

12 November 2007

David Jackson
Chief Executive Officer
Toll NZ Consolidated Ltd
Private Bag 92 138
AUCKLAND

Dear David

Thank you for meeting with Chris Mackenzie and me last week. As agreed at the meeting, below is our view of the next steps and an agenda for the meeting this Wednesday. The meeting is organised to be held at Cameron Partners' office at Level 12, HP Tower, 171 Featherston St at 11am.

The key steps required to effect transaction from our perspective are:

- High level agreement on what ONTRACK is offering to purchase.
- Toll provides ONTRACK with information.
- ONTRACK reviews information and produce the required valuation outputs.
- Indicative offer made to Toll, subject to detailed Due Diligence.
- Sales and Purchase agreement.
- Final Due Diligence.
- Binding offer made.
- Closing / Settlement.

There is obviously a significant amount of work to be done, so I think it would be best for us to agree an outline timetable which of course may be subject to change. My suggestion for the period until Christmas 2007 is:

- By 16 November - In principle agreement on what ONTRACK is offering to purchase.
- By 23 November - Toll provides first information pack.
- By 30 November - Toll provides second information pack.
- By 7 December - ONTRACK further information request.
- By 14 December - ONTRACK advisor preliminary advice provided to ONTRACK.
- By 18 December - Indicative offer made by ONTRACK to Toll, subject to due diligence.
- By 21 December - Toll acceptance of process to convert indicative offer into binding agreement. Joint press release on this milestone.

Suggested Agenda for Wednesday 14 November meeting

- ONTRACK sets out view on what it is offering to purchase (follow-up to 9 November meeting).
- Toll responds with high level presentation on the Toll businesses' operations, structure and cashflows. Suggested approach:
 - » Toll describes entire NZ operations.
 - » Assets/Cashflows / Employee data etc broken out for business parts and corporate company structure.
 - » Reconciles to total for parts to be sold to ONTRACK / retained by Toll.
 - » Historical and forecast data for each identified for subsequent disclosure.
- Overview from Toll on the issues in separating the business it wishes to retain, including the contractual, customer and financial issues in achieving a separation and the implications for an assets versus shares transaction. Toll sets out how it is going to meet the information requirements of the Crown using:
 - » Written material, e.g.:
 - Toll Group's business plan, strategic plan, capital expenditure plan, maintenance plan, current management accounts and forecasts for 6 and 12 months, key customer lists, financing arrangements. This information will need to be sourced from Toll NZ and Australia.
 - Forecasting medium term (post transition) customer cashflows.
 - » Management presentation.
 - » Q&A.
- Further discussion on Process / Timetable.
- Protocols for public comment (ONTRACK and Toll).
- Other matters (contacts etc).

I look forward to seeing you there.

Yours sincerely



William Peet
Chief Executive