

## **Income Statement for the Six Months Ended 30 September 2008**

|  | <b>30 Sept<br/>2008<br/>\$000</b> | <b>30 Sept<br/>2007<br/>\$000</b> | <b>31 March<br/>2008<br/>\$000</b> |
|--|-----------------------------------|-----------------------------------|------------------------------------|
| Operating Revenue  | 625,016                           | 383,013                           | 910,159                            |
| Interest Income  | -                                 | 315                               | 1,560                              |
| Total Revenue  | <u>625,016</u>                    | <u>383,328</u>                    | <u>911,719</u>                     |
| Transport Costs  | (420,038)                         | (246,729)                         | (590,553)                          |
| Labour Expenses  | (114,378)                         | (71,353)                          | (162,995)                          |
| Occupancy Expenses   | (12,831)                          | (6,772)                           | (15,580)                           |
| Depreciation and Amortisation Expenses                         | (6,399)                           | (4,820)                           | (10,608)                           |
| Other Expenses   | (42,409)                          | (29,197)                          | (66,697)                           |
| Finance Costs  | (2,386)                           | (1,405)                           | (4,728)                            |
| Non-cash Share Based Payment Expense                           | (550)                             | (240)                             | (585)                              |
| Non-recurring Items in Continuing Operations                   | (174)                             | -                                 | -                                  |
| Share of Profit of Associates                                  | -                                 | 434                               | 434                                |
| Profit From Continuing Operations Before Taxation for the Year | <u>25,851</u>                     | <u>23,246</u>                     | <u>60,407</u>                      |
| Income Tax Expense on Continuing Operations                    | (8,754)                           | (7,521)                           | (19,596)                           |
| Profit From Continuing Operations After Taxation for the Year  | <u>17,097</u>                     | <u>15,725</u>                     | <u>40,811</u>                      |
| Profit From Discontinued Operations Before Taxation            | -                                 | 644                               | 645                                |
| Gain on Sale from Discontinued Operations                      | -                                 | 62,857                            | 61,893                             |
| Income Tax Expense on Discontinued Operations                  | -                                 | (1,927)                           | (1,622)                            |
| Net Profit For the Year  | <u>17,097</u>                     | <u>77,299</u>                     | <u>101,727</u>                     |
| Attributable to:   |                                   |                                   |                                    |
| Minority Interest  | -                                 | 105                               | 105                                |
| Members of the Parent  | 17,097                            | 77,194                            | 101,622                            |

## **Statement of Cash Flows for the Six Months Ended 30 September 2008**

|                                   |                 |                 |              |
|-----------------------------------|-----------------|-----------------|--------------|
| Operating Activities              | 20,238          | 16,029          | 40,699       |
| Investing Activities              | (39,318)        | 62,198          | (38,595)     |
| Financing Activities              | 6,613           | (95,103)        | 682          |
| FX Rate Fluctuations on Cash Held | 1,476           | (345)           | (821)        |
| NET INCREASE (DECREASE) IN CASH   | <u>(10,991)</u> | <u>(17,221)</u> | <u>1,965</u> |

## Balance Sheet as at 30 September 2008

|                                      | 30 Sept<br>2008<br>\$000 | 30 Sept<br>2007<br>\$000 | 31 March<br>2008<br>\$000 |
|--------------------------------------|--------------------------|--------------------------|---------------------------|
| <b>Shareholders' Equity</b>          |                          |                          |                           |
| Share Capital                        | 64,111                   | 56,545                   | 57,124                    |
| Accumulated Surplus                  | 161,791                  | 139,426                  | 154,351                   |
| Revaluation Reserve                  | 43,607                   | 38,107                   | 43,607                    |
| Foreign Currency Translation Reserve | 2,643                    | (3,448)                  | (4,889)                   |
|                                      |                          |                          |                           |
| SHAREHOLDER AND TOTAL EQUITY         | 272,152                  | 230,630                  | 250,193                   |
| <b>Non-current Liabilities</b>       |                          |                          |                           |
| Bank Term Loan                       | 127,838                  | -                        | 100,386                   |
| Trade Creditors & Accruals           | 2,561                    | -                        | -                         |
| Employee Entitlements                | 994                      | 750                      | 550                       |
| Finance Lease Liability              | 602                      | 32                       | 598                       |
|                                      |                          |                          |                           |
|                                      | 131,995                  | 782                      | 101,534                   |
| <b>Current Liabilities</b>           |                          |                          |                           |
| Bank Overdraft                       | -                        | -                        | 5,200                     |
| Trade Creditors & Accruals           | 133,487                  | 75,745                   | 101,843                   |
| Derivative Financial Instruments     | 730                      | -                        | 607                       |
| Employee Entitlements                | 20,823                   | 14,378                   | 17,369                    |
| Provision for Taxation               | -                        | 1,738                    | 1,824                     |
| Finance Lease Liability              | 379                      | 30                       | 415                       |
|                                      |                          |                          |                           |
|                                      | 155,419                  | 91,891                   | 127,258                   |
|                                      |                          |                          |                           |
| TOTAL LIABILITIES AND EQUITY         | \$ 559,566               | \$ 323,303               | \$ 478,985                |
| <b>Non-current Assets</b>            |                          |                          |                           |
| Property, Plant & Equipment          | 204,725                  | 151,054                  | 186,522                   |
| Software                             | 7,700                    | 6,650                    | 7,150                     |
| Goodwill                             | 125,025                  | 41,922                   | 91,828                    |
| Other Intangible Assets              | 6,411                    | -                        | 4,465                     |
| Investments in Associates            | -                        | -                        | -                         |
| Other Investments                    | 80                       | 91                       | 80                        |
| Deferred Tax Asset                   | 7,357                    | 5,611                    | 6,084                     |
|                                      |                          |                          |                           |
|                                      | 351,298                  | 205,328                  | 296,129                   |
| <b>Current Assets</b>                |                          |                          |                           |
| Bank                                 | 10,517                   | 2,322                    | 26,708                    |
| Trade Debtors                        | 187,871                  | 104,548                  | 148,053                   |
| Income Tax Receivable                | 1,072                    | -                        | 1,201                     |
| Other Debtors                        | 8,808                    | 11,105                   | 6,894                     |
|                                      |                          |                          |                           |
|                                      | 208,268                  | 117,975                  | 182,856                   |
|                                      |                          |                          |                           |
| TOTAL ASSETS                         | \$ 559,566               | \$ 323,303               | \$ 478,985                |

## Statement of Changes in Equity for the Six Months Ended 30 September 2008

### Six Months to 30 September 2008

|   | ORDINARY<br>SHARES | ASSET<br>REVALUATION<br>RESERVE | FOREIGN<br>CURRENCY<br>TRANSLATION<br>RESERVE | RETAINED<br>EARNINGS | TOTAL   | MINORITY<br>INTERESTS | TOTAL<br>EQUITY |
|---|--------------------|---------------------------------|---|----------------------|---------|-----------------------|-----------------|
| Balance at 1 April 2008   | 57,124             | 43,607                          | (4,889)                                       | 154,351              | 250,193 | -                     | 250,193         |
| <b>Changes in equity for the six months ended 30 September 2008</b> |                    |                                 |   |                      |         |                       |                 |
| Exchange Translation difference                                     |                    |                                 | 7,532   |                      | 7,532   |                       | 7,532           |
| Revaluation Reserve   |                    | -                               |   |                      | -       |                       | -               |
| Net Income Recognised Directly in Equity                            | -                  | -                               | 7,532   | -                    | 7,532   | -                     | 7,532           |
| Profit for the period   |                    |                                 |   | 17,097               | 17,097  |                       | 17,097          |
| Total Recognised Income and Expense for the Period                  | -                  | -                               | 7,532   | 17,097               | 24,629  | -                     | 24,629          |
| Shares Issued   | 6,437              |                                 |   |                      | 6,437   |                       | 6,437           |
| Executive Share Scheme Costs  | 550                |                                 |   |                      | 550     |                       | 550             |
| Supplementary Dividends   |                    |                                 |   | (291)                | (291)   |                       | (291)           |
| Dividends Paid  |                    |                                 |   | (9,657)              | (9,657) |                       | (9,657)         |
| Foreign Investor Tax Credit   |                    |                                 |   | 291                  | 291     |                       | 291             |
| Sale of Subsidiaries With Minority Interest                         |                    |                                 |   |                      | -       |                       | -               |
| Balance at 30 September 2008  | 64,111             | 43,607                          | 2,643   | 161,791              | 272,152 | -                     | 272,152         |

### Six Months to 30 September 2007

|   | ORDINARY<br>SHARES | ASSET<br>REVALUATION<br>RESERVE | FOREIGN<br>CURRENCY<br>TRANSLATION<br>RESERVE | RETAINED<br>EARNINGS | TOTAL   | MINORITY<br>INTERESTS | TOTAL<br>EQUITY |
|---|--------------------|---------------------------------|---|----------------------|---------|-----------------------|-----------------|
| Balance at 1 April 2007   | 56,305             | 38,497                          | (2,903)                                       | 69,957               | 161,856 | 5,266                 | 167,122         |
| <b>Changes in equity for the six months ended 30 September 2007</b> |                    |                                 |   |                      |         |                       |                 |
| Exchange Translation difference                                     |                    |                                 | (545)   |                      | (545)   | 63                    | (482)           |
| Revaluation Reserve   |                    | (390)                           |   |                      | (390)   |                       | (390)           |
| Net Income Recognised Directly in Equity                            | -                  | (390)                           | (545)   | -                    | (935)   | 63                    | (872)           |
| Profit for the period   |                    |                                 |   | 77,194               | 77,194  | 105                   | 77,299          |
| Total Recognised Income and Expense for the Period                  | -                  | (390)                           | (545)   | 77,194               | 76,259  | 168                   | 76,427          |
| Shares Issued   |                    |                                 |   |                      | -       |                       | -               |
| Executive Share Scheme Costs  | 240                |                                 |   |                      | 240     |                       | 240             |
| Supplementary Dividends   |                    |                                 |   | (298)                | (298)   |                       | (298)           |
| Dividends Paid  |                    |                                 |   | (7,725)              | (7,725) | (450)                 | (8,175)         |
| Foreign Investor Tax Credit   |                    |                                 |   | 298                  | 298     |                       | 298             |
| Sale of Subsidiaries With Minority Interest                         |                    |                                 |   |                      | -       | (4,984)               | (4,984)         |
| Balance at 30 September 2007  | 56,545             | 38,107                          | (3,448)                                       | 139,426              | 230,630 | -                     | 230,630         |

### Twelve Months to 31 March 2008

|   | ORDINARY<br>SHARES | ASSET<br>REVALUATION<br>RESERVE | FOREIGN<br>CURRENCY<br>TRANSLATION<br>RESERVE | RETAINED<br>EARNINGS | TOTAL    | MINORITY<br>INTERESTS | TOTAL<br>EQUITY |
|---|--------------------|---------------------------------|---|----------------------|----------|-----------------------|-----------------|
| Balance at 1 April 2007                                   | 56,539             | 38,497                          | (2,903)                                       | 68,180               | 160,313  | 5,266                 | 165,579         |
| <b>Changes in equity for the year ended 31 March 2008</b> |                    |                                 |   |                      |          |                       |                 |
| Exchange Translation difference                           |                    |                                 | (1,986)                                       |                      | (1,986)  | 63                    | (1,923)         |
| Revaluation Reserve                                       |                    | 5,110                           |   |                      | 5,110    |                       | 5,110           |
| Net Income Recognised Directly in Equity                  | -                  | 5,110                           | (1,986)                                       | -                    | 3,124    | 63                    | 3,187           |
| Profit for the period                                     |                    |                                 |   | 101,622              | 101,622  | 105                   | 101,727         |
| Total Recognised Income and Expense for the Period        | -                  | 5,110                           | (1,986)                                       | 101,622              | 104,746  | 168                   | 104,914         |
| Shares Issued   |                    |                                 |   |                      | -        |                       | -               |
| Executive Share Scheme Costs                              | 585                |                                 |   |                      | 585      |                       | 585             |
| Supplementary Dividends                                   |                    |                                 |   | (558)                | (558)    |                       | (558)           |
| Dividends Paid  |                    |                                 |   | (15,451)             | (15,451) | (450)                 | (15,901)        |
| Foreign Investor Tax Credit                               |                    |                                 |   | 558                  | 558      |                       | 558             |
| Sale of Subsidiaries With Minority Interest               |                    |                                 |   |                      | -        | (4,984)               | (4,984)         |
| Balance at 31 March 2008                                  | 57,124             | 43,607                          | (4,889)                                       | 154,351              | 250,193  | -                     | 250,193         |

## Mainfreight Segmental Reporting

The Group operates in the domestic supply chain (i.e. moving and storing freight within countries) and international freight industries (i.e. moving freight between countries).

The segmental results from continuing and discontinued operations are disclosed below. Included in the results of discontinued operations last year are Lep International (NZ) Ltd, Lep International Pty Ltd, Pan Orient Shipping Services Pty Ltd and Kurada No.8 Ltd.,

### Industrial and Geographical Segments

#### Mainfreight Six Months Ended September 2008 (\$'000's)

| <u>This Year</u>           |                 | <u>Revenues</u>  | <u>EBITDA</u>   | <u>Total Assets</u> |
|----------------------------|-----------------|------------------|-----------------|---------------------|
| New Zealand Domestic       |                 | 153,506          | 16,914          | 214,685             |
| New Zealand International  |                 | 50,987           | 1,633           | 25,757              |
| Australian Domestic        |                 | 95,083           | 4,246           | 68,344              |
| Australian International   |                 | 94,739           | 2,792           | 71,044              |
| USA ****                   |                 | 218,818          | 8,413           | 158,494             |
| Asian International        |                 | 11,883           | 1,363           | 24,262              |
| Intercompany               |                 | -                | -               | (3,020)             |
| Total and Continuing Group |                 | <u>\$625,016</u> | <u>\$35,361</u> | <u>\$559,566</u>    |
| USA ****                   | Carotrans       | \$91,083         | \$4,987         | \$33,594            |
|                            | Mainfreight USA | \$127,735        | \$3,426         | \$124,900           |
|                            |                 | <u>\$218,818</u> | <u>\$8,413</u>  | <u>\$158,494</u>    |

| <u>Last Year</u>          |  | <u>Revenues</u>  | <u>EBITDA</u>   | <u>Total Assets</u> |
|---------------------------|--|------------------|-----------------|---------------------|
| New Zealand Domestic      |  | 134,059          | 14,996          | 253,908             |
| New Zealand International |  | 48,778           | 1,956           | 19,124              |
| Australian Domestic       |  | 69,296           | 4,989           | 44,428              |
| Australian International  |  | 67,406           | 2,638           | 29,168              |
| USA                       |  | 61,863           | 3,534           | 31,163              |
| Asian International       |  | 1,926            | 609             | 4,003               |
| Intercompany              |  | -                | -               | (58,491)            |
| Continuing Group          |  | <u>\$383,328</u> | <u>\$28,722</u> | <u>\$323,303</u>    |
| Discontinued Operations   |  | 32,447           | 689             | -                   |
| Total Group               |  | <u>\$415,775</u> | <u>\$29,411</u> | <u>\$323,303</u>    |

EBITDA is defined as earnings before net interest expense, tax, depreciation, amortisation, abnormal, share based payment expense, minority interests and associates.