

# Freightways Annual Shareholders Meeting

25 October 2012



# Sue Sheldon, Chairman

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# Agenda

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- Chairman's introduction
- Managing Director's Review and Trading Update
- Resolutions



# General Highlights - 2012

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- Result was above the prior year in all respects and a record for the company
- Successful execution of growth strategies across both divisions
- Recent acquisitions have added further depth to FRE's presence in the Australasian IM market
- Reduced funding costs following re-negotiation of finance facilities

# Financial Highlights - 2012

	<b>Jun-12</b>	<b>Jun-11</b>	<b>Increase</b>
	<b>\$M</b>	<b>\$M</b>	<b>%</b>
<b>Operating Revenue</b>	382	353	8%
<b>EBITDA*</b>	72	66	9%
<b>EBITA*</b>	62	57	9%
<b>NPAT*</b>	36	31	17%
<b>EPS*</b>	23.4	20.3	15%

\* June-12 excludes non-recurring earthquake income \$1.5m (\$1.0m net of tax)  
 (June-11 excludes non-recurring earthquake costs \$1.3m (\$0.9m net of tax))

# Express Package & Business Mail - 2012

	<b>Jun-12</b>	<b>Jun-11</b>	<b>Increase</b>
	<b>\$M</b>	<b>\$M</b>	<b>%</b>
<b>Operating Revenue</b>	292	278	5%
<b>EBITDA</b>	53	50	7%
<b>EBITA</b>	48	45	8%
<b>EBITA Margin</b>	17%	16%	

# Information Management - 2012

	<b>Jun-12</b>	<b>Jun-11</b>	<b>Increase</b>
	<b>\$M</b>	<b>\$M</b>	<b>%</b>
<b>Operating Revenue</b>	92	76	21%
<b>EBITDA</b>	21	17	18%
<b>EBITA</b>	16	14	18%
<b>EBITA Margin</b>	18%	18%	

# Final Dividend - 2012

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- Interim dividend: 9.5 cps
- Imputation credits: 4.07 cps
- Supplementary dividend: 1.6765 cps
- Record date: 14 September 2012
- Payment date: 1 October 2012
- No DRP offered in respect of the 2012 Final Dividend

# Dean Bracewell, Managing Director

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## Review and Trading Update

# Managing Director's Presentation

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

# Express Package & Business Mail

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# Express Package & Business Mail

Network Courier	Point-to-Point	Business Mail	Support
			
			
			
			
			

# Information Management



# Industry Overview - Information Management

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- Accelerated growth driven by:
  - demand for expert management of data
  - risk management
  - compliance requirements
  - lower cost outsourcing
- Recurring revenue streams
- Currently low prices relating to the sale of paper from the document destruction niche
- Consolidated industry structure

# Information Management

	New Zealand	Australia
Document Storage		
Data Storage		
Document Destruction		

# Business Strategy

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# Business Strategy

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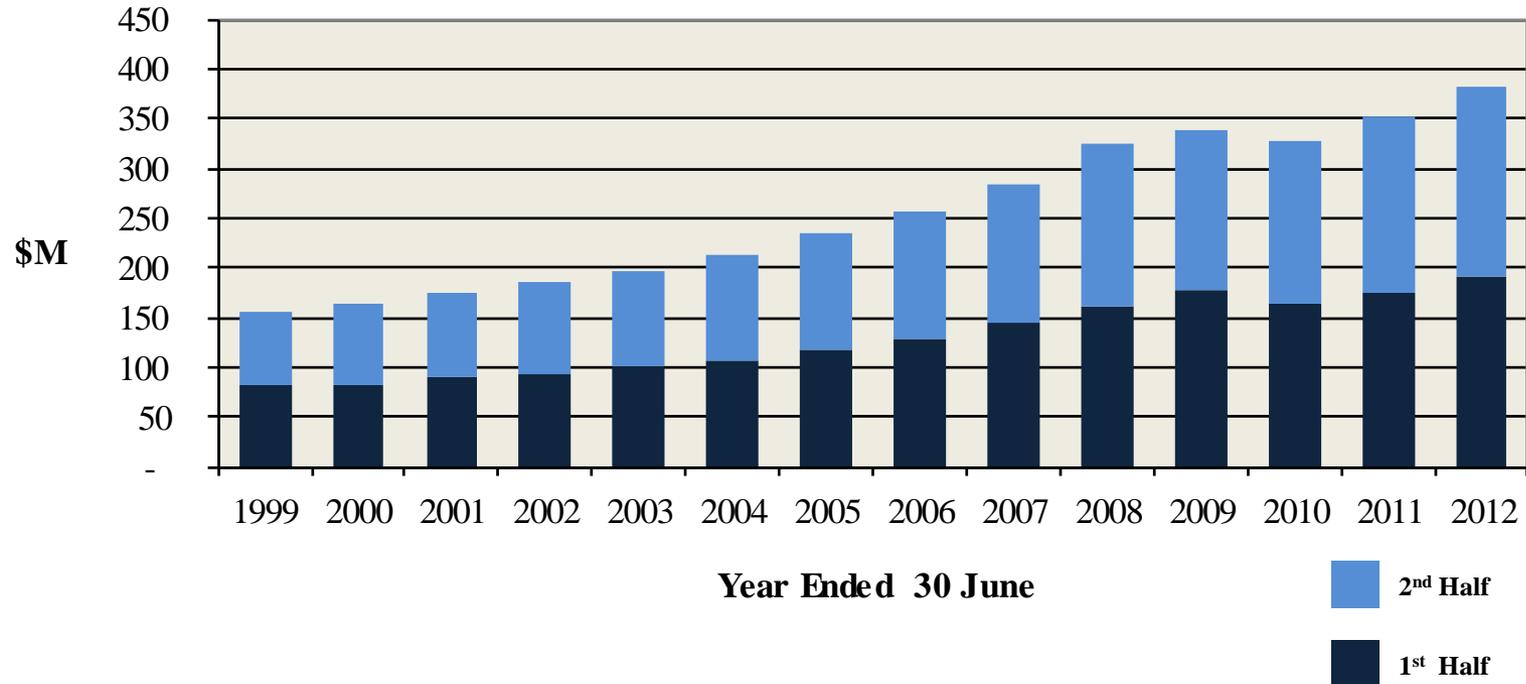
- Develop organic growth opportunities
- Diversification: Industry and Geography
- Positioning, People, Performance, Profit
- Explore complementary acquisition and alliance opportunities

# Trading Update

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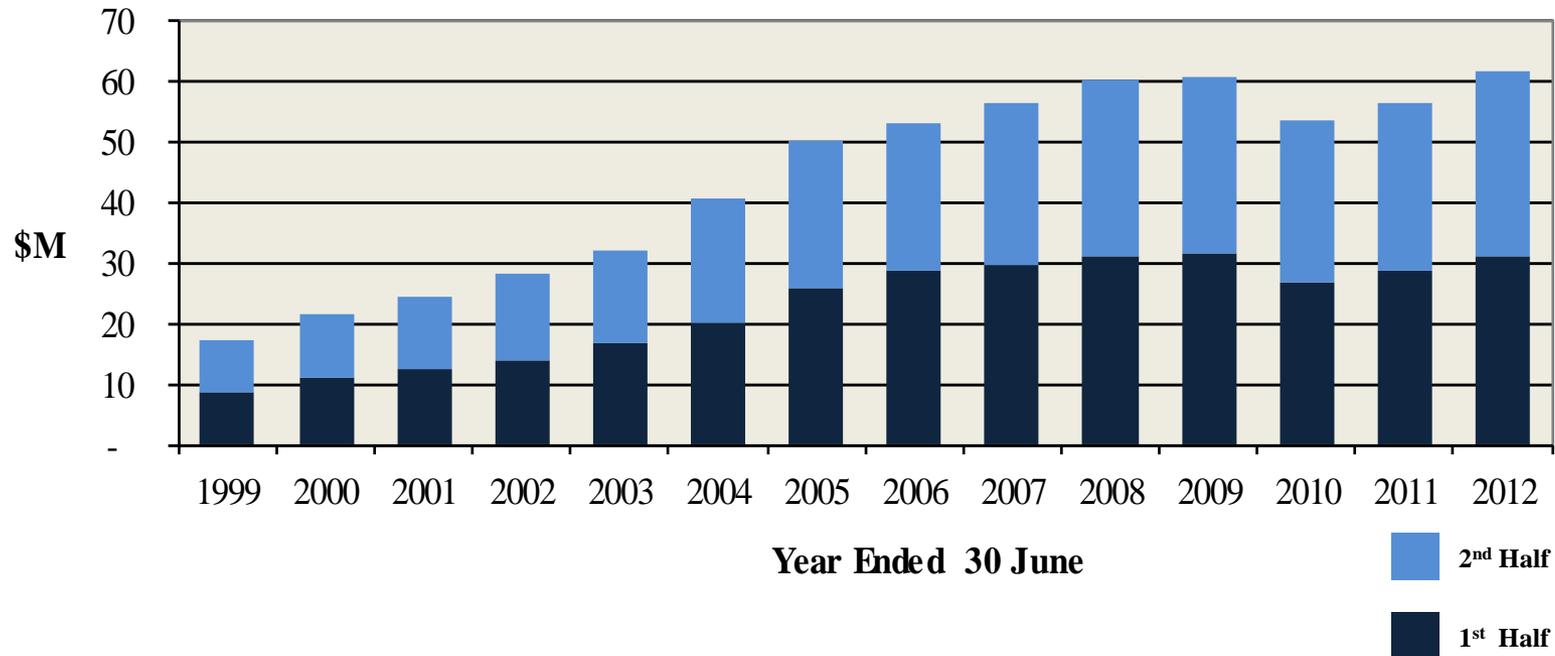


# Operating Revenue



- 8% higher revenue compared to PCP
- 10-year compound average annual revenue growth of 7.5%

# EBITA\*



- 9% higher EBITA compared to PCP
- 10-year compound average annual EBITA growth of 8%

\* FY2012 excludes non-recurring net earthquake insurance proceeds of \$1.5m (FY2011 excludes non-recurring net earthquake costs \$1.3m)

# Consolidated Financial Performance

## (Quarter ended 30 September 2012)

	<u>Quarter ended:</u>		
	Sep-12 \$000	Sep-11 \$000	Increase %
<b>Operating Revenue</b>	100,908	93,317	8%
<b>EBITDA</b>	18,653	16,648	12%
<b>EBITA</b>	15,680	14,187	11%
<b>NPAT</b>	9,185	8,037	14%

# Express Package & Business Mail

## (Quarter ended 30 September 2012)

	<u>Quarter ended:</u>		
	Sep-12 \$000	Sep-11 \$000	Increase %
<b>Operating Revenue</b>	76,226	73,204	4%
<b>EBITDA</b>	13,225	12,611	5%
<b>EBITA</b>	11,813	11,552	2%

# Information Management

## (Quarter ended 30 September 2012)

	<u>Quarter ended:</u>		
	Sep-12 \$000	Sep-11 \$000	Increase %
<b>Operating Revenue</b>	25,236	20,448	23%
<b>EBITDA</b>	5,851	4,311	36%
<b>EBITA</b>	4,634	3,349	38%

# Recent Acquisition Activity

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- Iron Mountain's NZ operations acquired October 2011
- Filesaver Sydney acquired December 2011
- DataPrint acquired July 2012
- All acquisitions are performing to expectation

# Outlook

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# Outlook

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- Slow growth environment, but also mindful of influence of any further deterioration in global economy
- EP volumes expected to remain sound, growth of which will be determined primarily by the performance of our existing customers. BM growth volumes will remain under pressure.
- IM expected to deliver good year-on-year earnings improvement despite capacity investment and lower paper prices
- Capex of \$14m forecast in 2013
- FRE continues to seek and develop strategic growth opportunities

Questions?



# Resolutions

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- Re-election of Directors
- Approval of Directors' Fees
- Authority to fix Auditors' Remuneration

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