

23 April 2004

The Manager
Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir

Re: Takeover Bid for Tab Limited and Agreement to Acquire Gaming Business

UNiTAB Limited (**UNiTAB**) confirms that its off-market takeover offer for all the issued shares in Tab Limited (**Tab**) will close at 7.00pm (Sydney time) today. UNiTAB advises that it is not extending its bid, nor is it increasing the consideration offered under its bid. The UNiTAB bid remains subject to conditions that will not be waived.

Additionally, UNiTAB advises that it has this morning executed a procurement agreement with Tabcorp Holdings Limited (**Tabcorp**). Under this agreement (subject to the satisfaction of certain conditions discussed below):

- Tabcorp has agreed to sell UNiTAB its centralised monitoring system business and the progressive jackpot services business operated in hotels and clubs in Queensland. The sale price for this business is \$ 40 million;
- Tabcorp has agreed to sell UNiTAB (or to use its best endeavours to procure the sale if it acquires less than 100% of Tab's shares) the Tab gaming businesses for a price of \$175 million. This business comprises:
 - the statewide jackpot business conducted by Tab in New South Wales that trades under the name "maxgaming";
 - the centralised monitoring system business conducted by Tab in New South Wales that trades under the name "Data Monitoring Services";
 - Tab's "maxvision" business;
- Tabcorp has agreed to procure amendments to the agreements the UNiTAB Group has with Sky Channel to:
 - extend the term of those agreements for the supply of the Sky service to UNiTAB's agencies. This will ensure that the Sky service in Queensland, South Australia and the Northern Territory continues for the wagering licence exclusivity periods in each of those jurisdictions (ie 2013 in Queensland, 2015 in the Northern Territory and 2017 in South Australia);

- fix the fees payable under those agreements for the extension periods so that fees will increase by the greater of CPI or 3% (subject to an adjustment were the Sky program ceases to include races in a specified minimum coverage program and this results in reduced turnover);
- ensures the continued inclusion of Queensland and South Australian racing in the Sky Channel program;
- provides for the coverage of the Darwin Cup and Alice Springs Cup;
- UNiTAB's current agreements with Tabcorp for the provision of fixed odds book management services have been extended until 2008 with an option for UNiTAB to further extend until 2013. This extension provides UNiTAB with a improved cost structure when fixed odds turnover exceeds \$70 million;

The agreement is subject to Tabcorp acquiring at least 50% of Tab's issued shares, any necessary regulatory approvals and any necessary shareholder approvals.

Dick McLlwin, UNiTAB's Managing Director stated:

"We are very pleased to have reached these arrangements with Tabcorp. The gaming businesses will significantly increase UNiTAB's gaming operation both in terms of scale and profitability. The acquisitions compliment our existing operations and present a low risk opportunity to continue the growth UNiTAB has delivered over the last 5 years.

At the same time we have ensured that Queensland and South Australian racing will continue to be represented on the Sky Channel program and have addressed the coverage of the Darwin and Alice Springs Cups on that service. This will assist in underwriting the continued development of racing in the jurisdictions in which we operate.

UNiTAB's wagering business remains strong and unassailable as a result of this transaction. The company controls 22% of national totalisator turnover. Almost 80% of this business is protected by exclusive licences in Queensland, Northern Territory and South Australia. The UNiTAB betting pool will be the only credible alternative to the totalisator activities conducted and hosted by Tabcorp.

We believe that this was too attractive an opportunity to ignore. It will deliver a better outcome for UNiTAB shareholders than would have resulted from our bid for Tab."

Yours faithfully,



Robbie Cooke
General Counsel & Strategist