

ANNUAL SHAREHOLDERS MEETING

A. CHAIRMAN'S INTRODUCTION

Slide 1. Freightways – 28 October 2010, 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 2010 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 65 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 26 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 10 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.
- Mark Verbiest. Mark joined the Board in March of this year. A lawyer by training with widespread corporate experience in private practice, Mark also has a strong working knowledge of technology-related businesses and capital markets. Mark is today a professional director and also a member of the Securities Commission.
- 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 is based in Australia. He 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 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, Telecom Corporation of New Zealand, Contact Energy, Smiths City Group and Paymark. Sue is a former president of the New Zealand Institute of Chartered Accountants 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. As was announced in June, I will retire from the Freightways Board at the conclusion of this meeting. I have thoroughly enjoyed my time as Chairman of this proud and very successful New Zealand company. It is however time for me to move on towards retirement and I do so in the knowledge that the governance of your company will remain in the strong hands of those Directors alongside me today. Your Board has voted unanimously that Sue Sheldon be appointed to the role of Chairman of Freightways upon my retirement. Sue's appointment ensures the continuity of leadership at the helm of Freightways that has existed since its IPO in 2003.

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.
- 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 David Raudkivi.

The Financial Statements for the year ended 30 June 2010 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' 2010 year. I will then ask Dean Bracewell to address you.

Slide 4. General Highlights - 2010

While Freightways' overall 2010 result was below the prior year, the performance of the company progressively improved as the year unfolded, as was evidenced by the second half result. Overall, Freightways has demonstrated its resilience throughout the economic downturn. The 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, combined with a favourable industry niche, has enabled the reporting of results which are superior to other companies operating in the same market both domestically and globally.

Freightways has continued to successfully innovate, as can be evidenced by:

- the winning of the Australia Post international inbound express mail service, air parcels and courier products; and
- the launch of two new sub-brands; 'Stuck' which is positioned to satisfy demand for hard to deliver express freight jobs and 'Pass the Parcel' which is positioned to service customers of Trade Me.

Freightways entered the information management market in 1999. This division continues to grow and today it represents 20% of Freightways' revenue and 22% of its operating earnings. The growth in this division has been aided by:

- recent investment in its geographical footprint and capacity,
- recurring revenues,
- industry growth, driven by increased outsourcing, and
- market share gains.

The success of this growth strategy in both New Zealand and Australia continues to be a highlight of Freightways' performance.

Slide 5. Half Year on Half Year EBITA Movements

This slide shows recent half year on half year EBITA performance, including the improvement achieved by Freightways throughout 2010. Earnings performance first fell below the respective prior comparative period in the 1st half of 2009, a fall which then accelerated in the 2nd half of 2009. While slightly less of a decline was experienced in the 1st half of 2010, a stepped improvement was then evidenced in the 2nd half of 2010.

Slide 6. Financial Highlights

Consolidated operating revenue of \$328 million for the full year was 2% below the normalised prior comparative period.

EBITDA of \$64 million for the full year was 2% lower than the normalised prior comparative period, while EBITA of \$54 million for the full year was 3% lower than the normalised prior comparative period.

Consolidated NPAT of \$29 million for the full year was 2% lower than the normalised prior comparative period. As indicated on this slide 2010 NPAT has been adjusted to remove the impact of a one-off non-cash tax charge of \$5.7 million that relates to the government-announced changes to building depreciation rules and the corporate tax rate.

Slide 7. Final Dividend

The Directors declared a final dividend of \$10.8 million or 7 cents per share in compliance with Freightways' stated dividend policy to distribute 75% of net profit after tax and goodwill amortisation (or 'NPATA'). When determining NPATA for dividend purposes the abnormal \$5.7m non-cash tax charge mentioned earlier was excluded. The full year dividend was on a par with the 2010 interim dividend.

The Dividend Reinvestment Plan (or 'DRP') was not offered in relation to this final dividend. As a capital management tool, the application of the DRP will be reviewed for each future dividend.

While below the prior year, the 2010 result demonstrates progressively improving Freightways performance in line with the gradual recovery of the domestic New Zealand marketplace. The Board acknowledges the outstanding work and ongoing dedication of the Freightways team throughout New Zealand and Australia that has produced these results in a fragile market.

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 been evident throughout Freightways' history.

There are two major players in the express package industry – a German Post-NZ Post JV company and Freightways. As such the industry is relatively consolidated, although there does remain a number of other smaller 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 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. This global transformation will continue to drive opportunities to Freightways in New Zealand.

Slide 12. Express package & business mail – Business description

Freightways operates a multi-brand strategy. 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.

Freightways has a great depth of experience throughout its 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 and has underpinned the company's resilience throughout these tough times. Our teams are highly motivated and have completed another 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 is core to the group's 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.

Key growth drivers in this industry include the increasing demand for expert management of business information, risk management and compliance, and the lower cost of an outsourced solution.

The recurring nature of the revenue we earn from our information management services is naturally a favourable feature of this industry.

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

Freightways' Trans-Tasman information management businesses have continued to show great resilience to the economic cycle. While the document destruction arm was initially affected by lower revenue from the sale of its recycled paper due to reduced global demand, this impact was largely offset by the growth and development of the document and data storage businesses. Efficiency gains were also realised following the consolidation of operations in a number of locations. Recycled paper prices have now returned to the long run average for this product.

Our recent investment in additional capacity in Melbourne and Wellington has been well received by the market and demand for our services in these locations has accelerated. This growing demand has led to decisions to invest in additional storage capacity in Sydney, Perth, Adelaide and Auckland during 2011. This investment will reap future rewards as utilisation of this capacity increases. We have also recently extended our service footprint by establishing the Shred-X brand in South Australia and New South Wales.

The information management division continues to perform particularly well in both New Zealand and Australia and it provides Freightways with a very real and important platform for strategic growth.

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 each of its existing businesses 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.

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

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 this 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

These next two slides present the long term performance of your company.

Slide 19. Operating revenue

While our 2010 result saw a decline in revenue, our 10-year compound average annual growth rate is 7%.

Slide 20. EBITA

This 7% annual revenue growth has translated into EBITA or operating earnings growth at an average 10% 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 2010. Freightways revenue totalled \$85 million, a 4% increase on the prior comparative period. Earnings before interest, tax, depreciation and goodwill amortisation (or 'EBITDA') of \$15.4 million was 2% above the prior comparative period and earnings before interest, tax and goodwill amortisation (or 'EBITA') of \$13.0 million was 3% above the prior comparative period. These operating results most importantly demonstrate that despite a difficult operating environment Freightways has been able to slightly improve its operating performance compared to the prior comparative period. Net profit after tax (or 'NPAT') of \$6.7 million is 4% below the prior year due to the higher cost of bank margins in this period compared to the prior comparative period.

As anticipated, Freightways' express package & business mail division's performance has reflected the slow pace of the economic recovery. Overall activity and business mix remains at similar levels to that seen in the latter half of the prior year. Operating earnings in this division for the September quarter were on a par with the prior comparative period.

Freightways' information management division on the other hand continues to perform particularly well. It has once again demonstrated its resilience to the economic cycle and has contributed operating earnings growth of 26% above the prior comparative period.

The Christchurch earthquake affected all Freightways businesses operating in Christchurch in some way. Most importantly none of our team was injured, despite several being at work during the time of the earthquake. Our express package & business mail operations implemented contingency plans locally and through the support of their team mates in the rest of New Zealand ensured minimal disruption to service, except where access was restricted. We have continued to work closely with customers who have relocated or are operating out of temporary premises to maintain service levels. The document storage division of our Christchurch information management business was more severely affected with collapsed racking restricting our ability to provide normal levels of service to our customers. The project to extract archive boxes, rebuild racking and return to normal service is well advanced.

Commercially the impact of the earthquake on Freightways will not be material. An initial sharp decline in express package and business mail volume, both into and out of Christchurch, in the first week following the earthquake quickly recovered to normal levels by the end of September. The information management business is insured for this type of incident in relation to its earnings and equipment.

Overall the Freightways team again demonstrated its tremendous service ethic and teamwork to ensure minimal disruption to customers.

Recently re-negotiated finance facilities provide 5-year funding for around a third of our finance facility until September 2015. The balance of the facility is available through to September 2012, at which point that portion will be re-negotiated. Assurance of funding is a key issue for most businesses in this continuing uncertain economic environment. This 5-year component of our finance facility demonstrates the support of Freightways' banking syndicate and provides important diversity of tenure and funding certainty for the company.

Slide 22. Outlook

Slide 23. Outlook

We anticipate a continuing slow domestic economic recovery. While a number of encouraging signs continue to emerge in some of our businesses, this is not yet the case across all businesses. As such we must remain cautious in the outlook for our core express package & business mail division.

The information management division is expected to continue its sound growth. While the cost of increased capacity will start coming to bear throughout the balance of the 2011 financial year, the benefit derived from the recurring nature of the revenue with which we utilise this capacity will drive sustainable long-term value.

Forecast capital expenditure in 2011 of approximately \$13 million is similar to 2010 levels. Overall, cash flows are expected to continue to remain strong throughout the year.

In recent years, Freightways has strengthened its earnings profile by diversifying its activities both geographically and deeper into the information management market. Growth opportunities that complement its core capabilities will continue to be sought and developed to support this strategy.

Subject to factors beyond its control, Freightways remains very well positioned with quality capacity to benefit from an improving Australasian economy and from growth in the markets we operate in.

Thank-you.