



19 December 2008

ASX RELEASE

Establishment of a Dividend Reinvestment Plan

As foreshadowed by the Company at its Annual General Meeting, the Company has established a Dividend Reinvestment Plan (DRP). Shareholders will have the opportunity to participate in the DRP in respect of the Company's 2009 interim dividend which is now anticipated to have a record date of 12 March, 2009 (previously advised to be 16 March, 2009). Information relating to participation in the DRP is expected to be sent to shareholders in late January.

The Terms and Conditions of the DRP are attached.

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DIVIDEND REINVESTMENT PLAN

Terms and Conditions

Tatts Group Limited

ABN 19 108 686 040

Tatts' Website: www.tattsgroup.com

The Share Registrar

Tatts Group Limited

Computershare Investor Services Pty Limited

Yarra Falls

452 Johnstone Street

Abbotsford, Victoria, 3067

GPO Box 2975

Melbourne, Victoria, 3001

Telephone: +61 (0)3 9415 4199 or

1300 367 346 (for callers within Australia)

Facsimile: +61 (0)3 9473 2500

Email: web.queries@computershare.com.au

Terms and Conditions of Dividend Reinvestment Plan

Tatts Group Limited

1. INTERPRETATION

In these Terms and Conditions, unless the context otherwise requires:

- a) 'ASX' means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it;
- b) 'ASX Market Rules' means the market rules that form part of the operating rules of the ASX for the purposes of the Corporations Act (as amended from time to time);
- c) 'Corporations Act' means the Corporations Act 2001 (Cth) and regulations and rules made pursuant to that Act;
- d) 'Directors' means the Board of Directors of Tatts from time to time;
- e) 'DRP Notice of Election' means a notice of election to participate in the Plan in the form prescribed by the Directors from time to time;
- f) 'DRP Notice of Variation' has the meaning ascribed in Clause 9(a);
- g) 'Full Participation' has the meaning ascribed in Clause 4(a);
- h) 'Listing Rules' means the official listing rules of the ASX as modified or waived from time to time;
- i) 'Non-Participant' means a Shareholder who is not participating in the Plan;
- j) 'Participant' means a Shareholder who validly elects to participate in the Plan;
- k) 'Participating Shares' means Shares which are subject to these Terms and Conditions and may include new Plan Shares;
- l) 'Plan Shares' means Shares issued or transferred to a Participant pursuant to the Plan;
- m) 'Partial Participation' has the meaning ascribed in Clause 4(a);
- n) 'Record Date' means the date and time, as determined by the Directors, at which a person holds or is taken to hold Shares for the purposes of determining dividend entitlements;
- o) 'Registrar' means the Tatts Share Registrar from time to time;
- p) 'Share Register' means the register of members of Tatts;
- q) 'Shareholder' means a registered holder of Shares within the meaning of Tatts' Constitution;
- r) 'Shares' means fully paid ordinary shares in the capital of Tatts;
- s) 'Tatts' means Tatts Group Limited ABN 19 108 686 040;
- t) 'Tatts' Website' means the corporate website established and maintained by Tatts from time to time and which is, as at the date of establishment of the Plan, located at www.tattsgroup.com/investors;
- u) 'Terms and Conditions' means the terms and conditions contained in this document as varied from time to time in accordance with Clause 12;
- v) 'the Plan' means the Tatts Dividend Reinvestment Plan established under these Terms and Conditions;
- w) 'Trading Day' means a trading day as specified in the Listing Rules;

- x) 'VWAP' means the daily volume weighted average market price for all Shares sold on the ASX automated trading system, excluding Shares which are sold otherwise than in the ordinary course of trading (which include but are not limited to transactions defined in the ASX Market Rules as special crossings, crossings prior to the commencement of the open session state, portfolio special crossings, equity combinations, crossings during overnight trading, overseas trades or trades pursuant to the exercise of options over Shares) and any other sales that the Directors determine should be excluded on the basis that they are not fairly reflective of genuine supply and demand;
- y) words importing the singular includes the plural and vice versa; and
- z) the headings in these Terms and Conditions are included for convenience only and will not affect the construction of these Terms and Conditions.

2. PARTICIPATION IN THE PLAN

- a) Participation in the Plan is subject to these Terms and Conditions.
- b) Participation in the Plan is optional and not transferable.
- c) Any Shareholder can participate in the Plan, unless excluded under paragraphs (d) and (e).
- d)
 - (i) Without limiting sub-paragraphs (ii) and (iii), a Shareholder with a registered address outside Australia and New Zealand is not permitted to participate in the Plan to the relevant extent unless and until the Directors, in their absolute discretion, are satisfied that such participation will not constitute a breach of the laws of the relevant country or place, whether or not the relevant Shareholder has received an invitation to participate in the Plan or has completed a DRP Notice of Election.
 - (ii) The Directors may on any occasion determine that the right to participate in the Plan is not available to a Shareholder having a registered address, or being resident in, a country or place where:
 - (A) in the absence of a prospectus, disclosure document, registration statement or other prerequisite, the offer of a right of election or participation would or might be unlawful; or
 - (B) in the opinion of the Directors, it would not be practical to offer a right of election or participation.
 - (iii) If, in the opinion of the Directors, the issue of Shares under the Plan to, or the acquisition of Shares under the Plan by, a Participant or the holding of those Shares by a Participant may breach a provision of Tatts' Constitution, be contrary to the law of any country or place, may prejudice the effective operation of the Plan or is otherwise in the opinion of the Directors impractical, the Directors may:
 - (A) decline to issue or transfer those Shares;
 - (B) reduce the issue or transfer of those Shares on a proportionate basis; or
 - (C) reduce, suspend or terminate the participation of the Participant in the Plan.
- e) The Directors may, in their absolute discretion, refuse to permit any Shareholder to participate in the DRP where that Shareholder elects to participate in respect of a number of Shares which is less than 100 or such other number as the Directors may determine.
- f) Participation may, subject to these Terms and Conditions, be varied or terminated by a Shareholder at any time.

3. NOTICE OF ELECTION TO PARTICIPATE (ENTRY TO THE PLAN)

- a) To participate in the Plan a DRP Notice of Election must be completed in accordance with the instructions on it, and lodged with the Registrar.

- b) If a DRP Notice of Election is not received by Tatts before the Record Date for a particular dividend, the Shares the subject of the DRP Notice of Election will not participate in the Plan for that dividend, but will, subject to these Terms and Conditions, participate in the Plan for all subsequent dividends. A duly completed and executed DRP Notice of Election is, subject to these Terms and Conditions, effective upon receipt and acceptance by Tatts.
- c) A DRP Notice of Election remains in force unless varied by the Shareholder in accordance with clause 9, or until the participation of the Shareholder is terminated in accordance with clause 9 or otherwise in accordance with these Terms and Conditions. Shares which are sold or otherwise transferred will cease to participate in the Plan upon the date of registration of the transfer or other instrument of disposal.
- d) Subject to clause 4(f), the Directors may in their absolute discretion:
 - (i) determine that an improperly completed DRP Notice of Election is invalid and ineffective, and return the DRP Notice of Election to the relevant Shareholder; or
 - (ii) correct any error in, or omission from, a DRP Notice of Election.
- e) The Directors may in their absolute discretion accept or reject any DRP Notice of Election without being bound to give any reason for doing so. If the Directors decide to reject any DRP Notice of Election, the relevant Shareholder will be informed of the Directors' decision in writing within a reasonable time of that decision.
- f) Tatts will record for each holding of Shares of each Participant particulars of:
 - (i) the name and address of the Participant; and
 - (ii) the number of Participating Shares held by the Participant from time to time, and Tatts' records will be conclusive evidence of the matters so recorded.

4. DEGREE OF PARTICIPATION

- a) A Shareholder may participate in the Plan in respect of all the Shares registered in the Shareholder's name ('Full Participation') or in respect of a specific number of Shares which is less than the total number of Shares registered in the Shareholder's name ('Partial Participation').
- b) A Shareholder who is eligible and wishes to participate in the Plan must (subject to paragraph (f)) specify on a DRP Notice of Election the degree to which the Shareholder wishes to participate in the Plan in accordance with the instructions on the DRP Notice of Election.
- c) Under Full Participation, all Shares registered in the Participant's name from time to time, including Plan Shares, will be Participating Shares.
- d) Under Partial Participation:
 - (i) only that number of Shares specified by the Participant in accordance with these Terms and Conditions will be subject to the Plan; and
 - (ii) all other Shares then held by the Participant or subsequently acquired by the Participant, whether Plan Shares or otherwise, will not be subject to the Plan unless the Participant alters their participation in accordance with clause 9.
- e) If at the relevant Record Date the number of Shares held by the Participant is fewer than the number of Shares specified by the Participant in accordance with paragraph (d), the number of Participating Shares for that Shareholder in respect of that dividend payment will be reduced to the lesser number of Shares.

- f) An executed DRP Notice of Election received by Tatts which does not indicate the degree of participation will, without notice to the Shareholder, be deemed to be an election for Full Participation and Tatts will not be liable to the Shareholder for any loss, damage or claim in respect of their participation as a result of the operation of this provision.
- g) If a DRP Notice of Election purports to nominate a shareholding for both Full Participation and Partial Participation at the same time, the DRP Notice of Election will be invalid.
- h) No responsibility will be taken by Tatts for transfers of Shares that are not entered on, or removed from, the Share Register prior to the relevant Record Date.

5. OPERATION OF THE PLAN

- a) Each dividend, which is payable to a Participant in respect of Participating Shares and is available for payment to the Participant, will be applied by Tatts on the Participant's behalf in subscribing for and/or acquiring Shares other than a dividend which the Directors in their absolute discretion determine will not be so applied.
- b) The Directors will determine in their absolute discretion with respect to the operation of the Plan for any dividend whether to issue new Shares, or to procure the transfer of existing Shares, to a Participant, or to apply a combination of both these options, to satisfy the obligations of Tatts under the Plan.
- c) Tatts will establish and maintain a Plan account for each Participant.
- d) Tatts will, in respect of each dividend payable to a Participant:
 - (i) determine the aggregate amount of the dividend to be payable in respect of their Participating Shares;
 - (ii) determine the withholding payments (if any) deductible by Tatts in respect of the dividend payable in respect of the Participating Shares and any other amounts that Tatts is entitled to retain in respect of the Participating Shares;
 - (iii) credit the amount in sub-paragraph (i) and debit any amount in sub-paragraph (ii) to the Participant's Plan account;
 - (iv) determine the maximum whole number of Shares which may be issued or acquired under the Plan in accordance with clause 5(e);
 - (v) on behalf of and in the name of the Participant subscribe for, or procure the transfer to the Participant of, that number of Plan Shares determined in accordance with sub-paragraph (iv), and debit the Participant's Plan account with the total subscription price and/or acquisition amount (as the case may be) for that number of Shares; and
 - (vi) retain in the Participant's Plan account (without interest) any cash balance remaining.
- e) The number of Plan Shares issued or transferred to a Participant in respect of a dividend payable to a Participant will be the whole number next below the value of the sum calculated by the formula:

$$\frac{D+R-W}{C}$$

Where:

D is the amount calculated in accordance with clause 5(d)(i);

R is the amount retained in the Participant's Plan account at the time the dividend is determined as referred to in clause 5(d)(vi);

W is the amount calculated in accordance with clause 5(d)(ii); and

- C is the price per Share at which Shares will be issued or transferred under the Plan, which will be an amount equal to the arithmetic average (rounded down to the nearest cent), of the daily VWAP, during the 10 Trading Days commencing on the second Trading Day after the Record Date (or such other period as is determined by the Directors in their absolute discretion), less any discount determined by the Directors from time to time. The price per Share at which Shares will be issued or transferred under the Plan will be calculated by the Directors, or another suitable person nominated by the Directors, by reference to information the Directors approve from time to time. The determination of that price by the Directors or some other person nominated by the Directors will be binding on all Participants.
- f) Notwithstanding any other clause in the Plan, Plan Shares will not be issued or transferred under the Plan if the issue or transfer of such Plan Shares would breach any provision of the Listing Rules or of any applicable law and in such circumstances the Participant will receive cash for any balance of the dividend payable to a Participant that is not satisfied by either the issue or transfer of Plan Shares.

6. SHARES ISSUED OR TRANSFERRED UNDER THE PLAN

- a) Where the Directors determine to procure the transfer of existing Shares to a Participant under the Plan, the Shares may be acquired in the market in such manner as the Directors consider appropriate, and will be transferred to the Participant on, or as soon as practicable after, the relevant dividend payment date.
- b) Plan Shares issued under the Plan to a Participant will:
- (i) be issued on, or as soon as practicable after, the relevant dividend payment date within the time period required by the Listing Rules;
 - (ii) rank equally in all respects with existing Shares and will participate in all dividends subsequently determined in respect of Shares; and
 - (iii) be registered on a Share Register where the Participant already holds Shares. If the Participant holds Shares on more than one register (one of which is Tatts' principal Share Register), the Plan Shares will be registered on the principal Share Register unless and until the Participant requests otherwise.
- c) Tatts will apply promptly after issue for Plan Shares issued under the Plan to be admitted to quotation by ASX.

7. NO COSTS TO PARTICIPANTS

No brokerage, commission or other transaction costs will be payable by Participants in respect of any issue or transfer to Participants of Plan Shares and no stamp or other duties will, under present Australian law, be payable by Participants in respect of the issue or transfer of Plan Shares to Participants under the Plan.

8. STATEMENT TO PARTICIPANTS

After each dividend payment date, Tatts will forward to each Participant as soon as practicable after issue or transfer a statement setting out the information below (and/or such other information as is considered to be appropriate by the Directors in their absolute discretion):

- a) the Participant's number of Participating Shares in respect of the dividend;
- b) the dividend paid on those Participating Shares, the extent to which the dividend is franked and unfranked, and the franking credit in respect of the dividend;

- c) the net dividend amount, taking into account the deduction of withholding payments (if any) (and any other amounts which Tatts is permitted to retain) and any amount in the Participant's Plan account at the time the dividend is determined (calculated in accordance with clause 5(e)), reinvested in additional Shares;
- d) the number of additional Shares issued or transferred to the Participant in respect of the dividend and the price at which they have been issued or transferred (as calculated in accordance with clause 5(e));
- e) any cash balance carried forward (in accordance with clause 5(d)(vi)); and
- f) the total Shares held by the Participant following reinvestment of the dividend.

9. VARIATION OR TERMINATION OF PARTICIPATION

- a) A Participant may, at any time after joining the Plan, give notice in writing to the Registrar to:
 - (i) increase or decrease the number of their Participating Shares; or
 - (ii) terminate their participation in the Plan.

Such a notice must be made on the form prescribed by the Directors from time to time (the 'DRP Notice of Variation') and in accordance with the instructions on it. However, to be effective for a dividend payment a DRP Notice of Variation must be received by Tatts before the Record Date for that dividend. A duly completed and executed DRP Notice of Variation is, subject to these Terms and Conditions, effective upon receipt and acceptance by Tatts.

- b) If a Participant increases the level of participation in the Plan to Full Participation, all of the Shares held by the Participant as at the date of the DRP Notice of Variation and all Shares subsequently acquired by the Participant (including Shares transferred or issued under the Plan) will be Participating Shares.
- c) The Directors may in their absolute discretion:
 - (i) determine that an improperly completed DRP Notice of Variation is invalid and ineffective, and return the DRP Notice of Variation to the relevant Participant; or
 - (ii) correct any error in, or omission from, a DRP Notice of Variation.
- d) The Directors may in their absolute discretion accept or reject any DRP Notice of Variation without being bound to give any reason for doing so. If the Directors decide to reject any DRP Notice of Variation, the relevant Shareholder will be informed of the Directors' decision in writing within a reasonable time of that decision.
- e) If a Participant dies, participation in the Plan will be terminated upon receipt by Tatts of a written notice of death from the Participant's legal personal representative.
- f) If a Participant is declared bankrupt or is being wound up, participation in the Plan will terminate upon receipt by Tatts of a notification of bankruptcy or winding up from the Participant or their trustee in bankruptcy or the Participant's liquidator.
- g) In the case of joint Participants, where one Participant dies, becomes bankrupt or is being wound up, the participation of the other Participant(s) in the Plan will terminate at the same time as that of the deceased or bankrupt or the Participant being wound up.
- h) Upon termination of participation for whatever reason, Tatts will, unless otherwise directed, provide (whether by direct credit to a nominated bank account for receipt of dividends or by cheque, at the absolute discretion of the Directors) to the Participant or to the Participant's legal representative as appropriate a cash payment of the amount, if any, retained in the Participant's Plan account as at that date.

10. REDUCTION OR TERMINATION WHERE NO NOTICE IS GIVEN

- a) Where a Participant has elected for Full Participation and disposes of some, but not all, of the Participant's Shares, the remaining Shares held by the Participant will continue to be Participating Shares.
- b) Where a Participant has elected for Partial Participation and disposes of some, but not all, of the Participant's Shares, the Shares disposed of will, to the extent possible, be deemed to be those Shares that are not Participating Shares. If the number of Shares disposed of exceeds the number of Shares that are not Participating Shares, the disposal will be deemed to include all of the Participant's Shares that are not Participating Shares, and the balance will be made up of Participating Shares.
- c) Where a Participant's entire holding of Shares is disposed of, the Participating Shares will cease to participate in the Plan from the date of registration of the transfer or instrument of disposal and Tatts will provide to the Participant the amount (if any) to be provided in terms of clause 9(h) to the Participant on termination of participation.

11. NOTICES

- a) DRP Notices of Election and DRP Notices of Variation, together with all other notices to Tatts under these Terms and Conditions, must be in writing and in such form as Tatts directs from time to time and sent to the address of the Registrar or such other address as is notified to Shareholders by Tatts from time to time, and will be effective upon receipt subject to:
 - (i) these Terms and Conditions; and
 - (ii) in the case of DRP Notices of Election and DRP Notices of Variation, acceptance by Tatts.

12. MODIFICATION AND TERMINATION OF THE PLAN

- a) The Directors may vary these Terms and Conditions as and when they consider it appropriate and may suspend or terminate the Plan when they consider it expedient. The Directors may give notice of a variation, suspension or termination as they consider appropriate by way of announcement to the ASX and on the Tatts' Website, with such variation, suspension or termination to take effect from the date of the announcement.
- b) If the Plan is terminated, as soon as practicable after the termination date Tatts will provide to Participants the amount (if any) to be provided in terms of clause 9(h) upon termination of their participation.
- c) The accidental omission to give notice of variation, suspension or termination or the non-receipt of any notice by any Shareholder will not invalidate the variation, suspension or termination of the Plan with respect to that Shareholder or generally and will not give rise to any liability on the part of, or right or action against, the Directors or Tatts.
- d) Any suspension of the Plan will continue until such time as the Directors either resolve to recommence or to terminate the Plan. If the Plan is recommenced, then elections as to participation in respect of the previously suspended Plan will be valid and have full force and effect in accordance with these Terms and Conditions for the purpose of the recommenced Plan.
- e) Upon variation of the Plan, Participants will continue to participate under the varied Plan unless a DRP Notice of Variation is received by Tatts or otherwise as provided by these Terms and Conditions.

13. TAXATION

Neither Tatts nor any of its officers, employees, representatives or agents:

- a) takes any responsibility or assumes any liability for, or as a consequence of, the tax liabilities of any person in connection with the Plan; or
- b) represents or warrants that any person will gain any taxation advantage or will not incur a taxation liability or disadvantage as a result of participation in the Plan.

14. ADMINISTRATION OF THE PLAN

The Plan will be administered by the Directors, who will have power to:

- a) determine appropriate procedures for administration of the Plan consistent with the provisions of these Terms and Conditions;
- b) resolve conclusively all questions of fact or interpretation in connection with the Plan;
- c) waive strict compliance with any of the provisions of these Terms and Conditions; and
- d) delegate to any one or more persons, for such period and upon such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan.

15. GENERAL

- a) The Plan will not apply to cases where in accordance with the Constitution of Tatts, or otherwise by law, the Directors are entitled to retain all or part of a dividend payment in respect of Shares which a Participant has nominated as participating in the Plan and over which Shares or dividend Tatts holds, or is entitled to hold, a charge or lien.
- b) Each holding of Shares which a Shareholder has from time to time will be regarded as separate for the purposes of the Plan and the Plan will operate as if each such holding were held by a separate person, unless the Directors determine otherwise. Consequently, a separate DRP Notice of Election must be delivered to Tatts in respect of each holding of Shares which a Shareholder wishes to nominate for Full or Partial Participation, and the Shareholder will be treated as a separate Participant in respect of each holding of Shares nominated for participation (and a reference to Shares held or acquired by a Shareholder or Participant is a reference to Shares held or acquired in respect, or on account, of the relevant holding).
- c) The Plan and its operation and these Terms and Conditions will be governed by the laws of the State of Victoria.
- d) These Terms and Conditions will be binding on each Participant and each person who applies to become a Participant.
- e) Neither Tatts nor any officer of Tatts will be liable or responsible to any Shareholder for any loss or any alleged loss or disadvantage incurred by a Shareholder as a result, directly or indirectly, of the establishment or operation of the Plan or participation in the Plan or in relation to any advice given with respect to participation in the Plan.
- f) The Directors may determine that Shareholders can lodge a DRP Notice of Election or a DRP Notice of Variation electronically, either through the Tatt's Website or that of an authorised third party. Any DRP Notice of Election or DRP Notice of Variation lodged electronically must comply with the terms and conditions of the facility through which it is lodged.

16. REPRESENTATIONS, AGREEMENTS AND ACKNOWLEDGEMENTS

By applying to participate in the Plan in accordance with clause 2, a Shareholder:

- a) warrants that it is eligible to participate in the Plan in accordance with clause 2;

- b) authorises Tatts (and its officers and agents) to correct any error in, or omission from, its DRP Notice of Election or any DRP Notice of Variation;
- c) acknowledges that Tatts may at any time irrevocably determine that the Shareholder's DRP Notice of Election or DRP Notice of Variation is valid, in accordance with these Terms and Conditions, even if the relevant notice is incomplete, contains errors or is otherwise defective;
- d) acknowledges that Tatts may reject any DRP Notice of Election or DRP Notice of Variation;
- e) consents to the establishment of a Plan account on its behalf;
- f) consents to any residual cash balance in the account as referred to in clause 5(d)(vi) remaining in that account as contemplated by the Terms and Conditions;
- g) agrees that, where the Directors determine to procure the transfer of existing Shares to the Shareholder under the Plan, Tatts may appoint on behalf of the Shareholder, a stockbroker or other person nominated by Tatts as the Shareholder's agent to acquire Shares in the market (and for the avoidance of doubt, the Shareholder agrees to Tatts or the person nominated by Tatts taking all steps required to register the Shares in the Shareholder's name, including the execution of any transfers required);
- h) acknowledges that Tatts may arrange for the DRP to be fully or partially underwritten in respect of any one or more of the dividends payable by it;
- i) acknowledges that Tatts has not provided the Shareholder with investment advice or financial product advice and that neither Tatts nor any stockbroker or other person described in clause 16(g) is obliged to provide such advice to a Shareholder;
- j) appoints Tatts as the Shareholder's agent to receive any notices, including any Financial Services Guide (and any update of such document), that any stockbroker or other person described in clause 16(g) is required to provide under the Corporations Act. Any such document will be made available on Tatts' Website;
- k) unconditionally agrees to the Terms and Conditions and agrees not to do any act or thing which would be contrary to the spirit, intention or purpose of the Plan or the Terms and Conditions; and
- l) acknowledges any discount applicable under Rule 5(e), may be different from one dividend to the next,

in each case, at all times until termination of the Shareholder's participation in the Plan.

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