

FLIWAY ANNUAL SHAREHOLDERS MEETING

CHAIRMAN'S ADDRESS: CRAIG STOBO

Slide 1. Fliway – 23 October 2015, Annual Shareholders Meeting

Good afternoon everyone. My name is Craig Stobo and I am the Chairman of Fliway's Board of Directors. On behalf of the Directors and Executive Team, I would like to extend a very warm welcome to you all. We especially welcome our new shareholders to the inaugural annual shareholder meeting of Fliway as a listed entity on the New Zealand Stock Exchange.

Today we are going to be updating you on our results through to 30 June 2015, the end of our first financial year subsequent to our listing on the 9th of April 2015.

When we listed, we provided the market with forecasts regarding our expectations for the Company's performance and so we will also update you on the progress against the first set of milestones contained within those forecasts.

Slide 2. Disclaimer

[no script]

Slide 3. Agenda

So now as we get underway I will run through the agenda for today's meeting.

I will begin by introducing the Fliway Board and the Executive Team to you, and then summarise some of the Company's 2015 highlights.

I will then ask Duncan Hawkesby, Fliway's Managing Director, to provide a more detailed review of the Company's trading performance, including strategy and outlook.

Following these presentations there will be an opportunity to ask any questions you may have regarding the performance of the Company.

We will then move to the formal business of the meeting and I will introduce the resolutions. The items of business and the resolutions to be considered by shareholders at this meeting are contained in the Notice of Meeting, which was lodged with the New Zealand Stock Exchange and mailed to shareholders on 2 October 2015. Polls will be held in respect of the resolutions put to shareholders. I am pleased to confirm that a quorum is present and therefore declare that the 2015 Annual Shareholder Meeting of Fliway is duly constituted and I declare it open.

Slide 4. Separator slide: Chairman's Address

[no script]

Slide 5. Chairman's Introduction: Board of Directors

Your Directors at the table are:

Alan Isaac. Alan was appointed a Director in February 2015 and assisted with the listing of the business in April 2015. He is an experienced professional director with an extensive background in accounting and finance and is a former national Chairman of KPMG. Alan was made a Companion of the New Zealand Order of Merit in 2013 for services to cricket and business. An accountant by training, with widespread corporate experience, Alan is currently Chairman of McGrath Nicol and Acurity Health Group and is a director of publicly listed companies Opus International Consultants and Scales

Corporation in addition to a number of private and public sector roles.

Alan retires by rotation today and is standing for re-election.

Duncan Hawkesby, Fliway's Managing Director. Duncan has spent the last 9 years with Fliway after purchasing the Company in 2006 from the founder Craig Magee. Duncan, via The D&G Hawkesby Trust, remains the single largest shareholder in the business, holding some 54% of the Company's shares.

And finally, I was appointed Chairman of Fliway in February 2015 ahead of its initial public offering in April and assisted the business through the listing process. I have worked as a diplomat, economist, investment banker and as a CEO. I am now a professional director and in addition to chairing Fliway, I am Chairman of Precinct Properties, AIG Insurance NZ and the Local Government Funding Agency. I also hold directorships in a number of private commercial companies.

Slide 6. Chairman's Introduction: Executive Team

Also present today are the members of the Fliway Executive Team who I would like to introduce to you:

Jim Sybertsma is Fliway's Chief Financial Officer and Company Secretary. Jim has almost 30 years accounting and commercial experience and was appointed to his current role just over 7 years ago.

Cameron Mckeown, General Manager of Fliway's Domestic division is a veteran of the freight and logistics industry who has some 22 years' experience with the Fliway business.

Gavin Satchell, General Manager of Fliway's International division is another veteran of the freight forwarding industry who also has an exceptional tenure at Fliway with near on 30 years with the Company.

And we are also joined by Peter Sapiatzer, Chief Information Officer of Fliway and Kate Bacchus, HR Manager who both bring extensive capability to the Executive Team.

This Executive Team has considerable experience, often in several of Fliway's divisions, and has an average tenure at Fliway of approximately 12 years per executive. It is a particular strength of Fliway that it is able to identify and promote talent from within, not only in these senior roles, but across many occupations within the greater Company.

The Company's Auditors, Deloitte, are represented here today and the Company's legal advisors Bell Gully are represented here today also.

The Financial Statements for the year ended 30 June 2015 are set out in the Company's Annual Report that was released to shareholders last month.

I would now like to speak briefly to some of the highlights of Fliway's 2015 year.

Slide 7. FY15 Highlights

The last 6 months have seen a number of "firsts" for Fliway. A successful listing on the NZX and the raising of \$25 million was a key step in the progression of our business. The access to the capital markets, improvements in governance and general visibility we now enjoy are all essential requirements to position the Company well for the next stage of its growth.

The delivery of the earnings forecast we put in the market back in April 2015, was the key focus of our management team and an important marker for investors in the business. Once the saving on listing costs are stripped away, the financial performance is much closer to the Prospective Financial Information (or PFI) numbers, but looking within that, you will see that we have positioned the business well to ensure continued future delivery of our forecast numbers.

The listing consumed a lot of time and energy, however while this was going on, our business has continued to grow and develop, with improved capacity utilisation than when we came to market, and warehousing growth that saw us relocate our warehousing premises in Auckland from one of 3,000 sqm to a site allowing up to 7,000 sqm.

Slide 8. FY15 Financial Highlights

2015 was a record year for both revenue and pro-forma Earnings before interest, tax, depreciation and amortisation (or EBITDA) for Fliway. Revenue of \$84.2 million grew by 3.3% over the prior year, however came up 1.3% short of the PFI forecast.

Due to the significant costs involved in listing a business and the on-going costs associated with being a listed business, in the year a business lists, it needs to adjust historical, current and forecast year profit numbers in order for all financial periods to be comparable. We call these adjusted numbers “pro-forma” numbers which is another way of saying they are comparable across the years. You can see from the table, in all financial measures other than revenue, the business exceeded the targets set in the PFI.

Listing costs were favourable by \$470 thousand as a result of the size of the offer, the price of the offer, and the costs allowed for in the PFI. Given those favourable listing costs, the reported Net profit after tax (or NPAT) came out 33% ahead of the prospectus forecast.

Slide 9. FY15 Dividend

The continued strong cash flow delivery combined with the outperformance of NPAT have been very solid indicators since the business listed, allowing Directors to take a strong view on the dividend.

In August, the Board declared a maiden dividend of 1.9 cents per share. This dividend relates only to the earnings period from 9 April 2015 to 30 June 2015 and is consistent with the forecast in the prospectus. The dividend for the period discussed, was at the top end of the Company's dividend policy of paying out 50 to 70% of annual NPAT.

In addition to the maiden dividend, Directors approved a special dividend of 0.5 cents per share reflecting the lower than anticipated costs involved in the IPO of the business. This brings the total dividend for the period to 2.4 cents per share.

Fliway has delivered a record full year result in 2015. The Directors acknowledge the outstanding work and ongoing dedication of the Fliway team of people throughout New Zealand. I would now like to hand over to Duncan Hawkesby, Managing Director of Fliway to address the meeting.

MD REVIEW: DUNCAN HAWKESBY

Slide 10. MD Review

Thanks very much Craig. Good afternoon everyone and thank you for taking the time to come along to our inaugural Annual Shareholder Meeting. Today I'd like to recap on what Fliway does, briefly overview our strategy and look at the highlights of our FY15 performance. I will then review the business' capital program, year-end debt levels and balance sheet capacity followed by a more detailed look into the operational performance of each division. Lastly I will report on our outlook through to the end of the PFI period.

Slide 11. MD Review – 1. Business Description

Fliway is a freight & logistics business and has been operating in New Zealand for some 40 years. Our core strength is providing a seamless and often tailored global supply chain solution to our customers. Domestically we operate transport and warehousing while internationally, we provide both air and ocean freight. So we can take care of our customer's freight from their overseas factory, all the way to the end customer here in New Zealand.

We also have a joint venture in NZ with UPS which is the world's largest package delivery company. Our JV with UPS is part of the global UPS express package network.

So looking across our business, we employ over 400 people, we operate over 150 vehicles, and we have a footprint of 15 sites from Whangarei in the North, to Dunedin in the South.

Slide 12. MD Review – 1. Business Description Cont'd

Looking now, at how we are structured, this slide shows how we think about Fliway as 3 business units.

Fliway International is our freight forwarding business. It facilitates export & import activity across both ocean & air freight – and provides customs brokerage.

Our Domestic business encompasses Warehousing - and Transport. Warehousing is often referred to as third party logistics or 3PL – where we effectively operate as our client's warehouse and distribution centre.

And Transport involves the pickup and delivery of goods across the country.

UPS-Fliway is the joint venture. It is an international express courier business – so it's typically dealing with packages that are less than 25kg.

Slide 13. 2. Strategy

Moving now to strategy. At Fliway, we are very focused on growth. We target 3 specific avenues to achieve that:

Firstly: Optimising Capacity – we are a capacity management business, and our ability to match closely capacity with demand determines our performance both operationally and financially.

Secondly: We look to grow our existing business by selling more services to existing customers and growing our market share by providing leading technology and outstanding service at competitive rates.

Thirdly: Entering new markets - we continue to look to diversify into complementary new markets or sectors, including through acquisitions.

Underpinning these growth strategies are our Health & Safety and People policies which are at the forefront of everything we do. We employ over 400 people, and we operate businesses with lots of moving parts so the driving objectives for our Health & Safety and People Strategies are:

- 1) Getting the basics right
- 2) Simplifying what we do
- 3) Building an engaged culture

Slide 14. 3. MD Review - Financial Highlights - Divisional EBITDA

So let's look at the financials. At the EBITDA construct by division we can see that our domestic business and the JV both exceeded the performance commitment of the PFI.

International was close to PFI at 2.3% below, while Head Office bore the brunt of a couple of costs which were not in the forecast. These costs relate to a Dispute de minimis, and legal costs associated with the lease negotiations for a new Christchurch site.

Overall, FY15 Pro-forma EBITDA was up 7.5% on last year and 2.5% ahead of the numbers in the offer documents.

Slide 15. MD Review - 4. Capital management – Capital Expenditure

Moving on now to capital expenditure –you will remember we came to market as a fully invested business having spent nearly \$9m over the last couple of years. – So we need to circle back and look at where that turned out for the FY15 year.

Capital expenditure was in line with PFI forecast with one exception: in order to accommodate growth and the on boarding of a new customer we relocated to a larger Auckland warehouse site. This was not envisaged in our forecast, and as a result, we incurred capex of \$275 thousand which had not been allowed for.

Looking ahead, we remain comfortable that capital expenditure will return to normal run rate in 1HFY16

Slide 16. MD Review - 4. Capital management cont'd – Net Debt

Our net debt position of \$8.2 million as at 30 June represents less than 1.0 times EBITDA. The amount was significantly favourable to PFI of \$10.7 million due to a number of factors including a favourable working capital position, lower offer costs and a better than expected EBITDA.

Note that the forecast incorporates a dividend payment of \$863 thousand in October of this year.

Our bank facility allows up to \$18.0 million in debt subject to covenants being met – so we have good balance sheet capacity.

Slide 17. MD Review – 5. Operational Performance – Domestic

Moving on now to look at some of the detail in operational performance for each of our divisions.

Starting with Domestic where total revenue was 6.1% ahead of last year but not quite what we expected it would be in our forecast, falling 1.1% short.

In the Transport segment, our Fuel Adjustment Factor (or FAF), which is driven off pump prices was 7.5% last year. However, since 22 February, it has been at 4.5% which has brought the average for

the year down. A lower FAF obviously has an adverse impact to revenue.

We have made some good gains in optimising capacity by gaining some backload customers.

And as I mentioned earlier, we came to market having invested in operating fleet, and we are seeing a payback through a lower cost base of the fleet.

In our Logistics segment, our strengthened management team have delivered improved results and given us the ability to win new customers.

Growth in warehousing and the winning of a new customer saw us relocate to a larger shed in Auckland. We were very satisfied that the team managed to absorb all the operating costs associated with the relocation within the domestic result.

Slide 18. MD Review – 5. Operational Performance cont'd – International

Over in our International Division, revenue was 1.6% lower than expected. Looking at the market as a whole, we are seeing depressed import and export ocean freight rates, as a result of overcapacity and an imbalance of import to export volumes on most shipping lines. This has resulted in an impact to revenues in addition to the usual rate of customer churn and will likely have an ongoing impact until some capacity comes out of the market.

EBITDA margins in our International freight forwarding business were up year on year and were in line with PFI expectation at 13.7% which was pleasing given the revenue pressures.

In this business unit we maintain a sharp focus on the sales capability of the team. This is a turnover and margin business and we require

the sales team to consistently deliver new revenue in order to drive the continued growth of the business units' earnings.

Slide 19. MD Review – Operational Performance Cont'd – UPS-Fliway Joint Venture

Our joint venture with UPS continues to deliver above expectations.

In recent times the JV has had some wins in export volume, which combined with good cost management has seen earnings in this business unit exceed expectation by 13% at NPAT level.

In addition, we received a tax paid dividend in the last 6 months of \$500 thousand ahead of the forecasted \$450 thousand.

Slide 20. MD Review – 5. Operational Performance Cont'd – Head Office

Underlying costs in the finance and IT functions of our business operated in line with the prospectus forecast for FY15.

In the prospectus it was noted there was a historical dispute relating to a past customer. and that there was a broad indemnity against historical claims, to ensure they did not impact the future financial results of the business. That indemnity contains a de minimis (or minimum claim level) of \$250 thousand. At the end of 2014, Fliway had a provision of \$75 thousand with respect to the ongoing dispute. This dispute continues and it was felt prudent that we take up an additional \$175 thousand, taking us up to the de minimis amount and ensuring there will be no adverse impact on profitability should the claim come in under the \$250 thousand minimum level implicit in the indemnity.

Some of the other costs absorbed by our Head office include fees associated with the negotiation of the new Christchurch property lease which totalled \$53 thousand.

Slide 21. 6. Outlook

Turning now to our outlook and what we see ahead. We delivered on our results and declared a better than expected combined dividend of 2.4 cents per share. We met our overall earnings forecast for FY15 and we expect the same for the next PFI period – so we reaffirm our prospectus earnings forecasts for the 12 months to December 15.

While we expect revenue to be softer than forecast, , we will look to offset that with a better cost performance as we have been doing throughout FY15.

On that note I would like to conclude and thank my fellow directors for their support and counsel this year. I'd also like to thank the Executive Team and all our people, it has been a milestone year.

There is much work to do and we are excited about the road ahead. Our increased profile post listing and our stated intention to seek out growth through acquisitions is presenting us with some opportunities and we will continue to work through those.

I'll now hand you back to Craig Stobo to run through the official proceedings of the meeting.

Slide 22. Separator slide: Chairman's Address

[no script]

Slide 23. Ordinary Business - Questions

Thank you Duncan. We will now open the meeting for questions relating to the annual report, financial statements and other matters raised in Duncan's and my presentation. Can I remind members here today that only shareholders, proxy holders or shareholder company representatives are able to speak. In addressing the Chair with questions, could you please speak into one of the microphones which will be roving around and state your name and advise whether you are a shareholder, proxy holder or shareholder company representative. Having said that, members of the board and management will be having a cup of coffee or tea after the meeting has closed and I'm sure we would be happy to engage any other persons who wish to have any discussions relating to matters that they might wish to raise. So, let's open the meeting up to questions, do we have any please?

[Manage question and answer process]

[Note: Discussion at this point is limited to matters arising from the annual report and financial statements or to matters raised through the Chair/CEO presentations. Questions should be directed through the Chair rather than to an individual. The Chair may redirect the question to a director or member of the Executive Team or to the Auditor etc at his discretion.]

Thank you.

General Business

I have one matter at hand which is

*“Fliway’s major shareholder, the trustees of The D&G Hawkesby Trust, have entered into a one-off incentive arrangement with certain members of Fliway’s senior executive management team. The incentive arrangement involves the participating senior executive management team members receiving a cash payment from the assets of the Trust if Fliway’s financial performance for the period to 31 December 2015 exceeds the projected financial performance for that period set out in Fliways’ prospectus and investment statement published in March 2015 (the **PFI**).*

Fliway understands that the trustees consider that the investment in Fliway is an important asset of The D&G Hawkesby Trust and that they are keen to recognise the important role that long serving key executive senior management team members will play in whether or not Fliway achieves its PFI.

Fliway is not party to the incentive arrangement, which has been entered into between the trustees and the relevant senior executive management team members directly. Any payment made under the incentive arrangements would be made by the trustees of The D&G Hawkesby Trust rather than Fliway.”