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26 August 2004

The Manager
Australian Stock Exchange
Company Announcement Office
Level 4
20 Bridge Street
Sydney NSW 2000

Lodged Through ASX On Line
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Dear Sir

MEDIA RELEASE – Pacific National Results for the year ended 30 June 2004

Please find attached for immediate release to the market, a Media Release with regard to the above mentioned subject.

Yours faithfully
TOLL HOLDINGS LIMITED

A handwritten signature in black ink, appearing to read "B. McInerney", written in a cursive style.

Bernard McInerney
Company Secretary

Encl.



MEDIA RELEASE

PACIFIC NATIONAL

Toll Holdings Limited and Patrick Corporation Limited today announced that their jointly owned rail investment, Pacific National, had recorded a profit after tax of \$83.5 million (including net loss on significant items of \$114,000) for the year to 30 June, 2004.

This result is 47.8% higher than the previous year of \$56.5 million, and was based on revenues of \$1.083 billion or 3.4% improvement on last year.

Solid growth in the Coal and Intermodal operations drove revenues higher, however this was partly offset by lower grain and regional container shipments. The inclusion of the Australian Transport Network (ATN) operations from March 2004 also positively contributed to the revenue growth.

Earnings before interest and tax (before significant items) was \$144.8m compared to \$113m in the previous year, and benefited from increased volumes, continuing cost reduction and integration savings.

The recent release of the Federal Government's Auslink initiative and the allocation of new rail funding is welcomed, and in conjunction with the transfer of the NSW interstate freight network to the ARTC, Pacific National believe that the framework for meaningful long term investment in the interstate network is being developed.

Spokesmen for the shareholders said that the progress to date including the recently concluded EBA arrangements had established an excellent position from which to grow the business. However the need to improve return on capital was clearly an issue for Pacific National and an area which required a major focus if a sustainable level of investment was to be made in the rail sector.

Since 30 June, the company has finalised arrangements for the acquisition of Freight Australia, the Victorian based bulk rail operator. The acquisition, to be completed early September, will broaden Pacific National's presence in Victoria and enable customers to access improved service levels.

The outlook for Pacific National continues to be positive. There remains a need however for further reform, together with greater private sector participation and a rationalisation of Government involvement particularly at State level.

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