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

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Dear Sir

MEDIA RELEASE – PACIFIC NATIONAL AND LINFOX

Please find attached a media release for immediate release to the market.

Yours faithfully
TOLL HOLDINGS LIMITED


Bernard McInerney
Company Secretary

Encl.



NEWS RELEASE

15 May 2007

Linfox commits to rail

Pacific National and Linfox have entered into a contract that will secure freight on rail for the next three years.

"The new arrangements will generate more than \$100 million per year for Pacific National's intermodal business," Pacific National CEO, Don Telford said.

"With Australia's freight task expected to grow significantly over the next decade, this deal will ensure considerable volumes of freight on rail from one of Australia's leading logistics companies," Mr Telford said.

Linfox Managing Director, Michael Byrne said, "We are very pleased to have secured a contract with Pacific National as it provides the capacity to expand rail options for our customers. Linfox has the opportunity to extend the commitment for a further seven years.

"This deal will assist Linfox to continue providing cost effective and efficient freight forwarding requirements as an important part of its logistics offering for all of its valued customers," Mr Byrne said.

Creating strategic alliances between rail operators and freight forwarders creates major benefits across the entire logistics chain for all rail customers.

Mr Telford said securing major contracts such as Linfox and the recent OneSteel / BlueScope Steel business means Pacific National can increase its investment in its rolling stock and rail terminals across Australia.

"By further investing in rail, Pacific National is playing its part in ensuring the long term future of freight rail in Australia," Mr Telford said.

Mr Byrne said, "Pacific National and Linfox are working together to develop distribution centres at rail terminals to gain further efficiencies in the delivery of containerised freight to end users."

Linfox now sits with Toll as one of Pacific National's largest intermodal customers.

Mr Telford said that Pacific National's partnership with Australia's leading freight forwarders will see more freight on rail rather than road between Australia's capital cities.

ENDS

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