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# Toll Holdings Restructure Launch

23 April 2007



**TOLL**

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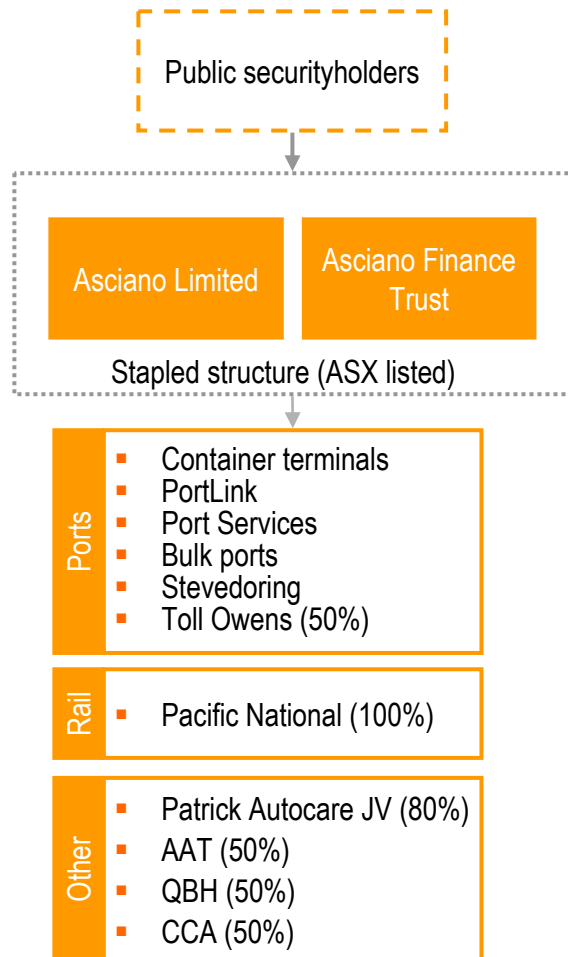
# The Proposal

- Toll Group → separation of infrastructure assets into new listed entity, Asciano
- Both expected to be S&P/ASX50 companies
- Accelerate growth across both asset platforms
- Builds on Toll's current strong results and performance
- Schemes of Arrangement with shareholder vote expected late May
- Stability with executive teams entering into new contracts



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# New Structure





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# ACCC outcome – complete separation

- Undertakings accepted
- Independent boards
- Cross shareholdings
- Shared services
- Ability to employ
- Contracts
- Economics of separation



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# Stakeholder feedback

- Employees Positive
- Customers Positive
- Equity Markets Positive



# Toll post Restructure



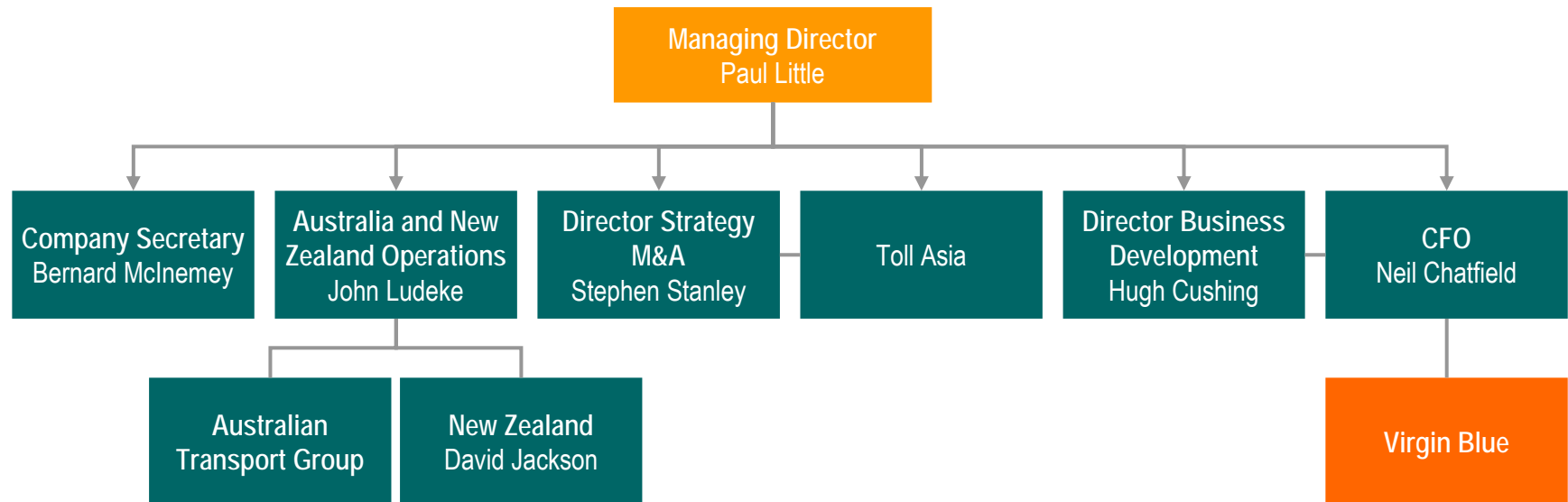
# Strategy

- World class, integrated logistics provider
  - Access to infrastructure enabled by scale and volume
  - Integration through alliances, JVs and other relationships
- Pursue growth in Australia, Asia and New Zealand
  - Successful history of strategic and bolt-on acquisitions
  - Significant growth opportunities available in all markets
  - High organic growth markets
  - Under-gearred balance sheet provides capital for growth



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# Structure and Management

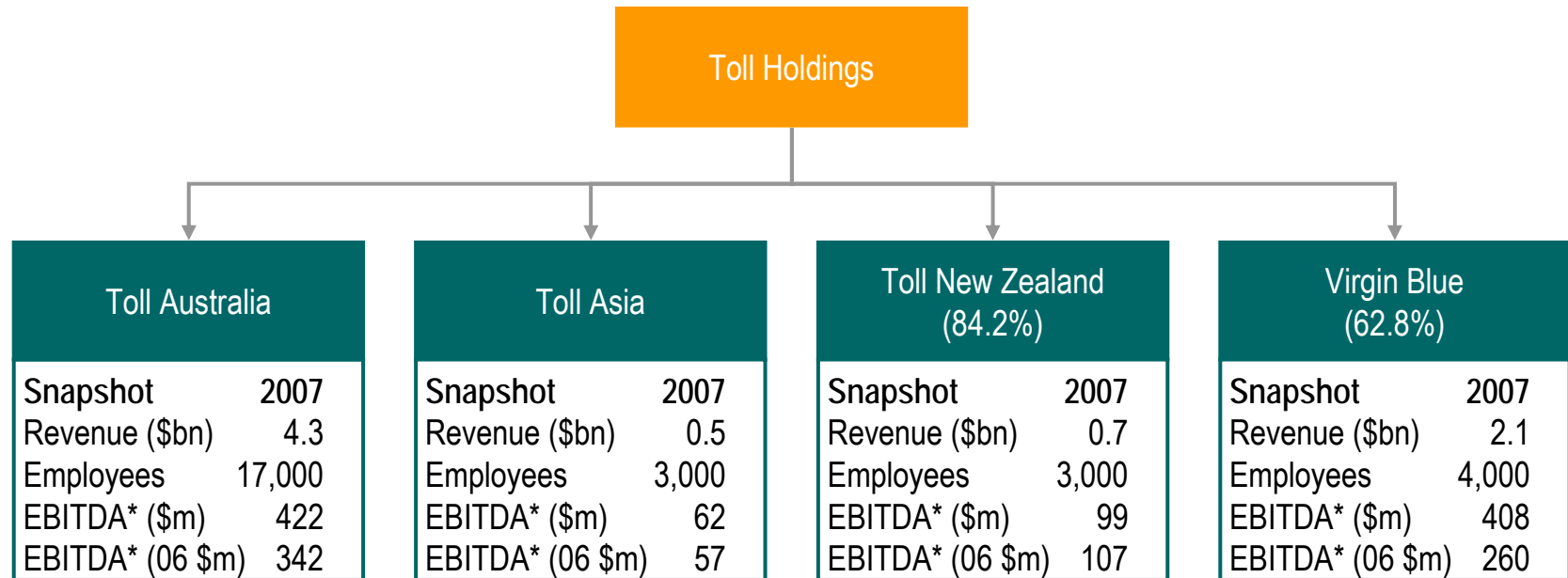


- Key management committed under contract
- Increased management opportunities with outstanding talent bank



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# Business overview



Notes: Excluding share of NPAT of associates

EBITDA reflects Proforma results, showing like for like comparisons



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# Growth opportunities for Toll

- Growth in Australia
- Growth in New Zealand
- Growth in Asia



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# Financial profile – Toll post Restructure

- Substantial leverage capacity
- Focus on operation of assets not ownership
- Payout ratio maintained
- ROIC restored toward 20%+ target level
- Financial and operational capacity
- Aggressive organic and acquisition growth



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# Financial overview – Toll post Restructure

A\$m, year ended 30 June	FY06 PF	FY07 PF
Revenue	6,839	7,556
EBITDA	766	991
EBIT before amortisation charges arising from acquisition accounting	537	709
EBIT	529	666
Capex	(473)	(429)

- Excludes share of associates



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# Pro forma balance sheets

A\$m, as at 31 December 2006	Toll Group reported	Asciano pro forma*	Toll pro forma*
Current assets	2,571	773	2,330
Non current assets	12,077	7,249	4,939
Total assets	14,647	8,023	7,269
Current liabilities	5,282	529	1,306
Non current liabilities	3,078	4,527	2,267
Total liabilities	8,360	5,056	3,573
Net assets	6,287	2,967	3,695
<i>Net debt</i>	<i>5,188</i>	<i>4,200</i>	<i>664*</i>

Note: Proforma includes

- sale of Victorian Track to be completed May 2007
- Asciano placement of \$150 million on listing

\* Includes reset preference shares



# Updated timetable

Date	Event
23 April 2007	Scheme book lodged
28 May 2007	Shareholder meetings
5 June 2007	Effective date and last day Toll shares trade cum entitlement
6 June 2007	Trading of Toll shares ex-entitlement and listing of Asciano
13 June 2007	Record date
15 June 2007	Implementation date
19 June 2007	Dispatch of holding statements
20 June 2007	Commencement of normal trading in stapled securities



# Asciano

Mark Rowsthorn

Asciano CEO



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## Asciano features

- Excellent transport infrastructure portfolio
  - Broader mandate to invest across whole transport space
- Positioned to capitalise on growth in international trade
- Highly experienced management team
- No external fee leakage
- Expected to be an S&P/ASX 50 company



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# Ports overview

## Container Terminals

- Australia's largest lessee and operator of container terminals, with major facilities at the ports of Melbourne, Sydney, Brisbane and Fremantle. Movement of containers from "ship to shore"

## PortLink

- The fourth largest rail operator in Australia, providing land-side logistics and freight forwarding between ports, regional centres and capital cities. Provision of "shore to door management"

## Port Services

- Land based services to shipping lines, freight forwarding agents, customs brokers, importers and exporters. Primary focus is on transport logistics, container parks and bonded storage. Provision of "shore to door management"

## Bulk and General Ports

- Largest bulk and general stevedore in Australia. Operates 20 ports in Australia and 12 locations in New Zealand (Toll Owens)

## Patrick Autocare (80% JV)

- Offers an integrated service of processing, storage and distribution of motor vehicles to the growing imported motor vehicle market



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## Ports growth

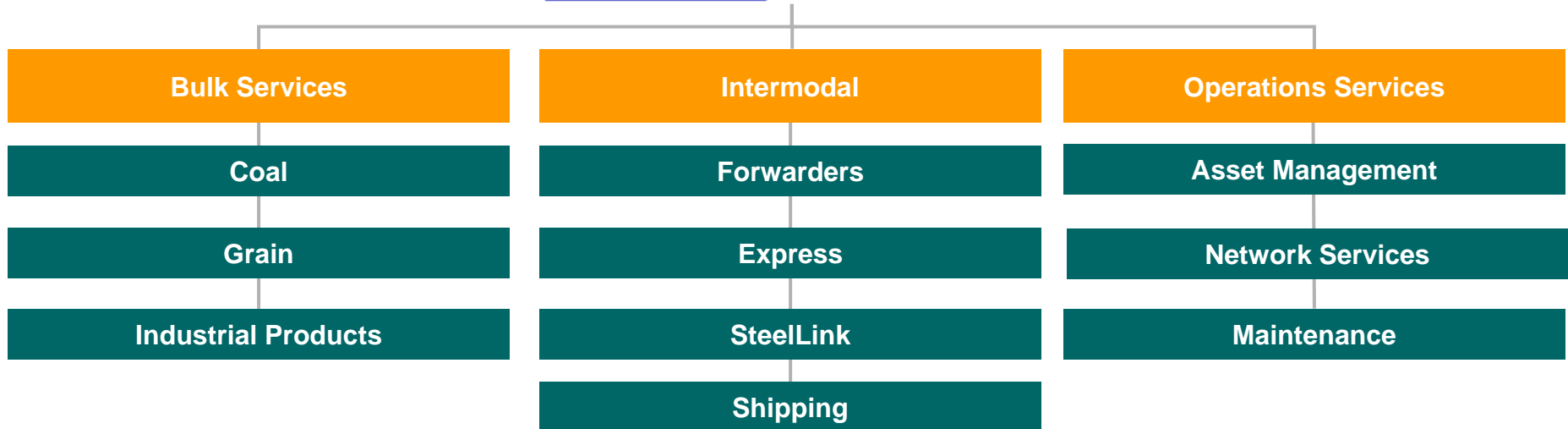
- Containerised port cargo
  - Historic container port growth – 7% (30 years)
  - Forecast container port growth – 6% (5 years)
- Non containerised port cargo
  - Expected increase in volume – 5.3% (5 years)
- Ongoing ports capacity growth, including Autostrad rollout
- Acquisition based growth in transport infrastructure sector



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# Pacific National Overview

Broad platform to build upon



<sup>1</sup> Corporate expense of \$0.8m is not allocated to each division.

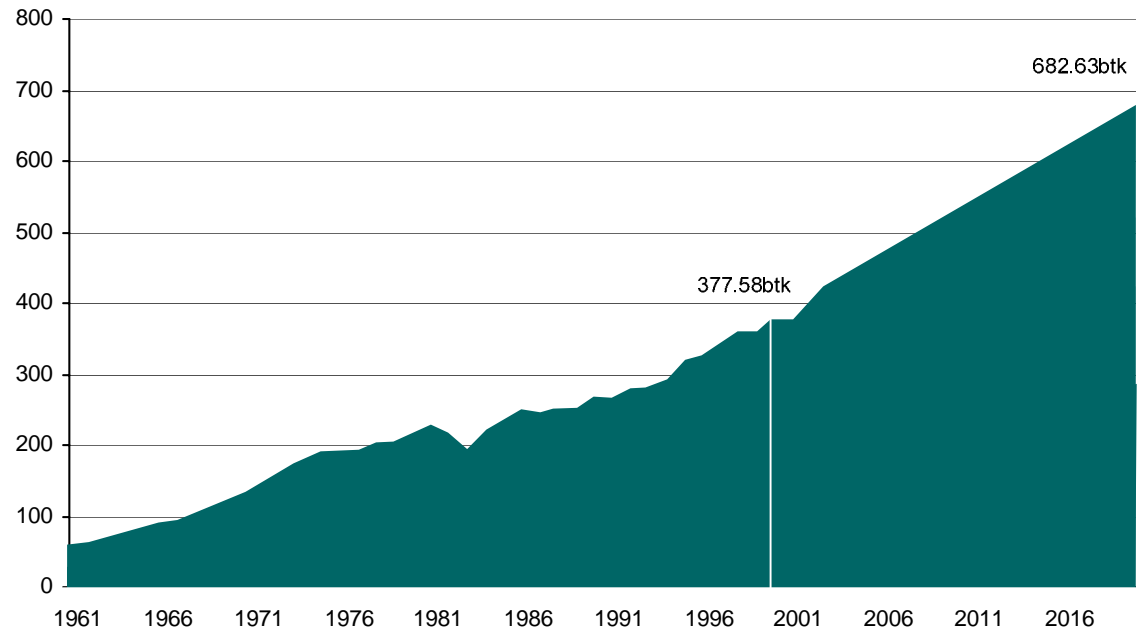


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# Growth

- Rail is the most socially and environmentally responsible form of land transportation
- Expected rapid growth in coal and minerals sector in Australia forecast to continue
- Australian land freight task has been estimated to double between 2000 and 2020
- Rail competitiveness increases with rising fuel costs and tight labour markets
- Australian Government commitment over the next twenty years to invest in rail infrastructure

**Total Domestic Freight Task (btk)**



Source: BTRE



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## Financial profile

- Substantial leverage capacity and gearing levels appropriate to assets and cash generation
- Debt facility to fund growth capex over next three years
- Structured to facilitate high and growing levels of cash distributions
  - 2008 pro forma distribution of \$0.46 per stapled security (\$0.36 tax deferred and \$0.10 taxable)
- EBITDA well diversified between Ports and PN
- High growth through capex and expanding trade

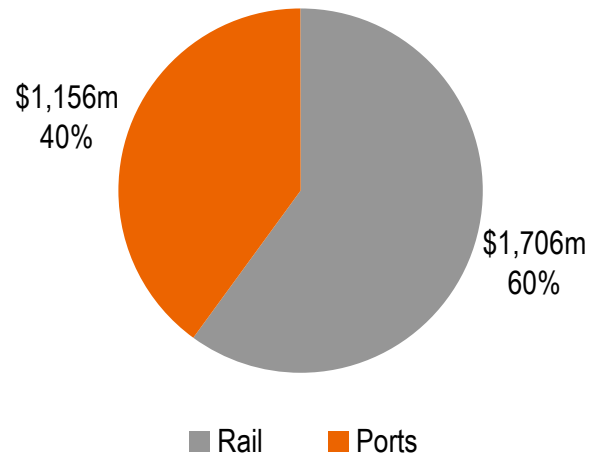


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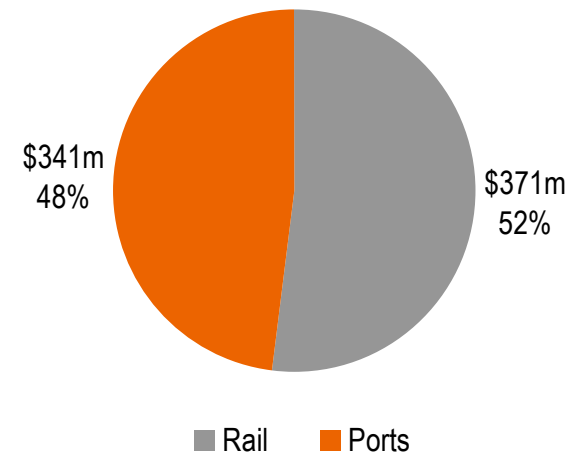
# Consolidated Financial Overview

A\$m; Y/E 30 June	FY06PF	FY07PF	FY08PF
Revenue	2,501	2,588	2,862
EBITDA	511	594	712
Capex	(386)	(273)	(410)

**Revenue (2008F)**



**EBITDA (2008F)**





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# Asciano growth Strategy

- Optimisation of existing assets:
  - Ongoing investment in infrastructure
  - Maximising efficiencies from rail/port interface between Ports and Pacific National
  - Pursuit of expansion opportunities at port facilities
  - PN growth opportunities in new bulk markets and North-South Corridor
  - Capitalise on third party infrastructure improvements (inland rail corridor, port expansions)
- Target strategic acquisitions in Australia and offshore
  - Leverage management experience in running and optimising major transport infrastructure assets
  - Mandate for transport and operations assets, including ports, rail, tollroads, airports