ANNUAL SHAREHOLDERS MEETING

A. CHAIRMAN'S INTRODUCTION

Slide 1. Freightways – 27 October 2016, Annual Shareholders Meeting

Slide 2. Sue Sheldon, Chairman

Shareholders and guests, welcome to Freightways' Annual Shareholders Meeting. My name is Sue Sheldon and 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 some of the team to you, and then summarise some of the Company's 2016 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, I will introduce the resolutions as outlined in the Notice of Meeting. Again this year, polls will be held in respect of the resolutions put to shareholders. The polls will be conducted following the meeting.

- The Notice of Meeting, which includes the explanatory notes, was circulated to all shareholders and I intend to take it as read.

The Company's constitution prescribes a quorum requirement of 3 shareholders. As you can see this requirement is met. As a quorum is 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 72 million ordinary shares. As was indicated on the proxy form, where proxy discretion has been given, the Directors, and I as Chairman, intend to vote those proxies we have received in favour of resolutions 1, 2 and 4 set out in the Notice of Meeting. As also indicated on the proxy form, unless directed how to vote by the shareholder giving the proxy in respect of resolution 3 relating to Directors' fees, the Directors, including myself, will not be able to vote on resolution 3 on behalf of the proxy.

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

- Mark Royle, Freightways' Chief Financial Officer and Company Secretary. Mark was appointed to these roles 16 years ago, having spent a number of years prior to that with Freightways' then Australian owner. As a member of the senior executive team, Mark is a key contributor to the strategic direction and performance of the Company. Mark has over 30 years accounting and commercial experience of which 13 years were with a major international chartered accounting firm.

Your Directors at the table are:

- Dean Bracewell, Freightways' Managing Director. Dean is a seasoned MD, having held this role since 1999. Dean has spent almost his entire career with Freightways, having initially joined the Company in 1978. During his tenure, Dean has led a team that has achieved significant growth and shareholder value accretion.

- Mark Verbiest. Mark has been on the board for more than 6 years. A lawyer by training, he has widespread experience in the capital markets and digital & technology businesses. Mark is Chairman of Spark and Willis Bond Capital Partners (which is a private equity fund), and will retire as Chairman of the State-owned Enterprise, Transpower, at the end of this month. Mark is also on the board of ANZ Bank NZ, NZ Treasury (and its Commercial Operations Advisory Board), as well as a digital services company in the health sector called MyCare.

- Roger Corcoran. Roger is based in Australia and was appointed a Director in May 2009. He gained extensive global business experience during a 30-year career with multi-national transport & logistics operator, TNT. Roger retired as CEO of TNT Australia, New Zealand and the Pacific Islands in 2008. Roger is not seeking re-election to the Board and this will be his last meeting.

- Kim Ellis. Kim was appointed a Director in August 2009, having spent 28 years in chief executive roles in a number of sectors, including 13 years as Managing Director of Waste Management NZ Limited, 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 Chairman of Metlifecare Limited and NZ Social Infrastructure Fund Limited and a director of Port of Tauranga Limited, Envirowaste Services Limited and a number of other companies.

- Mark Rushworth. Mark was appointed a Director in September 2015. Mark has extensive experience in the technology sector, with a decade's governance experience, predominantly in the high tech and innovation space. An electrical engineer by training, with widespread operations and marketing experience, he spent 4 years on the senior executive team of Vodafone NZ through until 2010, where among other things he had executive accountability for the fixed line business and as executive director of marketing. Currently Mark is the CEO of New Zealand's digital payments business Paymark Limited. Mark previously served as chief executive of Pacific Fibre and internet provider ihug.

- Peter Kean. Peter is our newest Director, having been appointed in July this year. Peter brings to Freightways many years of senior executive experience with the Lion group of companies in both New Zealand and Australia. Peter's last executive roles were as Managing Director of Lion Nathan New Zealand and Managing Director of Lion Dairy and Drinks, based in Melbourne. Peter retired from Lion in 2014 and has since developed his career in governance. Peter is also a Director of Sanford Limited, the New Zealand Rugby Union and a number of private companies.

- I was appointed a Director of Freightways ahead of its IPO in 2003 and elected Chairman in 2010. I am a Chartered Accountant and full-time professional director with previous roles in a number of large organisations. I am currently a Director of Contact Energy Limited and Real Journeys Limited and Chair of NZ Global Women and the Audit & Risk Management Committee of the Christchurch City Council. I am 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.

Freightways has around 3,700 people on its team in New Zealand and Australia. By way of an introduction to some of our people and what they do, we will now play a video that is used by the company as part of its induction of new people into the wider team.

Also present today are representatives from the Freightways executive team who you will be able to meet following the meeting. This executive team has considerable experience, often in more than one Freightways business and has an average tenure at Freightways of approximately 16 years per executive. While this depth of experience is a strength of Freightways, we also understand the need to introduce new thinking from time to time and in this regard I welcome the two newest members of the Freightways executive team who started with the Company during the year. Matt Cocker who was appointed Chief Information Officer and Ruth Adin who was appointed Development and Support Manager within the IT team. These appointments have been made to support Freightways strategy to be a technology leader in the industries it operates in.

The Company's Auditors, PricewaterhouseCoopers, are represented here today by Leo Foliaki and the Company's legal advisors, Russell McVeagh, are represented here today by Pip Greenwood.

The Financial Statements for the year ended 30 June 2016 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 financial highlights of Freightways' 2016 year. I will then ask Dean Bracewell to address you.

Slide 4. Financial Highlights – 2016

Freightways had another positive underlying trading result in 2016. Sound revenue growth and continued good cost control led once again to increased year-on-year earnings. This has been a hallmark of Freightways throughout its listed history, other than the year immediately following the GFC.

This slide presents the reported 2016 result and the underlying trading result compared to the prior comparative period, excluding the impact of non-recurring items. EBITDA refers to earnings (or operating profit) before interest, tax, depreciation and amortisation. EBITA refers to earnings (or operating profit) before interest, tax and amortisation. NPAT refers to net profit after tax. And EPS refers to earnings per share.

Earlier this year Freightways started transitioning from a fleet of Convair aircraft to utilising newer and larger Boeing 737-400 aircraft. The non-recurring items shown on this table relate to the write-down of the carrying value of the Convair aircraft and related spares. As a non-cash item, this write-down did not impact on Freightways' 2016 final dividend payment to its shareholders. While these non-recurring items are included in the full year financial statements contained in your annual report, we believe for the purposes of assessing the underlying year-on-year operational performance of Freightways, these non-operational items should be excluded for this presentation and my commentary.

Consolidated operating revenue of $505 million for the 2016 full year was 5.4% higher than the prior comparative period.

EBITDA of $98.4 million was 3.1% higher than the prior comparative period and EBITA of $87.7 million was 5.9% higher than the prior comparative period.

Consolidated NPAT of $54.4 million was 8% higher than the prior comparative period; while NPATA (which is NPAT before Amortisation, and used to determine Freightways' dividends) was $56 million, 8% higher than the prior comparative period.

Earnings per share (EPS) for the full year (and again exclusive of non-recurring items) were 35.1 cents per share, an improvement of 7.7% over the prior comparative period.

Overall, another sound result.

Slide 5. Express Package & Business Mail division - 2016 performance

Increased activity from some existing customers and the winning of additional new business contributed positively to revenue growth and the achievement of sound operating earnings in this division. Allowing for 5 extra trading days in the prior comparative period, revenue and operating earnings would have been higher compared to the prior comparative period than shown on this table.

In addition to the many initiatives implemented during the year to further enhance the overall service provided to customers, a number of key investment decisions were made, including:

- transitioning to Boeing 737-400 aircraft, which are expected to provide sufficient inter-island overnight airfreight capacity for many years to come;
- increasing the resourcing of our IT team with the key appointments I previously referred to, along with a number of other specialists; and
- signing a lease for a purpose-built facility at Christchurch airport, with an automated freight-handling system. This new facility will enable the consolidation of operations from 3 separate facilities into one and will provide airside access to our aircraft. Capital expenditure relating to this project is tracking in line with the budgeted cost of $11 million. Construction is running to our expected timetable, with completion expected in the early part of 2017. A positive return above our cost of capital for this project is expected to be achieved through efficiency and quality enhancements.

The express package & business mail division delivered a sound result for the 2016 year.

Slide 6. Information Management division – 2016 performance

Performance within the information management division was strong throughout 2016 in both New Zealand and Australia. Increased utilisation of facilities, the successful integration of a number of small acquisitions, improved performance from the recently-acquired LitSupport and a particularly strong result from Shred-X, with the benefit of some large one-off destruction volumes, all contributed to this result. The Information Management Group, referred to as TIMG, has seen growth in the physical services it provides, along with increasing demand for its digital services.

Key initiatives implemented during the year contributing to the long-term performance of this division included the decision to lease a purpose-built facility in Sydney, allowing the relocation of operations from 3 locations into a single facility that will have adequate growth capacity for the foreseeable future. Efficiencies that will flow from this site will see a positive return on the $2.5 million cost relating to the establishment of the site and the relocation. The information management division delivered a strong result for the 2016 year.

Slide 7. Final Dividend - 2016

The Directors declared a final dividend of 14.5 cents per share, fully imputed at a tax rate of 28%, which was paid at the start of this month. This represented a pay-out of approximately $22.5 million compared with $19.3 million for the prior comparative period dividend of 12.5 cents per share; a 16% increase. The full year's dividend pay-out was in line with the Company's dividend policy of paying-out 75% of annual NPATA, excluding any non-cash, non-recurring items.

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

The positive features of the markets Freightways operates in, the resilience of its businesses to accommodate growth and adapt to change and the successful execution of its growth strategies by an experienced team of people are again evidenced in this full year result.
The Directors acknowledge the outstanding work and ongoing dedication of the Freightways team of people 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

Thanks Sue and thank-you ladies and gentlemen for coming along today.

Slide 9. Managing Director's presentation agenda

My presentation will discuss some of the features of 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 remainder of the year ahead.

Slide 10. Express Package & Business Mail

Slide 11. Express Package & Business Mail (brands)

The multi-brand strategy that we operate in the express package industry targets different niches of the market, including urgent one hour delivery, premium through economy metropolitan, overnight to 2-day nationwide and international deliveries. Our brands, including New Zealand Couriers that has been operating for over 50 years, are regarded as some of the most well-known in the industry. We pick-up items typically up to 25 kilograms from a broad range of businesses and individuals and deliver to businesses and homes throughout New Zealand and overseas. Our services are achieved by the coming together of people and infrastructure that includes vans, trucks, aircraft, a nationwide branch network and technology that provides real-time visibility of key stages of the delivery process to our customers. Our businesses handle in excess of 200,000 items per day.

We also deliver letters overnight and 5 days per week in most urban locations throughout New Zealand through our DX Mail business. DX Mail has over the last year further increased its postie fleet due to the demand it is getting from those customers who still value the importance of the timely delivery of physical letters. Our Dataprint business provides physical and digital transactional mailhouse services, both of which also continue to grow. Our support businesses of Fieldair (which provides airfreight services), Parceline (which operates our inter-city road linehaul network) and FIS (which provides our businesses with IT support and innovation) all play a key part in the success of the express package & business mail division.

The express package & business mail division currently contributes around 70% of the revenue and earnings of the Freightways group.

Slide 12. Information Management

Slide 13. Information Management (brands)

TIMG provides both physical and digital information management services, including document and data archiving, workflow solutions, scanning of business documents, automated accounts payable and digital mailrooms, to name a few. The demand for both the physical and digital services we offer continues to increase, both in New Zealand and Australia.

We also collect paper from businesses, shred and bale it, and then sell it to paper mills, which recycle it. In Australia, these secure document destruction services are provided nationwide by Shred-X.

The Information Management division contributes approximately 30% of Freightways' revenue and earnings.

Slide 14. Business strategy

Slide 15. Business strategy

Freightways' strategy contains several key elements.

At a high level these are:

- First, and most importantly, our strategy to enhance capability and service levels wherever possible within each of Freightways' existing businesses to ensure the retention of existing customers and to grow market share;
- Second, our ongoing strategy to diversify the Company into the information management industry to further strengthen the earnings base and increase the Company's resilience to adverse economic cycles;
- Third, our strategy to diversify activity away from a sole reliance on the domestic New Zealand market. This has been achieved by establishing operations throughout Australia; and
- Fourth, the strategy to extend Freightways' presence into complementary areas of growth, either through the establishment of alliances or by acquisition.

With regard to acquisitions, Freightways has successfully acquired a number of businesses over the years that have delivered shareholder value. These are however only acquired after thorough due diligence and only then if they meet Freightways' stringent acquisition criteria. If an acquisition opportunity doesn't measure up against all that we would like to see, we may either choose to negotiate terms in a sale and purchase agreement that provide us with suitable protection or we may pass on the opportunity. While we do view acquisitions as a fundamental part of our growth strategy, we pass on many more opportunities than we execute.

Our positioning strategies have ensured your Company has brands that are leaders in all the markets they operate in. Our markets have never been static. We have adapted and changed along with changing market circumstances throughout the lifetime of the Company and we will continue to do so. Innovation is at the core of what we do, be it in relation to enhancing the business and operational processes within Freightways or in developing new products and services alongside customer demand.

Our people strategies, which acknowledge the diverse mix of people that make up the Freightways team, firmly establish health & safety as management's number one priority and include ongoing commitments to training and development, to job security, to appropriate reward and to encouraging career development across the Freightways group. These strategies will ensure that the future of our business is in experienced hands.

With specific regard to health & safety, and acknowledging that we can always do better in everything that we do, our monthly reporting throughout the company and to the Board includes an extensive health & safety report that addresses:

- any health & safety incidents to determine what learning can be applied to avoid these incidents in the future;
- any breaches of health & safety processes;
- newly-identified hazards and what is being done to manage these;
- the results of our in-house safety audit programme and any external audits that have been completed;
- training that has occurred within the month, both through in-house training programmes and external courses; and
- the various occupations within Freightways and whether anything has changed in our operating environment, such as extreme weather during the winter months that may result in greater risk and require further risk mitigation.

Of the 3,700 people on the Freightways team, around 1,200 are independent contractors. Each of these independent contractors has their own safety management plan that is unique to their area of operations and the customers' sites that they visit. Direct accountability for safe operating practice at the very front line, and in one of the higher risk areas of our business, is another strength of our industry's well-established independent contractor model.

Directors actively participate in enhancing safe working practice by contributing their insights learnt from other industries, reviewing health & safety performance and by conducting periodic health & safety due diligence visits to Freightways' operating sites.

One measure of Freightways' performance in this area is that it has for over 10 years achieved Tertiary status in ACC's Accredited Employer Programme, the highest certification possible.

We have a strong performance culture at Freightways and develop strategies linked to the achievement of financial targets, but also, most importantly, linked to the quality of service that we provide to our customers. These strategies will assist customer retention so that we may participate in our existing customers' growth as it occurs.

The strategies I have outlined are designed to sustain Freightways' profitability and continue to deliver long-term value to shareholders.

Slide 16. Trading update

These next 2 slides present the long-term performance of your Company.

Slide 17. Operating revenue

This slide shows Freightways' revenue results since its IPO in 2003.

Slide 18. EBITA

Our operating earnings (or EBITA) results over the same period are equally sound.

Slide 19. Consolidated financial performance – Q1 result

This slide provides Freightways' financial performance for the 1st quarter period from 1 July to 30 September 2016.

This first quarter result represents a sound start to the financial year, the highlight being the strength of underlying volume growth and activity being experienced in both our express package & business mail division and information management division. A lower interest expense has also contributed positively to the NPATA and NPAT results.

Slide 20. Express Package & Business Mail division – Q1 result

Revenue growth of 6.5% was underpinned by strong volumes from existing and new customers. Operating costs were higher than normal as we progressed the transition from our previous freighter aircraft to Boeing 737-400 aircraft. The full benefit of this transition will be experienced in the 2018 financial year when we are able to operate from our new facility currently being built at Christchurch airport. EBITA growth of 3.6% is a good, positive outcome for the quarter.

Slide 21. Information Management division – Q1 result

Revenue growth of 2.2% is a sound outcome when allowing for the stronger NZD:AUD exchange rate than in the pcp and is underpinned by increasing volumes and activity across most service lines. Offsetting very good Shred-X and TIMG New Zealand results were higher operating costs at TIMG Australia that included initial one-off costs relating to the relocation and merging of three facilities into one in Sydney and restructuring costs at TIMG Australia to better position its LitSupport business for the future. Effective 1 July 2016, LexData, a small litigation support business, was acquired and merged with LitSupport. An accrual relating to the final LitSupport earn-out payment in 2017 is not now expected to be fully required so it has been partially reduced by $0.9m, the benefit of which is included in this result.

Slide 22. Outlook

Slide 23. Outlook (key points)

Volumes and activity experienced in this first quarter result support Freightways' expectations of again improving its overall year-on-year performance. As previously stated in our full year announcement in August, results from the express package & business mail division will partly be offset by the investment we are making in increased capacity to accommodate current and future expected growth in the information management division. Additionally, some one-off project work achieved by Shred-X in 2016 is not expected to repeat in 2017.

Capital expenditure for the full year is expected to be approximately $23 million to support the growth and development of both Freightways operating divisions.

Overall cash flows are expected to remain strong throughout the 2017 financial year.

Freightways will continue to adapt and position itself to realise the growth opportunities that exist in the markets it operates in, along with seeking out and developing strategic growth opportunities, including acquisitions and alliances where it makes commercial sense to do so.

Thank-you.