

2016

ANNUAL GENERAL MEETING

16

CHAIRMAN'S ADDRESS

AN ASX100 GAMBLING-LED ENTERTAINMENT COMPANY

- o Diversified across Wagering and Media, Gaming Services and Keno
- o Long-term licences in attractive markets
- o A unique multi-product, multi-channel business model



Tabcorp

ALMOST 70% OF TABCORP'S REVENUES ARE RETURNED TO RACING, VENUE PARTNERS AND THE WIDER COMMUNITY



THE HEARTBEAT OF RACING

THE LARGEST CONTRIBUTOR TO AUSTRALIAN RACING

- o Win-win partnerships with Australian racing
- o New campaign brings to life the stories of people within racing, including James Cummings



Thoroughbred trainer, James Cummings.

TABCORP AND TATTS TO COMBINE TO CREATE A DIVERSIFIED WORLD-CLASS GAMBLING ENTERTAINMENT GROUP

The Combined Group's businesses, brands and jurisdictions

Geographic reach

Business	Key brands	VIC	NSW	ACT	QLD	SA	TAS	NT	WA	Intl.
Wagering	   	✓	✓	✓	✓	✓	✓	✓		✓
Lotteries	    	✓	✓	✓	✓	✓	✓	✓		
Keno		✓	✓	✓	✓	✓				
Gaming and Gaming Services	  	✓	✓	✓	✓	✓	✓	✓	✓	
Media		✓	✓	✓	✓	✓	✓	✓	✓	✓

Source: Company filings, company website

Note:

1 Subject to implementation of the Intecq scheme of arrangement

2016 FINANCIAL YEAR REVIEW

PERFORMANCE

\$m	FY16	FY15	Change
NPAT before significant items	185.9	171.3	8.5%
Significant items (after tax)	(16.2)	163.2	(109.9%)
Statutory NPAT	169.7	334.5	(49.3%)
Full Year Ordinary Dividends	24 cents	20 cents	20%

Note: Significant items (after tax) comprise costs relating to the establishment of a new online wagering and gaming business in the UK (\$14.4m), AUSTRAC civil proceedings (\$13.6m), partially offset by income tax benefits (\$11.8m) relating to the NSW retail exclusivity payment and prior year research and development claims

ACHIEVEMENTS

PROGRESSING THE STRATEGIC AGENDA

- o Substantial investment in digital and technology
- o Benefits from successful ACTTAB integration
- o Racing vision enhancements and Victorian thoroughbred media rights secured
- o Partnership with News UK to launch Sun Bets
- o TGS' NSW presence expanded
- o Proposed acquisition of INTECQ
- o NSW Keno licence extended to 2050



Scott Miles, General Manager Steelers Club, a new TGS venue.

OUR VISION: TO BE THE WORLD'S MOST RESPECTED GAMBLING-LED ENTERTAINMENT COMPANY

- o Tabcorp is committed to maintaining the highest standards of regulatory compliance and risk management
- o Chief Risk Officer appointment, a first for an Australian gambling company
- o Tabcorp has welcomed the Federal Government's response to the Illegal Offshore Wagering Review
- o Tabcorp supports a racing industry where integrity and animal welfare are prioritised



LEGAL AND OTHER MATTERS

- o Claim against the State of Victoria
 - Tabcorp's High Court appeal was dismissed in March 2016
- o AUSTRAC amended Statement of Claim
 - Hearing scheduled to commence in June 2017
- o Australian Federal Police (AFP) investigation
 - Tabcorp is fully cooperating with an AFP investigation into a business opportunity in Cambodia in 2009 that was never operational

CONCLUSION: A SUCCESSFUL YEAR

WELL-PLACED TO DRIVE FUTURE PERFORMANCE

- o Significant investment over the past five years provides a strong platform for profitable and sustainable growth
- o Diversified business with market-leading brands and long-dated licences across attractive markets
- o Tabcorp is well-positioned to deliver strong returns to shareholders into the future



MANAGING DIRECTOR AND CEO'S ADDRESS

FY16 IN REVIEW REPOSITIONING AND GROWTH

\$m	Wagering & Media	Change on pcp	Gaming Services	Change on pcp	Keno	Change on pcp	Group	Change on pcp
Revenues	1,873.0	0.9%	107.2	7.6%	208.5	4.8%	2,188.7	1.5%
EBITDA	382.1	1.7%	70.1	3.7%	70.3	5.9%	515.8	1.5%
EBIT	252.2	2.0%	41.0	(1.4%)	50.7	6.7%	337.2	0.8%
NPAT before significant items							185.9	8.5%
Significant items							(16.2)	(109.9%)
Statutory NPAT							169.7	(49.3%)

Note: Business results do not aggregate to Group total due to unallocated expenses of \$6.7m (FY15: \$1.7m), related to merger discussions with Tatts, Victorian wagering and gaming licence litigation and AFP Cambodia investigation. Refer to respective ASX releases for more information.

FY16 IN REVIEW - WAGERING AND MEDIA

DELIVERING GROWTH

\$m	FY16	FY15	Change
Revenues	1,873.0	1,856.9	0.9%
EBITDA	382.1	375.8	1.7%
EBIT	252.2	247.2	2.0%

- o Growth in customer activity with improved momentum across 2H16
 - TAB turnover growth +2.8% (1H16 +1.9%, 2H16 +3.8%)
 - Active TAB account customers up 6% to more than 430k
- o Retail channel turnover down 1.1%
- o Digital channel growth continues, full year turnover up 12%
- o News UK partnership launched to create Sun Bets



FY16 IN REVIEW - GAMING SERVICES

EXPANDING AND OPTIMISING VENUE PERFORMANCE

\$m	FY16	FY15	Change
Revenues	107.2	99.6	7.6%
EBITDA	70.1	67.6	3.7%
EBIT	41.0	41.6	(1.4%)

- o Continued investment in capability to drive venue performance and expand in NSW
- o 9,600 machines under contract at the end of FY16, up 9%



FY16 IN REVIEW - KENO

A RETURN TO GROWTH

\$m	FY16	FY15	Change
Revenues	208.5	199.0	4.8%
EBITDA	70.3	66.4	5.9%
EBIT	50.7	47.5	6.7%

- o Brand transformation and jackpot initiatives driving awareness and customer play
- o New app released to ACT customers and digital product coming soon to NSW venue customers (subject to approvals)



WE WANT OUR PEOPLE TO BE PROUD OF BEING PART OF SOMETHING BIGGER

We are building a culture that values diversity and recognises achievement

- o A successful FY16, supported by the efforts of 3,000+ employees
- o New recognition program, Star Players, launched this week
- o Recognised as an Employer of Choice for Gender Equality



TABCORP AND TATTS TO CREATE A DIVERSIFIED, WORLD-CLASS GAMBLING ENTERTAINMENT GROUP

- o Creates a leading, diversified portfolio of gambling entertainment businesses
- o Provides a wide range of benefits for stakeholders and enhances the long-term sustainability of the Australian racing industry
- o Significant value creation for both sets of shareholders
- o Greater scale and stronger balance sheet position
- o Complementary businesses, delivering a winning offer for customers

FY17 BUSINESS PRIORITIES

Wagering & Media

Further integration of retail, digital and media assets; product innovation; new TAB consumer campaign

Gaming Services

Improve existing venue performance and further expansion

Keno

Progress brand and product transformation, jackpot pooling in Queensland and implementation of digital strategy

Group

We are well-positioned to continue to drive performance, maintain expense discipline and target 14% Return on Invested Capital

TO ADVANCE THE WAY WE PLAY

Tabcorp



Luxbet

TGS