





# Results in Brief

|  | 2008  | 2007  |
|--|-------|-------|
|  | \$000 | \$000 |

## TRADING RESULTS

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| Group Revenue – Continuing Businesses | \$911,719 | \$758,206 |
| Net Profit New Zealand                | \$22,612  | \$18,180  |
| Net Profit Offshore                   | \$18,199  | \$17,222  |
| Net Profit Sold Businesses            | \$60,811  | \$25,198  |
| Group Net Profit                      | \$101,622 | \$60,600  |

## FINANCIAL POSITION

|                                   |           |           |
|-----------------------------------|-----------|-----------|
| Total Assets                      | \$478,985 | \$360,790 |
| Total Shareholders' Funds         | \$250,193 | \$160,313 |
| Land Revaluation Recognised (Net) | \$43,607  | \$38,497  |

## RATIOS

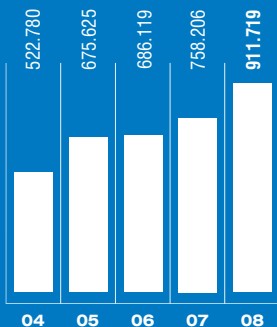
|                                            |       |       |
|--------------------------------------------|-------|-------|
| Group Surplus After Tax to Average         |       |       |
| – Total Assets                             | 24.2% | 17.9% |
| – Shareholders' Funds                      | 49.5% | 40.9% |
| Earnings per Share – Continuing Businesses | 42.3c | 37.1c |
| Shareholders' Equity                       | 32.1% | 37.8% |
| Interest Cover (Times)                     | 20.3  | 12.7  |

## DISTRIBUTION TO SHAREHOLDERS

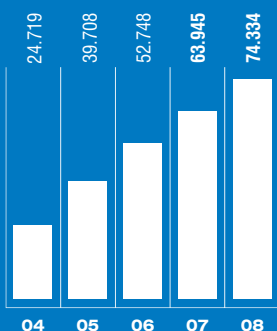
|                                |       |       |
|--------------------------------|-------|-------|
| Dividends – Paid And Proposed  |       |       |
| – Per Ordinary Share (Normal)  | 18.0c | 15.0c |
| – Per Ordinary Share (Special) | –     | 28.0c |
| – Times Covered by Net Profit  | 5.85  | 1.46  |

## PAID UP CAPITAL

|                            |          |          |
|----------------------------|----------|----------|
| 96,569,190 Ordinary Shares | \$57,124 | \$56,539 |
|----------------------------|----------|----------|



**GROUP  
OPERATING REVENUE**  
\$ MILLION



**GROUP EBITDA**  
\$ MILLION



# Glossary of Terms

---

|                               |                                                                                                                                                                                    |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>4PL</b>                    | Fourth Party Logistics that incorporates the management of the supply chain for our customers                                                                                      |
| <b>CABOTAGE</b>               | The removal of restrictions for International ship owners to partake in the carriage of domestic freight around the New Zealand coast                                              |
| <b>EBIT</b>                   | Earnings before Net Interest and Tax                                                                                                                                               |
| <b>EBITA</b>                  | Earnings before Net Interest, Tax, Goodwill and Amortisation                                                                                                                       |
| <b>EBITDA</b>                 | Earnings before Net Interest Expense, Tax, Depreciation, Amortisation, Abnormals and Minority Interests.                                                                           |
| <b>FCL</b>                    | Full Container Load                                                                                                                                                                |
| <b>FOB</b>                    | Free On Board; a term utilised by importers and exporters determining the buying and selling criteria                                                                              |
| <b>FTL</b>                    | Full Truck Load                                                                                                                                                                    |
| <b>INTER CITY</b>             | The freight transport between cities                                                                                                                                               |
| <b>INTRA CITY</b>             | The freight transport within a city known as metropolitan cartage or "metro"                                                                                                       |
| <b>IRA</b>                    | Inventory Record Accuracy; Mainfreight's level of IRA measures location count, inventory condition, systems alignment to inventory count, product integrity, total inventory count |
| <b>LCL</b>                    | Less than Container Load                                                                                                                                                           |
| <b>LINEHAUL</b>               | The method and mode used to transport goods between cities and countries                                                                                                           |
| <b>LTL</b>                    | Less than Truck Load                                                                                                                                                               |
| <b>NPAT</b>                   | Net Profit After Tax                                                                                                                                                               |
| <b>NVOCC</b>                  | Non Vessel Operating Common Carrier                                                                                                                                                |
| <b>NZX</b>                    | New Zealand Exchange Limited                                                                                                                                                       |
| <b>RETAIL FREIGHT</b>         | The industry segment that Mainfreight operates in                                                                                                                                  |
| <b>SUPPLY CHAIN LOGISTICS</b> | The physical movement and management of supplies and finished product from source to end user                                                                                      |
| <b>TEU</b>                    | Twenty Foot Equivalent Unit (Container)                                                                                                                                            |
| <b>WHARF CARTAGE</b>          | The transport of full containers on and off the wharf                                                                                                                              |
| <b>WHOLESALE FREIGHT</b>      | The industry segment that CaroTrans operates in                                                                                                                                    |



## Notice of Meeting

Notice is given that the annual meeting of shareholders of Mainfreight Limited will be held in the Great Northern Room, Ellerslie Event Centre, Ellerslie Racecourse, 80–100 Ascot Avenue, Greenlane, Auckland on 31 July 2008 commencing at 2.30pm.

### Agenda

#### ANNUAL REPORT

1. To receive the Annual Report for the 12 months ended 31 March 2008, including financial statements and auditor's report.

#### RE-ELECTION OF DIRECTORS

2. In accordance with the constitution of the Company Neil Graham retires by rotation and, being eligible, offers himself for re-election.
3. In accordance with the constitution of the Company Bryan Mogridge retires by rotation and, being eligible, offers himself for re-election.
4. In accordance with the constitution of the Company Richard Prebble retires by rotation and, being eligible, offers himself for re-election.

#### AUDITOR

5. To record the reappointment of Ernst & Young as the Company's auditor and to authorise the Directors to fix the auditor's remuneration.

#### BY ORDER OF THE BOARD

Carl Howard-Smith  
Director

27 June 2008

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## 3,193 Unique individuals. One unique identity.

In forging this 100 year business we have never wavered from our long-standing values, doubted ourselves or apologised for who we are.

We are one team of 3,193 unique individuals which operates across the oceans, airspaces and land masses that link the world. We are a true mix of ethnicity and cultures, yet each of us is bound by the principles, passion and pride that are uniquely Mainfreight.

All over the world, our culture lives through the thoughts and actions of our people.

They are our identity.



## 30 Years on, who are we?

Mainfreight Limited is a global supply chain logistics provider, with businesses operating in 166 branches throughout New Zealand, Australia, Asia and the United States.

The company was founded in 1978 by Executive Chairman, Bruce Plested, and has become the pre-eminent supply chain logistics provider in New Zealand and Australia. Operations are now well-established in China and the United States of America, and it is our intention to extend our footprint to be located in all the major trading countries of the world.



...and here

We provide our customers with world class service across a full range of logistics services that includes managed warehousing, domestic distribution, metro and wharf cartage and international air and sea freight operations, with sophisticated technology providing full supply chain transparency.

In 1996 Mainfreight listed on the New Zealand Stock Exchange. Today Mainfreight employs over 3,000 people, has in excess of 20,000 customers worldwide, and 3,320 shareholders.

[www.mainfreight.com](http://www.mainfreight.com)

**BRUCE PLESTED,** Executive Chairman

New Zealand can do much better, but future governments cannot just groan on, as in the past. They must innovate and provide an environment of challenge and opportunity.

IDEAS  
THINGS

BRUCE PLESTED, EXECUTIVE CHAIRMAN

# Executive Chairman's Report

What an honour and a pleasure it has been to be a part of the Mainfreight Team for the past thirty years.

By the standards of the New Zealand transport industry we have done pretty well, becoming the largest operator in our sector in New Zealand. We have also brought much innovation and levels of quality to the industry, which has been of benefit to our customers, and the marketplace in general.

Nineteen years ago, when the Company was just 11 years old, we established our first Australian branch in Sydney, followed a year later by Melbourne, and another year later in Brisbane. These branches were in warehousing and inter-state trucking. In 1996, the year we listed on the New Zealand Stock Exchange, we made \$500,000 in Australia. Over the next four years we established ourselves further into the Australian international and domestic scene through a series of acquisitions.

CaroTrans, our USA agent for international freight, was acquired in 1999, a US\$2 million loser at the time of purchase and today approaching US\$8 million profit per annum.

A minority shareholding in a Hong Kong International Freight company acquired in 1998, and progressively developed into mainland China, was fully acquired in 2007.

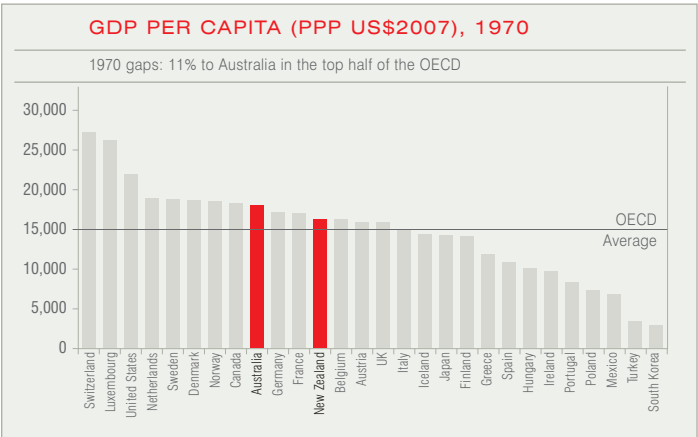
Our most recent acquisition in the USA in 2007 enables us to further develop a domestic freight and logistics service and, importantly, a retail air and sea international freight business.

Into all of these acquisitions, we have carried most of our Mainfreight culture. Things like promotion from within, teamwork, annual profit sharing bonuses, open plan offices, whiteboard openness, weekly profits, endless emphasis on quality.

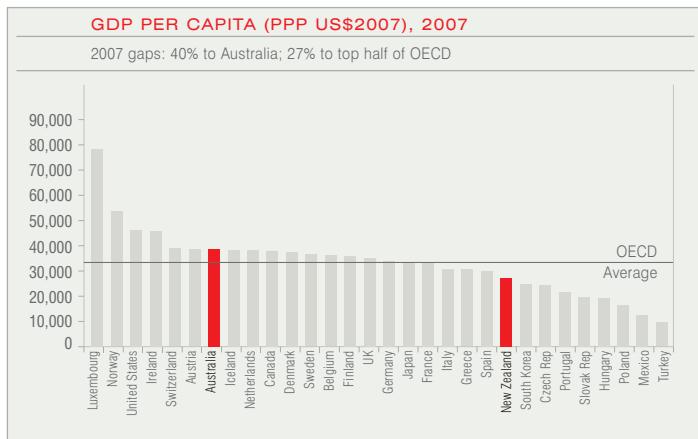
## HOW HAS OUR NEW ZEALAND ECONOMY PERFORMED OVER THE LAST 30 TO 40 YEARS?

As can be seen in the graphs below, New Zealand has steadily declined in relation to the other 30 developed nations of the world, those measured by the Organization for Economic Cooperation and Development (OECD).

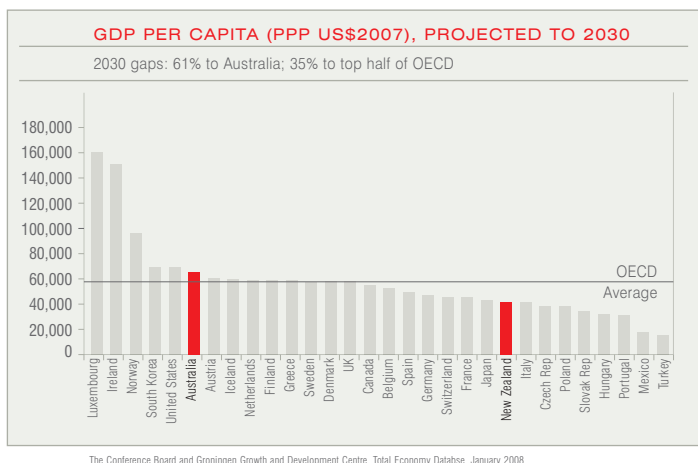
In 1970 we were 12th in the world in gross domestic product (GDP) per capita. Significantly, we were in the top half of the OECD nations. Importantly, Australia was only three places ahead of us, creating 11% more GDP per head than New Zealand.



By 2007, New Zealand's placing has dropped to 22nd, and we are significantly below the average OECD earnings. Australia is now fifteen places ahead of, and is creating 40% more GDP per head than New Zealand.



If we take the GDP growth rate of all OECD countries from the period 1990-2007 and project them forward to 2030, the situation would look as follows:



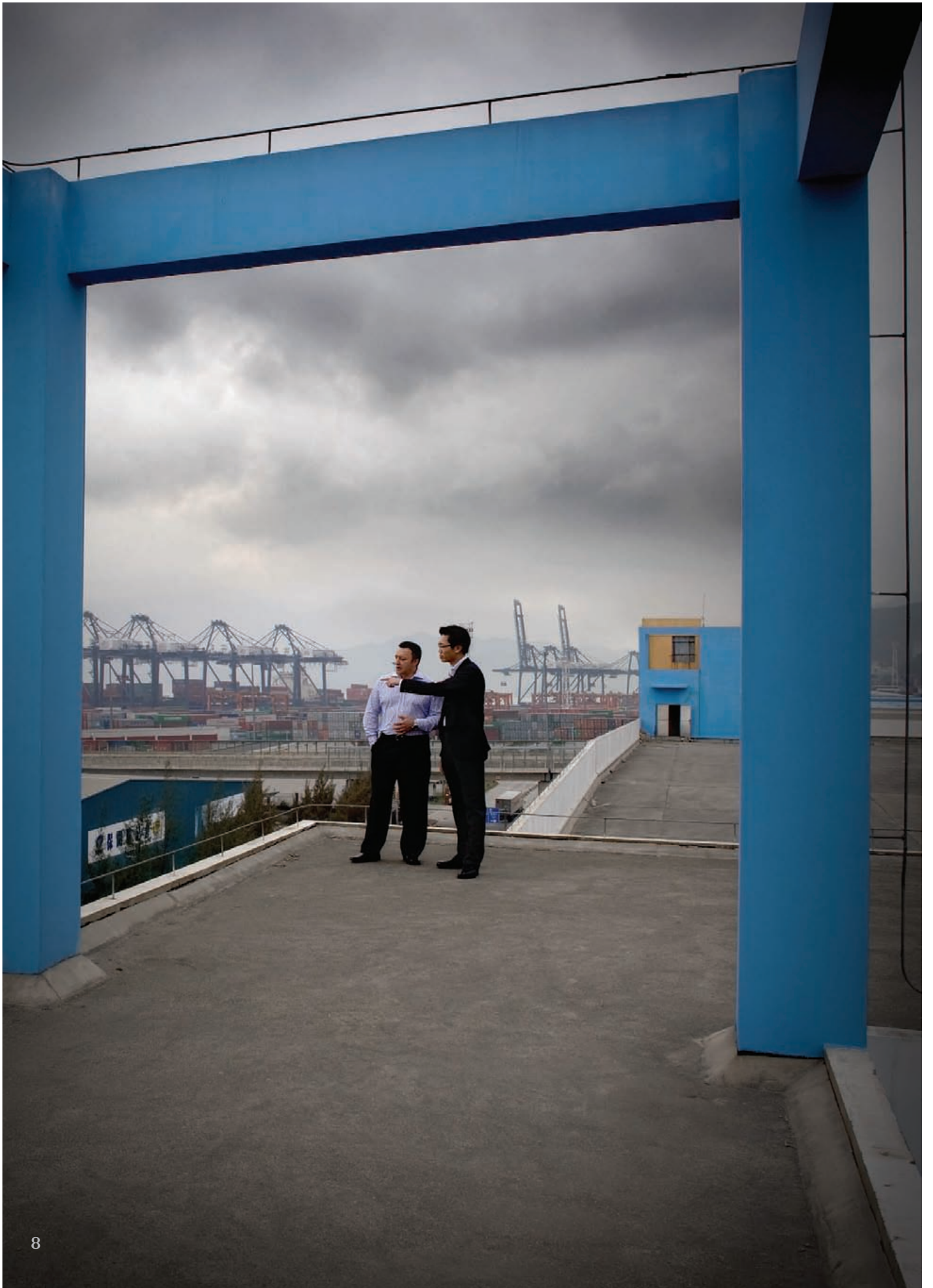
By 2030, New Zealand's placing is still 22nd, but we are way below the OECD average. Australia has moved up to 6th place, and their productivity per capita exceeds that of New Zealand by 61%.

If we spend another decade, or two, or three, operating more or less as we have for the past thirty years and denying that our wealth creation relative to almost all developed countries is declining, we will drop out of the OECD top 30 rankings.

No account has been taken in these statistics for the fast-growing economies of Brazil, Russia, India or China.

#### WHY IS NEW ZEALAND DIFFERENT TO OUR MAIN TRADING PARTNERS?

1. Our small population. This makes it difficult for New Zealand businesses to develop a large enough local market to be able to grow to a size where they can become world competitive.
2. Our distance from the main world markets: Asia, USA and Europe.
3. The difficulties of servicing and supplying those overseas markets we have established, or are trying to establish.
4. The trade barriers, quotas, customs' formalities, tariffs, food miles and other green barriers inflicted by the powerful nations against the less powerful.
5. There is a lack of real understanding at Government levels that the nation's economic wealth is determined by the success or otherwise of the productive sector.
6. There is a lack of belief by all administrations that real change is necessary in our governance, particularly in encouraging growth in our productive sector. Certainly the China Free Trade Agreement is and will be a significant development, but the KiwiSaver scheme has arrived 15 years after the Australians introduced the scheme, is not compulsory, is insignificant in size, and still seems vulnerable to politics.



#### WHY IS THE PRODUCTIVE SECTOR SO IMPORTANT?

- The productive sector provides all of the country's jobs.
- Even if people work for the Government, their income is provided by way of tax on the enterprises, or tax on the workers of the enterprise.
- The productive sector survives or dies on its own success. Since 1998, nearly 50% of the top 40 companies have disappeared; since 1988 80% have disappeared.
- Successful businesses within the productive sector innovate to survive. This innovation can take any form, high or low tech development, people development, market development, product development.

By comparison, governments just groan on, either in power, or in opposition.

Just about everything builds off this innovation. The demand for more educated people encourages education, the drain of our talented young people overseas is reduced and as companies become bigger they can support older or less educated workers.

How to have a bigger and better productive sector?

- If we reduce company tax to a figure below our trading partners, then we level the playing field for our existing businesses to compete offshore.
- If we reduce company tax significantly, say to 10%, we will attract larger businesses from overseas. These larger businesses will bring with them higher standards of quality and management practices. In turn, smaller New Zealand businesses are able to cluster around the larger entity and provide long-term innovative solutions in their development.

Would the 75 year old iconic Fisher & Paykel be moving offshore if the company tax rate was 10% instead of 33%?

#### COMPLIANCE

Compliance costs can now only be described as appalling. They seldom stop development, always delay it, always create significant

cost increases and have created a bureaucracy of thousands. The compliance industry is little different from NZ Railways of the past, which was used to absorb unemployment. The next Government must slash compliance costs.

#### EXCHANGE RATE/INTEREST RATE

Our interest rates are the highest in the Western World and have attracted speculators to the extent that our currency is much overvalued and exporters have been hurt.

We must seek and try alternate methods to control inflation, interest rates and exchange rates, particularly as they all influence each other.

#### TERTIARY EDUCATION

Why not encourage the Universities to turn out more people with the qualifications that New Zealand needs, i.e. Doctors could be refunded the cost of learning their craft if they practise in New Zealand for five of the ten years after qualifying. Those wishing to practise Law or Politics would pay \$100,000 per year in fees, refundable if they live for 10 consecutive years in Nigeria.

Future governments have no excuse to leave the status quo. It is clear that carrying on governing as if New Zealand was the USA, UK or Australia is costing us our future. Look at the results achieved by Ireland, South Korea, Australia and Greece, all business and people friendly with lower company taxes than New Zealand.

New Zealand can do much better, but future governments cannot just groan on, as in the past. They must innovate and provide an environment of challenge and opportunity.



Bruce Plested  
June 2008

**DON BRAID,** Group Managing Director

With 30 years just completed, one billion dollars in sales due in this coming financial year, and a developing international network forming around the world, we could deservedly feel satisfied. However, such is the energy, enthusiasm and passion of this team of very special people, we feel we have only just started on the journey to take our business to the world.

With logistics and freight forwarding becoming increasingly important in facilitating international trade, Mainfreight is well positioned to take advantage of the opportunities and will prosper to the benefit of all our stakeholders.

We remain an ambitious bunch!



DON BRAID, GROUP MANAGING DIRECTOR

# Group Managing Director's Report

Mainfreight marked its 30th anniversary in March this year; a vantage point from which to trace the steps that have led us from modest beginnings and aspirations, to the company we are today, celebrating another year of improved returns and the progress we have made towards developing a global logistics business located in all the major trading countries of the world.

We have achieved another record net profit before abnormals of \$40.81 million; an improvement of 15% over the previous year.

## THE NET PROFIT AND REVENUE FOR CONTINUING BUSINESSES IS AS FOLLOWS:

| NZ\$000's                         | This Year | Last Year |
|-----------------------------------|-----------|-----------|
| Group Revenue                     | \$911,719 | \$758,206 |
| Net Profit New Zealand            | \$22,612  | \$18,180  |
| Net Profit Offshore               | \$18,199  | \$17,222  |
| Group Net Profit before Abnormals | \$40,811  | \$35,402  |
| Net Profit Sold Businesses        | \$60,811  | \$25,198  |
| Group Net Profit                  | \$101,622 | \$60,600  |

During the year we completed three significant transactions that have moved us closer to our goals; we finalised the sale of our interests in the LEP and Pan Orient businesses, completed the acquisition of Target Logistic Services in the United States of America, and acquired the remaining interests in our Asian operations to give us 100% ownership.

As we move into our 31st year of operations, we have developed a business that is capable of providing logistics services for our customers around the world.

We are now well-established, profitable and growing in Australia, Asia and the United States of America, and continuing to gain market share and increase our logistics capabilities in all markets.

Due to the success of CaroTrans, our wholesale freight operation in America, we have also launched the CaroTrans brand in New Zealand, Australia and China offering neutral freight consolidation services to the logistics industry. We are actively seeking growth opportunities in Europe.

It is our strategy to grow CaroTrans worldwide alongside Mainfreight's retail logistics operations. We are confident that this strategy will allow synergistic development in both our retail and wholesale brands.

**Group Net Profit Before Abnormals \$40.811 million +**

The acquisition of Target Logistic Services has expanded our logistics capabilities in the United States. (Target will be rebranded "Mainfreight USA" from 1 July this year). It is, however, a business that requires change and focus in order to fully exploit the many opportunities available. In particular, the international capabilities that we can offer will provide a much greater range of services to existing customers, and rapidly grow the international revenue base from its current contribution.

In New Zealand we continue to develop our capabilities and increase our market share.

The decision by the New Zealand Government to purchase back the rail network and infrastructure was in our view inevitable. With hindsight, the privatisations undertaken in 1992 and in 2003 were flawed and did not benefit the public at large. New Zealand now has the opportunity to manage this valuable core asset back to efficiency and profit. The appointment of a commercial board and management team is imperative to allow this to happen.

We seek additional rail services and rolling stock to assist the transfer of freight from road to rail. Our current spend on rail could easily double should the new regime get the business recipe right.

Aspects of the rail purchase by the Government, however, are blatantly wrong and require substantial change to reduce the risk of anti-competitive behaviour.

Our acquisition strategies remain unaltered, that is to acquire synergistic businesses that expand our footprint and network efficiently throughout the world, retaining valuable revenue and profit within the Group and providing a seamless, visible supply chain for our customers.

Our organic growth strategies also remain unaltered, where a minimum of 15% growth per annum is expected from every operating division, no matter the country or the state of their economy. We firmly believe we have the capacity to double the size of our business over the next five years and we are excited about the opportunities available to us.

**+ Group sales revenue \$911.719 million**



## New Zealand

Our home operations continue to improve their returns despite fluctuations in the economy and the relatively small size of the New Zealand market.

### OPERATING RESULTS, DOMESTIC:

Mainfreight Transport and Logistics, Daily Freight, Chemcouriers, Owens Transport

| NZ\$000's                                       | This Year | Last Year |
|-------------------------------------------------|-----------|-----------|
| Revenue                                         | \$281,364 | \$270,093 |
| EBITA                                           | \$30,011  | \$27,415  |
| As a % of Revenue                               | 10.7%     | 10.2%     |
| Market Share (Transport)                        | 44%       | 43%       |
| Market Share (Outsourced Warehousing/Logistics) | 30%       | 28%       |

We have been able to take advantage of the extensive branch network we have built over 30 years to enhance our customers' supply chains. The range of services that we are now able to offer our customers has never been greater, particularly as we leverage our domestic abilities and services alongside our international connections.

A significant amount of our sales growth in this past year (and likely in the future) comes from providing full supply chain logistics services to major multi-national and large national distribution organisations.

A conscious effort to focus on specific product sectors has seen a level of expertise develop that is attracting further business within those product categories. An example of this is the electronics industry, where our technology "Itemtrac" has become invaluable to this sector providing real-time tracking per item, maintaining a secure supply chain for high-value products.

Our sales structure has been improved to reflect and adapt to the required cross selling of all our logistics services. This has provided our sales people with a greater range of product knowledge, more sales capability and opportunity, and has reduced the "silo" effect that a divisional structure creates.

During the year we completed the construction of our new Daily Freight and Chemcouriers facility in Christchurch, and have begun construction of a new facility for Mainfreight in Whangarei.



Improvements have been made, or new leased facilities taken, in Napier, Gore, Cromwell and Oamaru.

Our **International** teams have moved or extended their operations into our sites in Hamilton, Mount Maunganui, Napier and Dunedin, further strengthening communication and service offerings across the supply chain for our customers.

**Owens Transport** continues to provide growth and profitability within our stable of domestic brands. The move to improved premises in Auckland has provided good impetus for further growth and added quality to their operations. Improvements in Owens facilities in Wellington and Christchurch have further enhanced returns and quality services across the network.

Owens continues to exploit opportunities across domestic freight services, utilising their expertise in bulk liquid, bulk grain, dedicated guaranteed road linehaul services and general freight opportunities.

In **Logistics** we have seen a greater utilisation of warehouses, where noticeably higher stock levels are being held by our customers as they take advantage of the strong New Zealand dollar assisting import procurement.

During the year a joint venture was entered into with the Mitre 10 group of franchises. Pride Logistics has been formed to provide a more sophisticated supply chain from supplier to warehouse to retail outlet. Benefits of this new partnership will be seen from May 2008 onwards.

We expect to see more customers make the decision to outsource logistics as economies tighten; forcing companies to review their fixed infrastructure costs and to adjust to challenging market conditions with flexibility and speed.

In our **International** division, we have extended the branch network to 11, opening new branches in Dunedin, Hamilton and a dedicated airfreight branch in Auckland.

*We expect to see more customers make the decision to outsource logistics as economies tighten.*

Revenues have been hit by declining export volumes as a result of the strengthening of the New Zealand dollar against world currencies, but our focus to offset this by concentrating on increasing our import capabilities has seen margins and profitability continue to improve. Significant import growth has been generated as our expertise in supply chain logistics continues to develop alongside our warehousing and distribution operations.

| OPERATING RESULTS – NEW ZEALAND INTERNATIONAL |           |           |
|-----------------------------------------------|-----------|-----------|
| Mainfreight International, CaroTrans.         |           |           |
| NZ\$000's                                     | This Year | Last Year |
| Revenue                                       | \$103,943 | \$112,995 |
| EBITA                                         | \$4,622   | \$4,033   |
| As a % of Revenue                             | 4.4%      | 3.6%      |
| Market Share                                  | 10%       | 10%       |

We have commenced construction of a new airfreight facility at our Auckland site. This site will have a purpose-built temperature

controlled loading area to handle perishable products such as flowers, seafood, horticulture and meat for markets in the United States, Japan, Europe, China and Australia. This facility will also enable us to capitalise on our full supply chain offer connecting airfreight imports to our domestic warehousing and distribution facilities on a single site.

Our combined perishable and dry airfreight tonnage has retained our number one IATA ranking from New Zealand.

**CaroTrans** is now an established neutral NVOCC brand in New Zealand and is receiving strong support from the forwarding community as it develops its range of consolidated seafreight services. As CaroTrans becomes established around the world we expect this tonnage to provide growth particularly inbound to New Zealand.

As we develop our international businesses throughout the world we intend implementing into each operation a common technology to allow data entry efficiencies and improve customer service information.

***Our combined perishable and dry airfreight tonnage has retained our number one IATA ranking from New Zealand.***

**“It’s about everybody pulling their weight.  
If one of us loses it, we all lose it!”**

“Even though there’s 22 of us in our dragon boating team, there’s no room for error. If one of us loses the stroke, we’re out of the race.

“It’s all about balance and timing – and being strong. At nationals this year, even though we were up against really tough teams from the army, navy, airforce and others, we won.

“I think being part of Mainfreight really gives us the edge on the water. At work we all think like a team so that naturally happens on the boat too. We know and trust each other heaps and help each other out.

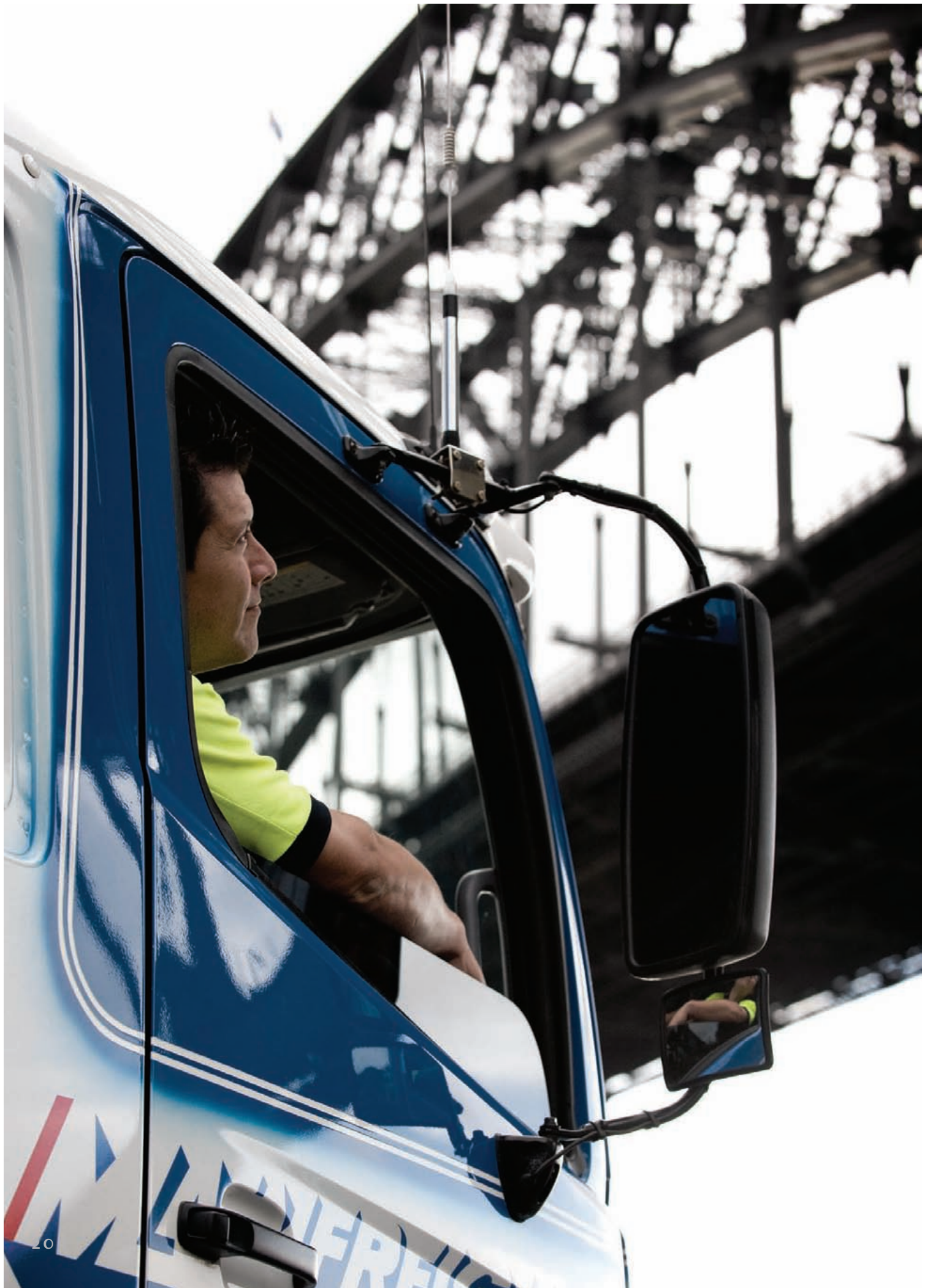
“The same happens at work. Whether you’re a manager, driver, in the office or the warehouse, everybody’s part of the same team.”

*Mainfreight Transporters NZ,  
Team members:*

*Christina Vaevae, Aroha Toa,  
Max Muaulu, Mah Muaulu,  
Patrick Patelesio, Hayden Bell,  
Michelle Phillips, Jaime Grimmett,  
Sarah Averill, Patrick Tau,  
Terry Rawiri, Lui Naoupu,  
Steve Tauai, Tom Kasipele,  
Tangi Pekepo, Wiki Abraham.*



MAINFREIGHT  
TRANSPORTERS, NZ





## Australia

Our operations in Australia are now well-established and have given us a solid base from which to continue the growth of our network. The past year has seen several significant milestones with new branches opening, new brands being established and property purchases made.

### OPERATING RESULTS – AUSTRALIAN INTERNATIONAL

| Mainfreight International, CaroTrans |            |            |
|--------------------------------------|------------|------------|
| A\$000's                             | This Year  | Last Year  |
| Revenue                              | A\$126,794 | A\$119,998 |
| EBITA                                | A\$6,494   | A\$5,428   |
| As a % of Revenue                    | 5.1%       | 4.5%       |
| Market Share                         | 5%         | 5%         |

Our **International** team once again has improved profitability and provided revenue growth. Our service offering and strength is in the inbound seafreight markets from Asia, the United States and New Zealand where our market share places us as the largest consolidator from all three countries.

Opportunities exist in the development and growth of our trade lanes to and from Europe and South-east Asia in both seafreight and airfreight.

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

**“You don’t wait for something to go wrong.  
You head it off before it can be a problem.”**

Making the hour long trip to the beach every weekend for the last 27 years is a small challenge compared to what Ray Burgess faced when told he had cancer of the throat last year. Despite 14 hours of surgery, a broken jaw and six weeks of radiation therapy, Ray was back at work after just four weeks.

Ray’s a passionate, 100-percenter in everything he does — including giving back to the Bigola Beach community as a surf lifesaver in his spare time.

“You don’t wait for something to go wrong. You head it off before it’s a problem. You’ve always got to be on the ball, scanning for sharks and rips because once someone’s taken by a shark, it’s too bloody late.

“The same goes for work. There’s no such thing as ‘she’ll be right mate’. I’ve achieved two 100% stocktakes for one of our biggest clients and the secret is being on the ball, every single day. That way there’s no big surprises on stocktake day – or in the water for that matter!”

*Ray Burgess*



RAY BURGESS,  
*Mainfreight, Sydney*

We are aggressively expanding our **Domestic** transport and **Logistics** operations by growing our market share in both sectors.

Revenues have grown by 21.6% and our EBITA margins continue to increase towards the levels we achieve in New Zealand.

| OPERATING RESULTS – DOMESTIC                  |            |            |
|-----------------------------------------------|------------|------------|
| Mainfreight Distribution and Logistics, Owens |            |            |
| A\$000's                                      | This Year  | Last Year  |
| Revenue                                       | A\$130,104 | A\$106,955 |
| EBITA                                         | A\$9,282   | A\$9,341   |
| As a % of Revenue                             | 7.1%       | 8.7%       |
| Market Share (Transport)                      | 5.5%       | 5%         |
| Market Share (Logistics)                      | 4%         | 4%         |

With this growth comes cost, particularly in our warehousing and logistics facilities. The investment we have made in larger warehouses has inhibited bottom line profit for this past financial year. We are, however, very confident that as utilisation of these warehouses is increased, profit contribution will improve.

In the past year we have increased warehousing capacity by 35% with the commissioning of four new facilities. We now occupy 93,000 m2 of warehousing which has attracted larger multi-national accounts with Australia wide distribution requirements.

Our freight generation from these facilities has almost doubled from 66,000 consignments to 104,000 consignments for the year.

Our **Distribution** business achieved good profit increases. In the last quarter of the year a number of new accounts were generated, and trading with these new customers will be seen in the results of the new financial year.

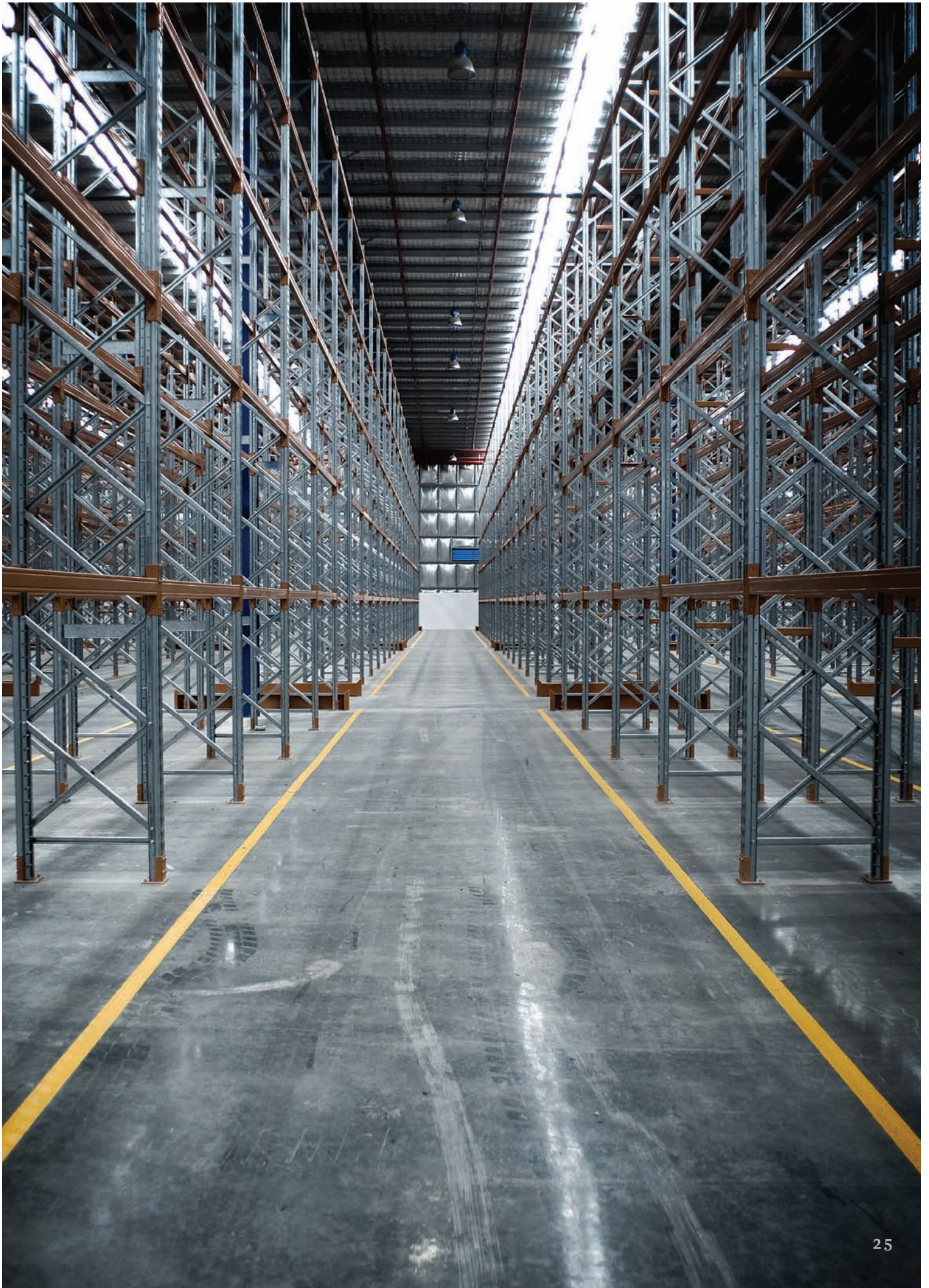
It has become increasingly apparent that the timing is right to launch our hazardous goods services under the brand Chemcouriers. We expect to have nationwide coverage of Chemcouriers established within the next 18 months.

During the year we purchased the Clayton, Melbourne facility with the objective of improving the facility's capabilities to handle increased freight tonnage, in a more efficient and cost effective manner. This reflects our strategy to own more property in Australia to facilitate our continued growth and to demonstrate our commitment to the Australian marketplace. (Disappointingly the Australian Government has not seen fit to offer us any six-year rent free options!)

We took occupation of the new Sydney facility at Prestons in April of this year and although this increases operating costs, the site will bring immediate benefits for our customers in terms of efficiency and improved freight handling. With the Logistics warehouse now located on-site, the shared infrastructure will provide significant supply chain synergies.

Our team's morale has received a huge boost with the move to clean and efficient premises, and like the new Auckland site, we expect to see an associated lift in profit, quality, customer service and growth materialise over the next 12 months.

Our **Owens** wharf transport operations continue to gain good market share and provide a valuable connection to our International supply chain services. Their operations are to be further enhanced with the implementation of GPS vehicle tracking to overcome traffic congestion and will provide real-time delivery information for our customers.





## United States of America

The performance of **CaroTrans** has been very satisfying, with an increase in profitability of 28.3% and continuing improved revenue growth, 29.9% and margins 18.7%. Of further significance, CaroTrans has increased market share earning a valuable reputation as a very good neutral NVOCC consolidator. This has strengthened our position in the US market and enhanced our services around the world.

| OPERATING RESULTS |            |            |
|-------------------|------------|------------|
| CaroTrans         |            |            |
| US\$000's         | This Year  | Last Year  |
| Revenue           | US\$94,623 | US\$72,849 |
| EBITA             | US\$5,381  | US\$4,195  |
| As a % of Revenue | 5.7%       | 5.8%       |
| Market Share      | 20%        | 18%        |

For this reason, CaroTrans deserves our confidence and the opportunity to further expand its network around the world, apart from Mainfreight.

This will allow us to more quickly develop our footprint in countries outside of our current locations, with Europe being a high priority. We have established offices in China, Hong Kong, Australia and New Zealand providing CaroTrans with the neutrality and resources they require for their customers. European expansion is likely to come through acquisition activity. Again this will be aligned with our Group acquisition strategies ensuring that each transaction meets our freight network fundamentals.

To facilitate this growth in our network, Greg Howard has assumed a global role for CaroTrans with Michael Forkenbrock, previously our most successful sales manager, assuming national responsibility for CaroTrans USA.

Export-led growth in CaroTrans continues to be strong as the weakness of the US dollar against world currencies is creating export growth for US manufacturers. Providing access to shipping space is of prime importance and as CaroTrans excels at this, so does its ability to further grow its market share.



#### MAINFREIGHT USA (FORMERLY TARGET LOGISTIC SERVICES)

On 1 November 2007, we acquired the shares in the public-listed American logistics company **Target Logistic Services**. The acquisition of this business provides us with an excellent platform to build Mainfreight within the USA. The business has a strong reputation in the urgent, next day express domestic freight market, acting as a non asset based freight forwarder. Services to Canada, Mexico and some international freight volume, mostly inbound from Asia, completes the product range.

| OPERATING RESULTS                                  |            |  |
|----------------------------------------------------|------------|--|
| Mainfreight USA/Target – 5 months' of trading only |            |  |
| US\$000's                                          | This Year  |  |
| Revenue                                            | US\$72,997 |  |
| EBITA                                              | US\$1,554  |  |
| As a % of Revenue                                  | 2.1%       |  |
| Market Share                                       | 0.5%       |  |

Our ability to provide a larger range of international services to our customers, better technology platforms and the introduction of Mainfreight's culture and freight disciplines will see revenues and margins improve. Cross-trading opportunities between CaroTrans and Mainfreight abound and are already being explored and implemented. Linehaul services for CaroTrans domestic freight, and CaroTrans international consolidation services for Mainfreight are good examples of this cross-trade.

Chinese volumes to the USA have been transferred to Mainfreight Asia and will provide a stronger base for our Asian operation to increase US trade-lane growth, particularly in airfreight.

It is our intention to create a strong supply chain logistics business with Mainfreight USA. We have an excellent structure and a very motivated, experienced team to lead the development of this business.

The confidence we have gained in acquiring this business, where both domestic and international freight are linked together, similar to our own operations in New Zealand and Australia, is likely to influence our decisions when acquiring businesses in other countries.



## **“I appreciate the opportunity to make a difference in this San Francisco community I live and work in”**

“Giving back is a big part of what I personally, and what Mainfreight as a business, believes in. Each week, all of us here at Mainfreight San Francisco volunteer at either the neighbourhood Senior Centre or we serve lunch at the local St Vincent de Paul Society.

“As a service organisation, it’s really important that we all have an opportunity to feel we’re making a difference – not just at work, but to the communities we live and work in.

“As a business, Mainfreight is playing its part by encouraging all of us to volunteer and giving us time off every week.

I really appreciate the opportunity to do this. There’s nothing more satisfying than knowing you’re directly helping others less fortunate”.

*Kalief Brown*



KALIEF BROWN,  
*Mainfreight USA,*  
*San Francisco*





## Asia

On 1 August 2007 we acquired the remaining shares in our Hong Kong and Chinese operations giving us 100% ownership of those businesses. Our former partners, David Shiau, Sylvia Tsai, and Linda Huang, have all chosen to remain with us and head up each of their respective operations to continue the growth and development of Mainfreight Asia.

Kenneth Lin of STS Cargo Services remains a trusted adviser, and SLMN in France has continued its freight agency relationship with us.

The continuing loyalty and dedication of these people is immeasurable and of great benefit to us as we develop our Asian interests. By selling us their shares, they have assisted Mainfreight's ambitions in the region.

To fully own the business allows us to develop at a quicker pace, and provides the unfettered freedom to acquire other businesses where appropriate.

The purchase has allowed us to relocate one of our most senior managers, Michael Lofaro, to the region to oversee development. The acquisition of Mainfreight USA brought with it an agency relationship throughout China for inbound air and seafreight to the United States. Through the ownership change, we have been able to convert this freight to our network.

Branch development continues; the opening of Guangzhou branch in January 2008 gives us five branches throughout China and Hong Kong. We expect to increase our branch locations by another five within the next two years.

### OPERATING RESULTS – INTERNATIONAL

#### Mainfreight Express Lines

| US\$000's         | This Year  | Last Year  |
|-------------------|------------|------------|
| Revenue           | US\$13,741 | US\$11,407 |
| EBITA             | US\$2,143  | US\$2,035  |
| As a % of Revenue | 15.9%      | 17.8%      |
| Market Share      | 3%         | 2%         |

Figures reflect total business for full year

Our service offering has expanded during the year to include the trade-lanes to South America and the United Kingdom. European and intra-Asian trade-lane development remains a high priority.

Our Asian technology upgrade during this coming year will see all our international offices operating on the same software platform. This will provide a greater level of data efficiency and transparency for our customers.

During the past year we have achieved much in securing our Asian footprint and are now intent on growing our coverage and branch locations.

Asia remains key to developing our world-wide logistics network.

# Technology

The past year has seen a significant increase in our technology capabilities and resultant offerings to our customers. Customers continue to have an insatiable appetite for the information we can provide. To ensure we keep ahead of this demand we increased our annual investment in software development by more than 50% to \$4 million in the 2007/2008 year.

This has resulted in the introduction of many improvements to our technology solutions and hardware.

## THE TECHNOLOGY HIGHLIGHTS OF THE PAST YEAR INCLUDE;

- Completing the overhaul of our computing infrastructure by commissioning all new hardware to run our core Australian and New Zealand systems. At the same time we centralised all our computing resources for Australasia by moving Australian systems from Melbourne to Auckland. This means that all Australian and New Zealand users access their operational and accounting systems, as well as email, from New Zealand domiciled hardware.
- The installation of a full disaster recovery site where equipment identical to our main data centre is housed at another location.

Both systems are connected by dedicated fibre optic lines and are built so that in the event of a major disaster at our main data centre, we can switch to the alternative equipment in two hours or less. Our ability to failover to this site is tested regularly.

- The introduction of sustainable computing to reduce our carbon footprint. We have ensured that our data centre and associated equipment are as energy efficient as possible. We have;
  - limited the size of the computer room to minimise the space that requires cooling
  - installed the most efficient cooling system
  - used virtualisation to reduce the number of physical pieces of hardware required which directly reduces the overall heat generation. Virtualisation has enabled us to run 48 major applications on only 10 servers.
  - purchased hardware that has a variable energy management system. Our systems only run at full capacity on an “as needed” basis.

*Customers continue to have an insatiable appetite for the information we can provide.*

- The successful implementation of our rebuilt Warehouse Management System, MIMS. Completely rebuilt, MIMS2 incorporates all the features of our previous systems with a lot of new functionality to assist our customers and ourselves in stock management.
- The introduction of handheld scanners to dock operations in our domestic freight operations in New Zealand provides real-time information about the freight and its availability for delivery. This will be introduced into our Australian operations during the coming year.
- Considerable investment has been made in building a suite of business intelligence tools that enable us to analyse and advise our customers on how their business is changing in terms of their freight and logistics profiles. This also allows us to produce “what if” scenarios as to what effect future changes in freight profile or supply chain variables will have on their costs and service capability.
- Mainfreight International has introduced a version of Freman that enables trans-Tasman exporters to print consignment notes and

labels for the destination country and apply it to their freight before it is exported, thereby speeding up the process of delivering the freight through our domestic network on arrival.

- A successful pilot project of GPS vehicle tracking where we integrated the GPS location of delivery vehicles with Maintrak our domestic freight system. This will allow us to be more efficient in the deployment of vehicles as well as precisely updating our delivery times based on actual vehicle arrival.

#### INTEGRATED IT

The acquisition of Mainfreight USA, and our expansion in Asia has resulted in an increase in the number of international retail freight systems we use. Whilst Australia and New Zealand have one integrated system, both Mainfreight USA and Mainfreight International Asia each have their own system. A critical project during this current year will be to establish a single system for the retail international freight businesses. This will create efficiencies and improve customer service.

***We increased our annual investment in software development by more than 50% to \$4 million in the 2007/2008 year.***



# Environment

Mainfreight has always attempted to reduce the environmental impact of its operations. Our sustainability initiatives have often resulted in reduced costs, so the bottom line and the environment are both winners.

Real or not, climate change is fast becoming a core strategic issue for businesses everywhere. For Mainfreight, it begins with accepting that our business is based on an activity that generates carbon emissions and then taking responsibility to reduce those emissions over time, without negatively impacting on our competitiveness.

Mainfreight's response:

- We have measured the carbon emissions we generated over the last financial year across Mainfreight New Zealand's operations.
- You will start to see us move more freight by rail because the simple fact is trucks emit 4.6 times more CO<sub>2</sub> per tonne km carried than trains.

But we will go further. We are on a mission to become the largest user of rail and coastal shipping in New Zealand. To reduce transportation by road we are making strategic moves such as building transport depots on railway lines, as we have in ten of our depots throughout New Zealand. We are pushing for continued New Zealand Government investment in improving rail infrastructure, and the viability of coastal shipping.

We understand that to manage our greenhouse gas emissions, the first step is to measure and record our carbon footprint. The New Zealand business is participating in carboNZero — a carbon management programme managed by Crown Research Institute, Landcare Research.

As part of this programme we have completed the following:

- Measured all the emission sources in our New Zealand business
- Measured our impact across the six direct Kyoto gases: CO<sub>2</sub> (Carbon Dioxide), CH<sub>4</sub> (Methane), N<sub>2</sub>O (Nitrous Oxide), HFCs (Hydrofluorocarbons), PFCs (Perfluorocarbons), SF<sub>6</sub> (Sulphur Hexafluoride), as units of CO<sub>2</sub> equivalent (CO<sub>2</sub>e).

We are also participating in the Carbon Disclosure Project, which provides a communication channel with shareholders and stakeholders, specifically in regards to our greenhouse gas emissions.

Sensibly planned trips – including timing, size of load, type of truck, and indeed choice of mode – save time, fuel and money, and reduce emissions.

## MAINFREIGHT'S EMISSIONS PROFILE

| Scope   | Emissions sources                                                                                                                                                                     | Tonnes CO <sub>2</sub> e* |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Scope 1 | No company owned sources of emissions                                                                                                                                                 | 0.00                      |
| Scope 2 | Purchased electricity                                                                                                                                                                 | 1,174.25                  |
| Scope 3 | Owner-driver road freight, sea freight to and ex NZ, air freight to and ex NZ, rail freight, domestic air travel, international short and long haul air travel, rental cars and taxis | 120,886.36                |

\*These figures are unaudited

Mainfreight's initiatives in this area include:

- Moving capacity from road to rail and coastal shipping
- Route planning – using GPS in congested international cities
- Truck size management – using smaller trucks for distribution within cities and larger trucks between cities
- Promoting off-peak distribution, particularly between cities
- Efficient driving techniques in driver training manuals
- Vehicle maintenance guidelines for owner-drivers to promote efficient running of their trucks.

We have looked at biofuels and, in New Zealand, the supply market has not successfully proven it is ready. We will keep a watching brief on future developments in this area.

Reducing the environmental impact of IT infrastructure is important. Our data centre is as energy efficient as possible through initiatives including:

- Minimising computer room space to minimise cooling requirements
- Installing efficient cooling systems
- Using virtualisation to reduce hardware required, and heat generated – Mainfreight currently runs 48 major applications on only 10 servers
- Using hardware with variable energy management systems – running at full capacity only on an “as needed” basis.

Lastly, we have been recycling office and depot waste for 20 years in New Zealand. We store and use rainwater and recycle greywater for truck washing, ablutions and irrigation. Where possible, our new freight and warehousing facilities are built with environmental design principles in mind; energy-efficient lighting and heating solutions; and solar power installations where feasible. Rain gardens are installed as a feature within our landscaped grounds.

**“Native plants are our thing – and we’re going all out to make sure people get to enjoy them.”**

Like the Mainfreight business they are both part of, Robin and Sue Cook are acutely aware of preserving the environment they live in and ‘giving back’ to the community.

For as long as Robin Cook can remember, he’s loved the New Zealand bush. So much so, he bought a 10 acre block of West Coast bush 20 years ago — just to preserve it!

Today, in their suburban Christchurch garden, Robin and Sue raise and supply masses of native plants to local councils and private gardeners.

“A lot of Kiwis go for exotics in their gardens – but there’s so many beautiful natives that suit our climate much better. We’re going all out to promote the natives we love and retain the bio-diversity of New Zealand”.

*Robin & Sue Cook*



ROBIN & SUE COOK,  
*Mainfreight,*  
*Christchurch*

# People

We have proudly recorded in this document the name of every current team member in our Mainfreight family around the world. These 3,193 people are the life and blood of Mainfreight. Many of them are the future leaders of our business, as we continue towards becoming a bigger, better global business. Our depth of talent has never been stronger.

Our culture, “the way we do things around here” or if you like, our DNA, is paramount in both achieving the results we need and strive for as a business, and assisting in the retention of our people. While we are very keen to develop our “culture” relative to the country our business is operating within, we are acutely aware that the “kiwi” way of doing things is not always the right way to operate elsewhere in the world. However there are a number of basic principles that are non-negotiable for every operation, including but not limited to the following:

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

We continue to actively search for young, talented people who have a desire to forge a career with us, no matter where in the world, who understand commitment to performance, teamwork and delighting our customers.

During the year we invested in a school-leaver cadet programme to be run in conjunction with our graduate programme. Our objective is to promote career choices for both school leavers, and graduates who have completed their tertiary studies. We encourage our cadets to continue studying on a part-time basis.

Every graduate and cadet is assigned a mentor when they begin with Mainfreight. The mentor provides guidance and assistance as the individual builds their career.

| MAINFREIGHT'S GRADUATES |     |
|-------------------------|-----|
| New Zealand             | 132 |
| Australia               | 40  |
| United States           | 82  |
| Asia                    | 22  |
|                         | 276 |

Our compulsory induction courses have been very successful, developed and hosted by our training academies in Auckland and Melbourne. Throughout the year the training academies took individuals through 2,547 courses covering a range of topics including induction, forklift and dangerous goods licensing, operations and information technology. Emerging Branch Manager courses are conducted twice a year providing guidance for our talented managers-to-be from New Zealand, Australia, China and the USA. Some of our exceptional people also join us here in New Zealand for specially developed Mainfreight Outward Bound courses.

The deployment of key executives to Hong Kong (Michael Lofaro), Los Angeles (John Hepworth) and New Jersey (Greg Howard) sees for the first time our management structure extend outside our traditional base here in New Zealand and Australia.

We acknowledge the commitment made by these people, and the many others who have moved their families and lives to other cities and countries, to assist our growth and development around the world. We remain committed to our family here at Mainfreight who continue, year after year, to deliver exceptional results.

**NEW ZEALAND CaroTrans Auckland:** Bruce Fruean, Claire Patterson, Liz Sadler, Steve Hendry, Wayne Zhu. **Chemcouriers Auckland:** Allan & Gillian Murray, Allan Keene, Allan Mitai, Andrew Ketels, Anna Solomona, Barry Thompson, Bevan Stairmand, Brennan Mountain, Brenton Te Rehu, Brian Nestor, CC Wang, Chris Byrne, Daniel Holder, David Holm, Doris Perese, Emily Cox, Gail Street, George Ulutaufonua, Greg Stringer, Hans Huisman, Henry Peti, Isi Kaliopasi, Jason Ashin, Jason Moroney, Jayshree Patel, Josie Apelu, Kishor Patel, Lesley Smith, Malcolm Holm, Malcolm Papa, Mark Pakuru, Matt Todd, Michael Keith, Michael Long, Michael Thomas, Milasa Tamapeau, Nagendra Kumar, Natasha Farrow, Neil Millard, Nick Kale, Nigel Mouat, Noel Hughes, Rodney Taylor, Shane Reid, Shaun Birmingham, Steven Roscoe, Terry Rawiri, Trevor Bloomfield, Trevor Mitai, Wayne Walker. **Chemcouriers Christchurch:** Alex Hubers, Bridget Hansen, Chris Brain, Jason Stevens, Karina Laughton, Lee Jenny, Pitone Ah Kuoi. **Chemcouriers Wellington:** Anita Rameka, Daryl Hutchinson, Graham Ralston, Grant Campbell, Richard Bell, Shane McDougal. **Daily Freight Auckland:** Allan Aufai, Altaf Baba, Andrew Neal, Andrew Smith, Annaluisa Tanoai, Arthur Atoaga, Beau-James Te Hau, Bobby Lenati, Brett Whitehead, Chetan Desai, Choice Tulisi, Cody O'Brien, Daniel Riddell, Daniel Setu, Danita Minchington, Dave Black, Dave Murray, David Hala, Dennis Shikhu, Dorie Hindman, Doris Killen, Edward Povey, Edward Simamao, Egan Oliveti, Fafo Paeu, Fawaz Hamdi, Garry Good, George Moti, George Short, Graham Galt, Grant Wallis, Hannah Paine, Jacob Finau, Jaime Grimmett, Jason Rogers, Jennifer Tuhi, Jim Cullen, Joe Kawai, John Newby, John Suyker, Karen Karaka, Karloz Brown, Kevin Estrop, Kieran Greaney, Kumar Rajan, Lakhbir Singh, Leanne Drube, Lenny Jones, Leon Pirake, Lionel Knox, Lisa Haycock, Lloyd Rivers-Smith, Marcus Galiki, Mark Balhorn, Mark Li'uli'u-Afoa, Martin Hamilton, Masato Sato, Michael Tapper, Mike Smith, Milan Cihak, Mohini Sharma, Murray Kendall, Patrick Tau, Paul Derbyshire, Paul Leydon, Paul Wright, Peri Maiava, Phil Lemmon, Phillip Payne, Raghu Chinchalkar, Ray Linton-Brown, Renata Moka, Richard Benedict, Richard Mua, Rick Kosterman, Riki Short, Robert King, Roger Hallen, Roger Leckner, Ropati Suemai, Roy Savage, Russell Barry, Sarah Averill, Shasta Mishra, Sheryl Waite, Sidney Ene, Siera Fatu, Soteria Folaumoeloa, Sue Moses, Taimur Badhniwalla, Talau Paila, Tamani Rokobuli, Terence Utai, Terry Rogers, Terry Takairangi, Timo Palemene, Tula Palemene, Tua Ropati, Tulua Seulupe, Vanessa Maxwell, Viraf Mory, Watson Kauvalu, Wesley Siakumi, William Weekes, Yasbeen Kumar, Yvonne Ili. **Daily Freight Christchurch:** Andrew O'Connor, Ben Jackson, Ben Teale, Beverley Canovan, Bill Clark, Charlie Powell, Chris Donaldson, Chris Sprott,

**We have proudly recorded in this document the name of every current team member in our Mainfreight family around the world. These 3,193 people are the life and blood of Mainfreight. Many of them are the future leaders of our business, as we continue towards becoming a bigger, better global business. Our depth of talent has never been stronger.**

Chumleigh Wills, Colin Brown, Craig Edwards, Craig Stewart, Damien Hallett, Daryl Carter, Dave Broadhurst, Dave Pethick, Donna Malaki, Doug McMillan, Dylan Brown, Graham Jackson, Grant Kilty, Hamish Quinn, Harry Morris, Henry Whyte, Iain Henderson, James Elder, Jayne Munslow, Katie Newsome, Ken Ganseburg, Ken Schwalger, Kim Williamson, Lee Barbour, Malcolm Kellaway, Mark Tomlinson, Martyn Ellis, Maurice Colville, Megan Delaney, Murray Magon, Nic Kay, Nikki Oliver, Rachel Robertson, Rob Scoringe, Roman Sutter, Ross Aikman, Ross Hawken, Shana Steed, Sharon Andrews, Steve Lilley, Steve Moule, Susan O'Brien, Terry Hazlewood, Terry Hucklebridge, Tessa Dalton-Carter, Tony Ringdahl, Trace Donaghey, Tulipe Lolenese. **Daily Freight Wellington:** Alex Walters, David Priestley, Dean Piper, Ken Adam, Kevin Quinn, Lynette Sinden, Michelle Mikara, Noel Mercer, Pat Henderson, Peter Bartlett, Phil Amaru, Richard Walker, Rick Mikara, Sam Ede, Seila Fiso. **Mainfreight Auckland:** Abdul Wazeem, Adam Neale, Alan Edwards, Alan Neithe, Alex Keen, Alfred Hetaraka, Alvin Datt, Andrea Morgan, Andrew McKenzie, Anil Sami, Anthony Gavin, Antony Kora, Aroha McCormack, Arron Davis, Bernard Chiondere, Bill Hoy, Brian Metcalfe, Brock Radich, Bruce Plested, Bryan Mogridge, Bryce Cassidy, Carl George, Carl Howard-Smith, Carol Selwyn, Charlie Lazaruz, Chris Isaia, Christine Meyer-Jones, Corina Peri, Craig Evans, Craig Radich, Dansey Smith, David Fainu'u, David Tolson, Debbie Williams, Deborah Lawson, Dennis Morar, Des Van Der Riet, Don Braid, Don Rowlands, Donna Sim, Donna Wapp, Emma Katavich, Emmet Hobbs, Geoff Sharman, Glen Van Eeden, Glenn Matthews, Graeme Illing, Graham Cowley, Grant Smith, Greg Stone, Greg Williams, Greg Wong, Hamish O'Donnell, Harry Sima, Hayden Bell, Hohepa Brown, Ioana Davis, Ishard Mohammed, Jamane Tarau, Jared Nuku, Jareth Wong, Jason Street, Jay Niu, Jeremy Taylor, John Graham, John Kaukas, Jon Absolum, Jonathan East, Judy Shailer, Karen Jaques, Keith Robb, Ken Carter, Ken Leef, Ken Lowe, Ken Patel, Kerry Crocker, Ketan Undevia, Kevin Drinkwater, Kevin Ge, Kevin Nepia, Kyle Weir, Kym Brett, Lance Walker, Larry Coulter, Lawata Coote, Lawrence Rinesh, Leon Cassidy, Lesley Huia, Luapo Toleafoa, Luke Paine, Mah Muauulu, Maree Absolum, Maree Toa, Mark Lane, Mark Newman, Mark Posa, Martin Owen, Matt Wedding, Maureen Paine, Maurie Phillips, Max Muauulu, Melissa Wearing, Merv Scown, Michael Taufu, Micheal Brown, Micheal Munns, Michelle Phillips, Michelle Simmons, Mohammed Farhad Khan, Mohammed Hassan, Mona Hellens, Naresh Patel, Neil Smaill, Nikki Cooper, Pat Smith, Patrick Patelesio, Paul Cole, Peter Toalima, Prakash Bechan, Quentin Radich, Quintin Hubbard, Quintin Horn, Rachael Timmo, Rachel McKenzie, Ravi Kumar, Regan Somers, Reshma Bhamani, Rex Campbell, Richard Poolman, Richard Prebble, Riki Te Hau, Rob Williams, Robbie Coley, Robert Mareela, Robert Robertson, Romney Tui, Rowan Preston, Roy Brown, Roy Williams, Ryan Smith, Sandy Singh, Scott Wilson, Shalini Kumar, Shameen Basha, Shayne Porter, Sheikh Rohid, Sheree Whitehead, Sonya Mortensen, Stephen Curran, Stephen Speight, Steve Hawkins, Sunita Devi, Sunny Singh, Suzanne Taunton, Teina Paraire, Tere Benedito, Tim Williams, Tom Paul, Tonne Martin, Tracy Blair, Tuaine Tarau, Tyrone Ewart, Uhila Vakameilalo, Vavega Siliga, Vern Wright, Vipul Shah, Warena Paraire, Warren Martin, Wiki Abraham, Wilm Sarah, Wilson Li, Yvonne Chissell, Zabib Mohammed, Zedekiah Nuku. **Mainfreight Blenheim:** Andrew Pillans, Glenn Pearson, Greg Dowling, Janet Landon-Lane, John Cleary, John Falconer, Ken Anderson, Mihi Tanerau-Love, Murray Snowden, Murray Wallis, Nicholas Bates, Peter Jones, Philly Chandler, Ray Bradcock, Steve Heffer, Wayne McKenzie. **Mainfreight Christchurch:** Aaron Austin, Adrian Fergusson, Alan Howard, Allan Humm, Ana Boardbent, Ben Bland, Ben Sharp, Bradley Weir, Brendon Belesky, Brendon Lee, Brian Dunlop, Carolyn Smith, Chad Chamberlain, Chris Burrows, Cindy Irvine, Claudia Schmidt, Colin McTurk, Daniel Ireland, Daniel White, Darren McGrath, Darryl Reid, Dave Allen, David Dodge, David Styles, Dean Hunt, Debbie Blackburn, Dennis Christmas, Desiree Jones-Jackson, Donald Chamberlain, Egon Chmiel, Farrokh Mistry, Gary Sellers, Gina Roberts, Graham McHarg, Greg Tanner, Hamish McGillivray, Harding Veiting, Howie McGhie, Jacinda Baynes, Jason Woods, Jaysen Quigley, Jayson King, John Wright, Karen Lamb, Karl Hicks, Keiran Lynn, Kieran Rowe, Laurie McMahon, Les Armstrong, Lindsay Thomas, Mark Nicol, Matthew Chamberlain, Megan Delaney, Mehaka Wickliffe, Mike Griffiths, Neil Graham, Neil McRobbie, Noreen Tauranga-Watson, Paul Robertson, Quentin Scott, Robert Halkett, Robert McGillivray, Robin Cook, Robin Davids, Rod Garriock, Russell Jackson, Ryhl Cole, Sally Dalzell, Sarah Cole, Sarah Garriock, Sarah Roelink, Selwyn Griffen, Steven Grace, Steven Voyce, Stu Clarke, Sue Cook, Susan Thompson, Toutai Kata, Wendy Martin, Wendy Smith. **Mainfreight Cromwell:** Amanda Shaw, Andrew Best, Brad Smith, Brent Jones, Daryl Hoover, Di Marshall, Gavin Cotton, John MacRae, Johnny Stewart, Joseph Bagnall, Josephine Cranston, Justin Marshall, Kaylene Thompson, Keegan Hewlett, Kevin Madden, Marlene Graham, Megan Bradley, Paddy Tuhoi, Paul Arras, Robert Pearson, Robin Givis, Sharon Flannery, Simone Brett. **Mainfreight Dunedin:** Alana Mutch, Alf Bell, Andrew Laurie, Barry Clark, Cameron Tracy, Chris Marsden, Chris Were, Derek Saville, Doug McElhinney, Doug Melrose, Gary Rzepecky, Glen McLennan, Graeme Clark, Greg Colston, Greg Tod, Jeff Blanc, Kamm Kawai, Kevin Stanger, Leah Maxwell, Lindsay Miller, Logan Cassidy, Mark Robertson, Matt Keane, Mike Rohan, Mike Solomon, Motu Dahm, Murray Little, Nathan Solomon, Paul Johnston, Peter Kerr, Rex Edwards, Richard Wichman, Rick Winklemann, Robert Stout, Roy Algar, Russell Decke, Ryan Baird, Ryan Edwards, Ryan McLean, Shayne McAndrew, Simon Little, Stephen Morgan, Steve Clark, Tim Brasier, Tony Russell, Vaughan Rohan. **Mainfreight FTL North Island:** Aho Chase, Anish Chand, Bernie Tautari, Cory Duggan, Eddie Tuhakaraina, George Thompson, Graham Edmonds, Grant Norwood, Greg Middleton, Hadley Chase, Joe Shotter, Johanus Verhoeven, Karen Powell, Kevin Aldridge, Lance Chadwick, Laurence Purchase, Michael Brunton, Mike Swindells, Ned Kelly, Ron Brooks, Ron McMillan, Rufus Morehu, Sam Johnson, Sandy Teddy, Terry Phillips, Warren McKee, Wayne Lee, Andy Campbell, Darryn Sayer, Eric McDonald, James Price, Jamie Young, John Buttolph, Ken Bryce, Mike Radley, Nathan Anderson, Nicky Scott, Pat Smith, Rene Niovara' Dave, Rob Renwick, Steve Noa, Wayne Patterson. **Mainfreight Gisborne:** Dave McLauchlan, Elaine McLauchlan, John Lord, Aroha Rapana, Roberta Ruru, Margie Freeman, Fred Waihi, Patrick Pollard, Tui Leilua, Ian Watt, Glen Sainbury, Mike Rutherford, Ben Williams, Norman Te Kani, Rangi Hurinui. **Mainfreight Hamilton:** Aaron Goile, Ainsley Speak, Amanda Dove, Amber Abernethy, Amy de Boer, Andrew Hall, Angelina Harper, Barry Clifford, Barry Douch, Bernie Barac, Bob Eva, Bonty Ranapiri, Brett Jones, Bridgette Monhan, Bruce Harper, Buddy Powhare, Charlie Camenzind, Claire Mathis, Colin McEldowney, Colleen Muru, Connor Harper, Corey Gower, Dahna Brain, Dane Ten Wolde, Darren Richardson, Dave Richards, Deane Crawford, Debbie Schollum, Denis Laws, Denise Kearns, Des Reynolds, Don Te Aho, Donovan Walker, Donna Everaarts, Donna Inley, Dwayne Dickey, Ernie Muru, Eru Whareingra, Frank Te Wani, Gareth Jolly, Gordon Baker, Graeme Tilley, Greg Waylen, Gregg Conning, Haami Kingi, Hamish Jackson, James Baker, Jason Pari, Jenny Cliffe, Jocelyn Gordon, Jodi Vaughan, John Dean, John Scandlyn, Julie Anne Madden, Keith Eccles, Lamar Ten Wolde, Lance Dean, Lee Clark, Lee Clark Jnr, Liam Bromwich, Lindsay Meredith, Lisa Cushion, Luke Barlow, Madelaine Julian, Marie Oliver, Matt Jessop, Maurice Jarrett, Melanie Greenbank, Merrill Purcell, Mike Stockley, Murray Gordon, Murray Johns, Nathan McEldowney, Neil Douch, Neil Robertson, Paul Douch, Peter Manutai - Esau, Phillip Koopu, Presley Purcell, Randall Dennis, Ray Dixon, Reece Gray, Rene Rolfe, Richard Jane, Richard Mountney, Robert Muru, Ron Hawkins, Ryan Tuck, Scott Allison, Scott Taumata, Shane Hansen, Shane Pratt, Sonny Runga, Tama Skipper, Tirohanga Forbes, Tom Kumitau, Trudy Te Aho, Warren Hindrup, Wayne Burton, Wayne Goodwin, Wesley King. **Mainfreight International Auckland:** Alice Menzies, Amanda Rhodes, Andrew Thomson, Ange Quedley, Annette Webb, Arti Prasad, Benjamin Inatoti, Callum Lash, Cameron Couper, Canoe Halagigie, Catherine Luen, Charlie Sionetuato, Chris Noonan, Christina Vaevae, Darren Barboza, Derek Hay, Devan Smith, Dianne Clemens, Don Campbell, Erin Harris, Felicity Taylor, Gerry Elbourne, Giovana Tabarini, Grant Hoben, Hayden Cook, Ian Graham, Iki Vaka, Jan Keshu, Jennifer Barrett, Jennine Cosgrave, Joel Pereira, Jon Gundy, Joshua Chellatamby, Kara Lawson, Karen Afafo, Karen Roberts, Kate Wood, Katrina Nathan, Kristy Verster, Kura Kiria, Lisa Mitchell, Liz Castillo, Manu Halagigie, Marissa Monteroso, Mark Mastilovic, Mark Simpson, Megan Frewin, Mei-Ling Faitau, Merwin Aruja, Michael Dunn, Michelle Lemmens, Nicky Lumby, Nicky Smith, Nicole McMillan, Paul Lowther, Paul McNeill, Paul Riethmaier, Penelope Burt, Quentin Hokianga, Rachael Richardson, Raewyn Vela, Raju Vegesna, Rashni Singh, Raymond Leapepe, Rebecca Sell, Rewa Hauraki, Ross Benn, Saman Bigharaz, Sarah Olo, Sean Dillon, Shane Douglas, Simona Nelson, Simone Numanga, Sonya Buckle, Staci Cheng, Taifau Matai, Tarun Kumar, Tennille Hodgson, Tina Xi, Todd Chandler, Tracy

Cleven, Trudy Burt, Vicky Burgoyne, Victor Kumar. **Mainfreight International Christchurch:** Alice Macgregor, Amanda Harris, Annelise Beichter, Antoinette Coman, Ben Fitts, Caroline Short, Daniel Hobbs, Daniel Rae, Doreen Delahunty, Elaine Wong, Gretchen Pirika, Helen Watson, Jason McFadden, Joshua Bassett, Julie Bryce, Karla William, Kitt Taylor, Melody Griffiths, Nathan Thomas, Matthew Newson. **Mainfreight International Dunedin:** Aaron Bond. **Mainfreight International Hamilton:** Amber Abernethy. **Mainfreight International Napier:** Anna Rhodes, Chris Rodgers, Karina Dean, Melinda Thomson. **Mainfreight International Tauranga:** Bronwyn Gower, Cameron Hill, Catherine Simmons, Dennis Pearce, Julie Scott, Katie Peterson, Kevin Woledge, Lisa Mahy, Monique O'Shea, Nada Gvozdenovic, Nicole Mitchell, Pauline Bettoniel, Rebecca Tonks, Robyn McCarthy, Rowan Cooke, Shane Williamson. **Mainfreight International Wellington:** Chrissy Douglas, David Evans, Erle Betty, Jeff Larsen, Joel Douglas, John OSullivan, Joseph Coffey, Julie Robert, Mata Teono, Paul Fredrickson, Robert Little, Shaun Buckley, Tony Epps, Trevor Rice. **Mainfreight Invercargill:** Andrew McLean, Harry Reynolds, Ian Garrick, Jason Bishop, Jeanette Williams, John Searle, Kelly Thorburn, Lisa McGilvray, Mac Kura, Marama Karatai-Bloxham, Nathan McKay, Ross Wells, Stephen Monaghan, Stephen Palfrey, Tanya Crawley. **Mainfreight IT NZ:** Andrew McLeod, Anthony Barrett, Brett Horgan, David Hall, Dineshan Naidoo, Gary Harrington, Jamie Ross, Jamie Thomas, John Eshuis, John McStay, Joshua Burrows, Julie Lowe, Mahko Zulu, Michael Johnson, Niles Bhuthadia, Paul Derbyshire, Paul Woller, Peter Webster, Raagni Sahay, Richard Daldy, Roger van Dorsten. **Mainfreight Logistics Auckland:** Alan Larsen, Arthur Tangatavaa, Ben Milne, Chris Park, Chris Teika, Clinton Smith, Cristina Lumby, Feroz Khan, Greg Cameron, Joseph Bell, Joseph Winiata, Michael Ladyman, Mitch Gregor, Nicholas Gray, Normandy Gutierrez, Samiu Vaisima, Shannon Hegan, Teremoana Orika, Thomas Jones, Tony Sagaga. **Mainfreight Logistics Christchurch:** Amanda Muirhead, Andrew Kay, Barry Spence, Bernard Jagers, Brock Evans, Cary Dryden, Chris Scoones, Daniel McAlister, Garth Sutton, Geoff Lulham, Jaden Thomson, John Wolfrey, Justin McCarthy, Kevin Coman-Wright, Luke Christall, Mark Ritchie, Mathew Hyde, Nick McCashin, Peter Sheed, Ray Camillire, Richard Cowper, Robert Hayes, Sandra Ritchie. **Mainfreight Logistics Dunedin:** Bruce Wilson, Geoff Baird, Josh Devine. **Mainfreight Logistics O'Rorke Road:** Adam Lutau, Amasaia Valu, Brian Gill, Carlos Standen, Catherine Ashton, Cody Watts, Fotu Mau, Gary Gallias, Ken Bracey, Kim Neal, Lindon Tawhiti, Lyn Rogers, Shirley Cunneen, Sione Valu, Sunil Chillar. **Mainfreight Logistics Wellington:** Arthur Ropitini, Brendon Jepson, Frank Haworth, Luke Roper, Paul Schipper, Robert Haywood, Scott Walsh, Tracy Toimata. **Mainfreight Logistics Westney Road:** Albert Wolfram, Andy Taunga, Andy Tongia, Avao Mataafa, Avi Samy, Bharat Kesry, Bronwyn Lovatt, Bruce McKay, Carl Aliiva, Celia Tepania, Cloud Oh, Colin McPherson, Dave & Kay Batchelor, Deborah Jackson, Dipak Chhagan, Eddie Solomona, Francisco Kim, George Tunupopo, Jai Prasad, Jan Hustler, Jason Harrison, Jeremy Williams, Jill Cooper, Joe Castle, Julian Leite, Katarina Ene, Kim Savage, Luke Rudolph, Mladan Yagmich, Monty Iuliano, Mulivali Televave, Niall Stephens, Nicola Mallinson, Patrice Temanu, Peisi Tama, Richard Jones, Rupi Leota, Scott Baker, Severe Sipeli, Stephen Bucheler, Tangi Pekepo, Taratoa Koronui, Tereapii Tangianau, Travis Hari, Wes Sipeli, Yogesh Bhana. **Mainfreight Masterton:** Ash Smith, Bob Dougherty, Charles Simpson, Dave Ray, Gary Strang, Glenn Murphy, Graham Suisted, Leon Moule, Trina Dougherty, Walter Williams. **Mainfreight Metro Auckland:** Amoss Toma, Annette Davis, Antonio Collings, Ashwin Karan, Barry Upokomanu, Brendon Norris, Chris Kingsnorth, Don Rogers, Doug Hohepa, Eric Hohepa, Faizal Ali, Glen Symons, James Fuamatu, Jatin Shah, John Wooliams, Joseph Anae, Ken Mahon, Kevin Estrop, Kevin Geard, Lisa Tagaai, Manpreet Singh, Marie Hoefft, Mark Upokomanu, Mez Sethna, Murray Nelson, Nazim Khan, Peter Anderson, Riaz Ali, Ross Morunga, Scott Collings, Sheena Symons, Simon Sahim, Sunil Shah, T.K. Lolo, Theresa Herbert, Thomas Tetai, Tom Jane, Tony Inia, Tristan Munroe, Troy Bloomfield, Usaia Teu, Zain Khan, Zubin Bhatena. **Mainfreight Metro Christchurch:** Allan Brown, Ananda Krishna, Andrew Lysons-Smith, Christine Kennedy, Heather Green, Ian Johnson, Jay Kuntawala, Joe Maikuku, John Cowlin, Jon Brooks, Kamen Withington, Lorraine Taylor, Malcolm Baird, Russell Hayes, Stephen Levington, Trish Allan, Wayne Busson. **Mainfreight Mobile Auckland:** Adam Katterns, Andrew Nikola, Clayton Tito, Dione Solomona. **Mainfreight Napier:** Andrea Mill, Arthur Campbell, Brent Redington, Brett Mabey, Colin Little, Colleen Walker, Curtis Mabey, Darryn Scurr, David Mason, Des McCaskill, Gary Fowles, Glen Scott, Henare Morton, Ian Ludemann, Jade Ngapera, James Wright, Jason Kennedy, Jeff Chapman, Jenny Pedersen, John Mackay, John Montgomery, Karn Mackinlay, Kaye Ngapera, Kaylene Corin, Kelly Barnett, Kerry O'Neill, Larry Pomana, Lawrence Ngapera, Marcus Hemmings, Michael Delamere, Nathan Tough, Nick Bruce, Nikita Coveny, Noel Stubbs, Peter Greaves, Richard Ball, Robert Heathcote, Ron Joli, Stewart Paterson, Stoney McGill, Tony Plummers, Troy Devery, Vinnie Mishra, Wayne Mullins. **Mainfreight Nelson:** Aimee Harris, Alistair Gray, Barry Turner, Bill Simmiss, Brad Young, Brent Redwood, Brett Yates, Daniel Haring, Darren Chandler, Emma Bradley, Graeme Towns, Hohaia Walker, Jason Coleman, Josh Coleman, Mark Hughes, Neil Watson, Pam Waddington, Paul Brown, Ray Gregory, Ryan Knowles, Stu Newport, Tom Mataroa. **Mainfreight New Plymouth:** Aaron Farley, Andrew Bishop, Benjamin Leaf, Brendon Orourke, Desmond Hampstead, Eddie Shepherd, John Davidson, Josh Treneary, Kate Shaskey, Krysta Dodunski, Lane Powell, Margaret Gay, Megan Stallard, Murray Cole, Reginal Marino, Reuben Mason, Rick Payne, Shannon Emmerson, Sonia Brown, Steve Longstaff, Tony Coleman, Tony Smith, Walter Ormsby, Yohann Brill. **Mainfreight Palmerson North:** Alan (Ham) Hamilton, Alan Allport, Alan Monk, Albert Tovia, Bill Gerrie, Brett Cuttle, Brian Douglas, Bunchy Gripp, Colin Gainey, Don O'Connell, Daniel Crookes, David McEwen, Don Gates, Edward Smith, Egypt Tangitutu, Elvis Rowlands, Jason Waho, Jeffrey Gilmore, John Eder, John Fraser, John Mitchell, John Rae, Joshua Stimpson, Keith Mudgway, Keri Monk, Kerry Whitley, Keven Stuart, Kevin McDougal, Matt Shirlock, Melanie McGovern, Michael Tunnicliffe, Mike Eden, Mike Gilmore, Parata Proctor, Peter Darroch, Philip Grant, Philip Lowe, Phoebe Monk, Priscilla Mudgway, Raewyn Banks, Raewyn Wright, Ray Pridaux, Rebecca McBride, Rob Grifford, Rob Lowe, Robbie Williams, Robin Jago, Robin McNabb, Roger Whitman, Ross McDonald, Samantha Morley, Scott Payne, Scott Runciman, Shane Foot, Shane Jurgeleit, Shaun Thompson, Steve Gutschlag, Steve Kemp, Sue Graham, Trevor Jurgeleit, Tuhi Kamura, Wayne Brunton, Wayne Wildbore, Zeke Mako. **Mainfreight Paraparaumu:** Greg Howard, Steve Manion. **Mainfreight Port Operations Auckland:** Andrew Tautari, Brian Hurn, Brock Kereama, Bryan Hohepa, Clive Phillips, Denis Woodman, Dennis Tautari, Graeme Lloyd-Smith, Graham Dickinson, Graham Geary, John Dash, Justin Parlane, Kepa Kairau, Kevin Burne, Kevin Timmo, Kieran Eades, Mark Posa, Matthew Wallis, Muni Gounder, Nicole Dixon, Oriana Laumea, Owen Olsen, Paul Tolson, Phil Kirton, Rob Dickinson, Rose Cross, Russell Shands, Stephen Johnson, Sudhir Krishna, Tony Cutelli, Trudy Kira, Trudy Timmo. **Mainfreight Port Operations Christchurch:** Andy Riley, Barry Rodwell, Dean Coates, Diana Little, Eddie Hiku, Frank McCann, John Williamson, Russell Carnegie, Susan Ai, Tony Green, Tracy Hapi, Vaughan Edmonds. **Mainfreight Precision Auckland:** Adam Gray, Adrian Mokaraka, Alicia Richardson, Allan Tango, Athur Tusa, Bruce Tierney, Chris O'keefe, Cindy Estreich, Clive Wilson, Darren Cummins, Ed Walker, Greg Camezind, Jerome Letalatala, Joe Curtis, Kelly Groat, Lee Tuimaugualesi, Lex Wade, Lisa Williams, Lui Naoupu, Mike Atwood, Navin Sharma, Peleti (Junior) Crichton, Peter Wallis, Quinn Sheriff, Ray Brown, Ray Fraser, Rueben Munday, Sabbir Mohammed, Steven Taui, Tama Fasavalu, Tom Walker. **Mainfreight Precision Christchurch:** Bronco Diamond, Christopher Kelly, Ed Thomas, Graham Peters, Greg Cooper, Jaysin Hurrell, Kepa Hini, Mansell Diamond, Nick Plimmer, Paul Mitchell, Robert Poasa, Sally Dalzell, Timothy Challis, Wayne Pahl. **MainfreightRotorua:** Aaron McMahon, Anne & Sam Moka, Arthur Pou, Arun Chand, Azra Vahau, Bill Ngawhika, Brendon Power, Chris Hall, Damien Radesic, Dave Crosby, Dave Farrell, Dave Gould, Gary Dunseath, Graeme Ngawhika, Gwilym Jones, Jim Rickard, Joseph Maxwell, Leonie McMahon, Louise Day, Matthew Thompson, Noel Pckrang, Percy Powell, Philip Doyle, Raena Lacey, Randal McMahon, Ray Maxwell, Robert McMahon, Shaun Smith, Taare Meredith, Tane Morgan, Ted Torrey, Tiny Deane, Trevor Wass, Vaughan Lyttle, Warren Neale. **Mainfreight Taupo:** brendan smith, Jenny Payne, Nick Hyde, Steve Fisher. **Mainfreight Tauranga:** Anthony Chadwick, Brent Brosnan, Bruce O'Leary, Carole Hylton, Caroline Jones, Chris Carmichael, Chris Hutton, Chris Kendrick, Claire Smyth, Colin Belk, Craig Hine, Darren Chadwick, Dave Stainley, David Epiha, Dean Chadwick, Dennis Simpson, Derek Frost, Dipak Dayal, Duncan Byron, Hamish Murray, Hohepa Rayner, Isaac Tufuga, John Stevens, Kate Hilhorst, Kyla McGregor, Lauren Croskey, Lee Tuhura, Marcel Milner, Mark Robinson, Matthew Castles, Maurice Webb, Melissa Josephson, Mitch Te Kani, Murray McCarthy, Neville Emery, Nolene Percy, Paul Grimes, Peter Flynn, Phil Smith, Ray Hewlett, Reuben Ranui, Rick Ngatai, Rob Bull, Roy Tidman, Schirelle Wildbore, Sean Bainbridge, Sean Payne, Tawai Hati, Teni Tuhakaraire, Tracey Wright, Troy Bidos, Vance Bidois, Wayne Bidos, Yana Heath. **Mainfreight Thames:** Aileen Wright, Andrew McLeod, Grant Wilson, Ken Lowe, Jessica Muller, Nick Noa, Tracey Hill, Wayne Powell. **Mainfreight Timaru:** Anthony Ware, Dave Ennis, Ernie Penney, Greg Anderson, Jeremy Halkett, John Barriball, Karl Skudder, Lindsay McLintock, Murray & Juliet Kippenberger, Nathan Kippenberger, Nigel Blackler, Paul Boa, Rebecca Clark, Ryk Ormsby, Sandra Breen, Sarah Ratahi, Shelley Gordon, Steve McEwan. **Mainfreight Wanganui:** Darren Ellwood, Daryl Edmonds, Innes Campbell, Kibblewhite Jason, Lyn Johnston, Paul Van Damm, Ricky Katene. **Mainfreight Wellington:** Aaron Teokotai, Adam Reeves, Ala Aiono, Albie Dalton, Andrea McCafferty, Barbara Vincent, Bob Vincent, Brenda Richards, Brian Kelly, Bruce Waikari, Carol Coulter, Charlie Ratahi, Colin Bradshaw, Craig Armstrong, Craig Douglas, Craig Harris, Damien Cruickshank, Daniel Cornick, Daniel Jupp, Darron Fisher, Dean Cross, Dean Griffiths, Dujuane Va, Eric Penrose, Eru Mackey, Fay Mikaere, Gemma Wright, George Albert, Graeme Scahill, Greg Piper, Haedyn Wicks, Harry Davey, Henry Luapo, Henry Twomey, Herini Moeahu, Ian Black, Iefata Kuresa, Jack Ngatai, Jan Kohler, Jason Caddis, Jason Dougherty, Jason Mahony, Jenney Pettitt, John Campbell, John Holton, John Hutchinson, John Salanoa, John Stewart, Jordon Rukuwai, Julie Ward, Kane Michalick, Ken Harris, Les Bishop, Lorna Moeahu, Luciano Giaccon, Maggie Scahill, Maligi Tiotio, Maresa Kilepoa, Mark Hales, Martin Walker, Martine Cunliffe, Martyn Bryant, Mayana Joseph, Michael Dargan, Michael Swain, Michelle Romaine, Mike McAlister, Nathan Halley, Nese Va'alele, Nooraa Ngatoko, Okalani Teuila, Paul Biddle, Paul Connelly, Paul Fincham, Paul Mulu, Paul Smith, Peter McAnallen, Pisa Seala, Regan Chase, Richard Maxwell, Robert McGrath, Ron Satherley, Ross Ward, Roy Faifai, Ruks Kavakura, Scott Douglas, Scott Hilder, Sega Va, Selena Franklin, Shane Michalick, Solo Luapo, Sonny Teokotai, Steve Marsh, Steven McGregor, Stuart Thorn, Tecye Tevita, Terry Phillips, Wayne Clews, Wayne Hemmingson. **Mainfreight West Coast:** Andrew Havill. **Mainfreight Whangarei:** Angela Brockliss, Anthony Beazley, Anthony Condon, Brendon Harris, Bryce Allen, Calvin De Boer, Carl Thomas, Collin Oakden, Desirae Watkins, Douglas Tarau, Jimmy Moorehouse, Joe Henare, John Paul, Joseph Yearbury, Kerry Bartlett, Kevin Hibbert, Kevin Roberts, Krystal Whitehead, Leo Turner, Lex Bartlett, Manon Veenis, Mary Edmonds, Merv Broughton, Merv Kemp, Mike Comrie, Rod McTavish, Sarah Bleakley, Te Tuhi Marsh, Thomas Curtis, Wayne Hickman. **Owens Ashburton:** Allan Dunstan, Amanda Hermon, Kelvin O'Connor, Kim Hwan Jung, Les Wilson, Mark Sloane, Peter Downe. **Owens Logistics Christchurch:** Andrea Morrison, Andrew Maxwell, Ayson Reid, Brynley Riches, Chunguang Hu, Darren Jerard, Diane Franks, Dylan Burbury, Grant Breach, Guy McMenamin, John Strange, Levi Si, Robert Woods, Sheona Grant, Simon Cowper, Tom Feng. **Owens Logistics Kahu Street:** Arthur Glass, Ashley O'Connor, Caleb Bennett, Damien Goddard, Debrah Barnes, Graeme Wilson, Jamie Thurston, Jaswant Prasad, Jordan Eric, Ken Odhiambore, Kevin Yao, Konelio Leone, Lita Foliaki, Mateo Tino, Neil Harding, Noorali Pirani, Orlando Rudolph, Shailesh Bhuthadia, Shane James, Vili Solomona, Vivienne Harris. **Owens Metro Auckland:** Alex Tukuafu, Amanda Gavin, Brian Harvey, Chang Wan Kim, Christian Pouesi, Darren Turner, Donald Mullins, Gavin Holm, George Evans, Jagdish Patel, Malcolm Ribinson, Mark Henricks, Neeraj Chandra, Patrick Chong-Nee, Ravinesh Kumar, Ronald Ahmed, Ronald Prakash, Sanjay Chandra, Sukumar V.K, Tevesi Inukhiangana, Theresa Hoefft, Vijay Ahuwaia, William Palmer. **Owens Tankers NZ:** Brian Keogh, Charlie Hutchins, Darrin Murcott, David Page, Gary Pete Awhitu, Jeff Taylor, Jock Dixon, Lorry Eltringham, Marilyn White, Maurice Clarke, Stu Lennon, Tom Davis, Xavier Schwalger. **Owens Transport Auckland:** Adam Awhitu, Adrienne Kupu, Andrea Kennett, Antony Matia, Aoese Taiatu, Ashley Turner, Augustine Kelsall, Bob Bain, Bryan Curtis, Buck Williams, Candy Jansonius, Carolyn Sim, Daniel Curtis, David Heka, Debbie Brady, Elizabeth Troup, Frank Aholelei, Gerrard Robinson, Henry Manuotlaha, Henry Rudolph Boss, Henry Rudolph jur, Henry Te Amo, Ian MacKenzie, Jackie Mein, Jamie Hare, Jamie Rapata, Jason Reynolds, Jessica Kennett, Jim Wright, Joe Tatafu, John Katu, Joylene Malofie, Kevin Babbington, Lilly Graham, Lisa Pearce, Louise

Warren, Mani Puniani, Mary McCloughen, Matelita Troon, Matthew Britton, Maxina Pera, Melanie Katu, Murray Craig, Nathan Humphreys, Nick Stewart, Nileshni Rattan, Niraj Singh, Noa Tohi, Owen Donald, Patricia Dixon, Peter Tuipulotu, Poni Farani, Pravin Maharaj, Raj Singh, Raymond Kendall, Rebekah Ngatukana, Rebekah Ngatukana, Rhoda Malveda, Rhonda Williams, Rob Reeves, Ron Tanuomroop, Ruka Kahaki, Shanaka Hemachandra, Sharma Marino, Simanu Simanu, Simon Tenamu, Steve Mogridge, Telea Kasipale, Tony Martin, Tracey Thompson, Tremaine Poutama, Tyrone Makea, Victor Kasipase, Victor Ulukita, Watisome Lotawa, William Smith. **Owens Transport Christchurch:** Alan Morgan, Alcía Frew, Alister Harris, Allan Ward, Barry Whitefield, Christine Oates, Christopher Ellison, Craig Watson, Cullum Walls, Daniel Bainton-Stock, Daniel Gibbons, Debbie Fox, Don Rapley, Emma Jackson, Gavin Douglas, Glen Malzard, Graham Ryan, Heidi Stowell, Ian Reid, Isobel Bowman, James Whittle, Jennifer Sheppard, John Bradshaw, John Kerr, John Wynyard, Jonathon Masters, Julian Hentia, Kareena Sullivan, Kate Forrester, Keith Kenyon, Kevin Davis, Kevin Rushton, McGee Nimmo, Michelle Fan, Murray Roberts, Nathan Bainton-Stock, Nick MacDonald, Noel Jorden, Rex Whittle, Richard Doell, RJ & SM Smith, Robert Malzard, Ronnie Pawson, Rowan Traue, Serena Brydon, Shane Tanu, Shay Muir, Trevor Baker. **Owens Transport Dunedin:** Carl Gardner, Corey Patterson, Fiona Guildford, Lindsay Roper, Luke Percasky, Robert Trainor, Shaun Cavanagh, Wayne Day, Wayne Teddy, Yvonne King. **Owens Transport NZ:** Aklesh Sharma, Alan Monk, Alby Mahuika, Alistar Harris, Ben Ajdani, Bob Patterson, Bobby Dean, Brian Harvey, Brian Hurn, Brian Wooden, Bryan Douglas, Bryan Menefy, Bunny Palmer, Carl Dreaver, Chang Wan Kim, Charlotte Hoeft, Christine Rodger, Christopher Ellison, Corey Patterson, Craig Watson, Danny Ashik, Darren Smith, Dave Black, Dave Martin, David Culham, Denis Woodman, Dennis Amon, Des Fargher, Divesh Sharma, Don Grimsey, Donald Mullins, Evan Pilcher, Gary Ward, Georgi Kolarksi, Graham Matthews, Greg Middleton, Greg Smith, Guy Brooks, Guy Small, Henry Peti, Jadish Patel, Jim Howard, John Bradshaw, John Buttolph, John Kerr, John King, John Verhoeven, John Waite, John Williamson, Joseph Nand, Karl Wilson, Kerry Perreau, Kim Peacock, Larry Eastham, Laurence Wai Wai, Lindsay Meredith, Malcolm & Maryanne Robinson, Mark Jones, Maurice Clarke, Michael Brunton, Mita Mete, Mohammed Ahmed, Muni Gounder, Murray Roberts, Navtej Atwal, Neeraj Chandra, Nick Macdonald, Noel Jordan, Patrick Moore, Paula Eastham, Reece Gray, Reza Motadel, Rob Mill, Rob Renwick, Robert Jago, Robert Trainor, Ron Hawkings, Ronald Ahmed, Ronnie Pawson, Ross Taylor, Ross Williamson, Salendra Sharma, Salil Patel, Shane Newport, Shane Tall, Shay Muir, Sheridan Clifford, Simon & Jan Kapita, Simon Wi, Steve Graham, Stu Lennan, Sudhir Krishna, Terry Ngawati, Tevesi Inukhiangana, Theresa Hoeft, Tim Sewell, V.K Sukumar, Vinne Sharma, Warwick Smith, 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Manuel, Rosalie Paterson, Russell Weinert, Sarah Faiumu, Stephen Phillips, Steve Thorpe, Trevor Clayson, Trevor McDonald. **Mainfreight Distribution Ballarat:** Brian Lloyd, Damian Johnson, Luke O'Shannassy, Narelle Patterson, Scott Wade, Shane Matheson. **Mainfreight Distribution Brisbane:** Aaron Hovey, Adam John Wallace, Afano Tualima, Amanda Visser, Andrew Lyne, Barry Higgins, Bernadette Martin, Bernard Ashcroft, Bradley Lahey, Brent Bevin, Byran Wong, Charlotte Toki, Christine Wise, Dallas Keever, Damien Leyden, Darren & Wendy Kilford, Darryl Leven, David Karl Gnoka Huia, Dianne Buchman, Dwayne Rota, Emily Puccini, George Melksham, Gordon Simpkins, Grant Kros, Jason Poole, Jennifer Walker, John Andrews, John Holpen, Josh Perham, Joshua Wiparata, Josie Billeau, Judy Cargill, Kenneth Brown, Luana Lealalsalanoa, Lucy Mawhinney, Mark Tratt, Marques Tukukino, Martin Fry, Matthew Tapelu, McKay Tulemau, Melanie Mathieson, Michael Punter, Murphy Lepua, Natalie Booker, Natu Manao, Nikki Norman, Paul Bellamy, Rebecca Walz, Rick Duffy, Ricki Morrison, Robbie Munro, Rosemarie Gray, Ryan Dalsanto, Samantha Wallace, Sani Mikeale, Shaun Kerr, Sheryll Maree Brown, Steve Ace, Steve Turner, Terry Kaupo, Vesi Tuatui, Wayne Wright, Zoltan Udvardi. **Mainfreight Distribution Canberra:** Ashlee Rice, Geoffrey McGee, Helen Curtis, Jason Searle, Karney Jamieson, Melissa Scattergood, Shannon Pearce, Tasharni Jamieson, Terrence McGlashan. **Mainfreight Distribution Chullora:** Dan Hewitt, Daniel Martin, Serkan Su, Tayfun Gezer. **Mainfreight Distribution Melbourne:** Alan Rose, Albert Edwards, Alex Plesoianu, Aline Van buiten, Andrea D'Cruz, Andrew Smith, Anthony Nouata, Ari Karunaratne, Arthur Apostolopoulos, Arthur Flores, Ashley Taylor, Audrey Puni, Benny Moser, Bin Jing Chen, Bob Inoue, Brian Aspinall, Cameron Frank, Cassandra Thacker, Chris Schultz, Cindy Trew, Clem Hatty, Corine Anne-lise Emile, Craig McDonald, Craig Ragland, Dale Bigham, Daniel Skubisz, Daryl Lamas, David Scott, Debbie Lakeland, Dejan Pantelic, Derick Robson, Devon Ng-Youne, Devon Ng-Youne, Dina Sadinlija, Dzenard Gorovic, Erkan Elevli, Erol Muratovski, Estelita Vincent, Etesa Vettori, Foney Chatzykriazis, Gavan Wignall, George Dong, Gerry Cocolis, Gianni Gallardo, Glen George, Glenn Reed, Graeme Carroll, Greg Luder, Helen Williams, Hung Pham, Jack Kanakaris, Jarrod McCallum, Jason Adams, Jason Kennedy, Jason Waho, Jaydon Crow, Jean Claude, Jennifer Wanigasekera, Jenny Paterakis, Jesse Jansz, Jessica Labutte, Jim Smith, John Kalogeropoulos, John Seaver, John Willits, Jose Conejera, Julian Wozniak, Julio Gutierrez, Kathleen Brown, Kathleen Hill, Ken Nguyen, Kenneth Thatcher, Kevin Dicker, Krishna Naidu, Kristy Hentzsch, Kym Potter, Lauren Maybus, Lee Compén, Lee Ho, Leigh Vlasblom, Leslie Papp, Louis Brown, Malcolm Reynolds, Margaret-Ann Bass, Mark Ngaruhe, Matthew Considine, Matthew McLeod, Megan Livingstone, Melanie White, Mercy Rani Arokia-Sekar, Michael Bow, Michael Deng, Michael Foster, Michael Kuzmanovski, Miki Kolek, Muamer Muratovski, Nelson Aravjo, Nicholas Vouros, Osman Osman, Patrick Mburu, Paul Marriner, Paul Pippas, Peter Allen, Peter Daly, Peter Evagora, Peter Grindal, Peter Nouata, Raied Morogy, Randall Davis, Ray Pepper, Richard Vlasblom, Riki Tipene, Robyn Clayton, Rodney Morgan, Ron Soolefai, Ronald Chubb, Samantha Ward, Sandra Begley, Sandra Tavares, Sarah Smart, Saree Tourian, Scott Huntley, Scott Jones, Shaun Ring, Shona Taylor, Simon Brewin, Simon Ravi-Pinto, Simon Wolff, Srdan Vukovic, Stuart Simpson, Sue Rexter, Sumarni MohdShairy, Tenille LaBrooy, Thanh Truong, Thea Scott, Tien Nguyen, Tinika Steele, Tom McNamara, Tom Murray, Tommy Vo, Tony Ferdinand, Trevor Charenguivel, Troy Hedley, Turoa Tipene, Van Be Truyen, Willie Wharewera, Zoran Savic. **Mainfreight Distribution Newcastle:** Andrew Smith, Darren Lawlor, Helen McLeary, John Yates, Mark Price, Michael Hanko, Micheal Hugo, Robert Gemmell, Robert Piltz, Wade Keft. **Mainfreight Distribution Perth:** Alexander French, Ben Baugh, Christopher Brookshaw, Colleen Emmett, James Blundell, James Paekau, Keith Clarke, Mark Fricker, Neville Reeves, Nicholas Blundell, Paul Read, Peter Johnson, Rau Cooper, Ray Bugeja, Roger Baugh, Shaun Seed, Stephen Bull, Steve Brown, Valerie Jeisman, Wayne Andrews. **Mainfreight Distribution Sydney:** Adrian Chanthavong, Alex Chakkong, Amy Schumann, Anthony John Sant, Ariana Pritchard, Avinesh Naidu, Bernard Watson, Beverley McHugh, Bobby Nand, Brett White, Brice Humphreys, Christian Aliste, Cindy Page, Clyde Rosenberg, Craig Van Der Nagel, Danelie Moana, Daniel Gregory-Jones, Daniel Salelesi, Danny Ellyard, Darren Hill, Darren Trenkoski, Dean Morrow, Debbie Madden, Debbie Rawiri, Denise Vitellaro, Diana Orap, Elias Boulos, Elinor Whitchee, Fadi Michel Al-Mallou, Filipina Vave, Filomena DeCarvalho, Frank Violi, Gary Ritchie, Geoffrey Heard, George Epenian, Greg De Lautour, Harry Togias, Ian Biddle, Jason Truong, Jennifer Ann Ellyard, Jerzey Rybakowski, Jody Rangiwhaiao, John Anthony Rapa, John Harvey, Jonathon Speedzenburg, Jordan Moana, Josephine Haddad, Karl Cruz, Katherine Nemorin, Kiet Anh Lam, Kim Doe, Kingi Hoskin, Kristan Andrew Williams, Kristen Cameron, Laisana Burewe, Laze Doinjovski, Lisa Cook, Mandy Warters, Mark Collins, Mark Vincent, Mark Wyness, Matthew Middleton, Michael Dairy, Michael Scott, Michele McCallum, Michelle Purvis, Mike Reid, Mohammed Shaikho, Monique Lawler, Natalie Stassen, Navin Chandra, Nicholas Gleeson, Nilesh Chand, Orlando Zecovich, Pamela Dilucchio, Paul Plunkett, Phillip Mat-Ifai, Pramod Kumar, Pushp Sharma, Randhir Singh, Rangimarie Takari, Ravind Chandra, Ray Hanson, Ray Rylewski, Raymond Freeman, Reginald Woonton, Rita Dinkha, Robert Seisun, Ron Hill, Ross Griffin, Ruth Mercer, Saipale Salelesi, Satesh Jay, Salvin Chandra, Sam Narayan, Shafeel Haq, Shannon DeSilva, Sharon Ama, Simon Dinh, Sione Vave, Siprachanh Phanoraj, Steven Russell, Suza Paceskoski, Tevita Fotofili, Tony Bilir, Warren Farrell, Warren Gelsana, Wi Pohatu, William Mariner, Zoran Trenkoski. **Mainfreight Distribution Townsville:** Christopher Baker, Dylan Smith, Gerard Devietti, Gregory Sinden, Shane Anderson. **Mainfreight International Adelaide:** Brian Jones, Chantelle Trimboli, Joanne Jackson, Karen Farrington, Lisa Raimondo, Martin Venning, Philip Brunsden, Reagan Jones, Skye Sargent, Stafford Marsland, Vanessa Bowden, Vikki Reed. **Mainfreight International Brisbane:** Anthony Ambrosio, Cassie Armstrong, Chantelle Stiege, Craig McNaughton, Craig McRitchie, Dale Sherwood, Deanne Lingard, Emma Ford, Georgia Buck, Jacinta Marriott, Kathy Stubbs, Kelli Ann Gillies, Michele Fancourt, Michelle Cornish, Michelle Phillips, Monique Lindsay, Ognjen Vuksanovic, Pamela Went, Renee Duemmer, Sara Holmes, Sara Stewart, Shane Bird, Stephen Simpson, Steven Belcher, Tracie Brakey. **Mainfreight International Melbourne:** Alicia Esteban, Andrew Dickie, Andrew Edwards, Areti Ibrahim, Arin Mesinovic, Benjamin Schultz, Brendan Bhagwandas, Brendan Ryan, Carmel Valdez, Christopher Lebon, Colleen Moore, Con Mihos, Connie Vinci, Craig Daly, Dale Foote, Daniella Verlaque, David Patterson, Dean Mueller, Despina Engel, Edmilla Hebel, Emma Kavanagh, Fiona Goodwin, Franky Kranen, Funda Sener, Grace Polgar, Grant Draper, Grant Joyce, Gregory Giarratana, Gwendoline Mason, Harmony Greenhill, Jacqueline Gregory, Janine Nemeth, Jarrad Tucker, Jason Sebastiano Cossai, Jason Spiteri, Jenny Kam Ling Lee, Jessica Rankin, Johanna Dahmen, John Hepworth, Josephine Fava, Joyce Wain, Julia DiBella, Kate Downing, Kelli Butcher, Kendal Walsh, Kerry Cogan, Kirsty Davis, Kristian Phillips, Kym Brown, Laura Burns, Lauren Corcoran, Lauren Vicary, Lisa Colombo, Louise Cremona, Maria Riggio, Marija Golem, Melissa Boffa, Mercedez Matskassy, Michael Dyachkov, Michelle Lacy, Monica McConnell, Natalie Maree Calvano, Paolina Tortora, Phil Romeril, Rebecca Power, Renee Mesinovic, Robert Cotter, Sal Milici, Samantha Worton, Sean Hutchinson, Shelley Seggie, Simon Jackson, Stephen Thorogood, Suzanne Gibson, Tennille Van Dyk, Tereza Lane, Tracey Walshe, Travis Dellar, Troy Kirwan, Vijaya Dasari, William Brown. **Mainfreight International Perth:** Brett Gundry, Catherine Foad, Emily Burman, Emma Crisp, Jessica Riley, Lana Sweetman, Mario Biscoto, Mitchell Williams, Tracey McNab. **Mainfreight International Springbank (VIC):** Ben Tuazon, Brian Mueller, Corey Dulson, Daniel Farrugia, David Grossman, David Mallia, Emad Abbas, Kerryn Matmann, Laurita Green, Lisa Jordan, Mario Farrugia, Robert Slade, Sarah John, Tami Eldridge, Timothy Romeril. **Mainfreight International Sydney:** Alex Eroukhimovitch, Alla Ermoliev, Allan David Vassallo, Angela Albanese, Anthie Ananian, Bree Rhiannon Neal, Brendan Kauffman, Brian Anderson, Bronwyn Wassell, Bruce William Scott, Carly Baker, Carol Ma, Chris Bagshaw, Christy Liu, Connor Alexander Farrell, Corey Braid, David Coe, Diane MacKenzie, Emma Atkin, Euguen Chareav, Garry Jamieson, Gavin Gao, Gina Casaceli, Graham Routledge, Grant Wu, James Robertson, Jenny Santos, Jessica Molyneux, John Campbell, Juliana Aleksovski, Justin Cusack, Kate Pryor, Lee Amour, Lisa Sloane, Louise Kerry, Lynda Baxman, Margaret Harris, Margaret Reynolds, Maria Krombas, Markus Raab, Melissa James, Melissa Stanley, Michael Blackburn, Michelle Kennard, Mohammed Ashifdar, Nataliee Fox, Nicholas Clark, Nicole Mogford, Pamela Millhouse, Peter Wilson, Richard Zhang, Sofia Rida, Stacey Lenton, Stephen Anderson,

Tony Namoff, Tyne Neal, Vanessa Lowe, Venessa Kidd, Wynetta Joy Brown. **Mainfreight IT Australia:** Ali Alaouie, Belinda Bright, Bertina Prasad, Darryn Petricevich, Ian Mavric, Jarrod Draper, Jonathan Holmes, Kate Ryan, Marija Vukovic, Martha Ngo, Michael Hood, Wayne Harris. **Mainfreight Logistics Perth :** Benjamin Collins, Brad Doe, Damian Groves-Gaynor, Dean Williams, Helen Brookshaw, Jacob Hanson, Jesse Gray-Morgan, Julius Tupaea, Leah Carkeek, Lee Blockey, Lee Tatana, Nikki Maru, Paul Savage, Philip Connell, Robert Ashford, Robert Doe, Stephen Parker, Susanne Meechan, Toni Letch. **Mainfreight Logistics Campbellfield:** Aaron Tangney, Aneta Jankovski, Anthony Rafferty, Dietmar Venkort, Gabriel Simonetti, Hamish Woods, Ivan Guerra, Jarrod Lovell, Joseph Micallef-Pirotta, Karolina Glowicki, Kristopher Lawrence, Peter McNally, Rhonda Naser, Rhys Phillips, Salvatore Fava. **Mainfreight Logistics Centenary Park:** Angelo Kortez, Auatama Iese, Bahar Yildirim, Benjamin Smith, Gordon Pairama, Gregory Tosato, Jamaal Maere, Kristie Geddes, Leigh Summers, Levi Maere, Rebecca Portlock, Sam Faitua, Saumani Sua, Shyamjit Perera, Slobodan Neskovic, Stuart Tremayne-Clarke, Troy Bennett. **Mainfreight Logistics Coopers Plains:** Darryl Stewart, Fiona Trebilcock, Robert Brown, Simon Wishart. **Mainfreight Logistics Eagle Farm:** Barry Keleher, Eric Taylor, Leeanne Hunt, Maraea Wharemate. **Mainfreight Logistics Hemmant:** Arlo Anderson, Ashlin Weeks, Cara Anne Lewis, Christine Meekings, Colin Vearer, Danielle Prodger, David Pergoletto, Debbie-lea Maxwell, Derek Webster, Gordon Hay, Kendall Anderson, Kieran Hilton-Dalgety, Lyndon Depiazzi, Malcolm Grainger, Matthew Bronickis, Michael Gray, Michael Gray, Paul Fraser, Peter Stockdale, Simon Beecroft, Tracey Anne Young, Trent Whaling. **Mainfreight Logistics Noble Park:** Adam Loader, Billy Alday, Daniel Martin, Jeremy Collins, Michael Brown, Orlando Sergi, Patrick Kerr, Pauline Marsh, Ryan Hindmarsh, Suzanne Schultz. **Mainfreight Logistics Prestons:** Amber Gerken, Charlie Camilleri, Christopher Neill, Craig Binger, Deon Kasper, Frank Pritchard, Janice Phillips, Jennifer Portlock, Jonathan Faitua, Karl Rutherford, Keith Penman, Mary Wall, Michael Manuele-Malagaoma, Paul Jarvie, Peter McCormack, Philip Camilleri, Pohorambage Nilantha, Raquel DiMaggio, Ratu Buingio, Raymond Burgess, Riyaz Jordan, Roger Kaiser, Semi Godinet, Simon Hart, Thomas Steel, Tiuli Leilua, Toese Iese, Waisiki Danford. **Mainfreight Logistics Somerton:** Bradley Greer, Brendan Sheppard, Chantelle Augustus, Haydn Friend, Jessica Breheny, Justin Robertson, Kevin Francis Bradley, Kevin Jameson, Natasha Isaac, Pravesh Koonjah, Stacey Matthews, Steven Noble, Toso Fretton. **Mainfreight Metro Brisbane:** Carly Barnes, Christopher Ring, Wayne Tuhou. **Mainfreight Metro Melbourne:** Aladin Basic, Aliue Jammeh, Enisa Hodzic, Jasvir Singh Dharni, Jovan Jovanovski, Luke Cridland, Rifet Gorovic. **Mainfreight Metro Sydney:** Anastasios Validakis, Anthony Zanetic, Arthur Alexiou, Arthur Hatzianestis, Avinesh Chand, Craig Smith, Daniel Hanna, Francisco Ferreira, Fred Al-Mallou, Gaya Prasad, Henry Naser, Kire Josevski, Lindsay Puckeridge, Michael King, Rachael Pyper, Ricardo Alves, Simone Ayres, Van Phuoc Le. **Mainfreight Sony Sydney:** Andrew Robertson, Chris Ilov, Chris Schlotthe, Eric Egitmenoglu, Glenn O'Riley, Tony Ilov. **Owens Transport Brisbane:** Bobby Barnham, Darren Copland, Dean Ashton, Desmond Bertram, Fereniki Londy, Melvne Costelloe, Michael Kreutzer, Paula Luke, Sandra Ali. **Owens Transport Melbourne:** Alan Wheeler, Ashley Lewis, Gary Bouchier, Jade Carlson, Jim Trajanovski, Jim Zonnios, Jose Conejera, Lindsay Gray, Peter Iveson, Vic Cook. **Owens Transport Queensland:** Andrew Boardman, Brian Key, Clint Horne, Daniel Williams, Danny Williams, Duane Rehua, Elvis Edwards, Glen McRae, Graham Sailes, Greg Cox, Jason Isaac, Jon Phelan, Kevin Day, Marc & Patricia Murray, Martin Van De Weem, Maurice Cowen, Murray McMahon, Patrick O'Brien, Paul Williams, Robert Liston, Tommy Wilson, Trevor Roberts, Trevor Smith, Volker Galm. **Owens Transport Sydney:** Adam Hale, Adam Lawes, Alex Cakovski, Anastasios Validakis, Brett StClair, Brian Doyle, Brian Hogarty, Cameron John Clode, Colin O'Grady, Colins Hanson, Craig Harle, Crieg Bennett, Cuong Nugent, Damien Crisp, Danielle Woodleigh, David Phillips, David Rolfe, David Weston, Edward Wosik, Geoffrey Zenner, George Evangelou, George Mantzakos, Glen Finlay, Glen Marshall, Goran Petrevski, Graeme Syphers, Henryk Wroblewski, Hirdesh Chand, Ivo Hudec, James Russell, Jamie Kukeski, Jan Sloma, Jeanette Rolfe, Jenny Kabrovski, John Claude Rawlings, Keith Jones, Keith Stone, Keith Weirick, Kimberley McGovern, Mark Doyle, Mark Lomas, Matthew Albiero, Matthew Apps, Michael Boardman, Michael Evans, Michael James Hilton, Michael Majkovski, Michael Zajac, Nathan Preval, Norman Quagliata, Ognian Dimov, Pasqua McKay, Pasqua Riservato, Pasqua Walker, Paul McCracken, Peter Disibio, Reino Repo, Riste Naumovski, Rod Clinch, Ron Stone, Rubincio Corboski, Sam Catena, Steve Lipovac, Stuart Watson, Tony Kazzi, Troy PAN, Vale McKenzie, Van Phan, Wayne Hoare. **USA CaroTrans Atlanta:** Allison Cash, Ginger Holland, James Danson, John Grace, Kelly Donnelly, Pascal Grunder, Richard Burke, Stephen Hughes, Veronica Schock, Wayne Pierre. **CaroTrans Baltimore:** John Renner, Lisa Tryon, Michelle Underwood, Mildred Vazquez, Susan Kahl. **CaroTrans Boston:** Adam Whelpley, Ede Salvatore, Joseph Pimentel, Thomas Swain. **CaroTrans Charleston:** Beth Embry, Clay Jones, Cynthia Suggs, Grant Morrison, Jenny Harper, Kelly Creson, Kellyanne Dix, Kerr Carter, Lori Rubin, Lucinda McCorkle, Mark Stowell, Patricia Anderson, Valerie Mottern, Virginia Valentine. **CaroTrans Charlotte:** Cheryl Simmons, Jamie Gunnells, Linda Denning, Paulo Nogueira, Shelly Henderson, Tyrone Neville. **CaroTrans Chicago:** Ana Maria Vietoris, Andrew Weisse, Anna Villafane, Annalisa Marchiafava, Barbara Hunt, Bernadette Morales, Carol Malak, Caron Niewold, Catherine Petersen, Claudette Kwiat, David Valadez, Debbie Klodzinski, Elisabeth Conboy, Gabriela Mendez, Ioannis Loumas, James Stutzman, Janice Brunning, Jason Braid, Joan Janacek, Joseph Zeno, Karen Harast, Kelly Markase, Kristine Connolly, Lisa Johnson, Lorenzo Cometa, Marilyn Gagnon, Mark Milan, Michael Forkenbrock, Olga Cazares, Pamela Mata, Patricia Moran, Pi-Ju Van Doren, Rita O'Reilly, Susan Brockway, Takehito Kashiwabara. **CaroTrans Cleveland:** Abigail Veres, Christopher Wilson, Diana Holt, Elaine Yeager, Georgina Olivera, Krystle Bouchahine, Lori Radca, Magdalena Piktet, Meredith McKay. **CaroTrans Houston:** David Sanchez, Dean Ruffel, Jessica Graddy, John Flynn, Kelly Headley, Kimberly Lostak, Norman Johnson, Richard Burns, Sharon Jay, Suzanne Elkins. **CaroTrans Jersey:** Abdul Mirza, Ana Bermeo, Andrea Bastos, Antaniana Imbriaco, Ashley Perez, Barbara Parker, Blance Aguirre, Bryan Jay, Damien Vieira, Debra McCarty, Dennis Powell, Diane Pirozzi, Erik Berger, Gary Dreuer, Gregory Howard, Heidi Zhao, Jane Monahan, Jennifer White, Jerryck Villahermosa, Jessica Murphy, Julian Yecora, Kai Campbell, Kelly Rodriguez, Kerry Conn, Kristel Lauk, Latonia Komegaya, Laura Litchholt, Louise Ginn, Maria Amorim, Marie Normil, Marina Gilyadov, Mary White, Matthew Spartz, Nancy Silva, Natalie Espino, Nicole Salcedo, Oluseun Makeinde, Renee Basnett, Rosa Velosa, Susie Feliz, William Lee, Yisel Barrett, Yuzuru Onishi. **CaroTrans Los Angeles:** Andrea Cherry, Carol Rebullar, Chantana Guess, David Duyao, Derek Wright, Elsa Gomez, Gregory Wickes, Jean Bouldin, Jessica Chargualaf, Karl Christopher, Lueder Bitter, Maria Aldana, Mark Taitingfong, Mercedes Bitong-Noche, Nancy Silva, Nelson Mendoza, Nicole Bobor, Norihiro Hisanaga, Oliver Aldana, Patricia Maahs, Rodnina Pese, Rowina Tauuanu, Siamacl Heshmati, Theresa lamaleave, Theresa Langell. **CaroTrans Miami:** Cindy Rafart, Dagoberto Blanco, Elisa Iglesias, Gloria Menendez, Hugo Sequeira, Jorge Montoya, Karin Neuber, Lester Sevilla, Maria Veiga, Reinaldo Erpel, Roberto Montoya, Vivian Calo. **CaroTrans San Francisco:** Chase Thompson, Eddie Miranda, Jennifer Quach, Mark Tanelli, Winnie Cien. **Mainfreight Albany:** Agnes Maciorowski, April Westover, Bryce Hicks, Daniel Sim, Eileen Ceccucci, Kara Lewczyk, Karen Ikokuw, Margaret Valentine, Michael Morrissey, Nancy Welsh, Patrick Smith, Talia Lamiano, Thomas Valentine, Tracey Belgiano, Tracy Zayac, William Agnos. **Mainfreight Atlanta:** David Johnson, Debra Turner, Douglas D Crain Jr, Gloria Deason, J. Victoria McNew, Jeffrey Towe, Jennie Park, John Freeman, Joshua Harvey, Lisa Hood, Mary Boyd, Matthew Mayville, Morris Gaines, Philip J. Dubato, Richard Fair, Robert Brown, Robert Eskew, Scott Rice, Scott Sheckels, Shelli Sapp, Whitney Park, William Guy. **Mainfreight Boston:** Craig K Meador. **Mainfreight Charlotte:** Adam Morgan, Beth Rosenbrock, Erin Thomas, John Marco, Johnny Collins, Julie Power, Timothy Jacobson, Walter Remijan. **Mainfreight Chicago:** Adrian Gallardo, Charlene Redden, Christine S. Berenholz, Courtney Brown, David Rogalski, Desiree Santos, Dianne Smith, Elizabeth Frasca, Ellen Frederick, Jennifer Nudi, Leon Delano, Lori L. Hageline, Mark Hines, Mel Ahrens, Michael Redden, Nadine A. Hatfield, Richard S. Sobchinsky, Sharon Wasowicz, Suzanne Berner, Thomas Knaga, Thomas W Macphee. **Mainfreight Columbus:** Amy C. Rodgers, Christopher Khan, Jason Meyer, Jessica Smith, John Griffin, Malik Smith, Michelle Edwards, Owen J Meier, Robert C West, Tonia Uhrig. **Mainfreight Dallas:** Alan Nadeau, Alicia Jackson, Brandon Confer, Carol Taylor, Colin Conley, Deborah Hendrix, Diane Cox, Diane Johnson, Elizabeth Bolding, Elizabeth Branson, Eric Jakubisin, Glenn Eranger, Jessica Campbell, John Dunn, Lane Adamson, Lori Hull Garcia, Marty Cryer, Mary Leake, Paul Cole, Richard Dean, Sally Scott, Scott Eranger, Sean Martin, Shelby Hill, Stacey Van Zandt, Stephen N Scott, Thomas E Zalesky, Tim Pfizer, Tracey Clark, Tracy Fisher, Wayne S. Cole. **Mainfreight Detroit:** Edward Richardson, Sandra Alviani. **Mainfreight Greensboro:** Ann Sabina, Bryan T Beck, Debbie Handy, Donald Fulp, Dwight Moore, Edward J. Nowicki, Michael Orrell, Nathan Proctor, Nell Moore, Otis Ricks, Robert J Andrews, Robert Skenes, Terry Kanzig, Van A. Edwards. **Mainfreight Houston:** Betty Rodriguez, Blanca D Holliday, Brian Culver, Freddie Gonzales, Mark McCrory, Michael Pilgrim, Rick Ugron, Scott Rood. **Mainfreight Indianapolis:** Gregory Scheevel, Jeffrey Jurkowski. **Mainfreight Los Angeles:** Alberda Fulce, Alexander Engelman, Alice Vaiolo, Analisa Dennis, Anita Smith, Anthony Johnson, Benson Nguyen, Beverly Prouty, Brent Sipl, Brian Heidrich, Brian Long, Bruce Slawinski, Carlos Guzman, Carlos Sanchez, Carmen Parton, Charles Liu, Cherise Sorbello, Christopher A Coppersmith, Cornelio Hernandez, Cynthia S. Johnson, Daniel Lund, Darnelle Briant, Debbie L Elton-Roberts, Deborah Dominguez, Debra Barnes, Debra Vaca, Denis K. Dillon, Dennis Kuhlman, Desiree Martinez, Douglas Thompson, Edward Blancarte, Elda Suarez, Elisa Lupian, Erica Lopez, Ernest Kirtan, Francis Anunciacion, Francisco Lopez, George A. Frey, George B. Ehrreich, Gerardo Velasco, Herb Garner, Isela Vazquez, Jacqueline Estrada, Jacqueline Ganther, Javier Angulo, Jeffery Johnson, Jeffrey Nallick, Jenny Jones, Jeremiah Gregersen, Joanne C. Russell, Joanne Charles, John Duncan, Jose Serrano, Jovencio G. Rigor, Judy Hua, Jyotindra Patel, Karen L. Hill, Keiji Iwamoto, Leslie Bivens, Lilia Villanera, Linda D. Bettencourt, Lorin T. Walker, Luciano Ganzon, Magaline V. Soul, Manuel Arceo, Maria Marroquin, Marie Morales, Mark Friedman, Mark Neumann, Michael Krikul, Nelson H. Cheung, Norma Canas, Olivia Rodriguez, Patricia Jimenez, Paul Bromley, Peter R. Burke, Phillip Cao, Rafael Quiles, Ricardo Rubio, Rigoberto Mora, Robert McGhee, Robert Velasquez, Rodney Buskeness, Rolando Lopez, Ronald A. Solano, Ronald R. Frady, Roshann Hood, Roxana A. Jimenez, Sandra Phillips, Seife Kidane, Shelton Jefferson-Gordon, Sing Kit Leong, Siosaia Makalo, Sofia Juarez, Stephanie L. Williams, Stephen Penn, Susan M. Weiher, Susanann Sloan Beattie, Sylvia Leon, Tamiqua Chargois, Thomas Donahue, Timothy Mosley, Timothy Sargent, Travis Lambros, Valerie Boyd, Varoujan Khiriman, Veronica Friedland, Victoria Dawson, Viet H. Pham, William Horlacher, William Mathews, Yung Sun. **Mainfreight Memphis:** Antonio Garza, Jeffrey Solbrack, Jennifer Kizart, Tim Taylor. **Mainfreight Miami:** Adalgicia Porras, Adriano Montano, Batilda Alvarado, Ervin Vasquez, Lissette Arias, Von Echevers. **Mainfreight Newark:** Afia Shipman, Albert Escalante, Brian J Langstaff, Carmen M. Barbato, Carol Bausch, Christine Correia, David Bubb, Deborah Rumore, Ellen Mullery, James D'Amico, Johanna Toro, Nick Stickle, Oscar Rossini, Renata Sampaio, Richard Smith, Roger Kunka, Ronald Stickle, Tai Tan Nguyen, W E Engelbert, Wendy Mayhew. **Mainfreight Phoenix:** Anita Jones, Gregory Sutton, Michelle Muir, Patrick William Kirwan. **Mainfreight Salt Lake City:** Candice Sommer, Leonard Peacock. **Mainfreight Seattle:** Darrell Hardimon. **ASIA Mainfreight Guangzhou:** Anson Chen, Cissy Luo, Lina Lin, Rita Sun, Sandy Ling, Vivian Pan, Wendy Niu. **Mainfreight Hong Kong:** Andy Chan, Aubrey Cheung, Charlotte Cheung, Edmond Cheng, Elton Poon, Fanny Mok, Felix Chiu, Friendly Yuen, Gary Lau, Ivy Leung, Jerry Chan, Joe Hsieh, Jouann Lee, Kenny Ho, Krisity Tai, Kurt Kwan, Maggie Leung, Man Hung Man, Matthew Lee, Michael Lofaro, Mo Yee Chiu, Nichi Zhui, Paul Lam, Raymond Lo, Ricky Lau, Sherman Yuen, Sylvia Tsai, Wai Mo Chan, Wing Wong, Yuk Shing Lam. **Mainfreight Ningbo:** Blue Hong, Hannah Yang, Jack Wu, Ken Jiang, Rain Shan, Tony Zhao, Wendy Wang. **Mainfreight Shanghai:** Anny Liu, Becky Hua, Billy Zhang, Cindy Qi, Ekin Zhu, Elaine Hui, Eric Wei, Fiona Li, Frank Fei, Helen Sun, Jackey Zhang, Jamie Wei, Jenny Shiu, Jesscia zhang, Joan Ji, Linda Huang, Lucy Chen, Rody Luo, Roy Zhang, Suki Zhang, Summer Lou, Suzy Zhou. **Mainfreight Shenzhen:** Aily Zhang, Blue Yan, Canni Zou, Cindy Zhang, Coco Sang, Elvis Xu, Evan Zhang, Levender Wang, Patrick Liu, Penny Yang, Sunny Lin, Tracy Deng. **Mainfreight Taiwan:** Ada Wang, Adelina Chen, Allen Tseng, Andy Jou, Annie Tsai, Candy Lee, Christine Cheng, Denise Lee, Diocce Hu, Emily Chen, Ivy Chang, Jenny Chen, Mei Chen, Monica Liao, Nan Bang Shaiu, Nico Kuo, Sunnie Hung, Una Huang.

## The Future

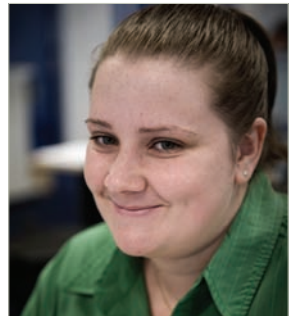
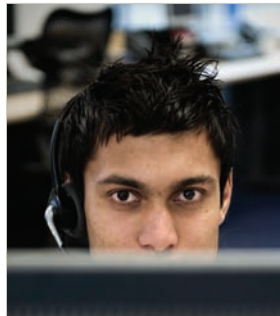
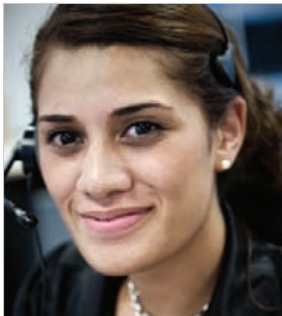
With 30 years just completed, one billion dollars in sales due in this coming financial year, and a developing international network forming around the world, we could deservedly feel satisfied. However, such is the energy, enthusiasm and passion of this team of very special people, we feel we have only just started on the journey to take our business to the world.

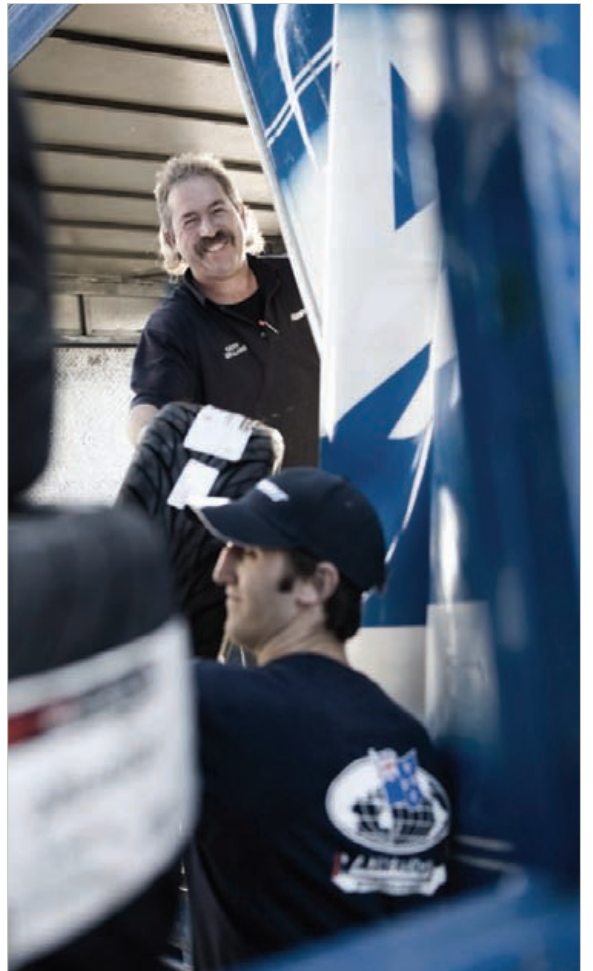
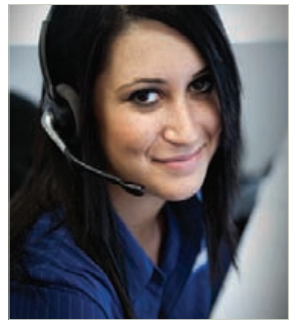
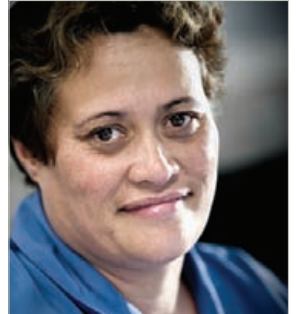
With logistics and freight forwarding becoming increasingly important in facilitating international trade, Mainfreight is

well positioned to take advantage of the opportunities and will prosper to the benefit of all our stakeholders.

We remain an ambitious bunch!







# Mainfreight Executive Team



## CHRIS COPPERSMITH

President,  
Mainfreight USA  
5 months with Mainfreight  
**Revenues US\$180 million**

The Target Logistics business was established by the Coppersmith family, and Chris stayed on to manage the business after Mainfreight's acquisition last year. Chris has an extensive background in the freight forwarding industry in the United States.



## CHRISTINE MEYER

Group Human Resource  
and Training Manager  
14 years with Mainfreight

**HR and Training Resource Spend  
\$3 million**

Christine's responsibilities include our training regimes, Training Academy, and graduate recruitment programmes. Her role also includes the management and development of Human Resources across the Group.



## BRYAN CURTIS

National Manager,  
Owens Transport  
27 years with Mainfreight  
**Revenues \$54 million**

Responsible for the Owens Transport business in New Zealand. Bryan is one of our "originals" and has had a variety of positions including operational, sales and branch management roles in New Zealand and Australia.



## CRAIG EVANS

General Manager,  
Supply Chain  
22 years with Mainfreight  
**Revenues \$41 million**

Craig is responsible for our warehousing operations throughout New Zealand and Australia and plays an integral role in the development of our supply chain strategies and relationships.



## CARL GEORGE

National Group Sales Manager,  
New Zealand  
13 years with Mainfreight

Carl is responsible for the leadership and management of all sales teams across the Group in New Zealand; a newly established role for us. Carl has held a variety of roles since joining the Company as a graduate in 1995.



## DAVID SCOTT

National Group Sales Manager,  
Australia  
8 years with Mainfreight

David is responsible for the leadership and management of all sales teams across the Group in Australia; a newly established role for us. David has held a variety of roles within the transport industry through Australasia.



## CARL HOWARD-SMITH

General Counsel,  
Mainfreight Group  
30 years with Mainfreight

Mainfreight's lawyer since its commencement in 1978, board member since 1983 and General Counsel. Carl plays an active and daily role with the executive management team across all divisions.



## GREG HOWARD

Global Manager,  
CaroTrans  
9 years with Mainfreight

Greg is a Bostonian and has spent most of his working life with CaroTrans. Greg spent two years in New Zealand as National Manager for Mainfreight International and has also had roles in a number of European countries while working for CaroTrans. This new role for Greg includes the development of our CaroTrans brand and NVOCC operations around the world.

**JON GUNDY**

National Manager,  
Mainfreight International  
4 years with Mainfreight

**Revenues \$104 million**

Responsible for the Mainfreight International business in New Zealand. Jon joined Mainfreight through the acquisition of Owens, where he has held Operational and Sales Management roles within various Owens divisions over the previous six years.

**MICHAEL LOFARO**

General Manager,  
Mainfreight Asia  
10 years with Mainfreight

**Revenues US\$14 million**

Michael manages Mainfreight International's operations throughout Asia. He joined Mainfreight through the acquisition of ISS Express Lines of which he was a shareholder. Michael joined our Asian team early in January 2008 and will oversee our Asian development. Michael's previous roles include management responsibility of Mainfreight International in Australia.

**JOHN HEPWORTH**

International Manager  
10 years with Mainfreight

John manages our International businesses in Australia, New Zealand, the USA and our Asian interests. John's role also includes the identification and development of our International product in regions we have yet to establish ourselves in. John joined Mainfreight through our acquisition of his business, ISS Express Lines, in 1998. From 1 May 2008, John is located in the United States to oversee the development and changes required in the newly acquired business of Mainfreight USA/Target Logistic Services.

**RODD MORGAN**

National Manager,  
Mainfreight Distribution Australia  
5 years with Mainfreight

**Revenues A\$108 million**

Rodd's responsibilities cover the transport operations of Mainfreight Distribution throughout Australia. Rodd has previous experience in the Australian Transport industry, including leadership roles in Sales and Operations.

**KEVIN DRINKWATER**

Group IT Manager  
22 years with Mainfreight

**IT Operational Spend \$17 million**

Kevin's portfolio covers all our IT solutions throughout our operations worldwide, including the development and application of new technology ensuring our technological competitive advantage continues and that these solutions add more value to our customer relationships and operating efficiencies.

**STEVEN NOBLE**

National Manager,  
Mainfreight Logistics Australia  
14 years with Mainfreight

**Revenues A\$22 million**

Steven has the responsibility of our Logistics (Warehousing) facilities throughout Australia. Steven has been with Mainfreight in a variety of roles and has previous experience in International Forwarding and Logistics.

**MARK NEWMAN**

National Manager,  
Transport New Zealand  
18 years with Mainfreight

**Revenues \$211 million**

Mark's responsibilities include the Domestic Freight Forwarding operations in New Zealand, consisting of Mainfreight, Daily Freight and Chemcouriers. Mark began his career with us loading freight and is one of our first graduates.

**STEVEN THOROGOOD**

National Manager,  
Mainfreight International Australia  
10 years with Mainfreight

**Revenues A\$127 million**

Steven manages Mainfreight International's operations throughout Australia. He joined Mainfreight through the acquisition of ISS Express Lines in 1998. Steven has held numerous roles within the freight industry over many years including significant Branch Management roles within Mainfreight.

**MICHAEL FORKENBROCK**

National Manager,  
CaroTrans Inc, USA  
7 years with Mainfreight

**Revenues US\$94 million**

Michael oversees the operations of CaroTrans in the United States. His previous roles in CaroTrans included sales development and branch management assisting CaroTrans to record levels of growth and productivity over the past eight years. Prior to joining CaroTrans Michael worked in a variety of roles within the US NVOCC industry.

**TIM WILLIAMS**

Chief Financial Officer  
14 years with Mainfreight

Tim joined Mainfreight through the acquisition of Daily Freightways in 1994 and since 1995 he has been responsible for the Group's financial affairs. This includes, in conjunction with the Managing Director, relationships with our Auditors, Tax Advisors, Brokers, Analysts, Bankers and the NZX.

## **“Some people say I’m too competitive. Is there such a thing?”**

“In every aspect of my life I go hard. My Winter sport is netball and I’m off to nationals soon. In Summer I surf competitively and have represented New Zealand overseas. At work, when our competitors do something new, my first thought is ‘how can we do it better?’

“It’s who I am. So when Mainfreight came to my school to talk about their School Leaver Programme last year, straight away I thought, ‘this sounds like me!’ It was all about the kind of teamwork and commitment that I’m into. Plus, they help out with Uni fees so I’m doing a business degree at nights next year.

“Being so competitive it really suits me to be in a place where everybody’s out to be the best they can. When I finish my business degree I want to work overseas with them. I can already see that there’s a real future for me here.”

*Tracey Thompson*



TRACEY THOMPSON,  
*Owens Auckland  
Mainfreight  
School Leaver  
Programme*

# IT Statistics

## 1. Percentage of consignment notes received electronically

|             | This Year | Last Year |
|-------------|-----------|-----------|
| New Zealand | 48%       | 51%       |
| Australia   | 64%       | 64%       |

## 6. Automated EDI status messages sent to customers

|                          | This Year | Last Year |
|--------------------------|-----------|-----------|
| United States of America | 33,893    | 67,656    |

## 2. Percentage of customer issues received electronically (Helpdesk)

|             | This Year | Last Year |
|-------------|-----------|-----------|
| New Zealand | 81%       | 48%       |
| Australia   | 28%       | 3%        |

## 7. Warehouse orders tracked electronically

|                 | This Year | Last Year |
|-----------------|-----------|-----------|
| Group Statistic | 211,156   | 152,170   |

## 3. Percentage of Logistics orders received electronically

|             | This Year | Last Year |
|-------------|-----------|-----------|
| New Zealand | 87%       | 79%       |
| Australia   | 91%       | 91%       |

## 8. International shipments tracked electronically

|                 | This Year | Last Year |
|-----------------|-----------|-----------|
| Group Statistic | 61,822    | 49,684    |

## 4. Number of consignments tracked electronically

|             | This Year | Last Year |
|-------------|-----------|-----------|
| New Zealand | 572,159   | 420,671   |
| Australia   | 209,574   | 136,108   |

## 9. Electronic Stock on hand enquiries

|                 | This Year | Last Year |
|-----------------|-----------|-----------|
| Group Statistic | 192,695   | 155,201   |

## 5. Number of House Bill of Ladings received electronically

|                          | This Year | Last Year |
|--------------------------|-----------|-----------|
| United States of America | 12%       | 13%       |



# Targets and Achievements

| 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2008                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TARGET                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | STATUS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | TARGET                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | STATUS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <ul style="list-style-type: none"> <li>• To have identified and completed successful acquisitions in Australia and the USA</li> <li>• To have a business in the United Kingdom contributing significantly to our international divisions</li> <li>• To have six or more profitable operations in North East Asia</li> <li>• To have Mainfreight International throughout the USA and generating more revenue than CaroTrans</li> <li>• To have developed a presence in South East Asia and India</li> <li>• To be seen by the market as a significant New Zealand owned company earning substantial profits offshore for the benefit of New Zealand</li> </ul> | <ul style="list-style-type: none"> <li>• Completed in the USA; likely 2008 for Australia</li> <li>• No longer an option and now a consideration for European expansion</li> <li>• Likely 2008 and onward</li> <li>• The acquisition of Target Logistic Services (to be renamed Mainfreight from 1 July 2008) will provide revenues in excess of US\$190 million per annum</li> <li>• Acquisitions continue to be reviewed</li> <li>• In our considered opinion, we now contribute worthwhile profits to the New Zealand economy from our operations offshore</li> </ul> | <ul style="list-style-type: none"> <li>• To have revenues exceeding \$1 billion</li> <li>• To have our offshore interests generating more profit than our New Zealand businesses</li> <li>• To be the dominant LCL logistics supply chain operator in Australasia</li> <li>• To be achieving in excess of 7% profit before tax in our international divisions</li> <li>• To begin to have global significance in international logistics using our foundations in USA, Europe, China and Australasia</li> <li>• To increase the regional networks of Mainfreight International in New Zealand and Australia</li> </ul> | <ul style="list-style-type: none"> <li>• On target for the 2009 financial year</li> <li>• Achieved 45% of net profit before abnormals from outside of New Zealand and likely to increase substantially</li> <li>• On target</li> <li>• On target with CaroTrans achieving 5.7% and Mainfreight Asia 15.9%. Currently averaging 4.8% across all international operations</li> <li>• On target</li> <li>• Mainfreight International New Zealand has opened branches in Hamilton and Dunedin. Mainfreight International Australia is yet to establish any additional branches</li> </ul> |

| 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                   | 2010                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                    | 2011                                                                                                                                                                                 |                                                                                | 2012                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TARGET                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | STATUS                                                                                                                                                                                                                                                                                                                                            | TARGET                                                                                                                                                                                                                                                                                                                                                         | STATUS                                                                                                                                                                                             | TARGET                                                                                                                                                                               | STATUS                                                                         | TARGET                                                                                                                                                                                                                                                    |
| <ul style="list-style-type: none"> <li>To be further established as a Global Supply Chain Logistics Operator</li> <li>To have international operations across Europe and the United States, China, India, South East Asia and South America</li> <li>To have established logistics operations in China and the USA with some involvement in domestic distribution</li> <li>To have our Australian domestic and warehousing operations earning similar profits to that of our New Zealand operations</li> <li>To have our American interests earning more profit than our Australian and New Zealand International operations</li> <li>To have all our international freight forwarding businesses operating on the same technology platform for uniformity in data entry and customer interface</li> </ul> | <ul style="list-style-type: none"> <li>On target</li> <li>On target</li> <li>On target; Target Logistic Services (Mainfreight USA) provides domestic distribution and some logistics services within the USA. China opportunities continue to be reviewed.</li> <li>Likely during 2012</li> <li>Likely in 2012</li> <li>Likely in 2010</li> </ul> | <ul style="list-style-type: none"> <li>To have doubled our revenue from our 2006 result</li> <li>To be well established, with our own businesses, around the world in all countries of trading importance</li> <li>To increase airfreight revenue to match seafreight revenue</li> <li>To have CaroTrans established as a worldwide NVOCC operator.</li> </ul> | <ul style="list-style-type: none"> <li>Likely in 2012 as organic growth and acquisition activity both contribute to our growth</li> <li>On target</li> <li>On target</li> <li>On target</li> </ul> | <ul style="list-style-type: none"> <li>To be significantly progressed in doubling our revenue from 2006</li> <li>To have more than 300 branch operations around the world</li> </ul> | <ul style="list-style-type: none"> <li>On target</li> <li>On target</li> </ul> | <ul style="list-style-type: none"> <li>To have more than \$2 billion of revenue from worldwide operations</li> <li>To have more than 400 branch operations around the world</li> <li>To have the Mainfreight brand recognised around the world</li> </ul> |

# Property Portfolio

Our property strategies remain consistent as our growth continues. We prefer our property portfolio to have a mix of leased and owned facilities. We continue to utilise the land banks we have accumulated over the years to assist growth and expansion on preferred sites, reducing costly relocation activity when expansion is needed.

Where possible we prefer to own sites that host heavy traffic and activity, allowing us to better manage design and maintenance. Sites that have less of this activity are more suited to lease obligations.

Our land asset values in the past year have increased by \$5.5 million which was booked to the revaluation reserve.

During the year construction was completed on the new Daily Freight site in Christchurch adjacent to the Mainfreight facility. Building alterations were completed at Mainfreight Napier, Wellington, Gore, Cromwell and Oamaru. Construction has started on our new Whangarei facility and we took possession of our new leased facility in Sydney. This new facility dwarfs our "super-site" in Auckland, measuring a staggering 50,000m<sup>2</sup> of Distribution and Logistics warehousing facilities; such is our commitment to Australia.

Our new airfreight facility in Auckland will be completed late 2008 providing state of the art perishable and dry freight facilities to our International airfreight customers.

We purchased our previously leased facilities in Melbourne for Mainfreight Distribution and will invest more capital in property in Australia as we continue to grow our presence in this market.

## ENVIRONMENTAL FEATURES FOR PROPERTY

The environment remains foremost in our thinking when constructing new facilities, and we incorporate as many positive environmental features as possible. Rainfall is collected and stored to provide valuable water for truck washing, ablutions and irrigation. Landscaping is designed to ensure we can beautify our land over and above local council requirements. Solar power opportunities for lighting are explored and where feasible, installed. Recycling facilities for wood, paper, glass and metals are established on every site.

| PROPERTY PORTFOLIO                   |                        |                        |                        |                        |                        |                        |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                      | New Zealand            |                        | Australia              |                        | US                     |                        |
|                                      | 2008<br>m <sup>2</sup> | 2007<br>m <sup>2</sup> | 2008<br>m <sup>2</sup> | 2007<br>m <sup>2</sup> | 2008<br>m <sup>2</sup> | 2007<br>m <sup>2</sup> |
| Properties Owned & Utilised Freehold | 113,517                | 107,959                | 13,801                 | 2,720                  | -                      | -                      |
| Leasehold                            | 37,180                 | 35,960                 | -                      | -                      | -                      | -                      |
| Leased with Term (3+ years)          | 65,000                 | 53,366                 | 143,483                | 108,389                | 36,983                 | 2,850                  |
| <b>TOTAL PROPERTIES</b>              | 216,197                | 197,285                | 157,284                | 111,109                | 36,983                 | 2,850                  |

| GROUP PROPERTY VALUATIONS        |             |             |
|----------------------------------|-------------|-------------|
|                                  | 2008<br>\$m | 2007<br>\$m |
| Market Value                     | \$161.911   | \$136.894   |
| Book Value including Revaluation | \$161.182   | \$131.552   |
| Land Revaluation                 | \$43.607    | \$39.041    |
| Value Growth                     | \$44.336    | \$44.383    |

# Capital Expenditure

Capital Expenditure is directed and approved by the Board of Directors from recommendations made by senior management.

Expenditure can be classified into three divisions; Property and Buildings, Information Technology and General, including Plant and Equipment. It is not our desire to be an owner of trucks and associated equipment.

## PROPERTY AND BUILDINGS

Property and Building decisions are based on growth, specialised facility needs, and operational efficiency gains, in conjunction with cash flow availability.

Monies expended on property in the past year totalled \$29.3 million. Capital required for property development during 2009 financial year is likely to be between \$15-\$20 million.

## INFORMATION TECHNOLOGY

Information Technology expenditure decisions are based on improving ongoing operational and administrative efficiencies and the ability to

further enhance our competitive advantages within the market, including adding further value to our customer relationships and their supply chain requirements. Capital Expenditure on Information Technology in this past year was \$4.0 million.

## GENERAL

This area covers plant and equipment, containers, forkhoists, trailers, pallet racking and trucks.

Decisions for this area of expenditure are based on our operational requirements. In the main we lease all small tonnage fork hoist equipment, with ownership of large hoists only. Containers, pallet racking and the like are better to be owned to assist operational control.

Some trucks are purchased for short term initiatives, and once viable for owner operators, they are transferred.

Capital Expenditure in the past year in this category was \$8.7 million.

*We will continue to invest more capital in property in Australia as we continue to grow our presence in this market.*

**“The Mainfreight’s teamwork philosophy was very easy for us to adapt to. It’s what being a part of Anuanua is all about too.”**

“Three of us here are part of Anuanua Performing Arts - a group that promotes the culture of the beautiful Cook Islands to New Zealanders.

We also teach our culture through the schools. Because our children aren’t living in their native Cook Islands, it’s really important for them to have assurance of their identity. Being a part of Anuanua means they can feel a sense of belonging and feel proud.

Being part of Mainfreight is like that too. Family and culture are a big part of life here, just like in the Cooks. We feel part of a big family”.

*Anuanua Performing Arts Group:*

*Daniel, Tu, Isamaela, Rolland, Skye and Tiki  
Not pictured: Patrice and Apil*



ANUANUA  
PERFORMING  
ARTS GROUP

# Operating Statistics

## DOMESTIC CUSTOMER SERVICE MEASUREMENT

The following figures provide an insight into our commitment to excellence and our performance in freight handling

| CLAIMS NEW ZEALAND                                                                                       | NEW ZEALAND DOMESTIC STATISTICS          |            |            | LOGISTICS STATISTICS                                                                                                                                     |           |           |
|----------------------------------------------------------------------------------------------------------|------------------------------------------|------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
|                                                                                                          |                                          | This Year  | Last Year  |                                                                                                                                                          | This Year | Last Year |
| 2004                                                                                                     | 517 consignments for 1 claim             |            |            | <b>New Zealand</b>                                                                                                                                       |           |           |
| 2005                                                                                                     | 513 consignments for 1 claim             |            |            | Inventory Record Accuracy (IRA)                                                                                                                          | 97.8%     | 98.4%     |
| 2006                                                                                                     | 471 consignments for 1 claim             |            |            | Orders Processed                                                                                                                                         | 390,021   | 308,144   |
| 2007                                                                                                     | 462 consignments for 1 claim             |            |            | Facility Utilisation                                                                                                                                     | 82%       | 78%       |
| 2008                                                                                                     | 462 consignments for 1 claim             |            |            | Warehousing Footprint                                                                                                                                    | 78,000m2  | 89,400 m2 |
| * Claim ratios for Australia are not measured as under Common Carrier Law customers' insurance is direct |                                          |            |            | Domestic Consignments Generated                                                                                                                          | 228,803   | 165,076   |
| LOADING ERRORS NEW ZEALAND                                                                               |                                          |            |            | Percentage of Domestic Freight                                                                                                                           | 7.2%      | 5.3%      |
| 2004                                                                                                     | 2.75 loading errors per 100 consignments |            |            | <b>Australia</b>                                                                                                                                         |           |           |
| 2005                                                                                                     | 2.76 loading errors per 100 consignments |            |            | Inventory Record Accuracy (IRA)                                                                                                                          | 97.1%     | 98.0%     |
| 2006                                                                                                     | 2.81 loading errors per 100 consignments |            |            | Orders Processed                                                                                                                                         | 215,476   | 109,404   |
| 2007                                                                                                     | 2.95 loading errors per 100 consignments |            |            | Facility Utilisation                                                                                                                                     | 72%       | 80%       |
| 2008                                                                                                     | 2.79 loading errors per 100 consignments |            |            | Warehousing Footprint                                                                                                                                    | 93,020m2  | 70,000 m2 |
| LOADING ERRORS AUSTRALIA                                                                                 |                                          |            |            | Domestic Consignments Generated                                                                                                                          | 104,321   | 66,328    |
| 2006                                                                                                     | 2.24 loading errors per 100 consignments |            |            | Percentage of Domestic Freight                                                                                                                           | 10.8%     | 9.6%      |
| 2007                                                                                                     | 2.33 loading errors per 100 consignments |            |            | Mainfreight's level of IRA measures location count, inventory condition, systems alignment to inventory count, product integrity, total inventory count. |           |           |
| 2008                                                                                                     | 3.28 loading errors per 100 consignments |            |            |                                                                                                                                                          |           |           |
| AUSTRALIAN DOMESTIC STATISTICS                                                                           |                                          |            |            |                                                                                                                                                          |           |           |
|                                                                                                          |                                          | This Year  | Last Year  |                                                                                                                                                          |           |           |
| Total Tonnes                                                                                             |                                          | 372,532    | 314,578    |                                                                                                                                                          |           |           |
| Total Cubic Metres                                                                                       |                                          | 1,235,560  | 1,064,854  |                                                                                                                                                          |           |           |
| Total Consignments                                                                                       |                                          | 849,795    | 691,295    |                                                                                                                                                          |           |           |
| Delivery Performance                                                                                     |                                          | 95.1%      | 97.13%     |                                                                                                                                                          |           |           |
| INTERNATIONAL STATISTICS                                                                                 |                                          |            |            |                                                                                                                                                          |           |           |
|                                                                                                          |                                          | This Year  | Last Year  |                                                                                                                                                          |           |           |
| <b>Airfreight</b>                                                                                        |                                          |            |            |                                                                                                                                                          |           |           |
| Inbound and Outbound (kilos)                                                                             |                                          | 43,567,769 | 42,862,595 |                                                                                                                                                          |           |           |
| <b>Seafreight</b>                                                                                        |                                          |            |            |                                                                                                                                                          |           |           |
| Inbound and Outbound (TEU's)                                                                             |                                          | 141,122    | 134,067    |                                                                                                                                                          |           |           |
| <b>Customs Clearances</b>                                                                                |                                          | 60,208     | 59,700     |                                                                                                                                                          |           |           |
| <b>IATA Ranking</b>                                                                                      |                                          |            |            |                                                                                                                                                          |           |           |
| New Zealand                                                                                              |                                          | 1st        | 1st        |                                                                                                                                                          |           |           |
| Australia                                                                                                |                                          | 32nd       | 34th       |                                                                                                                                                          |           |           |

| TRAINING STATISTICS                                                              |             |           |           |           |
|----------------------------------------------------------------------------------|-------------|-----------|-----------|-----------|
|                                                                                  | New Zealand |           | Australia |           |
|                                                                                  | This Year   | Last Year | This Year | Last Year |
| Induction                                                                        | 271         | 354       | 132       | 160       |
| Licensing                                                                        | 691         | 720       | 0         | 27        |
| Procedural                                                                       | 740         | 1,458     | 260       | 118       |
| Systems                                                                          | 155         | 266       | 298       | 424       |
| Total                                                                            | 1,857       | 2,798     | 690       | 729       |
|                                                                                  |             |           |           |           |
| TEAM NUMBERS                                                                     |             |           |           |           |
|                                                                                  | This Year   |           | Last Year |           |
| NZ Domestic<br><i>Mainfreight, Daily Freight, Chemcouriers, Logistics, Owens</i> | 1,613       |           | 1,647     |           |
| NZ International<br><i>Mainfreight International, CaroTrans</i>                  | 137         |           | 140       |           |
| Australian Domestic<br><i>Mainfreight Distribution, Logistics, Owens</i>         | 667         |           | 609       |           |
| Australian International<br><i>Mainfreight International, CaroTrans</i>          | 236         |           | 208       |           |
| International<br><i>CaroTrans USA, Mainfreight USA, Mainfreight Asia</i>         | 540         |           | 223       |           |
| Total Group                                                                      | 3,193       |           | 2,827     |           |

| DEBTORS DAYS OUTSTANDING |                |                |
|--------------------------|----------------|----------------|
|                          | This Year      | Last Year      |
| Debtors Days Outstanding | 41.73          | 35.84          |
|                          |                |                |
| GENDER RATIOS            |                |                |
|                          | Male           | Female         |
| New Zealand              | 80%            | 20%            |
| Australia                | 69%            | 31%            |
| USA                      | 49%            | 51%            |
| Asia                     | 37%            | 63%            |
| Total                    | 71%            | 29%            |
| Last Year                | 63%            | 37%            |
|                          |                |                |
| TRAINING AND HR SPEND    |                |                |
|                          | This Year      | Last Year      |
| Training and HR Spend    | \$3.17 million | \$2.74 million |
| As a % of Revenue        | 0.35%          | 0.36%          |
|                          |                |                |
| INFORMATION TECHNOLOGY   |                |                |
|                          | This Year      | Last Year      |
| IT Spend                 | \$16.5 million | \$13.3 million |
| As a % of Revenue        | 1.81%          | 1.75%          |

| REVENUE COMPARISON                      |           |           |
|-----------------------------------------|-----------|-----------|
| (000's)                                 | This Year | Last Year |
| NZ Domestic NZ\$                        | \$281,364 | \$270,093 |
| NZ International NZ\$                   | \$103,943 | \$112,995 |
| Australian Domestic A\$                 | \$130,104 | \$106,955 |
| Australian International A\$            | \$126,794 | \$119,998 |
| USA Domestic & International US\$       | \$167,620 | \$72,849  |
| Asia International US\$                 | \$9,273   | \$0       |
| Continuing Businesses Group Total NZ\$  | \$911,719 | \$758,206 |
|                                         |           |           |
| EBITDA COMPARISON                       |           |           |
| (000's)                                 | This Year | Last Year |
| NZ Domestic NZ\$                        | \$37,384  | \$33,799  |
| NZ International NZ\$                   | \$4,919   | \$4,329   |
| Australian Domestic A\$                 | \$10,369  | \$10,333  |
| Australian International A\$            | \$6,818   | \$5,708   |
| USA Domestic & International US\$       | \$7,840   | \$4,692   |
| Asia International US\$                 | \$1,573   | -         |
| Continuing Businesses Group EBITDA NZ\$ | \$74,334  | \$63,945  |

# Corporate Governance

## THE ROLE OF THE BOARD OF DIRECTORS

The Board is responsible for the proper direction and control of the Group's activities. This responsibility includes such areas of stewardship as the identification and control of the Group's business risks, the integrity of management information systems and reporting to shareholders. While the Board acknowledges that it is responsible for the overall control framework of the Group, it recognises that no cost effective internal control system will preclude all errors and irregularities. Our system is based upon written procedures, policies and guidelines, organisational structures that provide an appropriate division of responsibility, and the careful selection and training of all qualified personnel.

The Board includes in its decision making; dividend payments, the raising of new capital, major borrowings, the approval of annual accounts and the provision of information to shareholders, major capital expenditure and acquisitions. It does however delegate the conduct of the day-to-day affairs of the Company to the Group Managing Director and Executive Chairman.

Financial statements are prepared monthly in conjunction with the weekly profit and loss statements generated at branch level. These are reviewed by the Board progressively through the year to monitor Management's performance.

## BOARD MEMBERSHIP

The Board currently comprises eight Directors; an Executive Chairman, a Group Managing Director and six Directors, five of whom are independent. From time to time key executives are invited to attend full Board Meetings and are encouraged to fully participate in all debate. The Board met on five occasions in the financial year ended 31 March 2008.

## DIRECTORS MEETINGS

The Directors normally hold five Board Meetings per year over two day periods throughout Australia, New Zealand, United States and Asia in locations of interest and concern. At the close of day one of each meeting, customers and/or our team are invited to meet Directors and Management.

| DIRECTOR          | MEETINGS<br>HELD | MEETINGS<br>ATTENDED |
|-------------------|------------------|----------------------|
| Bruce Plested     | 5                | 5                    |
| Don Rowlands      | 5                | 4                    |
| Neil Graham       | 5                | 5                    |
| Richard Prebble   | 5                | 5                    |
| Carl Howard-Smith | 5                | 5                    |
| Don Braid         | 5                | 5                    |
| Emmet Hobbs       | 5                | 5                    |
| Bryan Mogridge    | 5                | 5                    |

## SHARE TRADING

The Board has set out a procedure which must be followed by Directors and Key Executive Management when trading in Mainfreight Limited shares. This procedure follows the Security Markets Regulations 2007 (which came into force on 29 February 2008).

## GROUP MANAGEMENT STRUCTURE

The Group's organisational structure is focused on its core competencies: domestic distribution, international sea and air freight forwarding,

warehousing and supply chain management. These operations are located in New Zealand, Australia, the United States of America, and Asia. Each division within each country has a National Manager who reports directly to the Group Managing Director.

#### THE ROLE OF SHAREHOLDERS

The Board aims to ensure that shareholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to shareholders in the Annual Report, the Interim Report, twice yearly newsletters and the Quarterly Shareholder Bulletins. In accordance with the New Zealand Stock Exchange policy, the Board has adopted a policy of Continuous Disclosure as required. The Board encourages full participation of shareholders at the Annual Meeting to ensure a high level of accountability and identification with the Group's strategies and goals.

The Board has constituted the following standing Committees that focus on specified areas of the Board's responsibility.

#### AUDIT COMMITTEE

The Committee is required to establish a framework of internal control mechanisms to ensure proper management of the Group's affairs. The Committee is accountable to the Board for the recommendations of the external auditors, Ernst & Young, directing and monitoring the audit function and reviewing the adequacy and quality of the annual audit process. The Committee provides the Board with additional assurance regarding the accuracy of financial information for inclusion in the Group's Annual Report, including the Financial Statements. The Committee is also responsible for ensuring that the Group has an effective internal control framework.

These controls include the safeguarding of assets, maintaining proper accounting records, complying with legislation, including resource management and health and safety issues, ensuring the reliability of financial information, and assessing and over viewing business risk. The Committee also deals with Governmental and New Zealand Stock Exchange compliance requirements.

#### Audit Committee:

Carl Howard-Smith, Chairman  
Richard Prebble, Director  
Bryan Mogridge, Director

#### REMUNERATION COMMITTEE

The Committee reviews the remuneration and benefits of senior executives and makes recommendations to the Board. The Committee also monitors and reports on general trends and proposals concerning employment conditions and remuneration.

General remuneration for all team members is reviewed on an annual basis and takes into account CPI and responsibility changes for each individual. This does not include senior executives. Senior executive remuneration is reviewed every eighteen months.

#### Remuneration Committee:

Bruce Plested, Executive Chairman  
Don Rowlands, Director  
Emmet Hobbs, Director

# Directors' Report

The Directors are pleased to present this twelfth published Annual Report of Mainfreight Limited.

## FINANCIAL RESULT

Consolidated sales from continuing businesses for the year were \$911.7 million, up on the previous year by \$153.5 million (20.2%). The net profit increased from \$60.600 million to \$101.622 million. Excluding discontinued operations and non-recurring gains the net profit increased 15.3%. Comparisons to the 2007 result are set out in the five year review; page 130 of the financial statements.

## FINANCIAL POSITION

The Group has improved its financial position with shareholders' equity of \$250.2 million, funding 52.2% of total assets. Earnings cover interest on debt by 20.3 times. Net cash flow from operations was \$40.7 million, down from \$47.9 million last year.

Freehold land was re-valued by a further \$5.5 million at 31 March 2008.

## DIVIDEND

A dividend of 8.0 cents per share was paid in July 2007, fully imputed. A supplementary dividend of 1.41 cents per share was paid to non-resident shareholders with this dividend. A further dividend of 8.0 cents per share was paid in December 2007, fully imputed. A supplementary dividend of 1.41 cents per share was paid to non-resident shareholders with this dividend. A fully imputed dividend of 10.0 cents per share, payable on 25 July 2008 is proposed, together with a supplementary dividend of 1.76 cents per share for non-resident shareholders. Books close for this dividend on 18 July 2008.

## STATUTORY INFORMATION

Additional information is set out on pages 127 to 128 including Directors' Interests as required by the Companies Act 1993.

## DIRECTORS

Mr Neil Graham, Mr Bryan Mogridge and Mr Richard Prebble retire by rotation, and are available for re-election.

#### AUDIT

The Company's Auditors, Ernst & Young, will continue in office in accordance with the Companies Act 1993. The Company has a formally constituted Audit Committee.

#### REPORTING AND COMMUNICATIONS

Mainfreight continues to support high levels of public company disclosure. Quarterly reporting is extremely effective in communicating the Group's affairs to shareholders, the Stock Exchange, regulatory bodies and the

media. The first quarter result to 30 June 2008 is scheduled for release on 21 August 2008.

#### OUTLOOK

The Directors are satisfied with the direction and development of the Group. The next twelve months will continue the exciting developments that Mainfreight has underway with the subsequent benefits to our shareholders and stakeholders.

For and on behalf of the Board, 27 June 2008



Bruce Plested  
Executive Chairman



Carl Howard-Smith  
Director



### **Bruce Plested, CA**

EXECUTIVE CHAIRMAN AND FOUNDING OWNER

30 years with Mainfreight  
Appointment to Board 1978  
Founding Managing Director of Mainfreight.

### **Don Rowlands, CBE**

INDEPENDENT DIRECTOR

Appointment to Board 1983  
Former Managing Director, CEO Fisher & Paykel Industries Ltd, Former Director Nestle NZ Ltd, Former President of the Auckland and New Zealand Manufacturers Association.

Other Directorships: CWF Hamilton Ltd.

### **Emmet Hobbs, BA**

INDEPENDENT DIRECTOR

Appointment to Board 2003  
Former Executive Director Brambles Industrial Services Australia, Former Executive Director Qantas Freight.

Other Directorships: Hirepool (Chairman), Ports of Auckland Ltd, Burger Fuel Worldwide Ltd, and a number of private Directorships in New Zealand.

### **Richard Prebble, BA, LLB (Hons)**

INDEPENDENT DIRECTOR

Appointment to Board 1996  
Former Minister of State Owned Enterprises, Transport, Civil Aviation, Railways and Associate Finance.  
Fellow of the Chartered Institute of Logistics and Transport.

Other Directorships: McConnell Ltd, WEL Networks and a number of private Directorships and family companies.



### **Neil Graham, QBE**

#### INDEPENDENT DIRECTOR

29 years with Mainfreight  
 Appointment to Board 1979  
 Joint Managing Director of Mainfreight 1979-1999,  
 various property and agriculture management roles.

Other Directorships: Cherrywood Enterprises Ltd, Graham  
 Management Services Ltd, Valley of Peace Alpacas Ltd,  
 Scott Forestry Ltd, 3F Corporation Ltd.

### **Don Braid**

#### GROUP MANAGING DIRECTOR

14 years with Mainfreight  
 Appointment to Board 2000  
 16 years with Freightways Group. Joined Mainfreight  
 through the acquisition of Daily Freightways.

### **Bryan Mogridge, ONZM, FNZID**

#### INDEPENDENT DIRECTOR

Appointment to Board 2003  
 Other Directorships: Rakon Ltd (Chairman),  
 Pyne Gould Corporation, Momentum Energy Ltd (Chairman),  
 Guardian Healthcare Ltd (Chairman), UBS (Vice Chairman),  
 Trio Group Ltd, Waitakere City Holdings Ltd (Chairman) and  
 Waitakere Enterprise (Chairman).

### **Carl Howard-Smith, LLB**

#### DIRECTOR

30 years with Mainfreight  
 Appointment to Board 1983  
 General Counsel to Mainfreight, Chairman of the Mainfreight  
 Audit Committee, Commercial Law practice.

Other Directorships: Hoegh Autoliners (NZ) Ltd, Burger Fuel  
 Worldwide Ltd, and a number of directorships of private  
 companies.

**“The past reminds us who we are and where we’ve come from. It gives us our sense of identity.”**

“I started collecting this stuff years ago and now we’ve got a place we call ‘Living in the Past’. This room for example, is a replica 1950’s New Zealand grocery store. Everything’s 100% authentic – from the old packs of Juicyfruit and soap powder right down to the pounds, shillings and pence.

“Why do I do it? To make sure we don’t forget what’s good about our past . I’ve been with Mainfreight for 30 years and I know they get that too. They’ve got old fashioned values in lots of ways.

“No matter how big they get, things like loyalty, looking after people’s families and helping them out when things go wrong are still really important. Not many businesses these days think like that.”

*Lenny Jones*



LENNY JONES,  
*Daily Freight,*  
Auckland



## Financial Contents

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# INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

|                                                                | Notes | Group         |               | Parent        |               |
|----------------------------------------------------------------|-------|---------------|---------------|---------------|---------------|
|                                                                |       | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| Operating Revenue                                              |       | 910,159       | 757,855       | 185,432       | 175,439       |
| Interest Income                                                |       | 1,560         | 351           | 901           | 198           |
| Dividends Received                                             |       | -             | -             | 33,742        | 55,255        |
| Total Revenue                                                  |       | 911,719       | 758,206       | 220,075       | 230,892       |
| Transport Costs                                                |       | (590,553)     | (493,634)     | (102,388)     | (98,356)      |
| Labour Expenses                                                |       | (162,955)     | (128,310)     | (41,685)      | (36,777)      |
| Occupancy Expenses                                             |       | (15,580)      | (15,770)      | 3,925         | 1,381         |
| Depreciation and Amortisation Expenses                         | 6     | (10,608)      | (8,916)       | (6,495)       | (5,475)       |
| Other Expenses                                                 |       | (66,697)      | (56,196)      | (22,351)      | (19,508)      |
| Finance Costs                                                  |       | (4,728)       | (5,494)       | (3,085)       | (11,375)      |
| Non-cash Share Based Payment Expense                           | 28    | (585)         | (477)         | (585)         | (477)         |
| Non-recurring items in Continuing Operations                   | 34    | -             | 448           | -             | -             |
| Share of Profit of Associates                                  | 14    | 434           | 1,147         | -             | -             |
| Profit From Continuing Operations Before Taxation for the Year |       | 60,407        | 51,004        | 47,411        | 60,305        |
| Income Tax Expense on Continuing Operations                    | 7     | (19,596)      | (15,260)      | (5,484)       | (2,117)       |
| Profit From Continuing Operations After Taxation for the Year  |       | 40,811        | 35,744        | 41,927        | 58,188        |
| Profit From Discontinued Operations Before Taxation            | 8     | 645           | 10,340        | -             | -             |
| Gain on Sale from Discontinued Operations                      |       | 61,893        | 16,971        | 71,373        | -             |
| Income Tax Expense on Discontinued Operations                  | 8     | (1,622)       | (1,060)       | -             | -             |
| Net Profit for the Year                                        |       | 101,727       | 61,995        | 113,300       | 58,188        |
| Attributable to:                                               |       |               |               |               |               |
| Minority Interest                                              |       | 105           | 1,395         | -             | -             |
| Members of the Parent                                          |       | 101,622       | 60,600        | 113,300       | 58,188        |

Earnings per share for profit attributable to the ordinary equity holders of the company are:

|                             |                         |    | Cents  | Cents |
|-----------------------------|-------------------------|----|--------|-------|
| Basic Earnings Per Share:   | Continuing Operations   | 10 | 42.26  | 37.05 |
|                             | Discontinued Operations | 10 | 62.97  | 25.76 |
|                             | Total Operations        | 10 | 105.23 | 62.81 |
| Diluted Earnings per Share: | Continuing Operations   | 10 | 41.83  | 36.73 |
|                             | Discontinued Operations | 10 | 62.34  | 25.54 |
|                             | Total Operations        | 10 | 104.17 | 62.28 |

The accompanying notes form an integral part of these financial statements.

# BALANCE SHEET AS AT 31 MARCH 2008

|                                                           |       | Group         |               | Parent        |               |
|-----------------------------------------------------------|-------|---------------|---------------|---------------|---------------|
|                                                           | Notes | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| Shareholders' Equity                                      |       |               |               |               |               |
| Share Capital                                             | 24    | 57,124        | 56,539        | 57,124        | 56,539        |
| Accumulated Surplus                                       |       | 154,351       | 68,180        | 154,865       | 57,016        |
| Revaluation Reserve                                       |       | 43,607        | 38,497        | 42,776        | 37,666        |
| Foreign Currency Translation Reserve                      |       | (4,889)       | (2,903)       | -             | (376)         |
| Shareholders' Equity                                      |       | 250,193       | 160,313       | 254,765       | 150,845       |
| Minority Interest                                         |       | -             | 5,266         | -             | -             |
| TOTAL EQUITY                                              |       | 250,193       | 165,579       | 254,765       | 150,845       |
| Non-current Liabilities                                   |       |               |               |               |               |
| Bank Term Loan                                            | 22    | 100,386       | -             | 4,714         | -             |
| Employee Entitlements                                     | 19    | 550           | 497           | -             | -             |
| Deferred Tax Liability                                    | 7     | -             | -             | 440           | 84            |
| Finance Lease Liability                                   | 23    | 598           | 42            | -             | -             |
|                                                           |       | 101,534       | 539           | 5,154         | 84            |
| Current Liabilities                                       |       |               |               |               |               |
| Bank Term Loan                                            | 22    | -             | 84,457        | -             | 84,457        |
| Bank Overdraft                                            |       | 5,200         | -             | 5,200         | -             |
| Intercompany Creditors                                    | 26    | -             | -             | 10,617        | 28,498        |
| Intercompany Advances                                     | 26    | -             | -             | -             | 40,000        |
| Directors Loan                                            | 26    | -             | 2,413         | -             | 2,413         |
| Trade Creditors & Accruals                                | 18    | 101,843       | 65,260        | 22,426        | 17,788        |
| Derivative Financial Instruments                          |       | 607           | -             | -             | -             |
| Employee Entitlements                                     | 19    | 17,369        | 14,908        | 3,636         | 2,853         |
| Provision for Taxation                                    |       | 1,824         | 6,412         | 765           | -             |
| Finance Lease Liability                                   | 23    | 415           | 30            | -             | -             |
| Liabilities of disposal group classified as held for sale | 8     | -             | 21,192        | -             | -             |
|                                                           |       | 127,258       | 194,672       | 42,644        | 176,009       |
| TOTAL LIABILITIES AND EQUITY                              |       | \$478,985     | \$360,790     | \$302,563     | \$326,938     |

The accompanying notes form an integral part of these financial statements.

# **BALANCE SHEET AS AT 31 MARCH 2008**

|                                                      |       | Group     |           | Parent    |           |
|------------------------------------------------------|-------|-----------|-----------|-----------|-----------|
|                                                      |       | 2008      | 2007      | 2008      | 2007      |
|                                                      | Notes | \$000     | \$000     | \$000     | \$000     |
| Non-current Assets                                   |       |           |           |           |           |
| Property, Plant & Equipment                          | 16    | 186,522   | 144,335   | 147,473   | 131,849   |
| Software                                             | 17    | 7,150     | 6,077     | 5,565     | 4,523     |
| Goodwill                                             | 17    | 91,828    | 29,125    | -         | -         |
| Other Intangible Assets                              | 17    | 4,465     | -         | -         | -         |
| Investments in Subsidiaries                          | 15    | -         | -         | 95,045    | 151,483   |
| Investments in Associates                            | 14    | -         | 2,046     | -         | -         |
| Other Investments                                    |       | 80        | 80        | 80        | 157       |
| Deferred Tax Asset                                   | 7     | 6,084     | 5,275     | -         | -         |
|                                                      |       | 296,129   | 186,938   | 248,163   | 288,012   |
| Current Assets                                       |       |           |           |           |           |
| Bank                                                 | 11    | 26,708    | 15,809    | 4,763     | 2,844     |
| Trade Debtors                                        | 12    | 148,053   | 91,748    | 25,046    | 19,770    |
| Intercompany Debtors                                 | 26    | -         | -         | 22,911    | 4,817     |
| Income Tax Receivable                                |       | 1,201     | 1,706     | -         | -         |
| Tax Paid in Advance                                  |       | -         | -         | -         | 1,776     |
| Properties Available For Sale                        | 16    | -         | 1,667     | -         | 1,667     |
| Other Debtors                                        | 13    | 6,894     | 8,996     | 1,680     | 5,891     |
| Derivative Financial Instruments                     |       | -         | 33        | -         | 33        |
| Assets of disposal group classified as held for sale | 8     | -         | 53,893    | -         | 2,128     |
|                                                      |       | 182,856   | 173,852   | 54,400    | 38,926    |
| TOTAL ASSETS                                         |       | \$478,985 | \$360,790 | \$302,563 | \$326,938 |

For and on behalf of the Board who authorised the issue of these Financial Statements on 27 June 2008.



Bruce G. Plested, Executive Chairman



Carl G. O. Howard-Smith, Director

The accompanying notes form an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2008

| Consolidated 2008                                         | Ordinary<br>Shares | Asset<br>Revaluation<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Retained<br>Earnings | Total          | Minority<br>Interests | Total<br>Equity |
|-----------------------------------------------------------|--------------------|---------------------------------|-----------------------------------------------|----------------------|----------------|-----------------------|-----------------|
| Balance at 1 April 2007                                   | 56,539             | 38,497                          | (2,903)                                       | 68,180               | 160,313        | 5,266                 | 165,579         |
| <b>Changes in equity for the year ended 31 March 2008</b> |                    |                                 |                                               |                      |                |                       |                 |
| Exchange Translation difference                           | -                  | -                               | (1,986)                                       | -                    | (1,986)        | 63                    | (1,923)         |
| Revaluation Reserve                                       | -                  | 5,110                           | -                                             | -                    | 5,110          | -                     | 5,110           |
| Net Income Recognised                                     |                    |                                 |                                               |                      |                |                       |                 |
| Directly in Equity                                        | -                  | 5,110                           | (1,986)                                       | -                    | 3,124          | 63                    | 3,187           |
| Profit for the period                                     | -                  | -                               | -                                             | 101,622              | 101,622        | 105                   | 101,727         |
| Total Recognised Income and Expense for the Period        | -                  | 5,110                           | (1,986)                                       | 101,622              | 104,746        | 168                   | 104,914         |
| Shares issued                                             | -                  | -                               | -                                             | -                    | -              | -                     | -               |
| Executive Share Scheme Costs                              | 585                | -                               | -                                             | -                    | 585            | -                     | 585             |
| Supplementary Dividends                                   | -                  | -                               | -                                             | (558)                | (558)          | -                     | (558)           |
| Dividends Paid                                            | -                  | -                               | -                                             | (15,451)             | (15,451)       | (450)                 | (15,901)        |
| Foreign Investor Tax Credit                               | -                  | -                               | -                                             | 558                  | 558            | -                     | 558             |
| Sale of Subsidiaries With Minority Interest               | -                  | -                               | -                                             | -                    | -              | (4,984)               | (4,984)         |
| <b>BALANCE AT 31 MARCH 2008</b>                           | <b>57,124</b>      | <b>43,607</b>                   | <b>(4,889)</b>                                | <b>154,351</b>       | <b>250,193</b> | <b>-</b>              | <b>250,193</b>  |

| Consolidated 2007                                         | Ordinary<br>Shares | Asset<br>Revaluation<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Retained<br>Earnings | Total          | Minority<br>Interests | Total<br>Equity |
|-----------------------------------------------------------|--------------------|---------------------------------|-----------------------------------------------|----------------------|----------------|-----------------------|-----------------|
| Balance at 1 April 2006                                   | 55,409             | 32,267                          | -                                             | 48,124               | 135,800        | 4,701                 | 140,501         |
| <b>Changes in equity for the year ended 31 March 2007</b> |                    |                                 |                                               |                      |                |                       |                 |
| Exchange Translation difference                           | -                  | -                               | (2,903)                                       | -                    | (2,903)        | (112)                 | (3,015)         |
| Revaluation Reserve                                       | -                  | 6,230                           | -                                             | -                    | 6,230          | -                     | 6,230           |
| Net Income Recognised Directly in Equity                  | -                  | 6,230                           | (2,903)                                       | -                    | 3,327          | (112)                 | 3,215           |
| Profit for the period                                     | -                  | -                               | -                                             | 60,600               | 60,600         | 1,395                 | 61,995          |
| Total Recognised Income and Expense for the Period        | -                  | 6,230                           | (2,903)                                       | 60,600               | 63,927         | 1,283                 | 65,210          |
| Shares issued                                             | 653                | -                               | -                                             | -                    | 653            | -                     | 653             |
| Executive Share Scheme Costs                              | 477                | -                               | -                                             | -                    | 477            | -                     | 477             |
| Supplementary Dividends                                   | -                  | -                               | -                                             | (1,669)              | (1,669)        | -                     | (1,669)         |
| Dividends Paid                                            | -                  | -                               | -                                             | (40,544)             | (40,544)       | (718)                 | (41,262)        |
| Foreign Investor Tax Credit                               | -                  | -                               | -                                             | 1,669                | 1,669          | -                     | 1,669           |
| <b>BALANCE AT 31 MARCH 2007</b>                           | <b>56,539</b>      | <b>38,497</b>                   | <b>(2,903)</b>                                | <b>68,180</b>        | <b>160,313</b> | <b>5,266</b>          | <b>165,579</b>  |

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2008 CONTINUED

| Parent 2008                                               | Ordinary<br>Shares | Asset<br>Revaluation<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Retained<br>Earnings | Total<br>Equity |
|-----------------------------------------------------------|--------------------|---------------------------------|-----------------------------------------------|----------------------|-----------------|
| Balance at 1 April 2007                                   | 56,539             | 37,666                          | (376)                                         | 57,016               | 150,845         |
| <b>Changes in equity for the year ended 31 March 2008</b> |                    |                                 |                                               |                      |                 |
| Exchange Translation difference                           | -                  | -                               | 376                                           | -                    | 376             |
| Revaluation Reserve                                       | -                  | 5,110                           | -                                             | -                    | 5,110           |
| Net Income Recognised                                     |                    |                                 |                                               |                      |                 |
| Directly in Equity                                        | -                  | 5,110                           | 376                                           | -                    | 5,486           |
| Profit for the period                                     | -                  | -                               | -                                             | 113,300              | 113,300         |
| Total Recognised Income and Expense for the Period        | -                  | 5,110                           | 376                                           | 113,300              | 118,786         |
| Shares issued                                             | -                  | -                               | -                                             | -                    | -               |
| Executive Share Scheme Costs                              | 585                | -                               | -                                             | -                    | 585             |
| Supplementary Dividends                                   | -                  | -                               | -                                             | (558)                | (558)           |
| Dividends Paid                                            | -                  | -                               | -                                             | (15,451)             | (15,451)        |
| Foreign Investor Tax Credit                               | -                  | -                               | -                                             | 558                  | 558             |
| <b>BALANCE AT 31 MARCH 2008</b>                           | <b>57,124</b>      | <b>42,776</b>                   | <b>-</b>                                      | <b>154,865</b>       | <b>254,765</b>  |

| Parent 2007                                               | Ordinary<br>Shares | Asset<br>Revaluation<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Retained<br>Earnings | Total<br>Equity |
|-----------------------------------------------------------|--------------------|---------------------------------|-----------------------------------------------|----------------------|-----------------|
| Balance at 1 April 2006                                   | 55,409             | 31,436                          | (259)                                         | 39,372               | 125,958         |
| <b>Changes in equity for the year ended 31 March 2007</b> |                    |                                 |                                               |                      |                 |
| Exchange Translation difference                           | -                  | -                               | (117)                                         | -                    | (117)           |
| Revaluation Reserve                                       | -                  | 6,230                           | -                                             | -                    | 6,230           |
| Net Income Recognised                                     |                    |                                 |                                               |                      |                 |
| Directly in Equity                                        | -                  | 6,230                           | (117)                                         | -                    | 6,113           |
| Profit for the period                                     | -                  | -                               | -                                             | 58,188               | 58,188          |
| Total Recognised Income and Expense for the Period        | -                  | 6,230                           | (117)                                         | 58,188               | 64,301          |
| Shares issued                                             | 653                | -                               | -                                             | -                    | 653             |
| Executive Share Scheme Costs                              | 477                | -                               | -                                             | -                    | 477             |
| Supplementary Dividends                                   | -                  | -                               | -                                             | (1,669)              | (1,669)         |
| Dividends Paid                                            | -                  | -                               | -                                             | (40,544)             | (40,544)        |
| Foreign Investor Tax Credit                               | -                  | -                               | -                                             | 1,669                | 1,669           |
| <b>BALANCE AT 31 MARCH 2007</b>                           | <b>56,539</b>      | <b>37,666</b>                   | <b>(376)</b>                                  | <b>57,016</b>        | <b>150,845</b>  |

The accompanying notes form an integral part of these financial statements.

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

|                                                        |       | Group      |            | Parent      |            |
|--------------------------------------------------------|-------|------------|------------|-------------|------------|
|                                                        |       | 2008       | 2007       | 2008        | 2007       |
|                                                        | Notes | \$000      | \$000      | \$000       | \$000      |
| Cash Flows From Operating Activities                   |       |            |            |             |            |
| Receipts from Customers                                |       | 926,477    | 959,200    | 180,990     | 174,831    |
| Interest Received                                      |       | 1,560      | 399        | 901         | 198        |
| Dividend Received                                      |       | 824        | 922        | 33,742      | 55,256     |
| Payments to Suppliers                                  |       | (856,955)  | (889,238)  | (165,295)   | (156,585)  |
| Interest Paid                                          |       | (4,692)    | (5,487)    | (544)       | (5,633)    |
| Income Taxes Paid                                      |       | (26,515)   | (17,908)   | (2,589)     | (3,760)    |
| NET CASH FLOWS FROM OPERATING ACTIVITIES               | 25    | \$40,699   | \$47,888   | \$47,205    | \$64,307   |
| Cash Flows From Investing Activities                   |       |            |            |             |            |
| Proceeds from Sale of Property, Plant & Equipment      |       | 237        | 536        | 175         | 61         |
| Proceeds from Sale of Subsidiaries                     | 8     | 80,123     | -          | 73,501      | -          |
| Proceeds from Sale of Investments                      |       | 4,709      | 22,747     | 4,364       | -          |
| Repayments by Employees and Contractors                |       | 19         | 28         | 11          | 23         |
| Purchase of Property, Plant & Equipment                |       | (37,720)   | (31,750)   | (13,619)    | (28,755)   |
| Purchase of Software                                   |       | (4,014)    | (2,325)    | (3,387)     | (1,660)    |
| Interest Costs Capitalised                             |       | (516)      | (812)      | (516)       | (812)      |
| Advances to Employees and Contractors                  |       | (23)       | (17)       | (12)        | (12)       |
| Acquisition of Subsidiaries                            | 29    | (81,410)   | -          | (10,531)    | -          |
| NET CASH FLOWS FROM INVESTING ACTIVITIES               |       | \$(38,595) | \$(11,593) | \$49,986    | \$(31,155) |
| Cash Flows From Financing Activities                   |       |            |            |             |            |
| Proceeds of Long Term Loans                            |       | 103,521    | 12,188     | 4,714       | 12,501     |
| Advances from Director                                 | 26    | 2,606      | 3,107      | 2,606       | 3,107      |
| Advances and Repayments from Subsidiaries              |       | -          | -          | (2,863)     | 4,000      |
| Proceeds of Share Issues                               |       | -          | 653        | -           | 653        |
| Dividend Paid to Shareholders                          |       | (15,451)   | (40,544)   | (15,451)    | (40,544)   |
| Dividend Paid to Minority Interests                    |       | (450)      | (718)      | -           | -          |
| Repayment of Advances from Director                    | 26    | (5,020)    | (694)      | (5,020)     | (694)      |
| Repayment of Loans                                     |       | (84,524)   | (72)       | (84,458)    | -          |
| NET CASH FLOWS FROM FINANCING ACTIVITIES               |       | \$682      | \$(26,080) | \$(100,472) | \$(20,977) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS |       |            |            |             |            |
|                                                        |       | 2,786      | 10,215     | (3,281)     | 12,175     |
| Net Foreign Exchange Differences                       |       | (821)      | (1,441)    | -           | -          |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD       |       | 19,543     | 10,769     | 2,844       | (9,331)    |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD             |       | \$21,508   | \$19,543   | \$(437)     | \$2,844    |
| Comprised                                              |       |            |            |             |            |
| Bank and Short Term Deposits                           | 11    | 26,708     | 19,543     | 4,763       | 2,844      |
| Bank Overdraft                                         |       | (5,200)    | -          | (5,200)     | -          |
|                                                        |       | \$21,508   | \$19,543   | \$(437)     | \$2,844    |

The accompanying notes form an integral part of these financial statements.

## 1 Corporate Information

The financial statements of Mainfreight Limited (the "Company" or the "Parent") for the year ended 31 March 2008 were authorised for issue in accordance with a resolution of the directors.

Mainfreight Limited is a company limited by shares incorporated in New Zealand whose shares are publicly traded on the New Zealand Stock Exchange.

## 2 Summary of Significant Accounting Policies

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### *Summary of Significant Accounting Policies*

#### **(a) Basis of preparation**

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Companies Act 1993 and the Financial Reporting Act 1993. The financial statements have been prepared on a historical cost basis, except for freehold land, and derivative financial instruments which have been measured at fair value.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

This is the first year of reporting under NZ IFRS standards and comparatives for the year ended 31 March 2007 have been restated accordingly. Reconciliations of equity at 1 April 2006 and 31 March 2007 and profit for the year ended 31 March 2007 under NZ IFRS to the balances reported in the 31 March 2007 financial statements are presented. Refer to Note 33 in these financial statements.

## 2 Summary of Significant Accounting Policies continued

### (b) Statement of Compliance

The financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements comply with International Financial Reporting Standards (IFRS).

### (c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Mainfreight Limited and its subsidiaries (the "Group") as at 31 March each year (as outlined in note 15). Interests in associates are equity accounted (see note (m) below).

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Assets and liabilities for each subsidiary are translated at the closing rate at each balance sheet date. Income and expenses for each subsidiary whose functional currency is not New Zealand dollars are translated at exchange rates which approximate the rates at the actual dates of the transactions. Assets and liabilities of such subsidiaries are translated at exchange rates prevailing at balance date. All resulting exchange differences are recognised in the foreign currency translation reserve which is a separate component of equity.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Minority interests not held by the Group are allocated their share of net profit after tax in the income statement and are presented within equity in the consolidated balance sheet, separately from parent shareholders' equity.

### (d) Business Combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

### (e) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

## 2 Summary of Significant Accounting Policies continued

### (f) Foreign Currency Translation

#### (i) Functional and presentation currency

Both the functional and presentation currency of Mainfreight Limited and its New Zealand subsidiaries is New Zealand dollars (\$). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (ii) Transactions & balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial statements are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment. These are taken directly to equity until disposal of the net investment at which time they are recognised in profit or loss. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### (g) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### (h) Trade and Other Receivables

Trade receivables, which generally have 7-30 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 6 months overdue are considered objective evidence of impairment.

### (i) New accounting standards and interpretations

The Group has early adopted NZ IFRS 8 Operating Segments and all consequential amendments which became applicable in December 2006. The adoption of this standard has only effected the disclosure in these financial statements. There has been no effect on profit and loss or the financial position of the entity.

## 2 Summary of Significant Accounting Policies continued

### (i) New accounting standards and interpretations continued

Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting period ending March 31 2008. These are outlined in the table below.

| Reference               | Title                                                                               | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Application date of standard | Impact on Group financial statements                                                                                                                                                                                                                                                                                                               | Application date for Group |
|-------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| NZ IAS 1 (revised)      | Presentation of Financial Statements                                                | Introduces a statement of comprehensive income.<br>Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.                                                                                                                                   | 1 January 2009               | The amendments are expected to only affect the presentation of the Group's financial statements and will not have a direct impact on the measurement and recognition of amounts under the current NZ IAS 1. The Group has not determined at this stage whether to present the new statement of comprehensive income as a single or two statements. | 1 April 2009               |
| Amendments to NZ IFRS 2 | Amendments to NZ IFRS 2 Share-based Payments – Vesting Conditions and Cancellations | Restricts the definition of “vesting condition” to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting conditions, which have to be taken into account to determine the fair value of the equity instruments granted. In the case that the award does not vest as the result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this must be accounted for as a cancellation. | 1 January 2009               | The Group has not entered into share-based payment schemes with non-vesting conditions attached and, therefore, does not expect significant implications on its accounting for share-based payments.                                                                                                                                               | 1 April 2009               |

## 2 Summary of Significant Accounting Policies continued

### (i) New accounting standards and interpretations continued

| Reference                                   | Title                                                                                                            | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Application date of standard | Impact on Group financial statements                                                                                                                                             | Application date for Group |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| NZ IFRS 3 (revised) and NZ IAS 27 (amended) | NZ IFRS 3 Business Combinations (revised) and NZ IAS 27 Consolidated and Separate Financial Statements (amended) | <p>NZ IFRS 3 (revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.</p> <p>NZ IAS 27 (amended) requires that a change in the ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amendment standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.</p> | 1 July 2009                  | The changes introduced by NZ IFRS 3 (revised) and NZ IAS 27 (amended) must be applied prospectively and will affect future acquisitions and transactions with minority interest. | 1 April 2010               |

### (j) Derivative Financial Instruments and Hedging

The Group uses derivative financial instruments such as interest rate swaps to hedge (economically but not in accounting terms) its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss for the year.

The fair values of interest rate swap contracts are determined by reference to market values for similar instruments.

#### Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for by including the gains or losses on the hedging instrument relating to the effective portion of the hedge directly in equity while any gains or losses relating to the ineffective portion of the hedge are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to profit or loss.

### (k) Non-current Assets / Liabilities Held for Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction. They are not depreciated or amortised. For an asset or disposal group to be classified as held for sale, it must be available for immediate sale in its present condition and its sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

## 2 Summary of Significant Accounting Policies continued

### (l) Investments and Other Financial Assets

Investments and financial assets in the scope of NZ IAS 39 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets on initial recognition, and when allowed and appropriate, re-evaluates this designation at each financial year-end.

#### Recognition and Derecognition

Purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

#### (i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the balance sheet.

#### (ii) Loans and receivables

The predominant financial assets held by the Group are loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

### (m) Investments in Associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements and at cost in the Parent. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, investments in the associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the Parent's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

### (n) Interest in a Jointly Controlled Operation

The Group had an interest in a joint venture that was a jointly controlled operation. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognised its interest in the jointly controlled operation by recognising its interest in the assets and the liabilities of the joint venture. The Group also recognised the expenses that it incurred and its share of the income that it earned from the sale of goods or services by the jointly controlled operation.

## 2 Summary of Significant Accounting Policies continued

### (o) Property, Plant and Equipment

Property, Plant and Equipment, except Freehold land, is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. All other repairs and maintenance are recognised in profit or loss as incurred.

Freehold land is measured at fair value, based on annual valuations by external independent valuers who apply the International Valuation Standards Committee International Valuation Standards, less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis at rates calculated to allocate the assets' cost, less estimated residual value, over their estimated useful lives as follows:

|                          | per annum                       |
|--------------------------|---------------------------------|
| – Land                   | not depreciated                 |
| – Buildings              | 2% to 3%                        |
| – Leasehold Improvements | 10% or life of lease if shorter |
| – Furniture and Fittings | 10% to 20%                      |
| – Motor Cars             | 26% to 31%                      |
| – Plant and Equipment    | 10% to 25%                      |
| – Computer Hardware      | 28% to 36%                      |

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

#### Revaluations of Freehold Land

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the balance sheet, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss.

Any revaluation decrement is recognised in profit or loss, except to the extent that it offsets a previous revaluation increase for the same asset, in which case the decrease is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Upon disposal or de-recognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

#### Disposal

An item of Property, Plant and Equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

### (p) Leases – as a lessee

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

#### Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

## 2 Summary of Significant Accounting Policies continued

### (q) Goodwill and Intangibles

#### (i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the business acquired are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- Represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than a segment based on the Group's reporting format determined in accordance with NZ IFRS 8 Segment Reporting.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

#### (ii) Intangibles

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit (group of cash-generating units) level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

## 2 Summary of Significant Accounting Policies continued

### (q) Goodwill and Intangibles continued

#### (iii) Software

The Group uses both internal and external resources to develop software. An intangible asset arising from expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

A summary of the policies applied to the Group's intangible assets is as follows:

#### **Software**

##### *Useful lives:*

Finite.

##### *Amortisation method used:*

Amortised over the period of expected future benefit from the related project on a straight line basis generally from three to five years.

##### *Internally generated or acquired:*

Both.

##### *Impairment testing:*

Annually for assets not yet available for use and more frequently when an indication of impairment exists. The amortisation method is reviewed at each financial year-end.

#### **Customer Lists and Relationships**

##### *Useful lives:*

Finite.

##### *Amortisation method used:*

Amortised over the period of expected future benefit from the acquired customer list on a straight line basis generally over five years.

##### *Internally generated or acquired:*

Acquired.

##### *Impairment testing:*

Annually and more frequently when an indication of impairment exists. The amortisation method is reviewed at each financial year-end.

#### **Agency Agreements**

##### *Useful lives:*

Finite.

##### *Amortisation method used:*

Amortised over the period of expected future benefit from the acquired agencies on a straight line basis generally from ten to twenty years.

##### *Internally generated or acquired:*

Acquired.

##### *Impairment testing:*

Annually and more frequently when an indication of impairment exists. The amortisation method is reviewed at each financial year-end.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

## 2 Summary of Significant Accounting Policies continued

### (r) Trade and Other Payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition. Due to the short term nature they are not discounted.

### (s) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### Borrowing costs

Borrowing costs are recognised as an expense when incurred unless funding costs have been incurred which are directly attributable to the acquisition, construction, or production of a qualifying asset in which case funding costs are included within the cost of the asset. Capitalisation of borrowing costs cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Borrowing costs capitalised in 2008 were \$516,000 (2007 \$812,000) at an average capitalisation rate of 7.55% (2007 8.20%).

### (t) Provisions and Employee Leave Benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

#### Employee Leave Benefits

##### (i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

##### (ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, at closely as possible, the estimated future cash outflows.

## 2 Summary of Significant Accounting Policies continued

### (u) Share-based Payment Transactions

#### Equity Settled Transactions

The Group provides benefits to some of its team members in the form of share-based payments, whereby team members render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently one type of plan in place to provide these benefits, being The Mainfreight Limited Partly Paid Share Scheme which provides benefits to the Managing Director and senior executives.

The cost of these equity-settled transactions with team members (for awards granted after 7 November 2002 that were unvested at 1 April 2006) is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black Scholes and binomial models. Further details are given in note 28.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of Mainfreight Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the income statement is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to the income statement for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Equity-settled awards granted by Mainfreight Limited to team members of subsidiaries are recognised in the Parent's separate financial statements as an additional investment in the subsidiary with a corresponding credit to equity. These amounts are eliminated on consolidation. As a result, the expense recognised by Mainfreight Limited in relation to equity-settled awards only represents the expense associated with grants to employees of the parent. The expense recognised by the Group is the total expense associated with all such awards.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding partly paid shares is reflected as additional share dilution in the computation of diluted earnings per share (see note 10).

### (v) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2 Summary of Significant Accounting Policies continued

### (w) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Rendering of services

Revenue for all domestic contracted deliveries is recognised when goods have been collected from the customer. Revenues derived from international freight forwarding are recognised on a stage of completion basis. Fees for warehousing are recognised as services are provided to the counter-party.

#### (ii) Interest income

Revenue is recognised as interest accrues using the effective interest rate method.

#### (iii) Dividends

Revenue is recognised when the Group's right to receive the payment is established.

### (x) Income Tax and Other Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

## 2 Summary of Significant Accounting Policies continued

### (x) Income Tax and Other Taxes continued

#### Other Taxes

Revenues, expenses, liabilities and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### (y) Earnings Per Share

Basic earnings per share is calculated as net profit attributable to members of the Parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

### 3 Financial Risk Management Objectives and Policies

The Group's principal financial instruments, other than derivatives, comprise bank loans and overdrafts, finance leases, cash and short term deposits, inter-company receivables and payables, director loans, trade creditors and accruals and trade debtors.

The main purpose of these financial instruments is to raise finance and provide working capital for the Group's operations.

The Group also enters into derivative transactions, principally interest rate swaps. The purpose is to manage the interest rate risks arising from the Group's operations and its sources of finance. These are not currently hedge accounted.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, fair value interest rate risk, liquidity risk, foreign currency risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes 2 and 4 to the financial statements.

#### *Cash Flow Interest Rate Risk*

The Group's exposure to cash flow risk through changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate. The level of debt is disclosed in note (24).

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt. To manage this mix in a cost efficient manner, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2008, after taking into account the effect of interest rate swaps, approximately 62% of the Group's borrowings are at a fixed rate of interest (2007 36%).

#### *Fair Value Interest Rate Risk*

As the Group holds fixed rate debt there is a risk that the economic value of a financial instrument will fluctuate because of changes in market interest rates. The level of fixed rate debt is disclosed in note 30 and it is acknowledged that this risk is a by- product of the Group's attempt to manage its cash flow interest rate risk.

#### *Foreign Currency Risk*

Foreign currency risk is the risk that the value of the Group's assets, liabilities and financial performance will fluctuate due to changes in foreign currency rates.

The Group is primarily exposed to currency risk as a result of its operations in Australia, America and Asia.

The risk to the Group is that the value of the overseas subsidiaries' and associates' financial positions and financial performances will fluctuate in economic terms and as recorded in the consolidated accounts due to changes in overseas exchange rates.

The Group hedges some of the currency risk relating to its Australian operations by holding a portion of its bank borrowings in Australian dollars. Any foreign currency movement in the net assets of the Australian subsidiaries is partly offset by an opposite movement in the Australian dollar loan. In addition, during the year, the Group raised finance in United States (US) dollars to assist in funding its US operations, including the newly acquired Target Logistics, and to offset the variability of future post interest financial performance to foreign exchange rate fluctuations.

### 3 Financial Risk Management Objectives Objectives and Policies continued

|                                                                                             | Group           |                 | Parent          |                 |
|---------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                                                             | 2008<br>AU\$000 | 2007<br>AU\$000 | 2008<br>AU\$000 | 2007<br>AU\$000 |
| Net Assets & AU\$ advances of Australian Subsidiaries                                       | 30,545          | 52,234          | -               | -               |
| Investment in Australian Subsidiaries & Advances in AU\$                                    | -               | -               | 9,624           | 25,151          |
| Australian Dollar Loan Held by Parent Company                                               | -               | (11,000)        | -               | (11,000)        |
| NET ASSETS RELATING TO AUSTRALIAN OVERSEAS<br>SUBSIDIARIES EXPOSED TO CURRENCY RISK         | \$30,545        | \$41,234        | \$9,624         | \$14,151        |
|                                                                                             | US\$000         | US\$000         | US\$000         | US\$000         |
| Net Assets & US\$ advances of American & Asian Subsidiaries                                 | 26,269          | 7,218           | -               | -               |
| Net Investments in American & Asian Subsidiaries in US\$                                    | -               | -               | 10,049          | 1,448           |
| Net Investments in Asian Associates                                                         | -               | 1,451           | -               | 55              |
| NET ASSETS RELATING TO OTHER OVERSEAS<br>SUBSIDIARIES & ASSOCIATES EXPOSED TO CURRENCY RISK | \$26,269        | \$8,669         | \$10,049        | \$1,503         |

Currency movements in the foreign denominated balances above are reflected in the Foreign Currency Translation Reserve. The movements were comprised of the following:

|                                                                                     | Group           |                 | Parent          |                 |
|-------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                                                     | 2008<br>NZ\$000 | 2007<br>NZ\$000 | 2008<br>NZ\$000 | 2007<br>NZ\$000 |
| Net Assets in Foreign Subsidiaries                                                  | (2,362)         | (3,140)         | -               | -               |
| Australian Dollar Loan held by Parent Company                                       | -               | 354             | -               | -               |
| Tax Effect on Australian Dollar Loan held by Parent Company                         | 376             | (117)           | 376             | (117)           |
| NET ASSETS RELATING TO AUSTRALIAN OVERSEAS<br>SUBSIDIARIES EXPOSED TO CURRENCY RISK | \$(1,986)       | \$ (2,903)      | \$ 376          | \$(117)         |

The Group is exposed to currency risk in relation to trading balances denominated in other than the NZ dollar, principally by the trading of the Group's overseas businesses.

At 31 March 2008 the Group has the following monetary assets and liabilities denominated in foreign currencies: 64% of trade accounts payable (2007 56%), 65% of trade accounts receivable (2007 61%), 74% of cash assets (2007 94%), and 91% of cash liabilities (2007 15%). The Group monitors exchange rate movements.

The following sensitivity is based on the foreign currency risk exposures in existence at the balance sheet date:

At 31 March 2008, had the New Zealand Dollar moved as illustrated in the table below with all other variables held constant, post tax profit and equity would have been effected as follows:

Judgements of reasonably possible movements:

|                     | Post Tax Profit<br>Higher / Lower |               | Equity<br>Higher (Lower) |               |
|---------------------|-----------------------------------|---------------|--------------------------|---------------|
|                     | 2008<br>\$000                     | 2007<br>\$000 | 2008<br>\$000            | 2007<br>\$000 |
| <b>Consolidated</b> |                                   |               |                          |               |
| NZD/USD +10%        | (557)                             | (424)         | (2,475)                  | (915)         |
| NZD/USD -10%        | 682                               | 518           | 3,025                    | 1,119         |
| NZD/AUD +10%        | (1,130)                           | (1,926)       | (3,751)                  | (4,063)       |
| NZD/AUD -10%        | 1,382                             | 2,355         | 4,585                    | (4,966)       |
| <b>Parent</b>       |                                   |               |                          |               |
| NZD/AUD +10%        | (520)                             | (626)         | (520)                    | 209           |
| NZD/AUD -10%        | 520                               | 626           | 520                      | (209)         |

The movement in equity is a combination of movement in post tax profit and the movement in the Foreign Currency Translation Reserve as values of overseas investments in subsidiaries change.

Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

### 3 Financial Risk Management Objectives and Policies continued

#### *Credit Risk*

The Group trades only with recognised, credit-worthy third parties.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised credit-worthy third parties, there is no requirement for collateral.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the board. These risk limits are regularly monitored.

#### *Liquidity Risk*

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and finance leases.

At 31 March 2008, 5% of the Group's debt will mature in less than one year (2007: 100%).

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities, including derivative financial instruments as of 31 March 2008. For derivative financial instruments the market value is presented, whereas for the other obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 31 March 2008.

*The remaining contractual maturities of the Group's and Parent entity's financial liabilities are:*

|                  | Consolidated   |                | Parent        |                |
|------------------|----------------|----------------|---------------|----------------|
|                  | 2008<br>\$000  | 2007<br>\$000  | 2008<br>\$000 | 2007<br>\$000  |
| 6 months or less | 107,857        | 67,688         | 38,243        | 88,699         |
| 6-12 months      | 208            | 84,514         | -             | 84,457         |
| 1-5 years        | 100,984        | -              | 4,714         | -              |
| <b>TOTAL</b>     | <b>209,049</b> | <b>152,202</b> | <b>42,957</b> | <b>173,156</b> |

At balance date, the Group has available approximately \$25 million of unused credit facilities available for its immediate use.

#### *Fair value*

The methods for estimating fair value are outlined in the relevant notes to the financial statements.

#### 4 Significant Accounting Judgements, Estimates and Assumptions

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions and the differences may be material. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

##### (a) Significant Accounting Judgements

###### Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

###### Allocation of Goodwill

Goodwill has been allocated to groups of cash generating units (CGU) where those CGU's have synergies or interrelated activities.

##### (b) Significant Accounting Estimates and Assumptions

###### Allocation of purchase price to purchased assets

The group has allocated the purchase price of purchased assets using an external valuer as detailed in note 29. The valuation estimated the values of customer lists, agency networks and brand names on the basis that they are separable or contractual.

###### Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating unit(s) to which the goodwill is allocated. No impairment was recognised in the current year in respect of goodwill. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill are discussed in note 17.

###### Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using Black Scholes and binomial models, with the assumptions detailed in note 28. The accounting estimates and assumptions relating to equity settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

###### Long service leave provision

As discussed in note 2(t), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at balance date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

###### Allowance for impairment loss on trade receivables

Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management. Due to the large number of debtors, this assessment is based on supportable past collection history and historical write-offs of bad debts, which includes 100% over 180 days. The allowance for impairment loss is outlined in note 12.

###### Estimation of useful lives of assets

The estimation of the useful lives of assets including intangibles have been based on historical experience as well as lease terms (for leased equipment), and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation and amortisation charges are included in note 6.

###### Estimation of land valuation

The group performs an annual valuation of the freehold land, buildings and leasehold improvements. The fair value is determined by an external valuer with the assumptions detailed in note 16.

## 05 Segmental Reporting

The Group operates in the domestic supply chain (i.e. moving and storing freight within countries) and international freight industries (i.e. moving freight between countries).

The segmental results from continuing and discontinued operations are disclosed below. Included in the results of discontinued operations are LEP International (NZ) Ltd, LEP International Pty Ltd, Pan Orient Shipping Services Pty Ltd, Kurada No. 8 Ltd and the associate company assets of Rakino Ltd and Mogal International Ltd.

### Industrial and Geographical Segments

The following table represents revenue, margin and certain asset information regarding industrial and geographical segments for the years ended 31 March 2008 and 31 March 2007. Intersegment transactions are entered into on a fully commercial basis.

#### Industrial and Geographical Segments

|                                        | 2008           |                |                    |                     |                |                 |                 |                       |                         |                    |
|----------------------------------------|----------------|----------------|--------------------|---------------------|----------------|-----------------|-----------------|-----------------------|-------------------------|--------------------|
|                                        | NZ Domestic    | NZ Internat.   | Australia Domestic | Australia Internat. | USA            | Asian Internat. | Intercoy        | Continuing Operations | Discontinued Operations | \$000 Consolidated |
| Operating revenue                      |                |                |                    |                     |                |                 |                 |                       |                         |                    |
| – sales to customers outside the group | 281,364        | 103,943        | 148,690            | 144,907             | 220,610        | 12,205          | -               | 911,719               | 32,447                  | 944,166            |
| – intersegments sales                  | 5,624          | (1,078)        | 8,411              | 9,557               | 16,413         | 7,069           | (46,782)        | (786)                 | 786                     | -                  |
| <b>TOTAL REVENUE</b>                   | <b>286,988</b> | <b>102,865</b> | <b>157,101</b>     | <b>154,464</b>      | <b>237,023</b> | <b>19,274</b>   | <b>(46,782)</b> | <b>910,933</b>        | <b>33,233</b>           | <b>944,166</b>     |
| EBITDA                                 | 37,384         | 4,919          | 11,850             | 7,792               | 10,319         | 2,070           | -               | 74,334                | 690                     | 75,024             |
| Depreciation & Amortisation            | 7,373          | 297            | 1,242              | 369                 | 1,192          | 135             | -               | 10,608                | 80                      | 10,688             |
| <b>EBITDA</b>                          | <b>30,011</b>  | <b>4,622</b>   | <b>10,608</b>      | <b>7,423</b>        | <b>9,127</b>   | <b>1,935</b>    | <b>-</b>        | <b>63,726</b>         | <b>610</b>              | <b>64,336</b>      |
| Non-current Assets                     | 169,279        | 8,542          | 28,592             | 6,272               | 68,226         | 15,218          | -               | 296,129               | -                       | 296,129            |
| Total Assets                           | 221,649        | 22,528         | 55,701             | 32,631              | 129,258        | 20,190          | (2,972)         | 478,985               | -                       | 478,985            |
| <b>TOTAL LIABILITIES</b>               | <b>77,691</b>  | <b>16,033</b>  | <b>34,014</b>      | <b>27,524</b>       | <b>65,127</b>  | <b>11,374</b>   | <b>(2,972)</b>  | <b>228,792</b>        | <b>-</b>                | <b>228,792</b>     |
|                                        | 2007           |                |                    |                     |                |                 |                 |                       |                         |                    |
|                                        | NZ Domestic    | NZ Internat.   | Australia Domestic | Australia Internat. | USA            | Asian Internat. | Intercoy        | Continuing Operations | Discontinued Operations | \$000 Consolidated |
| Operating revenue                      |                |                |                    |                     |                |                 |                 |                       |                         |                    |
| – sales to customers outside the group | 270,093        | 112,995        | 124,525            | 139,711             | 110,882        | -               | -               | 758,206               | 209,991                 | 968,197            |
| – intersegments sales                  | 6,270          | (397)          | 9,130              | 9,924               | 17,669         | -               | (46,240)        | (3,644)               | 3,664                   | -                  |
| <b>TOTAL REVENUE</b>                   | <b>276,363</b> | <b>112,598</b> | <b>133,655</b>     | <b>149,635</b>      | <b>128,551</b> | <b>-</b>        | <b>(46,240)</b> | <b>754,562</b>        | <b>213,635</b>          | <b>968,197</b>     |
| EBITDA                                 | 33,799         | 4,329          | 12,030             | 6,646               | 7,141          | -               | -               | 63,945                | 10,346                  | 74,291             |
| Depreciation & Amortisation            | 6,384          | 296            | 1,154              | 326                 | 756            | -               | -               | 8,916                 | 552                     | 9,468              |
| <b>EBITDA</b>                          | <b>27,415</b>  | <b>4,033</b>   | <b>10,876</b>      | <b>6,320</b>        | <b>6,385</b>   | <b>-</b>        | <b>-</b>        | <b>55,029</b>         | <b>9,794</b>            | <b>64,823</b>      |
| Non-current Assets                     | 158,106        | 8,085          | 11,508             | 2,764               | 6,475          | -               | -               | 186,938               | -                       | 186,938            |
| Total Assets                           | 202,200        | 22,124         | 35,964             | 26,597              | 24,354         | -               | (4,342)         | 306,897               | 53,893                  | 360,790            |
| <b>TOTAL LIABILITIES</b>               | <b>116,713</b> | <b>13,007</b>  | <b>17,458</b>      | <b>18,231</b>       | <b>12,598</b>  | <b>-</b>        | <b>(3,988)</b>  | <b>172,476</b>        | <b>21,192</b>           | <b>195,211</b>     |

EBITDA is defined as earnings before net interest expense, tax, depreciation, amortisation, abnormals, share based payment expense, minority interests and associates.

There are no customers in any segment that comprise more than 10% of that segment's revenue.

The geographical segments are determined based on the location of the Group's assets. The industrial segments are determined with the operating businesses organised and managed separately according to the nature of the services provided.

## 6 Expenses and Other Income

|                                                                  | Group            |                  | Parent          |                 |
|------------------------------------------------------------------|------------------|------------------|-----------------|-----------------|
|                                                                  | 2008             | 2007             | 2008            | 2007            |
|                                                                  | \$000            | \$000            | \$000           | \$000           |
| The Profit before Taxation is stated:                            |                  |                  |                 |                 |
| <b>After Charging:</b>                                           |                  |                  |                 |                 |
| Audit Fees – Parent Company Auditors                             | 563              | 327              | 219             | 116             |
| Audit Fees – Other Auditors                                      | 150              | 244              | -               | -               |
| Other Assurance Related Fees Paid to Parent Company Auditors     | 81               | -                | 55              | -               |
| Tax Fees Paid to Parent Company Auditors                         | 366              | 312              | 148             | 247             |
| Due Diligence Fees Paid to Parent Company Auditors               | 223              | -                | 52              | -               |
| Depreciation: Buildings                                          | 2,085            | 1,511            | 1,974           | 1,476           |
| Leasehold Improvements                                           | 1,104            | 775              | 215             | 202             |
| Plant Vehicles & Equipment – Owned                               | 4,086            | 3,687            | 1,961           | 1,713           |
| Plant Vehicles & Equipment – Finance Leased                      | 117              | 72               | -               | -               |
| Amortisation of Software                                         | 3,044            | 2,871            | 2,345           | 2,084           |
| Amortisation of Customer Lists and Agency Agreements             | 172              | -                | -               | -               |
| <b>Employee Benefits Expense</b>                                 |                  |                  |                 |                 |
| Wages and Salaries                                               | 162,435          | 127,950          | 41,125          | 36,417          |
| Directors Fees                                                   | 560              | 360              | 560             | 360             |
| Share-based payments expense                                     | 585              | 477              | 585             | 477             |
| <b>TOTAL EMPLOYEE BENEFITS</b>                                   | <b>\$163,580</b> | <b>\$128,787</b> | <b>\$42,270</b> | <b>\$37,254</b> |
| Interest: Fixed Loans                                            | 4,003            | 5,009            | 1,219           | 7,525           |
| Finance Leases                                                   | 39               | 25               | -               | -               |
| Other Interest                                                   | 76               | 493              | 1,833           | 3,883           |
| Derivative fair value movement                                   | 610              | (33)             | 33              | (33)            |
| Bad Debts Written Off                                            | (388)            | 950              | 4               | 316             |
| Change in Bad Debt Provision                                     | 1,490            | (244)            | 186             | (21)            |
| Donations                                                        | 455              | 220              | 356             | 166             |
| Rental & Operating Lease Costs                                   | 22,430           | 21,558           | 5,004           | 4,836           |
| <b>After Crediting Other Income:</b>                             |                  |                  |                 |                 |
| Interest Income                                                  | 1,560            | 351              | 901             | 198             |
| Net gain (loss) on foreign exchange                              | 1,090            | 566              | (699)           | 404             |
| Net gain on disposal of property, plant & equipment              | 623              | 145              | 554             | (44)            |
| Net gain on disposal of investments in subsidiaries & associates | 61,894           | 17,120           | 71,373          | -               |
| Rental Income                                                    | 3,614            | 2,800            | -               | -               |
| Dividend Received                                                | -                | -                | 33,742          | 55,255          |

| 7 Income Tax                                                                                                                           | Group            |                 | Parent           |                 |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------|------------------|-----------------|
|                                                                                                                                        | 2008<br>\$000    | 2007<br>\$000   | 2008<br>\$000    | 2007<br>\$000   |
| Profit Before Taxation from Continuing Operations                                                                                      | 60,407           | 51,044          | 47,411           | 60,305          |
| Profit Before Taxation from Discontinued Operations                                                                                    | 645              | 10,340          | -                | -               |
| Gain on Sale from Discontinued Operations Before Taxation                                                                              | 61,893           | 16,931          | 71,373           | -               |
| Less Share of Surplus of Associates                                                                                                    | (434)            | (1,653)         | -                | -               |
| <b>SURPLUS BEFORE TAXATION AND ASSOCIATES</b>                                                                                          | <b>\$122,511</b> | <b>\$76,662</b> | <b>\$118,784</b> | <b>\$60,305</b> |
| Prima facie taxation at 33% NZ, 30% Australia, 41% USA,<br>Hong Kong 19.0%, China 0%<br>(31 March 2007 33% NZ, 30% Australia, 41% USA) | 39,580           | 24,393          | 39,199           | 19,901          |
| Adjusted by the tax effect of:                                                                                                         |                  |                 |                  |                 |
| Non-assessable Dividend Income                                                                                                         | -                | -               | (10,863)         | (17,930)        |
| Non-assessable Gain on Sale of Subsidiaries                                                                                            | (19,132)         | -               | (23,264)         | -               |
| Non-assessable Gain on Sale of Associates                                                                                              | -                | (5,601)         | -                | -               |
| Tax Loss Benefit not Previously Utilised                                                                                               | (43)             | (1,963)         | -                | (89)            |
| Deferred Tax not Previously Recognised                                                                                                 | -                | (1,059)         | -                | -               |
| Other Non-assessable Revenues                                                                                                          | -                | -               | -                | -               |
| Non-deductible Share Based Payments                                                                                                    | 193              | 157             | 193              | 157             |
| Non-deductible Expenses                                                                                                                | 518              | 393             | 263              | 78              |
| Future Tax Rate Change in New Zealand                                                                                                  | 102              | -               | (44)             | -               |
| <b>AGGREGATE INCOME TAX EXPENSE</b>                                                                                                    | <b>\$21,218</b>  | <b>\$16,320</b> | <b>\$5,484</b>   | <b>\$2,117</b>  |
| Aggregate Income Tax Expense is attributable to:                                                                                       |                  |                 |                  |                 |
| Continuing Operations                                                                                                                  | 19,596           | 15,260          | 5,484            | 2,117           |
| Discontinued Operations                                                                                                                | 1,622            | 1,060           | -                | -               |
|                                                                                                                                        | <b>\$21,218</b>  | <b>\$16,320</b> | <b>\$5,484</b>   | <b>\$2,117</b>  |
| Represented by:                                                                                                                        |                  |                 |                  |                 |
| Current Tax                                                                                                                            | 21,723           | 17,606          | 5,128            | 1,761           |
| Deferred Tax                                                                                                                           | (505)            | (1,286)         | 356              | 356             |
|                                                                                                                                        | <b>\$21,218</b>  | <b>\$16,320</b> | <b>\$5,484</b>   | <b>\$2,117</b>  |
| <b>Imputation Credit Account</b>                                                                                                       |                  |                 |                  |                 |
| Opening Balance                                                                                                                        | 6,393            | 18,294          | 3,335            | 14,464          |
| Credits Distributed During the Year                                                                                                    | (7,832)          | (20,323)        | (7,610)          | (19,969)        |
| Credits Received During the Year                                                                                                       | 2                | 1               | 6,467            | 6,850           |
| Tax Payments Made                                                                                                                      | 10,507           | 8,421           | 4,098            | 1,990           |
| <b>CLOSING BALANCE</b>                                                                                                                 | <b>\$9,070</b>   | <b>\$6,393</b>  | <b>\$6,290</b>   | <b>\$3,335</b>  |
| <b>REPRESENTING CREDITS AVAILABLE TO OWNERS<br/>OF THE GROUP AT BALANCE DATE:</b>                                                      | <b>\$9,070</b>   | <b>\$6,047</b>  | <b>\$6,290</b>   | <b>\$3,335</b>  |

| 7 Income Tax continued                                 | Balance Sheet |         | Income Statement |           |
|--------------------------------------------------------|---------------|---------|------------------|-----------|
|                                                        | 2008          | 2007    | 2008             | 2007      |
|                                                        | \$000         | \$000   | \$000            | \$000     |
| Recognised Deferred Tax Assets and Liabilities         |               |         |                  |           |
| <b>Consolidated</b>                                    |               |         |                  |           |
| <i>(i) Deferred Tax Assets</i>                         |               |         |                  |           |
| Accelerated Depreciation: Buildings, Plant & Equipment | -             | 340     | 703              | (722)     |
| Doubtful Debts                                         | 1,476         | 914     | (112)            | 72        |
| Provisions:                                            |               |         |                  |           |
| Annual Leave                                           | 1,786         | 1,767   | (195)            | (20)      |
| Long Service Leave                                     | 752           | 912     | (178)            | (115)     |
| Bonuses                                                | 2,701         | 2,615   | (548)            | (612)     |
| Superannuation                                         | 39            | 109     | 35               | (4)       |
| Audit                                                  | 90            | 126     | 41               | 83        |
| ACC                                                    | 102           | 93      | (19)             | (5)       |
| Other                                                  | 868           | 287     | 17               | 33        |
| Gross Deferred Tax Assets                              | \$7,814       | \$7,163 |                  |           |
| Set-off of deferred tax liabilities                    | 1,730         | 272     |                  |           |
| NET DEFERRED TAX ASSETS                                | \$6,084       | \$6,891 |                  |           |
| Less Deferred Tax Assets in Discontinued Operations    | -             | 1,616   |                  |           |
| NET DEFERRED TAX ASSETS PER BALANCE SHEET              | \$6,084       | \$5,275 |                  |           |
| <i>(ii) Deferred Tax Liabilities</i>                   |               |         |                  |           |
| Customer Lists                                         | 1,161         | -       | -                | -         |
| Fair Valued Land                                       | 569           | 259     | (243)            | (4)       |
| Unrealised FX Gains / Losses                           | -             | 13      | (6)              | 8         |
| Gross Deferred Tax Liabilities                         | \$1,730       | \$272   |                  |           |
| Set-off of deferred tax liabilities against assets     | 1,730         | 272     |                  |           |
| NET DEFERRED TAX LIABILITIES                           | \$ -          | \$ -    |                  |           |
| DEFERRED TAX INCOME / (EXPENSE)                        |               |         | \$(505)          | \$(1,286) |
| <b>Parent</b>                                          |               |         |                  |           |
| <i>(i) Deferred Tax Assets</i>                         |               |         |                  |           |
| Doubtful Debts                                         | 117           | 68      | (49)             | 7         |
| Provisions:                                            |               |         |                  |           |
| Annual Leave                                           | 465           | 348     | (117)            | -         |
| Bonuses                                                | 626           | 511     | (115)            | (14)      |
| ACC                                                    | 61            | 51      | (10)             | 2         |
| Other                                                  | -             | -       | -                | -         |
| Gross Deferred Tax Assets                              | \$1,269       | \$978   |                  |           |
| Set-off of deferred tax liabilities                    | 1,269         | 978     |                  |           |
| NET DEFERRED TAX ASSETS                                | \$ -          | \$ -    |                  |           |
| <i>(ii) Deferred Tax Liabilities</i>                   |               |         |                  |           |
| Accelerated Depreciation: Buildings, Plant & Equipment | 1,709         | 1,062   | 647              | 361       |
| Gross Deferred Tax Liabilities                         | \$1,709       | \$1,062 |                  |           |
| Set-off of deferred tax liabilities against assets     | 1,269         | 978     |                  |           |
| NET DEFERRED TAX LIABILITIES                           | \$440         | \$84    |                  |           |
| DEFERRED TAX INCOME / (EXPENSE)                        |               |         | \$356            | \$356     |

## 8 Discontinued Activities

On 31 July 2006 the Group sold its interests in its associate Rakino Ltd and on 31 October 2006 sold its interests in its associate Mogal International Ltd.

The following subsidiaries were sold on 1 June 2007:

| Company Name                         | Segment                   | Principal Activity               |
|--------------------------------------|---------------------------|----------------------------------|
| LEP International (NZ) Ltd           | New Zealand International | International Freight Forwarding |
| LEP International Pty Ltd            | Australian International  | International Freight Forwarding |
| Pan Orient Shipping Services Pty Ltd | Australian International  | International Freight Forwarding |
| Kurada No. 8 Ltd                     | Australian International  | International Freight Forwarding |

### Financial Performance of Discontinued Operations

|                                                                       | Group                                       |                                             |
|-----------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
|                                                                       | 2008<br>\$000<br>Discontinued<br>Operations | 2007<br>\$000<br>Discontinued<br>Operations |
| Operating Revenue                                                     | 32,447                                      | 209,943                                     |
| Interest Income                                                       | -                                           | 48                                          |
| <b>TOTAL REVENUE</b>                                                  | <b>32,447</b>                               | <b>209,991</b>                              |
| Transport Costs                                                       | (25,398)                                    | (164,812)                                   |
| Labour Expenses                                                       | (4,372)                                     | (23,692)                                    |
| Occupancy Expenses                                                    | (480)                                       | (2,529)                                     |
| Depreciation Expenses                                                 | (80)                                        | (552)                                       |
| Amortisation Expenses                                                 | -                                           | -                                           |
| Other Expenses                                                        | (1,507)                                     | (8,612)                                     |
| Finance Costs                                                         | 35                                          | 40                                          |
| Share of Profit of Associates                                         | -                                           | 506                                         |
| <b>PROFIT BEFORE TAXATION AND GAIN ON DISPOSAL FOR THE YEAR</b>       | <b>645</b>                                  | <b>10,340</b>                               |
| Income Tax Expense                                                    | (266)                                       | (2,766)                                     |
| <b>PROFIT AFTER TAXATION BUT BEFORE GAIN ON DISPOSAL FOR THE YEAR</b> | <b>379</b>                                  | <b>7,574</b>                                |
| Gain on Disposal Before Taxation                                      | 61,893                                      | 16,971                                      |
| Income Tax Effect on Gain on Disposal                                 | (1,356)                                     | 1,706                                       |
| <b>NET PROFIT FOR THE PERIOD</b>                                      | <b>60,916</b>                               | <b>26,251</b>                               |
| Attributable to:                                                      |                                             |                                             |
| Minority Interest                                                     | 105                                         | 1,395                                       |
| Members of the Parent                                                 | 60,811                                      | 24,856                                      |

## 8 Discontinued Activities continued

### *Assets & Liabilities Information of Discontinued Operations*

The major classes of assets and liabilities of businesses sold in the current financial year at disposal date of 1 June 2007 and as at last year balance date of 31 March 2007 were as follows:

|                                                               | <b>1 June<br/>2007<br/>\$000</b>   | <b>31 March<br/>2007<br/>\$000</b> |
|---------------------------------------------------------------|------------------------------------|------------------------------------|
| <b>Assets</b>                                                 |                                    |                                    |
| Goodwill                                                      | 6,110                              | 6,110                              |
| Property, plant & equipment                                   | 2,336                              | 5,376                              |
| Trade and other receivables                                   | 33,315                             | 37,057                             |
| Deferred Tax                                                  | 1,608                              | 1,616                              |
| Cash & cash equivalents                                       | 8,249                              | 3,734                              |
|                                                               | <b>51,618</b>                      | <b>53,893</b>                      |
| <b>Liabilities</b>                                            |                                    |                                    |
| Trade and other payables                                      | 20,507                             | 21,192                             |
|                                                               | <b>20,507</b>                      | <b>21,192</b>                      |
| <b>Minority Interest</b>                                      | 4,984                              | 5,266                              |
| Net assets attributable to discontinued operations            | 26,127                             | 27,435                             |
|                                                               | <b>31 March<br/>2008<br/>\$000</b> | <b>31 March<br/>2007<br/>\$000</b> |
| The net cash flows of discontinued activities are as follows: |                                    |                                    |
| Operating Activities                                          | 460                                | 1,773                              |
| Investing Activities                                          | -                                  | (334)                              |
| Financing Activities                                          | (450)                              | (735)                              |
| NET CASH INFLOW                                               | <b>10</b>                          | <b>704</b>                         |
| Consideration Received or Receivable                          |                                    |                                    |
| Cash                                                          | 88,372                             |                                    |
| Less Net Assets Disposed Of                                   | (26,127)                           |                                    |
| Gain on Disposal Before Income Tax                            | 62,245                             |                                    |
| Income Tax Expense                                            | (1,709)                            |                                    |
| GAIN ON DISPOSAL AFTER INCOME TAX                             | <b>60,536</b>                      |                                    |
| Net Cash Inflow on Disposal                                   |                                    |                                    |
| Cash and Cash Equivalents Consideration                       | 88,372                             |                                    |
| Less cash and cash equivalents balance disposed of            | (8,249)                            |                                    |
| REFLECTED IN THE CONSOLIDATED CASH FLOW STATEMENT             | <b>80,123</b>                      |                                    |

## 9 Dividends Paid and Proposed

|                                                                      | Group         |               | Parent        |               |
|----------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                      | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| <b>Recognised Amounts</b>                                            |               |               |               |               |
| Declared and paid during the year to Parent shareholders             |               |               |               |               |
| Final fully imputed dividend for 2007: 8.0 cents (2006: 7.0 cents)   | 7,726         | 6,745         | 7,726         | 6,745         |
| Interim fully imputed dividend for 2008: 8.0 cents (2007: 7.0 cents) | 7,725         | 6,760         | 7,725         | 6,760         |
| Interim fully imputed dividend for 2008: nil (2007: 28.0 cents)      | -             | 27,039        | -             | 27,039        |
|                                                                      | 15,451        | 40,544        | 15,451        | 40,544        |
| Final Dividend paid to minority shareholders                         | 450           | 718           | -             | -             |
| <b>Unrecognised Amounts</b>                                          |               |               |               |               |
| Final fully imputed dividend for 2008: 10.0 cents (2007: 8.0 cents)  | 9,657         | 7,726         | 9,657         | 7,726         |

After the balance date, the above unrecognised dividends were approved by directors' resolution dated 29 May 2008. These amounts have not been recognised as a liability in 2008 but will be brought to account in 2009.

## 10 Earnings Per Share

The following reflects the income used in the basic and diluted earnings per share computations:

Net profit from continuing operations attributable to ordinary equity holders of the Parent

|                                                                             | Group         |               |
|-----------------------------------------------------------------------------|---------------|---------------|
|                                                                             | 2008<br>\$000 | 2007<br>\$000 |
| <b>For Basic and Diluted Earnings Per Share</b>                             |               |               |
| Net profit from continuing operations attributable to Parent equity holders | 40,811        | 35,744        |
| Profits attributable to discontinued operations                             | 60,811        | 24,856        |
| Net profit attributable to ordinary equity holders of the Parent            | 101,622       | 60,600        |
| Weighted Average Number of Shares                                           | Thousands     | Thousands     |
| Weighted number of ordinary shares for basic earnings per share             | 96,569        | 96,481        |
| Effect of Dilution; Weighted number of Partly Paid Shares                   | 985           | 825           |
| Weighted number of ordinary shares adjusted for the effect of dilution      | 97,554        | 97,306        |
|                                                                             | Cents         | Cents         |
| Earnings Per Share: Continuing Operations                                   | 42.26         | 37.05         |
| Discontinued Operations                                                     | 62.97         | 25.76         |
| Total Operations                                                            | 105.23        | 62.81         |
| Diluted Earnings Per Share: Continuing Operations                           | 41.83         | 36.73         |
| Discontinued Operations                                                     | 62.34         | 25.54         |
| Total Operations                                                            | 104.17        | 62.28         |

Partly Paid Redeemable Shares granted to team members as described in note 24 are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent that they are dilutive. They have not been included in the determination of basic earnings per share.

**11 Current Assets – Cash and Cash Equivalents**

|                                                                                                                                                          | <b>Group</b> |              | <b>Parent</b> |              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|---------------|--------------|
|                                                                                                                                                          | <b>2008</b>  | <b>2007</b>  | <b>2008</b>   | <b>2007</b>  |
|                                                                                                                                                          | <b>\$000</b> | <b>\$000</b> | <b>\$000</b>  | <b>\$000</b> |
| Cash at bank and in hand                                                                                                                                 | 26,708       | 15,809       | 4,763         | 2,844        |
| Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent fair value. |              |              |               |              |
| <i>Reconciliation to Cash Flow Statement</i>                                                                                                             |              |              |               |              |
| For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 31 March:                                               |              |              |               |              |
| Cash at bank and in hand                                                                                                                                 | 26,708       | 15,809       | 4,763         | 2,844        |
| Bank overdrafts (note 30)                                                                                                                                | (5,200)      | -            | (5,200)       | -            |
| As per Balance Sheet                                                                                                                                     | 21,508       | 15,809       | (437)         | 2,844        |
| Cash at bank and attributable to discontinued operations (note 8)                                                                                        | -            | 3,734        | -             | -            |
| AS PER CASH FLOW STATEMENT                                                                                                                               | 21,508       | 19,543       | (437)         | 2,844        |

**12 Current Assets – Trade Debtors and Other Receivables**

|                               | <b>Group</b> |              | <b>Parent</b> |              |
|-------------------------------|--------------|--------------|---------------|--------------|
|                               | <b>2008</b>  | <b>2007</b>  | <b>2008</b>   | <b>2007</b>  |
|                               | <b>\$000</b> | <b>\$000</b> | <b>\$000</b>  | <b>\$000</b> |
| Trade Debtors                 | 151,102      | 93,307       | 25,437        | 19,975       |
| Allowance for impairment loss | (3,049)      | (1,559)      | (391)         | (205)        |
|                               | 148,053      | 91,748       | 25,046        | 19,770       |

Trade debtors are non-interest bearing and are generally on 7 to 30 day terms. An allowance for impairment loss is recognised when there is objective evidence that a trade debtor is impaired as described in note 4. Due to the short term nature of these receivables, their carrying value is assumed to approximate fair value.

Movements in the allowance for impairment were as follows:

|                                              |         |       |     |       |
|----------------------------------------------|---------|-------|-----|-------|
| Balance in continuing businesses at 1 April  | 1,559   | 1,803 | 205 | 226   |
| Charge for the year                          | 1,140   | 706   | 190 | 295   |
| Acquired Businesses                          | 1,759   | -     | -   | -     |
| Amounts written off                          | (1,409) | (950) | (4) | (316) |
| BALANCE IN CONTINUING BUSINESSES AT 31 MARCH | 3,049   | 1,559 | 391 | 205   |

At 31 March, the ageing analysis of trade receivables is as follows:

|      |        | <b>Total</b> | <b>0-30<br/>Days</b> | <b>31-61<br/>Days</b> | <b>61-90<br/>Days<br/>PDNI*</b> | <b>61-90<br/>Days<br/>CI*</b> | <b>+91<br/>Days<br/>PDNI*</b> | <b>+91<br/>Days<br/>CI*</b> |
|------|--------|--------------|----------------------|-----------------------|---------------------------------|-------------------------------|-------------------------------|-----------------------------|
| 2008 | Group  | 151,102      | 90,385               | 41,935                | 9,877                           | 452                           | 5,856                         | 2,597                       |
|      | Parent | 25,437       | 13,385               | 8,303                 | 2,336                           | 69                            | 1,022                         | 322                         |
| 2007 | Group  | 93,307       | 60,455               | 24,084                | 4,577                           | 206                           | 2,632                         | 1,353                       |
|      | Parent | 19,975       | 11,748               | 6,152                 | 1,274                           | -                             | 595                           | 205                         |

\* Past due not impaired (PDNI)  
Considered Impaired (CI)

Credit risk management policy is disclosed in note 3.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer receivables.

| 13 Current Assets – Other Debtors | Group         |               | Parent        |               |
|-----------------------------------|---------------|---------------|---------------|---------------|
|                                   | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| Sundry Prepayments                | 6,881         | 4,300         | 1,671         | 1,542         |
| Loans to Team Members             | 13            | 9             | 9             | 7             |
| Business Sale Proceeds Due        | -             | 4,709         | -             | 4,364         |
| CARRYING AMOUNT OF OTHER DEBTORS  | 6,894         | 9,018         | 1,680         | 5,913         |

Sale Proceeds from Rakino of \$4,709,000 were received in May 2007

#### 14 Non-current Assets – Investments in Associates

|                                                                           |                                  | 2008<br>\$000             | 2007<br>\$000             |
|---------------------------------------------------------------------------|----------------------------------|---------------------------|---------------------------|
| Principal Associate Companies all<br>with 31 March Balance Dates include: | Principal Activity               | Effective<br>Shareholding | Effective<br>Shareholding |
| Bolwick Ltd                                                               | International Freight Forwarding | 100.0%                    | 41.7%                     |
| Mainfreight Express Ltd                                                   | International Freight Forwarding | 100.0%                    | 50.0%                     |
| Mogal International Ltd                                                   | International Freight Forwarding | nil                       | nil                       |
| Rakino Group Ltd                                                          | Industrial Services              | nil                       | nil                       |

The Group purchased the remaining shareholding in Bolwick Ltd and Mainfreight Express Ltd on 1 August 2007. From this date the financial results of these entities were consolidated into the Group's financial results.

The Group's interest in Rakino Group Ltd was sold on 31 July 2006 and interest in Mogal International Ltd was sold on 31 October 2006.

The share of surplus of associates comprised:

|                                                                                | Group         |               | Parent        |               |
|--------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                                | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| Operating Surplus – Continuing Operations                                      | 434           | 1,147         | -             | -             |
| Operating Surplus – Discontinued Operations                                    | -             | 506           | -             | -             |
| OPERATING SURPLUS                                                              | \$434         | \$1,653       | -             | -             |
| Investment in Associates comprised of :                                        |               |               |               |               |
| Opening Balance                                                                | 2,046         | 7,554         | -             | -             |
| Dividend Received                                                              | (824)         | (922)         | -             | -             |
| Transfer to Goodwill on acquisition of remaining<br>shareholding of Associates | (1,645)       | -             | -             | -             |
| Transfer to Investments from Associates                                        | (11)          | -             | -             | -             |
| Sale in Year                                                                   | -             | (6,239)       | -             | -             |
| Share of Current Year Surplus                                                  | 434           | 1,653         | -             | -             |
| CLOSING BALANCE                                                                | \$-           | \$2,046       | -             | -             |

There was no goodwill included in the carrying value of investments in associates.

#### 14 Non-current Assets – Investments in Associates continued

The following table illustrates summarised financial information relating to the Group's associates. The figures are 100% of the associate's net assets, revenue and net profit.

|                                                | Group         |               |
|------------------------------------------------|---------------|---------------|
|                                                | 2008<br>\$000 | 2007<br>\$000 |
| Current Assets                                 | -             | 4,810         |
| Non-current assets                             | -             | 135           |
| Current liabilities                            | -             | (1,662)       |
| NET ASSETS                                     | -             | 3,283         |
| Extract from the associates' income statements |               |               |
| Revenue                                        | 8,134         | 26,614        |
| Net Profit                                     | 947           | 2,436         |

There were no contingent liabilities relating to the associates.

Revenue and net profit for the 2008 year are only for the pre-purchase period being 1 April 2007 to 31 July 2007 (4 months).

#### 15 Investment in Subsidiary Companies

|                                                                                |                                             |                          | 2008<br>\$000          | 2007<br>\$000          |
|--------------------------------------------------------------------------------|---------------------------------------------|--------------------------|------------------------|------------------------|
| Shares at Cost                                                                 |                                             |                          | 95,045                 | 151,483                |
| <b>Principal Subsidiary Companies all with 31 March Balance Dates include:</b> |                                             |                          |                        |                        |
|                                                                                | Principal Activity                          | Country of Incorporation | Effective Shareholding | Effective Shareholding |
| Daily Freight (1994) Ltd                                                       | Domestic Freight Forwarding                 | New Zealand              | 100.0%                 | 100.0%                 |
| Owens Transport Ltd                                                            | Domestic Freight Forwarding                 | New Zealand              | 100.0%                 | 100.0%                 |
| Mainfreight International Ltd                                                  | International Freight Forwarding            | New Zealand              | 100.0%                 | 100.0%                 |
| Owens Group Ltd                                                                | Group Services                              | New Zealand              | 100.0%                 | 100.0%                 |
| Mainfreight Distribution Pty Ltd                                               | Domestic Freight Forwarding                 | Australia                | 100.0%                 | 100.0%                 |
| Owens Transport Pty Ltd                                                        | Domestic Freight Forwarding                 | Australia                | 100.0%                 | 100.0%                 |
| Mainfreight International Pty Ltd                                              | International Freight Forwarding            | Australia                | 100.0%                 | 100.0%                 |
| Mainfreight Holdings Pty Ltd                                                   | Australian Holding Company                  | Australia                | 100.0%                 | 100.0%                 |
| Carotrans International Inc                                                    | International Freight Forwarding            | United States            | 100.0%                 | 100.0%                 |
| Target Logistic Services Inc #                                                 | Domestic & International Freight Forwarding | United States            | 100.0%                 | nil                    |
| Bolwick Ltd *                                                                  | International Freight Forwarding            | Hong Kong                | 100.0%                 | 41.7%                  |
| Mainfreight Express Ltd *                                                      | International Freight Forwarding            | China                    | 100.0%                 | 50.0%                  |
| LEP International (NZ) Ltd ***                                                 | International Freight Forwarding            | New Zealand              | nil                    | 75.0%                  |
| LEP International Pty Ltd ***                                                  | International Freight Forwarding            | Australia                | nil                    | 75.0%                  |
| Pan Orient Shipping Services Pty Ltd ***                                       | International Freight Forwarding            | Australia                | nil                    | 100.0%                 |
| Kurada No. 8 Ltd ***                                                           | International Freight Forwarding            | Papua New Guinea         | nil                    | 100.0%                 |

\*\*\* An agreement to sell the Group's 75% shareholding in LEP International (NZ) Ltd and LEP International Pty Ltd and the Group's 100% shareholding in Pan Orient Shipping Services Pty Ltd and Kurada No8 Ltd was completed on 1 June 2007.

\* The Group purchased the remaining shareholding in Bolwick Ltd and Mainfreight Express Ltd on 1 August 2007. From this date the financial results of these entities were consolidated into the Group's financial results. Previously accounted for as associates.

# Target Logistic Services Inc was acquired on 31 October 2007 and from this date has been consolidated into the Group financial results. Its name was changed after balance date to Mainfreight, Inc.

## 16 Non-current Assets – Property, Plant &amp; Equipment

## (a) Reconciliation of Carrying Amounts at the Beginning and End of the Period

| Consolidated<br>Year Ended<br>31 March 2008                               | Freehold<br>Land | Freehold<br>Buildings | Leasehold<br>Improvements | Plant, Vehicles &<br>Leased Plant, Vehicles &<br>Equipment | Equipment | Work in<br>Progress | TOTAL    |
|---------------------------------------------------------------------------|------------------|-----------------------|---------------------------|------------------------------------------------------------|-----------|---------------------|----------|
|                                                                           | \$000            | \$000                 | \$000                     | \$000                                                      | \$000     | \$000               | \$000    |
| At 1 April 2007, net of accumulated depreciation and impairment           | 50,960           | 70,065                | 7,659                     | 15,551                                                     | 100       | -                   | 144,335  |
| Additions                                                                 | 13,343           | 15,088                | 846                       | 6,905                                                      | 536       | 1,282               | 38,000   |
| Acquisition of subsidiaries                                               | -                | -                     | 1,562                     | 1,001                                                      | 563       | -                   | 3,126    |
| Disposals                                                                 | -                | -                     | (13)                      | (222)                                                      | -         | -                   | (235)    |
| Transfer between asset classifications                                    | 50               | (50)                  | 130                       | (130)                                                      | -         | -                   | -        |
| Transfer of Assets from Discontinued Operation to Continuing Operation    | 1,926            | 1,426                 | -                         | -                                                          | -         | -                   | 3,352    |
| Revaluations                                                              | 5,500            | -                     | -                         | -                                                          | -         | -                   | 5,500    |
| Depreciation charge for the year                                          | -                | (2,085)               | (1,104)                   | (4,086)                                                    | (117)     | -                   | (7,392)  |
| Foreign Exchange impact                                                   | -                | -                     | (80)                      | (57)                                                       | (27)      | -                   | (164)    |
| AT 31 MARCH 2008,<br>NET OF ACCUMULATED<br>DEPRECIATION<br>AND IMPAIRMENT | 71,779           | 84,444                | 9,000                     | 18,962                                                     | 1,055     | 1,282               | 186,522  |
| Cost or fair value                                                        | 71,779           | 95,663                | 16,983                    | 54,767                                                     | 2,370     | 1,282               | 242,844  |
| Accumulated depreciation and impairment                                   | -                | (11,219)              | (7,983)                   | (35,805)                                                   | (1,315)   | -                   | (56,322) |
| NET CARRYING AMOUNT                                                       | 71,779           | 84,444                | 9,000                     | 18,962                                                     | 1,055     | 1,282               | 186,522  |

## 16 Non-current Assets – Property, Plant &amp; Equipment continued

## (a) Reconciliation of Carrying Amounts at the Beginning and End of the Period continued

| Consolidated<br>Year Ended<br>31 March 2007                               | Freehold<br>Land | Freehold<br>Buildings | Leasehold<br>Improvements | Plant, Vehicles &<br>Leased Plant,<br>Vehicles &<br>Equipment<br>Equipment | Work in<br>Progress | TOTAL    |
|---------------------------------------------------------------------------|------------------|-----------------------|---------------------------|----------------------------------------------------------------------------|---------------------|----------|
|                                                                           | \$000            | \$000                 | \$000                     | \$000                                                                      | \$000               | \$000    |
| At 1 April 2006, net of accumulated depreciation and impairment           | 43,370           | 34,411                | 7,771                     | 15,983                                                                     | 180                 | 120,542  |
| Additions                                                                 | 4,050            | 21,099                | 935                       | 5,897                                                                      | -                   | 31,981   |
| Acquisition of subsidiaries                                               | -                | -                     | -                         | -                                                                          | -                   | -        |
| Disposals                                                                 | -                | (8)                   | (95)                      | (428)                                                                      | (5)                 | (536)    |
| Transfer to properties available for sale                                 | (710)            | (957)                 | -                         | -                                                                          | -                   | (1,667)  |
| Transfer between asset classifications                                    | -                | 18,827                | -                         | -                                                                          | (18,827)            | -        |
| Assets in discontinued operations (note 8)                                | (1,926)          | (1,690)               | (88)                      | (1,673)                                                                    | -                   | (5,377)  |
| Revaluations                                                              | 6,230            | -                     | -                         | -                                                                          | -                   | 6,230    |
| Depreciation charge for the year                                          | -                | (1,572)               | (842)                     | (4,111)                                                                    | (72)                | (6,597)  |
| Foreign Exchange impact                                                   | (54)             | (46)                  | (21)                      | (117)                                                                      | (3)                 | (241)    |
| AT 31 MARCH 2007,<br>NET OF ACCUMULATED<br>DEPRECIATION<br>AND IMPAIRMENT | 50,960           | 70,064                | 7,660                     | 15,551                                                                     | 100                 | 144,335  |
| Cost or fair value                                                        | 50,960           | 79,198                | 13,886                    | 45,897                                                                     | 508                 | 190,449  |
| Accumulated depreciation and impairment                                   | -                | (9,134)               | (6,226)                   | (30,346)                                                                   | (408)               | (46,114) |
| NET CARRYING AMOUNT                                                       | 50,960           | 70,064                | 7,660                     | 15,551                                                                     | 100                 | 144,335  |

At 31 March 2008 independent registered valuers performed an annual valuation of the Group's New Zealand and overseas freehold land, buildings, leasehold improvements and work in progress.

| Registered Valuer       | Country     | Valuation 2008   | Valuation Last Year |
|-------------------------|-------------|------------------|---------------------|
| CB Richard Ellis Ltd    | New Zealand | \$NZ 142,721,000 | \$NZ 133,983,000    |
| Preston Rowe Patterson  | Australia   | \$A 3,000,000    | \$A 2,500,000       |
| Jones Lang LaSalle      | Australia   | \$A 9,550,000    | n/a                 |
| Centaline Surveyors Ltd | Hong Kong   | \$HK 29,500,000  | n/a                 |
|                         | Group Total | \$NZ 161,911,000 | \$NZ 136,894,000    |

The element of this valuation related to freehold land has been recorded in the financial statements resulting in the revaluation of freehold land by \$43,607,000 (2007 \$39,041,000) above cost.

The valuer has considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties that have occurred in the relevant locations within which the assets sit. The valuer has used two principal approaches which are a capitalisation analysis and a direct comparison approach.

Included in the Group book values above but not in the valuations are Leasehold Improvements of \$4,041,000 (2007 \$2,457,000). Properties available for sale are included in these valuations.

Leased plant, vehicles and equipment is pledged as security for the related finance lease liabilities.

## 16 Non-current Assets – Property, Plant &amp; Equipment continued

## (a) Reconciliation of Carrying Amounts at the Beginning and End of the Period continued

| Parent<br>Year Ended<br>31 March 2008                                     | Freehold<br>Land | Freehold<br>Buildings | Leasehold<br>Improvements | Plant,<br>Vehicles &<br>Equipment | Work in<br>Progress | TOTAL    |
|---------------------------------------------------------------------------|------------------|-----------------------|---------------------------|-----------------------------------|---------------------|----------|
|                                                                           | \$000            | \$000                 | \$000                     | \$000                             | \$000               | \$000    |
| At 1 April 2007, net of<br>accumulated depreciation<br>and impairment     | 50,960           | 69,039                | 3,399                     | 8,451                             | -                   | 131,849  |
| Additions                                                                 | 1,223            | 10,444                | 95                        | 2,687                             | -                   | 14,449   |
| Disposals                                                                 | -                | -                     | (13)                      | (162)                             | -                   | (175)    |
| Transfer between asset<br>classifications                                 | 50               | (50)                  | -                         | -                                 | -                   | -        |
| Revaluations                                                              | 5,500            | -                     | -                         | -                                 | -                   | 5,500    |
| Depreciation charge for<br>the year                                       | -                | (1,974)               | (215)                     | (1,961)                           | -                   | (4,150)  |
| AT 31 MARCH 2008,<br>NET OF ACCUMULATED<br>DEPRECIATION<br>AND IMPAIRMENT | 57,733           | 77,459                | 3,266                     | 9,015                             | -                   | 147,473  |
| Cost or fair value                                                        | 57,733           | 88,333                | 5,629                     | 23,212                            | -                   | 174,907  |
| Accumulated depreciation<br>and impairment                                | -                | (10,874)              | (2,363)                   | (14,197)                          | -                   | (27,434) |
| NET CARRYING AMOUNT                                                       | 57,733           | 77,459                | 3,266                     | 9,015                             | -                   | 147,473  |

## 16 Non-current Assets – Property, Plant &amp; Equipment continued

## (a) Reconciliation of Carrying Amounts at the Beginning and End of the Period continued

| Parent<br>Year Ended<br>31 March 2007                                     | Freehold<br>Land | Freehold<br>Buildings | Leasehold<br>Improvements | Plant,<br>Vehicles &<br>Equipment | Work in<br>Progress | TOTAL    |
|---------------------------------------------------------------------------|------------------|-----------------------|---------------------------|-----------------------------------|---------------------|----------|
|                                                                           | \$000            | \$000                 | \$000                     | \$000                             | \$000               | \$000    |
| At 1 April 2006, net of<br>accumulated depreciation<br>and impairment     | 41,390           | 31,375                | 3,556                     | 6,777                             | 18,827              | 101,925  |
| Additions                                                                 | 4,050            | 21,277                | 54                        | 3,432                             | -                   | 28,813   |
| Disposals                                                                 | -                | (7)                   | (9)                       | (45)                              | -                   | (61)     |
| Transfer to properties<br>available for sale                              | (710)            | (957)                 | -                         | -                                 | -                   | (1,667)  |
| Transfer between asset<br>classifications                                 | -                | 18,827                | -                         | -                                 | (18,827)            | -        |
| Revaluations                                                              | 6,230            | -                     | -                         | -                                 | -                   | 6,230    |
| Depreciation charge for<br>the year                                       | -                | (1,476)               | (202)                     | (1,713)                           | -                   | (3,391)  |
| AT 31 MARCH 2007,<br>NET OF ACCUMULATED<br>DEPRECIATION<br>AND IMPAIRMENT | 50,960           | 69,039                | 3,399                     | 8,451                             | -                   | 131,849  |
| Cost or fair value                                                        | 50,960           | 77,939                | 5,552                     | 20,909                            | -                   | 155,360  |
| Accumulated depreciation<br>and impairment                                | -                | (8,900)               | (2,153)                   | (12,458)                          | -                   | (23,511) |
| NET CARRYING AMOUNT                                                       | 50,960           | 69,039                | 3,399                     | 8,451                             | -                   | 131,849  |

At 31 March 2008 Registered Valuers CB Richard Ellis Ltd performed an annual valuation of the Company's freehold land, buildings, leasehold improvements and work in progress at \$138,846,000 (2007 \$129,238,000).

The element of this valuation related to freehold land has been recorded in the financial statements resulting in the revaluation of freehold land by \$42,776,000 (2007 \$37,666,000) above cost. Properties available for sale are included in these valuations nil 2008 (\$2,480,000 2007).

## (b) Carrying Amounts if Land Was Measured at Cost Less Accumulated Impairment

If Freehold Land was measured using the cost model the carrying amounts would be as follows:

|                        | Group         |               | Parent        |               |
|------------------------|---------------|---------------|---------------|---------------|
|                        | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| Cost                   | 27,671        | 14,323        | 14,958        | 13,734        |
| Accumulated Impairment | -             | -             | -             | -             |
| NET CARRYING AMOUNT    | \$27,671      | \$14,323      | \$14,958      | \$13,734      |

## 17 Non-current Assets – Intangible Assets and Goodwill

## (a) Reconciliation of Carrying Amounts at the Beginning and End of the Period

| Year Ended<br>31 March 2008                                               | Agency<br>Agreements | Customer<br>Lists/<br>Rel'ships | Software | Goodwill | Group<br>Total | Parent<br>Software |
|---------------------------------------------------------------------------|----------------------|---------------------------------|----------|----------|----------------|--------------------|
|                                                                           | \$000                | \$000                           | \$000    | \$000    | \$000          | \$000              |
| At 1 April 2007, net of<br>accumulated amortisation<br>and impairment     | -                    | -                               | 6,077    | 29,125   | 35,202         | 4,523              |
| Adjustment for Movement in<br>Exchange Rate                               | (196)                | (44)                            | (129)    | (3,061)  | (3,430)        | -                  |
| Additions                                                                 | -                    | -                               | 4,014    | -        | 4,014          | 3,387              |
| Amortisation                                                              | (92)                 | (80)                            | (3,044)  | -        | (3,216)        | (2,345)            |
| Acquisition of a<br>subsidiary – (note 29)                                | 3,923                | 954                             | 232      | 65,764   | 70,873         | -                  |
| AT 31 MARCH 2008,<br>NET OF ACCUMULATED<br>AMORTISATION<br>AND IMPAIRMENT | \$3,635              | \$830                           | \$7,150  | \$91,828 | \$103,443      | \$5,565            |
| Cost (gross carrying amount)                                              | 3,722                | 906                             | 28,972   | 111,077  | 144,676        | 20,077             |
| Accumulated amortisation<br>and impairment                                | (87)                 | (76)                            | (21,822) | (19,249) | (41,234)       | (14,512)           |
| NET CARRYING AMOUNT                                                       | 3,635                | 830                             | 7,150    | 91,828   | 103,443        | 5,565              |

| Year Ended<br>31 March 2008                                               | Agency<br>Agreements | Customer<br>Lists/<br>Rel'ships | Software | Goodwill | Group<br>Total | Parent<br>Software |
|---------------------------------------------------------------------------|----------------------|---------------------------------|----------|----------|----------------|--------------------|
|                                                                           | \$000                | \$000                           | \$000    | \$000    | \$000          | \$000              |
| At 1 April 2006, net of<br>accumulated amortisation<br>and impairment     | -                    | -                               | 6,790    | 39,971   | 46,761         | 4,947              |
| Adjustment for Movement in<br>Exchange Rate                               | -                    | -                               | (167)    | (465)    | (632)          | -                  |
| Additions                                                                 | -                    | -                               | 2,325    | -        | 2,325          | 1,660              |
| Amortisation                                                              | -                    | -                               | (2,871)  | -        | (2,871)        | (2,084)            |
| Goodwill Attributed to<br>Sold Businesses                                 | -                    | -                               | -        | (4,271)  | (4,271)        | -                  |
| Assets included in<br>discontinued operation held                         | -                    | -                               | -        | (6,110)  | (6,110)        | -                  |
| AT 31 MARCH 2007,<br>NET OF ACCUMULATED<br>AMORTISATION<br>AND IMPAIRMENT | -                    | -                               | \$6,077  | \$29,125 | \$35,202       | \$4,523            |
| Cost (gross carrying amount)                                              | -                    | -                               | 24,813   | 48,472   | 73,285         | 16,690             |
| Accumulated amortisation<br>and impairment                                | -                    | -                               | (18,736) | (19,347) | (38,083)       | (12,167)           |
| NET CARRYING AMOUNT                                                       | -                    | -                               | 6,077    | 29,125   | 35,202         | 4,523              |

A description of each intangible asset is provided in section (b) of this note.

## 17 Non-current Assets – Intangible Assets and Goodwill continued

### (b) Description of the Group's Intangible Assets and Goodwill

#### (i) Customer Lists/Relationships and Agency Agreements

Customer Lists/Relationships and Agency Agreements are valued at the time of the acquisition of a subsidiary. Agency lists are amortised over 20 years and customer lists are amortised over 5 years.

#### (ii) Software

Development costs are predominantly the software costs incurred in developing the Group's internal operating and information systems.

Development costs are carried at cost less accumulated amortisation and accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised over the straight line method using a period of 5 years. The amortisation has been recognised in the income statement in the line item "Depreciation and Amortisation Expenses". Development costs relating to software are capitalised on an ongoing basis which reflects the continual improvement of the software product. As these costs are capitalised the amortisation period begins.

If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is less than the carrying amount.

#### (iii) Goodwill

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses and goodwill amortised up to 31 March 2006. Goodwill is no longer amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

### (c) Impairment Tests for Goodwill

#### (i) Description of the cash generating units and other relevant information

Goodwill acquired through business combinations have been allocated to 6 groups of cash generating units (CGU's) for impairment testing as follows:

##### New Zealand Domestic

The recoverable amount has been determined based on a value in use calculation using cash flow projections based on financial forecasts approved by senior management covering a five year period. The pre-tax discount rate applied to cash flow projections is 16.9% (2007 16.1%).

##### New Zealand International

The recoverable amount has been determined based on a value in use calculation using cash flow projections based on financial forecasts approved by senior management covering a five year period. The pre-tax discount rate applied to cash flow projections is 16.9% (2007 16.1%)

##### Australian Domestic

The recoverable amount has been determined based on a value in use calculation using cash flow projections based on financial forecasts approved by senior management covering a five year period. The pre-tax discount rate applied to cash flow projections is 13.9% (2007 13.3%)

##### Australian International

The recoverable amount has been determined based on a value in use calculation using cash flow projections based on financial forecasts approved by senior management covering a five year period. The pre-tax discount rate applied to cash flow projections is 13.9% (2007 13.3%)

##### USA International & Domestic

The recoverable amount has been determined based on a value in use calculation using cash flow projections based on financial forecasts approved by senior management covering a five year period. The pre-tax discount rate applied to cash flow projections is 8.8% (2007 10.6%)

##### Asia International

The recoverable amount has been determined based on a value in use calculation using cash flow projections based on financial forecast approved by senior management covering a five year period. The pre-tax discount rate applied to cash flow projections is 13.1% (2007 12.5%)

## 17 Non-current Assets – Intangible Assets and Goodwill continued

### (ii) Carrying amount of goodwill allocated to each group of cash generating unit.

|                           | Group           |                 |
|---------------------------|-----------------|-----------------|
|                           | 2008<br>\$000   | 2007<br>\$000   |
| New Zealand Domestic      | 12,215          | 12,215          |
| New Zealand International | 6,868           | 6,868           |
| Australian Domestic       | 5,714           | 5,680           |
| Australian International  | 733             | 733             |
| USA                       | 56,205          | 3,629           |
| Asia International        | 10,093          | -               |
|                           | <b>\$91,828</b> | <b>\$29,125</b> |

### (iii) Key assumptions used in value in use calculations for cash generating units

The calculation of value in use for all CGU's is most sensitive to the following assumptions:

Gross margins

Discount Rates

Growth rates used

Gross margins are based on the average achieved in the last twelve months allowing for expected efficiency and utilisation gains.

Discount rates reflect management's estimate of the time value of money and the risks specific to each unit.

For modelling purposes a growth rate of 5% was used for all segments.

### (iv) Sensitivity to changes in assumptions

With regard to the assessment of the value in use for all CGU's, management believe that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed its recoverable amount.

## 18 Current Liabilities – Trade Creditors and Accruals

|                              | Group         |               | Parent        |               |
|------------------------------|---------------|---------------|---------------|---------------|
|                              | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| Trade Creditors and Accruals | 101,843       | 65,260        | 22,426        | 17,788        |

Due to their short term nature the carrying amount of Trade Creditors and Accruals disclosed above is assumed to approximate fair value. They are non-interest bearing and are normally settled on 30 day terms.

Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in note 3.

| 19 Employee Entitlements |  | Group    |          | Parent  |         |
|--------------------------|--|----------|----------|---------|---------|
| Current                  |  | 2008     | 2007     | 2008    | 2007    |
|                          |  | \$000    | \$000    | \$000   | \$000   |
| Long Service Leave       |  | 1,781    | 1,432    | -       | -       |
| Annual Leave             |  | 6,563    | 5,267    | 1,551   | 1,306   |
| Bonus Accrual            |  | 9,025    | 8,209    | 2,085   | 1,547   |
|                          |  | \$17,369 | \$14,908 | \$3,636 | \$2,853 |
| <b>Non-Current</b>       |  |          |          |         |         |
| Long Service Leave       |  | 550      | 497      | -       | -       |

| 20 Provisions                    |  | Legal Claims | Legal Claims |
|----------------------------------|--|--------------|--------------|
|                                  |  | 2008         | 2007         |
|                                  |  |              |              |
| Opening Balance                  |  | -            | 423          |
| Amounts Utilised During the Year |  | -            | (423)        |
| CLOSING BALANCE                  |  | -            | -            |

Refer to note 2 (t) and note 4 respectively for the relevant accounting policy and a discussion of the significant estimations and assumptions applied in the measurement of this provision.

The legal claims provision at the beginning of last year above related to the Group's expected liability for various legal claims.

There are no provisions in the accounts of the Parent company.

| 21 Derivatives and Hedges    | Group         |               | Parent        |               |
|------------------------------|---------------|---------------|---------------|---------------|
|                              | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| <b>Current Assets</b>        |               |               |               |               |
| Interest rate swap contracts | -             | 33            | -             | 33            |
| <b>Current Liabilities</b>   |               |               |               |               |
| Interest rate swap contracts | 607           | -             | -             | -             |

Derivative financial instruments are used by the Group in the normal course of business to hedge exposure to fluctuations in interest rates. Hedge accounting is not applied.

#### *Interest Rate Swaps*

The interest rate on the bank account is variable. The Group seeks to obtain the most competitive market rate of interest at all times.

An interest rate swap on borrowings of \$NZ 31,000,000 was settled on 5 June 2007.

On 30 January 2008 two interest rate swaps on \$US borrowings were entered into. A \$US 30,000,000 swap had a fixed rate of 3.10% excluding margin and a termination date of 30 January 2010. The second swap was for \$US 20,000,000 and had a fixed rate of 3.18% excluding margin and a termination date of 30 January 2009. Market rates used when valuing were 2.47% and 2.51% respectively.

The Group receives a floating rate of interest at the BKBM rate which was 8.93% at balance date.

#### *Hedge of net investments in foreign operations*

Foreign currency risk is the risk that the value of the Group's assets, liabilities and financial performance will fluctuate to changes in foreign currency rates.

The Group is primarily exposed to currency risk as a result of its operations in Australia, America and Asia.

The risk to the Group is that the value of the overseas subsidiaries' (and previously associates) financial positions and financial performances will fluctuate in economic terms and as recorded in the consolidated accounts due to changes in overseas exchange rates.

The Group hedges some of the currency risk relating to its Australian and USA subsidiaries by holding bank loans denominated in Australian and US dollars. Any foreign currency movement in the net assets of the overseas subsidiaries is partly offset by an opposite movement in the Australian dollar loan of \$A23,300,000 and the US dollar loan of \$US55,700,000.

Refer to note 3 for credit risk and interest rate risk exposure on derivative financial instruments.

| 22 Bank Term Loan                                                    | Group         |               | Parent        |               |
|----------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                      | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| The Bank Term Loan falls due for repayment in the following periods: |               |               |               |               |
| Current                                                              | -             | 84,457        | -             | 84,457        |
| Non-Current                                                          | 100,386       | -             | 4,714         | -             |
|                                                                      | \$100,386     | \$84,457      | \$4,714       | \$84,457      |

A long term revolving facility with the Westpac Banking Corporation remains in place. Previously secured by debenture and cross company guarantees over the assets of the Parent and its wholly owned subsidiaries, the facility now operates under a negative pledge and cross company guarantees. The debentures were formally released on the signing of the new facility deed on 30 May 2007.

The facility expires on 31 December 2009. The facility was increased from \$100,000,000 to \$125,000,000 on 19 November 2007.

The facility allows the borrowing Group to offset deposits against borrowings when calculating indebtedness.

The carrying amount of the Group's current and non-current borrowings approximate their fair value.

Interest was payable during the year at the average rate of 6.25% per annum (2007 7.70%).

| 23 Leases                                                                  |  | Group         |               | Parent        |               |
|----------------------------------------------------------------------------|--|---------------|---------------|---------------|---------------|
| At balance date the Group and Company had the following lease commitments: |  | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| <b>Finance Lease Liabilities</b>                                           |  |               |               |               |               |
| Payable:                                                                   |  |               |               |               |               |
| – not later than one year                                                  |  | 462           | 34            | -             | -             |
| – later than one year but not later than two years                         |  | 405           | 23            | -             | -             |
| – later than two years but not later than five years                       |  | 222           | 22            | -             | -             |
| – after five years                                                         |  | -             | -             | -             | -             |
| Minimum Lease Payments                                                     |  | 1,089         | 79            | -             | -             |
| Less Future Finance Charges                                                |  | (76)          | (7)           | -             | -             |
|                                                                            |  | \$1,013       | \$72          | -             | -             |
| <b>Classified in the Statement of Financial Position as:</b>               |  |               |               |               |               |
| Current                                                                    |  | 415           | 30            | -             | -             |
| Non-Current                                                                |  | 598           | 42            | -             | -             |
|                                                                            |  | \$1,013       | \$72          | -             | -             |
| <b>Operating Lease Commitments (non cancellable)</b>                       |  |               |               |               |               |
| – not later than one year                                                  |  | 29,531        | 22,880        | 4,528         | 5,923         |
| – later than one year but not later than two years                         |  | 23,514        | 18,332        | 3,317         | 4,639         |
| – later than two years but not later than five years                       |  | 34,110        | 25,670        | 3,621         | 5,704         |
| – after five years                                                         |  | 24,055        | 23,013        | 3,239         | 3,915         |
|                                                                            |  | \$111,210     | \$89,895      | \$14,705      | \$20,181      |

Discontinued operations had a total of \$20,620,000 operating leases commitments as at 31 March 2007.

## 24 Contributed Equity

|                                                                         | Group    |          | Parent   |          |
|-------------------------------------------------------------------------|----------|----------|----------|----------|
|                                                                         | 2008     | 2007     | 2008     | 2007     |
|                                                                         | \$000    | \$000    | \$000    | \$000    |
| Authorised, Issued and Fully Paid Up Capital                            | \$57,124 | \$56,539 | \$57,124 | \$56,539 |
| 96,569,190 ordinary shares (2007 96,569,190)                            |          |          |          |          |
| 2,450,000 redeemable ordinary shares partly paid to 1c (2007 1,950,000) |          |          |          |          |
| Neither ordinary shares or redeemable ordinary shares have a par value. |          |          |          |          |

All ordinary shares have equal voting rights and share equally in dividends and any surplus on winding up.

| Movements in ordinary shares on issue    | Group      |            | Group  |        |
|------------------------------------------|------------|------------|--------|--------|
|                                          | 2008       | 2007       | 2008   | 2007   |
|                                          | Shares     | Shares     | \$000  | \$000  |
| Opening Balance                          | 96,569,190 | 96,090,690 | 56,539 | 55,409 |
| Exercise of executive options (i)        | -          | 478,500    | -      | 653    |
| Employee sharebased payments scheme (ii) | -          | -          | 585    | 477    |
| CLOSING BALANCE                          | 96,569,190 | 96,569,190 | 57,124 | 56,539 |

- (i) Last year a total of 478,500 executive options were exercised at an average price of \$1.36 per share. There were no further options on issue.

Each option gave the right to purchase one ordinary share at predetermined prices and dates.

- (ii) On 20 September 2007 the Company issued a further 500,000 redeemable ordinary shares (representing .52% of the issued capital) to the Mainfreight Share Scheme Trustee Ltd, the trustee of the Mainfreight Limited Partly Paid Share Scheme (the "Scheme"). The Scheme was established to enable key team members of the Group to acquire ordinary shares in the company. Within the trust all shares are allocated to team members.

The trustee is appointed by the board of Mainfreight Ltd and is able to exercise any voting rights attached to these shares.

The issue price was \$7.02 per share, which was the market price at the time. The shares are partly paid to 1c and are due for payment in September or October 2010. The shares participate in dividends and voting rights in proportion with the paid up amount.

| At 31 March 2008 the following partly paid shares were outstanding. |           |             |                      |
|---------------------------------------------------------------------|-----------|-------------|----------------------|
|                                                                     | Quantity  | Issue Price | Exercise Dates       |
|                                                                     | 1,900,000 | 340.0 cents | 01/09/08 to 30/09/08 |
|                                                                     | 50,000    | 582.0 cents | 01/08/09 to 31/08/09 |
|                                                                     | 500,000   | 702.0 cents | 20/09/10 to 20/10/10 |

*Capital Management*

When managing capital, the board of directors' (the "Board") objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board is constantly reviewing and adjusting the capital structure to take advantage of favourable costs of capital. As the market is constantly changing, the Board may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Board has no current plans to issue further shares on the market.

The Board monitor capital through the group gearing ratio (net debt / total capital).

|                                | Group    |          |
|--------------------------------|----------|----------|
|                                | 2008     | 2007     |
|                                | \$000    | \$000    |
| Total Borrowings               | 106,599  | 86,942   |
| Less cash and cash equivalents | (26,708) | (15,809) |
| Net Debt                       | 79,891   | 71,133   |
| Total Equity                   | 250,193  | 165,579  |
| TOTAL CAPITAL                  | 330,084  | 236,712  |
| Gearing Ratio                  | 24.2%    | 30.1%    |

| 25 Reconciliation of Cash Flows with<br>Reported Net Surplus                             | Group         |               | Parent        |               |
|------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                                          | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| Net Surplus after Taxation                                                               | 101,727       | 61,995        | 113,300       | 58,188        |
| Non-cash Items:                                                                          |               |               |               |               |
| Depreciation                                                                             | 10,688        | 9,468         | 6,495         | 5,475         |
| Shared Based Payments                                                                    | 585           | 477           | 585           | 477           |
| Equity Accounted Earnings of Associates Net of Dividends                                 | 390           | (731)         | -             | -             |
| (Increase) / Decrease in Deferred Tax Asset                                              | (472)         | (1,286)       | -             | -             |
| Increase / (Decrease) in Deferred Tax Liability                                          | -             | -             | 356           | 356           |
|                                                                                          | 112,918       | 69,923        | 120,736       | 64,496        |
| Add / (less) Movements in Other Working Capital<br>Items, Net of Effect of Acquisitions: |               |               |               |               |
| (Increase) / Decrease in Accounts Receivable                                             | (17,240)      | (5,204)       | (11,410)      | 1,338         |
| (Increase) / Decrease in Derivatives                                                     | 607           | (33)          | -             | (33)          |
| Increase / (Decrease) in Accounts Payable                                                | 11,267        | 1,707         | 6,911         | 807           |
| Increase / (Decrease) in Interest Payable                                                | 904           | (346)         | (92)          | (200)         |
| (Increase) / Decrease in Interest Receivable                                             | (2)           | (161)         | (2)           | (196)         |
| Increase / (Decrease) in Taxation Payable                                                | (4,682)       | (332)         | 2,539         | (1,881)       |
| Increase / (Decrease) in Net GST                                                         | 612           | 111           | 450           | 49            |
| (Increase) / Decrease in Inventories                                                     | -             | -             | -             | -             |
| Adjustment for Movement in Exchange Rate                                                 | (304)         | (537)         | -             | (117)         |
| Less Items Classified as Investing Activity:                                             |               |               |               |               |
| Net / (Surplus) Deficit on Sale of Fixed Assets                                          | (623)         | (294)         | (554)         | 44            |
| Net / (Surplus) Deficit on Sale of Investments                                           | (62,758)      | (16,946)      | (71,373)      | -             |
| Net / (Surplus) Deficit on Sale of Goodwill                                              | -             | -             | -             | -             |
| NET CASH INFLOW FROM OPERATING ACTIVITIES                                                | \$40,699      | \$47,888      | \$47,205      | \$64,307      |

## 26 Related Parties

The ultimate holding company is Mainfreight Limited.

In addition to transactions disclosed elsewhere in these financial statements, the Company transacted with the following related parties during the period:

| Name of Related Party                                  | Nature of Relationship | Type of Transactions        | 2008<br>Value of<br>Transactions<br>\$000 | 2007<br>Value of<br>Transactions<br>\$000 |
|--------------------------------------------------------|------------------------|-----------------------------|-------------------------------------------|-------------------------------------------|
| B. Plested                                             | Director & Shareholder | Interest on Advances (7.3%) | 61                                        | 56                                        |
| B. Plested                                             | Director & Shareholder | Advances to Company         | 2,606                                     | 3,107                                     |
| B. Plested                                             | Director & Shareholder | Repayment of Advances       | 5,020                                     | 694                                       |
| B. Plested                                             | Director & Shareholder | Advance – On Call           | -                                         | 2,413                                     |
| C. Howard-Smith                                        | Director & Shareholder | Legal & Trustee Fees        | 271                                       | 220                                       |
| Related Party Receivables Outstanding at Balance Date: |                        |                             | <b>Balance<br/>Receivable<br/>\$000</b>   | <b>Balance<br/>Receivable<br/>\$000</b>   |
| Name of Related Party                                  | Nature of Relationship | Type of Transactions        |                                           |                                           |
| Daily Freight (1994) Ltd                               | Subsidiary             | Trade – 30 Days             | 4,978                                     | 2,618                                     |
| Mainfreight International Ltd                          | Subsidiary             | Trade – 30 Days             | 807                                       | 1,071                                     |
| LEP International (NZ) Ltd                             | Subsidiary             | Trade – 30 Days             | -                                         | 186                                       |
| Mainfreight International Pty Ltd                      | Subsidiary             | Trade – 30 Days             | 418                                       | 52                                        |
| Owens Transport Ltd                                    | Subsidiary             | Trade – 30 Days             | 1,380                                     | 784                                       |
| Carotrans International Inc                            | Subsidiary             | Trade – 30 Days             | 670                                       | 106                                       |
| Daily Freight (1994) Ltd                               | Subsidiary             | Advance – On Call           | 202                                       | -                                         |
| Mainfreight International Pty Ltd                      | Subsidiary             | Advance – On Call           | 1,141                                     | -                                         |
| Owens Group Ltd                                        | Subsidiary             | Advance – On Call           | 567                                       | -                                         |
| Mainfreight Distribution Pty Ltd                       | Subsidiary             | Advance – On Call           | 8,054                                     | -                                         |
| Bolwick Ltd                                            | Subsidiary             | Advance – On Call           | 4,694                                     | -                                         |
|                                                        |                        |                             | <b>\$22,911</b>                           | <b>\$4,817</b>                            |
| Related Party Payables Outstanding at Balance Date:    |                        |                             | <b>Balance<br/>Payable<br/>\$000</b>      | <b>Balance<br/>Payable<br/>\$000</b>      |
| Name of Related Party                                  | Nature of Relationship | Type of Transactions        |                                           |                                           |
| Daily Freight (1994) Ltd                               | Subsidiary             | Trade – 30 Days             | -                                         | 13                                        |
| Mainfreight International Ltd                          | Subsidiary             | Trade – 30 Days             | -                                         | 31                                        |
| LEP International (NZ) Ltd                             | Subsidiary             | Trade – 30 Days             | -                                         | 1                                         |
| Mainfreight Holdings Pty Ltd                           | Subsidiary             | Trade – 30 Days             | 393                                       | 1,109                                     |
| Owens Transport Ltd                                    | Subsidiary             | Trade – 30 Days             | -                                         | 2                                         |
| Daily Freight (1994) Ltd                               | Subsidiary             | Advance – On Call           | 4,100                                     | 3,300                                     |
| Mainfreight International Ltd                          | Subsidiary             | Advance – On Call           | 1,400                                     | 2,250                                     |
| LEP International (NZ) Ltd                             | Subsidiary             | Advance – On Call           | -                                         | 1,866                                     |
| LEP International Pty Ltd                              | Subsidiary             | Advance – On Call           | -                                         | 797                                       |
| Mainfreight Distribution Pty Ltd                       | Subsidiary             | Advance – On Call           | 1,924                                     | 51,515                                    |
| Owens Transport Ltd                                    | Subsidiary             | Advance – On Call           | 2,800                                     | 7,600                                     |
| Owens Group Ltd                                        | Subsidiary             | Advance – On Call           | -                                         | 14                                        |
|                                                        |                        |                             | <b>\$10,617</b>                           | <b>\$68,498</b>                           |

## 26 Related Parties continued

Transactions with related parties:

|                                               | Sales to<br>Related<br>Parties | Purchases<br>from<br>Related<br>Parties | Other<br>Transactions<br>with Related<br>Parties |
|-----------------------------------------------|--------------------------------|-----------------------------------------|--------------------------------------------------|
| <b>Consolidated 2008 Year</b>                 |                                |                                         |                                                  |
| <b>Associates:</b>                            |                                |                                         |                                                  |
| Bolwick Ltd – freight sales                   | 224                            | 892                                     |                                                  |
| Mainfreight Express Ltd – freight sales       | 238                            | 1,500                                   |                                                  |
| <b>Consolidated 2007 Year</b>                 |                                |                                         |                                                  |
| <b>Associates:</b>                            |                                |                                         |                                                  |
| Bolwick Ltd – freight sales                   | 673                            | 2,677                                   |                                                  |
| Mainfreight Express Ltd – freight sales       | 695                            | 4,501                                   |                                                  |
| <b>Parent 2008 Year</b>                       |                                |                                         |                                                  |
| Subsidiaries – freight sales                  | 16,349                         | 8,014                                   |                                                  |
| Subsidiaries – lease & administration charges | 10,021                         | 4,138                                   |                                                  |
| Subsidiaries – dividend revenue               |                                |                                         | 32,918                                           |
| Associates – dividend revenue                 |                                |                                         | 824                                              |
| <b>Parent 2007 Year</b>                       |                                |                                         |                                                  |
| Subsidiaries – freight sales                  | 15,804                         | 5,522                                   |                                                  |
| Subsidiaries – lease & administration charges | 6,888                          | 2,202                                   |                                                  |
| Subsidiaries – dividend revenue               |                                |                                         | 54,333                                           |
| Associates – dividend revenue                 |                                |                                         | 922                                              |

The Company transacts with each other company within the Group on an arms length basis. The advances are not secured.

No related party debts have been written off or forgiven during the period (2007 nil).

In addition to the above the Group transacted with the following related parties:

| Name of Related Party | Nature of Relationship | Type of Transactions | Costs<br>\$000              | Costs<br>\$000              |
|-----------------------|------------------------|----------------------|-----------------------------|-----------------------------|
| C. Howard-Smith       | Director & Shareholder | Legal Fees           | 30                          | 30                          |
| Name of Related Party | Type of Transaction    | Terms of Settlement  | Balance<br>Payable<br>\$000 | Balance<br>Payable<br>\$000 |
| Geologistics Ltd      | Advance                | On Call              | -                           | 29                          |

Geologistics Ltd was the minority shareholder in LEP International (NZ) Ltd.

## 27 Key Management Personnel

### Compensation of Key Management Personnel

|                              | Group         |               | Parent        |               |
|------------------------------|---------------|---------------|---------------|---------------|
|                              | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| Short-term employee benefits | 5,180         | 4,106         | 3,448         | 2,689         |
| Share-based payments         | 239           | 136           | 239           | 136           |
| Termination Benefits         | -             | -             | -             | -             |
|                              | \$5,419       | \$4,242       | \$3,687       | \$2,825       |

Partly paid shares held by executive directors have the following expiry dates and exercise prices:

|  | Quantity | Issue Price | Exercise Dates       |
|--|----------|-------------|----------------------|
|  | 500,000  | 702.0 cents | 20/09/10 to 20/10/10 |

## 28 Share-based Payment Plans

### (a) Recognised Share-based Payment Expenses

The expense recognised for employee services received during the year from partly paid share scheme is shown in the table below:

|                                          | Group         |               | Parent        |               |
|------------------------------------------|---------------|---------------|---------------|---------------|
|                                          | 2008<br>\$000 | 2007<br>\$000 | 2008<br>\$000 | 2007<br>\$000 |
| Partly Paid Shares issued September 2005 | 469           | 469           | 469           | 469           |
| Partly Paid Shares issued August 2006    | 12            | 8             | 12            | 8             |
| Partly Paid Shares issued September 2007 | 104           | -             | 104           | -             |
|                                          | \$585         | \$477         | \$585         | \$477         |

### (b) Types of Share-based Payment Plans

#### Partly Paid Share Scheme

Partly paid redeemable shares are granted to senior executives or executive directors upon the discretion of the Board.

The scheme is designed to fulfil an important role in creating an alignment of interests between the Company's senior employees and officers and its shareholders, through incentivising such employees and officers to grow the value of the Company. The Scheme also assists the Company to attract, motivate and retain key employees in an environment where such employees are in high demand.

#### Eligibility to Participate in Scheme

From time to time the Board may offer selected executives the ability to participate in the Scheme and to acquire shares in the Company through the Trustee. The number of shares offered to each selected executive is determined by the Board. In determining the executives who are offered participation and the level of participation, the Board applies a number of criteria including role with the Group, duties and responsibilities, level of remuneration and contribution to the Group's performance.

#### Issue of Shares

Where an executive accepts an offer to participate, the Company issues the relevant number of redeemable ordinary shares to the Trustee on a partly-paid basis to hold for the benefit of the executive.

#### Issue Price

The issue price of the redeemable ordinary shares is the weighted average price of Company's shares on the NZSX over the five trading days prior to the issue date.

#### Vesting of Shares

The shares held by the Trustee on behalf of each employee vest in the employee on the earlier of:

- the 3rd anniversary of the issue date; and
- the date on which a group of persons acting in concert acquires 50% or more of the ordinary shares in the Company on issue.

## 28 Share-based Payment Plans continued

### Redemption of Shares by Trustee

If an executive ceases employment prior to the vesting of their redeemable shares the Trustee will redeem the shares held on behalf of that executive.

It is anticipated that any such redemption will occur in conjunction with a call from the Company for the unpaid balance of the issue price of those shares and that the redemption amount and the unpaid balance will be set off. On redemption the shares will be cancelled.

### (c) Summary of Partly Paid Shares Issued

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, partly paid shares issued during the year:

|                                          | 2008<br>No. | 2008<br>WAEP | 2007<br>No. | 2007<br>WAEP |
|------------------------------------------|-------------|--------------|-------------|--------------|
| Outstanding at the beginning of the year | 1,950,000   | 3.46         | 1,925,000   | 3.40         |
| Granted during the year                  | 500,000     | 7.02         | 50,000      | 5.82         |
| Forfeited during the year                | -           | -            | (25,000)    | 3.40         |
| Outstanding at the end of the year       | 2,450,000   | \$4.19       | 1,950,000   | \$3.46       |
| Exercisable at the end of the year       | -           | -            | -           | -            |

At 31 March 2008 the following partly paid shares were outstanding.

| Quantity  | Issue/Exercise<br>Price | Exercise Dates       |
|-----------|-------------------------|----------------------|
| 1,900,000 | 340.0 cents             | 01/09/08 to 30/09/08 |
| 50,000    | 582.0 cents             | 01/08/09 to 31/08/09 |
| 500,000   | 702.0 cents             | 20/09/10 to 20/10/10 |

The fair value of the partly paid share scheme is estimated at the date of the grant using Black-Scholes-Merton (BSM) and binomial models taking into account the terms and conditions upon which the partly paid shares were granted.

The following table lists the inputs to the models used for the partly paid shares issued in September 2005, August 2006 and September 2007.

|                                                       | September<br>2007 | August<br>2006 | September<br>2005 |
|-------------------------------------------------------|-------------------|----------------|-------------------|
| Dividend Yield (%)                                    | 2.00              | 3.00           | 3.00              |
| Expected volatility (%)                               | 20.00             | 30.00          | 30.00             |
| Risk-free interest rate (%)                           | 6.90              | 5.88           | 5.88              |
| Expected Life of Options (years)                      | 3.00              | 3.00           | 3.00              |
| Option exercise price (\$)                            | 7.02              | 5.82           | 3.40              |
| Weighted average share price at measurement date (\$) | 7.02              | 5.82           | 3.40              |

The volatility of the underlying share is the inferred volatility from Mainfreight's share price since the issue of the partly paid shares.

The weighted average fair value of shares granted is \$0.84 (2007: \$0.74).

The weighted average remaining contractual life is 11 months (2007 18 months).

## 29 Business Combinations

### (a) Bolwick Limited and Mainfreight Express Limited

On 1 August 2007 Mainfreight Ltd acquired the remaining 58.3% of shares in Bolwick Limited and acquired the remaining 50.0% of Mainfreight Express Limited. The total cost of the acquisitions was \$5,952,000 for Bolwick and \$4,579,000 for Mainfreight Express including associated costs. In addition the investment in the consolidated accounts of these associates as at 1 August 2007 was \$974,000 and \$671,000 respectively.

The fair value of the identifiable assets and liabilities of these acquisitions was deemed to be their carrying values as below:

|                                                       | <b>Bolwick</b> | <b>Mainfreight<br/>Express</b> | <b>Combined<br/>Asia</b> |
|-------------------------------------------------------|----------------|--------------------------------|--------------------------|
| Plant & Equipment                                     | 130            | 28                             | 158                      |
| Bank                                                  | 404            | 514                            | 918                      |
| Trade Debtors                                         | 1,326          | 1,106                          | 2,432                    |
| Other Debtors                                         | 104            | 42                             | 146                      |
|                                                       | 1,964          | 1,690                          | 3,654                    |
| Trade Creditors and Accruals                          | (710)          | (860)                          | (1,570)                  |
| Fair Value of Identifiable Net Assets                 | 1,254          | 830                            | 2,084                    |
| Goodwill arising on acquisition                       | 5,672          | 4,420                          | 10,092                   |
|                                                       | 6,926          | 5,250                          | 12,176                   |
| <b>Cost of the combination:</b>                       |                |                                |                          |
| Cash paid                                             | 5,952          | 4,579                          | 10,531                   |
| Previous acquisition cost                             | 974            | 671                            | 1,645                    |
|                                                       | 6,926          | 5,250                          | 12,176                   |
| <b>The cash outflow on acquisition is as follows:</b> |                |                                |                          |
| Net cash acquired with the subsidiary                 | 404            | 514                            | 918                      |
| Cash paid                                             | (5,952)        | (4,579)                        | (10,531)                 |
| Net consolidated cash outflows                        | (5,548)        | (4,065)                        | (9,613)                  |

From the date of acquisition, the combined Asian businesses have contributed \$1,763,000 to the net profit of the Group. If the combination had taken place at the beginning of the year, the profit from continuing operations for the Group would have been \$2,574,000 and revenue from continuing operations would have been \$17,730,000.

Included in the \$10,092,000 of goodwill recognised above is a customer base not considered separate. The other key factors contributing to the goodwill relate to the synergies existing within the acquired business and also synergies expected to be achieved as a result of combining the acquisition with the rest of the Group.

## 29 Business Combinations continued

### (b) Target Logistics Services Inc

On 31 October 2007 the Group acquired all the shares in Target Logistics Services Inc. The total cost of the acquisition was \$US 56,297,000 including associated costs.

The fair value and carrying value of the identifiable assets and liabilities of this acquisition are disclosed:

|                                                       | Fair Value | Carrying Value |
|-------------------------------------------------------|------------|----------------|
| Plant & Equipment                                     | 2,948      | 2,948          |
| Software Development Costs                            | 232        | 232            |
| Intangibles – Customer List and Agency Arrangements   | 4,877      | 1,958          |
| Intangibles – Goodwill                                | -          | 14,482         |
| Deferred Tax                                          | 329        | 1,629          |
| Bank                                                  | 625        | 625            |
| Trade Debtors                                         | 36,345     | 36,613         |
| Other Debtors                                         | 787        | 787            |
|                                                       | 46,143     | 59,634         |
| Trade Creditors and Accruals                          | (29,393)   | (29,393)       |
| Value of Identifiable Net Assets                      | 16,750     | 30,241         |
| Goodwill arising on acquisition                       | 55,672     |                |
|                                                       | 72,422     |                |
| <b>Cost of the combination:</b>                       |            |                |
| Cash paid                                             | 70,249     |                |
| Direct costs associated with acquisition              | 2,173      |                |
|                                                       | 72,422     |                |
| <b>The cash outflow on acquisition is as follows:</b> |            |                |
| Net cash acquired with the subsidiary                 | 625        |                |
| Cash paid                                             | (72,422)   |                |
| Net consolidated cash outflows                        | (71,797)   |                |

From the date of acquisition, Target Logistics Services has contributed \$1,315,000 to the net profit of the Group.

If the combination had taken place at the beginning of the year, the profit from continuing operations for the Group would have been \$2,363,000 and revenue from continuing operations would have been \$235,477,000.

Not included in the \$55,672,000 of goodwill recognised above is a customer base of \$4,877,000 recognised separately. The other key factors contributing to the goodwill relate to the synergies existing within the acquired business and also synergies expected to be achieved as a result of combining the acquisition with the rest of the Group.

### 30 Fair Value and Interest Rate Risk

#### (a) Fair Values

All assets and liabilities recognised in the balance sheet, whether they are carried at cost or at fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

#### (b) Interest Rate Risk

At balance date the parent and Group had the following mix of assets and liabilities exposed to variable interest rate risk.

|                                          | Group      |            | Parent     |            |
|------------------------------------------|------------|------------|------------|------------|
|                                          | 2008       | 2007       | 2008       | 2007       |
|                                          | \$000      | \$000      | \$000      | \$000      |
| <b>FINANCIAL ASSETS</b>                  |            |            |            |            |
| Cash Assets                              | 26,708     | 15,809     | 4,763      | 2,844      |
| Weighted average effective interest rate | 5.1%       | 6.5%       | 6.5%       | 6.5%       |
| Term: floating                           | Under 1 yr | Under 1 yr | Under 1 yr | Under 1 yr |
| <b>FINANCIAL LIABILITIES</b>             |            |            |            |            |
| Directors Loan                           | -          | 2,413      | -          | 2,413      |
| Weighted average effective interest rate | -          | 7.3%       | -          | 7.3%       |
| Term: floating                           | -          | Under 1 yr | -          | Under 1 yr |
| Bank Overdraft                           | 5,200      | -          | 5,200      | -          |
| Weighted average effective interest rate | 8.9%       | -          | 8.9%       | -          |
| Term: floating                           | Under 1 yr | -          | Under 1 yr | -          |
| Bank Loan                                | 38,359     | 53,457     | 4,714      | 53,457     |
| Weighted average effective interest rate | 6.0%       | 7.8%       | 3.0%       | 7.8%       |
| Term: floating                           | Under 1 yr | Under 1 yr | Under 1 yr | Under 1 yr |
| Bank Loan                                | 24,811     | 31,000     | -          | 31,000     |
| Weighted average effective interest rate | 3.4%       | 7.9%       | -          | 7.9%       |
| Term: floating                           | Under 1 yr | Under 1 yr | -          | Under 1 yr |
| Bank Loan                                | 37,216     | -          | -          | -          |
| Weighted average effective interest rate | 3.4%       | -          | -          | -          |
| Term: floating                           | 1 to 2 yrs | -          | -          | -          |
| Obligations under finance leases         | 415        | 30         | -          | -          |
| Weighted average effective interest rate | 6.3%       | 6.7%       | -          | -          |
| Term: fixed                              | Under 1 yr | Under 1 yr | -          | -          |
| Obligations under finance leases         | 383        | 42         | -          | -          |
| Weighted average effective interest rate | 6.3%       | 6.7%       | -          | -          |
| Term: fixed                              | 1 to 2 yrs | 1 to 2 yrs | -          | -          |
| Obligations under finance leases         | 215        | -          | -          | -          |
| Weighted average effective interest rate | 6.3%       | -          | -          | -          |
| Term: fixed                              | 2 to 5 yrs | -          | -          | -          |

Interest on financial instruments classified as floating have their rates repriced at intervals of less than one year. Fixed rate instruments are fixed until the maturity of the instrument.

The Group constantly analyses its interest rate risk exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The following sensitivity analysis is based on the interest rate exposures in existence at the balance sheet date.

### 30 Fair Value and Interest Rate Risk continued

At 31 March 2008, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit (excluding swap fair value movements) and equity would have been affected as follow:

|                         | Post Tax Profit<br>Higher (Lower) |               | Equity<br>Higher (Lower) |               |
|-------------------------|-----------------------------------|---------------|--------------------------|---------------|
|                         | 2008<br>\$000                     | 2007<br>\$000 | 2008<br>\$000            | 2007<br>\$000 |
| <b>Consolidated</b>     |                                   |               |                          |               |
| + 1% (100 basis points) | (535)                             | (452)         | (535)                    | (452)         |
| -0.5% (50 basis points) | 268                               | 226           | 268                      | 226           |
| <b>Parent</b>           |                                   |               |                          |               |
| + 1% (100 basis points) | (35)                              | (831)         | (35)                     | (831)         |
| -0.5% (50 basis points) | 17                                | 415           | 17                       | 415           |

The movements in profit are due to higher / lower interest costs from variable rate debt and cash balances. The sensitivity changes as levels of borrowings change.

### 31 Capital Commitments and Contingent Liabilities

The Group and Company had the following capital commitments at 31 March 2008 totalling \$9,759,000 (2007 \$1,399,000).

|                                 |           |
|---------------------------------|-----------|
| - Mangere Air Freight Facility  | 4,947,000 |
| - Christchurch Freight Facility | 1,037,000 |
| - Whangarei Freight Facility    | 3,775,000 |

There are additional bank performance guarantees and bonds totalling \$1,410,390 (2007 \$2,433,000) undertaken by the Group.

|                     |         |
|---------------------|---------|
| - Guarantees        | 511,342 |
| - Bonds             | 539,682 |
| - Letters of Credit | 359,366 |

The Group is party to sub-lease / tenancy agreements where third parties lease excess office / industrial space from the Group. In the event of default by third parties the Group would be exposed to these liabilities.

As a result of the IRD's programme of routine and regular tax audits, the Group anticipates that IRD audits may occur in the future. The Group is similarly subject to routine tax audits in certain overseas jurisdictions. The ultimate outcome of any future tax audits cannot be determined with an acceptable degree of reliability at this time. Nevertheless, the Group believes that it is making adequate provision for its taxation liabilities. However, there may be an impact to the Group if any revenue authority investigations result in an adjustment that increases the Group's taxation liabilities.

### 32 Subsequent Events

Target Logistics Services Inc changed its name to Mainfreight, Inc on 28 April 2008 and will commence trading as Mainfreight from 1 July 2008.

A dividend of 10.0 cents per share was declared on 29 May 2008 date totalling \$9,659,919. Payment date is to be 25 July 2008. On 11 June 2008 a call option deed was signed to acquire all of the shares of Halford International Pty Limited (Halford), an Australian-based privately owned, international freight forwarder and logistics provider.

The call option may be exercised at Mainfreight's sole discretion. Under the terms of the deed, Mainfreight will acquire Halford for approximately \$A21 million. This price is formulated on a six-times multiple of EBITDA earnings at Halford's financial year end (30 June 2008).

Expected completion is to be in the first week of July 2008 when eighty percent of the purchase price is payable with ten per cent payable one year after completion and the remaining ten percent payable two years after completion.

Halford's sales revenues in the financial year to June 2008 are expected to exceed \$A65 million.

Determination of the amounts recognised at 11 June 2008 for each class of Halford's assets, liabilities, contingent liabilities, including intangible assets, is at this time impracticable.

On the 12 June 2008 the Company issued 1,905,000 redeemable ordinary shares (representing 1.89% of the issued capital) to the Mainfreight Share Scheme Trustee Ltd, the trustee of the Mainfreight Limited Partly Paid Share Scheme (the Scheme). The Scheme was established to enable key team members of the Company to acquire ordinary shares in the company. Within the trust all shares are allocated to team members. The trustee is appointed by the board of Mainfreight Ltd and is able to exercise any voting rights attached to these shares.

The issue price was \$7.24 per share, which was the market price at the time. The shares are partly paid to 1c and are due for payment from 12 June to 12 July 2011. The shares participate in dividends and voting rights in proportion with the paid up amount.

### 33 Impact of Adoption of NZ IFRS

The impacts of adopting NZ IFRS on the total equity and profit after tax as reported under previous New Zealand Generally Accepted Accounting Practice (NZ GAAP) are illustrated below.

#### (a) Reconciliation of Total Equity as Presented Under Previous NZ GAAP to that Under NZ IFRS.

|                                             | Group     |           | Parent    |           |
|---------------------------------------------|-----------|-----------|-----------|-----------|
|                                             | 31 Mar 07 | 1 Apr 06  | 31 Mar 07 | 1 Apr 06  |
|                                             | \$000     | \$000     | \$000     | \$000     |
| Total equity under previous NZ GAAP         | 160,584   | 140,958   | 152,355   | 127,501   |
| Goodwill amortisation reversal (i)          | 6,505     | 1,086     | -         | -         |
| Financial Instrument recognition (ii)       | 33        | -         | 33        | -         |
| NZ Tax on Overseas Associate Earnings (iii) | (1,543)   | (1,543)   | (1,543)   | (1,543)   |
|                                             | \$165,579 | \$140,501 | \$150,845 | \$125,958 |

- (i) Goodwill is not amortised under NZ IFRS as it previously was under NZ GAAP and is now only subject to an impairment test. This caused an increase in equity for the year.
- (ii) Under NZ IFRS all derivative contracts are required to be carried at fair value on the balance sheet whereas under NZ GAAP they were only disclosed as a note to the accounts and were only recognised on the balance sheet when the related asset or liability was realised. This caused an increase in equity for the year.
- (iii) Under NZ IFRS deferred tax in respect of the investment in an associate is recognised based on management's intention regarding the method of recovery of the carrying amount of the investment. Under previous NZ GAAP this was recognised at the time the income tax liability is incurred.

#### (b) Reconciliation of Profit After Tax Under Previous NZ GAAP to that Under NZ IFRS

|                                                    | Group     | Parent    |
|----------------------------------------------------|-----------|-----------|
|                                                    | 31 Mar 07 | 31 Mar 07 |
|                                                    | \$000     | \$000     |
| Prior year profit after tax as previously reported | 55,625    | 58,632    |
| Goodwill amortisation reversal (i)                 | 5,593     | -         |
| Financial Instrument recognition (ii)              | 33        | 33        |
| Share-based payment expense (iii)                  | (477)     | (477)     |
| Gain on Rakino sale recalculated (iv)              | (174)     | -         |
| Prior year profit after tax under NZ IFRS          | \$60,600  | \$58,188  |

- (i) Goodwill is not amortised under NZ IFRS 3 "Business Combinations" as it previously was under NZ GAAP and is now only subject to an impairment test. This caused an increase in profit for the year.
- (ii) Under NZ IFRS all derivative contracts are required to be carried at fair value on the balance sheet whereas under NZ GAAP they were only disclosed as a note to the accounts and were only recognised on the balance sheet when the related asset or liability was realised. This caused an increase in profit for the year.
- (iii) Share-based payment costs are charged to the income statement under NZ IFRS 2 "Share-based Payment", but not under previous NZ GAAP. This has caused a decrease in profit for the year.
- (iv) By reversing goodwill on Rakino (see (i)) this resulted in an adjustment to the calculation of the gain on sale of Rakino. This has caused a decrease in profit for the year.

#### (c) Explanation of material adjustments to the statement of cash flows

There are no material differences between the cash flow statement presented under NZ IFRS and the cash flow statement presented under previous NZ GAAP.

### 34 Non-Recurring Items

During the year the Group had \$61,894,000 of non-recurring items (2007 \$17,593,000). The related after tax surplus was \$60,537,000 (2007 \$19,019,000). These items comprised of:

| <b>2008 Year</b>                                                                        | <b>Pre Tax<br/>\$000</b> | <b>Tax<br/>\$000</b> | <b>After Tax<br/>\$000</b> |
|-----------------------------------------------------------------------------------------|--------------------------|----------------------|----------------------------|
| LEP International & Pan Orient Divestment Gain on Sale                                  | 61,733                   | (1,356)              | 60,377                     |
| Rakino Group Ltd Divestment Gain on Sale                                                | 160                      | -                    | 160                        |
|                                                                                         | <b>\$61,893</b>          | <b>\$(1,356)</b>     | <b>\$60,537</b>            |
| <b>2007 Year</b>                                                                        | <b>Pre Tax<br/>\$000</b> | <b>Tax<br/>\$000</b> | <b>After Tax<br/>\$000</b> |
| Rakino Group Ltd Divestment Gain on Sale                                                | 16,971                   | -                    | 16,971                     |
| Mogal International Ltd Divestment Loss on Sale                                         | (25)                     | -                    | (25)                       |
| Australian WorkCover Refund for Prior Years                                             | 1,292                    | (387)                | 905                        |
| Acquisition Search & Setup Costs                                                        | (621)                    | 216                  | (405)                      |
| Merger Costs of Mainfreight International and Owens International                       | (198)                    | 65                   | (133)                      |
| Tax Asset not Previously Recognised now Recognised due to Virtual Certainty of Recovery | -                        | 1,706                | 1,706                      |
|                                                                                         | <b>\$17,419</b>          | <b>\$1,600</b>       | <b>\$19,019</b>            |



Chartered Accountants

To the Shareholders of Mainfreight Limited

We have audited the financial statements on pages 71 to 125. The financial statements provide information about the past financial performance of the company and group and their financial position as at 31 March 2008. This information is stated in accordance with the accounting policies set out on pages 77 to 89.

This report is made solely to the company's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### Directors' Responsibilities

The directors are responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and give a true and fair view of the financial position of the company and group as at 31 March 2008 and of their financial performance and cash flows for the year ended on that date.

#### Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the directors and report our opinion to you.

#### Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the circumstances of the company and group, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Ernst & Young provides taxation and accounting advice and due diligence services to the company and group.

#### Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the company as far as appears from our examination of those records; and
- the financial statements on pages 71 to 125:
  - comply with generally accepted accounting practice in New Zealand; and
  - give a true and fair view of the financial position of the company and group as at 31 March 2008 and their financial performance and cash flows for the year ended on that date.

Our audit was completed on 27 June 2008 and our unqualified opinion is expressed as at that date.

*Ernst & Young*

Auckland

### Directors

The following people held office as Directors during the year and received the following remuneration including benefits during the year.

| Name                | Remuneration | Current Director or Date Appointed or Resigned |
|---------------------|--------------|------------------------------------------------|
| Bruce Plested ^ ^   | \$309,000    | Current                                        |
| Don Braid #         | \$1,185,000  | Current                                        |
| Don Rowlands        | \$70,000     | Current                                        |
| Neil Graham         | \$70,000     | Current                                        |
| Carl Howard-Smith * | \$70,000     | Current                                        |
| Richard Prebble     | \$70,000     | Current                                        |
| Bryan Mogridge      | \$70,000     | Current                                        |
| Emmet Hobbs         | \$70,000     | Current                                        |

^ ^ Excludes interest on advances (refer to note 26 to the Financial Statements).

# Includes performance bonuses, vehicle and other non-cash remuneration but excludes share based payments.

\* Excludes legal and trustee fees (refer to note 26 to the Financial Statements).

### Employees' Remuneration

The Mainfreight Group paid remuneration including benefits during the year in excess of \$100,000 in the following bands (excluding directors):

|                       | NZ Based<br>Number of<br>Employees | Overseas Based<br>Number of<br>Employees |                       | NZ Based<br>Number of<br>Employees | Overseas Based<br>Number of<br>Employees |
|-----------------------|------------------------------------|------------------------------------------|-----------------------|------------------------------------|------------------------------------------|
| \$100,000 - \$110,000 | 20                                 | 42                                       | \$260,000 - \$270,000 | -                                  | 1                                        |
| \$110,000 - \$120,000 | 10                                 | 18                                       | \$270,000 - \$280,000 | 2                                  | -                                        |
| \$120,000 - \$130,000 | 4                                  | 12                                       | \$280,000 - \$290,000 | -                                  | -                                        |
| \$130,000 - \$140,000 | 6                                  | 10                                       | \$290,000 - \$300,000 | -                                  | 1                                        |
| \$140,000 - \$150,000 | 7                                  | 13                                       | \$300,000 - \$310,000 | 1                                  | 4                                        |
| \$150,000 - \$160,000 | -                                  | 3                                        | \$310,000 - \$320,000 | -                                  | -                                        |
| \$160,000 - \$170,000 | 4                                  | 4                                        | \$320,000 - \$330,000 | 1                                  | -                                        |
| \$170,000 - \$180,000 | 1                                  | 8                                        | \$340,000 - \$350,000 | 1                                  | -                                        |
| \$180,000 - \$190,000 | 1                                  | 2                                        | \$350,000 - \$360,000 | -                                  | -                                        |
| \$190,000 - \$200,000 | 2                                  | 3                                        | \$390,000 - \$400,000 | -                                  | 1                                        |
| \$200,000 - \$210,000 | -                                  | 4                                        | \$410,000 - \$420,000 | 1                                  | -                                        |
| \$210,000 - \$220,000 | -                                  | 4                                        | \$420,000 - \$430,000 | -                                  | 1                                        |
| \$220,000 - \$230,000 | -                                  | -                                        | \$440,000 - \$450,000 | 1                                  | 1                                        |
| \$230,000 - \$240,000 | 1                                  | -                                        | \$560,000 - \$570,000 | -                                  | 1                                        |
| \$240,000 - \$250,000 | -                                  | 1                                        | TOTAL NUMBER          |                                    |                                          |
| \$250,000 - \$260,000 | -                                  | 1                                        | OF EMPLOYEES          | 63                                 | 135                                      |

Overseas based remuneration is converted to New Zealand dollars.

### Donations and Auditors' Fees

Donations and auditors' fees are set out in note 6 of the Financial Statements.

### Directors' Shareholdings at Balance Date

|                                                                  | 2008       | 2007       |
|------------------------------------------------------------------|------------|------------|
| BG Plested – shares held with beneficial interest                | 17,146,196 | 17,817,766 |
| – held by associated persons                                     | 1,325,900  | 1,334,060  |
| NL Graham – shares held with beneficial interest                 | 6,400,517  | 6,400,517  |
| CG Howard-Smith – held as trustee of staff share purchase scheme | 33,090     | 33,090     |
| – shares held with beneficial interest                           | 300,000    | 300,000    |
| DD Rowlands – shares held with beneficial interest               | 569,482    | 569,482    |
| B Mogridge – shares held with beneficial interest                | 200,000    | 200,000    |
| E Hobbs – shares held with beneficial interest                   | 100,000    | 100,000    |
| DR Braid – shares held with beneficial interest                  | 2,757,890  | 2,057,890  |
| – held by associated persons                                     | 11,358     | 10,358     |
| RW Prebble – shares held with beneficial interest                | 330,400    | 368,000    |
| TOTAL                                                            | 29,174,833 | 29,191,163 |

Directors' shareholdings at balance date were 30.21% of total shares issued.

**Substantial Security Holders**

The following information is given pursuant to Section 26 of the Securities Markets Act 1988.

The following are recorded by the Company as at 3 June 2008 as Substantial Security Holders in the Company, and have declared the following relevant interest in voting securities under the Securities Markets Act 1988:

|                                                                |            |
|----------------------------------------------------------------|------------|
| BG Plested & C Howard-Smith as trustees of Pie Melon Bay Trust | 17,117,766 |
| Fisher Funds Management Limited                                | 7,101,035  |
| Accident Compensation Corporation                              | 6,677,144  |
| NZ Superannuation Fund Nominees Ltd                            | 5,869,264  |

The total number of voting securities issued by the Company as at 3 June 2008 was 96,569,190.

**Largest Security Holders as at 3 June 2008**

|                                                                |            |        |
|----------------------------------------------------------------|------------|--------|
| BG Plested & C Howard-Smith as trustees of Pie Melon Bay Trust | 17,117,766 | 17.73% |
| National Nominees NZ Ltd                                       | 9,762,895  | 10.11% |
| TEA Custodians Ltd                                             | 8,652,626  | 8.96%  |
| Accident Compensation Corporation                              | 6,471,096  | 6.70%  |
| NZ Superannuation Fund Nominees Ltd                            | 5,876,660  | 6.09%  |
| Citibank Nominees (New Zealand) Ltd                            | 4,383,579  | 4.54%  |
| HSBC Nominees (New Zealand) Ltd                                | 3,540,169  | 3.67%  |
| NL Graham Family Trust                                         | 3,200,259  | 3.31%  |
| HM Graham Family Trust                                         | 3,200,258  | 3.31%  |
| DR Braid Family Interests                                      | 2,757,890  | 2.86%  |
| FNZ Custodians Ltd                                             | 1,451,811  | 1.50%  |
| Custody and Investment Nominees Ltd                            | 1,078,571  | 1.12%  |
| Custodial Services Ltd                                         | 1,037,030  | 1.07%  |
| J Hepworth                                                     | 882,837    | 0.91%  |
| KM Drinkwater Family Interests                                 | 650,000    | 0.67%  |
| DD Rowlands                                                    | 569,482    | 0.59%  |
| ASB Nominees Limited                                           | 558,414    | 0.58%  |
| Masfen Securities Ltd                                          | 550,000    | 0.57%  |
| New Zealand Equity Nominee Pool                                | 547,278    | 0.57%  |
| ANZ Nominees Ltd                                               | 543,588    | 0.56%  |

**Spread of Security Holders as at 3 June 2008**

| Size of Shareholding | Number<br>of Holders | %       | Total Number<br>Held | %       |
|----------------------|----------------------|---------|----------------------|---------|
| 1 - 999              | 595                  | 17.78%  | 285,373              | 0.31%   |
| 1,000 - 4,999        | 1,734                | 51.81%  | 3,862,610            | 4.00%   |
| 5,000 - 9,999        | 536                  | 16.01%  | 3,490,592            | 3.61%   |
| 10,000 - 49,999      | 390                  | 11.65%  | 6,524,003            | 6.76%   |
| 50,000 - 99,999      | 38                   | 1.14%   | 2,617,082            | 2.71%   |
| 100,000 - 999,999    | 41                   | 1.22%   | 11,258,921           | 11.66%  |
| 1,000,000 - PLUS     | 13                   | 0.39%   | 68,530,609           | 70.97%  |
| TOTAL                | 3,347                | 100.00% | 96,569,190           | 100.00% |

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**Interests Register**

The following entries were made in the interests register during the year.

| Name of Director<br>or other Person<br>having Interest | Details of Interest                                                                                                                         | Date Interest<br>Disclosed |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Bruce Plested                                          | Received 28,430 shares from estate of associate for nil consideration.                                                                      | 8 September 2007           |
|                                                        | Sold 700,000 shares off market to a fellow director for 710c per share.                                                                     | 22 November 2007           |
| Don Braid                                              | Offered and accepted 500,000 partly paid redeemable ordinary shares paid to 1c and held in trust by Mainfreight Share Scheme Trust Limited. | 20 September 2007          |
|                                                        | Purchased 700,000 shares off market from a fellow director for 710c per share.                                                              | 22 November 2007           |
| Richard Prebble                                        | Resignation as Trustee of Superannuation Scheme that held 52,600 shares at market value.                                                    | 24 September 2007          |
|                                                        | Purchase of 15,000 shares on market at average price of 657c per share.                                                                     | 20 December 2007           |

### Five Year Review

The table below provides a summary of key performance and financial statistics.

|                                          | Notes | 2008<br>\$000 | 2007<br>\$000 | 2006<br>\$000 | 2005<br>\$000 | 2004<br>\$000 |
|------------------------------------------|-------|---------------|---------------|---------------|---------------|---------------|
| Net Sales Continuing Operations          |       | 911,719       | 758,206       | 686,119       | 675,625       | 522,780       |
| Net Sales Discontinued Operations        |       | 32,447        | 209,991       | 200,392       | 181,418       | 137,094       |
| EBITDA Continuing Operations             | 1     | 74,334        | 63,945        | 52,748        | 39,708        | 24,719        |
| EBITDA Discontinued Operations           | 1     | 690           | 10,346        | 10,727        | 5,813         | 4,639         |
| Surplus before Abnormals, Interest & Tax |       | 64,335        | 65,207        | 49,336        | 30,381        | 17,030        |
| Abnormals                                | 2     | -61,893       | -17,419       | 0             | 6,238         | 2,262         |
| EBIT Continuing Operations               | 3     | 63,725        | 55,886        | 39,769        | 19,529        | 11,272        |
| EBIT Discontinued Operations             | 3     | 62,503        | 26,740        | 9,567         | 4,614         | 3,496         |
| Net Interest Cost                        |       | 3,168         | 5,143         | 5,987         | 5,188         | 4,571         |
| Goodwill Amortisation                    |       | 0             | 0             | 4,931         | 5,184         | 3,830         |
| Net Surplus (NPAT)                       | 4     | 101,622       | 60,600        | 28,344        | 13,520        | 5,968         |
| PRO-FORMA CASHFLOW                       | 5     | 50,008        | 52,391        | 41,352        | 26,626        | 16,736        |
| Net Revaluations Recognised              | 6     | 43,607        | 38,497        | 32,544        | 0             | 0             |
| Net Tangible Assets                      | 6     | 153,900       | 136,454       | 97,372        | 44,272        | 27,378        |
| Net Debt                                 | 7     | 79,891        | 71,133        | 61,688        | 58,915        | 76,967        |
| Total Assets                             |       | 478,985       | 360,790       | 317,955       | 238,931       | 286,444       |
| EBIT Margin (before Abnormals) (%)       |       | 7.1           | 8.6           | 7.2           | 4.5           | 3.3           |
| Equity Ratio (%) after Revaluation       | 8     | 32.1          | 37.8          | 30.6          | 18.5          | 9.6           |
| Equity Ratio (%) before Revaluation      | 8     | 25.3          | 30.4          | 22.7          | 18.5          | 9.6           |
| Return on NTA (%) after Revaluation      | 9     | 66.0          | 44.4          | 29.1          | 30.5          | 21.8          |
| Return on NTA (%) before Revaluation     | 9     | 92.1          | 61.9          | 43.7          | 30.5          | 21.8          |
| Net Interest Cover (x)                   | 10    | 20.31         | 12.68         | 8.24          | 5.86          | 3.73          |
| EARNINGS PER SHARE (cps)                 | 11    | 105.23        | 62.81         | 29.51         | 14.14         | 6.93          |
| Adjusted Earnings per Share (cps)        | 11,12 | 39.74         | 46.41         | 29.51         | 18.60         | 8.33          |
| Pro-forma Cashflow per Share (cps)       | 11    | 51.78         | 54.30         | 43.06         | 27.84         | 19.44         |
| NTA per Share (cps)                      | 11    | 159.37        | 141.43        | 101.38        | 46.30         | 31.80         |

#### Notes:

- EBITDA is defined as earnings before net interest expense, tax, depreciation, amortisation, abnormals, share based payment expense, minority interests and associates.
- Abnormal items for the year ended 31 March 2004 relate to restructuring costs in Owens Group Ltd.  
Abnormal items for the year ended 31 March 2005 relate to restructuring costs in Owens Group Ltd and the writeoff of an investment in Mainfreight Ltd.  
Abnormal items for the year ended 31 March 2007 relate to gain on sale of associate company Rakino, prior year Workplace Cover refunds in Australia, amalgamation costs of Mainfreight International and Owens International and acquisition search costs.  
Abnormal items for the year ended 31 March 2008 relate to gain on sale of subsidiary companies LEP International NZ & Australia, Pan Orient and Kurada No8 and further gain on sale of associate company Rakino.
- EBIT is defined as earnings before interest and tax and associates.
- Net Surplus (NPAT) is net profit after tax, abnormals and minorities but before dividends.
- Pro-forma Cashflow is defined as NPAT before amortisation of goodwill, depreciation, minorities and associates excluding abnormals.
- Net Tangible Assets included in previous years 75% of LEP International (NZ) Ltd and 75% of LEP International Pty Ltd. Net Tangible Assets includes Software.  
Land was first revalued in 2006 by \$32,811,000, in 2007 by \$6,230,000 and by \$5,500,000 in 2008.
- Net debt is long term plus short term debt less cash balances.
- Equity Ratio is Net Tangible Assets as a percentage of Total Assets.
- Return on NTA is Net Surplus as a percentage of Net Tangible Assets.
- Net Interest Cover is Surplus before Abnormals, Interest and Tax divided by Net Interest Cost.
- Per Share calculations are based on the average issued capital in each year – 96.569 million Shares in 2008.
- Adjusted Earnings per Share figures are based on Net Surplus with tax affected abnormal items added back.

PROXY FORM ADMISSION CARD

## Annual Meeting 31 July 2008, 2.30pm

Great Northern Room, Ellerslie Events Centre  
Ellerslie Race Course  
80-100 Ascot Avenue  
Greenlane, Auckland

**If you propose to ATTEND the Meeting:**

Bring this Admission Card and Proxy/Voting form intact.

**If you do NOT propose to ATTEND the Meeting but wish to be represented by proxy:**

Complete the Proxy/Voting form below, detach this Admission Card and fold the form as indicated, seal and mail.

The form is pre-addressed and requires no postage stamp if posted in New Zealand.

## Proxy Form

(Detach and return by mail if you do not propose to attend the meeting)

Holder No. \_\_\_\_\_ No. of voting securities \_\_\_\_\_

I/We \_\_\_\_\_

being a shareholder/shareholders of Mainfreight Limited, hereby appoint\*

Name: \_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to exercise my/our vote at the Annual Meeting of the Company to be held on 31 July 2008 and at any adjournment of that meeting.

*\* If you wish, you may appoint as your proxy "The Chairman of the Meeting".*

*Unless otherwise instructed, the proxy will vote as he/she thinks fit.*

*Should you wish to direct the proxy how to vote, please indicate with a (✓) in the appropriate boxes below.*

### VOTING INSTRUCTIONS/VOTING PAPER

This part of the form can be used either as voting instructions for a proxy or as a voting paper at the meeting (if a poll is called).

This form is to be used to vote as follows on the resolutions below.

(Please note that if the shares are held jointly, the voting instructions given in this section are given on behalf of each joint holder).

Holder No. \_\_\_\_\_ No. of voting securities \_\_\_\_\_

|                                                         | Tick (✓) the box that applies: | For                      | Against                  |
|---------------------------------------------------------|--------------------------------|--------------------------|--------------------------|
| 1. To receive the Annual Report                         |                                | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Re-election of Neil Graham as a director             |                                | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Re-election of Bryan Mogridge as a director          |                                | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Re-election of Richard Prebble as a director         |                                | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. To authorise directors to fix auditors' remuneration |                                | <input type="checkbox"/> | <input type="checkbox"/> |

Usual Signature(s) \_\_\_\_\_ Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

## NOTES

1. As a shareholder you may attend the meeting and vote, or you may appoint a proxy to attend the meeting and vote in your place. A proxy need not be a shareholder of the Company.
2. If you are joint holders of shares each of you must sign this Proxy Form. If you are a company this Proxy Form must be signed on behalf of the company by a person acting under the company's express or implied authority.
3. Proxy Forms must be produced to the office of Mainfreight's share registrar, Computershare Investor Services Limited, either by fax to 64 9 488 8787, by delivery to Level 2, 159 Hurstmere Road, Takapuna, North Shore City, Auckland, New Zealand, by mail to Private Bag 92119, Auckland 1142, New Zealand so as to be received not later than 2.30pm on 29 July 2008.
4. If this Proxy Form has been signed under a power of attorney a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company with this Proxy Form.
5. If you return this form without directing the proxy how to vote on any particular matter, the proxy will vote as he or she thinks fit. If a vote is required on any matter at the meeting in addition to the matters on the agenda, the proxy may vote or abstain from voting on that matter as he or she thinks fit.
6. Notification of change of address: Should the address to which this Proxy Form was sent be incorrect, please complete and return the details below, regardless of whether or not you are appointing a proxy.

Previous address:

Present address:

TEAR

TEAR

FreePost Authority Number 3948



**The Share Registrar  
Mainfreight Limited  
C/- Computershare Investor Services Limited  
Private Bag 92119  
Auckland 1142  
New Zealand**

FOLD

FOLD

### MAILING INSTRUCTIONS

- |          |                                                                                                                                                                                                                                                                                                                                    |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b> | <b>If mailing Proxy Form from within New Zealand</b> , use this Proxy Form as a reply paid envelope by following the directions below:<br><ul style="list-style-type: none"><li><b>i</b> Tear off Admission Card</li><li><b>ii</b> Fold along line indicated</li><li><b>iii</b> Seal with tape</li></ul>                           |
| <b>2</b> | <b>If mailing Proxy Form from outside New Zealand</b> , place Proxy Form in an envelope and affix the necessary postage from the country of mailing. Address to:<br><br><b>The Share Registrar<br/>Mainfreight Limited<br/>c/- Computershare Investor Services Limited<br/>Private Bag 92119<br/>Auckland 1142<br/>New Zealand</b> |

# Directory

## BOARD OF DIRECTORS

Bruce G. Plested, CA, Executive Chairman  
Donald R. Braid, Group Managing Director  
Donald D. Rowlands, CBE  
Neil L. Graham, QBE  
Carl G. O. Howard-Smith, LLB  
The Hon. Richard W. Prebble, BA, LLB (Hons)  
Emmet J. Hobbs, BA, Bloody Nice Guy  
Bryan W. Mogridge, ONZM, FNZID

## REGISTERED & ADMINISTRATION OFFICE

2 Railway Lane, Otahuhu  
Auckland 1062  
PO Box 14038, Panmure  
Auckland 1741  
Tel +64 9 259 5500  
[www.mainfreight.com](http://www.mainfreight.com)

## OVERSEAS OFFICES

Mainfreight Distribution Pty Ltd  
1653 Centre Road  
Clayton, Victoria 3168  
Australia  
Tel +61 3 9265 5300  
[www.mainfreight.com.au](http://www.mainfreight.com.au)

Mainfreight International Pty Ltd  
Trade Park Drive  
Tullamarine, Victoria 3043  
Australia  
Tel +61 3 9330 6000  
[www.mainfreight-international.com.au](http://www.mainfreight-international.com.au)

CaroTrans International Inc  
2401 Morris Avenue  
Union, NJ 7083  
United States of America  
[www.carotrans.com](http://www.carotrans.com)

Mainfreight Inc  
1400 Glenn Curtiss Street  
Carson, CA 90746  
United States of America  
[www.mainfreightusa.com](http://www.mainfreightusa.com)

Mainfreight Express Hong Kong  
Unit 2502, 25/F, Skyline Tower  
39 Wang Kwong Road  
Kowloon Bay  
Hong Kong  
[www.mainfreight.com](http://www.mainfreight.com)

Mainfreight Express Shanghai  
Room 905, Jintiandi International Mansion  
No 998 Ren Ming Road  
Shanghai 200021  
China  
[www.mainfreight.com](http://www.mainfreight.com)

## AUDITORS

Ernst & Young  
Ernst & Young AXA Building  
41 Shortland Street  
PO Box 2146  
Auckland

## BANKERS

Westpac Banking Corporation  
PricewaterhouseCoopers Building  
188 Quay Street  
PO Box 934  
Auckland

## SHAREBROKER AND ADVISOR

ASB Securities Ltd  
ASB Bank Centre  
135 Albert Street  
PO Box 35  
Auckland

## INVESTMENT ADVISORS

Grant Samuel and Associates Ltd  
Vero Centre  
48 Shortland Street  
Auckland

## LAWYERS

Howard-Smith & Co  
445 Lake Road, Takapuna  
Private Bag 33339  
Auckland

Bell Gully  
Barristers & Solicitors  
Vero Centre  
48 Shortland Street  
PO Box 4199  
Auckland

## SHARE REGISTRY

Computershare Registry Services Ltd  
Level 2, 159 Hurstmere Road, Takapuna  
Private Bag 92119  
Auckland

## ANNUAL REPORT BY

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Please visit our website to learn more about us,  
and for investor information:

[www.mainfreight.com](http://www.mainfreight.com)

For career opportunities visit:  
[www.mainfreightcareers.com](http://www.mainfreightcareers.com)

**Please visit our website if you wish to obtain  
an electronic version of this annual report.**



DAILY FREIGHT

OWENS



CaroTrans



“It’s invigorating to be part of a board  
that’s so passionate and decisive.”

*Bryan Mogridge*