Toll Holdings Limited
ABN 25 006 592 089

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25 February 2010

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: 30

Dear Sir

HALF YEAR RESULTS 31 DECEMBER 2009

Please find attached for immediate release to the market:

1. ASX Appendix 4D Half Year Report; and

2. Consolidated Interim Financial Report and Directors' Report For the Half Year Ended 31 December 2009.

Yours faithfully
TOLL HOLDINGS LIMITED

Bernard McInerney
Company Secretary

Encl.

25 February 2010

MEDIA RELEASE

Toll Group investing in growth as recovery gathers pace

Toll Holdings, one of the Asian region's leading transport and logistics providers, today reported that its half year result confirmed revenue has recovered from the lows of the first quarter, and that the company expects this trend to continue over the remainder of the year.

"This has been one of the toughest trading environments for the logistics sector in many years," said Toll Group Managing Director Paul Little.

"Toll however has maintained its market leadership in the strategically important Australian market and is extremely well placed to benefit from a return to more normal global trading conditions.

"For the interim period under review, revenue fell six percent as our major customers traded down on the previous year.

"Much of the revenue shortfall generated a disproportionate impact on EBIT as our key express networks were unable to completely defray the impact of revenue shrinkage.

"As volumes return however, these higher yielding businesses will move quickly to higher levels of profitability.

"A pleasing element of these results is the strength of our EBIT margins across the Group which remain well above industry standards," Mr Little said.

"I am also pleased to report that the disciplined cost controls that have long been associated with Toll Group remain in place and our balance sheet remains strong with plenty of scope for further M&A activity as opportunities present."

Recent acquisitions include **Footwork Express** in Japan, **Summit** in the US, **LDS** in the Middle East and **Express** in New Zealand.

"Each of these acquisitions positions us well for growth throughout the rest of the year and beyond. The strategy we have been following for several years now is continuing to come together well and while volumes are down in some sectors, it is certainly a good time for companies with strong balance sheets to be pursuing acquisitions.

"Whilst some of Toll's businesses fell short of their half year targets, volumes now appear to be improving and the company is well placed to take advantage of anticipated more buoyant economic levels," Mr Little concluded.

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ASX Appendix 4D
Half Year Report

Name of Entity	**Toll Holdings Limited**
ABN	**25 006 592 089**
Reporting Period	**Half Year ended 31 December 2009**
Previous Corresponding Period	Half Year ended 31 December 2008

Results for Announcement to the Market

		Dec 09 $m	**Dec 08 $m**
Revenue	Decrease 6%	3,305	3,513
EBIT*	Decrease 16%	224	266
NPAT	Decrease 16%	147	176
Discontinued operations		-	(5)
Minority Interest		(3)	(4)
Non-recurring items		(37)	(9)
NPAT (attributable to members)	Decrease 32%	107	158

* Pre acquisition amortisation and non-recurring items

Dividends (cents per share)

	Amount	Franked Amount
Interim 2010 dividend	11.5	11.5
Interim 2009 dividend	11.5	11.5

Record date for determining entitlements to the dividend 12th March 2010.

Date dividend is payable 2nd April 2010.

Net tangible asset backing per ordinary share $1.44 (2008 $1.52).

The Company has a Dividend Reinvestment Plan. Shares are issued at a discount of 2.5% to the weighted average market price for the five business days, up to and including the books close date. The last date for receipt of election notices for the Plan is 12th March 2010.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
ACN 006 592 089

CONSOLIDATED CONDENSED INTERIM FINANCIAL REPORT AND DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Contents

The directors present their report together with the consolidated financial report of Toll Holdings Limited ("the Company") and its controlled entities ("the Group"), for the half year ended 31 December 2009 and the auditors' review report thereon.

Directors

The following persons held office as directors of the Company during the half-year:

Ray Horsburgh AM (Chairman)	Director since 2004
Paul Little AO (Managing Director)	Director since 1986
Harry Boon	Director since 2006
Mark Smith	Director since 2007
Barry Cusack	Director since 2007
Frank Ford	Director since 2008

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;
- Operation of specialist defence logistics projects;
- Shipping linehaul operations.

Review of Operations

Toll Holdings recorded an EBIT for the group, before acquisition amortisation charges and Footwork Express remeasurement charge, of $224.1 million compared to $266.4 million in the previous period, a decrease of 16%.

Revenue for the 6 months was $3.3 billion, a decrease of 6% over the previous corresponding period revenue of $3.5 billion.

Revenues across the Group were lower, reflecting the impact of the Global Financial Crisis in the markets in which the company participates. Reported revenues for Toll Global Logistics and Toll Global Forwarding were also impacted negatively by currency translation due to the strengthening of the Australian dollar against the Singapore and Hong Kong dollars. These negative impacts were partially offset by the addition of newly acquired businesses and new contract wins. In addition, the Group continued its focus on strong cost management and a disciplined approach to maintaining EBIT margins across the business.

Profit after tax for the six months to 31 December 2009, before the Footwork remeasurement charge of $37.4 million, was $147.3 million, a 16% decrease over the previous corresponding period of $176.3 million.

Operating cash flow after capital expenditure for the six months of $82 million was lower as a result of lower cash profits and higher capital expenditure that reflected the company's ongoing investment in growth.

Organisation Structure

For the 2010 financial year, the business will be reported in line with the following new divisional structure :

- Toll Global Express
- Toll Domestic Forwarding
- Toll Specialised and Domestic Freight
- Toll Global Logistics
- Toll Global Resources
- Toll Global Forwarding

All comparative data for the half year ended 31 December 2008 has been restated on this basis.

Divisional Performance

Toll Global Express

Total revenue of $794 million was 18% higher than the previous corresponding period due to the inclusion of Footwork Express ("Footwork") for two months. Most other businesses recorded reduced volumes during the six months.

EBIT of $71 million was 7% lower than the comparable half year, as a direct result of lower revenues in Australian businesses.

Highlights

The acquisition of Footwork in Japan was completed at the end of October 2009. Previously, Toll held a minority (37%) interest in Footwork and has now moved to full ownership. This acquisition positions Toll as a leading player in the Japanese express freight market.

Toll IPEC's revenue was lower due to reduced volumes and some competitive pressure on customer rates. Offsetting operational savings were achieved in a number of areas such as equipment and subcontractor costs that helped mitigate the impact on EBIT margins.

Toll Priority results were affected by lower volumes, partially countered by cost efficiencies in pickup and delivery costs and also in linehaul cost. The previously announced acquisition of the Hong Kong and Singapore operations of Deltec UK contributed a small profit to the group result in the period. This international express acquisition continues to support the strategic intent of Toll Priority into Asia. Toll DNATA, the 50% aircraft ground handling joint venture with DNATA, gained additional market share in the sector with major contract wins with Malaysian Airlines (start date Feb 2010) and Philippines Air.

Toll Fast and Stream Solutions traded slightly lower than the corresponding period last year. Toll Fast started an industry specific offering for the distribution of magazines and associated product during the period and is successfully growing this product with new customer wins.

Development of new technology solutions continued, with Phase 1 of a new freight management system for Toll Priority and Toll IPEC becoming operational in the period. This significant technology investment is expected to have strong benefits for both these businesses and their customers. Toll Fast continued its investment in mobile data solutions.

Toll Domestic Forwarding

Revenue of $555 million was 12% below the previous corresponding period with a reduction in EBIT to $44 million from $49 million in the prior year.

Highlights

Toll SPD and Toll Tasmania performed strongly during the period with reduced costs and new contract wins. Revenue for Toll Tasmania was ahead of the prior corresponding period, whilst EBIT was slightly down on the prior corresponding period for both businesses reflecting increased competition as overall customer volumes reduced.

Both QRX and Toll Refrigerated posted results higher than the previous corresponding period in a difficult trading environment.

The Managed Transport Services business recorded significantly lower revenues due to the loss of some customer accounts and generally lower volumes.

Toll New Zealand's results reflected continuing weakness in the New Zealand economy. Importantly, no major customers were lost during the period. Successful contract extensions with Kelloggs, Griffins and Daikin underpin the continued profitability of the warehousing business.

Revenues for the Tasmania shipping business were materially affected by lower demand for movement of goods to / from Tasmania from a number of major customers. However, the impact of this was mitigated by the formation of the Joint Venture with ANL in August 2009.

Toll Specialised and Domestic Freight

Revenue declined 14% compared to the previous corresponding period from $626 million to $536 million as most businesses were affected by lower customer volumes. EBIT of $42 million was $7 million lower than the previous corresponding period. However, excellent cost control enabled EBIT margins to be maintained.

Highlights

Toll Express and NQX experienced a significant decrease in customer volumes during the period. Strong cost control measures have been utilised to offset the reduced volumes and maintain EBIT margins.

Toll Transitions performed well during the period with EBIT above the previous corresponding period. A significant long term contract for both removals and relocations work for the Australian Defence Force was signed during the period.

Toll Global Logistics

EBIT for Toll Global Logistics for the six months was $46 million, which was 11% lower than the previous corresponding period. Revenue of $626 million was down from $712 million previously, reflecting difficult market conditions in many of the markets in which the business operates and the impact of the stronger Australian dollar.

Highlights

The Government and Defence business generated another strong result. This business is exploring opportunities to expand its service offering to other markets.

Revenue from the Asian logistics operations was adversely affected by lower volumes generally, across the region. However, a strong focus on margin management and cost controls generated EBIT margins above those achieved in the previous corresponding period.

The in2store business in Australia delivered an excellent result with revenues and EBIT higher than the previous corresponding period. This business achieved excellent new customer growth despite the challenging economic conditions.

The Contract Logistics business was affected by reduced customer volumes but maintained a strong EBIT result due to improved cost structure, new customer wins and an improved mix of higher margin business.

The Auto Logistics business was affected by continuing low production and sales levels. This, together with increasing competitive pressures, led to lower revenue and EBIT. These issues were partially offset by improved components volumes as a result of a new contract win. This business continues to pursue growth opportunities in the growing Chinese and Indian markets.

In May 2009, the Group announced its intention to acquire the remaining shares in the ST-Anda Logistics business in China that it did not already own. This purchase was subject to regulatory approvals in China. The approval process is progressing satisfactorily and expected to be finalised by the end of March 2010.

The Toll Global Logistics business across the Asian region, with the now more closely aligned Australian business capabilities within its portfolio, is well positioned to capture the opportunities to come from improving markets within Asia. The business continues to focus on both acquisition and organic growth opportunities.

Toll Global Resources

Toll Global Resources revenue and EBIT levels were above the previous corresponding period by 13% and 7% respectively. This is mainly the result of strong results in both Energy and Mining businesses plus the impact of the Perkins acquisition completed in July 2009.

Highlights

The Marine Logistics business has seen continued strength in the bulk commodities area, mainly in thermal coal and steel aggregates, but suffered during the period from the suspension of sand exports between Vietnam and Singapore. These exports commenced again in January 2010.

PDL Toll had a strong result for the six months with a slightly lower EBIT than the previous corresponding period largely due to the wind down of operations in the Solomon Islands and further decline in troop numbers in Timor. However the contract with the Australian Defence Force in Timor has recently been signed for a further 4 ½ year term providing a solid revenue base for the business.

Mining revenue was lower during the period, however strong EBIT margins were still achieved as the impact of previous capital investments in more efficient equipment benefited the results. The recovery in bulk commodity, prices and demand, especially iron ore, coal and copper is providing numerous opportunities for this business.

Toll Energy achieved significant growth in both revenue and earnings despite the slowdown in drilling and exploration activity on the North West Shelf off the coast of Western Australia. This was largely due to the impact of the recently awarded Barrow Island Supply Base Contract for the Gorgon LNG project. The project is on track to deliver an additional $180 million of revenue over 3 years.

The Toll Offshore Petroleum Services "TOPS" development in Singapore is progressing well and in line with the original plan. Activity levels across the jetty were lower due to lower oil rig mobilisation during the period. However, activity levels have started to pick up over the last couple of months as oil prices and demand improve.

Perkins Shipping contributed from July 2009 when the acquisition was completed. The integration of this business is continuing and synergies with other Toll businesses are being explored.

Toll Global Forwarding

Toll Global Forwarding continued to be impacted by significant customer volume declines as a result of the Global Financial Crisis. The effect of these volume reductions began late in the second half of FY2009 and continued in the current period.

Revenue was 21% lower at $440 million, whilst EBIT was 64% lower at $7 million. The strengthening Australian dollar also negatively impacted the translation of this Division.

Highlights

During the period two acquisitions were completed which contributed positively to the results. ELG in New Zealand was completed at the end of October 2009. LDS in Dubai was completed during December 2009.

Subsequent to the half year end the acquisition of Summit Logistics in the USA was announced. Summit is one of the United States' leading independent freight forwarding and supply chain businesses.

These acquisitions are major steps for the business to achieve its goal of being a top 10 player in the global forwarding market segment.

During the period Toll Global Forwarding invested in technology and key management talent to strengthen its key resources and provide a platform for future growth.

Finance

The company has a strong balance sheet with a net debt position of $760 million at 31 December, 2009.

The company currently has net debt to net debt plus equity gearing of 22% with interest cover exceeding 14 times. The company has maintained high levels of cash balances and committed undrawn facilities in order to ensure that value creating growth opportunities can be pursued aggressively.

Operating cashflow after capital expenditure for the six months was $82 million, compared to $230 million in the previous corresponding period, reflecting the impact of lower cash profits and higher capital expenditure.

Fully diluted earnings per share was 22.1 cents per share pre acquisition amortisation charges and Footwork remeasurement charge. This represents a 22% decrease on a continuing business basis compared to 28.2 cents per share in the previous corresponding period.

Directors have declared an interim dividend of 11.5 cents per share fully franked, consistent with the 2009 interim dividend.

Outlook

Trading conditions in the Australian businesses improved progressively through the period and revenues for the first two months of calendar 2010 provide encouraging signs that this trend will continue. The Global Resources business is continuing to see higher activity levels off the back of strong commodities demand. Our Asian businesses continue to experience flat trading conditions in most regions and the Global Forwarding business is still facing the challenging conditions that are being experienced throughout that market segment.

Overall, we would expect the Group's trading results in the second half of the fiscal year to be broadly in line with those achieved in the first half of the year.

In addition, our strong balance sheet leaves us well positioned to take advantage of value creating acquisition opportunities as they arise.

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

The lead auditor's independence declaration is set out on page 7 and forms part of the directors' report for the half-year ended 31 December 2009.

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 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

P A Little Director

Dated at Melbourne this 25th day of February 2010.

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 2009 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

Paul Shannon

Partner

Melbourne

25 February 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Dec 2009 $M	Dec 2008 $M
Continuing operations			
Revenue		3,304.8	3,513.2
Other income		16.2	7.4
Direct transport and logistics costs		(1,667.4)	(1,863.8)
Repairs and maintenance costs		(62.0)	(60.8)
Employee benefits expenses		(856.0)	(806.1)
Fuel, oil and electricity costs		(107.0)	(132.3)
Occupancy and property costs		(169.0)	(154.0)
Depreciation and amortisation		(108.3)	(94.7)
Other operating costs		(188.0)	(179.7)
Results from operating activities		**163.3**	**229.2**
Finance income		8.6	18.3
Finance expenses		(22.8)	(31.3)
Net finance costs		**(14.2)**	**(13.0)**
Share of profit of associates and joint ventures		10.3	11.9
Profit before income tax expense		**159.4**	**228.1**
Income tax expense		(49.5)	(61.1)
Profit from continuing operations		**109.9**	**167.0**
Discontinued operations			
Loss from discontinued operations (net of income tax)	6	-	(5.4)
Profit for the period		**109.9**	**161.6**
Other comprehensive income			
Foreign exchange translation differences, net of hedges of net investments in foreign subsidiaries		(18.3)	229.6
Effective portion of changes in fair value of cash flow hedges		1.4	(24.8)
Other comprehensive income for the period, net of income tax		**(16.9)**	**204.8**
Total comprehensive income for the period		**93.0**	**366.4**
Profit attributable to:			
Owners of the Company		107.0	158.0
Non-controlling interest		2.9	3.6
Profit for the period		**109.9**	**161.6**
Total comprehensive income attributable to:			
Owners of the Company		91.4	361.2
Non-controlling interest		1.6	5.2
Total comprehensive income for the period		**93.0**	**366.4**
Earnings per share:			
Basic earnings per share		15.4¢	23.9¢
Diluted earnings per share		15.3¢	23.9¢
Continuing operations:			
Basic earnings per share		15.4¢	24.7¢
Diluted earnings per share		15.3¢	24.7¢

Attributable to the equity holders of the Company

Consolidated	**Note**	**Contributed Equity $M**	**Treasury Shares $M**	**Retained Earnings $M**	**Foreign Currency Translation Reserve $M**	**Share Based Payment Reserve $M**	**Hedging Reserve $M**	**Total $M**	**Non-controlling Interests $M**	**Total Equity $M**
Balance at 1 July 2009		**2,846.8**	**(5.7)**	**(256.9)**	**(21.2)**	**8.3**	**(11.7)**	**2,559.6**	**40.3**	**2,599.9**
Total comprehensive income for the period										
Profit or loss		-	-	107.0	-	-	-	107.0	2.9	109.9
Other comprehensive income										
Foreign exchange translation differences, net of hedges of net investments in foreign subsidiaries		-	-	-	(17.0)	-	-	(17.0)	(1.3)	(18.3)
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	-	1.4	1.4	-	1.4
Total other comprehensive income		-	-	-	(17.0)	-	1.4	(15.6)	(1.3)	(16.9)
Total comprehensive income for the period		-	-	107.0	(17.0)	-	1.4	91.4	1.6	93.0
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Dividends to equity holders	7	-	-	(93.9)	-	-	-	(93.9)	-	(93.9)
Dividend reinvestment plan	8	30.9	0.1	-	-	-	-	31.0	-	31.0
Interest in dividends paid		-	-	-	-	-	-	-	(0.2)	(0.2)
Share option expense		-	-	-	-	3.2	-	3.2	-	3.2
Repayment of treasury shares		-	0.2	-	-	-	-	0.2	-	0.2
Total contributions by and distributions to owners		30.9	0.3	(93.9)	-	3.2	-	(59.5)	(0.2)	(59.7)
Balance at 31 December 2009		**2,877.7**	**(5.4)**	**(243.8)**	**(38.2)**	**11.5**	**(10.3)**	**2,591.5**	**41.7**	**2,633.2**

Attributable to the equity holders of the Company

Consolidated	**Note**	**Contributed Equity $M**	**Treasury Shares $M**	**Retained Earnings $M**	**Foreign Currency Translation Reserve $M**	**Share Based Payment Reserve $M**	**Hedging Reserve $M**	**Total $M**	**Non-controlling Interests $M**	**Total Equity $M**
Balance at 1 July 2008		**2,554.5**	**(7.2)**	**(373.2)**	**(128.3)**	**2.1**	**12.9**	**2,060.8**	**42.3**	**2,103.1**
Total comprehensive income for the period										
Profit or loss		-	-	158.0	-	-	-	158.0	3.6	161.6
Other comprehensive income										
Foreign exchange translation differences, net of hedges of net investments in foreign subsidiaries		-	-	-	228.0	-	-	228.0	1.6	229.6
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	-	(24.8)	(24.8)	-	(24.8)
Total other comprehensive income		-	-	-	228.0	-	(24.8)	203.2	1.6	204.8
Total comprehensive income for the period		-	-	158.0	228.0	-	(24.8)	361.2	5.2	366.4
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Dividends to equity holders	7	-	-	(74.5)	-	-	-	(74.5)	-	(74.5)
Dividend reinvestment plan		19.0	0.1	-	-	-	-	19.1	-	19.1
Interest in dividends paid		-	-	-	-	-	-	-	(1.7)	(1.7)
Conversion of Reset Preference Shares		250.0	-	-	-	-	-	250.0	-	250.0
Share option expense		-	-	-	-	2.2	-	2.2	-	2.2
Repayment of treasury shares		-	1.2	-	-		-	1.2	-	1.2
Total contributions by and distributions to owners		269.0	1.3	(74.5)	-	2.2	-	198.0	(1.7)	196.3
Balance at 31 December 2008		**2,823.5**	**(5.9)**	**(289.7)**	**99.7**	**4.3**	**(11.9)**	**2,620.0**	**45.8**	**2,665.8**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Dec 2009 $M	June 2009 $M
Current Assets			
Cash and cash equivalents		563.6	885.6
Receivables		969.3	698.3
Inventories		50.9	43.5
Prepayments		74.0	50.4
Current tax receivable		3.8	2.4
Other financial assets		4.7	6.6
Total Current Assets		**1,666.3**	**1,686.8**
Non-Current Assets			
Receivables		35.5	38.7
Investments accounted for using the equity method		202.3	288.2
Investments		9.2	1.4
Property, plant and equipment		1,708.6	1,397.8
Intangible assets		1,629.5	1,502.1
Deferred tax assets		62.0	81.9
Prepayments		3.2	12.2
Other financial assets		20.0	0.6
Total Non-Current Assets		**3,670.3**	**3,322.9**
TOTAL ASSETS		**5,336.6**	**5,009.7**
Current Liabilities			
Payables		828.5	588.7
Interest bearing liabilities		258.2	403.5
Current tax liabilities		77.3	129.0
Provisions		257.9	237.6
Other financial liabilities		21.3	19.9
Total Current Liabilities		**1,443.2**	**1,378.7**
Non-Current Liabilities			
Interest bearing liabilities		1,065.5	843.3
Deferred tax liabilities		40.2	32.5
Provisions		136.8	112.7
Other financial liabilities		17.7	42.6
Total Non-Current Liabilities		**1,260.2**	**1,031.1**
TOTAL LIABILITIES		**2,703.4**	**2,409.8**
NET ASSETS		**2,633.2**	**2,599.9**
Equity			
Issued capital	8	2,877.7	2,846.8
Treasury shares		(5.4)	(5.7)
Reserves		(37.0)	(24.6)
Retained earnings		(243.8)	(256.9)
Total equity attributable to equity holders of the Company		**2,591.5**	**2,559.6**
Non-controlling interest		41.7	40.3
TOTAL EQUITY		**2,633.2**	**2,599.9**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Dec 2009 $M	Dec 2008 $M
Cash flows from operating activities		
Cash receipts in the course of operations	3,459.2	3,796.9
Cash payments in the course of operations	(3,187.1)	(3,431.4)
Cash generated from operations	272.1	365.5
Interest received	8.6	18.3
Dividends received from associates	2.3	2.4
Dividends and distributions received from others	-	1.3
Interest and other costs of finance paid	(23.9)	(31.4)
Income taxes paid	(97.6)	(25.4)
Net cash inflow from operating activities	**161.5**	**330.7**
Cash flows from investing activities		
Payment for entities and businesses, net of cash acquired	(245.0)	(44.4)
Proceeds from sale of controlled entities and businesses	-	526.8
Payment for property, plant and equipment and intangible assets	(191.9)	(137.6)
Proceeds from sale of property, plant and equipment	38.8	8.3
Payments for investments	(7.9)	(26.6)
Proceeds from sale of investments	-	12.0
Proceeds from settlement of derivatives	-	11.4
Advances made to associate entities	-	(0.2)
Proceeds from repayment of loans with other entities	1.0	-
Net cash inflow/(outflow) from investing activities	**(405.0)**	**349.7**
Cash flows from financing activities		
Proceeds from borrowings	36.3	168.7
Repayment of borrowings	(41.1)	(372.9)
Dividends paid to ordinary shareholders	(62.9)	(55.4)
Dividends paid to minority shareholders	(0.2)	(1.7)
Proceeds from issue of shares	-	1.3
Net cash outflow from financing activities	**(67.9)**	**(260.0)**
Net increase/(decrease) in cash and cash equivalents held	**(311.4)**	**420.4**
Cash and cash equivalents at the beginning of the financial year	**885.6**	**354.0**
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies	(10.6)	49.3
Cash and cash equivalents at the end of the financial period	**563.6**	**823.7**

1. REPORTING ENTITY

Toll Holdings Limited (the "Company") is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half year ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with AASB 134: *Interim Financial Reporting.* 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 2009.

These condensed consolidated interim financial statements were approved by the Board of Directors on 25th February 2010.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Group in these condensed consolidated 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 2009.

(a) Change in accounting policy

(i) Accounting for business combinations

The Group applies AASB 3 *Business Combinations* (2008) and AASB 127 *Consolidated and Separate Financial Statements* (2008), which became effective as of 1 July 2009. All business combinations occurring on or after 1 July 2009 are accounted for by applying the acquisition method. The change in accounting policy was applied prospectively and resulted in a charge of $39.8 million to profit in the half year ended 31 December 2009. This comprised $37.4 million relating to the re-measurement of an investment and $2.4 million relating to acquisition transaction costs.

The Group has applied the acquisition method for the business combinations that occurred during the half year ended 31 December 2009 as disclosed in note 9.

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the new recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Transactions costs that the Group incurs in connection with a business combination, such as finder's fee, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Change in accounting policy (continued)

(ii) Determination and presentation of operating segments

As of 1 July 2009 the Group determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of AASB 8 Operating Segments. In addition, the Group has early adopted AASB 2009-5 in relation to amendments to the segment reporting standard. Previously operating segments were determined and presented in accordance with AASB 114 Segment Reporting.

The new accounting policy in respect of segment operating disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of AASB 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment's operating results are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(iii) Presentation of financial statements

The Group applies revised AASB 101 *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the half year ended on 31 December 2009.

Comparative information has been re-presented to conform to the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

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 2009.

5. OPERATING SEGMENTS

The Group has 6 reportable segments, as described below, which 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 Global Resources – Logistics services to the mining and resource sector together with project based activities;
- Toll Global Logistics – Integrated logistics services and supply chain management to national and multi-national customers;
- Toll Global Forwarding – Provision of global freight forwarding services by air, sea and land;
- Toll Global Express – Provides express and overnight parcel services with a focus on the Asia – Pacific region;
- Toll Domestic Forwarding – Offers intermodal freight forwarding services within Australia and New Zealand by road, rail and sea;
- Toll Specialised & Domestic Freight – Provides specialised FCL and LCL forwarding services including bulk liquids and road operations within Australia.

5. OPERATING SEGMENTS (CONTINUED)

Business Segment – 2009	**Toll Global Express $M**	**Toll Domestic Forwarding $M**	**Toll Specialised & Domestic Freight $M**	**Toll Global Logistics $M**	**Toll Global Resources $M**	**Toll Global Forwarding $M**	**Total Operating Segments $M**	**Corporate $M**	**Total Continuing Operations $M**	**Discontinued Operations $M**	**Total $M**
External Revenue	793.6	554.8	536.0	626.7	347.3	439.9	**3,298.3**	6.5	**3,304.8**	-	**3,304.8**
Result											
Segment result	69.9	43.6	41.8	43.6	43.3	5.1	**247.3**	(33.5)	**213.8**	-	**213.8**
Share of profit of associates and joint ventures	1.5	-	-	2.7	2.6	2.3	**9.1**	1.2	**10.3**	-	**10.3**
Total segment result	71.4	43.6	41.8	46.3	45.9	7.4	**256.4**	(32.3)	**224.1**	-	**224.1**
Depreciation and amortisation arising from acquisition accounting									**(13.1)**	-	**(13.1)**
Unallocated expenses: - re-measurement of investment									**(37.4)**	-	**(37.4)**
Net finance costs									**(14.2)**	-	**(14.2)**
Income tax expense									**(49.5)**	-	**(49.5)**
Profit for the period									**109.9**	-	**109.9**

5. OPERATING SEGMENTS (CONTINUED)

Business Segment – 2008 (restated)	**Toll Global Express $M**	**Toll Domestic Forwarding $M**	**Toll Specialised & Domestic Freight $M**	**Toll Global Logistics $M**	**Toll Global Resources $M**	**Toll Global Forwarding $M**	**Total Operating Segments $M**	**Corporate $M**	**Total Continuing Operations $M**	**Discontinued Operations $M**	**Total $M**
External Revenue	672.7	633.6	625.9	712.0	308.2	554.3	**3,506.7**	6.5	**3,513.2**	-	**3,513.2**
Result											
Segment result	74.7	48.4	48.4	47.4	42.2	17.8	**278.9**	(24.4)	**254.5**	(5.4)	**249.1**
Share of profit of associates and joint ventures	1.7	0.9	0.9	4.6	0.8	2.8	**11.7**	0.2	**11.9**	-	**11.9**
Total segment result	76.4	49.3	49.3	52.0	43.0	20.6	**290.6**	(24.2)	**266.4**	(5.4)	**261.0**
Depreciation and amortisation arising from acquisition accounting									**(16.0)**	-	**(16.0)**
Unallocated expenses:											
- write-down of investment in listed companies									**(9.3)**	-	**(9.3)**
Net finance costs									**(13.0)**	-	**(13.0)**
Income tax expense									**(61.1)**	-	**(61.1)**
Profit for the period									**167.0**	(5.4)	**161.6**

6. DISCONTINUED OPERATIONS

Profits attributable to discontinued operation of Virgin Blue were as follows:

	Dec 09 $M	Dec 08 $M
Results of discontinued operations		
Revenue	-	-
Other income	-	-
Expenses	-	(5.4)
Results from operating activities	-	(5.4)
Income tax expense	-	-
Results from operating activities, net of income tax	-	(5.4)
Income tax adjustments	-	-
Profit/ (loss) for the period	-	(5.4)

7. DIVIDENDS

	Cents per share	Total ($M)	Franking (%)	Payment Date
Dividends declared and paid by the Company during the half year:				
Ordinary Shares				
2009				
2009 Final Dividend	13.5	93.9	100%	23/10/2009
2008				
2008 Special (in specie) Dividend		304.6	0%	22/08/2008
2008 Final Dividend	11.5	74.5	100%	24/10/2008
		379.1		

Franked dividends were franked at the tax rate of 30%.

Subsequent Events
Since the end of the half year, the directors have declared the following dividend:

	Cents per share	Total ($M)	Franking (%)	Payment Date
Interim Ordinary Dividend	11.5	80.4	100%	2/4/2010

The financial effect of this dividend has not been brought to account in the financial statements for the half year ended 31 December 2009 and will be recognised in subsequent financial reports.

8. CAPITAL AND RESERVES

Ordinary Shares Issued

	No. of Shares	$M
Opening balance 1 July 2009	695,561,126	2,846.8
Dividend Reinvestment Plan (i)	3,797,845	30.9
Closing balance 31 December 2009	699,358,971	2,877.7

(i) The Company has an established Dividend Reinvestment Plan, for the purpose of providing shareholders the opportunity to apply dividends paid or declared by the Company in subscribing for shares rather than receiving those dividends in cash. Shares are issued under the plan currently at a 2.5% (Dec 2008: 2.5%) discount to the weighted average market price over the five business days up to and including the books close date for the purposes of the dividend payment.

9. ACQUISITIONS

(a) Acquisition of Footwork Express Company Limited

On 23 October 2009, the Group acquired Footwork Express Company Limited ("Footwork"), a Japan-based logistics company. The Group already held approximately 37% of Footwork prior to acquiring the remaining shares.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at acquisition date:

Consideration transferred	$M
Cash	76.6
Contingent consideration	11.8
	88.4

Contingent consideration

The Group has agreed to pay the selling shareholders additional consideration subject to achievement of certain performance criteria.

9. ACQUISITIONS (CONTINUED)

(a) Acquisition of Footwork Express Company Limited (continued)

Identifiable assets acquired and liabilities assumed

	Recognised values on acquisition
	$M
Cash and cash equivalents	35.5
Receivables	113.9
Investments	7.5
Property, plant & equipment	194.1
Intangibles	6.6
Deferred tax asset	3.7
Other assets	33.3
Payables	(126.2)
Interest bearing liabilities	(146.9)
Provisions	(32.9)
Current tax payable	(3.0)
Deferred tax liability	(16.2)
Total net identifiable assets	69.4

The Group is currently in the process of assessing 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 acquisition date.

Goodwill

Goodwill was recognised as a result of the acquisition as follows:

	$M
Total consideration transferred	88.4
Fair value of previous interest in the acquiree	51.0
Less value of identifiable assets	(69.4)
Goodwill	70.0

The re-measurement to fair value of the Group's existing 37 per cent interest in the acquiree resulted in a loss of $37.4 million, which has been recognised in other operating costs.

The goodwill is attributable mainly to the logistics network of the acquiree and the synergies expected to be achieved from integrating the company into the Group's existing Global Express operations.

9. ACQUISITIONS (CONTINUED)

(b) Other Acquisitions

During the six months to 31 December 2009, the Group acquired other logistics companies in the Global Forwarding and Global Resources operations. Acquisitions include the Perkins Group, Express Logistics Group and Logistics Distribution Systems.

The following summarises the major classes of consideration transferred for the other acquisitions, and the recognised amounts of assets acquired and liabilities assumed at acquisition date arising from these acquisitions:

Consideration transferred	$M
Cash	207.6
	207.6

Identifiable assets acquired and liabilities assumed

	Recognised values on acquisition
	$M
Cash and cash equivalents	3.7
Receivables	31.3
Inventories	0.4
Property, plant & equipment	54.2
Intangibles	9.7
Deferred tax asset	4.4
Other assets	3.7
Payables	(25.9)
Provisions	(4.0)
Current tax payable	(0.2)
Deferred tax liability	(4.4)
Total net identifiable assets	72.9

The Group is currently in the process of assessing 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 acquisition date.

Goodwill

Goodwill was recognised as a result of the acquisition as follows:

	$M
Total consideration transferred	207.6
Less value of identifiable assets	(72.9)
Goodwill	134.7

The goodwill is attributable mainly to the logistics networks of the acquirees' and the synergies expected to be achieved from integrating the company into the Group's existing Global Forwarding and Global Resources operations.

10. INTANGIBLE ASSETS

Goodwill

Reconciliation of carrying amount

Carrying amount	$M
Balance as at 1 July 2009	1,337.2
Acquisitions through business combinations	204.7
Effect of movements in foreign exchange	(69.8)
Balance as at 31 December 2009	**1,472.1**
Balance as at 1 July 2008	1,098.6
Acquisitions through business combinations	30.1
Effect of movements in foreign exchange	309.1
Balance as at 31 December 2008	**1,437.8**

11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There have been no material changes in contingent liabilities or contingent assets since 30 June 2009.

12. RELATED PARTIES

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2009 annual financial report. There have been no material changes in the nature or amounts of related party transactions since 30 June 2009.

13. EVENTS SUBSEQUENT TO BALANCE DATE

On 2 February 2010, the Group announced the acquisition of Summit Logistics International at an approximate cost of $80 million.

Interim Dividend

The directors have declared an interim dividend of 11.5 cents per share (refer to note 7).

Other than the matters noted above, there has not arisen in the interval between the end of the half-year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of these operations, or the state of affairs of the Group, in future financial periods.

DIRECTORS' DECLARATION

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

1. the financial statements and notes set out on pages 8 to 22 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 2009 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

P A Little Director

Dated at Melbourne this 25th day of February 2010.

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 which comprises the consolidated statement of financial position as at 31 December 2009, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the interim period ended on that date, a description of accounting policies and other explanatory notes 1 to 13 and the directors' declaration set out on pages 8 to 23 of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports 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 2009 and its performance for the interim 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 2009 and of its performance for the interim period ended on that date; and

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

KPMG

KPMG

Paul Shannon

Paul Shannon

Partner

Melbourne

25 February 2010