

## PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

### Mainfreight Limited

(Name of Listed Issuer)

**For Full Year Ended** 31-Mar-07

(referred to in this report as the "current full year")

Preliminary **full year** report on consolidated results (including the results for the previous corresponding full year) in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates [see Note [X] attached] and is based on unaudited financial statements. If the report is based on audited financial statements, any qualification made by the auditor is to be attached.

The Listed Issuer **\*has** a formally constituted Audit Committee of the Board of Directors.

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]

		<b>*Consolidated Statement Financial Performance</b>		
<b>1</b>	<b>CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE</b>	Current *full Year \$NZ'000	*Up/Down %	Previous corresponding *full Year \$NZ'000
	<b>1.1 OPERATING REVENUE</b>			
	(a) Trading Revenue	967,798	9.2%	886,033
	(b) Other Revenue	399	(16.5%)	478
	(c) Total Operating Revenue	968,197	9.2%	886,511
	<b>1.2 OPERATING *SURPLUS (DEFICIT) BEFORE TAXATION</b>	73,340	65.4%	44,336
	(a) Less taxation on operating result	(16,320)	15.6%	(14,115)
	<b>1.3 OPERATING *SURPLUS (DEFICIT) AFTER TAX</b>	57,020	88.7%	30,221
	(a) Extraordinary Items after Tax [detail in Item 3]			
	(b) Unrealised net change in value of investment properties			
	<b>1.4 NET *SURPLUS (DEFICIT) FOR THE PERIOD</b>	57,020	88.7%	30,221
	(a) Net *Surplus (Deficit) attributable to minority interests	(1,395)	17.6%	(1,186)
	<b>1.5 NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	55,625	91.6%	29,035

		<b>*Consolidated Statement of Financial Performance</b>	
<b>2</b>	<b>DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR FULL YEAR</b>	Current *full Year \$NZ'000	Previous corresponding *full Year \$NZ'000
	<b>2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE</b>		
	(a) Interest revenue included in Item 1.1(b)	399	478
	(b) # Unusual items for separate disclosure (gain/(loss)) (detail - Item 3)		
	(c) Equity earnings (gain/loss) (detail - Item 16)	1,653	2,317
	(d) Interest expense included in Item 1.2 (include all forms of interest, etc)	5,487	6,465
	(e) Leasing and renting expenses	25,668	23,276
	(f) Depreciation	9,468	9,208
	(g) Diminution in the value of assets (other than depreciation)		
	(h) Amortisation of goodwill	5,593	6,017
	(i) Amortisation of other intangible assets		
	(j) Impairment of goodwill		
	(k) Impairment of other intangible assets		

## 2.2 SUPPLEMENTARY ITEMS

- (a) # Interest costs excluded from Item 2.1(d) and capitalised  
 (b) # Outlays (other than those arising from the acquisition of an existing business) capitalised in intangibles  
 (c) Unrecognised differences between the carrying value and market value of publicly traded investments

#Items marked in this way need to be shown only there their inclusion as revenue or exclusion from expenses has had a material effect on reported \*surplus (deficit)

Consolidated Statement of Financial Performance	
Current *full Year \$NZ'000	Previous corresponding *full Year \$NZ'000
812	532

## 3 DISCONTINUED, UNUSUAL (INCLUDING NON RECURRING), AND EXTRAORDINARY ITEMS OF THE GROUP

### DETAILS AND COMMENTS

Discontinued Activities:

(Disclose Operating Revenue and Operating Surplus)

Rakino Associate

### TOTAL DISCONTINUED ACTIVITIES

Material Unusual (including Non Recurring) Items (included in 1.2)

Description:

Rakino Group Ltd Divestment Gain on Sale

Mogal International Ltd Associate Divestment Loss on Sale

Australian Workcover Refund Prior Year

Acquisition Search & Setup Costs

Restructure Cost Mainfreight International

### TOTAL MATERIAL NON RECURRING ITEMS

Extraordinary Items (Ref. Item 1.3(a))

Description:

### TOTAL EXTRAORDINARY ITEMS

Group - Current Year/Full Year	
Operating Revenue \$NZ'000	Operating Surplus \$NZ'000
	506
	506
	17,145
	( 25)
	1,292
	( 621)
	( 198)
	17,593

## 4 STATEMENT OF MOVEMENTS IN EQUITY

### 4.1 \*NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF LISTED ISSUER

- (a) \*Net Surplus (Deficit) attributable to minority interest

### 4.2 OTHER RECOGNISED REVENUE AND EXPENSES

- (a) \*Increases (decreases) in revaluation reserves  
 (b) Current Translation Differences  
 (c) Minority interest in other recognised revenue and expenses

### 4.3 TOTAL RECOGNISED REVENUES AND EXPENSES

### 4.4 OTHER MOVEMENTS

- (a) Contributions by Owners  
 (b) Distributions to Owners  
 (c) Other Minority Interest on acquisitions/disposals

### 4.5 EQUITY AT BEGINNING OF HALF YEAR/FULL YEAR\*

### 4.6 EQUITY AT END OF HALF YEAR/FULL YEAR

Statement of Movements In Equity	
Current *full Year \$NZ'000	Previous corresponding *full Year \$NZ'000
55,625	29,035
1,395	1,186
6,230	32,544
( 2,903)	3,603
( 112)	217
60,235	66,585
653	277
( 41,262)	( 8,667)
	( 4,666)
140,958	87,429
160,584	140,958

5 EARNINGS PER SECURITY	Earnings Per Security	
	Current *full Year \$NZ'000	Previous corresponding *full Year \$NZ'000
Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share		
(a) Basic EPS	57.7	30.2
(b) Diluted EPS (if materially different from (a))	56.5	29.8

6 MATERIAL ACQUISITIONS OF SUBSIDIARIES (See Note (VII) attach	
(a) Name of subsidiary or group of subsidiaries	.....
(b) Percentage of ownership acquired	.....
(c) Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	<input type="text"/>
(d) Date from which such contribution has been calculated	.....
Last year contribution	.....

7 MATERIAL DISPOSALS OF SUBSIDIARIES (See Note (VII) attached)	
(a) Name of subsidiary or group of subsidiaries	.....
<b>see attached sheet "Discontinued Activities".</b>	
(b) Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	nil
(c) Date from which such contribution has been calculated	.....
(d) Contribution to consolidated net *Surplus (Deficit) (Item 1.4) for the previous corresponding half year/full year	.....
(e) Contribution to consolidated net *Surplus (Deficit) (Item 1.4) from sale of subsidiary	nil

## 8 REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS

Information on the industry and geographical segments of the Listed Issuer is to be reported for the \*half year/ /full year in accordance with the provisions of SSAP:23: Financial Reporting for Segments. Because of the differing nature and extent of segments among Listed Issuers, no complete proforma is provided, and the segment information should be completed separately and attached to this report. However, the following shows a suitable list of items for presentation and indicates which amounts should agree with items included elsewhere in the full year report:

**SEGMENTS** **see attached sheet "Segmental".**

### Industry

- Operating revenue:
  - \* Sales to customers outside the group
  - \* Intersegment sales
  - \* Unallocated revenue
- Total revenue [consolidated total equal to Item 1.1(c) above]
- Segment result
- Unallocated expenses
- Operating surplus (Deficit) after tax (Item 1.3)
- Segment assets
- Unallocated assets
- Total assets (Equal to Item 9.3)

### Geographical

- Operating revenue:
  - \* Sales to customers outside the group
  - \* Intersegment sales
  - \* Unallocated revenue
- Total revenue [consolidated total equal to Item 1.1(c) above]
- Segment result
- Unallocated expenses
- Operating surplus (Deficit) after tax (Item 1.3)
- Segment assets
- Unallocated assets
- Total assets (Equal to Item 9.3)

(Note (VIII) attached has particular relevance for the preparation

<b>Consolidated Statement of Financial Position</b>			
	At end of current *full Year \$NZ'000	As shown in last Annual Report \$NZ'000	If half yearly as shown in last half yearly report \$NZ'000
<b>9 CURRENT ASSETS:</b>			
(a) Cash	19,543	10,769	
(b) Trade receivables	125,035	118,655	
(c) Investments			
(d) Inventories			
(e) Other assets, current	16,139	7,989	
<b>TOTAL CURRENT ASSETS</b>	<b>160,717</b>	<b>137,413</b>	
<b>9.1 NON-CURRENT ASSETS</b>			
(a) Trade receivables			
(b) Investments	2,126	7,634	
(c) Inventories			
(d) Property, plant and equipment	155,788	127,332	
(e) Goodwill	28,730	38,885	
(f) Deferred Taxation Assets	6,891	5,605	
(g) Other Intangible Assets			
(h) Other assets, non current			
<b>9.2 TOTAL NON-CURRENT ASSETS</b>	<b>193,535</b>	<b>179,456</b>	
<b>9.3 TOTAL ASSETS</b>	<b>354,252</b>	<b>316,869</b>	
<b>9.4 CURRENT LIABILITIES</b>			
(a) Trade Creditors	80,933	81,491	
(b) Income in advance, current			
(c) Secured loans			
(d) Unsecured loans	2,413		
(e) Provisions, current	25,073	21,054	
(f) Other liabilities, current	30	53	
<b>TOTAL CURRENT LIABILITIES</b>	<b>108,449</b>	<b>102,598</b>	
<b>9.5 NON-CURRENT LIABILITIES</b>			
(a) Accounts payable, non-current			
(b) Secured loans	84,457	72,311	
(c) Unsecured loans			
(d) Provisions, non-current	720	909	
(e) Deferred Taxation Liability, non-current			
(f) Other liabilities, non-current	42	93	
<b>9.6 TOTAL NON-CURRENT LIABILITIES</b>	<b>85,219</b>	<b>73,313</b>	
<b>9.7 TOTAL LIABILITIES</b>	<b>193,668</b>	<b>175,911</b>	
<b>9.8 NET ASSETS</b>	<b>160,584</b>	<b>140,958</b>	
<b>9.9 SHAREHOLDERS' EQUITY</b>			
(a) Share capital (optional)	55,828	55,175	
(b) Reserves (optional)			
(i) Revaluation reserve	38,497	32,267	
(ii) Other reserves	(2,858)	45	
(c) Retained Surplus (accumulated Deficit) (optional)	63,851	48,770	
<b>9.10 SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	<b>155,318</b>	<b>136,257</b>	
(a) Minority equity interests in subsidiaries	5,266	4,701	
<b>9.1 TOTAL SHAREHOLDERS' EQUITY</b>	<b>160,584</b>	<b>140,958</b>	
(a) Returns on Assets (%) (EBIT divided by Total Assets)	21.79%	15.30%	
(b) Return on Equity (%) (Net Income divided by Shareholders' Equity)	35.81%	21.31%	
(c) Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	120.60%	124.80%	

		Consolidated Statement of cashflows for full year	
		Current *full Year \$NZ'000	Corresponding *full Year \$NZ'000
<b>10 CASH FLOWS RELATING TO OPERATING ACTIVITIES</b>			
(See Note (IX) attached )			
(a)	Receipts from customers	959,200	877,503
(b)	Interest received	399	478
(c)	Dividends received	922	626
(d)	Payments to suppliers and employees	(889,238)	(818,204)
(e)	Interest paid	(5,487)	(6,465)
(f)	Income taxes paid	(17,908)	(6,535)
(g)	Shipping Line Account Movements		
	<b>NET OPERATING FLOWS</b>	<b>47,888</b>	<b>47,403</b>

<b>11 CASH FLOWS RELATING TO INVESTING ACTIVITIES</b>			
(See Note (IX) attached )			
(a)	Cash proceeds from sale of property, plant and equipment	536	627
(b)	Cash proceeds from sale of equity investments	22,747	195
(c)	Loans repaid by other entities	28	15
(d)	Cash paid for purchases of property, plant and equipment	(34,075)	(28,281)
(e)	Interest paid - capitalised	(812)	(532)
(f)	Cash paid for purchases of equity investments		(14,488)
(g)	Loans to other entities		
(h)	Other cash flows relating to investing activities	(17)	(7)
	<b>NET INVESTING CASH FLOWS</b>	<b>(11,593)</b>	<b>(42,471)</b>

<b>12 CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>			
(See Note (IX) attached )			
(a)	Cash proceeds from issue of shares, options, etc.	653	277
(b)	Borrowings	15,295	14,234
(c)	Repayment of borrowings	(766)	(1,437)
(d)	Dividends paid	(41,262)	(8,666)
(e)	Other cash flows relating to operating activities		
	<b>NET FINANCING CASH FLOWS</b>	<b>(26,080)</b>	<b>4,408</b>

<b>13 NET INCREASE (DECREASE IN CASH HELD)</b>		<b>10,215</b>	<b>9,340</b>
(See Note (IX) attached )			
(a)	Cash at beginning of full year	10,769	(27)
(b)	Effect of Foreign Exchange rate Fluctuations on Cash Held	(1,441)	1,456
(c)	<b>CASH AT END OF *FULL YEAR</b>	<b>19,543</b>	<b>10,769</b>

<b>14 NON-CASH FINANCING AND INVESTING ACTIVITIES</b>			
Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows:			
.....			
.....			
.....			
.....			

<b>15 RECONCILIATION OF CASH</b>			
For the purposes of the above Statement of cash flows, cash includes:			
cash at bank and bank overdraft			
.....			
Cash at the end of the full year as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:			
Cash on hand and at bank		19,543	10,769
Deposits at call			
Bank overdraft			
Other (provide details eg Term Deposits)			
<b>Total = Cash at End of Full Year (Item 13(c) above)</b>		<b>19,543</b>	<b>10,769</b>

## 16 EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES

Information attributable to the reporting group's share of investments in associates and other material interests is to be disclosed by way of separate note below (refer FRS-38 Accounting for Investments in Associates).

### 16.1 GROUP SHARE OF RESULTS OF ASSOCIATES

	Equity Earnings	
	Current *full Year \$NZ'000	Previous corresponding *full Year \$NZ'000
(a) OPERATING *SURPLUS (DEFICIT) BEFORE TAX	2,020	3,163
(b) Less tax	(367)	(846)
(c) OPERATING *SURPLUS (DEFICIT) AFTER TAX	1,653	2,317
(i) Extraordinary items		
(d) NET *SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX	1,653	2,317

### 16.2 MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES

(a) The group has a material (from group's viewpoint) interest in the following corporations:

Name	Percentage of ordinary shares held at end of *Full Year		Contribution to net *surplus (deficit) (Item 1.5)	
	Current *full Year	Previous Corresponding *full Year	Current *full Year NZ\$'000	Previous Corresponding *full Year NZ\$'000
<b>Equity Accounted Associates</b>			<i>Equity Accounted in current year</i>	
Bolwick Ltd	41.7%	41.7%	496	440
Mainfreight Express Ltd	50.0%	50.0%	651	556
Rakino Group Ltd	nil	24.5%	506	1,329
Mogal International Ltd	nil	46.6%	nil	(8)
			1,653	2,317
<b>Other Material Interests</b>			<i>Not Equity Accounted in current year</i>	

(b) Investments in Associates

	Current *full Year \$NZ'000	Previous Corresponding *full Year \$NZ'000
Carrying value of investments in associates beginning of full year full year	7,554	5,445
- Disposal of Rakino Group Ltd	(6,102)	
- Disposal of Mogal International Ltd	(137)	
- Purchase of additional Rakino Investment share capital.		613
- Disposal of Other Investments		(195)
Share of changes in associates' post acquisition surpluses/and reserves:		
- Retained surplus	1,653	2,317
- Reserves		
Net goodwill amortisation and impairment adjustments in the period		
Adjustment for Exchange Rate Movement		
Less Dividends received in the period	(922)	(626)
Equity carrying value of investments at the end of half year/full year	2,046	7,554
Amount of goodwill included in carrying value at end of that full year	nil	nil

**17 ISSUED AND QUOTED SECURITIES AT END OF CURRENT FULL YEAR**

Category of Securities	Issued	Number	Quoted	Number	Paid-Up Value Cents (If not fully paid)
<b>PREFERENCE SHARES:</b>					
# (Description)					
Issued during current full year					
<b>ORDINARY SHARES:</b>					
Ordinary Shares Fully Paid		96,569,190			
Partly Paid Redeemable Ordinary Shares		1,975,000		1c per share	
Issued during current full year-Ordinary Shares		478,500			
Issued during year-Redeemable Ordinary Shares		50,000		1c per share	
<b>CONVERTIBLE NOTES</b>					
# (Description)					
Issued during current *half year/full year					
<b>OPTIONS:</b>					
	Issued		Quoted	Exercise Price	Expiry Date
Issued during current *half year/full year					
<b>DEBENTURES - Totals only:</b>			\$		
<b>UNSECURED NOTES - Totals only:</b>			\$		
<b>OTHER SECURITIES</b>			\$	\$	

# Description includes rate of dividend or interest and any redemption or conversion rights together with the prices and dates thereof.

**18 COMMENTS BY DIRECTORS**

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

- (a) Material factors affecting the revenues and expenses of the group for the current \*full year  
*see attached commentary*
- (b) Significant trends or events since end of current \*half/full year  
*see attached commentary*
- (c) Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed  
nil
- (d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain  
nil
- (e) Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty  
*see attached commentary*
- (f) Other comments  
*see attached commentary*

**19 DIVIDEND**

- (a) Dividend Yield as at balance date (%) (Annual dividend per share divided by price per share)  
8.79%
- (b) Tax Adjusted Dividend Yield as at balance date (%) (Annual net dividend per share divided by price per share)  
5.89%

**20 ANNUAL MEETING (if full year report)**

- (a) To be held at  
ASB Lounge, Gate 5, 2nd Floor, ASB Stand, Eden Park, Walters Rd, Kingsland, Auckland.
- (b) Date 31-Jul-07 Time 2-30pm
- (c) Approximate date of availability of Annual Report 28-Jun-07

If this full year report was approved by resolution of the Board of Directors, please indicate date of meeting:

\_\_\_\_\_  
(signed by) Authorised Officer of Listed Issuer

29-May-07  
30-May-07  
\_\_\_\_\_  
(date)

\*Delete as required