



Toll Holdings Limited
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14 July 2008

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

Lodged Through ASX On Line
Total No. of Pages: 12

Dear Sir

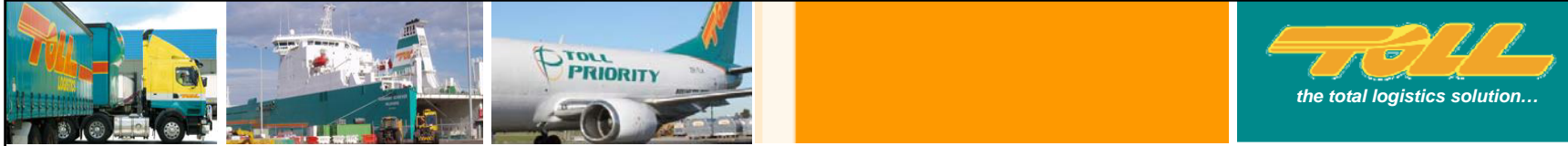
PRESENTATION – “In Specie” DIVIDEND OF VIRGIN BLUE SHARES

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

Yours faithfully
TOLL HOLDINGS LIMITED


Bernard McInerney
Company Secretary

Encl.



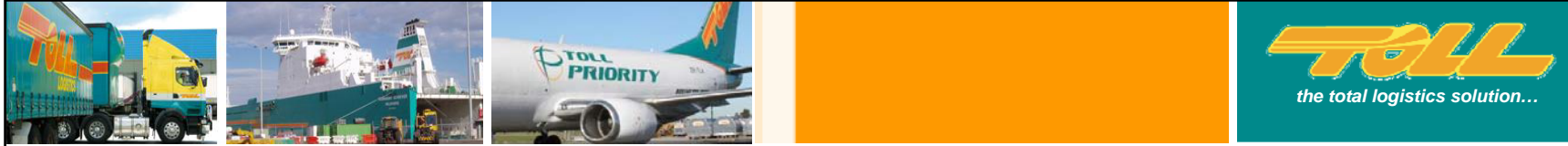
“In Specie” DIVIDEND OF VIRGIN BLUE SHARES

***Paul Little – Managing Director
Neil Chatfield – Chief Financial Officer***



VIRGIN BLUE “*In Specie*” DIVIDEND

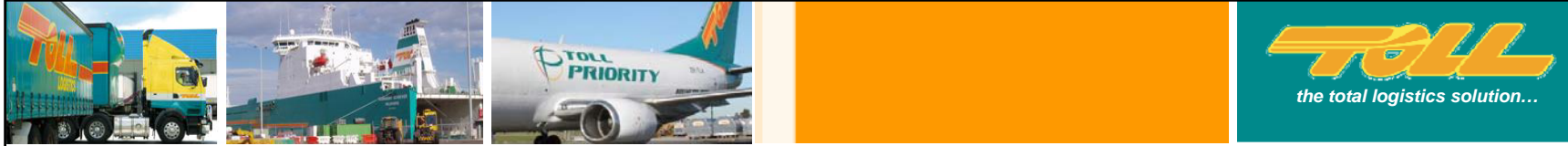
1. *In Specie* Special Dividend
2. Rationale
3. Impact on Toll
4. Impact on Toll Shareholders
5. Timetable
6. Restructured Toll
7. Current Key Strategies
8. Current Trading Conditions
9. Balance Sheet



1. “In Specie” SPECIAL DIVIDEND

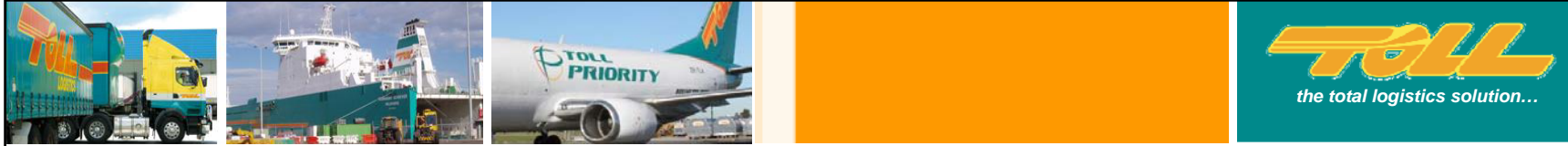
- Special dividend of approximately \$330m of Virgin Blue (“VBA”) shares¹
- Shareholders receive 1 VBA share for every Toll ordinary share held
- Total of 648.1m VBA shares distributed
(Toll will continue to hold approx 11m shares)
- Special dividend treated as demerger dividend for income tax purposes
- Toll will treat VBA as discontinued operation in the June 2008 Financial Statements
- Share Sale Facility to be established to assist disposal of VBA shareholdings for eligible Toll shareholders

¹ Based on closing VBA share price on 11 July 2008



2. RATIONALE

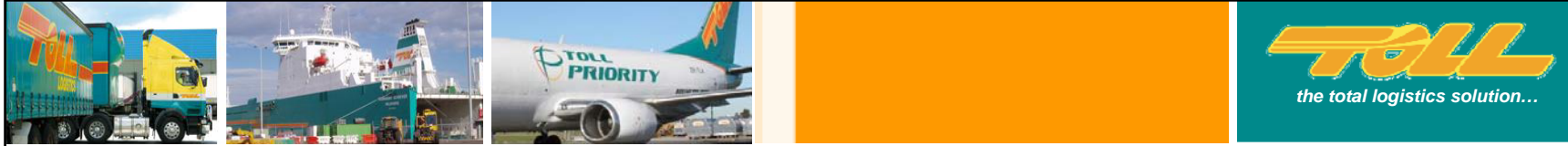
- VBA is a non-core asset for Toll
- Toll will reduce its exposure to cyclical nature of the passenger aviation sector
- Removes uncertainty of Toll's shareholding on VBA
- Toll Shareholders will benefit from more transparent valuation of pure logistics assets
- Leaves Toll well positioned to pursue future acquisition opportunities
- Toll Shareholders can retain direct exposure to VBA



3. IMPACT ON TOLL

- Special dividend value of approximately \$330 million¹
- Toll will no longer consolidate VBA results
- Special dividend does not impact ability of Toll to pay ordinary dividends and RPS dividends in future
- No impact on dividend franking balance
- Toll's strong freight relationship with VBA will be retained
- One-off non cash charge to current year Group Profit of approximately \$1.3 billion

¹ Based on closing VBA share price on 11 July 2008



4. IMPACT ON TOLL SHAREHOLDERS

- Shareholders receive 1 VBA share for each ordinary Toll share held
- Dividend is not assessable income
- Value of current cost base to be allocated between Toll and VBA
- Eligible Shareholders may access Share Sale and Purchase facility
 - Details to be sent to Toll shareholders in coming weeks
- RPS shareholders entitlement adjusted in accordance with terms



5. TIMETABLE

- | | |
|------------------------------------|----------------|
| ■ Announcement | 14 July 2008 |
| ■ Ex-Dividend date | 17 July 2008 |
| ■ Record Date | 23 July 2008 |
| ■ Shareholder materials dispatched | 25 July 2008 |
| ■ Share Distribution date | 22 August 2008 |



6. RESTRUCTURED TOLL

Toll Group

Australia & New Zealand

- Express / Courier
- Domestic Freight Forwarding
- Specialist Logistics
- Coastal Shipping
- Distribution, Warehousing and Logistics Management
- Defence Logistics
- AutoLogistics
- Road and freight forwarding

Revenue AU\$4.7 B
Market Share 12 %

Asia Contract Logistics

- Oil and Gas Logistics
- Supply Chain Management
- Distribution of Bulk Materials
- Defence Logistics
- Project Logistics
- Specialist Logistics

Revenue AU\$0.8 B
Market Share 2 %

Toll Global Forwarding

- Air Freight
- Ocean freight
- Consolidation and Deconsolidation
- Supplier Management
- Order Management
- Customs Brokerage
- Visibility and Info Management

Revenue AU\$1.0 B
Market Share 2 %



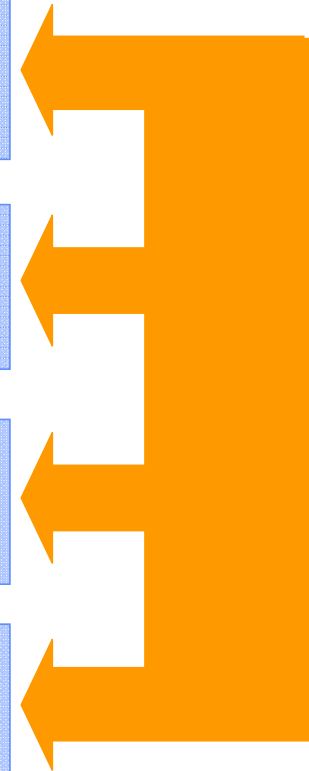
7. CURRENT KEY STRATEGIES

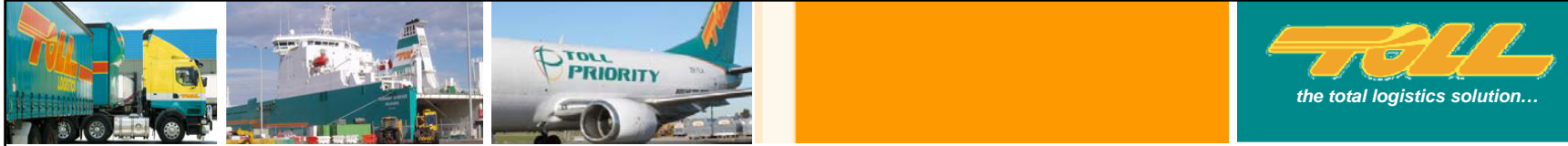
Strengthen Aust / NZ position in integrated logistics

Create leadership position in target markets in 3PL in Asia Pacific

Create a focused niche global freight forwarder centred in Asia

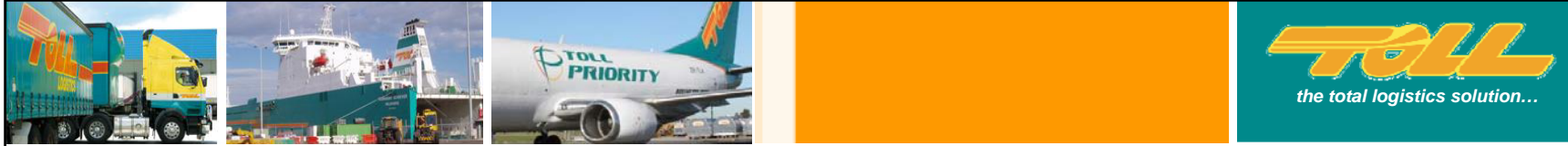
Develop an Asia Pacific Express Freight based on our Australian capability





8. CURRENT TRADING CONDITIONS

- Australian Operations continue to experience solid trading and margins
- Continuing New Zealand business performing well despite flat economy
- Toll Asia maintaining growth momentum
- Toll Global Forwarding integrating operations well
- Recent acquisitions meeting expectations and integration proceeding well
- Cost controls being maintained.
- Effective fuel surcharging in place



9. BALANCE SHEET*

- Low net debt position
 - Net debt of approximately \$650 million
- Significant cash and undrawn facilities available
- No short term refinancing risk
- Interest cover strong
- Gearing on adjusted book equity < 25%**
- Acquisition capacity strong

* Balance Sheet comments after adjusting for impact of distribution *in specie* of VBA and sale of NZ Rail and Ferry assets

** Gearing based on net debt to book equity plus net debt