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The Manager
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Dear Sir

PRESENTATION SLIDES – 2006 AGM – CHAIRMAN AND MANAGING DIRECTOR SPEECHES

Please find attached for immediate release to the market the speeches by the Company's Chairman and the Managing Director at the Company's Annual General Meeting scheduled for 11am on 26 October 2006.

Yours faithfully
TOLL HOLDINGS LIMITED

Bernard McInerney
Company Secretary

Encl.

Chairman's Address AGM – 2006

2006 Performance

I am particularly pleased to report to our shareholders today on the company's performance during the 2006 financial year.

On any measure the 2006 year was outstanding for the company. The successful acquisitions of Patrick Corporation and SembCorp Logistics were truly transforming transactions for Toll. In addition, the growth and excellent results delivered by our core businesses reflected the high quality of these businesses and the people who manage them.

2006 was a year for investing in the future of the company, capturing opportunities to generate long term superior returns for our shareholders.

In 2006 the company again posted record earnings, with after tax profit increasing 17% to $243 million pre-amortisation of intangibles and after reset preference share dividends.

Earnings per share pre amortisation of intangibles also grew strongly increasing to 66.7 cents per share compared to 62.7 cents in the previous year.

Dividends paid to our shareholders also increased significantly with the total ordinary dividend of 31 cents per share representing a 17% increase over last year. In total, dividends paid amounted to $152 million for the 2006 financial year, this was over 70% higher than last year.

Further, the company also paid $15.5 million in dividends to our Reset Preference Shareholders.

Over the past five years the total annual dividend paid to shareholders has increased by over eight times.

Since the end of the financial year the company has continued to focus on asset divestments arising from undertakings given to the ACCC. These discussions are progressing well.

The company has also been implementing a detailed integration plan for both the Patrick and SembLog acquisitions and activity in this regard is in line with expectations.

On behalf of shareholders I wish to sincerely thank all employees and our senior management team for their dedication and outstanding contribution to the company over the past 12 months.

I am sure you will all agree that the company has been superbly lead by the management team at times against severe adversity during the course of the past year.

Corporate Governance

Toll has continued to pursue the highest standards of corporate governance. Across all areas of corporate governance, the company has established sound policies and practices, and where appropriate, conformed to ASX Governance and Best Practice guidelines.

A clear example of this is in relation to our policy on independence of our auditors. Whilst we recognise at times the level of non-audit related fees will be significant, particularly reflecting the company's merger and acquisition activity, the Board, through the Audit Committee, monitors closely any non-audit tasks to be undertaken by our auditors and ensures that the independence of our auditors is not compromised. The company's auditors are not asked to undertake any work which they will subsequently be required to audit in carrying out their statutory obligations.

Board Composition

Due to the many activities associated with the acquisitions during the year, the Board decided to defer the appointment of new directors until the acquisitions were finalised.

I am delighted to announce that Mr Harry Boon will join the Toll Board on 1 November.

Mr Boon is Chairman of Tattersall and Gale Pacific, a director of Funtastic and Hastie Group Mr Boon recently retired as Chief Executive Officer and Managing Director of the ASX Listed Ansell Limited, a position which capped a career spanning some 28 years with Ansell. Mr Boon has lived and worked in senior positions in Australia, Europe, UK and Canada, and has broad-based experience in global marketing and sales, large scale manufacturing operations, and product development. He is multi-lingual with degrees in law and commerce, and has a strong track record of delivering business results through setting ambitious goals, building the appropriate organisation structures, and relentlessly pursuing achievement.

The Board is confident that Mr Boon will be an invaluable contributor to the Board.

In addition, the Board is currently considering the appointment of additional non-executive directors and expects to make further announcements in this regard in the near future.

Mr Alastair Lucas has this week advised that he will not be seeking re-election to the Board. Alastair is a senior executive of Goldman Sachs JB Were and has decided that conflicts of interest, whether actual or perceived, have become too numerous.

On behalf of the Board, I take this opportunity to thank Alastair for his contribution to the company and to wish him well in the future.

It is intended that the Board's composition with a majority of non-executive directors will be restored once further appointments are made in the next few months.

In light of the expectation that the Board will be expanded, shareholders will be asked at today's meeting to increase the aggregate maximum amount of fees for non-executive directors from $1 million to $1.5 million. This increase will provide capacity to increase the current Board size and allow the Board to retain and attract high calibre directors.

Senior Executive Option Plan

As an integral part of the company's remuneration policy, the Senior Executive Option Plan has been very successful in aligning the long term remuneration of our executives, with the long term interests of our shareholders.

Following the Patrick and SembLog acquisitions, the company undertook a detailed review of its remuneration policy, which is now designed to ensure the company is competitive with current marketplace practice, and that it is able to attract and retain appropriately qualified and experienced directors and executives.

Following the review, directors have decided to provide long term equity incentives, in the form of share options on an annual basis, rather than every two years.

Commencing in the 2007 financial year, annual grants will provide executives with a rolling three year focus due to the initial three year performance period, as well as creating a stronger retention effect due to the rolling options at risk. This will also provide the Board an annual opportunity to set new three year targets and reconsider the choice of instruments, hurdles targets and vesting, to ensure the long term incentive continues to satisfy shareholder expectations, while at the same time, acting as an appropriate incentive for executives.

The Board believes that setting achievable long term stretch incentives for executives together with an exciting and consistent long term strategic direction, in the past and will in the future, be an important competitive advantage for the Group. These are fundamental elements of the high achieving culture which exists in the company and have been instrumental in driving value for shareholders.

The Board has proposed the grant of options to executive directors, and shareholders will be asked today to approve the grants. The Board has determined to use fully diluted earnings per share pre amortisation of intangibles (EPS) as the most appropriate performance measure. This will enable us to assess company performance and to align long-term remuneration outcomes with the delivery of business strategy targets, which result in shareholder wealth creation. The Board has conducted a detailed assessment of alternative performance measures commonly adopted by leading ASX companies. The Board has determined EPS pre amortisation of intangibles to be the appropriate performance measure for the vesting of options under the Executive Option Plan.

The Board is conscious of ensuring that appropriate performance targets are established for vesting of the options, and has determined that 50% of options proposed to be granted will vest if cumulative compound growth in EPS of 10% per annum is achieved, measured over a three year period commencing 1 July 2006. Full vesting will be achieved if 15% per annum or greater cumulative compound growth in EPS is achieved.

The Board has established these performance targets taking into account the relevant ASX100 peer group excluding property trusts, finance and resources companies, the average of which is well under 10% per annum over both the past three and five years. Accordingly, the proposed performance targets, if achieved should ensure that the company outperforms many of its peers and provides superior returns to shareholders.

Outlook

Progress on the integration of the Patrick and SembLog acquisitions is proceeding well and the group is trading in line with expectations. The company is very well placed to deliver superior long term value to shareholders.

AGM 2006 – MANAGING DIRECTOR'S REPORT

The 2006 financial year generated our 13th consecutive record result for the Group. The year was one of transformation for our company and we are now excellently positioned to achieve further growth.

In a year of significant distraction the result reflects strong underlying performance. Our core business throughout the year continued to improve with organic revenue growing at 9% in Australia. Group EBIT margin topped 7% for the first time. Total assets grew to $15 billion, up 500% on 2005.

Gearing (net debt to net debt plus equity) was 46% but will reduce in line with scheduled asset sales, anticipated to generate $1.5 billion in proceeds.

Interest cover was a satisfactory 4.6 times. Cash generation remained very strong post the Patrick acquisition and at the same time we have maintained our focus on capital management, given the continued growth of infrastructure style assets within the broader Group.

Refinancing of the $5 billion bridging facilities required to finance Patrick and SembCorp is progressing well with the recent completion of a Singapore $900 million revolving facility, and a planned refinance of the Patrick bridge facility.

During the year, shareholder returns increased 6.4% with EPS pre amortisation of intangibles up 4 cents to 66.7 cps. Dividends rose to 31c fully franked, an increase of 17%.

As a flow on from the Patrick and SembCorp acquisitions, our group was restructured around geographic lines.

The integration of the three groups of companies has created a complex corporate entity structure, and consequently we are working to reduce these and consolidate were possible. In addition, the impact of the new income tax consolidated group is being reviewed, however it is not expected to have any material impact on results.

Australia

Within Australia, operations excluding Pacific National, grew revenue to $3.5 billion with ongoing strong organic growth a feature. At the same time EBIT grew 25% to $235m with EBIT margin rising to 6.64%.

We improved earnings across all Australian divisions, benefiting from enhanced technology and expanded capacity, particularly throughout the Express and Network businesses.

As covered in our Annual Report, the new Toll Group structure, has seen the removal of the traditional divisional branding.

Networks
Logistics and
Toll North

These divisions now come under the Toll Australia Group banner however I will use these divisional names briefly to report on the 06 year.

Within **Networks** all businesses performed strongly, with Priority, IPEC and Express producing standout performances. EBIT margin increased 37% to 7.53%.

Toll North increased EBIT by 26% on last year.

NQX had a strong result off the back of mining activity throughout Northern Australia.

QRX, the divisions rail forwarder, improved its results on the back of increased volumes and an improved line haul service from Pacific National.

Logistics improved EBIT by 11% year on year.

Both new contracts and supply chain re-engineering from existing customers, generated strong growth.

Toll Automotive and contract logistics were the standout performers.

Toll Personnel, the in-house labour management business, continued to perform very well.

Pacific National

On a 100% ownership basis Pacific National generated after tax earnings of $67m including one off costs of $13.8m.

Results were significantly impacted by the Patrick takeover as the Pacific National board became extremely difficult to manage and senior Pacific National executives were well and truly unsettled by Patrick's defence strategies.

Since completion of the Patrick acquisition, financial results and operating performance across the total Pacific National business are showing significant progress and improvement.

With Intermodal for example, on time arrivals have increased from 65% to over 90%.

Coal remained the major profit driver with Intermodal and Grain producing sub-budget results.

Grain volumes however are still suffering as a result of the drought, with export tonnage from Victoria and Southern NSW well down on forecast.

The Pacific National 50% sale required by the ACCC to comply with our Patrick acquisition undertakings is on schedule.

We are very pleased with the wide level of interest in this high class asset.

Before I report to you on the Patrick and SembCorp acquisitions, I will summarise our performance in New Zealand.

New Zealand

The 06 year represented the second full year of operations since our takeover of the publicly listed Tranz Rail business.

Revenue remained somewhat flat year on year, with the slow New Zealand economy limiting real growth opportunities.

Earnings also remained flat, with EBIT of $60.6m showing a small improvement in margin.

Solid growth however was experienced in coal where longer trains were introduced to cater for increased volume from Solid Energy. In addition, we designed and implemented a highly efficient rail / warehouse solution for Fonterra, New Zealand's leading dairy food exporter.

New locos and rolling stock are scheduled to be introduced in conjunction with the still to be finalised track access agreement with the government.

The company remains committed to working constructively with the New Zealand Crown, to develop a sustainable access regime which can support the level of investment required in new capital.

Whilst supply chain re-engineering will generate future opportunities within New Zealand, acquisitions also present material growth potential.

Patrick

Toll assumed control of Patrick on the 11th of May after a fierce battle lasting well over a year.

I would like to take this opportunity to publicly thank the senior management team at Toll, who performed magnificently under adverse and quite often hostile conditions.

In the seven week period between taking control of Patrick and year end, the business traded in line with expectations, contributing $23.5m after tax earnings on revenue of $232 million.

I will report shortly on progress within our 63% interest in the low cost passenger airline Virgin Blue.

The integration of the Patrick Rail and Ports divisions into Toll is nearing completion, with the new senior management structure in place and working well.

The integration of general port operations, international forwarding and logistics activities, together with administrative functions, is largely complete and generating savings in line with forecast.

Pleasingly, container stevedoring volumes continue to show steady growth, while the major Patrick capital expenditure program of $425m over three years is on schedule and expected to deliver efficiency and capacity gains as planned.

Virgin Blue

Virgin Blue along with the other Patrick assets was accounted for by Toll from 11th May, the day we took control.

Since that date, Virgin Blue contributed $700k of after tax earnings. Whilst this result was in line with expectations, seasonal factors and high jet fuel prices depressed earnings.

Since taking control of Virgin Blue, the company has moved decisively to ensure that earnings volatility arising from increasing fuel costs is properly managed and a number of hedging strategies are now in place.

From year end, Virgin Blue’s performance improved further as a result of high service levels, web check-in capability, lounges at major airports and the successful frequent flyer program, velocity.

As previously advised we are continuing to review our equity investment in Virgin Blue and we should be in a position to brief the market further over the next few months.

In the meantime however, Toll remains very supportive of management and the ongoing opportunities to add value to Virgin Blue for the benefit of Toll shareholders.

SembCorp Logistics Acquisition

Toll took control of SembCorp through the acquisition of the 62.4% of SembCorp Industries stake on 20 March and assumed 100% control on 10^{th} of July this year.

SembCorp, now re-branded Toll Asia, contributed revenue of $111m and after tax earnings of $8.2m since control assumed. Integration is progressing strongly and on plan.

Existing Toll operations in Vietnam, Thailand and Malaysia have been folded into the significantly larger Toll Asia structure.

Toll Asia is now well placed to underpin future growth opportunities in the region and in particular provide the key operational support required to produce a cross-border supply chain service between Asia and Australia.

Since acquisition, Toll Asia continues to enjoy a strong relationship with the Singapore Ministry of Defence, a key customer of our Group.

Many of Toll’s major Australian customers have also expressed a keen interest in Toll providing an integrated international service.

Toll Asia will continue to seek small bolt on acquisitions to further enhance the Group’s service capabilities within and across major Asian countries.

Toll’s commitment to the environment

As an industry leader, Toll has taken a pre-eminent role in promoting a sustainable management program for the environment ensuring that we do everything possible to comply with all relevant environmental regulations. The expanded Group including Toll, Patrick and Pacific National is an active member of the Greenhouse Challenge Plus program, which both protects the environment and our entitlement to valuable fuel tax credits.

Our most recent initiatives include establishing a project team focused on conducting on road tests of B-20 bio-diesel which, if viable, will significantly reduce transport greenhouse gas emissions and operating costs.

We are also assessing C0-2 emission abatement initiatives in relation to our numerous warehouse operations for electricity usage, water and waste management.

Toll’s commitment to proactive environmental management now has a wider application given our expanding offshore operations in the Asia Pacific region. We intend to expand our Australian environmental initiatives to our offshore operations as soon as practical.

In summary, better managing the use of energy resources across Toll’s domestic and international operations provides, **very clearly**, a win-win outcome for the community, our environment, and of course the company and our shareholders, as these initiatives drive down overall operating costs.

Fuel

Fuel is now our largest operating cost across all transport modes.

Long distance road	36%
East West rail	24%
Virgin Blue	26%

Whilst traditional methods of managing the high impost of fuel on our business have successfully minimised bottom line impact, clearly our customers now expect us to do more.

As well as encouraging greater use of rail, Toll is actively pursuing other initiatives such as

- Fuel substitutes and additives
- Industry bulk purchasing and import initiatives
- Buying on the global spot markets

In summary, Toll will continue to seek cost effective alternatives, to the excessively high fuel costs we are currently experiencing.

ACCC

Following ACCC approval for the Patrick takeover, the company has put in place formal processes to divest those assets specified by the Commission and to ensure appropriate protocols are in place where required.

These assets including 50% of Pacific National, Patrick Shipping, Patrick Tasmanian freight forwarding plus Toll's Vehicle Transport business are well advanced in their formal sale processes and are expected to conclude late this calendar year or early in the 2007 calendar year.

Indicative bids have been received for each of the assets being disposed of, and these reflect the high quality nature of the assets. We expect the projected $1.5 billion sales value to be achieved, with financial proceeds for each of the four key assets matching or exceeding expectations.

Since the ACCC approved our takeover of Patrick, Toll has been subjected to regular criticism, suggesting that it has not followed the undertakings of the regulator, with the required asset disposals.

This criticism is unjustified and shareholders should take comfort that Toll is complying with all ACCC undertakings.

Industry Consolidation

At Toll, we believe government estimates that forecast the freight and logistics task in Australia to double by the year 2015, to be on the conservative side. Improved efficiency within our industry will need to continue so as to enable these demands to be managed effectively.

Toll's recent acquisition of Patrick has stimulated considerable M&A activity throughout the industry generally.

We believe there is now greater understanding of the benefits of the integrated model amongst customers and therefore other industry players are attempting to acquire the assets needed to expand capability and develop more integrated models.

Consolidation of the transport and logistics industry in Australia, regionally and globally, is a positive outcome for the sector and will consequently grow scale, improve efficiencies and ultimately generate more competitive prices.

Toll's Commitment to Rail

Investment in rail is good for Australia

With most developed countries now fully realising the impact of increasing international trade flows and a doubling of the freight tasks on their infrastructure, rail is strategically the best modal choice, in allowing the logistics industry to operate more efficiently.

Motor vehicles generate 90% of transport greenhouse gas emissions in Australia. Rail operations are nine times more energy efficient than road. If we were able to operate five extra trains Melbourne-Sydney per week, we could potentially remove 50% of the articulated vehicles off the Hume Highway.

Whilst road and rail transport compete on price around the East coast of Australia, there is no doubt that rail is significantly more cost efficient on the longer routes, eg Melbourne-Perth.

Whilst significant levels of investment have been made to date from both the private and public sector to improve rail as a viable alternative, further investment by both of these sectors is needed across the network to further improve efficiency and increase capacity throughout rail terminals.

Economic Conditions

In Australia, trading conditions during the course of the 2006 financial year remained favourable, with particularly strong growth in the resource sector. The food, beverage and retail sectors, also maintained steady growth.

Whilst we have seen an increase in interest rates in Australia over the past few months as a response to growing inflation concerns, current trading does not reflect any noticeable overall economic slowdown.

Since 30 June 06, we have seen an overall continuation of stable economic growth in Australia and forecasts of a solid build up in inventory levels leading into the peak Christmas season.

As previously mentioned, the New Zealand economy has slowed considerably since the beginning of the 2006 calendar year, and this has resulted in a reduction in earnings for the company. During the last couple of months with the softening of the New Zealand currency, there are however signs emerging of improved economic conditions.

Toll's significant footprint of opportunities across Asia will benefit from strong economies across the region, particularly in the North.

Fuel and labour costs continue to be closely managed throughout the Group. Following the takeover of Patrick our total fuel spend has increased markedly. As indicated earlier in my report, we will pursue all available avenues to reduce fuel costs where possible.

Our Community

During the year our Toll North division received numerous calls for assistance from customers and welfare groups, during the recent devastating tropical cyclone in North Queensland. Our businesses delivered hundreds of pallets of food, water and clothing to the needy during this crisis.

Throughout the year Toll continued to be the major supporter of the First Step program, responding to the challenges of treating and managing drug addiction and recovery.

The Second Step employment program has also continued to develop and now provides employment opportunities and support for people who are making the transition from incarceration or recovering from drug addiction. This program continues to be highly successful, maintaining an 85% ‘success rate’.

Our leading role in this initiative also encourages other corporates to be involved in supporting people dealing with what would otherwise be an insurmountable problem.

In addition, Toll continued its lead role assisting Foodbank Australia receive food donations from food and grocery companies, and managed the distribution to over 1,500 accredited welfare agencies around Australia. The program helps to feed over 20,000 Australians daily.

Around the Asian Region Toll is actively supporting many worthy initiatives ranging from KIDS Foundation, which is dedicated to childhood injury prevention and recovery, to participating in Convoy for Kids to promote asthma awareness and research.

These are just some of the Toll Community initiatives of which we are rightly proud.

Outlook

Since June, the Group has focused the integration of Patrick and SembLog and driving initiatives to improve the efficiency of customers' supply chains.

In addition, we have moved quickly to refinance our short term debt, and are presently reviewing the Group's asset structure and capital expenditure programme of the organisation, to ensure we generate strong returns in the future.

I am pleased to report that these efforts have enabled us to meet our plans and to deliver expected acquisition synergies up to this point.

Revenues and earnings in the period since June 2006 are ahead of plan and the outlook remains positive.

Our positioning in the Asian marketplace is unique and should enable us to deliver superior returns to our shareholders over the long term.