



Toll Holdings Limited
ABN 25 006 592 089

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26 February 2009

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: 25

Dear Sir

HALF YEAR RESULTS 31 DECEMBER 2008

Please find attached for immediate release to the market:

1. ASX Appendix 4D Half Year Report; and
2. Consolidated Interim Financial Report and Directors' Report For the Half Year Ended 31 December 2008.

Yours faithfully
TOLL HOLDINGS LIMITED


Bernard McInerney
Company Secretary

Encl.

ASX Appendix 4D Half Year Report

Name of Entity	Toll Holdings Limited
ABN	25 006 592 089
Reporting Period	Half Year ended 31 December 2008
Previous Corresponding Period	Half Year ended 31 December 2007

Results for Announcement to the Market

		Dec 08	Dec 07
		\$m	\$m
Revenue (continuing operations)	Increase 30%	3,513	2,700
EBIT*	Increase 18%	<u>266</u>	<u>226</u>
NPAT (continuing operations)	Increase 11%	<u>177</u>	<u>159</u>
Discontinued operations and minority interest		(9)	78
One off items		<u>(10)</u>	<u>-</u>
NPAT (attributable to members)	Decrease 33%	<u>158</u>	<u>237</u>

* Continuing operations pre PPA amortisation and one-off items

Dividends (cents per share)

	Amount	Franked Amount
Interim 2009 dividend	11.5	11.5
Interim 2008 dividend	13.5	13.5

Record date for determining entitlements to the dividend 13th March 2009.

Date dividend is payable 3rd April 2009.

Net tangible asset backing per ordinary share \$1.52 (2007 \$2.68).

The Company has a Dividend Reinvestment Plan. 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 receipt of election notices for the Plan is 13th March 2009.

Details of Investments in Associates

Ordinary Share Ownership Interest

Name	Principal activities	2008 %	2007 %
AMI Asia HK Ltd (formerly UAC Asia Ltd)	Freight forwarding	50	-
Bharat STARS Services Pvt Ltd	Aviation fuel services	34	34
Baltrans Clover Cargo WC Pty Ltd	Freight forwarding	37	-
Batamindo Shipping & Handling Pty Ltd	Shipping freight forwarding and storage and warehousing services	15	-
BES Technology Pte Ltd	Provision of biomedical equipment and technical services for general and specialised medical equipment	35	35
Cargo Consortium (Klia) Sdn Bhd	(In liquidation)	34	-
Cargo Services Group	Freight consolidation business	25	22
Ceylinco Toll Integrated Logistics (Pvt) Ltd	Provision of logistic services	50	50
Commonwealth Steamship Insurance Company Ltd	Run off of insurance claims	25	25
CWT-SML Logistics LLC	Warehouse distribution	30	30
DGM Support (Asia) Pte Ltd	Provision of specialised training and related activities in dangerous goods management	21	21
Footwork Express Co. Ltd	Transportation and warehousing services	38	38
Freight Management Alliance Limited	In the process of deregistration	20	-
Higgins Global Logistics (Pty) Ltd	Freight forwarding	42	-
Hubei Nan Yang (Shenzhen) Air Express Ltd	Dormant	50	-
Jet Quay Pte Ltd	Airport facilitation service	29	29
JPM Logistics Inc	Dormant	28	-
Kinesis Physio & Rehabilitation Pte Ltd	Physiotherapy, rehabilitative and medical services and treatment	18	-
Lion-Kimtrans Logistics Sdn Bhd	Dormant	25	25
Macquarie Textile Holdings Pty Ltd	Manufacturer of woollen and worsted fabrics	34	34
Metrobox Auckland Limited	Container service and repair	-	50
Minto Properties Pty Ltd	Property owner	50	50
Nanyang International Goods Transportation Agent Co. Ltd.	Dormant	19	-
Pacorini Toll Pte Ltd	Collateral management and specialised logistics	50	50
Polynesian Blue Limited	Operation of passenger airline activities	-	31
PrixCar Services Pty Ltd	Pre-dealer motor vehicle preparation	50	50
SeaHighway Pty Ltd	Property owner	50	50
SembCorp Network Pte Ltd	Provision of logistics support and services	50	50
SembCorp-Translink Parami Logistics Ltd	Freight forwarding	30	30
Shenyang-SML International Distripark Ltd	Operation of a distripark	49	49
Shenzen-Chiwan Petroleum Supply Base Company Ltd	Operation of an offshore supply base	17	17
Shenzhen Yantian Port Logistics Services Co. Ltd	Freight forwarding	30	-
SOPS Limited Liability Company	Provision of offshore logistics services	32	32
ST-KN Pte Ltd	Freight forwarding (in liquidation)	49	49
STLogiTrack Pte Ltd	Development and marketing of radio Frequency Identification application in the logistics and related market	-	39
Tenix Toll Defence Logistics Pty Ltd	Logistics provider to Defence Department	-	50
Toll Asia Sunway Logistics Pte Ltd	Marine logistics and transportation services	50	-
Toll Dnata Airport Services Pty Ltd (formerly Toll Air Services Pty Ltd)	Airport ground handling services	50	50
Toll Goodman Property Services Pty Ltd	Property developer and owner	50	50
Toll-Jalco Distribution Pty Ltd	Distribution	50	50
Toll Mermaid Logistics Broome Pty Ltd	Providing supply base and logistics services to oil and gas industry companies	50	50
Toll Zari Holdings Malaysia Sdn Bhd	Investment holding	30	30
Twala Global Cargo (Pty) Ltd	Freight forwarding	23	-
UCM Oil-Tex Threading Ltd	Oil field equipment machine and repair	29	29
Unibulk Pty Ltd	Bulk transportation	-	50
United Asia Terminals (Yantian) Ltd	Warehousing, distribution and logistics services	-	40
Zari Haulage Sdn Bhd	Logistics provider	45	45
Zuellig Insurance Brokers Pte Ltd	General and Life Insurance broking	49	49

This information should be read in conjunction with the most recent annual financial report.

**TOLL HOLDINGS LIMITED AND ITS CONTROLLED
ENTITIES
ACN 006 592 089**

**CONSOLIDATED CONDENSED INTERIM FINANCIAL
REPORT AND DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

Contents	Page
DIRECTORS' REPORT	1
CONSOLIDATED INCOME STATEMENTS	8
CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE	9
CONSOLIDATED BALANCE SHEETS	10
CONSOLIDATED CASH FLOW STATEMENTS	11
CONDENSED NOTES TO THE INTERIM FINANCIAL REPORT	12
DIRECTORS' DECLARATION	19
INDEPENDENT REVIEW REPORT	20

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
DIRECTORS' REPORT

The directors present their report together with the consolidated financial report of Toll Holdings Limited (“the Company”) and its controlled entities (“the Group”), for the half year ended 31 December 2008 and the auditors’ review report thereon.

Directors

The following persons held office as directors of the Company during or since the end of the half-year:

Ray Horsburgh AM	Director since 2004
Paul Little (Managing Director)	Director since 1986
Neil Chatfield	Director since 1998 – resigned 18 September 2008
Harry Boon	Director since 2006
Mark Smith	Appointed 1 July 2007
Barry Cusack	Appointed 1 Oct 2007
Frank Ford	Appointed 14 Jan 2008

Principal Activities

The principal activities of the Group during the period consisted of:

- Less than full load express and economy freight forwarding service using all modes of transport;
- Full load road and rail freight forwarding service including rail linehaul operation;
- Temperature controlled transport service for full load and less than full load clients;
- Warehousing and distribution of bulk dry and refrigerated goods;
- Wharf cartage, container handling and storage;
- Contract distribution services;
- Time sensitive parcel freight distribution services;
- Specialised international forwarding services;
- Removals and relocation brokerage service;
- Vehicle transport and distribution;
- Bulk liquid transportation;
- Shipping linehaul operations for freight.

Review of Operations

Toll Holdings recorded an EBIT for the group, before acquisition amortisation charges and investment write-downs, relating to Brambles and Virgin Blue, of \$266.4 million compared to \$226.4 million in the previous period, an increase of 18%.

Revenue for the 6 months was \$3.5 billion, an increase of 30% over the previous period of \$2.7 billion for continuing operations. Revenue growth included \$533 million relating to new acquisitions, principally relating to the BALtrans acquisition which was completed in April, 2008. Australasian operations again performed strongly with EBIT increasing 10.1% to \$206 million for the 6 months

The company achieved solid ongoing organic revenue and EBIT growth. This was largely driven by continued trends in market share gains and the benefit of past acquisitions. The underlying revenue growth in Australia was \$79 million or 4%, and 7.8% in Toll Asia. While the lower organic growth rate in Australia reflected a slowdown in economic activity the benefits of prior acquisitions improved overall revenue growth.

Asian EBIT margins at 11% continued to exceed Australian margins, however new revenue growth outside of the higher yielding Defence and Resources sectors resulted in some overall dilution. TGF recorded an improved EBIT margin of 3.4% as business development and integration activities are being implemented.

Profit after tax for the six months to 31 December, 2008 from continuing businesses before investment write downs for Brambles and Virgin Blue and final Virgin Blue demerger costs was \$176.9 million, an 11.5% increase over the previous year of \$158.8 million.

Reported revenues for Toll Asia and Toll Global Forwarding (TGF) benefited from the higher currency translation due to strengthening Singapore and Hong Kong currencies during the six months.

EBIT margins continued to be resilient with margins in the Australian business being maintained at 8.0%.

An intense focus on cost and working capital management has delivered a strong cash flow result.

Finance

The company has a strong balance sheet with a net debt position of \$715 million at 31 December, 2008.

During the past six months the company successfully refinanced and increased its Singapore based syndicated debt facility and extended the maturity out to November 2011. In addition the Reset Preference Shares were converted to equity in November 2008.

The company currently has net debt to net debt plus equity gearing of 21% with interest cover exceeding 19 times. The company has maintained high levels of cash balances and committed undrawn facilities in order to ensure that value creation growth opportunities can be pursued aggressively.

Cashflow from operations for the six months was \$ 331 million, reflecting the ongoing strength of the underlying operations and sound cashflow management.

Earnings per share, fully diluted from continuing operations was 28.2 cents per share pre acquisition amortisation charges, investment writedowns and one-off costs. This represents a 10% increase on a continuing business basis compared to 25.8 cents per share in the previous corresponding period.

Directors have declared an interim dividend of 11.5 cents per share, consistent with the 2008 final dividend.

DIVISIONAL TRADING

All references to divisional EBIT is before acquisition amortisation charges.

Toll Australia

Total revenue for Toll Australia and New Zealand grew 10.9% for the six months to \$2.6 billion. This reflects a continuation of market share gains offsetting volume slowdown and the benefit of integrating domestic networks with the TGF Australian bound services.

EBIT for the period was \$206 million, an increase of 10.1% over the prior period. In addition margins remained strong at 8% as excellent cost control continued to be a feature.

In addition to the improved earnings performance there were a number of highlights for Toll Australia and New Zealand during the past six months including:

- Withdrawal from the Tenix Toll DIDS joint venture, enabling the company to focus exclusively on the distribution component of the defence contract.
- The acquisition of Extra Transport in Victoria and the integration of the United Transport business in New Zealand.
- The integration of acquisitions made in the previous period including Golden Riverland, Couriers Australia, Victoria Express, Skynet and Westrans
- Significant contract wins including Coca- Cola regional work, Bluescope, X Strata and Westpac

The time sensitive operations of Toll IPEC continued to perform well. Some signs of volume slowdown were evident through a reduction in consignment sizes. These volume reductions were offset by tighter variable cost control and the achievement of integration benefits arising from recent acquisitions.

The integration of Couriers Australia and Victoria Express into Toll is proceeding to plan with synergies being achieved via a reduction in duplicate cost structures

Toll Priority is continuing to build its air freight operation and network. The integration of the international air express operators SkyNet Australia and New Zealand proceeded to plan. Toll Priority is in the process of establishing its own network in Asia which will comprise owned operations in key locations supported by agents in areas of lower volumes. New business growth is tracking to plan with some notable business gains in the Banking, Pharmaceutical, Mining and Technology sectors.

Toll Dnata Airport Services, the joint venture with Emirates, continued to experience solid growth. The integration of the Skystar ground handling business is complete and driving further revenue growth.

Toll Contract Logistics performed well with increased volumes in the grocery and beverage sector and the business continued to rollout new technology. The Toll In2store business has been successful in winning new business as customers look to reduce costs by outsourcing the logistics task and integrating the supply chain.

The NQX and Toll Express businesses performed well, notwithstanding there were some signs of volume weakness in December. Both businesses continue to invest in new technology and fleet to improve efficiencies and reduce costs.

Revenue for QRX was higher driven by increased volumes from major accounts. However, the floods in North Queensland will have an impact on QRX and NQX in the second half.

Toll Resources volumes increased significantly year on year as its market position strengthened relative to its competitors in both the Oil & Gas and Mining Services sectors. The Toll Resources Oil & Gas business remains well positioned to take advantage of significant new project growth opportunities in the North West of WA and the Timor Sea.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
DIRECTORS' REPORT

Volumes from the Australian automotive manufacturers declined due to a reduction in new vehicle sales and increased imports, partly offset by record storage levels for new cars in the Prixcar business. The outlook for the Automotive business is at best flat in Australia however opportunities in China and India are exciting.

Trading for PDL Toll, our specialist defence logistics operator remained strong throughout the period with EBIT performance ahead of target and in line with the same period last year. Operations in Timor Leste and the Solomons remain key activities for this business with fuel supply and ship husbandry services also adding to the specialist nature of its service capabilities. The acquisition of Helicorp is producing strong results in line with budget and significant opportunities exist for further expansion of this aviation activity.

Toll retained its New Zealand Tranzlink transport operations following the sale of rail and marine assets to the New Zealand Crown in June 2008. Toll Tranzlink has experienced difficult trading conditions in the first six months of the financial year, with the general economic climate for New Zealand being impacted by the current global economic downturn. These conditions are expected to continue in the second half of this financial year, however Toll is focussed on new customer gains and variable cost control at all levels. The United Transport acquisition continues to be successfully integrated into the core Toll Tranzlink business.

Toll Asia

Revenue for the period was S\$426 million, an increase of 13.4%. EBIT for the six months to December 2008, including share of associates was S \$47 million, in line with target and in line with last year.

Highlights for Toll Asia during the past six months were:

- Commencement of work on the redevelopment of the Loyang Offshore Supply Base which secures the site to Toll for a further 45 years.
- The opening of new logistics centres in Guangzhou and Shanghai in China and Ho Chi Minh City in Vietnam with new facilities planned for India, Malaysia and Shanghai.
- Strong contract retention across the region, bolstered by significant incremental work from existing customers.
- Continuing strong performance in offshore supply and marine activities
- Increasing Toll's investment in Cargo Services to 25%. This business continues to grow revenue and earnings at double digit growth rates. Cargo Services has recently retained the North Asian import consolidation for Woolworths Australia and was awarded Supplier of the Year for Myer. At the same time the core business from Asia to Europe continued to grow strongly.

The Government and Defence Logistics Business Group performed ahead of expectations, with an increase in the range of services provided.

The Offshore Supply and Marine Logistics Division traded strongly with ongoing demand for the company's specialised bulk carrying vessels and high utilisation of the Singapore Loyang Offshore Base expected to continue in the medium term.

The integration of the Toll Singapore warehousing business with the Singapore operations of the former Sembawang Kimtrans business has delivered the planned synergies with profit margins significantly improved.

The contract logistic businesses throughout South East Asia felt the effects of the global economic downturn during the December quarter with declines in hi-tech and industrial customer volumes experienced in Thailand, Malaysia, Vietnam and the Philippines. The effect of this downturn was softened by new contract wins in Vietnam, Malaysia and Thailand. The political unrest in Thailand added to the uncertainty of business confidence within the country. Toll continues to monitor the position closely.

Strong cost controls in India have contributed to a further profit improvement and reviews are underway to establish a stronger in-house transport capability and upgraded warehouse facilities to meet higher demand.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
DIRECTORS' REPORT

High revenue growth was achieved across our North Asia operations in China, Korea and Taiwan with a continued focus on improving low yielding revenue, rationalisation of warehouses and greater focus on operational efficiency.

Contribution from Associates increased to S\$5.1 million including an improved contribution from Footwork Express despite ongoing difficult economic conditions in Japan.

Toll Global Forwarding (TGF)

Revenue for the period was HK\$3.3 billion, an increase of HK\$2.8 billion due to the addition of the Baltrans and Gluck acquisitions. EBIT for the six months to December 2008 was HK\$113 million, an increase of HK\$95 million over the previous reporting period.

Toll Global Forwarding has consolidated strongly during the first half of 2008/09 with an improvement in margin quality achieved in a tough environment. The activities of the existing TGF Australia business, Baltrans Holdings acquired in April 2008 and Gluck acquired in June 2008, have been well integrated into a single cohesive entity. The consolidated TGF now has 65 company owned offices in 26 countries and over 2500 staff providing a very solid platform for future growth.

Despite the economic conditions, the businesses in North America, Europe and South Africa have performed in line with expectations during the six month period. Our focus in these key destination markets is to aggressively build our sales presence and effectiveness. Our low market share in those regions provides excellent scope for growth in spite of the difficult trading conditions. The TGF business model is being developed around leveraging core air freight and ocean freight forwarding capabilities to build genuine end to end supply chain solutions for our customers. Our capability in the Asia–Australia and Intra-Asia trade lanes is strong and competitive, and we will progressively develop and expand those capabilities in other regions.

The development and deployment of a competitive world class technology platform is seen as fundamental to the long term future of the business. Significant progress has been made and Phase 1 of our global visibility and supply chain management platform successfully went live in January this year. This platform leverages heavily the expertise and investments the Group has made in leading edge Web based technology in recent years. Toll's commitment to developing Toll's IT platform reinforces the Toll Group philosophy that technology remains the key differentiator in the logistics sector today.

Toll's investment in leading Hong Kong based freight consolidator Cargo Services Far East (CSFE) remains a key plank in the TGF strategy. TGF and CSFE are co-operating closely in Hong Kong and China particularly to maximise current capabilities and leverage combined volumes.

Discontinued Operations

The Group's result for the period includes \$5 million of final costs associated with the demerger of the Virgin Blue business.

Economic Conditions

There is a mixed outlook across industry sectors in Australia. While the economic downturn is impacting hardest in the Automotive, Resource and Manufacturing sectors, the Retail, Grocery and Beverages sectors remain resilient and demand continues in the Oil & Gas sector.

The global economic crisis will continue to have some impact on volumes across Asia. Defence, Marine and Project Logistics are however significantly more insulated from volatility in demand.

The global forwarding sector has seen significant volume fluctuations as well as reductions in air and ocean freight rates in the latter part of 2008. It is expected volatility will continue in this sector. Opportunities to expand market share through strategic acquisitions and new contract wins look encouraging. Rapid changes in market rates have created both challenges and opportunities, as customers strive to ensure their rates remain tightly aligned to falling market rates.

Industry Dynamics

Supply chain integration remains high on customers' agendas as companies look to reduce costs. Toll is building effective supply chain models through the Asian global forwarding business to fill this requirement.

Further regional and global consolidation is expected particularly given current market conditions. Toll remains well placed to benefit in this environment given its current balance sheet strength.

Organisation Structure

Following a group strategic meeting late in 2008, a decision was taken to restructure the group to better provide customer focused services on a global and regional basis to be implemented during the course of the 2010 financial year around the following operations:

- global forwarding
- domestic freight
- global express
- contract logistics
- project resource logistics

Changes to the management structure will progressively be made to facilitate the new divisional structure. We will commence reporting under the new structure during the 2010 financial year and continue to provide financials to the market in a format that will allow year on year comparisons to occur.

Outlook

The diversity of the Toll business, combined with a high variable cost base is expected to help soften the impact of any global economic downturn. Increases in market share achieved during the past six months are expected to continue as customers seek to outsource their non core supply chain activities.

The company is very well positioned to maintain strong results and take advantage of opportunities as they occur. During the reporting period Toll further strengthened its financing capacity, enabling the company to be a major participant in continued industry rationalisation.

For the remainder of the 2009 financial year, it is expected that freight volumes may be impacted by slowing economic growth and that conditions will be challenging. Allowing for reduced activity levels, but at the same time benefiting from the strength of the Toll integrated model, we consider that results of continuing operations in the second half of the financial year to June 2009 will exceed those of the previous corresponding period, subject to no further material deterioration in key markets of the group

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
DIRECTORS' REPORT

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 20.

Rounding off

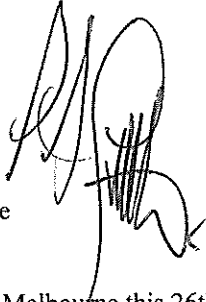
The Company is of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report, and directors' report have been rounded off to the nearest decimal of a million dollars, unless otherwise stated.

This report is signed in accordance with a resolution of the directors.



R Horsburgh

Director



P A Little

Director

Dated at Melbourne this 26th day of February 2009.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
CONSOLIDATED INCOME STATEMENTS

	Note	Dec 2008 \$M	Dec 2007 Restated* \$M
Continuing operations			
Revenue		3,513.2	2,699.8
Other income		7.4	2.0
Direct transport and logistics costs		(1,863.8)	(1,283.5)
Repairs and maintenance costs		(60.8)	(53.0)
Employee benefits expenses		(806.1)	(731.3)
Fuel, oil and electricity costs		(132.3)	(78.2)
Occupancy and property costs		(154.0)	(124.9)
Depreciation and amortisation		(94.7)	(70.8)
Other operating costs		(179.7)	(147.4)
Results from operating activities		<u>229.2</u>	<u>212.7</u>
Share of profit of associates and joint ventures		11.9	2.6
Profit before net financing costs and income tax expense		<u>241.1</u>	<u>215.3</u>
Finance income		18.3	13.9
Finance expenses		(31.3)	(29.1)
Net finance costs		<u>(13.0)</u>	<u>(15.2)</u>
Profit before income tax expense		228.1	200.1
Income tax expense		<u>(61.1)</u>	<u>(41.3)</u>
Profit from continuing operations		167.0	158.8
Discontinued operations			
Profit/ (loss) from discontinued operations (net of income tax)	6	<u>(5.4)</u>	<u>78.4</u>
Profit for the period		<u>161.6</u>	<u>237.2</u>
Attributable to:			
Equity holders of the parent		158.0	236.7
Minority interest		<u>3.6</u>	<u>0.5</u>
Profit for the period		<u>161.6</u>	<u>237.2</u>
Earnings per share:			
Basic earnings per share		23.9¢	36.8¢
Diluted earnings per share		23.9¢	36.0¢
Continuing operations:			
Basic earnings per share		24.7¢	24.6¢
Diluted earnings per share		24.7¢	24.4¢

* See discontinued operations note 6

The income statement is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 12 to 18.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE

	Note	Dec 2008 \$M	Dec 2007 Restated* \$M
Foreign currency translation reserve			
Foreign exchange translation differences, net of hedges of net investments in foreign subsidiaries		229.6	(5.2)
Hedging reserve			
Effective portion of changes in fair value of cash flow hedges		(24.8)	48.2
Net change in fair value of cash flow hedges transferred to profit or loss		-	8.7
Available-for-Sale reserve			
Net change in fair value of available-for-sale financial assets		-	0.8
Net income recognised directly in equity		204.8	52.5
Profit after tax for the period		161.6	237.2
Total recognised income and expense for the period		366.4	289.7
Attributable to:			
Equity holders of the parent		361.2	225.7
Minority interest		5.2	64.0
Total recognised income and expense for the period		366.4	289.7

* See discontinued operations note 6

Other movements in equity arising from transactions with owners as owners are set out in note 8. The amounts recognised directly in equity are disclosed net of tax. The statement of recognised income and expenses is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 12 to 18.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
CONSOLIDATED BALANCE SHEETS

	Note	Dec 2008 \$M	June 2008 \$M
Current Assets			
Cash and cash equivalents		823.7	354.0
Receivables		1,006.3	1,462.2
Inventories		43.2	37.1
Assets classified as held for sale		-	14.8
Prepayments		42.9	45.8
Current tax receivable		4.6	4.4
Other financial assets		5.2	56.1
Total Current Assets		1,925.9	1,974.4
Non-Current Assets			
Receivables		41.1	22.1
Investments accounted for using the equity method		324.4	226.9
Investments		59.3	69.6
Property, plant and equipment		1,346.3	1,197.4
Intangible assets		1,618.0	1,262.1
Deferred tax assets		133.1	73.2
Prepayments		14.7	12.8
Other financial assets		2.4	1.9
Total Non-Current Assets		3,539.3	2,866.0
TOTAL ASSETS		5,465.2	4,840.4
Current Liabilities			
Payables		739.7	667.4
Interest bearing liabilities	9	387.7	514.8
Current tax liabilities		92.8	96.8
Provisions		233.7	236.2
Other financial liabilities		85.0	13.5
Total Current Liabilities		1,538.9	1,528.7
Non-Current Liabilities			
Interest bearing liabilities		1,150.9	1,106.7
Deferred tax liabilities		21.7	18.2
Provisions		66.9	69.2
Other financial liabilities		21.0	14.5
Total Non-Current Liabilities		1,260.5	1,208.6
TOTAL LIABILITIES		2,799.4	2,737.3
NET ASSETS		2,665.8	2,103.1
Equity			
Issued capital		2,823.5	2,554.5
Treasury shares		(5.9)	(7.2)
Reserves		92.1	(113.3)
Retained earnings		(289.7)	(373.2)
Total equity attributable to equity holders of the parent		2,620.0	2,060.8
Minority interests		45.8	42.3
TOTAL EQUITY	8	2,665.8	2,103.1

The balance sheet is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 12 to 18.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
CONSOLIDATED CASH FLOW STATEMENTS

	Dec 2008 \$M	Dec 2007 \$M
Cash flows from operating activities		
Cash receipts in the course of operations	3,796.9	4,401.9
Cash payments in the course of operations	(3,422.9)	(3,891.8)
Cash generated from operations	374.0	510.1
Restructure and integration costs paid	(8.5)	(43.0)
Interest received	18.3	36.4
Dividends received from associates	2.4	2.3
Dividends and distributions received from others	1.3	1.2
Interest and other costs of finance paid	(31.4)	(72.3)
Income taxes paid	(25.4)	(59.1)
Net cash inflow from operating activities	330.7	375.6
Cash flows from investing activities		
Payment for entities and businesses, net of cash acquired	(44.4)	(237.4)
Proceeds from sale of controlled entities and businesses	526.8	3.7
Payment for property, plant and equipment and intangible assets	(137.6)	(863.3)
Proceeds from sale of property, plant and equipment	8.3	28.9
Payments for investments	(26.6)	(59.4)
Proceeds from sale of investments	12.0	1.9
Proceeds from settlement of derivatives	11.4	-
Payments for outside equity interests	-	(97.1)
Third party capital contributions	-	0.1
Advances made to associate entities	(0.2)	(4.1)
Proceeds from repayment of loans with other entities	-	0.2
Net cash inflow/(outflow) from investing activities	349.7	(1,226.5)
Cash flows from financing activities		
Proceeds from borrowings	168.7	654.7
Repayment of borrowings	(372.9)	(245.4)
Dividends paid to ordinary shareholders	(55.4)	(72.2)
Dividends paid to minority shareholders	(1.7)	(8.7)
Proceeds from issue of shares	1.3	0.6
Net cash inflow/(outflow) from financing activities	(260.0)	329.0
Net increase/(decrease) in cash and cash equivalents held	420.4	(521.9)
Cash and cash equivalents at the beginning of the financial year	354.0	1,743.6
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies	49.3	1.1
Cash and cash equivalents at the end of the financial period	823.7	1,222.8

The statement of cash flows is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 12 to 18.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
CONDENSED NOTES TO THE INTERIM FINANCIAL REPORT

1. REPORTING ENTITY

Toll Holdings Limited (the “Company”) is a company domiciled in Australia. The consolidated condensed interim financial report of the Company as at and for the half year ended 31 December 2008 comprises the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and jointly controlled entities.

2. STATEMENT OF COMPLIANCE

The consolidated condensed interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the Corporations Act 2001. The report is also in compliance with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

The consolidated condensed interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2008.

The consolidated condensed interim financial report was approved by the Board of Directors on 26 February 2009.

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded off to the nearest decimal of a million dollars, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in this consolidated condensed interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2008.

4. ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated condensed interim financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2008.

Management has considered the requirement to assess whether impairment indicators exist in relation to the carrying value of non-financial assets, taking into account the recent volatility in global financial markets. The assessment requires management to make estimates regarding future cash flows, growth rates, applicable discount rates together with useful lives and residual values. The judgements, estimates and assumptions used by management in concluding on carrying values are best estimates of current and forecast market conditions at the time. The assessment concluded that the carrying values of non-financial assets, including goodwill, remained appropriate for the current reporting period. Impairments were recognised in respect to available-for-sale assets.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
CONDENSED NOTES TO THE INTERIM FINANCIAL REPORT

5. SEGMENT INFORMATION

Business Segment – 2008	Toll Australia/ NZ	Toll Asia	Toll Global Forwarding	Discontinued	Elimination	Consolidated	Less Discontinued Operations	Consolidated (Continuing Operations)
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue								
Operating segment revenue	2,592.9	377.6	542.7	-	-	3,513.2	-	3,513.2
Intersegment revenue	-	-	-	-	-	-	-	-
Total segment revenue	2,592.9	377.6	542.7	-	-	3,513.2	-	3,513.2
Result								
Segment result	199.4	37.7	17.4	(5.4)	-	249.1	5.4	254.5
Share of profit of associates and joint ventures	6.6	5.2	0.1	-	-	11.9	-	11.9
Total segment result	206.0	42.9	17.5	(5.4)	-	261.0	5.4	266.4
Depreciation and amortisation arising from acquisition accounting	(3.3)	(10.7)	(2.0)	-	-	(16.0)	-	(16.0)
Unallocated expenses: - write-down of investment in listed companies						(9.3)	-	(9.3)
Net finance costs						(13.0)	-	(13.0)
Income tax expense						(61.1)	-	(61.1)
Profit for the period						161.6	5.4	167.0

The Group comprises the following main business segments, based on management reporting systems:

- Toll Australia/NZ – Provider of integrated logistics services in Australia and New Zealand;
- Toll Asia – Provider of integrated logistics services and supply chain management solutions in Asia;
- Toll Global Forwarding – Provider of international freight forwarding services

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
CONDENSED NOTES TO THE INTERIM FINANCIAL REPORT

5. SEGMENT INFORMATION

Business Segment – 2007	Toll Australia/ NZ	Toll Asia	Toll Global Forwarding	Discontinued	Elimination	Consolidated	Less Discontinued Operations	Consolidated (Continuing Operations)
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue								
Operating segment revenue	2,338.3	291.7	69.8	1,421.8	-	4,121.6	(1,421.8)	2,699.8
Intersegment revenue	-	-	-	8.5	(8.5)	-	-	-
Total segment revenue	2,338.3	291.7	69.8	1,430.3	(8.5)	4,121.6	(1,421.8)	2,699.8
Result								
Segment result	186.6	34.6	2.6	191.4	-	415.2	(191.4)	223.8
Share of profit of associates and joint ventures	0.5	2.1	-	1.7	-	4.3	(1.7)	2.6
Total segment result	187.1	36.7	2.6	193.1	-	419.5	(193.1)	226.4
Depreciation and amortisation arising from acquisition accounting	(3.4)	(7.7)	-	(0.1)	-	(11.2)	0.1	(11.1)
Unallocated expenses: - non-recurring restructure and transaction costs						(30.5)	30.5	-
Net finance costs						(34.7)	19.5	(15.2)
Share of minority interest on discontinued operations						(42.1)	42.1	-
Income tax expense						(63.8)	22.5	(41.3)
Profit for the period						237.2	(78.4)	158.8

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
CONDENSED NOTES TO THE INTERIM FINANCIAL REPORT

6. DISCONTINUED OPERATIONS

The Group demerged its ports businesses and the rail operations of Pacific National to Asciano Limited effective 15 June 2007. This resulted in results from discontinued operations in the half year ended 31 December 2007.

Effective 30 June 2008, the rail and ferry operations in New Zealand were sold to the New Zealand Crown for NZ\$690m. Also, effective 30 June 2008, the directors authorised the payment of a special (in specie distribution) dividend of Virgin Blue shares to Toll shareholders. As a result, Virgin Blue became a discontinued operation of the Toll Group on that date.

Virgin Blue and the New Zealand rail and ferry operations were not discontinued operations or classified as held for sale as at 31 December 2007. The comparative income statement has been re-presented to show the discontinued operations separately from continuing operations.

Profits attributable to discontinued operations were as follows:

	Dec 08 \$M	Dec 07 \$M
Results of discontinued operations		
Revenue	-	1,421.8
Other income	-	10.2
Expenses	(5.4)	(1,260.2)
Share of profit of associates and joint ventures	-	1.7
Results from operating activities	(5.4)	173.5
Income tax expense	-	(55.3)
Results from operating activities, net of income tax	(5.4)	118.2
Transaction and advisory costs relating to the demerger	-	(18.5)
Separation costs relating to the demerger	-	(12.0)
Share of minority interest on discontinued operations	-	(42.1)
Income tax benefit from transaction, advisory and separation costs	-	8.3
Income tax adjustments	-	24.5
Profit/ (loss) for the period	(5.4)	78.4
Cash flows from discontinued operations		
Net cash from operating activities	-	252.5
Net cash from investing activities	-	(597.2)
Net cash from financing activities	-	344.6
Net cash from/ (used in) discontinued operations	-	(0.1)

7. DIVIDENDS

	Cents per share	Total (\$M)	Franking (%)	Payment Date
Dividends declared and paid by the Company during the period:				
Ordinary Shares				
2008				
2008 Special (in specie) Dividend		304.6	0%	22/08/2008
2008 Final Dividend	11.5	74.5	100%	24/10/2008
		379.1		
2007				
2007 Final Dividend	11.0	70.7	100%	3/10/2007
2007 Special Dividend	5.0	32.1	100%	3/10/2007
		102.8		

Franked dividends were franked at the tax rate of 30%.

Subsequent Events

Since the end of the half year, the directors have declared the following dividend:

Interim Ordinary Dividend	11.5	79.5	100%
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The financial effect of this dividend has not been brought to account in the financial statements for the half year ended 31 December 2008 and will be recognised in subsequent financial reports.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
CONDENSED NOTES TO THE INTERIM FINANCIAL REPORT

8. CAPITAL AND RESERVES

Reconciliation of movement in equity

Consolidated	Note	Contributed Equity \$M	Treasury Shares \$M	Retained Earnings \$M	Foreign Currency Translation Reserve \$M	Available- for-Sale Reserve \$M	Share Based Payment Reserve \$M	Hedging Reserve \$M	Total \$M	Minority Interests \$M	Total Equity \$M
Balance at 1 July 2008		2,554.5	(7.2)	(373.2)	(128.3)	-	2.1	12.9	2,060.8	42.3	2,103.1
Total recognised income and expense for the period		-	-	158.0	228.0	-	-	(24.8)	361.2	5.2	366.4
Share option expense		-	-	-	-	-	2.2	-	2.2	-	2.2
Dividends to ordinary shareholders		-	-	(74.5)	-	-	-	-	(74.5)	-	(74.5)
Dividend reinvestment plan		19.0	0.1	-	-	-	-	-	19.1	-	19.1
Repayment of treasury shares		-	1.2	-	-	-	-	-	1.2	-	1.2
Interest in dividends paid		-	-	-	-	-	-	-	-	(1.7)	(1.7)
Conversion of Reset Preference Shares	9	250.0	-	-	-	-	-	-	250.0	-	250.0
Balance at 31 December 2008		2,823.5	(5.9)	(289.7)	99.7	-	4.3	(11.9)	2,620.0	45.8	2,665.8

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
CONDENSED NOTES TO THE INTERIM FINANCIAL REPORT

8. CAPITAL AND RESERVES

Reconciliation of movement in equity (restated)

Consolidated	Note	Contributed Equity \$M	Treasury Shares \$M	Retained Earnings \$M	Foreign Currency Translation Reserve \$M	Available- for-Sale Reserve \$M	Share Based Payment Reserve \$M	Hedging Reserve \$M	Total \$M	Minority Interests \$M	Total Equity \$M
Balance at 1 July 2007		2,492.8	(8.2)	816.0	(23.0)	-	0.2	(31.6)	3,246.2	375.1	3,621.3
Total recognised income and expense for the period		-	-	194.6	(4.6)	0.8	-	34.9	225.7	64.0	289.7
Reallocate minority interest to discontinued operations		-	-	42.1	-	-	-	-	42.1	-	42.1
Shares issued		1.8	-	-	-	-	-	-	1.8	-	1.8
Share option expense		-	-	-	-	-	0.3	-	0.3	2.0	2.3
Exercise of share options		-	-	-	-	-	-	-	-	0.2	0.2
Dividends to ordinary shareholders		-	-	(102.8)	-	-	-	-	(102.8)	-	(102.8)
Dividend reinvestment plan		30.4	0.2	-	-	-	-	-	30.6	-	30.6
Repayment of treasury shares		-	0.4	-	-	-	-	-	0.4	-	0.4
Interest in dividends paid		-	-	-	-	-	-	-	-	(8.7)	(8.7)
Acquired minority interests		-	-	-	-	-	-	-	-	(52.1)	(52.1)
Balance at 31 December 2007		2,525.0	(7.6)	949.9	(27.6)	0.8	0.5	3.3	3,444.3	380.5	3,824.8

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
CONDENSED NOTES TO THE INTERIM FINANCIAL REPORT

8. CAPITAL AND RESERVES (CONTINUED)

Ordinary Shares Issued

	No. of Shares	\$M
Opening balance 1 July 2008	648,143,027	2,554.5
Conversion of reset preference shares	40,224,182	250.0
Dividend Reinvestment Plan ⁽ⁱ⁾	3,009,611	19.0
Closing balance 31 December 2008	<u>691,376,820</u>	<u>2,823.5</u>

(i) The Company has an established Dividend Reinvestment Plan, for the purpose of providing shareholders the opportunity to apply dividends paid or declared by the Company in subscribing for shares rather than receiving those dividends in cash. Shares are issued under the plan currently at a 2.5% (Dec 2007: 2.5%) discount to the weighted average market price over the five business days up to and including the books close date for the purposes of the dividend payment.

9. INTEREST BEARING LIABILITIES

During the half year ended 31 December 2008, \$250m of Reset Preference Shares were converted from debt to equity.

10. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There have been no material changes in contingent liabilities or contingent assets since 30 June 2008.

11. RELATED PARTIES

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2008 annual financial report. There have been no material changes in the nature or amounts of related party transactions since 30 June 2008.

12. EVENTS SUBSEQUENT TO BALANCE DATE

(i) Interim Dividend

The directors have declared an interim dividend of 11.5 cents per share (refer to note 7).

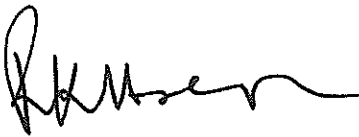
Other than the matter noted above, there has not arisen in the interval between the end of the half-year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of these operations, or the state of affairs of the Group, in future financial periods.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Interim Financial Report for the Half Year Ended 31 December 2008
DIRECTORS' DECLARATION

In the opinion of the directors of Toll Holdings Limited ('the Company'):

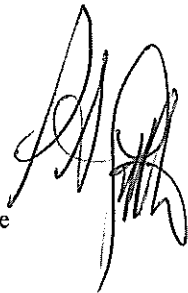
1. the financial statements and notes set out on pages 8 to 18 are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



R Horsburgh

Director



P A Little

Director

Dated at Melbourne this 26th day of February 2009.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Toll Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2008 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Paul M Shannon

Paul Shannon
Partner

Melbourne

26 February 2009