

UPDATE ON PROPOSED COMBINATION BETWEEN TATTS AND TABCORP

Brisbane, 4 August 2017 – Tatts Group Limited (**Tatts**) provides this update regarding the proposed combination with Tabcorp Holdings Limited (**Tabcorp**) (**Proposed Merger**).

Tatts notes that Tabcorp's FY17 financial results will be announced to ASX today, and Tatts will announce its FY17 financial results on Thursday, 17 August 2017. Tatts and Tabcorp have decided to defer the release of the Scheme Booklet for the Proposed Merger in order to incorporate these FY17 financial results and related disclosures. The Scheme Booklet is now expected to be provided to Tatts' shareholders in September 2017, and the meeting of Tatts' shareholders to vote on the Proposed Merger is expected to be held in October 2017.

Tatts has been informed by Tabcorp that it is well progressed in obtaining the government and regulatory approvals required to implement the Proposed Merger. The Proposed Merger also remains subject to other customary conditions precedent, including Tatts' shareholder and Court approval. Subject to the receipt of all necessary approvals, implementation of the Proposed Merger is expected to occur by the end of the calendar year.

Tatts has joined as a party and, together with Tabcorp, will oppose the applications brought by each of the Australian Competition and Consumer Commission (**ACCC**) and CrownBet Pty Ltd (**CrownBet**) for judicial review of the Australian Competition Tribunal's decision to authorise the Proposed Merger. The Full Court of the Federal Court of Australia will hear both the ACCC's and CrownBet's applications on 28 and 29 August 2017.

Pursuant to the Merger Implementation Deed between Tatts and Tabcorp, the parties are able to waive the competition approval condition precedent to the Proposed Merger¹ by agreement. The parties have agreed that this condition precedent will be waived if and when the applications for judicial review of the authorisation granted by the Australian Competition Tribunal are dismissed by the Full Federal Court and there is no further appeal sought. Whilst no decision has been made, Tatts and Tabcorp have also agreed to discuss in good faith the possibility of waiving the condition in other circumstances.

The effect of the ACCC's and CrownBet's applications is that the End Date by which the above conditions precedent to the Proposed Merger must be satisfied or waived will automatically extend to 31 December 2017.

The Tatts' Board continues to believe that the Proposed Merger is in the best interests of Tatts' shareholders and unanimously recommends the Proposed Merger in the absence of a superior proposal and subject to an independent expert concluding that the Proposed Merger is in the best interests of Tatts' shareholders.

¹ Clause 3.1(a)(1) of the Merger Implementation Deed in relation to the Proposed Merger, a copy of which was lodged with ASX on 19 October 2016.