MAINFREIGHT LIMITED

Financial result for the nine months ended December 2011 (Unaudited)

Mainfreight is pleased to report a record net surplus after taxation and abnormals of $46.75 million for the first nine months of the 2012 financial year; an increase of 34.9% on the previous year's result of $34.65 million. Excluding abnormals ($0.51 million after tax) the increase was 36.4%.

EBITDA performance was also at a record level for a nine month result breaking $100 million for the first time, an increase of 50.9% to $101.02 million.

This is despite a poorer-than-expected third quarter performance where freight volumes and returns only matched the prior year levels. December trading, in particular, was below our expectations.

Total revenue (sales) increased 35.3% to $1.37 billion from $1.01 billion in the comparative period last year. (Excluding foreign exchange effects, this represents an increase of 38.2%).

Excluding Wim Bosman Group results, Mainfreight's revenues improved by 3.9% (adjusted for foreign exchange, the increase is 6.8%), and EBITDA results were up 17.9% (excluding foreign exchange, 19.7%).

Whilst early third quarter trading replicated the trends of the first half of the year, December volumes across all divisions only matched prior year levels.

Trading into the fourth quarter has begun positively and we are confident of further improvements and increased trading through to our year end. In addition, market share gains have been made across most business units providing increased confidence in trading levels through 2012 and 2013.

Divisional Performance

New Zealand Domestic **(NZ$)**

New Zealand Domestic EBITDA increased 14.1% to NZ$35.04 million; an increase of NZ$4.32 million from the prior year.

Sales revenues were up 9.0% at NZ$239.16 million as market share was gained and food and beverage related products increased freight volumes. December trading however only matched that of the year prior.

Logistics volumes, stock holdings and revenues have seen significant improvement throughout the third quarter. This growth has seen additional leased facilities being commissioned to cover expansion of trade through 2012.

New Zealand International **(NZ$)**

EBITDA continues to improve in our New Zealand International division, up 11.3% to NZ$4.37 million from NZ$3.92 million in the year prior.

Sales revenues continued to rise; up 9.9% to NZ$100.28 million compared to the same period last year. Import volumes dominated the increase, with only perishable export volumes contracting when compared to the year prior.

An early Chinese New Year saw volumes from Asia decrease during January. Early February trading continues the first nine-month trend.

Australian Domestic **(AU$)**

EBITDA continued to increase, up 37.8% to AU$14.27 million, an improvement of AU$3.92 million over the year prior.

Sales revenues were up by AU$17.32 million to AU$150.34 million, which is a 13.0% increase on the same period last year. Continuing market share gain and steady trading from our established customers have contributed. Operating margins are up as we improve our linehaul networks and find better utilisation for our warehousing facilities.

Australia International **(AU$)**
Revenues for this division again declined, falling 5.7% to AU$137.93 million, a decrease of AU$8.35 million.

EBITDA was down 3.3% or AU$0.16million, to AU$4.48 million when compared with the same period in the year prior.

A disappointing "peak season" from Asia and intense competition in the shipping sector saw freight rates decline, inhibiting revenues and margin performance.

A number of sizeable new accounts have been gained, with most commencing trade from March onwards.

United States of America **(US$)**
Our overall performance throughout the United States continues to improve, again assisted by the uplift in profitability in our Mainfreight-branded operations.

Total sales revenues increased US$20.36 million or 8.9% to US$249.78 million.

EBITDA for the combined USA operations was up 37.2% to US$10.52 million.

Divisional performance has Mainfreight USA's revenues up 14.8% to US$149.60 million compared to US$130.31 million in the prior year. EBITDA is at US$4.16 million, up from US$0.91 million in the year prior.

Improvement has been seen in both the Domestic and International divisions. With freight revenues split 57.6% to 42.4% respectively, the strongest revenue increases were seen in the Domestic business, improving 22.6%, as against growth of 11.3% in International.

CaroTrans
CaroTrans, our wholesale NVOCC network, continued to struggle to find satisfactory improvement over the prior period's results.

Revenues improved just 1.1% to US$100.17 million and EBITDA performance declined 5.9% to US$6.36 million as margin levels are impacted with less export and import LCL trade.

We continue to look for improved performance in container utilisation and a stronger focus on developing our import volumes.

Asia International **(US$)**

Sales revenues increased marginally on the year prior, up 3.1% to US$21.96 million after improving 15.0% over the first half. Lack of "peak season" export freight volume and lower than expected ocean freight rates to all parts of the globe contributed to this reduced increase.

EBITDA decreased 11.1% to US$1.72 million, a drop of US$0.21 million from US$1.93 million.

Reduced shipping rates, volumes, excess capacity and increased operating costs from our network expansion all contributed.

Trading into the fourth quarter has started slowly with the early Chinese New Year affecting January shipping and airfreight volumes.

Network expansion and more in-country sales continue to be priorities as we look to expand our footprint in the region, particularly to assist our European freight trade.

Europe **(Euro €)**

Wim Bosman Group produced revenues of €181.79 million and EBITDA of €12.65 million.

Whilst contributing satisfactorily to the Group result, trading in the second and third quarters was below our expectations.

Poor performance from our Belgium Transport operations, our Air & Sea International business, and reduced utilisation in our 's-Heerenberg Logistics facilities were all contributing factors.

Our Eastern European divisions continue to perform above expectations albeit that they each have a smaller market presence when compared to our Benelux operations.

During these past two quarters, an amount of restructuring has taken place to improve performance in our Belgium Forwarding and Air & Sea operations. In addition to this, market share has been restored, with good customer gains improving our Logistics utilisation in 's-Heerenberg, and also likely to provide additional Transport opportunities throughout the region. The majority of these customer gains are contracted to begin during our second quarter of the 2013 financial year (June/July 2012).

We remain satisfied with our investment and are excited by the growth opportunities Wim Bosman Group presents, irrespective of the European economic crisis.

We expect to have the final audited accounts for the Wim Bosman Group full financial year (January to December 2011) by the end of March 2012, which will determine the final earn-out calculation and payment due to the vendor, if any.

Outlook

Despite a lower than expected third quarter, we remain satisfied with this record nine month result. Market share gains and the continuing levels of profitability being experienced in all divisions early in this fourth quarter, provide confidence for a satisfactory year end result.

More importantly, we remain well positioned for further growth during the 2012 and 2013 trading years.

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