# ASX Announcement

TattsGroup

## The return of scratch-its to Tatts in Victoria

**27 October 2014** - The Victorian Government has approved a variation to Tatts' public lotteries licence in Victoria, expanding the Group's authorised product offering to include scratch-its and daily keno. This action follows a decision by Intralot to end its category 2 public lotteries licence and no longer offer these products for sale in Victoria and Tasmania.

Tatts' new licence arrangements together with transition arrangements agreed between the State, Intralot and Tatts, will:

- ensure no disruption in service for customers and retailers;
- protect State revenues; and
- provide lower ongoing costs for selling agents.

In announcing the new arrangements, which are expected to become effective from February 2015, Tatts Group's Managing Director and CEO Robbie Cooke said:

> *"We are delighted to have been provided the opportunity to return to selling scratch-its in Victoria along with daily keno. These products are highly complementary with our existing portfolio of lottery games in Victoria, which include the ever popular Tattslotto, Powerball and Oz Lotto.*
>
> *This announcement provides 760 plus retail partners in Victoria with an exciting opportunity to join Tatts in selling the same popular range of instants we offer in New South Wales, Queensland, ACT, South Australia, Tasmania and Northern Territory. With a 130-year history and having sold lotteries in Victoria dating back to 1954, Tatts is proud to be trusted with this opportunity and is committed to success. "*

The amended licence arrangements (which continue for the term of Tatts' current Victorian licence) are expected to make a positive contribution to Tatts' EBITDA from commencement. Intralot achieved $51.9 million in sales of scratch-its and daily keno in the financial year ended 30 June 2014. To assist in ensuring a smooth transition, Tatts has agreed to purchase specified ancillary assets from Intralot and has secured licences over certain intellectual property rights and software – the consideration for which is non-material. Tatts will be working with Intralot agents to coordinate a seamless transition over the coming months. This transaction is subject to certain conditions precedent and regulatory approvals (including ACCC).

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**Media enquiries please contact:**
**Carolyn Prendergast**
Corporate Communications Manager

**Ph:** (07) 3435 4543
**Mob:** 0409 910 561
**E:** carolyn.prendergast@tattsgroup.com

**Analysts and institutions please contact:**
**Giovanni Rizzo** or: **Monique Rennell**
General Manager – Investor Relations
Executive Assistant to CEO

**Ph:** (07) 3877 1002
**Mob:** 0409 578 247
**E:** giovanni.rizzo@tattsgroup.com

**Ph:** (07) 3435 4478
**E:** monique.rennell@tattsgroup.com