

Letter to sent to RPS Shareholders

Dear Shareholder

Important information in relation to your Toll Reset Preference Shares (RPS)

The Reset Date for the purposes of Toll's RPS is 11 November 2008 (**Existing Reset Date**).

Pursuant to clause 7.2 of the terms of the RPS (**Terms**):

- (c) the next Reset Date after the Existing Reset Date will be 11 November 2013; and
- (d) the Dividend Rate, Conversion Discount, Minimum Conversion Number, Maximum Conversion Number, timing of Dividend payments and definition of Capital to apply in the reset Period commencing on the Existing Reset Date will be the same as those applying immediately before the Existing Reset Date.

As a holder of RPS you may deliver or forward by facsimile to Toll a Holder Exchange Notice requesting the Exchange of all or some of your RPS. All Holder Exchange Notices must be delivered to or received by Toll no later than 5.00pm (Melbourne time) on **Friday, 19 September 2008 (Deadline)**.

Completed Holder Exchange Notices must be posted or delivered to Toll Holdings Limited, c/- its share registry, Computershare Investor Services Pty Limited, GPO Box 52, Melbourne, Victoria 8060 or faxed to Toll as noted below.

Facsimiles of the Holder Exchange Notice to **03 9473 2014** will be accepted on the condition that the facsimile is received no later than 5pm (Melbourne time) on Friday 19 September 2008, and the original Holder Exchange Notice is forwarded to the above address with a post mark date of no later than 19 September 2008.

An acceptable form of Holder Exchange Notice that you may use is available for download from Toll's website at www.toll.com.au, tab 'Shareholder', and then tab '**Reset Preference Shares**'.

To be valid, your Holder Exchange Notice must:

- (a) be substantially in the form prescribed above;
- (b) relate to a minimum of the lesser of 20 RPS and the number of RPS you hold on the Existing Reset Date, although you may request the Exchange of a greater number of your RPS;
- (c) include your SRN (if your RPS are held on the issuer sponsored sub-register) or your HIN (if your RPS are in a CHESS Holding); and
- (d) be accompanied by your issuer sponsored holding statement or, if your RPS are in a CHESS Holding, it must be stamped by your Sponsoring Participant.

In accordance with clause 6.16(j) of the Terms, where you give a Holder Exchange Notice:

- (a) you may not transfer, dispose of, encumber or otherwise deal with the RPS the subject of that Holder Exchange Notice; and

- (b) either:
- (i) those RPS must be reserved in a subposition established under the ASTC Settlement Rules for the purpose and you authorise Toll to take all actions that Toll thinks appropriate on your behalf to cause the RPS to be so reserved; or
 - (ii) if those RPS are not entered in Toll's issuer sponsored subregister, you authorise Toll to take all actions that Toll thinks appropriate on your behalf to cause the RPS to be so entered.

On receipt of valid Holder Exchange Notices, Toll may at its option:

- (e) Convert the RPS covered by those Notices into Toll ordinary shares; or
- (f) repurchase or cause the repurchase of those RPS, at the 'Repurchase Amount' determined in accordance with the Terms.

Toll has not determined which Exchange mechanism(s) will apply to the RPS covered by valid Holder Exchange Notices. This will either be determined by Toll and notified to ASX no later than 3 October 2008 or, if no such determination is made, the RPS will be Converted in accordance with the Terms into Toll ordinary shares.

Should Holder Exchange Notices be converted, to the extent that the aggregate Face Value of all outstanding RPS after the Existing Reset Date is less than \$50 million, Toll will be obliged to Exchange all remaining RPS.

Yours sincerely



Bernard McInerney
Company Secretary
12 September 2008