

Freightways Annual Shareholders Meeting

31 October 2013



Sue Sheldon, Chairman

Agenda

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



Financial Highlights - 2013

	Jun-13 \$M	Jun-12 \$M	Increase %
Operating Revenue	406	382	6%
EBITDA*	77	72	7%
EBITA*	65	62	5%
NPAT*	38	36	6%
EPS*	24.9	23.4	6%

* Jun-13 excludes a non-recurring amount of \$2.1m relating to acquisition earnout payments that are now not expected to be paid (\$2.1m after tax)
 (Jun-12 excludes a non-recurring amount of \$1.5m relating to earthquake insurance proceeds received (\$1.0m after tax))

Express Package & Business Mail - 2013

	Jun-13 \$M	Jun-12 \$M	Increase %
Operating Revenue	308	292	6%
EBITDA*	55	53	3%
EBITA*	49	48	1%
EBITA Margin*	16%	17%	

* Jun-13 excludes a non-recurring amount of \$1m relating to an acquisition earnout payment that is now not expected to be paid

Information Management - 2013

	Jun-13 \$M	Jun-12 \$M	Increase %
Operating Revenue	100	92	8%
EBITDA*	23	21	13%
EBITA*	19	16	13%
EBITA Margin*	19%	18%	

* Jun-13 excludes a non-recurring amount of \$1.1m relating to an acquisition earnout payment that is now not expected to be paid

Final Dividend - 2013

- Final dividend: 9.75 cps
- Imputation credits: 3.79 cps (at 28% tax rate)
- Supplementary dividend: 1.7206 cps
- Record date: 13 September 2013
- Payment date: 1 October 2013
- No DRP was offered in respect of the 2013 Final Dividend

A decade of achievement

“A strong successful business....positioned to deliver continuing earnings growth....offering an attractive dividend yield.”

(FRE Investment Statement & Prospectus - September 2003)

A Decade of Achievement

- *A strong successful business...*
 - development and retention of people (3,000 across NZ & Aust)
 - successful acquisition and start-up of new businesses
 - progressive introduction of new services alongside market demand
 - continued investment in technology, capability and capacity
 - diversification by industry and geography
- * *FRE is a stronger and more successful business today than it was in 2003*

A Decade of Achievement (cont.)

- *...positioned to deliver continuing earnings growth ...*
 - revenue growth since 2003 of 107%
 - operating earnings growth since 2003 of 102%
 - NPAT growth since first published result in 2004 of 137%

- * *FRE is better positioned today than it was in 2003 to deliver continuing earnings growth*

A Decade of Achievement (cont.)

- *...offering an attractive dividend yield*

- Gross dividends since listing in 2003: **241 cents per share**

- Total Shareholder Return: **380%**
*(dividends plus share price appreciation
Sept 2003 to Sept 2013)*

** Positive cash generating ability of the Company is such that Directors remain comfortable with the current dividend policy for the foreseeable future*

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



Express Package & Business Mail

Network Courier	Point-to-Point	Business Mail	Support
			
			
			
			
			

Information Management



Information Management

	New Zealand	Australia
Document Storage		 
Data Storage		
Document Destruction		

Business Strategy



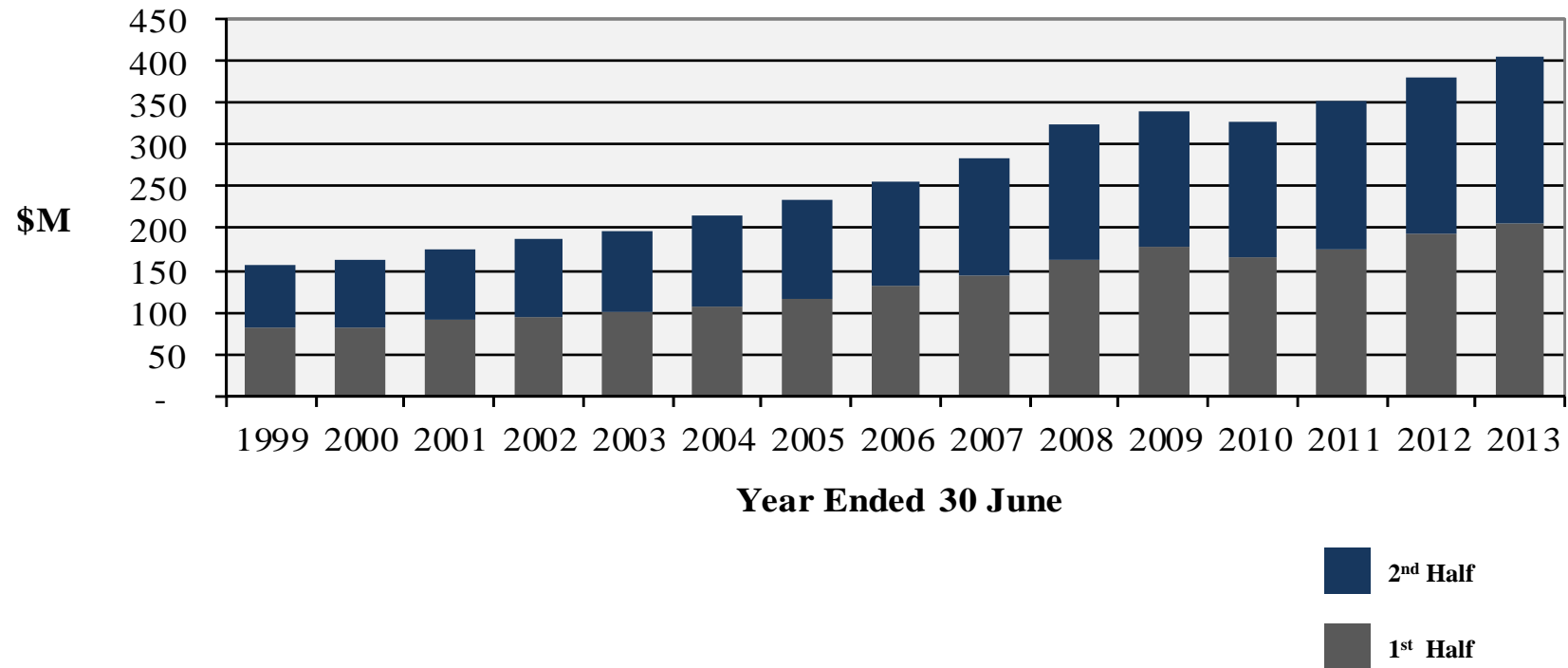
Business Strategy

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

Trading Update

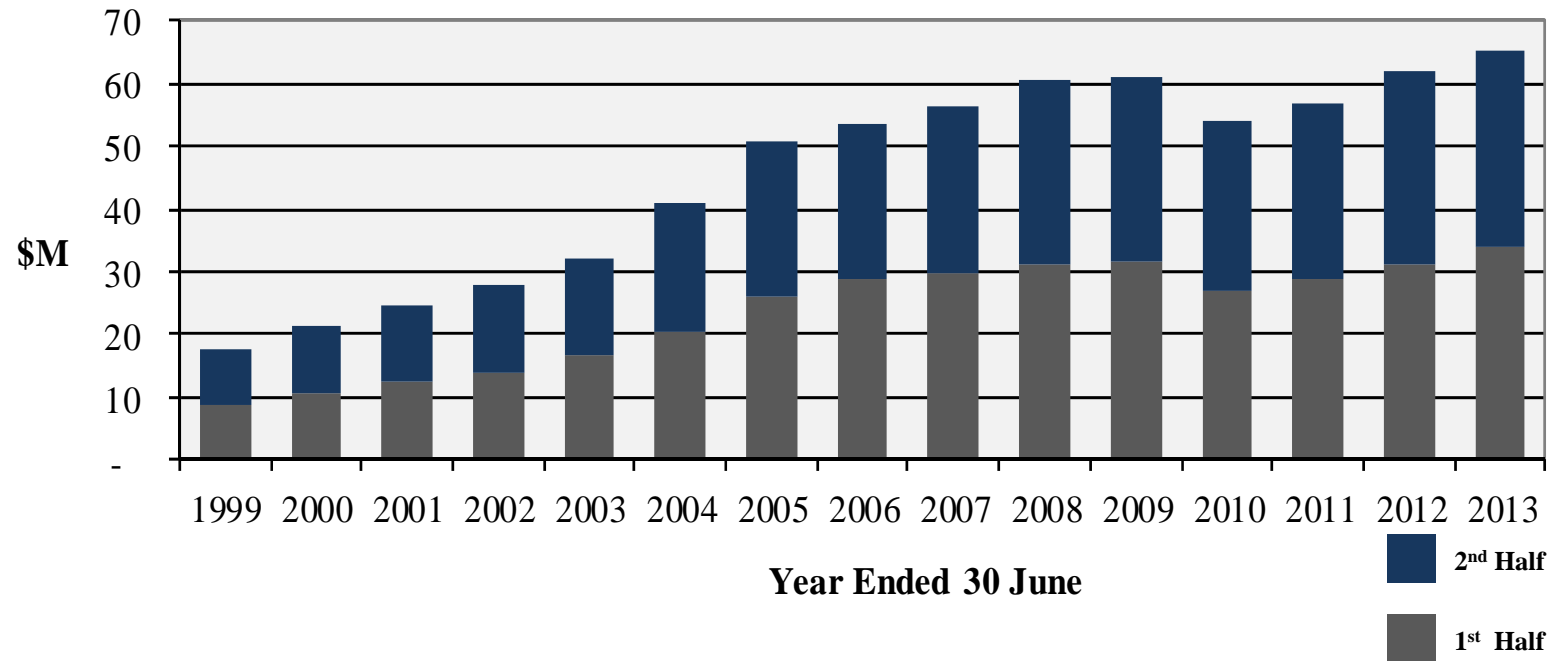


Operating Revenue



- 6% higher revenue compared to PCP
- 10-year compound average annual revenue growth of 7.6%

EBITA*



- 5% higher EBITA compared to PCP
- 10-year compound average annual EBITA growth of 7.3%

* This graph represents the operating profit before interest, tax and amortisation of intangibles, exclusive of any non-recurring items

Consolidated Financial Performance

(Quarter ended 30 September 2013)

	<u>Quarter ended:</u>		
	Sep-13 \$000	Sep-12 \$000	Increase %
Operating Revenue	104,691	100,908	4%
EBITDA	19,231	18,653	3%
EBITA	16,327	15,680	4%
NPAT	9,790	9,185	7%

Express Package & Business Mail

(Quarter ended 30 September 2013)

	<u>Quarter ended:</u>		
	Sep-13 \$000	Sep-12 \$000	Increase %
Operating Revenue	80,050	76,226	5%
EBITDA	13,466	13,225	2%
EBITA	12,057	11,813	2%

Information Management

(Quarter ended 30 September 2013)

	<u>Quarter ended:</u>		
	Sep-13 \$000	Sep-12 \$000	Increase %
Operating Revenue	25,219	25,236	-
EBITDA	5,920	5,851	1%
EBITA	4,823	4,634	4%

Recent Acquisition Activity

- Two information management businesses acquired with effect from 1 October 2013 for approximately \$4.5m:
 - Document Destruction Service Otago
 - Document & Data Storage Management Queensland
- Anticipated 12-month EBITDA contribution of \$800k upon completion of integration

Outlook



Outlook

- Express package & business mail division is expected to perform soundly overall and continue the positive trend seen in the 1st quarter
- Information Management expected to continue its strong growth and further improve its margins through increased utilisation of capacity and the benefit of newly-acquired businesses
- Strategic growth opportunities, including alliances and acquisitions, will continue to be investigated and developed
- Subject to factors beyond its control, Freightways is well positioned to benefit from any improvement in its markets

Questions?

Resolutions

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

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