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Toll Holdings Limited Presentation

**Goldman Sachs JBWere
Fourth Annual Australasian Investment Forum**

New York – March 2008

**Presenter
Paul Little – Managing Director**



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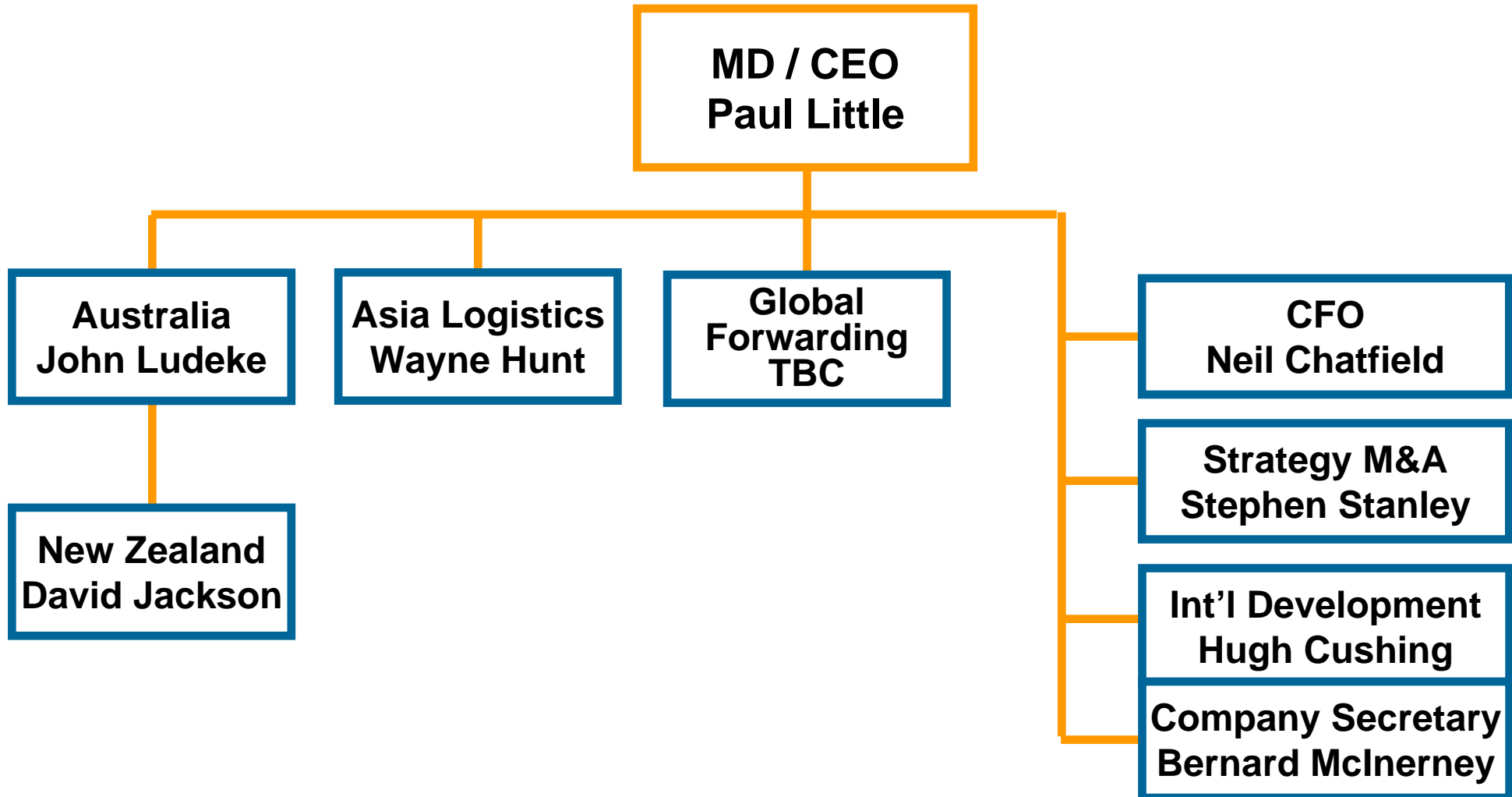
Vision

*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





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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.

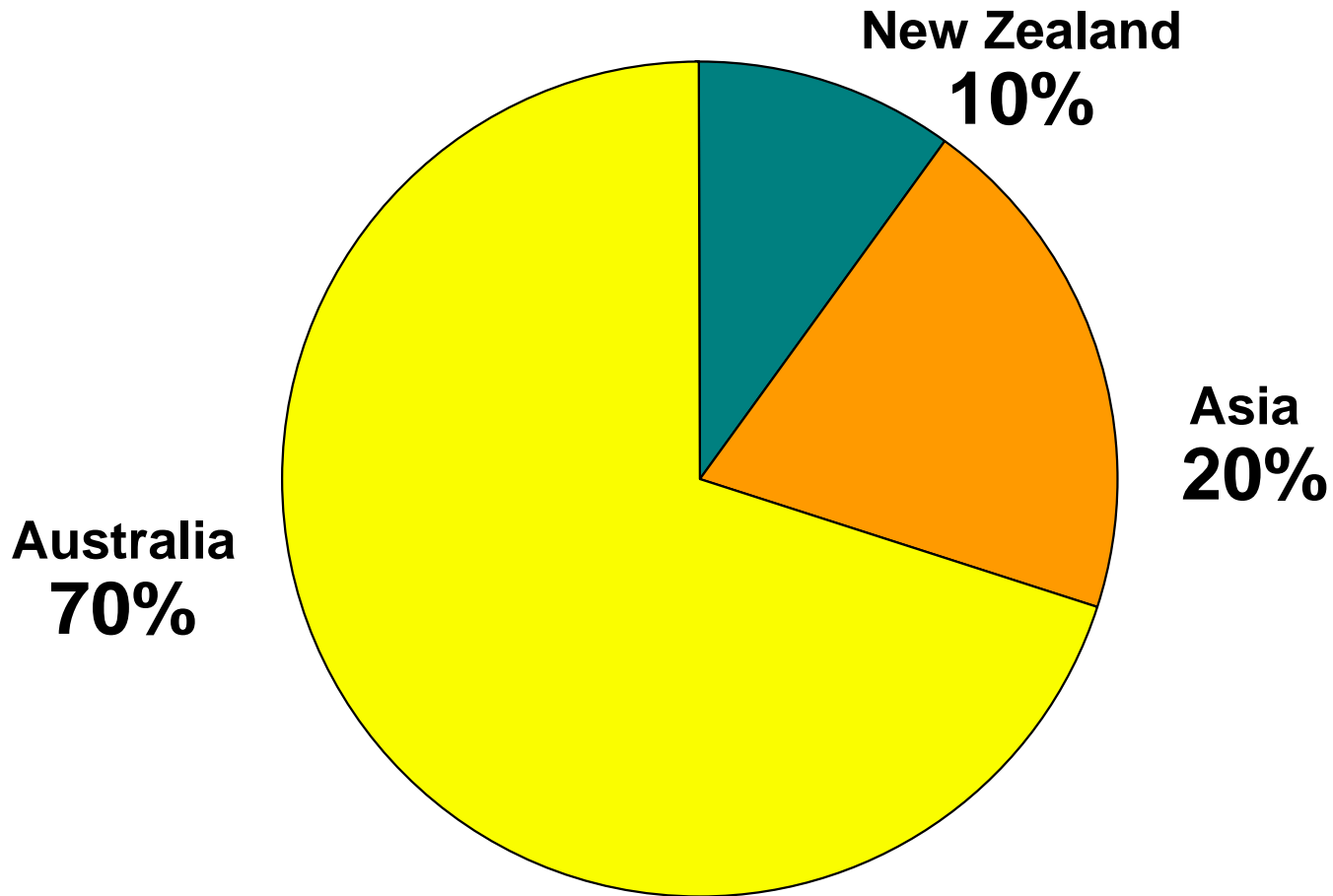
Virgin Blue is Australia's leading major airlines for service, on-time performance and value for money.

Currently operates over 2,000 flights per week.



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Revenue Contribution By Region

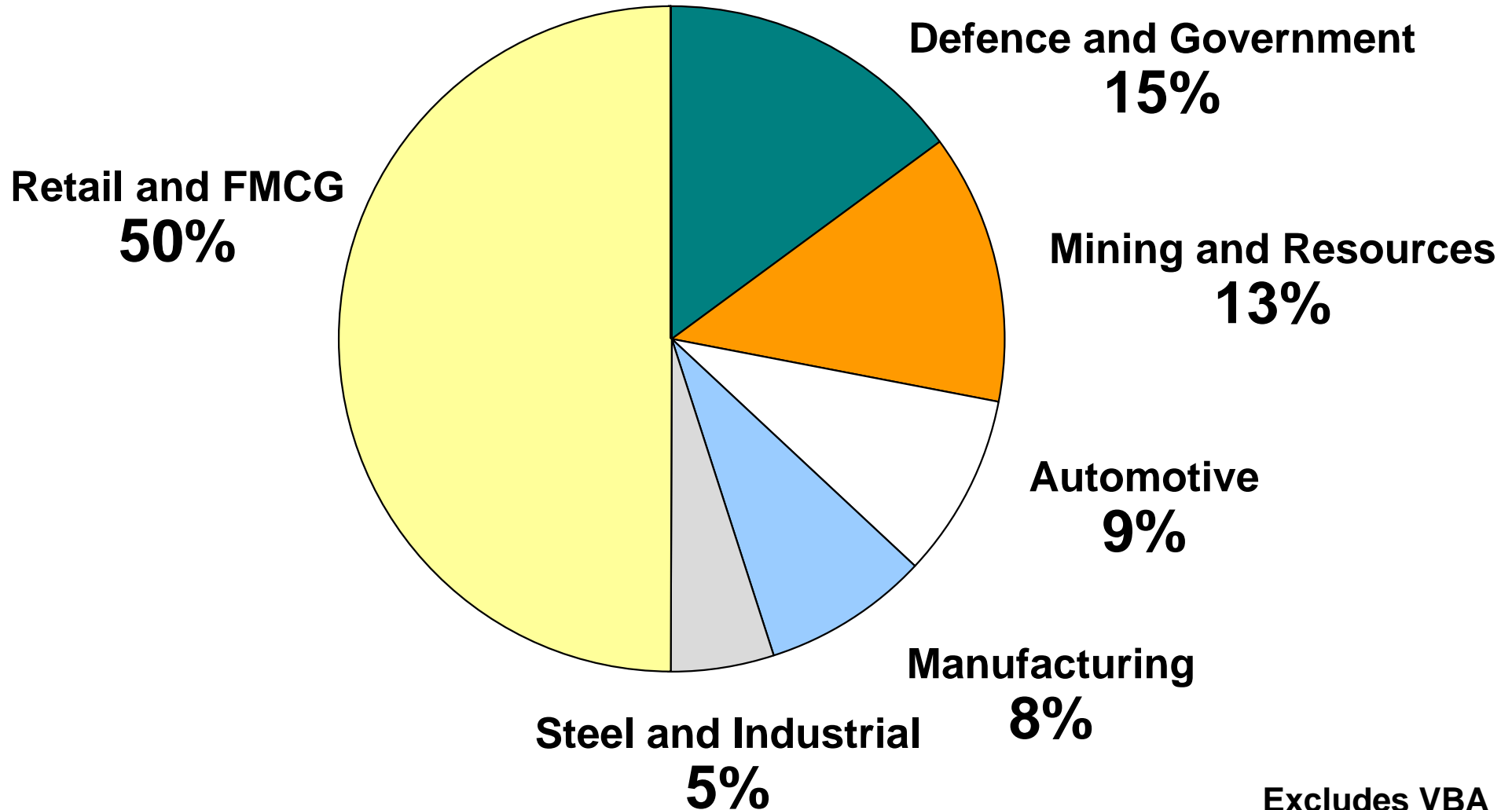


Proforma annualised including Baltrans, excludes Virgin Blue



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Revenue Contribution By Industry



Excludes VBA



Toll Serves the World's Leading Companies





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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)

<i>Profit after tax and Minority Interests*</i>	↑ 18%	to	248
<i>EBIT*</i>	↑ 13%	to	431
<i>EBITDA*</i>	↑ 10%	to	583
<i>Revenue</i>	↑ 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
<i>Revenue</i>					
07	2,296	333	292	1,201 ⁽¹⁾	4,122
06	2,139	323	232	1,113	3,807
<i>EBIT*</i>					
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

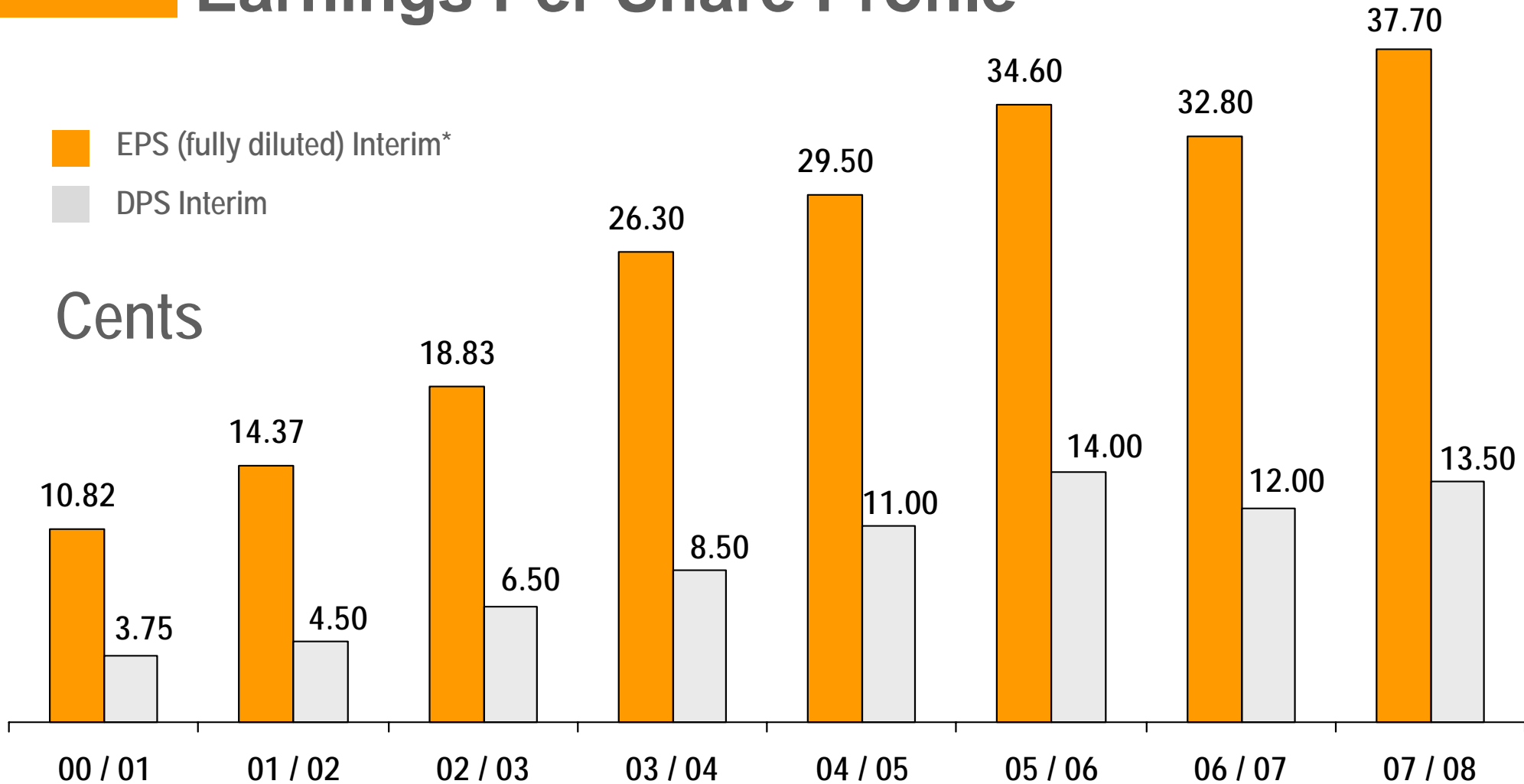
AUD\$ (m)

- *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



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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



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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





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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



Asia – Results



- Revenue ↑ 35% to 376
- EBIT ↑ 4% to 47

SGD\$ (m)





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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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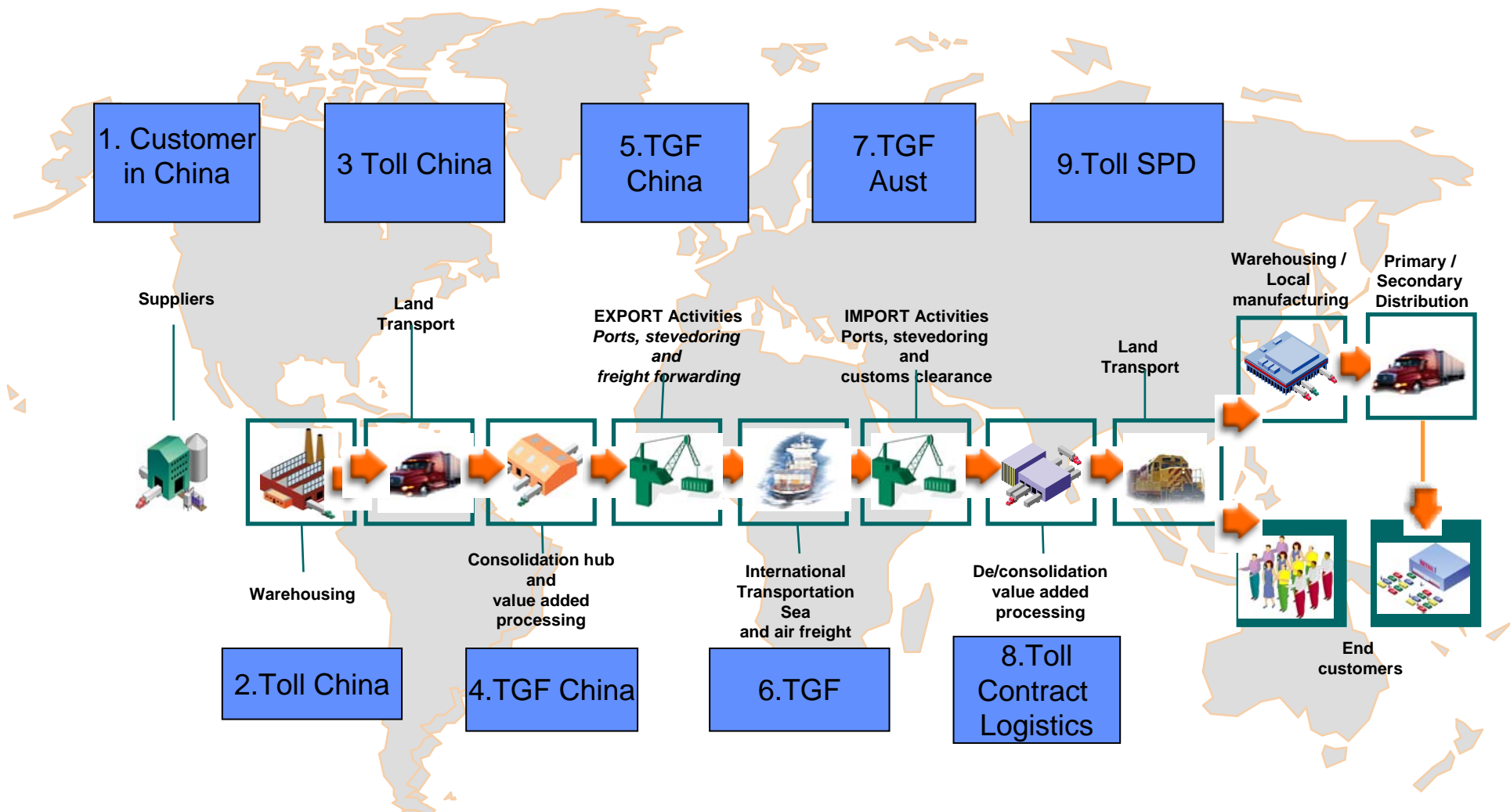
Global Forwarding

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



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Key Market Segments

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

Retail and Consumer Goods	<ul style="list-style-type: none">• Fashion and footwear• General merchandise• DIY• Grocery• Furniture and textiles
Hi - Tech	<ul style="list-style-type: none">• Consumables• LCC computers and accessories• Electronics
Automotive	<ul style="list-style-type: none">• OEM parts• Aftermarket parts and accessories
Mining and Resources	<ul style="list-style-type: none">• Parts and machinery• Mining chemicals



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Market Participants in Global Freight Forwarding

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

*Combine contract logistics and global freight forwarding



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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



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Virgin Blue – Outlook



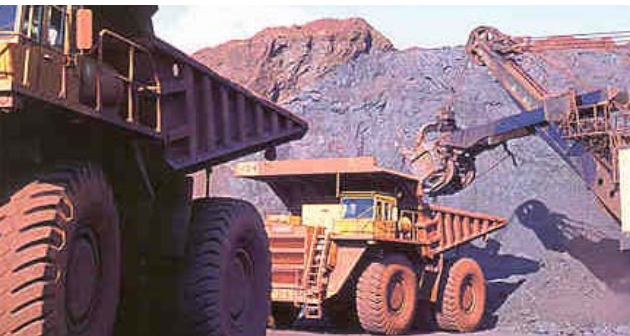
- Domestic market remains competitive
- Fuel costs will challenge
- New initiatives on track
- V-Australia all clear
- Board initiated review



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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



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Questions