PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

Mainfreight Limited For Full Year Ended 31 March 2017

Preliminary full year report on consolidated results (including the results for the previous corresponding full year). This report has been prepared in a manner which complies with generally accepted accounting practice and fairly presents the matters to which the report relates and is based on <u>unaudited financial statements</u>, which are in the process of being audited. The Listed Issuer **has** a formally constituted Audit Committee of the Board of Directors.

Income Statement for the Year Ended 31 March 2017

income Statement for the Ye	ar Ended 31 Warch 2017			
	No	ote	2017 \$000	2016 \$000
Operating Revenue Interest Income			2,333,088 503	2,284,226 581
Total Revenue		-	2,333,591	2,284,807
Transport Costs			(1,432,556)	(1,426,847)
Labour Expenses Excluding Share Based Pay	ments		(476,256)	(460,070)
Occupancy Expenses			(65,792)	(60,664)
Depreciation and Amortisation Expenses			(43,492)	(39,320)
Other Expenses			(160,942)	(161,798)
Finance Costs			(7,728)	(8,953)
Non-cash Share Based Payment Expense			(55)	(356)
Profit Before Abnormal Items and Taxation for	the Year	_	146,770	126,799
Income Tax on Profit Before Abnormal Items		_	(43,606)	(38,623)
Net Profit Before Abnormal Items for the Year			103,164	88,176
Abnormal Items	2		(2,448)	(2,352)
Income Tax on Abnormal Items	4	-	807	1,780
Abnormal Items After Taxation	4	1	(1,641)	(572)
Profit Before Taxation for the Year			144,322	124,447
Income Tax Expense			(42,799)	(36,843)
Net Profit for the Year		_	101,523	87,604
Earnings per share for profit attributable to the	ordinary equity holders of the company	are:		
			Cents	Cents
Basic Earnings Per Share: To	otal Operations		101.10	87.98
Diluted Earnings Per Share: To	otal Operations		100.97	87.65
Statement of Comprehensive	e Income for the Year End	ded 31	March 201	7
Net Profit for the Year			101,523	87,604
Other Comprehensive Income				
Other comprehensive income to be reclassifie	d to profit or loss in subsequent periods:			
Exchange Differences on Translation of Foreig			(5,260)	16,644
Income Tax effect		_	(2,155)	3,767
Net Other comprehensive income to be reclassified	to profit (loss) in subsequent periods		(7,415)	20,411
Other comprehensive income not to be reclass	sified to profit or loss in subsequent perio	ods:		
Revaluation of Land including Foreign Exchan			(789)	631
Income Tax effect	ge meremente		(. 55)	(56)
Net Other comprehensive income not to be reclassi	fied to profit (loss) in subsequent periods	_	(789)	575
Other comprehensive income not to be reclass	sified to profit or loss in subsequent perio	ods:		
Defined Benefit Pension Provision	, ,		(635)	_
Income Tax effect			215	-
Net Other comprehensive income not to be reclassi	fied to profit (loss) in subsequent periods	_	(420)	-
Other Comprehensive Income for the Year,	Net of Tax		(8,624)	20,986
Total Comprehensive Income for the Year,	Net of Tax		92,899	108,590

Balance Sheet as at 31 March 2017

	Note	2017 \$000	2016 \$000
Current Assets		75.040	00.000
Bank Trade Debtors		75,312 314,888	93,829 293,194
Income Tax Receivable		1,829	877
Properties Held for Sale		-	1,787
Other Receivables		48,008	44,498
		440,037	434,185
Non-current Assets			
Property		484,244	482,112
Plant & Equipment Software		86,462 43,086	86,901 33,968
Goodwill		200,721	207,644
Brand Names		10,546	11,310
Other Intangible Assets		10,814	13,902
Deferred Tax Asset		8,855	8,555
		844,728	844,392
TOTAL ASSETS		1,284,765	1,278,577
Current Liabilities Bank Trade Creditors & Accruals Employee Entitlements Provision for Taxation Finance Lease Liability		947 261,206 47,907 14,121 1,801	1,093 262,640 43,949 4,933 2,369
Non-current Liabilities		323,302	314,904
Bank Term Loan		283,029	352,299
Employee Entitlements		3,800	676
Deferred Tax Liability		23,879	26,272
Finance Lease Liability		2,473	3,273
		313,181	382,520
Shareholders' Equity		9E 994	72.012
Share Capital Retained Earnings		85,821 521,619	73,912 459,477
Revaluation Reserve		521,619	52,303
Foreign Currency Translation Reserve		(12,034)	(4,619)
Defined Benefit Pension Reserve		(420)	-
TOTAL EQUITY		645,602	581,073
TOTAL LIABILITIES AND EQUITY		1,284,765	1,278,577

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

Statement of Changes in Equity for the Year Ended 31 March 2017

2017			Foreign	Defined		
\$000	Ordinary Shares	Asset Revaluation Reserve	Currency Translation Reserve	Benefit Pension Reserve	Retained Earnings	Total
Balance at 1 April 2016	73,912	52,303	(4,619)	-	459,477	581,073
Profit for the Year Transfer of Revaluation Reserve for	- or Land Sold -	- (898)	-	-	101,523 898	101,523 -
Other Comprehensive Income	-	(789)	(7,415)	(420)	-	(8,624)
Total Comprehensive Income for the Year	-	(1,687)	(7,415)	(420)	102,421	92,899
Transactions with Owners	in Their Capac	ity as Owners:				
Shares Issued	11,854	-	-	-	-	11,854
Executive Share Scheme Costs	55	-	-	-	-	55
Supplementary Dividends	-	-	-	-	(1,212)	(1,212)
Dividends Paid	-	-	-	-	(40,279)	(40,279)
Foreign Investor Tax Credit		-	-	-	1,212	1,212
Balance at 31 March 2017	85,821	50,616	(12,034)	(420)	521,619	645,602

2016			Foreign	Defined		
		Asset	Currency	Benefit		
\$000	Ordinary	Revaluation	Translation	Pension	Retained	
	Shares	Reserve	Reserve	Reserve	Earnings	Total
Balance at 1 April 2015 -						
- as previously reported	73,556	53,834	(25,030)	-	406,258	508,618
Restatement on change of account	ing policy -	-	-	-	(2,636)	(2,636)
Balance at 1 April 2015 restated	73,556	53,834	(25,030)	-	403,622	505,982
Profit for the Year	-	-	-	-	87,604	87,604
Transfer of Revaluation Reserve fo	r Land Sold -	(2,106)	-	-	2,106	-
Other Comprehensive Income	-	575	20,411	-	-	20,986
Total Comprehensive	-	(1,531)	20,411	-	89,710	108,590
Transactions with Owners i	in Their Capac	ity as Owners:				
Shares Issued	-	-	-	-	-	-
Executive Share Scheme Costs	356	-	-	-	-	356
Supplementary Dividends	-	-	-	-	(725)	(725)
Dividends Paid	-	-	-	-	(33,855)	(33,855)
Foreign Investor Tax Credit	-	-	-	-	725	725
Balance at 31 March 2016	73,912	52,303	(4,619)	-	459,477	581,073

Cash Flow Statement for the Year Ended 31 March 2017

	Note	2017 \$000	2016 \$000
Cash Flows From Operating Activities		•	
Receipts from Customers		2,307,424	2,275,422
Interest Received		503	581
Payments to Suppliers and Team Members		(2,132,227)	(2,089,222)
Interest Paid		(7,729)	(8,952)
Income Taxes Paid		(36,745)	(47,563)
NET CASH FLOWS FROM OPERATING ACTIVITIES		131,226	130,266
Cash Flows From Investing Activities			
Proceeds from Sale of Property, Plant & Equipment		5,822	11,897
Proceeds from Sale of Software		38	524
Repayments by Team Members		4	17
Purchase of Property, Plant & Equipment		(47,696)	(91,515)
Purchase of Software		(19,603)	(14,104)
Advances to Team Members		(212)	(5)
Establishment of Franchises and Acquisition of Subsidiaries			(200)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(61,647)	(93,386)
Cash Flows From Financing Activities			
Proceeds of Long Term Loans		-	19,162
Proceeds of Share Issues		11,854	-
Dividend Paid to Shareholders		(40,279)	(33,855)
Repayment of Loans		(57,131)	(316)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(85,556)	(15,009)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(15,977)	21,871
Net Foreign Exchange Differences		(2,394)	6,444
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		92,736	64,421
CASH AND CASH EQUIVALENTS AT END OF PERIOD		74,365	92,736
Comprised Bank and Short Term Deposits		75,312	93,829
Bank Overdraft		(947)	(1,093)
		74,365	92,736

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

1 Corporate Information

The preliminary full year report announcement of Mainfreight Limited ("the parent") and its subsidiaries ("the Group") for the year ended 31 March 2017 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

The Group has changed its policy in relation to recognition of deferred tax liabilities on indefinite lived intangible assets acquired in business combinations. Previously deferred tax was not recognised on such assets, but due to recent clarification by IASB it now is. This change in accounting policy has been accounted retrospectively, and so both equity at 1 April 2015 and the 31 March 2016 balance sheet have been adjusted for this change due to recognition of a deferred tax liability \$2,636,000. This change has impacted the deferred tax liability and retained earnings.

All other accounting policies remain consistent with the 2016 prior year financial statements.

3 Required NZX Disclosures

Movements in Ordinary Shares on Issue

	2017 Shares	2016 Shares
Closing Balance	100,698,548	99,573,548
Average Balance During Year	100,417,298	99,573,548

In June and July 2016 a total of 1,125,000 redeemable ordinary shares were fully paid by the participants at an average price of \$10.56 per share.

At 31 March 2017 there were no partly paid shares outstanding.

Net Tangible Assets		
	2017	2016
	\$000	\$000
Net Tangible Assets	423,521	348,217
Net Tangible Assets per Security (cps)	421.76	349.71
Dividends Paid and Proposed Recognised Amounts Declared and Paid During the Year to Parent Shareholders	2017 \$000	2016 \$000
Final Fully Imputed Dividend for 2016: 23.0 cents (2015: 20.0 cents)	23,160	19,915
Interim Fully Imputed Dividend for 2017: 17.0 cents (2016: 14.0 cents)	17,119	13,940
	40,279	33,855
Unrecognised Amounts		
Final Fully Imputed Dividend for 2017: 24.0 cents (2016: 23.0 cents)	24,168	22,902

After the balance date, the above unrecognised dividends were approved by directors' resolution dated 29 May 2017. These amounts have not been recognised as a liability in 2017 but will be brought to account in 2018.

4 Abnormal Items

During the year the Group had \$2,698,000 of abnormal expenses (2016 \$2,352,000). The related after tax expense was was \$1,891,000 (2016 \$1,636,000).

In the year the Group had a \$250,000 abnormal gain (2016 nil). The related after tax gain was \$250,000 (2016 \$1,064,000).

These items comprised of:

<u>2017 Year</u>	<u>Pre-Tax</u>	<u>Tax</u>	After Tax
	<u>\$000</u>	<u>\$000</u>	\$000
Redundancies	(2,698)	807	(1,891)
Earnout Accrual Written Back	250		250
	(2,448)	807	(1,641)
<u>2016 Year</u>	<u>Pre-Tax</u>	<u>Tax</u>	After Tax
	<u>\$000</u>	\$000	\$000
Redundancies Customs Agency Receivership Deferred Tax Writeback on Buildings Sold	(1,695)	519	(1,176)
	(657)	197	(460)
	-	1,064	1,064
	(2,352)	1,780	(572)

5 Annual Report and Annual Meeting

The annual report is expected to be available on 27 June 2017.

The Annual Meeting is to be held at the Barrel Hall, Villa Maria Estate, 118 Montgomerie Road, Mangere, Auckland at 4.00pm on 27 July 2017.

6 Segmental Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

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).

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.

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 years ended 31 March 2017 and 31 March 2016. Inter segment transactions are entered into on a fully commercial basis.

Operating Revenue	New Zealand	Australia	The Americas	Asia	Europe	Inter- Segment	2017 \$000
- Sales to customers	609,238	568,056	615,280	89,328	451,689	_	2,333,591
outside the group - Inter-segment sales	999	17,379	13,785	73,809	20,182	(126,154)	-
Total Revenue	610,237	585,435	629,065	163,137	471,871	(126,154)	2,333,591
EBITDA	91,021	44,930	26,205	8,806	26,580	-	197,542
Depreciation & Amortisation	18,943	6,843	5,341	639	11,726	-	43,492
Capital Expenditure	38,627	6,222	6,875	577	14,998		67,299
Trade Receivables	85,043	80,743	78,418	14,016	73,746	(17,078)	314,888
Non-current Assets	363,308	178,398	86,536	18,261	198,225	-	844,728
Total Assets	455,008	289,716	186,934	51,637	318,548	(17,078)	1,284,765
Total Liabilities	208,496	143,285	104,208	23,853	176,399	(17,078)	639,163
•							
Operating Revenue	New Zealand	Australia	The Americas	Asia	Europe	Inter- Segment	2016 \$000
- Sales to customers	563,245	546,423	675,162	69,407	430,570	_	2,284,807
outside the group - Inter-segment sales	1,537	17,414	18,792	87,455	14,601	(139,799)	-
Total Revenue	564,782	563,837	693,954	156,862	445,171	(139,799)	2,284,807
EBITDA	77,642	37,132	27,563	9,365	23,145	-	174,847
Depreciation & Amortisation	16,472	5,594	5,192	653	11,409	-	39,320
: Capital Expenditure	29,243	55,967	10,316	710	10,071		106,307
Trade Receivables	74,639	74,672	83,128	18,141	63,087	(20,473)	293,194
Non-current Assets	348,172	181,005	87,341	18,444	209,430	-	844,392
Total Assets	437,861	291,314	191,736	52,640	325,499	(20,473)	1,278,577
Total Liabilities	216,433	162,086	119,035	29,073	188,714	(20,473)	694,868
						_	
Reconciliation between Segment EBITDA	and the Incor	me Statement				2017 \$000	2016 \$000
Profit from Operations Before Abnormal I	tems and Taxa	ation for the Ye	ear			146,770 (504)	126,799 (581)
Derivative Fair Value Movement Non-cash Share Based Payment Expens	e					- 55 7 720	356
Finance Costs Depreciation & Amortisation						7,729 43,492	8,953 39,320
EBITDA					-	197,542	174,847

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 geographical 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)

Full name of Issuer	Maint	freigh	t Limited																	
Name of officer make this notice		ed to		[Tim Willia	ms					Authority f				Directo	rs Res	olution			
Contact phone number		(09)	259 5500				Contact fa number	(C	09) 270	7402	2] ,	Date	2	9 /	5	/	2017	
Nature of eve Tick as appropri			Bonus Issue Rights Issue non-renouncab	le 🔲	If ticked, state who Capital change	ether: Call	<i>Taxable</i> Divider	nd If t	/Non Taxe ticked, state nether:	е	Co	onversio Full Year	n [Spi	Interes	_		s Issue uncable		
EXISTING see	curities	affec	ted by this				If more the	an one se	ecurity is at	ffected	by the event	, use a s	eparate	form.						
Description of the class of securities			Ordinary S	hare	3								I:	SIN		MFTE0				
Details of sec	curities	issue	d pursuant t	this	event			If mo	re than one	e class	of security is	s to be is	sued, u	se a se	eparate fo	m for eacl	class.			
Description of the													I	SIN		5		NZV		
Number of Secu		nt									Minimum Entitlement				·	f unknown, Ratio, e.g 1) for (2)		for		
Conversion, Ma Payable or Exer	aturity, Ca	all			Enter N/A if	not		Tii	ck if		Treatment of	Fraction			`					
Strike price per Strike Price ava		for any	issue in lieu or	date	applicabl	e			ari passu		OR	explana of the ranking	ation							
Monies Asso	ciated	with E	vent		I	Dividend pa	ayable, Call μ	oayable, E	Exercise pr	rice, Co	onversion prid	ce, Rede	emption	price, i	Application	n money.				
Amount pe (does not i			In dollars	\$0.2					Source of Payment						Rev	enue				
Excluded i (only appli																				
Currency				NZ S	;			4			nentary Amount per se dividend in dollars and details -									
Total moni	nies			\$24,	167,652			NZSX Listing Rule 7 12 7			Date Payable 21 July, 20			y, 201	2017					
Taxation										Amou	nt per Securi	ity in Doi	llars and	d cents	to six dec	imal place	S			
In the case of a issue state strike		bonus		,	\$		Resident Withholdir	ng Tax	\$0.0	1666	7			mputati Give de	ion Credits etails)	\$0.09	3333			
							Foreign Withholdir	ng Tax	\$					WP Cr Give de						
Timing		(Refer	Appendix 8 in th	e NZS	C Listing Rule	s)														
Record Date 5p For calculation of		ments -		·	14 July, 20	017				Also, Intere Conve of app	cation Date Call Payable, st Payable, E ersion Date. I blications this usiness day o	Exercise In the ca must be	Date, se the	21	July, 2	2017				
Notice Date Entitlement lette conversion notic										For th Must i	ment Date e issue of ne be within 5 bo blication closi	usiness								

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code: Security Code:

