

19 May 2014

Kate Kidson  
Principal Adviser, Listings Compliance (Melbourne)  
ASX Compliance Pty Ltd  
Level 4, North Tower  
525 Collins Street  
Melbourne VIC 3000

By email

Dear Kate,

### Response to ASX Price Query



I refer to your letter of 16 May 2014 regarding recent trading in the securities of Tabcorp Holdings Limited (the *Entity* or *Tabcorp*). I respond to each of the questions in your letter as follows:

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Holdings Limited

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- 1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?**

No.

Tabcorp announced on 16 May 2014 that it had been advised of Racing Victoria Limited's new model and rates for race fields fees for wagering on Victorian thoroughbred racing which will apply from 1 July 2014.

Racing Victoria is the first major Australian racing industry body to decide and announce changes to its race fields fees which apply beyond the current financial year ending 30 June 2014.

Racing industry bodies in other Australian jurisdictions may also announce changes to their models and fees associated with their racing product.

**In responding to this question, please consider in particular whether the Entity is aware of any information that its earnings for the 12 month period ending on 30 June 2014:**

- a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or**
- b) if the Entity has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if the Entity is not covered by analysts, its earnings for the prior corresponding period)?**

The information disclosed above relates to Racing Victoria Limited's race fields fees which will apply from 1 July 2014, and therefore Tabcorp considers there will be no impact upon Tabcorp's earnings for the financial year ending on 30 June 2014.

In its announcement on 16 May 2014, Tabcorp noted, as an indication of the potential effect of the changes from 1 July 2014, the estimated FY14 NPAT impact if the new fees had applied to Tabcorp's turnover on Victorian thoroughbred racing during FY14 and in the absence of any mitigating strategies.

**2. If the answer to question 1 is "yes":**

**a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?**

**Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.**

**b) Can an announcement be made immediately?**

**Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).**

**c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?**

Not applicable.

**3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?**

At approximately 5:30pm on 14 May 2014 Racing Victoria sent an email addressed to "Undisclosed Recipients", which was received by Tabcorp, stating that the Racing Victoria Board will consider at its monthly meeting the following day the Race Fields Policy and fees and conditions to apply for the Approval Period commencing 1 July 2014, and that the Racing Victoria CEO would conduct a phone conference briefing for Wagering Operators on 16 May 2014 at 11:30am to advise of the decision.

Tabcorp is also aware of two analyst research reports released after the market closed on 14 May 2014, which referred to the potential for race fields fees being increased by racing industry bodies nationally, and in particular in NSW and Victoria. One of those reports noted the resulting change in the relevant analyst's recommendation in relation to Tabcorp shares from "Neutral" to "Sell". The other report downgraded its recommendation to "Hold" from "Buy".

The release of these reports and the email to "Undisclosed Recipients" referred to above from Racing Victoria may have contributed to heightened speculation about possible future changes to race fields fees and any associated impact on Tabcorp, and as a consequence may have contributed to trading in Tabcorp shares on 15 May 2014.

However, no decisions regarding race fields fees were announced by any major Australian racing industry body until 16 May 2014 when Racing Victoria announced changes to the race fields fees it will apply on Victorian

thoroughbred racing from 1 July 2014. (Racing Victoria's announcement, which had been scheduled for 11:30am on 16 May 2014 was subsequently rescheduled and made before the market opened on that day.)

As noted above, these changes were the subject of Tabcorp's announcement on 16 May 2014, made before the market opened, and that announcement may have also contributed to trading in Tabcorp's shares on that day.

**4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

We confirm that Tabcorp is in compliance with the Listing Rules, including Listing Rule 3.1.

Yours sincerely

  
Kerry Willcock  
Company Secretary



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16 May 2014

Michael Scott  
Company Secretary  
Tabcorp Holdings Limited

By email

Dear Michael,

**Tabcorp Holdings Limited (the "Entity"): ASX price query**

We have noted a change in the price of the Entity's securities from a high of \$3.78 on 14 May 2014 to a low of \$3.48 at the time of writing today. We have also noted an increase in the volume of trading in the Entity's securities over this period.

In the light of the price change and increase in volume, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

In responding to this question, please consider in particular whether the Entity is aware of any information that its earnings for the 12 month period ending on 30 June 2014:

- a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
  - b) if the Entity has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if the Entity is not covered by analysts, its earnings for the prior corresponding period)?
2. If the answer to question 1 is "yes":
    - a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.

- b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).

- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than 9.30 am on Monday, 19 May 2014. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail or by facsimile. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

## Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is “yes” and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity’s securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Kate Kidson

**Principal Adviser, Listings Compliance (Melbourne)**

