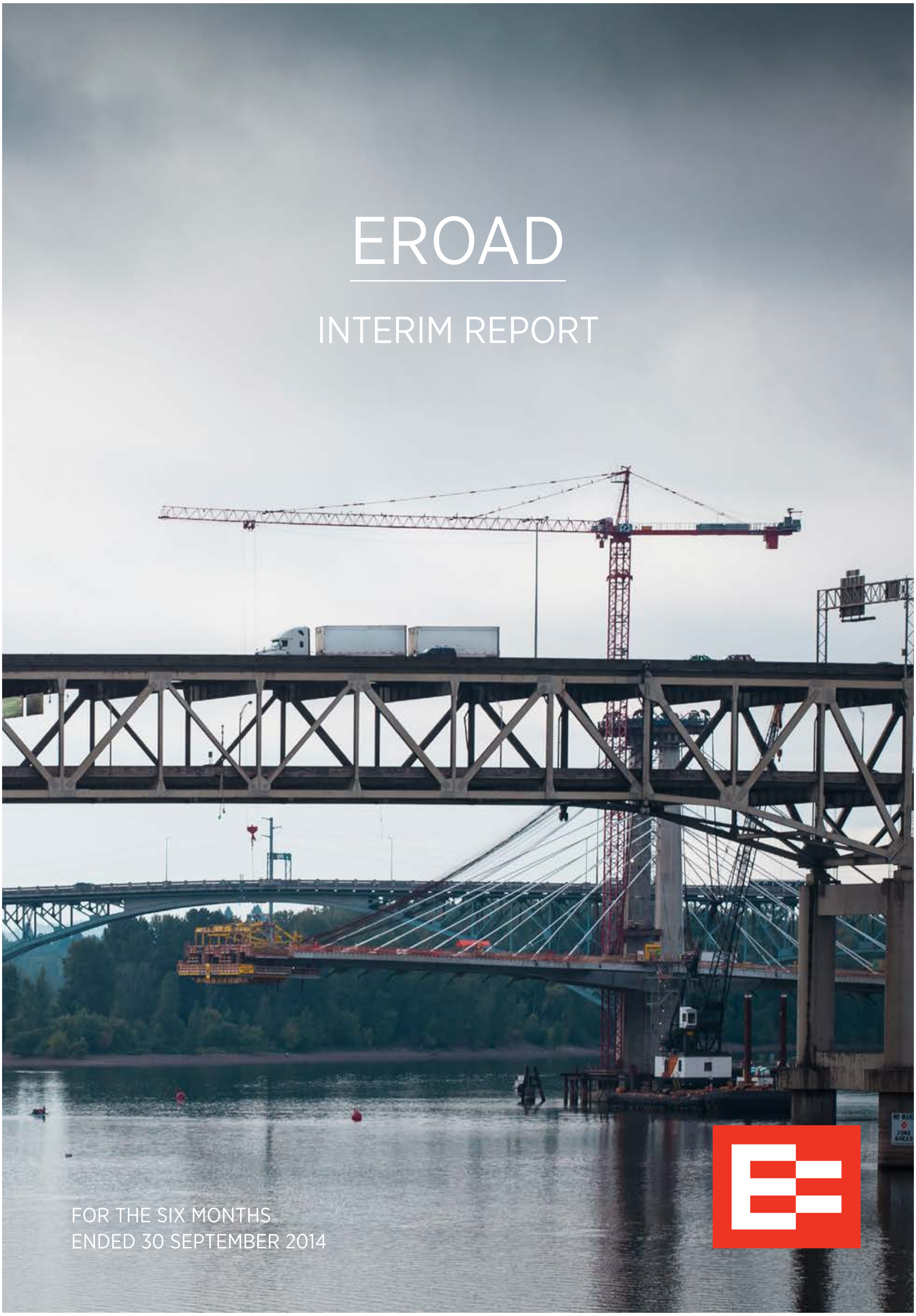


EROAD

INTERIM REPORT

FOR THE SIX MONTHS
ENDED 30 SEPTEMBER 2014

CONTENTS

EROAD'S SIX STRATEGIES

1 Grow existing markets in New Zealand, Australia and Oregon, USA

2 Expand into the Northwest and then across wider North American market

3 Identify and develop new international opportunities

4 Accelerate market entry through acquisitions

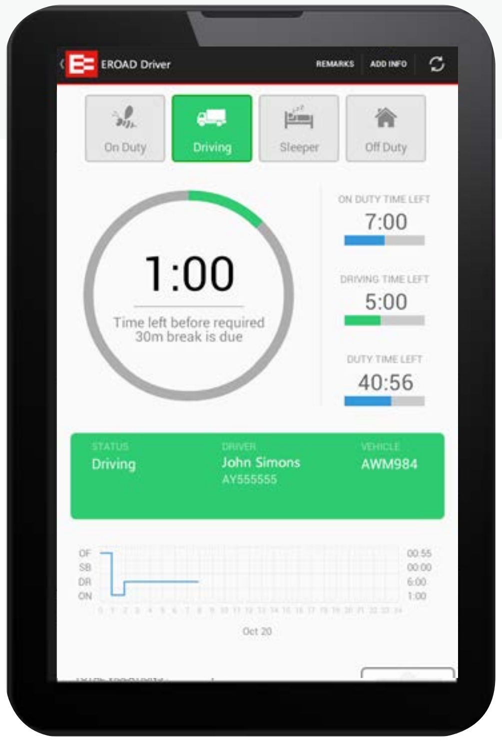
5 Develop further commercial services to support core road charging and compliance offer

6 Validate new product markets

EROAD AT A GLANCE

EROAD is a leading transport technology and services company. EROAD has created an electronic solution to manage and pay road user charges, support regulatory compliance and provide value added commercial services to the heavy vehicle industry.

- ✓ Operating in New Zealand, America and Australia
- ✓ 18,586 hardware units on EROAD platform worldwide
- ✓ $16 million Annualised Recurring Revenue (ARR)
- ✓ 99.2% Customer Retention Rate
- ✓ Profitable business (FY15 forecast loss due to non-recurring listing costs)
- ✓ 114 staff, with a further 24 contracted to join as at 31 October 2014
- ✓ $500+ million RUC collected by EROAD in New Zealand since 2009
- ✓ First provider approved to offer electronic Weight-Mile Tax (WMT) services in Oregon
- ✓ EROAD's addressable market in North America in order of 10+ million vehicles
- ✓ Partnered with global companies Amazon Web Services and Vodafone
- ✓ Deloitte 2014 Fast 50 member (ranking 35th)



EROAD launched its NZTA approved Electronic Logbook in July 2014

EROAD's second generation Ehubo was released in Oregon in April 2014

SUMMARY FOR THE SIX MONTHS

EROAD's successful New Zealand reference site provided the company with the platform to build a global business.

In April 2014 we commercially launched in Oregon, USA, becoming the first approved electronic WMT service provider in North America.

With exciting international opportunities ahead of us, the company undertook a successful listing on the NZX, and is now well placed to execute on our expansion plans. The results for the financial half year are positive with continued strong demand for our products and services in New Zealand, and encouraging adoption of our solution internationally.

- ✓ Launched commercial operations in Oregon
- ✓ Successfully completed a listing on the NZX Main Board
- ✓ Launched Electronic Logbook to replace paper logbooks
- ✓ Appointed new Director to the Board, Candace Kinser, an experienced director, technology entrepreneur and CEO
- ✓ Formed alliance with Glostone Trucking Services, a leading Oregon compliance support firm
- ✓ Continued to increase investment in R&D staff and resources
- ✓ Entered into agreement with Ritchies to supply their fleet of over 1,000 buses
- ✓ Partnered with Euroscan Asia Pacific to offer an Australasian integrated cold chain solution
- ✓ Entered into agreement with TIL, New Zealand's largest privately owned transport company, to supply their fleet
- ✓ In New Zealand 25% of regional and local councils are now using EROAD services
- ✓ Finalist and highly commended in the 2014 EECA Transport Award
- ✓ Entered into agreement with Halls to fit out their fleet of 650 trucks and trailers
- ✓ Again made the Deloitte Top 50 fastest growing companies in New Zealand

Units on Depot

18,586

up over 30 Sept 2013 by

+79%

Revenue

$7.9m

up over same period last year by

+82%

Customer Retention Rate remains strong

99.2%

Annualised Recurring Revenue (ARR)

$16m

up over 30 September 2013

+72%

Net Profit before tax and listing costs

$0.1m

exceeds same period last year by

+$0.5m

SUMMARY OF FINANCIAL RESULTS

EROAD LIMITED
STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	GROUP	
	30 September 2014 $'000 Unaudited	**30 September 2013 $'000 Unaudited**
Revenue	7,872	4,324
Expenses	(5,552)	(3,474)
Earnings before interest, taxation, depreciation, amortisation and costs of listing	**2,320**	**850**
Depreciation	(1,653)	(969)
Amortisation	(691)	(298)
Earnings before interest, taxation and costs of listing	**(24)**	**(417)**
Costs of listing	(1,971)	-
Earnings before interest and taxation	**(1,995)**	**(417)**
Finance income	203	35
Finance expense	(86)	(67)
Net financing costs	**117**	**(32)**
Loss before tax expense	(1,878)	(448)
Income tax expense	(23)	-
Loss after tax for the six month period	**(1,900)**	**(448)**
Earnings per share (cents)	(4.8)	(1.3)

For the six months ended 30 September 2014, EROAD Limited delivered a Loss after Tax of $1.9 million which is a reduction over the same period last year of $0.4 million. We note current period Net Loss after Tax is after Non Operating Costs (costs of listing) of $2.0 million.

CEO REPORT

CEO REPORT

"The results for the financial half year are positive with continued strong demand for our products and services in New Zealand, and encouraging adoption of our solution internationally, which we expect to continue for the full year"

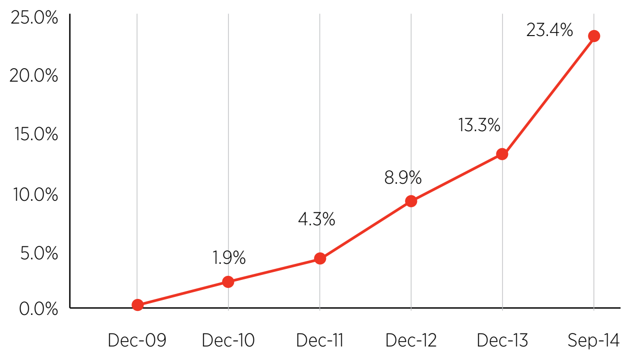
MARKETS

New Zealand

The customer adoption rates the company has achieved in New Zealand confirm the solution meets a strong market need and has cemented EROAD's market leading position.

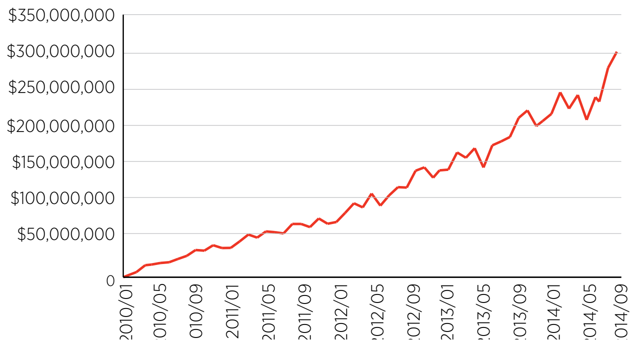
EROAD's market share, for heavy vehicles over 12 tonnes, increased in the six months from 13% to 23%.

NEW ZEALAND MARKET SHARE (HEAVY VEHICLES OVER 12,000KG)



EROAD has collected over $500 million in RUC since 2009 with an annualised collection rate of over $300 million. EROAD is now collecting over 26% of New Zealand's total heavy vehicle RUC up from 19% at September 2013. The company continues to forecast significant growth in the New Zealand market.

EROAD ANNUALISED RUC COLLECTION



There is a growing emphasis on improving workplace health and safety outcomes both in New Zealand and overseas. This is translating into greater interest in the EROAD solution, including our Electronic Logbook and Driver Behaviour reporting. To meet the demand of our customers, the company is expanding its suite of services in the compliance area. Our work with New Zealand's largest bus operator Ritchies is focused on improving driver and passenger safety.

Oregon

We launched services in April 2014 with a small team of five staff. As at 31 October we have moved to bigger premises and expanded the team and our capability to 17 staff, with most focused on sales activity.

We have observed most Oregon fleets with heavy vehicles subject to WMT also have other vehicles. This has increased significantly our potential addressable market in Oregon.

We have seen a number of potential customers with owned, but obsolete, hardware who do not want to own again, preferring to rent. We have therefore developed a hardware rental offering for Oregon to complement our hardware sales offering which has been positively received. Uptake of this new rental offer may mean some revenue is deferred and Annual Recurring Revenue (ARR) increased.

Australia

As forecast, Australian sales continue to be lumpy, primarily driven by existing New Zealand clients with Australian fleets.

DEVELOPMENT MARKETS

The Department of Transportation Federal Motor Carrier Safety Administration (FMCSA) has proposed amendments to the Federal Motor Carrier regulations a rule mandating interstate motor carriers and drivers to use an Electronic Logging Device (ELD). By late 2015, it is expected that FMCSA will publish the final rule and motor carriers will have two years from the date of final rule to choose and implement an ELD solution that meets the required specifications.

We have observed that many potential North American customers either do not have in-vehicle hardware, or they use simple apps on mobile devices, neither of which will be acceptable when the ELD mandate comes into force. With an estimated 4.5 million interstate drivers required to adopt an ELD solution, the FMCSA mandate will deliver significant growth opportunities for EROAD in both Oregon and across North America.

Our development team is focused on completing an American electronic logbook solution that will meet the proposed ELD specifications. EROAD's advanced technology platform is well placed meet the stringent performance and design specifications underpinning the proposed ELD regulations. In addition EROAD is able to offer a better customer experience by developing and providing the complete solution from hardware to software, and services.

The other key opportunity for EROAD in North America is around the provision of an electronic International Fuel Tax Agreement (IFTA) service. With the increasing reliance on electronic systems by motor carriers, the IFTA Audit Committee has proposed changes to the record keeping and audit rules to accommodate the rapid developments in functionality and performance of technology systems. `

With the company's track record in providing secure encrypted and tamper-evident products and services for tax collection in both New Zealand and Oregon, we are well placed to extend the EROAD solution to include the provision of electronic IFTA services.

Outside our existing three markets we are also engaged in a number of "early stage" opportunities which we would expect, if successful, would deliver results well outside the PFI period.

R&D

EROAD is sharing the challenges faced by New Zealand's technology sector in attracting talent in a tight global market.

However, we are having some success as we look overseas to attract talent, and have filled 19 positions since 31 March 2014.

Investment in our technology platform and suite of services remains a key focus for development. The new ELD and IFTA products are progressing well, and the development of services to meet health and safety requirements, including driver behaviour, analytics and camera capability are progressing according to plan.

These services are on track to be completed in 2015 and are on track for commercial release in New Zealand, Australia and America in FY2016.

OUTLOOK FOR THE REMAINDER OF FY2015

We expect our full year results to be in line with PFI based on strong sales in New Zealand balancing lumpy sales in Australia, with Oregon activity in line with expectations.

Some acquisition opportunities have begun to emerge, and if pursued, are likely to accelerate our entry into existing markets, deliver us customers, or deliver complementary software. Any acquisition would be unlikely to be completed before year end.

With continued focus on both sales and research and development we expect to be well placed to begin the FY2016 year.

Signed

Steven Newman

Steven Newman

HALF YEAR RESULTS COMMENTARY

Revenue was $7.9 million for the six months ended 30 September 2014, up by 82% over the same period last year. Total Units on Depot grew by 79% in the 12 months to total 18,586 at 30 September 2014. Half year Earnings were ahead of the same period last year driven by sales growth and economies of scale.

OPERATING

Revenue of $7.9 million was 82% above the prior half year. Revenue from the New Zealand market was driven by take-up of our services by some large fleets and a growing number of Local Government clients, combined with a very high 99.2% customer retention rate.

Revenue from EROAD's Oregon market was in its early stages as we built sales staff and market presence. In Australia revenue continued to be lumpy with a focus on the subsidiaries of New Zealand enterprise clients.

In both Australia and New Zealand EROAD has managed to continue to rent a high proportion of Units to customers over outright sales. This is positive and has seen our ARR increase by $4.5 million in the six months to end at $16 million. We have also introduced a rental offering to Oregon which has been positively received.

Unit rental revenue is accounted for over the period of the rental agreement (generally 36 months) whereas revenue from sale of hardware is recognised at point of sale. Strong rentals, over sales, have therefore boosted ARR which will be recognised over future periods, whilst reported upfront revenue has been correspondingly reduced.

Costs were broadly in line with forecasts.

Operating cash flow before listing costs and NZTA collections for the six months ended 30 September was at $1.6 million compared to the same period last year of $1.7 million.

The increase in staff numbers and the office establishment in Oregon both affected the half year operating cash flow result compared to last year.

FINANCING

The listing on the NZX injected $40 million of new capital into the company. The Bank Loan of $3.2 million, used to fund rented Units, was repaid following the NZX listing. A further $2.5 million was spent on Listing Costs, $2.0 million of which was charged against profit, as a Non Operating Cost, in the six months to September.

EROAD acts as a collection agent for NZTA. EROAD's cash held on behalf of NZTA increased to $7.7 million due to the timing of withdrawals by NZTA. This was matched by an increase in the payable to NZTA at 30 September 2014.

INVESTING

During the six months EROAD continued to invest in Development, which is capitalised until each development project is deployed into the market. During the six months nearly all of the remaining capitalised development costs for our first generation Ehubo were amortised, which is expected to be fully amortised by year end.

Rented Units are included as part of fixed assets. Our investment in rented Ehubo units grew to $9.9 million, up from $5.9 million at 30 September 2013, helped by continued high demand for rentals over hardware sales.

EROAD's financial statements for the six months ended 31 September 2014 have been prepared under New Zealand International Financial Reporting Standards.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2014

EROAD LIMITED
STATEMENT OF CONDENSED CONSOLIDATED COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

		GROUP	
		30 September 2014 $ Unaudited	**30 September 2013 $ Unaudited**
Continuing operations			
Revenue		7,872,105	4,324,491
Expenses	2	(5,552,362)	(3,474,322)
Earnings before interest, taxation, depreciation,amortisation and costs of listing		**2,319,743**	**850,169**
Depreciation	7	(1,652,887)	(969,281)
Amortisation	8	(691,155)	(297,396)
Earnings before interest, taxation and costs of listing		**(24,299)**	**(416,508)**
Costs of listing		(1,970,566)	-
Earnings before interest and taxation		**(1,994,865)**	**(416,508)**
Finance income		203,141	35,103
Finance expense		(86,020)	(66,859)
Net financing costs		**117,121**	**(31,756)**
Loss before tax expense		(1,877,744)	(448,264)
Income tax benefit	10	(22,704)	-
Loss from continuing operations		**(1,900,448)**	**(448,264)**
Loss after tax for the six month period		**(1,900,448)**	**(448,264)**
Other comprehensive income		-	-
Total comprehensive loss for the six month period		**(1,900,448)**	**(448,264)**

The above Statement of Condensed Consolidated Comprehensive Income should be read in conjunction with the accompanying notes.

EROAD LIMITED
STATEMENT OF CONDENSED CONSOLIDATED FINANCIAL POSITION
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

		GROUP		
		30 September 2014 $ Unaudited	**30 September 2013 $ Unaudited**	**31 March 2014 $ Unaudited**
CURRENT ASSETS				
Cash and cash equivalents	6	40,558,978	6,757,298	9,155,825
Trade and other receivables		2,347,016	968,518	1,219,196
Inventory		463,528	-	411,723
Total Current Assets		**43,369,522**	**7,725,816**	**10,786,744**
NON-CURRENT ASSETS				
Property, plant and equipment	7	11,986,481	7,628,694	8,911,755
Intangible assets	8	11,790,520	7,042,454	9,974,274
Loan to shareholders and directors		279,996	-	-
Deferred tax assets		1,899,041	-	1,921,753
Total Non-Current Assets		**25,956,038**	**14,671,148**	**20,807,782**
TOTAL ASSETS		**69,325,560**	**22,396,964**	**31,594,526**
CURRENT LIABILITIES				
Bank loan		-	2,193,465	3,101,274
Trade payables and accruals		1,608,069	1,119,973	1,262,824
Payable to NZTA		7,699,329	4,681,699	6,629,209
Deferred revenue	9	4,578,146	4,796,957	4,632,303
Employee entitlements		717,247	595,161	549,054
Total Current Liabilities		**14,602,791**	**13,387,255**	**16,174,663**
NON-CURRENT LIABILITIES				
Deferred revenue	9	3,711,664	2,883,410	3,871,162
Total Non-Current Liabilities		**3,711,664**	**2,883,410**	**3,871,162**
TOTAL LIABILITIES		**18,314,455**	**16,270,665**	**20,045,826**
NET ASSETS		51,011,105	6,126,299	11,548,700
EQUITY				
Share capital	5	58,834,820	15,439,360	17,471,968
Retained earnings		(7,823,715)	(9,313,061)	(5,923,267)
TOTAL SHAREHOLDERS' EQUITY		**51,011,105**	**6,126,299**	**11,548,700**

Director *Director*

13th December 2014 13th December 2014

Date *Date*

EROAD LIMITED
STATEMENT OF CONDENSED CONSOLIDATED CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

GROUP	Notes	Share Capital $	Retained Earnings $	Total $
Balance at 1 April 2013 - Audited		10,457,138	(8,864,797)	1,592,341
Loss after tax for the period		-	(448,264)	(448,264)
Total comprehensive loss for the period, net of tax		**-**	**(448,264)**	**(448,264)**
Share capital issued	5	**4,982,222**	**-**	**4,982,222**
Balance at 30 September 2013 - Unaudited		**15,439,360**	**(9,313,061)**	**6,126,299**
Balance as at 1 April 2014 - Audited		**17,471,967**	**(5,923,267)**	**11,548,700**
Loss after tax for the period		**-**	**(1,900,448)**	**(1,900,448)**
Total comprehensive loss for the period, net of tax		**-**	**(1,900,448)**	**(1,900,448)**
Share capital issued	5	**41,362,853**		**41,362,853**
Balance at 30 September 2014 - Unaudited		**58,834,820**	**(7,823,715)**	**51,011,105**

The above Statement of Condensed Consolidated Changes in Equity should be read in conjunction with the accompanying notes.

EROAD LIMITED
STATEMENT OF CONDENSED CONSOLIDATED CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	Notes	GROUP 30 September 2014 $ Unaudited	 30 September 2013 $ Unaudited
Cash flows from operating activities			
Cash received from customers		6,530,630	5,111,842
Payments to suppliers and employees		(5,090,720)	(3,338,597)
Net interest received/ (paid)		117,122	(31,756)
Net cash inflow from operating activities before listing costs and NZTA collections		1,557,032	1,741,489
Payments made to suppliers in listing on NZX		(1,970,566)	-
Net cash received from / (paid to) NZTA		1,070,121	1,591,446
Net cash inflow from operating activities	11	656,587	3,332,935
Cash flows from investing activities			
Payments for purchase of property, plant & equipment		(4,727,613)	(3,188,891)
Payments for purchase of intangible assets		(2,507,401)	(2,020,642)
Net cash outflow from investing activities		(7,235,014)	(5,209,533)
Cash flows from financing activities			
Loan from / (repayment) bank		(3,101,274)	703,426
Loan from /(to) shareholders		-	(500,000)
Net proceeds from equity raising		41,082,854	4,982,222
Net cash outflow from financing activities		37,981,580	5,185,648
Net increase/(decrease) in cash held		31,403,153	3,309,050
Cash at beginning of the financial period		9,155,825	3,448,248
Closing cash and cash equivalents (net of overdrafts)		40,558,978	6,757,298

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements of EROAD Limited (EROAD), together with its subsidiaries (the "Group"), as at and for the six months ended 30 September 2014, have been prepared in accordance with the New Zealand equivalent to International Accounting Standard No 34: "Interim Financial Reporting" (NZIAS34), and Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

EROAD Limited (the "Parent") is a company domiciled in New Zealand and registered under the Companies Act 1993 and is an FMC entity for the purposes of the Financial Reporting Act 2013. The Group is involved in providing electronic on-board units and software as a service to the heavy vehicle industry.

The financial statements for the Parent and Group are for the period ended 30 September 2014. The financial statements were authorised for issue by the directors on 22 November 2014 and are unaudited. References in these financial statements to "$" are New Zealand dollars.

On 15 August 2014, EROAD listed on the New Zealand Exchange ("NZX"), at $3.00 per share. As part of the Initial Public Offer, a prospectus was produced and registered on 18 July 2014. The offer was fully subscribed and the company issued 13,333,248 new ordinary shares and is listed on the NZX main board.

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as, and should be read in conjunction with the financial statements and related notes included in EROAD's annual report for the year ended 31 March 2014. The preparation of interim financial statements also requires management to make judgements, estimates and assumptions. EROAD has been consistent in applying the judgements, estimates and assumptions adopted in the annual report for the year ended 31 March 2014. Critical accounting policies are the same as those set out in the annual report for the year ended 31 March 2014.

NOTE 2 EXPENSES

	GROUP	
	September 2014 $ Unaudited	September 2013 $ Unaudited
Personnel expenses	**2,443,420**	1,619,020
Purchase of materials	**835,760**	568,141
Auditor's remuneration for review of financial statements - KPMG	**30,000**	-
Tax compliance services - KPMG	**51,047**	9,675
Auditors remuneration for investigative accountants report in prospectus - KPMG	**311,705**	-
Operating lease expense	**307,616**	109,435
Directors fees	**94,441**	51,464

During the six months the costs expensed for Research and Development was $ 1,124,197 (2013: 522,997). The costs of listing expensed in the income statement are the proportion of the listing costs incurred when listing on the New Zealand Stock Exchange, that relate to the shares held before allotment.

NOTE 3 SEGMENTAL NOTE

The group has two reportable segments as described below, which are the group's strategic divisions. The strategic divisions offer different services and are managed separately because they require different technology, services and marketing strategies. For each strategic division, the Group's CEO (the chief operating decision maker) reviews internal management reports. The following summary describes the operations in each of the Group's segments:

- Commercialised market are those markets where the group has established a market presence and is commercially viable.
- Developing markets are markets where the opportunity has been validated and technology developments, and approvals (if required) are underway.

	DEVELOPING MARKET		COMMERCIALISED MARKET	
	September 2014 $ Unaudited	September 2013 $ Unaudited	September 2014 $ Unaudited	September 2013 $ Unaudited
Revenue	-	-	**7,872,105**	4,324,491
Net Profit (loss) before Taxation and cost of listing	**(139,835)**	(86,368)	**232,657**	(361,896)
Total Assets	**1,809,072**	5,261,036	**67,516,488**	17,135,928

NOTE 4 PERSONNEL EXPENSES

GROUP	September 2014 $ Unaudited	September 2013 $ Unaudited
Salaries and wages	**4,457,018**	3,467,262
Annual leave	**189,914**	171,874
Salaries and wages capitalised	**(2,203,512)**	(2,020,116)
	2,443,420	1,619,020

NOTE 5 PAID UP CAPITAL

All issued shares are fully paid up and have equal voting rights and share equally in dividends and surplus on winding up

GROUP AND PARENT	Number of ordinary shares	Issue price $	Issued Capital $
At 31 March 2013 - Audited	9,192,535		10,457,138
Issued in connection with:			
Issue of shares to staff	23,841	$8.00	190,728
Issue of shares to current shareholders and new shareholders	600,479	$8.00	4,803,832
Cost relating to raising capital			(12,338)
At 30 September 2013 - Unaudited	9,816,855		15,439,360
Issue of shares to The Miromutu Trust	180,000	$11.90	2,142,000
Cost relating to raising capital			(109,392)
At 31 March 2014 - Audited	9,996,855		17,471,968
Issue of shares to staff	48,595	$12.68	616,185
Held in trust as treasury stock			(616,185)
Issue of shares	129,796	$12.68	1,645,812
	10,175,246		19,117,780
Share split at 3.5771 for each share	36,398,174		
New shares issued on listing with NZX	13,333,248	$3.00	39,999,744
New shares issued to directors	93,332	$3.00	279,996
Cost relating to raising capital			(562,700)
At 30 September 2014 - Unaudited	60,000,000		58,834,820

The calculation of basic earnings per share at 30 September 2014 was based on the loss attributable to ordinary shareholders of $1,900,448 (2013 $ (448,264)) and a weighted number of ordinary shares of 39,965,033 (2013 34,371,454). Earnings per share at 30 September 2014 was -4.8 cents (-1.3 cents 2013). Net Tangible Assets per share at 30 September 2014 was 65.0 cents (-9.0 cents 2013).

NOTE 6 CASH AND CASH EQUIVALENTS

	September 2014 $ Unaudited	September 2013 $ Unaudited	March 2014 $ Audited
Cash and bank	**32,853,988**	2,058,458	2,520,955
Restricted bank account	**7,704,990**	4,698,840	6,634,870
	40,558,978	6,757,298	9,155,825

The restricted bank relates to Road Users tax collected from clients due for payment to the local government agency.

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

GROUP	Leased equipment $	Plant and equipment $	Leasehold improvements $	Motor vehicles $	Office equipment $	Computers $	Total $
Year ended 31 March 2014 - Audited							
Opening net book amount	4,261,230	60,425	178,774	209,708	102,169	596,778	5,409,084
Additions	4,629,191	8,079	203,875	248,491	158,356	646,057	5,894,049
Disposals	-	-	-	(71,667)	-	-	(71,667)
Depreciation charge	(1,652,619)	(17,519)	(204,222)	(66,726)	(37,705)	(340,920)	(2,319,711)
Closing net book amount	7,237,802	50,985	178,427	319,806	222,820	901,915	8,911,755
Cost	11,116,483	166,028	445,473	409,121	309,654	1,675,319	14,122,078
Accumulated depreciation	(3,878,681)	(115,043)	(267,046)	(89,315)	(86,834)	(773,404)	(5,210,323)
Net book amount	7,237,802	50,985	178,427	319,806	222,820	901,915	8,911,755

GROUP	Leased equipment $	Plant and equipment $	Leasehold improvements $	Motor vehicles $	Office equipment $	Computers $	Total $
Six months ended 30 September 2013 - Unaudited							
Opening net book amount	4,261,230	60,425	178,774	209,708	102,169	596,778	5,409,084
Additions	2,311,156	8,078	203,875	174,330	98,421	393,030	3,188,891
Disposals	-	-	-	-	-	-	-
Depreciation charge	(701,465)	(8,663)	(98,587)	(28,380)	(15,991)	(116,195)	(969,281)
Closing net book amount	5,870,921	59,840	284,062	355,658	184,599	873,613	7,628,694
Cost	8,798,447	166,028	445,473	415,053	249,719	1,422,402	11,497,123
Accumulated depreciation	(2,927,526)	(106,188)	(161,411)	(59,395)	(65,120)	(548,789)	(3,868,429)
Net book amount	5,870,921	59,840	284,062	355,658	184,599	873,613	7,628,694

GROUP	Leased equipment $	Plant and equipment $	Leasehold improvements $	Motor vehicles $	Office equipment $	Computers $	Total $
Six months ended 30 September 2014 - Unaudited							
Opening net book amount	7,237,802	50,985	178,427	319,806	222,820	901,915	8,911,755
Additions	3,993,525	45,230	11,530	212,246	117,847	347,234	4,727,613
Disposals	-	-	-		-	-	-
Depreciation charge	(1,350,506)	(14,105)	(17,185)	(39,480)	(29,916)	(201,693)	(1,652,887)
Closing net book amount	9,880,821	82,110	172,772	492,572	310,751	1,047,455	11,986,481
Cost	15,110,008	211,258	457,003	621,367	427,501	2,022,552	18,849,691
Accumulated depreciation	(5,229,187)	(129,148)	(284,231)	(128,795)	(116,750)	(975,097)	(6,863,209)
Net book amount	9,880,821	82,110	172,772	492,572	310,751	1,047,455	11,986,481

Included in the Leased equipment is equipment under construction to be leased of $ 2,202,095 at 30 September 2014 (September 2013: $2,214,921, March 2014: $1,966,813).

NOTE 8 INTANGIBLE ASSETS

GROUP	Patents $	Trade Marks $	Development $	Software $	Total $
Year ended 31 March 2014 - Audited					
Opening net book amount	16,400	32,576	5,269,256	976	5,319,208
Additions	-	-	3,999,045	1,303,855	5,302,900
Disposals	-	-	-	-	-
Amortisation of intangible assets	(700)	-	(602,853)	(44,281)	(647,834)
Closing net book amount	15,700	32,576	8,665,448	1,260,550	9,974,274
Cost	17,800	32,576	9,865,997	1,329,616	11,245,989
Accumulated amortisation	(2,100)	-	(1,200,549)	(69,066)	(1,271,715)
Net book amount	15,700	32,576	8,665,448	1,260,550	9,974,274

GROUP	Patents $	Trade Marks $	Development $	Software $	Total $
Six months ended 30 September 2013 - Unaudited					
Opening net book amount	16,400	32,576	5,269,256	976	5,319,208
Additions	-	-	1,986,099	34,543	2,020,642
Disposals	-	-	-	-	-
Amortisation of intangible assets	(700)	-	(296,415)	(281)	(297,396)
Closing net book amount	15,700	32,576	6,958,940	35,238	7,042,454
Cost	17,800	32,576	7,853,051	60,304	7,963,730
Accumulated amortisation	(2,100)	-	(894,110)	(25,066)	(921,276)
Net book amount	15,700	32,576	6,958,941	35,238	7,042,454

GROUP	Patents $	Trade Marks $	Development $	Software $	Total $
Six months ended 30 September 2014 - Unaudited					
Opening net book amount	15,700	32,576	8,665,448	1,260,550	9,974,274
Additions	-	-	2,091,071	416,330	2,507,401
Disposals	-	-	-	-	-
Amortisation of intangible assets	(174)	-	(564,757)	(126,224)	(691,155)
Closing net book amount	15,526	32,576	10,191,762	1,550,656	11,790,520
Cost	17,800	32,576	11,957,068	1,745,946	13,753,390
Accumulated amortisation	(2,274)	-	(1,765,306)	(195,290)	(1,962,870)
Net book amount	15,526	32,576	10,191,762	1,550,656	11,790,520

NOTE 9 DEFERRED REVENUE

The Company has a dealer agreement with Equipment Finance Limited (EFL), a wholly-owned subsidiary of Fisher & Paykel Finance Limited. Under the terms of the dealer agreement, EFL enter into a lease agreement with the Company's customers (where agreed by all parties) and EFL make an upfront payment for the use of the Company's hardware products. Under the revenue recognition policy for hardware income it is deemed that the Company in substance retains the significant risks and rewards of ownership of the hardware assets. Revenue relating to hardware is therefore accounted for as operating leases and recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease, and any amounts received in advance are included in liabilities. Under the terms of the Dealer agreement, the Company would be liable to repay EFL in the event the customer operating lease was cancelled prior to the end of the agreed term.

	September 2014 $ Unaudited	September 2013 $ Unaudited	March 2014 $ Audited
Opening balance	8,503,466	6,783,724	6,783,724
Amounts deferred during the period	2,427,220	2,840,056	6,043,190
Amount recognised in the Statement of Comprehensive Income	(2,640,876)	(1,943,413)	(4,323,449)
	8,289,810	7,680,367	8,503,465

At 30 September 2014 $4,578,146 (31 March 2014: $4,632,303, September 2013: $4,796,957) is expected to be recognised in the Statement of Condensed Comprehensive Income in the next twelve month period and has therefore been classified as a current on the Statement of Condensed Consolidated Financial Position.

NOTE 10 INCOME TAX

INCOME TAX EXPENSE	September 2014 $ Unaudited	September 2013 $ Unaudited
(a) Reconciliation of effective tax rate		
(Loss) before income tax	**(1,877,744)**	**(448,264)**
Income tax using the Company's domestic tax rate of 28%	(525,768)	(125,514)
Non-deductible expense/(non-assessable income)	**548,472**	-
Losses not recognised	-	125,514
Income tax expense/(benefit)	**22,704**	**-**

NOTE 11 RECONCILIATION OF CASH FLOWS

	September 2014 $ Unaudited	September 2013 $ Unaudited
Reconciliation of operating cash flows with reported profit/(loss) after tax:		
Comprehensive Income/ (loss) for the six month period	(1,900,448)	(448,264)
Add/(less) non-cash items		
Other non-cash expenses/(income)	(1,913,048)	(1,230,034)
Tax asset recognised	22,704	-
Depreciation and amortisation	2,344,042	1,266,677
	453,698	36,643
Add/(less) movements in other working capital items:		
Decrease/(increase) in debtors	(1,127,809)	(332,827)
Decrease /(increase) in inventory	(51,805)	-
Increase/(decrease) in payable to NZTA	1,070,121	1,591,446
Increase/(decrease) in deferred income	2,427,220	2,840,056
Increase /(decrease) in trade payables and accruals	(214,390)	(354,118)
	2,103,337	3,744,557
Net cash from operating activities	656,587	3,332,935

NOTE 12 RELATED PARTY TRANSACTIONS

The related party transactions are in line with the transactions for the period to 31 March 2014.

NOTE 13 CAPITAL COMMITMENTS

The capital expenditure commitments are in line with those as at 31 March 2014.

NOTE 14 CONTINGENT LIABILITIES

The contingent liabilities are in line with 31 March 2014.

NOTE 15 EVENTS SUBSEQUENT TO BALANCE DATE

There are no events subsequent to balance date (September 2013: Nil, March 2014: Nil).

INDEPENDENT REVIEW REPORT

To the shareholders of EROAD Limited

We have completed a review of the consolidated interim financial statements of EROAD Limited on pages 10 to 19 which comprise the condensed consolidated statement of financial position as at 30 September 2014, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the 6 month period ended on that date, and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities

The directors of EROAD Limited are responsible for the preparation and fair presentation of the consolidated interim financial statements in accordance with the generally accepted accounting practices in New Zealand and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibilities

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 Review of Financial Statements Performed by the Independent Auditor of the Entity. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared, in all material respects, in accordance with the generally accepted accounting practices. As the auditor of EROAD Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of consolidated interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on those financial statements.

Our firm has also provided other services to the company in relation to taxation and audit and advisory work in connection with the Initial Public Offering. Subject to certain restrictions, partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the company. These matters have not impaired our independence as assurance practitioners of the company. The firm has no other relationship with, or interest in, the company.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these consolidated interim financial statements of EROAD Limited do not present fairly, in all material respects, the financial position of the EROAD Limited as at 30 September 2014, and of its financial performance and its cash flows for the six month period ended on that date, in accordance with generally accepted accounting practices in New Zealand.

KPMG

13th December 2014

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INNOVATION AND INTEGRITY

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