MAINFREIGHT LIMITED

Financial result for the six months ended September 2011 (Unaudited)

The Mainfreight Group is pleased to report a record net surplus after taxation and abnormals of $29.08 million for the first six months of the 2012 financial year; an increase of 76.6% on the previous year's result of $16.47 million. Excluding abnormals ($0.51 million after tax) the increase was 79.7%.

EBITDA performance was also at a record level for a first half result: $64.37 million, up from $35.13 million for the same period last year.

Total revenue (sales) increased 38.4% to $892.90 million from $644.94 million in the comparative period last year. (Excluding foreign exchange effects, this represents an increase of 42.9%).

Excluding Wim Bosman Group results, Mainfreight Group's revenues improved by 4.8% (adjusted for foreign exchange, the increase is 9.3%), and EBITDA results were up 30.5% (excluding foreign exchange, 33.9%).

The second quarter has been a repeat of our first quarter results, with sales growth and enhanced profitability across most divisions in the Group. In particular, we achieved strong profit growth in our Australian Domestic operations. This trend of Group-wide improvement shows no sign of abating as we head into our third quarter with its traditional seasonal peaks.

Dividend

The Directors of Mainfreight have approved an interim dividend of 12.0 cents per share, an increase of 3.0 cents per share on the interim dividend declared in the 2011 year.

This dividend will be fully imputed and will be paid on 16 December 2011, with books closing on 9 December 2011. A supplementary dividend will be paid to non-resident shareholders.

The increase in interim dividend reflects the strength of the financial results for the half year and our expectations for the full-year's trading.

Capital Expenditure

Ongoing improvement in trading has given Mainfreight's Directors the confidence to commit to capital investment in land and buildings at levels similar to those in place prior to the global financial crisis.

A number of building projects will commence across New Zealand, Australia, Romania and Belgium during the next two years.

Divisional Performance

New Zealand Domestic **(NZ$)**

New Zealand Domestic EBITDA was up 25.8% to NZ$19.64 million; an increase of NZ$4.03 million from the prior year.

Sales revenues improved 11.4% to NZ$152.43 million as strong sales activities resulted in higher freight volumes. Of this increase, 66% can be attributed to market share gains, the balance being provided by increased trading from our existing customers.

Trading through October and November shows similar trends indicating a strong third quarter.

Our new Wellington facility commenced operations in late September and with the assistance of KiwiRail, we have begun rail services to and from Wellington.

Logistics volumes, stock holdings and revenues have seen significant improvement during September and October, with a number of prospective customer gains still to be confirmed, likely requiring further investment in facilities.

New Zealand International **(NZ$)**

EBITDA continues to improve in our New Zealand International division, up 20.7% to NZ$2.61 million from NZ$2.16 million in the year prior. Sales revenues also increased, rising a further 10.0% to NZ$63.09 million compared to the same period last year. Both import and export volumes strengthened during the period.

Trading during October and early November continues to be positive, in line with the first-half improvements.

Australia

Despite fluctuating economic conditions in Australia, particularly in retail trading, our Australian operations have seen much improved results.

Australian Domestic **(AU$)**

EBITDA increased markedly, up 70.0% to AU$8.12 million, an improvement of AU$3.34 million over the year prior. Sales revenues were up by AU$13.11 million to AU$95.59 million, which is a 15.9% increase on the same period last year. Strong market share gains, enhanced operating margins and well-managed costs have assisted this result.

Strong trading during October and November continues, and our expectations are for further improvements as the year proceeds.

Returns from our Logistics activities have also improved, particularly across the FMCG sector.

Australia International **(AU$)**

Australia International is our only division to see revenues decline, falling 3.3% to AU$89.27 million, a decrease of AU$3.08 million.

EBITDA however improved 15.4% over the same period in the year prior, up AU$0.34 million. This is as a result of improving margins.

Import volumes improved during the period however export volumes declined as export activity across the sector struggled, particularly air freight. Market share in this sector was also lost as competition intensified during the period.

Trading through October and November has seen some small improvement, although “peak season” from Asia has yet to materialise.

United States of America **(US$)**

Our overall performance throughout the United States continues to improve, helped particularly by the increasing returns in our Mainfreight operations.

Total sales revenues increased US$16.10 million or 10.8% to US$165.15 million.

EBITDA for the combined USA operations was up 44.4% to US$6.85 million.

Divisional performance has Mainfreight USA's revenues up 19.1% to US$98.55 million compared to US$82.76 million in the prior year. EBITDA is at US$2.88 million, up from US$0.24 million in the year prior.

These improvements reflect the changing structure and direction of our business. Mainfreight USA has been split into two divisions, International and Domestic, replicating similar structures in our operations worldwide. This focuses the business to specialise in each sector, identifying weaknesses and strengths and complementing trade lane development across our world-wide network.

Freight mix in our Domestic operations continues to evolve towards more "everyday freight" providing regular tonnage and volume to develop our regional networks.

CaroTrans

CaroTrans, our wholesale NVOCC network, has continued to struggle to find comparable volume growth to the year prior, with revenues static at US$66.59 million. EBITDA performance also reflects this tightening of volume declining 11.9% to US$3.96 million, a drop of US$0.54 million on the year prior.

Trading during October and November has seen a marginal improvement of this performance as the division focuses on improving container utilisation and developing our import programme.

Asia International **(US$)**

Mixed results from our Asian business have seen sales revenues up 15.0% to US$15.40 million, which is an improvement of US$2.01 million on the corresponding period. However EBITDA is down 10.7% to US$1.15 million, a drop of US$0.13 million, as reduced volumes result in excess capacity and pressure on margins.

Costs have also increased as we develop our Asian network in preparation for further growth.

Peak season volume has yet to be seen in air and sea freight trades, however Mainfreight revenue has benefited as market share gains are achieved.

Europe **(Euro €)**

Our newly acquired European business, Wim Bosman Group, produced revenues of €124.07 million and EBITDA of €10.59 million. European holidays through July and August saw reduced freight volumes and performance when compared to our first quarter result. This was anticipated, however poorer trading in our International (Air & Ocean) and Logistics divisions delivered a lower than expected result.

We continue to see satisfactory growth in our Eastern European divisions and an improving position from our Belgium operations.

New management has been appointed from New Zealand for our Air & Ocean division based in Rotterdam and trade lane development is well underway to provide growth to and from our Asian and US operations across air and sea freight sectors.

Trading has lifted in October and November from the seasonal lows of July and August.

We remain pleased with this acquisition and are looking forward to developing the many opportunities the business presents to the Mainfreight Group.

Group Operating Cash Flow

Operating cash flows were $31.85 million, an increase of $28.20 million when compared to the same period last year, reflecting better overall trading performance.

Capital expenditure in the half year totalled $29.19 million, of which $19.1 million was property related. As mentioned earlier, property development expenditure is expected to increase over the next few years as building projects gather momentum.

Outlook

Despite world financial and economic conditions appearing to weaken in the six-month trading period, Mainfreight has continued to find growth and profitability.

Our relatively small market share of the world's logistics industry provides substantial opportunity. Our developing global network and our diversified product mix across all sectors, will provide a buffer against any expected downturn. In addition, specialising in LCL freight consolidation, with a focus on food & beverage, and related categories which withstand economic fluctuations, will continue to provide growth in our networks.

This record result is satisfactory and is in line with our expectations. We expect our third quarter result to reflect a similar trend.

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