



Toll Holdings Limited
ABN 25 006 592 089

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25 May 2007

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: 2

Dear Sir

MEDIA RELEASE – RESET PREFERENCE SHARES

Please find attached a media release for immediate release to the market.

Yours faithfully
TOLL HOLDINGS LIMITED


Bernard McInerney
Company Secretary

Encl.



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Details of proposed variation to Reset Preference Shares under restructure

Further to Toll's announcement of 4 May 2007 the Directors of Toll provide further details of the proposed additional adjustment mechanism for the RPS under clause 6.15 should the Restructure be approved and implemented.

In determining the form of any adjustment the Directors have had regard to the terms of the existing RPS (which already provide for an adjustment in the event of a capital return) and the current trading of Toll. In particular the current minimum conversion number of 8.34 in the RPS results in an effective call option on Toll stock. The Directors at this time believe it would be reasonable to use the market trading of both Toll shares and Asciano stapled securities following the restructure in determining the adjustment.

As such the Directors intend to adjust the minimum conversion number (MCN) in accordance with the following formula:

$$\text{New MCN} = 8.34 \times \frac{\text{Toll VWAP} + \text{Asciano VWAP}}{\text{Toll VWAP}}$$

Where:

Toll VWAP means the VWAP Toll shares over the 40 business days commencing on the date of commencement of normal settlement trading in Asciano Stapled Securities.

Asciano VWAP means the VWAP Asciano stapled securities over the 40 business days commencing on the date of commencement of normal settlement trading in Asciano Stapled Securities.

VWAP means the average of the of the daily volume weighted average sale price of shares or stapled securities sold on ASX excluding any transactions defined as 'special' crossings prior to the commencement of normal trading, crossings during the after hours adjust phase and any overseas trades or exchange traded option exercises.

Based on the timetable in the scheme book the relevant period for determining the VWAPs will be from 20 June 2007 to 14 August 2007. Following the implementation of the restructure Toll will announce the final dates for the VWAP period.

The final result of the adjustment made to the RPS terms will be announced to the market at the end of the relevant VWAP period. Any adjustment remains conditional on the implementation of the Restructure and the exercise of the Directors' discretion.

The Directors do not, at this time, propose any further or other action in relation to the RPS.