

TABCORP Holdings Limited

Proposed merger with Tab Limited

Investor presentation

5 NOVEMBER 2003



Agenda

- ◆ TABCORP proposes merger with Tab
- ◆ Substantial premium & value uplift for Tab's shareholders
- ◆ Profile of the merged group
- ◆ Expected benefits from the merger
- ◆ Centre core competencies in major markets
- ◆ Benefits to key stakeholders
- ◆ Proposed funding structure
- ◆ Merger implementation and conditions
- ◆ Conclusions

TABCORP proposes merger with Tab

TABCORP's proposal implies a value for Tab of \$4.26 per share¹

- ◆ TABCORP has today provided a merger proposal to Tab
- ◆ TABCORP is proposing that Tab shareholders receive
 - 23 TABCORP shares
 - \$162 cashfor every 100 Tab shares they own
- ◆ Tab options would be acquired for cash at the “in the money” value based on \$4.26 per Tab share
- ◆ The proposed merger terms imply a value for Tab of \$4.26 per share
 - based on a TABCORP share price of \$11.49, being the VWAP since 13 August 2003 (the day on which TABCORP announced its 2003 results)
- ◆ TABCORP believes that its proposal is significantly more attractive to Tab's shareholders than the proposed merger with UNiTAB

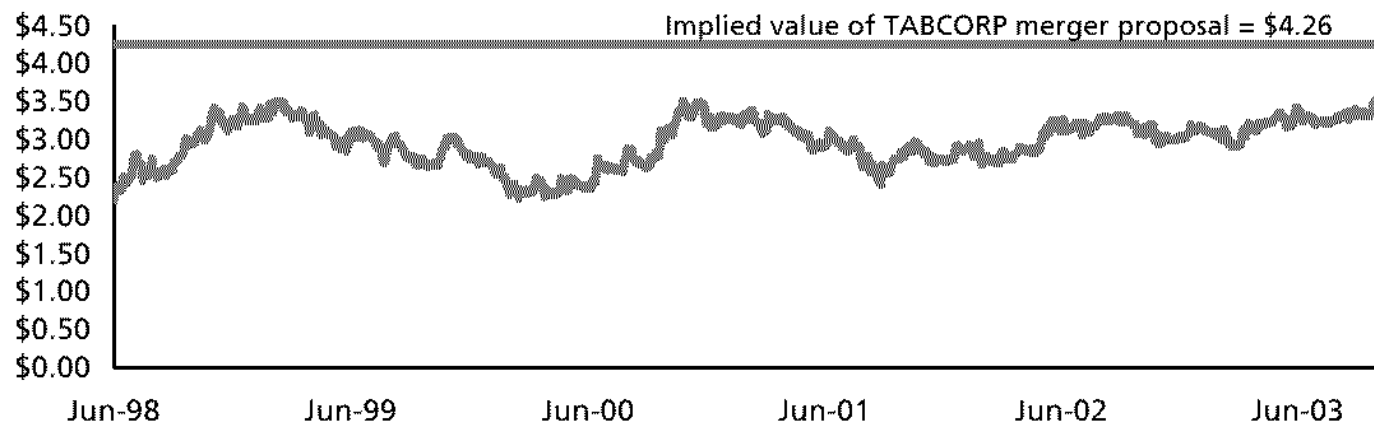
Note:

1. Based on TABCORP share price of \$11.49, being the VWAP since 13 August 2003

Substantial premium for Tab shareholders

TABCORP's merger proposal represents a substantial premium to Tab's trading price and the proposed merger with UNiTAB

	Value	Premium ¹	
	\$	\$	%
Tab's share price prior to announcement of proposed UNiTAB merger	3.34	0.92	27.6
Current value to Tab shareholders of the proposed merger with UNiTAB ²	3.38	0.88	26.2
Tab's closing share price yesterday	3.51	0.75	21.5



Source: Iress

Notes:

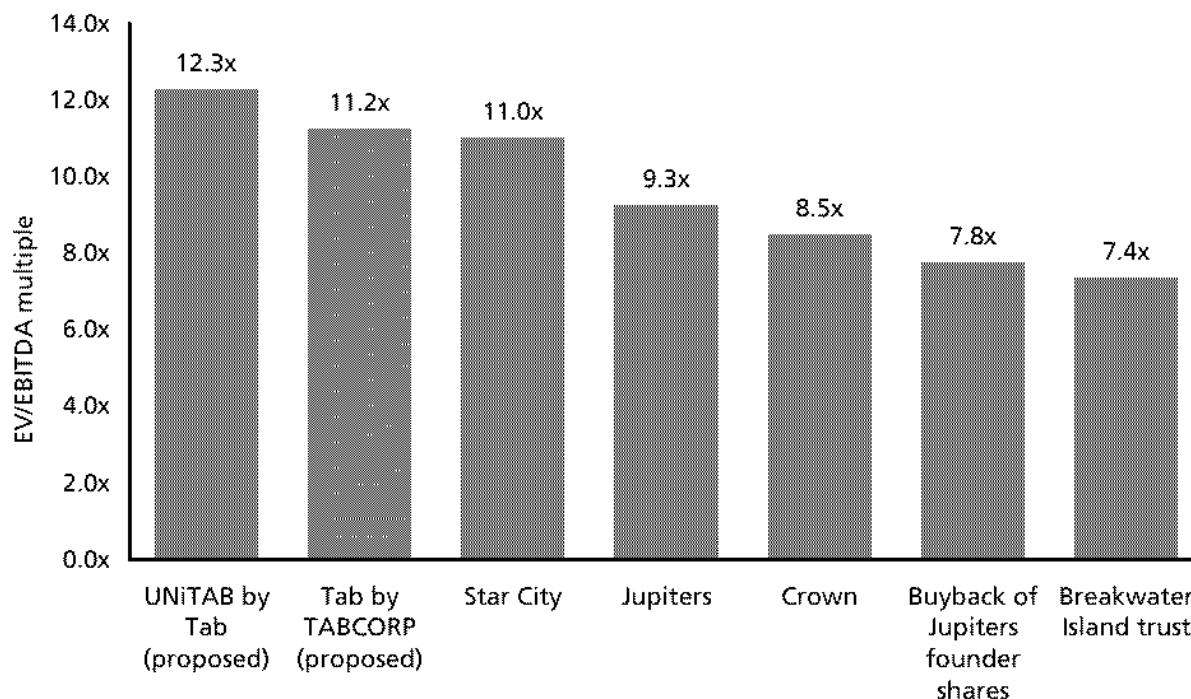
1 Based on TABCORP share price of \$11.49, being the VWAP since 13 August 2003

2 Based on UNiTAB's closing share price on 4 November 2003

Substantial premium for Tab shareholders (continued)

The implied value of TABCORP's merger proposal implies an attractive acquisition multiple

Acquisition multiples—precedent transactions ¹



Source: Independent expert reports, IRESS and annual reports

Note:

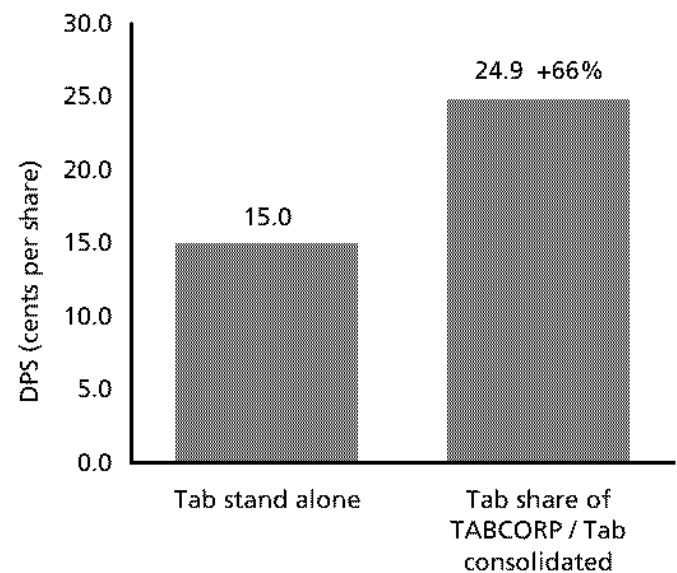
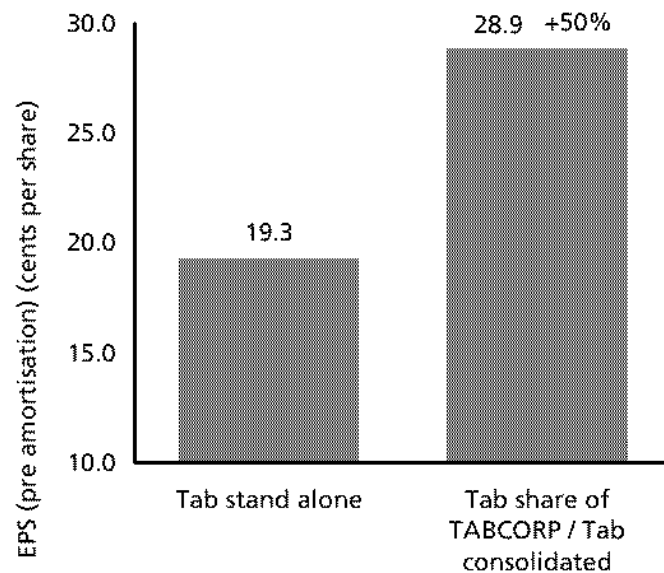
¹ All transaction multiples are historic and based on Independent Expert's Report valuations other than UNITAB by Tab and Tab by TABCORP which are based on the merger terms currently proposed

Value uplift for Tab shareholders

The merger proposal would be expected to be significantly accretive for Tab shareholders on an EPS (pre goodwill amortisation) basis and to result in a dividend per share uplift

EPS (pre g/w amortisation) (2003PF)

DPS (2003PF)



Source: Annual reports

Note:

- 1 Assumes cash proceeds received by Tab shareholders under TABCORP proposal are reinvested into TABCORP shares at \$11.49 per share
- 2 Based on Jupiters scheme booklet, annual reports and assuming \$30 million of gross synergies

Profile of the merged group

The merged group would be the pre-eminent gambling and entertainment company across the wagering, casino, gaming and keno markets in Australia

- ◆ Operations spread across the east coast of Australia
- ◆ Ownership of wagering operations in NSW & Victoria
- ◆ 18,000 gaming machines
- ◆ Four of Australia's leading casino hotel and entertainment facilities
- ◆ Keno operations in Queensland, NSW and Victoria
- ◆ Gaming machine monitoring activities

DMS | Data Monitoring Services



Profile of the merged group (continued)

The combined TABCORP / Tab would generate EBITDA in excess of \$900 million (before synergies) (based on 2003PF)

Financial summary of TABCORP/Tab (2003PF)

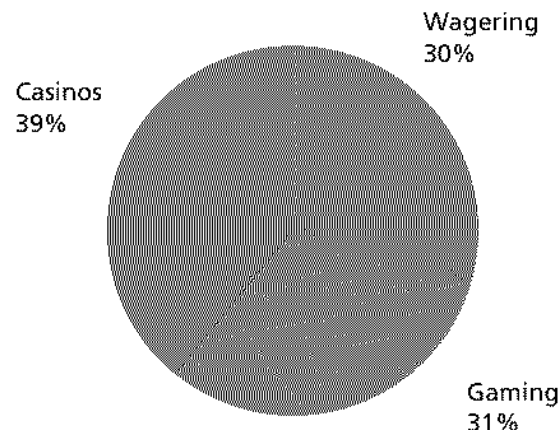
	\$m
Net revenue	3,547
EBITDA	926
EBITA	748
EBIT	575

Source: Annual reports & Jupiters scheme documentation

Notes:

- 1 Does not include any synergies for the acquisition of Tab
- 2 Includes \$81 million of goodwill arising from the merger
- 3 Includes a full year impact of Jupiters acquisition and first year synergies with Jupiters

TABCORP / Tab EBITDA by business (2003PF)



Source: Annual reports

Notes:

- 1 Tab's media division is included within the wagering category
- 2 TABCORP's Keno and monitoring divisions are included within the gaming category
- 3 Includes 2003PF Jupiters earnings

Merger of Australia's two premier wagering businesses

Significant value would be expected to be created through a merger of TABCORP's and Tab's wagering businesses

- ◆ Combine and leverage expertise in wagering operations
- ◆ Greater operational scale to extract synergies and invest in the business
- ◆ Extract further benefits from merged entity's expertise in information technology
- ◆ Greater wagering pool sizes bringing benefits to all customers
- ◆ Greater distributions to the NSW and Victorian racing industries
- ◆ Combine and leverage expertise in gaming operations
- ◆ Broaden people skill base and expertise
- ◆ Diversify the merged entity's regulatory jurisdictions

Expected benefits from the merger

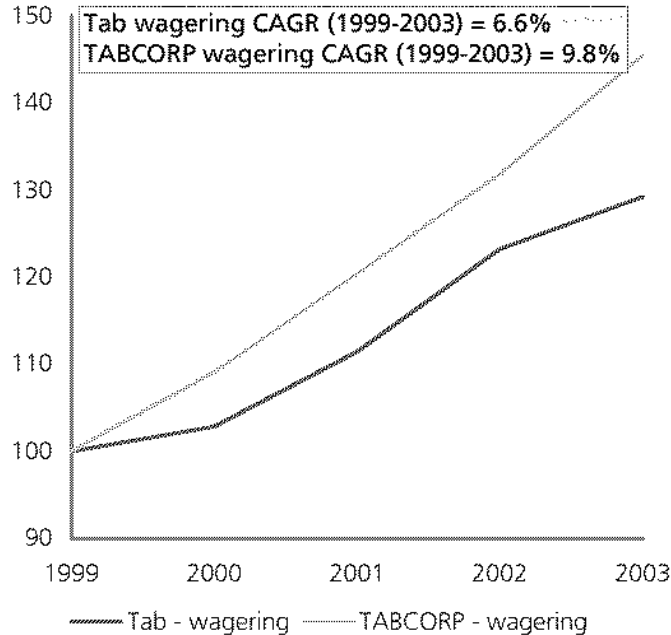
TABCORP's proposed merger terms are attractive to both Tab and TABCORP shareholders

- ◆ Substantial synergy and efficiency benefits are expected from combining operations, skills and processes
 - merger of wagering head offices
 - expected computer system integration across NSW and Victoria
 - reduction in overheads
- ◆ Expected cost synergies estimated to be greater than \$30 million by year 3
 - synergy benefits to be shared with NSW and Victorian racing industries
- ◆ Estimated revenue synergies
 - given increased pool sizes and enhanced product innovation and marketing
- ◆ Merger would be expected to be EPS (pre amortisation) positive for TABCORP shareholders in the second full year of the merger
- ◆ Growth, synergy and diversity benefits for existing and new TABCORP shareholders going forward

Relative wagering business performance

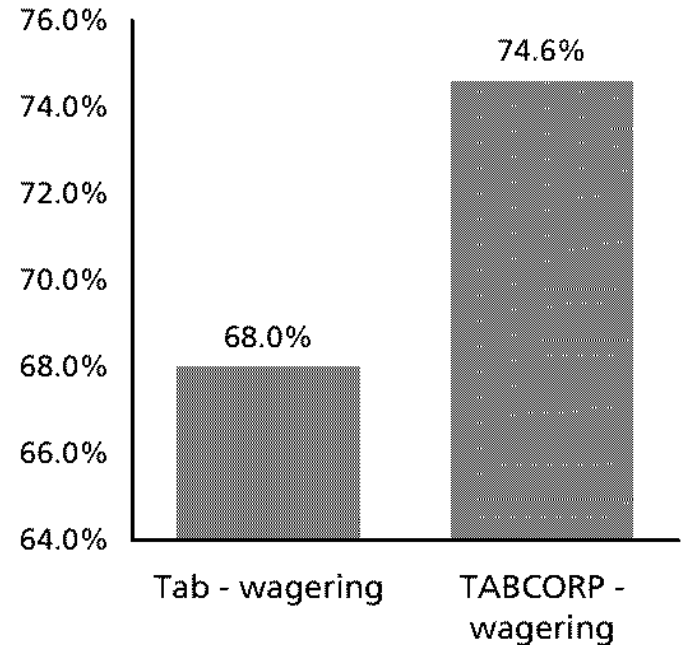
TABCORP is confident that it can improve the performance of Tab's wagering business

Relative EBIT growth
(1999 to 2003) (rebased to 100)



Source: Annual reports

Relative EBIT margin (2003A)
(before racing industry fees and wagering tax)



Source: Annual reports

Notes:

1. Both Tab and TABCORP's wagering divisions generated EBIT margins of approximately 15% in 2003A

Centre core competencies in major markets

TABCORP will continue to centre core competencies in major markets

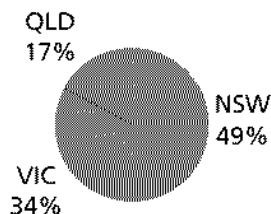
- ◆ Considerable operational benefits are expected from centering core skills in major markets
- ◆ TABCORP's casino operations are being headquartered in Queensland following the merger with Jupiters
- ◆ If the proposed merger with Tab is successful, TABCORP proposes to headquarter its wagering and media activities in NSW
- ◆ TABCORP's gaming headquarters (including Keno and monitoring activities) and corporate head office will remain in Victoria
- ◆ If a merger with Tab proceeds, TABCORP currently intends to increase the number of NSW based directors on its board

Centre core competencies in major markets (continued)

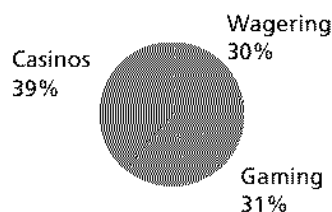
TABCORP's geographic and business mix well balanced

Business diversified over 3 states and 3 businesses

EBITDA—State



EBITDA—Business



Wagering

- ◆ NSW & Victoria TABs
- ◆ Sky Channel

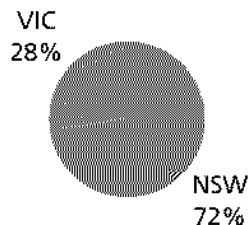
Gaming

- ◆ 13,750 gaming machines
- ◆ Monitoring including jackpotting in NSW & QLD
- ◆ Keno in NSW, QLD & Vic

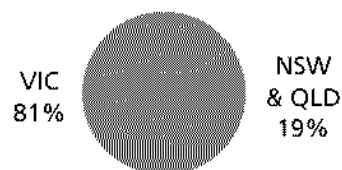
Casinos

- ◆ 3 casinos in Qld
- ◆ 1 casino in NSW

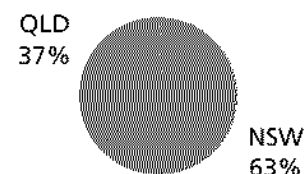
EBITDA—State



EBITDA—State



EBITDA—State



Source: 2003 Annual reports

Note: Pro forma analysis includes TABCORP, Tab and Jupiters (excluding Centrebet)

Benefits to New South Wales

A merger of TABCORP and Tab would provide the following benefits to NSW

- ◆ NSW to become the headquarters of Australia's largest wagering group
- ◆ Combined TABCORP / Tab pool would be expected to enhance customer satisfaction
 - potential to attract overseas wagering revenue
- ◆ Expands TABCORP's significant investment in NSW with
 - in excess of 6,000 NSW based employees
 - NSW accounting for approximately 49% of the merged group's EBITDA
- ◆ Combination of NSW and Victorian racing leading to greater investment in the racing industry
- ◆ Coordinated approach to responsible gaming issues
- ◆ It is expected that more than half of the merged entity's share register will be based in NSW (by number of shareholders and value of shares)
- ◆ Merged board to have significant NSW representation

Benefits to key stakeholders

A merger of Tab and TABCORP is expected to provide benefits to all key stakeholders

◆ TABCORP shareholders

- expected to be EPS (pre amortisation) positive in the second full year of the merger
- share in the significant synergies which are expected
- further jurisdictional diversification and increased exposure to wagering

◆ Tab shareholders

- significant premium to current share price, expected EPS (pre amortisation) uplift and expected DPS uplift

◆ NSW Racing Industry

- enhanced distribution and combined expertise

◆ Employees

- greater career opportunities

◆ Customers

- deeper pool and greater range of products

Proposed funding structure

TABCORP would conservatively fund the merger and would expect to retain an investment grade credit rating

Uses		Sources		
Number of Tab shares (m)	451.2			
Implied value per share ¹	\$4.26			
Acquisition equity value (\$m)	1,922	Equity (\$m)	1,192	52%
Cost of acquiring options (\$m)	3	Debt (\$m)	1,097	48%
Net debt ² (\$m)	364			
Acquisition enterprise value ³ (\$m)	2,289	Total funding	2,289	100%

Notes:

- 1 Based on \$11.49 per TABCORP share
- 2 Based on 2003A debt
- 3 Excluding transaction costs and required cash balances

Note:

- 1 Based on the merger proposal of 0.23 TABCORP shares plus \$1.62 cash per Tab share
- 2 Based on TABCORP share price of \$11.49

Merger implementation and conditions

The most appropriate method of implementing a merger would be decided after discussion with key stakeholders

- ◆ The merger proposal will require the approval of the NSW Government, and would not proceed unless the necessary government approvals are received

- ◆ The appropriate method of implementing the merger proposal would be determined following further discussions with the NSW Government and the board of Tab

- ◆ Proposal subject to certain key conditions, including:
 - NSW Government approval and legislative changes required under the Totalizator Act and TAB Privatisation Act to amend the 10% shareholding restriction and to remove the cross ownership restrictions relating to the NSW casino
 - confirmation from the ACCC that it does not object to the merger proposal
 - other relevant regulatory approvals
 - Tab does not complete the proposed merger with UNiTAB
 - no material adverse change to Tab, no material new activities and no disposal of business
 - TABCORP acquiring 100% of Tab
 - no material adverse change in debt markets
 - prescribed occurrences
 - dividends

Conclusions

TABCORP's proposal represents an excellent opportunity for Tab's shareholders

	TABCORP's merger proposal	UNITAB's merger proposal
Substantial premium	✓✓	X
Cash component	✓✓	X
Expected synergies	✓✓	✓
Shareholding in a diversified gambling business	✓✓	✓
Expected substantial earnings and dividend uplift	✓✓	X

- ◆ Merger expected to be EPS (pre amortisation) positive in the second full year
- ◆ TABCORP would expect its history of increasing dividends on an annual basis to be maintained
- ◆ TABCORP would expect to retain an investment grade credit rating

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