MAINFREIGHT LIMITED

Financial result for the six months ended September 2009 (Unaudited)

The Mainfreight Group is pleased to report a net surplus (before abnormals) of $16.45 million for the first six months of the 2011 financial year. This represents an increase of 51.7% when compared to the same period last year.

Total revenue (sales) increased by 20.4% to $644.94 million from $535.83 million, up $109.11 million on the same period last year (excluding foreign exchange adjustments, the increase is 24.8%). Offshore sales (outside of New Zealand) now account for 70% of total revenue.

EBITDA performance continued to improve, increasing 19.7% to $35.13 million from the prior year's result of $29.36 million. Excluding foreign exchange adjustments, the increase is 22.7%. Fifty per cent of this EBITDA has been earned from our offshore operations.

Generally, business performance in most divisions improved on the year prior. Trading into our third quarter shows a continuing trend with a number of divisions well ahead of prior years.

Dividend

The Directors of Mainfreight have approved an interim dividend of 9.0 cents per share, an increase of 0.5 cents per share on the interim dividend declared in the 2010 year.

This dividend will be fully imputed and will be paid on 17 December 2010, with books closing on 10 December 2010. A supplementary dividend will be paid to non-resident shareholders.

Divisional Performance (all figures in New Zealand dollars)

New Zealand Domestic

New Zealand Domestic EBITDA increased 8.0% to $15.61 million from $14.46 million in the same period last year.

Sales revenues increased 6.6% to $136.83 million, up $8.48 million from the previous year, as strong sales activities of the past year continue to assist freight volumes.

Trading through October and November shows continuing improvement with freight volumes particularly strong leading into November. Rolling stock shortages on rail are the only negative feature of what is shaping up to be a busy period.

Construction has started on our new downtown Wellington freight terminal with completion expected in September of 2011.

While earthquake damage slowed Logistics revenues, warehousing activity from late September has been positive with increasing levels of enquiries.

A successful rate review has been completed for Domestic freight movements.

New Zealand International

EBITDA continues to improve in our New Zealand International division, up 7.0% to $2.16 million from $2.02 million in the year prior. Sales revenues increased 19.2% to $57.33 million as export and import volumes strengthened. International shipping and airfreight rates have increased reflecting capacity shortage issues across international trade lanes.

Perishable airfreight volumes have reduced during October and November, however general freight volumes remain ahead of the prior year, particularly consolidated LCL freight across both import and export sectors.

Australia

While trading at EBITDA level across all our Australian operations is only on par with the year prior, freight volume and performance through October and now into November are much improved on the same period last year.

Australian Domestic

EBITDA is on par with the year prior at $6.02 million, however sales revenues lifted 26.3% to $103.91million. Whilst cost structures remain under tight control, gross margins have been difficult to improve in what has become a very competitive trading environment.

A full rate review has been implemented from 1 November 2010, which is expected to assist margin improvement during the third and fourth quarters.

Warehousing performance is better than that of the first quarter result with further improvement during the third quarter.

Australia International

EBITDA performance improved over the first quarter yet remains slightly behind the year prior, as margins slowly strengthen heading into peak season. Current EBITDA is $2.79 million, just 2.0% behind the prior year's result of $2.84 million.

Sales revenues increased 26.3% to $116.35 million.

Import volumes from China to Australia have increased during October and November in both airfreight and seafreight categories.

Newcastle has been established as our sixth branch for Australia, with a seventh in Tasmania under review.

United States of America

Irrespective of media commentary, general trading conditions for our operations throughout the United States continues to improve.

Total sales revenues increased $46.84 million or 28.4% to $211.53 million. (Excluding foreign exchange the increase is 41.8%).

EBITDA for total USA operations was up 127.0% to $6.73 million; excluding foreign exchange the increase is 150.6%.

Divisional performance has Mainfreight USA's revenues up 27.4% to $117.46 million compared to $92.17 million in the prior year. EBITDA is at $0.34 million, up from the loss of $2.78 million in the year prior.

This is an encouraging improvement, albeit still below our expectations.

Better trading continues into the third quarter in both Domestic and International market segments. The establishment of road linehaul freight services between Los Angeles and New York has been successful with additional routes under consideration.

CaroTrans has seen a continuation of volume increases, pushing sales revenues up 29.7% to $94.07 million, an increase of $21.55 million on the same period last year.

EBITDA is up 11.2% to $6.39 million from $5.74 million. As with all our International divisions, gross margins remain under pressure as increasing sea freight rates inhibit margin improvement.

Both USA business units continue their development of freight services domestically and internationally with trading during October and November continuing the improvement achieved in the first six months. Margin management remains a key focus for our teams throughout the USA.

Asia International

Continued growth within the Asia region sees our sales revenues improve 59.0% to $19.00 million, an improvement of $7.05 million on the corresponding period (excluding FX this is an increase of 75.6%).

EBITDA has followed suit, improving 71.3% to $1.83 million; excluding foreign exchange the increase is 89.2%.

Our Singapore office is now operational, and is expected to begin receiving freight from our USA operations in early December once infrastructure is fully in place.

Growth of trade from China to the USA now sees this trade-lane as one of our largest in the region. Further emphasis is being placed on growing volumes to and from South America, Europe, and of late, India.

During the quarter we celebrated the 10th anniversary of our Shanghai branch, and remain encouraged by the growth opportunities which the Asia region offers the Group.

Group Operating Cash Flow

Operating cash flows were $28.20 million, an increase of $4.45 million when compared to the same period last year, reflecting overall improved trading performance.

Capital expenditure in the half year totalled $5.56 million, of which $1.35 million was property related. Property development expenditure is expected to increase during the next six months as building projects gather momentum.

Outlook

A satisfactory six-month result when compared to the prior year, however still below our expectations in a number of markets.

Sales activity and weekly trading results during October and November are further improved raising our expectations for a strong third quarter.

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