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**NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES**

5 February 2015

## **Tabcorp announces a special dividend and capital raising**

Tabcorp Holdings Limited ("Tabcorp") today announced a special dividend of 30 cents per share, fully franked ("Special Dividend"), which equates to approximately \$230 million.

The Special Dividend is payable in addition to the interim dividend for the half year ended 31 December 2014 of 10 cents per share, fully franked ("Interim Dividend"). The payment date for the Special Dividend and the Interim Dividend is scheduled for Monday, 16 March 2015.

Existing shares on issue will be entitled to receive both the Interim Dividend and the Special Dividend, subject to the ex-dividend and record dates.

The Special Dividend will be paid out of retained earnings of Tabcorp and, to maintain Tabcorp's current balance sheet and capital position, will be funded through a pro-rata accelerated renounceable entitlement offer to raise approximately \$236 million ("Offer").

New shares issued through the Offer will not be entitled to either the Interim Dividend or the Special Dividend.

Tabcorp's Chairman, Ms Paula Dwyer, said: "Following the release of a strong interim financial result and good progress on a number of important strategic initiatives, we are pleased to announce a special dividend for our shareholders.

Tabcorp is committed to maximising value for its shareholders through strong operational performance, growth initiatives and effective capital management.

Tabcorp will maintain an active and disciplined approach to capital management for its shareholders and may consider other initiatives in the future.

The Offer we have announced today will ensure Tabcorp maintains its strong balance sheet and capital position."

The Dividend Reinvestment Plan will not operate in respect of the Interim Dividend or the Special Dividend.

### **Summary of key Offer details**

- Fully underwritten pro-rata accelerated renounceable entitlement offer (with retail entitlements trading) to raise approximately \$236 million
- Entitlements offered on a 1 for 12 basis at \$3.70 per share to eligible shareholders
  - Implies a 13.1% discount to the theoretical ex-rights price ("TERP"),<sup>1</sup> adjusted for the impact of the Interim Dividend and Special Dividend

<sup>1</sup> TERP is a theoretical calculation only and the actual price at which Tabcorp shares trade immediately after the ex-date for the Offer will depend on many factors and may not be equal to TERP. TERP has been calculated with reference to Tabcorp's closing price on 4 February 2015, adjusted for the theoretical impact of payment of the interim and special dividends.

- \* ○ Approximately 64 million New Shares to be issued (c. 8.3% of issued capital)
- \* • Institutional Entitlement Offer is accelerated
- \* • Retail offer open to eligible retail shareholders in Australia and New Zealand from Monday, 16 February 2015 to Monday, 2 March 2015
- \* • Retail entitlements may be traded on ASX from Tuesday, 10 February 2015 to Monday, 23 February 2015
- \* • New shares will rank equally with existing shares from the date of allotment, excluding the right to receive the Interim Dividend and Special Dividend

### **The Offer**

The Offer comprises an accelerated institutional entitlement offer ("Institutional Entitlement Offer") and a retail entitlement offer that includes the ability to trade retail entitlements on the Australian Securities Exchange ("ASX") ("Retail Entitlement Offer").

Under the Offer, eligible shareholders are invited to subscribe for 1 new Tabcorp ordinary share for every 12 existing Tabcorp ordinary shares ("Entitlement") held as at 7.00pm, Australian Eastern Daylight Time ("AEDT") on Tuesday, 10 February 2015 ("Record Date").

New shares issued under the Offer will rank equally with existing shares from the date of allotment, excluding the right to receive the Interim Dividend and Special Dividend.

### **Institutional Entitlement Offer**

Institutional shareholders determined by Tabcorp and the underwriter to be eligible will be invited to participate in the Institutional Entitlement Offer which will take place from Thursday, 5 February to Friday, 6 February 2015.

Eligible institutional shareholders to whom offers are made under the Institutional Entitlement Offer can choose to take up all, part or none of their Entitlement.

Institutional Entitlements cannot be traded on ASX. Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through an institutional bookbuild on Monday, 9 February 2015 ("Institutional Shortfall Bookbuild"). Any proceeds from the sale of Entitlements under the Institutional Shortfall Bookbuild will be remitted proportionally to those institutional shareholders, less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those institutional shareholders.

Tabcorp shares have been placed in trading halt whilst the Institutional Entitlement Offer and Institutional Shortfall Bookbuild are undertaken.

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## Retail Entitlement Offer

Eligible Retail Shareholders<sup>2</sup> will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Monday, 16 February and close at 5.00pm (AEDT) on Monday, 2 March 2015.

Eligible Retail Shareholders will be allotted Entitlements which can be traded on ASX. If they do not wish to take up all or part of their Entitlements, they can seek to sell all or part of their Entitlements on ASX or by transferring it directly to another person to realise value for those Entitlements ahead of the retail shortfall bookbuild ("Retail Shortfall Bookbuild"). Retail Entitlements can be traded on ASX from 10.00am (AEDT) Tuesday, 10 February to 4.00pm (AEDT) Monday, 16 February on a deferred settlement basis and from 10.00am (AEDT) Tuesday, 17 February to 4.00pm (AEDT) Monday, 23 February on a normal settlement basis.

Entitlements which are not taken up by Eligible Retail Shareholders by the close of the Retail Entitlement Offer and Entitlements that would otherwise have been offered to ineligible retail shareholders will be sold through the Retail Shortfall Bookbuild on Thursday, 5 March 2015. Any proceeds from the sale of Entitlements under the Retail Shortfall Bookbuild will be remitted proportionally to those retail shareholders, less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those retail shareholders.

Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet<sup>3</sup> and an accompanying personalised entitlement and acceptance form which are expected to be despatched on Monday, 16 February 2015. Copies of the Retail Offer Booklet will be available on ASX website and our website at [www.tabcorp.com.au](http://www.tabcorp.com.au) from Monday, 16 February 2015.

The Entitlements may only be exercised by Eligible Retail Shareholders, persons with a registered address in Australia or New Zealand and certain categories of investors in Canada (British Columbia, Ontario and Quebec), China (QDII only), Denmark, France, Germany, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malaysia, the Netherlands, Norway, Singapore, Sweden, Switzerland, the United Kingdom, and United Arab Emirates (excluding DIFC).

In addition, Entitlements may only be purchased by persons meeting certain eligibility criteria that are set out in the Appendix to the investor presentation which Tabcorp has filed with ASX today. In particular, persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to purchase or trade Entitlements on ASX or exercise or trade Entitlements purchased on ASX or transferred directly from another person.

It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements. If holders are not able to take up their Entitlements, those Entitlements will be sold into the Retail Shortfall Bookbuild and holders may receive no value for them.

<sup>2</sup> Eligible Retail Shareholders will be as defined in the Retail Offer Booklet

<sup>3</sup> The Retail Offer Booklet is an offer booklet in relation to the Retail Entitlement Offer and will be lodged with the Australian Securities Exchange and will be dispatched to Eligible Retail Shareholders on or around 16 February 2015

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**Indicative timetable<sup>4</sup>**

**Institutional Entitlement Offer**

**Date - 2015**

Announcement of equity raising and trading halt	Thursday, 5 February
Institutional Entitlement Offer opens	Thursday, 5 February
Institutional Entitlement Offer closes	Friday, 6 February
Institutional Shortfall Bookbuild	Monday, 9 February
Trading halt lifted	Tuesday, 10 February
Record date for eligibility in the Institutional Entitlement Offer	7.00pm, Tuesday, 10 February
Settlement of Institutional Entitlement Offer	Tuesday, 17 February
Issue and quotation of New Shares under the Institutional Entitlement Offer	Wednesday, 18 February

**Retail Entitlement Offer**

**Date - 2015**

Record date for eligibility in the Retail Entitlement Offer	7.00pm, Tuesday, 10 February
Retail Entitlements commence trading on ASX on a deferred settlement basis	Tuesday, 10 February
Retail Entitlements allotted	Monday, 16 February
Retail Entitlement Offer opens	Monday, 16 February
Retail Offer Booklet despatched	Monday, 16 February
Retail Entitlements commence trading on ASX on a normal settlement basis	Tuesday, 17 February
Retail Entitlements trading on ASX ends	Monday, 23 February
New Shares under the Retail Entitlement Offer commence trading on ASX on a deferred settlement basis	Tuesday, 24 February
Retail Entitlement Offer closes	Monday, 2 March
Retail Shortfall Bookbuild (after market close)	Thursday, 5 March
Settlement of the Retail Entitlement Offer	Thursday, 12 March
Issue of New Shares under the Retail Entitlement Offer	Friday, 13 March
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Monday, 16 March
Holding statements sent to retail shareholders	Tuesday, 17 March
Retail premium (if any) despatched	Wednesday, 18 March

**Special Dividend and Interim Dividend**

**Date - 2015**

Announcement of Special Dividend and Interim Dividend	Thursday, 5 February
Ex-date for Special Dividend and Interim Dividend	Friday, 6 March
Record date for Special Dividend and Interim Dividend	7.00pm, Wednesday, 11 March
Payment of Special Dividend and Interim Dividend	Monday, 16 March

The above timetable is indicative only and subject to change. All times represent Australian Eastern Daylight Time. Tabcorp reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. In particular, Tabcorp reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases), and to withdraw the Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares. The commencement of quotation and trading of Entitlements and New Shares is subject to confirmation from ASX.

<sup>4</sup> Timetable subject to variation and, in relation to retail entitlement trading, receipt of an ASIC modification

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## Shareholder Enquiries

Eligible Retail Shareholders will be sent further details about the Offer via a shareholder letter to be despatched on or around Monday, 9 February 2015 and a Retail Offer Booklet to be lodged with ASX on Monday, 16 February 2015 and despatched on or around the same date.

Retail shareholders who have questions relating to the Retail Entitlement Offer should call the Tabcorp Shareholder Information line on 1300 665 661 (within Australia) or +61 1300 665 661 (outside Australia) from 8.30am to 5.30pm (AEDT) Monday to Friday or go to our website [www.tabcorp.com.au](http://www.tabcorp.com.au).

Further information in relation to the Offer described in this announcement is set out in an investor presentation which Tabcorp has filed with ASX today. The investor presentation contains important information including key risks, key assumptions relating to certain forward looking information in this announcement and foreign selling restrictions with respect to the Offer.

## Important Information

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

## NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to persons acting for the account or benefit of persons in the United States. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements and the New Shares may not be offered or sold to persons in the United States or to persons who are acting for the account or benefit of persons in the United States, unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Neither this announcement nor any other documents relating to the offer of Entitlements or New Shares may be sent or distributed to persons in the United States.

This announcement contains forward-looking statements, which can usually be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Tabcorp, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this announcement. Undue reliance should not be placed on these forward-looking statements. These forward-looking statements are based on information available to Tabcorp as of the date of this announcement. Except as required by law or regulation (including ASX Listing Rules) Tabcorp undertake no obligation to update these forward-looking statements.

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Media Release