



HD Toll Holdings backs out of Asian expansion

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Logistics business Toll Holdings has reversed its aggressive expansion into Asia as part of \$100 **million** asset **sale** to boost profits.

The corporate restructure includes selling Toll Global Express Asia, an Indian trucking business and shipping businesses in northern Australia and Asia.

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As well, Toll is looking at selling the land its Singapore **oil** and gas depot is built on and an airport services unit, Toll Dnata.

"These decisions reflect our drive to improve sustainable shareholder returns through our focus on return on capital employed," Toll managing director Brian Kruger said in a statement to the ASX.

He said the sales will have multiple benefits for the **company** including "releasing significant capital presently tied up in real estate, exiting loss making businesses, and selling businesses that are non-core to Toll to more natural long term owners."

Global Express Asia is based in Singapore and operates in the key markets of **China** and **Hong Kong**.

It was purchased from Qantas for more than \$40 **million** in 2010 as part of Toll's ambitious attempt to break into the Asian parcel market and establish a global logistics and freight network.

However, the **company** now concedes that the business lacks the critical mass to be competitive in the region.

Toll will also sell the remaining 37 vessels in its Marine Logistics Asia business which primarily operates tugboats for bulk commodity carriers in Indonesia.

The **company** says given the ongoing deterioration in the Indonesian market, the business faces up to \$60 **million** in write-offs and exit costs.

Toll also plans to sell its northern Australian shipping assets that operate out of Darwin and Cairns and service remote communities in the Gulf of Carpentaria and Torres Strait.

The \$45 **million sale** to another operator in the region - Sea Swift - remains subject to ACCC approval.

Mr Kruger said the cash proceeds from the deals - excluding the **sale** of the Singapore **oil** and gas depot land - are expected to exceed \$100 **million**.

The sales are expected to be finalised by July next year.

At 11:30am (AEDT) Toll shares had risen 0.4 per cent to \$5.45 against a generally weaker market.

CO dnata : dnata | tolhld : Toll Holdings Ltd | emrgu : Emirates Group

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