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Toll Holdings Limited
ABN 25 006 592 089

27 August 2012

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: 37

Dear Sir

PRESENTATION SLIDES – BRIEFINGS ON FULL YEAR RESULTS 30 JUNE 2012

Please find attached for immediate release to the market the Presentation Slides for briefings commencing at 10.00am AEST on 27 August 2012.

Yours faithfully
TOLL HOLDINGS LIMITED


Bernard McInerney
Company Secretary

Encl.



Toll Holdings Limited

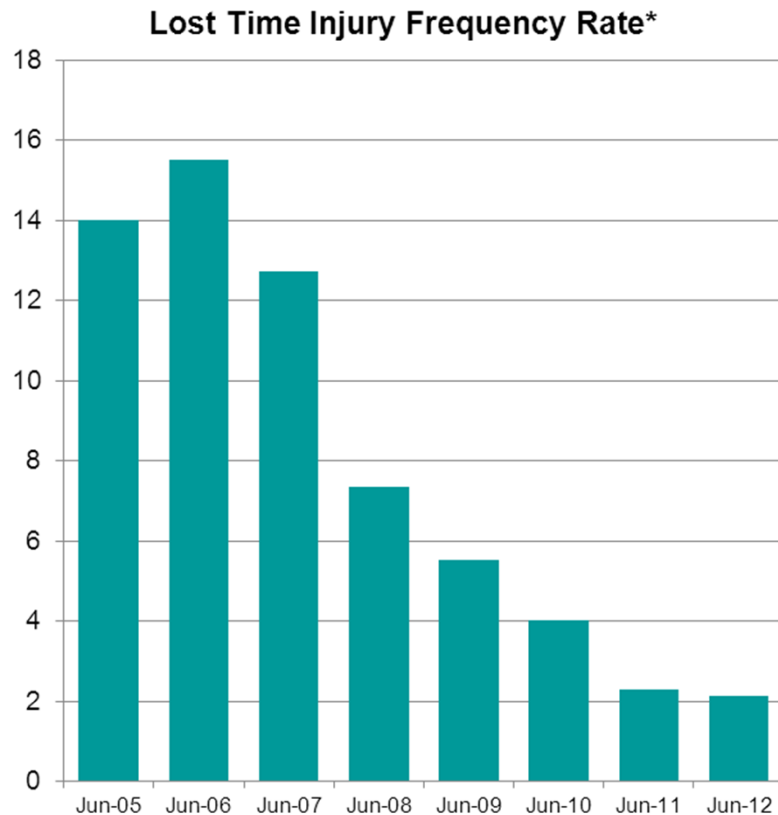
2012 Full Year Results Presentation

Brian Kruger, Managing Director
Grant Devonport, Chief Financial Officer
27 August 2012

Results reflect benefits of diversity

- **Toll Global Resources** – strong revenue growth including Mitchell Corp and contract wins resulted in further earnings growth. TOPS project ahead of expectations.
- **Toll Global Logistics** – continued new customer wins and a recovery in earnings from Automotive Logistics. Concluded sale of Australian vehicle distribution business
- **Toll Global Forwarding** – progress on internal productivity and systems in a market where organic growth has been difficult. Disciplined approach to acquisition opportunities.
- **Toll Global Express** – continued strong returns from Australian businesses despite soft markets. B2C market offering launched. Strategic review initiated for Japan.
- **Toll Domestic Forwarding** – solid underlying performance, with recovery in Tasmanian Shipping largely offset by losses from Refrigerated (now sold).
- **Toll Specialised and Domestic Freight** – exceptional performance with revenue and margin growth supported by strong demand, IT investment and cost management initiatives.
- **One Toll initiative** – growing momentum on cross selling and providing customers with end to end integrated logistics solutions.
- **Return on capital focus** - a renewed focus on organic growth opportunities and strategic reviews underway to support higher Group returns. Outstanding cash conversion in second half.

Safety – building the platform for further improvement



* - number of lost time injuries per million man hours worked

- Continuation of long term improvement in LTIFR to 2.1 at June 2012, down 8% compared with June 2011 and down 80% over past 5 years
- One Toll safety culture and commitment to share existing best practice
- New safety strategy being rolled out to reinforce values driven approach
- Improving safety leadership capability is a critical success factor
- Key priorities:
 - Developing Group-wide safety leadership programme
 - Creating Group safety training modules
 - Focus on incident reporting and investigation
 - Defining risk management processes and introducing OH&S risk networks

Financial summary

	Year ended 30 June		
	2012	2011	change
<i>Sales revenue</i>	\$8,707 m	\$8,225 m	↑ 5.9%
<i>EBITDA*</i>	\$681 m	\$664 m	↑ 2.6%
<i>EBIT**</i>	\$411 m	\$436 m	↓ 5.9%
<i>Net profit after tax (before non-recurring items)</i>	\$274 m	\$291 m	↓ 5.8%
<i>Net profit after tax (after non-recurring items)</i>	\$71 m	\$295 m	↓ 75.9%
<i>Operating cash flow</i>	\$673 m	\$629 m	↑ 7.0%
<i>EPS (before PPA and non-recurring items)</i>	41.4 cps	44.6 cps	↓ 3.2cps
<i>Final dividend</i>	13.5 cps	13.5 cps	-
<i>Full year dividends</i>	25.0 cps	25.0 cps	-
<i>Return on invested capital***</i>	6.7%	7.6%	↓ 0.9pp

* *Pre associates, acquisition accounting amortisation and non recurring items*

** *Includes profit from associates and acquisition accounting amortisation, but before non recurring items*

*** *Return on invested capital is rolling 12 months net profit after tax before non recurring items divided by average net debt plus shareholders equity*



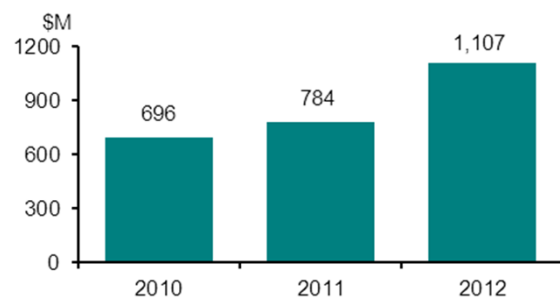
Divisional results

Toll Group Toll Holdings Limited
2012 Full Year Results Presentation

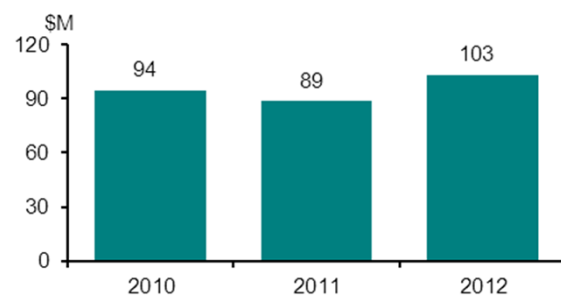
Toll Global Resources - growth continues

Toll Mining Services, Toll Energy, Toll Marine Logistics, Toll Remote Logistics, TOPS

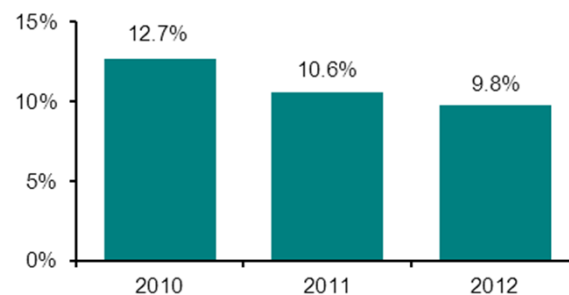
Revenue – \$ million



EBITA – \$ million*



Return on capital employed



- Strong revenue growth driven by Mitchells acquisition and LNG project ramp ups
- Mining Services performed well, boosted by successful Mitchell Corp acquisition
- Strong growth in Toll Energy underpinned by LNG project contract wins and continued growth from Gorgon
- Marine performed below expectations due to lower volumes and vessel reliability issues. Start up of LNG contracts will support improvement in Australia. Strategic review of Marine Asia progressing well
- Start-up of new African fuel supply contract
- The redevelopment of the TOPS oil and gas supply base remains on track for FY13 completion

* Excludes PPA amortisation, includes profits from associates

Major new customer – BC Iron



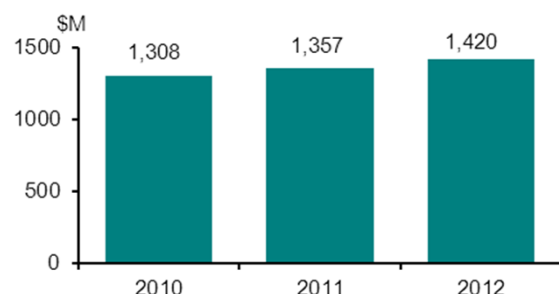
TOPS nearing completion



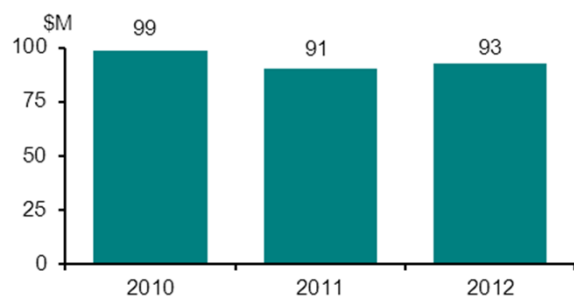
Toll Global Logistics - benefitting from new customer wins

Customised Solutions, Contract Logistics, Automotive Logistics, SE Asia, Singapore/Malaysia, North Asia, Government Business Group

Revenue – \$ million



EBITA – \$ million*



Return on capital employed



- Revenue growth reflects new business wins and organic growth across a number of businesses
- Overall earnings remained solid, reflecting a recovery in Automotive offset by cost pressures in Asian businesses
- Continued new multi-national company customer wins in Asia including Tesco, Coca-Cola and Lego
- Contract Logistics affected by reduced manufacturing activity, but successfully renewed key contracts with customers including Coles and National Foods
- Automotive recovered from weak prior corresponding period due to increased finished vehicle volumes and new component contracts
- Sell-down of finished vehicle distribution business provides integrated offering to the market
- Customised Solutions saw strong growth from new customers including Newell Rubbermaid, Target and Independent Liquor Group

* Excludes PPA amortisation, includes profits from associates

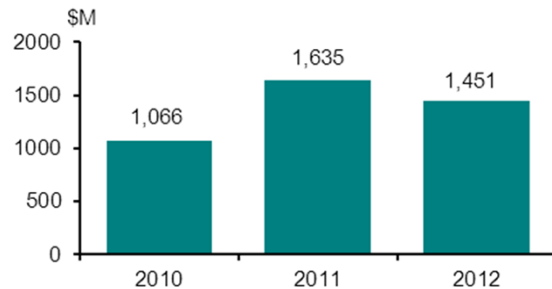
New Melbourne facility for Adidas



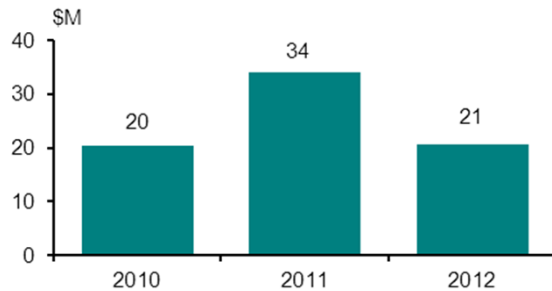
Toll Global Forwarding - building the platform

Asia, ANZ, Americas, Africa, Europe & Middle East

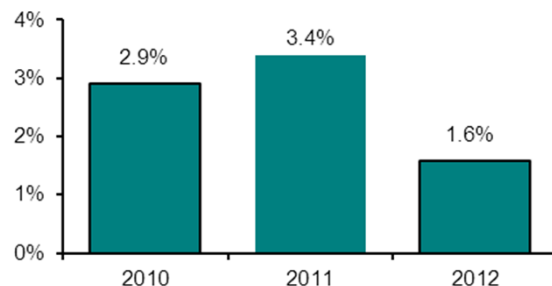
Revenue – \$ million



EBITA – \$ million*



Return on capital employed



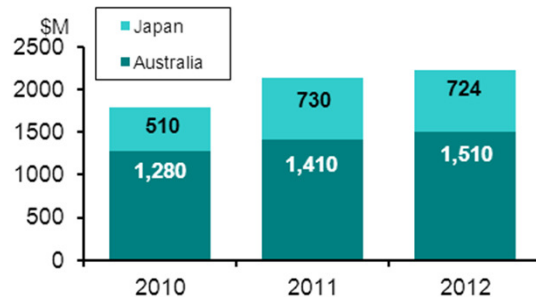
- Weak global markets affected activity throughout the year. Fall in carrier freight rates accounted for the majority of the revenue fall
- Noticeable swing from air freight to ocean freight
- Successful completion of US warehousing and distribution facility upgrades
- Significant progress in business system restructuring to support productivity improvements
- UK acquisition integrations now complete
- Adding value to other parts of Toll through joint customer wins
- Acquisition opportunities still being pursued in target markets and geographies

* Excludes PPA amortisation, includes profits from associates

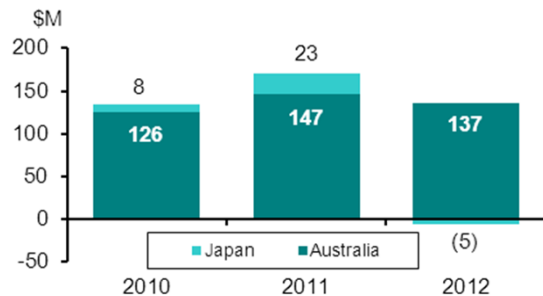
Toll Global Express – resilient domestic business

Toll Priority, Toll IPEC, Toll Fast, Toll People, Toll Express Japan

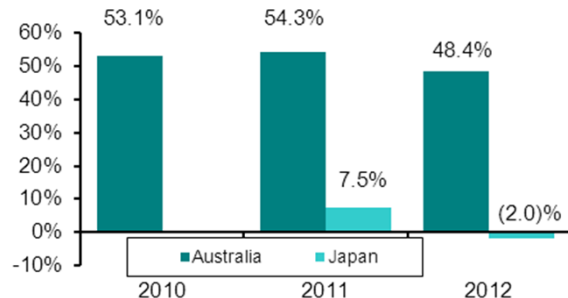
Revenue – \$ million



EBITA – \$ million*



Return on capital employed



- Australian operations performed well given challenging market conditions
- Operating earnings in Australia remained strong, although new business start-up costs and increased IT investment affected margins
- Toll Priority saw some revenue growth from existing customers largely offset by the impact of cost increases
- Toll IPEC achieved new customer wins and growth in non-traditional resources market to offset the ongoing slow fashion apparel segment
- Toll Fast saw increased revenue from existing customers offset by new business start-up costs
- Toll Express Japan (Footwork) underlying result reflects very challenging economic conditions, only partly offset by ongoing cost improvement initiatives. Strategic review progressing well
- New business offering in B2C and cash logistics markets launched successfully

* Excludes PPA amortisation, includes profits from associates



**flexible
delivery
day**
Saturday
delivery

**choice
of delivery
location**



**SMS
reminder**



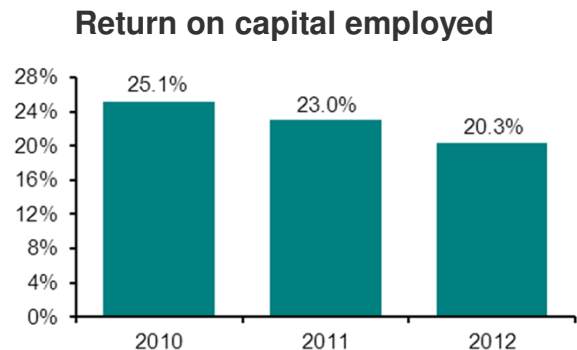
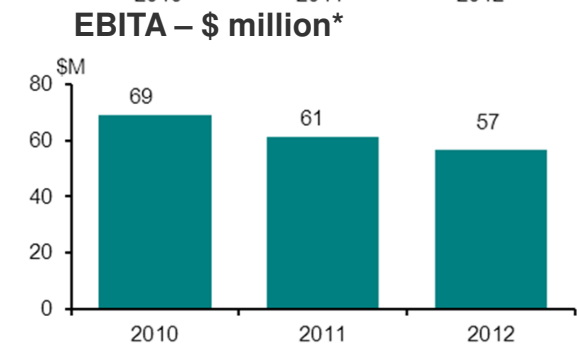
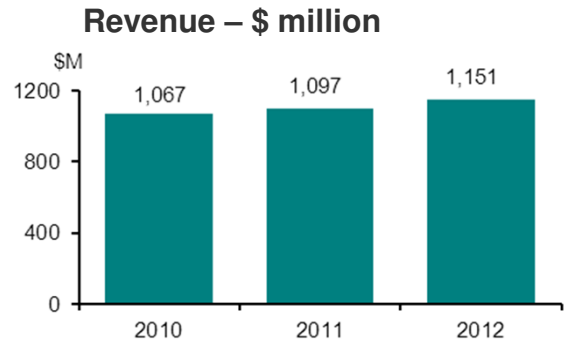
**simple
delivery
tracking**



**choice
of delivery
time**

Toll Domestic Forwarding - positioning for the future

Toll Intermodal, Toll NZ, Toll Shipping, Toll Tasmania, Toll Refrigerated



- Revenue growth included new customer wins, inclusion of Northern Southland (NZ) acquisition and recovery in Toll shipping
- Significantly improved earnings from Toll Shipping offset by poor performance from Refrigerated
- Toll Intermodal won new contracts with customers such as Fosters, Retail Adventures and Mars which helped offset pressure on margins as a result of soft market conditions
- Toll New Zealand grew both revenue and earnings as a result of the Northern Southland acquisition, customer wins and efficiency improvements
- Toll Shipping benefitted from a combination of customer wins and withdrawal of competitor capacity
- Lower volumes of north bound freight for Toll Tasmania were largely offset by strong cost control
- Successful sale of Refrigerated linehaul and warehousing business
- Significant investments underway in upgrading and developing key property assets

* Excludes PPA amortisation, includes profits from associates

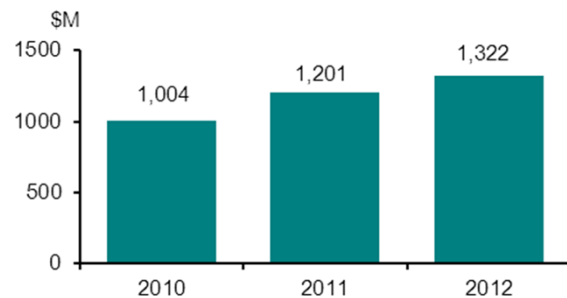
Kewdale development in Perth



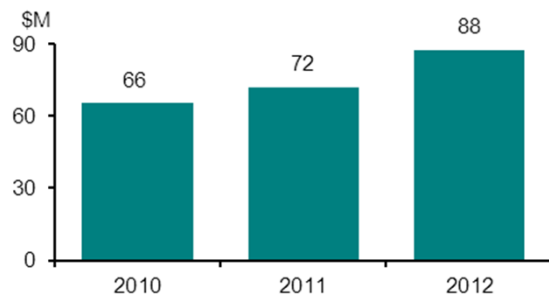
Toll Specialised & Domestic Freight - ongoing momentum

Toll NQX, Toll Express, Toll Liquids, Toll Transitions, Toll Linehaul/Fleet

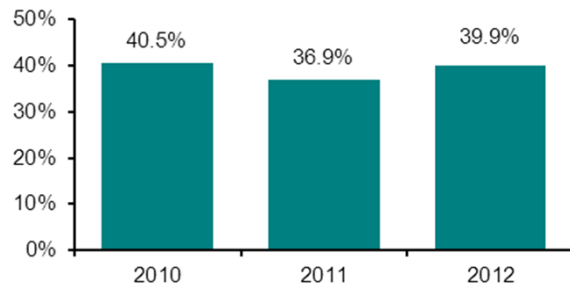
Revenue – \$ million



EBITA – \$ million*



Return on capital employed



- Strong revenue performance reflecting increased volumes from resource industry customers and new contracts in Toll Liquids
- Toll NQX had a very strong year with earnings reflecting higher volumes and improved linehaul costs
- Toll Express continued to increase margins through improved freight mix and equipment utilisation
- Toll Liquids performance reflected operational improvements and new contract wins
- Toll Transitions benefitted from full year inclusion of the expanded Australian Defence Force relocations contract

* Excludes PPA amortisation, includes profits from associates



Financial results

Toll Group Toll Holdings Limited
2012 Full Year Results Presentation

Earnings statement

\$ million	Year ended 30 June		
	2012	2011	change
Revenue	8,707	8,225	+5.9%
EBITDA (pre associates)	681	664	+2.6%
Depreciation (excluding PPA)	<u>(254)</u>	<u>(215)</u>	-18.1%
EBITA (pre associates)	427	449	-4.9%
Associates and JV's	<u>12</u>	<u>16</u>	-25.0%
EBITA	439	465	-5.6%
PPA	<u>(28)</u>	<u>(29)</u>	+3.4%
EBIT	411	436	-5.8%
Net interest	(37)	(35)	-5.7%
Tax	<u>(100)</u>	<u>(110)</u>	+0.9%
Net profit after tax (before non-recurring items)	274	291	-5.8%
Non-recurring items net of tax	<u>(203)</u>	<u>4</u>	
Net profit after tax	71	295	-76.9%

Cash flow – outstanding second half

\$ million	Year ended 30 June			
	1H 2012	2H 2012	Total 2012	2011
EBITDA (excludes non-cash items)	377	302	679	656
Working capital movement	<u>(173)</u>	<u>167</u>	<u>(6)</u>	<u>(27)</u>
Net operating cash flows	204	469	673	629
<u>Net investing cash flows</u>				
- Capital expenditure	(239)	(240)	(479)	(507)
- Sale of PPE	8	20	28	61
- Acquisitions	(13)	(2)	(15)	(326)
- Sale of investments	<u>1</u>	-	<u>1</u>	<u>75</u>
Net cash flow before financing and tax	(40)	248	208	(68)
Net interest payments	(19)	(8)	(27)	(31)
Tax payments	(47)	(52)	(99)	(77)
Dividends	<u>(76)</u>	<u>(83)</u>	<u>(159)</u>	<u>(115)</u>
Cash flow before movements in net debt	(182)	105	(77)	(291)
Cash conversion	54%	155%	99%	96%

Sustaining capital expenditure supporting the base

	Fleet & equipment	IT	Property	Total
Toll Global Resources	32.5	0.7	1.7	34.9
Toll Global Logistics	32.1	4.3	2.2	38.6
Toll Global Forwarding	4.8	3.4	1.3	9.5
Toll Global Express	23.4	7.7	1.1	32.2
Toll Domestic Forwarding	26.7	1.7	3.7	32.1
Toll Specialised & Domestic Freight	48.9	1.0	2.0	51.9
Corporate	-	22.3	6.6	28.9
TOTAL	168.4	41.1	18.6	228.1

Development capital expenditure - supporting growth

	Fleet & equipment	IT	Property	TOPS	Total
Toll Global Resources	86.2	0.1	3.2	55.5	145.0
Toll Global Logistics	20.0	2.6	2.4	-	25.0
Toll Global Forwarding	-	7.9	-	-	7.9
Toll Global Express	4.5	1.0	9.9	-	15.4
Toll Domestic Forwarding	5.9	-	10.5	-	16.4
Toll Specialised & Domestic Freight	20.0	2.0	2.0	-	24.0
Corporate	-	-	16.8	-	16.8
TOTAL	136.6	13.6	44.8	55.5	250.5

Balance sheet – well positioned for further investment in growth

\$ million	As at	
	30 Jun 2012	30 Jun 2011
Assets		
Cash	569	496
Receivables	1,142	1,139
Net fixed assets	2,011	1,973
Goodwill	1,653	1,684
Intangibles	142	165
Investments	127	118
Assets held for sale	88	-
Other	<u>309</u>	<u>276</u>
Total assets	6,041	5,851
Liabilities		
Payables	893	882
Interest bearing liabilities	1,708	1,516
Provisions and other	<u>694</u>	<u>649</u>
Total liabilities	3,295	3,047
Net assets	2,746	2,804
Net debt / (net debt & equity)	29.3%	26.7%

Debt and capital management

- **Debt refinancing profile:**
 - FY13 \$289 million
 - FY14 \$642 million
 - FY15+ \$777 million
 - Total \$1,708 million
 - Average debt maturity 2.3 years
- **Strong balance sheet position:**
 - \$569 million in cash
 - Net debt position \$1,139 million
 - \$396 million headroom in existing facilities
- **Net debt / (net debt & equity) = 29.3%**
- **Other capital management**
 - Final dividend of 13.5 cps fully franked declared (payout ratio of 60%)
 - DRP remains suspended

IT to drive improved customer service and productivity

- EDI Enterprise (Toll Global Forwarding)
 - Underpinning standardisation of business processes and enabling productivity
- Unite (Toll Global Express)
 - Improved sales and customer visibility
 - Replace legacy freight management systems
- Item level freight tracking (Toll Specialised and Domestic Freight)
 - Improves accuracy of freight handling
 - Enables customer to track freight and improve their logistics performance
- Pick up and delivery (Toll Domestic Forwarding/Toll Specialised and Domestic Freight)
 - Improving efficiency of PUD fleet
 - Improving delivery performance for our customers



Strategy and outlook

Toll Group Toll Holdings Limited
2012 Full Year Results Presentation

Strategy update – leverage existing capabilities to grow return on capital

- Continue to focus on leveraging the strengths of our existing business and opportunities in the Australian market
- Continue customer led strategy in targeted Asian markets
- Vigorously pursue organic growth and productivity improvements in Toll Global Forwarding. Continue pursuit of value adding bolt-on acquisitions
- Complete review of underperforming Japanese and Marine Asia businesses
- Continue to drive value from One Toll initiative



Outlook

- Australian discretionary retail and manufacturing sectors remain patchy
- Cost pressures remain an ongoing challenge
- Resources sector opportunities pipeline remains strong
- Resolution of loss making businesses will assist earnings improvement
- Productivity gains to support improvement in Toll Global Forwarding margins
- New contract wins during 2012 fiscal year to contribute to earnings growth
- New business opportunities and ongoing investment in fleet, property and IT continue to provide earnings growth in the short to medium term



Questions & answers

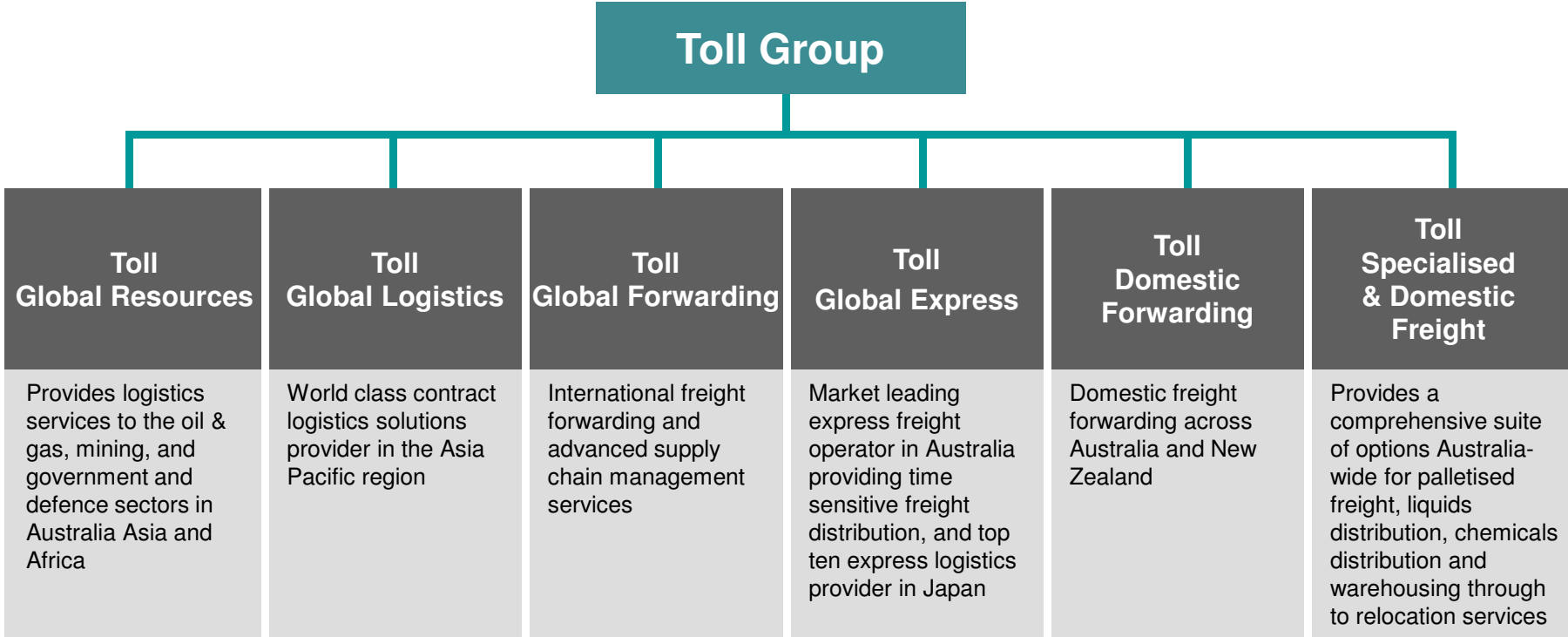
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Appendix

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Appendix 1: Operating Divisions



Appendix 2: Toll Global Logistics – reporting currency (SGD)



* Includes profits from Associates

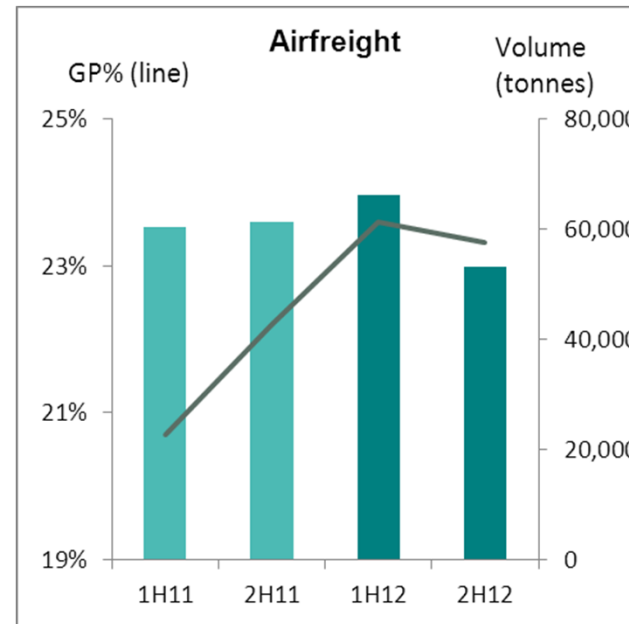
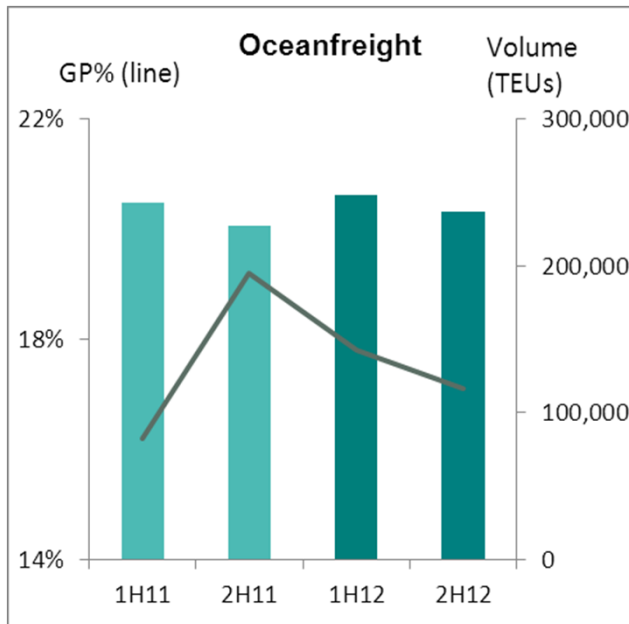
** 65% AUD Revenue

Appendix 3: Toll Global Forwarding – reporting currency (HKD)



* Includes profits from Associates

Appendix 4: Toll Global Forwarding volumes



- Oceanfreight volumes for the year were up around 3% to 484,000 TEU, gross profit margin in line at 17.2%, but H2 affected by rapid increase in carrier rates
- Airfreight volumes down around 2% to 119,000 tonnes, gross profit margin increased to 23.4%
- Noticeable swing from airfreight to oceanfreight in the retail sector, consistent in all markets, with importers minimising the use of higher cost airfreight services

Disclaimer

This presentation includes “forward-looking statements.” These can be identified by words such as “may”, “should”, “anticipate”, “believe”, “intend”, “estimate” and “expect”. Statements which are not based on historic or current facts may be forward-looking statements.

Forward-looking statements are based on assumptions regarding Toll’s financial position, business strategies, plans and objectives of management for future operations and development and the environment in which Toll will operate.

Forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties. Actual results, performance or achievements of Toll could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained in this presentation are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Toll, which may cause the actual results, performance or achievements of Toll to differ materially from those expressed or implied by the forward-looking statements. For example, the factors that are likely to affect the results of Toll include general economic conditions in Australia and Globally; exchange rates; competition in the markets in which Toll does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of Toll. The forward-looking statements contained in this presentation should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive.

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Thank you

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