Full Year Result
To March 2009

Result Highlights

- Revenues improved by 29% excluding foreign exchange to $1.2 billion (excluding foreign exchange and acquisitions 6%)
- Net surplus before abnormals of $40 million, on par with prior year
- Net surplus after abnormals $35 million
- EBITDA performance a record $81 million, an increase of 9%
- Full year dividend of 18.5 cents per share
- 68% of sales revenues are now from outside New Zealand
- Fourth quarter results below expectations

Financial Highlights

NZ$ million	This Year	Last Year	Variance
Group Revenue	1,265.6	911.7	38.8%
Net Surplus New Zealand	25.1	22.6	11.1%
Net Surplus Offshore	14.9	18.2	(18.3%)
Net Surplus before Abnormals	40.0	40.8	(2.0%)
Sold Businesses	-	0.3	
Abnormals	(4.5)	60.5	
Group net surplus	35.5	101.6	(65.1%)
EBIT	60.5	63.7	(5.1%)
EBITDA	81.3	74.3	9.3%
EBITA	67.0	63.7	5.1%

** Note – previous year saw divestment of interests in LEP and Pan Orient*

Debt

NZ$ million	This Year	Last Year
Term borrowings	97.7	100.4
Current borrowings	28.4	5.2
Finance lease	2.3	1.0
Deposits	(13.2)	(26.7)
Total	115.2	79.9

- A portion of debt facility expires 31 December 2009
- Net debt increase due to Halford acquisition and US dollar loan currency fluctuations
- Interest cover 13x (full year)

Cash Flow

NZ$ million	This Year	Last Year
Operating cash flow	63.1	40.7

- Improved cash collection contributes
- Net capex $40.9 million ($23.6 million property; $4.6 million offshore and $19.0 million New Zealand)
- Capex for 2010 expected to be approximately $6 million for property and $8 million for other normal capex

Dividend

- 10 cents per share for final dividend
- Takes total dividend for year to 18.5 cents per share; last year 18.0 cents per share
- Equates to 45.5% of net surplus
- Books closing 17 July 2009
- Payment 24 July 2009

Initiatives

- Mainfreight's unique culture and operating systems allow for significant autonomy and responsibility at branch level
- Branch management focus to reduce costs, and enhance margin particularly in areas of pick-up, delivery and linehaul
- We have ceased hiring or replacing people across all operations
- Natural attrition has seen a reduction of 252 people
- Capital expenditure reduction across all sectors including a hold on $60 million of property development
- Yearly salary review deferred; bonus deferred
- Strong sales drive to increase market share; strong focus on customer retention

Fourth Quarter Analysis

$000	Q4 Revenue This Year	Q4 Revenue Last Year	Q4 Revenue Variance	Q4 EBITDA This Year	Q4 EBITDA Last Year	Q4 EBITDA Variance
NZ Domestic: NZ$	63,892	70,825	(9.8)%	12,937	9,922	30.4%
NZ International: NZ$	27,268	27,294	(0.1)%	2,076	1,628	27.5%
AU Domestic: AU$	30,363	31,487	(3.6)%	(109)	1,855	(105.9)%
AU International: AU$	38,984	31,397	24.2%	1,776	2,721	(34.7)%
USA: US$	49,126	67,487	(27.2)%	2,444	3,194	(23.5)%
Asia: US$	3,359	5,615	(40.2)%	329	479	(31.5)%
Total Group: NZ$	**272,738**	**266,349**	**2.4%**	**21,994**	**21,643**	**1.6%**

Fourth Quarter Analysis

- New Zealand Domestic revenue includes reduced fuel component of NZ$2.5 million
- Australian Domestic revenue includes reduced fuel component of AU$0.5 million
- Australian International assisted by Halford revenue
- Asian revenues impacted through shipping rate decline as much as tonnage decline
- EBITDA improvement as bonus write-backs adjusted to reflect nil bonus payment

New Zealand Domestic

NZ$ million	This Year		Last Year	
Sales revenue	294.8		281.4	
EBITA	33.0	11.2%	30.0	10.7%
EBITDA	41.6	14.1%	37.4	13.3%

- Satisfactory performance
- Range of services extended
- Intensive network assisting sales growth
- Market share increased through aggressive sales campaigns
- Customer retention a key focal point for business

New Zealand International

NZ$ million	This Year		Last Year	
Sales revenue	108.3		103.9	
EBITA	4.5	4.1%	4.6	4.4%
EBITDA	4.9	4.5%	4.9	4.7%

- Rates and margins impacted, particularly seafreight due to over-capacity
- Import growth slowed significantly
- Opening of new airfreight facility in Auckland significant milestone
- Growth in export sector as currency eases, particularly Perishables

Australian Domestic

AU$ million	**This Year**		**Last Year**	
Sales revenue	150.5		130.1	
EBITA	4.4	2.9%	9.3	7.1%
EBITDA	5.9	3.9%	10.4	8.0%

- Logistics the poor performer in terms of results
- Consolidation of Logistics warehouses from 11 to 7
- Warehousing utilisation improved
- Market share improved, but volumes and consignment size down
- Regional improvements in Canberra, Newcastle, Perth and Adelaide
- Chemcouriers well established and gaining market share

Australian International

AU$ million	This Year		Last Year	
Sales revenue	172.1		126.8	
EBITA	5.3	3.1%	6.5	5.1%
EBITDA	5.8	3.4%	6.8	5.4%

- Revenues and margins impacted by ocean freight rate reductions
- Volumes ex Asia significantly decreased
- Halford acquisition has assisted airfreight, customs and trade lane development – Japan, UK and Europe
- Integration of Halford protracted – slowing expected financial return; full integration complete by August 2009

United States

CaroTrans

US$ million	This Year		Last Year	
Sales revenue	115.9		94.6	
EBITA	8.2	7.1%	5.4	5.7%
EBITDA	8.9	7.6%	5.9	6.2%

Mainfreight USA (prior period 5 months only)

US$ million	This Year		Last Year	
Sales revenue	172.8		73.0	
EBITA	1.6	0.9%	1.6	2.1%
EBITDA	2.8	1.6%	1.9	2.6%

United States – CaroTrans

- CaroTrans growth from market share, particularly FCLs in the first half
- FCL declined in second half, replaced with smaller consignments and requirement for more consolidation services
- CaroTrans ideally positioned to take further market share
- Brand now well established in China, Hong Kong, Australia and New Zealand

United States – Mainfreight USA

- 18 months of ownership
- Results well below expectations
- Domestic freight revenues impacted heavily by slowing US economy
- Strong Mainfreight influence to alter poor performance practices and bring branch management focus
- “Cargowise” technology platform implemented late April 2009
- New services to Canada, Government services division (certified), FTL division
- Strong sales focus to increase market share

Asia

US$ million	This Year		Last Year	
Sales revenue	16.8		13.7	
EBITA	1.6	9.8%	2.1	15.9%
EBITDA	1.7	10.1%	2.2	16.6%

Last year's figures reflect total performance while consolidated results only carry 8 months of trading

Asia

- Full ownership for 2 years
- Developed greater trade-lane coverage
- “Cargowise” technology platform implemented late February 2009
- Developing strong airfreight presence
- Revenues, margins increased – but variable costs also increased impacting profitability
- Well positioned for future growth
- Interim focus remains on developing sea and air freight forwarding capabilities

Outlook

- First quarter trading below prior year comparison
- Strong sales activity increasing customer base/market share
- Reduced capex spend, particularly in property
- Close management of debtors
- Well positioned to take advantage of upturn

New Zealand Domestic

- Satisfactory performance
- Range of services extended – bulk grain / car carrying
- Intensive network assisting sales growth
- Market share increased through aggressive sales campaigns
- Customer retention a key focal point for business

New Zealand International

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Australian International

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- Volumes ex Asia affected
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