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Toll Holdings Limited
ABN 25 006 592 089

4 August 2011

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

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Dear Sir

MEDIA RELEASE :
Former BHP and Bluescope executive, Toll CFO Brian Kruger appointed Managing Director

Please find attached a media release for immediate release to the market.

Yours faithfully
TOLL HOLDINGS LIMITED

Bernard McInerney
Company Secretary

Encl.



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MEDIA RELEASE

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Former BHP and Bluescope executive, Toll CFO Brian Kruger appointed Managing Director

The Board of Toll Holdings today announced that CFO Mr Brian Kruger will become the company's Managing Director (MD) on 1 January 2012. The appointment follows a rigorous international search after the announcement in October 2010 of the planned retirement of logistics icon Mr Paul Little AO.

With two years' service with Toll and before that more than 25 years with the world's largest miner and Australia's largest steelmaker, Mr Kruger has extensive executive and operational experience.

Chairman Ray Horsburgh AM said, "The Board congratulates Brian on his appointment. He has an outstanding business pedigree and will be a highly capable successor to Paul. He has demonstrated his capability in operational and financial roles in Australia as well as internationally. Brian is extremely well regarded at all levels of Toll for his management style which combines good process with strong values.

"The Board took the strategic decision two years ago to increase the bench strength of the internal executive ahead of Paul's departure. Brian's appointment as CFO, along with the creation of six operational division heads across the Group, is a clear demonstration of that strategic approach.

"Toll's culture is unique and hugely successful. The Board recognised that strength by bringing into the senior executive team such an experienced and rounded external leader. The two years Brian has been at Toll have given him the best possible starting point for his MD role. He is the candidate with external experience and internal understanding. The Board looks forward to working closely with Brian to deliver strong and sustainable results in the years ahead," Mr Horsburgh concluded.

Paul Little AO welcomed the announcement, "I am thrilled that the Board has taken this decision. Brian is a superb executive, a particularly effective leader of people and the right person to head up the company at this time."

Commenting on his appointment, Mr Kruger said, "Being chosen to lead the Toll team is a real honour. Toll is one of Australia's great international success stories and to now have the opportunity to lead over 40,000 skilled logistics professionals across 55 countries is very exciting. Paul has built an exceptional company over his 25 years as MD and I look forward to taking Toll through its next stage of development.

"When I was invited to apply for the CFO role two years ago it was clear the Board was already putting in place a range of options for successors to Paul. For me, having had two years now to see the company from the inside will be invaluable in leading the team through our next series of challenges and opportunities," Mr Kruger concluded.

"During his time as MD, Paul has grown Toll from a small domestic trucking business with turnover of \$16 million and 95 employees, to a global company with annual revenue of around \$8 billion," Mr Horsburgh said.

"The Board is deeply appreciative of the contribution that Paul has made to Toll as MD since the management buyout in 1986 and the company's listing in 1993. We are extremely pleased that Paul is willing to continue to contribute to Toll when he rejoins the Board as a non-executive director sometime after the 2012 AGM."

A search for a new CFO will begin shortly and in the meantime Grant Devonport, head of finance for the Global Resources Division, will act in the role from 1 September.

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Brian Kruger Managing Director-Elect

Brian Kruger has been Chief Financial Officer of the Toll Group since July 2009.

Over his two years at Toll, he has quickly adapted to the logistics industry and his role as a member of the Toll Group senior executive. He is a trusted leader gaining the respect of employees, customers and investors with his focus on good process and strong values.

Prior to joining Toll, Brian had a career spanning more than 25 years in the resources and industrial sectors in Australia and the US, initially with BHP and later with its offshoot, BlueScope Steel.

Joining BHP upon graduating from Monash University in 1983 with a Bachelor of Economics (Accounting), Brian took up finance and operational roles including leading BHP Steel into the US as Vice President Finance for North Star BHP, a \$500 million steel mill project in Delta, Ohio.

In 1998, he moved into BHP's corporate finance team where he led a number of significant transactions including the demerger of OneSteel from BHP. In 2002, he was appointed the inaugural CFO for Bluescope Steel where he established the finance function for the newly listed company.

In 2005, Brian took on the senior operational role of President, Australian Manufacturing Markets for Bluescope during which time he had profit and loss accountability for a business with \$3 billion revenue, 3,000 employees and AU\$1.1 billion of net assets.

Brian's final appointment at BlueScope was President, North America, Corporate Strategy and Innovation. This saw him take on profit and loss accountability for a business with US\$2 billion in revenue, 5,000 employees and US\$1.1 billion of net assets.

Between 2008 and 2009 Brian had exposure to the private equity sector while a partner at Greenstone Partners. His role included directorships of a number of private equity owned companies across a range of market sectors.

Brian is 49 and lives in Melbourne, Australia. He is married and has two adult daughters. Brian is a keen golfer and is on the board of the Moonee Valley Racing Club. He enjoys watching Carlton games whenever he can.



About Toll

Toll Group is the Asian region's leading provider of integrated logistics. With annualised revenue in excess of AU\$8 billion, we employ around 40,000 people via a network of 1200 sites in 55 countries.



Attachment B

BRIAN KRUGER – SUMMARY OF KEY TERMS OF ENGAGEMENT

The key terms of the employment arrangements for Mr Brian Kruger are summarised below. They have been developed with the benefit of input from external consultants and information on Australian peer company benchmarks.

The remuneration package is designed to ensure alignment of reward with returns for shareholders and with achievement of corporate objectives as determined by the Board.

Appointment

The appointment is to the position of Managing Director-Elect effective 1st September 2011 for a four month period, and then Managing Director effective 1st January 2012.

Term

The appointment will continue until the employment is terminated in accordance with the Executive Service Agreement.

Remuneration

On appointment to the role of Managing Director on the 1st of January 2012 Mr Kruger will be provided with the following elements of remuneration (on an annualised basis):

- Fixed remuneration: \$1,700,000
- Variable annual reward comprised of:
 - Short term incentive (STI) target of: \$1,700,000
 - Long term incentive (LTI) target of: \$1,700,000

Fixed remuneration

On appointment as Managing Director: Mr Kruger's fixed remuneration has initially been set at \$1,700,000 p.a. for the role of Managing Director and will apply to the half year commencing 1st January 2012. Fixed remuneration includes cash salary, salary packaged benefits, fringe benefit tax, and compulsory superannuation. Fixed remuneration will be subject to review each financial year.

Period prior to appointment as Managing Director: For the period 1st July 2011 to 31st December 2011, Mr Kruger's fixed remuneration will remain unchanged from his current FY2011 remuneration of \$930,000 p.a.

Therefore, the fixed remuneration payable to Mr Kruger in relation to the 2012 financial year will be a total of \$1,315,000.

Short term incentive

Mr Kruger will be eligible for a performance based short term incentive determined by the Board annually. Mr Kruger's short-term incentive will measure his performance against key financial and non-financial metrics. For FY2012 Mr Kruger's short term incentive target is \$1,400,000 and any earned short-term incentive for this period will be paid in a combination of cash and deferred equity following the end of the performance year.

The target short term incentive will be reviewed annually and determined by the Board at its discretion subject to the necessary regulatory and shareholder approvals.



Long term incentive

Mr Kruger will be eligible for an annual long term incentive award in accordance with the Company's Senior Executive Option and Right Plan (SEORP). A summary of the SEORP is provided in the 2010 Annual Report.

For FY2012, Mr Kruger's long term incentive award will be an allocation of equity with a total grant value of \$1,400,000, subject to shareholder approval and performance against the applicable performance conditions.

The target long term incentive will be reviewed annually and determined by the Board in its discretion subject to the necessary regulatory and shareholder approvals.

Special Allocation of Deferred Shares

In recognition of Mr Kruger's promotion to the position of MD-Elect from 1st September 2011, the additional responsibilities this position will entail, and given that his fixed remuneration for the 6 month period prior to becoming Managing Director will remain unchanged from his remuneration for the previous financial year, Toll will grant Mr Kruger equity to the value of \$150,000. This equity will be subject to trading restrictions until the first anniversary of the date Mr Kruger assumes the role of Managing Director.

Termination

Mr Kruger's employment may be terminated in the following circumstances:

- Toll may terminate Mr Kruger's employment by giving 12 months' notice.
- Mr Kruger may terminate his employment by giving 6 months' notice.
- Toll may terminate Mr Kruger's employment for cause with immediate effect.
- Mr Kruger may treat his employment as having been terminated by Toll if a fundamental change occurs.

Subject to any limitations at law, Toll may pay Mr Kruger an amount in lieu of him serving out all or part of his notice period. Any notice in lieu and accrued benefits (annual leave and long service leave) will be calculated based on Mr Kruger's fixed remuneration at the time his employment ceases.

Other provisions

The agreement contains provisions regarding confidential information, appropriate restraints, intellectual property and moral rights.