

MAINFREIGHT

NEWSLETTER DECEMBER 2015



**Hamilton:
from this...**



...to this!

MAINFREIGHT TEAM REVIEW



Managing Director's Comment

Welcome to the end of year edition of our team's newsletter; a biannual publication where our people from around the world can share developments and achievements with each other – but also with our customers and shareholders, so that you are able to better understand our business.

We are now almost three-quarters through our financial year, with peak season freight volumes being experienced in our businesses across the world. This is the time where all our preparation and training must be used to good effect, to provide our customers with the best levels of service our business can muster. For it is particularly at this busiest time, when our ongoing level of quality is the difference between us and the others, importantly, the difference in our customer satisfaction levels.

During the past 12 months, we have continued to invest in new facilities, in more people, in developing new operating software, and this all comes at a cost which we must look to recover through increased sales and better profit returns.

Our financial results for the first six months of trading to 30 September 2015 have been released to the market and to you all. Good sales growth and maintaining our gross margins were highlights, but these have been overshadowed by the escalation of our overhead costs.

Everywhere in our business, in every country and every branch, we need to manage our costs far better than we have. Our Branch Managers are in control of these costs and by working with our teams we are sure each branch can identify waste, and costs that we can eliminate. We urge everyone to adopt a far more prudent approach so that we can continue to

grow our capabilities around the world, and to extend our record of increasing profitability.

Often these savings will be in front of us: too many forklifts, extra labour costs, electricity (turn lights and appliances off when not in use), better management of our stationery, telephone and computer costs; small amounts but if we get them right, the larger areas of cost in our business will follow suit, and our profitability will improve.

Our sales revenues increased 13% in our first six months of trading (compared to the same period last year), and a lot of this development has come from our Air & Ocean operations around the world.

The strengthening of our global network is a key strategy for our business, where trading between ourselves ensures that levels of service meet our customers' expectations, and allows us to further develop supply chain activity, thus giving the customer access to our land-based activities in each region, utilising our domestic networks and wonderful world-class logistics facilities.

Our domestic business units in each region require more sales activity - and how better to achieve this, than

to develop the range of benefits provided to existing customers from our other divisions. Please work hard to cross-sell our full range of services.

This is a busy period for all our teams. To each of you, thank you for your efforts and the amount of work each of you is putting in to get the results we need. Please maintain our disciplines and work hard on our culture; upholding these is the secret to our success.

Speak up wherever possible; we want ideas, suggestions and your thoughts and innovations to be at the forefront of how we operate. Wherever you encounter bureaucracy, stamp it out, make decisions quickly and efficiently, and don't let the red tape strangle us.

Decision making at branch level is one of our secrets. Let us not lose this key differentiator and contributor to who we are.

Have a great holiday season, wherever you are in the world. Enjoy time with family and friends; rest, relax and refresh where you can, and we look forward to a continuation of our exciting growth through 2016 and beyond.



New Zealand Forwarding – Carl George

This past year we have seen a number of both challenges and positives within the Domestic business in New Zealand.

After another busy 2014 Christmas period, the volumes continued through February and March with consignment numbers moved similar to those in December. This is unprecedented, and resulted in a very prolonged busy period in what is traditionally a time when our branches have time to take a breath.

As the new financial year has progressed, we have focused on ensuring our service delivery to our customers meets expectations, and that every branch prepares well for the upcoming Christmas period, and even more importantly the New Year period, should volumes continue to remain high as we saw this year.

Our half year results to the end of September reflected the realisation

of costs associated with our two newest (and largest) facilities in New Zealand; Hamilton and Christchurch. Pressure on profitability has also come from a softening of volumes in certain areas of the network, along with operating costs creeping up. Plenty for us to focus on in the second half of the financial year.

On a positive note, we have seen some fantastic work done across our Mainfreight 2Home business, especially by the Christchurch team, who effectively started from scratch 18 months ago. Concentrating on service and strengthening our network, slowly but surely the weekly profit results are showing what hard work can achieve.

Our Metro teams in Auckland and Christchurch, whilst they still some way to go, have made good progress towards having a sustainable and service-orientated product, with the

new Hamilton and Christchurch branches making strong steps towards recovery after their move to new facilities this year.

We have had 450 new customers begin trading with us to September this year, resulting in a strong revenue increase compared to the same period last year.

The continued development of our new Mainstreet Operating System continues with a go-live date set for July 2016 in New Zealand.

This year we re-introduced the Chemcouriers TQM (Total Quality Management) training which for many years really brought together the specialness of what this business is and what it stands for. We expect to see similar benefits as those achieved by Mainfreight 2Home TQM's nationally as this business goes from strength to strength.

Things to Think About in 2016

1. Hunt new sales revenue; everyone in your branch is a sales person.
 2. Be really frugal with costs in your branch. Question the need for everything that costs money, and make sure your whole team joins the movement.
 3. Continue to talk Health & Safety, and make sure your team takes personal responsibility for their actions every day.
 4. Deliver our customers' freight in full and on time, as we promise.
 5. Show ambition in your career. The business is starving for future leaders to step up and take the reins; make some noise!
- It goes without saying, each year the days get busier, timeframes to move freight get tighter and finishes get later.

Thank you to everyone who has dug deep for the business this year to ensure the freight gets through.

To all the families who continually support us, thank you – we couldn't do it without you.

Have a special Christmas and a wonderful New Year.



Rugby World Cup Corner

As this year's Christmas newsletter went to press, the mighty All Blacks rugby team claimed back-to-back titles at The Rugby World Cup 2015, held in England.

All the NZ teams got in behind our boys to add some support.



The team at Mainfreight Auckland decked out in Black!



Not sure how Jamey Stephens (right – Mainfreight Rotorua) snaked in here, but has his hand on the Cup with All Black Prop Ben Franks after the game.



The FTL team in Tauranga blacking out the office
Chaddy your shirt's looking a bit tight son...



All Blacks - on a Mainfreight trailer, towed by Wayne Robertson (Metro Christchurch) ...ready for their Champions welcome parade in Christchurch



"Porto" in the All Black Daily Freight Unit, doing a planned drive-by at Hoon Hay School in Christchurch to support the kids' "All Black Day".

Blenheim Wine

Our Blenheim team, in the heart of Sauvignon blanc territory, have over the last couple of years, established a container operation for movement of packaged and bulk wine between vineyard and port for export.



Thanks to our owner driver Robert McGowan for the fantastic work done here

2Home Dominance

The last two years have seen some amazing growth for the Auckland 2Home team. The original move (Stage 1; 2014) was into one of our long-standing competitor's old facilities and (Stage 2; 2015) taking over the entire building.

The team as you can see are already eyeing up (Stage 3) - Well Done!!



Mainfreight Christchurch Branch Opening

The spectacular Christchurch Transport and Logistics facility was officially opened on 27 May 2015 by some very special people.

A great evening celebrated by team, suppliers and our great customers.



Our Legend "Grumpy" with All Blacks Andy Ellis, All Black Captain; Richie McCaw and newly crowned "World Player of the Year"; Dan Carter, unveiling the "Rock"



Claims Performance

| Outward Consignments Per Claim | | | | Inwards Consignments Per Claim | | | |
|--------------------------------|--------------|-------------|--------------|--------------------------------|--------------|-------------|--------------|
| Branch | To Sept 2015 | To Mar 2015 | To Sept 2014 | Branch | To Sept 2015 | To Mar 2015 | To Sept 2014 |
| Chem Auckland | 2131 | 1811 | 1782 | Wanganui | 7320 | 8584 | 6800 |
| Palmerston North | 710 | 937 | 1253 | Chem Auckland | 3857 | 2504 | 2143 |
| Dunedin | 656 | 601 | 629 | Chem Christchurch | 2494 | 1315 | 1415 |
| MF Hamilton | 635 | 843 | 789 | 2Home Auckland | 2145 | 2036 | 1601 |
| Wanganui | 566 | 1149 | 1172 | Ashburton | 2050 | 3557 | 2928 |
| Rotorua | 561 | 554 | 580 | Rotorua | 1639 | 1681 | 1848 |
| Owens Auckland | 551 | 554 | 522 | MF Auckland | 1440 | 1693 | 2044 |
| Napier | 474 | 547 | 473 | Palmerston North | 1432 | 2045 | 2311 |
| DF Auckland | 468 | 379 | 450 | DF Auckland | 1430 | 1117 | 1870 |
| New Plymouth | 454 | 635 | 530 | Taupo | 1396 | 1875 | 2929 |
| 2Home Auckland | 426 | 403 | 310 | Blenheim | 1244 | 1798 | 1494 |
| Total Company | 412 | 471 | 473 | Thames | 1139 | 1400 | 1149 |
| MF Auckland | 405 | 594 | 579 | MF Christchurch | 1068 | 1660 | 1369 |
| Blenheim | 401 | 488 | 371 | Owens Auckland | 1015 | 1268 | 979 |
| Invercargill | 393 | 444 | 525 | MF Wellington | 1009 | 1177 | 1565 |
| Owens Christchurch | 359 | 399 | 344 | Total Company | 895 | 1138 | 1231 |
| Whangarei | 350 | 359 | 379 | MF Hamilton | 886 | 1298 | 1646 |
| Mt Maunganui | 336 | 568 | 709 | Napier | 832 | 1120 | 993 |
| MF Wellington | 322 | 384 | 423 | DF Christchurch | 831 | 755 | 845 |
| Thames | 322 | 669 | 402 | Owens Christchurch | 824 | 1135 | 1038 |
| 2Home Christchurch | 306 | 325 | 230 | New Plymouth | 790 | 929 | 1118 |
| DF Christchurch | 283 | 297 | 302 | Invercargill | 593 | 921 | 807 |
| Taupo | 258 | 311 | 388 | Mt Maunganui | 576 | 1110 | 1299 |
| MF Christchurch | 244 | 274 | 289 | Whangarei | 547 | 849 | 1045 |
| Chem Christchurch | 242 | 937 | 1317 | Dunedin | 502 | 660 | 713 |
| Ashburton | 227 | 513 | 559 | 2Home Christchurch | 447 | 438 | 398 |
| Nelson | 174 | 237 | 257 | Nelson | 349 | 408 | 425 |

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 650 consignments per claim, and 1,500 inwards consignments per claim
- + 2% For outwards claims, over 750 consignments per claim, and 2,000 inwards consignments per claim
- 1% For outwards claims under 350 consignments per claim
- 1% For inwards claims under 1,250 consignments per claim

A more rigorous methodology has been introduced, and applied to these statistics to improve clarity and visibility.

New Zealand Logistics – Craig Evans

The financial results from New Zealand Logistics this year reflect the abnormal costs of commissioning our new facilities and the disruptions associated with this. We believe the end will prove to justify the means, and we are moving quickly from under the financial shadow, and will start delivering on the substantial investment made for the future.

We can be satisfied that we have gained good ground in instilling improved levels of service even while dealing with the many distractions throughout the year. For that we proudly recognise the team's determination to push through a challenging period. The next step for us all is to focus on personal development, and to support all our team members who have the drive and ambition to get ahead, fuelled by the desire to participate in an increasingly sophisticated business.

We know it can't happen if you want to be a tree and hope to grow standing still, all you will know is the ground you stand on; challenge yourself, be active, inquisitive, and seek self-improvement. How? Extend yourself to learn new skills, hunt out more responsibility, and create your



Impeccable housekeeping is the new normal for Logistics

own personal value to the business through effort and not expectation. That's how.

We congratulate and acknowledge our team members who have decided to take control of their own worth and contribute to an ever-growing pool of talent. To all those that have made these strides, keep pushing, as it's only a matter of time until opportunity will come your way.

There is no place for the indolent or self-centred; we are about forging ahead whilst having each other's back.

Making sure our mates get home safely each night is one area where a good attitude makes a huge difference in reducing accidents. Part of this includes removing any chance of anyone operating under the influence of any substance, or in a dangerous manner.

We are all guilty if we don't act or intervene with haste when poor behaviour or other hazards are observed. 2016 is going to be about polishing the business and delivering on the enormous potential within.

Westney Road – Chiller Warehouse

Whoever thought two years ago we would be in the chiller business? Well, we are now. Special mention goes to the team that has taken on the challenge and delivered encouraging early results by seizing the opportunity and running with it, thank you. Growth in this sector is imminent and is yet another channel that will provide even more opportunities for our team.

We are upping the ante in the fast-moving consumables space (FMCG), at the same time entering the pharmaceutical sector, where we will continue to present the market with new options that exceed expectations for quality and capability.



Tangi Pekepo – checking stock temperatures

As the market seeks even greater accuracy and care, we expect to see greater gender-balance in our team make-up in the future.

Equally we foresee greater flexibility in working hours which will also help to overcome the peaks and troughs that influence Logistics.

Some Wisdom to Ponder:

- Successful and unsuccessful people do not vary greatly in their abilities, they vary in their desires to reach their potential
– **John Maxwell**
- Nothing works unless you do
– **Maya Angelou**
- When it is obvious that the goals cannot be reached, don't adjust the goals, adjust the action steps
– **Confucius**
- Opportunities don't happen, you create them – **Chris Grosser**
- You miss 100% of the shots you don't take – **Wayne Gretzky**

Our goal is to deliver on our collective potential and 2016 will be our time to shine.

None of which is possible without our entire family's support and the dedication of an impressive team of individuals.

Have a great Christmas and a prosperous New Year to you all.

A Personal Perspective – Akash Varma (Branch Manager – Logistics Highbrook)

My journey with Mainfreight over the past five years has been both challenging and enjoyable. I am lucky enough to be part of a team where change is constantly on the agenda and always for the better.

Like the majority of our team members, I began learning the business from a clean slate. I had a commerce degree to my name and no idea of the difference between FCL and LCL freight. I began on the floor of our warehouse at Railway Lane in Auckland, progressing to a team leader's role within six months. Looking back now, those first 12 months are a real test to see if someone is a true Mainfreighter. Learning from an experienced team, living the culture and understanding the fundamentals of the business allow you to define yourself and then add value to the business.

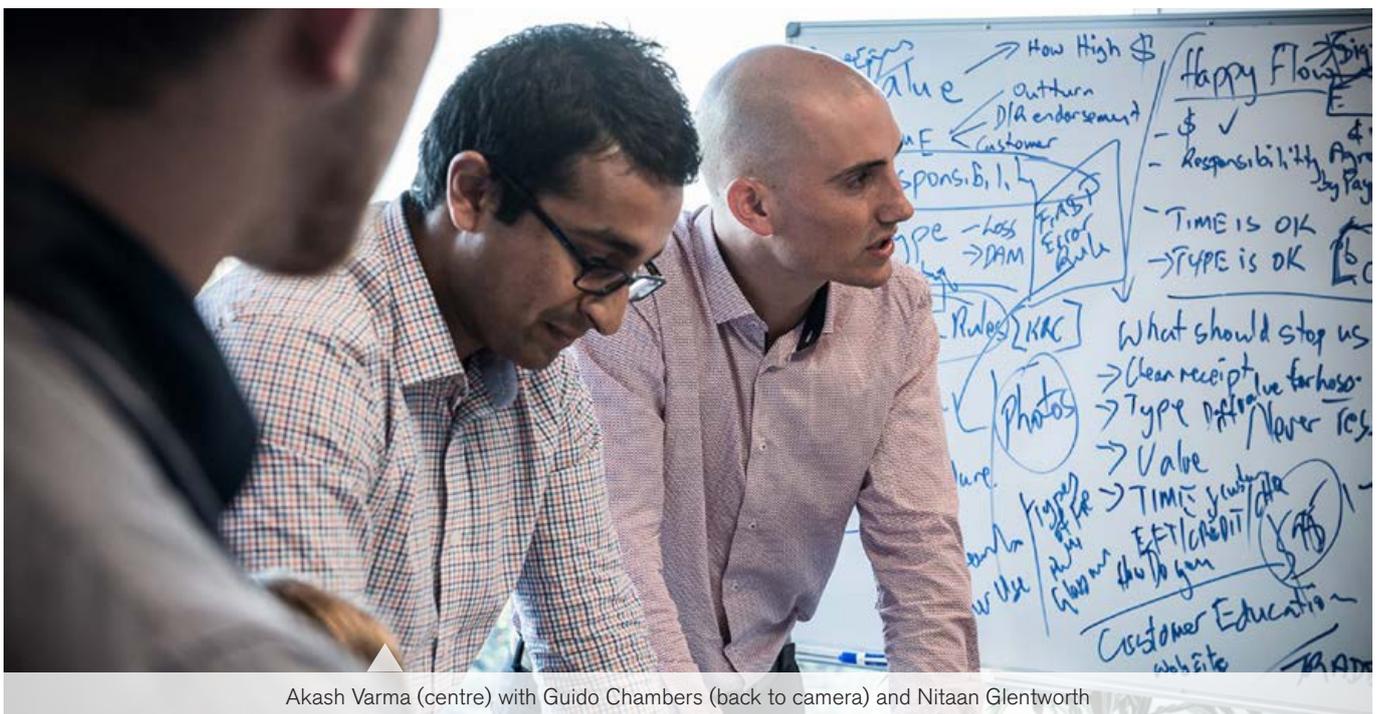
From there the opportunities have come thick and fast. I was lucky enough to get my next challenge by going on an exchange programme to Belgium and spending a year working with our Wim Bosman team. The experience was invaluable, and saw me gaining confidence in my own skills and also networking with a great team.

On arriving back in New Zealand, I immediately put some of those new skills to work, leading implementation projects on new business in our logistics warehouses and then joining our Supply Chain team in Business Development. Just over a year into this role and in typical Mainfreight fashion, I caught up with Craig Evans on a Thursday afternoon. The following Monday I started as the Branch Manager at our Highbrook Logistics facility. We don't mess about.

Reflecting on the last 5 years with the Group, you can really appreciate how much influence the culture of a business can have on the growth of the next generation coming through. I am lucky enough to have jumped on the bus early in my career and been able to enjoy the rewards that hard work and dedication can have.

With my own Branch now, it's about instilling those values in our team and focusing on our branch mantra which was taken from the Emerging Branch Managers course I attended earlier this year promoting "Culture, Process, Profit".

If the next 5 years are anything like the first, I guess it's safe to say it's going to be an exciting ride.



Akash Varma (centre) with Guido Chambers (back to camera) and Nitaan Glentworth

New Zealand Air & Ocean – Ben Fitts

Team, once again we are coming to the end of a busy year, one of the more challenging and yet most exciting in recent times. The commitment from you, our Team, has once again been exceptional. Thank you, the commitment and passion that you show for our business is truly appreciated.

We should take a few moments to reflect on the year that has been and to think about the year ahead. We have reached a number of milestones this year and we will see more achieved in the New Year, as we enhance our customer-facing technology.

We have committed to a significant development for our Air & Ocean teams in Christchurch that will see them combined on a single 10,000sqm site on the airport. All air freight, including perishable export and import, as well as ocean freight and container packing and unpacking will be handled through the single site. This is a sign of the faith we have in our teams in Christchurch, and recognition of their performance as they continue to achieve results that justify this \$10 million investment in our future.

In Auckland, we will move our CFS (container freight station) to a new

site in Wiri, combined with a logistics store. Once again, a big decision that introduces more cost but also creates operational efficiency. This decision is driven by growth in containerised sea freight inbound and outbound volumes, and recognition of the need to give this important part of our business the identity that it deserves.

The footprint of our airfreight operation in Auckland has also grown as we expanded into a stand-alone dry freight facility on-site at Westney Road, effectively doubling our dry cargo handling capability. Decisions such as this, and the upgrade of the airfreight offices, are investments made to protect the future of our business through the provision of superior facilities for our customers' cargo and our Team.

Five areas that we need to focus on for the year ahead:

- 1. People**
Employ well, every time with no exceptions.
More good people - less people.
- 2. Individual Accountability**
It starts and finishes here, without it we have nothing.
- 3. Listen (to quote Sir Don Rowlands)**
To our customers and to each other. Be open to receiving honest

feedback, it helps us to improve both as a business and personally. Some of the best ideas are sitting amongst our team; create the environment where these can be heard.

4. Keep Innovating

The world is moving fast we must move with it. Technology enhancements will help us to continue to provide our customers with improved visibility and functionality and will give us an important edge.

5. Costs

It's not always the big ticket items that we need to focus on; the combined impact of what seem like small costs is just as important.

While the year may not have given us the significant improvement over last year that we all seek, we have grown and a lot of ground work has been laid for next year. We have a number of large volume importers and exporters commit to starting with us as we close this year out, which will make for a strong start to the next financial year.

Once again team, thank you for the ongoing dedication and passion that you show for the business. There are many who are putting in long hours as we head into the festive season to ensure that the job gets done properly, and that is always appreciated.

Have a Happy Christmas, enjoy time with family and friends, relax and we look forward to another exciting year ahead in 2016!

Duffy Book Assembly – Bathgate School, Dunedin

Nicky Jackson (Dunedin Air & Ocean) recently attended the Duffy Book Assembly at Bathgate School. Everyone is very appreciative of the sponsorship we give them and love getting their apples. They made apple crumble for the whole school out of the last lot of apples they were given.





Proposed Christchurch Combined Air & Ocean Airport Facility Christchurch

Construction plans for the new combined Air & Ocean facility in Christchurch are nearly complete. This will enable us to begin construction early 2016, with completion early 2017.

The site will provide the purpose-built infrastructure to house our Airfreight, Seafreight and CFS store operations for Christchurch. This quality facility shows Mainfreight's commitment in

the South Island, and the benefit of owning in close proximity to the Airport precinct.

The building will include initiatives that align with Mainfreight's support of the environment and sustainability, including:

- Rain harvesting to supply water to irrigation, hose taps for building washing, and operational water use such as decontamination wash.
- Solar PV array that will generate power, offsetting our energy needs.
- Efficient HVAC systems providing heat recovery, and free cooling mode.
- LED lighting solutions to reduce lighting needs and energy consumption.
- Rain gardens to minimise surface contaminants entering water sources.

This GT-40 was imported by Mainfreight Auto in 2008. Our Mainfreight Auto team in Wellington recently loaded this back to the US. The GT-40 is valued at \$400,000 and is one of only 4,000 made. Wonder if we'll see it head down-under at some point in the future!



All Black Everything - Some of our branches showing their support for the All Blacks.



Auckland Seafreight Team



Auckland Airfreight Team



Australia Group – Rodd Morgan

As we head into Christmas, we are a little disappointed to be behind last year in terms of financial performance, but we take great heart in the fact that we are slowly but steadily starting to fight our way back and are seeing signs of regaining our momentum.

Although we are currently producing reasonable performance in Australia, our disappointment is around the comparison to last year. Our expectations are rightly very high and these results are not where they need to be. When we produce a weekly, monthly or yearly result that is behind the corresponding period last year, we need to identify and correct anomalies and shortcomings, and we need to act today, not next week or soon.

This measurement criterion is tough but it is the only way we will continue to move our business forward over a long period of time, and it has served us very well for many decades.

Our Air & Ocean business has been a standout performer this year, primarily due to a much more focussed approach to our sales activity that has pushed our growth toward double figures for the first time in many years.

This point about growth brings us to the main two messages of our Christmas report:

1. **Speed up our rate of growth**

Nothing is more important right now than finding profitable new business.

Each member of our team must look for every single opportunity to build greater sales momentum as we head into 2016. We have said many times that it is not just the responsibility of our sales team to find sales growth. Every single one of us has an important role to play, whether it is just being alert to passing on the details of a potential customer that you know about or ensuring that you perform your particular role in the business to a very high standard.

Our sales teams, whom we believe to be the best in Australia across any industry, must actively investigate potential opportunities for the entire Mainfreight Group during every single face-to-face call with either existing customers or prospective customers.

A significant competitive advantage we have in Australia is our strong service capability in the four segments of the supply chain we operate in, allowing us to provide customers with real value in terms of getting their products to the marketplace on time and in great condition.

Make sure you use the One Mainfreight principle to its absolute maximum.

To the rest of our team regarding this point of accelerating our rate of growth, we know that if the quality of the service that we provide to our customers is of a high standard, then the sales growth will come. Please internalise this point - great quality

that is significantly better than what our competitors can provide, is the way that we will continue to take on and beat all of the challenges we face.

2. **Become more efficient in the way we operate**

Our overheads, or the costs of running our business, are simply too high compared to the volume of freight we are handling at the moment. This is dragging our profitability down and makes it more difficult to be able to offer our customers competitive prices in some instances. We ask that every team member be aware of this and to each be more thoughtful about finding ways of doing all of the things that need to be done in a more efficient way.

All Positive Action Team Meetings need to spend some time concentrating on this point of becoming a more efficient business – process by process.

For those lucky enough to be having a break at Christmas, please have a relaxing time and thank you to those team members who might be working through – it is much appreciated.

Lastly, thank you to each member of our team for your personal efforts this year. As is usual, we head into the New Year with plenty to do and plenty of challenges but Mainfreight people love the opportunities that we have in front of us.

Five Things to Do Better in 2016

- 1. Global.** Please always remember, we are an important part of a global business. Be thinking about the expanded role this means we each need to play here in Australia. For example, our quality must be outstanding or we may cause another country to lose a key customer.
- 2. Presentation.** Take no prisoners when it comes to presenting our business in the best possible light: ourselves, our buildings, our vehicles.
- 3. Growth.** Think about the role you can play in helping to grow our business faster and increase our ability to win large supply chain customers.
- 4. Efficiency.** Be active in finding ways to save costs and complete processes more efficiently.
- 5. One Mainfreight.** Act in a One Mainfreight style in terms of winning customers and supplying services to each other. All work that we are capable of performing must be performed by the Mainfreight group.

Merry Christmas and enjoy your hams.

CILTA Awards (Logistics and Transport Industry Award) – Peter Wilson

Dragan and I attended the CILTA Awards (Logistics and Transport Industry Award) in Brisbane where Mainfreight was a finalist for the Excellence in Moving Freight Award 2015 for our work on the Cricket World Cup.

There were 7 finalists in our category and I'm pleased to announce that we won - **Well done team!!!**

It's great to see the industry recognise what we achieved as a business and to get this confirmation that we truly are the best at what we do. Once again congratulations to everyone involved and to the teams that covered for us when we were away on our CWC duties.



L-R: Peter Wilson, Dragan Ivesic

Mainfreight Transport Australia – Bryan Curtis

Our challenge in the Transport business in Australia is to build on our two main advantages: our great team and the facilities that we have around the country, to become the best in the world and achieve our target of exceeding the profit of New Zealand in 2019.

The ability to Deliver 99% of all the consignments we handle In Full and On Time (DIFOT) is the most important priority in our business today. We must find a way through our Positive Action Team meetings to improve on our current level, which is well short of our goal.

It has been a difficult year for a number of branches, particularly in Sydney, where we are addressing the

challenges of improving our margin to a more acceptable level. The team has a number of initiatives in place to rectify this problem.

Revenue growth across the business is disappointing, however with the increase in the number of sales team members around the country we expect to see an improvement in the New Year. Steve Turner (Transport Sales Manager) has worked tirelessly to ensure we have the best team possible representing the business in the market.

Cost control also remains one of our biggest challenges. Like the DIFOT percentage we must use our Positive Action Team meetings to find ways to do things smarter. We should work

with each of our suppliers in looking for efficiencies and lower costs, vital in getting our costs under control. The best example of this is the savings achieved in 12 months on the cost of a new pick-up and delivery vehicle, as a result of working with our suppliers to achieve the right vehicle specifications. We are constantly working with our customers in the same way and have achieved good results.

Thank you to each and every team member for your efforts this year, in particular our linehaul Owner Drivers / Drivers who every night make sure that our customers' freight is delivered on time and damage free. We often do not thank you enough for your efforts.

Merry Christmas and Happy New Year to you and your families.

Things to Do Better in 2016

1. Work with our suppliers to find efficiencies resulting in cost savings.
2. Focus on improving the arrival times of our linehaul units. This will require the input of the whole team as we all play a part in this.
3. Use our Positive Action Team meetings to assist us in solving the challenges that we have in each branch – for example points 1 and 2 above.
4. Treasure each and every bit of freight through our system – we must retain the business we have.

And finally the old chestnut:

5. Do it better today than we did yesterday



Our Brisbane team took on the gruelling Stampede event in September

Back row (L-R): Ashley Taylor, Sarah Averill,
Marla Costabeber, Kelly Shortall
Front row (L-R): Steve Beaumont, Rebecca Taylor

Townsville

Extensions have been made to the Townsville branch's building and yard, allowing container unpack/pack and warehousing, with a full suite of domestic services by road throughout North Queensland.



Matthew Zerbe, Branch Manager Townsville



Mainfreight Townsville looking great

Adelaide - Shares the Love

Mainfreight is working closely with an Adelaide customer to move the 'Lock in the Love' display around the country for the Heart Foundation.



Sonani Cramer & Faye Henderson
- total professionalism at Clayton



Brad Leahy - Keeping the Larapinta site beautiful

Mainfreight Logistics - Simon Hart

The level of quality we deliver for our customers continues to improve. First and foremost this is due to our passionate people and their pursuit of finding a better way. The unpredictability of the agricultural sector continues to have an impact on what we do, however the team has bought into the concept of doing more with less. This has become a key focus as we move into the second half of the financial year.

Christmas is a time to reflect on the year with family and friends. We, as the Mainfreight family, are thankful for our team's dedication to delighting our customers and the ongoing commitment to safety shown during our busy period.

We welcome back Riyaz Jordan from the graduate class of 2000 after seven years in the wilderness (CaroTrans New Jersey!). Riyaz has taken on the challenge of running our biggest branch in Sydney and developing it into a significant contributor. We were slightly concerned that there may be an issue with the team's ability to understand an American/Australian/New Zealand hybrid accent. We can report with a sense of relief that this is a non-issue.

Our Melbourne teams are preparing to move into their new home. In January we will commence the relocation of two warehouses to the new Epping facility. The warehouse is 20,000m² and contains 25,000 pallet spaces. We are proud to be able to store our customers' precious inventory in a world-class facility. We look forward



Melbourne Epping Supersite



Wim Bosman Logistics 's-Heerenberg

to the extended collaboration between the teams that a site with more than one Mainfreight brand makes possible.

The opportunity to visit our European team in 's-Heerenberg presented itself in October this year. It was a valuable chance to develop relationships and share ideas. As we continue to target global customers, it is exciting to consider that as a customer you can expect the same level of superior performance on opposite sides of the globe. We are

grateful for the hospitality and have taken away numerous ideas to help us improve. We look forward to future collaboration and hosting European team members in Australia.

Our commitment to quality is paramount. Our intent as a team is not to deviate from our processes that we deem best practice. We will never walk past a challenge (or a piece of rubbish on the ground). The formula is simple, outstanding quality produces profit.

All the best for the New Year and please have a safe and enjoyable Christmas with family and friends.

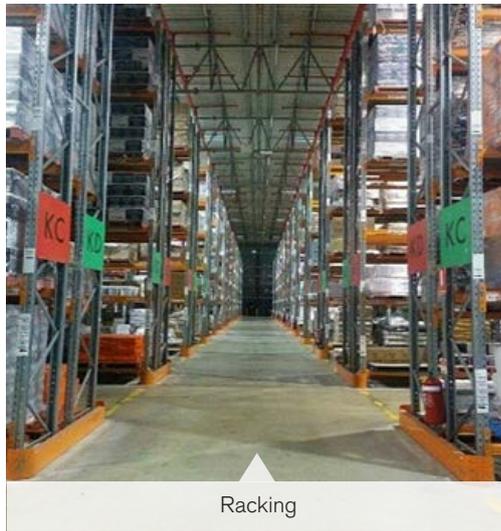
Things to Do Better in the New Year:

- 1. Costs:** "Save a dollar, make a dollar". We are all responsible for keeping unnecessary costs out of the business. As a team the best way to achieve this is by removing the cost of our errors, reducing and reusing consumables. Turn off the lights!
- 2. Meticulous attention to presentation:** Our image is everything. Never walk past a piece of rubbish on the ground. We are proud of our world-class facilities and they should always look world-class.
- 3. People:** They are what makes us special. We must ensure that we employ the very best people we can. 100% of our new team members must be promotable in order to help us achieve our aggressive growth goals. Bigger than New Zealand by 2019!
- 4. Health & Safety:** Every team member deserves the right to feel safe at work. Health and safety starts by taking personal responsibility for yourself, and watching out for others that work around you. Take the lead, apply discipline at the coal face and set an example.
- 5. Training & Development:** We will continue to invest in training. Those who have been selected for training courses have a responsibility to take the knowledge learned and impart it to others once they return to the branch.

Perth

One year on at our new warehouse at Perth Airport, the team is well settled into their new home, which has allowed us to get spectacular improvement in our service levels and branch appearance.

This has definitely been a case of "out with the old and in with the new" as we say goodbye to our Kewdale facility as of 30 November 2015; it served us well for the last eight years. This is a great example of Mainfreight's 100-year philosophy. While we experienced some short-term pain due to the lease cross-over, it will be an exciting payoff in the next financial year for Logistics Perth.



Racking



Perth Airport Container Docks

The Perth team can be very proud of what has been achieved over the last year and the exciting thing is, we

believe there is still a lot of improvement in us!

Brisbane

We have implemented voice picking and mobile dispatch in the Larapinta warehouse as well as managing the implementation of new customers. The team has really enjoyed the arrival

of our new electric forklifts, complete with the corresponding team member's name on the side which looks fantastic.

We are currently looking forward to another significant customer moving in, while continuing to maintain and improve upon our high standards as we come into our busiest period.



Mainfreight United were crowned winners of the Ozsports Browns Plains Indoor Soccer competition, winning their Grand Final 9-6. Well done guys!

L-R: Tim Craig, Mitch Bryan, Josephine Smith, Liz Jones, Katie Becker, Fiona Trebilcock - Front: Dragan Ivesic

Sydney

The last few months have seen our Prestons facility nearing full capacity due to peak season volumes. Our team saw a record amount of inward TEU's during September. We faced an immense task of receiving 78 TEU's (1400 Pallets) from a single customer in one week. Good communication for delivery timeframes and dock availability between Mainfreight Air & Ocean, Owens Transport and our team ensured we were able to receipt in the entire shipment within the week.

There has also been an increased focus on our quality. Maintaining our weekly performance levels and regular housekeeping is critical in ensuring that we progress through the peak season without any disruptions to our day-to-day activity. Being more diligent with time keeping and productivity should also boost our profitability.

Congratulations to Ben Robins from Logistics Prestons on being awarded the Top Performer on the very first Logistics course!



L-R: Troy Bennett, Ben Robins, Aladin Basic

Melbourne (Noble Park)

As we close our books on 2015 and prepare for another challenging year ahead, it is timely to reflect back on what we have achieved, not least of which was meeting our profit pledge (for the 3rd year in a row!) and actually exceeding our actual 2013 profit once the end of year accounts are finalised. This was an amazing

achievement for such a challenging year.

Just as important though, is the team spirit that exists in our branch. We all get in and work together to get the job done. This is one of the key ingredients why we are as successful as we are and is especially important

given the challenging customers and products that we deal with on a day to day basis.

Valentin Teles took over the responsibility as branch manager in November and we look forward to seeing the results of his knowledge and experience.

A few words from Matthew Unali (Noble Park Melbourne)

Starting at Mainfreight two weeks after I finished my degree was a big adjustment, a decision I don't regret. I've been with Mainfreight almost a year and have experienced so many aspects of the company. Most of my time was spent in the outbound team, but I recently moved into a stock controller position. I'm excited to put

my major in Supply Chain Management to good use.

My philosophy coming into Mainfreight was that no task was too hard for me. This meant that I was constantly challenged by jobs I had never done before, but the support I received from the team was immense.

The best piece of advice I was given when I first started here was to own everything I do. Regardless of the task, I made sure it was completed above what was expected. I look forward to applying this advice to bigger and more complex challenges in my Mainfreight career.

Melbourne Logistics

Three of our warehouse sites in Melbourne will be relocating to the new Epping supersite in February 2016: Laverton, Somerton and Sydney Road (although the Sydney Road site will continue to operate as bulk storage).

As we approach this end of an era, it's a perfect time to give our teams some well-deserved congratulations and a big thank you for all their efforts and hard work over the past years.

Thanks teams – for genuinely being a family and looking out for one another to ensure that we are all working safely and going home as we arrived.



Sydney Road Team
L-R: Ben To, Ghi-na Nuyen, Kimberly Davis & James Reilly



Laverton Team - L-R: Rod Douglas, Patrick Lese, Tony Henderson



Laverton – old bones, but kept immaculate!



Dick Venkort, mobile despatching – Somerton



Tony Johns, keeping Somerton looking sharp!

Mainfreight Air & Ocean Australia/CaroTrans Australia – Rodd Morgan

We reach the half-way mark of the financial year on a positive note but not completely satisfied. Our September-end results indicate the hard work by our teams is getting us headed in the right direction, but we must remain focussed to meet all targets.

All teams are determined to achieve 'Rapid Growth' whilst ensuring we are not busy fools. We are investing in our properties and our teams, whilst monitoring our costs on a daily basis. We are encouraging our teams to make a difference so they can be proud of their daily efforts. As you

can see below, we have some amazing people, doing some amazing work ... with a "Mainfreight Australian One Team" culture.

Jane Smith Award 2015

This personal award is arguably the most prestigious within the Australian Air & Ocean environment. Jane Smith was a vibrant, energetic woman who supported her team with a smile and endless enthusiasm. Unfortunately she passed away at a very young age but left a lasting impression on all the people she worked with. This year's winner, Marika Lenzo, is an integral member of the Sydney team and

reflects all the categories for this award. Marika has been with Mainfreight for over 20 years and worked in ALL departments over her journey. She freely shares her knowledge, experience and time with enthusiastic passion and epitomises the Mainfreight Team Attitude by encouraging everyone to improve and enjoy their work. Congratulations Marika, thank you!



Marika Lenzo & Grant Morrison

Work Can Be Fun

Just ask Dave Coughlin (Branch Manager Adelaide) who in 1985 as a schoolboy can remember seeing the JPS Lotus Renault driven by the late Ayrton Senna. Here we are 30 years later, Dave and his team were awarded the opportunity to bring this car back to Australia for the Adelaide Motorsport Festival. With the support of our team in Europe, the cars were delivered on time and without a scratch. Dave even enjoyed 5 minutes of fame by doing interviews with the local news media... what a star!



L to R: Luke Farrugia (Transport), Brian Cook (Transport), Garry Semmler (Transport), Gary Birmingham (Air & Ocean), Terry Forst (Transport), Two Quarantine officers, Steve Phillips & Dave Coughlin in the centre

China Tour – Australian Way

Team members from our China, Taiwan and Hong Kong offices were given the privilege to visit our Australian and New Zealand branches recently. This is an opportunity to learn from each other, share ideas, meet other team members, improve communications and understand different cultures. In some presentations our teams learnt Australian slang and were presented with authentic Australian Rules jumpers. Does anyone see a Rugby Jersey here??



Asia Bus Tour

L to R: Max Wang - Tianjin, Tina Chen (Nth Melb) – Xiamen, Sunny Sun (Geelong) – Ningbo, Brendan Ryan, Cindy Qi (Collingwood back) – Shanghai, Vicky Zhao (Essendon) – Qingdao, Samantha Worton, Sharon Lee (Carlton front) – CaroTrans Hong Kong, Elaine Hui (Essendon front) – Shanghai, Joyce Huang (Carlton) – Taiwan, Vicky Zhao (Essendon) – Qingdao, Sindy Yang (Richmond) – Shenzhen, Matthew Lee – Hong Kong

Things We Need to Do Better:

- Achieve rapid growth and act with pace
- Reduce customer erosion through better account management plans and exceptional service
- Recruit the best people and encourage them to be the best they can be
- Think ONE Mainfreight to achieve the best results for Australia

Owens Transport Australia – Mike Reid

Firstly, our thanks go to everyone in the Owens team for their dedication over the past six months.

Our profitability has been very poor and well below the set targets. However, we continue to strive for improvement each day and focus on our main aim – to do it a little better than we did the day before. It is now the right time to explore how we can improve service to our customers – find a way to do it better and smarter. It is clear that our success in the future will depend on working as a group, rather than single business units.

We must scrutinise all of our costs and practices; do more with less, and deliver uncompromising service to our customers. Our presentation must now, and into the future, separate us from our competition. With our characteristic Owens' determination, we will come out on top – better and stronger.

In these challenging times, we must make sure that all of our teams are accountable; we should not see the

current environment as difficult, but rather as a way of finding opportunities for our business to grow.

There are many businesses in our market that are struggling and it is at these times that we need to make sure we give our customers the confidence that we are here for the long-haul.

We all need to make sure that we tidy up our own backyards and ensure that our processes and procedures are the best that they have ever been.

You cannot pump blue blood without a red heart, and every day we wear ours on our sleeves. We give it 120% as we continue to send out our magnificent red machines, to deliver to the most important part of our business – our customers.

Our Brisbane team has now settled into their new site which enables the business to offer a full service to their customers, not just container cartage. We are already seeing significant interest in our depot operations due to the move. We are confident that this branch will contribute a significant

profit to the business in the coming years.

Our Melbourne operation continues to grow, with some exciting times ahead. We continue to look for a new site to ensure that the high service levels promised to our customers are maintained. There are some hurdles to jump over and some boxes to tick, to ensure that we find the right site, which will suit our business today and well into the future. It has been challenging, frustrating and rewarding all at the same time, but the team have held it together and are now extremely excited about the prospect of a new home.

Our Sydney operation has seen a number of changes over the last six months and we welcome the new team members to our family. It is great to see some fresh new faces, and the energy and new ideas that come from having new people in the team is clearly evident. With the peak season upon us, it is expected that volumes will increase significantly and we must continue to maximise our opportunities and ensure that we are



Our New Brisbane Depot



New super B-double in Brisbane

Things to Do Better:

- Don't make excuses – get results, get out there and make it happen
- Do your bit to reduce our costs – don't ask permission, just do it.
- Make it your business to make sure we give great service to our customers – be accountable and take responsibility.
- Take time and really question things

as resourceful and efficient as possible during this period.

Our Perth operation is having a very strong year financially, but with the downturn in the mining boom, it has seen a lot of North West line-haul operators move into the local container market. We are very fortunate to have a great team that strives to be the best in the market and which offers the premium service that our customers expect. The team is excited to be moving into their new

home with Mainfreight Transport in Hazelmere.

If we remain focussed and look out for each other, then just like all successful sporting teams, we will prosper and we will be able to accomplish anything. Just remember a little saying called *"The 6 P's": Perfect Preparation Prevents Piss Poor Performance.*

Thanks to our Team and their families; we are grateful for your support.



Collecting break bulk from Fremantle port



Mainfreight USA – John Hepworth

Another year comes to a close; it seems to get faster and faster every year. Mainfreight USA heads into 2016 full of enthusiasm and a clear plan to where we are taking our business.

We recently had some great training and strategy sessions with the team that have helped us develop our business plan as we head into 2016 and beyond. Last year we invested heavily in our training program and we believe rewards will come from this. All levels of our business went through intensive training – from talented new recruits, experienced tight 5 teams and branch managers, through to our executive team. Mainfreight USA has never been better prepared for the next exciting year ahead.

On a sad note, this past year we lost a person who was an integral part of our business since Mainfreight purchased Target in 2007, Denis Dillon. Denis was VP of Operations when Mainfreight arrived and was one of the few that embraced the Mainfreight purchase from the start. His guidance, mentorship, humor, and presence in the business will be missed by all. In his last days, all he was focused on was getting his work done for Mainfreight; his dedication and passion are an inspiration to all that knew him.

Our goals to maintain the strong momentum we have in all aspects of our business include:

Air & Ocean

- Continuing to build more air consolidations in/out of USA into/from Europe, Australia, New Zealand, and Asia. It is our goal to be the largest airfreight consolidator in the Mainfreight Group.
- Establish permanent inbound sea freight consolidations from main areas.
- Drive efficiencies into the business to improve productivity and create a paperless business.
- Continue to build strong relationships and communications with our other branches around the world.

Domestic Transport

- Continue to build density in our line-haul network.
- Have all our line-haul trucks in our colors across the USA freeways.
- Continue to build our owner driver PUD (pick-up and delivery) fleet across the country.
- Have over 75% of our business on tariffs.

Logistics

- Complete the move into our three new standalone warehouse sites and get them profitable.

- Work only with customers that utilize other parts of our supply chain services, ie Air & Ocean and Domestic Transport.
- Continue our expansion in our 3PL offering across the country.
- Work on continual improvement and efficiencies across the business.

We are seeing more customers seeking us out to be in their tenders. We are being noticed!! Why? Because we are doing things right. This is not by accident; this is happening through the hard work of our team across all parts of our business. We must continue this journey of improving ourselves and pleasing our customers.

All of the above can only happen if we focus on new sales development. Everyone at Mainfreight USA must be sales focused. Without 100% dedication to our sales program all our training will be wasted. Growth and development in our business is critical to establish our service offerings across the USA. Success is in our hands; grasp it, and make it happen.

To the Mainfreight USA Team, thank you for your hard work and dedication during the past year. Have a great holiday season and enjoy the time with your families.

To all the Mainfreight world, we wish you a wonderful festive season and a very Happy New Year – from the Mainfreight USA team.

Mainfreight Logistics USA – René van Houtum

April 2015 was the start of the first full financial year for Logistics USA, after separating from our Domestic division. It is great to see the rapid progress we are making and our thanks go to the entire team for all their efforts and very hard work to make this happen.

On 17 June, we officially opened our first standalone Logistics branch in Los Angeles, at the same time it is the first Logistics branch in the USA that is being managed according to the Mainfreight standards with Mainfreight blue racking in a clean and tidy environment.

The presence of many (current and potential) customers, the entire Mainfreight Board and the Los Angeles team indicates the importance of this milestone!

Bruce Plested and Matt Friedman unveiled a plaque that is now marking the entrance of our Los Angeles branch.

We are impatient and we want to move forward at an even faster pace ... and that is going to happen! We are very excited about the opening of two new standalone Logistics branches in Newark, New Jersey and Dallas, Texas. Both buildings are brand new, approx. 130,000 square feet (12,000 square meters) in size and at the time of writing this newsletter, offices are being built and racking installed for deployment before the end of this calendar year.

These two new warehouses are major steps forward in the development of our Logistics division in the USA. To manage our fixed cost increase, we were able to negotiate lease agreements that facilitate gradual move-ins. It is also great to see, that for both warehouses, agreements with new customers have been signed who will move in as soon as we open the new warehouses. It goes without saying: very busy, but at the same time, exciting times ahead for the teams in Dallas and Newark.

As mentioned in the previous newsletter, we set very aggressive growth targets for this financial year. With the knowledge that the 4PL branches were closing down before the start of this financial year, we challenged ourselves to double the total revenue of our current Logistics branches. The first seven months of this fiscal year, show growth of more than 70% which is an amazing figure; however we want more in order to realize our targets! Our continuously growing pipeline of opportunities indicates that we are able to achieve these... Let's go for it!!

We have had some crazy busy months and probably we will still be very busy until the last hour before our Christmas break.

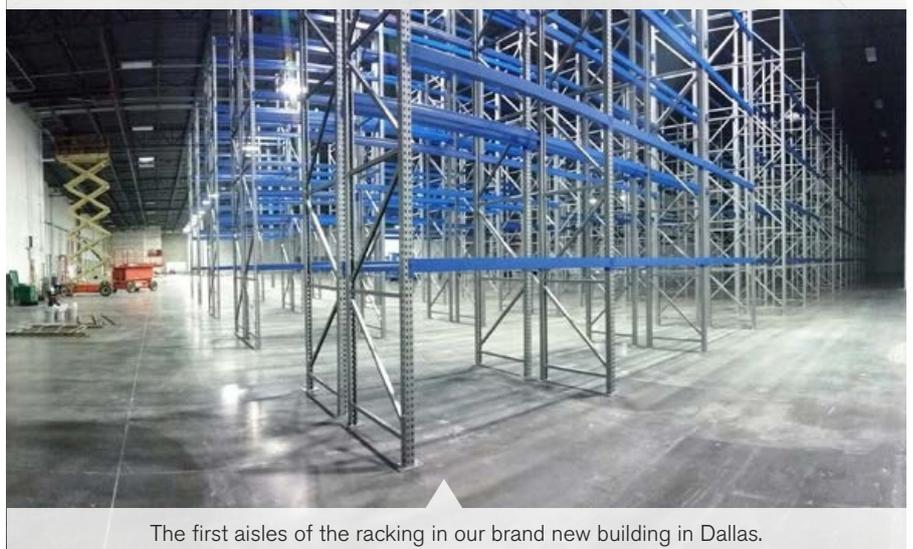
Team, please make sure that you spend time with family and friends



The Los Angeles team with the plaque (L-R): Leonard Bojorquez , Robert Rodriguez, Nick O'Brian, Charles Ruddell, Joe Pararda and Dabbert Gasseling



The Newark team in the new, still empty building! L-R: Maree Michalick, Peter Kruszewski, James Ryan, Emilio Andino, Jose Melendez, Donald Yellovich Jr.



The first aisles of the racking in our brand new building in Dallas.

and charge your battery for next year. We have made enormous progress in the last twelve months, but to stay

ahead of our competition, our mindset should be on improving every hour of the day!

Five Things to Do Better Next Year ...

1. Presentation of the branch:

we achieved huge improvements last year, but at the same time we know we can do better.

A potential customer walked into our Los Angeles warehouse a few months ago and his words were: "I have worked for 20 years in supply chain management and I have never seen such a clean warehouse"! Yes... we gained that customer!

2. IT: make use of the IT systems we have in place! A lot of time and money is being invested in the development of our systems and these developments enable us to

achieve both quality and efficiency improvements and to continuously improve our processes. With Marissa Monteroso coming over from New Zealand to support the USA Logistics team, there is no reason not to fully utilize the functionality that MIMS offers us.

3. Quality of operations:

remember Mainfreight's two unshakable beliefs... It is the absolute basis for future profitable growth!

4. Positive Action Team

meetings: if Mainfreight would have had a "third unshakable belief" it would be the importance

of this "tool" in order to give the team every opportunity to actively participate in the development of our business!

5. Have fun! We all work very hard and spend many hours at our branches. Never underestimate the importance of having fun together during working days.

Once again I would like to thank everybody for the dedication and hard work of last year and I wish every team member a great festive season and all the best for 2016! Remember, it is only just the beginning for our Logistics division in the USA... Lots of excitement ahead for all of us.

Air & Ocean – Nathan Thomas

As we head into the holiday season, it is a good time to pause and reflect on the previous six months and how we have progressed through the first half of our fiscal year.

Filling our sales pipeline with customers who are a good fit for our business, and building volume in the trade lanes that support our network

strength, remain the key focus as we seek to continue our momentum.

We are building a quality team and setting some big goals. One of the stepping stones in achieving these goals is a project we recently ran in Chicago, entitled "Faster, Smarter, Bonus". Matt Gustafson, Chicago Branch Manager, championed and led

the project, hosting the week in Chicago Branch – and I have no doubt he just about bit off more than he could chew!

Thank you to the team involved in this project; it is an important step in our growth. As we strive to continue to do more with less, these projects are critical to our success (more follows from Matt on the project itself, below).

Goals for us to work on in 2016:

- Chase sales opportunities with the Characteristics of an Ideal Mainfreight Customer.
- Continue to focus on growing our business in trade lanes within the Mainfreight network; keep the revenue in the Group.
- Build consolidations – we are not even close to where we need to be both in Ocean and Air consolidations.
- Communicate better with our teams globally – more phone calls! Not just when something needs special attention, but to offer praise also!
- Continue to develop our team and future leaders of our business.

Halloween is behind us for another year (some great costumes yet again) and as we look forward to Thanksgiving and then Christmas, I want to thank the Air & Ocean teams for the passion shown

thus far in continuing to build Mainfreight North America.

A special thanks also to the families of our teams, the support at home (as I know) is an important aspect in our success in the workplace.

Enjoy the vacation time ahead with your families and loved ones, whether a cool low 40 degree day in the North East and Mid West, or a wintery 65 degree day in Southern California, be safe and happy.

Faster. Smarter. Bonus. – Matt Gustafson

Our process identification project, "Faster. Smarter. Bonus." was the result of a strategic planning session held earlier this year. Our goal was to create a uniform, automated, consistent process to improve quality and productivity. We are aiming for best practice and processes which will be easily scalable as we grow. Our project team met in Chicago in late September and included Rob Cotter, Michelle King, Michelle McClanahan, Beth Brockles, Alla Ermoliev, Fernanda Moraes, Harsh Dharamashi, Paul Ody,



L-R: Fernanda Moraes (back to camera), Rob Cotter, Harsh Dharamshi, Weston Martin

Weston Martin, and Matt Gustafson. We were together for an intense week-long event that included

ProMapping processes for all our Air & Ocean modes.

Sales Update – Nicholas Vernald, Director of Air & Ocean Sales

“THE DECIDER“

In my position, I am constantly telling everyone who will listen why Mainfreight is the right choice. Clients, prospects, carriers, vendors, current employees, former colleagues, my wife, etc., etc. – but as the bastard son my perspective is unique. I wasn't born here – I chose to be here and Mainfreight, has chosen, thus far, to have me.

My relatively short time at Mainfreight has nonetheless exposed me to many different team members in many parts of the business – particularly through participating in the Emerging Sales Managers meeting held in Auckland earlier this year. Thus it should be no surprise that when I received an email (accompanied by a picture of an Aussie drinking a beer, giving me the finger, with an overturned car behind him) discussing the merits of a cold calling contest recently completed in Australia – I was sold, and thus the American version of The Decider was born ...

In America, our sales team is 100% focused on increasing our time in front of the IDEAL MAINFREIGHT CLIENT. These clients don't just show up in Mainsale – they need to be prospected and targeted.

The Decider, a 2-hour competition held on Friday October 30th allowed us to drive focus and urgency into our stagnant prospecting behaviors. Sales executives and sales managers had three weeks to develop a strategy, populate their lists, make contact with decision makers, understand current state, and warm up the leads for their Friday calls – with really two rules governing:

1. They haven't met the decision maker.
2. They haven't done business with the company in the last 12 months.



Julie Power – Mainfreight Charlotte



Michael Benjamin – Mainfreight Chicago



L-R: Gilbert Zarate and Terrence Wakefield, Houston Air & Ocean Branch

The two winners (A&O & Transport) get a trip to Amsterdam. The results were outstanding – in two hours we made over 200 new customer appointments, exceeding (at minimum) \$20MM in total new Mainfreight opportunities. Long-term, I think we've lit a fire that will see the behavior utilized in this contest applied regularly in our weekly activities. As for the new opportunities – now the real work

begins – who will be the largest client? Which sales rep will drive the most total revenue/profit? Only The Decider will tell – stay tuned.....

As you can see from the pictures above, the team used every motivational tool possible to drive their performance during “The Decider”! (Or maybe it was Halloween!)

Rail Freight – Jeff LeMaster, Director of Truckload and Intermodal Services

Our railroads in the USA today have made huge strides in capacity, speed, and reliability and in fact are investing billions of dollars each year with the intent of providing “road competitive” transit, able to convert all types of freight and customers to their intermodal services. Mainfreight Intermodal has been successful in securing contracts directly with all five Class 1 railroads in the United States and creating a network of drayage providers to offer our customers a comprehensive North American intermodal solution.

Mainfreight Intermodal Services provides unique advantages to our



In the USA, rail freight is commonly referred to as “Intermodal”.

customers by offering them quality capacity at a time when severe Over The Road (OTR) driver shortages challenge the industry. In most cases we are able to offer road competitive transit at a reduced price point while providing a sustainable (environmental friendly) solution. Our intermodal service has generated over 400 loads

since the first load moved in March, or over \$1.4 million of revenue.

The business activity noted above has to date reduced Mainfreight USA's carbon footprint on these 400 loads by over 64% or it has eliminated 234.50 Metric Tons of CO₂. Good for the customer, good for Mainfreight, and good for our environment!

Jaime Tapia – Graduate Training 2015

As someone in the early stages of my career, I looked forward to using the Graduate training to obtain a new perspective for my career at Mainfreight. What I didn't expect was to make some great connections with my team from across the States. From the moment we all met at 6.00am for our morning walk/ run, the chemistry was instantaneous. Who would have known that there were over 20 likeminded individuals who shared similar experiences and goals?

The training itself allowed us to develop the skills to becoming “Easy to Deal With”, and to learn about the evolution of Mainfreight as a company. By sharing our experiences and discussing ways to improve our work relationships with our customers and colleagues, we were able to use the training course to re-establish the fundamental building blocks of Mainfreight. We went on to discuss Mainfreight's sustainability as a



Edgar Torres – MFL Chicago, Austin Gulla – MFL Dallas, Derek Lamdin – Carotrans, Charleston, Anthony Schoepfer – MFD Los Angeles, Jaime Tapia – MFAO Los Angeles, Stefanie McGaughey – MFAO Dallas

100-year company that values its unique culture and commitment to its people, community and planet.

Some of the highlights included listening to passionate guest speakers, attending the group dinner, and the final presentation where we were tasked with generating a creative rap/poem, summarizing our training experience. The speakers highlighted the fact that our program was developed to allow us, along with our colleagues, to question every single configuration; using our skills

and talents to improve the efficiency within our departments, and ultimately our business.

Overall, there are so many memorable moments to share from our time spent together, and I can honestly say that I am invigorated and ready to take on what's to come. Raewyn and her team have done an exceptional job selecting a great group of individuals to participate in this unique program. I am certain each and every one of the graduates will go on to do amazing things with their careers.

Newark at Capacity

Newark branch was at absolute capacity last night so had to kick trucks off the dock and work the operating in the parking lot. Luckily no rain or snow! The team rounded their cars up for lighting so we could still read labels. Everybody kicked in with the 1000 carton sort.



CaroTrans – Greg Howard

Once again we find ourselves approaching another Christmas with amazement at how quickly the year has raced by. This serves as a reminder of how critical it is to move with pace in everything we do ... everyday!

The team has "gritted" through the challenging conditions of extreme over-capacity of container vessels, sluggish demand and historically low ocean rates to deliver half year results which are in line with expectations. Our export services kept pace with the market and despite soft revenue levels, posted improved margins due to better container utilization and line-haul procurement. Focused and aggressive sales are essential to solidify market share and cargo volumes.

The star performing segment of our business has been double digit revenue growth and margin improvement in our import services. Strong growth from Asia, expanded service offerings and market coverage led the way. Improved conditions in the Europe-USA market also helped as volumes began to return to the US West Coast branches, previously diverted due to competition in the ports.

We currently offer in excess of 68 weekly LCL (less than container load) services between the USA and China. This compares to only 12 offered less than 5 years ago.

In the Miami branch, the impact of the accelerated import growth has been

significant. The addition of services from China, Japan and Korea has quadrupled their cargo volume. The significance of the Miami hub as a strategic gateway to Central America, Caribbean basin, South America and soon Cuba, will only intensify once the Panama Canal expansion project is completed.

We have been preparing for this and are ready. The influx of import transshipment cargo also helps to strengthen our export services from Miami. In 2016 we will introduce selective airfreight services from Miami to meet the growing demand for Sea/Air services from Asia to Latin America via Miami.

The re-engineering of our Southeast operations was completed in October. All export loading operations are now physically handled in Atlanta. Prior to this change, we maintained operations both in Charleston and Atlanta. Under the new configuration we expect to achieve greater operating efficiencies, improved container utilization, shortened transits and service enhancements. This also positions ourselves in the heart of where a majority of cargo either originates or transits.

Our team put in long hours and hard work to ensure this arduous process was executed with minimal impact to our customers. Thanks team ... now is our time to reap the benefit of your work by delivering an improved product to our clients.

As we march on through the second half of the year and into the future we must realize there are conditions and influences outside our control. What we can control, are things we should never lose focus on and must be part of our rally cry.

Sales – We've invested significant resources in training and team member development. We expect peak performance from our sales team and Branch Managers for revenue growth and for reaching our targets. While we must be sure to look after our existing clients through "best in class" service, we must also actively hunt out new opportunities as part of the Find, Win, Keep and Grow strategy.

Team – In order to perform at the best possible level, we must ensure the right people are in the right seats on the bus. Each team member must have the attitude and aptitude required for our continued success. We want to recruit right and promote from within as we continue to build our future leaders.

Quality – It's not a slogan; it doesn't just happen. This is driven by attitude and by being the very best at what you do. Without quality, we are just another service provider. Make quality matter and make sure your actions make a difference.

We have high expectations for our business...we have established a solid foundation and network, but there are always plenty of things to improve upon.

Thank you to the team for your contribution to our success and enjoy the holidays with friends and family.

CaroTrans – Beth Embry Patriot Award

The first in ESGR's (Employer Support of The Guard and Reserve) series of awards is the Patriot Award. An employee serving in the National Guard or Reserve, or the spouse of a Guard or Reserve member, may nominate individual supervisors and bosses for support provided directly to the nominating Service member and his or her family. The Patriot Award reflects the efforts made to support Citizen Warriors through a wide-range of measures including flexible schedules, time off prior to and after deployment, caring for families and granting leaves of absence if needed. Patriot Awards are awarded to individual supervisors, not to an entire team or organization as a whole.



Beth Embry & William Singletary – team members in our Charleston branch

CaroTrans Moves a Big CAT to Australia

The Houston team coordinated the specialized transport of a 27-ton piece of equipment from Decatur, Illinois to Fremantle, Australia. Arranging and supervising the heavy lift road transport of 1300 km to the port on time to meet the ocean vessel, took precision planning to overcome constraints and meet deadlines. Another way of “thinking outside the box” to delight our customers!



Los Angeles Superheroes



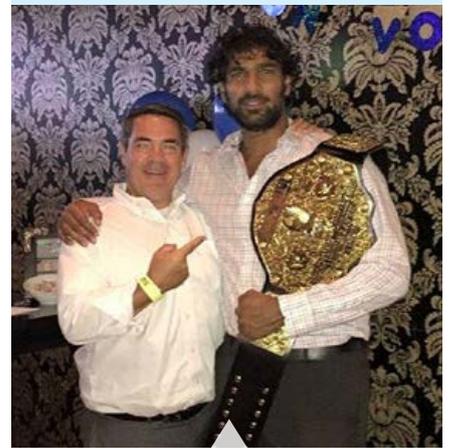
CaroTransLos Angeles is full of superheroes – not just at Halloween!

L-R: Carol Rebullar, Lucia Paragulla, Jazmine Medina, David Bouldin, Nancy Silva, Giovanni Napoles, Nelson Mendoza, Trisha Maahs

Farewell & Thanks Riyaz

We celebrated Riyaz Jordan's achievements in his seven-year tenure with CaroTrans in New Jersey prior to his return to Australia to take over the Branch Manager role at Mainfreight Logistics Sydney.

Riyaz has helped develop a strong New Jersey operation and excellent team for the handover to the new Branch Manager – Kerry Conn.



Kerry Conn with Riyaz “The Rock” Jordan at Riyaz's farewell reception

Helping Bring the “Under 17” Football World Cup to Chile – Raul Katz

The teams in New Zealand, USA and Chile coordinated the logistics support for the Under 17 Football World Cup in Chile. The job involved the transport of materials from New Zealand, US and UK to Chile for support of the World Cup event spanning 7 different venues across Chile.



Europe Experience – Marcos Cazares

My first six months in Europe has been a “baptism of fire” having to learn and understand our partners' business from the opposite side of the Atlantic. This new CaroTrans initiative of having a Europe-based representative has been well received as a sign of our commitment to the trade... and something our partners truly appreciate.

We are seeing good progress being made in securing key accounts in the Scandinavia-Asia trade, and a recent trip to Italy has found support for the launch of new export services from Genoa to Charleston and Los Angeles.



Marcos Cazares (top right) with Craft/Euro Italia team: (L-R) Stefano Difonzo, Marcello Canale and Davide Ardigo

New Connection between Chile & New Zealand

Raul Katz of CaroTrans Chile recently visited New Zealand to launch a new consolidation service from Auckland to Valparaiso.

L-R: Bruce Fruean, Shiva Krishan Elisha Lee, Lisa Bardon, Nicky Smith, Lucio Di Bello, Daniel Glover, Raul Katz, Joshua Chellatamby, Kara Lawson, Jabin Leung Choi, Liz Castillo



Duffy Books In Homes

Duffy Books in Homes USA, Inc. addresses the problem of “booklessness”, by providing elementary school students, who are in need, with quality books of their own choosing to increase literacy skill development and promote a life-long “love of reading”. Since 2008, Duffy Books has provided over 380,000 books to 80,000 students in Pennsylvania, New Jersey, and New York with the help of sponsors like Mainfreight USA and CaroTrans International.

Duffy Books maintains an active presence in the Philadelphia community. In July, Duffy Books participated in Wawa’s Welcome America Festival, providing over 6,000 books to children in downtown Philadelphia. Duffy has also participated in festivals in neighborhoods including Northern Liberties and Fishtown where hundreds of children have received books to take home. Furthermore, a partnership with Temple University has allowed Duffy Books to welcome interns focusing in community relations, fundraising, and social media.

On October 15th, Duffy Books in Homes USA welcomed community members and sponsors to their new office space in downtown Philadelphia for the Duffy Books Open House. Guests enjoyed light refreshments as they learned more about Duffy’s mission. The Greater Philadelphia Chamber of Commerce and Pennsylvania State Senator Larry



DBIH Ribbon Cutting Ceremony

L - R: Jessica Bradbury (DBIH), Heidi Gross (Henry C. Lea Elementary), Frank Bolte (BDP International), Kerry Conn (CaroTrans New Jersey), State Senator Larry Farnese, Richard Quest (DBIH)



Book Giveaway

Farnese welcomed Duffy Books to the Philadelphia community with a ribbon cutting ceremony that afternoon.

Duffy Books is looking forward to the upcoming months. With the new school year underway, students will soon be able to select books to bring home at Duffy Book Giveaways. These Book Giveaways empower students by allowing them to select

the books they would like to add to their home libraries and get children excited about reading.

For more information about Duffy Books in Homes USA, please visit DBIHUSA.org or contact Jessica Bradbury, Director of Community Relations, at Jbradbury@DBIHUSA.org.



Mainfreight Asia/CaroTrans Asia – Michael Lofaro

With the start of 2016 fast approaching, as always, we reflect on the year that's been, but more importantly the opportunities and challenges that are awaiting us in the year ahead.

Reminiscing about 2015 offers us many exciting memories, and the six months since our last Newsletter has offered us many great experiences.

Looking forward, the Asia team will be focusing on sustainable growth, at a good pace, whilst establishing longevity of return on investment and consistency of a high quality service offering, to both our very important internal and external customers. For Asia, looking ahead, it's all about satisfying our customers' experience with us and commercially growing the business in solid incremental steps.

For 2016, it will be perseverance, persistence and patience.

Of course, all this whilst surrounded by the excitement and youthful energy of our Mainfreight Culture.

As mentioned earlier, 2015 was really a full on year, and we celebrated a number of important milestones.

Shenzhen 10 Year Anniversary – Raymond Lo, Branch Manager Shenzhen

In September, Mainfreight Shenzhen Branch celebrated its 10th anniversary.

Shenzhen is such an interesting city, situated immediately north of Hong Kong, and at the bottom of the Pearl River Delta region of southern China, Shenzhen plays a very important economic role as it was China's first special Economic Zone. The city is now a vibrant commercial metropolis of over 16 million inhabitants.

In 2005, Mainfreight Shenzhen Branch established in this lovely

and young city. Over the last ten years, Mainfreight Shenzhen grew from 10 to 30 members. Thanks to all our team members who delivered their professional knowledge, experience and enthusiasms. With the team's ever growing efforts Mainfreight Shenzhen has gained a strong position in the market and continues to keep pace with the times and the changing market environment.

Thanks to our Branch Managers in Asia who kept sharing and helping us in need; Thanks to NST brothers and

sisters' great supports to make the Mainfreight structure more solid.

We have achieved our first 10 years with great success in this long journey. We are very excited to embrace the beginning of next 10 years, 20 years...with our great team, we will deliver more new products and services, creative thinking and expand our business by entering the new sectors. I believe, Shenzhen team can make it! We are special people, special company!



Front L-R: Paul, Jason, Steafan, Shayne, Raymond, Seven, Robin
Middle L-R: Cathy, Crystal, Jenny, Susan, Danny, Letina, Lily, Sunny, Evonne, Sasa, Sindy, Symia, Lucy, Cara
Back L-R: Soy, Yukey, Sophie, Gloria, Shirley

Shanghai 15 Year Anniversary – Andy Ling, Branch Manager Shanghai

The Shanghai team started with four team members, and now we have 77 team members including CaroTrans. Our business covers International

Sea & Air, Transportation, Logistics, Warehousing and Customs broker. Also, we have won for two consecutive years Asia Branch of Year.

Our 15 year anniversary is not the end, it is another beginning.



L-R: Andy Ling, York Yao (Air NZ), Linda Huang, Richard Liu (Air NZ), Matt Xu



L-R: Andy Ling, Steve McCombie (NZ Consulate-General)

Bus Tour – Asia Team to America

A group of our team from Asia recently completed an educational trip to the USA to better understand the coverage of Mainfreight USA and the dynamic of the market there.

Comments by our Asia team who undertook the Bus tour:

Wendy Niu (Branch Manager, Guangzhou): As part of the tour, we had a chance to visit one of the railway stations (for cargo) which is close to Chicago. It was amazing. To see so many trailers organized standing one by one, and the containers loaded on double-deck trains for transport throughout the whole of the USA. This trip helped me understand the railway transportation system in the USA and will help us in selling USA services to our China customers.

Will Li (Senior Sales Executive, Xiamen): It was my great pleasure to have this opportunity to participate in bus tour. It was very special experience. It gave me a better insight of the current development in US and more confidences to promote and sell Asia to USA / USA to Asia business.

Daisy Wang (Regional Procurement Manager, Asia): It was my first time to the USA. After this trip, I feel I understand more about USA history & culture, and learnt more



New Jersey, Albany & Asia Team (L-R): Kurt Kwan, Beth Rosenbrock, Daisy Wang, Wendy Niu, Will Li, Gary Lau, Jake Moller, Bryce Hicks, Joy Seeley, Matt Xu, Beth Fairall

about Mainfreight USA. From a business perspective, it was a very good experience for us to visit BNSF in Chicago. As the hub of the railway service in Chicago, it is a critical piece of infrastructure.

For company culture: I was impressed with Mainfreight USA in Los Angeles. Everyone sitting and have lunch together to celebrate team birthday's in that month. It's very warm and special culture.



LAX / Asia team (L-R): Gary Lau, Matt Xu, Kurt Kwan, Mark Neumann, Desiree Martinez, Wendy Niu, Daisy Wang, Will Li, Janet Clark

Mainfreight Thailand

Mainfreight Thailand was pleased to welcome Bruce Plested who visited our branch on 15 October, 2015. Even though it was for a short time we really appreciated his time and guidance for the future direction of Mainfreight Thailand.

Virongrong Sangkaew-Pond, below (Customer Service, Brokerage team) has attended Customs training to become a Certified Customs Specialist. By the end of this year, Mainfreight Thailand team will have two customs specialists to facilitate and manage customs clearance operations under Mainfreight's name.



Back L-R: Bruce Plested, Withanya, Kasidit
Middle L-R: Kamontip, Virongrong, Praewphinya
Front L-R: Supang, Saowanee, Jinjuta, Nawarat



Back L-R: Kasidit, Kittapart, Wuttichai, Kamontip, Withanya
Front L-R: Supang, Sakuntala, Saowanee, Jinjuta, Virongrong, Nawarat, Praewphinya
The Mainfreight Thailand team spent some time at the Vana Nava Hua Hin Water Park on 20 June, 2015. The objective was to build relationship among the team, have fun and learn how to work and live together as a team. We are more than confident we achieved our objective!

Vietnam – A New Beginning

We are very excited to announce from 1 December 2015, we will be operating in Ho Chi Minh, Vietnam. This new business will be our 3rd in Southeast Asia, with Thailand and Singapore, and our 19th branch across the whole Asia region.



Wing Lam, our Regional IT manager with Khang Ha, our new Vietnam country manager discussing final set up requirements in the new branch



First team members in our new Vietnam office
L-R: NK (Khang Ha), Cindy (Phuong Nguyen), Fang (Phuong Tran)

Hong Kong Warehouse – Gary Lau, Branch Manager Hong Kong

Our first Mainfreight Logistics Site in Asia has recently been established in Hong Kong. The total square meters of the new warehouse is 10,000m² and can store between 4,000-4,500/pallets. The facility gives us 6,000m² of floor space with 4,000m² mezzanine 2nd level space. The warehouse commenced operations on 2nd October 2015.



Hong Kong Warehouse

For Hong Kong, this year has brought us many highlights with new developments and achievement. Firstly, our new logistics warehouse commenced operation on 2 October, 2015, serving many new customers, utilising our many service offerings such as logistics, domestic deliveries, and international Air & Ocean. Mainfreight Metro Delivery was also launched this year, for local delivery within HKG city limits, especially home delivery. And thirdly, we launched a full e-Commerce fulfilment product. Our operations in Hong Kong now offer a full supply chain portfolio.



L-R: Gary Lau, Don Braid, Carl Howard-Smith

All this, along with our professional Sales team, suggests that the future for Hong Kong is positive. We look

forward to an exciting finish to 2015, and the opportunities that the years ahead will bring.



L-R: Alan Cheng, Timothy Kong, Alex Chung, Nam Wu, Steve Lai, Patrick Kwok, ChiTo Kong

China - New Services

Our China teams have been developing new skill sets and qualifications.

Andy Ling, Branch Manager Shanghai: "Mainfreight Shanghai has attained International Air Transport Association (IATA) certification. An important step in expanding the competitiveness of our Airfreight product for our China customers. In the coming year, we will continue to gain other professional

certificates for our business development."

After Mainfreight Shanghai obtained a "Master Brokerage License", Mainfreight Qingdao, as a sub-branch of Mainfreight Shanghai, also obtained their Customs Broker License. Mainfreight Qingdao is also applying for e-commerce custom broker 'subsidiary function' under this license. Once approved, Mainfreight Qingdao will handle custom clearance for not



only import and export business, but also clear e-commerce. That is a great milestone for Qingdao.

Asia Sales Update

Team Training - Sales training for new team members takes place at Hong Kong office twice each year. The first for 2015 was completed from 24-26 June.

This is an important event and is a good opportunity to induct new sales team members to understand our products and services, our network, Mainfreight culture, case studies and build relationships with different Asia teams. Plenty of idea sharing and brainstorming.



Back L-R: William, Peter, Gloria, Lester, Max, James, Jack, Vincent, Tank, Swinburne
Front L-R: Cary, Torsten, Freeman, Linda, Summer, Vian, Michael, Simon, Annie, Danny, Tiger

The Cooking Class Activity helped strengthen teamwork between team members and enhanced their communication and team building skills. Work hard Play hard!



Back (L-R): Lester, Tiger, Swinburne, Tank, William, James, Peter, Vincent, Freeman, Jack, Max
Front (L-R): Annie, Gary, Nichi, Kittie, Summer, Vian, Cary, Torsten, Danny, Simon, Linda

Apple Buckets

We are excited to advise that “apple bucket” giving, one of our traditional “Mainfreight” activities, has started in Mainfreight China. This year, Mainfreight China delivered apple buckets to customers and cooperative partners during the Mid-Autumn Festival.

The festival is held on the 15th day of the eighth month in the Chinese Han calendar, on the night of the full moon (generally falling between early September and early October in the Gregorian calendar). It is the 2nd most important festival in China.

The festival celebrates three fundamental concepts which are closely tied to one another: Gathering, Thanksgiving and Praying.



Qingdao team - L-R: Max Liu, Bi Customer (Jiafuchi), AU CFR client), Vicky Zhao

Jerry Chan’s Business Trip

We were excited to have Jerry Chan, AU & NZ Tradelane Manager, represent our Asian team and participate in the F1 Motorsport Festival held in Adelaide Australia.

Jerry comments:

“This F1 racing car is imported from Switzerland to Adelaide for the F1 Motorsport Festival. It was just delivered this morning and lot of reporters come to our site to take pictures and do interviews. The person standing next to me is Dave Coughlin who is our Branch Manager for Adelaide branch.”



Jerry Chan & Dave Coughlin

Feedback from Customer

Our Hong Kong logistic and warehousing team assisted one of our New Zealand customers to set up their business in Hong Kong. Mainfreight Hong Kong provided the international freight, logistics and set up services to help establish the new store.

We unpacked and separated the products and displays at our warehouse, then delivered all products to their shop for setting up. Our tailor-made solution, with our expertise and personal care allowed our customer more time to focus on their business development.

We appreciate your trust, and we will do our best to continue to give you the kind of service you deserve. Thanks again.



Unloading the products, display and setting it up at the shop.

Wim Bosman and Mainfreight Group Europe – Mark Newman

The recently announced half year profit result for Mainfreight shows good improvements in our European operations.

In Logistics, right across our footprint, we have full facilities and stable profitability. Extensions are just about to begin at our Romanian operations which will increase our capacity by 5000 m2, planning is also well advanced to increase our capacity in the Netherlands and Belgium.

Our Air & Ocean business is really starting to take off. August saw the division smash down the walls to achieve a year to date profit for the

first time in our history. The team's engagement with our worldwide network, especially the USA and China, is inspirational and exciting.

Our Forwarding business is also performing well; year on year gains in Belgium and France being a highlight. We must recognise the efforts of the Belgian team over the last 12 months. The progress shown in quality and improved financial performance is very satisfying. We should also note the great work we are doing in Poland as the team transforms itself from a transport company to a fully-fledged supply chain organisation.

It is clear that Europe has discovered some optimism and confidence that has been desperately missing for the last few years. This, combined with the improvements that you, our team, are making to our business, give us real confidence for the coming period.

In the European spring of 2016 we also have a fresh new CEO to look forward to. Ben Fitts and his family will arrive in Europe in January. Ben is looking forward to helping to write the next chapters in the Mainfreight/Wim Bosman story in Europe and I am looking forward to introducing him to you and our fabulous business.

Have a wonderful festive period and a happy New Year.

Things to Do Better

- **Control and reduce our costs:** Relentless review of our costs as well as revenue growth is the only path to world class returns.
- **Think Globally:** Your actions can have positive and negative effects on our global customers.
- **Improve every day:** Real and sustainable improvement is achieved by small steps every day.
- **Participate in your PAT meetings:** You are in the driver's seat in your business; participate and enjoy the ride more.

Milestone of Our Co-Packing Department

Five years ago we started our co-packing service. With this service we provide customers with Value Added Logistics like assembling of displays, labelling and shrink-wrapping of several items. Most of the team

members of the co-packing department work with us through Wedeo, a social work agency for people with disabilities. We started with five team members and recently our co-packing department has risen

to 100 team members. We are very proud of the growth of this department and with the cooperation with Wedeo. All the more reason to celebrate this great milestone!



Co-Packing Department



Special Shipments for Europe Air & Ocean

In close collaboration with our team members at Mainfreight Dallas, our Air & Ocean team in Europe were requested to ship a marine gangway construction from Rotterdam to Houston. This particular marine gangway is used to access oil and gas terminals and was engineered in The Netherlands.

The marine gangway consists of six pieces including tower parts, lift, gangway, jib, support and platforms. It was a very exciting and challenging project, and with close cooperation from all team members involved this project was a success!



Another recent project was the request to ship a car to Muscat, Oman from a customer of our German branch. It was not just "a car" but a Ferrari, special edition F12 Berlinetta with 700HP with a maximum speed of 340 kilometer per hour.

We transported the Ferrari from the customer's location to Frankfurt airport by a closed car transporter due to safety reason as the car has a value of €345.000. The flight to Muscat went without any problems and it was delivered safe and on time to the customer in Muscat.



Kewill – Our New Transport Management System

The European Forwarding team is focused on change needed to ensure a solid position in a highly competitive market. Transparency, operational efficiency combined with customer experience driven services are of high importance. Next to team member developments, investments are made in the implementation of a new Transport Management System, Kewill. Part of the Dutch Forwarding team is live on the system, the first stage of a full European roll-out. Workflow driven processes including shipment status visibility and cost transparency are the main areas of improvement. In a later

stage this will be completed by the implementation of additional functionality such as yard management. Connected with other

software solutions like the online booking tool and Mainchain we can offer fully integrated services to our customers.



Kewill Implementation Team (L-R): Lex Miechels, Richard Coenen, Michel Engel, Marco van Veen, Sander Elfing, Rob ten Bhömer and Peter Bergman

Drivers Day 2015

On a beautiful sunny Saturday – July 11th – we celebrated our annual Drivers Day. Each year this event provides an opportunity to socialise with one another. Our knights of the

road were congratulated on their performance. After this ceremony, we proceeded to announce the driver of the year. Raymond Kock may call himself the Driver of the Year 2015.

Raymond was picked up by a Dakar truck from his home and drove to 's-Heerenberg where all his colleagues were waiting for him and congratulated him with his well-earned title!



Congratulations!
Driver of the Year, Raymond Kock, with his family



Mark Newman with our Knights of the Road – Back (L-R): Nico van Uhm, Pascal Sas, Corine Evers-Karsten, Arjan Meijer, Frank van de Kamp Mehmet Kozan
Front (L-R): Henk Reindsen, Mark Newman, Marco van Remmen, Luc van Marwijk

Operations in Gelsenkirchen Started!

After lengthy preparations, Wim Bosman Geleen has begun warehouse activities in Gelsenkirchen (Germany) for one of our existing customers. We are using a third party arrangement and the transition is from another third party, which makes this phase even more challenging. The goal of the transition period is to get to know the current processes thoroughly in order to run the warehouses on our own. The Gelsenkirchen team is ready for the new challenge!



L:R Ingo Bergmans, Martin Dobro, Benjamin Radtke, Ali Osman Arslan

Technology Day Zevenaar

Saturday October 3rd Mainfreight attended the Technology Day in Zevenaar, the Netherlands. Children between 10 and 16 years old and their parents were invited to visit this day. So they can see and experience what logistics is all about and hopefully become interested! Our team has built a mini picking street and everyone could sit in our Mainfreight truck. Also we explained what a global logistics service supplier does. It was a nice sunny day, with many people showing interest in our company! So we also have taken a step further in our branding in Europe.



L-R: Barry Goole (Groupleader Warehouse), Rene Bisselink (Groupleader Crossdock), Miriam Spicker (Intern T&D), Wilma Wesselink (Team Assistant T&D), Luc Van Marwijk (Driver Transport)

Picking with Pick to Light Carts at Trust

In July this year we welcomed our new customer Trust at Logistics 's-Heerenberg! Trust is a well-known brand selling electronic accessories and gaming devices. With the implementation of Trust, we also implemented a new way of picking for piece orders: pick to light carts.

One of the advantages of picking orders in this way is that it makes it easier to pick a batch of (small) orders at the same time. On the cart there are 15 positions which all have a screen and a light and each position corresponds to a specific order or part of an order. The system automatically creates the most efficient batch of orders to pick, each time a team member requests for a new cluster of orders to be assigned. So if there are for example 12 orders which all contain a specific type of mouse and some other corresponding products, the system will combine these orders. This way the most efficient route of picking is created and a batch of orders is finished at the same time.

This new way of picking is combined with voice picking. Therefore no scanners are required and a headset is used to receive details of product and the amount needed. This way the hands are free and makes it therefore more convenient to pick. The voice terminal will state how many

pieces to pick and on the cart lights will shine together with displaying the ordered amount corresponding to the order that have requested that specific product. The light is also a button, by pressing the button the confirmation is made that the product and the right amount has been put into that specific box. To verify that the right product has been taken, the cart also shows the location as well as the product number. Currently a maximum of 12 carts are operating on a busy day, which results in the option to pick a maximum of 174 boxes at the same time! Together with a smaller area in which the piece orders are picked, it is an efficient and successful way of picking orders for our new customer.



New Office Forwarding Operations

After six months of hard work we were very happy that our new Forwarding Operation office opened on 24th June, in the presence of the Board of Mainfreight. In this office the activities of the European

Cross Dock, the Evening Desk and Planning are combined. This allows even shorter lines of communication and a better coordination between planning and loading. In addition, we can provide our customers even better

service. Furthermore, a new security and reception desk for external drivers is realised. We are all looking forward to many years to come in our new office!



Peter Nagel (left) and Bruce Plested (right)

20 New Mainfreight Trailers for Wim Bosman Belgium

A large investment was recently made with the purchase of new trailers and trucks for the Belgium transport fleet. The investment is in line with the group's sustainability policy, which has recently led to winning the Lean & Green Star. Within a few months, Wim Bosman ordered 15 new trailers, two trucks and five city trailers. There are also two additional vans ordered for fast and urgent delivery or deliveries to the city centers. We are very proud that all new trailers and trucks will be equipped with the name and logo of Mainfreight.



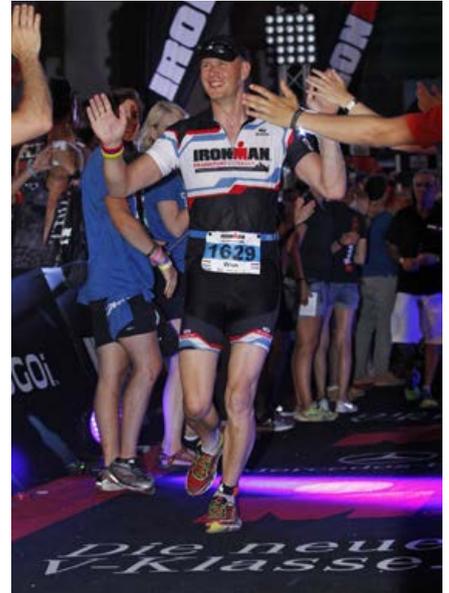
Family Day at John Deere LCC 's-Heerenberg

The families of our team members hear lots of incredible and enthusiastic stories about the work undertaken at our John Deere Late Configuration Center (LCC), where John Deere tractors, gators, and so on are tailored to customer requirements, facing many technical challenges.

Early in October we gave family members the opportunity to come and have a look for themselves. Interest was overwhelming, with about 200 family members attending. Young and old enjoyed seeing the professional workstations, advanced John Deere machines and hearing the stories of our passionate team members. It was also fun for the family to take a seat in



one of the impressive machines that John Deere had made available for this event.



Iron Man Wim

Sunday 5th July: Wim Konings participated in the Iron Man in Frankfurt am Main, The European Championship triathlon. The challenge consists of 3.8km swimming over the Langener Waldsee, then 180.2 km cycling over a range of flat, hilly and challenging roads through Frankfurt and surroundings. The third part was the marathon with a distance of 42.2 km, running over a flat course which consisted of four fast laps during which the athletes were given the opportunity to set their fastest lap times. This year's race was the toughest of all time, because it was the warmest day ever measured, around 40°C. After 14 hours and 52 minutes of swimming, cycling and running, our Iron Man Wim Konings arrived at the finish. What a great achievement!

Mainfreight Cup Challenge

In mid-September the first Decathlon Mainfreight Cup Challenge took place, with teams battling each other in various games, to see who is the fastest, smartest, most creative and shows the best teamwork. With 8 teams challenging each other, it was a great afternoon and everyone was eager to win the cup. In the end though, there could be only one winner, and it was our Sales Team who won the Mainfreight Cup!



L-R: Nick Verwey jr., Ceryl van Hasselt, Nick Verwey, Tim Schenning, Douwe Kaastra, Bart Decnop, Cissy Wingelaar and Rianne Bisseling

Wim Bosman Ukraine is now Mainfreight

Our business in Ukraine recently took the step of changing its name to Mainfreight Ukraine.

We conduct our business in Ukraine according to the global 100-year vision and we understand it as a special mindset of each of our team members that every day and every action is about growing a strong, enduring and successful business.



Mainfreight Ukraine team members (L-R): Ivan Tereschenko, Andrey Lubchenko, Irina Petrenko, Irina Murashko, Oksana Dzyubenko, Olga Marikutsa, Catherine Lakhonina, Andrey Timofeev, Anna Litvinenko, Julia Polischuk

Teambuilding Mainfreight Ukraine

Mainfreight Ukraine has strengthened their ties by celebrating their 3rd year anniversary on 28th August doing indoor and outdoor activities such as swimming, rifle shooting and bowling. We also took part in September's charity event "Run with credit to the heart". The goal was to help children with congenital heart defects by purchasing necessary medical equipment for children's hospitals. We decided to support the initiative and show our concern by a small donation for participation in the event.



L-R: Julia Polischuk, Irina Petrenko, Olga Marikutsa, Irina Murashko, Oksana Dzyubenko, Andrey Lubchenko, Maxim Moshkivsky, Catherine Lakhonina, Anna Litvinenko

Mainfreight Poland Goes On and On

Mainfreight Poland does not stand still. Over the past few months our team has been involved in several events – some as a team and some as an individual. Highlights included a charity picnic on the occasion of Children's Day organised for patients-children of the largest Children's Health Center in Poland. At the picnic there was a Mainfreight truck available where children could get inside and see from the inside how this big machine works.

Next we encouraged our colleague Marcin Wójtowicz in his participation in the Tour of Poland, a road bicycle stage race with a total length of 1,200 km. In order to be in great physical shape, he has trained four to five times a week (around 10 to 11 hours). By his enthusiasm he hopes



Back row L-R: Patrycja Martynowska, Beata Krawczyk, The tiger - Agnieszka Osmólska, Dobrosław Pulit, Łukasz Wyszowski
Front row: Mikołaj Strojanski, Kinga Strojanska, Ewelina Kamińska, Robert Krawczyk

that three to four teammates will join him in next year's competition.

In September we had a very productive teambuilding event, where we proved to be highly creative, driven and motivated. A kart racing

competition allowed each of us to feel the rush of adrenaline and experience the sweet taste of victory, which we will undoubtedly cherish in our memories for a long time. Together we can face any challenge and overcome any obstacle!



Polish Team – All Champions!

Group Training & Development – Martin Devereux

“Welcome to Mainfreight, Chris speaking”. Who would have thought a decade ago this kind of phone greeting from an actual person would be something unique and different.

How we took for granted, and never fully appreciated, the warm tones of a pleasant, and live, human voice welcoming and helping you find your way around a business. Now many businesses subject you to a computer-generated voice devoid of any intelligence or warmth which frustrates you when you need a question answered that does not form part of their pre-programmed repertoire.

This commitment to keeping the personal touch, along with other special parts of our culture, continue to drive the Training and Development teams around the world. It is so easy to forget that we need to keep the special parts of our culture constantly at the front of our consciousness and to keep ensuring that people understand the “why” or the “way we do things”. This becomes increasingly important as we become a larger and more global business.

With this in mind our Training and Development teams continue to work incredibly hard at enabling our team members to be successful and to consistently delight our customers worldwide.

In various aspects of our business and in differing contexts we use the mantra of “Think Global, Act Local”.



Europe Management Trainee Development
Far table (L-R): Francois Fortin, Matteo Forconi, Julia Shevkalenko, Marije Belien, Guus van der Stelt, Beata Krawczyk, Ludmila Grot
Near table (L-R): Donata Kezyte, Konstantin Yakovlev, Thomas de Gols, Jennifer Tueck, Liane Philipsen

The relevance of this to our training teams is that every region will see tailored training initiatives which are specific to the gaps, or needs, of the region in which they are based. In 2015, examples of “Act Local” have included “Easy to Deal With” training in Europe, Drug & Alcohol training in New Zealand, the roll-out of the Quality Assurance program across Australia, migration of USA Port Ops from the old IT platform to CargoWise and the implementation of Health and Safety audits throughout our emerging logistics footprint in Asia.

In a broader context, our teams are also all focusing on big picture strategic initiatives which illustrate the manner in which we also “Think Global”. Throughout 2015, our training teams across the business have:

- Actively sought out and attracted new team members passionate

about growing careers with our business. Whilst their backgrounds may be varied they all share the determination of wanting to play a key role in growing our presence globally.

- Inducted team members not to their branch but to their business; to the Mainfreight family. Helping our team understand the piece of freight they are handling may have come from our Ukraine branch or our San Diego operation.
- Facilitated and supported developmental programs ensuring our team are better equipped with the very best tools and skills to sell, to lead and to make better decisions.
- The delivery of systems training and quality audits across the branches enabling them to improve performance and deliver great customer service.



Gabby Fage and Katie Becker at Uni Games 2015 on the Gold Coast



Careers Day Antwerp (L-R): Lucy Partridge, Jelle de Parade & Nena van Londen

- The continuous support and coaching of Branch Managers and leaders within our business to enable them to build smarter, safer and more sustainable operations and teams.

2016 will see many challenges before us; the roll-out of Mainstreet into our New Zealand transport business having the greatest significance. This will be the single largest IT implementation our business has ever seen and will see approximately 600 team members logging out of one IT system on a Monday and then logging into a new system the following day. Not much room for error.

Moving away from specific challenges, the broader challenge for our training in 2016 and beyond is how to better support branch-based and delivered training. For a long time we have subscribed to the philosophy that those closest to the problem are those



Our North Island Chemcouriers Team at the TQM course

with the best solution. Accordingly the focus moving forward will be wherever possible to assist branches to deliver training internally within their branch environments. Whilst the Training Centres will continue to assist with specific programs and initiatives, a significant amount of training to be delivered in 2016 will be in your branch, by the branch. A new initiative but an exciting one.

In closing, our December Newsletter typically arrives in your letterbox on the eve of Christmas. What we know is Christmas means different things to different people and has different levels of significance depending on the region, the religion or the culture. Across our business below are some insights into what Christmas can look like in our Mainfreight worldwide family.



Bruce Plested shares some insights at the Aussie Team Leaders course



Kim Sour Soy of Mainfreight Logistics Highbrook Branch – fire extinguisher training

New Zealand

The quintessential kiwi Santa wears jandals, a Hawaiian shirt and sports a surfboard; in the land of the kiwis, Christmas is all about summer. As a team with our families we enjoy barbeques, roast ham, and a traditional hangi (food cooked in the ground). We'll be toasting you all during the Christmas period while we soak up the kiwi rays. Meri Kirihimete!!



Santa knows how to get the deliveries through!

Australia

Unlike our New Zealand brothers and sisters, Christmas in Australia is HOT! Like the kiwis Christmas is typically enjoyed outdoors but we will have fewer layers on and alongside our Christmas ham or turkey will be lots of seafood. Across Australia people typically look to escape the heat by visiting pools, beaches or simply turning up the air conditioning.



Asia

Christmas is not a holiday commonly celebrated across Asia. Despite the fact that most Christmas decorations and artificial Christmas trees are made and exported from Asia there is less than 1% of their population who will be celebrating this holiday. A tradition that's becoming popular, on Christmas Eve, is giving apples. Many stores have apples wrapped up in coloured paper for sale. People give apples on Christmas Eve because in Chinese Christmas Eve is called 'Ping An Ye' which means quiet or silent night, and the word for apple in Chinese is 'Ping Guo' which sounds similar.

USA

A country as diverse as the USA sees Christmas celebrated in many different ways. Unlike the summer theme which our team 'down under' experience, in the USA Christmas is a winter festive occasion and for many parts of the country they will celebrate a "White Christmas" with fresh snow and frost bite. Regardless of where Christmas is celebrated the common theme is family, family, family.

Europe

Like the USA, the diversity of culture and religion sees Christmas meaning different things to different people. Also like the USA, the festive season is a winter celebration with snow and sub-zero temperatures more common



than sand and swimming at the beach. Some countries have their main celebration on Christmas Eve whilst others will focus their activities on

Christmas Day itself. Family and celebrating time together and to be thankful remain constant themes.

From the Mainfreight family around the world, we wish you a very safe and prosperous festive season ahead.



Emerging Branch Managers – some of our overseas participants going for all things "Kiwi"! (L-R): Ada Wu (Tianjin), Jeff Bian (Shanghai), Stanley Su (Taiwan), Jade Fogwell (Brisbane)



Emerging ... or Levitating ... Branch Managers! (L-R): Matt Haplin, Fernando Guzman, Stef Henry, Akash Varma, Jade Fogwell, Chris Brown, Kirk Simpson, Martyn Bryant, Will Young, Stanley Su

Technology – Kevin Drinkwater

Longevity – People and Systems

It seems to have attended a lot of long-service anniversaries and retirements lately. Attending these functions is a very useful reminder of how far Mainfreight and our people have come. A lot of the memory jogging occurs during the speeches when stories from the person's past at Mainfreight are told.

They often demonstrate how Mainfreight gives everyone an opportunity to make the most of their talents – many have succeeded well beyond what they may have hoped or dreamed of when they originally joined Mainfreight.

Many of the IT team who have celebrated anniversaries started in the business, many on the floor, where they loaded freight, picked orders or other manual tasks. To see these people move from the floor and become key IT team members with responsibilities for systems which are used globally is very satisfying. One of the keys to their success is the fact they have worked in and understand the business and bring this experience into IT which ensures we built systems that match the practicality of the operations and are easy to use. Everyone in the business benefits immensely from this.

A huge thanks to all of you who have reached these significant anniversaries with us – we could not have achieved all that we have without you!

Perhaps the longevity of the IT team members is a key reason why our systems last and continue to produce for so long. Some of our key systems are now well over 10 years old, yet they still use good technologies and have coped with some massive growth. We build systems to last!

Cindy Suggs Retirement

We have had one recent retirement from the CaroTrans IT team. Cindy Suggs, is a 30-year plus team member who is well known and respected in the CaroTrans USA team and retired in November. She leaves behind a significant legacy. Cindy took over the CaroTrans IT Manager role after I finished my tour of duty in the USA in 2001.

Cindy came from an operational background although she had little

training in systems development, or the technical side, her immense knowledge of the business and straightforward common-sense approach meant that she picked up the reins very quickly.

Cindy has been instrumental in many improvements in CaroTrack - her biggest achievement will be the completion of the CaroTrack redevelopment project. The entire system was rebuilt on a more modern

language and introduced many efficiencies for the operation. Not only that, but the introduction of the new pieces were phased in over time with little disruption to the business, as the old and the new systems could be used at the same time. This allowed the team to get used to the new and for us to ensure we had everything working as it should in the new.

Our best wishes to Cindy in her retirement.

Neil Graham – IT Guru

The passing of Neil Graham, our wonderful colleague and friend, in October reminded me what a passionate supporter of IT Neil was. Neil showed that you did not have to understand what was happening under the technology hood to believe in what it could do for us.

There are many stories that I could tell about Neil, some of which probably should never go to print, however I would like to relay two that show how Neil, a man who really had no idea about how technology worked, could understand and sell the benefits it brought to Mainfreight's customers.

The first story occurred in 1990 not long after we went live with our first barcode freight tracking system. The

previous year, Neil and Bruce had been to the USA and seen a system there that allowed customers to ring a phone number, which was then answered by a computer, enter their consignment number and the computer would tell the customer the latest status on the freight. This evidently was a very expensive system.

Their delight with this technology was not forgotten, and a year later and shortly after of barcode freight tracking system went live, we started looking for a way that Mainfreight could do this. We built a full prototype, prepared a demo, and one evening, when Neil was up in Auckland, we surprised him and Bruce with it. As soon as Neil heard it working he shouted "I want it, I want it!"

To which I replied but you don't even know how much it costs – to which he replied "I don't care – the customers will love it".

Bruce of course asked how much it was and I was happy to tell him we built it with Kiwi ingenuity so it was bloody cheap compared to the cost in the USA.

The next year we began introducing scanners for our drivers to update pickup and delivery times from the cab. We chose Auckland as the first branch, however we had a dreadful time trying to convince the drivers of the benefits and for them to trust the devices. Christchurch was the next branch so we told Neil about the issues with Auckland drivers and that

we were worried about what might happen in Christchurch. "Don't worry" said Neil – "leave it to me".

Well, Neil had done such a good job of selling the benefits to the drivers, they were almost begging to have a scanner when I arrived. So after that we waited till Neil had visited a branch and turned up a week later to roll out

the new scanners and they were all waiting for them with bated breath! So it continued for many years – Neil promoted our technology inside to the team and outside to the customers.

He did however have one fault – sometimes when he visited an office and the team member was a bit lethargic when he asked him or her

how they were, he might tip their desk up. Unfortunately they often had computers on them, and there were several times we had to replace them!

It was a small price to pay for all the ways Neil helped out the IT team. It was always a pleasure being on the team with Neil!

Thanks for Another Big Year

We have come to that time of the year, again, where we wonder what the hell happened to the year and how we got to the end so quickly. It is a good time to reflect on what we have achieved in that whirlwind of time.

To those of you on our IT Teams around the world, thank you for all that

you have achieved this year, thank you to many of you who have had to work extraordinary hours to make sure we have continuous and uninterrupted computing to the highest level.

We hope you have a wonderful Christmas and for those that will be going into summer holidays that the

sun shines long and often, for you and your families. To those in the Northern Hemisphere we hope you thoroughly enjoy your Christmas break whether it be white or not.

Contributions from the Team

Attack of the Drones – Ben Renehan (Drone Pilot)

It's become increasingly desirable to have great quality video and photos of our sites. In the past we hired film crews to record video around some of our large new sites. The cost could be astronomical, so we figured why not do it ourselves? We bought a DJI Phantom 2 drone with a GoPro Hero 3 camera attached. I find that the GoPro Hero 3 takes really good photos, even though they are just 14-megapixel JPGs. If I'm shooting in good light with minimal wind the video and photo quality is just amazing.

I can't stress enough that the drone we bought is not a toy. However that doesn't stop it from being a lot of fun. I often find myself thinking "I can't believe this is work."

The Phantom 2 has an amazing flight control and an integrated GPS auto-pilot system that allows it to hover in place, even if there is a strong breeze pushing against it. If the Phantom 2 loses connectivity with the controller during flight, the system's



Great shots from the drone – inside and out at Epping

failsafe protection will activate and send the drone back to where it took off from. Its battery allows for flight times of about 20-25 minutes. Additionally the drone features self-tightening propellers, so you don't need to worry about one of them falling off mid-flight.

We've already used the drone to take progressive footage of the construction at our new super site in Epping. It's a great tool and I look forward to creating amazing looking videos of our business.

Customer Feedback using NPS – Brett Horgan

Over the last several months we've been using the Net Promoter Score (NPS) methodology to capture feedback from our team and customers who use our applications. This is proving to be a valuable tool for continuous improvement. With the wide variety of needs our team and customers have, it can be easy to lose sight of some aspects and give the most attention to those who make the most noise.

The great thing about systematically asking for feedback is that you don't just get the complaints. Outside of surveys people rarely take the time to give positive feedback, but it's hugely

useful. Eliminating the negatives can only get us so far – in order to truly delight we've also got to focus on understanding more of the positives!

Rather than the traditional customer satisfaction survey that can take half an hour to complete, NPS simplifies it to just a ranking and a free text comment. We read every single piece of feedback because we only send out a handful per day – every day. Over the course of a year we'll be reading thousands of pieces of feedback that drive us to produce applications that make it easy for us to do business, as well as making us easy to do business with.

Kathy

10 | I use mainchain on a regular basis now - I find it brilliant in getting all the info I require immediately i.e. commercial invoices, customs certs etc Wish I had started using it a long time ago - brilliant

Some feedback from a customer on our NPS survey.

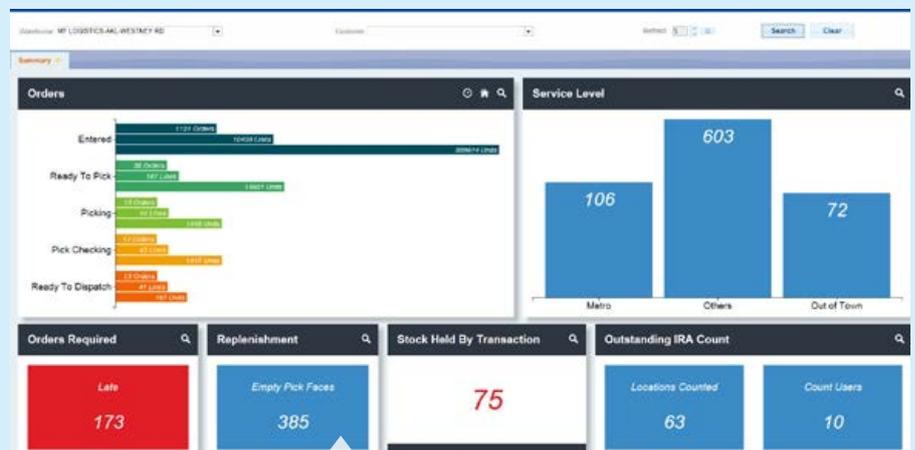
Finger on the PULSE – Esmund Lum

In the past three years there has been a significant change in the shape of our Logistics operations. The introduction of radio-frequency handheld and voice devices into our business has allowed our system and ultimately our team to handle more complexity which is what our customers expect from the Mainfreight brand.

As our business capacity continues to grow and the layers of sophistication continue to build in MIMS, the basic fundamentals of co-ordinating and monitoring at an operational-level become even more closely examined.

The introduction of our RF solution has allowed us to streamline and enhance the quality of process which allows us to differentiate us from our competitors. But in an IT savvy, technologically advanced generation, one key benefit we derive from utilising our mobile devices is the ability to capture and transmit live and comprehensive data back to MIMS to assist in operational monitoring and architecture.

Our latest initiative is the introduction of Pulse (V2). MIMS headquarters has



An example of what the branch can see with Pulse (from our test system)

received some great feedback from our first release and that has provided the canvas for us to further enhance the look and functionality of our latest version. Pulse will continue to allow our team leaders and managers to view LIVE snapshots of any outstanding and completed tasks which will assist them in planning and co-ordinating resources more effectively throughout the day.

But the key features revolve around the ability to monitor and measure team performance, detailing user picking statistics at a unit, line and order-level. This is further supplemented by the added feature of MIMS calculating the average time

it takes any particular team member to pick a line. This will be displayed in the new Team Performance tab. Another key feature includes the ability to switch Pulse to Auto-Refresh. This will ultimately allow our branches to display Pulse on screens around the warehouse to keep our team updated throughout the day.

Mainstreet NZ – John Eshuis

With the rollout of the new Mainstreet in New Zealand planned for the coming year, a lot of work is happening in the background to ensure that Mainstreet delivers what it should. This is a very important project, and we understand that if we get it wrong, the consequences are going to be significant!

The Mainstreet team are focussing on 4 key areas:

- Development – Rachael Moore and Gary Harrington are continuing to develop Mainstreet (with our development partner Sandfield) so that it can perform to our current business processes.
- Business Readiness – Ray Dixon has come on board as our business representative. He has been helping us resolve some of the more difficult areas and will be focussing on ensuring that the business is ready for this big change
- Training – Alexia van der Zanden is taking up the challenge of figuring out how we train the business to use a brand new system.

- Go Live preparation – Gary Harrington will be co-ordinating how we make this big step from Maintrak to Mainstreet. It will be a big challenge!

We've been lucky to have been allowed to grow the team somewhat; Pateriki Te Pou and Maree Toa have been on the team for a while of course. As of October, we have also had Lisa Martin, Shaun Morrow, Vanessa Maxwell, Debbie Brady and Leanne Drube on board and they are all heavily involved in various parts of the process – with the main focus on ensuring that Mainstreet does what the business needs it to do. Charlotte Carpenter and Alexia are also working full time on preparation.

That is a big team! And we're thankful for the branches that have released their team members to help us.

The trainers have been visiting branches and showing the product to as many of the team as possible. The feedback has been overwhelmingly positive and it gives us a lot of comfort that you, the Mainfreight machine that you are, are keen to take on something new.

How can you help?

Process Process Process!!!!

Do everything right. Follow the process! Challenge why you have "work arounds" in your branch! Challenge your team mates if they are short-cutting the process. Are your scanning stats up to scratch? If not, why not? Is your CHEP process clean?

We all know what SHOULD happen. It's up to you to make sure it DOES happen.

Let's take this challenge on the Mainfreight way – if you see something that's broken, fix it.

There is an easy way to measure if this is working in your branch. Your KPI's and the Branch Healthcheck that come out each week are a strong indicator of your branch performance in this area.

Talk it through at your PAT meetings and let's not be shy about making sure we are getting it right.

New Phone System – NZ migration almost complete – Jamie Thomas

The early part of this year was used for planning and testing an upgrade to our Cisco phone system and Zeacom operator consoles and then the actual upgrade went into full swing 8 weeks ago and every week since up to 3 branches a week have been migrated. Busy Stuff! The old system has served us well for around 10 years but is many versions behind and reaching end of support from Spark.

Looking at some of the new technology around phones, future plans for our phone connectivity include loading Cisco Jabber onto

mobiles so desk extensions can be taken on the road, using Jabber for instant messaging to ease load on our email servers, and much improved availability of video conferencing, either in meeting rooms or desk to desk and the new system brings us in line to do these things. Taking your extension out on the road will allow the team to transfer calls back from their mobile or even have an operator bring the call back if there is no answer. The new system also allows changes to directory numbers in one place rather than three reducing admin time and will allow for easier

integration with our overseas teams. Cisco Call Manager is fast becoming the global standard for Mainfreight phone systems.

During the upgrade we took the opportunity to assess, simplify and improve call flows so our customers can get to the right person faster. The new console looks a lot cleaner and our Reception teams have grasped the changes really well. Yes there are still some issues to iron out but overall the migration has gone well. At time of writing this article it is only Dunedin and Invercargill left to do.

Driver Scanners – NZ Rollout Complete – Peter Webster

The rollout of the new driver scanners has shown immediate benefits with a significant improvement in scanning rates for pickups and deliveries. The new devices are more reliable and easier to use.

The rollout started in early August and within two weeks of Railway Lane shifting to the new devices their

scanning percentage (percentage of consignment notes scanned by the driver) increased by 8% to take them from the high 80's to the high 90's. Other branches have followed suit.

This will have considerable benefit for our customers and customer service teams as the tracking information will be up to date much quicker.

We will be replacing some of the older scanners in Australia next year and gradually replace the whole fleet as they come up for renewal.

We will also be introducing this new generation of equipment to our outturn process when we implement Mainstreet.

SERVICE ACHIEVEMENTS

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

| | | |
|------------------------|----------|--|
| Gert Cornelissen | 45 years | Wim Bosman Transport 's-Heerenberg |
| Wim Jakobs | 45 years | Wim Bosman Logistics Geleen |
| Anita Everaerts | 35 years | Wim Bosman Logistics Geleen |
| Bryan Curtis | 35 years | Mainfreight Transport Australia |
| Christiaan Roering | 35 years | Wim Bosman Logistics Geleen |
| Graham Edwards | 35 years | Mainfreight Dunedin |
| Kerry Crocker | 35 years | Mainfreight New Zealand National Team |
| Mike Reid | 35 years | Owens Transport Australia |
| Rob Vincent | 30 years | Mainfreight Wellington |
| Astrid Verbeeten | 30 years | Wim Bosman Holding 's-Heerenberg |
| Henny Willemsen | 30 years | Wim Bosman Crossdock 's-Heerenberg |
| Jan Nijssen | 30 years | Wim Bosman Logistics Geleen |
| Karin Timmerman | 30 years | Wim Bosman Forwarding 's-Heerenberg |
| Ruud Tousain | 30 years | Wim Bosman Forwarding 's-Heerenberg |
| Tom Valentine | 30 years | Mainfreight Albany |
| Wichard Achten | 30 years | Wim Bosman Logistics Geleen |
| Corrie Ederveen | 25 years | Wim Bosman Forwarding 's-Heerenberg |
| Devlin Liebrand | 25 years | Wim Bosman Transport 's-Heerenberg |
| Gerry Stevens | 25 years | Wim Bosman Crossdock 's-Heerenberg |
| Greg Smith | 25 years | Owens Auckland Owner Driver |
| Jurgen Lukassen | 25 years | Wim Bosman Forwarding 's-Heerenberg |
| Robyn McCarthy | 25 years | Mainfreight Air & Ocean Tauranga |
| Timo van den Bos | 25 years | Wim Bosman Transport 's-Heerenberg |
| Willem Visser | 25 years | Wim Bosman Crossdock 's-Heerenberg |
| Wim Driessen | 25 years | Wim Bosman Transport 's-Heerenberg |
| Colin Bradshaw | 20 years | Mainfreight Wellington Owner Driver |
| Darren Jerard | 20 years | Owens Logistics Christchurch |
| Erik Ruesink | 20 years | Wim Bosman Transport 's-Heerenberg |
| Henare Morton | 20 years | Mainfreight Napier Owner Driver |
| Henk Peters | 20 years | Wim Bosman Logistics 's-Heerenberg |
| Hubert Kamphuis | 20 years | Wim Bosman Logistics 's-Heerenberg |
| Jeroen Wierbos | 20 years | Wim Bosman Transport 's-Heerenberg |
| Jodi Vaughan | 20 years | Chemcouriers Hamilton |
| Mark Newman | 20 years | Wim Bosman National Team 's-Heerenberg |
| Mels van Egmond | 20 years | Mainfreight Airfreight Schiphol |
| Natalie Weijenborg-Bos | 20 years | Wim Bosman Forwarding 's-Heerenberg |
| Owen Donald | 20 years | Owens Christchurch |
| Robin Dickinson | 20 years | Mainfreight Auckland Port Ops Owner Driver |
| Yvonne Bleekman | 20 years | Wim Bosman Forwarding 's-Heerenberg |

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

Legend Awards

Here are just a few of the wonderful people who have celebrated major milestone anniversaries during the year - all Special People who contribute to our Special Company.



Carol Selwyn-Brown receives her 30-year certificate from Bruce Plested (although she has actually worked for Bruce for over 40 years!)



Mike Reid, Owens Australia, celebrates 35 years with the Mainfreight Group



35 years for Kerry ("Cocks") Crocker too, as he receives his certificate from Bruce



70 year legends – Mainfreight New Jersey!
Well, 70 years between them that is: Deborah Rumore, 25 years and Ellen Mullery, 45 years

Mitch Gregor (Auckland Transport Branch Manager) with a 20-year certificate for Maureen Paine, better known as "Auntie Mores", whose weekly blog is a mainstay of the Connect intranet site



Bereavements

Andy Sayle – Mainfreight Mt Maunganui

Andy Sayle started in June 2008 as an Owner Driver with our then Mainfreight Precision business (now known as Mainfreight 2Home). Before starting with Mainfreight Andy had a second-hand shop under the name “Steptoe”, which gave him loads of experience handling whiteware, furniture and dealing with home deliveries.

Andy was very well-liked and respected by our Mt Maunganui team as well as our customers. There was never anything that Andy wouldn't do to help someone out with a problem, and would often go out of his way when making a delivery, sometimes with extra costs to him.

Andy passed away 26 May 2015 and is greatly missed by all of us at Mainfreight. R.I.P Andy.



Theo Klein Tank – Wim Bosman Logistics 's-Heerenberg

Theo Klein Tank, team member at Wim Bosman Logistic Services in 's-Heerenberg, passed away on 2 August 2015. Theo started with us as a lift truck driver and worked almost 20 years for Wim Bosman. 10 years ago he became the first Wim Bosman mechanic to execute assembly activities on John Deere's gators and he has been a part of the mechanics team ever since.

Theo always showed a tremendous work ethic and was known for his cheerfulness and optimism, “everything will be ok” was often heard. For creative solutions we would ask Theo and we could always count on his helpfulness on getting the problem solved.

A rock-hard team member, even a broken bone or a wound would not stop him from showing up. After becoming unwell one day at work, Theo was recovering from a heart disease. The Friday before he passed away, he stopped by at work to tell everybody he was going to be back after the weekend. Unfortunately it was not be.

Theo, we will miss you.



Denis Dillon – Mainfreight USA

Denis touched many of us in many ways. In his lengthy time with Target and then Mainfreight, Denis was a person who lived life to the fullest, was no nonsense, but had a great sense of humor. Denis worked right up until his last day and was truly grateful to be able to do so and kept in contact with many of us whilst working from home. Never one to see things negatively, he handled himself with great courage (as Margaret, his wife, stated; he was a marine to the end) and always willingly gave encouragement to others even though very sick himself.

Anyone familiar with Denis knew how much he enjoyed working with the Mainfreight family. Denis celebrated life everyday with courage, enthusiasm and joy (and of course his trademark wit and sarcasm). His loyalty and friendship endeared him to those who were fortunate to call him a friend.



Brendan Jepson – Mainfreight Wellington

Our team member Brendan was ill for 6 months, and while he had hoped to return to work during the middle of October, the illness took a turn for the worse and he lost his battle in late November.

Most of us will remember Brendan as the fun-loving, gregarious guy he was, always up for a laugh, or ready and willing to laugh at us. I'm sure he will want to be remembered as the best team member ever here at Wellington, as he often told us that he was!!

Our thoughts are with Cassie his partner, Mya his daughter, Brendan's family, and also to Jono out at Logistics, who will all be grieving at this time.



Neil Graham, ONZM

It was with huge sadness and heavy hearts that the Mainfreight family farewelled our Legend, Neil Graham, who passed away at the end of September.

Neil joined Mainfreight in 1979, when he accepted Bruce's invitation to join the company as Joint Managing Director. For the following 32 years, Bruce and Neil oversaw Mainfreight's growth together, laying the foundation and culture that sustain us today. In 2011, Neil stepped down from his role as director due to ill-health, but he maintained his passion for Mainfreight with regular visits to Christchurch branch, and of course ongoing contact with his many friends that are everywhere in the business.

With Neil's passing, Mainfreight lost an integral connection with its past, but more than that, a staunch and true supporter – a special member of our family. We know that there are many, many Mainfreight team members throughout the world who will have memories of Neil – he was a character who was larger than life, and everyone who met him will have a story to share.

As Bruce Plested has said in the past, "It is unlikely that we will have such a big personality in our business again. People with Neil's unique skills and personal attributes perhaps only come along once in a lifetime."

Our sympathies and condolences go to Neil's family and many friends.





Shane Michalick – Hanging with the Big Guy
 "Pretty happy that I got to meet him (Prime Minister John Key of New Zealand) again and that he remembered me from last time. But then again my team here said I leave a lasting impression on people so not sure how to take that ..."



Michael Lofaro joins Withanya Ceetantivech and our Thailand team in a traditional blessing ceremony to mark Mainfreight Thailand's second anniversary



Annette Webb (Air & Ocean Tauranga) sent us this photo of her godchildren Miller and Savanna Van Sambeek enjoying an impromptu jam session with their apple bucket drum kit



The opening of our first Logistics warehouse in Hong Kong included some traditional celebrations



Three very satisfied team members who improved their personal goal of 5 km at the Ooyse Landloop, first it was just for fun but finally ended up to be a teambuilding performance for warehouse supervisors.
 (L-R: Jeanette Hendriks, Jean-Gerard Fifis and Melanie van Saase)



Looks like Nathan McEldowney (not pictured) has taken some of his Mainfreight Wellington team hostage – hold on guys, help is on the way ...
 (L-R): Caroline Ward, Matt Dalton, Scott Cudby (no longer with us), Richard Devine, George Abernathy and Kate Hoar



Drivers Arno Broekhuizen and Jeroen Wierbos have given children with a mental disorder and their families a terrific day during the event Wunderland Kalkar on Wheels, an event that more than 100 trucks participated in



Mainfreight Rotterdam and Amsterdam enthusiastic runners ready for the 3rd edition of the 10 km Harbour run at the port area of Rotterdam.



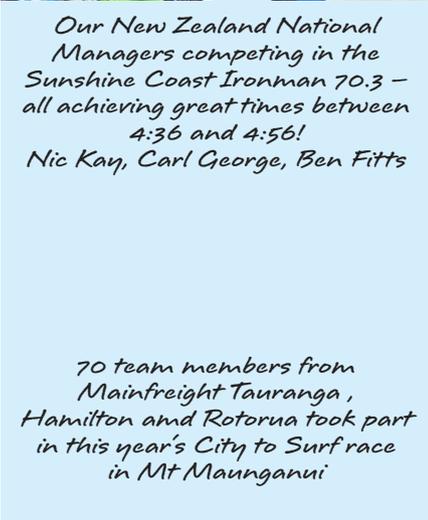
Justin Gower, Mainfreight Hamilton, knows the way to a woman's heart! (She said yes!)



Our New Zealand National Managers competing in the Sunshine Coast Ironman 70.3 – all achieving great times between 4:36 and 4:56!
Nic Kay, Carl George, Ben Fitts



The traditional Bridge To Bridge Run 2015 of Wim Bosman
Back (L-R): Frederik Gielis, Frans Zuidgeest, Maarten Mol, Wim Konings, Sander Vreeburg, Daniel Newman, Jeremy Newman, Angelique Stefas, Hans Stelling, Dick Bettem, Chiel Hesseling
Middle (L-R): Astrid van Acker, Carola te Grotenhuis, Christine Newman
Front (L-R): Mark Newman, Ceryl van Hasselt, Ivo du Plessis, Niels Duchateau, Willem Develtere, Sander Elfring



70 team members from Mainfreight Tauranga, Hamilton and Rotorua took part in this year's City to Surf race in Mt Maunganui

The mighty Waikato team won the Ranfurly Shield this year (New Zealand's premier rugby trophy), and when it made a visit to Hamilton Branch, everyone got in on the act ...



Robt Bryers, Ranfurly Shield



Loni Uhila, Charlie Camenz, Ranfurly Shield, Jonathan Malo



Denis Laws (Branch Manager), Ranfurly Shield

Ok guys we get it – you won the Shield!



After completing a one year exchange programme at Wim Bosman, the team farewelled Siân Rogers before she headed back to Mainfreight Australia. "We will miss you and good luck!"



A new Mainfreight truck "MFT-007 Goupil" was added to our existing fleet. Bastiaan Besselink (left) and Kevin Kijvekamp (right) are proud of their truck.



Special lollipops made for the upcoming career events to attract special people.

L-R: Miriam Spicker, Carola te Grotenhuis, Wilma Wesselink



Halloween Pumpkin Carving Contest – CaroTrans Miami
 Front Row (L-R): Roberto Montoya, Christian Suppice, Maria Henriquez, Cindy Rafart, Daniela Casanova, Jorge Montoya, Beatriz Zaldivar, Jackie Ramos, Koritza Nunez, Jacky Aguilar, Susan Melara, Juan Melendez
 Back Row (L-R): Kika Veiga, Deuris Aguiar, Hugo Sequeira, Monika Perez, Milton Carballo, Daniel Goldstein, Daniel Orihuela, Bruno Barbi

Feedback

From: Alex Hall
Sent: Thursday, 26 November 2015 9:52 a.m.
To: Don Braid
Subject: Inspiration

Hi Don,

I picked something up from your Penrose depot recently, which is the first time I've been into Mainfreight and I just wanted to say I think it's really amazing to see what you and your team have done with the entrance and reception area. All the quotes are really inspirational, just like on your trucks, which I always look out for.

Cheers,
Alex - Truly & Madly

From: Mike R
Sent: 10 September 2015 12:11
To: Joel Pereira (MFAO AKL)
Subject: Mainfreight ...Going the extra mile

Hi Joel

Thought you would appreciate the following and please pass on our appreciation for your driver who went the extra mile !

I had your company deliver 85 cases of wine from Sileni Estate Hastings to our home address in Wellington

I had planned to be home when the truck arrived but he turned up slightly earlier than I was able to get home. Your driver just took it upon himself to off load all 85 cases and stack it very neatly in our garage. Both L and I were most grateful for this pro-active move and effort

Well done and many thanks "Team Mainfreight "

Best - Mike

PS: No it wasn't all for me ... a 1,000 bottles is a lot to go through by one person !!



Desiree Santos, Chicago

Dez,

Thank you for providing the most amazing customer service. You truly are the benchmark others are measured against. In the spirit of your willingness to go above and beyond to help a customer in need, you have been nominated for and awarded the Biova egg of excellence, only given out to our VIP's !! Thanks again. Warm regards,

Katya Hackle

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From: Marc P
Sent: Monday, September 14, 2015 1:26 PM
To: Scott Rood; Barry McLemore
Subject: Brent Fetcher

Dear Sirs,

I never write any review (you can Google check my name) but Brent Fetcher is doing such a great job for us that I thought I would spend a couple of minutes to tell you how happy we are to work with him.

We've been dealing with Brent for over a year now and he has been faultless – which is a real rarity in your industry. Over the years we have been working with lots of small companies and big ones too such as [X, Y and Z] ... in the US and many countries across Europe. I can easily tell you that I have never come across a high level of customer service such as what Brent has provided so far, not even remotely close. He is always fast and efficient but what impress me the most with him – given the industry you are in – is that he cares about us! He is always ready to go the extra mile for us, no matter the problem or the hour. He even saved our exhibition investment earlier this year, when nobody else (including "X") couldn't care to retrieve our cargo lost at import, Brent stepped in and delivered our booth right on time before the show started! Always ready to help and of course finding solutions to problems.

I congratulate you for having recruited such a great talent. I wish I had a Brent Fetcher in my organization! I am very happy to have him on board for our urgent transportation needs.

Best regards,
Marc P
Director

From: Claire K
Sent: Wednesday 13 May 2015 21:09
To: Sales Wim Bosman Belgium
Subject: congratulations for your positive message on the road!

Dear,

Today I saw a truck on the highway from your business.

Behind the truck was a beautiful sentence with a positive message, something like 'your smile makes the world more beautiful', or something like that

This all means you have made my day better!

Thanks!
Claire K



From: Neil C
Sent: Wednesday, 16 September 2015 11:08
To: Craig Smith

Subject: Re: Special delivery needs

We love sending these consignments with your Metro team, Craig. Nothing ever seems to go wrong and our Customer is very happy.

Cheers
Neil C
Heidelberg West VIC 3081 Australia

From: Lee Tuimauga (M2Home AKL)
Sent: 24 July 2015 14:37
To: M2Home Enquiries; M2Home AKL
Subject: RE: Delivery Wednesday 22nd July

AWESOME SERVICE HARLEY! 😊

From: Deb H
Sent: 24 July 2015 14:34
To: M2Home Enquiries
Subject: NFA001082018 - Delivery Wednesday 22nd July

Hi – just wanted to let you know that I received the above delivery on Wednesday and was blown away with the excellent service by Mainfreight.

I got a call the day before the delivery advising of estimated drop off day/time then on the morning the driver phoned to confirm time. Then he phoned again closer to the time to say they were running late which was super helpful as I was taking time off work to meet him so I didn't waste time by being made to wait.

When he did arrive they couldn't get the truck up my steep driveway so he had to carry the very heavy box and when he got to my door (heaving) didn't bat an eyelid when I asked if he'd mind taking it up a flight of stairs for me.

I offered him a glass of water as he looked to be in pain but he politely declined stating they were behind schedule and he didn't want to keep anyone else waiting.

Absolutely the best customer service experience I've had for a while – many thanks!

Regards
Deb H

From: Maude W
Date: 15 August 2015 10:53:54 am NZST
To: Grant S
Subject: Fantastic service

Hi Grant - I just wanted to send a quick email and compliment your team on fantastic service last week for my chair delivery.

Not only did your driver go back to the collection point the day after

I booked as the consignment was not ready (my supplier had mucked up) but I received a return phone call to let me know what was going on. I needed the chairs for a photoshoot on Saturday morning and when I called your office again on Friday night at about 5pm as I had not had delivery yet Ben said he would put them on a night delivery for me right away and I received them about 7pm last night. How wonderful to find a company that actually does the following.

1. Picks up the phone speaks like a human being to another
2. Calls back (I have forgotten the lady's name I spoke to she was so helpful)
3. And basically cares about the customer

Keep up the good work and I will book again!! Please pass this email on to your team

Many thanks
Maude

From: Rhonda Hemming (MFT TRG)
Sent: 3 September 2015 11:53
To: Anthony Chadwick (MFT TRG)
Subject: Ash Collett

A lovely lady by the name of Fay called to track down Ash, and to say how wonderful he was & helpful at stopping at an accident they had the other night

He stopped and helped out the couple who had an accident in the gorge the other night who were hit by a tanker which didn't stop. Ash stopped to make sure they were ok and radioed through to another truck coming the other way to find out what company the tanker was from so they could go to the police with the details.

She was very thankful and said he was a really nice guy

Regards
Rhonda



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