



Toll Holdings Limited
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27 August 2009

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

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Dear Sir

**NEWS RELEASE AND GROUP PROFIT ANNOUNCEMENT -
APPENDIX 4E PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2009**

Please find attached for immediate release to the market the following with regard to the above mentioned subject:

1. Media Release;
2. Profit Announcement; and
3. Appendix 4E Preliminary Final Report for Year Ended 30 June 2009.

Yours faithfully
TOLL HOLDINGS LIMITED


Bernard McInerney
Company Secretary

Encl.



27 August 2009

MEDIA RELEASE

Toll Group achieves 14% profit growth despite difficult times

Toll Holdings, one of the Asian region’s leading transport and logistics providers, today reported 14% NPAT growth before non-recurring items and discontinued operations. The Group also announced that gearing levels had been reduced to 12.2% down from 37.6% last year.

“This strong profit growth combined with a very strong balance sheet perfectly places the Toll Group for further M&A activity in the months and years ahead,” said Toll Group Managing Director, Paul Little.

“We are continuing to see real opportunities for acquisitions which match our long term strategic vision. We see some very interesting future growth options both here in the region and around the world.

	2008	2009	Variance %
<i>Revenue</i>	\$5,605m	\$6,492m	↑ 16%
<i>EBITDA*</i>	\$569m	\$625m	↑ 10%
<i>EBIT*</i>	\$429m	\$466m	↑ 9%
<i>NPAT**</i>	\$261m	\$298m	↑14%
<i>Gearing</i>	37.6%	12.2%	↓68%
<i>EPS*</i>	42.7cps	48.0cps	↑12%
<i>Dividends</i>	25.0cps	25.0cps	-

- ** Pre acquisitions accounting amortisation and investment write-downs/one-off items*
- *** Pre investment write-downs/one-off items*
- *All comparative amounts are on a continuing operations basis*

“Our revenue and EBIT margin results are excellent given the difficult trading conditions, underpinned by a solid performance in the Australian business,” he said.

EBIT margins in the Australia/New Zealand business were maintained at 7.6% and Toll Asia margins remained at 10.5% as a result of excellent cost control. The Global Forwarding business recorded a lower margin of 2.2% compared to 2.8% in the previous year due to significantly lower volumes.

The company achieved organic growth despite the economic downturn. The underlying revenue growth in Australia was 1.3% and 1.6% in Toll Asia. The lower organic growth rate in Australia reflected increased competition and a general slowdown in economic activity. Acquisitions during the period improved overall revenue growth.

During the year, Toll disposed of its investments in Brambles Limited and Virgin Blue.

The company generated \$463 million in operating cashflow after capital expenditure, reflecting the underlying strength of the core business and the continued focus on cash management.

Toll Australia and New Zealand

“The strength of the Australian and New Zealand operations was a highlight and a tribute to the integrated model the Group has been championing for many years. That EBIT margins were maintained at the historically high level of 7.6% is a particular achievement.

	2008	2009	Variance %
Revenue	\$4,642m	\$4,861m	↑ 4.7%
EBIT*	\$355m	\$372m	↑ 4.8%

▪ ** Pre PPA amortisation and investment write-downs / one-off items*

“While the second half of the year saw some reduction in volumes in parts of the business, the annual result was certainly a strong one for this division.

“The acquisitions of Perkins Shipping and Extra Transport are important additions to the Group. The integration of last year’s acquisitions including Golden Riverland, Couriers Australia, Victoria Express, Skynet and Westrans was another highlight,” said Mr Little.

Toll Asia

“Toll Asia’s continued integration into the Toll Group is bringing about some very positive developments including new contract wins with Coca Cola in China, Nestle in Singapore and Indorama in Thailand. We believe our multinational customers are continuing to find value in our integrated service offering.

	2008	2009	Variance %
Revenue	\$605m	\$724m	↑ 19.7%
EBIT*	\$63m	\$76m	↑ 20.6%

▪ ** Pre PPA amortisation and investment write-downs / one-off items*

“Toll Asia’s high level of involvement with the fast moving consumer goods market cushioned the impact of the global economic crisis, particularly in the major markets of India, China, Singapore and Vietnam. However, significant volume reductions were experienced in the consumer electronics, automotive and industrial sectors,” said Mr Little.

Toll Global Forwarding (TGF)

The presentation of TGF’s results has been complicated by the inclusion of the full year impact of the BALtrans and Gluck acquisitions.

“As expected in the current environment, TGF was affected by the significant downturn in global forwarding volumes. After a solid first half, volumes in the second half were significantly down on 2008.

	2008	2009	Variance %
Revenue	\$358m	\$907m	↑ 153.4%
EBIT*	\$11m	\$18m	↑ 63.6%

▪ ** Pre PPA amortisation and investment write-downs / one-off items*

“We are pleased that TGF’s stronger position in the less effected Australian market has provided a buffer from the worse effected markets. Through the year the business has been successfully integrated into the Group with its senior management now including key personnel brought on board from global forwarders such as DHL, UPS, Exel and Kuehne and Nagel.

“Toll’s strong reputation and our announced intention to grow the TGF business from revenue of \$1 billion to \$3 billion by 2012 has certainly helped us attract some of the world’s most experienced logistics professionals,” Mr Little said.

Outlook

“Trading conditions in the short term are expected to remain generally flat with some improvement evident across Australia and Asia. Toll is however, well positioned to benefit from improvement in economic activity.

“Significant investment is being made for future growth in projects such as the TOPS Loyang offshore supply base and continued investment in fleet and technology.

“The acquisition outlook remains very positive with opportunities in most sectors, particularly global forwarding. Our strong balance sheet position leaves us well placed to take advantage of opportunities as they arise,” concluded Mr Little.

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27 August 2009

Toll Group Profit Announcement
Year Ended 30 June 2009

Toll Holdings, one of the Asian region's leading transport and logistics providers, today reported NPAT before non-recurring items and discontinued operations of \$298.1 million, an increase of \$37.3 million compared to \$260.8 million last year.

Revenue for the year was \$6.5 billion, an increase of 16% over the previous period of \$5.6 billion.

EBIT pre acquisition accounting amortisation charges and non-recurring items was \$466.0 million compared to \$428.8 million in the previous year, an increase of 9%.

This is an excellent result given the difficult trading conditions, underpinned by a solid performance in the Australian business.

EBIT margins in the Australia/New Zealand business were maintained at 7.6% and Toll Asia margins remained at 10.5% as a result of excellent cost control. The Global Forwarding business recorded a lower margin of 2.2% compared to 2.8% in the previous year due to significantly lower volumes.

The company achieved organic growth despite the economic downturn. The underlying revenue growth in Australia was 1.3% and 1.6% in Toll Asia. The lower organic growth rate in Australia reflected increased competition and a general slowdown in economic activity. Acquisitions during the period improved overall revenue growth.

During the year, Toll disposed of its investments in Brambles Limited and Virgin Blue.

The company generated \$463 million in operating cashflow after capital expenditure, reflecting the underlying strength of the core business and the continued focus on cash management.

Divisional Performance

Whilst divisional results are reported for Toll Australia and New Zealand, Toll Global Forwarding and Toll Asia, a new reporting structure commenced from July 2009. All references to divisional EBIT are pre-amortisation charges arising from acquisition accounting.

Toll Australia and New Zealand

The Toll Australian/New Zealand business performed ahead of last year despite a reduction in volumes in the second half of the year. This was an excellent result given the tightening in economic conditions and is a reflection of the disciplined management of variable costs and the diversity of revenue across industry segments.

Revenue for Australia and New Zealand was \$4.8 billion compared to \$4.6 billion last year despite a decline in express volumes in the last quarter.

EBIT for Australia and New Zealand was \$373 million compared to \$354 million last year. EBIT Margins were maintained at 7.6% primarily due to effective management of costs across the entire division.

Highlights

In addition to the earnings performance there were a number of highlights for Toll Australia and New Zealand during the year. These included:

- Acquisition of Extra Transport in July 2008 and Perkins Shipping (completed in July 09);
- The completion of a small, but strategic, air express acquisition in Singapore and Hong Kong to further enhance the Toll Global air express offering of Toll Priority;
- Significant contract wins including Chevron, Komatsu, Shell, BlueScope, Westpac and Xstrata; and
- The continued integration of acquisitions made in the previous financial year including Golden Riverland, Couriers Australia, Victoria Express, Skynet and Westrans.

The time sensitive operations of Toll IPEC performed ahead of last year despite some very difficult trading conditions. The impact of volume reductions during the second half were largely offset by strong variable cost control and ongoing integration benefits arising from prior year acquisitions such as Couriers Australia and Victoria Express.

Toll Priority performed ahead of last year and continued to build its air freight operation and network, both domestically and internationally. The Singapore and Hong Kong operations of Deltec Asia were acquired in the year which significantly increases Toll Priority's reach into Asia, allowing it to integrate closely with Toll Global Forwarding and its agent network in the region. The acquisitions of SkyNet Australia and New Zealand also proceeded to plan.

Toll Priority also acquired ITC, a document management and imaging business which will complement and extend its current product offering to both the financial and legal sector.

Toll Dnata Airport Services, the joint venture with Emirates, experienced difficult trading conditions in the context of the global aviation downturn. However, a number of contracts were won in the last quarter of the financial year which will provide support for future earnings.

Toll Contract Logistics performed well with increased volumes across the food and beverages sector and improved yields through improved cost control. Key customer contracts were renewed in the year and the business continued to invest in new technology.

Revenue increased in the Toll in2store business as a result of new business, and the extension of existing contracts with major customers such as Unilever and Coles Express.

The NQX and Toll Express businesses performed well despite decreasing volumes in the last quarter. Margins were maintained with the business benefitting from cost control, technology and fleet investment.

QRX was again affected by the floods in North Queensland in the second half, however margins have been maintained.

Toll Energy achieved significant growth in both revenue and earnings, and was able to expand margins through operational efficiencies and cost management initiatives. Key contract wins included the Barrow Island supply base for the Gorgon LNG project, which is expected to generate \$180 million of revenue over three years, the renewal of ConocoPhillips supply base contract in Darwin for nine years, and the provision of supply base services out of Dampier for Exxon Mobil.

Toll Mining Services also performed better than last year and is benefiting from ongoing capital investment in more efficient equipment.

Toll Automotive was affected by the continued decline in volume from the Australian automotive manufacturers due to a reduction in new vehicle sales in the domestic and export markets and increased imports. This was partly offset by record storage levels for new cars in the Prixcar business. Toll Automotive contract wins included the Komatsu national warehousing and distribution contract and the renewal of the Holden finished vehicles distribution contract for another two years. The outlook for our automotive business continues to remain flat in Australia however we are pursuing opportunities in China and India.

Trading for PDL Toll, our specialist defence logistics project operator remained strong in the second half of the year. Operations in Timor Leste and the Solomons remained key activities for this business, however major elements of the Solomon's contract have not been renewed beyond December 2009 and the Commonwealth expect the activity levels in Timor Leste to reduce in the first calendar half of 2010. These two factors will negatively impact this project based business going forward. However, this will be partially offset by a significant contract win with the United Nations in Chad, allowing a strategic broadening of the traditional earnings base of this business.

Toll Tranzlink has experienced extremely difficult trading conditions in the second six months of the financial year, reflecting the general economic climate in New Zealand. These conditions are expected to continue in the first half of the 2009/10 financial year.

Toll Asia

Total revenue for Toll Asia for the year was \$724 million compared to \$605 million in the prior year.

EBIT for the year (including share of associates) was \$76.1 million compared to \$63.4 million last year.

The reported revenue and earnings benefited from the higher currency translation due to the strength of the Singapore dollar in the period.

Toll Asia's high level of involvement with the fast moving consumer goods market cushioned the impact of the global economic crisis, particularly in the major markets of India, China, Singapore and Vietnam. However significant volume reductions were experienced in the consumer electronics, automotive and industrial sectors.

Highlights

- The acquisition of 40% of BIC Logistics with an option to move to 100% ownership in two years. The acquisition provides Toll with its first multi-modal transport network in India to compliment Toll's existing warehouse operations and provides further exposure to the automotive sector in India.
- The agreement to purchase the remaining 49% of the ST-Anda joint venture in China, moving ST-Anda to a wholly owned subsidiary, subject to final government approval. This will provide Toll with the opportunity to better integrate our operations within China and to offer a more seamless solution to our existing customers both within China and in a global setting.
- Key contract wins including Coca Cola China, Nestle Singapore and Indorama Thailand
- The expansion of our warehousing footprint. New warehouses were completed during the year, adding 54,000m² capacity in key regions such as Shanghai and Mumbai.

The Government and Defence logistics operations in Singapore performed well and traded in line with plan. Additional contract work was secured in relation to refuelling services.

Toll Offshore Petroleum Services (TOPS) traded ahead of plan due to higher volumes across the wharf and increased maintenance and support services provided to existing customers. Work is progressing well on the redevelopment of the Loyang supply base.

The Marine business performed ahead of plan due to increased thermal coal volumes into Indonesia and new sand/aggregates volumes into Singapore.

Contribution from associates was higher due to an improved operational performance from the Footwork Express business in Japan.

Toll Global Forwarding (TGF)

Revenue for the period was \$907 million, an increase of \$549 million due to the full year effect of the Baltrans and Gluck acquisitions. EBIT for the twelve months to June 2009 was \$17.5 million, an increase of \$6.6 million over the previous reporting period.

Toll Global Forwarding was affected by the significant downturn in global forwarding volumes. After a solid first half, volumes in the second half were significantly down on 2008.

Highlights

- The Gluck business has been successfully integrated into TGF and the Australia business is well placed to take advantage of growth opportunities.
- Development of the first phase of the new technology rollout is nearing completion and deployment is underway in all regions. This new technology will lift our product and service offerings to globally competitive levels and is a key enabler to deliver end to end solutions to international supply chains.
- Buy out of minority interests in several regions.

The Asian business bore the brunt of the poor global conditions experiencing a downturn in Asian exports to Europe and North America and a reduction in intra-Asian trade.

Europe traded strongly until December, however volumes weakened in the second half, particularly in the key UK and German markets.

North America continued to perform strongly in the second half despite the difficult market condition and delivered improved market share and earnings compared to last year.

South Africa performed strongly until early 2009 but weakened in the last quarter.

Australia and New Zealand experienced a strong first half followed by a weaker second half. The volume slowdown has not been as high in this market compared to Asia and Europe, and the business delivered improved earnings for the full year. Contracts retained or secured include Rio Tinto, Cotton On, Colorado, The Reject Shop.

Strong focus has been placed on building up experienced management resources. During the second half of the year TGF has successfully recruited outstanding industry professionals in Europe, Asia, North America and South Africa to add to the already strong base in place after the Baltrans/Gluck integration.

Toll's investment in leading Hong Kong based freight consolidator Cargo Services Far East (CSFE) remains a key plank in the TGF strategy. TGF and CSFE are looking at opportunities in Hong Kong and China particularly, to maximise current capabilities and improve efficiency.

Finance

The company has a strong balance sheet with a net debt position of \$361 million at 30 June, 2009.

During the past twelve months the company has successfully refinanced maturing facilities including the extension of its Singapore based syndicated debt facility to November 2011, and the rollover of existing AUD maturing facilities.

The company currently has net debt to net debt plus equity gearing of 12% with interest cover exceeding 21 times. We have maintained high levels of cash balances and committed undrawn facilities in order to ensure that value creation growth opportunities can be pursued.

Net interest costs are expected to be higher next year as a result of increased investments and likely lower average deposit interest rates in Australia.

Operating cashflow after capital expenditure for the twelve months was \$463 million, reflecting the ongoing strength of the underlying operations and sound cashflow management. The sale of the company's investment in Brambles and Virgin Blue shares also improved the cash position.

Fully diluted earnings per share from continuing operations was 48.0 cents per share, pre acquisition amortisation charges and investment writedowns and discontinued operations. This represents a 12.4% increase on a continuing business basis compared to 42.7 cents per share in the previous corresponding period.

Directors have declared a final dividend of 13.5 cents per share, bringing the full year dividend to 25.0 cents per share consistent with the total dividend per share last year.

Discontinued Operations

The Group's result for the period includes \$8 million of final costs associated with the demerger of the Virgin Blue business.

Organisation Structure

For the 2010 financial year the business will be reported around the following operations:

- Global Express & Domestic Freight
- Global Forwarding
- Global Contract Logistics
- Global Resources & Projects

The new structure provides customer focused services on a global and regional basis. We will continue to provide financials to the market in a format that will allow year on year comparisons to occur.

Outlook

Trading conditions in the short term are expected to remain generally flat with some improvement evident across Australia and Asia. Toll is however, well positioned to benefit from improvement in economic activity.

Significant investment is being made for future growth in projects such as the Loyang offshore supply base and continued investment in fleet and technology.

The acquisition outlook remains very positive with opportunities in most sectors, particularly global forwarding. Our strong balance sheet position leaves us well placed to take advantage of opportunities as they arise.

ASX Appendix 4E
Preliminary Final Report

Name of Entity	Toll Holdings Limited
ABN	25 006 592 089
Reporting Period	Year ended 30 June 2009
Previous Corresponding Period	Year ended 30 June 2008

Results for Announcement to the Market

		June 09	June 08
		\$m	\$m
Revenue (continuing operations)	Increase 16%	6,492	5,605
EBIT ¹	Increase 9%	<u>466</u>	<u>429</u>
NPAT (continuing operations)	Increase 15%	<u>303</u>	<u>264</u>
Discontinued operations		(8)	(945) ²
Minority interest		(5)	(4)
Non-recurring items		<u>(20)</u>	<u>(10)</u>
NPAT (attributable to members)		<u>270</u>	<u>(695)</u>

¹ Continuing operations pre PPA amortisation and non-recurring items

² Relates to loss on demerger of Virgin Blue and gain on sale of NZ rail and ferry operations.

Refer to attached Media Release for commentary on results.

TOLL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
Preliminary Final Report for the Year Ended 30 June 2009

Other Information

Dividends

	Amount cps	Franked Amount cps	Total Payable \$M	Date Paid / Payable
<u>2009</u>				
Interim dividend	11.5	11.5	79.5	03/04/2009
Final dividend	13.5	13.5	93.9	23/10/2009

2008

Interim dividend	13.5	13.5	87.1	04/04/2008
Final dividend	11.5	11.5	74.5	24/10/2008

On 22 August 2008 the company distributed a special (in specie) dividend of Virgin Blue shares on the basis of 1 Virgin Blue share for each ordinary Toll share held, with the record date being 23 July 2008. The special dividend is a demerger dividend for income tax purposes and not subject to dividend franking.

Record date for determining entitlements to the final dividend is 9 October 2009.

The company has a Dividend Reinvestment Plan which will apply to the final dividend. Shares are issued at a discount of 2.5% to the weighted average market price for the five business days, up to and including the books' close date. The last date for the receipt of election notices for the Plan is 9 October 2009.

Net Tangible Assets

Net tangible asset backing per ordinary share \$1.58 (2008: \$1.30).

The accounts have been audited.