

ASX Announcement

13 February 2019



Tatts Group Limited – Release of Tabcorp Group 2019 half year results

Tatts Group Limited (**Tatts Group**) (ASX:TTSHA) advises that its sole shareholder, Tabcorp Holdings Limited (**Tabcorp**), today released its results for the first half of the 2019 financial year (**1H19**), and attaches copies of the announcements.

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APPENDIX 4D

Tabcorp

Results for announcement to the market

Half year report for the 6 months ended 31 December 2018

Tabcorp Holdings Limited (ABN 66 063 780 709)

Results	\$m	% change increase/(decrease)
Revenue from ordinary activities	2,787.5	108%
Profit from ordinary activities after tax attributable to members	182.5	642%
Net profit for the period attributable to members	182.5	642%
From continuing activities:		
Revenue from continuing activities	2,787.4	108%
Profit from continuing activities after tax	192.3	97%

Dividend	Record date	Payable	Amount per share	Franked amount per share
Interim dividend	19 February 2019	13 March 2019	11.0 ¢	11.0 ¢

No foreign conduit income is attributable to the interim dividend.

Dividend reinvestment plan

Tabcorp's Dividend Reinvestment Plan (DRP) will operate in respect of the interim dividend, with the last date for receipt of election notices being 20 February 2019. No discount is applicable to shares allocated to participants and no brokerage, commission or other transaction costs will be payable by participants on shares acquired under the DRP. Shares will be allocated on 13 March 2019 and will rank equally in all respects with existing shares. The price at which shares are allocated is the daily volume weighted average market price of Tabcorp shares sold in the ordinary course of trading on the Australian Securities Exchange over a period of 10 business days beginning on the second business day after the dividend record date.

Net tangible asset backing	December 2018 \$	June 2018 \$	December 2017 \$
Net tangible asset backing per ordinary share	(2.07)	(2.12)	(1.81)
Net tangible asset backing per ordinary share including licences	(0.92)	(0.95)	(1.00)

Supplementary information

The previous corresponding period is the half year ended 31 December 2017.

For additional Appendix 4D disclosures, refer to the accompanying Interim Financial Report (which includes the Directors' Report) for the half year ended 31 December 2018 and ASX Media Release.

This Appendix 4D should be read in conjunction with Tabcorp Holdings Limited's Annual Report 2018.

**Tabcorp Holdings Limited
and controlled entities**

ABN 66 063 780 709

**INTERIM FINANCIAL
REPORT**

**For the half year ended
31 December 2018**

Contents

Directors' Report	3
Directors	3
Principal activities	3
Review of operations	3
Changes in the state of affairs	5
Dividends	5
Rounding of amounts	5
Auditor's independence declaration	6
Financial Report	7
Income statement	7
Balance sheet	8
Cash flow statement	9
Statement of changes in equity	10
Notes to the financial statements	11
Directors' declaration	19
Independent auditor's review report	20

DIRECTORS' REPORT

Tabcorp

The Directors of Tabcorp Holdings Limited (the Company) present their report for the consolidated entity comprising the Company and its subsidiaries (the Tabcorp Group) in respect of the half year ended 31 December 2018.

Directors

The Directors of the Company in office during the half year and up to the date of this report (unless otherwise stated) are as follows:

Name	Title
Paula Dwyer	Chairman and Non Executive Director
David Attenborough	Managing Director and Chief Executive Officer
Bruce Akhurst	Non Executive Director
Harry Boon	Non Executive Director
Steven Gregg	Non Executive Director
Vicki McFadden	Non Executive Director
Justin Milne	Non Executive Director
Zygmunt Switkowski AO	Non Executive Director

Elmer Funke Kupper retired as a Non Executive Director at the Annual General Meeting on 17 October 2018.

Principal activities

The principal activities of the Tabcorp Group during the half year comprised the provision of gambling and entertainment services. The Tabcorp Group's principal activities remain unchanged from the previous financial year to 30 June 2018, except as disclosed elsewhere in this Directors' Report.

Review of operations

The Tabcorp Group has the following three operating segments at the end of the period:

- Lotteries and Keno;
- Wagering and Media; and
- Gaming Services.

The Sun Bets operating segment reported in the financial results for the previous financial year ended 30 June 2018 was discontinued following the closure of the Company's Sun Bets business in the UK.

Comparisons to the prior half year period ended 31 December 2017 includes 18 days contribution from Tatts Group Limited (Tatts Group) following the Company's acquisition of all the ordinary shares of Tatts Group in December 2017.

Group

Reported net profit after income tax (NPAT) was \$182.5 million, up from \$24.6 million in the previous corresponding period (pcp). This period's result was positively impacted by the full period contribution from the Tatts Group. Basic earnings per share (EPS) for the period was 9.1 cents per share, up from 2.6 cents per share in the pcp which was adversely impacted by the discontinued Sun Bets operations.

Revenues from continuing operations were \$2,787.4 million and NPAT from continuing operations was \$192.3 million, up >100% and 97.2% respectively on the pcp. Earnings before interest and tax (EBIT) from continuing operations was \$378.4 million, up from \$208.9 million in the pcp. Basic EPS from continuing operations for the period was 9.5 cents per share, down from 10.3 cents per share in the pcp.

Lotteries and Keno

Revenues for the Lotteries and Keno business were \$1,409.2 million and EBIT was \$210.1 million, both of which were up >100% on the pcp resulting from the contribution from the Tatts Group for the full period.

Lotteries revenues were \$1,292.8 million, supported by game innovations and ongoing investment in digital. The result was also helped by favourable jackpots. The new Powerball game was launched in April 2018, creating bigger and more frequent jackpots. Digital sales accounted for 21.5% of total lottery sales. There are now more than 2.98 million active registered players.

Keno revenues were \$116.4 million, and benefited from the launch of Keno Mega Millions in Victoria in September 2018. Digital sales accounted for 5.5% of total Keno sales.

Wagering and Media

Revenues for the Wagering and Media business were \$1,221.8 million and EBIT was \$159.6 million, up 22.8% and 33.8% respectively on the pcp, primarily resulting from the contribution from the Tatts Group (UBET) for the full period.

TAB turnover was \$6,668.5 million, up 2.6% on the pcp, with growth in digital turnover (\$2,944.8 million, up 15.3% on the pcp), more than offsetting the decline in retail turnover (\$3,014.6 million, down 5.6% on the pcp). TAB fixed odds revenues were \$469.4 million, down 2.3% on the pcp, due to a significant increase in generosity in the current period and lower fixed odds yields. TAB tote revenues were \$499.7 million, down 5.1%.

UBET turnover was \$1,859.0 million, including digital turnover of \$639.3 million and retail turnover of \$955.1 million. UBET contributed \$276.5 million in revenues for the period, comprising fixed odds revenues of \$130.8 million and tote revenues of \$145.7 million.

Gaming Services

Revenues for the Gaming Services business were \$155.8 million and EBIT was \$37.4 million, up 69.0% and 30.8% respectively on the pcp, primarily as a result of the contribution from the Tatts Group (Max) for the full period.

The results were impacted by the expiry of some TGS venue contracts. Progress continues to be made on long-term TGS contract extensions with one-third of the Victorian network now contracted beyond 2022, albeit on lower margins. There are now 8,350 contracted electronic gaming machines in Victoria and 1,900 in NSW.

DIRECTORS' REPORT

Tabcorp

Changes in the state of affairs

On 19 July 2018, the Tabcorp Group announced that it had completed discussions with News UK and executed an agreement to exit the Sun Bets business and Sun Bets ceased offering products effective from that date.

Dividends

A final dividend of 10 cents per share fully franked in respect of the year ended 30 June 2018 was announced on 8 August 2018 and paid to shareholders on 14 September 2018.

An interim dividend of 11 cents per share in respect of the current financial year has been announced. The interim dividend will be fully franked and payable on 13 March 2019 to shareholders registered at 19 February 2019. The ex-dividend date is 18 February 2019.

The Company's Dividend Reinvestment Plan will operate in respect of this interim dividend, with no discount or underwriting applicable.

The target dividend payout ratio for the 2019 financial year is 100% of NPAT before significant items, amortisation of the Victorian Wagering and Betting Licence, and purchase price accounting.

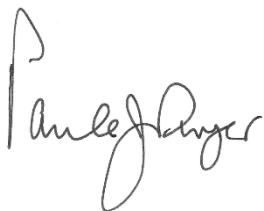
Rounding of amounts

Dollar amounts in the Financial Report and the Directors' Report have been rounded to the nearest hundred thousand unless specifically stated to be otherwise, in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6. This auditor's independence declaration forms part of the Directors' Report.

This report has been signed in accordance with a resolution of Directors.



Paula J Dwyer
Chairman

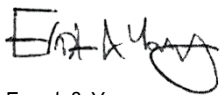
13 February 2019
Melbourne

Auditor's Independence Declaration to the Directors of Tabcorp Holdings Limited

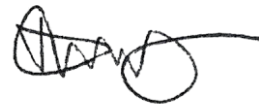
As lead auditor for the review of Tabcorp Holdings Limited for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Tabcorp Holdings Limited and the entities it controlled during the financial period.



Ernst & Young



David Shewring
Partner
13 February 2019

INCOME STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Tabcorp

		December 2018 \$m	December 2017 \$m
Revenue		2,787.4	1,338.1
Other income		2.3	104.2
Commissions and fees	A3	(783.5)	(491.5)
Government taxes and levies		(992.5)	(261.5)
Employment costs		(215.0)	(131.9)
Depreciation and amortisation		(149.6)	(98.8)
Impairment	A3	-	(13.8)
Communication and technology costs		(61.0)	(41.1)
Advertising and promotions		(82.8)	(48.1)
Property costs		(36.0)	(25.2)
Other expenses		(90.9)	(74.5)
Transaction costs - combination with Tatts Group	A3	-	(47.0)
Profit before income tax expense and net finance costs		378.4	208.9
Finance income		0.7	1.0
Finance costs		(97.0)	(45.9)
Profit from continuing operations before income tax expense		282.1	164.0
Income tax expense		(89.8)	(66.5)
Profit from continuing operations after income tax expense		192.3	97.5
Discontinued operations			
Loss from discontinued operations net of tax	C1	(9.8)	(72.9)
Net profit after tax		182.5	24.6
Other comprehensive income			
Items that may be reclassified to profit or loss			
Change in fair value of cash flow hedges taken to equity		29.5	2.3
Exchange differences on translation of foreign operations		(0.1)	(0.2)
Income tax relating to these items		(9.0)	(0.7)
Items that will not be reclassified to profit or loss			
Net loss on equity instruments at fair value through other comprehensive income		(0.1)	(0.1)
Other comprehensive income for the period, net of income tax		20.3	1.3
Total comprehensive income for the period		202.8	25.9
		December 2018 cents	December 2017 cents
Earnings per share:			
From continuing operations			
Basic earnings per share		9.5	10.3
Diluted earnings per share		9.5	10.2
Total attributable to shareholders of Tabcorp			
Basic earnings per share		9.1	2.6
Diluted earnings per share		9.0	2.6
Dividends per share:			
Declared and paid during the period	A2	10.0	12.5
Determined in respect of the period	A2	11.0	11.0

The income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

AS AT 31 DECEMBER 2018

Tabcorp

		December 2018 \$m	June 2018 \$m
	Note		
Current assets			
Cash and cash equivalents		413.9	368.2
Receivables		136.7	98.1
Prepayments		53.6	44.9
Current tax assets		19.0	21.1
Derivative financial instruments	B3	51.9	49.6
Other		81.4	85.8
Total current assets		756.5	667.7
Non current assets			
Receivables		5.6	7.0
Investment in an associate		29.5	22.7
Other financial assets	B2	112.2	75.8
Licences		2,307.4	2,361.1
Other intangible assets		9,115.4	9,142.0
Property, plant and equipment		527.5	488.2
Prepayments		26.2	29.9
Derivative financial instruments	B3	260.7	123.0
Other		29.8	23.4
Total non current assets		12,414.3	12,273.1
TOTAL ASSETS		13,170.8	12,940.8
Current liabilities			
Payables		1,002.2	1,019.9
Interest bearing liabilities	B1	316.8	132.9
Provisions		68.9	92.4
Derivative financial instruments	B3	34.6	48.1
Other		73.7	67.3
Total current liabilities		1,496.2	1,360.6
Non current liabilities			
Payables		276.9	261.8
Interest bearing liabilities	B1	3,435.8	3,371.8
Deferred tax liabilities		596.1	596.1
Provisions		69.9	78.9
Derivative financial instruments	B3	31.5	21.8
Other		10.4	11.2
Total non current liabilities		4,420.6	4,341.6
TOTAL LIABILITIES		5,916.8	5,702.2
NET ASSETS		7,254.0	7,238.6
Equity			
Issued capital		8,544.1	8,529.1
Accumulated losses		(585.0)	(566.2)
Reserves		(705.1)	(724.3)
TOTAL EQUITY		7,254.0	7,238.6

The balance sheet should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Tabcorp

	December 2018 \$m	December 2017 \$m
Cash flows from operating activities		
Net cash receipts in the course of operations	2,865.8	1,381.0
Payments to suppliers, service providers and employees	(1,538.9)	(898.1)
Payment of government levies, betting taxes and GST	(888.8)	(159.4)
Finance income received	0.6	1.0
Finance costs paid	(106.7)	(64.3)
Income tax paid	(95.0)	(21.5)
Net cash flows from operating activities	237.0	238.7
Cash flows from investing activities		
Payments relating to cash-settled equity swap	-	(325.1)
Proceeds relating to cash-settled equity swap	-	74.1
Payment for business acquisition, net of cash acquired	-	(210.7)
Net proceeds from business divestment	-	13.2
Payment for property, plant and equipment and intangibles	(110.8)	(105.9)
Proceeds from sale of property, plant and equipment and intangibles	1.4	-
Payment for exercise of call option	(8.2)	-
Proceeds from sale of shares in an associate	12.1	-
Payment for financial assets	(36.2)	-
Loan repayments received from customers	1.1	5.0
Net cash flows used in investing activities	(140.6)	(549.4)
Cash flows from financing activities		
Net cash flows from revolving bank facilities	154.0	35.0
Proceeds from borrowings	-	3,529.0
Repayment of borrowings	-	(2,536.2)
Settlement of dividends payable by business acquired	-	(235.0)
Dividends paid	(188.6)	(104.4)
Payment of transaction costs for share issue	-	(2.4)
Payment for on-market share purchase	(0.7)	(4.9)
Net cash flows from/(used in) financing activities	(35.3)	681.1
Net increase in cash held	61.1	370.4
Effects of exchange rate changes on cash	0.1	0.1
Cash at beginning of period	352.7	114.3
Cash at end of period	413.9	484.8

The cash flow statement should be read in conjunction with the accompanying notes.

The cash flow statement includes the cash flows of the discontinued Sun Bets business, refer note C1.

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Tabcorp

	Number of ordinary shares m	Issued capital		Accumulated losses \$m	Reserves			Total equity \$m
		Ordinary shares \$m	Treasury shares \$m		Hedging \$m	Demerger \$m	Other \$m	
2018								
Balance at 1 July 2018	2,013.0	8,529.2	(0.1)	(566.2)	(56.9)	(669.9)	2.5	7,238.6
Profit for the period	-	-	-	182.5	-	-	-	182.5
Other comprehensive income	-	-	-	-	20.5	-	(0.2)	20.3
Total comprehensive income	-	-	-	182.5	20.5	-	(0.2)	202.8
Dividends paid	-	-	-	(201.3)	-	-	-	(201.3)
Dividend reinvestment plan	2.6	12.7	-	-	-	-	-	12.7
Transfers	-	2.8	-	-	-	-	(2.8)	-
Restricted shares issued	-	-	(0.7)	-	-	-	-	(0.7)
Share based payments expense	-	-	0.2	-	-	-	1.7	1.9
Balance at 31 December 2018	2,015.6	8,544.7	(0.6)	(585.0)	(36.4)	(669.9)	1.2	7,254.0
		Total issued capital	8,544.1		Total reserves	(705.1)		
2017								
Balance at 1 July 2017	835.3	2,445.1	(0.6)	(270.3)	(24.2)	(669.9)	3.3	1,483.4
Profit for the period	-	-	-	24.6	-	-	-	24.6
Other comprehensive income	-	-	-	-	1.6	-	(0.3)	1.3
Total comprehensive income	-	-	-	24.6	1.6	-	(0.3)	25.9
Dividends paid	-	-	-	(104.4)	-	-	-	(104.4)
Transfers	-	3.0	-	-	-	-	(3.0)	-
Restricted shares issued	-	-	(0.3)	-	-	-	-	(0.3)
Share based payments expense	-	-	0.4	-	-	-	1.6	2.0
Consideration for business combination	1,175.2	6,075.7	-	-	-	-	-	6,075.7
Transaction costs on business combination	-	(2.4)	-	-	-	-	-	(2.4)
Net outlay to purchase shares	-	(4.6)	-	-	-	-	-	(4.6)
Balance at 31 December 2017	2,010.5	8,516.8	(0.5)	(350.1)	(22.6)	(669.9)	1.6	7,475.3
		Total issued capital	8,516.3		Total reserves	(690.9)		

The statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Tabcorp

ABOUT THIS REPORT

Tabcorp Holdings Limited (the Company) is a company domiciled in Australia. The general purpose condensed consolidated half year financial report of the Company for the six months ended 31 December 2018 (half year financial report) comprises the Company and its subsidiaries (the Group) and the Group's interest in joint arrangements and associates.

In December 2017, the Group acquired 100% of the ordinary shares of Tatts Group Limited (Tatts Group), through a scheme of arrangement between Tatts Group and its members. Comparative period results include 18 days contribution from Tatts Group.

The half year financial report was authorised for issue by the Board of Directors on 13 February 2019 and has been prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001 (Cth).

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 (Cth).

The accounting policies used are consistent with those applied in the 30 June 2018 financial report, except for the adoption of new standards effective as of 1 July 2018. The Group applies, for the first time, *AASB 9 Financial Instruments* and *AASB 15 Revenue from Contracts with Customers*.

Adoption of AASB 9 impacted how the Group classifies certain financial instruments (refer note B2). Assets previously classified as held to maturity investments are now classified as debt instruments at amortised cost and assets previously classified as available for sale financial assets are now classified as equity instruments at fair value through other comprehensive income (FVOCI). Comparative information has been restated. There were no changes to the measurement of the Group's financial assets except that changes in the fair value of equity instruments at FVOCI are no longer permitted to be reclassified to profit or loss upon derecognition. There were no changes in the classification or measurement of the Group's financial liabilities.

AASB 15 establishes a framework for determining whether, how much and when revenue from contracts with customers is recognised. The core principle is that revenue must be recognised when control of the goods or services is transferred to the customer, at the transaction price. The Group's accounting policies in relation to revenue (refer to note A1) have been aligned to the new standard.

On application of AASB 15, certain commission arrangements are reclassified out of operating expenses and are presented as a reduction to revenue. The reclassification has no impact on profit. The below table sets out the impact of the restatement:

	December 2017		
	Reported	Impact	Restated
	\$m	\$m	\$m
Revenue	1,372.5	(34.4)	1,338.1
Commission and fees	(525.9)	34.4	(491.5)

Note disclosures in this half year financial report have been grouped into the following three sections:

A Group performance

- A1 Segment information
- A2 Dividends
- A3 Revenue and expenses
- A4 Subsequent events

B Capital and risk management

- B1 Interest bearing liabilities
- B2 Other financial assets
- B3 Derivative financial instruments
- B4 Fair value measurement

C Group structure

- C1 Discontinued operations

NOTES TO THE FINANCIAL STATEMENTS

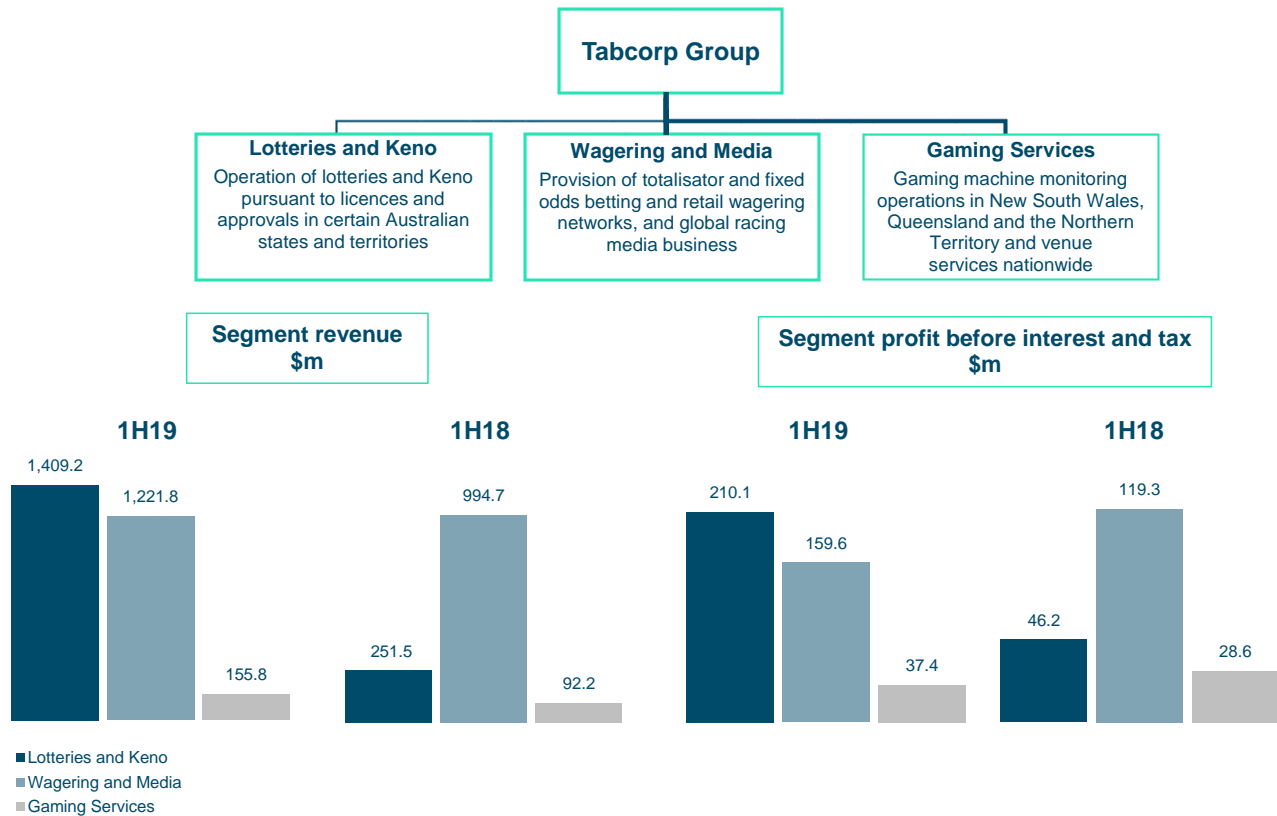
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

SECTION A - GROUP PERFORMANCE

A1 Segment information

Operating segments reflect the business level at which financial information is provided to the Managing Director and Chief Executive Officer (Chief Operating Decision Maker), for decision making regarding resource allocation and performance assessment. The measure of segment profit used excludes significant items not considered integral to the ongoing performance of the segment. Inter-segment pricing is determined on commercial terms and conditions.

The Group has three operating segments at period end. Sun Bets ceased trading during the period and is reported as a discontinued operation (refer Note C1). Comparative information has been restated to reflect the Group's current reportable segments.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Tabcorp

SECTION A - GROUP PERFORMANCE (CONTINUED)

A1 Segment information (continued)

	Lotteries and Keno \$m	Wagering and Media \$m	Gaming Services \$m	Total \$m
December 2018				
Revenue - external customers	1,409.2	1,220.9	155.8	2,785.9
Revenue - intersegment	-	0.9	-	0.9
Segment revenue	1,409.2	1,221.8	155.8	2,786.8
Segment profit before interest and tax	210.1	159.6	37.4	407.1
December 2017				
Segment revenue - external customers	251.5	994.7	92.2	1,338.4
Segment profit before interest and tax	46.2	119.3	28.6	194.1
	Revenue		Profit	
	December	December	December	December
	2018	2017	2018	2017
	\$m	\$m	\$m	\$m
Reconciliation of segment revenue and profit before tax				
Segment total (per above)	2,786.8	1,338.4	407.1	194.1
Intersegment revenue elimination	(0.9)	-	-	-
Unallocated items:				
- significant items:				
- costs relating to the combination with Tatts Group	-	-	(17.7)	(69.4)
- Racing Queensland arrangements ⁽ⁱ⁾	-	-	(8.6)	-
- net gain on cash-settled equity swap	-	-	-	110.3
- other ⁽ⁱⁱ⁾	-	-	-	(23.3)
	-	-	(26.3)	17.6
- finance income	-	-	0.7	1.0
- finance costs ⁽ⁱⁱⁱ⁾	-	-	(97.0)	(45.9)
- other	1.5	(0.3)	(2.4)	(2.8)
Total per income statement (continuing operations)	2,787.4	1,338.1	282.1	164.0

(i) Additional fees related to the minimum performance obligations under Racing Queensland arrangements.

(ii) Significant items - other: in the prior period comprised costs relating to Luxbet closure of \$17.0m and loss on Odyssey divestment of \$6.3m.

(iii) Prior period includes financing costs relating to the cash-settled equity swap of \$6.3m.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods or services. The following specific criteria must also be met before revenue is recognised:

Lotteries revenue is recognised as the gross subscriptions received for lotteries less prizes payable when the official draw for each game is completed. Subscriptions received during the year for games which will be drawn in the next financial period, are deferred and recognised as revenue in the next financial period. Revenue from lottery card subscriptions is recognised over the life of the subscription. Management fees recognised in relation to the Master Agent Agreement associated with the operation of SA Lotteries are recognised in sales revenue.

Keno revenue is recognised as the residual value after deducting the return to customers from Keno turnover.

Wagering revenue is recognised as the residual value after deducting the return to customers from wagering turnover. Fixed odds betting revenue is recognised as the net win or loss on an event. The amounts bet on an event are recognised as a liability until the outcome of the event is determined, at which time the revenue is brought to account. Open betting positions are carried at fair value and gains and losses arising on these positions are recognised in revenue.

The Group operates loyalty programmes enabling customers to accumulate award credits for wagering spend. A portion of the spend is allocated to the loyalty points awarded to customers on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue from the award credits is recognised when the award is redeemed or expires.

Media revenue includes subscription income and advertising revenue, and is recognised once the service has been rendered. Subscriptions received relating to future periods are treated as deferred revenue.

Gaming services revenue is recognised once the service has been rendered or the goods have been delivered to the buyer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Tabcorp

SECTION A - GROUP PERFORMANCE (CONTINUED)

	December 2018 Cents per share	December 2017 Cents per share	December 2018 \$m	December 2017 \$m
A2 Dividends				
Fully franked dividends declared and paid during the period:				
Prior year final dividend	10.0	12.5	201.3	104.4
Fully franked dividends determined in respect of the period:				
Interim dividend	11.0	11.0	221.7	221.1
Fully franked dividends declared after balance date to be recognised in subsequent period:				
Interim dividend	11.0	11.0	221.7	221.1
A3 Revenue and expenses			December 2018 \$m	December 2017 \$m
(a) Other income				
Net gain on cash-settled equity swap			-	110.3
Net gain/(loss) on disposal of non current assets			1.5	(0.3)
Net loss on disposal of subsidiaries			-	(6.3)
Other			0.8	0.5
			2.3	104.2
(b) Impairment				
Plant and equipment			-	1.2
Other intangible assets - software			-	9.3
Other intangible assets - other			-	3.3
			-	13.8
(c) Transaction costs - combination with Tatts Group				
Consultancy and legal costs			-	31.2
Debt related costs			-	15.4
Other expenses			-	0.4
			-	47.0
A4 Subsequent events				

Other than the events disclosed elsewhere in this report, no additional matters or circumstances have arisen since the end of the half year, that may significantly affect the Group's operations, the results of those operations or the state of affairs of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Tabcorp

SECTION B - CAPITAL AND RISK MANAGEMENT

B1 Interest bearing liabilities

The Group borrows money from financial institutions and debt investors in the form of bank loans, foreign currency denominated notes and bonds. The following table details the debt position of the Group at 31 December:

Facility	Details	Facility \$m	Maturity	December 2018 \$m	June 2018 \$m
Bank overdraft	Floating interest rate revolving bilateral overdraft facility.	100.0	Feb-19	-	15.5
Bank loans - unsecured	Floating interest rate revolving facility. Subject to financial undertakings as to gearing and interest cover.	633.3	Dec-20	631.0	630.7
		633.3	Dec-21	412.2	257.8
		633.4	Dec-22	-	-
		1,900.0		1,043.2	888.5
US private placement	Fixed interest rate US dollar debt. Aggregate US dollar principal of \$1,640.0 million. Cross currency swaps are in place for all US dollar debt. Under these swaps the aggregate Australian dollar amount payable at maturity is \$2,008.5 million.	USD 87.0	Apr-19	123.4	117.4
		USD 170.0	Dec-20	246.5	236.1
		USD 133.0	Apr-22	188.4	179.3
		USD 105.0	Jun-26	148.2	141.1
		USD 450.0	Jun-28	635.1	604.6
		USD 520.0	Jun-30	733.8	698.7
		USD 175.0	Jun-33	247.0	235.1
		AUD 97.3	Jun-35	96.8	96.7
AUD 97.3	Jun-36	96.8	96.7		
				2,516.0	2,405.7
Tatts Bonds	Floating rate interest 90 day BBSW +3.1% paid quarterly in arrears.	192.0	Jul-19	193.4	195.0
				3,752.6	3,504.7
Current				316.8	132.9
Non current				3,435.8	3,371.8
				3,752.6	3,504.7

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Tabcorp

SECTION B - CAPITAL AND RISK MANAGEMENT (CONTINUED)

B2 Other financial assets

AASB 9 requires that, subsequent to initial recognition, an entity recognises its financial assets at amortised cost or fair value, depending on the entity's business model for managing the financial assets and the contractual characteristics of the financial assets. Following the adoption of AASB 9, the Group classifies its financial assets as follows:

	December 2018 \$m	June 2018 \$m
Equity instruments at fair value through other comprehensive income		
Unlisted investments - managed fund	21.0	20.8
Debt instruments at amortised cost		
Investment - term deposits	91.2	55.0
	112.2	75.8

Equity instruments at fair value through other comprehensive income are equity instruments which the Group intends to hold for the foreseeable future, and for which an irrevocable election to classify as such upon transition to AASB 9 has been made.

After initial measurement, they are subsequently carried at fair value (refer to note B4). Changes in the fair value are recognised in other comprehensive income and accumulated in a reserve within equity. No subsequent recycling of gains or losses to profit or loss is permitted.

Debt instruments at amortised cost are financial assets held in order to collect contractual cash flows that solely represent payments of principal and interest. They are carried at amortised cost.

B3 Derivative financial instruments

The Group holds the following derivative financial instruments, all at fair value based on level 2 observable inputs (refer to note B4):

	December 2018 \$m	June 2018 \$m
Current assets		
Cross currency swaps	51.9	40.5
Equity derivative	-	9.1
	51.9	49.6
Non current assets		
Interest rate swaps	-	1.2
Cross currency swaps	260.7	121.8
	260.7	123.0
	312.6	172.6
Current liabilities		
Interest rate swaps	21.4	22.4
Cross currency swaps	6.7	9.5
Open betting positions	6.5	16.2
	34.6	48.1
Non current liabilities		
Interest rate swaps	31.5	21.4
Cross currency swaps	-	0.4
	31.5	21.8
	66.1	69.9

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Tabcorp

SECTION B - CAPITAL AND RISK MANAGEMENT (CONTINUED)

B4 Fair value measurement

The fair value of financial assets and financial liabilities is estimated for recognition, measurement and disclosure purposes at each balance date. Various methods are available to estimate the fair value of a financial instrument and comprise:

- Level 1 - calculated using quoted prices in active markets.
- Level 2 - estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 - estimated using inputs for the asset or liability that are not based on observable market data.

The carrying amount of financial assets or liabilities recognised in the financial statements is deemed to be the fair value unless stated below:

	Carrying amount		Fair value	
	December 2018	June 2018	December 2018	June 2018
	\$m	\$m	\$m	\$m
Financial assets				
Investment in an associate	29.5	22.7	52.1	33.0
	29.5	22.7	52.1	33.0
Financial liabilities				
US private placement	2,526.7	2,416.3	2,610.8	2,440.3
Tatts Bonds	193.8	195.6	192.8	196.2
	2,720.5	2,611.9	2,803.6	2,636.5

The fair value of the Group's financial instruments is estimated as follows:

Investment in an associate

Fair value is determined using quoted market price (level 1 in fair value hierarchy).

US private placement

Fair value is calculated using discounted future cash flow techniques, where estimated cash flows and estimated discount rates are based on market data at balance date, in combination with restatement to foreign exchange rates at balance date (level 2 in fair value hierarchy).

Tatts Bonds

Fair value is determined using independent market quotations (level 1 in fair value hierarchy).

Cross currency and interest rate swaps

Fair value is calculated using discounted future cash flow techniques, where estimated cash flows and estimated discount rates are based on market data at balance date (level 2 in fair value hierarchy).

Equity instruments at fair value through other comprehensive income

Fair value is calculated by reference to market prices prevailing at balance date (level 2 in fair value hierarchy).

Equity derivative

Fair value was calculated using the Black Scholes Discrete model (level 2 in fair value hierarchy).

There have been no significant transfers between level 1 and level 2 during the half year ended 31 December 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Tabcorp

SECTION C - GROUP STRUCTURE

C1 Discontinued operations

In July 2018, Sun Bets ceased trading and is reported as a discontinued operation. Sun Bets was a UK online wagering and gaming business that the Group had in partnership with News UK since 2016.

The results of the discontinued operations are presented below:

	December 2018	December 2017
	\$m	\$m
Revenue	0.1	3.7
Expenses ⁽ⁱ⁾	(10.6)	(78.5)
Loss before income tax benefit	(10.5)	(74.8)
Income tax benefit on operating activities of discontinued operations	0.7	1.9
Loss from discontinued operations, net of tax	(9.8)	(72.9)
Cash flow information - discontinued operations:		
The cash flows from the discontinued operations contained in the Group cash flow statement are:		
Net cash outflow from operating activities	(91.7)	(12.4)
Net cash outflow from investing activities	-	(5.5)
Net cash outflow	(91.7)	(17.9)
Earnings per share from discontinued operations:		
Basic earnings per share	(0.5)	(7.7)
Diluted earnings per share	(0.5)	(7.6)

(i) Expenses in the prior period included an impairment of software of \$4.3 million and an onerous contract provision raised in relation to contractual obligations of \$49.0 million.

A **discontinued operation** is a component of the Group's business that represents a separate major line of business or geographical area of operations, or is a controlled entity acquired or held exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.


DIRECTORS' DECLARATION

Tabcorp

In the opinion of the Directors of Tabcorp Holdings Limited:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001 (Cth), including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001 (Cth); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.



Paula J Dwyer
Chairman



David R H Attenborough
Managing Director and Chief Executive Officer

Melbourne
13 February 2019

Independent Auditor's Review Report to the Members of Tabcorp Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Tabcorp Holdings Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

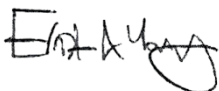
Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

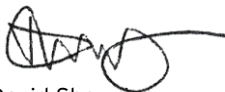
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Ernst & Young



David Shewring
Partner
Melbourne
13 February 2019

MEDIA RELEASE

Tabcorp

13 February 2019

Tabcorp 2018/19 First Half Results

Group Overview

- Strong group results
 - Revenues up 6.1% and EBITDA up 9.0% (vs pro-forma pcp):
 - Strong Lotteries & Keno performance from game innovation, and digital and retail growth
 - Wagering results reflect increased investment in customer generosity and UBET underperformance pre-transition to full TAB offering
 - Gaming Services made good progress on contract renewals and new venue sign-ups
 - Operating expenses reduction driven by synergy benefits
- Interim dividend 11.0 cents per share, fully franked
- Integration targets upgraded
 - Target now \$130m-145m EBITDA synergies and business improvements in FY21. Cost synergies target upgraded to \$95m (from \$80m)
 - Delivered \$24m EBITDA synergies and business improvements in 1H19
 - Set to deliver \$55m in FY19 (previously \$50m)
- Digitalisation accelerated
 - Lotteries digital turnover up 63.5% vs pcp; now 21.5% of total turnover
 - Wagering digital turnover up 11.6% vs pcp; TAB up 15.3%
 - TAB digital commissions model implemented across retail network
- Key regulatory changes
 - Synthetic lottery products prohibited from 9 January 2019
 - Wagering point of consumption tax (POCT) commenced 1 October 2018 in Queensland and 1 January 2019 in Victoria, NSW, WA and ACT. Commenced 1 July 2017 in SA
- Building a strong risk-aware and performance culture
 - Continued investment in highest levels of regulatory compliance and responsible gambling
 - Launched new group-wide purpose 'Excitement with Integrity'

1H19 Results Overview

- Statutory results
 - Revenues \$2,787.4m, up 108.3%
 - NPAT \$182.5m, up from \$24.6m in pcp
 - EPS 9.1 cents per share, up from 2.6 cents per share in pcp
 - Results include significant items expense after tax of \$18.3m from Tatts combination, comprising implementation costs \$12.3m and Racing Queensland arrangements \$6.0m¹
- Results from continuing operations before significant items
 - Revenues \$2,787.4m, up 108.3%
 - EBITDA \$554.3m, up 91.1%
 - NPAT \$210.6m, up 105.3%
 - EPS 10.5 cents per share, down from 10.8 cents per share in pcp
- Results from continuing operations before significant items vs pro-forma pcp²
 - Revenues \$2,787.4m, up 6.1%
 - EBITDA \$554.3m, up 9.0%
 - EBIT \$404.7m, up 11.3%

¹ Refer Appendix 1 of the 2018/19 First Half Results Presentation for details of Significant Items including Racing Queensland arrangements.

² Pro-forma results for 1H18 include adjustments to Tabcorp's reported results to facilitate examination of the financial performance of the combined group as if the Tatts combination had been in place for the full period.

MEDIA RELEASE

Tabcorp

GROUP RESULTS¹

\$m	1H19	1H18	Change on pcp
Revenues	2,787.4	1,338.1	>100.0%
Variable contribution	1,013.3	579.6	74.8%
Operating expenses	(459.0)	(289.5)	58.5%
EBITDA from continuing operations before significant items	554.3	290.1	91.1%
D&A	(149.6)	(98.8)	51.4%
EBIT from continuing operations before significant items	404.7	191.3	>100.0%
Interest	(96.3)	(38.7)	>100.0%
Tax expense	(97.8)	(50.0)	95.6%
NPAT from continuing operations before significant items	210.6	102.6	>100.0%
Significant items (after tax) ²	(18.3)	(5.1)	>100.0%
NPAT from discontinued operations ³	(9.8)	(72.9)	86.6%
Statutory NPAT	182.5	24.6	>100.0%

- Comparative period results include 18 days contribution from Tatts from 14 December 2017.
- Significant items (after tax) of \$18.3m relates to Tatts Group combination, comprising implementation costs \$12.3m and Racing Queensland arrangements \$6.0m. Refer Appendix 1 of the 2018/19 First Half Results presentation for further details.
- Sun Bets ceased trading in July 2018.

BUSINESS RESULTS (vs PRO-FORMA PCP)¹

1H19 (\$m)	Lotteries & Keno	Change on pcp	Wagering & Media	Change on pcp	Gaming Services	Change on pcp	Group ²	Change on pcp
Revenues	1,409.2	18.1%	1,221.8	(3.8%)	155.8	(4.0%)	2,787.4	6.1%
Variable contribution	365.5	18.4%	498.4	(3.8%)	147.9	(4.5%)	1,013.3	3.1%
Operating expenses	(113.3)	3.9%	(267.8)	(4.0%)	(74.1)	(0.8%)	(459.0)	(3.2%)
EBITDA	252.2	26.3%	230.6	(3.7%)	73.8	(8.0%)	554.3	9.0%
D&A	(42.1)	(0.2%)	(71.0)	(2.9%)	(36.4)	21.3%	(149.6)	3.1%
EBIT	210.1	33.4%	159.6	(4.1%)	37.4	(25.4%)	404.7	11.3%
VC / Revenue (%)	25.9%	0.0%	40.8%	0.0%	94.9%	(0.6%)	36.4%	(1.1%)
Opex / Revenue (%)	8.0%	(1.1%)	21.9%	0.0%	47.6%	1.6%	16.5%	(1.5%)
EBITDA / Revenue (%)	17.9%	1.3%	18.9%	0.1%	47.4%	(2.1%)	19.9%	0.5%
EBIT / Revenue (%)	14.9%	1.7%	13.1%	(0.1%)	24.0%	(6.9%)	14.5%	0.6%

- Pro-forma results for 1H18 include adjustments to Tabcorp's reported results to facilitate examination of the financial performance of the combined group as if the Tatts combination had been in place for the full period.
- Business results do not aggregate to Group total due to intercompany eliminations and unallocated items. 1H19 unallocated items \$2.4m expense: new Brisbane office lease costs \$2.8m, other expenses \$2.0m, Jumbo Interactive income \$2.4m. (1H18 unallocated items \$10.4m expense).

MANAGING DIRECTOR AND CEO COMMENTARY

“Tabcorp delivered a strong financial result in 1H19 on the back of the diversification benefits from the combination with Tatts,” Tabcorp Managing Director and CEO, David Attenborough said.

“We have created a sustainable and diversified gambling entertainment company, with the scale to invest and grow. Our focus is on ensuring a strong and aligned risk-aware and performance culture centred around our new purpose of ‘Excitement with Integrity’.

“The integration program is progressing well, and we have upgraded our synergy targets. We delivered \$24 million of EBITDA from synergies and business improvements in 1H19 and are set to deliver \$55 million in FY19, up from our previous target of \$50 million.

“The performance of Lotteries was the standout in 1H19. The strong performance was driven by digital growth and game innovation, including bigger and more frequent Powerball jackpots.

“TAB’s active customer numbers and turnover grew in a market in which there was a significant increase in customer generosities. UBET will be a different business in FY21 and has commenced its transition to the full TAB offering.

“Gaming Services performed to plan and is making good progress on venue sign-ups and contract extensions.

“The commencement of point of consumption taxes in four jurisdictions in 2019, and the prohibition of synthetic lottery products, creates a more sustainable gambling environment.

“Tabcorp is well positioned for 2019 and beyond.”

LOTTERIES & KENO

Lotteries & Keno revenues were \$1,409.2m, up 18.1% vs pro-forma pcp. EBITDA was \$252.2m, up 26.3% vs pro-forma pcp.

Lotteries revenues were \$1,292.8m, up 19.6% supported by game initiatives and ongoing investment in digital. The result was also helped by favourable jackpots.

Digital turnover was up 63.5% and now represents 21.5% of total Lotteries turnover, while retail turnover grew 11.0%.

The major change to Powerball delivered the planned benefits, with bigger and more frequent jackpots driving sales momentum. Big jackpots such as the \$100m event in August 2018 helped drive customer acquisition. There are now 2.98m active registered players, up 13% on the pcp.

Keno revenues were \$116.4m, up 3.7% vs pro-forma pcp. Keno Mega Millions launched in Victoria in September. Digital turnover accounted for 5.5% of total Keno turnover.

WAGERING & MEDIA

Wagering & Media revenues were \$1,221.8m, down 3.8% vs pro-forma pcp and EBITDA was \$230.6m, down 3.7% vs pro-forma pcp.

TAB grew customers and turnover in highly competitive market conditions as operators aggressively chased market share in advance of the introduction of further point of consumption taxes. TAB grew its active customer base by 6.7% to 533,000 as it focused on customer acquisition and retention.

MEDIA RELEASE

Tabcorp

TAB turnover growth of 2.2% translated to a revenue decline of 3.1% due to a significant increase in generosities and lower fixed odds yields.

UBET revenues declined 7.3%. This is evidence of a business in pre-transition to the full TAB offering, which will see more products and services introduced to align the customer experience.

GAMING SERVICES

Gaming Services revenues were \$155.8m, down 4.0% vs pro-forma pcp. EBITDA was \$73.8m, down 8.0%, vs pro-forma pcp.

The Gaming Services structure was simplified into two units: Regulatory Services (monitoring and related services) and Venue Services (TGS, gaming systems and support services). Reporting is now along these lines and both will operate under the umbrella MAX brand.

Regulatory Services revenues were \$48.6m, down 1.2% vs pro-forma pcp. Venue Services revenues were \$107.2m, down 5.2%. As flagged at the FY18 results, Venue Services results were impacted by the expiry of some venue contracts. However, 730 new electronic gaming machines (EGMs) were contracted during the period, including additional Pegasus Leisure Group venues.

Progress continues to be made on long-term TGS contract extensions with one-third of the Victorian network now contracted beyond 2022, albeit on lower margins. There are now 8,350 contracted EGMs in Victoria and 1,900 in NSW.

DIVIDEND

Tabcorp has announced a fully franked interim dividend of 11.0 cents per share, payable on 13 March 2019 to shareholders on the register at 19 February 2019. The ex-dividend date is 18 February 2019. The FY19 dividend payout ratio target is 100% of NPAT before significant items, amortisation of the Victorian wagering and betting licence, and purchase price accounting. The Dividend Reinvestment Plan will operate for the interim dividend, without any discount.

INTEGRATION

The delivery of EBITDA synergies and business improvements from the integration of Tabcorp and Tatts is progressing well. \$24m in EBITDA from cost synergies and business improvements was delivered in 1H19, underpinned by an organisational restructure and IT and fixed odds bookmaker consolidation. Tabcorp is set to deliver \$55m of EBITDA from synergies and business improvements in FY19 (previously \$50m). The overall FY21 target is now between \$130m and \$145m.

CONCLUSION

Mr Attenborough said: "The integration of Tabcorp and Tatts is delivering, with synergy targets upgraded. We are forging a strong and engaged team with a refreshed purpose, 'Excitement with Integrity'.

"Our priority is to drive business performance through continued investment in customer experience, product and digital innovation.

"We will also continue to invest in ensuring the highest levels of regulatory compliance. Recent regulatory reforms create a fairer playing field. We welcome these changes, which make our sector more sustainable.

"Finally, we will maintain a disciplined approach to operating expenditure, capital investment and balance sheet management with a focus on driving sustainable shareholder returns."

For more information: Media: Nicholas Tzaferis, GM Corporate Communications, +61 3 9868 2529
Financial analysts: Chris Richardson, GM Investor Relations, +61 3 9868 2800

13 February 2019

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 2018 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 announcement of Tabcorp's half year results and Tabcorp's most recent Annual Report.

Yours faithfully



Chris Murphy
Company Secretary

Tabcorp Holdings Limited	Level 21, Tower 2 727 Collins Street Melbourne VIC 3008	GPO Box 1943 Melbourne VIC Australia 3001	tabcorp.com.au ABN 66 063 780 709
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POWERBALL

TABCORP HOLDINGS LIMITED
2018/19 FIRST HALF RESULTS PRESENTATION

13 FEBRUARY 2019
ABN 66 063 780 709

EXCITEMENT WITH INTEGRITY

TABLE OF CONTENTS

Group Overview	3 - 4
Group Results	6 - 7
Integration Update	9
Group Results vs Pro-forma pcp	11 - 12
Business Results & Commentary	14 - 19
Capital	21 - 22
Conclusion	24
Appendices	26 - 30

GROUP OVERVIEW

Key message	Key points
<p>Strong group results</p>	<ul style="list-style-type: none"> ○ Revenue up 6.1% and EBITDA up 9.0% (vs pro-forma pcp): <ul style="list-style-type: none"> • Strong Lotteries & Keno performance from game innovation, and digital and retail growth • Wagering results reflect increased investment in customer generosities and UBET underperformance pre transition to full TAB offering • Gaming Services made good progress on contract renewals and new venue sign-ups • Operating expenses reduction driven by synergy benefits ○ Interim dividend 11.0 cents per share, fully franked
<p>Integration targets upgraded</p>	<ul style="list-style-type: none"> ○ Target now \$130m-145m EBITDA synergies and business improvements in FY21. Cost synergies target upgraded to \$95m (from \$80m) ○ Delivered \$24m EBITDA synergies and business improvements in 1H19 ○ Set to deliver \$55m in FY19 (previously \$50m)
<p>Digitalisation accelerated</p>	<ul style="list-style-type: none"> ○ Lotteries digital turnover up 63.5% vs pcp, now 21.5% of total turnover ○ Wagering digital turnover up 11.6% vs pcp; TAB up 15.3% ○ TAB digital commissions model implemented across retail network
<p>Key regulatory changes</p>	<ul style="list-style-type: none"> ○ Synthetic lottery products prohibited from 9 January 2019 ○ Wagering point of consumption tax (POCT) commenced 1 October 2018 in Qld and 1 January 2019 in Vic, NSW, WA and ACT. Commenced 1 July 2017 in SA
<p>Building a strong risk-aware and performance culture</p>	<ul style="list-style-type: none"> ○ Continued investment in highest levels of regulatory compliance and responsible gambling ○ Launched new group-wide purpose “Excitement with Integrity”

RESULTS OVERVIEW

- Statutory results
 - Revenues \$2,787.4m, up 108.3%
 - NPAT \$182.5m, up from \$24.6m in pcp
 - EPS 9.1 cents per share, up from 2.6 cents per share in pcp
 - Results include significant items expense \$18.3m after tax from Tatts Group combination, comprising implementation costs \$12.3m and Racing Queensland arrangements \$6.0m¹
- Results from continuing operations before significant items
 - Revenues \$2,787.4m, up 108.3%
 - EBITDA \$554.3m, up 91.1%
 - NPAT \$210.6m, up 105.3%
 - EPS 10.5 cents per share, down from 10.8 cents per share in pcp
- Interim dividend 11.0 cents per share, fully franked (11.0 cents per share in pcp)
- Results from continuing operations before significant items vs pro-forma pcp²
 - Revenues \$2,787.4m, up 6.1%
 - EBITDA \$554.3m, up 9.0%
 - EBIT \$404.7m, up 11.3%

Notes:

1. Refer Appendix 1 for details of Significant Items including Racing Queensland arrangements
2. Pro-forma results for 1H18 include adjustments to Tabcorp's reported results to facilitate examination of the financial performance of the combined group as if the Tatts combination had been in place for the full period

TABLE OF CONTENTS

Group Overview	3 - 4
Group Results	6 - 7
Integration Update	9
Group Results vs Pro-forma pcp	11 - 12
Business Results & Commentary	14 - 19
Capital	21 - 22
Conclusion	24
Appendices	26 - 30

GROUP RESULTS¹

\$m	1H19	1H18	Change on pcp
Revenues	2,787.4	1,338.1	>100.0%
Variable contribution	1,013.3	579.6	74.8%
Operating expenses	(459.0)	(289.5)	58.5%
EBITDA from continuing operations before significant items	554.3	290.1	91.1%
D&A	(149.6)	(98.8)	51.4%
EBIT from continuing operations before significant items	404.7	191.3	>100.0%
Interest	(96.3)	(38.7)	>100.0%
Tax expense	(97.8)	(50.0)	95.6%
NPAT from continuing operations before significant items	210.6	102.6	>100.0%
Significant items (after tax) ²	(18.3)	(5.1)	>100.0%
NPAT from discontinued operations ³	(9.8)	(72.9)	86.6%
Statutory NPAT	182.5	24.6	>100.0%

Notes:

1. Comparative period results include 18 days contribution from Tatts from 14 December 2017
2. Significant items (after tax) of \$18.3m relates to Tatts Group combination, comprising implementation costs \$12.3m and Racing Queensland arrangements \$6.0m. Refer Appendix 1
3. Sun Bets ceased trading in July 2018

BUSINESS RESULTS^{1,2}

1H19 (\$m)	Lotteries & Keno	Change on pcp	Wagering & Media	Change on pcp	Gaming Services	Change on pcp	Group	Change on pcp
Revenues	1,409.2	>100.0%	1,221.8	22.8%	155.8	69.0%	2,787.4	>100.0%
Variable contribution	365.5	>100.0%	498.4	24.0%	147.9	75.2%	1,013.3	74.8%
Operating expenses	(113.3)	>100.0%	(267.8)	22.2%	(74.1)	>100.0%	(459.0)	58.5%
EBITDA	252.2	>100.0%	230.6	26.1%	73.8	48.2%	554.3	91.1%
D&A	(42.1)	>100.0%	(71.0)	11.5%	(36.4)	72.7%	(149.6)	51.4%
EBIT	210.1	>100.0%	159.6	33.8%	37.4	30.8%	404.7	>100.0%
Opex / Revenue (%)	8.0%	(5.2%)	21.9%	(0.1%)	47.6%	10.0%	16.5%	(5.2%)
EBIT / Revenue (%)	14.9%	(3.5%)	13.1%	1.1%	24.0%	(7.0%)	14.5%	0.2%
Capex	12.4	>100.0%	50.5	49.0%	46.1	36.4%	109.0	50.1%

Notes:

1. The Group's comparative period operating segments include the Tatts Group from 14 December 2017:
 - a. Wagering & Media includes the Tatts UBET Wagering business
 - b. Lotteries & Keno includes the Tatts Lotteries business
 - c. Gaming Services includes the Tatts Max and MAXtech businesses
2. Business results do not aggregate to Group total due to intercompany eliminations and unallocated items

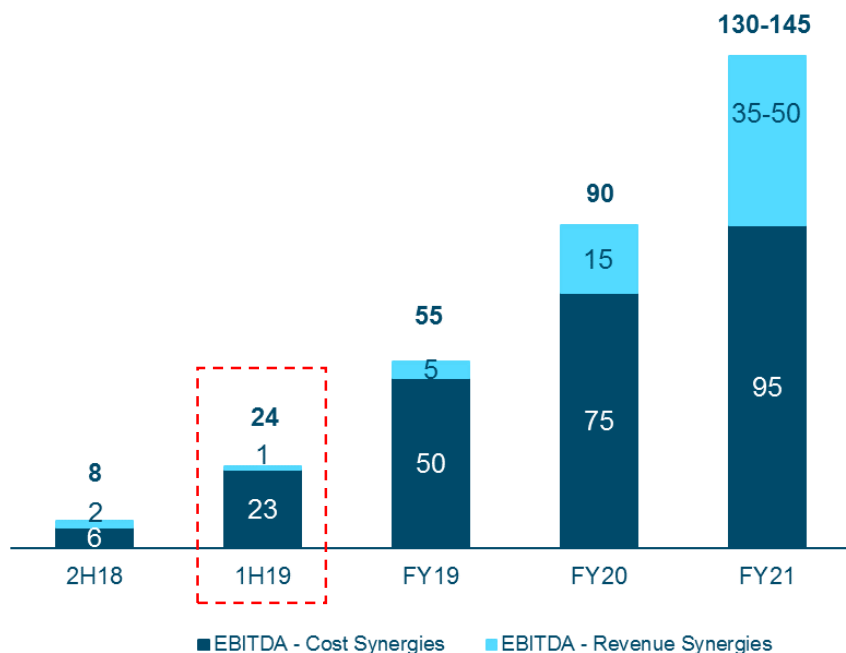
TABLE OF CONTENTS

Group Overview	3 - 4
Group Results	6 - 7
Integration Update	9
Group Results vs Pro-forma pcp	11 - 12
Business Results & Commentary	14 - 19
Capital	21 - 22
Conclusion	24
Appendices	26 - 30

INTEGRATION: SYNERGIES & BUSINESS IMPROVEMENTS

FY21 target now \$130m-145m EBITDA with cost synergies upgraded to \$95m; FY19 upgraded to \$55m

EBITDA \$m



1H19

- Delivered \$24m EBITDA synergies and business improvements
- Cost synergies of \$23m underpinned by organisational restructure, including corporate (almost complete), IT and fixed odds bookmaker consolidation
- Revenue benefits to UBET from early fixed odds yield improvement initiatives were largely offset by the roll-out of new venue arrangements, including digital commissions
- FY19 EBITDA synergies and business improvements upgraded to \$55m (was \$50m)

FY21

- Target now \$130m-145m EBITDA synergies and business improvements in FY21. Cost synergies target upgraded to \$95m (from \$80m)
- Revenue benefits from yield alignment, market expansion, Trackside roll-out, Keno initiatives
- Cost synergies from technology integration, and operational and property rationalisation

Integration costs and capex

- Total implementation costs are expected to be \$66m (after tax). The preliminary estimate provided in the Scheme Booklet dated September 2017 was \$49m (after tax). Refer Appendix 1
- Integration capital expenditure expected to be \$70m (no change)

TABLE OF CONTENTS

Group Overview	3 - 4
Group Results	6 - 7
Integration Update	9
Group Results vs Pro-forma pcp	11 - 12
Business Results & Commentary	14 - 19
Capital	21 - 22
Conclusion	24
Appendices	26 - 30

GROUP RESULTS (VS PRO-FORMA PCP)

\$m	1H19	1H18	Change on pcp
Revenues	2,787.4	2,626.2	6.1%
Variable contribution	1,013.3	982.7	3.1%
Operating expenses	(459.0)	(474.0)	(3.2%)
EBITDA from continuing operations before significant items	554.3	508.7	9.0%
D&A	(149.6)	(145.1)	3.1%
EBIT from continuing operations before significant items	404.7	363.6	11.3%

- Pro-forma results for 1H18 include adjustments to Tabcorp's reported results to facilitate examination of the financial performance of the combined group as if the Tatts combination had been in place for the full period
 - Tatts earnings included from 1 July 2017 to 13 December 2017 (pre-merger period) with eliminations recognised
 - Odyssey earnings excluded given divestment as part of the merger process
 - Impact of purchase price allocation (PPA)¹

Notes:

1. Purchase price allocation (PPA) refers to the impact of acquisition accounting completed in 2H18, and the resulting additional D&A for the group from the net uplift of assets. The pro-forma results for 1H18 were adjusted to include a full period of PPA D&A (\$11.6m)

BUSINESS RESULTS (VS PRO-FORMA PCP)¹

1H19 (\$m)	Lotteries & Keno	Change on pcp	Wagering & Media	Change on pcp	Gaming Services	Change on pcp	Group ²	Change on pcp
Revenues	1,409.2	18.1%	1,221.8	(3.8%)	155.8	(4.0%)	2,787.4	6.1%
Variable contribution	365.5	18.4%	498.4	(3.8%)	147.9	(4.5%)	1,013.3	3.1%
Operating expenses	(113.3)	3.9%	(267.8)	(4.0%)	(74.1)	(0.8%)	(459.0)	(3.2%)
EBITDA	252.2	26.3%	230.6	(3.7%)	73.8	(8.0%)	554.3	9.0%
D&A	(42.1)	(0.2%)	(71.0)	(2.9%)	(36.4)	21.3%	(149.6)	3.1%
EBIT	210.1	33.4%	159.6	(4.1%)	37.4	(25.4%)	404.7	11.3%
VC / Revenue (%)	25.9%	0.0%	40.8%	0.0%	94.9%	(0.5%)	36.4%	(1.1%)
Opex / Revenue (%)	8.0%	(1.1%)	21.9%	0.0%	47.6%	1.6%	16.5%	(1.5%)
EBITDA / Revenue (%)	17.9%	1.3%	18.9%	0.1%	47.4%	(2.1%)	19.9%	0.5%
EBIT / Revenue (%)	14.9%	1.7%	13.1%	(0.1%)	24.0%	(6.9%)	14.5%	0.6%

- No material movement in individual segment VC margins, with reduction in Group VC margin due to mix effects

Notes:

1. Pro-forma results for 1H18 include adjustments to Tabcorp's reported results to facilitate examination of the financial performance of the combined group as if the Tatts combination had been in place for the full period
2. Business results do not aggregate to Group total due to intercompany eliminations and unallocated items. 1H19 unallocated items \$2.4m expense: new Brisbane office lease costs \$2.8m, other expenses \$2.0m, Jumbo Interactive income \$2.4m (1H18 unallocated items \$10.4m expense)

TABLE OF CONTENTS

Group Overview	3 - 4
Group Results	6 - 7
Integration Update	9
Group Results vs Pro-forma pcp	11 - 12
Business Results & Commentary	14 - 19
Capital	21 - 22
Conclusion	24
Appendices	26 - 30

LOTTERIES & KENO (VS PRO-FORMA PCP)¹

Strong performance driven by game innovation, investment in digital and favourable jackpots

\$m	1H19	1H18	Change on pcp
Lotteries	1,292.8	1,080.9	19.6%
Keno	116.4	112.2	3.7%
Revenues	1,409.2	1,193.1	18.1%
Variable contribution	365.5	308.7	18.4%
Operating expenses	(113.3)	(109.0)	3.9%
EBITDA	252.2	199.7	26.3%
EBIT	210.1	157.5	33.4%

- Powerball game changes delivering as planned
 - Bigger and more frequent jackpots
 - Good sales momentum at all jackpot levels
- Favourable jackpots added c.\$45m to revenue
 - Lucky Lotteries – one in ten year jackpot run
 - Oz Lotto – one in four year \$70m jackpot
- Large jackpots and targeted marketing campaigns had a positive impact on other games and drove customer acquisition
- Keno Mega Millions launched in Vic in Sep 2018, pooling with NSW, Qld and ACT
- Operating expense growth reflects investment to support digital growth and enhanced customer outcomes



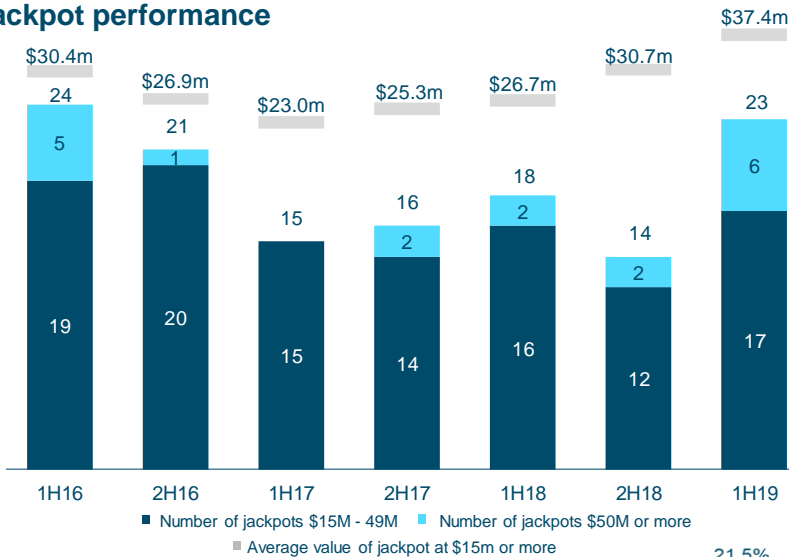
Notes:

1. Pro-forma results for 1H18 include adjustments to Tabcorp's reported results to facilitate examination of the financial performance of the combined group as if the Tatts combination had been in place for the full period

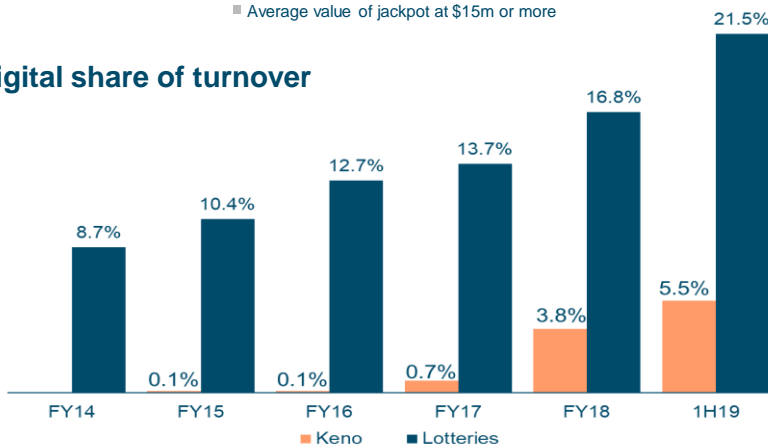
LOTTERIES & KENO KPIs (VS PRO-FORMA PCP)¹

Record Powerball jackpot sequence and increased investment accelerated digital growth and customer acquisition

Jackpot performance



Digital share of turnover



Notes:

1. Pro-forma results for 1H18 include adjustments to Tabcorp's reported results to facilitate examination of the financial performance of the combined group as if the Tatts combination had been in place for the full period
2. Active Customers are measured on a rolling 12 month basis

Lotteries

- Recent Powerball game changes delivering bigger, more frequent jackpots and more prizes as planned
- Digital up 63.5% on pcp, and now represents 21.5% of turnover (1H18: 15.6%)
- Strong growth in active registered players
 - 2.98m active registered players (up 350k or 13.3% on pcp)²
 - 177k new players in the three weeks of large jackpots in August alone, with nearly 50% purchasing more than just one game over the following three months
- Retail growth of 11.0% provided significant additional retail commissions to c.3,800 small business retailers

Keno

- Digital up 91.6% on pcp, and now represents 5.5% of turnover (1H18: 2.9%)
- 38k active digital account holders (up 125% on pcp)

WAGERING & MEDIA (VS PRO-FORMA PCP)¹

Results reflect increased investment in customer generosities and UBET pre transition

\$m	1H19	1H18	Change on pcp
Revenues	1,221.8	1,270.4	(3.8%)
Variable contribution	498.4	518.3	(3.8%)
Operating expenses	(267.8)	(278.9)	(4.0%)
EBITDA	230.6	239.4	(3.7%)
EBIT	159.6	166.4	(4.1%)

- TAB
 - Turnover up driven by strong digital growth
 - Revenue down as a result of lower yields, partly from significant investment in generosities
- UBET
 - Turnover and revenue down as a result of legacy offering
 - Business pre transition to full TAB offering
- Revenue benefited from broader commercialisation of digital vision
- Variable contribution margin steady with benefits of digital and product mix offset by industry fee increases
- Operating expense decrease reflects synergy benefits, Luxbet closure² and disciplined expense management
- Continued focus to differentiate TAB
 - Introduction of The Edge analytics
 - Unique retail only offers, enabled by geolocation technology
 - New tote products powered by Longitude



Notes:

1. Pro-forma results for 1H18 include adjustments to Tabcorp's reported results to facilitate examination of the financial performance of the combined group as if the Tatts combination had been in place for the full period
2. Luxbet ceased operations in December 2017 (1H18: revenues \$13.0m, EBIT loss: \$7.8m)

WAGERING & MEDIA KPIs (VS PRO-FORMA PCP)¹

1H19	Combined	Change on pcp	TAB	Change on pcp	UBET	Change on pcp
Turnover by distribution (\$m)²						
Retail	3,969.7	(6.7%)	3,014.6	(5.6%)	955.1	(10.0%)
Digital	3,584.1	11.6%	2,944.8	15.3%	639.3	(2.5%)
Call Centre	237.8	(15.3%)	167.7	(13.9%)	70.1	(18.7%)
Other ³	735.9	(3.7%)	541.4	(3.1%)	194.5	(5.2%)
Total	8,527.5	0.2%	6,668.5	2.6%	1,859.0	(7.4%)
Revenue by product (\$m)²						
Totalisator	645.4	(5.6%)	499.7	(5.1%)	145.7	(7.5%)
Fixed Odds	464.3	(4.3%)	348.7	(3.6%)	115.6	(6.6%)
Total Racing	1,109.7	(5.1%)	848.4	(4.5%)	261.3	(7.1%)
Sport	135.9	(0.1%)	120.7	1.4%	15.2	(10.6%)
Trackside	39.4	(1.3%)	39.4	(1.3%)	-	-
Total	1,285.0	(4.5%)	1,008.5	(3.7%)	276.5	(7.3%)
Yields						
Fixed Odds Racing	13.6%	(1.2%)	13.5%	(1.8%)	13.8%	0.3%
Fixed Odds Sports	12.9%	(1.3%)	13.5%	(1.6%)	9.4%	(0.7%)
Total Fixed Odds	13.4%	(1.3%)	13.5%	(1.7%)	13.1%	0.1%
Active Customers ⁴	723,000	5.2%	533,000	6.7%	190,000	1.3%
% Digital from mobile	70.0%	2.4%	72.4%	1.3%	59.2%	5.3%
% Retail from SST	59.2%	7.2%	70.8%	3.0%	11.7%	8.4%
Sky venue subscriptions (#)	5,038	0.0%				
Sky races broadcast (#)	68,225	8.7%				

- Strong TAB digital turnover growth 15.3%
- TAB fixed odds revenue reflects:
 - Yield pre generosityes 14.7% (1H18: 15.8%)
 - Yield post generosityes 13.5% (1H18: 15.2%)
- TAB active customer growth 6.7% reflective of stronger brand positioning, digital and product offering
- UBET fixed odds revenue reflects:
 - Benefits from consolidation of fixed odds teams and application of TAB risk management tools
 - Yield pre generosityes 14.6% (1H18: 14.1%)
 - Yield post generosityes 13.1% (1H18: 13.0%)

Notes:

1. Pro-forma results for 1H18 include adjustments to Tabcorp's reported results to facilitate examination of the financial performance of the combined group as if the Tatts combination had been in place for the full period
2. Combined and TAB turnover and revenue includes Victorian Racing Industry interest
3. Other turnover includes Oncourse, Premium Customers and PGI
4. Active Customers are measured on a rolling 12 month basis

UBET TRANSITION TO TAB COMMENCED

UBET will align with TAB offering in FY21 once all initiatives are implemented

UBET today – initiatives completed

- Rebrand to TAB commenced in November 2018
 - Digital completed
 - Racetracks 90% complete
 - Retail 33% rebranded, to be completed by April 2019
- Fixed odds operations and risk management systems integrated
- Rolled out full Sky Racing offer in retail and online
- Digital commissions in retail network
- Sophisticated customer segmentation implemented
- Product expansion underway including international racing and sport, and higher yielding multi products

UBET FY21 – all initiatives in place and full offering aligned with TAB

- UBET systems migration to TAB platform in 2H20 facilitating:
 - Trackside
 - Harmonisation of tote products, including flexi betting
 - Tote pool combination, subject to regulatory and industry approvals
 - Expanded sports markets
- Retail enhancements to align with TAB offer
- Further optimisation of operations



GAMING SERVICES (VS PRO-FORMA PCP)^{1,2}

Integration complete; business in transition; result impacted by expiry of some Victorian EGM contracts

\$m	1H19	1H18	Change on pcp
Regulatory Services	48.6	49.2	(1.2%)
Venue Services	107.2	113.1	(5.2%)
Revenues	155.8	162.3	(4.0%)
Variable contribution	147.9	154.9	(4.5%)
Operating expenses	(74.1)	(74.7)	(0.8%)
EBITDA	73.8	80.2	(8.0%)
EBIT	37.4	50.1	(25.4%)

- New structure implemented under the umbrella MAX brand
 - Regulatory Services (monitoring and related services)
 - Venue Services (venue solutions, gaming systems and support services)
- Regulatory Services revenue decline due to lower project work
- Venue Services revenue decline largely due to expiry of some Victorian EGM contracts
 - Vic contracted EGMs 8,350 (1H18: 8,600)
 - NSW contracted EGMs 1,900 (1H18: 1,950)
- Good progress on contract extensions and venue sign-ups
 - 33% of Vic EGMs contracted beyond 2022 (FY18: 11%) with extensions at lower margins from FY20
 - 730 EGMs from new venue sign-ups in Vic and NSW
- Operating expenses includes \$2m benefit from release of excess jackpot provision
- D&A increase reflects amortisation of NSW monitoring licence from December 2017



Notes:

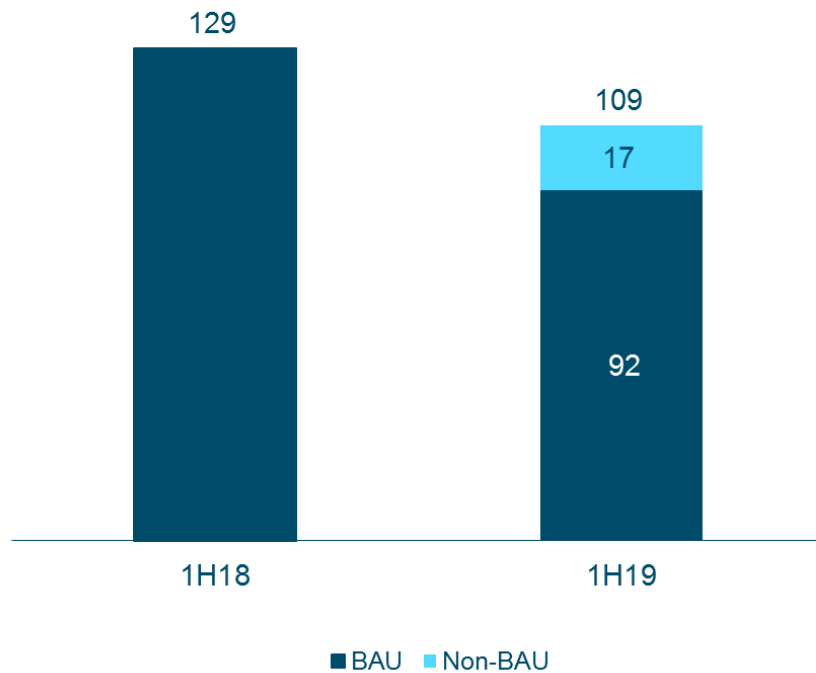
1. Pro-forma results for 1H18 include adjustments to Tabcorp's reported results to facilitate examination of the financial performance of the combined group as if the Tatts combination had been in place for the full period
2. FY18: Regulatory Services \$95.5m, Venue Services \$219.5m

TABLE OF CONTENTS

Group Overview	3 - 4
Group Results	6 - 7
Integration Update	9
Group Results vs Pro-forma pcp	11 - 12
Business Results & Commentary	14 - 19
Capital	21 - 22
Conclusion	24
Appendices	26 - 30

CAPITAL EXPENDITURE (VS PRO-FORMA PCP)

\$m

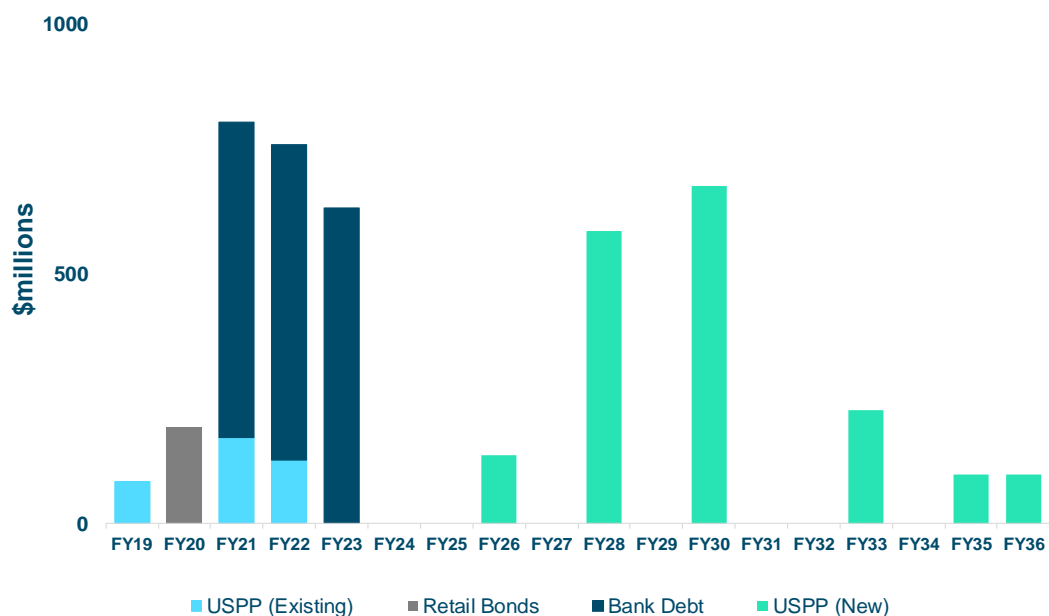


Non-BAU projects across FY19 and FY20

- Integration capex expected to be \$70m
 - 1H19 spend of \$11m primarily related to Wagering
- Data centre relocation \$38m
 - 1H19 spend of \$6m
- Ann St Brisbane office fit-out \$34m
 - Expected to be completed 1H20
 - Proceeds from planned divestment of Brisbane properties expected to offset the cost of Ann St fit-out

CAPITAL MANAGEMENT

DEBT STRUCTURE



- Headroom available under bank facilities of \$0.9bn at 31 December 2018
- Gross Debt¹ / EBITDA ratio of 3.3x at 31 December 2018; target range of 3.0-3.5x
- Committed to maintaining an investment grade credit rating
- Interim dividend of 11.0 cps (1H18: 11.0 cps)
- FY19 dividend payout ratio target is 100% of NPAT before significant items, amortisation of the Victorian wagering and betting licence, and PPA²
- The Dividend Reinvestment Plan will operate for the interim dividend, without any discount

Notes:

1. Gross debt includes USPP debt at the A\$ principal repayment under cross currency swaps
2. Amortisation of the Victorian wagering and betting licence \$34.9m; Purchase Price Accounting \$11.6m

TABLE OF CONTENTS

Group Overview	3 - 4
Group Results	6 - 7
Integration Update	9
Group Results vs Pro-forma pcp	11 - 12
Business Results & Commentary	14 - 19
Capital	21 - 22
Conclusion	24
Appendices	26 - 30

CONCLUSION: EXCITEMENT WITH INTEGRITY

Strong group financial results; continued focus on integration and business performance

1H19

- Integration benefits upgraded to \$130m-145m in FY21
- Strong Lotteries & Keno result, underpinned by game innovation, and digital and retail growth
- TAB well positioned and investing to grow market share; UBET transition to TAB commenced
- Gaming Services integration complete; good progress on contract renewals and new venue sign-ups

Priorities

- Deliver benefits from Tatts integration
- Drive business performance through continued investment in customer experience, product and digital innovation
- Ensure highest levels of integrity and regulatory compliance
- Maintain a strong risk-aware and performance culture
- Disciplined management of operating expenditure, capital investment and balance sheet



LOTTERIES
& KENO

WAGERING
& MEDIA

GAMING
SERVICES

TABLE OF CONTENTS

Group Overview	3 - 4
Group Results	6 - 7
Integration Update	9
Group Results vs Pro-forma pcp	11 - 12
Business Results & Commentary	14 - 19
Capital	21 - 22
Conclusion	24
Appendices	26 - 30

APPENDICES

1. Significant Items
2. Balance Sheet
3. Cash Flow
4. AASB15: Comparative Period Restatement

1. SIGNIFICANT ITEMS (AFTER TAX)

1H19	\$m
Combination with Tatts Group	
Implementation costs	12.3
Racing Queensland arrangements	6.0
Total	18.3

Implementation costs

- Implementation costs are non-recurring costs and comprise restructure charges, integration management office and dedicated merger implementation resources. Implementation costs incurred to 31 December 2018 were \$42.3m (after tax). Total implementation costs are expected to be \$66m (after tax). The preliminary estimate provided in the Scheme Booklet dated September 2017 was \$49m (after tax)

Racing Queensland arrangements

- In 2017, Tabcorp and Racing Queensland Limited (RQL) entered into a commercial arrangement in relation to the combination with the Tatts Group, under which the parties made various commitments, including that RQL consent to the Scheme of Arrangement
- Tabcorp guaranteed minimum fees that RQL will receive under its deed with UBET QLD in each calendar year from 2018 to 2020. A significant item expense of \$8.2m (after tax) has been recorded in respect of calendar 2018, being the top up payment required to meet the minimum fee. The minimum fee increases by \$5.5m (after tax) in calendar 2019 and a further \$5.7m (after tax) in calendar 2020
- Tabcorp currently expects that it will be required to make a payment in relation to the 2019 calendar year which is not material to the Group and, while necessarily uncertain, depending on the performance of the business in the future or the occurrence of unexpected circumstances, further payments may need to be made that may be material

2. BALANCE SHEET

\$m	Dec 18	Jun 18	Change
Total current assets	756.5	667.7	13.3%
Licences	2,307.4	2,361.1	(2.3%)
Other intangible assets	9,115.4	9,142.0	(0.3%)
Property, plant and equipment	527.5	488.2	8.0%
Other non current assets	464.0	281.8	64.7%
Total assets	13,170.8	12,940.8	1.8%
Total liabilities	5,916.8	5,702.2	3.8%
Shareholders' funds	7,254.0	7,238.6	0.2%
Net debt (reported)	3,338.7	3,135.8	6.5%
Net debt (economic) ¹	3,317.5	3,161.5	4.9%
Shares on issue (m)	2,015.6	2,012.7	0.1%
Ratios			
Gross debt ² / EBITDA ³ (x)	3.3	3.4	
EBIT ⁴ / Net interest (x)	4.1	4.1	

Notes:

1. Net debt (economic) includes USPP debt at the A\$ principal repayment under cross currency swaps, and excludes lotteries prize fund cash of \$304.1m
2. Gross debt includes USPP debt at the A\$ principal repayment under cross currency swaps
3. EBITDA is calculated as the full calendar year ended 31 December 2018
4. EBIT is calculated on a half year reported basis

3. CASH FLOW

\$m	1H19	1H18	Change
Net operating cash flows ¹	530.5	337.8	57.0%
Net interest paid	(106.1)	(63.3)	67.6%
Income tax paid	(95.7)	(23.4)	>100%
Payments for PP&E and intangibles	(110.8)	(100.4)	10.4%
Sub-total	217.9	150.7	44.6%
Sun Bets operating cashflows and costs relating to closure ²	(91.7)	(17.9)	>100%
Ordinary dividends paid	(188.6)	(104.4)	80.7%
Payment for cash-settled equity swap	-	(251.0)	>100%
Payment for business acquisition, including net debt acquired	-	(1,469.1)	>100%
Proceeds from business divestment, net of cash divested	-	13.2	>100%
Settlement of dividends payable by business acquired	-	(235.0)	>100%
Payment for exercise of call option	(8.2)	-	<100%
Proceeds from sale of shares in an associate	12.1	-	<100%
Payment for financial assets	(36.2)	-	<100%
Other	1.8	(2.3)	>100%
Net cash flow	(92.9)	(1,915.8)	(95.2%)
Net debt at beginning of period	3,135.8	1,544.0	>100%
Non cash movements	110.0	(14.8)	>100%
Net debt at end of period	3,338.7	3,445.0	(3.1%)

Notes:

- 1H19 net operating cash flows include cash outflows of \$17.7m relating to significant items (1H18 \$46.8m)
- 1H19 cashflows includes the exit payment relating to the Sun Bets discontinued operation amounting to \$72.0m with additional amounts of \$19.7m relating to trading and other closure costs

4. AASB15: COMPARATIVE PERIOD RESTATEMENT

- On application of AASB 15, certain commission arrangements are reclassified from commissions and fees expense to revenue. The reclassification has no impact on profit

Financial Results (Pro-forma)

\$m	1H18						FY18					
	Wagering & Media			Group			Wagering & Media			Group		
	Reported	AASB 15	Restated	Reported	AASB 15	Restated	Reported	AASB 15	Restated	Reported	AASB 15	Restated
Revenues	1,304.8	(34.4)	1,270.4	2,660.6	(34.4)	2,626.2	2,461.8	(64.0)	2,397.8	5,109.3	(64.0)	5,045.3

Wagering KPIs

\$m	1H18						FY18					
	Combined		TAB		UBET		Combined		TAB		UBET	
	Reported	Restated	Reported	Restated	Reported	Restated	Reported	Restated	Reported	Restated	Reported	Restated
Revenue by product (\$m)												
Totalisator	704.2	683.9	561.4	526.4	142.8	157.5	1,300.3	1,262.7	1,037.5	972.4	262.8	290.3
Fixed Odds	485.3	485.3	361.6	361.6	123.7	123.7	913.6	913.6	680.3	680.3	233.3	233.3
Total Racing	1,189.5	1,169.2	923.0	888.0	266.5	281.2	2,213.9	2,176.3	1,717.8	1,652.7	496.1	523.6
Sport	135.8	135.8	119.0	119.0	16.8	16.8	277.9	277.9	244.0	244.0	33.9	33.9
Trackside	39.9	39.9	39.9	39.9	-	-	76.6	76.6	76.6	76.6	-	-
Total	1,365.2	1,344.9	1,081.9	1,046.9	283.3	298.0	2,568.4	2,530.8	2,038.4	1,973.3	530.0	557.5

Note: During FY18 UBET Totalisator product revenue was incorrectly stated on the Wagering KPIs slides. The table immediately above correctly restates these revenues. This change has no impact on reported or pro-forma operating revenues or earnings

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EXCITEMENT WITH INTEGRITY

Tabcorp