

**Freightways**

**Annual Shareholders Meeting**

**29 October 2009**

**Freightways**

**Wayne Boyd, Chairman**

# Agenda

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

# General Highlights

- Overall satisfactory performance in a difficult operating environment
- Very good ‘information management’ division result
- Successful completion of a range of capital management initiatives to strengthen FRE balance sheet

# Financial Highlights

	<b>Jun-09</b>	<b>Jun-08</b>	<b>Increase</b>
	<b>\$000</b>	<b>\$000</b>	<b>%</b>
<b>Operating revenue</b>	339,491	323,910	5%
<b>EBITDA</b>	70,548	68,463	3%
<b>EBITA</b>	60,971	60,478	1%
<b>NPAT</b>	34,593	32,250	7%
<b>EPS (cents)</b>	26.1	25.1	4%

**NB:** Included in the above EBITDA and EBITA numbers is a one-off profit of \$4m (NPAT included \$3.9m) generated from a property sale and lease-back.

# Capital Management Initiatives

- \$49m received from capital raisings completed in 2009
- \$8.3m received from property sale and lease-back
- DRP implemented in respect of FY09 final dividend
- Finance facilities renewed out to August 2012
- All proceeds used to reduce net debt position to strengthen balance sheet and create improved financial flexibility

# Dividend

- Final dividend: 8.5 cps
- Imputation credits: 4.2 cps
- Supplementary dividend: 1.5 cps
- Record date: 18 September 2009
- Payment date: 30 September 2009
- DRP offered in respect of the 2009 Final Dividend

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**Dean Bracewell, Managing Director**

**Review and Trading Update**



# Managing Director's Presentation

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

# Express Package & Business Mail Industry Overview and Business Description



# Express Package Industry Overview

- Services embedded in supply chains of businesses
- Consolidated industry structure
- Growth underpinned by demand for Just-in-Time supply
- Market has expanded as postal operators transition traditional ‘parcel’ volume to ‘express packages’

# Express Package & Business Mail

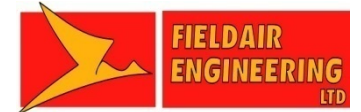
## Business description

Network courier

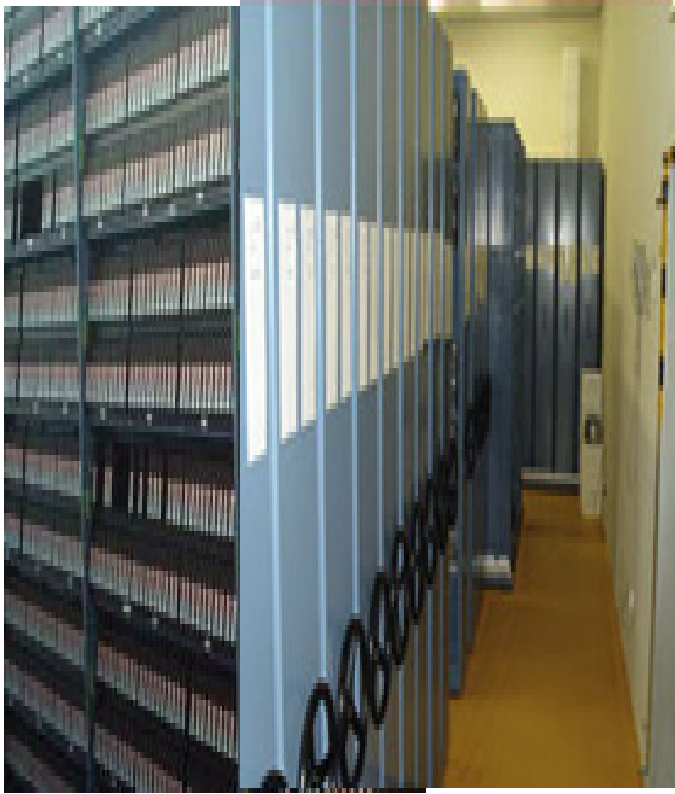
Point-to-point

Business mail

Support



# Information Management Industry Overview and Business description



# Information Management Industry Overview

- Accelerating growth opportunity driven by:
  - Demand for expert management of business data
  - Risk management
  - Compliance requirements
  - Lower cost outsourcing
- Recurring revenue streams
- Consolidated industry structure

# Information Management Business Description

New Zealand    NSW    VIC    QLD    ACT    SA    WA

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Document  
Storage



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Data Storage



Document  
Destruction



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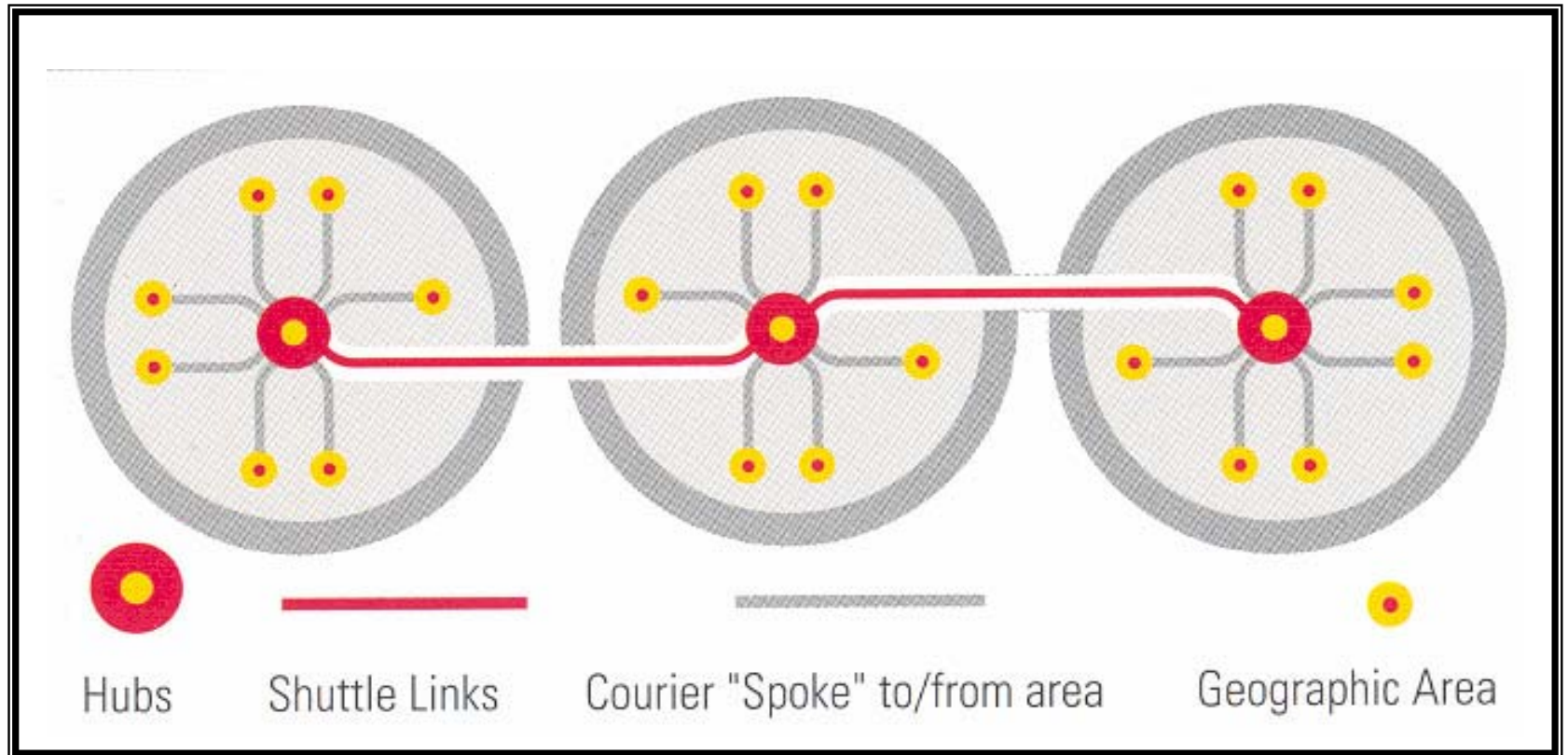


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# Business Strategy





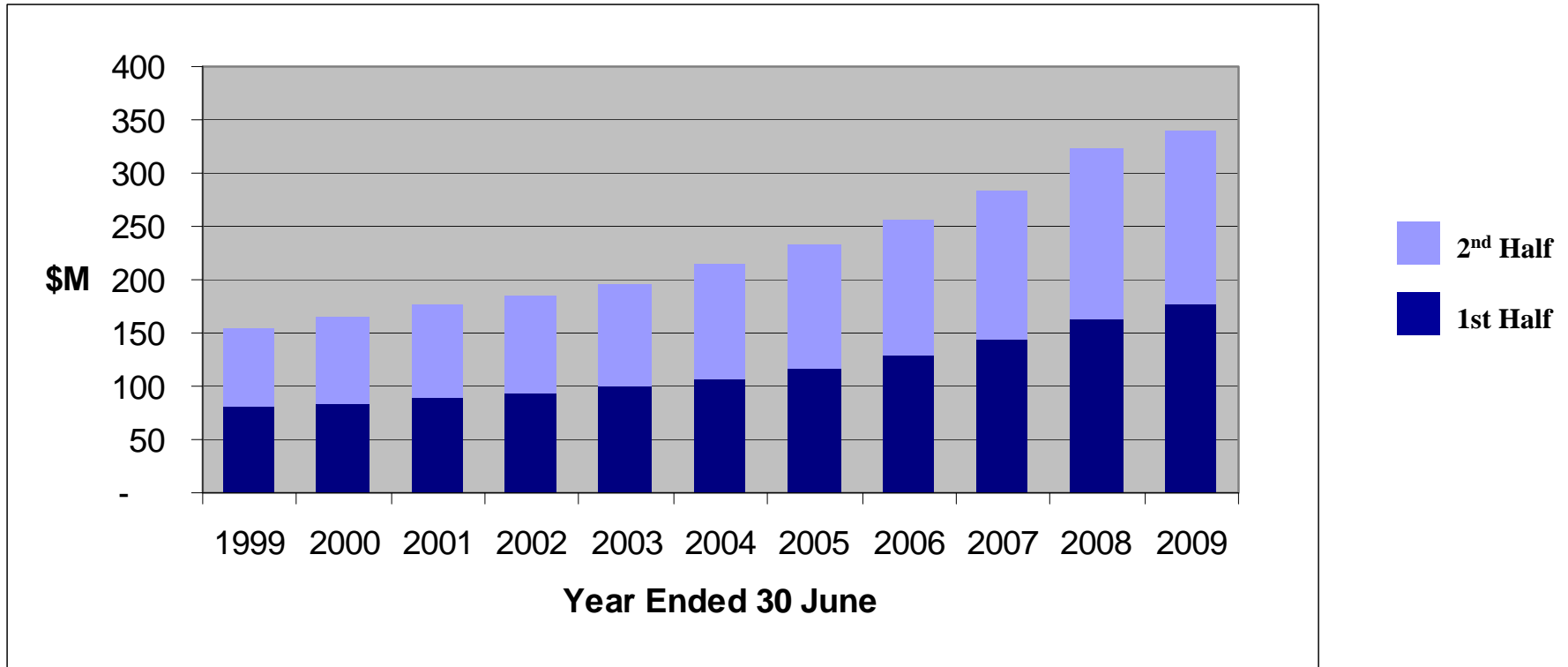
# Business strategy

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

# Trading Update

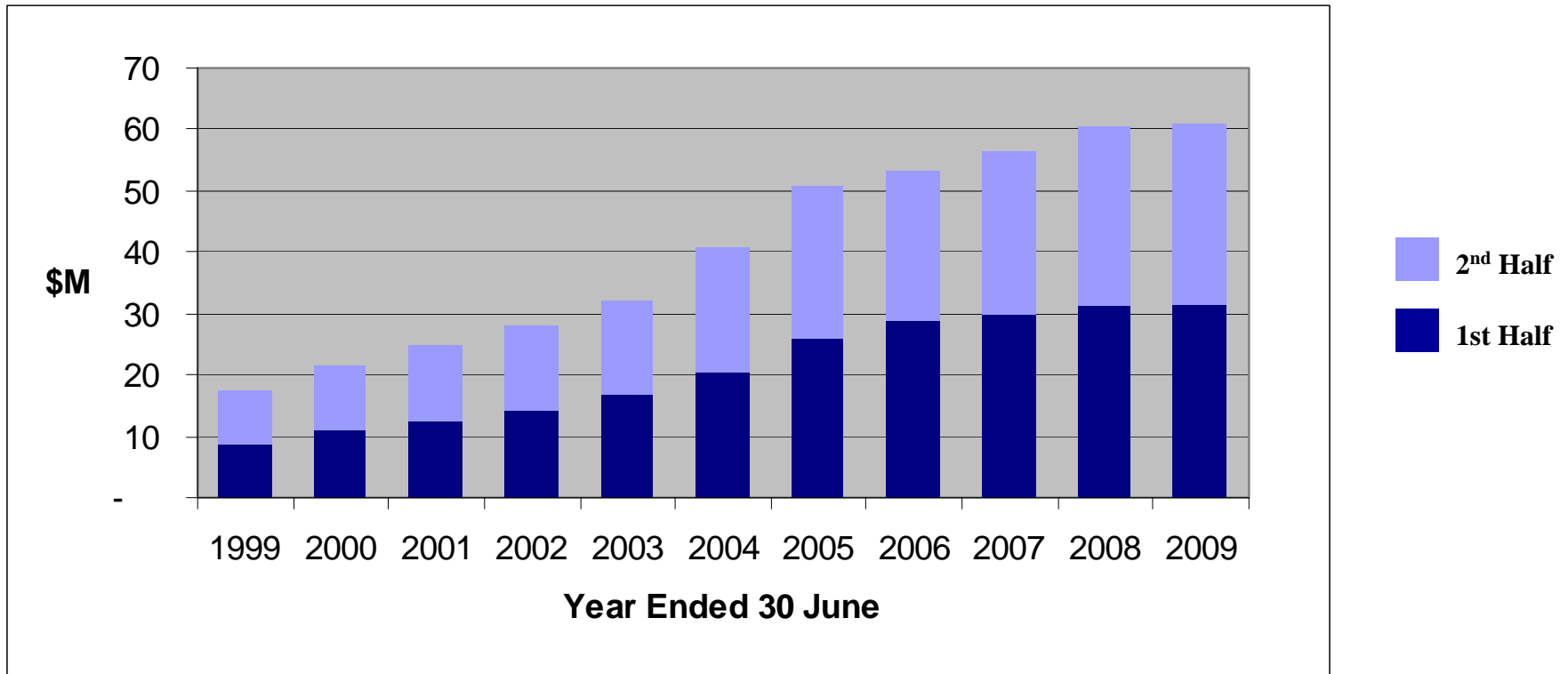


# Operating Revenue



- 5% revenue growth compared to 2008
- 10-year compound average annual revenue growth of 8%

# EBITA



- 1% EBITA growth compared to 2008
- 10-year compound average annual EBITA growth of 13%

# Current Financial Performance

	<u>Qtr ended 30 September</u>		
	<b>2009</b>	<b>2008</b>	<b>Variance</b>
	<b>\$000</b>	<b>\$000</b>	<b>%</b>
<b>Revenue</b>	81,756	86,001	(5%)
<b>EBITDA</b>	15,100	15,939	(5%)
<b>EBITA</b>	12,683	13,704	(7.5%)
<b>NPAT</b>	7,002	6,842	2%

**NB: - 2009 numbers are drawn from unaudited management accounts.**

**- 2008 numbers have been normalised to remove an extra weeks trading.**

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## **Outlook**

# Outlook

- Express Package & Business Mail division will track behind last year until a sustained improvement in the economy is evidenced
- Information Management division will initially track behind last year before improving as new capacity is progressively utilised
- Forecast capex of \$13m
- Capital management initiatives have ensured the Company is well positioned to navigate through the current economic cycle
- Acquisitions and alliances will continue to be explored
- Freightways remains very well positioned to benefit from an improving Australasian market

# Summary

- In a difficult environment, Freightways has reported a satisfactory result
- Performance will continue to be impacted by the current economic cycle
- Medium to longer term Freightways is very well positioned to benefit from any improvement in the Australasian economy



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**Questions**

# Resolutions

- Election of Directors
- Authority to fix Auditors' remuneration

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