

9 March 2017

Tabcorp notes ACCC announcement

Tabcorp Holdings Limited ('**Tabcorp**') notes the Statement of Issues ('**SOI**') released today by the ACCC in relation to the proposed combination of Tabcorp and Tatts Group Limited ('**Tatts**') (the '**Transaction**').

The SOI represents the preliminary views of the ACCC in relation to the proposed Transaction and is not a final decision.

Tabcorp believes it is well advanced in addressing the issues identified in the SOI.

The ACCC has raised one substantial issue of concern, which is in relation to electronic gaming machine monitoring services and repair and maintenance services in Queensland. To address this issue, Tabcorp has committed to divest its Odyssey Gaming Services business and is well advanced with a sale process. Any sale of the Odyssey business is subject to the receipt of ACCC and other approvals and will be subject to the Transaction completing.

The ACCC has identified several other issues which may raise concerns. Tabcorp has made detailed submissions to the ACCC which it believes addresses these issues. One of these issues relates to the removal of potential supplier of totalisator pooling services. To address this issue, Tabcorp has recently reached agreement with Racing and Wagering Western Australia on the terms upon which Tabcorp will continue to provide pooling services in Western Australia into the future.

The ACCC has also identified several issues which are unlikely to raise concerns.

Tabcorp believes that the proposed combination with Tatts will deliver value for both sets of shareholders, as well as significant benefits to other stakeholders across Australia including the racing industry, venue partners, customers and Governments.

The benefits expected to flow from the proposed combination with Tatts include:

- providing a national footprint with an enhanced operational platform which will create a stronger financial base to support its stakeholders;
- delivering additional funding to the racing industry and venue partners, which will flow to participants and related industries across Australia. This additional funding will create broader economic benefits, including in regional areas; and
- a pathway to national pooling for parimutuel wagering, subject to regulatory and racing industry approvals and an enhanced ability to adopt strategies to address the national decline in parimutuel betting.

Since it lodged its informal clearance application with the ACCC in November, Tabcorp has worked closely with the ACCC to assist it with its inquiries, including providing significant information to the ACCC. Tabcorp has also actively engaged with its stakeholders since the announcement of the Transaction.

Tabcorp will continue to review the SOI and assess its options to maximise the prospects of receiving competition approval for the Transaction.

For more information:

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