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4 December 2014

## **Judgment of the Court of Appeal of the Supreme Court of Victoria**

The Court of Appeal of the Supreme Court of Victoria has today dismissed an appeal by Tabcorp Holdings Limited (**Tabcorp**) against a Supreme Court of Victoria judgment delivered in June 2014 in favour of the State of Victoria. In the initial Supreme Court proceeding, Tabcorp sought a payment of approximately \$686 million from the State of Victoria.

Tabcorp had claimed that the State of Victoria was obliged to make the payment to Tabcorp in August 2012, when Tabcorp's Gaming and Wagering Licences expired and new licences were granted. The claim was based on a statutory provision included in legislation from 1994 when the State privatised the Victorian TAB and listed Tabcorp on the Australian Securities Exchange. Tabcorp's initial public offering was underpinned by this statutory entitlement, the terms of which were clearly set out in the prospectus. Tabcorp had also claimed that the State was obliged to make the payment pursuant to a promise to deal with Tabcorp reasonably and in good faith.

Tabcorp is reviewing the Court of Appeal's judgment to determine whether it will seek special leave to appeal to the High Court of Australia.

## **Financial considerations**

As a result of the former Government's decision in 2008 that Tabcorp was not entitled to the payment, Tabcorp incurred a one-off charge of \$461 million against its 2008 earnings, and further annual non-cash amortisation charges of \$18 million in relation to the Victorian Gaming Licence and \$9 million in relation to the Victorian Wagering Licence until August 2012. Tabcorp has therefore dealt with the former Government's announcement in its financial accounts. There is no additional impact on Tabcorp's financial accounts as a result of today's judgment.

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