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16 January 2007

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

Lodged Through ASX On Line
Total No. of Pages: 39

Dear Sir

'STRATEGIC RESTRUCTURE PRESENTATION' SLIDES – ANALYSTS BRIEFING SYDNEY: 10am AEST, 16 JANUARY 2007

Please find attached for release to the market, the presentation slides for the analysts briefing being held in Sydney at 10am AEST today.

Yours faithfully
TOLL HOLDINGS LIMITED

Bernard McInerney
Company Secretary

Encl.


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Toll Group

Strategic Restructure Presentation
January 2007

Paul Little – Managing Director
Mark Rowsthorn – Executive Director
Neil Chatfield – Chief Financial Officer



Important Notice

- The purpose of this Presentation is to provide general information about the proposed restructure of Toll Holdings Limited (Toll) and the creation of the new listed entity Infrastructure Co. It is not a recommendation that any person makes any investment decision in relation to Toll or Infrastructure Co. This Presentation does not contain all information which would be material to the making of a decision in relation to the restructure of Toll. Any investor or prospective investor should make its own assessment and determination as to the information contained in the Scheme Booklet to be issued prior to making any investment decision, and should not rely on the information in this Presentation for that purpose.
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Restructure Proposal

Paul Little

Managing Director

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The proposal

- Toll Group → separation of infrastructure assets into new listed entity, Infrastructure Co.
- Both expected to be S&P/ASX50 companies
- Dynamic growth opportunities in both businesses identified
- Built on Toll’s current strong results and performance
- Schemes of Arrangement with shareholder vote expected in April
- Stability with executive teams entering into new contracts

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Proposed New Structure

Toll Holdings

Stapled structure (ASX listed)

- Infrastructure Trust
- Infrastructure Company

Ports
- Container ports
- Portlink
- Bulk ports
- Stevedoring
- Ports Services
- Owens NZ (50%)

Rail
- Pacific National (100%)

Other
- Patrick Autocare JV
- AAT JV

Toll Holdings (ASX listed)

Australia
- Domestic Freight Forwarding
- Logistics
- Shipping
- Distribution and Warehousing
- International Forwarding
- Defence Logistics
- Express / Couriers

Asia
- Toll Asia

NZ
- Toll NZ (83%)

VBA
- Virgin Blue (62.3%)



Transaction rationale

- Unlocks significant shareholder value
- Accelerates organic and strategic acquisitions growth
- Provides a more appropriate capital structure
- Enhances growth through eased regulatory constraints
- Still realises planned synergy benefits from Patrick and SembCorp Logistics acquisitions



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Progress since Patrick acquisition

- Pacific National operations significantly improved
- Developed strong understanding of ex-Patrick businesses
- Restructured port businesses with a pure ports focus
- Established relationships with major customers
- Reduced overhead structure
- Renewed momentum on ports capex/technology progress
- Successfully consolidated Australian transport operations



Why restructure?

- Need to address balance sheet efficiency
  - Overcome competing capital demands
  - Relieve pressure on overall return on capital
- Accelerate growth across asset platforms
- Examined various alternatives
- Consider competitive tension
- Restructure plan considered optimal outcome
- Timing driven by timetable for ACCC divestments

  

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Ongoing commercial relationship – Toll & Infrastructure Co

- Short term transition agreements
- Rail agreements for key intermodal operations
- Shared services for procurement / IT / Risk Management
- Passage of our significant container traffic volumes through rail and sea intermodal terminals means ongoing commercial relationship

Variation of ACCC undertakings

- Close consultation with ACCC
- Toll seeking waiver of divestment obligations for PN, vehicle transport business and Prixcar
- If market inquiries raise no issues of concern re PN divestment waiver, ACCC would look favourably on waiver
- Toll also seeking relief from ‘starters kit’ and rail/port non-discrimination regimes

Stakeholder feedback

- Employees
  - positive
  - growth/employment opportunities enhanced
- Customers
  - positive
  - encouraged by Pacific National’s improved service levels
  - e.g, BlueScope Steel contract
- Major shareholders
  - positive
  - supportive of growth objectives
  - recognise value creation opportunities

Toll Holdings



Business overview

- Leading integrated logistics supplier in Asia, Australia & New Zealand
- Comprises four businesses:
  - Toll Australia
  - Toll Asia
  - Toll NZ
  - Toll's holding in Virgin Blue
- Significant gearing capacity for growth
- Highly experienced management team
- Expected to be an S&P/ASX50 company


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Strategy

- World class, integrated logistics provider
  - Access to infrastructure enabled by scale and volume
  - Integration through alliances, JVs and other relationships
- Pursue growth in Australia, Asia and New Zealand
  - Successful history of strategic and bolt-on acquisitions
  - Significant growth opportunities available in all markets
  - High organic growth markets
  - Under-geared balance sheet provides capital for growth

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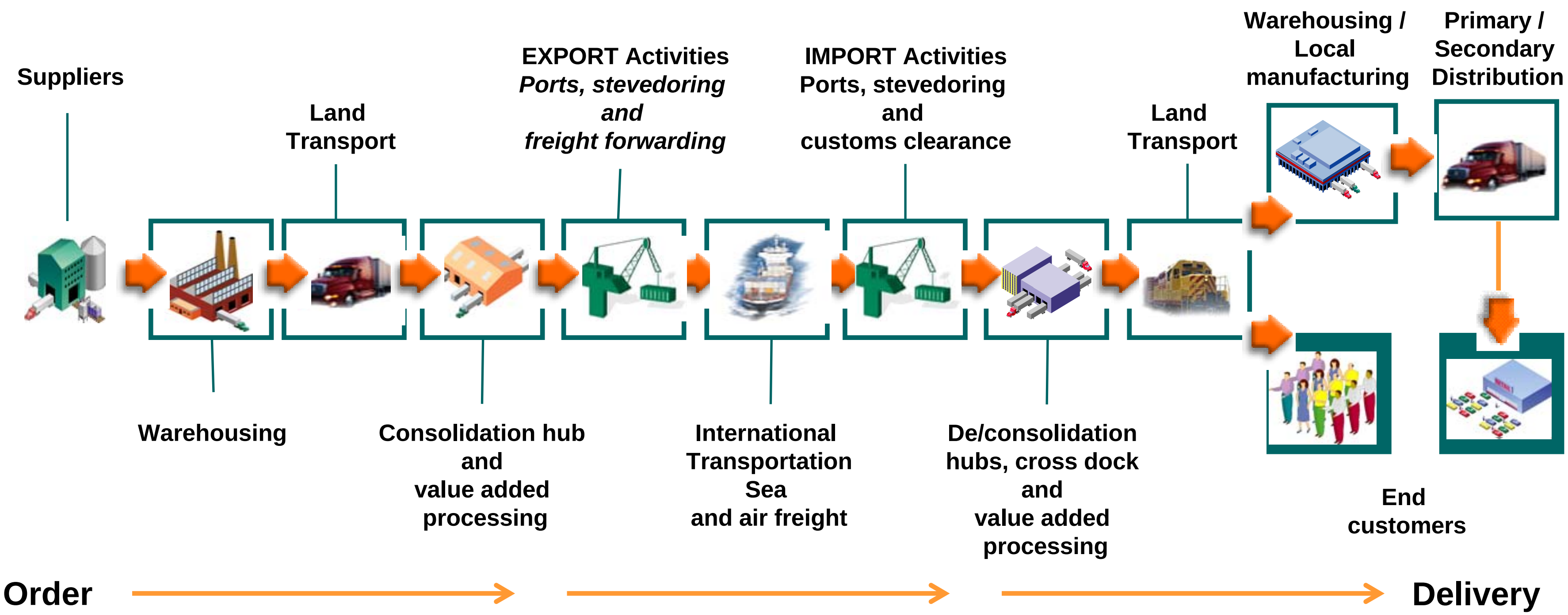
Structure and Management

Managing Director
Paul Little

- Company Secretary
  Bernard McInerney
- Operations
  John Ludeke
  - Australian Transport Group
  - New Zealand
    David Jackson
- Director
  Strategy M&A
  Stephen Stanley
- Toll Asia
  Koh Soo Keong
- Director Business
  Development Int'l
  Hugh Cushing
- CFO
  Neil Chatfield
  - Virgin blue

- Key management committed under contract
- Increased management opportunities with outstanding talent bank

Impact on Toll strategy



- No impact on customer service offering
- Improved operational interface with Pacific National
- Improved operational interface with container ports

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Progress with Asian pipeline

- High customer awareness and interest
- Development of integrated IT offering
  - Toll Solutions (including ex Patrick)
  - Toll Asia Solutions
- Business development strategy and medium term plan established
- Major customer presentations and workshops
  - Focus on multi-national customer base and major Australian customers

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Toll Asia (SembLog integration)

Completed:

✓Rebranding to Toll Asia

✓Corporate restructure and funding

✓Integration of Toll operations with Toll Asia

✓Key business development plans established

✓Strategic growth targets established

Virgin Blue progress

- Development of freight venture
- De-risking due to fuel and currency hedging
- Improved load and yield
- Embraer introduction
- Plan Trans Pacific operations

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Growth opportunities

- Organic growth in Australia remains strong
- Increase focus on organic growth in Asia
- Acquisition growth through:
    - further Australian consolidation
    - New Zealand consolidation
    - selective Asian targets
- Continued focus on:
    - disciplined acquisition strategies

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Competitive environment

- Industry change and consolidation continues on global scale
- Governments releasing assets to private operators and seeking involvement in new projects
- Environment favours those with networks, scale, strong operational management and growth capability
- High investment levels and adequate capacity favour consolidated industry
- Multiple, fragmented operators mean lower efficiency levels for customers


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Infrastructure Co

Mark Rowsthorn

Executive Director



Business overview

- Comprises two businesses:
  - Ports and related services
  - 100% of Pacific National
- Highly experienced management team
- No external fee leakage
- Infrastructure assets with strong organic growth
- Expected to be an S&P/ASX50 company
- Gearing consistent with comparable Infrastructure Funds
- Capital expenditure to be largely funded by an in-place debt facility

  

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Business overview

Ports and related services

- Container port terminals – Sydney, Brisbane, Melbourne, Fremantle
- Port management –Geelong, Western Port and Albany Bulk Handling
- Stevedoring
- Ports services – container parks, inland rail terminals
- Autocare (80%)
- Joint ventures inc. AAT, 1-Stop, CCA, QBH

Pacific National

- Bulk services
- Intermodal



Infrastructure characteristics

- Pacific National
  - Rail has significant share of growing freight task
  - Strategic terminal ownership
  - Scale provides cost advantages
  - Major customers contracted
- Patrick ports
  - Secure terminal leases
  - Multiple locations meeting customer demands
  - Integrated portfolio of businesses with growth emphasis on rail
  - Low level of customer churn



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Strategy

- Optimisation of existing assets:
  - Pursuit of expansion opportunities at port facilities
  - Port automation and technology rollout
  - Improve PN intermodal service levels
  - PN growth opportunities in new bulk markets and North-South Corridor
- Scale for acquisition of transport infrastructure assets in Australia and offshore



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Progress since acquisition – Ports

- Merged Toll and ex-Patrick general port operations
- Committed new Fisherman Island capital expenditure including expansion of Autostrads
- Renewed focus on development of automation technology
- Established sound relationships with customers and renewed expiring contracts
- Introduced new crane and RMG capability at container terminals



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Progress since acquisition – Pacific National

- Restructured management team
- Executed long term BlueScope Steel contract
- Significant improvement in service levels and financial performance
- Finalised long term EBAs
- Finalised Acacia Ridge access arrangements
- Completed Tasmanian Track Network arrangements
- Negotiated Victorian Track Network buy back

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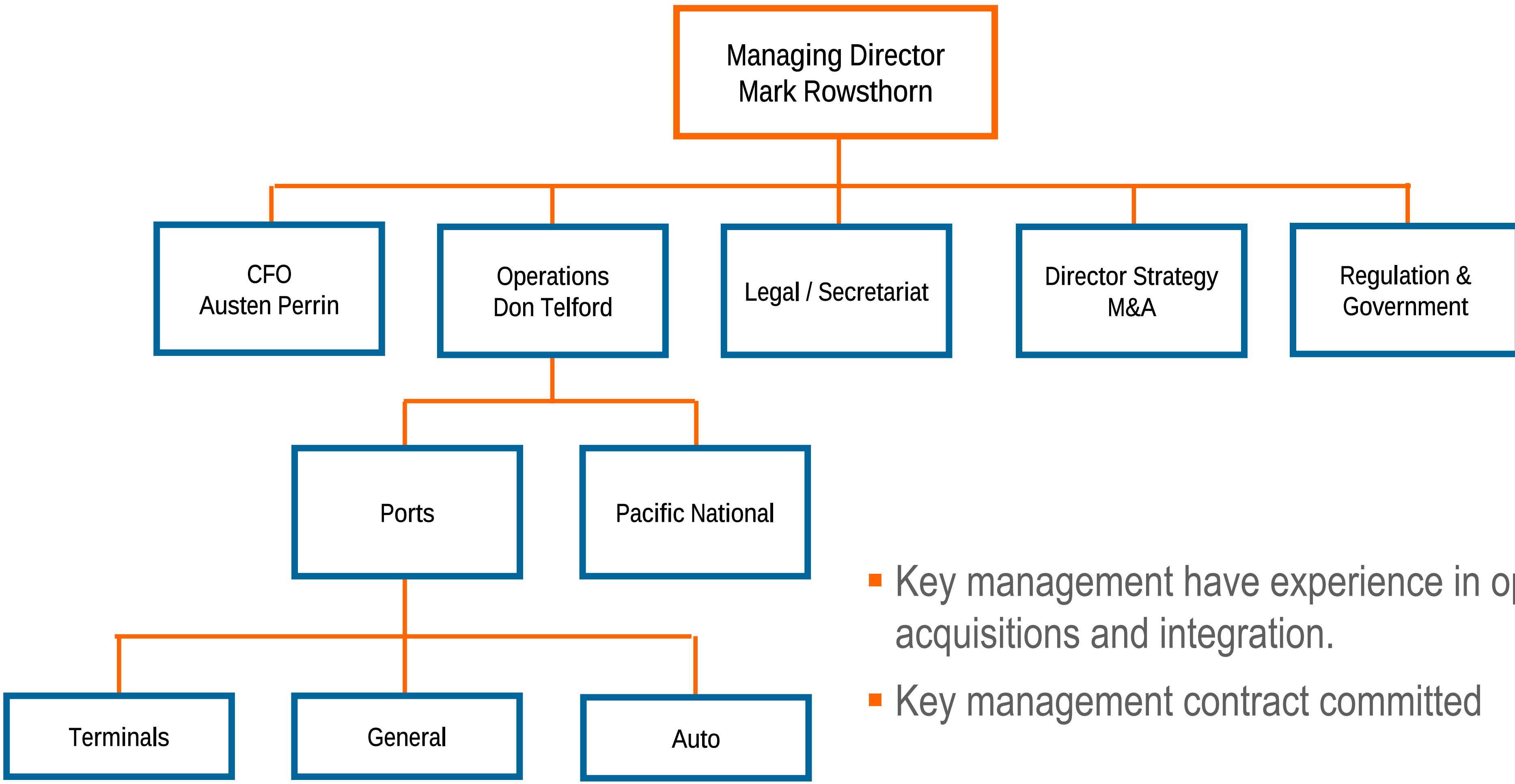
Structure and Management



- Key management have experience in operations, acquisitions and integration.
- Key management contract committed

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Improved business focus

- Infrastructure Co is a much more focussed business than Patrick
  - Ownership of 100% of Pacific National
  - Enhanced decision making and greater staff empowerment
- Introduction of Toll port management and stevedoring operations
  - Business combined with Patrick general stevedoring
- Operational synergies with Patrick rail operations and Pacific National
- Removal of Patrick fragmented logistics operations
- Removal of VBA



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Growth opportunities

- Leverage existing management expertise to investigate opportunities
- Significant organic rail growth, via shift from road to rail and massive increase in freight task
- Increase in rail terminal capacity throughout network
- New rail projects, including Brisbane / Melbourne inland network
- Ongoing ports capacity growth, including Autostrad rollout
- Acquisition based growth in transport infrastructure sector
- Selective opportunities in airports and toll roads to compliment transport portfolio



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Financial impact

Neil Chatfield

Chief Financial Officer

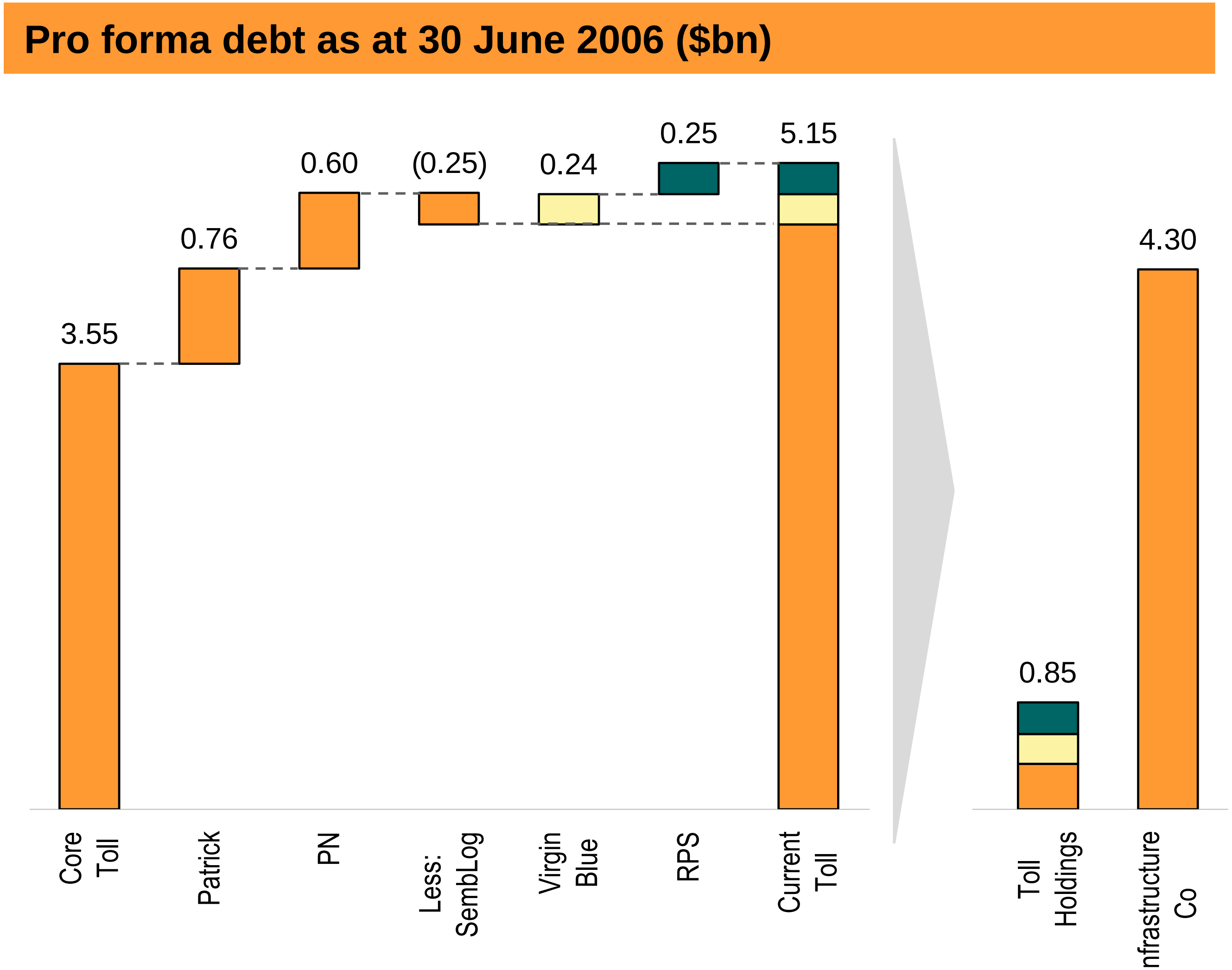


Pro forma financials

	Toll Holdings	Infrastructure Co
Revenue	$7 bn	$2.8 bn
EBITDA	$850 m	$650 m
Total Assets	$5.5 bn	$8bn
FTE employees	>20 thousand	>8 thousand

- Based on normalised estimates of 2007 results

Pro forma debt


Pro forma debt as at 30 June 2006 ($bn)

- Net debt of $4,300m to be apportioned to Infrastructure Co
- Toll to have debt capacity for acquisitions
- Retained in Toll:
  - $250m RPS
  - Virgin Blue net debt
- * Based on current estimates and bank soundings

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Financial profile

Toll

- Substantial leverage capacity
- Focus on operation of assets not ownership
- Payout ratio maintained
- ROIC restored toward 20%+ target level
- Financial and operational capacity
- Aggressive organic and acquisition growth

Infrastructure Co

- Gearing levels appropriate to assets and cash generation
- Capex debt facility
- Structured to facilitate high and growing levels of cash distributions
- EBITDA well diversified between ports and PN
- High growth through capex and acquisitions



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Integration synergies

- Cost synergies identified and to be retained > $60m
- Operational synergies retained and flow to individual companies
  - Pacific National
  - General port operations
  - Toll logistics and international activities
- Overhead cost synergies retained – small incremental costs in Infrastructure Co.
- Shared services in IT infrastructure / procurement / risk management will largely retain synergies and drive further improvement



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Outlook

Currently on track to exceed overall 2007 targets

Toll

- VBA - very strong results (expect >40% higher than previous period)
- Australian operations performing strongly, ahead of plan
- NZ - revenues and earnings lower but signs more positive
- Toll Asia - earnings ahead, integration on track

Infrastructure Co

- Pacific National improved performance
- Ports and related activities performing strongly on solid volumes

Indicative dates

Lodgement of documents with ASIC	Mid Feb 2007
Despatch of Scheme Booklet to Shareholders	Early Mar 2007
Meeting to vote on Schemes	Mid Apr 2007
Court hearing for approval of Schemes	Late Apr 2007
Expected date of listing of Infrastructure Co	End Apr 2007