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New Zealand Stock Exchange
Wellington

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Dear Sir

MEDIA RELEASE - TRANZRAIL HOLDINGS LIMITED

Please find attached for immediate release to the market, a Media Release with regard to the above mentioned subject.

Yours faithfully
TOLL HOLDINGS LIMITED

A handwritten signature in black ink, appearing to read "B. McInerney", written in a cursive style.

Bernard McInerney
Company Secretary

Encl.



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Stock Exchange Release

Toll Confirms 90% Requirement for Tranz Rail

Toll Holdings today confirmed that it has no intention of varying its 90% minimum acceptances condition in its takeover bid for Tranz Rail.

Toll Managing Director Mr Paul Little said that “Toll’s valuation at the 95c per share offer relied heavily on securing the benefits of total control, successfully executing satisfactory track access arrangements with the New Zealand Government and urgently recapitalising Tranz Rail.”

Mr Little confirmed that Toll’s offer document would be despatched to shareholders in the middle of next week and that there would be no change to the price or minimum acceptance level.

“Tranz Rail shareholders would recall that the company’s share price was trading below 40c less than three months ago and that since then the company has dramatically cut its earnings forecasts and just managed to avert a liquidity crisis with a Government loan,” said Mr Little.

The potential for the takeover bid to drag out is of grave concern to Toll as in Toll’s view Tranz Rail continues to face enormous operational and financial risks, which will cause shareholder value to further deteriorate.

For further information contact Mr Paul Little +61-3-9694 2820.