

Linfox Energy
Efficiency Opportunities Act
Public Report 2009

Environment and Climate Change



GreenFox

The Linfox commitment to the environment

vision
ZERO

- ZERO** Fatalities
- ZERO** Injuries
- ZERO** Motor Vehicle Accidents
- ZERO** Net Environmental Emissions
- ZERO** Tolerance of Unsafe Behaviour & Practices

Statement from the Board:

I was delighted to announce recently that Linfox cut its rate of greenhouse gas emissions by 28 per cent between 2007 and 2009.

In 2007 we set a target to reduce the rate of emissions by 15 per cent by 2010. This was highlighted in last year's report, so I am very proud that our people have developed and implemented a strategy that has helped Linfox far exceed that target.

Australia's Climate Change Minister, Senator Penny Wong congratulated Linfox for this outstanding achievement. She said that by surpassing its own emissions reductions targets, Linfox's efforts served as an example for all Australian businesses.

Linfox's climate change strategy includes a range of activities, from an Eco-driver training program to warehouse energy audits. I am confident that the business can continue to improve its environmental

performance using measures that involve better processes, research, efficient technologies and the commitment of our people.

The energy intensity of the business has been reduced by a further one Gigajoule per 1,000 kilometres over last year and the reduction of energy use has had both an environmental and business benefits.

We commend this report to interested readers and invite your comments.



Peter D. Fox
Chairman
December 23, 2009





Linfox has grown from humble beginnings to become the largest privately owned supply chain solutions company in the Asia Pacific region. Lindsay Fox began his business in Melbourne in 1956 with one truck, delivering soft drinks in the summer months and solid fuel in winter.

Today the massive Linfox Logistics business operates more than 1.8 million square metres of warehousing and nearly 5,000 vehicles across 11 countries. More than 15,000 people deliver sophisticated supply chain services to a wide range of leading businesses.

Across the Asia Pacific region, Linfox Logistics provides logistics services to the world's largest miner, delivers more than 4.5 billion litres of fuels, more than 15 million pallets of goods to retailers and serves nine of the region's top 10 Fast Moving Consumer Goods producers.

Summary of Approach and Outcomes to Energy Efficiency

The process adopted by Linfox has followed the six key elements of the assessment framework.



Linfox is a large, Australian, privately owned Logistics company operating in all states of Australia and 10 other countries.

The predominant business by activity is road transport, although the company also maintains significant responsibility for warehouses and has subsidiary companies involved in cash management and property related activities.

The energy sources used by the Linfox Group in the 2008-09 year are transport fuels (95%) and electricity (5%).

Strong leadership has been provided by the Board and CEO of Linfox Australia to improve energy efficiency throughout the Linfox group of companies.

Regular reporting to the Board on a monthly basis in written reports and biannual presentations to the Board has ensured that the leadership of Linfox is informed and strongly supportive of the process of improving energy efficiency.

Much of the activity of the past 12 months has, in the accounting realm, focused on developing quantity based reports of energy consumption and developing reporting benchmarks for energy use. Automatic reporting of energy use via Linfox's SAP accounting system, has given a high level of reliability. The 2008-09 energy quantitative information, for the first time, was externally audited and verified. This work was co-ordinated by Rod Jackson, Group Financial Controller, Linfox.

Employee engagement

We continued our employee engagement initiative of cultural change regarding energy awareness and energy use under the name "GreenFox". This is now well-known and enthusiastically supported by employees and enhances our energy efficiency improvements in an industry where operator behaviour is more significant than current technological innovation.

GreenFox focuses on individual actions and behaviours to inform, educate and change behaviours at work and at home. The program was initiated and managed by Michelle Joy, Group Manager, Organisational Development and the People Working Group.

The program is supported by a variety of newsletters, weekly tips, publications and other items all designed to focus on reductions in energy use. A more comprehensive outline of these strategies is included later in the section, Cultural Change.

Actions to maximise efficiencies in energy use in this reporting period concentrated on the two major areas of energy consumption, electricity and transport fuel. Our work has highlighted a number of additional opportunities for improvement.

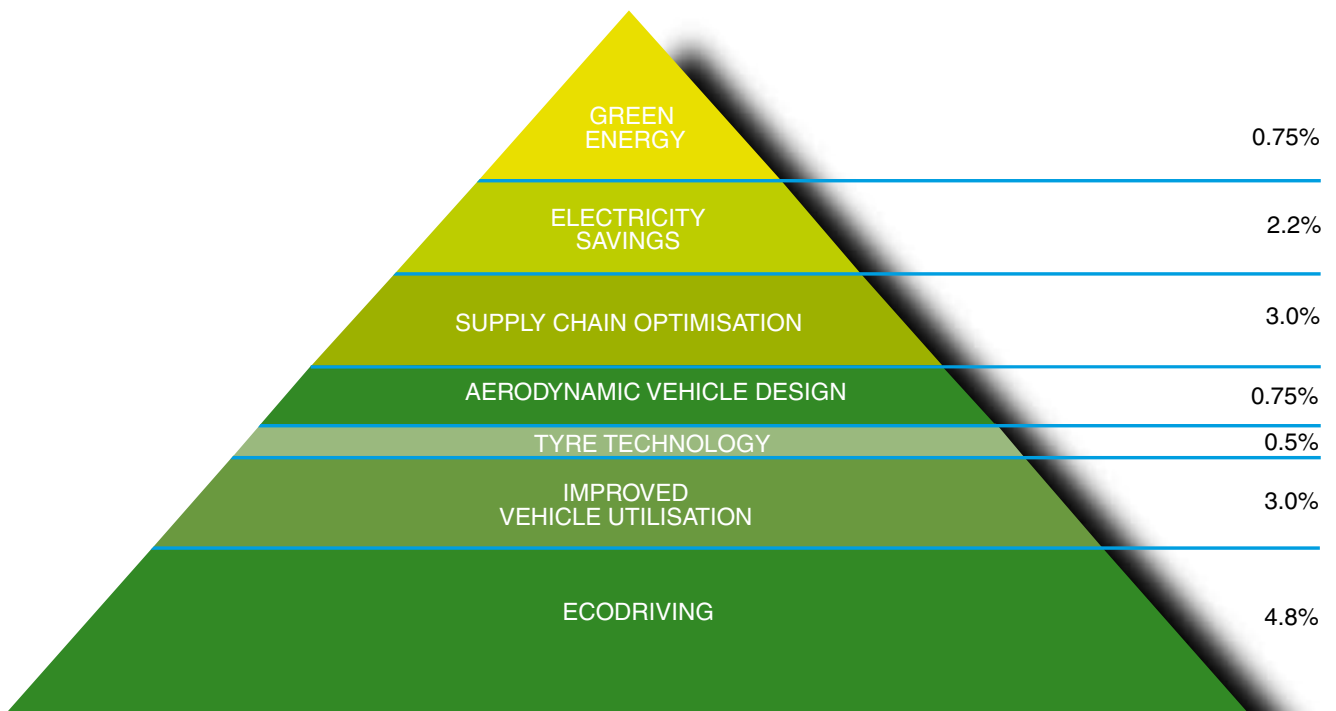
Following our activities in 2007-08 we identified a number of areas for improvement in energy efficiency (see chart on next page) which were the focus of attention in the current reporting year, 2008-09.



Energy Efficiency Opportunities Identified 2008 - 2010

The process of identifying and quantifying these opportunities involved external and internal investigation programs. We trialled a number of initiatives, such as eco-driver training, improved vehicle utilisation, supply chain optimisation and electricity savings. We also engaged external specialists in the areas of aerodynamic vehicle design, tyre technology and green energy.

Estimated savings from the opportunities above depend on the costs of energy, which has been highly volatile for diesel. However, in volume terms we had expected to achieve an average annual saving in the rate of energy consumption of 5 per cent per year to the end of calendar year 2010. In fact the rate of saving has been much higher and our total energy use has declined from 3.6 million Gigajoules to 3.0 million Gigajoules.



Detailed Approach

In 2007 Linfox commissioned PriceWaterhouseCoopers to assist in developing strategies to reduce greenhouse gas generation, mainly by reducing energy use.

This process involved extensive consultation with managers, employees, customers and suppliers. The attached report “Linfox – Carbon Footprint Review” provided much of the basis for our approach to fulfilling the requirements of the Energy Efficiency Opportunities (EEO) Legislation.

The review identified a number of opportunities to reduce carbon emissions.

They related directly to reductions in the rate of energy use and they are reported on in the summary (on the facing page).

Activities carried out under the EEO Legislation are closely related to Linfox efforts to reduce carbon emissions.

The process of evaluation and implementation has been organised through a number of working groups with representation from across the organisation.

The working groups report to a Project Team, convened by the President, Human Resources, Leonard Vary and supported by the Group Manager, Environment and Climate Change, David McInnes.

Linfox - Carbon Footprint Review



13 November 2007

Strictly Private and Confidential

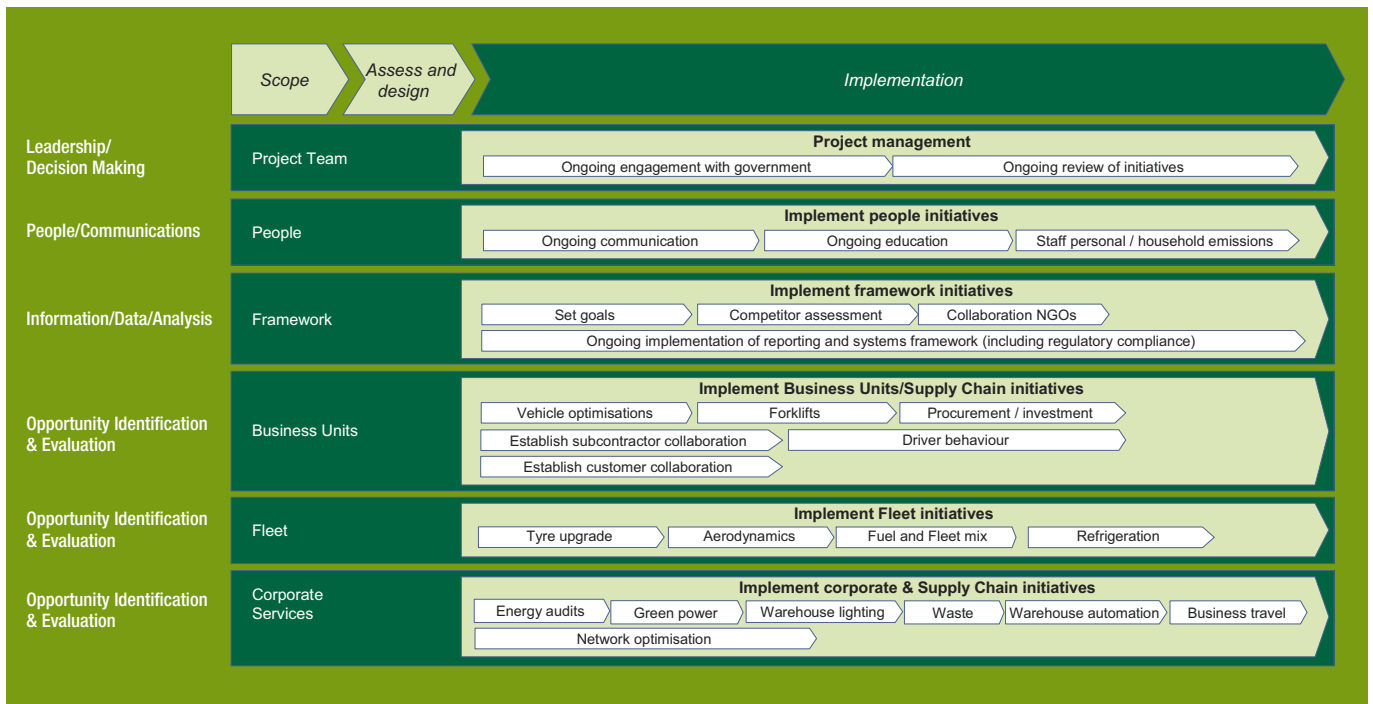


PRICEWATERHOUSECOOPERS

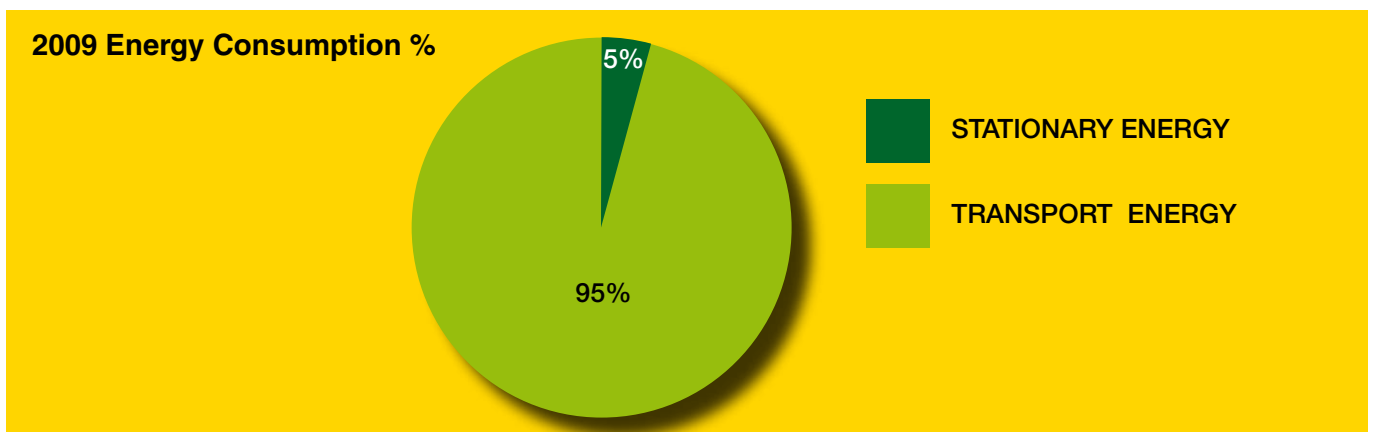
Performance Improvement



The following diagram provides a description of the role, through project definition, of each of the working groups and their relationship to our approach.



In the trigger year chosen for EEO reporting (2006) the energy distribution was predominantly transport energy and this is relatively consistent with the pattern for the 2008-09 year.



Major Areas of Energy Savings

1 Supply Chain optimisation

Supply Chain Optimisation refers to the distribution patterns between the various links in a supply chain and the opportunity to deliver goods from the point of production to the point of consumption within predetermined parameters.

Prior to adopting Linfox's climate change strategy Supply Chain Optimisation was predominantly determined on the basis of price and timeliness. In late 2007 Linfox was one of the first organisations in Australia to trial Carbon Footprint software which tracked carbon emissions (as an outcome of energy use). We have found this to be a powerful tool for measuring energy use when considering supply chain options and have trialled it with national customers with some surprising results.

Our analysis has shown that with one trial customer a 10 per cent reduction in energy use could be achieved with no increase in cost through three main actions:

- Changing the source of freight
- Changing the mode of transport
- Change the transport route

Not all of the above actions are within Linfox's control; implementation of such changes requires our customers' capacity and willingness to change. However, this powerful analytical tool provides significant opportunities for reductions in energy use, although it is very time consuming in the data capture and analysis stages.

Linfox's Supply Chain Solutions (SCS) experts are designing new operating efficiencies. The (SCS) team plays a key role in developing continuous improvement efficiencies.

Chris Hemstrom, Linfox's Group Manager Supply Chain Solutions says, "We provide a team of specialists from a range of disciplines to identify, evaluate and implement value-adding processes."

"It is vital that we identify continuous improvement across all operations, particularly in the current economic climate."

The SCS team developed a collaborative approach with a standard framework to provide a robust process for analysing and identifying supply chain improvements.



Major Areas of Energy Savings

2 Improvement process

“Our focus is to ascertain areas in the business where we can identify achievable outcomes that add value for customers and Linfox,” said Chris. “A program will run for nine to 10 weeks.”

Once we have identified operations that can benefit from process improvement we work with site management and employees gathering data for analysis.”

“The initial analysis should yield opportunities for value-building initiatives.”

“These opportunities are then workshopped to identify the most practical and valuable initiatives. The workshop, involving customers, as well as site and senior management uses Edward de Bono’s ‘six hats’ system of review to rank initiatives. This provides a rigorous assessment of options and allows the customer and the site team to develop business cases to gauge their potential for adding value.”

3 Snacks on time

The SCS team worked closely with the Smith’s Snackfood Company and Linfox’s Linehaul Business Unit to boost vehicle optimisation in the national distribution of the company’s famous brands.

Chris Hemstrom said, “The SCS team worked with the Smith’s production team. We’re now using a collaborative planning, forecasting and replenishment model to sharpen the accuracy and visibility of production planning.”

“By working closely with Smith’s production team, Linehaul can more accurately allocate its specialised cubic vehicles and rail network. This optimises the speed of product in the supply chain and vehicle utilisation. We’re delivering efficiencies for Smith’s and Linfox operations.”

Major Areas of Energy Savings

3 Timber network



Linfox customer Carter Holt Harvey (CHH) supplies a range of timber products in Australia and New Zealand and Linfox provides supply chain operations for their distribution network.

Late last year CHH acquired the Australian operations of another timber

producer. Linfox's Industrial Business Unit operational team and the SCS team worked closely with CHH to optimise their new expanded network in Australia.

"We reviewed operations in Queensland, New South Wales, Victoria and South Australia looking at more than 12 months of data. We then modelled various new network scenarios to determine an optimum

fit," said Chris Hemstrom. "Our goal was to build an efficient network, in terms of overall cost and the environmental impact of the transport operations." The review used 'Centre of Gravity' analysis to identify the optimum location for sites based on distances travelled and the volumes of product transported to CHH's customers.

The review recommended a number of substantial changes to the CHH network, including the closure and consolidation of a number of depots. "The recommendations detailed the value impacts as well as the impact of the various options on carbon emissions, both critical considerations."



Major Areas of Energy Savings

4 Smart review

Linfox's SCS team provides an in-house consultancy service with a range of related business disciplines.

We provide the expertise and the planning tools that can help Linfox managers evaluate potential new efficiencies for our customers' supply chains. Continuous improvement is a critical process and our team provides expertise to assist our Business Units.

5 Aerodynamic Vehicle Design

A joint study involving Linfox, MaxiTRANS and Monash University has investigated the potential for truck and trailer aerodynamics to help the transport industry lower carbon emissions.

Reducing carbon emissions is a key issue for the transport industry, but finding appropriate solutions requires time and investment. Linfox joined The School of Engineering at Monash University and MaxiTRANS, a trailer manufacturer, to investigate how aerodynamics of heavy vehicles can potentially reduce fuel consumption and consequently greenhouse gas emissions.



6 Why aerodynamics

Fuel and engine technologies ultimately promise to transform transport into a very low emissions sector. However, these technologies have very long lead times and need huge investment. Aerodynamics represents a much more immediate opportunity.

Linfox is investigating vehicle aerodynamics as part of its broader environmental strategy.

When a truck is travelling at more than 80km per hour on a highway, air resistance creates significant drag on the vehicle. The gap between a prime mover and trailer is one of the most significant areas of drag. This drag means the engine must work harder, using more fuel and generating more carbon emissions.

Aerodynamic designs for truck and trailer combinations will reduce drag and increase fuel efficiency.

Major Areas of Energy Savings

6 Significant impact

The joint study found that implementing aerodynamic technology in vehicles can reduce fuel consumption by 15 per cent, which lowers carbon emissions by 8.4 per cent. Linfox is now working with the Australian Logistics Council to secure Federal Government funding to take this initiative forward. Linfox's Environment and Climate Change Team is also working with a customer to develop new aerodynamic vehicles. Government support is needed to facilitate widespread adoption of a road freight aerodynamics standard. Linfox, MaxiTRANS and Monash University are now working together to increase the availability of aerodynamics options for the road freight sector.

7 Improved Vehicle Utilisation

Government support is needed to facilitate widespread adoption of a road freight aerodynamics standard.

Improved Vehicle Utilisation refers to the elimination of vehicles travelling empty without freight on board.

Providing customers with specialised solutions builds efficiencies in their supply chains, but finding further efficiencies is an ongoing opportunity for Linfox in reducing energy use.

One of the greatest challenges in transport operations is reducing 'empty running' of vehicles by finding opportunities to backload trucks after their initial delivery. In the timber industry Linfox is using specially designed vehicles where the flat-top trailer incorporates a tank that holds fluids. This allows the vehicles to deliver ethanol and resin to production plants and distribute completed particle board products from them.





Major Areas of Energy Savings

8 Retail efficiency

In recent years deliveries to key supermarkets in Australia have implemented a system using roll cages of grocery stocks in place of traditional pallets. The roll cages are simpler to handle on delivery into store than the traditional pallets which required manual handling equipment and took up considerable back-of-store space. A key to the success of transporting roll cages was introducing a specialised load restraint system that safely locked the cages in place once they were rolled into the trailer from the rear. The trailers incorporate vertical restraint bars that can be moved and locked in place to secure loads.

Linfox recently introduced 44 new trailers with the versatility to carry loaded roll cages to stores as well as being able to easily be loaded to carry pallets of grocery items back to the distribution centre, together with collapsed empty roll cages.

The benefits of this arrangement for retailers and their suppliers are substantial.

The new 45-foot tautliner trailers replace pantechicons and afford far greater flexibility, by allowing rear and side loading. The tautliners carry the same roll cage restraint system but their side curtains incorporate composite supports with conventional buckles and straps to provide a system that can also restrain pallet loads.

This system is much safer to operate, allows faster loading and unloading cycles and reduces the need for costly and time-consuming repairs to gates. Drivers have given the new system their seal of approval.

Linfox is working with customers to develop more opportunities to take advantage of the cost and energy savings provided by this development. Our Retail and FMCG Business Units will continue to offer customers new efficiencies from this system. We will develop further innovations in our fleet that reduce backloading and generate value for our customers and reduce total energy use.



Major Areas of Energy Savings

9 Eco driving



Eco Driving refers to a system of driving where optimum fuel economy is achieved by the vehicle operator. This incorporates a range of driving behaviours that have been codified by Linfox and translated into a training curriculum document.

Over the next 18 months it is planned to train all Linfox Vehicle Operators in Eco Driving.

Linfox has also partnered with a firm of Environmental Specialists, Andromeda Pty Ltd to produce the Eco Drive program in an online version for use by Linfox employees and external users.

This program is now available to Linfox employees online or instructor directed training. Up to June 30, 2009, 166 drivers had been trained in Eco Driving.

Upon graduation each driver receives a GreenFox badge for display on their uniform signifying they have passed their Eco Drive program.

In the absence of significant technological advances Eco Driving represents the single largest opportunity to improve energy use in the road transport sector.

The biggest barrier to adopting the Eco Driving principles is their acceptance by vehicle operators. To overcome this at Linfox a variety of strategies and materials have been developed to improve acceptance.

These include delivery modes, learning materials, coaching, monitoring and recognition programs.



Major Areas of Energy Savings



LINFOX

GreenFox

The Linfox commitment to the environment

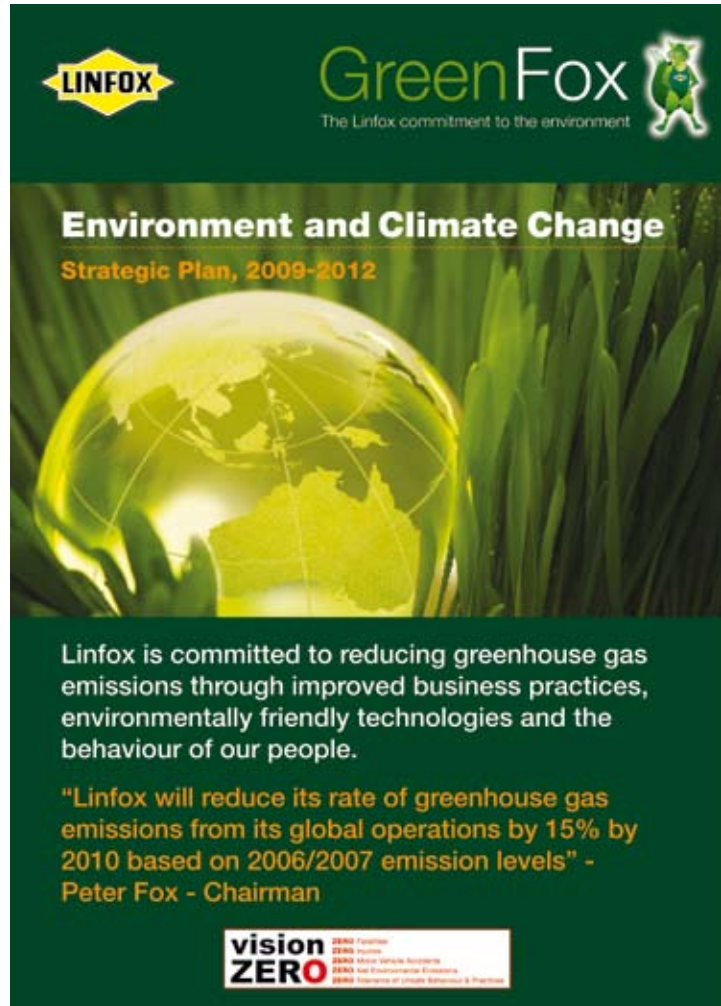


Environment and Climate Change

Linfox is committed to reducing greenhouse gas emissions through improved business practices, environmentally friendly technologies and the behaviour of our people.

vision ZERO


- ZERO Fatalities
- ZERO Injuries
- ZERO Motor Vehicle Accidents
- ZERO Net Environmental Emissions
- ZERO Tolerance of Unsafe Behaviour & Practices



LINFOX

GreenFox

The Linfox commitment to the environment



Environment and Climate Change

Strategic Plan, 2009-2012

Linfox is committed to reducing greenhouse gas emissions through improved business practices, environmentally friendly technologies and the behaviour of our people.

"Linfox will reduce its rate of greenhouse gas emissions from its global operations by 15% by 2010 based on 2006/2007 emission levels" - Peter Fox - Chairman

vision ZERO

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10 Electricity savings

The majority of electricity use in Linfox is in office or ambient temperature warehouse environments. Linfox does not have control over electricity metering, regulation or payments in 99 of its 215 sites throughout Australia.

In such cases Linfox operates as a Logistics tenant often as part of a premises controlled by a manufacturer or distributor. Of the remaining 116 sites 71 are Logistics sites and 45 Armaguard sites.

It was decided to start with a program which highlighted a common electricity use in all sites where Linfox had effective control – lighting.

A total of 70 sites have now conducted electricity audits using the Greenhouse Challenge Plus Energy Audit Tool for Indoor and Outdoor Lighting (the major component of Linfox electricity use in ambient temperature warehouses) last year and a further 71 have conducted audits and assessments in 2008-09.

The results of the audit, conducted by two site representatives and a member of the Environment



and Climate Change office identified many opportunities for energy saving through:

- Changed Practices within the site
- Installation of new lighting mechanisms
- Changing automatic control systems
- Greater awareness of electricity use

The program has involved changes to specifications for new buildings incorporating energy efficient design (the first building, opened in the current year and completed since this program has a five star energy rating).

An Electricity Working Party has been formed to concentrate exclusively on the opportunities that have been identified and a methodology for progressive implementation.

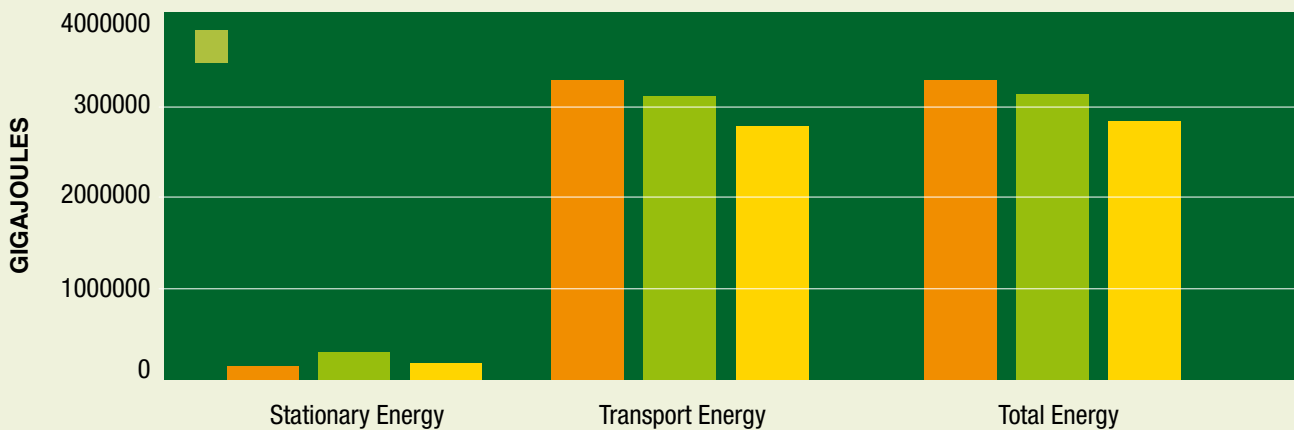




Outcomes

Since the introduction of EEO Act and the trigger year of 2006 Linfox has grown significantly as a company. Turnover since 2006 has increased by approximately 40 per cent and the index used as a basis for energy intensity, one thousand kilometres of fleet travelled, has increased since 2006 by 21 per cent. The composition of energy consumption in the 2008-09 year has shown the preponderance of road transport as an energy user with 95 per cent of energy use relating to the consumption of transport energy.

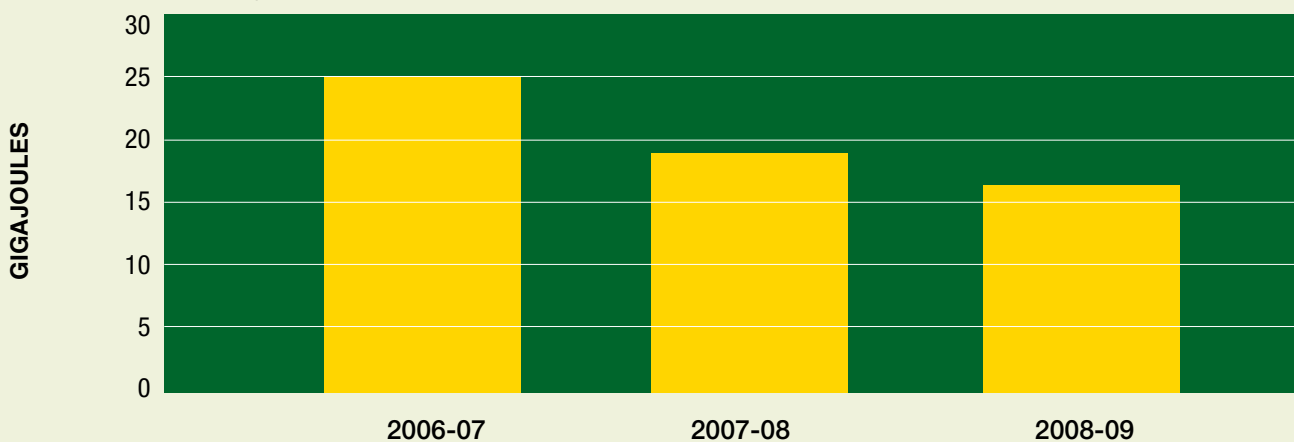
Energy Use - Linfox Group (Aust)



Linfox Group (Australia) consumption of energy use in the 2008-09 year represents a 16 per cent reduction against the base year of 2006-07. This is a very positive achievement in energy efficiency, particularly where total kilometres travelled has increased by 21 per cent since 2006-07. It reflects a continuing reduction in energy intensity as a result of the actions identified in this report consistent with the provisions of the EEO Act.

Energy intensity (measured by whole of company kilometres travelled) has decreased from 25 Gigajoules/1,000 km in the base year to 18 Gigajoules/1,000 km in the current reporting year.

Energy Intensity (GJ/1000 km)

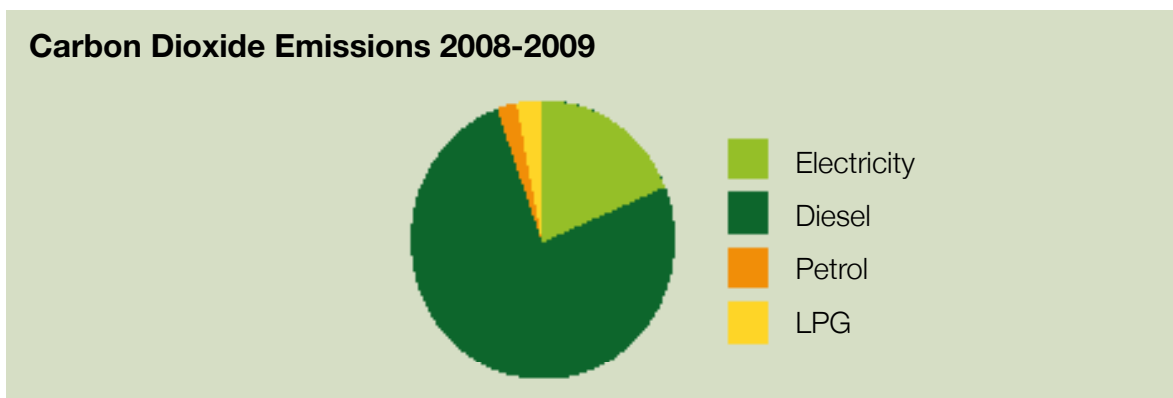


This trend is very positive. It is a trend that we hope to continue as we upgrade our recording and monitoring systems, access superior technology and most importantly, as our employees continue to embrace the behaviours that deliver improved energy efficiency.

The Impact of reduced energy use on carbon emissions

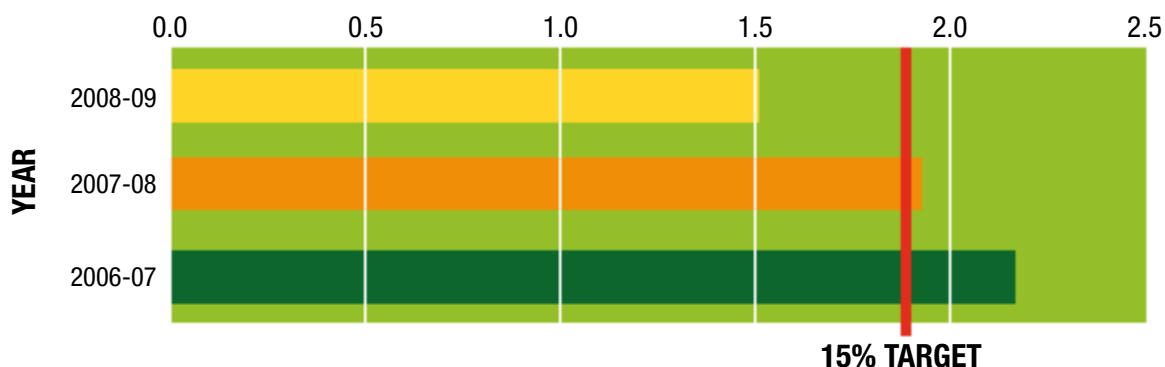
The impact of reduced energy use has seen a related decrease in carbon emissions. In 2007 Linfox Chairman, Peter Fox, set a 15 per cent reduction target in the rate of carbon emissions based on the 2006-07 level. The measure of the rate of carbon emissions is the amount of carbon dioxide equivalent emitted per 1,000 kilometres of fleet distance travelled.

The source of greenhouse emissions is not precisely the same as the energy mix because some sources of energy have a higher carbon dioxide emission factor per unit. This is particularly so with electricity, which represents only 5 per cent of Linfox's energy use, but generates 19 per cent of carbon dioxide emissions



The rate of greenhouse gas emissions has decreased each year since 2006-07 demonstrated on the bar chart below:

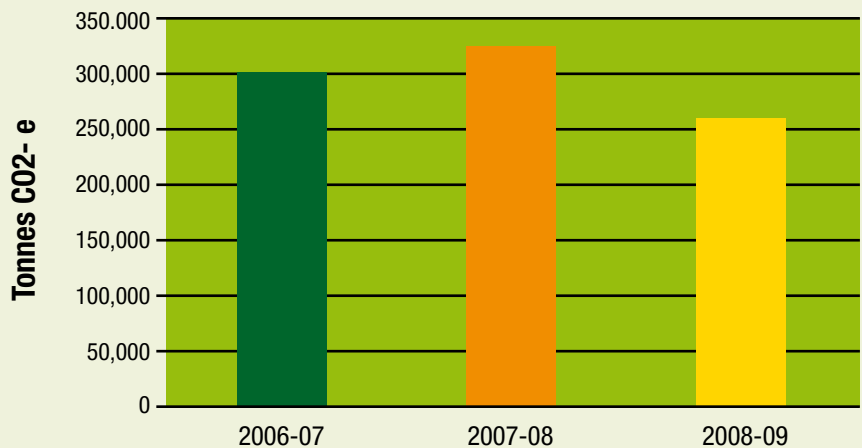
Linfox Australia (Group)
Rate of Tonnes of Greenhouse Gas Emissions per 1000 kilometres
Tonnes of CO₂-e per 1000 kilometres





Greenhouse Gas Emissions as an absolute measure are now less than in our base year of 2006-07. In 2007-08 there was a growth in emissions reflecting new business acquisitions but since that time determined actions to reduce the rate of emissions have resulted in reduced energy use and as a consequence reduced emissions.

Greenhouse Gas Emissions (Australia)



For further information regarding this Linfox Report or any matter concerning Environment and Climate Change, contact:



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PUBLIC REPORT TEMPLATE

Controlling Corporation

Linfox Pty Ltd

Period to which this report relates

Start July 1, 2008

End June 30, 2009

Part 1 – Information on assessments completed to date

Table 1.1 – Description of the way in which the Corporate Group (or part of it) has carried out its assessments

During the year 71 assessments were completed of a planned 73. Two planned assessments were discontinued as the sites were vacated by the company. These assessments focussed mainly on electricity use, a minor energy source (5%). The majority of Linfox energy is used in motor vehicles, particularly heavy vehicles throughout Australia. Energy from fuel in the 2008-09 year represented 95% of energy consumed by the group and has been the major focus of attention and investigation. The major opportunity, in the absence of technology improvement is in the operational practices and skills of driving operators. Linfox has therefore embarked on a programme of Driver Assessment and Training of all company employed, heavy vehicle drivers. A variety of trials have been conducted, curriculum designed, based on the assessments and it is planned to train all drivers in this curriculum over a two year period. Assessment and Training occurs over a one day period and in the first 6 months of the programme (ending 30/6/2009) 166 drivers have been assessed and trained. This will be the major focus of activity for the next 12 months with a 2 year plan to complete all drivers. Other implementation of audits from the 2007-08 year have progressed, mainly relating to lighting and control systems as well as education in energy saving behaviours by staff, however this is not material when the energy mix of the group is considered.

Table 1.2 – Energy use assessed

Group member and/or business unit and/or key activity and/or site that has had an assessment completed by the end of this reporting period.	Period over which assessment was undertaken ¹	Energy use per annum in GJ ² in the current reporting year
Linfox Australia (Group Member)	July 2007 – June 2008	2824907
Linfox Armaguard (Group Member)	June 2008- July 2009	191714
Total energy assessed		3016621
Total energy use of the group in the current reporting year		3067091
Total energy assessed expressed as a percentage of total current energy use		98%



1. This should be the start and finish date (month and year) for the assessment (planned assessment dates were nominated in Table 3.1 of the approved ARS).
2. Energy Bandwidth may only be used if approved in the Assessment and Reporting Schedule.

Part 1 – Information on assessments completed to date (continued)

Table 1.3 – Accuracy of energy use data

Entity	% achieved	Reasons for not achieving data accuracy to within ±5%
Linfox Australia Pty Ltd (2007-08) Group Member	+/- 5%	
Linfox Armaguard Pty Ltd (2008-09) Group Member	+/- 5%	

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2A - New Assessments completed during the reporting period

Name of Group member or business unit or key activity or site: Linfox Armaguard Pty Ltd

Energy use of the entity during the current reporting period

191714	GJ
--------	----

Table 2.1 – Opportunities assessed to an accuracy of ±30% or better

Status of opportunities identified		Number of opportunities	Estimated energy savings per annum by payback period (GJ)			Total estimated energy savings per annum (GJ)
			0 – < 2 years	2 – ≤ 4 years	> 4 years	
Outcomes of assessment*	Total Identified	2	359	538	897	1794
	Business Response*					
	Under Investigation					
	To be Implemented			538	897	1435
	Implementation Commenced	1	359			359
	Implemented					
	Not to be Implemented					



Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2B - Update of assessments originally reported in previous reporting periods

Name of Group member or business unit or key activity or site: Linfox Australia Pty Ltd

Energy use of the entity during the current reporting period

3067091

GJ

Table 2.3 - Opportunities assessed to an accuracy of $\pm 30\%$ or better

Status of opportunities identified		Number of opportunities	Estimated energy savings per annum by payback period (GJ)			Total estimated energy savings per annum (GJ)
			0 – < 2 years	2 – ≤ 4 years	> 4 years	
Outcomes of assessment*	Total Identified	8 (76)	30650	45975	76625	153,250
	Business Response*					
	Under Investigation	(71)				
	To be Implemented	4		45975	76625	122600
	Implementation Commenced	4 (3)	30650			30650
	Implemented					
	Not to be Implemented	(2)				



Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2C - Details of at least three significant opportunities found through EEO assessment

Table 2.5 – Description of 3 significant opportunities

Opportunity 1

Ecodriving: trials conducted by the company have demonstrated energy savings of up to 14%. As a consequence the company has developed curriculum to train drivers in the skills of eco driving. This material has been developed to provide instructor based training and also online training. One hundred and sixty six drivers had been trained to June 30, 2008 and it is planned to train all drivers over the next 18 months.

Opportunity 2

Supply Chain Optimisation: Supply chain optimization has been used as a tool in logistics for at least 2 decades, extensively, but Linfox has now acquired carbon mapping software which essentially maps energy use and can therefore optimize this element of the supply chain inputs. We have commenced trials with customers and in some cases reduced energy use in parts of contracts by up to 70%, mainly through modal switching of transport. This technique requires a high level of trust, transparency and co operation by the customer. During the year Linfox won industry recognition from the Logistics industry for our development of this capacity in conjunction with Software supplier Infor Pty Ltd.

Opportunity 3

Improved Vehicle Utilisation: Reducing empty running time of vehicles continues to be a focus for the business in reducing the number of vehicles in operation and fully loading those that are operating. A dynamic scheduling system in our Retail division had very good results in this area and has received industry recognition for excellence in the annual industry Mercury Awards conducted by Australian Logistics magazine, a leading industry publication.

Opportunity 4

Aerodynamic design of trucks and trailing equipment: We have continued our work with Monash University to develop more aerodynamic vehicles to reduce aerodynamic drag and therefore reduce energy use. This is an area where we think government should take a legislative lead and define some Australian Design Rule Standards for the heavy vehicle industry. Potential savings across the transport industry of 10% would not be an unreasonable expectation from industry wide implementation. This particular development does not depend on particular driver behaviour because it is embedded in the design of the truck and trailer combination.



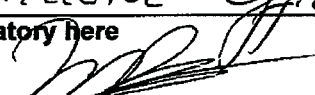
Part 3 - Voluntary Contextual Information

(See Attachment)

Part 4 - Declaration

Table 4.1 - Declaration of accuracy and compliance (mandatory information)

The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*.

<i>Chief Executive Officer</i>	
Insert Title of Signatory here	
	
Date	
<i>23/12/09</i>	