

RUNNING SHEET

**Toll Holdings Limited
Annual General Meeting 2003
Held at 11:00am – 30 October 2003
The Grand Hyatt Melbourne
Ballroom
123 Collins Street, Melbourne**

At the Appropriate Time 11:00am the Chairman will move to the Lectern and Open the Meeting.

1. WELCOME

Ladies and Gentlemen

Good morning, my name is John Moule and as Chairman of Toll Holdings Limited it is my pleasure to welcome you to this our tenth Annual General Meeting.

2. CONVENING THE MEETING

The Company Secretary has advised me that we have complied with the relevant requirements for convening this meeting, and that a quorum is present.

I therefore declare the meeting open.

3. INTRODUCTION

It is my pleasure to introduce each of the Directors, the Company Secretary and the Company's Auditors to you.

Starting from your left:

- Alastair Lucas;
- Ross Dunning;
- William Farrands;
- Paul Little, our Managing Director;
- Bernard McInerney, our Company Secretary;
- Neil Chatfield, our Chief Financial Officer;
- Mark Rowsthorn, our Executive Director Operations.

Also with us today is Mr Adrian King representing our Auditors, KPMG.

4. NOTICE OF MEETING

As the notice convening this meeting was sent to all shareholders on the Toll Holdings Limited register in accordance with the Company's Constitution, [Clause 12.3], I propose to take the Notice of Meeting and Explanatory Memorandum as read.

5. PROXIES

All valid Proxies received have been recorded. These will be separately reported upon to the ASX for each resolution. Further details of the proxies received are available for inspection on the table at the entrance during the course of the meeting.

In addition a summary of Proxy Voting for each resolution will be displayed on the overhead screen for members information immediately following voting by the members present at this meeting. All open proxy votes directed to the Chairman will if required be voted in favour of the relevant resolution.

6. REGISTERS

The Register of Director's Shareholdings is available for inspection and is located on the table at the entrance and will remain open for inspection throughout the meeting.

7. CHAIRMAN'S ADDRESS

I would now like to present my report to shareholders.

2003 Results

2003 was an outstanding year for the company.

We produced another record result and finished the year in a very strong financial position.

Profit after tax grew 43% to \$106.1 million on revenues of \$2.57 billion.

Earnings per share, on a fully diluted basis, increased 31% to 34.6 cents per share and the final dividend of 8 cents per share brought the full year dividend to 14.5 cents, up 45% on the previous year. In total, shareholders were paid \$44.4 million in fully franked dividends in respect of the 2003 year, up \$16.9 million on the previous year.

This total dividend payout is over seven times what it was five years ago.

At year-end the company was poised to enter another exciting phase of its growth with the acquisition of Tranz Rail in New Zealand. The company's growth opportunities and the acquisition of Tranz Rail will be further reported on by the Managing Director in his report.

Economic Conditions

The Australian economy remained generally stable throughout the 2003 financial year with continued solid growth particularly in the consumer, automotive and construction sectors.

Over the past few months we have seen evidence of a global economic recovery, and we expect that Australia will benefit from this.

In addition, the resumption of solid grain harvests following the drought ,should also improve economic activity in Australia.

The volatility in world oil prices is constantly monitored by the Company. Toll has well-defined management strategies in place to ensure that the financial impact of fuel price changes is minimised. We do not expect fuel price variations to materially impact the company's financial performance.

Corporate Governance

Corporate governance is an area that has received much attention in the media and has been a focus of market regulators and stakeholders during the past year. The Principles of Good Corporate Governance and Best Practice Recommendations published by the ASX Corporate Governance Council in March 2003 are likely to become the benchmark for listed companies.

Corporate governance has also been an important focus at Toll, and the Board has overseen the review and updating of the Company's corporate governance policy and practices, having regard to the ASX Principles. I should mention that although these Principles are not to be mandated until the 2004 reporting year, they are already substantially in place within Toll.

Further, since the recent publication of our 2003 Annual Report, as indicated, we have added a number of Corporate Governance Policy Statements to our website. These include summaries of the Board's Charter, terms of reference of all the Board committees, and the securities trading policy for directors and senior executives.

Further topics which will be added progressively to the web site over coming months include:

- An outline of the processes the Board will implement for performance evaluation of itself, its committees, individual directors, and the process it has implemented for performance evaluation of senior executives;
- A summary of our Continuous Disclosure Policy; and
- A summary of Toll's Risk Management Policy.

We believe that, collectively, these initiatives will further enhance accountability and transparency of Toll's activities and, in the process, will help maintain and encourage an informed and efficient market – objectives which sit well with the ASX Corporate Governance Principles.

Employee Shares and Executive Options

Toll believes that equity based recognition in the form of share and option issues to employees, continue to be important tool in recruiting and retaining personnel of high calibre.

Resolutions proposed for today's meeting in these areas, address the Board's desire in the future to reward eligible employees who have appropriate years of service with modest allocations of ordinary shares, and to continue the policy of allocating share options to incentivise the senior management group over the longer term. The Board continues to believe that a well controlled option plan with clearly defined performance hurdles, is an appropriate and effective executive incentive and compensation element.

With regard to accounting principles adopted for options and, in particular expensing their perceived cost through the Statement of Financial Performance, as previously indicated to shareholders we will apply the relevant accounting standard when endorsed by appropriate

bodies. Presently there is no Australian Accounting Standard dealing with the issue and an International Accounting Standard is not expected to be adopted in Australia until January 2005. As such, the Board has decided to maintain its policy of full disclosure of share option details and to monitor the progress of the development of the proposed Accounting Standard.

Management Development

The Company has a major focus on developing its people to ensure that we are constantly building our capability, and creating a depth of executive expertise for the future.

We have a carefully planned people development and training regime at various levels in the company. At the senior level, a strategic management program is conducted through a partnership between Toll and the Macquarie University Graduate School of Management.

The strength and depth of our management has remained a key determinant in successfully executing the Company's growth strategy.

Remuneration of Non-Executive Directors

The Board has undertaken a review of remuneration paid to its non-executive directors. The review has confirmed that, consistent with Toll's previous practice, such directors should not be eligible for options or incentive based payments. The review also concluded that non-executive directors should only be remunerated by way of fees and not be provided with retirement benefits, other than statutory superannuation. These outcomes are consistent with the ASX Corporate Governance Council principles and best practice recommendations.

Accordingly, the Board proposes, subject to the passing of the necessary resolution today, that the entitlements under the existing retirement benefits program for non-executive directors be frozen, Non-Executive Director fees will be adjusted to compensate for the change and that at least 22% of Non-Executive Directors' future fees be paid in fully paid shares in the Company. These shares will be acquired quarterly on-market with directors to bear transaction costs.

A separate resolution proposes an increase in the cap for director's fees from the current \$800,000 to \$1,000,000. This increase is required to provide the Board with capacity to continue to retain and attract directors of high calibre, and flexibility to appoint additional appropriately skilled directors, if and when circumstances warrant.

Board Structure

Board structures, including the proportions of non-executive and independent directors, have been topical issues within the overall corporate governance debates over recent months. The composition of your Board is also one which has been a focus for Toll.

Ron Paul retired as a director and Peter Rowsthorn retired as Chairman in July and September last year, respectively. Alastair Lucas was appointed to the Board in April this year, and with that appointment the majority of non-executive directors on the Board was re-established.

The Board has given considerable thought to director independence and has taken advice and reviewed with interest what other corporates have reported on this matter.

For its part, Toll has concluded that the fundamental test of independence is the capacity of its directors to put the best interests of the Company and its shareholders ahead of all other interests, and to

consider issues objectively and reach judgements independently of regard for other interests. The Board also recognizes that a director's independence may change over time, particularly having regard to possible changes in potential conflict of interest issues. Taking all these matters into account and having regard to the ASX Principles, the Board has concluded that all its non-executive directors are independent at this time.

I should add that the Board continues to be on the alert for additional directors with appropriate skill sets who can complement existing director competencies, and add value.

Current Performance and Outlook

The 2004 financial year has commenced solidly for the Company. We are well ahead of earnings of the previous corresponding year, and we expect to achieve another record result this year.

The momentum has been established by a number of value creating acquisitions, and we believe the Tranz Rail acquisition will provide a sound growth opportunity for Toll.

The Company is very well positioned, both strategically and financially, to continue its profitable growth and to deliver superior shareholder returns.

Managing Director's Address / Auditors

Prior to inviting our Managing Director Paul Little, to address the meeting, I would like to refer to requirements of the Corporations Act with regard to shareholders questions of the Company's auditor at annual general meetings.

The Corporations Act enables shareholders at annual general meetings to ask our auditor questions relevant to the conduct of the audit and the preparation and content of the auditor's report. Mr Adrian King, a partner of KPMG is in attendance representing our auditors. He is available to answer any such questions should they be appropriate.

All questions should initially be addressed to Mr Little following his address.

I ask shareholders to note that the preparation and content of the financial report is the responsibility of the directors and therefore if the Directors would more appropriately address any questions to the auditors, Mr Little will deal with it accordingly.

Ladies and gentlemen, I would like on behalf of the Board to pay tribute to the Company's Executives and staff members for their commitment to Toll, their untiring contributions to building Toll to its present status and their ongoing efforts to ensure that Toll continues to generate sustainable value and growth for shareholders. Their role is integral to the ongoing success of Toll.

I would now like to call on Paul Little to present highlights of the last financial year and to comment on the company's current performance and its future.

Chairman returns to the Board Table

Managing Director moves to the Lectern

8. MANAGING DIRECTOR'S ADDRESS

Ladies and Gentlemen, it is my pleasure to report to you today on the performance of our Company during the financial year to 30 June 2003, and at the same time provide an update on our strategic direction.

The 2003 financial year was an outstanding period for the Company.

Not only did we achieve record financial results and exceptional shareholder returns, but we continued to position the Company to take advantage of exciting future opportunities.

Earnings

For the year to 30 June 2003, the Company produced a 42% increase in earnings before interest and tax to \$157 million (inclusive of the equity accounted share of Pacific National). Profit after tax increased to a record \$106.1 million.

This result was underpinned by excellent performances across all divisions throughout the Group. The current momentum within the Company helped produce this record result and will further enhance the 2003 / 04 financial performance.

The core EBIT margin of 5.01% of sales remained stable, however, if the dilutive affects of the DX and Mayne Express acquisitions are excluded, underlying EBIT margin increased 10% to 5.5%.

Over the past five years Group EBIT margins have almost doubled.

Ongoing improvement in fleet and depot utilisation, together with investment in technology infrastructure, all remain key operational drivers for the Company.

Organic revenue growth has been in the range of 7-8% over the past two years, meeting our target rate of twice GDP. As customer outsourcing and new contracts continue to grow, this will be a strong source of profitable revenue for the Company.

In addition, continuous cost control programs and inter divisional benchmarking, have maintained downward pressure on overall operating costs. This is particularly important throughout periods of seasonal and volume fluctuations.

Balance Sheet

Our strong Balance Sheet continues to be a feature of the Company's current sound financial position.

Net Debt at June 2003 was \$263 million. Gearing (Net Debt to equity) remained well within our target zone at 42%.

Net Interest cover also remained strong in excess of 8 times with operating cashflow pre interest and tax 46% higher at \$202 million.

The Company has maintained its focus on balance sheet management, aimed at delivering maximum flexibility to fund further acquisitions, new contracts and other growth opportunities.

Our capital expenditure program during the year totalled \$141 million and included expenditure on fleet upgrades, new properties, warehousing and technology infrastructure.

Expenditure for the year on acquisitions including the initial 20% equity in New Zealand's Tranz Rail Holdings which amounted to \$96 million.

Importantly, the company is maintaining its focus on driving return on investment higher, as well as enforcing strong working capital disciplines throughout the business.

The Company remains committed to the disposal of surplus assets, which fail to achieve our benchmark return on investment.

In particular, property assets developed by the Group have and will continue to be on sold, when an inability to achieve our benchmark return is apparent.

Since 30 June 2003 the Company has paid out a further \$145m to finance the acquisition of Tranz Rail, as well as replacing around \$110m of expensive Tranz Rail debt.

Capital Management

The Company has announced its intention to raise up to \$250m through the issue of Reset Preference Shares to repay debt and thereby strengthen its balance sheet.

Completion of the offer will be subject to approval of Constitutional changes to the Company's Constitution to be put to shareholders later in this meeting.

These preference shares are expected to provide fully franked dividends at a coupon rate being the greater of 5.59%, or four basis points lower than the five year swap rate on the day of allotment.

It is expected that these Reset Preference Shares will be listed on the ASX around November 12, and the first reset date will be five years from allotment.

Following the issue of the Reset Preference Shares the Company's gearing including debt associated with the Tranz Rail acquisition, will be returned to around 40%, thereby restoring financial flexibility to fund new growth opportunities.

In addition, in early October 2003 Toll placed three million ordinary shares to Institutional Investors @ \$7.30. The placement approximates the shortfall in the 2003 final Dividend Re-investment Plan.

The Company has also moved to lengthen the maturity profile of its corporate debt, in order to provide further financial flexibility.

Shareholders

A 31% increase in fully diluted Earnings Per Share to 34.6 cents during the year has resulted in an average compound growth rate of 34% over the last five years.

Dividends per share for the full year increased by 45% to 14.5 cents fully franked, with the average dividend increase over the last five years being approximately 41% per annum.

On 30 April 2003 the Company was included in the Morgan Stanley MSCI Australian Index. Inclusion in this Index has been beneficial for Toll, as it brought our Company to the attention of International Fund Managers, which has resulted in additional strong support for our shares.

We are also very pleased that many of our institutional shareholders have strongly supported the Reset Preference Share issue and we are delighted to have provided the opportunity for all shareholders to participate.

Toll is proving to be a popular addition to share portfolios and since July 2002, the number of active shareholders on the register has grown 90% to more than 19,000.

Sector Overview

Food & Retail

Supplying transport and logistic services to the **Food & Retail** sector is the largest activity inside the Group, contributing some **37%** of consolidated revenues.

New contract wins throughout the year include: Austwide Wholesalers, Dairy Farmers, George Weston Foods, The Warehouse Group and Woolworths Home Delivery.

Contract renewals for the period include: Bonlac, Coles Myer Ltd and Woolworths.

A focus on Factory Gate Pricing by retailers will generate further opportunities for Toll, as the major retailers address the inefficiencies of the current primary freight task.

The Food & Retail sector is one of the most logistically advanced with its implementation of sophisticated supply chain methods and technology to capture the benefits of supply chain excellence.

Collaboration between all supply chain stakeholders and a willingness and confidence shown by customers to have Toll deeply involved in their supply chain planning, will unlock many growth opportunities from the Food & Retail sector.

Industrial

The Industrial sector continued to grow strongly, with new business wins including PaperlinX and GE Warehousing. Our long-standing customers BHP Steel, Amcor and Pilkington continue to grow their volumes within this division.

Industrial now represents 21% of Group revenue. Through Toll's Managed Transport Service, we have an opportunity to further grow volumes and services to customers. These opportunities come as a direct result of rolling out the benefits of total supply chain management.

Where historically Industrial may have dealt predominantly with the logistics of raw materials only, the potential to handle more finished goods is enormous. The overall scope for the Toll Group is significant.

Ports & Resources

For the Ports & Resources sector which represents 17% of Group revenue, it's been a year of integrating acquisitions, consolidation and positioning for future growth. The acquisition of BHP Stevedoring has now been fully integrated in Australia and New Zealand and is performing above expectations.

NYK Geelong is a significant new contract for Ports & Resources; other contract renewals achieved throughout the year include: ANL, BHP Steel in Australia and New Zealand and Fletcher Challenge Forests in New Zealand.

We are focussed on growing our Australian and New Zealand businesses, and in particular, expanding our network of Australian regional ports to deliver greater supply chain efficiency and flexibility.

Automotive

New contract wins were strong in the Automotive sector: BMW, EGR, Holden and Spicers Axles, plus contract renewals of up to five years, were signed with Bridgestone, Ford and Toyota.

With new vehicle sales in Australia at record levels, demand along the supply chain from customers, component suppliers and the dealer networks, have increased significantly.

Toll gained several awards for services during the 2003 financial year in the automotive industry, namely: *The Ford Motor Company Gold World Excellence Award*, the *Ford Australia Gold Supplier Excellence Award* and the *Federated Chamber of Automotive Industries' Supplier of the Year Award*.

We take pride in the fact that our customers rate the quality of our services, industry best practice.

Our opportunities are significant in this sector, including expanding services into the 'after-sales' markets, providing the technology solutions that enable the whole automotive supply chain to interact as one.

During the period under review, Automotive represented 10% of Group revenue.

Beverage

Solid contributions from Beverage customers were a feature of the year's overall performance. Revenue growth in New Zealand was up 20%, new business in Australia and contract renewals exceeded expectations and margins improved accordingly.

New business won included Cadbury Schweppes, Coca-Cola Amatil and Hardy's Wines, while ACI and Lion Nathan renewed contracts.

Beverage represents 9% of total Group revenue.

Relocation

The basic premise of Toll's removals management model, that is managing the total transition, continues to gain wider support.

Workplace relocations, the innovative and differentiated relocation of complete workplaces under one management team has demonstrated significant growth of around 50%. With new business from Microsoft and Woolworths and contract renewals from ANZ, Schlumberger and numerous government departments and agencies, the future looks very bright.

In addition, we look forward to expanding our full relocation service offerings to New Zealand.

Relocation represents 6% of total Group revenue.

Technology

Technology has been a fundamental part of our total service package since the creation of our integrated model.

During the last couple of years, we have taken technology to another level, and customers are responding positively to the benefits we have on offer.

Generally all sectors are demanding more complex and accessible technology and the following statistics are typical examples of the way customers choose to interact with us:

- Two years ago we had about 400 electronic traders. Today we have six times that number.
- Two years ago we had about 600 hits per day on our track and trace and proof of delivery website. Today we have close to 3000 hits a day.
- A growing number of our major customers have permanent connection to our network through our Toll Exchange infrastructure.

In order to support this increased activity, we have improved our infrastructure to ensure it is not only capable of accommodating the ever growing needs of customers, but also capable of supporting the Company's growth requirements.

In terms of the Toll Solution Centre, which supports our group business development via Managed Transport Service, this continues to gain in popularity. Major customers are witnessing first hand the benefits of this model and the technology which supports it.

Growth

The Transport & Logistics Sector

In recent times, we have seen an improving global economic outlook and this combined with the disappearance of traditional boundaries, courtesy of globalisation and international trade growing faster than world GNP, make for an exciting future within our industry.

In addition to increased demand for international supply chain management services, we believe customers will show a greater willingness to outsource logistics services across all major activities.

Within Australia and New Zealand the yet to be outsourced transport and logistics market is estimated to be valued at over \$30 billion annually.

Throughout other Asian countries we believe this in-house sector and associated opportunities, are significantly higher.

Toll is well placed to take advantage of these global partnering opportunities to generate new growth. At the same time a continuation of the aggressive growth strategy within Australia will maintain the flow of opportunities nationally.

Rail

It's been 20 months since the formation of Pacific National, our rail joint venture with Patrick Corporation.

Pacific National during its first full 12 months of operation achieved EBIT of \$113m, some 40% above our original estimate.

We are pleased to report that the acquisition did not bring any surprises and integration has progressed extremely well. The management team is well settled and achieving significant progress across all aspects of the business, with a growing emphasis on increasing returns on capital.

Although we did not allow for the magnitude of the 2002 drought, our view is that we are pretty much through that now. We won't however, see the impact of additional volumes of grain coming through the pipeline, until mid way through the next calendar year.

The other pleasing aspect of Pacific National, has been the continuing improvement and focus on safety. Its lost time injury frequency rate decreased by 40 per cent in the last 12 months.

Workplace reform still needs to occur inside the business, and considerable work has gone into creating a sound new EBA. Although progress has been slow, we are confident of achieving an outcome which will enable Pacific National to produce a competitive service for customers and support further growth.

We are starting to see real progress with the integration of the Australian Rail Track Corporation and Rail Infrastructure Corporation - the two track managers own the infrastructure on which we run Pacific National trains. Both the NSW State and Federal Governments are anticipating this rationalisation to occur before the end of the calendar year.

We will then see a release of the \$870 million the Federal Government has pledged, for track improvements needed to increase the efficiency of rail systems, providing further benefits to Toll and its customers.

This funding is crucial to the future of the Australian transport industry, as rail will be the major beneficiary of the doubling of the freight task over the next 15 years.

Rail in New Zealand – Tranz Rail

Over the last 18 months, in line with our strategic direction, Toll has entered the New Zealand market to explore growth opportunities and support our international clients. Today Toll is continuing to expand its distribution, ports management and warehousing capabilities in New Zealand.

Toll declared its on market bid for Tranz Rail Holdings unconditional on 10 October 2003, and assumed control of the Company with around 83.9% ownership. Mark Rowsthorn our Executive Director of Operations has assumed the role of Chairman of the new Tranz Rail Board.

Our takeover offer has now been extended until Friday 7 November 2003, and is able to be further extended into December 2003.

Whilst our aim is to reach 90% acceptance and gain total control of Tranz Rail as soon as possible, we are moving ahead with the new management team and implementing necessary changes

In the meantime we have encouraged minority Tranz Rail shareholders to sell into the bid in order for Toll to reduce costs and pursue dual listing on the New Zealand Stock Exchange, thereby enabling all New Zealanders to invest in rail's future.

Tranz Rail currently has an exclusive rail business, with turnover of NZ\$330m, a road freight forwarding business with annual revenues of NZ\$160m and inter-island ferry services generating annual income of NZ\$150m.

Rail in New Zealand enjoys less than 20% of the long distance freight task. This will grow strongly under Toll's ownership and management. In particular, rail has significant growth potential, with most major industry groups anxious to forward more on rail, subject to improved service levels and price stability.

Toll has established a sound relationship with the New Zealand Government, and we share a common vision for an invigorated rail system.

Another potential source of strategic value from the Tranz Rail acquisition is the 27.5% – interest in TasRail. TasRail has a long-term lease over the Tasmanian rail network and operates its own fleet of trains throughout the State.

Integrating TasRail's operations with Toll's existing Trans-Bass logistics operations, would see sound benefits flow to Toll and its customers.

We believe Trans Rail presents Toll with a unique opportunity to develop an integrated logistics capability within New Zealand, along the lines of our Australian model and is an important step in our strategy to respond to the growing trend of cross border solutions being sought by global organisations.

Acquisitions

Acquisitions concluded during the year included Brambles Shipping and the Mayne Express business.

Both acquisitions delivered Toll strategic benefits, positive cashflow contributions from day one, and are trading in line with expectations.

The Brambles Shipping business which now operates as Toll Shipping, is an excellent well managed business and allows Toll customers to benefit from a fully integrated service capability both into and out of Tasmania.

This door-to-door service will also offer full integration with other Toll mainland services, one point of contact, one bill for both domestic and international customers.

The Mayne Express business in Australia consisted primarily of:

- Express courier and messenger services
- Parcel and document deliveries by road and air
- Fashion courier for the fashion industry, and

- Mail room services

DIDS

In July 2003 TenixToll, a Toll joint venture company was re-confirmed by the Federal Government, as the successful tenderer for the DIDS contract.

Whilst the contract will have minimal impact on our revenues this year, the joint venture will invest some \$25 million in gearing up for this contract. We will be employing in the order of 1400 people. As the transition nears completion and this business becomes established, it will be an extremely positive contract for Toll over the next 10 years, conservatively generating revenues of \$900 million.

New Facilities

Toll completed new facilities during 2003 for Toll IPEC in Melbourne, Sydney, Perth and Adelaide. We also commissioned and completed a new purpose built facility for Arnott's, following the closure of their Burwood Manufacturing plant near Melbourne.

We have also recently started construction of our NQX and Toll Express facilities adjoining the new rail terminal in Darwin, with stage 1 costs estimated at \$10m.

During 2004, our attention will focus on Perth with redevelopment of the Kewdale rail terminal and new warehouses. In addition, new facilities are planned in Townsville, Mackay and Brisbane.

Offshore Operations

Toll will continue to selectively grow its offshore activities in the Asian Region.

Our port and warehouse activities in New Zealand are performing well and will benefit from our successful takeover of Tranz Rail.

Consolidated revenue from all New Zealand operations including Tranz Rail will contribute AUD\$600m per annum – approximately 20% of Group revenue.

Our business in Thailand continues to perform ahead of plan and at the same time, secure new contracts and take advantage of organic growth opportunities. Oil, gas and automotive remain the key areas of further growth opportunities in Thailand.

A controlling equity in a small Malaysian bulk tanker operation, Zari Haulage, was acquired in August 2003. This business will be managed by Toll Thailand and presents an excellent opportunity to develop new contracts with the major oil and automotive multi-nationals.

Toll Logistics Thailand was awarded the *2002 / 2003 Business of the Year Award* by the Australian-Thai Chamber of Commerce.

US / Europe Markets

Toll is maintaining its watching brief on the US and European logistics markets, keeping abreast of the latest innovative concepts and strategic opportunities.

Like Asia, the impact of globalisation in these sectors will create many opportunities for Toll.

Toll will continue to review these opportunities along the current conservative and low risk platforms.

Industry Review

Freight logistics contributes around 9% of the Australia's GDP and is one of the biggest sectors in the economy, with the nation's freight task forecast to double over the next 15 years.

The past twelve months have seen a continuation of industry consolidation and we believe that this will continue to be a feature of our industry.

Our industry remains very competitive with smaller operators finding it increasingly difficult to meet customer expectations.

There is however, an ever growing need for service providers to deliver a high level of technology as well as a broad service capability, both of which are needed to ensure value added services. In addition, there is an increasing trend towards broader geographic customer relationships.

Increasingly, our customers are showing trust in Toll to deliver on both the service capability and technology fronts, and we will continue to invest in our infrastructure to ensure the best possible outcome for our customers.

The Economy

Australian economic growth is forecast to remain solid during 2004, and will benefit from reduced impact from the drought and the world economy continuing to recover. The forecast rate of growth suggests the Reserve Bank of Australia will leave interest rates on hold in the short term, however the present indications suggest a modest increase over the next twelve months.

In the meantime, inflation expectations are well within manageable levels, with no signs of any major deterioration.

The current strengthening of the Australian Dollar against other currencies, in particular the United States' Dollar, does not have a significant impact on our earnings or cashflows. The Australian economy continues to be positively impacted by consumer demand, and solid export levels and with building and construction activity remaining strong, we are confident that these economic factors will assist the company to drive further growth.

Outlook

Looking ahead to 2004, we anticipate another excellent year for the company, and in fact, another record year. There are no major cost pressures across our business: items such as fuel are in hand and labour agreements are all secure – we feel any downside risks are manageable and can be minimised.

Trading to-date in 2004 is in line with our targets.

Synergies from acquisitions will continue to flow strongly, adding to Toll's strong existing businesses, industry consolidation will continue, with outsourcing and partnering undoubtedly features of Toll's exciting growth.

The development of our New Zealand operations establishes an outstanding platform for growth and an ability to strengthen further our customer relationships.

As our customers seek more integrated end-to-end supply chain solutions, the company we've been building for well over a decade now, is positioned both financially and operationally to take advantage of the opportunities presented.

Item 1 – Accounts and Reports

That concludes my presentation. I now move on and introduce the first item of formal business on the Notice of meeting, which is the receipt and consideration of the financial statements.

I formally [table] the financial statements of the Company and its controlled entities for the year ended 30 June 2003 and the related Directors' Reports, Directors' Declarations and Auditors' Report.

9. QUESTIONS & ANSWERS

I now invite any questions or comments on the operating performance of the Company and the accounts, prior to handing the meeting back to the Chairman.

With regard to any questions relating to today's formal resolutions from item 2 onwards, shareholders will be given the opportunity to raise them prior to each resolution being put to members.

If you have a question at any stage, would you please move to the nearest microphone in the aisles and give your name to the attendant who will introduce you to the meeting.

Are there any questions on the operating performance or the accounts?

Managing Director responds to Questions

Thank you for your interest. I now hand back the meeting to the Chairman.

Chairman returns to Lectern

10. FORMAL BUSINESS

I will now proceed with the remaining formal business in accordance with items 2 to 11 on the Notice of Meeting.

If not carried, the Chairman says:
“The motion was not carried on a show of hands. In accordance with Rule 13.5 of the Company’s constitution, I now call for a poll on this motion, which will be held at the conclusion of the meeting.”

11. CLOSE OF MEETING

As there is no further business I thank you for your attendance and participation now declare this Annual General Meeting of Toll Holdings Limited, closed.

On behalf of the Board of Directors, I invite you to join us for refreshments in the foyer

-----**END**-----

Polls

Note: Should any resolution not be passed/declared by a show of hands, Chairman should defer the calling of a poll until after resolution 11. If needed, all polls can be conducted simultaneously.

I now call on the Company Secretary and ComputerShare Registry Services to conduct a Poll on Resolutions [indicate item number(s)].