

TABCORP HOLDINGS LIMITED ANNUAL GENERAL MEETING

27 OCTOBER 2017

CHAIRMAN'S ADDRESS

TABCORP TODAY

WAGERING & MEDIA



KENO



GAMING SERVICES



FY17: AN IMPORTANT YEAR

- Significantly progressed our combination with Tatts Group, expected to be completed by the end of 2017
- Ongoing execution of multi-channel strategy
- Launched our UK start-up, Sun Bets
- Acquired and integrated Intecq, adding scale and capability to TGS
- Settled the AUSTRAC civil proceedings
- Continued investment in risk and compliance



GROUP RESULTS¹

\$M	FY17	FY16	CHANGE
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.
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.

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



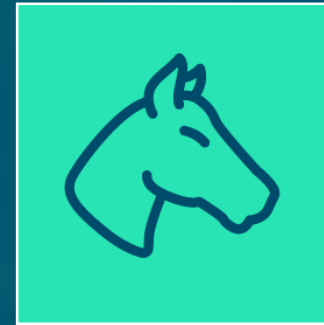
An ASX50 company



More than A\$5 billion in annual revenue¹



Expected to deliver at least \$130 million p.a. EBITDA synergies and business improvements



\$50 million p.a. of additional funding expected to flow to Australian racing



Complementary businesses, delivering a winning offer for customers

DEVELOPMENTS IN GAMBLING REGULATION

- Tabcorp has welcomed recent developments in the regulation of gambling
 - Amendments to the Interactive Gambling Act make it clear that online betting on live sport is illegal
 - The offering of credit to customers by corporate bookmakers will end in February 2018
 - Restrictions on gambling advertising during sports broadcasts expected to commence next year
 - Significant progress being made by Federal Government on National Consumer Protection Framework



BOARD OF DIRECTORS

Bruce Akhurst and **Vicki McFadden** formally commenced as Non-Executive Directors on 1 July 2017 and are standing for election today.

Jane Hemstrich is retiring from the Board today.

TABCORP
PLAYS AN
INTEGRAL
ROLE IN THE
INDUSTRY

\$1.26 BILLION OF TAXES
AND RACING INDUSTRY
FUNDING IN FY17



CONCLUSION

- FY17 was a strategically important, but challenging year
 - Invested in core businesses
 - Strengthened risk and compliance capability
 - Our business is now stronger and more resilient
- Our priority remains the successful completion of the Tatts combination



MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER'S ADDRESS

GROUP RESULTS¹

\$M	FY17	FY16	CHANGE
Revenue	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.
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.

WAGERING & MEDIA: KPIs

\$M	FY17	FY16	CHANGE
Revenue	1,873.0	1,873.0	0.0%
EBITDA	350.0	382.1	(8.4%)
EBIT	228.0	252.2	(9.6%)

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

- Key KPIs for the TAB business remain strong
 - Digital turnover growth of 13.9%
 - Total TAB Fixed Odds revenue growth of 15.0%
 - Active TAB account customers up 9.7% driven by 13.3% growth in new customer acquisition and good retention rates
- However, results impacted by Luxbet and Trackside underperformance, wet weather during the Autumn Carnival and lower than expected 2H17 yields
 - Luxbet EBIT loss of \$13m, strategic review underway
 - Review of Trackside product and marketing activity completed, new initiatives underway



WAGERING & MEDIA: FY17 INITIATIVES

- 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
- New additions to TAB's stable of innovative products
 - Quaddie Cash Out – to drive parimutuel exotic activity
- 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
- Sun Bets reset to improve performance



“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

GAMING SERVICES: KPIs AND HIGHLIGHTS

\$M	FY17	FY16	CHANGE
Revenue	143.9	107.2	34.2%
EBITDA	82.1	70.1	17.1%
EBIT	47.9	41.0	16.8%

- Further geographic expansion of Gaming Services with the acquisition of Intecq and signing of Panthers Group
- 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
- Intecq
 - Results for 7 months trading: Revenues \$28.3m, EBITDA \$9.2m and EBIT \$6.6m



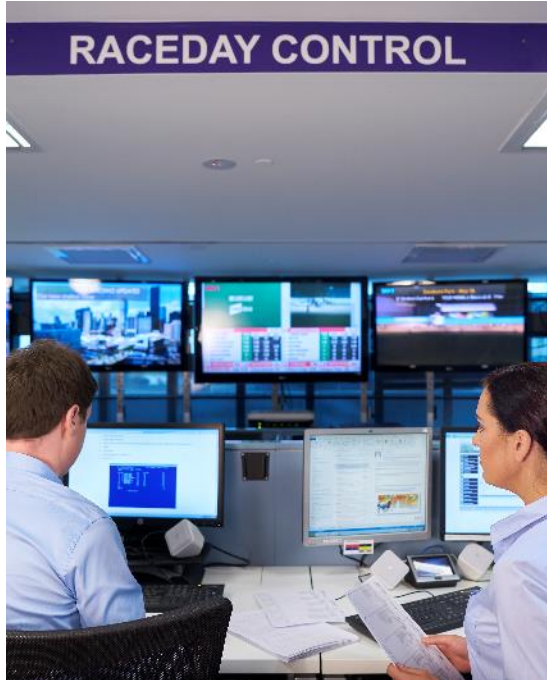
KENO: KPIs AND HIGHLIGHTS

\$M	FY17	FY16	CHANGE
Revenue	212.7	208.5	2.0%
EBITDA	72.0	70.3	2.4%
EBIT	49.5	50.7	(2.4%)

- Ongoing transformation driving growth of 3.6%
- Revenue performance
 - VIC up 9.4%
 - NSW up 4.7%
 - QLD down 2.4%
- 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



OUR PEOPLE AND CULTURE



INTEGRITY ALWAYS



CUSTOMER FIRST



WIN-WIN PARTNERSHIPS



EXCELLENCE

MAKING TABCORP A GREAT PLACE TO WORK

Tabcorp was the only gambling company to be recognised by the Workplace Gender Equality Agency as an Employer of Choice for Gender Equality in FY17.



Tabcorp

1Q18 TRADING PERFORMANCE

Revenue	1Q18(\$M)	1Q17(\$M)	CHANGE ON PCP
Wagering & Media	481.5	460.9	4.5%
Gaming Services	41.4	28.0	47.8%
Keno	54.8	57.9	(5.3%)
Sun Bets	1.1	1.0	5.3%
Group Revenue	578.8	547.8	5.7%

Notes: Unaudited. Wagering revenue excludes the VRI's interest in the Joint Venture.

FY18 PRIORITIES

- Complete proposed combination with Tatts Group in 2017, integration planning well advanced
- Continue to drive performance in our core businesses
- Ensuring the highest levels of regulatory compliance across all of our businesses
- Disciplined management of operating expenses and capital expenditure
- Well positioned for future growth



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TO ADVANCE THE WAY WE PLAY

Tabcorp



Luxbet



INTECQ
Limited

Tabcorp