FREIGHTWAYS LIMITED
ANNUAL SHAREHOLDERS MEETING

A. CHAIRMAN'S INTRODUCTION

Slide 1. Freightways – 29 October 2009, Annual Shareholders Meeting

Slide 2. Wayne Boyd, Chairman

Ladies and Gentlemen, welcome to Freightways' Annual Shareholders Meeting. My name is Wayne Boyd. I am the Chairman of Freightways' Board of Directors.

Slide 3. Agenda

Before we get underway I will run through the structure of the meeting.

- I will begin with procedural matters, introduce the Freightways Board and senior executive team to you and then summarise some of the Company's 2009 highlights. I will then ask Dean Bracewell, Freightways' Managing Director, to provide a review of the Company and an update on current trading performance.

- I ask that you hold all questions about the performance of the Company until the close of the Managing Director's presentation and direct them through the Chair. Any questions related to resolutions should be asked when we consider those resolutions.

- Following the Managing Director's presentation, we will attend to the resolutions as outlined in the notice of meeting.

- The notice of meeting, which includes the explanatory notes, has been circulated to all shareholders, and I intend to take it as read.

The Company's constitution prescribes a quorum requirement of 5 shareholders. As you can see this requirement is met. As a quorum is therefore present, the meeting is duly constituted and I declare it open.

Proxies have been appointed for the purpose of this meeting in respect of approximately 71 million ordinary shares. As was indicated on the proxy form, where proxy discretion has been given, the Directors and myself, as Chairman, intend to vote those proxies we have received in favour of the resolutions before the meeting.

I would now like to introduce those at the table with me:

- Mark Royle, Freightways' Chief Financial Officer and Company Secretary. Mark has 25 years accounting and commercial experience of which 13 years were with a major international chartered accounting firm. Mark was appointed Chief Financial Officer and Company Secretary of Freightways 9 years ago, having spent a number of years prior to that with Freightways' then Australian owner.

Your Directors at the table are:

- Dean Bracewell, Freightways' Managing Director. Dean has spent almost his entire career with Freightways after initially joining the company in 1978. He has worked his way through the company and held a number of senior Executive and General Management roles within Freightways' subsidiary businesses prior to his appointment to Managing Director in 1999.

- Warwick Lewis. Warwick was Dean's predecessor as Managing Director of Freightways. Prior to that role he spent 18 years in the shipping industry both in New Zealand and the United Kingdom. In 1974 Warwick established Chep Handling Systems Limited and after 13 years with Chep was appointed to the role of Commercial Manager at Freightways. Warwick became Managing Director in 1994 where he remained until his retirement in 1999.

- Sir William Birch. Sir William began his career in 1957, when he established a private practice as a surveyor in Pukekohe. His keen interest in community affairs led to six years as Deputy Mayor of Pukekohe and election to Parliament in 1972. During his 27 years in Parliament he served for 15 years as a Minister of the Crown, including 6 years as Minister of Finance between 1993 and 1999. Sir William retired from Parliament in 1999 and commenced a private consultancy. He is a director of a number of public and private companies, Chairman of Investment Research Group Limited, is a trustee of the MFL and SIL Superannuation funds and a member of the Royal Bank of Scotland's Australian Advisory Council. Sir William was knighted by the Queen for public services in 1999.

- Roger Corcoran. Roger joined the Board in May this year. Roger is based in Australia. He has gained extensive global business experience during a 30-year career with multi-national transport and logistics operator, TNT. Roger retired as CEO of TNT Australia, New Zealand and the Pacific Islands in December 2008.

- Kim Ellis. Kim joined the Board in August this year. He spent 28 years in chief executive roles in a number of sectors, including industrial services, and has developed businesses in both New Zealand and Australia. Kim is now a professional director working with both private and listed companies. Kim is currently Chairman of publicly-listed Seeka Kiwifruit Industries Limited and a Director of a number of private companies.

- Sue Sheldon. Sue is a Chartered Accountant and full-time professional director. She is a Director of the Reserve Bank of New Zealand, Contact Energy, Wool Grower Holdings, Smiths City Group and Paymark. Sue is a former president of the Institute of Chartered Accountants of New Zealand and was made a Companion of the New Zealand Order of Merit in 2007.

- I was appointed a Director and elected Chairman of Freightways in June 2003. After practising law for 18 years and spending 5 years in investment banking, I established a specialist advisory business and a career as a professional director. I am also Chairman of Telecom NZ, Meridian Energy and Vulcan Steel.

Also present today are several members of the Freightways executive team who I would like to introduce to you:

- Steve Wells, General Manager of New Zealand Couriers.

- Mark Troughear, General Manager of the Freightways Information Management Division.

- Richard Mitchell-Lowe, General Manager of Freightways Information Services.

- Stewart Maclaren, General Manager of Online Security Services.
- Mark Brightwell, General Manager of DX Mail.
- Charles Gilliam, General Manager of Fieldair Holdings.
- Neil Wilson, General Manager of Post Haste Limited.
- Devon Buckingham, Auckland Regional Manager of New Zealand Couriers.
- Aaron Stubbing, General Manager of Messenger Services Limited.
- Mark Skews, General Manager of Castle Parcels Limited.
- Steve Marshall, General Manager of NOW Couriers Limited.
- Chris Cotterrell, General Manager of DataBank Technologies Pty Limited, one of our Australian information management businesses.

These people are representative of the wider Freightways team who operate in every town and city throughout New Zealand and in all major states of Australia. This team has considerable experience, often in more than one Freightways business and has an average tenure at Freightways of approximately 15 years per executive. It is a particular strength of Freightways that it is able to identify and promote talent from within, not only in these senior roles but across many occupations within the greater company.

The Company's Auditors PricewaterhouseCoopers are represented here today by Bruce Hassall & Pip Cameron and the Company's legal advisors Russell McVeagh are represented here today by Jennifer Lander.

The Financial Statements for the year ended 30 June 2009 are set out in the Company's Annual Report that was released to shareholders last month.

I would now like to speak briefly to some of the general and financial highlights of Freightways' 2009 year. I will then ask Dean Bracewell to address you.

Slide 4. General Highlights

The current economic downturn has naturally affected Freightways performance throughout 2009. The resilience of Freightways' business model, the strength of its brand positioning, the importance of its recent strategic growth and capital management decisions and the commitment of its people have combined to enable the reporting of a satisfactory overall result in what has been a difficult operating environment.

Freightways entered the information management market in 1999. Since that time it has grown to be the leading operator in New Zealand in two of its three primary service lines and the number two operator in its third service line. In 2006, Freightways entered the Australian information management market and today it has operations in every major state. The success of this growth strategy has been a highlight of Freightways' performance.

The range of capital management initiatives successfully completed by Freightways during 2009 and the recent establishment of a dividend reinvestment plan ahead of the full year dividend have all been very important in realigning the balance sheet to both enable the company to navigate its way through the current economic cycle and to position it to pursue further growth opportunities. I will speak to each of these capital management initiatives more fully in a coming slide.

Slide 5. Financial Highlights

Consolidated operating revenue of $340 million for the full year was 5% higher than the prior corresponding period.

Earnings before interest, tax and depreciation (EBITDA) of $70.5 million for the full year was 3% higher than the prior corresponding period, while earnings before interest and tax (EBITA) of $61 million for the full year was 1% higher than the prior corresponding period.

Consolidated net profit after tax (NPAT) of $34.6 million for the full year was 7% higher than the prior corresponding period.

Included in these EBITDA, EBITA and NPAT numbers is a one-off profit of approximately $4 million which was generated from the sale of a property in Wellington.

The achievement of 4% Earnings Per Share growth for the year was a very satisfactory result.

Slide 6. Capital Management Initiatives

The economic turmoil we have operated in during 2009 affected Freightways' performance with overall lower volumes from existing customers and fluctuating activity. This created significant forecasting uncertainty and an increased risk of a decline in earnings that subsequently eventuated in the fourth quarter. Your Board determined that in light of these operating circumstances and the real contraction in debt markets it was appropriate to proactively reduce debt to strengthen Freightways' balance sheet. A number of initiatives were completed to achieve this objective:

- An institutional placement and subsequent retail share purchase plan raised $49 million.
- The sale and lease-back of a Wellington property raised $8.3 million.
- The introduction of a Dividend Reinvestment Plan, that in relation to the 2009 final dividend was underwritten, enabling the preservation of $12.7 million of cash.
- Freightways' finance facilities were renewed for the next three years with a third bank introduced to the banking syndicate.

The support that these initiatives received from existing shareholders was very strong, exceptionally so in regard to the share purchase plan which resulted in a far greater scaling back of allocations than was anticipated. This substantial demand for the share purchase plan was contributed to by a two month period from the time we announced the upcoming plan until the time it eventually closed. During that time there was a significant improvement in world equity markets and Freightways' share price increased by approximately 10%. Naturally the optimism that a market recovery was underway made the offer appear that much more attractive. This two month period was created by the need to ensure shareholders were fully informed of Freightways current trading performance prior to having to make a decision to participate in the Share Purchase Plan. This requirement was satisfied by aligning the timing of the Share Purchase Plan with our scheduled 30 April third quarter Trading Update.

In volatile market conditions capital management initiatives require consideration of various and often competing factors. It is certainly not possible to know what market conditions may eventuate following a decision to raise capital and these risks need to be carefully factored into any decision-making. While I acknowledge that the capital management initiatives pursued by your board will not always satisfy every individual's specific investment criteria, the Board must make decisions that are overall in the best interest of all shareholders. The obvious alternative to our institutional placement was a pro-rata rights issue to all shareholders and this was given due consideration, however the immediate certainty of funding through a placement was a compelling driver of our decision in the prevailing market conditions at that time. These significant capital management decisions were well considered by your Board in respect of their timing, their methodology and their execution.

Following these capital management initiatives and the renewal of its term debt facilities your company is well positioned to navigate through the current economic cycle whilst continuing to explore growth opportunities.

Slide 7. Dividend

The Directors declared a final dividend of $12.7 million or 8.5 cents per share in compliance with Freightways' stated dividend policy to distribute 75% of NPATA. As was stated at the time, the profit arising from the sale of our Wellington property was not included in calculating the final dividend due to it being a one-off capital management initiative.

A Dividend Reinvestment Plan was introduced and this final dividend was underwritten to further finesse Freightways' capital structure. This DRP enabled those shareholders who wished to increase their equity stake in Freightways to do so at a discounted rate and without brokerage fees. The Board will review the application of the DRP, including whether it should be offered at all, when future dividends are determined.

In a very difficult operating environment, your company has successfully executed its strategies to deliver a satisfactory overall result. The balance sheet has been strengthened, future bank funding has been secured and the company is very well positioned to benefit from any improvement in the marketplace. The Board acknowledges the outstanding work and ongoing dedication of the Freightways team throughout New Zealand and Australia.

I'll now call on Dean Bracewell to address the meeting.

Slide 8. Freightways – Dean Bracewell, Managing Director

B. MANAGING DIRECTOR'S REVIEW AND TRADING UPDATE

Thank-you Wayne and thank-you ladies and gentlemen for coming along today.

Slide 9. Managing Director's presentation agenda

My presentation will provide an update on the industries that Freightways works in and its businesses. I will then touch on Freightways' over-arching strategy, before finishing with an update on recent trading performance and our outlook for the foreseeable future.

Slide 10. Express package & Business mail

Slide 11. Express package – Industry overview

The express package industry is imbedded in New Zealand business. As general business activity increases or decreases so too will express package industry volumes, as has clearly been evident throughout 2008 and 2009.

There are two major players in the express package industry – a NZ Post/DHL JV company and Freightways. As such the industry is relatively consolidated, although there does remain a number of other smaller niche operators.

Long-term growth of the express package industry is expected to continue to be underwritten by the increasing demand for faster delivery of goods and services than in years gone by. It is this demand for urgent Just-in-Time delivery that will continue to drive increasing volumes to the industry over the medium-term.

In recent years the express package industry has expanded as postal operators have transitioned their traditional parcel volumes towards an express package courier delivery. The recent announcement by Freightways of its newly established relationship with Australia Post is an important strategic move that very strongly positions the Freightways brands of DX Mail and New Zealand Couriers for growth in international inbound parcel volumes.

Slide 12. Express package & business mail – Business description

Freightways operates a multi-brand strategy. Our newest brand of NOW Couriers completed its first full year of Freightways ownership during 2009 and it delivered fully to our expectations. Our brands are positioned as specialists in their respective niches of the market to cater for the different service demands of their respective customers. This multi-brand strategy provides customers with the benefit of choice and ensures that we are well positioned to capture growth right across the market.

Wayne earlier described the level of experience amongst Freightways' executive team. This experience is replicated throughout our brands, right through to the front line where we interact several times a day with our customers. This level of experience is a significant contributor to Freightways' competitive advantage. Our teams are highly motivated and have completed a year in which their efforts have again been rewarded with excellent customer retention.

Freightways' network of independent contractors who provide the physical pick-up, linehaul and delivery of packages are our primary partners in the express package businesses. Our business model shares the risk and reward of doing business with our contractors.

Across its brands, Freightways has a strong culture of operational excellence, innovation and profit achievement which has underpinned its long-term growth and development.

Slide 13. Information Management

Slide 14. Information management – Industry overview

Within the information management industry, Freightways offers specialist off-site management of electronic media in climate-controlled vaults, archiving and physical storage of documents and document destruction services to a wide range of business customers.

Strong organic growth and the successful integration of newly acquired businesses in Australia have contributed to the very good performance of Freightways' information management division. This growth is being driven by an increasing awareness in the market of the need to: professionally and securely manage increasing volumes of business information, manage risk, meet increasing compliance requirements and assess the cost-benefit of outsourcing. Offsetting some of the gains we have made in this division is the increased cost of new capacity that we have invested in to accommodate increasing demand, and lower paper revenues as a result of reduced global demand for recycled paper. Recurring revenue generated from electronic media and document storage is, as expected, proving to be very resilient to the current economic turmoil.

The information management industry is relatively consolidated with a small number of operators servicing both the New Zealand and Australian markets.

Slide 15. Information Management – Business description

During 2009, Archive Security was introduced to the South Australian market and we acquired Access Information Management in Western Australia and Moorside Document Storage in Victoria. The growth of Freightways' information management businesses means that we are today established throughout New Zealand and in all major states of Australia.

The information management division currently contributes approximately 19% of Freightways' earnings. The performance of this division has been a highlight of 2009.

Slide 16. Business strategy

Slide 17. Business strategy

Freightways' strategy is well developed and straightforward. Firstly, and most importantly, it centres on enhancing capability within the core business to ensure the retention of existing customers and to grow market share. Secondly, Freightways' strategy is to leverage this capability by extending its presence into complementary areas of growth. The capital management initiatives that Wayne discussed earlier have been important in ensuring that Freightways is appropriately structured to execute this strategy.

Your company is very well positioned in each of its markets with quality capacity to benefit from an improvement in the economy.

Freightways will continue to train and develop its people to ensure the future of its business is in experienced hands.

Freightways will continue to innovate and wherever possible further improve its service performance to customers. Technology continues to play a key role in delivering innovation.

These strategies are designed to sustain Freightways' profitability and deliver long-term value to shareholders.

Acquisitions and alliances will continue to be explored where they complement Freightways' capability and add value. In addition, start-up opportunities will also be considered if they make commercial sense.

Slide 18. Trading update

Slide 19. Operating revenue

Freightways' 2009 result has continued its long-term revenue growth profile. Freightways has achieved 10-year compound average annual revenue growth of 8%.

Slide 20. EBITA

Revenue growth has translated into EBITA or operating earnings growth at an average 13% p.a. over the same 10-year period.

Slide 21. Current financial performance

This slide shows Freightways' most current 'unaudited' financial performance for the three months ended 30 September 2009. To ensure a like-for-like comparison, the prior comparative period has been normalised to remove 5 extra days that were accounted for in the comparative quarter.

For the three months ended 30 September 2009, Freightways' revenue totalled $82 million, generating Net Profit After Tax (NPAT) of $7 million, a 2% increase on the prior comparative period after normalisation. Lower debt levels, as a result of recently executed capital management initiatives, generated lower interest charges during this period, contributing to this positive NPAT result.

The impact of the current economic downturn remains evident in Freightways' performance with a decline in revenue of 5% and in EBITDA and EBITA of 5% and 7.5%, respectively, compared to the prior comparative period after normalisation. This performance is consistent with Freightways' outlook comments in its recent full year announcement. It is however a significant improvement upon the June quarter 2009 result when compared to its prior comparative period.

Freightways' express package & business mail division continues to experience lower overall volumes and revenue when compared to the prior year, although we have seen some recent signs of improving activity from some customers. Volumes have also been assisted by some significant new customer wins, including the Australia Post initiative that commenced in September. Freightways' brand positioning, the experience of its people, the consistency of its service performance and its ability to innovate alongside its customers continues to be recognised with quality market share gains.

Freightways' information management division continues to grow activity in all three service lines of document storage, data storage and document destruction. As expected, it is currently receiving lower revenue from recycled paper sales and the cost base has increased due to investment in increased capacity. This will accommodate growing demand for information management services.

This trading update again demonstrates the resilience of the Freightways business model. The importance of past strategic decision-making and the more recent capital management initiatives, combined with the success of increased service quality and cost reduction focus across all businesses, has contributed to this result. The update also provides evidence of an improved operating environment when compared to the previous quarter.

Slide 22. Outlook

Slide 23. Outlook

While it appears that an economic recovery is underway, the recovery in our view remains fragile and as a consequence volatility is ever present. Freightways' recent performance is nevertheless encouraging. However if this recent improvement cannot be sustained and augmented with positive organic volume growth, then the express package & business mail division's near term performance will continue to track below the prior year. Organic growth initiatives are being accelerated wherever possible and costs are expected to decline in those businesses where revenue growth is not being achieved.

Near term performance in the information management division is also expected to continue to track behind last year, due to the increased cost of recent capacity investment and lower recycled paper sales revenue. This performance is expected to improve as the year progresses and spare capacity is utilised and also if we experience an improvement in paper revenues. Paper revenues are influenced by global demand and accordingly are expected to react positively to global economic improvement.

Forecast capital expenditure in 2010 of approximately $13 million is significantly lower than 2009 levels. Overall, cash flows are expected to continue to remain strong throughout the year.

Proceeds from capital management initiatives executed during 2009 have been used to reduce debt and strengthen Freightways' balance sheet so that the company is more strongly positioned to navigate through the current economic cycle. The introduction of a fully underwritten DRP in respect of the 2009 final dividend has also assisted in this regard. Newly renegotiated finance facilities which provide funding certainty through until August 2012 were implemented during September. As a result of increased bank margins associated with these facilities, Freightways will experience higher future interest charges than is evident in its first quarter result.

In recent years, Freightways has strengthened its earnings profile by diversifying its activities both geographically and deeper into the information management market. Freightways will continue to seek and investigate growth opportunities to support this strategy and will also explore other opportunities that complement its core capabilities.

Freightways is very well positioned with quality capacity to benefit from an improving Australasian economy.

Slide 24. Summary

In a difficult operating environment, Freightways has delivered a satisfactory result and has again demonstrated its resilience. The express package & business mail and information management divisions have performed soundly, albeit below last year. The current economic cycle will clearly continue to impact on Freightways' performance. Medium to longer term and subject to business factors beyond its control, Freightways expects to continue achieving positive performance for its shareholders and other stakeholders, and is very well positioned to benefit from an improving Australasian economy.

Thank-you.