

MILFORD

summer 2004/05

matters

LOADS CAN KILL!

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spearheads
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century



Behind you all the way



Welcome to a slightly different layout to our Newsletter. Feedback from readers has suggested interest in knowing what is going on in both Divisions, so we have decided to try a longer format at the risk of making the news too long to merit time to read!

From the CEO

Since the last Milford Matters, we have continued to work hard and have improved turnover and profitability. This financial year has started off well and the new calendar year promises more growth, the fruits of clear focus on our two product areas. We have this year renewed our efforts at measuring progress against business and departmental goals, this resulting from our exhaustive business planning process, which sought to involve as many employees as were willing.

Perhaps the most important activity of recent times is the implementation of our new SAGE computerised management system. This has not been anywhere near as smooth as we anticipated, and has caused some significant deficiencies in our delivery performance, impacting on our customers adversely, for which we apologise. Delivering late is not part of our ethos and so you can imagine the effort to regain our reputation. There is now light at the end of the tunnel, and we are confident that the new system is already giving us the sort of information that we could not get before, and this bodes well for improvement to our service delivery in an increasingly

complex environment.

Like all manufacturers, the next most important development in 2004 has been the dual impact of rising steel and oil prices. It is our ongoing policy to minimise the impact of cost imposts on our customers, as we strive to continuously improve our productivity. Our customers and potential customers can be assured that we do not take price increases lightly! The key to this is better sourcing and investment in plant and equipment, both of which we are doing.

On the more positive note, we were proud once again to have been a finalist in the Telstra Small Business Awards (under 100 people) and as we will fall outside the category this year, this is the last time that we will be competing. Our environmental credentials were enhanced by the building of a native garden and I can report that Adelaide's wet winter and spring contributed to a high survival rate for plantings.

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What's happening in VLR

You might expect that our automotive business would be doing well on the back of surging Australian car sales. This has some truth, though the reality is that much of the growth is in vehicles that do not traditionally fit the cargo barrier profile. You will read in this issue more about our Safety Net, as well as a further reminder about situations where vehicle load restraint

saves lives. We have been developing our export focus and so you can read about activity in Europe and the Middle East. Additionally, the compatibility of cargo barrier and side air curtains is addressed as this is becoming an important issue for cargo barrier manufacturers.



What's happening in IBC

This past half year has been a key one for our materials handling business. In this issue you will read about the increasing success of our plastic clad IBC, as well as the growing range of product sourced either to our design or from alliances with other manufacturers to fit specific

customer needs. You will also read about our investment in assembly for our steel mesh IBC product range. All these efforts are part of making our our vision of servicing our niche a reality: 'Milford - the leader in folding intermediate bulk container handling solutions'.

Alliances widen IBC range and service



The needs of our customers are many and varied, and so Milford Industries has been pursuing a goal of becoming a service provider of a wider suite of folding and demountable intermediate bulk containers. To this end, we have formed alliances with Weyerhaeuser, manufacturer of Spacekraft, as well as Arca Systems and previously mentioned Carrimor.



Spacekraft

These are multi-layer cardboard "bag-in-box" IBC, demountable and with the outer packaging in some cases reusable. Hailing from the west coast of the USA, they are extremely popular in that country and now being offered in Australasia. Of particular interest to Milford customers is a non-returnable 1000 litre export option. "Spacekraft is versatile and supported by a full range of ancillary products to assist with any number of applications" states Phil Amor, Sales Manager, IBC, "and the economics make this a very good addition to our range, which is being well received in many quarters".



Arca

While plastic containers might be seen as a natural substitute to the Milford offer of steel, or steel and plastic panelling, we nevertheless are asked to source plastic for specific applications. "Plastic has its drawbacks, particularly as it ages, or is damaged, but certain food industry companies asked us to source plastic, so we looked for the best" says Garry Nash, Product Manager, IBC. Arca is an international company with a wide range of plastic products. As these units are imported, the most cost effective are folding IBCs and it is these that we are particularly focused on offering.

Carrimor

The clever Carrimor stainless steel "bag-in-box" IBC is a niche product suitable to many applications, but favoured in industries where hygiene is high on the agenda or where corrosion is a problem. This is clearly a top quality container to match its price tag, and it is building a solid reputation in a number of applications internationally. The Carrimor IBC has been tested and approved to UN standards to store and transport class 2 & 3 dangerous goods.

We look forward to building strong relationships with these supporters, and will look to add to the range when it makes sense to do so, while retaining our emphasis on design and manufacture of our own folding IBC, both for ourselves and to meet customer specifications.

Assembly Line moves into the 21st Century

As part of our commitment to long term Australian manufacturing, we have invested heavily in our plant and equipment over the last few years. However, our latest addition is something else.

"Automation has now reached the assembly lines" explains Steve Taylor, Manufacturing Support Manager. We have previously applied labour saving techniques to assembly, but this is something entirely different. For the first time we have designed and installed a complete assembly line on our metal tube and mesh container line, dramatically cutting the labour content and processing time.

"This has been an expensive capital investment, but one which fits squarely with our ongoing commitment to our

customers to do everything in our power to contain labour cost increases" states Nigel Smalls. It also once again demonstrates the confidence of the Board of Directors in the future of the IBC Division.

At this stage, the line will concentrate on the assembly of Australia Post and Milford Ranger product. "The commissioning in October went smoothly, and we are enthusiastic about our ability to meet the projected savings, while at the same time improving the quality of our already high quality containers" observes Ian Sharkey, Production Manager, IBC.

The good oil

With the range of Intermediate Bulk Containers available from Milford Industries expanding all the time finding new markets and new applications for these products is less of a problem.

Milford recently showcased some of the expanded product range to a new market in Perth.

The new Perth Convention and Exhibition Centre was the venue for the 2004 National Olive Industry Conference held in October 2004. The conference was hosted by the WA based Moore River Olive Association and attracted more than 400 industry enthusiasts from around Australia.

Milford Industries exhibited at the conference with a display which included the low cost Milford Lite folding metal IBC, Spacekraft single trip collapsible IBC as well as the Milford Modular IBC.



The Milford Lite, with its patented low discharge single piece base won praise from many attendees at the Olive Conference as the unique base configuration allows effective separation and extraction of many of the contaminants which occur naturally during the production of olive oil.

A number of attendees at the show commented they saw the Spacekraft non-returnable IBC as a cost effective solution for export orders. The low purchase price coupled with stackability offers the exporter another option where the return of the empty container is not practical, or cost effective.



The Ultimate Accessory for the Hummer Wagon?

Can you think of a vehicle with a tougher image than the Hummer?

Jim Wilkerson, a Milford distributor in the USA couldn't. He felt that the Hummer wagon, with a significant following in the USA, would be a good hero car for Milford.

"Over 30,000 Hummers are sold each year, and while not all are of the wagon variety, those who buy the vehicle are serious four wheel drive enthusiasts", he said.

With the annual Specialty Equipment Market Association (SEMA) exhibition approaching - the largest US automotive accessory show - Milford was persuaded to make a sample for display.

"Development priority is always a balancing act, but we felt we owed this market some serious support" commented Greg Spooner, Product Manager - VLR.

Accompanying the barrier in November was Henry Mercieca, Account Manager - VLR. "SEMA shows that there is an increasing interest in Load Restraint and certainly the idea of a cargo barrier had some appeal to those visiting" was his considered opinion in comparing this year with last, which he also attended.

And as for the Hummer? Jim enthusiastically summarises "The exercise was a valuable one, and the trick will be to convert interest into worthwhile sales over the coming months".

Automechanika spearheads export drive

Automechanika is the largest automotive parts and accessory show in the world. It is held every other year at Frankfurt in Germany.

Milford teamed up with both Lightforce and Performance Wheels to exhibit under the banner of Australia's Best Aftermarket Accessories. The response to our Australian products was impressive with strong enquiry coming from many far flung regions of the world.

As part of our Vehicle Load Restraint display we also took the opportunity to showcase the new Milford Safety Net and found that buyers were impressed with its flexibility, good looks and performance. Hospitality support in the form of Australian beer and wine

was gratefully received (and consumed) from local icons Cooper's Beer and Angove's Wines.

We trialed beer brewed in a can 'Dr Tim's' pale ale - the first Coopers Ale in a can. Those who did partake were very impressed. Teaming up allowed us all to cross sell our products and to have a bigger stand. This time we were in the major accessories hall compared to previously, where as part of the Austrade stand we were in a 'Hard Parts' hall.

Austrade also provided extra assistance at the show as part of their Supporters Package of which Milford was a member.

All in all, Automechanika 2004 was a resounding success and we look forward to future participation.



Website upgrade



Milford Industries has recently updated to an all new Content Managed System (CMS) website.

The benefits in this new system are many but most importantly, it allows new found functionality in terms of updating the site.

For instance, we are now able to update all content including images, distributor

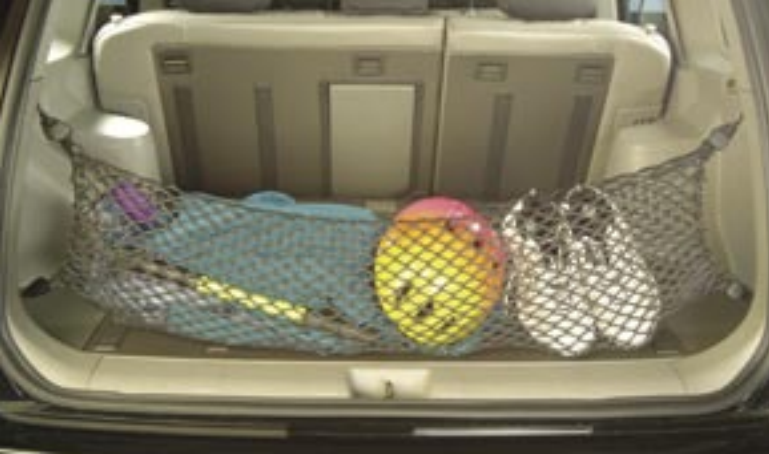
and catalogue details on an immediate basis.

Another important innovation on the website is that Cargo Barrier customers may now lodge their warranty application details online.

This will prove to be a real convenience to end users as it is now a simple process to log on, fill out the web form and lodge an application.

All stockists should encourage purchasers to make use of this new innovation by clicking on the Warranty Registration link at www.cargobarrier.com

While you're on the web, check out our material handling solutions at www.intermediatebulkcontainer.com



Milford Protecta Net

The new Milford Protecta Net offers convenient, multi purpose storage and as it is a universal fit product, it will suit most vehicles including sedans, wagons and SUV's.

Its large size and high elasticity allows a multitude of convenient, multipurpose storage options. In developing this very versatile protection product, we searched the world for the very best and strongest fabric to suit the application.

The result is an amazingly versatile cargo net that will adapt to numerous configurations to suit the owners lifestyle. From camping gear to sports equipment, groceries to hardware, the Protecta Net can be configured to allow vehicle occupants to travel in safety, with the knowledge that cargo items are safety restrained.

Configurations

Vertical Net/Partition	700 mm x 1300 mm
Horizontal Boot Floor Net	700 mm x 1300 mm
Longitudinal Pocket	350 mm x 1300 mm
Transverse Pocket	700 mm x 650 mm

Installation is straight forward and the Protecta Net also includes a comprehensive fitting kit at no extra cost. RRP is \$119 including GST.

New applications for Safety Net

The new Milford Safety Net launched midway through this year has proven to be extremely popular.

This is primarily as a result of many new customers being attracted to the high convenience and aesthetics of the Safety Net. Designed as a more "Retail" product where boot loads are often lighter, it uses the latest developments in technical textiles to provide a lightweight, high tensile strength, separation net assembly.

Most applications also feature the proven Milford Quick Release system.

We are currently developing new Safety Nets applications for the Ford Territory, Holden Adventra, Mitsubishi Challenger, Mitsubishi Pajero, Toyota Kluger & Toyota Prado vehicles.

These products will be launched early in the new year. Further Safety Net projects are also being worked on to continue the expansion of the available range to the market.



Side Air Curtains meets the Cargo Barrier

There has been a spate of new model vehicle releases with side curtain airbags as standard.

This is aimed at addressing the 24% of accidents that are side impacts. The air curtain deploys extremely rapidly, in as little as 3 milliseconds and at speeds of up to 320kmh. As such and so that they may provide the protection they were designed to offer, it is extremely important that there is no impediment to their successful inflation. "Very little testing has been conducted by car companies with nets or luggage up against the windows, and none with cargo barriers" explains Leigh

Hillier, Product Development Manager, VLR. "This makes it very difficult to ascertain the impact on deployment". Added to this problem is one of installation, because drilling a vehicle in the vicinity of an air curtain takes a lot of skill.

"There is an incompatibility of the current Australian Standard and the air curtain" adds Greg Spooner. "AS4034 requires a 60mm maximum distance to the side of the vehicle, while air curtains fill up an area between 90mm and 150mm." Clearly this is an issue which needs to be addressed, and Milford has begun the process of doing this by raising the issue with the Standards



Committee. "The problem we have is that load restraint is needed in heavy braking, not just crashes, and to leave a 150mm gap on either side of the barrier will reduce its effectiveness in protecting occupants – there are some interesting technical challenges ahead!" explains Leigh.

One aspect of air curtains

that is only just emerging from some testing is the danger they pose to young children in rear seats. The result of recent Monash University Accident Research Centre (MUARC) testing has recommended that children should be placed in the centre rear seat in vehicles fitted with side curtain airbags.

Milford Lite opens doors

Milford has long believed that smart design can make the difference between being able to compete in a market or not.

For some time we have recognised that there is a market for a solution to food industry concerns about storage of liquids in wooden

bag-in-box containers. The trouble has been to go somewhere towards bridging the price gap between a sub-\$100 solution and our normal container costs.

We believe that Milford Lite liquid IBC does just this. Its patented single piece base

significantly lowers cost, while giving some fantastic additional advantages such as the 45 litre low discharge well (this can be covered over if a flat base is required). An all metal construction, the unit weighs in at 110kg, and has an attached lid with a 50:50 split. While

comparable to alternatives in terms of ease of use, this is a lower specification IBC - there are always compromises that come with lower cost. However, as Phil Amor comments, "the price is very competitive and the features on this container are a real plus, and we believe that in average storage conditions, this will last 5 years. If you are looking for a low cost long lasting storage solution, you would do well to consider this latest addition to our range".



Milford IBC accessories reduce waste and increase workplace safety

For years now IBC users have had to build expensive hydraulic or spring loaded lifters to enable them to completely and efficiently empty IBCs.

Milford Industries has developed a patented Lo-Waste Auto Lifting Floor designed to be used in the Milford Modular range of liquid IBC's.

The Lo-Waste Auto Lifting Floor is a completely self contained solution requiring no external power or air supply. It can be easily moved from one Milford

IBC to another, or removed simply for cleaning and storage. It stays within the IBC when the container is folded.



The Milford Lo-Waste Auto Lifting Floor is part of a growing range of IBC accessory products which



currently includes a Ball Valve Support bracket, Top Fill Support Bar and soon a range of reusable electric heaters to ensure effective discharge of temperature sensitive substances.

The Milford Accessory range is designed to deliver workplace safety benefits by removing otherwise hazardous tasks for the operator. This is all part of our commitment to customers to make operations as cost effective as possible.



Our Patch takes shape

Regular readers will know that we have created a unique storm-water retention area in the front of our property, promoting best practice water and biodiversity conservation.

In 2003 the area was a thirsty lawn requiring substantial irrigation from mains water. It is now growing into a much needed habitat for local indigenous plants and animals in an urban landscape.

Whilst the space is visually appealing (and will be more so as plants establish), its function is to reduce the amount of rainwater run-off leaving the property and discharging into the storm-water system. Rainwater from one of the factory saw-tooth roofs is run to the head of a swale (dry creek bed), while car park run-off

flows into the other end of the swale. The heavier the rain the more water flows into the swale and in times of high rainfall the two ends are known to meet to create (at least for an hour or two) the "Great Milford Creek". As the land in Camden Park is sand base, the water seeps naturally into the ground to replenish the water table.

Stage Two of the water conservation project is underway at present and this will entail taking rainwater from a second saw tooth to feed into a collecting tank to be pumped into the factory toilets for reuse.

This project was supported through the Our Patch program, an initiative of the Patawalonga Catchment Water Management Board, supported by the City of West Torrens.

Kentone Distributors

Kentone Distributors is one of Australia's largest & most experienced vendors of Milford products. Located in Croydon, Victoria, they have been in operation for more than 26 years.

Stocking Milford Cargo Barriers and Safety Nets as their primary product line and being skilled installers of these products, the company has built a reputation of solid excellence in this field.

Employing the same ownership and management team since the company's foundation, the business is largely based on their long-standing good repute.

This has resulted in the provision of a continuous high standard of service where customers return to Kentone Distributors time and

time again due to a strong faith in the staff's skill, knowledge and aptitude. As a result, new business is generated largely through word of mouth recommendation.

Kentone Distributors is a firm believer in the benefits and quality of Milford Vehicle Load Restraint products, as well as the integrity of Milford Industries employees and practices.

Milford Industries are proud to be associated with Kentone Distributors.

Greg White believes the reason for his success is providing outstanding service over a 15 year period. Certainly the on-site fitting of Milford Cargo Barriers has been well received by customers.

Besides operating a very successful business, Greg collects and races MG sports cars.



Confrontation in Kuitpo Forest, SA

Large tree – 1, Toyota Land Cruiser - 0



Michael Manning's daughter Fiona had what could have been a life threatening accident. He describes the event here:

"At about 9.30 pm in November my daughter Fiona was driving along a wet country road near Kuitpo Forest. The car slid out of control going around a bend and went straight into a tree and rolled over. You can see from the photographs the tree was substantial and Fiona was

extremely lucky climbing out a window. The photographs show that your cargo barrier definitely stopped the roof from flattening. Well done!"

This is just one of many examples where customers contact us with anecdotes on the lifesaving reliability of Milford Vehicle Load Restraints.

For more stories visit www.cargobarrier.com

Telstra Small Business Awards – 2004

NSW Distribution

VLR's successful change to distribution in this State has resulted in five new direct supply stockists. They are:

Australian Auto Fashions, Haig Park, Bars-N-Racks, Accessory World and Seto's Custom Car.

Milford assists schools

Always looking for opportunities to contribute to educational learning, Milford has in recent months hosted another 'E' Team, this time from Seaview High; the students analysed the movement of work-in-progress from the Press Shop using tools learnt prior to the week long project. We also hosted a group of students from Unley High who spent a day in the VLR Development area as part of a CAD (computer aided design) project.

Did you know: Australia King of Large 4WD

Australia is now the single largest market for both the Toyota 100 series Landcruiser and Nissan GU Patrol! Both edged ahead of Middle East markets in 2004.

Once again we did very well and Milford Industries were one of five finalists in our category. We didn't make it beyond that, but console ourselves with the knowledge that some 1,200 applications are received each year.

It is a very interesting exercise going through the application process. It certainly gives course to examine every aspect of the business. Each year we become more aware of achieving to a high level the now expected 'triple bottom line' result and that is a key aspect of the Telstra Award criteria.



l-r: Michael Rees, Tarsha & Nigel Smalls, Judy & Greg Spooner.

Cargo Barrier installation CD

A reminder that the very well received Installation CD is available to all who need it. Initially launched at State

Installer training, this handy CD gives a clear overview of the components in a cargo barrier, as well as showing installation

methods. It helps the occasional installer, as well as refreshing the experienced one.



Staff Profile: Amanda Minagall



Amanda has been working at Milford for 14 ½ years. She commenced as a receptionist in 1990 and continued in that role for five years.

Amanda took leave to start a family in 1996 and now has two girls Montana (8) and Jesse (5).

It is a busy life for Amanda. She now has responsibilities for payroll, accounts payable and accounts receivable, so as

she puts it, "everyone has to be nice to me".

In addition to her demanding role at Milford, Amanda goes to the gym and plays netball and tennis. In what little spare time she has left, she goes waterskiing or to the beach.

On top of all that, Amanda has now caught the travel bug. She visited the United States this year and is looking forward to her first European tour.

click!

www.cargobarrier.com
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