

4 August 2017

Australian Securities Exchange
Companies Announcements Platform
20 Bridge Street
Sydney NSW 2000

TABCORP FULL YEAR RESULTS PRESENTATION

Attached is the presentation regarding Tabcorp's full year results for the financial year ended 30 June 2017 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 from 10.00am (Melbourne time) today.

The information contained in this announcement should be read in conjunction with today's announcements of Tabcorp's full year results.

Yours faithfully



Fiona Mead
Company Secretary

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TABCORP HOLDINGS LIMITED

2016/17 FULL YEAR RESULTS PRESENTATION

4 AUGUST 2017
ABN 66 063 780 709

A STRATEGICALLY IMPORTANT YEAR

- o Announced and significantly progressed the combination with Tatts Group, which is expected to complete by the end of 2017
- o Acquired Intecq, a complementary gaming systems and monitoring business
- o Launched our UK start-up, Sun Bets
- o Continued to invest in and embed scalable risk management and regulatory compliance capability; settled the AUSTRAC civil proceedings
- o Ongoing digital expansion; strengthened retail partnerships through digital commissions model and launch of Keno digital play



FY17 OVERVIEW

- o Statutory result: NPAT loss of \$20.8m (EPS -2.5 cps), adversely impacted by significant items after tax of \$199.7m
- o Results before significant items¹
 - Revenues \$2,229.6m, up 1.9%, within guidance (\$2,220m - \$2,240m)
 - EBITDA \$504.1m, down 2.3%, within guidance (\$500m - \$510m)
 - NPAT \$178.9m, down 3.8%, within guidance (\$173m - \$180m)
 - EPS 21.4 cents per share, down 4.5%
- o Final dividend 12.5 cents per share, fully franked, taking the full year ordinary dividend to 25.0 cents per share, fully franked, up from 24.0 cents per share in the pcg

GROUP RESULTS¹

\$m	FY17	FY16	Change
Revenues	2,229.6	2,188.7	1.9%
Variable contribution	1,006.3	984.5	2.2%
Operating expenses	(502.2)	(468.7)	7.1%
EBITDA before significant items	504.1	515.8	(2.3%)
D&A	(178.7)	(178.6)	0.1%
EBIT before significant items	325.4	337.2	(3.5%)
Interest	(68.3)	(69.9)	(2.3%)
Tax expense	(78.2)	(81.4)	(3.9%)
NPAT before significant items	178.9	185.9	(3.8%)
Significant items (after tax) ²	(199.7)	(16.2)	>100%
Statutory NPAT	(20.8)	169.7	(>100%)

1. Results include 7 months contribution from Intecq from December 2016, refer to slide 10 for further details
2. Significant items (after tax) of \$199.7m comprise: AUSTRAC civil proceedings \$61.8m, AFP Cambodia investigation \$1.9m, proposed combination with Tatts \$53.9m (including impact of the Tatts cash-settled equity swap), Intecq acquisition \$4.9m, Sun Bets operating loss \$47.6m and impairment \$20.7m and Melbourne premises relocation \$8.9m

BUSINESS RESULTS

\$m	Wagering & Media ¹	Change on pcp	Gaming Services ²	Change on pcp	Keno	Change on pcp	Group	Change on pcp
Revenues	1,873.0	0.0%	143.9	34.2%	212.7	2.0%	2,229.6	1.9%
Variable contribution	750.8	(1.2%)	133.6	25.9%	121.9	3.2%	1,006.3	2.2%
Operating expenses	(400.8)	6.0%	(51.5)	43.1%	(49.9)	4.4%	(502.2)	7.1% ³
EBITDA	350.0	(8.4%)	82.1	17.1%	72.0	2.4%	504.1	(2.3%)
D&A	(122.0)	(6.1%)	(34.2)	17.5%	(22.5)	14.8%	(178.7)	0.1%
EBIT	228.0	(9.6%)	47.9	16.8%	49.5	(2.4%)	325.4	(3.5%)
Opex / Revenue (%)	21.4%	1.2%	35.8%	2.2%	23.5%	0.5%	22.5%	1.1%
EBIT / Revenue (%)	12.2%	(1.3%)	33.3%	(5.0%)	23.3%	(1.0%)	14.6%	(0.8%)
Capex	82.8	31.3%	57.9	15.3%	18.0	(5.8%)	211.0 ⁴	39.1%

1. Wagering & Media results exclude Sun Bets which has been treated as a significant item in FY17, refer to slide 9 for further details on Sun Bets
2. Results include 7 months contribution from Intecq from December 2016, refer to slide 10 for further details
3. Group operating expense growth was 4.6% excluding the impact of Intecq acquisition, refer to slide 12 for further details
4. Group capex includes lease capitalisation for the fit out of new Melbourne and Sydney offices \$32m and capex for Sun Bets \$20m (which has been impaired)

WAGERING & MEDIA: KPIs

\$m	FY17	FY16	Change
Wagering revenue	1,694.1	1,697.4	(0.2%)
Media revenue	178.9	175.6	1.9%
Revenues	1,873.0	1,873.0	0.0%
Variable contribution	750.8	760.3	(1.2%)
Operating expenses	(400.8)	(378.2)	6.0%
EBITDA	350.0	382.1	(8.4%)
EBIT	228.0	252.2	(9.6%)
Returns to the Racing Industry	813.0	786.9	3.3%

- o Key KPIs for the TAB business remain strong, refer slide 7
- o However results impacted by underperformance of Luxbet and Trackside, wet weather during the Autumn Carnival and lower than expected yields in 2H17
 - Revenue growth ex Luxbet and Trackside of 1.1%
 - Luxbet EBIT loss of \$13m, strategic review commenced
 - Review of Trackside product and marketing activity completed, new initiatives planned for FY18
 - Fixed Odds yields maintained vs the pcp, albeit lower than expected in 2H17 particularly in TAB Sports
- o Increase in operating expenses driven by investment in technology, marketing, risk and compliance. Thorough review of cost base underway
- o SA Point of Consumption tax commenced on 1 July 2017



Note: Wagering & Media KPIs have been prepared on a statutory basis and exclude the impact of the UK start-up, Sun Bets, which has been treated as a significant item in FY17

Tabcorp

TAB: KPIs

	1H17	Change on pcg	2H17	Change on pcg	FY17	Change on pcg
Turnover by distribution (\$m)						
Retail	3,302.5	(2.5%)	2,937.3	(6.4%)	6,239.8	(4.4%)
Digital	2,192.5	13.8%	2,168.1	14.0%	4,360.6	13.9%
Call Centre	247.2	(7.0%)	232.9	(10.3%)	480.1	(8.6%)
Other	565.5	(3.4%)	485.6	0.5%	1,051.1	(1.6%)
Revenue by product (\$m)						
TAB Racing						
- Totalisator	594.3	(6.9%)	500.3	(8.1%)	1,094.6	(7.4%)
- Fixed Odds	311.3	21.2%	292.7	20.3%	604.0	20.8%
Total TAB Racing	905.5	1.1%	793.0	0.7%	1,698.6	0.9%
TAB Sports	108.4	9.9%	105.0	(6.3%)	213.4	1.3%
Trackside	44.2	(13.0%)	37.4	(16.3%)	81.6	(14.6%)
Other KPIs						
FO Racing yield	15.9%	(0.2%)	15.2%	0.4%	15.5%	0.1%
FO Sports yield	13.9%	0.3%	12.6%	(0.4%)	13.2%	(0.1%)
TAB Active Customers ('000)	466	10.2%	475	9.7%	475	9.7%
% Digital from mobile	67.2%	2.4%	68.6%	2.7%	67.9%	2.5%

- o Key KPIs for the TAB business remain strong
 - Digital turnover growth of 13.9%
 - Total TAB Fixed Odds revenue growth of 15.0%, including 20.8% growth in racing
 - Active TAB account customers up 9.7% driven by 13.3% growth in new customer acquisition and good retention rates
- o Retail results impacted by general consumer softness in 2H17

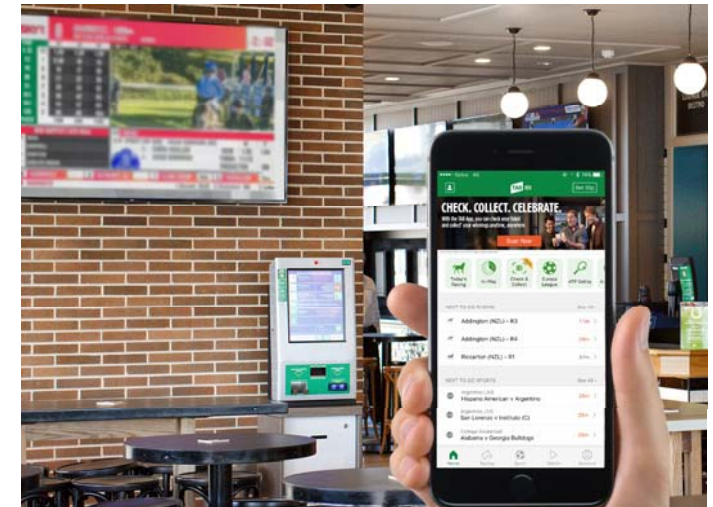


Notes:

- Other turnover includes Oncourse, Premium Customers and PGI
- Turnover and revenue includes Victorian Racing Industry interest
- TAB Active Customers are measured on a rolling 12 month basis

WAGERING & MEDIA INITIATIVES

- o Continued investment in digital transformation
 - Successful roll-out of digital commission model to retail venue partners with effect from October 2016
 - Check & Collect – allowing customers to scan winning tickets via the TAB app into their TAB account
- o New additions to TAB's stable of innovative products
 - Quaddie Cash Out – to drive pari-mutuel exotic activity
 - Bundle Bet – to drive customer take-up of multi-bets
 - Major product launch planned ahead of the Spring Racing Carnival
- o Key media rights extended during FY17
 - RWWA (all codes) until 2021
 - Perth Racing until 2022
 - Tasmania (all codes) until 2026
 - SA Thoroughbreds secured on non-exclusive basis until 2024



"We're particularly excited with the direction Tabcorp is heading with digital wagering in PubTABs and we're looking forward to the roll-out of new hotel products and technology over the next five years." – John Whelan, AHA NSW

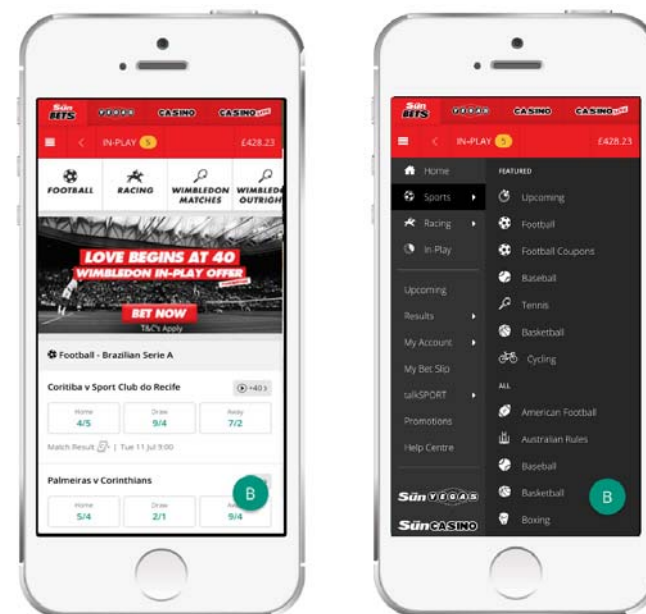
SUN BETS

- o UK start up, Sun Bets, established and launched in August 2016
- o Strategic intent of Sun Bets to gain a position in the attractive UK online wagering and gaming market, while building a platform we can replicate in new growth markets in the future
- o Following operational review, several initiatives have been implemented including changes to leadership, team size and commercial arrangements to improve the positioning of the business for FY18
- o Strong alignment with News UK; marketing and product plan agreed for FY18
- o FY18 focus
 - Improved integration with The Sun's Dream Team ahead of football season
 - Continued enhancement of the sportsbook and casino offering
 - Implementation of revised marketing and CRM strategies to improve retention and share of wallet outcomes
- o Fixed revenue payment obligations to News UK in FY18 of £11.1m and in FY19 of £16.5m¹

Note: 1 If the Sun Bets business does not achieve revenue equivalent to the minimum fees payable to News UK in FY19, then in certain circumstances Tabcorp may terminate the agreement with effect from 31 December 2019. See Section 7.8 of the Annual Report for further details

\$m	FY17
Turnover	203.6
Revenue	4.6
Variable contribution	(14.6)
EBITDA	(46.2)

Note: Sun Bets results are included as a significant item as the business was in the establishment phase in FY17



GAMING SERVICES: KPIs

\$m	FY17	FY16	Change
Revenues	143.9	107.2	34.2%
EBITDA	82.1	70.1	17.1%
EBIT	47.9	41.0	16.8%



- o Further geographic expansion of Gaming Services with the signing of Panthers Group and acquisition of Intecq
- o TGS
 - Approximately 10,650 EGMs under contract (Vic 8,700; NSW 1,950), with 89% of Victorian EGMs contracted through to 2022
 - TGS venues continued to outperform the market
- o Intecq
 - Results for 7 months trading: Revenues \$28.3m, EBITDA \$9.2m and EBIT \$6.6m
 - Approximately 49,000 EGMs covered by loyalty and value added systems across Victoria and NSW
 - Over 21,600 EGMs covered by monitoring and value added systems across Qld and Tasmania
 - Realisation of synergies on track
- o FY18 focus
 - Complete Intecq integration and synergy realisation
 - Drive venue performance and expand customer base

KENO: KPIs

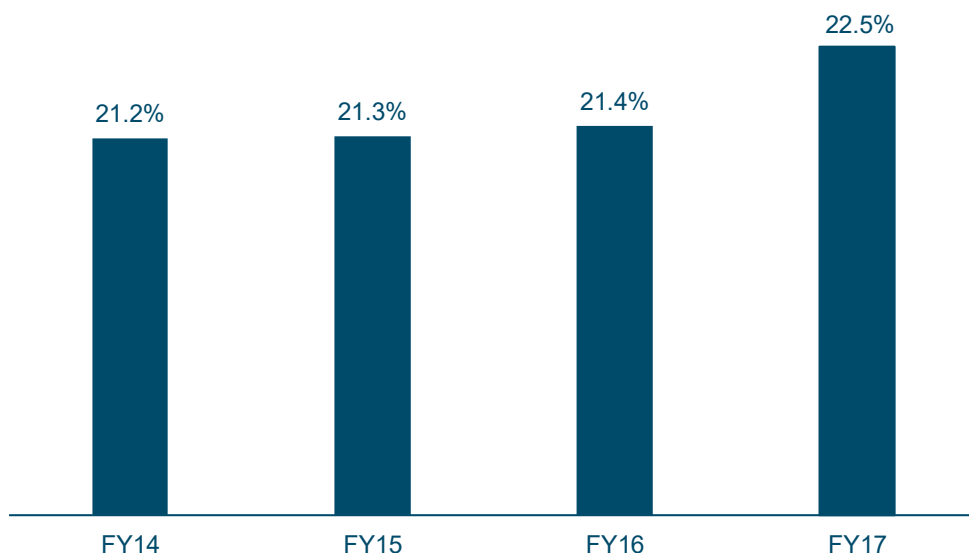
\$m	FY17	FY16	Change
Revenues	212.7	208.5	2.0%
EBITDA	72.0	70.3	2.4%
EBIT	49.5	50.7	(2.4%)
Venues	3,616	3,612	0.1%
Ticket Count (m)	101.4	100.5	0.9%
Avg ticket size (\$)	11.6	11.2	3.6%
Digital Accounts	13,400	300	>100%

- o Ongoing transformation driving turnover growth of 3.6% compared with the pcg
- o Revenue performance
 - Vic up 9.4%
 - NSW up 4.7%
 - Qld down 2.4%
- o Further progress on key strategic initiatives
 - Jackpot pooling now in place across NSW, Queensland, Victoria and ACT
 - Keno Mega Millions launched in NSW and ACT
 - Digital play in-venue in NSW commenced
- o FY18 focus
 - Drive growth from recent investments in product, digital and retail customer experience



OPERATING EXPENSES AND CAPITAL INVESTMENT

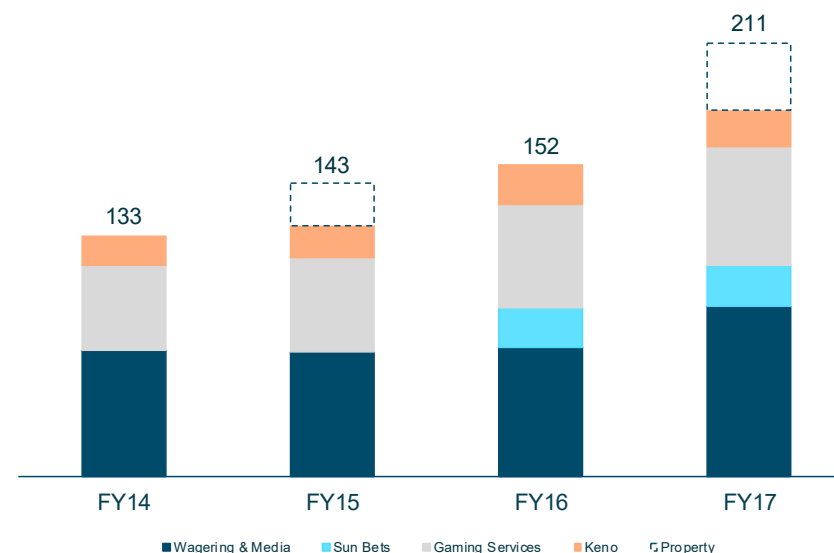
OPEX / REVENUE RATIO¹



- o Increased opex to revenue ratio in FY17 driven by acquisition of Intecq, investment in technology, capability, marketing and risk & compliance
- o Target opex to revenue ratio for FY18 of approximately 22.5%

Note: ¹ Opex to revenue ratio and commentary excludes Sun Bets

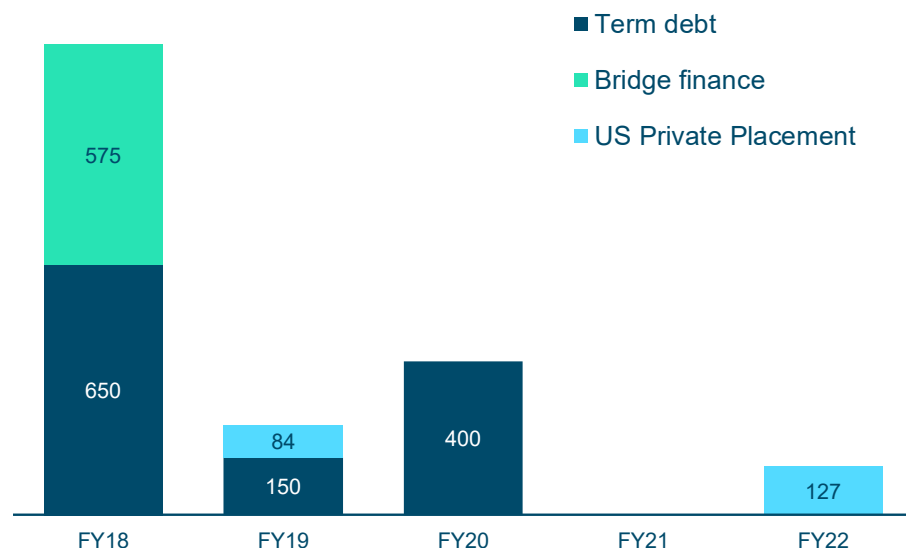
CAPEX (\$m)



- o FY17 capex of \$179m, excluding lease capitalisation for the fit out of new Melbourne and Sydney offices \$32m
- o FY18 capex expected to be approximately \$150m, excluding capex in respect of TGS venue expansion
- o FY18 D&A expected to be approximately \$190m, reflecting full year of Intecq, Panthers Group and office fit out

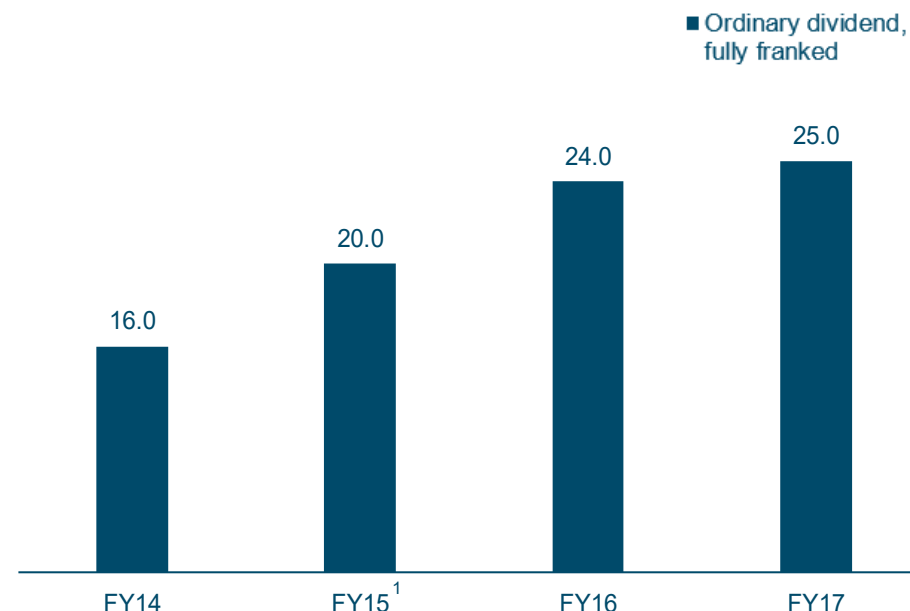
CAPITAL MANAGEMENT

DEBT STRUCTURE (\$m)



- o Undrawn bank facilities of \$400m at 30 June 2017, including a new \$250m short term facility
- o Bridge financing of \$575m facilitated redemption of Tabcorp Subordinated Notes (\$250m) and funded the Tatts cash-settled equity swap (\$325m)
- o Term debt and bridge finance facilities are intended to be refinanced by a new bank facility in respect of the combination with Tatts (legally binding commitment letter in place) or restructured in the ordinary course of business (including the unwinding of the equity swap)

DIVIDENDS (¢)



- o FY18 dividend target is 90% of NPAT before significant items, amortisation of the Victorian Wagering and Betting Licence and Sun Bets
- o The Dividend Reinvestment Plan is currently suspended under the terms of the Merger Implementation Deed with Tatts

Note: 1 In addition to the ordinary dividend, a special dividend of 30.0 cents per share was paid in FY15

COMBINATION WITH TATTS

- o The combination is expected to deliver at least \$130 million per annum of EBITDA from synergies and business improvements
- o The combined group will have greater financial scale and a strong balance sheet position
- o The combination will also offer significant benefits to stakeholders, including the Australian racing industry, business partners and customers
- o On 20 June 2017, the Australian Competition Tribunal (Tribunal) granted authorisation for the combination to proceed, conditional on Tabcorp divesting Odyssey Gaming Services (Odyssey)
 - On 18 April 2017, Tabcorp announced it had agreed to divest Odyssey as part of the competition approvals process
- o The full Federal Court will hear a judicial review of the Tribunal's decision in late August 2017, following applications lodged separately by the ACCC and CrownBet in mid July 2017
 - Should the matter be referred back to the Tribunal, it will review its determination having regard to the Federal Court's decision, rather than restarting proceedings and reassessing the facts
- o The ACCC has withdrawn its application for a stay or injunction to prevent the merger completing until the decision of the Full Federal Court is handed down
- o Scheme documentation expected to be released in September 2017, with a meeting of Tatts' shareholders to vote on the combination expected to be held in October 2017
- o Tabcorp and Tatts expect implementation to take place in the last quarter of 2017

CONCLUSION

- o FY17 was a strategically important year
 - Announced and significantly progressed the combination with Tatts Group, which is expected to complete by the end of 2017
 - Acquired Intecq, a complementary gaming systems and monitoring business
 - Launched our UK start-up, Sun Bets
 - Continued to invest in and embed scalable risk management and regulatory compliance capability; settled the AUSTRAC civil proceedings
 - Ongoing digital expansion; strengthened retail partnerships through digital commissions model and launch of Keno digital play
- o FY18 focus
 - Complete proposed combination with Tatts Group in the last quarter of 2017, integration planning well advanced
 - Continue to drive performance in our core businesses
 - Wagering & Media – build on momentum in Digital and Fixed Odds by delivering differentiated products and customer experiences across all channels, Luxbet strategic review and Trackside initiatives
 - Gaming Services – focus on continued performance for venue partners, expansion opportunities, and the delivery of remaining Intecq synergies
 - Keno – drive growth from recent investments in product, digital and retail customer experience
 - UK start-up, Sun Bets – drive improved performance
 - Disciplined management of operating expenses and capital expenditure

APPENDICES

APPENDICES

1. Wagering & Media: Financial data
2. Wagering & Media: Revenues by state and product
3. Wagering & Media: TAB Fixed Odds turnover and yields
4. Balance sheet
5. Cashflow

1. WAGERING & MEDIA: FINANCIAL DATA

\$m	FY17	FY16	Change
Revenues	1,873.0	1,873.0	0.0%
Taxes, levies, commissions and fees	(1,122.2)	(1,112.7)	0.9%
Variable contribution	750.8	760.3	(1.2%)
Operating expenses	(400.8)	(378.2)	6.0%
EBITDA	350.0	382.1	(8.4%)
D&A	(122.0)	(129.9)	(6.1%)
EBIT	228.0	252.2	(9.6%)

Ratios	FY17	FY16	Change
Variable contribution / Revenue	40.1%	40.6%	(0.5%)
Opex / Revenue	21.4%	20.2%	1.2%
EBIT / Revenue	12.2%	13.5%	(1.3%)

Returns to the Racing Industry	FY17	FY16	Change
Victoria	324.9	331.2	(1.9%)
New South Wales	312.1	290.8	7.3%
Race Field Fees	99.9	94.8	5.4%
Media & International	76.1	70.1	8.6%
Total Returns to the Racing Industry	813.0	786.9	3.3%

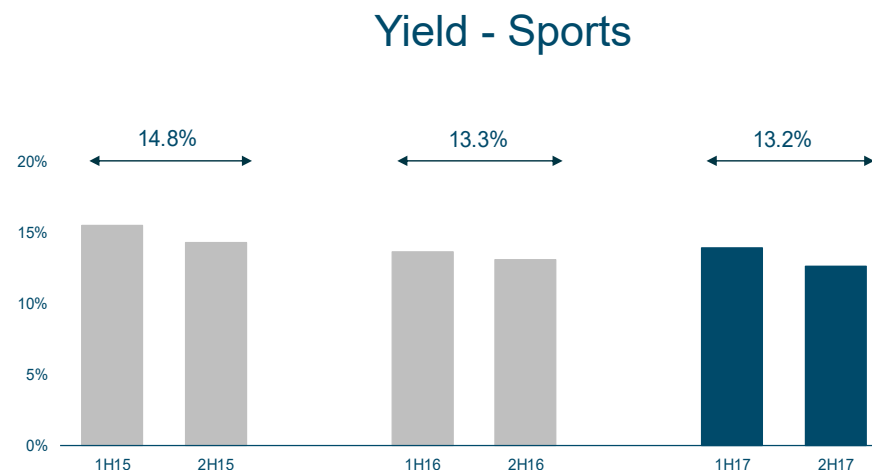
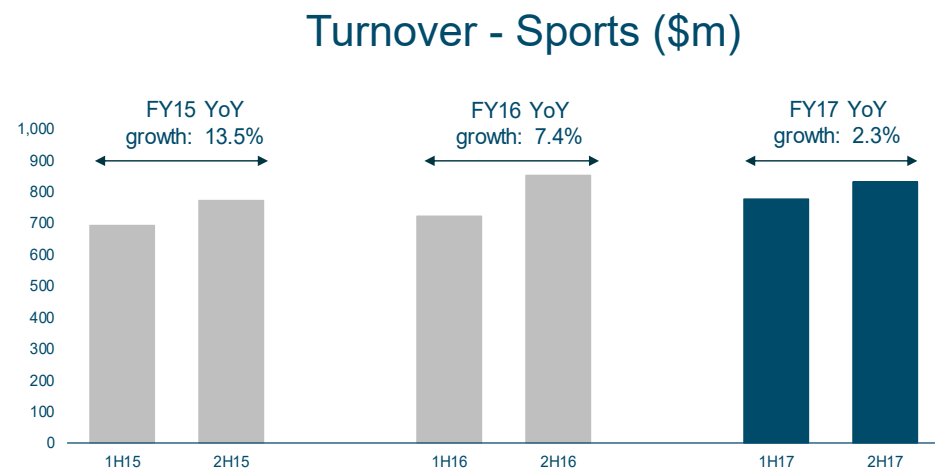
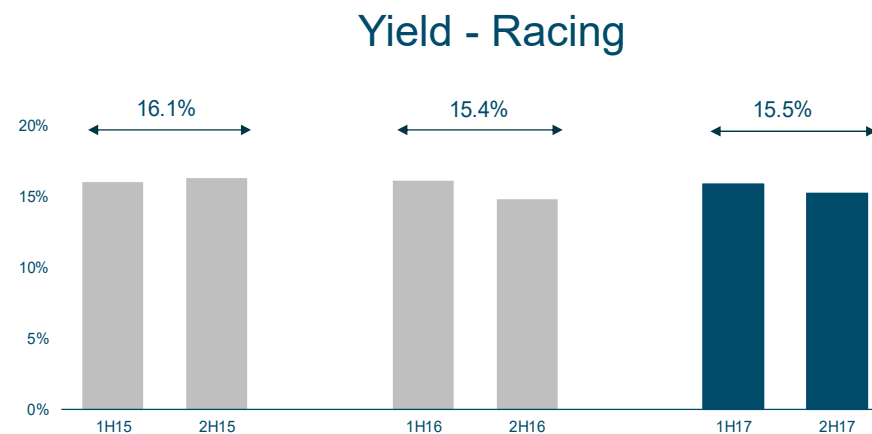
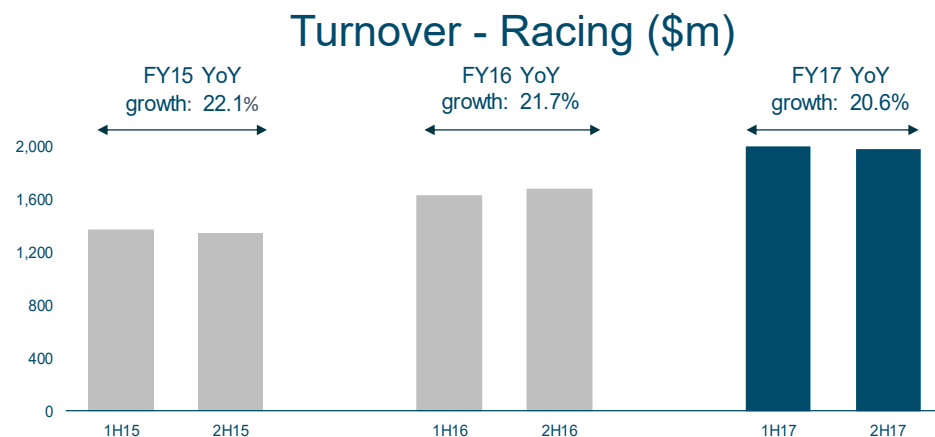
Note: Wagering & Media results have been prepared on a statutory basis and exclude the impact of the UK start-up, Sun Bets, which has been treated as a significant item in FY17

2. WAGERING & MEDIA: REVENUES BY STATE AND PRODUCT

\$m	NSW FY17	Change on pcp	Vic FY17	Change on pcp	ACT FY17	Change on pcp	Total FY17	Change on pcp
Racing	904.5	0.1%	422.0	2.6%	25.7	4.5%	1,352.2	0.9%
Sports	132.1	0.5%	39.3	2.1%	2.7	35.0%	174.1	1.2%
Trackside	36.1	(15.7%)	22.2	(14.3%)	1.1	37.5%	59.4	(14.5%)
Media							178.9	1.9%
Luxbet							38.7	(20.7%)
Other							69.7	3.4%
Revenues	1,072.7	(0.5%)	483.5	1.6%	29.5	7.7%	1,873.0	0.0%

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

3. WAGERING & MEDIA: TAB FIXED ODDS T/O AND YIELDS



Note: TAB Fixed Odds Sports excludes FoodyTAB

4. BALANCE SHEET

\$m	Jun 17	Jun 16	Change
Total current assets	556.6	197.1	>100%
Licences	637.5	682.4	(6.6%)
Other intangible assets	2,058.1	1,945.3	5.8%
Property, plant and equipment	339.4	311.7	8.9%
Other non current assets	149.3	166.3	(10.2%)
Total assets	3,740.9	3,302.8	13.3%
Total liabilities	2,257.5	1,614.7	39.8%
Shareholders' funds	1,483.4	1,688.1	(12.1%)
Net debt (reported)	1,544.0	954.4	61.8%
Net debt (economic) ¹	1,468.5	869.6	68.9%
Shares on issue (m)	835.3	831.5	0.5%
Ratios¹			
Gross debt / EBITDA (x)	3.1*	1.9	
EBIT / Net interest (x) ²	4.7	4.8	
Return on Invested Capital (%)	12.5%	13.3%	

*Gross debt / EBITDA is 2.5x including the mark-to-market value of the cash-settled equity swap³

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

2 EBIT excludes amortisation of the Victorian Wagering and Betting Licence

3 The cash-settled equity swap is reflected in the Balance Sheet as a current asset (\$293.6m) and the related funding (\$325.0m) is included in debt, the mark-to-market loss is recognised in Significant Items

5. CASHFLOW

\$m	FY17	FY16	Change
Net operating cash flows	359.1	458.1	(21.6%)
Net interest paid	(75.1)	(68.4)	9.8%
Income tax (paid) / refunded	(61.5)	11.4	(>100%)
Payments for PP&E and intangibles	(197.4)	(183.1)	7.8%
Sub-total	25.1	218.0	(88.5%)
Ordinary dividends paid	(194.5)	(173.3)	12.2%
Payment for cash-settled equity swap	(317.5)	-	(100.0%)
Intecq acquisition	(113.2)	-	(100.0%)
Other	3.7	1.3	>100%
Net cash flow	(596.4)	46.0	(>100%)
Net debt at beginning of period	954.4	987.7	(3.4%)
Non cash movements	(6.8)	12.7	(>100%)
Net debt at end of period	1,544.0	954.4	61.8%

- o FY17 net operating flows includes cash outflows of \$159.8m relating to significant items (FY16 cash outflows of \$36.2m relating to significant items)

DISCLAIMER

This Presentation contains summary information about the current activities of Tabcorp Holdings Limited (Tabcorp) and its subsidiaries (Tabcorp Group). It should be read in conjunction with the Tabcorp Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.asx.com.au.

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Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

TO ADVANCE THE WAY WE PLAY

Tabcorp



Luxbet



NTECQ
Limited