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Toll Holdings Limited
ABN 25 006 592 089

18 February 2015

The Manager
Australian Stock Exchange
Company Announcement Office
Level 4
20 Bridge Street
Sydney NSW 2000

Lodged Through ASX On Line
Total No. of Pages: 36

Dear Sir

HALF YEAR RESULTS 31 DECEMBER 2014 – APPENDIX 4D

Please find attached for immediate release to the market the following with regard the abovementioned subject:

1. Appendix 4D; and

2. Consolidated Condensed Interim Financial Report for Half Year ended 31 December 2014.

Yours faithfully
TOLL HOLDINGS LIMITED

Bernard McInerney
Company Secretary

Encl.

ASX Appendix 4D
Half-Year Report

Name of entity	**Toll Holdings Limited**
ABN	**25 006 592 089**
Reporting period	**Half-year ended 31 December 2014**
Previous corresponding period	Half-year ended 31 December 2013

Results for announcement to the market

	2014 $M	2013 $M	Change $M	Change %
Revenue	4,407.3	4,523.2	(115.9)	-2.6
EBIT pre individually significant items	248.8	259.3	(10.5)	-4.0
NPAT pre individually significant items	170.2	175.9	(5.7)	-3.2
Individually significant items (net of tax)	(33.6)	-	(33.6)	
Net profit after tax	136.6	175.9	(39.3)	-22.3
Non-controlling interests	(2.3)	(3.8)	1.5	+39.5
NPAT attributable to shareholders	134.3	172.1	(37.8)	-22.0

Refer to attached Media Release for commentary on results.

Other information

Dividends

	Amount cps	Franked amount cps	Total payable $M	Date paid / payable
FY 2015				
Interim dividend	13.0	13.0	93.3	02/04/2015

Record date for determining entitlements to the interim dividend is 4 March 2015.

	Amount cps	Franked amount cps	Total payable $M	Date paid / payable
FY 2014				
Interim dividend	13.0	13.0	93.2	04/04/2014
Final dividend	15.0	15.0	107.6	01/10/2014

Net tangible assets

Net tangible asset backing per ordinary share $1.60 (2013: $1.42).

Additional Appendix 4D disclosure requirements can be found in the notes to these financial statements and the Directors' Report attached thereto.

This report is based on the interim financial report which has been reviewed by KPMG.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
ACN 006 592 089

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

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The Directors present their report together with the consolidated condensed interim financial report of the consolidated entity, being the Company and its controlled entities and its interest in associates and joint ventures ("the Group"), for the half-year ended 31 December 2014 and the auditor's review report thereon.

Directors

The following persons held office as Directors of the Company during or since the half-year:

Ray Horsburgh AM (Chairman)	Director since 2004
Brian Kruger (Managing Director)	Director since 2012
Harry Boon	Director since 2006
Mark Smith	Director since 2007
Barry Cusack	Director since 2007
Frank Ford	Director since 2008
Nicola Wakefield Evans	Director since 2011
Ken Ryan AM	Director since 2013

Principal activities

The principal activities of the Group during the period consisted of:

- Less than full load express and economy freight forwarding service using all modes of transport;
- Full load road and rail freight forwarding service;
- Temperature controlled transport service for full load and less than full load clients;
- Warehousing and distribution of bulk dry and refrigerated goods;
- Wharf cartage, container handling and storage;
- Contract distribution services;
- Time sensitive parcel freight distribution services;
- Specialised international forwarding services;
- Removals and relocation brokerage service;
- Vehicle transport and distribution;
- Bulk liquid transportation;
- Supply base management and operation;
- Operation of specialist defence logistics projects; and
- Shipping linehaul operations.

Review of operations

Toll's revenue decreased 2.6 per cent over the previous period to $4.4 billion. Total operating EBIT (before individually significant items) was down 4.0 per cent to $248.8 million and net profit after tax (before individually significant items) was down 3.2 per cent to $170.2 million.

Summary results

All Australian dollars unless otherwise specified	1H15 $M	1H14 $M	% change
Sales revenue	4,407.3	4,523.2	-2.6
Total operating EBITDA[1]	377.5	390.5	-3.3
Total operating EBIT[2]	248.8	259.3	-4.0
Net profit after tax (before individually significant items)	170.2	175.9	-3.2
Net profit after tax (after individually significant items)	136.6	175.9	-22.3
Free cash flow[3]	30.4	154.0	-80.3
Earnings per share (before PPA and individually significant items)	23.6	24.2	-0.6 cps
Interim dividend per share	13.0	13.0	0.0 cps
Return on invested capital[4]	7.9%	7.7%	+0.2 pp

[1] EBITDA excludes profits from associates and individually significant items
[2] EBIT excludes individually significant items, includes profits from associates
[3] Free cash flow is EBITDA plus movements in working capital, less net capital expenditure
[4] Return on invested capital is rolling 12 months net profit after tax before individually significant items plus net interest divided by average net debt plus shareholders' equity

Domestic economic conditions continued to be challenging throughout the period with weakness in commodity prices and business and consumer sentiment slowing general activity. The impact of this was particularly seen in our Australian network businesses due to lower volumes, particularly from customers in the resource sector and from some discretionary retail and SME customers. Additionally, revenue was impacted by the contracts completed or lost in the prior period, such as the Australian Defence Force and Coles Far North Queensland, and by the wind-down of LNG construction projects, together with the impact of business divestments.

The challenging conditions also resulted in ongoing margin pressure in some business units. An aggressive approach to structural and fixed costs is gaining momentum and will positively impact earnings going forward.

This result contains a number of one-off individually significant items relating to divestments and portfolio changes announced on 25 November 2014. A total after tax charge of $33.6 million has been taken in the half. As indicated at the time of the November announcement, it is still expected that the net impact of individually significant items from these changes will be positive for the full financial year.

The impact of the resources slowdown was particularly evident in Queensland where Toll Domestic Forwarding was impacted by lower volumes from resources customers. Toll Global Express saw stable consignment weights compared with the second half of FY14, but they were still down period on period impacting margins. The focus for both network Divisions is on reducing their structural cost bases and continuing to invest in fleet and depots, both to address the current earnings pressures, and also to ensure growth in earnings and returns into the future.

Toll Resources & Government Logistics was impacted by the winding down of LNG construction projects, and continue to be challenged by difficult trading conditions in the domestic and Asian marine markets. This led to the decision announced in November 2014 to exit Toll Marine Logistics Asia and dispose of all remaining assets and to sell the Toll Marine Logistics northern Australia marine freight business.

Toll Global Logistics' Australian businesses produced another strong performance supported by contract wins, increased customer scope and improved efficiencies, while it further improved results from its Asian activities through continued progress on cost reductions.

Earnings from Toll Global Forwarding improved as benefits from its cost savings programs offset the impact of continuing difficult conditions in many of its key markets.

Operating cash flows were $77.5 million lower than the prior period. This was mainly due to lower provisions and payables balances. We expect a significant improvement in the working capital position by year end.

Dividend

An unchanged interim fully franked dividend of 13.0 cents per ordinary share will be paid to shareholders on 2 April 2015.

Managing Director commentary

Speaking at today's announcement, Toll Group Managing Director Brian Kruger said "Clearly the external environment continues to provide challenges on volumes, but we continue to respond to these conditions by our focus on operational improvements, customer service, cost management and are continuing to invest for future growth.

"This year will be something of a transformative year for Toll. Having spent the past few years primarily focussed on getting the culture right to allow us to drive portfolio and structural changes, continuous improvement and improved collaboration, we are moving into a more aggressive implementation phase. We have already changed our divisional structure, and have recently announced a number of business portfolio changes. We have also seen a number of management changes and the introduction of new skills to our team. Our recent commitment to move our IT platform to a cloud-based environment is a good example of the kind of innovative thinking that will drive very significant cost benefits while making Toll a technology leader in our industry.

"I would again like to thank all the employees of Toll around the world for their dedication and hard work. This half year has not been without its challenges, and the current half does not look any easier, but the commitment from our workforce is allowing us to deliver on our significant transformation programs."

Outlook

"While the first quarter was weaker than we had expected, as previously indicated, there was an improving trend in the second quarter which had operating earnings ahead of the prior corresponding period.

"We don't expect the domestic economy to pick up anytime soon, so we will continue our focus on the areas under our control. This includes portfolio rationalisation, reducing fixed costs, continuing capital investment to support cost efficiencies and future growth, and providing innovative and superior service to our customers. We have many cost-out programs that will support earnings, and we also expect to drive improved returns from the capital we have been investing in the business to provide a strong platform for future growth.

"The Toll Global Technology Transformation, the next stage of Toll's IT strategy, will drive significant efficiencies throughout the company, reduce IT operating costs and provide Toll with a leading edge platform to support its growth.

"Assuming no further deterioration in the external environment, with cost savings, efficiency gains and recent contract wins, we still expect to deliver higher underlying operating earnings in FY15," Mr Kruger said.

Sales and profit summary

	Earnings		Sales revenue	
	6 months to December 2014 $M	6 months to December 2013 $M	6 months to December 2014 $M	6 months to December 2013 $M
Toll Resources & Government Logistics	59.4	66.5	716.8	808.6
Toll Global Logistics	60.9	54.2	728.3	727.8
Toll Global Forwarding	20.1	13.9	842.2	794.9
Toll Global Express				
Australia	57.7	67.5	852.2	823.2
Japan	8.1	1.5	253.6	307.5
Toll Global Express (Total)	65.8	69.0	1,105.8	1,130.7
Toll Domestic Forwarding	67.4	81.3	997.0	1,045.2
Total Divisions EBITA / revenue	273.6	284.9	4,390.1	4,507.2
Corporate	(23.4)	(23.8)	17.2	16.0
Total EBITA / revenue	250.2	261.1	4,407.3	4,523.2
Total PPA amortisation	(1.4)	(1.8)		
Total EBIT (before individually significant items)	**248.8**	**259.3**		
Net finance costs	(22.5)	(19.1)		
Net profit before tax	226.3	240.2		
Income tax expense	(56.1)	(64.3)		
Reported NPAT before individually significant items	170.2	175.9		
Individually significant items (net of tax)	(33.6)	-		
Net profit after tax	**136.6**	**175.9**		
Non-controlling interests	(2.3)	(3.8)		
NPAT attributable to shareholders	134.3	172.1		

Toll Resources & Government Logistics

	1H15 $M	1H14 $M	% change
Sales revenue	716.8	808.6	-11.4
EBITDA [1]	97.3	109.2	-10.9
EBITA [2]	59.4	66.5	-10.7
EBITA margin (excluding associate earnings)	8.0%	8.0%	0.0pp
Average capital employed	1,186.7	1,147.2	+3.4
Return on capital employed[3]	9.6%	10.9%	-1.3pp

These notes apply to all Divisional tables
[1] EBITDA excludes profits from associates and individually significant items
[2] EBITA excludes individually significant items, includes profits from associates
[3] Return on capital employed is rolling 12 months EBIT before individually significant items divided by average capital employed

Revenue and EBITA for Toll Resources & Government Logistics declined mainly due to the winding down of LNG construction projects and difficult trading conditions in the domestic and Asian marine markets. This was partially mitigated through an aggressive cost drive throughout the division and strong growth in market share from the fuel distribution business.

- Toll Mining Services revenue reduced as marginal contracts were exited, while underlying EBITA improved over the period driven by renewal of contracts in Western Australia, benefits from fleet replacement and an ongoing focus on productivity and costs.

- Toll Energy revenue and EBITA was down on the prior period given the winding down in the oil and gas industry as projects moved from construction to production phases.

- TOPS revenue was slightly down while EBITA was marginally ahead of the prior period. The decline in oil prices over the last few months and consequent wind back of offshore exploration has resulted in less operational activity at the wharf but occupancy of the buildings and lay down areas remained strong.

- Toll Remote Logistics revenue and EBITA was down on the same period in the prior year given the completion of the Manus Island immigration support contract. This was partly mitigated by earnings from the capital works in remote area airports, new Australian Defence Force air charters and increased Helicopter services in the Solomon Islands. The 10 year $800m NSW Aeromedical Health contract was secured in December 2014 and will commence in January 2017.

- Toll Marine Logistics Australia continued to see a strong performance from the Gladstone fleet combined with the commencement of its Western Australian LNG operations. Competitor activity and a weakening general freight market reduced overall shipping volumes; however these reductions have been partly offset through cost saving measures and fleet reconfiguration. In late November Toll entered into a conditional asset sale of the Toll Marine Logistics Northern Territory and Far North Queensland marine freight business to Sea Swift. Subject to ACCC approval this transaction is expected to be concluded during FY15.

- The trading environment for Toll Marine Logistics Asia remained difficult. With conditions likely to remain weak, it was announced in late November that Toll would look to exit this market. The business continues to sell down assets with a total of 28 assets disposed in FY14 and the remaining assets targeted to be disposed of in 2015.

- Toll Transitions revenue and EBITA improved due to an increase in relocations for a number of clients, in particular the Department of Defence. The business successfully retained a key Australian Federal Government contract during the period.

- Toll Liquids' revenue and EBITA grew following the commencement of new metro retail fuel contracts and its entrance into the retail LPG market.

Toll Global Logistics

	1H15 $M	1H14 $M	% change
Sales revenue	728.3	727.8	+0.1
EBITDA [1]	84.7	76.3	+11.0
EBITA [2]	60.9	54.2	+12.4
EBITA margin (excluding associate earnings)	8.3%	7.1%	+1.2pp
Average capital employed	878.0	832.8	+5.4
Return on capital employed[3]	12.5%	11.9%	+0.6pp

Revenue for Toll Global Logistics was in-line with the prior corresponding period, and EBITA increased, due to continued strong performance from the Australian businesses and ongoing improvement in Asia.

- Contract Logistics Australia reported increased revenue and EBITA due to net business wins, including additional new business from Coca-Cola Amatil, coupled with good volume increases from existing customers. Key customers retained included Qenos, Woolworths in West Australia and BASF Chemical. The strong customer partnership with Coca-Cola Amatil saw Toll awarded Supplier of the Year in 2014.

- Customised Solutions saw strong growth in EBITA due to additional services for existing customers and continued delivery of cost savings through its focus on continuous improvement programs. New customer wins included Target regional distribution centres in Victoria and New South Wales awarded in June 2014. Specialty Fashion Group was implemented at the start of the period with its various fashion brands to be added progressively.

- The Government Business Group had slightly lower revenue but EBITA was stable due to new business won during the period.

- While revenue in the Singapore/Malaysia business declined, EBITA improved due to rationalisation and revision of customer accounts through strategic reviews and participation from our customers.

- South and South East Asia continued to be impacted by the political situation and depressed volumes from key customers in Thailand. India improved its revenue through new customer wins, improved efficiency and increased capacity utilisation.

- While North Asian revenue was flat, EBITA benefitted from the successful turnaround in China driven primarily by strict cost management and utilisation of excess warehouse capacity.

Toll Global Forwarding

	1H15 $M	1H14 $M	% change
Sales revenue	842.2	794.9	+6.0
Gross profit (GP)	163.6	160.2	+2.1
Gross profit margin	19.4%	20.2%	-0.8pp
EBITDA [1]	20.1	16.7	+20.4
EBITA [2]	20.1	13.9	+44.6
EBITA margin (excluding associate earnings)	1.5%	1.2%	+0.3pp
Average capital employed	726.5	759.0	-4.3
Return on capital employed[3]	3.0%	0.8%	+2.2pp

Global forwarding markets remained difficult with freight capacity continuing to increase at a higher rate than demand. The trend of customers transferring freight from air to ocean has also continued.

- Sales revenue and GP were up mainly due to FX with tight cost management and the continued success of Project Forward combined with an improved US Supply Chain result producing an improved EBITA.

- Ocean freight volumes were up by 7.8% to 295,000 TEUs. This reflects growth in the ocean market however its gross profit margin fell from 19.5% to 18.9% due to the competitive market conditions.

- Airfreight volumes fell slightly to 60.2 million kgs but its gross profit margin rose slightly to 21.0% through various yield initiatives.

- Supply chain management improved significantly with the implementation of new customers, combined with solid performances from South Africa and Turkey.

- Contracts won and new business gained from existing contracts in the last six months included Family Dollar, Abercrombie & Fitch, ITW Proline, Homeworks WW and Gardman.

Toll Global Express

	1H15 $M	1H14 $M	% change
Sales revenue (excluding Japan)	852.2	823.2	+3.5
Japan sales revenue	253.6	307.5	-17.5
Total sales revenue	1,105.8	1,130.7	-2.2
EBITDA (excluding Japan) [1]	72.6	80.9	-10.3
Japan EBITDA[1]	11.7	5.6	+108.9
Total EBITDA[1]	84.3	86.5	-2.5
EBITA (excluding Japan)	57.7	67.5	-14.5
Japan EBITA	8.1	1.5	+440.0
Total EBITA (including associate earnings)	65.8	69.0	-4.6
EBITA margin (excluding Japan and associate earnings)	6.8%	8.2%	-1.4pp
EBITA margin (excluding associate earnings)	5.9%	6.1%	-0.2pp
Average capital employed (excluding Japan)	356.5	309.1	+15.3
Return on capital employed (excluding Japan)[3]	30.3%	39.9%	-9.6pp

Overall divisional revenue was flat with time defined domestic express freight revenue being impacted by overall flat consignments and lower weights compared to the prior period. The lower volumes combined with changes in customer mix away from higher margin SME customers affected earnings. This was partially offset by cost reduction and market pricing initiatives. Toll Express Japan benefitted from continued operational improvements and improved earnings.

- Toll IPEC's road express revenue declined due to lower overall volumes and changing customer mix both of which combined to negatively impact on earnings. Pricing and cost initiatives only partially mitigated this, with weight per consignment stabilising in the first half compared to the second half of FY14.

- During October 2014, the new Bungarribee freight sorting facility in Western Sydney was successfully commissioned and volumes were successfully transitioned from existing facilities. The combination of lower volumes and higher costs during the transition phase to the new facility unfavourably impacted first half results; however operating productivity has improved progressively since commissioning. The construction of the sister facility at Tullamarine is proceeding to plan.

- Toll Priority grew revenue slightly overall but earnings were impacted by changes in customer mix within the time sensitive freight businesses and a slightly lower weight per consignment. The business was also impacted by adverse weather conditions particularly in November and December with the resulting delayed flights leading to increased operating costs.

- Toll Fast, Toll's metropolitan courier, distribution and taxi truck business recorded a much improved result on the back of the cost initiatives implemented in second half of FY14.

- Toll Air Express experienced strong growth in wholesale domestic and international trade combined with lower maintenance costs to deliver margin ahead of the prior half year.

- Toll People recorded strong revenue growth as labour hire volumes increased.

- Toll Consumer Delivery has continued its development through the year with the focus not only on developing online tools and portals for SME customers and our Collection Point network, but also the roll out of customer service and operational improvement initiatives.

- Toll Express Japan increased earnings reflecting the success of continued cost efficiencies from both linehaul and PUD, and also some consolidation of branches. Volumes and revenue (excluding the impact of the KSU Logistics sale in May 2014 and FX) have remained consistent with prior year.

- In November, the Toll Group announced the conditional sale of its 50% stake in Toll dnata Airport Services (TdAS) and completed the sale of Toll Global Express Asia. The sale of Toll Global Express Asia will now allow Toll Global Express to focus on growing its international business via its virtual network of world class alliance partners such as DPD, UPS and Aramex.

Toll Domestic Forwarding

	1H15 $M	1H14 $M	% change
Sales revenue	997.0	1,045.2	-4.6
EBITDA [1]	103.7	116.6	-11.1
EBITA [2]	67.4	81.3	-17.1
EBITA margin (excluding associate earnings)	6.8%	7.8%	-1.0pp
Average capital employed	554.8	505.5	+9.8
Return on capital employed[3]	21.0%	25.1%	-4.1pp

Revenue and earnings for Toll Domestic Forwarding were affected by the continued downturn in the resources sector, particularly in Western Australia and Queensland, the impact of the loss of the Coles North Queensland contract and completion of the Australian Defence Force general freight contract in the prior year. Earnings were further impacted by the costs associated with the dry-docking of the two vessels servicing the trans Bass Strait market. These impacts were partially mitigated by continued progress on a range of cost reduction programs.

- Toll Express had reduced revenue and EBITA due to the downturn in the mining sector in Western Australia and the completion of the Australian Defence Force work. A key customer contract was retained, which included an expanded scope of work for Queensland in addition to existing work in Western Australia. Toll Express has continued to invest in increased capacity in Western Australia with a depot extension at Perth airport.

- Toll NQX saw both revenue and EBITA down, affected by the downturn in the resources sector in Queensland, the loss of the Australian Defence Force contract and the Coles North Queensland work. New depots to serve the business' needs over the long term have resulted in higher property costs in the short term. Partially offsetting this has been a strong focus on costs, business integrations and cross business unit synergies. The acquisition of Deeson Heavylift heavy haulage business strengthens the service offering to the resources sector, with the ability to offer a 'one stop shop' for all general freight, project services, heavy haulage and related activity.

- Revenues and earnings for Toll Intermodal declined, with existing customers down trading. Partially offsetting this were new business wins including expanding the scope of works for Big W, Daiken and Spotlight. In direct response to the market downturn the Intermodal business was restructured, reducing costs and improving focus on core services. The key Fremantle Port development to be completed this year will enable all wharf services to be bought in-house and port activities to be consolidated into one facility.

- Toll New Zealand underlying operational revenue was up slightly, with strong growth in EBITA due to the growth in its parcel services and strong cost control.

- Total revenues for Toll Shipping were flat with EBITA down due to the $5 million costs associated with the dry dock of the two vessels servicing Tasmania.

- Revenue for Toll Tasmania increased slightly while EBITA was lower due to the additional costs incurred as a result of constraints resulting from the Toll Shipping replacement vessel during the dry dock. The new Brighton (Hobart) depot was officially opened in July 2014.

Additional financial information

Cash flow

Cash flow generated from operations was down 26% on the prior period due to higher working capital mainly due to a large decrease in provisions from restructuring utilisation and reduction in employee benefits, and lower payables. Tax payments were down reflecting lower instalments. Net dividends were lower due to higher dividend income from associates.

	1H15 $M	1H14 $M
EBITDA excluding non-cash items	363.1	379.6
Working capital movement	(137.3)	(76.3)
Net operating cash flows	225.8	303.3
- Capital expenditure	(251.9)	(204.9)
- Sale of PPE	56.5	55.6
Net capital expenditure	(195.4)	(149.3)
Free cash flow	30.4	154.0
- Acquisitions	(16.9)	(2.9)
- Sale of businesses & investments	12.5	5.4
Net cash flow before financing and tax	26.0	156.5
Interest payments	(18.7)	(15.2)
Tax	(50.7)	(54.1)
Dividends	(91.1)	(106.2)
Cash flow before movements in net debt	**(134.5)**	**(19.0)**
EBITDA cash conversion	**62.2%**	**79.9%**

Capital expenditure

	1H15 $M	1H14 $M
Toll Resources & Government Logistics	72.4	49.2
Toll Global Logistics	31.4	18.8
Toll Global Forwarding	3.9	8.0
Toll Global Express	33.1	39.4
Toll Domestic Forwarding	74.3	70.1
Corporate	36.8	19.4
Total	**251.9**	**204.9**

Capital expenditure reflects continued investment in key depots and terminals, together with expenditure to support new or extended customer contracts.

Tax

The normalised effective tax rate was 24% compared to 27% in the prior period. This is mainly due to an increased amount of exempt income, largely from the Australian shipping concession and tax-exempt offshore contracts generating a higher proportion of income compared to the prior period.

Net debt

	1H15 $M	1H14 $M
Total debt	2,386.8	2,174.5
Cash	853.7	829.7
Net debt	1,533.1	1,344.8
Gearing (Net debt / Net debt & equity)	35.2%	33.0%

Net debt increased by $188.3 million compared to December 2013, mainly attributable to the weaker Australian dollar and higher working capital. Progress on refinancing of maturing facilities continued with a new SGD300 million syndication completed in December 2014, following the HKD1.8 billion facility completion in April 2014.

Net interest expense

Net interest expense was $22.5 million, up $3.4 million on the prior corresponding period. $1.4 million of this change was due to the impact of the lower Australian dollar compared to the currencies in which foreign denominated debt is held.

Individually significant items

The result included a number of individually significant items totalling a post-tax charge of $33.6 million relating to portfolio changes announced in November 2014. The interim results for 2014 contained no individually significant items.

As indicated at the time of this announcement, it is still expected that the net impact of individually significant items will be positive over the full financial year.

1H15 individually significant items	$M
Toll dnata JV impairment	(5.6)
Toll Marine Asia impairment	(15.1)
Total impairments	(20.7)
Loss on sale of BIC associate	(11.0)
Loss on sale of TGX Asia	(1.9)
Total loss on sale	(12.9)
Tax	-
Total individually significant items post tax	**(33.6)**

Dividend and dividend reinvestment plan

An unchanged fully franked interim dividend of 13.0 cents per ordinary share has been determined and is payable on 2 April 2015. The record date for determining entitlement to the dividend is 4 March 2015.

The Toll Board has decided to continue the suspension of the company's dividend reinvestment plan.

Non-IFRS financial information

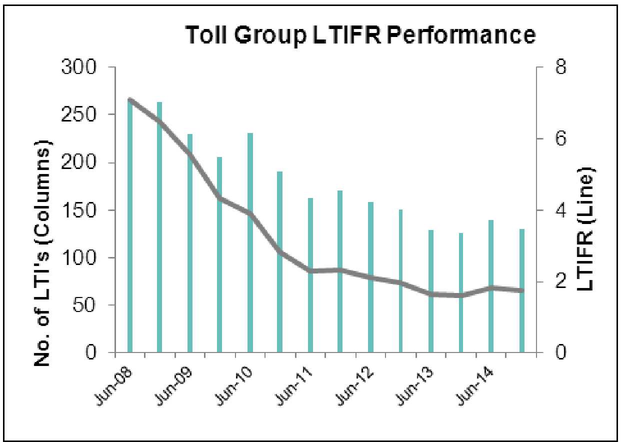
Toll Holdings Limited results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore are considered non-IFRS financial measures. The non-IFRS measures should only be considered in addition to and not as a substitute for, other measures of financial performance prepared in accordance with IFRS. Non-IFRS measures have not been subject to review by the Group's external auditors. However, the measures below have been extracted from the books and records that have been subject to the review. Definitions of each non-IFRS measure are as follows:

- Average capital employed: assets and liabilities excluding tax and financing related balances;
- EBIT before individually significant items: results from operating activities less losses on disposal of controlled entities and associates, and impairment losses on plant and equipment and investment in associates;
- EBITA: EBIT before individually significant items plus PPA amortisation;
- EBITA margin: EBITA as a percentage of revenue;
- EBITDA: EBIT before individually significant items plus depreciation and amortisation and share of profits from associates and joint ventures;
- Free cash flow: EBITDA excluding non-cash items plus movements in working capital, less net capital expenditure;
- Gross profit: revenue less cost of goods sold;
- Gross profit margin: gross profit as a percentage of revenue;
- Net debt: interest bearing liabilities less cash and cash equivalents;
- Net profit after tax before individually significant items: profit for the period less losses on disposal of controlled entities and associates, net of tax, and impairment losses on plant and equipment and investment in associates;
- Operating cash conversion: cash generated from operations less restructure and integration costs paid as a percentage of EBITDA less non-cash items;
- Return on capital employed: rolling 12 months EBIT before individually significant items divided by average capital employed;
- Return on invested capital: rolling 12 months net profit after tax before individually significant items plus net interest divided by average net debt plus equity.

	1H15 $M	1H14 $M
Sales revenue	**4,407.3**	**4,523.2**
Total operating EBITDA	377.5	390.5
Depreciation and amortisation	(138.8)	(139.8)
	238.7	250.7
Share of profits of associates and joint ventures	10.1	8.6
Total operating EBIT	**248.8**	**259.3**
Net profit after tax (before individually significant items)	170.2	175.9
Individually significant items (gross of tax)	(33.6)	-
Tax on individually significant items	-	-
Individually significant items (net of tax)	(33.6)	-
Net profit after tax (after individually significant items)	**136.6**	**175.9**

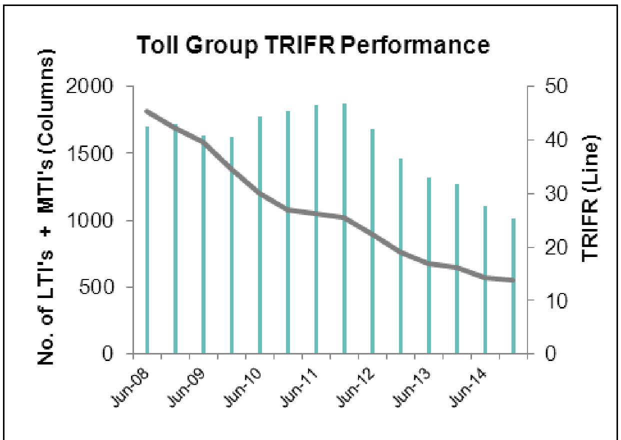
Safety and our people

For the 12 months ended 31 December 2014 Toll's Lost Time Injury Frequency Rate (LTIFR, the number of lost time injuries per million hours worked) increased from 1.60 to 1.77. An increased focus on manual handling activities together with a peak season awareness campaign in the last quarter has resulted in the LTIFR trending down in recent months.



Total Recordable Injury Frequency Rate (TRIFR, the number of lost time injuries plus the number of medically-treated injuries per million hours worked) reduced by 15% to 13.7.

There were no Toll employee fatalities during the period; however there was one contractor fatality as a result of a fall from height incident in a warehouse.



Our **Think safe. Act safe. Be safe**. program continues with a number of specific safety initiatives being developed during the period including the rollout out of a peak season safety awareness campaign, and preparation for a Global Stop for Safety campaign 'Safety is in Your Hands' to be rolled out early in 2015.

The initial rollout of the Leading Safety at Toll program was completed during the period. Over the past 2 years the Leading Safety at Toll program has trained 3,464 managers and staff. The Leading Safety at Toll program has successfully delivered a strong focus on safe behaviour, employee engagement and the development of the "One Toll" safety leadership culture. The Leading Safety at Toll program will continue to be offered to new managers in the future.

Our Fleet Safety Networks continue to roll out fleet safety initiatives focussed on improving our on road safety and compliance, including specific initiatives on safe vehicle systems & technology, sub-contractor compliance and vehicle maintenance.

In October we held our second annual Toll Global Health and Safety awards. The night celebrated the achievements of a number of our people and sites from across the globe in a show case of industry best practice achievements.

More information on our commitment to safety and our people can be found at www.tollgroup.com/safety

Environment

Toll is continuing its focus on reducing its environmental footprint and impacts, while providing superior service and value to our customers.

In particular, we are strengthening our environmental management systems in order to better manage risks from our key environmental aspects such as emissions, energy use, spills and conformance to environmental regulations.

Illustrative of this is Toll's Smarter Green environmental program, which is focused on reducing carbon emission and energy risks. Since introducing the Smarter Green program in 2010 we have been able to reduce our carbon emissions intensity in the Australian operations by seven per cent and our energy intensity of our operations by more than five per cent spanning all transport modes.

Innovations in equipment design and the application of best operational practices underpin these improvements. For example, our fleet upgrade program is replacing old fleet with newer low-emission vehicles. Our increasing use of higher productivity vehicles and improved fleet utilisation practices means we are carrying more freight and using less fuel across all transport modes. We have improved driver behaviour via the Smarter Green driver program that trains drivers to adopt more fuel-efficient and emissions-lowering behaviours.

We are also examining increased use of alternative fuels such as natural gas, electricity and biofuel across our operations to provide emission reductions and cost benefits. Our Smarter Green program is being extended this year to include trials of electric vehicles, next generation electric diesel hybrids, biofuels and further natural gas applications. We are also actively assessing a number of energy efficiency technologies including vehicle aerodynamics, lightweight materials for our fleet, and the application of environmental sustainable design principles to existing and new facilities.

More information on Toll's commitment to environmental sustainability can be found at *www.tollgroup.com/environmental-sustainability*

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 12 and forms part of the Directors' report for the half-year ended 31 December 2014.

Rounding Off

The Company is of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the interim financial report, and Directors' report have been rounded off to the nearest decimal of a million dollars, unless otherwise stated.

This report is signed in accordance with a resolution of the Directors.

R Horsburgh Director

B Kruger Director

Dated at Melbourne this 18th day of February 2015.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Toll Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Alison Kitchen

Alison Kitchen
Partner

Melbourne

18 February 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Dec 2014 $M	Dec 2013 $M
Revenue		4,407.3	4,523.2
Other income		29.2	19.6
Share of profit of associates and joint ventures		10.1	8.6
Direct transport and logistics costs		(2,091.6)	(2,153.3)
Repairs and maintenance costs		(85.2)	(88.5)
Employee benefits expense		(1,298.5)	(1,321.5)
Fuel, oil and electricity costs		(180.9)	(200.1)
Occupancy and property costs		(223.8)	(223.9)
Depreciation and amortisation		(138.8)	(139.8)
Other operating costs		(179.0)	(165.0)
Results from operating activities		**248.8**	**259.3**
Impairment losses on plant and equipment		(15.1)	-
Impairment losses on joint ventures		(5.6)	-
Net loss on disposal of non-controlling interests	8	(11.0)	-
Net loss on disposal of controlled entities	8	(1.9)	-
Finance income		4.5	4.6
Finance expenses		(27.0)	(23.7)
Net finance costs		**(22.5)**	**(19.1)**
Profit before income tax expense		**192.7**	**240.2**
Income tax expense		(56.1)	(64.3)
Profit for the period		**136.6**	**175.9**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences, net of hedges of net investments in foreign controlled entities		53.8	17.1
Effective portion of changes in fair value of cash flow hedges		6.3	(8.9)
Other comprehensive income for the period, net of income tax		**60.1**	**8.2**
Total comprehensive income for the period		**196.7**	**184.1**
Profit attributable to:			
Owners of the Company		134.3	172.1
Non-controlling interests		2.3	3.8
Profit for the period		**136.6**	**175.9**
Total comprehensive income attributable to:			
Owners of the Company		194.6	180.2
Non-controlling interests		2.1	3.9
Total comprehensive income for the period		**196.7**	**184.1**
Earnings per share			
Basic earnings per share (cents)		18.7	24.0
Diluted earnings per share (cents)		18.5	23.8

The notes on pages 18 to 28 are an integral part of these consolidated interim financial statements.

Attributable to the equity holders of the Company

	Note	Contributed equity $M	Treasury shares $M	Retained earnings $M	Foreign currency translation reserve $M	Share based payment reserve $M	Hedging reserve $M	Other reserve $M	Total $M	Non-controlling interests $M	Total equity $M
Balance at 1 July 2014		**2,976.7**	**(3.9)**	**(227.0)**	**(55.2)**	**26.4**	**(15.5)**	**11.9**	**2,713.4**	**19.3**	**2,732.7**
Total comprehensive income for the period											
Profit for the period		-	-	134.3	-	-	-	-	**134.3**	2.3	**136.6**
Other comprehensive income											
Foreign exchange translation differences, net of hedges of net investments in foreign controlled entities		-	-	-	54.1	-	-	(0.1)	**54.0**	(0.2)	**53.8**
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	-	6.3	-	**6.3**	-	**6.3**
Total other comprehensive income		-	-	-	54.1	-	6.3	(0.1)	**60.3**	(0.2)	**60.1**
Total comprehensive income for the period		-	-	134.3	54.1	-	6.3	(0.1)	**194.6**	2.1	**196.7**
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Dividends to equity holders	6	-	-	(107.6)	-	-	-	-	**(107.6)**	-	**(107.6)**
Interest in dividends paid		-	-	-	-	-	-	-	**-**	(3.5)	**(3.5)**
Share option expense		-	-	-	-	3.9	-	-	**3.9**	-	**3.9**
Share options vested		-	-	-	-	(0.2)	-	-	**(0.2)**	-	**(0.2)**
Share options lapsed		-	-	-	-	(3.4)	-	3.4	**-**	-	**-**
Restricted rights vested	7	1.7	-	-	-	(1.7)	-	-	**-**	-	**-**
Repayment of treasury shares		-	0.2	-	-	-	-	-	**0.2**	-	**0.2**
Total contributions by and distributions to owners		1.7	0.2	(107.6)	-	(1.4)	-	3.4	**(103.7)**	(3.5)	**(107.2)**
Changes in ownership interest in controlled entities that do not result in a loss of control											
Disposal of non-controlling interest		-	-	-	-	-	-	-	**-**	0.7	**0.7**
Total transactions with owners		1.7	0.2	(107.6)	-	(1.4)	-	3.4	**(103.7)**	(2.8)	**(106.5)**
Balance at 31 December 2014		**2,978.4**	**(3.7)**	**(200.3)**	**(1.1)**	**25.0**	**(9.2)**	**15.2**	**2,804.3**	**18.6**	**2,822.9**

		Attributable to the equity holders of the Company									
	Note	**Contributed equity $M**	**Treasury shares $M**	**Retained earnings $M**	**Foreign currency translation reserve $M**	**Share based payment reserve $M**	**Hedging reserve $M**	**Other reserve $M**	**Total $M**	**Non-controlling interests $M**	**Total equity $M**
Balance at 1 July 2013		**2,976.7**	**(4.1)**	**(278.6)**	**(47.4)**	**28.1**	**(9.9)**	**10.0**	**2,674.8**	**21.6**	**2,696.4**
Total comprehensive income for the period											
Profit for the period		-	-	172.1	-	-	-	-	**172.1**	3.8	**175.9**
Other comprehensive income											
Foreign exchange translation differences, net of hedges of net investments in foreign controlled entities		-	-	-	17.0	-	-	-	**17.0**	0.1	**17.1**
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	-	(8.9)	-	**(8.9)**	-	**(8.9)**
Total other comprehensive income		-	-	-	17.0	-	(8.9)	-	**8.1**	0.1	**8.2**
Total comprehensive income for the period		-	-	172.1	17.0	-	(8.9)	-	**180.2**	3.9	**184.1**
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Dividends to equity holders	6	-	-	(104.0)	-	-	-	-	**(104.0)**	-	**(104.0)**
Interest in dividends paid		-	-	-	-	-	-	-	**-**	(2.4)	**(2.4)**
Share option expense		-	-	-	-	(2.0)	-	-	**(2.0)**	-	**(2.0)**
Share options vested		-	-	-	-	(1.1)	-	-	**(1.1)**	-	**(1.1)**
Share options lapsed		-	-	-	-	(3.4)	-	3.4	**-**	-	**-**
Repayment of treasury shares		-	0.1	-	-	-	-	-	**0.1**	-	**0.1**
Total contributions by and distributions to owners		-	0.1	(104.0)	-	(6.5)	-	3.4	**(107.0)**	(2.4)	**(109.4)**
Changes in ownership interest in controlled entities that do not result in a loss of control											
Acquisition of non-controlling interest		-	-	(37.7)	-	-	-	-	**(37.7)**	(1.0)	**(38.7)**
Disposal of non-controlling interest		-	-	-	-	-	-	-	**-**	(3.2)	**(3.2)**
Total transactions with owners		-	0.1	(141.7)	-	(6.5)	-	3.4	**(144.7)**	(6.6)	**(151.3)**
Balance at 31 December 2013		**2,976.7**	**(4.0)**	**(248.2)**	**(30.4)**	**21.6**	**(18.8)**	**13.4**	**2,710.3**	**18.9**	**2,729.2**

The notes on pages 18 to 28 are an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Dec 2014 $M	Restated Jun 2014 $M
Current assets			
Cash and cash equivalents		853.7	837.0
Receivables		1,362.7	1,240.1
Inventories		60.5	59.5
Assets held for sale	9	476.7	73.1
Prepayments		66.1	58.0
Current tax receivable		3.5	2.7
Other assets		10.1	7.2
Total current assets		**2,833.3**	**2,277.6**
Non-current assets			
Receivables		9.0	8.7
Investments accounted for using the equity method		150.8	172.1
Investments		3.1	3.1
Property, plant and equipment		1,754.9	1,936.2
Intangible assets		1,673.0	1,686.6
Deferred tax assets		129.6	132.5
Prepayments		3.8	3.9
Other assets		32.2	13.8
Total non-current assets		**3,756.4**	**3,956.9**
Total assets		**6,589.7**	**6,234.5**
Current liabilities			
Payables		827.4	828.7
Interest bearing liabilities		824.1	666.1
Current tax liabilities		39.2	36.2
Provisions		322.6	352.3
Other liabilities		14.1	18.9
Total current liabilities		**2,027.4**	**1,902.2**
Non-current liabilities			
Interest bearing liabilities		1,562.7	1,402.1
Deferred tax liabilities		18.0	17.0
Provisions		155.5	169.6
Other liabilities		3.2	10.9
Total non-current liabilities		**1,739.4**	**1,599.6**
Total liabilities		**3,766.8**	**3,501.8**
Net assets		**2,822.9**	**2,732.7**
Equity			
Contributed equity	7	2,978.4	2,976.7
Treasury shares		(3.7)	(3.9)
Reserves		29.9	(32.4)
Retained earnings		(200.3)	(227.0)
Total equity attributable to equity holders of the Company		**2,804.3**	**2,713.4**
Non-controlling interests		18.6	19.3
Total equity		**2,822.9**	**2,732.7**

An amendment to AASB 132: *Financial Instruments: Presentation* has been issued, applicable from 1 January 2014. This clarifies when an entity has a "legally enforceable right of set-off". This has resulted in a revised approach to disclosure at 31 December 2014 and a restatement of 30 June 2014 reclassifying $332.6 million bank overdrafts from cash and cash equivalents to interest bearing liabilities.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Dec 2014 $M	Restated Dec 2013 $M
Cash flows from operating activities		
Cash receipts in the course of operations	4,649.9	4,784.7
Cash payments in the course of operations	(4,424.1)	(4,481.4)
Cash generated from operations	225.8	303.3
Interest received	4.5	4.6
Dividends received from associates	19.8	0.1
Interest and other costs of finance paid	(23.2)	(19.8)
Income taxes paid	(50.7)	(54.1)
Net cash inflow from operating activities	**176.2**	**234.1**
Cash flows from investing activities		
Payments for entities and businesses, net of cash acquired	(15.8)	(2.9)
Payments for property, plant and equipment and intangible assets	(251.9)	(204.9)
Payments for deferred settlements	(1.1)	-
Proceeds from disposal of entities and businesses, net of cash	12.0	3.2
Proceeds from sale of property, plant and equipment	56.5	55.6
Proceeds from sale of associates and other investments	-	0.4
Proceeds from return of capital on associates	0.5	1.0
Proceeds from repayment of loans with other entities	-	0.8
Net cash outflow from investing activities	**(199.8)**	**(146.8)**
Cash flows from financing activities		
Proceeds from borrowings	114.5	406.1
Repayments of borrowings	(124.1)	(434.2)
Dividends paid to ordinary shareholders	(107.4)	(103.9)
Dividends paid to non-controlling interests	(3.5)	(2.4)
Payments for shares to satisfy share option vesting	(0.2)	(1.1)
Net cash outflow from financing activities	**(120.7)**	**(135.5)**
Net decrease in cash and cash equivalents held	**(144.3)**	**(48.2)**
Net cash and cash equivalents at 1 July	**478.1**	**467.2**
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies	23.3	6.0
Net cash and cash equivalents at 31 December	**357.1**	**425.0**
Cash and cash equivalents	853.7	829.7
Bank overdraft	(496.6)	(404.7)
Net cash and cash equivalents	**357.1**	**425.0**

An amendment to AASB 132: *Financial Instruments: Presentation* has been issued, applicable from 1 January 2014. This clarifies when an entity has a “legally enforceable right of set-off”. This has resulted in a revised approach to disclosure at 31 December 2014 and a restatement of 31 December 2013 reclassifying $336.1 million bank overdrafts from cash and cash equivalents to interest bearing liabilities.

Index to the condensed notes to the consolidated interim financial statements **Page**

1. REPORTING ENTITY

Toll Holdings Limited (the "Company") is a for-profit entity domiciled in Australia. The consolidated condensed interim financial statements of the Company as at and for the half-year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

2. STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements have been prepared in accordance with AASB 134: *Interim Financial Reporting* and the Corporations Act 2001. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2014.

These consolidated condensed interim financial statements were approved by the Board of Directors on 18 February 2015.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the consolidated condensed interim financial report have been rounded off to the nearest decimal of a million dollars, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these consolidated condensed interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2014.

4. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2014.

5. SEGMENT INFORMATION

The Group's restructuring, effective from 1 July 2014, reduced its divisional reporting structure from six divisions to five. Toll Domestic Forwarding gained Toll Express, Toll NQX and Toll Linehaul & Fleet Services. Toll Liquids and Toll Transitions, due to the contract nature of their activities, moved into Toll Global Resources, renamed to Toll Resources & Government Logistics. The specialised contract-driven parts of Toll Intermodal were incorporated into Toll Global Logistics and its Queensland freight forwarding operations were merged into Toll NQX. There were no changes to Toll Global Express and Toll Global Forwarding.

These five reportable segments, as described below, are the Group's strategic divisions. The strategic divisions offer different products and services. For each of the strategic divisions, the Managing Director reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Toll Resources & Government Logistics – Logistics services to the oil and gas, mining and resources and government and defence industries in Australia, Asia and Africa;
- Toll Global Logistics – Contract logistics and warehousing solutions in the Asia Pacific region;
- Toll Global Forwarding – International freight forwarding and advanced supply chain management services;
- Toll Global Express – Express freight operations in Australia providing time sensitive freight distribution and logistics services in Japan; and
- Toll Domestic Forwarding – Domestic road, rail and sea freight forwarding across Australia and New Zealand.

Inter-segment pricing is determined on an arm's length basis. Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The corresponding items of segment information for the comparative period to 31 December 2013 have been restated for the new divisional reporting structure to allow meaningful comparison.

5. SEGMENT INFORMATION (CONTINUED)

The Group comprises the following main business segments, based on the Group's management reporting system.

	Toll Global Express	Toll Domestic Forwarding	Toll Global Logistics	Toll Resources & Government Logistics	Toll Global Forwarding	Total operating segments	Corporate	Total
	$M	$M	$M	$M	$M	$M	$M	$M
Business segments – 2014								
Revenue	**1,105.8**	**997.0**	**728.3**	**716.8**	**842.2**	**4,390.1**	**17.2**	**4,407.3**
Result								
Segment result	65.8	67.3	59.5	56.9	12.8	**262.3**	(23.6)	**238.7**
Share of profit of associates and joint ventures	-	0.1	0.8	1.7	7.3	**9.9**	0.2	**10.1**
Total segment result	**65.8**	**67.4**	**60.3**	**58.6**	**20.1**	**272.2**	**(23.4)**	**248.8**
Unallocated loss, net of tax:								
- Impairment of Toll Marine Logistics Asia plant and equipment in Toll Resources & Government Logistics								**(15.1)**
- Impairment of Toll dnata Airport Services Pty Ltd joint venture in Toll Global Express								**(5.6)**
- Loss on sale of BIC Logistics Ventures Limited associate in Toll Global Logistics								**(11.0)**
- Loss on sale of Toll Global Express Asia business in Toll Global Express								**(1.9)**
Net finance costs								**(22.5)**
Income tax expense								**(56.1)**
Profit for the period								**136.6**
Total segment assets	**821.2**	**946.1**	**1,487.8**	**1,614.0**	**1,214.8**	**6,083.9**	**372.7**	**6,456.6**
Unallocated tax assets								**133.1**
Total assets								**6,589.7**

5. SEGMENT INFORMATION (CONTINUED)

	Toll Global Express	Toll Domestic Forwarding	Toll Global Logistics	Toll Resources & Government Logistics	Toll Global Forwarding	Total operating segments	Corporate	Total
	$M	$M	$M	$M	$M	$M	$M	$M
Business segments – 2013								
Revenue	**1,130.7**	**1,045.2**	**727.8**	**808.6**	**794.9**	**4,507.2**	**16.0**	**4,523.2**
Result								
Segment result	68.8	81.2	51.4	64.3	9.4	**275.1**	(24.4)	**250.7**
Share of profit of associates and joint ventures	0.2	0.1	2.1	1.5	4.5	**8.4**	0.2	**8.6**
Total segment result	**69.0**	**81.3**	**53.5**	**65.8**	**13.9**	**283.5**	**(24.2)**	**259.3**
Unallocated loss:								
Net finance costs								**(19.1)**
Income tax expense								**(64.3)**
Profit for the period								**175.9**
Total segment assets	**840.3**	**987.7**	**1,422.6**	**1,489.5**	**1,077.9**	**5,818.0**	**520.8**	**6,338.8**
Unallocated tax assets								**134.6**
Total assets								**6,473.4**

6. DIVIDENDS

	Cents per share	Total $M	Franked/ unfranked	Payment date
Dividends provided for or paid by the Company during the half-year:				
Ordinary shares				
Half-year ended 31 December 2014				
2014 final dividend	15.0	107.6	Franked	01/10/2014
Half-year ended 31 December 2013				
2013 final dividend	14.5	104.0	Franked	28/10/2013

Franked dividends paid during the half-year were franked at the tax rate of 30%.

Subsequent events
After the balance sheet date the Directors determined the following dividend.

	Cents per share	Total $M	Franked/ unfranked	Payment date
Interim dividend	13.0	93.3	Franked	02/04/2015

The financial effect of this dividend has not been brought to account in the financial statements for the half-year ended 31 December 2014 and will be recognised in subsequent financial reports.

7. CAPITAL AND RESERVES

Movements in issued and paid up ordinary share capital during the half-year ended 31 December 2014 were as follows:

	Number of shares	Issue price $	Contributed equity $M
Balance as at 1 July 2014	717,133,875		2,976.7
Restricted rights vested – STI deferral (2 September 2014)	184,747	5.70	1.0
Restricted rights vested – High Performance Recognition Plan (13 November 2014)	119,256	5.70	0.7
Balance as at 31 December 2014	**717,437,878**		**2,978.4**

8. ACQUISITIONS AND DISPOSALS

(a) Provisional acquisitions

During the year ended 30 June 2014 and half-year ended 31 December 2014, the Group acquired heavy haulage transportation businesses in the Toll Global Logistics and Toll Domestic Forwarding divisions, respectively. Acquisitions included Nationwide Transport Solutions Pty Ltd, AJS Industries Pty Ltd, Deesons Heavylift Pty Ltd, Strathdee Holdings Pty Ltd and Deesons Crane Services Pty Ltd.

The following summarises the major classes of consideration transferred for the acquisitions and the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

Consideration transferred	**$M**
Cash	37.2
Total consideration	**37.2**

Identifiable assets acquired and liabilities assumed

	Provisional balance recognised at 30-Jun-14	**Acquisitions during the six month period ended 31-Dec-14**	**Provisional balance recognised at 31-Dec-14**
	$M	**$M**	**$M**
Property, plant and equipment	7.5	13.7	21.2
Provisions	(0.1)	(0.3)	(0.4)
Total net identifiable assets	**7.4**	**13.4**	**20.8**

The Group is currently in the process of finalising the fair values of the assets and liabilities acquired. As a result, the fair values provided above are provisional and will be subject to finalisation during the period up to twelve months from the acquisition date.

Goodwill	**$M**
Goodwill was recognised as a result of the acquisitions as follows:	
Total consideration transferred	37.2
Less fair value of net identifiable assets acquired	(20.8)
Goodwill	**16.4**

8. ACQUISITIONS AND DISPOSALS (continued)

(b) Disposal of operations

During the half-year ended 31 December 2014, the Group disposed of the Toll Global Express Asia Group, an express parcel business within the Toll Global Express division.

The following summarises the book values of the net assets disposed, the sale proceeds and the net loss on disposal:

	$M
Assets and liabilities disposed	
Cash at bank	0.2
Receivables	5.1
Property, plant and equipment	1.6
Goodwill	4.3
Other assets	0.4
Payables and other liabilities	(2.1)
Provisions	(0.4)
Net assets disposed	**9.1**
Sale proceeds	
Cash	7.1
Deferred consideration	1.4
Total net proceeds	**8.5**
Less	
Directly attributable costs	(1.3)
Net assets disposed	(9.1)
Net loss before tax on disposals	**(1.9)**
Income tax expense	-
Net loss after tax on disposals	**(1.9)**

(c) Disposal of associates

During the half-year ended 31 December 2014, the Group disposed its 40% interest in BIC Logistics Ventures Limited, a less-than truckload carrier within the Toll Global Logistics division. The sale resulted in a loss of $11.0m in the six month period.

9. ASSETS HELD FOR SALE

During the half-year ended 31 December 2014, the Group's management committed to a process to sell its Toll Offshore Petroleum Services supply base assets, Toll Marine Logistics Northern Australian marine freight business, Toll Marine Logistics Asia business and its 50% interest in the Toll dnata Airport Services joint venture. The assets related to these planned sales have been reclassified to held for sale at 31 December 2014 (nil liabilities).

	Note	Dec 2014 $M	Jun 2014 $M
Property, plant and equipment		330.8	73.1
Intangible assets	10	138.1	-
Investments accounted for using the equity method		7.8	-
		476.7	**73.1**

10. INTANGIBLE ASSETS - GOODWILL

Carrying amount	Note	Dec 2014 $M	Jun 2014 $M
Balances as at 1 July		1,548.6	1,527.2
Acquisitions		2.4	14.0
Disposals	8	(4.3)	-
Reclassification to assets held for sale	9	(138.1)	-
Effects of movements in foreign exchange		121.9	7.4
Closing balance		**1,530.5**	**1,548.6**

11. FINANCIAL INSTRUMENTS

Fair values (carrying amount / fair value)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Consolidated Statement of Financial Position, are as follows:

	31 December 2014		Restated 30 June 2014	
	Carrying amount $M	Fair value $M	Carrying amount $M	Fair value $M
Investments	3.1	3.1	3.1	3.1
Receivables	1,371.7	1,371.7	1,248.8	1,248.8
Cash and cash equivalents	853.7	853.7	837.0	837.0
Interest rate swaps used for hedging:				
Assets	2.4	2.4	1.3	1.3
Liabilities	(5.6)	(5.6)	(8.9)	(8.9)
Cross currency interest rate swaps				
Assets	31.4	31.4	8.9	8.9
Liabilities	-	-	(5.6)	(5.6)
Forward exchange contracts used for cash flow hedging:				
Assets	-	-	-	-
Liabilities	(0.1)	(0.1)	(0.4)	(0.4)
Other forward exchange contracts:				
Assets	-	-	-	-
Liabilities	-	-	-	-
Interest bearing liabilities	(2,386.8)	(2,384.8)	(2,068.2)	(2,065.8)
Finance lease liabilities	-	-	-	-
Other financial liabilities	(17.4)	(17.4)	(14.9)	(14.9)
Payables	(827.4)	(827.4)	(828.7)	(828.7)
Total	**(975.0)**	**(973.0)**	**(827.6)**	**(825.2)**

An amendment to AASB 132: *Financial Instruments: Presentation* has been issued, applicable from 1 January 2014. This clarifies when an entity has a “legally enforceable right of set-off”. This has resulted in a revised approach to disclosure at 31 December 2014 and a restatement of 30 June 2014 reclassifying $332.6 million bank overdrafts from cash and cash equivalents to interest bearing liabilities.

11. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2014	**Level 1 $M**	**Level 2 $M**	**Level 3 $M**
Derivative financial assets	-	33.8	-
Total	**-**	**33.8**	**-**
Derivative financial liabilities	-	(5.7)	-
Total	**-**	**(5.7)**	**-**

30 June 2014	**Level 1 $M**	**Level 2 $M**	**Level 3 $M**
Derivative financial assets	-	10.2	-
Total	**-**	**10.2**	**-**
Derivative financial liabilities	-	(14.9)	-
Total	**-**	**(14.9)**	**-**

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is determined by reference to their quoted mid price at the reporting date. For financial instruments that are not traded in an active market, fair values are determined using observable market prices (level 2 as defined by AASB 13 *Fair Value Measurement*) as inputs to valuation techniques, such as estimated discounted cash flows. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on the terms and maturity of each contract and using market rates at the measurement date. The fair value of forward exchange contracts is determined by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract. Estimated cash flows for interest rate swaps and forward exchange contracts are discounted using a risk-adjusted discount rate.

The nominal value less estimated credit adjustments of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar instruments.

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12. DEBT REFINANCING

Due to the successful extensions of the Singapore debt, which was previously due to expire in the year ending 30 June 2015, S$300.0 million of borrowings were reclassified from current to non-current at 31 December 2014.

13. EVENTS SUBSEQUENT TO THE BALANCE DATE

Interim dividend

The Directors have determined an interim dividend of 13.0 cents per share (refer to note 6).

In the opinion of the Directors of Toll Holdings Limited ('the Company'):

1. the consolidated condensed interim financial statements and notes set out on pages 13 to 28 are in accordance with the Corporations Act 2001 including:

   (i) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

   (ii) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

R Horsburgh Director

B Kruger Director

Dated at Melbourne this 18th day of February 2015.

Independent auditor's review report to the members of Toll Holdings Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Toll Holdings Limited ("the Company"), which comprises the consolidated statement of financial position as at 31 December 2014, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Toll Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Toll Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year period ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Alison Kitchen

Alison Kitchen
Partner

Melbourne

18 February 2015