

2 February 2017

Australian Securities 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 2016 to be presented by David Attenborough, Managing Director and Chief Executive Officer.

This presentation will be webcast on Tabcorp's website at [www.tabcorp.com.au](http://www.tabcorp.com.au) from 10.00am (Melbourne time) today.

The information contained in this announcement should be read in conjunction with today's announcement of Tabcorp's half year results and Tabcorp's most recent Annual Report.

Yours faithfully



**Fiona Mead**  
Company Secretary

|                             |                                                     |                                                 |                                                                          |
|-----------------------------|-----------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------|
| Tabcorp<br>Holdings Limited | 5 Bowen Crescent<br>Melbourne VIC Australia<br>3004 | GPO Box 1943<br>Melbourne VIC Australia<br>3001 | <a href="http://tabcorp.com.au">tabcorp.com.au</a><br>ABN 66 063 780 709 |
|-----------------------------|-----------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------|

# TABCORP HOLDINGS LIMITED

## 2016/17 FIRST HALF RESULTS PRESENTATION

2 FEBRUARY 2017  
ABN 66 063 780 709

# 1H17 OVERVIEW

- o Statutory results
  - NPAT \$58.9m, down 28.1%
  - EPS 7.1 cents per share, down 28.3%
  - Results adversely impacted by significant items after tax of \$43.8m
- o Results before significant items
  - EBITDA \$270.4m, up 1.7%
  - NPAT \$102.7m, up 5.3%
  - EPS 12.3 cents per share, up 5.1%
- o Interim dividend 12.5 cents per share, fully franked, up from 12.0 cents in the pcip
- o Executing on our core priorities
  - Record SRC results driven by enhanced TAB mobile app, product launches and a new brand and marketing campaign
  - Venue digital commission program launched, reinforcing the alignment with our retail partners
  - Extension of key domestic media rights and ongoing development of wagering focused programming on Sky
  - Continued momentum in Keno, with Qld jackpot pooling commenced and new Mega Millions game launched in NSW
  - Continued progress in driving performance for TGS venue partners
  - Significant investment in risk and compliance capability
- o Investing in future growth opportunities
  - Combination with Tatts Group announced, to create a world-class, diversified gambling entertainment group
  - Acquisition of INTECQ completed, providing a platform for accelerated growth in Gaming Services
  - Sun Bets launched in August 2016, with 85k customers acquired
  - Expansion of TGS in NSW through the signing of a 5-year contract with Panthers Group

## GROUP RESULTS

| \$m                                    | 1H17         | 1H16         | Change  |
|----------------------------------------|--------------|--------------|---------|
| Revenues                               | 1,159.3      | 1,135.6      | 2.1%    |
| Variable contribution                  | 521.5        | 507.3        | 2.8%    |
| Operating expenses                     | (251.1)      | (241.3)      | 4.1%    |
| <b>EBITDA before significant items</b> | <b>270.4</b> | <b>266.0</b> | 1.7%    |
| D&A                                    | (86.7)       | (89.5)       | (3.1%)  |
| <b>EBIT before significant items</b>   | <b>183.7</b> | <b>176.5</b> | 4.1%    |
| Interest                               | (34.9)       | (34.7)       | 0.6%    |
| Tax expense                            | (46.1)       | (44.3)       | 4.0%    |
| <b>NPAT before significant items</b>   | <b>102.7</b> | <b>97.5</b>  | 5.3%    |
| Significant items (after tax)          | (43.8)       | (15.6)       | 180.8%  |
| <b>Statutory NPAT</b>                  | <b>58.9</b>  | <b>81.9</b>  | (28.1%) |

- o Results include one month contribution from INTECQ following completion of the acquisition in December 2016 (refer to slide 10 for further details)
- o Significant items (after tax): AUSTRAC civil proceedings (\$20.0m); UK business start-up (\$17.9m); INTECQ acquisition (\$4.1m); and proposed combination with Tatts Group (\$9.1m), partly offset by a net gain of \$7.3m on the related cash-settled equity swap

Notes: Earnings before significant items presented to provide the most meaningful presentation of Tabcorp's results

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# BUSINESS RESULTS

| \$m                   | Wagering<br>& Media | Change<br>on pcp | Gaming<br>Services | Change<br>on pcp | Keno        | Change<br>on pcp | Group        | Change<br>on pcp |
|-----------------------|---------------------|------------------|--------------------|------------------|-------------|------------------|--------------|------------------|
| Revenues              | 987.0               | 1.4%             | 60.2               | 13.8%            | 112.1       | 2.2%             | 1,159.3      | 2.1%             |
| Variable contribution | 397.7               | 1.3%             | 58.7               | 11.9%            | 65.1        | 4.6%             | 521.5        | 2.8%             |
| Operating expenses    | (201.6)             | 3.0%             | (22.7)             | 22.1%            | (24.9)      | 1.5%             | (251.1)      | 4.1%             |
| <b>EBITDA</b>         | <b>196.1</b>        | (0.4%)           | <b>36.0</b>        | 6.5%             | <b>40.2</b> | 6.3%             | <b>270.4</b> | 1.7%             |
| D&A                   | (60.6)              | (7.5%)           | (15.3)             | 7.5%             | (10.8)      | 10.1%            | (86.7)       | (3.1%)           |
| <b>EBIT</b>           | <b>135.5</b>        | 3.2%             | <b>20.7</b>        | 5.6%             | <b>29.4</b> | 5.0%             | <b>183.7</b> | 4.1%             |
| Opex / Revenue (%)    | 20.4%               | 0.3%             | 37.8%              | 2.6%             | 22.2%       | (0.1%)           | 21.7%        | 0.5%             |
| EBIT / Revenue (%)    | 13.7%               | 0.2%             | 34.5%              | (2.6%)           | 26.2%       | 0.7%             | 15.8%        | 0.3%             |
| Capex                 | 38.4                | 35.2%            | 25.4               | (7.0%)           | 8.9         | 39.1%            | 72.7         | 17.1%            |

- o Wagering & Media results exclude the UK business start-up which has been treated as a significant item (refer to slide 9 for further details on Sun Bets)
- o Gaming Services results include one month contribution from INTECQ following completion of the acquisition in December 2016 (refer to slide 10 for further details)
- o Increased operating expenses largely reflect additional resourcing across risk, compliance and marketing functions

Notes: Business results do not aggregate to Group total due to unallocated expenses of \$1.9m related to the AFP Cambodia investigation (refer ASX release on 15 March 2016).  
Unallocated expenses in 1H16 (\$2.4m) largely related to merger discussions with Tatts Group.

## WAGERING & MEDIA: KPIs

| \$m                            | 1H17         | 1H16         | Change        |
|--------------------------------|--------------|--------------|---------------|
| Wagering revenue               | 897.9        | 887.2        | 1.2%          |
| Media revenue                  | 89.1         | 85.8         | 3.8%          |
| <b>Revenues</b>                | <b>987.0</b> | <b>973.0</b> | <b>1.4%</b>   |
| Variable contribution          | 397.7        | 392.6        | 1.3%          |
| Operating expenses             | (201.6)      | (195.8)      | 3.0%          |
| <b>EBITDA</b>                  | <b>196.1</b> | <b>196.8</b> | <b>(0.4%)</b> |
| <b>EBIT</b>                    | <b>135.5</b> | <b>131.3</b> | <b>3.2%</b>   |
| Returns to the Racing Industry | 430.7        | 413.4        | 4.2%          |



- o Revenues up 1.4% on pcp
  - Wagering driven by record Spring Racing Carnival results for core TAB business, partly offset by softness in Trackside and Luxbet
  - Media driven by continued growth in domestic and digital media revenue
- o EBIT growth of 3.2% benefited from a decline in depreciation and amortisation following several assets coming to end of life in FY16
- o Returns to the racing industry up 4.2%
  - Race fields fees expected to increase by approximately \$4m per annum as a result of the new race fields policy in Queensland from 1 January 2017
- o Regulatory update:
  - IGA amendment legislation expected to be passed in the first half of 2017. Competitors no longer offering online in-play betting on sports
  - SA Point of Consumption tax to commence on 1 July 2017

Notes: Wagering & Media KPIs have been prepared on a statutory basis and exclude the impact of the UK business start-up, Sun Bets, which has been treated as a significant item

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## TAB: KPIs

| \$m                                   | 1H17    | 1H16    | Change % |
|---------------------------------------|---------|---------|----------|
| <b>Turnover by distribution (\$m)</b> |         |         |          |
| Retail                                | 3,302.5 | 3,388.4 | (2.5%)   |
| Digital                               | 2,192.5 | 1,926.0 | 13.8%    |
| Call Centre                           | 247.2   | 265.7   | (7.0%)   |
| Other                                 | 565.5   | 585.5   | (3.4%)   |
| <b>Revenue by product (\$m)</b>       |         |         |          |
| TAB Racing                            |         |         |          |
| - Totalisator                         | 594.2   | 638.5   | (6.9%)   |
| - Fixed Odds                          | 311.3   | 256.8   | 21.2%    |
| Total TAB Racing                      | 905.5   | 895.3   | 1.1%     |
| TAB Sports                            | 108.4   | 98.6    | 10.0%    |
| Trackside                             | 44.2    | 50.8    | (13.0%)  |
| <b>Other KPIs</b>                     |         |         |          |
| FO Racing yield                       | 15.6%   | 15.8%   | (0.2%)   |
| FO Sports yield                       | 13.8%   | 13.5%   | 0.3%     |
| TAB Active Customers                  | 466,000 | 423,000 | 10.2%    |
| % Digital from mobile                 | 67.8%   | 64.8%   | 3.0%     |

- o Digital turnover growth of 13.8%, driving total turnover growth of 2.3%
  - Record Spring Racing Carnival with Digital growth of 17.6% underpinning total racing turnover growth of 4.7% during the SRC period
  - Active TAB account customers up 10.2% driven by 18.7% growth in new customer acquisition and strong retention rates
- o Retail turnover remains resilient, with continued integration of digital into retail a key focus (refer following slide for further details)
- o TAB Racing revenues underpinned by growth in Fixed Odds
  - Totalisator performance partly impacted by lower premium customer activity
- o TAB Sports revenues largely reflect turnover growth, driven by continued growth in international sports

Notes:

- Other turnover includes Oncourse, Premium Customers and PGI
- Revenue includes Victorian JV partner interest
- SRC defined as the period between the Underwood Stakes (24/9/16) and Ballarat Cup (19/11/16) inclusive
- TAB Active Customers are measured on a rolling 12 month basis

# TAB: PRODUCT AND MARKETING

- o Take a clear, compelling and differentiated brand leadership position
  - New brand campaign, 'We Love a Bet', successfully launched in August
  - Marketing investment re-weighted to ensure right time, right place market presence
- o Provide products and promotions that ensure TAB is known as the home of racing and loved for sport
  - Quaddie Cash Out launched ahead of SRC, assisting Quaddie turnover growth of 4% since launch
  - Progressive enhancement of the TAB app with a focus on unique content including integration of race replays, Sky preview shows and speedmaps into racing form, as well as the launch of 'bet and watch' floating vision
- o Deliver unique and compelling customer experiences and continue the integration of digital into retail
  - Roll-out of digital commission model to retail venue partners
  - Check & Collect launched, allowing customers to scan winning tickets with the TAB app and seamlessly deposit winnings into their TAB account
- o 2H17 focus
  - Ongoing digital development including further integration of content to the TAB app
  - Promotion of Check & Collect to drive digital acquisition in retail
  - Building on the success of the SRC with continuation of new brand and marketing campaign for the Autumn racing carnival
  - Launch of new Trackside graphics and game enhancement





# MEDIA

- o Continued investment in Sky coverage quality and integration of wagering
  - Reformatted magazine shows on Sky Thoroughbred Central to increase focus on wagering
  - Key media talent recruited
  - Refresh of graphics on Sky Racing 1 & 2
  - Unique digital content, such as Sky preview shows, incorporated into TAB app
- o Key media rights extended during the half
  - RWWA (all codes) until 2021
  - Perth Racing until 2022
  - Tasmania (all codes) until 2026
- o 2H17 focus
  - Further investment in coverage quality to maintain position as the leading racing broadcaster globally
  - Enhanced Sky digital and social media platforms
  - Extension of domestic and international media rights
  - Additional integration of wagering triggers to drive industry turnover



# SUN BETS

- o Sun Bets launched in the UK in August 2016
  - Attractive, well regulated market with double-digit online revenue growth continuing
  - Initial digital offering comprising sportsbook and online casino, as well as first stage of betting integration in The Sun's media content
  - Brand established through The Sun's media assets and initial marketing campaign, with 85k customers acquired
  - Revenue yield reflects mid-single digit trading results, partly offset by significant bonus bet and promotional offers used to drive customer engagement
- o Differentiated product offering being developed to achieve tier-1 market position
  - Multiple product enhancements planned in coming months including integration with The Sun's Dream Team fantasy football product in mid-2017, providing access to more than 1m customers
- o 2H17 focus
  - Continued focus on customer acquisition to grow turnover and revenue momentum
  - Expected EBITDA loss of approximately \$15m in 2H17

| \$m                   | 1H17   |
|-----------------------|--------|
| Turnover              | 96.8   |
| Revenue               | 1.5    |
| Variable contribution | (6.5)  |
| EBITDA                | (21.3) |
| EBIT                  | (22.8) |

*Note: Sun Bets results are included as a significant item as the business remains in the development phase*



# GAMING SERVICES: KPIs

| \$m      | 1H17 | 1H16 | Change |
|----------|------|------|--------|
| Revenues | 60.2 | 52.9 | 13.8%  |
| EBITDA   | 36.0 | 33.8 | 6.5%   |
| EBIT     | 20.7 | 19.6 | 5.6%   |



- o Gaming Services results include one month of trading from INTECQ, which contributed:
  - Revenues \$3.6m
  - EBITDA \$1.1m
  - EBIT \$0.8m
- o Victoria
  - Approximately 8,700 EGMs under contract, with 89% contracted through to 2022
  - Loyalty system covering 75% of contracted EGMs. Active members up 3% to 415k
- o NSW
  - Approximately 920 EGMs under contract during 1H17, including 125 that commenced billing in the half
- o 2H17 focus
  - Commencement of 5-year contract signed with Panthers Group covering four venues and 1,056 EGMs
  - Negotiate additional venue sign-ups
  - Integration of INTECQ to capture initial cost synergies of approximately \$1m

# KENO: KPIs

| \$m                  | 1H17  | 1H16  | Change |
|----------------------|-------|-------|--------|
| Revenues             | 112.1 | 109.7 | 2.2%   |
| EBITDA               | 40.2  | 37.8  | 6.3%   |
| EBIT                 | 29.4  | 28.0  | 5.0%   |
| Venues               | 3,599 | 3,625 | (0.7%) |
| Ticket Count (m)     | 51.6  | 51.4  | 0.4%   |
| Avg ticket size (\$) | 11.9  | 11.6  | 2.6%   |

- o Continued strong turnover momentum in 1H17, up 3.7% compared with the pcg
- o Revenue performance
  - Vic up 13.8%
  - NSW up 11.0%
  - Qld down 4.9%
- o Further progress on key strategic initiatives
  - Qld jackpot pooling commenced in December, joining NSW, VIC and ACT in one jackpot pool
  - Mega Millions launched in NSW in late November
- o 2H17 focus
  - Digital play in-venue in NSW
  - Mega Millions marketing campaign



# KENO: PRODUCT AND DIGITAL DRIVING REINVIGORATION

- o Queensland jackpot pooling
  - Commenced in December. Keno jackpot pools now combine turnover from customers in Victoria, NSW, ACT and Queensland
  - Pooling drives faster jackpot growth, creating an opportunity for greater engagement and participation for customers. Jackpots currently growing 60% faster than pre-pooling
- o Mega Millions
  - Launched in NSW in late November, providing customers with a chance to win \$5m every game
  - Expected to increase appeal of Keno and generate increased engagement with customers in-venue
  - Positive early engagement from customers with Mega Millions contributing approximately 7% of total sales
- o Digital play in-venue
  - Commencement in selected venues in NSW from February
  - Expected to broaden the appeal of Keno in venue and enhance growth opportunities from FY18





## CONTINUED INVESTMENT IN RISK AND COMPLIANCE

- o Tabcorp is committed to highest standards of regulatory compliance and risk management, consistent with our vision to be the most respected gambling-led entertainment company in the world
- o Significant investment in risk and compliance
  - Implementation of new AML/CTF program
  - Embedding risk function into business
  - Expanded financial crime risk and monitoring team
  - Improved automated transaction monitoring capabilities
  - Strengthened compulsory training programs for all staff and agencies/venue partners
- o Tabcorp's enhanced risk and compliance framework is well positioned in respect of increasing global regulatory requirements. Importantly, the investment is scalable and transferable



# PEOPLE AND ENGAGEMENT

- o Our vision to be the world's most respected gambling-led entertainment company is supported by a continued focus on building a world-class organisation
  - Ongoing increase in employee engagement levels
  - Highly diverse organisation – 40% of senior leaders are women
  - Received citation by the Federal Government's Workplace Gender Equality Agency (WGEA) as an Employer of Choice for Gender Equality
  - Industry-leading health and safety record
- o Our investment in future growth includes a strategic investment in our integrity capability and long-term sustainability
  - Creation of best-in-class risk function
  - Enhanced Corporate Social Responsibility position
- o Ongoing investment in technology, digital and marketing capability to deliver market leading customer experience and products



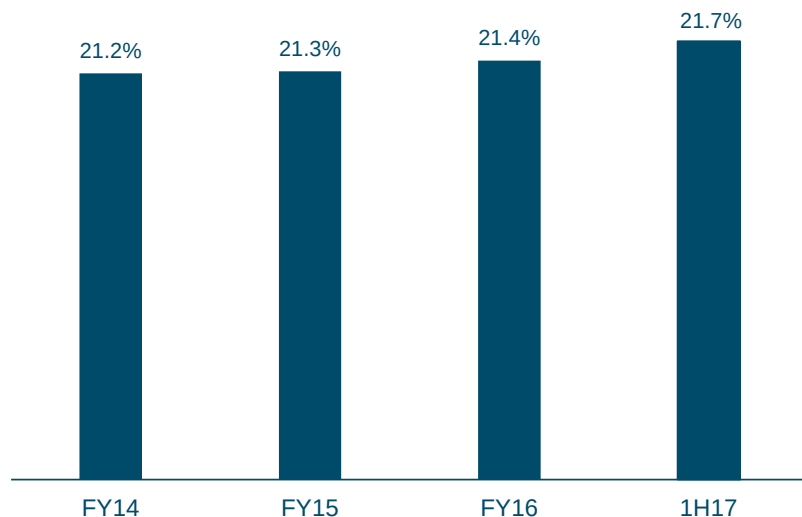
## COMBINATION WITH TATTS

- o Proposed combination with Tatts Group announced on 19 October 2016, to create a leading, diversified portfolio of gambling entertainment businesses
- o Will provide a wide range of benefits for stakeholders and enhance the long-term sustainability of Australian racing
  - At least \$50 million per annum in additional funding expected to flow to the racing industry in Australia
  - Provides a pathway to national pooling for pari-mutuel wagering, subject to regulatory and racing industry approvals
- o Expected to create significant value for both sets of shareholders
  - Expected to deliver at least \$130 million per annum EBITDA synergies and business improvements, net of benefits to the racing industry
- o Combines two complementary businesses to deliver a winning offer for customers
- o Close engagement with external stakeholders and the Australian Competition and Consumer Commission ongoing
- o 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
- o Completion expected mid-2017 subject to Tatts shareholder, regulatory and other approvals



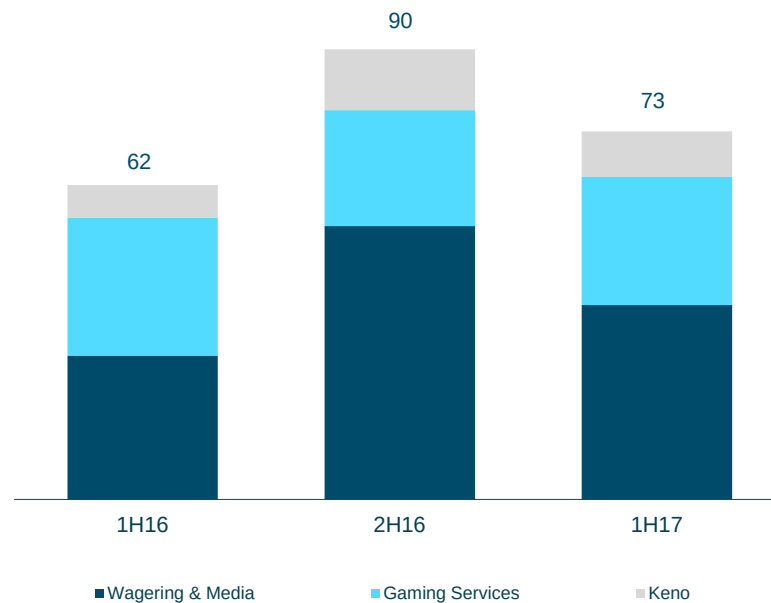
# OPERATING EXPENSES AND CAPITAL INVESTMENT

## OPEX / REVENUE RATIO



- o Operating expense growth reflects increased resourcing across risk, compliance and marketing functions
- o FY17 opex to revenue ratio is expected to be approximately 23% following the acquisition of INTECQ

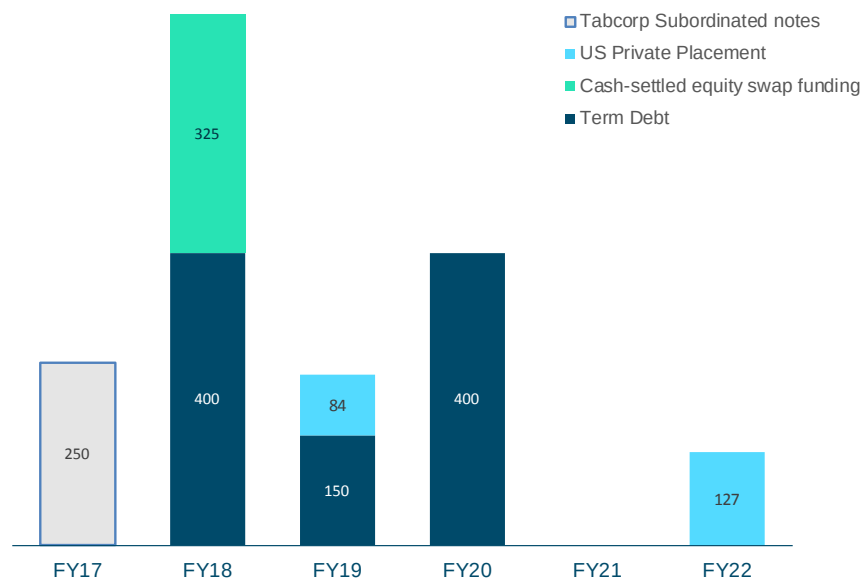
## CAPEX TRENDS (\$m)



- o FY17 capex expected to be approximately \$200m, including \$27m in 2H17 related to TGS expansion
- o FY17 D&A expected to be \$180 – 185m

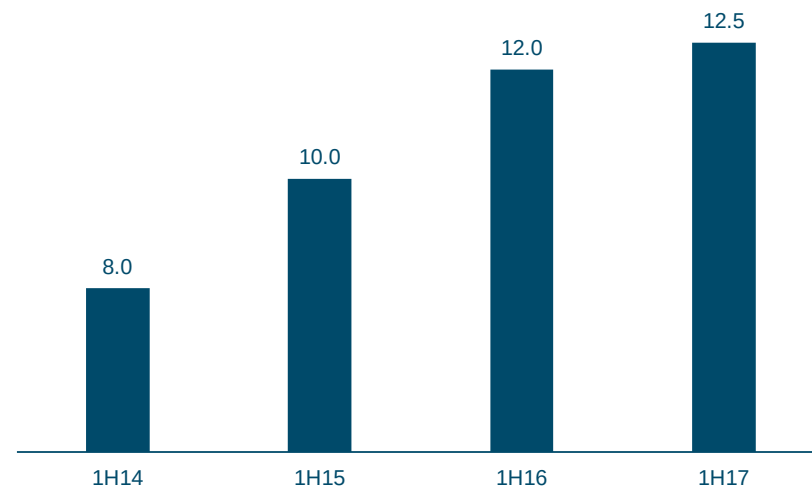
# CAPITAL MANAGEMENT

## DEBT STRUCTURE (\$m)



- o Tabcorp Subordinated Notes to be redeemed on 22 March 2017
- o Bridge financing of \$575m in place to facilitate Tabcorp Subordinated Notes redemption (\$250m) and fund the cash-settled equity swap (\$325m) in respect of Tatts Group

## DIVIDENDS (¢)



- o FY17 dividend target is the greater of 90% of NPAT before significant items and amortisation of the Victorian Wagering and Betting Licence or 24 cents per share

# CONCLUSION

- o 1H17 highlights – advancing our strategic priorities
  - Revenue growth across all three businesses, including record Spring Racing Carnival results
  - Continued focus on integrated customer experience – enhanced TAB app, digital commission model roll-out
  - Extension of key domestic media rights
  - Continued progress in driving performance for TGS venue partners and completion of the INTECQ acquisition
  - Good momentum in Keno, with Qld jackpot pooling commencing and Mega Millions launched in NSW
  - Launch of Sun Bets in August 2016, with 85k customers acquired
  - Interim dividend of 12.5 cents per share, fully franked
- o 2H17 focus – investing in and driving future growth
  - Progress combination with Tatts Group, to create a world-class, diversified gambling entertainment group
  - Wagering & Media – further digital enhancement and new products for TAB, venue partner digital commission model, extension of media rights, and execution of the Sun Bets product and customer roadmap
  - Gaming Services – driving venue performance, integration of INTECQ, implementation of service offering to Panthers Group and continued expansion
  - Keno – digital play in-venue in NSW and Mega Millions marketing campaign
- o We remain focused on driving business performance, maintaining expense discipline, continuing to invest in risk and compliance and achieving our vision of being the world's most respected gambling-led entertainment business
  - Our target is to achieve 14% ROIC in FY17, excluding the impact of significant items

# APPENDICES

1. Wagering & Media: Financial data
2. Wagering & Media: Revenues by state and product
3. Balance sheet
4. Cashflow

# 1. WAGERING & MEDIA: FINANCIAL DATA

| \$m                                 | 1H17         | 1H16         | Change |
|-------------------------------------|--------------|--------------|--------|
| <b>Revenues</b>                     | <b>987.0</b> | <b>973.0</b> | 1.4%   |
| Taxes, levies, commissions and fees | (589.3)      | (580.5)      | 1.5%   |
| <b>Variable contribution</b>        | <b>397.7</b> | <b>392.6</b> | 1.3%   |
| Operating expenses                  | (201.6)      | (195.8)      | 3.0%   |
| <b>EBITDA</b>                       | <b>196.1</b> | <b>196.8</b> | (0.4%) |
| D&A                                 | (60.6)       | (65.5)       | (7.5%) |
| <b>EBIT</b>                         | <b>135.5</b> | <b>131.3</b> | 3.2%   |

| Ratios                          | 1H17  | 1H16  | Change |
|---------------------------------|-------|-------|--------|
| Variable contribution / Revenue | 40.3% | 40.3% | 0.0%   |
| Opex / Revenue                  | 20.4% | 20.1% | 0.3%   |
| EBIT / Revenue                  | 13.7% | 13.5% | 0.2%   |

| Returns to the Racing Industry              | 1H17         | 1H16         | Change |
|---------------------------------------------|--------------|--------------|--------|
| Victoria                                    | 176.2        | 178.6        | (1.3%) |
| New South Wales                             | 163.2        | 150.0        | 8.8%   |
| Race Field Fees                             | 53.9         | 49.7         | 8.5%   |
| Media & International                       | 37.4         | 35.1         | 6.6%   |
| <b>Total Returns to the Racing Industry</b> | <b>430.7</b> | <b>413.4</b> | 4.2%   |

Notes: Wagering & Media KPIs have been prepared on a statutory basis and exclude the impact of the UK business start-up, Sun Bets, which has been treated as a significant item

## 2. WAGERING & MEDIA: REVENUES BY STATE AND PRODUCT

| \$m             | NSW<br>1H17  | Change<br>on pcp | Vic<br>1H17  | Change<br>on pcp | ACT<br>1H17 | Change<br>on pcp | Total<br>1H17 | Change<br>on pcp |
|-----------------|--------------|------------------|--------------|------------------|-------------|------------------|---------------|------------------|
| Racing          | 476.9        | (0.1%)           | 227.7        | 3.1%             | 13.6        | 4.1%             | 718.2         | 1.0%             |
| Sports          | 69.4         | 14.2%            | 18.9         | 2.5%             | 1.3         | 37.9%            | 89.6          | 11.6%            |
| Trackside       | 19.4         | (12.7%)          | 12.0         | (14.6%)          | 0.7         | >100%            | 32.1          | (12.4%)          |
| Media           |              |                  |              |                  |             |                  | 89.1          | 3.9%             |
| Luxbet          |              |                  |              |                  |             |                  | 22.6          | (9.5%)           |
| Other           |              |                  |              |                  |             |                  | 35.4          | 3.5%             |
| <b>Revenues</b> | <b>565.7</b> | <b>1.0%</b>      | <b>258.6</b> | <b>2.0%</b>      | <b>15.6</b> | <b>10.1%</b>     | <b>987.0</b>  | <b>1.4%</b>      |

Notes: - NSW and ACT represents 100% of revenue  
- Vic includes Tabcorp's 50% proportional share of the JV

### 3. BALANCE SHEET

| \$m                              | Dec 16         | Jun 16         | Change        |
|----------------------------------|----------------|----------------|---------------|
| Total current assets             | 546.6          | 197.1          | 177.3%        |
| Licences                         | 659.8          | 682.4          | (3.3%)        |
| Other intangible assets          | 2,059.7        | 1,945.3        | 5.9%          |
| Property, plant and equipment    | 309.0          | 311.7          | (0.9%)        |
| Other non current assets         | 171.4          | 166.3          | 3.1%          |
| <b>Total assets</b>              | <b>3,746.5</b> | <b>3,302.8</b> | <b>13.4%</b>  |
| Total liabilities                | 2,083.2        | 1,614.7        | 29.0%         |
| <b>Shareholders' funds</b>       | <b>1,663.3</b> | <b>1,688.1</b> | <b>(1.5%)</b> |
| Net debt (reported)              | 1,429.4        | 954.4          | 49.8%         |
| Net debt (economic) <sup>1</sup> | 1,335.7        | 869.6          | 53.6%         |
| Shares on issue (m)              | 835.3          | 831.5          | 0.5%          |
| <b>Ratios</b> <sup>1,2</sup>     |                |                |               |
| Gross debt / EBITDA (x)          | 2.8            | 1.9            |               |
| EBIT / Net interest (x)          | 4.7            | 4.8            |               |

- o The cash-settled equity swap is reflected in the Balance Sheet as a current asset (\$337.8m) and the related funding of \$325m is included in debt
- o Gross debt / EBITDA is 2.2x excluding the debt related to the cash-settled equity swap

Notes 1 Debt includes USPP debt at the A\$ principal repayable under cross currency swaps

2 EBITDA, EBIT and net interest are last 12 months (continuing operations and excluding significant items). EBIT excludes amortisation of the Victorian Wagering and Betting Licence

## 4. CASHFLOW

| \$m                                    | 1H17           | 1H16         | Change  |
|----------------------------------------|----------------|--------------|---------|
| Net operating flows                    | 211.9          | 228.1        | (7.1%)  |
| Net interest payments                  | (34.8)         | (34.1)       | 2.1%    |
| Income tax (paid)/refund               | (34.2)         | 32.8         | (>100%) |
| Payments for PP&E and intangibles      | (78.3)         | (73.2)       | 7.0%    |
| <b>Sub-total</b>                       | <b>64.6</b>    | <b>153.6</b> | (57.9%) |
| Ordinary dividends paid                | (90.1)         | (73.5)       | 22.6%   |
| Payment for cash-settled equity swap   | (326.4)        | -            | 100.0%  |
| INTECQ acquisition                     | (113.2)        | -            | 100.0%  |
| Others                                 | 1.1            | (7.3)        | (>100%) |
| <b>Net cash flow</b>                   | <b>(464.0)</b> | <b>72.8</b>  | (>100%) |
| <b>Net debt at beginning of period</b> | <b>954.4</b>   | <b>987.7</b> | (3.4%)  |
| Non cash movements                     | 11.0           | 18.2         | (39.6%) |
| <b>Net debt at end of period</b>       | <b>1,429.4</b> | <b>933.1</b> | 53.2%   |

- o Net operating flows includes cash outflows of \$60m relating to 1H17 significant items



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