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

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Dear Sir

**MEDIA RELEASE AND TOLL GROUP PROFIT ANNOUNCEMENT
FOR HALF YEAR RESULTS 31 DECEMBER 2004**

Please find attached for immediate release to the market, a Media Release and the Toll Group Profit Announcement with regard to the above mentioned subject.

Yours faithfully
TOLL HOLDINGS LIMITED

Bernard McInerney
Company Secretary

Encl.

MEDIA RELEASE – HALF YEAR RESULT 31 DECEMBER 2004

MOMENTUM CONTINUES AS TOLL POSTS ANOTHER RECORD RESULT

Toll Holdings, Australia's leading provider of transportation and logistics services today reported a record after tax profit of \$109.2 million, in respect of the six months to 31 December 2004.

Toll Managing Director, Mr Paul Little, said "the result, which represents a 28% increase over last year, was clearly of high quality and evidence that we are capturing the benefits of the momentum which has been built in the business over the past couple of years.

Continued improvement in underlying margins, growth in cashflows and excellent organic revenue growth were highlights of the result.

We are continuing to focus on and deliver superior returns on capital and at the same time developing a platform for significant new growth, both organically and by acquisition" said Mr Little.

Group EBIT (excluding Pacific National contribution) increased 16% to \$121.5 million with improved earnings from Toll Priority and Toll NZ together with the benefits of ongoing investment in terminals, fleet and technology providing an outstanding framework from which to grow future cashflow and earnings. EBITDA grew an impressive 21% for the six months to \$186 million.

Strong operating cashflows after interest and tax continue to be a feature of the Group increasing from \$64 million to \$111 million, and supporting increased capital expenditure on new infrastructure and acquisitions. Gearing remained low giving the Group ongoing flexibility and capacity to aggressively pursue its acquisition growth strategy.

The progress of Toll NZ is in line with expectations with the EBIT contribution of \$21.7 million, an increase of 28% over the prior year. This was a strong result given that the prior year excluded the seasonally poor first quarter during which the business made an operating loss. Adjusting for the inclusion of the first quarter the improvement for the period was over 37%.

As a result of the seasonality of Toll NZ, Group earnings are now generally less skewed to the first half than historically was the case.

Pacific National continues to improve its earnings and return on capital with an equity accounted after tax contribution of \$28 million for the period, an increase of 62%. With recent acquisitions and growth into Queensland, Pacific National is excellently positioned to improve its performance.

The Company has increased its ordinary share interim dividend by 29% to a record 11 cents per share fully franked. Earnings per share (fully diluted) continued to grow strongly increasing 17.4% to 30.9 cents per share.

Looking forward Mr Little said, “the Company is in an outstanding position to continue its record of earnings and cashflow growth and deliver excellent results for shareholders and customers. In terms of the full 2005 financial year outlook, the second half has commenced solidly and is well ahead of last year, and the Company expects to post another full year record result.

For further information refer attached or contact:

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22 February 2005

TOLL GROUP PROFIT ANNOUNCEMENT – DECEMBER 2004

Financial

Toll Holdings, Australia's leading provider of transportation and logistics services, today announced another record after tax profit of \$109.2 million in respect of the six months to December 2004, an increase of 28% over the previous corresponding period.

Total revenue, excluding equity share of Pacific National, increased 22% to \$1.925 billion, with the benefit of strong organic sales growth and the full period impact of Toll NZ revenues.

Underlying revenue growth in excess of 8% reflected the impact of major new contracts and continued momentum in extending services to existing customers.

EBIT for the Group, excluding Pacific National, increased from \$105 million to \$121.5 million for the six months. The increased result was driven by improved trading from previous acquisitions, including Toll NZ and Toll Priority, growth in revenues, and incorporated the ongoing benefits of investments in new fleet, new terminal facilities and technology.

EBITDA also grew strongly to \$186 million, an increase of 21% for the six months compared to the previous period. Operating cashflow pre interest and tax was \$150 million. The build up of receivables at period end reflects increased sales during the Christmas trading peak.

EBIT margins showed continued improvement, excluding Pacific National and Toll NZ operations, with the margin growing to 6.16%. Particularly strong results from the Networks Division assisted margin expansion, notwithstanding difficult trading in relation to our QRX rail freight forwarding operations in Queensland.

For the six months Toll NZ contributed an EBIT of \$21.7 million on revenues of \$305 million compared to \$16.9 million previously on revenues of \$129 million.

Margins for Toll NZ showed a solid underlying improvement based on the full six months of trading, which included the seasonally poor first quarter.

No income tax charge has been recorded in relation to Toll NZ as a result of ongoing tax losses. No income tax charge is expected in respect of the full 2005 financial year.

Pacific National contributed an after tax equity accounted profit of \$28 million, representing a 62% increase over the previous corresponding period.

A summary of the composition of earnings is as follows:

A\$ m	Base Operations	Toll NZ	Sub-Total	Pacific National (50% share)	Group Total
Revenue	1,620.2	304.7	1,924.9	341.5	2,266.4
EBIT	99.8	21.7	121.5	49.0	170.5
Net Interest	3.1	8.9	12.0	9.9	21.9
Tax	26.2	-	26.2	11.1	37.3
Minority Interest	.2	1.9	2.1	-	2.1
NPAT	70.3	10.9	81.2	28.0	109.2

With the seasonality of Toll NZ results, Group earnings are now generally less skewed to the first half, than was historically the case.

Group operating cashflows after interest and tax increased significantly from \$63.8 million to \$111.2 million with net debt at 31 December 2004 of \$351 million. Interest cover remained strong in excess of 10 times, whilst net debt to equity gearing was 30%.

Capital expenditure for the six months was \$130 million, which included major new property developments in warehousing and Queensland rail terminals, as well as Toll NZ equipment upgrades.

Earnings per share (fully diluted) was 30.9 cents for the six months, an increase of 17.4%; Directors have declared an 11 cents per share fully franked ordinary interim dividend, representing an increase of 29%, another record for the Company.

Divisional Performance

All divisions showed improvement in revenues and traded strongly.

Networks

The Networks division continued its impressive growth with revenue of \$955 million, a 29% increase on the previous period. The revenue increase included a \$257 million contribution from Toll NZ in addition to strong organic growth.

Total EBIT for the division was \$50.9 million which included \$6.2 million from Toll NZ. Excluding Toll NZ, EBIT grew 20.5% to \$44.7 million, whilst EBIT margins increased 9.6% to 6.4%.

All Network businesses performed well during the six months in terms of both revenue growth and earnings. Toll Express and Toll IPEC traded exceptionally, realising the benefits of past investment in terminal facilities, fleet and technology.

Toll Priority and Toll Fast continue to show strong improvement in all facets of their operations. The Company is presently reviewing plans to renew the capital city terminal infrastructure for Toll Priority, which will increase capacity as well as improve efficiency of the network.

The development of the Toll Priority brand in New Zealand is proceeding well and further growth opportunities are being explored for this business.

Toll North

This division posted another strong result with revenue of \$328 million, an increase of 17% over the previous year and an EBIT of \$18.1 million compared to \$18.9 million previously.

The results included the impact of the loss making TranzLink International business which was acquired from Toll NZ in July 2004.

NQX produced a record result supported by excellent organic growth and maintenance of sound cost control programs.

Toll's North Queensland rail forwarding operation, QRX, reported a loss as it continued to suffer from substantial rail linehaul rate increases and poor service levels imposed by Queensland Rail. The start up of Pacific National's Queensland operations is due to commence in March, and is expected to significantly improve efficiency of the QRX business.

Toll Resources had a solid result with high levels of activity across the sector.

Toll International, the Group's international freight forwarding operation, benefited from the integration of new businesses and maintained its rapid growth in supporting our domestic customer base in managing offshore supply chain activities.

Logistics

The Logistics division reported revenues of \$642 million for the six months, an increase of 15% on the previous year. Toll NZ Interisland revenues contributed \$48 million compared to \$23 million in the previous period which reflects a full six months together with improved trading.

EBIT for Logistics grew 29% to \$52.5 million with the Interisland posting \$15.5 million EBIT for the period.

Excluding the Toll NZ earnings, Logistics increased EBIT by 15%, with margins growing to 6.25%.

The Food, Beverage and Retail sectors maintained strong organic growth as the benefit of major new contracts were realised. The Automotive sector also performed well reflecting increased revenues and the benefit of continued investment in new fleet and innovative technology solutions.

Ports Logistics performed in line with plan, with increased presence in New Zealand following the recently concluded Joint Venture with Port of Tauranga. In addition, completion of the acquisition of Western Stevedores in December 2004, will strengthen the Company's presence in Western Australian port operations

The Bass Strait shipping services of Toll Shipping had a difficult six months with the unscheduled outage of vessel 'Victorian Reliance' which occurred in mid-November. The vessel returned to full service in January and with the lengthening of both vessels in this service in the early part of the financial year, it is expected that full year trading will meet expectations.

Toll Transitions, the relocations business, had a solid six months with increased revenues from workplace relocation activities. The independence and transparency which the Toll model brings to the major relocations contracts is increasingly being demanded by customers, particularly by Governments seeking to apply strict governance rules.

Asia

During the period new customer contracts were entered into in both Thailand and Malaysia, which extends the scale and depth of operations into these two countries.

Trading remained robust for these businesses and we have continued to improve earnings and invest in infrastructure and systems to support expected new growth.

Toll International, freight forwarding operations, were further consolidated with the integration of TranzLink International. The capabilities within Toll International, together with the growing involvement of customers in offshore sourcing, has led to a rapid increase in revenues and to a range of exciting opportunities to drive further growth within the Asian region.

Toll New Zealand

The six months to 31 December 2004 is the first full December half reported by the Group following the acquisition of Toll NZ (formerly TranzRail) on 10 October 2003.

As previously noted, the September quarter is seasonally poor as earnings are historically impacted by lower volumes.

For the six months, Toll NZ produced an EBIT of \$21.7 million, an increase of 28% over the previous period. Revenues were \$304.7 million compared to \$129 million in the prior year.

Toll NZ's contribution after tax and minority interests, and before acquisition funding costs, was \$10.9 million, slightly higher than last year's \$10.7 million, which reflects solid underlying improvement in the business after adjusting for the low September quarter.

During the period, Toll NZ benefited from continued restructuring and a reduction in overheads. In addition, a number of new rail based contracts were executed providing further confidence in the ability to increase rail's share of the freight task.

The land based road and rail operations experienced strong revenues over the period, although constrained by a shortage of infrastructure and rolling stock capacity.

The Interisland ferry operations traded in line with plan. The vessel Arahura completed its refurbishment which has been well received by customers.

The vessel Aratere has had various operational issues over a period of time, and although the safety and comfort of customers has never been compromised, the Company is working diligently to improve reliability and efficiency of the vessel. A review of the vessel configuration across Cook Strait is well underway.

During the six months the rail track infrastructure was transitioned back to the New Zealand Crown, with responsibility being passed to the New Zealand Rail Corporation (NZRC).

The Company is committed to working with customers and the Crown to overcome past legacies, the current inefficiencies and excess costs, and to introduce urgently needed reforms.

Pacific National

The Company's joint owned rail operator, Pacific National, recorded a 50% equity accounted contribution of \$28 million for the six months, an increase of 62% over the previous corresponding period.

The result was based on total revenue of \$683 million, or 25.4% greater than last year, and an EBIT of \$98 million or 48% over the previous year.

Coal and intermodal revenues continued to grow. Whilst New South Wales grain volumes improved, Victorian grain shipments were below expectations.

During the six months the Victorian based rail operator, Freight Australia, was acquired. The integration of this acquisition is proceeding in line with plan.

Pacific National's expansion into Queensland is also proceeding according to plan and the first intermodal service is due to commence in March 2005.

Economic Conditions

During the period the Company continued to experience solid economic growth throughout Australia and New Zealand.

The food, beverage and retail, automotive, and resource sectors maintained strong growth profiles, with the broader industrial sector remaining stable.

Fuel prices have remained at historically high levels during the past six months and have continued to pressure the industry to promptly recover the rising costs.

The Company continues to closely manage the affect of higher fuel costs and has well established systems to minimise its impact.

Overall capacity across the industry was severely stretched during the period, particularly in relation to the peak lead up to Christmas and with high import and export demand. The lack of capacity clearly demonstrated the need for improvements in rail infrastructure to cope with current and future demand for rail.

Notwithstanding these capacity issues, there has not been excessive cost impacts on the Company's operations and there is no current evidence that the Company will face major inflationary pressures in the medium term.

International Financial Reporting Standards (IFRS)

The Company is well advanced in its assessment and implementation of IFRS. Reporting under IFRS will commence for the Company in its December 2005 interim results.

The IFRS project team, which reports regularly to the Audit and Financial Risk Committee, has identified the major areas impacting on the Company's future reporting and has identified internal systems and processes which need to be established.

At this stage the Company does not envisage any material adverse impact on its future reported earnings arising from the implementation of IFRS.

Outlook

The Company's performance during the first six months of the financial year, provided clear evidence of the momentum from past acquisitions both in Australia and New Zealand and the recent acquisitions within Pacific National.

In addition, the benefits of organic growth enjoyed by the Company continue to be reflected in underlying earnings.

Since the end of December, the Company has traded in line with expectations and well ahead of last year.

Based on current conditions, the Company expects to produce another record result in relation to the full 2005 financial year.