

Freightways

Full Year Presentation

17 August 2009

This presentation relates to the Freightways Limited NZX announcement and media release of 17 August 2009.

As such it should be read in conjunction with, and is subject to, the explanations and views contained in those releases.

These full year results are drawn from audited financial statements prepared in accordance with NZ IFRS.

Presentation

- 2009 Full Year Highlights
- Operating Performance
- Business Strategy
- Outlook



Freightways

2009 Full Year Highlights

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

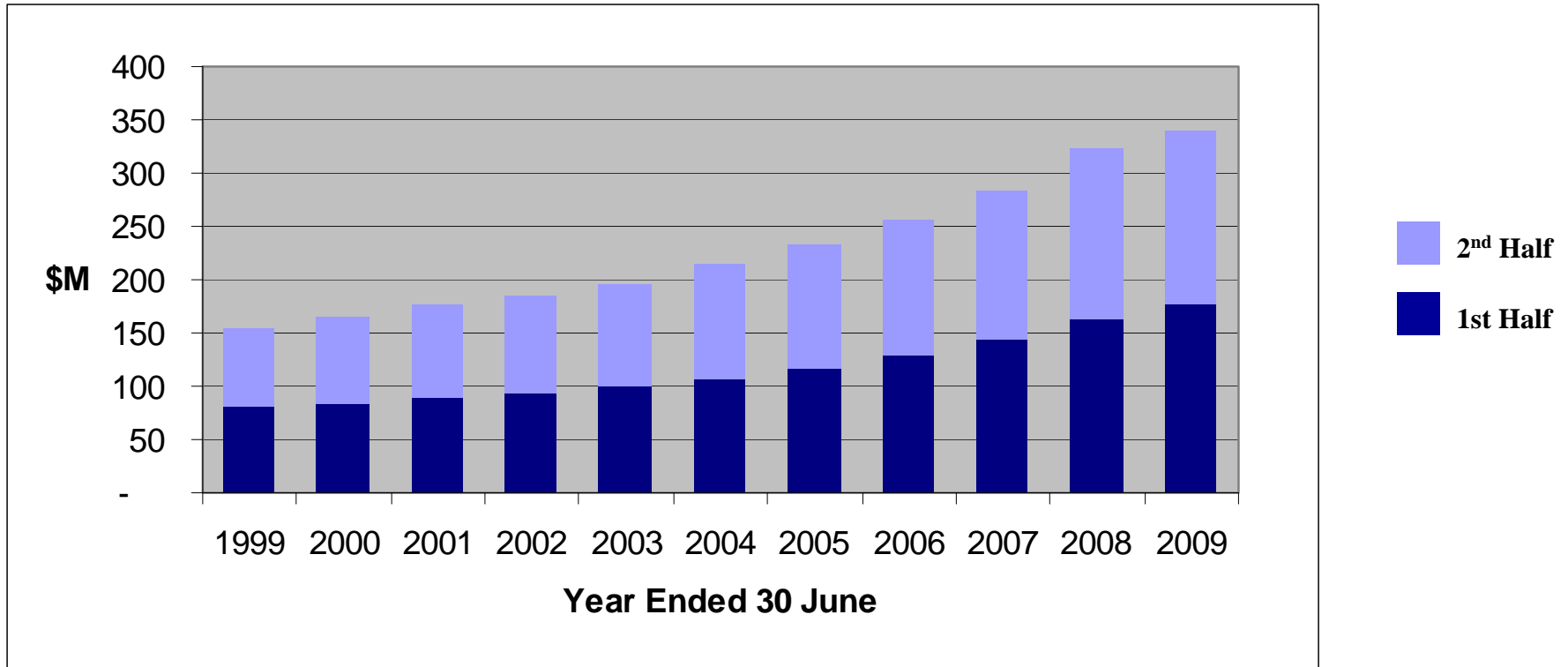
	Jun-09	Jun-08	Increase
	\$000	\$000	%
Operating revenue	339,491	323,910	5%
EBITDA	70,548	68,463	3%
EBITA	60,971	60,478	1%
NPAT	34,593	32,250	7%

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

Freightways

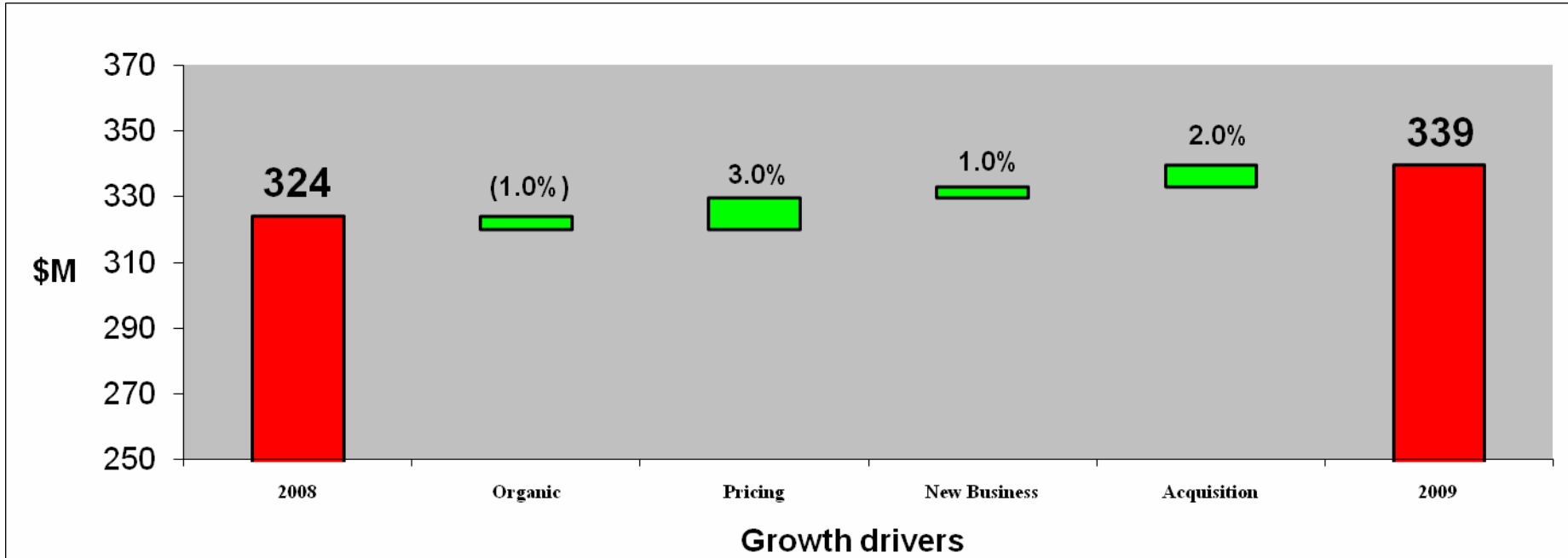
Operating Performance

Operating Revenue

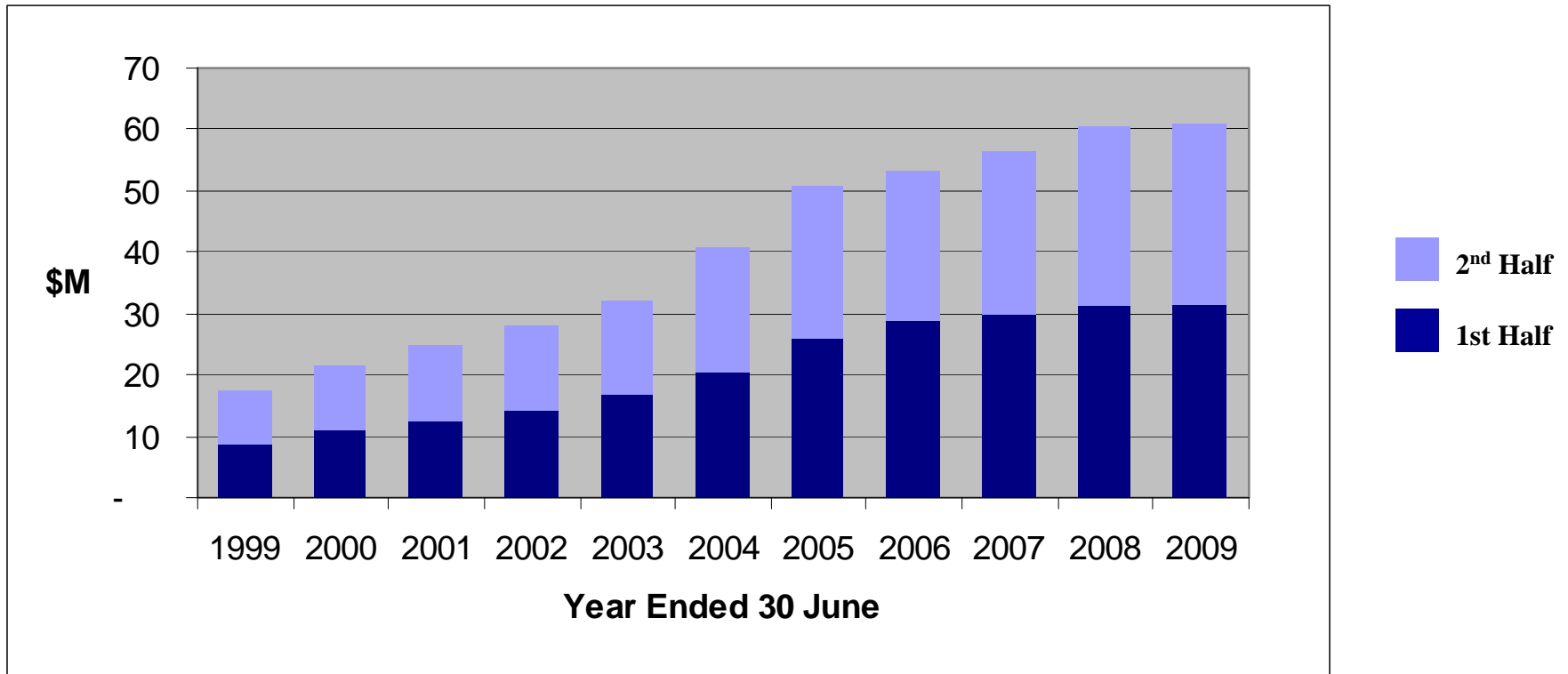


- 5% revenue growth compared to 2008
- 10-year compound average annual revenue growth of 8%

Where Revenue Growth Has Come From



EBITA

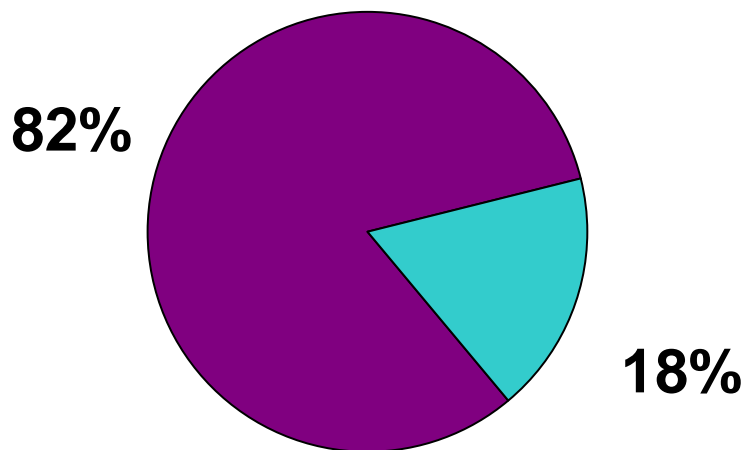


- 1% EBITA growth compared to 2008
- 10-year compound average annual EBITA growth of 13%

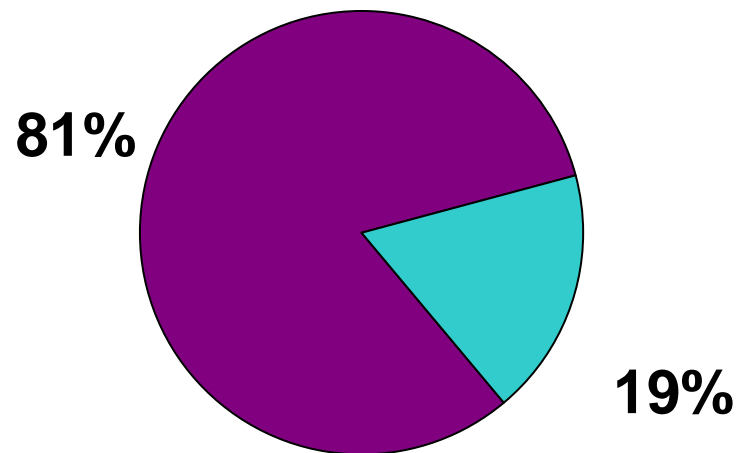
Business Segments

Operating Performance - Year ended 30 June 2009

Revenue



EBITA



Express Package & Business Mail

	Jun-09	Jun-08	Variance
	\$000	\$000	%
Operating revenue	279,733	277,655	1%
EBITA	46,914	51,567	(9%)
Margin	17%	19%	

Information Management

	Jun-09	Jun-08	Variance
	\$000	\$000	%
Operating revenue	60,961	47,498	28%
EBITA	11,145	9,711	15%
Margin	18%	20%	

Balance Sheet

- Increase in fixed assets of \$8m (net of depreciation and property sale)
- Increase in goodwill of \$11m
- Overall annual net decrease in bank debt of \$36m
- Decrease in derivatives fair value of \$11m
- Increase in issued capital of \$49m

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
- All proceeds used to reduce net debt position to strengthen balance sheet and create improved financial flexibility

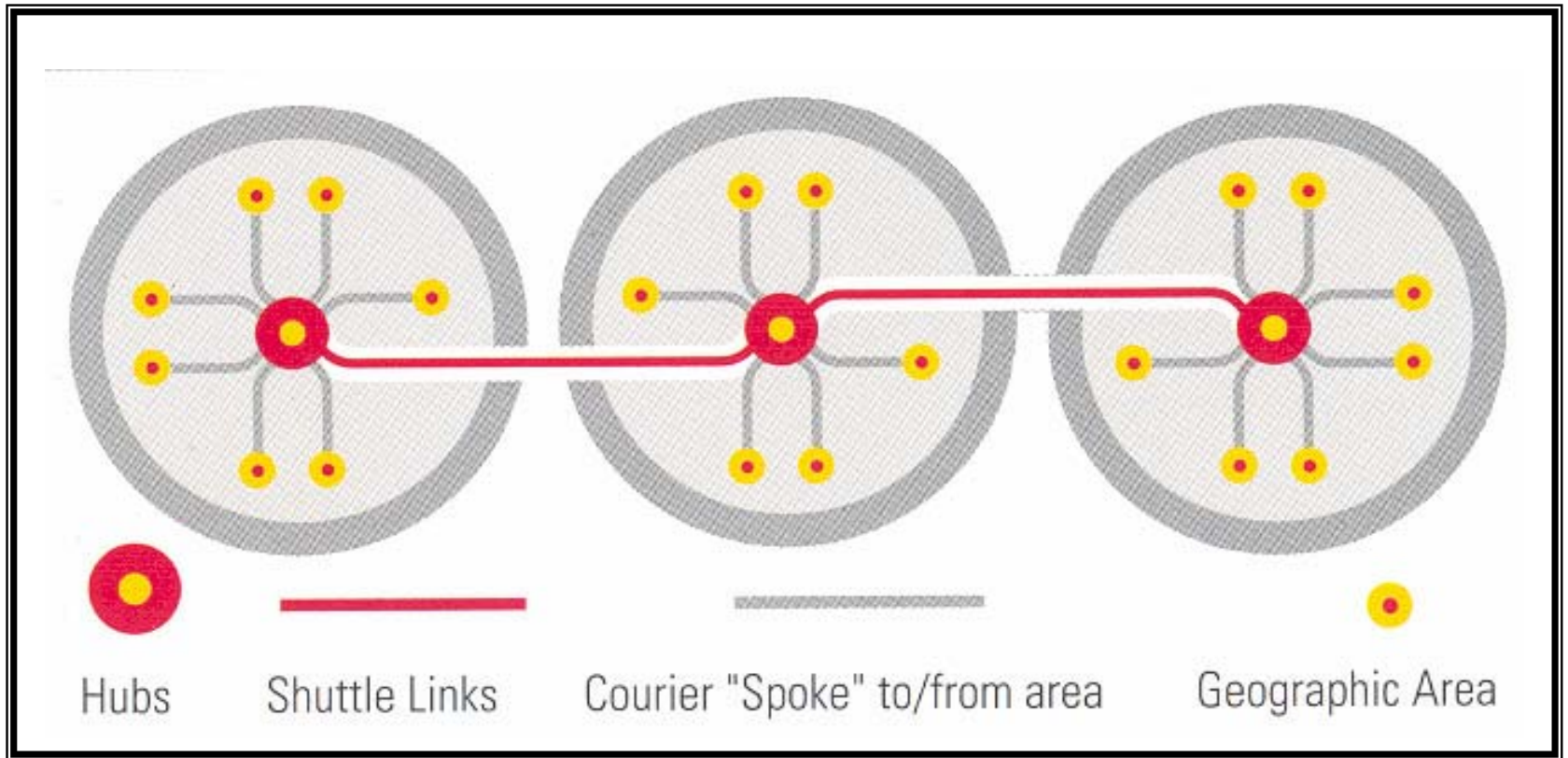
Cash Flow - Key Points

- Cash generated from:
 - operations \$67m
 - capital raisings \$49m
 - property sale & lease-back \$8m
- Capital expenditure of \$21m
- Payments for acquisitions of \$18m

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

Business Strategy



Business strategy

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

Recent Acquisitions

- NOW/FPS/NRM Overall 1st year targeted earnings achieved
- Acquisition of Access Information Management in WA during the year is currently on track to achieve 1st year targeted earnings

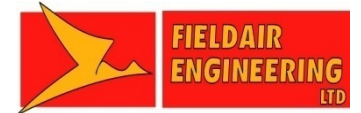
Express Package & Business Mail

Network courier

Point-to-point

Business mail

Support



Information Management Business Description

New Zealand NSW VIC QLD ACT SA WA

Document
Storage





Data Storage



Document
Destruction





Outlook



Capital expenditure

	2009 Actual	2010 Forecast
Capital expenditure	\$21m	\$13m
Depreciation	\$9.6m	\$11m

- 2009 capital expenditure included two significant property developments

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
- Capital management initiatives have ensured the Company is well positioned to navigate through the current economic turmoil
- Acquisitions and alliances will continue to be explored
- Freightways remains very well positioned to benefit from any improvement in the New Zealand market

Summary

- In a difficult environment, Freightways has reported a satisfactory result
- Near term performance will continue to be impacted by the current economic turmoil
- Freightways is well positioned to benefit from any improvement in the New Zealand economy
- Medium to longer term and subject to business factors beyond its control, Freightways is very well positioned to deliver future positive performance for shareholders and other stakeholders