



COLD FACTS

Fresh ideas



Edition 3 - 30 March 2009

Welcome back as we advance into another year stronger than ever...

Welcome to the quarterly edition of Cold Facts, Fresh Ideas. 2009 is certainly an extremely challenging year for our company. The extreme heat throughout February not only caused tragic losses to many families throughout Victoria, but also severe damage to the wine and grape industry, the vegetable industry and of course, to the fruit industry throughout the Goulburn Valley, South Australia and Southern Victoria. Some friends of ours lost their orchards and many of them were severely damaged by extreme heat.

Montague Orchards has fared well under this period due to the fact that we have over many years put in place a strong management strategy which has protected us from natural enemies. We have had adequate water supply throughout this period due to effective damming and appropriate allocations, substantial amounts of protective canopies and developed orchards in high altitudes of approximately 3000 ft which do not suffer from sunburn, also orchards in Northern Tasmania, a cool climate position.

We are currently in the middle of picking our apple crop and at this stage the fruit quality is exceptionally high and our estimates are on track to yield a fantastic season. By the end of April all fruit will be stored and we have an extremely promising year ahead as fruit pricing and demand are currently strong.

Target Zero continues to be well received and is an extremely important to our



Our Narre Warren Nth Site, lucky to escape the devastation.

culture. Recently Andrew Montague and Evan Bain visited our stone fruit orchard in Swan Hill and had a very enjoyable day to celebrate over 300 days without an incident. In our orchard division we now have over 9 months without a lost time injury.

We have been delighted to announce that Michael Silm has joined our company in the position of Manager NSW. He has enormous knowledge in the stone fruit industry from his previous life and he will be an integral part of our senior management team and driving our sales forward in NSW where we have many opportunities.

In the month of March we had our Group Strategy Day which was enormously positive and successful. In these days of uncertain economic climate, our company is very well placed to move ahead and we will be doing this in a well planned and strategic way. We are extremely positive and confident about a future with a number of new developments soon to be announced.

**Managing Director, Montague Group
Ray Montague**



Jazz™ Field Day 09

On the 18 March over 70 people representing orchardists from Tasmania, Queensland, New South Wales and Victoria, joined bankers from Melbourne and Sydney, representatives from ENZA and various Montague staff in converging on the small rural town of Batlow in NSW to observe a presentation on Jazz™. They witnessed a report on its progress and an in depth guide through the apples history and the endeavours by Montague Fresh and ENZA to make it Australia's premiere apple.

The two day event began with a BBQ on the Tuesday night whereby everyone became acquainted and enjoyed a assortment of beer and wines. The following days agenda:

- 9.00am • Welcome by Ray Montague, MG.
- Jazz™ summary by Brian D'Ath, Global variety development manager, ENZA.
- Sales/marketing of Jazz™ internationally by Campbell Naish, ENZA.
- 09 Jazz™ Australia promotional program by Gavin Wylie, MG.
- Graham Fleming – Grahams Factree.
- Post Harvest Storage & handling of Jazz™ by Duncan Park, ENZA.
- NAB Presentation of Agribusiness by Neil Burgess.
- Australian Packaging Material, Packing Plan and Fruit and Management - Montague Fresh Marketing Team.

With the presentations at an end we sat down for lunch at the Batlow RSL where we segregated into groups and ventured out into the orchards to observe the blocks of planted Jazz™.

Michael Silm

Growing up on an orchard an entering into the family business, Michael has been surrounded with fruit his entire life. Having been a prominent businessman in his own right owning a successful fruit growing and exporting company, Michael was an obvious choice for filling the role of Manager New South W ales for Montague Fresh. His wealth of knowledge and experience within the industry will prove to be an invaluable asset to our organisation as our company moves forward.



Chris Peters, informing on the technical aspects of growing Jazz™

Chris Peters (Business Manager Orchards) took control of one group and Rowan Little took control of the other. They introduced the groups to different Jazz™ Blocks on the new farm and took them for a tour around the original site.

The day ended at the original farm by the dam with beer, wine and a gourmet BBQ supplied. The field day can only be hailed a success with feedback from growers, bankers and suppliers alike being only positive. We would like to thank everyone who put a lot of time and effort into these couple of days, especially Leane Leggo who slaved tirelessly to get everything organised. We look forward to seeing you all again next year as Jazz™ slowly but surely becomes a household name.

Jazz™ proved to be a hit with Claude's customers; as a result the Natures Best stores sold the most Jazz™ apples of any Montague Fresh's customers in 2008!

We welcome Michael with great enthusiasm to our company and hope he enjoys a long prosperous career with Montague Fresh.



Michael Silm, Manager NSW

Jason Dopson



The November through to January period is the busiest part of the year for Montague Fresh due to the sale of stone fruit.

It is pleasing to see individuals work over and beyond during difficult periods. We have many loyal and dedicated people within our division with one individual a standout. He has gone over and above ensuring product is supplied correctly to the customer in a timely fashion and has contributed to the success of our QLD operation.

Jason Dopson is our QLD Distribution Manager and has continuously worked long hours. Jason has a great work ethic and has led his team well during these trying months of the year.

Congratulations on an excellent 3 months.

Tim Montague,
Business Manager Logistics

KEYSBOROUGH – A welcome edition



During a period of economical uncertainty Montague Cold Storage has welcomed an unflinching need for refrigerated warehousing.

The commissioning of a new facility in Melbourne's South East has provided MCS with an extra available 11,500 pallet spaces.

The state of art facility is modern both in design and technology comprising of six rooms including two freezers and four chiller rooms with racking, ranging from single selective, double deep, and drive in racking varying from six to seven levels in height.

The site is equipped with twelve loading docks, all under the direct supervision of Manager Tony Bitonti whose office is strategically positioned in view of all activity to make for a safe, well ran operation.

As of the 18 January, Montague Cold Storage relocated their office to Keysborough from our Coode road facility. The successful transition has given Montague Cold Storage the fortuity of being in close proximity of the Montague Group head of fice in Narre Warren Nth.

A promising new facility under extremely capable and experienced management.



Toni Bitonti, Site Manager MCS Keysborough

Montague Cold Storage - Always a step ahead

Innovative, responsive, adaptive, flexible, forward thinking, resilient ... these are just a few words that describe the qualities required of a business to survive what have been reported as the toughest economic conditions of a generation, fortunately Montague Cold Storage has them all.

Noticeable at the end of 2008 was a slowdown in exports which with peak season activity caused over capacity issues at a number of our facilities. Whilst this was an enviable position to be in it does tend to risk compromising efficiency, cost control, service, safety and the ability to accommodate new business. The "back to basics" approach by the Montague Cold Storage Team ensured that the load was spread among all facilities, clients were regularly kept informed and the collaborative approach resulted in no adverse effects.

Whilst challenged with the above mentioned issues Montague Cold Storage remained focused on the future and looked for the next quantum leap to further strengthen the business. Achievements in the first quarter of 2009 are many but noteworthy are:

- The establishment of the Keysborough site as the divisional head office and fifth Victorian cold storage facility.
- A proposal for an improved service and cost reduction initiative by the creation of a central inbound call management function for the Montague Group at Keysborough administered by Jocelyn Campbell.
- Improved service and operational support by the addition of an extra resource in Brad Jones.
- In collaboration with Warrnambool Cheese and Butter we identified and presented a plan to mitigate risk to product throughout the supply chain with an aim to further improve quality of supply to all clients specifically the Asian market. This is an approach we aim to take with all willing clients as we believe as influential partners in their supply chain we can add value whilst delivering cost savings.
- Growth of the Tassal business relationship with Montague Cold Storage in terms of volume and process improvement.

- An acknowledged in full on time service result for Easter 2009 confectionery in receipt, storage, order consolidation and despatch for The Reject Shop at our Keysborough facility.
- Successful upgrade of our WMS at Keysborough with no down time or service failures to our clients.

Montague Cold Storage continues to hold a position of strength in the marketplace. We look forward to the challenges the next quarter of 2009 bring and welcome our client base on journey.



**John Galbo
Business
Development
Manager MCS**



Target Zero



Target Zero Update

TARGET ZERO is now part of the Montague Group culture. How can I be so confident in making this statement?

Over the past two months we have had an independent Safety Consultant, Scott Paine, conduct a strategic health and safety review with particular emphasis on initiatives, systems, culture, resources and plans.

Scott's interim findings, after talking to a broad cross section of managers, supervisors and employees are:

- The TARGET ZERO program was the first time the Montague Group had rolled out a specific strategy to address OH&S.
- The presentations were exceptionally well received and singularly contributed to an



Billmont (Swan Hill orchard). Injury free for over nine months.

increase in health and safety awareness across the Group.

- There is universal support for the program across the Group.
- There was instant recall of the presentation and all personnel reported the initiative as extremely positive; and
- There is a common yearning for more frequent, specific and coherent guidance on how to practically implement the TARGET ZERO program.

We will be implementing follow up TARGET ZERO meetings at all sites over the next three months where we will map out key activities to meet the strategic requirements of the program.

We are exceptionally pleased that since the roll out of TARGET ZERO, we have had only one Lost Time Injury compared to last year, when we had five (5) for the same period. The Orchard Division continue to excel and have now had a L TI free period of nine months. KEEP UP THE GOOD WORK!!!!

**Remember:
NO INCIDENTS - NO INJURIES**

Evan Bain, Group Human Resource Manager, Montague Group

Congratulations CFA

The Montague Group would like to extend our gratitude to the Narre Warren North CFA with a donation to the value of **\$10,000** for the fantastic job they do in protecting the lives and homes of thousands of Victorians year in year out. The Men and Women of the CFA have endured a great hardship over the last couple of months battling what has turned out to be Australia's worst natural disaster. Without the support of these brave individuals we would be at a great loss.



Andrew Montague handing over a cheque worth \$10,000 to Captain Shaun Trotter of the Narre Warren North CFA

I am, you are, we are...

Congratulations to Dorella Mohun who has now become an Australian citizen. Originally from Mauritius Dorella came to Australia in December 2005 and has been a highly valued employee of Montague Fresh since 2nd of January 2007. Congratulations Dorella.



A happy marriage

Congratulations to Mr and Mrs Ross Davies from MCS who on the 21st of March married in the Yarra Valley. Well done and best of luck for the future.



Fruitful Feedback

If you have any feedback, comments or stories you would like to see in CFFI regarding events, activities or people at your site, please forward the information to us either by fax or to the address below or alternatively send to Andrew Montague via email at amontague@montaguefresh.com.au.

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