



Year in review

Linfox Logistics' CEO Michael Byrne reviews the highlights of 2008.



CEO, Michael Byrne.



One of the new fleet for our BHP Billiton work in WA.



Robert Pesti, Altona Victoria.

While we now face tough economic challenges; challenges we are well prepared to confront together, we have achieved much in safety, new business, the development of our people and reducing our environmental impact.

Safety improvement

The Safety team has driven an active program to keep our Vision Zero 'front of mind'. We are conducting Stop for Safety III, with 14,000 people stopping to review our safety rules and working with their colleagues to recommend improvements in our working environments.

The Peak Season Safety program is ensuring that we remain safe over the hectic December – January period. Our safety performance to November shows:

- The Lost Time Injury Frequency Rate of 4.3 has nearly halved since June 2008 and is well ahead of the June 2009 target of 5.8
- The Medical Treatment Injury Frequency Rate of 19.7 is also an improvement and ahead of the June 2009 target of 20.8
- Our Motor Vehicle Accident Frequency Rate, while showing some improvement, at 5.5 has not reached our June 2009 target of 4.8.

We must remain focused on achieving all our safety targets.

Business growth

We launched Linfox's five-year growth strategy in July. The strategy accounts for an economic downturn in the first two years, and therefore focuses on building new efficiencies across our business and pursuing organic business growth.

The strategy's second phase, from 2010 to 2012, targets substantial new growth, coinciding with forecast renewed economic vigour in the Asia Pacific region.

In 2008 our business growth included:

- A new warehousing contract for Procter & Gamble (P&G) in Malaysia, which saw Linfox open DCs for P&G in Malaysia and Australia
- Our work with Coles in Victoria and New South Wales grew substantially with a major new five-year contract
- We expanded our work with the Mars group by adding their market leading Australian Petcare business to our existing work with Mars food group
- Australia's largest hardware chain, Bunnings signed with Linfox
- In India, Hindustan Unilever signed an agreement to increase their distribution network with Linfox
- Linfox began transport services for BHP Billiton's massive iron ore and nickel mining interests in Western Australia

“I thank everyone for their contribution to an exciting 2008 and wish you well for the Festive Season and New Year.”



A new mega-DC in Bangalore, India.



- We also began transport for Bayi Steel in China's resources-rich far west.

Our expanding portfolio is increasing the number of employees at Linfox and for the first time we employ more people in Asia than in Australia.

This business expansion is also reflected in an 11 per cent growth in Linfox's revenue in the current financial year and an increase in profit.

However, the slump in financial markets has driven up funding costs and we are yet to see if the Australian Government's spending stimulus will spur on our Retail and FMCG customers' December – January trade; a vital part of our business.

Linfox people

We expanded education opportunities through Linfox College. Victoria University will provide major new studies, with degrees up to Masters level now available to Linfox employees.

Eighty-four Site Managers completed the Management Development program and more than 300 Site Supervisors began the new Leadership Skills Course. More than 2,900 employees now use Linfox College online.

Developing the skills and knowledge of our people is essential for their careers and for Linfox's future success.

While the Linfox team grows, we also developed

Commercial and Marketing areas in the business to drive operating and efficiency gains and to provide a targeted approach to business development.

Environmental care

Our environmental strategy involves people across the business helping to reduce our carbon footprint. More than 180 people have registered as Green Foxes and a range of initiatives is being developed and/or trialed to help meet our goal of reducing our rate of carbon emissions by 15 per cent by 2010.

Recently Linfox and other leading businesses signed a communiqué calling on governments attending the global climate change

conference in Poznan to set substantial cuts in carbon emissions when they discuss new long-term global targets.

A challenging 2009

I thank everyone for their contribution to an exciting 2008 and wish you all the very best for the Festive Season and New Year.

We know it will be a tough 2009 but we have the strategies to continue succeeding as a leading supply chain company. I look forward to your continued support as we face these challenges together.