



THE TOTAL INTEGRATED LOGISTICS SOLUTION

Toll Holdings Limited

Analyst Briefing

**2002 Financial Year Results
5 September 2002**

**Paul Little - CEO
Neil Chatfield - CFO**



Highlights

- Record earnings
- Pacific National acquisition
- Growth platforms established
- Solid underlying growth
- Strategic positioning in place



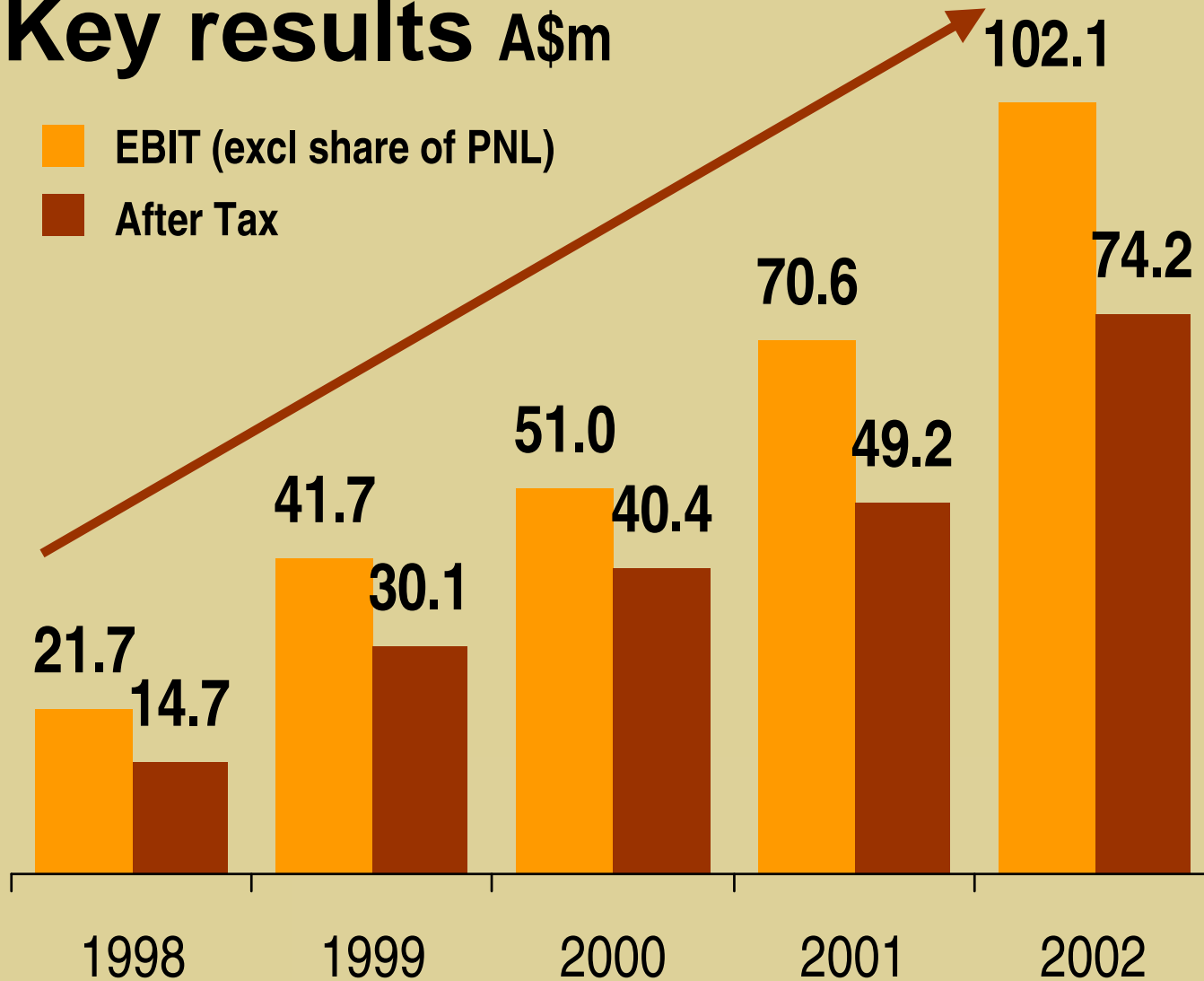
Earnings composition

	Group Ops (excl PNL)	Equity share of PNL	Group Total
Revenue	2,038.0	181.9	2,219.1
EBITDA	154.7	32.3	187.0
EBIT	102.1	18.3	120.4
Net interest	(12.2)	(7.2)	(19.4)
Income tax	(23.1)	(3.2)	(26.3)
Minority interests	(0.5)	-	(0.5)
Profit after tax	66.3	7.9	74.2

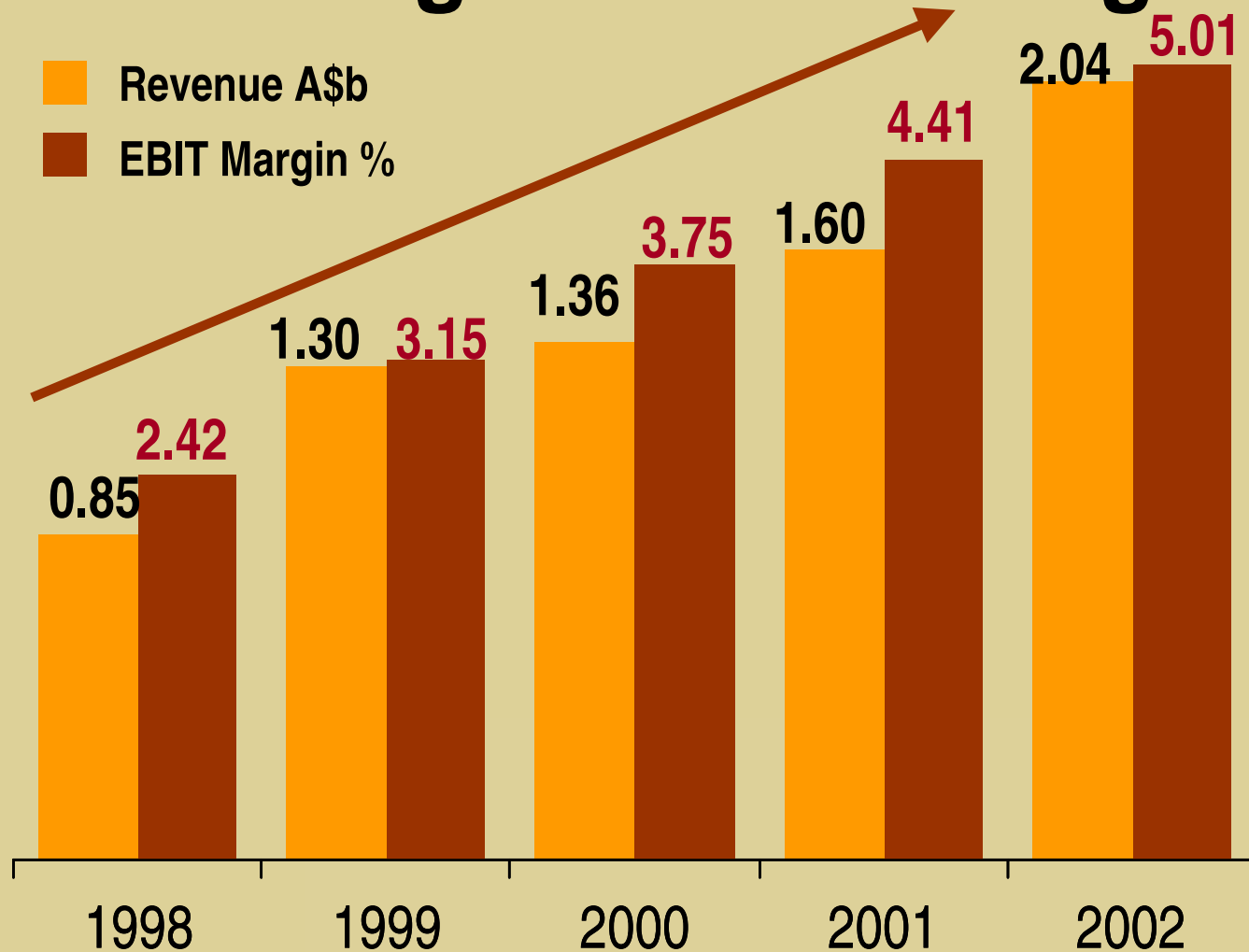


Key results A\$m

- EBIT (excl share of PNL)
- After Tax



Revenue growth and margin expansion

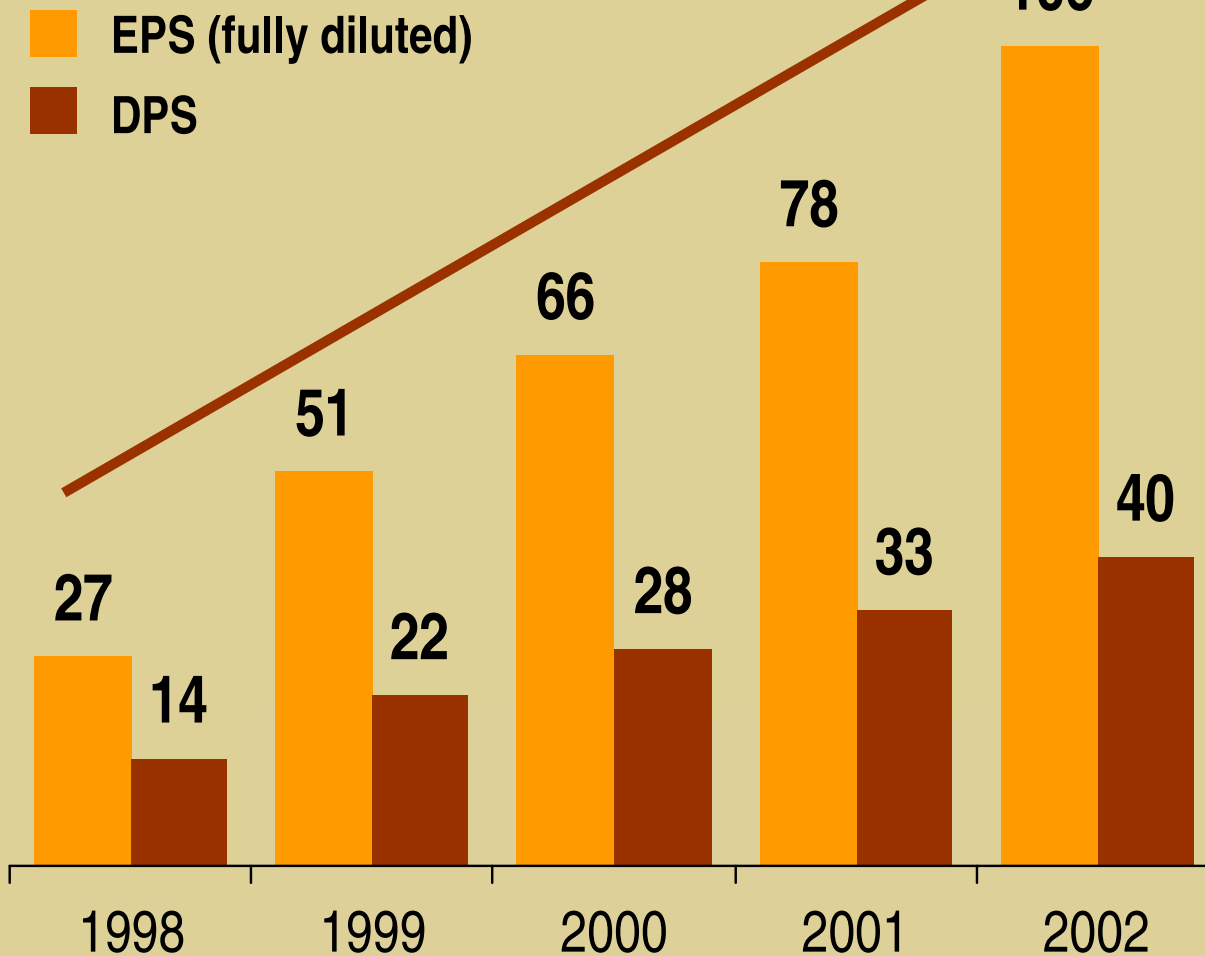


Balance sheet strength

- Net debt excl convertible notes \$214m
- Net debt to equity gearing 41%
- Net interest cover strong 8 times
- Cashflow (pre interest and tax) ↑ 26% \$139m
from operations
- Investment in acquisitions \$355m
- Investment in capital expenditure program \$93m



Year end June 2002 cents per share





Divisional structure

Group	Revenue \$m	% Change	EBIT \$m	% Change
Long Distance	867	↑ 20	42.7	↑ 56
Toll North	375	↑ 11	17.5	↑ 43
Logistics	775	↑ 43	33.0	↑ 75
Corporate*	21		8.9	
Group (pre PNL)	2,038		102.1	

*includes Thailand, property recoveries and unallocated discount and goodwill on acquisitions

Sector participation

Relocation:
Satisfactory performance
although slowdown of 11
Sept 2001.

Automotive:
Solid but impacted by
industrial action by
automotive supplier.

Food & Beverages:
Solid growth volume.

Relocation
7%

Industrial
20%

Automotive
12%

**Ports &
Resources**
17%

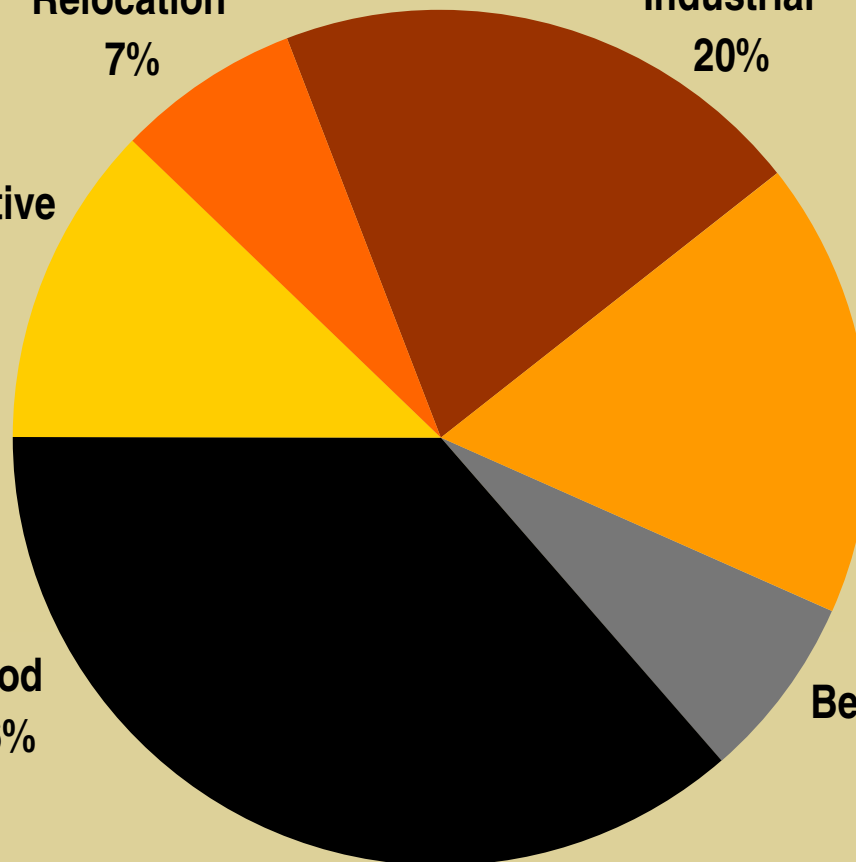
Food
36%

Beverages
7%

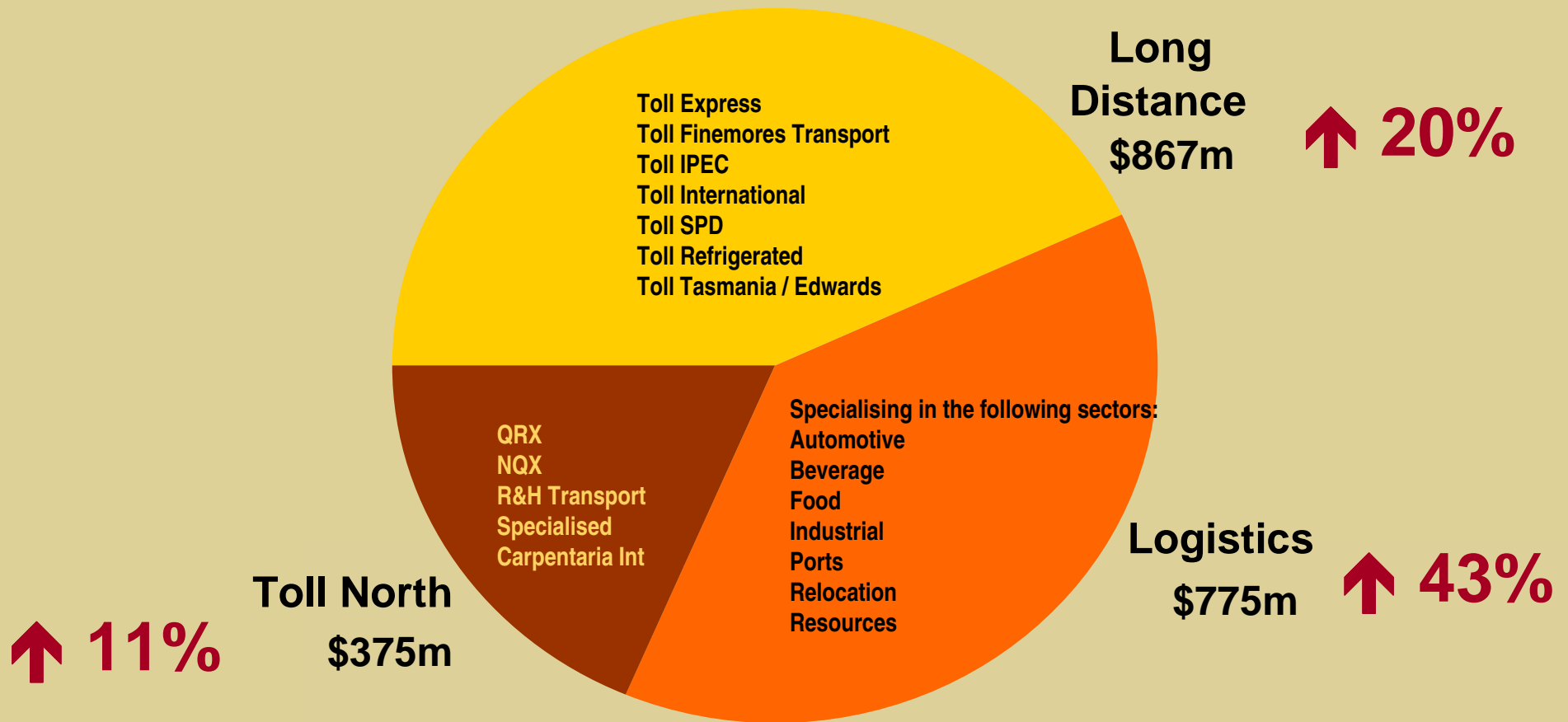
Industrial:
Stable conditions – improved
building and construction
industry.

Resources:
Continued signs
of improvement
– WA driving
growth.

Ports:
Growth due to
acquisitions.
17 Port locations
around Aust and
NZ.



Divisional revenues



Long Distance – EBIT margin 4.9% (↑ 29%)



- Toll IPEC
- Toll SPD
- Toll Express
- Toll Tasmania
- Toll Finemores Transport
- Toll Refrigerated

All performed strongly

Unsatisfactory - further rationalisation

Toll North - EBIT margin 4.7% (↑ 29%)



- NQX
 - Revenue and margin growth
 - infrastructure / assets upgraded

- QRX
 - Solid result
 - cost controls enhanced

- Specialised
 - New business unit
 - Penetrate local logistics markets

Logistics - EBIT margin 4.3% (↑ 23%)

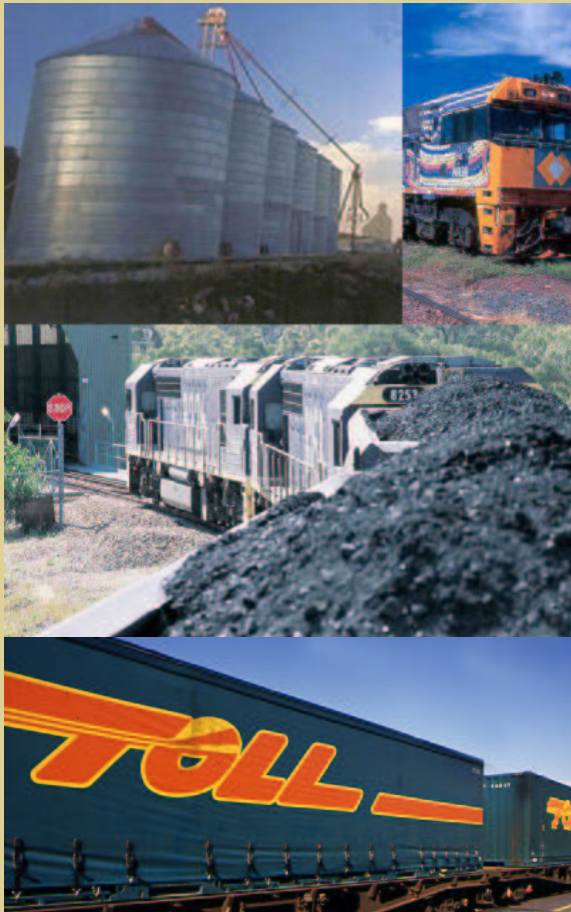


- Strong volumes in the Food & Beverages sector
- Full year benefit of the acquired Finemores automotive logistics business
- Growth in Ports involvement and WA resources activity
- Industrial sector still flat
- Transitions underlying business growth

TOLL

***pacifich*national**

Highlights

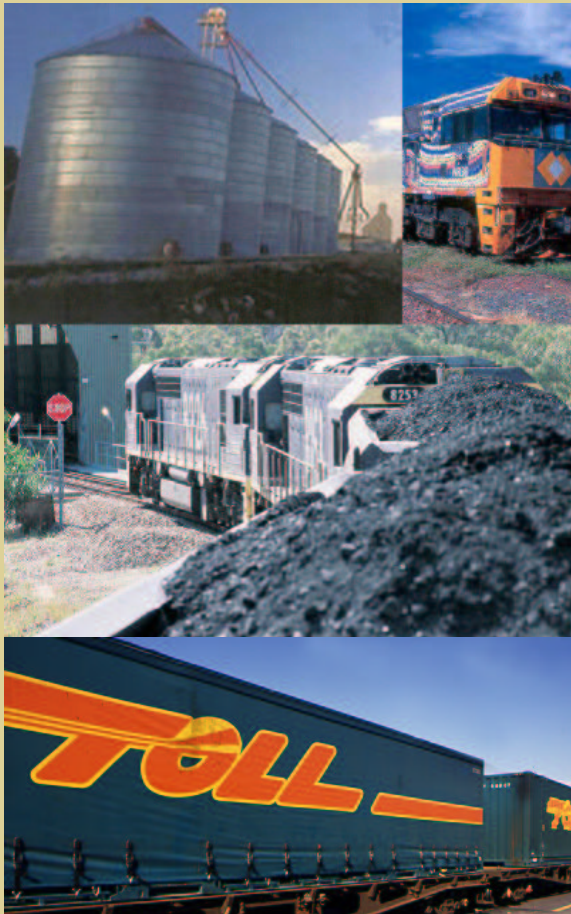


- No major surprises
- Change management underway
- Organisational structure in place
- Rail infrastructure improvements high on agenda

TOLL

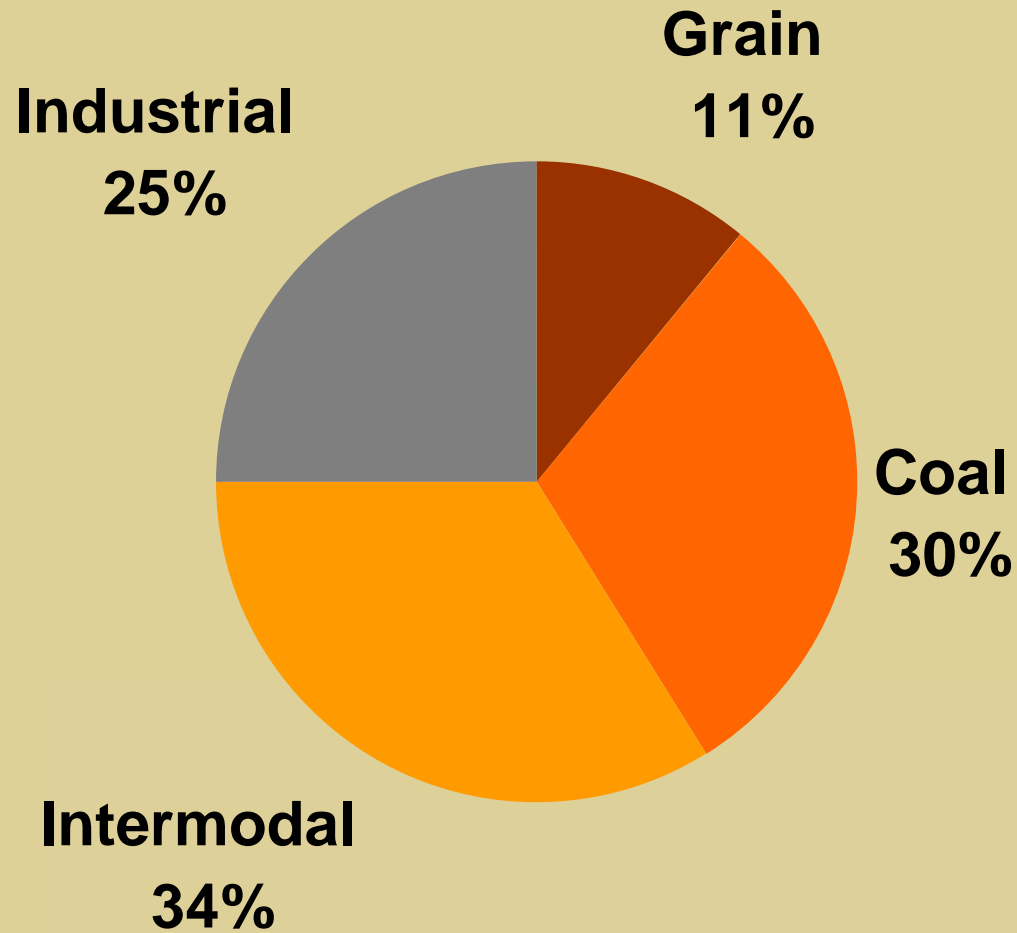
***pacific*national**

Financial and Integration



- Earnings ahead of plan – solid volumes
- Integration savings being delivered
 - Operational
 - Administrative
- Accountability and reporting streamlined
- Funding being simplified

Divisional revenue



Acquisitions

Nov 2001  **Wesfarmers** 

Feb 2002 

May 2002 **BHP Stevedoring**

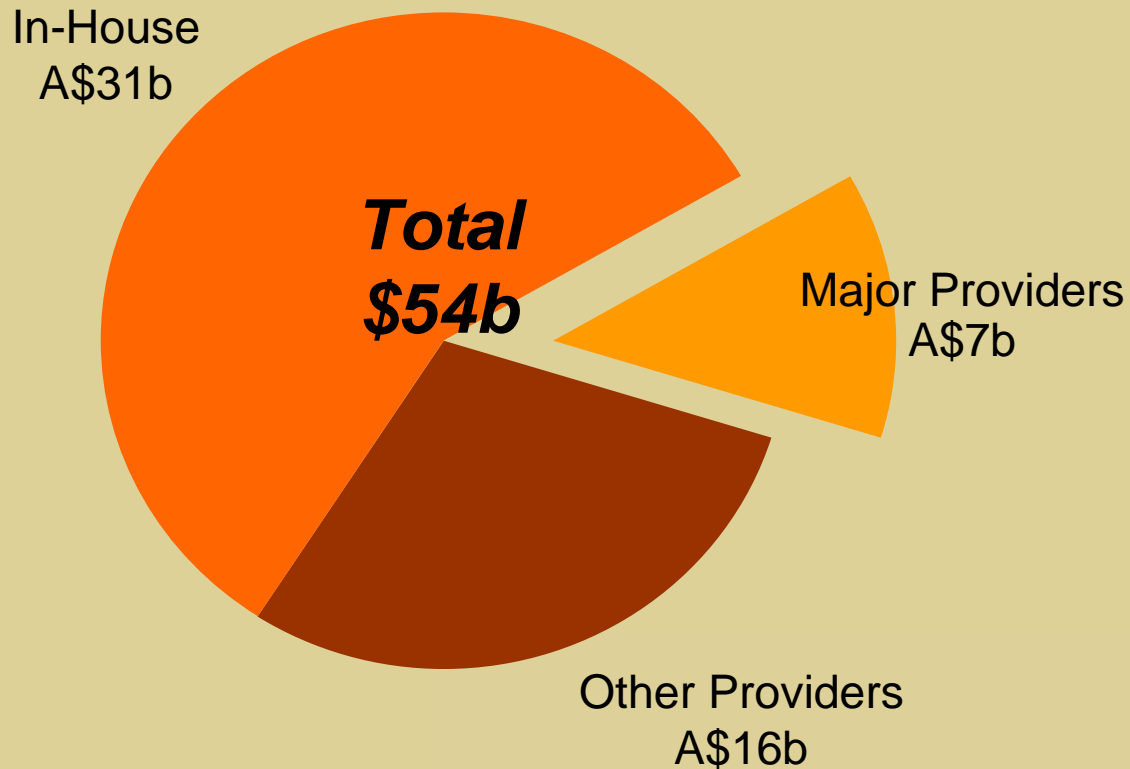
May 2002 

June 2002 

Full Year 

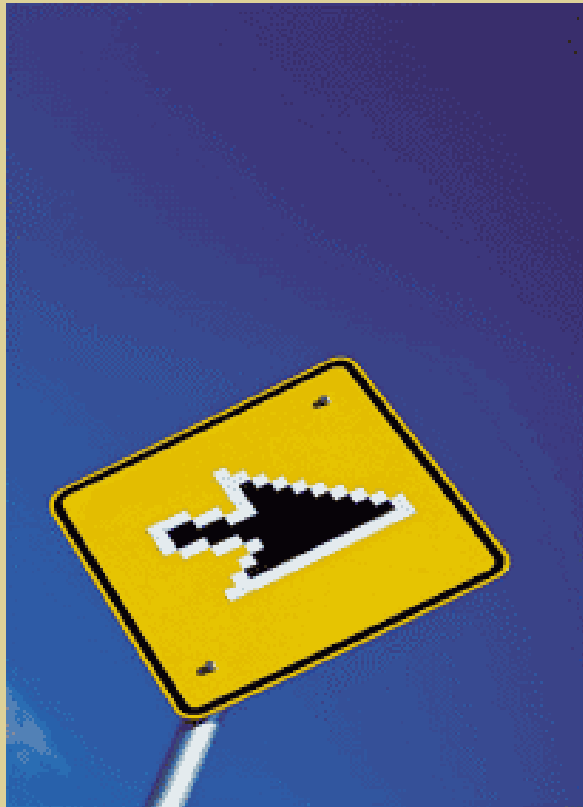
Revenue	\$391m
EBIT	\$15.4m
(pre goodwill amortisation)	

Industry overview



- Consolidation continuing
- Integrated solution model sought after
- Strong organic growth rates

Market development - growth



- Organic growth strong – new contracts
- Outsourcing growing
- Managed Transport Service – compelling model
- Benefit of improved rail services

Growth in Ports and Resources



International development

- 
- A stylized world map in orange and yellow tones, serving as a background for the text.
- ▶ Globalisation in logistics sector
 - Low risk growth platforms
 - Concentration on strengths
 - Opportunities under review
- Thailand:
- Earnings in line with plan
 - Investment in upgraded fleet
- New Zealand:
- Trading to date encouraging
 - Platform for growth

Toll Solutions / Technology



- High level business development team
- Solutions centre established
- Customer integration progressing rapidly
- Infrastructure upscaled to support growth

Economic climate



- Domestic economy remains solid
- Consumer spending still driving economy
- Resource sector looking stronger
- Very few danger signals
- Drought expected to subdue regional Australia

Corporate Governance



- Audit / Financial Risk Committee
- Auditor Independence
- Accounting Policies
- Internal control regime
- Continuous disclosure

Executive Options



- Alignment
- Hurdles
- Disclosure
- Accounting standard
- NPAT Impact
- New Standards

Outlook



- Platform to maintain earnings and cashflow growth (15% minimum EBIT growth)
- Disciplined and selective approach to acquisitions
- Further consolidation of industry
- Current 2003 earnings in line with expectations