



MOMENTS THAT
THRILL!

TATTS GROUP LIMITED

FY17 ANNUAL GENERAL MEETING

INTRODUCTION

Harry Boon Chairman



FY17 YEAR IN REVIEW

- Secured exclusive 10-year Victorian Lotteries licence
 - Strong performance – profit from Continuing Operations down 7.7%, impacted by:
 - Lower jackpot run
 - Poor weather on racing calendar
 - Statutory net profit, down 5.7% impacted by \$23m in merger costs
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REGULATORY ENVIRONMENT

- Tatts licensed lottery operations **contribute \$1.1 billion** each year in lottery **taxes**
 - **Regulatory momentum** to legislate against synthetic lotteries
 - Northern Territory has **banned** betting on the outcome of Australian lotteries
 - **Regulatory compliance** is a **critical** area of focus for the Board
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**LOTTOLAND'S
GOTTA GO!**

SUPPORT YOUR LOCAL NEWSAGENTS

**LOTTOLAND
DOES NOT
SUPPORT
LOCAL
SCHOOLS,
HOSPITALS
OR ROADS**

TATTS & TABCORP MERGER



- Tatts & Tabcorp to combine to create a world class, diversified gambling entertainment group
 - An ASX50 company
 - More than \$5 billion in annual revenue
 - Expected to deliver at least \$130m annual EBITDA synergies & business improvements
 - \$50m annual additional funding expected to flow to Australian Racing
 - Complementary business, delivering a winning offer to customers

Business	Key Brands	Geographic Reach								
		VIC	NSW	ACT	QLD	SA	TAS	NT	WA	Intl.
Wagering	  	✓	✓	✓	✓	✓	✓	✓		✓
Lotteries	    	✓	✓	✓	✓	✓	✓	✓		✓
Keno		✓	✓	✓	✓	✓				
Gaming Services	  	✓	✓	✓	✓	✓	✓	✓	✓	
Racing Media		✓	✓	✓	✓	✓	✓	✓	✓	✓

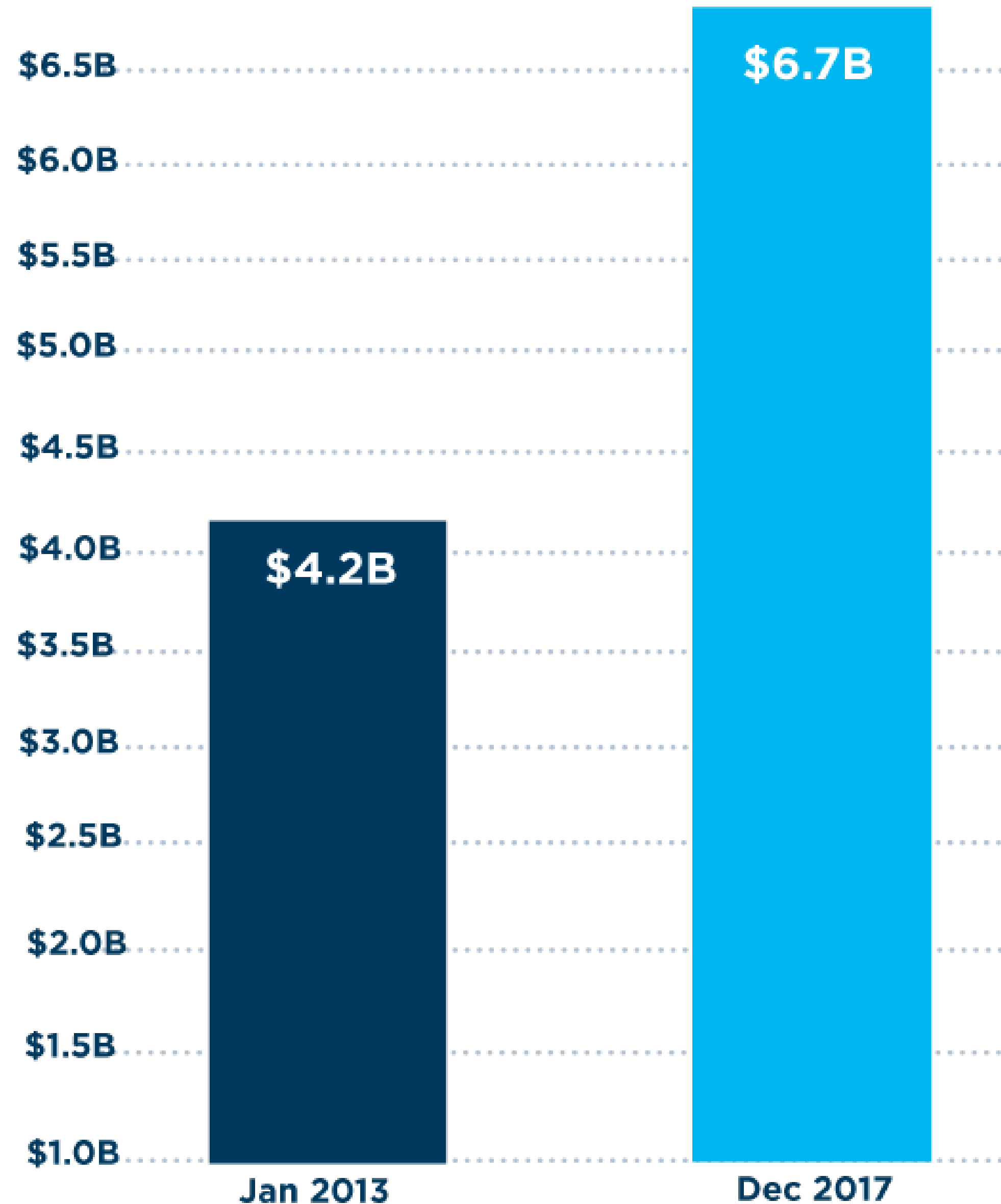
MANAGING DIRECTOR/CEO ADDRESS

Robbie Cooke
MD/CEO



INTRODUCTION

- Tatts Group market capitalisation:
 - 1 January 2013 - \$4.2 billion
 - 11 December 2017 - \$6.7 billion
 - 60% grown in market capitalisation over 5 years
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INDUSTRY CONSOLIDATION

- Paddy Power + Betfair - \$12 billion company
 - Coral + Ladbrokes - \$6 billion company
 - Coral Ladbrokes + GVC - \$9.4 billion company

 - **Tatts + Tabcorp - \$11 billion company**
 - **Scale + operational diversity**
-

KEY ACHIEVEMENTS TO DATE

- **Securing our licences** – Numerous key licences due for renewal from January 2013 :

KEY LICENCE	JURISDICTION	ACHIEVED RENEWAL
Wagering Retail Exclusivity	Queensland	<input checked="" type="checkbox"/>
Gaming Machine Monitoring Licence	New South Wales	<input checked="" type="checkbox"/>
Lotteries Licence	Victoria	<input checked="" type="checkbox"/>
Totalisator Licence	Northern Territory	<input checked="" type="checkbox"/>

KEY ACHIEVEMENTS TO DATE (CONTINUED)

- **Organisational structure for success:**
 - Previously - 6 divisional silo's run by 6 individual CEO's (Lotteries, Wagering, Maxgaming, Bytecraft, Talarius & Online)
 - Redesigned organisational structure put in place – 3 key operational units (Lotteries, Wagering & Gaming)
 - Resulted in a more focused and unified Group
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KEY ACHIEVEMENTS TO DATE (CONTINUED)

- **Increasing our Bench Strength:**
 - Significantly expanded teams to address gaps in resourcing and skills – Included:
 - ✓ Digital + Online Marketing Team
 - ✓ Bookmaker Team
 - ✓ Wagering Marketing Team
 - ✓ CRM Team – consolidated at Group Level
 - ✓ Refined Technology Team
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KEY ACHIEVEMENTS TO DATE (CONTINUED)

- Brand + Retail re-positioning:

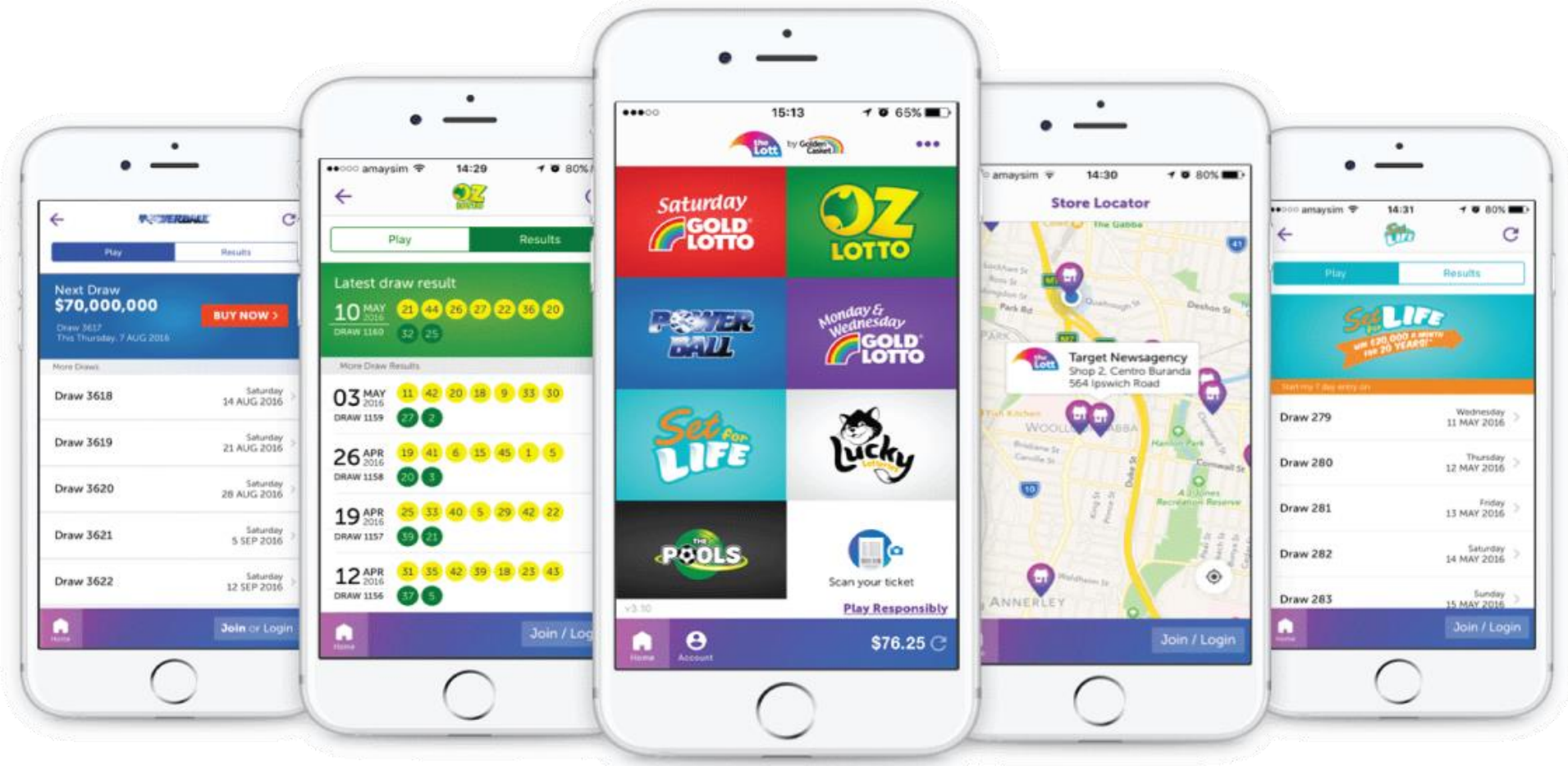
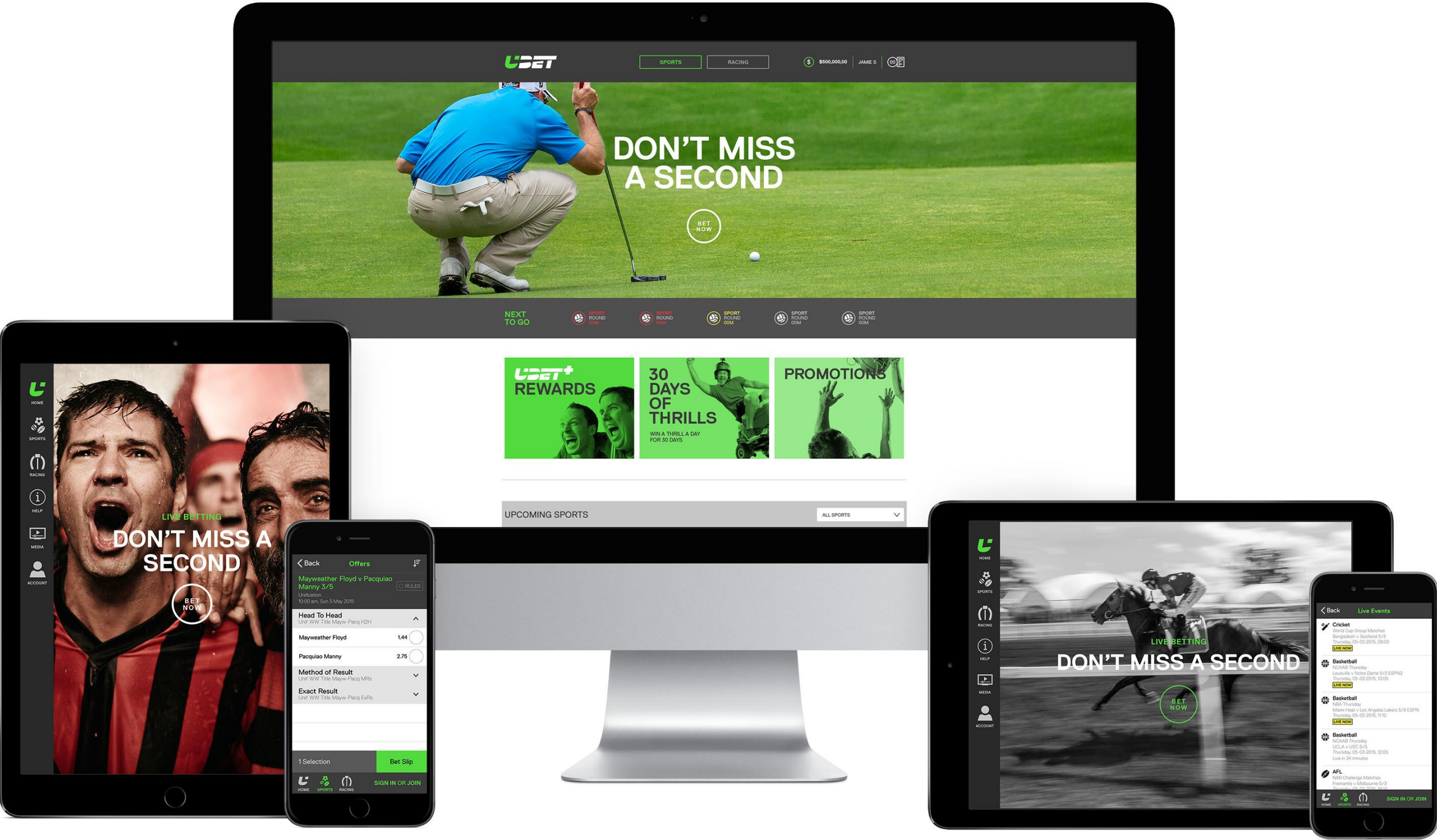


Australia's Official Lotteries



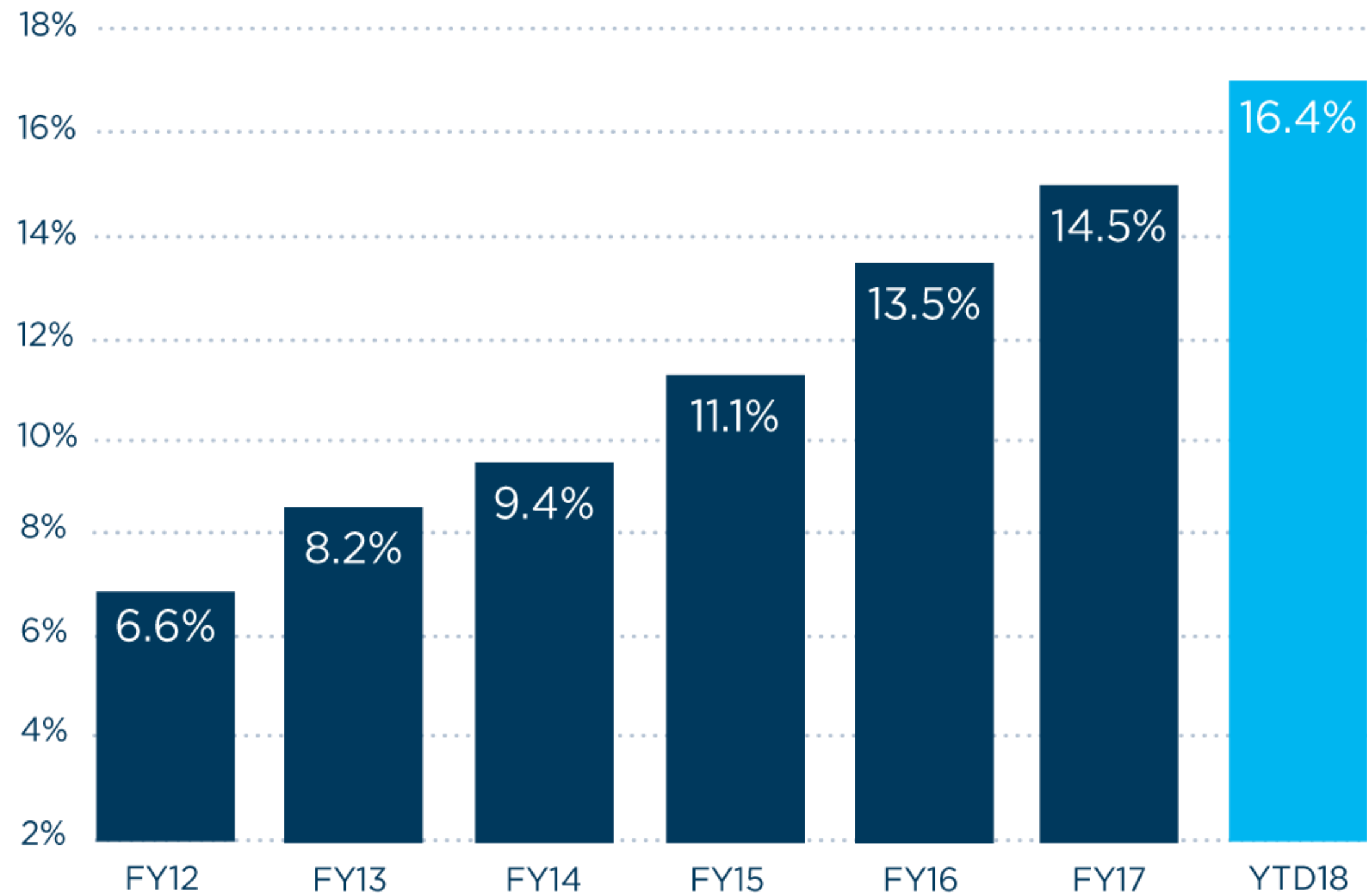
KEY ACHIEVEMENTS TO DATE (CONTINUED)

- **Class Leading Digital:**

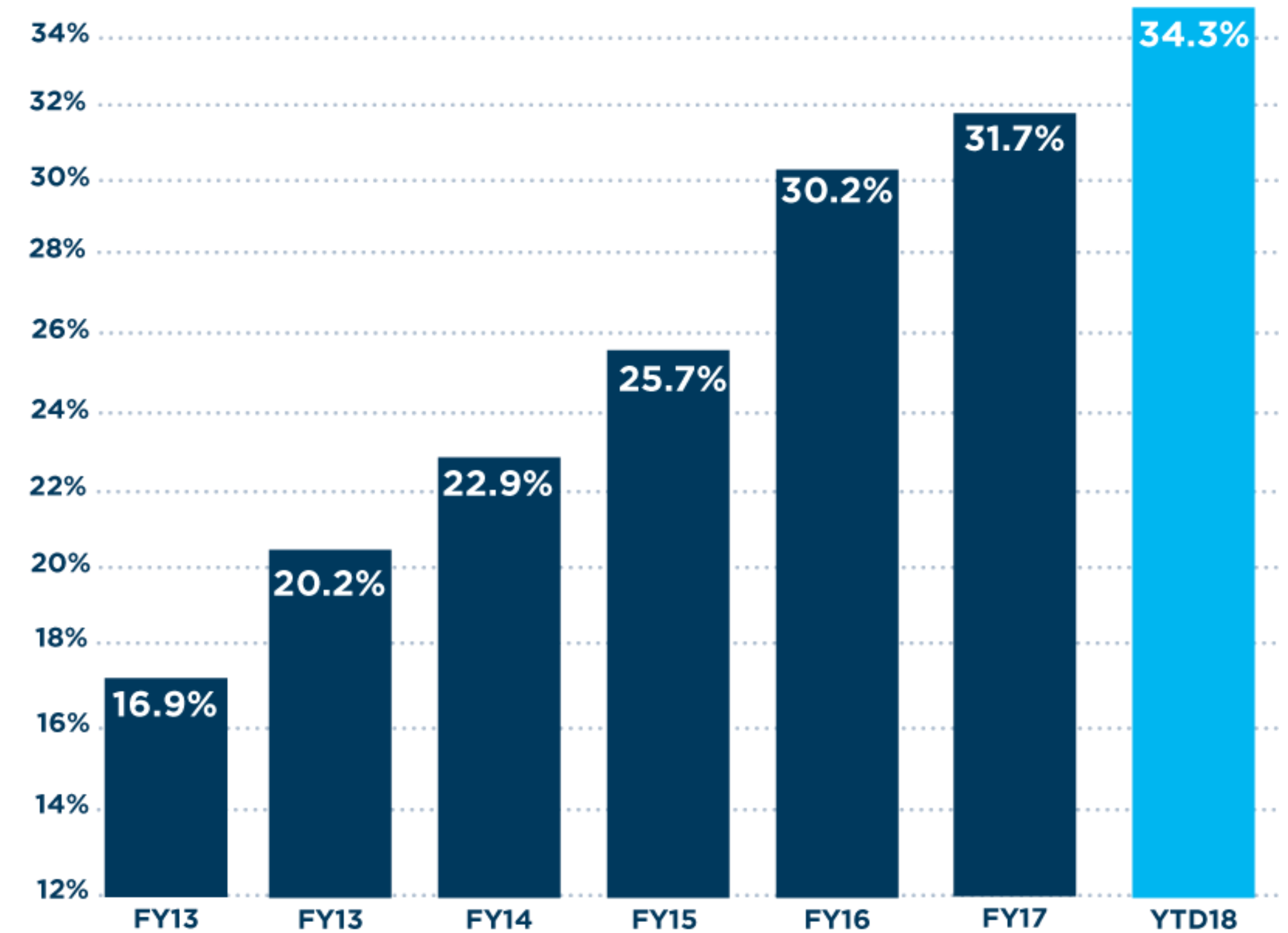


KEY ACHIEVEMENTS TO DATE (CONTINUED)

Lotteries digital sales as a % of total sales:

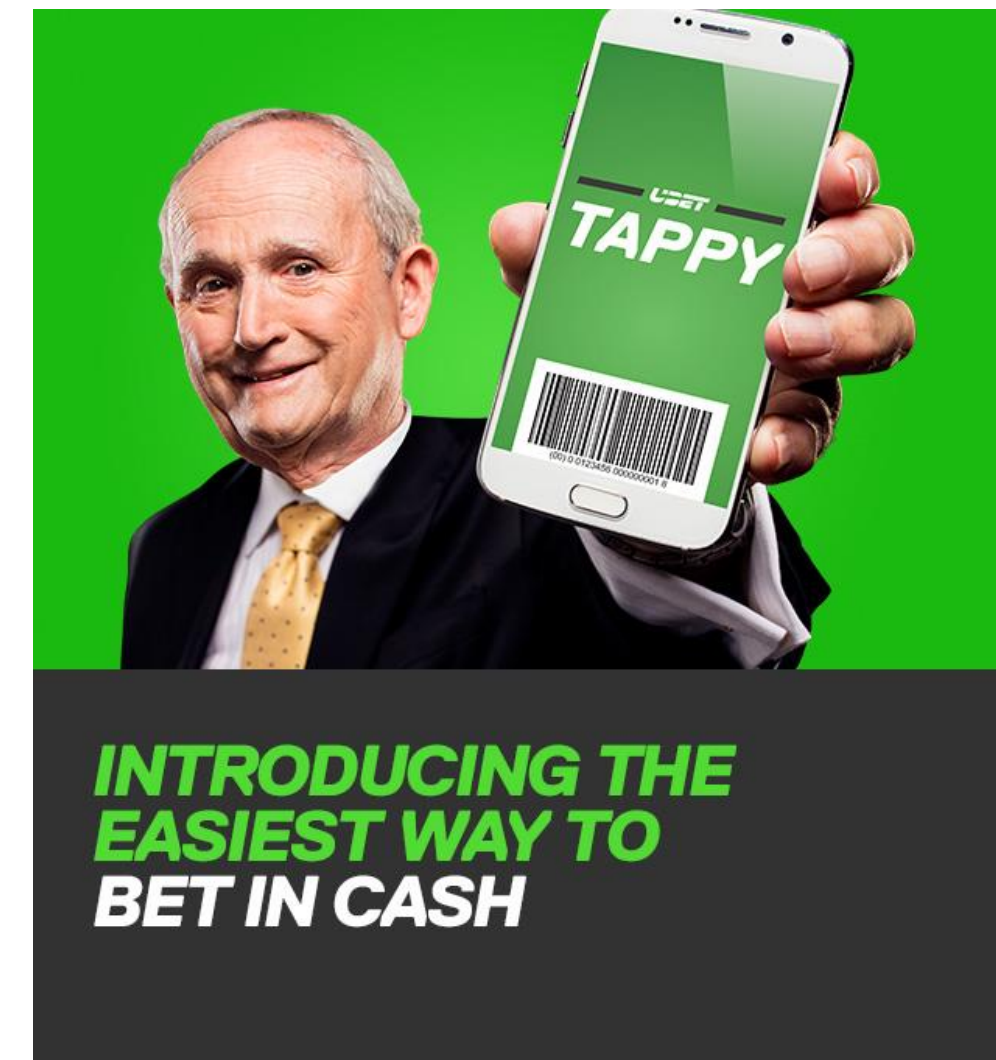


Wagering digital turnover as a % of total turnover:



KEY ACHIEVEMENTS TO DATE (CONTINUED)

- **Product Development + Innovation:**



George²

Tatts Group Charitable Games

TRADING UPDATE

- **For the 5 months ended 30 November 2017:**
 - Continuing operations NPAT up 17.7% (before significant items)
 - Group revenues up 6.1% - strong lotteries jackpot performance
 - Expenses have again been well controlled
 - 10.6% lift in EBITDA
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