



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

3 September 2008

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: 3

Dear Sir,

**ASX RELEASE – RESET PREFERENCE SHARES: ADJUSTMENT OF ‘MINIMUM
CONVERSION NUMBER’**

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

Yours faithfully
TOLL HOLDINGS LIMITED


Bernard McInerney
Company Secretary

Encl.



ASX Release

3 September 2008

Adjustment to Minimum Conversion Number on Toll Reset Preference Shares

Toll Holdings Limited advises that subsequent to payment of the *in specie* dividend of Virgin Blue Shares on 22 August 2008, the minimum conversion number (MCN) for Toll RPS (code: TOLPA) has now been adjusted in accordance with the formula outlined in Section 6.12 of the Toll RPS terms:

$$\begin{aligned} \text{New CN} &= 14.13 \times \frac{\text{Toll VWAP}}{(\text{Toll VWAP} - C)} \\ &= 14.13 \times \frac{6.3720}{(6.3720 - 0.776)} \\ &= \underline{\underline{16.09}} \end{aligned}$$

Where:

Toll VWAP: means the VWAP of Toll shares during the period from 15 July 2008 to 16 July 2008 both inclusive.

C: means the amount by which the sum of all dividends per Toll Ordinary Share (grossed up for franking) paid by Toll in respect of the last financial year (FY08) exceeds 140% of the prior financial year amount (FY07) (where, at the sole discretion of Directors, appropriate adjustment for dilution factor, arising from pro-rata issues and other capital reconstructions, is made in accordance with Listing Rules and market conventions). This amount was dependent, in part, on the 5-day VWAP of VBA shares up to the trading day prior to the dividend payment date of 22 August 2008. Refer below for further details.

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. For the purposes of calculating VWAP the Company used unadjusted ASX prices.



In determining C, the Board used its discretion to give consideration to and determine that the level of dividends (pre gross up) to be used in relation to FY07 and FY08 to be as follows:

FY07: Interim and Final dividend pre Gross up of 11.0 cps.
FY08: Interim and Final dividend pre Gross up of 11.5 cps.
The VBA in Specie Dividend at 88.798 cps being the 5-day VWAP prior to payment date (15 Aug - 21 Aug). No franking credits.

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

End