

Freightways

Full Year Presentation

18 August 2008

This presentation relates to the Freightways Limited NZX announcement and media release of 18 August 2008.

As such it should be read in conjunction with, and is subject to, the explanations and views contained in those releases.

These full year results are drawn from audited financial statements prepared in accordance with NZ IFRS.

Presentation

- 2008 Full Year Highlights
- Operating Performance
- Business Strategy
- Outlook



Freightways

2008 Full Year Highlights

General Highlights

- Successful execution of Australian strategy has created a platform for further growth
- Core express package business ahead of last year in a challenging operating environment
- Information management business delivered outstanding performance
- FRE has delivered another record result

Financial Highlights

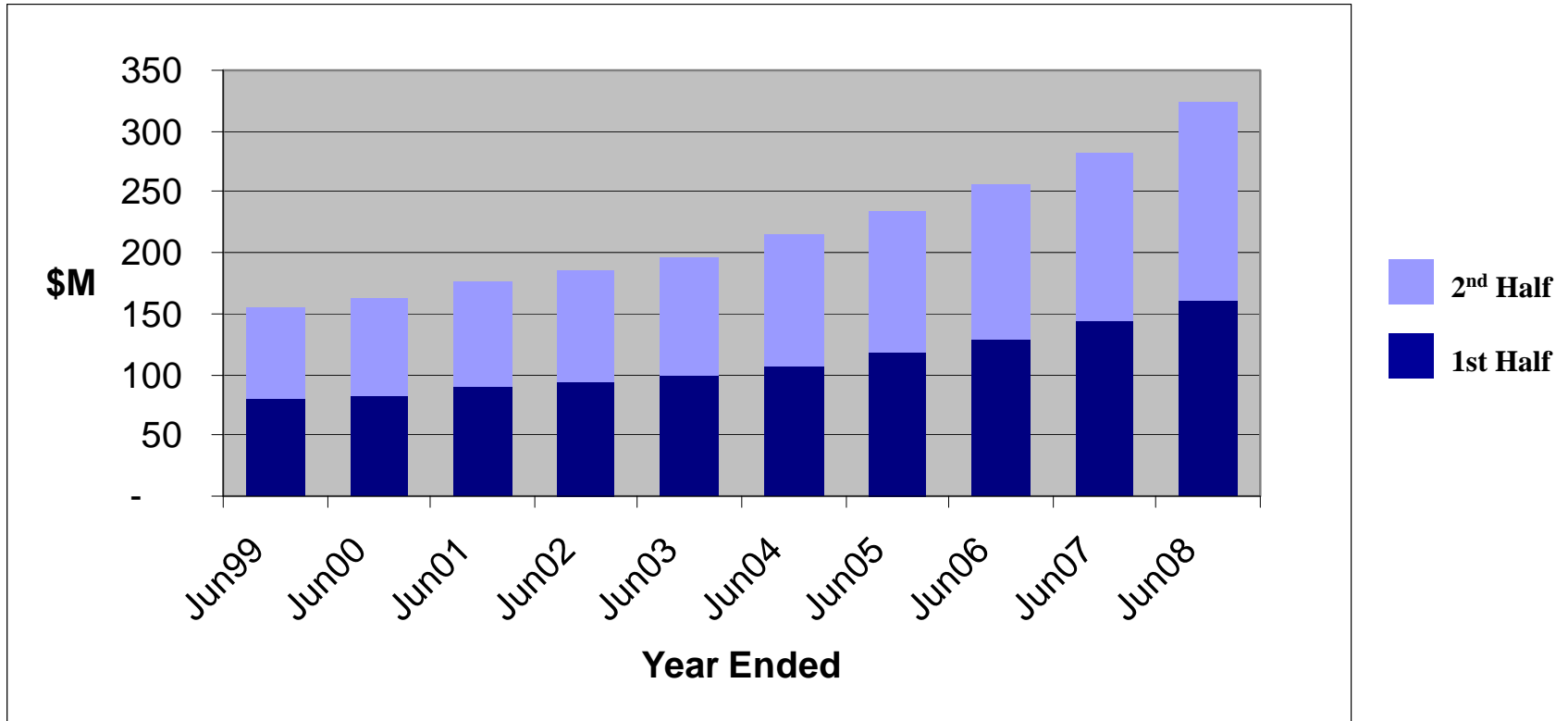
	Jun-08	Jun-07	Increase
	\$000	\$000	%
Operating revenue	323,910	283,447	14%
EBITDA	68,463	62,929	9%
EBITA	60,478	56,531	7%
NPAT	32,250	30,832	5%
Final dividend (per share)	9.25 cents	9 cents	3%

(NB. All results above exclude goodwill amortisation per NZ IFRS)

Freightways

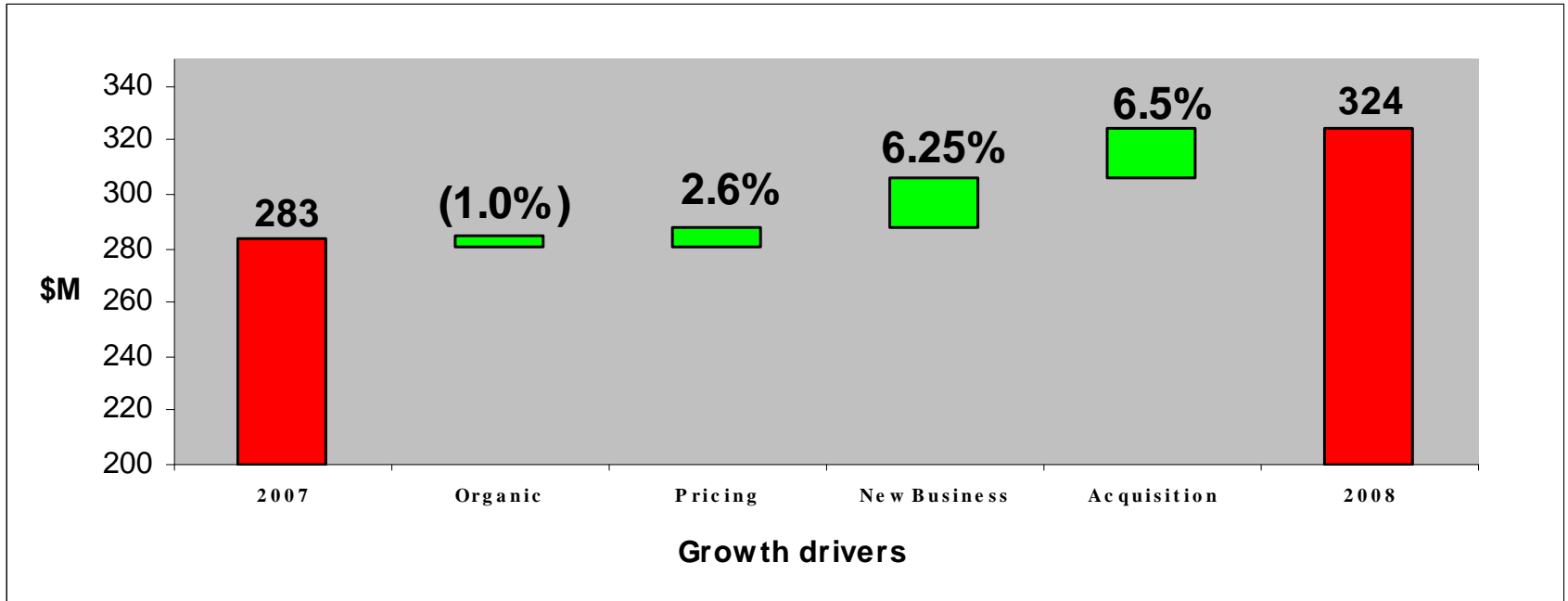
Operating Performance

Operating Revenue

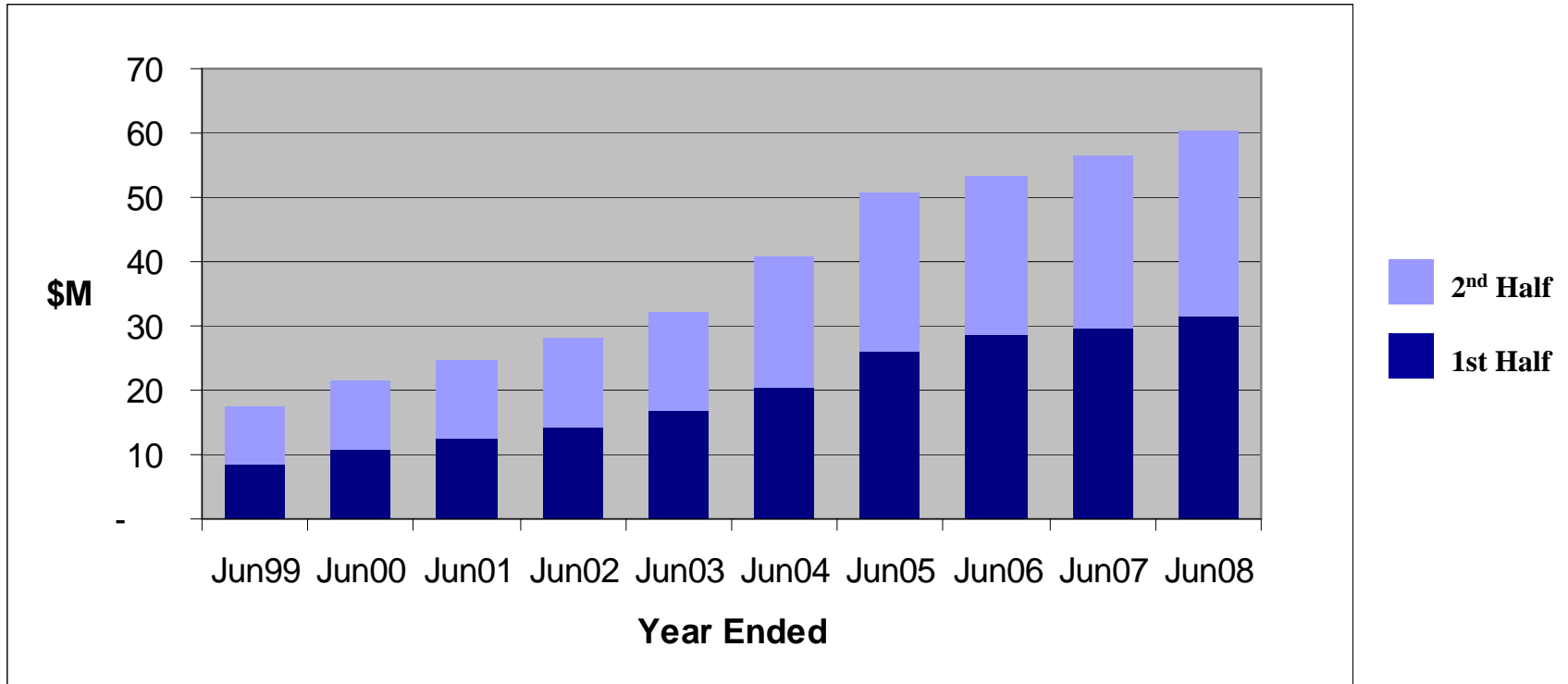


- 14% revenue growth compared to 2007
- 5-year compound average annual revenue growth of 11%

Where Revenue Growth Has Come From



EBITA

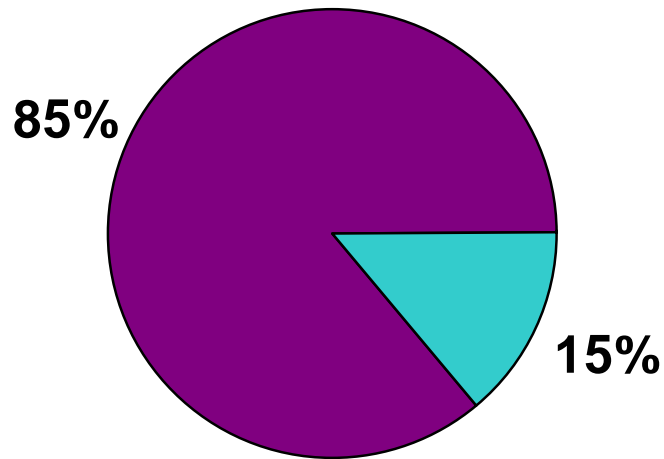


- 7% EBITA growth compared to 2007
- 5-year compound average annual EBITA growth of 14%

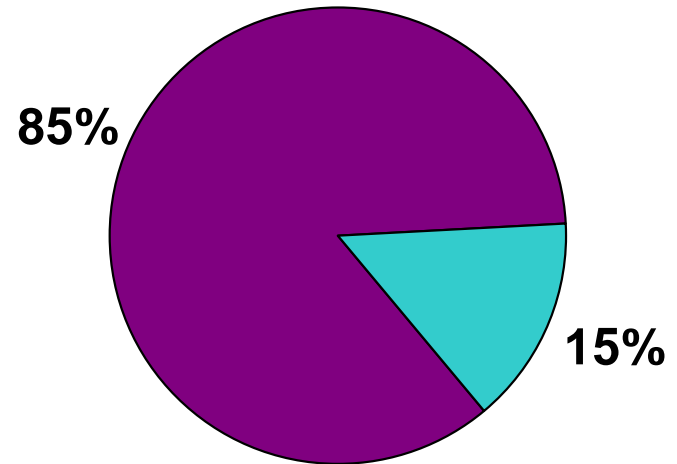
Business Segments

Operating Performance - Full Year ended 30 Jun-08

Revenue



EBITA



Express Package & Business Mail

	Jun-08	Jun-07	Increase
	\$000	\$000	%
Operating revenue	277,655	256,837	8%
EBITA	51,567	50,440	2%
Margin	19%	20%	

Information Management

	Jun-08	Jun-07	Increase
	\$000	\$000	%
Operating revenue	47,498	27,713	71%
EBITA	9,711	6,410	51%
Margin	20%	23%	

Balance Sheet

- Negative working capital remains
- Increase in fixed assets of \$11m (net of depreciation)
- Increase in bank borrowings of \$48m
- Increase in intangibles of \$40m
- Initial recognition of derivatives fair value at \$2m

Cash Flows

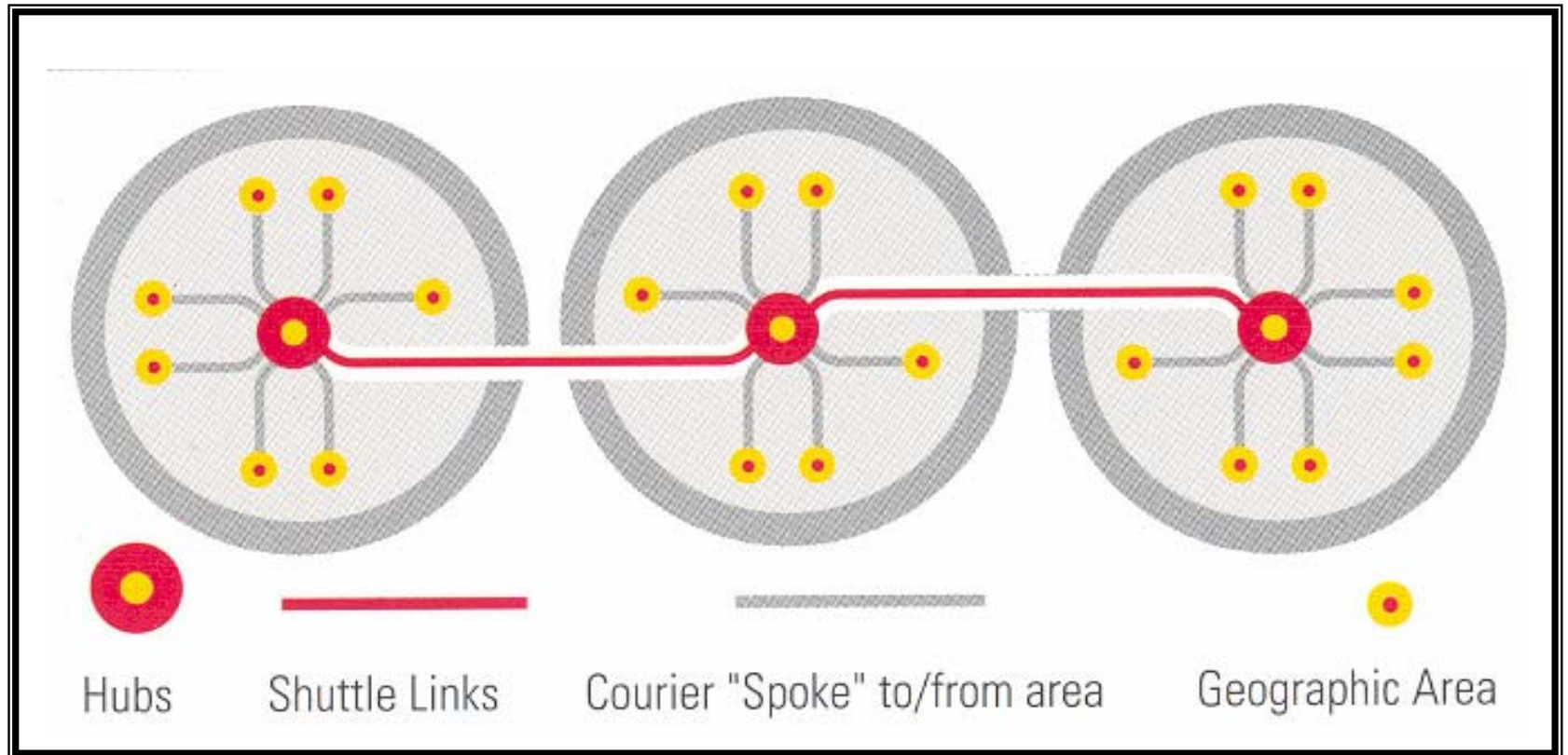
- Cash generated from operations of \$67m
- Capital expenditure of \$15m
- Payments for acquisitions of \$41m
- Cash of \$42m drawn from borrowings during the year

Dividends

	Jun-04	Jun-05	Jun-06	Jun-07	Jun-08
Dividends declared	\$15.8m	\$20.2m	\$22.1m	\$23.1m	\$24.1m
Cents per share	12.75	16.00	17.25	18.00	18.75

- **Annual payout increased by 4% compared to 2007**
- **Final dividend for 2008 declared at 9.25 cps**
 - Fully imputed at 33% tax rate
 - Record date: Friday, 12 September 2008
 - Payment date: Tuesday, 30 September 2008

Business Strategy



Business strategy

- Develop organic growth opportunities
- Positioning, People, Performance, Profit
- Explore complementary acquisition and alliance opportunities

Recent Acquisitions

- DataBank 2nd year targeted earnings achieved
- Shred-X 1st year targeted earnings achieved
- Acquisitions completed during the year, including NRM, FPS and NOW Couriers, are all on target to achieve expected earnings

Express Package & Business Mail

Network courier

Point-to-point

Business mail

Support



Information Management

New Zealand NSW VIC QLD ACT SA

Document Storage





Data Storage



Document Destruction





Outlook



Capital expenditure

	2008 Actual	2009 Forecast
Capital expenditure	\$15m	\$21m
Depreciation	\$8m	\$10m

- 2009 capital expenditure includes two significant property developments

Outlook

- Subject to the NZ economy, Express Package & Business Mail division is expected to deliver sound performance in line with recent trends
- Information Management division is expected to improve year-on-year performance with margins returning to 2008 levels as new capacity is utilised
- Characteristics of competitive environment expected to remain unchanged
- Acquisitions and alliances will continue to be developed
- All subsidiaries well positioned to accommodate growth

Summary

- ✓ Strong successful business
- ✓ Positioned to deliver continuing earnings growth
- ✓ Delivering an attractive dividend yield