



Orange Sheet

- No.1 July 2003

Welcome to Our 1st Shareholder Newsletter:

This is our 1st newsletter to shareholders. We propose to use newsletters to stay in touch and keep you informed about company issues.

Initially, we envisage these newsletters will be quarterly so that people are kept informed about the petrol station project.

Of course, the business of YCDCo. Ltd. is more than just selling petrol. We have a number of broader, longer term issues about the company which we need to consult with you, our shareholders, about. One of these is the community commitment which the company has made and how it will work. This is addressed in this issue.

Share Issue - Over 99% of Funds Now In

Since the much publicised success of the share offer in May, cash has been steadily flowing in and the share certificates have been going out.

As of 12 July, we had received over 99% of the money from people who had lodged share applications. Some people have found themselves in circumstances beyond their control and the Board has accordingly been flexible with deadlines. All other outstanding share applications are also being followed up.

All funds have been lodged in a special interest bearing account with WAW Credit Union.

Shareholder

Meeting and Information Night

An information night for YCDCo. shareholders is to be held at Yackandandah Public Hall.

DATE: Wed 6 August 2003

TIME: 7.30 pm. to 9.30 pm.

This will be an informal briefing session covering:

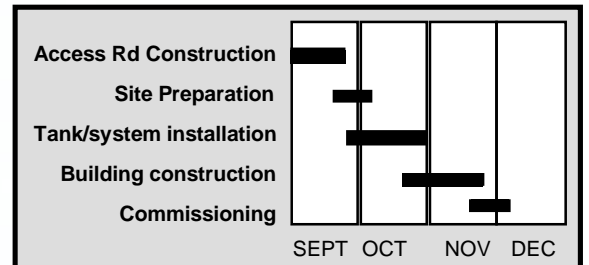
- Update on the petrol station project
- Community commitment process
- Shareholder communications
- Questions/open forum

New Service Station - Project Update:

Many people have been asking when we will see something happening at the new service station site. We are as keen as anyone to get things moving and have been working very hard to get started. Since the share issue, a lot has been occurring.

- Final designs/costings have been completed.
- Petroleum systems contractor appointed.
- Lease arrangements.
- Negotiations with potential fuel suppliers.
- Landscaping plans, traffic plans and building plans have been lodged with the Indigo Shire for approval (planning permit requirement);
- Equipment procurement;
- Fuel bowsers purchased (2 reconditioned standard bowsers and a new diesel bower).

Our current project plan is illustrated below:



The Shire has advertised its intention to lease the front portion of the IWS depot site to YCDCo. on a long term basis which is a legal requirement. A lease deed has been drafted and site hand-over is proposed for 13 August 2003.

Based on this project plan, we hope to have the new site ready for operation by December 2003.

The '50% Community Commitment' - How will it Work

Apart from building the new service station, this is probably one of the most important issues we will face over the next few years.

Basically, the YCDCo. Constitution commits us providing 50% of any profit made back to community projects or causes. That means we need to define the process through which the community commitment will work.

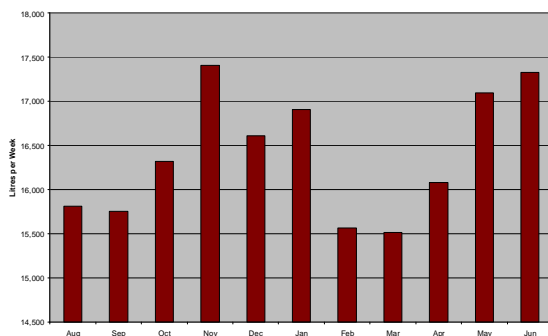
The Board's discussions about this to date have been far from conclusive. However, the following broad principles have been considered:

- Firstly, we all agree the issue of 'how' this will work needs to be addressed by the whole shareholder group (ie; not only the Board).
- Secondly, we feel there is some merit in establishing an 'arms-length' process (ie; a subcommittee or trust) which is separate from the Board as a vehicle through which community funds are channelled.
- Thirdly, anything we do should be characterised by transparency, fairness and inclusiveness of all sectors of the community in Yackandandah and its surrounds.
- Finally, anything we do should not threaten or undermine the role of traditional community fundraising initiatives and activities (ie; funding already provided by Council etc.).

A subcommittee has been set up by the Board to look at and report back on options available.

Sales - 12 High Street

We are continuing to trade from the 12 High Street Site and will continue to do so until the new site is up and running. The following graph shows fuel sales over the past 12 months.



The Offer Information Statement issued as part of the share offer, was based on achieving 10% volume growth (excluding business) at the new site.

The graph shows that our sales for May and June (at High Street) have already achieved 5.5% volume growth on the current site which is very encouraging.

Being a YCDCo. Shareholder - What Does it Mean?

We know that we have a lot of shareholders who are unfamiliar with share ownership and what that means. We also have a lot of local children who are shareholders, which is fantastic.

We have prepared the attached **Information Kit** for Shareholders which addresses a number of key questions about share ownership which people may be thinking about.

Most of the information is a summary of what is set down in the YCDCo. Ltd. Constitution, which is our key legal document. A full copy of our Constitution is available on the web at:

www.yackandandah.com/ycdco

If you need help with using the web, go and see Francis Dryden or YCEN.

IWS Depot - Proposed Rezoning

Some people will have seen an article in the Border Mail on 10 June 2003 which referred to the Council's intention to rezone the whole depot site.

This article inaccurately inferred that the rezoning was necessary to accommodate the new YCDCo. service station.

We would like to clarify the following:

- YCDCo. was issued a permit last year to establish the service station (as a permitted use) on the front portion of the depot site which is zoned 'Township'.
- The current rezoning proposal relates to the back portion of the depot site. It is **not** a necessary step (as reported) for us to establish the service station.
- the Board of YCDCo. has **not** expressed any view in relation to the proposed rezoning.

Any Comments ...

If you have any comments to offer on this Newsletter, please contact the following:

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YCDCo.

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