Tolhurst Group Limited

ABN 50 007 870 760

PROSPECTUS

Non-Renounceable Rights Issue

4 June 2007

Prospectus for non-renounceable rights issue of 1 New Share for every 8 Shares held at 50 cents per New Share to raise approximately $7 million before expenses.

The last date for applications and payment to be received is 5:00pm on Friday, 29 June 2007.

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.

Underwriters:
Contango Capital Partners Ltd and
Thorney Holdings Pty Ltd

The Underwriters partially underwrite this rights issue.

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IMPORTANT NOTICE

This Prospectus is dated Monday 4 June 2007 and was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No shares will be issued on the basis of this Prospectus more than 13 months after the date of this Prospectus.

The Prospectus sets out information in relation to the offer of New Shares in the share capital of Tolhurst Group Limited (**Offer**).

Tolhurst Group Limited (**Tolhurst**) will apply for admission of the New Shares to quotation on ASX within 7 days after the date of this Prospectus. The fact that ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of Tolhurst or the New Shares.

This is an important document

It is important that you carefully read this Prospectus in its entirety before deciding to invest in Tolhurst and, in particular, that you consider the risk factors that could affect the financial performance of Tolhurst. In addition to the general risks applicable to all investments in listed companies (which are further described in section 7), there are specific risks associated with an investment in Tolhurst. These risks are discussed in section 7.2 of this Prospectus. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by Tolhurst in connection with the Offer. Neither Tolhurst nor any other person warrants the future performance of Tolhurst or any return on any investment made under this Prospectus, except as required by law and then only to the extent so required.

Ineligible shareholders

This Prospectus contains an Offer only to persons (including individuals and corporate entities) with registered addresses in Australia or New Zealand.

This Offer is not extended to, and no New Shares are offered or will be issued to, persons with registered addresses outside of Australia or New Zealand. Tolhurst considers it unreasonable to extend the Offer to those Shareholders with registered addresses in jurisdictions outside Australia and New Zealand having regard to the small number and value of the New Shares that would be offered in such jurisdictions and the cost of complying with the legal and regulatory requirements in those jurisdictions.

Foreign jurisdictions and restrictions on the distribution of this Prospectus

This Prospectus has been prepared to comply with the requirements of the securities laws of Australia.

This Prospectus and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares in any place outside Australia or New Zealand unless the person to whom the Prospectus and the accompanying Entitlement and Acceptance Form has been sent has been expressly and personally invited in writing by Tolhurst to participate in the Offer. The distribution of this Prospectus and the accompanying Entitlement and Acceptance Form outside of Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus and the accompanying Entitlement and Acceptance Form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws. Without limitation, neither this Prospectus nor the accompanying Entitlement and Acceptance Form may be sent or passed to persons outside Australia or New Zealand or otherwise distributed outside Australia or New Zealand.

In particular, the Offer has not been, and will not be, registered under the US *Securities Act* or the securities laws of any state of the United States and is not being made in the United States or to persons resident in the United States. Without limitation, neither this Prospectus nor the accompanying Entitlement and Acceptance Form may be sent to investors in the United States or otherwise distributed in the United States.

The New Shares being offered to residents of New Zealand under this Prospectus are offered in reliance on the *Securities Act (Overseas Companies) Exemption Notice* 2002 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Prospectus complies with Australian disclosure requirements. These disclosure requirements may be different from those applicable in other jurisdictions. The financial information included in this Prospectus was prepared with a view towards compliance with Australian practice and not that of any other jurisdiction.

Electronic Prospectus

This Prospectus may be viewed online at www.tolhurst.com.au. The Offer is only available to Shareholders who receive a personalised Entitlement and Acceptance Form.

Defined terms and abbreviations

Terms and abbreviations used in this Prospectus are defined in section 9 of this Prospectus.

Application for New Shares

If you wish to apply for New Shares, you must complete and return the personalised Entitlement and Acceptance Form which accompanies this Prospectus, with payment, by the Closing Date. If you have not received a personalised Entitlement and Acceptance Form, please contact the Registry on 1 300 55 61 61 or +61 8 8236 2300 (outside Australia).

KEY OFFER DETAILS

Key financial data relating to the Offer	
New Share issue price	$0.50
Rights Issue ratio	1 for 8
Number of New Shares to be issued	Approximately 14 million
Amount to be raised under the Offer	Approximately $7 million (before expenses)
Underwriting	Partially Underwritten by Contango Capital Partners Limited and Thorney Holdings Pty Ltd
Number of Shares on issue following completion of the Offer	126,470,291
Number of Shares on issue following completion of the Offer and following completion of the InterFinancial Acquisition in July 2007	132,470,291

Key Dates*	
Announcement: of Rights Issue and lodgement of Prospectus with ASIC	4 June 2007
Ex Date: The date on which Tolhurst Shares commence trading without the entitlement to participate in the Offer	6 June 2007
Record Date: The date for determining entitlements of Shareholders to participate in the Offer (at 7:00pm AEST)	13 June 2007
Prospectus sent to Shareholders: Anticipated despatch of Prospectus and Entitlement and Acceptance Forms	15 June 2007
Closing Date: The last day for receipt of Entitlement and Acceptance Forms and payment (at 5:00pm AEST)	29 June 2007
Despatch Date: Anticipated entry of New Shares into uncertified accounts (holding statements for New Shares to be despatched 3 Business Days later)	5 July 2007
First Trading Date: Trading of New Shares commences	6 July 2007

* These dates are subject to change and are indicative only. Tolhurst reserves the right to amend this indicative timetable without notice. In particular, Tolhurst reserves the right, subject to the Corporations Act, the ASX Listing Rules and, if necessary, the approval of the

Underwriters, to close the Offer early, to extend the Closing Date or to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of New Shares.

LETTER FROM THE EXECUTIVE CHAIRMAN

Monday 4 June 2007

Dear Shareholder,

On behalf of the Directors, I am pleased to offer you the opportunity to increase your investment in Tolhurst through this pro rata Offer of New Shares.

The Offer is a non-renounceable Rights Issue which provides Shareholders with the right to subscribe for 1 New Share for every 8 Shares held at an issue price of 50 cents per New Share. The Offer will raise approximately $7 million before expenses, which are expected to be approximately $220,000.

The capital raised from this Rights Issue will provide funds for the proposed acquisition of InterFinancial Holdings Pty Ltd (**InterFinancial**).

InterFinancial is an independent investment and corporate advisory group which specialises in mergers & acquisitions (**M&A**), capital raising and strategic advice to small to mid-sized organisations in the ASX-listed, unlisted and public sectors. The company has a history spanning more than two decades and in the last five years has managed M&A transactions worth more than $4.5 billion and equity capital raisings exceeding $360 million. The acquisition is expected to be earnings per share positive in year one and onwards.

Under the proposed acquisition Tolhurst will purchase 100% of the issued capital of InterFinancial for an initial payment of $11 million with consideration comprising an $8 million cash payment and the issue of 6 million Shares in Tolhurst at an issue price of 50 cents per Share.

Subject to the achievement of the agreed performance targets and personnel retention requirements being met, the vendors of InterFinancial will receive a second tranche of Shares of a nominal value not exceeding $7.75 million. This second tranche of Shares will be issued on or soon after 1 June 2009, and will comprise up to 15.5 million Shares in Tolhurst at an issue price of 50 cents per Share.

The completion date for the proposed acquisition of InterFinancial is anticipated to be in mid July 2007 at which time the $8 million cash payment and the issue of 6 million Shares will be due. Earnings of the InterFinancial business from 1 June 2007 onwards will be retained in InterFinancial for the benefit of the new owner, Tolhurst.

The issue of Shares to the vendors of InterFinancial was approved by Tolhurst's Shareholders at a General Meeting held on 4 June 2007.

On completion of the transaction, the Tolhurst Board will extend an invitation to Mr Greg Bundy, the current Executive Chairman of InterFinancial, to join the Tolhurst Board. Mr Bundy has over two decades of experience in investment banking, stockbroking and funds management. He was previously Vice Chairman of Merrill Lynch Asia Pacific with responsibility for all capital market accounts from Korea to Australia.

The acquisition of InterFinancial reflects Tolhurst's strategic vision to further expand its geographic presence on the east coast of Australia and strengthen the capabilities of its corporate division in M&A, equity capital markets and structured finance. The corporate division is one of the key growth areas for the Group outside of its stockbroking business. The acquisition is consistent with the Group's strategic objective of growing and diversifying its revenue base and increasing earnings per share.

The acquisition of InterFinancial builds on the depth, range and quality of expertise in Tolhurst and takes Tolhurst further toward its objective of becoming a leading independent investment and advisory organisation.

The directors of Tolhurst who own or have a controlling interest in Tolhurst Shares (including through associated entities) have indicated that they intend to take up their full Entitlement under the Offer.

To apply for New Shares under the Offer, you must complete and return the Entitlement and Acceptance Form accompanying this Prospectus, with payment, no later than 5.00pm AEST on 29 June 2007.

I invite you to read the Prospectus in its entirety. On behalf of the Board of Tolhurst, I commend this Offer to you and encourage your participation.

Yours faithfully

David W. Browne
Executive Chairman

1. Answers to Key Questions

Question	Answer
What is the Offer?	The Offer to Eligible Shareholders is to subscribe for 1 New Share for every 8 Shares held on the Record Date, at a price of 50 cents per New Share.
Who can participate in the Offer?	Only Eligible Shareholders can participate in the Offer. Eligible Shareholders are persons with registered addresses in Australia and New Zealand and who are registered holders of Shares on the Record Date.
How much do I have to pay to participate in the Offer?	The Issue Price for a New Share is 50 cents. You may subscribe for all, or part of, your Entitlement.
What are the terms of the New Shares?	The New Shares issued under the Offer will rank equally with existing Shares. The rights and liabilities attaching to Shares (and New Shares) are detailed in section 8.3.

Is the Offer underwritten?	Tolhurst, has received binding commitments from several Shareholders to subscribe for 4,526,075 New Shares in the Offer, representing 32.2% of all New Shares available under the Offer. Included in these binding commitments: • Daptha Pty Ltd (representing interests associated with the Executive Chairman Mr David Browne and Non Executive Director Mr Peter Reilly), which holds approximately 24% of the issued capital of Tolhurst, has confirmed it intends to take up its full Entitlement under the Offer (amounting to 3,411,223 New Shares); • Matthew Wigzell (an Executive Director) has committed on behalf of associated entities to take up his full Entitlement (114,852 New Shares) under the Offer; and • Contango Capital Partners Limited and Thorney Holdings Pty Ltd have committed on behalf of associated entities to take up their full Entitlements under the Offer (375,000 New Shares and 625,000 New Shares respectively). The balance of the Offer is underwritten by Contango Capital Partners Limited and Thorney Holdings Pty Ltd in equal proportions. The terms of the Underwriting Agreement are described in section 8.4.
What is the purpose of the Offer?	The Offer is being conducted to raise approximately $7 million (before expenses). These proceeds are intended to be used to provide funding for the proposed acquisition of InterFinancial Funds will also be applied to the costs of the Offer. Though the Board is confident that the Acquisition will proceed, if it does not, the funds from the Rights Issue will be held by the Company and used to progress the expansion of the Company's core business in line with its strategic business plan.

Who / What is InterFinancial?	InterFinancial is an independent investment and corporate advisory group which specialises in mergers & acquisitions (**M&A**), capital raising and strategic advice to small to mid-sized organisations in the ASX-listed, unlisted and public sectors. The company has a history spanning more than two decades as an independent advisory house and in the last five years has managed M&A transactions worth more than $4.5 billion and equity capital raisings exceeding $360 million.
What are my options?	You may either: • take up all or part of your Entitlement; or • do nothing and allow all of your New Shares representing your Entitlement to lapse and be taken up by the Underwriter. Please read section 2.13 carefully before selecting an option.
How do I exercise my Rights?	If you are an Eligible Shareholder, and you wish to subscribe for all or some of the New Shares making up your Entitlement, you must complete the Entitlement and Acceptance Form accompanying this Prospectus, and forward it, with your Application Monies, to the Registry before the Closing Date. Further details are found in section 3. If you have not received an Entitlement and Acceptance Form, please contact the Registry on 1 300 55 61 61 or +61 8 8236 2300 (outside Australia).
Can I sell or transfer my Rights?	No, as the Rights Issue is non-renounceable, you cannot sell or transfer any of your Rights. There will be no trading of Entitlements on ASX.
Is there a cooling off period?	No, there is no cooling off period. As such, in most circumstances, you cannot withdraw an application for New Shares once the Entitlement and Acceptance Form and Application Monies have been received by the Registry.
How can I obtain further information?	Tolhurst encourages you to seek advice from your financial or other professional adviser. Enquiries concerning the Entitlement and Acceptance Form should be directed to the Registry on 1 300 55 61 61 or +61 8 8236 2300 (outside Australia). Enquiries concerning this Prospectus should be directed to the Tolhurst Company Secretary, Mr David Fotheringham, on +61 3 9242 4059.

2. Details of this Offer

2.1 This Offer

Tolhurst is making a non-renounceable pro rata Offer of New Shares on the basis of 1 New Share for every 8 Shares held at a price of 50 cents per New Share to holders of Shares who were registered as at 7:00 pm (AEST) on the Record Date (13 June 2007). Shares purchased on or after 6 June 2007 on ASX will not be entitled to participate in the Offer.

2.2 Use of the proceeds of Offer

The proceeds of the Offer will be used to provide the majority of funds for the cash consideration payable for the acquisition of InterFinancial.

As mentioned previously, the Board is confident that the Acquisition will proceed. However, transactions of this kind can never be assured until the proposed Share Purchase Agreement is signed and completed. If the Acquisition does not proceed for any reason, the funds from the Rights Issue will be used to further progress the Company's strategic business plan.

The use of the proceeds of the Offer is set out in more detail in section 4.5.

2.3 Your Entitlement

Your Entitlement, that is, the number of Rights you have (or, the number of New Shares to which you are entitled) is shown on the accompanying Entitlement and Acceptance Form. Fractional entitlements to New Shares will be rounded up to the nearest whole number.

Rights are non-renounceable, which means that Eligible Shareholders may not transfer, dispose of or otherwise deal with any part of their Entitlement that they do not take up. There will be no trading of Rights on ASX.

The Record Date for the purpose of the Offer is 7.00 pm (AEST) on 13 June 2007. Persons who are registered as the holders of Shares on the Record Date (Eligible Shareholders), will be entitled to participate in the Offer.

2.4 Closing date

The Company will accept applications from the date of this Prospectus until 5.00 pm (AEST) on 29 June 2007 or such other date as the Directors in their absolute discretion may determine subject to the requirements of the ASX Listing Rules and the consent of the Underwriters (if required).

2.5 Total number of New Shares to be issued

The total number of New Shares to be issued pursuant to this Offer will be approximately 14 million (the exact number depends on rounding-up of individual holdings). The gross proceeds (before costs) of this Offer will be approximately $7 million. The expenses of the Offer are expected to be approximately $220,000.

2.6 Underwriting

Tolhurst, has received binding commitments from several Shareholders to subscribe for 4,526,075 New Shares in the Offer, representing approximately 32.2% off all New Shares available in the Offer. These binding commitments are outlined in section 8.4.

The balance of the Offer is fully underwritten by Contango Capital Partners Limited and Thomey Holdings Pty Ltd in equal proportions and on the terms of the Underwriting Agreement (see section 8.4).

Tolhurst will pay the Underwriters an underwriting fee of 3% of the amount underwritten (to be shared equally) and 3% of the value of Entitlements subscribed for by each respective Underwriter (or their associates).

Mr Greg Bundy, a proposed Director of the Company should the Acquisition proceed, is a director of, and holds 350,000 Shares in, Contango Capital Partners Limited, one of the Underwriters.

2.7 Issue of New Shares

Tolhurst expects to issue the New Shares on or before 5 July 2007. No issue of New Shares will be made unless permission is granted for quotation of the New Shares on ASX.

Application Monies will be held in trust for applicants in a subscription account until New Shares are allotted to such applicants. Interest earned on Application Monies will be for the benefit of Tolhurst and will be retained by Tolhurst irrespective of whether New Shares are issued.

2.8 ASX quotation

Tolhurst will apply for admission of the New Shares to quotation on ASX within 7 days after the date of this Prospectus. If ASX does not grant official quotation of the New Shares within 3 months after the date of this Prospectus, Tolhurst will not issue any New Shares and will repay all Application Money within the time prescribed under the Corporations Act, without interest.

2.9 Ranking

The New Shares will rank equally with existing Shares from the time they are issued. A summary of the rights attaching to the New Shares (and existing Shares) is set out in section 8.3.

2.10 Checking your share holdings

Your current Tolhurst share holdings can be viewed by registering your details online at the Computershare website (www.computershare.com.au).

2.11 Market prices of Shares

The lowest and highest market sale prices of Shares on ASX during the 3 months immediately preceding the lodgement date of this Prospectus, and the respective dates of those sales, were:

- highest price was 65 cents on 23 March 2007; and
- lowest price was 45 cents on 5 March 2007 (and on 6/3/07, 15/3/07, 20/3/07, 12/4/07 and 18/4/07).

During this period the Company paid a fully franked dividend of 1.25 cents per share.

The last sale price for Shares on ASX on Friday 1 June 2007, being the last day of trading of Shares prior to the date of this Prospectus, was 57.5 cents.

2.12 Ineligible shareholders

This Prospectus contains an Offer to Shareholders with a registered address in Australia or New Zealand.

Shareholders with a registered address in Australia or New Zealand who hold Shares on behalf of persons who are not resident in Australia or New Zealand are responsible for ensuring that taking up the New Shares under the Offer does not breach securities law in the relevant overseas jurisdictions. Return of a duly completed Entitlement and Acceptance Form will be taken by Tolhurst to constitute a representation that there has been no breach of such laws.

2.13 Taxation implications

The Board considers that it is not appropriate to provide advice regarding the taxation consequences of subscribing for New Shares under this Prospectus.

However, the Board considers it important that Shareholders are aware that a recent decision of the High Court of Australia (Commissioner of taxation v McNeil) has given rise to uncertainty as to the appropriate treatment of the proceeds or deemed proceeds from dealing in rights, and whether the proceeds or deemed proceeds from dealings in rights will be treated as capital rather than income. Though this decision applied to a renounceable rights issue, there is the possibility that it may be applied to a non-renounceable rights issue such as this Offer. Whether it will be applied to non-renounceable rights issues, and the manner in which any application of it will effect the tax treatment of rights under non-renounceable rights issues, is uncertain. Accordingly, the Board strongly recommends that Eligible Shareholders consult their own professional advisers in connection with this Offer.

Tolhurst and its officers and advisers do not accept any responsibility or liability for any taxation consequences of Eligible Shareholders subscribing for and disposing of New Shares.

2.14 Entitlement and acceptance form is binding

A completed and lodged Entitlement and Acceptance Form, together with the Application Monies for the number of New Shares applied for, cannot be withdrawn and constitutes a binding application for the number of New Shares specified in the Entitlement and Acceptance Form on the terms set out in this Prospectus. The Entitlement and Acceptance Form does not need to be signed to be binding.

Tolhurst will not process applications until the expiry of the Offer Period. No preference will be conferred on applications on the basis of when those applications were received in the Offer Period.

If the Entitlement and Acceptance Form is not completed correctly, Tolhurst in its absolute discretion can reject it or treat it as valid. Tolhurst's decision as to whether to accept or reject an Entitlement and Acceptance Form or how to construe, amend or complete it, is final.

2.15 Enquiries

Enquiries concerning the Entitlement and Acceptance Form should be directed to the Registry on 1 300 55 61 61 or +61 8 8236 2300(outside Australia).

Enquiries concerning this Prospectus should be directed to the Tolhurst Company Secretary, Mr David Fotheringham, on +61 3 9242 4059.

3. Your options under the Rights Issue

Your Entitlement is shown on the accompanying Entitlement and Acceptance Form. Before taking any action in relation to the Offer, you should read this Prospectus in its entirety, and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser.

You may:

- take up all or part of your Entitlement; or
- do nothing and allow all of your Entitlement to New Shares to lapse and be taken up by the Underwriters.

3.1 Take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement:

(1) complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form, specifying the amount of your Entitlement you wish to take up; and

(2) ensure your application is received by the Registry at:

Computershare Investor Services Pty Ltd
GPO Box 1903
Adelaide, SA 5000

Facsimile: +61 8 8236 2305

by 5.00 pm AEST on the Closing Date (the Closing Date is currently 29 June 2007, but Tolhurst reserves the right to extend the Offer).

3.2 Do nothing

If you do nothing, your Entitlement will lapse and the New Shares which represent your Entitlement will be taken up by the Underwriters, in accordance with Underwriting Agreement detailed in section 8.4. Although you will continue to own the same number of Shares in Tolhurst, your percentage shareholding in Tolhurst will be diluted.

Please refer to section 2.13 carefully before making your decision.

3.3 Form of payment

Payments will only be accepted in Australian currency and may only be made by one of the following methods:

- Bank cheque drawn on and redeemable at any Australian bank; or
- Personal cheque drawn on and redeemable at any Australian bank. Shareholders must ensure there are sufficient funds in the account on which the personal cheque is drawn so that the cheque clears in favour of Tolhurst when it is first presented for payment.

Cheques or bank cheques should be made payable to **"Tolhurst Group Ltd Rights Issue Account"** and crossed **"Not Negotiable"**. Shareholders are asked not to forward cash. Receipts for payment will not be provided.

4. Overview of Tolhurst

4.1 Background

Tolhurst is an integrated financial services company built on the merger in 2001 of two long-established firms, D&D Tolhurst Ltd and William Noall Ltd. D&D Tolhurst Ltd has a history dating back to the 1930's, while William Noall Ltd was established in Melbourne in 1857.

Services offered by Tolhurst include:

- advice and execution for clients dealing in shares, options and derivatives listed on ASX;
- advice and placement of funds for wealth management and financial planning clients;
- portfolio management services;
- corporate finance advice on M&A, equity capital markets and structured finance;
- research;
- arbitrage activities;
- execution and clearing services; and
- funds management.

4.2 Tolhurst's strategy

Tolhurst has embarked on a strategy to build on and expand from its traditional stockbroking foundations. The Company is in the process of transitioning the business to an organisation that has four key operating activities:

- Stockbroking - Institutional and Retail;
- Research;
- Wealth management; and
- Investment and advisory services.

As well as building the above operations internally, Tolhurst has been actively pursuing potential investment opportunities that will assist with its strategy.

The proposed acquisition of InterFinancial is a direct result of the above strategy and will further accelerate the growth of the investment and advisory division of Tolhurst. The acquisition builds on the depth, range and quality of expertise in Tolhurst and takes Tolhurst further toward its objective of becoming a leading independent investment and advisory organisation.

4.3 Summary of proposed Acquisition

In accordance with a terms sheet executed on 20 March 2007 (and as announced to ASX on 21 March 2007), the Company has agreed to acquire all of the issued capital of InterFinancial. The Company intends to enter into a Share Purchase Agreement, whereby it will pay a cash sum of approximately $8,000,000 (subject to adjustment for movements in the net assets of InterFinancial) (**Cash Component**) and issue up to 21,500,000 Shares in the Company (**Scrip Component**) to the InterFinancial Shareholders as consideration for the Acquisition.

The Cash Component of the Acquisition will be financed by way of the Rights Issue and through existing cash resources.

The Scrip Component will be issued to the InterFinancial Shareholders in two allotments as follows:

(1) upon completion of the Acquisition, 6,000,000 Shares will be issued to the InterFinancial Shareholders (**First Allotment**) (and the Cash Component will be paid); and

(2) at, or soon after 1 June 2009, up to 15,500,000 Shares will be issued to the InterFinancial Shareholders (**Second Allotment**) (subject to certain adjustments described below).

The Company held a General Meeting on the date of this Prospectus. A resolution was passed at that General Meeting approving the issue of the Scrip Component for the purposes of ASX Listing Rule 7.1 and all other purposes.

Though final details of allocations are to be confirmed, it is expected that the Scrip Component (and Cash Component) will be issued (and paid) to the InterFinancial Shareholders in proportion to their shareholdings in InterFinancial. No individual InterFinancial Shareholder will, as a result of the issue of the Scrip Component, acquire a holding of 20% or more in the voting capital of the Company.

It is anticipated that the Acquisition will complete in July 2007.

The First Allotment will be subject to a voluntary escrow for a period of 24 months from the date of issue.

The quantum of the Second Allotment is subject to adjustment in accordance with the Share Purchase Agreement. Any adjustment will only decrease the number of Shares to be allotted in the Second

Allotment. Accordingly, no more than 15,500,000 Shares will be issued in the Second Allotment.

The Second Allotment may be reduced in the following circumstances:

(1) if InterFinancial fails to meet the target for EBIT for the full Financial Years ending 30 June 2007 and 30 June 2008 of $4.7 million in aggregate, the Second Allotment will be reduced by 8 Shares for every $1.00 that the aggregate EBIT is below this target ; and

(2) should a key executive of InterFinancial, of which there are 4, leave InterFinancial (or the Company or a Related Body Corporate of the Company) prior to 1 June 2009 (other than in certain limited circumstances allowed under the proposed Share Purchase Agreement) the Second Allotment will be reduced by 2,000,000 Shares for each key executive who leaves.

The Second Allotment is not subject to any voluntary escrow conditions.

The decision to use the Scrip Component as part of the consideration for the acquisition of InterFinancial is driven by the nature and style of the Tolhurst and InterFinancial businesses. Tolhurst and InterFinancial operate in the financial services sector and rely on revenue streams generated by their reputation in the industry, by key employees and from client relationships. The Scrip Component ensures the vendors and key employees of InterFinancial have ongoing interests that are aligned with those of Tolhurst Shareholders. The escrow arrangements on the First Allotment and the timing of and conditions attached to the Second Allotment assist Tolhurst and its Shareholders to ensure that an appropriate earnings multiple is paid for InterFinancial

As a condition of the proposed Share Purchase Agreement, 4 key executives of InterFinancial will each sign an executive service agreement which defines the agreed conditions under which they will continue as employees of InterFinancial Limited, under the ownership of Tolhurst.

Under the terms of the proposed Share Purchase Agreement, the Company has also agreed to issue up to 3,000,000 Employee Options (as defined in the Employee Option Plan) for allocation to these key and other executives of InterFinancial. These options will have an exercise price of $0.50 per share. One third of the options allocated will vest 24 months after their issue, one third will vest 36 months after their issue and one third will vest 48 months after their issue. Unvested options will expire on termination of employment.

4.4 Overview of InterFinancial

InterFinancial is an independent investment and corporate advisory group which specialises in mergers & acquisitions (**M&A**), capital raising and strategic advice to small to mid-sized organisations in the ASX-listed, unlisted and public sectors.

InterFinancial has a history spanning more than two decades and in the last five years has managed M&A transactions worth more than $4.5 billion and equity capital raisings exceeding $360 million. InterFinancial has over 20 staff based in offices in Sydney, Brisbane, Melbourne and Perth.

The Acquisition of InterFinancial complements the current activities of the Tolhurst corporate division in M&A, equity capital markets and structured finance. As InterFinancial has a strong presence in the Brisbane and Sydney markets, the acquisition extends the geographic footprint of the Tolhurst business and complements the existing Tolhurst corporate finance presence in other states.

It is intended that the operations of the InterFinancial business and those of the corporate advisory arm of Tolhurst will combine to form a leading national corporate finance and investment and advisory services business.

4.5 Use of proceeds of Offer

The purpose of the Offer, and the intended use of the funds raised by the Offer, is summarised in the table below:

Activity	Cost ($m)
Acquisition of InterFinancial[1]	6.78
Costs of the Offer	0.22
Total	**7.0**

The actual amount of expenditure may vary from the table above.

[1] The balance of the cash consideration payable for the acquisition of InterFinancial will be funded from existing cash reserves.

4.6 Use of proceeds should the Acquisition not proceed

Although the Board of Tolhurst is confident that the Acquisition will proceed to completion, there is always some risk in such transactions that the acquisition will not proceed to completion.

If the Acquisition does not proceed to completion, the Company intends to use the funds raised from the Rights Issue to further progress the strategic business plan of Tolhurst.

4.7 Potential acquisition by Tolhurst

Tolhurst is moving to further accelerate its strategy to become a full-service financial services house and is currently negotiating to purchase a long-established independent financial planning group.

The financial planning group currently has in excess of $1.5 billion of funds under advice and management and forecast revenues for the 2008 financial year of in excess of $12m. The acquisition price of the financial planning business will be based on a multiple of earnings before interest tax and will be dependent on its aggregate earnings performance in the financial years ending 30 June 2008 and 30 June 2009. In addition, Tolhurst will seek to negotiate to acquire additional recurring income streams.

During the period that this Prospectus is open for acceptances, Tolhurst expects to sign a non-binding terms sheet which will set out the terms under which it intends to purchase 100% of the issued capital of the financial planning group, conditional upon:

- the completion of due diligence;
- agreement on an integrated business plan for the 2008 financial year;
- agreement on and signing of formal transaction documentation;
- key executives signing agreed executive service agreements; and
- the approval of the transaction by shareholders of both parties at respective meetings of shareholders.

It is intended that 50% of the acquisition price will be satisfied by a cash payment, funded by way of borrowings and cash reserves, and 50% of the acquisition price will be satisfied through the issue of new Shares in Tolhurst at an issue price of 50 cents per Share. The new Shares would be issued in three tranches over a three year period and would be subject to escrow arrangements, future earnings performance hurdles and personnel retention requirements. The issue of these new Shares will require the approval of Tolhurst shareholders at a meeting of its Shareholders. In effect, Tolhurst Shareholders will have the opportunity to approve the proposed acquisition.

The proposed acquisition reflects Tolhurst's strategic vision to further expand its geographical presence and strengthen its wealth management activities. The acquisition would be consistent with

Tolhurst's strategic objective of growing and diversifying its revenue base and increasing cash earnings per Share.

This proposed acquisition would be a further significant step in the Tolhurst expansion and diversification strategy.

Should Tolhurst progress this proposed acquisition to the stage where a non-binding term sheet is executed, Tolhurst will promptly announce such an event to ASX and will communicate directly to Shareholders.

5. The Tolhurst Board

David Browne, Executive Chairman

David Browne is the Executive Chairman of Tolhurst and has over 37 years experience in all aspects of stockbroking, both in Australia and overseas. In 1976 David became a member of the Stock Exchange of Melbourne Ltd. David was a partner of McCaughan Dyson & Co, Managing Director of ANZ McCaughan, Deputy Chairman of ANZ Securities and a founding shareholder and Managing Director of Lonsdale Securities. David is a former affiliate of Australian Stock Exchange Ltd (now ASX Limited), has been on the Boards of several financial services and broking companies and is the major shareholder of Scotchman's Hill winery. David is Chairman of the Nominations Committee and serves on the Audit & Risk Committee and is a director of Tolhurst Limited.

Andrew McDouall, Independent Non-Executive Director

Andrew McDouall has a Bachelor of Commerce and Administration (BCA) from Victoria University in Wellington, and is a New Zealand Exchange (**NZX**) Stockbroker. Andrew has spent 23 years in the finance industry in New Zealand, including ten years at the Reserve Bank of New Zealand, predominantly in the Economics and Financial Markets Departments. In addition to this, Andrew spent three years working at HRL Morrison & Co / Infratil Management Limited, a New Zealand based infrastructure specialist investment bank and six years at Forsyth Barr. During his time at Forsyth Barr, Andrew led a management buy-out of around half that Company, and was instrumental in turning Forsyth Barr into New Zealand's largest retail sharebroking firm. When Andrew resigned from Forsyth Barr in November 2001, he was on the Board of the parent company, and had executive responsibilities as the Director of Investment Banking for the group. In January 2002 Andrew founded McDouall Stuart Group, a trans-tasman investment bank and stockbroking group and is Managing Director of that company and its subsidiaries, including NZX Stockbroking firm McDouall Stuart Securities Limited. Andrew is also a Director of NZX listed stock and station company, Allied Farmers Limited and is a Director of Allied Prime Finance Limited, Allied

Farmers Wools Limited, Balgreggan Financial Investments Limited, Tartan Securities Limited and a number of private companies. Andrew is Chairman of the Tolhurst Remuneration Committee, serves on the Tolhurst Nominations Committee and is also a director of the Company's subsidiary, Tolhurst Ltd.

Peter Reilly, Non-Executive Director

Peter Reilly comes to the Board as a former Managing Director of the major Australasian business services group, AUSDOC Group Limited. Peter has over 31 years commercial experience, holds a Bachelor of Business (Accounting) and is a member of the Institute of Chartered Accountants, the Institute of Company Directors and the Taxation Institute of Australia. Peter is a Non-Executive Director and Chairman of the Audit & Remuneration Committees of ASX-listed CPI Group Limited, Non-Executive Director of Acumentum Pty Ltd and an Executive Director of Concentrated Capital Ltd and Residential Aged Service Pty Ltd. Peter is Chairman of the Tolhurst Audit & Risk Committee and serves on the Tolhurst Remuneration and Nominations Committees.

Matthew Wigzell, Executive Director

Matthew has over 25 years experience in all aspects of stockbroking and joined the Tolhurst group in 1996. He is currently the national Head of Retail Broking and is based in the Sydney office. He is a member of the Australian Institute of Company Directors and is a member of the Retail Broking Committee of the Securities and Derivatives Industry Association. Matthew is a director of Tolhurst Limited. Matthew is a director and shareholder of Morshead Pty Ltd which has a contract to provide stock-broking services to the Company's subsidiary, Tolhurst Limited.

Proposed Independent Non-Executive Director - Gregory (Greg) A Bundy

Greg has been a prominent participant in various companies and investment markets for over 20 years. Greg began his career at Merrill Lynch where he was employed for 18 years, assuming various senior management positions throughout the company's worldwide offices. These positions include Vice Chairman of the Asia Pacific Australia Region; Chief Operating Officer of Merrill Lynch Investment Managers (MLIM) Princeton, USA; Chief Executive Officer of Merrill Lynch Australia, Sydney/Melbourne; Managing Director of Merrill Lynch International Equities, New York; and Managing Director of Merrill Lynch Equity Division, Tokyo, Japan.

Greg is currently Executive Chairman of InterFinancial. He also serves on the board of Peptech Limited, one of Australia leading biotech companies.

Mr Bundy is also a director of Contango Capital Partners Limited, an Underwriter to the Right Issue. Mr Bundy holds 350,000 shares in Contango Capital Partners Limited.

Greg will be invited to join the Board of Tolhurst upon the completion of the acquisition of InterFinancial.

6. Effect of this Offer on Tolhurst

6.1 Structure of capital raising

The capital raising will consist of the Offer of approximately 14 million New Shares under this Prospectus at $0.50 per Share for a total cash consideration of approximately $7 million.

As at 4 June 2007, Tolhurst has 112,418,036 Shares on issue. After the successful conclusion of the Offer and the InterFinancial transaction in July 2007, Tolhurst will have approximately 132 million Shares on issue.

The following table shows the proposed capital structure of Tolhurst on completion of the Offer and on completion of the InterFinancial transaction in July 2007 (excluding the Second Allotment).

	Number of Shares	Issued share capital ($'000)	Options
As at 31 December 2006	108,809,654	23,448	12,696,000
Exercised/lapsed Options	2,383,046	624	(5,596,000)
Shares issued in consideration for completion of acquisition of subsidiary, Tolhurst Noall Financial Planning (Queensland) Pty Ltd	1,074,000	537	
Dividend Reinvestment Plan	151,336	69	
Total on issue at date of Prospectus[1]	112,418,036	24,678	7,100,000
Issued pursuant to this Offer	14,052,255	7,026	
Issued on acquisition of InterFinancial[2]	6,000,000	3,000	
Transaction costs estimate[3]		(220)	
Employee Options to be issued to executives of InterFinancial			3,000,000

Total	**132,470,291**	**34,484**	**10,100,000**

(1) **Options on issue as at the date of this Prospectus**

A total of 7,100,000 unlisted options are on issue as at the date of this Prospectus. Each option is non-transferable and converts to one fully paid Share in Tolhurst. The options are detailed in the following table:

Exercise price	Expiry Date	Number of options at date of Prospectus
25 Cents	21/11/2007	3,400,000
25 Cents	30/03/2008	400,000
30 Cents	30/03/2009	1,200,000
35 Cents	31/08/2009	1,000,000
38 Cents	31/08/2009	1,100,000
Total		**7,100,000**

Note that the exercise price specified above is the price at the time the options were issued. In accordance with ASX Listing Rule 6.22, the exercise price of some of these options may be reduced having regard to the dilutionary impact of pro-rata issues, including the Offer.

Under its Employee Option Plan, Tolhurst issues options in the Company to its employees in accordance with the plan and on the completion of performance targets. It is expected that Tolhurst will issue options under the Employee Option Plan some time in July 2007.

(2) **Shares Issued for Acquisition**

The New Shares issued under the First Allotment and the Second Allotment will rank equally with existing Shares. Shares issued under the First Allotment will be held in escrow for a period of 24 months from the date of their issue, and the holders of those Shares shall be required to enter into a voluntary escrow agreement in regard to these Shares.

(3) **Transaction costs**

Transaction costs are accounted for as a deduction from equity such that Shareholders' funds are increased by the amount of the net proceeds of the capital raising. Total transaction costs are currently estimated at $220,000 (refer section 8.12 for a break-down).

6.2 Pro forma Balance Sheet

Set out below are 2 pro forma balance sheets (**Balance Sheets**) of Tolhurst based on the successful completion of the Offer, completion of the InterFinancial transaction in July 2007 and on completion of the share issues under the First Allotment and Second Allotment. The Balance Sheets are based on Tolhurst's balance sheet as at 31 December 2006 contained in Tolhurst's statutory financial report for the half year ended 31 December 2006, as lodged with ASX on 22 February 2007 and which has been independently reviewed by Tolhurst's auditors, Moore Stephens.

The Company's statutory financial report has been prepared in accordance with the Corporations Act, the Corporations Regulations 2001, applicable accounting standards and other mandatory financial reporting requirements in Australia.

The pro forma Balance Sheets reflect the impact of the Offer and all transaction costs as if they had all occurred on 31 December 2006.

The pro forma "A" Balance Sheet reflects the impact of the First Allotment, the Rights Issue and the acquisition of InterFinancial as if they had all occurred on 31 December 2006. It:

- includes the issue of 6,000,000 Shares at an issue price of $0.50 per Share under the First Allotment;
- includes gross proceeds of the Rights Issue (from which the current estimate of total transaction costs of $220,000 is deducted to derive an amount for net proceeds raised);
- allows for the issue of approximately 14,000,000 New Shares under the Rights Issue at an issue price of $0.50 per Share; and
- includes the initial purchase of InterFinancial for $11,000,000, comprising net tangible assets of approximately $510,000 and intangible assets of approximately $10,490,000.

The pro forma "B" Balance Sheet reflects pro forma "A" as well as the impact of the Second Allotment as if it had occurred on 31 December 2006. It:

- includes the issue of 15,500,000 shares at an issue price of $0.50 per Share under the Second Allotment; and
- includes an increase in intangible assets of $7,750,000, being the balance of the consideration for the Acquisition under the deferred settlement arrangements, assuming all performance targets and personnel retention conditions are met.

CONSOILDATED BALANCE SHEET	Note	31 December 2006 (Reviewed) $	PRO FORMA "A" With First Allotment, Rights Issue and InterFinancial acquisition 31 December 2006 $	PRO FORMA "B" With First and Second Allotments, Rights Issue and InterFinancial acquisition 31 December 2006 $
Current Assets				
Cash & cash equivalents	1	18,189,003	16,969,003	16,969,003
Trade & other receivables		30,521,130	30,821,130	30,821,130
Other current assets		555,404	555,404	555,404
Financial assets		237,797	237,797	237,797
Total Current Assets		**49,503,334**	**48,583,334**	**48,583,334**
Non - Current Assets				
Financial assets		740,000	740,000	740,000
Investments accounted for using the equity method		617,444	617,444	617,444
Property, plant & equipment		1,535,350	1,741,662	1,741,662
Deferred tax assets		695,683	908,164	908,164
Intangible assets		225,124	10,715,124	18,465,124
Total Non-current Assets		**3,813,601**	**14,722,394**	**22,472,394**
Total Assets		**53,316,935**	**63,305,728**	**71,055,728**
Current Liabilities				
Trade & other payables		32,702,331	32,792,840	32,792,840
Short-term borrowings		1,566,172	1,566,172	1,566,172
Current tax liabilities		868,455	868,455	868,455
Total Current Liabilities		**35,136,958**	**35,227,467**	**35,227,467**
Non-current Liabilities				
Long-term borrowings		1,186,614	1,186,614	1,186,614
Deferred tax liabilities		216,539	216,539	216,539
Long-term provisions		408,064	526,348	526,348
Total Non-current Liabilities		**1,811,217**	**1,929,501**	**1,929,501**
Total Liabilities		**36,948,175**	**37,156,968**	**37,156,968**
Net Assets		**16,368,760**	**26,148,760**	**33,898,760**
Equity				
Issued capital	2	23,448,410	33,228,410	40,978,410
Accumulated losses		(7,962,361)	(7,962,361)	(7,962,361)
Other reserves		882,711	882,711	882,711
Total Equity		**16,368,760**	**26,148,760**	**33,898,760**

Note 1 Cash & Cash Assets	$
Balance 31 December 2006 per half yearly report	18,189,003
Proceeds of Rights Issue of 14 million New Shares at 50 cents	7,000,000
Less, Costs of the Rights Issue	(220,000)
Less Cash component of acquisition consideration	(8,000,000)
Balance per Pro Forma Report	**16,969,003**

	$
Note 2 Issued Capital	
Balance 31 December 2006 per half yearly report	23,448,410
Proceeds of Rights Issue - 14 million Shares at 50 cents	7,000,000
New Shares issued for First Allotment – 6 million shares at 50 cents	3,000,000
Less, Costs of the Rights Issue	(220,000)
Balance per Pro-Forma "A" Report	33,228,410
New Shares issued for Second Allotment – 15.5 million shares at 50 cents	7,750,000
Balance per Pro-Forma "B" Report	**40,978,410**

6.3 Historical financial information

The full financial reports for the half year ended 31 December 2006, including the Income Statement, Statement of Changes in Equity, Balance Sheet, Statement of Cash Flows, Directors' Report, Lead Auditor's Independence Declaration, condensed notes to the financial report including the significant accounting policies adopted, Directors' Declaration and Independent Auditor's Review Report, are available on Tolhurst's website (www.tolhurst.com.au).

Investors who wish to obtain a free paper copy of the annual financial report or the full financial reports for the half year ended 31 December 2006 (or any continuous disclosure notice lodged by the Company since the annual financial report and prior to the date of this Prospectus) may contact the Tolhurst Company Secretary, Mr David Fotheringham, during the Offer Period on +61 3 9242 4059.

7. Risk factors

There are a number of risk factors which could adversely impact Tolhurst's performance and the value of its Shares. Eligible Shareholders should consider these risk factors and should consult their stockbroker, accountant, lawyer or other professional adviser before deciding whether to subscribe for New Shares under the Offer. These risk factors include:

7.1 General risk factors

Economic conditions - The performance of Tolhurst may be significantly affected by changes in economic conditions, and particularly conditions which affect the stockbroking industry. Profitability of the business may be affected by factors such as market conditions, interest rates and inflation.

Geo-political factors - Tolhurst may be affected by the impact that geo-political factors have on the various world economies or the Australian economy or on financial markets and investments generally or specifically.

Australian and foreign government policies & legislation - Tolhurst may be affected by changes to government policies and legislation (both in Australia and in foreign jurisdictions) concerning property, the environment, superannuation, taxation and the regulation of trade practices and competition, government grants and incentive schemes.

Sharemarket conditions - Tolhurst, being a company listed on ASX, is subject to the market forces that influence the broad sharemarket trends and the price of securities of individual companies. Recent global political and economic events, including the continuing terrorist threats, may cause share price fluctuations in the Australian share market and globally. Accordingly, assuming that the New Shares are granted official quotation on ASX, they may trade on ASX at higher or lower prices than the Issue Price.

7.2 Specific risks

In addition to the above, there are a number of specific risks concerning Tolhurst of which potential investors should be aware. The following is not an exhaustive summary, but points to some of the risks that are specific to a financial services company and to business acquisitions and integration. Any one or a combination of such risks could affect Tolhurst adversely and thus the value of any investment in Tolhurst.

Like other companies at a similar stage of development, Tolhurst faces a number of risks, both general and project-specific, including but not limited to the following:

(1) Investment Risk

The Company has an arbitrage business that accepts principal risk. The Company seeks to reduce this risk by establishing limits for the Company's exposures and by clearing its positions rapidly.

From time to time, the Company takes principal positions or is obliged to accept shortfall stock. Accordingly, while the Company holds that shortfall stock, it is exposed to movements in the value of the stock. These positions are managed in part by a Corporate Committee that approves underwriting commitments.

(2) Credit Risk

The Company accepts material credit risk in its dealings with clients. In the corporate finance business and other activities of the Company, large counterparty risks are accepted from time to time. In addition, in the case of the options business, if margin calls apply subsequent to the initial trade, or the client is obliged to meet exercise of options, and the client is unable to satisfy the requirements of the ACH, then the Company is responsible for the client's position. This is a material risk for the Company because options are a major component of its retail business.

The Company seeks to reduce this risk by:

(a) a sell out policy if clients fail to meet commitments; and

(b) review of non-retail counterparties by the Corporate Committee.

(3) Liquidity Risk and Liquid Margin Risk

The Company requires cash to settle trades and liquid margin (as defined by ASX and ACH as regulator) to support the risk in trades.

The Company is building its banking facilities and capital base to mitigate this risk and also observes specific risk mitigation practices as part of its regular processes. Nevertheless, the Company may find itself short of the funds and liquid margin necessary to support its business.

(4) Litigation Risk

The Company receives client complaints and manages these as required by law and its AFS Licence conditions. Some of these complaints may become the subject of FICS investigations or law suits. Material claims are possible, including potentially large claims in connection with corporate finance mandates and its client advisory business.

The Company seeks to reduce the incidence and financial impact of these claims by complying with the service requirements of the relevant legislation, by insurance cover for large claims and by documentation of client relationships and management with the client of specific matters and concerns.

(5) Insurance risk

To maintain its AFS Licence and ASX participation, the Company is required to have various insurances, including professional indemnity insurance. The Company's insurance cover extends at present to 30 June 2007. Continuation of this insurance depends on matters both outside the control of the Company (such as insurance conditions applying to financial services), and matters relating to the Company (such as the Company's claims experience).

(6) Compliance Risk

The Company's AFS Licence is its prime asset and meeting licence obligations and conditions is of the utmost importance to the Company. The Company must also comply with the market rules of ASX and its related bodies. ASX and ASIC fines, penalties, further AFS Licence conditions and other sanctions are a risk for the Company should it breach its AFS Licence obligations and conditions.

(7) Accounting and Finance and Settlements

The Company's financial obligations and contingent obligations are detailed in the financial statements of the Company as released to shareholders and ASX.

The Company processes several billions of dollars in transactions annually and there is always a risk of processing error. The Company is continuing to develop and improve reconciliation and other procedures to mitigate this risk.

The Company relies on certain outsource providers, in particular for information technology support. The main providers to the Company have significant market share and a history of sound service to the Company. Nevertheless, the reliance on outsiders remains a risk for the Company.

(8) Disaster Recovery

The Company's business would be adversely affected by a fire or other natural disaster that affected one of its premises, in particular a disaster affecting the communications hub in its head office in Melbourne.

The Company's disaster recovery plan provides for off-site storage of data tapes and the Company's national based operations provide a range of options in the event of unforeseen problems. The Company has service contracts with all its major hardware and software providers and would rely on their turnaround recovery times. A total destruction of the Company's central communications room (e.g. fire or natural disaster) could require up to 72 hours to fully recover all systems which could impact the Company's ability to trade and meet its market obligations during the recovery phase.

Over the past two years the Company has invested, and continues to invest, significant time and expenditure to enhance business continuity procedures.

(9) Personnel Risks

The Company relies on a number of key personnel and could be affected by the departure of senior people, both advisors and employees. The Company does not have key man insurance.

Fraud remains an important risk for a financial institution such as the Company. The Company has a policy of separation of duties designed to reduce this risk and has insurance for theft by employees.

Subject to certain exclusions, the Company indemnifies Board members (who may be "Responsible Executives" as approved by ASX) and Responsible Executives for their conduct of the business.

(10) Other Operating Risks

The extent of the Company's operations, both across businesses and across locations, creates significant demands on management. There are risks of procedural failure in such a diversified business. Where possible, the Company seeks to minimise these risks through centralisation of communication, processes and controls.

(11) Conflicts of Interest

The need to protect clients' interests is a requirement for a licensed dealer and necessary to support the integrity and goodwill of the business. Failure to fully enforce such policies poses a risk for the business that management seeks actively to manage and control.

(12) Capital of the Business

In the event that unexpected events and consequent losses deplete the capital of the Company, there can be no assurance that the capital markets will provide the capital and/or debt funds necessary to sustain the Company.

(13) Taxation Risks

The Company seeks to comply with all taxation laws and seeks professional advice on its taxation compliance programme. Nevertheless, the complexity of taxation laws creates a risk for the Company.

(14) Competitive position

Some of the Company's businesses operate in highly competitive markets and some of its major competitors are well established in those markets. Increased competition may have an adverse effect on the Company.

(15) Business expansion, acquisition and integration

The Company continues to expand internally and through acquisition. As part of this strategy the Company is exposed to the risks associated with undertaking new business initiatives and of expanding its products and services.

Acquired businesses are subject to integration risk. The risk of failure is mitigated to some extent by internal policies, procedures and processes and also by obtaining external advice and expertise where necessary, but the success of new business ventures and acquisitions cannot be guaranteed.

(16) Economic factors

Factors such as, but not limited to, political changes, stock market trends, changes in interest rates, currency movements, inflation levels, commodity prices, industrial disruption, taxation changes or legislative or regulatory changes may all have an adverse effect on the Company's operating costs, revenues, profit margins or asset values.

A sustained downturn in business investment or stock exchange turnover would have a material adverse effect on the Company.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. Other risks not specifically referred to above may in the future materially affect the financial performance of the Company and the value of the New Shares. New Shares to be issued under this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

8. Additional information

8.1 Disclosing entity

Tolhurst is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. These obligations include compliance with the requirements of the ASX Listing Rules and the Corporations Act concerning notification of information to ASX. Copies of documents lodged at ASIC in relation to Tolhurst may be obtained from, or inspected at, an office of ASIC. Copies of announcements made to ASX may be viewed at ASX's website at www.asx.com.au

The following table provides a list of all of Tolhurst's announcements since the annual financial report was lodged with ASX on 25 September 2006:

List of ASX Announcements: 25 September 2006 to 4 June 2007	
04/06/2007	Results of General Meeting
04/06/2007	Appendix 3B
04/06/2007	1:8 Non-Renounceable Issue
30/05/2007	Appendix 3B
03/05/2007	Details of ASX waiver from Listing Rule 7.3
03/05/2007	Notice of General Meeting
03/05/2007	Appendix 3B: Shares issued under DRP
02/05/2007	Change of Directors Interest Notice
24/04/2007	DRP share price dividend payable April 2007
16/04/2007	Change in substantial shareholding
12/04/2007	Ceasing to be a substantial shareholder
05/04/2007	Appendix 3B: Issue of Shares
03/04/2007	Change in substantial shareholding
02/04/2007	Completion of Share Acquisition: Acquisition of remaining shares in Tolhurst Noall Financial Planning (Queensland) Pty Ltd
27/03/2007	Appendix 3B: Exercise of Options
21/03/2007	Media Release: To Acquire InterFinancial Holdings Ltd
20/03/2007	Acquisition & Non Renounceable Rights Issue
22/02/2007	Adoption of Dividend Reinvestment Plan
22/02/2007	Half Yearly Report/Half Year Accounts
03/01/2007	Appendix 3B: Exercise of Options
13/12/2006	Appendix 3B: Exercise of Options
06/12/2006	Change of Directors Interest Notice
06/12/2006	Appendix 3B: Exercise of Options and Issue of Options
24/11/2006	Appendix 3B: Exercise of Options
21/11/2006	Results of Meeting
21/11/2006	Chairman's Address to Shareholders
24/10/2006	AGM Notice

13/10/2006	Change of Directors Interest Notice
13/10/2006	Appendix 3B
06/10/2006	Change of Directors Interest Notice
06/10/2006	Change of Directors Interest Notice
06/10/2006	Change of Directors Interest Notice
06/10/2006	Change in substantial holding
25/09/2006	Annual Report

During the Offer Period, Tolhurst will provide, on request by any person, a copy free of charge of any continuous disclosure notices lodged by Tolhurst with ASX before the date of this Prospectus.

8.2 Continuous disclosure prospectus

This Prospectus contains information required under the special prospectus content rules for continuously quoted securities pursuant to section 713 of the Corporations Act. This section enables disclosing entities to issue a special prospectus in relation to securities in a class of securities that have been quoted by ASX at all times in the 12 months before the issue of the Prospectus.

Apart from formal matters, a continuous disclosure prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on Tolhurst and the rights attaching to the New Shares. Other general information is not required to be included by a disclosing entity as the periodic reporting and continuous disclosure requirements applicable to disclosing entities mean that all this information should have previously been released to the market.

8.3 Rights and liabilities attaching to New Shares

The New Shares will rank equally with and have the same rights and liabilities as the existing Shares.

The rights attaching to Tolhurst Shares are set out in the Constitution of Tolhurst and are affected by the Corporations Act and the ASX Listing Rules. The following is a summary of key rules in the Constitution of Tolhurst.

(1) Voting

Subject to any restriction on voting imposed by the ASX Listing Rules or any restriction agreement entered into between Tolhurst and a Shareholder, every Shareholder present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a show of hands and one vote on a poll for every Share held. A poll may be demanded by the Chairman of the meeting, 5 Shareholders entitled to vote on the resolution or Shareholders who together hold at least 5 percent of the votes that may be cast on the resolution on a poll.

(2) General meetings

Each Shareholder is entitled to receive notice of and to attend general meetings of Tolhurst and to receive all notices, accounts and other documents required to be sent to Tolhurst Shareholders under the Constitution, the Act or the ASX Listing Rules.

(3) Dividends

Where dividends are payable out of Tolhurst's profits they will be declared by the Board. Dividends declared will (subject to any special rights or restrictions attaching to a class of Shares created under any arrangement as to dividend) be payable on Tolhurst Shares in accordance with the Corporations Act.

(4) Transfer of Tolhurst Shares

A Shareholder may transfer Shares by a proper transfer effected in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Board. The Board may refuse to register a transfer of Shares where the refusal to register the transfer is permitted under the Constitution and the ASX Listing Rules.

(5) Issue of Shares

The Board may (subject to the restrictions on the issue of Shares imposed by the Constitution, the ASX Listing Rules or the Corporations Act) issue, grant options in respect of, or otherwise dispose of further Shares as they see fit.

(6) Winding up

Subject to any special or preferential rights attaching to any class or classes of Shares, on a winding up of Tolhurst a liquidator may divide among the Shareholders in kind the whole or any part of the property of Tolhurst in proportions the liquidator thinks fit . The liquidator may for that purpose set the value he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders. The liquidator mayvest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit.

(7) Shareholder liability

As the Shares are fully paid shares, they are not subject to any call for money by the Board and will therefore not become liable for forfeiture.

(8) Alteration to the constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of the votes of the Shareholders present and voting at a general meeting.

(9) ASX Listing Rules

Because Tolhurst is listed on the official list of ASX, notwithstanding anything in the Constitution, if the ASX Listing Rules prohibit an act being done, the act must not be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done, and if a provision is required in the Constitution by the ASX Listing Rules, the Constitution will be treated as containing that provision. If any provision of the Constitution becomes inconsistent with the ASX Listing Rules, the Constitution will be treated as not containing that provision to the extent of the inconsistency.

8.4 Underwriting Agreement

Tolhurst, has received binding commitments from several Shareholders to subscribe for 4,526,075 New Shares in the Offer, representing approximately 32.2% of all New Shares available under the Offer. Included in these binding commitments:

(1) Daptha Pty Ltd (representing interests associated with the Executive Chairman Mr David Browne and Non Executive Director Mr Peter Reilly), which holds approximately 24% of the issued capital of Tolhurst, has confirmed it intends to take up its full Entitlement under the Offer (amounting to 3,411,223 New Shares);

(2) Matthew Wigzell (an Executive Director) has committed on behalf of associated entities to take up his full Entitlement (114,852 New Shares) under the Offer; and

(3) Contango Capital Partners Limited and Thorney Holdings Pty Ltd have committed on behalf of associated entities to take up their full Entitlements under the Offer (375,000 New Shares and 625,000 New Shares respectively).

The Company has entered into an underwriting agreement dated 4 June 2007 with Contango Capital Partners Limited and Thorney

Holdings Pty Ltd to underwrite (in equal shares) the balance of the Rights Issue (that is, approximately 67.8% of the New Shares available under the Offer), representing an underwriting of the issue of approximately 9,526,180 New Shares (**Underwritten Shares**).

Under the terms of the Underwriting Agreement, the Underwriters are entitled to an underwriting commission of 3% on the total funds underwritten of the Offer. Each of the Underwriters will also receive a 3% commission on their pre-commitments.

Mr Greg Bundy, a proposed Director of the Company should the Acquisition proceed, is a director of Contango Capital Partners Limited, one of the Underwriters. Mr Bundy holds 350,000 shares in Contango Capital Partners Limited.

The Underwriters may appoint sub-underwriters to sub-underwrite the Offer.

The Underwriters are responsible for paying all sub-underwriting fees, handling fees, brokerage and other charges incurred by them in procuring valid applications.

If there is a Shortfall, the Underwriters must, subject to the Underwriting Agreement, within 6 business days after the Closing Date of 29 June 2007, lodge or cause to be lodged with the Company applications for the Underwritten Shares comprising the Shortfall (including the application money).

The Company has made a number of representations and warranties under the Underwriting Agreement, including that this Prospectus complies with the requirements of the Corporations Act and that the Company has complied with its continuous disclosure requirements. The Company has indemnified the Underwriters and their Directors, officers, employees and advisers against losses arising if these representations and warranties are wrong, and against claims in relation to the issue of this Prospectus.

The Underwriters may terminate the Underwriting Agreement and be released from their obligations on the happening of any of the events listed below. With regard to events (5) to (19) below, the Underwriter must first determine reasonably and in good faith that the event has or would have a material adverse effect on the Offer, or could create a potential liability for the Underwriter under the Corporations Act.

Defined terms in items 8.4(1) to (19) below have the same meaning as given to them in the Underwriting Agreement.

(1) (**ASX Indices fall**) The S&P All Ordinaries Index is, at the close of trading on three consecutive Business Days, at a level which is 85% or less than the level at the close of trading on the Lodgement Date.

(2) (**ASX Approval**) ASX makes an official statement to any person or indicates to the Underwriters or the Company that official quotation (as that expression is used in the Listing Rules) of the Underwritten Shares will not be granted.

(3) (**Prospectus**) The Company does not lodge the Prospectus with ASIC on the Lodgement Date or the Prospectus is withdrawn by the Company.

(4) (**Default**) The Company is in default of any of the material terms and conditions of this agreement or breaches any warranty or covenant given or made by it under this agreement and that default or breach is either incapable of remedy or is not remedied within the earlier of five Business Days after it is notified to the Company or by the time for lodgement of applications under clause 6.4.

(5) (**Change in Law**) Any of the following occurs which does or is likely to prohibit, restrict or regulate the Offer, capital issues or stock markets:

(a) the introduction of legislation into the parliament of the Commonwealth of Australia or of any State or Territory of Australia;

(b) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory; or

(c) the adoption by ASIC or its delegates or the Reserve Bank of Australia of any regulation or policy.

(6) (**Fails to Comply**) The Company or any Related Body Corporate fails to comply with a material provision of any of the following:

(a) a provision of its constitution;

(b) a statute applicable to the Offer;

(c) any policy or guideline of ASIC applicable to, or any other requirement, order or request made by or on behalf of ASIC or any governmental agency in respect of, the Offer; or

(d) the Listing Rules.

(7) (**Capital Structure**) The Company or a Related Body Corporate alters its capital structure in any material respect without the prior written consent of the Underwriters, which consent must

not be unreasonably withheld, other than as contemplated by the Offer.

(8) (**Constitution Altered**) The constitution or any other constituent document of the Company or a Related Body Corporate is amended without the prior written consent of the Underwriters, which consent must not be unreasonably withheld.

(9) (**Financial Assistance**) The Company or a Related Body Corporate seeks the approval of shareholders under section 260B of the Corporations Act, without the prior written consent of the Underwriters.

(10) (**Business**) The Company or a Related Body Corporate:

(a) disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property; or

(b) ceases or threatens to cease to carry on business,

in either case without the prior written consent of the Underwriters.

(11) (**Financial Position**) A materially adverse change occurs in the financial position or performance, profits, loss or prospects of the Company or a Related Body Corporate.

(12) (**Indictable Offence**) A director, the Chief Executive Officer or the Chief Financial Officer of the Company or a Related Body Corporate is charged with an indictable offence relating to the Company or a Related Body Corporate.

(13) (**Insolvency Event**) An Insolvency Event occurs with respect to the Company or a Related Body Corporate.

(14) (**Charge**) The Company or a Related Body Corporate charges or agrees to charge, the whole, or a substantial part of its business or property (other than to fund the acquisition referred to in clause 2.5) without the approval of the Underwriters.

(15) (**Hostilities**) There is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs, involving any one or more of the following:

(a) Australia;

(b) the United Kingdom;

(c) the United States of America;

(d) any member of the European Union;

(e) the Peoples Republic of China;

(f) Japan; or

(g) Indonesia.

(16) (**Terrorism**) There is an act of terrorism in Australia or the United States of America which causes significant loss of life.

(17) (**Supplementary Prospectus**) The Underwriters reasonably form the view that a supplementary or replacement document must be lodged with ASIC under section 719 of the Corporations Act and the Company does not lodge a supplementary or replacement document in the form, with the content and within the time reasonably required by the Underwriters.

(18) (**Corporations Act**) Without limiting any other paragraph of this schedule:

(a) ASIC applies for an order under section 1324B of the Corporations Act in relation to the Prospectus and the application is not dismissed or withdrawn before the Closing Date;

(b) a person gives a notice under section 730 of the Corporations Act in relation to the Prospectus;

(c) ASIC gives notice of intention to hold a hearing in relation to the Prospectus under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act;

(d) any person (other than an Underwriter) who consented to being named in the Prospectus withdraws that consent;

(e) ASIC commences any investigation, examination or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 in relation to the Offer or the Company; or

(f) ASIC gives an infringement notice to the Company under section 1317DAC of the Corporations Act.

(19) (**Prospectus**) Without limiting any other paragraph of this schedule:

(a) there is a material omission from the Prospectus;

(b) the Prospectus contains a material misleading or deceptive statement;

(c) a statement in the Prospectus becomes materially misleading or deceptive;

(d) a forecast in the Prospectus becomes incapable of being met or unlikely to be met in the projected time;

(e) the Prospectus does not comply in all material respects with section 713 of the Corporations Act, the Listing Rules or any other applicable laws or regulations; or

(f) a matter referred to in section 719 of the Corporations Act occurs in respect of the Prospectus.

A copy of the Underwriting Agreement may be inspected at Tolhurst's office at Level 29, 35 Collins Street, Melbourne VIC 3000.

8.5 Privacy

Tolhurst collects information about each Eligible Shareholder provided on the Entitlement and Acceptance Form and for the purpose of processing applications for New Shares, and to administer the Eligible Shareholder's security holding in Tolhurst.

By submitting an Entitlement and Acceptance Form, each Eligible Shareholder agrees that Tolhurst may use the information provided on those forms for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to Tolhurst's share Registry, related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act requires Tolhurst to include information about the security holder (including name, address and details of the securities held) in its public register. The information contained in Tolhurst's public registers must remain there even if that person ceases to be a security holder of Tolhurst. Information contained in Tolhurst's register is also used to facilitate distribution payments and corporate communications (including Tolhurst's financial results, annual reports and other information that Tolhurst may wish to communicate to its security holders) and compliance by Tolhurst with legal and regulatory requirements.

If the information required on an Entitlement and Acceptance Form is not provided, Tolhurst may not be able to accept or process the application.

A Shareholder has a right to gain access to the information that Tolhurst holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Tolhurst's Company Secretary at Tolhurst's registered office.

8.6 Disclaimer

The information contained in sections 4 and 6 does not represent any forecast or projection as to the future revenue or profitability of Tolhurst. See section 7 regarding risk factors generally in respect of your decision on whether to take part in the Offer.

8.7 CHESS and issuer sponsorship

Tolhurst participates in CHESS. All trading on ASX in Shares is, and in New Shares will be, settled through CHESS. ASTC, a wholly-owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASTC Settlement Rules. Computershare Investor Services Pty Limited operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. Both these sub-registers constitute Tolhurst's principal register of Shareholders.

Holders of New Shares will not receive a share certificate but will receive a statement of their holding. If an Eligible Shareholder is sponsored by a broker or other participant in CHESS, that person will receive a CHESS statement which will set out the number of New Shares issued to them under this Prospectus, provide details of their HIN (holder identification number), and provide the participant identification number of the sponsor.

If applicants are registered on the issuer-sponsored sub-register, their holding statement will contain the number of New Shares issued to them under this Prospectus and their SRN (security-holder reference number).

A CHESS statement or issuer-sponsored statement will be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

8.8 Remuneration

The Constitution contains provisions as to the remuneration of Directors. Provided that the aggregate remuneration paid to the non-executive Directors does not exceed the aggregate fixed sum determined within these provisions (which is currently $300,000), the Board will determine the amount of remuneration to be paid or applied for the benefit of each non-executive Director, and the proportions and the manner in which such remuneration will be paid or applied, or until so determined, the aggregate fixed sum will be paid to the non-executive Directors equally. Directors annual remuneration inclusive of superannuation for the year ended 30 June 2006 was as follows:

David Browne	Executive Chairman	$531,377
Andrew McDouall	Non-Executive Director	$45,000
Peter Reilly	Non-Executive Director	$45,000
Matthew Wigzell	Executive Director	$150,001

The remuneration of the proposed director of Tolhurst, Mr Greg Bundy, is yet to be finalised. However, any amount fixed as remuneration for Mr Bundy will not cause the aggregate remuneration received by non-executive Directors to exceed the sum determined under the Constitution, and approved by Shareholders (ie currently $300,000).

Each non-executive Director is also entitled to fees for performance of additional services and to reimbursement of reasonable out-of-pocket expenses.

For the year ended 30 June 2006:

- Morshead Pty Ltd, a company related to Mr Wigzell, earned commission from Tolhurst Limited of $333,723;
- Tolhurst Limited purchased products to the value of $11,897 from The Scotchmans Hill Group Pty Ltd, a company related to Mr Browne; and
- Twenty20 Communications Group Pty Ltd, a company related to Mr Browne and Mr Reilly provided Tolhurst Limited with services to the value of $27,465.

The remuneration of the Executive Chairman has been fixed by the Directors and consists of a fixed salary plus a performance-based component.

Mr David Browne is employed under an executive service agreement under which he will receive a base remuneration package of $250,000 per annum plus a living away from home allowance of $4,334 per month. These are inclusive of superannuation contributions but exclusive of bonus, share based payments and options issued.

In addition to the base remuneration, Mr David Browne will be entitled to a bonus each year the nature and form of which, including any cash consideration, will be determined by the Board in its sole discretion dependent upon the Board's assessment of whether, and to what extent, Mr David Browne has met his performance targets.

The total remuneration payable to Mr David Browne under the agreement is reviewed annually by the Board in good faith to determine, at its sole discretion, whether any variation should be made to the base remuneration package. The base remuneration package will not be reduced during the term of the agreement.

Mr David Browne must not, without the prior written consent of the Tolhurst Board, engage in certain restricted activities throughout the geographic region of Australia either during the period of employment or within a period of twelve months after termination.

At the Annual General Meeting of Tolhurst on 21 November 2006, Shareholder approval was given for Mr Browne to be granted up to 1,000,000 options to acquire ordinary shares in the Company in accordance with the terms and conditions of the amended Employee Option Plan of Tolhurst. Therefore, as part of Mr Browne's bonus arrangements for the year ending 30 June 2007 he will be eligible to receive up to 1,000,000 options under the Employee Option Plan, depending on the achievement of agreed performance hurdles.

The issue of any additional options to Directors requires approval by Shareholders at a general meeting of Shareholders.

8.9 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director of Tolhurst, and no firm in which a Director or proposed Director of Tolhurst is a partner, holds, or held at any time during the last two years before the date of this Prospectus, any interest in the formation or promotion of Tolhurst, any property acquired or proposed to be acquired by Tolhurst in connection with its formation or promotion or in connection with the Offer.

Other than as set out below, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or proposed Director of Tolhurst in the last two years:

(1) to induce them to become, or to qualify them as, a Director; or

(2) for services rendered by them in connection with the formation or promotion of Tolhurst or in connection with the Offer.

Directors are not required under Tolhurst's Constitution to hold any Shares in Tolhurst.

The Directors disclose their relevant interests (whether the shareholding is held in their personal name or otherwise) in Shares and in options over un-issued Shares, as at the date of this Prospectus as follows:

Name	Shares	Existing options	Entitlement under Offer
David Browne[(1)]	27,289,779	1,000,000	3,411,223
Peter Reilly[(1)]	27,289,779	1,000,000	3,411,223
Andrew McDouall	-	-	-
Matthew Wigzell	918,814	400,000	114,852
Greg Bundy[(2)]	2,595,553	-	33,125

[(1)] Ownership held by Daptha Pty Ltd, trustee for TNL Investment Trust and TNL Investment No. 2 Trust. Both Mr Browne & Mr Reilly are directors and major shareholders of Daptha Pty Ltd.

[(2)] Mr Bundy is a proposed Director, and will be invited to become a Director on completion of the Acquisition. Mr Bundy, at the time of this Prospectus, holds 265,000 Shares in the Company. Should the Acquisition proceed to completion and all performance hurdles and staff retention requirements be met, Mr Bundy will receive 650,387 Shares in the First Allotment, and 1,680,166 Shares in the Second Allotment, being a total of 2,330,553 Shares expected to be issued to Mr Bundy as part consideration for the Acquisition. If the Acquisition does not proceed, Mr Bundy will not be invited to join the Board of Tolhurst.

The Directors have committed to take up their Entitlements under the Offer in full (either with regard to their personal holdings, or where they hold and control Shares through associated entities).

8.10 Interests of other persons

Tolhurst has paid or agreed to pay the following amounts to the following persons in connection with the Offer:

Underwriters: An underwriting fee of approximately $143,000, being 3.0% of the total funds underwritten for the Offer, is payable to the Underwriters (to be shared equally by them). In addition, Tolhurst will pay each Underwriter a fee equal to 3.0% of the value of Entitlements subscribed for by that Underwriter (or their associates).

Deacons: Fees for professional services undertaken as legal advisers to Tolhurst in connection with the Offer of approximately $45,000 as at the date of this Prospectus, plus disbursements (estimated to be no more than $2,500) and GST.

Various suppliers: Fees for other services provided including the Registry, printing and mailing, ASIC fees, and ASX fees of approximately $20,000 in total.

Members and staff of the above companies, firms or their associates may be Eligible Shareholders.

Other than as set out above or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, and no promoter of Tolhurst or the Underwriters involved in the Offer holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in the formation or promotion of Tolhurst, any property acquired or proposed to be acquired by Tolhurst in connection with its formation or promotion or in connection with the Offer, and no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given to any of these persons for services rendered by them in connection with the formation or promotion of Tolhurst or in connection with the Offer.

8.11 Consents and disclaimers

The following persons have given and not withdrawn their written consents to be named in the Prospectus in the form and context in which they are named:

(1) Contango Capital Partners Limited (as an Underwriter)

(2) Thorney Holdings Pty Ltd (as an Underwriter);

(3) Deacons (legal advisers to Tolhurst in relation to the Offer); and

(4) Computershare Investor Services Pty Limited (Registry).

Each of the persons named in this section 8.11 has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus or on which a statement in this Prospectus is said to be based, except to the extent set out in that person's consent above, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus except to the extent set out in that person's consent above.

8.12 Costs and expenses of the Offer and Placement

The total costs and expenses of the Offer payable by Tolhurst are estimated as follows:

Underwriter's fees and expenses	$158,000
Legal fees and expenses	$47,500
Other costs including share registry services, printing and mailing, ASIC fees, and ASX quotation fees.	$14,500

Total	$220,000

Tolhurst is responsible for any GST on the above costs and disbursements.

8.13 Governing law

This Prospectus and the contracts which arise on acceptance of Entitlement and Acceptance Forms are governed by the law applicable in the State of Victoria, Australia and each applicant submits to the non-exclusive jurisdiction of the courts of the State of Victoria, Australia.

8.14 Consents to lodgement

Each Director of Tolhurst has given, and has not withdrawn, his consent to the lodgement of this Prospectus with ASIC.

8.15 Directors' consent

This Prospectus is signed on Monday 4 June 2007 by Mr Andrew McDouall on behalf of the Directors, each of whom has consented to the signature, lodgement and issue of this Prospectus.

Independent Non-Executive Director
Andrew McDouall

9. Definitions

Terms and abbreviations used in this Prospectus have the following meaning:

$	Australian dollars (and references to cents are to Australian cents) unless otherwise indicated
ACH	Australian Clearing House Pty Limited ABN 48 001 314 503
Acquisition	The proposed acquisition by the Company of all of the issued share capital in InterFinancial
AEST	Australian Eastern Standard Time (unless a date falls during the period in which daylights savings applies in Victoria, in which case AEST will mean Australian Eastern Daylight Savings Time)
AFS Licence	Australian Financial Services Licence
Application Monies	Monies paid by Eligible Shareholders in respect of the New Share they apply for
ASIC	Australian Securities and Investments Commission
ASTC	ASX Settlement and Transfer Corporation Pty Limited ABN 49 008 504 532
ASTC Settlement Rules	Settlement Rules of ASTC
ASX	ASX Limited ABN 98 008 624 691
ASX Listing Rules	The official listing rules of ASX as waived or modified from time to time
Board	The board of directors of Tolhurst
Business day	An Australian business day that is not a Saturday, Sunday, or any other day which is a public holiday or bank holiday in the place where an act is to be performed or a payment is to be made
Cash Component	The cash component of the consideration for the Acquisition as described in section 4.3
CHESS	Clearing House Electronic Subregister System
Closing date	5:00pm, Friday 29 June 2007 (unless extended)
Company or Tolhurst	Tolhurst Group Limited ABN 52 003 237 536 and (where applicable) its controlled entities.
Constitution	The constitution of Tolhurst as amended from time to time
Corporations Act	*Corporations Act* 2001 (Cth)

Daptha Pty Ltd	Daptha Pty Ltd ACN 113 566 591
Director	A director of the Company
EBIT	Earnings before interest and tax.
Eligible Shareholder	A Shareholder who has a registered address in Australia or New Zealand and who is registered as a holder of Shares as at the Record Date
Employee Option Plan	The employee option plan approved by the shareholders of Tolhurst at the annual general meeting held on 24 November 2005
Entitlement	The entitlement to 1 New Share for every 8 Shares held at 7:00pm (AEST) on the Record Date
Entitlement and Acceptance Form	The entitlement and acceptance form that accompanies this Prospectus
FICS	Financial Industry Complaints Service Limited ABN 64 068 901 904
First Allotment	The first allotment of Shares as part consideration for the Acquisition and as described in section 4.3(1)
GST	Goods and services or similar tax
InterFinancial	InterFinancial Holdings Pty Ltd and (where applicable) its controlled entities
InterFinancial Shareholders	The shareholders of InterFinancial immediately prior to the Acquisition and the vendors under the proposed Share Purchase Agreement
Issue Price	$0.50 per New Share
New Share	A Share to be issued pursuant to this Prospectus at $0.50 per Share
Offer	Offer of New Shares under this Prospectus
Offer Period	The period from 4 June 2007 until the Closing Date.
Option	An option to subscribe for a Share
Prospectus	This prospectus dated 4 June 2007
Record date	13 June 2007
Registry	Computershare Investor Services Pty Ltd ABN 48 078 279 277
Related Body Corporate	Has the meaning ascribed to it in section 9 of the Corporations Act
Responsible Executives	Has the meaning given to it by the Market Rules of ASX.

Right	A right to subscribe for a New Share under the Offer
Rights Issue	The offer of New Shares to Eligible Shareholders under this Prospectus
Scrip Component	The scrip component of the consideration for the Acquisition as described in section 4.3
Second Allotment	The second allotment of Shares as part consideration for the Acquisition and as described in section 4.3(2)
Shareholder	A person who holds Shares
Share Purchase Agreement	The agreement, contemplated by the terms sheet executed on 20 March 2007 (and as announced to ASX on 21 March 2007), intended to be entered into by the Company and the InterFinancial Shareholders for the acquisition by the Company of all of the issued capital of InterFinancial
Shares	Fully paid ordinary shares in the capital of Tolhurst
Shortfall	Those New Shares not subscribed for by way of an application pursuant to this Prospectus by 5.00 pm (AEST) on the Closing Date not exceeding the Underwritten Shares
Underwriters	Contango Capital Partners Limited ABN 52 124 284 765; and Thorney Holdings Pty Ltd ABN 37 006 262 835
Underwriting Agreement	The underwriting agreement described in 8.4.
Underwritten Shares	The 9,526,180 New Shares underwritten by the Underwriters in accordance with the Underwriting Agreement and as described in section 8.4

10. Corporate directory

Directors

David Browne - Executive Chairman
Andrew McDouall – Independent Non-Executive Director
Peter Reilly – Non-Executive Director
Matthew Wigzell – Executive Director

Company Secretary

David Fotheringham

Registered office

Level 29, 35 Collins Street
Melbourne Victoria 3000
Telephone: +61 3 9242 4000
Facsimile: +61 3 9242 4040
www.tolhurst.com.au

Underwriters

Contango Capital Partners Limited
Level 24, 360 Collins Street
Melbourne Victoria 3000
Telephone: +61 3 9222 2333
Facsimile: +61 3 9222 2345

Thorney Holdings Pty Ltd
Level 39, 55 Collins Street
Melbourne Victoria 3000
Telephone: +61 3 9921 7111
Facsimile: +61 3 9921 7100

Solicitors

Deacons
RACV Tower
485 Bourke Street
MELBOURNE VIC 3000
Telephone: +61 3 8686 6000
Facsimile: +61 3 8686 6505
www.deacons.com.au

Registry

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide South Australia 5000
Telephone: 1 300 55 61 61
International: +61 8 8236 2300
Facsimile: +61 8 8236 2305