



2008

**Tabcorp Holdings Ltd
Annual General Meeting**

Thursday 23 October 2008



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Annual General Meeting**

**John Story
Chairman**

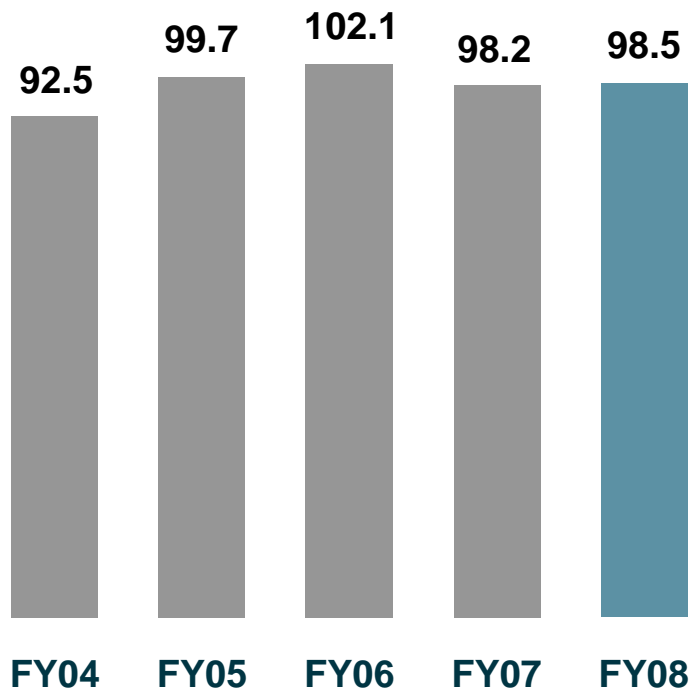
Thursday 23 October 2008

2008 review

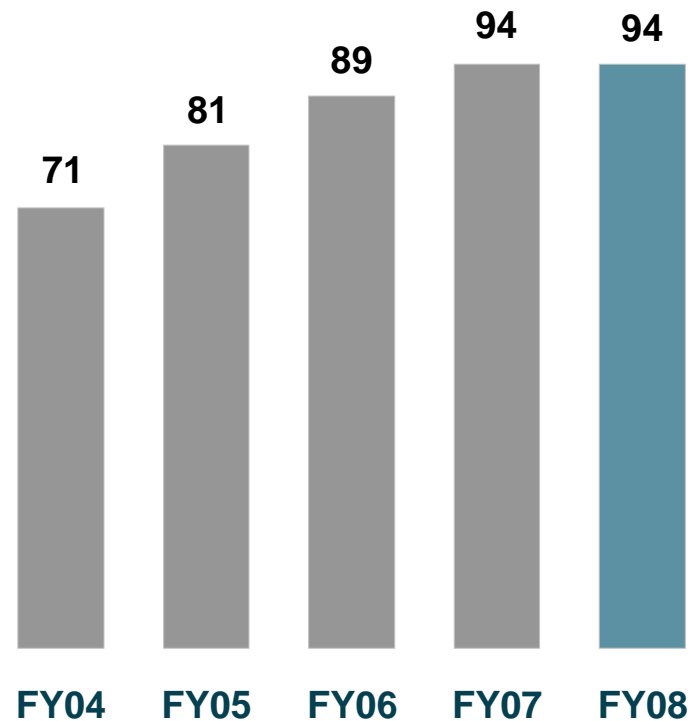
- NPAT of \$516.9 million (normalised and before non-recurring items)
 - In line with guidance
 - Mitigated impact of Equine Influenza
- Three significant balance sheet adjustments:
 - Charge against value of Victorian Wagering and Gaming licences
 - Impairment of Wagering goodwill
 - Write off redundant Star City assets
- Reported net loss of \$164.6 million
- Maintained annual dividend at 94 cents, fully franked

Dividend maintained

EPS, normalised and pre NRI



Dividends per share



Victorian Government announcement April 2008

- New gambling industry structure in Victoria from 2012
- Gaming structure to move from two operator model to venue model
- Government formed view that Tabcorp is not entitled to licence refund
- Tabcorp intends to pursue its rights
- Licence value to be fully written down by 2012, providing upside if a payment can be secured

Contributions to industry and community

- Income generated for racing industry:
 - \$300.3 million for Victoria
 - \$214.0 million for New South Wales
- Gambling taxes \$1.3 billion
- Contributed \$89.0 million to state community benefit funds
- Additional \$2.0 million in other community support contributions



Expansion initiatives

Casinos



- Significant expansion and redevelopment of Star City
- \$475m investment, completion 2011

Wagering



- New Northern Territory bookmaking business
- Continued investment in existing tote business

Gaming



- Keno expansion into NSW hotels
- More than 2,700 venues by end 2009

Responsible gambling

- Tabcorp is committed to delivering its products responsibly
- Rated world leader by Dow Jones Sustainability Index





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**Elmer Funke Kupper
Managing Director and
Chief Executive Officer**

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2008 financial results

| \$m | Actual FY08 | Change on pcp | Normalised FY08 | Change on pcp |
|------------------------|----------------|------------------|--------------------|------------------|
| Operating revenue | 3,957.0 | 3.1% | 3,915.6 | 0.9% |
| Net operating expenses | (1,014.0) | 0.5% | (1,014.0) | 0.5% |
| NPAT | 542.9 | 11.4% | 516.9 | 0.3% |
| Victorian licence | (487.7) | | | |
| Wagering goodwill | (194.0) | | | |
| Star City expansion | (25.8) | | | |
| Reported NPAT | (164.6) | | | |

2008 highlights

Casinos

EBIT \$368.8m, ▼4.5%

- Smoking bans at Star City
- Tougher 2H trading conditions
- Positive win rates

Wagering

EBIT \$264.4m, ▲4.2%

- Strong performance despite Equine Influenza
- Solid Sportsbetting result
- Increased competition from Northern Territory bookmakers

Gaming

EBIT \$261.4m, ▼0.3%

- Revenues up 4.8% despite indoor smoking bans
- Continued market share growth
- EGM levy increase

2009 priorities

Continue to improve operational performance

Increase focus on service, competitive position and market share

Step up capital investment in our existing businesses

Prepare to respond to 2012 licence requirements in Victoria

Casinos: \$475 million Star City expansion



Wagering: Luxbet.com

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|--|---|--|
| BATHURST - RACE 5 2 min | ALBION PARK - RACE 1 6 min | YARRA VALLEY - RACE 5 19 min |
| BALLARAT - RACE 6 9 min | BULLI - RACE 2 13 min | YARRA VALLEY - RACE 6 59 min |
| STRATHALEYRN - RACE 6 16 min | ALBION PARK - RACE 2 27 min | YARRA VALLEY - RACE 7 99 min |
| CANTERBURY - RACE 6 24 min | BULLI - RACE 3 34 min | BATHURST - RACE 1 139 min |
| BELMONT - RACE 2 30 min | ALBION PARK - RACE 3 46 min | GEELONG - RACE 1 159 min |
| DOOMBEN - RACE 6 37 min | BULLI - RACE 4 53 min | BATHURST - RACE 2 169 min |
| BATHURST - RACE 6 42 min | ALBION PARK - RACE 4 67 min | REDCLIFFE - RACE 1 179 min |
| BALLARAT - RACE 7 49 min | BULLI - RACE 5 74 min | GEELONG - RACE 2 191 min |

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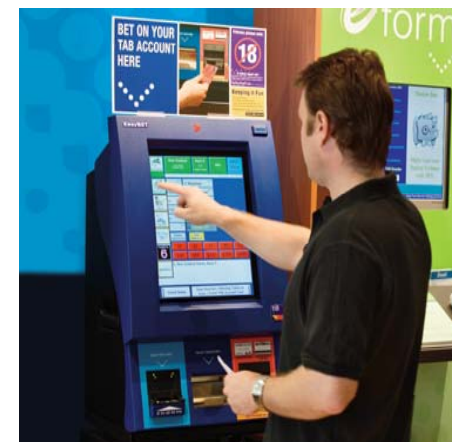
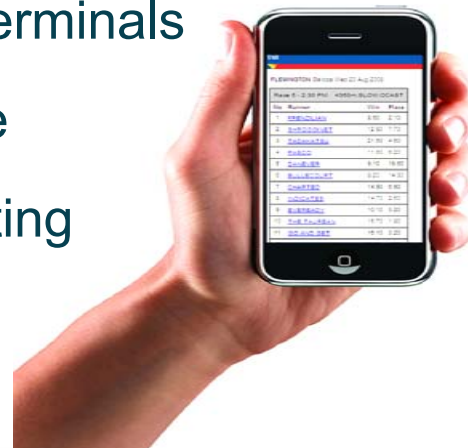
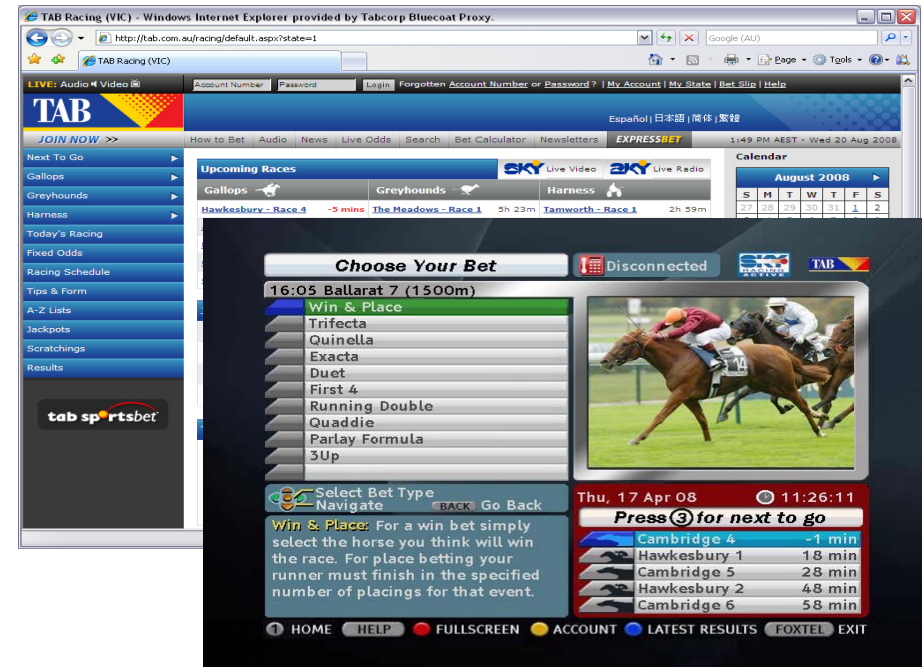
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BASEBALL

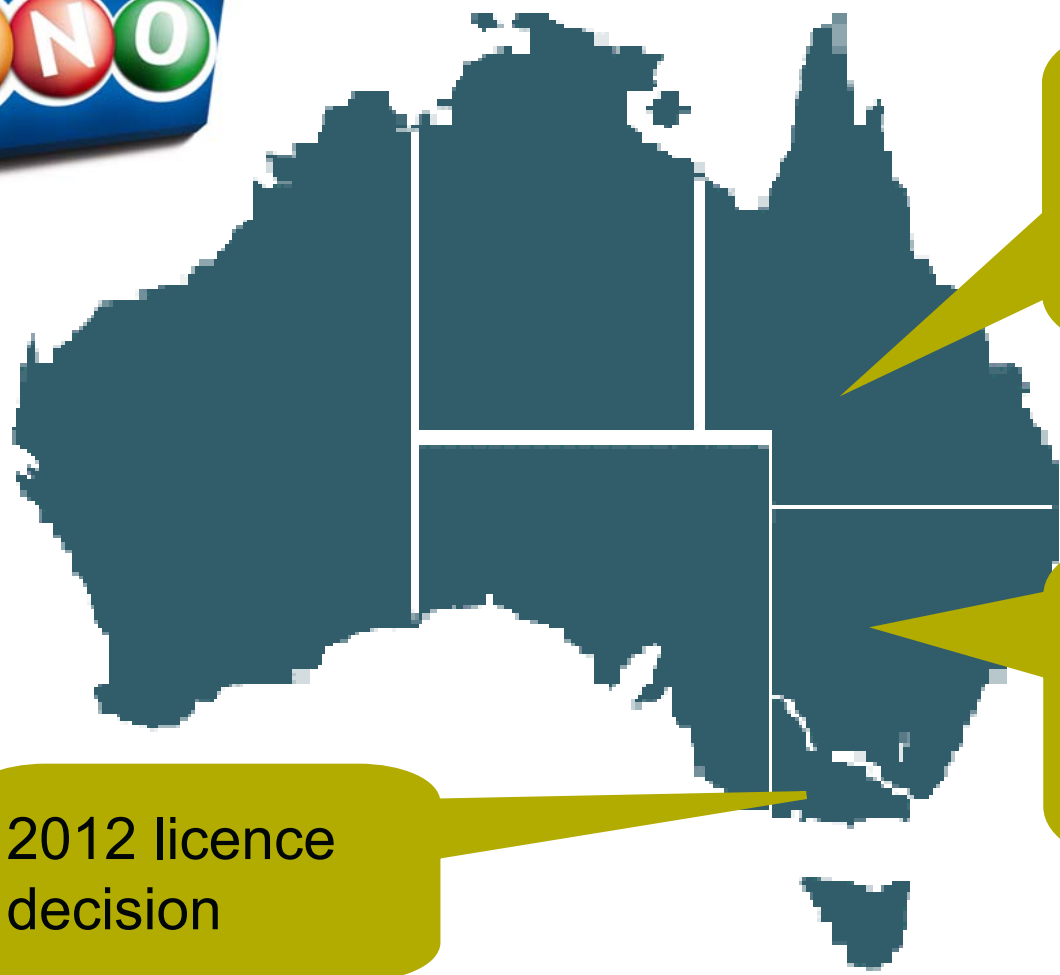
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Wagering: investment in totalisator business

- Critical for funding of racing industry
- First to market with new products and technology
- Focus on international racing and pooling
- Continued investment:
 - Completed 380 retail improvements
 - Ordered 1,600 self service terminals
 - Launched Sky Racing Active
 - Launched mobile phone betting



Gaming: Keno expansion



| | FY08 |
|-------------|-------|
| QLD | |
| Venues | 1,018 |
| Tickets (m) | 44.2 |

| | FY08 |
|-------------|-------|
| NSW | |
| Venues | 1,183 |
| Tickets (m) | 41.3 |

2012 licence decision

Trading update

- Well positioned to weather economic slowdown
- Strong operating cash flows and sound balance sheet
- First quarter revenues up 4.9%, variable contribution up 2.7%
- First half NPAT expected to be modestly ahead of previous year (after additional licence amortisation)





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