PRELIMINARY HALF YEAR REPORT ANNOUNCEMENT

Mainfreight Limited For Half Year Ended 30 September 2018

Preliminary half year report on consolidated results (including the results for the previous corresponding half year).

This report has been prepared in a manner which complies with the New Zealand equivalent to International Accounting Standard 34 Interim Financial Reporting and fairly presents the matters to which the report relates and is based on unaudited financial statements.

The Listed Issuer has a formally constituted Audit Committee of the Board of Directors.

Income Statement for the Six Months Ended 30 September 2018

income statement for the s	oix Montris ⊑naea 30 September	2010		
	Note	30 Sept 2018 \$000	30 Sept 2017 \$000	31 March 2018 \$000
		ΨΟΟΟ	ΨΟΟΟ	ΨΟΟΟ
Operating Revenue Interest Income		1,430,994	1,225,583	2,616,189 511
Total Revenue	-	1,430,994	1,225,583	2,616,700
Transport Costs		(875,751)	(748,541)	(1,605,459)
Labour Expenses Excluding Share Based		(305,700)	(266,441)	(538,483)
Occupancy Expenses and Rental Rechar	ge	(40,247)	(35,727)	(73,192)
Depreciation and Amortisation Expenses		(26,080)	(23,115)	(47,788)
Other Expenses		(100,954)	(86,108)	(183,941)
Finance Costs		(3,966)	(3,927)	(7,567)
Profit Before Abnormal Items and Taxatio		78,296	61,724	160,270
Income Tax on Profit Before Abnormal Ite	ems	(22,400)	(18,952)	(48,266)
Net Profit Before Abnormal Items for the	Year	55,896	42,772	112,004
Abnormal Items	4	(291)	(906)	(7,224)
Income Tax on Abnormal Items	4	` 98 [´]	`351 [′]	2,898
Abnormal Items After Taxation	4	(193)	(555)	(4,326)
Profit Before Taxation for the Year		78,005	60,818	153,046
Income Tax Expense		(22,302)	(18,601)	(45,368)
Net Profit for the Year	-	55,703	42,217	107,678
Earnings per share for profit attributable to	o the ordinary equity holders of the company are		Conto	Conto
Basic Earnings Per Share:	Total Operations	Cents 55.32	Cents 41.92	Cents 106.93
Dasic Lattilitys Fet Stiate.	Total Operations	33.32	41.32	100.93
Diluted Earnings Per Share:	Total Operations	55.32	41.92	106.93
Statement of Comprehensi	ve Income for the Six Months Er	nded 30 S	eptember	2018
Net Profit for the Year		55,703	42,217	107,678
Other Comprehensive Income				
Other comprehensive income to be reclas	ssified to profit or loss in subsequent periods:			
Exchange Differences on Translation of F	·	13,780	(1,198)	(1,978)
Income Tax effect		941	-	3,371
Net Other comprehensive income to be reclas	sified to profit (loss) in subsequent periods	14,721	(1,198)	1,393
Other comprehensive income not to be re	eclassified to profit or loss in subsequent periods:			
Revaluation of Land including Foreign Ex		325	356	638
Income Tax effect	_	-	-	
Net Other comprehensive income not to be re	classified to profit (loss) in subsequent periods	325	356	638
Other comprehensive income not to be re	eclassified to profit or loss in subsequent periods:			
Defined Benefit Pension Provision		(7)	(29)	325
Income Tax effect		-	(==)	(137)
	classified to profit (loss) in subsequent periods	(7)	(29)	188
Other Comprehensive Income for the \	Vear Net of Tax	15,039	(871)	2,219
Caron Comprehensive income for the f	ioui, not or lux	10,000	(071)	۷,۷۱۶
Total Comprehensive Income for the Y	ear, Net of Tax	70,742	41,346	109,897

Balance Sheet as at 30 September 2018

	30 Sept 2018 \$000	30 Sept 2017 \$000	31 March 2018 \$000
Current Assets	05 240	67.407	00 504
Bank Trade Debtors	85,318 432,321	67,487 330,872	80,521 361,737
Income Tax Receivable		644	270
Properties Available for Sale	8,473	-	7,852
Other Debtors	53,446	51,170	60,811
	579,558	450,173	511,191
Non-current Assets Property, Plant & Equipment	605,584	586,300	582,310
Software	49,956	45,326	49,374
Goodwill	216,681	204,093	207,919
Brand Names	8,096	11,262	7,863
Other Intangible Assets	8,237	10,065	9,164
Deferred Tax Asset	9,189	9,149	8,882
	897,743	866,195	865,512
TOTAL ASSETS	\$1,477,301	\$ 1,316,368	\$ 1,376,703
Current Liabilities Bank	-		36
Trade Creditors & Accruals	355,666	284,152	298,916
Employee Entitlements	56,093	50,698	53,373
Provision for Taxation Finance Lease Liability	2,234 1,956	7,569 1,838	12,323 2,077
	415,949	344,257	366,725
Non-current Liabilities			
Bank Term Loan	277,595	284,892	270,753
Employee Entitlements Deferred Tax Liability	3,856 21,835	745 23,769	3,634 21,526
Finance Lease Liability	3,948	2,565	4,507
	307,234	311,971	300,420
Shareholders' Equity Share Capital 3	85,821	85,821	85,821
Share Capital 3 Accumulated Surplus	612,880	537,031	583,359
Revaluation Reserve	51,579	50,972	51,254
Foreign Currency Translation Reserve	4,077	(13,235)	
Defined Benefit Pension Reserve	(239)	(449)	(232)
TOTAL EQUITY	754,118	660,140	709,558
TOTAL LIABILITIES AND EQUITY	\$1,477,301	\$ 1,316,368	\$ 1,376,703

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

Statement of Changes in Equity for the Six Months Ended 30 September 2018

Six Months to 30 September	<u> 2018</u>		Foreign	Defined		
	Ordinary Shares	Asset Revaluation Reserve	Currency Translation Reserve	Benefit Pension Reserve	Retained Earnings	TOTAL \$000
Balance at 1 April 2018	85,821	51,254	(10,644)	(232)	583,359	709,558
Profit for the Period					55,703	55,703
Other Comprehensive Income		325	14,721	(7)	·	15,039
Total Comprehensive Income for the F	-	325	14,721	(7)	55,703	70,742
Transactions with Owners in Their Cap	acity as Own	iers:				
Shares Issued						-
Executive Share Scheme Costs Supplementary Dividends					(989)	(989)
Dividends Paid					(26,182)	(26,182)
Foreign Investor Tax Credit					` 989 [′]	989
Balance at 30 September 2018	85,821	51,579	4,077	(239)	612,880	754,118

Six Months to 30 September 2	<u> 2017</u>	A = = 4	Foreign	Defined		
	Ordinary Shares	Asset Revaluation Reserve	Currency Translation Reserve	Benefit Pension Reserve	Retained Earnings	TOTAL \$000
Balance at 1 April 2017	85,821	50,616	(12,037)	(420)	518,982	642,962
Profit for the Period					42.217	42,217
Other Comprehensive Income		356	(1,198)	(29)	,	(871)
Total Comprehensive Income for the F	-	356	(1,198)	(29)	42,217	41,346
Transactions with Owners in Their Capa	acity as Own	ers:				
Shares Issued	_					-
Executive Share Scheme Costs						-
Supplementary Dividends					(824)	(824)
Dividends Paid					(24,168)	(24,168)
Foreign Investor Tax Credit					824	824
Balance at 30 September 2017	85,821	50,972	(13,235)	(449)	537,031	660,140

Twelve Months to 31 March 2018			Foreign	Defined		
	Ordinary Shares	Asset Revaluation Reserve	Currency Translation Reserve	Benefit Pension Reserve	Retained Earnings	TOTAL \$000
Balance at 1 April 2017	85,821	50,616	(12,037)	(420)	518,982	642,962
Profit for the Period Other Comprehensive Income		638	1,393	188	107,678	107,678 2,219
Total Comprehensive Income for the F	-	638	1,393	188	107,678	109,897
Transactions with Owners in Their Capa Shares Issued Executive Share Scheme Costs Supplementary Dividends	acity as Own	ers:			(1,497)	- - (1,497)
Dividends Paid Foreign Investor Tax Credit					(43,301) 1,497	(43,301) 1,497
Balance at 31 March 2018	85,821	51,254	(10,644)	(232)	583,359	709,558

Cash Flow Statement for the Six Months Ended 30 September 2018

		Group			
	Note	30 Sept 2018	30 Sept 2017	31 March 2018	
		\$000	\$000	\$000	
Cash Flows From Operating Activities					
Receipts from Customers		1,603,121	1,389,656	2,580,429	
Interest Received		(4.405.020)	(4.204.224)	511	
Payments to Suppliers and Team Members Interest Paid		(1,495,938) (3,965)	(1,304,324)	(2,388,030) (7,567)	
Income Taxes Paid		(32,212)	(3,927) (24,257)	(45,107)	
income raxes raid		(32,212)	(24,201)	(43,107)	
NET CASH FLOWS FROM OPERATING ACTIVITIES		71,006	57,148	140,236	
Cash Flows From Investing Activities					
Proceeds from Sale of Property, Plant & Equipment		2,391	1,198	4,507	
Proceeds from Sale of Software		-	-	46	
Repayments by Team Members		7	213	213	
Purchase of Property, Plant & Equipment		(33,129)	(22,944)	(51,509)	
Purchase of Software		(9,456)	(10,592)	(17,726)	
Advances to Team Members		-	(6)	(10)	
Establishment of Franchises and Subsidiaries		-	-	(250)	
NET CASH FLOWS FROM INVESTING ACTIVITIES		(40,187)	(32,131)	(64,729)	
Cash Flows From Financing Activities					
Proceeds of Long Term Loans			-	1,974	
Proceeds of Share Issues			-	-	
Dividend Paid to Shareholders		(26,182)	(24,168)	(43,300)	
Repayment of Loans		(3,736)	(7,730)	(28,441)	
NET CASH FLOWS FROM FINANCING ACTIVITIES		(29,918)	(31,898)	(69,767)	
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		901	(6,881)	5.740	
Net Foreign Exchange Differences		3,932	3	380	
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		80,485	74,365	74,365	
CASH AND CASH EQUIVALENTS AT END OF PERIOD		85,318	67,487	80,485	
Comprised					
Bank and Short Term Deposits		85,318	67,487	80,521	
Bank Overdraft				(36)	
		85,318	67,487	80,485	

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

1 Corporate Information

The preliminary half year report announcement of Mainfreight Limited ("the parent") and its subsidiaries ("the Group") for the six months ended 30 September 2018 were authorised for issue in accordance with a resolution of the Directors.

Mainfreight Limited is a company limited by shares incorporated in New Zealand whose shares are publicly traded on the NZX Main Board (New Zealand Stock Exchange).

2 Accounting Policies

Accounting policies remain consistent with the prior year ended 31 March 2018 financial statements except for the adoption of NZ IFRS 15 Revenue from Contracts with Customers. (Please see Note 2 (e) of the Financial Statements in the March 2018 Annual Report for further information).

A restatement of the 2018 Financial Statements was required as a result of this and the impact was:

Opening (1 April 2017) net assets and equity of the Group was reduced by \$2,640,000.

Profit before tax was reduced by \$302,000 and after tax by \$215,000 in the 31 March 2018 year.

Revenue in the year to 31 March 2018 was reduced by \$2,160,000.

3 Required NZX Disclosures

Movements in Ordinary Shares on Issue	<u>Parent</u>						
	30 Sept	30 Sept	31 March				
	2018	2017	2018				
	Shares	Shares	Shares				
Closing Balance	100,698,548	100,698,548	100,698,548				
Net Tangible Assets	521,104	434,720	484,612				
Net Tangible Assets per Security (cps)	517.49	431.70	481.25				

Dividends Paid and Proposed

	<u>Group</u>	
	30 Sept 2018 \$000	30 Sept 2017 \$000
Recognised Amounts Declared and Paid During the Year to Parent Shareholders	,	,
Final Fully Imputed Dividend for 2018: 26.0 cents (2017: 24.0 cents)	26,182	24,168
_	26,182	24,168
Unrecognised Amounts		
Interim Fully Imputed Dividend for 2019: 22.0 cents (2018: 19.0 cents)	22,154	19,133

After the balance date, the above unrecognised dividends were approved by directors' resolution dated 13 November 2018. These amounts have not been recognised as a liability as at 30 September 2018 but will be brought to account in the full year to 31 March 2019.

4 Abnormal Items

During the six months the Group had \$291,000 of abnormal expenses (September 2017 \$906,000). The related after tax expense was \$193,000 (September 2017 \$555,000).

These items comprised of:

These items comprised or.			Group
September 2018 Six Months	<u>Pre-Tax</u> <u>\$000</u>	<u>Tax</u> \$000	After Tax \$000
Redundancies	(291,000)	98,000	(193,000)
	(291,000)	98,000	(193,000)
September 2017 Six Months	<u>Pre-Tax</u> <u>\$000</u>	<u>Tax</u> \$000	Group After Tax \$000
September 2017 Six Months Redundancies			After Tax

5 Segmental Reporting

The Group operates in the domestic supply chain (i.e. moving and storing freight within countries) and air and ocean freight industries (i.e. moving freight between countries)

(i.e. moving freight between countries).

New Zealand, Australia, The Americas and Europe are each reported to management as one segment as the businesses there perform both domestic and air and ocean services.

The accounting policies of the operating segments are the same as those described in the notes in note 2 with the exception of deferred tax and the fair value of derivative financial instruments which are not reported on a monthly basis.

The segmental results from operations are disclosed below.

Geographical Segments

The following table represents revenue, margin and certain asset information regarding geographical segments for the six months ended 30 September 2018 and 30 September 2017. Inter segment transactions are entered into on a fully commercial basis.

Occasion Barrery	New Zealand	Australia	The Americas	Asia	Europe	Inter- Segment	2018 \$000 Group
Operating Revenue	242 420	270 520	245 655	E0 706	212.002		1 420 004
- sales to customers outside the group	343,120	370,530 9,324	345,655 25,401	58,786	312,903 18,486	(00.834)	1,430,994
- inter-segment sales -	(577)	9,324	25,401	38,200	10,400	(90,834)	
Total Revenue	342,543	379,854	371,056	96,986	331,389	(90,834)	1,430,994
EBITDA	45,426	24,418	16,018	4,623	17,857	-	108,342
Depreciation & Amortisation	11,211	3,852	3,226	313	7,478	-	26,080
- Capital Expenditure	12,772	12,044	3,462	652	11,264		40,194
Trade Receivables	92,744	114,383	114,603	29,111	100,420	(18,940)	432,321
Non-current Assets	373,519	187,845	91,219	11,573	233,587	(10,010)	897,743
Total Assets	471,840	333,419	234,783	66,839	389,360	(18,940)	1,477,301
Total Liabilities	203,523	165,444	133,408	34,282	205,466	(18,940)	723,183
•							
	New Zealand	Australia	The Americas	Asia	Europe	Inter- Segment	2017 \$000 Group
Operating Revenue							
 sales to customers outside the group 	316,867	314,319	284,037	52,611	257,749	-	1,225,583
- inter-segment sales	109	9,187	19,435	26,720	13,076	(68,527)	
Total Revenue	316,976	323,506	303,472	79,331	270,825	(68,527)	1,225,583
EBITDA	38,446	22,351	11,809	2,833	13,327	-	88,766
Depreciation & Amortisation	10,223	3,542	2,814	323	6,213	-	23,115
- Capital Expenditure	15,710	3,021	2,506	165	10,936		32,338
Trade Receivables	79,202	94,466	77,863	20,316	76,103	(17,078)	330,872
Non-current Assets	370,796	177,061	83,630	17,850	216,858	-	866,195
Total Assets	438,047	305,730	188,813	55,733	345,123	(17,078)	1,316,368
Total Liabilities	197,149	155,300	105,133	27,791	187,933	(17,078)	656,228
•							
Reconciliation between Segment EBITI	DA and the Inc	come Statem	ent			2018 \$000	2017 \$000
Profit from Operations Before Abnorma	l Items and Ta	axation for th	e Year			78,296	61,724
Derivative Fair Value Movement Non-cash Share Based Payment Expe	neo					-	-
Finance Costs Depreciation & Amortisation	1150					3,966 26,080	3,927 23,115
EBITDA					-	108,342	88,766
					=		

EBITDA is defined as earnings before net interest expense, tax, depreciation, amortisation, abnormal items, royalties, share based payment expense, minority interests and associates.

There are no customers in any segment that comprise more than 10% of that segment's revenue.

The gegraphical segments are determined based on the location of the Group's assets.

EMAIL: announce@nzx.com

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10. For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one (Please provide any other relevant details on additional pages)

of Issuer Mainfreight Limit	ed					
Name of officer authorised to make this notice	Tim Williams		Authority for e e.g. Directors	II JII C	tors Resolution	
Contact phone number (09) 259 550	Contact t number	(09) 270 74	102	Date 1	3 / 11 / 2018	
Nature of event Tick as appropriate Bonus						
EXISTING securities affected by this	If more th	nan one security is affecte	d by the event,	use a separate form.		
Description of the class of securities Ordinary	Shares				ZMFTE0001S9 f unknown, contact NZX	
Details of securities issued pursuan	t to this event	If more than one class	s of security is t	o be issued, use a separa	te form for each class.	
Description of the class of securities				ISIN	f unknown, contact NZX	
Number of Securities to be issued following event			Minimum Entitlement	ı	Ratio, e.g ① for ② for	
Conversion, Maturity, Call Payable or Exercise Date	Fotos NVA # not	<u> </u>	reatment of Fra	actions		
Enter N/A if not applicable pari passu Strike price per security for any issue in lieu or date Strike Price available. Enter N/A if not applicable pari passu OR explanation of the ranking						
Monies Associated with Event	Dividend payable, Cal	l payable, Exercise price,	Conversion prid	ce, Redemption price, App	lication money.	
In dollars Amount per security (does not include any excluded income	\$0.220	Source of Payment		Rev	renue	
Excluded income per security (only applicable to listed PIEs)]	_	_		
Currency	NZ \$	deta	dend ails -	Amount per security in dollars and cents	\$0.038824	
Total monies	\$22,153,681	NZSX Listin	ng Rule 7.12.7	Date Payable	14 December, 2018	
Taxation		Amour	nt per Security i	in Dollars and cents to six	decimal places	
In the case of a taxable bonus issue state strike price	\$ Resident Withholdi		8	Imputation Credi (Give details)	^t \$0.085556	
	Foreign Withholdi	ng Tax		FWP Credits (Give details)		
Timing (Refer Appendix 8 in	the NZSX Listing Rules)				_	
Record Date 5pm For calculation of entitlements -	7 December, 2018	Also, C Interes Conve of appi	cation Date Call Payable, Di st Payable, Exe resion Date. In th lications this mu siness day of the	rcise Date, the case ust be the	mber, 2018	
Notice Date Entitlement letters, call notices, conversion notices mailed		For the Must b	nent Date e issue of new s be within 5 busin lication closing	ness days		

OFFICE USE UNL1

EX Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code: Security Code:

