

9 February 2015

TABCORP HOLDINGS LIMITED

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

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 ordinary shares ("New Shares") (with retail entitlements trading) to raise approximately \$236 million ("Entitlement Offer"). The offer price is \$3.70 per New Share ("Offer Price").

This letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter.**

ENTITLEMENT OFFER AND USE OF PROCEEDS

The Entitlement Offer consists of 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. The capital raising will fund a 30 cents per share special dividend announced as part of Tabcorp's interim results announcement for the six months ended 31 December 2014, 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.

DETAILS OF THE ENTITLEMENT OFFER

The Entitlement Offer is being made to eligible shareholders on the basis of 1 New Share for every 12 existing Tabcorp ordinary shares held on the Record Date of 7.00 pm (Sydney time) on Tuesday, 10 February 2015 ("Entitlement"). An offer booklet in relation to the Retail Entitlement Offer will be lodged with the ASX and will be despatched to Eligible Retail Shareholders on or around 16 February 2015 ("Retail Offer Booklet").

ELIGIBILITY CRITERIA FOR THE RETAIL ENTITLEMENT OFFER

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Tabcorp ordinary shares as at the Record Date, being 7.00 pm (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 person holds Tabcorp ordinary shares for the account or benefit of such 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 an ineligible institutional shareholder under the institutional entitlement offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Retail Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. Tabcorp reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

Shareholders who are not Eligible Retail Shareholders and who did not participate in the institutional entitlement offer and were not treated as ineligible institutional shareholders under the institutional entitlement offer are "Ineligible Retail Shareholders".

The restrictions upon eligibility under the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to Tabcorp of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing Tabcorp ordinary shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled. Tabcorp has determined, pursuant to ASX Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Act, that it would be unreasonable to make or extend offers to shareholders in certain countries under the Retail Entitlement Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Act, Tabcorp wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer.

However, as the Entitlement Offer is renounceable, you may receive value for Entitlements you would have received had you been eligible to participate in the Retail Entitlement Offer. Arrangements have been made for the Entitlements that would otherwise have been offered to Ineligible Retail Shareholders to be sold, for their benefit, via a retail shortfall bookbuild on or about 5 March 2015 ("Retail Shortfall Bookbuild").

You will receive any proceeds in excess of the Offer Price in respect of each Entitlement sold in the Retail Shortfall Bookbuild that you would have received under the Retail Entitlement Offer if you were eligible to participate, net of any applicable withholding tax. However, there is no guarantee that you will receive any value as a result of the Retail Shortfall Bookbuild.

The retail Entitlements will be tradeable on ASX. The assignment, transfer and exercise of retail Entitlements trading on ASX will be restricted to persons meeting certain eligibility criteria. In particular, persons in the United States and persons acting for the account or benefit of persons 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. If holders at 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.

YOU ARE NOT REQUIRED TO DO ANYTHING IN RESPONSE TO THIS LETTER

For further information on the Entitlement Offer or if you believe that you are an Eligible Retail Shareholder, please contact 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. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board of Tabcorp, I thank you for your continued support.

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.