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30 July, 2003

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

Lodged Through ASX On Line
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Dear Sir

MEDIA RELEASE - TENIXTOLL Selected as Preferred Tenderer on the Defence Integrated Distribution System (DIDS) Project

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 over a white background.

Bernard McInerney
Company Secretary

Encl.

INCORPORATING TOLL HOLDINGS LIMITED ACN 006 592 089 AND SUBSIDIARIES
A.B.N. 25 006 592 089

The Total Logistics Solution

MEDIA RELEASE

TENIXTOLL CONFIRMED AS PREFERRED TENDERER FOR DEFENCE WAREHOUSING AND DISTRIBUTION

Toll Holdings Limited in conjunction with its joint venture partner, Tenix Defence Pty Ltd is pleased to announce that TenixToll Defence Pty Ltd has been confirmed as the preferred Tenderer for the Defence Integrated Distribution System (DIDS) project.

Toll Holdings Managing Director, Mr. Paul Little, said that “Toll welcome the opportunity to work with Tenix Defence in providing the Australian Government with a world class logistics and maintenance solution for Australian Defence”

“This unique contract which will generate over \$900 million in revenue for the joint venture over its 10 year term and is a significant vote of confidence in TenixToll’s service capabilities”.

“TenixToll’s approach to the DIDS project was seen by Defence as innovative and cost effective. The bid also satisfied Defence’s requirements to meet mandated employment levels, in particular, in rural and regional locations”.

Mr Little also said that “Toll will assist the joint venture with specialised warehouse management skills as well as provide time sensitive distribution services nationally.”

A sequenced transition from Defence to TenixToll will take place over a 12 month period and will ensure that support to Defence operations will not be adversely affected.

Paul Little – Managing Director
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MEDIA RELEASE

SENATOR THE HON ROBERT HILL

Minister for Defence

Leader of the Government in the Senate

Wednesday, 30 July 2003

102/2003

TENIXTOLL CONFIRMED AS PREFERRED TENDERER FOR FUTURE DEFENCE WAREHOUSING AND DISTRIBUTION

The Government has confirmed the selection of the TenixToll consortium as preferred tenderer for the Defence Integrated Distribution System (DIDS) project, Defence Minister Robert Hill announced today.

The decision follows a highly competitive and complex parallel negotiations process between the TenixToll and ADIFOX consortia over the last five months.

The tender evaluation board, chaired by a senior Defence officer and overseen by a separate review committee chaired by an independent senior executive from industry supported by the Australian Government Solicitor and other independent experts in probity and contract law, has recommended TenixToll as the preferred tenderer.

Defence will negotiate with TenixToll to finalise outstanding issues with a view to entering into a contract in October.

Senator Hill said the lengthy negotiations process would ensure taxpayers got the best value for their money in streamlining Defence's warehousing and distribution services and maintenance support for selected land equipment.

At a cost of \$901 million, the TenixToll tender represents savings of approximately \$59 million over a 10-year period against current costs and savings of \$269 million against the original baseline for the project.

The DIDS request for tender also required bidders to meet mandated employment levels in particular rural and regional locations. TenixToll has met or exceeded these requirements and also proposes to deliver the services from all current DIDS sites.

The project has also allowed Defence to reassign around 500 military personnel to higher priority activities. Public Service personnel that are not employed by the contractor will be re-trained, redeployed or offered redundancy packages in accordance with Defence guidelines.

A sequenced transition to the contractor over 12 months will ensure that support to Defence operations is not affected.

Media contacts

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