

25 November 2016

Tabcorp enters into an equity swap over c.10% of Tatts shares

Following the announcement on 19 October 2016 of the proposed combination of Tabcorp Holdings Limited (Tabcorp) and Tatts Group Limited (Tatts), Tabcorp today announced that it has entered into a cash-settled equity swap with an investment bank in respect of c.147 million shares in Tatts, representing c.10% of Tatts shares on issue.¹

The transaction is intended to help facilitate the proposed combination of Tabcorp and Tatts and provide shareholders with improved financial outcomes.

Key information in relation to the transaction is set out below:

- The equity swap has an average reference price of \$4.34 per Tatts share and provides Tabcorp with voting rights (subject to certain conditions) over any Tatts shares the investment bank holds in connection with the equity swap
- During the term of the equity swap, Tabcorp is entitled to receive payments equivalent to any cash dividends paid by Tatts in respect of c.147 million shares
- Further details of the equity swap, including the conditions in relation to voting rights, will be set out in the trade confirmation between Tabcorp and the investment bank. This will be released with the substantial shareholder notice to be lodged by Tabcorp on or before 28 November 2016
- Tabcorp has arranged new financing in connection with the equity swap

The combination of Tabcorp and Tatts is expected to deliver significant value for both sets of shareholders as well as material benefits to other stakeholders including the racing industry, business partners, customers, and Governments.

Tabcorp and Tatts currently expect the combination to be completed in mid-2017, subject to the receipt of Tatts shareholder, regulatory and other approvals.

For more information:

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¹ Based on Tatts shares on issue of c.1,469 million as at 25 November 2016

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