

25<sup>th</sup> March 2011

Good Afternoon

**Partial Conversion of Fuel Adjustment Factor Into Base Rates**

Latest prices rises at the pump indicate a move to the 165 - 170 cents per litre range for diesel fuel and from 04/04/2011 a new fuel adjustment factor of 15.2%.

We recognise that this level of adjustment rate has become quite cumbersome for many of our customers.

From the 18/04/2011 the table below will be in effect. If the exercise was done today, we would reduce the fuel adjustment factor to 5.6% with a new base fuel rate of zero at the 120 – 125 cents per litre band. To achieve this as a rate neutral exercise your base rate would increase by 7.5758%.

Your local branch representative will be in touch with you shortly to confirm your new rates.

From the 18/04/2011 the following table of adjustment will apply as we reset the base to the 120 – 125 cents per litre category.

<b>Increment Categories</b>	<b>Fuel Adjustment</b>
<b>Fuel Adjustment</b>	<b>Effective 18/4/2011</b>
120 > 125	0.00%
125 > 130	0.80%
130 > 135	1.60%
135 > 140	2.40%
140 > 145	3.20%
145 > 150	4.00%
150 > 155	4.80%
155 > 160	5.60%
160 > 165	6.40%
165 > 170	7.20%
170 > 175	8.00%
175 > 180	8.80%
180 > 185	9.60%
185 > 190	10.40%
190 > 195	11.20%
195 > 200	12.00%

Kind regards



Carl George

General Manager – Transport

Mainfreight/Daily Freight/Chemcouriers/Owens