Result Summary

$REVENUE 6.8% 2,054.3m GROUP OPERATING REVENUE

$EBITDA 8.7% 162.2m GROUP EBITDA

$NET PROFIT 7.7% 83.5m GROUP NET PROFIT BEFORE ABNORMAL ITEMS

Our best ever results.
## Full Year Analysis: Revenue

<table>
<thead>
<tr>
<th>$000</th>
<th>THIS YEAR</th>
<th>LAST YEAR</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand: NZ$</td>
<td>542,667</td>
<td>505,189</td>
<td>7.4% ↑</td>
</tr>
<tr>
<td>Australia: AU$</td>
<td>490,646</td>
<td>458,473</td>
<td>7.0% ↑</td>
</tr>
<tr>
<td>USA: US$</td>
<td>422,163</td>
<td>363,565</td>
<td>16.1% ↑</td>
</tr>
<tr>
<td>Asia: US$</td>
<td>44,230</td>
<td>37,704</td>
<td>17.3% ↑</td>
</tr>
<tr>
<td>Europe: EU€</td>
<td>259,711</td>
<td>250,721</td>
<td>3.6% ↑</td>
</tr>
<tr>
<td>Total Group: NZ$</td>
<td>2,054,339</td>
<td>1,924,407</td>
<td>6.8% ↑</td>
</tr>
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</table>

(excl FX) 8.7% ↑
# Full Year Analysis: EBITDA

<table>
<thead>
<tr>
<th>$000</th>
<th>THIS YEAR</th>
<th>LAST YEAR</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Zealand: NZ$</strong></td>
<td>73,606</td>
<td>67,375</td>
<td>9.2% ↑</td>
</tr>
<tr>
<td><strong>Australia: AU$</strong></td>
<td>37,239</td>
<td>35,191</td>
<td>5.8% ↑</td>
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<tr>
<td><strong>USA: US$</strong></td>
<td>19,108</td>
<td>18,853</td>
<td>1.4% ↑</td>
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<tr>
<td><strong>Asia: US$</strong></td>
<td>4,989</td>
<td>3,523</td>
<td>41.6% ↑</td>
</tr>
<tr>
<td><strong>Europe: EU€</strong></td>
<td>11,913</td>
<td>8,922</td>
<td>33.5% ↑</td>
</tr>
<tr>
<td><strong>Total Group: NZ$</strong></td>
<td>162,195</td>
<td>149,187</td>
<td>8.7% ↑</td>
</tr>
</tbody>
</table>

*(excl FX) 10.4% ↑*
### Balance Sheet Summary

<table>
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<tr>
<th>$000</th>
<th>THIS YEAR</th>
<th>LAST YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>1,124,455</td>
<td>975,827</td>
</tr>
<tr>
<td>Shareholders Equity</td>
<td>508,618</td>
<td>442,220</td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment</td>
<td>497,244</td>
<td>403,591</td>
</tr>
<tr>
<td>... of which Property is</td>
<td>436,568</td>
<td>350,017</td>
</tr>
<tr>
<td>Net Debt</td>
<td>242,096</td>
<td>208,594</td>
</tr>
<tr>
<td>Gearing Ratio (Debt to Debt + Equity)</td>
<td>32.5%</td>
<td>32.1%</td>
</tr>
</tbody>
</table>

Total dividend per share increased from 32 cents to 34 cents
### Capital Expenditure – FY16

<table>
<thead>
<tr>
<th>Total Capital (NZ$ million)</th>
<th>100.9</th>
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</thead>
<tbody>
<tr>
<td><strong>Property</strong></td>
<td></td>
</tr>
<tr>
<td>- CHH/ AKL (Westney) / HAM</td>
<td>Completion</td>
</tr>
<tr>
<td>- Sundry</td>
<td></td>
</tr>
<tr>
<td>- Hamilton</td>
<td>Disposal</td>
</tr>
<tr>
<td>- Christchurch (Air &amp; Ocean)</td>
<td>Land/Building</td>
</tr>
<tr>
<td>- Christchurch (Owens)</td>
<td>Land</td>
</tr>
<tr>
<td><strong>Total New Zealand</strong></td>
<td>26.8</td>
</tr>
<tr>
<td>- AU Melbourne (Epping)</td>
<td>Building</td>
</tr>
<tr>
<td>- EU Romania</td>
<td>Building</td>
</tr>
<tr>
<td><strong>Total Property</strong></td>
<td>72.9</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>28.0</td>
</tr>
</tbody>
</table>

*Capex for prior year: $131 million of which property was $100 million*
### New Zealand

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>2015: $542.7m</th>
<th>2014: $505.2m</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>2015: $73.6m</td>
<td>2014: $67.4m</td>
</tr>
</tbody>
</table>

- Satisfactory performance across all divisions
- Domestic Transport volumes increased by additional 150k consignments
- Occupation of new facilities at Christchurch, Auckland and Hamilton from May 2015
- Logistics division saw reduced profits as construction disrupted utilisation and increased costs in Christchurch and Auckland
The new warehouse facilities in Christchurch and Auckland will assist growth long-term

- Flow over into Transport division
- Specialist sectors, food, beverage, DIY, hazardous goods, and now perishable food products
New Zealand Building Projects

Christchurch Rebuild – Completed May 2015
Westney Road – Ambient/Chilled warehouse completed May 2015
New Zealand Building Projects

Hamilton New Build – Completed June 2015

Solar panel installation
170kWh capacity
New Zealand Building Projects

Christchurch Air & Ocean New Build – completion due 2017
We remain strong supporters of the rail network in New Zealand
We continue to invest in facilities on or near rail-serviced property
  - 14 sites currently rail served
  - Rail usage up 76% over past ten years
  - Further tonnage available to transfer from road to rail
Appalled at Treasury suggestions during review period late last year
Current and future roading infrastructure not capable of meeting our demands, let alone the industry’s
Would like to see more positive support for long-term rail infrastructure
New Zealand Outlook

Expect consistent improvement

- Logistics will face increased costs of new facilities, but are also gaining access to new markets and opportunities
- Transport also has new facility costs to meet, and our expectations are for further growth
- Air & Ocean continues to find growth
### Australia (AU$)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td>$490.6m</td>
<td>$458.5m</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$37.2m</td>
<td>$35.2m</td>
</tr>
</tbody>
</table>

- Second-half performance from Domestic Transport and Logistics disappointed
  - Increased cost structures – labour / property costs
  - Margins impacted through under-utilised linehaul/ PUD (pick up and delivery) and new warehousing facilities
- Logistics utilisation affected by seasonal volume reduction (agriculture customers) and new facility costs
  - Gained significant duty free account (March start)
  - Additional large beverage and grocery accounts under tender
Australia ...

- New Transport and Logistics facilities under construction for Melbourne and Perth
  - Two branch domestic freight strategy for Melbourne
- Transport operations have introduced “limited carrier’s risk” for loss or damage ($2,000 per unit) from 1st April
Australia Building Projects

Epping, Melbourne – Completion due April 2016
19,800 m² of warehousing
16,250 m² of cross-dock (230 metres long)
Increased sales activity needed to see revenues improve further

- Building costs will continue to impact results for Logistics and Transport in the short term
- Concern over Australian economic outlook in the short term
- Air & Ocean growth to continue
- First half result expected to disappoint

Expecting strong long-term growth; infrastructure investments assisting
The Americas (US$)

**Revenue**
- 2015: $422.2m
- 2014: $363.6m

**EBITDA**
- 2015: $19.1m
- 2014: $18.9m

- Regional sales revenue much improved, driven by **Mainfreight** growth
  - Stronger domestic volumes
  - LCL – everyday freight
- Q4 saw volume (sales) slow
  - Large Air & Ocean account reduced air freight volumes and margin
  - Development of fixed road linehaul increased direct costs
- Expect fixed road linehaul network to increase to 100-plus routes per week – will continue to impact margin in the short-term
The Americas...

- Some inter-modal (rail) being used successfully
- Separation of Logistics into standalone business/facilities
  - Los Angeles warehouse established – initial fixed cost
  - Newark/Dallas in planning stage
  - Attracting genuine large 3PL customer interest
- Air & Ocean growth improved, although margins disappointed
  - Substantial customer gains are underway
- **CaroTrans** profitability and revenue growth disappointed
  - Sales penetration / uptake poor
  - Margins compromised via poor operational management
    - Utilisation of containers
    - Port disruptions
    - Cargo repositioning
- Import development improving
  - Providing greater inbound control
  - Essential for offshore development
No property expenditure planned for 2016 financial year

- All premises are currently leased; lease costs will increase as new Mainfreight facilities become operational – Dallas and New Jersey
- As growth continues, an “owned” property strategy will become clearer
Drayage (wharf cartage) operating off Long Beach Port; currently 28 tractor units
America – Operations

Silvia Mueller-Thompson & Jessica Hayes, LA
The Americas Outlook

- Domestic linehaul and product development advancing
- Returns to date too small vis-à-vis the size of market
- Air & Ocean growth focused on Euro/Asia trade lanes
- Expect the new customer gains to assist growth expectations

- Operational efficiencies under review
- Sales growth expectations in the spotlight
- Expect similar performance year-on-year until better momentum is found
Europe (EU€)

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>2015: €259.7m</th>
<th>2014: €250.7m</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>2015: €11.9m</td>
<td>2014: €8.9m</td>
</tr>
</tbody>
</table>

- Improvement in sales and EBITDA performance
- Logistics is the biggest contributor, improving utilisation and margins (efficiency)
- Belgium management issues addressed
- Customer gains assisting Belgium turnaround, however
  - More to do to gain benefits
  - Still yet to find profitability
Europe ...

- Air & Ocean growth gaining traction
  - USA/Asia trade lane focus
- Bigger focus on sales capability and growth
  - 30% additional sales people (63 to 84 people)
Technology enhances warehouse sophistication
Europe Operations

*John Deere – tailored supply chain solutions*
Europe Outlook

- Expect ongoing improvement across network
- More improvement still required, particularly Belgium/France
- Domestic freight volumes improving
- Air & Ocean growth as Asia/USA trade lanes are developed
- Logistics returns – improvement expected to continue; considerable amount of new business opportunity
Asia (US$)

**REVENUE**
- 2015: $44.2m
- 2014: $37.7m

**EBITDA**
- 2015: $5.0m
- 2014: $3.5m

- Good improvement in revenue growth and EBITDA
- Large increase in air freight volume
  - USA port disruptions assisted
  - Mostly ex Southern China / Hong Kong region
- Sales structure / numbers strengthened
  - More in-country sales volume
  - Expect this to continue
Asia ...

- New branches opened
  - Beijing – predominantly air freight
  - Khaosiung – southern Taiwan
- Vietnam close to opening
  - Business licence established; English version due
  - Expect to open second half of 2015
  - Recruiting underway
- Commitment made to 3PL warehousing facilities in Hong Kong
Asia Outlook

- Continuation of sales growth and EBITDA improvement
- Stronger focus on European trade lane growth
- Southeast Asian development continuing
  - Thailand profitable
  - Singapore growing
  - Vietnam presence will help US trade in particular
Network Growth Strategy – Metcalfe’s Law

- Originally used to value telecommunications networks, Metcalfe’s law states that: the value of a network grows as the square of the number of its users increase
- So, 2 can make only one connection; 5 = 10 connections; 12 = 66
- Globally, by country, by customer
Network Growth Strategy – Mainfreight’s Law

We like intensifying the network – it adds value
Global Network Growth Strategy

- Air & Ocean business continues to offer greatest potential for growth
- Preference is given to trading within the Group rather than through agents
  - Strengthens network
  - Improves ability to negotiate
  - Profit retained within the Group
- Developing our Perishable airfreight network
- Customers gained in Air & Ocean category provide land-based opportunities
  - Domestic freight
  - Warehousing
  - Fully supply chain activity
GLOBAL SUPPLY CHAIN OPPORTUNITIES

WE PICK UP
From our customers’ points of origin and manage all import/export and customs processes.

WE TRANSPORT
Domestically and internationally, selecting the most efficient combination of modes. We provide full visibility and information on consignment status right across the supply chain.

WE WAREHOUSE, MANAGE & DISTRIBUTE
Our specialist facilities provide inventory management, information management, distribution and customised solutions.

WE CONTRIBUTE
We not only provide our customers with real-time visibility for their products at every point across our network, we also tailor business solutions to customers’ needs through data analytics, delivering services to optimise their supply chain management.

WE DELIVER
Including B2B and B2C.

OPPORTUNITIES FOR GROWTH
Currently the majority of our 30,000 customers use less than two of the Manfreight Group’s services. As our network continues to grow, so too does the opportunity to cross-sell these customers our fully integrated, end-to-end service.

STOCK
OPPORTUNITIES FOR GROWTH
Currently the majority of our 30,000 customers use less than two of the Mainfreight Group’s services. As our network continues to grow, so too does the opportunity to cross-sell these customers our fully integrated, end-to-end service.
Our People

- Our greatest asset; our culture recognises this, ensuring leaders for the future
  - Targeted recruitment
  - Training – with focus on Leadership & Sales
  - Promotion from within
- Our team of 6,277 people in 242 branches around the world are expected to take on as much responsibility as possible
<table>
<thead>
<tr>
<th>Name</th>
<th>Years</th>
<th>Company/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ellen Mullery</td>
<td>45</td>
<td>Mainfreight Dallas</td>
</tr>
<tr>
<td>Peter Webster</td>
<td>45</td>
<td>Mainfreight IT Auckland</td>
</tr>
<tr>
<td>Lou Giaccone</td>
<td>35</td>
<td>Mainfreight Wellington Driver</td>
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<tr>
<td>Louis Wijnen</td>
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<tr>
<td>Carol Brown</td>
<td>30</td>
<td>Mainfreight National Team NZ</td>
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<td>William Brown</td>
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<td>Mainfreight Air &amp; Ocean Melbourne</td>
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<tr>
<td>Dianne Clemens</td>
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<tr>
<td>Bennie Dekkers</td>
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<td>William Kniest</td>
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<tr>
<td>Melinda Pickard</td>
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<td>Isabelle Vandenbergh</td>
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<td>Sheryl Waite</td>
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<td>Mladan Yagmich</td>
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<td>Matthew Mudge</td>
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<tr>
<td>Maureen Paine</td>
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<td>Mainfreight Auckland</td>
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<td>Marcel Peppelmen</td>
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<td>Tony Roberts</td>
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<td>Lynette Sinden</td>
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<td>Andy Taunga</td>
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<td>Martine van Hyfte</td>
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<td>Wim Bosman National Support Belgium</td>
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<tr>
<td>David Wang</td>
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<td>Mainfreight Xiamen</td>
</tr>
<tr>
<td>Helen Watson</td>
<td>20</td>
<td>Mainfreight Perishables Christchurch</td>
</tr>
</tbody>
</table>
Board Structure

- Currently six experienced individuals
  - 3 Independents
  - Newest addition, Simon Cotter, 2½ years
- Board meetings
  - 5 full meetings per annum
  - Held in destinations throughout the network
  - Last meeting included five USA branch visits and four European branch visits in the space of 8 days’ travel
- Experience is valued over perceived diversity and rotation expectations
Board Structure ...

- Constantly reviewing potential candidates and current Board capability
- Selection requires careful consideration, and will be based on skills and attributes
  - Business acumen
  - Vision
  - Global experience
- Where we are today is, in no small part, due to the capability and vision of these Directors
Group Outlook

- Expect Australian domestic results to stall through first half of 2016 financial year – poor economic conditions
- Higher cost structures due to new facilities in New Zealand and Australia are short-term hurdles
- Better margin improvement being sought across all sectors
  - Cost management
- Sales growth is a key requirement with strong focus to achieve
Group Outlook ...

- Sufficient growth momentum across all markets
- New Zealand and Australian networks well developed and capable of strong long-term profitability
- Asia/USA/Europe
  - Sales growth expectations high – large market and network opportunities
  - Improving profitability, to outpace New Zealand/Australia in the long-term
Capital investment in New Zealand/Australia properties will continue for next 3 years to provide sufficient infrastructure to produce competitive advantage

- European and USA capital investment likely in the medium term

Global network development to continue
- Customer expectations
- Natural development of a global entity
To Close

- We have ambitions to be in every major trading nation of the world
  - The gaining of significant global accounts will assist us to open in more countries
- New Zealand, and now Australia, providing useful profit capability to assist our off-shore growth
  - 74% of revenue outside of New Zealand; 48% of revenue outside of Australasia
  - 55% of EBITDA outside of New Zealand; 30% of EBITDA outside of Australasia
To Close ...

- Acquisitions continue to be viewed and assessed, however
  - Must fit the Mainfreight jig-saw
  - Organic growth preferred – and 6% overall growth is not enough, we wish to see this increased

- Asia, USA, Europe
  - High expectations of all three
PAINTING THE WORLD BLUE, ONE POT AT A TIME.