



TABCORP Holdings Limited
ACN 063 780 709

5 Bowen Crescent
Melbourne Australia 3004
GPO Box 1943R
Melbourne Australia 3001

Telephone 61 3 9868 2100
Facsimile 61 3 9868 2300

TABCORP welcomes decision by NSW Government in relation to the proposed merger with Tab

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TABCORP Holdings Limited ("TABCORP") today welcomed the announcement by the Treasurer of NSW that the State Government would introduce legislation to allow TABCORP's proposed merger with Tab Limited ("Tab") to proceed, subject to certain conditions.

Matthew Slatter, TABCORP's Managing Director and Chief Executive Officer, said, "We are delighted that the NSW Government will introduce legislation to allow the proposed merger to proceed. We appreciate that the Government has moved quickly to address this important issue. This allows TABCORP to continue to pursue its proposed merger which, if implemented, would provide substantial value to Tab shareholders. We continue to believe that TABCORP's proposal represents a demonstrably superior alternative to the proposed merger between Tab and UNITAB."

Mr Slatter continued, "We have also been in discussions with the Liberal and National parties and we look forward to their support to the proposed legislation."

Conditions to approval

The NSW Government has indicated that its approval is subject to certain conditions. All of these conditions are acceptable to TABCORP. The requirement that no person can own more than 10% of TABCORP is entirely consistent with similar arrangements which TABCORP already has in place with the NSW Casino Control Authority, the Queensland Government and the Victorian Government.

Tab's Central Monitoring System Business

Should the merger with Tab proceed, TABCORP will undertake that Tab's Central Monitoring System Business is divested within 18 months of merging with Tab. This requirement of the NSW Government is acceptable to TABCORP.

Commenting on this requirement, Mr Slatter said, "TABCORP is very comfortable with the requirement to sell Tab's Central Monitoring Business. That business is a small part of Tab's total business and is not a key component of our strategic rationale in proposing a merger with Tab."

TABCORP is also comfortable with the requirement to relinquish Tab's Investment Licence and looks forward to discussing the Statewide Linked Jackpot Licence with the Government.

Next steps

TABCORP will continue to work towards implementing its proposed merger with Tab including engaging in discussions with Tab's board with a view to implementing the proposed merger.

Mr Slatter said, "TABCORP looks forward to continuing to work with all stakeholders in progressing the proposed merger. In particular, TABCORP looks forward to working with the NSW Racing Industry to address any reasonable concerns they may have".

For further information please contact

At TABCORP

Bruce Tobin
General Manager Public Affairs
Tel (03) 9868 2508

At UBS

Peter Scott
Managing Director
Tel (03) 9242 6273

Tim Antonie
Executive Director
Tel (03) 9242 6277