct reports.
- Reviewing and recommending remuneration policies applicable to Directors, senior executives and Company employees generally.
- The committee has particular responsibility for the annual review and consideration of the Chief Executive Officer's remuneration structure.
- Reviewing and recommending general remuneration principles, including incentive schemes, bonuses, and share plans that reward individual team performance.

The Nomination & Remuneration Committee is responsible for the ongoing evaluation of the Board, its committees and individual directors and executives.

The executive management team participates in the Company's performance management and development process. This is a performance review program which has been designed to provide a link between the Company business plan, vision, values, and employee's performance. Executives are evaluated biannually and their performance is compared against set standards and business objectives. The result of these reviews are utilised when determining executive remuneration.

Corporate Governance

A process developed by an independent consulting organisation has been used to evaluate Board performance on an annual basis.

As part of its ongoing commitment to continual improvement, the Nomination & Remuneration Committee will be conducting periodic formal Board performance assessments throughout the year.

In discharging its responsibilities, the committee draws on advice from external consultants.

When a new Director is to be appointed, the Committee reviews the range of skills, experience and expertise on the Board, identifies its needs and prepares a short-list of candidates with appropriate skills and experience.

Where necessary, advice is sought from independent search consultants. The full Board then appoints the most suitable candidate based on specified selection and appointment criteria. Newly appointed directors must submit themselves to shareholders for election at the first Annual General Meeting following their appointment.

New Directors are provided with a letter of appointment setting out the Company's expectations including involvement with committee work, their responsibilities, remuneration, including superannuation and expenses, requirement to disclose their interests and any matters which affect the Director's independence. New Directors are also provided with all relevant policies including the Company's share trading policy, a copy of the Company's Constitution, organisational chart and details of indemnity and insurance arrangements.

A formal induction program which covers the operation of the Board and its Committees and financial, strategic, operations and risk management issues is also provided to ensure that Directors have significant knowledge about the Company and the industry within which it operates.

New Directors are advised of the time commitment required of them in order to appropriately discharge their responsibilities as a Director of the Company. Directors are required to confirm that they have sufficient time to meet this requirement. The Nomination & Remuneration Committee Charter is available on the Company's corporate website.

INTEGRITY AND RISK MANAGEMENT PROCESSES

The CEO and CFO have provided a written declaration to the Board that the Company's financial records have been properly maintained, and that the Company's financial statements and notes give a true and fair view and comply with accounting standards.

In addition, this declaration also confirms that the financial statements are founded on a sound system of risk management and internal control which is operating effectively in all material respects in relation to financial reporting risks.

The Company has implemented a risk management framework and policy based on AS/NZS 4360:2004; Risk Management standard and the ASX Corporate Governance Principles and Recommendations. The framework is based around the following risk activities:

- Risk Identification: Identify all significant foreseeable risks associated with business activities in a timely and consistent manner;
- Risk Evaluation: Evaluate risks using an agreed risk assessment criteria;
- Risk Treatment/Mitigation: Develop mitigation plans for risk areas where the residual risk is greater than tolerable risk levels; and
- Risk Monitoring and Reporting: Report risk management activities and risk specific information to appropriate levels of management in a timely manner.

The Board, through the Audit & Risk Committee, reviews the Risk Management Policy and framework on a regular basis and satisfies itself that management has in place appropriate systems for managing risk and maintaining internal controls.

The CEO and senior management team are responsible for identifying, evaluating and monitoring risk in accordance with the risk management framework. Senior management are responsible for the accuracy and validity of risk information reported to the Board and also for ensuring clear communication of the Board and senior management's position on risk throughout the Company.

In particular, at the executive management and business unit senior management meetings held every two months throughout the year, the CEO and management team review and identify key business and financial risks which could prevent the Company from achieving its objectives.

Additionally a formal risk assessment process is part of each major capital acquisition with post acquisition reviews undertaken of major business acquisitions, major capital expenditures or significant business initiatives.

OCCUPATIONAL HEALTH, SAFETY, ENVIRONMENT & QUALITY ("OHSE&Q") COMMITTEE

The committee comprises three non-executive Directors. The Managing Director, Chief Operating Officer and the General Manager Health, Safety, Environment & Quality attend these meetings by invitation.

The current members are:

- Mr John Robinson - Chairman
- Mr Jack Hebiton
- Mr Terrence Francis

Under its Charter, the OHSE&Q Committee's responsibilities include:

- Ensuring comprehensive safety strategies are put in place to eliminate injuries.
- Reviewing the Company's OHSE&Q performance and ensuring that appropriate action is taken to remedy any shortcomings.
- Ensuring that systems and procedures for compliance with policy and legislation are in place and routinely monitor them.
- Reviewing high-level risks and plans to mitigate these risks.
- Reviewing incident trends across the Company and associated action plans and ensure appropriate action if not satisfied.
- Undertaking detailed reviews of supporting documentation and draft OHSE&Q proposals prior to seeking Board approval.
- Benchmarking the Company's performance against industry counterparts and leading organisations.

ENVIRONMENTAL REGULATION

The operations of the Company are subject to various environmental regulations under both Commonwealth and State legislation.

In making this report, the Directors note that the Company's operations involve the discharge and storage of potentially hazardous materials such as fuels, oils and paints. Some of these activities require a licence, consent or approval from Commonwealth or State regulatory bodies. This regulation of the Company's activities is typically of a general nature, applying to all persons carrying out such activities, and does not in the Directors' view comprise particular and significant environmental regulation.

Based upon enquiries within the Company, the Directors are not aware of any breaches of particular and significant environmental regulation affecting the Company's operations.

The Directors believe the environmental performance of the Company is sound and that the Company has appropriate systems in place for the management of its ongoing corporate environmental responsibilities.

CODE OF CONDUCT AND COMPANY POLICIES

Under the Code of Conduct:

- The Company will act with fairness, integrity and good faith in its dealings with its employees, customers, subcontractors, shareholders and other stakeholders.
- The Company will strive for/or drive towards best practice in its internal business controls, financial administration and accounting policies.
- Directors and employees are bound by strict rules in the trading of Boom shares.
- The Company is committed to continuous improvement of workplace safety with the ultimate objective of no injuries to anyone, anytime.
- The Company will continually develop its client relationships to provide outstanding service.
- The Company has, and will keep in place, employment practices and policies that accord with best practice including those in respect of occupational, health and safety, anti-discrimination and conflict of interest.

Corporate Governance

- The Company recognises its place in the community and has in place policies and practices to protect the environment and to support selected community activities and projects in the areas in which it operates.
- The Company will be transparent in its reporting, including in respect of Board and executive remuneration.
- The Company recognises its obligations to individuals' rights to privacy in respect of confidential information.
- The Company is committed to compliance with the law in all its operations.
- The Company will enforce and monitor compliance with the Code of Conduct through employment contracts, internal communication and education as well as by periodic internal audit.
- Directors, employees, consultants and contractors engaged by the Company must act to ensure they maintain confidentiality, protect stakeholder rights and have an obligation to report and investigate unethical behaviour.

TIMELY AND BALANCED DISCLOSURE

The Company adheres to policies and procedures for timely disclosure of material information concerning the Company. This includes internal reporting procedures to ensure that any material price sensitive information is reported to the CEO and CFO (who is also the Company Secretary) in a timely manner.

The CFO has been nominated as the person responsible for communication with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All information disclosed to the ASX is posted on the Company's corporate website as soon as it is disclosed to the ASX. When analysts are briefed following half year and full year results announcements, the material used in the presentations is released to the ASX prior to the commencement of the briefing.

This information is also posted on the Company's corporate website. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed and, if so, this information is also immediately released to the market. The Company is committed to ensuring that all stakeholders and the market are provided with relevant and accurate information regarding its activities in a timely manner.

SHAREHOLDER COMMUNICATION

The Company aims to keep shareholders informed of the Company's performance and all major developments in an ongoing manner and encourages and promotes effective participation of shareholders at General Meetings. Information is communicated to shareholders through:

- the Half-Yearly Report and Full Financial Report, Results Presentations, Operational Updates, Notice of Meetings and explanatory materials which are published on the Company's corporate website and distributed to shareholders where nominated;
- the Annual General Meeting, and any other formally convened Company meetings; and
- all other information released to the ASX is posted to the Company's corporate website.

The Company further maintains an up-to-date website to complement the official release of information to the market which catalogues all communications dating back to official listing in 2003.

Boom Logistics Limited

A.B.N. 28 095 466 961

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

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DIRECTORS' REPORT

Your Directors of Boom Logistics Limited ("the company") submit their report for the year ended 30 June 2009.

Directors

Rodney John Robinson BSc, MGSc, F Aus IMM (Non executive Chairman) (appointed 15 November 2002)

Mr. Robinson was formerly Managing Director and CEO of Ashton Mining Limited. He is currently Chairman of Global Mining Investments Limited. During the past three years, Mr. Robinson has not held any ASX listed public company directorships other than Global Mining Investments Limited (appointed 9 December 2005) and Perseverance Corporation Limited (from 12 February 2001 to 26 August 2007). Mr. Robinson is Chairman of Boom Logistics' Remuneration & Nomination Committee and the Occupational Health, Safety, Environment & Quality Committee.

Brenden Clive Mitchell B.Sc (Chem), B.Bus (Multidiscipline) (Managing Director) (appointed 1 May 2008)

Mr Mitchell worked for over ten years leading multifaceted and multi-location businesses for Brambles in Australia and the UK . He has previous experience in the FMCG sector and upon moving to Brambles, Mr. Mitchell held senior positions in the equipment hire and the high compliance waste industry. Mr Mitchell's last position for Brambles was leading the capital and people intensive Municipal business in the UK with revenue of $550 million and 6000 employees.

Terrance Alexander Hebiton (Non executive Director) (appointed 22 December 2000)

Mr. Hebiton commenced his commercial career in the rural sector. In 1989, he acquired various business interests associated with land and property rental developments. In the late 1990s, Mr. Hebiton was Managing Director of Hazdon Holdings Pty Ltd. He is currently a director of a number of private companies and was a principal of Alpha Crane Hire, one of the founding entities of Boom Logistics. Mr Hebiton was the CEO of Boom at its formation and ceased being an executive director in 2004.

Dr. Huw Geraint Davies BSc (Hons), PhD (Geology) (Non executive Director) (appointed 15 November 2002)

Dr. Davies was a Group Chief Executive and Director of BTR Nylex until his retirement in 1994. Since that time he has been involved in the restructuring of the electricity and gas industries and has undertaken distribution / trading project assignments in Asia. He has extensive experience as both an executive and non executive director of public, private and government businesses. He is currently Chair of the Goulburn Broken Catchment Management Authority, the Administrator of the SECV and Chair of its Executive Committee.

Terrence Charles Francis B.E (Civil), MBA, FIE Aust, FAICD, F Fin, MAIME (Non executive Director) (appointed 13 January 2005)

Mr. Francis is currently a non-executive director of the Emergency Services Telecommunications Authority, the Northern Victorian Irrigation Renewal Project, ANZ Specialist Asset Management Limited and a member of the Council of RMIT University. Mr. Francis has extensive experience in resources and infrastructure development, and in finance as Vice President of Continental Illinois Bank, Executive Director of Deutsche Bank Australia, and Chief Executive Officer of Bank of America in Australia. During the past three years, Mr. Francis has not held any ASX listed public company directorships other than Nylex Limited (appointed 30 October 2003, retired October 2008). He is Chair of the Boom Logistics' Audit and Risk Committee (appointed 31 March 2009).

Company Secretary

Iona MacPherson B.A., C.A. (appointed 30 June 2007)

Ms. MacPherson was appointed to the position of Chief Financial Officer and Company Secretary in June 2007. She previously held the role of Chief Financial Officer and Company Secretary of Australian Air Express Pty Ltd for 4 years and prior to that worked with KPMG for 13 years and has been a Chartered Accountant for over 15 years.

DIRECTORS' REPORT (continued)

Directors' Interests in the Shares and Options of the Company

As at the date of this report, the interests of the directors in the shares of Boom Logistics Limited were:

NAME	ORDINARY SHARES
R.J. Robinson	300,000
T.A. Hebiton	202,364
H.G. Davies	135,316
T.C. Francis	76,772
B.C. Mitchell	640,000

Directors Retirement

Ms. Jane Margaret Harvey resigned as a non executive director of the Board and Audit and Risk Committee on 31 March 2009.

Directors Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

NAME OF DIRECTOR	BOARD OF DIRECTORS		AUDIT & RISK COMMITTEE		NOMINATION & REMUNERATION COMMITTEE		OCCUPATIONAL, HEALTH, SAFETY, ENVIRONMENT & QUALITY COMMITTEE	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
R.J. Robinson	13	13	-	-	1	1	3	3
T.A. Hebiton	13	12	-	-	-	-	3	3
H.G. Davies	13	11	5	5	1	1	-	-
T.C. Francis	13	11	5	4	-	-	3	2
J.M. Harvey[a]	13	9	5	5	1	1	-	-
B.C. Mitchell	13	13	5	5	-	-	3	3

[a]Attendance prior to resignation

Corporate Structure

Boom Logistics Limited is a company limited by shares that is incorporated and domiciled in Australia. Boom Logistics Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are listed in note 32 of the financial statements.

Indemnification and Insurance of Directors and Officers

The company has entered into Deeds of Access, Indemnity and Insurance with each of the directors and the company secretary, under which the company indemnifies, to the extent not precluded by law from doing so, those persons against any liability they incur in or arising out of discharging their duties.

During the financial year, the company has paid an insurance premium for the benefit of the directors and officers of the company in accordance with common commercial practice. The insurance policy prohibits disclosure of the liability insured and the amount of the premium.

Nature of Operations and Principal Activities

During the year, the principal activity of the consolidated entity was the provision of lifting solutions and sale of mobile cranes, associated spare parts, and after sales service.

DIRECTORS' REPORT (continued)

Operating and Financial Review

The consolidated entity incurred an after tax loss of $27,486,000 for the financial year.

In line with the market guidance on 7 July 2009, an underlying full year operating result of $12.0 million was achieved, prior to the following one off items:

- James Equipment goodwill impairments ($18.8m);
- Operating asset (Held For Sale and Other) write down ($18.3m);
- Crane stock inventory write down ($1.5m);
- Parts inventory write down ($1.1m);
- One off redundancy and restructure costs ($3.0m);
- Tax benefit on one off charges ($7.2m); and
- Closed periods' (2002-2004) tax charge ($3.9m).

Full details of the impairments and one off items are disclosed in notes 5 and 6.

After a strong start to the financial year, the operating result was impacted in the second half by the deterioration in the macroeconomic environment, specifically leading to the following factors that impacted the Boom business:

- A downturn in the resources, non-residential construction and industrial services markets;
- A slowdown in projects and production levels of major customers;
- Some mining and industrial sites going into care and maintenance;
- Increased competitive pressures due to lower overall market demand for lifting services; and
- A depressed capital equipment market.

Consequences of Performance on Shareholder Wealth

These operating results have had the following impact on shareholder wealth:

	2009 $'000	2008 $'000	2007 $'000
Net profit attributable to members of Boom Logistics Limited	**(27,486)**	18,643	34,441
Dividends paid	**3,422**	16,729	18,589

Boom share price continues to be impacted by high gearing levels and the prevailing market conditions associated with the global economic crisis. Boom's current review of strategic opportunities is focused on de-leveraging the balance sheet and positioning for the company future growth which should result in a re-rating of Boom's share price.

Significant Changes in the State of Affairs

James Equipment

There has been an $18.8 million impairment of goodwill relating to the James Equipment business. The impairment is the result of reduced cash flow generation from the James Equipment cranes sales operating in the depressed capital equipment market. This business operates in a cyclical market segment and future cash flows based on the prevailing market conditions do not provide significant certainty to carry the goodwill associated with this entity.

Restructure

During the second half of the year, a restructure programme was undertaken. As at 30 June 2009, a headcount reduction of 118 had been achieved at a cost of $1.5m. The restructure programme has continued and at the end of July 2009 an additional headcount reduction of 11 was achieved at a cost of $0.3m. The total annualised benefit of the restructures are expected to be $12.6m. The restructure was undertaken in response to the decline in overall operating conditions and has been managed to ensure that all revenue streams can be adequately and safely supported post-restructure.

DIRECTORS' REPORT (continued)

Significant Events After the Balance Date

Dividend

On 19 August 2009, the directors of Boom Logistics Limited declared that no final dividend would be issued for the financial year ended 30 June 2009.

Tax claim

On 23 July 2009, the company was advised that the ATO would grant its request to open the closed tax periods of 2002 and 2003 and submit a claim for a $3.9m refund based on prior period accounting corrections. This claim has been lodged and is expected to be finalised in the first half of the 2010 financial year.

Likely Developments and Expected Results

The directors expect that the company will improve the profitability of the business during the next financial year.

Directors are cognisant of the requirement to continuously disclose material matters to the market. At this time, other than matters addressed elsewhere in this financial report there are no matters sufficiently advanced or at a level of certainty that would require disclosure.

Environmental Regulation and Performance

The Board confirms that the company has adequate systems and processes in place to manage and comply with environmental regulations as they apply to the company.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Boom Logistics Limited have followed recommendations set by the ASX Corporate Governance Council. For further information on corporate governance policies adopted by Boom Logistics Limited, refer to our website: www.boomlogistics.com.au/corporate_governance

Remuneration Report – Audited

This report outlines the remuneration arrangements in place for directors and executives of Boom Logistics Limited and the group.

Nomination & Remuneration Committee

This Committee has responsibility for advising the Board on remuneration policy and related matters, including:

- Evaluating performance of the CEO against annual targets set by the Board;
- Reviewing remuneration packages for the CEO and senior management;
- Succession planning among the senior management group;
- Seeking out and recommending new appointees to the Board; and
- Reviewing directors' fees and Board performance.

The Committee comprises only Independent non-executive directors and is chaired by the Chairman of the Board.
The Committee draws upon advice and market survey data from external consultants in discharging its responsibilities.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Executive remuneration policy

Executive remuneration is based upon the following principles:

- External competitiveness, using appropriate independent market survey data comparing Boom remuneration levels against industry peers in terms of comparable job size and responsibilities;
- Internal equity, ensuring that executive remuneration across the Group is based upon a clear view of the scope of individual positions and the respective responsibilities, with motivation for continual improvement;
- A meaningful component of executive remuneration is "at risk" with entitlement dependent upon achievement of Group and individual performance targets set by the Board and linked to increasing shareholder value; and
- Reward for performance represents a balance of annual and longer term targets.

Executive remuneration components

There are two primary elements to the Group's remuneration structure:

Fixed annual reward (FAR)

This element comprises base salary, any fringe benefits (e.g. motor vehicle allowance) and employer contributed superannuation. The individual FAR levels to be applied are established on an annual basis using external survey data provided by independent external consultants.

The survey data is drawn from the industrial sector of ASX listed enterprises and is provided on a comparable basis, taking account of the various factors that determine individual job scope and responsibility. The Group targets the market median for each position, projected ahead to the mid point of each year. The final determination of FAR for each executive, as a percentage of the market median, takes account of individual performance and experience in the position.

Executives have scope to vary the components that make up their FAR and can tailor their salary package to suit individual requirements.

Variable remuneration

This element of reward comprises a short term and long term component, with both determined by factors related to shareholder returns. The proportion of these "at risk" payments in the total remuneration structure is guided by market survey data provided by independent consultants. In this regard Boom Logistics targets typical reward structures as related to individual job scope and responsibility.

(a) Short term incentive plan

The short term reward is determined by the Group's Short Term Incentive Plan (STIP). The objectives of this plan are:

- To focus senior executives on key annual business goals and reinforce the link between performance and reward;
- Allow scope to recognise exceptional performance through a sliding scale of reward;
- Encourage teamwork as well as individual performance in meeting annual goals; and
- Align reward with company values.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

The STIP is applied following the annual audit of the Group's results and a review of individual performance against Board agreed targets set at the beginning of each financial year. Any payments made under the Plan occur in September and the incentive cost is deducted from the financial results before determining the performance reward. No payment is made should results fall short of individual targets. Individual performance measures are reset each year and are determined by the business drivers appropriate to each position.

(b) Long term incentive plan

The Group's Long Term Incentive Plan (LTIP) was established to provide reward for consistent performance over a rolling three year period with Total Shareholder Return (TSR) as the target. TSR is determined on the basis of combined dividend and share price growth. As with the STIP the level of reward available under the LTIP is determined on the basis of market survey data provided by independent consultants. Boom Logistics has adopted the policy of aligning the level of LTIP reward to average market practice and the quantum is determined by individual job scope and responsibility among the senior executive group.

The annual value of the reward is converted into Boom Logistics shares at a price determined as the volume weighted average over the five business days preceding the grant date. The grant date is typically set two weeks after the release to the ASX of the Group's annual results to ensure time for the market to adjust to the released information, unless shareholder approval is required in which case grant date is set after the AGM. The benefit does not vest until three years from grant date and vesting requires an average minimum annual TSR of 15% per annum over the three year period, as well as continuation of full time employment with the company over this time.

Remuneration Review

The operation of the LTIP is conducted through an Executive Share Trust administered by an independent third party.

The review of senior executive and general staff remuneration is conducted annually through a formal process.

Senior executive remuneration is reviewed by the Nomination & Remuneration Committee of the Board with input from the CEO in respect of executives directly reporting to him. Market survey data provided by external consultants is combined with individual performance appraisals to determine recommendations to go to the Board for approval. This process occurs in May/June of each year and remuneration adjustments take effect from the beginning of each financial year. The Committee has direct responsibility for reviewing CEO performance against targets set by the Board and recommending to the Board appropriate adjustments to his remuneration package.

Staff reviews are similarly conducted by the relevant General Managers, with overview from the CEO and COO.

Executive Director Remuneration

Mr Mitchell has an employment contract that has no fixed term. Both the company and Mr Mitchell are entitled to terminate the employment contract on six month's written notice, except in the case of serious misconduct or neglect of duty.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Mr Mitchell's remuneration package comprises the following components:

- Fixed annual reward ("FAR") of $635,000 per annum, inclusive of superannuation contributions in line with the Superannuation Guarantee legislation. Mr Mitchell's FAR will be reviewed annually on 1 July each year taking into account company performance, industry and economic conditions, and personal performance;
- Short term incentive plan ("STIP") equivalent to 40% of his FAR upon achievement of performance conditions set by the Board on an annual basis. The payment of any bonus under the STIP will take place after the finalisation of the annual accounts each year; and
- Long term incentive plan ("LTIP") equivalent to 45% of his FAR allocated in shares of the company with a three year vesting condition, but subject to shareholder approval at the company's Annual General Meeting.

If his employment is terminated on the grounds of redundancy or where a diminution in responsibility occurs, he will be entitled to receive:

- 12 months pay calculated in accordance with his fixed annual reward at the date of redundancy or diminution;
- Long term incentive grants that have vested or qualify within annual vesting conditions, but have not satisfied the usual three year vesting hurdle; and
- Vested employee entitlements.

The STIP provides for a pro-rata payment of bonus on termination but subject to Board approval.

In the event that Mr Mitchell is summarily dismissed, he will be paid for the period served prior to dismissal and any accrued leave entitlements. Mr Mitchell would not be entitled to the payment of any bonus under the STIP or LTIP unless approved by the Board.

He is subject to restrictive covenants upon cessation of his employment with the company for a maximum period of one year.

The remuneration details of executive directors and senior executives are detailed on the following pages.

Board fees

Non-executive director fees are determined by reference to external survey data, taking account of the Group's relative size and business complexity. No additional payments are made for serving on Board Committees; no equity incentives are offered and no retirement benefits are payable to any non-executive. The maximum aggregate sum for non-executive director remuneration of $400,000 was approved by shareholders at the 2004 Annual General Meeting.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Other executives (standard contracts)

All executives have rolling contracts. The company may terminate the executive's employment agreement by providing 1-3 months written notice or providing payment in lieu of the notice period (based upon the fixed component of the executive's remuneration). On termination of notice by the company, any LTIP that have vested or that will vest during the notice period will be released. LTIP shares that have not yet vested will be forfeited. The company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the executive is only entitled to that proportion of remuneration that is fixed, and only up to the date of termination. On termination with cause any unvested LTIP shares will be forfeited.

Employee superannuation

The company currently contributes the 9% superannuation guaranteed amount as required by existing superannuation legislation to all employees with the exception of the senior executive group and general managers who receive between 9% and 15% in accordance with their employment contracts.

Insurance

Amounts disclosed for remuneration of directors and specificed executives exclude insurance premiums paid by the group in respect of directors' and officers' liability insurance. The premium has not been allocated to the individuals covered by the insurance policy as, based on all available information, the directors believe that no reasonable basis for such allocation exists.

Compensation of non-executive directors and other key management personnel

Details of non-executive directors and key management personnel remuneration for the year ended 30 June 2009 are as follows:

	SHORT TERM				POST EMPLOYMENT	LONG TERM		TOTAL	
	Salary & Fees	Cash Bonus	Non-Monetary benefits	Other	Super-annuation	Share based payment	Long service leave	Total	Total performance related
Non-Executive Directors									
John Robinson									
2009	**120,000**	**-**	**-**	**-**	**10,800**	**-**	**-**	**130,800**	**-**
2008	120,000	-	-	-	10,800	-	-	130,800	-
Terrance Hebiton									
2009	**60,000**	**-**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
2008	60,000	-	-	-	5,400	-	-	65,400	-
Dr. Huw Davies									
2009	**60,000**	**-**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
2008	60,000	-	-	-	5,400	-	-	65,400	-
Terrence Francis									
2009	**60,000**	**-**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
2008	60,000	-	-	-	5,400	-	-	65,400	-
Jane Harvey									
2009	**45,000**	**-**	**-**	**-**	**4,050**	**-**	**-**	**49,050**	**-**
2008	60,000	-	-	-	5,400	-	-	65,400	-
Total Remuneration: Non-Executive Directors									
2009	**345,000**	**-**	**-**	**-**	**31,050**	**-**	**-**	**376,050**	**-**
2008	360,000	-	-	-	32,400	-	-	392,400	-

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Compensation of non-executive directors and other key management personnel (continued)

	SHORT TERM				POST EMPLOYMENT		LONG TERM		TOTAL	
	Salary & Fees	Cash Bonus [a]	Non-Monetary benefits	Other [b]	Super-annuation	Termination benefits	Share based payment [c]	Long service leave		Total performance related
Executives										
Brenden Mitchell (Managing Director)										
2009	**614,173**	**-**	**11**	**-**	**52,432**	**-**	**34,095**	**2,289**	**703,000**	**4.8%**
2008	74,062	-	-	-	41,000	-	-	79	115,141	-
Iona MacPherson (Chief Financial Officer and Company Secretary) [d]										
2009	**308,926**	**-**	**-**	**-**	**46,957**	**-**	**15,389**	**3,557**	**374,829**	**4.1%**
2008	254,897	-	-	-	36,559	-	3,542	812	295,810	1.2%
Peter O'Shannessy (Chief Operating Officer) [e]										
2009	**343,358**	**-**	**-**	**-**	**38,572**	**-**	**12,886**	**1,413**	**396,229**	**3.3%**
2008	97,958	-	87	-	10,800	-	-	71	108,916	-
Rosanna Hammond (General Manager - Human Resource)										
2009	**188,916**	**-**	**114**	**-**	**16,101**	**-**	**4,653**	**770**	**210,554**	**2.2%**
2008	56,981	-	-	-	4,649	-	-	42	61,672	-
Paul Martinez (Chief Information Officer) [f]										
2009	**261,099**	**-**	**28**	**-**	**22,294**	**-**	**10,739**	**219**	**294,379**	**3.6%**
2008	-	-	-	-	-	-	-	-	-	-
Tony Spassopoulos (General Manager - Sales & Marketing) [g]										
2009	**194,423**	**-**	**-**	**-**	**16,991**	**-**	**8,949**	**166**	**220,529**	**4.1%**
2008	-	-	-	-	-	-	-	-	-	-
Terese Withington (General Manager - Sherrin Hire Pty Ltd) [h]										
2009	**262,658**	**-**	**-**	**25,481**	**32,413**	**-**	**7,159**	**1,154**	**328,865**	**2.2%**
2008	118,965	-	4,800	11,058	13,129	-	-	79	148,031	-
James Carr (former General Manager - Sales & Marketing) [i]										
2009	**35,090**	**-**	**2,476**	**-**	**3,229**	**-**	**-**	**-**	**40,795**	**-**
2008	169,721	-	6,839	-	19,200	-	2,370	984	199,114	1.2%
Mark Lawrence (former Managing Director) [j]										
2008	292,182	13,750	1,524	-	62,833	80,519	-	-	450,808	3.1%
Brian Praetz (former Chief Operating Officer) [k]										
2008	114,889	12,500	232	5,000	18,747	-	-	-	151,368	8.3%
Adam Watson (former Executive General Manager - Strategic Development) [l]										
2008	211,982	-	87	-	14,477	87,292	-	-	313,838	-
Steven Goulding (former General Manager - Sherrin Hire Pty Ltd) [m]										
2008	125,897	37,720	15,933	-	6,790	13,750	-	-	200,090	18.9%
Total Remuneration: Executives										
2009	**2,208,643**	**-**	**2,629**	**25,481**	**228,989**	**-**	**93,870**	**9,568**	**2,569,180**	**-**
2008	1,517,534	63,970	29,502	16,058	228,184	181,561	5,912	2,067	2,044,788	-
Total Remuneration: Non-Executive Directors and Executives – Group										
2009	**2,553,643**	**-**	**2,629**	**25,481**	**260,039**	**-**	**93,870**	**9,568**	**2,945,230**	**-**
2008	1,877,534	63,970	29,502	16,058	260,584	181,561	5,912	2,067	2,437,188	-
Total Remuneration: Non-Executive Directors and Executives – Parent										
2009	**2,290,985**	**-**	**2,629**	**-**	**227,626**	**-**	**86,711**	**8,414**	**2,616,365**	**-**
2008	1,632,672	26,250	8,769	5,000	240,665	167,811	5,912	1,988	2,089,067	-

Refer to note 30 for further details.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Compensation of non-executive directors and other key management personnel (continued)

a Cash bonus is determined in accordance with the Short Term Incentive Plan outlined on page 28. The cash bonus is in relation to the STIP in the previous financial year. Approval for any bonus occurs after the end of the financial year. As a result of Group targets not being met, no short term cash bonuses were awarded during the 2009 financial year.

b Other represents motor vehicle allowance.

c Share based payment represents ordinary shares in Boom Logistics Limited issued for nil consideration. For the purpose of this disclosure, the ordinary shares have been valued at fair value at the grant date being $0.520 per share (2008: $0.780 per share). The share based payment vests over a rolling 3 year period from grant date. In 2009, only the expense relating to this period has been recognised in accordance with accounting policy note 3(r).

d Iona MacPherson is a director of all of Boom Logistics Ltd's subsidiaries.

e Peter O'Shannessy is a director of all of Boom Logistics Ltd's subsidiaries.

f Paul Martinez was appointed Chief Information Officer on 1 October 2008.

g Tony Spassopoulos was appointed General Manager of Sales and Marketing on 27 October 2008.

h Terese Withington is considered a key management personnel for the Group.

i James Carr resigned as General Manager of Sales and Marketing on 22 August 2008. Consequently, all share based payments issued to Mr Carr including 11,967 ordinary shares granted in August 2007 at a fair value at that date of $0.780 per share were forfeited as the 3 year vesting condition was not met.

j Mark Lawrence resigned as Managing Director on 1 February 2008. Consequently, all share based payments issued to Mr Lawrence including 100,037 ordinary shares granted in August 2007 at a fair value at that date of $0.780 per share were forfeited as the 3 year vesting condition was not met.

k Brian Praetz resigned as Chief Operating Officer on 30 November 2007. Consequently, all share based payments issued to Mr Praetz including 25,243 ordinary shares granted in August 2007 at a fair value at that date of $0.780 per share were forfeited as the 3 year vesting condition was not met.

l Adam Watson commenced employment with Boom Logistics Limited on 23 July 2007 and resigned as Executive General Manager - Strategic Development on 30 April 2008. Consequently, all share based payments issued to Mr Watson including 17,886 ordinary shares granted in August 2007 at a fair value at that date of $0.780 per share were forfeited as the 3 year vesting condition was not met.

m Steven Goulding resigned as General Manager - Sherrin Hire Pty Ltd on 30 October 2007. Mr Goulding was considered a key management personnel for the Group.

Other than those noted above, no other shares vested or were forfeited during the year.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Compensation of non-executive directors and other key management personnel (continued)

Shares granted as part of remuneration for the year ended 30 June 2009 (in accordance with the LTIP)

Name	Year	Grant date	Grant number	Vesting date	Fair value per share at grant date	TSR benchmark	% of total remuneration
Brenden Mitchell	**2009**	**27 Oct 08**	**287,186**	**27 Oct 11**	**$0.520**	**> 15% avg over 3 yrs**	**21.2%**
Iona MacPherson	**2009**	**27 Oct 08**	**90,452**	**27 Oct 11**	**$0.520**	**> 15% avg over 3 yrs**	**12.5%**
	2008	29 Aug 07	17,886	29 Aug 10	$0.780	> 12% avg over 3 yrs	4.6%
Peter O'Shannessy	**2009**	**27 Oct 08**	**108,543**	**27 Oct 11**	**$0.520**	**> 15% avg over 3 yrs**	**14.2%**
Rosanna Hammond	**2009**	**27 Oct 08**	**39,196**	**27 Oct 11**	**$0.520**	**> 15% avg over 3 yrs**	**9.7%**
Paul Martinez	**2009**	**27 Oct 08**	**90,452**	**27 Oct 11**	**$0.520**	**> 15% avg over 3 yrs**	**16.0%**
Tony Spassopoulos	**2009**	**27 Oct 08**	**75,377**	**27 Oct 11**	**$0.520**	**> 15% avg over 3 yrs**	**17.8%**
Terese Withington	**2009**	**27 Oct 08**	**60,301**	**27 Oct 11**	**$0.520**	**> 15% avg over 3 yrs**	**9.5%**
James Carr [i]	2008	29 Aug 07	11,967	29 Aug 10	$0.780	> 12% avg over 3 yrs	4.7%
Mark Lawrence [j]	2008	29 Aug 07	100,037	29 Aug 10	$0.780	> 12% avg over 3 yrs	17.3%
Brian Praetz [k]	2008	29 Aug 07	25,243	29 Aug 10	$0.780	> 12% avg over 3 yrs	13.0%
Adam Watson [l]	2008	29 Aug 07	17,886	29 Aug 10	$0.780	> 12% avg over 3 yrs	4.4%

Auditor's Independence Declaration to the Directors

The auditor's independence declaration is set out on page 35 and forms part of the directors' report for the financial year ended 30 June 2009.

Non-audit services

The following non-audit services were provided by KPMG, the entity's auditor. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

KPMG received or are due to receive the following amounts for the provision of non-audit services:

• Tax and due diligence services $452,986

Rounding

The amounts contained in this report and in the financial report are presented in Australian dollars and 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

Brenden Mitchell
Managing Director

Melbourne, 19 August 2009

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Boom Logistics Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Michael Bray
Partner

Melbourne

19 August 2009

Income Statement

Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
REVENUE FROM CONTINUING OPERATIONS	5(a)	**399,504**	410,267	**262,922**	222,900
Salaries and employee benefits expense	5(b)	**(151,971)**	(144,686)	**(112,558)**	(100,299)
Equipment service and supplies expense		**(90,671)**	(83,822)	**(72,528)**	(61,491)
Cost of sales associated with cranes	5(b)	**(41,724)**	(53,475)	**-**	-
Operating lease expense		**(12,152)**	(9,720)	**(7,047)**	(5,152)
Other expenses		**(31,621)**	(28,501)	**(25,955)**	(18,964)
PROFIT BEFORE RESTRUCTURING EXPENSES, FINANCING EXPENSES, DEPRECIATION AND AMORTISATION, IMPAIRMENT OF ASSETS AND INCOME TAX		**71,365**	90,063	**44,834**	36,994
Restructuring expense		**(3,042)**	-	**(2,730)**	-
PROFIT BEFORE FINANCING EXPENSES, DEPRECIATION AND AMORTISATION, IMPAIRMENT OF ASSETS AND INCOME TAX		**68,323**	90,063	**42,104**	36,994
Depreciation and amortisation expense	5(b)	**(36,347)**	(40,214)	**(15,080)**	(18,851)
Impairment expense	5(b)	**(39,721)**	(2,327)	**(10,894)**	-
(LOSS)/PROFIT BEFORE FINANCING EXPENSES AND INCOME TAX		**(7,745)**	47,522	**16,130**	18,143
Financing expenses	5(b)	**(18,172)**	(19,671)	**(12,927)**	(9,613)
(LOSS)/PROFIT BEFORE INCOME TAX		**(25,917)**	27,851	**3,203**	8,530
Income tax expense	6(a)	**(1,569)**	(9,208)	**(4,585)**	(2,562)
NET (LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF BOOM LOGISTICS LIMITED		**(27,486)**	18,643	**(1,382)**	5,968
Basic earnings per share (cents per share)	7	**(16.1)**	10.9		
Diluted earnings per share (cents per share)	7	**(16.1)**	10.9		
Franked dividends per share (cents per share)	8	**1.0**	5.5		

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

Balance Sheet
As at 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
CURRENT ASSETS					
Cash and cash equivalents	9(a)	**10,588**	1,801	**8,084**	590
Trade and other receivables	10	**52,015**	77,071	**118,989**	72,882
Inventories	11	**24,995**	20,566	**361**	364
Prepayments and other current assets	12	**5,002**	5,243	**3,620**	3,538
Assets classified as held for sale	13	**7,798**	6,218	**7,742**	3,308
Income tax receivable	8(c)	**12,949**	-	**12,949**	-
TOTAL CURRENT ASSETS		**113,347**	110,899	**151,745**	80,682
NON CURRENT ASSETS					
Investments	14	**-**	-	**80,515**	80,515
Plant and equipment	15	**351,856**	378,638	**209,464**	219,294
Deferred tax assets	6(c)	**4,763**	4,013	**3,679**	3,235
Intangible assets	16(b)	**91,509**	112,404	**41,850**	42,926
TOTAL NON-CURRENT ASSETS		**448,128**	495,055	**335,508**	345,970
TOTAL ASSETS		**561,475**	605,954	**487,254**	426,652
CURRENT LIABILITIES					
Trade and other payables	18	**23,540**	44,081	**44,097**	47,384
Interest bearing loans and borrowings	19	**45,569**	155,613	**22,261**	87,347
Provisions	20	**13,059**	11,871	**10,361**	8,932
Income tax payable		**-**	404	**-**	404
Derivative financial instruments	21	**403**	-	**-**	-
Other liabilities	22	**6,482**	7,340	**3,774**	6,042
TOTAL CURRENT LIABILITIES		**89,054**	219,309	**80,493**	150,109
NON CURRENT LIABILITIES					
Interest bearing loans and borrowings	19	**200,370**	99,276	**165,018**	43,388
Provisions	20	**661**	518	**411**	285
Deferred tax liabilities	6(c)	**26,670**	11,306	**15,513**	2,346
TOTAL NON-CURRENT LIABILITIES		**227,700**	111,100	**180,942**	46,019
TOTAL LIABILITIES		**316,754**	330,409	**261,435**	196,128
NET ASSETS		**244,721**	275,545	**225,819**	230,524
EQUITY					
Contributed equity	23(b)	**234,476**	234,476	**234,476**	234,476
Retained earnings	24	**9,832**	40,740	**(9,058)**	(4,254)
Reserves	25	**413**	329	**401**	302
TOTAL EQUITY		**244,721**	275,545	**225,819**	230,524

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

Cash Flow Statement

Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**460,574**	445,950	**290,741**	245,306
Payments to suppliers and employees		**(376,016)**	(352,178)	**(237,456)**	(191,826)
Interest paid		**(17,882)**	(19,671)	**(12,637)**	(9,613)
Interest received		**1,125**	473	**1,061**	1,278
Income tax paid		**(207)**	(7,053)	**(207)**	(7,053)
NET CASH PROVIDED BY OPERATING ACTIVITIES	9(b)	**67,594**	67,521	**41,502**	38,092
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of plant and equipment		**(37,964)**	(28,552)	**(28,650)**	(21,214)
Proceeds from the sale of plant and equipment		**10,804**	1,794	**8,399**	749
NET CASH (USED IN) INVESTING ACTIVITIES		**(27,160)**	(26,758)	**(20,252)**	(20,465)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		**125,144**	-	**125,144**	16,530
Repayment of borrowings		**(153,369)**	(32,059)	**(135,478)**	(21,425)
Payment of dividends	8(a)	**(3,422)**	(16,729)	**(3,422)**	(16,729)
NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES		**(31,647)**	(48,788)	**(13,756)**	(21,624)
Net increase/(decrease) in cash and cash equivalents		**8,787**	(8,025)	**7,494**	(3,997)
Cash and cash equivalents at the beginning of the period		**1,801**	9,826	**590**	4,587
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9(a)	**10,588**	1,801	**8,084**	590

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

Statement of Changes in Equity

Year Ended 30 June 2009

	Note	Issued Capital $'000	Retained Earnings $'000	Cash flow Hedge Reserve $'000	Employee Benefits Reserve $'000	Total Equity $'000
CONSOLIDATED						
AT 1 JULY 2007		234,476	38,827	(976)	293	272,620
Profit for the year		-	18,643	-	-	18,643
Cost of share based payments	25	-	-	-	21	21
Equity dividends	8(a)	-	(16,729)	-	-	(16,729)
Gain / (loss) taken to equity	25	-	-	991	-	991
AT 30 JUNE 2008		**234,476**	**40,740**	**15**	**314**	**275,545**
Loss for the year		**-**	**(27,486)**	**-**	**-**	**(27,486)**
Cost of share based payments	25	**-**	**-**	**-**	**99**	**99**
Equity dividends	8(a)	**-**	**(3,422)**	**-**	**-**	**(3,422)**
Gain / (loss) taken to equity	25	**-**	**-**	**(15)**	**-**	**(15)**
AT 30 JUNE 2009		**234,476**	**9,832**	**-**	**413**	**244,721**
PARENT						
AT 1 JULY 2007		234,476	6,507	-	281	241,264
Profit for the year		-	5,968	-	-	5,968
Cost of share based payments	25	-	-	-	21	21
Equity dividends	8(a)	-	(16,729)	-	-	(16,729)
AT 30 JUNE 2008		**234,476**	**(4,254)**	**-**	**302**	**230,524**
Loss for the year		**-**	**(1,382)**	**-**	**-**	**(1,382)**
Cost of share based payments	25	**-**	**-**	**-**	**99**	**99**
Equity dividends	8(a)	**-**	**(3,422)**	**-**	**-**	**(3,422)**
AT 30 JUNE 2009		**234,476**	**(9,058)**	**-**	**401**	**225,819**

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

Notes to the Financial Statements

Year Ended 30 June 2009

1. CORPORATE INFORMATION

The financial report of Boom Logistics Limited for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 19 August 2009.

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

The nature of the operations and principal activities of the Group are described in note 31.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group and the financial report of the company ("Parent") comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Standards Board (IASB).

(b) Historical cost convention

The financial report has been prepared in accordance with the historical cost convention and in Australian dollars rounded to the nearest thousand dollars ($'000) in accordance with ASIC Class Order 98/0100 unless otherwise stated.

(c) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the following notes:

Impairment testing of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 3(l). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 17 for details of these assumptions.

Useful lives and residual values of plant and equipment

The Group's management determines the estimated useful lives of assets and related depreciation charges for its plant and equipment based on the accounting policy stated in note 3(j). These estimates are based on projected capital equipment lifecycles for the related segment for periods up to twenty years based on useful life assumptions.

Residual values are determined based on the value the Group would derive upon ultimate disposal of the individual piece of plant and equipment at the end of its useful life. The achievement of these residual values is dependent upon and could be impacted as a result of the industrial cycle.

Management will increase the depreciation charge where useful lives are less than previously estimated lives or there is evidence that residual values can not be achieved.

Going concern assumption

A key assumption underlying the preparation of financial statements is that the consolidated entity will continue as a going concern. An entity is a going concern when it is considered to be able to pay its debts as and when they are due, and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations. A significant amount of judgement is required in assessing whether the consolidated entity is a going concern as set out in 2(d).

Deferred Tax

Judgement and estimation is required over the calculation and recognition of deferred tax balances.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Certain comparative amounts have been reclassified to conform with the current year's presentation.

The Group has not elected to early adopt any accounting standards or amendments (refer to note 3(z)).

Notes to the Financial Statements

Year Ended 30 June 2009

2. BASIS OF PREPARATION (CONTINUED)

(d) Going concern

As announced to the market on 7 July 2009, as a consequence of the market downturn experienced in the second half of the 2009 financial year, the Group would have breached its Earnings Leverage Ratio covenant in its Syndicated Facility Agreement as at 30 June 2009. However, prior to 30 June 2009, Boom received an unconditional waiver in relation to this covenant from its Banking Syndicate for the period ended 30 June 2009.

The Group was in compliance with all other banking covenants at 30 June 2009. These comprise a Balance Sheet Gearing Ratio, an Asset Leverage Ratio and a Debt Service Cover Ratio. These covenants are all forecast to be complied with in the future.

Of particular relevance is the Debt Service Cover Ratio which serves as an indicator of Boom's ability to service all its debt obligations after taking account of all other cash flows of the business. As at 19 August 2009, the Group has both met and exceeded all required payments under its Syndicated Facility Agreement, all scheduled principal and interest repayments under its finance leases and all scheduled payments under its operating leases. The position is forecast to continue in the future.

Given the uncertainty over a recovery in the current economic climate and the associated market conditions, management have prepared their financial forecasts for the 2010 financial year assuming no change in the prevailing market conditions.

Based on this assumption and the restructuring initiatives underway, and whilst the Directors are undertaking a thorough review of other strategic opportunities, there is uncertainty over the Group's ability to meet the Earnings Leverage Ratio during the 2010 financial year. As noted above, the Directors have a high expectation that all other covenants will continue to be met.

Should the Group be unable to meet or resolve this debt covenant matter at a future date, the Banking Syndicate would have the discretion to declare an event of default. Should the Banking Syndicate declare an event of default and should the majority of the syndicate members so direct, the Banking Syndicate would have the ability to request immediate repayment of the outstanding amount of the syndicated debt. At 30 June 2009, the syndicated debt totalled $156 million (refer note 19).

Notwithstanding this, the Group continues to work positively with its banks to resolve the Earnings Leverage Ratio covenant matter. The Directors consider that there is a high likelihood that arrangements will be agreed with the Banking Syndicate to resolve the Earnings Leverage Ratio matter as the Group continues its strategic review of the business. This strategic review includes consideration of a possible merger, equity raising and other opportunities. It is important to note that one objective of the strategic review is to deleverage the balance sheet. The Directors' position is supported by the Group's cash flow forecasts which demonstrate the Group's ability to meet all debt repayment obligations as and when they fall due. The Directors note that cash flows have been significantly strengthened due to the recent tax refunds (refer note 6).

Consequently, the Directors have a high expectation that the Group will resolve the Earnings Leverage Ratio matter. Accordingly, the financial statements have been prepared on a going concern basis.

Notes to the Financial Statements

Year Ended 30 June 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of Boom Logistics Limited and its subsidiaries as at 30 June each year ("the Group").

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

In the parent company financial statements, investments in subsidiaries are carried at cost.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from the hire of lifting/access equipment and services provided, and the repairs of cranes and other equipment is recognised where the right to be compensated for the services can be reliably measured. Where the stage of completion cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

Sale of goods

Revenue from the sale of cranes is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Transfer occurs upon receipt of the crane by the customer.

Interest revenue

Interest revenue is recognised on a time proportionate basis using the effective interest method.

(c) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(d) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

(e) Cash and cash equivalents

Cash on hand and in banks are stated at nominal value.

For the purposes of the cash flow statement, cash includes cash on hand and in banks net of outstanding bank overdrafts.

Notes to the Financial Statements
Year Ended 30 June 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 – 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out principle and comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. They include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of inventories. Costs incurred in bringing inventories to their present location and conditions are included in the cost of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements

Year Ended 30 June 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Income tax (continued)

Tax consolidation legislation

Boom Logistics Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Boom Logistics Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Boom Logistics Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details about the tax funding agreement are disclosed in note 6.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

Notes to the Financial Statements

Year Ended 30 June 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Plant and equipment

Plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When a major overhaul is performed, the cost is recognised in the carrying amount of plant and equipment only if the major overhaul extends the expected useful life of the asset or if the continuing operation of the asset is conditional upon incurring the expenditure. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of plant and equipment as a replacement only if it is eligible for capitalisation. The cost of the day-to-day servicing or the replacement of parts of plant and equipment is recognised in profit or loss as incurred.

Depreciation is recognised in the income statement on a straight line basis over the estimated useful life of each part of an item of plant and equipment as follows:

Mobile Cranes > 20T	**20 Years**
Travel Towers	**20 Years**
Tower Cranes	**20 Years**
Tower Sections / Frames	**20 Years**
Stiffleg Derricks	**20 Years**
Mobile Cranes < 20T	**10 Years**
Access Equipment	**10 Years**
Ancillary Equipment	**10 Years**
Office Equipment	**10 Years**
Workshop Equipment	**10 Years**
Leasehold Improvements	**Lesser of lease term or 10 Years**
Vehicles	**5 to 10 Years**
Computer Equipment and Software	**3 to 5 Years**

Depreciation methods, useful lives and residual values are reviewed at each reporting date and at more regular intervals when there is an indicator of impairment or when deemed appropriate.

Gains or losses on sale of plant and equipment are included in the income statement in the year the asset is disposed.

Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. No depreciation is recognised whilst an asset is held for sale.

Interest and other expenses attributable to the assets held for sale continue to be recognised.

Notes to the Financial Statements

Year Ended 30 June 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate.

The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment at each reporting date either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed at each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

A summary of the policies applied to the Group's intangible assets is as follows:

	CONTRACTUAL RIGHTS	TADANO LICENCE
Useful lives	Finite	Finite
Method used	Life of contract	3 years - Straight line
Internally generated / Acquired	Acquired	Acquired
Impairment test / Recoverable amount testing	Amortisation method reviewed at each financial year end; Reviewed annually for indicator of impairment.	Amortisation method reviewed at each financial year end; Reviewed annually for indicator of impairment.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(l) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Notes to the Financial Statements

Year Ended 30 June 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of assets

Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit or a group of cash-generating units is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units or a group of cash-generating units that are expected to benefit from the synergies of the combination and at the lowest level monitored by management.

An impairment loss is recognised if the carrying amount of an asset, cash-generating unit or a group of cash-generating units exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised.

Notes to the Financial Statements

Year Ended 30 June 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is probable. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

(q) Employee benefits

Wages, salaries, annual leave, sick leave and rostered days off

Liabilities for wages and salaries, including non monetary benefits, annual leave, accumulating sick leave and rostered days off represent present obligations from employees' services provided to reporting date and are recognised in employee provisions up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution plans are recognised as a personnel expense in the income statement when they are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in future payments is available.

Notes to the Financial Statements

Year Ended 30 June 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Share-based payments

The Group provides benefits to senior management of the Group in the form of share based payments, whereby senior management receives incentive based share allocations vesting upon achievement of preset performance targets over a rolling three year period.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Boom Logistics Limited (market conditions) if applicable.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

If an equity settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(s) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(t) Dividends

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(u) Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares outstanding during the year, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Investments

Investments in controlled entities that are not classified as held for sale or included in a disposal group classified as held for sale are accounted for at cost.

Notes to the Financial Statements
Year Ended 30 June 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Financial instruments

Non-derivative financial instruments comprise investments in trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Measurement of each of the non-derivative financial instruments is covered in the respective policy notes – trade and other receivables 3(f), cash and cash equivalents 3(e), interest bearing loans and borrowings 3(o), and trade and other payables 3(n). Refer to note 34 for detailed disclosure.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

(x) Derivatives and hedging

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- Hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 21. Movements in the hedging reserve in shareholders' equity are shown in note 25. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to income statement for the year.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

A hedge of the foreign currency risk of a highly probable commitment is accounted for as a cash flow hedge. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non financial asset (for example, inventory or fixed assets), the amounts taken to equity are transferred to the initial carrying amount of the non financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the income statement.

Notes to the Financial Statements

Year Ended 30 June 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business and geographical segments. The Group's primary format for segment reporting is based on business segments.

(z) New accounting standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report.

Revised AASB 3 Business Combinations (2008) incorporates the following changes that are likely to be relevant to the Group's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transaction costs, other than share and debt issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction by transaction basis.

Revised AASB 3, which becomes mandatory for the Group's 30 June 2010 financial statements, will be applied prospectively and therefore, there will be no impact on prior periods in the Group's 2010 consolidated financial statement.

Amended AASB 127 Consolidated and Separate Financial Statements (2008) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to AASB 127, which become mandatory for the Group's 30 June 2010 financial statements, are not expected to have a significant impact on the consolidated financial statements.

AASB 8 Operating Segments introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Group's 30 June 2010 financial statements, will require a change in the presentation on and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the group presents segment information in respect of its business and geographical segments (see note 31). The Group has not yet determined the potential effect of this change.

Notes to the Financial Statements

Year Ended 30 June 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) New accounting standards and interpretations not yet adopted (continued)

Revised AASB 101 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the Group's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements.

Revised AASB 123 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the Group's 30 June 2010 financial statements and is not expected to have a material impact for the group. In accordance with the transitional provisions, the Group will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date.

AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payment: Vesting Conditions and Cancellations clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to AASB 2 will be mandatory for the Group's 30 June 2010 financial statements, with retrospective application. The Group has not yet determined the potential effect of the amendment.

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process and 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.

AASB 2008-7 Amendments to Accounting Standards - Cost of an Investment in a subsidiary, Jointly Controlled Entity or Associate changes the recognition and measurement of dividend receipts as income and addresses the accounting of a newly formed parent entity in the separate financial statements. The amendments become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the amendments.

AASB 2008-8 Amendments to Australian Accounting Standard - Eligible Hedged Items clarifies the effect of using options as hedging instruments and the circumstances in which inflation risk can be hedged. The amendments become mandatory for the Group's 30 June 2010 financial statements, with retrospective application. The Group has not yet determined the potential effect of the amendment.

AASB Interpretation 17 Distributions of Non-Cash Assets to Owners provides guidance in respect of measuring the value of distributions of non-cash assets to owners. AI 17 will become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the interpretation.

AASB Interpretation 18 Transfers of Assets from Customers provides guidance on the accounting for contributions from customers in the form of transfers of property, plant and equipment (or cash to acquire or construct it). AI 18 will become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the interpretation.

Notes to the Financial Statements

Year Ended 30 June 2009

4. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has empowered senior management for developing and monitoring risk management guidelines and policies. The Chief Financial Officer reports regularly to the Board of Directors on relevant activities.

Risk management guidelines have been further developed to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management guidelines are regularly reviewed to reflect changes in market conditions and the Group's activities.

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management guidelines, policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group's policy is to trade with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group. Refer to note 34 for detailed disclosure.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial obligations as they fall due under both normal and stressed conditions without incurring unacceptable losses or damage to the Group's reputation. In order to meet these requirements management estimates the cash flows of the Group on a weekly basis.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts. At 30 June 2009, the Group's balance sheet gearing ratio was 50% (2008: 48%). This ratio is calculated as gross debt divided by gross debt plus equity. Gross debt is calculated as total interest bearing loans and borrowings. Equity is as shown on the Balance Sheet. Refer to note 34 for detailed disclosure.

Notes to the Financial Statements
Year Ended 30 June 2009

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that changes in market prices including foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. Refer to note 34 for detailed disclosure.

Currency risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group has transactional currency exposures arising from purchases of inventory in currencies other than the functional currency. It is the Group's policy to hedge 100% of its estimated foreign currency purchases. The Group's policy is not to enter into forward currency contracts until a firm commitment is in place and to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness.

Interest rate risk

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The level of fixed and variable rate debt is disclosed in note 34.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group entity monitors capital on the basis of the balance sheet gearing ratio. This ratio is calculated as gross debt divided by gross debt plus equity.

Notes to the Financial Statements
Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
5. REVENUE AND EXPENSES FROM CONTINUING OPERATIONS					
(a) Revenue					
Revenue from services		**347,580**	341,131	**252,586**	221,075
Revenue from sale of goods		**49,419**	68,609	**-**	-
Interest income from other persons/corporations		**1,668**	473	**1,604**	405
Interest income from subsidiaries		**-**	-	**2,016**	893
Dividend income from subsidiaries		**-**	-	**7,000**	-
Net gains / (loss) on disposal of plant and equipment		**837**	54	**(284)**	527
		399,504	410,267	**262,922**	222,900
(b) Expenses					
Salaries and employee benefits (net of superannuation)		**143,639**	137,014	**106,814**	95,306
Defined contribution plan expense		**8,332**	7,672	**5,744**	4,993
Total salaries and employee benefits expense		**151,971**	144,686	**112,558**	100,299
Depreciation of plant and equipment		**34,271**	38,138	**14,004**	17,775
Amortisation of intangibles		**2,076**	2,076	**1,076**	1,076
Total depreciation and amortisation expense		**36,347**	40,214	**15,080**	18,851
Impairment of intangibles	16	**18,819**	2,327	**-**	-
Impairment of plant and equipment	15	**16,950**	-	**9,797**	-
Impairment of assets classified as held for sale	15	**1,323**	-	**1,097**	-
Impairment of inventories	11	**2,629**	-	**-**	-
Total impairment expense		**39,721**	2,327	**10,894**	-
Financing expenses		**18,172**	19,671	**12,927**	9,613
Cost of crane sales and servicing through the Crane Sales and Service segment		**41,724**	53,475	**-**	-

Notes to the Financial Statements

Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
6. INCOME TAX					
The major components of income tax expense are:					
(a) Income statement					
Current income tax					
Current income tax charge		**1,353**	7,079	**3,087**	1,936
Adjustments in respect of current income tax of previous years		**(14,405)**	(400)	**(11,225)**	(705)
Deferred income tax					
Relating to origination and reversal of temporary differences		**14,621**	2,529	**12,723**	1,331
		1,569	9,208	**4,585**	2,562
A reconciliation between tax expense and the accounting profit before income tax (multiplied by the Group's applicable income tax rate) is as follows:					
Accounting (loss) / profit before tax		**(25,917)**	27,851	**3,203**	8,530
At the Group's statutory income tax rate of 30% (2008: 30%)		**(7,775)**	8,355	**961**	2,559
Expenditure not allowable for income tax purposes		**188**	110	**114**	15
Goodwill impairment not allowable for income tax purposes		**5,623**	698	**-**	-
Adjustments in respect of current income tax of previous years		**3,836**	45	**3,813**	(12)
Capital investment allowance		**(303)**	-	**(303)**	-
Income tax expense reported in the income statement		**1,569**	9,208	**4,585**	2,562
(b) Amounts charged or credited directly to equity					
Net gain/(loss) on revaluation of cash flow hedge		**-**	426	**-**	-
Income tax expense reported in equity		**-**	426	**-**	-

Notes to the Financial Statements
Year Ended 30 June 2009

6. INCOME TAX (CONTINUED)

(c) Deferred income tax
Deferred income tax at 30 June relates to the following:

	BALANCE SHEET		INCOME STATEMENT	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Consolidated				
Deferred tax assets				
– Employee leave provisions	**3,579**	3,717	**138**	(667)
– Allowance for impairment	**603**	248	**(355)**	(99)
– Liability accruals	**54**	48	**(6)**	862
– Restructuring provisions	**527**	-	**(527)**	-
Gross deferred income tax assets	**4,763**	4,013		
Deferred tax liabilities				
– Accelerated depreciation for tax purposes	**(26,068)**	(10,308)	**15,760**	3,063
– Intangible assets (finite life)	**(323)**	(991)	**(668)**	(630)
– Foreign currency balances	**(279)**	-	**279**	-
– Cash flow hedge (through equity)	**-**	(7)		
Gross deferred income tax liabilities	**(26,670)**	(11,306)		
Deferred tax (income) / expense			**14,621**	2,529
Parent				
Deferred tax assets				
– Employee leave provisions	**2,756**	2,765	**9**	(735)
– Allowance for impairment	**285**	132	**(153)**	(86)
– Liability accruals	**111**	338	**227**	502
– Restructuring provisions	**527**	-	**(527)**	-
Gross deferred income tax assets	**3,679**	3,235		
Deferred tax liabilities				
– Accelerated depreciation for tax purposes	**(15,201)**	(1,680)	**13,521**	1,980
– Intangible assets (finite life)	**(323)**	(666)	**(343)**	(330)
– Foreign currency balances	**11**	-	**(11)**	-
Gross deferred income tax liabilities	**(15,513)**	(2,346)		
Deferred tax (income) / expense			**12,723**	1,331

Notes to the Financial Statements

Year Ended 30 June 2009

6. INCOME TAX (CONTINUED)

(d) Unrecognised deferred tax assets

The Group has capital tax losses for which no deferred tax asset is recognised on the balance sheet of $966,936 (2008: $966,936) which are available indefinitely for offset against future capital gains subject to continuing to meet relevant statutory test.

(e) Tax consolidation

Boom Logistics Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidation group with effect from 8 October 2003. Boom Logistics Limited is the head entity of the tax consolidation group.

On adoption of the tax consolidation legislation, the entities in the tax consolidation group entered into a tax funding agreement under which the wholly-owned entities compensate Boom Logistics Limited for any current tax payable assumed and are compensated by Boom Logistics Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Boom Logistics Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables.

(f) Prior Year Amended Assessments

The Group undertook a company tax review during the year, which resulted in tax adjustments being identified. As a result of this review, Boom decided to amend its income tax return for the financial years ended 30 June 2005 to 30 June 2008 (inclusive). The income tax returns for the 2005 to 2008 income years were still open to amend with the Australian Taxation Office ("ATO"). The quantum of these taxation adjustments resulted in an amended assessment lodged with the ATO for a company tax refund of $14.7m plus interest.

As at the date of this report, the total company tax refund has been received and settled by the ATO, of which $9.7m plus interest was receivable as at 30 June 2009. This amount was classified on the balance sheet as an income tax receivable.

Additional company tax adjustments for the financial years ended 30 June 2002 to 30 June 2004 ("closed period") were also identified and quantified. Whilst this period fell outside the limitation period to amend, the Group made a formal request to the ATO seeking their discretion to allow a claim for the closed period to proceed.

On 23 July 2009, the Group was notified that the ATO has confirmed their acceptance in principle of the closed period and requested submission of an amended assessment for their consideration and approval. If successful, the benefit to the Group is expected to be $3.9m plus interest. This has been treated as a non-adjusting subsequent event in the 30 June 2009 financial statements.

Notes to the Financial Statements

Year Ended 30 June 2009

7. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the calculation of basic and diluted earnings per share:

	CONSOLIDATED	
	2009	2008
	$'000	$'000
Net (loss)/profit after tax	**(27,486)**	18,643
	No. of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share	**171,152,439**	170,774,633
Effect of dilutive securities: – employee share awards	**-**	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**171,152,439**	170,774,633
Number of ordinary shares at financial year end	**171,359,202**	170,827,735

		CONSOLIDATED		PARENT	
	Note	**2009**	2008	**2009**	2008
		$'000	$'000	**$'000**	$'000
8. DIVIDENDS PAID AND PROPOSED					
(a) Dividends paid during the year					
Current year interim Fully franked dividends (1.0 cent per share) (2008: 4.5 cents per share)		**1,714**	7,687	**1,714**	7,687
Current year interim Fully franked dividends (1.0 cent per share) (2008: Nil cents per share)	(i)	**1,708**	-	**1,708**	-
Previous year final Fully franked dividends (1.0 cent per share) (2007: final dividend 5.3 cents per share)		**-**	9,042	**-**	9,042
		3,422	16,729	**3,422**	16,729
(b) Dividends proposed and not recognised as a liability					
Fully franked dividends (nil cents per share) (2008: 1.0 cent per share)		**-**	1,708	**-**	1,708

(i) Accounting errors corrected through the 2008 financial statements resulted in a negative retained earnings balance in the parent entity at 30 June 2008. The consolidated entity had adequate profits to pay a dividend. However, as the dividends paid from the subsidiary entities to the parent entity were effected post 30 June 2008, under Corporations Law, a final dividend could not be paid. Consequently, Boom declared an interim dividend in 2009 in lieu of the final dividend for 2008.

Notes to the Financial Statements

Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
8. DIVIDENDS PAID AND PROPOSED (CONTINUED)					
(c) Franking credit balance					
The amount of franking credits available for the subsequent financial year are:					
– Franking account balance as at the end of the financial year at 30% (2008: 30%)				**10,443**	11,607
– Franking credits / (deficits) that will arise from the payment / (receipt) of income tax payable / (receivable) as at the end of the financial year	(i)			**(12,949)**	404
– Franking debits that will arise from the payment of dividends as at the end of the financial year				**-**	-
				(2,506)	12,011
The amount of franking credits available for future reporting periods:					
– Impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period				**-**	(732)
				(2,506)	11,279

(i) This amount represents the prior period amended company tax assessment refund of $9.7m (2008: nil) and the anticipated tax refund for the 2009 tax year of $3.2m (2008: $404,000 tax payable). Refer to note 6 for further details.

The tax rate at which paid dividends have been franked is 30% (2008: 30%). Dividends proposed in 2008 were franked at the rate of 30%.

	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
9. CASH AND CASH EQUIVALENTS				
(a) Reconciliation of cash				
Cash at bank and in hand	**10,588**	1,801	**8,084**	590
Closing cash balance	**10,588**	1,801	**8,084**	590

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Notes to the Financial Statements
Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
9. CASH AND CASH EQUIVALENTS (CONTINUED)					
(b) Reconciliation of the net (loss)/profit after tax to the net cash flows from operations					
Net (loss)/profit after tax		**(27,486)**	18,643	**(1,382)**	5,968
Non cash items					
Depreciation and amortisation of non current assets	5(b)	**36,347**	40,214	**15,080**	18,851
Impairment	5(b)	**39,721**	2,327	**10,894**	-
Net (profit)/loss on disposal of plant and equipment		**(837)**	(54)	**284**	(527)
Share based payments	25	**99**	21	**99**	21
Allowance for Impairment		**1,181**	333	**510**	237
Changes in assets and liabilities					
(Increase)/decrease in trade and other receivables		**23,875**	(11,200)	**12,896**	(7,297)
(Increase)/decrease in inventories		**(5,568)**	784	**3**	156
(Increase)/decrease in deferred tax assets		**(750)**	96	**(444)**	(57)
(Increase)/decrease in prepayments and other assets		**241**	285	**(82)**	369
(Decrease)/increase in trade and other payables		**(2,516)**	8,703	**(2,552)**	14,691
(Decrease)/increase in current tax liability		**(13,353)**	(799)	**(13,353)**	(537)
(Decrease)/increase in deferred tax liabilities		**15,364**	2,859	**13,167**	746
(Decrease)/increase in provisions		**1,331**	2,221	**1,555**	2,450
(Decrease)/increase in other liabilities		**(55)**	3,088	**4,827**	3,021
Net cash flow from operating activities		**67,594**	67,521	**41,502**	38,092
(c) Non-cash financing and investing activities					
Acquisition of assets by means of finance leases		**-**	48,513	**-**	28,070
10. TRADE AND OTHER RECEIVABLES (CURRENT)					
Trade receivables	(i)	**49,548**	74,160	**33,147**	46,972
Allowance for impairment loss	34(a)	**(2,009)**	(828)	**(951)**	(441)
		47,539	73,332	**32,196**	46,531
Other receivables		**4,476**	3,739	**4,193**	3,264
Amounts from wholly owned controlled entities		**-**	-	**82,600**	23,087
Total current trade and other receivables		**52,015**	77,071	**118,989**	72,882

(i) Trade receivables are non interest bearing and are generally on 30 - 60 day terms. An allowance for impairment is made when there is objective evidence that a trade receivable is impaired.

Notes to the Financial Statements

Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
11. INVENTORIES (CURRENT)					
Stock on hand at cost		**24,257**	13,724	**-**	-
Allowance for impairment		**(1,139)**	-	**-**	-
		23,118	13,724	**-**	-
Stock in transit at cost		**1,428**	6,380	**-**	-
Fuel at cost		**223**	258	**138**	165
Other inventory at net realisable value		**226**	204	**223**	199
Total current inventories		**24,995**	20,566	**361**	364

Stock on hand and in transit is represented by cranes and spare parts for sale within the Crane Sales and Service business segment. Refer to notes 31 for further details.

Inventories recognised as expense during the year ended 30 June 2009 amounted to $55,674,000 (2008: $68,357,000) representing $41,724,000 (2008: $53,475,000) cost of sales associated with cranes and $13,950,000 (2008: $14,882,000) fuel and tyres.

During the year ended 30 June 2009 the write-down of inventories to net realisable value amounted to $2,629,000 (2008: nil) which is disclosed in the "impairment expense" line in the income statement.

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
12. PREPAYMENTS AND OTHER CURRENT ASSETS					
Prepayments		**4,684**	4,988	**3,302**	3,305
Other		**318**	255	**318**	233
Total prepayments and other current assets		**5,002**	5,243	**3,620**	3,538
13. ASSETS CLASSIFIED AS HELD FOR SALE					
Plant and equipment		**7,798**	6,218	**7,742**	3,308
Total assets classified as held for sale		**7,798**	6,218	**7,742**	3,308
14. INVESTMENTS					
Investments in controlled entities at cost	32	**-**	-	**80,515**	80,515
Total investments		**-**	-	**80,515**	80,515

Notes to the Financial Statements
Year Ended 30 June 2009

	Note	Rental Equipment	Motor Vehicles	Machinery, Furniture, Fittings & Equipment	Total
		$'000	$'000	$'000	$'000
15. PLANT AND EQUIPMENT					
Consolidated					
Opening balance at 1 July 2007					
At cost		383,656	37,681	21,074	**442,410**
Accumulated depreciation		(65,169)	(11,856)	(8,493)	**(85,518)**
Net carrying amount		**318,487**	**25,825**	**12,581**	**356,892**
Year ended 30 June 2008					
Carrying amount at beginning net of accumulated depreciation and impairment		318,487	25,825	12,581	**356,892**
Additions		69,355	5,093	2,618	**77,066**
Disposals / transfers		(10,342)	(362)	(259)	**(10,963)**
Impairment		-	-	-	**-**
Transfer to assets held for sale		(6,218)	-	-	**(6,218)**
Depreciation charge for the year		(32,185)	(3,669)	(2,284)	**(38,138)**
Carrying amount at end net of accumulated depreciation and impairment		**339,097**	**26,887**	**12,655**	**378,638**
Closing balance at 30 June 2008					
At cost		428,595	42,070	23,272	**493,937**
Accumulated depreciation		(89,498)	(15,183)	(10,617)	**(115,299)**
Net carrying amount		**339,097**	**26,887**	**12,655**	**378,638**
Year ended 30 June 2009					
Carrying amount at beginning net of accumulated depreciation and impairment		339,097	26,887	12,655	**378,638**
Additions		33,658	2,634	1,671	**37,964**
Disposals / transfers		(4,926)	(591)	(14)	**(5,530)**
Impairment		(16,317)	(539)	(94)	**(16,950)**
Transfer to / from assets held for sale		(8,074)	(10)	89	**(7,994)**
Depreciation charge for the year		(28,573)	(2,816)	(2,882)	**(34,271)**
Carrying amount at end net of accumulated depreciation and impairment		**314,866**	**25,564**	**11,426**	**351,856**
Closing balance at 30 June 2009					
At cost		438,790	41,032	24,982	**504,804**
Accumulated depreciation		(123,924)	(15,468)	(13,556)	**(152,948)**
Net carrying amount		**314,866**	**25,564**	**11,426**	**351,856**

Notes to the Financial Statements
Year Ended 30 June 2009

	Note	Rental Equipment	Motor Vehicles	Machinery, Furniture, Fittings & Equipment	Total
		$'000	$'000	$'000	$'000
15. PLANT AND EQUIPMENT (CONTINUED)					
PARENT					
Opening balance at 1 July 2007					
At cost		184,463	22,589	6,741	**213,794**
Accumulated depreciation		(33,100)	(7,052)	(4,481)	**(44,634)**
Net carrying amount		**151,363**	**15,537**	**2,260**	**169,160**
Year ended 30 June 2008					
Carrying amount at beginning net of accumulated depreciation and impairment		151,363	15,537	2,260	**169,160**
Additions		43,349	4,095	1,840	**49,284**
Disposals / transfers		(9,139)	(325)	(128)	**(9,592)**
Impairment		-	-	-	**-**
Additions through transfer from subsidiary		27,035	4,059	431	**31,525**
Transfer to assets held for sale		(3,308)	-	-	**(3,308)**
Depreciation charge for the year		(13,636)	(3,156)	(984)	**(17,775)**
Carrying amount at end net of accumulated depreciation and impairment		**195,664**	**20,211**	**3,420**	**219,294**
Closing balance at 30 June 2008					
At cost		241,343	31,679	8,872	**281,893**
Accumulated depreciation		(45,679)	(11,468)	(5,452)	**(62,599)**
Net carrying amount		**195,664**	**20,211**	**3,420**	**219,294**
Year ended 30 June 2009					
Carrying amount at beginning net of accumulated depreciation and impairment		195,664	20,211	3,420	**219,294**
Additions		24,694	2,554	1,402	**28,650**
Disposals / transfers		(4,033)	(113)	(33)	**(4,179)**
Impairment		(9,309)	(488)	-	**(9,797)**
Transfer to assets held for sale		(10,490)	(10)	-	**(10,500)**
Depreciation charge for the year		(11,036)	(1,740)	(1,229)	**(14,004)**
Carrying amount at end net of accumulated depreciation and impairment		**185,490**	**20,415**	**3,559**	**209,464**
Closing balance at 30 June 2009					
At cost		243,045	32,388	10,212	**285,645**
Accumulated depreciation		(57,555)	(11,973)	(6,653)	**(76,181)**
Net carrying amount		**185,490**	**20,415**	**3,559**	**209,464**

Notes to the Financial Statements

Year Ended 30 June 2009

15. PLANT AND EQUIPMENT (CONTINUED)

The carrying value of plant and equipment held under finance leases, hire purchase contracts and secured bank loans at 30 June 2009 is $222,109,960 (2008: $227,183,000). Additions during the year include $15,962,067 (2008: $48,513,286) of plant and equipment held under secured bank loans.

Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities (refer to note 19).

Plant and equipment with a carrying amount of $351,856,000 (2008: $378,638,000) for the Group and $209,464,000 (2008: $219,294,000) for the parent are pledged as securities for current and non current liabilities as disclosed in note 19.

(i) Disposals / transfers include equipment transferred to James Equipment Pty Ltd from parent and other subsidiary entities for on sale to external third parties and is reflected as part of James Equipment's inventory, operating results and cash flows.

Impairment

A total impairment loss of $18,273,000 was incurred across the Group's entire fleet of fixed assets available for hire (including assets held for sale - $1,323,000) during the year ended 30 June 2009. Impairments have been recorded against individual assets where the carrying amount exceeded the higher of fair value less costs to sell and value in use on an asset by asset basis. Impairments for assets held for sale have been recorded against individual assets where the carrying amount exceeded the fair value less costs to sell.

The impairment loss has been recognised in the income statement line item 'Impairment expense' and relates entirely to the Lifting Solutions segment. The severe contraction of the industrial services, non-residential construction and capital equipment markets within Australia has impacted the ability of the group to recover the carrying value of certain individual assets through either use or sale. Further negative impacts from the economic slowdown have resulted in decreases in production levels and projects of major customers and an increased number of mining and industrial sites going into care and maintenance phases. These factors have further impacted resale values for used cranes and access equipment which has resulted in reductions to fair values.

Notes to the Financial Statements

Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
16. INTANGIBLE ASSETS					
(a) Opening balance at 1 July					
Goodwill		**109,169**	111,496	**40,774**	40,026
Contractual rights (net carrying amount)		**2,152**	3,228	**2,152**	3,228
Licence (net carrying amount)		**1,083**	2,083	**-**	-
Total net carrying amounts		**112,404**	116,807	**42,926**	43,254
(b) Closing balance at 30 June					
Goodwill	17	**90,433**	109,169	**40,774**	40,774
Contractual rights (net carrying amount)		**1,076**	2,152	**1,076**	2,152
Licence (net carrying amount)		**-**	1,083	**-**	-
Total net carrying amounts		**91,509**	112,404	**41,850**	42,926
(c) Reconciliations					
Goodwill					
Carrying amount at beginning net of impairment		**109,169**	111,496	**40,774**	40,026
Impairment		**(18,736)**	(2,327)	**-**	-
Additions through transfer from subsidiary		**-**	-	**-**	748
Carrying amount at end net of impairment		**90,433**	109,169	**40,774**	40,774
Represented by:					
Cost (gross carrying amount)		**111,496**	111,496	**40,774**	40,774
Accumulated impairment		**(21,063)**	(2,327)	**-**	-
Net carrying amount		**90,433**	109,169	**40,774**	40,774
Contractual rights					
Carrying amount at beginning net of accumulated amortisation and impairment		**2,152**	3,228	**2,152**	3,228
Amortisation charge for the year		**(1,076)**	(1,076)	**(1,076)**	(1,076)
Carrying amount at end net of accumulated amortisation and impairment		**1,076**	2,152	**1,076**	2,152
Represented by:					
Cost (gross carrying amount)		**5,380**	5,380	**5,380**	5,380
Accumulated amortisation and impairment		**(4,304)**	(3,228)	**(4,304)**	(3,228)
Net carrying amount		**1,076**	2,152	**1,076**	2,152

Contractual rights are amortised on a straight line basis over the life of the contract.

Notes to the Financial Statements
Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
16. INTANGIBLE ASSETS (CONTINUED)					
Licence					
Carrying amount at beginning net of accumulated amortisation and impairment		**1,083**	2,083	**-**	-
Amortisation charge for the year		**(1,000)**	(1,000)	**-**	-
Impairment		**(83)**	-	**-**	-
Carrying amount at end net of accumulated amortisation and impairment		**-**	1,083	**-**	-
Represented by:					
Cost (gross carrying amount)		**3,000**	3,000	**-**	-
Accumulated amortisation and impairment		**(3,000)**	(1,917)	**-**	-
Net carrying amount		**-**	1,083	**-**	-

Licence represents the Tadano distribution licence granted for a minimum of 3 years which expired in July 2009.

17. IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations has been allocated to groups of cash generating units for impairment testing. The recoverable amount of the groups has been determined based on a value in use calculations using cash flow projections premised on financial projections approved by the board of directors covering the next financial year. Cash flows beyond this period are extrapolated using an average 4% growth rate over the period which is deemed to best reflect a reasonable period for extrapolating cashflows (up to a maximum of 10 years) of the group of cash generating units being tested. The discount rate applied to the cash flow projections is 13.9% (2008: 15.7%) being the Group's pre-tax weighted average cost of capital. All variables impacting the WACC calculation have been updated to reflect the current company and market conditions.

Carrying amount of goodwill allocated to each cash generating unit (CGU) grouping:

• Boom Sherrin	**41,818**	41,818	**-**	-
• Crane Hire	**47,261**	47,261	**40,774**	40,774
• Crane Sales	**-**	18,736	**-**	-
• Crane Maintenance	**1,354**	1,354	**-**	-
	90,433	109,169	**40,774**	40,774

Key assumptions used in value in use calculations

The key assumption on which management has based its cash flow projections when determining the value in use of the cash generating units is that projected margins are determined based on historical performances, adjusted for internal/external changes anticipated in the forecast year.

Impairment losses recognised

An impairment loss of $18,736,000 based on a value in use calculation relating to goodwill attributable to the James Equipment business was recognised during the year ended 30 June 2009.

The impairment loss has been recognised in the income statement line item 'Impairment expense' and is within the reportable Crane Sales and Service segment. The impairment relates to the James Equipment business (Boom's new and used crane sales business) which has been heavily impacted by the contraction of capital equipment markets within Australia and overseas. Market uncertainty has led to increased difficulty in selling cranes with fluctuations in foreign currency resulting in the cost of cranes within Australia increasing significantly and a number of customers no longer being able to honour their contractual purchase commitments due to an inability to access financing. These factors have led to decreased sales volumes and as a result, the current and forecast results do not support the carrying value of goodwill previously carried in the balance sheet, which has been fully impaired.

Notes to the Financial Statements

Year Ended 30 June 2009

17. IMPAIRMENT TESTING OF GOODWILL (CONTINUED)

In 2008 an impairment loss of $2,327,000 was recognised in the Crane Maintenance group of CGU's and no further impairment has been required in the current year.

Allocation of Goodwill

The group allocates goodwill acquired in a business combination to the groups of cash generating units which are expected to benefit from the synergies of the combination. This allocation was reviewed at 30 June 2009 in order to reflect both the level within the Group that goodwill is monitored internally and the nature of the synergies obtained through historical business combinations.

		CONSOLIDATED		PARENT	
	Note	**2009**	2008	**2009**	2008
		$'000	$'000	**$'000**	$'000
18. TRADE AND OTHER PAYABLES					
Current					
Trade payables	(i)	**18,621**	39,620	**10,911**	14,000
Other payables		**4,919**	4,461	**2,789**	2,252
Amounts to wholly owned controlled entities		**-**	-	**30,397**	31,132
Total current trade and other payables		**23,540**	44,081	**44,097**	47,384

(i) Trade payables are non interest bearing and are normally settled on 30 day terms.

19. INTEREST BEARING LOANS AND BORROWINGS

Debt restructure

On 23 September 2008, the Group announced that it had successfully completed a debt refinancing for a $175 million 3 year revolving debt facility, and a 3 year $32 million working capital and general transactional banking facility with nabCapital, BankWest & GE Capital. In addition, Boom retained many of its existing equipment finance lease and hire purchase facilities. At the inception of the new funding arrangement, $56 million of leases were incorporated into the 3 year revolving debt facility with approximately $98 million of leases retained with non-participating financiers.

Covenant Position

As at 30 June 2009, the Group would have breached the earnings leverage covenant in its revolving debt facility. However, prior to 30 June 2009, Boom received an unconditional waiver.

Boom is in compliance with all other banking covenants at 30 June 2009, including the Debt Service Cover Ratio.

Classification of borrowings (2008)

As noted in the 30 June 2008 Annual Financial Statements, the Group was in breach of its interest cover banking covenant as at 30 June 2008 with the National Australia Bank ("NAB") and the Australia & New Zealand Bank ("ANZ"). The company's interest cover requirement calculated on Earnings Before Interest and Tax being 3.0 times interest was 2.41 times at 30 June 2008. This resulted in the reclassification of $72.4 million of non-current borrowings with the NAB and ANZ into current borrowings.

As a consequence of the completion of the debt restructure, there has been a reallocation of debt between current and non-current in 2009.

Debt repayment

From operating cash flows, Boom made several debt reduction payments from December 2008 to June 2009 with a consequent decrease in interest bearing loans and borrowings by $9.0m.

Notes to the Financial Statements

Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
19. INTEREST BEARING LOAN AND BORROWINGS (CONTINUED)					
Current					
Obligations under finance leases and hire purchase contracts		**29,169**	110,206	**19,082**	71,851
Secured bank loans		**4,049**	8,094	**-**	-
Bills of exchange – secured		**-**	26,615	**-**	12,500
Other loans – secured		**12,351**	10,698	**3,179**	2,996
Total current interest bearing liabilities	26(b)	**45,569**	155,613	**22,261**	87,347
Non current					
Obligations under finance leases and hire purchase contracts		**78,558**	71,114	**52,958**	43,388
Secured bank loans		**121,811**	25,808	**112,060**	-
Bills of exchange - secured		**-**	2,354	**-**	-
Total non current interest bearing liabilities	26(b)	**200,370**	99,276	**165,018**	43,388
Total interest bearing liabilities	34(d)	**245,939**	254,889	**187,279**	130,735

Terms and Debt Repayment Schedule

	Currency	Nominal interest rate	Year of maturity	CONSOLIDATED Carrying amount 2009 $'000	CONSOLIDATED Carrying amount 2008 $'000
Finance leases and hire purchase contracts	**AUD**	**7.7%**	**2009 - 2013**	**107,727**	181,320
Secured bank loan	**AUD**	**6.4%**	**2009 - 2012**	**125,861**	33,902
Bills of exchange	**AUD**	**-**	**-**	**-**	28,969
Other loans	**AUD**	**4.2%**	**2009**	**12,351**	10,698
Total interest bearing liabilities				**245,939**	254,889

	Currency	Nominal interest rate	Year of maturity	PARENT Carrying amount 2009 $'000	PARENT Carrying amount 2008 $'000
Finance leases and hire purchase contracts	**AUD**	**7.6%**	**2009 - 2013**	**72,040**	115,239
Secured bank loan	**AUD**	**6.3%**	**2009 - 2011**	**112,060**	-
Bills of exchange	**AUD**	**-**	**-**	**-**	12,500
Other loans	**AUD**	**2.3%**	**2009**	**3,179**	2,996
Total interest bearing liabilities				**187,279**	130,735

Refer to note 34(d) for disclosure of fair value versus carrying value.

Notes to the Financial Statements

Year Ended 30 June 2009

19. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Financing facilities

Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
Total facilities:					
– bank overdraft		**1,500**	2,000	**1,500**	1,000
– bank loans and borrowings		**275,758**	254,889	**275,758**	236,676
		277,258	256,889	**277,258**	237,676
Facilities used at reporting date:					
– bank overdraft		**-**	-	**-**	-
– bank loans and borrowings		**245,939**	254,889	**187,279**	130,735
– utilised by controlled entities		**-**	-	**58,660**	105,941
		245,939	254,889	**245,939**	236,676
Facilities unused at reporting date:					
– bank overdraft		**1,500**	2,000	**1,500**	1,000
– bank loans and borrowings		**29,819**	-	**29,819**	-
		31,319	2,000	**31,319**	1,000

Assets pledged as security

Fixed and floating charges are held over all of the assets of the Group including the following financial assets plant and equipment:

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
Current					
– Cash at bank and in hand		**10,588**	1,801	**8,084**	590
– Trade and other receivables		**52,015**	77,071	**118,989**	72,882
– Assets classified as held for sale		**5,843**	1,925	**5,841**	1,703
– Assets classified as held for sale under lease		**1,955**	4,293	**1,901**	1,605
Total current assets pledged as security		**70,401**	85,090	**134,815**	76,780
Non current					
– Plant and equipment		**129,746**	151,455	**77,784**	87,718
– Plant and equipment under lease	(i)	**222,110**	227,183	**131,680**	131,576
Total non current assets pledged as security		**351,856**	378,638	**209,464**	219,294
Total value of assets pledged as security		**422,257**	463,728	**344,279**	296,074

(i) Specific charges are held by each financier over individual assets under lease which will fall under the Syndicated fixed and floating charge upon extinguishment of the lease liability.

Notes to the Financial Statements
Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
20. PROVISIONS					
Employee leave entitlements					
At 1 July		**12,389**	10,168	**9,217**	6,767
Arising during the year		**6,138**	8,013	**5,726**	7,031
Utilised		**(5,756)**	(5,792)	**(5,069)**	(4,581)
At 30 June		**12,771**	12,389	**9,874**	9,217
Current	27	**12,110**	11,871	**9,463**	8,932
Non current	27	**661**	518	**411**	285
		12,771	12,389	**9,874**	9,217
Restructuring					
At 1 July		**-**	-	**-**	-
Arising during the year		**949**	-	**898**	-
Utilised		**-**	-	**-**	-
At 30 June	(i)	**949**	-	**898**	-
Current		**949**	-	**898**	-
Non current		**-**	-	**-**	-
		949	-	**898**	-
Total Provisions					
Current		**13,059**	11,871	**10,361**	8,932
Non current		**661**	518	**411**	285
		13,720	12,389	**10,772**	9,217

(i) During the year ended 30 June 2009, the Group committed to a plan to restructure several business units due to a decrease in demand. Following the announcement of the plan, the Group recognised a provision of $949,000 for expected restructuring costs, including contract termination costs, consulting fees and employee termination costs. Estimated costs were based on the terms of the relevant contracts. The restructuring is expected to be completed by 31 August 2009.

Notes to the Financial Statements

Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
21. DERIVATIVE FINANCIAL INSTRUMENTS					
Current liabilities					
Forward foreign exchange contracts					
– cash flow hedges*		**403**	-	**-**	-
		403	-	**-**	-

* A current asset of $22,000 relating to foreign exchange cash flow hedges as at 30 June 2008 is included within 'Other' disclosed in note 12.

Instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates in accordance with the Group's financial risk management policies (refer to note 4).

The crane sales operation imports inventory from various overseas countries. In order to protect against exchange rate movements, the Group has entered into forward exchange contracts to purchase the foreign currencies. These contracts are hedging highly probable forecasted purchases and they are timed to mature when payments are scheduled to be made.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the balance sheet by the related amount deferred in equity.

There was no hedge ineffectiveness in the current or prior year.

Risk exposures

Information about the Group's and the parent entity's exposure to credit risk, foreign exchange and interest rate risk is provided in note 4. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of derivative financial assets mentioned above.

22. OTHER LIABILITIES

	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
Current				
PAYG tax withheld	**742**	1,179	**567**	926
Goods and services tax	**2,126**	2,665	**271**	2,061
Other accrued expenses	**3,614**	3,496	**2,936**	3,055
Total other current liabilities	**6,482**	7,340	**3,774**	6,042

23. CONTRIBUTED EQUITY

	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
(a) Issued and paid up capital				
Ordinary shares fully paid	**234,476**	234,476	**234,476**	234,476

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Parent does not have authorised capital nor par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Notes to the Financial Statements
Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 No. of shares	CONSOLIDATED 2009 $'000	PARENT 2008 No. of shares	PARENT 2008 $'000
23. CONTRIBUTED EQUITY (CONTINUED)					
(b) Movements in shares on issue					
Beginning of the financial year		**170,827,735**	**234,476**	170,602,360	234,476
Issued during the year:					
– employee share incentive schemes	(i)	**531,467**	**-**	225,375	-
Total issued during the year		**531,467**	**-**	225,375	-
End of the financial year		**171,359,202**	**234,476**	170,827,735	234,476

(i) This amount represents the granting of 531,467 (2008: 225,375) ordinary shares to employees as part of the employee share incentive schemes for nil consideration during the financial year. Refer to note 27 for further details.

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
24. RETAINED EARNINGS					
Balance at the beginning of year		**40,740**	38,827	**(4,254)**	6,507
Net (loss) / profit for the year		**(27,486)**	18,643	**(1,382)**	5,968
Total available for appropriation		**13,254**	57,470	**(5,636)**	12,475
Dividends paid	8(a)	**(3,422)**	(16,729)	**(3,422)**	(16,729)
Balance at end of year		**9,832**	40,740	**(9,058)**	(4,254)

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
25. RESERVES					
Employee equity benefits reserve					
Balance at the beginning of year		**314**	293	**302**	281
Share based payments	(i)	**99**	21	**99**	21
Balance at end of year		**413**	314	**401**	302
Cash flow hedge reserve					
Balance at the beginning of year		**15**	(976)	**-**	-
Net movement on cash flow hedges	(ii)	**(15)**	991	**-**	-
Balance at end of year		**-**	15	**-**	-
Total reserves		**413**	329	**401**	302

(i) The employee equity benefits reserve is used to record the value of share based payments to employees, including key management personnel, as part of their remuneration. Refer to note 27 for further details of these plans.

(ii) The cash flow hedge reserve is used to record the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item.

Notes to the Financial Statements
Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
26. COMMITMENTS					
(a) Operating leases commitments					
The Group has entered into commercial leases on certain plant and equipment, motor vehicles and property. These leases have terms ranging from 1 to 10 years.					
Minimum lease payments					
– within one year		**13,120**	9,728	**8,117**	5,324
– after one year but not more than five years		**15,332**	14,280	**11,270**	8,736
– more than five years		**1,921**	3,488	**1,359**	2,748
Aggregate operating lease expenditure contracted for at reporting date		**30,373**	27,496	**20,747**	16,808

(b) Interest bearing loans and borrowings commitments

The Group has interest bearing loans and borrowings for various items of plant and equipment for periods of between1 to 5 years.

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
– within one year		**64,749**	99,219	**37,998**	48,525
– after one year but not more than five years		**215,980**	194,334	**177,293**	102,885
– more than five years		**-**	-	**-**	-
Total minimum payments		**280,729**	293,553	**215,291**	151,410
– future finance charges		**(34,790)**	(38,664)	**(28,012)**	(20,675)
Net liability		**245,939**	254,889	**187,279**	130,735
– current liability	19	**45,569**	155,613	**22,261**	87,347
– non current liability	19	**200,370**	99,276	**165,018**	43,388
		245,939	254,889	**187,279**	130,735

The parent entity has provided guarantees in respect of interest bearing loans and borrowings as disclosed in note 33.

Notes to the Financial Statements
Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
26. COMMITMENTS (CONTINUED)					
(c) Capital commitments					
Capital expenditure contracted for at reporting date but not recognised as liabilities are as follows:					
Plant and equipment					
– within one year		**11,606**	28,845	**11,606**	23,894
– after one year but not more than five years		**24,508**	-	**24,508**	-
– more than five years		**-**	-	**-**	-
		36,114	28,845	**36,114**	23,894

Lead times on cranes are up to 18 months, consequently the capital commitments noted above relate to the 2010 and 2011 financial years.

27. EMPLOYEE BENEFITS

(a) Employee benefits

	Note	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
The aggregate employee benefit liability is comprised of:					
– accrued salaries, wages and on costs		**3,024**	4,187	**2,709**	3,301
– provisions (current)	20	**12,110**	11,871	**9,463**	8,932
– provisions (non current)	20	**661**	518	**411**	285
		15,795	16,576	**12,583**	12,518

(b) Employee share incentive schemes

Two employee share incentive schemes were established by Boom Logistics Limited to assist in attracting, retaining and motivating key employees as follow:

- Exempt Share Plan (ESP); and
- Employee Share Trust (EST).

The terms and conditions of the schemes are summarised as follow:

Exempt share plan (ESP)

Under this scheme, all permanent employees (excluding directors and executives) of Boom Logistics Limited with twelve months continuous service were offered 1,000 ordinary shares in October 2003 and $1,000 worth of ordinary shares in October/November 2004 in Boom Logistics Limited for nil consideration. The ordinary shares issued are held in trust for the requisite three years restrictive period and will be released earlier in the event of cessation of employment. The ordinary shares issued rank equally with and have the same rights as other fully paid ordinary shares of Boom Logistics Limited. This scheme has subsequently been discontinued with only the ordinary shares issued in previous financial years remaining in the share plan.

Employee share trust (EST)

Under this scheme, certain employees (excluding non executive directors) approved by the Board of Directors are offered ordinary shares in Boom Logistics Limited by way of Share Units issued by the Share Plan Trustee. The Share Units are funded by way of an interest free loan provided by the Share Plan Trustee. The ordinary shares issued rank equally with and have the same rights as other fully paid ordinary shares of Boom Logistics Limited.

Notes to the Financial Statements
Year Ended 30 June 2009

27. EMPLOYEE BENEFITS (CONTINUED)

(b) Employee share incentive schemes (continued)

Information with respect to the number of ordinary shares issued and allocated under the employee share incentive schemes is as follows:

	2009	2008
	Number of Shares	Number of Shares
Balance at beginning of year	**500,534**	612,704
– issued for nil consideration	**978,868**	225,375
– sold / transferred during the year	**(118,490)**	(117,533)
– forfeited during the year	**(203,137)**	(220,012)
Balance at end of year	**1,157,775**	500,534

28. EVENTS AFTER THE BALANCE SHEET DATE

Tax claim

Consistent with information previously communicated to the market, the Group undertook a tax review which resulted in tax adjustments being identified that were available to be claimed for the financial years ended 30 June 2005 to 30 June 2008 inclusive; being the tax return periods still open to amended assessments with the Australian Taxation Office ("ATO") (refer to note 6).

Additional tax adjustments for the financial years ended 30 June 2002 to 30 June 2004 were also identified and quantified. Whilst these periods were considered "closed" to further claims, and any outcome was purely at the discretion of the Commissioner, the Group made a formal request to the Commissioner asking that he exercise his discretion to allow a claim for this period to proceed.

On 23 July 2009 the Group was notified that the ATO has confirmed their acceptance in principle of the Groups objection and requested submission of an amended assessment for their consideration and approval. If successful, the benefit to the group is expected to approximate $3.9m plus interest. This has been treated as a non-adjusting subsequent event in the 30 June 2009 financial statements.

	CONSOLIDATED		PARENT	
	2009	2008	**2009**	2008
29. AUDITORS' REMUNERATION	**$**	$	**$**	$
Amounts received or due and receivable by KPMG for:*				
– an audit or review of the financial report of the entity and any other entity in the consolidated group	**220,000**	-	**220,000**	-
– taxation services in relation to the entity and any other entity in the consolidated group	**167,986**	-	**167,986**	-
– due diligence services in relation to the entity and any other entity in the consolidated group	**285,000**	-	**285,000**	-
	672,986	-	**672,986**	-
* Prior to appointment as auditor KPMG received $294,145 in fees for the period July to September 2008.				
Amounts received or due and receivable by PKF (previous audit firm) for:				
– an audit or review of the financial report of the entity and any other entity in the consolidated group	**6,870**	158,850	**6,870**	158,850
– other services in relation to the entity and any other entity in the consolidated group	**12,000**	26,960	**12,000**	26,960
	18,870	185,810	**18,870**	185,810

Notes to the Financial Statements

Year Ended 30 June 2009

30. KEY MANAGEMENT PERSONNEL

(a) Details of directors

(i) Non-executive directors

Rodney John Robinson	Chairman (Non-executive)
Terrance Alexander Hebiton	Director (Non-executive)
Dr. Huw Geraint Davies	Director (Non-executive)
Terrence Charles Francis	Director (Non-executive)
Jane Margaret Harvey	Director (Non-executive) (resigned 31 March 2009)

(ii) Executive directors

Brenden Mitchell	Managing Director

(b) Details of other key management personnel

The following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the reporting period:

Iona MacPherson	Chief Financial Officer and Company Secretary
Peter O'Shannessy	Chief Operating Officer
Rosanna Hammond	General Manager - Human Resource
Paul Martinez	Chief Information Officer (appointed 1 October 2008)
Tony Spassopoulos	General Manager - Sales and Marketing (appointed 27 October 2008)
Terese Withington	General Manager - Sherrin Hire Pty Ltd (Boom Sherrin)
James Carr	Former General Manager - Sales and Marketing (resigned 22 August 2008)

(c) Summarised compensation of key management personnel

Summary of key management personnel compensation in the following categories is as follows:

	CONSOLIDATED		PARENT	
	2009	2008	**2009**	2008
	$	$	**$**	$
Short-term employee benefits	**2,581,753**	1,987,064	**2,293,614**	1,672,691
Post employment benefits	**260,039**	260,584	**227,626**	240,665
Other long term benefits	**9,568**	2,067	**8,414**	1,988
Termination benefits	**-**	181,561	**-**	167,811
Share based payments	**93,870**	5,912	**86,711**	5,912
Total compensation	**2,945,230**	2,437,188	**2,616,365**	2,089,067

Refer to the Remuneration Report in the Directors' Report for detail compensation disclosure on key management personnel. The Group has taken advantage of the relief provided by the Corporations Regulation 2M.6.04 to transfer the detailed compensation disclosures on key management personnel to the Directors' Report.

Notes to the Financial Statements

Year Ended 30 June 2009

30. KEY MANAGEMENT PERSONNEL (CONTINUED)

(d) Shareholdings of key management personnel

Ordinary shares held in Boom Logistics Limited (number) 30 June 2009	Balance 1 July 08	Granted and vested	Net change other (i)	Balance 30 June 09	Granted but not vested
Non-Executive & Executive Directors					
John Robinson	**300,000**	**-**	**-**	**300,000**	**-**
Terrance Hebiton	**152,364**	**-**	**50,000**	**202,364**	**-**
Dr. Huw Davies	**135,316**	**-**	**-**	**135,316**	**-**
Terrence Francis	**66,772**	**-**	**10,000**	**76,772**	**-**
Jane Harvey (ii)	**61,000**	**-**	**n/a**	**n/a**	**-**
Brenden Mitchell	**300,000**	**-**	**340,000**	**640,000**	**287,186**
Executives					
Iona MacPherson	**45,950**	**-**	**15,590**	**61,540**	**90,452**
Peter O'Shannessy	**-**	**-**	**99,307**	**99,307**	**108,543**
Rosanna Hammond	**-**	**-**	**-**	**-**	**39,196**
Paul Martinez	**-**	**-**	**-**	**-**	**90,452**
Tony Spassopoulos	**-**	**-**	**-**	**-**	**75,377**
Terese Withington	**-**	**-**	**-**	**-**	**60,301**
James Carr (ii)	**40,000**	**-**	**n/a**	**n/a**	**n/a**
Total	**1,101,402**	**-**	**514,897**	**1,515,299**	**751,507**

Ordinary shares held in Boom Logistics Limited (number) 30 June 2008	Balance 1 July 07	Granted and vested	Net change other (i)	Balance 30 June 08	Granted but not vested
Non-Executive & Executive Directors					
John Robinson	104,272	-	195,728	300,000	-
Terrance Hebiton	102,364	-	50,000	152,364	-
Dr. Huw Davies	85,316	-	50,000	135,316	-
Terrence Francis	44,272	-	22,500	66,772	-
Jane Harvey	15,800	-	45,200	61,000	-
Brenden Mitchell	-	-	300,000	300,000	-
Mark Lawrence (ii)	306,801	23,538	n/a	n/a	-
Executives					
Iona MacPherson	-	-	45,950	45,950	17,886
Peter O'Shannessy	-	-	-	-	-
James Carr	20,000	-	20,000	40,000	19,473
Rosanna Hammond	-	-	-	-	-
Teresa Withington	-	-	-	-	-
Brian Praetz (ii)	117,181	15,000	n/a	n/a	-
Adam Watson (ii)	n/a	-	n/a	n/a	-
Steven Goulding (ii)	-	-	n/a	n/a	-
Total	796,006	38,538	729,378	1,101,402	37,359

Notes to the Financial Statements

Year Ended 30 June 2009

30. KEY MANAGEMENT PERSONNEL (CONTINUED)

(d) Shareholdings of key management personnel (continued)

(i) These amounts represent ordinary shares purchased or sold directly or indirectly by the directors and executives during the financial year. These transactions have no connection with their roles and responsibilities as employees of the Group.

(ii) These director and executives have either resigned or were not considered key management personnel during the current financial year.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(e) Other transactions and balances with key management personnel

No amounts were recognised at the reporting date in relation to other transactions with key management personnel.

31. SEGMENT INFORMATION

The Group's primary segment reporting format is business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. As the Group operates in Australia only, there is no secondary geographical segment reported.

The Group comprises the following main business segments:

Lifting Solutions

Hire of lifting equipment to various industries.

Crane Sales and Service

Sale of mobile cranes, associated spare parts and after sales service. This business segment commenced upon the asset acquisition of the James Group on 1 August 2006 and GM Baden on 6 March 2007.

Inter-segment prices are determined on an arm's length basis. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated on consolidation.

Notes to the Financial Statements

Year Ended 30 June 2009

31. SEGMENT INFORMATION (CONTINUED)

The following tables present revenue and profit information and certain asset and liability information regarding business segments

	Year ended 30 June 2009		
	Lifting Solutions	Crane Sales and Service	Consolidated
	$'000	$'000	$'000
Segment revenue			
Total external revenue	347,817	50,019	397,836
Inter-segment revenue	-	17,680	17,680
Total segment revenue	**347,817**	**67,699**	**415,516**
Inter-segment elimination			(17,680)
Un-allocated revenue			1,668
Total consolidated revenue			**399,504**
Segment result			
Segment results	29,587	(18,875)	**10,711**
Inter-segment elimination			(2,037)
Un-allocated expenses			(18,087)
Finance costs - net			(16,504)
Income tax expense			(1,569)
Net profit for the year			**(27,486)**
Segment assets and liabilities			
Segment assets	503,682	28,577	**532,260**
Inter-segment elimination			24,453
Un-allocated assets			4,763
Total assets			**561,475**
Segment liabilities	38,333	30,266	**68,598**
Inter-segment elimination			(24,453)
Un-allocated liabilities			272,609
Total liabilities			**316,754**
Other segment information			
Capital expenditure	37,626	338	**37,964**
Depreciation and amortisation	35,126	1,221	**36,347**
Impairment expense	18,173	21,548	**39,721**
Cash flow information			
Net cash flow from operating activities	64,190	3,404	**67,594**
Net cash flow from investing activities	(26,987)	(173)	**(27,160)**
Net cash flow from financing activities	(28,605)	(3,042)	**(31,647)**

Notes to the Financial Statements
Year Ended 30 June 2009

31. SEGMENT INFORMATION (CONTINUED)

	Year ended 30 June 2008		
	Lifting Solutions	Crane Sales and Service	Consolidated
	$'000	$'000	$'000
Segment revenue			
Total external revenue	341,185	68,609	409,794
Inter-segment revenue	-	6,212	6,212
Total segment revenue	341,185	74,821	416,006
Inter-segment elimination			(6,212)
Un-allocated revenue			473
Total consolidated revenue			410,267
Segment result			
Segment results	51,358	6,954	58,312
Inter-segment elimination			(1,052)
Un-allocated expenses			(10,211)
Finance costs - net			(19,198)
Income tax expense			(9,208)
Net profit for the year			18,643
Segment assets and liabilities			
Segment assets	544,424	48,281	592,705
Inter-segment elimination			9,214
Un-allocated assets			4,013
Total assets			605,932
Segment liabilities	45,059	27,943	73,002
Inter-segment elimination			(9,214)
Un-allocated liabilities			266,599
Total liabilities			330,387
Other segment information			
Capital expenditure	76,742	323	77,065
Depreciation and amortisation	39,085	3,456	42,541
Cash flow information			
Net cash flow from operating activities	52,061	15,460	67,521
Net cash flow from investing activities	(26,465)	(293)	(26,758)
Net cash flow from financing activities	(31,963)	(16,825)	(48,788)

Notes to the Financial Statements

Year Ended 30 June 2009

32. RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Boom Logistics Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	% Equity interest		Investment	
		2009	2008	2009	2008
		%	%	$'000	$'000
James Equipment Pty Ltd	Australia	**100**	100	**-**	-
Sherrin Hire Pty Ltd	Australia	**100**	100	**60,598**	60,598
Boom Logistics (QLD) Pty Ltd	Australia	**100**	100	**15,896**	15,896
Boom Logistics (VIC) Pty Ltd	Australia	**100**	100	**4,021**	4,021
Hilyte Australia Pty Ltd [a]	Australia	**100**	100	**-**	-
Total investment in subsidiaries				**80,515**	80,515

[a] Investment is held by Boom Logistics (QLD) Pty Ltd. Hilyte Australia Pty Ltd was wound up and deregistered on 19 November 2008 as the entity has been a dormant company since acquisition in 2003.

Boom Logistics Limited is the ultimate parent company.

Details relating to key management personnel, including remuneration paid, are included in note 30.

Sales to and purchases from related parties are made at arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year end are unsecured.

Terms and conditions of the tax funding arrangement are set out in note 6(e).

Contributions to superannuation funds on behalf of employees are disclosed in note 5(b).

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$
The following transactions occurred with related parties:				
Sale of services				
Hire of lifting equipment to subsidiaries	**-**	-	**1,459,622**	3,803,189
Purchase of goods and services				
Hire of lifting equipment from subsidiaries / other related parties	**-**	-	**4,709,054**	4,447,011
Purchase of cranes and spare parts from subsidiary / other related party	**-**	-	**16,701,478**	-
Tax consolidation legislation				
Current tax payable assumed from wholly-owned tax consolidated entities	**-**	-	**2,501,083**	4,649,775

Notes to the Financial Statements

Year Ended 30 June 2009

32. RELATED PARTY DISCLOSURE (CONTINUED)	CONSOLIDATED		PARENT	
	2009	2008	**2009**	2008
	$	$	**$**	$
No allowance for impairment of debts has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or impaired debts due from related parties.				
Guarantees				
The parent entity has provided guarantees in respect of:				
– Finance leases and hire purchase contracts	**-**	-	**35,687,702**	66,081,000
– Secured bank loans	**-**	-	**22,972,704**	41,604,000
– Bills of exchange	**-**	-	**-**	16,469,000

33. DEED OF CROSS GUARANTEE

Pursuant to Class Order 98/1418, the wholly owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and directors' report.

It is a condition of the Class Order that Boom Logistics Limited and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that Boom Logistics Limited guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. The subsidiaries have also given similar guarantees in the event that Boom Logistics Limited is wound up.

The subsidiaries subject to the Deed are:

- Sherrin Hire Pty Ltd (party to the Deed on 6 December 2005);
- James Equipment Pty Ltd (party to the Deed on 3 November 2006 by virtue of a Deed of Assumption);
- Boom (QLD) Pty Ltd (party to the Deed on 23 November 2007 by virtue of a Deed of Assumption);
  and together with Boom Logistics Limited, represent a "Closed Group" for the purposes of the Class Order.

The consolidated income statement and balance sheet of the entities that are members of the "Closed Group" are as follows:

	CLOSED GROUP	
	2009	2008
	$'000	$'000
Consolidated Income Statement		
Profit/(loss) before income tax	**(27,110)**	25,537
Income tax expense	**(1,093)**	(8,450)
Net profit/(loss) for the period	**(28,204)**	17,087
Retained earnings at the beginning of the period	**37,547**	37,189
Dividends provided for or paid	**(3,422)**	(16,729)
Retained earnings at the end of the period	**5,921**	37,547

Notes to the Financial Statements

Year Ended 30 June 2009

33. DEED OF CROSS GUARANTEE (CONTINUED)

	CLOSED GROUP	
	2009	2008
	$'000	$'000
Consolidated Balance Sheet		
Current assets		
Cash and cash equivalents	9,981	1,652
Trade and other receivables	50,548	72,564
Inventories	24,979	20,531
Prepayments and other current assets	4,940	5,158
Assets classified as held for sale	7,798	6,218
Total current assets	98,247	106,123
Non current assets		
Receivables	2,163	2,630
Investments	4,021	3,950
Plant and equipment	344,392	372,803
Deferred tax assets	4,589	3,890
Intangible assets	87,597	108,512
Total non current assets	442,761	491,785
Total assets	541,007	597,908
Current liabilities		
Trade and other payables	24,795	43,711
Interest bearing loans and borrowings	44,587	155,613
Provisions	11,569	11,324
Income tax payable	(13,326)	(1)
Other current liabilities	6,029	6,752
Total current liabilities	73,655	217,399
Non current liabilities		
Interest bearing loans and borrowings	199,872	96,500
Provisions	654	508
Deferred tax liabilities	26,025	11,160
Total non current liabilities	226,552	108,168
Total liabilities	300,207	325,567
Net assets	240,800	272,341
Equity		
Contributed equity	234,465	234,465
Retained earnings	5,922	37,547
Reserves	413	329
Total equity	240,800	272,341

Notes to the Financial Statements

Year Ended 30 June 2009

34. FINANCIAL INSTRUMENTS

(a) Credit risk

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
Cash and cash equivalents	9	**10,588**	1,801	**8,084**	590
Trade and other receivables	10	**52,015**	77,071	**118,989**	72,882
		62,603	78,872	**127,073**	73,472

Total Group's trade receivables only relate to Australian customers.

There is no significant concentration of credit risk for trade receivables at the reporting date.

Impairment losses

Trade receivables are non-interest bearing and are generally on 30 - 60 day terms. An allowance for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. A net impairment loss of $1,181,000 (2008: $333,000) has been recognised by the Group and $509,000 (2008: $286,000) by the parent in the current year. These amounts have been included in other expenses in the Income Statement.

Movements in the allowance for impairment losses were as follows:

	Note	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
Balance at 1 July		**828**	495	**441**	155
Impairment loss recognised		**1,530**	1,839	**623**	1,430
Amounts written-off and/or written back		**(349)**	(1,506)	**(114)**	(1,144)
Balance at 30 June	10	**2,009**	828	**951**	441

At 30 June, the aging analysis of trade receivables is as follows:

	Total $'000	Current $'000	31-60 days $'000 PDNI* (i)	31-60 days $'000 CI^	+61 days $'000 PDNI* (i)	+61 days $'000 CI^
2009						
Consolidated	**49,548**	**32,760**	**9,020**	**243**	**5,507**	**2,018**
Parent	**33,148**	**19,650**	**9,020**	**243**	**3,307**	**929**
2008						
Consolidated	74,160	44,133	19,227	-	9,972	828
Parent	46,972	29,277	10,868	-	6,386	441

* Past due not impaired ('PDNI')
^ Considered impaired ('CI')

(i) Based upon the credit history of these classes of trade receivables, it is expected that these amounts will be received.

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at reporting date is the carrying amount of each class of receivables mentioned above. There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated.

Notes to the Financial Statements

Year Ended 30 June 2009

34. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk

The tables below analyse the Group's and the Parent entity's financial liabilities and net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Consolidated

30 June 2009	Carrying amount $'000	Contractual cashflows $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Non-derivative financial liabilities							
Trade and other payables*	**23,540**	**(23,540)**	**(23,540)**	**-**	**-**	**-**	**-**
Finance leases and hire purchase contracts	**107,727**	**(125,805)**	**(19,895)**	**(20,413)**	**(28,937)**	**(56,560)**	**-**
Secured bank loans	**125,861**	**(142,508)**	**(6,042)**	**(5,984)**	**(17,050)**	**(113,433)**	**-**
Other loans – secured	**12,351**	**(12,416)**	**(12,416)**	**-**	**-**	**-**	**-**
Derivative financial liabilities							
Forward exchange contracts used for hedging purchases	**403**	**(403)**	**(403)**	**-**	**-**	**-**	**-**
	269,882	**(304,672)**	**(62,295)**	**(26,397)**	**(45,987)**	**(169,993)**	**-**

30 June 2008	Carrying amount $'000	Contractual cashflows (i) $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Non-derivative financial liabilities							
Trade and other payables*	44,081	(44,081)	(44,081)	-	-	-	-
Finance leases and hire purchase contracts	181,320	(215,047)	(26,552)	(24,761)	(50,782)	(112,952)	-
Secured bank loans	33,902	(38,437)	(5,251)	(5,251)	(11,055)	(16,880)	-
Bills of exchange – secured	28,969	(29,371)	(26,253)	(453)	(907)	(1,758)	-
Other loans – secured	10,698	(10,698)	(9,699)	(999)	-	-	-
Derivative financial liabilities							
Forward exchange contracts used for hedging purchases	(22)	22	22	-	-	-	-
	298,948	(337,612)	(111,814)	(31,464)	(62,744)	(131,590)	-

* Excludes derivatives (shown separately).

(i) The contractual cashflows do not reflect the current / non-current split of interest bearing liabilities disclosed on the Balance Sheet as they have been classified taking into account of the debt waivers obtained from the National Australia Bank and the Australia & New Zealand Bank subsequent to 30 June 2008.

Notes to the Financial Statements

Year Ended 30 June 2009

34. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (continued)

Parent

30 June 2009	Carrying amount $'000	Contractual cashflows $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Non-derivative financial liabilities							
Trade and other payables	44,097	(44,097)	(44,097)	-	-	-	-
Finance leases and hire purchase contracts	72,040	(84,559)	(13,378)	(14,381)	(19,246)	(37,554)	-
Secured bank loans	112,060	(127,553)	(3,559)	(3,501)	(7,060)	(113,433)	-
Other loans – secured	3,179	(3,179)	(3,179)	-	-	-	-
	231,376	(259,388)	(64,213)	(17,882)	(26,306)	(150,987)	-

30 June 2008	Carrying amount $'000	Contractual cashflows (i) $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Non-derivative financial liabilities							
Trade and other payables	47,384	(47,385)	(16,253)	-	(31,132)	-	-
Finance leases and hire purchase contracts	115,239	(135,914)	(16,916)	(16,113)	(32,840)	(70,045)	-
Bills of exchange – secured	12,500	(12,500)	(12,500)	-	-	-	-
Other loans – secured	2,996	(2,996)	(2,996)	-	-	-	-
	178,119	(198,795)	(48,665)	(16,113)	(63,972)	(70,045)	-

(i) The contractual cashflows do not reflect the current / non-current split of interest bearing liabilities disclosed on the Balance Sheet as they have been classified taking into account of the debt waivers obtained from the National Australia Bank and the Australia & New Zealand Bank subsequent to 30 June 2008.

The carrying values of payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair values of forward exchange contracts (designated as cash flow hedges) are determined using forward exchange market rates at the reporting date.

Notes to the Financial Statements

Year Ended 30 June 2009

34. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Market risk

Foreign exchange risk

The crane sales operation imports inventory from various overseas countries. In order to protect against exchange rate movements, the Group has entered into forward exchange contracts to purchase the foreign currencies. These contracts are hedging highly probable forecasted purchases and they are timed to mature when payments are scheduled to be made.

The risk is measured using sensitivity analysis and cash flow forecasting and the cash flows are expected to occur at various dates within 12 months from the balance date.

The forward foreign currency contracts are considered to be fully effective cash flow hedges as they are matched against inventory purchases and any gain or loss on the contracts is taken directly to equity. When the inventory is delivered, the amount recognised in equity is transferred to the inventory account in the balance sheet. In calculating the effectiveness of the forward foreign currency contracts, the forward exchange rate is adjusted to exclude the interest rate differential implicit in the forward exchange rate.

The Groups exposure to foreign currency risk at reporting date, expressed in Australian dollars, was as follows:

	30 JUNE 2009			30 JUNE 2008		
	EUR $'000	**SGP $'000**	**JPY $'000**	EUR $'000	SGP $'000	JPY $'000
Receivables	**782**	**-**	**-**	-	-	-
Trade payables	**(1,131)**	**-**	**(1,152)**	(7,523)	-	(4,070)
Forward exchange contracts						
– buy foreign currency (cash flow hedges)	**1,207**	**-**	**1,429**	4,979	166	2,794

Sensitivity analysis for currency risk

A 10 percent (2008: 5 percent) strengthening of the Australian dollar against the following currencies at 30 June 2009 would have increased/(decreased) equity and profits or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	CONSOLIDATED		PARENT	
	Equity $'000	**Profit or Loss $'000**	**Equity $'000**	**Profit or Loss $'000**
30 June 2009				
JP¥	**-**	**-**	**-**	**-**
€uro	**-**	**71**	**-**	**-**
SGP$	**-**	**-**	**-**	**-**
	-	**71**	**-**	**-**
30 June 2008				
JP¥	61	67	-	-
€uro	27	134	-	-
SGP$	25	-	-	-
	113	201	-	-

A 10 percent (2008: 5 percent) weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Notes to the Financial Statements

Year Ended 30 June 2009

34. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Interest rate risk

Profile

At the reporting date, the interest rate profile of the company and the Group's interest bearing financial instruments were:

		CONSOLIDATED		PARENT	
	Note	Carrying amount		Carrying amount	
		2009	2008	**2009**	2008
		$'000	$'000	**$'000**	$'000
Fixed rate instruments					
Financial liabilities	34(d)(i)	**(121,528)**	(215,222)	**(72,040)**	(115,239)
		(121,528)	(215,222)	**(72,040)**	(115,239)
Variable rate instruments					
Financial assets	9	**10,588**	1,801	**10,588**	590
Financial liabilities	34(d)(i)	**(124,411)**	(39,667)	**(115,239)**	(15,496)
		(113,823)	(37,866)	**(104,651)**	(14,906)

34(d)(i) - Fixed and variable rate instruments represent interest bearing loans and borrowings of $245,939,000 per note 19.

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's fixed rate borrowings and receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7.

The company and the Group are exposed to interest rate risk when funds are borrowed at floating interest rates. This risk is managed by taking into consideration the Group's current and expected future debt profile, expectations regarding future interest rate movements and the potential to hedge against negative outcomes by entering into interest rate swaps.

The company and the Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis for interest rate risk

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit and loss in respect of fixed rate instruments. In respect of variable rate instruments, a change of 100 basis points up or down in interest rates would have increased or decreased the Group's profit and loss by $1,138,000 (2008: $379,000) and the company's profit and loss by $1,047,000 (2008: $149,000).

Fair values

Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Group holds no financial instruments for trading purposes.

The carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purpose is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Fair values versus carrying amounts

The fair value of borrowings equals their carrying amount, with the exception of secured bank loans which have a fair value of $128,644,800 (2008: $33,902,000) and carrying value of $125,861,000 (2008: $33,902,000). This amount of $2,783,800 (2008: nil) relates to transactions costs associated with entering the Syndicated Facility Agreement.

Notes to the Financial Statements

Year Ended 30 June 2009

35. CONTINGENCIES

(a) Contingent liabilities

Tax matters

The Australian government has issued draft legislation relating to stages three and four of the Taxation of Financial Arrangements (TOFA). The draft legislation proposes changes to the tax-timing treatment of hedging transactions. The Group is currently assessing the possible impact, if any, that these changes will have on the Group's tax position. No liability has been recognised in respect of this matter at 30 June 2009.

(b) Contingent assets

No contingent assets were identified at 30 June 2009.

DIRECTORS' DECLARATION

1 In the opinion of the directors of Boom Logistics Limited:

(a) the financial statements and notes, and the Remuneration Report in the Directors' Report, set out on pages 27 to 34, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's and the Consolidated Entity's financial position as at 30 June 2009 and of their performance, for the year ended on that date; and

(ii) complying with Accounting Standards, (including the Australian Accounting Interpretations) and Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a);

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

2 There are reasonable grounds to believe that the Company and the group entities identified in note 33 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

3 The directors have been given the declarations required by section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2009.

Signed in accordance with a resolution of the directors:

John Robinson
Chairman

Brenden Mitchell
Managing Director

Melbourne, 19 August 2009

Independent auditor's report to the members of Boom Logistics Limited

Report on the financial report

We have audited the accompanying financial report of Boom Logistics Limited (the company), which comprises the balance sheets as at 30 June 2009, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 35 and the directors' declaration set out on pages 36 to 91 of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the 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. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Group's financial position and of their performance

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

Whilst we draw attention to the significant uncertainty noted below, in our opinion:

(a) the financial report of Boom Logistics Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

KPMG

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Significant uncertainty regarding continuation as a going concern

Without qualification to the above opinion, we draw attention to note 2(d) to the financial statements which sets out the status of the group's expected compliance with one debt covenant subsequent to balance date. Should the Group be unable to meet its required debt covenants, the Banking Syndicate would have the discretion to dclare an event of default, and should the majority of lenders agree, would provide them with the ability to request immediate repayment of the outstanding amount of debt at that time. As at 30 June 2009 the carrying amount of the debt was $156 million.

The Directors note that they have a high expectation that the mitigating factors set out in note 2(d) will enable the Group to reach agreement with its lenders on the debt covenant in question and meet all other covenants in the future. In the event that agreement is not reached, the covenant is breached and the lenders request immediate repayment of the debt, under current conditions the group would not have sufficient funds to make this repayment. These conditions indicate the existence of a significant uncertainty which may cast doubt on the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business at the amounts recognised in the financial statements.

Report on the remuneration report

We have audited the Remuneration Report included in pages 27 to 34 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Boom Logistics Limited for the year ended 30 June 2009, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Michael Bray
Partner

Melbourne
19 August 2009

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 July 2009.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

	ORDINARY SHARES	
	Number of holders	Number of shares
1 - 1,000	1,707	1,113,303
1,001 - 5,000	4,389	12,560,843
5,001 - 10,000	1,852	14,477,982
10,001 - 100,000	1,696	42,083,947
100,001 and over	116	101,123,127
	9,760	**171,359,202**
The number of shareholders holding less than a marketable parcel of shares are:	2,165	1,682,372

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

		LISTED ORDINARY SHARES	
		Number of shares	Percentage of ordinary shares
1	ANZ Nominees Limited	21,582,432	12.6
2	National Nominees Limited	13,812,801	8.1
3	HSBC Custody Nominees (Australia) Limited	9,758,768	5.7
4	J P Morgan Nominees Australia Limited	9,614,739	5.6
5	Citicorp Nominees Pty Limited	5,052,229	2.9
6	Tarni Investments Pty Ltd	2,687,538	1.6
7	Argo Investments Limited	2,250,000	1.3
8	Mr Leslie Raymond Holt	2,175,370	1.3
9	Mrs Patricia Gail Holt	2,175,370	1.3
10	The Australian National University Investment Section	1,750,000	1.0
11	Mr Hugh Anthony Morris	1,682,928	1.0
12	Mr Robert John Bower	1,348,488	0.8
13	Boom Logistics Employee Share Plans Pty Ltd	1,315,852	0.8
14	Mr Thomas John Morris	1,151,513	0.7
15	Mr Charles Camilleri & Mrs Cecilia Camilleri	1,133,618	0.7
16	BT Portfolio Services Limited	1,011,063	0.6
17	Bond Street Custodians Limited	989,347	0.6
18	Mr Bernard Francis O'Neill	950,000	0.6
19	Purcell Nominees Pty Ltd	680,182	0.4
20	Mr Antonino Salvatore Arto & Mrs Andrea Michelle Arto	670,000	0.4
Top twenty shareholders		81,792,238	47.7
Remainder		89,566,964	52.3
Total		**171,359,202**	**100.0**

ASX Additional Information (continued)

(c) Substantial holders

Substantial holders in the company are set out below:

	LISTED ORDINARY SHARES	
	Number of shares	Percentage of ordinary shares
ANZ Nominees Limited	21,582,432	12.6
National Nominees Limited	13,812,801	8.1
HSBC Custody Nominees (Australia) Limited	9,758,768	5.7
J P Morgan Nominees Australia Limited	9,614,739	5.6

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

BOOM LOGISTICS

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