



25 February 2004

Dear Shareholder

Update on Takeover Offers for Tab Limited

As you will probably be aware, UNiTAB Limited (UNiTAB) announced a takeover bid for Tab Limited on 19 December last year. You should by now have received UNiTAB's Bidder's Statement dated 22 January 2004 in relation to this offer.

Tab Limited will send you its Target's Statement in response to UNiTAB's Bidder's Statement in the near future.

On 23 February 2004 Tabcorp Holdings Limited (Tabcorp) also announced a takeover bid for Tab Limited. Tabcorp's Bidder's Statement is required to be mailed to Tab shareholders within two months of Tabcorp announcing its bid, i.e., by 22 April 2004 (but may be sent earlier). Following despatch of Tabcorp's Bidder's Statement, Tab will respond with a Target's Statement.

The Board of Tab Limited recommends **that shareholders take no action in relation to either proposal at this stage**, pending detailed consideration by the Board of the competing proposals from UNiTAB and Tabcorp.

The strength of Tab Limited's underlying businesses are reflected in the company's recently released interim results for the six months ended 31 December 2003, the highlights of which included:

- ◆ recurring earnings per share of 9.5 cents, up 15.5%
- ◆ interim dividend per share of 9.0 cents, up 28.6%
- ◆ operating cash flow per share of 24.8 cents, up 44.3%

The Board of Tab Limited reaffirms its commitment to ensuring the best interests of shareholders are met. Be assured that we will keep you advised of material developments as and when they occur.

More detailed information is available on our website www.tablimited.com.au or you may call Tab's Shareholder Information Line on 1300 137 984 (for callers within Australia) and +613 9649 5408 (for callers outside Australia) if you have any questions.

Yours faithfully

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