MAINFREIGHT LIMITED
HALF YEAR RESULT
TO SEPTEMBER 2015

Result Summary

REVENUE

Revenue up 12.9% to $1.114 billion
Excluding foreign exchange effects, 5.6% increase
An increase of $127.04 million

EBITDA

EBITDA at $71.58 million; increase of 3.3%
Excluding foreign exchange effects, 2.1% decrease

NET SURPLUS

Net surplus after tax before abnormal items down 1.5% to $33.14 million
Exclude FX and this decrease widens to 7.0%

OUTLOOK

Revenue and margin gains eroded by high overhead costs
Expecting better cost management in second half, and ongoing sales and margin growth

Dividend

DIVIDEND

Final dividend of 14.0 cents per share
Books close 11 December 2015; payment on 18 December 2015
Prudent to keep dividend in line with the previous year given profitability and capital requirements

Capital Management

NZ$ MILLION	THIS YEAR	LAST YEAR
Operating cash flow	45.93	35.38

- Net capital expenditure totalled $58.50 million; of which $40.64 million was property development
- Expected full year capital expenditure ~$90 million
- Banking facilities extended by a year through to April 2020

Half Year Analysis: Revenue

$000	THIS YEAR	LAST YEAR	VARIANCE	
New Zealand: NZ$	270,957	255,939	5.9%	↑
Australia: AU$	248,584	236,214	5.2%	↑
USA: US$	228,172	206,909	10.3%	↑
Asia*: US$	21,650	21,745	(0.4)%	–
Europe: EU€	130,771	129,840	0.7%	–
Total Group: NZ$	**1,114,141**	**987,101**	**12.9%**	↑
			(excl FX) 5.6%	↑

* Inter-company totalled $27.27 million for Asia

- Revenue including inter-company for Asia up 37%

Half Year Analysis: EBITDA

$000	THIS YEAR	LAST YEAR	VARIANCE	
New Zealand: NZ$	28,989	29,894	(3.0)%	↓
Australia: AU$	13,184	15,403	(14.4)%	↓
USA: US$	9,385	10,033	(6.5)%	↓
Asia: US$	3,546	2,238	58.4%	↑
Europe: EU€	5,900	5,192	13.6%	↑
Total Group: NZ$	**71,582**	**69,297**	**3.3%**	↑
			(excl FX) (2.1)%	↓

Domestic vs Air & Ocean Performance

NZ$000		THIS YEAR	LAST YEAR	VARIANCE	
Group	Revenue	1,114,141	987,101	12.9%	↑
	EBITDA	71,583	69,296	3.3%	↑
Domestic	Revenue	633,914	594,289	6.7%	↑
	EBITDA	47,378	51,911	(8.7)%	↓
Air & Ocean	Revenue	480,227	392,812	22.3%	↑
	EBITDA	24,205	17,385	39.2%	↑

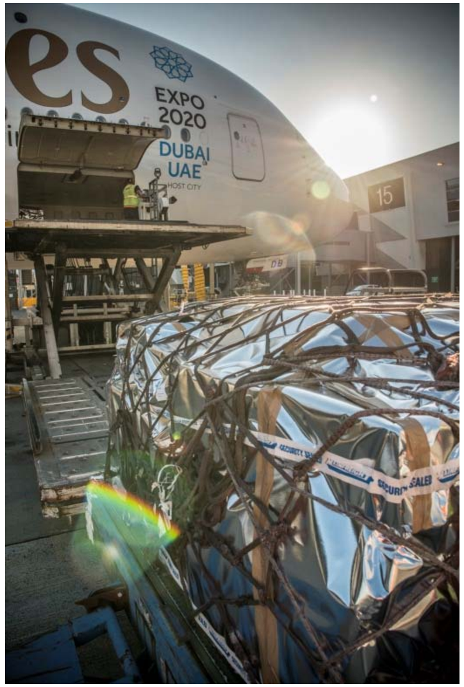
New Zealand

- Revenue growth satisfactory for the region, up 5.9%
- Gross margins up 7.3% for the half year, however overhead costs increased 13.1%
  - Labour and facility costs are biggest contributors
  - Strong cost controls in place for second half
  - Improving Logistics facility utilisation also assisting
- Transport
  - Seasonal volumes improving on prior year
  - Efficiency gains created by new sites in Hamilton and Christchurch pleasing – with more to come

New Hamilton Facility

New Zealand

- Logistics – revenue improved on prior year
  - Construction of new facilities now complete with utilisation improving
- Air & Ocean
  - Despite declining seafreight rates, revenue has improved, as has gross margin
  - Volumes increased and market share has strengthened



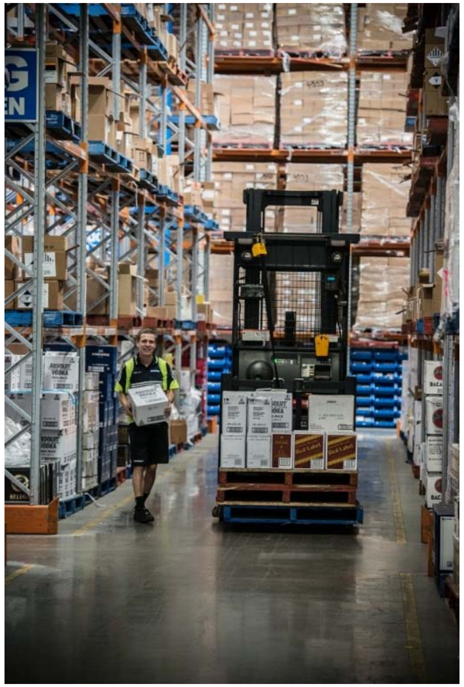
Australia

- Revenue growth across the region led by Air & Ocean performance, up 5.2%
- Gross margin improved 4.8%, however overhead costs increased 9.1%
- Domestic Transport revenue growth lower than expected
  - Market share improvements not as evident as previous years
  - PUD (pick-up & delivery) management, particularly for Sydney, is a priority
  - New Melbourne Transport facility ready early 2016

Sydney

Australia

- Air & Ocean – much improved on year prior
  - Growth in new business
- Logistics
  - Better facility utilisation across Australia
  - Improved efficiency required at Sydney facility to realise satisfactory profitability from new accounts
  - Brisbane warehouse the only under-utilised facility
  - New Melbourne facility will provide growth opportunities



Logistics Australia

The Americas

- Regional revenue and EBITDA growth driven by Mainfreight Air & Ocean
- Gross margin improvement of 6.7%, however overheads increased by 8.8% (mainly in Logistics operation)
- Mainfreight
  - Domestic Transport volumes increasing; fixed linehaul having some impact on margin
  - Domestic Transport sales activity disappointed during the half year, however expectations are for better growth in the second half

Logistics LA

The Americas

- Mainfreight
  - Air & Ocean development much improved with strong customer gains expected to continue into second half
  - Logistics warehousing – standalone sites in LA, Dallas and Newark; all need better utilisation
  - Customer development focus is strong with new business gains expected in new year
- CaroTrans – a better first half; revenues in line with prior year, EBITDA improved as margins are managed better
  - Expect gradual improvement as year progresses

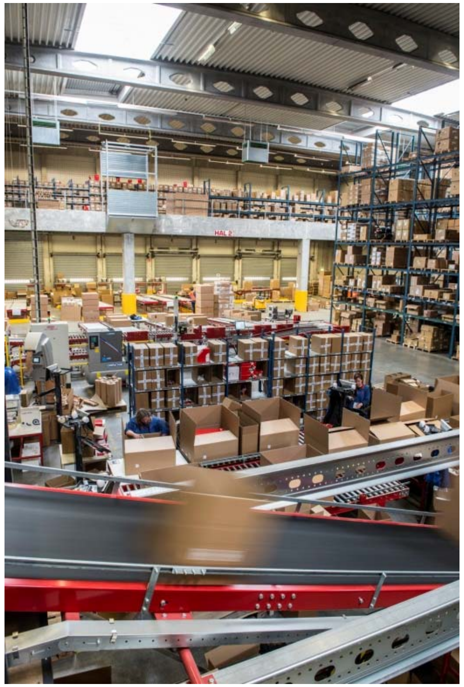
Europe

- Improvement across all divisions – revenue excluding inter-company effects close to 3% improvement; driven by Air & Ocean and Logistics growth
- Forwarding business ahead across all countries with Belgium reducing its losses of prior years
  - Belgian improvement expected to continue
- Logistics business providing sales growth and continues strong EBITDA contribution
  - Good utilisation of warehouse sites
  - Planning underway for additional sites supported by customer growth

Meticulous

Europe

- Air & Ocean business well established and gaining good sales traction
- Trade lane growth most evident to/from USA
- Senior executive change in the new year;
  Mark Newman returns to New Zealand and is replaced by Ben Fitts (previously overseeing NZ Air & Ocean business)



Asia

- Stronger sales focus continues to deliver better growth; excluding inter-company effects, revenues are up 36%
- Hong Kong performance much improved, particularly airfreight
- New Hong Kong warehouse now operational, with 60% utilisation – assisting supply chain opportunities
- Southeast Asia growth continues
- Expect current trends to be maintained

Group Outlook

- We continue to expect an acceptable full year performance, however will have reduced trading weeks in March due to Easter timing (will benefit April vs prior year)
- Peak season volumes will assist through the second half
- Costs controls in place and not expecting any increase in labour as peak season tonnage arrives
- The development and improvement in Air & Ocean growth is pleasing and expected to continue, particularly between our operations around the world
- Irrespective of economic issues in any one country, expect our global presence and growth to continue to provide improving returns

Financial Calendar F16

	DATE
Investor Day – Melbourne	8 April 2016
F16 – 12 months ended 31 March 2016	26 May 2016
Annual Meeting of Shareholders	28 July 2016
F17 – 6 months ended 30 September 2016	9 November 2016