



**Toll Holdings Limited**  
ABN 25 006 592 089

Level 7/380 St Kilda Road  
Melbourne Victoria 3004

Tel: 61 3 9694 2888  
Fax: 61 3 9694 2880

18 September 2008

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

**Lodged Through ASX On Line**  
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Dear Sir,

**ASX RELEASE – Toll Reset Preference Shares (Toll RPS) to be Exchanged by way  
of Conversion to Ordinary Shares - Company Exchange Notice**

Please find attached an ASX statement for immediate release to the market.

Yours faithfully  
**TOLL HOLDINGS LIMITED**

  
**Bernard McInerney**  
**Company Secretary**

Encl.



## ASX Release

18 September 2008

### **Toll Reset Preference Shares (Toll RPS) to be Exchanged by way of Conversion to Ordinary Shares – Company Exchange Notice**

The Board has today determined that the Company will Exchange all Toll RPS by way of Conversion into Toll ordinary shares. A letter will be forwarded to Toll RPS holders to formally notify them of the Company's decision to Exchange Toll RPS (copy attached).

This determination supersedes the need for Toll RPS Holders to consider and if need be, to issue the Company with a Holder Exchange Notice by 5pm tomorrow evening.

On 11 November 2008 each Toll RPS will Convert into Toll ordinary shares and Toll will issue each holder of Toll RPS with Toll ordinary shares. The number of Toll ordinary shares to be issued will be calculated in accordance with the formula set out in the 2003 Toll RPS Prospectus. The formula is based on a number of inputs including the average of the daily volume weighted average sale prices of Toll ordinary shares (VWAP) in the 20 business day period commencing 13 October 2008 and the Minimum Conversion Number (of 16.09 as announced on 3 September 2008).

The number of Toll ordinary shares that Toll RPS holders will receive for each Toll RPS (which have a Face Value of \$100 each) will be equal to approximately \$100.00 divided by the VWAP discounted by 2.5% which Toll RPS holders are entitled to, subject to the final Conversion number not being less than the Minimum Conversion Number of 16.09 Toll ordinary shares per Toll RPS.

The VWAP may differ from the actual price of Toll ordinary shares at the time of Conversion on 11 November 2008. Accordingly the value of Toll ordinary shares into which Toll RPS will Convert at the time of Conversion may be more or less than the Face Value of holders' Toll RPS.

Investors who wish to reduce their exposure to movements in the Toll ordinary share price may consider selling their Toll RPS on the ASX. If you are unsure how to deal with your Toll RPS, Toll recommends that you contact your stockbroker, accountant or financial advisor.

Toll RPS may be traded until 4.00 pm (Melbourne time) on Wednesday 5 November 2008. Toll RPS will no longer be quoted on the ASX after this time. Toll will allow those RPS Holders who give Toll a Holder Exchange Notice on or before 5pm on 19 September 2008 the same right to deal in their Toll RPS on or before 5 November 2008 as other RPS Holders. If such RPS Holders do deal in their Toll RPS, they will be taken by Toll not to have given to Toll a Holder Exchange Notice on or before 19 September 2008.

Holder Exchange Notices received by Toll after 19 September 2008 are invalid and will be disregarded.

The next quarterly distribution on Toll RPS remains payable to all eligible Toll RPS holders. The record date for this distribution is 24 October 2008 and the payment is scheduled to be made on 11 November 2008.

END



Attachment: Letter to Toll RPS holders.

## **Toll Reset Preference Shares (Toll RPS) to be Exchanged by Conversion into Ordinary Shares – Company Exchange Notice**

Dear Toll RPS holder

### **Why are we writing to you?**

Toll announced on 18 September 2008 that it will Exchange all Toll RPS on 11 November 2008 (including all Toll RPS that you hold) in accordance with the terms set out in the Toll RPS Prospectus dated 2 October 2003. This letter provides formal notice of that Exchange and comprises a Company Exchange Notice in accordance with the RPS Terms. The Exchange will be effected by the Conversion of all Toll RPS (including all Toll RPS that you hold) into Toll ordinary shares in accordance with clause 6.9 of the Toll RPS Terms.

### **What does Conversion mean?**

On 11 November 2008 each Toll RPS will Convert into Toll ordinary shares and Toll will issue each holder of Toll RPS with Toll ordinary shares. The number of Toll ordinary shares to be issued will be calculated in accordance with the formula set out in the 2003 Toll RPS Prospectus. The formula is based on a number of inputs including the average of the daily volume weighted average sale prices of Toll ordinary shares (VWAP) in the 20 business day period commencing 13 October 2008 and the Minimum Conversion Number (of 16.09 as announced on 3 September 2008).

The number of Toll ordinary shares that Toll RPS holders will receive for each Toll RPS (which have a Face Value of \$100 each) will be equal to approximately \$100.00 divided by the VWAP discounted by 2.5% which Toll RPS holders are entitled to, subject to that final conversion number not being less than the Minimum Conversion Number of 16.09 Toll ordinary shares per Toll RPS.

The VWAP may differ from the actual price of Toll ordinary shares at the time of Conversion on 11 November 2008. Accordingly the value of Toll ordinary shares into which Toll RPS will Convert at the time of Conversion may be more or less than the Face Value of holders' Toll RPS.

Investors who wish to reduce their exposure to movements in the Toll ordinary share price may consider selling their Toll RPS on the ASX. If you are unsure how to deal with your Toll RPS, Toll recommends that you contact your stockbroker, accountant or financial advisor.

Toll RPS may be traded until 4.00 pm (Melbourne time) on Wednesday, 5 November 2008. Toll RPS will be suspended from quotation on the ASX after this time. Toll will allow those RPS Holders who give Toll a Holder Exchange Notice on or before 5 pm on 19 September 2008 the same right to deal in their Toll RPS on or before 5 November 2008 as other RPS Holders. If such RPS Holders do deal in their Toll RPS, they will be taken by Toll not to have given to Toll a Holder Exchange Notice on or before 19 September 2008.

Holder Exchange Notices received by Toll after 19 September 2008 are invalid and will be disregarded by Toll.

**What are my alternatives?**

If you do nothing, you will receive Toll ordinary shares on Exchange of your Toll RPS. If you do not want to receive Toll ordinary shares on Exchange on 11 November 2008, you should consider selling your Toll RPS. If you are unsure how to deal with your Toll RPS, Toll recommends that you contact your stockbroker, accountant or financial advisor.

Toll RPS may be traded on the ASX until 4.00pm (Melbourne time) Wednesday 5 November 2008. Toll RPS will be suspended from quotation on the ASX after this time.

**What happens to my quarterly distribution payment?**

Notwithstanding the Exchange that will occur on 11 November 2008, the payment of the next quarterly distribution on Toll RPS is scheduled to be made on 11 November 2008 to holders registered on the record date for that distribution (24 October 2008). The distribution payable is \$3.1085 per Toll RPS.

Following the Exchange of your Toll RPS you will no longer receive a quarterly distribution.

**What if I have given Toll a Holder Exchange Notice?**

On 12 September 2008, Toll sent a letter to Toll RPS holders containing details about how they could elect to issue the Company with a Holder Exchange Notice by 5.00pm (Melbourne time) on 19 September 2008 if they sought to Exchange before the Reset Date.

As the letter explained, Toll RPS subject to a Holder Exchange Notice received by Toll on or before 19 September 2008 may not be sold or transferred. However, as stated above, as a consequence of the Company's decision on 18 September 2008, Toll will allow those RPS Holders who gave Toll a Holder Exchange Notice on or before 5 pm on 19 September 2008 the same right to deal in their Toll RPS on or before 5 November 2008 as other RPS Holders. If such RPS Holders do deal in their Toll RPS, they will in effect be taken by Toll not to have given to Toll a Holder Exchange Notice. Any Holder Exchange Notices received after 5 pm on 19 September 2008 are invalid and have been disregarded.

Toll RPS in respect of whose holders have given a Holder Exchange Notice and which are not sold or transferred prior to the Exchange Date of 11 November 2008 will be subject to the same Exchange mechanism as all other Toll RPS and Convert into Toll ordinary shares on 11 November 2008 in accordance with clause 6.9 of the RPS Terms.

**What happens if I have not given an Exchange Notice?**

All Toll RPS, including those Toll RPS that are not the subject of a Holder Exchange Notice, will now be Exchanged on 11 November 2008 by Conversion into Toll ordinary shares.

**What are the tax consequences?**

The Toll RPS Prospectus sets out an overview of the "Taxation considerations for Investors" including on Conversion.

You should seek your own tax advice as to the taxation implications of the Conversion of Toll RPS.

**Defined terms in this letter**

Words and expressions defined in this letter have the same meaning given to them in the Terms of Toll RPS. The Terms of Toll RPS are set out in Appendix A of the Toll RPS Prospectus dated 2 October 2003.



**Who can I contact if I have questions about this?**

If you are unsure about what to do in response to this letter, Toll recommends that you contact your stockbroker, accountant or financial adviser. If you have any questions about your Toll RPS, the Toll RPS Prospectus or this letter, please refer to the Toll website at [www.toll.com.au](http://www.toll.com.au), tab '**Shareholder**', and then tab '**Reset Preference Shares**' or contact Toll's Share Registry, Computershare Investor Services Pty Ltd, by calling:

Within Australia

1300 730 321

Outside Australia

+613 9415 4680

Bernard McInerney  
Company Secretary