

The Team's Board Report



Mainfreight Distribution's B-Triple – Adelaide/Perth Linehaul



Managing Director's Comment

Welcome to the mid-year edition of our Newsletter – our Team's "Board Report", which not only goes out to our team all around the world, but is also sent to our shareholders and friends.

By any standards this past year has been a difficult one. At the end of May we released our financial results to 31 March 2009 to the market. We reported net profit after tax of \$40.0 million, on sales revenues of \$1.26 billion which were up 39% on the previous year. This profit was in line with the previous year where we made \$40.8 million.

Our sales revenues were in part assisted by the acquisition of Halford International in Australia, and also Mainfreight USA with a full year of trading.

Our Group operational earnings before interest, tax and depreciation (EBITDA) were improved 9% to \$81.3 million. This is a significant achievement and has required a lot of effort and sacrifice on the part of our team around the world. Our thanks to each of you for supporting our cost reduction initiatives, particularly those that have had an impact at a personal level through forgoing annual salary reviews and bonuses. Team bonuses, while always discretionary, have long been an integral part of our Mainfreight culture and accounted for \$9.0 million in pre-tax profit in the prior year.

These sacrifices have been made in what are difficult financial and trading conditions, and the call to arms has been made to ensure our survival through what may well be some of the worst economic times the world has experienced.

While this is prudent for now, it is our intention to get back to paying bonuses and reviewing salaries yearly as soon as it is possible.

These initiatives, the sharing of the fruits of our success, are some of the strongest reasons why Mainfreight has become so successful and we are not about to ignore the chance of re-introducing them once we see profitability return to acceptable levels.

If I may, I would like to borrow some of Bruce Plested's words from this year's annual report:

As a Company we are well prepared to deal with this recession. Embedded deep in our culture is a toughness to succeed in everything we do, no matter the difficulties.

This toughness has been learned and honed since our earliest days in New Zealand and in each new country, as we battled adversity from financial losses, competition, government, bureaucracy, mediocrity, weakness, complacency, incompetence and arrogance.

Our business culture has developed to include, but is not limited to:

- *Committed people, hundreds of whom have been with Mainfreight for longer than 10 years.*
- *Our promotion from within.*
- *A graduate programme, together with compulsory in-house training for all our new people.*

- *Weekly performance and profit measurement in every one of our 160+ branches around the world.*
- *Ownership of our operating sites and our ever developing technology that links our international interests*

And lastly, but not ever forgotten, thousands of great customers who strive and innovate, who work hard and are an integral part of our success.

Sums us up nicely, don't you think!

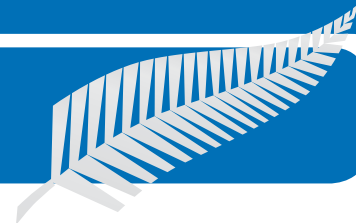
The uncertain economic environment has seen reduced volumes across all sectors of the logistics industry, and we have not been immune to the effects of this during these past six months.

Our response is to manage our business through very strong margin and cost-focused branch management alongside strong sales strategies aimed at increasing market share across all sectors of our operations. Our ability to deliver world-class logistics services, where we aim to delight our customers, and in every instance seek to be easy to do business with, will beat the competition every time. It is up to each of us to contribute.

We have a team of very special people all around the world. This team has delivered against the odds many times and will do so again, such is the passion and the fire in our bellies that we have for Mainfreight, and for all that Mainfreight stands for and aspires to.

Please enjoy the read.
Don Braid

New Zealand



New Zealand Forwarding – Mark Newman

Mid Year Message

In the last newsletter we commented that we were heading for difficult times for the New Zealand economy and we documented the strategies we needed to employ to cope with reduced volumes.

You will all be aware that our most conservative predictions have come true. We find ourselves in unprecedented times.

We would like to thank all of our team – our owner drivers, store and office based team members – and of course our wider Mainfreight family for the support you are giving to enable us to remain strong through this period.

The extra hours being put in, the concentration and success we are having in improving our business processes and procedures and the excellence we are showing our customers, are the building blocks to bringing the business out of these challenging times leaner, meaner and far better than we have ever been.

Our strategies have not changed ;

1. Superior sales performance, to aggressively grow our market share.
2. Superior operational performance, to pickup, linehaul and deliver our customers' freight reliably and safely every time.

3. Superior customer service, to delight our customers every day.
4. Cost reduction and controlling of the hiring of new team members so we are more competitive than anyone else.
5. An uncompromising attitude to our standards of operations and image.

We have much work to do to reach the level of performance that we aspire to.

As we enter the winter period please do your part in presenting our customers with unbeatable service and a pristine image.

You Need it Delivered Where?

During April, Mainfreight International got involved with importing some new machines for the processing of passports in offices in Wellington and Auckland. Unfortunately the machines could not fit into the lifts or up the stairs of the buildings they were destined for. *Well we guess that's why buildings have windows!*



As the following letter shows, our response to the challenges was a resounding; **'Yes!, Anything Is Possible'**

From: Lew Skinner
Sent: Monday, 18 May 2009 1:29 p.m.
To: Don Braid
Subject: Mainfreight and the Department of Internal Affairs

Don,

I am the Programme Manager at the Department of Internal Affairs responsible for the redevelopment of the Passport processing environment. This is a major government programme with a clear "cannot fail" directive.

As part of this programme we have just had delivered a range of equipment from Germany that will be used to "personalise" new passport books. This equipment is very delicate, very expensive and almost irreplaceable. Add to this we needed to install this equipment into existing buildings and we had a challenge.

Luckily for us our vendors had chosen Mainfreight to deliver the equipment.

My team and I have been thrilled with the professionalism, skill and attitude of your teams - both in Wellington and Auckland. They did a magnificent job - but more than that - they were great people and a great team to work with. We were thrilled and very impressed by them all and my team have asked me to pass on their appreciation and thanks for a job well done. Can you please pass on to the teams in Wellington and Auckland our thanks and appreciation.

Truly a "special people - special company"

regards
 Lew

PS I've attached a couple of photos for interest

Lew Skinner
 Programme Manager
 Identity Services Te Ratonga Tuakiri
 The Department of Internal Affairs Te Tari Taiwhenua

Now our thoughts are turning to getting the chilled processed meat back to the island - watch this space.

In Hayden Bell's words: *"The cage that we used was an old freight cage that Paul found out the back of Daily's. Lenny and Dave reinforced and modified it so that our livestock off the Island can be split into three pens with an estimate of it being able to fit around 50 decent sized ewes inside. Once the cage has been emptied and cleaned out, the pens can be broken down, roughly enabling us to fit 8 pallets inside - eliminating the need for us to run the cage back to the Island empty taking up precious space. Once on the other side, the cage can be lifted off with a tractor ready for the next load of Livestock back to the mainland."*

Speaking to the guys at Auckland Meat Processors, they commented on how no other freight company has come up with anything like it as it was the first time they seen a curtain side truck with livestock as well as general freight - guess it's another first. In saying that, having one jump off the tail lift whilst loading definitely gave a new meaning to chasing our freight."

What's New?

Livestock

Can we move live animals?
 Of course we can!

Haedyn Bell was stuck for backloads out of his

Waiheke Island run and thought, 'why not sheep!'

A call to his mates at Daily Freight and in no time we were in the livestock business.



FTL Capability

Our Full Truck Load fleet is asked to move freight of all shapes and sizes.

Great to see the latest 'Trombone' trailer which enhances our capability in the over length market; Well done FTL!



Rob Williams

Taking Customer Perception to a New Level

(Contribution from Kevin Drinkwater)

On any day at Mainfreight, Railway Lane, Auckland you will see Rob Williams in an outfit selected from his amazing clothing wardrobe, which comprises various suits and other cool, or sometimes way out, outfits. He has a look for every day.

Rob, a 13-year legend, is one of our key faces with the public when they come in to send or pickup their freight – most often TradeMe deals. So looking at the photos here you would think that Rob has a cushy job behind the desk. Well that's not the case as more often than not Rob is driving a forkhoist and lifting dirty freight (e.g second hand gear boxes) into or out of customer's vehicles. And he would have to be the happiest man alive doing this.

The interesting thing is Rob's attitude is paying off – not only are we proud of him, but his approach has been winning us new business. At least once a week Rob is ringing the Auckland Sales Team bell to celebrate a new commercial customer he has gained through creating such a great impression with the public.

He does this by asking these supposedly one-off customers what they do and finds out if there is any possibility that they may have some commercial freight at the business they work in or own. Once he gets this information he works with the sales team to make it happen. Well done Rob!

Footnote: If you sell goods on TradeMe we will come and pick them up from your door and deliver them to the buyer's door and often for the same price or less than if you were to bring them in. To try this, go to the following link <http://www.mainfreightprecision.co.nz/estimate.aspx>. You can get an online quote first.

Things to Do Better

1. Do your bit to reduce our costs – don't ask permission, just do it!
2. If it's broke – fix it! Let's use these quiet times to dramatically improve our business.
3. Reuse, reduce, recycle. Personally ensure your branch is up to scratch with its efforts to protect our planet.



Claims Performance

Outward Consignments Per Claim				Inwards Consignments Per Claim			
Branch	To March 2009	To Sept 2008	To March 2008	Branch	To March 2009	To Sept 2008	To March 2008
Chem Auckland	1663	1573	1043	Chem Auckland	2579	2345	1247
Chem Hamilton	1596	1061	1042	Chem Wellington	1953	2116	1620
Chem Wellington	1210	938	883	Taupo	1810	2194	2761
Rotorua	725	659	1216	DF Christchurch	1423	1320	1214
Dunedin	650	613	790	Invercargill	1343	1429	1616
Palmerston North	615	447	548	Chem Christchurch	1164	1079	2353
DF Wellington	611	660	566	Owens Wellington	1152	960	1772
New Plymouth	611	503	524	DF Wellington	1094	1272	1013
Blenheim	590	615	864	Chem Hamilton	1079	972	1146
MF Hamilton	581	542	412	Owens Auckland	1079	1113	2119
DF Auckland	562	577	682	Blenheim	1065	1209	1070
MF Auckland	550	517	432	DF Auckland	1020	881	968
Mt Maunganui	535	471	421	Rotorua	1005	893	1871
Chem Christchurch	496	461	658	Dunedin	942	1032	886
Owens Auckland	492	610	657	MF Wellington	937	1000	950
DF Christchurch	463	501	493	MF Christchurch	891	851	927
Total Company	461	452	462	Total Company	879	802	935
Napier	433	457	323	Napier	852	1050	871
Owens Wellington	418	403	473	MF Hamilton	843	693	865
Whangarei	374	381	404	New Plymouth	808	710	683
MF Christchurch	364	385	444	MF Auckland	803	716	1011
MF Wellington	346	349	407	Palmerston North	774	652	554
Owens Christchurch	334	410	452	Owens Christchurch	745	827	1147
Nelson	241	248	196	Mt Maunganui	706	591	907
Invercargill	172	196	203	Nelson	548	548	688
Taupo	150	190	127	Whangarei	373	270	441

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

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

- + 1% For outwards claims, over 450 consignments per claim, and 1,500 inwards consignments per claim
- + 2% For outwards claims, over 550 consignments per claim, and 2,000 inwards consignments per claim
- 1% For outwards claims under 350 consignments per claim
- 1% For inwards claims under 1250 consignments per claim

New Zealand Logistics – Craig Evans

The Logistics teams across Australasia have been inspired by the efforts of the Owens Logistics Christchurch team, winning the prestigious Branch of the Year award for New Zealand at our annual Branch Managers meeting in February.

Very little separated the two finalists, the other being Mainfreight International Christchurch, and both would have been worthy recipients in the judges' view. Collectively, this is a wonderful reflection on all the Christchurch operations that appear to spurn current economic gloom better than most.

Whilst the Owens team were consistently under pressure to achieve this result, it was their ability to maximise the profit from what was in front of them and to pull out every unnecessary cost that made them stand out above all others.



Brynley Riches accepts the Branch of the Year award from Don Braid

Enough has been said about these extraordinary economic times, with many commentators speculating about when and how we will emerge.

Right now is all that matters and the way forward is simple and unchanged:

Be the best we can be by providing extraordinary services

that will grow customer referrals, and in turn attract new business; all the time running the business as lean as we can to allow us to cost compete with our rivals.

We will continue to see consolidation throughout the business as we proactively remove operating costs, and use our extensive service offerings to gain customers in a market that is flat in new opportunities. Mainfreight will emerge a much stronger and more agile entity from these times, as we have many times before.

In the world of outsourcing we have come to the crossroads where the amount of risk involved in managing customers' inventory becomes evident. Recent economic events have triggered falling stock levels and activity, exposing the Logistics team to costs which our current pricing strategy is ill-equipped to recover. One of the many lessons learnt from these times will be a greater emphasis on achieving a balance of that risk, in the way we calculate our pricing.

Great companies or sports teams don't bask in historical results, it's tomorrow's challenges that matter to us all. Whilst previous results

are encouraging they provide no certainty for today and tomorrow. Hard decisions will continue to be made in the interests of the good people who have made large sacrifices and commitments to muscle us through these times. No less valuable are the efforts of our team's extended families who provide motivational support in our homes each night.

Stories of teams removing costs from the business by cleaning offices and mowing lawns show the spirit that made Mainfreight a great company. These efforts will have an enormous payback when the fitter, leaner, muscular business emerges in months to come.

Our Australian operations are going to be a force in a market that we have only started to understand. Significant management and facility changes have been completed. One cannot help but think with excitement of analogies of an emerging young gun sports team about to take the field.

A big thank you to you all for the toughness and professionalism you have all displayed in trying times.



Satish Prasad, Mainfreight Logistics Auckland, trials MIMS Mobile, our new warehouse inventory management system

Mainfreight International – Jon Gundy

At the time of writing we are witnessing a change in seasons here in the Southern Hemisphere. Trying to draw a parallel, we are hopeful of a similar transition in our economic climate.

All Teams go through their “Finest Hour” at a time of difficulty and it can be a defining process that sets the platform for growth. At Mainfreight International we will be presented with opportunities disguised as problems and we will need to have the right attitude to continue to provide the service required at the right cost. We are a 100 year company, and there has never been a better time to remember this when we make day-to-day decisions to assist our customers with the best possible service.

Our financial profit (EBITDA) for the year ending 31 March was 4% below our previous year. Subsequently, our benchmark for this financial year will be higher than the year just closed and we simply cannot settle for mediocrity. The strength of our business is in each of our eight branches achieving consistent customer service, focusing on cost, and working as one to help our fellow team members to achieve their combined branch targets.

There has never been a better time to cross train in another area of your branch and learn new skills that will assist you and your team. You must seek out these opportunities as opposed to waiting for your team leaders to serve them up on a platter.

Eight strong branches will translate into a strong and profitable Mainfreight International, providing great career opportunities for our team and excellent service to our customers.

Over the last six months we have seen our business grow through increased sales as a broad range of gains in the last 12 months bear fruit. The completion of our Auckland airfreight facility and a refocusing of the teams’ approach has contributed as we have attracted significant new business that will see us continue to grow our air export market share from New Zealand. Other areas where we must continue to achieve growth are the international markets to and from USA, Asia and Europe for both air and sea freight consolidations.

Auckland Airfreight

Our new custom built airfreight facility was officially opened by Bruce Plested, Neil Graham and the Board of Directors on Monday 16 March.



Wellington

Our Mainfreight/Kiwi Shipping team in Los Angeles specialises in shipping cars, car parts, jet skis, boats, motorcycles and anything auto to New Zealand and Australia.



Left to Right Rhonda Lelo, Matt Cable and Steve Curle (Manager)



A 1946 Kenworth truck was recently shipped to New Zealand by Steve and his team. It was a major challenge for the team to fit the truck into a 40' container along with another car to ship across to New Zealand. To do this they had to make a few minor modifications ... removing the body panels, bumper and external accessories, the rear outer wheels along with the front ones. The truck was then driven into the container backwards till just the nose was hanging out of the container, then the front wheels and outer tie rod ends were removed so the stub axle could be rotated 90 degrees to give clearance. A wooden skid was made so the fork lift could balance the truck and then it was driven in fully into the container.

Christchurch

Cookie Time launches in the USA

Mainfreight International Christchurch had the pleasure of assisting an iconic Christchurch company, Cookie Time, distribute their product to the USA market at the start of the year. Cookie Time began in 1983, when the first Cookie was made in a small flat kitchen and has grown to become a successful Kiwi company and a leader in its field.

Cookie Time, having experienced great service from Mainfreight in New Zealand for domestic and metro distribution, approached Mainfreight International with an opportunity to work together after negotiating a major distribution deal with General Nutrition, the United State's largest specialist retailer of vitamin, mineral, herbal and sport nutrition supplements. A new company called One Square Meal USA was formed with a 50/50 partnership with Cookie Time and Phil Keoghan's (host of The Amazing Race and well known Kiwi-born USA celebrity) No Opportunity Wasted (NOW).

It was a fantastic opportunity for Mainfreight to showcase our domestic and international strength, both in New Zealand and the United States, and assist a

successful local company expand into a massive international market. With assistance from Air New Zealand, an agreement was reached between the three parties, and arrangements made to export the first General Nutrition order worth \$1 million and equating to 36 tonnes of product, moved over 6 plane loads.

It was truly a team effort in typical Mainfreight style, with assistance from Daily Freight Christchurch, Mainfreight International Auckland and the Mainfreight International Los Angeles teams, with hard work and total dedication by all, fuelled by Cookie Time products.

Christchurch Perishables

Christchurch Perishables is full steam ahead as one perishable season rolls into another. Our team operates seven days a week, 365 days a year and mans our store from midnight four days a week which is no easy task. Without our dedicated team there is no way we could continue to grow in this very demanding industry.

Our small facility based on Christchurch airport underwent a transformation late last year with the redevelopment of the open plan loading area. This has improved cargo flow and given us the ability to load more airline units

without incurring congestion issues.

This was a huge benefit during the stone fruit season which saw a great crop of cherries exported to Asia. We take pride in our service, and in understanding the needs of our exporters – right up to presentation of the product. Daniel Hobbs (pictured below) is an example of that pride. Note the cherry cartons have the same logo facing outwards; it's the attention to detail that is the difference between Mainfreight and the others.



Dan The Cherry Man

Along with the store redevelopment we have now become customs bonded. This will allow the dry goods team to handle their imports at the Airport, giving them a competitive edge.

Live lobster, chilled fish, chilled meat and frozen products from scampi to carrot juice keep the perishable team busy all year round. You may have seen the "Million Dollar Catch" show on TV3? Mainfreight are a vital part in the supply chain depicted to the Hong Kong and Mainland China markets. The new Lobster quota season started in April and is shaping up to another challenging year for the team.

Things to do better:

- Achievement of target KPI's relative to Customer Delivery and Invoicing
- Continued growth improvement from sales
- Increased international seafreight consolidations
- Team cross training in other areas
- Continued reduction in costs



L-R: Lincoln Booth, GM of Cookie Time and Phil Keoghan

OWENS

Owens Transport – Bryan Curtis

The Owens' results for the financial year ending March 2009 were on par with last year which is pleasing given the very difficult three months of January to March 2009.

These results are before discretionary bonus and the abnormal items that Don has described in the release of our year-end figures on 28 May 2009.

In the first two months of this financial year we have continued to see lower revenue and volumes through our network and as a result have had to make very difficult decisions for the future of our business.

In May we relocated the Owens Wellington branch to the nearby Mainfreight facility.

The continuation and growth of the Owens brand is a vital part of the Mainfreight strategy. It is important that we maintain this point of difference in those areas where we continue to operate and that we vigorously defend each and every bit of business that passes through our hands. Our very livelihood depends on us achieving that.

Part of the commitment to ensuring that the Owens brand not only survives but thrives is the

recent purchase of a new tractor/crane unit based in Christchurch. This unit gives us the ability to move bigger consignments than ever before in New Zealand.

Some interesting statistics on the new brute (that's the truck by the way, not Steve the driver):

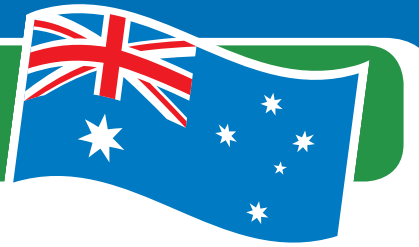
It will lift a Mainfreight or ISO shipping container out to 19 metres

It will lift 11 tonnes out to 4.5 metres



Driver Steve Noa

Australia



Mainfreight Distribution – Rodd Morgan

It is great to be able to report another year of good profitability and solid business growth. Without wishing to state the obvious, most countries including ours, are in a period where trading conditions are different to what they have been for quite some time.

It is however, very reassuring for all of us to remember that because we are so committed to offering a high standard of service, our business is well placed to withstand and in fact thrive in this kind of environment. Our deep belief that quality will overcome all challenges has never been more important than right now.

Our message to our teams at this time is that we must continue to find better and more efficient ways of moving freight through our network. Our unique system of managing freight through our depots must be fanatically driven to ensure that every customer's valuable consignment is finalised in a timely manner with a clear record of delivery immediately available.

Our cost base must be brutally scrutinised to seek savings no matter how small they may seem, and we all have to simply just work that bit harder and smarter to do more with less.

That said, and although we still have much work to do and areas in which to improve, we would like to thank all of our team for your persistence, dedication and sacrifice, which is the only reason for our continued success and profitability.

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



L-R: Helen McLeary, Paul Woollard, Micheal Hugo, Mark Price, Darren Lawlor, Andrew Smith (squatting), Wade Keft, Michael Hanko

Newcastle capped off a great year by not only beating their profit target but also picking up the coveted award of Australian Branch of the Year. This award covers all areas of branch performance that are important to us including presentation, service standards and growth.

It is the first time that the award has gone to a branch other than in one of the large Australian cities. Given Darren Lawlor's fantastic but humble acceptance speech, where he went to great lengths to thank his team, downplaying his own role and acknowledging how lucky he was to lead such a great group of people, it is easy to see the reason why the Newcastle branch is so successful.

Our **Canberra** branch is gearing up for big things in the coming year having just moved into a bigger new depot in Hume and also now having Tammie Prendergast out there chasing sales opportunities. Karney and the team have done a great job in establishing a real niche for our business in the ACT region.



Plenty of space at the new Canberra depot

Our **Metro** branches have consolidated our service offering and are now looking to really get on and grow the business including vigorously chasing new business opportunities from outside of the group. We are well positioned in this respect with strong managers and teams, good fleet development in terms of size, flexibility and experience and a real focus on new business acquisition.

We have been pleased with the good progress that our **Full Load** business has made ending its first year of operation in profit and with strong revenue growth. More importantly, we expect to double this growth and profitability over the coming year. Growth is primarily coming from leveraging existing customers within the Group but also from seeking out customers who have unusual or awkward freight tasks that require close monitoring and special equipment such as cranes.

Chemcouriers has recently celebrated its 1st birthday and we are also very pleased with the progress this part of the business has made in terms of profit, revenue growth and competence.



Mainfreight Metro at the beach

The teams have been very busy since our last newsletter, with our main focus being on gaining as much new business as possible. We have had great success in this regard with over 10 major accounts signed and trading in this period with many other customers also coming on board.

Our main point of difference is our ability to competently provide proper equipment, processes and procedures that meet all of the various codes and regulations

including the latest version of the Australian Dangerous Goods code. Keeping on top of these ever changing requirements is an ongoing challenge but it gives us a clear edge in the market place and it is this expertise that our customers demand and are willing to pay for as we are all aware of the consequences for poor performance where DGs are concerned.

We remain very excited about the upcoming opportunities for our Chemcouriers team.



L-R: Melissa McDonald, Shane Matheson, Scott Wade - Ballarat

Adelaide again made a creditable profit contribution and also had good revenue growth.

Our Adelaide delivery fleet is looking sparkling with several of the trucks recently undergoing a livery upgrade. This has really helped our profile in the market place and has been backed up by

increasing our sales representation to 3 with our sales team really keen to continue last years selling success.

In order to improve linehaul efficiency, we recently commenced using a B-triple on the Melbourne/Adelaide/Perth leg. The unit loads out of Melbourne as a B-double every Tuesday night and collects the third trailer in Adelaide the next

morning to travel across the Nullarbor desert to Perth arriving on Friday morning. It then does the reverse trip back again. This is the first road train implemented in Australia for Mainfreight and, as you can see from the photo, these units are very impressive. At over 3400 kilometers, we get great exposure along this route which is our longest linehaul leg in Australia and quite possibly the world!

The Mighty B-Triple



In **Melbourne**, we are in the midst of completing the enclosure of our existing 5000m2 canopy at the rear of our depot. This will give us 10,000m2 of lock up protection from the weather and importantly it provides a secure area for staging freight which reduces handling costs and improves depot efficiency significantly.

As part of the site improvements we are also installing several large rainwater tanks just in case it ever rains in Melbourne again and we are also freshening up the canteen.

Our **Brisbane** branch has been through a long year finding trading conditions very tough.

However, recently there have been some good signs with the team systematically targeting previous problem areas that have impacted on margin and quality with some real success. The branch is starting to enjoy better loading statistics and load quality and our cash collection has improved markedly with the help of Judy Shailer who recently transferred from our Auckland branch.

After many years on the wrong side of the financial fence, we are very pleased to advise that our **Perth** branch is showing tremendous progress in all

areas of the business including revenue growth, service quality, presentation and most importantly, profitability. This is a real credit to the Perth team as it has been a long hard battle and they have shown true commitment and enthusiasm every step of the way. With such a good base in place to build from, we are looking forward with much hope about what we might achieve in Perth over the next year.

All over Australia we are seeing lots of opportunities to grow our business in all of the areas that we operate in. Our wonderful team of people will make sure that we take full advantage of these and drive us on to bigger and better levels.



Enclosure of the Clayton canopy nears completion

Meagan Lewendon and Paul Kurczak from the Mainfreight Adelaide sales team head out to deliver apples to our customers

Logistics Australia – Mitch Gregor

In archery if you want to hit the bull's eye you don't just pull the bow and aim the arrow, there are a number of key steps you need to understand to perfect your shot safely and with accuracy.

If you have ever seen someone shoot an apple off someone's head it wasn't luck that determined the outcome, pin point precision was the difference between the roar of the crowd and a trip to hospital.

In anything we do, learning the basic fundamentals, applying them consistently, repetitively and reinforcing these always determines our level of outcome or achievement.

Passion, commitment and enthusiasm are vital ingredients.

Once we understand the concepts then improving on the level of achievement and getting closer to the target comes from commitment, innovation and application of new technology and resources.

In our Logistics business we are measured by our customers, not like in rugby on the last game we played, but on our last order picked and packed, the way in which we manage their inventory and take care of their products whilst in our care, the labelling, the packaging, and the delivery process.

It's so important in the current economic environment that the costs we charge in serving their end customers is competitive but we also make a fair and reasonable return; we can only achieve sustainability if both parties make money. These are the arrows we fire.

More than ever, we need to focus on "doing it once and doing it right". This comes from breaking things down step by step through

education, providing our team with the best tools and technology, and further developing our approach to quality, culture and profit.

Our financial results reflect a continued need to address business fundamentals head on; declining figures will be turned by shifting our approach towards fixed costs and taking accountability with suppliers, our people and most importantly our customers.

And let's make sure we have some fun.....

What are we doing to hit the bullseye in Logistics?

- Ensuring we have the right people on our bus and they are sitting in the right seats
- Attacking all costs and overheads branch by branch
- Reviewing all operations to ensure improved efficiencies and optimisation of inventory
- Reviewing our relationships with our customers, rates, cost to serve, our return on revenue, service levels and key performance indicators, and the associated risks within the environment in which we operate.
- Focusing on leadership and empowerment towards clear set goals and objectives.

In Australia we have 5 key focus points for 2009:

1. Better manage and understand our costs (knowing our costs for everything and changing our approach to our returns)
2. Review and optimise our operations (using all available tools and technology)
3. Improve our approach to sales and our customers (reviewing rates and formulas for costing methodology and ensure we are delivering on expectations)

4. Quality (do it once, do it right)
5. Culture (developing our own Mainfreight Australia culture, building our understanding of our 3 Pillars, and having some great fun).

Our team remains positive with all the changes and has bought into the need for tough decisions and a vigilant approach towards success.

Quality, Culture and Profit.

Recent times, events and milestones worth a mention;

- Consolidation has been a key focus; in the last six months we have gone from eleven warehouses to seven, a requirement if we are to provide our customers improved service and our team a more efficient operating infrastructure. This has improved utilisation within our facilities, reduced our costs and increased our ability to provide a fully integrated supply chain.
- Our focus on quality and training has meant the development of a specific inventory training module run by our training team which we are introducing at branch level for stock control, Inventory records accuracy (IRAS) and pallet management.
- As a result of our Branch Managers meeting and in conjunction with our brothers and sisters in International and Distribution, we have established monthly P.A.T meetings for our leaders we call M.A.T.E.S or Mutually Agreed Team Expectations, which is having positive results in all states in sales, operations and communication.
- Our decision to hold off hiring new team members has driven our focus on education at

branch level and allowed opportunities for team members to travel and work in other branches. Jeremy Collins and Mason Barnes have recently been deployed from Melbourne to the warmer climate of Queensland for short stints.

- We have made some positive changes to our leadership team with Jesse Gray Morgan now managing our Kewdale site in WA assisted by his right hand man Dean Williams. Jarrod Lovell has moved into our

Training/HR team to assist Martin with a new focus and Shailesh "BOB" Bhuthadia has relocated from New Zealand to assist Thomas Steel in the role of Operations Manager in our Sydney Supersite.

- We have made advanced innovations across Australasia toward our reporting functionality and Key Performance Indicators (KPIs) this has been possible through new software and application of warehouse optimisation tools.

Tools not toys as we call them, these will help us and our customers to better understand and apply efficiencies.

- The current climate is receptive to change and we have a key focus on relationship management, sales and knocking on doors. Our team is working hard at all levels on maintaining existing partnerships and new business growth. The past few weeks we have had a number of good new business gains across all states.

THE NEWS FROM AROUND THE BRANCHES

Chandon Supper Club

Guests in Sydney, Melbourne, Perth, Adelaide, Brisbane and Canberra "Painted the Town Red" in an evening of pure elegance, divine cuisine and vibrant entertainment.

Major sponsor Chandon Australia joined forces with the nation's top restaurants and chefs to enable Camp Quality to bring optimism and happiness to the lives of children and families affected by cancer through fun therapy.

Mainfreight provided support with our Logistics and Distribution services and the following is a write-up from lawyer and budding food critic Francesca Fogarty who received the invitation to attend the glamour event on the condition that she provide some feedback for our newsletter. (Fran is the fiancé of Hamish Woods, our Somerton Branch Manager).

Fran's Article

When you are trying to surprise someone with a dinner, what you don't do is let slip the street address of the venue, especially when that special someone is a seasoned foodie/celebrity chef stalker. 430 Little Collins Street? OH MY GOD! Vue De Monde! Hamish's cat was out of the bag.

What I hadn't been let in on, was that on Thursday 14 May 2009, Hamish and I were some of the privileged few guests. The function was the Chandon Supper Club Dinner Party held at venues around Melbourne, and Australia for that matter, supporting the Camp Quality charity. But this wasn't any dinner; this was a dinner at Vue De Monde, Melbourne's critically acclaimed "best" restaurant and in

the Dom Perignon room at that. A seductive, dramatic and ultimately opulent room, overlooking Little Collins Street. Magical!

Our hosts, together with the consummate professionals at Vue De Monde, took us on a smooth ride through perfection. Each course used fresh produce, sourced from local suppliers where possible.



The table setting above.....a bit different from our team lunchroom.

They were pieces of art, or perhaps even science. Broths were infused with herbs as we watched them poured over fresh Kingfish. The heat cooked it before our eyes. We were served caviar, tuna tartare, and bubble gum ice cream. But the highlight was the freshly shaved truffles,

melting through a traditional risotto; an uplifting, sublime dish that brought the room and the conversation to a standstill. A wine accompanied each of the six courses from the Domain Chandon rang, lifting each dish and complementing each distinct flavour on the plate.

Afterwards, we were escorted to awaiting Lexus cars and chauffeured to the Trust where we walked the red carpet into more revelry. The champagne was flowing; photographers, TV crews and Melbourne's finest converged to paint the town red – the theme of the evening.

A Kiwi in Australia... No Nationalism Here

It's not the same though you know. Aussie Rules ... kangaroos...prawns on the barbie.

Recent demographic studies show a large number of Kiwis in our Logistics team. Just ask Thomas Steel, Branch Manager of Prestons in Sydney from his recent stag party. Plenty of Honks!

A lot of these are young, intelligent, adventurous team members that want to combine travel and work. A growing trend as we move our global business across more and more countries.

Mainfreight is one team and we are truly going global.



Team building and morale

With pressure on team numbers and looking at the underlying differences to success at Mainfreight it's our special people which are the difference.

Ryan's Blue Blood

In our Logistics business we are always looking at new ways to get the blue blood flowing, have some fun and get the team together.



Some fantastic examples of recent team building are;

Mainfreight Pyramid (the only example of hierarchy we support)

This team pyramid is illustrated by the Noble Park team. A helpful hint, make sure you think about strength to weight ratio, and have a soft floor for landing. Do try this at home.

A Team Bakeoff

In our Prestons Site the team devised a competition judged by our celebrity guest judges from our team lunchroom Marie, Mary and Sue.

The rules were simple, the cake must be baked by yourself, judge's decision is final and winner takes all.



Best Tasting
Maria Sutton



Best Style
Rachael Pyper



Baking only a mother could love - Ray Burgess



Overall Winner
Pohorambage Nilantha 'Nilu'

Cost Savings

We are all hands on deck with regards to managing and improving our costs, and it's always good to share innovative cost savings approaches. Topping the list – Manual Container Movements (this example from Tama has meant a dramatic saving on forklifts and container swings)

Thank you to our team and the contribution you are making towards our change in direction we appreciate all you do.

It's the efforts of each and every one of you across all of our branches that will get us the results we deserve.

Ask questions, stay positive and know the role that you play in our team based on our game plan.

The next 12 months are critical in our long term vision of being the best; our customers expect and deserve nothing less.



Mainfreight International Australia – Steve Thorogood

The first six months of this year have seen many changing faces in this increasingly globalised world. In addition to the continued economic slowdown, we have seen health scares and natural disasters that show how closely the world is linked these days. It also shows how flexible and adaptable we must be to changes that take place, and in our business this is no different.

In Australia we have seen natural disasters of severe flooding in the northeast of the country and devastating bushfires in February in Victoria. The bushfires again brought to the fore the goodwill and spirit of the Mainfreight family. The support from the global Mainfreight team in clothing, household goods and money to the bushfire relief during this devastation of life and property was truly uplifting.

Thank you to all our family.

It has been twelve months since the acquisition of Halford International. The combining of teams, IT platforms, and customers, under the one Mainfreight brand is all but complete. The final pieces will fall into place with the movement in the middle of 2009 by the Sydney and Melbourne teams into new facilities. These facilities will enable the business to continue to improve our efficiency and service quality to our customers.

Our Adelaide team will also make their long-awaited move into the Regency Park site in coming months out of their temporary home.

Expansion of our partner relationships, sales growth and service capabilities in both air and

sea forwarding to and from the long haul areas of Europe, USA, Japan has continued.

The implementation of the Cargowise technology platform into our Asia and USA operations early in 2009 gives us greater connectivity and flexibility to streamline our information flows to the benefit our customers.

In early 2009 we have seen as is the Mainfreight way opportunities created. Andrew Dickie and Bruce Scott left us to take up sales opportunities within our USA operations. Congratulations to both not just on these roles they have taken on but also Andrew on the announcement of his engagement to Samantha and Bruce on the birth of his baby son Kirk.

Sydney site ready to move in





Melbourne Site under construction



Steve Anderson and the Brisbane team
(without the sales team who naturally were out selling)

We also had Steve Anderson move with his family from Sydney to take up the Brisbane Branch Manager position. Steve has settled into the branch quickly addressing the challenges of the role, and

providing leadership and direction to the team. We are enthusiastic about the change and the potential for growth in our Brisbane operation.

The garment on hangers program, run jointly with our Asia team, is now fully underway and further opportunities are being sourced.

Training

The ongoing training programme is seeing our team continuing to improve their skills and knowledge base, to ensure we keep an edge in the market.

We also continue to strive to improve our quality and customer focus. Our culture and values will continue to be held strong in our business, while we maintain our flexibility and “easy to do business with” philosophy. We must avoid letting operational constraints restrict our business.

There is still a lot of hard work ahead and together as one team we will embrace these challenges and be stronger for meeting and exceeding them.

OWENS

Owens Transport Australia – Cameron Clode

This newsletter we are welcoming you all from our new Sydney site at Port Botany.

Over the past 6 months, Owens profitability has been poor, especially in our Sydney operation. Brisbane continues to remain steady, while with the tremendous support of our brothers at Mainfreight International, our Melbourne operation is growing in profitability.

Our Brisbane team has now settled into its new site (It is hard to believe we have been there for 12 months last March). The new site has contributed tremendously to the profitability and enabled the business to offer a full service to our customers when it comes to container freight.

Our Sydney operation relocated from Chipping Norton to its new site at Port Botany.



The site is part of the Sydney Ports Authority area, with the back fence backing onto the wharf operations of DP World. The location is fantastic for our area of expertise and will see significant productivity improvements as well as excellent opportunities to gain all container work, regardless of delivery location and number of containers moved.

We are already seeing significant interest in our depot operation due to our move. Despite the current issues we have of customers wanting lower rates, we are all confident that this operation will contribute a significant profit to the Owens Australia business in the coming years.

The view from our new site at Botany – DP World in the background



Our Melbourne operation continues to grow with the support from Mainfreight International. The Owens Melbourne business now has 9 'Owens branded' prime movers. Our operations team has also grown by one to ensure the high service levels we set ourselves are maintained.

In the past 6 months we have seen two team members achieve long service awards:

Dean Ashton and John Rawling both celebrating 15 years with the Group.



Easter hat parade in Sydney

Back row: a very shy Pasqua McKay, Pasqua Riservato, John Rawling.
Front row: Kimberly McGovern & Mark Doyle



Brisbane team – Dean Ashton 15 years service award

L – R: Des Bertram, Mick Kreutzer, Sandra Ali, Melvene Costello, Dean Ashton, Niki Londy, Jamie Davis, Bob Barnham and Darren Copland

In these challenging times, we must all be accountable for our positions within the team. We should not see the current environment as difficult, but as providing opportunities to grow our business. There are many businesses in our market that are struggling and at times like these customers need confidence that their suppliers will be around for the long haul.

Let's use that as a tool to attract volumes. The Group is in a good position to withstand the downturn, still delivering a great service at competitive rates and importantly, will still be around when the 'wheel' turns.

We all need to use this time to tidy our 'backyard', ensure our processes and procedures are up to date and best practice.

We need to look at ways we do things and ensure we are operating as efficiently and cost effectively as possible. We all need to make a difference and ensure the longevity of the Owens business in Australia.

Let's get on with it..!!

Group Human Resources – Chris Meyer

Opportunity meets preparation is our mantra to keep us all focused for what lies ahead. Using this tough time to step up our training, quality and service improvements is ensuring that our customers are being kept delighted and opportunities for new business are being targeted.

Along with new initiatives, our usual programmes have been running as usual. The start of 2009 saw 16 young people receive Mainfreight scholarships to attend tertiary education. This ongoing commitment by the business, even in difficult times, demonstrates the importance placed on improving our community through education.

Here are just a few of the disciplines where Mainfreight scholarship recipients are contributing to the community; medicine, education, engineering, law, computer science, commerce, accounting, science, and the arts.

This year also saw a young Mainfreight person receive a scholarship from Murray Calder (Mike Henry Insurance) in recognition of his business partnership with Mainfreight and the value placed on education.

Outward Bound leadership courses have again taken place in the picturesque Marlborough Sounds. Prior to committing to these courses we challenged our ability to take on these costs as the measurement of the benefits are often hard to quantify. However at the heart of all the courses are five objectives: Self development, Social Development, Value, Environment and Service. With these great objectives and the participants primed with the right attitude, many benefits are delivered back to the business.

Matt Mudge, a recent participant from our Melbourne International team, had this to say on his Outward experience.

The Outward Bound experience provides both physical and emotional challenges. I discovered Trust and self belief are very strong tools for success. I realised what I needed to take home with me to lead more effectively.

My reflection time gave opportunity to consolidate my direction for my work and home life. I have a great job at an exciting and progressive company. With this foundation it is up to me to accept the future challenges and use these new skills to make mine an even greater fortunate life.



Chris Meyer congratulates Gordon Jackson of the NZ Training Team on his 25th anniversary with Mainfreight

New developments underway include a new in-house Sales Development Programme to be run in the next month for new Sales reps. Plus a nationwide customer service course called "Being Easy to Deal With" is to be rolled out in July and August. The aim of this course is to have every team member focus on making sure there are no self-imposed road blocks to providing good service not only to our customers but to each other in the business. We hope everyone embraces the theme and take responsibility for making it happen.

One of the biggest challenges the Training team has faced in the last six months has been the introduction of EDI Enterprise to China and the USA. January and February 2009 saw a combined AU/NZ Training team head to Asia. Prior to this date there had already been months of preparation and it was now time for the training to

start in earnest for the go-live date in March.

The commitment and focus of the superusers in China along with the dedication of the ANZACs saw the implementation run smoothly. To achieve this goal without any major issues is testament to the quality of the many people involved who made personal sacrifices to make it happen. Xie Xie to you all. (And "NO" Raewyn you cannot transfer there just because they made you feel special.)

Just to make sure we weren't thinking of resting, the decision to roll out EDI in the USA was made for the end of April. Again a dedicated team from NZ was sent to prepare and train the USA team. Local superusers were identified and they committed to learning the new system while still carrying responsibilities for their jobs. The personal sacrifice many of the team in the USA made to ensure everyone was trained to a competent standard was

outstanding. The system is now well in place and while there are a couple of issues being worked through; it would have to be said "they did a hell of a job" with very few issues.

The last bit of news from us is that we have been running breakfast meetings once a month, where a speaker with a specialist subject is invited to talk to team leaders / managers for a couple of hours. This is very well received as it provides people an opportunity to hear from senior management and directors about a variety of topics. For practical reasons Auckland is the only location we are running these but hopefully these could be started in other cities / countries sometime in the future.

With winter now in full swing "down under" we need to keep it from becoming a "winter of discontent". Remember to keep up the communication on all levels – it prevents rumours from spreading and keeps the morale high.

Service Achievements

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

Kevin Bradley	40 years	Mainfreight Logistics National Team
Geoff Bairds	25 years	Mainfreight Logistics Dunedin
Greg Howard	25 years	CaroTrans USA National Team
Gordon Jackson	25 years	Mainfreight New Zealand Training Team
Brian Marshall	25 years	Mainfreight International Melbourne
Tim Williams	25 years	Mainfreight National Support Team
Ken Adams	20 years	Mainfreight Wellington Owner Driver
Roy Brown	20 years	Mainfreight Auckland Owner Driver
Robin Cook	20 years	Mainfreight Transport Christchurch
John Dash	20 years	Mainfreight Port Operations
Siera Fatu	20 years	Daily Freight Auckland
Russell Jackson	20 years	Mainfreight Transport Christchurch
Maresa Kilepoa	20 years	Mainfreight Transport Wellington
Carolyn King	20 years	Mainfreight International Melbourne
Glenn Matthews	20 years	Mainfreight Transport Auckland
Bob Paterson	20 years	Mainfreight Wellington Owner Driver
Garry Semmler	20 years	Mainfreight Distribution Adelaide

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



Great smiles at Mainfreight Los Angeles

Bereavements

Graham Geary

Graham was one of Mainfreight's real characters. He brought a love of life and superb humour to the sometimes stressful job of carting containers on and off the wharf for our Auckland Port Operations branch.

Over the last 11 years he certainly saw us grow from a fledgling business to what we have today.

Graham was born in Hawera in 1948, and was in transport for most of his life. We will miss him greatly.



Louise Kerry

It was with great sadness in May that Mainfreight International Australia farewellled Louise Kerry, one of our long standing team members.

Louise joined our New South Wales branch in August 1993. During the following 16 years, Louise took on many roles within the branch.

Louise was a pleasure to have as part of any team, she had a passion for the business, her infectious personality and friendship were still evident even during her long and courageous battle with illness. Louise is survived by husband Bob and son John and our deepest thoughts and support go out to them. Louise will be greatly missed by all that knew her.

Anthony Matia

Anthony Matia, better known as Ants, started at Owens Transport Auckland on 21 June 2004 as a storeman.

Ants was a very large man with an even larger smile and a huge heart. His amicable manner made him a favourite among the teams while at work and socially.

He was the best customer at the claims sales, being a handyman at heart, and much of the family's bach was built and decorated with the goods he purchased.

In 2008 Ants was in hospital for a knee operation and on release began a healthy eating plan to shed some unwanted kilos. He joined our biggest loser competition and came in second losing 30 kg. He was so proud of himself but did miss the takeaways, which the rest of the family would still consume.

On 4 February after a couple of days in hospital Ants passed away – a team member we will all miss.



Technology – Kevin Drinkwater

Mainfreight Asia and USA

The recent implementation of the Cargowise software for Mainfreight Asia and USA means we now have all our international retail freight businesses running on the same system. Mainfreight Asia went live first when they began entering shipments in late February. They were followed in early May by Mainfreight USA.

Mainfreight Asia and their 100+ users are hosted on the same hardware and database as Australia and New Zealand. All Asian team members access the system using the internet rather than dedicated data lines, a method that has saved us a considerable amount in telecommunications charges.

We have taken a different approach with Mainfreight USA. Although they run the same Cargowise software, we have hosted their system on hardware in the US rather than in New Zealand. There are also some key operational differences between the US and our other international businesses.

At approximately 28,000 shipments a month, Mainfreight USA has significantly more shipments than all our other international retail businesses combined. Additionally the majority of shipments are within the North American domestic market rather than true international shipments. This has meant we use the system much more intensely and in quite a different way.

A considerable amount of work has been undertaken during the six months, prior to the go live, preparing both businesses to move to their new systems. There has been a huge effort by the team members in Asia and the USA, as well from members of the

Australian and New Zealand-based IT and training teams, who assisted with training and technical expertise.

Many of the Australasian-based team members spent several weeks away from home on this project. We would like to acknowledge the efforts of Gary Harrington (who assisted in both countries), Jennine Cosgrave, Raewyn Glamuzina and Renee Mesinovic who assisted in Asia, together with Julie Lowe (who spent two months on the road), Paul Derbyshire and Bern Hoani who assisted in the USA. Cindy Suggs, of CaroTrans USA, also spent several weeks on the road learning Cargowise so she could be part of the Mainfreight USA training team. We would also like to acknowledge John Eshuis (formerly of Mainfreight IT, now resident at Mainfreight USA) for his outstanding contribution in project managing and making the US go live happen.

There were also huge efforts from team members domiciled in Asia and the US. In the US we had a team of 15 trainers who had eight weeks to learn the system and then go out and train their 400 colleagues throughout the country. Most of these people spent 4 to 5 weeks on the road, on what was by far the most intensive and geographically spread training project we have ever been engaged in.

There were a number of challenges encountered, which were met equally with innovative ideas on how to overcome them. One example was the creation of several mobile training facilities complete with a dozen or so laptops, projectors, screens etc that could be packed and shipped from one branch to another in time for the training sessions at the next branch.

In Asia there were several superusers chosen to learn the system intensively and train their colleagues. This had the added challenge of them needing to learn the system from our English speaking experts and train their team in Mandarin. They met this challenge superbly!

By having so many people involved from multiple countries we have now developed a global support team. Members of the IT and training teams can now help other countries by providing out of hours support for the other country during their own normal hours. This cross border and time zone capability of our teams has led to further efficiency and service improvements.

The International businesses in Australia and New Zealand have started realising the anticipated efficiencies and improvements to customer service by being on the same system. It means, for example, that export jobs automatically become import jobs, so there is no need to re-key shipments to each other. It also means that any tracking data such as key milestones in the life of the order or a shipment are immediately available to operators in all countries.

MIMS 2

Another feature of the last year has been the completion of the rollout of our rebuilt inventory management system. MIMS is now running in 38 logistics and freight facilities spread throughout Australia, New Zealand and the USA. More importantly we now have a very good platform from which the warehousing business can add further innovative functionality e.g. expanding on the use of mobile technology (scanning) to increase our efficiency, quality and the service levels.

We began rolling out MIMS Mobile platform in April and will be using it for all aspects of the physical warehouse tasks, including inwards, putaway, transfers and picking. It is currently running live in two of our Auckland facilities and once MIMS Mobile is fully tested we will begin installing it in other warehouses in Australia and New Zealand. Initial results show a considerable improvement in accuracy and efficiency when using these devices.

New high speed cellular data networks will enable us to use MIMS Mobile in even the smallest warehouse operations. It means they we will not need to overcome the capital cost of installing the hardware for a wireless network to run scanners, as they will run fast enough using the cellular networks.

MIMS in conjunction with Mainchain, our internet portal that allows customers full real time visibility of their products, is proving to be an unbeatable combination for our customers.

While we have been proud of this technology for some time, we have been reminded of its world class offering as we demonstrate it to our USA based customers who are glowing in their praise.

Freman

Our internet based WebFreman system, introduced late last year has had continued success with attracting customers, in Australian and New Zealand, wanting to produce their domestic freight documentation more efficiently. A "lite" version, of the PC based Freman the system, it has proven attractive to customers with smaller numbers of consignments as it does not need a large outlay on hardware. For Mainfreight it means that we have even more customers electronically sending their documentation and receiving electronic updates on the status on their freight.

We continue to make special refinements in Freman for customers to enable them to be more efficient. A recent request from a customer, who uses Freman

to create both freight and courier shipping documentation, has led us to build a quicker method than the existing two screen approach – one for freight and the other for courier. The outcome has been a single screen to handle both types of shipment and with the bare minimum of data entry – the time for creating a con-note is now no more than six seconds! After analysing their business further, it was decided we could do more, so we incorporated the ability to perform rate comparisons between courier and freight modes. We also enabled the whole process to be driven by a barcode scanner with an interface to scales so each consignment is weighed and automatically updated into Freman. Now, for the first time, the customer has a single system to handle all their shipping requirements.

Get a Gadget

We have made tracking freight easier for customers using the Windows Vista operating system on their PC. They can now download a "Gadget", which contains a small program, from the Mainfreight website and install it on their desktop for direct access to tracking a domestic freight consignment in Australia and New Zealand:

<http://www.mainfreight.com/nz/Customer-Services/Freight-Tracking.aspx>

This small window pops up as a "gadget" on the customer's screen and allows them to input a consignment or container number into the reference field and see that latest status and key details of their consignment (as below).

Con. Number:	MFH01470
Origin:	MELBOURNE
Destination:	NEWCASTLE
Status:	Delivered to Newcastle.
View	
Accepted By:	A SMITH
Items:	2
Metres:	0.06
Kilos:	13.00
Sender Ref:	Ian Mavric
Book In Required:	
Book In From:	

<input type="radio"/> Consignment
<input type="radio"/> Container
Reference No:
<input type="text"/>
Date:
<input type="text"/>
<input type="button" value="Track"/>

0800 MOVEIT now accepts EDI requests from Customers

Our 0800 MOVEIT service is especially designed for customers who need goods or special packaging (eg drums) returned to them after the original consignment has been delivered. We have recently updated it to accept these requests from customers electronically. Our first customer to go live is Orica and it means they can now enter the pickup request for the return into their system and it automatically sends the request to MOVEIT. On receipt of the electronic message the system immediately creates a consignment note, pickup job in PUD and alerts the relevant branch team members of the job and its requirements. So no more need for a phone call or email from Orica – how efficient is that!

Current Conditions

The current economic environment has meant our IT teams are scaling back their development projects and other spending. We are looking for further ways to increase efficiencies for our customers and the businesses. There has been a concerted effort to have more of our customers using products such as Freman and Mainchain to improve efficiency. The IT team has also come up with a way in which these products can be installed remotely without them having to leave the office.

Our internal website, Connect, has added functionality that allows all Mainfreight team members to post any cost saving ideas and for others to add their comments. This has led to many good cost saving ideas being promoted and introduced throughout the company. The key to its success has been the ability for any team member to post or contribute to an issue and the attention paid to the ideas by Group Managing Director, Don Braid.

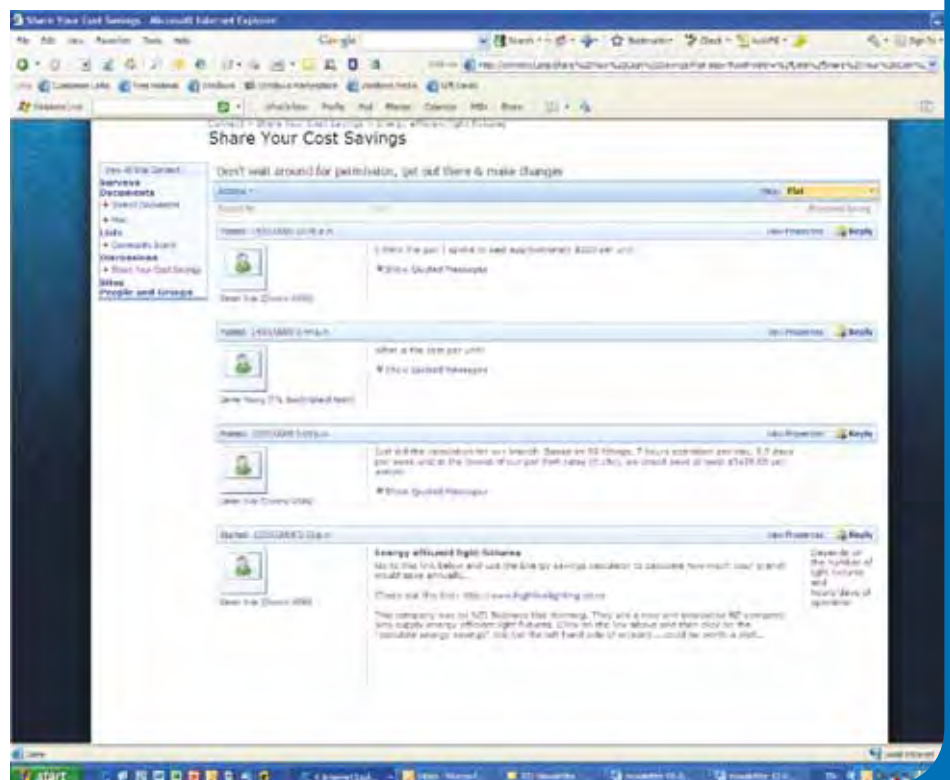
Dave Hall, from New Zealand IT explains how it has helped him.

Share Your Cost Savings Ideas

The cost savings web page has been very popular, with many of our team sharing their thoughts on how the business can save money in these tough economic times. There have been a number of suggestions put forward to IT which we have been working thru and evaluating. 1 or 2 of them have even been put into practice. Here are some examples:

Using the Internet & Instant Messaging to save costs on international communications: Skype and Instant messaging are quickly becoming common forms of communication within business. Skype & Instant Messaging are applications that allow people to communicate via voice, video and/or share files over the internet which typically means the costs are a lot less than using traditional phone or LAN lines. Our Mainfreight International Asia team as well as other individuals in our business have been using Skype as their primary form of

communication with their customers and customs agencies for many months. While the concept of using the internet to make voice calls and send messages has been around for a while and is common with many home users, it has only been recently that Skype and Instant Messaging programs have started to be used on corporate networks. Part of the reason for the slow adoption has been the many security risks, applications such as these introduce to a company network. Recent statistics show that up to 80% of computer viruses, worms and spyware make their way onto computers via file sharing using Skype and other instant messaging applications. Until recently it has been very hard to control and manage these types of programs on a network, but over the last six months or so many new appliances have been developed that allow these applications to be deployed and managed securely. Through the Cost Savings website many of our team suggested we use Skype and other applications to save money when communicating internationally.



We have looked at various options for how this might be best achieved and shortly we will be kicking off a project to trial these applications within our business. Should these solutions prove to be a viable form of communicating and doing business for our team and customers our hope is that this will translate into savings and profits for the business.

Saving Paper

Unfortunately paper wastage is always an ongoing problem in any business. We can all do our bit by only printing when necessary and recycling as much as possible. The IT team is currently working on an exercise to identify what printers within our group support duplex printing (printing on both sides of the paper). By using this feature as much as possible we will save on paper usage and lower our costs.

Telecommunications

The IT Team has recently gone through a review of our data circuit costs with Telecom for each of our branches. From this we identified several areas where we could save money for the business. Part of these savings came from discounts applied by Telecom for resigning a new three-year deal in New Zealand and Australia as well as moving most of our branches onto Telecom's newer One Office network (which we will be completing in the next couple of months). Once this exercise is complete we anticipate our total savings on our data circuits costs in New Zealand to be around half a million dollars per year. No small feat.

Australian Bushfire Appeal

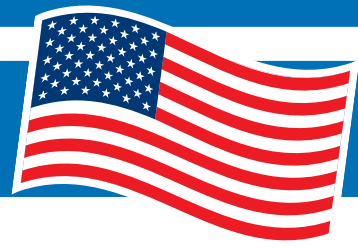
It was a great privilege to be involved in the appeal we ran in New Zealand, during February and March, for victims of the Australian Bushfires. The generosity and inventiveness of our teams was truly outstanding. Branches organised a multitude of different ways to raise money including raffles, theme days, barbecues (there was a branch which set up a BBQ blockade, selling food to passing motorists – a generous version of Ned Kelly's stand and deliver!).

From small beginnings with just a few hundred dollars in the bank in the first week the appeal took on a life of its own and we had many attempts to close the donation account just to be told there was more to come. Thank you to all of you that gave in money and / or time to contribute to this very worthy cause. Also many thanks to our customers who contributed goods for raffle prizes.

The total sum eventually collected and passed onto the Red Cross was a humbling \$28,677.96.



United States



Mainfreight USA – John Hepworth

Mainfreight Livery arrives in San Francisco

As part of showing off our livery in the USA we have provided some photos of our newest truck at famous San Francisco land marks. Expect to see more trucks in more locations in future newsletters!

San Francisco Skyline



Golden Gate Bridge



At the Home of the San Francisco Giants



Cargowise Launched in the USA

Mainfreight USA has now joined the rest of the Mainfreight family in using Cargowise as its primary software system. A decision was made in November 2008 to migrate from our legacy system (TRACS) to Cargowise. It was a daunting task to be sure, with the goal set by the Project Team to have over 350 users in 36 branches and the National Support Center trained and using Cargowise by April 2009 – less than five months after the decision was approved by the Board!

A team of 17 trainers selected from our 36 branches were brought to Los Angeles for 'Train the Trainer' training. The training was conducted by the team from our Phoenix branch, Michelle Kuhn, Greg Sutton, and Melissa Bowder. They were led by our friend and team mate from New Zealand, Julie Lowe. The project board assigned John Eshuis and Pat Kirwan the task of creating, implementing, and coordinating a plan that would allow for roll out of the programme by April 2009.

In addition to the trainers for the software, the project also required coordination and a lot of hard work by our IT groups, both in the US and NZ. Led by their champion, Kevin Drinkwater, Bruce Slawinski and his team in the US in cooperation with Gary Harrington and the IT team in NZ, were required to procure, setup, and configure all of the new hardware required in Los Angeles as well as in our 36 branch offices.

So, 17 outstanding team members, 13,858 travel and training hours, over 143,125 miles combined travel in the USA, countless hours spent by Julie, John, Gary, Bruce, and Pat making sure the backbone of the project remained strong, the USA team went LIVE on 27 April 2009!



L – R: Desiree Martinez (LAX), Talia Lamiano (ALB), John Eshuis (NSC), Gail Gilchrist (TPA), Johnathan Meyer (SFO), Bill Engelbert (EWR), Elda Suarez (NSC), Bart Whitehead (SFO), Michelle Kuhn (PHX NSC), Paul Cole (DFW), Greg Sutton (PHX NSC), Cindy Suggs (Carotrans Charlotte), Batilda Alvarado (MIA), Pat Kirwan (PHX NSC), Blanca Holliday (IAH), Kelly Walsh (SFO), Chris Meyer (MFT NZ), Rich Sobchinsky (ORD), Julie Lowe (MFT NZ IT), Mellisa Bowder (PHX NSC)

New Government Services Division

In January of this year Mainfreight USA opened a new "Government Services Division" calling on military bases and military contractors such as Boeing, General Dynamics, General Atomics and many others.

After several weeks Mainfreight was registered with the US Government as an approved military carrier with various SCAC codes necessary to qualify for these types of shipments.

This new division is headed up by Frank Crossan, Director of Government Services.

During our first five months of business we have handled close to 100 shipments across American and around the world, and list below a sample of these:

- 15 flat bed and double drop trailers in 3 days moving Humvees and light armored vehicles from California to Texas
- Replacement parts for unmanned Drone aircraft in Iraq

- Boots and gloves to various US bases in Iraq and Afghanistan
- US Navy shipments to Guam, Japan, Kuwait,
- Several flatbed shipments of aircraft parts from several US Air National Guard units across America
- Personal property shipments from Midwest bases for military personal transferring to other US bases
- Just awarded trial shipments from General Dynamics for replacement parts of armored troop carriers in Afghanistan.
- Dallas Mainfreight office just awarded IRS or internal revenue service (tax offices) \$250,000 project to transport from BOS up to 300x550 pound pallets shipments. These shipments are all air freight shipments requiring next day or second day service

As our teams learn how to sell this product we can expect the Government Services Division to be a large contributor to our business.

Mainfreight USA Enters the Perishable Arena

Newark branch handled a special shipment for our client to Singapore containing 357 5-gallon pails. 7,500 kg of temperature sensitive laboratory samples needed to travel from Buffalo, New York to Singapore. The client asked our Newark branch to pick up the shipment and maintain it at between -2° and -10° F temperatures.

Newark arranged for a Reefer truck to collect the goods and drive to the terminal in Newark where three RAP/LD9 Envirotainers were waiting and pre-loaded using 400Kgs of Dry Ice.

The shipment was immediately trans-loaded into the containers, doors closed and the cooling fans started pumping the dry iced air in. The temperature dials were set at the pre-set parameters for our client at which time our Newark team then drove them to JFK



for loading on EVA Air's cargo flight to SIN via TPE.

The shipment arrived on Sunday and our Singapore agent replaced the dry ice and the D-batteries which were running the fans.

The containers were then delivered Monday morning. Cargo was off loaded by our personnel and the shipment was signed off as safe and intact.

Newark has subsequently handled two more such shipments.

Mainfreight and Saratoga Sweets Team Up to End Childhood Hunger

Mainfreight USA has partnered with Saratoga Sweets, a candy maker in Saratoga, to help fight childhood hunger.

In partnership with the Food Network and Family Circle, The Share Our Strength organization is hosting the

2009 Great American Bake Sale® all over the country. 100% of the profits raised will help feed children. Funds raised locally stay local, supporting after-school food programs in our community that thousands of kids depend on.

Mainfreight Albany and Saratoga Sweets recently hosted a bake sale with home-baked goods made by Mainfreight Albany's team and customers, and home-made candy from Saratoga Sweets. A portion of Saratoga Sweets' profit for the day was donated to the fundraising efforts as well.



L-R: Zayac, Tracey Belgiano, Tracy Zayac, Bill Agnos & daughter Amanda

The Launch of our FTL (Full Truck Load) Division

Mainfreight USA is pleased to announce the formal launch of our own FTL division based in Atlanta. This will be headed up by Jeff Towe to assist in buying our road linehaul cheaper and develop new revenue streams through direct FTL sales. We offer services both internally and externally.

FTL will be a broker or wholesaler to our branch network. Everyone is encouraged to support this division and keep the money "in house". Brian Culver in Houston and John Dunn in Dallas have been trying this program out over the past two months and have seen large savings. FTL will also be competing in Requests For Quotes and making calls on retail FTL customers across the country.

With our independent contractors, the FTL team will work alongside them and will contact them before making sales calls in their area.

This is an exciting development as we continue to grow our business and Jeff Towe is looking for everyone's support to make this a huge success.



Jeff Towe (centre), John Freeman (right), and Matt Mayville

CaroTrans – Greg Howard

For the fifth consecutive year, CaroTrans USA delivered another record breaking result:

- Sales increased 25.9% to US \$133 million
- Gross margin increased 17.8% to \$25.5 million
- Profit before tax increased 42.5% to US \$8.3 million
- ROR increased 5.5 % to 6.2%
- Container volume increased from 49,360 units to 61,606 units

The highlights of the year were many, starting with the fact that all 12 branches were profitable for the first time ever. Several of our smaller branches delivered mighty results; most notably Baltimore, Charlotte and Cleveland.

What better way to celebrate our 10 year anniversary since joining the Mainfreight family and our 30 year anniversary since the start of operations.

Thank you to the entire team for helping make this year our best ever.

Your passion and dedication makes the difference and keep us on our winning ways. It's great to be on a winning team!

Branch of the Year Award

We had a brilliant Branch of the Year award ceremony at our combined National Sales and Branch Managers meeting held in Atlantic City. This year's selection process had the added challenge of having to choose from seven contending branches, namely: Baltimore, Boston, Charleston, Chicago, Cleveland, Miami, and San Francisco.

Commentary could be given on each of the contenders but as an overall statement, all seven had strong qualifications and the voting was close. After review of the evaluation criteria: Branch Audits, KPI's, Finance, ROR, Operations,

Sales & People Development the field was narrowed down to three finalists: Baltimore, Chicago and Cleveland.

Based on tough scoring, heated debate and very close results, the Branch of the Year was awarded to our Chicago branch. Under Jason Braid's leadership, this branch has set the bar to a higher level for all to aspire. We are delighted to see the passion of the Chicago team and the performance delivered. As written in the Mainfreight book – With Passion Anything is Possible – our Chicago team exemplifies this and earned the recognition of Branch of the Year... for the second consecutive year.

Congratulations to Jason and the Chicago team... a threepeat in '10?



L-R: Lorenzo Cometa, Andrew Weisse, Michael Forkenbrock, Jason Braid, Joe Zeno, John Lourmas



Sales Person of the Year Award

Congratulations go to Andrew Weisse - sales manager in our Chicago branch who received our prestigious Sales Person of the Year award. Andrew's outstanding performance is on the back of solid new business gained, strong client retention and excellent leadership of the Chicago sales team. He exemplifies the professionalism and qualities we expect from our sales team. Well done Andrew!

Richard Burke congratulates Andrew Weisse, Sales Person of the Year

Pickle of the Year Award



L-R: Derek Wright, Greg Howard, Lueder Bitter

CaroTrans LAX received a routing from South Africa for 438 cartons of laser hair removal machinery and parts. The shipper in Beverly Hills was located on the 2nd floor of a regular office building with no freight elevator or loading dock, so a container could not be loaded there. They were also not equipped, nor willing to assist in

the loading of their product into our truck.

Mark, Derek, and Nelson (along with our trucker - Joe Holland) volunteered to drive out to the shipper's facility at 10:30am to load out all 438 cartons into Joe's truck. They had no choice but to walk up and down the stairs to get the product from the 2nd floor to

the truck. Half way through the order, they realized that the shipment was twice as big as the shipper had advised, and that it would not fit into the truck.

They ended up having to rent a U-Haul trailer (the only one they had on the lot) to try to fit the remaining cartons, but it still wasn't large enough.

The truck was loaded full by 5:00pm, so we arranged for AZ West to stay open to wait for Joe to deliver the first lot. The rented trailer was finished loading at around 8pm and delivered around 9pm to AZ West.

Since the entire order did not fit into the truck & trailer, Derek and Mark went out the following Monday to rent another trailer and load the remaining cartons.

Mark, Nelson, and Derek (and Joe at Haul In) deserve recognition for their hard work on getting this job done. Without their help, this shipment would still be sitting in Beverly Hills and the clients in South Africa would be very hairy. Well done Mark, Derek and Nelson!

Books in Homes USA

The success of this program continues to expand. Our "blizzard of books" give-away at the Mt. Markham school district in upstate New York was greeted by nearly

500 smiling children together with their parents and caregivers. We also had members of the local press on hand for video footage to air on the evening news; this giveaway was heavily promoted in the media with the hope of

bringing public attention to our program.

Students from our US Books in Homes will partner with students in NZ schools and read the same books as well and books from



Mr. Greg Howard, CEO, of CaroTrans chats with students during Mt. Markham's 1st Duffy event

CaroTrans is recognized as a Duffy Partner before a standing room only audience during Mt. Markham's Duffy Event - February 18, 2009

each other's country. They will correspond with each other via email to exchange ideas on the books. The books read will be recorded in each student's "Reading Passport" and will also include the name of their reading pal.

We have been placed in contact with Molly Bedingfield and the Global Angels Network and we will jointly discuss ways in which her organization could be of help to our initiatives for attracting major sponsors to the program. Our team has organized a penny drive for students at each participating school district so that they can help raise money as way of contributing with a "hand up" in this endeavor.

The progress made is thanks to the dedicated work of Linda Miller and Dr Richard Quest whose commitment to improving the literacy levels of the youngsters in lower decile school districts has made a permanent mark. Visit www.booksinhomesusa.org and see for yourself.

Surf's Up for Andrew Dickie in LA



Since having cut his path at Mainfreight in Australia, Andrew has relocated to the CaroTrans LA branch to bring a bit of "Kiwi Can Do" to our sales team on the US West Coast. Originally

from Gore, New Zealand, Andrew figures that it is time Middle Earth takes on the fault lines of Los Angeles and really gets things moving. We are delighted to have Andrew part of the CaroTrans team and look forward to the contributions he will bring to our West Coast branches.

Canada Connection

In conjunction with Odyssey Shipping - our new partners in Canada - we are expanding our North American network coverage north of the boarder. Through our exclusive partnership, customers with cargo originating in Canada now have access to a connection from Canada to more than 15 direct export destinations served via the port of Montreal.



In addition, customers will have expanded destinations served via our New York consolidation center for direct sailing from the port of New York. In cooperation with Mainfreight USA, we have launched an overnight service between Toronto/Montreal and New York utilizing the Mainfreight trucking network. This new service enables us to provide an expedited service for LCL cargo transiting the port of New York.

Outward Bound ... Dean Ruffell

What can I say, it was one of the best weeks of my life, but I was glad when it was over. Now I know why everyone I had spoken with said "It was great but I would never do it again".

Sleepless nights, sleeping on the

soggy wet ground with a tarp over our heads pressed together using each others' body heat to keep ourselves warm is pretty much how we spent most nights. Oh, the best night was when we all needed to sleep together on a sail boat to which our instructor Malcolm claimed it would comfortably fit 16 grown men - he was wrong! We were given two tarps for shelter, it took us about two hours to put the first tarp up. Now that's a worry when we have several people working for Daily Freight, Owens and Mainfreight Logistics tying these things down every day! By now it was pitch black so that's where it ended. We decided that all 14 of us would fit under the one tarp, we did, but most of us slept sitting up or didn't sleep at all. We made the most of it and had one of the best nights with plenty of laughs, thanks to our buddy Squirrel.

Outward Bound was about team building, leadership, confronting your fears and dealing with things you would normally say no to. It really did push you to your limit and beyond what you thought your limit was and some of us overcame fears. For me I discovered a fear I never thought I had, heights. It was also a physical challenge for some of us which involved early morning



Dean Ruffell putting his best side forward

activities, rock climbing, long hikes and swimming in freezing cold bay waters. Oh yeah, and a nice surprise for us all to finish off with on the last day. But as a team we pushed each other through these challengers with a lot of support from all. Steve is still trying to pass the Fox.

Personally I feel I got a lot from the week, which I have already applied in my personal life and also my professional life. A few things that occurred that week has opened my eyes up and has motivated me to achieve the goals

I have set. We have all set goals and together we are working to make sure we all reach those goals. So far so good!

Our group was named McKenzie Watch and I would have to say they were thirteen of the most unbelievable, inspirational, most friendly, easy going people I have ever met in my life. I thought it was uncanny to get such a large group of people together and all get along as well as we did. Even when there was plenty of snoring, farting and other things I wish not to disclose.... And a few funny characters which always made you laugh!

At the end of the day, like I said, it was an unbelievable week and one I will never forget. The people I met on this trip were amazing and I truly hope we all continue to communicate over the years. I know I will be keeping in close touch with many and hope to have a beer with them over the years.

If people are fortunate enough to get the opportunity to participate in Outward Bound I would highly recommend you jump at it with both hands, there will be no regrets. – *Dean Ruffell*

Something Old – Something New

Joe Pimentel, our Boston Branch Manager in duet with Will Young our newest Sales Representative from Houston – Mainfreight Idol hopefuls!



Rui Is Back

We are delighted to welcome back to our New Jersey branch team Rui Miyamoto Dui as a US representative of Seino Logix - our Japanese partner. Rui first joined us in 2005 following her graduation from Ramapo College and worked with us for two years. Soon after completing her internship, Rui returned home to Japan and worked at Seino's head office in Yokohama where she was responsible for the Japan-USA trade lane customer service.

Rui's return to our team is a natural fit and a fantastic accompaniment to Yuzuru our Japanese trade sales manager based in our NJ branch.



Welcome back Rui!!

In A New York Minute

Our teams in Hong Kong and Shanghai have banded together with the team in New York have launched a weekly express all water service from Hong Kong

and Shanghai to New York. These new services offer the quickest transit time between these three key cities and bypasses the congestion in the Los Angeles gateway.

Team members from the USA sales team were recently in Hong Kong and Shanghai promoting the new service. Reciprocal sales visits to New York from sales reps in Hong Kong and Shanghai are scheduled for June and July.



Hong Kong



Shanghai



New York

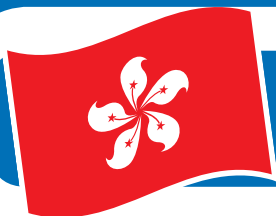
Conclusion

There's no doubt 2009 will be a challenging year by any measurement. However, this can also be a year of opportunities for our NVO operations considering the following:

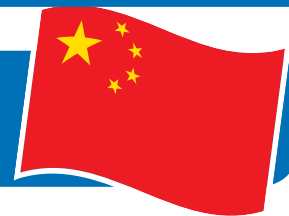
- Shippers have fewer orders which means fewer shipments / containers. And since we handle FCL and LCL cargo volumes, our range of services is better positioned to respond to the changing market environment and client demands.
- Shippers are under pressure to improve procurement which has helped us gain access to new clients with whom we've had a limited trading history.
- Due to economic uncertainty, there is increased fear among many shippers to execute steamship line service contracts, thus increasing the attraction to utilize the NVO due to the diversity of service options and alternatives.
- Gaps caused by capacity reductions and service suspensions by the carriers can be filled by the NVO's ability to offer alternatives/choices through multiple carriers.
- Due to our non asset based model, we are able to respond quickly without long, drawn out negotiations and offer end to end services.

In a recessionary economy, NVO's are uniquely positioned to help both shippers as well as our carrier partners to 'ride out the economic downturn together'. The last few months have certainly taught us that it's no longer business as usual; it is going to be more difficult for some than for others. The quick will still be in business in 2010, and as for the rest ... they will be something of the past.

Our team's on the front foot and ready to take on whatever challenges are thrown at them. We thank them in advance for continuing to show the stuff we're made of!



ASIA



Mainfreight Asia – Michael Lofaro

The team in Asia is just managing to catch their breath after a very busy and positive six months. Despite the state of the global economy over the past year or so, fortunately the market in Asia has been very positive for us.

While other companies up here are cutting back on work hours, bringing in salary reductions and in some cases laying off people, your family in Asia has been “steady as she goes” and we’ve seen growth in our customer base, product range, volumes and also our revenues; all this during a time of depressed market conditions for ocean and air freight rates.

“Why?” you may ask ... well, it’s all about the growth of our Group as a whole.

The strategic investment by our Group in new products, new operations (such as Mainfreight USA) and a focus on developing a strong global supply chain product within our own operations throughout New Zealand, Australia, and the USA, has brought about increased activity for the team in Asia.

The introduction of Mainfreight USA to the Group has had a particularly significant impact on our operations in Greater China (Hong Kong, China & Taiwan).

Our strength within Mainfreight has always been our culture of working as a team ... the Mainfreight family; and this core fundamental has been the cornerstone of Mainfreight Asia’s ability to weather the financial crisis to date.

A note of significance: Since our last newsletter, in Hong Kong and China, we have successfully implemented the Cargowise operating system (now functional in all our retail operations internationally; Australia, New Zealand and USA), thus affording our International business a solid singular operating system over the “Blue” international network. The importance of having a single platform like this cannot be overstated as it now means our customers (both internal and external) have a transparency of data that allows us to offer even better service to our customers and affiliated service providers.

We cannot thank enough the dedicated “Implementation Team” who worked tirelessly in getting this project from “infancy to success”. The most exciting factor here is this is the first time within Mainfreight’s history that we have taken on a major IT project in a non-English speaking location ... no easy feat.

Special thanks to ALL our team in Asia as well ... great job ... your acceptance of this change and your “just get it done” attitude during the project was a credit to you all and a reflection of your Mainfreight spirit! It’s hard not to recognize the historical significance of the success of this project without getting a little over



A couple of our ladies from Guangzhou (Angela Wang and Judy Liu) having fun at last year’s end of year party (or Annual Dinner as we call it locally) held in Shenzhen, Southern China. ... we had a fantastic time. Team members travelled south from Guangzhou, and our Hong Kong team crossed the border into Shenzhen to attend the function. We had guests from France, Australia and the USA with us, and also we had a Talent Show ... fun and crazy performances were definitely a feature of the night!

the top with the words we use.
Bloody Marvelous Effort!!!

Using the strength afforded us by the Group's growth, and coupling this with a strong commitment to sales and development, we have also invested in markets that were traditionally not "high focus" for us. We have developed new products (two way trade) with Germany, the UK, South America (particularly Chile), and also Inter-Asia, with markets being opened between our own offices in Greater China and also with Malaysia.

For the next six months our focus will be on managed organic growth within our group activities and to continue to develop our new

products and gain further market share in all our activities.

We will also still be driving towards our commitment to open up two new branches in China, stay tuned!

These developments offer an exciting opportunity for growing our business and further protecting us against market changes and economic conditions, but more importantly, we can now go to our existing customers and offer the Mainfreight "Special" brand of service to more markets.

We all have a long hard road ahead to fulfill our pledges for this current year, and as a family we need to work together to ensure

we get through these times, make the required sacrifices, and come out the other end even more successful than we otherwise would have been... something your family in Asia are sure we will be able to do together.

Onwards and upwards team, there are no limits!



Back row (L-R) : Ivy Chang (張玉如), David Shiau (蕭南邦), Tom Donahue, Melody Liu (劉屏瀾),
Andy Jou (周清元), Emily Chen (陳苑琪), Allen Tseng (曾晉億)

Front row (L-R) : Adelina Chen (陳貞妤), Jenny Chen(陳秀玲), Sylvia Tsai(蔡叔芬), Tina Chou (周春暖), Candy Lee (李宜璇)

Part of our development comes from regular visits by team members to various international offices. These visits entail long stressful and grueling days on the road building business relationships and building team camaraderie across the globe... here we have Tom Donahue of Mainfreight USA visiting our enthusiastic team in Taipei... funny, he does not look too stressed to me! Must have been the start of his trip?

Mainfreight 亚洲

经过忙碌充实的六个月，亚洲的同事终于有喘息的时候。虽然全球经济仍然衰弱，但是我们对亚洲市场仍是抱有很乐观的态度。

正当其它公司受裁员减薪影响时，亚洲区。在市场萎缩的情况下，亚洲区的客户、航线、货量及收入仍有增长。这全靠着集团正确的领导发展方向。

从航运多元化到海外拓展业务（如Mainfreight美国），集团决心建立一个强大的全球物流供应链分布于新西兰，澳大利亚以及美国，而亚洲（香港、中国及台湾）业务的增长正是受益于集团的投资策略。

我们的企业文化就是团队精神。这是我们的优点，也是Mainfreight亚洲可以抵御金融风暴的要素之一。

在香港及中国，我们已成功建立了Cargowise操作系统。此系统在澳洲、新西兰及美国的零售业务也已开始运作。这是我们拓展业务重要的一步。这个操作平台让我们更容易掌握客户资讯，从而为客户提供更优质的服务。

在这里，我们要非常感谢”系统方案小组在亚洲成功建立这个系统中付出的辛勤劳动。这是一个不平凡的记录，因为这是集团首次在非英语为母语的地区推行这样的大型IT项目。

同时我们也要感谢亚洲区的每一位同事，你们不惧改变以及认真处事的态度值得嘉许，并贯彻了Mainfreight精神。做的漂亮！

凭着集团网络对销售和市场发展方向的坚持，我们已拓展了以往非主流的市场，新航线包括由大中华及马来西亚往来德国、英国、南美（特别是智利）及亚洲区内。

未来半年我们会集中巩固集团业务，同时继续发展新航线，以及扩大市场占有率。我们也筹备成立两个新的国内分部，请静候我们进一步的消息。

这些发展的机遇一方面可以扩大我们的生意，另一方面又可以减低市场转变以及经济逆转时对我们的影响，最重要的是我们可以向现有的客户提供更多元化的服务。

最后，要达到今年的利润承诺，我们面前要走的路还是很长很艰难的。我们需要团结一致来努力渡过难关，在必要的时候要勇于牺牲来取得成功。

兄弟姐妹们让我们继续前进，发展无极限!!



The Hong Kong team gathered to say a special "goodbye and thank you so very much" to Sylvia Tsai (centre front) for all her years of dedicated service and support ... we are going to miss you "Big Sister"

Feedback



Christchurch East School

311 Gloucester Street
Christchurch 8011

Telephone: 3 3
Fax: 3 3

"THAT EACH CHILD SHALL MEET WITH SUCCESS"

03 June 2009

Mainfreight Limited
PO Box 14-036
Panmure
Auckland

Dear Sir/Madam

Thank you for the boxes of fresh Hawke's Bay apples that were delivered to us last week.

The delivery coincided with the running of our school cross-country so we decided to give each child an apple as they crossed the finish line. The crisp juicy apples were thoroughly enjoyed by all the children.

The support you give us through the Duffy books sponsorship and all the other things you do for our school is really appreciated.

Yours sincerely
Mike Agar

Principal
Christchurch East School



28 April 2009

Mainfreight Logistics Australia

To all concerned;

We would like to extend our sincere gratitude to all the members of staff at Mainfreight Logistics Australia for going the extra mile over the past few weeks. We understand that there have been a few challenging weeks recently, and we want you all to know how much we appreciate the hard work!

We could not have asked for a more helpful team of people to assist in getting our stock out in a timely manner.

A special thank you to the following people who have always gone out of their way to help and accommodate our requests: Jennifer Portlock, Raquel Di Maggio, Pauline Marsh and Aladin Basic, Fiona Trebilcock and Susie Meechan.

I know there are so many others who have helped who we do not deal with directly, thank you to you as well; your help is greatly appreciated.

Yours Sincerely,
Lisa Patterson,

Allberry House.
Mount Maunganui, New Zealand.

From: David Payne
Sent: Monday, 27 April 2009 8:06 p.m.
To: Mark Newman
Subject: Re: Merida RideNZ
Hello Mark,
We are on the final week of our ride from Cape Reinga to Bluff. Tonight, Monday, we are in Oamaru and head to Dunedin tomorrow.
Our plan is to finish in Bluff on Friday.

All going extremely well.

Interesting the difference between truck drivers. Mainfreight rank as "Good" drivers and logging truck drivers as "bad"! We have been ranking drivers by how much space they give us and how "courteous" they are. Your guys are good.
Thanks for your help.

Regards,
David

=====
On Thu, Apr 9, 2009 at 2:36 PM, Mark Newman <mark@mainfreight.com> wrote:
Hi David,
SMS message has gone out to all of our FTL trucks
Expect some toots!
Good luck
Mark

=====
From: David Payne
Sent: Tuesday, 7 April 2009 3:37 p.m.
To: Mark Newman
Subject: Merida RideNZ
Hello Mark,
Just a courtesy e-mail to let you know that the ride starts this weekend from Cape Reinga. I have attached the schedule for your information.
Will confirm with you that we have started on the Sunday/Monday and give you updates as we go.
Thanks for your support.....momentum is really growing with it now.
Regards,
David Payne



Feedback

Mainfreight,

16 December, 2008

Dear Jane,



On behalf of William Colenso College, I would like to thank you for your continued support of the Duffy Books in programme at our school. Without your wonderful contribution, we would not be able to continue to break the cycle of "booklessness" in our students' homes.

We have had some wonderful and entertaining Role Model visitors this year, such as Linzi Malley from Havelock North; (co-rally driver); Mr. Russell Fairbrother, (local M.P.), our School Leaders, and Maia Tuah Davidson, (a rugby player for the Kiwi Ferns). These people talk about themselves

It is very rewarding for me to be part of this team, seeing students exposed to books, meeting strong role models for inspiration, and passing on the Duffy Motto. It's cool to read! It's cool to achieve!

It is very gratifying and rewarding for our students to see and experience these assemblies, and to be able to relate reading with it. The pleasure on their faces when the Duffy boxes arrive at school is truly humbling.

The winner of the Mainfreight award for Excellence in Attitude went to Phoenix Simonsen from year 8.

Thank you very much once again for your support.



Best Wishes to you and yo

Sandra Cunliffe,
William Colenso College,
Arnold Street, Napier.

Christmas spirit back at rest home

By SAM MCKNIGHT

CHRISTMAS is back on at the Rose Lodge Rest Home after southern generosity stepped in to replace the Christmas lights stolen last week.

Tricked by the actions of the thieves, Mainfreight Invercargill manager Harry Reynolds said there was only one thing to do, to give them some more lights.

"It's just disappointing that some big, or little, low life would do this at all."

But Mr Reynolds was not alone in sharing the Christmas spirit after news of the theft broke.

Lodge activities co-ordinator Judi Holland said some children also responded.

Eight-year-old Charlie Stewart and his twin brother and sister 3-year-olds Ben and Ariadne dipped into their own pockets to give what they could to restore some yuletide merriment to the home.

Charlie said he was so angry with the people who stole the lights that he went out and bought his

own. The children also gave \$1 each from their pocket money.

The Curtance family children, Monique, 8, Natalia, 12 and Grace, 7, also gifted some lights to the home after taking a dim view of the theft.

Ms Holland said it was pleasing for everyone at the home to see some good come out of a disheartening situation.

The new lights, however, would be positioned out of reach of prying hands from now on, Ms Holland said.



You light up my day: Rose Lodge Rest Home resident Nessie Young is excited that Invercargill Mainfreight manager Harry Reynolds has donated replacement Christmas decorations to the lodge, after thieves made off with their last set last week.

Photo: J.L. McALEER (14311)

Thursday, 11 December 2008, p. 2

Feedback

68 Salford Street
Newlands
Wellington 6037

Mark Newman
Mainfreight NZ
P O Box 14038
Panmure
Auckland

22 January 2009

Dear Mark

I would like to draw your attention to what can only be called going the extra mile by Mainfreight, in particular Shane Michalick.

I work for Colgate Palmolive as the Customer Services Team Leader and in that role I deal with Shane and Mainfreight on a daily basis.

On Thursday the 15th of January I drove up to Hamilton. I was there to go to the Big Day Out the following morning in Auckland. At around 8pm or maybe even later I realised I'd left our 3 tickets inside my house back in Wellington.

After the initial panic I called Shane and asked him if there was anything he could do for me around getting the tickets to Hamilton. Shane went straight to work seeing what trucks were where and called me back saying if I could get the tickets out of my house quickly he'd be able to get them to Auckland Daily Freight which is right opposite the Big Day Out venue. I enlisted the help of a neighbour to break into my house (and arrange a glazier afterwards) and then Shane picked up the tickets and did the rest.

In the morning I drove to Auckland and went to Daily Freight and sure enough my tickets were sitting there waiting for me.

I've always enjoyed dealing with Shane but on this occasion he really bent over backwards to help me fix a rather foolish mistake on my part.

Mainfreight truly saved me and I very much appreciate it. Shane is an asset to your company. I am fully aware a lot of people wouldn't have been so happy to give up their private time to help someone out and I couldn't have asked for a more obliging reception or a better result.

I thought you might be interested to hear about this.

Yours sincerely


Andrew Button
68 Salford Street
Newlands

From: Alan Leckie
Sent: Thursday, 9 April 2009 11:40
To: Owens CHH
Subject: Owens Group driver comment

Good morning,

I am writing to comment on the driving of an Owens Owner Driver as I returned to Christchurch last night at around 8.00pm. I am a very careful driver; in fact I dislike driving long distances, but was taking a visiting Chinese scientist on a tour of Berwick Forest in South Otago.

Over the three days of the trip we had seen some driving that was of poor standards through to some of a very high standard. I followed an Owens Group vehicle (Number of the truck 7452, number of the trailer M835E, driver's name Ronnie) for quite a distance from around Ashburton through to Sockburn.

As I would expect from a professional driver, I saw every driving practice of Ronnie followed to the letter of the law and to the conditions that we faced. The weather conditions varied from constant rain to no rain and the roads varied from normal to under repair. The vehicle was maintained in the correct position on the road at all times.

After finding myself behind Ronnie and seeing that the driving was of an exemplary standard I followed at the correct distance through to Christchurch.

The standard of driving displayed should be an example to all.

I do not make these types of comments enough, so you can understand how the standard of driving impressed me.

Regards to you and Ronnie

Alan Leckie
Researcher, University of Canterbury

Speech

I'd like to thank Duffy books 'n' homes because I've been receiving your books since I was five. This year is my last year at Glendene as a student and in New Zealand as a citizen because I am moving to Down under next year. I remember a piece of paper in the library that read something like: IN A HUNDRED YEARS FROM NOW IT WILL NOT MATTER WHAT KIND OF CAR I DROVE OR WHAT KIND OF HOUSE I LIVED IN BUT THAT I WAS IMPORTANT IN THE LIFE OF A CHILD. And I would like you Mr. Babbington and the Owens transport team to walk away knowing you WERE important and more in my life. You helped me be an accomplished reader. Which will come mighty handy when I become an accomplished writer. So I owe it all to you. And also thank you for 6 great years.

Neishum Lopati

Feedback



17 December 2008

Haedyn Wicks
Sales Manager
Mainfreight
Box 30-609
LOWER HUTT

Dear Haedyn

Now that the official results have been declared and the 2008 general electoral process has been completed, I am writing to thank you and your colleagues for the tremendous support that you have given us.

I am particularly thankful for your willingness to 'pull out all the stops' to ensure that the Chief Electoral Office was able to deliver a quality election in 2008.

Kind regards,

Yours sincerely

Robert Peden
Chief Electoral Officer

11/06/09

Dear Mainfreight

On behalf of Bairds Mainfreight I would like to thank you for sponsoring my school. It has allowed us to buy books for kids which encourages them to read. On reading it will help them in the future to find a career later in life. You've given us books such as 'The Boy Who Swam with Piranhas' for us to give out. Duffy Books is really amazing. It's about our country being good. Christmas awards. This year I had the chance to receive a Duffy Book because of my good behavior. It was a great lesson in friendship between the two books. So once again thank you so much.

Regards, Jeremiah (Year 6 from 08)



Name: Jeremiah

Age: 10

Best Subjects: my soft subject is netball.

Favourite Book: my favourite book is 'The Boy Who Swam with Piranhas'.

Hobby: my hobby is Golf.

Feedback



26 May 2009

The Manager
Mainfreight
129 Gracefield Road
Petone
Lower Hutt

Dear Sir/Madam

This letter is to thank the awesome team at Mainfreight for the three boxes of apples that arrived at our school yesterday from your Tollemache Orchard in Hastings.

At Epuni School we promote healthy eating everyday and our children will be just delighted to have the apples delivered to their classes.

We are very appreciative of this kind gesture and ask that you pass on our thanks to all the Mainfreight personnel involved.

Many thanks

Bunnie Willing
Principal

From: Pip Somerfield
Sent: Monday, 23 March 2009 11:40 a.m.
To: Grant Smith [MFT AKL]; Donna Sim [MFT AKL]
Subject: thank you

Dear Grant and Donna
Thank you so much for a wonderful week with Mainfreight last week.

I feel very privileged to have had the opportunity to meet with you and your teams to show you how our organisations work together for the good of the children. It may sound like a cliché but it's true. I know that the support Life Education receives from Mainfreight ensures that we deliver the best programmes to as many children as possible. Your lovely Jason Street is of course our hero, the best driver in the world!!

We thoroughly enjoyed the sessions and were lucky to see so many of the staff throughout the week. The more hard-hitting programmes on substance abuse were appreciated by staff to give them more information about what children are exposed to these days. You know, the more information people have, the better choices they make, doesn't matter how old they are! (I learn something new every day, and it's usually from the kids!).

We stand firm on our philosophy of making children feel special and unique, showing them how amazing their bodies are, and encouraging them to respect each other and the environment.

I truly hope we can work together again in the future and should you need ANYTHING from us at all, please do not hesitate to ask.

Many thanks again,

Pip and Harold
PS We are missing you very much and Harold is trying to steal my Mainfreight shirt - silly giraffe!

Educator, Auckland Central Life Education Trust
www.harold.co.nz



Just in case you thought we'd given up ...

30 June 2009
Letter to Hon John Key, Hon Steven Joyce & Hon Bill English
Page 2

Your action to remedy is required.

Yours faithfully
Mainfreight Limited



Don Braid
Group Managing Director



30 June 2009

Hon John Key
Prime Minister
Parliament Office
Private Bag 18888
Parliament Buildings
WELLINGTON 6160

Hon Steven Joyce
Minister of Transport
Parliament Office
Private Bag 18888
Parliament Buildings
WELLINGTON 6160


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Hon Bill English
Minister for Infrastructure
Parliament Office
Private Bag 18888
Parliament Buildings
WELLINGTON 6160

Dear Prime Minister and Ministers

We write to you to further express our frustration and to offer our thoughts regarding the infrastructure asset KiwiRail and its relationship and work practices with the previous owner, Toll.

Despite assurances and plenty of platitudes it is our belief that Toll is still enjoying freight pricing from KiwiRail that is substantially less than its competitors, if not the original rate structures they enjoyed prior to the purchase of Toll Rail by the Labour Government.

This is a material issue for the freight industry in New Zealand and must be rectified so as not to contravene the Fair Trading Act.

The current KiwiRail board and management are actively resisting any dialogue on the matter, and are refusing to make the rate model transparent on the grounds of commercial sensitivity. In doing so they are failing to recognise KiwiRail's obligations as a monopoly.

As an entity that is clearly in need of enhanced revenue and resources, the failure to eliminate this subsidy to a major Australian transport company is disappointing, if not negligent.

Transparency of such pricing has always been a contentious issue. In the original agreement between the Crown and Toll during the acquisition of Tranzrail in 2002, pricing transparency was a key condition. Some seven years later it remains unresolved.

If this Government is serious about developing a rail network that meets its return on capital and provides New Zealanders with a freight strategy and infrastructure capable of meeting our freight requirements into the future, it is time to get the basic fundamentals correct.

MAINFREIGHT - GLOBAL LOGISTICS

Supporters of

Books in Homes





Mainfreight Director, Don Rowlands, presents Mrs Muriel Cruickshank, Mainfreight Shareholder, with a bouquet of flowers in celebration of her 100th birthday earlier this year.