

Freightways

Half Year Presentation

16 February 2009

This presentation relates to the Freightways Limited NZX announcement and media release of 16 February 2009.

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

These half year results are drawn from unaudited financial statements prepared in accordance with NZ IFRS.

Presentation

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



Freightways

2009 Half Year Highlights

General Highlights

- Core express package business delivered a sound result in a challenging operating environment
- Information management business again delivered outstanding performance
- Operations now established in every major state of Australia

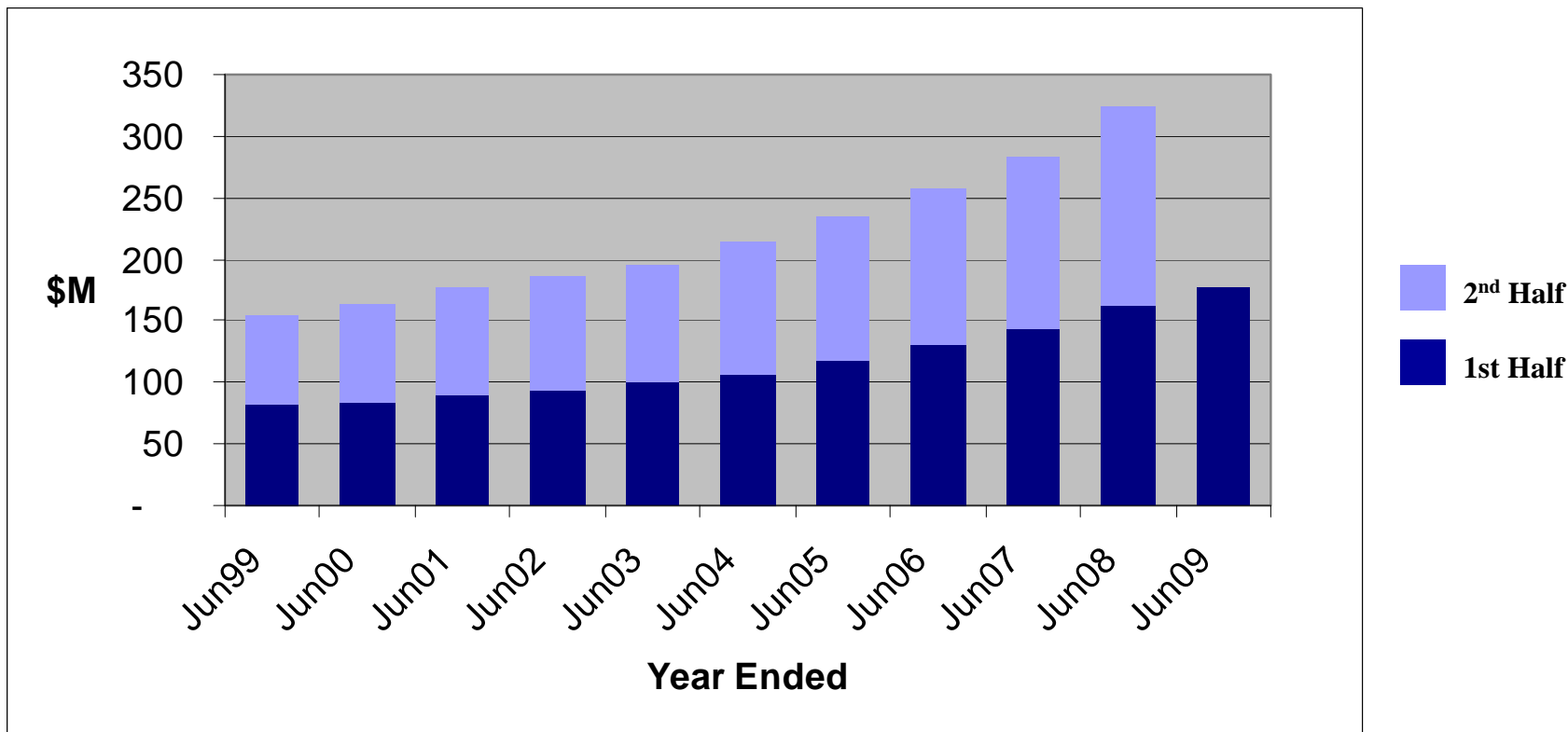
Financial Highlights

	Dec-08	Dec-07	Increase
	\$000	\$000	%
Operating revenue	177,392	161,897	10%
EBITDA	36,120	35,028	3%
EBITA	31,492	31,291	1%
NPAT	16,892	16,765	1%

Freightways

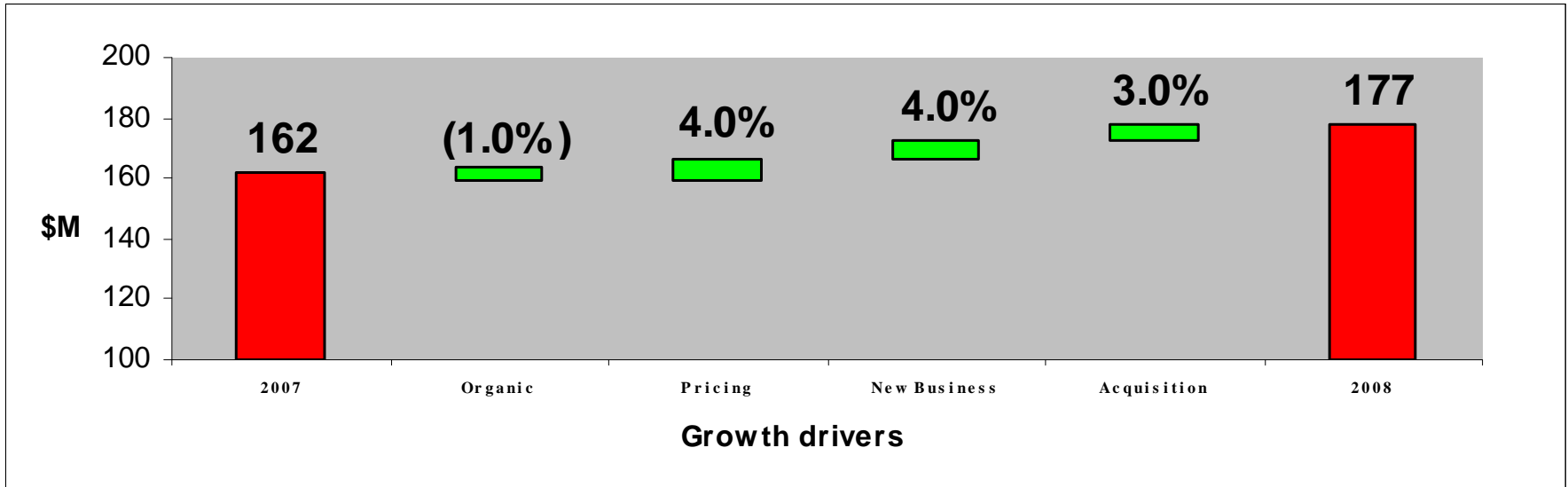
Operating Performance

Operating Revenue

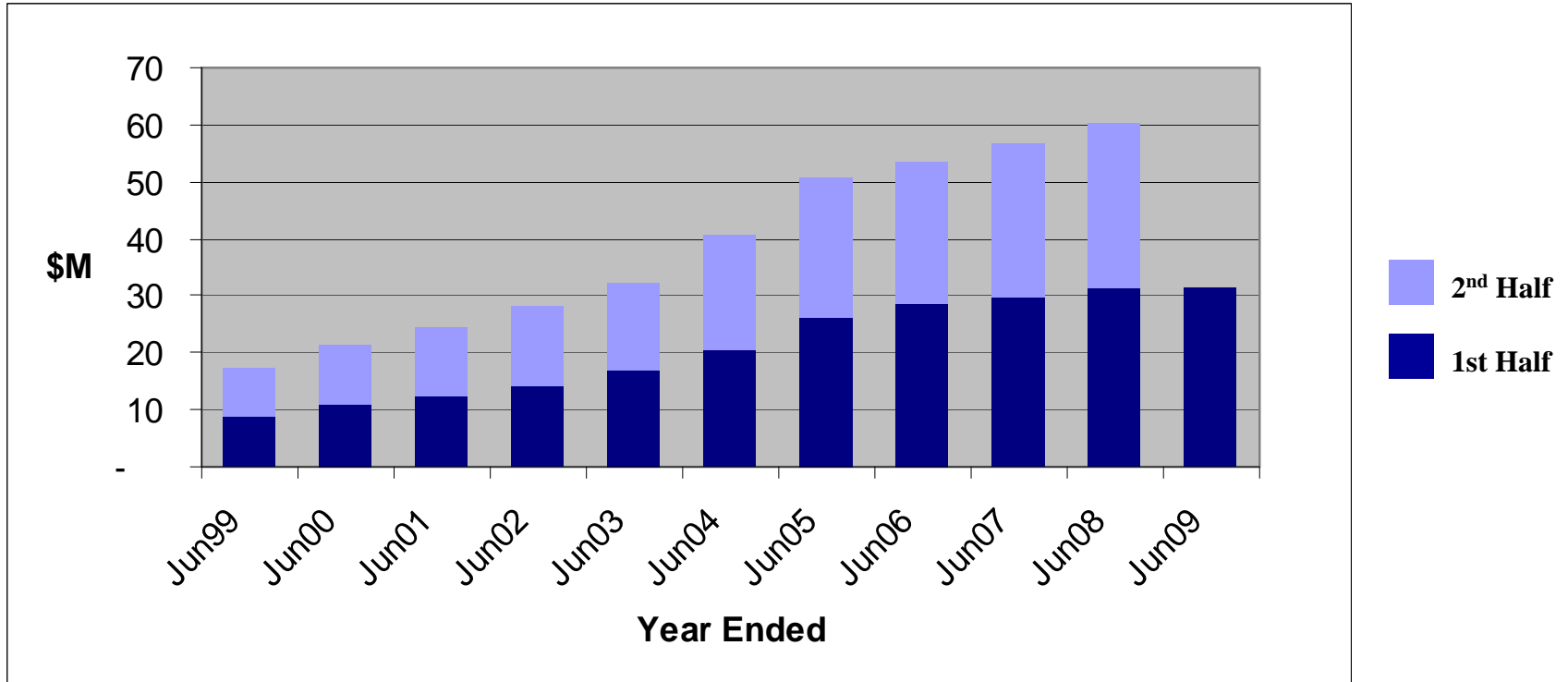


- 10% revenue growth compared to 2008
- 5-year compound average annual revenue growth of 11%

Where Revenue Growth Has Come From



EBITA

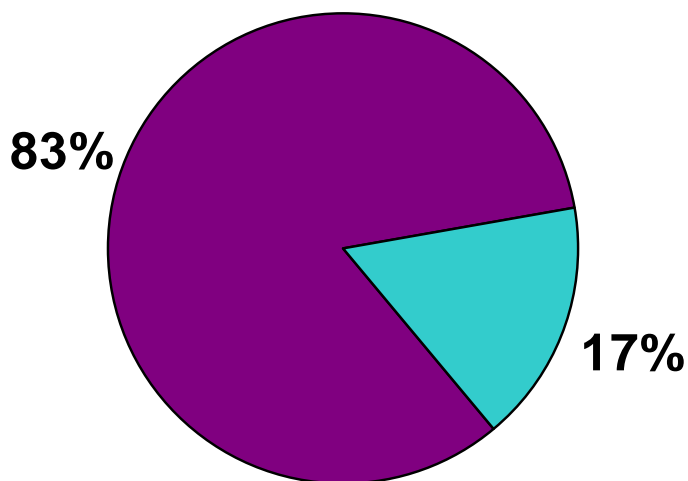


- 1% EBITA growth compared to 2008
- 5-year compound average annual EBITA growth of 9%

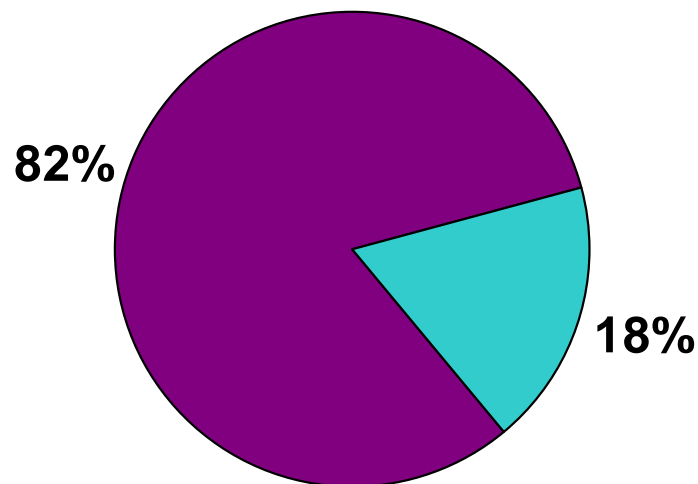
Business Segments

Operating Performance - Half Year ended 31 Dec 2008

Revenue



EBITA



Express Package & Business Mail

	Dec-08	Dec-07	Increase
	\$000	\$000	%
Operating revenue	148,273	140,102	6%
EBITA	26,650	27,250	-2%
Margin	18%	19%	

Information Management

	Dec-08	Dec-07	Increase
	\$000	\$000	%
Operating revenue	29,741	22,418	33%
EBITA	5,734	4,750	21%
Margin	19%	21%	

Balance Sheet

- Increase in fixed assets of \$9m (net of depreciation)
- Increase in goodwill of \$4m
- Increase in bank borrowings of \$18m
- Decrease in derivatives fair value of \$20m

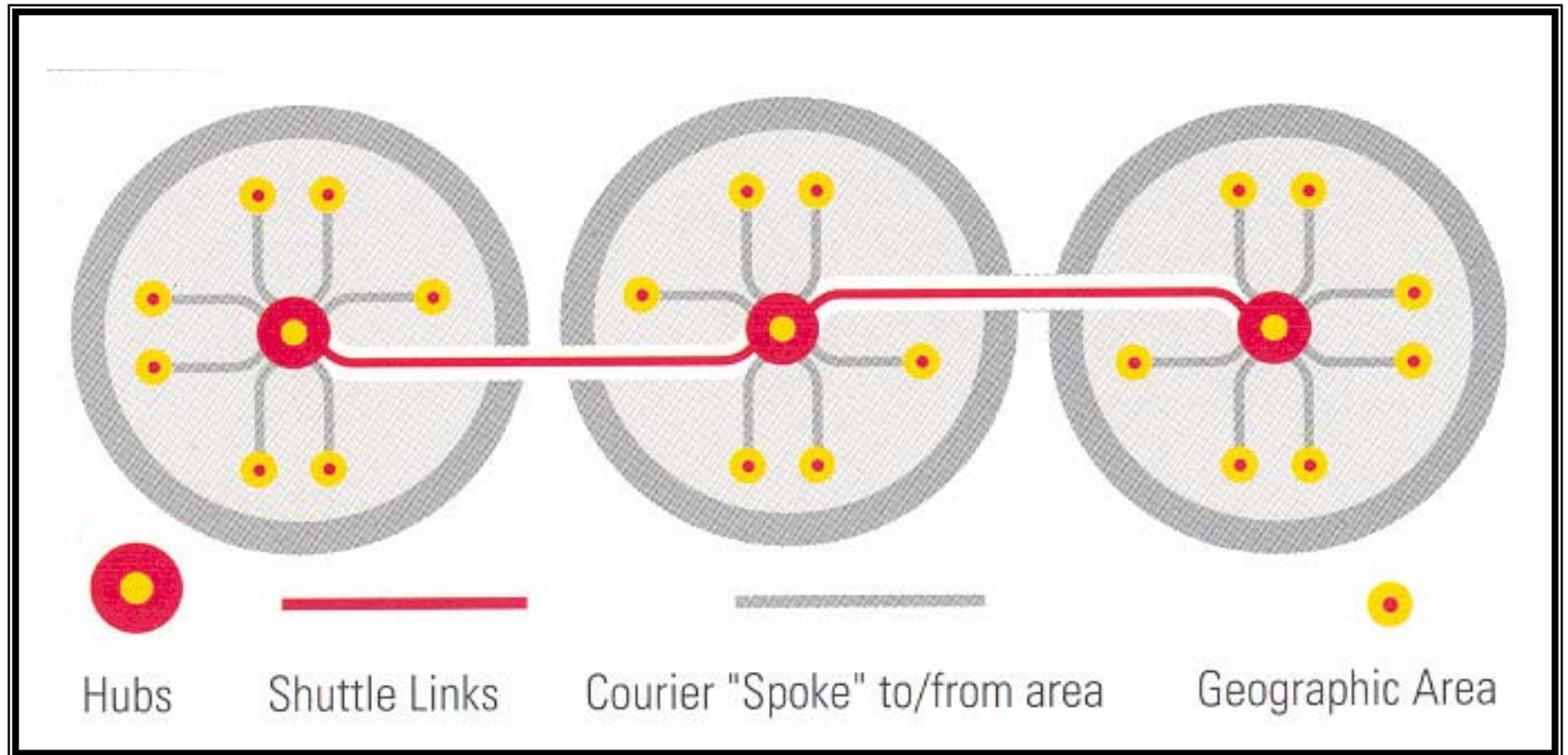
Cash Flow - Key Points

- Cash generated from operations of \$33m
- Capital expenditure of \$14m
- Payments for acquisitions of \$12m
- Cash of \$21m drawn from borrowings during the period

Dividend

- Interim dividend: 8 cps
- Imputation credits: 4 cps
- Supplementary dividend: 1.4 cps
- Record date: 13 March 2009
- Payment date: 31 March 2009

Business Strategy



Business strategy

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

Current economic downturn vs. Freightways' strengths

- Experienced management and Board
- Established and well-positioned brands
- Stable and consolidated industry environment
- Diverse and supportive customer base
- Services imbedded in customers' supply chains
- Highly variable cost base
- Shared risk business model
- Diversified earnings profile, relatively low operating capex
- Australian growth platform now in place

Express Package & Business Mail

Network courier

Point-to-point

Business mail

Support



Information Management

New Zealand NSW VIC QLD ACT SA WA

Document Storage







Data Storage



Document Destruction





Outlook



Capital expenditure

	2009	
	Half Year Actual	Full Year Forecast
Capital expenditure	\$14m	\$22m
Depreciation	\$4.6m	\$9.6m

- 2009 capital expenditure includes \$9m relating to two significant property developments.

Outlook

- Subject to the economy, overall sound performance is expected however current fluctuating activity means accurate forecasting is difficult
- A Trading Update will be published in April to provide high level 3rd quarter financial results
- Characteristics of competitive environment expected to remain unchanged
- Acquisitions and alliances will continue to be investigated
- All subsidiaries well positioned to benefit from any improvement in market conditions

Summary

- ✓ Strong successful business
- ✓ Positioned to deliver continuing earnings growth
- ✓ Delivering an attractive dividend yield