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4 August 2016

To: Australian Securities Exchange
Market Announcements Office
20 Bridge Street
Sydney NSW 2000

TABCORP FULL YEAR RESULTS PRESENTATION

Attached is the presentation regarding Tabcorp's full year results for the financial year ended 30 June 2016 to be presented by David Attenborough, Managing Director and Chief Executive Officer.

This presentation will be webcast on Tabcorp's website at www.tabcorp.com.au from 10.00am (Melbourne time) today.

The information contained in this announcement should be read in conjunction with today's announcements of Tabcorp's full year results.

Fiona Mead
Company Secretary (subject to approval)

Enc.

Tabcorp Holdings Limited

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2015/16

Full Year Results Presentation
4 August 2016



FY16 overview

- Statutory results
 - NPAT \$169.7m, down 49.3%
 - EPS 20.4 cents per share, down 51.9%
 - Results adversely impacted by significant items after tax of \$16.2m, compared to one-off tax benefits of \$163.2m in the pcp
- Results before significant items
 - EBITDA \$515.8m, up 1.5%
 - NPAT \$185.9m, up 8.5%
 - EPS 22.4 cents per share, up 3.1%
- Final dividend 12.0 cents per share, taking the full year ordinary dividend to 24.0 cents per share, fully franked, up 20.0% and in line with the target dividend policy
- Improved wagering momentum in the second half, with 15% digital growth in 2H16
- Investment in technology platforms and digital development capabilities
- Sun Bets, new online wagering and gaming business established in the UK
- Keno returned to growth and NSW licence extended to 2050
- Proposed acquisition of INTECQ, a leading Australian gaming systems company
- Significant investment in risk and compliance capability
- Positive outcome on Illegal Offshore Wagering Review

Group Results

\$m	FY16	FY15	Change
Revenues	2,188.7	2,155.5	1.5%
Variable contribution	984.5	966.7	1.8%
Operating expenses	(468.7)	(458.6)	2.2%
EBITDA before significant items	515.8	508.1	1.5%
D&A	(178.6)	(173.5)	2.9%
EBIT before significant items	337.2	334.6	0.8%
Interest	(69.9)	(78.5)	(11.0%)
Tax expense	(81.4)	(84.8)	(4.0%)
NPAT before significant items	185.9	171.3	8.5%
Significant items (after tax)	(16.2)	163.2	(109.9%)
Statutory NPAT	169.7	334.5	(49.3%)

- Significant items (after tax) comprise costs relating to the establishment of a new online wagering and gaming business in the UK (\$14.4m), AUSTRAC civil proceedings (\$13.6m), partially offset by income tax benefits (\$11.8m) relating to the NSW retail exclusivity payment and prior year research and development claims

Notes: Earnings before significant items presented to provide the most meaningful presentation of Tabcorp's results

Business results

\$m	Wagering & Media	Change on pcp	Gaming Services	Change on pcp	Keno	Change on pcp	Group	Change on pcp
Revenues	1,873.0	0.9%	107.2	7.6%	208.5	4.8%	2,188.7	1.5%
Variable contribution	760.3	0.4%	106.1	7.4%	118.1	7.0%	984.5	1.8%
Operating expenses	(378.2)	(0.9%)	(36.0)	15.4%	(47.8)	8.6%	(468.7)	2.2%
EBITDA	382.1	1.7%	70.1	3.7%	70.3	5.9%	515.8	1.5%
D&A	(129.9)	1.0%	(29.1)	11.9%	(19.6)	3.7%	(178.6)	2.9%
EBIT	252.2	2.0%	41.0	(1.4%)	50.7	6.7%	337.2	0.8%
Opex / Revenue (%)	20.2%	(0.4%)	33.6%	2.3%	22.9%	0.8%	21.4%	0.1%
EBIT / Revenue (%)	13.5%	0.2%	38.3%	(3.5%)	24.3%	0.5%	15.4%	(0.1%)
Capex	82.4	4.0%	50.2	7.0%	19.1	15.1%	151.7	6.3%

Note: Business results do not aggregate to Group total due to unallocated expenses of \$6.7m (FY15: \$1.7m), related to merger discussions with Tatts, Victorian wagering and gaming licence litigation and AFP Cambodia investigation. Refer respective ASX releases for more information.

Wagering & Media: KPIs

\$m	1H16	Change on pcp	2H16	Change on pcp	FY16	Change on pcp
Turnover by distribution						
Retail	3,388.4	(1.4%)	3,137.0	(0.8%)	6,525.4	(1.1%)
Digital	1,926.0	9.2%	1,901.9	15.0%	3,827.9	12.0%
Call Centre	265.7	(7.2%)	259.7	(6.2%)	525.4	(6.7%)
Other	585.5	3.8%	483.0	1.7%	1,068.5	2.9%
Luxbet	402.2	4.4%	345.7	(1.5%)	747.9	1.6%
Revenue by product						
TAB Racing						
- Totalisator	638.5	(3.7%)	544.2	(5.1%)	1,182.7	(4.4%)
- Fixed Odds	256.8	19.6%	243.3	13.2%	500.1	16.4%
Total TAB Racing	895.3	2.0%	787.5	(0.1%)	1,682.8	1.0%
TAB Sports						
Trackside	50.8	(2.9%)	44.7	(6.1%)	95.5	(4.5%)
Luxbet	25.0	(5.7%)	23.8	(10.5%)	48.8	(8.1%)
Media	85.8	(0.6%)	89.8	3.2%	175.6	1.3%
Returns to the Racing Industry	413.4	0.7%	373.5	3.0%	786.9	1.8%

- Growth in customer activity with improved momentum across 2H16
 - TAB turnover growth +2.8% (1H16 +1.9%, 2H16 +3.8%)
 - Active TAB account customers up 6% to more than 430k
- TAB Racing revenues underpinned by growth in Fixed Odds, with 2H16 yields impacted by favourable results for customers (refer Appendix 3)
- TAB Sports revenues reflect turnover growth of 7.2%, offset by lower yields
- Media revenues reflect
 - Growth from international vision and co-mingling
 - Partly offset by savings passed on to venues in respect of Victorian thoroughbred racing vision

Notes: - Other turnover includes Oncourse, Premium Customers and PGI
 - Victorian revenue includes JV partner interest

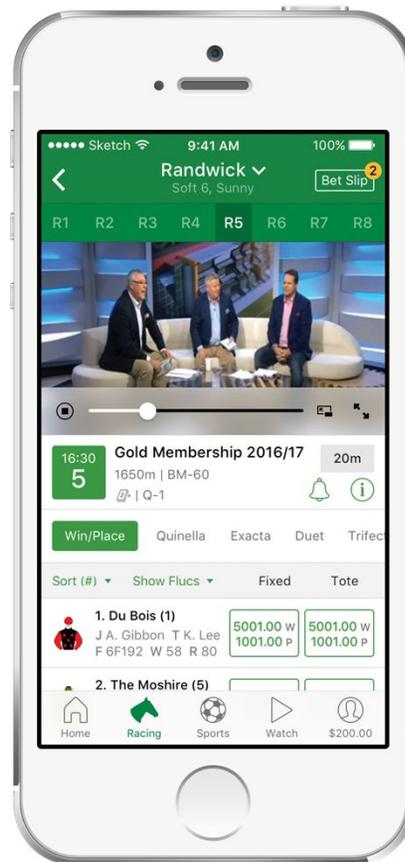
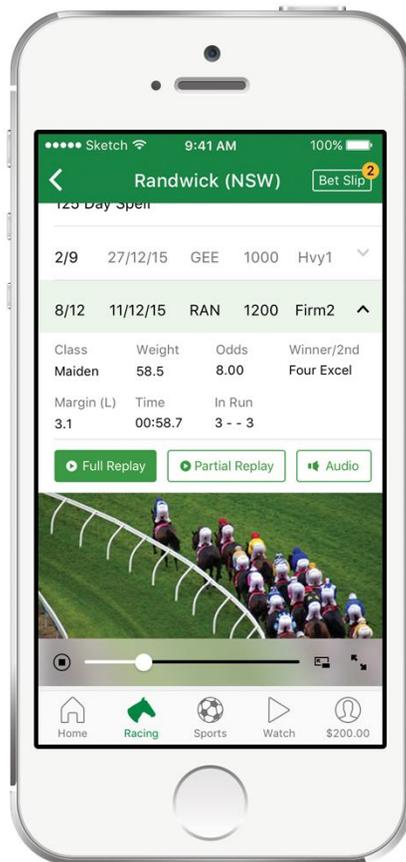
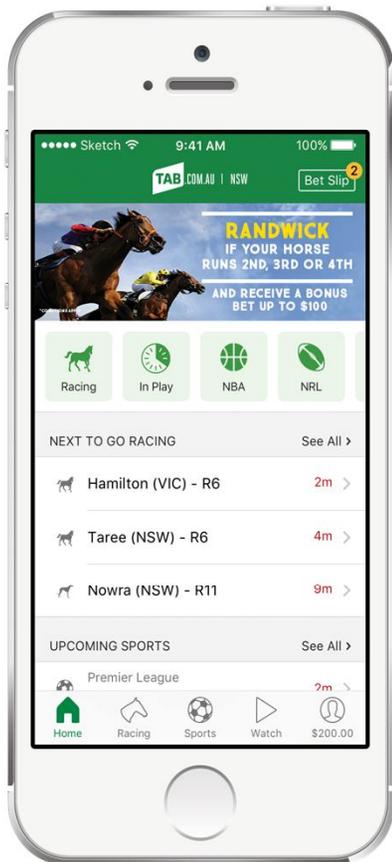
Wagering & Media: Ongoing initiatives for market leadership

- Providing customers with unique experiences across all channels
 - Continued integration of digital into the retail experience
 - Driving customer acquisition by utilising TAB's unique assets, including the retail network, live racing vision and race replays
- Continue to drive new product development and innovation
 - Partial cash out launched in January 2016, with continued expansion of cash out product planned
 - Exclusive agreement signed with Longitude to implement software that will deliver enhanced pari-mutuel betting options (subject to regulatory approval)
 - Increased digital development capabilities to support future growth opportunities
- Further integrate TAB into media assets
 - Significant increase in wagering integration within Sky coverage over past 12 months
 - Expansion of racing preview shows on Sky, which are available on TAB.com.au and mobile apps
- Being the partner of choice for racing and sporting bodies
 - Showcasing NSW and Queensland racing in high-definition on Sky Thoroughbred Central
 - Multiple race club sponsorships including ATC and VRC
 - Partnerships with Australian Trainers Association, National Jockeys Trust and Thoroughbred Breeders Victoria



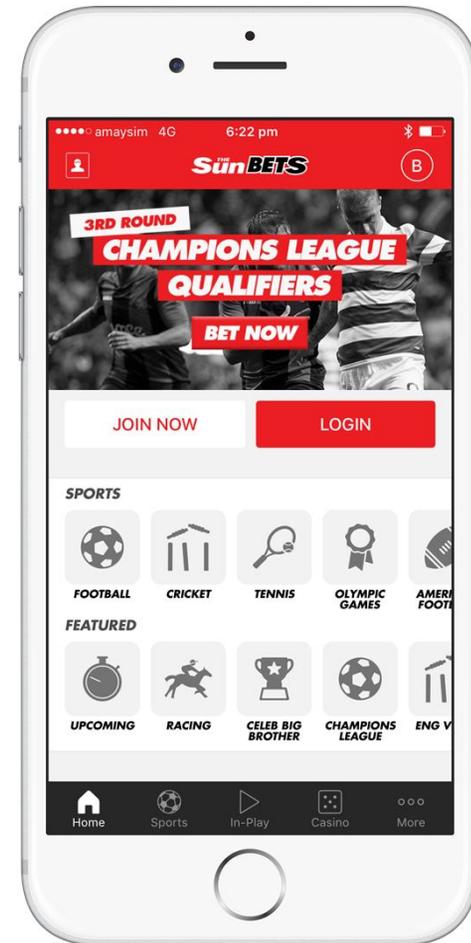
Wagering & Media: Strengthening TAB's leading mobile offer

- Mobile remains the key growth driver for digital (mobile now 65% of digital turnover)
- The strong TAB mobile offer will be further enhanced with the release of a new app design in 1Q17
- Focus on improved navigation, further integration of exclusive content and promotional inventory



Wagering & Media: Sun Bets

- New online wagering and gaming business established in the UK
 - Attractive, well regulated market of ~A\$7bn online revenue
- Combines Tabcorp's expertise in wagering with News UK's vast customer base and market-leading media assets
 - Agreement runs for an initial term of 10 years, with extensions subject to performance
 - Structured as a revenue share agreement with News UK to provide internal and external marketing
 - Tabcorp expects a variable contribution margin of approximately 20%
- UK office has been established, with business to be led by Jamie Hart (ex William Hill UK), supported by an experienced Tabcorp team
 - Approximately 100 UK based employees
 - Integrated with our bookmaking and back office capability in Australia
 - Operating expenses relating to Sun Bets expected to be ~A\$25m in FY17



Wagering & Media: Regulatory update

- NSW Greyhound Racing industry to close June 2017 (subject to legal challenge)
 - NSW greyhound racing represents approximately 5% of total wagering turnover
 - Mitigation strategies to focus on substitution to other racing products
- Illegal Offshore Wagering Review to deliver stronger regulatory framework
 - Federal Government's proposed response on illegal online betting on live sport should further clarify the illegality of this activity and removes the ability for some operators to circumvent the law
 - Unlicensed offshore operators to be prohibited from taking bets from Australian residents
 - National framework on consumer protection and advertising
- Taxation of wagering operators
 - Tabcorp pays significant wagering taxes across all channels (retail and online), in addition to having paid significant upfront licence payments to Government
 - In FY16 Tabcorp paid \$188.3m of wagering tax in NSW and Victoria. This compares to a cap of \$0.6m for NT-licensed online bookmakers
 - Tabcorp supports attempts to level the playing field in terms of wagering taxes

Gaming Services: KPIs

\$m	FY16	FY15	Change
Revenues	107.2	99.6	7.6%
EBITDA	70.1	67.6	3.7%
EBIT	41.0	41.6	(1.4%)

- Continued investment in capability to drive venue performance and expand in NSW
- Victoria:
 - 8,820 EGMs under contract, with 87% contracted through to 2022
 - Loyalty system covering 75% of contracted EGMs. Active members up 17% to 398,000
- NSW:
 - Approximately 800 EGMs under contract, including 417 that commenced billing in 2H16
 - Additional venues under negotiation



Gaming Services: Proposed acquisition of INTECQ

- Agreement to acquire INTECQ for \$7.15 per share. This implies an enterprise value of \$115m
 - Funded from existing bank facilities
 - Unanimously recommended by the Directors of INTECQ
- Completion expected in 1H17, subject to certain terms and conditions contained in the Scheme Implementation Agreement (refer to ASX release on 1 August for further details)
- INTECQ is a leading Australian gaming systems company
 - Agreements with over 1,200 licenced venues and a network of more than 70,000 EGMs across Australia
 - Products include integrated gaming technology solutions, gaming management systems and Licensed Monitoring Operator services
- Highly complementary to existing Gaming Services business
 - Provides TGS increased scale and diversification of earnings
 - Operational and geographic footprint creates an exciting platform for accelerated growth
 - Expands product and service offering to both the TGS and INTECQ customer base
- Acquisition expected to:
 - Be EPS accretive from the first full year
 - Contribute EBITDA of approximately \$20m in the year following completion of integration

Keno: KPIs

\$m	FY16	FY15	Change
Revenues	208.5	199.0	4.8%
EBITDA	70.3	66.4	5.9%
EBIT	50.7	47.5	6.7%
Venues	3,568	3,612	(1.2%)
Ticket Count (m)	100.0	98.6	1.4%
Avg ticket size (\$)	11.2	11.0	1.8%

- Total turnover up 4.1%
- Revenue performance
 - Vic up 20.4%
 - NSW up 7.4%
 - Qld up 0.8%, reflecting unfavourable jackpot activity in the pcp
- Keno returned to growth
 - Rebrand launch completed
 - Jackpot pooling commenced between NSW, Vic and the ACT, Qld jackpot pooling remains a priority (subject to legislative approval)
- NSW licence extended to 2050. Includes ability to expand product offering to include digital play in-venue (subject to regulatory approvals)



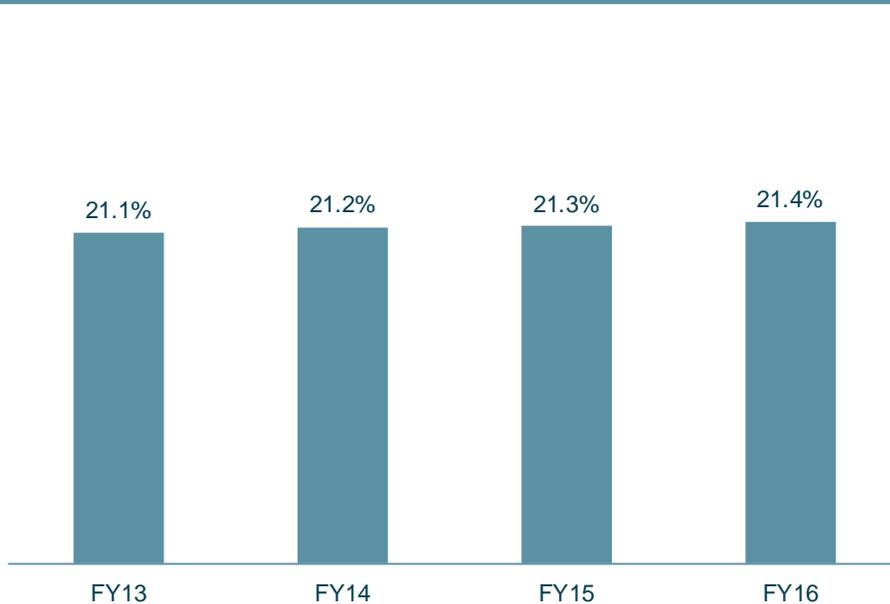
Keno: Digital offering launched

- New Keno iOS app released to ACT customers for game play
- Digital play in-venue coming in NSW (subject to regulatory approvals)



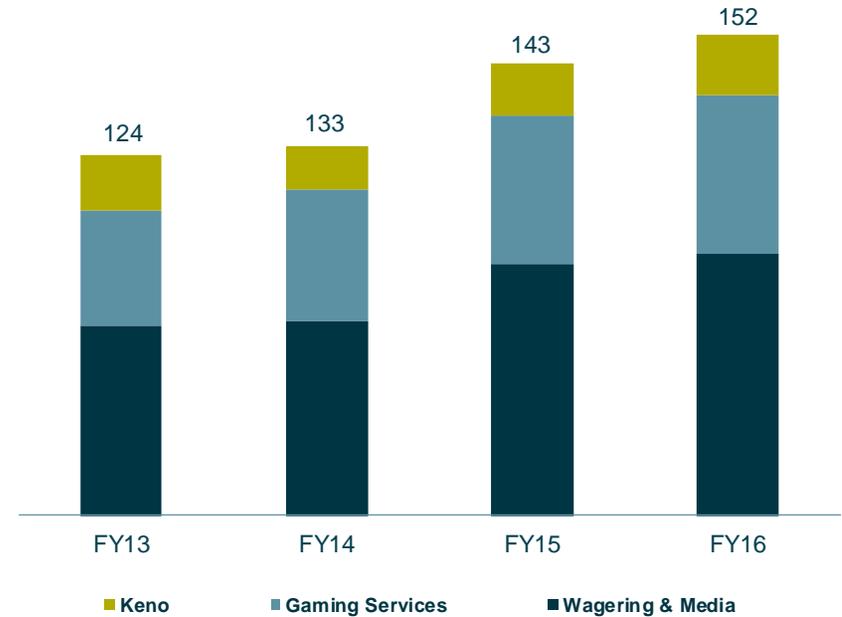
Operating expenses and capital investments

Opex / Revenue Ratio



- FY17 opex to revenue ratio expected to be approximately 22%. This largely reflects increased resourcing across risk, compliance and marketing functions

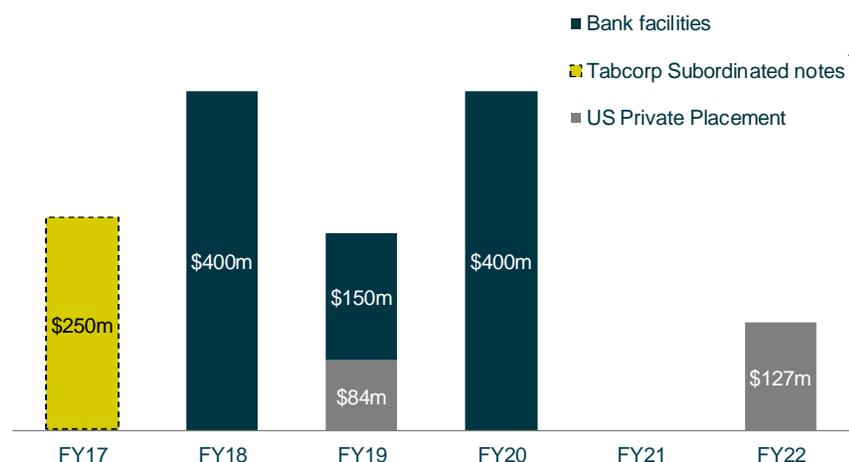
Capex Trend



- FY17 D&A expected to be approximately \$185m, including \$5m for Sun Bets

Key capital features

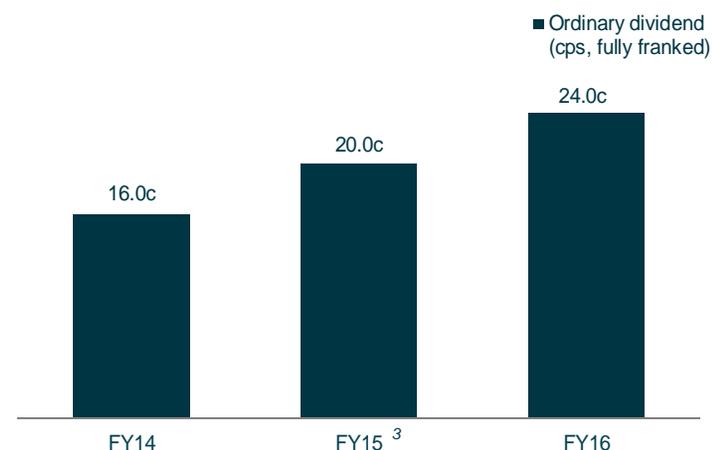
Balance Sheet



- Undrawn bank facilities of \$410m at 30 June 2016
- Subordinated notes expected to be redeemed in March 2017¹
- Gross debt / EBITDA² of 1.9x

Notes:
 1 Tabcorp Subordinated Notes mature in March 2037, however illustrated above at first call date in March 2017
 2 Gross debt includes USPP debt at the A\$ principal repayable under cross currency swaps and EBITDA is before significant items

Dividends



- FY16 ordinary dividend 24.0 cents per share, fully franked, up 20.0% and in line with the target dividend policy

Notes:
 3 In addition to the ordinary dividend, a special dividend of 30.0 cents per share was paid in FY15

Conclusion

- Strategic agenda advanced during the year
 - ACTTAB integration successfully completed
 - VRC sponsorship extended to 2024
 - Investment in technology platforms and digital development capabilities
 - Sun Bets, new online wagering and gaming business established in the UK
 - Keno returned to growth and NSW licence extended to 2050
 - Proposed acquisition of INTECQ, a leading Australian gaming systems company
 - Significant investment in risk and compliance capability
- FY17 focus
 - Wagering & Media – new TAB app and consumer campaign, venue partner digital commission model, product enhancements and Sun Bets
 - Gaming Services – driving venue performance, continued expansion and integration of INTECQ
 - Keno – Queensland jackpot pooling, NSW digital in-venue and product enhancements
- Continued focus on driving future performance and delivering returns for shareholders
 - Our target is to achieve 14% ROIC in FY17
 - FY17 dividend target is the greater of 90% of NPAT before significant items and amortisation of the Victorian Wagering and Betting Licence or 24 cents per share

Appendices

1. Wagering & Media: Financial data
2. Wagering & Media: Revenues by state & product
3. Wagering & Media: Additional information
4. Balance sheet
5. Cashflow

Appendix 1: Wagering & Media – Financial data

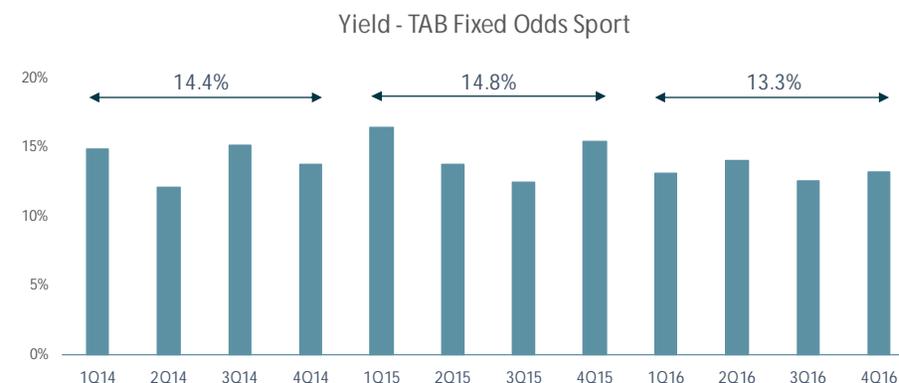
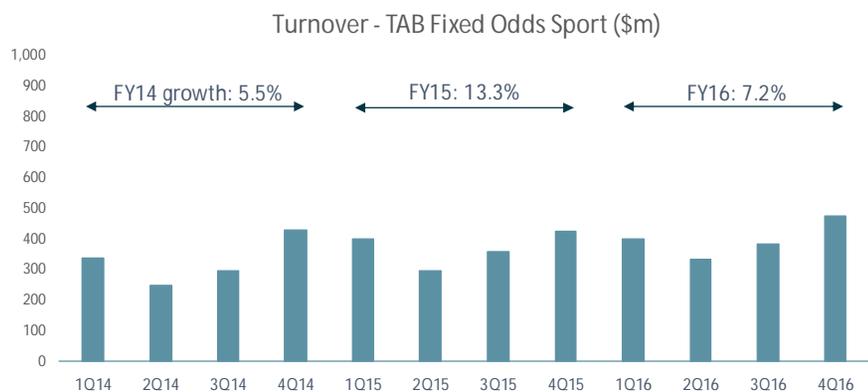
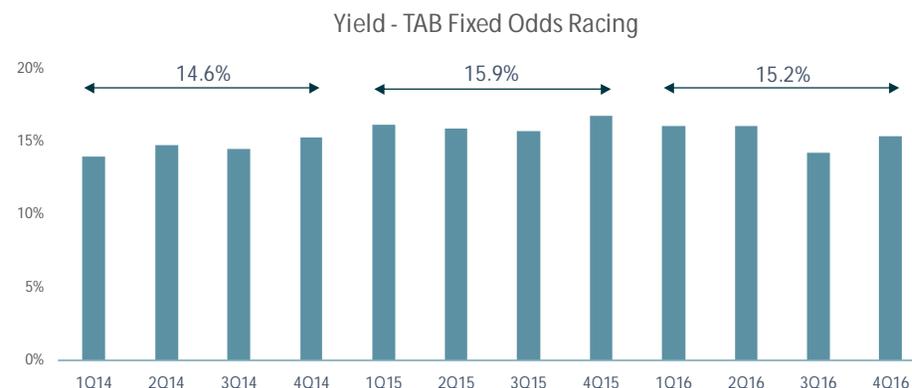
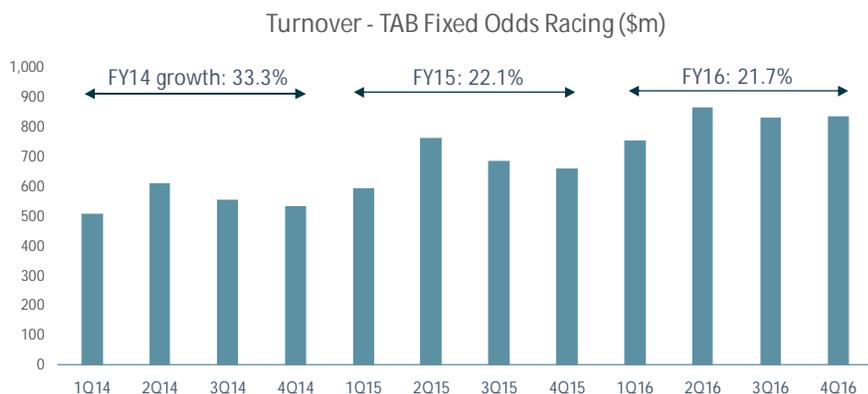
\$m	FY16	FY15	Change
Revenues	1,873.0	1,856.9	0.9%
Taxes, levies, commissions and fees	(1,112.7)	(1,099.4)	1.2%
Variable contribution	760.3	757.5	0.4%
Operating expenses	(378.2)	(381.7)	(0.9%)
EBITDA	382.1	375.8	1.7%
D&A	(129.9)	(128.6)	1.0%
EBIT	252.2	247.2	2.0%
Ratios	FY16	FY15	Change
Variable contribution / Revenue	40.6%	40.8%	(0.2%)
Opex / Revenue	20.2%	20.6%	(0.4%)
EBIT / Revenue	13.5%	13.3%	0.2%
Returns to the Racing Industry	FY16	FY15	Change
Victoria	331.2	348.6	(5.0%)
New South Wales	290.8	263.3	10.4%
Race Field Fees	94.8	91.7	3.4%
Media & International	70.1	69.6	0.7%
Total Returns to the Racing Industry	786.9	773.2	1.8%

Appendix 2: Wagering & Media – Revenues by state & product

\$m	NSW FY16	Change on pcp	Vic FY16	Change on pcp	ACT FY16	Change on pcp	Total FY16	Change on pcp
Racing	903.6	1.3%	411.5	2.6%	24.6	34.4%	1,339.7	2.2%
Sports	131.5	(3.5%)	38.5	(5.8%)	2.0	53.8%	172.0	(3.6%)
Trackside	42.8	(3.6%)	25.9	(6.5%)	0.8	>100%	69.5	(3.7%)
Luxbet							48.8	(8.1%)
Media							175.6	1.3%
Other							67.4	(1.8%)
Revenues	1,077.9	0.5%	475.9	1.3%	27.4	39.3%	1,873.0	0.9%

Notes: - NSW and ACT represents 100% of revenue
 - Vic includes Tabcorp's 50% proportional share of the JV
 - ACT prior period includes operations from 14 October 2014

Appendix 3: Wagering & Media – Additional information



Note: TAB Fixed Odds Sport includes FootyTAB

Appendix 4: Balance Sheet

\$m	Jun 16	Jun 15	Change
Total current assets	197.1	296.2	(33.5%)
Licences	682.4	700.9	(2.6%)
Other intangible assets	1,945.3	1,924.7	1.1%
Property, plant and equipment	311.7	325.1	(4.1%)
Other non current assets	166.3	137.1	21.3%
Total assets	3,302.8	3,384.0	(2.4%)
Total liabilities	1,614.7	1,693.9	(4.7%)
Shareholders' funds	1,688.1	1,690.1	(0.1%)
Net debt (reported)	954.4	987.7	(3.4%)
Net debt (economic) ¹	869.6	912.8	(4.7%)
Shares on issue (m)	831.5	829.4	0.3%
Ratios ^{1,2}			
Gross debt / EBITDA (x)	1.9	2.1	
EBIT / Net interest (x)	4.8	4.7	
Return on Invested Capital (%)	13.3	13.4	
Subordinated notes ratios ^{3,4}			
Gross debt / EBITDA (x)	1.7	1.8	
EBITDA / Net interest (x)	8.5	8.9	

Notes 1 Debt includes USPP debt at the A\$ principal repayable under cross currency swaps

2 EBITDA, EBIT and net interest are last 12 months (continuing operations and excluding significant items). EBIT excludes amortisation of the Victorian Wagering and Betting Licence

3 Gross debt excludes subordinated notes, then divided by two

4 EBITDA (including significant items) and net interest are last 6 months. Net interest excludes interest on subordinated notes

Appendix 5: Cashflow

\$m	FY16	FY15	Change
Net operating flows	458.1	507.6	(9.8%)
Net interest payments	(68.4)	(77.8)	(12.1%)
Income tax refund	11.4	2.8	>100%
Payments for PP&E and intangibles	(183.1)	(131.6)	39.1%
Sub-total	218.0	301.0	(27.6%)
Ordinary dividends paid	(173.3)	(127.9)	35.5%
Special dividends paid	-	(229.7)	(100.0%)
Proceeds from share issue	-	235.8	(100.0%)
Health Benefit Levy	-	(32.9)	(100.0%)
ACTTAB acquisition	-	(103.3)	(100.0%)
Others	1.3	(9.8)	(>100%)
Net cash flow	46.0	33.2	38.6%
Net debt at beginning of period	987.7	967.5	2.1%
Non cash movements	12.7	53.4	(76.2%)
Net debt at end of period	954.4	987.7	(3.4%)

- Net operating flows includes cash outflows of \$36.2m relating to FY16 significant items
- Income tax refund includes \$74.7m relating to the income tax benefit from the Victorian Wagering and Gaming licences (compared to a benefit of \$55.9m in FY15)
- Payments for PP&E and intangibles includes \$25m for NSW Keno licence extension

Note: Health Benefit Levy relates to discontinued operations, refer to 1 July and 28 July 2014 ASX releases

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This Presentation contains summary information about the current activities of Tabcorp Holdings Limited (Tabcorp) and its subsidiaries (Tabcorp Group). It should be read in conjunction with the Tabcorp Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.asx.com.au.

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