



Toll Holdings Limited
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22 August 2007

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

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Dear Sir

**NEWS RELEASE AND GROUP PROFIT ANNOUNCEMENT -
APPENDIX 4E PRELIMINARY FINAL REPORT AND UNAUDITED RESULTS FOR
YEAR ENDED 30 JUNE 2007**

Please find attached for immediate release to the market the following with regard to the above mentioned subject:

1. Media Release;
2. Profit Announcement; and
3. Unaudited Results for Year Ended 30 June 2007 including Appendix 4E Preliminary Final Report.

Yours faithfully
TOLL HOLDINGS LIMITED


Bernard McInerney
Company Secretary

Encl.



Media Release

22 August 2007

Toll Produces Record Profit and Sets Growth Path

The Asian region's leading integrated logistics provider, Toll Holdings, today announced record full year earnings of \$408 million for the period to June 2007 on revenues of \$9.95 billion. This result excluded one off items after tax, including gain on restructure, of \$871 million.

Earnings included results from non-continuing operations for the period to 15 June 2007 in relation to the transfer of businesses to Asciano arising from the successful restructure of the Toll Group approved by shareholders in May, 2007.

Toll Group Managing Director, Mr Paul Little, said "Having recently completed the restructure resulting in significant value creation for our shareholders, at the same time the company has continued to produce solid numbers overall ahead of those forecast in the restructure scheme documents, and has already commenced a new growth phase."

Earnings before interest and tax (EBIT) for continuing businesses was \$734 million, which represented a 35% increase on a like for like basis against the previous year, before the amortisation of charges arising from acquisition accounting of Patrick Corporation and SembCorp Logistics.

During the year, revenue from continuing businesses grew from \$4.4 billion to \$7.5 billion. This reflected strong organic growth in the Australian business of approximately 9%, and the inclusion of Patrick Logistics, SembCorp Logistics and Virgin Blue revenues for the full year.

"We are delighted with the current positioning of the business, coming off record results and a number of positive initiatives over and above the restructure, combined with significant financial and operational capability and capacity. The prospects for further superior shareholder value creation is very strong," said Mr Little.

Trading

Operating conditions throughout Australia remained positive during the year with the growth in activity in the resources sector continuing at high levels. Activity within Asia also continued strongly, although relatively flat conditions were experienced in New Zealand.

Toll Australia

Core Australian operations performed well producing revenues of \$4.2 billion. Revenues were positively impacted by the inclusion of Patrick logistics business and strong underlying organic growth supported by a number of major new customer contracts, for example Santos, Quenos and Amcor. On a like for like basis revenue grew 9% in the business, with EBIT growing 18% to \$299 million.

The integration of the new businesses has progressed as planned. In addition, the company has invested heavily in establishing a new network in relation to air freight linehaul and recently completed a joint venture with Dnata to grow the company's aviation ground handling operations.

EBIT margins continued to grow with an increase to 7.1% from 6.5% previously.

Toll New Zealand

Operations remained constrained by flat economic conditions and the impact of high exchange rates on export demand.

Revenue in New Zealand grew 6% to \$664 million, whilst EBIT was \$51 million compared to \$61 million previously.

The company has made a takeover offer for the minority shareholders in Toll New Zealand and expects to complete compulsory acquisition for 100% and delisting within the next few months. This move will provide a structure for the company to grow more rapidly.

Toll Asia

Following the acquisition of SembCorp Logistics a little over a year ago, Toll has completed a rebranding and strategic review of the opportunities for this business. In addition Toll has launched a takeover bid for Sembawang Kimtrans in which pre bid Toll held a 26% interest.

This acquisition will significantly increase the company's exposure and strategic position within the marine and mining logistics sector.

Toll Asia posted revenue of \$461 million for the year, compared to \$469 million previously on a like for like basis. EBIT was \$60 million, compared to \$56 million on a previous year comparative.

Virgin Blue

An excellent result was posted by Virgin Blue with revenue for the year of \$2.16 billion and an EBIT of \$324 million. This compares to \$1.9 billion and \$176 million respectively in the previous corresponding period.

Virgin Blue benefited from strong load factors and improved yields across its network.

Finance

The Group produced operating cashflow of \$996 million with net debt at June 2007 of \$ 513 million, including Reset Preference Shares outstanding of \$250 million. This compares with net debt of \$5.2 billion at 30 June, 2006.

Following the restructure the company's gearing measured on a net debt to net debt plus equity ratio was 16%. The current level of debt provides the company with ample financial scope to aggressively pursue its acquisition program.

Dividend

Earnings per share fully diluted on a pre acquisition amortization and one off items basis was 79.9 cents, an increase of 20% over the previous year.

The company has announced a final dividend of 11 cents per share, representing a full year dividend of 27 cents for the year, which on a restated basis following the restructure is a 22 % increase on last year. In addition, the company has determined to pay a special dividend of 5 cents per share in recognition of the outstanding performance of the business during 2007, and the contribution of Asciano businesses for the year.



Board

The Company's Chairman, Mr John Moule, has decided to retire from the Board after over 10 years service. Mr Moule has played a decisive role in the development and execution of the company's strategy over that time and we wish him every success in retirement.

Mr Ray Horsburgh has been appointed Chairman of the Company with effect from 14th September 2007.

In addition, Mr Mark Smith joined the Board as a Non-Executive Director on 1st July 2007.

The company has also advised that Mr Barry Cusack has agreed to be appointed as a Non-Executive Director with effect from 1 October 2007.

Outlook

"With the restructure behind us and a number of important initiatives already put in place, strong organic growth is expected to continue and we are progressing well in reviewing opportunities for further acquisition growth," said Mr. Little

The company has made significant progress in developing the scale and breadth of its Asian operations and has moved to establish a sound technology platform to support further growth.

Since 30 June, trading has remained robust and the 2008 financial year outlook is very strong as the company expects to benefit from further capturing growth opportunities within the Asian region.

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Toll Group Profit Announcement Year Ended 30 June 2007

The Asian region's leading transport and logistics provider, Toll Holdings, today announced a full year profit to June 2007, of \$408 million, excluding one-off items.

Following the restructure of the company in which Port operations and Pacific National rail assets were demerged into a newly listed vehicle, Asciano, Toll has accounted for the results of these operations as discontinuing businesses for the period up to 15 June, 2007 being the date of the restructure.

Revenue from continuing businesses was \$7.5 billion for the year with EBIT, pre acquisition accounting amortization of \$734 million. This compares to \$6.8 billion and \$545 million respectively for the prior year when compared on a like for like basis. Overall, full year EBIT for continuing businesses was ahead of the restructure scheme book forecast.

In total revenue from continuing operations increased from \$4.4 billion to \$7.5 billion with the 69% increase being driven by strong organic growth in the core Australian operations and the full year inclusion of Patrick Logistics, SembCorp Logistics and Virgin Blue.

Divisional Results

Toll Australia

Consistently strong volumes and margin increases were experienced across the Toll Australia businesses.

Revenue for the year was \$4.2 billion, with an EBIT of \$299 million an increase of 9% and 18% respectively on a like for like basis to the previous year. This reflected strong underlying margin expansion from 6.5% to 7.1%

The resource sector continued to demonstrate strong growth, whilst the food, beverage and retail sectors remained solid with the company maintaining its leadership position in these segments. Automotive is a key sector for the Group with increased opportunities arising from imports and supporting Tolls domestic customers in managing Asian based sourcing, although domestic volumes were somewhat subdued.

During the year the company maintained its aggressive investment in new terminals, fleet and technology, enabling increased capacity and efficiency to operations.

The time sensitive operations of Toll Priority, Toll Ipec and Toll Fast performed particularly well, benefiting from increased revenues and investment in improved infrastructure.

Further upgrades of properties and technology are expected to underpin growth in earnings from these businesses in the coming year.

Since year end Toll Priority has launched its new dedicated air freighter operation, which, coupled with an agreement with Virgin Blue to manage the belly space of its passenger fleet, provides the company with a capable, comprehensive and competitive air freight network throughout Australia.

Toll Priority results included the impact of write off of establishment costs in relation to the air freight network.



In addition the recent Joint Venture with Emirates owned Dnata in relation to ground handling operations, will provide further opportunities to grow our Australian and Regional aviation logistics.

Toll Express and Toll Tasmania operations further improved year on year, benefiting from increased revenues.

The Queensland based operations of NQX and QRX also traded strongly during the year both expanding margins as activity around the resource sector remained high. Rail linehaul service provided by Pacific National for QRX continue to improve and are generating increased efficiencies.

Toll PDL, the Groups specialist defence logistics business traded strongly due to additional revenues and continued growth in Defence logistics activities within the region is expected.

Toll's International forwarding operations integrated with Patrick, produced solid earnings for the period, and have undergone restructuring to ensure the business can adequately support the anticipated scale of our international supply chain management services.

Toll New Zealand

As expected Toll New Zealand results improved in the second half of the financial year, although full earnings were down compared to the prior year.

Revenue for the year was \$664 million compared to \$625 million in the prior year, with EBIT of \$51.4 million , against \$60.6 million previously. Notwithstanding a flat economic environment, progress in the last six months has been solid with improvements in revenue, and the benefit of cost saving initiatives impacting positively on results.

During the last few months, the company has had a positive ongoing dialogue with the New Zealand Crown with the aim of developing a model which will ensure the sustained viability of rail in New Zealand.

The future of rail will rest with the Crown and the company creating an environment of improved track infrastructure and investment in rolling stock. These initiatives will support rail taking a greater share of the growing freight task. The company is hopeful that a long term resolution is only a matter of months away.

On 29 June, 2007, the Toll Group gave notice of intention to make a full takeover offer for the approximately 16% of shares not currently owned in Toll New Zealand.

The company, has entered into a lock-in agreement with another major shareholder, holding approximately 10%, and has since dispatched the offer documents to all shareholders. The takeover will enable Toll to move to 100% ownership and de-list Toll NZ Limited from the New Zealand Stock Exchange.

The acquisition at a cost of NZ\$99 million, should be earnings per share positive from the outset and will enable early integration of other Toll businesses and provide a more efficient structure from which to pursue acquisition growth opportunities.

Toll Asia

The Toll Asia operations include the full year of SembCorp Logistics and ongoing Toll operations in Malaysia, Thailand, Vietnam and China.



For the year to June 2007, Toll Asia posted an EBIT (including equity share of associates earnings) of \$60 million on revenues of \$461 million.

These results compare to EBIT of \$56 million on revenues of \$469 million in the prior year on a like for like basis.

The Offshore Supply business (SOPS: Singapore Offshore Petroleum Services) business grew strongly on the previous year with revenue and EBIT margins benefiting from the global growth in the oil and gas sector. Other Singapore based operations continue to perform well.

The Government Business Group, which predominantly provides logistics services to the Singapore Armed Forces, performed in line with expectations.

Results in India improved considerably compared to those recorded in the previous year, as low yielding revenue was exited in the first half of the 2007 financial year.

Other specialist businesses operating within the region performed above expectations.

Earnings from Japanese associate Footwork Express were lower than budget as competition became more intense, however operational improvements are expected to improve results going forward.

Toll re-branding complete and a number of senior appointments already made. Long term Toll Executive Mr Wayne Hunt has accepted the position of CEO of Toll Asia operations and the focus on leveraging Toll's customer base throughout the region is underway.

Progress to date has been very pleasing with excellent customer support across the business and a number of new contract wins being recorded throughout the region.

Growth in new business is expected in key countries of China, India, Thailand, Malaysia, Singapore and Vietnam. This growth will strongly support the international supply chain management model which is to facilitate direct sourcing solutions for our major Australian customers.

In June 2007, Toll secured a minority position in a leading Hong Kong based China focused international air and sea freight forwarder in Cargo Services. This investment with Cargo Services, provides supply chain international services to major Australian retailers, and provides Toll with access to greater capability and an extensive China network. This will only strengthen the cross border supply chain logistics services as well as establishing a robust technology platform which is integrated with the Toll network. Cargo Services is expected to grow strongly in the coming period.

Also in June 2007, Toll launched a full takeover offer for Sembawang Kimtrans, a Singapore based Group operating in the marine and mining logistics sector as well as in warehousing and distribution services in South East Asia. Toll already held approximately 26% of Sembawang Kimtrans before the offer. The takeover offer has a two tiered pricing structure with an offer price of 70 cents up to the compulsory acquisition threshold and 80 cents if compulsory acquisition is achieved. In a pre-bid agreement Toll secured an additional 31% from major shareholders and as at 17 August has secured an additional 17% representing a total of 74 % of the company.

The acquisition, if 100% is received, is at a cost of S\$240 million and will be EPS positive immediately

Sembawang Kimtrans will provide the Group with additional expertise and scale in the growing marine and resource sector within the region and has a very experienced and successful



management team. It is planned to integrate this acquisition into the Toll Asia Group as soon as the acquisition is completed.

Virgin Blue

Virgin Blue has completed a record year in which a number of major initiatives have been realized and have established an airline with an exciting future.

Total revenue for the year was \$2.16 billion with an EBIT of \$ 324million. On a like for like basis, revenue increased 16% and EBIT 84% over the prior year.

Virgin Blue benefited from solid load factors and improved yields across its network. Sound progress was made in building its business customer base, with initiatives such as new Lounges, the Velocity frequent flyer program and in flight TV all contributing.

The new Embraer fleet of aircraft due to commence delivery in the September 2007 quarter, will provide much needed additional capacity on current routes and enable the network to be expanded.

Dis-Continuing Operations

Following the implementation of the restructure and demerger of the Toll and Patrick port operations together with Pacific National rail activities to the Asciano Group, earnings from these businesses have been included in Toll Group results up to 15 June 2007, being the date of the restructure.

Trading for the period was generally in line with expectations, with strong growth in container port volumes and higher market share and ongoing improvement in Pacific National operations. Pacific National Hunter Valley Coal operations were impacted in early June by severe flooding conditions

Revenue up to date of restructure, from these businesses was \$2.5 billion for the period with EBIT of \$417 million.

Toll has established Asciano as a high quality business with a sound financial structure and is delighted to have delivered the additional value to shareholders through the demerger.

Finance

Cashflow generation during the year remained very strong, particularly from continuing businesses. Overall operating cashflow pre interest, tax and non-recurring items for continuing businesses was \$1.56 billion an increase of 149%, reflecting strong earnings and sound working capital management.

During the year the company continued to invest heavily in new infrastructure including terminals, fleet and technology. In total for continuing businesses capital was \$575 million, which included \$326 million in relation to Virgin Blue.

The Group's cashflow also included \$175 million net investment in acquisitions arising from finalisation of the Patrick and SembCorp Logistics takeovers, offset by asset divestments.

Following the restructure of the Group, net debt levels fell to \$513 million at 30 June, 2007. This included \$142 million in relation to Virgin Blue and \$249 million in respect of Toll Reset Preference Shares. Gearing on a net debt to net debt plus equity basis was 16% at year end, reflecting a significant debt capacity from which the company can profitably grow.



Earnings per share for the year (fully diluted) pre acquisition amorisation charges and one-off items was 79.9 cents, an increase of 20% over the prior year.

The company has declared a final dividend of 11 cents per ordinary share, bringing the full year dividend to 27 cents, fully franked.

The final dividend reflects the impact on ongoing earnings arising from the restructure, as well as the fact that shareholders benefited from the fully franked dividend paid as part of the restructure schemes of arrangement.

Restating, the prior year dividend for the impact of the restructure, means that the 2007 full year of 27 cents is a 23% increase over the 2006 restated dividend of 22 cents. In addition the company has determined to pay a special dividend, concurrent with the final dividend, of 5 cents per share fully franked in recognition of the outstanding performance of the business during 2007 and the contribution of Asciano businesses for the year.

Industry Dynamics

The Transport and Logistics sectors remain the subject of ongoing consolidation on a regional and global scale. The drive for additional capability, scale and reach will ensure that consolidation continues to be a feature of the industry. In addition, as international supply chain management opportunities become more China centric, major logistics groups need to focus greater attention on Asian presence and capabilities.

On the domestic front, ongoing issues with critical transport infrastructure are reducing Australia's opportunity to benefit from growing trade flows from both imports and exports. Toll as a major user of infrastructure both rail and port are vitally interested in the improvement of infrastructure, and where appropriate the company will participate directly in order to support customers and to bring greater efficiency in supply chains.

Economic Conditions

The past year, has seen a solid economic environment in Australia, led by growth in the resources sector and sound consumer demand. Notwithstanding the recent rise in interest rates, the company believes that domestic economic conditions will remain robust into the future and will continue to support ongoing growth throughout our operations.

Whilst conditions have remained favourable, there has not been any new significant pressure on the company's cost structure, with the major costs of fuel and labour generally being well controlled.

In New Zealand, economic conditions appeared to improve slightly over the last six months but can still best be described as flat. The company is maintaining its focus on cost control and innovation on improved logistics solutions to drive earnings growth.

Across Asia, economic conditions have generally stayed strong, with increased international trade flows supporting growth in the logistics sector. Whilst access to appropriate labour is at times problematic, this has not translated into unexpected cost pressures.

The company expects little change in overall economic conditions in the next few months in the region in which we operate. Despite volatility in debt and equity markets over the past weeks, we do not detect any slowdown in activity across the Group.

Environmental

During the past year, the company has focused heavily on environmental issues.

As previously reported the Group is a member of the Australian Greenhouse Challenge Plus program and is also a signatory to the “Energy Efficiency Opportunity” program.

The company is maintaining its focus on greenhouse gas abatement with initiatives including diesel fuel alternatives, design of property facilities and waste management projects. Projects such as Bio Diesel, Diesel/LPG and diesel electric fuelled vehicles are being tested and evaluated throughout the group.

In addition, the company has established an information system designed to fully measure its carbon footprint and to determine the impact and effectiveness of abatement initiatives.

In the case of Virgin Blue, the company is heavily supporting major initiatives to reduce emissions through operational efficiencies and investment in abatement programs. The Virgin Blue passenger Carbon Offset program was a first in Australian aviation.

Acquisitions

Following the restructure, the Company has established a strong financial and operational platform from which to pursue value accretive acquisitions in the short period. Since restructure, the company has

- launched the Sembawang Kimtrans acquisition
- launched a bid for the outstanding minorities in Toll New Zealand
- acquired an equity interest in Cargo Services
- acquired the remaining equity in Stream, a print management business
- finalised a joint venture with Dnata for aviation services and in particular to service the Emirates requirements in Australia

In the current financial year, the company expects to execute a number of bolt-on transactions in the region, including New Zealand and Australia, which will improve our scale, reach and capability and further improve our market position and support ongoing organic growth throughout our customer base.

In addition, the company is reviewing a number of opportunities to expand its base, particularly in the Asian region. This may involve further development of relationships or strategic investments in corporations which have attractive valuations and fit the company's strategic direction. In this context over the past couple of months a \$83 million stake in Brambles Limited has been acquired. The company will actively pursue further acquisitions which meet our investment criteria.

In relation to Virgin Blue, the company has conducted an ongoing review into the long term future of its investment. The company maintains its position at present, to further derive value from its investment by assisting Virgin Blue in major initiatives including the Trans Pacific route project, the new embraer aircraft and business customer programs. Whilst fuel volatility remains an industry issue and competition continues to be active, at present we believe that the investment in Virgin Blue will benefit from the company's involvement. Long term, Toll remains of the view that shareholders will achieve greater value if the majority of our investment is redeployed into other assets more closely aligned with our Asian region transport and logistics focus.

Outlook

The 2007 financial year was a watershed year for the company, and one in which was successfully executed value creating initiatives for our shareholders.



At the same time, our core businesses have continued to develop and produce record results when undergoing acquisition integration, new infrastructure investment, strong organic growth and positioning to grow our footprint throughout the Asian region.

Since 30 June 2007, trading has remained robust and the 2008 financial year outlook is very strong as the company expects to capitalise on investment in new facilities and drive its competitive advantage in technology. Results for 2008 are expected to be further enhanced by strategic acquisitions.

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22 August 2007

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
ACN 006 592 089

PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Preliminary Final Report for the Year Ended 30 June 2007

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ASX Appendix 4E
Preliminary Final Report

Name of Entity	Toll Holdings Limited
ABN	25 006 592 089
Reporting Period	Year ended 30 June 2007
Previous Corresponding Period	Year ended 30 June 2006

Results for Announcement to the Market

Continuing Operations

Revenues from ordinary activities	up 69% to \$7,480 million
Profit / (loss) from ordinary activities after tax attributable to members	up 61% to \$264 million

Discontinued Operations

Profit after tax attributable to members	up 1,304% to \$1,102 million
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Total

Net profit / (loss) for the period attributable to members	up 454% to \$1,279 million
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Refer Attached Media Release for commentary on results

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Preliminary Final Report for the Year Ended 30 June 2007

Other Information

Dividends

	Amount	Franked	Total	Date Paid /
	cps	Amount	Amount	Payable
		cps	\$M	
<u>2007</u>				
Interim dividend	16.0	16.0	101.2	23/3/07
1st Special Restructure Dividend	17.0	17.0	109.2	15/6/07 (i) (iii)
2nd Special Restructure Dividend	140.0	0.0	899.6	15/6/07 (ii) (iii)
Final dividend	11.0	11.0	70.7	28/9/07
Special dividend	5.0	5.0	32.1	28/9/07

2006

Interim dividend	14.0	14.0	46.5	24/3/06
Final dividend	17.0	17.0	106.2	29/9/06

- (i) Applied to partly satisfy the issue of Asciano Units.
- (ii) Applied to partly satisfy the issue of Asciano Shares.
- (iii) The 1st and 2nd Special Restructure Dividends disclosed above are done on the basis of the ATO Binding Private Ruling and are consistent with the Restructure Scheme Book. As at the date of this report, the ATO is yet to release their Class Ruling. Should any circumstances change, Toll will advise the shareholders and ASX immediately.

Record date for determining entitlements to the Final and Special dividend is 17 September 2007.

The final and special dividends are payable 3 October 2007.

The Company has a Dividend Reinvestment Plan which will apply to both the Final and Special dividends. Shares are issued at a discount of 2.5% to the weighted average market price for the five business days, up to and including the books' close date. The last date for the receipt of election notices for the Plan is 17 September 2007.

Net Tangible Assets

Net tangible asset backing per ordinary share \$2.76 (2006: (\$0.97)).

The accounts are in the process of being audited.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Preliminary Final Report for the Year Ended 30 June 2007

INCOME STATEMENTS

	Consolidated	
	2007	2006
	\$M	\$M
Revenue	7,480.1	4,434.6
Other income	42.9	24.1
Direct transport and logistics costs	(2,982.6)	(1,759.9)
Repairs and maintenance costs	(242.8)	(143.7)
Employee benefits expense	(1,858.4)	(1,263.5)
Fuel, oil and electricity costs	(703.2)	(306.2)
Occupancy and property costs	(234.2)	(180.0)
Depreciation and amortisation expense	(297.1)	(156.6)
Other operating costs	(532.7)	(360.8)
Results from operating activities	<u>672.0</u>	<u>288.0</u>
Share of profit of associates and joint ventures	17.9	4.1
Profit before net financing costs and income tax expense	<u>689.9</u>	<u>292.1</u>
Financial income	69.5	15.7
Financial expenses	(405.3)	(104.0)
Net financing costs	<u>(335.8)</u>	<u>(88.3)</u>
Profit before income tax expense	354.1	203.8
Income tax expense	(90.4)	(39.8)
Profit from continuing operations	<u>263.7</u>	<u>164.0</u>
Discontinued operation		
Profit of discontinued operation (net of income tax)	1,102.1	78.5
Profit for the year	<u><u>1,365.8</u></u>	<u><u>242.5</u></u>
Attributable to :		
Equity holders of the Company	1,278.7	230.6
Minority interests	87.1	11.9
Profit for the year	<u><u>1,365.8</u></u>	<u><u>242.5</u></u>
Earnings per share:		
Basic earnings per share	202.52¢	63.66 ¢
Diluted earnings per share	197.39¢	63.20 ¢
Continuing operations		
Basic earnings per share	27.97¢	41.99 ¢
Diluted earnings per share	27.82¢	41.69 ¢

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Preliminary Final Report for the Year Ended 30 June 2007

BALANCE SHEETS

	Consolidated	
	2007	2006
	\$M	\$M
Current Assets		
Cash and cash equivalents	1,743.6	1,207.7
Receivables	696.0	1,030.9
Inventories	41.0	88.2
Investments	0.7	20.7
Assets classified as held for sale	0.3	131.5
Prepayments	49.2	169.5
Current tax receivable	10.2	-
Other financial assets	35.5	16.1
Total Current Assets	2,576.5	2,664.6
Non-Current Assets		
Receivables	36.3	73.5
Investments accounted for using the equity method	278.6	312.5
Investments	27.7	25.7
Investment property	1.6	1.3
Property, plant and equipment	2,819.2	4,943.9
Intangible assets	1,845.4	6,627.1
Deferred tax assets	1.5	3.5
Prepayments	4.5	7.5
Other financial assets	24.8	11.2
Total Non-Current Assets	5,039.6	12,006.2
TOTAL ASSETS	7,616.1	14,670.8
Current Liabilities		
Payables	1,116.8	1,400.9
Interest bearing liabilities	514.1	4,468.9
Current tax liabilities	-	31.4
Provisions	299.6	364.1
Liabilities classified as held for sale	-	10.1
Other financial liabilities	124.8	9.4
Total Current Liabilities	2,055.3	6,284.8
Non-Current Liabilities		
Interest bearing liabilities	1,742.8	1,889.0
Deferred tax liabilities	51.9	182.0
Provisions	124.9	276.8
Other financial liabilities	19.9	19.0
Total Non-Current Liabilities	1,939.5	2,366.8
TOTAL LIABILITIES	3,994.8	8,651.6
NET ASSETS	3,621.3	6,019.2
Equity		
Contributed equity	2,492.8	4,943.6
Treasury shares	(8.2)	(9.6)
Reserves	(54.4)	177.8
Retained earnings	816.0	566.4
Total equity attributable to equity holders of the parent	3,246.2	5,678.2
Minority interests	375.1	341.0
TOTAL EQUITY	3,621.3	6,019.2

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Preliminary Final Report for the Year Ended 30 June 2007

STATEMENTS OF CASH FLOW

	Consolidated	2006
	2007	\$M
	\$M	\$M
Cash flows from operating activities		
Cash receipts in the course of operations	10,905.3	5,409.8
Cash payments in the course of operations	(9,345.6)	(4,783.2)
Cash generated from operations	<u>1,559.7</u>	<u>626.6</u>
Restructure and integration costs paid	(47.5)	(10.1)
Interest received	69.5	15.7
Dividends received from associates	21.6	5.8
Dividends and distributions received from others	2.0	10.1
Dividends paid to holders of reset preference shares	(15.5)	(15.5)
Interest and other costs of finance paid (excluding reset preference shares)	(413.5)	(47.8)
Income taxes paid	<u>(180.4)</u>	<u>(64.9)</u>
Net cash inflow/(outflow) from operating activities	<u>995.9</u>	<u>519.9</u>
Cash flows from investing activities		
Payment for controlled entities and businesses, net of cash acquired	(253.3)	(2,414.9)
Payment for property, plant and equipment	(755.8)	(382.6)
Third party capital contributions	2.8	4.8
Proceeds on disposal of controlled entities and businesses	3,773.9	4.7
Proceeds from sale of property, plant and equipment	118.1	52.5
Proceeds from sale of associates and other investments	79.5	29.2
Payment for acquisition of associates and other investments	(89.7)	(11.0)
Loans advanced to other entities	(13.8)	(6.1)
Proceeds from repayment of loans with other entities	<u>5.9</u>	<u>14.9</u>
Net cash inflow/(outflow) from investing activities	<u>2,867.6</u>	<u>(2,708.5)</u>
Cash flows from financing activities		
Proceeds from other borrowings	2,710.3	3,948.0
Repayment of borrowings	(6,043.0)	(637.4)
Dividends paid – ordinary shares	(128.9)	(68.5)
Dividends paid to minority interest	(12.5)	(1.0)
Proceeds from issue of shares	<u>156.0</u>	<u>3.7</u>
Net cash inflow/(outflow) from financing activities	<u>(3,318.1)</u>	<u>3,244.8</u>
Net increase/(decrease) in cash held	545.4	1,056.2
Cash at the beginning of the financial year	1,207.7	151.5
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies	(9.5)	-
Cash at the end of the financial year	<u>1,743.6</u>	<u>1,207.7</u>

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SEGMENT INFORMATION

The Group comprises the following main business segments, based on the Group's management reporting system.

Business Segment - 2007	Toll Australia	Toll NZ	Toll Asia	Virgin Blue	Asciano (Discontinued)	Elimination	Consolidated	Less Discontinued Operations	Consolidated (Continuing Operations)
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue									
Operating segment revenue	4,193.6	663.9	461.2	2,161.4	2,470.6	-	9,950.7	(2,470.6)	7,480.1
Intersegment revenue	-	-	-	-	255.2	(255.2)	-	-	-
Total segment revenue	4,193.6	663.9	461.2	2,161.4	2,725.8	(255.2)	9,950.7	(2,470.6)	7,480.1
Segment Result	298.5	51.4	60.1	324.3	416.3	-	1,150.6	(416.3)	734.3
Unallocated expenses:									
- depreciation and amortisation arising from acquisition accounting							(121.9)	85.3	(36.6)
- non-recurring restructure and transaction costs							(22.5)	14.7	(7.8)
Net finance costs							(335.8)	-	(335.8)
Gain on sale of discontinued operations							840.1	(840.1)	-
Profit before tax							1,510.5	(1,156.4)	354.1
Income tax expense							(144.7)	54.3	(90.4)
Profit for the period							1,365.8	(1,102.1)	263.7

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SEGMENT INFORMATION (CONTINUED)

Business Segment - 2006	Toll Australia	Toll NZ	Toll Asia	Virgin Blue	Asciano (Discontinued)	Elimination	Consolidated	Less Discontinued Operations	Consolidated (Continuing Operations)
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue									
Revenue from external customers	3,396.6	657.9	128.4	251.7	466.8	-	4,901.4	(466.8)	4,434.6
Inter-segment revenue	-	-	-	-	46.8	(46.8)	-	-	-
Total Segment Revenue	3,396.6	657.9	128.4	251.7	513.6	(46.8)	4,901.4	(466.8)	4,434.6
Result									
Segment Result	222.2	62.1	11.9	3.7	80.6	-	380.5	(80.6)	299.9
Share of net profit of equity accounted investment – Pacific National							25.2	(25.2)	-
Unallocated expenses:									
- depreciation and amortisation arising from acquisition accounting							(16.1)	8.3	(7.8)
Net financing costs							(88.3)	-	(88.3)
Profit before tax							301.3	(97.5)	203.8
Income tax expense							(58.8)	19.0	(39.8)
Profit for the year							242.5	(78.5)	164.0

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DISCONTINUED OPERATIONS

Pursuant to Undertakings given to the ACCC on 11 March 2006 in connection with regulatory clearance of the consolidated entity's acquisition of Patrick Corporation Limited, and the Group's restructure, accepted by the ACCC on 18th April 2007 the consolidated entity, amongst other things, divested its interest in the Patrick Tasmanian Shipping and Forwarding businesses and transferred the Group's Pacific National and Port's businesses to Asciano. The demerger of Asciano from Toll and the associated transfer of the Pacific National and Patrick Ports related businesses was effective 15 June 2007.

Profits attributable to discontinued operations were as follows:

	Consolidated	
	2007	2006
	\$M	\$M
Results of discontinued operations		
Revenue	2,470.6	466.8
Other income	-	1.1
Expenses	(2,163.5)	(399.9)
Share of profit of associates and joint ventures	9.2	29.5
Results from operating activities (before tax)	316.3	97.5
Income tax expense	(93.4)	(19.0)
Results from operating activities, net of income tax	222.9	78.5
Gain on sale of discontinued operation (net of transaction costs)	840.1	-
Income tax benefit on transaction costs associated with gain on sale of discontinued operation	39.1	-
Profit for the period	1,102.1	78.5

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Reconciliation of movement in retained earnings

	Retained Earnings \$M
Balance at 1 July 2006	566.4
Profit for the year attributable to equity holders	1,278.7
Amounts transferred from reserves upon sale of discontinued operations	188.4
Actuarial gain/(loss) in defined benefit superannuation plans	(1.2)
Dividends to shareholders - ordinary	(207.4)
Dividends to shareholders – demerger related	(1,008.9)
Balance at 30 June 2007	<u>816.0</u>
Balance at 1 July 2005	422.3
Impact of adoption of AASB 139 <i>Financial Instruments : Recognition and Measurement</i>	(3.7)
Profit for the year attributable to equity holders	230.6
Actuarial gain/(loss) in defined benefit superannuation plans	9.0
Share of associates’ actuarial gains in defined benefit superannuation plans	5.9
Dividends to shareholders - ordinary	(97.7)
Balance at 30 June 2006	<u>566.4</u>

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INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Consolidated	
	2007	2006
	\$M	\$M
Share of associates' and joint ventures' net profit accounted for using the equity method	17.9	4.1

Details of investments in associates and joint ventures are as follows:

Name	Country	Ownership	Ownership
		2007	2006
		%	%
PrixCar Services Pty Ltd	Australia	50	33
Zari Haulage Sdn Bhd	Malaysia	45	45
Queensland Commodity Exports Pty Ltd	Australia	33	33
Polynesian Blue Limited	Samoa	49	31
Macquarie Textile Holdings Pty Ltd	Australia	34	34
Kaplan Partners Pty Limited	Australia	-	19
Unibulk Pty Ltd	Australia	50	50
BES Technology Pte Ltd	Singapore	35	35
CWT-SML Logistics LLC	United Arab Emirates	30	30
DGM Support (Asia) Pte Ltd	Singapore	21	35
Katoen Natie SembCorp Pte Ltd	Singapore	-	49
Sembawang Kimtrans Ltd	Singapore	26	26
SembCorp-Translink Parami Logistics Ltd	Myanmar	30	30
Shenyang-SML International Distripark Ltd	People's Republic of China	49	49
Shenzen-Chiwan Petroleum Supply Base Company Ltd	People's Republic of China	16	16
SOPS Limited Liability Company	Azerbaijan	32	32
ST-KN Pte Ltd	Singapore	49	49
UCM Oil-Tex Threading Ltd	Thailand	29	29
Zerust Singapore Pte Ltd	Singapore	30	30
Zuellig Insurance Brokers Pte Ltd	Singapore	49	49
Footwork Express Co. Ltd	Japan	38	38
Pacorini-Toll Pte Ltd (Formerly Pacorini-SembLog Asia Pacific Pte Ltd)	Singapore	50	50
SembCorp Network Pte Ltd	Singapore	50	50
Minto Properties Pty Ltd	Australia	50	50
SeaHighway Pty Ltd	Australia	50	50
Tenix Toll Defence Logistics Pty Ltd	Australia	50	50
TMG Services Pty Ltd	Australia	50	50
Metrobox Auckland Limited	New Zealand	50	50

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INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Name	Country	Ownership 2007 %	Ownership 2006 %
Jet Turbine Services Pty Ltd	Australia	-	50
Complete e-Fulfilment Pty Ltd	Australia	50	50
Patrick-Jalco Distribution Pty Ltd	Australia	50	50
Ceylinco Toll Integrated Logistics (Pvt) Ltd (Formerly Ceylinco SembCorp Integrated Logistics (Pvt) Ltd)	Sri Lanka	50	50
Cosem Pte Ltd	Singapore	-	50
Jurong Marine Services Pte Ltd	Singapore	-	50
STLogi Track Pte Ltd	Singapore	50	50
WA Vehicle Terminals Pty Ltd	Australia	50	50
Actraint No 126 Pty Ltd	Australia	50	50
Prixcar Services (Thailand) Pty Ltd	Thailand	33	33
Toll Zari Holdings (Malaysia) SDN BHD	Malaysia	30	30
QLM Pty Ltd	Australia	50	50
Toll Mermaid Logistics Broome Pty Ltd	Australia	50	-
Casco Container Depot Pte Ltd	Singapore	40	-
Cargo Services (Logistics) Ltd	British Virgin Islands	22	-
Cargo Services (Investments) Ltd	British Virgin Islands	22	-
Cargo Services (Sea and Airs) Ltd	British Virgin Islands	22	-
Cargo Services (Shipping Agencies) Ltd	British Virgin Islands	22	-