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Toll Holdings Limited
ABN 25 006 592 089

19 February 2014

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

Lodged Through ASX On Line
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Dear Sir

HALF YEAR RESULTS 31 DECEMBER 2013 – 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 2013.

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 2013**
Previous corresponding period	Half-year ended 31 December 2012

Results for announcement to the market

	2013 $M	**2012 $M**	**Change $M**	**Change %**
Revenue	4,523.2	4,546.1	(22.9)	(0.5)
EBIT pre non-recurring items	259.3	256.4	2.9	+1.1
NPAT pre non-recurring items	175.9	173.5	2.4	+1.4
Non-recurring items (net of tax)	-	22.0	(22.0)	
Net profit after tax	175.9	195.5	(19.6)	(10.0)
Non-controlling interests	(3.8)	(4.1)	(0.3)	(7.3)
NPAT attributable to shareholders	172.1	191.4	(19.3)	(10.1)

Refer to attached Media Release for commentary on results.

Other information

Dividends

	Amount cps	Franked amount cps	Total payable $M	Date paid / payable
FY 2014				
Interim dividend	13.0	13.0	93.2	04/04/2014

Record date for determining entitlements to the interim dividend is 5 March 2014.

	Amount cps	Franked amount cps	Total payable $M	Date paid / payable
FY 2013				
Final dividend	14.5	14.5	104.0	28/10/2013
Interim dividend	12.5	12.5	89.6	02/04/2013

Net tangible assets

Net tangible asset backing per ordinary share $1.42 (2012: $1.50).

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 2013

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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 associated and joint ventures ("the Group"), for the half-year ended 31 December 2013 and the auditors' 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 year 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

SUMMARY PROFIT TABLE

All Australian dollars unless otherwise specified	1H14 $M	1H13 $M	% change
Sales revenue	4,523	4,546	-0.5
Total operating EBITDA [1]	390.5	386.6	+1.0
Total operating EBIT [2]	259.3	256.4	+1.1
Net profit after tax (before non-recurring items)	175.9	173.5	+1.4
Net profit after tax (after non-recurring items)	175.9	195.5	-10.0
Operating cash flow	307.5	221.3	+39.0
Earnings per share (before PPA and non-recurring items)	24.2	25.4	-1.2cps
Interim dividend per share (fully franked)	13.0	12.5	+0.5cps
Return on invested capital [3]	7.7	7.6	+0.1%

[1] EBITDA excludes profits from Associates and non-recurring items.
[2] EBIT excludes non-recurring items, includes profits from Associates.
[3] Return on invested capital is rolling 12 months net profit after tax before non-recurring items plus net interest divided by average net debt plus shareholders equity.

Toll's results for the first half of the 2014 financial year reflect the benefits of a disciplined approach in a challenging and competitive market environment. Toll has focussed on strengthening its competitiveness and positioning itself for future growth. The result also reflects the breadth of Toll's service offering and customer base, generating stable earnings for the Group despite continuing challenges in some market segments.

During the period Toll has continued to invest in improving its productivity and reducing its operational cost base through investments in fleet and property in particular, and through detailed cost reduction programs. Depot and terminal investments, while producing significant operational efficiencies, also position Toll's leading network businesses with significant capacity for further growth.

Overall, the Group generated operating cash flow of $308 million, and invested $205 million in capital expenditure, with depot related investments and fleet upgrades the key areas of investment. Divestment of some property holdings, vessels and Toll Remote Logistics helicopters continued the focus on exiting non-core and non-performing assets.

The net profit after tax for the half year contains no non-recurring items while the prior corresponding period included net gains of $22 million after tax relating to gains from the sale of Toll's vehicle distribution operations and Toll Refrigerated's linehaul and warehousing operations which were partially offset by the impairment of some assets in Toll's marine logistics operations in Asia.

Toll Global Resources recorded a strong first half result despite revenue and EBITA finishing slightly down on the first half of the prior year. This reduction was anticipated due to the Australian Defence Force troop withdrawal from Timor Leste in February 2013. This result is particularly pleasing when assessed against a backdrop of a difficult mining services market environment. Toll Global Resources has secured a number of new contracts this year and has implemented cost down initiatives to respond to the weakness in some markets. The Toll Offshore Petroleum Supply base (TOPS) in Singapore is increasing its earnings contribution as expected following its completion in 2013 with the facility now fully tenanted.

Toll Global Logistics produced good earnings growth on the back of new contract wins despite uncertain market conditions in the Southeast Asia region and in Australia. Key drivers for the business in Australia were the strong operational performance within existing contracts along with implementation of recently secured contracts.

Toll Global Forwarding continued to face difficult market conditions, with ongoing ocean freight capacity increases and customers still transferring freight from air to ocean. An increase in gross profit margin reflected the success of initiatives to improve yields through an increased focus on sales force effectiveness and improved operational efficiency. In addition, cost savings initiatives delivered $8 million in the half, and are on track to deliver the expected annual savings of between $15 to $20 million for the full year.

The domestic operations of Toll Global Express recorded flat revenue as trading conditions softened particularly in the road express business, especially from some discretionary retail and mining services customers. While overall consignment numbers were flat, the average weight per consignment declined. In addition, handling costs in Melbourne and Sydney were adversely affected by current capacity constraints. Toll IPEC's new Sydney depot is on track for completion in April 2014 and will lead to significant handling cost efficiencies, with planning well progressed for development of a similar facility in Melbourne. The softness in road express was partially offset by sales growth and improved cost control in Toll Priority coupled with an improved contribution from Toll Secure. In addition, the result for the period also included costs associated with restructuring operational and back office processes and functions.

Toll Global Express' Japan operations improved earnings, generating a positive EBITA. While revenue was down this was almost entirely due to the continuing weakness in the Japanese Yen. The EBITA improvement was due to efficiency improvements in the local pick-up and delivery service, and a reduction in handling and operational overheads. Initiatives targeting unprofitable customer segments also yielded favourable results during the first half.

Toll Domestic Forwarding benefited from additional volumes following the Linfox Trans Bass acquisition although overall volumes maintaining pressure on margins across most market sectors. Earnings benefitted from capital investment and cost saving initiatives. Following the loss of a key customer in Far North Queensland, Toll Domestic Forwarding has sold its North Queensland rail service and associated properties to Asciano.

Toll Specialised & Domestic Freight faced challenging trading conditions across most of its markets with down trading from much of its customer base and the loss of mining project related revenue, particularly in Toll Express and Toll NQX. Ongoing investments in depot capacity and new fleet will support future productivity and operating cost improvements.

The Board has determined an interim fully franked dividend of 13.0 cents per ordinary share which will be paid to shareholders on 4 April 2014, an increase of 0.5 cents per share.

Outlook commentary

Assuming no material change in the domestic and international external environment, Toll continues to expect underlying earnings before interest and tax (EBIT) for fiscal 2014 to be ahead of 2013, with the second half expected to be an improvement on the prior corresponding period. Earnings before interest, tax and amortisation (EBITA) for the full year is expected to be at a similar level to last year.

SALES AND PROFIT SUMMARY

	Sales revenue		Earnings	
	6 months to December 2013 $M	6 months to December 2012 $M	6 months to December 2013 $M	6 months to December 2012 $M
Toll Global Resources	589.2	613.2	52.8	54.2
Toll Global Logistics	681.0	645.7	49.3	46.0
Toll Global Forwarding	794.9	786.1	13.9	10.9
Toll Global Express				
- Australia	823.2	822.1	67.5	74.9
- Japan	307.5	346.5	1.5	(1.5)
Toll Global Express (Total)	1,130.7	1,168.6	69.0	73.4
Toll Domestic Forwarding	597.7	588.3	38.7	40.0
Toll Specialised & Domestic Freight	713.7	731.8	61.2	68.2
Total Divisions EBITA / Revenue	4,507.2	4,533.7	284.9	292.7
Corporate	16.0	12.4	(23.8)	(23.7)
Total EBITA / Revenue	**4,523.2**	**4,546.1**	261.1	269.0
Total PPA amortisation			(1.8)	(12.6)
Total EBIT (before non-recurring items)			**259.3**	**256.4**
Net finance costs			(19.1)	(16.9)
Net profit before tax			240.2	239.5
Income tax expense			(64.3)	(66.0)
Reported NPAT pre non-recurring items			175.9	173.5
Non-recurring items (net of tax)			0.0	22.0
Net profit after tax			**175.9**	**195.5**
Non-controlling interests			(3.8)	(4.1)
NPAT attributable to shareholders			172.1	191.4

DIVISIONAL OPERATING REVIEW

Toll Global Resources

	1H14 $M	1H13 $M	% change
Sales revenue	589.2	613.2	-3.9
EBITDA [1]	91.4	88.6	+3.2
EBITA [2]	52.8	54.2	-2.6
EBITA margin (excluding associate earnings)	8.7%	8.6%	+0.1%
Average capital employed	1,079	1,041	+3.7
Return on capital employed [3]	9.8%	9.7%	+0.1%

[1] EBITDA excludes profits from Associates and non-recurring items.
[2] EBITA excludes non-recurring items, includes profits from Associates.
[3] Return on capital employed is rolling 12 months EBIT before non-recurring items divided by average capital employed.

- Toll Global Resources recorded a strong first half result despite revenue and EBITA finishing slightly down on the prior corresponding period. This reduction was anticipated due to the Australian Defence Force troop withdrawal in Timor in February 2013. The division has secured a number of new contracts this year and has implemented productivity and cost initiatives in all businesses.

- Toll Energy continues to benefit from LNG projects in Western Australia and Queensland. The business has enjoyed some new contract wins recently with a major long term contract recently awarded in Darwin with Inpex and a five year contract in the Cooper Basin with Santos.

- Toll Mining Services revenue and EBITA improved year on year. The business secured new contracts to offset lost contracts and scope of work reductions. Operational cost improvements also contributed to the improved performance.

- Toll Remote Logistics' secured new work with the US Department of Defence (USN) and the Department of Immigration and Border Protection (previously DIAC) and continues to support the Australian Defence Force with their withdrawal from Afghanistan. Toll Remote Logistics has also successfully completed the divestment of non-core helicopter assets.

- TOPS earnings continue to grow strongly due to the facility now being at full occupancy for office, warehouse and open yard areas. Operational wharf activities also increased on the prior period. There has been no further capital expenditure incurred in the reporting period following the official opening of the facility during fiscal 2013.

- Toll Marine Logistics Asia saw continuing weak market conditions in Indonesia and regulatory changes which have continued to add to the over-supply of vessels and consequent impact on charter rates. However, the business has made good progress with its vessel divestment program. A recent restructure of its Singaporean business will provide further cost savings.

- Toll Marine Australia is suffering from increased competitive and market pressure, particularly with announcements such as the recent confirmation by Pacific Aluminium that it will cease smelting operations at Gove. Countering these conditions, expansion into the Far North Queensland market has met with a favourable response and further growth is expected in this area.

Toll Global Logistics

	1H14 $M	1H13 $M	% change
Sales revenue	681.0	645.7	+5.5
EBITDA [1]	69.6	62.2	+11.9
EBITA [2]	49.3	46.0	+7.2
EBITA margin (excluding associate earnings)	6.9%	6.8%	+0.1%
Average capital employed	809	791	+2.3
Return on capital employed [3]	10.9%	9.5%	+1.4%

[1] EBITDA excludes profits from Associates and non-recurring items.
[2] EBITA excludes non-recurring items, includes profits from Associates.
[3] Return on capital employed is rolling 12 months EBIT before non-recurring items divided by average capital employed.

- Toll Global Logistics grew both earnings and revenue with improved performances from businesses in Asia and from new customer wins in Customised Solutions and Contract Logistics in Australia. This was despite ongoing challenging market conditions in both of those regions.

- Contract Logistics in Australia grew in difficult market conditions and is well positioned for further growth with the recently expanded Coca-Cola Amatil contract. The recent acquisition of Nationwide Transport Solutions adds significant operational capacity in the heavy haulage sector.

- Customised Solutions contributed a strong operational performance within existing contracts, although overall revenue and earnings were lower due to lower volumes from some customers partly offset by new contract wins. The announcements of the closure later this decade of Australian automobile manufacturing have been anticipated for some time with actions taken and plans in place to ensure that this will not have a material impact on Group earnings. Any impact will not be seen until after 2016.

- The Singapore Government Business Group (GBG) performed well from incremental trading activities and expansion within the health services sector. A number of customer contracts are currently under tender, with the results of those tenders not expected to be known until later in 2014.

- Revenue in other Asian business units was affected by difficult market conditions, completion of non-recurring project work and the exit of unprofitable contracts. This was offset by increased volumes from existing customers, new customer wins and operational improvements in China resulting in a slightly improved overall EBITA performance.

Toll Global Forwarding

	1H14 $M	1H13 $M	% change
Sales revenue	794.9	786.1	+1.1
Gross profit	160.2	151.1	+6.0
Gross profit %	20.2%	19.2%	+1.0%
EBITDA [1]	16.7	14.8	+12.8
EBITA [2]	13.9	10.9	+27.5
EBITA margin (excluding associate earnings)	1.2%	1.0%	+0.2%
Average capital employed	759	816	-7.0
Return on capital employed [3]	0.8%	1.3%	-0.5%

[1] EBITDA excludes profits from Associates and non-recurring items.
[2] EBITA excludes non-recurring items, includes profits from Associates.
[3] Return on capital employed is rolling 12 months EBIT before non-recurring items divided by average capital employed.

- Global forwarding markets remain difficult with freight capacity continuing to increase at a higher rate than volumes. The trend of customers transferring freight from air to ocean mode is also continuing.

- Ocean freight volumes for the period were up compared to the same period last year by 15.4% to 274,000 TEU. Airfreight volumes decreased by 8.9% to 60.4 million kgs.

- Total gross profit increased, although this was primarily due to the weaker Australian dollar. The gross profit margin increased from 19.2% to 20.2% reflecting the success of the Project Forward initiatives to improve yield and efficiency.

- EBITA improved by 28% reflecting the reduction in general and administrative costs as a result of the initiatives which form part of Project Forward. These initiatives are on track to deliver the expected annual savings of between $15 to $20 million for the full year.

- The rollout of the Global FMS System has continued with the majority of the business now on one standard system, allowing standard policies and procedures to be implemented which will drive further productivity improvements.

- New depots at Heathrow and Johannesburg were completed during the period enabling further operational cost savings.

- Contracts won and new business gained from existing contracts in the last 6 months included IT Luggage, Kurt Geiger, Dextra Group, Office Depot and Moean.

Toll Global Express

	1H14 $M	1H13 $M	% change
Sales revenue (excluding Japan)	823.2	822.1	+0.1
Japan sales revenue	307.5	346.5	-11.3
Total sales revenue	1,130.7	1,168.6	-3.2
EBITDA (excluding Japan) [1]	80.9	87.3	-7.3
Japan EBITDA [1]	5.6	3.7	+51.4
Total EBITDA [1]	86.5	91.0	-4.9
EBITA (excluding Japan) [2]	67.5	74.9	-9.9
Japan EBITA [2]	1.5	(1.5)	nm
Total EBITA [2]	69.0	73.4	-6.0
EBITA margin (excluding Japan and associate earnings)	8.2%	9.0%	-0.8%
EBITA margin (excluding associate earnings)	6.1%	6.2%	-0.1%
Average capital employed (excluding Japan)	309	279	+10.8
Return on capital employed (excluding Japan) [3]	39.9%	46.0%	-6.1%

[1] EBITDA excludes profits from Associates and non-recurring items.
[2] EBITA excludes non-recurring items, includes profits from Associates.
[3] Return on capital employed is rolling 12 months EBIT before non-recurring items divided by average capital employed.

- The domestic operations of Toll Global Express recorded flat revenue as trading conditions softened in the road express business due to lower volumes from some discretionary retail customers and weaker activity in the mining services sector in Western Australia. This was exacerbated by a continuation of down trading from higher margin small and medium sized enterprises (SME) and lower average consignment weights in the road express business.

- Costs were incurred during the period as the division invested in future growth opportunities, including enhancing Toll Consumer Delivery's capability, and on projects to restructure operational and back-office processes and functions.

- The development of the business to consumer (B2C) product offering 'Toll Consumer Delivery' continued with strong volumes in the lead-up to Christmas as a result of commencement of the GraysOnline contract. The business continued to invest in expanding the alternate drop-point network, and in developing online tools and portals to make it easier for SME customers to use the broader Toll delivery network.

- Toll Priority grew revenue and earnings during the period with sales growth and good cost control. Aviation operations experienced strong demand for charter work, and engineering revenue increased. A number of productivity initiatives were implemented during the period targeting efficiency improvements in back-office and operational processes. The benefits from these initiatives will start to be seen in the second half of the year.

- Toll Secure, the cash logistics and valuable cargo business, delivered higher EBITA on the back of revenue growth and process improvements.

- Despite solid new business growth, Toll IPEC's road freight revenue declined during the period as a result of reduced activity by some discretionary retail customers in Victoria, a decline in volumes from mining and resource customers in Western Australia and lower average consignment weights. EBITA was also affected by higher handling costs as depots in key locations reached operating capacity in peak periods due in part to an increasing volume of B2C deliveries. Construction of the new Toll IPEC facility in Western Sydney is on track for completion in June 2014. This facility will lead to significant handling cost efficiencies when fully operational in October 2014. Planning is well advanced for the development of a similar facility in Melbourne in 2015.

- Toll Fast had lower revenue due to the impact of increased competition and customer down trading in most capital cities, and has incurred additional costs to grow its distribution fleet which will provide additional capability in the same day metropolitan delivery market.

- Toll Global Express in Japan delivered improved earnings due to efficiency improvements in the local pick-up and delivery service, and reduction in handling and operational overheads. Initiatives targeting unprofitable customer segments also yielded favourable results during the first half.

Toll Domestic Forwarding

	1H14 $M	1H13 $M	% change
Sales revenue	597.7	588.3	+1.6
EBITDA [1]	55.9	55.9	0.0
EBITA [2]	38.7	40.0	-3.3
EBITA margin (excluding associate earnings)	6.5%	6.8%	-0.3%
Average capital employed	313	297	+5.4
Return on capital employed [3]	19.5%	20.6%	-1.1%

[1] EBITDA excludes profits from Associates and non-recurring items.
[2] EBITA excludes non-recurring items, includes profits from Associates.
[3] Return on capital employed is rolling 12 months EBIT before non-recurring items divided by average capital employed.

- Toll Domestic Forwarding revenue increased during the period, with the impact of additional volumes gained through the Linfox Trans Bass acquisition and higher parcel freight volumes in New Zealand offsetting continued soft market conditions, contract losses and the impact of the sale of the Toll Refrigerated business. The earnings impact of contract losses and margin pressure was only partly offset by cost saving initiatives and the benefit of recent terminal investments.

- Toll Intermodal's revenue was affected by the loss of the Coles Far North Queensland contract, as well as a reduction in volumes due to lower domestic consumer demand and lower exports. These losses were partially offset by new business wins including General Mills, Best & Less, Spotlight, Big W, Fisher & Paykel, Mars Petcare and Mitsubishi, and the successful contract retention of Nyrstar, Glencore, GWA, Jalco and Sanitarium. Significant cost savings were achieved through prior period capital investments, including the new Kewdale freight terminal in Western Australia, and other cost saving initiatives being implemented throughout the business.

- In December 2013, Toll Intermodal announced the divestment of its North Queensland rail terminal operations and associated properties to Asciano. This transaction removes minimum rail volume obligations of the business and will enhance the flexibility of operations in North Queensland.

- Toll New Zealand increased revenue primarily as a result of continued growth in the parcel freight business. Key customer retentions completed during the period included DB Breweries, PACT Group and JNL. However, these benefits were offset by one-off costs related to exiting an Auckland warehouse.

- Toll Shipping revenue was marginally lower with increased trade from ANL and the integration of the Linfox Trans Bass acquisition being offset by decreased volumes from a number of Tasmanian based customers.

- Toll Tasmania also benefitted from the Linfox Trans Bass acquisition, new contract wins and uprates achieved during the period. This business achieved strong organic revenue growth despite subdued trading conditions throughout Tasmania. Toll Tasmania successfully retained Glencore, Nyrstar, Mars Australia, Woolworths and Coles Primary Freight, together with new contract wins with Coprice and Lion. Toll Tasmania's development at the new Hobart depot in Brighton continues to progress on schedule.

Toll Specialised & Domestic Freight

	1H14 $M	1H13 $M	% change
Sales revenue	713.7	731.8	-2.5
EBITDA [1]	85.1	88.2	-3.5
EBITA [2]	61.2	68.2	-10.3
EBITA margin (excluding associate earnings)	8.6%	9.3%	-0.7%
Average capital employed	284	237	+19.8
Return on capital employed [3]	33.1%	41.1%	-8.0%

[1] EBITDA excludes profits from Associates and non-recurring items.
[2] EBITA excludes non-recurring items, includes profits from Associates.
[3] Return on capital employed is rolling 12 months EBIT before non-recurring items divided by average capital employed.

- Toll Specialised & Domestic Freight faced challenging trading conditions across most of its markets with significant down trading from the resources sector in particular and also lower revenue in Toll Transitions. Return on capital employed was also affected by the ongoing investment in IT, fleet and depots throughout the division that are aimed at providing future improvements in efficiency and capacity.

- Trading conditions for Toll Express were subdued due to lower volumes from the Western Australian project mining sector. The impact of these lower volumes was only able to be partially offset by cost savings from labour and equipment utilisation improvements.

- Toll NQX was also affected by the continued downturn in the resources sector and the soft economic conditions across other markets.

- Both Toll Express and Toll NQX will be affected by the loss of a contract with the Australian Defence Force from May 2014. However the businesses were successful in renewing a number of major contracts with customers, including Glencore Xstrata, MMG and Rio Tinto, and have a strong pipeline of new opportunities with new and existing customers.

- Toll Liquids continues to focus on implementing new contract wins from the second half of 2013. There is also a strong pipeline of work on offer and the business is well positioned to capitalise with ongoing investment in fleet and IT. The business secured a major new distribution contract for Shell in January 2014.

- Toll Transitions saw a reduction in Defence housing relocations as well as lower activity from other customer segments.

ADDITIONAL FINANCIAL INFORMATION

Cash flow

Cash flow improved during the period due to improved net operating cash flows, lower net capital expenditure and lower tax instalments. Overall cash flows improved by $55 million due to a reduction in net capital expenditure and lower tax payments.

	1H14 $M	**1H13 $M**
EBITDA excluding non-cash items	380	384
Working capital movement	(76)	(163)
Net operating cash flows	**304**	**221**
- Capital expenditure	(205)	(216)
- Sale of PPE	55	19
Free cash flow	154	24
- Acquisitions of businesses	(3)	(1)
- Sale of businesses	5	92
Net cash flow before financing and tax	**156**	**115**
Interest payments	(15)	(15)
Tax	(54)	(82)
Dividends	(106)	(92)
Cash flow before movements in net debt	**(19)**	**(74)**
Operating cash conversion	**80%**	**57%**

Depreciation and amortisation

Depreciation and amortisation was $138.0 million, an increase of 9.9% over the prior corresponding period, reflecting ongoing investment in the business.

Amortisation was $1.8 million, a reduction of $10.8 million on the prior period due to the declining balance of value attributable to customer contracts and other intangibles.

Capital expenditure

	1H14 $M	1H13 $M
Toll Global Resources	43	61
Toll Global Logistics	19	18
Toll Global Forwarding	8	4
Toll Global Express	40	33
Toll Domestic Forwarding	28	43
Toll Specialised & Domestic Freight	48	43
Corporate	19	14
Total	**205**	**216**

The major areas of capital expenditure were depot related investments and fleet upgrades.

Tax

After adjusting for non-recurring items, the normalised effective tax rate was 26.8% compared with 27.5% in the prior corresponding period.

Net debt

	1H14 $M	1H13 $M
Total debt	1,838	1,725
Cash	494	540
Net debt	1,344	1,185
Net debt / (Net debt plus equity)	33.0%	29.5%

Total debt increased by $113 million which was almost totally attributable to the weaker Australian dollar. The average tenor of debt is now 2.9 years following successful completion of a USPP issuance and extension of a SGD debt facility in December 2013.

Interest costs

Net interest costs of $19.1 million increased from $16.9 million (up 13%) over the prior corresponding period primarily due to the impact of a lower Australian dollar compared to the currencies in which foreign denominated debt is held (predominantly USD, SGD and HKD) and lower interest income.

Dividend and Dividend Reinvestment Plan

An interim dividend of 13.0 cents per ordinary share (12.5 cents per share in the prior corresponding period), fully franked, has been determined, payable on 4 April 2014. The record date for determining entitlement to the dividend is 5 March 2014.

The Toll Board has resolved to continue with the suspension of the Company's Dividend Reinvestment Plan.

Non-IFRS financial information

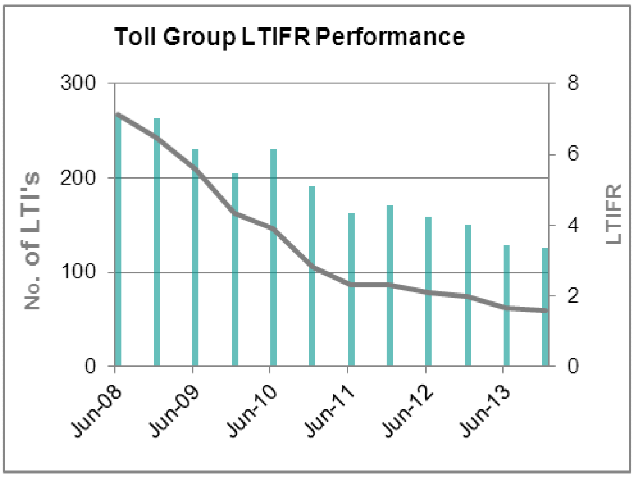
Toll Holdings Limited results are reported under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore are considered non-IFRS financial 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:

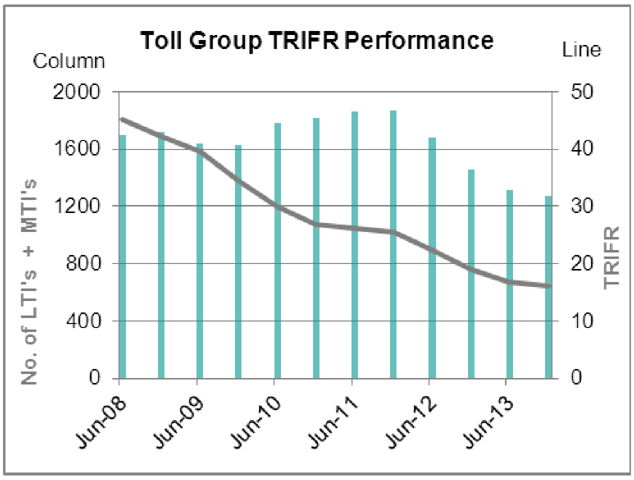
- Average capital employed: assets and liabilities excluding tax and financing related balances;
- EBIT before non-recurring items: results from operating activities;
- EBITA: EBIT before non-recurring items less PPA amortisation;
- EBITA margin: EBITA as a percentage of revenue;
- EBITDA: EBIT before non-recurring items less depreciation and amortisation and share of profits from associates and joint ventures;
- Gross profit: revenue less cost of goods sold;
- Gross profit %: gross profit as a percentage of revenue;
- Net debt: interest bearing liabilities less cash and cash equivalents;
- Net profit after tax before non-recurring items: profit for the period less gain on disposal of controlled entities, net of tax, and impairment losses on plant and equipment;
- 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 non-recurring items divided by average capital employed.

Reconciliation from non-IFRS to IFRS	**1H14 $M**	**1H13 $M**
Sales revenue	**4,523**	**4,546**
Total operating EBITDA	390.5	386.6
Depreciation and amortisation	(139.8)	(138.2)
Share of profit of associates and joint ventures	8.6	8.0
Total operating EBIT	**259.3**	**256.4**
Net profit after tax (before non-recurring items)	175.9	173.5
Non-recurring items (gross of tax)	-	24.2
Tax on non-recurring items	-	(2.2)
Non-recurring items (net of tax)	-	22.0
Net profit after tax (after non-recurring items)	**175.9**	**195.5**

Safety and our people

For the 12 months ended December 2013 Toll's Lost Time Injury Frequency Rate (LTIFR, the number of lost time injuries per million hours worked) reduced by 19% from 1.97 down to 1.60 and 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% from 18.95 down to 16.07. There were no Toll employee or contractor fatalities in the period.





Following the global launch of our **Think safe. Act safe. Be safe**. campaign in February 2013, a number of specific safety initiatives have been rolled out. These included a revamp of our Global Safety Leadership training program, roll out of our Group wide safety observations initiative as well as a number of fleet safety initiatives focussed on improving our management and monitoring of speed, fatigue, sub-contractor compliance and vehicle maintenance.

In October we held our inaugural Toll Global Health and Safety awards. The night celebrated the achievements of a number of our people and sites from across the globe and included truck drivers, leading hands, supervisors and branch managers in a show case of industry best practice achievements.

Environment

As a large logistics company, Toll is focussed on reducing our environmental footprint and minimising our environmental impacts, while continuing to provide superior service and value to our customers.

The Australian Government's Clean Energy Legislation has introduced a carbon price mechanism and placed increased emphasis on energy efficiency and greater use of clean energy. From July 1st 2012, it has applied a cost to carbon emissions produced from off-road transport, marine, air and rail activities and indirectly from increased electricity charges in facility operations along with other embedded carbon costs. Carbon pricing has not had a material financial impact on Toll in the current financial year.

Looking to the future we see considerable uncertainty on the issue of carbon pricing with the new Australian Government proposing to repeal the current scheme and introduce its "Direct Action" alternative. Toll is following the issue closely and preparing for any changes in legislation.

We continue to focus on introducing programs to reduce the intensity of greenhouse gas emissions. This measure has improved by over 5% since 2010 in our Australian operations.

All of Toll's Australian business units have adopted Toll's Smarter Green program and have developed plans to improve energy efficiency and reduce emissions. There are 160 improvement projects underway. This program will be progressively rolled out to overseas operations leveraging the insights and know how gained in Australian operations to reduce our carbon intensity.

Reductions are being achieved through a combination of fleet upgrades, increasing the use of higher productivity vehicles, improved fleet utilisation, improvements in driver behaviour, the use of alternatives fuels such as biodiesel, vehicle aerodynamics, and gains in the energy efficiency of facilities along with a range of business unit specific abatement initiatives.

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

The lead auditor's independence declaration is set out on page 14 and forms part of the Directors' report for the half-year ended 31 December 2013.

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 19th day of February 2014.

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 2013 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

19 February 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Dec 2013 $M	Dec 2012 $M
Revenue		4,523.2	4,546.1
Other income		19.6	9.4
Share of profit of associates and joint ventures		8.6	8.0
Direct transport and logistics costs		(2,153.3)	(2,222.8)
Repairs and maintenance costs		(88.5)	(90.2)
Employee benefits expense		(1,321.5)	(1,277.1)
Fuel, oil and electricity costs		(200.1)	(192.1)
Occupancy and property costs		(223.9)	(218.8)
Depreciation and amortisation		(139.8)	(138.2)
Other operating costs		(165.0)	(167.9)
Results from operating activities		**259.3**	**256.4**
Net profit on disposal of controlled entities		-	54.3
Impairment losses on plant and equipment		-	(30.1)
Finance income		4.6	5.6
Finance expenses		(23.7)	(22.5)
Net finance costs		**(19.1)**	**(16.9)**
Profit before income tax expense		**240.2**	**263.7**
Income tax expense		(64.3)	(68.2)
Profit for the period		**175.9**	**195.5**
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		17.1	(15.0)
Effective portion of changes in fair value of cash flow hedges		(8.9)	8.6
Other comprehensive income for the period, net of income tax		**8.2**	**(6.4)**
Total comprehensive income for the period		**184.1**	**189.1**
Profit attributable to:			
Owners of the Company		172.1	191.4
Non-controlling interests		3.8	4.1
Profit for the period		**175.9**	**195.5**
Total comprehensive income attributable to:			
Owners of the Company		180.2	185.0
Non-controlling interests		3.9	4.1
Total comprehensive income for the period		**184.1**	**189.1**
Earnings per share:			
Basic earnings per share (cents)		24.0	26.7
Diluted earnings per share (cents)		23.8	26.6

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)**
Dividend reinvestment plan		-	-	-	-	-	-	-	**-**	-	**-**
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**

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 2012		**2,976.7**	**(4.5)**	**(176.9)**	**(127.6)**	**35.7**	**17.2**	**6.5**	**2,727.1**	**19.3**	**2,746.4**
Total comprehensive income for the period											
Profit for the period		-	-	191.4	-	-	-	-	**191.4**	4.1	**195.5**
Other comprehensive income											
Foreign exchange translation differences, net of hedges of net investments in foreign controlled entities		-	-	-	(15.0)	-	-	-	**(15.0)**	-	**(15.0)**
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	-	8.6	-	**8.6**	-	**8.6**
Total other comprehensive income		-	-	-	(15.0)	-	8.6	-	**(6.4)**	-	**(6.4)**
Total comprehensive income for the period		-	-	191.4	(15.0)	-	8.6	-	**185.0**	4.1	**189.1**
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Dividends to equity holders	6	-	-	(96.8)	-	-	-	-	**(96.8)**	-	**(96.8)**
Dividend reinvestment plan		-	-	-	-	-	-	-	**-**	-	**-**
Interest in dividends paid		-	-	-	-	-	-	-	**-**	(1.0)	**(1.0)**
Share option expense		-	-	-	-	(4.5)	-	-	**(4.5)**	-	**(4.5)**
Repayment of treasury shares		-	0.2	-	-	-	-	-	**0.2**	-	**0.2**
Total contributions by and distributions to owners		-	0.2	(96.8)	-	(4.5)	-	-	**(101.1)**	(1.0)	**(102.1)**
Changes in ownership interest in controlled entities that do not result in a loss of control											
Acquisition of non-controlling interest		-	-	-	-	-	-	-	**-**	1.3	**1.3**
Total transactions with owners		-	0.2	(96.8)	-	(4.5)	-	-	**(101.1)**	0.3	**(100.8)**
Balance at 31 December 2012		**2,976.7**	**(4.3)**	**(82.3)**	**(142.6)**	**31.2**	**25.8**	**6.5**	**2,811.0**	**23.7**	**2,834.7**

	Note	Dec 2013 $M	Jun 2013 $M
Current assets			
Cash and cash equivalents		493.6	515.5
Receivables		1,329.2	1,241.1
Inventories		64.3	61.6
Assets held for sale		99.2	56.2
Prepayments		72.4	67.9
Current tax receivable		2.4	3.5
Other assets		26.1	20.9
Total current assets		**2,087.2**	**1,966.7**
Non-current assets			
Receivables		11.0	13.1
Investments accounted for using the equity method		181.6	170.8
Investments		4.1	4.3
Property, plant and equipment		1,989.4	1,999.4
Intangible assets		1,711.8	1,660.3
Deferred tax assets		132.2	138.6
Prepayments		4.6	4.5
Other assets		15.4	16.9
Total non-current assets		**4,050.1**	**4,007.9**
Total assets		**6,137.3**	**5,974.6**
Current liabilities			
Payables		916.0	868.2
Interest bearing liabilities		431.6	934.3
Current tax liabilities		84.4	79.6
Provisions		330.1	345.1
Liabilities held for sale		1.5	-
Other liabilities		23.6	25.4
Total current liabilities		**1,787.2**	**2,252.6**
Non-current liabilities			
Interest bearing liabilities		1,406.8	854.4
Deferred tax liabilities		19.5	18.4
Provisions		180.5	142.0
Other liabilities		14.1	10.8
Total non-current liabilities		**1,620.9**	**1,025.6**
Total liabilities		**3,408.1**	**3,278.2**
Net assets		**2,729.2**	**2,696.4**
Equity			
Contributed equity	7	2,976.7	2,976.7
Treasury shares		(4.0)	(4.1)
Reserves		(14.2)	(19.2)
Retained earnings		(248.2)	(278.6)
Total equity attributable to equity holders of the Company		**2,710.3**	**2,674.8**
Non-controlling interests		18.9	21.6
Total equity		**2,729.2**	**2,696.4**

	Dec 2013 $M	Dec 2012 $M
Cash flows from operating activities		
Cash receipts in the course of operations	4,784.7	4,785.3
Cash payments in the course of operations	(4,477.2)	(4,564.0)
Cash generated from operations	307.5	221.3
Restructure and integration costs paid	(4.2)	(1.4)
Interest received	4.6	5.6
Dividends received from associates	0.1	5.4
Interest and other costs of finance paid	(19.8)	(20.4)
Income taxes paid	(54.1)	(81.6)
Net cash inflow from operating activities	**234.1**	**128.9**
Cash flows from investing activities		
Payments for entities and businesses, net of cash acquired	(2.9)	-
Payments for property, plant and equipment and intangible assets	(204.9)	(214.5)
Payments for acquisition of associates and other investments	-	(1.3)
Proceeds from disposal of businesses, net of directly attributable costs paid	3.2	91.6
Proceeds from sale of property, plant and equipment	55.6	18.6
Proceeds from sale of associates and other investments	0.4	0.3
Proceeds from return of capital on associates	1.0	-
Proceeds from repayment of loans with other entities	0.8	0.3
Net cash outflow from investing activities	**(146.8)**	**(105.0)**
Cash flows from financing activities		
Proceeds from borrowings	406.1	92.8
Repayments of borrowings	(434.2)	(61.9)
Dividends paid to ordinary shareholders	(103.9)	(96.8)
Dividends paid to non-controlling interests	(2.4)	(1.0)
Payments for shares to satisfy share option vesting	(1.1)	-
Proceeds from repayment of employee loans	-	0.2
Net cash outflow from financing activities	**(135.5)**	**(66.7)**
Net decrease in cash and cash equivalents held	**(48.2)**	**(42.8)**
Net cash and cash equivalents at 1 July	**467.2**	**505.1**
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies	6.0	(1.7)
Net cash and cash equivalents at 31 December	**425.0**	**460.6**

Cash and cash equivalents	493.6	539.8
Bank overdraft	(68.6)	(79.2)
Net cash and cash equivalents	**425.0**	**460.6**

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 interim financial statements of the Company as at and for the half-year ended 31 December 2013 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 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 2013.

These consolidated interim financial statements were approved by the Board of Directors on 19 February 2014.

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

With exception to the below, the accounting policies applied by the Group in these 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 2013.

(a) Changes in accounting policies

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

- AASB 10: *Consolidated Financial Statements*
- AASB 11: *Joint Arrangements*
- AASB 13: *Fair Value Measurement*
- AASB 119: *Employee Benefits*

The nature and the effect of the changes are further explained below.

Subsidiaries

As a result of AASB 10, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. AASB 10 introduces a new control model that is applicable to all investees, by focusing on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, AASB 10 requires the Group to consolidate investees that it controls on the basis of de facto circumstances.

In accordance with the transitional provisions of AASB 10, the Group reassessed the control conclusion for its investees at 1 July 2013. The control conclusion remained unchanged.

Joint arrangements

As a result of AASB 11, the Group has changed its accounting policy for its interests in joint arrangements. Under AASB 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

As a result of the Group's re-evaluation of its involvement in its joint arrangements, the joint venture classification has remained unchanged. The investments continue to be accounted for using the equity method; accordingly, there has been no impact on the recognised assets, liabilities and comprehensive income of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Changes in accounting policies (continued)

Fair value measurement

AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other AASBs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7 *Financial Instruments: Disclosures*. Some of these disclosures are specifically required in interim financial statements for financial instruments; accordingly, the Group has included additional disclosures in this regard (see note 10).

In accordance with the transitional provisions of AASB 13, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

Employee benefits

The adoption of the new AASB 119: *Employee Benefits* standard does not have a material impact on the consolidated interim financial statements.

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 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 2013.

5. SEGMENT INFORMATION

The Group has six 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 oil and gas, mining and government and defence sectors in Australia, Asia and Africa;
- Toll Global Logistics – Contract logistics 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;
- Toll Domestic Forwarding – Domestic freight forwarding across Australia and New Zealand; and
- Toll Specialised & Domestic Freight – Comprehensive suite of options Australia-wide for palletised freight, liquids distribution, chemicals distribution and warehousing through to relocation services.

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.

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 Specialised & Domestic Freight	Toll Global Logistics	Toll Global Resources	Toll Global Forwarding	Total operating segments	Corporate	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M
Business segments – 2013									
Revenue	**1,130.7**	**597.7**	**713.7**	**681.0**	**589.2**	**794.9**	**4,507.2**	**16.0**	**4,523.2**
Result									
Segment result	68.8	38.4	61.2	46.8	50.5	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**	**38.5**	**61.2**	**48.9**	**52.0**	**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	**832.7**	**620.6**	**497.9**	**1,218.9**	**1,269.3**	**1,046.5**	**5,485.9**	**516.8**	**6,002.7**
Unallocated tax assets									**134.6**
Total assets									**6,137.3**

5. SEGMENT INFORMATION (CONTINUED)

	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 $M
Business segments – 2012									
Revenue	**1,168.6**	**588.3**	**731.8**	**645.7**	**613.2**	**786.1**	**4,533.7**	**12.4**	**4,546.1**
Result									
Segment result	72.5	39.9	68.2	37.2	51.8	3.2	**272.8**	(24.4)	**248.4**
Share of profit of associates and joint ventures	0.5	-	-	2.4	1.5	3.4	**7.8**	0.2	**8.0**
Total segment result	**73.0**	**39.9**	**68.2**	**39.6**	**53.3**	**6.6**	**280.6**	**(24.2)**	**256.4**
Unallocated profit / (loss):									
- Gain on disposal of the Automotive finished vehicle distribution business and Refrigerated Australian linehaul and warehousing operations, net of tax									**52.1**
- Impairment of Toll Marine Logistics Asia plant and equipment									**(30.1)**
Net finance costs									**(16.9)**
Income tax expense									**(66.0)**
Profit for the period									**195.5**
Total segment assets	**856.5**	**605.1**	**466.4**	**1,133.3**	**1,200.3**	**1,154.7**	**5,416.3**	**520.5**	**5,936.8**
Unallocated tax assets									**149.5**
Total assets									**6,086.3**

6. DIVIDENDS

Dividends provided for or paid by the Company during the half-year:	Cents per share	Total $M	Franked/ unfranked	Payment date
Ordinary shares				
Half-year ended 31 December 2013				
2013 final dividend	14.5	104.0	Franked	28/10/2013
Half-year ended 31 December 2012				
2012 final dividend	13.5	96.8	Franked	22/10/2012

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. The dividend has not been provided for.

Interim dividend	13.0	93.2	Franked	04/04/2014

The financial effect of this dividend has not been brought to account in the financial statements for the half-year ended 31 December 2013 and will be recognised in subsequent financial reports.

7. CAPITAL AND RESERVES

There was no movement in issued and paid up ordinary share capital during the half-year ended 31 December 2013.

	Number of shares	Issue price $	Contributing equity $M
Balance as at 1 July 2013	717,133,875	-	2,976.7
Balance as at 31 December 2013	**717,133,875**	**-**	**2,976.7**

8. ACQUISITIONS

(a) Acquisitions

There were no business combinations during the current period.

During the year ended 30 June 2013, the Group acquired Linfox Trans-Bass Strait business, a logistics company in the Domestic Forwarding division. The following summarises the major classes of consideration transferred for the acquisition and the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

Consideration transferred	**$M**
Cash	6.5
Total consideration	**6.5**

Identifiable assets acquired and liabilities assumed	**Provisional balance recognised at 31 December 2013 $M**
Property, plant and equipment	0.9
Total identifiable assets	**0.9**

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 acquisition as follows:	
Total consideration transferred	6.5
Less fair value of net identifiable assets acquired	(0.9)
Goodwill	**5.6**

(b) Acquisition of non-controlling interest – Toll ANL Bass Strait Shipping Pty Ltd

In October 2013, the group assumed 100% ownership of Toll ANL Bass Strait Shipping Pty Ltd by acquiring the remaining 15% of shares previously not held. The excess of purchase price over non-controlling interest acquired has been recorded in Retained Earnings.

9. INTANGIBLE ASSETS - GOODWILL

Reconciliation of carrying amount

Carrying amount	**Dec 2013 $M**	**Jun 2013 $M**
Balance as at 1 July	1,527.2	1,635.3
Acquisitions	-	5.6
Disposals	-	(11.3)
Effect of movements in foreign exchange	51.6	101.6
Impairment loss	-	(204.0)
Balance as at 31 December	**1,578.8**	**1,527.2**

10. FINANCIAL INSTRUMENTS

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 2013	**Level 1 $M**	**Level 2 $M**	**Level 3 $M**
Listed equity securities	0.2	-	-
Derivative financial assets	-	28.5	-
Total	**0.2**	**28.5**	**-**
Derivative financial liabilities	-	(19.0)	-
Total	**-**	**(19.0)**	**-**

30 June 2013	**Level 1 $M**	**Level 2 $M**	**Level 3 $M**
Listed equity securities	0.2	-	-
Derivative financial assets	-	24.7	-
Total	**0.2**	**24.7**	**-**
Derivative financial liabilities	-	(16.7)	-
Total	**-**	**(16.7)**	**-**

11. DEBT REFINANCING

Due to the successful extensions of the US Private Placement and Singapore debt, which were previously due to expire in the period ending 30 June 2014, certain borrowings were reclassified from current to non-current at 31 December 2013. This reclassification resulted in a current asset surplus over current liabilities of $300.0 million.

12. 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).

Far North Queensland agreement

On 1 February 2014, Pacific National Rail ("PN Rail") took over operation of the North Queensland rail service of the Toll Intermodal business, pursuant to an agreement made during December 2013.

As at 31 December 2013, the carrying value of the associated assets and liabilities were classified as held for sale.

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

1. the consolidated financial statements and notes set out on pages 15 to 29 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 2013 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 19th day of February 2014.

KPMG

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 2013, consolidated statement of profit and 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 12 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 period.

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 2013 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 2013 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
19 February 2014