


'the total logistics solution…'

Toll Holdings Limited
Presentation

Citi Australian & New Zealand
5th Annual Investment Conference

London – March 2008

Presenter
Paul Little – Managing Director

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Vision

To be the most successful provider of
‘integrated logistics solutions’
to the Asian region
providing customers with global reach

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Toll Group Structure

- **MD / CEO** – Paul Little
  - **Australia** – John Ludeke
    - **New Zealand** – David Jackson
  - **Asia Logistics** – Wayne Hunt
  - **Global Forwarding** – TBC
  - **CFO** – Neil Chatfield
  - **Strategy M&A** – Stephen Stanley
  - **Int'l Development** – Hugh Cushing
  - **Company Secretary** – Bernard McInerney



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Toll Group Structure

Toll Group

Australia

- Express / Courier
- Domestic Freight Forwarding
- Specialist Logistics
- Coastal Shipping
- Distribution and Warehousing
- Defence Logistics
- AutoLogistics

New Zealand

- National rail, road and sea freight international
- Distribution and Logistics Management
- Interisland and Urban Passenger Services

Asia

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

Toll Global Forwarding

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

Virgin Blue

Recognised the world over as an innovator and leader in the global aviation industry.

Virgin Blue is Australia's leading major airlines for service, on-time performance and value for money.

Currently operates over 2,000 flights per week.

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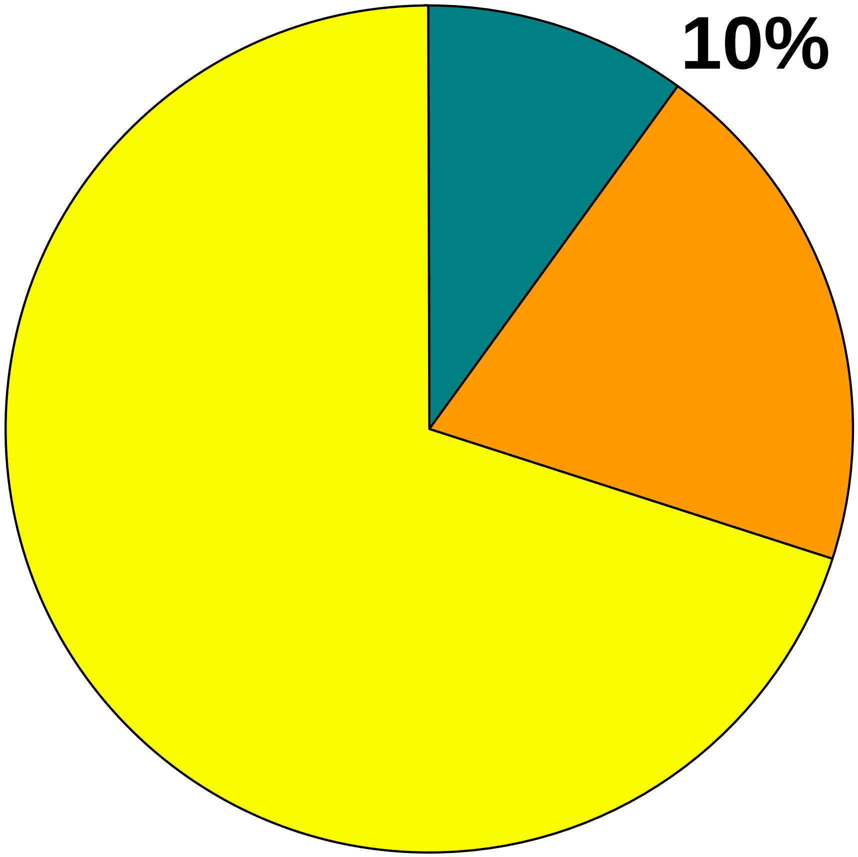
Revenue Contribution By Region



Proforma annualised including Baltrans, excludes Virgin Blue

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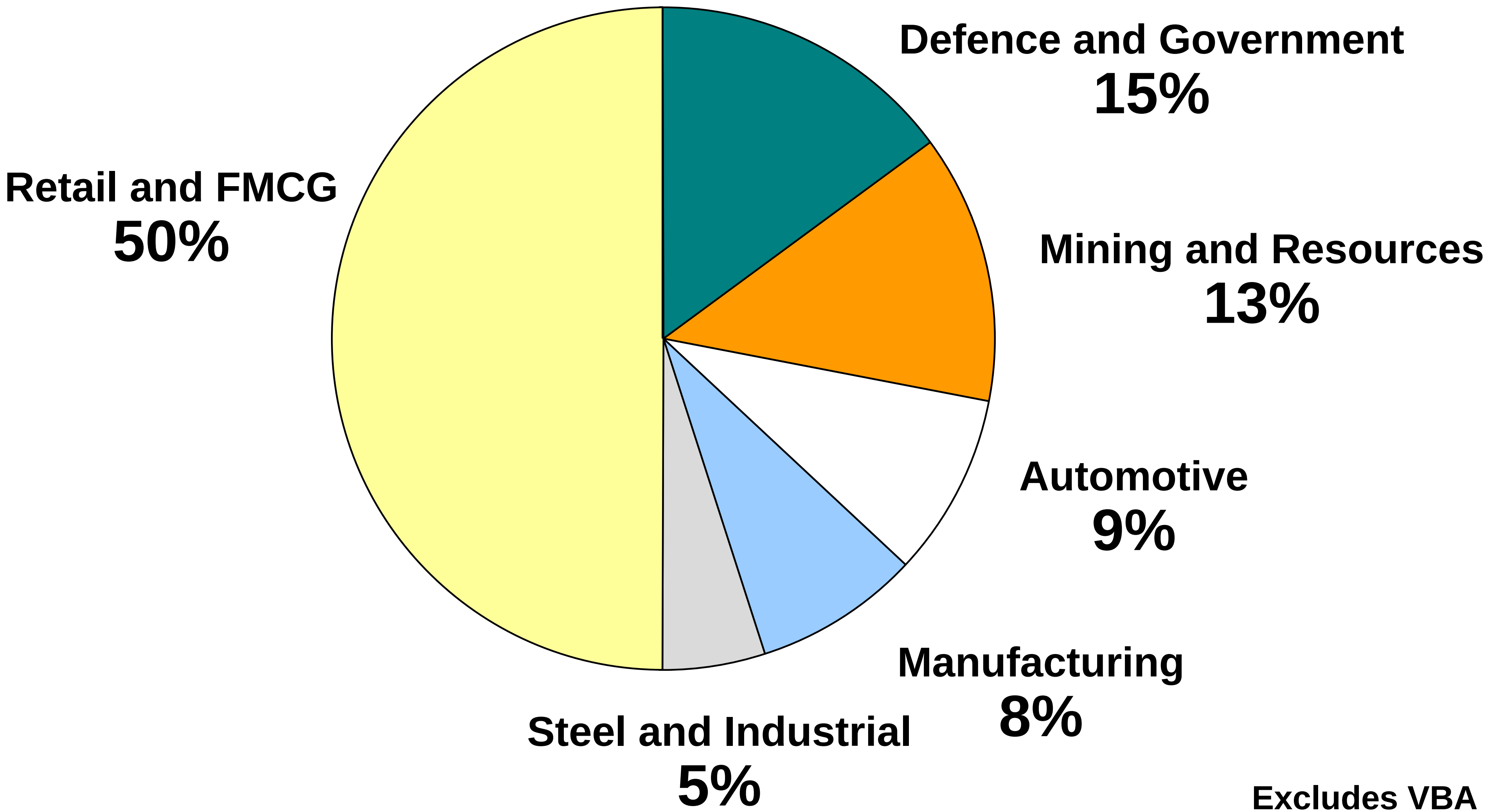
Revenue Contribution By Industry



Excludes VBA

TOLL

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Toll Serves the World's Leading Companies

Cadbury
PILKINGTON
3M
Coles Myer Ltd.
Dairy Farmers
AMCOR
FOSTER'S GROUP
Inspiring Global Enjoyment
'The Fresh Food People' WOOLWORTHS
Paperlinx
Procter&Gamble
HOLDEN
JUST DO IT.
Simplot AUSTRALIA
YAMAHA
COCA-COLA CCA AMATIL
ARNOTT'S BISCUITS
RIO TINTO
Minerals and metals for the world
Ford
BOC GASES
COLGATE-PALMOLIVE
BLUESCOPE STEEL
ORICA
SUGAR Australia
ZINIFEX LIMITED
LION NATHAN
Unilever
Unilever Australasia
Kimberly-Clark
DUPONT
TATA
L'Oréal
PEPSICO
Abbott Laboratories
BD
Yeo's
GE Plastics



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Group Highlights – Interim Results

- Strong underlying revenue growth
- Costs well controlled
- Excellent Australian Transport Performance
- Asian strategy now delivering
- Building network and capability throughout the Asian region
- Cashflow / Balance Sheet in great shape

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Earnings Summary – December 07

AUD$ (m)

*Profit after tax and Minority Interests**	↑ 18%	to	248
*EBIT**	↑ 13%	to	431
*EBITDA**	↑ 10%	to	583
Revenue	↑ 8.3%	to	4,100

**Includes associates.*

Results are pre-demerger costs and Virgin Blue development costs

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Balance Sheet / Debt Position – Dec 07

	AUD$ (b)
Total Assets	8.4
Net Debt *	1.5
Total Equity	3.8
Gearing	28%
Interest Cover for 6 months (times)	12

*Including Reset Preference Shares

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Earnings Composition – December 07

AUD$ (m)	Toll Aust	Toll NZ	Toll Asia	VBA	Total
Revenue					
07	2,296	333	292	1,201[1]	4,122
06	2,139	323	232	1,113	3,807
EBIT*					
07	180	23	29	199	431
06	152	21	28	179	380[2]

**EBIT is pre-demerger costs and VBA development costs*
(1) Excludes inter-company revenue
(2) Excludes discontinuing operations

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Cashflows

	AUD$ (m)
Cashflow from operations	*376*
Investment in acquisitions	*334*
Net investment in capital expenditure	*835 (VBA 596)*

- *Seasonal build-up in receivables*
- *Focus remains firmly on working capital*

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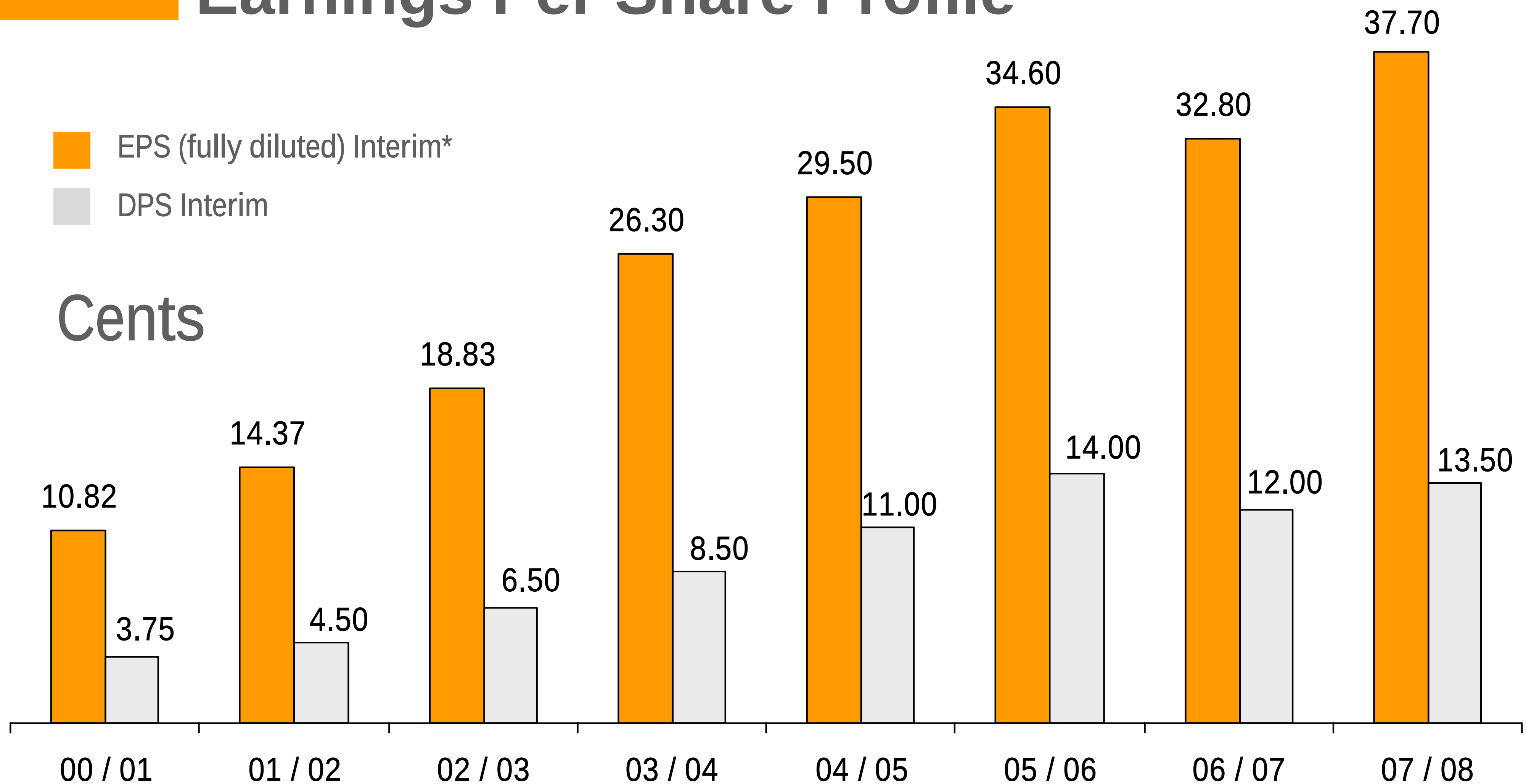
Earnings Per Share Profile



2006/07 Comparative adjustment for earnings from discontinued operations

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Australia – Strategic Highlights

- JV with Dnata – acquired Toll Air Services operations
- Acquisition of Victorian Express
- Long term freight operations agreement with VBA
- Acquisition of SkyNet International air express operations
- Establishment of a national air linehaul network
- Integration and rationalisation of difficult ex-Patrick warehousing assets

Australia – Results

- Underlying revenues and earnings maintained growth momentum

Revenue	↑	7.5%	to	$2.3 b
EBIT	↑	17.6%	to	$184 m
EBIT Margin	↑	12.5%	to	8 %

- Margin expansion driven by operating efficiency

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Australia – Outlook

- Ongoing investment in infrastructure and technology
- Planned reduction in non strategic balance sheet property
- Increased Global Forwarding capabilities
- Integration of recent small acquisitions
- Expect ongoing strong revenue and earnings growth

New Zealand – Strategic Highlights

- Take out of minority interests and privatisation of public Co
- Long term Pike River coal haulage agreement
- Additional container equipment to increase capacity for Metro Port service
- New lime rail haulage contract
- Won Energy Efficiency and Conservation Authority Award

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New Zealand – Results

			NZ$ (m)
▪ Revenue	Flat	at	383
▪ EBIT	↑ 14.5%	to	27

- Expansion of EBIT margin - cost control and capital expenditure benefits

  

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New Zealand – Outlook

- Further develop international freight forwarding capability
- NZ attractive market – sourcing from Asia
- Acquisition growth opportunities
- Ongoing discussions with Crown
- Toll remains committed to NZ rail sector

Asia – Strategic Highlights

- Takeover and integration of Sembawang Kimtrans
- Acquisition and service integration of minority stake – Cargo Services
- Restructure of management and appointment of CEO
- Continuing strong growth in offshore supply operations
- Solid contract retention

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Asia – Results

				SGD$ (m)
Revenue	↑	35%	to	376
EBIT	↑	4%	to	47

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Asia – Outlook

- Focus on business development and technology integration
- Organic revenue and earnings growth to accelerate
- Cross selling with Toll Global forwarding
- Positioned business for bolt-on acquisitions

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2007 GDP Growth Rates

2007 GDP

China	11.4%
Cambodia	9.5%
India	8.9%
Vietnam	8.3%
Singapore	7.5%
Indonesia	6.2%
Malaysia	5.8%
Australia	4.4%
Thailand	4.0%



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Global Forwarding

Create a focused niche global freight forwarder centred in Asia

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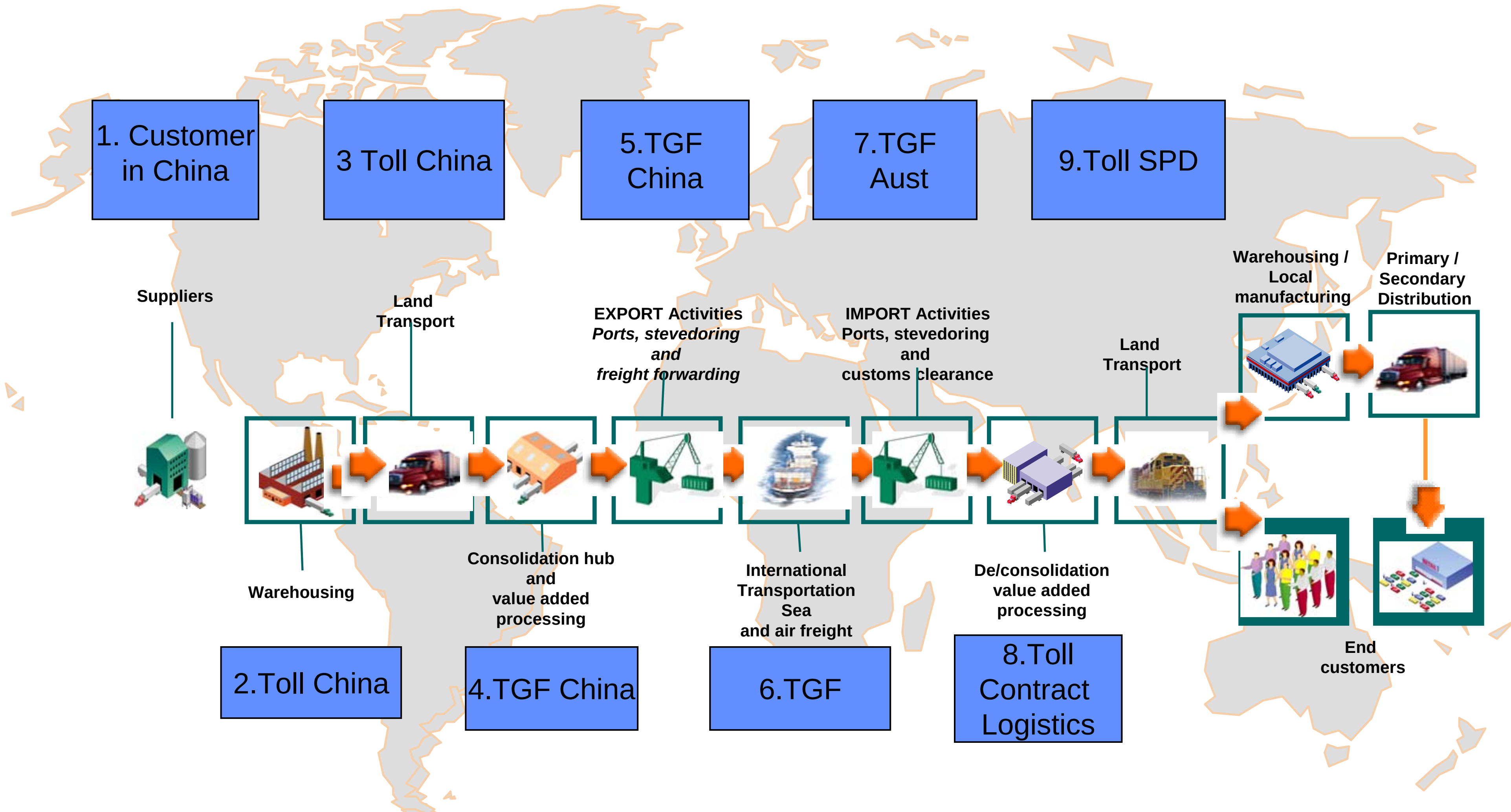
China to Australia Supply Chain Model



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Priority Markets

Priority 1 → Asia

- **Asia to Australia**
  Inbound services to Australia / NZ importers
- **Australian Export**
  Outbound services to Australia / NZ exporters
- **Trans Tasman**
- **Intra–Asia services on key trade-lanes**

Priority 2 → Europe and Middle East

Priority 3 → Americas

Key Market Segments

- Asian markets are strongly aligned to Toll's core industry competencies

Retail and Consumer Goods	• Fashion and footwear • General merchandise • DIY • Grocery • Furniture and textiles
Hi - Tech	• Consumables • LCC computers and accessories • Electronics
Automotive	• OEM parts • Aftermarket parts and accessories
Mining and Resources	• Parts and machinery • Mining chemicals

Market Participants in Global Freight Forwarding

- DHL*
- Kuehne & Nagel*
- Schenker
- Ceva*
- Panalpina
- Expeditors
- CH Robinson

*Combine contract logistics and global freight forwarding

Virgin Blue – Results

				AUD$ (m)
Revenue	↑	8.1%	to	1,212
EBIT*	↑	5.5%	to	199

- Improvement in loads and yields
- Maintained sound cost controls

*Pre-development costs

Virgin Blue – Outlook

- Domestic market remains competitive
- Fuel costs will challenge
- New initiatives on track
- V-Australia all clear
- Board initiated review

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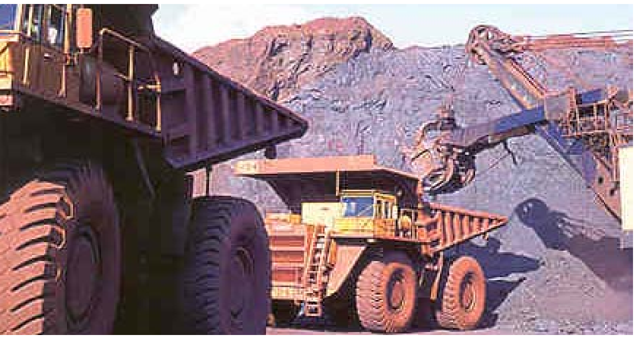
Economic Conditions



- Market volatility impacting global economic outlook
- Australian and major economy exposures remain solid
- No sign of slowdown in organic growth throughout Asian Region
- Fuel continues to be only major industry cost pressure
- Labour cost stable
- Expecting continued economic growth across region

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Industry Dynamics

- International trade-flows buoyant
- Growing demand for air freight
- Asia centric supply chain solutions
- International customers seeking global solutions
- Industry consolidation ongoing
- Toll very well placed

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Group Outlook

- Focussed on organic and acquisition growth
- Current global financial climate will present opportunities
- Virgin Blue challenging short term
- Core logistics operations performing well and generating growth (strong full year outlook)
- Excellent balance sheet to support growth

Questions