



MAINFREIGHT LIMITED
HALF YEAR RESULT
TO SEPTEMBER 2014



Result Summary

NET SURPLUS

Net surplus after tax before abnormal items up 16.7% to \$33.65 million

REVENUE

Revenue up 7.8% to \$987.10 million
Including foreign exchange effects, 3.6% increase
An increase of \$34.40 million

EBITDA

EBITDA at \$69.30 million; increase of 13.1%
Including foreign exchange effects, 9.4% increase
All five regions contributed positively

OUTLOOK

Satisfactory result; expect more of the same for the full year result



Dividend

DIVIDEND

Interim dividend of 14.0 cents per share

Books close 5 December 2014; payment on 12 December 2014

An increase of 1.0 cent per share over the previous year's interim dividend



Capital Management

NZ\$ MILLION	THIS YEAR	LAST YEAR
Operating cash flow	35.38	42.67

- Reflects abnormal gain in last year's figures of \$11.96 million; cash collections are satisfactory
- Net capital expenditure totalled \$70.22 million
- Expected full year capital expenditure \$123 million



Half Year Analysis: Revenue

\$000	THIS YEAR	LAST YEAR	VARIANCE	
New Zealand: NZ\$	255,939	243,147	5.3%	↑
Australia: AU\$	236,214	224,246	5.3%	↑
USA: US\$	206,909	178,119	16.2%	↑
Asia: US\$	21,745	18,532	17.3%	↑
Europe: EU€	129,840	124,748	4.1%	↑
Total Group: NZ\$	987,101	952,699	3.6%	↑
			(excl FX) 7.8%	↑



Half Year Analysis: EBITDA

\$000	THIS YEAR	LAST YEAR	VARIANCE	
New Zealand: NZ\$	29,894	27,655	8.1%	↑
Australia: AU\$	15,403	14,081	9.4%	↑
USA: US\$	10,033	8,403	19.4%	↑
Asia: US\$	2,238	1,820	23.0%	↑
Europe: EU€	5,192	3,968	30.8%	↑
Total Group: NZ\$	69,297	63,302	9.4%	↑
			(excl FX) 13.1%	↑



New Zealand

- Revenue growth satisfactory for the region
- Domestic Transport – strong contribution to revenue
 - Volumes good – heading into peak season
 - KiwiRail capacity expected to be better than last year
 - Metro and 2Home divisions incurring increased costs to cope with growth
 - Strong focus on high quality service, particularly during peak period



New Hamilton Facility



New Zealand

- Logistics – revenue same as prior year
 - Construction of new facilities causing disruption and congestion
- Air & Ocean – revenues impacted by ocean freight rate decline
 - Volumes increased and market share has strengthened
 - Dunedin acquisition (post result) will increase capability



Australia

- Satisfactory performance across the region – expect similar results for next six months of trading
 - Sales capability still lacking; to be boosted for new financial year
- Domestic Transport operations driving revenue growth
 - New facilities bedded in and supporting improved performance
- Air & Ocean – performance comparable to prior year
 - Growth in new business during second quarter
 - New Perishable facilities providing sales opportunities

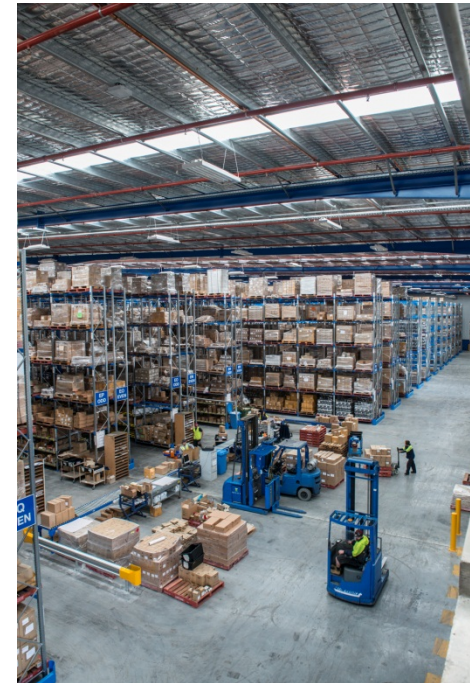


Sydney



Australia

- Logistics
 - Inventory holding less than prior year
 - Exposure to Ag sector
 - New facilities and increased capacity
 - Significant accounts gained; trading to begin in last quarter of F15



Brisbane



The Americas

- Regional revenue and EBITDA growth driven by Mainfreight rather than CaroTrans
- Mainfreight
 - Domestic Transport volumes increasing, providing better facility and linehaul utilisation
 - Increased committed linehaul between all major branches
 - Transport sales activity remains strong, with expectations for significant new revenue in Q4
 - Air & Ocean development continues, supporting our own global network



The Americas

- Mainfreight
 - Logistics warehousing business – standalone sites in LA, Dallas and Newark
 - Customer development focus; expect good long-term growth in this category
- CaroTrans – disappointing first half; revenues in line with prior year, EBITDA reduced as margins decline
 - LA/West Coast port performance impacting
 - Export and Import delivery services – potential to harm peak season retail sales
 - EBITDA lost ground unlikely to be regained by year end



Europe

- First quarter performance significantly improved; July/August holiday period saw gains eroded, however October/November better
- Forwarding business marginally ahead across all nations other than Belgium
 - Belgian sales and margin poor
 - Focus on management and structural changes to lift performance

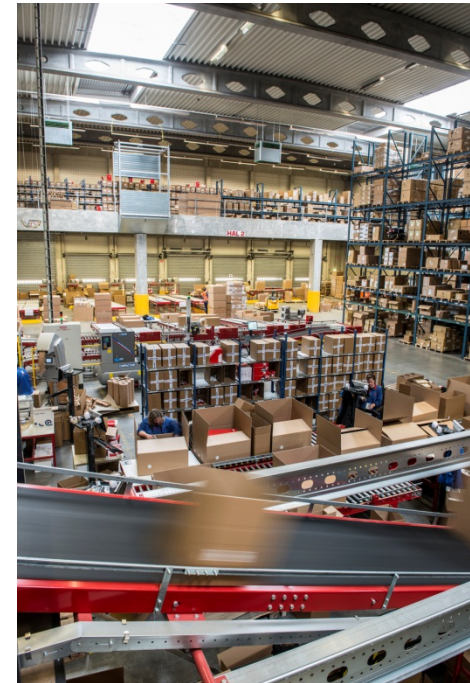


Meticulous



Europe

- Logistics business providing sales growth and strong EBITDA contribution through efficiencies
- Air & Ocean business now established in 9 locations across 5 countries
- Air & Ocean sales emphasis supports regional revenue growth



Asia

- Stronger sales focus beginning to deliver better growth; will add additional capability over time
- All branches in China now profitable
 - New opportunities expected with imminent Customs licence
- Hong Kong performance disappointing; stronger emphasis on imports, airfreight and margin
- Southeast Asia growth underway, albeit small
 - Significant sales tender opportunities
- Expect current trends to continue into the new year



Group Outlook

- We continue to expect an acceptable full year performance
- Peak season volumes will assist
- Australian growth slightly behind expectations as sales capacity requires bolstering and new facility costs dent margins
- Mainfreight USA on target to deliver on short-term expectations
- Europe still a long-term option albeit getting improvement
- New Zealand and Asia performing well
- Capital expenditure in line with expectations



Financial Calendar F15

F15 – 12 months ended 31 March 2015

Annual Meeting of Shareholders

F16 – 6 months ended 30 September 2015

RELEASE DATE

27 May 2015

29 July 2015

10 November 2015

