



**MAINFREIGHT LIMITED**

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# **MAINFREIGHT LIMITED**

## **CHAIRMAN'S AGENDA**

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## **SCRIPTED ADDRESS BY THE CHAIRMAN, AND MANAGING DIRECTOR'S PRESENTATION**

**19<sup>th</sup> Annual Meeting**

**4.00 pm, Wednesday 30 July 2014**



## **CHAIRMAN'S ADDRESS**

Ladies and Gentlemen, your company has performed satisfactorily over the past year.

Our net profit, before abnormals, increased by 14%. With the inclusion of Abnormals the tax paid increase is 36%.

We continue to emphasise the need for our company in New Zealand and Australia to be the strong foundations that enable us to develop as a global business. Looking back 10 years to 2004 – Australia made no contribution to Mainfreight's profits. In the current year, 2014, New Zealand and Australia made some 82% of our global profits, with Australia earning 31% of the total. This is a pre-tax profit of \$35M. We haven't been standing around over the past decade!

Last month we held our 100th Board Meeting, since listing on the New Zealand stock exchange. The first leg of the meeting was held in Los Angeles on a Friday. Your Chairman had already visited some 10 separate operations in Chicago, Dallas and Houston earlier in the week.

The day commenced at 6 am with a walk for the walkers and a jog for the joggers. The Board was picked up at 8 am and visited a separate operation in Los Angeles before commencing our meeting at 9 am at our main Los Angeles operation.

At 1pm we went to the team cafeteria, spread ourselves amongst the people and Don Braid gave out long service awards to 3 people.

The meeting reconvened and presentations and discussions were held with the Global CEO of CaroTrans, the CEO of China, and then the CEO of USA. Then from 3pm on - with 5 managers from the Domestic Transport, Air & Ocean, National Sales and Logistics divisions.

The meeting closed at 5.30pm and we returned to our hotel where 2 or 3 Board members went to the gym.

The next day we flew to Amsterdam arriving Sunday morning, and spent the afternoon with the usual walking, jogging or gyming and bike riding around Amsterdam.

Monday 7.30am, depart for our European Headquarters in 's-Heerenberg. Walk around warehousing operation (25 acres under one roof)), see our John Deere tractor assembly business with 18 mechanics, shook a lot of hands.

Meeting commenced at 9.30am with presentations and discussions from CEO of Europe Mark Newman (who is a Kiwi), our European Forwarding and Transport Manager, European Sales Manager, Netherlands Forwarding Manager, European Logistics Manager, and Jon Gundy (another Kiwi) our European Air & Sea Manager.

Lunch – met as many people as we could in company cafeteria.

At meeting conclusion 4.45pm – met for drinks and snacks with the 's-Heerenberg team, 5.30 pm – return to Amsterdam.

Tuesday 6.00 am – jogging, walking, gyming.

9.00 am – meeting in hotel for Managing Director's review and open discussion.

Meeting finished at 2pm. Chairman to airport for flight to Shanghai for branch visit.

This is a typical Mainfreight Board meeting. 2 or 3 day meetings in different locations, cities or countries.

In addition to operating in 20 different countries with 233 branches and attempting to hold Board meetings at least in those places of significant size, profit, loss or complexity, it is important to realise how many quite distinct businesses we operate in. Some of them are:

Domestic LCL Freight – sea, rail, air road

Domestic – Dangerous Goods

Wharf Cartage

Around Town Cartage

International Airfreight

Perishable Airfreight

International Ocean Freight

Wholesale International Seafreight

Full Truck Load

Mainfreight to Home  
Warehousing  
Domestic Forwarding

The reason for all of this information is to help you realise the special knowledge that Directors require to be able to operate in such a diverse business as Mainfreight.

It takes many years for a new Director to adequately understand the business.

I am grateful that we have such a highly skilled, knowledgeable and hardworking Board of Directors.

Don Braid will break with tradition and give an unscripted slide presentation to help give all those present a greater understanding of our business and finances.

Before passing to Don – I would like to make the following comments.

There remains considerable economic weakness in most of the world. Few would deny that we are experiencing some climate change, evident so far in more extremes of weather in very recent years. Our political leaders are struggling to deal with these very big problems. This may be a time when we as individuals have to play an important role – a role of maturity, tolerance and understanding towards our political leaders, and the people and nations less well off.

Anger, war, violence, insularity, cause only anger, war, violence, insularity and retaliation.

As individuals, and collectively, we have important roles to play in dealing with these very challenging times.

As for Mainfreight, we have built a strong platform over our first 36 years. In the five years since the global recession took hold, our 2014 profit has increased by a remarkable 81% - or some \$49M.

Profits in every country, and overall in Europe, have improved on the previous year, and those improvements are continuing into the current year. We see great opportunities for this current year.

Fellow shareholders, I would now like to ask the Group Managing Director, Don Braid, to give his presentation.

### **Group Managing Director's Presentation**

Please refer to separate PowerPoint slide presentation.

*For further information, please contact Don Braid, Group Managing Director, telephone +64 9 259 5503, +64 274 961 637 or email [don@mainfreight.com](mailto:don@mainfreight.com).*