

9 February 2015

**TABCORP HOLDINGS LIMITED**

**\$236 MILLION PRO RATA ACCELERATED RENOUNCEABLE ENTITLEMENT OFFER  
(WITH RETAIL ENTITLEMENTS TRADING)**

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

Dear Shareholder,

On 5 February 2015, Tabcorp Holdings Limited ("Tabcorp") announced a fully underwritten pro rata accelerated renounceable entitlement offer of new Tabcorp shares ("New Shares") (with retail entitlements trading) to raise approximately \$236 million ("Entitlement Offer").

**THE ENTITLEMENT OFFER AND USE OF PROCEEDS**

The capital raising will fund a special dividend recently announced by Tabcorp (as discussed below), and is intended to maintain Tabcorp's current balance sheet and capital position. The special dividend is being paid out of the retained earnings of Tabcorp.

If you are an eligible shareholder, you will be able to subscribe for 1 New Share for every 12 existing Tabcorp ordinary shares held on the Record Date of 7.00pm (Sydney time) on 10 February 2015 ("Entitlement"). The offer price is \$3.70 per New Share ("Offer Price").

New Shares issued under the Entitlement Offer will rank equally with existing Tabcorp ordinary shares from issue, except that they will not have an entitlement to either the 10 cents per share interim ordinary dividend or the 30 cents per share special dividend announced as part of Tabcorp's interim results announcement for the six months ended 31 December 2014.

Following completion of the Entitlement Offer, Tabcorp will have issued approximately 64 million New Shares, resulting in total Tabcorp ordinary shares on issue of approximately 830 million.

The Entitlement Offer comprises an institutional entitlement offer and an offer to eligible retail shareholders (as described below, "Eligible Retail Shareholders") to participate at the same Offer Price and offer ratio ("Retail Entitlement Offer"). The Entitlement Offer is being made in accordance with section 708AA of the Australian Corporations Act 2001 (Cth) ("Act") (as modified by Australian Securities and Investments Commission Class Order 08/35 and other relief), meaning that no prospectus needs to be prepared.

## **ELIGIBLE RETAIL SHAREHOLDERS**

Eligible Retail Shareholders are those persons who:

- are registered as a holder of existing Tabcorp ordinary shares as at 7.00pm (Sydney time) on Tuesday, 10 February 2015;
- have a registered address on the Tabcorp share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such persons hold Tabcorp ordinary shares for the account or benefit of a person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the institutional entitlement offer, and were not treated as ineligible institutional shareholders under the institutional entitlement offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

## **RETAIL OFFER BOOKLET**

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Retail Entitlement Offer. Full details of the Retail Entitlement Offer are set out in an offer booklet ("Retail Offer Booklet"), copies of which will be available on the ASX website [www.asx.com.au](http://www.asx.com.au) and Tabcorp's website at [www.tabcorp.com.au](http://www.tabcorp.com.au) from 16 February 2015.

Eligible Retail Shareholders will be mailed a Retail Offer Booklet, together with a personalised Entitlement and Acceptance Form which contains details of your Entitlement, on or around 16 February 2015. You should read the Retail Offer Booklet carefully and in its entirety before deciding whether to participate in the Retail Entitlement Offer.

## **ACTION REQUIRED BY ELIGIBLE RETAIL SHAREHOLDERS**

Your Entitlement may have value and it is important you determine whether to (in whole or in part) take up, transfer, sell or do nothing in respect of your Entitlement. You should ensure that you understand the tax consequences of any action that you take or of doing nothing.

### **Take up an Entitlement**

If you wish to take up all or part of your Entitlement, please pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (Sydney time) on Monday, 2 March 2015.

If you are unable to pay by BPAY® (for example if you are a New Zealand based shareholder without an Australian bank account) or are having difficulty paying by BPAY® please call the Tabcorp Shareholder Information Line on 1300 665 661 (within Australia) or +61 1300 665 661 (outside Australia). If the information line operator is unable to assist you to make payment by BPAY®, you are able to pay by cheque, bank draft or money order.

### **Sell or transfer an Entitlement**

There are a number of ways in which you can sell all or part of your Entitlement, each of which may result in a different value for those Entitlements sold:

1. If you wish to sell all of your Entitlement on ASX, you should instruct your stockbroker personally and provide them with details they request as set out on your personalised Entitlement and Acceptance Form. Entitlements can be sold on ASX from 10 February 2015 to 23 February 2015.

2. If you wish to take up part of your Entitlement and sell the balance on ASX, you need to:
  - o in respect of the part of your Entitlement you are taking up, pay your Application Monies via BPAY® (or return the personalised Entitlement and Acceptance Form with the requisite Application Monies) by following the instructions set out on the Entitlement and Acceptance Form); and
  - o in respect of Entitlements to be sold on ASX, you should instruct your stockbroker personally and provide them with details they request as set out on your personalised Entitlement and Acceptance Form.
3. If you wish to transfer all or part of your Entitlement other than on ASX, you will need to complete and return a Renunciation and Transfer Form (which can be obtained through the Tabcorp Shareholder Information Line or your stockbroker) together with the Entitlement and Acceptance Form and the transferee's Application Monies to the Tabcorp Share Registry by 5.00pm (Sydney time) on Monday, 2 March 2015. The purchaser's address must be in Australia or New Zealand (unless Tabcorp otherwise agrees) and the purchaser must not be in the United States or acting for the account or benefit of a person in the United States.

Please note you may incur brokerage if you choose to sell your Entitlement on ASX. Eligible Retail Shareholders who sell their Entitlement before receiving confirmation of their Entitlement in the Entitlement and Acceptance Form do so at their own risk. You can ascertain your correct Entitlement by calling your stockbroker or the Tabcorp Shareholder Information Line on 1300 665 661 (within Australia) or +61 1300 665 661 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

Nominees must not take up Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States.

In order to exercise Entitlements, holders of Entitlements must meet certain eligibility criteria that will be set out in the Retail Offer Booklet. 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 take up or exercise Entitlements purchased on ASX or transferred from another person. It is the responsibility of purchasers of Entitlements on ASX to inform themselves of the eligibility criteria for exercise of Entitlements. If holders of Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to take up or exercise the Entitlements and, as a result, they may receive no value for them.

### **Do nothing**

If your Entitlements are not taken up, sold or transferred, you will be taken to have authorised the sale of those Entitlements in the retail shortfall bookbuild. These Entitlements will be offered for sale, for your benefit, in the retail shortfall bookbuild on or around 5 March 2015. Accordingly, if you do not take up all of your Entitlements, you will receive any proceeds in excess of the Offer Price in respect of your Entitlements, net of any applicable withholding tax. However, there is no guarantee that you will receive any proceeds as a result of the retail shortfall bookbuild.

The tax consequences of selling your Entitlement or from doing nothing may be different. Before selling your Entitlement or choosing to do nothing in respect of your Entitlement, you should seek your own tax advice (and you may wish to refer to the tax disclosures contained in the Retail Offer Booklet which will provide information on potential taxation implications for Australian resident shareholders).

## KEY DATES FOR ELIGIBLE RETAIL SHAREHOLDERS

<b>Retail Entitlement Offer</b>	<b>Date - 2015</b>
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 despatched to Retail Holders	Tuesday, 17 March
Retail premium (if any) despatched	Wednesday, 18 March

The above timetable is indicative only and subject to change. All times are references to Sydney time. Tabcorp reserves the right to amend any or all of these events, dates and times without notice subject to the Act, the 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 Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

For further information on the Entitlement Offer, please 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 (Sydney time) Monday to Friday, and read the Retail Offer Booklet when available. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser. The Tabcorp Board is pleased to offer this opportunity to you.

Yours faithfully



**Paula J. Dwyer**  
Chairman  
Tabcorp Holdings Limited

## **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES – IMPORTANT INFORMATION**

This letter is issued by Tabcorp Holdings Limited (ABN 66 063 780 709). This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Tabcorp in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of Tabcorp ordinary shares.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia. In particular, 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 may not be exercised or taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of persons in the United States unless they 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.

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Tabcorp's current expectations, estimates and projections about the industries in which Tabcorp operates, and beliefs and assumptions. Words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Tabcorp, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Tabcorp cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Tabcorp only as of the date of this release. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Tabcorp will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Please read the Retail Offer Booklet, and if you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.