

# **MAINFREIGHT**

NEWSLETTER JULY 2008

## The Team's Board Report



Sydney Super-Site Ready for Business!





## Managing Director's Comment

Welcome to the mid-year edition of our Newsletter.

As we write this newsletter, we have just completed the release of our full year financial results to the markets and our shareholders.

In our 30th year of operations we have achieved another record net profit before abnormals of \$40.81 million; an improvement of 15% over the previous year. Including the abnormal profits from divestments completed during the year, we made a record \$101.62 million – our first ever profit exceeding \$100 million, and likely not the last time we do this.

We are now well-established, profitable and growing in Australia, Asia and the United States of America, and in New Zealand we continue to develop our capabilities and increase our market share. More importantly we have developed a business that is capable of providing logistics services for our customers around the world.

One of the many success stories we have in our business today is that of CaroTrans. When we acquired CaroTrans it was losing over US\$2 million per annum and was drifting from sight. Nine years on, CaroTrans has established itself as one of the very best neutral NVOCC consolidators.

This has strengthened our position in the US market and enhanced our services globally. For this reason, CaroTrans deserves our confidence and has been given the opportunity to further expand its network around the world. This will allow us to more quickly become established in countries outside our current locations, with Europe as a high priority. We have already opened offices for CaroTrans in China, Hong Kong, Australia and New Zealand.

To have both CaroTrans and Mainfreight developing in tandem around the world is exciting, and we are confident that the synergies of this strategy will bring significant benefits to both our retail and wholesale brands.

Subsequent to our year end, we have entered into a call option deed to acquire Halford International Pty Limited. The acquisition of this business will provide valuable airfreight tonnage and a stronger connection to and from Europe. Halford has been in business for over 100 years, and is a very well-respected brand in the Australian freight forwarding and customs brokerage market. This will significantly strengthen our world-wide international freight network.

**A warm welcome to all of the Halford people into the Mainfreight family.**

We firmly believe we can double the size of our business over the next five years. To do so we continue to look for a minimum of 15% growth per year from every operating division, no matter the country or the state of their economy: **“Mainfreight doesn't do recessions”**.

To make all this happen, we need a team of people who are the best in the world in what they do. The 3,193 members of our family are the life blood of Mainfreight. To recognise, in a small way, everybody's contribution, we have named every current team member in our annual report this year. Many of you will be the future leaders of our business, and the sooner our shareholders get to know you the better.

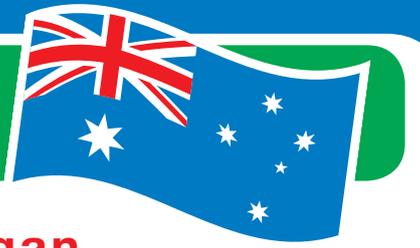
While we have our differences around the world, we share a common belief in the same basic, non-negotiable principles for every branch:

- We aim to delight our customers; under-promising and over-delivering
- We strive to avoid mediocrity, looking to set high standards and then beat them
- Promotion from within is essential to maintaining growth, our culture and to retaining our talented people
- Bureaucracy, hierarchy and superiority are not tolerated
- Long-term profit builds a business that will endure
- We share our profits and successes; profit comes from hard work not talk
- We must keep reinventing ourselves with time and growth
- We are here to make a difference, and we care for our customers.

After this past year's performance, we could feel justified in perhaps slowing down just a little. However such is the energy, enthusiasm and passion of this team, we are exhilarated by the increasing momentum, and feel that we have really only just started on our journey to take our business to the world.

Don Braid

# Australia



## Mainfreight Distribution – Rodd Morgan

We are pleased to be able to report a final full year profit result this year that was 15% stronger than last year. We have also seen our revenue grow by more than 17%.

This result is due to the great efforts of our tireless teams around Australia who have held strong during what was a particularly tough summer period.

Whilst we still have much work to do and areas to improve, we would like to thank all of our team for your persistence and dedication which is the only reason for our improved result.

Below are some of the many highlights that our business enjoyed over the last financial year:-

**Sydney Metro** has had significant sales growth and now is home to three team members and 16 drivers. The rapid growth has been a struggle at times, but now we have survived a frantic summer, we are in a much stronger position to carry this growth on and see some of the service benefits that extra vehicles on the road can bring.

We have also made the move into the new combined Sydney site which means the whole team can work in the same office at once as opposed to squeezing one at a time into our old atco hut!

**Melbourne Metro** has also experienced rapid freight sales growth thanks mainly to the arrival of two blue chip supply chain customers. This has changed our business from mainly doing bulk pallet deliveries to also now specialising in concentrated carton deliveries to service the restaurant industry within Melbourne.

Importantly, we would also like to welcome back our key team member, Aladin, from his adventurous journey to New Zealand. Aladin also recently completed the famed Outward Bound course and reports that it was very definitely a life changing and memorable experience.

**The Brisbane Metro** owner drivers have again done us proud this year recording the best delivery performance in the country for one of our major customers. If it wasn't for the owner drivers' efficiency and their excellent relationship with our customer's frontline people, we would not have serviced our customers during the difficult pre-Christmas period so well.

We have had another year of substantial growth in terms of fleet size and sales at Brisbane Metro. The profit margins were not as good as previous years but with an injection of two permanent team members into the office and introducing a fleet of vans to service our premium accounts, an end of year profit result not much behind our previous year was still a good effort by the team.

The coming year will see Brisbane Metro focus on bringing new customers to the group to ensure that we continue to widen our service capability.

In **Townsville**, we moved into a new depot last year to help deal with our strong growth. More exciting than this is the wide variety of non-rent paying snakes (Taipans and Pythons) that seem to also like the new shed!





*Locals make themselves at home in Townsville*

Our **Chemcouriers** brand is getting underway following its recent launch in Australia.

Being a dedicated Australian hazardous Goods transport provider puts us in a great position to tap into a very large and lucrative market. Some of our competitors have steered away from this sector because they find it all a bit too hard which is exactly why we decided to get involved. This positions us very well to quickly build Chemcouriers into a strong and profitable brand in Australia.

Whilst our team is small at the moment (manager Dale Bigham and six vehicles), we already have a number of strong prospects being worked on here in Australia. Many of our New Zealand Chemcouriers customers are also excited by the fact that we are now running in Australia and a lot of those customers have their head offices here.

We have found that setting up relationships with Workcover, the chemical industry and even local fire brigades has helped quickly lift our profile and has seen us start to receive leads from these bodies as word spreads that Chemcouriers are doing things correctly and understand the implications of non-conformance.

Another exciting happening is the recent launch of **FTL**. Our FTL brand targets customers who need to send full loads directly from business to business whether it be by truck or container and via road, rail or sea.

Under the stewardship of Dzenard Gorovic, we are building the business from the ground up and have been busy sourcing new customers who have been very receptive.



We have many FTL prospects underway at the moment and we look forward to some significant gains shortly.

Only 12 months has passed since we moved into our new **Newcastle** depot but we have already outgrown it. With the good growth we have had both inbound and outbound we have started to encroach on our neighbours who strangely don't seem to appreciate our closeness.

We are therefore looking at buying some land and building our own depot over the next year which will be cause for serious celebration as this will be a real milestone in our history.

We are also well advanced with negotiations for a large customer in the Hunter Valley that would see us immediately open a satellite depot in this booming area.

Our **Sony Chullora** branch has had another successful year and if Sony's own growth forecast is anything to go by we should expect to see some serious increase in volumes this upcoming year, with the addition of new products and with Sony once again reclaiming their place as number one in their industry.

Not only has our strong ongoing relationship with

Sony further secured our position here but a recent meeting has also opened the doors of possibility to some other key areas of the Sony business to add to our operation. We look forward to getting stuck in to whatever they throw our way.

Our **Perth** branch has had another very tough year with profits not being as they need to be. The good news is that we have seen a definite improvement in our delivery performance over the last year and a number of extra Mainfreight painted vehicles are on the road. This has helped lift our presence in Perth and having also recently increased our Sales team from one to three, we will see our revenue finally begin to grow.

**Canberra** has seen steady growth over the last six months which has seen us grow our fleet by two vehicles and the addition of an operations supervisor who also has a real passion for quality.

All of the Canberra team and their families recently participated in the annual ACT cancer support group convoy for kids with cancer. We had a great barbeque breakfast at our depot in the morning, as we washed and polished our trucks into a sparkling fleet and our team was voted the best looking group there (although the voting was rigged!).



*Terry McGlashan, MF Canberra and Rachael Scattergood*

Mainfreight Canberra Convoy



**Adelaide** continues the strong upward profit trend that started two years ago. We lost money then, made a small profit last year and this year we have improved that result by 170%.

This improved profit has meant that the extra volume of outgoing freight has allowed us to provide Adelaide-based customers with a better service. We now have more outgoing linehaul movements which helps us to provide customers with some of the best service available out of Adelaide.

**Melbourne** has also seen a lot of changes over the last six months. We welcomed Ashley Taylor into our family as our new operations manager and we promoted Simon Ravi-Pinto and Jenny Paterakis into new leadership roles.

We have added another five owner drivers to our fleet with three more due to start in the next few weeks.

An initiative we have recently instigated is the appointment of our first "operations cadet". This development should see us bringing quality young people into the business with an operational focus

and will help to provide us with some of our future leaders.

As we now own our premises we will be able to make some changes in the depot over the coming months which will help to improve our operational efficiency significantly.

Wow, what an exciting year this has been so far for our **Sydney branch**... and it's only just begun!

On Saturday 29 March we moved into our new premises "50 Yarrowa Street Prestons", and our site is impressive (and in this instance size does matter!)





Area	Old Building	New Building – Yarrawa
Total Site	9,952m <sup>2</sup>	48,000m <sup>2</sup>
Warehouse	2,766m <sup>2</sup>	14,000m <sup>2</sup>
Hardstand / Canopy	1,500m <sup>2</sup>	13,000m <sup>2</sup>
Office	500m <sup>2</sup>	1000m <sup>2</sup>

The positives about this tin shed are many:

- Better, cleaner working conditions – mother nature is not an issue anymore
- Cross dock – better loading efficiency and less handling of freight
- Canteen – our cooks (Mary, Mairie and Jo) have a spanking new canteen – as our expanding waistlines can testify to!
- Office team together on the same floor giving the “one family” atmosphere
- Parking – parking fines are a thing of the past – at last
- Logistics – it’s great to have our brothers and sisters from Logistics on site.

Of course the expectation now is to fill the shed, and the sales team are ready to step up and make it happen. We have several recently signed new customers with many more in the negotiation stage.

Our focus at this time is back to basics and quality – the main principles that made us what we are today.

We have really beefed up our investment in the **training and development** aspect of our business with the very experienced Shona Taylor now working exclusively with our training team in this important area. We have been focussing heavily on ensuring that our operation and owner driver teams are in no doubt about the expectation that our business has in relation to our depot systems and the need to improve the quality of our operational service.

Looking ahead, all over Australia we must all continue to strive to improve the level of service we provide our customers. The next year may well prove to be a very tough one for businesses in lots of industries. One thing we are certain of though is that because of the leading level of quality that we provide, all challenges presented to us here at Mainfreight will be overcome.

Quality and growth are our focus and with our fantastic team and with many new services to offer, we are more excited than ever at our prospects for the coming year.

## Mainfreight International / CaroTrans Oceania Australia - Steve Thorogood

The Australian Mainfreight International and CaroTrans Oceania teams continue to look for greater efficiencies, opportunities and improved performances; continually striving to improve our performance in all aspects of our business and service to our existing and potential customers.

Although not fully meeting our pledged target as a business across the board there were some pleasing aspects in this past financial year. We still have to improve our sales growth overall in this coming year.

In the past couple of months a couple of events are worth mentioning.

James Hartigan was appointed Branch Manager of our CaroTrans Oceania Sydney site in February 2008. James has been part of our Sydney operation and has had varying roles during that time and this is a great opportunity for James to lead our operation in Sydney.

Congratulations also to Grant Joyce who, at the National Sales Conference held in March, was the recipient of the "Australian Sales Person of the Year". The challenge now for Grant is to continue that strong form in the coming years.



*Grant Joyce – Australian Sales Person of the Year*

Congratulations also to the Melbourne and Sydney teams who were the final two competitors in the race for the "Australian Branch of the Year" honours at the National Branch Managers Conference held in March. In the end the Victorian operations were successful, being the first time an Australian Mainfreight International operation has been successful in being presented this prestigious award. The pressure is on for our International teams around the country to continue to grow and develop and repeat the feat.



*Rob Cotter – with Australian Branch of the Year Award*



## Mainfreight Perishables

Mainfreight International Perishables is now in its 5th year of being the exclusive handling Agent for OZFRESH Australia Pty Ltd.

OZFRESH is the leading supply chain / grower for fresh strawberries in Australia. When it is off season, and production is very low and quality is not at the best, Ozfresh begins to import strawberries from the United States.

Perishable cargo is time sensitive and every hour counts; when we talk about strawberries – as soon as they are picked from the PADDOCK, it is a race to get them on the PLATE.

The strawberries are handpicked, placed into the punnets and fumigated at origin and then brought down to 2°C.

Prior to despatch for air freight, a Tectrol bag is placed over the skid and oxygen is then replaced by carbon dioxide which places the plant into a dormant stage. The key here is to maintain a suitable temperature to allow for the international airfreight journey along with the unexpected challenges we face in the air freight industry.

**Mainfreight International Perishables plays a very important role in the Logistics chain.**



Skids are placed onto a PMC ULD and flown to Australia. The ULDs are completely insulated with foil and then frozen gel packs are placed onto the skids to maintain temperature.

From this moment on the clock starts ticking; every hour counts and handling is crucial.

If temperatures increase the plant starts respiration, which causes condensation to form within the punnets and can result in the strawberries having a poor out turn.

Mainfreight International Perishables kicks into gear and beats down the clock.

Cargo is pre-cleared and AQIS is on standby for a 600 unit piece count inspection (600 strawberries). The clock ticks faster as the product is in full sunlight awaiting the AQIS inspection to be finalised.

Upon arrival at Springbank Street the Warehouse team swings into full operation, breaking down the unit and immediately removing the Tectrol bags from the skids which then allows the oxygen into the strawberries and stops any further condensation occurring. The skids are taken back to the consignee's depot where timeslots have already been made with supermarket chains and interstate transport already waiting for the strawberries to start the overnight journey.

Early next morning strawberries are on the supermarket shelves and in the local Victoria Market ready for the finest strawberries to be placed onto the PLATE.

72 hours from PADDOCK to PLATE – Mainfreight International Perishables makes it happen!

## Outward Bound Course – New Zealand

During the first six months of this year we have had members of our team take part in the Outward Bound Courses in New Zealand. Feedback has again been extremely positive and the participants got a great deal out of the course both personally and professionally. Congratulations must go to our Training Team in New Zealand for continuing to provide and manage this very worthwhile and important course for our global teams.

Mainfreight is very heavily involved with the development of trade with New Zealand and Fiji. We are members of the Trans-Tasman Business Circle, a senior executive business network that works very closely with Australian and New Zealand Government Trade organisations.

Brian Anderson has also recently been appointed President of the Australia Fiji Business Council. The Council's main aim is to advance the interests of Australian business in Fiji. It does this through Government and business networking.

Australian Customs Service regularly conducts audits regarding all facets of our business dealings with them. One area that is heavily audited is the sea cargo and air cargo reporting. Failure to meet reporting requirements can result in fines, suspension and removal of licence to act. The Australian Customs service recently advised

us that Mainfreight International / CaroTrans Oceania Australia is the number one seafreight reporter (by volume) in the country. This takes into account shipping lines and forwarders.

The Melbourne seafreight import team was also presented with an award in recognition of their performance as the number one reporting business by representatives of the Australian Customs Service. The Melbourne team's reporting of cargo manifest information to Australian Customs is timely and accurate, and based on the volume put through this was a great achievement by the team.

The ongoing continual strengthening of the relationships between our group brands in Australia continues to drive a team in Australia that is creating a strong force in the market.

The Mainfreight International and CaroTrans Oceania team's commitment, passion and teamwork embracing continual change and improvements in the business is the strength of what continues to make our business grow. We continue to revisit the "basics" on a regular basis.

Looking ahead the Mainfreight International and CaroTrans Oceania teams in Australia have some exciting challenges ahead. A challenge we will again embrace with open arms.

There are no limits to what we can achieve as long as we continue to set goals, strive to achieve them and work as a team.



Melbourne Seafreight Import Team

## International Division – John Hepworth

### International Goals and Statistics

Last financial year was another good year for the International team as a whole. Listed below our annual statistics that show we have got some good momentum going.

<b>Seafreight:</b>	HB/L handled last year - 253,000 up 12.22%
	TEU's handled last year - 142,000 up 5.26%
<b>Airfreight:</b>	HAWB handled last year - 54,000 up 7.42%
	Kilos handled last year - 44,000,000 up 1.64%

With the start of another financial year we must set our goals early to ensure we are going to reach them by year's end. Our volumes stats have started strong with Target (Mainfreight Inc from 1 July 2008) bringing on board good kilo volumes globally. Airfreight growth is our focus for this year and we must all strive to get a larger foot hold in your particular market.

We have interesting trends in various markets with USA booming in exports and giving CaroTrans a great start to the year. Mainfreight Australia has started well with strong growth in many areas. But we have Mainfreight International New Zealand struggling due to the high NZ\$ and that has affected our export volumes.

We can find many good and bad examples for our position right now BUT we must take ownership of our division to ensure the targets we have pledged for this year are met. We must now get our KPI's in line, if you start worrying about them in December it is too late. We saw too many examples last year where we got across the line with our profit pledges but did not have our KPI's up to scratch. Start reviewing them now and get the trend moving in the right direction today.

We must get our sales over 15% revenue growth this year. Measure your sales people and challenge them to achieve their sales call numbers. It is possible in International to do 20 plus calls per week with territory management, strong inside support, and an uncompromising

sales manager who is determined to achieve 15% revenue growth. We need to invest in sales cadets in all International divisions. They can start inside and then into sales support whilst they await their chance to get out on the road. We must have our own "home grown" sales people.

We have many challenges this year with the separation of Mainfreight International and CaroTrans in Australia and New Zealand. Let's not allow ourselves to get distracted. Also remember we are the same company and do not need to complicate things by trying to outsmart each other. We have separated CaroTrans for one reason and that is to develop a strong neutral wholesale/NVOCC player in Australia and New Zealand that will complement our success story in the USA.

### David Shiau's 60th Birthday

It was a great pleasure to be part of a small group that gave David a surprise 60th birthday. Michael Lofaro and I have worked with David for over 25 years. David does not celebrate his birthday so it was a complete surprise for him to find a few of us at a resort in Asia to greet him.

It has been a pleasure to work alongside David for half my life, and in him we have a trusted friend and team member who has served us proudly in the Taiwan, Hong Kong, and China markets.



*You would think David was turning six not sixty by the look on his face*

## Mainfreight Flag is Raised in the USA

With the initial phase of the Target Logistic Services acquisition now behind us, we are excited to be expanding the Mainfreight name and services to the USA. With a recent Board meeting in Los Angeles, the Target team is keen to show the Mainfreight Board that they are part of the Mainfreight family.

From 1 July we have renamed Target Logistic Services to Mainfreight, Inc. The team here is busy planning logo changes on buildings and trucks along with stationery needs.

We will have over 36 offices and warehouses, and 70-odd trucks across the country all proudly displaying the Mainfreight brand.



*The Mainfreight flag at our new Los Angeles facility*

# United States



**Mainfreight USA (formerly Target Logistic Services)**

**Chris Coppersmith**

## New Full Service Facility Opened in Salt Lake City (SLC)

The business is expanding once again with the opening of a full service facility in Salt Lake City, Utah.



We are responding to shippers in the Salt Lake City area seeking expert, competitively priced cargo services, and offering a complete range of varied international and domestic options including air, ocean and surface transportation, 3PL inventory control, warehousing, reverse logistics and cargo management. We are also utilising the new Salt Lake City facility as a centre for a network of distribution services to all regions of the US in addition to all major international destinations.

The new facility, just minutes away from the Salt Lake City Airport, is managed by Travis Lambros, a ten-year industry veteran whose professional career has centred in the city by the Great Salt Lake. He is aided by a team of experienced sales and operational professionals who are fully knowledgeable in the cargo demands of businesses throughout Utah.

The new facility offers the entire range of Mainfreight supply chain services to customers

moving freight through Salt Lake City. One telephone call to Target opens the door to access markets worldwide. The Salt Lake City terminal is equipped to handle every type of freight including hi-tech components, equipment for aerospace, automobile parts, trade show material, retail set-ups and even nutritional beverage companies.

The new Salt Lake City facility is linked to the company's network of domestic and international offices through an advanced IT system that provides almost instantaneous tracking and retrieval information for our customers.

## Visits to Shanghai and Hong Kong

This past May George Frey, Vice President Sales & Marketing visited Mainfreight offices in Shanghai and Hong Kong to meet and greet everyone to continue to establish excellent sales communications between the Mainfreight groups. The goal during these meetings was to discuss the transportation strengths as one company then moves forward capitalising on sales leads from both continents ultimately capturing new exciting business. George advised "I was very impressed with both the Shanghai and Hong Kong organisations and could not wait to get back to the US and advise our team of their excellence". Immediately we have exchanged sales leads for both air and ocean shipments, and growth will be a reality in these markets inbound and outbound.

## Involvement in the Long Beach Grand Prix

In time for the Long Beach Grand Prix race in California, Target and MFI arranged for the importation of an Aston Martin race car. The car arrived into Los Angeles on a Tuesday. Its departure had been delayed at Heathrow by three days, and with the start of the race just hours away, Mark Neumann (Director of Customs for MFI USA) ensured a successful after-hours "overtime" customs release at LAX. Less than one hour after flight arrival, he walked the entry documentation through US Customs and the release was complete.

Once the Aston Martin was offloaded from the plane, a careful inspection ensued. The car, worth more than US\$500,000,

had made the journey from London to Los Angeles with nary a scratch. Then, following the inspection, the Aston Martin was loaded into its trailer, awaiting transport to the paddock to prepare for the upcoming Grand Prix and a top 20 finish!



*Mark Neumann handled the Clearance and Delivery to the Grand Prix*

## Annual Meeting in San Diego

With managers and the top 25 account executives from offices all over the United States, we celebrated our fifth year of annual meetings at the beautiful Rancho Bernardo in San Diego, California from April 3-5, 2008.

Holding educational meetings on sales, operations, and company progress under the Mainfreight banner; the more than 180 attendees got a chance to exchange ideas on how to succeed in fiscal year 2009. Representatives from several overseas offices, including New Zealand,

Australia, Italy, and Asia came to mix it up with their fellow USA managers. Awards for quality, revenue, new account growth, and profitability were handed out during the course of meeting.

The Board of Directors for Mainfreight Ltd stopped in during our meeting for a meet and greet before adjourning to the boardroom in Carson, California for their weekend board meeting.

Happy, motivated, and united, the team enjoyed their time together and left ready to make this an outstanding fiscal year.



*Target Logistics Team – now Mainfreight USA!*

## CaroTrans – Greg Howard

The CaroTrans team continues to “raise the bar” by delivering another record breaking performance for the 2008 financial year. Total sales increased 25.6% and broke through the \$100 million mark reaching US\$106 million.

Gross margin % remained consistent with last year and ROR improved to 6.7%. Profit before tax increased 38% to over US\$7 million.

These improved results are due to the fantastic efforts of our entire team throughout the CaroTrans network branches and underscores the team’s commitment to ensuring exceptional service is provided to our customers throughout the world.

During a time when the economic indicators are pointing to a sluggish US economy, we are off to a strong start in the New Year. The momentum building from the past couple of years has helped set the pace for another record performance in what will be the 10 year anniversary since joining the Mainfreight family and 30 year anniversary of continued international NVO operations.

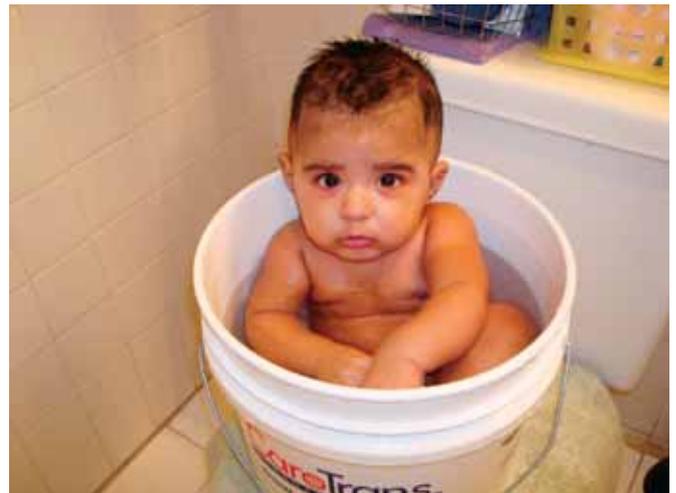
Thank you to all of our team for delivering results which exceed expectations and for driving forward with passion and enthusiasm.

Several highlights of the year include:

- Our belief that we promote from within helped deliver new branch managers in Atlanta and Charleston. Pascal Grunder moved from the Chicago branch (where he was the Import Manager) to lead the team in Atlanta. Grant Morrison moved from our Los Angeles branch (where he was Customer Service Manager) to lead the team in Charleston.
- Our new sales rep in Houston, Dean Ruffel, recently relocated from Mainfreight International Melbourne; highlighting the fact that opportunities within Mainfreight can be found elsewhere than only your local branch or country.
- The success of our sales cadet and graduate programs has helped introduce some outstanding young people into our teams and strengthens the pool of talent for future leaders.
- Launched a direct groupage service to Jakarta Indonesia; previously this was transshipped thru our agents hub in Singapore for re-handling and on forwarding.
- Since establishing a branch in San Francisco two years ago, the team delivered a profit improvement of 164%. A strong focus on the seeds / agriculture industry and the Pacific Island services contributed to this fantastic performance.
- In partnership with our Asia colleagues, we initiated weekly groupage services ex Hong Kong and Shanghai to Chicago, Los Angeles and New York.
- Our continued support of “Books in Homes” has helped move closer to properly establishing the program in the USA and expanding coverage to additional school districts.
- Outstanding cash collections on the part of our A/R team lead the group in debtors percentages.
- We moved to new office facilities in Cleveland and Baltimore and are undergoing a major expansion project in our Chicago branch.

## “Suds Time” In a CaroTrans Bucket

Bath time is a happy time for little 5 month old Giovanni, son of Olga Cazares from our Chicago team. Olga writes “My lil’ one loves it when I put him in the bucket after his bath, he’s only 5 months old and is able to sit up and play in the bucket, he splashes water everywhere but loves it – so do I!”



## Branch of The Year

We had fantastic, but frosty, Branch of the Year awards dinner as part of our annual branch managers meeting held in the “windy city” – Chicago. Based on the wind blowing from the presentations and acceptance speeches....it sure lived up to its name!

It was a privilege to present the branch of the year award (for the second time in three years) to Jason Braid on behalf of the Chicago branch. Our second and third place finishers were the Charlotte and San Francisco branches.

Chicago stood out as the clear choice for a number of reasons:

- Revenue growth across all services increased nearly 37%
- Gross margin was up 35%
- Record pre tax profits of US\$2.5 million – an 86 % increase
- Team member development
- Exceptional KPI performances
- Improved branch administration



*Congratulations to Jason and his team on a well deserved award!*

## Pickles of The Year

In addition to the Branch of the Year presentation made at the recent Branch Managers award dinner, we also had the honor of presenting the Pickle of the Year award for exceptional customer service.

Given the fact that we failed to present the Pickle of the Year award for the 06/07 year, we had the privilege of presenting two awards this year.



### The Pickle of the Year Award - 07/08

This came as a result of correspondence received from a delighted customer praising an entire department for going the extra mile to ensure his shipment was delivered on time. This customer had a 40th wedding anniversary planned and had organised for his wife, a special surprise gift which he had shipped from Europe to New York.

Unfortunately, the shipment was caught up in a customs exam due to discrepancies in documentation issued at the overseas origin. The situation was grim and the party with his 70 guests was in danger of being cancelled.

At the time when it appeared all was lost, the team pulled out all the stops and rallied with the shipping company, AZ warehouse, our customer's broker, the trucker and even US Customs to get the shipment released and delivered in time for the celebration. We only wish we could have seen the look on his wife's face when she received her gift in front of 70 special guests.

Now this is what we call "special delivery". Congratulations to the Jersey import team for winning the 07/08 Pickle of the Year award!



*Rosa Veloso, Nicole Salcedo, Damian Vieira, Gary Dreuer & Nancy Silva*

### The Pickle of the Year award - 06/07

This award was presented to Renee Basnet who received a “hospital pass” just by answering the phone at 6:00pm after the rest of the team had gone home. The customer was part of a group of motorcyclists from New Zealand planning to tour America on their motorcycles which had been shipped from New Zealand. This person was in desperate need of help because his motorcycle was “M.I.A.”

Unaware of the customs regulations in the US and assuming they could simply show up to our office and ride off on their motorbikes like Peter Fonda in Easy Rider, this shipment was doomed from the start.

While waiting for the correct documentation to be dispatched from New Zealand, Renee was hard at work trying to locate the cargo and getting it re-directed to the proper city for clearance and handling. Talk about trying to find a needle in a haystack!

Once the correct documentation was received, the Renee accompanied the paperwork through US Customs to ensure prompt clearance and delivery of the motorbikes to the anxiously awaiting motorcyclists. Never once did Renee stop to find out who to blame or what excuse could be used to pass off to someone else. Instead, she got on



*The 06/07 Pickle of the Year award was presented to Renee Basnett for going beyond the call of duty!*

to it, sorted it out so the group could get on their way without further delay.

When the motorcyclists returned home to New Zealand, an article about their USA travels was published in the local newspaper. The article highlighted the exceptional service provided by CaroTrans International and how instrumental Renee was to helping make the trip a complete success. What a way to be recognized for outstanding customer service!

## CaroTrans Going Global

The announcement following the April Board meeting in Los Angeles regarding CaroTrans, has paved the way for changes and new opportunities as we intend to strengthen the CaroTrans brand and network around the world. It is a real compliment for the CaroTrans teams to receive the Board’s commitment to the growth and development of our global NVOCC brand.

During the past year we have established CaroTrans operations in Australia, New Zealand, Hong Kong and China. We will explore opportunities in other parts of the world as we

expand the CaroTrans network around the world.

As I step into my new role, we have appointed leaders in Australia, New Zealand and USA to lead the teams and to ensure CaroTrans continues on our strong growth plane while gaining the independence, respect and attention it deserves as a global NVOCC. Tony Naumoff will lead the CaroTrans team in Australia and Steve Hendry will lead the New Zealand CaroTrans team.

In the USA, several changes have occurred as we solidify the new management team.

Michael Forkenbrock has been appointed President of CaroTrans and as you can see from his photo, he is ready to lead the charge.

Alongside Michael will be Richard Burke to head up sales / marketing and Matt Spartz will head up operations and network development.

This is an excellent opportunity to expand on the firm foundation we have built and will be essential to our continued growth. It is fantastic to once again see “home grown” talent move into these new positions.

The following contributions are from the teams in New Zealand and Australia



## CaroTrans New Zealand – Steve Hendry

Recently CaroTrans participated in the 8th Annual Auckland Mainfreight International Awards Night. This was a black tie event and certainly the highlight of the year where we join together and celebrate the individuals who have contributed to the success of the business.

The importance of the Awards night cannot be overstated... it's part of our culture, history and provides a real opportunity to recognise and reward some of our top performing team members.

The awards are a mixture of comical through to the more revered awards - Player of the Year and Team of the Year; it is important to note that the recipients are nominated by their peers.

The night started with a minute of silence in respect to the Mangatepopo River tragedy which directly affected several members of the branch. Whilst a sombre start to the night, the mood was quickly lifted by the band and the night kicked off with some of the less serious awards.

For CaroTrans, the Awards night was very successful with three team members receiving awards:

- Claire Patterson – Most Improved Team Member
- Wayne Zhu – Nickname of the Year
- Steve Hendry – Sales Award

Thank you to Dianne Clemens and Todd Chandler for all your efforts in making this a very successful night.



*With guest appearances from “Mildred, Wilfreda, and Freda” the latest NZ pop sensation, the night reached new levels.*

## CaroTrans Australia – Tony Naumoff

### Sydney Branch

CaroTrans has been in existence in Australia for nearly two years, servicing the wholesale Import and Export markets to all corners of the globe. In our last newsletter, we included a summary of trade lanes covered and the similarity in agency network with that of CaroTrans USA and New Zealand.

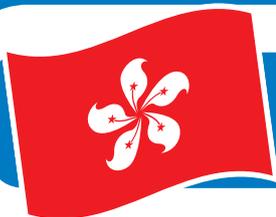
Our independent position strengthened when we relocated to offices adjoining our CFS unpack depot. We managed to clear out the kangaroos and wombats from an unused office, give the place a fresh coat of paint, some new furniture, and a revitalised CaroTrans has taken shape. We have a Team of nine, with Josephine, Alicia, and Jana in Exports, Kate, Jade, and James in Imports, Marika and Nick looking after the Sales, and James Hartigan who heads up the team.

We receive our Exports and unpack our Import boxes on site, handling more than 50 containers per week.

Our facility has 3,500m<sup>2</sup> of Customs Bonded warehouse space, with a further 15000m<sup>2</sup> of hardstand, as well as container forklifts, and general 2.5 tonne and 5 tonne standard cargo forklifts. We have full Quarantine handling on site, including a full time officer who can carry out inspections on FCL or LCL shipments at any time that the warehouse is open.

We would like to thank those offices that have actively supported our sales drives, and would welcome any enquiries or visits to our Great Southern Land - we promise we will shout you a schooner and a pie (... or buy you a beer and a meat-filled pastry, for those that aren't familiar with our unique Australian language or cuisine!!).





# ASIA



## Mainfreight Asia – Michael Lofaro

Within Mainfreight we like to use the phrase, “We move at pace”.... Well nothing could be truer when it comes to the activities of our teams in Mainfreight Asia. This area is constantly on the move and with a population of 1.3 billion people in China, you can imagine the incredible number of opportunities that exist.

We are particularly excited about the introduction of the Mainfreight International USA team (formerly Target Logistics Services) ... the new members of our Mainfreight family. The Asia/ USA trade is still one of the largest in the world, and to have the infrastructure that comes with Mainfreight International USA joining the team is a very positive development, not only to Asia but our whole global family.

To all our new team mates in the USA, welcome from your Asian counterparts. We look forward to the opportunity to work with you to truly stamp Mainfreight’s presence in this trade.

Sustaining our continued success and growth in this region will require us to look quickly at opening new branches and offering new services to a multiple of trades outside of our original core activities. Each of these new ventures presents us with some exciting challenges, but with the support of our global network and a strong focus on core Mainfreight principles and culture, we are very confident of achieving high levels of profitable growth in the coming years.

It’s difficult to talk about this area without documenting some of the unique demographics of the region.

The process of re-engineering China’s economy from a rural based one to an industrial/financial one essentially commenced in 1978. As a direct result of

this process, China has grown “Mega Cities”. China has over 50 cities with more than 1 million people in them... now that’s not to say it’s just one million!! Many cities are home to tens of millions of people. Many cities have populations that exceed the populations of New Zealand and Australia. Try to visualise the population of New Zealand (at just over 4 million) and Australia (at just over 20 million), hopefully you can then visualise the sheer mass of humanity that lives in these cities.

Despite this dynamic growth over the past 30 years, China is still a long way from achieving its ultimate goal of a total restructuring of its economy and social structure ... affording us, as Mainfreight, still much opportunity for growth.



Where we, as a company, can benefit from this region, lies within our own Group activities. The growth of our Asian operations is intrinsically linked to the activities of our Group operations in countries like New Zealand, Australia and the USA. Working with the Group, and for the Group, is critical to our future success. China, Hong Kong and Taiwan service all countries, the manufacturing base in this region is growing, and as such, we all need to be looking for international trade opportunities.

A simple challenge to you all is to look within the Warehouses and Distribution centres we currently operate around our business. Look for how much of the valuable freight that feeds through our system is either imports or export cargo? This may help you appreciate the scope of the opportunities that sit before us each day.

This region is also a very large import market. So it is very important not to close your mind to the opportunity of looking for export cargoes from your respective countries to this region.

There is a lot of potential cargo out there that would fall neatly into our Global Supply Chain model.

To help our teams get a better understanding of our activities in Asia, we constantly host team members from various parts of our Global business on sales and development trips. These sales campaigns are an essential investment in not only the growth of our business, but also our people. The more we can move team members within our sphere of influence, the more we can exchange cultural knowledge, and the more we will spread the passion and culture of the Mainfreight Family.

Sales campaigns normally last for two weeks, and they involve a gruelling schedule of early mornings and late nights ... catching numerous flights, trains, buses and taxis, and attending many sales calls ... it's no picnic, but it is a most rewarding experience for both individual and company.



*Ben Fitts (MFI Christchurch) & Michael Hood (MFT IT, Australia) enjoying the cultural experience of learning to use chop sticks in Hong Kong*

Please try and have a chat with one of the team members that has been able to experience our Asian operations. Talk with them and encourage them to pass on their experiences and new-found knowledge.

This year we are again sending Asian team members to Auckland, New Zealand to attend the Emerging Branch Managers course. This is a great opportunity for our “up and coming” managers to learn about our Group, the principles of management, and also to mingle with fellow “Mainfreighters” from around the world.

Again, these cross cultural exchanges are essential as we grow our Global family and our Global product. These team members will be the future ambassadors of our culture as we drive into new regions around the world. Good luck to all those who are attending.

On the home front, a personal note of thanks to all the team in Asia. You have all embraced the many changes that we have made in the business over the last seven months, and your acceptance and positive contribution to these changes have set us up for a very dynamic and bright future.

To the rest of the Mainfreight family, thanks for your support, and if you are ever in this part of the world, make sure you drop in to say hello.

Best regards from Hong Kong, Taiwan & China!

# OWENS

## Owens Transport – Bryan Curtis

Welcome to the new team members from around the world, who, for the first time, are reading this newsletter. You have joined an ever growing team that believes in the ethos of family and working together to achieve our 100-year vision.

We closed the 2007/2008 financial year 12.4% ahead of the previous year. A great effort team, we thank you for your effort and commitment. This year we face big challenges as the economy tightens.

In past newsletters we have warned of tougher times ahead and certainly this has been signaled in the media and by way of results from retail companies, who are seeing a drop in sales.

The economy over the winter months is predicted to be tight which will mean tougher times ahead.

Whenever we have faced these challenges we have:

- 1: Reviewed our costs to cut out any waste that has crept in:
  - Direct costs eg claims, electricity, forklifts, stationery, telephones
  - Indirect costs eg linehaul, local cartage.
- 2: Increased the load efficiency of our linehaul units by monitoring each unit every night.
- 3: Maximised our revenue by ensuring that our rates are being correctly applied and in specific cases these rates reviewed.
- 4: Ensured that our operations are as tight as they can be with:



*A total of 237 years as part of the Mainfreight family.*

- Linehaul units are departing on time.
- Depot Systems being religiously followed.
- Freight being remeasured
- Deliveries being done on the day of receipt.

And on every occasion we have emerged from these tough times as a leaner, stronger and more profitable business ready to take the next great leap forward.

In early April, a New Zealand Operations Managers meeting was held in Auckland and attended by twenty of our most crucial people. It was the first time in seven years that we have gathered this team together and will now become an annual event. As you can see from the attached photo New Zealand Domestic Forwarding is in good hands.

## Special People, Special Company

Eddie Tuhakaraina (Eddie T) and wife Christine joined the FTL (Full Truck Load) team in 2002. Eddie has recently lost 45 kilograms and is

adamant that all team members should look at reducing weight for the sake of their families and the company image.



Eddie & Christine's new rig: "This is my last one" ... yeah right.

## Projects

Our Special Projects team, based in Christchurch, has moved a number of challenging consignments over the last months.

With further specialised equipment about to be added to the fleet we will be able to move even more difficult items.



24.50 meter long power poles. This photograph was taken at the Port of Lyttelton, Christchurch.



Cooling tower - 4.80 metres wide and 4.78 metres high.  
The pilot cars are driven by Adrian Fergusson and Ken Bryce, our in-house experts.

# OWENS

## Owens Transport Australia – Cameron Clode

It has been another six months of hard work from our team since the last newsletter. We have achieved some significant milestones within the last six months but sadly these have not flowed on to any significant profit growth.

In what has been the most exciting milestone in the last six months, our Brisbane branch has

opened its own site. This is a significant step forward for our Brisbane team, positioning the business in line with our competitors. There are now high profit expectations from this branch with the work only just beginning to rebuild the Owens brand in Brisbane. The team has performed tremendously in very difficult circumstances. You should all feel very proud of your new 'home'.



*Our new Brisbane branch with our team – Dean, Niki, Mick, Paula, Melvene, Bob, Sandra & Darren*

In other areas Melbourne continues to grow at a steady rate. With the stability of a team of three in the office as well as a great bunch of owner drivers, we are ready to grow our business and deliver fantastic service to not only our own group companies but to actively sell to the external market.

Sydney has had its difficulties and has had to

absorb significant extra costs in maintaining our customer service levels. The cost pressures are slowly subsiding and following some tough decisions the branch is now placed to get back on the rails and start significantly improving the bottom line.

We are proactively looking for another home in Sydney. Whether it is a joint site with another

# OWENS

Mainfreight business or by ourselves, we will see significant improvement on site design and layout, equating to efficiency gains for all aspects of the business.

We are also in the middle of rolling out GPS units to all of our owner drivers. This will see many positives for our customers in terms of communication as well as improving our ability to manage our fleet in a way that will benefit both the company and owner drivers.

It is hard to believe that six months has passed since Christmas. The Mainfreight family Christmas party was enjoyed by all, and we look forward to this year's festivities.

It has been exciting to feel a growing confidence and positive attitude from all team members.

We have all come along way in the past four years in terms of a building a great working team, a profitable business and a part of a great group in Mainfreight.

We must now remain focused on what lies ahead of us. Whether it is the economy, the cost of diesel, or the ability to attract key team members, we must overcome barriers and continue to investigate new markets, keep a lid on our costs and always improve our bottom line.

Owens would like to thank all group companies for their continued support. We would also like to thank all team members for their support and contributions to what is becoming a great company.



Sydney OD Goran with daughters, Malinka, Mare & Monica

## Human Resources and Training Team – Chris Meyer

In the December newsletter our final note was to remind you all about Mainfreight Scholarships available for tertiary study. The response was unprecedented resulting in 19 young people being awarded Mainfreight Scholarships to begin their studies in New Zealand and Australia. This is along with 13 previous recipients in 2006 and 2007 who are now in their 2nd and 3rd year of the scholarship.

### The 2008 recipients are;

Hayleigh Bryers, Craig Baird , Shamal Singh, Steven Blackmore, Lee Purvis, Danielle Polgar, Danielle Tetai, Natasha Oakden, Ashley McDougal, Xanthe Derbyshire, Cassandra Hunt, Vanessa Belk, Simon Cleary, Blair Kippenberger, Sonny Tuhi, Presley Purcell, Mathew Prideaux, Bradley Williams, Joshua Sprott

Our Driving Force meetings have been a great success with graduates from throughout the business in New Zealand meeting on a regular basis. These meetings provide graduates with the opportunity to network with each other and also to meet various managers in the business. We have been delighted with the response from members of the senior team who have taken up the invitation to share their experiences with the Grads. Other speakers have been directors from the Mainfreight Board, along with a customer giving his view on what makes great service.

However our personal highlight (sorry Don, Emmet and Bryan) was Mahe Drysdale, the kiwi Olympic rower. It was a great thrill to have him join us as he was able to give the team a good insight into what it takes to get to the top.



*New Zealand recipients who were able to attend the Auckland presentation with Don Braid and Chris Meyer*



*Debi Fitzpatrick and Mahe Drysdale*

The big message was that anything is achievable with the right attitude and a lot of commitment and hard work. Watching him at the Beijing Olympics will be extra special knowing his personal story.

Similarly to New Zealand, Australia have also been holding Driving Force meetings. Due to the size of Australia and the geographical spread of the team we bring all the graduates to Melbourne to spend the day together learning about the business along with networking and discovering about each other's careers, roles and backgrounds.

The latest meeting took place in April in Melbourne. The focus was on leadership styles and learning how to manage their careers.



*Grads with their balls in the air!*

Somehow juggling balls found their way onto the agenda.

The concept of juggling was designed to take the team out of their comfort zone and to learn a new skill. Whilst juggling is an individual activity, the process of learning and developing the skill was channelled through teamwork resulting in the team learning the importance of individual success/progress from a team effort.

Our first school leaver programme is now well underway after forming a relationship with Pakuranga College in 2007. We found that a lot of young people knew very little about our industry and the services we provide. Our target audience was those that didn't know exactly what they wanted to do at the completion of their schooling, or those that wanted a break before embarking on tertiary study. The School Leaver Programme is similar to the Graduate Programme in that school leavers must start in an entry level position and work their way through the different areas within their branch.

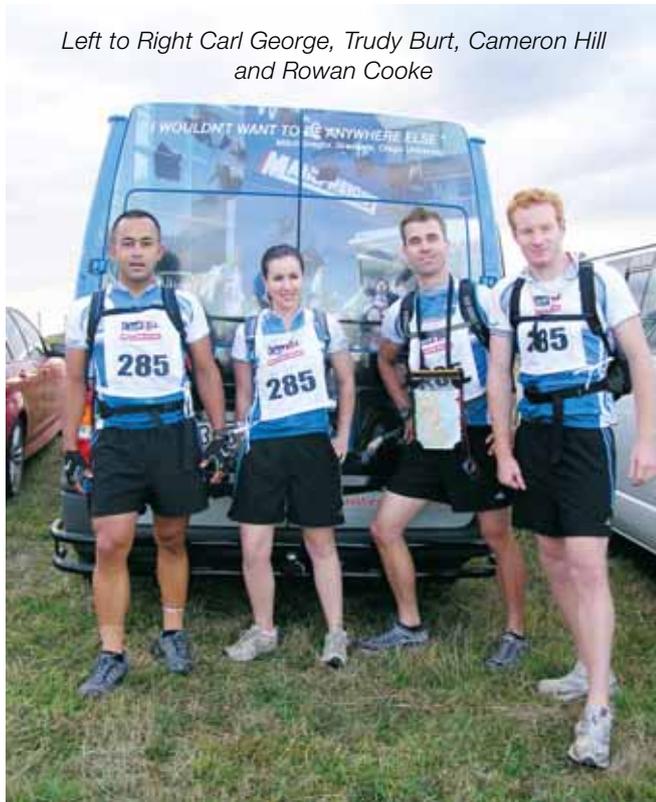
We have taken on seven school leavers in Auckland and have already identified some real potential in these young team members. We hope to put together a similar programme around New Zealand and further develop the scheme already in place in Australia.

Cure Kids Adventure race in April of this year saw Mainfreight enter a team for the fifth consecutive year. This annual event follows hours and hours of running, cycling and navigation training that the team does to be competitive during the six months leading up to the event.

The Mainfreight Mavericks (Trudy Burt – MFI Westney Rd, Carl George – National team, Cameron Hill – MFI Tauranga, Rowan Cooke – MFT Tauranga) raced a very strong race. The difficulty of navigating through swampy terrain led them up the wrong tributary for about 30 minutes. However the “never say die” Mainfreighters put their heads down and defied all odds to come in eventually in 4th place out of a field of 42 teams. Anyone interested in joining this band of sick people is welcome to make contact with the team.

Being able to run a half-marathon is a good base as a starting point for entry into the team. There is always the option of joining the support crew if the actual event itself is not your cup of tea. Being able to drink wine and eat ham sandwiches is a good base as a starting point for entry into this team.

*Left to Right Carl George, Trudy Burt, Cameron Hill and Rowan Cooke*



Of course being able to manage the stress levels when your team can't find a checkpoint is essential, something team manager John Eshuis found a little challenging.

Cure Kids is the face of the Child Health Research Foundation – an organisation established over 30 years ago to address the lack of research into life-threatening childhood illness in New Zealand. Mainfreight has contributed around \$60,000 to assist in this research, with half of this money fundraised by the team.

On a final note we again have been running drug education seminars with Mike Sabin. The methamphetamine problem in our society is everywhere and across all socio-economic groups. Educating our team and their families is alerting everyone at Mainfreight to the dangers of this insidious drug. You will hear Mike Sabin in the media alerting us all to what is happening in our society and what we can do to prevent it. Take the opportunity to listen to his message; it requires all our support.



*The Mainfreight Mavericks with Support Crew*

## Service Achievements

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

<b>Michael Tapper</b>	40 Years	Daily Freight Auckland
<b>David Priestley</b>	35 Years	Daily Freight Wellington
<b>Kenneth Ganseberg</b>	35 Years	Daily Freight Christchurch
<b>Bruce Plested</b>	30 Years	Mainfreight
<b>Brian Hurn</b>	25 Years	Mainfreight Auckland Wharf Owner Driver
<b>Ian Garrick</b>	20 Years	Mainfreight Invercargill
<b>Harry Reynolds</b>	20 Years	Mainfreight Invercargill
<b>Michelle Simmons</b>	20 Years	Mainfreight Auckland
<b>Barbara Vincent</b>	20 Years	Mainfreight Wellington
<b>Allan Murray</b>	20 Years	Chemcouriers Auckland
<b>Sue Moses</b>	20 Years	Daily Freight Auckland
<b>Ala Aiono</b>	20 Years	Mainfreight Metro Wellington
<b>Alan Pluymers</b>	20 Years	Mainfreight Napier Owner Driver
<b>Alan Allport</b>	20 Years	Mainfreight Palmerston North
<b>John Kawau</b>	20 Years	Daily Freight Auckland
<b>Allan Niethe</b>	20 Years	Mainfreight Auckland
<b>Robin Jago</b>	20 Years	Mainfreight Palmerston North Owner Driver

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

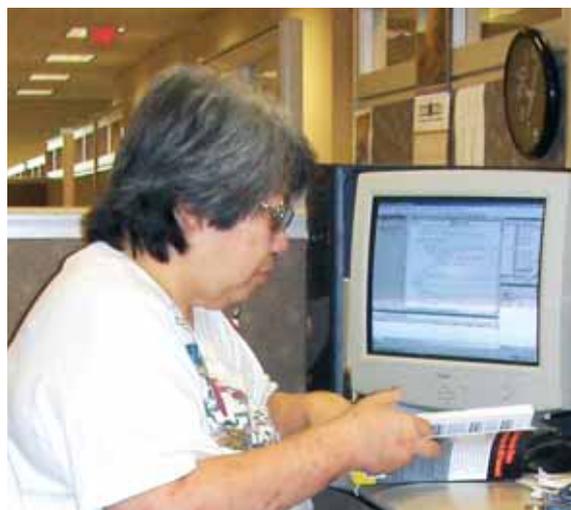
## Bereavements

**Marjorie Yamaoka**  
**Target Logistic Services, Carson, LA**

Marjorie Yamaoka was born in November, 1948 and passed away this past April 26th, 2008. She is survived by her father, Harry Yamaoka.

Marjorie added her professional strengths to our team just two years ago, working primarily on the WinTRACS project. Her creative, ingenious contributions were welcomed as were her invaluable, meticulous skills in documenting the work that the team performed on the project. Professionally, her efforts will be missed greatly.

On a personal level, Marjorie had so many great qualities. As an avid fan of the TV series Babylon 5, she idealized Susan Ivanova, a strong woman of leadership with a multi-dimensional, complex character. In many ways, she was very much like her favorite character displaying loyalty, a great



sense of humor, integrity, honesty and yet, a hot temper when needed.

One of her favorite sayings was from her hero on the Babylon 5 TV show: "Ivanova is always right. I will listen to Ivanova. I will not ignore Ivanova's recommendations. And, if this ever happens again, Ivanova will personally rip your lungs out!"

If she could read that quote right now, you would see a bright glowing light in her eyes and a broad smile on her face. Just remember that this

complex, gentle soul also loved classical music, took in stray cats, and lovingly cared for her father. She will be greatly missed.

### Jan Jones – Mainfreight Distribution Perth

Unfortunately we have had a team bereavement in our Mainfreight Distribution Perth team. Jan Jones passed away on 5 February 2008, after battling cancer for about six months.

Jan was our colourful (she loved purple) Data Entry/Rating lady who worked in our Branch for about three and a half years. She did a fantastic job in ensuring that our customers' consignments were always charged out correctly. We all still think of Jan and talk about her a lot. She is sadly missed, but will never be forgotten. We know she is looking over us to make sure we're doing our jobs. Our sincere condolences to her family and friends.



### Dick Moa – Mainfreight Dunedin

We were deeply saddened by the sudden loss of George Richard (Dick) Moa in February this year. Dick was an ex-Navy Master at Arms and joined Daily Freight in 1987. In his 20 years with various branches of the Mainfreight Group he built many friendships with team members around the country, and was well-known and liked as a "hard case" who enjoyed a round of golf ... usually followed by a stop at the 19th hole.

Dick's navy training served him well; he always looked immaculate right down to his well-shined shoes. In a visit to Dunedin a couple of years ago, Don Braid was heard to say that Dick's truck should be held up as the standard – its condition was certainly always a credit to him and the Company.

Dick was a hard worker with a great attitude to life. He will be much missed by the team here, and our thoughts are with his partner Patsy, and his two children Neke & Anaru.



### David John Lumsden – Mainfreight Invercargill

Dave passed away on 02 December 2007 aged 43, tragically taking his own life. Dave was a much respected and well-liked workmate and friend to us all and is sadly missed by the team in Invercargill. He was always cheerful and more than happy to help with any task put before him. Photo attached shows him a few weeks before his death with an award for "Pride of Workmanship" from Rotary Invercargill, nominated by AlSCO Invercargill one of his regular pick up and delivery customers.



## Technology – Kevin Drinkwater

### Software Upgrades – MIMS2 And WinTRACS

The two highlights of the last six months have been the successful implementations of MIMS2 for Mainfreight Logistics and WinTRACS for Target in the USA.

#### MIMS2

MIMS2 is now live in all New Zealand branches. The Australian rollout began on May 26 in Brisbane and should be completed by mid-July. Target Logistics will also begin using MIMS2 for their warehousing operations in Los Angeles and Atlanta in early June. This will be the first time any major Mainfreight operational system has been implemented in the USA.



*Leslie Bivens, Target LA and John Freeman, Target Atlanta with Rachel Hustler, Trainer (centre) during their recent visit to New Zealand for MIMS training*

The benefits of MIMS2 over its predecessor are significant in many ways. The key ingredients are the new methodologies, platform and languages that have been used by Sandfield, our developers, to create the system. This overall environment will be a much more stable system that is capable of handling the rapid increase in transaction volume the logistics business is generating.

Using internet browser technology as the user interface means the system has a much smaller bandwidth need, while at the same time allowing users the convenience of having multiple screens open simultaneously.

Testing of new functionality and bug fixes is also much quicker and more efficient than before. Changes can be quickly implemented without the need for the entire system to be tested from end to end – only those areas that have changed will require testing.

Most importantly for the business, and users, it now puts us in a position from which we can build, add and implement the new functionality you and your customers have been looking for. For example Sandfield are now working on a completely new and easier way to use scanners for receiving, unload, put away and picking of products. They will also be working on rewriting the programs to invoice customers and bills of materials / kitting – where a customer orders one product that is actually made up of several different individual parts which we need to accumulate together as one. Expect to see some great functionality added during the next year.

#### WinTRACS

After 18 months of development by Target's in-house professional programmers WinTRACS has gone live. WinTRACS is the Windows version of their tried and true software TRACS (Target Real-time Air Cargo System) which has been running the business for the past 13 years.

It was first released to four stations as a select beta grouping in April, to ensure it was as user friendly as we felt it would be. We then brought in a group of select users from three key US offices and the Regional Managers for 'Train the Trainer' training on the use of WinTRACS. As the initial release and training was successful we began rolling it out to the rest of the offices in May and we expect the entire USA team will be using WinTRACS by the end of June 2008.

Once the rollout is complete we will begin to add features to enhance the existing programs to meet user and customer needs. WinTRACS will provide Target with a great deal of flexibility as customer and industry needs demand. It is a full service application containing Domestic, Export, Import, and Ocean applications. Many efficiencies have been built into the program, such as intuitive shipment data entry, batch updates, automatic milestone notification to customers and sales reps, automated carrier updates, links to industry related websites, automated AES filings, automated denied party screening, online search for DG classifications, Schedule B classifications, etc. It also provides for complete documentation, to include the ability to scan relevant shipment documents and store them online with the shipment for both electronic transmissions, as well as file review online as applicable (no more having to pull file folders to review documents associated with a shipment). It also provides for plain paper printing of applicable shipment documentation to network printers.

## Devices on the Dock

The rollout of Depot Scanning continues with Australian branches now beginning to join New Zealand branches in using scanners to outturn freight. It has been enthusiastically accepted by the team at Clayton, the first Australian branch to go live. Thanks to Max Muaulu from Railway Lane branch for helping get the scanners established with the Clayton team. They will be rolled out to all major Australian sites over the next couple of months.

## GPS Rollout

Over 30 owner drivers in Melbourne now have scanners with GPS (Global Positioning System) which enables us to tell where any driver is now or was previously. Clayton branch is already getting some good operational information from GPS data

which is enabling them to look at ways of being more route efficient when giving jobs to drivers. It also helps us provide proof to our customers that we have arrived at the major distribution centres on time – even though often we are forced to wait in a long line to get through the gate. GPS gives us a great technological advantage to market to our customers and a means of reducing our carbon footprint. Roll out to Sydney and Brisbane will be happening in June and July respectively.

Auckland, Christchurch and Melbourne wharf operations are also now fully operational with our integrated PUD (pickup and delivery scheduling) system and GPS technology. We will also be rolling it out to Auckland Metro operations later this year.



Screen shot of GPS locations in Maintrak

### Legend

- Circles = Drivers : Colour of circle represents drivers current status
  - Orange – Job not accepted within 10 minutes
  - Black – No jobs allocated
  - Green – Job picked up
  - S inside – Swing capable
- Triangle = Pick Up Location : Colour of Triangle represents job status.
  - Red – Unallocated
  - Blue – Allocated
  - Green – Picked up
- Square = Delivery Location : Colours as above
- Diamond = Pick up and delivery location

## Disaster Recovery Site

We successfully moved our disaster recovery site from O'Rorke Rd, Penrose during May. This means that we now have our emergency equipment and systems housed at a more acceptable location and distance from Railway Lane, Auckland. The equipment is located at a specialised Telecom NZ disaster recovery facility. David Hall and his team have fully tested the operability of the site during May and June. This has meant we have had periods during the weekend where we have had to take all systems down, however it is essential that we know that this equipment will work when we need it. Testing will continue to occur on a three-monthly cycle. We will endeavour to give you as much notice as possible as to when these tests will occur.

## Expand Boxes

We have implemented some new technology to increase the throughput on our data lines. Branded "Expand" these boxes attach to each end of our data lines to increase the amount of data and the speed at which we can send and receive data. This should mean a better user experience and reduce the need for us to upgrade data lines as quickly. They have been installed at major Australian branches and at both ends of our trans-Tasman lines. The trans-Tasman line showed a very marked reduction in utilisation after these boxes were turned on.

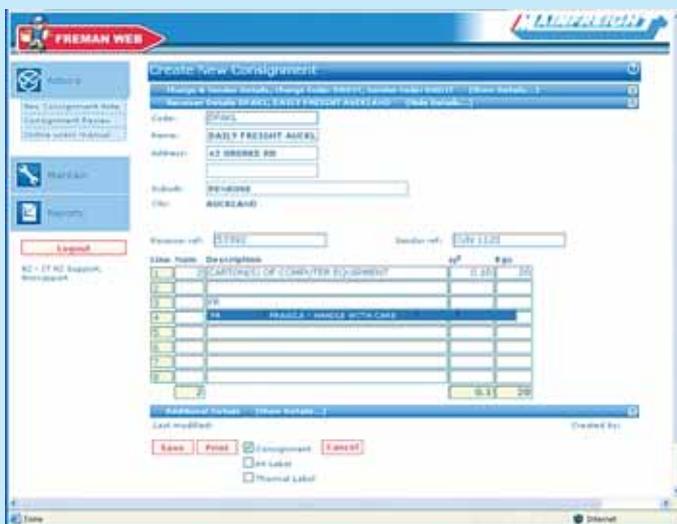
We have also had Michael Hood and Gary Harrington take these boxes to Hong Kong and Shanghai to test what improvement they make in terms of working on our Auckland based international system, Enterprise. Their tests showed the Expand boxes improved the speed at both locations from unacceptable to acceptable, which is very promising.

On this basis we expect to go ahead with moving our Asian branches to a full trial of Enterprise.

## Special Feature Focus on Freman Web

Freman Web is the newest offering in our Freman freight management software family. This light-weight version of our full-featured Freman 3 software runs directly in a web browser from any internet connected PC. Being based on the web offers several advantages to Freman Web customers:

- No or minimal install needed
- Updates automatically
- Access from anywhere
- Lower hardware requirements



Despite not being installed on a local workstation or server, we have managed to squeeze in many of the bells and whistles of the full version. Designed for lower quantity shippers sending 10-50 consignments per week Freman Web is intended to replace manual consignment notes, improving accuracy and reducing the amount of re-entering data.

Freman Web allows customers to enter, review, print, manifest, upload and track consignments. A 30 day consignment history linked to tracking and shipment cost information gives users good basic review options which can be checked from any internet connected PC. Advanced options include the ability to maintain saved receiver (consignee) and product lists; set up return shipments; and hire pallets [CHEP] transfer capability.

### Feature Comparison Table

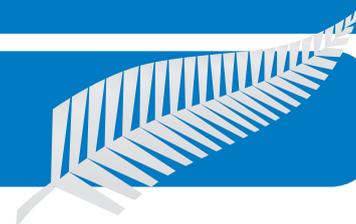
Features	Freman Web	Freman 3
Direct (Fast) and Windows Thermal Labels	Windows only	Yes
Track and trace	Yes	Yes
Auto-upload and archiving	Basic	Yes
Reporting Options	Basic	Good
Connote review list sorting	Basic	Advanced
A4 Label Support	Yes	Yes
CHEP pallet transfer	Yes	Yes
Database backup	Yes	Yes
Auto update	Yes	Yes
Carrier logo branding on connotes	Yes	Yes
Export or Email documents as PDF	No	Yes
Courier module for Freightways carriers	No	Yes
Profile creation & connote template options	No	Advanced
Field customisation and skipping options	No	Advanced
Bulk Import connotes with validation	No	Yes
Custom connote number prefix and length	No	Yes
DG record maintenance and DG certificates	No	New Format

Our sales team are trained to advise which version of Freman will suit each customer best, and with more new features being added constantly, Freman Web is an excellent freight management solution for more and more shippers.



Michael Hood and Gary Harrington of Mainfreight IT followed the fibre optic line from China to New Zealand ensuring there were no potential inhibitors to its speed!

# New Zealand



## New Zealand Forwarding – Mark Newman

Thanks to everyone who got us through a surprisingly buoyant Christmas and New Year period.

The sustained volumes really put pressure on the network and our people.

As our confident sales team continues to out-sell our competitors we must ensure that we get used to these new volume levels.

The perception of our customers, the only measure of our success, will be based on our delivery performance, claim incidence, our phone manner and the professionalism of our drivers, customer service and transport people.

Your branch and operations managers have been given a clear vision as to what is required for a successful result this year in a difficult economy.

Please play a positive part in making sure yours is a winning team.

### High Honours for New Zealand Forwarding

The recent Branch and Sales conferences enabled us to review our performance and set goals for the coming year.

Part of both meetings is the much talked about awards ceremonies.

New Zealand Forwarding achieved a clean sweep of the major awards.

**Branch of the year** - Mainfreight Rotorua

**Salesperson of the year** - Jonathan East, Mainfreight Auckland

**Franchise of the year** - Mainfreight Timaru



*Don Braid presents Denis Laws with the award for NZ Branch of the Year*



*Jonathan East, Sales Person of the Year*



*Mark Newman (centre) congratulates Murray Kippenberger and Adrian Fergusson of Mainfreight Timaru, Franchise of the Year*

## Branch of the year – Mainfreight Rotorua

After being pipped at the post for the honour last year, the team at Rotorua got back up, wiped their bloody noses and excelled in 2007.

In all the categories measured, from profit, quality of operations and development of people, the branch met or in most cases exceeded our standards. Well done team, well deserved.

## Salesperson of the year – Jonathan East

Jonathan, or Jono to his mates, was our superman in sales last year. His mild manner and humility disguising a steely resolve that led to outstanding result for him personally and also the team he leads at Mainfreight Auckland.

## Daily Freight Christchurch

Nic Kay and the team at Daily Freight Christchurch moved in to their new shed over the Easter break in March.

The facility follows the new blue print for our purpose-built buildings with wide docks and rail access through the centre of the building.

## Franchise of the year – Timaru

Although the competitors were hard at their heels, it was perhaps appropriate that the franchise of the year trophy was won yet again by Mainfreight Timaru.

Adrian and Ingrid Fergusson have grown this branch from very small beginnings, to a dominating force in the town.

A growing brood of grandchildren has promoted a move for Adrian and Ingrid to Christchurch where Adrian now works for us in Special Projects.

Well done for a Franchise of the year threeppeat!! You leave big shoes for Murray and Juliet Kippenberger to fill, but we're sure they're up to the challenge.



The team is delighted to have the luxury of such things as walls on the terminal to keep the crisp winter mornings at bay, and we are pleased to see the beautiful new lunch room doing a roaring trade.



*Daily Freight Christchurch*

## Mainfreight Whangarei

The new shed for Whangarei is really taking shape. The short 22-week building programme will see us move in here in August.

Our success in Northland over the last few years has put enormous strain on our current building and the team in Whangarei is thrilled with the prospect of moving in.



*Mainfreight Whangarei takes shape*

## Claims Performance

Outward Consignments Per Claim				Inwards Consignments Per Claim			
Branch	To March 2008	To Sept 2007	To March 2007	Branch	To March 2008	To Sept 2007	To March 2007
Rotorua	1216	1270	1240	Chem Christchurch	2353	2362	2449
Chem Auckland	1043	781	2752	Owens Auckland	2199	2667	1274
Chem Hamilton	1042	738	2107	Rotorua	1871	2285	900
Chem Wellington	883	878	866	Owens Wellington	1772	2028	1608
Blenheim	864	781	565	Chem Wellington	1620	1321	8205
Dunedin	790	850	960	Invercargill	1616	1635	1478
DF Auckland	682	668	465	Chem Auckland	1247	1022	4506
Chem Christchurch	658	606	663	DF Christchurch	1214	1097	1252
Owens Auckland	657	693	442	Owens Christchurch	1147	1309	1240
DF Wellington	566	589	412	Chem Hamilton	1146	948	3168
Palmerston North	548	502	638	Blenheim	1070	1004	1593
New Plymouth	524	510	443	DF Wellington	1013	1432	1022
DF Christchurch	493	550	500	MF Auckland	1011	978	807
Owens Wellington	473	407	435	DF Auckland	968	1234	961
<b>Total Company</b>	<b>462</b>	<b>463</b>	<b>462</b>	MF Wellington	950	1059	1039
Owens Christchurch	452	518	269	<b>Total Company</b>	<b>935</b>	<b>995</b>	<b>1005</b>
MF Christchurch	444	439	463	MF Christchurch	927	940	971
MF Auckland	432	398	302	Mt Maunganui	907	1212	1114
Mt Maunganui	421	579	643	Dunedin	886	964	1134
MF Hamilton	412	477	522	Napier	871	804	986
MF Wellington	407	428	455	MF Hamilton	865	909	903
Whangarei	404	314	389	Nelson	688	885	826
Napier	323	288	571	New Plymouth	683	630	530
Invercargill	203	242	337	Palmerston North	554	586	638
Nelson	196	187	388	Whangarei	441	512	616

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

## Owner Drivers

### Fuel

With the staggering increases in fuel prices over the last months we have had to revisit the formulas by which we pass the fuel adjustments to our owner drivers.

In an environment where our customers are really hurting from many cost pressures including fuel we must be certain that the payments are fair and accurate. Please work with your branch manager to ensure you understand the changes.

### Image

Winter has arrived and the task of presenting our trademark immaculate image becomes more difficult. The presentation of your vehicle is crucial to our success. As well as being pristine on a Monday, take the time to wash down and tyre black through the week.

### New Linehaul Units

Our brand new 64 pallet, fully mezzanined linehaul B Train capable of carrying 27 tonnes.

With the New Zealand dollar at historical high levels, it is the right time to invest in new truck configurations. High tonnage, fully mezzanined, high cubic capacity units will become the minimum requirements in our FTL and fixed linehaul fleets.

### Things to do better

- 1: Reduce our claims – careful handling of our customers' valuable freight is the cornerstone of our company's success.
- 2: Take ownership in dealing with our customers, don't pass the buck, be accountable.
- 3: Think Global, what we achieve in our New Zealand business now has repercussions around the world.



6. 64 Palleter

# Logistics Overview New Zealand & Australia

## – Craig Evans

### Every Cloud has a Blue Lining

Like any economic cycle it's not the good times that test one's resolve rather a downturn that determines one's character, both as individuals and as a company.

In good times operations can be run by Stevie Wonder, the occasional economic hurdle heals quicker and bad decisions are often disguised and offset by good ones.

In Mainfreight's history we have been through a number of economic challenges and come out much stronger; the lessons learnt still stand today. It's these lessons we can share. Firstly some key perspectives from previous cycles:

- Our business is much more insulated from the New Zealand economy with greater global diversification.
- Our competition is facing even tougher challenges
- Significant investment has been sunk into property and infrastructure.
- Our global reach has greater influence on freight flows into and out of New Zealand and Australia
- More long service veterans, accustomed to tough conditions.

### So what is our game plan? It's simple ...

- Increase our intensity to service the customer
- Clean and maintain our trucks and facilities like never before
- Challenge and remove all unnecessary cost
- Employ wisely and manage productivity
- Be hungry to increase our levels of cold calling new business

- Don't fall into the trap of pulling costs at the detriment to service to our customers
- Be more tolerant and accommodating with our internal and external customers
- The total success of our supply chain is not measured by structure, rather the way we interact with each other. The customers feel and hear unity.

Remember without customers we have no business! So focus on this first.

An old sporting **attitude**, never declare when you are hurting as the opposition will focus and play on it, applies to our business too. With our smart looking trucks, terminals, smiling faces, and enthusiastic phone mannerisms, the competitors will increasingly become demoralised and financially pained. This will be felt by their customers.

Remember it's our character to pick each other up and march on, that's what's made Mainfreight strong in hard times previously and it stands true today.

### NZ and Australian Logistics

It's been a change of trans-Tasman fortunes, with New Zealand reaping the returns of making change decisions 12 months ago and Australia having to make long-term ones now.

Courage under fire is the rule of the day; we have to apply ourselves to express ourselves in Australia through these investments. Our team has held on in some challenging growth cycles never seen before in our history.

Now is the time to build consistency and lock down our gains and go again. We can't do this without our team members believing in our systems and mission. Our systems are tried and proven to be world class. Our mission is to be the premier logistics business in Australasia, part of our global aspirations.

The next few months will be our hardest and most rewarding as we look to reap the investments and energies to solidify our position.

This can only be achieved with attitude and energy to quicken change further. The rewards will be felt by those that step up to the challenge now!

Our New Zealand business can pay testament to this; you have inspired us all to what can be achieved with such dedication.

## What's New?

- We have finally opened our new Sydney facility. This is by far our largest operation to date globally, with 150,000ft<sup>2</sup> of racked warehouse capable of holding over 20,000 pallet locations. The design is food grade with special design features like an insulated roof to reduce heat invasion.



*The new Preston warehouse, it's large, it's impressive and filling fast*



*The new logistics offices at Preston's*

*Mountains of booze is filling the racks*



*The new extensions at Railway Lane New Zealand are underway Additional 45,000ft<sup>2</sup>*

- The extension of Railway Lane in Auckland is underway. Our five-year plan only lasted 20 months, and we find ourselves having to extend our 75,000ft<sup>2</sup> operation by another 45,000ft<sup>2</sup>.
- The launch of Pride Logistics NZ, with a new 100,000ft<sup>2</sup> distribution centre in East Tamaki, Auckland. Pride is a joint venture company between Mainfreight and NZ's largest hardware retailer, the Mitre 10 group.



*The new reception, for the "Pride green machine"*

*The Pride team at the new Auckland DC*

- Additionally the expansion of Owens Logistics in Christchurch contracted to Pride to hold 4,000 pallets of South Island inventory.
- Opening our second operation in Perth, Australia which is a 55,000ft<sup>2</sup> facility to capture more regional and national opportunities.
- The addition of another Mainfreight mobile crew in Auckland to service ongoing container unloading growth around the city.
- Kevin Bradley moving to Australia to strengthen our operating processes in the Australian logistics.
- Riyaz Jordan relocating to New Jersey, USA from Australia and formerly New Zealand to head up the New Jersey CaroTrans office, and to impress himself on millions of unexpected Americans.

All others not specifically mentioned we congratulate you on your new appointments and willingness to step up and be counted. Like you and others following, the business is posed for greater things



*New Melbourne Campbellfield manager Hamish Woods, tough as teak!*



*Melbourne Somerton's new manager 'Rocky' Jarrod Lovell*

## Mainfreight International – Jon Gundy

Looking back over the first five months of the calendar year, we have seen plenty of exciting change, challenges and opportunity. The need for our business to be constantly moving and adapting is as evident as it ever has been.

Our key achievements in the first half of this year are:

Mainfreight International has expanded to an 11 branches in New Zealand inclusive of new branches in Dunedin, Hamilton and a dedicated Auckland Airfreight Branch. We see opportunities to further grow our regional network.

With our combined Perishable airfreight and Dry airfreight tonnages we have retained our Airfreight number one IATA ranking from New Zealand.

We achieved our National Profit target for the year ending 31 March 2008.

The International Forwarding market has developed from a need to successfully move freight through a strong worldwide network to also include the system capability to manage information data between multiple parties based here and overseas. Mainfreight has developed systems solutions that deliver strong data management. The front end of this system development is our Customer Services teams who are better placed to provide import customers full visibility on their shipments whether they be Air/Sea from USA, China, Australia or other origins. That said, our systems will only deliver if we have a team that remains committed to producing excellent source data through attention to detail and the desire to offer excellent service.

This year we have secured two well-known retailer brand's import supply chain business.

New Zealand exports of manufactured goods have continued to decline and we are focussed aggressively on the import retail sector for both seafreight and airfreight for future revenue growth. We are working with Mainfreight International in Asia, USA and Australia to grow our import supply chain business.

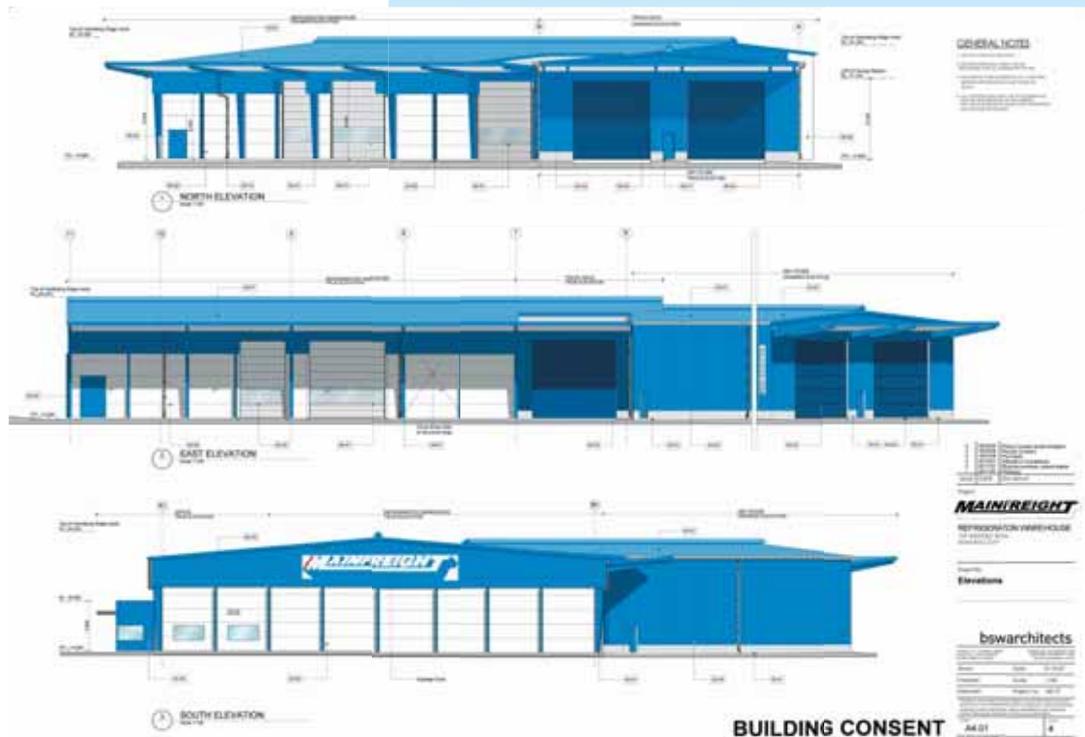
### New Auckland Airfreight Facility

The team at Westney Road experienced the first tangible impact of the new airfreight facility on Monday 26 May, when the new car park opened. All team member and visitors car parks are now at the northern end of the Mainfreight Logistics building.

The change of car park allowed work to commence on the new airfreight facility.

We are excited about the new facility as it will bring the entire Mainfreight International Auckland team to one site for the first time. The new facility will have state of the art cargo handling and refrigeration equipment, generating substantial efficiencies for our customers and for Mainfreight International.

We know the team at Ascot Road is looking forward to their new home.



## Auckland

The 2008 year has certainly been very buoyant with visits from our overseas agents/ partners to Auckland on dedicated sales campaigns

We have had sales trips this year from USA, Hong Kong, Australia, Japan, and our team members have visited Australia, South Africa, and Fiji with a USA visit upcoming

The start of the financial year has been slower than we would have liked but there is a huge amount of prospect/potential business along with some great gains that have just been landed (several of these new gains are well-known blue chip accounts) which once fully operational will markedly improve our revenue and profitability.

The team at Auckland has extensive experience in all aspects of project work (an example of which follows below). We have a few project prospects on the horizon and again are always looking for more of this type of work. Our attitude is always that of "Can do" !

In early January, Flaktwoods Australia Pty Ltd in Melbourne shipped across a huge fan for Oceania Gold (NZ) Limited to install at the Macraes Gold Mine project in Otago.

MAF required the fan to be moved across to the Timaru Wharf for cleaning of tree branches off the top. A tool box containing used tools and dunnage had to be removed before all quarantine procedures were met. This was the easy part as we soon realised this huge fan was actually welded to the Flatrack base. We had to organise a crane and oxy-acetylene gas cutting equipment on site at the Macraes Gold Mine Site to remove and dehire the empty Flatrack in one round trip back to the Timaru wharf.

This was certainly a challenge but with our depth of resources throughout the whole of New Zealand, Murray Kippenberger and the Timaru transport team stepped up to this challenge and worked with our Auckland International team to overcome every Customs, MAF and Road Cartage requirement so that everything went like clockwork and the fan was still delivered on time, once again proving Project challenges like this are what we do extremely well.



## Auckland Airfreight

After a steady start to the year we have noticed a drop off in inbound volumes both in kilograms and a slight decrease in job counts. This seems to be reflective of what is being portrayed in the media with retail being down but the pressure is on to stay ahead of where we were this time last year, given the circumstances we are ahead but not where we need to be. This is positive and is a credit to our Operations and Customer Service Teams but we have a lot of work to do.

Our key focus is to be aggressive in our sales approach and also to ensure that our level of service and communication is of the highest standard; this is our point of difference.

In light of the above and the economic climate we have some exciting gains on the horizon and are looking forward to these accounts kicking off to add to our current volume.

Exports have been steady and have been up on all measures (kilograms, job count) which is satisfying given the current export climate and we are tracking well.

A number of airlines have increased their fuel surcharges recently and expectation is that others will follow suit either with fuel or rate increases particularly on tighter routes. This is likely to result in some changes to capacity as the Airlines look to rationalise services. and a number have already announced aircraft changes.

These rate levels and added costs all add to the pressures on our customers and their ability to compete globally; our role is to continue with the excellent and professional service we have been providing as it's hard enough already being a New Zealand exporter.

The Airfreight team has also grown in order to handle jobs more effectively and also to ensure we are giving our customers the added service that is required.

## Tauranga

### Moving

In July 2007 construction of our new offices were completed and we moved in to join our transport and FTL team in Te Maire Street. Having been in the new office for only three months, construction started again to accommodate our Export Documentation team. We are now looking to expand the site even further by redesigning and developing the whole office site.

### Graduates

August saw us bring on our first graduate, Rowan Cooke and in January, Rebecca Tonks started with our import team. It is great to see our graduate team start in Tauranga as on the one site we have transport, logistics and international operations. Unfortunately our grad team will move on however, we are committed to bring more on as the opportunity arises.

## Export Documentation

On 1 November, Mainfreight entered into new territory with the start of our export documentation team. Currently this dedicated team of five performs the export documentation for Carter Holt Harvey, New Zealand's second largest exporter. This is an exciting opportunity for the Mainfreight Group and will provide the platform to expand our export documentation service.

## Napier

Chris Rodgers was privileged to be invited to a Books in Homes Assembly on 11 April at Wairoa Primary School (which has a Decile 2 rating). The assembly was focused around a school play which was so funny to watch. Our young actors of tomorrow!

Chris said, "At the end of the play I was honoured to help distribute the books to various classrooms. The look on the kids' faces as they were handed the packages was one of great

Tania Nohotima  
Room 15  
Wairoa Primary School  
PO Box 146  
Wairoa

11.04.08

Mainfreight Owens  
International  
Dianne Clemens  
PO Box 73052  
Auckland Airport



Dear Mainfreight

I want to tell you that the books look very interesting. When I have time I read them like I bought them myself. I wish that I can see you in person so that I can tell you how interesting the books are. The books that you gave really made me excited. I thank you for giving books for Room 15 other classes and schools. I hope you give us some more. You are amazing people. I also want to tell you that Mary Kippenberger is a very inspirational actor and a confident story teller.

Yours sincerely  
Tania Nohotima  
*Tania Nohotima*

delight. I honestly believe they were never going to let those books out of their sight.

“From this event I can confirm it has been one of the highlights of working for the Mainfreight Group. All of those who have attended a school assembly will know exactly what I am talking about, and for those who have not, I can only say make it one of your goals for 2008 – you will be overwhelmed with what Mainfreight is achieving in your local community“.

Mainfreight in Hawkes Bay sponsors three schools

- Wairoa Primary School, Wairoa
- Peterhead Primary School, Flaxmere
- Porangahau School, Porangahau, CHB

Check out the schools you sponsor in your area and make the local community aware of what we do.

## Christchurch Dry Freight – Ben Fitts

Greetings from China! I couldn't have picked a more interesting time to come, with the Olympic torch relaying its way from Ningbo to Shanghai (quite an honour that the Olympic committee chose to use Mainfreight offices as the start and finish points today!)

The last four days have been spent knocking down doors China style with three days of sales calls and a port tour in Hong Kong and today under the watchful eye of Hannah in Ningbo ... tomorrow it'll be Shanghai with Billy.

There's been a mixed reaction to the calls with some shippers open with client/ consignee information and others not willing to play ball at all. I have been reminded of how well-known we are back home with almost every call this week beginning from scratch with an attempt to build a picture of the “Special Company” that we are to people that have never dealt with or heard of Mainfreight.

The leads that we get will be fed out to the respective Mainfreight teams for follow up.

Lastly one thing that has been consistent throughout so far is the hospitality of the local Mainfreight teams...and there's nothing quite like walking into a massive office block in the middle of a foreign city and seeing the familiar Mainfreight Logo sitting proudly on the wall.

## Auckland and Christchurch Perishables

Mainfreight Perishables has been busy moving the regular products we handle of lobster, fish, meat, horticulture and flowers. There has been a downturn in most products due to the tougher economic conditions, and with things like fishing having a huge fuel component it has made life difficult for many exporters. It has been a time of looking at cost savings and thinking outside the square to assist the export market where we can.

One fishing tale which has been encouraging is the fishing of Southern Bluefin Tuna out of the South Island, which doesn't happen every year due to the movements of the fish.

Southern Bluefin Tuna are very valuable and their primary market is the Japanese Sashimi market. Because of the high fat content of Southern Bluefin Tuna flesh, premium prices can be obtained in the Japanese market. Therefore it is critical we maintain the coolchain when exporting these Southern Bluefin Tuna from New Zealand to Japan. A single Bluefin Tuna can sell for in excess of NZ\$10,000 in Japan.



## Outward Bound – Annette Webb/Paul Riethmaier

‘Only those who risk going too far can possibly find out how far they can go’ - Kurt Hahn (co-founder of Outward Bound)

Paul and I were truly privileged to be able to attend Outward Bound with 12 other Team Members from NZ and Australia in May 2008. We spent eight days in the stunning surroundings of the Marlborough Sounds being physically, emotionally and mentally challenged every day - all day, all night!

The life lessons we have learnt, the experiences we have had, the friendships we have made, the goals we have set, the challenges we have overcome have without a doubt enhanced and changed both ours and our fellow team mates lives forever.

Outward Bound has an amazing ability to bring a group of near strangers together, give us the tools to be able to form the most close-knit team and to push an individual’s boundaries to its limits. Along this life changing journey each of us learnt to consistently challenge the status quo and find that little bit extra in ourselves. The whole experience has given us a burning passion to bring our experiences and personal growth

back into our everyday lives and our respective branches to share with our own teams.

‘The future is not some place we are going to, but one we are creating’

This year, our focus is strongly on bringing on new business and achieving our profit target. We have a great team, be proud of what you have achieved so far and hang on for the ride for the next eight months!



Annette Webb and Paul Riethmaier



Left to Right the Christchurch team Annelise Beichter, Alice Macgregor, Karla Gwillim, Gretchen Pirika, Amanda Harris, Melody Griffiths, Elaine Wong, Caro Short, Doreen Delahunty and Daniel Rae. I'm sure Dan would be the envy of all the branches having to work with nine females! (Missing in action is Branch Manager Ben Fitts)

# Photo Board



*Look who received the Shovel Award at the Executive Team meeting in March this year, ably presented by Carl Howard-Smith*



*Team Photo with a difference!*

# Photo Board



*Auckland Dragon Boat Team – with members from Transport, International and Daily Freight*



*Glen McLennan, Mainfreight Dunedin convinced his lovely wife Kathryn that Mainfreight Invercargill was the right venue for their wedding pics!*



*Toll and the New Zealand Government ... come together in negotiations over purchase of Rail*

# Feedback

**To:** Mark Newman  
**Subject:** Re: Mainfreight Fuel Adjustment  
**Importance:** High

Good Morning Mark

I would like to take this opportunity to thank & commend your efficient staff, from yourself through to Dennis Christmas, our driver, for your good loyal service over the last seven years. Mainfreight have been a major factor with the success of our Bulk Warehouse operation. I suggest a rear door message for one of your vehicles should say 'NOT A PROBLEM', as this is a good reflection of our partnership.

Please convey my sincere gratitude to your staff, too many to mention, for all the great work over the years. Good luck to you all.

Regards ... Stan

**To:** Elaine McCarthy  
**Subject:** Thank you

Kia ora Elaine,

Thank you for the prompt delivery of our UGs and PGs. Please note that I was very impressed with the standard of professionalism from the Mainfreight delivery man [Richard Wichman], and appreciated his methodical and careful placing of all our boxes. I would appreciate if my feedback could be passed on to Mainfreight, please.

Have a wonderful day.

Warm regards,

Leah

**To:** Mark Newman  
**Cc:** Carl George; Alan Allport (MFT PNH)  
**Subject:** Service from Mainfreight.

Hi Mark

I thought it pertinent that I follow up from my last correspondence with you regarding the service Truck Stops is currently experiencing nationwide. If I am prepared to complain then I should also be willing to make comments of a positive nature.

The service from Mainfreight at the moment is really very good. It has improved noticeably over the past 3-4 months and all of the Mainfreight branches are contributing to produce a great service. We have been throwing some real challenges at the Palmy team which they have accepted and completed admirably.

On Friday we asked that a diff be freighted to Ch-Ch for Saturday delivery and a transmission be in Nelson for Monday, both of which were delivered successfully. Having the ability to take advantage of an extraordinary service from time to time is hugely beneficial to Truck Stops and our customers and I'm sure that we have saved at least two of our customers a great deal of grief by getting vehicles back on the road with minimal downtime.

Please pass on my thanks to the nationwide Mainfreight Team for a great combined effort.

Regards

Marty

# Feedback

**To:** Donna Wapp (MFT AKL)  
**Subject:** Thankyou

!!!/  
(@ @)

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## Looking In To Say.....

Hi Donna,

Thanks for the copies.....

Just as a footnote thought I would tell you that of all the companies that I deal with, you are one of the most pleasant people to speak to.

Your telephone manner just radiates such a lot of warmth, sort of leaves us feeling that our day has been touched with a rainbow because we had the good fortune of speaking with you.

Have an awesome weekend.

Regards

*Rosalie*

**From:** Jane McLennan  
**Sent:** Thursday, 10 April 2008 15:19  
**To:** David Tolson [MFT AKL]; Sheree Whitehead [MFT AKL]

Hi Dave and Sheree

The tryathlons have been great! Very rewarding in terms of the thousands of children's smiles I've seen. Harold works a charm. We do 'dance-offs' with the children and keep them entertained while they wait for the last runner to come over the finish line, and we get all the children cheering for the last child coming over the finish line. Pictures attached. Its really helped us raise our profile with families.



The deliveries have been perfect – there was only ever one mishap, and we coped. The people from Mainfreight in Palmy were really helpful at putting our gear back on course. Every single one of your branches went out of their way to help us, particularly the ones who delivered on a Saturday night and picked up on Sunday morning, they were amazing and we are really grateful.

Thanks again for all your help, and can you please pass on our thanks to the branches involved.

Best wishes,  
Jane

**To:** Suzy Zhou [MF Shanghai];  
Jenny Shui [MF Shanghai]  
**Cc:** Michael Lofaro; Steve Thorogood

**Subject:** Re: FW: China business

Suzy / Jenny,

Mainfreight China has delivered well to my expectations - I congratulate you on a job well done so far.

I will be in Shanghai week of the 26th and have tentatively pencilled to see you on Tuesday 27th May at your offices.

Thanks & Regards

Bob

# Feedback



Otago University  
Otahuhu College

Scott Collings  
Branch Manager  
Mainfreight Metro  
PO Box 14038  
Panmure  
Auckland 1741

Dear Scott

Our production this year was an outstanding success and part of the reason for that was the part your company played. The show is a major financial cost so any chance to reduce costs is welcomed.

Mainfreight has developed a genuine reputation for showing corporate responsibility by assisting schools. If there is any way we can assist you by allowing you the use of our facilities do not hesitate to contact me.

Yours sincerely

G I LAURENSEN  
Principal

Jessie Alsop

Wellington

To whom it may concern,

I just wanted to let you know how impressed I was with the service your team provided when I visited your branch last week.

Your sales person (Michelle I think!) went out of her way to be helpful and made what was a very foreign process extremely easy. Well done. It's not often I walk away from a client service situation feeling so well looked after and valued as a customer.

You have a great team and I look forward to using your company in the future.

Many thanks,

Jessie Alsop

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*30 years on and still performing!*