



Toll Holdings Limited
ABN 25 006 592 089

Level 8/380 St Kilda Road
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4 May 2007

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

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Dear Sir

MEDIA RELEASE – RESET PREFERENCE SHARES & TOLL RESTRUCTURE

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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RESET PREFERENCE SHARES & TOLL RESTRUCTURE

Toll makes the following statements, in addition to those comments relating to RPS detailed in the Restructure Scheme Booklet in response to various questions raised by RPS Holders.

While under the RPS Terms, RPS Holders will not directly participate in the Restructure, RPS Holders have the right to vote on the Capital Reduction Resolutions as set out in section 6.7.3 of the Scheme Book. Assuming the Restructure is implemented, the terms of the RPS will be adjusted in accordance with the RPS Terms.

Further, Clause 6.15 of the Terms of the RPS provides that Directors may, at their discretion, make certain alterations to the terms of the RPS (in particular the Face Value, Conversion Ratio or Conversion Discount) if an event occurs which may have a diluting or concentrative effect on the value of Ordinary Shares or will otherwise affect the value of the Toll RPS, and the Directors have determined that any such occurrence would, in their reasonable opinion, affect the relative values of Toll RPS and Ordinary Shares.

While no final decision has been made in relation to the RPS and while a range of options are being explored, Toll's current view is that the Directors would exercise their discretion under the RPS Terms should there be such an impact on Toll RPS holders as a result of the Restructure. In determining the form of the alterations to the RPS Terms, and in particular the minimum conversion number, the Directors intend to have regard to the trading of Toll shares in the period following the ex-entitlement date for the Restructure as set out in the Scheme Book (which is currently anticipated to be the period following 6 June 2007).

Such an approach will allow the Directors to compare the Toll volume weighted average price (VWAP) prior to the Restructure to the Toll VWAP after the Restructure. At this stage the Directors have not determined the length of time over which they will calculate the VWAP.

In the event that the Toll directors do exercise their discretion to amend the RPS Terms, details of any variation will be announced to the ASX.

End