

Chillout

An Oxford Cold Storage publication

Message from management

– December 2010

As 2010 comes to a close it is time to reflect on the year just gone. Since our last news letter Oxford has under gone significant change and growth.

Over the past 14 months we have opened Freezer 11D which provides National Distribution Centre services for Don-KRC. An extension to Freezer 11C has added an additional 5,000 pallet spaces to cater for Fonterra's growth and we have built & commissioned Freezer 13 which has added 17,500 pallet spaces which is predominantly occupied by McCain Foods. In all we have added 37,000 pallet spaces to the site. Our total site capacity now exceeds 150,000 pallets.

The Don-KRC project has been one of the hardest & most complex implementations ever undertaken by Oxford. GWF purchased the KRC business and has been in the process of merging it with its Don's business. This process is not yet complete. The merger of the two businesses and the combining of the warehousing and distribution was extremely difficult task. While we have faced many challenges over the past 13 months and some challenges still remain, the hard work and commitment by Oxford and Don-KRC staff has ensured that those challenges are being addressed. This has been a very difficult time for all involved and we thank everybody for their significant efforts.

The extension to the 11C chamber was completed in June this year. This has allowed us to consolidate all Fonterra finished goods under one roof. The additional capacity will also help us manage the extra volume required for the combined Nestlé – Ski yogurt operation. The Ski yogurt DC transfer from Sydney to Melbourne has commenced and should be completed by March next year. So far the transfer has been extremely successful. We have been able to support Fonterra with their manufacturing plant change and the start up issues that they have experienced.

Although the transfer process is not complete, we congratulate all Freezer 11C staff for their significant contribution, with a special thanks to the Fonterra team who have worked extremely hard to ensure the success of the transfers.

Chamber 13 was completed in June this year. The completion of the store coincided with an agreement to store an additional 10,000 pallets for McCain. Part of the agreement was to split the McCain retail and food service operations. The new chamber will primarily service food service & QSR (quick service retail – fast food) while the existing chamber 11 will serve McCain's retail operation. The transition has gone ahead without disruption. It is a credit to both Oxford & McCain who have worked so well together in order to achieve a great result.

Oxford staff can be proud of their efforts & the results achieved

Apart from the major construction projects we have completed a number of smaller but none the less important tasks, and continue to service all clients with the professionalism that they deserve. Oxford staff can be proud of their efforts & the results achieved.

The weak economy and drought have continued to cause issues for our business. In particular increases in electricity costs continue to provide challenges for us. We need to be very cost conscience especially with talk of carbon & energy taxes which may have the potential to greatly impact the company. We have also experienced revenue issues as our customers are being placed under increasing pressure by their clients to either hold or reduce costs.

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With pressure being felt on both the revenue and cost side of the business, we will continue to pursue cost cutting opportunities. This will be extremely important to ensure the future viability of the company. We ask for all our staff's help and patience in order to achieve the best outcome for all.

Our IT businesses are undergoing further transformation under the direction of Frank Ajzensztat. 2010 has been a difficult year for Radio Terminal Systems (RTS) and Fleet Management Systems (FMS) team, however we are looking to 2011 with renewed optimism and enthusiasm, as the economy slowly improves and businesses look at re-investing in their supply chain requirements.

2010 also saw the formation of Oxford Container Services (OCS). This is a new company that provides shipping container storage for importers and exporters. I refer you to the article later in the newsletter.

Management thank all staff for their continued efforts and loyalty. It is a credit to all our staff that Oxford is able to maintain the high levels of service we provide. We can all be confident that by maintaining this level of effort and pride, we will continue to succeed in meeting and even exceeding our clients' expectations.

On behalf of the Fleiszig & Stern families we wish all staff and customers a safe and happy festive season and look forward to a fantastic 2011.

Don KRC. Delivering the bacon — and so much more

For more than eight years Oxford has provided distribution and warehousing for Don and now Don KRC. The Oxford Laverton operation is the largest warehousing and distribution centre used by George Weston Foods in Australasia – making the relationship between the Oxford and Don KRC essential to our success.

But who are George Weston Foods and Don KRC? What is our history and where are we heading?

Our Family Tree

Don KRC belongs to a network of companies that stretches across the globe; we are a division of George Weston Foods, which is a wholly owned subsidiary of Associated British Foods, one of the world's leading food companies.

Associated British Foods

Associated British Foods (ABF) is an international food, ingredients and retail group with annual sales of £9.3 billion.

Don KRC

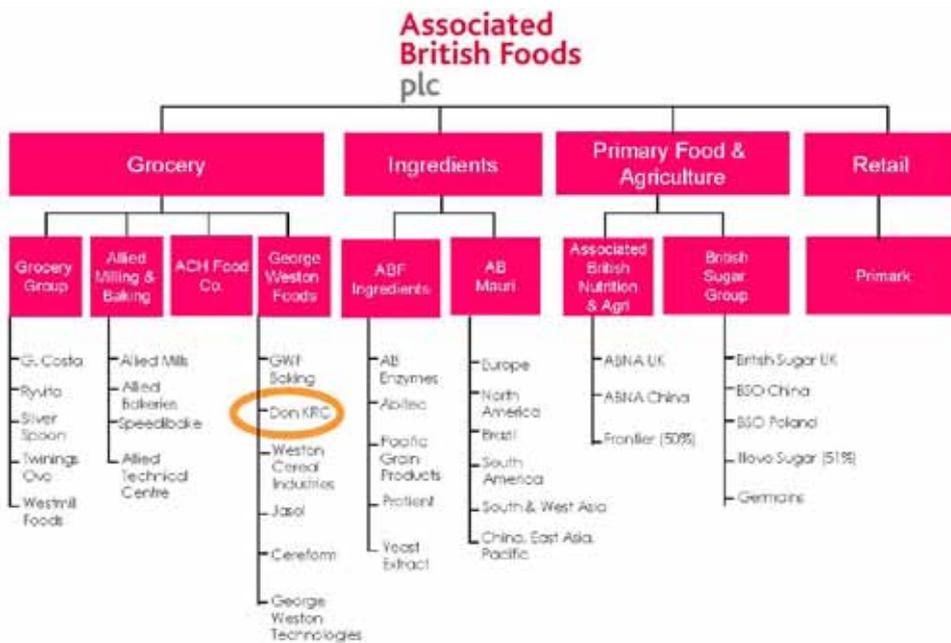
Don KRC is one of the largest smallgoods and processed meat manufacturers in Australia. The business employs more than 1600 people in our manufacturing sites, piggeries, sales offices and distribution centres across Australia. We produce some of the most prominent market brands on the shelf including Don, KR Castlemaine, Melosi, Huttons, Otto Wurth and Watsonia. We manufacture ham, bacon and smallgoods for the retail and foodservice sectors; customers include McDonalds, Woolworths, Campbells, Subway, McCains, Coles and Metcash.

Our future

In July 2008 Don KRC announced it would transfer production from Spearwood (WA) and Altona to one site in Castlemaine. The Castlemaine site is being expanded in a project worth more than \$150 million, which includes an investment of \$80 million in equipment and new technology. Completion of the expansion is expected towards the end of 2010.

The new building includes a robotic palletising area and automatic guided vehicles (AGV's) to transport meat, packaging and ingredients from the load docks into the factory and return with palletised finished goods.

The new load out area has five docks. It is anticipated that there will be 16 B double shuttles running between Castlemaine and Laverton each day, bringing chilled and frozen meat to Castlemaine and returning with finished goods.



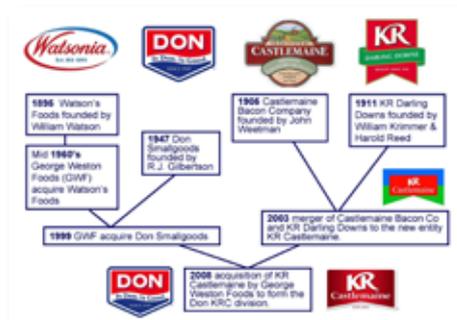
ABF has more than 96,000 employees in 44 countries; well-known brands include Twinnings, Ryvita, and Ovaltine.

George Weston Foods

George Weston Foods (GWF) is one of Australia and New Zealand's largest food manufacturers, employing around 8,000 people in close to 60 sites. Some of Australia and New Zealand's best loved brands are produced by GWF, brands like Tip Top, Golden, Top Taste, Noble Rise, and Burgen.

Our History

Our history stretches back to 1895 when William Watson founded Watson's Foods in Western Australia and the Watsonia brand was born.

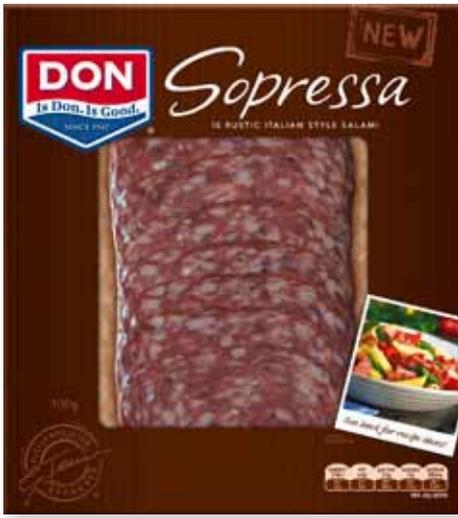


Aerial view of the exiting Castlemaine factory (left) and the 5 acre extension (right)

Our products

At Don KRC we make more than 400 different products including bulk and pre packed bacon and sliced meats, salami, prosciutto, ham, kabana, sausages, pancetta and cooked on bone hams. We also produce a range of Bred Free Range bacon and ham (pictured).





Recently Don launched an exciting new range of premium sliced continentals in Coles, Woolworths and the Independents. These continentals are aimed at consumers who are looking for the highest quality and willing to experiment with different tastes. The range (pictured) comprises of Sopressa, Pancetta, Bresaola and Prosciutto.

Our partnership

Don KRC looks forward continuing the successful relationship with Oxford. Don KRC Supply Chain Director, Lachlan Welsh cannot stress the importance of the partnership between Oxford and Don KRC.

“To say that Oxford are partners with our business is an understatement. Our relationship with Oxford really is the definition of what a business partnership should look like.”

The ‘KR’ brand originates from the first initials of Darling Downs’ founders Krimmer and Reed.

Oxford launches new service

In March 2011 the Oxford Logistics Group decided to extend the service offering to customers by creating Oxford Container Services.

OCS has been established to provide powered storage facilities for refrigerated import and export shipping containers.

The new site is located at 13 Oxford Road, Laverton North and is managed by Colin Pirret & assisted by Brendan Yendall. Both Colin and Brendan commenced their careers with Oxford Cold Storage before being recruited to manage the new container yard.

OCS offers importers and exporters the opportunity to store reefer units on power. Each container is monitored whilst in the yard to ensure the temperature setting is maintained. In all **OCS** has the capacity to store 240 containers on power at any given time.

Customers use the **OCS** yard to store containers off wharf instead of incurring high rates imposed by the wharf operators for failing to load or discharge the containers within a 3 day timeframe. Rather than pay high demurrage fees on wharf it is cost competitive to relocate and store containers on power at **OCS**.

The **OCS** yard has Approval of Place for Quarantine by the *Australian Quarantine & Inspection Service*. The yard is also registered to store Class (ES) of Goods 2.8 refrigerated imported pork.



Project ZERO

As stated in the last edition of Chillout, Oxford has set an aggressive safety improvement target over the next 3 years. The strategic plan is aimed at reducing our rates of injury and improving our safety performance.



Safety Performance Targets

At the end of the financial year 2010, we had only reduced the number of Lost Time Injuries (LTI's) by one compared against the previous financial year. Although the reduction is minor, it shows that collectively we can reduce our Lost Time Injury rate if we focus on improvement. This is especially encouraging when you consider that we have increased our number of employees by over 15% for the same period.

To ensure we continue to reduce the number of LTI's the aim of each and every one of us should be to work as safely as possible and to ensure we not only keep an eye out for ourselves but for our colleagues as well.

Safety training

Over the past three months, eight Supervisors have voluntarily completed their first semester of the Oxford Supervisor Training Course, which has been held every second Saturday. The course has been specifically designed to meet the needs of Oxford Mangers. The course covers subjects such as;

- Occupational Health & Safety
- Developing & maintaining a safe workplace
- Implementing effective workplace relationships
- Promoting team effectiveness
- Implementing continuous improvement strategy's

Safety Committee

The company would like to take the opportunity to thank those who have participated in various safety committee meetings in the past. Your efforts have certainly made Oxford a safer workplace for all employees as a result of your contribution.

As you are probably aware the Safety Committee has been restructured. The new committee now consists of six employee representatives together with six management representatives as per the current safety regulations.

Radio Terminal Systems *kicking goals*

2010 has seen Radio Terminal Systems (RTS) win new customers, as well as significant equipment upgrades from existing clients.

RTS recently became a supplier of Motorola terminals and wireless networking equipment to 'Cotton On', who are undergoing a major upgrade to their warehousing environment.

Cotton On is considered a major player in the casual contemporary fashion market. The Cotton On Group is a retail powerhouse with 600+ stores, 4500+ employees, operating in Australia, NZ, Singapore, Hong Kong, Malaysia & USA. The company was established in 1991 on the surf coast in Victoria.

Murray Goulburn has been a long term customer and supporter of RTS and have commenced a major upgrade of equipment across their sites. Did you know that MG has been around since 1950 and has grown to become Australia's largest exporter of processed food. MG processes over 35% of Australia's milk supply into quality products which are sold to both domestic and export markets. The rollout includes installation of equipment at the Laverton Integrated Logistics Centre followed by the GDC at West Melbourne. The MG factories located at Maffra & Cobram will also benefit as a result of equipment changes.

Simplot Tasmania are now successfully printing labels in a -20°C environment thanks to a recent redesign

by RTS of the Heated Printer Enclosure. Most Oxford employees would be aware that we have impact sensors fitted to forklifts on site, however are you aware that RTS designed and manufactures these sensors right here in Laverton.

RTS is currently conducting a trial of the Forklift Impact Sensor at Bulla Dairy.

This year in order to increase the awareness of RTS in the market place we participated at the Materials Handling Exhibition in May, The Supply Chain 2020 Conference in July, the CIO Summit and the recently held RWTA Conference which were both held in August.



Changing faces at Oxford

Each year Movember is responsible for the sprouting of moustaches on thousands of men's faces in Australia and around the world, with the sole aim of raising vital funds and awareness for men's health, specifically prostate cancer and depression in men.

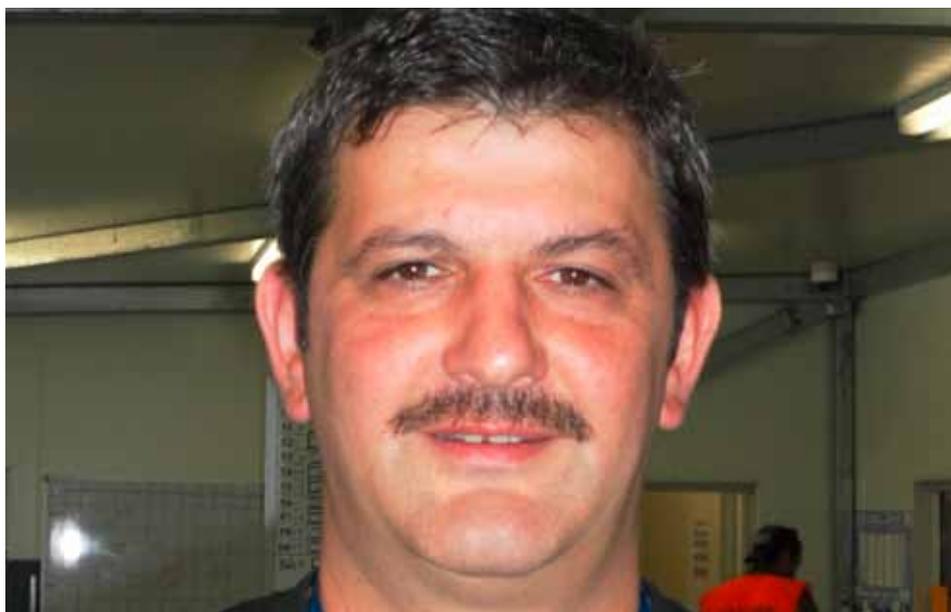
Men sporting Movember moustaches, known as Mo Bros, become walking, talking billboards for the 30 days of November and through their actions and words raise awareness by prompting private and public conversation around the often ignored issue of men's health.

Supported by the women in their lives, Mo Sistas, Movember Mo Bros raise funds by seeking out sponsorship for their Mo growing efforts. The rules are simple; register online at Movember.com and start the month of Movember clean shaven, before growing a Mo.

Money raised in Australia is shared equally between programs targeting prostate cancer and male depression.

Funds are committed to our men's health partners, the Prostate Cancer Foundation of Australia and Beyondblue – the national depression initiative and the Movember Foundation.

The efforts of staff at Oxford are supporting a broad range of innovative, world class programs in the fields of research, education, support, and awareness. Participants from Freezers 11B & 11C afternoon shift include Neso Vidakovic, Clinton Rankin, Vladislav Pandurevic, Lincoln Arahunga, Dejan Popovic, Asad Naseem, Kerry Beyers, and Santo Addamo.



Things truckin'

by *Jacqueline Brotherton—Oxford Transport Manager*

Since the publication of our last newsletter I have been fortunate to have travelled to the USA and Canada to visit friends. During my trip I took the opportunity to visit cold storage operators in both countries's I also attended the Great American Trucking Show in Texas.

In August 2009 I visited Halls Warehouse Corporation in New Jersey. Halls have over 54,980,000 million cubic feet of warehouse space. They offer warehousing and transport solutions.

The interesting feature of this visit was the fact that Halls have one of the largest rooftop mounted solar installations in the North America. As a result of their solar energy initiative Halls are able prevent more than 2250 tonnes of CO2 being emitted into the atmosphere. They also operate a large refrigerated transport fleet.

After arriving in Toronto, Canada I visited Confederation Freezers (a fourth generation family owned facility) and Conestoga Cold Storage. I was particularly interested in Conestoga as they operate a fully automated warehouse. In Feb 2010 Oxford played host to 2 Conestoga people when they visited our site.

Towards the later part of August I travelled to Dallas, Texas to see the Great American Truck Show. I also toured the Versacold facilities in Dallas and Fort Worth, as well as seeing the Dallas Cowboys inaugural game at their new US\$1.2b stadium.

An interesting observation is that the application of OH&S and Chain of Responsibility is very different in Canada & the USA to what we experience in Australia. Whilst not perfect, the approach being taken in Australia is in my view streets ahead of anything I witnessed during my overseas trip.

Back on home soil, in November 2009 we saw 'Speeding' as the fifth component being added to the Chain of Responsibility regulations.

Under these reforms Oxford staff need to ensure we take reasonable steps to;

1. Ensure that load/unload requirements such as opening & queuing times do not require the driver to speed
2. Regularly review load/unload times and delays at loading & unloading
3. Identify potential load/unload bottlenecks in consultation with drivers
4. Ensure that timeslots assigned for load/unload of vehicles can be relied upon

In Feb 2010 I was invited by Vic Roads to participate in the making of a DVD to raise awareness and reduce truck rollovers. The DVD was launched at the Traffic Management Centre in Kew on March 16.

Again this year, I participated in the Worlds Greatest Shave which raises funds to support the Leukemia Foundation. This year thanks to generous sponsors I raised nearly \$13,500.



Honours for Oxford employees

Whilst many employees have never been to Oxford University they have been coming to Oxford in Laverton North where they have graduated with honours and contributed to the success of the Oxford Logistics Group. We acknowledge the valuable contribution of all employees who have achieved service milestones.

Employee	Years of service
Over 30 years	
HILTON, Gabor	36
TAVENDALE, Noel	34
NAJDOSKI, Canko	33
MOODIE, Ian	32
TALEVSKI, Blaga	30
Over 25 years	
HOBBS, Graham	29
KANZAMAR, Joe	28
VIDANOSKI, Lidiya	27
JUKES, Ian	26
Over 20 years	
GIACOBBE, Darren	22
ABDULAI, Zerk (Zac)	22
TALEVSKI, Anita	20
GLOWICKI, Marek	20
NASARENKO, Michael	20
FA, Sitiveni	20
Over 15 years	
GIACOBBE, Nick	18
SHAMAI, Chaim	17
KARCZEWSKI, Ryszard	16
BECKHAM, Rod	16
CHAREWICZ, Tolly	16
ABDULOFSKI, Dzevdi (Joe)	15
SOBKOWICZ, Andrzej	15
POULIVATTI, Sione	15
Over 10 years	
PETROSKI, Lupce	14
VIDAKOVIC, Neso	14
TUI, Julius	14
FASTUCA, Sam	14
GRANGER, Nick	13
CLARK, Peter	13

Employee	Years of service
DAWAI, Luke	13
PAUA, Semisi	13
SELVA, Mauro	13
MILLARD, Jean (John)	13
MANIBO, Mario	12
LOGA, Necani	12
MAHU, Maia	12
REDZEPI, Nizami	12
GULAN, Les	12
WOOD, Edith	11
GIDDINGS, Max	11
HANSEN, Greg	11
SALABOGI, Eroni	11
SIADI, Peter	11
FATAI, Mateaki	11
STOJCEVSKI, Cvetko	11
PAOTAMA, Ivan	11
ADONIS, Joven	11
KAA, Jason	11
ABAZI, Lirim	11
BROWNE, Peter	11
Over 5 years	
FRANKIEWICZ, Adam	10
PAOTAMA, Fred	10
SMALLACOMBE, Gerry	10
NYSSSEN, Robert	10
NGO, Van Dinh	10
CAMPBELL, Neil	10
PATTON, Tim	10
CASSIDY, Syd	10
AQUILINA, Geoff	10
MUSCAT, James	10
DENES, Zoltan	9
SITA, Paula	9
TOTH, Steven	9
TALEVSKI, Peter	8
ZSORI, Tibi	8
JOHNSTON, Jarrod	8
CHAJTER, Andrzej	8
HERNANDEZ, Jose	8
TAMARANGI, Ty	8

Employee	Years of service
TEIONA, Taati	8
TEOKOTAI, Tiriamate	8
VIDANOSKI, Slobode (Bob)	8
PALPRATT, Jason	7
TAVENDALE, Melanie	7
BIRTIC, Simon	7
CHAREWICZ, Ted	7
ADEMI, Turan	7
BARBARA, Eddie	7
REMUERA, Matt	7
TALAU, Tevita	7
VLAHOULIS, George	7
PARKER, Shammus	7
WILSON, Tom	7
LOPEZ, Jesse	7
TEAO, Tere	7
JOHNSTON, Bradley	7
OPASIK, George	7
VAILEA, Dean	7
BELL, Colin	7
SONEPHADY, Khambao	7
IBRAIMOSKI, Faruk	7
PANDUREVIC, Vlado	7
SAITOVSKI, Afrim	7
ESTANISLAO, Bobby	7
NGUYEN, Tai Ngoc	7
MAMUD, Elvas	7
ORMSBY, Frederick	7
DERBY, Wayne	7
HANSEN, Paul	6
MOETAUA, Reeves	6
GOBBI, Trevor	6
PENBERTHY, Kenneth	6
McCLUSKEY, Mark	6
SCHEMBRI, Michael	6
NAGHAR, Mohamed	6
PANDUREVIC, Dragoslav	6
PAOLA, Frank	6
VERZACI, Frank	6
PATULIN, Gari	6
AKAMA, Teariki	6

Employee	Years of service
KUMAR, Deepak	6
TRUONG, Phuc	6
ENOKA, John	6
NANKERVIS, Mark	6
AUMALEIGOA, Vaiioletama	6
GALBAC, Leslie	6
BLACK, Tim	6
POPOVIC, Dejan	6
REMUERA, David	6
PINONO, Fred	6
ANDONOV, Goran	6
BONANNO, Johnny	6
WILLIAM, William	6
LE, Tra	6
FETALAI, Solo	6
COLASO, Ashley	6
LARKINS, Peter	6
HOGAN, Jon	6
OLIVEIRA, Armand(Dino)	6
JENNINGS, William	6
NACUA, Armando	6
TAIA, David	6
WALKER, Robert	6
MATAPA, Positi	6
EASAW, Philip	6
OPPERMAN, Robert	6
KIRK, Gavin	6
TRAN, Hue	6
GETAHUN, Ambel	6
MICEVIC, Mladen	6
MUDALIAR, Kailesh	6
KHOSHABA, Admond	6
TURU, Gary	6
TOWNEND, Mark	6
PEFIANCO, John	6
RUFINO, Hernando	6
AUMALEIGOA, Tau	6
VELLA, Joe	6
TETEVANO, Andy	6
5 years Service	
SULJAGIC, Damir	5
RADJEVIC, Dusan	5
SCHLESS, Edwin	5
COWAN, Paul	5
PETER, Gerard	5
THOMSON, David	5
LEE, Elvis	5
MARINKOVIC, Branko	5
CORDETA, Primo	5
LIU, Fernando	5
ZEWDIE, Tsegaye	5



Employee	Years of service
BEYERS, Kerry	5
HO, Ricky	5
ATAAERE, Joven	5
McCARRY, Scott	5
LE, Tan	5
WOJCIECHOWSKI, Marek	5
ALEXANDER, Paul	5
LANCER, Kevin	5
ADEMI, Seadin	5
KALONIHEA, Finau	5
MIZZI, Joseph	5
AUFATA, Alataua	5
AJZENSZTAT, Melanie	5
KUMAR, Sanjiv	5
KELLY, Steven	5
MITEV, Nikolay	5
MEEKING, Brian	5
KEATING, Grant	5
NGUYEN, Tony	5
GAISER, Andrew	5
KONSTANTINIDIS, Jim	5
SOM, Raymond	5
EZEKIELA, Tupou	5
SYDNEY, Wihapa	5



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