



## ANNOUNCEMENT

Effective Date: 17:00 21<sup>st</sup> May 2010

***Deluxe Freight Systems realigns business to improve customer focus and deliver service excellence to its Customers.***

Dear All,

The road freight industry in Australia has seen significant changes over the last 18 months.

Drops in freight volumes have forced an increase in consolidation of general freight across the industry throughout Australia. Surplus fleet and other high fixed costs have seen many companies forced to reduce services or cut margins to enable them to maintain turnover. This results in reduced services, less customer focus and a decline in the quality of the service which is unacceptable to customers. With freight volumes and revenues falling, costs such as vehicle registrations, insurances, finance, maintenance and wages continue to increase and the ongoing viability of general carriers is very hard to maintain.

Deluxe Freight Systems has identified these pressures and are working more closely with a long standing partner, Simon National Carriers. Simon National Carriers is a family owned Queensland based business that shares similar freight lanes and more robust infrastructure.

Deluxe Freight Systems needs to adapt to the evolving market conditions. Deluxe Freight Systems has taken the decision to work with SNC for all general freight effective 21<sup>st</sup> May 2010.

This decision was made to ensure that the needs of their customers are maintained and that the services and facilities of Simon National Carriers are then utilised to not only maintain, but to enhance the service that Deluxe Freight Systems has been offering to their general customers.

As from the 21<sup>st</sup> May 2010, Simon National Carriers will assume control of all New South Wales, North Queensland and Northern Territory general services. This will enable Deluxe Freight Systems to return to its core strength, providing specialised contract freight services to its key customers, namely Capral and Pacific Brands. Services for these customers will remain unaffected by any changes

Fleet units used for general freight services will transfer ownership to Simon National Carriers and all drivers currently employed by Deluxe Freight Systems in the general freight division will be offered employment with Simon National Carriers.

This harmonious alignment of business culture and objectives make it a good fit for the Deluxe Freight Systems' customers and staff.

The whole Deluxe Freight team will be based at Simon National Carriers' Carole Park office in Brisbane and will be personally involved in the transfer process for a minimum of 3 months to ensure that the needs of the transitioning customers are met and that it is a seamless process with no impact to their business. Craig will be out to see each and every client as soon as practically possible to discuss the change and to

provide information on changes to key personnel, points of contact and administration as well as opportunities for improvement going forward.

Simon National Carriers will also be able to offer an expanded range of services, including a full National line haul and country distribution network, and storage facilities in all capital cities (including Hobart), and Townsville.

Simon National Carriers are well regarded for their industry leading service levels, Track and Trace Freight Management systems and focus on compliance and chain of responsibility obligations.

Both Deluxe Freight Systems and Simon National Carriers will be working very hard to ensure a smooth transition of business and will make sure there is little or no change in the service delivery to all customers.

All current contract rates will be honoured by Simon National Carriers.

Any questions relating to the change or if you are experiencing problems, please contact the following personnel:

***Operational Issues***

Deluxe Freight Systems	-	Robert Deane	-	0407 207 393
Simon National Carriers	-	Vince Budd	-	07 3718 7777

***Administration / Accounting Issues***

Deluxe Freight Systems	-	Max Marsiglia	-	0413 264 826
Simon National Carriers	-	Juel Muller	-	07 46 999 555

***Any other issues.***

Deluxe Freight Systems	-	Craig Luxton	-	0410 546 797
Simon National Carriers	-	David Simon	-	0418 443 333

We thank-you for your support and understanding during this time of transition.

Yours Sincerely,



**Craig Luxton**  
Managing Director  
Deluxe Freight Systems.



**David Simon**  
Managing Director  
Simon National Carriers