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FCL ACQUISITION BLATANT \$70 MILLION VALUE DESTRUCTION

Toll Holdings today issued a clear warning to Patrick shareholders of the blatant value destruction of at least \$70 million that will result, should Patrick exercise its option to acquire FCL during the course of Toll's bid.

Toll's warning came after the Australian Competition and Consumer Commission (ACCC) approved Patrick's proposed acquisition of FCL subject to strict conditions.

If Patrick exercises the FCL option before Toll acquires control of Patrick, Toll will subsequently divest FCL. Based on its own knowledge of FCL, Toll believes the \$140+ million that Patrick has agreed to pay for FCL substantially exceeds its true value.

Toll understands that FCL was barely breakeven in the last financial year and its current performance is being propped up by uncommercial interest free loans for all of its financing requirements by Patrick.

Therefore, it is likely that the fair market value from any sale of FCL post the success of Toll's takeover will be significantly less than the price Patrick has agreed to pay FCL. This potential value leakage is reflected in Toll's bid for Patrick, of which 10 cents per Patrick share (approximately \$70 million in aggregate) is contingent on Patrick not exercising the FCL option, or otherwise acquiring FCL.

Toll's Managing Director Mr Paul Little said Patrick shareholders should be in no doubt that if Patrick's directors elect to exercise the FCL option there is a high likelihood of a transfer of significant value from Patrick shareholders to FCL's current owner.

"This is a cost that will be borne by Patrick shareholders and not Toll," Mr Little said.

Toll also considers the exercise of the option to acquire FCL to be a breach of the defeating conditions of Toll's Offer.

"The FCL option does not expire until December 2006. There is absolutely no reason why Patrick should or in fact needs to exercise the FCL option during the course of Toll's bid. To do so would be to exercise blatant disregard for the best interests of all Patrick shareholders maximising the value of their shares.

"The question I ask each Patrick shareholder is, how much more blatant value destruction will they let the Patrick Board embark upon?"

"Yesterday's failed court action was again a situation where Patrick has wasted precious time and effort pursuing ill-conceived and misguided actions.

"The Toll Board endorses and reiterates the clear message sent by Justice Goldberg in the Federal Court yesterday, Patrick must now let its shareholders decide the outcome of Toll's bid," Mr Little said.