

Property Developments in Progress: Brisbane, Christchurch, Adelaide, Palmerston North, Invercargill...



Managing Director's Comment

Welcome to our mid-year Team's Board Report, where we are able to keep our team members, customers and shareholders abreast of the activities and development of the Mainfreight Group as we expand our network around the world.

In the past few weeks we have released our latest year-end financial results to our shareholders and the market.

We have achieved another record result, where we increased our sales revenue to NZ\$1.81 billion and net profit to NZ\$65.75 million. Our operating profit at the earnings before interest, tax, depreciation and abnormals was also a record at NZ\$138.19 million.

These results include the earnings of our new European business, the Wim Bosman Group. Even without their results, we again would have recorded our best ever result.

These are very good results and are in line with our expectations. Importantly, we are positioned very well for more growth and better profitability in the years to come, providing of course that we all continue to focus on managing our costs, improve our margins and increase our sales activity.

Quality is the foundation in all that we do and will be our competitive advantage no matter where we are in the world.

The significance of establishing ourselves in Europe should not be underestimated. The exposure to larger, more global customers comes with an increased responsibility to perform in every country to the highest levels of quality possible, particularly in our home markets of New Zealand and Australia. Only by exceeding our

customers' expectations will we be able to capitalise on these new relationships.

As we continue to find more growth, the necessity to invest capital to develop new facilities to cope with demand has never been greater.

It is our expectation to invest a minimum of NZ\$76 million in land and buildings across New Zealand and Australia during this current financial year, and likely a similar amount in the year following, which will bring to completion some of the bigger projects to provide our teams with the best possible facilities in order to deliver worldclass service to our customers.

Branches which will see these developments include: Brisbane, Adelaide and Christchurch, with Invercargill and Palmerston North completing their projects. In addition, the purchase of land in Melbourne for development in the future, and a new branch for Kaitaia in the far north of New Zealand have been identified.

Building projects in Europe have been completed in France, Belgium and Romania, and we are yet to invest in land and buildings in Asia or the United States.

Internationally, our results in the past year are behind our expectations. We would urge our teams in our International divisions to look for stronger growth, particularly across those trade lanes and countries where our own businesses are located.

Of high priority is the development of two-way trade between Europe and Asia, and United States and Europe. Import and export trade across sea freight and air freight modes are all key to our success.

There is no doubt that the world's economic instability will be with us for a lot longer. This is a clear reminder to us all that no longer should we expect an easier operating environment. The world has changed dramatically and we at Mainfreight need to adapt to these changes as they occur.

There is no doubt our decentralised approach, placing responsibility for profit and loss, quality service and customer relationships with each branch will give every one of us the opportunity to make a difference.

Please take those opportunities with all the energy and passion that you can muster to help grow our business to even better performance.

Thank you for your contribution this past year. We remain a special company because of our special people.



Don Braid







New Zealand



New Zealand Forwarding – Carl George

Team

As we bring to a close the 2011/2012 financial year, we must briefly look back on what has been a fairly good year for the Domestic businesses here in New Zealand.

All the "stars seem to have been aligned" last year with growth from existing customers, which we had not seen for the past few years, combined with good new business growth resulting in a strong yearend finish - thank you to you all.

As we all know at Mainfreight, we cannot rest on the results of last year and must be totally focused to do better and improve in all aspects of our business, to ensure consistent growth year on year, with improvements in quality and service, and to continue to delight our new and existing customers.

Right now in New Zealand, we have a considerable number of building projects either just completed, under way, or in the planning stages, to the tune of approximately \$100 million. Nowhere in New Zealand at present are any of our competitors doing anything to provide better facilities for their teams or their customers. Our new/improved sites will enable us to provide our customers, (and the rest of the Mainfreight world) the

most comprehensive and modern transport network in New Zealand today.

It is also our goal to ensure the teams we have inside these facilities are the best quality, are highly trained, immaculately presented and most of all are passionate about our business. and who all want to be the future leaders of our business. Most importantly we must all care about our fellow team mates and our special customers, as that allows us to do what we do, not only here in New Zealand but increasingly throughout the world.

Things to Remember This Year

- 1. Look after yourself and your team mates. Being safety conscious whilst we go about our day is the most important thing to focus on this year.
- 2. Our image is crucial. Do not compromise our proud business with team, buildings, gardens, vehicles or operations that you know are not up to Mainfreight's standards.
- 3. Again, focus on great people in our business; it is by far the most important and defining thing in our business today: Poor Input = Poor Outcome.
- 4. Hit your target Key Performance Indicators (KPI'S) and profit targets. Do not finish the year with regrets.
- 5. Make sure your teams understand what they are aiming at, and how they are performing at all times.
- 6. One bad apple in the bucket can contaminate an entire bag - make sure your branch does not let your brothers and sisters
- 7. Hustle, Hustle, Hustle at all times to grow our business ...
- 8. Always aim to be successful in everything you and your teams set out to do.

Good luck everyone as we head into the new financial year.



Dave "Kooka" McLaughlan accepting The New Zealand Franchise of the Year award from Carl George. Such a worthy winner in what is always a tight contest. Well done Dave, Elaine and the Team in Gisborne NZ.

Mitch Gregor accepting the New Zealand Branch of the Year award from Don and Bruce. An absolutely fantastic example in terms of image, quality, morale and a team that 'cares' 100% about the job at hand.











Buildings

Palmerston North Development

"Our new Palmerston North facility slowly rising from the ground - due for completion October 2012". John and the team will finally have walls.



From the Deep South of New Zealand

Probably the oldest and most worn facility in New Zealand, Mainfreight Invercargill taking shape, due for completion September 2012. The new tilt slab will replace the 20 year old 10' containers that have been used as wind protection.





Back Load Solver

The latest edition to our fleet in New Zealand. It has solved a problem with return empty running from Paraparaumu (North of Wellington) back to Lion Breweries in Auckland. Thank you to Hayden and John Lilley for investing in this new 630hp Freightliner Argosy Tipper!







Claims Performance

Outward Consignments Per Claim				Inwards Consignments Per Claim			
Branch	To March 2012	To Sept 2011	To March 2011	Branch	To March 2012	To Sept 2011	To March 2011
Chem Auckland	1756	1892	1667	Chem Auckland	5680	6755	4670
Rotorua	1158	1068	1166	Chem Christchurch	3470	2255	1746
Whangarei	1081	1318	571	Blenheim	2264	3147	1800
Chem Christchurch	1032	930	584	Palmerston North	1589	1832	1267
New Plymouth	936	799	759	Owens Auckland	1502	1810	1401
Napier	750	799	697	DF Auckland	1399	1529	1337
Mt Maunganui	744	892	551	Mt Maunganui	1345	1385	964
Dunedin	695	855	1009	MF Auckland	1266	1196	1060
Palmerston North	676	704	897	Taupo	1179	1178	1362
MF Hamilton	655	753	655	Napier	1168	914	1327
Blenheim	649	617	505	New Plymouth	1160	1170	1083
MF Auckland	627	662	639	Total Company	1084	1155	1106
Owens Auckland	617	676	607	MF Hamilton	1063	1568	1110
Total Company	582	612	576	Owens Christchurch	1022	1339	877
MF Wellington	581	592	515	DF Christchurch	969	1098	1320
MF Christchurch	532	574	444	Whangarei	969	1164	598
DF Auckland	473	486	652	MF Wellington	898	826	1026
Invercargill	396	409	366	MF Christchurch	887	844	1102
Owens Christchurch	379	431	348	Nelson	814	802	713
DF Christchurch	349	348	445	Rotorua	762	1136	1183
Nelson	319	384	343	Invercargill	635	677	1108
Taupo	221	386	244	Dunedin	616	668	846

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 1,250 consignments per claim



New Zealand Logistics - Craig Evans

Our Logistics business will take a giant leap forward in the year ahead, launching our service offering to levels never seen before, as we prepare to open new worldclass facilities in both Auckland and Christchurch.

We start in Auckland in early June 2012 with the opening of our first

high-spec 11,000m² warehouse that is designed for general, FMCG, and pharmaceutical market sectors.



Artist's impression of the new Auckland Logistics centre opening June 2012



New Manu Street, Auckland warehouse taking shape

Looking through to the three rear-loading dock doors at Manu Street

Then a major rebuild is planned for the entire Mainfreight Christchurch site starting in early 2013. It will incorporate three progressive stages through to completion in 2014. The colour-coded plan on the next page highlights existing buildings, overlaid with the following stages:

Stage One will see the build of a new 8,500m2 warehouse plus offices on the clear land we purchased some years ago, still fondly remembered as the old Francis coal-yard. Partial demolition of the existing warehouse will form part of stage one.

Stage Two involves remodelling part of the current warehouse to accommodate the Transport business, then constructing and joining the current warehouse to the stage one development with a separate 4,000m2 addition.









Stage Three will be the most complex, involving the demolition of the existing freight terminal and the rebuild of a new 12,000m2 worldclass docked operation, plus offices.

How are we proposing to do this?

The complexity of the development creates some challenges! After completion of stage one, the current warehouse will relocate into the new warehouse. Stage two will see the current warehouse being joined to the new warehouse and at the same time being modified to temporarily house the Transport branch while the new freight terminal is being rebuilt as stage three.

The final plan will deliver a new world-class freight terminal, and three segregated warehouses on the same site.

We appreciate that we will be asking a lot of the Christchurch team to endure significant disruption whilst this unfolds, however the outcome will be well worth the sacrifice. It's equally important the wider family understands the additional pressures that the Christchurch team will be working under.

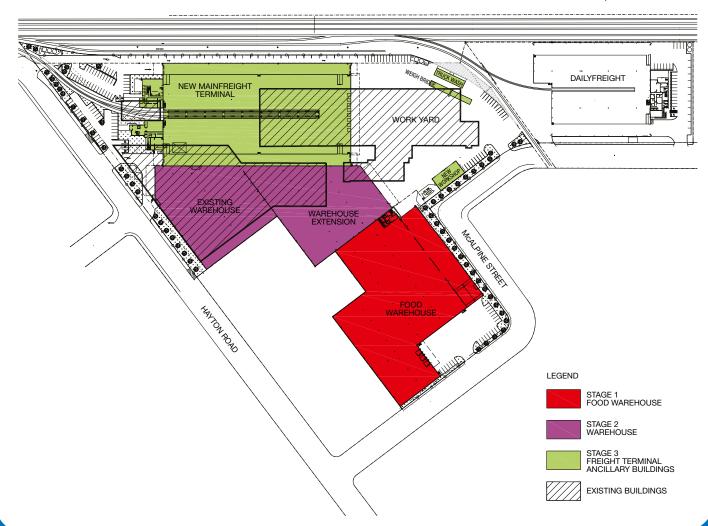
This project is a clear demonstration of Mainfreight's commitment and confidence in the Christchurch region, which all forms part of the rebuilding programme for the region following the earthquakes of 2010 and 2011.

It is critical to maximise the potential that these new facilities will bring by promoting them in the market early. The quality of the facilities alone will open new markets in which we have previously never competed.

One example is the design, which must now comply with much stricter building codes of compliance regulations post the earthquakes. Team safety and the welfare of our customer's products remains paramount.

Some noteworthy features of the new warehouses include: sealed container unloading docks, sprinklers (AKL), high-tech security, large all-weather canopies, improved vision between offices and warehouse, special forklift recharging bays, all concrete construction, new earthquakecompliant engineered racking systems.

Christchurch Development









Mainfreight International New Zealand - Ben Fitts

We finished the financial year in sound shape with an EBIT result of \$7.75 million, 20% ahead of last year. This is an achievement to be proud of and one that you have worked hard for. Well done and thank you for your contributions.

Our sales revenue was also ahead of last year at \$134.7 million, an increase of 9.5%.

This is a record year, well done; it was no fluke and is directly attributable to a passionate and dedicated MFI team throughout the country.

As is the way in our business, last year's result sets the target for the year ahead and we have another ambitious but achievable profit pledge. We are targeting \$8.75 million this year. There are a number of things that you can each do to help get us there.

1. Control what you can control - and this is a lot. From the way you answer the phone, to the

amount of sales calls that you carry out each week, your focus on margin attainment, your presentation, communication, attention to detail, attitude toward our customers and Team mates... the list goes on. There is little that you do not control.

- 2. Ask yourself some of these key questions:
- a. If you were your customer, would you be delighted with the service that you are receiving?
- b. Is there a better way? Are we thinking proactively for our customers or just going through the day-to-day motions?
- c. Will the decision that you are making have a positive impact, either for your customer, your branch or both? Will it enhance or deplete our reputation?
- d. Are you making decisions with a 100-year view?

Our presence in the regions is growing and we now have dedicated sales presence in Nelson and Whangarei. We are excited to have quality representatives based in these two productive parts of the Country and we have the opportunity to become known and respected as the go-to local forwarder. We look forward to seeing increases in business from each of these regions as the year goes on.

The growth of the Mainfreight International and CaroTrans networks has meant that we are now able to offer more consolidated air and sea services than ever before, already this year we have added several new consolidated import and export services, and have seen great support from our customer base.

Team, for us to be successful again this year we must stay focused on our goals and delivery quality service every time. This is within your control and as individual team members you can make a difference.

Good luck team. Have fun!

Paul Lowther

Most Call Numbers International

Paul Lowther was once again the New Zealand International sales person with the most calls for the 2011 year with a total of 1,041 calls made. Paul has been our leading call maker for some years now, and is an example to all our young up and coming sales team members. Paul's results demonstrate clearly that the



Sonia Taylor

Most New Business International

Sonia Taylor received the award for Most New Billed Business (International) (\$870,000). Sonia has a structured "can do" approach to International sales and has been at the forefront of Mainfreight's cross brand selling in the Canterbury region this year, pushing forward regardless of the challenges presented by the earthquake and its aftermath.









Whangarei

Jason Morgan

After almost three years with the Transport team in Whangarei, learning the ins and outs of our domestic business and selling this for the last 21/2 years, I have been given the opportunity to take on the new role of International Account Manager in the far north. With the International Induction and my week of training with the team in Auckland behind me, I am looking forward to all the challenges this new role will present and continuing our success and growth in the Northland Region for Mainfreight.

We have had some steady volume coming out of the far north in the past few years, thanks to Don

Jason Morgan

Campbell. One of my key objectives, besides hunting down the new business, will be to keep in front of these current customers on a regular basis and grow these accounts further and hopefully gain their whole supply chain with the

help of our new Transport Account Manager, Manon Austin, who will be working closely with me.

A big thank you to all the Mainfreight International team in Auckland for your help and passing on your knowledge to me, I am always keen to learn new aspects of our business. I'm looking forward to making this new venture a real success with all of you and with the support of our Transport Team here in Whangarei.

Let's make 2012 a year to remember.

Auckland

Corporate Fitness Challenge -**Lucy Partridge**

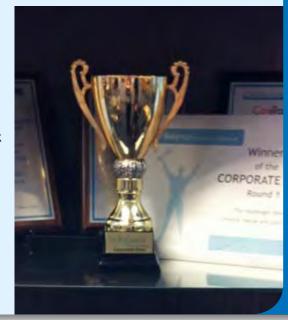
Teamwork, endurance, goal achievement, hard work and winning - at Mainfreight, we value these and practice them daily. So when Christina Vaevae and I were asked to participate in a Corporate Fitness Challenge against three teams from other airport businesses, we knew that our ingrained Mainfreight values would be called upon. We rose to the challenge of representing Mainfreight and over six weeks, undertook two group trainings per week with the other participants and a personal trainer. The promise that the winners would receive a trophy was enough for us - we wanted that cup in our trophy cabinet. Through burpies to box jumps, press ups to bench presses, wall sits to leap frogs, we saw great changes in our personal health and fitness. Some lifestyle changes were required, however. I had to stop having pudding for dinner and Christina had to drink low fat wine. Our blue blood gave us a strong determination to win - failing was not an option. We trained hard together every Saturday morning



"The Winners" - Lucy Partridge and Christina Vaevae

and on our own during the week. There were times we almost cried, times we almost collapsed and times where the bitter taste of vomit knocked on the door - but we pretended not to be home and fought through the pain. Check it out - that's our trophy in the cabinet! The Mainfreight Attitude once again wins. And there's nothing the blue blood likes better than a win.

The Winning Trophy











Tauranga

A wonderful Duffy Book Assembly was held recently at Paengaroa School which was attended by Tauranga Branch Manager, Cameron Hill. All the children received their Duffy Books that they had chosen earlier in the year.

L-R: David Kahotea, Hunter Kaukau Manley, Courtney Beehre, Alex Mark, Cameron Hill and Nelisha Douglas

Nelson

Stuart Bryson

After 31/2 years with Mainfreight based in Christchurch, with Logistics and sales in Mainfreight Transport, the decision was made to jump ship to International, it has again been a typical baptism of fire in the true Mainfreight way.

With 10 days tutelage in Christchurch, attending the Sales Conference and a week doing the rounds with the Mainfreight International sales team in Auckland, it was time to let loose on Nelson and Blenheim, while under the Mainfreight International Christchurch umbrella.

While we currently have accounts in the Nelson/Marlborough region, there is plenty of room for growth. In working along with the existing transport depot team, we are looking to establish the Mainfreight supply chain.

In a market dominated by fisheries, fruit, timber and wine, everyone is extremely loyal but



relaxed to say the least.

Our local presence gives us a fantastic chance to be in front of the customers and the local community each day. In such a parochial town the preference to support its local businesses and now that we are here, we are able to jump on those opportunities from day one.

With the great support from Elaine and the team in Christchurch we are making inroads in the local market. And as of now, we are currently awaiting bookings for several potential customers to get runs on the board and build good momentum for the rest of the year.

From small beginnings, only time will tell to see what this beast will turn into.



Stuart Bryson

New Plymouth

Outward Bound - Rebecca Tonks In May I was lucky enough to be selected to attend Outward Bound in Anakiwa in the Marlborough Sounds. Without giving too much away the adventure started off with a dip in the freezing cold sea and ended after 8 days in a 14km run on the Queen Charlotte track. For someone who did no training in the lead up, the early morning runs were a bit of a challenge. The time spent with team members from the U.S., China, Australia, Europe and Russia was amazing; we all got on like a house on fire.

There were a number of highlights but the ones that spring to mind would be firstly realising that you can do anything you put your mind too, the only thing stopping you is you. Never pass up an opportunity that comes your way.

Completing my solo was definitely a highlight. The time spent reflecting and listening to nature was awesome. Spending time with people from other branches/ cultures was an amazing experience also. It makes you realise what a great team we have working for Mainfreight.

I would like to thank Mainfreight for giving me the opportunity to go to this adventure zone and push myself to the limit both physically and mentally.

My advice for anyone being lucky enough to go to Outward Bound would be to have an open mind and give everything a go, take plenty of warm clothes, a positive attitude and do some training in the lead up!



Bex on her Solo









Christchurch

Singapore Flower Show Shipment Rachel Robertson

The Mainfreight International Christchurch team had the pleasure to be involved in shipping containers to Singapore for All Black Andy Ellis and his business partner Danny Kamo for the Singapore Garden Festival.

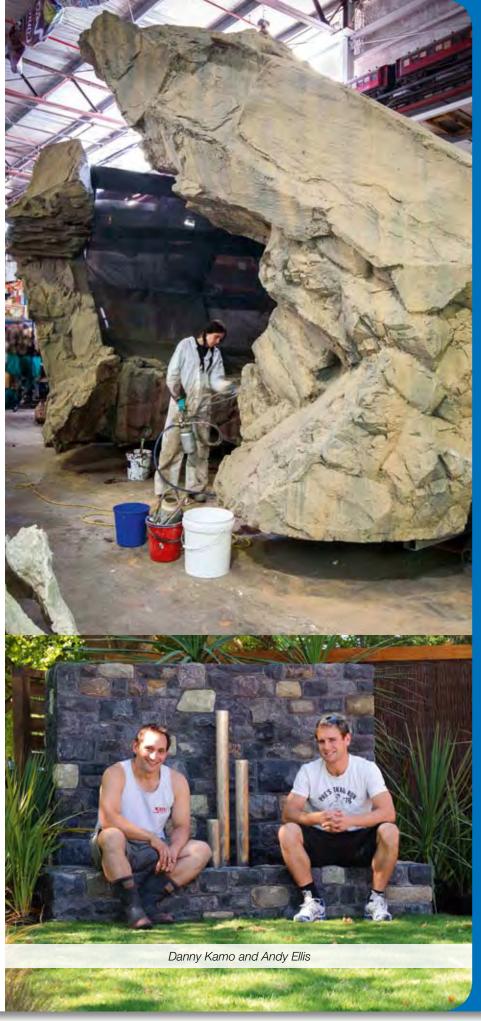
Andy Ellis and Danny Kamo have been invited by the Singaporean Government due to their success at the Ellerslie International Flower Show in 2009, and this time they have joined forces with Weta Workshops to create a truly show stopping garden.

The Singapore Garden Festival is held every two years and is the only international show that brings together the world's top awardwinning gardens and floral designers under the one roof, and features all aspects of garden displays - from fantasy to floral.

This shipment was significant to the Christchurch team as it was built and designed with the Christchurch Earthquake as part of the theme and Andy and Danny's intention was to represent hope, the strength and the growth that comes after such an event and the way we as a community are all working together to rebuild, rejuvenate and start again.

Danny and Andy wanted a show garden that had meaning, relevance and an emotional connection to not only them as designers, but also to all those back in New Zealand. Therefore they have chosen a cultural and a topical theme. Maori culture and Earthquakes, combine to present a theme that is not only new to the majority of the Singaporean public, but one that is interesting and captivating.

To get this vast exhibit to Singapore we decided to use a 40ft Hi-cube and a 20ft GP. Wellington delivered the containers to Weta for loading. Weta workshops have come on board to help out Andy and Danny in creating the underworld cave and Waterfall. We are also shipping the Hydraulic arms and motors which make the cave shake and split into two, all the steel frames and the Waterfall feature.











OWENS

Owens Transport New Zealand – Kevin Babbington

Another pleasing result for the Owens team for the last financial vear with a final result of \$6.680 million, with increased margins in Auckland, Christchurch and Tankers and just as importantly a marked reduction in linehaul and costs in general. We believe that these are

strong sustainable results achieved by a very focused and positive team nationwide. Whilst the world's economies are in a constant state of flux and bring more uncertainty, especially in Europe, we must not let this influence what we

need to achieve this coming year. The European markets will do what they do and we must do what we know best.



Mitch receiving 2011 Branch of the Year Trophy from Don and Bruce for Owens Auckland

Auckland

With the Branch of the Year award once again tightly under its belt, the Auckland team is marching into 2012 with a pretty lofty goal of \$5 million in profit, well done team. They are also eveing the highest ROR in the group; there is no doubt at all that this team is capable of doing just that. With \$1.6 million in new business starting in April/May they are well on their way to achieving their goals.

Another strong focus that is pleasing for our future growth as a group is the calibre of our graduates, totalling 15, who are coming through the branch and developing as leaders

from within. This is one of the key strategies that will push this 100year business forward. Remember team, you can't move forward

yourself if you don't have strong people capable of stepping into your shoes.

Christchurch

For the first time in our history, and possibly even in a past life, this branch will contribute over \$880,000 in profit for the last financial year. Once again strong increases in margin and decreases in linehaul over this period are very pleasing to see. The changes we spoke about in the last edition haven't all been smooth sailing especially change itself but I'm sure this is the right recipe to go forward. There are still issues with the local market, Council and Government, and the continuing shakes that everyone is aware of but there are also many trucks coming into and



The Southdown Lane Team

going out of Christchurch that are not ours, until they are, our work here is not done. The team is also putting a lot of work into the presentation of the depot and office and it's looking very sharp indeed.

Tankers

Tom Davis and his team also contributed close to \$600,000 in profit for the last financial year. A fantastic effort in what is a very tough market, our continued support of this business after a year of change and restructure is starting to gain some momentum with new business gains from a National LPG Supplier

based in New Plymouth, food grade business into the South Island and Trans-Tasman bulk liquids into Melbourne and Sydney. The New Plymouth work will involve us returning to the heavy haulage game, although with no investment in gear required. It will involve the movement of drilling and exploration equipment

around the Taranaki area, with approximately 52 truck loads per site to be moved around 20 locations, so equates to 3-5 years of dedicated work at this stage, it also involves us basing two full-time truck and trailer tankers in New Plymouth with more tankers to be based in Dunedin and Christchurch at a later date.







This unit is based in New Plymouth servicing our off-shore energy customer soon to be joined by 2 more shuttling between the Ports and our LPG customer in New Plymouth





This Freightliner belongs to Mohammed Ahmad and usually runs Auckland to New Plymouth, but today has been brought in to assist the NZRFU to move a few over dimensional loads out of Eden Park

Some of our Auckland team took advantage of a fine Saturday morning to get some stunning shots of their rigs



Things to do better this year:

- Pat each other on the back when we do a good job!
- We are only as strong as our weakest link (don't leave any one behind)
- Remember we are stronger as one (use our name to get better deals)
- Tyre black is for cars as well as trucks!

Finally in the great words of Mario Andretti "If everything is under control, you're just not going fast enough".

Make this your year to break out and make a name for yourself team, there is much to do, so get in amongst it.











Australia



Australia Group Manager's Comment - Rodd Morgan

As most of our team will be well aware, we are pleased to advise that last financial year we achieved good growth in both our profits and revenue. Our combined Australian revenues grew by over \$28 million and more importantly our profit has grown by 39%. This is despite last year containing an extra week compared to this year.

Each of our four business brands improved profitability compared to last year with the Transport team being the standout performer achieving almost 53% profit growth for the year. This is certainly a strong performance.

These solid results are due to our team performing better than our competition in many instances. It is only through the superior performance of our people that we will survive and grow and it is only the perception of our customers that determines if we are producing that superior performance. If our customers think we are doing a great job, then we are - but the reverse also applies.

Please remember that this simple but powerful philosophy is what our company is built on. We must provide a quality of service that ensures our customers receive high levels of value - nothing else matters. If you are not performing at your best then please take action to change this; breathtaking presentation of our people. buildings and vehicles along with truly showing an "easy to deal with" behaviour pattern are more important than ever. We want it to be known that these qualities are expected of each and every team member.

We are now well into the new financial year and it is clear that we are again in the middle of an extremely challenging time in terms of the economy that we operate in. The extraordinary decision to implement a carbon tax at this time will certainly make life even more difficult for Australia's struggling manufacturers and retailers - many of whom are our customers. This is why we have taken the step of implementing a recruitment freeze right across the business. We must also remember and re-implement the lessons we learnt in the financial crisis of 2008/2009 where we successfully controlled our overhead costs.

These are very tough calls for the business to make but we know they are the right calls to help protect our profitability and our jobs.

Further highlighting the difficult operating environment has been the failure of at least one significant transport company this year (with possibly more to come). This emphasises the need for us to do everything possible to protect our very hard won margin gains and also to ensure that we aggressively uphold our payment terms. This applies to all parts of our business. However, tough times also offer tremendous opportunity for us to take market share off struggling competitors. Our sales team has been very active recently and we have some substantial new business prospects in the pipeline that will drive us forward throughout the coming year.

Despite the faltering economy we are still prepared to make certain strategic investments in key aspects of the business that will serve us well in the long term. For example, securing better, more efficient and safer facilities that help our team to be able to perform better is still a priority. We now own a great bare land site in Brisbane and are well underway with the planning process for construction to start soon. We have bought our Adelaide Transport site and have started major extension works.

Our Owens team is close to securing great new premises in Sydney having already taken over their entire site in Melbourne and are out looking for new premises in Brisbane. Owens Perth will also be taking over a portion of the Transport site which will allow them to provide a more extensive and consistent level of service and lastly, we are likely to secure a very large site in a great location for future Mainfreight buildings in Melbourne.

We also continue to invest in our training facility, now led by Shona Taylor, which will help to ensure that every team member has a deeper understanding of our history, culture, processes and quality expectations.

Our International team is working hard at finding ways to increase margin and is looking to substantially improve our rate of growth with the recent acquisition of significant new business along with extending our Perishable operation into Sydney providing an excellent platform for the year. We have no doubt that we can rapidly become the biggest and best freight forwarder in our region.

Our Logistics team has also made solid new business gains, to the point where all of our existing warehouses are full. This poses the great problem of having to find new facilities to handle the growth. Housekeeping, presentation and overall efficiency of our operations to improve margins are other key focus points.

Winning new customers remains the highest priority for the Owens team along with working to improve the presentation of the facilities we operate in.

Finally, we wanted to remind our team that irrespective of which part of our business that you might be in, our company's success will be accelerated as we come to understand and act as ONE MAINFREIGHT.







Australia Transport - Bryan Curtis

Our results for the financial year ended March 2012 have again set new records for the Transport Division with revenue (excluding allowances) increasing 16.8 % to \$160.5 million, and profit before tax increasing 53.0% to \$17.5 million. Well done team, in particular to those team members who have been with us since the start - these great results are built on the hard work you put in over the years.

Again well done and thank you.

However, as we have seen in recent weeks, there is a high level of concern about the effects of global uncertainty, driven by issues beyond our control, on the Australian economy and therefore on our business. The recent employment freeze is one of many responses to this uncertainty as we reassess our costs to protect and defend our margin and revenue.

The most important way we can defend our margin and revenue is by giving a world's best standard of service to our customers across Australia and the world. To that end we have spent the last months reinforcing our operational structures in all branches to ensure that we are in the strongest position possible.

Our focus has been on achieving a 99% DIFOT (Delivered In Full On Time) and as a result we have concentrated on the following:

Achieving a 98% Linehaul arrival time - possibly our most difficult challenge but one that our Operations and Transport Managers have taken ownership of. We must get closer to our agreed inter-branch targets.

- Reinforcing Responsibility and Accountability within our operations teams.
- Ensuring we have the correct team numbers to achieve our linehaul arrival targets.
- Achieving 100% Freman standard labelling of all freight in our system.
- Achieving a level of at least 90% of all consignment notes received electronically.
- Review of the pickup times agreed with our customers - this too is a vital part of achieving our arrival time expectations.
- The Health and Safety of our team.

We must and will continue to drive these initiatives in all parts of our business to achieve our target of 99% DIFOT.

Another important focus has been the major effort in getting us all up to speed for Dangerous Goods Compliance and the Chain of Responsibility Act (CoR). There has been significant publicity in the last few months, with a number of transport companies targeted under the CoR. The level of training on both of these very important areas of our business has been stepped up over the last twelve months, led by Maureen Kemp, and will continue to be a very important and nonnegotiable part of our training structure.

Things to do better for the rest of the year:

- Focus on 99% DIFOT -**EVERYDAY - NO EXCUSES.** Every decision we make each day needs to be with this goal in mind.
- Take ownership of every problem we come in contact with - the customer's problem isn't solved by creating an Issue and leaving it at that.
- Remeasure as much of our freight as possible to ensure we are getting maximum revenue.
- Treat our brothers and sisters with respect and generosity.
- Focus on our depot systems -CNUM - CNUD - Stocktakes -Inform the customer of any problems before their endcustomer does.





3 Layer Mezzanine Floor Unit



Our new Sunshine Coast Branch - before the Mainfreight blue paint



Housekeeping - keep our facilities and equipment looking spotless at all times.









Mainfreight Logistics Australia - René Van Houtum

Shortly after I arrived in Australia from Europe last year, I left again to participate in the "once in a life time" Everest Marathon experience in Nepal. In several Mainfreight media you may have read about it! I returned to Melbourne on December 9th last year, in good health and ready to "really" start with my new role.

Traditionally the last months of the year are a very busy period which requires a big effort from everyone. Thanks to the dedication of all the team members we managed to process the huge workload every day. The Christmas holiday was well deserved for the team! For me personally, it was great to drink a wine and watch the fireworks on a terrace during New Year's Eve, where I'm used to having freezing cold weather.

With the summer ahead, it was very important to get familiar with the "national hobby of Australia", cooking on a BBQ! I was happy that I could show my Mainfreight colleagues what I've learned so far during the Mainfreight Round the Bays BBQ in Auckland.

We started the New Year by implementing some changes in the business. We have introduced productivity measurements for key customers, giving us a greater understanding of the efficiency realised in the processes. In addition, we have worked hard on setting up branch specific cost price calculations. This information is essential and enables us to further increase the quality of our quotations to customers, including branch specific pricing.

During the Branch Managers' conference in March of this year, we extensively discussed how to further increase the quality of processes in our business. One key to success here is the better use of available technology, for example the use of Radio Frequency, in combination with the training of our team members "on the job". The Training Centre plays an important role in this and "Bondy" (Aaron Bond) is travelling around Australia to train the team and a couple of key-users in each branch.

With the increase in our sales team, every branch has at least one sales representative, enabling us to increase sales activities.

The sales team has a strong focus on gathering supply chain customers who make use of the activities of all Mainfreight divisions. Besides sales, the team will spend more time on account management. Our goal is to proactively offer solutions to our customers, implement Continuous Improvement Processes to gain savings in the customer's supply chain and to increase business with our customers.

Within the Logistics team we have welcomed two new Branch Managers. Kendall Anderson has moved from Brisbane to Adelaide and has taken up the Branch Manager's role there. Colin Vearer (Branch Manager Moorebank) has moved from Logistics to run Chemcouriers in Brisbane and Karl Rutherford has taken over his role. Both Karl and Kendall are a "product" of Mainfreight's promote from within strategy.

Furthermore, we have welcomed Ceryl van Hasselt, one of the Wim Bosman graduates participating in the exchange programme between Europe and "Down Under". Ceryl moved to Sydney in April and is already enjoying the Aussie lifestyle! Besides that, he plays an important role in extending the productivity measurements in the Aussie branches, together with the local arads.

Martin Wierzbicki is the reciprocal participant in the exchange programme and has moved from the Somerton Logistics branch to Europe, and is currently extending his knowledge and skills within the Logistics branch in 's-Heerenberg, Holland. The programme endorses Mainfreight's strategy to invest in team members. It supports our 100 year vision!

In our West Australian branches a real "swap of roles" has taken place in May of this year. Jesse Gray-Morgan (Branch Manager Logistics) and Paul Read (Branch Manager Transport) have taken the







opportunity to exchange roles. It enables both Branch Managers to extend their supply chain knowledge and to further promote cooperation between the two branches. As a result, the quality of services to our customers will improve!

We have an exciting year ahead and are moving forward very well. Traditionally the first half year has been a period of reduced activity and reduced utilization in our warehouses. However, this year is completely different with high intensity of activities and almost fully utilized warehouses. It is a result of hard work of the whole team and it has a positive effect on our financial result. This situation has changed our way of thinking; we are not struggling anymore to

get our warehouses occupied, but together with our customers we have to spend time on forecasting and make sure that the required space is available when needed.

I would like to thank every team member for their dedication and effort in the last six months. With the changes that have started we will be able to continue our development to be the best-in-class logistic service provider of Australia!

Finally...

We always aim to do things better. Five things to do better are:

Make better use of our IT technology that is available. The use of Radio Frequency is the key to further improve quality in our business.

- Use the results of the productivity measurements to further analyse productivity and increase the efficiency of processes in our warehouses!
- Use the PAT meetings as a communication tool and a tool to discuss improvements of all kinds in our warehouses with every team member.
- Further increase communication and cooperation between the different brands of the Mainfreight family. Remember that we are a part of the entire supply chain of our customers.
- Make sure that health and safety remains a subject that has the highest priority in our branches.

Somerton (Melbourne)

Somerton has started the new financial year with a steady level of activity. Some exciting projects are on the horizon with some impressive growth forecasts across our customer base. It was pleasing to finish last year well above our financial target and as a result an increased target has been set for this year.

The focus for this year is to constantly challenge the way things are done and introduce as many efficiencies into the operation as possible. This will be achieved by daily pick face management, using MIMS Pulse and by slotting products according to the product velocity report. There is also a focus on Continuous Improvement with our customers. This is an initiative that has already had a great success with the largest customer at Somerton and the team is looking forward to building on this. The team is challenging the way the product is stored and is making some changes to the environment to better manage the customer's product. An example of this is new roller racking.

One of Somerton's Grad's, Martin Wierzbicki, took the opportunity to transfer to Wim Bosman for a one-year exchange at the end of April. This is an exciting opportunity for Martin and the team wishes him all the best! Naturally he was sent off in true Mainfreight style!





Martin Wierzbicki













Prestons (Sydney)

The team has had an unseasonably busy start to the year at Prestons Logistics, with some key customers producing volumes that are not usual for this time of the year. Obviously this is a good thing but requires some lateral thinking as available storage space dwindles rapidly. The team has started assessing storage media and customer setup to squeeze the most out of this shed.

To harness bottom line profit from these peaks, service must remain stable. Amidst the additional volume the team is doing a fantastic job in delighting our customers. Frankie Camilleri and Alvina D'Souza are two team members who have done this, achieving 100% delivery on time statistics for several months on end.

On another positive note, moving towards being a smoke free site, a few team members have made a competition out of "kicking the habit". There are fines, restrictions and an "alternatives" box of items they can consume instead of cigarettes; all contained in a signed contract. The winner takes the money!

Mick, Shane, Nicole and Anthony with the contract they all signed to give up smoking.....











Susie Meechan



Kewdale K2 (Perth)

This year Mainfreight Western Australia continued with our "Go Hard or Go Home" attitude, by competing in another team triathlon "The Fremantle Left Bank Challenge".

Introducing "Deano", the powerhouse runner of the team who came in with a time of 12 minutes and 31 seconds: "look at that determination".

Cyclist of the team is Jesse who came in with a time of 21 minutes and 12 seconds. In cruise mode as the team is way out in front.

Finally we have the backbone of the team, Susie Meechan, who finished the swim with a time of 5 minutes and 33 seconds and then still had the energy to run straight up to get the team coffees!

The team finished up in first place.

Well done team, we look forward to our next session. "Yeah Right"

1128

L-R: Malcolm Papa, Ami Bennett, Dean Williams,

Chantelle Meechan, Susie Meechan, Jesse Gray-Morgan

The Logistics CSO (Chief Stockcount Officer) - Kevin Bradley









Mainfreight International Australia - Steve Thorogood

The last financial year started off with some challenges for our team, but through persistence we were able to post a net operating profit up 8.5% on the prior year. We saw strong sales activity during the year which resulted in good gains coming on late in the year, which will be positive going into this new

Perishable – Sydney

Finally, after dealing with all the delays imposed by the energy authorities in Sydney, we were able to open our Perishable branch in Sydney in March 2012. We welcomed Lisa Harrison to our team to drive this exciting development which complements our Perishable operation in Melbourne. The potential for our two branches in Sydney is large and we have high expectations of them.

Melbourne

This year, our team in Melbourne, with Bill Brown leading the way, has been involved in a project with our customer. Olex Cables, in the movement of oversize cable drums from their factory in Melbourne to Auckland. Around 70 drums with an average weight of over 30 tonnes and diameter of 4 metres are to be transported over a fivemonth period. These drums are destined for the \$473 million dollar Naan project currently being completed in Auckland. The Naan Project was approved by the New Zealand Electricity Commission to reinforce the electricity supply through Auckland and the Northland. A move of this complexity and size does not just happen. It requires a lot of planning and also developing contingencies for unforseen events. The project required the sourcing of heavy haulage equipment at origin and destination, arranging of road transport permits and route plans to move to and from the wharves. Our team has had to work with the ports in relation to lifting equipment, options and scheduling.

financial year. There is still plenty of market share available for our teams to bring on board across all our products and we must maintain our increased sales momentum.

Along with sales momentum we must ensure we offer a proactive, solution-focused service to our customers and deliver strong

account management in our branches. We must continue to build strong relationships at all levels with all our customers, as we work in unison with our Domestic Australia business. This is the key to finding significant growth and contributing to Mainfreight's growth around the world.



View from within the Sydney Perishable Facility



With shipping lines the team has had to work through schedules and schedule changes, load plans and even the re-work of cargo holds and deck space to facilitate these

moves. It just goes to show International work is not just packing general container movements.











International Sales Executive of the Year award. Well done Drew - no pressure, but expectations are high that we will see another strong performance this year!

In March, at the National Branch Managers meeting, Mainfreight International Brisbane received the Branch of the Year award. This is

the award was very strong this year and it came down to a close contest between our Transport operations in Sydney and Melbourne and the

International operations in Melbourne and Brisbane. Congratulations to all branches nominated on their performance

The Cricket Bat heads back to MFI Brisbane for 2012

this past year, and in particular congratulations to the Brisbane team led by Steve Anderson on achieving this award.

Maldives

The Maldives consists of 1,200 islands with 98 holiday resorts rated from 4-star to 7-star.

The Maldives is a strong import region with new resorts being established every year. The only export from the country is the fishing industry, although a lot of this is taken for domestic consumption.

Mainfreight International Australia plays a crucial role in getting product into the Maldives' capital, Male, on a daily basis, allowing chefs to supply fresh produce for their resort guests.

The challenge is far greater than just getting the product to Male. Male is the airport/seaport for the Maldives but from there freight is distributed to the various resorts by small boats called dhonis.



Male Air Cargo Terminal on the left and the Dhonis with some product on board. Not the travel brochure picture that most have of the Maldives!









Dhoni bookings are scheduled and therefore product must arrive in Male to meet the dhonis; if not it becomes a logistics nightmare and adds cost to either the shipper, freight forwarder or consignee. As a freight forwarder you don't want to miss the dhoni or it can become a very expensive exercise.

Tourists travel to their island resorts either by speed boat or sea plane, depending on distance. A speed boat costs approximately US\$100 to US\$150 for a one way transfer per person; and a sea plane is anything from US\$350. So these are not attractive alternatives for freight.

Today, through our own experience, plus that gained by our customers and our partner in the Maldives, we have gained a thorough understanding of the market and its pitfalls.

Ongoing training and education is a key part of the Mainfreight culture. Early this year Jessica Rankin, who last year moved from Melbourne to Adelaide to take on the Operation's Manager role, was one of those chosen to attend the Outward Bound course run in New Zealand. Below you will see some comment and a photo from Jessica.

Our 4-day International Trade Course run in Melbourne continues to be well received from the attendees and we are now putting together a 2-day course for our teams in the domestic side of our Australian operations.

Hello Steve

I hope you are well. I just wanted to thank you again for the opportunity to go to Outward Bound, I have one word for it "wow"!

I now see why Mainfreight use this as a programme, as OB's focus on the 'team' has opened my eyes to how successful and beneficial team spirit can really be.

I have also learnt a lot about myself as a person and as a leader. It has given me fantastic initiative and opened my mind to the opportunities I have, especially in how to guide Adelaide to be the best operations team it can be.

I am now helping to write an article to go on the Mainfreight website for OB's 10th Anniversary! I have attached a photo of the team planting a tree at the end of the trip, some of these people I will be friends with for life.

Thank you again, and have a great day.

A big thank you to all our team members, both long-serving and new, for their commitment, passion, and dedication to offering the best service to our customers. We must continue this focus on providing proactive service and solutions to our customers' supply chain requirements.

With a positive attitude we will continue to achieve.



Jessica Rankin on left up front with the Outward Bound team in New Zealand











OWENS

Owens Transport Australia - Cameron Clode

Over the past six months we have been concentrating on increasing our market share, lifting our standards in terms of quality, and improving our profitability.

Our financial results have improved although at a slower pace than we expected. Our expansion into Perth and Townsville, coupled with our strengthened sales team across the country including our first ever sales graduate, Josepine Kimberley, have seen our sales increase by nearly twenty percent.

Securing better quality facilities for our team continues to be a focus for us. We have extended the lease on our Melbourne property, which will see us doubling our hardstand area and, by early 2013, quadrupling our depot capabilities. We are already seeing improved margins and increased volumes. In order to handle our volume growth we have ordered a CVS Ferrari (sadly not the sports car) Reach Stacker. Our Melbourne business is now positioned to be one of the leading transport providers in what is the largest port in Australia by container volume.

The CVS Ferrari reach stacker is very impressive and is the largest piece of equipment ever invested in by Owens. Valued at nearly \$700,000, the unit is capable of lifting 40 plus tonnes and can stack containers up to six high. The unit offers flexibility in positioning containers and has an extended wheel base, providing better distribution of weight to reduce the impact and negate damage to our hardstand. The CVS Ferrari unit is one of the most popular brands for this type of equipment in Europe due to its design and construction.

In July this year, our Brisbane team will acquire a specialised 48 foot sideloader. This unit will be capable of lifting and transporting containers across a range of sizes - 20, 40, 45 and 48 foot. This will be the first unit of this kind within our business and only the third in the whole Brisbane market. It will allow our team to support current customers who import 45 and 48 foot containers and enhance our continued push into oversize and over dimensional cargo (particularly containerised cargo).

Our national expansion into Western Australia and far Northern Queensland is proving very popular with both current and new customers. Several freight forwarders are excited at the prospect that they can deal with us as a one-stop shop for all major ports in Australia. We are one of three container transport providers that offer such a reach across the main ports of Australia. Recent contract gains have been off the back of our great reputation for service quality and our ability to control container deliveries for our customers out of



Josepine Kimberley receiving her graduation certificate from Sales Manager Scott Beauchamp

the major ports, rather than having multiple suppliers. We continue to be invited to tender on national contracts and through our relationships with project companies are participating in pricing for transport work within the resource sector in Western Australia.











Service quality has been and will always continue to be critical for us to maintain and grow our volumes. Quality boards and meaningful KPI's are now set up in all of our branches. We are measuring our operations time frames in retrieving containers from the wharf, de-hiring empty containers at empty parks, our owner drivers wand usage, cleanliness of trucks, trailers and all company vehicles, statistics on customer POD's being completed and our sales call numbers, just to name a few. All of this information is on your quality board and all team members should regularly look at these and contribute, to ensure we exceed our expectations.

Our depot operations across the country continue to pack and unpack all sorts of weird and wonderful products. Most recently our Sydney team unpacked a helicopter. Army jeeps, luxury speed boats, 20 tonne coils of cable for the Australian national broadband network and electrical transformers being exported to Dubai are examples of the range of products our business is capable of servicing.

In order to add value within our depot operations, we are pushing our transport boundaries into over-size and over-dimensional loads. We are training our team to ensure we meet our statutory obligations and this, along with our robust internal auditing processes, ensures we are exceeding our customers' expectations. Anything above the size of a pallet, we will investigate, price and transport. We ask all brands to think of Owens as their first 'port' of call when they need something transported - not just shipping containers.

Despite various and new challenges in all of our branches, each team member should be proud of their commitment to continually innovate and improve our business. We should all be excited with the tremendous developments our business is making as we grow, not just to be one of the largest but most importantly the BEST transport company in Australia.



New and improved quality board in our Sydney branch



Owens Fiji anyone? We will transport anything - Anywhere!!



Brisbane sales representative, Alan Milliner refereeing an A League soccer match between Melbourne Heart and Gold Coast United. In Alan's spare time he referees at the top level in the Australian National A League competition







United States



Mainfreight USA - John Hepworth

As I write this article. I cannot help reflect on another big year at Mainfreight. We should be proud to be part of such a dynamic company that allows us the freedom to run our branches as we feel fit, create a team of quality individuals, work in "A" class offices and warehouses, and develop a culture that is unique to Mainfreight. Our culture creates who we are, how we run our branches each week, and allows our people to have fun and enjoy being part of a team. We are truly a family at Mainfreight.

Mainfreight USA has certainly embraced the Mainfreight culture and adapted to change that is allowing our business to move forward at a good pace. This year we have certainly seen our share of changes, some of the more notable ones are listed below;

- We have moved our business into two divisions, International and Domestic, increasing our number of branches in the USA from 24 owned branches to 33 branches, plus our franchise branches.
- This has allowed us to develop eight new branch management roles. We have been pleased to see our new branch managers step up to the challenges of running their own branch.
- We converted our Norfolk franchise into a Mainfreightowned branch.
- Moved into new premises in Chicago and Miami. Also renovated Columbus and expanded its warehouse capabilities.
- Opened up Mainfreight Auto with a state-of-the-art facility that is the envy of our competition. We are loading over 120 FEU's every month of used and new cars to all parts of the
- We opened up a new office in Portland, Oregon, so we can develop a strong relationship with the seed industry based in this area.

- Our graduate program is flourishing with over 30 graduates joining our business in the last 2.5 years. These are our stars of the future.
- Our very first graduate is now Branch Manager for Miami Domestic, Matt Friedman. He is leading the charge of all this young talent we have been investing in.
- Launched our new sales DNA so we are in unison around the USA. Our sales pipeline report is the centerpiece of our sales process which gives us visibility to all potential sales opportunities at the start of the sales cycle, not near the end. It allows us to engage our management and experts much sooner in the cycle. It has already showed strong potential.

Most importantly Mainfreight USA was profitable with a 540% improvement on last year's net profit result. Mainfreight USA is ready to be a strong part of the Mainfreight family as we build confidence in our future and the products we offer in the USA.

What is ahead of us this year is already building and 2012/2013 is set to be another exciting year. Just to name a few items that are already in the final stages;

- We will be the first Mainfreight business in the world to introduce Mainstreet, our new domestic software, to our business.
- Our International business will be going onto a Global Single Database - along with all Mainfreight's International businesses around the world. This will allow our customers to receive real time information and will cut down on manual duplication for our team members.
- Finalizing three franchise offices, Philadelphia, Minneapolis, and Phoenix, into Mainfreight owned branches.

- We are in the final stages of opening offices in Toronto, Canada and Mexico City, Mexico.
- Moving to our own Transport Management System (TMS) driven off SMC3. This will allow us to negotiate directly with our domestic carriers and improve margins for our Domestic business.
- Continue to expand our team of owner drivers and aim to have over 50 owner drivers by Christmas 2012. Our franchise business already has over 80 trucks painted in our colors all over the USA.
- Launched our first Port Operations. This is the delivery of FCL to clients from and to the Port of Los Angeles.
- Launching a Mainfreight Training team in USA, headed up by Raewyn Glamuzina, who has moved up from Mainfreight Australia.
- Renovating our Carson facility to update it and "Mainfreight-ize"

Most importantly we must focus on sales and our goal is to achieve over 20% growth in revenue this year. It will be a tough task but the opportunities are so large in this huge marketplace. Our branch managers have committed to this target and will be actively involved in our sales process. We want and expect sales driven branch managers that are on the road meeting existing and potential clients at least two days a week.

Remember to have fun and enjoy what you do as your customers will feel it when they deal with us. What is going to differentiate Mainfreight USA from the competition is the power of our team members. If we have a positive, happy attitude and offer the best customer service we will continue to make large inroads into this market.

Let's make 2012/2013 financial year our best!!









Mainfreight USA **Branch of the Year**

Mainfreight USA is pleased to recognize Dallas Branch as the 2011 Mainfreight US Branch of the Year. Coming in just behind them were the teams in Columbus (2nd place) and Houston (3rd place). The Dallas team was especially motivated after coming up just short in 2010 and were excited to claim the win after a record 2011. However, in true Mainfreight fashion, their sights have been set, goals established, and work has begun to return the traveling Springsteen guitar trophy, currently held by CaroTrans LA, back to where it belongs: Mainfreight USA.



COMMITMENTS FOR 2011/12

WE HAVE WHAT I

Mainfreight USA - Customer Service Award

This year's Customer Service award was presented at the Branch Managers Meeting to Dave Rogalski from the Chicago branch. Dave was an overwhelming winner of the award that was voted on by his peers. He has shown superb customer service to all of our customers and to the Mainfreight team. One of Dave's responsibilities is managing and loading the twice weekly airfreight units to Australia and New Zealand that have become very successful this year after struggling for many years. Congratulations Dave!!

Mainfreight USA - Salesperson of the Year

Mainfreight USA is pleased that Dallas' own Thomas Zalesky has been recognized as the 2011 Mainfreight Salesman of the Year. He was an absolute stand out in all areas that are voted on. Given the quality and quantity of the competition, this was no small achievement, and one reached only due to hard work, perseverance, and a winning personality. Congratulations, Tom!

Mainfreight USA - Independent Contractor (IC) of the Year

Congratulations to the Boston team for winning the IC Branch of the Year. Led by their fearless leader, Michelle Merino, there was nothing this branch could not accomplish (except help their baseball team win another World Series). Also, congratulations to San Francisco and Austin the 2nd and 3rd place winners. They have been given the challenge to come back stronger next year to win.









2012 USA National Sales Conference – Scottsdale, Arizona April 22-24

The Mainfreight USA National Sales conference has launched our teams towards the highest goal we have ever had in the USA. Through pipeline management and a focus on client perceptions, we challenged our team to consider new strategies, new energies and new positions to reach our 20% growth benchmark.

We recognized our Million Dollar producers and Salesperson of the Year.

The Million Dollar "Elite" were:

- John Griffin / Columbus
- Tom Zalesky / Dallas
- Mike Pilgrim / Houston
- Scott Eranger / Dallas
- Peter Burke / National Support Center
- Alan Nadeau / Dallas

As mentioned earlier, the Salesperson of the Year was Tom Zalesky from Dallas.

We had two feature segments in the conference. First was the time we share with a client. Our guest this year was Russell Gold who happens to be a large exporter in the New York area. The message from Russ was the most important take-away from the conference:-



Mainfreight Glamour!

L - R: Annabel Mahnke (National Team), Angie Meyer (Albany), Tracy Zayac (Albany), Claire King (Houston), Terri Griffin (Chicago) and Nicole Moon (Albany)

- Our operations teams are linked to our sales success - we must be a TEAM with them, our clients are looking for this
- Solutions trump price
- We MUST get better at bringing our scope of global services into the client's view

The second feature was Mainfreight Europe/Wim Bosman . Mario Schoofs presented details on our positions, assets, service scope and team members and this was a

BIG value point for all our sales teams. We illustrated the link between Europe and the USA and have already seen strong opportunity and connections as a result of Mario's presentation

Comments from the meeting were positive and the team is already demonstrating a new attitude and working with their operations teams to service the needs of our customers better.

Mainfreight San Francisco - ISO

We all have seen this symbol on business cards, at customer sites, in industry advertisements and more. But what does it mean and is there a benefit to becoming ISO Certified? ISO certification is a long process of documenting procedures, defining roles, and ensuring product quality. Steps towards implementation include creating a quality manual, conducting gap analysis and training team members. Once certified, the process of ISO continues with document control, management reviews and continuous improvement practices.

Mainfreight San Francisco is currently working towards certifying their local office and recognizes the benefits which include improved customer satisfaction, team satisfaction and increased revenue. Studies have shown client confidence is gained because ISO standards are an internationally recognized Quality Management System. Clients gain the benefit of being partnered with an organization dedicated to quality, efficiency and consistency. Team's moral can be improved with defined job descriptions and management accountability.



Revenue increases as productivity rises from streamlined processes and better training tools.

It is a large undertaking, but Mainfreight San Francisco plans to pass certification by January 2013.









Mainfreight Port Operations - Los Angeles

Contributed by Jason Braid

It is with great excitement and much enthusiasm that we can now announce the opening of Mainfreight Port Operations in Los Angeles. As Mainfreight continues to grow in the USA, we are constantly presented with new opportunities for Mainfreight to expand its footprint within the USA Supply Chain.

We have seen some great growth within our International business over the last few years and this has naturally brought about a huge increase in the number of Full Containers moving to and from the ports of Los Angeles. Without even looking outside of the various Mainfreight businesses in Los Angeles, we were at times tendering close to 100 x FEU's on a weekly basis to outside drayage companies (trucking companies for you Kiwi's and Aussies). With that being said, it seemed only natural that we start Mainfreight Port Operations; after all, we are much better off keeping that business within the Mainfreight family rather than allowing other companies to profit from our growing International success.

It's also important to add that after seeing those unsightly green trucks entering the ports in LA and reading about all their troubles in the news while doing so, we thought it was about time Mainfreight USA showed

New Facility for Miami

The new Mainfreight Miami facility opened on April 2nd, offering both Domestic and International services as well as logistic warehousing. The new facility has 43,000 square feet of warehousing space with 11 dock doors. Miami also is equipped with MIMS barcode scanning capability. Led by Matt

Friedman and Batilda Alvarado, the Branch Managers, Miami is a true melting pot of talent. They have ten team members from nine different countries (Finland, USA, Cuba, Honduras, Costa Rica, Chile, Nicaragua, Venezuela and Panama). Congratulations to the Mainfreight

the country.

Miami Team.

them how to get the job done right!

Running trucks to and from the ports in the USA can, at times, be difficult and is made extremely over-complicated by red tape and bureaucratic nonsense; as such it takes experience, knowledge and some good inside contacts at the port to get the job done right. Given the above, we have hired an experienced dispatcher by the name of Fernando Guzman to join the Mainfreight LA team and help make this new business a great success. Welcome to the Mainfreight family Fernando!

With only a few weeks of port operations under our belt we already have five owner drivers running trucks into and out of the ports of LA. The number of owner drivers we have will only continue to increase and we believe a goal of 100 drays per week is a realistic target that we will hit in the coming weeks. However, with the LA port being a true international gateway to the USA and one of the largest ports in the world; it is obvious that 100 drays per week is only a drop in the ocean compared to what is available. We believe our USA port operation has the potential for tremendous growth, not only here in Los Angeles but also at many of our other Mainfreight branches around



Adding port operations to Mainfreight's suite of services in the USA allows our customers to not only have a Mainfreight owner driver pick-up and deliver their Domestic LTL and International LCL freight in a blue truck, but also allows for the same with their Full Container Load imports and exports. As we grow around the world it's important that we continue to offer a full 'Mainfreight' supply chain to our customers; adding Port Operations in the USA allows us to complete a missing

We are proud of this new venture and are excited to now have the ability to pick up and deliver our global customers' Full Containers Loads on Mainfreight Trucks with Mainfreight Owner Drivers!



Mainfreight Newark latest Customs Brokerage for USA

On May 7th 2012, the Newark/EWR office expanded their service offerings and became the latest Customs Brokerage office for Mainfreight USA.

Newark has worked hard to expand their import brokerage business over the past few years, and as the second-largest port in the country, the Newark region was ripe for its

own customs brokerage operation allowing local control and processing of Customer Entries and ISF Filings, and for a technical person who can support our sales









team when selling the brokerage product.

Irma Ruiz, our new broker, has extensive and varied industry experience and now has oversight of the sixth Customs Brokerage office in the USA. We're excited to have her join the team and look forward to using the experience she brings with her.

Charlotte Team -**Warrior Dash**

The Charlotte Team participated in the annual Warrior Dash. It is a 5k run/wallow with mud pits and obstacles to overcome. A few folks did it last year and this year we went all out and had a lot of participants from our office get involved. It was great to see everyone go all in and give it shot, regardless of fitness level. In some cases we paired up, while others went solo through the course. It was tons of fun and then we made sure to partake of beer and turkey legs afterwards of course!

The Warrior Dash helps raise money for St. Jude Children's Research Hospital. St. Jude is one of the world's premier centers for the research and treatment of pediatric



Michelle King (Newark International Branch Manager) and Irma Ruiz - Welcome Irma!



Post-mud Group Shot! Kneeling: Scott Hopkins & Michael Rosenbrock Standing: L-R Nathan Proctor, Greg Deshields, Conrad West, Josh Rosenbrock, Naomi Parfait, Beth Rosenbrock, Tyrone Neville

cancer and other deadly childhood diseases. It costs \$1.7 million a day to operate St. Jude, where families never pay for the care they receive.

Mainfreight Chicago Facility

Mainfreight Chicago just moved into their brand new 78,000 square foot facility, which includes their new beautiful office space and massive warehouse with 14 docks.

This was a brand new empty space that they were able to make their own... blue wall and all.

The team is very excited with their new surroundings and look forward to what the future holds. Stop by anytime to check it out. She's a beauty.













CaroTrans - Greg Howard

The year end results of 2011/2012 were our second best in CaroTrans' history, but unfortunately they came in behind the prior year and well below expectations. Our teams' passion, dedication and hard work never faltered during a year filled with a wide range of challenges and opportunities. The teams' response to the weaker than expected results is one marked by intense determination and incredible resolve to deliver a better result in the near year.

Helping them achieve this pledge is a global team of CaroTrans branches and strategic partners committed to strengthening our network, service capabilities and global brand recognition.

This year we continue to build upon the strength of our network foundation by expanding the number of direct destinations for our groupage services and by opening additional branches in China and the USA. In July 2012 we will establish our first CaroTrans operation in Europe by opening a branch in Le Havre, France led by Chris Wilson - formerly of CaroTrans Cleveland.

We're excited about the energy that comes from this expansion and how it helps intensify the momentum within our network. Since opening the operation in Chile one year ago, we have connected our China operation with the Chile market and recently commenced offering weekly ocean consolidation services from four origins in China to San Antonio,

Recent expansion into Seattle, Washington gives us our 14th US branch operation and positions us in an important region in the US. This exposes us to exciting new opportunities for trade with Asia, which we previously weren't able to develop.

Investment in the training and development of our teams is important for us and is essential to our success. We have completed the construction of our new team training center in our Clark, New Jersey branch. This new training center is one of five training centers located in key US cities for use by the Mainfreight USA and CaroTrans

We're delighted to have Raewyn Glamuzina relocate from Australia to lead training and development programs for Mainfreight USA and CaroTrans. Rae, who is originally from New Zealand, relocated to Australia several years ago, where she eventually took over from Martin Devereux when he moved back to Auckland.

Rae's passion for Mainfreight and her leadership will help strengthen the base of knowledge and bring focus to providing quality training

as we continue to set high standards for learning, and for developing the future leaders of our business.

We are nearing release of the new CaroTrans Global website aimed at providing connectivity amongst our global branches and network partners. The new website will enhance user interface by providing multiple channels to interact with us in a functional, user-friendly environment.

Considering all that is occurring at CaroTrans, the team remains enthusiastic and focused on the opportunities which lie ahead. We have a lot of ground to cover, but with all eyes forward, the team knows that with passion anything is possible.

Our goals will be achieved by focusing on:

- Sales growth of 20%
- Sales team performance no room for mediocrity
- Grow import revenue to 20% of total sales
- Manage margin like never before
- Control overheads
- Work together as a team (US and abroad)
- Be tough and move with pace!

Thanks to the team for giving your very best. We are a special company because of our special people.

Branch of the Year

Selecting this year's Branch of the Year proved once again to be a tough choice. We had three branches, Miami, Los Angeles and Cleveland, who were within a whisker of each other in the scoring. However, based on our selection criteria, the CaroTrans Branch of the Year award was presented to our Los Angeles team who delivered strong sales growth, record profits, ROR which doubled from the prior year, posted the highest gross margin per cent, and excelled in people development.

In addition to being named the CaroTrans Branch of the Year, our Los Angeles branch squared off against Mainfreight Dallas in the running for overall USA Branch of the Year.

Selection for this coveted award was more challenging than ever. Both branches delivered excellent results and scored high in the voting criteria; it was so close we even considered calling it a tie. At last, with the help of Don Braid. we were able to arrive at a decision and selected CaroTrans Los Angeles as the USA Branch of the Year.

Grant Morrison proudly accepted the Bruce Springsteen autographed "Born in the USA" stars and stripes guitar on behalf of his team. The award is prominently on display in the Los Angeles branch for all to see, until next year when it is up for grabs for a new winner... or will Los Angeles retain the title!

> CaroTrans Los Angeles - USA Branch of the Year Grant Morrison proudly displays the well-deserved award









At this year's annual sales meeting, the award for sales person of the year was presented to Mercy Bitong-Noche of the Los Angeles team. The results this year were very close but based on the selection criteria of revenue and margin growth, combined with selected KPI benchmarks, Mercy emerged as the clear winner.

Congratulations to Mercy for this well deserved award.

During the 11 years as a team member, Mercy's cooperative attitude and commitment to exceeding customers' needs have helped shape the Los Angeles branch's success. Her passion for the business, attention to details and ability to set high standards are key components to her sales success.

Well done Mercy!



Mercy with Andrew Dickie

Corporate Run in Miami

This year our team list doubled, we were delighted to see our local customers take a big interest in participating and especially proud to wear our CaroTrans t-shirts throughout the race. It is a great time for our team to get together and share this fun experience with our customers and interact in our company's tent.

Seems every year we out-do ourselves by preparing our tent with great food, beverages, and great people. All we hear from everyone is, "Make sure to count us in next year, looking forward in participating next year". Now, for next year, we just need Greg H. and Michael F. to lead our pack...



A healthy team member makes a healthy company!!

No Longer Sleepless in Seattle

We are pleased to announce the opening of our 14th USA branch office - Seattle, Washington.

Our team is led by Brian Allcorn, who is joined by Andrea Cherry who relocated from our Los Angeles branch and Adam Whelpley who relocated from the Boston branch. This team will lead the charge in establishing CaroTrans in a relatively new market for us.

Expansion into Seattle is a key piece for our jigsaw puzzle and enables us to establish an effective gateway operation between the Pacific Northwest and Asia markets. By having a physical presence in Seattle, our customers will benefit from improved service levels, reduced shipping costs and a local team tending to their needs.

The branch will have a full portfolio of service offerings - LCL export, FCL export, imports and project cargo. We are well positioned to take on the competition who have been established in the region for more than two decades.









Something's Brewing in Colombia and it's Not Coffee

Having suffered from perceptions of the past rather than realities of the present, the last ten years have brought about extraordinary changes in Colombia. Economic development. political stability, improved security and growing middle class has created an economic boom in Colombia. The GDP growth in 2011 was 5.5% and the forecast is for this to continue for years to come.

The recent signing of the US-Colombia bilateral trade agreement has helped boost business growth in Colombia and is expected to continue to help trade between USA and Colombia, which increased 33% in 2011.

We have been involved in the Colombia market for more than 15 years and for the past 10 years we have been represented by Magnum Logistics - one of Colombia's largest privately held logistics operators. Together we have expanded our service capabilities to offer new groupage services from Houston and New York to Cartegena.

In addition to these new groupage services, we have enhanced our FCL (full container load) cooperation by connecting Magnum's offices in Cali, Medellin, Bogata and Cartegena with our 14 USA branches.

The Colombia market has tremendous growth opportunities for us and we are excited about how our partnership with Magnum will help us take full advantage of these opportunities.



Bill Lee Hangs Up His Boots

For more than four decades, Bill Lee covered the greater New York market calling on every freight forwarder and broker known to man.

> With his trademark pink eyeglasses and ability to always tell a good story in his bag of

tricks (feeding squirrels in the park or looking after stray dogs before making calls) Bill presented a likeable, trusting and sincere approach to his customers.

Bill built relationships with customers through a positive attitude and outlook, which enabled him to gain customers' trust and build support of our services. His high level of professionalism and mentoring of our young graduates

helped develop skills for future sales pros like him.

The NYPD baseball hat on his car window gave him confidence to drive like Danica Patrick and was a great introduction of NY driving to overseas guests.

We thank Bill for the contribution he made to CaroTrans during his 12 year tenure and wish him and his family all the best for the future.

"Bonjour Tahiti", "Talofa Samoa"

CaroTrans is always looking to introduce new direct destinations for our customers, and we are excited to announce our latest direct destinations in the South Pacific:

- Papeete, Tahiti (French Polynesia)
- Pago Pago, American Samoa
- Apia, Samoa

We now offer bi-weekly (fortnightly) departures from Los Angeles, with reliable connections from all of our 24 North American CFS. We are very happy to be working with our friends at "Logistique et Transit", having already forged a strong working relationship with their office in Noumea via the trade partnership initially started by Steve Hendry of CaroTrans Auckland.

On our first departure to Pago Pago, we were thrilled to have a shipment of donated medical goods for "Samoa Medical Missions" in conjunction with our friends at Southeastern Freight Lines. Samoa Medical Missions is dedicated to bringing medical and spiritual help to the people of the Samoan

Islands, providing free medical care and medicine for the sick. CaroTrans is honored to assist with this important work.













Steve Hendry – USA Visit

This is the way to start a two-week sales trip Mainfreight style. Depart NZ Saturday 12th 1915 - Arrive NY Sunday 13th 0037 Running around Central Park - Sunday 13th 0800 Good stuff!

CaroTrans Chile

It's amazing how quickly time passed for us to celebrate our one year anniversary since opening our Chile branch. The team, together with our friends from Ultramar celebrated the occasion and telling by the smiles on their faces, our team is very proud of the accomplishments.

Our second "Apple buckets" campaign was well received by all our clients. This is a novel promotion in Chile and helps get the CaroTrans name in the market. The clients look forward to receiving the buckets and truly appreciate the freshness and healthy goodness of crisp, fresh apples.

With our first year under our belt and having successfully established our brand and service ex USA, CaroTrans Chile has embarked on a couple of new service initiatives. The first is the formation of a West Coast South America trade alignment between CaroTrans Chile and our partners in Bolivia, Colombia, Ecuador and Peru. This cooperation will provide LCL ocean services between Chile and the other four countries. In addition, Callao will serve as a relay hub for our exports from Chile to USA.

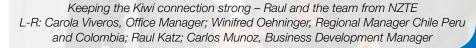
CaroTrans Chile's other service initiative is their largest and most ambitious program - weekly consolidation services from four China origins to San Antonio. The first sailings departed May 22 and initial response from our clients was encouraging.

Our Chile team is excited about the opportunities, which lie ahead for us and based on the hard work put in during the first year, they are confident they will exceed the profit pledge presented at the February Branch Managers meeting.

In April, Branch Manager Raul Katz travelled to La Paz, Bolivia and found landing at an elevation of 13,000 feet rather tough.

The Santiago team has developed a good working relationship with New Zealand Trade and Enterprise (NZTE) in Chile, who recently facilitated a visit between Raul Katz and the New Zealand Ambassador to Chile, Ambassador Rosemary Paterson. NZTE are also keen to see us develop the trade lane between New Zealand and Chile.





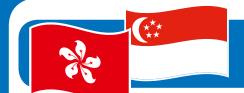












ASIA



Mainfreight Asia – Michael Lofaro

The number eight (8) is regarded as a lucky number in Chinese culture, and in May this year we opened our "lucky" branch by launching operations in Chengdu, Sichuan Province ... our eighth branch operation in Mainland China.

Chengdu is the capital city of Sichuan Province and it is one of the most important economic, transportation and communication centres in Western China. The city has a recorded history that goes back over 2,000 years and it still retains its original name. The Sichuan province is a very prosperous and fertile region, with the area having nick names like "Country of Heaven" or "Land of Abundance". This city has been the capital for a number of Chinese dynasties over the centuries.

Today, with a population of over 14 million people, and a strategic geographic location in Central China, this historic city is now a bustling business metropolis, and is the showcase for China's drive



to develop the Central and Western Regions of the country.

We are very excited to be in Chengdu with our own office. It's early stages and humble beginnings, but Chengdu represents Mainfreight's drive into the new economic frontiers of Mainland China.

Chengdu is also famous for being home to the Giant Panda, with numerous Panda Parks, and the world's most advanced Panda breeding centres.

Many global companies have established themselves in this

region, such as Intel, Foxcomm (the people who manufacture all those cool Apple products everyone loves), and also, New Zealand companies well known to us, such as Rakon Industries.

We see an exciting future for our Chengdu office and this beachhead in central China will help us develop further in this region.

Of course, "Growth" is no stranger to the Team in Asia, with the size of our operations and coverage more than doubling in the last 24 months. With 11 operations in the region, covering Singapore, Hong Kong, Mainland China and Taiwan, we are well positioned to provide support to our also ever-growing Global Supply Chain product.

More importantly, we are positioning ourselves to take advantage of the fast growing domestic markets in China, and as has previously been mentioned, we welcome all our family around the world to look to develop export

Our Chengdu Office being furnished and set up

All hands on deck in "building" our new Chengdu office... Shelly, Enid & Lex... all working hard to get things in order













opportunities from your respective countries to Asia.

China is home to approximately 20% of the total world population... and this is just China, it does not include the rest of Asia! We have a significant market available to us!

Of course, managing all this and providing sustainable growth at pace, while still generating profits, is not an easy task, but to date our operations in Asia have managed to continue to grow and be profitable; a reflection of the team spirit and passion of our family in this region.

This growth is putting pressure on our offices. The "squeeze" is on for us in Hong Kong in particular, where we have another two years to go on our lease in our wonderful office in Kwung Tong, but we have absolutely run out of space... growing pains indeed!

No, it's not all serious stuff, and our guys do take time to enjoy the various festive occasions that dot our calendars. Our Xiamen team held a traditional Christmas Party last year, combined with a team member's birthday... looks like everyone had a great time, especially the young ones.

The remainder of the year looks like being a challenging period for global trade. We will need to be focused on managing our operating costs, maintaining our margin, and looking at efficiencies that will allow us to do more with less, while still providing outstanding service to our customers, both internal and external. Again a challenge that we feel our team in Asia will accept and succeed in.

Your team in Asia is at your disposal ... we look forward to working with you all over the coming months to further grow our market share and presence in this dynamic region of the world.



L-R: Patrick Kwok, Jouann Lee, Paul Lam (on the phone pretending to be busy...) & Felix Chiu



Xiamen Team enjoying Christmas and celebrating Kevin's Birthday L-R: Jessica's son, Sally, Jessica, Tina, Kevin, Renny, Colin, Renny's sister











Europe



Wim Bosman Group Europe - Mark Newman

The spring weather and warmth of the last few weeks brings some fresh optimism and new growth to Europe. It is so important at this time that we free ourselves from the tension and uncertainty that the troubled economies of Europe provide and really focus on the things we can control.

New sales and market share gains are a cornerstone to our plans over the coming months; the fact is that all of us are a crucial part of our sales effort.

Our front line drivers must present themselves and our equipment in the best possible way, we can continue the pursuit of real quality in our busy cross docks, and also promote an "anything is possible" attitude from our managers and Forwarding teams.

In Logistics we must continue to innovate and work with our customers to streamline their supply chains. These actions are increasingly the base line of our relationships.

In our Air and Sea businesses we need to leverage off our strong forwarding and logistics relationships to rapidly build scale in our business and we also need to enthusiastically build on the strong ties we have begun with the wider Mainfreight world.

Cost control is crucial, new sales can only be effective if we hold and lower costs in the business, small changes in spending habits across the group at all levels is essential. Question all costs, reduce and more importantly eliminate.

The month of May sees Wim Bosman open new offices in Hamina. Finland and also Moscow in Russia. These investments really consolidate our position in this exciting region. Further development in our international air and sea product and expansion of our logistics capability will follow during 2012.

The integration of our Air and Sea business into the worldwide Mainfreight network continues to gather pace, we are delighted with the level of customer enthusiasm to reap the benefits of our new products and worldwide reach.

In February we travelled to Moline in the state of Iowa USA to attend the annual supplier conference for our customer John Deere. It is a testament to the expertise, attitude and commitment to excellence of Wim Bosman team members throughout Europe that we achieved partner level status for the third successive year. The basis of our partnership with John Deere is the concept of continuous improvement, a much misused term in the logistics industry. We are proud that our continuous improvement programmes across our business mean substantial improvements in service, quality and efficiency, real reductions in costs for both parties and a tangible difference in the customer experience.

We continue to focus on our sustainability initiatives that saw us awarded the prize of entrepreneur of the year for the Netherlands transport and logistics industry. We are pleased with the increasing

support of our ECO-services in our road transport divisions and during April we began moving freight between Belgium and Italy by rail. Increased utilisation of rail, canal and short sea modes will continue to be a priority for the Wim Bosman Group over the coming years.

It is just over a year now that we have been part of the worldwide Mainfreight family, it is so exciting to see some of our European team travelling to Australasia and the USA to grow sales, learn from our group experiences and for some, expand their horizons by participating in the leadership programmes that the Mainfreight group supports.

As we bask in the warmth of the unexpected birthday gift from our founder Bruce Plested in March, we can all perhaps reflect on the core values that our new group brings, In essence the single most important aspect of the success of Mainfreight has been the closeness of the family, the unity of the team and our generosity of spirit with each other. Europe brings the complication of different languages, cultures and borders but in this competitive market place our unity, our pursuit of common goals, our ability to show our customers that we are tangibly better than our competitors remains the true basis for our success.

We will need a lot of hard work and commitment from our teams over the coming months if we are to achieve the ambitious goals we have set ourselves, Good luck, it will be an exciting ride.







Lean manufacturing in the John Deere workshop

In November 2011, the John Deere Quality and Production System (JD QPS) project started for the workshop of Wim Bosman in the Netherlands. This project is intended to further intensify 'lean manufacturing'. A number of team members visited the John Deere factory in Bruchsal, Germany, on 11 January 2012 especially for this project.

In 2006, Wim Bosman started its own workshop for the mounting of cabins on Gators with two team members. The work was done on a few square metres in the ANS building in 's-Heerenberg (NL). This workshop has since grown into an operation that employs 10-20 team members. Current activities include fitting hydraulic brake supports to tractors and fitting Gators with a heating installation. Our team handles 4,500 tractors on a yearly basis.

John Deere has indicated that the activities in our workshop will only increase. For us, this means an expansion of the current activity package. In order to be able to meet John Deere's high Quality standards John Deere & Wim

Bosman jointly started the JD QPS project. Here, the emphasis is on the 5S lean manufacturing concept, 5S stands for: Sort, Systemize, Sanitize, Standardize and Sustain. The idea is that application of these 5 S'es will create a 'lean' working environment.

5S is applied in all John Deere factories, which is why the project team visited the factory in Bruchsal on the 11th of January. The goal was to gather tips and ideas in relation to the rearrangement of workplaces, the placement of zone marking and

increase the safety in the workshop. This was followed by meeting with all of the workshop team members in order to discuss how the ideas that were acquired can be applied in practice.





'Partner-Level Supplier' status for Team John Deere

With thanks to all of the team members involved, the Wim Bosman Group has been acknowledged for the third time in succession as a Partner-Level Supplier for the year 2011 in the John Deere "Achieving Excellence Program".

Important elements of the Program are quality of the relationship with the customer on every level of the organisation and cost saving proposals.

When we succeed in achieving this Partner-Level status 5 times in succession we will be added to the John Deere "Hall of Fame". So we will have every reason to celebrate this in a big way with all team members two years from now!

On 15 February 2012, Mark Newman and Wietse van Bruggen were personally presented with the award in Moline (Iowa, USA).











Wim Bosman drivers are given a course securing cargo



L-R: Aaron Kock, Simeon Liebrand, Henk Kamphuis and Hudai Karakurt enthusiastic participants in the 'economic driving' course.

Training Drivers

On Saturday 3 December 2011, Wim Bosman Transport B.V. (NL) started code 95. This is compulsory refresher training for professional truck drivers. Wim Bosman Transport B.V. and Training & Development offer all driving team members a full package (refresher

course and a medical examination) to make sure that they can lengthen their drivers licence.

The reactions from our drivers have been very positive. The courses are given by very enthusiastic people who are very pleased with the Wim

Bosman drivers. Compliments for all of us! Naturally it will require time and hard work from all of us, but at the end of the year we are guaranteed that all our drivers are well trained with a code 95 on their driver's licence.

Wim Bosman Belgium goes Multimodal!

Test runs are taking place on a daily basis whereby a 45ft container is being transported by rail from Zeebrugge (BE) to Novarra (IT). Once the test phase is completed we intend to gradually increase the number of containers from 1 to 10 per day. The transit time of the containers is 48 hours.

For this project we have joined forces with Sittam, our partner in Italy. Sittam delivers the goods locally and sends the container, filled with groupage goods or full loads, back to Belgium. We then deliver the goods to their

destination in the Benelux, Germany or the United Kingdom (also via multimodal).

Through multimodal transport we aim to bring in new customers, increase orders from existing customers, reduce transportation costs and at the same time increase efficiency and sustainability. This proves to be a safe and reliable manner of transportation with a big freight capacity.

The container, moving from the truck trailer to rail



Sustainability - Green Freight Europe

The Wim Bosman CSR programme "We care for our customers, environment and community" strongly emphasizes reducing CO2 emissions, for example by intensive cooperation with customers and subcontractors. This is why Wim Bosman is actively involved in the realisation of Green Freight Europe.

On March 27 the industry-led initiative, formerly known as SmartWay Europe, was launched under the new name GREEN FREIGHT EUROPE. Founder members of the group comprise

over 30 companies, including multinational shippers, carriers, retailers and associations. The group aims to establish Green Freight Europe as the leading independent voluntary programme for improving environmental performance of road freight transport in Europe.

"Because the Wim Bosman Group is already involved from April 2011, we play an important role in the implementation and development of the programme, such as the database and the certification.

In this wav. we stimulate a clear and transparent method, so that our efforts to reduce CO2

emissions can be shown to our relations. It also gives us the opportunity to compare the environmental performance of the Wim Bosman Group with those of others", concludes Leonie van Driel, Sustainability Manager of Wim Bosman.

EUROPE







New Office in Finland

Wim Bosman Central Eastern Europe B.V. has launched a new operation in the port of Hamina, in Finland under the leadership of Petra Parvianen-Tohmo. The Wim Bosman Group transports and coordinates monthly around 600 containers from Europe, USA and Far East to Russia. Most of the containers arrive in Finland and from there they are transported to Russia. These are mainly high value and/or perishable and/or theft sensitive goods.

In the past we used (neutral) customs agents in cooperation with the local carriers for the transport via Finland to Russia. By taking it in our own hands we can after loading of the containers immediately start

preparing the documents. This saves time and allows us to inform our customers earlier and personally about the services we offer. We believe that the continuous development of our Finland Team Members branch network will be

L-R: Satu Suortti-Tohloen, Petra Parvianen-Tohmo and Mia Paunonen

Wim Bosman opens office in Moscow

Wim Bosman has expanded its network in Russia by opening an office in Moscow in addition to its current presence in St. Petersburg.

The new office in Moscow provides space for the local sales team, which takes care of clients in the surrounding region. This should prove beneficial to our objective to get closer to our customers and personally inform them of the services we provide, including the possibilities of mutual collaboration. However the office space will not be used only by the sales department, but also by the business development department and by the local customer service, which helps to handle requirements of the customers we cooperate with in the region with much greater flexibility.

acknowledged by our customers.

"We believe that the development of our branch network will mainly be acknowledged by our customers, which we already provide with high

flexibility and efficiency services in

the sector of domestic, international forwarding and warehousing," explains Maria Andreeva. Branch Manager of Wim Bosman Moscow.



IRU Diploma of Honour Awarded

199 drivers were awarded the IRU Diploma of Honour for outstanding and safe driving during the general member's meeting of the IRU (International Road Transport Union). Seventeen of these drivers were Wim Bosman drivers in the Netherlands.

To receive an IRU Diploma of Honour, a driver must meet the following requirements:

the driver has been continuously employed as a professional driver for the last 20 years;

- the driver has been working for the current employer for at least five years;
- during the entire career as a driver, the driver must have travelled at least one million kilometres, either nationally or internationally;
- the driver has not caused any serious road accidents in the last 20 years;
- the driver has not committed any serious offence in the last five years as regards traffic, customs or administrative regulations.

IRU Diploma of Honour:

Timo van den Bos Marcel van de Wetering Ewald van den Heuvel Edwin Vroaten Henk Kamphuis Henk Reindsen Luc Schreur Marcel ter Heerdt Nico Sewald Piet Mellee Arian Maas Sander van Schie Devlin Liebrand Erik Jan Heykoop Frank Hermanns Peter Vredenberg Johan te Lindert







5-year Anniversary Wim Bosman Russia!

On 15 February 2012 Wim Bosman Russia celebrated the company's 5-year anniversary. This might not seem long, but if you look deeper into what was done and how much achieved, this date is definitely something we can be proud of.

Starting in 2007 with two people and entering 2012 with a company of twelve motivated team members - is only one of the reasons. We are proud to celebrate our 5-year anniversary.

For the past five years we have been growing and developing. Now we are proud to provide our customers various transport solutions and services of high

quality; import and export cargo by sea and road.

Not all years were easy; during the crisis year of 2008 we put all our efforts together to keep our customers and partners satisfied.

We have supported our clients and customers to pass this difficult period with the lowest losses possible. We also changed the company's initial location, we are now situated in front of the International airport terminal of St. Petersburg.



In a transport business the main value is people, therefore we established our own system of team members training, arranging team building and other events, which keep people motivated and give ability of constant learning. We have entered 2012 with new projects and ideas and look to the future with great optimism!

Drivers' Day 2012

On Saturday 12th May 2012 Wim Bosman Transport B.V. organized the Drivers' day, for the drivers of Wim Bosman in the Netherlands. Because many of the drivers have to do their compulsory training for professional drivers on Saturdays, this time we opted for a programme reception from 16:30 PM.

Bertil ter Maat opened the day at 17:00 PM with welcoming the driver of the year 2011. A white limo drove Martin Essink with his wife Monique to the site. Partly because of his 20 years damage-free riding in distribution and his positive attitude, Martin has earned the title of driver of the year.

After a short speech by Bertil, the certificates for damage-free driving were handed out by Mark Newman to the "knights of the road". Also a number of drivers were honoured with the IRU-diploma.



Driver of the year Martin Essink was brought to 's-Heerenberg by limo.

After the pictures had been taken, there was a barbecue and a beer.

At 19:30 PM, our driver Willem van Dam was welcomed with a great big applause. Willem was picked up near Munich (in Germany, 700 km from 's-Heerenberg) in the afternoon, where he was busy with the return trip of his last ride as a driver. After more than 44 years as a driver, Willem will retire.

Bertil gave a speech and a thank you to Willem, and Willem enioved the attention of his fellow team members.

Willem scratches his head: 'do I really want to retire?'



Several Wim Bosman drivers received certificates for damage-free riding

Wim Bosman drivers ready for a barbecue and a well deserved beerl

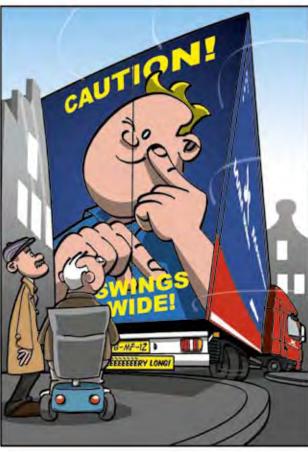












Wibo is cautious when swinging wide

Let's introduce: The Wibo Family – our virtual team!

The success of our virtual driver Wibo, has led to the development of two additional team members that will support our internal communication. We present the entire virtual family personally to you.

Wibo is well known by now. He already has a number of campaigns to his credit and is now also seen on many Wim Bosman trucks. Wibo represents our group of drivers and everything they have to deal with on a daily basis.

Nikki is our newest addition to the Cross Dock and our warehouses. She will represent these teams and her focus is on working safely.

Manfred strengthens the office team and represents anyone with an administrative function (both male and female). Manfred is derived from "Mainfreight". Manfred will inform team members about topics such as quality, representativeness and teamwork. In addition, he explains certain topics and he is concerned with procedures and customer satisfaction.

Wibo, Nikki and Manfred together form the Wibo family. The reason for this extension is simple: communication is important, but can only succeed if team members really feel involved. Therefore, future topics will be handled by Wibo, Nikki and Manfred.

Wibo, Nikki and Manfred speak not only to their own teams, but will also talk to each other concerning all interests. The three virtual team members will communicate and monitor certain topics, as listed in the "Three pillars of Mainfreight". We strive to achieve shared goals faster and easier.









Team Development - Martin Devereux

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

2012 marked the 10-year anniversary of Mainfreight and Outward Bound's partnership focusing on the development of our leadership group. No longer is Outward Bound the domain of 'Kiwi' males as it was back in 2002. It is now a leadership experience for men and women alike and for team members from all countries. Across the two courses run for Mainfreight, more than two-thirds of participants were based outside New Zealand and nearly half the attendees were women. This year also saw our first team members from Holland and Russia attend. Not only did they learn about themselves, they also learnt about life in the other countries where their new-found friends come from. They formed a network at a social level but more importantly they formed a network



Outward Bound Participants May 2012 L-R: Darrel Byrnes (IT Melbourne), Keith Morris (CaroTrans Dallas), Annelien Deceuninck (CaroTrans Auckland / Wim Bosman Belgium), Debra Johnson (Mainfreight Atlanta), Frans Zuidgeest (Wim Bosman 's-Heerenberg), Courtney Bould (NZ Training Team), Julia Shevkalenko (Wim Bosman St. Petersburg), William Wang (Mainfreight Shanghai), Andy Ling (MF Shanghai), Ainsley Speak (Mainfreight Rotorua) and Evan Pilcher (NZ Training Team)

at an international level which truly reflects who we are today.

We know there are many team members out there with aspirations of career progression. The reality is this may require you to consider taking yourself, and your family, to a new environment. This may be a different brand, a different city or

even a different country. If you want a career, you might have to physically go and get it!

We are now halfway through another action packed year. Ahead will be many long hours, challenges and opportunities. Let's face all that lies ahead together, diligently and most importantly, safely.

New Zealand – Rachel Hustler

Working for Mainfreight is an exciting journey; the New Zealand Training Team has the privilege to meet many fellow 'Mainfreighters' from not only New Zealand but also from around the world. The best part is being involved with helping them understand and learn more about our Culture, our Family and Philosophy. For us, this is not just a job; it's a career and an honour to be able to assist and teach our trainees why we do things the way we do. We have had an exceptional start to the year where we have witnessed the huge variety of talent coming through the business, whether it is to an Outward Bound course, a Sales course or an Induction course.



Love the energy! 2012 Aon North Island Secondary Schools Rowing Champs at Lake Karapiro - L-R: Robert de Haan, Georgina Shelton-Agar, Courtney Bould, Alice Colenbrander, Alexia Vander Zanden, Rachel Hustler, Caitlin Wilson, Charlotte Carpenter, Jonathan Davison, Ashleigh Blair, Mark De Hogg











With these new standards we must always look at improving our own training methods and this has seen us pull apart our courses and refresh them to meet the needs of the business. Outward Bound, Team Leaders and our Induction and Culture days are some of the first courses we have injected new life into.

Another initiative is the development of our Team Management (TMS) course which we held in March and which will soon be held in Australia. This course is designed to challenge our existing and potential leaders in the making who may have missed out on the opportunity to attend Outward Bound. It provides a framework to help our team learn more about themselves and their style of management with the aim

of making them better leaders. We have had great feedback from the team who attended and will be running another course in August.

Our first graduate team project is a new initiative we are trialling; our group of graduates has taken on the hard task of claims. With the guidance of Kerry Crocker, the team has been challenged to make this process easier to understand. It's still a work in progress but they have all done a great job and I would say this will be the first of many such teams we involve in finding better solutions for our business.

Promapp is another area the Training Team have invested time in this year. We have been mapping our quality procedures into an online format. This will complement our quality manuals but make them

more accessible to other Mainfreight businesses around the world that may not have the luxury of having the 15, 20 and 30 year legends that live and breathe our quality systems. We aim to have the procedures available online towards the later part of the year. We will keep you updated with progress.

Our team always wants to add value to Mainfreight wherever we can and we have numerous other projects on the go. Our most significant to date is to find ways to improve our Health and Safety in the business and ensure our teams get home to their loved ones each night. We are constantly looking at how we can do better, but we challenge you all to not become complacent and forget the basics, let's all ensure that we give this the attention it deserves.

Australia – Shona Taylor

The team in Australia has had a few changes lately; Raewyn Glamuzina has taken on the challenge to head up the Training Team in the USA. Raewyn's achievements have been extensive during her time with the Australian team and she will be sorely missed by all. We wish Raewyn all the best in the next chapter of her journey.

As we work to unite all our brands we are encouraging cross-training in our courses. We have had our first Transport team member attend the 4-day International course, which they thoroughly enjoyed; we also have an International team member attending the 5-day Domestic course. Our aim is to get all team members understanding every aspect of our business to assist them to provide the exceptional service we want to provide to our customers.

The Grad program in Australia, which is led by Gabrielle Fage, is getting great exposure. Gabby, with the support of our team, has attended several Career Fairs and is a pivotal part of securing our



Deakin University Careers fair in Melbourne! L-R: Alexia Vander Zanden, Janaya Symons, Luke Van Meel, Brigitte Allen

partnership with the Australian University Games (AUG). The partnership with AUG gives us exposure to 41 universities and more than 12,000 students across Australia. It is an exciting time as the 800 volunteers for the games

will be known as the Mainfreight volunteers. This partnership is already proving to be a fantastic method of getting our name out there and attracting some great Graduate applicants.









USA – Raewyn Glamuzina

At some stage in 2012 the US Embassy will approve the visa application of Raewyn Glamuzina. Rae heads to her new Los Angeles based role where she will start building the foundations of a training team for Mainfreight USA and CaroTrans. We anticipate Rae to be on the ground in June. Keep your eyes and ears out for her charm, her "Easy to Deal With" attitude and her warm smile.

Europe – Anke Caspers

The introduction of the Wim Bosman team to our family has seen an ongoing exchange of ideas and of people. With this in mind Annette Webb (from the New Zealand training team) relocated to Europe pre-Christmas to assist with the development of our Air & Sea business. Along similar lines we have commenced our first international exchange program between Wim Bosman Europe and Mainfreight Australia and New Zealand.

Four team members will work for a year at a foreign branch of Mainfreight or Wim Bosman. This will enable them to gain work experience in a different country and different working environment.

From Europe to Australia and New Zealand

Annelien Deceuninck (Wim Bosman Belgium) will be working at the International Division in New

Zealand, Ceryl Van Hasselt (Wim Bosman Netherlands) will take a

position at the Logistics Division in Australia.

From Melbourne and Auckland to Belgium and the Netherlands

Martin Wierzbicki (Mainfreight Logistics Melbourne) and Akash Varma (Mainfreight Logistics

Auckland) will be working in Belgium and the Netherlands respectively. We hope you have fun!



Akash Varma meets his new team mates at Wim Bosman ... L-R: Tonny Stoffels, Kurt Ryheul, Mark Samaey, Akash Varma, Bruno De Busscher, Stephanie Baudot









Technology – Kevin Drinkwater

Mainstreet

Mainstreet, the new domestic freight system Mainfreight USA, is now looking like a real system and has 90% of the functionality required to move a shipment, from pickup to delivery. However there is still a significant amount of work to build and plug in many more components such as pricing, rating, EDI and accounting.

The system will have a completely new look and feel to anything we have built previously.

One of the new elements of the system is the timeline which will allow you to make an instant visual assessment of where the shipment currently is and what processes need to be completed. This line will give you the latest status in each process step and if you click on it will display all activities within that process step as per the screenshots on this page.

Also central to the design is the vertical panel to the right of the screen that will contain key information for the user and their overall tasks as per the screen shot below. For instance a rater will see the number of shipments they or the branch have rated today and how many there are left to rate. A linehaul planner may see the current and expected weather for the destinations they will be dispatching to today.

The aim is to ensure that team members have the critical elements to their job available and visible wherever they are in the system. We see this as a move from information systems to intelligence systems



where the intelligence is provided upfront.

Initial training for the new system will commence around the end of this year with go-live date expected to be March / April 2013.

Some of the New Zealand project team and the US project team got together in LA with the US superuser group for a show and test in early May. The feedback from the US teams was very positive and they confirmed we are definitely on the right track. They also highlighted the need for a couple of changes and improvements which we will work on for the next release.

We still have a very small team working on a very big project and putting in an enormous amount of effort and brain power to put this together. It will be our biggest ever single software development and implementation project! We estimate testing alone will take 2,000 hours. This testing and the training programme will be critical to the smooth implementation of Mainstreet. If you are part of the Mainfreight USA team please make sure you participate fully with testing and training when requested so you and your branch can get the full benefit and a hassle-free changeover.



Cargowise Single Database (SDB)

By the end of this year all Mainfreight International and Air & Sea businesses will be operating on a single Cargowise database located in Chicago. This was approved by the relevant general managers and the Board in March and since then Rob

Cotter, Dave Hall and Mike Hood have been working hard to put everything together. "Everything" is short for a large complicated project. It includes the transfer of all our existing information, from three different systems, to Cargowise's data centre in

Chicago and the installation of connecting data lines into all our businesses around the world.

We have moved away from our original idea of owning our own hardware to run Cargowise in the USA, to having the hardware











provided by Cargowise in their Chicago data centre. This means we do not have to worry about maintaining the hardware in a location where we do not

iPad's on the Dock

We have introduced iPad technology into our Domestic freight operations in Australia and New Zealand. There are 41 of these devices, running Maintrak Anywhere, deployed to improve the efficiency of monitoring unlabelled and undelivered freight and therefore the speed of having it delivered. Our team use the iPad to access parts of the Maintrak freight system to reconcile undelivered freight with physical freight sitting on the dock. Once matched with the correct consignment they can print labels and delivery receipts, attach the labels to the freight and get it on its way to the consignee.

have any IT personnel.

Once the system is live, all our International (and Air & Sea) businesses will benefit through the ability to see all information about a single shipment at a single source. This means we should get significant improvements in efficiency and customer service.



Mah Muaulu uses an iPad to print delivery labels for freight in our Sydney depot

Easy Shipping of Consumer Goods from the USA

Ever looked at the price of things in the USA and wondered how you could buy them and get them back to Australia or New Zealand? There are thousands of people doing this with small items, using the likes of online sellers like Amazon. However, have you ever looked at what they charge to freight a BBQ

to your home down under? It's incredibly expensive and outweighs any savings.

Mainfreight has the answer! You can buy your large consumer goods from online stores in the USA, have them delivered to our depot in Los Angeles and we will freight them home at a very economical rate in one of the many sea freight containers we dispatch every week.

The key to this service is our new website which allows you to get an immediate estimate of the freight cost, enter your purchases with key information like the value and the tracking details when they are dispatched by the online store. We take it from there as we keep a watch out for your purchases arriving, register their arrival, take

11/1/11/11/11/11/11 BBQs shipped from the USA to your place Get your goods home quick union. Find out how... We get your international goods home quickly and easily.

photos of the goods and consolidate them with your other purchases when you are ready to send them home. All this is available on our site and allows you to monitor the progress of all your purchases and shipments. We also send you email updates at every critical stage.

The system is working very well and in the last 3 months we have over 3,000 purchases registered on the site. You can also use this site to ship cars, motorcycles, boats and jet skis down under.

Take a look at www.kiwishipping.co.nz or www.mainfreightautomotive.com.au







Contributions from the IT Team

Mainchain 4.0 - Alistair Hughes

Mainchain is our customer portal which provides customers with complete visibility of their goods, whether in one of our warehouses or moving somewhere in the supply chain -whether by Air, Sea, Road or Rail. Over the years it has been added to and extended as Mainfreight has grown and our customers' needs have changed. Looking forward this isn't going to stop and if anything will accelerate, as we move to support more global supply chain customers and our expanding customer base in NZ/ AU/Asia/USA and Europe.

Whilst the underlying architecture of Mainchain is still valid today, the site itself required a serious revamp; making it more flexible and providing a framework to go forward with. Hence the Mainchain 4.0 project was born.

Mainchain 4.0 is a complete rewrite of Mainchain. It is based upon customer feedback from surveys and one-on-one interviews, team feedback and even a few ideas from IT. The idea behind the new site is to provide better-quality information that is easy to find and helps our customers carry out their business - both with their customers and Mainfreight. It is also designed to cater for our growing global presence. Supporting multiple languages, multiple browsers and also giving more flexibility as we add our European and USA systems as well as those in NZ and AU.

A few key features of Mainchain 4.0 are:

1. Individual logins allowing users to personalise their preferences

- Customisable dashboard
- 3. Discoverable functionality with easy to discover information about Mainchain and how customers can use it
- 4. Fewer "clicks" one click to create a Consignment Note, House Bill or Logistic order
- 5. Quick track easy update on status of Consignment, House Bill or Order
- 6. Advanced search

Rollout

Mainchain 4.0 is in testing and a beta release is occurring now. The intention is to have the beta site run in parallel to the current Mainchain site for a couple of months during which time everyone will be migrated onto the new Mainchain.

Cargowise Europe – Annette Webb

(Annie, previously with our New Zealand Training Team, is currently based in Rotterdam helping our European team with their move to Cargowise.)

Just over five months has passed since going live with Cargowise in December 2011 at our Rotterdam, Amsterdam, Antwerp and Brussels branches. It has certainly been an amazing journey to date. Well done Team - vou have done a fantastic job so far!!

We have also recently gone live in France and are about to extend to Le Havre. It is exciting to say that now! Our "she'll be right mate" and "Ready, Fire, Aim" didn't quite sway the French Authorities with this one, so we had to wait and jump through all the hoops before we could start!

What have we done so far? 602 Export jobs, 1,769 Import jobs and 1,454 Brokerage jobs in Netherlands.

111 Export jobs, 433 Import jobs and 486 Brokerage jobs in Belgium.

Not to mention hundreds of shipments on-forwarded to other European destinations, cross dock containers and ex warehouse shipments. We are just warming up.

What next?

Triple the figures above. The teams up here are on fire and ready for action. I can't count the number of times I have heard "can we do this?", "how do we do that?", and even better.. "can we try it this way?"

We are full steam ahead in Sales and Customer Service Activity. Order Management and Quoting/ Sales activity is about to test the engines of Cargowise. We have just gone through Year End for the second time in three months to get in line with the Mainfreight accounting format. Nothing like understanding WIPs and Accruals!

As we are still on the Cargowise Hosted Environment, we anxiously await ... no, we dream every day, of the arrival of the Single Database which will give us access and visibility to the rest of the International Teams operationally, the fancy smarts produced by our IT and Business Solutions Teams,

Mainchain, Onsale, and KPIs. We want to play on the same playing field as the rest of the International Teams!

At this very moment we are testing on the New Zealand Database, the progress is certainly creating a lot of excitement up here!. If I thought the language barrier had been difficult at times it is nothing in comparison to being copied into an email from the NZ, AU and EU IT teams about the set-up of the SDB - I guess that's what they call Double Dutch?

The journey so far and the trip still to come wouldn't have been so seamless without the help and encouragement of the IT teams in NZ, Australia and USA. It is amazing to be able to pick up a phone at any time of the day and reach someone, somewhere in our Mainfreight family worldwide and to solve the problem together. Thank you!!

Kiwi proverb on IT Capabilities and Mainchain: 's-Heerenberg, NL. 11th May 2012, 12.05pm:

"We can do anything" - Kevin Drinkwater







Mainfreight brings Dr Ben Carson to New Zealand to Inspire our Children

- Kevin Drinkwater

Mainfreight was lucky enough to be able to arrange a visit by one of the world's leading paediatric neurosurgeons to Auckland in March. While he was here. Dr Ben Carson inspired over 6,000 9-12 year olds, mainly from low-decile schools, at Telstra Events Centre, visited Bairds Mainfreight Primary and Koru schools, spoke to 3,000 adults at Telstra and was guest of honour at a fundraising dinner for 750 people.

Duffy Books in Homes and Starship Hospital shared equally the \$210,000 that was raised from the fundraiser.



The following article that appeared in Auckland Suburban Newspapers gives some background on Dr

Carson and why he came to New

SURGEON BOOKS A TALK WITH KIWI KIDS

CATHERINE HEALY, East & Bays Courier/Suburban Newspapers

It's been almost 10 years since Kevin Drinkwater heard the tale of an American boy born into poverty who became a neurosurgeon. He found the story of Ben Carson so inspiring he was determined to bring him to New Zealand.

Dr Carson's mother was illiterate but she saw the importance of having books at home and encouraged her son to read. He is now the director of paediatric neurosurgery at a hospital in Baltimore. He separated twins joined at the head in 1987 with a lifesaving technique that had never been used before. His life was the subject of the 2009 movie Gifted Hands – The Ben Carson Story, starring Cuba Gooding Junior.

Mr Drinkwater was determined to track him down. The Orakei resident is Chief Information Officer for Mainfreight, a major sponsor of Duffy Books in Homes. The Duffy programme distributes books to Kiwi children in low-decile schools to help them develop a lifelong love of reading.

In the US, Dr Carson runs a foundation which helps re-establish libraries in schools which have lost them because of funding cuts.

"We decided to offer him \$10,000 worth of books for his programme. That got his attention and he became intrigued by what we were doing in New Zealand. But we needed something to give us credibility so that he would really listen to us."

When Mr Drinkwater heard that former Prime Minister Mike Moore was to become New Zealand's ambassador to the United States, he simply looked him up in the phone book.

"I told him the story and he said, I'll do anything I can to help."

That led to a meeting between them in the US and Dr Carson agreed to visit.

On March 6 more than 6,000 children from low-decile schools all over Auckland will hear Dr Carson tell his rags-to-riches tale. He will then be the guest of honour at a dinner where money raised will be shared between the Starship



Dr Ben Carson spoke to 6,000 children from Duffy Books in Homes Schools

Foundation and Duffy Books in Homes.

"The main reason for doing this is for the kids, so that they can hear his story, how he climbed out of extreme poverty by reading."











The scene at Telstra events centre when the Duffy Books in Homes schools came to hear Dr Ben Carson



Kevin Drinkwater with Dr Ben Carson and his wife Candy







Happy 70th Birthday Boss!

Bruce Plested, our Founder and Chairman celebrated his 70th birthday earlier this year, on 14 March, and as everyone knows by now, he chose to mark this milestone by giving gifts instead of receiving them. For the Mainfreight team, all around the world, each team member who had been with the Group since 1 April 2011, received a personal gift from Bruce of NZ\$1,000 tax-free (or the local currency equivalent).

This amazing display of generosity surprised and delighted over 4,500 team members and the thank you emails, cards, telephone messages, videos, and reciprocal gifts received by Bruce were overwhelming.

Thank you Bruce - your generous spirit is inspirational!

> What many of you may not know is that Bruce also marked this milestone in another unusual way. Four days before his birthday he climbed a mountain, as John Hepworth describes ...

Climbing Mt. Taranaki – by John Hepworth

Bruce Plested and I climbed Mt Taranaki/Egmont back on March 10th. This was definitely one of the hardest, if not the hardest, things I have done. Overall, it's a 6.3km walk (each way) which climbs from a starting elevation of 946m to the summit at 2,518m. The 11-hour experience was hard work the whole way. It took us 6 hours up; 1 hour rest at the summit; 4 hours down. The mountain trail is broken in to 3 parts, the Telecom 4 wheel drive track, the Scourer, and the Lizard (or the lava rocks) at the top. The three parts seem to take about 2 hours each.

I am not quite sure what I was expecting but I thought if I could climb my apartments 18 floors three times nonstop that would prove I was fit enough. That was a ioke! I should have realized what I was in for when our Financial Controller, John Eshuis, told me he had worked out that I needed to climb my apartment staircase 27 times to equal the climb. As usual I did not listen and off I went, full of confidence, to complete one of my bucket list items.

If I did not have enough respect and admiration for Bruce before this. I certainly have after this climb. For a 70-year old to do this with vertigo issues was just amazing. His determination and will power was an inspiration and kept me focused. I could not have been prouder to do this climb with Bruce and our New Plymouth Mainfreighters. Special thanks to David Payne who kept us going when we thought it was too tough.

Thanks Bruce for the phone call and telling me on my birthday you have 3 months to lose some weight and get fit to do this climb. He had remembered it was one of my goals in life to do and I am glad that it is now off the list!





L-R: Rick Payne (Mainfreight New Plymouth), Bruce Plested, John Hepworth, Ben Leaf (Mainfreight New Plymouth)







SERVICE ACHIEVEMENTS

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

Jim Cullen 40 years **Daily Freight Auckland Ray Linton-Brown** 40 years **Daily Freight Auckland Fred Kosack** 35 years Wim Bosman Logistic Services Geleen **Gerard Kupper** 35 years Wim Bosman Transport B.V. Frank Medze 35 years Wim Bosman Transport 's-Heerenberg **Lloyd Rivers-Smith** 35 years **Daily Freight Auckland** Janssen Roland 35 years Wim Bosman Oostende **Don Campbell** 30 years **Mainfreight International Auckland Diana Abbenhuis-Siroen** 25 years Wim Bosman Transport B.V. **Murray Craig** 25 years **Owens Auckland Brett Cuttle** 25 years **Owner Driver Palmerston North Ray Dixon** 25 years **Mainfreight National Team Hamilton Bobby Dougherty** 25 years **Owner Driver Mainfreight Wellington Rob Duijnmayer** 25 years Mainfreight Schiphol **Craig Evans** 25 years **Mainfreight National Team Auckland David Farrell** Mainfreight Rotorua 25 years **Derk Geersing** 25 years Wim Bosman Overslag B.V. **Gilbert Haelewyck** 25 years Wim Bosman Oostende 25 years **Ives Parmentier** Wim Bosman Oostende **Ronald Putman** Wim Bosman Forwarding 's-Heerenberg 25 years **Koen Schreur** 25 years Wim Bosman Transport 's-Heerenberg **Piet Speet** 25 years Wim Bosman Transport B.V. **Kraft Werner** 25 years Wim Bosman Forwarding 's-Heerenberg Tom Zalesky 25 years **Mainfreight Dallas** René Derksen 20 years Wim Bosman Logistic Services 's-Heerenberg **Shane Douglas** 20 years **Mainfreight International Auckland Wavne Goodwin** 20 years **Owner Driver Hamilton Michael Griffiths** 20 years **Mainfreight Christchurch** Martine Guédon-Blandin 20 years Wim Bosman France Sam Johnson 20 years **Owner Driver Mainfreight Hamilton Noel Jordan Owner Driver Owens Christchurch** 20 years **Robert Little Mainfreight International Wellington** 20 years **Carolin Lutz** 20 years Wim Bosman Transport B.V. John Mackay 20 years **Mainfreight Napier Peter McNally** 20 years **Mainfreight Logistics Somerton Mainfreight International Melbourne** Roslvn Meli 20 years

Henny Meurs-Goorman20 yearsWim Bosman Expeditie B.V.Nikki Oliver20 yearsDaily Freight ChristchurchDarren Petricevich20 yearsMainfreight IT MelbourneRoland Ruesink20 yearsWim Bosman Transport B.V.

Brendan Ryan 20 years Mainfreight International National Team René Spaan 20 years Wim Bosman Logistic Services B.V.

Guido Staels20 yearsWim Bosman OostendeMarie-Line Isberte Stanislas20 yearsWim Bosman FrancePaul Tolson20 yearsChemcouriers Auckland

Paolina Tortora 20 years Mainfreight International Melbourne

Bart Vandenbussche 20 years Wim Bosman Oostende Rudy Vandewalle 20 years Wim Bosman Oostende

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

Bereavements

Don Fulp – Mainfreight Charlotte

Don Fulp passed away Sunday, February 19, 2012, with his family by his side. Don was part of our Charlotte team where he was an Account Executive since October of 2007.

Family was very important to Don and he had close relationships with his children and young grandchildren. Don was a beloved husband to Gail for 34 years. He was a cherished father of Meredith, David, Alex and Abby and grandfather to Jackson Mackey and Sienna Fulp.

Don was an avid runner and fisherman, dedicated and loving family man and accomplished youth soccer coach. He touched lives of hundreds of children over his 20 years of coaching, instilling in them

the values of hard work and persistence.

Below is a letter Don wrote to one of his many teams. It exemplifies the type of person Don was.

I am asking that this weekend you reach deep and forget about winning and losing but focus on playing for yourselves and for each other. Years from now, we won't remember if we won or lost on this weekend but the effort and emotion that we put into our last soccer weekend. Don't accept anything less than your best and give everything that you have, not only for yourselves but for the team mates and friends that you have

developed relationships with over the years. ... You won't have the chance later to relive this, so make it count now.

Proud to be your coach, Don Fulp



Jo te Winkel – Wim Bosman Logistic Services B.V.

Jo te Winkel, team member at Wim Bosman Logistic Services B.V. from 09.07.1987 to 28.02.2011, passed away on 12 May 2012.

"It will be fine/it all turns out alright". This sentence characterized Jo during his career at Wim Bosman and this sentence certainly characterized him in dealing with his illness. Jo worked almost 24 years at Wim Bosman. Unfortunately, due to his illness, he had to say goodbye to our

company too early. Jo was a man with a real 'Wim Bosman' heart, he didn't go home until the work was finished and he never complained. Always friendly, open and respectful to new team members and trainees.

It was admirable to see how Jo, despite of every set back he had to cope with, stayed optimistic and continued to look at life positively. We can only have great respect for that. Dear Jo, thank you for everything, "it was good".

Hans Lensing - Driver Wim Bosman

Our driver Hans Lensing died at the age of 44 on Wednesday the 8th of February 2012. Hans had worked for our company since 2000 and we are extremely shocked by his death. We have lost a motivated and goodhumoured team member.

We wish his family strength at this time.













Christchurch snow was impressive in June...



...but not as impressive as a frozen canal in Amsterdam in February



Mainfreight moggie...



We always said you were a big kid Don! (Don Campbell, Mainfreight International Auckland)



Now that's concentration!



From: Denis Laws [MFT HAM] **Sent:** Tuesday, 5 June 2012 10:11 a.m.

To: Kevin Drinkwater Subject: New IT Grad.

Kevin, I know we are still watching our costs but the last IT grad you sent down was hopeless.... we had to let him go this morning!









Feedback

5 May, 2010 Shane Michalick Branch Manager Mainfreight 560-596 Bercik Street Elizabeth New Jersey **USA**

Dear Shane,

Forgive the delay in my sitting down to write this, but I've been somewhat distracted since returning to New Zealand.

I want to thank you and Mainfreight team for helping make my move back home much less distracting than it could have been. From the moment Kevin Drinkwater put me in contact with you, I've felt like a priority; not so much a customer, but a mate who is getting a hand. You were always personally available; affable, polite, and totally efficient. This goes for the people I've dealt with from Mainfreight; the staff on the phone, the people in NYC, the delivery guys in New Zealand, everyone in between. Your people picked up my 16 boxes of books, five cartons of pictures, and two boxes of personal effects in the middle of February. The pallet arrived in excellent condition in mid-March, and now -unpacked- surrounds me in my new flat in Auckland. Does after sales service extend to supplying extra book shelves for the too-many volumes I own?

Okay, probably not.

Again, you and your team made what could have been a fraught process extremely smooth, and pleasant. Thank you. By all means forward this note to your superiors.

Stay in touch; I pity the competition.

Very best, Tim Wilson.

From: Craig

Sent: Friday, June 15, 2012 03:22 PM

To: Chris Carmichael (MFI HAM); Greg Waylen (MFI HAM) Subject: Mainfreight Holland

Just wanted to let you know that I was speaking with Fred D in Holland this morning and he was telling me that he was extremely impressed with the way that Mainfreight in Europe had handled the recent shipments for B... Technologies.

All of the Airfreight Cargo has now been received by Fred and the Mainfreight Guys made the importation process very smooth.

That's a 7 day turnaround for 7 crates of equipment from Hamilton to Horst which is

Fred also mentioned that the pre-clearance of the Polish container had been completed successfully ahead of arrival and that too was made transparent and easy for us.

Fred is currently dealing with the importation of the second container due in on 30JUN12 and that is also progressing well.

Please can you pass this on to your representatives in Netherlands. It's good to see that the Mainfreight philosophy of "Can Do" Kiwi principals that we spoke about in our meeting with Tom Valentine are working in the European market

Cheers Craig R

From: Shelley S

Sent: Monday, 30 April 2012 16:12

To: Grant Smith [MFT AKL]

Cc: Mike Swindells (FTL TRG); Lance Chadwick [FTL]; Mark Caddigan

Subject: URGENT ORDER

Good afternoon Grant, last Thursday we urgently required an order from one of our suppliers in Auckland to come down to our factory in Mount Maunganui. Unfortunately our supplier didn't have transport available for same day delivery so I urgently requested through Mainfreight to get the pallet of goods down to our factory.

I would like to express my sincere thanks to the Mainfreight Team involved in the organisation and delivery of this order. It's always good to know we can rely on Mainfreight to help out in these urgent circumstances.

Please pass this thank you on to all involved.

Kind Regards Shelley S











From: Nikky H

Sent: Monday, 28 May 2012 17:19

To: Don Braid

Subject: General feedback

Hi Don.

I've recently done a financial accounting presentation on Mainfreight (as a requirement of my Bachelor of business studies degree) which analysed the groups financial situation and I just wanted to say how much I enjoyed learning all about the company and seeing the excellent results your team has gained over the past few

As a person with a very strong interest in trucks, I couldn't have picked a better company listed on the NZX (although I do understand that Mainfreight is far beyond just a trucking company).

After the presentation, I had extremely good feedback from the audience about Mainfreight and I thoroughly enjoyed teaching fellow students about your global operations and how the Mainfreight family is continuously striving towards achieving the financial goals put in place.

I have found the background information I have read about both yourself and Bruce hugely inspirational. Keep up the good work!

Kind regards Nikky H

From: Mitch Gregor (Owens) Sent: Thursday, 1 March 2012 09:36 To: Owens Team Auckland

Subject: how our customers see us

We are currently in the process of working on new business and as part of this process we have requested some references....

Nick received the following from Terry at PS! Good to see..... PS has been a long time customer of Owens and during that period we have a built a relationship which allows us to feel comfortable that our carter is always working in our best interests. Our products are bulky, awkward, fragile, daily, nationwide, time sensitive and sometimes critical to national infrastructure projects. This places special requirements on our freight company which needs to understand the effect that poor delivery service including lost, damaged or delayed consignments has on our customers and our company's reputation. In this respect, Owens have displayed their ability to

ensure not only their dispatching depot in Auckland but all of their depots that handle our freight nationwide are just as aware of these requirements. This translates into a high level of professional service throughout the logistics chain with on time and good condition deliveries that our customers can rely on. When problems occur as they will from time to time, Owens have always been quick to resolve the issue and keep our customers satisfied.

A freight company has to take a real and continued interest to know your business, to know your product and to offer practical and economic solutions to your products timely and accurate delivery. Owens continue to meet all of these requirements and because of this as well as their computerised consignment note capability and their integration within a larger logistical organization they will continue to be our preferred supplier and partner for all of our nationwide transport needs for the foreseeable future.

Terry H

Operations Manager

PS

From: Derek W

Sent: Thursday, 15 December 2011 09:18

To: Shona Taylor Cc: Kristen Cameron Subject: Canberra

Hi Shona,

I would like to thank you for your efforts in the deliveries that are being made to our Canberra office. I can say it is the best service we have had so far in Canberra. I wanted to thank you for your efforts in getting the freight delivered to Tumut yesterday. I know it is busy for all transport companies at the moment and I appreciate the efforts you went to make it happen yesterday.

One of the big reasons we left Toll was lack of customer service this is the one thing that Mainfreight has in its favour. With people like you running the Branch in Canberra I know our freight will be taken care of.

Again thank you ... look forward to meeting you at some stage when I am in Canberra.

Derek W











From: Grant Smith [MFT AKL] **Sent:** Friday, 18 May 2012 17:31 **To:** Branch Managers Transport

Subject: FW: Thank you Mainfreight team!

Good work Alan and team.....

Team, this guy really loved his board obviously!

Thank you Mainfreight team!

To whom it may concern, (please pass this on to any others in the company).

I just wanted to say thank you so much for the extremely friendly and helpful service I received today at the Tauranga (Mount Maunganui) depot.

I was sending a surfboard down to Wellington and every step along the way was easy and efficient.

The online quote system was fantastic as was the helpful person on the phone and the young lady at the info desk.

I was gutted to say bye to my surfboard I recently sold on trademe, I decided to make a bit of a tongue-in-cheek 'sad farwell' video. I think it could be worth plugging on your Facebook page, some cool shots of the Manfreight trucks and depot.

Thanks heaps,

Happy customer,

Cam.

Here's the video - https://vimeo.com/42251345



apatoetoe 2025

WINNER: Westpac Mantikau Business Excelle WINNER: Wastpac Manukau Business Excellence Aw Customer Service 2006 AGNNER: AA Tourism Supreme Host of the Year 2005 FINALIST Westpac Manukau Bijsiness Excellence Awards for WINNER: AA Tourism Supreme Host of the Year 2004

12th May 2012

Craig Evans General Manager Group Supply Chain Mainfreight Limited

Hello Craig

Just a quick note to pass on to you our profound admiration for the way in which you and all members of your team have handled the tragic accident suffered by one of your employees earlier this week.

We have always regarded Mainfreight as a company that operates ethically and with a great sense of integrity and respect for its workforce and your actions over recent days have only helped reinforce this view.

It is a very difficult situation for all concerned but particularly the James family, however your unconditional support of them in this time of need has greatly eased their burden and helped make the situation just a little more tolerable.

Mainfreight and you are to be highly commended for acting so promptly and with such great integrity. We are very proud to be associated with Mainfreight even if only in a small way. We hope you can pass on our comments to your team who by their many kindnesses and genuine concerns have demonstrated that Mainfreight operates almost like a family.

Well done!

Kind regards

Pat and Bernie Taylor

SELAN















Don Braid

Mainfreight Limited

30 March 2012

Thank you so much for your generous support of the Evening with Dr Ben Carson - a joint fundraiser for Duffy Books in Homes and The Starship Foundation. Your generosity helped enable us to raise more than \$210,000 on the evening.

The Starship Foundation's share of the funds will be used for the rebuild of Starship's Neuroservices and Medical Specialties Wards. This area of Starship treats children with conditions ranging from brain injury and disease, complex metabolic and immune disorders, liver and kidney transplants and other serious, rare and very complex conditions.

The Duffy Books in Homes portion will be used to support more than 8000 children who would not normally have easy access to books at home. Each of these children will receive at least five brand new books of their choice this year thanks to your generosity.

In addition to the financial support given by Mainfreight we would also like to thank you for allowing Kevin Drinkwater to put so much time and effort into the event. His energy and tenacity helped to ensure that is was a huge success for both charities.

So on behalf of Duffy Books in Homes and The Starship Foundation, thank you again for your amazing contribution to the event.

Yours sincerely

Brad Clark Chief Executive Starship Foundation Linda Vagana General Manager Duffy Books in Homes

Principal Sponsor:





ROSEBANK SCHOOL

7 March 2012

Dear Kevin, Phil, Lunda + Duffy staff Thank you for the superb apportunities for our children to learn from and with the inspirational or Ben carson and for allowing Bronwyn and me to attend the wonderful evening event. We are the grateful recipients of your commitment. We will never really know how influential Tuesday 6 March has been

in the lives of our children and their families, but we can acknowledge the children's positive responses, their enthusiasm and their reflective eounnends. Your actions in organising Dr Ben's visit have provided light and insights for thousands of us and mere thanks only scratch the surface.

Kia kaha, arohanui Heather Bell













BUSINESS VALUATION AND ADVISORY SERVICES

PG BILL 2000, SIMPLAND STREET, PULLLAND, 1190 LOTE C 3 MARGOT STREET PROMANET, WITE (AND

29 March 2012

Don Braid Chief Executive Mainfreight Ltd

Dear Don

I had the pleasure of attending the Auckland Institute of Directors breakfast some time ago when you made a presentation on Mainfeight. Subsequent to that, I was lucky enough to spend an hour on the ferry to Waiheke with Bruce Plested and Carl Howard-Smith who expanded on the culture of Mainfreight and the company's ambitions.

It is one thing to hear these things, however to experience the culture first hand brings new meaning to your presentation and Bruce and Karl's comments

Yesterday I had to pick up a parcel from Mainfreight and, to say the least, the experience made me feel proud to be a New Zealander. Your reception area, adorned as it is with the various pearls of wisdom, as well as the enthusiastic way your staff (in particular Rob who was looking after my consignment) dealt with my small business transaction was a pleasure to experience.

It's great to see a New Zealand company doing what Mainfreight does in developing an all inclusive culture that really does seem to work from the factory floor to the board table.

Well done -your people really do "walk the talk"!

Kind Regards

Yours sincerely

D R Appleby

Hello, would just like to comment about one of your

Long story short was trying to back my car and trailer down my right of way the other day and after trying for about 40 mins on a very busy public road l was getting quite frantic.

Along came this huge Mainfreight truck with a huge trailer, the middle aged gent very kindly stopped so l could cross the road and have another go at getting into the driveway. I again did not line it up and nearly hit the fence. Mr Mainfreight jumped out of his truck said to me "Let me give you a hand" got in my car and drove it Straight down the driveway perfectly. Something that had taken me nearly 60 minutes he did in less than 2 mins.!!

It all happened so fast that I didn't get his name or to thank him properly but it did have RS Dickson on the side of the truck part.

I would just like to say thank you so much and Mainfreight you hire great people keep up the great work!!!

Henry Mayes

Life Education Trust North Shore P O Box 100 079 North Shore Mall Centre Auckland www.lifeeducationnorthshore.co.nz Chairman Barry Kirk-Burnnand



3rd May 2012















Mainfreight P 0 Box 14038 Panmure Auckland 1741

Attn of Grant Smith

Dear Grant.

I have been given your name by Christine Meyer-Jones as the person to thank for the very generous service you did for us in getting our classroom delivered from Christchurch to Auckland.

As a Trust that relies almost entirely on raising funds to survive, your assistance is very kind and is valued immensely by the Trustees. We see nearly 9,000 children through our programme annually on North Shore and they are the ones who will benefit from your generositywe know that our programme puts tools into their toolboxes to help them make "smart life choices" and you have every right to feel proud of your input in helping us achieve this.

Thank you again for your help,

Warm regards,

Barry Kirk-Burnnand Chairman

















Bruce Plested, moments after reaching the summit of Mt Taranaki I guess it's true - "The man at the top of the mountain didn't fall there"!

The Mainfreight Newsletter is printed with mineral oil free soy-based inks on Alpine Gloss paper produced from renewable forest resources managed under the Programme for the Endorsement of Forest Certification (PEFC), and is manufactured under the ISO 14001 Environmental Management System in an elemental chlorine free process.









