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21 February 2007

To: Australian Stock Exchange
Companies Announcements Platform
20 Bridge Street
Sydney NSW 2000

TABCORP HALF YEAR RESULTS PRESENTATION

Attached is the presentation regarding Tabcorp's Half Year Results ended 31 December 2006 to be presented by Matthew Slatter, Managing Director and Chief Executive Officer.

This presentation will be webcast on Tabcorp's website at **www.tabcorp.com.au** from 2.00pm (Melbourne time) today.

Kerry Willcock
Executive General Manager – Corporate and Legal

Enc.

2006/07 Half Year Results Presentation

Wednesday 21 February 2007

Tabcorp

the bigger better game

Agenda

- Matthew Slatter
  - H1 2006/07 key results

- Matt Bekier
  - H1 2006/07 financial performance review

- Matthew Slatter
  - Focus for H2 2006/07

Half Year 2006/07 results – key numbers

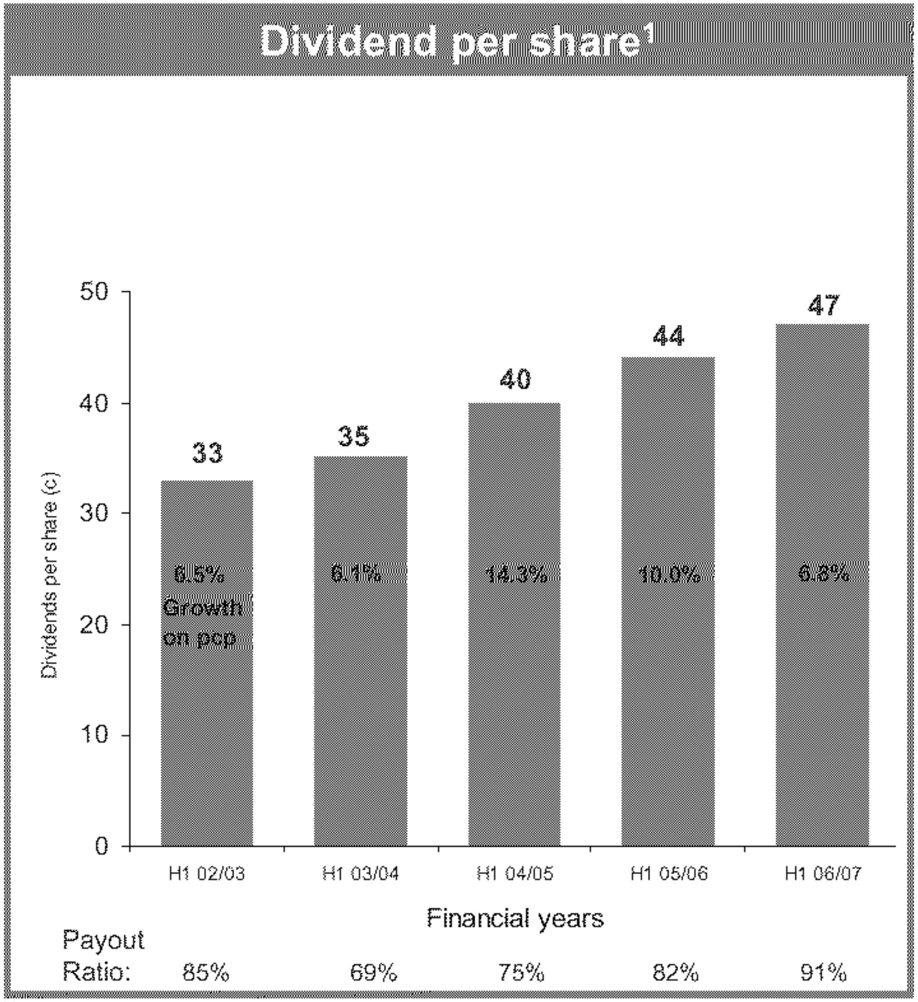
$m	Actual[1] 6 months to 31 Dec 06	Change on pcp (%)	Normalised[1,2] 6 months to 31 Dec 06	Change on pcp (%)
Net operating revenue	1,969.5	2.3%	1,991.9	3.7%
Net operating expenses	508.1	11.3%	508.1	11.3%
EBITDA	**518.1**	(7.2%)	**538.2**	(2.9%)
PBIT	446.0	(8.5%)	466.1	(3.6%)
PAT - pre NRI	**256.2**	(9.6%)	**270.3**	(3.6%)

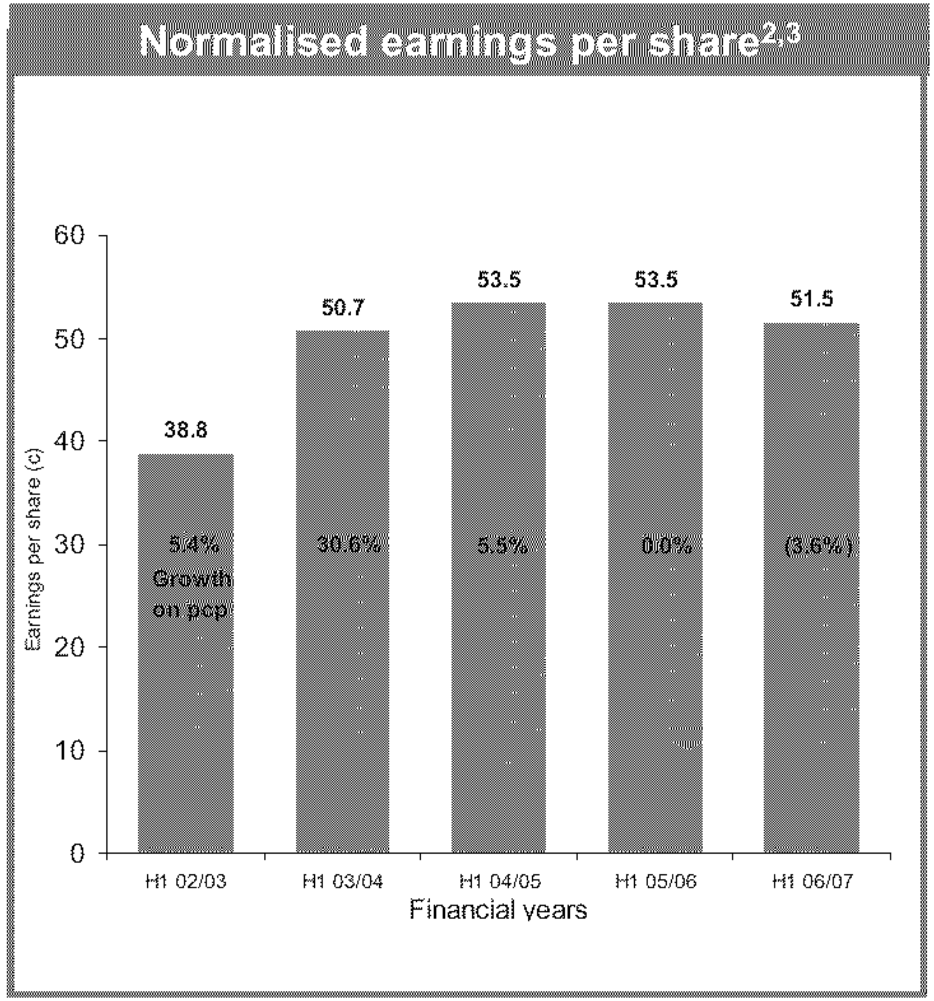
- Tough first half
- Mixed revenue performance
  - Good performance in Wagering
  - Casino growth impacted by smoking bans
- Operating expenses up significantly, reflecting
  - Broadcasting rights expenses
  - Tab integration systems migration project

Notes:

1. *Excludes non-recurring items, which are separately disclosed in Appendix 1*
2. *Normalised results exclude the impact of above/below theoretical win rates in the IRB in the Casinos division*

DPS & EPS growth



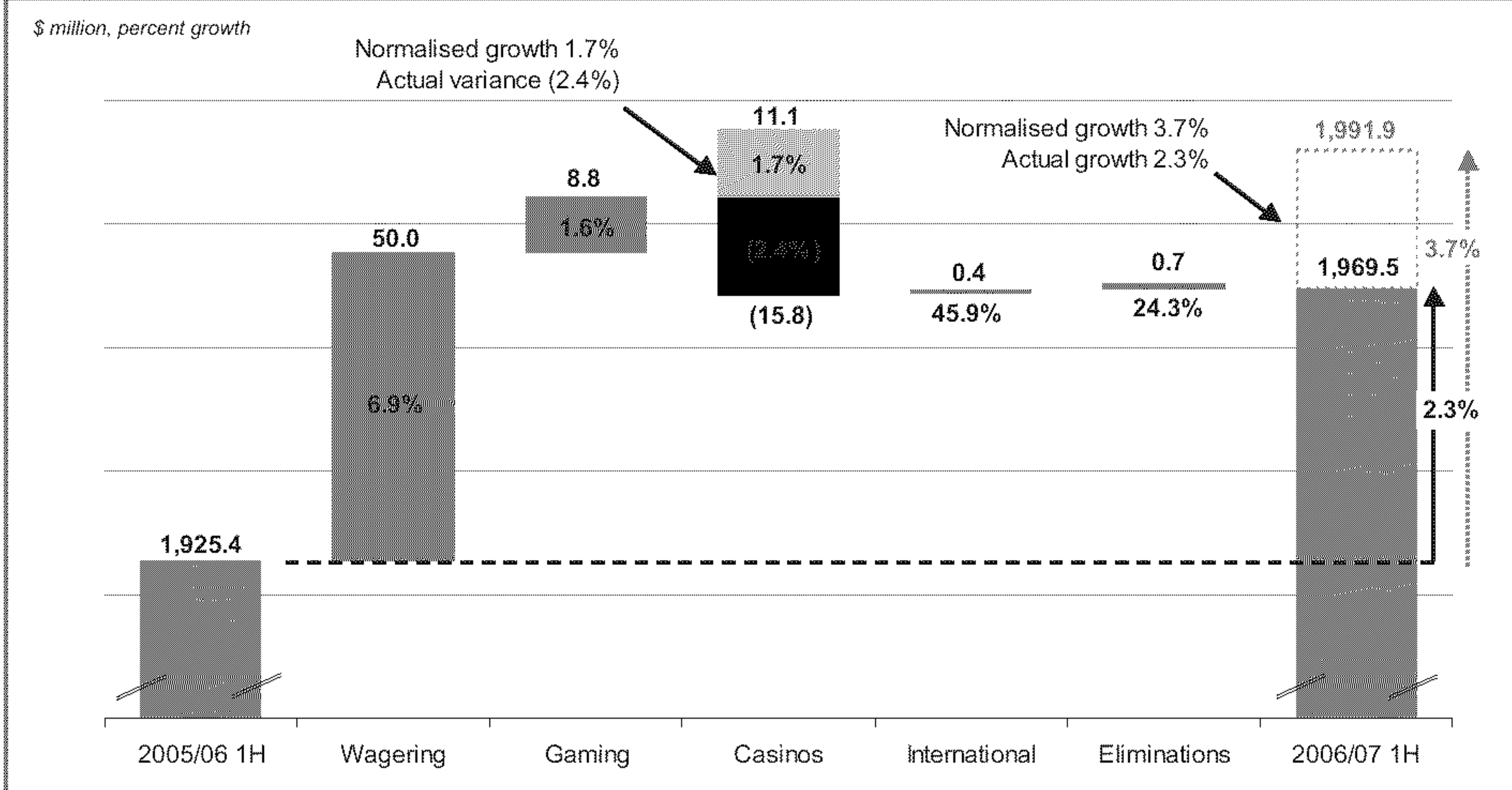


Notes:

1. *Dividend payout ratio based on dividends declared in respect of each financial period*
2. *EPS pre non-recurring items, which are separately disclosed in Appendix 1*
3. *Normalised results exclude the impact of above/below theoretical win rates in the IRB in the Casinos division*

Operating revenue[1] summary by division

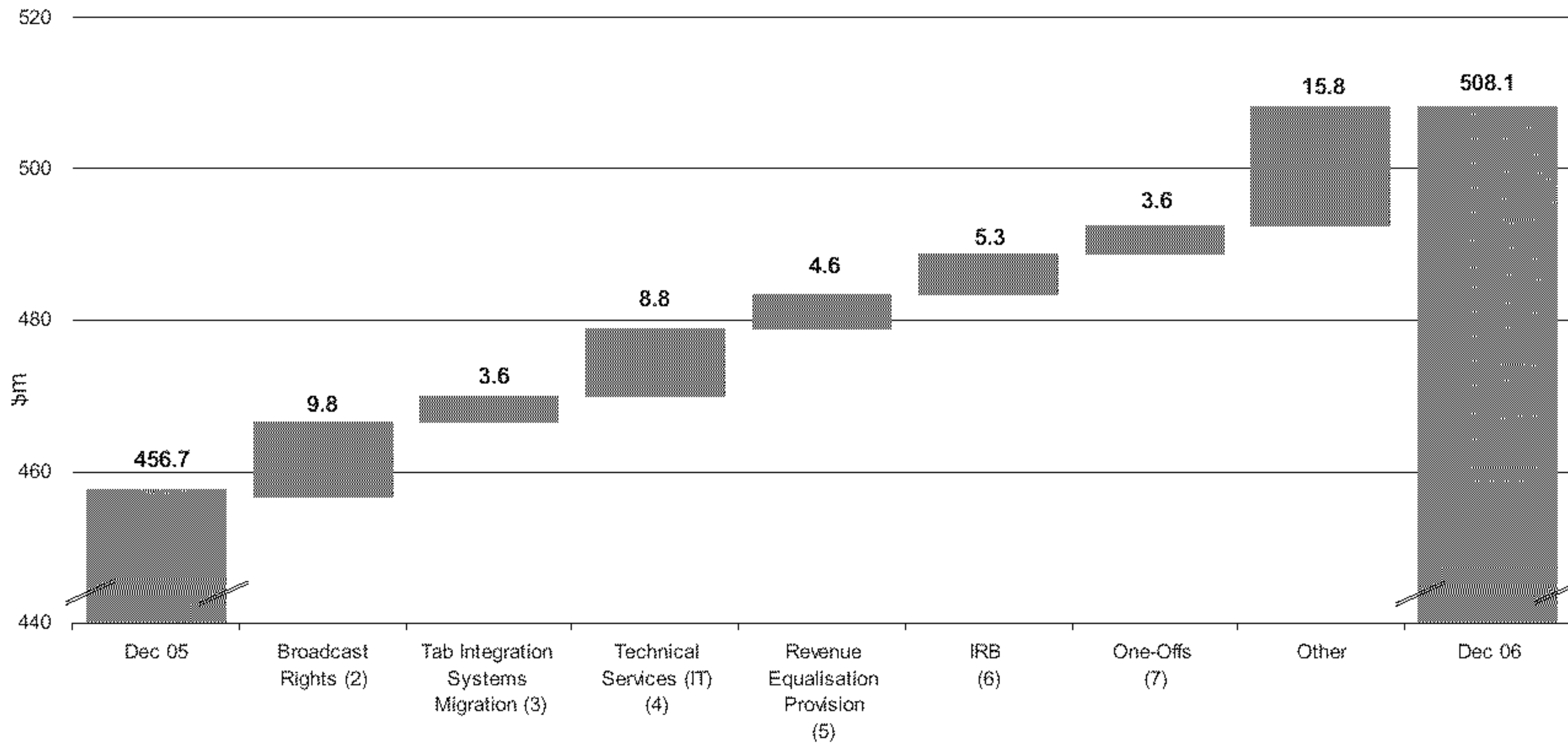
Actual growth 2.3% to $1,969.5m (3.7% on a normalised basis)



Notes:
1. Pre non-recurring items which are disclosed separately in Appendix 1

Operating expenses[1] analysis

Operating expenses up 11.3% to $508.1m



1 *Pre non-recurring items which are disclosed separately in Appendix 1*

2 *Increased broadcast rights fees following resolution of split picture issue*

3 *Tab integration systems migration costs includes salaries and wages for call centre consolidation ($1.5m), stock purchases and write-offs ($1.3m), and other integration or migration related costs ($0.8m)*

4 *Technical Services costs reflect lower level of capitalisation as major systems projects were completed during the half year*

5 *Revenue equalisation provision represents EBIT impact of Wagering pari-mutual hold rate in excess of the legislated rate which is 16%, over a full year*

6 *International rebate business expenses including salaries and wages, advertising and promotion costs and costs of international offices*

7 *One off expenses include write-off of capitalised costs for discontinued loyalty project ($2.5m) and payment for Star City retail lease termination ($1.1m).*

H1 2006/07 key features

- Casinos
  - Smoking bans
  - IRB
  - Gold Coast performance
  - Endeavour Room refurbishment
- Wagering
  - Strong revenue turnaround
  - TAB synergy update
  - NSW retail revitalisation
  - TVN update per latest terms
- Gaming
- Major efficiency projects

EGM performance and impact of smoking bans

- Downturn in revenues experienced upon introduction of smoking bans:

Victoria[1]
(12.6%)

EGM revenue vs. PCP by property

vs PCP	Smoking Bans NSW	Star City	Smoking Bans Qld	Gold Coast	Brisbane	Tville	Total
2H 06	50%	(0.6%)	66.7%	(10.3%)	(3.1%)	(0.9%)	(4.0%)
1H 07	75%	(0.2%)	100.0%	(10.9%)	(7.1%)	(0.5%)	(4.9%)

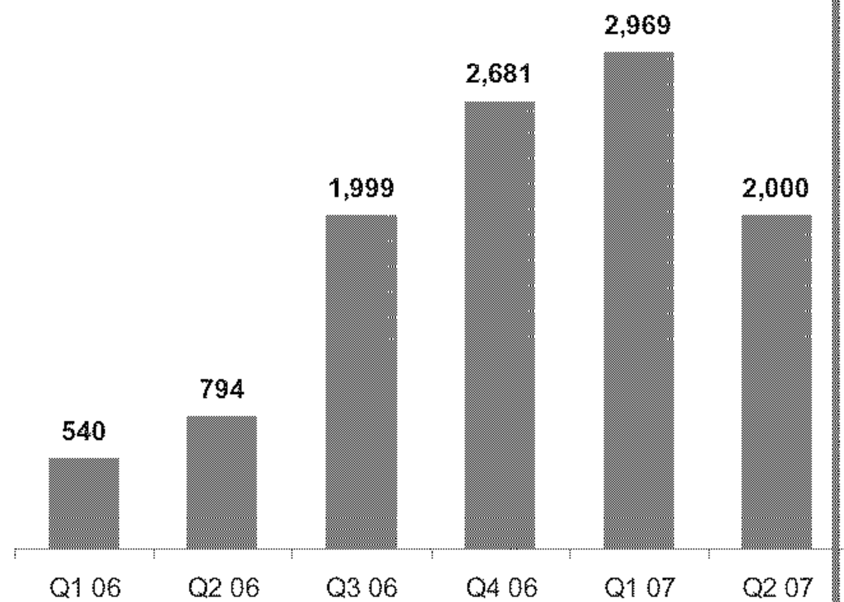
- Brisbane and Gold Coast properties most impacted,Townsville benefiting from boom economic times
  - Despite attractive smoking solutions Gold Coast property impacted by construction and proximity to NSW where customers can still smoke
  - Opportunity to offer attractive smoking solutions in Brisbane somewhat restricted by heritage and physical constraints of property
- Queensland properties gaining market share

Notes:
1 Represents the 12 month period ended September 2003 for Tabcorp's Victorian Gaming business

IRB performance

- Revenue up $20.2m or 229.2% at theoretical (theo) rates
- Actual revenue down $6.6m or 50.6% due to below theo win rates in 1H07 and above theo in the prior year
- Star City proving very attractive to international customers, with 87% of turnover for the division
- Q2 turnover impacted by the opening of new properties in Macau and increasing domestic competition

IRB turnover by quarter $m



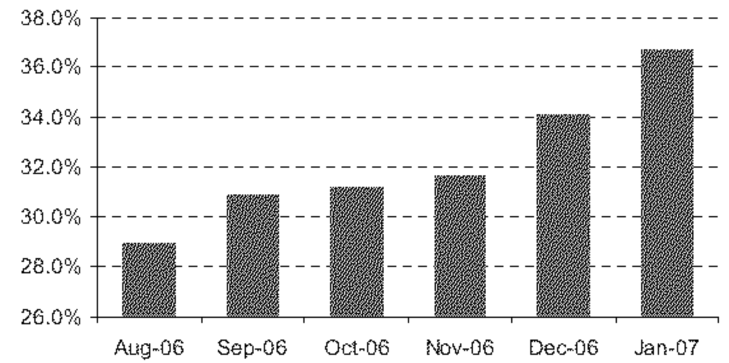
Gold Coast performance

- $53m in renovations of Gold Coast property completed November 2006
  - delivered on time and on budget
- Momentum building since completion of renovations
- MGF revenue driven by strong drop, with new gaming floor, smoking solutions and heightened interest in table games all assisting this result
- Strong results in PGR with drop up significantly on PCP, building on customer relationship strategy
- Food and Beverage revenues driven by introduction of new outlets as part of renovation. New casino bars Quid and J-Bar particularly successful

Gold Coast performance
Nov 06 to Jan 07 inclusive

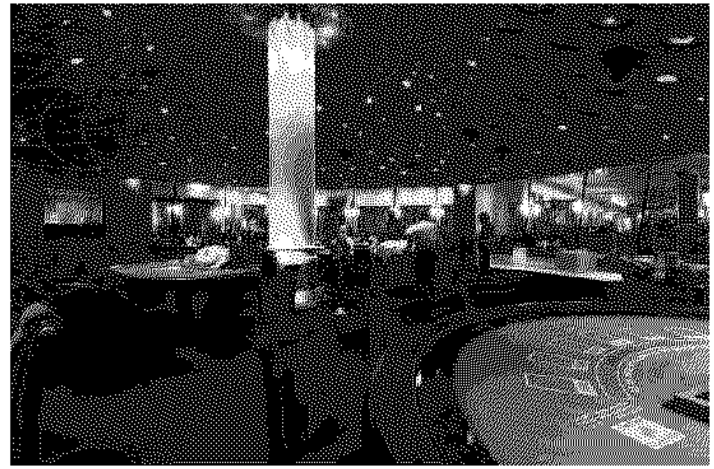
	Compared to PCP	
	Movement	**Variance**
MGF	▲	10.9%
PGR	▲	64.6%
EGMs	▼	-4.2%
F&B	▲	3.6%
Hotel	▼	-5.3%
Entertainment	▼	-5.1%
Patronage	▲	9.2%

Gold Coast EGM market share

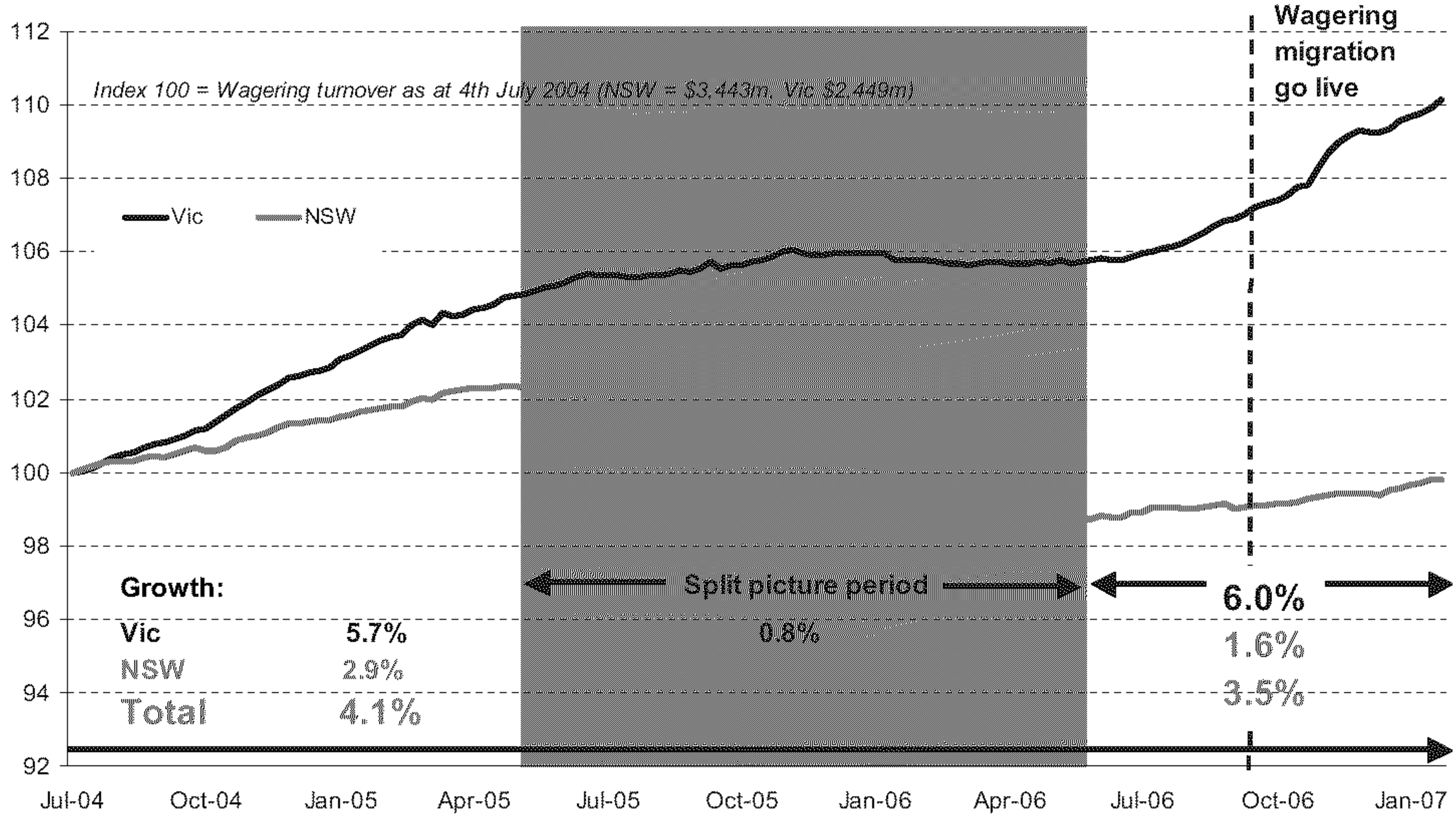


Endeavour room refurbishment

- Renovation of $18.5m to make substantial improvements to Star City's premium gaming experience
- Objective is to drive increased rebate and PGR play visitation and offer more attractive EGM experience to premium players
- Highlights:
  - Renovation of existing Endeavour Room
  - 4 additional inner-sanctum, taking the number of offer to 7
  - Additional premium food and beverage offerings
- Bulk of renovation to be completed by June 2007



Wagering – strong Victorian revenue turnaround



Wagering Victoria – successful product launches

- Flexi-betting and First 4 "exotic" bet types and new Internet betting system introduced as part of Wagering Migration in Sept 06
- Plays to Tabcorp leadership in product innovation
  - Flexi more than 40% of First 4, Trifecta and Quaddie
  - First 4 at more than 4% market share
  - Win/place pools continue to grow
  - Internet betting up 65%
- Underwritten by best Spring Racing Carnival ever
  - Quality racing product
  - Improved marketing and distribution performance
  - Greater focus on customers

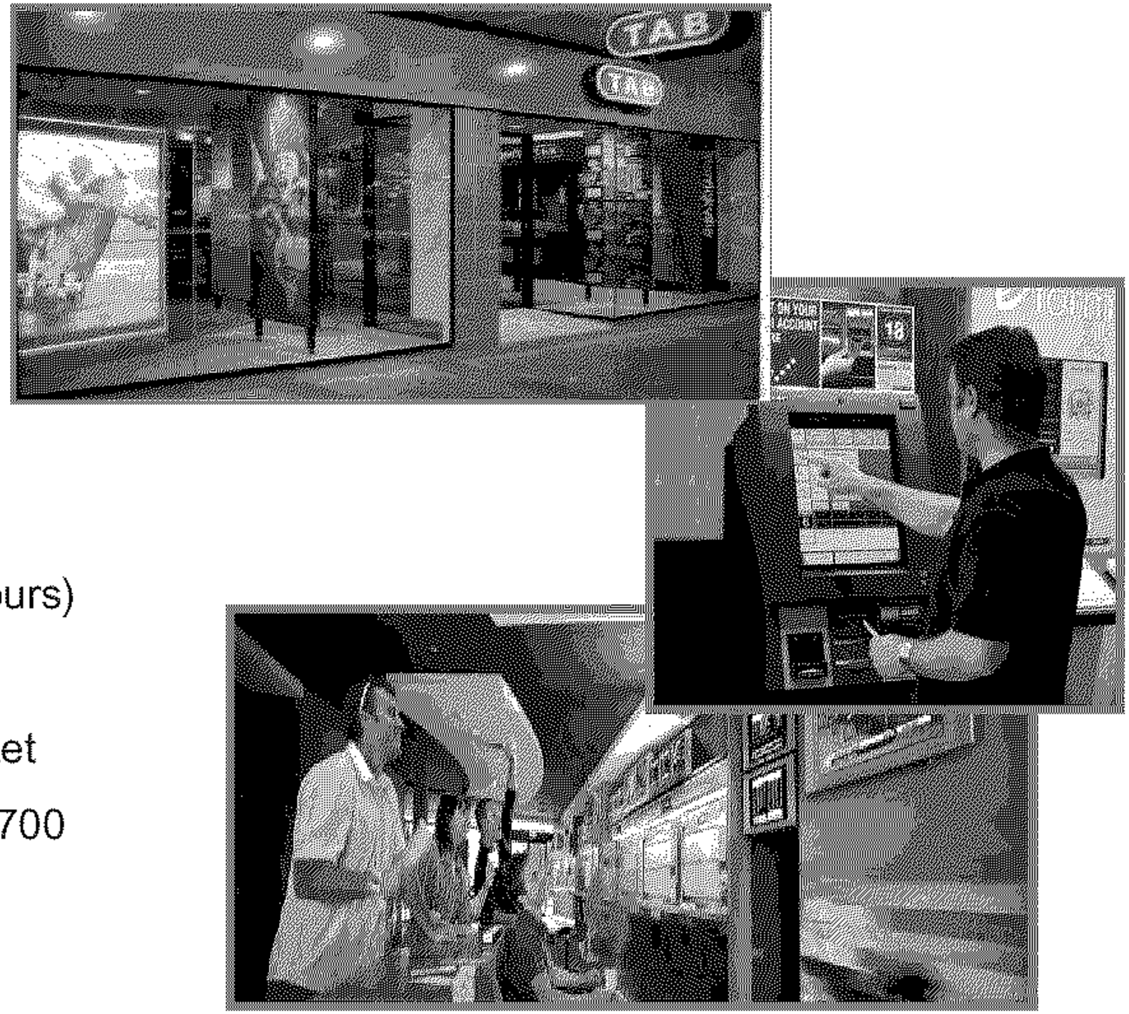
Products sales since launch vs pcp (Sep 06 to Dec 06)	
FLEXI BETTING	New bet type reached sales figures of $174.8m, contributing to overall growth of 6.9%
First 4 and Trifecta	↑ $59.9m or 22.1%
QUADDIE	↑ $8.8m or 10.3%

Tab integration synergy update

- Telephone betting call centres consolidated
- Common bet types implemented
- Wagering IT systems consolidation completed
- Net synergies for FY 2006/07 reduced to $29.1m due to higher implementation costs
- Synergy target $34.9m – remains unchanged
- NSW retail outlet conversion targeted for completion by July 2007
- Integration project to be closed following retail outlet conversion

NSW retail revitalisation

- Current growth in NSW is lagging
  - Racing product performance
  - Retail network quality
- A $50 million investment in
  - New agencies and upgrades
  - Self-Service technology
- Venues
  - Standards (eg facilities, opening hours)
  - New incentive program
  - Footprint optimisation in each market
  - Reduction from 2,150 to approx. 1,700 outlets
- Input from AHA (NSW) and Clubs NSW



TVN update

- Heads of Agreement and Term Sheet signed May 2006
  - Interim arrangements implemented
- ACCC declined to give clearance for proposed long term arrangements
- MoU entered February 2007 containing extended interim arrangements to February 2008
  - Long term arrangements subject to ACCC authorisation on public benefits grounds, which could take up to six months
- Sky discount to pubs and clubs removed from February 2007
- No material variation in financial impact as a result of the changes[1]

Notes:
1 Refer Appendix 7 for full financial impact of TVN deal

Gaming

- Operating revenue up 1.6%
  - Victorian gaming up 2.8%, up 4.1% in 2 Qtr 07
  - Keno down 7.7% (down 0.3% when adjusted for hold rate variance)
- Distribution footprint strengthened with
  - 1 new venue
  - 7 Top-ups (67 EGMs)
  - 26 Venue improvements (refurbishments)
  - Re-opening of Club Kilsyth (100 EGMs)
- New R&R membership program launched with 120 venues on line and 180,000 members in the program as at 31 Dec 06
- Preparations for whole of venue smoking solutions progressing

Victorian Gaming Performance

	31 Dec 06	Change to PCP
Revenue	494.7	2.8%
Market share	51.2%	0.7%
EGMs at period end	13,725	0.8%
Total venues	266	2
Venues upgraded for smoking solutions:		
- as at 31 Dec 06	40%	n/a
- projected for 30 Jun 07	94%	n/a
NMR/EGM ($, daily average)	263	2.9%

Major Efficiency Programs

$m P&L impact in period

Initiative	1H 07[2]	2H 07	FY 08	FY 09
Shared Services				
• Expected benefits	0	0	4	9
• Implementation costs[1]	(15)	(2)	(3)	(1)
Streamlining and Devolution of Technical Services and Corporate				
• Expected benefits	0	4	12	12
• Implementation costs	(16)	(1)	(1)	0
Total				
• Expected benefits	0	4	16	21
• Implementation costs	(31)	(3)	(4)	(1)
Total	**(31)**	**1**	**12**	**20**

- Shared services to be located in Melbourne and brings together finance, payroll, procurement and HR functions across the Group

- Devolution of Technical Services and Corporate functions to Casinos and Australian Business reflects strategy of ensuring stronger ownership and accountability at operating level

Notes:

1 *Shared Services implementation costs include depreciation expense of $1.0m per annum from FY08 on $6.0m capital expenditure*

2 *Implementation costs in 1H07 treated as non-recurring items. Refer appendix 1.*

Additional efficiency projects

Initiative	Nature of the Opportunity	Status
Tech Services Optimisation	• Simplification of infrastructure and applications to drive dramatically lower opex and capex • Evaluation of outsourcing options	• Design work underway • RFP in March
Procurement	• Tabcorp purchases $400m of goods and services • New organisation model and unified finance platform allow full review of all categories	• Being scoped
Casino Operations Effectiveness	• Successful achievement of productivity gains following integration – now continuous improvement • Cross-property review reveals productivity differential across most job categories / functions - continue to lift the bar	• Being scoped
Australian Business Operations Effectiveness	• End of integration activities creates opportunity to optimise operations across the division including - Process redesign - Organisational simplification - Cross-business synergies	• Being scoped

Financial performance

Financial performance

$m	Actual 6 months to 31 Dec 06[1]	Change on pcp	Normalised 6 months to 31 Dec 06[1,2]	Change on pcp
Net operating revenue	1,969.5	2.3%	1,991.9	3.7%
Other revenue[3]	20.0	(2.5%)	20.0	(2.5%)
Taxes on gambling	(536.1)	2.4%	(538.4)	3.0%
Operating commissions	(227.0)	3.2%	(227.0)	3.2%
Racing industry fees	(200.2)	6.6%	(200.2)	6.6%
Other operating expenses	(508.1)	11.3%	(508.1)	11.3%
Depreciation & amortisation	(72.1)	1.8%	(72.0)	1.7%
EBIT	**446.0**	(8.5%)	**466.1**	(3.6%)
Net interest expense	(80.4)	1.7%	(80.4)	1.7%
Income tax expense	(109.7)	(12.2%)	(115.8)	(6.5%)
PAT & OEI before non-recurring items	**256.2**	(9.6%)	**270.3**	(3.6%)
Non-recurring items net of tax	(32.0)	(<100%)	(32.0)	(<100%)
PAT & OEI	**224.1**	(21.5%)	**238.2**	(15.8%)
EBIT/Net operating revenue (%)	22.6	(2.7)	23.4	(1.8)
Net interest cover (x)	5.6	(0.6)	5.8	(0.3)

Notes:

1 *Excludes non-recurring items which are seperately disclosed in Appendix 1*

2 *Normalised results exclude the impact of above/below theoretical win rates in the IRB in the Casinos division*

3 *Excludes interest income and includes net gain/loss on the sale of non-current assets*

Financial performance key ratios

	Actual		Normalised	
	6 months to 31 Dec 06[1]	Change on pcp	6 months to 31 Dec 06[1,2]	Change on pcp
Net profit after tax ($m)				
- Before non-recurring items	256.2	(9.6%)	270.3	(3.6%)
- After non-recurring items	224.1	(21.5%)	238.3	(15.8%)
Earnings per share (cents)				
- Before non-recurring items	**48.8**	(9.6%)	**51.5**	(3.6%)
- After non-recurring items	42.7	(21.5%)	45.4	(15.8%)
Dividends per share (cents)[3]	**47.0**	6.8%	**47.0**	6.8%
Capital expenditure[4] ($M)	91.0	(2.4%)	91.0	(2.4%)
Gross debt / EBITDA[1] (x)	2.3	(6.8%)	2.2	(2.1%)
Net debt / Equity (%)	64.2%	1.6%	64.2%	1.6%
ROE [1]%	**15.0%**	(1.7%)	**15.8%**	(1.3%)

Notes:
1 *Excludes non-recurring items which are seperately disclosed in Appendix 1*
2 *Normalised results exclude the impact of above/below theoretical win rates in the IRB in the Casinos division*
3 *Fully franked*
4 *Represents 6 months' capital expenditure for the periods ended 31 December 2006 and 2005, refer Appendix 8*

Balance sheet

$m	As at 31 Dec 06	As at 30 Jun 06[1]	Change on pcp
Current assets	284.6	278.6	2.2%
Licences / management agreements	1,225.5	1,230.1	(0.4%)
Goodwill / other intangibles	3,684.4	3,676.5	0.2%
Property, plant & equipment	1,448.2	1,442.3	0.4%
Other non current assets	55.5	44.4	25.1%
Total assets	**6,698.2**	**6,672.0**	**0.4%**
Total liabilities	3,304.5	3,309.0	(0.1%)
Shareholders' funds	**3,393.7**	**3,363.0**	**0.9%**
Net debt	2,177.5	2,213.0	(1.6%)
Shares on issue (millions)	524.9	524.9	

Notes:

1 Refer Appendix 5. Reconciliation of 2005/06 comparatives - balance sheet for reconciliation with comparatives reported

Australian Business – financial data

$m	Actual 6 months to 31 Dec 06[1]	6 months to 31 Dec 05[1,3]	Change on pcp
Operating revenue[2]	1,326.4	1,267.6	4.6%
Other revenue	17.1	16.6	2.9%
Revenue from ordinary activities	**1,343.5**	**1,284.3**	**4.6%**
R.I., taxes & op. commissions	(844.7)	(812.1)	4.0%
Other operating expenses	(183.3)	(153.2)	19.7%
Depreciation & amortisation	(35.3)	(35.4)	(0.3%)
EBIT	**280.2**	**283.6**	**(1.2%)**
EBIT/Net operating revenue (%)	*21.1*	*22.4*	(1.3)

Notes:

1 *Excludes non-recurring items which are separately disclosed in Appendix 1*

2 *Victorian revenue and expenses is net of 25% allocation to JV partner. NSW represents 100% of revenue and expenses with an incentive fee equivalent to 25% of profits included in R.I., taxes and op. commissions*

3 *See segment of Australian Business separately disclosed in Appendix 3*

Australian Business – revenue by product

$m	NSW 1H 07[1]	Change on pcp	Vic 1H 07[1]	Change on pcp	Total 1H 07	Change on pcp
Net operating revenue						
Wagering & Media						
Thoroughbred	288.7	2.9%	178.8	9.6%	467.5	5.4%
Harness	53.2	1.8%	37.1	10.4%	90.3	5.1%
Greyhound	69.5	0.7%	40.9	11.6%	110.5	4.5%
Racing	411.5	2.4%	256.8	10.0%	668.3	5.2%
Trackside[2]			10.0	8.6%	10.8	3.3%
Sportsbetting	28.5	61.1%	11.2	57.7%	39.7	60.1%
Media					43.0	3.6%
Other					14.7	0.9%
Total Wagering	440.0	4.9%	278.0	11.4%	776.5	6.9%
Gaming						
Victorian gaming					494.7	2.8%
Keno					55.2	(7.6%)
Total Gaming					549.9	1.6%
Australian Business Operating Revenue					1,326.4	4.6%

Notes:

1 *Excludes non-recurring items which are seperately disclosed in Appendix 1*

2 *Trackside total revenue of $10.8m includes $0.8m of Trackside International product sales*

Wagering and Gaming - financial data

$m	Wagering Actual 6 months to 31 Dec 06[1]	Wagering Change on pcp	Gaming Actual 6 months to 31 Dec 06[1]	Gaming Change on pcp
Operating revenue[2]	776.5	6.9%	549.9	1.6%
Other revenue	6.3	(4.3%)	10.9	7.6%
Revenue from ordinary activities	**782.8**	**6.8%**	**560.8**	**1.7%**
R.I., taxes & op. commissions	(467.7)	5.4%	(377.0)	2.3%
Other operating expenses	(147.2)	24.4%	(36.1)	3.6%
Depreciation & amortisation	(24.2)	1.4%	(11.1)	(3.9%)
EBIT	**143.6**	**(2.5%)**	**136.5**	**0.2%**
EBIT/Net operating revenue (%)	*18.5*	(1.3)	*24.8*	(0.4)

Notes:

1 *Excludes non-recurring items which are separately disclosed in Appendix 1*

2 *Victorian revenue and expenses is net of 25% allocation to JV partner. NSW represents 100% of revenue and expenses with an incentive fee equivalent to 25% of profits included in R.I., taxes and op. commissions*

Casinos – financial data

$m	Actual 6 months to 31 Dec 06[1]	Change on pcp	Normalised 6 months to 31 Dec 06[1,2]	Change on pcp
Revenue from ordinary activities	646.9	(2.5%)	669.3	1.5%
Taxes & operator commissions	(120.7)	(2.2%)	(123.0)	0.1%
Other operating expenses	(320.9)	8.8%	(320.9)	8.8%
Depreciation & amortisation	(36.1)	0.1%	(36.1)	0.1%
EBIT	**169.2**	(19.1%)	**189.3**	(7.8%)
EBIT/Net operating revenue (%)	*26.3*	*(5.4)*	*28.4*	*(2.9)*

Notes:

1 Excludes non-recurring items which are separately disclosed in Appendix 1

2 Normalised results exclude the impact of above/below theoretical win rates in the IRB in the Casinos division

Casinos – revenue by product

$m	Actual 6 months to 31 Dec 06	Actual 6 months to 31 Dec 05	Change on pcp
Net operating revenue			
Table games			
Gross rebate play at theoretical	67.1	18.0	>100%
Rebate	(38.1)	(9.2)	>100%
Above/below theoretical	(22.4)	4.5	(<100%)
Net rebate tables	6.6	13.3	(50.6%)
Non rebate tables	275.9	276.8	(0.3%)
Total tables	282.5	290.1	(2.6%)
EGMs & other	242.7	255.4	(5.0%)
Total gaming	525.2	545.4	(3.7%)
Accomodation (inc parking)	39.6	37.2	6.6%
Food & beverage and other	79.3	77.4	2.5%
Total operating revenue	**644.1**	**660.0**	**(2.4%)**
Total operating revenue at theo	*666.5*	*655.5*	*1.7%*
Other revenue	2.8	3.8	(26.4%)
Revenue from ordinary activities	**646.9**	**663.8**	**(2.5%)**
Revenue (at theoretical)	669.3	659.3	1.5%
Overall win/table/day ($) (ex rebate)	*4,044*	*4,082*	*(0.9%)*
NMR/EGM/day ($)	*287*	*303*	*(5.1%)*
Hotel occupancy (%)	*79.4*	*76.8*	*3.4%*

International – financial data

$m	Actual 6 months to 31 Dec 06[1]	6 months to 31 Dec 05[1]	Change on pcp
Revenue from ordinary activities	1.2	0.8	45.3%
Other operating expenses	(3.5)	(6.1)	(42.1%)
Depreciation & amortisation	(0.4)	(0.2)	68.8%
EBIT	**(2.7)**	**(5.5)**	**(50.7%)**

Notes:

1. *Excludes non-recurring items which are separately disclosed in Appendix 1*

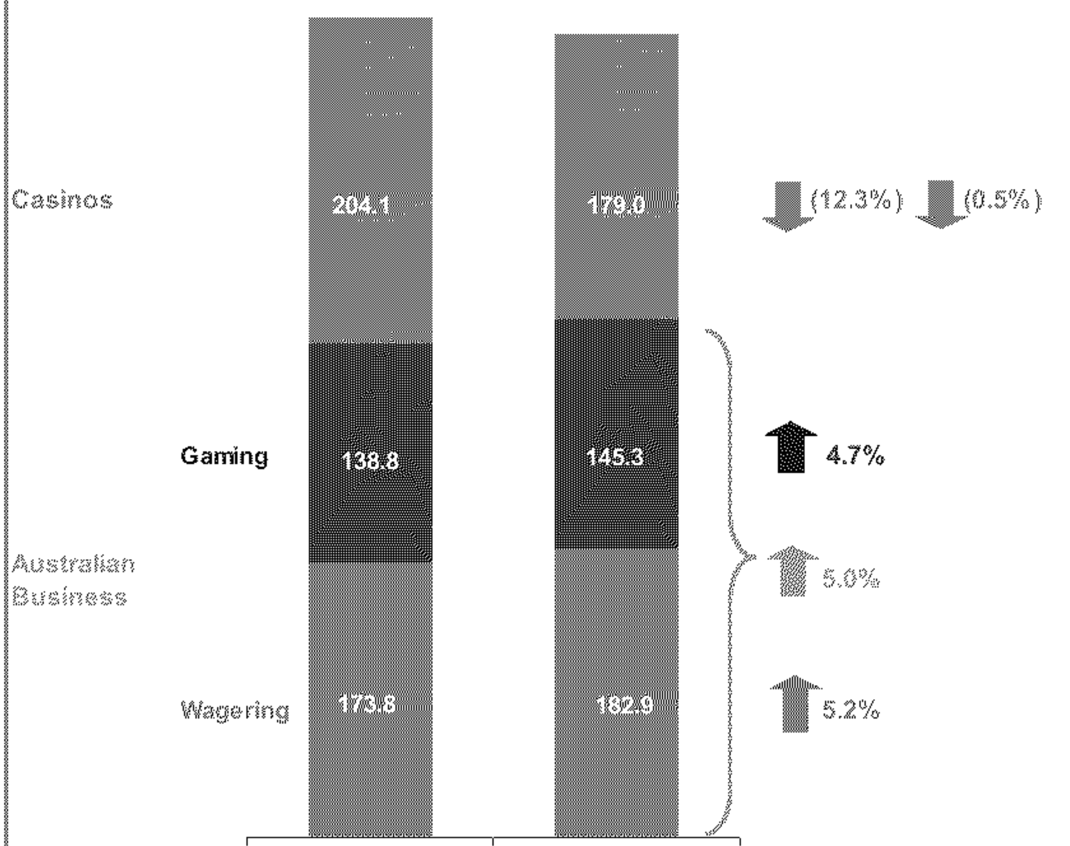
Progress on China

- Pilot completed
  - About 300 terminals installed across 28 provinces
  - Terminal performance sufficient to justify further roll out
- Strong China team largely built up in Beijing
- Rollout of next 1,800 terminals underway
  - Produced in China to TAH specifications
  - Focus on building critical mass in 3 provinces to optimise performance and establish infrastructure requirements
  - Research based venue selection to include cafes, bars, Karaoke halls
  - Rollout commences March (approximately 4 months duration)
- Provided terminal performance above threshold, significant ramp-up of roll-out program planned
- Financial impact for FY 07 and FY 08 not material

Revenue update and focus for H2 2007

Revenue Update

Net Revenue[1] ($M)	Actual			Normalised
	2005/06	2006/07		
Group	516.7	507.3	(1.8%)	3.0%



[1] Represents the period from 1st Jan to 17th Feb

Focus Going Forward

- For the next 18 months – 2 years, the focus will be on improving the performance of the existing businesses
  - Great set of assets with fantastic cash flows – but not at optimum performance
  - Performance will be driven through continued investment in our businesses and by reducing cost
- M&A and international expansion are off the agenda
- License renegotiations are a key focus – however Victorian timeline looks slower
- Balance sheet optimisation and capital management are under active consideration

Appendices

Appendix contents page

1. Non-recurring items

$m	Wagering	Gaming	Casino	Int'nal	Unalloc	Total
6 months to 31 December 2006						
Restructure/integration costs[1]	(20.3)	(9.6)	(12.6)	(0.0)	(0.1)	(42.6)
UniTAB bid cost[2]	(0.5)	(0.5)	(0.6)	0.0	(0.2)	(1.9)
Split picture resolution - implementation costs[3]	(1.3)	-	-	-	-	(1.3)
Total pre-tax	(22.1)	(10.1)	(13.2)	(0.0)	(0.3)	(45.7)
Tax effect	(6.6)	(3.0)	(3.9)	0.1	(0.1)	(13.7)
Total post-tax	**(15.5)**	**(7.1)**	**(9.2)**	**(0.0)**	**(0.2)**	**(32.0)**
6 months to 31 December 2005						
Total pre-tax	(65.5)	(0.2)	2.8	(3.3)	(0.4)	(66.6)
Tax impact	(1.8)	(0.1)	1.5	0.6	(69.2)	(68.9)
Total post-tax	**(63.8)**	**(0.1)**	**1.3**	**(3.9)**	**68.8**	**2.4**

Notes

1 *Includes restructuring costs for implementation of shared services centres ($15.0m), streamlining of Corporate and Technical Services functions ($16.1m), Tab integration costs ($6.0m) and Project Align ($5.5m)*

2. *Costs associated with the proposed takeover of UniTAB - Tabcorp announced its withdrawal on 17 August 2006*

3. *Costs in relation to revised agreement (refer Appendix 7. Wagering - TVN) and ACCC processes*

2. Cashflow

$m	Actual 6 months to 31 Dec 06	6 months to 31 Dec 05	Change on pcp
Net operating flows	501.5	550.6	(8.9%)
Net interest payments	(78.6)	(77.8)	1.0%
Income tax paid	(117.6)	(100.9)	16.6%
Payments for PP&E	(85.7)	(93.2)	(8.0%)
Net operating cash flows	**219.6**	**278.7**	**(21.2%)**
Sale of assets / businesses	0.7	23.0	(97.0%)
Dividends paid	(236.2)	(215.2)	9.8%
Others	5.2	21.4	(75.7%)
Opening debt	2,213.0	2,324.2	(4.8%)
Non cash movements	46.2	1.3	n/a
Net debt at end of period	**2,177.5**	**2,215.0**	**(1.7%)**
Operating cash flow per share (cents)	*41.8*	*53.1*	*(21.2%)*

3. Reconciliation of prior period segment results

$m Half Year ended 31 Dec 2005	Wagering (previous)	International Product	Media	Eliminations	Wagering
Operating revenue	683.7	3.0	56.9	(17.1)	726.5
Other revenue	6.6	-	(0.1)		6.5
Revenue from ordinary activities	**690.4**	**3.0**	**56.8**	**(17.1)**	**733.1**
R.I., taxes & op. commissions	(441.2)	0.0	(2.4)		(443.6)
Other operating expenses	(105.0)	(0.2)	(30.6)	17.1	(118.3)
Depreciation & amortisation	(21.4)	-	(2.4)		(23.9)
EBIT	**122.8**	**2.9**	**21.3**	**-**	**147.3**
	Gaming (previous)	Keno International			**Gaming**
Operating revenue	540.8	0.3			541.1
Other revenue	10.1	-			10.1
Revenue from ordinary activities	**550.9**	**0.3**			**551.2**
R.I., taxes & op. commissions	(368.5)	0.0			(368.5)
Other operating expenses	(34.7)	(0.2)			(34.8)
Depreciation & amortisation	(11.6)	-			(11.6)
EBIT	**136.2**	**0.1**			**136.3**
	International (previous)	International Trf. to W & G			**International**
Operating revenue	4.1	(3.3)			0.8
Other revenue	0.0	-			0.0
Revenue from ordinary activities	**4.1**	**(3.3)**			**0.8**
R.I., taxes & op. commissions	(0.0)	(0.0)			(0.0)
Other operating expenses	(6.5)	0.4			(6.1)
Depreciation & amortisation	(0.2)	-			(0.2)
EBIT	**(2.6)**	**(2.9)**			**(5.5)**

Notes:

1 *Excludes non-recurring items which are separately disclosed in Appendix 1*

2 *Victorian revenue and expenses is net of 25% allocation to JV partner. NSW represents 100% of revenue and expenses with an incentive fee equivalent to 25% of profits included in R.I., taxes and op. commissions*

4. Reconciliation of 2005/06 comparatives - profit and loss

$m	Normalised 1H 06 as reported[1,2]	Revised tax consolidations benefit[4]	Adoption of 1.35% win rate[5]	Normalised 1H 06 restated[1,2]
Net revenue from ordinary activities[3]	1,940.4		1.1	1,941.4
Total operating expenses	(1,458.1)			(1,458.1)
EBIT	482.3		1.1	**483.3**
Net interest expense	(79.0)			(79.0)
Income tax expense	(123.5)		(0.3)	(123.9)
PAT & OEI before non-recurring items	279.7		0.8	**280.4**
Non-recurring items net of tax	9.2	(6.8)		2.4
PAT & OEI	288.9	6.8	0.8	**282.8**

Notes:

1 *Excludes non-recurring items which are seperately disclosed in Appendix 1*

2 *Normalised results exclude the impact of above/below theoretical win rates in the IRB in the Casinos division*

3 *Excludes interest income and excludes gain/loss and the written down values from the sale of non-current assets*

4 *At Dec 05 a $75.9m credit to income tax expense was recognised as a result of Tab Limited joining the Tabcorp tax consolidation group. This was disclosed as a non-recurring item. The reported gain was reduced following definitive guidance on recognition of deferred tax liabilities in respect of finite life intangible assets acquired in business combinations as part of the transition to AIFRS (refer "Deferred tax liabilities on prior business combinations" in the 2006 Full Year Results presentation). The final amount recognised for 30 June 2006 was a credit of $70.7m (refer "Non-recurring items" in 2006 Full Year Results presentation).*

5 *1.35% theoretical win rate adopted at June 2006 (refer "Casinos - adoption of 1.35% theoretical win rate" in 2006 Full Year Results presentation). December 2005 was reported based on previous theoretical win rate of 1.265%.*

5. Reconciliation of 2005/06 comparatives – balance sheet

$m	Balance Sheet 1H 06 as reported[1]	Software CIP Reallocation[2]	Deferred Tax Asset Reallocation[3]	**Balance Sheet at 1H 06 restated**
Current assets	278.6			278.6
Licences / management agreements	1,230.1			1,230.1
Goodwill / other intangibles	3,611.4	65.1		3,676.5
Property, plant & equipment	1,507.4	(65.1)		1,442.3
Other non current assets	127.7		(83.3)	44.4
Total assets	6,755.3	-	(83.3)	**6,672.0**
Total liabilities	3,392.4		(83.3)	3,309.0
Shareholders' funds	3,363.0		-	**3,363.0**

Notes:

1 *As reported in June 2006 financials*

2 *Reclassification to reflect the allocation of capital works in progress, previously held in PP&E, to the intangibles category.*

3 *Reclassification of deferred tax assets from current assets to current liabilities in order to shownet deferred tax liabilities as per the guidance in AASB112 Income Taxes para 75.*

6. Casinos revenue by state

$m		Actual 6 months to 31 Dec 06[1]	Actual 6 months to 31 Dec 05[1]	Change on pcp
NSW				
Gross rebate play at theoretical		58.0	-	>100%
	Rebate	(33.3)	-	>100%
	Above/below theoretical	(16.2)	-	>100%
Net rebate play		8.5	-	>100%
Table games	PGR	56.5	66.2	(14.6%)
	MGF	131.7	127.2	3.5%
EGMs & other gaming		106.8	107.1	(0.2%)
Non-gaming		49.1	48.1	2.1%
Total NSW		**352.6**	**348.5**	**1.2%**
QLD				
Gross rebate play at theoretical		9.1	18.0	(49.4%)
	Rebate	(4.8)	(9.2)	(47.9%)
	Above/below theoretical	(6.2)	4.5	(<100%)
Net rebate play		(1.9)	13.3	(<100%)
Table games	PGR	29.9	29.2	2.1%
	MGF	57.9	54.2	6.8%
EGMs & other gaming		135.9	148.3	(8.3%)
Non-gaming		69.8	66.5	5.0%
Total QLD Casinos		**291.6**	**311.5**	**(6.4%)**
Total Casinos Operating Revenue		**644.1**	**660.0**	**(2.4%)**

Notes:

1 Excludes non-recurring items which are separately disclosed in Appendix 1

7. Wagering – Revised TVN Agreement Feb 07

Announced	May 06	May 06	Feb 07	Feb 07
Interim / Final	Proposed Long Term	Interim	Interim	Proposed Long Term
Period / ACCC	*Not approved*	May 06 to Jan 07	Feb 07 to Jan 08 [2]	*Subject to approval*
	$m / year	$m / year	$m / year	$m / year
Broadcast Rights to TVN	(22.0)	(19.5)	(30.0)	
Contribution to TVN Production Costs	(3.5)			
Subsidy for additional Free to Air coverage	(1.5)	(1.5)		
Removal SKY subscriber discounts	17.0	8.5	17.0	TBC
Reduction in vision fees costs to Wagering	5.0	5.0	5.0	
Increased EBIT from consolidated picture [1]	11.0	11.0	11.0	
Net EBIT growth for Tabcorp	**6.0**	**3.5**	**3.0**	

Notes:

1 - *Estimate based on 2% revenue increase in Victoria and 4% in NSW, per June 2006 Full Year Results Presentation*

2 - *Interim arrangements until 31 January 2008 or ACCC authorisation, whichever is earlier.*

8. Capital expenditure

$m	Actual 6 months to 31 Dec 06	6 months to 31 Dec 05	Change on pcp
Australian Business	39.2	54.5	(28.0)%
Casinos	33.4	23.2	43.8%
International	5.3	1.0	>100%
Corporate	13.1	14.5	(9.4)%
Total	91.0	93.2	(2.4)%

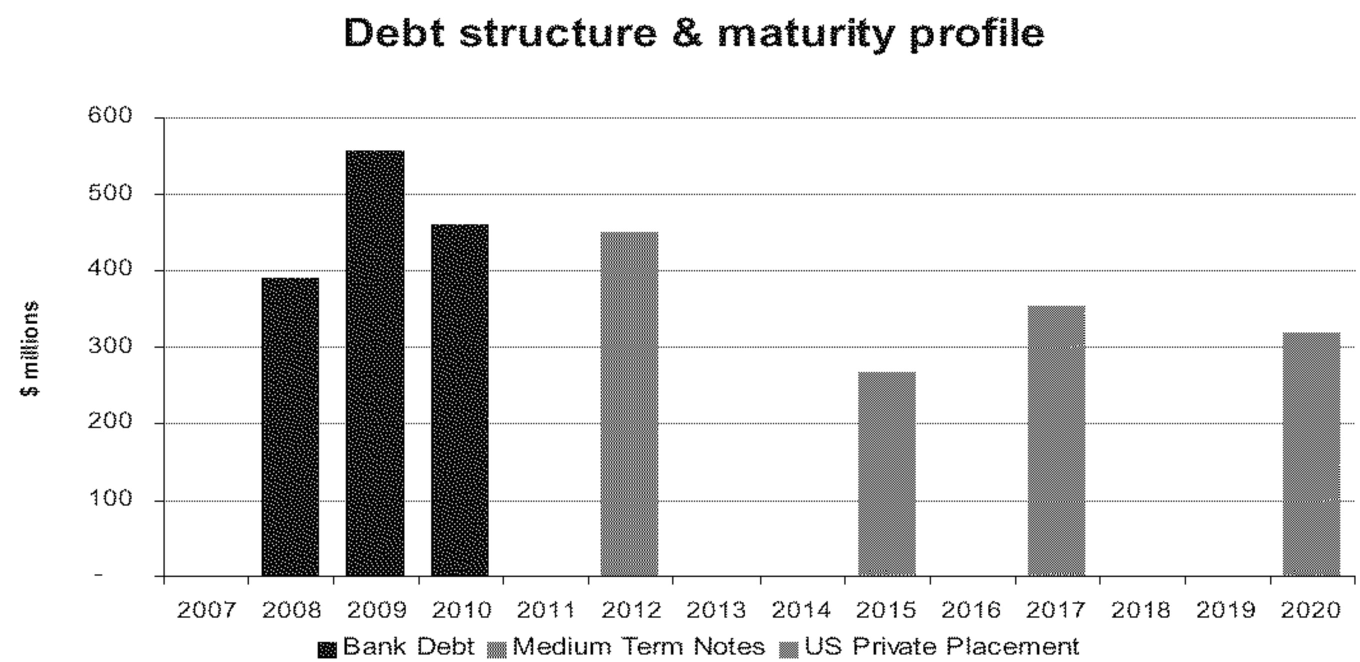
Major 2006/07 projects			
Casinos Gold Coast refurbishment	16.0		
Wagering migration project	10.8		
Corporate Oracle implementation	9.3		
Other	54.9		
Total	91.0	93.2	-2.4%

9. Net interest expense – discounting on provisions

- Tabcorp acquired Jupiters Limited in November 2003
- A provision of $115.9m was made for the management agreements for the Brisbane and Gold Coast casinos being the present value of the liability acquired
- The management agreements terminate in April 2010 and the nominal amount of the liability was $149.7m
- The increase in the provision due to the passage of time is recognised as a finance cost (discounting on provisions expense)
- The table below sets out the impact on finance costs through to 2010 assuming the management agreements remain in place until that time

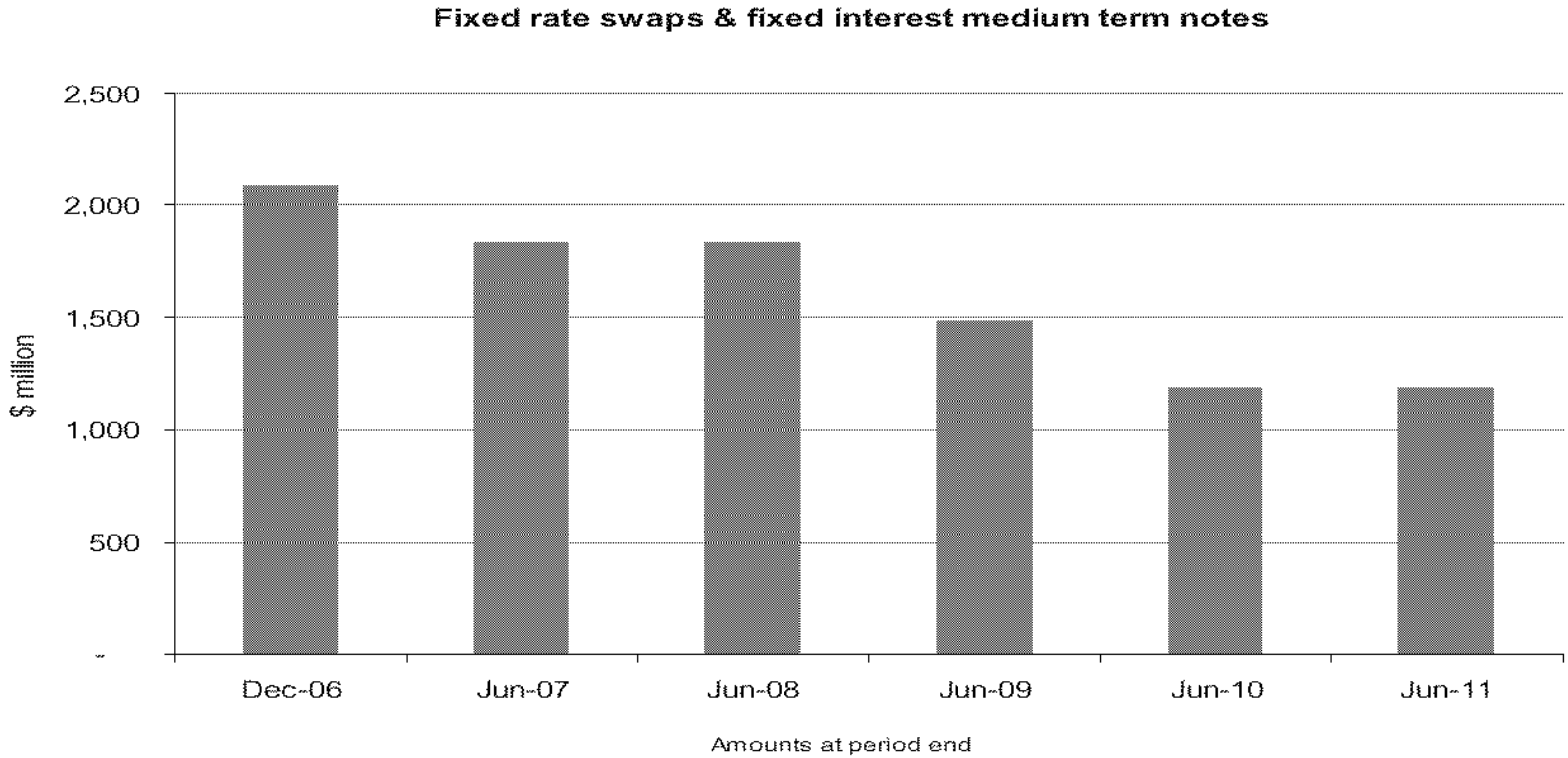
Financial Year	2004	2005	2006	2007	2008	2009	2010	Total
$m								
Net interest expense	-	2.0	3.6	5.2	6.8	8.4	7.7	33.8

10. Tabcorp Group – debt key features



- Average debt maturity is 5.3 years at 31 December 2006
- Average interest rate on gross debt, including interest rate swaps, is currently 6.7%

11. Tabcorp Group – debt key features



- 84.8% gross debt at fixed interest rates at 31 December 2006
- Average cost of fixed rate swaps and fixed interest medium term notes is 5.7% excluding the borrowing margin on medium term notes

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TAB

TABARET

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CONRAD TREASURY

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