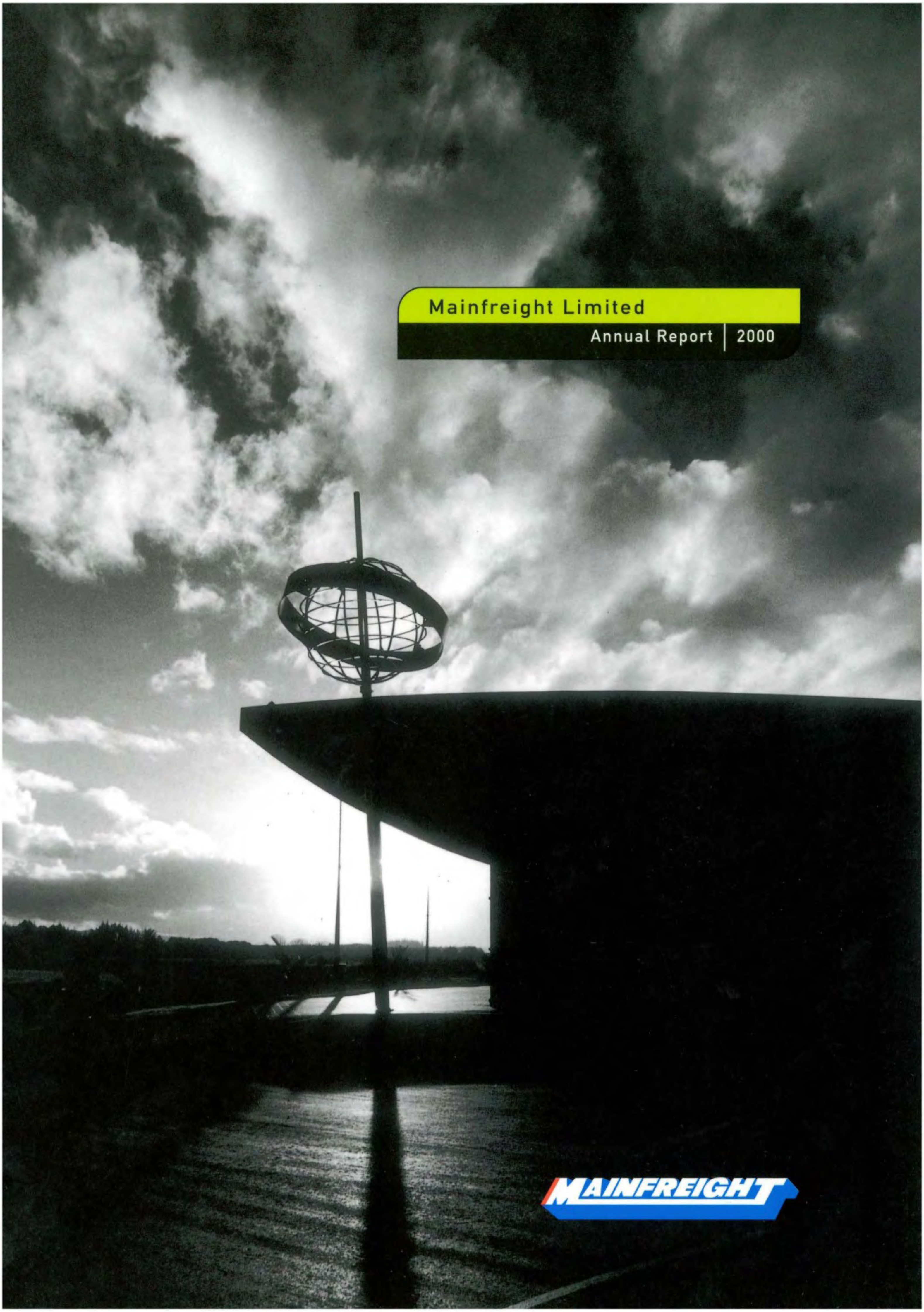


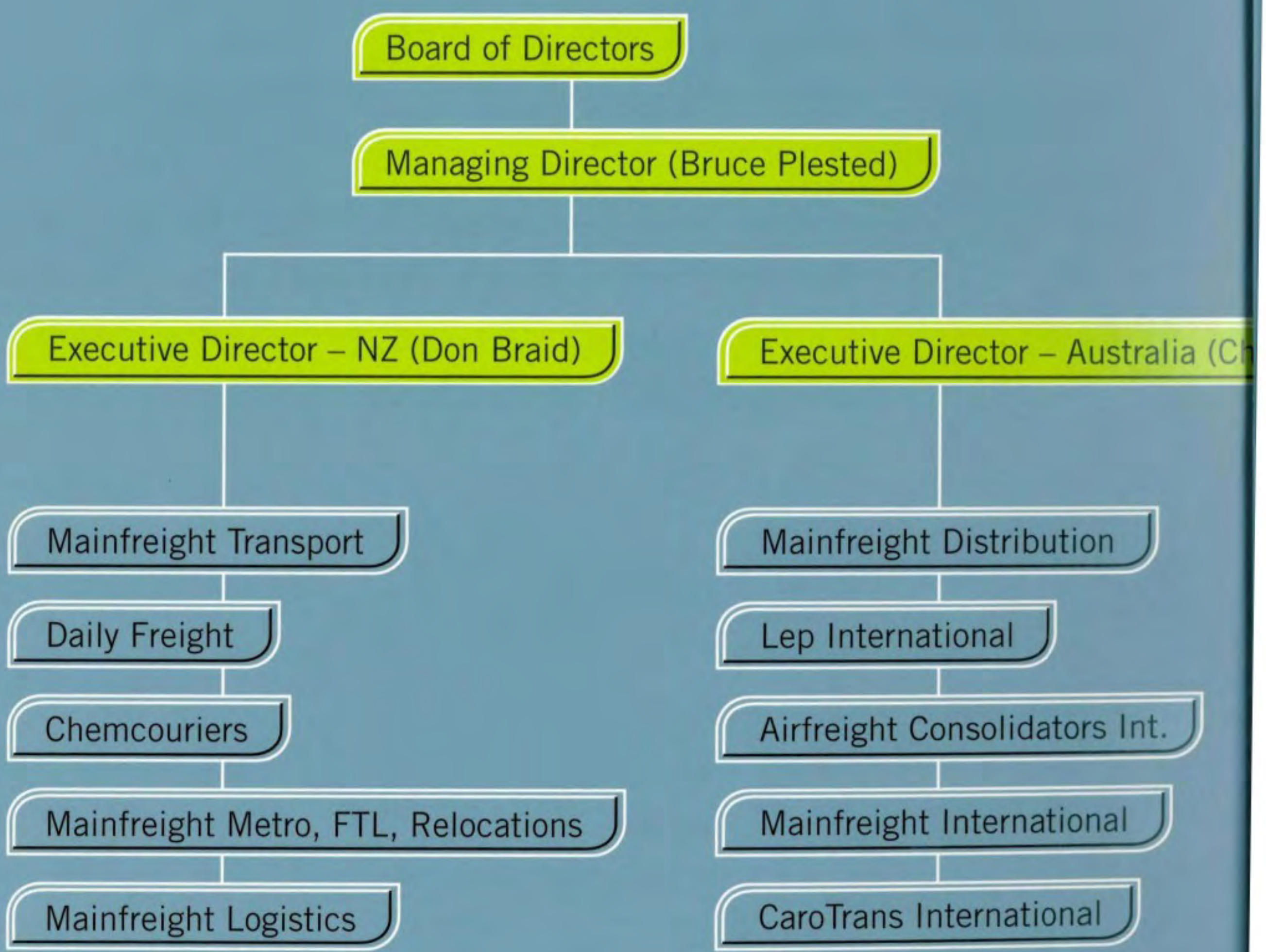
Mainfreight Limited

Annual Report | 2000

MAINFREIGHT

Group structure and management

During 2000, several operational changes were implemented to ensure that recent acquisitions were well-resourced. Th CaroTrans International Inc., coupled with the recent acquisition of the assets of K&S Express has resulted in the followi



These businesses are supported by a team of national managers who take individual responsibility for multiple profit cen

Mainfreight has an autonomous management structure The branch managers are charged with total responsibility for me company targets for growth, profit and development. Support to the branches is provided by the national team on an "as basis. In most other respects the individual managers are expected to run their branches as stand-alone network busines

vestment in
structure:

s Dunphy)

Notice of Meeting

Notice is hereby given that the Annual Meeting of Shareholders will be held at the Mainfreight Westney Road facility, Mangere, on Thursday 27th July 2000 at 2.30pm.

Business

1. **Accounts.** To receive and adopt the Financial Statements together with the report of the Directors and Auditors for the year ended 31 March 2000.
2. **Re-election of Directors.** Mr Don Rowlands, Mr Carl Howard-Smith and The Hon Richard Prebble retire in accordance with the constitution and, being eligible, offer themselves for re-election.
3. **Auditors.** To record the re-appointment of Arthur Andersen as auditors and to authorise the Directors to fix their remuneration for the ensuing year.
4. **Adoption of a New Constitution.** To consider, and if thought fit, to pass the following special resolution:

   That the existing constitution of the Company be revoked and the Company adopt a new constitution in the form tabled at the meeting and signed by the Chairman for the purpose of identification.
5. **Team Member Share Purchase Scheme.** (Section DF7 Income Tax 1994)

   To approve:

   (a) the issue of up to 1,400,000 shares before 1 July 2001 under the Mainfreight Limited Team Member Staff Share Purchase Scheme to the Trustees of the Scheme for the benefit of employees of the Company and its subsidiaries; and

   (b) the provision by the Company of loans to employees of up to $2,000,000 in total before 1 July 2001 to enable employees to purchase shares under the Scheme.

*Explanatory notes on motions 4 and 5 are enclosed with your annual report.

For and on behalf of the Board

Carl Howard-Smith
Director
29 June 2000

Proxies. Any shareholder of the Company entitled to attend and vote at the Annual Meeting is entitled to appoint a proxy to attend the meeting and vote instead of him or her. A proxy need not be a shareholder of the Company. A form of proxy is enclosed in this report.

GREG HOWARD, CAROTRANS INTERNATIONAL

Greg has been Mainfreight International's USA point man through a number of operational changes that eventually resulted in CaroTrans International Inc. in 1999. "CaroTrans gives Mainfreight a tactical reach into global economies through our international seafreight operation."

g
uired"

Mainfreight's **30.4% improvement** in **after-tax profitability**

in 2000 over 1999 is testimony to both a clear strategy and a dedicated team...

Contents

...equally satisfying is that the recent turn-around acquisitions have started to pay back with **growing profits** and will continue to do so

Increasingly global

Mainfreight Limited is a fully integrated service company. The business incorporates a number of different brands with activities ranging from door-to-door domestic transportation, through to supply chain management for customers.

In addition, a range of added-value services extend from temperature-controlled warehousing, through to personal effects relocation.

Mainfreight operates throughout New Zealand and Australia, with agents and partners worldwide. The businesses of the group are managed autonomously, with teams empowered to grow and develop Mainfreight's activities to the betterment of our shareholders and customers.

Mainfreight began in the seventies with two men and a Bedford truck. Today the group has direct investments throughout

New Zealand, Australia, Asia and the USA.

Managing director's review

Any year in which New Zealand held and successfully defended the America's Cup was going to be a good year. Confidence and expectation, combined with the very visible risk taken by a number of young entrepreneurs all around the country, breathed raw oxygen into our small economy with good results for business.

At Mainfreight all our business units either exceeded the previous years results or at least were in recovery mode by year end. In our domestic freight forwarding market sales grew in excess of 10%, and operating profit by 14%, i.e. $1.5m. In Australia Lep produced outstanding turnaround results, resulting in increased profits of $1m over the previous year.

Our after tax profit of $9.0m ($6.9m), an increase of 30.4% over least year, is again a very strong result, reflecting not only a growing economy but also the enormous commitment from our New Zealand and Australian teams.

Sales at $313m ($286m) are up 9.4% on the previous year, reflected in strong domestic sales growth and a full years reporting from Intertraffic TFI Pty Ltd. (The trading name of this business was changed to Mainfreight International Pty Ltd from 1st April 2000).

Carotrans International Inc. U.S.A.

In April 1999 we purchased a 49.5% share in our long time U.S.A. agent CaroTrans International Inc.

CaroTrans is an international wholesale seafreight forwarder operating branches in Los Angeles, Chicago, New Jersey, Baltimore, Charleston, Atlanta, Miami and Houston.

This business is of similar size to each of our international businesses in New Zealand and Australia and quite significantly increases our reputation and opportunity to participate in international freight on a global level. It also further enhances our strength in our prime target area, the Pacific rim.

We also hold a minority shareholding in a small Hong Kong international freight forwarder (trading under the Mainfreight name) and are further developing our business relationship with mainland China through this association.

Auckland - Westney Road Site

As advised in our 1999 annual report, this wonderful 5.2 hectare site, bordering the main road to Auckland's airport, has been developed with a 14,000 M2 environmentally controlled 9M stud warehouse. This is our latest managed warehouse site and also houses Mainfreight International Ltd.

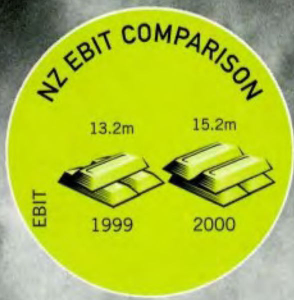
Brisbane Property

Last year I reported on the planned development of a 1.7 hectare site at Hemmant. The purchase of K & S Express caused us to reconsider this site, and in April 2000 we agreed to purchase a fully developed 10,000 M2 freight facility at Rocklea for A$3.35m. The Hemmant site will now be sold.

K & S Express

We have been actively involved in this business since late 1999, although the business was not officially purchased until 1st April 2000. K & S Express (now renamed Mainfreight Distribution Pty Ltd) is the biggest and most exciting purchase in our history.

We now operate a A$66m Australian LCL interstate freighting business with branches in Brisbane, Sydney, Melbourne, Ballarat, Adelaide and Perth, offering nationwide services, lead by Chris Dunphy and Chris Knuth ex Mainfreight New Zealand. The opportunity exists to turn this company from a "me too" business to the market leader in service and profit.



The Year Ahead

This is the year in which we will further enhance our IT and communications abilities between New Zealand, Australia, USA, Singapore and Hong Kong, crossing our whole infrastructure of domestic freight, warehousing and international in New Zealand and Australia. Never have we been closer to making Trans Tasman trading as uncomplicated and reliable as domestic trading.

From combined losses to March 1999 of $600,000, our Australian businesses to March 2000 recorded operating profits over $1,200,000, or 8% of our total before tax and amortisation profits. This percentage is likely to double in the current year, and double again in the following year.

Internationally we are seen as the pre-eminent supply chain operator in this part of the world. It is our intention to build on this Australasian base and our investments in the USA and Hong Kong to further enhance our business relationships throughout the Pacific rim countries and beyond.

Bruce Plested - Managing Director

What we said....what we did

In the 1999 Annual Report we spoke of the year ahead as holding scope for a significant improvement in profitability. Here, we look at how the Group actually measured up.

Managing Director's Review

"we continue to look for opportunities beyond the shores of Australia and New Zealand"

In April 2000 we completed the purchase of a 49.5% shareholding in CaroTrans International Inc. CaroTrans is Mainfreight's first investment in the United States of America. In addition, we are endeavouring to lift our minority shareholding in Mainfreight International Hong Kong – a start-up international seafreight business with 23 employees.

Forwarding

"improved and faster services remain a priority"

Mainfreight has actively pursued a non-trucking approach to inter-island freight movements. During 2000 we sought innovative means of using specialised trailer combinations to improve delivery times between major centres such as Auckland - Christchurch and Wellington - Dunedin. A branch was opened in Cromwell to service the rapidly-expanding wine, film-making and tourism industries of Central Otago.

Logistics

"more companies are seriously considering outsourcing"

The growth in both new customer enquiry and extension of existing contracts has been a significant feature of 2000 in the bulk and managed warehouse activities conducted under the Mainfreight Logistics brand.

Australia

"making it an Australian transport service provider"

During 2000, the decision was taken to expand Mainfreight's domestic activities by way of acquisition. The opportunity to purchase K&S Express occurred in a timely manner, enabling a domestic LCL freight network to be established under the Mainfreight banner.

International

"new accounts that will flow on to improved profitability"

The move to significant profitability by Lep Australia and a reduction in the trading loss incurred by Mainfreight International was due to a management focus on gaining new business without a commensurate increase in operating costs.

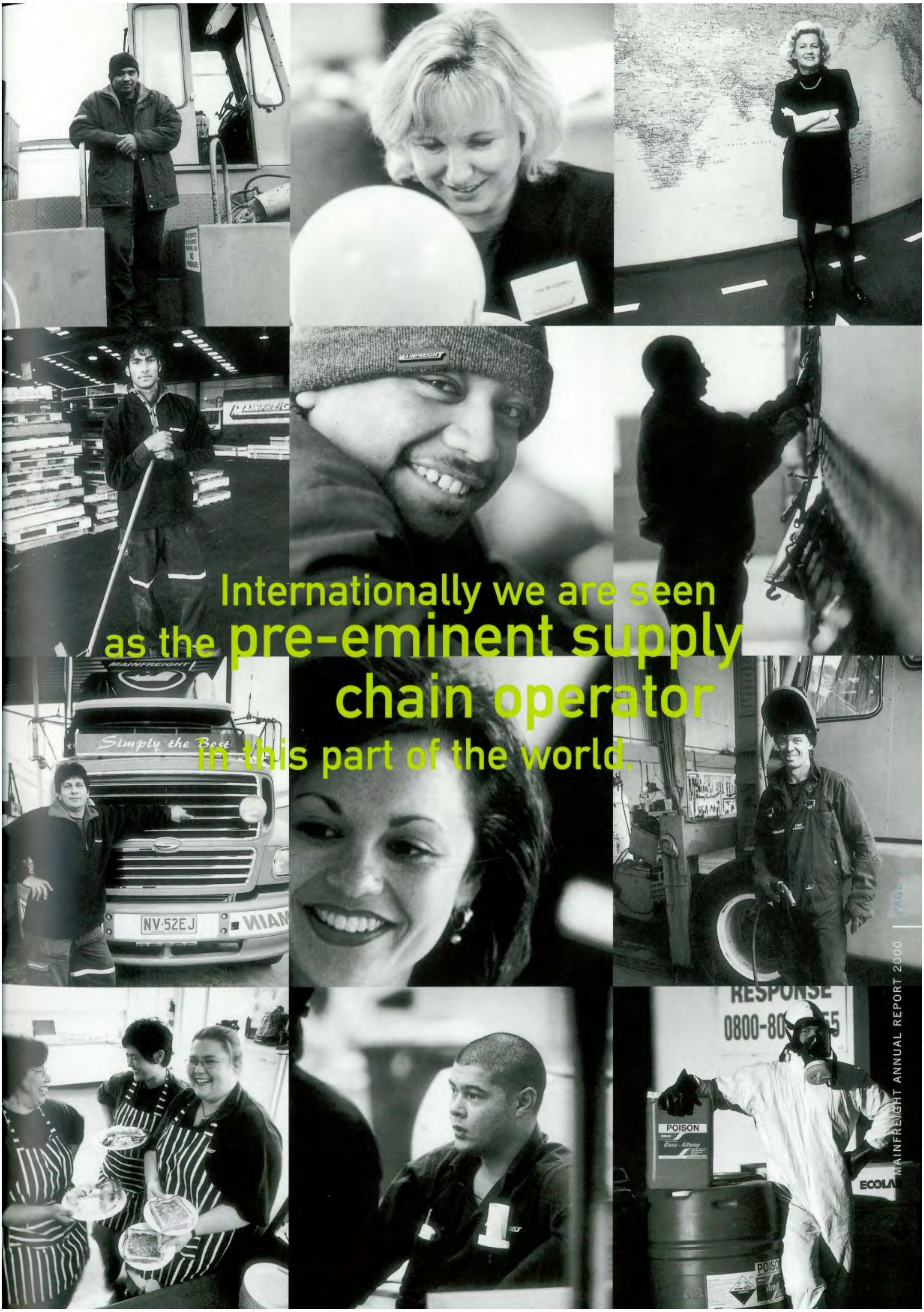
Strategy for 2000

"more specialised warehousing facilities is planned"

We have developed a further 14,000 m² of new facilities in 2000. In addition, we added to existing facilities to cope with unforeseen demand.

"more resource to developing customer interfaced IT solutions"

Mainfreight's IT team now consists of 24 people. We have added to our internal and contractors' skill-base with the commissioning of new software to provide internet-based and timely information to our customers.



Internationally we are seen as the **pre-eminent supply chain operator** in this part of the world.

Forwarding division commentary

Group Domestic Forwarding operations comprise the brands and operations of Mainfreight, Daily Freight and Chemcouriers. Within these brands more specialist businesses operate under generic brands such as Wharf, FTL, Metro and Relocations.

These domestic operations in New Zealand contributed revenue of $120.4m, an increase of $11.1m over the 1999 year. Earnings before interest and tax (EBIT) were $13.4m, up 15.5% on last year.

This result was achieved through the continuation of our aggressive approach to increased sales and profitability in each of our 40 locations. The focus on additional services, facilitating a comprehensive Supply Chain also assisted the revenue and EBIT increases.

While an improving economy in the latter half of calendar 1999 assisted revenues, fuel and labour increases impacted on cost structures. The aggressive sales drive and tightening of linehaul options also impacted on margins which decreased through the year by 0.5%.

These factors necessitated a general rate increase, which was accepted by our loyal customer base. With fuel costs rising for our owner-drivers, a portion of the rate increase was passed back to compensate sub-contractors. Further general rate increases are expected during 2001 to offset increasing fuel costs.

Our continued commitment to quality, training and increased service standards, particularly faster transit times has been reflected in lower error rates and improved services for our customers.

Our continued commitment to multi-modal transportation, particularly inter-island remains. Innovative trailer operations have been put in place to facilitate better transits between Auckland and Christchurch, Wellington to Christchurch and Dunedin to compensate for unreliable Sea and Rail Services.

Improved communications systems for track and trace will be completed by July 2000, seeing real time freight tracking available through our Internet site, www.mainfreight.co.nz. The need for accuracy and integrity on a daily basis will continue to drive our operations to improved service levels.

The continued development of the regional branches together with Daily Freight and Chemcouriers provided the highlights for the year. Improving margins and tonnages in these businesses are pleasing and will provide good growth opportunities into the 2001 financial year.

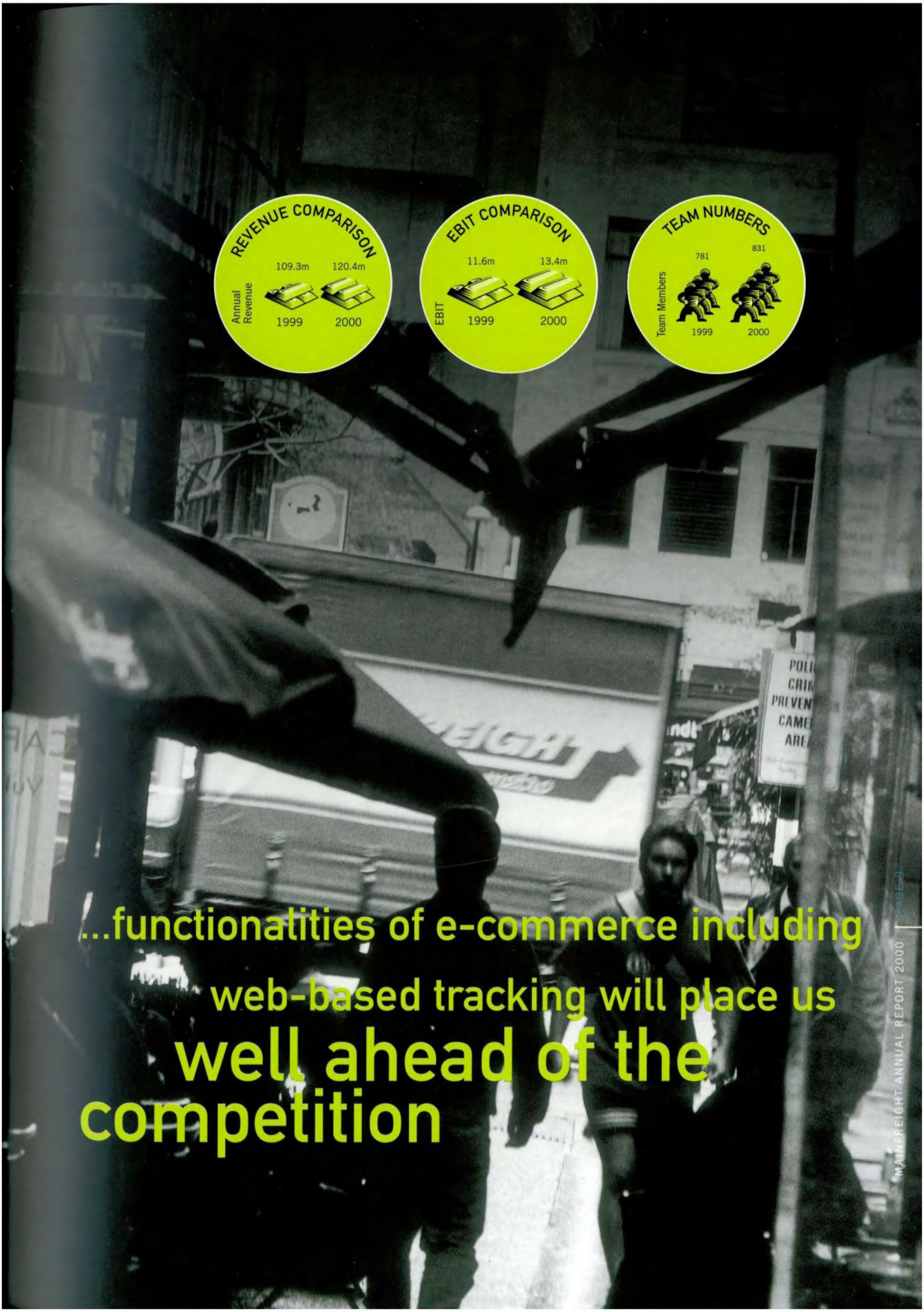
Outlook

During the 2000 year a more focused approach was taken to the development of Supply Chain Logistics. This focus and influence will continue with resultant increases in domestic tonnage and revenues. Building Supply Chain relationships across all divisions continues to be realistic and profitable. With a continuation of growth in business to business e-commerce, our ability to provide web-based tracking will place us well ahead of the competition and provide customers a sense of security as they utilise e-commerce to grow.

Internal company optimism must however be tempered by the current economic outlook for New Zealand. Naïve legislation and policy changes affecting ACC, Employment Law and International currency fluctuations will see a tightening of the New Zealand economy, placing pressure on our domestic tonnages and transactions.

Our team approach to employee and owner-driver relationships has been a cornerstone to Mainfreight's success. It is not envisaged that this approach will alter, no matter what changes are made to employment law. Our future success is dependent on individual and contractor relationships. External influences from short term Government policy must not reflect on the way Mainfreight does business and looks after its team.

Adam Jackson – Mainfreight Owner-Driver



...functionalities of e-commerce including web-based tracking will place us **well ahead of the competition**

Logistics and supply chain commentary

Revenues are on the increase in Logistics – $8.7m ($8.2m), however its overall EBIT performance $0.74m ($1.0m), is down 27.4% from that of last year. This can be attributed to additional cost in buildings and structure to facilitate better growth in 2001 and beyond.

It is envisaged that with the excess capacity created, additional growth can be achieved without any additional increase to cost structures in the next financial year. 2000 saw a turnaround from a trend of revenue and customer slippage to the gaining of new business and the broadening of our capabilities. Mainfreight's entry into the high activity consumables market is a significant step forward and will provide more opportunity for growth.

The standardisation and advancement of our technology has been a feature of the year. We are now capable of providing global inventory management programmes, operating these from a central host. Throughout the year Mainfreight commissioned five new sites, with Westney Road, Mangere being purpose built. The other four, in Cromwell, Christchurch (2) and Auckland are providing a mixture of bulk low cost warehousing and pick and pack consumables on sites that have considerable area for expansion.

Within the Logistics division is located our Supply Chain management team, who span all Mainfreight divisions for customers seeking an integrated logistics approach. This team can be credited with some of the increase in domestic warehousing and international sales growth.

The Westney Road facility replaces the Freight Place operation and is constructed of insulated panel, providing 14,000m² of temperature controlled warehousing. This site is the flag-ship of our Logistics business and a template for Mainfreight's development of additional warehouses.

Strategically located to take advantage of the global growth in air freight and access to Auckland's motorways, this facility will be fully occupied by the end of 2001. On-site with the Logistics team are a number of customers and Mainfreight International, allowing for the continuation of Supply Chain integration.

The Wellington, Christchurch and Dunedin operations have all performed well, with the expansion in Christchurch providing further services to the Carter Holt Harvey Group. The Cromwell warehouse is set alongside the freight operation and is providing temperature controlled wine storage for the burgeoning Central Otago wine industry. Quality statistics in all operations remain exceptionally high, as we continue to provide our customers with excellent service and constantly accurate stock levels.

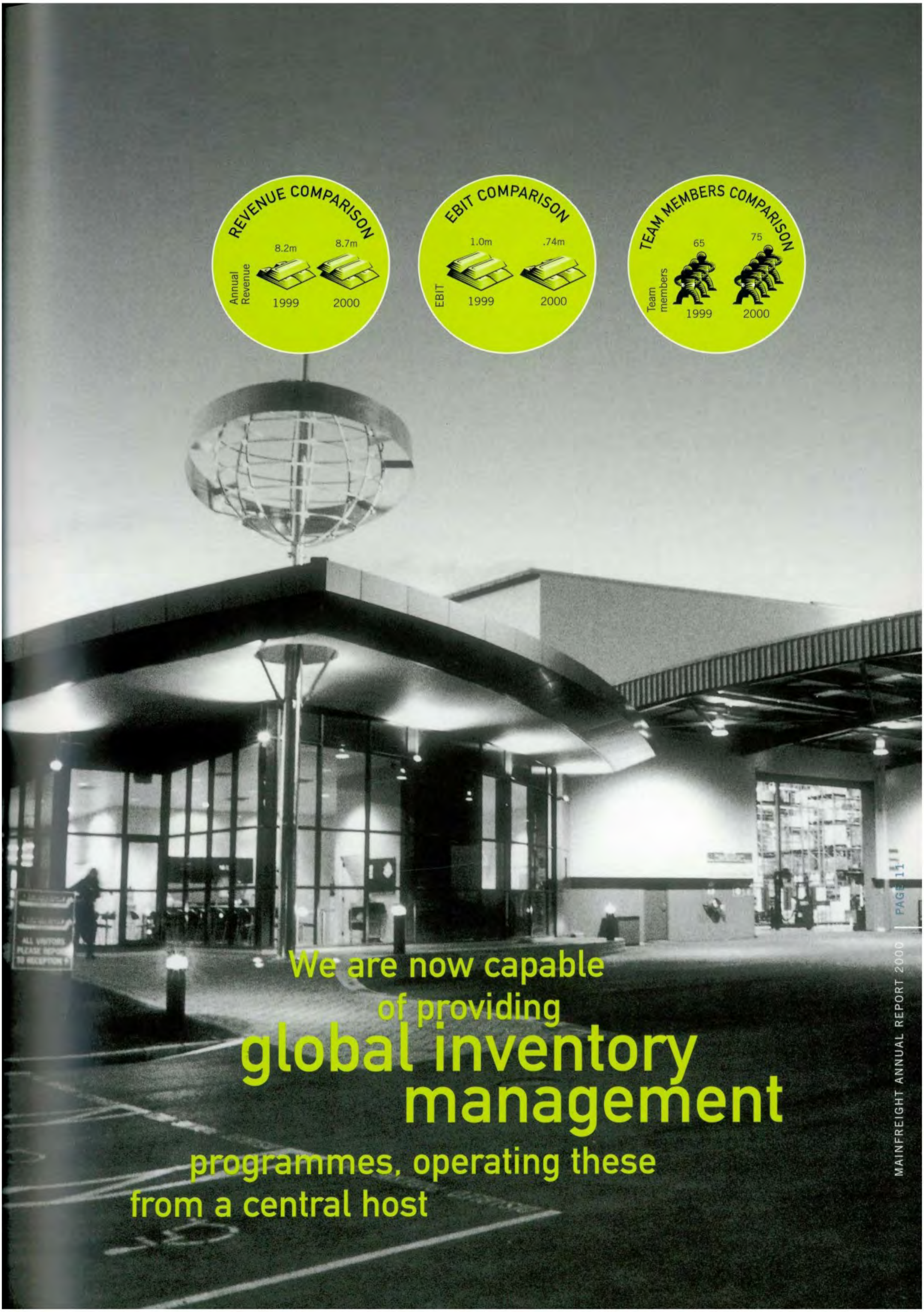
Outlook

New Zealand and the world, continues to mature as an outsourcing market. This remains Mainfreight's biggest area of sales inquiry. With facilities like Westney Road, we are expecting more growth than in previous years.

Third party warehousing growth will continue as Global Logistics in manufacturing look to centralise manufacturing programmes in larger markets, necessitating more off-shore warehousing in countries like New Zealand. Mainfreight Logistics currently ranks in the top ten customers of the domestic forwarding division and in the top twenty customers of the international forwarding division.

It is anticipated that this trend will continue as knowledge and ability grows within the Group towards Supply Chain logistics.

Grant Harford – Logistics Business Development Manager



We are now capable of providing **global inventory management** programmes, operating these from a central host

Australia division commentary

The Group operates domestic freight forwarding, container freight station and warehouse services under the Mainfreight Distribution banner in Australia.

Australian domestic operations contributed $10.0m in revenues, down $0.6m from the 1999 year. A net loss of $0.3m was recorded, compared to a $0.5m loss in 1999.

Mainfreight Distribution was extensively overhauled during 2000, resulting in a lean structure capable of being merged in to another entity. The opportunity to purchase the assets of K&S Express was presented in August 1999. The following is a snapshot of the K&S Express business.

On purchase date K&S Express had:

Revenues of A$66m

Full-time employees of 385

Dedicated vehicle fleet of 181

Branches in Brisbane, Sydney, Melbourne, Ballarat, Adelaide and Perth.

Mainfreight's objectives for the next 12 months with the K&S Express acquisition are to:

Fix the Housekeeping

As with most Mainfreight acquisitions, the fixed assets of K&S Express require significant capital expenditure to be brought up to a Mainfreight standard of operation. This process is expected to take nine months and will cost an estimated $1.1m in building alterations, new computer hardware and vehicle livery.

Improve Morale

The removal of walls and offices will improve communication and reduce demarcation. Other elements of the Mainfreight culture will be introduced with on-site catering and whiteboards to convey information.

Develop Quality

Key performance indicators (KPIs) are used to constantly improve branch performance. These KPIs must be relevant and meaningful to everyone in the team, with each individual empowered to make change.

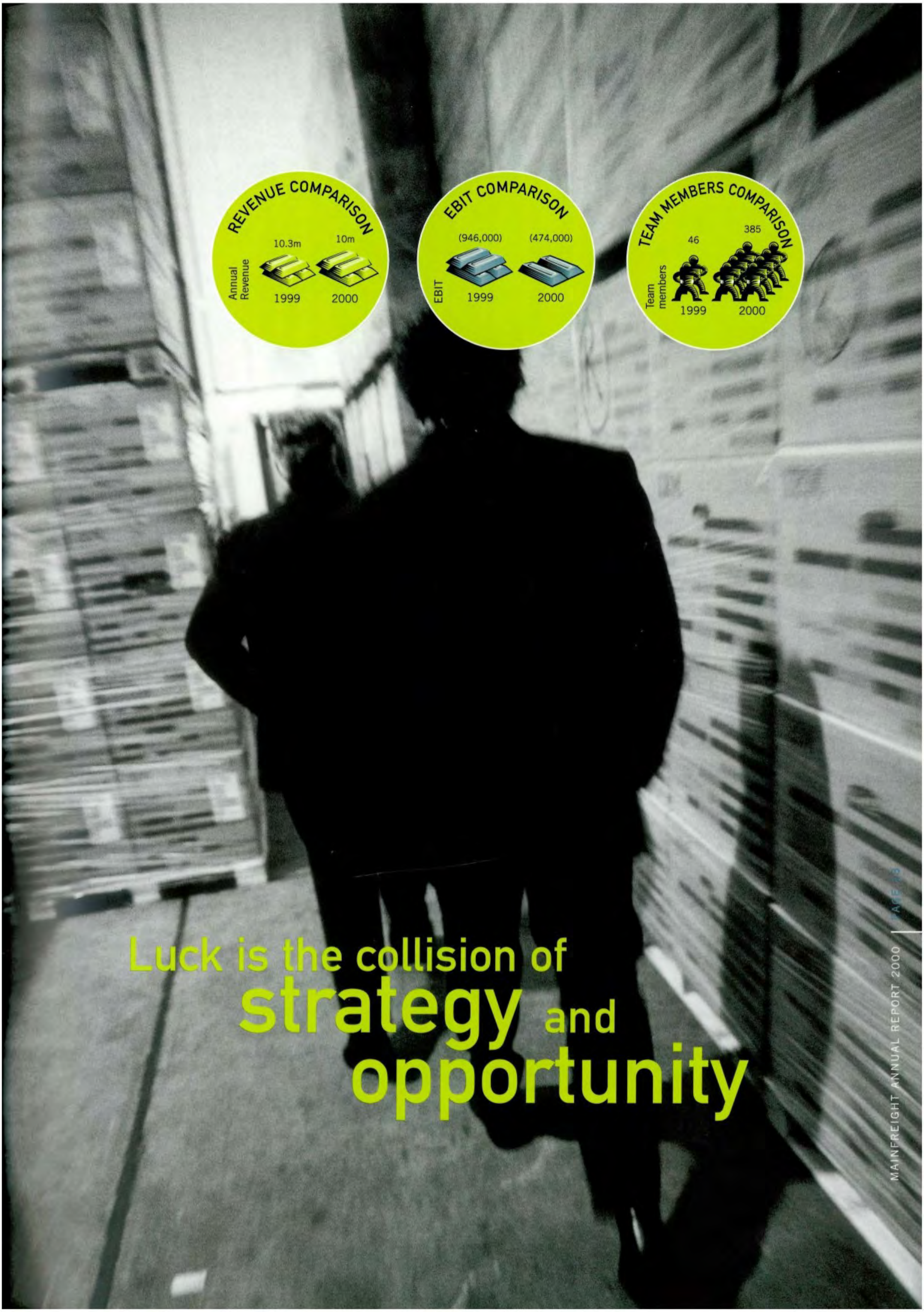
Grow Profitably

Mainfreight prides itself on the profit share approach taken to business. We will strive to make an acceptable level of return to ensure that a bonus can be paid to all qualifying team members. Expansion of the existing network is planned, once sustainable profit is confirmed.

Mainfreight Distribution has now moved from being an under-developed business to being the prime focus of the Group's senior management. In a similar fashion to the Daily Freightways acquisition in 1994, K&S Express has the potential to significantly enhance Mainfreight's position as a freight and logistics provider.

GRAEME SHEERAN – NSW Branch Manager.

Graham (formerly of K&S Express) now runs a 24-hour operation with 90 team members and 60 delivery vehicles. "Mainfreight is really bringing a fresh set of ideas – and more importantly attitudes – to the Australian freight industry. The change that Mainfreight has brought to our business has provided more stability and opportunity for our team members and our customers".


REVENUE COMPARISON
Annual Revenue
10.3m
10m
1999
2000
EBIT COMPARISON
EBIT
(946,000)
(474,000)
1999
2000
TEAM MEMBERS COMPARISON
Team members
46
385
1999
2000
Luck is the collision of
strategy and
opportunity

International division commentary

The International division comprises two separate business streams, Lep International and Mainfreight International, each with separate overseas affiliations.

LEP INTERNATIONAL (N.Z.) LTD

Lep International - affiliated with GeoLogistics Inc.

During the year under review Lep International improved its position considerably. Lep New Zealand provided a return marginally above 1999. Growth was impeded by the strong export focus of this business in a shrinking economy where manufactured items are increasingly imported.

By comparison, Lep Australia recorded an impressive 300% turnaround to record a net surplus of $800,000. The elimination of one-off restructuring costs, coupled with accumulated tax losses bode very well for this business in the 2001 year.

It is likely that the year ahead will see further concentration amongst the global international freight-forwarders. Mergers and alliances between freight forwarders, postal unions and the integrators could well involve Geologistics, Lep's 25% owner and global partner at some point.

Revenue from the International division was $186m, up from $171m in 1999. Earnings before interest and tax were $2.9m, up 226% on last year.

MAINFREIGHT INTERNATIONAL LTD

Mainfreight International - incorporating ISS Express Lines.

During the year, the Group's international agency business underwent significant change. The move to purchase 49.5% of CaroTrans International Inc. reinforced the strength of Mainfreight's international seafreight network.

Mainfreight International's New Zealand activities improved considerably to record a modest trading loss after restructuring costs. During the year, ISS Express Lines began the process of aligning its international agency representation with that of Mainfreight. This has a significant cost saving and enables electronic data links to be established with overseas agents to minimise paperwork and expedite freight tracking.

ISS Express Lines recorded a strong result for 2000 in line with expectations. In future years, these results will be consolidated into Mainfreight International to reflect the inter-branch nature of these two entities. Management, computer systems and operations are now being merged.

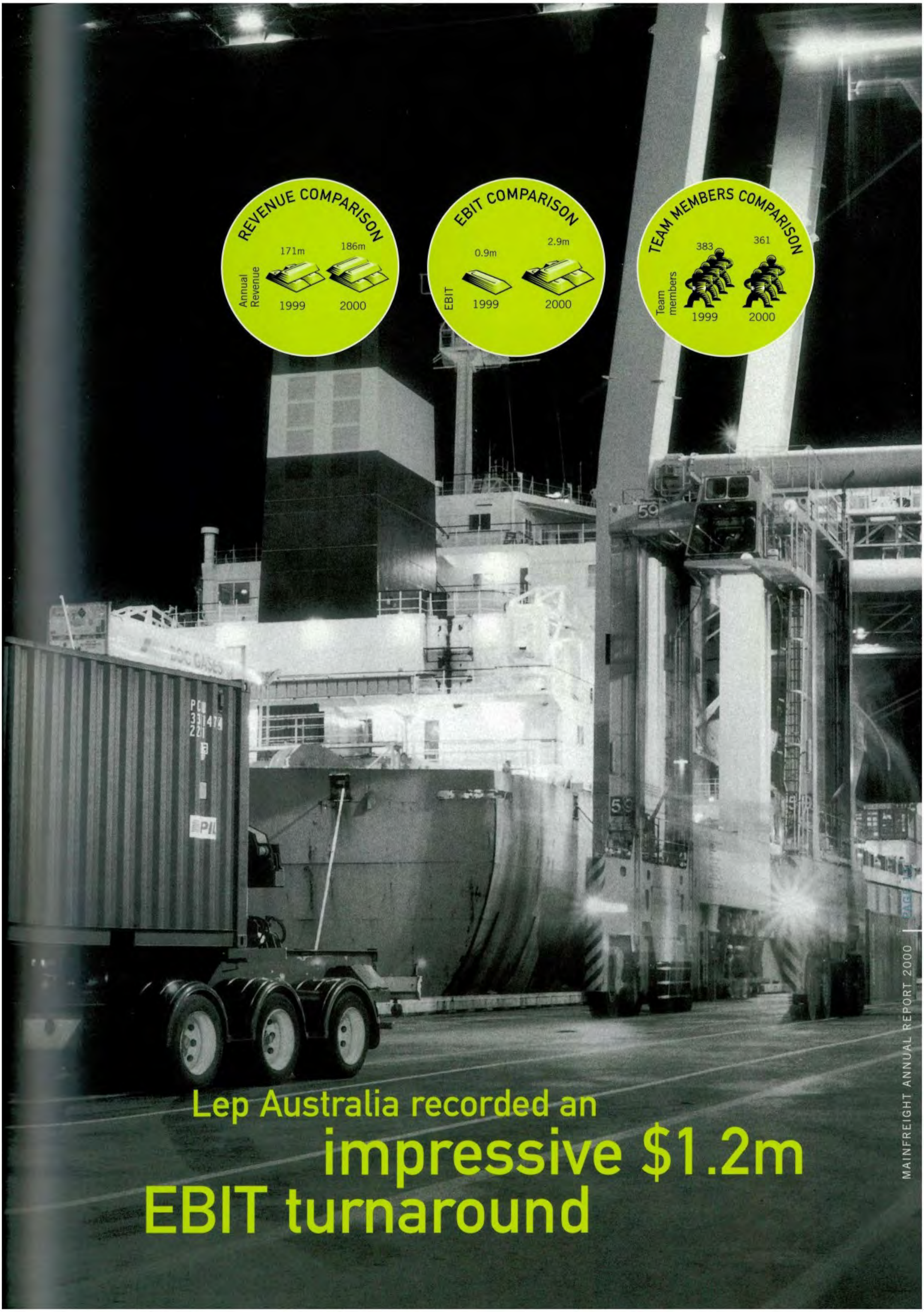
CaroTrans INTERNATIONAL, INC.

Like ISS Express Lines in 1998, the acquisition of 49.5% of CaroTrans International Inc. in April 1999 was a strategic purchase for the Group. An existing track-record as Mainfreight's agency partner in the USA since 1985, CaroTrans was a unique purchase. CaroTrans operates as a non-vessel-owning-common-carrier, or NVOCC. This means that it purchases wholesale container space from shipping lines and sells it in a retail format to individual customers. CaroTrans is ranked the 3rd largest NVOCC in the USA. For Mainfreight International this investment provides a tremendous insight in to the US market, as well as giving a competitive edge over other freight forwarders.

The minor investment in Asia – Mainfreight International Hong Kong and soon to be Mainfreight International Shanghai have been made with our Taiwanese agency partner. A strong mix of local knowledge, coupled with existing freight flows from China to Australia should see this business grow considerably over the coming years.

2001 will be a mixed year for the International Division. We now have a balance of mature and stable business streams in New Zealand and Australia, as well as the prospect of a new turnaround opportunity in the USA and modest start-ups in Asia.

Dennis Basten – LEP International Airfreight Manager



Lep Australia recorded an impressive $1.2m EBIT turnaround

Property portfolio

Mainfreight owns an extensive portfolio of property and leasehold improvements. The property portfolio can be split into facilities owned and currently utilised; owned for future development; owned and held for future sale; and leased with a term undertaking.

The Mainfreight property philosophy

The question is often asked as to why we continue to own land and buildings in an environment of sale and leaseback. The answers are as follows:

1. Operational Efficiencies

To obtain the sort of efficiencies required in the cross-dock and multi-modal operations, Mainfreight has strategically built on land served by rail sidings. The elevated floor (dock) enables vehicles to be loaded and unloaded by forklifts at deck-height. This improves visibility and reduces potential freight damage.

Features such as docks and rail sidings are difficult to value and therefore difficult for a third-party owner to justify in development.

2. Land Banking

Mainfreight has purchased and developed its facilities with a view to future expansion. In many cases this has involved purchasing double the expected site requirements in order to create a land bank. This is a latent asset, as the facility carries the undeveloped land as a cost in its operation. However the major benefit is that expansion may be undertaken without the need to relocate and with land development occurring in historic costs.

3. Lessor's Requirements

Trucks, trailers and forkhoists are not generally "friendly" towards buildings.

Developers tend to seek to maximise the building area and minimise the access and egress for heavy vehicles. Tight turning circles place additional wear on pavement and vehicles. The net result is that the objectives of developer-owners and owner-occupiers are at odds.

Properties held for future sale consist of land and buildings that no longer have a strategic fit with the business. In the case of the Australian properties, the purchase of K&S Express has negated the need to develop further facilities.

Summary

Mainfreight seeks to maintain a good balance between owned and leased facilities. Where possible, freight facilities will be rail serviced, docked and owned. Bulk warehouse and international forwarding activities are more capable of being undertaken in leased premises.

we speculate on

customer growth,

not on property

Table1:	Properties Owned & Utilised	m²
Union East Street	Whangarei*†	1,535
Westney Road	Auckland†	13,800
Richard Pearce Drive	Auckland†	5,322
Sunshine Avenue	Hamilton	3,931
Te Maire Street	Mt Maunganui*†	3,677
Biak Street	Rotorua*†	1,541
Tyne Street	Napier*†	2,614
Omahu Road	Hastings	1,888
Railway Road	Palmerston North*†	3,963
Gracefield Road	Wellington*†	7,958
Parkers Road	Nelson	878
McAlpine Street	Christchurch*†	17,595
Melrose Drive	Melbourne†	3,525
	Total Area	62,227

** utilises rail sidings/docks*
† involves a land bank

Table 2:	Properties Owned for Future Development	
Railway Lane	Auckland	7.5ha
Lindrum Road	Brisbane	1.7ha
	Total Area	9.2ha

Table 3:	Properties Held for Future Sale	m²
Western Hutt Road*	Wellington	7,435
Jipcho Road*	Christchurch	6,254
William Angliss Drive	Melbourne	9,010
	Total Area	22,699

** properties still in use and included in Fixed Assets in the Statement of Financial Position*

Table 4:	Leased with Term (3+ years)	
O'Rorke Road*	Auckland	18,355
Industry Road*	Auckland	4,063
Southdown Lane	Auckland	7,303
Kotikzas Place	Christchurch	930
Wilsons Road*	Christchurch	2,248
Strathallen Street*	Dunedin	4,169
Lower Spey Street	Invercargill	1,153
Baker Street	Sydney	2,800
Powers Road	Sydney	10,000
Centre Road	Melbourne	12,000
Trade Park Drive	Melbourne	2,850
	Total Area	65,871

** ground leases only*

Information technology

The last 12 months have seen a significant amount of development in Mainfreight's information technology. The requirement to meet the compliance aspects of the new millennium enabled a thorough audit of the Group's hardware, network and backup issues. The development of new operating platforms provides Mainfreight with further service edge to match a superior freight and logistics offering to our customers.

During 2000 a myriad of IT projects were undertaken. The three most significant of which are detailed below.

Maintrak

Maintrak is a web based LCL forwarding system. All users access Maintrak through their Internet Explorer 5.0 web browser, so no new software needs to be installed on the user's PC's.

In the same way that the web is advantageous for our internal uses it has the same benefits for our external clients.

Extranet

An Extranet is a partitioned-off area of our intranet that can be accessed via the Internet. This allows selected customers the ability to select and run reports relevant to themselves, from a menu of available reports. This means that customers will be able to run meaningful reports at their convenience, without contacting their Mainfreight branch.

Internet / Extranet Helpdesk

The Mainfreight HelpDesk is a tool that was developed to ensure that the needs of key accounts are identified, monitored, met and exceeded.

For internal use, Mainfreight's HelpDesk records client issues and enquiries. These are prioritised, allocated to team members, tracked, completed and reported on.

Direct benefits attributed to the HelpDesk are:

- Decreased enquiry response time
- Increased internal and external communication
- Greater team member accountability through Account Managers
- Single point of contact between different Operations within Mainfreight
- Common KPI Reporting for all external customers

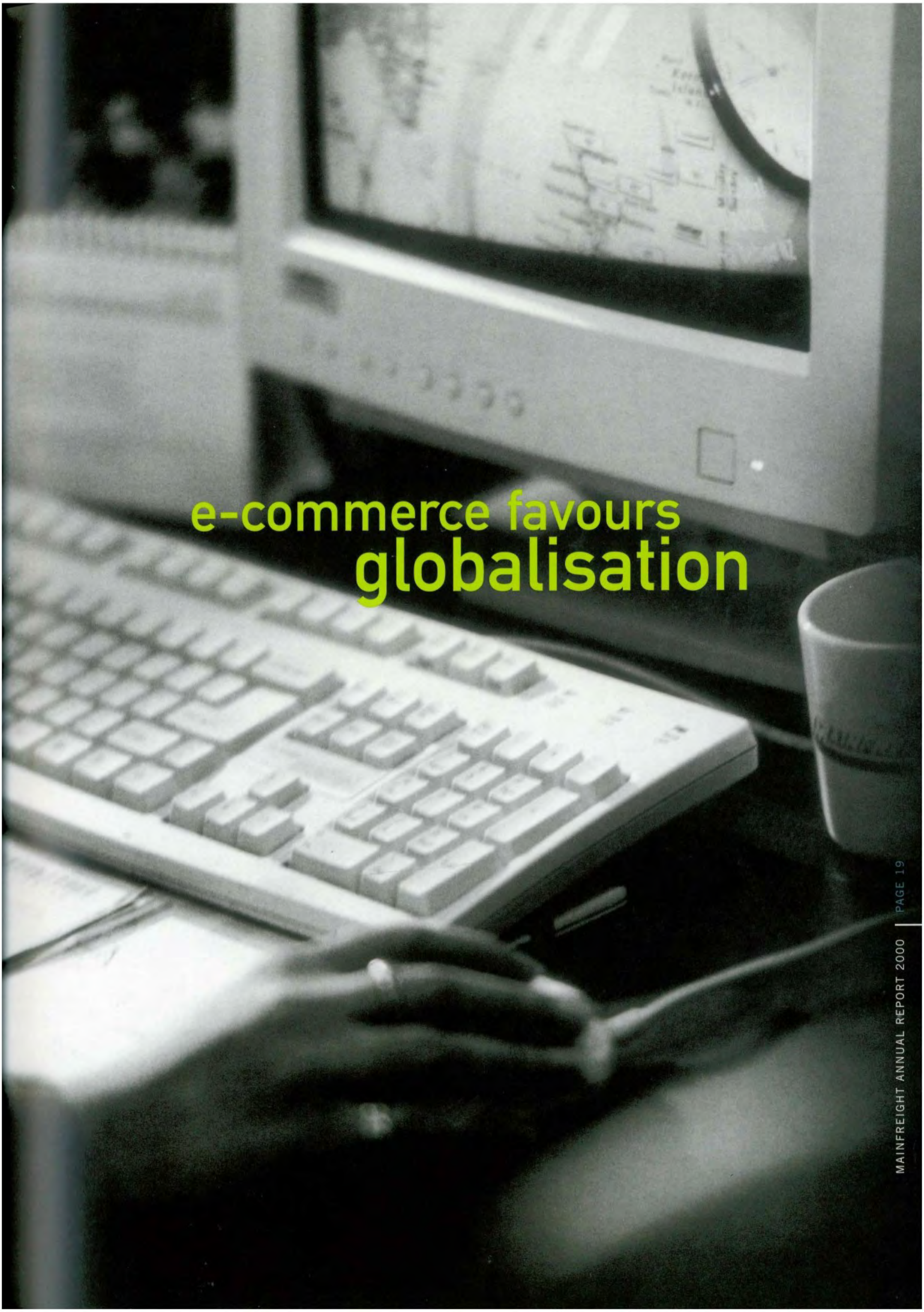
External Customers are able to log into the Helpdesk via Mainfreight's Xtranet. This enables them to view, open and close issues relate to them.

The year ahead will see continued development of Maintrak, the Extranet and Helpdesk functions. In addition, the development of a web-based version of Mainfreight's freight management system promises to be a further advance for the Group's core domestic freight forwarding activities.

Webfreman

The objective of the WebFreman application is to provide users of the existing dial-up modem link Freman system with a Web-deployed application. This will resolve the current connection/maintenance issues associated with the desktop version of Freman.

Greg Miller – Mainfreight Business Development Manager



e-commerce favours globalisation

Strategy for 2001

Mainfreight continues to develop and refine its business strategy. The themes which have been common for the past three years continue to be valid. In addition, we have recognised during the last 12 months that our ability to successfully undertake turn-around acquisitions is reliant on the number of Mainfreight-cultured individuals available to manage such endeavours.

One market Trans-Tasman.

Mainfreight's growth rates will continue because of opportunities to expand beyond New Zealand. In Australia we now have a significant market position in domestic and international freight forwarding activities. The scope to add to these activities is considerable.

Managed warehousing and facilities management.

Supply chain management and business-to-business have become common business terms relating to the internet and e-commerce companies. Less fashionable, but more vital is product procurement, freight handling, order and inventory management – the physical backbone of e-commerce. Mainfreight continues to view our logistics activities as a vital adjunct to the core freight forwarding business.

Education and recruitment.

Along with a continued commitment to the graduate recruitment program, the 2000 financial year reinforced Mainfreight's need to have individuals that have an intuitive understanding of what makes our business special. In undertaking overseas expansion it is vital that the business culture developed over 22 years is reinforced. Mainfreight has been built on the belief that quality people build quality businesses.

International Growth.

Mainfreight now has a direct investment interest in the USA via its 49.5% interest in CaroTrans International Inc. In addition, we own 25% of Mainfreight International (Hong Kong) and a fledgling operation in Shanghai. During 2001 we expect to consolidate these activities before embarking upon further international business developments

Continuing capex on technology.

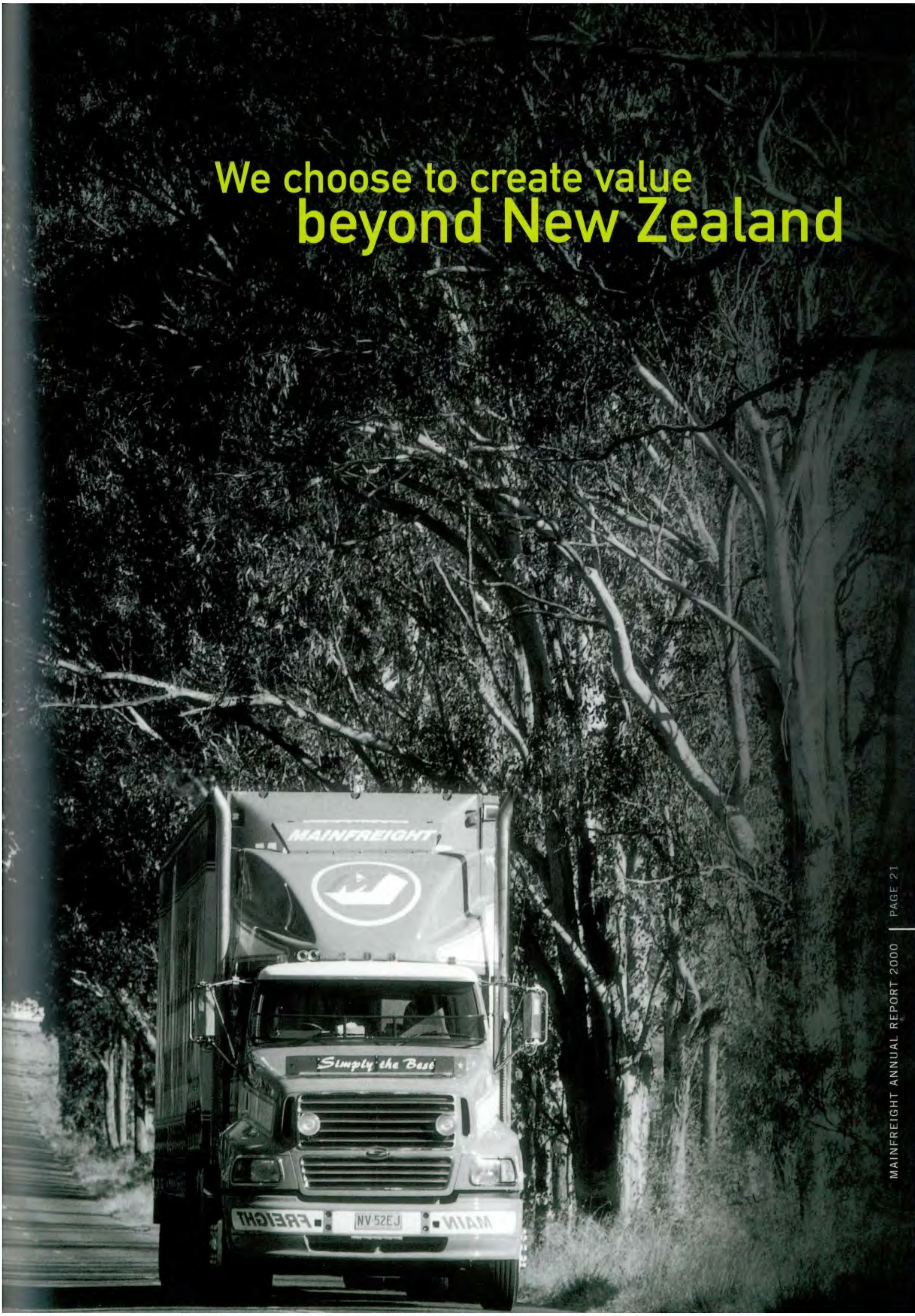
Mainfreight has built an enviable asset base of people, information technology, land and buildings. These are essentially network assets. Ownership of plant and equipment is eschewed as being easy to contract out. As business linkages become increasingly web-enabled, we will add to our capex on information technology. This will occur, either through internal development, out-sourced development or off-the-shelf purchase.

CHRISTINE MEYER. HUMAN RESOURCES MANAGER

"If we don't get the people right, we don't get anything right" says Chris who is responsible for the growth and development of people within the Mainfreight Group. "The focus in our industry is quickly changing. It is becoming increasingly knowledge-based and today, a large part of my role is to actively grow the intellectual capacity of the business.

Only through having the right people with the right skills can we lead the change".

We choose to create value beyond New Zealand



Director's report

The Directors are pleased to report this fifth published annual report of Mainfreight Limited.

Activities

There were no changes during the year in the principal activities of the Group as supplier of freight, warehousing and logistics services to customers in New Zealand and Australia.

Financial Result

Consolidated sales for the year were $313m, up on the previous year by $27m (9%). The net surplus after tax (before minorities) increased by 30%, from $6.9m to $9.0m. The result included an increase in the share of associate company losses of $0.3m and increased goodwill amortisation of$0.1m. Comparisons to the 1999 result are set out in the Statistics section, page 44 of the Financial Statements.

Financial Position

The Group has maintained a strong financial position, with shareholders' equity of $49.2m, funding 42.3% of total assets. Earnings cover net interest on debt 10 times. Net cash inflow from operations was $12.5m. Net property and plant purchases of $9.4m resulted in net cash outflows from investing activities of $9.1m. Net cash outflows from financing activities was a deficit of $7.4m as a result of increased dividend payments to $7.8m, up from $4.0m.

Dividend

An interim dividend of 3.0 cents per share was paid on 10 December 1999, fully imputed. A supplementary dividend of 0.53 cents per share was paid to non-resident shareholders with the interim dividend. A fully imputed final dividend of 3.5 cents per share, was paid on 31 March 2000 together with a supplementary dividend of 0.62 cents per share was paid to non-resident shareholders.

Statutory Information

Additional information is set out on pages 40 to 43 including directors' interests as required by the Companies Act 1993.

Directors

Mr Don Rowlands, Mr Carl Howard-Smith and The Hon Richard Prebble retire by rotation and are available for re-election.

Audit

The Company's auditors, Arthur Andersen, 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 2000 will be released on 16 August 2000.

Outlook

The Directors are satisfied with the direction and development of the Group. However there is considerable uncertainty in both the New Zealand and Australian economies which does not bode well for buoyant trading.

For and on behalf of the Board
29 June 2000

Don Rowlands, Chairman

Carl Howard-Smith, Director

Don Rowlands - Chairman

John Fernyhough - Director

Bruce Plested - Managing Director

Neil Graham - Director

Don Braid - Director

Carl Howard-Smith - Director

Chris Dunphy - Director

The Hon. Richard Prebble - Director

Financial contents

Statement of Financial Performance for the Year Ended 31st March 2000

	Notes	Group 2000 $000	Group 1999 $000	Parent 2000 $000	Parent 1999 $000
Operating Revenue		312,614	286,321	97,777	86,868
Surplus Before Amortisation and Taxation for the Year	2	15,732	12,059	13,670	10,223
Amortisation Expense		1,005	905	–	–
Surplus Before Taxation for the Year		14,727	11,154	13,670	10,223
Income Tax Expense	4	4,958	4,083	2,932	2,699
Surplus After Taxation for the Year		9,769	7,071	10,738	7,524
Minority Interest in Profits of Subsidiaries		(504)	(189)	–	–
Share of Surplus (Deficit) of Associates	11	(290)	–	–	–
NET AND OPERATING SURPLUS FOR THE YEAR		8,975	6,882	10,738	7,524

Statement of Movements in Equity for the Year Ended 31st March 2000

Equity at the Beginning of the Year	45,698	42,367	42,981	39,433
Net Surplus for the Year	8,975	6,882	10,738	7,524
Foreign Currency Translation Reserve	(109)	(2)	–	–
Total Recognised Revenues and Expenses for the Year	8,866	6,880	10,738	7,524
Contributions from Owners (Executive Options)	90	–	90	–
Movements in Minority Interest during the Year	(445)	427	–	–
Supplementary Dividends	(162)	(16)	(162)	(16)
Dividends Paid and Proposed	(4,703)	(3,976)	(4,703)	(3,976)
Foreign Investor Tax Credit	162	16	162	16
EQUITY AT END OF THE YEAR	49,506	45,698	49,106	42,981

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

Statement of Financial Position as at 31st March 2000

		Group		Parent	
		2000	1999	2000	1999
	Notes	$000	$000	$000	$000
Shareholder's Equity					
Share Capital	3	35,051	34,961	35,051	34,961
Accumulated Surplus		14,131	9,968	14,055	8,020
Shareholder's Equity		49,182	44,929	49,106	42,981
Minority Interest		324	769	–	–
TOTAL EQUITY		49,506	45,698	49,106	42,981
Non-current Liabilities					
Bank Term Loan	5	26,740	23,420	26,740	23,420
Finance Lease Liability	6	97	166	–	–
		26,837	23,586	26,740	23,420
Current Liabilities					
Bank Overdraft		3,661	1,707	–	–
Commercial Bills		2,070	2,247	–	–
Intercompany Creditors	17	–	–	3,196	3,952
Creditors & Accruals		29,925	25,138	7,604	6,584
Employee Entitlements		4,386	3,933	1,490	1,536
Provision for Taxation		–	–	74	176
Provision for Dividend		–	2,169	–	2,169
Finance Lease Liability	6	75	97	–	–
		40,117	35,291	12,364	14,417
TOTAL LIABILITIES AND EQUITY		116,460	104,575	88,210	80,818
Non-current Assets					
Fixed Assets	7	53,144	51,964	42,276	41,377
Goodwill	8	7,464	10,256	–	–
Investments in Subsidiaries	10	–	–	14,460	16,187
Investments in Associates	11	439	–	729	–
Deferred Tax Asset	4	931	917	306	344
		61,978	63,137	57,771	57,908
Current Assets					
Bank		2,086	–	812	704
Short Term Deposits		–	2,000	–	–
Intercompany Advances	17	–	–	8,560	6,466
Associate Company Advances	17	882	–	882	–
Trade Debtors		41,863	35,545	10,493	10,836
Intercompany Debtors	17	–	–	2,022	1,825
Tax Paid in Advance		471	52	–	–
Other Debtors		4,555	2,516	3,040	2,806
Property Held For Resale	7	4,448	–	4,448	–
Loan to Subsidiary Directors		–	1,054	–	–
Employee Share Purchase	9	177	271	182	273
		54,482	41,438	30,439	22,910
TOTAL ASSETS		116,460	104,575	88,210	80,818

For and on behalf of the Board

Dated 29 June 2000 D. D. Rowlands CBE, Chairman C. G. O. Howard-Smith, Director

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

Statement of Cash Flows for the Year Ended 31st March 2000

	Notes	Group 2000 $000	Group 1999 $000	Parent 2000 $000	Parent 1999 $000
Cash Flows From Operating Activities					
Cash was provided from:					
Receipts from Customers		306,993	289,091	98,107	84,776
Interest Received		236	141	437	263
Dividend Received		–	–	4,848	3,500
		307,229	289,232	103,392	88,539
Cash was dispersed to:					
Payments to Suppliers		(287,468)	(277,354)	(84,741)	(77,071)
Interest Paid		(1,843)	(1,409)	(1,623)	(1,327)
Income and Other Taxes Paid		(5,391)	(4,331)	(2,997)	(2,564)
		(294,702)	(283,094)	(89,361)	(80,962)
NET CASH FLOWS FROM OPERATING ACTIVITIES	15	12,527	6,138	14,031	7,577
Cash Flows From Investing Activities					
Cash was provided from:					
Proceeds from Sale of Assets		1,144	1,761	1,093	1,359
Net Proceeds from Sale of Business Division		1,726	–	1,726	–
Repayments by Employees and Contractors		1,275	49	1,142	49
		4,145	1,810	3,961	1,408
Cash was applied to:					
Purchase of Fixed Assets		(10,577)	(9,427)	(8,464)	(7,090)
Advances to Employees and Contractors		(325)	(1,094)	(77)	(1,097)
Bank Overdraft from Acquisitions		–	(388)	–	–
Deposit on Business Acquisition		(1,592)	–	(1,592)	–
Purchase of Associate Company Business		(729)	–	(729)	–
Purchase of Shares		–	(3,425)	–	(3,253)
		(13,223)	(14,334)	(10,862)	(11,440)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(9,078)	(12,524)	(6,901)	(10,032)
Cash Flows From Financing Activities					
Cash was provided from:					
Proceeds of Long Term Loan		1,223	10,913	3,869	10,959
Advances from Subsidiary Companies		–	–	–	924
Employee Share Scheme	9	94	159	91	161
Proceed of Share Issue		90	–	90	–
		1,407	11,072	4,050	12,044
Cash was applied to:					
Dividend Paid to Shareholders		(6,872)	(3,976)	(6,872)	(3,976)
Dividend Paid to Minority Interest Shareholder		(949)	–	–	–
Repayment of Loans		(91)	(1,016)	–	(672)
Advances to Subsidiary Companies		–	–	(3,318)	(4,173)
Advances to Associate Companies		(882)	–	(882)	–
		(8,794)	(4,992)	(11,072)	(8,821)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(7,387)	6,080	(7,022)	3,223
NET (DECREASE) INCREASE IN CASH HELD		(3,938)	(306)	108	768
ADD OPENING CASH BROUGHT FORWARD		293	599	704	(64)
ENDING CASH CARRIED FORWARD		(3,645)	293	812	704
Comprised					
Short Term Deposits		2,086	2,000	–	–
Bank Overdraft		(5,731)	(1,707)	812	704
		(3,645)	293	812	704

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

Notes to the Financial Statements

1 Statement of Accounting Policies

The reporting entity is Mainfreight Limited. These financial statements have been prepared under the requirements of the Companies Act 1993 and the Financial Reporting Act 1993. The measurement base adopted is that of historical cost.

(i) Revenue

Revenue shown in the Statement of Financial Performance comprises all amounts received and receivable by the Group for services supplied to customers in the ordinary course of business. This includes revenue for all contracted deliveries for which the goods have been collected from the customer. Revenue is stated exclusive of goods and services tax.

(ii) Principles of Consolidation

The consolidated financial statements are prepared from the audited Financial Statements of the Parent Company and its subsidiaries as at 31 March 2000. All significant balances and transactions between Group Companies are eliminated on consolidation using the purchase method. Where subsidiaries are acquired during the year, their results are included only from the date of acquisition, while for subsidiaries disposed of during the year, their results are included to the date of disposal.

(iii) Associate Companies

There are companies in which the Group holds substantial shareholdings and on whose commercial and financial policy decisions it has significant influence.

The accounts of associate companies have been reflected in the consolidated financial statements on an equity accounting basis, which shows the Group's share of surpluses in the Consolidated Statement of Financial Performance and its share of post acquisition increases in net assets in the Consolidated Statement of Financial Position.

(iv) Fixed Assets

All assets are recorded at cost.

(v) Depreciation

Depreciation is provided using the straight line method at rates calculated to allocate the assets' cost, less estimated residual value, over their estimated useful lives.

Major depreciation rates are:	per annum
• Buildings	3%
• Leasehold Improvements	10% or life of lease
• Furniture & Fittings	10% to 20%
• Motor Cars	18% to 26%
• Plant & Equipment	10% to 25%
• Computer Hardware	28% to 36%
• Computer Software	20% to 36%

(vi) Debtors

Debtors are stated at estimated realisable value after providing against debts where collection is doubtful.

Notes to the Financial Statements

1 Statement of Accounting Policies (continued)

(vii) Taxation

The taxation charge against surplus for the year is the estimated total liability in respect of that surplus after allowance for permanent differences. The Group follows the liability method of accounting for deferred taxation, on a comprehensive basis, in that amounts provided are calculated at the current rate of company taxation. Future taxation benefits attributable to tax losses and debit balances in the deferred tax account are recognised only to the extent of the accumulated net credits arising from timing differences in the deferred taxation account and where there is virtual certainty of realisation.

(viii) Foreign Currencies

Assets and liabilities expressed in foreign currencies are converted to New Zealand dollars at the rate of exchange ruling at balance date. Surpluses and deficits realised on exchange are recognised in the period in which they occur by way of a credit or charge in the Statement of Financial Performance. Unrealised surpluses and deficits on translation of foreign currency subsidiaries are taken to the Foreign Currency Translation Reserve.

(ix) Leases

Finance leases, which effectively transfer to the entity substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the minimum lease payments. The leased assets and corresponding liabilities are disclosed and the leased assets are amortised over the period the entity is expected to benefit from their use.

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating surplus in equal instalments over the lease term.

(x) Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of net tangible and identifiable intangible assets at the time of acquisition of a business.

Goodwill is amortised by the straight line method over the period during which benefits are expected to be received. This is a maximum of 10 years.

(xi) Investments

Long term investments are stated at cost, and investments held for resale are stated at the lower of cost and net realisable value.

(xii) Financial Instruments

Financial instruments, with off-balance sheet risk, have been entered into for the primary purpose of reducing the exposure to fluctuations of foreign currency. The financial instruments are subject to the risk that market values may change subsequent to acquisition. However, such changes would generally be offset by an opposite change in value of the item being hedged.

(xiii) Changes in Accounting Policies

There have been no changes in accounting policies during the year. All policies have been applied on a consistent basis with previous years.

Notes to the Financial Statements

2 Surplus Before Amortisation and Taxation

The Surplus before Amortisation and Taxation is stated:	Group 2000 $000	Group 1999 $000	Parent 2000 $000	Parent 1999 $000
After Charging:				
Audit Fees and Expenses – Parent Company Auditors	140	264	73	71
Audit Fees and Expenses – Other Auditors	92	8	–	–
Other Fees Paid to Auditors	35	49	35	49
Depreciation	3,672	3,583	1,912	2,179
Directors Fees	165	188	150	150
Foreign Currency Losses (Gains)	(571)	(386)	–	–
Interest: Fixed Loans	1,505	1,039	1,505	1,039
Finance Leases	18	39	–	–
Other Interest	320	331	266	288
Bad Debts Written Off	758	654	127	244
Change in Bad Debt Provision	(211)	(9)	(24)	(43)
Donations	144	128	121	103
(Surplus) Deficit on disposal of Assets	134	(46)	111	(43)
Rental & Operating Lease Costs	7,694	7,676	3,577	2,975
After Crediting:				
Interest Income	236	143	590	268
Rental Income	1,032	846	2,184	2,292
Dividend Received	–	–	4,849	2,000

3 Share Capital

Authorised, Issued and Paid Up Capital 72,372,766 ordinary shares (1999 72,297,766)	35,051	34,961	35,051	34,961

On 1 September 1999 the Company issued 75,000 ordinary shares upon the exercise of an executive share option for 120 cents per share.

At balance date there were 4,085,000 options outstanding issued under an executive share option scheme. Each option gives the right to purchase one ordinary share at predetermined prices and dates.

4 Taxation

	Group		Parent	
	2000	1999	2000	1999
	$000	$000	$000	$000
Surplus Before Taxation	14,727	11,154	13,670	10,223
Prima facie taxation at 33% NZ & 36% Australia (31 March 1999 NZ 33% & Australia 36%)	4,860	3,681	4,511	3,374
Adjusted by the tax effect of:				
Non-assessable dividend income	–	–	(1,600)	(660)
Other non-assessable revenues	–	(19)	–	(34)
Non-deductible expenses	98	421	21	19
	4,958	4,083	2,932	2,699
Represented by:				
Current Tax	5,889	5,000	3,238	3,043
Deferred Tax	(931)	(917)	(306)	(344)
	4,958	4,083	2,932	2,699
Deferred Tax Account				
Opening Balance	(917)	(515)	(344)	(114)
Adjusted for the tax effect of:				
Difference between accounting and tax accumulated depreciation	(77)	(61)	46	(148)
Uncompleted sale and linehaul	14	(154)	–	(98)
Movements in provisions	49	(187)	(8)	16
Closing Balance	(931)	(917)	(306)	(344)
Imputation Credit Account				
Opening Balance	7,254	5,003	5,087	2,921
Credits distributed during the year	(6,239)	(3,682)	(3,384)	(1,958)
Credits received during the year	2,388	1,724	2,388	1,724
Tax payments made	4,996	4,209	2,802	2,400
Closing Balance	8,399	7,254	6,893	5,087
Representing credits available to owners of the Group at balance date:	8,355	6,879	6,893	5,087
Tax Losses				
Unrecognised tax losses available for set off against future assessable income:				
Tax Losses	6,017	6,878	–	–
Tax savings thereon	1,854	2,476	–	–

Parent company shareholders would be entitled to the benefit of 75% of these tax losses. The ability to use these tax losses depends on the generation of sufficient assessable income in the respective tax jurisdictions and continuity of business or ownership.

5 Term Liabilities

Term Liabilities fall due for repayment in the following periods:

	Group		Parent	
	2000	1999	2000	1999
	$000	$000	$000	$000
Current	–	–	–	–
Non-Current	26,740	23,420	26,740	23,420
	26,740	23,420	26,740	23,420

A long term facility with the Westpac Banking Corporation remains in place secured by debenture and cross company guarantees. The facility agreement was varied on 23 April 1999 increasing the facility from $25,000,000 to $35,000,000. The agreement was further varied on 31 March 2000 increasing the facility to $40,000,000 and increasing the amount allowed to be drawn in Australian currency from $A10,000,000 to $A14,000,000.

Interest was payable at the average rate of 5.97% per annum (1999 7.04%).

6 Leases

At balance date the Group and Company had the following lease commitments:

Payable:

• not later than one year	86	114	–	–
• later than one year but not later than two years	100	83	–	–
• later than two years but not later than five years	–	97	–	–
• after five years	–	–	–	–
Minimum Lease Payments	186	294	–	–
Less Future Finance Charges	(14)	(31)	–	–
	172	263	–	–

CLASSIFIED IN THE STATEMENT OF FINANCIAL POSITION AS:

Current	75	97	–	–
Non-Current	97	166	–	–
	172	263	–	–

OPERATING LEASE COMMITMENTS

• not later than one year	5,808	6,497	2,691	2,417
• later than one year but not later than two years	3,685	3,688	1,827	1,308
• later than two years but not later than five years	5,115	4,157	2,211	1,122
• after five years	3,481	4,770	1,766	1,623
	18,089	19,112	8,495	6,470

7 Fixed Assets

Group

	2000			1999		
		Accum	Book		Accum	Book
	Cost	Depn	Value	Cost	Depn	Value
Asset Description	$000	$000	$000	$000	$000	$000
Freehold Land	10,685	–	10,685	12,244	–	12,244
Buildings	30,465	3,899	26,566	26,930	3,405	23,525
Leasehold Improvements	6,721	1,455	5,266	6,557	1,075	5,482
Plant, Vehicles & Equip.						
• Owned	26,198	15,692	10,506	24,714	14,189	10,525
• Finance Leases	310	189	121	335	147	188
Totals	74,379	21,235	53,144	70,780	18,816	51,964

At 31 March 2000 Registered Valuers Darroch and Co Ltd and Herron Todd White (Vic) Pty Ltd performed a valuation of the Group's land and buildings at $59,346,000 (March 1999 $47,901,000). This includes a valuation on the property held for resale. The valuations were carried out on the following basis:

Vacant Properties	:	Open market value
Napier /Palmerston North/Gracefield Rd, Wellington	:	Depreciated replacement cost
Others	:	Existing use value

In addition the directors valued one property in Mainfreight Ltd not covered by these valuations at $849,452. At March 1999, one property (Westney Rd bare land) was not covered by these valuations at $2,551,000.

Parent

	2000			1999		
		Accum	Book		Accum	Book
	Cost	Depn	Value	Cost	Depn	Value
Asset Description	$000	$000	$000	$000	$000	$000
Freehold Land	10,048	–	10,048	11,627	–	11,627
Buildings	26,502	3,495	23,007	23,235	3,126	20,109
Leasehold Improvements	4,379	786	3,593	4,243	603	3,640
Plant, Vehicles & Equip.						
• Owned	13,745	8,117	5,628	13,569	7,568	6,001
• Finance Leases	–	–	–	–	–	–
Totals	54,674	12,398	42,276	52,674	11,297	41,377

At 31 March 2000 Registered Valuers Darroch and Co Ltd and Herron Todd White (Vic) Pty Ltd performed a valuation of the Company's land and buildings at $53,752,000 (March 1999 $42,440,000). This includes a valuation on the property held for resale. The valuations were carried out on the following basis:

Vacant Properties	:	Open market value
Napier /Palmerston North /Gracefield Rd, Wellington	:	Depreciated replacement cost
Others	:	Existing use value

In addition the directors valued one property in Mainfreight Ltd not covered by these valuations at $849,452. At March 1999, one property (Westney Rd bare land) was not covered by these valuations at $2,551,000.

Notes to the Financial Statements

8 Goodwill

	Group		Parent	
	2000 $000	1999 $000	2000 $000	1999 $000
Opening balance	10,256	6,495	–	–
Adjustment for movement in exchange rate	4	–	–	–
Adjustment to previous year acquisition price	(64)	–	–	–
Amounts Paid for Acquisitions during the year in excess of the fair value of their net tangible assets	–	4,666	–	–
Goodwill disposed during the year	(1,727)	–	–	–
Goodwill Amortised over Period	(1,005)	(905)	–	–
Closing Balance	7,464	10,256	–	–

Goodwill arose during the year from the purchase of:				
Intertraffic – T.F.I Pty Ltd	(1,791)	5,261	–	–
Lep International Pty Ltd (75% of shares)	–	(714)	–	–
Road City (100% of Business Assets)	–	119	–	–
	(1,791)	4,666	–	–

9 Employee Share Purchase Scheme

Opening balance	271	430	273	430
Staff Loan Repayment During the Year	(94)	(159)	(91)	(157)
Closing Balance	177	271	182	273

On 15 December 1997 the Company issued 216,000 ordinary shares to the Trustees of the Mainfreight Ltd Staff Share Purchase Scheme for 130 cents per share. Fulltime staff with a minimum of 1 years continuous service who had not been issued shares under the previous staff share issue were entitled to participate in the scheme. 120 staff took up the offer and were issued 1800 shares each. The purchase price is repayable over 3 years.

The shares issued amounted to 0.3% of issued capital. The power to control the Trustees of the scheme is held by the Company's Board of Directors.

10 Investment in Subsidiary Companies

The Parent Company's investment in subsidiary companies comprised:

	2000 $000	1999 $000
Shares at Cost	14,460	16,187

Principal Subsidiary Companies Include:	Balance Date	Principle Activity	Percentage Shareholding	
Mainfreight International Ltd	31 March	International Freight Forwarding	100%	100%
Mainfreight Distribution Pty Ltd	31 March	Freight Forwarding	100%	100%
Daily Freight (1994) Ltd	31 March	Freight Forwarding	100%	100%
Lep International (NZ) Ltd	31 March	International Freight Forwarding	75%	75%
Lep International Pty Ltd	31 March	International Freight Forwarding	75%	75%
Intertraffic-T.F.I Pty Ltd	31 March	International Freight Forwarding	100%	100%

11 Investment in Associate Companies

On 17 April 1999 Mainfreight acquired an effective 49.5% of Carotrans International Inc, a U.S.A. based international freight forwarding company. The cost of the investment was net $729,000 after disposing of a segment of the business.

The share of surplus (deficit) of associates of ($290,000) comprised of:

	Group		Parent	
	2000 $000	1999 $000	2000 $000	1999 $000
Operating Deficit before goodwill amortisation and restructuring	(643)	–	–	–
Restructuring Costs	(168)	–	–	–
Amortisation Costs	(230)	–	–	–
Profit on sale of business division	751	–	–	–
	(290)	–	–	–
Investment in Associate comprised of:				
Purchase in Year	729	–	729	–
Share of Surplus (Deficit)	(290)	–	–	–
Closing Balance	439	–	729	–

12 Capital Commitments and Contingent Liabilities

The Group and Company had the following capital commitments at 31st March 2000 (31st March 1999 1,218,000).

- Brisbane Land 1,102,941
- Westney Rd Development 2,600,425
- K&S Express Division 9,058,653

All obligation guarantees are given by the Company in favour of Westpac Banking Corporation in respect of Mainfreight Distribution Pty Ltd, Daily Freight (1994) Ltd and Lep International Pty Ltd.

Notes to the Financial Statements

13 Subsequent Events

On 3 April 2000 the Group purchased K&S Express division for a net consideration of $NZ10,617,000. A deposit of $NZ1,558,000 was paid prior to balance date. This business has been merged into the existing Mainfreight Distribution Pty Limited operations.

On 13 April 2000 the Westpac multi option credit line facility was increased from $40,000,000 to $50,000,000 and increasing the amount allowed to be drawn in Australian currency from $A14,000,000 to $A18,000,000.

Mainfreight Distribution Pty Limited has reached an agreement in principal to merge its container freight station (CFS) operation with those of Port-Link International Pty Limited. A new entity, Port-link Logistics, will be formed, with Mainfreight as a founder, minority, shareholder.

14 Segmental Reporting

The Group operates in the domestic freight and international freight industries.

The Group operates predominantly in two geographical segments - New Zealand and Australia. The basis for intersegment pricing is at normal trade price.

Industrial and Geographical Segments

	N.Z. Domestic	N.Z. Internat.	Australia Domestic	Australia Internat.	Intercoy	2000 $000 Consolidated
Operating revenue						
• sales to customers outside the group	127,398	71,754	7,601	105,861	–	312,614
• intersegments sales	1,672	1,674	2,473	6,349	(12,168)	–
Total revenue	129,070	73,428	10,074	112,210	(12,168)	312,614
Segment and Group result	12,863	1,071	(511)	1,304	–	14,727
Segment & Total Assets	89,769	13,632	5,562	24,547	(17,050)	116,460

						1999 $000
Operating revenue						
• sales to customers outside the group	115,494	75,631	8,772	86,424	–	286,321
• intersegments sales	2,025	2,796	1,469	6,249	(12,539)	–
Total revenue	117,519	78,427	10,241	92,673	(12,539)	286,321
Segment and Group result	11,541	747	(940)	(194)	–	11,154
Segment & Total Assets	84,100	15,695	5,127	17,067	(17,414)	104,575

15 Reconciliation of Cash Flows with Reported Net Surplus

	Group		Parent	
	2000	1999	2000	1999
	$000	$000	$000	$000
Net surplus/deficit	9,769	7,071	10,738	7,524
Non-cash items:				
Depreciation	3,672	3,583	1,912	2,179
Amortisation of goodwill	1,005	905	–	–
(Increase) decrease in deferred tax asset	(14)	(134)	38	(230)
	14,432	11,425	12,688	9,473
Add (less) movements in other working capital items, net of effect of acquisitions:				
(Increase) decrease in accounts receivable	(6,810)	(4,452)	457	(3,250)
Elimination of acquisition accounts receivable	–	6,992	–	–
Increase (decrease) in accounts payable	4,995	(336)	791	140
Elimination of acquisition accounts payable	–	(6,830)	–	–
Increase (decrease) in interest payable	85	(210)	85	(210)
(Increase) decrease in interest receivable	–	–	(135)	(82)
(Increase) decrease in dividend receivable	–	–	–	1,500
Increase (decrease) in taxation payable	(419)	(114)	(102)	365
Increase (decrease) in net GST	110	(291)	136	(316)
Less item classified as investing activity:				
Net (surplus) deficit on sale of fixed assets	134	(46)	111	(43)
Net cash inflow from operating activities	12,527	6,138	14,031	7,577

16 Financial Instruments

At balance date the Group and Company had the following financial assets; cash and bank balances, accounts receivable (trade and sundry), related party receivables and the following financial liabilities; accounts payable (trade and sundry), bank overdraft, related party payables, taxation payable, dividends payable.

CREDIT RISK

The values attached to each financial asset in the Statement of Financial Position represents the maximum credit risk.

There are no financial assets not disclosed in the Statement of Financial Position.

No collateral is held with respect to any financial assets. There are no significant concentrations of credit risk.

FAIR VALUE

The fair value of all financial instruments recognised in the Statement of Financial Position is their stated value.

There are no financial instruments not disclosed in the Statement of Financial Position.

CURRENCY & INTEREST RATE RISK

The interest rate on the bank account (whilst in overdraft) is variable. The Company seeks to obtain the most competitive market rate of interest at all times.

At 31 March 2000 the Group has the following financial instruments denominated in foreign currencies, 44% of accounts payable (trade) and 46% of accounts receivable (trade). The Group monitors exchange rate movements.

Notes to the Financial Statements

17 Related Parties

The ultimate holding company is Mainfreight Limited.

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

Name of Related Party	Nature of Relationship	Type of Transactions	2000 Costs $000	1999 Costs $000
C. Howard-Smith	Director	Legal & Trustee Fees	106	106
			106	106

Related Party Receivables Outstanding at Balance Date:

Name of Related Party	Type of Transaction	Terms of Settlement	Balance Receivable $000	Balance Receivable $000
Daily Freight (1994) Ltd	Trade	30 Days	1,396	1,197
Mainfreight International Ltd	Trade	30 Days	131	341
Lep International (NZ) Ltd	Trade	30 Days	218	182
Lep International Pty Ltd	Trade	30 Days	206	105
Intertraffic-TFI Pty Ltd	Trade	30 Days	71	–
Mainfreight International Ltd	Advance	On Call	681	660
Lep International (NZ) Ltd	Advance	On Call	854	596
Mainfreight Distribution Pty Ltd	Advance	On Call	4,880	3,135
Lep International Pty Ltd	Advance	On Call	2,145	2,075
Carotrans International Ltd	Advance	On Call	882	–
			11,464	8,291

Related Party Payables Outstanding at Balance Date:

Name of Related Party	Type of Transaction	Terms of Settlement	Balance Payable $000	Balance Payable $000
Daily Freight (1994) Ltd	Trade	30 Days	64	33
Mainfreight International Ltd	Trade	30 Days	7	21
Lep International (NZ) Ltd	Trade	30 Days	10	10
Lep International Pty Ltd	Trade	30 Days	–	8
Mainfreight Holdings Pty Ltd	Trade	30 Days	135	–
Daily Freight (1994) Ltd	Advance	On Call	2,980	1,200
Lep International (NZ) Ltd	Advance	On Call	–	2,680
			3,196	3,952

The Company transacts with each other company within the Group on an arms length basis.

No related party debts have been written off or forgiven during the period (31 March 1999 nil).

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

Nature of Name of Related Party	Type of Relationship	Transactions	Costs $000	Costs $000
C. Howard-Smith	Director	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	287	569

Geologistics Ltd is the minority shareholder in Lep International (NZ) Ltd.

ARTHUR ANDERSEN

Auditors' Report

To the Shareholders of
Mainfreight Limited

We have audited the accompanying financial statements of Mainfreight Limited ("the Company") set out on pages 25 to 38. The financial statements provide information about the past financial performance and financial position of Mainfreight Limited and subsidiaries ("the Group") and the Company as at 31 March 2000. This information is stated in accordance with the accounting policies set out on pages 28 and 29.

Directors' Responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the Group and Company as at 31 March 2000 and of the results of their operations and cash flows for the year then ended.

Auditors' 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 Company's and Group's circumstances, 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.

Our firm carries out other assignments for the Group in the area of taxation advice and special consultancy projects. The firm has no other interests in the 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 referred to above:
  - a) comply with generally accepted accounting practice in New Zealand; and
  - b) give a true and fair view of the financial position of the Company and Group as at 31 March 2000 and the results of their operations and cash flows for the year then ended.

Our audit was completed on 15 June 2000 and our unqualified opinion is expressed as at that date.

Arthur Andersen

Auckland

Statutory Information

Directors

The following people held office or ceased to hold office as Director during the year and received the following remuneration including benefits during the year.

Name	Remuneration	Current Director or Date appointed or resigned
Don Rowlands	$50,000	Current
Bruce Plested**	$184,000	Current
Neil Graham	$25,000	Current
Carl Howard-Smith*	$25,000	Current
John Fernyhough	$25,000	Current
Richard Prebble	$25,000	Current
Chris Dunphy**	$296,000	Appointed 29 July 1999
Don Braid**	$218,000	Appointed 29 July 1999

*Excludes legal and trustee fees (refer to note 17 to the Financial Statements)

**Includes vehicle and other non-cash remuneration. Chris Dunphy is remunerated in Australian currency.

Employees' Remuneration

The Group paid remuneration including benefits to 15 New Zealand based and 15 overseas based employees (other than directors) during the year in excess of $100,000 in the following bands:

Remuneration	New Zealand Based Number of Employees	Overseas Based Number of Employees
$100,000 – $110,000	4	3
$110,000 – $120,000	4	5
$120,000 – $130,000	–	2
$130,000 – $140,000	–	1
$140,000 – $150,000	3	–
$150,000 – $160,000	2	2
$160,000 – $170,000	1	–
$180,000 – $190,000	1	1
$190,000 – $200,000	–	1

Donations and Auditors' Fees

Donations and auditors' fees are set out in note 2 of the Financial Statements. The company has an Audit Committee comprising of Carl Howard-Smith and Richard Prebble.

Minority Veto Provisions

The Company has adopted "minority veto" provisions in its constitution.

Statutory Information

Directors' Shareholdings at Balance Date

	2000	1999
BG Plested		
• beneficially owned	22,893,567	22,893,567
• held by associated persons	270,100	270,100
NL Graham		
• beneficially owned	6,005,223	6,005,223
CG Howard-Smith		
• held as trustee of staff share purchase scheme	260,440	613,120
• held by associated persons	50,000	50,000
DD Rowlands		
• beneficially owned	142,000	142,000
CJ Fernyhough		
• beneficially owned	100,000	100,000
• held by associated persons	126,300	126,300
CS Dunphy		
• beneficially owned	325,000	n/a
• held by associated persons	580,000	n/a
DR Braid		
• beneficially owned	6,264	n/a
• held by associated persons	531,000	n/a
TOTAL	31,289,894	30,200,310

Substantial Security Holders

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

The following are recorded by the Company as at 1 June 2000 as Substantial Security Holders in the Company, and have declared the following relevant interest in voting securities under the Securities Amendment Act 1988:

BG Plested	22,893,567
NL Graham	6,005,223
Shamrock holdings of California Inc	5,968,889
Armstrong Jones (NZ) Ltd	3,796,460

Spread of Security Holders as at 1 June 2000

Size of Shareholding	Number of Holders	%	Total No. Held	%
1 – 999	124	6.63%	60,158	0.08%
1,000 – 4,999	1,069	57.20%	2,463,989	3.39%
5,000 – 9,999	341	18.25%	2,240,616	3.09%
10,000 – 49,999	293	15.68%	4,713,837	6.49%
50,000 – 99,999	16	0.86%	1,020,520	1.41%
100,000 – 999,999	19	1.02%	4,670,904	6.43%
1,000,000 – PLUS	7	0.37%	57,427,742	79.10%
TOTAL	1,869	100.00%	72,597,766	100.00%

Statutory Information

Largest Security Holders as at 1 June 2000

BG Plested	22,893,567	31.53%
NL Graham	6,005,223	8.27%
Shamrock Holdings of California Inc	5,968,889	8.22%
ANZ Nominees Limited	4,914,801	6.77%
National Mutual Life Assurance of Australasia Ltd	3,023,376	4.16%
Armstrong Jones (NZ) Ltd	2,677,102	3.69%
Royal and Sun Alliance Life Ltd	2,111,290	2.91%
Trustees Executors and Agency Company of New Zealand Ltd	1,660,396	2.29%
ABN Amro Nominees Ltd	1,530,347	2.11%
Accident Rehabilitation & Compensation Insurance Corporation	1,475,000	2.03%
Guardian Assurance Ltd	1,336,900	1.84%
Penumbra Investments	1,000,000	1.38%
Sheath Holdings	976,741	1.35%
The NZ Guardian Trust Co Ltd	771,604	1.06%
Westpac Superannuation Nominees NZ Ltd	664,088	0.91%
John Grant & Kerry Nolan	605,000	0.83%
Dynamic Baskets Pty Ltd	525,000	0.72%
NZ Funds Superannuation Ltd	500,000	0.69%
P.M. Masfen & J.A. Masfen	500,000	0.69%
Athene Nominees Ltd	480,000	0.66%

Interests Register

Name of Director or other Person having Interest	Details of Interest	Date Interest Disclosed
Chris Dunphy	Appointed director 29 July 1999 at which time he held 325,000 shares in own name.	29 July 1999
	A company (Penumbra Investments Ltd), in which he held 50% of the shares, owned a total of 1,050,000 shares.	
	Held options exercisable between 1/7/1999 & 30/6/2001 for 150,000 shares at a price of $1.20.	
	Held options exercisable between 1/6/2001 & 1/6/2004 for150,000 shares at a price of $1.40.	
	Held options exercisable between 1/7/2002 & 1/7/2007 for 100,000 shares at a price of $1.50.	
	Associated person purchased 55,000 shares @ $1.70 on 28/01/2000.	28 January 2000
Don Braid	Appointed director 29 July 1999 at which time he held 6,264 shares in own name.	29 July 1999
	Associated people held 6,000 shares and a company (Penumbra Investments Ltd), in which he held 50% of the shares, owned a total of 1,050,000 shares.	
	Held options exercisable between 1/7/1999 & 30/6/2001 for 300,000 shares at a price of $1.20.	
	Held options exercisable between 1/7/2002 & 1/7/2007 for 100,000 shares at a price of $1.50.	

Corporate Governance Statement

This statement gives readers an overview of the Group's main corporate governance policies and processes adopted or followed by the Board.

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. The 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 qualified personnel.

Group Management Structure

The Group's organisational structure is focused on its three main activities : domestic forwarding, international forwarding and logistics. These divisions are all separately managed, with at least one of the Company's Directors being on the Board of each subsidiary.

Risk Identification and Management

The Group has in place policies and procedures to identify areas of significant business risk and implement procedures to effectively manage those risks. Where appropriate, the Board obtains advice directly from external advisers. Once a risk is identified, the Board is advised and corrective action is taken promptly to mitigate the risk.

Board Committees

The Board has constituted a number of standing Committees that focus on specific 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, Arthur Andersen, 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: safeguarding of assets; maintaining proper accounting records, complying with legislation; ensuring the reliability of financial information.

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.

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 and the Quarterly Shareholder Bulletins. 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.

Statistics

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

	Notes	2000 ($000's)	1999 ($000's)	1998 ($000's)	1997 ($000's)	1996 ($000's)
Net Sales		312,614	286,321	210,322	162,872	130,842
EBITDA	1	21,247	17,588	16,020	14,150	11,319
Surplus before Abnormals, Interest & Tax		16,570	13,100	12,565	11,584	8,997
Abnormals	2	0	537	0	525	122
EBIT	3	16,570	12,563	12,565	11,059	8,875
Net Interest Cost		1,607	1,266	777	1,073	1,085
Net Surplus (NPAT)	4	8,975	6,882	7,258	5,953	4,769
Cashflow	5	14,156	11,559	11,059	8,871	7,326
Net Tangible Assets	6	41,718	34,673	35,530	20,197	19,750
Net Debt	7	30,557	25,637	11,909	16,222	7,236
Total Assets		116,460	104,625	89,823	64,791	45,105
EBIT Margin (before abnormals) (%)		5.3	4.6	6.0	7.1	6.9
Equity Ratio (%)	8	35.8	33.1	39.6	31.2	43.8
Return on NTA (%)	9	21.5	19.8	20.4	29.5	24.1
Net Interest Cover (x)	10	10.31	10.35	16.17	10.80	8.29
Earnings per Share (cps)	11	12.40	9.51	10.03	8.23	6.59
Adjusted Earnings per Share (cps)	11,12	12.40	10.25	10.03	8.95	6.76
Cashflow per Share (cps)	11	19.56	15.97	15.28	12.26	10.12
NTA per Share (cps)	11	57.64	47.91	49.09	27.91	27.29

Notes:

1. EBITDA is defined as earnings before interest, tax, depreciation, amortisation and abnormals.
2. Abnormal items for the year ended 31 March 1999 relate to restructuring costs in Lep International Pty Ltd, Mainfreight International Ltd and Mainfreight Distribution Pty Ltd. Abnormal items for the years ended 31 March 1996 and 31 March 1997 relate to flotation costs.
3. EBIT is defined as earnings before interest and tax.
4. Net Surplus (NPAT) is net profit after tax, abnormals and minorities but before dividends.
5. Cashflow is defined as NPAT plus amortisation of goodwill, depreciation and minorities.
6. Net Tangible Assets includes 75% of Lep International (NZ) Ltd and 75% of Lep International Pty Ltd.
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 NPAT 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 current issued capital of 72.373 million shares.
12. Adjusted Earnings per Share figures are based on NPAT with abnormal items added back.

Mainfreight Proxy Form

I/We ______________________________

(full names in block letters)

Of ______________________________

____

(full names in block letters)

being a shareholder/shareholders of Mainfreight Limited hereby appoint*

Full Name of Proxy ______________________________

Address ______________________________

or failing him/her ______________________________

of ______________________________

as my proxy for me/us on my/our behalf at the Annual Meeting of Mainfreight Limited to be held on Thursday 27 July 2000 at 2.30pm, and at any adjournment thereof.

Unless otherwise instructed below, the Proxy may vote as he or she thinks fit or abstain from voting. Should the shareholder(s) wish to direct the Proxy how to vote, please indicate with a tick in the appropriate boxes below.

resolutions

	For	Against
1. To receive the Financial Statements and Reports of Directors and Auditors		
2. a) To re-elect Mr DD Rowlands as a Director		
b) To re-elect Mr C G O Howard-Smith as a Director		
c) To re-elect Hon R W Prebble as a Director		
3. To authorise the Directors to fix the remuneration of the Auditors.		
4. Adoption of a new constitution		
5. Team Member Share Purchase Scheme		

Signed this ____________ day of ____________ 2000

Usual Signatures(s) ______________________ Number of Shares held ____________

note

All Shareholders are entitled to attend this meeting and are entitled to vote.

A Shareholder of Mainfreight Limited entitled to attend and vote is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a Shareholder of Mainfreight Limited. To be valid, instruments appointing a proxy must be deposited at the registered office of Mainfreight Limited at 12-14 Southdown Lane, Penrose, Auckland, not less than 48 hours before the holding of the Annual Meeting.

Joint holders should all sign this form. Companies should execute this form by an office or attorney duly authorised in accordance with their constitution. If this form is executed under Power of Attorney a Certificate of Non-revocation of Power of Attorney together with a copy of the Power of Attorney, should be forwarded with this form if they have not already been produced to Mainfreight Limited.

change of address advice

Previous Address ______________________________

____

Present Address ______________________________

____

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

Auckland International Logistics Centre

No postage stamp required
if posted in New Zealand

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BUSINESS REPLY POST
Authority No. 2888 Auckland NZ
Postage and fee will be paid on delivery to:

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The Registrar
Mainfreight Ltd
C/- Computer Share Registry Services Ltd
Private Bag 92119
Auckland 1030
New Zealand

Directory

Board of Directors

Donald D. Rowlands, CBE, Chairman
Bruce G. Plested, ACA, Managing Director
Donald R. Braid
Christopher S. Dunphy BA, Dip Bus. Fin
C John Fernyhough, LLM (Hons) Jr. Dur.
Neil L. Graham QBE
Carl G O Howard-Smith, LLB
The Hon. Richard W Prebble, BA, LLB (Hons),

Administration Office

473 Great South Road
Penrose
PO Box 14-038, Panmure
Auckland
Tel (09) 526 6370

Registered Office

12-14 Southdown Lane
Penrose
P.O. Box 14-038, Panmure
Auckland
Tel (09) 526 0950
http//:www.mainfreight.co.nz

Overseas offices

Lep International Pty Ltd
154 Melrose Drive
Tullamarine
Victoria 3043
Private Bag 8PO
Tel (613) 9339 0888

Mainfreight Distribution Pty Ltd
1653 Centre Road
Clayton
Victoria 3168
Tel (613) 9265 5300

Mainfreight International
Incorporating ISS Express Lines
Trade Park Drive
Tullamarine
Victoria 3043
Tel (613) 9330 6000

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

Mainfreight International Hong Kong
Room 902,
Hollywood Plaza,
610 Nathan Road,
Mongkok, Kowloon
Hong Kong

Auditors

Arthur Andersen
National Bank Centre
209 Queen Street
PO Box 199
Auckland

Bankers

Westpac Banking Corporation
Westpac Tower
120 Albert Street
PO Box 934
Auckland

Barristers to the Company

Howard-Smith & Co
45 Lake Road, Takapuna
Private Bag 33-339
Auckland

Share Registry

Computer Share Registry Services Ltd
Level 3, 277 Broadway Newmarket
Private Bag 92-119
Auckland

Annual Report by

Magnum Limited
2 Enfield Street, Mt Eden
Auckland

1997 Trans-Atlantic Rowing Champions

"What lies behind us, and what lies before us are small matters compared to what lies within us".

MAINFREIGHT