

## QUEENSLAND RACE WAGERING LICENCE UPDATE

Tatts' Queensland race wagering operations are conducted pursuant to a race wagering licence granted under Wagering Act 1998 (QLD). This licence runs until 30 June 2098, and provides Tatts with "bricks and mortar" retailing exclusivity for race wagering in Queensland until 30 June 2014 (phone and online selling is non-exclusive).

In return for this exclusivity, Tatts pays the Queensland racing industry a Product Fee under a separate agreement which expires on 30 June 2014 at the end of the current exclusivity period. In 2013 the Product Fee paid amounted to approximately \$131 million before offsets.

Tatts has been engaged in ongoing discussions with Racing Queensland with respect to extending the exclusivity period for "bricks and mortar" retailing operations in Queensland beyond 30 June 2014. Racing Queensland has issued an invitation to lodge Expressions of Interest for the "future commercial arrangements for the licence" and states that "consideration will be given to all options presented including sole and multiple operator arrangements".

In this respect it is relevant to note:

- All other Australian jurisdictions continue to operate exclusive "bricks and mortar" retailing models for race wagering;
- Given Tatts' current race wagering licence tenure until 2098, only Tatts is able to operate under a sole operator model;
- Tatts is the most significant contributor to the Queensland Racing Industry with circa \$131 million (before offsets) being contributed to the Industry annually compared with the circa \$40 million all other betting operators generate from their betting on Queensland racing. Tatts also pays additional wagering taxes to the Queensland Government;
- Some 1,400 Queenslanders are directly employed by Tatts in its operations with an additional 760 agencies (mainly small businesses in Queensland) depending upon Tatts' retail franchise, and employing more than 2,000 Queenslanders.

As a Queensland headquartered business, with 53% of our shareholders being Queenslanders, Tatts has a proud heritage in the State and looks forward to working with all Queensland racing industry participants through to the end of our licence in 2098.

### Contact:

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