Toll Holdings Limited
ABN 25 006 592 089

Level 8/380 St Kilda Road
Melbourne VIC 3004
Australia
Telephone: (613) 9694 2888
Facsimile: (613) 9694 2880

2 November 2005

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

Lodged Through ASX On Line
Total No. of Pages: 03

Dear Sir

MEDIA RELEASE – TOLL'S SUPPLEMENTARY BIDDER'S STATEMENT

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

A copy of the media release will be available on Toll's website at **www.toll.com.au**

Yours faithfully
TOLL HOLDINGS LIMITED

Bernard McInerney
Company Secretary

Encl.

S:\050 ASX\346.l.rc.media release supp bidder statement.021105.doc

Toll Holdings Limited
ABN 25 006 592 089

Level 8/380 St Kilda Road
Melbourne VIC 3004
Australia
Telephone: (613) 9694 2888
Facsimile: (613) 9694 2880

MEDIA RELEASE

2 November, 2005

TOLL HOLDINGS' BID THE BEST OPTION FOR PATRICK SHAREHOLDERS

Toll Holdings today noted that more than two months after it launched its bid, Toll's bid remains the only and best bid on the table for Patrick.

Patrick shareholders should disregard the recommendation in Patrick's Target Statement given the numerous deficiencies with that document.

Toll Holdings' Managing Director, Mr Paul Little, said "the deficiencies in the Target's Statement reinforced the attractiveness of Toll's takeover bid and highlighted that the Patrick board has no real alternative that will deliver to Patrick shareholders the value of Toll's bid."

The material deficiencies identified by Toll include:

- Patrick has effectively endorsed the industrial logic of Toll's bid by outlining intentions to expand in freight forwarding and express freight. However, Patrick provided no details of how it will execute a strategy to emulate Toll's business model. In fact, based on its recent record with unsuccessful attempts to spend around $900 million on FCL and Star Track Express, Toll believes Patrick shareholders should have no confidence in Patrick's ability to successfully execute such a strategy

- Notwithstanding two year's of profit forecasts, the Target's Statement fails to provide any information on Patrick's current gearing and forecast cash flows. Toll has estimated that Patrick has net cash outflow before acquisitions and financing of over $700 million in the 18 months to 30 September 2006.

- The Lonergan Edwards & Associates valuation does not stand up to scrutiny. Its valuation implies Price/Earnings multiples of:
  - 29.8x to 32.0x Patrick's 2005 earnings – almost twice the ASX200 multiple; and
  - 24.2x to 26.0x Patrick's projected 2006 earnings – significantly above Patrick's own description of 18x to 22x being "high by most standards" earlier this year

- The inflated value placed on Patrick shares is particularly evident in two aspects of the valuation:
  - Patrick's Ports Division – only around 2/3rds of which is container terminals – is valued at 25.1x 2005 earnings (mid-point), 90% above the average of recent ports companies transactions included in the report, and well above the implied multiple on the recently rumoured bid for P&O;

    - Patrick’s Virgin Blue shareholding, which was valued at a range above the $1.90 per share that Patrick paid for control earlier this year, despite the significant adverse impact on the value of Virgin Blue of the 30% increase in oil prices since the announcement of Patrick’s bid for the airline,

- Patrick’s forecast earnings growth is largely driven by a proposed $1.5 billion expenditure program. While expenditure of this scale may add EBITDA, they will not necessarily add economic value for shareholders after taking into account the need to generate an appropriate return on new capital invested

- Patrick’s financial forecasts rely on the successful Pacific National Joint Venture with Toll continuing in its present form.

- Forecast proforma equivalent earnings per share for the year to 30 June 2006 would be 34% higher under Toll’s Offer.

Toll has today lodged a Supplementary Bidder’s Statement, which is being sent to Patrick shareholders, highlighting key shortcomings in the Target’s Statement.

The ACCC is currently expected to publish its “phase one findings” on 14 November 2005 in respect of Toll’s bid. This will not be a decision but an identification of competition issues which are of concern and require further consideration and investigation.

Toll has also today formally extended the takeover offer until 2 December 2005.

Media contact:
Cannings (02) 9252 0622
Martin Debelle 0409 911 189
Nigel Kassulke 0407 904 874