FULL YEAR RESULT TO MARCH 2011

Result Summary

- Revenue up 18.5% to $1.34 billion from $1.13 billion
- EBITDA $91.58 million, up 20.7% and includes return to full bonus of $11.95 million as against $3.04 million last year
- Net surplus before abnormals up 23.5% to $47.24 million
- Abnormals of $21.53 million made up primarily of acquisition costs (Wim Bosman Group) $4.11 million, and deferred tax on building $16.91 million
- Debt restructuring to accommodate Wim Bosman Group acquisition. New multi-currency revolving facilities with more favourable terms:
  - NZ$227 million with Westpac Banking Corporation
  - NZ$186 million with Commonwealth Bank of Australia

Financial Highlights

NZ$ million	This Year	Last Year	Variance
Group Revenue	1,341.5	1,132.2	18.5%
Net Surplus New Zealand	24.6	21.4	14.5%
Net Surplus Offshore	22.6	16.8	35.0%
Net Surplus before Abnormals	47.2	38.2	23.5%
Abnormals	(21.5)	(1.9)	
EBIT	70.7	56.7	24.7%
EBITDA	91.6	75.8	20.7%
EBITA	75.8	59.5	27.3%

Debt

NZ$ million	This Year	Last Year
Term borrowings	97.1	119.4
Finance lease	0.5	1.1
Deposits	(50.0)	(37.6)
Total	47.6	82.9

- USD foreign exchange movement assisted
- Continued low capital expenditure: $18.1 million vs $16.8 million last year
- Post year-end, Wim Bosman Group acquisition sees net debt increase to $257.2 million

Cash Flow

NZ$ million	This Year	Last Year
Operating cash flow	71.8	53.7

- Working capital movements positive $13.6 million in 2011 year, largely due to bonus and acquisition cost accruals
- Working capital movements neutral in 2010 year
- Capex expectations for F12:
  - Property $40 million
  - Other $19 million

Dividend

- 11 cents per share for final dividend
- Takes total dividend for year to 20.0 cents per share; last year 18.5 cents per share
- Equates to 47.1% of net surplus before abnormals
- Books closing 15 July 2011
- Payment 22 July 2011

Key Events

- Record, highest ever revenues – contributions from all divisions. When revenue from Wim Bosman is added, expect revenues of ~$1.8 billion pa
- Record, highest ever EBITDA and net profit before abnormals
- Post year-end Bosman acquisition provides European footprint
- Profitability recovery in Mainfreight USA
- Abnormal cost allocation due to legislative change for property depreciation and IFRS rule change on acquisition costs
- Debt restructure
  - Capacity
  - Covenant
  - Multi-currency facilities
  - Reduced fees
  - Five-year term

Key Events

- Full bonus allocation of $11.95 million
  - Record level, reflecting result
  - Expected to be paid to 1,847 team members
- Management changes for New Zealand Domestic, Australia, European transition
- Post year-end trading sees continued revenue and profit momentum

Fourth Quarter Analysis: Revenue

$000	Q4 Revenue This Year	Q4 Revenue Last Year	Q4 Revenue Variance
NZ Domestic: NZ$	71,294	65,578	8.7%
NZ International: NZ$	30,599	29,267	4.6%
AU Domestic: AU$	42,034	36,773	14.3%
AU International: AU$	45,636	42,653	7.0%
USA*: US$	78,784	62,441	26.2%
Asia: US$	5,208	5,590	(6.8)%
Total Group: NZ$	**329,621**	**289,892**	**13.7%**
* - CaroTrans: US$	34,848	27,499	26.7%
- Mainfreight USA: US$	43,935	34,942	25.7%

Fourth Quarter Analysis: EBITDA

	After Bonus		
$000	**This Year**	**Last Year**	**Variance**
NZ Domestic: NZ$	11,532	10,403	10.9%
NZ International: NZ$	1,687	1,589	6.2%
AU Domestic: AU$	2,784	1,226	127.2%
AU International: AU$	2,136	2,623	(18.6)%
USA*: US$	3,055	1,268	140.9%
Asia: US$	613	362	69.1%
Total Group: NZ$	**24,625**	**19,048**	**29.3%**
* - CaroTrans: US$	2,547	2,044	24.6%
- Mainfreight USA: US$	508	(776)	165.4%

New Zealand

NZ$ million	This Year		Last Year	
Sales revenue	412.6		375.0	
EBITA	38.9	9.4%	34.9	9.3%
EBITDA (After Bonus)	47.9	11.6%	44.1	11.8%
EBITDA (Before Bonus)	54.1	13.1%	45.6	12.2%

- New Zealand revenue now 30.8% of total; 23.1% with Wim Bosman
- New Zealand EBITDA now 52.3% of total; 37.2% with Wim Bosman
- Growth and profitability expectations in New Zealand market still available

New Zealand Domestic

NZ$ million	This Year		Last Year	
Sales revenue	290.8		267.5	
EBITA	33.5	11.5%	30.1	11.3%
EBITDA (After Bonus)	42.3	14.5%	39.0	14.6%
EBITDA (Before Bonus)	47.5	16.3%	40.4	15.1%

- Revenue improvement assisted by market share gains – FMCG sector
- Rate review completed November 2010
- Post year-end fuel adjustment factor rationalised
- Refrigerated transport trials
- Wellington terminal completion due September 2011; Palmerston North and Invercargill underway through 2011/2012

New Zealand Domestic ...

- European operational initiatives to be introduced
- Warehousing profitability improved despite September Christchurch earthquake damage; continue to consolidate operations and improving capabilities

- Carl George appointed as National Manager Domestic Transport
- Nic Kay appointed as National Sales Manager
- Kevin Babbington appointed as National Manager Owens Transport

... All internal promotions

New Zealand International

NZ$ million	This Year		Last Year	
Sales revenue	121.8		107.5	
EBITA	5.4	4.4%	4.8	4.5%
EBITDA (After Bonus)	5.6	4.6%	5.0	4.7%
EBITDA (Before Bonus)	6.6	5.4%	5.2	4.9%

- Revenue improvement 13%
- Volume improvements
  - Sea import 12%
  - Sea export 14%
  - Air import 53%
  - Air export (4)%
  - Customs clearance 10%

New Zealand International ...

- Import growth in sea and air products
- Export growth muted, not assisted by exchange rate strength
- Perishable revenue up 3% as capability increases – China developments

Australia

AU$ million	This Year		Last Year	
Sales revenue	367.0		312.9	
EBITA	17.5	4.8%	15.4	4.9%
EBITDA (After Bonus)	19.9	5.4%	17.9	5.7%
EBITDA (Before Bonus)	22.3	6.1%	18.8	6.0%

- Strong revenue growth across all divisions
- Management structure changes to assist development of:
  - Domestic quality and network intensity
  - Integration of business units to assist supply chain growth for customers
- 1,300 new trading accounts gained during the year

Australian Domestic

AU$ million	This Year		Last Year	
Sales revenue	175.1		151.3	
EBITA	11.5	6.6%	8.9	5.9%
EBITDA (After Bonus)	13.1	7.5%	10.6	7.0%
EBITDA (Before Bonus)	14.4	8.3%	11.1	7.3%

- Total tonnes carried up 17%; revenue improvement 15.7%
- Network development; Gold Coast branch opened, five more to open within 2 years
- Chemcouriers services developing satisfactorily – gap in market
- Warehousing consolidation improving performance; high activity FMCG accounts now the norm

Australian Domestic …

- Bryan Curtis (ex Owens New Zealand) now managing Domestic operations
- Owens wharf cartage operations to extend network
- Brisbane property negotiations; Melbourne property acquisitions proving difficult

Australian International

AU$ million	This Year		Last Year	
Sales revenue	191.9		161.6	
EBITA	6.0	3.1%	6.5	4.0%
EBITDA (After Bonus)	6.8	3.5%	7.3	4.5%
EBITDA (Before Bonus)	7.9	4.1%	7.7	4.7%

- Revenue improvement 18%
- Volume improvements
  - Sea import 18%
  - Sea export 15%
  - Air import 15%
  - Air export 51%
  - Customs clearance 11%

Australian International ...

- New branches in Newcastle and Townsville; 2 more branches to open in 2011
- Perishable products and services development for Sydney and Brisbane to complement Melbourne
- Gross margin decline unacceptable – focus on improving
- Diversified service range now including:
  - Seed and grain
  - Aviation and Car/Boat logistics
  - Bulk product – wine/spirits – chemicals/plastics

United States

US$ million	This Year		Last Year	
Sales revenue	308.2		228.2	
EBITA	8.2	2.7%	2.3	1.0%
EBITDA (After Bonus)	10.7	3.5%	4.9	2.2%
EBITDA (Before Bonus)	12.3	4.0%	5.1	2.2%

- Combined revenue increase of 35.1%

United States – CaroTrans

US$ million	This Year		Last Year	
Sales revenue	134.0		99.5	
EBITA	8.7	6.5%	7.1	7.2%
EBITDA (After Bonus)	9.3	7.0%	7.8	7.8%
EBITDA (Before Bonus)	10.9	8.1%	8.0	8.0%

- Network now extends across USA, Australasia, China, Hong Kong, Singapore and Chile
- First South American branch: Santiago, Chile – April 2011
- US export volume up 21%; import volume 19%
- Opened 13th US branch in Dallas; Seattle to open mid-2011
- Strengthened Canada representation for cross-border Canadian export consolidation services

United States – CaroTrans …

- Gross margin decline unacceptable – focus on improving
- Import product growth of priority – expectation to increase to 20% of sales from 13%
- FCL volume growth again as exporters shift to NVOs from carriers
- European expansion/network enhancement opportunities continue to be explored

United States – Mainfreight USA

US$ million	This Year		Last Year	
Sales revenue	174.2		128.7	
EBITA	(0.6)	(0.3)%	(4.8)	(3.7)%
EBITDA (After Bonus)	1.4	0.8%	(2.9)	(2.2)%

- Revenue/sales growth of 35% across Domestic (31%) and International (39%) products
- Domestic LTL shipments increased 80%
- Established 7 domestic linehaul services – reduction in transport costs
- Owner driver network underway
- Trans-border Mexico Domestic and International services launched; Mexico City branch to open in 2012

Mainfreight USA ...

- New offices – San Diego, Portland and Seattle – post year-end Norfolk franchise acquisition
- Cash flow improvement – now at 42 days from 44 days
- Profit momentum continuing into new financial year
- Margin management a priority

Asia

US$ million	This Year		Last Year	
Sales revenue	26.5		18.9	
EBITA	2.3	8.9%	1.2	6.5%
EBITDA (After Bonus)	2.5	9.6%	1.4	7.4%
EBITDA (Before Bonus)	2.8	10.7%	1.5	8.0%

- Best ever result (revenue and profit)
- True revenue (sales) at US$42 million includes FOB sales – in-country sales decreased for the quarter
- TEU volume up 62% from 2008
- Three new branches in Tianjin, Xiamen and Singapore bring total to 8; Qingdao to open in June
- New premises for Shanghai and Ningbo
- US/Asia trade now our largest in the International segment

Asia …

- Bulk service agreements for airfreight in place for Australia and USA trade routes
- Wim Bosman Group freight volume currently being transferred across to Mainfreight network; European opportunities significant
- New branch network likely inland China to follow manufacturing
- CaroTrans also operating in each location

Update on Wim Bosman Acquisition

- Transaction completed 1 April 2011
- Management in place – Mark Newman (formerly NZ Domestic Transport)
- International freight transfer to Mainfreight network underway
- Significant opportunities available post-acquisition; optimism
- International freight software implementation – June
- Mainfreight financial reporting disciplines expected – mid-year
- Board meeting/visit – June
- Trade development opportunity Asia/Europe and US/Europe
- Belgium transport integration
- Paris branch – extensions completed – establishment of International (Air & Ocean) capability for France
- Business trading as expected and minimal Mainfreight influence

Outlook

- Expectations for further improved financial performance
- Expect competitive advantage from rail initiatives in New Zealand Domestic market
- Australian management changes to deliver:
  - More growth
  - Improved quality
  - Branch network
  - Improved integration
- Wim Bosman transaction to provide:
  - Greater global approach to sales activities
  - Operational expertise to assist Australasian Domestic skills
  - International trade development Asia/Europe – USA/Europe
- Continuing USA Domestic returns and revenue growth
- Defining time for Mainfreight

Financial Calendar F12

Quarter	Release Date
Q1 – 3 months ended 30 June 2011	11 August 2011
Q2 – 6 months ended 30 September 2011	10 November 2011
Q3 – 9 months ended 31 December 2011	9 February 2012
Q4 – 12 months ended 31 March 2012	30 May 2012