

**Freightways**

**Annual Shareholders Meeting**

**25 October 2007**

**Freightways**

**Wayne Boyd, Chairman**

# Agenda

- Chairman's introduction
- Managing Director's review and trading update
- Resolutions

# General Highlights

- Core businesses have performed soundly in a challenging domestic marketplace
- Emerging businesses have delivered strong growth
- Acquisitions have established FRE's presence in the Australian market
- FRE has delivered another record result

# Financial Highlights

	<b>2007</b>	<b>2006</b>	<b>Increase</b>
	<b>\$000</b>	<b>\$000</b>	<b>%</b>
<b>Operating revenue</b>	283,447	256,689	10%
<b>EBITDA</b>	62,929	58,318	8%
<b>EBITA</b>	56,531	53,360	6%
<b>NPAT</b>	25,091	24,306	3%
<b>NPATA</b>	30,901	29,276	6%
<b>Earnings per share (NPAT)</b>	20 cents	19 cents	5%

# Dividends

	<b>Jun-07</b>	<b>Dec-06</b>	<b>Jun-06</b>	<b>Dec-05</b>
Dividend declared	<b>\$11.6m</b>	\$11.6m	\$11.2m	\$10.9m
Cents per share	<b>9.00</b>	9.00	8.75	8.50
Full year (cps)	<b>18.00</b>		<b>17.25</b>	

## Key points:

- Increase of 3% compared to 2006
- Fully Imputed
- Was paid 1 October 2007

**Freightways**

**Dean Bracewell, Managing Director**

**Review and Trading Update**

# Managing Director's Presentation

- Industry overview and business description
- Business strategy
- Trading update
- Outlook



# Express Package

## Industry Overview and Business Description



# Express Package Industry Overview

- Delivery of items up to 25kgs
- Services embedded in supply chains of businesses
- Consolidated industry structure
- Growth underpinned by demand for Just-in-Time supply

# Express Package Business Description

Network Courier



Point-to-Point



# Business Mail

## Industry Overview and Business Description



# Business Mail Industry Overview

- Deregulated postal services industry
- NZ Post is the dominant operator
- A number of niches make up the total market

# Business Mail

## Business Description



- Niche ‘business mail’ operator
- Own national network
- Profitable development and growth
- Integrated with New Zealand Couriers

# Information Management

## Industry Overview and Business Description












# Information Management Industry Overview

- Three distinct niches:
  - Document storage
  - Data storage
  - Document destruction
- Underdeveloped, high growth market
- Consolidated market structure

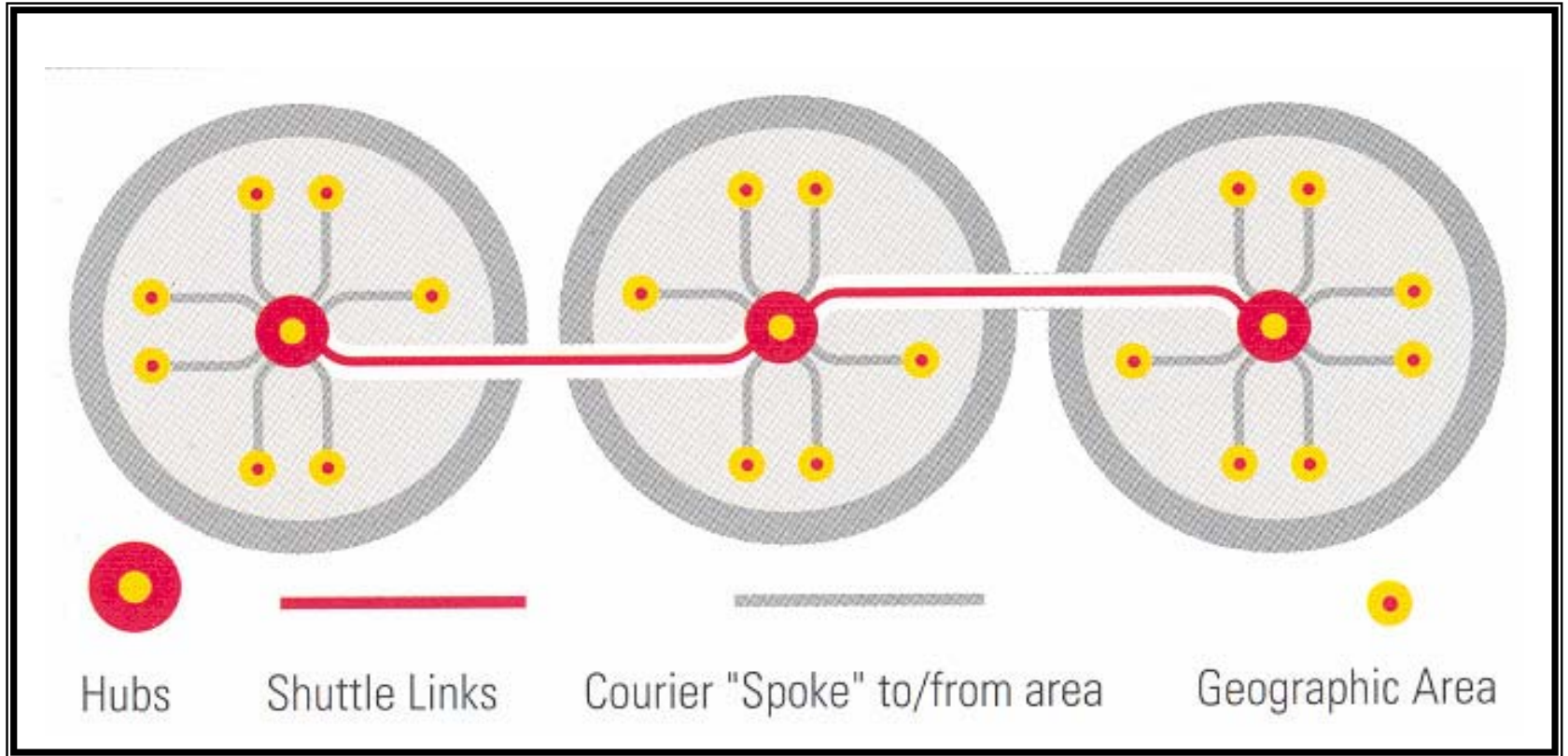


# Information Management Business Description

	New Zealand	NSW	VIC	QLD	Rest of Australia
--	-------------	-----	-----	-----	-------------------

Document Storage		---	---		---
Data Storage					---
Document Destruction		---			---

# Business Strategy



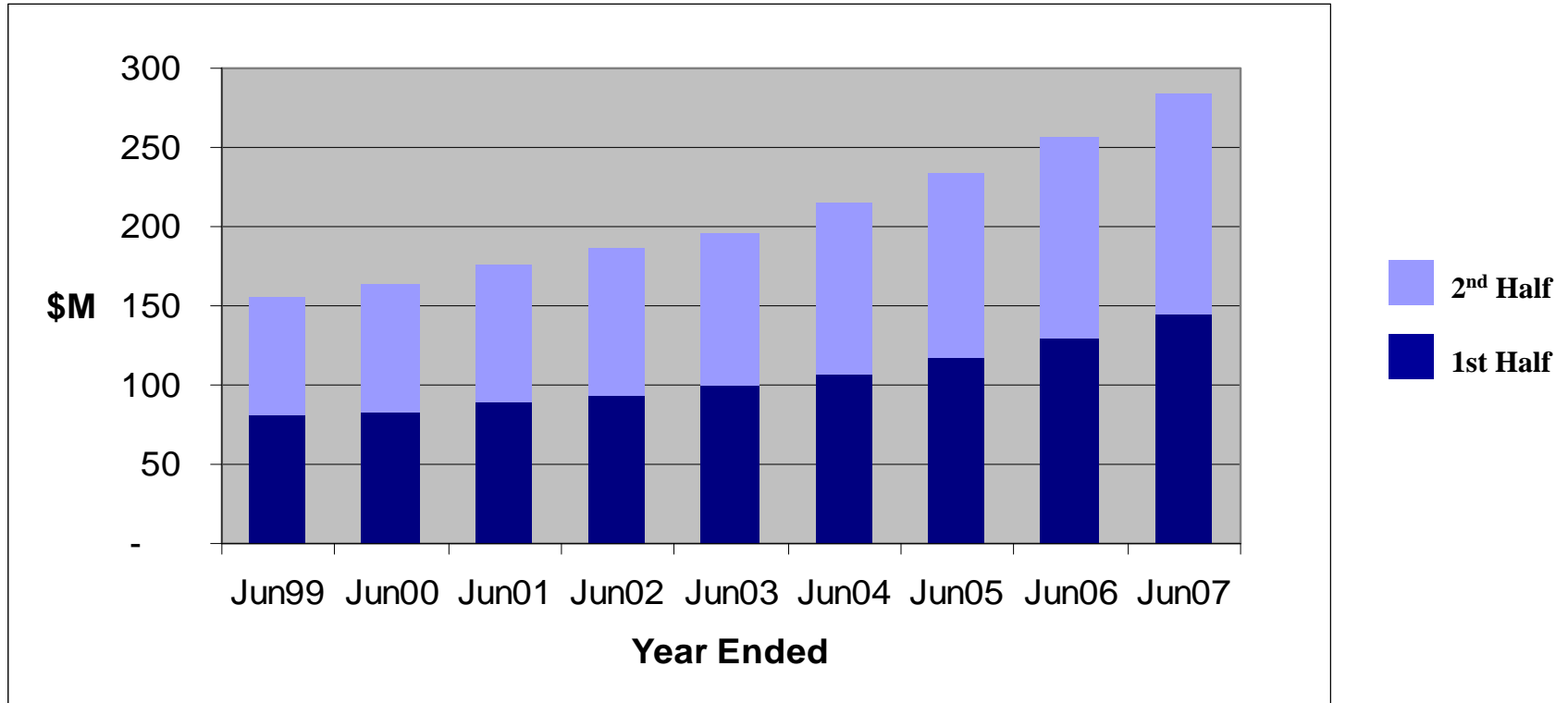
# Business Strategy

- Continued development of organic growth opportunities in Freightways' existing three markets
- Positioning, People, Performance, Profit
- Explore complementary acquisition/alliance opportunities

# Trading Update

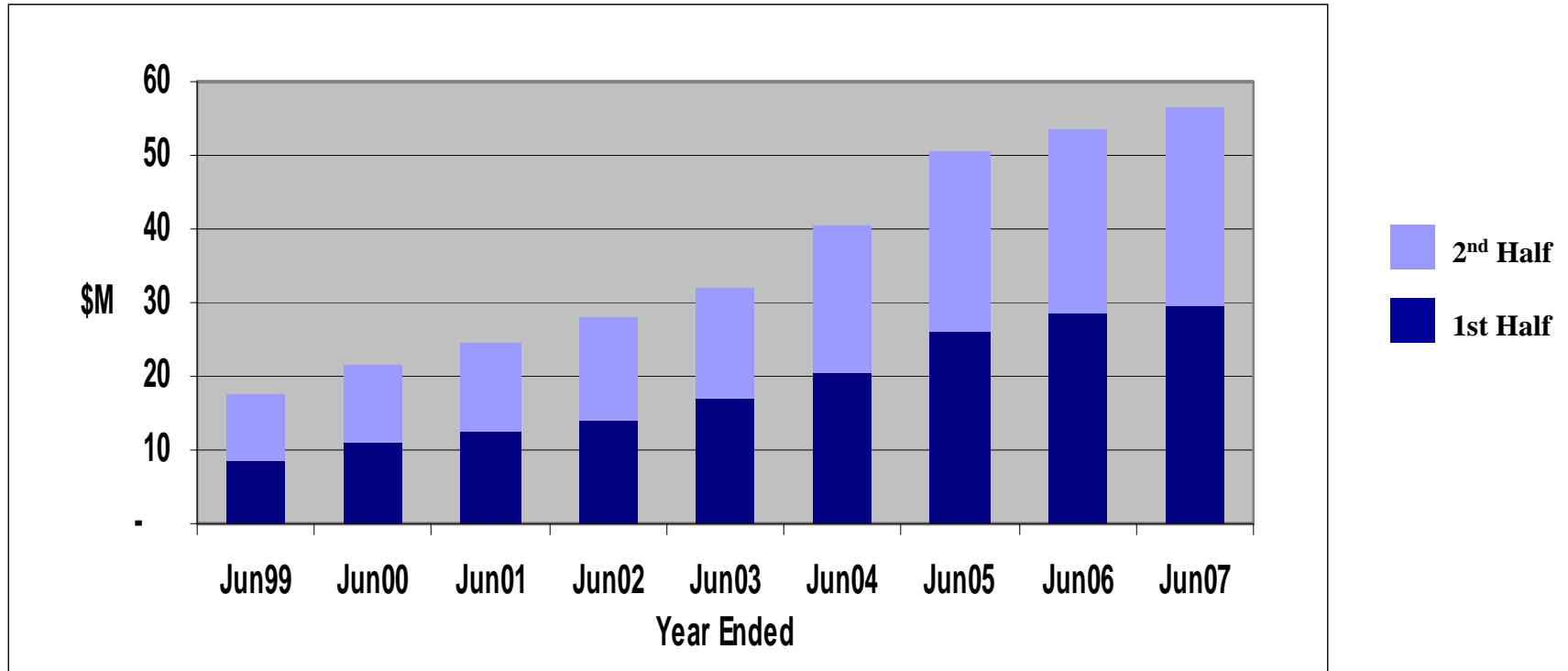


# Operating Revenue



- 10% revenue growth compared to 2006
- 5-year compound average annual revenue growth of 9%



# EBITA



- 6% EBITA growth compared to 2006
- 5-year compound average annual EBITA growth of 15%

# Current Financial Performance

## Qtr ended 30 September

	<b>2007</b>	<b>2006</b>	<b>Increase</b>
	 <b>\$000</b>	 <b>\$000</b>	<b>%</b>
<b>Operating revenue</b>	77,309	70,050	10%
<b>EBITD</b> (EBITDA 2006)	16,218	15,564	4%
<b>EBIT</b> (EBITA 2006)	14,489	13,973	4%
<b>NPAT</b> (NPATA 2006)	7,687	7,666	-

**NB: 2007 numbers are drawn from unaudited management accounts**

# Freightways

## **Outlook**



# Outlook

- Near-term performance will be influenced by NZ economic conditions
- Investment in people, infrastructure and customer service initiatives (competitive advantage) will continue
- Characteristics of competitive environment expected to remain unchanged
- Consistent application of market specific strategies
- All subsidiaries well positioned to accommodate growth
- Recent Australian acquisitions will assist FRE platform for growth and diversify its earnings

# Summary

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

**Freightways**

**Questions**

# Resolutions

- Re-election of Directors
- Increase in Directors' fees
- Authority to fix Auditors' remuneration

**Freightways**

**Annual Shareholders Meeting**

**25 October 2007**