

KAGAN NEWS

2008 and beyond



2008 has been a very challenging and rewarding year for Kagan Logistics.

In the first quarter we completed our migration to a new state-of-the-art facility at Erskine Park in New South Wales. Customer feedback on the move has reinforced our decision to expand our Sydney operation. Erskine Park expanded further

in the third quarter when Kagan signed a five year contract with PPG Industries Australia to operate a new national distribution centre, located across the road from our new facility.

Then in May, Kagan Logistics became a member of the Silk Logistics Group, along with Bunker Freight Lines, WA Freight Group, Hoffmann Transport and Doolan's Heavy Haulage.

Since the formation of the Silk Logistics Group, the various member companies have been working together to identify initiatives to enhance our service offering to our own and other customers.

Although Kagan Logistics is no longer a family business, our culture has not changed. We are committed to providing our customers with a personalised and professional service, and continual improvement of our supply chain services.

To achieve these goals we recognise the importance of having safe, happy and well-trained staff, and have increased our training focus at all levels of the organisation, including an external program with the Australian Logistics Council.

In line with our commitment to embrace new technology in all facets of the business, we are currently in the process of implementing a new warehouse management system – *RedPrairie*. This system will enhance Kagan's ability to meet customers' requirements and improve operational procedures nationally.

In amongst all these activities, we have also managed organic growth within our customer base and welcomed several new major contracts.

While 2008 has been a big year for Kagan Logistics, 2009 is shaping up to be just as big, if not bigger, as Kagan roll-out several major initiatives.

I'd like to thank each and every one of you for your continued patronage, and wish you and your family a safe and happy festive season and a successful 2009.

Rob McKelvie
Chief Executive Officer

Kagan supports mentoring programs

As part of Kagan Logistics' recruitment and retention strategy, a Company mentor program exists to provide employees with the opportunity to receive knowledge, information and advice from a more experienced employee (their mentor) to assist them in their logistics career, and the achievement of individual goals.

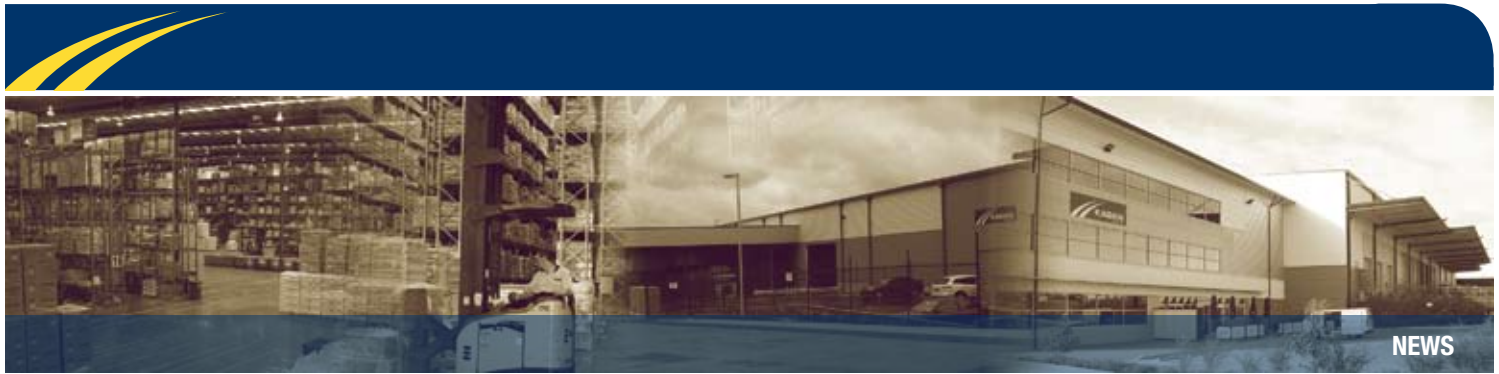
Based on the positive results gained from the Company program, Kagan Logistics is pleased to be involved in the inaugural Victorian *Women Moving Forward* program which commenced in October.

The Australian Logistics Council (ALC) developed the national *Women Moving Forward* mentoring program to support a key objective of the Council's People Position Statement.

Women Moving Forward aims to boost female participation rates, targeting the retention and development of women within the Transport and Logistics (T&L) industry. Participants complete various modules during the program, develop skills and strategies, network with other women in T&L, and may be eligible to receive a TAFE Certificate on completion of the course. On top of this, the ALC organises teleconferences and keynote speeches for participants from successful women in the industry.

The Victorian launch of the ALC *Women Moving Forward* program was held at Bunker Freight Lines on Friday, 10 October 2008, hosted by Kagan Logistics.





A new WMS for Kagan

Kagan Logistics has commenced rolling out a new warehouse management system, *RedPrairie*.

Earlier this year Kagan conducted an extensive review of several warehouse management systems, comparing their functionality and benefits, to determine the system best suited to support our customers' needs and future growth.

After the review process, which included site visits and numerous presentations from software providers, Kagan confirmed *RedPrairie* as the best fit to assist the Company moving forward.

RedPrairie will enhance Kagan's ability to meet customers' requirements, as well as improve operational procedures.

The system's benefits include the reduction of paper-based processes across our warehousing operations, greater visibility and management of inventory, and superior functionality.

We look forward to providing customers with an even higher level of customer service once *RedPrairie* is fully implemented.

Our Sydney operations

Since expanding our operations into New South Wales six years ago, our Sydney operations have grown significantly.

From managing approximately 400 pallet spaces at one location in 2002, our Sydney team now manages approximately 28,000 pallet spaces across three sites in Erskine Park and Wetherill Park in Sydney's outer west.

The following individuals oversee our Sydney operations:

NSW State Manager – Keith Herps
Operations Manager – Joe Debrincat
General Accounts Supervisor – Jarrod Matthews
DuPont Account Supervisor – Ron Attard
NSW PPG Account Manager – Stephen Hanna

Kagan Sydney centralised the majority of its New South Wales operations to a new state-of-the-art complex in the latter part of 2007. Then in July 2008, Kagan Logistics signed a five year contract with PPG Industries Australia Pty Ltd to operate a new national distribution centre at Erskine Park. These new facilities provide excellent access to all major arterials feeding into the interstate road network.

Kagan Sydney manage a diverse client base and the team is constantly being trained to ensure they are capable of stepping in and out of different roles to support one another.

Kagan Queensland, take a bow

Over the past three months our Queensland branch is proud to have received both team and individual recognition.

T&L Industry Development Award

Developed by the Supply Chain and Logistics Association of Australia, in conjunction with the Australian Logistics Council, APICS, CIPSA and Queensland Transport, this Award recognises companies committed to providing people with entry to, and pathway in, the Transport, Supply Chain and Logistics industries.

Our Queensland State Manager, Peter Thompson, and Transport Manager, Paul Yeoman, and other staff represented Kagan Logistics at the T&L Industry Development Awards gala event in August, which attracted over 350 people.

QTA Young Achiever Award

At the Queensland Trucking Association's (QTA) annual awards night on 1 November, Kagan Logistics' Queensland Transport Manager, Paul Yeoman, was presented with the Young Achievers Award for 2008.

The QTA were impressed by Paul's initiative, knowledge, skill level, flexibility and willingness to lend a hand when and wherever needed.

Paul's rapid progression through Kagan's ranks culminated in 2007 with his promotion to Transport Manager.



QLD Kagan team supported Paul on his big night (left to right: Luke Alford, Trevor Apted, Paul Yeoman, Peter Thompson, Sam Henson and Mike Lyons)

High Commendation at the ASCL Awards

In mid-November, our Queensland team also received a High Commendation at the Australian Supply Chain and Logistics Awards (ASCL) for Training, Education and Development.

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