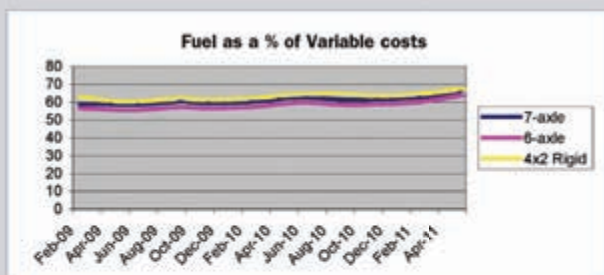
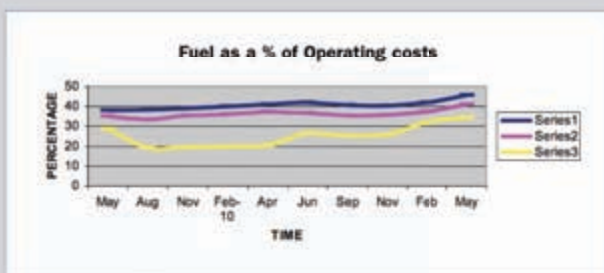


FUEL COST TRENDS

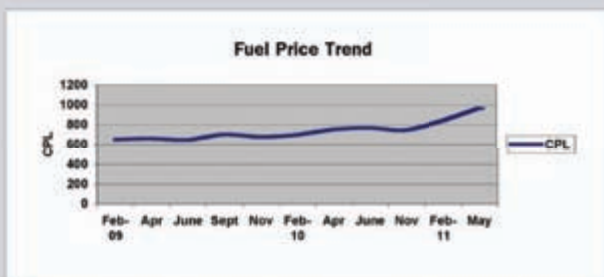
The following graphs and figures are designed to highlight various fuel cost trends as a percentage of trucking costs based on various transport operations. *FuelWatch* deems this to be vital information if rate adjustments are to be fair and timely.



FUEL AS a percentage of variable costs is based on the operating cost benchmarks published quarterly by *FleetWatch*. The trend line base is January 2009. Variable costs include fuel, top-up oil, maintenance, tyres and unforeseen expenses. The categories include a 7-axle interlink set covering 200 000 km a year; a six-axle reefer covering 160 000 km a year and a 4x2 insulated volume van covering 60 000 km a year.



FUEL AS a percentage of operating costs is based on the operating cost benchmarks published quarterly in *FleetWatch*. Operating costs include purchase price, cost of capital, insurance, vehicle licences, driver and assistant wages. The benchmark excludes overhead and administration expenses and toll roads. The categories include a 7-axle interlink set covering 200 000 km a year; a six-axle reefer covering 160 000 km a year and a 4x2 insulated volume van covering 60 000 km a year.



THE GRAPH shows the moving price of diesel based on the Gauteng wholesale price as published by SAPIA.

FUEL % OF VARIABLE COSTS			
Time	7-axle	6-axle	4x2 Rigid
Feb-09	59	56	63
Apr-09	59	56	61
Jun-09	58	55	60
Sep-09	60	57	62
Nov-09	59	56	61
Feb-10	60	57	62
Apr-10	62	59	63
Jun-10	63	60	64
Sep-10	61	58	64
Nov-10	62	59	63
Feb-11	63	60	64
May-11	66	64	67

FUEL % OF OPERATING COSTS			
Time	7-axle	6-axle	4x2 Rigid
Feb-09	38	33	30
May	38	35	29
Aug	38	34	19
Nov	39	36	19
Feb-10	40	36	20
Apr	41	38	21
Jun	42	37	27
Sep	41	36	25
Nov	41	36	26
Feb-11	42	37	32
May	46	41	34

FUEL PRICE TREND - CPL GAUTENG	
Date	CPL
Feb-09	649
Apr	659
June	646
Sept	702
Nov	678
Feb-10	699
Apr	752
June	766
Nov	746
Feb-11	840
May	964

COMMENT ON TRENDS

THE GRAPHICS confirm fuel costs as a percentage of operating costs for long distance haulage is rapidly approaching 50% (excluding toll fees and overhead expenses). Fuel costs for even modest annual kilometres for small payload vehicles accounts for approximately 66% of variable costs. This tends to diminish attention to growing maintenance costs when expressed as a percentage of variable or total operating costs.



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