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Toll Holdings Limited  
ABN 25 006 592 089

20 June 2012

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

**Lodged Through ASX On Line**  
Total No. of Pages: 72

Dear Sir

**Toll Investor Presentations Shanghai – Day 3**

Please find attached Presentation Slides for Day 3 of Toll Investor Visit in Shanghai relating to Toll Global Logistics, for release to the market.

Yours faithfully  
**TOLL HOLDINGS LIMITED**



**Bernard McInerney**  
Company Secretary



# TOLL GLOBAL LOGISTICS

Toll Investor Tour, Shanghai - 20 June 2012

Wayne Hunt – President / CEO, TGL

Dominic Rego – Director, Business Development, TGL

Chris Pearce – Divisional General Manager, Customised Solutions, TGL

# Agenda

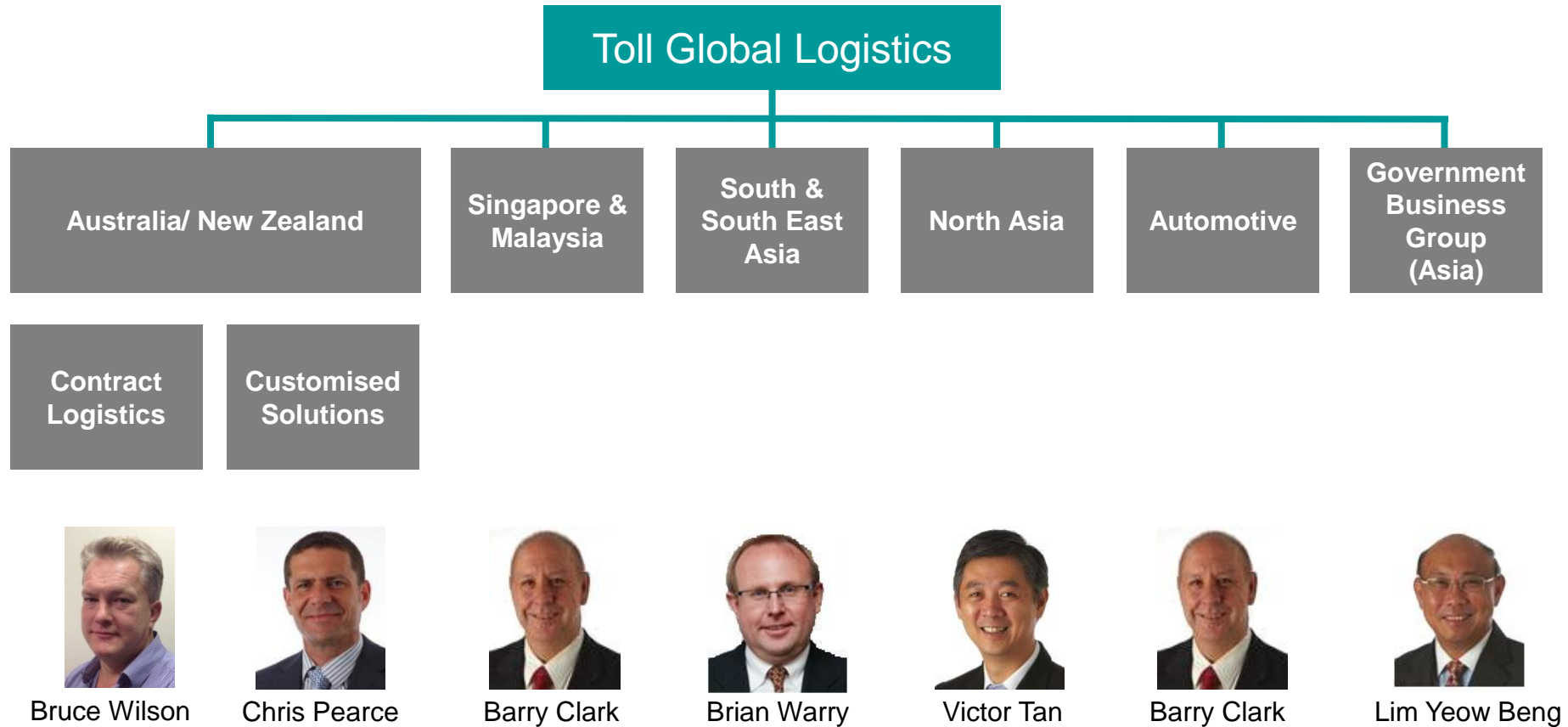
- **Who, and where, we are**  
Wayne Hunt  
President / CEO, TGL
- **Why Asia?**  
Wayne Hunt
- **What are our current market conditions and challenges**  
Dominic Rego  
Director, Business Development, TGL
- **Our points of differentiation**  
Chris Pearce  
Divisional General Manager,  
Customised Solutions, TGL
- **Summary**  
Wayne Hunt



Who, and where we are



# TGL Business Units



# Toll Global Logistics employs 11,000 people and operates 600+ facilities



## INDIA

3,000 staff, 139 facilities/offices totalling 1.9 million sqft and over 900 vehicles nationwide



## VIETNAM

500 staff, 11 facilities totalling 581,000 sqft and over 300 vehicles with nationwide coverage



## THAILAND

530 staff, 10 locations totalling 600,000 sqft and delivery to over 5,000 drop points in 24-48 hours



## INDONESIA

140 staff, 5 multi-user and dedicated facilities totalling 100,000 sqft



## SRI LANKA

150 staff, 9 facilities totalling 300,000 sqft



## CHINA

2,100 staff, 26 facilities with over 4.3 million sqft, nationwide delivery to over 1,680 cities



## KOREA

2 facilities of 58,000 sqft and nationwide transport



## TAIWAN

2 facilities, including bonded DC, totalling 146,000 sqft



## HONG KONG

ATL Kwai Chung hub with capacity of 100,000 sqft



## SINGAPORE

10 facilities totalling 1.5 million sqft, 3 open yards and 130 transport vehicles



## MALAYSIA

4 sites with 100,000 sqft and transport across Peninsular and East Malaysia



## AUSTRALIA

67 facilities totalling 13 million sqft and over 1,000 vehicles with nationwide coverage



## NEW ZEALAND

National transport and logistics facilities of more than 1 million sqft



## UNITED ARAB EMIRATES

3 facilities, including Jebel Ali FTZ DC, with over 479,000 sqft



## CAMBODIA

National rail operator and cross-border trucking service via VN and TH. 46 sites totalling 475,000 sqft

# Our strategic intent



- Defending and enhancing our leading market positions in ANZ and Singapore as well as our regional FMCG offer.
- Aggressively targeting opportunities in fast developing territories in Greater China, the Indian Subcontinent and Southeast Asia.
- Leveraging our core strengths and sector experience.
- Supporting our organic growth aspirations with discrete, bolt-on M&A that enhances our strategic offering.
- Continuing to develop regional brand awareness.



- Stabilising or divesting non-strategic businesses.
- Achieving scale so as to reduce G&A% and improve competitiveness.
- Standardising safety and environmental protocols.
- Implementing standardised operational and financial systems on a common platform.
- Continuing to implement a continuous improvement culture.
- Facilitating knowledge transfer of operational best practice.



- Attracting, retaining and motivating our people via a common values system.
- Providing the footprint, structure and leads to facilitate the expansion of the broader Toll Group across Asia Pacific.

## Target vertical markets

- Global multi-national corporations.
- Australian-based companies requiring an Asia Pacific sourcing supply chain.
- Tier 1 Asian-based companies seeking to grow their domestic markets and /or expanding into regional markets.

## Key product offerings

- Asia Pacific footprint with Asian-based leadership team and a centralised customer engagement focus to mirror MNC structures.
- Integrated supply chain links throughout the Asia Pacific region.
- Local, demonstrated, expertise in chosen vertical markets.
- Operational expertise and strong customer service via asset control and accountability.
- Adherence to accepted corporate governance principles.
- A values system that aligns with that of many global multi-national corporations.
- Ability to transfer skills into developing markets.
- Focus on innovation (IT, equipment, solutioning).

# Establish market leading reputation

We will continue to build a market leading reputation for in-country logistics based on differentiated services



## Toll Global Logistics services

### Contract logistics

- Warehousing
- Transport
- Supply Chain
- Reverse Logistics
- Vendor managed inventory

### Transportation

- Fleet Management
- LTL
- Rail / Feeder
- Road cross border line-haul

### Freight management

- LLP
- Regional and Domestic
- Cross-Border
- Specialized

### ST Logistics - Government Business Group

- Defence
- Medical
- Humanitarian
- Procurement
- Engineering Services
- Airport fuel services

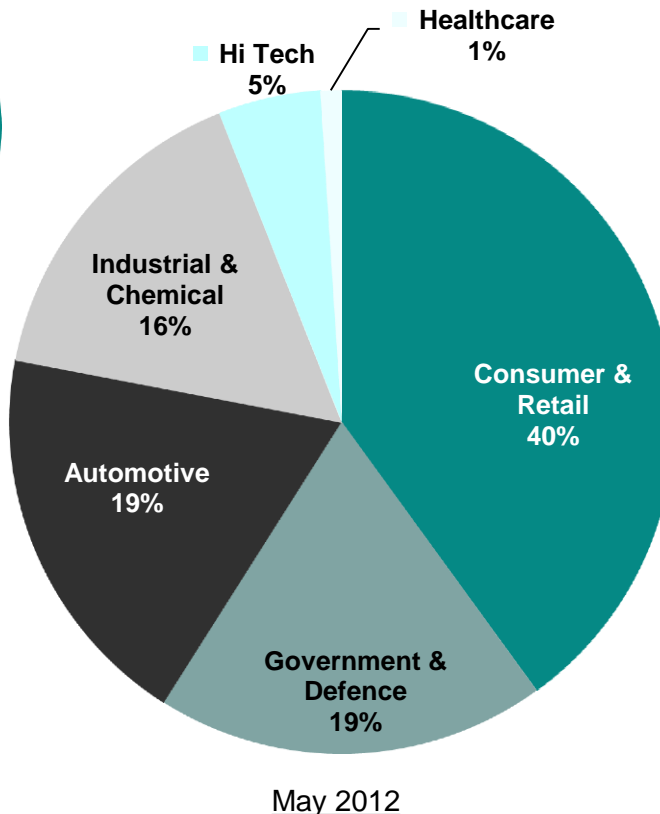
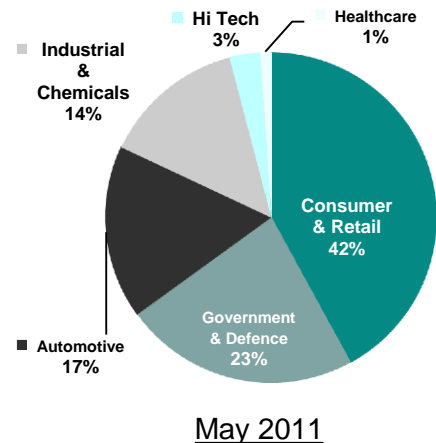
### Value added services

- 4PL services
- Supply chain consultancy
- Kitting & bundling
- Labelling & Co-packing
- Packaging
- Replication
- Security enhancement
- Store ready merchandising
- Technical support



# Providing tailored solutions to targeted sectors

## Revenue contribution by sectors



- FMCG
- Beverages
- Healthcare and nutrition (OTC)



- Customer-owned stores
- Apparel
- Modern supermarkets, chemists & convenience



- Parts and machinery
- Components
- Medical equipment & supplies
- Paper, steel, packaged chemicals



- Audio, video and telecom
- LCC computers and accessories
- White goods
- Electronics general merchandise



- OEM parts
- Finished vehicles distribution and PDI
- Aftermarket parts and accessories

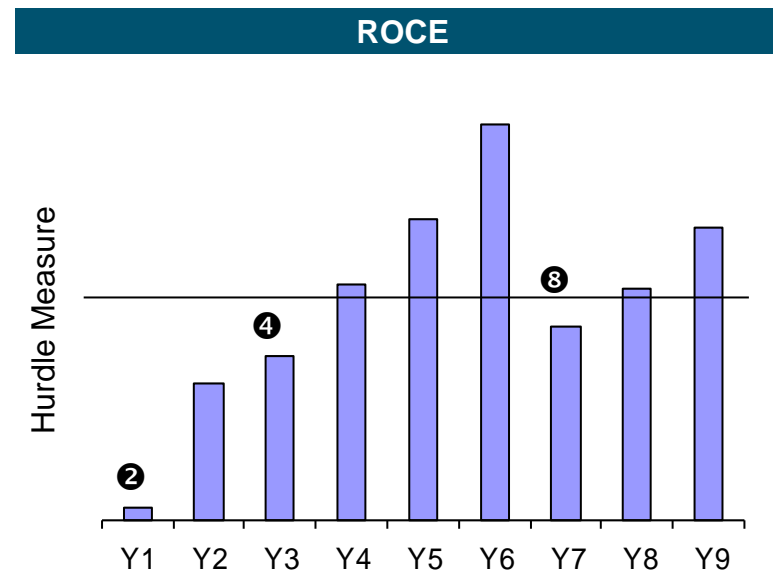
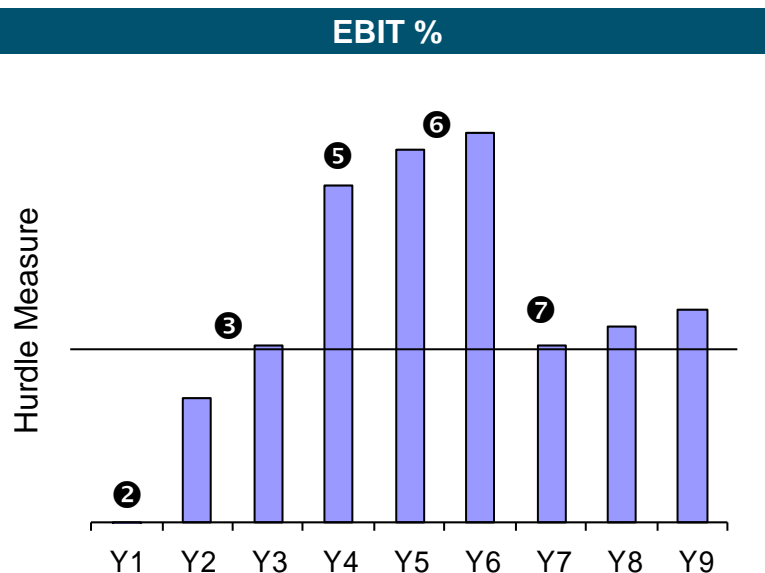


- Material planning & procurement
- Fuel supplies
- Defence logistics
- Humanitarian aid

# Focus on ROCE and margin hurdle rates over the contract term

## Indicative example:

A typical 3 year contract awarded to Toll commencing 1 July of Year 1

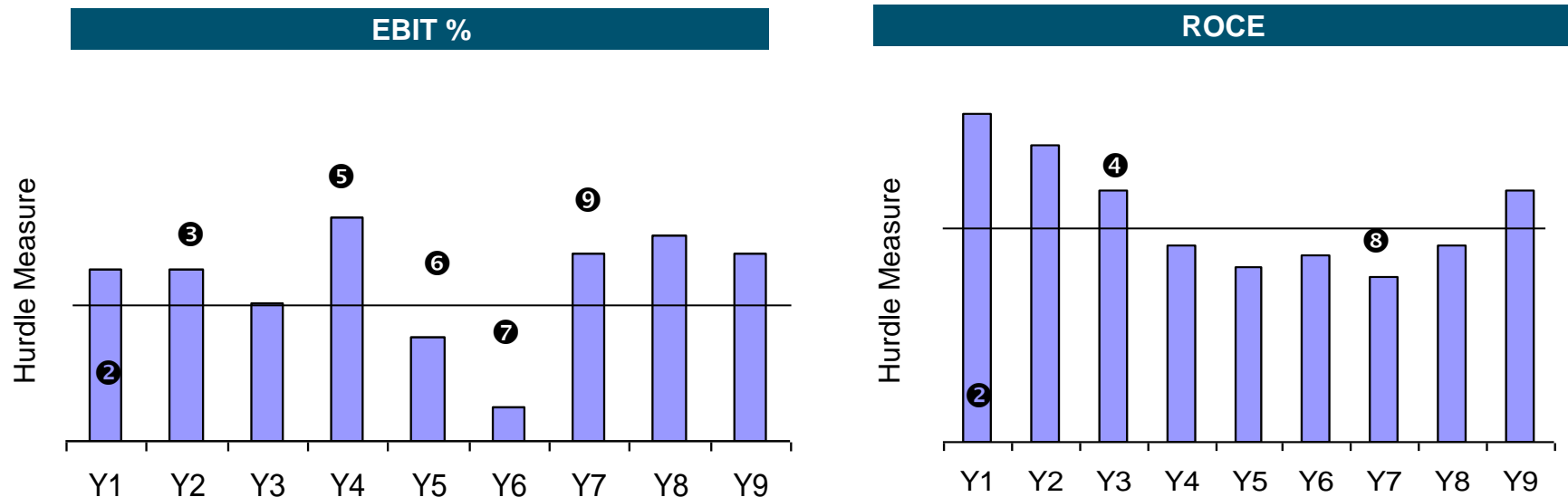


### Key Events

- 1 Contract awarded to Toll, CAPEX required at start-up.
- 2 Substantial implementation costs in Year 1.
- 3 Material change to scope during Years 2 and 3 adds additional revenue and EBIT.
- 4 Roll-over of contract at the end of Year 3 for a further 3 years; additional CAPEX required.
- 5 Significant increase in volumes in Year 4 results in additional revenue and EBIT.
- 6 EBIT % steadily increases due to Continuous Improvement programme impacts.
- 7 Renegotiated contract at the end of Year 6 results in some EBIT decline.
- 8 Re-fleeting of initial equipment at the end of Year 6 (as part of 2<sup>nd</sup> contract extension).

# Fixed term contracts provide a differing return profile YoY

**Indicative example:** A fixed price 3 year and option 3 years contract awarded to Toll commencing 1 July of Year 1



## Key Events

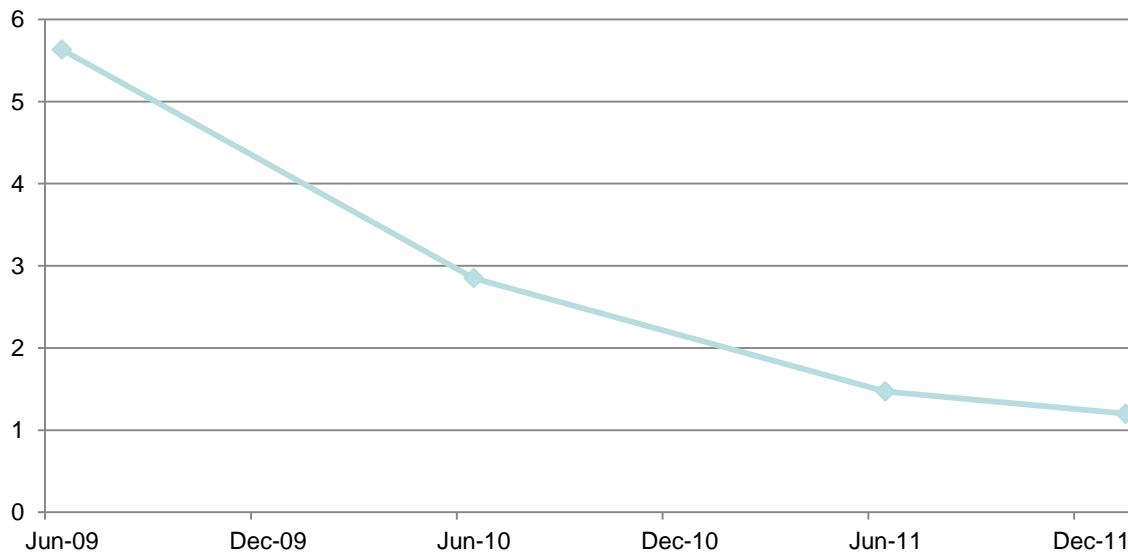
- ❶ Contract awarded to Toll, CAPEX required at start-up.
- ❷ Year 1 benefits from years 2 and 3 anticipated cost increases – some implementation costs in Year 1.
- ❸ CPI begins to erode margins.- however no further implementation costs.
- ❹ Roll-over of contract at the end of Year 3 for a further 3 years; additional minor CAPEX required.
- ❺ Significant increase in volumes in Year 4 results in additional revenue and EBIT.
- ❻ Labour increases were underestimated – eroding margins.
- ❼ Compounding effect of year 5 labour underestimate.
- ❽ Re-fleeting of initial equipment at the end of Year 6 (as part of 2<sup>nd</sup> contract extension).
- ❾ Improved fleet utilisation outweighs labour increases benefiting EBIT.

# Safety focus and performance

Safety and compliance is paramount wherever Toll operates

## TGL - Lost Time Injury Frequency Rate (LTIFR) journey

### Toll Global Logistics



### Safety Leadership Program

- Establish minimum requirement safety net and foundation framework for all businesses within the Asian region

### Safety observations and development of appropriate training modules, for example:

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

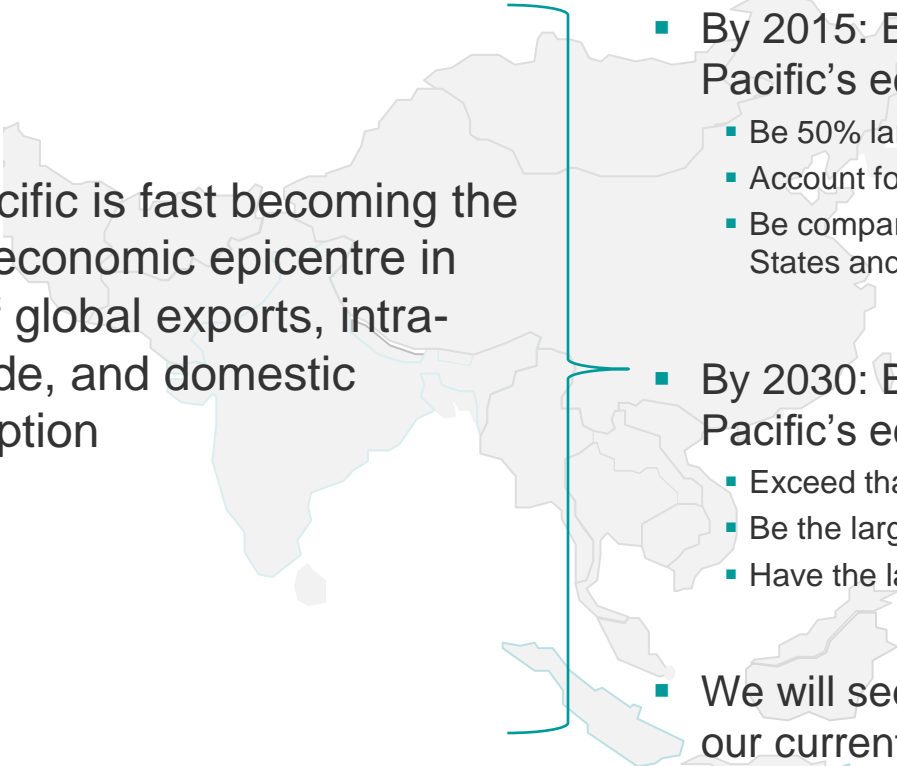




Why Asia?



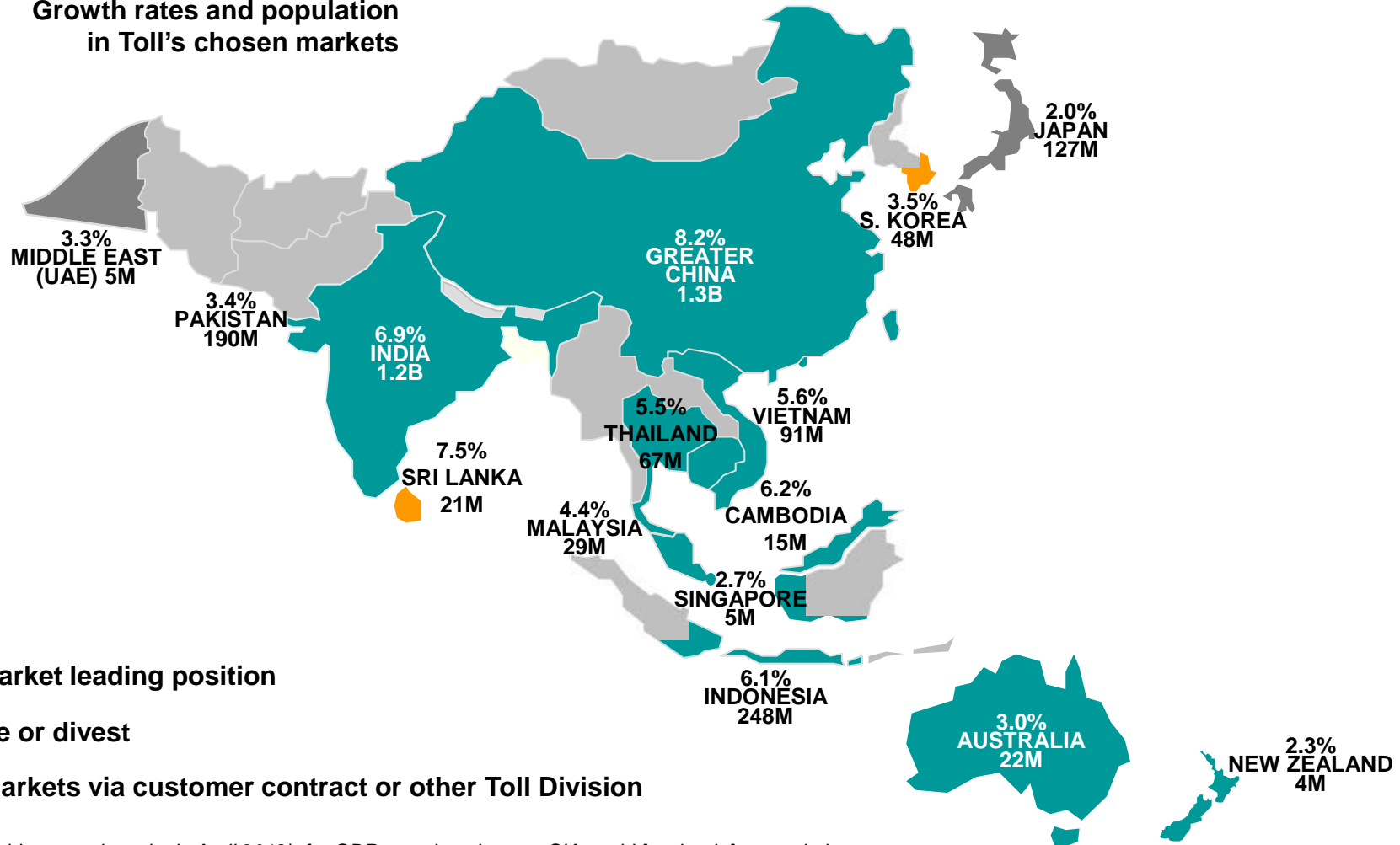
# Momentum is increasing: the rationale for Toll in Asia-Pacific continues to be compelling and exciting

- 
- Asia-Pacific is fast becoming the world's economic epicentre in terms of global exports, intra-Asia trade, and domestic consumption
  - By 2015: Based on current trends, Asia-Pacific's economy will:
    - Be 50% larger than it was in 2010
    - Account for more than a third of global output
    - Be comparable in size to the economies of the United States and Europe
  - By 2030: Based on current trends, Asia-Pacific's economy will:
    - Exceed that of the G7
    - Be the largest economic region in the world
    - Have the largest domestic demand and growth profile.
  - We will see the impact of this growth during our current planning period as we continue to grow with our target customers.

**“Asia’s time has come, its role in the world’s economy continues to grow – both in world trade and finance and in economic governance . . . and it will grow further.”**

# TGL is maintaining a highly focused customer led regional presence as the Asian logistics market matures and yields improve

Growth rates and population in Toll's chosen markets



Source: IMF (world economic outlook, April 2012), for GDP growth estimates, CIA world fact book for population

# Australian sourcing strategy from the Asia region also changing

## 4 Re-engineer supply chain

Target 113

- Move from 'push' to 'pull' replenishment model which entails new IT & processes
- Currently only 18% of SKUs on 'pull' replenishment, ramp up quickly
- Create a regional network of DCs vs. a national single DC now
- Reduce lead times & enable 'fast fashion'
- Reduce handling & labour costs by operating from Asia
- \$30 million to \$40 million restructuring costs in FY12



**Toll is well placed to support our Australian-based customers out of Asia.**

*\*Example above taken from Westfarmers Limited Strategy Briefing Day – 30 May 2012.*



# What are our current market conditions

Dominic Rego

Director, Business Development, TGL



# Competitive Markets – from this

*Low cost barrier to entry for 2PL*





## Competitive Markets - to this

*Sophisticated 3PLs competing in Asia*

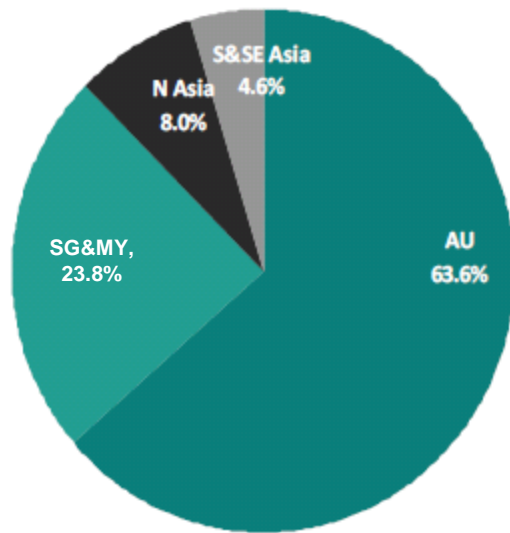


# and 'everything in between'...

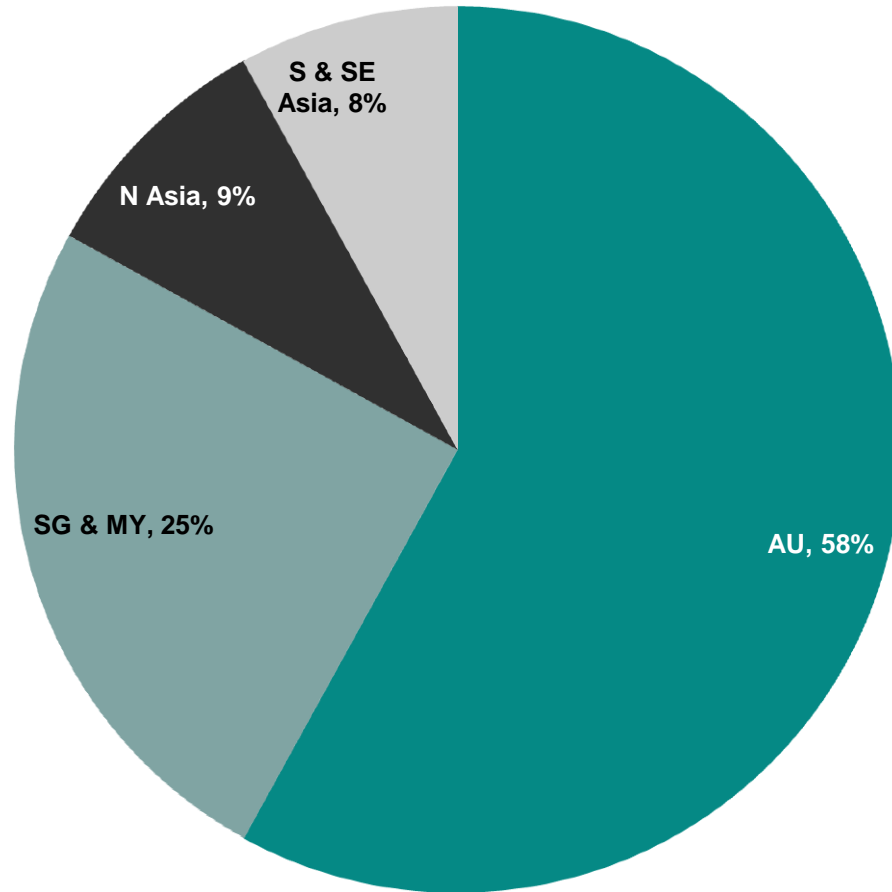


- Overloading
- Over-dimensional
- Non-compliance to OH&S, Risk, Environmental and 'Full Supply Chain Impact' considerations.

# Revenue split – Australia vs Asia



2010/2011



2011/2012





# Latest published competitors ranking



**Toll Global Logistics ranks world's number 1 contract logistics company with the highest operating margin, while many others fall below 5% during same period.**

## Contract Logistics Performance 2010

(Based on % of Operating Profit Margins)

### 1. Toll (7.5%)

2. DSV (6.1%)

3. CEVA (6.0%)

4. Norbert Dentressangle (5.1%)

5. UTi (5.1%)

6. Ryder (4.5%)

7. Wincanton (2.5%)

8. Conway (1.8%)

9. DHL (1.8%)













10. Kuehne+Nagel (1.8%)

11. Logwin (1.2%)

12. Panalpina (N.A.)

- Ranked by Operating Margins % from Contract Logistics
- Data based on Transport Intelligence May 2011 report

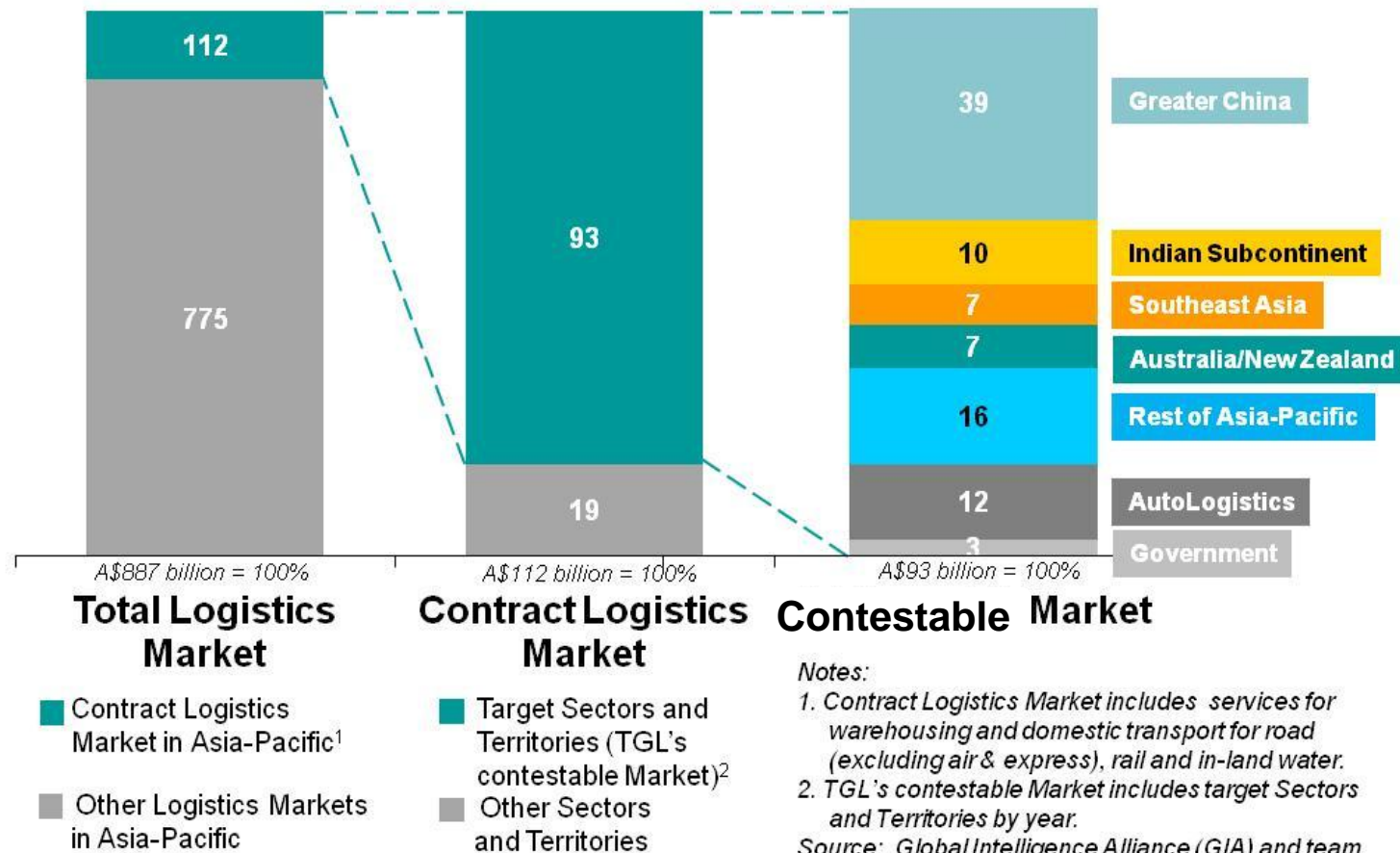
## Top 12 Contract Logistics Service Provider (Based on 2010 Revenues in € billions)

1		13.30
2		3.43
3		3.05
4		2.54
5		1.31
6		1.23
7		1.10
8		1.04
9		0.87
10		0.69
11		0.64
12		0.59

- Ranked by Revenues from Contract Logistics segment
- Data based on Transport Intelligence May 2011 report
- Currency in €

# Our contestable market

By 2017, Greater China, the Indian Subcontinent and Southeast Asia will each be bigger than the ANZ market





# The emerging middle class will drive consumer demand and subsequently the logistics spend...

**Numbers (millions) and Share (percent) of the Global Middle Class**

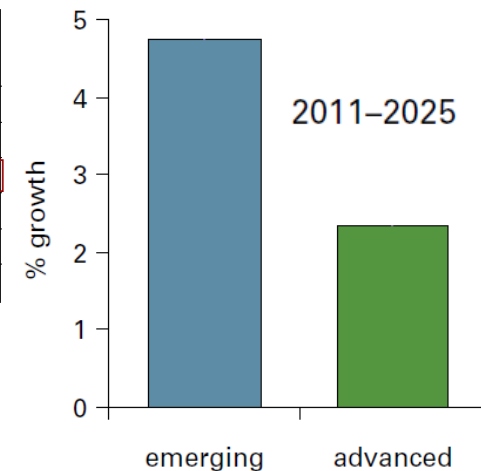
	2009		2020		2030	
North America	338	18%	333	10%	322	7%
Europe	664	36%	703	22%	680	14%
Central and South America	181	10%	251	8%	313	6%
Asia Pacific	525	28%	1740	54%	3228	66%
Sub-Saharan Africa	32	2%	57	2%	107	2%
Middle East and North Africa	105	6%	165	5%	234	5%
World	1845	100%	3249	100%	4884	100%

**Spending by the Global Middle Class (millions of 2005 PPP dollars)**

	2009		2020		2030	
North America	5602	26%	5863	17%	5837	10%
Europe	8138	38%	10301	29%	11337	20%
Central and South America	1534	7%	2315	7%	3117	6%
Asia Pacific	4952	23%	14798	42%	32596	59%
Sub-Saharan Africa	256	1%	448	1%	827	1%
Middle East and North Africa	796	4%	1321	4%	1966	4%
World	21278	100%	35045	100%	55680	100%

Source: OECD (2010), The Emerging Middle Class in Developing Countries, Working Paper No. 285

**Projected Output Growth**



Source: World Bank (2011), The Emerging Middle Class in Developing Countries, Working Paper No. 285

# Having an impact – customers' & peers' recognition of our time in Asia

## Toll wins “Asia’s Best 3PL Supply Chain Provider” Award - 2011

### Voice of Customer

*“Toll Global Logistics has been an innovative 3PL provider to Colgate-Palmolive for over 15 years”,*

*“The Delivery Schedule System program is another example of how they have helped us to optimise our China supply chain, bringing significant benefits to many parts of the supply chain, including savings in back office finance and administration, and enabled the sales team to be much more efficient than previously.”*

*Stuart Han*

*Director of Customer Service and Logistics  
Colgate-Palmolive, China*



- recognises Toll's first-class operations with Colgate-Palmolive in China.

- earmarks our competence as the lead logistics provider in the retail and consumer sector in the region.

# Having an impact – customers' & peers' recognition of our time in Asia

## Toll wins Supply Chain Innovation Award in Asia - 2012

### Toll Global Logistics awarded the 'Supply Chain Innovation Award' 2011

Toll Global Logistics has been successfully awarded the Supply Chain Innovation Award at the Supply Chain Asia Logistics Awards 2011 held in Shanghai in December. This award recognises the application of innovation and new technologies in supply chain and logistics as well as innovative and cutting edge supply chain processes.

Toll has developed processes that facilitate supply chain optimisation such as the delivery schedule system' (DSS) project. The DSS project brings a more structured approach to the process of purchase order placement, optimises delivery volumes, enables timely delivery and improves efficiency. This new innovative optional process has led to major cost savings, operational efficiency gains and improved customer service.

A representative of our client, with whom the DSS project was implemented, said, "The DSS program brought significant benefit to many parts in the chain, including savings in back office finance/administration and enabled the sales team to be much more efficient than before."

In addition, Toll Global Logistics was nominated as finalists for the following categories: Global 3PL of the Year, and Asian 3PL of the Year



ABOVE  
The Supply Chain  
Innovation award  
now on display at  
Toll Global Logistics.

LEFT  
**Dominic Rego**,  
director of business  
development at  
Toll Global Logistics  
receiving the award  
from Supply Chain  
Asia.

For more information or innovative solutions, contact *Dominic Rego* at [dominic.rego@tollgroup.com](mailto:dominic.rego@tollgroup.com)

# Wins – our continued success

## Our regional strategy continues to underpin further growth

### Major contract wins and renewals

			Mattel	China	
Coles Group WA	Australia		United Laboratories	China	
Tesco	Thailand & China		Hansgrohe	China India	
Adidas	Australia		Coca-Cola Amatil	Australia	
Holden	Australia		P&G	Singapore Vietnam Malaysia India	
George Weston Foods	Australia				
Coca-Cola Atlanta	Malaysia India				
Glovis - KIA	Australia		John Deere Thailand	Thailand	
Independent Liquor Group	Australia		Bluescope	Australia China	
Hankook	Australia		- Port Kembla - NSW/ QLD/ VIC - Guangzhou		
Hotel Liquor Wholesalers	Australia		Boart Longyear	Australia	
			Lego	China	



# Market conditions

## Australia and New Zealand (ANZ)

- 2 speed economy with particularly soft markets Victoria / New South Wales
- Manufacturing, retail, building and food and beverages (F&B) have experienced drop in volumes.
- Loss of customer's volumes with ownership change, eg. Corona
- Paper products holding up
- Toll's growth + contract retention coming from:
  - first time outsourcing
  - innovative solution design
  - continuous improvement programmes
  - high service levels backed by 'skin in the game'
- Toll people strategy provides a 'low risk' exit strategy for when contracts are exited, assisting margin strength.

## Automotive

- Transfer of vehicle logistics into PrixCar for higher market share of imported vehicles (growth market)
- Parts logistics – similar discipline within the mining and agriculture sectors (wins with Komatsu, Boart Longyear Australia, SEM China and John Deere Thailand)
- Entry into vehicle logistics distribution in China – Joint Venture with Tianjin-Anda
- Relocation of HQ into region seen as a positive by the industry
- Need for sophisticated original equipment manufacturer (OEM) supply chains increasing

## GBG Asia

- Strong and consistent success with contract retention.
- Expansion of business development representation into Hong Kong and Middle East.
- Developing “Asia Control Tower” for humanitarian aid and crisis management.
- Leveraging of One Toll across defence and government.
- USA defence focus on Asia Pacific opening up expansion opportunities for Toll within the region.

## Asia – *general overview*

- Cost pressure continued across the region
- Increasing supply chain complexity combined with in-country challenges = opportunities for an Asia Pacific specialist
- Economic woes of USA and Euro zone definitely impacting on exports to traditional markets
- Our regional business development strategy enabling us to align with new customers of similar values to Toll.
- Employment shortages (Singapore and China) creating wage pressures.

# Market conditions

## Southeast Asia

- Increasing cost within China seeing manufacturing opportunities opening up in South East Asia, and subsequent growth of intra-Asia trade.
- Inflation of concern Vietnam... some softening

## South Asia

- Reform in India very slow – however everything is transparent!
- Government inability to push through reform within India affecting confidence
- Has the potential to be a very large market for Toll; However we need to be patient (and wary!) and remain focused on quality.
- MNCs look to now 'manufacture where sold' to match local competition price points – a great opportunity for Toll with its extensive warehouse footprint.

## North Asia

- The decade of high economic growth has definitely slowed significantly for both export and domestic consumption.
- Mixed messages from the PRC government with regard to their commitment for SOEs to outsource their logistics (70% logistics within PRC still controlled by SOEs).
- Growth rates published by the PRC still conflict what we see and feel 'on the ground' – country needs further stimulus to promote a strong and consistent domestic consumption over and above basic necessities; during Euro zone uncertainty.
- Lack of transparency with government decision making prevents a pro-active approach to any impact on 'cost-drivers'.
- Witness MNCs moving away from traditional distributorship model within Korea = 3PL/4PL opportunities, eg. Hills Pet Foods, Lego, P&G.



# TGL's points of differentiation

Chris Pearce

Divisional General Manager, Customised Solutions, TGL



# Our Values

***We have a strong continuous improvement and safety culture at all levels, underpinned by our values and behaviours model, “STRIVE”***

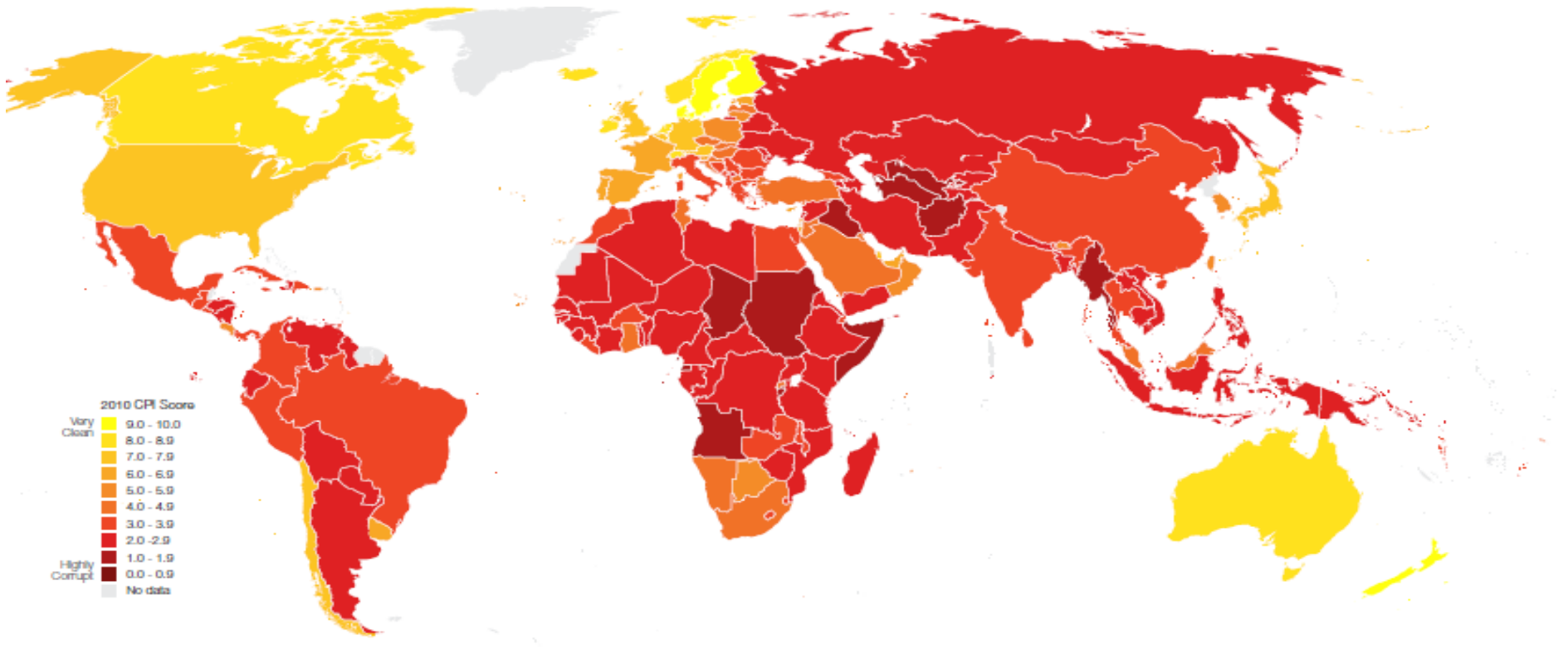
- Key elements of our workplace culture:
  - Strong and open communication
  - Cultural diversity
  - Constructive feedback
  - Multi skilling
  - Training and development tools
  - Fair and consistent treatment
  - Personal support mechanisms
  - Reward and recognition incentives
  - Recognition for “One Team, One Goal” milestones





# Governance and compliance is a point of difference for Toll

## Corruption Index



# Our People - making the difference



# Our customers

Long-term relationships encourage and re-inforce our investment in continuous improvement



- Customer for 34 years
- Recent contract extensions



- Customer for 36 years



- Customer for 13 years



- Customer for over 10 years



- Customer for over 9 years



- Customer for 30 years (Foster's Group)



- Customer for 25 years
- Contracts for 11 territories



- Customer for 12 years



- Customer for 14 years



- Customer for 10 years



- Customer for over 11 years



- Customer for 18 years
- Australia contract



- Customer for 15 years
- \$180M transport contract recently awarded



- Customer for 15 years

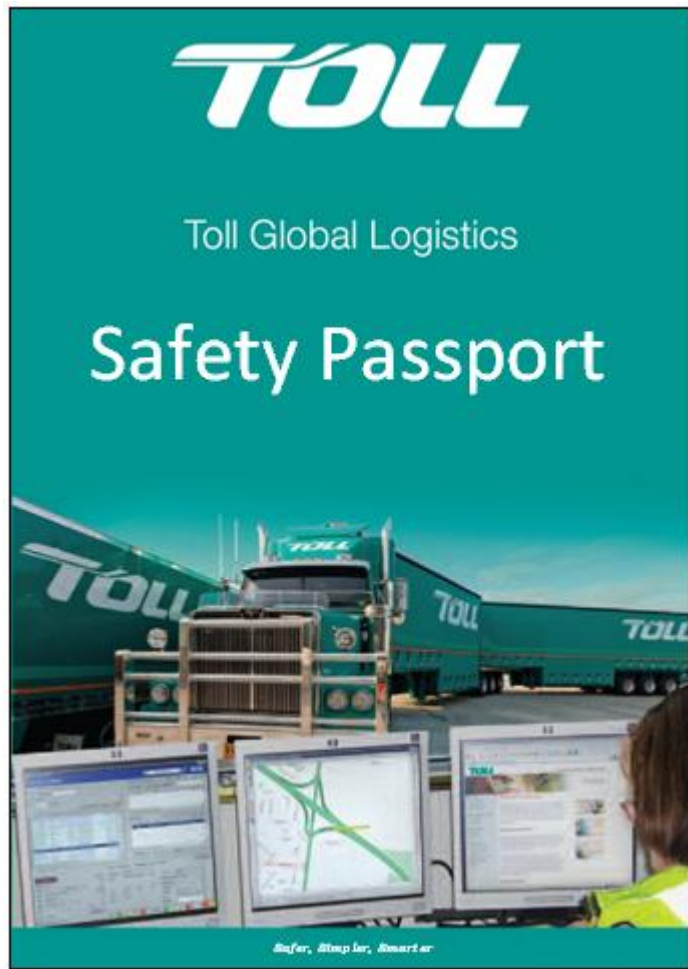


- Customer for 11 years



- Customer for 15 years

# Safety goes beyond our workplace – involving the industry and community



Flagship Safety Campaign in India



# Focus on innovative solutions

## Exchange of best practice skill sets into developing markets

- Development of innovative equipment solutions that deliver safer, more sustainable outcomes and stronger customer relationships.

- Purpose built rigid vehicles incorporating fold down steps, load restraint curtains and the low profile bodies. All new designs also minimise operator 'fall from height' risk.

- High payload quad and Super B combinations for operations in and around the wharf.

- Multi-purpose equipment operating shuttles with high density products one way and high cube products the other.

- Introduced Float-liners into Australia – the first vehicles certified under the Performance-based Standards (PBS) reforms endorsed by the Council of Australian Governments.



Focus on continuous improvement to deliver better outcomes for our customers.



### Case Study: BlueScope Steel

Implementation of "No Dogs" policy – winner of the Improvement Initiative Award

Introduction of 5th wheel locks on trailers – Safety Initiative Award Commendation

Winner of the Contract Company Safety Award for overall contractor safety (operations, manufacturing and logistics)

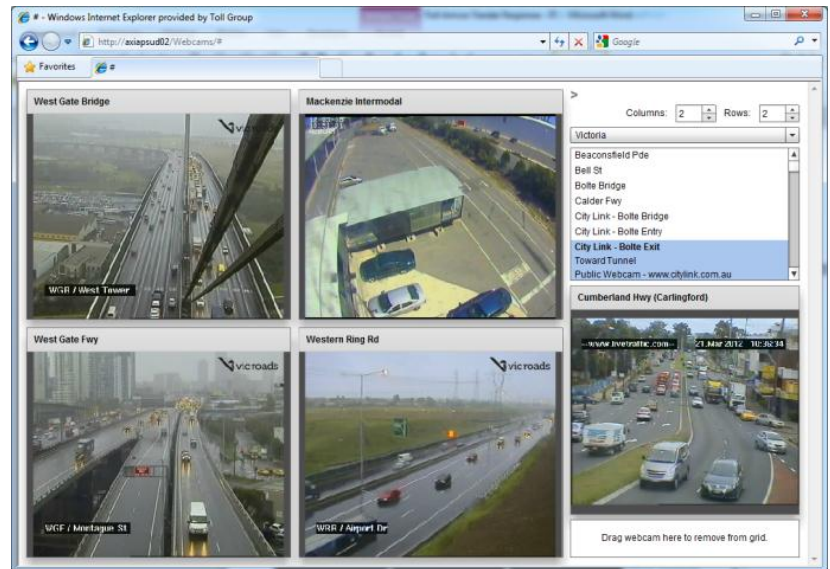
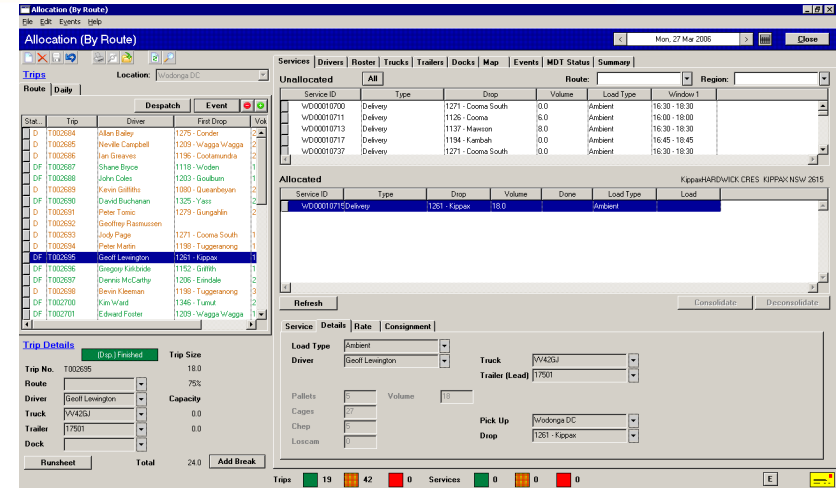
# Supporting capability

## Delivering on our service promise

### Substantial investment in system process, control and automation

- Planning and modelling (route level; supply chain level)
- In-house transport management system that provides end to end supply chain functionality from movement request receipt to billing and web visibility, all in real-time.
- Hand held terminals and GPS in-cab deployments.
- Web-based traffic monitoring capability
- “Control Room” style operations management – centralised operational visibility delivering improvements in key areas including such as rostering, SMS delivery pre-advice, driver unallocated visibility, returning vehicle visibility, planning templates and improved KPIs.

Control Room  
style fleet  
controller station



# Focus on automation and innovation

## exchange best practices across business units

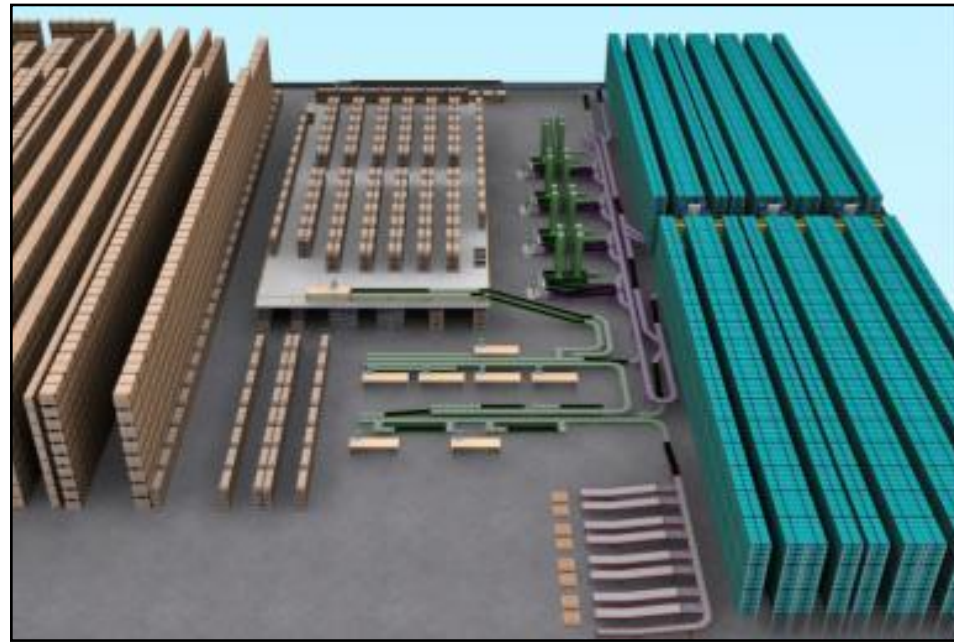
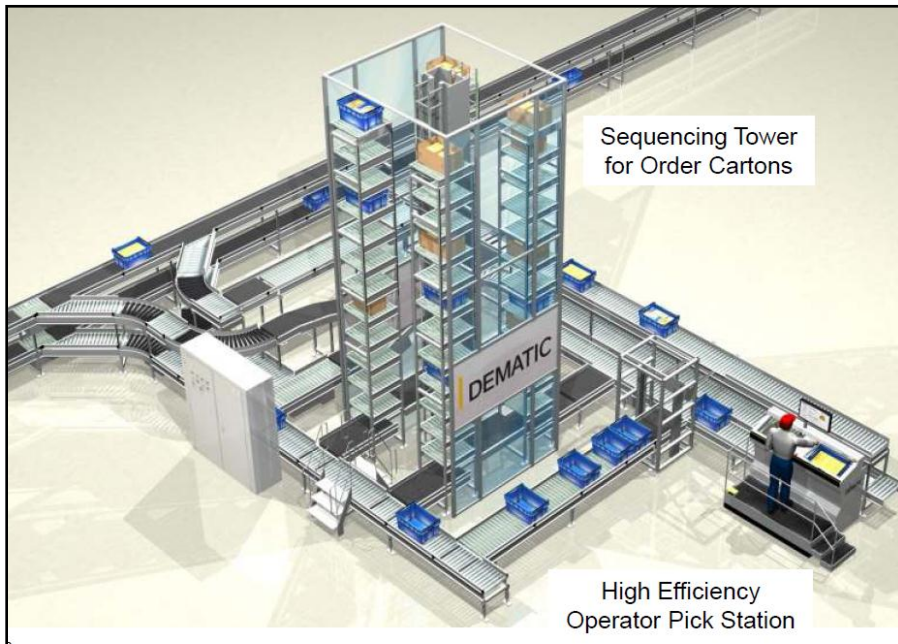
- INRO robotic forklifts
  - INRO's forklift technology enables both fully autonomous and manual operations to material handling equipment (MHE)
  - Allows interfacing with warehouse management system (WMS) and current warehouse configuration
  - Provides a reduction in headcount and better use of people, as well as improved OH&S, productivity and throughput
- Quick Pick
  - Crown's Quick Pick remote technology provides remote control of the truck by a picker, meaning the picker is no longer required to walk to the truck between picks
  - Provides productivity improvement in order picking operations, reduced pick cycle times, as well as reduced risk of injury and fatigue
  - Currently being trialled at Kraft's confectionery facility





# Focus on automation

## case study: adidas



The new warehouse has been designed to cater for growth to 2022 with focus on automation and innovation.

- Ability to pick 600 lines per hour via goods to person (GTP) stations
- Voice picking outside of automation (unit picking from mezzanine area and full case picking in bulk)
- Conveyor servicing all areas, including Value Added Services (VAS) area.
- New Red Prairie warehousing management system (WMS) and a warehouse control system (WCS) managing the operation

*Highlighting Toll's abilities in complex split case operations*



# Focus on automation

Loading / unloading of trucks – small steps in China



Introduction of automation in China to overcome labour shortage, rising employment costs, and minimise occupational, health and safety risk.

# Toll deploys leading-edge and innovative technology solutions – IDEA·LAB™

- FOCUS

THE RFID \*ANY\* ASSET MANAGEMENT PLATFORM...



- Linen Asset Management Platform (LAMP) – running on Focus engine



- REAP – Radio Frequency Identification (RFID) enterprise application platform > warehouse execution system



# Toll cares about our environment

## Smarter Green –Power Buy!

The Toll Group is a significant consumer of electricity across our Australian operations, with spending in excess of A\$12 million a year.

As part of the Smarter Green initiative, the aim is to improve the overall energy efficiency of operations which means reducing emissions together with lowering costs.

With the bulk of Toll's Australian electricity contracts expiring at the end of 2010, and with historically low prices for wholesale electricity contracts, it was decided that it was now a favourable time to leverage a One Toll supply agreement across the Group.

A restricted group electricity procurement tender for Toll's Australian operations in ACT, NSW, QLD, VIC and SA (NT, TAS and WA are currently not contestable markets) comprising some 223 sites, was undertaken in November 2010.

A specialist project team from Toll Corporate was formed to undertake the process. Including members from Toll Properties, and Group Environment and Energy, along with some external energy and legal consultants, the project was aptly named, Project Edison.

The team worked closely with representatives from divisions and business units through the process to meet the needs of each business, and followed a rigorous tender process.

A shortlist of providers was evaluated using a balanced scorecard approach that considered a number of factors including: engaged account management, energy efficiency consulting for business units and sites, energy advisory, carbon price pass through mechanism, as well as cost.

After team review:

## Go Green –Toll India's Environmental Initiative

1. Mr Antonio Do Rego doing his planting.
2. Bhivand Logistics Centre Team assisting Mr Antonio Do Rego with the plant and the signage.
3. Mr Wayne Hunt watering his plant before the team fixed the signage.
4. Mr Brian Wray watering the plant that he has planted.

Global warming today is the talk of the town and if not addressed, has the potential to significantly change the way we live.

It is the responsibility of every individual to contribute in his or her own small way to protect mother nature. Keeping this in mind we at Toll India kicked off the 'Go Green' initiative.

Project 'Go Green' took off on December 9, 2009 at Bhivand LG during Wayne Hunt and Brian Wray's visit. The project entails planting trees at our facilities across India. The theme is to own a plant, where every employee will be encouraged to plant a sapling at their work place and nurture it.

Toll has decided to plant only Ashoka Trees on an all India basis and the saplings will be provided by the company. The related expenses will be incurred by the organisation.

The General Manager of each region will be responsible for driving this initiative in their respective regions.

"Together we shall create a global green economy. Our coordinated efforts invested today will help our children in future," said Mr Ajit Jangle, Country Manager of Toll India.

In continuation of our Go Green Initiative, Antonio Do Rego, Managing Director of Andrew Telecommunications, was our first Customer to plant a tree at our Bhivand Logistics Center, being a part of The Toll India Go Green Drive. ■



Hydro Tasmania (100 per cent owned by the Tasmanian Government) and has been selected as Toll's energy supplier for ACT, NSW, QLD, VIC and SA.

The new contract commences in December 2010 and represents an average saving of some 20 per cent from current annual electricity costs. This is a stable and direct cost saving for all business units with positive impact to the bottom line. The new contract also provides Toll with support to explore further costs savings through technology and innovation. This ties in with the broader themes of the Smarter Green program.

Brian Kruger, CFO, who has been a keen supporter of Project Edison said, "We chose the supplier based on the price we will pay for our electricity, as well as the range of strategic energy management capabilities they could offer. We found that after a thorough assessment process, Momentum came out on top in both areas."

"The saving across the group is around A\$5.4m over three years, which equates to a 20 per cent reduction in year one alone. This means reduced energy costs for all divisions and business units in Australia, along with a significant range of value added now available as we pursue our energy efficiency and environmental goals."

"We see Project Edison as the first of several new initiatives from Toll Corporate which will see us implementing new technologies and processes across our buildings and fleet. Through this, we hope to further reduce our environmental impact and achieve our bottom line cost savings."



## Toll Global Logistics

# Leaders in Environmental Initiatives

TOLL GLOBAL LOGISTICS IS LEADING THE WAY IN ENVIRONMENTAL INITIATIVES. TOLL GLOBAL LOGISTICS' ENVIRONMENTAL PROGRAM HAS DELIVERED SOME OUTSTANDING RESULTS IN BOTH CARBON EMISSION REDUCTION AND COST REDUCTION.



**A MULTI-FACETED RESPONSE**  
For the 12 months ending September 2009, transportation was the cause of 4% of Australia's total greenhouse gas emissions\*. Toll has a multi-faceted approach to reducing its carbon footprint.

- Safety – no safety concerns related to the initiative
- Greenhouse gas emission reduction, and
- Cost reduction.

Many of the best ideas for saving energy and improving efficiency are conceived by staff working on the ground in the business units. The following initiatives are some that Toll Global Logistics has implemented.

**SUNSET SENSORS IN WAREHOUSES**  
Origination: Stewart Holmes, Business Manager, Victoria

Sunset sensors use natural light to control when lights in a warehouse are turned on and off. The sensors are set to turn

on the warehouse lights when the light intensity inside falls below 100 Lux. Sunset sensors can also ensure that lights are not turned on when the site is not in operation.

Toll's Headwood warehouse was one of a number of sites around Australia that had the sensors installed. The graph below shows the reduction in electricity consumption (kWh) achieved at the Headwood warehouse.

**SPED LIMITING**  
Origination: John Hall, Business Manager, Victoria

Toll Global Logistics' fleet found that when a vehicle is speed limited to 100 km/h (lower than 120 km/h), there is significant improvement in fuel efficiency and a reduction in greenhouse gas emissions. Toll Global Logistics has speed limited vehicles to 100 km/h at all applicable locations around Australia.

**AERODYNAMICS**  
Origination: Woodworths and Toll Global Logistics in partnership

Toll Global Logistics has partnered with Woodworths and Aerostar (a contract manufacturer of truck aerodynamics

devices) to trial the improvement in fuel efficiency that can be obtained by altering the aerodynamic design of the prime mover and the trailer. A significant improvement in fuel efficiency and subsequent reduction in greenhouse gas emissions is anticipated.

Toll Global Logistics will continue to look for innovative ways to reduce greenhouse gas emissions and as well as lower the supply chain costs for its customers.

Such initiatives, once proven, will then be rolled out across the broader Toll global footprint as appropriate. ■



Initiatives	Examples of Toll initiatives	Status
Vehicle-based initiatives	Efficiency of motors Aerodynamic properties Driver style and speed	Speed limiting Tire pressure and cloth measure This is in progress This is in progress



## Working with Big C in Thailand to reduce the retailer's carbon footprint

Toll Global Logistics in Thailand was recently awarded a five year contract to provide primary

Thailand's transport services to Big C Supermarket, a large Thai retail chain.

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continued from page 10

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Transfer of Smarter Green knowledge outside of Australia e.g. EDB/ LTA Singapore, and Thailand





# Summary

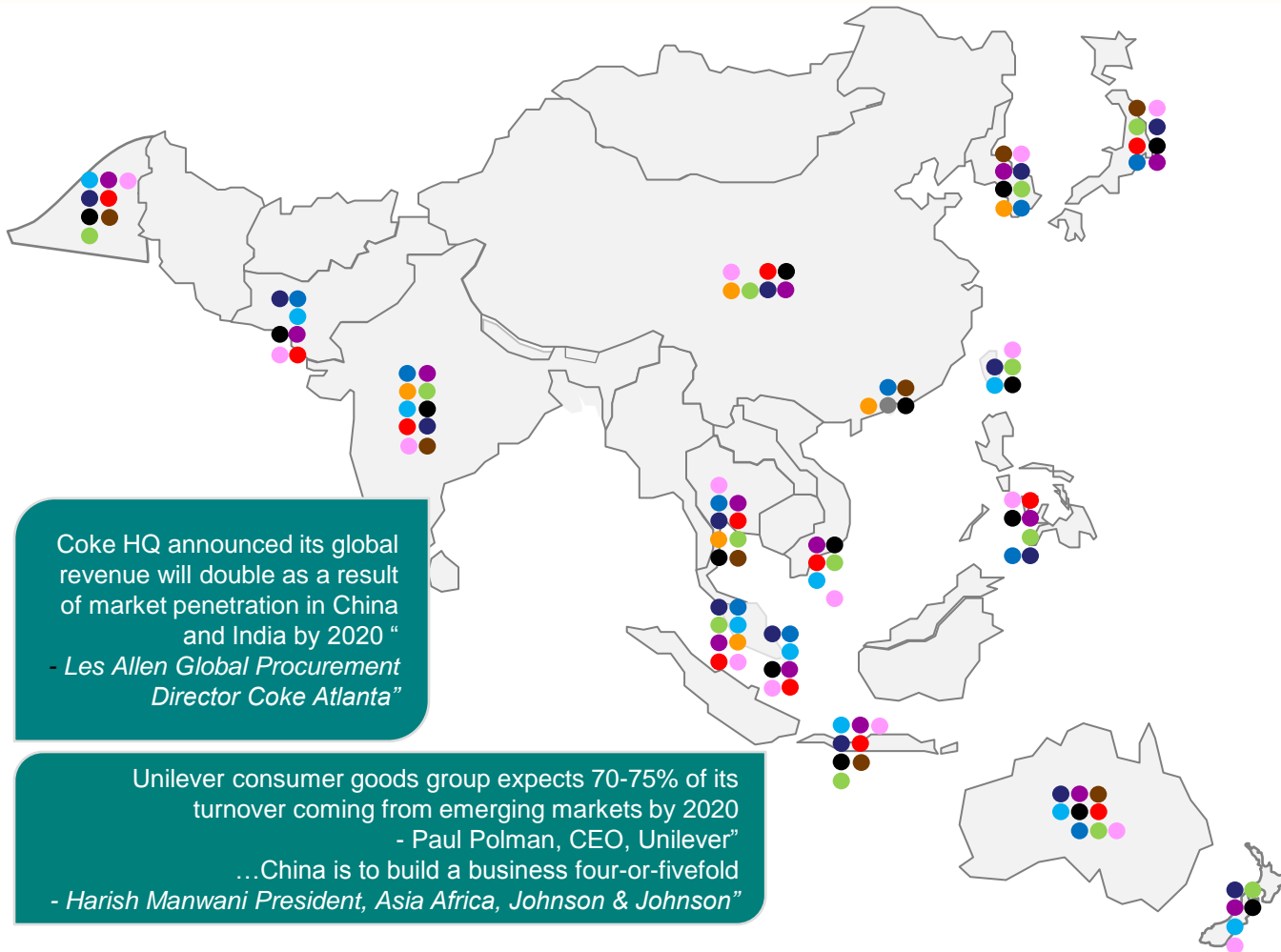
Wayne Hunt

President/CEO, TGL



# Our Asia Pacific focus

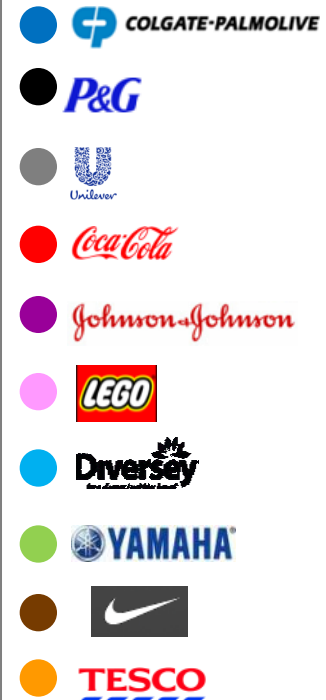
A customer-led approach that positions TGL to capture more share of logistics activity in key Asia-Pacific markets – regional strategy engagement



Coke HQ announced its global revenue will double as a result of market penetration in China and India by 2020 “  
- Les Allen Global Procurement Director Coke Atlanta”

Unilever consumer goods group expects 70-75% of its turnover coming from emerging markets by 2020  
- Paul Polman, CEO, Unilever”  
...China is to build a business four-or-fivefold  
- Harish Manwani President, Asia Africa, Johnson & Johnson”

## Selected Customers’ 2012 & beyond Asia-Pacific Region Share of Global Sales.



Fastest growing regions with high growth market with rising middle class

Source: Company websites, customer quote and TGL BD Dept research & estimates.  
Colgate (Asia/Africa); P&G (Asia); Unilever (Asia, Africa, CE Europe); Johnson & Johnson(Asia/Africa);

# Our Asia Pacific focus

Developing & promoting 'local people with local knowledge' will be a key point of difference for Toll



# Our Asia Pacific focus

Sometimes 2 steps forward and 3 steps back...

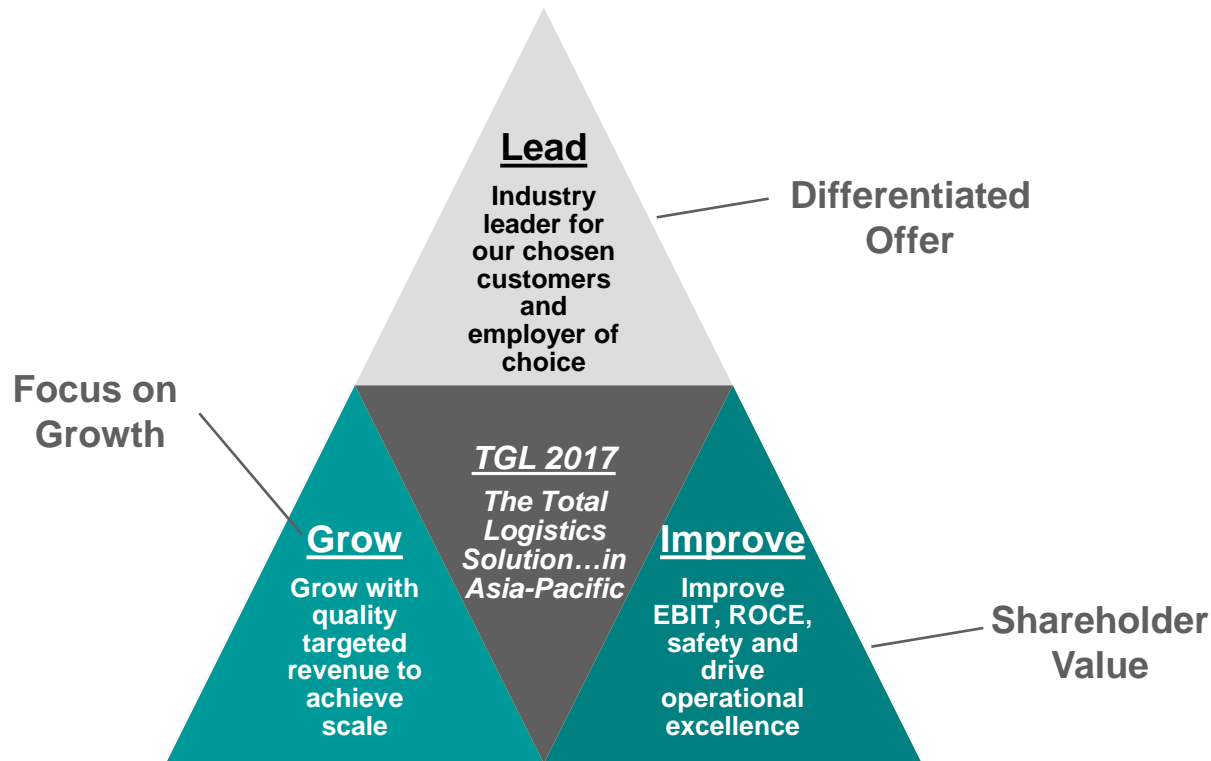


Scale and complexity of equivalent Asian operations compared with our Australian operations

e.g. Cultural, Language, Infrastructure, FOREX, HS&E, Automation & labor cost:  
Cost of 1x FTE in Australia equates to:  
= 3 FTE in Singapore  
= 10 FTE in China  
= 40 FTE in India

**Varying maturity on cost drivers, compliance, the country and customers' expectations**

# Toll Global Logistics global vision to 2017: Grow, Improve & Lead



**While creating higher barriers of exit and supporting the expansion of the 'One Toll' customer led strategy throughout the Asia Pacific region.**





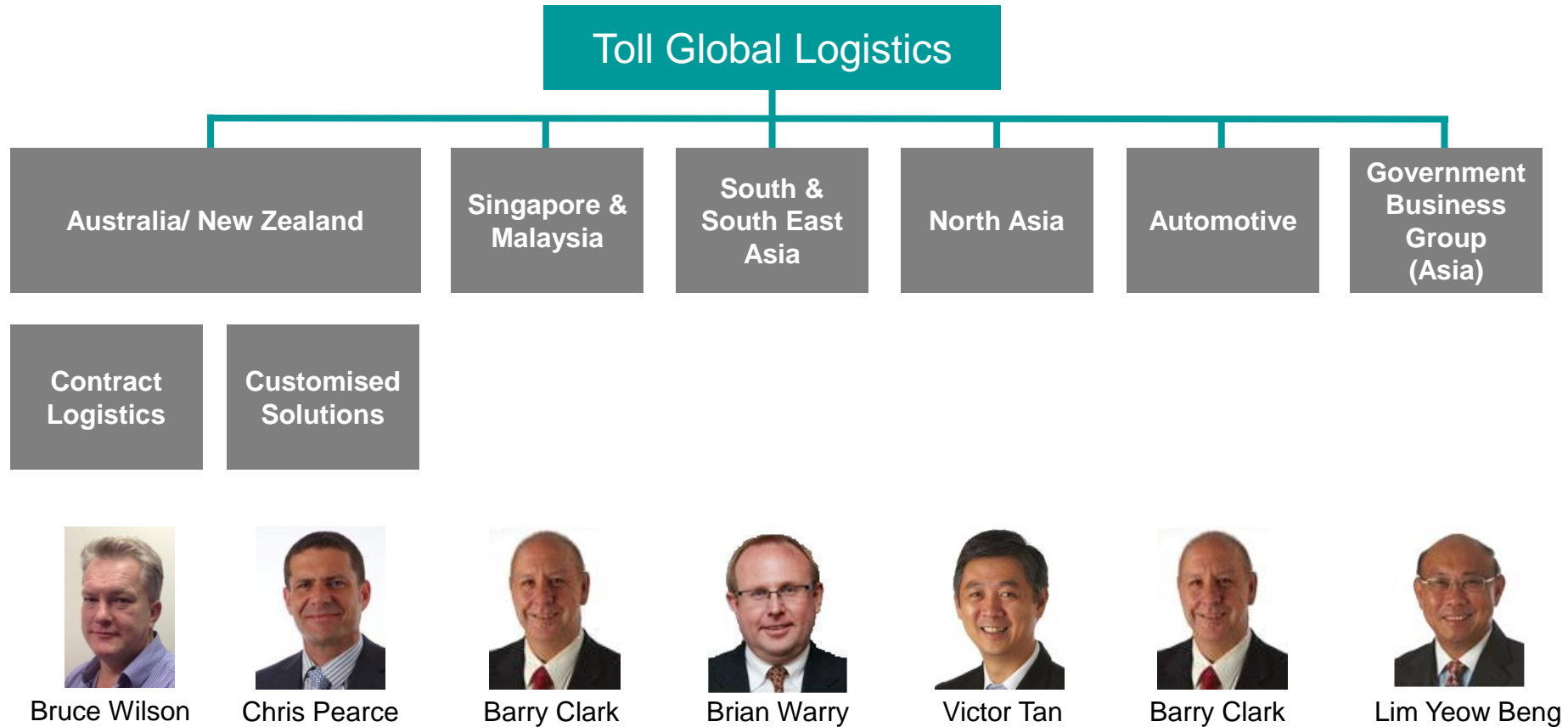
Questions ?





**Updates on Business Units (Handouts)**

# TGL Business Units





# Toll Customised Solutions overview

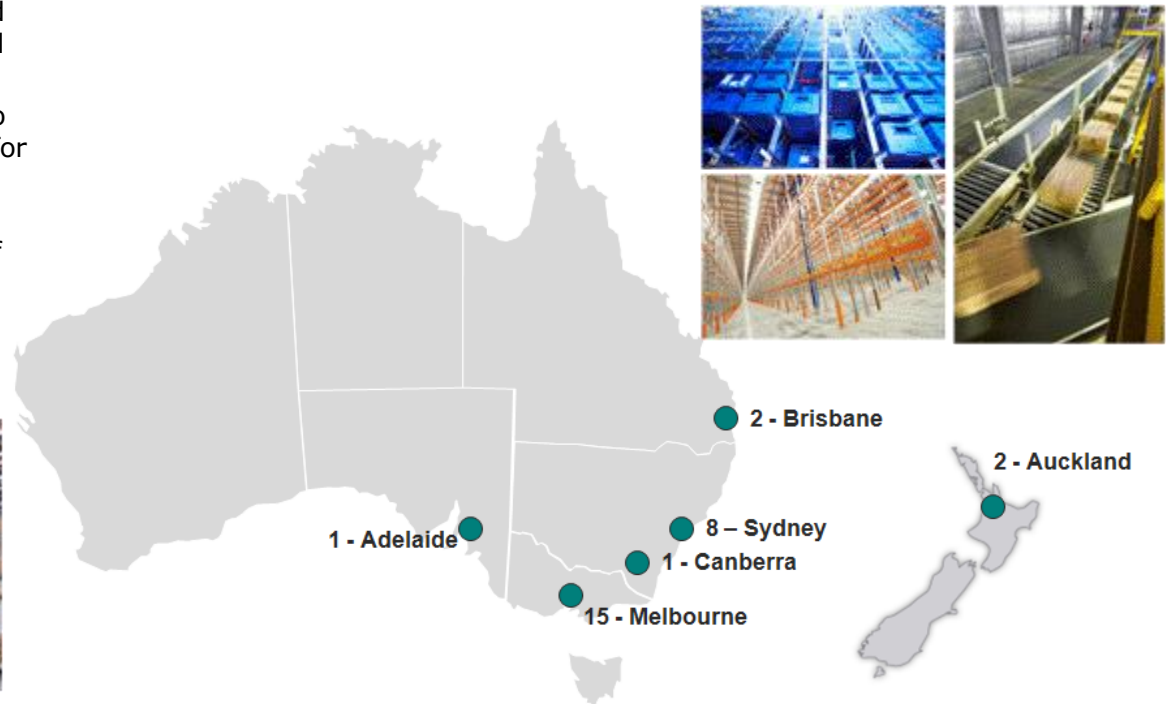
Personnel	1,500+
Service Offerings	Specialised warehousing and distribution
Infrastructure	No. of sites in Australia & New Zealand: 29 Total warehouse space: over 5,380,000 sqft



Chris Pearce

## Specialised warehousing

- Warehousing and distribution, customised and category specific for efficient, agile supply and end market fulfillment
- Financially flexible models with the freedom to initiate and respond to short-term strategies for market leadership diversification, free of in-house supply chain complexities
- Expert management and operations service of in-house warehousing and distribution needs
- Collaborative and committed approach to provide superior service to our customer's customer





# Toll Customised Solutions – Chemicals overview

Personnel	200+
Service Offerings	Specialised warehousing and distribution of dangerous goods
Infrastructure	No. of sites in Australia: 6 Total warehouse space: over 1,070,000 sqft



Chris Pearce



## Capabilities include:

- National network of fully compliant and licensed dangerous goods warehousing and transport
- Wharf cartage
- Dispatch management
- Cross-docking
- Volume flexibility – daily, seasonal, long term
- High service frequency
- Customer service IT platforms – providing online tracking, POD retrieval, and reduced management expense
- Returns Management, including quality control and fault analysis of returns
- Value added services
- All materials are stored according to their dangerous goods class, and are respectfully dealt with by complying with the highest national health and safety requirements



# Toll Contract Logistics overview

Personnel	1,400+ & 980+ subcontractors /casuals
Service Offerings	Lead logistics provider (LLP) services, warehousing, distribution and industry specific solutions throughout Australia
Infrastructure	Total fleet size: 208 trucks, 389 prime movers, 1,078 trailers and 183 containers



**Bruce Wilson**

## Competitive Edge

- A focus (at all levels) on safety and compliance.
- High levels of customer service
- Flexibility in the provision of resources, both fleet and people
- Tailored IT solution (Toll Axiom) providing supply chain visibility
- A culture of innovation and continuous improvement
- Expertise in designing and implementing innovative supply chain solutions for our customers
- Early adopters of environmentally-friendly solutions

## Services

- Supply chain management
- Local distribution
- Dedicated linehaul services – intrastate and interstate
- Warehousing
- Route deliveries
- Import and export container handling



Provides integrated and value-added contract transport and logistics services to customers within the Consumer Staples (Food and Staples Retailing, Food Beverage and Tobacco, and Household & Personal Products), Materials (Construction Materials, Containers & Packaging, Metals & Mining, Paper & Forest Products), Infrastructure Projects, and Wharf cartage sectors.

- 41% in previous 2 years, 86% in past 5 years
- 90% of CL sites have been LTI free for 12 months or more
- 2.3 million deliveries per year; 7,500 deliveries per day
- 99% deliveries on time
- Toll Axiom - proprietary IT platform
- Integrated Management System

Sector	Deliveries per Year
Retail	400,000
FMCG	1,650,000
Materials	200,000
Wharf Cartage	75,000
<b>Total</b>	<b>2,325,000</b>

# Toll Automotive overview

Personnel	1,087
Service Offerings	Parts/Component logistics (Inbound & Aftermarket), Finished vehicle logistics, PDI, Packing solutions
Infrastructure	No of warehouses managed: 32 / Total warehouse space: over 6,660,000 sqft No of trucks : 37 trucks, 380 Prime Movers, 520 Trailers, 215 Rail Boxes



Barry Clark

*Toll Automotive provides a total logistics solution for the Automotive and related industries through a variety of specialised logistics services. Toll Automotive is a recognized world leader in Automotive Logistics services, winner of Ford global awards.*

## Component Logistics

- Lead Logistics Management
- JIT milk-run transport
- Long distance transport
- Logistics Optimisation Centres
- Sequencing in line supply (SILS)
- Kitting and sub-assembly
- Packaging
- Tyre warehousing & distribution
- Aftermarket warehousing & distribution



## Finished Vehicle Logistics

- Car carrying transport
- Rail intermodal Autobox
- In-house equipment design
- Vehicle processing
- Storage
- PDI
- Accessory fitment
- E-POD
- Compound management



# Toll Singapore overview

Personnel	600+
Service Offerings	Contract logistics, warehousing & inventory management & value-added activities, product customization, reverse logistics, local transportation & distribution & regional exports management, freight handling (customs clearance, haulage), container freight station, container depot, project freight, project logistics, dedicated & specialized feeder services.
Infrastructure	<p>10 warehouses and 3 open yards: total warehouse space: 1.5 million sqft</p> <p>Vehicle Fleet: 100+ prime movers, 600 trailers &amp; 30 trucks</p> <p>Vessel Fleet: 6 x LCT/multi-purpose vessels, 1 x barge-tug set</p>



Ho Kee Sin

## 10 Warehouses + 3 Open sites (Total Warehouse Space = 1.5M sqft)



 warehouse  
 open yard

1 Jurong Logistics Hub

2 Logistics 21

3 Toll Zenecon Whse

4 Clementi Whse

5 Toh Guan Whse

6 SKLC

7 Keppel Distripark

10 YHS Whse

9 CIDC

8 Changi Air Cargo Complex



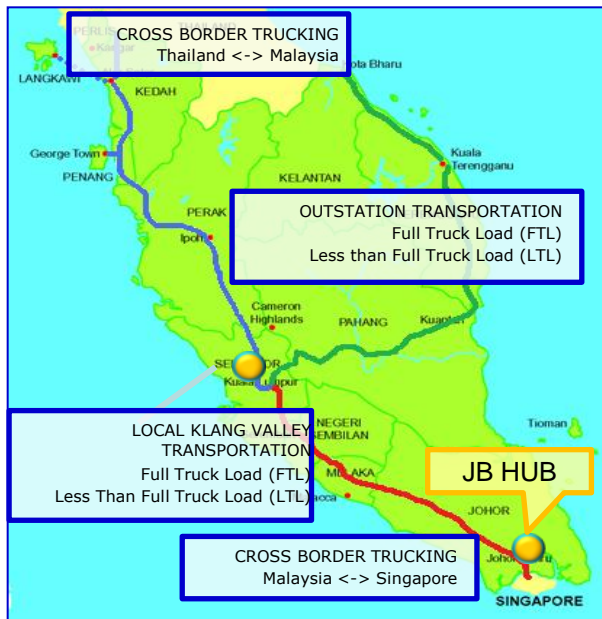


# Toll Malaysia overview

Personnel	50+
Service Offerings	Contract logistics, warehousing & inventory management & value-added activities, product customization, reverse logistics, freight management (customs clearance, haulage), local transportation & distribution (FTL, LTL & cross-border, TH-MY-SG)
Infrastructure	Warehouses: Bonded/non-bonded – Port Klang 60,000 sqft, Johor Bahru 30,000 sqft, Sabah, Sarawak Vehicle: Hybrid mix of own & outsourced fleet (1 /3 /5 tons, 20FT, 40FT, box trucks & curtain siders)



Barry Clark



## DELIVERY LEAD TIME

- Klang Valley area: Same Day or D+1 Day
- Major Towns in North, South and East Coast: D + 1 Day
- Outskirt Towns in North, South and East Coast: D + 2 Days



# Toll Zenecon (Singapore) overview

Personnel	30+
Service Offerings	Licensed warehouse with ambient or temperature & humidity controlled storage for dutiable beverages & tobacco , including logistic services from port to clients for beer breweries, vineyards and trade / private wine collectors



Fong Kwok Wah



## Clementi Loop Warehouse

- Warehouse: 147,000 sqft
- Office: 26,000 sqft
- 9 loading/unloading bays



Temperature-controlled warehousing

# Toll Dangerous Goods Management (Singapore) overview

Personnel	11
Service Offerings	One-stop service provider, inclusive of shipper's declaration documentation, transportation and freight services, packing services for dangerous goods, supply of packaging materials, specialized training and related activities



Jennifer Low






# Toll India overview

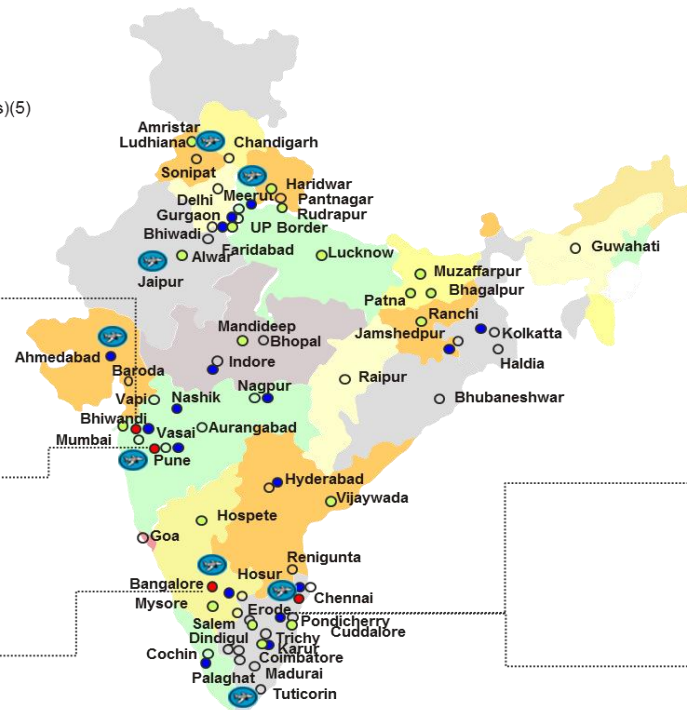
Personnel	435 & 2,120 on contract
Service Offerings	Domestic land transportation, contract logistics (including secondary distribution), value-added activities (light assembly & packing, stickering, bundling, etc)
Infrastructure	Managing over 1.8 m sqft of warehouse space – 5 Logistics Centers and 39 stand alone warehouses. 39 transport branches & fleet of 58 owned vehicles



Ajit Jangle



- Logistics Centre (Shared Facilities)(5)
- Dedicated Warehouses (39)
- Transport Branches (39)
- Toll BICLV Branches (74)
- Toll Global Forwarding (8)



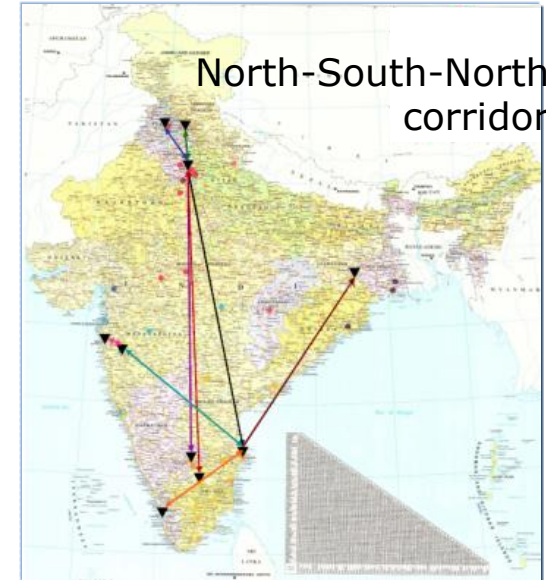


# BIC Logistics Ventures overview – 40% JV

Personnel	363 & 155 subcontract
Service Offerings	Domestic land transportation, rail forwarding, air freight ,value-added services, light sub-assembly for automotive industry
Infrastructure	Headquarters: New Delhi. 55 offices/warehouses. Total of 150,000 sqft leased space 130 company-owned trucks (majority with payload of 16T)/ 550 sub-contractor fleet



Harry Lagad



# Toll Sri Lanka overview

Personnel	150
Service Offerings	Warehousing, transport management, collateral management, value added services
Infrastructure	Managing approx. 300,000 sqft of warehouse space. Operating from 9 locations and a fleet of 70 vehicles



Prasad Jayasuriya

## Warehouse Management :

- Managing multi-user warehouses & stock management at client locations (Nestle, Lanka Commodity Brokers – Bulk tea operation)
- Island wide transport management (owned and contracted)
- Collateral management (for major banks)
- Value add



# Toll Thailand overview

Personnel	531
Service Offerings	Transportation, distribution, freight forwarding & customs clearance, warehousing, Inventory management, kitting & packing, VMI, collateral management
Infrastructure	>600,000 sqft warehouse space under management. Main DC located in Bangkok (310,000 sqft for automotive & retail businesses), 2 other DCs located in Bangkok & Laemchabang (213,000 sqft), and 2 RDCs for TESCO located in Chiangmai (15,000 sqft) & Lumpoon (50,000 sqft). Cross dock hubs setup in Chiangmai, Khon Kaen, Nakhornratchasima for providing consolidated line-haul & efficient delivery model. Fleet of 78 owned & 300 subcontract vehicles.



Graham Spillane



- From BKK, nation-wide distribution capability covering over 5,000 drop points within 24-48 hours
- Partner DC @ Hatyai and Surat Thani to service Southern Thailand



# Toll Cambodia overview

Personnel	60 including expats with extensive international railway experience
Service Offerings	Bagged cement rail freight between Phnom Penh and Touk Meas commenced October 2010, containerised rail freight and bulk fuel deliveries Phnom Penh to Sihanoukville by mid 2012, and containerised and bulk rail freight between Phnom Penh, Pursat, Battambang and Poipet and Cambodia and Thailand 2013. 46 sites of 475,000 sqft (including warehouse space of 24,000 sqft).



**Bobby Louw**

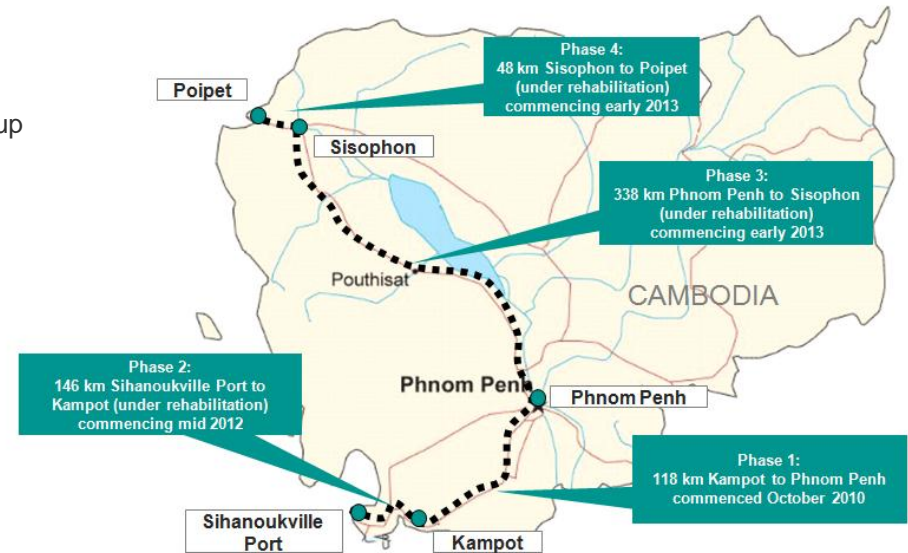


## Toll Royal Railway

- Joint Venture between Toll and the Royal Group
- Concession to Operate and Maintain
- Management System ISO 9001



## Phases of the Track Development in Cambodia





# Toll Vietnam overview

Personnel	500+
Service Offerings	Warehouse management, nation-wide distribution, customs clearance, value add services, collateral management services
Infrastructure	HQ in Ho Chi Minh City; 11 sites of >581,000 sqft [Including 3 BTS (Built to Suit) facilities] Fleet of over 300 trucks available with capacities from 1.5 tons – 30 tons (owned & out-sourced)



Ashwin D'Costa



CMA – Steel Billets



CMA – Sugar Bags

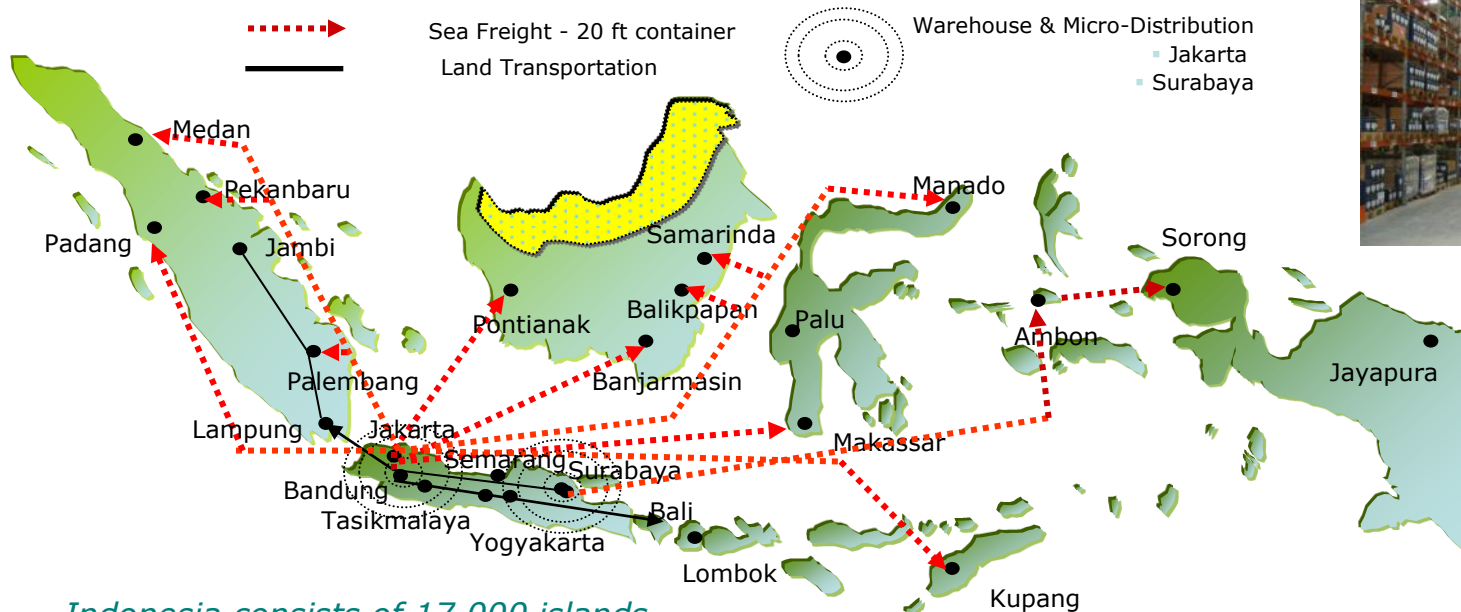


# Toll Indonesia overview

Personnel	147
Service Offerings	Warehousing and inventory management, transportation – long haul, domestic freight and micro distribution, project logistics, collateral management
Infrastructure	5 main DCs (4 in Jakarta & 1 in Surabaya) with warehouse space of 148,000+ sqft 11 leased mid sized trucks, and manage 15 subcontract vehicles daily



Arvind Rajan



# Toll UAE overview – 30% JV

Personnel	140+
Service Offerings	Warehousing, distribution, project cargo, freight forwarding, value-added services
Infrastructure	3 warehouses – 479,000 sqft in Jebel Ali Free Zone & Dubai Logistics City. Managed a fleet of vehicles including 7 dedicated trucks.



Marcel Chong

Facility: 140,000 sqft, JAFZA North



Facility: 204,000 sqft, JAFZA South



Design of Dubai Logistics City





# Toll China and Hong Kong overview

Personnel	2,000
Service Offerings	Warehousing, inventory management, freight forwarding, inter-modal distribution, express delivery, nationwide point-to-point delivery, customs clearance, quarantine inspection, application of quotas for restricted goods.
Infrastructure	Number of facilities: 30; Warehouse Space: >4,300,000 sqft Dedicated Fleet of Own Trucks: >120; Outsourced Trucks: >1,200; Nation-wide City Coverage: 1,739



Dennis Lim



# Toll Taiwan overview

Personnel	12 + subcontractors
Service Offerings	Warehouse (bonded / non-bonded), distribution, freight forwarding and cross-border services, value added service, product returns
Infrastructure	2 warehouses – Linko 71,000 sqft, Kaohsiung (bonded facility) 75,000 sqft



Tony Ruan

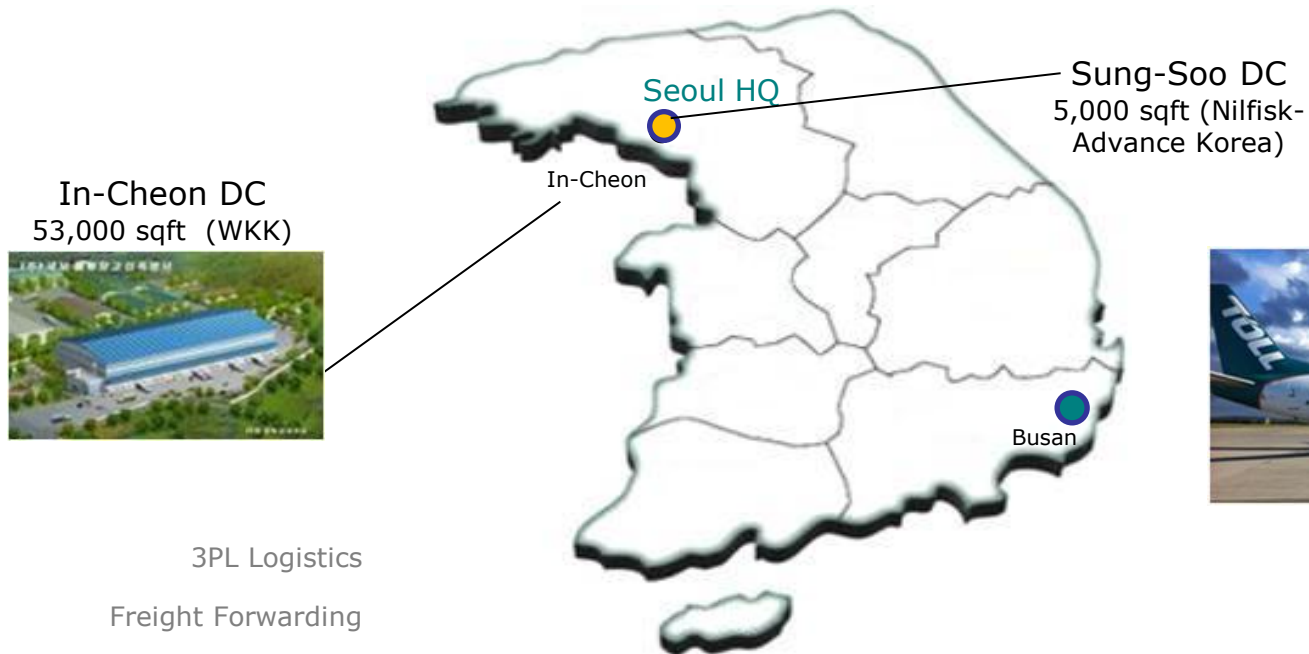


# Toll Korea overview

Personnel	10 permanent staff + 30 subcontractors
Service Offerings	Transportation, warehousing, logistics and supply chain management, freight forwarding and cross border services,
Infrastructure	53,000 sqft In-Cheon DC + 5,000 sqft Sung Soo, Seoul



Andy Park



Agent of TGF



# Government & Defence (Asia) overview



- **Leading player in supply chain management & international freight management for Government Sector in Singapore, specializing in:**

- Warehousing & inventory management
- Material planning & procurement
- Freight management
- Husbanding services
- Dangerous / hazardous goods management
- Fuel supplies & facilities management

- **Accreditation / Certification**

- ISO 9001: 2000
- ISO 14001
- OHSAS 18001:1999
- Member of IATA & FIATA
- Arms & explosive License
- Pharmaceutical License

- **Specialized logistics capability**

- Aviation fuel
- Medical Services & bio-medical engineering services
- Materials management in healthcare institutions
- Preservation & packaging
- Humanitarian relief & business continuity logistics



Lim Yeow Beng



Humanitarian Aid and Disaster Relief Logistics Support



National Events Logistics Management



Integrated Healthcare Logistics and Medical Services



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