

FACILITIES INDICATIVE TERM SHEET

Toll Holdings Limited (ABN 25 006 592 089)

Virgin Blue Share Sale and Top-Up Facility – Questions and Answers

Capitalised words are defined in the Terms and Conditions for, respectively, the Share Sale Facility and the Top-Up Facility (together the "Facility") included with the Letter and Sale and Buy Instruction Forms ("Instruction Form") sent to Eligible Shareholders

1. Am I eligible to participate in the Facility?

The Facility is available to Australian and New Zealand shareholders who hold 10,000 Toll Shares or less as at 7.00pm (Melbourne time) on the record date for the in specie dividend, 23 July 2008.

2. When is the Facility open?

The period during which eligible shareholders can elect to participate in the Facility will be open from 4 August 2008 until 19 August 2008 inclusive ("Offer Period").

Toll may extend or shorten the Offer Period or suspend or terminate the Facility at any time up until the close of the Offer Period. If it does so, it will make an announcement to the ASX either before or as soon as practicable after doing so.

If you participate in the Facility, all of the ordinary shares in Virgin Blue ("Virgin Blue Shares") you receive or are entitled to receive under the in specie dividend by Toll ("Participating Virgin Blue Shares") will be sold or any additional shares in Virgin Blue ("Top-Up Virgin Blue Shares") will be purchased during the period commencing on 25 August 2008 and expected to end 12 September 2008 ("Facility Trading Period").

3. Why is Toll arranging the Facility?

As announced on 14 July 2008, the directors of Toll have authorised an in specie dividend of Virgin Blue Shares on the basis of one fully paid Virgin Blue Share for every one fully paid ordinary share in Toll ("Toll Share") held on the record date of 23 July 2008. Toll preference shares will not confer any entitlement to participate in the in specie dividend.

The Facility is entirely voluntary. You do not need to buy or sell any Virgin Blue Shares. It is entirely your decision. If you decide to participate in the Facility you may only participate in either the Share Sale Facility or the Top-Up Facility – you may not participate in both.

If you wish to sell your Participating Virgin Blue Shares but find the transaction costs prohibitive, or engaging a broker is inconvenient, this Facility may be of interest to you. On the other hand, if you wish to increase your holding, the ability to buy Top-Up Virgin Blue Shares under the Facility may be useful to you.

Both the Share Sale Facility and the Top Up Facility, are free of brokerage fees for Participating Shareholders.

However, please note that none of Virgin Blue, Toll nor any other person involved in the Facility makes any recommendation or gives any advice to you regarding whether to participate in the Facility or in relation to any other matter. If you are in any doubt about whether to participate, please consult your own professional adviser.

4. Can I still participate if my Toll Shareholding has changed?

As noted above, eligibility to participate in the Facility is determined on the basis of those shareholders with registered addresses in Australia and New Zealand who hold 10,000 Toll shares or less as at 7.00pm (Melbourne time) on 23 July 2008 ("Record Date").

Should your Toll Shareholding have changed after the Record Date you may still participate in the Facility by returning the relevant Instruction Form during the Offer Period.

5. When will my Instruction Form be acted upon?

If you choose to participate in the Facility, you cannot specify the date your Instruction Form will be acted upon. Your Participating Virgin Blue Shares will be sold, or Top-Up Virgin Blue Shares purchased, during the Facility Trading Period provided your correctly completed Instruction Form was received by Toll, and accepted in accordance with the relevant Facility Terms and Conditions. (attached).

Toll may, in its sole discretion, delay the sale or purchase of some or all of the Virgin Blue Shares available to be sold or bought on a particular trading day, for example, if it considers market conditions to be unsuitable or to avoid an excessive concentration of selling or buying on a particular trading day.

6. What happens if I complete and return both Instruction Forms?

You may only participate in either the Share Sale Facility or the Top-Up Facility – you may not participate in both.

Where both a completed Sale Instruction Form and a Buy Instruction Form have been completed and are received from you, the Buy Instruction Form will be ignored and all your Participating Virgin Blue Shares will be sold. Any money received from you with your Buy Instruction Form will be returned without interest after the Facility Trading Period has ended.

7. What if my shares are in a CHESS Holding?

If your shares are in a CHESS Holding, you will have a Controlling Participant (usually your broker) and your holding statement will have a HIN, denoted by a number prefaced by an 'X'. In this case, before your Sale Instruction Form can be acted upon, it must first be stamped by your Controlling Participant authorising the transfer of your Participating Virgin Blue Shares from your CHESS Holding.

8. What price will I receive or pay?

If you choose to participate in the Facility, you cannot specify the price at which your Instruction Form will be acted upon. The price payable for your Top-Up Virgin Blue Shares or received by you for Participating Virgin Blue Shares sold through the Facility will be, respectively, the average price of all Top-Up Virgin Blue Shares bought on the ASX through the Facility, or the average price of all Participating Virgin Blue Shares sold as relevant. However, you should note that that price may be different to the price for Virgin Blue Shares appearing in the newspaper or quoted by the ASX on the day that your Instruction Form is sent or on any other day, and may not be the best price obtained on the trading day or trading days that your Participating Virgin Blue Shares are sold or Top-Up Virgin Blue Shares bought.

The amount of money you receive (if you participate in the Share Sale Facility) for Participating Virgin Blue Shares or pay (if you participate in the Top-Up Facility) for Top-Up Virgin Blue Shares may as a consequence of the above average be more or less than is received or paid for those particular shares by third party brokers engaged by Toll. Please note that none of Virgin Blue, Toll nor any other party involved in the Facility gives any assurance as to the price that will be received for Participating Virgin Blue Shares or paid for Top-Up Virgin Blue Shares under the Facility.

The market price of Virgin Blue Shares is subject to change from time to time and the sale proceeds that would be paid to you or the purchase price paid by you under the Facility (as relevant) will depend on the sale and purchase prices received and paid (as relevant) for the sale of all Participating Virgin Blue Shares sold or the purchase of Top-Up Virgin Blue Shares purchased (as relevant) under the Facility and will reflect the trading conditions during the period in which the sales and purchases take place.

The implementation of the Facility may result in a significant number of Participating Virgin Blue Shares being offered for sale at the same or within a relatively short time. This could have the effect of depressing the sale price for Virgin Blue Shares.

Up-to-date information on the price of Virgin Blue Shares can be obtained from a number of sources including daily newspapers and the ASX website at www.asx.com.au.

9. Who is arranging the Facility?

As noted above, Toll is arranging the Facility and if you choose to participate in the Facility you will be appointing Toll to arrange to sell Participating Virgin Blue Shares or to buy Top-Up Virgin Blue Shares, as relevant.

Virgin Blue Shares are quoted on the ASX and Toll cannot trade securities on ASX itself. To enable Toll to provide the Facility to you Toll will engage others on its behalf, including third party brokers, to assist it in implementing the Facility, including selling Participating Virgin Blue Shares or buying Top-Up Virgin Blue Shares during the Facility Trading Period.

If you use the Facility, you appoint Toll as your agent to receive Financial Services Guides (and any update of those documents) from all relevant entities which may need to provide a Financial Services Guide. Certain relevant entities will provide, or have provided, a Financial Services Guide to Toll and will provide any updates to Toll. Toll will post the Financial Services Guides (and any updates) on its website at www.toll.com.au along with the other Facility documents and any new information in relation to the Facility Toll or any relevant entity wishes to make available.

10. How does trading my Virgin Blue Shares through the Facility compare with trading them on the ASX?

If you are thinking of selling your Participating Virgin Blue Shares or purchasing Top-Up Virgin Blue Shares prior to the end of the Offer Period, then you can do this using the Facility or through your broker on the ASX. Some different features of each method are outlined below:

<i>Buying or selling Virgin Blue Shares through the Facility</i>	<i>Buying or selling Virgin Blue Shares through your broker on the ASX</i>
<ul style="list-style-type: none"> You can only sell all of your Participating Virgin Blue Shares through the Share Sale Facility; You can purchase Top-Up Virgin Blue Shares through the Top-Up Facility only up to the amount nominated on your personalised Instruction Form (in the amounts of A\$1,000, A\$3,000 or A\$5,000); To participate, simply complete and return the Instruction Form (including payment if you complete the Buy Instruction Form). There is no need for you to appoint a broker; 	<ul style="list-style-type: none"> You can sell any number of your Virgin Blue Shares; You can buy any number of additional Virgin Blue Shares; If you have never used a broker then you must first appoint one to represent you and establish an account;

<ul style="list-style-type: none"> You will pay or receive the average price of all Top-Up Virgin Blue Shares bought or the average price of all Participating Virgin Blue Shares sold on the ASX through the Facility, as relevant. You cannot set a sale price or purchase price; The date on which your transaction request is acted upon depends on the operation of Facility, however there is no guarantee as to the price achieved through the Facility. There will be zero brokerage fees for using the sale or Top-Up facility. 	<ul style="list-style-type: none"> You will receive the market price at the time your transaction request is acted upon – that price may be higher or lower than the average price of all Top-Up Virgin Blue Shares bought or the average price of all Participating Virgin Blue Shares sold on the ASX through the Facility on the day that your Virgin Blue Shares are bought or sold, as relevant; You can control the date on which your transaction request is acted upon through your specific directions given to your broker. You must pay all brokerage fees that are agreed with your broker (plus any applicable GST);
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11. When will I receive the proceeds from the sale of my Participating Virgin Blue Shares?

For Eligible Shareholders participating in the Share Sale Facility, the cheque for your sale proceeds will be posted to you within 10 business days after the end of the Facility Trading Period. Cheques will only be made payable to the Participating Shareholder and posted to the Participating Shareholder's address on the Virgin Blue share register and made payable to the name(s) on the share register.

12. How and when do I pay for the Top-Up Virgin Blue Shares that I buy?

Eligible Shareholders participating in the Top-Up Facility need to forward a cheque, in Australian dollars and drawn on an Australian bank or an Australian branch of a foreign bank, for the appropriate amount with their Buy Instruction Form. Cheques should be made payable to "Toll Holdings Limited – Virgin Blue Facility Account".

If you request to buy, say, A\$1,000 worth of Virgin Blue Shares, that amount will be divided by the applicable average price of all Top-Up Virgin Blue Shares bought on the ASX through the Facility to determine the number of Top-Up Virgin Blue Shares purchased by you (rounded down to the nearest whole Virgin Blue Share). The balance of your funds, if any, will be retained by Toll. If you participate in the Top-Up Facility, you will be provided with a transaction confirmation sent to the address on the Virgin Blue share register of the number of Top-Up Virgin Blue Shares purchased for you through the Top-Up Facility and the Top-up Price for those Top-Up Virgin Blue Shares within 10 business days of the end of the Facility Trading Period.

13. Can I withdraw my form?

No. When you return your Instruction Form, you are irrevocably bound to sell the number of Participating Virgin Blue Shares you are entitled to as a result of the in specie dividend or purchase the Top-Up Virgin Blue Shares to the value requested.

14. What are the Australian capital gains tax consequences if I sell my Participating Virgin Blue Shares?

The following is a general description of the Australian tax implications of selling Participating Virgin Blue Shares through the Facility if you are an Australian resident individual and you held your Toll Shares on capital account. However, tax law is complex and its operation depends upon your particular circumstances. You should consult your tax adviser before using the Facility.

You may be required to pay tax on the sale of your Participating Virgin Blue Shares. Whether you will be required to do this, and how much you must pay, depends on when and how you acquired your Participating Virgin Blue Shares and how much you paid for them:

- Tax will generally be payable on the sale of your Participating Virgin Blue Shares if the Sale Price exceeds the cost base for your Participating Virgin Blue Shares. The cost base of your Participating Virgin Blue Shares will be determined by apportioning the cost base of your Toll Shares in accordance with the capital gains tax rules in the Tax Act. Australian resident individuals or trusts (other than superannuation funds) who sell Participating Virgin Blue Shares may be entitled to reduce any capital gain by 50% where they have held their Toll Shares for at least 12 months.
- This concessional capital gains tax treatment would not apply to an individual shareholder who buys and sells shares in the ordinary course of business (for example, a share trader) or to a shareholder that is a company. A shareholder which is a qualifying superannuation entity is generally entitled to a capital gains tax discount of one third, instead of 50% of the gain.
- Australian residents who choose to sell their Virgin Blue Shares before they have held the Toll Shares for at least 12 months, will not be eligible for concessional capital gains tax treatment.
- If the Sale Price is less than the amount you paid (ie, through your entitlement to the Toll in specie dividend) to acquire a Participating Virgin Blue Share sold through the Facility, you will realise a capital loss. It can offset capital gains you make on the sale of CGT shares or assets (in the same or later years), but is not deductible against your income.
- A capital loss available to you from sale of other assets may be deducted from a gain on sale of your Participating Virgin Blue Shares. In cases where concessional CGT treatment is available, the gain is first reduced by the loss before applying the relevant discount.

15. What are the New Zealand tax consequences if I sell my Participating Virgin Blue Shares?

Shareholders resident in New Zealand should take account of the tax consequences under the laws of New Zealand. This is a complex area and will depend upon each shareholder's particular tax profile and individual circumstances. It is recommended that Eligible Shareholders consult their own professional adviser concerning the tax considerations of participating in the Facility.

16. Will I receive interest on amounts held on my behalf in the nominated account?

No. Interest will not be paid on any balances.

17. How will the sale of Participating Virgin Blue Shares or purchase of Top-Up Virgin Blue Shares through the Facility affect my entitlement to dividends?

You should note that Virgin Blue may declare or pay a dividend during the Offer Period or the Facilities Trading Period for the Facility. Any dividend entitlement is valuable and selling your Participating Virgin Blue Shares with this entitlement may result in you realising a higher price for your Participating Virgin Blue Shares. Conversely, if you acquire Top-Up Virgin Blue Shares with this entitlement you may pay a higher price reflecting the value of the dividend. The Virgin Blue Share price may fall when the shares lose the entitlement to the dividend (on the ex-dividend date) reflecting the loss of the value of the final dividend. However, if you sell your Participating Virgin Blue Shares after the ex-dividend date, you will receive the dividend. If you have any doubts about the impact of participating in the Facility if a dividend is declared or paid by Virgin Blue, please consult your own professional adviser.

If you are an Australian resident for tax purposes, in order for you to be entitled to the tax credit in respect of a franked dividend, you must hold the Virgin Blue Share, without material diminution of risk in relation to that Virgin Blue Share, for a period of at least 45 days between the date on which you acquired the Virgin Blue Share and the forty-fifth day after the day on which the Virgin Blue Share became ex dividend in relation to the relevant dividend. Accordingly, if you acquire a Virgin Blue Share more than 45 days before an ex dividend date (and hold the Virgin Blue Share without material diminution of risk for at least the 45 days during the ownership period) you will be entitled to the tax credit in respect of a franked dividend in relation to all subsequent dividends. If, however, you acquire Virgin Blue Shares less than 45 days before an ex dividend date, you will have to hold those Virgin Blue Shares (without material diminution of risk) long enough after the ex dividend date to satisfy the 45 day ownership requirement. In all cases, the dates on which shares are acquired and disposed of are not counted towards satisfaction of the 45 day ownership requirement. If you have any doubts about the impact of participating in the Facility in the context of 45 day ownership requirement, please consult your own professional adviser.

18. Further information on the Toll-Virgin Blue Share Sale and Top-up Facilities

For further information call the Toll Call Centre on 1300 730 321 (for callers in Australia) and on 61 3 9415 4680 (for callers in New Zealand).

Terms and Conditions – Top-Up Facility

If you decide to participate in the Facility you may only participate in either the Share Sale Facility or the Top-Up Facility — you may not participate in both. You may only participate in the Top-Up Facility once.

1. Terms of Participation

- 1.1 All persons who hold 10,000 ordinary shares or less in Toll Holdings Limited (ABN 25 006 592 089) (**Toll**) as at 7:00 pm (Melbourne time) on 23 July 2008 and have a registered address in Australia or New Zealand (**Eligible Shareholders**) are entitled to participate in the top-up facility described in these Terms and Conditions (**Top-Up Facility**) in connection with Toll's in specie distribution of Virgin Blue ordinary shares (**Virgin Blue Shares**). Participation is voluntary. Applications to participate must be made on the Buy Instruction Form.
- 1.2 An Eligible Shareholder who elects to participate in the Top-Up Facility (**Participating Shareholder**) does so on the basis of the Buy Instruction Form, these Terms and Conditions and any associated documents provided or made available by Toll to Eligible Shareholders (**Facility Documents**). Participation is also on the basis that a Participating Shareholder may only elect to purchase A\$1,000, A\$3,000 or A\$5,000 of Virgin Blue Shares (**Top-Up Virgin Blue Shares**) under the Top-Up Facility.
- 1.3 Toll will pay all brokerage and handing fees (and any applicable GST) in relation to the purchase of Top-Up Virgin Blue Shares through the Top-Up Facility. Any other tax or charges on the purchase of the Top-Up Virgin Blue Shares will be for the account of the Participating Shareholder.

2. Offer Period

The Top-Up Facility will be open from 4 August 2008 to 19 August 2008 inclusive or such shorter or longer period as may be determined by Toll (**Offer Period**). Toll reserves the right for any reason, to modify the timetable for, or to terminate or suspend, the Top-Up Facility at any time up until the close of the Offer Period. Extension or shortening of the Offer Period, or suspension or termination of the Top-Up Facility, will be announced to the ASX by Toll.

3. Role of Toll

- 3.1 Each Participating Shareholder irrevocably appoints Toll to arrange the purchase of Top-Up Virgin Blue Shares by the Participating Shareholder in accordance with the Facility Documents. This means that Toll and other entities involved in the Top-Up Facility are not giving, and are not obliged to give, any advice to you. These Terms and Conditions do not constitute advice or a recommendation by any of the above to buy, sell or hold securities in Virgin Blue, nor that the Top-Up Facility or any other facility is the best way to buy Virgin Blue Shares. Accordingly, a Participating Shareholder should ensure that the Top-Up Facility meets the Participating Shareholder's own objectives, financial situation and needs. Any Eligible Shareholder unsure of what action to take should consult a licensed financial adviser.
- 3.2 Toll will assist in the administration of the Top-Up Facility, including the processing of Buy Instruction Forms and banking cheques received and issuing transaction confirmations.
- 3.3 Toll is irrevocably authorised by each Participating Shareholder to do all things (including to engage any third parties (including brokers)) and execute all documents, including to effect any holding adjustment, securities transformation, securities transfer or other transmission or transaction in relation to Top-Up Virgin Blue Shares purchased for a Participating Shareholder under the Top-Up Facility, to facilitate the purchase of those Top-Up Virgin Blue Shares under the Top-Up Facility.

4. Buy Instruction Form

- 4.1 To participate in the Top-Up Facility, an Eligible Shareholder must complete and sign the Buy Instruction Form, and return it to Toll at the address on the Buy Instruction Form, together with an Australian dollar cheque for the amount nominated in the Buy Instruction Form made payable to "Toll Holdings Ltd – Virgin Blue Facility Account". Buy Instruction Forms and cheques must be received by or on behalf of Toll at that address by 5:00pm (Melbourne time) on the last day of the Offer Period or sooner.
- 4.2 Toll may, in its sole discretion, at any time determine that a Buy Instruction Form is valid in accordance with the Facility Documents, even if the Instruction Form is incomplete, contains errors or is otherwise defective. Toll may correct any error in or omission from a Buy Instruction Form and complete the Buy Instruction Form by the insertion of any missing details. However, Toll is not under any obligation to accept any Buy Instruction Form, whether completed correctly or not, and in particular Toll is not under any obligation to act on any Instruction Form where a cheque for the amount nominated in the Buy Instruction Form has not been provided by the Eligible Shareholder, or is not denominated in Australian dollars and drawn on an Australian bank or an Australian branch of a foreign bank, or is not honoured on presentation.

5. Purchases of Top-Up Virgin Blue Shares

- 5.1 Toll will establish and maintain or cause to be established and maintained an account called the "Toll Holdings Ltd – Virgin Blue Facility Account" for the purposes of the Top-Up Facility, into which Toll will deposit cheques received from Participating Shareholders and from which the required amounts will be remitted for the settlement of purchases of Top-Up Virgin Blue Shares under the Top-Up Facility.
- 5.2 No interest will be payable to Participating Shareholders in relation to funds contributed by them in relation to the Top-Up Facility. Interest (if any) earned on such amounts deposited in the account maintained by or on behalf of Toll will be retained by or on behalf of Toll.
- 5.3 Toll will process Buy Instruction Forms during the Offer Period. Toll will arrange for the purchase of Top-Up Virgin Blue Shares. Top-Up Virgin Blue Shares may be purchased in one or more trades and on one or more trading days.
- 5.4 Purchases of Top-Up Virgin Blue Shares under the Top-Up Facility will be made on the Australian Securities Exchange in the ordinary course of business (including by crossings or by a broker acting as principal). Top-Up Virgin Blue Shares will be purchased during the Facility Trading Period. The purchase of Virgin Blue Shares may be delayed if Toll considers that market conditions are unsuitable or to avoid an excessive concentration of purchases on a particular trading day.

- 5.5 The price at which each Top-Up Virgin Blue Share will be purchased through the Top-Up Facility will be the average price achieved for the purchase of all Top-Up Virgin Blue Shares purchased through the Top-Up Facility (**Top-up Price**). The Top-up Price will be calculated by Toll in its absolute discretion and may not be challenged unless there is manifest error.
- 5.6 The Top-up Price may be different to the price for Virgin Blue Shares appearing in the newspaper or quoted by the Australian Securities Exchange on the day that a Participating Shareholder's Instruction Form is sent or on any other day, and may not be the best execution price on the trading day or trading days that the Participating Shareholder's Top-Up Virgin Blue Shares are purchased. The market price of Virgin Blue Shares is subject to change from time to time. None of Toll, Virgin Blue nor any other person (including any person engaged by Toll to do things on Toll's behalf) will on any account be liable, and a Participating Shareholder may not bring any claim or action against any of them, for not having purchased Top-Up Virgin Blue Shares at any specific price, in any specific way or on any specific date.
- 5.7 The number of Top-Up Virgin Blue Shares purchased through the Top-Up Facility will be calculated on the basis of the dollar amount of Top-Up Virgin Blue Shares purchased (being a value of A\$1,000, A\$3,000 or A\$5,000 only) divided by the Top-up Price, rounded down to the nearest whole number of Top-Up Virgin Blue Shares. Participating Shareholders will not have any entitlement to any residual Top-Up Virgin Blue Shares remaining following such rounding. If, after execution of a Participating Shareholder's purchase order through the Top-Up Facility, any amount remains of the amount provided by the Participating Shareholder for the purposes of the Top-Up Facility which is insufficient to purchase a Top-Up Virgin Blue Share at the Top-Up Price, then that amount remaining will vest in Toll.

6. Confirmation

Toll will notify or cause to be notified each Participating Shareholder, by way of a transaction confirmation sent to the address on the Virgin Blue share register, of the number of Top-Up Virgin Blue Shares purchased by that Participating Shareholder through the Top-Up Facility and the Top-up Price for those Top-Up Virgin Blue Shares, within 10 business days of the end of the Facility Trading Period.

7. Warranties and Acknowledgements

By signing and returning a Buy Instruction Form, a Participating Shareholder:

- (a) acknowledges that the Participating Shareholder has read, and agrees to, the terms and conditions of the Facility Documents;
- (b) acknowledges that the Participating Shareholder is irrevocably bound to purchase the Top-Up Virgin Blue Shares through the Top-Up Facility at the Top-up Price, and otherwise in accordance with the Facility Documents;
- (c) warrants that the Participating Shareholder has not participated in the Share Sale Facility being made available in conjunction with the Top-Up Facility, and has not before participated in the Top-Up Facility;
- (d) irrevocably authorises Toll to do all things (including to engage any third parties (including brokers)) and execute all documents, including to effect any holding adjustment, securities transformation, securities transfer or other transmission or transaction in relation to Top-Up Virgin Blue Shares purchased for a Participating Shareholder under the Top-Up Facility, to arrange the purchase of those Top-Up Virgin Blue Shares under the Top-Up Facility;
- (e) authorises Toll to correct any error in or omission from the Participating Shareholder's Instruction Form and to complete the Instruction Form by the insertion of any missing details, and where both a Sale and a Buy Instruction Form have been completed and returned, authorises Toll to ignore the Buy Instruction Form;
- (f) acknowledges that Toll may, in its sole discretion, at any time determine that the Participating Shareholder's Buy Instruction Form is a valid order in accordance with the Facility Documents, even if the Buy Instruction Form is incomplete, contains errors or is otherwise defective;
- (g) acknowledges that none of Toll nor any other party involved in the Top-Up Facility (including any person engaged by Toll to do things on Toll's behalf) has any liability, whether direct or indirect, to the Participating Shareholder other than for the provision of the Top-Up Virgin Blue Shares purchased by the Participating Shareholder in accordance with these Terms and Conditions;
- (h) acknowledges that none of Toll nor any other party involved in the Top-Up Facility (including any person engaged by Toll to do things on Toll's behalf) has provided the Participating Shareholder with any financial product advice, nor has any obligation to provide such advice, concerning the Participating Shareholder's decision to purchase Top-Up Virgin Blue Shares, and that the Participating Shareholder has made its own decision to purchase Top-Up Virgin Blue Shares through the Top-Up Facility based on its consideration of its own objectives, financial situation and needs and its own investigations of the affairs of Virgin Blue and its own analysis of the Facility Documents;
- (i) acknowledges and agrees that the Top-Up Facility is being arranged by Toll and, to the maximum extent permitted by law, no entity or person engaged by Toll to provide services to Toll in connection with the Top-Up Facility is, in providing those services to Toll (a) providing services on behalf of, for or to the Participating Shareholders or (b) assuming or accepting any duty or responsibility to a Participating Shareholder;
- (j) acknowledges that Toll will not acquire any legal or beneficial interest in the Participating Shareholder's Top-Up Virgin Blue Shares in acting under the Top-Up Facility;
- (k) acknowledges that if the Participating Shareholder's cheque is not honoured on presentation, Toll may place or cause to be placed a holding lock (or similar) on, and cause to be sold, any Top-Up Virgin Blue Shares purchased for the Participating Shareholder through the Top-Up Facility and the Participating Shareholder must pay all costs and losses incurred as a result;
- (l) agrees to appoint Toll as the Participating Shareholder's agent to receive any notices including the Financial Services Guide (and any update of that document) of any relevant entity, that is required to be provided under the Corporations Act; and
- (m) acknowledges that the Facility Documents are governed by the laws in force in Victoria, and otherwise agrees to these Terms and Conditions.

Personal information may be collected on the Buy Instruction Form by Toll and/or others involved in the Top-Up Facility for the purpose of the administration of, and the purchase of Top-Up Virgin Blue Shares under, the Top-Up Facility. That information may be disclosed between Toll and others involved and their respective related bodies corporate, to external service companies such as mail service providers or brokers or as otherwise required or permitted by law. Please contact Toll for details of your personal information held by it or to correct inaccurate or out of date information.

Terms and Conditions - Share Sale Facility

If you decide to participate in the Facility you may only participate in either the Share Sale Facility or the Top-Up Facility – you may not participate in both.

1. Terms of Participation

- 1.1 All persons who hold 10,000 ordinary shares or less in Toll Holdings Limited (ABN 23 006 592 089) (**Toll**) as at 7.00 pm (Melbourne time) on 23 July 2008 (**Record Date**) and have a registered address in Australia or New Zealand (**Eligible Shareholders**) are entitled to participate in the share sale facility described in these Terms and Conditions (**Share Sale Facility**). Participation is voluntary. Applications to participate must be made on the Sale Instruction Form.
- 1.2 An Eligible Shareholder who elects to participate in the Share Sale Facility (**Participating Shareholder**) does so on the basis of the Sale Instruction Form, these Terms and Conditions and any associated documents provided or made available by Toll to Eligible Shareholders (**Facility Documents**). Participation is also on the basis that **all**, and not only some, of the Virgin Blue ordinary shares (**Virgin Blue Shares**) distributed or to be distributed to a Participating Shareholder (**Participating Virgin Blue Shares**) will be sold under the Share Sale Facility.
- 1.3 Toll will pay all brokerage and handing fees (and any applicable GST) in relation to the sale of Participating Virgin Blue Shares through the Share Sale Facility. Any other tax or charges on the sale of the Participating Virgin Blue Shares will be for the account of the Participating Shareholder.

2. Offer Period

The Share Sale Facility will operate from 4 August 2008 to 19 August 2008 inclusive or such shorter or longer period as may be determined by Toll (**Offer Period**). Toll reserves the right for any reason at any time up until the close of the Offer Period to modify the timetable for, or to terminate or suspend, the Share Sale Facility in its sole discretion. Extension or shortening of the Offer Period, or suspension or termination of the Share Sale Facility, will be announced to the ASX by Toll.

3. Role of Toll

- 3.1 Each Participating Shareholder irrevocably appoints Toll to arrange the sale of Participating Virgin Blue Shares by the Participating Shareholder in accordance with the Facility Documents. This means that Toll and other entities involved in the Share Sale Facility are not giving, and are not obliged to give, any advice to you. These Terms and Conditions do not constitute advice or a recommendation by any of the above to buy, sell or hold securities in Virgin Blue, nor that the Share Sale Facility or any other facility is the best way to sell your Participating Virgin Blue Shares. Accordingly, a Participating Shareholder should ensure that the Share Sale Facility meets the Participating Shareholder's own objectives, financial situation and needs. Any Eligible Shareholder unsure of what action to take should consult a licensed financial adviser.
- 3.2 Toll will assist in the administration of the Share Sale Facility, including the processing of Sale Instruction Forms received, issuing transaction confirmations and remitting sale proceeds.
- 3.3 Toll is irrevocably authorised by each Participating Shareholder to do all things (including to engage any third party (including brokers)) and execute all documents, including to effect any holding adjustment, securities transformation, securities transfer or other transmission or transaction in relation to a Participating Shareholder's holding of Participating Virgin Blue Shares, such as converting a CHESS holding to an issuer sponsored holding, to facilitate the sale of all those Participating Virgin Blue Shares under the Share Sale Facility.

4. Sale Instruction Forms

- 4.1 To participate in the Share Sale Facility, an Eligible Shareholder must complete and sign the Sale Instruction Form, and return it to Toll at the address on the Sale Instruction Form. If an Eligible Shareholder holds their Toll shares in a CHESS Holding, they must also have their Sale Instruction Form stamped by their Controlling Participant. Sale Instruction Forms (stamped by the Controlling Participant where required) must be received by or on behalf of Toll at that address by 5.00pm (Melbourne time) on the last day of the Offer Period or sooner.
- 4.2 Once Participating Shareholders have returned their Sale Instruction Form they are not permitted to sell any of their Participating Virgin Blue Shares outside the Share Sale Facility.
- 4.3 Toll may, in its sole discretion, at any time determine that a Sale Instruction Form is valid in accordance with the Facility Documents, even if the Sale Instruction Form is incomplete, contains errors or is otherwise defective. Toll may correct any error in or omission from a Sale Instruction Form and complete the Sale Instruction Form by the insertion of any missing details. However, Toll is not under any obligation to accept any Sale Instruction Form, whether completed correctly or not.

5. Sales of Participating Virgin Blue Shares

- 5.1 Toll will process Sale Instruction Forms during the Offer Period. Toll will arrange for the sale of the Participating Virgin Blue Shares. Participating Virgin Blue Shares may be sold in one or more trades and on one or more trading days.
- 5.2 Sales of Participating Virgin Blue Shares under the Share Sale Facility will be made on the Australian Securities Exchange in the ordinary course of business (including by crossings or by a broker acting as principal). Participating Virgin Blue Shares of a Participating Shareholder may be sold at any time during the Facility Trading Period. The sale of Participating Virgin Blue Shares may be delayed if Toll considers that market conditions are unsuitable or to avoid an excessive concentration of sales on a particular trading day.
- 5.3 The price that a Participating Shareholder will receive for each of its Participating Virgin Blue Shares that are sold through the Share Sale Facility will be the average price achieved for the sale of all Participating Virgin Blue Shares sold through the Share Sale Facility (**Sale Price**). The Sale Price will be calculated by Toll in its absolute discretion, and may not be challenged unless there is manifest error.

- 5.4 The Sale Price may be different to the price for Virgin Blue Shares appearing in the newspaper or quoted by the Australian Securities Exchange on the day that a Participating Shareholder's Sale Instruction Form is sent or on any other day, and may not be the best execution price on the trading day or trading days that the Participating Shareholder's Participating Virgin Blue Shares are sold. None of Toll nor any other person (including any person engaged by Toll to do things on Toll's behalf) will on any account be liable, and a Participating Shareholder may not bring any claim or action against them, for not having sold Participating Virgin Blue Shares at any specific price, in any specific way or on any specific date.
- 5.5 The proceeds of sale of the Participating Virgin Blue Shares will be transferred as soon as practicable following settlement to an account nominated and maintained by Toll on behalf of Participating Shareholders, for the purpose of effecting payment to the relevant Participating Shareholders in accordance with clause 6.1.

6. Payment and Confirmation

- 6.1 Sale proceeds calculated in accordance with clause 5.3 will be paid to each Participating Shareholder within 10 business days of the end of the Facility Trading Period in Australian dollars by cheque made payable to the Participating Shareholder and posted to the Participating Shareholder's address on the Virgin Blue share register and made payable to the name(s) on the share register, and in all cases at the risk of the Participating Shareholder.
- 6.2 Toll will notify or cause to be notified each Participating Shareholder, by way of a transaction confirmation sent to the Participating Shareholder's address on the Virgin Blue share register of the number of the Participating Shareholder's Participating Virgin Blue Shares sold through the Share Sale Facility and the Sale Price for those Participating Virgin Blue Shares, within 10 business days of the end of the Facility Trading Period.

7. Warranties and Acknowledgements

By signing and returning the Sale Instruction Form, a Participating Shareholder:

- (a) acknowledges that the Participating Shareholder has read, and agrees to, the terms and conditions of the Facility Documents;
- (b) acknowledges that the Participating Shareholder is irrevocably bound to sell all of the Participating Shareholder's Participating Virgin Blue Shares through the Share Sale Facility at the Sale Price, and otherwise in accordance with the Facility Documents;
- (c) warrants that the Participating Shareholder has not participated in the Top-Up Facility being made available in conjunction with the Share Sale Facility, and has not previously participated in the Share Sale Facility;
- (d) warrants that at the time of executing and returning the Sale Instruction Form the Participating Shareholder is, or is, subject to the payment of the in specie dividend, entitled to be, the registered holder of the Virgin Blue Shares specified in the Sale Instruction Form;
- (e) warrants (and authorises Toll to warrant on the Participating Shareholder's behalf) to any buyer of the Participating Shareholder's Participating Virgin Blue Shares through the Share Sale Facility that the buyer will acquire good title to those Participating Virgin Blue Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and from any third party rights;
- (f) agrees not to sell any of the Participating Shareholder's Participating Virgin Blue Shares to any person once the Sale Instruction Form has been executed and returned, and authorises Toll to lock the Participating Shareholder's holding to prevent transfer of the Participating Virgin Blue Shares until they are required for settlement. The Participating Shareholder also authorises the transfer of its Participating Virgin Blue Shares to or for settlement of the sale. Further, if any Participating Virgin Blue Shares are sold in breach of this warranty, the Participating Shareholder will be deemed to have appointed Toll as attorney to arrange for the purchase of Virgin Blue Shares in the Participating Shareholder's name, and at the Participating Shareholder's expense, to satisfy the Participating Shareholder's obligations in relation to the sale of its Participating Virgin Blue Shares, and will indemnify Toll for all costs incurred by it in connection with any such purchase;
- (g) irrevocably authorises Toll to do all things (including to engage any third party (including brokers)) and execute all documents, including to effect any holding adjustment, securities transformation, securities transfer or other transmission or transaction in relation to Participating Virgin Blue Shares sold or to be sold for a Participating Shareholder under the Share Sale Facility, to arrange the sale of those Participating Virgin Blue Shares under the Share Sale Facility;
- (h) authorises the transfer of their Participating Virgin Blue Shares for settlement of the sale under the Share Sale Facility;
- (i) authorises the treatment of the sale proceeds of the Virgin Blue Shares in accordance with clause 5.5;
- (j) authorises Toll to correct any error in or omission from the Participating Shareholder's Instruction Form and to complete the Instruction Form by the insertion of any missing details and where both a Sale and Buy Instruction Form have been completed, authorises Toll to ignore the Buy Instruction Form;
- (k) acknowledges that Toll may, in its sole discretion, at any time determine that the Participating Shareholder's Sale Instruction Form is a valid order in accordance with the Facility Documents, even if the Sale Instruction Form is incomplete, contains errors or is otherwise defective;
- (l) acknowledges that none of Toll nor any other party involved in the Share Sale Facility (including any person engaged by Toll to do things on Toll's behalf) has any liability, whether direct or indirect, to the Participating Shareholder other than for the payment of any sale proceeds determined and payable in accordance with these Terms and Conditions;

- (m) acknowledges that none of Toll nor any other party involved in the Share Sale Facility (including any person engaged by Toll to do things on Toll's behalf) has provided the Participating Shareholder with any financial product advice, nor has any obligation to provide such advice, concerning the Participating Shareholder's decision to sell Participating Virgin Blue Shares, and that the Participating Shareholder has made its own decision to sell Participating Virgin Blue Shares through the Share Sale Facility based on its consideration of its own objectives, financial situation and needs and its own investigations of the affairs of Virgin Blue and its own analysis of the Facility Documents;
 - (n) acknowledges and agrees that the Share Sale Facility is being arranged by Toll and, to the maximum extent permitted by law, no entity or person engaged by Toll to provide services to Toll in connection with the Share Sale Facility is, in providing those services to Toll (a) providing services on behalf of, for or to the Participating Shareholders or (b) assuming or accepting any duty or responsibility to a Participating Shareholder;
 - (o) acknowledges that Toll will not acquire any legal or beneficial interest in the Participating Shareholder's Participating Virgin Blue Shares in acting under the Share Sale Facility;
 - (p) accepts the risk associated with payment being dispatched to the Participating Shareholder by cheque to the address shown on the Virgin Blue share register;
 - (q) agrees to appoint Toll as the Participating Shareholder's agent to receive any notice including the Financial Services Guide (and any update of that document) of any relevant entity, that is required to be provided under the Corporations Act; and
 - (r) acknowledges that the Facility Documents are governed by the laws in force in Victoria,
- and otherwise agrees to these Terms and Conditions.

Personal information may be collected on the Sale Instruction Form by Toll and/or others involved in the Share Sale Facility for the purpose of the administration of, and the sale of Participating Virgin Blue Shares under, the Share Sale Facility. That information may be disclosed between Toll and others involved and their respective related bodies corporate, to external service companies such as mail service providers or brokers or as otherwise required or permitted by law. Please contact Toll for details of your personal information held by it or to correct inaccurate or out of date information.