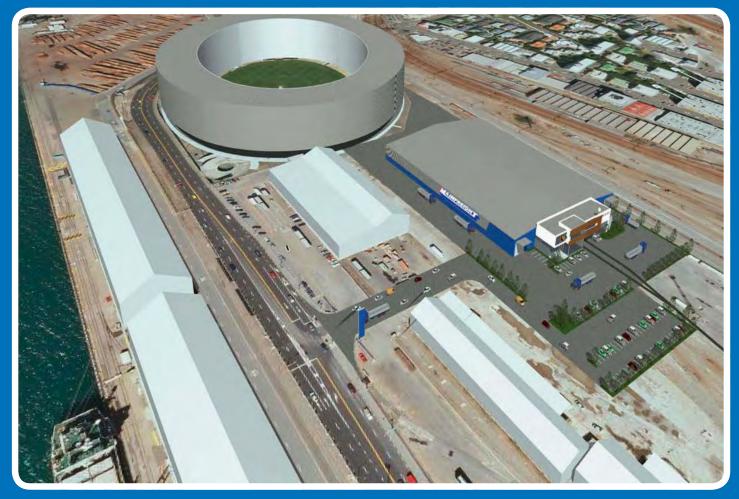


# **The Team's Board Report**



Artist's impression of our new Wellington Facility







EAM

These past 12 months have been an exciting and challenging time for us all. As the world's economies faltered we saw freight volumes deteriorate in most of our business units around the world. We needed to respond quickly and effectively, and to have every single team member in every branch committed and energised to achieve more with less.

In reporting our year end results, we have delivered a net profit (after everything - tax, abnormal costs and anything else that is required!) of NZ\$36.37 million, up 2.5% on the year prior. Importantly this includes an allocation of NZ\$3 million for bonuses in branches that improved their profit result on the year prior. A total of 55 branches and 1,104 team members will participate in this reduced bonus. While this is not a full bonus as we know it, it is a welcome return to sharing our profits.

Our revenues declined 10.5% to NZ\$1.13 billion and our operational earnings (EBITDA) declined 6.7% to NZ\$75.85 million. Overall a satisfactory result, in light of the issues that confronted us some 12 months ago, and a very good reflection of the passion and dedication that we have in this Mainfreight team.

We have saved NZ\$32 million in costs across our group of companies in this past year. This is a significant amount of money and demonstrates that together we have learned to do more with less. These disciplines are the key to our profitability in the future as we become a larger, more global business.

To achieve this result we took market share in most of our operating regions in the world, and we were able to open new branches in New Zealand, Australia and China. We were also able to identify new areas where we can extend our geographical reach.

Our full range of services is yet to be experienced by many of our customers. Across the world only one-third of our customer base utilises all that we have to offer. It is important that we all introduce our additional services whenever and wherever we can.

The momentum we have achieved during 2009 and into 2010 sees us very well positioned for the next 12 months. To maintain this energy and direction, each of us has a responsibility to achieve more, with quality aspirations, and importantly, still with a smile. We want to be easy to do business with.

We now have confidence to once again invest in new facilities for our operations in New Zealand and Australia. Construction will start on new depots in Wellington and Palmerston North before the end of the year. Both sites are located on KiwiRail land enabling us to improve our use of rail in conjunction with road and coastal shipping. In Melbourne, we expect to enter into an agreement to buy a large block of bare land for a new "Super-site" in that region.

Whilst this increased confidence is important, we need to maintain our cost and operating disciplines and to further increase the levels of quality in everything we do.

If we were to have a criticism of our performance, it is the lack of pace in decision making. We place responsibility on all our team to make decisions that will improve, grow and bring quality to our business. At times we hesitate to make these key decisions. Living in question marks will only slow our progress.

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In New Zealand, we want to build on our range of services. Full truck lots, cars, grain & seed, and our Trade Me and e-Bay sales are areas that require greater emphasis. Our Logistics (warehousing) business must find a recipe for further growth, and our International team is looking to convince more New Zealand exporters and importers to try us.

In Australia, quality remains a high priority and opportunities abound for more growth. Internationally we have the ability to double in size and become the largest and best freight forwarder in the region. Logistics has plenty of sales opportunities to double their footprint.

In Asia, it is important that we develop strong in-country sales campaigns to achieve the growth we need and to double our revenues.

In the USA, CaroTrans is looking to open more branches and will develop larger businesses in Los Angeles and New Jersey, while Mainfreight USA is on the road to profitability; everyday LTL freight gains will assist.

Our ambitions to become a global logistics provider remain strong. We want to be located in every trading nation of the world. The initiatives and efforts of each and every one of us has seen Mainfreight, our company, emerge a better business during the past year. We are well positioned for more growth and to deliver on our aspirations.

This is Mainfreight.

Don Braid

# **New Zealand**



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## **New Zealand Forwarding – Mark Newman**

## Mid-Year Message

We have just finalised our financial year end accounts for 2009/2010. The extraordinary efforts of the New Zealand Forwarding team over the last 12 months have meant that our New Zealand Forwarding operations will complete the period just short of our previous year profits; a humbling effort and one we dared not dream about during the depths of last winter.

Within this result there are many impressive performances and in all branches great sacrifices made. However a number of branches excelled and overcame all obstacles to record better profits than the year before.

Special mention therefore to;

- Wanganui
- Whangarei
- Hamilton
- Dunedin
- Napier
- Palmerston North
- Daily Freight Christchurch
- Precision Auckland and Christchurch

As you will read later, our improved profits have enabled us to begin on some urgent building work, developing brand new sites, on rail land in Wellington and Palmerston North.

While it is fabulous to put up new buildings and reap the quality and image benefits that they can bring, more important lessons were learnt during the last 18 months.

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#### With better people:

- We can do more with fewer team members
- We can improve our quality with fewer team members
- We can retain our customers and gain new ones in any economic environment
- We can improve our image, upgrade our fleets and make inferior buildings work for us

All of these lessons have galvanised our resolve to again raise the standards of everything we do. To that end the recent Branch Managers' meeting focussed on improvements to our depot and office image, depot systems, hiring standards, fleet age and condition, and all of our processes and procedures.

To allow us to stay strong and ahead of our competitors we urge you to get in behind your Branch Manager as we strive for these improvements.

#### Innovation

Using outside operators to tip grain and potatoes out of the South Island into Palmerston North was leading to poor service for our customers. The problem however was the business is so seasonal it was hard to justify the purchase of a specialised tipper to do the job. In a great piece of Mainfreight innovation, Alan Allport and Nic Kay created this New Zealand first. The unit is designed to tip 20' or 10' containers on the front unit or cart and tip two 10' containers on the front and rear. In the off-season the unit converts to a standard skeletal trailer for general haulage.

Good thinking team!





There are two amazing events each year that allow team members and their families from Auckland and the upper North Island to get together and have some fun.

The annual Round the Bays Fun Run along Auckland's waterfront attracted nearly 700 Mainfreighters and their kids this year.

Almost as exciting as the size of

our team in the run is the legendary post-run party afterwards at Madill's Farm. With spot prices, lots of activities for the kids, the national support team manning the barbeques and great music from the live band, it's a magnificent day out.

Just as good is the annual Kids' Christmas Party. Team members from the Auckland region converge on Westney Road where the land bank is transformed into a kid's paradise. This year we had nearly 900 participants on the day. Truck rides and full fairground attractions along with great food, prepared by us, make for an unforgettable day out for our families not forgetting that each child takes home an amazing early Christmas present.

Di Clemens and her team of volunteers are already hard at work planning the next round of events!













### **Big Plans For Wellington And Palmerston North**

We are well advanced in our planning to erect new freight facilities in Wellington and Palmerston North.

In Wellington we will build on rail land next door to the Cake Tin, in the downtown area. Configured similarly to our Mainfreight Auckland facility, we will have space for 12 'ZH' type wagons, significant rear loading capability, space to accommodate our International team and most importantly, parking near the footy. In Palmerston North we will again move on to rail land with a brand new building with much greater rail capability.

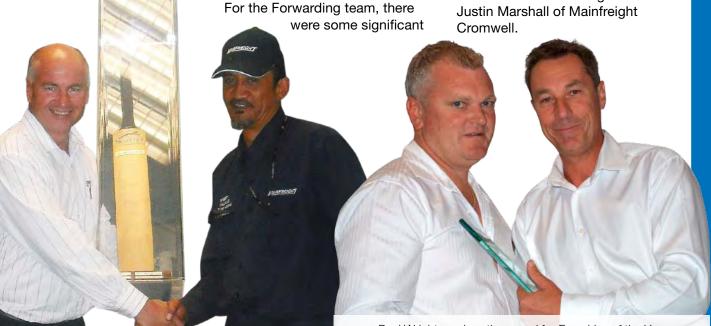
We look forward to moving into both facilities during 2011.

#### **Branch Managers and Sales Meetings**

We recently held both our Branch Managers and Sales conferences in Tauranga.

Apart from reviewing the year just gone and

setting goals for the one to come, both meetings recognise excellence by way of an awards evening where individual and team successes are celebrated. achievements. Branch of the Year went to Owens Auckland; the Service Excellence Award went to Rob Williams of Mainfreight Auckland; and the Franchise of the Year Award to Paul Wright and Justin Marshall of Mainfreight Cromwell.



Grant Smith presents Williams with his award

Paul Wright receives the award for Franchise of the Year from Mark Newman

Although the main Sales honour went to Mainfreight International, Forwarding team members picked up Most Call Numbers (Craig Edwards, Daily Freight Christchurch) and Most Billed Sales (Debbie Fox, Owens Transport Christchurch).

Finally, Luke Percasky of Mainfreight Christchurch picked up the converted 'Pickle' Award with this example of great customer service.

'My brother-in-law Drewe, has recently gone out on his own with a fascia and spouting business operating in Auckland. To do so, he contracted engineers in Christchurch to manufacture a roll forming machine and mount it to a trailer – the key piece of machinery for his business.

With plenty of notice, the plan was to move the trailer on Friday the 3rd of April from Christchurch to Auckland. Speaking to John Wright of MF CHH, he put this in the hands of Luke Percasky, who from the beginning showed a high level of professionalism and most of all great communication.

Unfortunately, things started to go wrong with delays in manufacturing and at the paint shop. With jobs booked for the morning of Tuesday the 7th of April that required the trailer, time was of the essence. Of equal concern was that the trailer arrive intact, as it was valued at over \$70,000 and needed to be handled correctly – rail was out, and road options were explored.

Further delays and the trailer was not available until Saturday morning, missing all potential linehaul options ex Christchurch. Luke, in constant contact throughout, and knowing the importance of getting this to Auckland ASAP, made an incredible offer to take time out of his Saturday and tow the trailer to Picton and put it on the ferry to Wellington. Coming straight off the golf course at his club championships, Luke skipped the 19th hole and set about the task at hand. Drewe was blown away by this and was more than happy to drive down to Wellington to meet the trailer off the ferry, as it meant he could keep his commitment to his customer and hold on to his account - so important in the current economic climate.

L'INTERACTION



Carl George presents Craig Edwards with his award



Debby Fox receives her award from Carl George



John Wright presents Luke Percasky with the Pickle Award

Luke was dealing directly with Drewe at this point, and provided him with reference numbers and contact names to enable him to secure his trailer off the ferry without delay.

To top it off, Luke followed up with Drewe on Sunday morning, and with myself on Monday to make sure everything went well - and with Luke on the case it never looked in doubt.

A big thank you to Luke on behalf of Drewe and I. A great example of the Mainfreight attitude: "Yes! Anything is possible!"



Harry Reynolds, Mainfreight Invercargill "a Picture is Worth a Thousand Words"

#### **Things To Do Better**

- 1. Do something to improve our image every day
- 2. Get involved to make sure we do not take any backwards steps with our improved claims performance
- 3. Live and breathe "Easy to Do Business With"

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4. Make all of our sites smoke free (and that means no smoking anywhere on site!)

## **Owner Driver Insurance**

For some time, Murray Calder and his team have looked after our Owner Driver Insurance Programme. This programme is a little unique as it has been tailored for Mainfreight and meets our requirements. Our collective buying power as a Group provides the added benefit of additional cost savings and better insurance coverage.

What's on offer for our Owner Drivers is:

- Competitive premiums
- Comprehensive cover for the Owner Driver's business
- Quick and easy claims service
- Low-cost instalments

It is important that all our Owner Drivers have adequate and comprehensive insurance cover. Mainfreight recommends the cover that Murray and his team can provide; certainly over some of the less superior policies that are currently being shopped around.

To those Owner Drivers who need better insurance cover, please speak with your Branch Manager to obtain contact details for Murray's team.

At present this programme is only available to New Zealand Owner Drivers, but Murray and his team are currently working on making a similar opportunity available to Australian Owner Drivers and hope to have something in place in the next three months.



## **Claims Performance**

Outward Consignments Per Claim				Inwards Consignments Per Claim			
Branch	To March 2010	To Sept 2009	To March 2009	Branch	To March 2010	To Sept 2009	To March 2009
Chem Auckland	2467	2449	1663	Chem Auckland	1813	3477	2579
Palmerston North	906	769	615	DF Auckland	1685	2414	1020
Chem Christchurch	889	938	496	DF Christchurch	1601	1373	1423
Rotorua	876	933	725	Chem Christchurch	1439	2026	1164
New Plymouth	874	680	611	Owens Auckland	1400	1459	1079
Dunedin	829	815	650	Palmerston North	1297	1249	774
DF Auckland	644	658	562	Blenheim	1268	1561	1065
Blenheim	573	485	590	MF Wellington	1106	1130	937
MF Hamilton	556	456	581	MF Auckland	1095	1186	803
Whangarei	553	559	374	Total Company	1049	1122	879
Owens Auckland	537	535	492	MF Christchurch	1048	1124	891
MF Auckland	503	601	501	Napier	1041	920	852
Total Company	496	519	461	Таиро	1036	1308	1810
DF Christchurch	477	530	463	MF Hamilton	1033	1118	843
Napier	431	394	433	Rotorua	1031	1154	1005
Mt Maunganui	428	492	535	Invercargill	972	1078	1343
MF Christchurch	421	425	364	Owens Christchurch	n 904	768	745
MF Wellington	404	423	346	New Plymouth	897	863	808
Owens Christchurcl	h 360	353	334	Mt Maunganui	886	946	706
Nelson	341	354	241	Nelson	733	887	548
Invercargill	248	216	172	Dunedin	730	690	942
Таиро	135	131	150	Whangarei	558	632	373

If your branch is below the Total Company number, then you are below average. Make sure you and your team members work hard this year to be above this line.

You should be aware that annual bonuses are affected in the following way:

- + 1% For outwards claims, over 450 consignments per claim, and 1,500 inwards consignments per claim
- + 2% For outwards claims, over 550 consignments per claim, and 2,000 inwards consignments per claim

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- 1% For outwards claims under 350 consignments per claim
- 1% For inwards claims under 1250 consignments per claim



## **New Zealand Logistics – Craig Evans**

To finish the year with improved profits and quality is a credit to the Logistics team as a whole.

We have seen our revenue fall by 5% yet profit increase by 50%. How can this be? Simply by all of us participating in removing unnecessary costs and being motivated enough to take immediate action by capturing new business to support our needs through these trying times.

And more importantly, delivering improved services for all our existing customers, by watching our performance with a critical eye, and focusing on ways to do things better.

Why are we keeping the pressure on? When is enough enough some may ask?

The facts are that whilst we have produced a satisfactory result, it's more important we collectively deliver a sustainable business. The returns are closer to what we need to achieve and deserve. Any celebration now would be premature in these times. The real party is when we deliver sustainable profit year on year reflective of the risk associated in running this division.

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Carlos Standen of Mainfreight Logistics O'Rorke Road demonstrates the use of drum straps – durable, flexible and reusable which makes them more cost effective than stretchwrap

We are neither playing down the proud achievements made nor the efforts by many to get to where we are; they are respected and appreciated. It's more a realization that any degree of complacency right now could prove to be fatal.

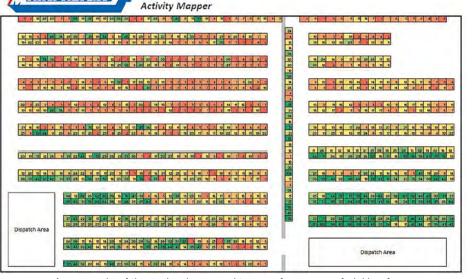
We have grown as a business and we have learnt some valuable lessons of productivity and the importance of honest self-analysis to prepare for the future. The closure of our Wellington warehouse is one hard decision that has proven to be the right one; we have not fielded or found genuine enquires to justify our presence in this market over the last few years.

Christchurch is currently 'consolidating' space including the closure of a warehouse in June and exploring further opportunities to reverse the falling profit margins seen over recent times.

Our strategies are to rationalize our warehouses, by utilizing space more efficiently, and catering for businesses that actually provide a margin contribution. In a pricefuelled market, less is more, we don't need to find ourselves unnecessarily dropping our prices simply to fill warehouses, where the long-term consequences will haunt us and our customers.

We will reserve our growth strategies for a growing market not a shrinking one, we will leave speculation to the foolhardy.

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An example of the technology used to map frequency of picking from warehouse locations. This ensures high-turn products are correctly located to maximise efficiencies by reducing travel time within the warehouse

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## Some other facts of running a warehouse:

- 1. 60% of all time managing a warehouse is from travel within the warehouse.
- 2. Up to 30% of the cost of running a warehouse is in resources
- 3. There is a 0% tolerance for errors from warehouse customers
- 4. One key target of a profitable warehouse is in how to keep them utilized between 80 to 100% full no more no less.
- 5. Profit is mostly derived from the speed stock turns over, not from storage

In the Christmas newsletter we heard from Adam Renner our American colleague who moved to New Zealand with his wonderful wife Ryan earlier in 2009, to immerse themselves in the Kiwi culture. Such was their commitment to the task; they have announced the pending arrival of their first child in October.

Not only do we have two parent ambassadors for New Zealand one day moving back to the US, they will have a proud Kiwi boy to show for their efforts.

# The Logistics Battle Ahead

To summarise our year end... "We toughed it out"

To summarise our year ahead... "We have to dig in, consolidate and prepare for a frontal assault."

It's difficult to continually convey the need to be frugal; it's officially 21 months since we mandated our sinking lid policy of no new team members as just one measure to prepare for tough times. The response and dedication to fight since has been exemplary. Whichever way we package the news we have some time to go, as another chapter of rebuilding our fragile economy unfolds.

#### 'The Perfect NZ Storm'

The market is currently awash with surplus commercial buildings, and that has unleashed cheaper rents and landlords prepared to do deals. As a result we are seeing new trends: firstly there is greater competitor pressure to pricecapture business to fill vacant space, and secondly customers are once again considering the benefits of leasing their own buildings.

We know this is a finite period of opportunity where the temptation of cheaper pricing plays out in our customer's mind.

In a tough market, where consumer habits have changed rapidly, committing to a fixed cost structure takes courage, especially when you consider the positive effects on customers who have focused on reducing inventory and increasing stock turn.

This is possibly the single greatest improved logistical habit to emerge from these times. The benefits have been primarily delivered by the variable model environment offered by 3PLs; a fixed model would not as freely capture such benefits.

Why would you want immoveable bricks and mortar in one location when productivity is the new measure and the ability to strategically place inventory strongly aligned to market trends?

In-house operations often are poor at measuring and managing productivity with their own people. Customers often focus on order fulfilment and stocking levels as the key measure without also considering the associated costs. Over many years of measuring this, it is not uncommon to find up to 30% more people are employed by in-house solutions compared to outsourcing, let alone the costs of holding inventory in the wrong locations as a result of having a 'building' to justify.

Additionally when you consider that salaries and building costs represent nearly 60% of the operating expenditure to run a warehouse, both these areas will be the first to be exposed to rising costs in a recovering market.

That's why our Logistics brand is in the business of buying 'risk' and why we need to be diligent in understanding in great detail the customers' expectations, and market trends.

A number of our competitors and potential customers should heed the wisdom in the old saying "where fools rush in ...". Like all storms they blow over and there will be the deliverance of low price being long forgotten with the bitter taste of short term gains.

When things improve, and they will, the whole community's expectations move upwards with it. Typically consumers will demand more and will become less tolerant of inferior service capability.

This pressure will filter down into our industry where expectations will rise and greater levels of service will again be topical.

For Mainfreight we must remain proud of our service and our capabilities, and not give these away too easily because others can only differentiate on price.



## **Mainfreight International – Jon Gundy**

Reflecting on the last financial year and the first couple of months of the new financial year the words "resilience", "determination" and "great teamwork" come to mind.

Our financial results are satisfactory, with our EBITD (earnings before interest and depreciation) up 10% on the previous year.

This result was achieved through improved customer service, strong sales and a significant overhead reduction. Well done Team.

These results provide a strong platform for us to grow our business and achieve leadership in the target areas of air and sea consolidation into and out of New Zealand.

## Highlights over the last six months

- Significant sales gains and momentum.
- Leadership demonstrated at all levels of the business.
- Strong growth in exports as we have created an "Easy to Deal With" service culture in an incredibly tight market of space with Airlines and Shipping lines.
- Maintaining our 10% reduction in overhead cost through improved teamwork and review of all processes.

As we progress through 2010, Mainfreight International will have the opportunity to create a business of strength and size that will provide great service to our customers and challenging career growth and opportunity to our Team.

Areas where we will be focussed and want to build momentum are:

- Continue to build an internal and external culture of being "Easy to do business with".
- Maintain a strong sales focus on new consolidation business to increase the intensity of our services in reach, volume and service.
- Maintain our air and sea space allocations with Airlines and Shipping Lines through increased support and "shipping what we book".
- Develop our team into Leaders who are always making decisions to improve service, profitability and develop our brand.

#### Gerry Elbourne Sales Person of the Year

Gerry Elbourne took out the supreme award for Mainfreight Group New Zealand Sales Person of the Year. Gerry won this recognition due not only to his new business gained in the 2009/10 financial year (in excess of \$800,000!), but also for the way he has expanded his skill set

from initially the Fijian lane only, to having shipping to and from all

selling tradenow clients

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over the world. Gerry has the entrepreneurial approach that we all strive for every day, and that combined with great relationship building skills, has seen him recognised as one of our leading sales people.

#### Paul Lowther Most Call Numbers International Sales

Once again Paul Lowther has been recognised for a phenomenal call rate (averaging 31 calls per week), taking home the award for most Call Numbers by an International Sales Person. Paul's highly disciplined and structured approach is an example for all our young sales team members. Paul also brings a resourcefulness and energy to his work that keeps on generating opportunities for not only the International division, but also for the wider Mainfreight Group here and overseas.

The Mainfreight International team is very proud of both Gerry and Paul. It is great to see our senior team members leading from the front, showing the way, (not to mention setting the pace!) for the rest of us.



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Back Row L-R: Kris Maddaford – Pride Logistics, Julie Lowe – IT, Jeremy Williams – Logistics Westney Road, Rachel Hustler – Training Centre, Cameron Hill – International Tauranga, Chris Meyer.

Front Row L-R: Trudy Burt – International Westney Road, Lisa Haycock – Chemcouriers Auckland, Kylie Kennett, Penelope Burt – International Westney Road.

#### Cure Kids Great Adventure Race – 23 April 2010 Cameron Hill

4.00am Race Day morning; I roll out of bed for my 7th Cure Kids race!

It was all a bit of a blur, then we were off to a strong start – relentless hills were relentless, my lungs burning like wild fire while struggling along the first 420m vertical climb.

The downhill was a refreshing break!!

We ran a great race but we had a series of unfortunate events unfold along the way; the wasp nest, the navigation error, the bike pedal, the bike ride that was actually a bike push rather than a ride (up our second 420m vertical climb).

A few times along the course – we all asked "WHY!!!"!!! Most of the time in sheer terror during the cycling leg, as my life flashed before my eyes – just trying to stay on my bike. Then you approach finish line and have little James with Leukaemia and the beautiful Cherokee, with an incurable brain tumour cheer you across and hand you a medal. It reminds you just why you are there. It's not you that deserves a medal at all – its James, Cherokee and their families that are the true heroes; going into battle daily to fight for their lives.

We are so lucky to be fit and healthy – and able to take part in such an event. The kids are the true inspiration and what the actual event is all about!!

Special thanks to our team; Lisa, Jeremy, Trudy and our support crew; Kris, Kylie, Chris, Julie, Rachel and Penelope and also to Mainfreight for continuing to support this fantastic cause.

#### **Cure Kids Fundraiser**

A petition was started earlier this year by the team at Westney Road requesting the removal of Hayden Cook's mullet. The petition then escalated into a bid to raise funds for Cure Kids, with the highest bidder winning the right to deal to the mullet.

Hayden Cook, otherwise known as Mr Billie Ray, graciously donated his mullet to Cure Kids and as a result of this grand gesture raised over \$600.

A fantastic effort by all and great to have Neil Graham on site to assist with the cutting.



#### Auckland - Rally of New Zealand

This year saw the 40th anniversary of the Rally of New Zealand. The Mainfreight International Seafreight and Airfreight teams were this year involved with a number of privateer teams including the 2004 winner – Petter Solberg.

At Rally completion our team faced a number of logistical

challenges in getting a number of cars back to Europe within a short timeframe and having to contend with volcanic events of Eyjafjallajokull and ash billowing/ blowing over European airports. Once again however we met these challenges head on and had all cars and spares delivered safely to destination airports meeting the various teams' requirements. We certainly hope to see the Production Teams and Privateers back on New Zealand shores in the very near future.

If you have any Project Cargo, please remember the number one name in freight – Mainfreight!!



Cars were towed from the Service Park at Queens Wharf on Sunday night and unloaded at our airfreight facility at Westney Road, Auckland



Cars were loaded onto a special "sandwich board" airline unit in order to fit inside the aircraft. This car was sent on an A340 aircraft and only had 1cm clearance between the front and rear bumper and the aircraft body! Once loaded onto airline units, the cars were then trucked down to the airport to catch flights to Paris, London and Milan



#### Auckland Airfreight Live Penguin Shipment

On 5 May 2010, Mainfreight International Airfreight undertook the air transportation of eight penguins from Auckland to Melbourne. The birds were picked up from Kelly Tarlton's in a temperature-controlled truck and were delivered to Mainfreight's temperature-controlled transitional facility for loading onto airline units.

The penguins were bound for the Melbourne Aquarium as part of their annual breeding programme and there were two curators present on site to oversee the entire operation along with a veterinarian and a MAF officer.

The special shipment consisted of three King and five Gentoo penguins. Understanding the sensitivities of the penguins facing unaccustomed air travel, the transport was organised with the birds protected in special cages with purpose-built ice packs to minimise stress and discomfort.

The birds were transported in a Singapore Airlines Boeing 747 400 Freighter across the Tasman as the airline guarantee the highest safety, comfort and hygiene levels that are essential to the well-being of the birds during transportation.

On arrival into destination, our Airfreight team in Melbourne ensured that the birds were promptly cleared through AQIS and Customs and delivered to the Aquarium safely the same evening.

Mainfreight Airfreight was chosen for its reputation in animal handling and transport services to carry out the challenging and successful delivery.

#### CaroTrans CFS Auckland

The Mobicon Straddle carrier is the latest addition to the CaroTrans CFS facility.



It is capable of moving both 20' and 40' containers, it can load or unload containers from flat deck trailers and has a lifting capacity of 33 tonnes.

#### **Greg Waylen**

Branch Manager – International, Hamilton

Greg Waylen has been appointed to the position of Mainfreight International Hamilton Branch Manager. He has taken over from Amber Abernethy who took maternity leave last year and Amber is now happy to be back with the Mainfreight family on a part-time basis. Greg has been with Mainfreight for over five years, originally joining the Mainfreight Transport team, covering numerous roles from Storeman, Customer Services, Rating to Account Manager. Greg continues to work closely with the Mainfreight Hamilton Transport team and is building the International business off their large customer base. Greg brings enthusiasm, drive and passion to this role and is looking forward to making a difference.





## **Owens Transport – Bryan Curtis**

We are extremely pleased and very proud to finish this financial year 2% ahead of the previous year before bonus and abnormal amounts.

This result has been achieved in one of the most difficult years in living memory, where sales decreased 17.2% yet margin still increased very slightly. With very tight control on our costs and a focus on doing more with less and cutting out waste the team have achieved a great result.

Congratulations to Kevin Babbington and the Auckland team, Darren Turner and the Auckland Metro team and Adrian Ferguson and the Christchurch team on the huge effort and commitment put in over a very tough time.

Kevin Babbington, Owens Auckland worthy recipients of the New Zealand Branch of the Year Award

We again face challenges as we head into winter with mixed messages varying from the collapse of the European Union by the doomsayers, the correction of the stock market that may signal a double dip recession – to record Fonterra milk solid payouts that will

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stimulate our economy in 2011 by as much as \$2b.

The payout combined with the forthcoming Rugby World Cup promises exciting times ahead for the country as well as Owens.

What does that mean for us?

We must continue to fight with a passion for all and any opportunities that we come across. To take advantage of the potential buoyant economy in 2011 we need to be light on our feet and, very importantly, looking at everything that comes our way.

A great example of this is the following photo of a Moffett that Darren and Auckland Metro team have added to their fleet in the past few months. It is proving to be a great success with word of mouth playing a big part in gaining a significant new account that could entail commissioning a second unit in the very new future. This is not limited to our loading/ unloading team but should include the Customer Services, Administration and the Sales teams as well

- Our facilities and equipment Most, if not all, of our depots, forklifts and ancillary equipment could do with a spruce up to get us to the immaculate standard that we expect. As we have discussed previously there is nothing more soul-destroying for the competition than to see our depots in perfect condition.
- Our vehicle fleet Our most important marketing tool. Again the opposition bow their heads in defeat when in the middle of winter they pass a gleaming Mainfreight, Owens, Daily Freight or Chemcouriers vehicle – regardless of size.
- Depot Systems The old hairy chestnut. Please revisit in each



OWENS DAILY FREIGHT Care Trans

The coming winter months gives us a great opportunity to do some of the things that were discussed at our meetings held earlier in the year.

 Branch swaps – Use this quieter time to get our teams visiting other branches to strengthen their knowledge and understanding of the network. of our branches to ensure that all facets of the depot system are being used daily. It is so easy for the simple things, which are so important to delivering world's best customer service, to be neglected. To allow our systems to slip is tantamount to terrorism.

# Australia



Despite the searching challenges that the last financial year threw at us, we are extremely happy to be able to report an increase in our profit before tax of more than 78% compared to last year and also an increase in our sales of more than 11%. This is a pleasing result in the circumstances and was achieved through a good combination of revenue growth and effective cost management along with a very healthy dose of hard work, ingenuity and persistence from our team all around Australia. For this, we would like to sincerely thank our team for what was a particularly good effort in uncertain times.

Of course, we now find ourselves nearly four months into our new financial year with last year fading fast into history. Our weekly profit results so far have been positive. There is a caution however - many commentators suggest that economic difficulties may well be far from over. We have seen and will continue to see some companies go broke, be acquired or withdraw some of their services as cash flow and profitability slips away from them. We must maintain a vigilant stance on overhead costs and ensure our margins are not eroded.

This industry consolidation provides strong and focused organisations such as ours with terrific opportunities for growth if we continue to passionately pursue a high quality of service delivery for our customers. Quality of service is the only thing that allows companies to survive, grow and ultimately achieve long-term success which is exactly what we are about.

Whatever the future may hold, we know more than ever, that great quality is the best defence against the vagaries of economic factors

CHEMCOURIERS

or to any threats that our competitors may represent.

So, please take the time to think carefully about how you can individually make certain that you play your part in providing continually improving service to our customers so that our team, our shareholders and most importantly our customers can continue to benefit from being associated with a successful company.

It has been a busy six months for the Australian **Chemcouriers** team particularly over the Christmas period when we managed a record profit and tonnage in week two – we are not too sure how we managed to pull it off, but we got there in the end.

Our growth has now led us to the stage of recruiting another team member to join our operation in the afternoon. With the amount of freight we are moving we now need both a morning and afternoon operations team operating full time. In the last six months we have gained over twenty new accounts that include some leading businesses and we also have an iconic Australian company just about to kick off with us. There are a number of other large accounts that we are currently chasing so fingers are crossed that we will secure most of these opportunities.

We managed to easily better our profit pledge for last financial year, so the team is eagerly looking forward to another big year ahead of us.

**FTL** has moved into the Melbourne Metro office and things are on the improve at the moment. The results are again showing consistency and the transition of having Rifet Gorovic's operational assistance in the branch has been a great help for FTL.

We have been working hard at consolidating our customer base and introducing new ones to the FTL experience.



L-R: Nicholas Vouros, Sarah Stewart, Dale Bigham, Gerry Cocolis, Aaron Danilo

Both Dale (Melbourne Metro branch manager) and Gavan (FTL Branch Manager) travelled to New Zealand recently to see how Metro and FTL operate over there and it's fair to say the boys were impressed with the way things were done. The visit has given us a few ideas and although some operational aspects are different to Australia, it was a worthwhile visit.

After recently making the move from the Clayton sales team to Melbourne Metro branch manager, it hasn't taken long for Dale Chubb to adjust to his new role and to realise that the branch is in desperate need of new business. By having Rifet run the operational side of the business it has allowed Dale to get out of the office and do some new business calls and we are quite excited about what is on the cards for Metro with some good opportunities in progress at the moment - watch this space!

Likewise for both **Sydney and Brisbane Metro** branches; our commitment to finding better growth sees Sydney Metro welcome our first fulltime Sales Executive into the Metro business in Australia. Nicole Oncescu joined us in January and has been bringing on two or three new customers a week since. We have seen our fleet grow from 13 last year to its current size of 28 and we are also in the midst of appointing a second full time sales person in Brisbane.

This forthcoming year will see Metro focus on sales, service quality, presentation and vehicle utilization.

Exciting times ahead here for both FTL and Metro.

In **Adelaide** over the last six months we have developed the ability to offer a "one stop shop" capability as we now have Mainfreight International, Distribution and Logistics on the one site which is brilliant! We are already starting to see the power that this unity brings with sales revenue starting to gather momentum.



<text>

Sydney Metro truck in Kings Cross



Adelaide team members at work ... and play



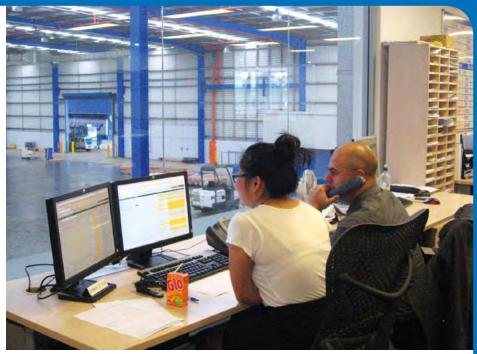
Over the next six months we also expect to see our pick up and delivery fleet grow by over 20% which will be of enormous assistance to our delivery performance.

The sales team have had a strong start to the year and are ahead of target with plenty of potential business in the pipeline.

We are also ready to move ahead with our depot expansion plans which will see our dock area double in size and our offices upgraded.

In **Sydney** the team is focusing intently on improving quality and sales growth. The Sales team has been rebuilt over the last six months and we are very pleased with the vibrant young team that we now have. The Operations teams are working hard to ensure better load quality and making sure that our depot systems are strictly adhered to.

The Administration team are thankful that they managed to survive the end of the financial year! Our wonderful debtor controller (Pine) and our two hard working accounts payable team (Randhir and Katherine) met very restrictive end of year deadlines.



Tako Phanoraj learning the intricacies of a dispatcher's role from Shannon De Silva

After a lot of hard work they are now all ready to tackle the new financial year with gusto. Natalie Stassen has transferred to the Administration team from Sales. She is currently working her way around the team and will soon be able to "back up" most jobs within the branch.

We are lucky to have the most experienced team within Sydney and will be endeavouring to do some cross training with customer service over the next few months to share some of this experience. Our aim is to further our Mainfreight knowledge and be able to assist customer service during peak periods.

For the first time in recent history the **Brisbane** branch finished the year in profit! We are very proud of this achievement as finding sustainable profit in Brisbane has been tough. The solid results we are seeing are due to the relatively new, enthusiastic and highly motivated team that Ashley has



Kim Pawsey - Brisbane

risbane Middle L-R: Mandi Johnston, Erika Simon, Morgan Hill, Ravi Dronavalli Sitting holding the Birthday cake (and it's extremely yummy btw) James Hawley





put together. The team has then been simply empowered to be able to make decisions to improve service and depot efficiencies.

We are now eagerly setting about growing our branch and network presence throughout Queensland which is not a simple task given the geographical size of the region.

We have also just renovated the office and signed a \$1 million per annum customer recently – things are indeed looking bright in Brisbane.

Likewise, things are on the move in **Newcastle**. The branch has started sending linehaul units direct to Perth for the first time (we are doing 3 on some days!), we have tightened up our depot systems to ensure we load by con/ note, check the freight into the depot, complete floor write ups and so on. We have also introduced monthly team BBQ's and are holding PAT meetings regularly.

We are focused on providing businesses in Newcastle with a superior service through a range of fundamental principles such as:-

 creating an enjoyable workplace for all team members

<u>|:||:|=::=:</u>|

- answering the phone within three rings
- delivering all freight every day

There have been plenty of changes at our **Melbourne** (Clayton) branch since the last newsletter. The refurbishment of the depot and canteen is complete with the boardroom and reception area

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George Cain and Gavin Butler - Newcastle Branch

OWENS DAILY FREIGHT Care Irans

- despatching all freight on day of receipt and loading by con/ note to ensure loading errors are kept below 0.5%
- providing excellent customer service to all customers externally and internally.

Although these are basic things

almost finished. The new canteen and kitchen is vastly improved and is now a pleasure to dine in.

Glenn Reed is back as the Branch Manager after 18 months working

that we expect to be done in all branches, Greg and the Newcastle team have managed to really get all of these things happening after a period where they were not being done to the required standard – and the results are already starting to show on the bottom line.

in another area of our business and a few other team members have reverted back to their old team leader positions in a concerted effort to get our quality back to where it needs to be.





The Sales team has been kicking a few goals with some substantial chunks of new business coming on board in the last few months and this is showing in vastly improved freight sales compared to the same time last year. We need every bit of revenue we can get this year as we have a hefty profit target of \$4.5 million to meet. Both revenue and profits are satisfactory so far this year without being exceptional and there is a real focus on improving margin through better utilization of both the PUD fleet and linehaul.

We have added some new linehaul legs over the last few weeks with direct runs into both the Gold Coast and Townsville ex Melbourne which has improved both transit times and margins.

We have recently exercised an option to extend the lease on our Perth site for a further three years. This is an important decision as it now allows our team to implement a number of initiatives to make the site a little more efficient. For example we are now able to consolidate our operations,



L-R: Michael Deng, Neneng Vincent, Sue Rexter, Sumarni Mohd-Shairy, Etesa Vettori, Ruben Wiki

We had a Special Visit from NRL & Kiwi Rugby League Legend, Ruben Wiki at Mainfreight Clayton Depot to meet two Legends of Mainfreight – 17 years Neneng Vincent – Data Entry Supervisor and 10 years Sumarni Mohd-Shairy – Data Entry Assistant. Ruben put a smile on everybody's face as he gave up his time to have photos taken with all who there to meet him....especially the Kiwi boys out in the Depot....

customer service and administration teams into the one office area and we have already seen operational efficiencies and improvements as a direct result of this.

Our sales team will also soon be located together with the Mainfreight International sales team, sharing a sales support team member. All sales team members are in the market place aggressively working towards significantly growing revenue in all brands of the business. Customer trading has been down over the first two months of the year highlighting the fact that our growth has to come from new business sales gains.

In June, we will combine some job functions with International so that we can introduce a 'joint brand' receptionist for the first time. This will result in an improved and more professional service to our customers and guests with fewer interruptions to team members, who currently answer calls that are not for them.

Overall, our three brands continue to interact and support each other very well in Perth not only in the market place but through social activities such as our upcoming golf day and the infamous Christmas in July get together!

Once again, thank you to every team member throughout our great business who contributed to last year's strong results.

Let's all be sure to stay very focused on making sure that everything we do is done right the first time.

## Logistics Australia – Mitch Gregor

Everyone has goals and these are driven by what we want out of life, the goals you set for yourself, for your family, for your children. These may be buying your first home; losing some weight; giving up smoking; it may be teaching your three year old son to ride his new bike.

Whatever these goals are, to achieve them we require a positive attitude, calculated risks, sacrifice and hard work. Think about something that you want to achieve and go for it.

The same approach applies to our work.

With our ongoing growth as a business we have many opportunities for those who want to advance in their careers, take on more responsibility and leadership, advance in learning and contribute to our success.

Third party logistics companies are becoming an important part of today's supply chain. The growth of logistics companies has been driven by the need for businesses to become leaner, reducing assets and allowing focus on core business processes.

With our Logistics business, these opportunities to learn about the scientific approach to management, technology and processes provide an exciting environment for all of our team.

We want to provide our customers value and something special. We can only do this through the contributions of all team members and striving to continuously improve in our service offering.

With July here already and the 2009/2010 financial year been and gone, the past 12 months for Logistics in Australia have been about discovery, improvement, understanding our costs and margins and getting the right people on the right seats on our bus. Our improved profitable position year end (although a long time ago now) is a testimony to our team and approach towards quality, culture and profit.

Activity and storage levels have been quiet in the first few months of the year, but with some new key accounts commencing this month and a team which is ready for the challenge, this year is looking exciting for all.

As this contribution is being written we are looking for land for our new supersite in Melbourne and are in the process on planning the implementation of two new major accounts in our business, supporting the statement "every day is a good day at Mainfreight".

## In Logistics Australia we have 5 key focus points for 2010:

- 1. **Quality** and our focus on processes and procedures.
- 2. Sales growth and retention through improved focus on partnerships and account management.
- 3. Becoming **easy to deal with** for our internal and external customers.
- Reviewing and reengineering our operations through science, optimisation and utilising improved technology.
- 5. **Providing a career path for our team** and developing more leaders.

#### Recent times, events and milestones worth a mention; Easy to Deal With course

Over the past few months the Training Team in Australia has rolled out the Easy to Deal With course. Our objective for the course is to raise our team's awareness of what the Mainfreight culture is and how it translates to a world class level of service to both internal and external customers. With the sheer geography and distances in Australia between our branches this is no small task. These courses started in Perth and Adelaide and continued through all branches, now having been delivered to every team member including our Owner Drivers and feedback has been positive.

#### Official Opening of our Adelaide Branch

Adelaide is now in full swing and Mason Barnes and the team are working hard to pick up new business and support our brothers in Distribution and International.

We can now offer our customers a South Australian fully integrated supply chain solution.

We decided we needed to have an official opening, but our small allowance and set up costs couldn't afford the promo girls so Saree did the honours for the boys when she was in Adelaide doing some training followed by a slab of beer.

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Saree Tourian cuts the special ribbon---we are open for business

#### **IT and Radio Frequency**

Tomorrow is ours....you can't do today's job with yesterday's methods and be in business tomorrow.

With Radio Frequency fully operational at Prestons with MIMS Mobile (the wireless RF scanning version of our warehouse management system) we are now moving on a project for national roll out with a timetable for all branches in 2010. This is being overseen by one of our graduates Jeremy Collins who is now getting heavily involved amongst other IT projects in Logistics.

The Australian market and customer base is driving further development of Scan Pack. Scan Packing refers to a process of bar-coded labelling by order and store level, this links the original order by store to the delivery.



Nilesh Bhuthadia and Jeremy Collins showing off their guns!

Our team is excited and embracing this technology and the importance this plays in improving our accuracy and quality in our branches.



Debbie "pallet management is everyone's responsibility" Rawiri.

#### **Pallet Management**

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With the assistance of Debbie Rawiri we have a real focus on improving our pallet management process across Logistics and Distribution in Australia. This focus has included identifying any exposure with hireage companies, auditing our processes and controls and educating our team on the do's and don'ts.

We are making some real progress and our team is embracing our new "passion for pallets".



for inwards containers which has just arrived before you ask.

Two of our Australian Logistics branch managers Colin Vearer and Mason Barnes recently attended Outward Bound and both loved the experience and challenge the program presented to them.

## Some thoughts from Col on his experience.....

My first thought was, why me? I have been here for 14 years so why now? Then I was apprehensive about the running side, but everything else from there was excitement.

As it got closer I tried not to ask anyone who had already been about it so I could go with an open mind.

My favorite part was conquering the rope course and the solo. Clinging to a rope 30 feet in the air felt a lot more comfortable the faster I went and keeping your eyes open is probably a good idea.

I looked forward to the solo partly to get some space from our intense team but also to let those thoughts come to the forefront of my mind. With the magnificent views, crisp nights and the sunny days it was amazing how you can keep yourself amused for 2 days and nights.



Learning was that if you make an effort all people can get on. It was tough moulding the group but I believe at the end we were all working together and supporting each other. I learnt to step back and let others have their say and make decisions and actually enjoyed being told what to do. It was also good to hear people's innovative ideas.

I also learnt that when pushed I can certainly improve myself. The trick is to do it when not pushed. We have buddied ourselves up with some good "training partners" who will put the pressure on from

#### Our Partnership with Disability Services Australia (DSA)

Many of our Fast Moving Consumer Goods (FMCG) customers require repacking and labour solutions for special projects. In our Sydney business we have formed a special partnership with DSA and we work in conjunction with them regularly on projects for our customers.

Mel Watson from DSA has provided some feedback about this partnership.

DSA Business Services started providing labour hire solutions to Mainfreight Prestons in July 2009. During this time we have provided Mainfreight with over 5000 hours of labour.

CINIZA ALCANT

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DSA's super men and women are helping Mainfreight's business to fly.

This not only assists Mainfreight to meet and exceed the expectations of their customers by providing value added services but gives our employees the opportunity to work with a first class leader in the industry.

Our employees contribute to the success of Mainfreight's customers and support Mainfreight as a leader in the logistics market. afar. I also learnt that when pushed kiwis can kiss an Australian hat and an Aussie can speak Maori.

My lasting memory would be the last sunrise on the solo. Had been awake for a long time thinking it was just about there and when it finally came it was good to actually watch the whole sky slowly light up and the warmth start to come into your bones.

A very enjoyable experience that had no negatives at all and I recommend everyone that is lucky enough to go attack with an open mind.

DSA thanks Thomas and his crew at Mainfreight for always making us welcome and ensuring that our employees are part of the Mainfreight team.

DSA Business Services has a flexible workforce of over 500 dedicated employees with a disability. Based in Sydney we

also have formal partnering arrangements in place in every State Capital and have the capacity to take a lead agency role in getting your job done nationally.

Using DSA to do your work is not just practical and economically positive, it also says a lot about your business and its place within the community. We look forward to a long and beneficial partnership together with Mainfreight.

#### Graduates

With the growth of our business in Australia we remain committed to promotion from within and part of this strategy is our approach to hiring university graduates. We now have over 20 in our Logistics team alone across Australia. All of these team members have studied a range of qualifications and have different roles in our team from inwards goods, sales and customer champions to Branch Management.

John Burbridge is the latest addition to our team and is based in our Prestons Supersite in Sydney.

As you can see John is another proud Australian farmer to join our special company.

#### **Team Updates Worth a Mention**

Our focus on quality continues and with some internal changes we have seen Jarrod Lovell move into his new role as Operations Manager at our Somerton Logistics Branch and Maraea Ekueti make the move from Queensland to Victoria to be involved in our Training Team focusing on assisting our Logistics team. The weather is a bit colder but so far she is enjoying her new home.



#### An Irishman in Australia

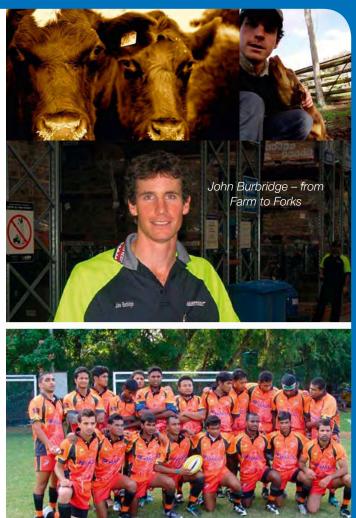
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Did you hear the one about the Irishman who married a Maori and they moved to Australia? Sounds like the start of a joke. Well it's not.

Irishman Colm Scully joined our Logistics business in New Zealand two years ago. Originally Colm came to New Zealand on his OE; he ended up in Rotorua where he met and married Bobby, the love of his life. Colm and his wife Bobby are relocating from our Owens Logistics team at Kahu Street, Auckland to join our Logistics team in Melbourne and get involved in business development and sales as part of our focus on cadets.

Bharat Kesrey rejoined our team from his overseas exploits of playing rugby in India (yes they do actually play rugby in India, that was not a typo). Bharat started with us in 2004 as a graduate at Westney

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Bharat pictured back row far left and his "Hazards" rugby team

Road, he then made his way back to us in Aus and he is relocating back to NZ to join our IT team this month. We look forward to the operational knowledge he adds to our fantastic IT team in particular his knowledge of Radio Frequency and MIMS.

To maintain momentum and success in our Logistics business we need to have clear direction in every branch, stick to the basics, continue to educate our team and provide them a career path, follow our processes and never compromise on quality.

**Quality** and **consistency** are two key words we all need to adopt.

"In the end, all business can be reduced to three words: people, product and profits. Unless you've got a good team, you can't do much with the other two"

The next few months are critical towards our overall result for the year.

Let's get out there and do it and remember to have some fun.

Welcome to Mainfreight Mitch speaking ... 3 rings team

## Mainfreight International Australia – Steve Thorogood

Looking at the first half of 2010 for our team in Australia, we find ourselves in a quite a different place to the first six months of 2009. Our teams are all settled into their facilities around the country and are pushing forward in further developing the brand and market share in the Australian market. We have had team members take up opportunities of roles within other branches, making both interstate and overseas moves. The Mainfreight culture of promoting from within for those that wish to put the hard work, effort and desire in, is as evident today as it always has been.

OF

One notable move was that made by Ogi, with Jasna and family from a role as Sales Manager in Brisbane to Branch Manager in Adelaide. Ogi brings to the branch the passion and drive to grow our South Australian branch in unison with our Adelaide domestic business.

The South Australian International Team ready to excel.

Top L-R: Rebecca Macrae, Joanne Jackson, Skye Sargent, Chantelle Trimboli, Lisa Raimondo, Diana Christie, Jon Francis, Martin Venning Bottom L-R: Dan Rutter, Paul Rees, Ogi Vuksanovic, Joseph Covino, Reagan Jones

CLASS

During 2010 through Brian Anderson leadership, our team arranged and transported the movement from Australia to Fiji of a Sound Proof Booth, required for the accurate testing of children's hearing.

The Carabez Clinic is the first state-of-the-art audiology lab in the Pacific Islands; in fact it is the only audiology practice available in Fiji.

The children receive hearing aids free of charge that normally retail for AU\$3,000 each.

With this program, the deaf children of Fiji, will be fitted with appropriate hearing aids; and receive early intervention and a parental support program, with the ultimate aim of enrolling the children in the local school, with their hearing peers.



2010

Fijian children at the Carabez Clinic





Brisbane International Team Members. Gary Shrume, Shane Bird, Jessica Pursey, Craig McNaughton, Ogi Vuksanovic, Steve Anderson

In February 2010 our Brisbane branch through the efforts of the whole team were awarded the Mainfreight Group Branch of the Year for Australia. The same evening, Craig McNaughton from the Brisbane team was also awarded the Group Australian Sales Executive of the Year award. A double success for the team from Brisbane who had a great year and are now targeting a successful 2010, **striving for two years in a row.** 

The Australian international business has seen some significant milestones in the first six months of 2010.

Those milestones included:

- Bill King 45 years (MFI Sydney) – March 2010
- David Coe 25 years (MFI Sydney) – April 2010
- Ann-Marie Struhs 20 years (MFI Melbourne) – April 2010
- Mark Davis 15 years (MFI Sydney) – May 2010
- James Hartigan 10 years (MFI Sydney) – May 2010
- Helen Baziotis 20 years (MFI Sydney) – May 2010
- Craig McRitchie 15 years (MFI Brisbane) – May 2010
- Bill Brown 25 years (MFI Melbourne) – June 2010

 Matthew Mudge – 15 years (MFI Melbourne) – June 2010

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The successful Outward Bound leadership course in New Zealand continues to inspire members of our team around the globe and this year Troy Kirwan and Craig McNaughton from our International team were fortunate to have the opportunity. Below is some feedback from Troy Kirwan on his experience.

Outward Bound is a fantastic experience. From the time the ferry docks at the small pier at Anakiwa you know you are in a special place. The clear water in the bay, clean air and tree topped mountains all around. A traditional Maori greeting and then straight into it. We are quickly thrown into situations where we have to work together as a team. We are all in a situation we have never been in before and probably may not again. However, all 14 participants have a common bond, Mainfreight. It is this common bond that helped us come together as a team. We all developed strong bonds quickly, conquered all tasks and pushed each other further outside of our comfort zones.

There was a constant drive to do it better, take on the challenge and to support each other. The days were packed with activities and adventures that I will always remember. Friendships developed that will last a lifetime. Outward Bound is a journey of self discovery and personal growth. I would recommend Outward Bound to anyone.

#### - Troy Kirwan

Each new day brings exciting new challenges, challenges our team embraces. Continually striving for improvements in our quality offering to our customers and not accepting mediocrity.

Working hard to build strong relationships at all levels with our customers. We are striving to be the best in the eye's of our customers in our service offering to them.

A big thank you to all our team, both long-serving and new, for their commitment, passion and dedication to making a difference.



David Coe (25 years) and Bill King (45 years) cutting the milestone celebration cakes.



## **Owens Transport Australia – Cameron Clode**

The past six months have been somewhat challenging for all of our team. However, we have gone from significantly reduced container volumes in Sydney to a large influx of work commencing lately. Our Brisbane business has maintained its steady growth in terms of container volumes, whilst our Melbourne operation has seen reduced volumes as we try to consolidate and improve our margins.

We are continuing to look at alternate transport markets and freight mixes to ensure we do not keep all our 'eggs in one basket'. Our sales team is being encouraged to look at potential customers that require container cartage, unpack, warehousing and re-delivery services.

We also continue to work closely with Mainfreight International. By the time this newsletter goes to press we will have integrated all Sydney Mainfreight International FCL owner drivers into the Owens Sydney operation. We would like to thank Mainfreight International Sydney and the Owens Sydney team for ensuring such a smooth transition. We are sure all customers have seen improved service levels.

As a business we have spent the past six months looking at ways to differentiate ourselves from our competitors. We have all recently attended the Easy to Deal With courses and we should now ALL be delivering our service with a smile.

We have also been looking at what our customers want and it appears to be communication, communication and communication. This is every team member's responsibility and we must all ensure we are telling our customers what is happening with their freight at all times.

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We have requested some exciting IT enhancements to our Austrak system that will see our customers receive communications via email when something happens with their containers such as when picked up from the wharf, when delivered to customer site and when the empty container is de-hired. This will be a great selling tool for our sales team. We must however remember that as well as these enhancements, talking to our customers is extremely important.

Our Sydney Depot operation has been performing well at the start of this financial year. We are seeing good volumes, tight cost control and excellent service. Through our excellent name and our location at Port Botany we are seeing more and more new business enquiries. Congratulations to our Depot team on the current performance – it has been a long and difficult road since our relocation to Botany but the rewards are starting to come.

Sydney Transport has a new Branch Manager (Michael Thompson) who commenced in May. Michael is very keen to begin work on improving margins, sales and also to manage costs aggressively. The business has struggled in recent times with the loss of a major customer (loss was not due to service or price), hence our change in strategy to mix our customers, type of product and markets. This will prevent a similar situation should we lose a customer in the future – not that we are planning on this.

Brisbane Depot has traded tremendously well and was pretty much responsible for all of the Brisbane profit in the last financial year. Similar to Sydney, we have a great name and deliver a great service which brings new work through our doors. This is a credit to our Brisbane team.

Our Depot operations have diversified into alternate freight handling activities. We are currently unpacking and arranging cartage of oversize and overweight freight, in particular large cable drums. These come in a range of sizes and weights. We organise transport on flat bed trailers, remove the cable drums from the flat racks utilising 40 plus tonne forklifts or cranes and redeliver around NSW to places like Grafton, Lismore and Coffs Harbour. This is specialised work and something we are becoming very good at.

Our Brisbane Transport branch also continues to look at alternate freight options and one of the more unusual requests recently was to move multiple refrigerated containers from Brisbane to Darwin. This was a significant task as the 'reefers' required power at all times and the distance between Darwin and Brisbane is roughly 3,500 km's - 50 hours' drive. On top of this, delivery time was very important as they were meeting a cruise liner that would only be in port for a matter of hours prior to setting sail overseas. Our team took this in their stride and through their can do attitude provided the customer with the solutions to ensure the service could be delivered. At the end of the day we had a very satisfied customer and, just as importantly, increased volumes from this customer since this job. Well done!

Our Melbourne operation has taken a bit of a battering in recent times. There has been a change in management, severe swings of volumes and the business as a whole has been performing poorly. We have however, managed to significantly improve our service levels (refer to email from one of our larger customers - Mercator Lighting) as well as improve our margins through the stopping of our night shift.

From: Richard Bezzina] Sent: Wednesday, 12 May 2010 11:00 AM To: John Willitts; Cameron Clode Cc: Shereen Lee; Jenny Rosser; Wayne Hoare Subject: MERCATOR Owens

Hi John, cc Cameron

just a quick note to tell you how happy I am with Owens Transport. In the main, containers are being picked up on the first day of availability and made available to Mercator on the second day which is excellent.

We are processing approximately 35~50 shipments per month.

Wayne & Jenny who are our primary contacts are doing an exceptional job. Well done to all the supporting operational staff and drivers at Owens.

Best regards **Richard Bezzina** Supply & Inventory Manager

Mercator Lighting Pty Ltd

We are now in a position to grow our volumes with our new sales representative and branch manager focused on finding significant sales growth.

Sales and more sales is the

Rubinco Corboski with his ten year service award - We are not sure if he is on the list for Australia's most unwanted??

theme across all Owens branches. We now have a sales person in our Melbourne branch, two sales team members in Sydney and soon to have two in Brisbane. This brings our sales team to five, which is five more than 18 months ago!

As this shows

we are very

focused on

growing our business and for that growth to happen guickly.

Rubinco Corboski recently achieved recognition for ten years service - congratulations Rib.

In closing, we must remain focused on our service in particular our communication with our customers. As a business we are striving to differentiate ourselves from our competitors. We need to be innovative in the way we do things, challenge ourselves in the positions we hold in our team and challenge each other to be the best we possibly can. Let's look forward to a fantastic 2011 - we will achieve amazing results if we work as a team and support each other's ideas.



Owens Transport delivering Reefers in Darwin for the MV Princess

CHEMCOURIERS

Re-delivery of cable drums - on their way to Grafton NSW





## **Group Human Resources – Martin Devereaux**

For many people when they think of Mainfreight the first picture to appear in their mind will be a sparkling blue and white truck rolling around any, and every, city & town in New Zealand. Whilst not inaccurate, a more realistic picture of who we are was painted in February and May this year at Outward Bound courses in New Zealand.

No longer is Outward Bound the domain of 'Kiwi' males as it was eight years ago at inception. It is now a leadership experience for men and women alike and for team members from all countries. Our February course saw only 5 of the 14 participants (men and women) hail from New Zealand, with the balance coming from Australia, China and the USA. Not only did they learn about themselves, they also learnt about life in the other countries where their new found friends came from. They formed a network at a social level but more importantly they formed a network at an international level which truly reflects who we are today.

The excerpt from Ekin Zhu (Carotrans Shanghai) says it all: *"After this (Outward Bound) I totally realised:* 

- 1. How important the family is to me. I need to do much better on my job to have a brighter future, then give the best life to the family members.
- Don't try to find hundred excuses to give up on the way. Tell yourself nothing is impossible, just do it.

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3. Team work is necessary in the group. Give others a hand whenever they need just like they give to you."

Later in May we had a second course attended by team members who were all in existing leadership roles. Our leaders brought various levels of experience from 'new' managers like Jaime Grimmett from Chemcouriers Auckland through to '25 year legends' like John Wright from Mainfreight Christchurch. Proof that learning is for all team members; not just the 'young up & comers'. John's comments below clearly show the effect for him:

"...you learn that with the support of your team around you there is nothing that is insurmountable...no matter how far out of your comfort zone it is..."

The message from the teams here is one for us all to take on board. Every one of our branches and teams worldwide face challenges daily. Every one of these branches and teams has the means to overcome these challenges; as long we have the right attitude and are prepared to work together.

We know there are many team members out there with aspirations of career progression. The reality is this may require you to consider taking yourself, and your family, to a new environment. This may be a different brand, a different city or even a different country. The lessons learned at Outward Bound apply for you also. Take yourself out of your comfort zone and take control of your career. Blue Hong (MFI Ningbo) sums it up well:

"...the one engraved in my mind is no matter how difficult it looks like, at least try it, you will find it's not that difficult. Just try it. That's it."

Another illustration of our global approach to developing people is the introduction of Karena Shell to our team in Sydney, Australia. Karena, a graduate from Georgia State University, USA is three months into a 12 month "working visa" in Sydney where she will spend time working in our Distribution, Logistics and International businesses. At the end of her time in Sydney, Karena will take her new-found knowledge of our Australian operations and culture and return home to continue her career with Mainfreight USA.





February Outward Bound participants celebrate their survival

**CHEMCOURIERS** 

L-R: Melissa Bowder (MF USA Los Angeles), Blue Hong (MFI Ningbo), Trudy Burt (MFI Auckland)

#### Mainfreight Asia Team to New Zealand

As evidence that nothing stands still within our Training Teams our latest venture is to bring some of our team members from Asia to New Zealand and Australia for a two week training period. The objective will be for them to learn more about Mainfreight and our special culture; to meet their colleagues and work in a Mainfreight International branch and partake in an intense programme of daily English lessons. This will be an exciting challenge for those team members from Asia lucky enough to be chosen to travel and a unique task for our Training Teams to get their teeth stuck into.

We encourage our New Zealand and Australian team members to converse in English as much as possible with our Asian team, both socially and in business situations to help develop their language skills and fluency. We expect our first team members to arrive in New Zealand during July.

#### Mainfreight USA Graduate Program – Sue Beattie

Mainfreight Los Angeles has become the graduate capital of the USA. We presently have a total of five graduates in our Los Angeles program: Brendon Belesky, Matt Friedman, Byron Franks, Charles Ruddell, and our newest grad Harsh Dharamshi. Placed around the country we have Alice Freire in Atlanta, Chris Wall in Dallas, Sarah Lavacki in Memphis and Michael Baldus in Chicago.

Our grads all follow a two-year program which can change from time to time and branch to branch. The level of energy that these young professionals bring is invigorating. They are always looking out for each other and have each other's back. Nothing is too much trouble or aggravates them.

All our graduates are mentored by Sue Beattie at the national level and by our branch managers at the local level. Our future plan is to have a complete "hands on" training program. The class will be a two to three day course and will cover all aspects of our business, including a full day of ride along sales calls with some of the MFI sales people. To keep our graduates motivated and evolving, we plan on transferring them around the country within the Mainfreight group.

In the coming years we want all the USA grads to be part of the Outward Bound and Emerging Managers programs in New Zealand. One of the greatest parts of the program is seeing all our grads evolve into transportation specialists and valuable members of our Mainfreight family.

Mainfreight Scholarships Each year Mainfreight offers scholarships for tertiary education to team members' children. Recipients of the scholarships in New Zealand gathered in early February this year at a function to receive their cheques and meet some of the team.

#### Goodbye mother.....

March 31, 2010 was a milestone for more reasons than the end of the financial year. It was also the end of an era for Christine (Chris) Meyer. Through various decades Chris has been a mother to many of us and has played a huge role developing leadership and training initiatives throughout Mainfreight. Chris played a very public role in Mainfreight but it will be her work behind the scenes which will be missed the most. Chris, thank you & good luck - we all love your work!

'Realignment' not 'Retirement' is the word Chris chose. We'll leave you to draw your own conclusions...

Brendon Belesky, Matt Friedman, Byron Franks, Charles Ruddell and Harsh Dharamshi – Mainfreight Los Angeles

L-R: Don Braid, Stevee-Rae Pao, Alex Drinkwater, Steve Waqanivavalagi, Smital Singh, Amber Frances, Flavia Derbyshire, Nishad Prasad, Caitlin Neal, Jessica Wilson, Philip Doyle, Chris Meyer

## **Service Achievements**

The following members of our team have celebrated, or will shortly celebrate 20 years or more with us:

Peter Webster	40 years	Mainfreight IT Auckland
Rod McTavish	30 years	Mainfreight Whangarei Owner Driver
Colin Belk	25 years	Mainfreight Tauranga
Bill Brown	25 years	Mainfreight International Melbourne
Dianne Clemens	25 years	Mainfreight International National
David Coe	25 years	Mainfreight International Sydney
Robert Eva	25 years	Mainfreight Hamilton
Des Hampstead	25 years	Mainfreight New Plymouth
Kiu Muller	25 years	Mainfreight Thames
Des Reynolds	25 years	Mainfreight Hamilton
Trevor Rice	25 years	Mainfreight International Wellington
Jeanette Williams	25 years	Mainfreight Invercargill
Helen Baziotis	20 years	Mainfreight International Sydney
Debbie Brady	20 years	Owens National
Bradley Lahey	20 years	Mainfreight Distribution Brisbane
Paul Leydon	20 years	Daily Freight Auckland Owner Driver
Melinda Pickard	20 years	Mainfreight International Sydney
Dick Poolman	20 years	Mainfreight Auckland
Malcolm Robinson	20 years	Owens Metro Auckland Owner Driver
Graeme & Margaret Scahill	20 years	Mainfreight Wellington Owner Drivers
Ann-Marie Struhs	20 years	Mainfreight International Melbourne
Sheryl Waite	20 years	Daily Freight Auckland
Mary E White	20 years	CaroTrans New Jersey
Mladan Yagmich	20 years	Mainfreight Logistics Westney Road

## Thank you for your loyalty, dedication and hard work. What an achievement!

CHEMCOURIERS OWENS DAILY FREIGHT Care Trans



## **Bereavements**

#### **George llov**

Georgi llov passed away on 4 December 2009 aged 56.

Georgi drove a van for our Chullora site and was adored by all the team and customers alike. He was so well-liked and respected that Mainfreight jumped at the suggestion of his two sons coming to drive for us also.

Farewell Georgi, we will all miss you.



#### **Rikihana TeHau**

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On Friday 28 May 2010 we lost our mate Riki at the age of 45 after a 4 year battle with cancer.

Riki started with Mainfreight Auckland in 2002 and during his time with us he worked with the outwards team and also spent a lot of his time on site at TLC (one of our larger customers) loading FTL and Metro trucks with Mars (Effem Foods) products each night.

Riki was an integral part of our night team and at the height of his career at the new super-site loaded 3 x Wellington units each shift, all with an error rate of under 1.5%. Riki was a quiet but determined team member who has battled hard for the past four years. He was so strong-willed he kept working up until two weeks before passing. Riki will be missed by his Mainfreight Family in Auckland.

#### John Andrews

Mainfreight Brisbane recently suffered the loss of John Andrews who passed away in March.

John's passing leaves a big hole in the operation, given his depth of knowledge, experience and passion.

John will be sadly missed by the Mainfreight family.



#### **Warren Farrell**

On Saturday 29 May 2010, Mainfreight Distribution Prestons lost a dear friend and long-time member of our team, Warren "Wazza" Farrell, who passed away suddenly.

Warren started out as a driver back in the K & S days, decided he didn't want to be an owner driver so joined the Operations team. Warren then accepted the challenge of maintaining our new facility at Yarrawa Street and this, like his other roles, he did with great pride. Warren celebrated twenty years with Mainfreight last October. Although he could be a real grumpy bum, he had a heart of gold. Warren definitely had the "can do attitude" and will be sorely missed by his Mainfreight family here in Sydney.

Our deepest sympathies go to his wife Anne, his children, and his grandchildren.



HEMCOURIERS



## Technology – Kevin Drinkwater

## **Mainfreight USA**

The software developers at Mainfreight USA continue to develop some very useful tools for the business and customers. Some of their work is also being implemented in our International businesses in other countries. Two of the key applications now available are the Invoice Manager and the POD (proof of delivery) Monitor. Both systems are critical tools for branches to ensure they have key tasks up to date.

The Invoice Manager, which was released in May, allows all branches involved in any shipment to see what steps they need to complete to allow the invoicing branch to invoice on time. It is important that you, and the teams that you are part of, monitor and understand this tool.

The POD Monitor is designed to ensure that all freight is delivery updated and the delivery receipt scanned as soon as possible after delivery. There has been a significant improvement in our POD updating since this system went live. Please keep up the good work.

MIMS is now being used in 10 locations in the USA and has over 35 users. Whilst the order volumes are low, at between 500 and 700 per month, when compared to New Zealand and Australia, we have seen an exponential growth in recent times. Several of our new customers already warehouse with us in Australia and/or New Zealand and have taken the opportunity to expand into the USA utilising Mainfreight USA to warehouse and distribute their products.

Their ability to utilise Mainchain to monitor their warehouses worldwide with us has been a key contributor to us gaining their business in the USA.

#### Maintrak is 20 Years Old

The original version of Maintrak went live on Tuesday, June 5th 1990. The system was a much smaller version of what Maintrak does today but at the time it took Mainfreight light years ahead of itself and its competitors.

In fact it took almost a decade for competitors to get near our capabilities, some of whom we acquired on the way! The key operational functions in the original system are still a key part of the system today including;

- barcoded consignment notes,
- barcode wands to manifest the consignment note in the office,
- barcoded delivery receipts printed at the receiving branch along with the manifest, well before the freight arrives and best of all freight tracking!

Freight tracking was revolutionary. Prior to this the normal time to get information on a consignment or the actual proof of delivery was an extremely manual process which regularly took a week!!

From June 5th we took this down to 10 seconds by just typing the consignment note number into the system! This shift to light speed was a bit of a shock to customers, at first, but they soon began to love it.

Several customers tested us by asking for hard copy delivery receipts to compare with the delivery time we gave them over the phone. Having checked many of these and finding what we had on our system was what was on the paperwork customers knew they could rely on what we told them over the phone.

A few months later we took this service even further by releasing Tracey which allowed customers to track their freight over the phone. Customers could enter their consignment number by using the buttons on the phone to check on the progress of their freight. This was an instant hit and customers were soon using Tracey 24 hours a day.

An unexpected benefit of the tracking capability was the improvement of payment for our customers from their customers. Previously their customers utilised the time delay in getting proof of deliveries to defer payment. This all went out the window when our customer could instantly provide a POD.

CHEMCOURIERS OWENS DAILY FREIGHT Core rons

Additionally, the old excuse of blaming the freight company for late delivery went out the window too, as our customer's customer could ask us where the freight was and we could tell them instantly where it was – and often we had to tell them they we had not even been asked to pick up the freight yet.

Prior to the system we did a lot of unproductive work looking for PODs on a consignment that had not even been sent with Mainfreight or we were given an incorrect consignment number. This all disappeared as we had built a check digit into our numbering system which meant that we could immediately tell the customer it was not a Mainfreight consignment note or they had given us an incorrect number. Much time was saved.

Most of the original team that were the brains behind this system are still working for Mainfreight, or with Sandfield, the original developers today. They include Bruce Plested, Kerry Crocker, Stephen Crocker, Brent Tyler Davies, Bruce Copeland, Gordon Jackson, Neil Graham and Kevin Drinkwater.

Thank you to the original team and all of you who have contributed to ensuring that we continue to deliver world class systems to Mainfreight and our customers.

#### **MIMS Mobile**

There has been a big improvement with MIMS Mobile, and the utilisation of scanners in picking (in our Logistics businesses) has risen dramatically since the last newsletter. Please keep up the good work – this technology is a big part of our future.

#### CaroTrans

By now some of the CaroTrans team will have seen the new combined booking / bill of lading screen. Those that have seen it to be very excited by the capabilities and functionality that has been built into the new browser-based system.

There is still a lot of work to do before we can release it live to all of you as we need to ensure we have all the key components that are in the current booking and BL screens. We also need to make sure that it meshes in and works properly with the existing CaroTrack system.

As we progress, we will make the trial version more widely available and will be seeking further feedback and suggestions.

#### HP Server Hardware Replacement Complete

You may not have noticed that all systems, except Cargowise, have been successfully migrated to our new hardware. David Hall and his team proved that good planning and lots of hard work, much of it after hours, can successfully deliver a completely new infrastructure without the business knowing. The installation was even below the expected cost!

Many thanks to those of you who were involved in this project, especially if you were involved in the afterhours work.

Moving Cargowise to the new hardware is a two-step process. First we need to move it to a new version of the Microsoft operating system it runs on, then once that is settled onto the new hardware. We expect to have this complete in August or before.

## Contributions from the IT Team

## MF USA (a perspective from LA-based John Eshuis)

I've been to Rodeo Drive a few times now since I moved to LA. Every time I take visitors there (because I certainly can't afford to shop there), or I see photos of the street, I see a different high performance vehicle sitting in one of the parking bays, Bugatti, Ferrari, Porsche, Lamborghini and so on. Each example is immaculate, no finger prints, no brake dust, no driver! I've never seen someone get in or get out. To the point I am convinced that it's just placed there by local dealers as advertising for Rodeo Drive and their particular model. A win-win strategy for everyone concerned, I am sure.

I feel a little the same about our Cargowise implementation. We have a nice functional piece of

software, Cargowise, that by all accounts looks the part. But it's not really used to our full benefit. And that isn't because the team are not willing, the team here in the USA sure are that! No, what's missing is car keys, fuel and some instructions. We rolled out Cargowise with as much training as we could muster, and the team has managed to get behind the wheel. We now have to ensure that each team member is given the tools to maximize the product to the full advantage of branch profitability.

We have several things out there or in the pipeline that will help us get there:

- 1. POD Monitor we've come a long way since go live, now hitting 90%+ as a norm, rather than the exception. Well done everyone and it shows what daily focus can deliver.
- 2. Invoice Manager our invoicing still averages 3-8 days after POD. We need to get that down to ON or BEFORE the day of POD. For that to happen all the costs need to be entered in on time and this tool helps our teams manage that.
- 3. Improved QBR our Quarterly Business Review (QBR) reports for customers have been a big hit. We have had some good feedback on improvements from you and our customers and are currently working on improving them both graphically and in content.
- 4. Promapp our online procedure manual that will pull together training manuals, procedure manuals, KPI's and process improvement discussions into a single depository that is ALWAYS up to date.
- 5. Melissa Bowder and Bob Andrews are putting a lot of effort into carefully reviewing all the current processes to see if we can streamline any of our processes, and will test and roll out changes using Promapp as the communication tool.
- 6. Mainchain launched in January, it now has over 500 customer logins and 4000+ shipments have been entered via Mainchain Shipment Centre.

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More focus on Mainchain and EDI integration with customers should see us lift the current 20% of pre-entered HBL to 50% plus.

7. Onlssue – we're launching this tool to manage service failures between branches so that we can better manage the improvement process. "It's not an issue if it's not in Onlssue" is the mantra, so get behind it and use this tool to drive improved customer service and satisfaction.

The first half of this financial year is about ensuring we are set up to drive away onto Sunset (turn left off Rodeo Drive). Focussing on improving how we use the systems in place, and improving how we deliver for our customers.

#### Spotlight On Technology

#### Onlssue Express – online tool for customers. By Raagni Sahay and Brett Horgan

Onissue Express is a key part of our customer relationship management suite that allows Mainfreight's customers to raise issues directly with us online. It delivers a simplified streamlined user experience that gives them the ability to log and track issues. Of course we will always take your phone calls and value those personal interactions, but if you need a more structured system, Onissue Express is an ideal solution. From identification to resolution, for issues from quality reports to pickup requests, it ensures punctual response and identification of improvement to processes for easier manageability, proper analysis and quality values. Onissue Express offers a mix of services tailored to give customers more flexibility and control over how they interact with our team.

Over 10,000 communications are recorded and tracked this way every month. This customer services tool enables all requests and enquiries to be captured at one point, prioritised, allocated, tracked, completed and reported on. It also allows us to work cohesively and record all communication for Delivery In Full, On Time (DIFOT) and customised Key Performance reporting (KPI). Reporting features such as KPI reports in Onissue express can assist to identify bottlenecks and resource issues eliminating delays and shortages, increasing profitability and customer satisfaction. It supports business initiatives, providing a structure for fulfilment of customer requests/ feedback and reliable and timely measures of your organisation's delivery on its promise.

#### Printer replacements in Australia (Mike Hood)

We have just finished a printer audit around Australia to review the printers we have in the branches. We have identified a number of changes to help improve the speed, reliability and productivity of the printers on all Mainfreight Distribution, Owens and Mainfreight Logistics branches.

Over the next couple of months we will be rolling in new printers to help the branches with their printing needs. It may mean less time to make a coffee when you hit that print button, but also less frustration for those times you're in a rush.

#### BARBara lends a hand in disaster recovery (Brandon Potter)

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Before Barbara, Disaster Recovery (DR) testing would typically take over 12 hours to complete a failover to the DR equipment and failback to the production equipment, with some tests taking in excess of 15 hours. To complete the laborious test, four people had to follow a 35 page document, with hundreds of individual steps. Every step had to be performed in a precise order. Failure to strictly follow these instructions could result in the destruction of both the original and the backup copies of the servers. Whenever a change was made to one system, the processes and steps needed to be updated and re-tested at DR.

This process was successful for a number of years, but the number of Mainfreight eggs and baskets had grown to a point where the regular DR testing was becoming too time consuming and too risky.

It was time to evaluate other options. After careful consideration, we needed "one giant basket to rule them all". The concept was simple, achieving it was not.

The first step was to layer multiple servers on top of a few servers – this process is called virtualisation. For every 15 servers, now we only needed one real server to hold all the applications. It's a tricky process of dividing and positioning the eggs, but to run 130+ "virtual" servers we now only needed 10 physical servers.

And this is where Barbara comes in. BARBara is short for Big Automated Red Button. BARBara takes care of shutting down all 130+ servers automatically, in the correct order and safely brings the identical



Richard Daldy, David Hall, Brandon Potter, Jamie Thomas

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mirrored copies of each server online at our remote location.

Thanks to BARBara the 12 hours, 35 pages, 4 man task has been automated to a 1 button click and 4 hours to complete. More importantly the ongoing work required to maintain the DR processes has now been significantly reduced. Remember however our Disaster Recovery processes are only as good as the last time they were tested!

Mainfreight is the first company in New Zealand to create a BARBara. A single button automated DR solution, and we are one of a select few who actually FULLY test this capability. And judging BARBara's success, and the buzz in the IT industry around Barbara, we will not be the last.

#### Wand replacement (Andrew McLeod)

The next few months are going to be an exciting time as the



**OWENS DAILY FREIGHT** Core rons

new Motorola MC9596 wands are rolled out. These devices are the next generation of handheld wands, with features such as more memory and a much faster processor. Colour pictures can be taken and saved against unit outturns, consignment out-turn damages or driver pickups and deliveries.

We have been trialling these wands with some drivers for the past 5-6

months and all the feedback has been very positive.

Drivers will find the experience of using the new wands a vast improvement on the current situation, where a lot have gone past their expected lifespan and begun to develop problems.

With the rollout of the new devices, the platform allows for applications like OnDeliver to operate very quickly and functions like connectivity to be very solid.

# **United States**



### Mainfreight USA – John Hepworth

### **Overview of Mainfreight International Worldwide**

Globally Mainfreight International volumes have grown through a tough year.

Another financial year has passed, what a year, and thank goodness it is gone. Even with this terrible economic downturn we did well with our stats, as you can see from this chart.

	2007/08	2008/09	2009/10
Sea Imports			
House B/Ls	114,955	117,223	119,388
TEU FAK	15,930	14,868	14,150
TEU FCL	43,188	48,906	52,378
Sea Exports			
House B/Ls	137,142	148,243	161,302
TEU FAK	16,981	17,930	18,582
TEU FCL	65,009	68,294	68,246
Total HB/Ls	252,097	265,466	280,690
Total TEU FAK	32,911	32,798	32,732
Total TEU FCL	108,197	117,200	120,624
Total TEU	141,108	149,998	153,356
Air Imports			
House AWB	17,037	25,838	33,347
Kilos	10,348,789	14,249,441	14,523,070
Air Exports			
House AWB	34,318	46,706	61,286
Kilos	29,914,523	36,344,247	37,321,801
Total HAWB	51,355	72,544	94,633
Total Kilos	40,263,313	50,593,688	51,844,871
Customs			
Entries	60,208	65,020	82,432

The volumes from our two most recent acquisitions will help give us a nice platform to push for bigger volumes in 2010/11.

Reviewing the above statistics you can see we have had good growth across all products for the past three years.

Our strategy to grow airfreight three years ago has definitely occurred. Well done, but this is the start of our growth and we now must target 100,000 tons within the next three years.

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Customs brokerage has grown but our potential is huge, especially in the USA. Target for the next three years is to break 150,000 entries/ year.

Sea freight has tested us with the shipping companies struggling to make money over the past three years. Our strategy of aligning with key players has been a good one. Our volumes growth is disappointing overall. Our FAK program has fallen behind; we must focus back on our LCL import and export product. Target for the next three years is to break 300,000 TEU/year.

Team, these volumes targets are achievable as we take our global business to the next step. We must focus on our products and ensure we sell LCL and airfreight on all calls. FCL's can be a big distraction, because of volume, but the money is made in LCL groupage and airfreight consols.

### Mainfreight USA is Ready for 2010/11

Mainfreight USA has set itself a strong target of US\$800,000 profit for this financial year. With last year behind us and our restructuring completed we are set for strong sales growth and return to profit. We have implemented many new "Mainfreightisms" into our business that will reap good rewards in the future;

- 1. Implemented our graduate program.
- 2. Branch audits. These will also include our franchise offices next time round.
- 3. KPI's have been established and are all run off our operating platform. Nothing is manually done.
- 4. Set up our "Tight 5" program in our main branches. This allows strong management support and succession planning.
- 5. Open office plans in all new offices.

6. All branches completed "targets" for this year for the first time. Our teams understand these results will only be gained through a team effort not individualism.

Team, it is up to us and we have the base to be a valuable part of this year's profits for the Group.

Have a great 2010/11 year to all of the Mainfreight branches.

#### Mainfreight, Omaha creates an ON BOARD COURIER niche

Mainfreight USA - Omaha, has been on an eight month run of record setting numbers for export - as Global Manufacturing is heating up a bit, and the inventory status in many overseas warehouses is low - so manufacturing is working 24/7 to catch up. "How do you beat 2 and 3 day service with UPS and Federal Express overseas?" - You put an "On Board Courier" (OBC) on the plane and check the critical material as luggage, or actually hand carry the package if it's small enough. Nothing beats Mainfreight's "Next Day" arrival from the USA to virtually every city in Europe, Eastern Europe, and to the N. Coast of Africa (Morocco & Tunisia).

While this service is expensive to the Mainfreight Customer, many manufacturing companies can suffer "Line Down Charges" when the factory stops work due to a shortage of parts, and those charges can be frighteningly large. While this is not a new service offering of Mainfreight Omaha, in the past 8 months they have handled over 250 such shipments, and expanded the offering and service to one client in ChengDu China - with great support from Mainfreight Asia.



## Mainfreight USA comes through for the Navy

April 30th, George Frey, Vice President of Global Accounts received a call from the naval station in Seal Beach, California asking if we could perform a next day Saturday delivery from Los Angeles to Jacksonville, Florida for a pump weighing 465 pounds.

The ship was waiting for Mainfreight's Saturday delivery. Once the cargo in a large crate was unloaded the ship left immediately for maneuvers.

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Because Mainfreight gave excellent service, Seal Beach Naval Station has given us more shipments to international bases.

# Mainfreight Columbus getting ready for Halloween

Nick Krutsch, our sales man in the Columbus office, has recently secured an account called The Scarefactory, Inc. on a domestic, international and LTL basis. The Scarefactory, Inc. is a full service design and fabrication studio that specializes in creating Haunted Attractions. Their staff is comprised of Degreed and Accredited artisans and technicians who meticulously handcraft each and every piece they sell. They provide products and services to more than 500 Haunted Attractions around the World annually. They develop their new product over the winter, then display it and take orders at the TransWorld Halloween Show in March. They are in the process of building a large attraction (the size of a medium sized ranch style house) that we will be moving to Australia, and will require 3 ocean containers to move.



#### Technology Proving to be Useful to Mainfreight USA Service Centre

The Mainfreight USA Service Centre which is based in Phoenix, AZ handles shipments to or from those cities in the US that are not covered by a branch office. They are responsible for approximately 285 airport cities from coast to coast. They have split the USA into five (5) regions: Northeast,

Southeast, Central, South Central, and Western. With the volume of shipments handled by the Service Centre, and to best utilize the dispatching features of ediENTERPRISE, they had five 36-inch monitors installed, one for each region. With the monitors strategically located on a central wall in the centre, all team members in the MSC can see when new pickups have been created so they can be dispatched to our agent partners throughout the USA.

The Service Centre has been using these monitors for several months now and has found them to be a very effective tool. As the economy begins to recover, we believe some of our larger branches may find this to be effective for their daily dispatching as well.



For the last ten years at Christmas time the team members at Mainfreight, Los Angeles help the less fortunate in the community we work in, which is the city of Carson. We team up with a church who gives us the names of nine or ten families in our community in need of assistance.

Every department sponsors a family and is responsible for providing gifts for the children and food vouchers to put food on the table for Christmas dinner. All the gifts are personally delivered by a Mainfreight blue and white truck, along with a number of team members and of course Santa Claus. Last year since it was Jason Braid's first Christmas working for Mainfreight, Los Angeles he volunteered to be Santa. In Jason's own words "It was an incredible feeling", which made him personally feel great.

He said the children were amazed that Santa Claus had a different accent – which they didn't seem to mind once they saw all the boxes of gifts he was delivering. He enjoyed the experience so much, Jason has already committed to being Santa again this year. This program is strictly sponsored by the team members and it's given us all great pride in giving back to those less fortunate than ourselves.

#### **Streets of San Francisco**

The Mainfreight San Francisco office has been moving cargo for Carl Zeiss for the last 20 years. Carl Zeiss is one of the leaders in microscopy & industrial optics. These large surgical microscopes are stored in Los Angeles, San Francisco, Dallas, Chicago, Atlanta, and Newark NJ. We control the inventory and import recovery through these facilities.

Most of the deliveries are a 2-man, lift-gate, meet and greet service which we provide throughout the United States. These moves are controlled through the San Francisco office and the entire inventory and transportation is visible to Carl Zeiss through our warehouse management system.



### **CaroTrans – Greg Howard**

After delivering a record breaking performance in FY2009 with sales of US \$133 million and profits of US\$8.3 million, the team gutted through the most challenging year ever faced to record the second best year in CaroTrans' 31-year history, posting sales of US\$113 million and profits of US\$7.4 million. WELL DONE TEAM!!

The economic uncertainty which greeted us early in the year could not distract the CaroTrans team from doing what they do best ... taking care of business and looking after our customers. The team never lost focus on:

- Finding ways to reduce costs
- Delivering operational excellence
- Strengthening relationships with vendors
- Collecting our money
- Exceptional customer service
- Taking care of each other.

Despite the tough economic landscape, we enhanced our service to many trade-lanes and expanded into new markets. We strengthened our coverage within Central Europe by initiating new groupage services to Gdynia, Poland and Prague, Czech Republic. Services to Latin America were significantly enhanced by establishing six US gateways to the primary markets of Argentina, Brazil, Chile and Peru. Our presence in Chile has been noticed by the market; we are now ranked within the top 7 export operators. We have targeted this region as our next market to dominate.

The NVO's have emerged relatively well from the recession and have become stronger in terms of our place in the market. This is largely due to the inherent structure of the NVO which allows us to be more nimble and more inclined to do well in difficult environments.

In addition, the nature of the NVO is to be more in tune with our customers and markets.

From a strategic perspective, NVO's have developed strong relationships with core ocean carriers which can create advantages in the marketplace. The NVO is ideally situated to provide real value in in the global supply requirements of any customer – regardless of size.

The past year was a real test for our team and the result is testament of their passion and commitment to making each day better than the last.

Thanks to everyone for making it happen!

#### Auckland Bound

Will Young is heading to New Zealand to join the CaroTrans Auckland team. A native of Shelby, North Carolina (adjacent to Cherryville – the home of Carolina Freight), Will entered the graduate program as a sales cadet in the CaroTrans Atlanta branch.

Developing an understanding of the business from the ground level, Will soon demonstrated the stuff he was made of and subsequently relocated to Houston to lead the Sales efforts in the Gulf. Having spent two years in our sales development program, he follows in Adam Renner's footsteps and heads to Auckland for his BLUE BLOOD

TRANSFUSION!

Good Luck Will!

### Striking Oil in Miami

There are plenty of reasons why the Miami team is smiling...one of which is our involvement in transporting recycled oil to China. As part of a larger scale project, we are participating with firms in USA, Singapore and China to coordinate the logistics of shipping recycled oil loaded in flexi-tanks within 20' containers.

More than 300 containers have shipped in the past six months and thanks to the exceptional service provided by the teams in Miami, Hong Kong and Shanghai, we have retained the position of lead logistics provider.

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L/R: Top Row: Hugo Sequeira, Roberto Montoya, Jorge A. Montoya, Lester Sevilla, Greg Meier Bottom Row: Cindy Rafart, Mari Henriquez, Susan Melara, Kika Veiga, Karin Neuber, Gloria Menendez, Elisa Iglesias, Beatriz Zaldivar

# Rock Lobster in Boston

Boston is known for being the "City of Firsts", "The Birthplace of the American Revolution" and considered "The Athens of America". Oliver Wendell Holmes called Boston "The Hub of the Universe"...he couldn't have been more correct. Since opening our Boston office, we have showed the market who we are and what we're about... local presence with a global reach, tenacious, passionate about freight and never considering failure as an option.

What first started as a small gathering as a sign of appreciation

to our loyal customers, the CaroTrans Lobster Fest has evolved into one of the most highly sought after invitations in Boston. Each year more than 100 guests gather at Boston Harbor to enjoy locally caught fresh lobster and to recognize what's been achieved between CaroTrans and our customers.



# Our Southern Triangle of Influence

We are the only NVO operator with fully operational offices in Atlanta, Charleston and Charlotte. Most of our competitors have large centralized operations in Atlanta or coordinate operations and sales from New York.

While this decentralized stance creates opportunities that the

others miss, it has created challenges for us – especially during the recession. Because of these challenges, our teams have developed a more efficient transfer of cargo between branches to improve service and profits. Previously, all cargo was transported to Charleston for consolidation, but now better planning and communication amongst the branches has resulted in cargo being moved to the optimal load center – either Charleston or Atlanta.

Since introducing this new program in April, operating results throughout the region have dramatically improved. These results will continue to strengthen as the operations become more efficient and cargo flows become more predictable.

#### John Lourmas

John Lourmas was the first Graduate hired by CaroTrans Chicago in September of 2003 and has always been up to the test.

John is affectionately known as Johnny the Greek after the great prognosticator Jimmy the Greek. John takes two things very seriously, his Greek heritage and his success in sales. John has made the China Import Program his challenge and has succeeded along with Chicago Team and China Team to loaded guaranteed weekly boxes from Shanghai and Hong Kong to Chicago.

John traveled to China for a two week sales trip in March and this experience helped unite the teams in this trade lane for CaroTrans as a whole but in particular CaroTrans Chicago.



John has also succeeded with export sales and continues to bring on new clients while extending his current clientele. CaroTrans Chicago has enjoyed the benefits of having two very good sales mentors in Michael

#### Calgary Stampede – Sowing Seeds in Calgary

While Calgary Canada is world renowned for The Calgary Stampede Rodeo, they never saw a stampede like the one from Michael Forkenbrock (CaroTrans USA) and Bill Brown (Mainfreight International Melbourne) at the ISF 2010 World Seed congress held on May 30 - June 3.

The congress was attended by 1,100 companies from 53 different countries with more than 2,800 participating delegates. The 4-day congress covered topics relating to phytosanitary, biosecurity, seed genetics and most important – seed sales between the delegates.

CaroTrans and Mainfreight sponsored one of the luncheons which provided excellent exposure of the group to the entire congress. With this being the third conference we've attended in the Forkenbrock and Joe Zeno but it is a testament to John that he has learned from Michael and Joe while also putting his unique touch into the job and the results have followed.



last four years, we are becoming known as the pre-eminent service provider for containerized cargo from Australia, New Zealand and USA to the world for the seed and agricultural industries.

This year's meeting enabled us to introduce our airfreight capabilities and our comprehensive services between countries other than just our home markets. Since our initial involvement in these industries, we have handled more than 2,300 container loads of seeds...and we're just getting started. CaroTrans Chicago is proud to have John as a team member and we are extremely happy about him being named Sales Person of the year – now if we could get just get John to show up at 8:30am and cleanly shaven!!

This was the "Pied Piper of Seed", Bill Brown's, first visit to North America but he is no stranger to the US seed trade. Hearing about his trip, Bill received personal invites to attend BBQ's at the homes of many of the US firms he has dealt with over the decades he has been involved in the trade. Unfortunately there wasn't enough time for Bill to enjoy all the events he was invited to attend and we couldn't get either of them out of US seed country in the Willamette valley of Oregon ... which is also known for its exceptional Pinot Noir - very similar to South Island of New Zealand.

In classic Michael Forkenbrock style, Bill made 40+ sales calls in Idaho and Oregon on seed and agricultural products, together with Mark Tanelli of our San Francisco office. They also attended the OSTA in Sun Valley Oregon and presented a \$1000 contribution to the OSTA college fund.

#### **Prague Service**

The recent introduction of our new direct service from Chicago to Prague links the heartland of America with the heart of Europe.

In conjunction with Austromar – Central Europe's leading NVOCC – we've established a critical connection that will be essential to our expansion plans for Central Europe. Our weekly consolidation services provide US exporters expedited transit and comprehensive distribution services throughout the Czech Republic, Hungary, Austria, Slovakia and Poland.

By loading direct, we avoid the congestion and delays associated with the re-handling of cargo in the traditional gateways of either Rotterdam or Hamburg. Once the container is loaded in

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**OWENS DAILY FREIGHT** Core Trans

Chicago, it is not unloaded until reaching the CFS in Prague. Our partnership with Austromar will also enhance our service capabilities for handling US destined cargo originating in Central Europe.



#### **CaroSales Pros**

Following a successful joint sales meeting with their Mainfreight USA brothers and sisters, the CaroTrans sales team is "booted & suited" to hit the streets.



L-R Back Row: Cheryl Simmons - CL1, WillYoung - HOU, Bill Lee - JER, Ryan Cantwell - CLV, Daniel Lynch - CHX Center Row: Casius Chirila - JER, Joe Zenp - CHX, Mercy Bitong-Noche - LAX, Andrew Dickie - LAX Front Row: Valerie Pierucci - CHX, John Lourmas - CHX, Michael Forkenbrock - CHX, Alice MacGregor - LAX, Brent Rawlings - LAX, Ginger Holland - ATL

#### New Face / New Places - Alice Macgregor

It has been an exciting few months. Brendon and I packed up our bags and said farewell to our family and friends in New Zealand and embarked on our journey across the Pacific to Los Angeles.

Navigating the infamous 405 freeway (just), we both made it in one piece to our respective new

branches in LA and I was warmly welcomed by the CaroTrans Team. They made it feel like home straight away, and a process that could have been overwhelming was exactly the opposite.

I was fortunate to arrive in time to attend the Sales Meeting in Chicago, and it was a great opportunity to meet the sales team and gain valuable insight into the direction that CaroTrans needs to go in to make 2010/2011

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a successful year. Thank you to everyone for making the meeting so enjoyable (except those that made fun of my Hot X Buns, you know who you are!). After the meeting I stayed on to do CaroSales 101. Even after being in Sales for six years in New Zealand, it was great to have a refresher on what makes a successful sales person, and also to learn more about the USA market from Joe Zeno.

Returning to a warmer climate,

it was time to start training in CaroTrack and learn more about the wholesale market and what strengths CaroTrans has. I was a little hesitant entering a wholesale market after being purely retail for the last eight years but excited about the new challenge. I soon learnt that the principles are the same whether wholesale or retail,

#### The Many Uses of CaroTrans Apples!

William Litchholt, son of Laura Litchholt (A/R Manager - Finance), had a class project on the topic of apples. The CaroTrans Harvest bucket came home just in time and William was able to package the apples individually and hand out to classmates at the end of his presentation, confirming the best

solutely

CaroTrans

parts of a really good apple! It brings a whole new meaning to bringing an Apple to the teacher!

or in New Zealand or the United States. And even though I was over 7,000 miles from home (that's over 11,000 kilometres for my fellow expats) the aim is still to delight our customers and to be easy to deal with.

We have a large opportunity in the LA market now that the Branch is armed with additional resources in our Sales Team and with the invaluable experience of Andrew, Mercy and Grant. Our priority is to firstly have coverage in the market, and convert that coverage into positive results through increased bookings in both exports and imports. Already we are having some early success with four team members actively selling and I am excited to see what goals we can achieve and exceed on the West Coast.



# ASIA

### Mainfreight Asia – Michael Lofaro

Continued development, growth and the expansion of our culture into new opportunities.

This is Mainfreight Asia, and this is our future. As a Group, we all share the core philosophy of existing for "100 Years", and as we all know the 100 year time frame starts anew every day... we are here for the long term. Sustainable growth and consistent returns to all those who invest in our company, from shareholders externally, to all of us within the Mainfreight family who strive each day to make this a "Special Company"... that's what it's all about.

In the Asia operation of Mainfreight we are steadily growing and moving forward. This year (especially over the last six months since our last Team Board Report) we have seen further evidence of this growth and development.

We have taken on extra office space in our Shanghai and Ningbo operations to accommodate the increased business activities in those branches, and in Hong Kong, we had to physically move to a new office to accommodate the growth.

Our Shenzhen and Guangzhou teams have grown in number also with the introduction and promotion of team members into all facets of our business. Probably won't be long before these branches are also looking for a new home to accommodate their expansion.

The best event this year thus far has been the official opening of our Xiamen Branch. This office opened on 1 April with just three team members and thanks to the

great efforts of the team there, headed by Queen Zhang, and tirelessly supported by Tina Chen, the branch has grown over 150% in team numbers in just the first six weeks of operation. We envisage a great future for our Xiamen team. Xiamen is a major port city, located on the south eastern coast line of China. It's a historically important trading gateway for the Fujian region, with strong links to Taiwan

and other key trading nations in the region, and internationally.

And we are not stopping there... we have set up the foundations to open another three branches in China during 2010/2011, with the first one being opened in Tianjin, which is the major sea port entry point for cargo feeding Beijing (the capital city of China) and surrounding areas.



Irene Chan, our front line person in Hong Kong …now I'm sure you'd all like to be greeted by this charming young lady when you visit us in Hong Kong Irene, 香港公司前台接待员…现在我确信你们都想在拜访香港公司时能被这位魅力迷人



Our new crew in Xiamen... good luck team, the whole Mainfreight Group wishes you good fortune in your future endeavours. 厦门公司全体员工...迈辉集团全体同仁预祝你们:共同努力,共享大利!

Setting all this up requires quite a bit of travel within China, which at times can be an interesting experience. Lately, domestic airline travel in China has been fraught with delays... seems flights rarely if ever leave on time.

One recent experience concerning late departure of flights involved a couple of our team being stuck in Xiamen, awaiting a flight to Shanghai ... Bruce, Don, Linda Huang (our Regional Manager for China) and yours truly had to wait patiently at Xiamen airport for our delayed flight. Fortunately, we were supplied with a "dinner box" and, as you can see from the picture, it's first class comfort all the way for our team when we travel in China!

One area of growth that we are very focused on is the import trade to China. China, as a domestic consumption market, is now the world's largest consumer economy, outstripping the USA. In fact, some estimates indicate that China now has over 200 million people who are identified as being middle-class with disposable incomes. This means consumer spending and the growth of the consumer market are now fundamental components of the Chinese economy. We are very focused on tapping into this growing sector of trade in China and we activity encourage all our teams around the world to be looking for export opportunities from your respective locations to Hong Kong, China and Taiwan.

To help us succeed with this growth, and as mentioned in previous team newsletters, we are increasing the number of our team members participating in the many, high quality group training activities that are available within Mainfreight. Not just by sending people to Outward Bound courses, but also having team members engage in such activities like Emerging Branch Managers courses and other such training

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Delayed in Xiamen - beats MacDonald's eh??? 滞留于厦门机场-比麦当劳强多了吧???

activities offered by the Training facility in Auckland. The opportunity for our Asian team members to travel to New Zealand to engage in such activities has proved priceless, not only to the individuals but also to our team as a whole.

Team members such as Gary Lau and Suzy Zhou have benefited from such opportunities and have grown within our operations here in Asia. Both these two team members attended the **Emerging Branch Managers** course two years ago, and now Gary is our Regional Airfreight Manager for Hong Kong & China, and Suzy is the Branch Manager for Mainfreight International Shanghai, one of our most successful branches within the international group.

Education, and the continual development of our teams is fundamental to our success, and Mainfreight Asia places great focus on allowing our teams as many opportunities as possible to participate in the Group's training activities.

Of course with all this growth we need to also grow our sale teams and improve their training programs. Many of our young sales team members have come from within our own offices and have grown from either customer service roles or internal sales positions, to be fully active, out on the road helping gain increased market share. To help you identify some of our young sales force, we've included a photo of our Guangzhou sales force! Cissy (center photo below) is an example of our core culture of promotion from within having



Our Guangzhou Sales force: Raymond Li, Cissy Luo and Melton Jia 广州公司销售团队: Raymond Cissy和Melton

recently progressed from being a sales cadet to full time sales responsibilities.

We are working towards increasing our sales team in our Greater China operations three fold in the next 12 – 18 months ... more energy to help us meet our targets and goals.

So where is this growth coming from? Principally it is focused on inter-group activity. Trade globally suffered significantly during 2009, but fortunately, with the strong support from inter-group activity

持续发展壮大,发扬企业文化, 紧抓无限新机,共创百年伟业!

这里是迈辉亚洲公司!这里是我 们的未来所在!作为一个集体, 我们共知迈辉核心理念:铸百年 企业!俗话说,千里之行,始于 足下!因此,我们任重道远,须 争朝夕!对于公司的每一位股东 以及兢兢业业工作每一天使我们 真正成为"Special Company"的 每一位迈辉成员而言,持续的增 长和稳定的回报就是我们为之奋 斗的终极目标!

迈辉集团在亚洲的运营仍然在稳步成长,不断向前迈进!今年至今,尤其是自上次公司年报发布后的六个月内,我们已经进一步见证了这种增长和发展!

为满足不断扩大的业务增长,在 上海和宁波,我们已经设法增加 了额外的办公空间;在香港,我 们甚至迁至到新的办公地点!

在深圳和广州,各部门都有补充 员工人数或职位晋升。估计不久 的将来,他们也将开始寻找新家 以满足业务扩张。

本年度至今最好的消息莫过于厦 门分公司的正式成立! 今年4月1 号成立之初,厦门公司仅有三名 员工,在Queen的卓越领导及 Tina 的大力支持下,员工人数在 成立之后的仅6周内就扩大了三

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from/to the USA, Australia and New Zealand, we managed to actually grow our revenue, and increase our market share in our core trading markets.

We are also focusing on the increasing levels of in-country sales activity which is resulting from the changing Chinese business landscape, where exporters are increasing their influence in trade decisions.

This year (and in the years to come) we will replicate this drive to grow into markets such as

倍!这为我们绘就了厦门公司全体员工美好未来的蓝图,忠心感谢他们的杰出贡献!厦门是一个大型港口城市,坐落于中国东南部海岸,自古就是福建省的重要贸易门户,同台湾及其他周边以及国际上的重要地区都有着紧密联系。

我们不会沾沾自喜,止步不前! 我们已经在为2011年前准备再成 立三家分公司夯下根基!首站将 是天津!天津是北京及其周边区 域进出口贸易的主要出入港口!

完成上述诸项目标自然离不开在 中国内地来回穿梭,有时可能会 是一段很有趣的经历。近段时间 以来,在国内坐飞机旅行时碰到 航班延误几乎是家常便饭,能按 时起飞的则实属罕见了。

最近有一次航班迟飞就使得我们 公司的几个等着去上海的同事被 滞留在厦门机场......Bruce(迈辉 集团董事长), Don (迈辉集团总经 理)和Linda(中国区总经理)。 除了耐心等待,你还真的没有别 的办法。不过幸运的是,我们享 受了"盒式大餐",如图所示。 从这你可以看得出,在中国旅 行,我们可都是给每个员工提供 全程"头等舱"服务的!

中国的进口贸易同样是我们非常 关注和期望的一个增长点。中国 作为一个国内消费市场,现已超 Europe and South America... not to mention being actively involved in the inter-Asia sector which effectively weathered the global financial crisis... (as a region).

All in all the future bodes well for your team in Mainfreight Asia, and we look forward to working with you all to help us achieve our 100 Year dream.

We Grow Together! Michael

越美国成为世界上最大的消费经 济体。实际上,一些预估数据显 示,中国现有超过2亿的人口是 属于有可支配收人的中产阶级, 这就意味着消费支出和消费市场 的增长已经成为中国经济的基本 构成部分。我们将继续关注并积 极进入这一中国贸易增长点,同 时全力鼓励全球其他地区的同事 积极寻求从所在地出口至香港、 中国和台湾的机会!

为了成功达到上述增长,且照之前我在Newsletters中所提,我们已经在增派更多员工参与集团内部提供的多项高质量培训项目。除参加户外拓展训练外,将同样让员工参加像"未来经理"等课程以及其他迈辉国际奥克兰培训中心所能提供的类似培训。让亚洲的员工有机会前往新西兰参加此类活动已经被证明它不仅对员工个人,同样对公司整体都是意义非凡,价值无限的!

员工中如Gary及Suzy二年前都参加了"未来经理"这一课程,他 们已经从中获益且在迈辉亚洲公司中快速成长。现在Gary已经是 我们香港和中国区的空运经 理,Suzy则是上海分公司的总经 理,而上海分公司正是集团内最 成功的分公司之一!

团队的培训教育和持续发展就像 是我们能取得成功的磐石之基, 迈辉亚洲公司将继续关注并持之



It's not all hard work here in Asia... we do know how to party as well! 亚洲同事可不仅仅只知道埋头苦干,我们也懂得如何派对<sup>~</sup>!

以恒提供员工尽可能多的机会去 参加集团培训课程!

当然,我们同样需要加强销售团 队的成长,以及增强对他们的培 训规划。现有的大多数年轻有为 的销售成员都来自于我们自己公 司内部,基本上都是从"客服" 或"内贸销售"等职位中成长起 来。他们积极向上,四面出击, 有效帮助提升公司的市场份额。 下面就来认识下一些新的销售成 员,你们所看到的是一张广州分 公司的销售团队合影,Cissy(居 中者)可谓是我们"内部晋升" 这一核心文化的绝佳典范,她最 近已经成功从业务储干转为全职 销售专员!

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我们正计划在接下来的一年至一 年半内,将大中华区的销售人员 数目扩大三倍,增添更多的团体 力量来完成我们的伟大目标!

然而,这些成长将从何而来?我 认为主要将有功于集团内部的业 务活动!2009年时,全球贸易曾 遭重创,幸运的是依靠集团内从 美国、澳大利亚以及新西兰间的 业务互动,我们实际上仍然取得 了收入上的增长以及对核心市场 占有率的上升。

由于中国的出口商在贸易决策中 影响力日益增加,这种新型的商 业模式决定了我们同样需要高度 关注并提升国内销售水平。 今年及之后,我们会将这一源动 力复制到欧洲和南美等市场。而 对于曾成功熬过全球金融危机的 亚洲市场,我们更是要积极参与 其中,无需赘言!

一言概之,迈辉亚洲,前程似 锦!期待与各位携手前进,同心 协力,圆百年之梦!

共进, 共赢!



Easy to see why Sheree Whitehead took the prize for Best Bunny Ears at the recent Easter festivities at Auckland Branch



Lindsay Miller, Mark Newman and Barry Clark – one kilometre underground at Macraes Flat Mine, Otago



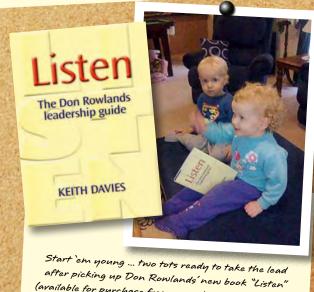
Amazing the sights you see on a rainy day in Boston ...



Jason Street, one of Auckland Branch's keen owner drivers, has been adopted by The Life Education Trust as their official Mobile Classroom Mover



So let me get this straight, they let you hold it and then said... "but don't tell anyone"? (And for those of you not living in New Zealand where Rugby is a national religion, Don is proudly holding the Rugby World Cup which will be contested in New Zealand in 2011)



after picking up Don Rowlands' new book "Listen" (available for purchase from www.listen-thebook.com with all proceeds going to Duffy Books in Homes)

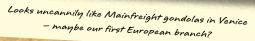


OON ROWLANDS CENTRE Opened By DESTREMENT OF THE STREMENT OF THE OPENATION OF OPENATION IS TO THE OPENATION OF OPENATION I Jone 2019 Accompanied by RECENT FORMERIA ALAN LYNKOSTOW ALANE DESTREMENT

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A proud moment indeed – our own Director, Don Rowlands (centre), attends the opening of the "Don Rowlands Centre" at Lake Karapiro, site of the upcoming World Rowing Championships 2010. He is shown with New Zealand's Governor-General, The Honourable Sir Anand Satyanand (left) and The Mayor of Waipa District, Alan Livingston (right)







Mainfreight/Kiwi Shipping team Matt Cable and Steve Curle with an Indian motorcycle being shipped to New Zealand. They specialize in shipping cars, boats and motorcycles around the world. They also consolidate ebay parcels and car parts and ship to New Zealand



# Feedback

#### From: Melissa Bowder Sent: Tuesday, March 02, 2010 10:41 AM

Subject: A guote on the HOW?? and WHY??? of Mainfreight - Intro

Team,

While in New Zealand these past two weeks I saw a lot of amazing things. One of the most amazing was seeing the direction Mainfreight is looking to go in the US. Imagine getting off a 13-hour flight, hopping into a car (on the wrong side of the car AND the road), and as soon as you hit the motorway you see Mainfreight trucks EVERYWHERE! And I am talking single trailers, piggy-back trailers, small cargo vans, you name it - It was absolutely incredible. This is the vision Mainfreight has for us. It will take a lot of work but I have no doubt we will get there.

I got to know, intimately (not necessarily by choice <sup>(2)</sup>), 13 other members of the Mainfreight team while on the Outward Bound course. I also spent a great deal of time with the training team, the IT team, and certain members from both operations and logistics. It was great to see team members from around the world and ask them about their views on Mainfreight as a company. A lot of them were really happy to finally meet members of the US team so they knew we really do exist! But the most apparent thing was that everyone I spoke to LOVES the company they work for. Now I will tell you, after seeing how things are run over in New Zealand, my blood is definitely flowing blue.

I will be sharing with you all - by email - a short quote every week that I hope will help to explain WHY Mainfreight is making the changes they are making here in the US and HOW the Mainfreight culture has developed into this amazing company. I hope EVERYONE chooses to take a look each week ③

The weekly journey will begin with quotes from the book 'Listen - The Don Rowlands leadership guide'. Your branch managers currently have a copy of this book and if you need to be pointed in the correct direction to find a copy for yourself send an email to ITUSASupport@mainfreightusa.com. This book was written about Don Rowlands, who sits on our Board of Directors, and who was a major contributor to the values Bruce Plested and Don Braid have regarding Mainfreight and how it should be run. It was an easy read and kept me enthralled as I learned WHY we were asked to knock our walls down and WHY the company prefers a non-automated phone system, among other things....

From the intro of the book:

Don encouraged self-management while hiring people who would challenge him. Constantly. Don didn't stifle people, he let them breathe. A man who showed respect for everyone, starting with the most junior team member; while never addressing the negative, always looking for the positive. A man who believed you should innovate your way out of a problem. Any problem. A man in business to have fun and make money, in that order, with the credit going to who does the work, not the boss. A man who took joy in the success of others and knew the day people stopped bringing him their problems was the day he stopped being a leader. A man who believed in management by walking about. Talk. Talk. Talk. And listen. Open communication. A man who lived by the creed that if you do what is right you will please some people and astonish the rest.

#### Thank you!

Melissa K. Bowder Mainfreight, Inc. **Business** Solutions



From: Luke Chant Sent: Friday, 14 May 2010 11:10 To: Brad Greer Cc: Mason Barnes, Logistics Adelaide Subject: Service Quality

Brad, Mason,

I would like to take this opportunity to thank you for your level of service so far.

We had been having a significant level of problems with our previous logistics and warehousing supplier. Since changing to Mainfreight our logistics issues have been significantly reduced.

The quality of service from the staff and the online booking system is excellent.

Thanks again Luke



To: Carl George Subject: Awakeri delivery

As discussed by phone today, we would like to congratulate you on your extremely efficient speed and delivery of our product that has been delivered to our sub-branch at Awakeri in the Bay of Plenty. In the last two times I have rung to arrange delivery through your company it has been collected on time and delivered before your company it has been collected on time and delivered before the expected time you have advised. Dave Moore, my rep in the Bay has rung me regarding the last delivery on Tuesday to extend his congratulations on the time of the delivery. You advised me that it would by there by lunchtime and it had arrived by 10.30am. His phone call was to pass on his extreme delight in your driver Willie. Dave has been dealing with truck drivers for a very long time willie. Dave has been dealing with truck unversion a very long time and Willie has been 'one out of the bag'. He couldn't help Dave enough and was cheerful and helpful. So often do customers ring and complain. It's nice to get positive feedback for a change. Please pass our thanks on to your staff concerned.

Keep up the good work!!!!

Cheers

Sue

Sue Devonport BRANCH MANAGER



From: Grant Smith [MFT AKL] Sent: Thursday, 4 February 2010 15:16 To: MFT Auckland Team; Precision AKL; Jeremy Wells (MFT WGN) Subject: FW: Congratulations

Team, what great feedback from Ben, while there is still the occasional frustrating hard to deal with story I get, which we must continue to drive out of our branch, feedback like this is far more common and just so good... Thanks to those below and to everyone else who has grasped the "easy to do business with" theory. Alicia, awesome stuff mate.

Thank you Grant

From: Ben Rowan Sent: Wednesday, 3 February 2010 4:59 p.m. To: Grant Smith [MFT AKL] Subject: Congratulations

#### Hi Grant,

I just wanted to pass on my thanks and commendations for the service I've received from your staff over the last week. So far I've had the most positive experience possible. Talking to Rachel and Lee on the phone last week and Maureen earlier today was a pleasure, but I was blown away by the speed at which Alicia replied to my query email this morning. Seven minutes must be some kind of record! The information she gave me was concise and complete, telling me everything I could possibly have wanted to know and far faster than I ever could have expected.

I got a few quotes from transport companies to move the goods from Auckland to Wellington. Mainfreight was by far and away the most expensive, but I had a hunch that dealing with Mainfreight would be easier than some "unheardof" transport company. I'm so happy to find out I was right.

Many thanks and keep up the great work. I won't hesitate to recommend Mainfreight to friends in the future.

Kind regards, Ben. Ben Rowan Performance Test Consultant Equinox IT

From: Garry Ivill Sent: Thursday, 18 March 2010 9:57 a.m. To: Don Braid Subject: EDEN PARK BREAKFAST

#### Hi Don,

My name is Garry Ivill from Metrix Imports, and I was fortunate to be invited to the Mainfreight breakfast at Eden Park on Tuesday. I want to thank you and your team for an extremely entertaining morning. I was impressed by how down to earth the speakers were, and you all had healthy dollops of irreverence which I find a refreshing change from the usual pretentiousness that many business people feel is necessary.

I grabbed a copy of the Mainfreight annual report on the way out and had a read last night. It backed up my thoughts on your team's down to earth approach and irreverence - there are some nice touches in it. I spotted the description of one of your directors as a 'Bloody Nice Guy' – excellent!

Mainfreight International look after our freight from Germany – Don Campbell and Catherine Luen do an excellent job for you and for us and we're really happy with the service they have given us, even when things have gone haywire in the crazy, non-customer focused world of shipping lines.

After attending the breakfast I have a better insight into your company, and I can honestly say I'm bloody proud that Metrix is a Mainfreight customer. Thanks for the invitation.

Cheers, Garry Ivill General Manager Metrix Imports Limited From: Darryn Scurr [MFT NAP] Sent: Wednesday, 26 May 2010 8:25 a.m. To: Mark Newman; Don Braid Subject: Henare Morton

Good morning sirs, I was going to send this to the Pickle Nominations but, as it didn't involve a customer, I didn't think that was probably the appropriate forum.

I think it is worth a mention somewhere though.

On Monday the 25th Henare Morton (Harry) was completing a delivery across the road from a local Napier dairy when he witnessed an aggravated robbery in progress. The dairy owner was repeatedly stabbed by the assailant who only fled when Harry intervened and chased him down the road.

When the news crew arrived he hid from sight and then, when they finally managed to speak to him, made out that he didn't really do anything. If you read the Hawkes Bay Today front page article for Monday the 25th you will see from the newspaper comments that he ducked attention.

He also followed up by helping the police with a detailed description and advising them where he fled to. With the information supplied they managed to capture the offender.

As usual with Harry he went the extra distance to help someone, at risk to himself, and then avoids any praise as if he is unworthy.

I think he deserves recognition but not sure who to send this to. Obviously we have all this on the notice board and a copy of the article for the next newsletter.

Cheers Darryn



From: Graham Close Sent: Sunday, 14 February 2010 13:38 To: Kevin Babbington [Owens AKL) Subject: Outstanding Customer Service Front Top to Bottom - Thank you All

Good Morning Kevin

It is absolutely important that I write to formally acknowledge the Outstanding Customer Service from your team on Friday 12th February. Starting with both Tom and Candy upstairs and flowing down to the guys on the floor with each person doing it in their stride. It is very obvious that this is a well developed business culture within the individuals and as a team. They are all a true credit to themselves and Owens Transport Ltd. Unfortunately I do not have the names of the staff on the floor but ask you pass on my sincere thank you to them personally.

A HUGE THANK YOU TO YOU ALL AND TO OWENS TRANSPORT LIMITED

Yours in Total Appreciation Graham Close Auckland

From: Autagavaia, Kevin Sent: Thursday, 11 February 2010 16:28 To: Tony Martin (Owens AKL) Subject: RE: Foodies Orders ex Owens

Hi Tony,

Thank you very much for the consistency in delivering on time with the Foodstuffs DC's, Shane our Representative for the South Island will be so appreciative, especially due to the time the orders was sent and the high standard Owens

"Awesome" work Tony, fantastic delivery results since the change over in Transport Co used, keep up the good work.

Kevin Autagavaia Warehouse Supervisor



Congratulations to our own Rob Williams for winning the Legendary Service award for the past

If anyone was in any doubt about the reasoning behind Rob winning the Coveted Legendary Service Award, below is another example of what legendary service is all about.

From the first impression left by our call centre team to the final result and customer satisfaction displayed by Rob, this person will be back for sure.....

Easy to deal with?.....I think so!!

Well done team and Robbo

thank you Grant

From: Tracey Leonard Sent: Monday, 15 March 2010 09:54 To: Nikki Cooper Subject: Rob Williams

Recently my husband and I moved from Great Barrier Island to Christchurch. We had two pallets and a go-cart to be freighted from Auckland to Christchurch and called into Mainfreight in Otahuhu to arrange this. We were under extreme time pressure with a horsefloat to return to a hire centre, and a vehicle to get to a ferry in time for the afternoon sailing to Great Barrier Island. I explained this to one of the ladies on reception, and I am sorry I did not get her name because she was so great and helpful - she put me on to Rob Williams to do the weighing and measuring, and I am happy to say that Rob was so pleasant to deal with, and so efficient at his job, we were in and out of there in 20 minutes! We made all our deadlines which was brilliant otherwise we would have incurred such a lot of extra costs.

I would like to thank Rob so much for his help and attention - and for sorting out our freight so quickly. He truly is a fantastic representative of Mainfreight and I would have no hesitation in using your company again and will recommend it to anyone I know who needs a freight service.

Thanks Rob, and thanks Mainfreight.

Kind regards Tracey Leonard



#### Hello Mark,

Thanks for the great feedback, Ashley Taylor is our Branch Manger there and is growing a great team and business within Mainfreight. Ash is obviously very lucky to have people like Nina on board. By copy I have passed your words on to Ashley who I'm sure will be happy to pass it around the branch!!

Kind regards Grant Smith Mainfreight Limited Branch Manager

From: Robyn & Cameron Rapley Sent: Wednesday, 3 February 2010 12:18 p.m. To: Grant Smith [MFT AKL] Subject: Re: Customer Service

Hi my name is Mark, I have been unable to find an email for your branch in Coopers Plains, Brisbane, Australia, so I thought I would send it via you.

I recently had cause to contact this department regarding services you provide.

It is not often we take time to commend people for the work they do and the customer service provided.

There is a young lady by the name of Nina that I have had the pleasure of speaking to.

She is, I believe to be a 'wonderful asset to your company' for the great effort she puts in to her customer service.

Her friendliness, understanding and care of promoting your company and customers needs.

My experience was one of satisfaction, with achieved results !

I look forward dealing with the Coopers Plains Branch, Brisbane Australia in the future.

I would appreciate it if you would forward this on to your company manager and to the Coopers Plains branch

Yours sincerely Mark

433b Ohiro Road Brooklyn Wellington 6021

Michelle Gerwitz

Mainfreight International Ltd PO Box 14 038 Panmure Auckland 1741

20 January 2010

To whom it may concern,

Thank you – Hayden (Truck Driver)

On Monday 18 January, at about 11.30 pm, I was travelling northwards along SH4 (approx 60 kms north of Taumarunui) when I took a corner too quickly and slid off the road into a ditch. There was no mobile phone signal and the ground was too wet for me to drive or reverse back onto the road.

One of your drivers, Hayden, drove past minutes later and stopped to give me a hand. He waited for another vehicle to come past (was another truck driver from Quality Bakers) so that they could warn traffic coming from the other direction to be careful, unhooked his trailer from his truck and towed me out.

I am very grateful for his assistance. Without it I could have been stranded for a

lengthy period. I wonder if you can pass on my thanks to Hayden and let his manager know of his good deed, please? I know that truck drivers work long hours and spend many hours on the road and could do without interruptions from drivers who take corners too quickly. Hayden gave his assistance with a smile. His kindness is very much appreciated.

Yours faithfully,

michelle CA

Michelle Gerwitz

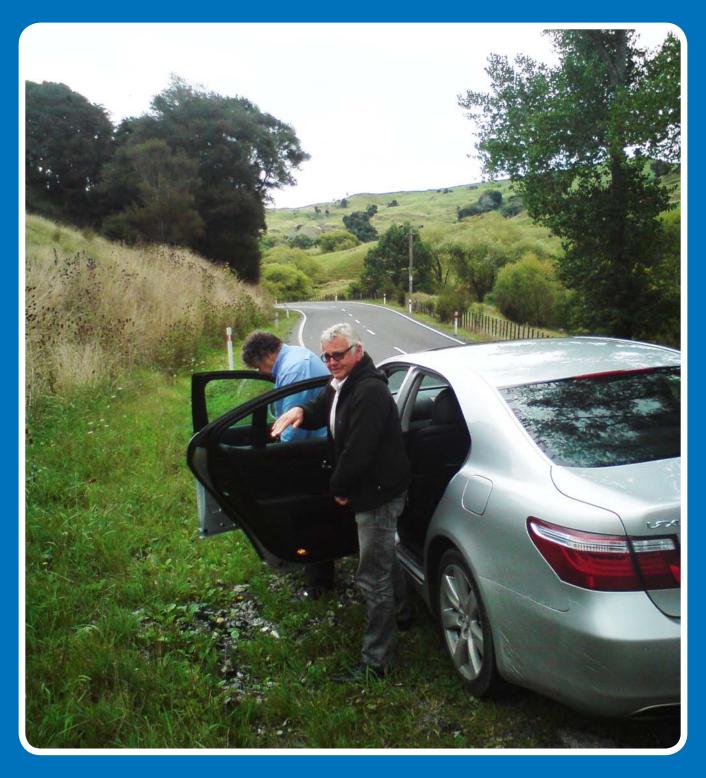




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Dianne Clemens (MFI AKL)				
From: Mike Dunn (CTO AKL) Tuesday, 25 May 2010 16:00 Sent: Mike Dunn (CTO AKL)				
FW: Customer Service				
Original Message From: Grant Smith [MFT AKL] Sent: Thursday, April 29, 2010 11:26 AM To: 'Jeff Clare'				
Subject: RE: Customer Service	they do	Mark Strange		
get under a little pit items such as yours. containers mixed with items such as yours. give some advice and help as needed especi time. The crew are certainly an asset for words. Thanks again and kind regards	ll pass your comments onto the boys. They do ars, caravans and boats are pouring out of Through all that they still manage to smile, ally to those customers importing for the first Mainfreight and will be very happy to read your			
Grant Original Message		<b>《</b> 》《《··································		
From: Jeff Clare Sent: Thursday, 29 April 2010 10:47 a.m. To: Grant Smith [MFT AKL]				
Subject: Customer Service	the second se	Sec. Strand		
Hi Grant, Recently I had the need to import some cars parts into Auckland from the USA. Asking to Recently I had the need to import some cars parts into Auckland from the USA. Asking to				
have loose cartons packed the parts yesterday from your onending output on the ding customer service				
average to bad service most companies in	new Zealand think is during the second secon	you		
can feel the Company match a from the I will be using you again. I would appreciate it if you would share	my comments at the appropriate team meeting.			
Kind Regards	03.05.2010	Pearce Woodnutt Ecetahuna Takeaways		
Customer	2hours			
Contraction of the second	Shane			
	I have just picked up my goods from your depot in Gracefield Rd & I was so impressed with the service I received I wanted too let you know in writing the way I feel about the service I received.			
	Barbara at reception rang Ben & told him that I was there too pick up a "chipper " he then proceeded to get it for me in approximately 2 minutes , put it in my van, got the paperwork signed, & I was on my way, total time 5 minutes.			
	I had rung a national courier company the week before and after wasting 20 minutes of my time was told they don't take payments over the phone !!!!!! I then rang Mainfreight and 3 days later I have my goods.			
My whole experience with your staff, from sales, to pickup , has been outstanding, and they are a credit & an asset to Mainfreight.				
	I am hoping too open the Ecetahuna Takeaw at the end of May, and if any Mainfreight staf feel like a feed of fish & chips etc, if they ide myself (Pearce) or Mike we'll give them a 20 the yummy mummy cheese cakes we stock You can't miss the shop now it's bright gree some of you guys at some stage, that offer is	f are passing by and ntify themselves too 0% discount, even on ( the worlds best !! ) n !!!! So I hope too see		
	Cheers Folks and thanks again for the great	service.		
	New			







On a 100 year journey you have to have a few comfort stops...



