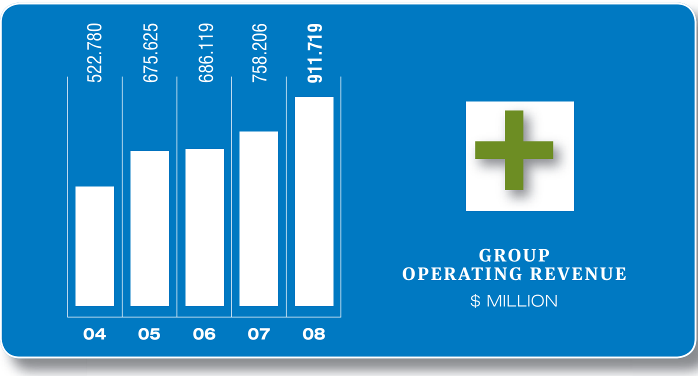
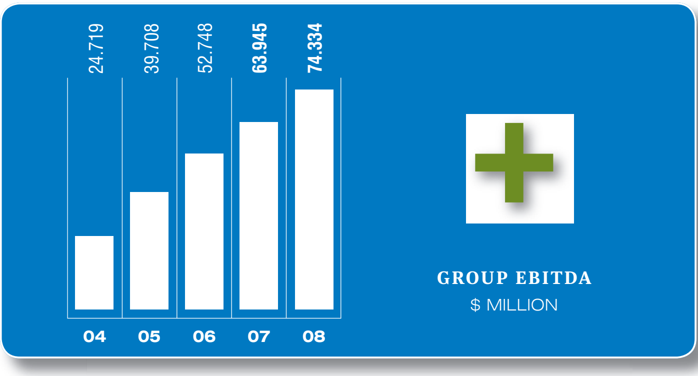
ANNUAL REPORT 2008

MAINFREIGHT

Results in Brief

	2008 $000	2007 $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





Glossary of Terms

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

Contents

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

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.

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.

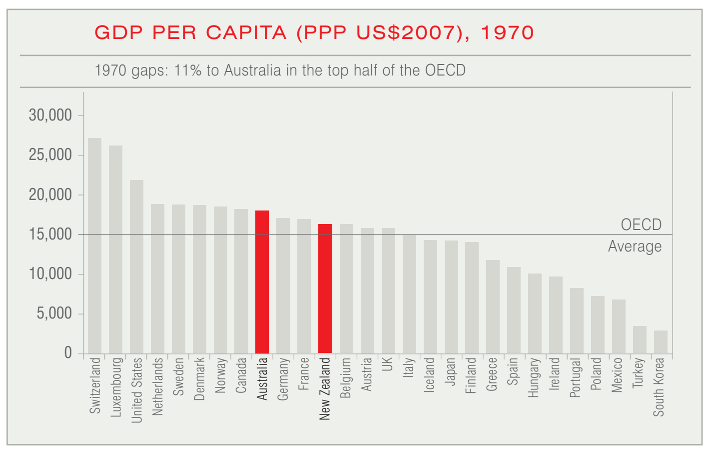
Our most recent acquisition in the USA in 2007 enables us to further develop a domestic freight and logistics service and, importantly, a retail air and sea international freight business.

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?

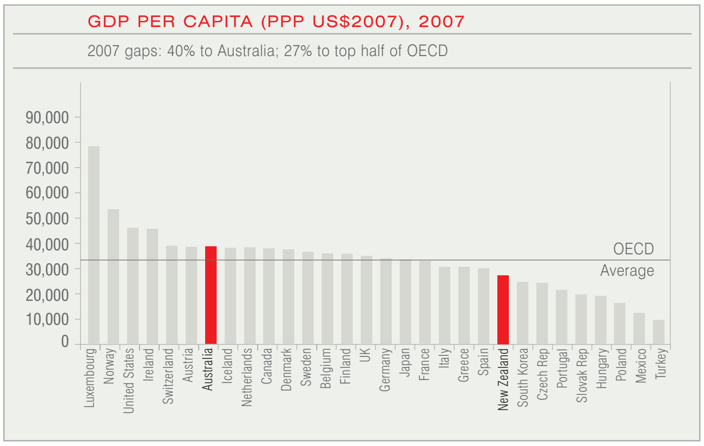
As can be seen in the graphs below, New Zealand has steadily declined in relation to the other 30 developed nations of the world, those measured by the Organization for Economic Cooperation and Development (OECD).

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.



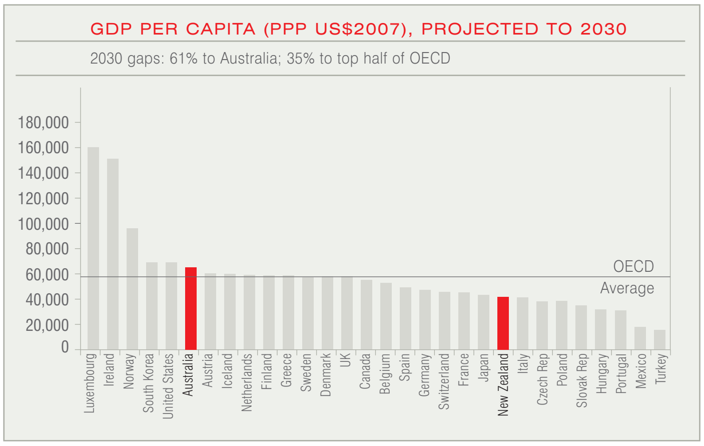
The Conference Board and Groningen Growth and Development Centre, Total Economy Databse, January 2008.

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.



The Conference Board and Groningen Growth and Development Centre, Total Economy Databse, January 2008.

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:



The Conference Board and Groningen Growth and Development Centre, Total Economy Databse, January 2008.

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

Michael Lofaro from Mainfreight and Eric from Mai Fai, Shenzhen

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.

Steve Grace, Mainfreight, Christchurch


MAINFREIGHT
STEVE
GRACE
BRANCOTT
39197

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.

Christian Aliste, Mainfreight, Sydney

“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.

Mainfreights new super site, Prestons, Sydney.

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.

Doug Thompson, Mainfreight, Los Angeles


LOS ANGELES
C/NO.
MADE IN CHINA

“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


MAINFREIGHT

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.

Ekin Zhu, Mainfreight, Shanghai

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_2 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_2 (Carbon Dioxide), CH_4 (Methane), N_4O (Nitrous Oxide), HFCs (Hydroflurocarbons), PFCs (Perflurocarbons), SF_6 (Sulphur Hexafluoride), as units of CO_2 equivalent (CO_2**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_2e*
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 Kawau, 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, Tolua 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 Dalten-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 Muaulu, Maree Absolum, Maree Toa, Mark Lane, Mark Newman, Mark Posa, Martin Owen, Matt Wedding, Maureen Paine, Maurie Phillips, Max Muaulu, Mellissa Wearing, Merv Scown, Michael Taufa, 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, Quinntin 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, Tonee Martin, Tracy Blair, Tuaine Tarau, Tyronne 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 Tuhoy, Paul Arras, Robert Pearson, Robin Given, Sharon Flannery, Simone Brett. Mainfreight Dunedin: Alana Mutch, Alf Bell, Andrew Laurie, Barry Clark, Cameron Power, Chris Marsden, Chris Were, Derek Saville, Doug McElhinney, Doug Melrose, Gary Rzepecky, Glen McLennan, Graeme Clark, Greg Colston, Greg Tod, Jeff Blanc, Kamm Kawau, 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, Donavan Walker, Donna Everaarts, Donna Insley, Dwayne Dickey, Ernie Muru, Eru Whareringa, 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 Hawkings, Ryan Tuck, Scott Allison, Scott Taumata, Shane Hansen, Shane Pratt, Sonny Runga, Tama Skipper, Tirohanga Forbes, Tom Kumitau, Trudy Te Aho, Warren Hindrup, Wayne Bryant, Wayne Burton, Wayne Goodwin, Wesly King. Mainfreight International Auckland: Alice Menzies, Amanda Rhodes, Andrew Thomson, Ange Quedley, Annette Webb, Arti Prasad, Benjamina 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 Kesha, Jennifer Barrett, Jennine Cosgrave, Joel Pereira, Jon Gundy, Joshua Chellatamby, Kara Lawson, Karen Atafu, 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 Leaupepe, Rebecca Sell, Rewa Hauraki, Ross Benn, Saman Bigharaz, Sarah Olo, Sean Dillon, Shane Douglas, Simona Nelisi, 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 Gwillim, Kitt Taylor, Melody Griffiths, Nathan Thomas, Natthew 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, Nilesh Bhuthadia, Paul Derbyshire, Paul Woller, Peter Webster, Raagni Sahay, Richard Daldy, Roger van Dorsten. 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Mainfreight Distribution Sydney: Adrian Chanthavong, Alex Chakkour, 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 Whitcher, Fadi Michel Al-Mallou, Filipine 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, Laisenia Burewe, Laze Dojcinovski, 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 Zacovich, Pamela Dilucchio, Paul Plunkett, Phillip Mati-Leifi, Pramod Kumar, Pushp Sharma, Randhir Singh, Rangimarie Takiari, Ravind Chandra, Ray Hanson, Ray Rylewski, Raymond Freeman, Reginald Woonton, Rita Dinkha, Robert Seisun, Ron Hill, Ross Griffin, Ruth Mercer, Saipele Salelesi, Salesh 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, Monicque 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 Sebastiono 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 Riotto, Marija Golem, Melissa Boffa, Mercedesz 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, Tracey Lane, Tracey Walshe, Travis Dellar, Troy Kirwan, Vijaya Dasari, William Brown. Mainfreight International Perth: Brett Gundry, Catherine Foard, Emily Burman, Emma Crisp, James 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 Mattmann, 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, Conor Alexander Farrell, Corey Braid, David Coe, Diane MacKenzie, Emma Atkin, Euguen Charaev, 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, Natalee Fox, Nicholas Clark, Nicole Mogford, Pamela Millhouse, Peter Wilson, Richard Zhang, Sofia Rida, Stacey Lenton, Stephen Anderson, Tony Naumoff, 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 Kortes, Auatama Iese, Bahar Yildrim, 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 Pergoleto, Debbie-lea Maxwell, Dereck 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 Buinqio, 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, Alieu 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 Schloithe, Eric Egitmenoglu, Glenn O'Riley, Tony Ilov. Owens Transport Brisbane: Bobby Barnham, Darren Copland, Dean Ashton, Desmond Bertram, Fereniki Londy, Melvene Costelloe, Michael Kreutzer, Paula Luke, Sandra Ali. Owens Transport Melbourne: Alan Wheeler, Ashley Lewis, Gary Bourchier, 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, Criag 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, Rubinco 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 Salvadore, 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 Lourmas, 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 Piktel, 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, Antanina 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, Jeryck Villahermosa, Jessica Murphy, Julian Yecora, Kai Campbell, Kelly Rodriguez, Kerry Conn, Kristel Lauk, Latonia Kornegay, Laura Litchholt, Louise Ginn, Maria Amorim, Marie Normil, Marina Gilyadov, Mary White, Matthew Spartz, Nancy Silva, Natalie Espino, Nicole Salcedo, Oluseun Makinde, 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, Kari 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 Tauanuu, Siamacl Heshmati, Theresa Iamaleave, Theresa Langell. CaroTrans Miami: Cindy Rafart, Dagoberto Blanch, 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 Ikokwu, 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 Frasch, 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, Lorl 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 Pfitzer, 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 Kanzigg, 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 Kirton, 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, Sheltone Jefferson-Gordun, Sing Kit Leong, Siosaia Makalo, Sofia Juarez, Stephanie L. Williams, Stephen Penn, Susan M. Weiher, Susannah Sloan Beattie, Sylvia Leon, Tamiqua Chargois, Thomas Donahue, Timothy Mosley, Timothy Sargent, Travis Lambros, Valerie Boyd, Varoujan Khrimian, 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 Liang, Vivian Pan, Wendy Niu. Mainfreight Hong Kong: Andy Chan, Aubery Cheung, Charlotte Cheung, Daffy Wong, Derek Cheung, Edmond Cheng, Elton Poon, Fanny Mok, Felix Chiu, Friendy 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, Crystal Wang, 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, Dioce 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!


WILSON LI


RAY

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.

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.

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.

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.

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.

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.

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.

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.

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.

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 Statisitics

1. Percentage of consignment notes received electronically

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

2. Percentage of customer issues received electronically (Helpdesk)

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

3. Percentage of Logistics orders received electronically

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

4.Number of consignments tracked electronically

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

5. Number of House Bill of Ladings received electronically

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

6. Automated EDI status messages sent to customers

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

7. Warehouse orders tracked electronically

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

8. International shipments tracked electronically

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

9. Electronic Stock on hand enquiries

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

Linda Huang, Mainfreight, Shanghai.


MAINFREIGHT

Targets and Achievements

2007		2008	
TARGET	STATUS	TARGET	STATUS
• To have identified and completed successful acquisitions in Australia and the USA	• Completed in the USA; likely 2008 for Australia	• To have revenues exceeding $1 billion	• On target for the 2009 financial year
• To have a business in the United Kingdom contributing significantly to our international divisions	• No longer an option and now a consideration for European expansion	• To have our offshore interests generating more profit than our New Zealand businesses	• Achieved 45% of net profit before abnormals from outside of New Zealand and likely to increase substantially
• To have six or more profitable operations in North East Asia	• Likely 2008 and onward	• To be the dominant LCL logistics supply chain operator in Australasia	• On target
• To have Mainfreight International throughout the USA and generating more revenue than CaroTrans	• 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	• To be achieving in excess of 7% profit before tax in our international divisions	• On target with CaroTrans achieving 5.7% and Mainfreight Asia 15.9%. Currently averaging 4.8% across all international operations
• To have developed a presence in South East Asia and India	• Acquisitions continue to be reviewed	• To begin to have global significance in international logistics using our foundations in USA, Europe, China and Australasia	• On target
• To be seen by the market as a significant New Zealand owned company earning substantial profits offshore for the benefit of New Zealand	• In our considered opinion, we now contribute worthwhile profits to the New Zealand economy from our operations offshore	• To increase the regional networks of Mainfreight International in New Zealand and Australia	• Mainfreight International New Zealand has opened branches in Hamilton and Dunedin. Mainfreight International Australia is yet to establish any additional branches

2009		2010		2011		2012
TARGET	STATUS	TARGET	STATUS	TARGET	STATUS	TARGET
• To be further established as a Global Supply Chain Logistics Operator	• On target	• To have doubled our revenue from our 2006 result	• Likely in 2012 as organic growth and acquisition activity both contribute to our growth	• To be significantly progressed in doubling our revenue from 2006	• On target	• To have more than $2 billion of revenue from worldwide operations
• To have international operations across Europe and the United States, China, India, South East Asia and South America	• On target	• To be well established, with our own businesses, around the world in all countries of trading importance	• On target	• To have more than 300 branch operations around the world	• On target	• To have more than 400 branch operations around the world
• To have established logistics operations in China and the USA with some involvement in domestic distribution	• On target; Target Logistic Services (Mainfreight USA) provides domestic distribution and some logistics services within the USA. China opportunities continue to be reviewed.	• To increase airfreight revenue to match seafreight revenue	• On target			• To have the Mainfreight brand recognised around the world
		• To have CaroTrans established as a worldwide NVOCC operator.	• On target			
• To have our Australian domestic and warehousing operations earning similar profits to that of our New Zealand operations	• Likely during 2012					
• To have our American interests earning more profit than our Australian and New Zealand International operations	• Likely in 2012					
• To have all our international freight forwarding businesses operating on the same technology platform for uniformity in data entry and customer interface	• Likely in 2010					

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 50,000m2 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 m²	2007 m²	2008 m²	2007 m²	2008 m²	2007 m²
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
TOTAL PROPERTIES	216,197	197,285	157,284	111,109	36,983	2,850

GROUP PROPERTY VALUATIONS

	2008 $m	2007 $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

2004	517 consignments for 1 claim
2005	513 consignments for 1 claim
2006	471 consignments for 1 claim
2007	462 consignments for 1 claim
2008	462 consignments for 1 claim

* Claim ratios for Australia are not measured as under Common Carrier Law customers' insurance is direct

LOADING ERRORS NEW ZEALAND

2004	2.75 loading errors per 100 consignments
2005	2.76 loading errors per 100 consignments
2006	2.81 loading errors per 100 consignments
2007	2.95 loading errors per 100 consignments
2008	2.79 loading errors per 100 consignments

LOADING ERRORS AUSTRALIA

2006	2.24 loading errors per 100 consignments
2007	2.33 loading errors per 100 consignments
2008	3.28 loading errors per 100 consignments

NEW ZEALAND DOMESTIC STATISTICS

	This Year	Last Year
Total Tonnes	1,770,989	1,907,088
Total Cubic Metres	4,215,812	4,204,370
Total Consignments	3,178,750	3,088,303
Delivery Performance	95.56%	95.10%

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
Airfreight Inbound and Outbound (kilos)	43,567,769	42,862,595
Seafreight Inbound and Outbound (TEU's)	141,122	134,067
Customs Clearances	60,208	59,700
IATA Ranking		
New Zealand	1st	1st
Australia	32nd	34th

LOGISTICS STATISTICS

	This Year	Last Year
New Zealand		
Inventory Record Accuracy (IRA)	97.8%	98.4%
Orders Processed	390,021	308,144
Facility Utilisation	82%	78%
Warehousing Footprint	78,000m2	89,400 m2
Domestic Consignments Generated	228,803	165,076
Percentage of Domestic Freight	7.2%	5.3%
Australia		
Inventory Record Accuracy (IRA)	97.1%	98.0%
Orders Processed	215,476	109,404
Facility Utilisation	72%	80%
Warehousing Footprint	93,020m2	70,000 m2
Domestic Consignments Generated	104,321	66,328
Percentage of Domestic Freight	10.8%	9.6%

Mainfreight's level of IRA measures location count, inventory condition, systems alignment to inventory count, product integrity, total inventory count.

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 *Mainfreight, Daily Freight, Chemcouriers, Logistics, Owens*	1,613	1,647
NZ International *Mainfreight International, CaroTrans*	137	140
Australian Domestic *Mainfreight Distribution, Logistics, Owens*	667	609
Australian International *Mainfreight International, CaroTrans*	236	208
International *CaroTrans USA, Mainfreight USA, Mainfreight Asia*	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 HELD	MEETINGS 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

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

		Group		Parent	
		2008	2007	2008	2007
	Notes	$000	$000	$000	$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	
		2008	**2007**	**2008**	**2007**
	Notes	$000	$000	$000	$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 Shares	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total	Minority Interests	Total Equity
Balance at 1 April 2007	56,539	38,497	(2,903)	68,180	160,313	5,266	165,579
Changes in equity for the year ended 31 March 2008							
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)
BALANCE AT 31 MARCH 2008	57,124	43,607	(4,889)	154,351	250,193	-	250,193

Consolidated 2007	Ordinary Shares	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total	Minority Interests	Total Equity
Balance at 1 April 2006	55,409	32,267	-	48,124	135,800	4,701	140,501
Changes in equity for the year ended 31 March 2007							
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
BALANCE AT 31 MARCH 2007	56,539	38,497	(2,903)	68,180	160,313	5,266	165,579

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

Parent 2008	Ordinary Shares	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
Balance at 1 April 2007	56,539	37,666	(376)	57,016	150,845
Changes in equity for the year ended 31 March 2008					
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
BALANCE AT 31 MARCH 2008	57,124	42,776	-	154,865	254,765

Parent 2007	Ordinary Shares	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
Balance at 1 April 2006	55,409	31,436	(259)	39,372	125,958
Changes in equity for the year ended 31 March 2007					
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
BALANCE AT 31 MARCH 2007	56,539	37,666	(376)	57,016	150,845

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. 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

(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)	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. 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 raise 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.	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.

(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.

(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.

(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.

(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.

(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.

(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.

(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	2007	2008	2007
	AU$000	AU$000	AU$000	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 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 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	2007	2008	2007
	NZ$000	NZ$000	NZ$000	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 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 Higher / Lower		Equity Higher (Lower)	
	2008	2007	2008	2007
	$000	$000	$000	$000
Consolidated				
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)
Parent				
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	**2007**	**2008**	**2007**
	$000	$000	$000	$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	-
TOTAL	209,049	152,202	42,957	173,156

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	-
TOTAL REVENUE	286,988	102,865	157,101	154,464	237,023	19,274	(46,782)	910,933	33,233	944,166
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
EBITDA	30,011	4,622	10,608	7,423	9,127	1,935	-	63,726	610	64,336
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
TOTAL LIABILITIES	77,691	16,033	34,014	27,524	65,127	11,374	(2,972)	228,792	-	228,792

										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	-
TOTAL REVENUE	276,363	112,598	133,655	149,635	128,551	-	(46,240)	754,562	213,635	968,197
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
EBITDA	27,415	4,033	10,876	6,320	6,385	-	-	55,029	9,794	64,823
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
TOTAL LIABILITIES	116,713	13,007	17,458	18,231	12,598	-	(3,988)	172,476	21,192	195,211

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

The Profit before Taxation is stated:	Group 2008 $000	Group 2007 $000	Parent 2008 $000	Parent 2007 $000
After Charging:				
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	-	-	-
Employee Benefits Expense				
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
TOTAL EMPLOYEE BENEFITS	$163,580	$128,787	$42,270	$37,254
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
After Crediting Other Income:				
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	2007	2008	2007
	$000	$000	$000	$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)	-	-
SURPLUS BEFORE TAXATION AND ASSOCIATES	$122,511	$76,662	$118,784	$60,305
Prima facie taxation at 33% NZ, 30% Australia, 41% USA, Hong Kong 19.0%, China 0% (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)	-
AGGREGATE INCOME TAX EXPENSE	$21,218	$16,320	$5,484	$2,117
Aggregate Income Tax Expense is attributable to:				
Continuing Operations	19,596	15,260	5,484	2,117
Discontinued Operations	1,622	1,060	-	-
	$21,218	$16,320	$5,484	$2,117
Represented by:				
Current Tax	21,723	17,606	5,128	1,761
Deferred Tax	(505)	(1,286)	356	356
	$21,218	$16,320	$5,484	$2,117
Imputation Credit Account				
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
CLOSING BALANCE	$9,070	$6,393	$6,290	$3,335
REPRESENTING CREDITS AVAILABLE TO OWNERS OF THE GROUP AT BALANCE DATE:	$9,070	$6,047	$6,290	$3,335

7 Income Tax continued

Recognised Deferred Tax Assets and Liabilities	Balance Sheet 2008 $000	Balance Sheet 2007 $000	Income Statement 2008 $000	Income Statement 2007 $000
Consolidated				
(i) Deferred Tax Assets				
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		
(ii) Deferred Tax Liabilities				
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)
Parent				
(i) Deferred Tax Assets				
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	$ -	$ -		
(ii) Deferred Tax Liabilities				
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	**2007**
	$000	$000
	Discontinued Operations	Discontinued Operations
Operating Revenue	32,447	209,943
Interest Income	-	48
TOTAL REVENUE	32,447	209,991
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
PROFIT BEFORE TAXATION AND GAIN ON DISPOSAL FOR THE YEAR	645	10,340
Income Tax Expense	(266)	(2,766)
PROFIT AFTER TAXATION BUT BEFORE GAIN ON DISPOSAL FOR THE YEAR	379	7,574
Gain on Disposal Before Taxation	61,893	16,971
Income Tax Effect on Gain on Disposal	(1,356)	1,706
NET PROFIT FOR THE PERIOD	60,916	26,251
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:

	1 June 2007 $000	31 March 2007 $000
Assets		
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
	51,618	53,893
Liabilities		
Trade and other payables	20,507	21,192
	20,507	21,192
Minority Interest	4,984	5,266
Net assets attributable to discontinued operations	26,127	27,435

The net cash flows of discontinued activities are as follows:	31 March 2008 $000	31 March 2007 $000
Operating Activities	460	1,773
Investing Activities	-	(334)
Financing Activities	(450)	(735)
NET CASH INFLOW	10	704
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	60,536	
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	80,123	

9 Dividends Paid and Proposed

	Group		Parent	
	2008	2007	2008	2007
	$000	$000	$000	$000
Recognised Amounts				
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	-	-
Unrecognised Amounts				
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	2007
		$000	$000
For Basic and Diluted Earnings Per Share			
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

	Group 2008 $000	Group 2007 $000	Parent 2008 $000	Parent 2007 $000
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.

Reconciliation to Cash Flow Statement

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 31 March:

	Group 2008 $000	Group 2007 $000	Parent 2008 $000	Parent 2007 $000
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

	Group 2008 $000	Group 2007 $000	Parent 2008 $000	Parent 2007 $000
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:

	Group 2008	Group 2007	Parent 2008	Parent 2007
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:

		Total	0-30 Days	31-61 Days	61-90 Days PDNI*	61-90 Days CI*	+91 Days PDNI*	+91 Days CI*
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 2008 $000	Group 2007 $000	Parent 2008 $000	Parent 2007 $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

Principal Associate Companies all with 31 March Balance Dates include:	Principal Activity	2008 $000 Effective Shareholding	2007 $000 Effective 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 2008 $000	Group 2007 $000	Parent 2008 $000	Parent 2007 $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 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	**2007**
	$000	$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	**2007**
	$000	$000
Shares at Cost	95,045	151,483

Principal Subsidiary Companies all with 31 March Balance Dates include:	**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 & Equipment

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

Consolidated Year Ended 31 March 2008	Freehold Land $000	Freehold Buildings $000	Leasehold Improvements $000	Plant, Vehicles & Equipment $000	Leased Plant, Vehicles & Equipment $000	Work in Progress $000	TOTAL $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, NET OF ACCUMULATED DEPRECIATION 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 & Equipment continued

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

Consolidated Year Ended 31 March 2007	Freehold Land	Freehold Buildings	Leasehold Improvements	Plant, Vehicles & Equipment	Leased Plant, Vehicles & Equipment	Work in Progress	TOTAL
	$000	$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	18,827	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, NET OF ACCUMULATED DEPRECIATION 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 & Equipment continued

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

Parent Year Ended 31 March 2008	Freehold Land $000	Freehold Buildings $000	Leasehold Improvements $000	Plant, Vehicles & Equipment $000	Work in Progress $000	TOTAL $000
At 1 April 2007, net of accumulated depreciation 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 classifications	50	(50)	-	-	-	-
Revaluations	5,500	-	-	-	-	5,500
Depreciation charge for the year	-	(1,974)	(215)	(1,961)	-	(4,150)
AT 31 MARCH 2008, NET OF ACCUMULATED DEPRECIATION 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 and impairment	-	(10,874)	(2,363)	(14,197)	-	(27,434)
NET CARRYING AMOUNT	57,733	77,459	3,266	9,015	-	147,473

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

Parent Year Ended 31 March 2007	**Freehold Land**	**Freehold Buildings**	**Leasehold Improvements**	**Plant, Vehicles & Equipment**	**Work in Progress**	**TOTAL**
	$000	$000	$000	$000	$000	$000
At 1 April 2006, net of accumulated depreciation 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 available for sale	(710)	(957)	-	-	-	(1,667)
Transfer between asset classifications	-	18,827	-	-	(18,827)	-
Revaluations	6,230	-	-	-	-	6,230
Depreciation charge for the year	-	(1,476)	(202)	(1,713)	-	(3,391)
AT 31 MARCH 2007, NET OF ACCUMULATED DEPRECIATION 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 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	**2007**	**2008**	**2007**
	$000	$000	$000	$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 31 March 2008	**Agency Agreements** $000	**Customer Lists/ Rel'ships** $000	**Software** $000	**Goodwill** $000	**Group Total** $000	**Parent Software** $000
At 1 April 2007, net of accumulated amortisation and impairment	-	-	6,077	29,125	35,202	4,523
Adjustment for Movement in 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 subsidiary – (note 29)	3,923	954	232	65,764	70,873	-
AT 31 MARCH 2008, NET OF ACCUMULATED AMORTISATION 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 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 31 March 2008	**Agency Agreements** $000	**Customer Lists/ Rel'ships** $000	**Software** $000	**Goodwill** $000	**Group Total** $000	**Parent Software** $000
At 1 April 2006, net of accumulated amortisation and impairment	-	-	6,790	39,971	46,761	4,947
Adjustment for Movement in Exchange Rate	-	-	(167)	(465)	(632)	-
Additions	-	-	2,325	-	2,325	1,660
Amortisation	-	-	(2,871)	-	(2,871)	(2,084)
Goodwill Attributed to Sold Businesses	-	-	-	(4,271)	(4,271)	-
Assets included in discontinued operation held	-	-	-	(6,110)	(6,110)	-
AT 31 MARCH 2007, NET OF ACCUMULATED AMORTISATION AND IMPAIRMENT	-	-	$6,077	$29,125	$35,202	$4,523
Cost (gross carrying amount)	-	-	24,813	48,472	73,285	16,690
Accumulated amortisation 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.

(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	**2007**
	$000	$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	-
	$91,828	$29,125

(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	**2007**	**2008**	**2007**
	$000	$000	$000	$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

Current	Group 2008 $000	Group 2007 $000	Parent 2008 $000	Parent 2007 $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
Non-Current				
Long Service Leave	550	497	-	-

20 Provisions

	Legal Claims 2008	Legal Claims 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	2007	2008	2007
	$000	$000	$000	$000
Current Assets				
Interest rate swap contracts	-	33	-	33
Current Liabilities				
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	
The Bank Term Loan falls due for repayment	2008	2007	2008	2007
in the following periods:	$000	$000	$000	$000
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

At balance date the Group and Company had the following lease commitments:	Group 2008 $000	Group 2007 $000	Parent 2008 $000	Parent 2007 $000
Finance Lease Liabilities				
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	-	-
Classified in the Statement of Financial Position as:				
Current	415	30	-	-
Non-Current	598	42	-	-
	$1,013	$72	-	-
Operating Lease Commitments (non cancellable)				
– 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 Reported Net Surplus

	Group		Parent	
	2008	**2007**	**2008**	**2007**
	$000	$000	$000	$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 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 Value of Transactions $000	2007 Value of Transactions $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:

Name of Related Party	Nature of Relationship	Type of Transactions	Balance Receivable $000	Balance Receivable $000
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	-
			$22,911	$4,817

Related Party Payables Outstanding at Balance Date:

Name of Related Party	Nature of Relationship	Type of Transactions	Balance Payable $000	Balance Payable $000
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
			$10,617	$68,498

26 Related Parties continued

Transactions with related parties:

	Sales to Related Parties	Purchases from Related Parties	Other Transactions with Related Parties
Consolidated 2008 Year			
Associates:			
Bolwick Ltd – freight sales	224	892	
Mainfreight Express Ltd – freight sales	238	1,500	
Consolidated 2007 Year			
Associates:			
Bolwick Ltd – freight sales	673	2,677	
Mainfreight Express Ltd – freight sales	695	4,501	
Parent 2008 Year			
Subsidiaries – freight sales	16,349	8,014	
Subsidiaries – lease & administration charges	10,021	4,138	
Subsidiaries – dividend revenue			32,918
Associates – dividend revenue			824
Parent 2007 Year			
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** $000	**Costs** $000
C. Howard-Smith	Director & Shareholder	Legal Fees	30	30

Name of Related Party	Type of Transaction	Terms of Settlement	**Balance Payable** $000	**Balance Payable** $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	2007	2008	2007
	$000	$000	$000	$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	2007	2008	2007
	$000	$000	$000	$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:

(a) the 3rd anniversary of the issue date; and

(b) 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 No.	2008 WAEP	2007 No.	2007 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 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 2007	August 2006	September 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:

	Bolwick	Mainfreight Express	Combined Asia
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
Cost of the combination:			
Cash paid	5,952	4,579	10,531
Previous acquisition cost	974	671	1,645
	6,926	5,250	12,176
The cash outflow on acquisition is as follows:			
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	
Cost of the combination:		
Cash paid	70,249	
Direct costs associated with acquisition	2,173	
	72,422	
The cash outflow on acquisition is as follows:		
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
FINANCIAL ASSETS				
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
FINANCIAL LIABILITIES				
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 Higher (Lower)		Equity Higher (Lower)	
	2008	2007	2008	2007
	$000	$000	$000	$000
Consolidated				
+ 1% (100 basis points)	(535)	(452)	(535)	(452)
-.5% (50 basis points)	268	226	268	226
Parent				
+ 1% (100 basis points)	(35)	(831)	(35)	(831)
-.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:

2008 Year	**Pre Tax** $000	**Tax** $000	**After Tax** $000
LEP International & Pan Orient Divestment Gain on Sale	61,733	(1,356)	60,377
Rakino Group Ltd Divestment Gain on Sale	160	-	160
	$61,893	$(1,356)	$60,537

2007 Year	**Pre Tax** $000	**Tax** $000	**After Tax** $000
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
	$17,419	$1,600	$19,019

ERNST & YOUNG

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 Number of Employees	Overseas Based Number of Employees
$100,000 - $110,000	20	42
$110,000 - $120,000	10	18
$120,000 - $130,000	4	12
$130,000 - $140,000	6	10
$140,000 - $150,000	7	13
$150,000 - $160,000	-	3
$160,000 - $170,000	4	4
$170,000 - $180,000	1	8
$180,000 - $190,000	1	2
$190,000 - $200,000	2	3
$200,000 - $210,000	-	4
$210,000 - $220,000	-	4
$220,000 - $230,000	-	-
$230,000 - $240,000	1	-
$240,000 - $250,000	-	1
$250,000 - $260,000	-	1

	NZ Based Number of Employees	Overseas Based Number of Employees
$260,000 - $270,000	-	1
$270,000 - $280,000	2	-
$280,000 - $290,000	-	-
$290,000 - $300,000	-	1
$300,000 - $310,000	1	4
$310,000 - $320,000	-	-
$320,000 - $330,000	1	-
$340,000 - $350,000	1	-
$350,000 - $360,000	-	-
$390,000 - $400,000	-	1
$410,000 - $420,000	1	-
$420,000 - $430,000	-	1
$440,000 - $450,000	1	1
$560,000 - $570,000	-	1
TOTAL NUMBER 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.

STATUTORY INFORMATION

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 of Holders	%	Total Number 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%

Interests Register

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

Name of Director or other Person having Interest	Details of Interest	Date Interest 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 $000	2007 $000	2006 $000	2005 $000	2004 $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
EDITDA 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:

1. EBITDA is defined as earnings before net interest expense, tax, depreciation, amortisation, abnormals, share based payment expense, minority interests and associates.
2. 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.
3. EBIT is defined as earnings before interest and tax and associates.
4. Net Surplus (NPAT) is net profit after tax, abnormals and minorities but before dividends.
5. Pro-forma Cashflow is defined as NPAT before amortisation of goodwill, depreciation, minorities and associates excluding abnormals.
6. 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.
7. Net debt is long term plus short term debt less cash balances.
8. Equity Ratio is Net Tangible Assets as a percentage of Total Assets.
9. Return on NTA is Net Surplus as a percentage of Net Tangible Assets.
10. Net Interest Cover is Surplus before Abnormals, Interest and Tax divided by Net Interest Cost.
11. Per Share calculations are based on the average issued capital in each year – 96.569 million Shares in 2008.
12. Adjusted Earnings per Share figures are based on Net Surplus with tax affected abnormal items added back.

TEAR TEAR

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.

FOLD FOLD

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		
2. Re-election of Neil Graham as a director		
3. Re-election of Bryan Mogridge as a director		
4. Re-election of Richard Prebble as a director		
5. To authorise directors to fix auditors' remuneration		

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

Free

The Share Registrar
Mainfreight Limited
C/- Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand

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MAILING INSTRUCTIONS	
1	**If mailing Proxy Form from within New Zealand,** use this Proxy Form as a reply paid envelope by following the directions below: **i** Tear off Admission Card **ii** Fold along line indicated **iii** Seal with tape
2	**If mailing Proxy Form from outside New Zealand,** place Proxy Form in an envelope and affix the necessary postage from the country of mailing. Address to: **The Share Registrar** **Mainfreight Limited** **c/- Computershare Investor Services Limited** **Private Bag 92119** **Auckland 1142** **New Zealand**

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

OVERSEAS OFFICES

Mainfreight Distribution Pty Ltd
1653 Centre Road
Clayton, Victoria 3168
Australia
Tel +61 3 9265 5300
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

CaroTrans International Inc
2401 Morris Avenue
Union, NJ 7083
United States of America
www.carotrans.com

Mainfreight Inc
1400 Glenn Curtiss Street
Carson, CA 90746
United States of America
www.mainfreightusa.com

Mainfreight Express Hong Kong
Unit 2502, 25/F, Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Hong Kong
www.mainfreight.com

Mainfreight Express Shanghai
Room 905, Jintiandi International Mansion
No 998 Ren Ming Road
Shanghai 200021
China
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

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Mairangi Bay
Auckland
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"It's invigorating to be part of a board that's so passionate and decisive."

Bryan Mogridge