

24 March 2009

Tabcorp announces offer of Tabcorp Bonds to be listed on ASX

Tabcorp Holdings Limited ("Tabcorp"), Australia's leading gambling entertainment group, today announced the offer of Tabcorp Bonds, which are new debt securities to be listed on the Australian Securities Exchange (ASX). Tabcorp intends to raise approximately \$200 million by issuing Tabcorp Bonds, with the ability to raise more or less (the "Offer").

This is the first major public issue of corporate bonds listed on the ASX for many years, and is different to the various hybrid capital securities which have been issued by Australian companies and financial institutions in recent years.

About Tabcorp Bonds

Tabcorp Bonds will rank equally with Tabcorp's existing bank facilities and debt securities and Standard & Poor's has confirmed that the Tabcorp Bonds will be assigned an investment grade credit rating of BBB+¹.

Tabcorp Bonds will have a term of five years and provide investors with quarterly interest payments, calculated as a fixed margin over the 3 month Bank Bill Rate.

As an example, based on a Bank Bill Rate of 3.03% pa and an indicative margin range of 4.00% pa to 4.50% pa, Tabcorp Bonds would offer an interest rate of 7.03% pa to 7.53% pa². The actual margin will be determined through a bookbuild process and is expected to be announced to the public on 1 April 2009. The interest rate for the first interest period will be set on the settlement date of Tabcorp Bonds, which is expected to be 30 April 2009. The interest rate will fluctuate during the term of Tabcorp Bonds in line with underlying movements in the 3 month Bank Bill Rate.

Investors who are allocated at least 100 Tabcorp Bonds (\$10,000) and maintain at least their initial allocation for the first year will be entitled to bonus interest of 0.25% pa for the first year (subject to a cap of 500 Tabcorp Bonds (\$50,000) per holding).

Tabcorp's Chief Executive Officer, Elmer Funke Kupper, said: "Tabcorp Bonds are a new investment opportunity that will pay a regular and attractive rate of interest. The fact that the bonds will be listed on the ASX means investors will have a liquidity mechanism that is not available in many other fixed income investment products," he said.

"Unlike most other corporate bond issues, the Offer will be open to retail as well as institutional investors. At a time when companies are reducing dividends, interest rates are falling and sharemarkets continue to experience high levels of volatility, we expect retail investors will find the attractive yield of Tabcorp Bonds, together with the investment grade credit rating and the structure of the Tabcorp Bonds, compelling."

¹ An explanation of the meaning of this credit rating is set out in Section 3.7 of the prospectus.

² These rates are for illustrative purposes only and do not indicate, guarantee or forecast the actual interest payable on Tabcorp Bonds for any Interest Period. The actual Interest Rate may be lower or higher than this example.

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Rationale for the Offer

Mr Funke Kupper said: "Tabcorp has a unique portfolio of Australian businesses that investors are familiar with, namely Casinos, Wagering and Gaming. These businesses generate strong earnings and cash flows and are well positioned for the current economic environment. Tabcorp delivered positive half year results and has a strong balance sheet. In January and February 2009, the company further strengthened its balance sheet with an equity raising of \$379 million.

The proceeds from the issue of Tabcorp Bonds will be used to repay some of Tabcorp's existing bank debt.

The Offer forms part of Tabcorp's capital management strategy and will provide a number of benefits to Tabcorp, including increased funding diversification, increased funding flexibility and an extension of Tabcorp's debt maturity profile. As previously announced, Tabcorp has no debt maturities occurring in calendar year 2009.

There will be no material change to Tabcorp's credit metrics following the Offer, as the proceeds will be used to repay some of Tabcorp's existing debt. Standard & Poor's has affirmed Tabcorp's investment grade credit rating of BBB+ (stable outlook).

About the Offer

The Offer is scheduled to open on 1 April 2009, following completion of a roadshow and bookbuild for retail brokers and institutional investors. The closing date for the Offer is 24 April 2009 in respect of the Shareholder Offer and General Offer, and 29 April 2009 in respect of the Broker Firm Offer. However, Tabcorp reserves the right to close the Offer early or scale back applications depending on investor demand. The total amount raised will depend on the outcome of the bookbuild process and demand from other investors, including Tabcorp shareholders during the Offer period.

Eligible Tabcorp shareholders with a registered address in Australia as at 7.00pm (Melbourne time) on 23 March 2009 will be entitled to a priority allocation of Tabcorp Bonds under the Offer. Tabcorp will endeavour to provide Eligible Tabcorp shareholders with a priority allocation under the Shareholder Offer of at least 100 Tabcorp Bonds (or such lesser number as may be applied for). However, Tabcorp does not guarantee any minimum priority allocation and the extent of any allocation will ultimately depend on the total level of applications under the Offer.

The minimum investment is \$5,000 (50 Tabcorp Bonds).

The Offer is being made under a prospectus lodged today with the Australian Securities and Investments Commission (ASIC). A copy of the prospectus has also been lodged with the ASX. Investors should read the prospectus in full before deciding whether to invest in Tabcorp Bonds. Anyone wishing to invest in Tabcorp Bonds will need to complete the application form attached to or accompanying the prospectus. Applications will be accepted during the Offer period, which is expected to open on 1 April 2009.

Interested investors can access the prospectus online at www.tabcorp.com.au/bonds or can request a prospectus by calling 1300 857 499 (Monday to Friday - 8.30am to 5.30pm Melbourne time).

ANZ Securities and UBS Investment Bank are acting as Arrangers and Joint Lead Managers in relation to the Offer. Citi, Goldman Sachs JBWere and National Australia Bank are acting as Joint Lead Managers in relation to the Offer.

Indicative timetable

Prospectus lodged with ASIC	24 March 2009
Bookbuild	31 March 2009
Margin announced and Offer opens	1 April 2009
Shareholder Offer and General Offer close	24 April 2009
Broker Firm Offer closes	29 April 2009
Trading commences on ASX (deferred settlement basis)	4 May 2009
First interest payment date	17 August 2009

Tabcorp Bonds Information Line

1300 857 499

Monday to Friday - 8.30am to 5.30pm (Melbourne time)

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