



30 October 2014

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: 143

Dear Sir,

PRESENTATION SLIDES – TOLL GROUP INVESTOR BRIEFING 30 OCTOBER 2014

Please find attached for immediate release to the market the Media Release and Presentation Slides for briefing commencing from 9.00am AEDT today.

Yours faithfully
TOLL HOLDINGS LIMITED



Bernard McInerney
Company Secretary

Encl.



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Toll Holdings Limited
ABN 25 006 592 089

ASX and media release

Thursday 30 November 2014

Investor briefing presentation

The 2014 Toll Group investor briefing will be held from 9am AEDT today, and will include updates on business strategies from Toll Group Managing Director Brian Kruger and other senior management.

A live audio webcast will be available from 9am AEDT from the following webcast link <http://www.media-server.com/m/p/vn58jc9b>

The focus of the presentations is on Toll's strategy, with the key topics including:

- A review of the Toll Group strategy and how that flows into the different divisional strategies
- Toll's strategy is to extend its position as the Australasian leader in the provision of integrated transport and logistics services to a diverse range of customer segments and to selectively build industry share and value in compatible international markets
- The focus on returns drives investment and portfolio decisions
- Discussion of Toll City, an exciting new development for Toll Global Logistics in Singapore
- Increasing strategic alignment is providing additional opportunities to leverage the One Toll program across the business units and divisions in all regions
- Strong alignment between vision, values and core capabilities
- Toll remaining leveraged to any material improvement in the external economic environment

Attached is a copy of the presentations to be delivered throughout the day, which will also be made available via www.tollgroup.com

A recording of the briefing will be available via www.tollgroup.com tomorrow.

<ends>

Note to editors

Toll Group (ASX code: TOL) is the Asia Pacific region's leading provider of transport and logistics, employing approximately 40,000 people across some 1,200 locations in more than 50 countries. Toll's specialist logistics capabilities incorporate a range of sectors including defence & government, industrial, manufacturing, mining & resources, retail and automotive
www.tollgroup.com

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Toll Group Investor Day

30 October 2014



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.

Toll disclaims any responsibility for the accuracy or completeness of any forward-looking statement. Toll disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Toll’s financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law.

The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of Toll. Unless otherwise stated, all amounts are based on A-IFRS and are in Australian Dollars. Certain figures may be subject to rounding differences. Any market share information in this presentation is based on management estimates based on internally available information unless otherwise indicated.

You must not place undue reliance on these forward-looking statements.

This presentation is not an offer or invitation for subscription or purchase of, or a recommendation of securities. The securities referred to in these materials have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may not be offered or sold in the United States absent registration or an exemption from registration.

Agenda

9.00am	Introduction and Toll Group strategy	<i>Brian Kruger Managing Director</i>
9.30am	Strategy development	<i>Avi Gilboa Group Director, Strategy & M&A</i>
10.00am	Q&A Group strategy	
10.15am	Coffee break	
10.30am	Toll Global Logistics	<i>Chris Pearce Divisional Director</i>
11.00am	Toll Resources and Government Logistics	<i>David Jackson Divisional Director</i>
11.30am	Toll Global Forwarding	<i>Paul Coutts Divisional Director</i>
12.00pm	Q&A panel – TRGL, TGL, TGF	
12.30pm	Lunch	

Agenda

1.15pm	Toll Global Express	<i>Shane O'Neill Divisional Director</i>
2.00pm	Toll Domestic Forwarding	<i>Mal Grimmond Divisional Director</i>
2.30pm	Q&A TGX/TDF	
3.00pm	Coffee break	
3.15pm	Balance sheet and cost management	<i>Grant Devonport CFO</i>
3.45pm	Information technology	<i>John Ansley CIO</i>
4.15am	Final Q&A panel – CFO, CIO	
4.30pm	Summary and conclusions	<i>Brian Kruger Managing Director</i>



Toll Holdings Limited

Toll Group Strategy Overview

Brian Kruger

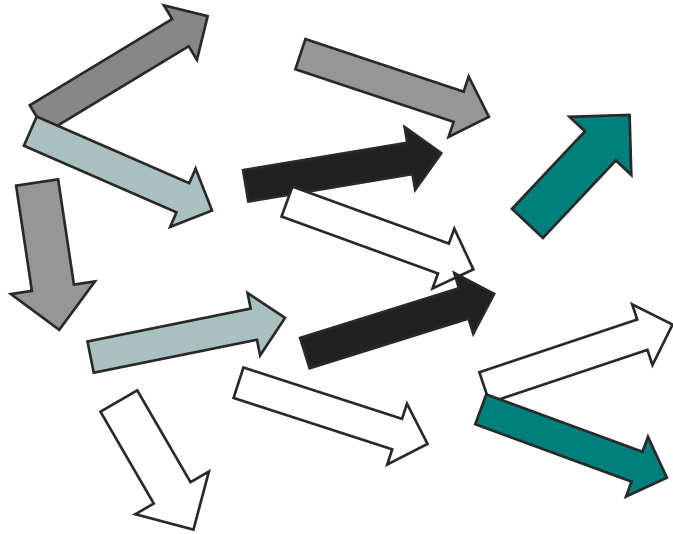
Investor Day 30 October 2014

Strategic context

Where have we come from

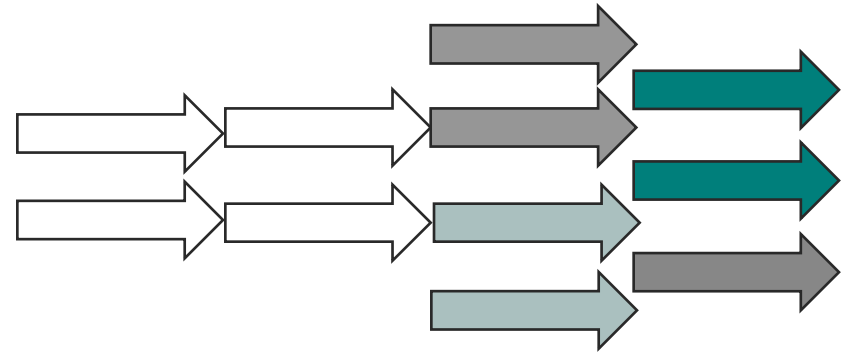
- Aggressive merger and acquisition strategy geared towards industry consolidation and offshore growth
- Focus on individual business unit revenue and EBIT
- High revenue growth environment placed limited pressure on cost
- Uncoordinated approach to market development
- Complex interactions for multi-business unit customers
- Varied approaches to improving safety
- Multiple IT systems for similar applications
- Inconsistent HR practices and processes

Portfolio strategy



General alignment

TO



Co-ordinated approach

The environment is dynamic and challenging

- **Ever intensifying competitive landscape**
 - Local and global competition
 - Competitor return expectations
- **Increasing customer demands and expectations**
 - Cost focus
 - Increasingly complex delivery tasks
 - Integrated logistics
- **Broadening compliance obligations**
 - Safety as a differentiator
- **New technologies changing the way customers and thus Toll needs to do business**
 - Rapid and constant change

The Toll Way – where the journey starts

- **Our primary purpose**
 - We exist to connect people and products
- **Our mission**
 - Our mission is to harness our significant resources, know-how and passion to deliver optimal solutions for our customers
- **Our vision**
 - **We want to be:**
 - able to provide an unrivalled set of global supply chain capabilities
 - an integral part of our customers' success
 - a group of businesses that are individually excellent and collectively unbeatable
 - creating sustainable value for our shareholders
- **And as a result be:**
 - recognised as the Asia-Pacific region's most successful provider of logistics

The Toll Way – driving the right behaviours

- **Our core beliefs**

- We believe that:
 - All injuries are preventable and everyone has a right to go home safely
 - People perform best when they are empowered, accountable and recognised
 - If we show other people respect, we will be respected
 - We will not always get things right and learning from our mistakes is part of our progress
 - How we go about achieving success is as important as success itself
 - Our customers' success creates our success

- **Our values**

Integrity
& trust

Safety

Continuous
improvement

Teamwork

Being open
& transparent

Think safe. Act safe. Be safe.

Strategic framework

The strategy is made up of three key elements:

- Our health and safety vision and principles
- How we manage health and safety
- Leading safety in our teams

The **Think safe. Act safe. Be safe.** strategic framework below explains how these elements are all interlinked and the role they play in continuously improving health and safety

Strategic framework



Toll's strategy reflects our strengths, our challenges and our opportunities

To extend Toll's position as Australasian market leader in the provision of integrated transportation and logistics services to a diverse range of customer segments and to selectively build industry market share and value in compatible international markets

✧ AUSTRALASIA

- Enhance integrated transportation and logistics offering by optimising a *uniquely broad range of individual services and integrated solutions* to maximise customer value

✧ INTERNATIONAL MARKETS

- Deep regional Asia-Pacific presence with global connectivity, will continue to be a focus as a very important source of long term growth potential
- Prioritise growth of share and presence in key, existing Toll offshore transportation and logistics markets, but remain sufficiently agile to pursue new geographies if compatible and compelling business opportunities arise

Toll Group Australasian strategy

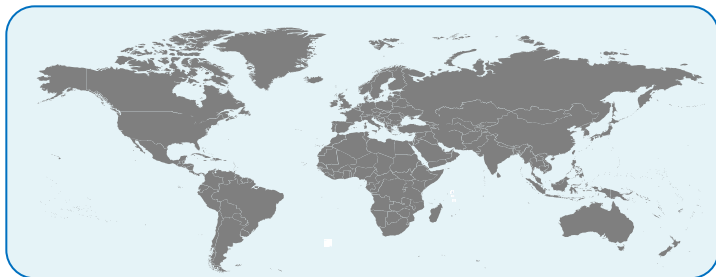
In Australasia, Toll will further its position as a market leader in the provision of integrated transportation and logistics solutions by exploiting our core capabilities:



Leveraging these core capabilities, Toll will continue to pursue international growth opportunities

International markets

Build our presence where Toll is customer led and can establish genuine comparative advantage



✦ INTERNATIONAL GROWTH CRITERIA

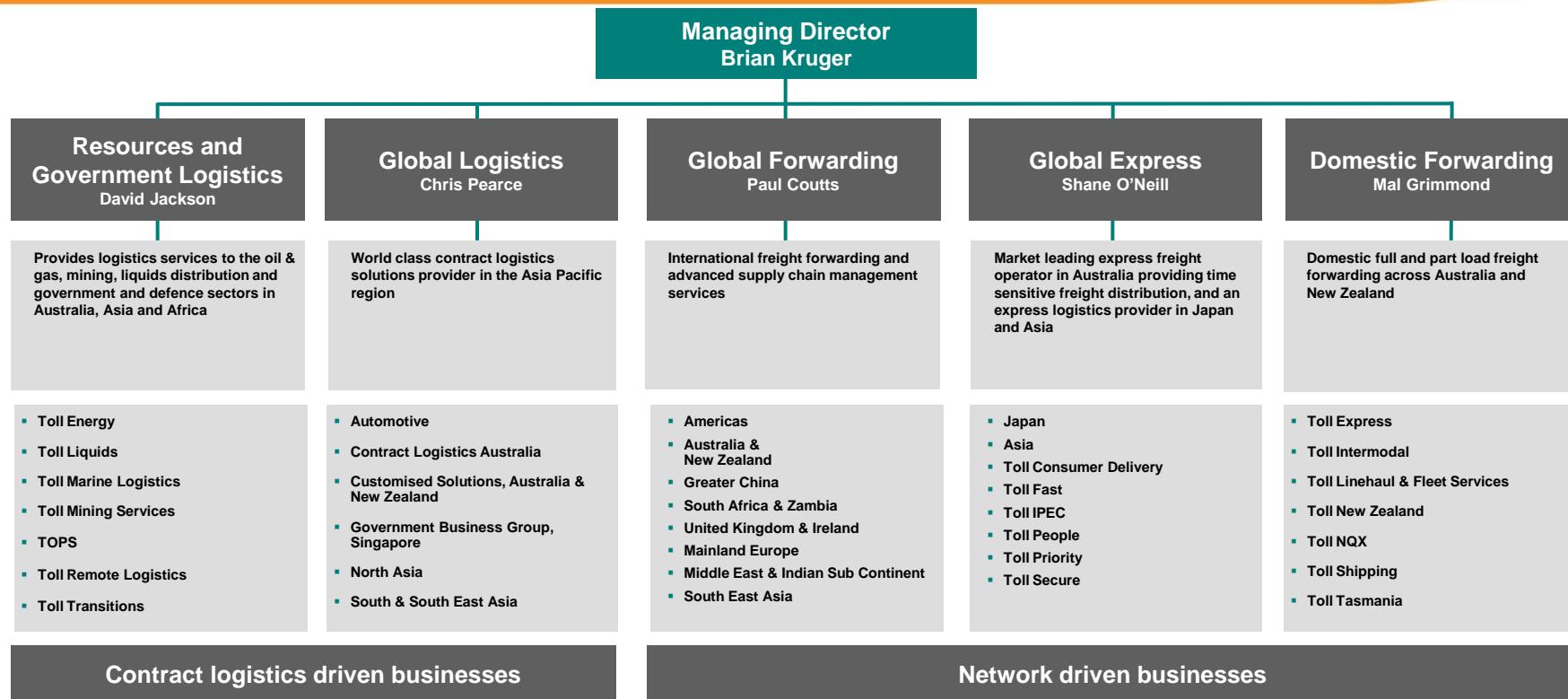
◎ ATTRACTIVE

- Substantial and growing market
- In need of, and capable of appropriately compensating, providers of value-added solutions
- Linked to Toll's core Asia Pacific trade lanes
- Aided by industry structures and legal and regulatory environments that allow for sustainable value creation

◎ SUITABLE FOR THE TOLL PROPOSITION

- Conducive to doing business the Toll Way
- Suited to Toll's experience and expertise
- Aligned with Toll's human resources capability and availability
- Able to provide clear, robust opportunities for Toll to create shareholder value

Toll's Divisional structure



Continuing to develop and exploit our core capabilities supports our vision and values

Our vision is to be:

able to provide an unrivalled set of global supply chain capabilities

an integral component of our customer's success

a group of businesses that are individually excellent and collectively unbeatable

creating sustainable value for our shareholders

1

Customer satisfaction

2

Safety & operating excellence

3

Technology & equipment innovation

4

Talent development & collaboration

5

Capital returns & growth

and as a result be:

recognised as the Asia-Pacific region's most successful provider of logistics

Our Values:

Integrity & trust

Safety

Continuous improvement












Teamwork

Being open & transparent

What is unique about Toll's Group strategy?

- We will pursue customers across a wide range of industry sectors
- We will strengthen domestic market share across a very broad spectrum of logistics and transportation services
- We will continue to develop and market fully integrated logistics and transportation solutions for customers
- We will selectively build on our international presence with an Asia-centric, but not Asia-exclusive focus
- Business opportunities will only be considered if they can be realised within the 'Toll Way' framework

Measuring success

 Safety KPIs		Industry leading
 Customer satisfaction		Top-quartile
 Employee engagement		Benchmarked as world class
 Underlying BU operational KPIs		Measurable targets
 Profitable revenue growth		In excess of underlying GDP growth
 Group return on capital (Post-tax)		At least 10%

We are making good progress

- Safety – a consistent approach to achieving our safety vision
- One Toll culture change – clear expectations set and benefits being delivered
- Return on invested capital now key driver of investment decisions
- Well defined cost and productivity programs – focus on operational KPIs
- Strategic Account Management program supporting improved customer interactions
- Multiple organic growth opportunities
- Consistent HR practices and processes – systems, performance assessments, training and compensation
- Information systems strategy agreed and being implemented
- Group, Division and Business Unit strategies aligned and focused on long term sustainable value creation



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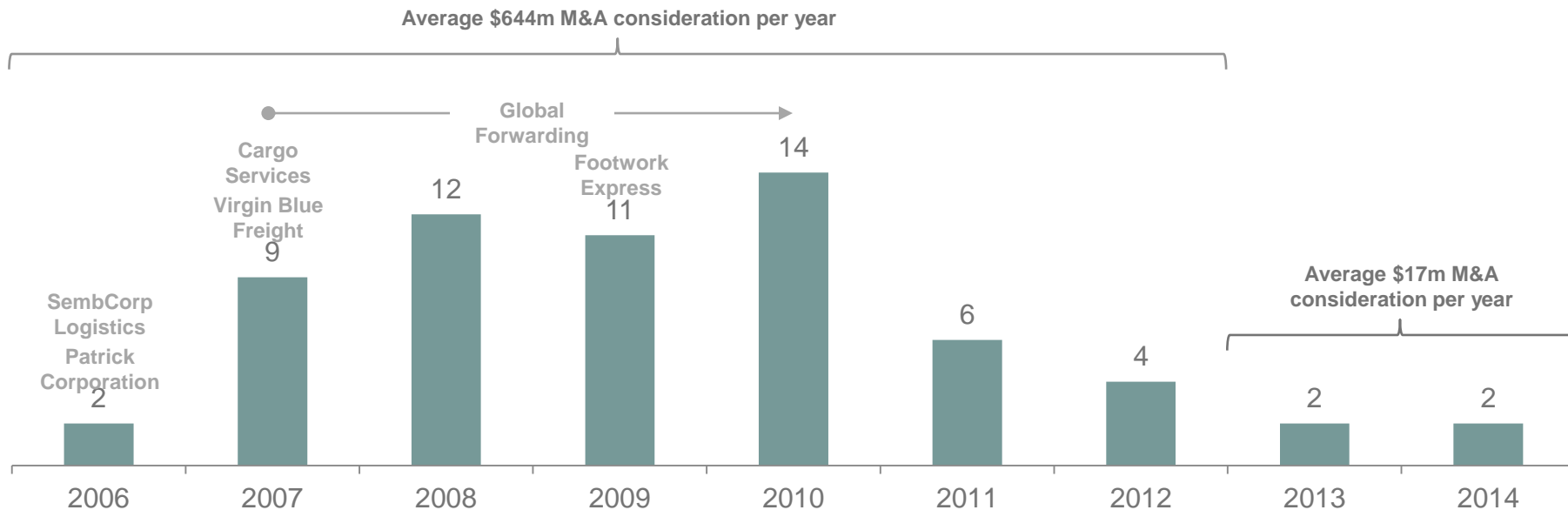
Toll Group Strategy Development

Avi Gilboa

Investor Day 30 October 2014

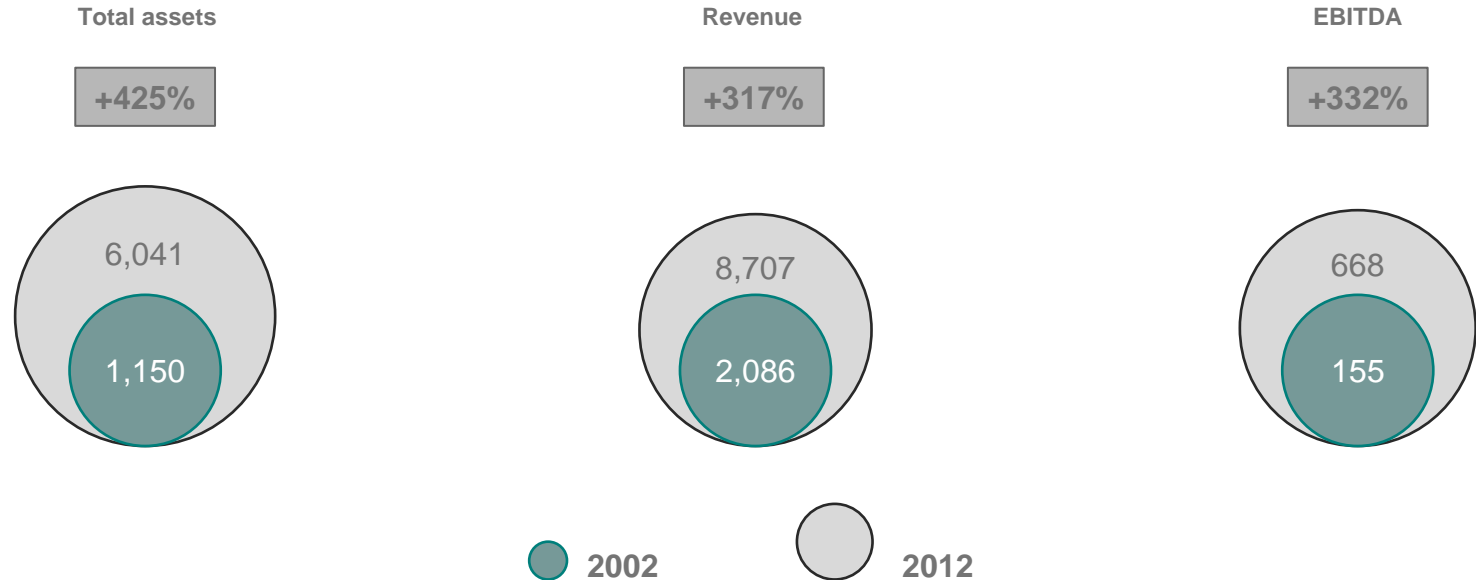
Understanding Toll's strategic positioning requires historical context

Toll historical M&A activity (# deals by year)



Toll's consolidation strategy delivered exceptional growth over a 10-year period...

Toll's organisational growth 2002 – 2012 (A\$m)

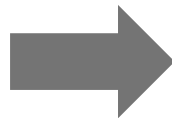


... however growth in scale was eventually coupled with shareholder value decline

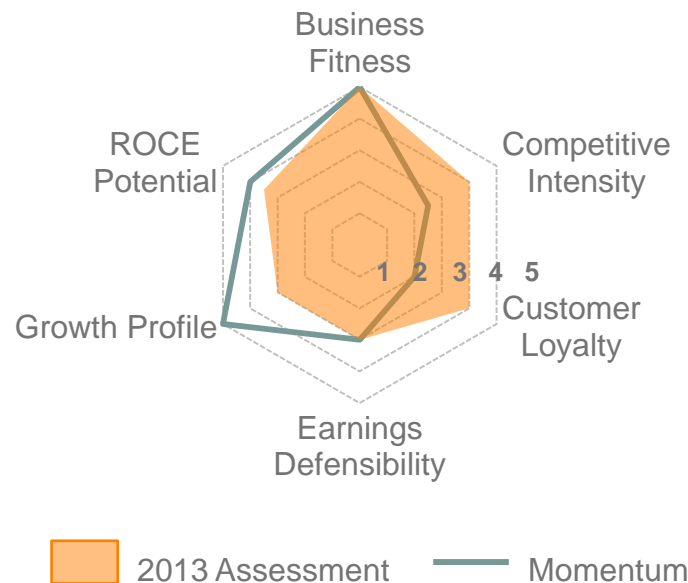


In late 2012, we commenced a thorough, bottom-up evaluation of our business

- Continued macro-economic headwinds
- Declining return on capital
- Culture of autonomy offering mixed results
- Offshore acquisitions not delivering – impairments at TGX and TGF
- Complexity impacting on ease of doing business with Toll
- Clear opportunity to enhance returns through deliberate strategic positioning

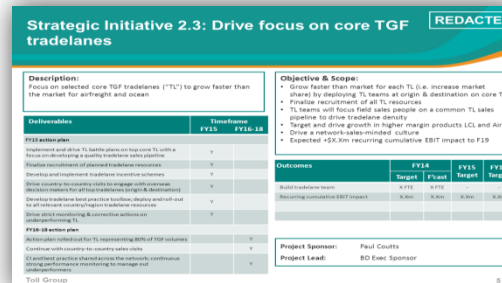
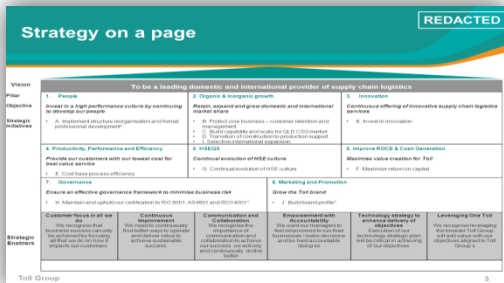
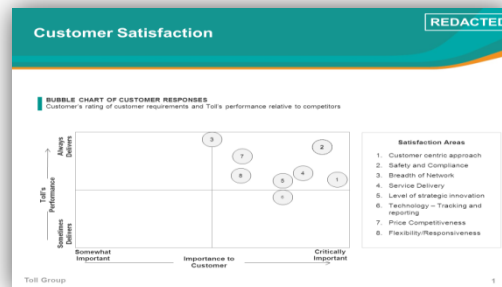
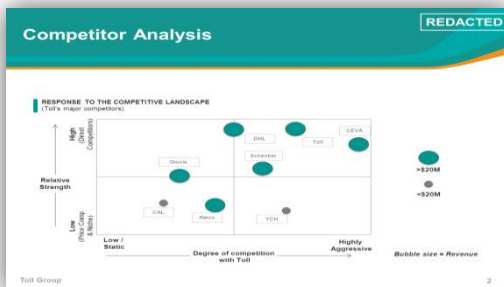


BU assessment framework



To inform the strategic review, Toll business units prepared detailed, action-oriented strategic plans

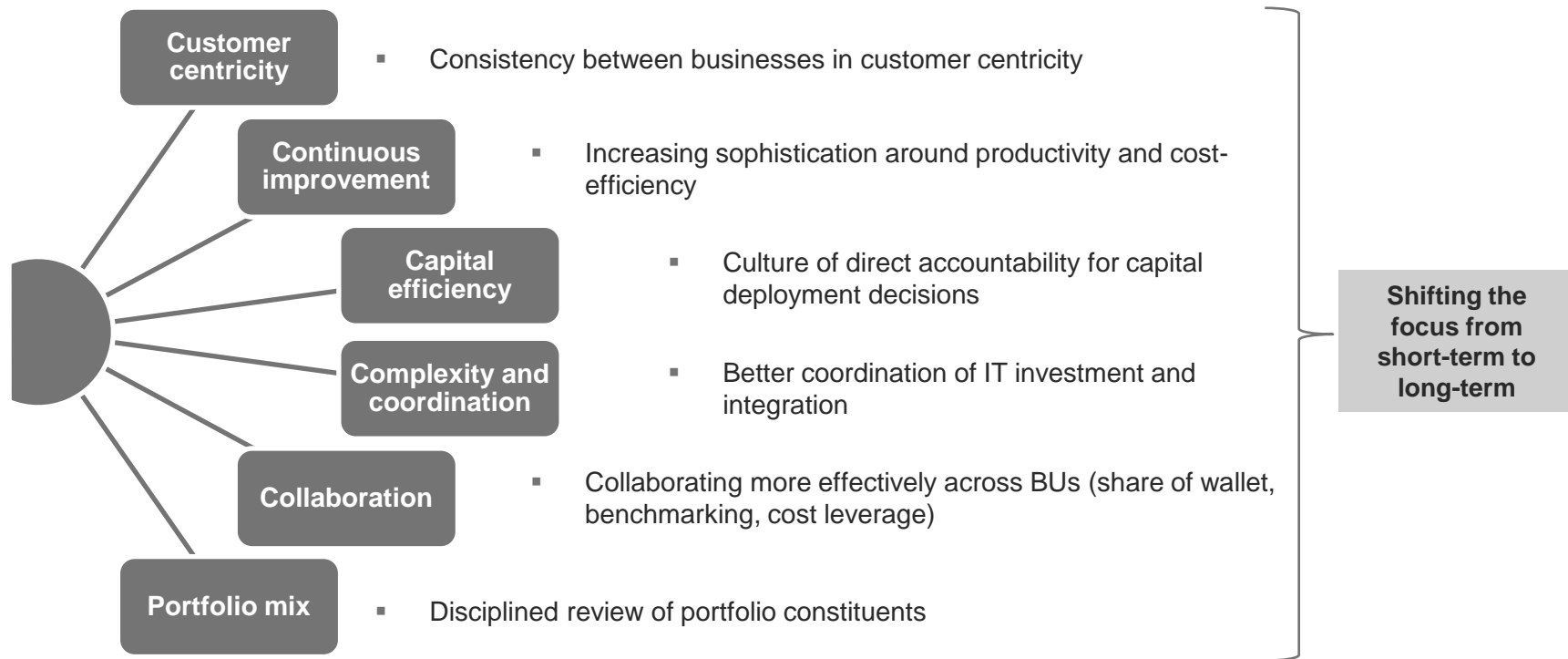
Illustrative strategic plan templates



The review underlined the need to reinforce demonstrable strengths

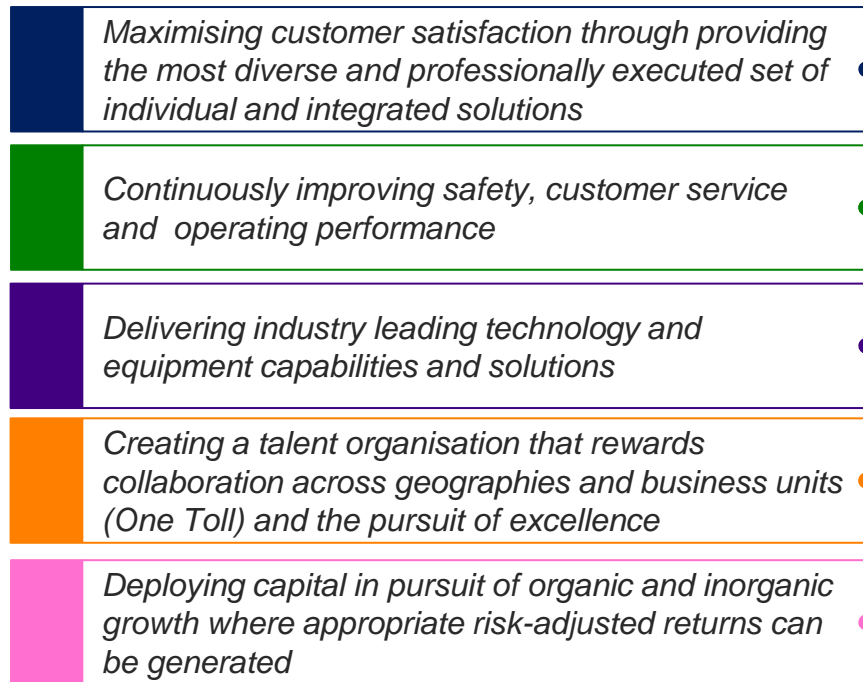


Our analysis also identified clear areas of opportunity for value creation



We adapted our core strategies into five strategic priorities to guide execution and measurement

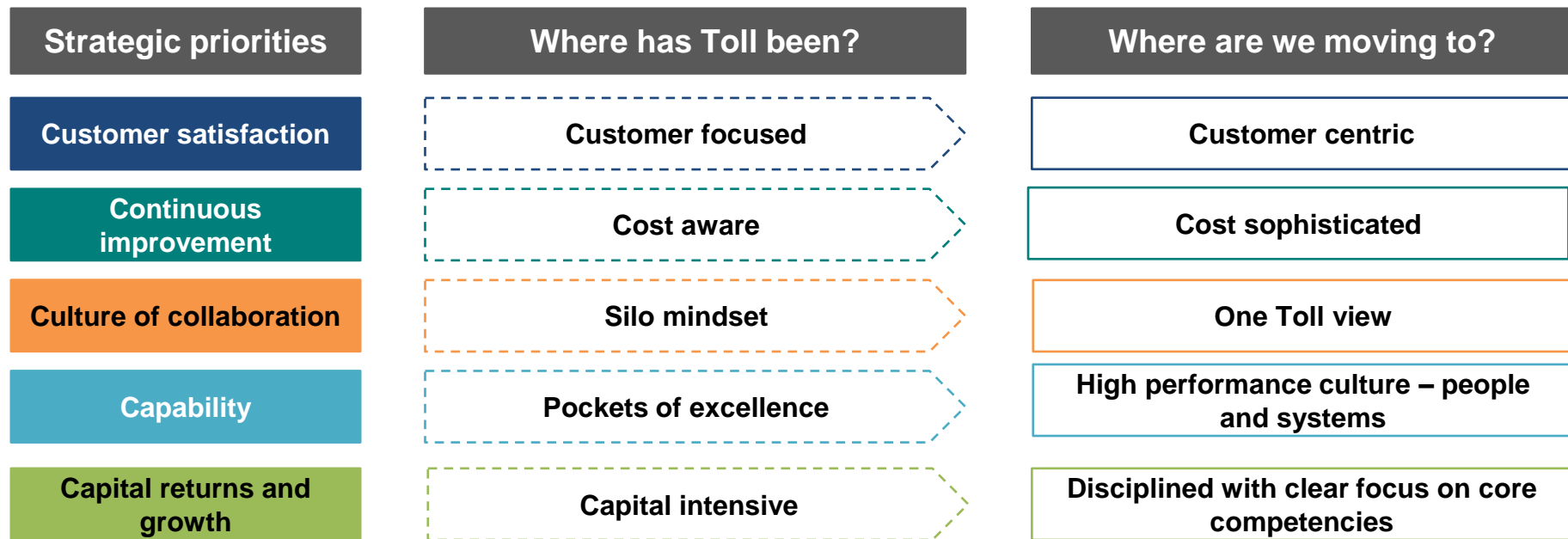
Toll's key strategies for building organisational capability



Strategic priorities for executing and measuring the success of our strategy

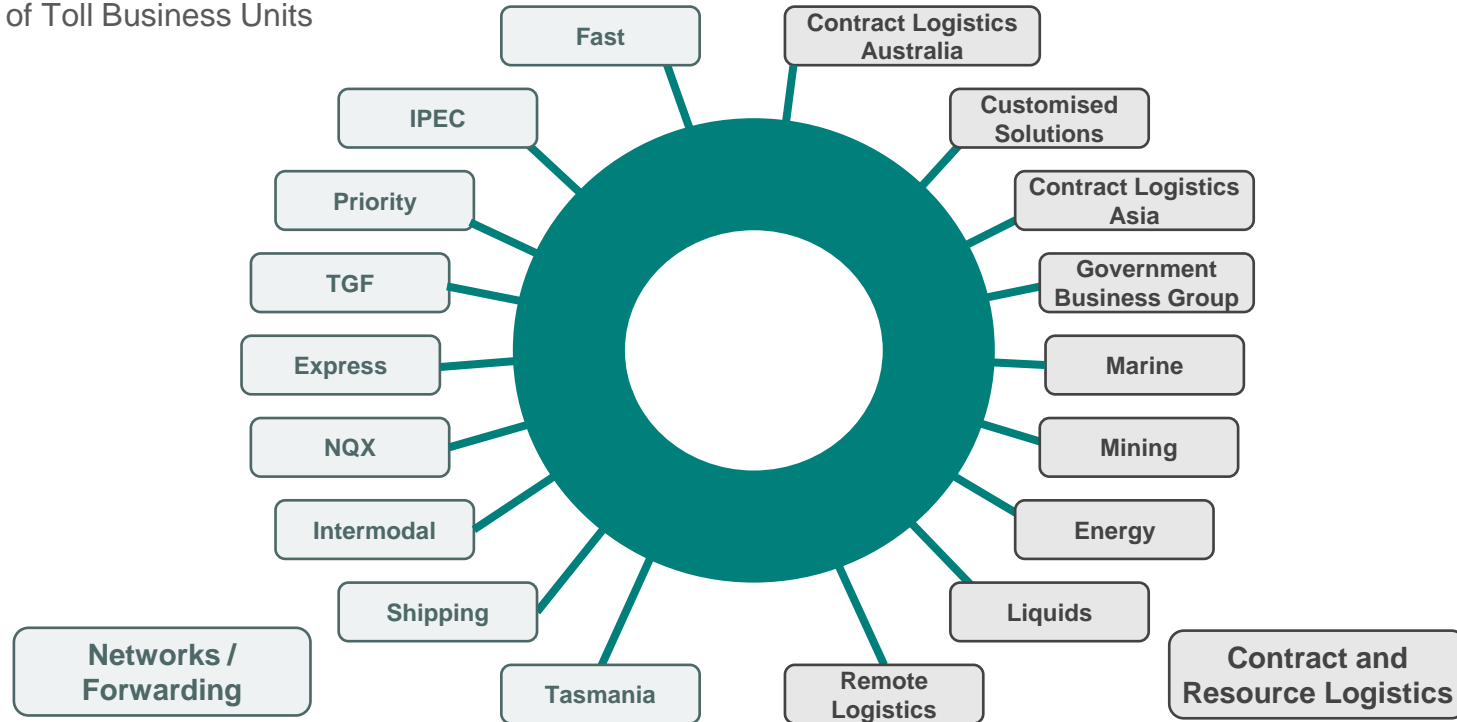


Toll's strategic priorities inform a roadmap for how we will effect change



Connectivity within the Group portfolio is a strategic weapon . . .

Selection of Toll Business Units



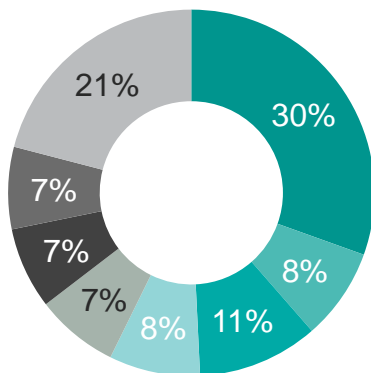
... and influences the individual market leadership positions that Toll BUs enjoy

Business Unit	#1 / #2 Market Position	FY14 Revenue	FY14 EBIT
Energy	✓		
Marine Logistics	-		
Mining Services	✓		
TOPS	✓		
Remote Logistics	-		
Transitions	✓		
Resources & Government Logistics		1,528	122
Express	✓		
Intermodal	✓		
New Zealand	✓		
NQX	✓		
Shipping	✓		
Tasmania	✓		
Domestic Forwarding		2,010	131
Global Forwarding		1,557	15

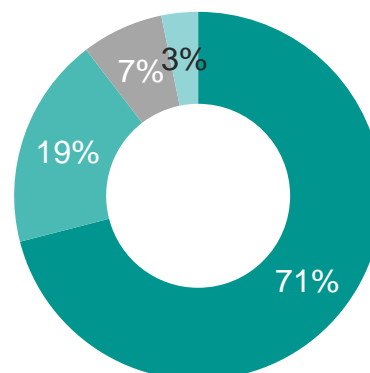
Business Unit	#1 / #2 Market Position	FY14 Revenue	FY14 EBIT
TGX Japan	-		
Fast	✓		
IPEC	✓		
People	✓		
Priority	✓		
Global Express		2,227	119
Contract Logistics Aust.	✓		
Contract Logistics Asia	-		
Customised Solutions	✓		
GBG	✓		
Global Logistics		1,448	103
Toll Group		8,811	444

Toll offers strong leverage to domestic growth, with future value from growing international markets

Domestic Revenue by Economic Sector



Revenue by Geography

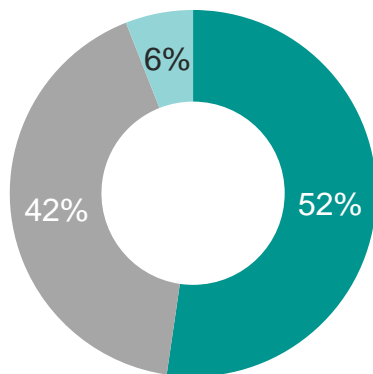


- Retail
- Steel & Industrial
- Mining
- Transport
- Gov't & Defence
- Other
- Energy
- Chemicals & Agri

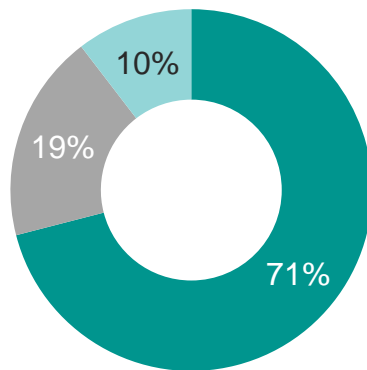
- Australia & NZ
- EMEA
- Asia
- North America

Latent potential will be extracted by focusing on the core source of Group earnings

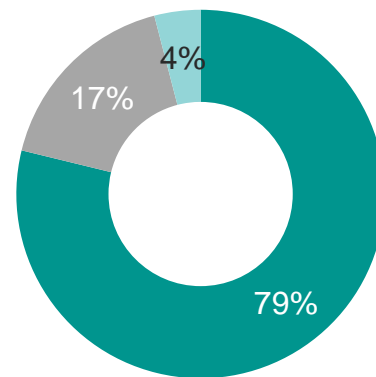
Non-current assets



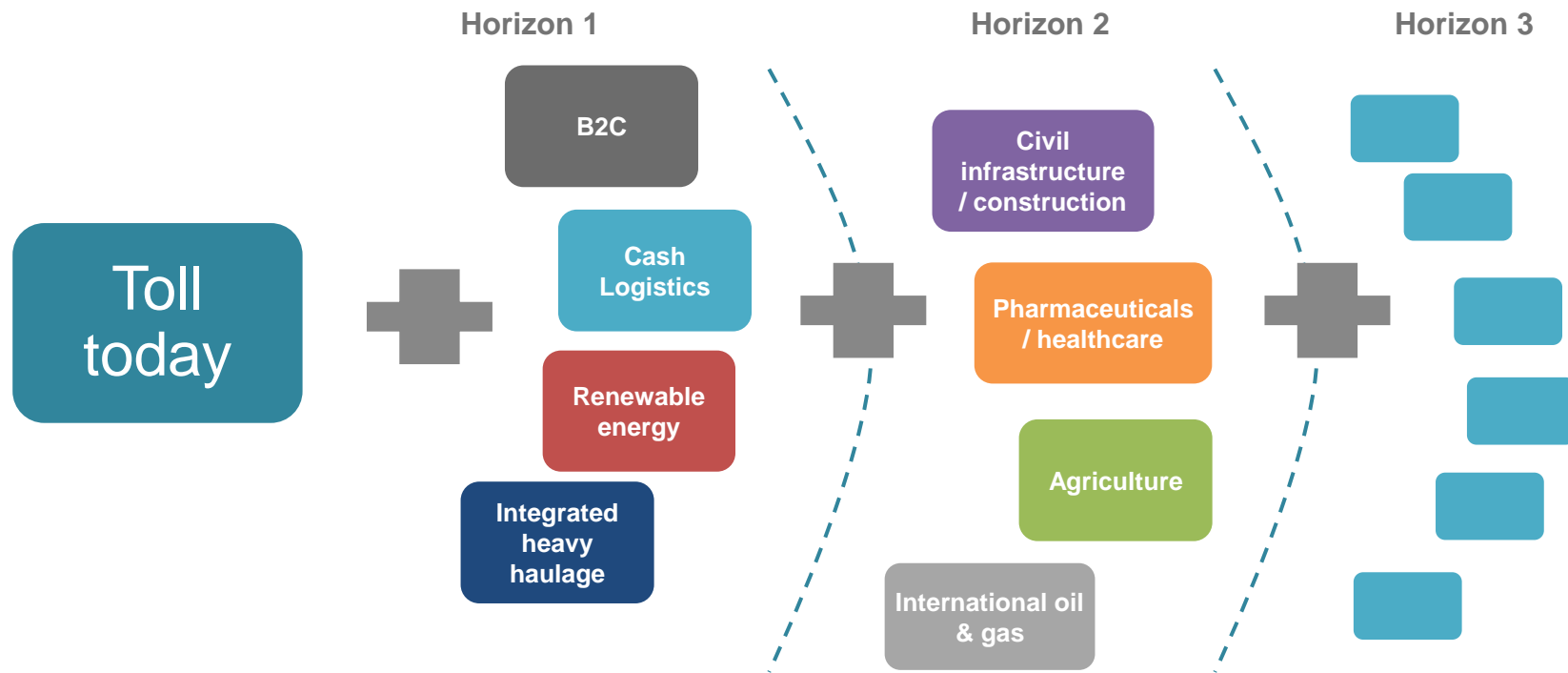
Revenue



EBIT



We are investing to capitalise on growth opportunities in new sectors and integrated service offerings



Value focused M&A remains squarely on the agenda

Evaluation

- ✓ Financial hurdles including return on capital and sustainable shareholder wealth creation
- ✓ Access to substantial and growing markets
- ✓ Leverages Toll's core capabilities, experience and expertise
- ✓ Strong and defensible market position
- ✓ Conducive to doing business the Toll Way
- ✓ Asia-centric but not Asia-exclusive



Execution

- ✓ Active partnership with the business
- ✓ Thorough, commercially focused due diligence
- ✓ Detailed, action-oriented integration plans
- ✓ Prudent risk allocation profile
- ✓ Post-acquisition review and evaluation
- ✓ Accountability

Momentum at Toll is well established for strategy and its execution

- Strategic emphasis on sustainable value creation
- Strategy emphasis on enablers of sustainable value creation
- Strategic execution now underpinned by sophisticated planning and absolute accountability:
 - Highly formalised strategic planning framework in place across the Group
 - Consistent measurement and benchmarking
 - Personal accountability for capital allocation, M&A and strategy implementation decisions



Questions and answers



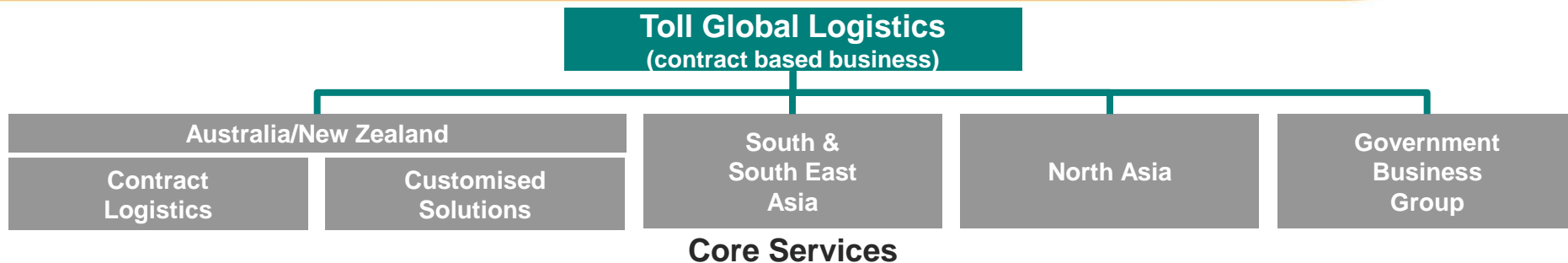
Toll Holdings Limited

Toll Global Logistics

Chris Pearce

Investor Day 30 October 2014

Toll Global Logistics



Transport & General Warehousing

- Integrated offering
- AU wide chemical specialist
- Innovative transport solutions

Specialised Warehousing & Secondary Distribution

- Automated warehouses
- Parts logistics
- Built to suit multi-user warehousing

Warehousing & Transport

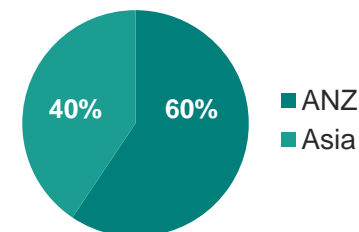
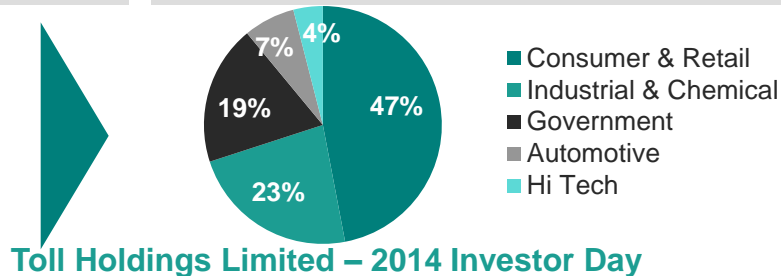
- Built to suit multi-user warehousing
- Primary & secondary transport
- Customs bonded warehousing
- Feeder business (shipping)

Defence and Government Supply Chain Solutions

- Contract logistics & distribution
- Healthcare logistics
- Airport fuel logistics

Revenue = A\$1.4 Billion

Source: ASX and media release on FY14 full-year account



Broad Asia-Pacific presence



AUSTRALIA

42 facilities totalling 7.1m sqft and over 650+ vehicles with nationwide coverage



CHINA & TAIWAN

>1,000 staff, 25 facilities with over 4m sqft and nationwide delivery



INDIA

>2,000 staff, 49 facilities/offices totalling 1.4m sqft, and >50 owned vehicles



NEW ZEALAND

National transport and logistics facilities of more than 200,000 sqft



SINGAPORE & MALAYSIA

12 facilities totalling 825,000 sqft and transport across MY & SG



INDONESIA

>100 staff, 4 multi-user and dedicated facilities totalling 157,100 sqft



THAILAND

>300 staff, 3 facilities with over 420,000 sqft & delivery to over 3,000 drop points in 24-48 hours



VIETNAM

>500 staff, 8 facilities totalling 438,100 sqft and nationwide transport coverage



KOREA

2 facilities of 131,000 sqft and nationwide transport



UNITED ARAB EMIRATES

4 facilities, including Jebel Ali FTZ DC, with over 612,000 sqft

**Australia &
New Zealand**

**27.6
Million**



Asia

**4.1
Billion**

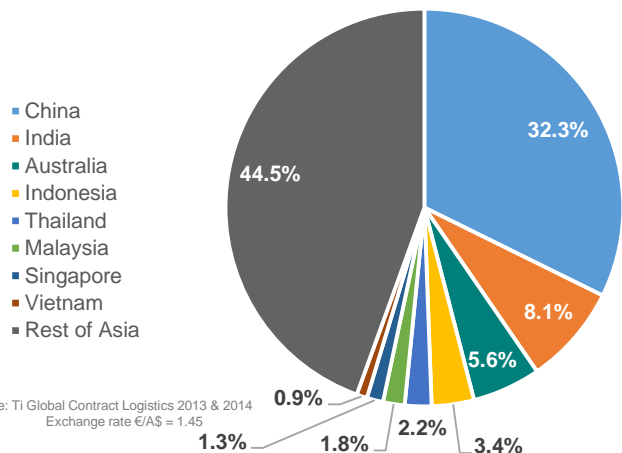


Market outlook

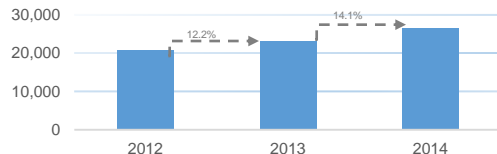
Outsourced contract logistics market

- Asia-Pacific grew at a rate of 5.8% from 2012 through to 2013
- A 13.4% CAGR was originally forecasted for the period 2012-16, however this has been downgraded to 8.9% for 2013-17
- Regardless, Asia is forecasted to grow at a faster rate than other regions, in particular:
 - India (12.3%), Indonesia (11.7%), Malaysia (10.2%), & Vietnam (10.9%)
 - Singapore is also expected to experience good growth at a CAGR of 7.3%
 - In 2013, China surpassed Japan as the largest contract logistics (CL) market in Asia at A\$23bn

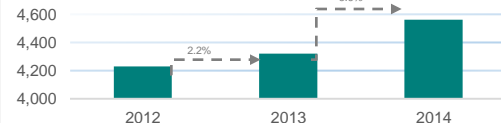
Asia-Pacific Market Sizing



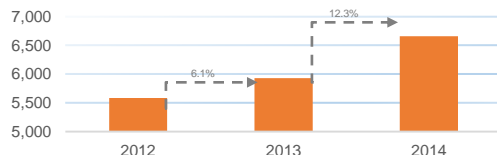
China CL Market Sizing (A\$,m)



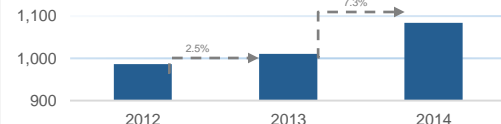
Australia CL Market Sizing (A\$,m)



India CL Market Sizing (A\$,m)



Singapore CL Market Sizing (A\$,m)



Source: TI Global Contract Logistics 2013 & 2014
Exchange rate €/\$ = 1.45

Competitor analysis

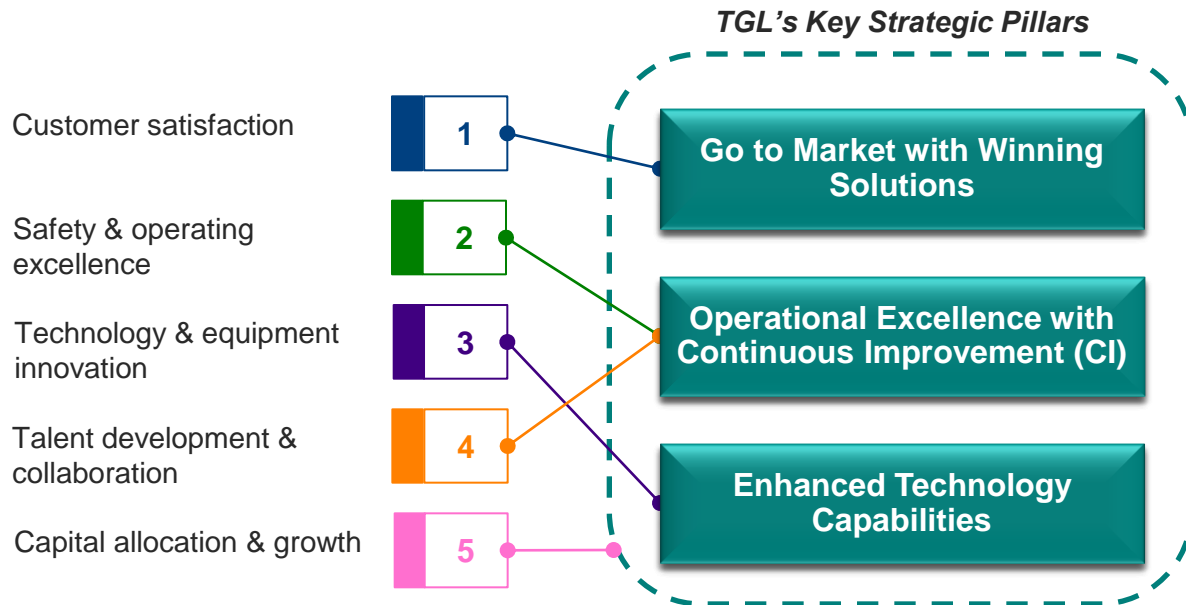
What differentiates TGL?

- Large, stable and low risk provider with common operating methodologies
- Unrelenting culture and focus on OHSE, compliance and operational excellence aligned to target customers growth
- Our willingness to put skin in the game through an optimal, 'Asset-appropriate' approach to support customer requirements
- Strong focus on delivering value to our customers through:
 - Relentless focus on meeting and exceeding our customer promise
 - Innovative performance based commercial models
 - Use of fit for purpose leading edge technology solutions
- An Asia-Pacific regional business development focus leveraging existing blue chip relationships to grow our regional footprint
- Comprehensive coverage throughout the region:
 - Market leader in Australia
 - Tier 1, 2 and 3 transport coverage in China
 - Strong presence in Singapore

Strategy

Alignment to Group and market

Our Vision: the leading Asian provider of end-to-end demand-driven logistics services



By 2025, Asia-Pacific will account for nearly 60% of the world's total expenditure

- Asia-Pacific infrastructure market is expected to grow by 7% to 8% a year over the next decade approaching US\$5.36 trillion annually by 2025

By 2030, Asia-Pacific's economy will:

- Exceed that of the G7
- Be the largest economic region in the world
- Have the largest domestic demand & growth profile

Source: PwC, 'Capital Project and Infrastructure Spending: Outlook to 2025', 2014)

We will see the impact of this growth during our 5 year strategic plan

Snapshot of our customers

Long-term relationships reinforce our investment in continuous improvement



▪ 36 years



▪ 32 years
(Foster's Group)



▪ 20 years



▪ 38 years



▪ 27 years



▪ 17 years



▪ 15 years



▪ 17 years



▪ 17 years



▪ 14 years



▪ 17 years



▪ 13 years



▪ 17 years

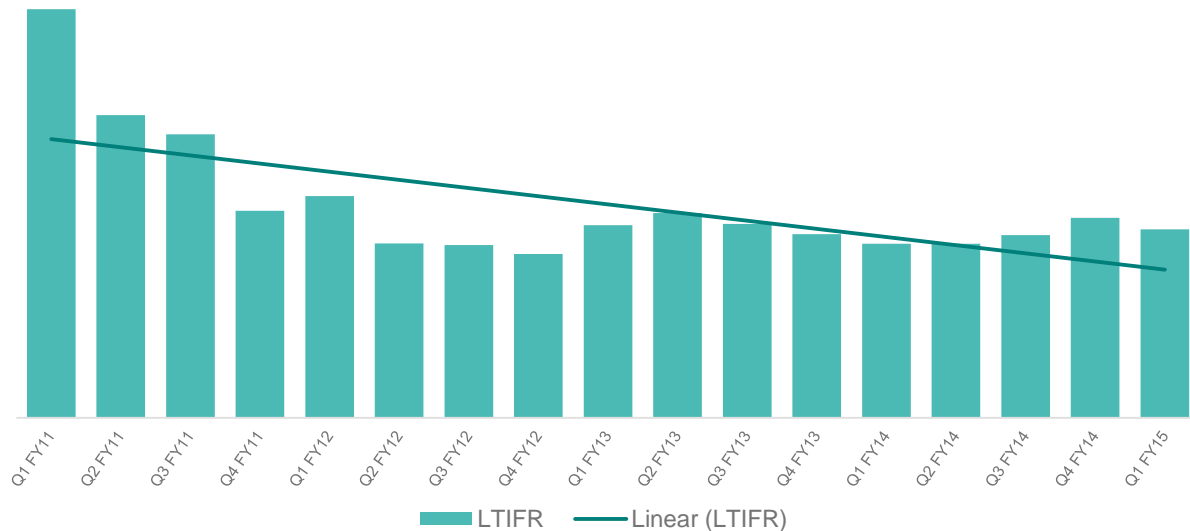


▪ 12 years

Safety focus and performance

Safety and compliance is paramount wherever Toll operates

Consistent approach across Asia-Pacific providing competitive advantage; valued by key target customers (but not all)



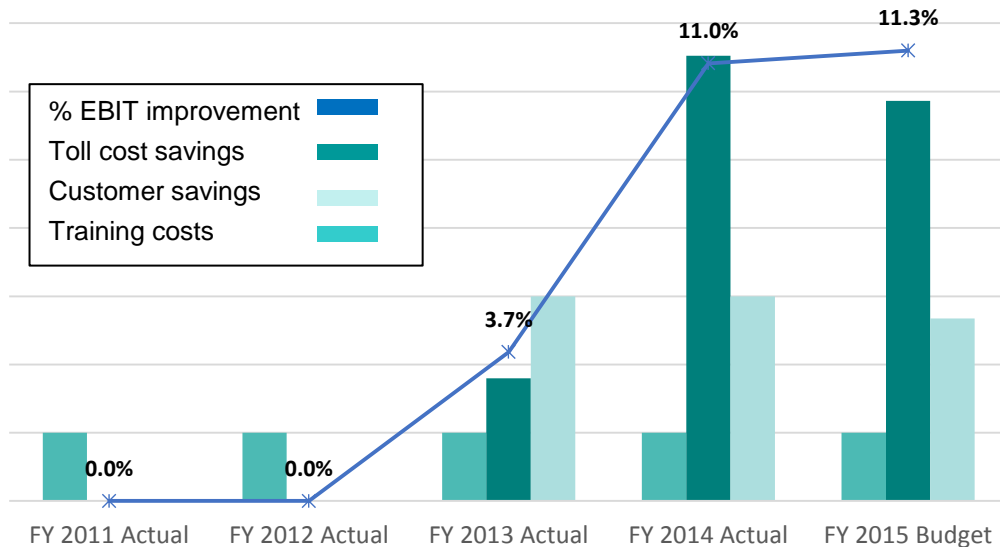
Safety observations and development of appropriate training modules

- Audit tool targeted at safety performance standards
- Incident investigation training – root cause analysis
- Online hazard and analysis system
- Driver fatigue management
- Technology and equipment innovation to reduce manual handling injuries

Continuous improvement (CI)

Helping customers improve service and reduce costs in their supply chains

Estimates based on an actual BU within TGL



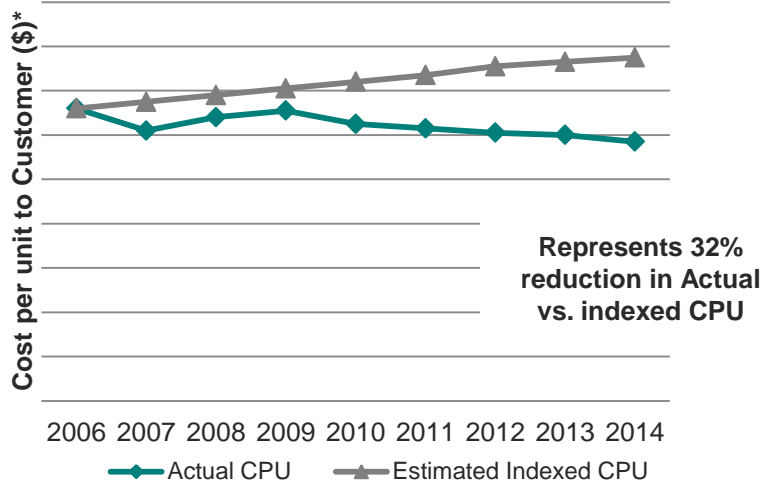
- Formal detailed CI programs in place across Australia and New Zealand
- Substantial benefits to both shareholders and customers
- CI is a medium to long term process but has good payback and supports our innovative commercial models
- Key part of our overall value proposition to our customers

Formal CI program will be adopted more widely within TGL and the overall Toll Group

Continuous improvement

Case study – Nike Australia

Creating Customer Value through Continuous Improvement



*Excludes pass through costs

Our continuous improvement journey to date

- Over 30 continuous improvement projects executed
- Continuous improvement tools used right through the supply chain; customs clearance through to store delivery and returns
- Joint continuous improvement teams involving the customer

Benefits to the customer

- Speed to market enhanced
- Reduction in the % of supply chain cost to sales
 - Cost per unit reduced
 - YOY productivity improvements
- Enhanced the delivery experience to the customer
 - Enhanced DIFOT; best in 3PL in emerging markets
 - Best in class inventory accuracy

Benefits to Toll

- Profitability and revenue enhanced due to new business
- Contract extensions without going to tender
- Reduced contract management cost to Toll

Innovating for success

Introducing super B'Doubles to Singapore



- Alignment with foreign worker strategy and drive for productivity improvement
- Environmentally friendly
- Operational excellence
- Safety

TGL/TRGL working together with Orica

Success from collaboration

Orica (India)



- Awarded new win for >10,000MT transportation from Vizag to Gomia
- Started April 2014 and on-going
- A One Toll initiative leveraging Toll Mining Services specialist skills and Toll India dedicated fleet network on the North-South freight corridor
- Improved North/South corridor profitability and efficiency

TATA STEEL



**Leveraging TRGL's
Orica Strategic
Relationship**



**TGL's Transport
Capabilities in India**



One Toll success:

- Orica (a TRGL customer in AU) was challenged by changes in the India Regulatory Environment in early 2014 which prompted a need for a reliable supply chain and compliant transport operation
- Toll provided a fast response and has 'raised-the-bar' via dedicated fleet, improved safety & compliance and efficiency
- TRGL and TGL collaborated on the development of the solution and implementation of the transport operation

Investing in Asia

Toll City: Your regional hub of choice

The new frontier: speed, agility, productivity
High velocity supply chain solutions

Toll City: fact sheet

Gross Floor Area	1,000,000+ sqft
Level	5 levels with ramp-up vehicle access
Floor-to-Ceiling Height	10-12m, enables 7 pallet-high racking
Location	Tuas; close to the new port & road links into Malaysia
Extent of Technology	Customer-specific (Semi/fully automated)



Summary

- Expect a greater push of 'what we do well' in Australia to be translated into Asia
- Continued focus on ongoing growth in Australia and New Zealand
- Focused on maintaining margins and seeking new business through continuous improvement initiatives with our existing key customers
- Focus growth around health care, pharmaceuticals and new high value sectors
- Asset appropriate investment across Asia to drive growth
- Competitor differentiation, an Asian regional centric strategy along with investments with adequate ROCE returns will drive TGL's growth
- My focus for TGL:
 - Ensure a safe working environment for our employees
 - Leading the business in living our values and culture aligning with target customers
 - New business growth through continuous improvement and value added services



Toll Holdings Limited

Toll Resources & Government Logistics

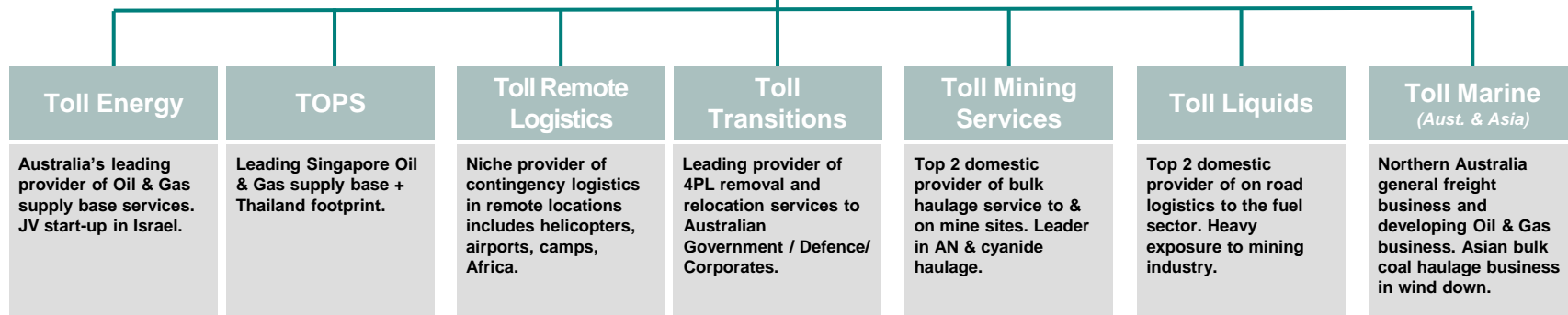
David Jackson

Investor Day 30 October 2014

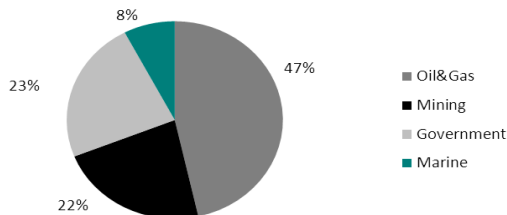
Toll Resources & Government Logistics

Specialist contract logistics provider to Resources & Government sectors

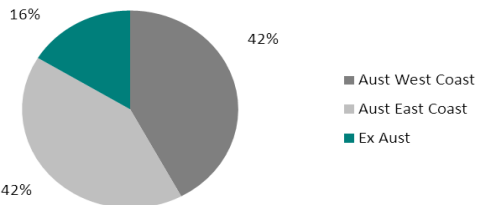
Toll Resources & Government Logistics



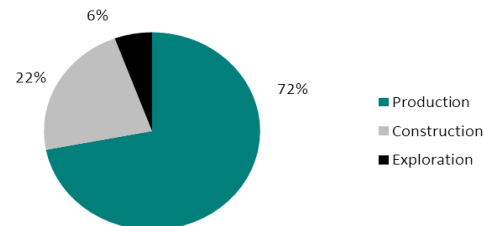
TRGL - Industry exposure
FY14 Revenue



TRGL - Geographical exposure
FY14 Revenue



Production v Construction v Exploration
FY14 Revenue



Diverse but complementary service offerings...



Australian operations



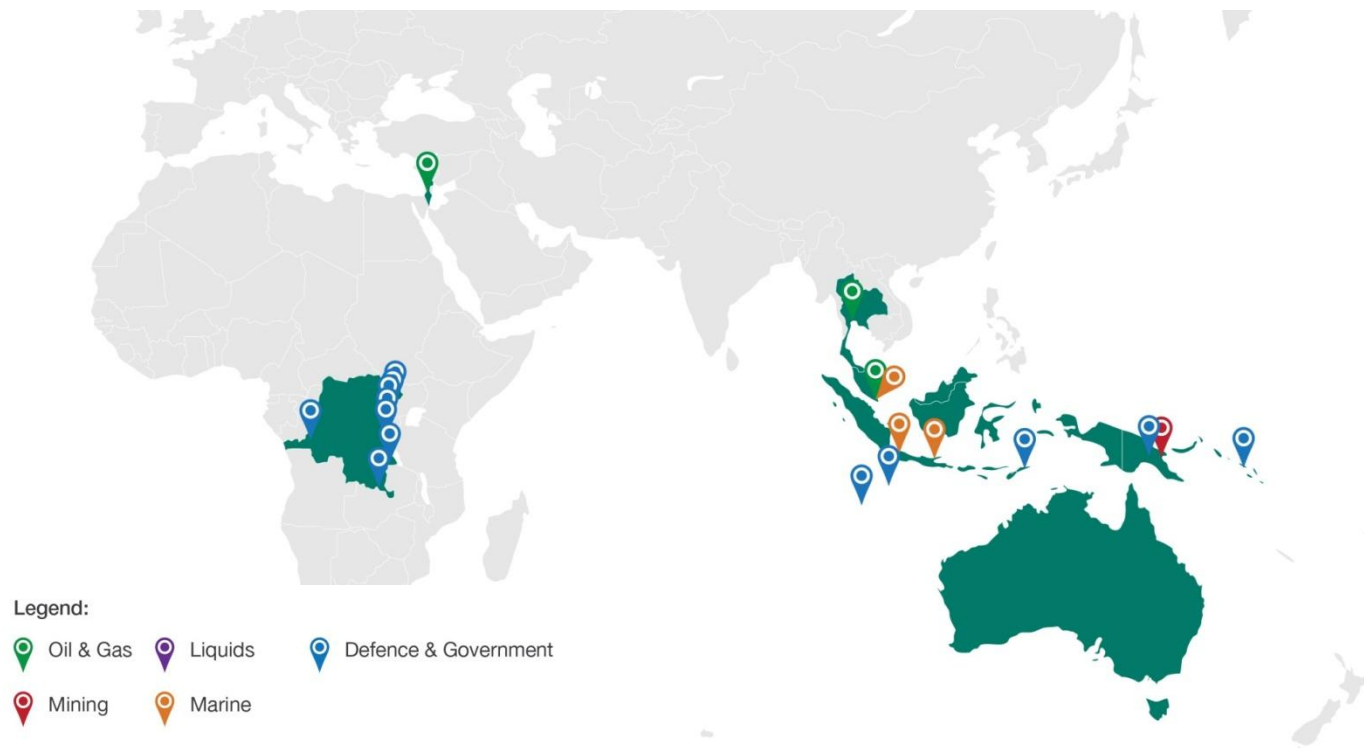
4,500
EMPLOYEES &
CONTRACTORS

FY14 Revenue
\$1.4bn

6,000
EQUIPMENT
ITEMS



Worldwide operations



OPERATE IN
9
COUNTRIES
IN OVER
110 SITES

Markets – Mining Services

Toll has a solid business operating in a challenging macro environment for mining services companies

- Strong market positions (top 2 provider) with market leadership positions in explosives haulage (Ammonium Nitrate), cyanide and hydrocarbons
- A leader in safety systems, technology and processes
- Strong operational knowledge and experience – ability to avoid major pitfalls in a specialised sector
- Will be a beneficiary as smaller players exit through current round of market weakness
- High barrier to entry in existing markets given equipment size and specifications
- Long term contracts in place (up to eight years) and a large number recently renewed
- Opportunity to expand consultancy business

Markets – Oil & Gas

Toll is the market leader in Oil & Gas logistics domestically and through Asia. Traditional market dynamics are changing

- Large number of new entrants in recent years but have failed to gain traction – safety, track record are key
- High domestic cost base forcing some to look offshore for development and increased focus on controlling project costs that had blown from initial focus of being ‘first to market’
- Movement from construction phase (larger size projects, with higher risk and margin) to production phase (lower size, recurring quality revenue with lower margins)
- Market opportunities domestically in servicing Qld CSG production/drilling and floating LNG. Across Asia oil & gas will remain a growth sector (BHP, Rio looking to increase exposure)
- Innovation in equipment design and capability assists in winning significant extensions in contracts with customers like Santos and Chevron

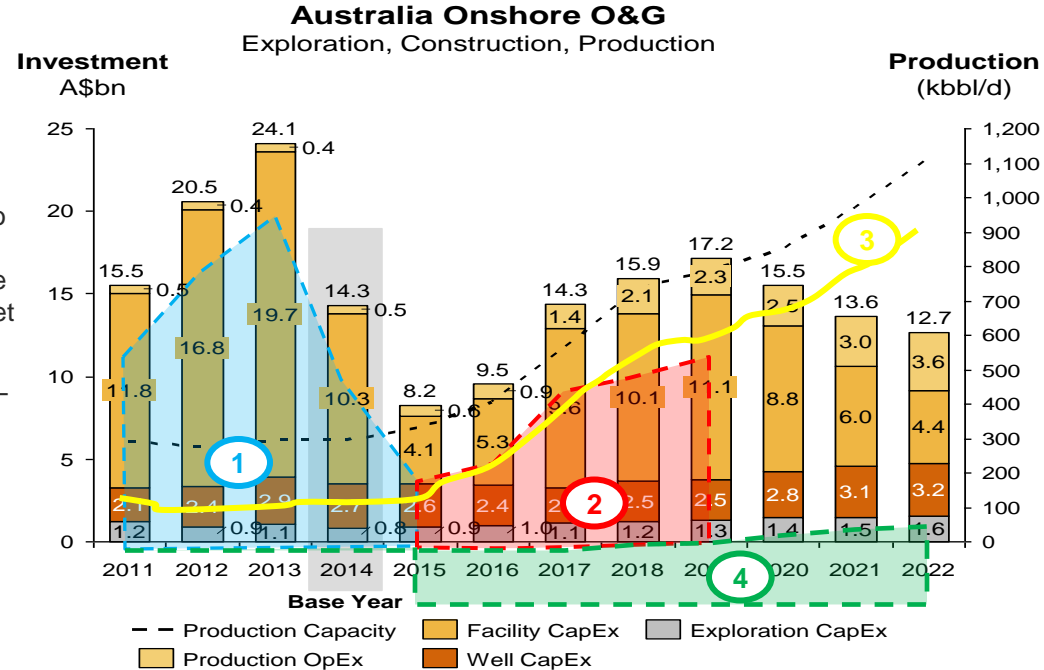
Markets – Oil & Gas

Moving from construction to production

The market is currently inflated by construction activity for LNG liquefaction facilities in Queensland

Key trends impacting activity in the region are (see chart for corresponding #):

1. Completion of Curtis Island megaprojects from 2014 to 2016 results in a significant reduction in facility development Capex – reducing the size of the onshore O&G market and resulting in surplus gear in the market
2. A recovery in construction Capex relies largely on Arrow proceeding with its own LNG liquefaction plant – *a project at risk of being cancelled*
3. Onshore production Opex is expected to increase significantly as LNG liquefaction facilities are commissioned and operations commence
4. A large and sustainable market (i.e. 20+ years) is the well drilling in the onshore CSG fields required to provide gas to the LNG facilities



Source: Rystad Online Database, BREE Resources and Energy Major Projects, Booz & Company analysis

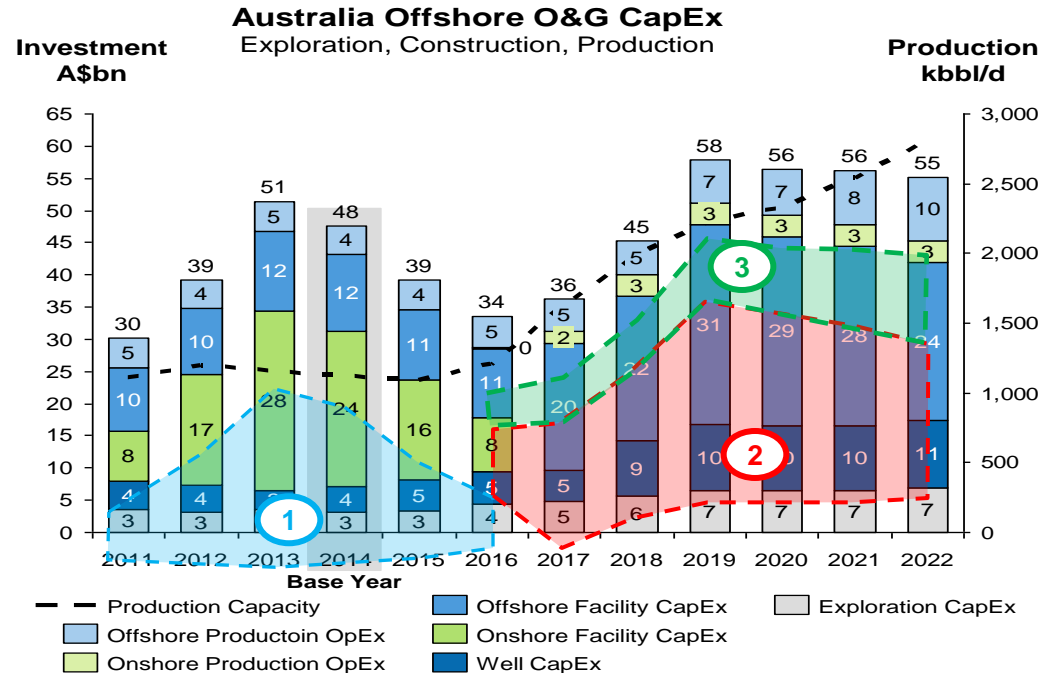
Markets – Oil & Gas

New opportunities offshore Logistics

Offshore Oil & Gas market is expected to remain buoyant to 2022, primarily driven by offshore developments, but also contributed to by offshore exploration activity and offshore production Opex

Key trends impacting activity in the region are (see chart for corresponding #):

1. Decline to 2016 will be driven by wind down of current mega development projects including Barrow Island (Gorgon LNG)
2. Future growth after 2016 is expected to be driven by FLNG mega projects currently in planning stage – during construction phases, FLNG will have reduced logistics requirements as the facilities are fabricated outside of Australia
3. Substantial growth in Opex is expected as LNG and FLNG plants are commissioned – marine services will form a substantial component of these costs



Source: Rystad Online Database, BREE Resources and Energy Major Projects, Booz & Company analysis

Divisional strategic alignment

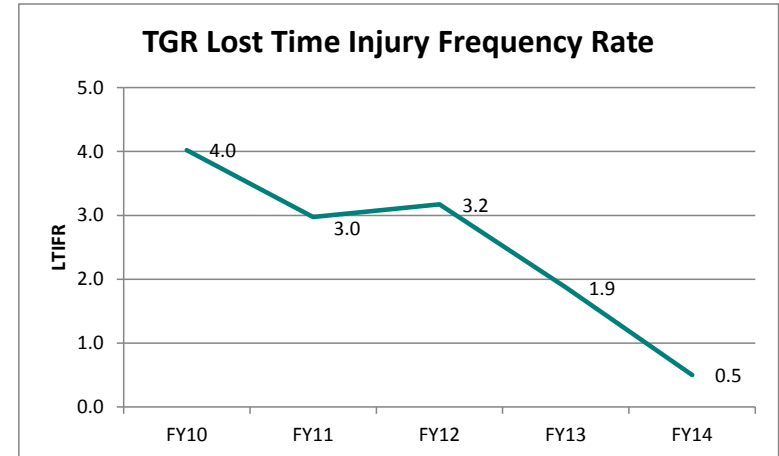
To be a leading provider of the supply chain logistics services to the Mining & Oil & Gas industries in Australia and a successful niche provider to Government/NGOs and resources companies offshore

1	Customer satisfaction (Customer centricity)	<ul style="list-style-type: none">▪ Strategic selling training programs being rolled out for key customer facing staff▪ Rolling out new customer satisfaction surveys to improve measurement & understanding
2	Safety & operating excellence (Continuous Improvement)	<ul style="list-style-type: none">▪ Further enhance safety culture to maintain the industry leadership position in safety in the oil & gas logistics market (nil LTIs for 5 years). Moving to market leadership position in mining services and liquids through investment & innovation. (refer over slide)▪ Rolling out new continuous improvement program focus on efficiency & productivity
3	Technology & equipment innovation (Innovation)	<ul style="list-style-type: none">▪ Innovation focus resulted in major contract wins e.g.. Chevron 5 year marine contract (innovative design new to market, safer & lower cost than competition)▪ Development of proprietary software, unique Defence transitions product
4	Talent development & collaboration (One Toll)	<ul style="list-style-type: none">▪ Investing in our people – leadership, safety, strategic selling, commercial▪ Look to leverage intra-division cost opportunities (property, fleet, people, depots etc.)
5	Disciplined capital allocation (Shareholder value)	<ul style="list-style-type: none">▪ Targeted investment in growth opportunities▪ Sale of underperforming Marine Asia assets▪ Asset replacement programs and significant cost down focus across the division

What are the compelling reasons for adopting a 'values' driven approach to safety?

Lives saved, injuries prevented, less harm to people, less damage to equipment and environment

- Creates operational discipline that delivers
 - quality
 - productivity
 - continuous improvement
 - cost effectiveness
 - risk management
- Employees have the skills and competencies to improve production and minimise and manage health and safety risk
- **Fundamental to our competitive advantage**
- Employee engagement, morale and commitment – employer of choice
- Higher community expectations – workplace safety and road safety
- External relations/reputation and legislative compliance



Innovation – setting us apart

Safety

- Driver fatigue module within vehicle monitoring system (MT data)
- Train load out tipping sensors (road trains tipping coal into hopper for train loading)
- Equipment innovation and vehicle stability
- Prime movers equipped with EBSS level 2
- Performance based standard (PBS) trailing equipment with EBS

Operations

- Fuel monitoring systems
- Higher volume capability through legislative change
- Transitions proprietary software management system
- AB Triples

Growth / New markets

- Explosives supply chain solutions
- Marine vessel design (safety, productivity) leads to Chevron 5 year contract

Innovation – setting us apart



Challenges

- Short term: current divisional revenue mix leveraged to higher margin construction activity which is winding down.
- Declining commodity prices – result in excess of supply vs. demand of logistics support services in some areas impacting on pricing / margins (iron ore, coal)
- Mining and Oil & Gas majors are reducing capex investment and targeting aggressive cost reductions which is also impacting contractors
- Government fiscal constraints limiting project replacement opportunities
- Continuation of irrational short term pricing behaviour by some competitors

Opportunities

- Growth
 - Selling existing services across complementary sectors to existing client base
 - Queensland CSG market
 - Ammonium Nitrate storage and distribution (increase involvement in supply chain)
 - Further increase domestic fuel market share given focus under one business unit / division
 - Global instability – remote contingency logistics
 - Complementary acquisitions
- Further cost down initiatives
- Technology investment – operating systems and ERP
- Successful turnaround of underperforming marine businesses

Summary

- There are short term challenges given the macro environment in the Government and mining services markets to replace TRGLs existing construction/project leverage.
- Performance of the division is being diluted by the underperforming marine business – a key focus of management.
- The business remains in an enviable position across the market in terms of its market leadership positions with long term existing contracts.
- TRGL's structure provides an opportunity to generate not only synergies but growth opportunities given the service breadth with industry focus.
- TRGL remains focused on extending its competitive advantages in safety, market presence, technology, equipment, people, systems and investing in innovation and continuous improvement to improve shareholder returns.



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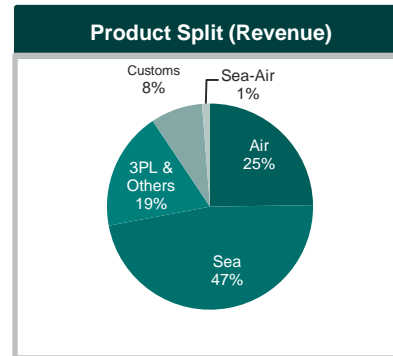
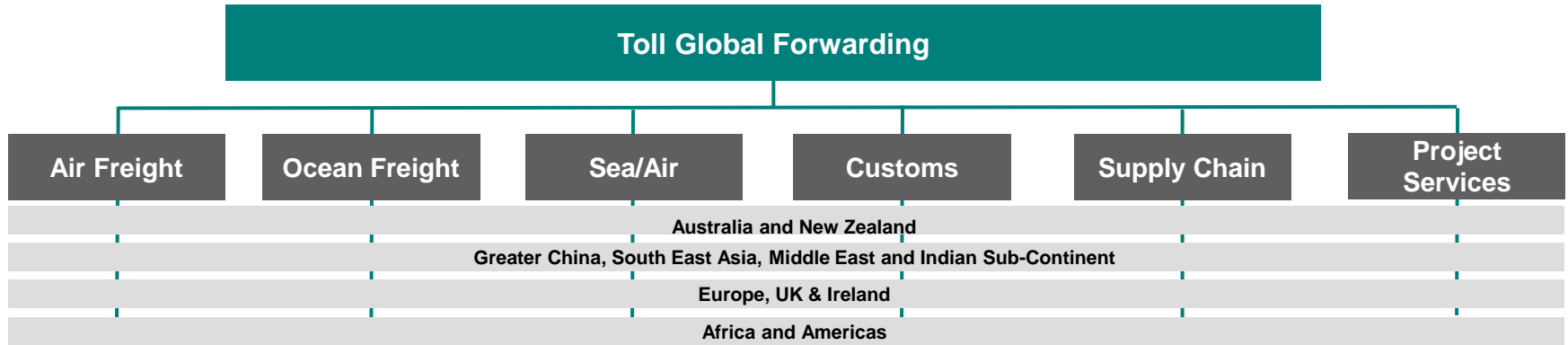
Toll Global Forwarding

Paul Coutts

Investor Day 30 October 2014

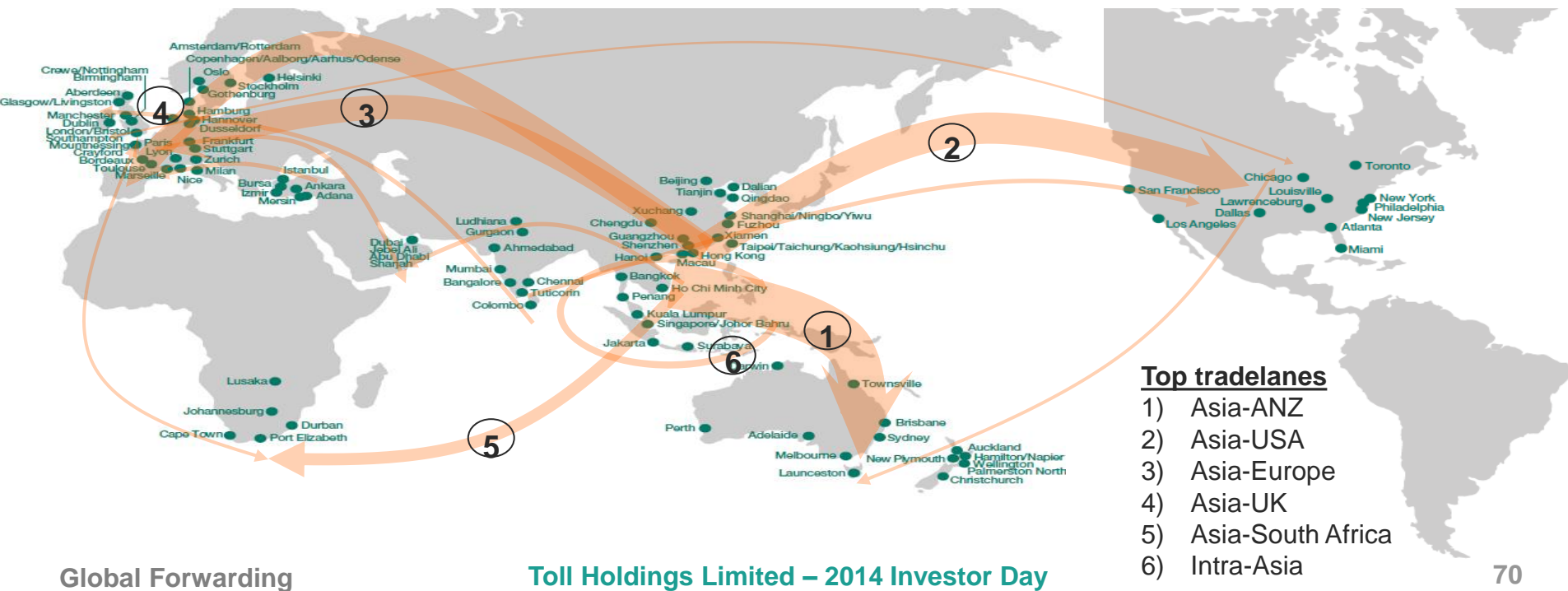
Toll Global Forwarding

International freight forwarding and advanced supply chain management services



Geographical coverage and key trade lanes

~5,000 employees across ~130 offices in 25 countries



Industry structure

- Fragmented market - market leaders have <10% share
- Air 53% of market, ocean 47%, but ocean growing faster than air
- High growth in 1990s driven by Asian GDP and trade, outsourced logistics, and containerization. Slow growth post-GFC.
- Asia has been primarily export but is becoming increasingly bilateral
- Continued complexity of regulation ensuring need for specialist forwarding activities for many customers
- Low barriers to entry to establish a single trade-lane operation but serving customer broadly requires larger network, know-how and systems
- Industry is consignee dominated with most customers spreading spend across many providers
- Labour costs are significant ~55% Gross Profits

Industry conduct

- Cost control is vital and industry productivity has improved substantially over time
- Integrated technology platforms and business process optimization are a key enabler to outperformance – leading players all investing here with mixed success
- Product innovation is moderate with industry specific solutions emerging e.g. perishables and value-added services. These niches attract 20% premium
- Industry is slowly consolidating – leading players making mop-up acquisitions in select country markets or industry sectors e.g. pharmaceuticals
- Forwarders becoming less asset intensive but seeking to lock up long-term supply agreements with strategic freight partners

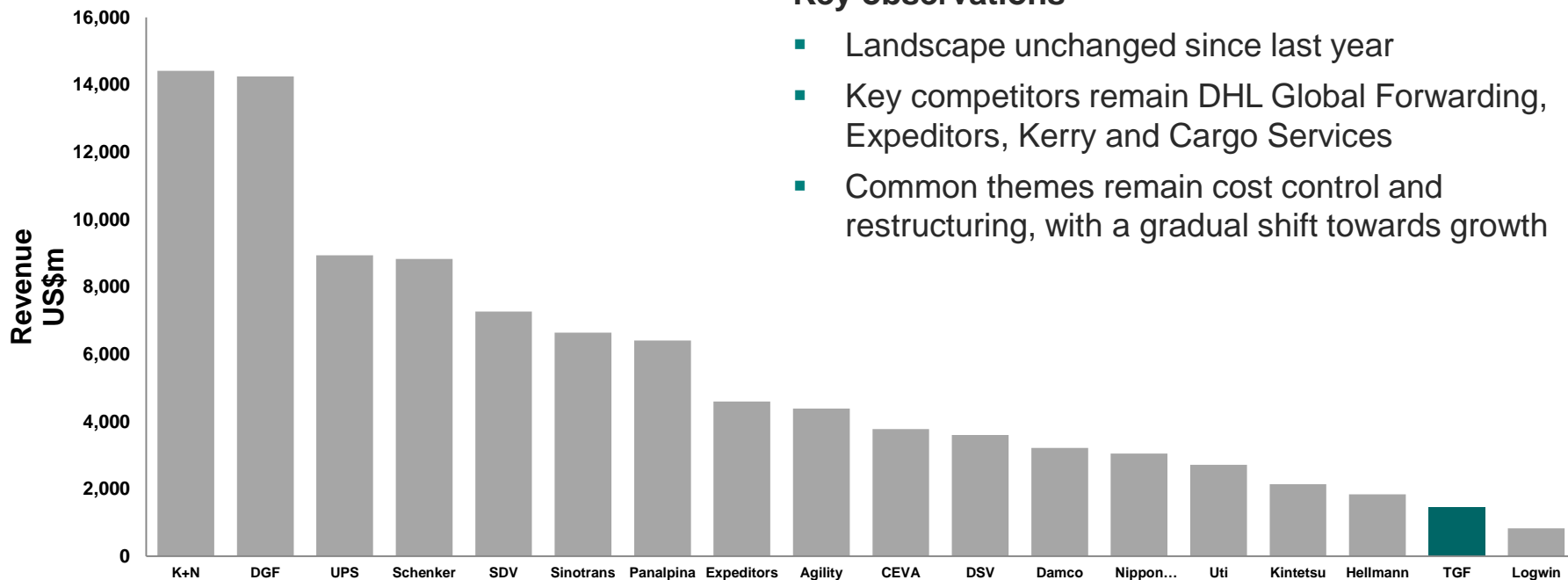
Industry performance

- Last 10 years, leading players have delivered:
 - ~15%+ ROCE
 - GP Margins ~16%-24%
 - Average EBIT margins ~4%
- There does not appear to be one winning model as careful selection of trade-lanes offsets scale advantages, and specialization offsets asset-intensity.
- The potential for escalation of IT investment could be a 'game changer' if it is successful

Business environment and trends

- No major structural shifts across the global forwarding landscape in FY15 expected
- Prevailing market conditions continue – air and ocean freight markets are under pressure as significant over-capacity is a continuing issue
- Overall consumer sentiment and confidence appears to be improving – but little tangible evidence of this converting into a pick-up in volumes
- Subdued macroeconomic environment puts our customers under pressure to cut costs and logistics costs are a key area of focus
- Accelerating global trend in online retailing has evolved into an important sales channel
- China will remain the centre of manufacturing in the short-to-medium term

Our market position requires a focused strategy



Key observations

- Landscape unchanged since last year
- Key competitors remain DHL Global Forwarding, Expeditors, Kerry and Cargo Services
- Common themes remain cost control and restructuring, with a gradual shift towards growth

Source: Annual Reports, Toll Analysis

Our mission:

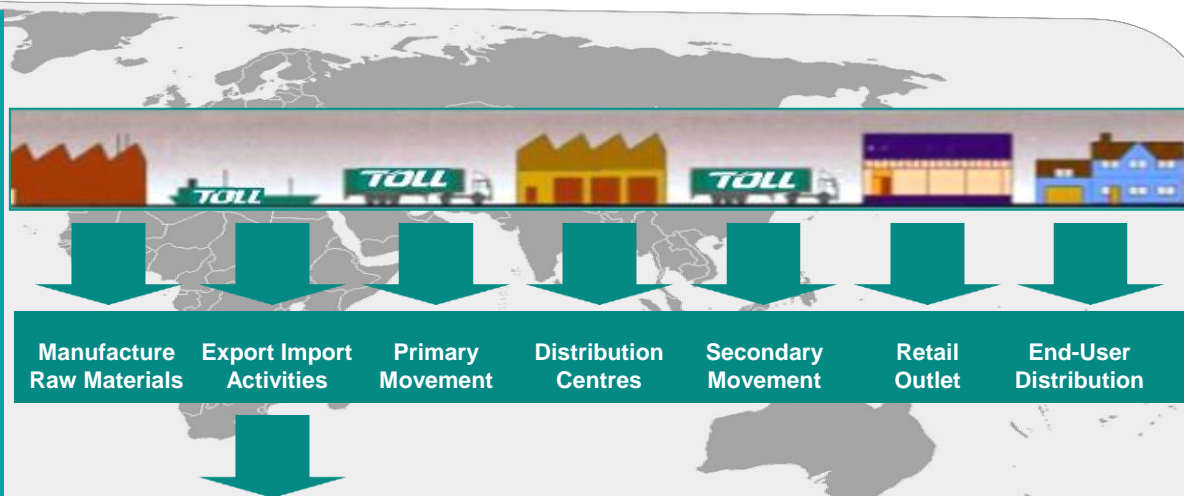
Asia-centric, we pride ourselves on our flexibility, responsiveness and our ability to anticipate customer demands. That 'can do' attitude is a key part of the DNA embedded in our 5000+ employees across 25 countries

	Relationship & Service "global capability, local service"	Value for money "competitive pricing"	Industry tradelane knowledge "trusted advisor"	Supply chain visibility "we add value to your business"
Our Offer	<ul style="list-style-type: none"> Engaged local, regional and global management team 	<ul style="list-style-type: none"> Worldwide multi-modal Partnering with best-in-class suppliers 	<ul style="list-style-type: none"> Local talent & expertise Identify and share best practices 	<ul style="list-style-type: none"> End-to-end supply chain visibility
Point of Difference	<ul style="list-style-type: none"> Equitable to the top-tier competitors in terms of capability/scope of services, Speed - less red tape to develop and implement unique toll solutions 	<ul style="list-style-type: none"> Our experienced product teams ensure you have the best service options to meet customers needs 	<ul style="list-style-type: none"> Strong 'bench strength' within our management and country teams Australian B2C market Unique distribution centre bypass solutions Strong Asian operations 	<ul style="list-style-type: none"> Flexibility: our in-house tool allows for customized reporting and functionality Speed of execution Supply Chain Milestones are managed to anticipate and rectify delays

Toll provides integrated solutions along the supply chain

Unique model

- Because we provide access to comprehensive road, air, sea and rail networks, customers receive the modal solutions best tailored to their needs
- Our combined divisional strength means we draw on the resources of an entire suite of integrated solutions that maximise efficiencies across all elements of the supply chain



Key projects & customers

- One of the world's largest online marketplaces
- Global computer software developer
- World's most innovative electric automotive company

Moving forward from acquisition to consolidation and restructure to re-engineering and growth...

TGF

Mission	Leading provider of customer-centric global tradelane solutions, leveraging on Toll's Asia expertise			
Products	Air Freight	Ocean Freight	Supply Chain	Niche Products e.g. Sea-Air
Themes	Transform GP-to-EBIT conversion		Drive GP and ignite growth	
Strategic Initiatives	Cost to Serve Cost Optimisation <ul style="list-style-type: none"> Operational and back-office productivity Business process re-engineering (BP&O) Continuous improvement Global Processing Centres 	Right size and restructure <ul style="list-style-type: none"> Rationalise corporate, regional, country management structure Project Forward PMO established to oversee transformation 	Drive product yield and margin <ul style="list-style-type: none"> Carrier volume incentive programs Mix of volumetric/dense Reduce co-loading Build up own-service and consolidations <i>Network First</i> 	Growth – sales and volume development <ul style="list-style-type: none"> Salesforce effectiveness Core tradelane strategy Global strategic customer and sector development Tender management Innovative forwarding supply chain solutions Agent network Franchise development
Strategic Enablers	Business Process & Systems	Sales Excellence	Investment in People	Leveraging One Toll

Aligned to Toll Group strategy

Maximising customer satisfaction through providing the most diverse and professionally executed set of individual and integrated solutions

Continuously improving safety, customer service and operating performance

Delivering industry leading technology and equipment capabilities and solutions

Creating a talent organisation that rewards collaboration across geographies and business units (One Toll) and the pursuit of excellence

Deploying capital in pursuit of organic and inorganic growth where appropriate risk-adjusted returns can be generated

TGF Strategy:

- *Global customer & segment development*
- *Network product solutions*
- *Connecting customers via trade lane strategy*

- *Global off-shoring of low value processes*
- *Business process re-engineering*
- *Enhanced roll-out of safety program*

- *Development of ICON V3*
- *Investment in value added services in China and S.Africa*
- *Leverage US and UK supply chain infrastructure*

- *Reward and heavily incentivise cross BU solutions*
- *Share best demonstrated practices*

- *Invest appropriately in new markets/products*
- *Sweat the assets*

Project Forward

What does success look like?

- **Strategically, what success looks like...**
 - Strong mid-size forwarder
 - Density on a sufficient number of lanes
 - Capability to grow organically faster than the market
 - Enhanced productivity
- **We see our place in the forwarding market as an agile and attentive player with an integrated suite of services principally for medium-to-large sized MNCs**
 - Recognised as a market leader to/from ANZ
 - Well positioned in Asia – the world's fastest growing region
 - With our strong footing in Asia-Pacific, combined with our global network, we will become a respected global player

Our health and safety journey

In October 2013, TGF conducted a strategic review of Health and Safety resulting in:

- Closer alignment with the Toll Group strategy;
- Implementation of a global H&S governance structure;
- Increased understanding of the importance of reporting all incidents;
- Appointment of a Divisional Health and Safety manager

FY15 Health and Safety initiatives

- Ongoing development of safety leadership skills and employee safety awareness
- Continued focus on lead indicators
- Identification and management of key risk areas in the business
- Implementation of health and safety management system (18001 compliant)

Summary

- No major structural shifts expected across the global forwarding landscape in FY15
- Project Forward delivered gross cost savings of A\$20m and 15% productivity improvement in FY14, positively impacting margin and ROCE
- FY15 sees continued focus on cost but a shift to actively growing the Gross Profit “Hold & Grow”. A number of initiatives are being embarked upon to achieve this “Hold & Grow”
- Recently introduced management reporting tools will support the implementation of these initiatives and drive benchmarking and accountability at all levels in the TGF organisation
- Continuous improvement and innovation programs being rolled out
- Continued focus on driving our safety standards. Think Safe. Act Safe. Be Safe



Questions and answers

Toll Holdings Limited
2014 Investor Day



Toll Holdings Limited

Toll Global Express

Shane O'Neill

Investor Day 30 October 2014

Divisional service offerings

Toll Global Express

TGX core offering is Express freight , via any mode that matches requirement. Time is the dimension that defines the offering , rather than cube and weight.

Time Defined Express

Time Critical Express (Priority)

- Primarily Air
- Same Day
- Overnight
- Global

Road Express (IPEC)

- Premium next day + by road
- Sensitive Freight
- Fashion service

Metropolitan Delivery Services (Fast)

- Courier
- Taxi trucks
- Distribution
- Local
- Dedicated

Cash in Transit & Valuables

- ATMs
- Cash in Transit
- Processing
- Valuables

Specialised Solutions

Recruitment Solutions

- Labour-hire
- Permanent
- Training

Document Solutions

- Integrated design, print, promotions
- Documents and mail
- Mailroom outsourcing

Japan

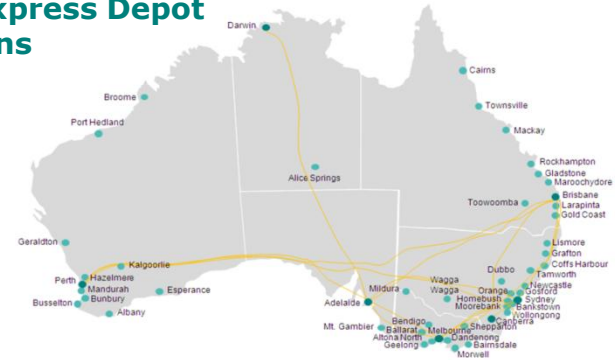
- Express road freight solutions in Japan

Toll Consumer Deliveries

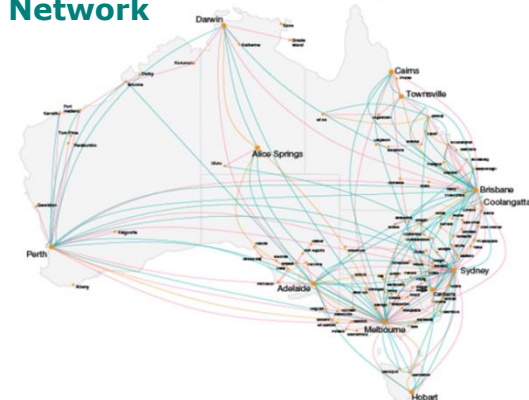
Market leading service profile and network

- Same day service for urgent parcels and documents with same business day delivery to another capital city or region in Australia
- Overnight service delivered to most locations in the morning of the next business day
- Road express delivery throughout Australia in 2-7 days
- Metro point to point courier services
- Metro distribution services
- Global document and parcel express and economy international services
- Sensitive freight and dangerous goods
- Garments on hanger, flat packs and store-to-store transfers

Road Express Depot Locations



Domestic Air Network



KEY

- Virgin Australia flights
- Interstate network
- Regional network

Unrivalled express freight capability



4000+ flights per week

- 5 Boeing 737 aircraft, and 46 other owned and subcontracted aircraft
- 4000 flights per week + air charters
- exclusive belly space access to Virgin Australia and Virgin Samoa domestic and international flights
- air charters
- Asia network Capability



4000+ vehicles

- total of 4000+ vehicles throughout Australia including subcontractors
- range from one tonne vans to semi-trailers
- used for road linehaul and the pick-up and delivery (PUD) fleet, and metro point to point courier service
- low emission vehicles (CNG) in operation



300+ Depots & Agencies

- automated freight handling and sortation systems in major capital cities across Australia
- ideal locations for express freight times
- advanced security
- airside facilities at major airports
- 550 DX Exchanges and 50 mailrooms



Expanded network

- 1300+ alternate domestic drop-points (Toll Collection Points)
- global partnership with, SkyNet Worldwide Express, with network reach to 220 countries
- Asia, New Zealand, and South Pacific Network

Service features



Time bound including overnight



Same day or on-demand (point to point)



Global reach



Small parcels through to large items



Interstate, regional, or across the road



Satchels – 1kg, 3kg, 5kg



Missed deliveries taken to Toll Collection Point, redelivered or pickup from depot



Sensitive freight and hanging garment

Technology features



Automated sorting systems



Primary Elect - select when you want to receive your delivery



End-to-end tracking



Easy shopping cart integration



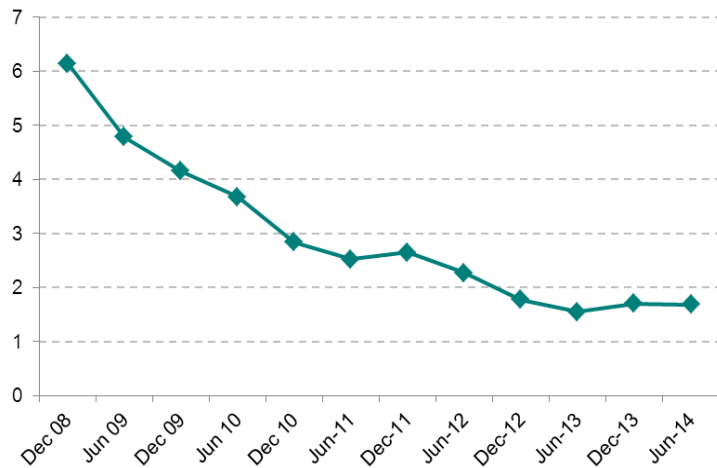
Choice of Authority to Leave or Proof of Delivery – where receiver signs for item



SMS pre-alert received on the day of delivery

Safety and our people

LTI Frequency Rate



- Increased focus on hazard identification and control
- Investment in equipment / depots / technology
- Targeted behavior change initiatives in key risk processes (e.g. forklift operation, driving, freight handling and manual handling)
- Investment in people through ongoing safety leadership training and support
- Improved safety governance
- Focus on delivering industry leading KPIs at all levels of the business

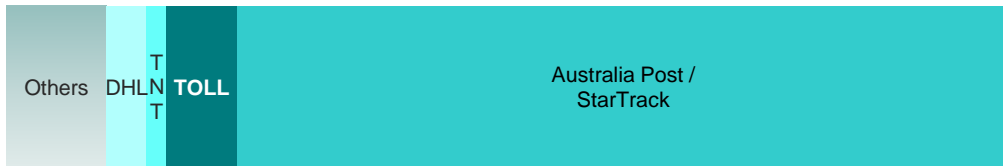
TGX programs and initiatives absolutely aligned to the Toll safety framework

B2B market position leveraged for B2C growth

Estimated share of the B2B market



Estimated share of the B2C market



Source: Toll analysis

- Australia Post/StarTrack hold near monopoly position in B2C market, yet B2B market is more evenly distributed
- B2C market ripe for disruption through differentiation
- Australia Post/StarTrack post integration – reputation/service now linked
- Less small players in the B2C market due to capability requirements
- Strong growth prospects in TGX core markets over coming periods

Responding to ever-changing market dynamics

1. B2C growth

- Fastest growing market – bringing different behaviours and capability requirements
- Australia Post/StarTrack has near monopoly position in low price points due to letter network, but hindered by service perception
- Profitable last mile delivery is the key to success
- Defensive issue as much as a growth opportunity

Toll's response

- Point of difference strategy
- Innovation and automation

2. Weight per con decrease

- TGX disclosed a 6.8% decline in weight per consignment in time defined express products YOY FY13 – FY14.
- Caused by shift towards B2C from B2B, as well as macro conditions
- Competitors (TNT) reporting similar movements
- Impacts yield

- Changing our pricing proposition
- Offset through focus on operational excellence

3. Cost increases and rate offsets

- Given the tight pricing environment, earnings gains are coming through a focus on operational excellence, whether through automation, innovation, or improved utilisation of assets
- Unable today to cover cost increases with price increases or organic growth
- Must be easier to do business with in the future

- Facilities and fleet
- Technology investment
- Back-office rationalisation

4. Supply Chain Disruption

- Digitization is impacting traditional paper centric services such as document transportation and cheque carriage
- Crowd sourcing platforms beginning to emerge overseas, that will come to Australia, that may have an impact on metro services in particular
- Customer disruption such as 3-D Printing JIT spare parts express services

- Planning fleet and assessing business for digitisation
- Assessing new platforms for applicability in local metro and B2C markets

Aligned to Toll Group strategy

Maximising customer satisfaction through providing the most diverse and professionally executed set of individual and integrated solutions

Continuously improving safety, customer service and operating performance

Delivering industry leading technology and equipment capabilities and solutions

Creating a talent organisation that rewards collaboration across geographies and business units (One Toll) and the pursuit of excellence

Deploying capital in pursuit of organic and inorganic growth where appropriate risk-adjusted returns can be generated

TGX Strategy:

- New product offerings
- Extensive network, reliably, efficiently and consistently delivering

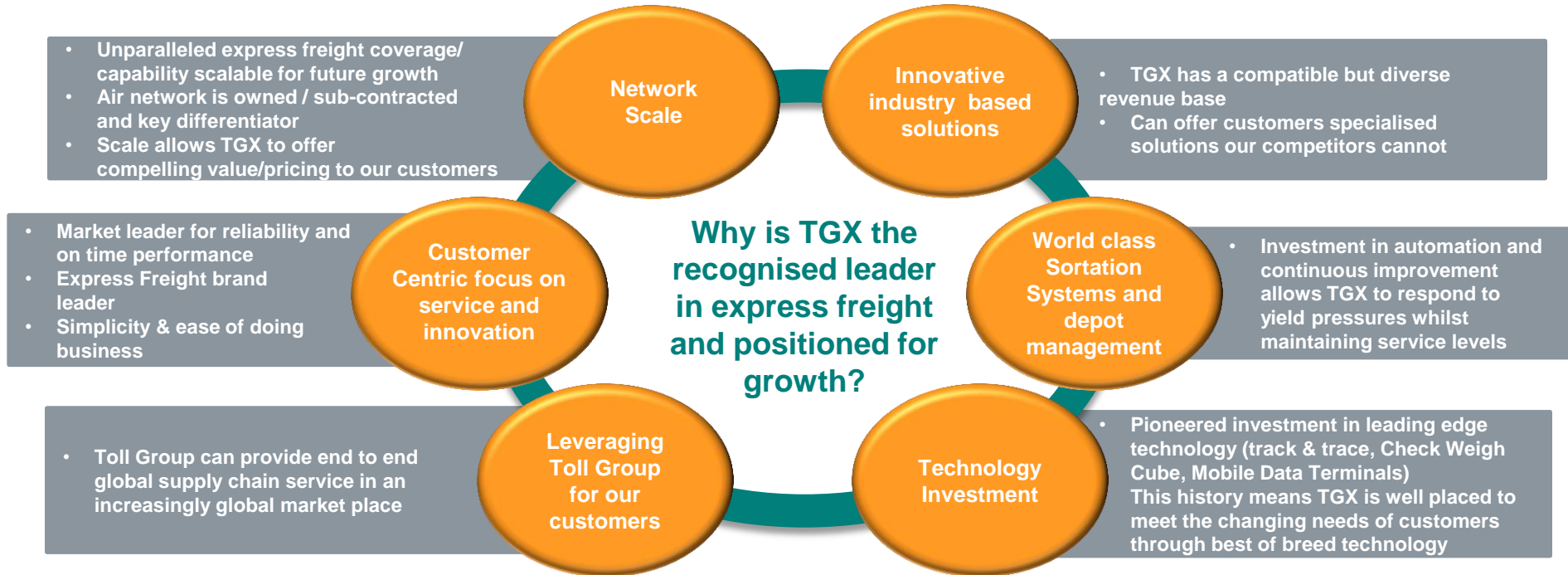
- Management operating standards and KPIs
- Investment in safety program

- Technology enabled business
- Automation and optimisation

- Investment in sales capability and talent
- Active teamwork as a core value

- Toll Consumer Deliveries
- Toll Secure
- SME focus

What success looks like



And as a result we are: recognised as the Asia-Pacific region's most successful provider of express freight services

Investments providing step-change in capability

Depots & Facilities



- Program consolidates multiple metro depots and eliminates duplication
- Capacity allows TGX to manage spikes in volume efficiently
- Positioned to leverage infrastructure – i.e. Bungarribee provides immediate access to M4, M7, GWH reducing BNE–SYD by 30mins
- Best in breed materials handling equipment lowers the handling cost per unit through automation, and lowers rework/double handling
- Facility design improves traffic flow and reduces wait times

Technology & Fleet



- Sortation down to street level improving the efficiency and cost per stop of the B2C offering, allows drivers on the road earlier, reduces re-handling
- Toll collection point network lowers the cost of missed deliveries
- Common mobility platform to deliver cost efficiencies utilising One Toll asset base
- Fleet investment reducing running costs and cost per delivery

Customer centric value proposition

Customer Needs

- Value for money, time critical distribution of freight
- Surety of service



- A domestic network with the scale to meet time commitments to any address
- Reach of a global network



- Technology that is best of breed and makes doing business easier
- An experience that delights the end customer



- Value add services beyond traditional freight that are responding to the way they do business
- Innovation to meet changing needs



TGX Offer

- Significant scale but flexible operating model to provide compelling value to all customer groups (individuals, SMEs, large users)
- Highest standard of on-time operating performance
- Ability to respond to demand changes and maintain service quality

- Unparalleled coverage and express freight capability
- World class fleet and depots that can meet any time requirement our customers desire
- An integrated global and local network, connecting systems and people

- Visibility from origin through to end-user proof of delivery
- Delivery solution that is flexible and responsive to end users needs
- Software solutions designed for specific markets and users (i.e. retail)

- Expertise in providing customised integrated solutions for customers
- Ability to leverage Toll's end-to-end capability
- Innovation to value-add beyond traditional express freight

Toll Consumer Delivery driving growth

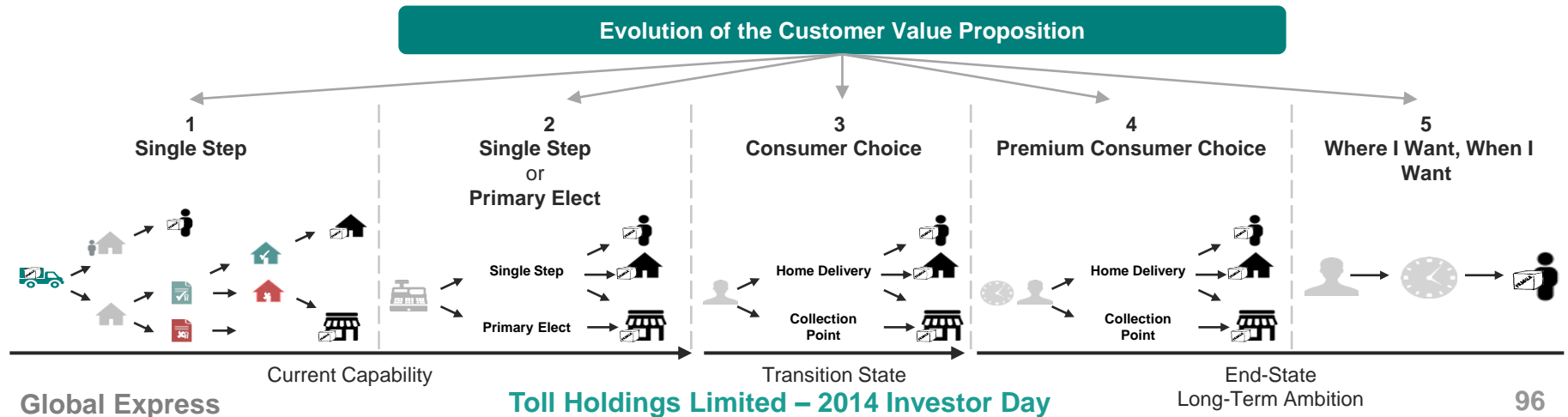
Delivering on consumers desire for choice

- Consumers looking for greater competition, and superior service
- Australia Post/StarTrack are the dominant player with around 80% of the market
- TGX is uniquely positioned to leverage our current capability and service to challenge the status quo
- Logistics spend associated with Australian B2C market total estimated \$830m and growing
- TGX will deliver a customer value proposition that resonates with customers and consumers alike
- Continuous improvement: leveraging the current asset base to provide a more efficient B2C delivery

Toll Consumer Delivery driving growth

What is a differentiated and consumer centric offer?

- Evolution of the delivery model: from single step to delivering “Where I want it, when I want it”
- eBay partnership through a TCD portal - trial to commence
- Common online platform
 - Standard e-commerce platform for bookings, tracking and self-service
 - improved usability focussed on customer requirements as well as operational improvements
- Track and Trace Mobility – providing consumer visibility across the network
- Existing B2B customers expanding the e-commerce and B2C market share



Growth

Customer centric offerings

Toll Secure

Delivering increased competition in the cash-in-transit and cash processing industry by providing a superior alternative to the entrenched services offered by the incumbents through

- Innovative solutions incorporating cutting-edge technology
- Leveraging Toll's core competencies, infrastructure and relationships
- Offering superior service customers are willing to advocate
- A focus on cost efficiency and flexibility



Direct To Store (DTS)

- Enables customers to consign freight from its point of origin and send directly to retail outlets via a TGX depot (rather than through a distribution centre)
- Allows customers to reduce supply chain costs, and increase flexibility and speed to market - all through the Toll network
- Leverages depot and automation investments being made
- Excellent example of the customer based solutions Toll can provide
- As yet unmatched offering

Japan

- Significant change/improvement occurring through Toll ownership
- Earnings improvement through operational improvement and Toll disciplines
- Key revenue and cost operational metrics have all improved over the last 5 years
- Meeting ROCE targets remains challenging
- Business is entirely self funding



Summary

- Express freight is an attractive market and a core TGX offering
- Express freight market dynamics are rapidly evolving
 - B2C growth and need to differentiate
 - Freight profile has changed (weight per con) impacting yield
 - Customer needs more sophisticated and demanding in terms of service and value
- TGX has a clear vision of what success is in this market, and a well defined strategy to deliver
 - Networked operational excellence
 - Leveraged network scale
 - Supportive, engaged and focused people culture
 - Discipline in terms of markets being development that core competence supports
- TGX's ability to offer One Toll solutions and leverage network scale differentiates us on the growth journey



Toll Holdings Limited

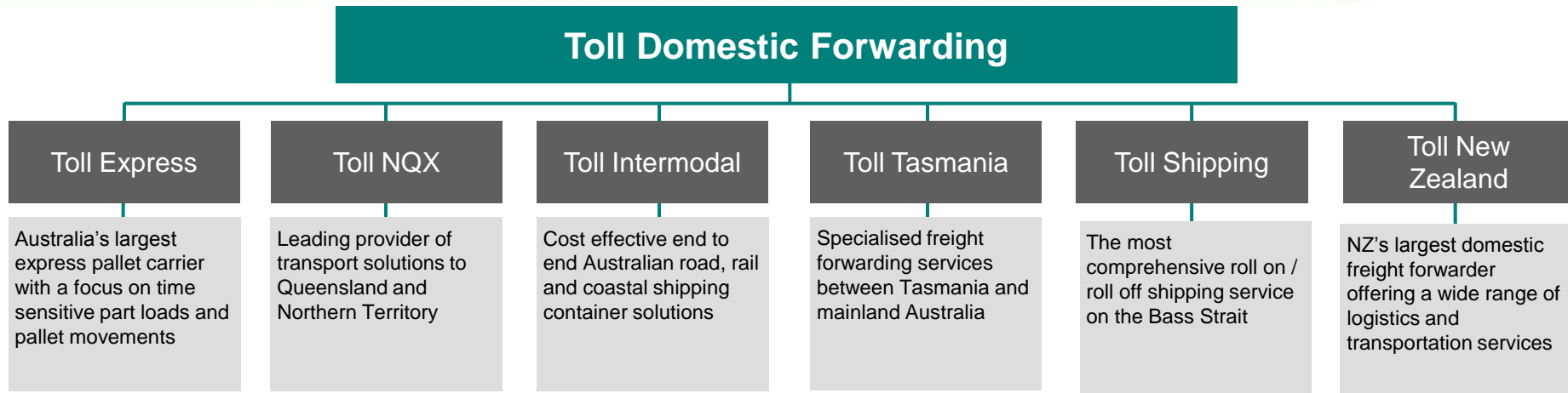
Toll Domestic Forwarding

Mal Grimmond

Investor Day 30 October 2014

Toll Domestic Forwarding

Full and part load freight forwarding across Australia and New Zealand



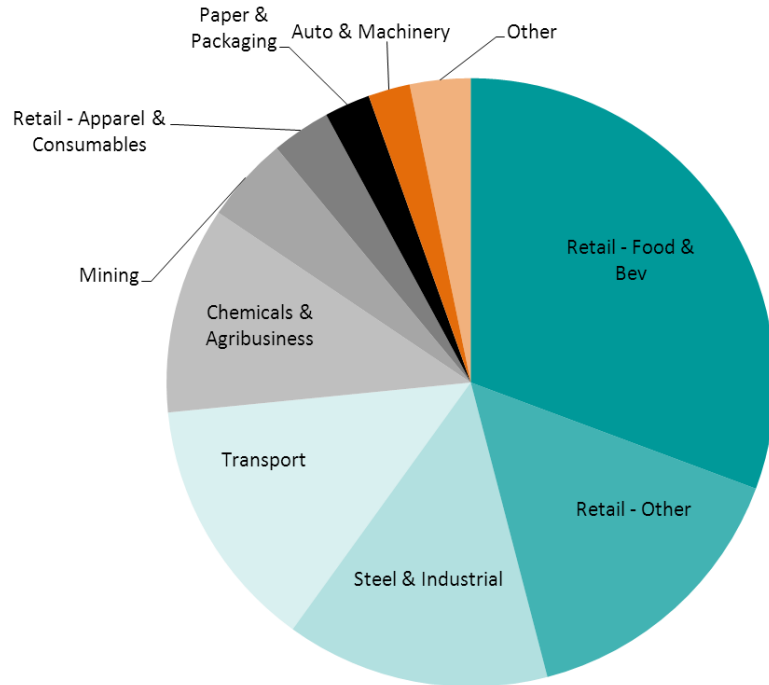
Employees: 5,660

(# of FTEs)



Servicing a large and diverse customer base

2014 revenue split by sector



- Over 20,000 customers
- Exposure to retail and mining sectors
- Higher exposure to mining when suppliers to the mining sector are included e.g. Compass

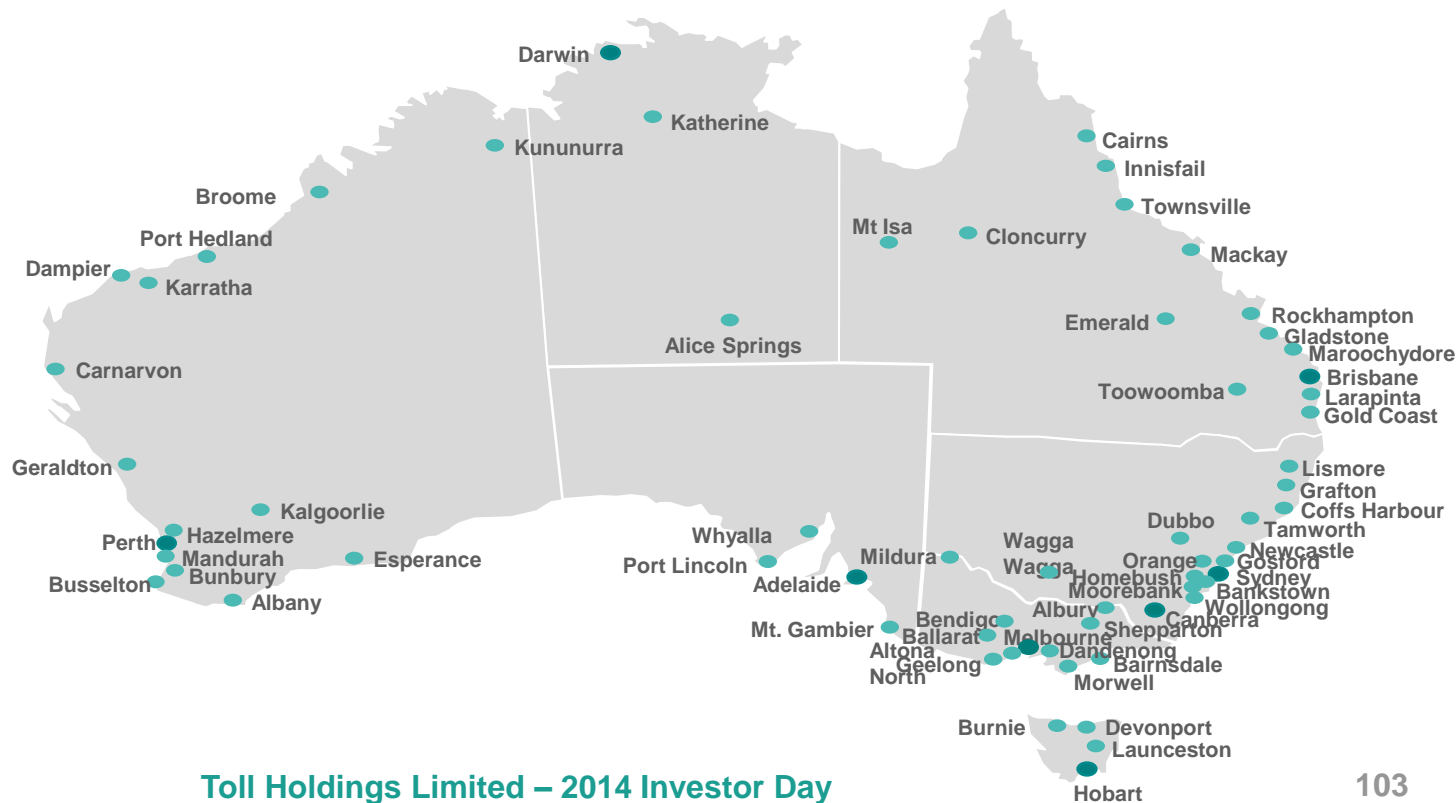
Unparalleled footprint across Australia provides unique network

TDF locations in Australia

- Capital Cities
- Regional Centres

Toll Domestic Forwarding:

- Extensive freight network enabling freight scale efficiencies
- Over 700 destinations nationwide
- Largest user of intermodal rail
- Largest user of coastal shipping
- ~50% market share of Bass Strait shipping



Along with a comprehensive network across New Zealand

- Branch network Whangarei to Invercargill
- Toll Tranzlink biggest user/customer of KiwiRail
- Branches with 'in-branch' rail sidings for direct access to rail wagons
- Major road linehaul network
- Company controlled regional delivery fleets

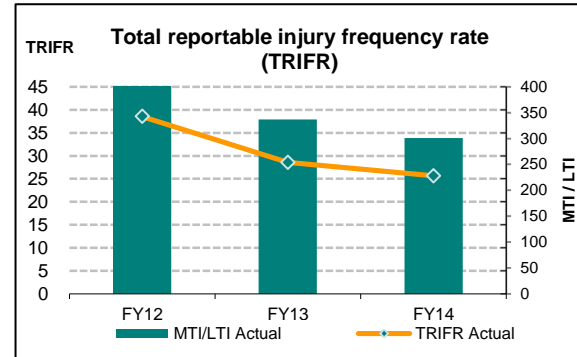


Safety is at the forefront of everything we do

Think Safe. Act Safe. Be Safe.

Making significant progress in improving safety

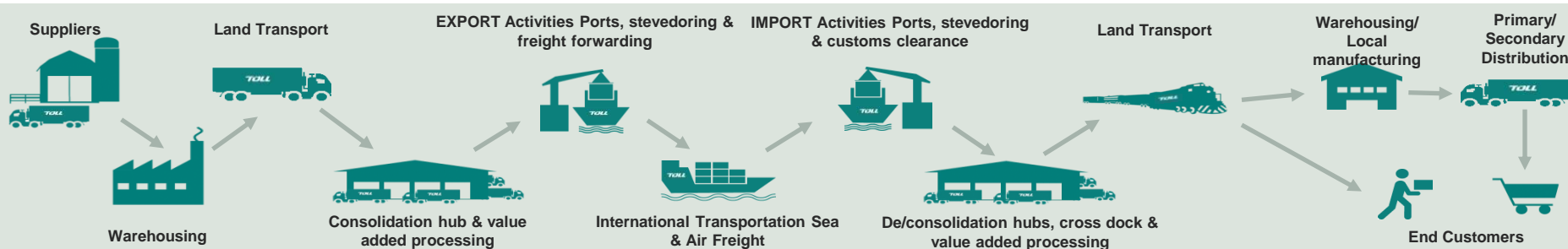
- Safety improvement culture embedded across organisation. Supported by individual fleet safety networks
 - Focus on workplace safety plus road safety
- Innovation
 - 24 hour fleet monitoring and alert system, tracking routes, vehicles, drivers and delivery times
 - ASTRAC on-board safety monitoring systems in terminal mobile fleet and lift equipment



Picture: Driver Simulator

Integrated supply chains core to our strategy

Seamless end-to-end management of goods and information



Order $\xrightarrow{\text{(Origin services)}}$ $\xrightarrow{\text{(Cross-border services)}}$ $\xrightarrow{\text{(Destination services)}}$ Delivery

Objective

Own or control / coordinate critical value points along the supply chain

Rationale

Customers want transparency and control(1) across complex supply chains

Evolution

Change in focus from single country to cross-border and multi product

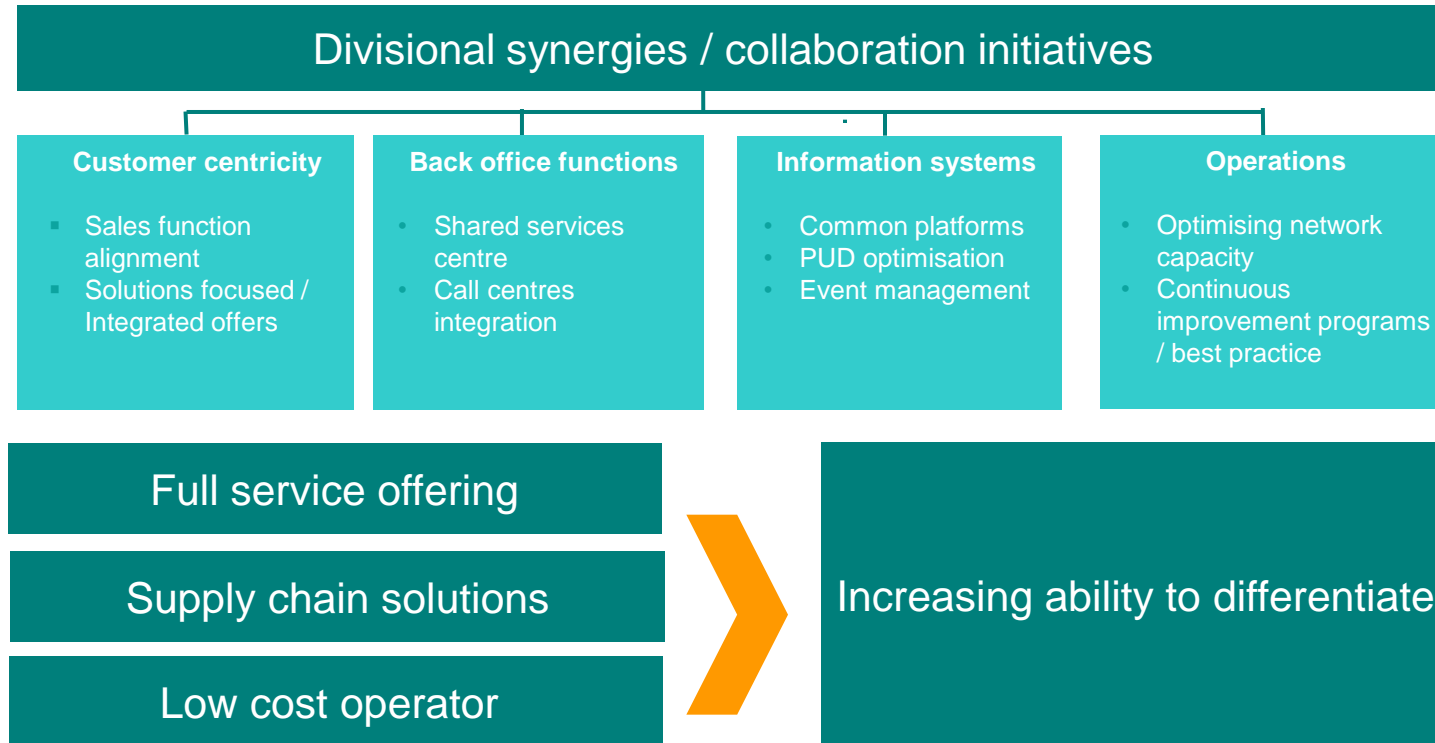
(1) Over physical assets and information in relation to those assets

Aligned to Toll Group strategy

In Australasia, Toll will further its position as a market leader in the provision of integrated transportation and logistics solutions by exploiting our core capabilities

	<i>TDF Strategy:</i>
<i>Maximising customer satisfaction through providing the most diverse and professionally executed set of individual and integrated solutions</i>	<i>Continued focus on service performance and retention of major customers</i>
<i>Continuously improving safety, customer service and operating performance</i>	<i>Revenue quality and cost control; continue the focus on safety</i>
<i>Delivering industry leading technology and equipment capabilities and solutions</i>	<i>Implementation of IT offering to differentiate service offering, build a platform for greater scale via property and equipment</i>
<i>Creating a talent organisation that rewards collaboration across geographies and business units (One Toll) and the pursuit of excellence</i>	<i>Collaboration across business units and divisions</i>
<i>Deploying capital in pursuit of organic and inorganic growth where appropriate risk-adjusted returns can be generated</i>	<i>Maintain organic growth by focus on target markets</i>

Enabling One Toll vision by harnessing leverage of a group of network driven businesses

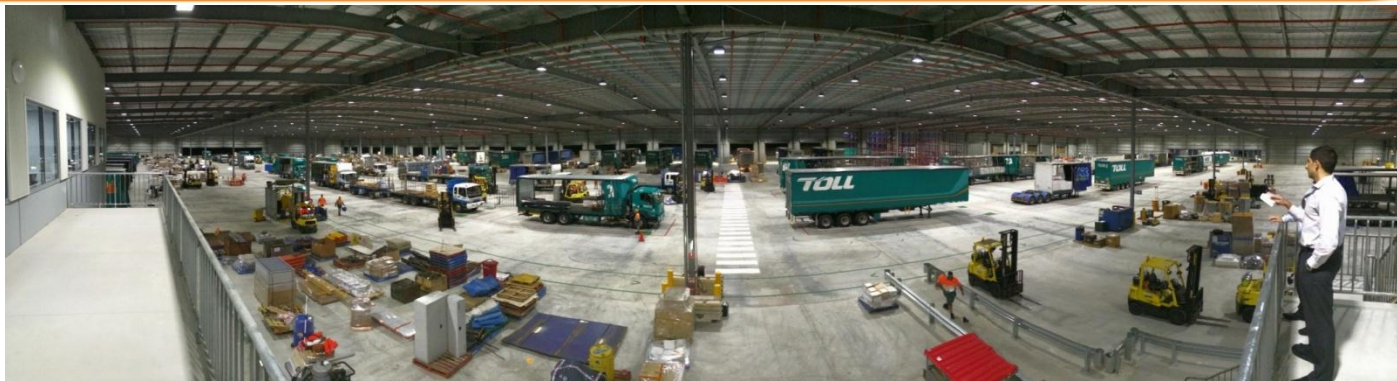


Actively adapting to current economic environment

Situation	Response
<ul style="list-style-type: none">▪ Current slow down in mining sector▪ Flow on impact to general economy▪ Impacting on freight volumes▪ Customers under margin pressure▪ Customer cost focus driving smaller loads more frequently	<ul style="list-style-type: none">▪ Expanding operational efficiency programs▪ Partnering with customers & suppliers to reduce cost▪ Capturing divisional synergies▪ Developing innovative equipment solutions▪ Creating value adding integrated service offerings for customers

Investing in enhancing core business infrastructure

Toll NQX
Karawatha
depot



Toll Tasmania
Brighton depot



Toll
Intermodal
Kewdale
depot

Pursuing a range of value creating growth opportunities

- One Toll value propositions
 - Leveraging Toll Group capability
 - Expanding customer connections/cross selling
 - Integrating solutions
- Expanding role in markets not fully 'tapped'
 - Specialised heavy haulage – leveraging Deeson heavy haulage acquisition
 - Import export supply chains – expanding port services footprint
 - Agriculture sector: aquaculture, produce etc. Toll NZ and Toll Tasmania well positioned
- Targeted M&A
 - Sector consolidation
 - Strategic assets
 - Joint ventures

Deeson heavy haulage fleet

Responding to demand for integrated service offering



Summary

Optimising market leading network businesses

- Leveraging new structure to realise full network benefits and integration capability
- Maintaining competitive position with focused cost management, innovation and collaboration
- Progressing disciplined investment in network assets and growth opportunities
- Pursuing growth opportunities from untapped segments
- Safety improvement program delivering operational benefits and becoming a value differentiator
- Business strongly positioned for economic recovery



Questions & answers

Toll Holdings Limited
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Balance Sheet & Cost Management

Grant Devonport

Investor Day 30 October 2014

Capital management

Key objectives

- **Debt management**
 - Guiding objective to maintain investment grade balance sheet
 - Match currency of debt with assets to reduce volatility in earnings and balance sheet
 - Spread maturity profile to avoid excessive refinancing in any period
 - Balance sheet capacity to enable organic and inorganic growth
 - Diversify funding base
- **Capital Allocation**
 - Capital investment aligned with strategy of organic growth
 - Return on Capital Employed (ROCE) key performance metric
 - Maintain discipline in capital allocation and portfolio rationalisation

Debt management

Responding to Toll's Strategy

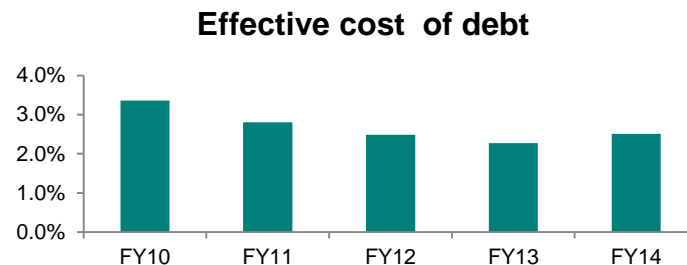
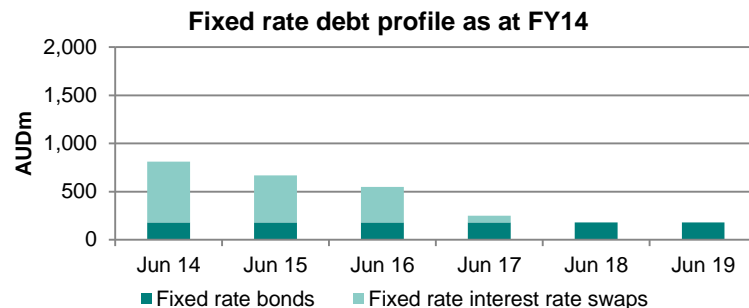
	FY10	FY14
Average debt maturity (years)	1.4	3.0
Bank debt as a % of total debt	100%	69%
Gearing	Approx 30%	Approx 30%
EBIT to interest cover	10.3	11.2
Net Debt to EBITDA*	1.8	1.9
Effective cost of debt	3.4%	2.5%
Net debt position	\$937m	\$1,231m
Undrawn facilities	\$646m	\$280m

*Net debt includes the present value of plant and equipment operating lease commitments

Hedging mitigates interest rate risk

- **Key objectives**
 - Manage impact of interest movements on EPS
 - Limit impact of interest movements on debt covenants
- Move floating to fixed via interest swaps and fixed rate bonds
- Between 40 - 60% of 3 year maturities hedged
- Interest rate increase of 1% would increase net finance costs by \$5m p.a. (\$11m p.a. if no hedging in place) *
- Effective cost of debt has been stable

* Assumes that all other variables remain constant. Based on balances and rates as at 30 June 2014



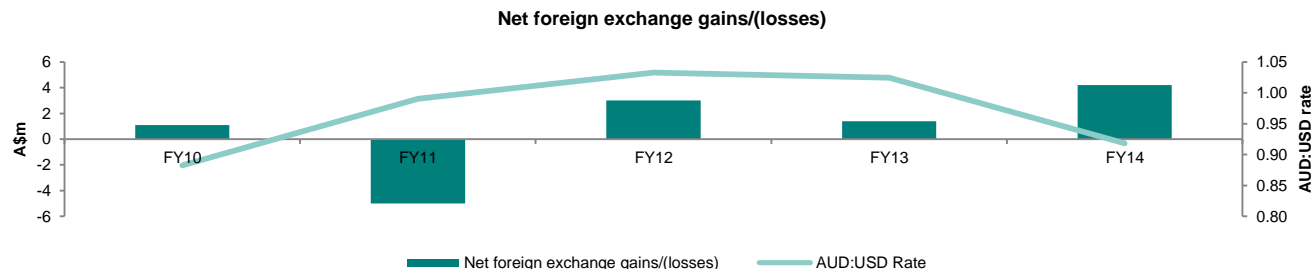
Effective management of transaction and translation currency risk

- **Key objectives**

- Manage the impact of currency movements on Group EPS
- Limit the impact of foreign currency movements on Group gearing levels

- **Transactional risk**

- Natural offsets of currency sales and purchases across the group negate the need to hedge transactional foreign currency exposures
- Year on year impact of currency has been negligible



* Assumes that all foreign currency items are denominated in USD and that all other variables remain constant. Based on balances, earnings and rates as at 30 June 2014

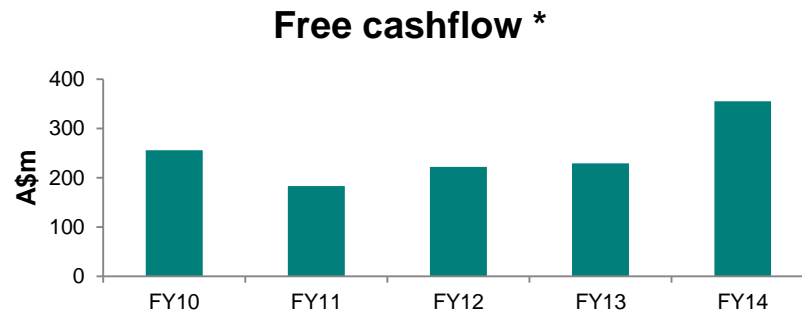
Effective management of transaction and translation currency risk

- **Translational risk**
 - Majority of revenue and costs are denominated in the same currency
 - Risk managed through net investment hedging; matching currency of debt against assets
 - Approach is to hedge foreign investments by 50-80%
 - Currency impact on EBIT partly offset by opposite currency impact on interest which minimises NPAT volatility
- A 10% depreciation in the AUD*
 - EBIT A\$10 million p.a. increase
 - Interest A\$5 million p.a. increase
 - NPBT A\$5 million p.a. increase

* Assumes that all foreign currency items are denominated in USD and that all other variables remain constant. Based on balances, earnings and rates as at 30 June 2014

Strong focus on working capital disciplines

- Working capital represents opportunity for further improvement
 - Strong focus on debtors will continue
 - Emphasis to be placed on improving payables
 - Review use of supplier financing
 - Leverage supplier relationships
- Free cashflow continues to improve from:
 - Capital spend discipline
 - Rationalisation of non-core and non-performing assets
 - Supports ongoing dividend payments



* Free cash flow = EBITDA +/- working capital movement – net capex

Cost management initiatives to accelerate

- **Three main areas to date which will all contribute to further cost reductions**
 - Capex benefits from targeted sustaining spend
 - Procurement benefits from leveraging One Toll
 - Restructure benefits from property and back office consolidation
- **Now focus will also move to**
 - Continuous improvement with specialist group resource recruited to drive consistent process
 - Technology with targeted investment to increase synergies and reduce cost base

Using technology to pursue further synergies

- \$250 million spend per year (capex and opex)
- Currently spend 20/80 grow versus run
- Shift technology investment from “keeping the lights on” to differentiating solutions
- Modernise platforms to take advantage of investment from 3rd party vendors
- Large cost reductions from move to cloud based offerings
- Will target significant cost savings over medium term

Global finance transformation

Leveraging shared services and cost reduction

- To accelerate cost savings and efficiencies in receivables, payables and general accounting
- Improve visibility of costs
- Enable further procurement savings
- Drive significant accounting and reporting processes
- Increase back office synergies

Summary

- Capital and debt management supports Divisional growth objectives
- We have significantly improved debt metrics over the last four years
- Interest rate hedging largely mitigates interest rate volatility
- Currency risk management through net investment hedge and natural offset of currencies
- Targeting further improvements in working capital
- Cost management initiatives underpinned by continuous improvement
- Targeted technology investments and cost reductions



Toll Holdings Limited

Technology

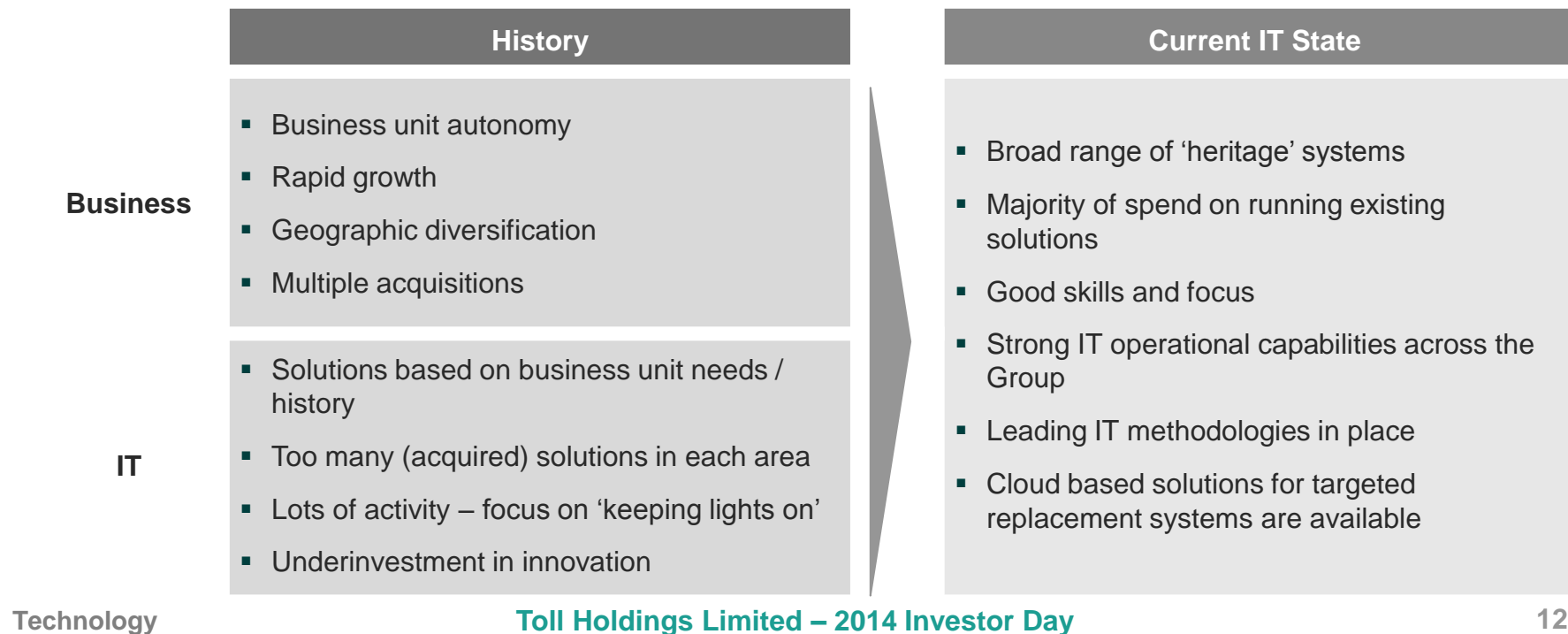
John Ansley

Investor Day 30 October 2014

IT @ Toll – context and current state

Significant opportunity to consolidate and re-focus resources

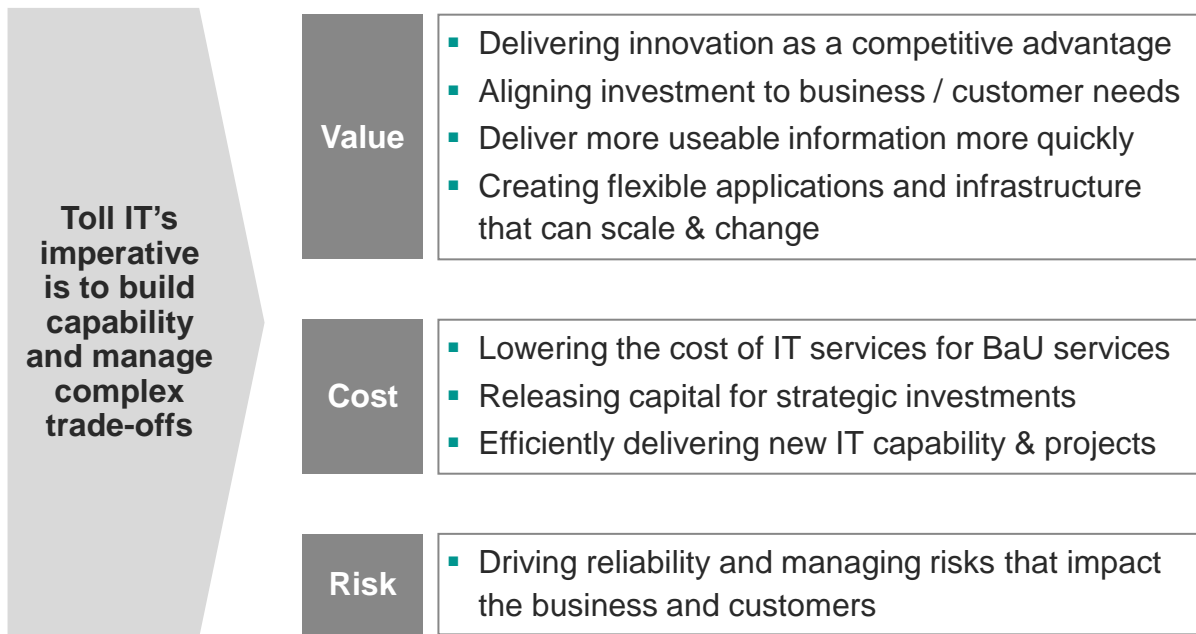
Toll's IT organisation has evolved alongside the business



Strategic positioning

Toll's IT strategy is key to delivery of the Group's strategy

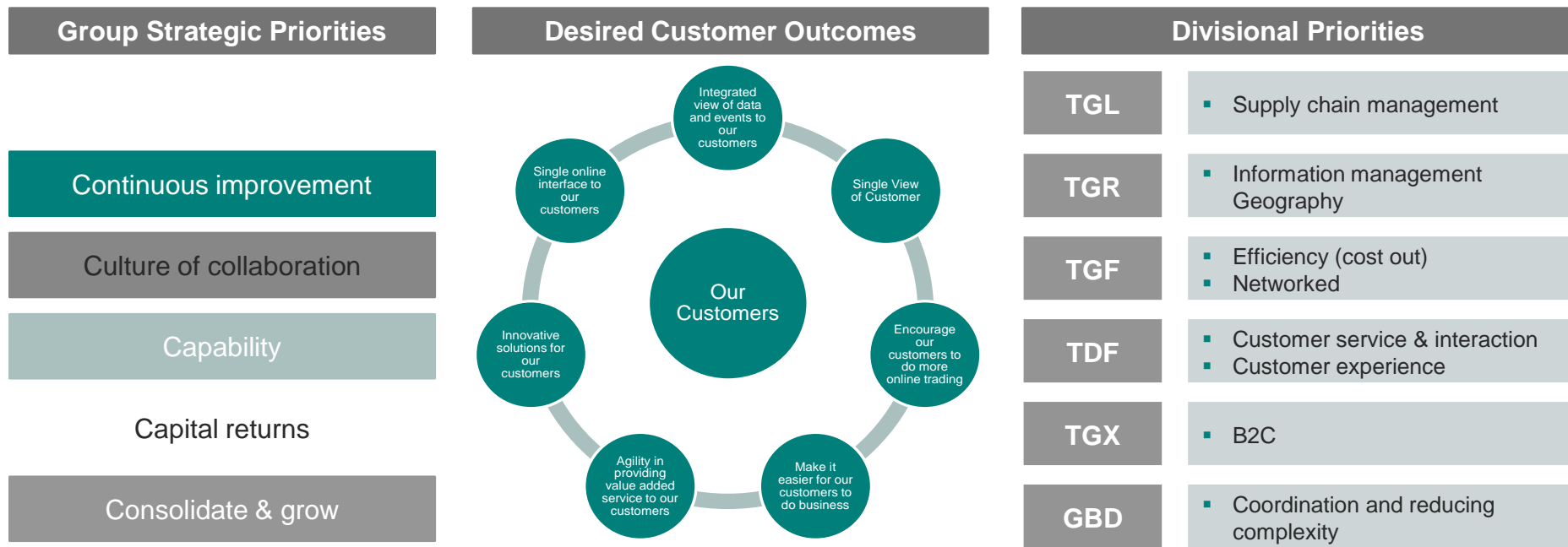
Toll IT delivers the capabilities required to offer customers industry leading transport & logistics technology solutions



Assessing technology priorities

Prioritising initiatives requires a deep understanding of customer, Divisional and Group priorities

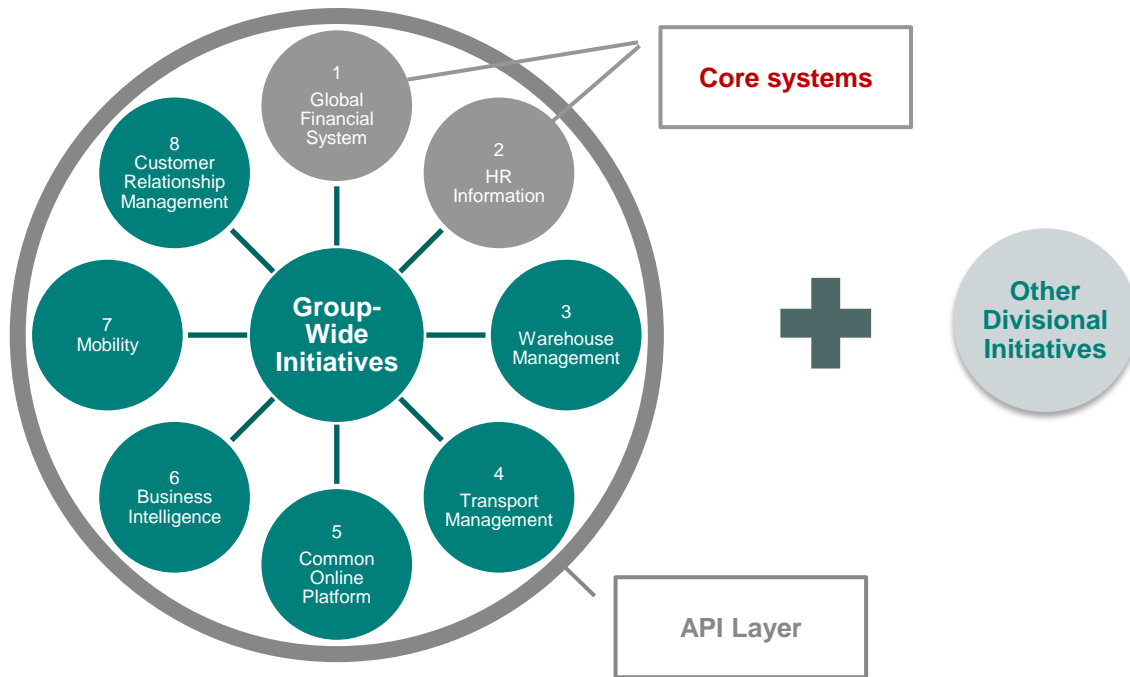
We evaluated the key priorities that underpin the Group's strategy and investments and overlaid customer and division-specific needs



Defining Group IT initiatives

The key IT initiatives were subsequently defined

Toll has and will continue to invest in the IT capabilities required to support achievement of its business objectives

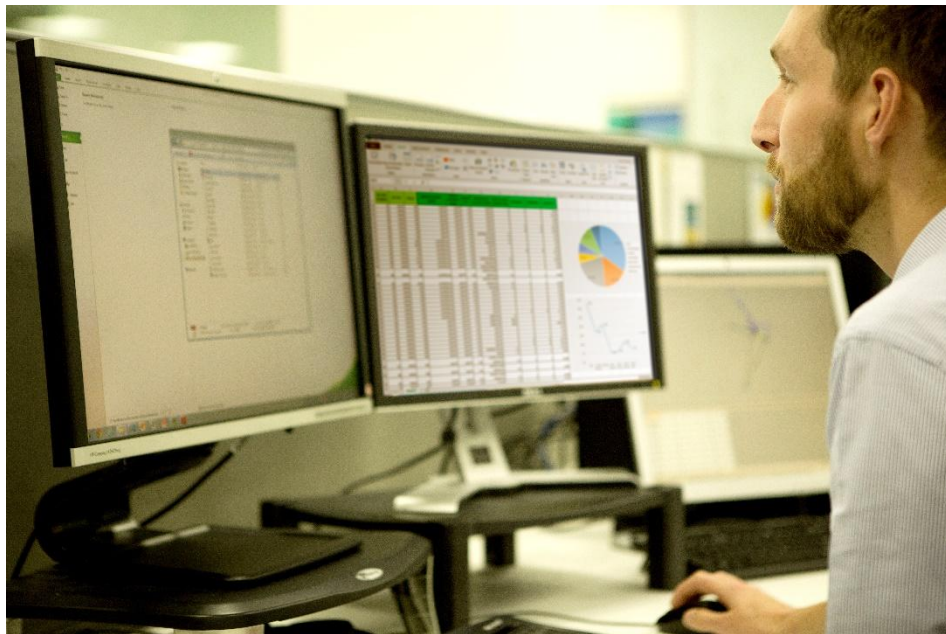


Global finance transformation

Core system, acting as a foundation for future capability developments

Benefits

- ✓ Improve efficiency of finance across the business
- ✓ Enable Shared Service model (payables, receivables, general accounting, asset mgt)
- ✓ Drive spend control and strategic sourcing
- ✓ Enable better decision-making through information
- ✓ Ease integration with customers and suppliers
- ✓ Provide a foundation for Toll's future transformation



HR information system

Core system, acting as a foundation for future capability developments

Prior State

Multiple local systems, highly manual processes, inconsistent data standards

Benefits

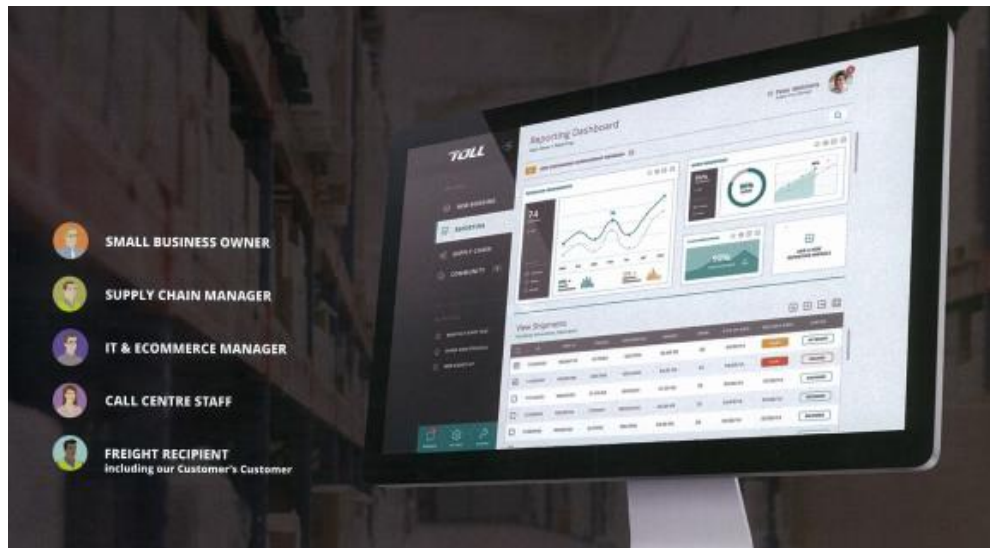
- ✓ Improved management of leave liability
- ✓ Reduction in external recruitment costs
- ✓ Reduced cost of contingent labour spend
- ✓ Improved new hire productivity
- ✓ Improved HR productivity
- ✓ Decommission legacy HR systems

Common online platform

Improved customer experience

Benefits

- ✓ Improve our customers' experience with Toll
- ✓ Reduce errors from double-entry of data
- ✓ Provide customers with a visibility platform
- ✓ Lift service levels by monitoring exceptions
- ✓ Drive asset utilisation across divisions / operations
- ✓ Understand our customer needs better

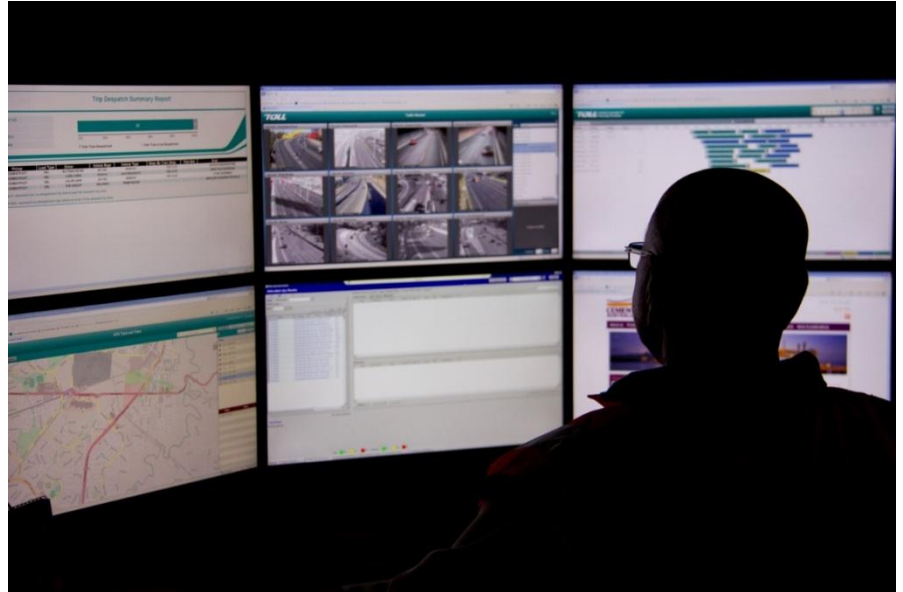


Transport management

Driving productivity

Benefits

- ✓ Improve efficiencies and effectiveness of transport across the business
- ✓ Drive greater asset utilisation of our fleet and depots
- ✓ Reduce wastage in idle time, fuel, empty running
- ✓ Maximise load space utilisation
- ✓ Ensure ability to meet service level agreements



Warehouse management

Improving asset and resource utilisation

Benefits

- ✓ Improve efficiencies and effectiveness of warehouse activities across the business
- ✓ Improve warehouse storage utilisation levels
- ✓ Reduce pick and pack time/effort
- ✓ Lift workforce management insights and controls
- ✓ Drive accuracy in stock control and reporting



Mobility

Lifting visibility and performance

Benefits

- ✓ Improve visibility of mobile assets
- ✓ Drive improvements in safety outcomes
- ✓ Provide drivers with better and easier to use solutions
- ✓ Link to transport systems to lift asset utilisation
- ✓ Reduce wastage through optimised journey plans
- ✓ Use dynamic route re-planning to avoid delays
- ✓ Give customers better track-and-trace solutions



Summary



Ability to refocus resources on value-adding activities



Standardised processes lead to better visibility and decision making



Improved levels of analytics enhances business understanding



Moving from heritage to best-in-class products extends capabilities



Lifts Toll's customer focus to greater heights



Improves speed and benefits to customers and Toll businesses



Questions & answers

Toll Holdings Limited
2014 Investor Day



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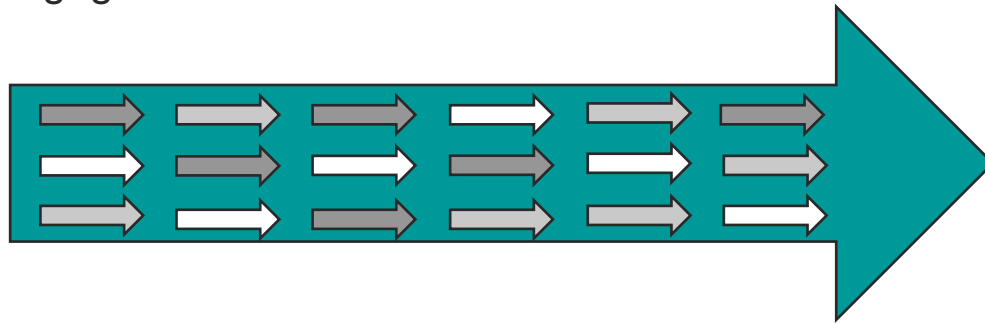
CONCLUSION

Brian Kruger

Investor Day 30 October 2014

Well positioned to deliver long term shareholder value

- Aligned strategies across the Group
- Significant opportunities to leverage scale and capability
- Recent investments in depots, fleet and information technology support productivity improvements and provide growth capability/leverage
- Financial capability to support maintenance of market leading positions as well as multiple short and long term growth opportunities
- Committed, engaged workforce





Thank you

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2014 Investor Day