



6 July 2004

TABCORP takes management control of Tab Limited

After yesterday announcing that its takeover offer for Tab Limited (**Tab**) had become unconditional, TABCORP Holdings Limited (**TABCORP**), Australia's premier gambling and entertainment group, today announced that it has assumed management control of Tab's businesses.

As of today, TABCORP has relevant interests in 57.56% of the issued shares in Tab. If TABCORP receives acceptances under its takeover offer for at least 90% of the Tab shares by the end of the offer period, it will increase the cash component of its offer consideration by 10 cents per Tab share, so that its offer will become \$2.10 cash, plus between 0.20 and 0.22 TABCORP shares, for each Tab share.

TABCORP's final offer implies a value of \$4.96 per Tab share based on the closing price of TABCORP shares on ASX of \$14.28 on 5 July 2004 and assuming that TABCORP acquires at least 90% of the Tab shares. This implied value of \$4.96 per Tab share represents:

- a 48% premium to the Tab share price on 15 October 2003, the day prior to Tab's announcement of merger discussions with UNiTAB; and
- a 41% premium to the Tab share price on 4 November 2003, the day prior to the announcement of TABCORP's initial merger proposal in relation to Tab.

TABCORP's offer is currently scheduled to close at 7.00 pm (Sydney time) on 21 July 2004, unless extended.

Managing Director and Chief Executive Officer Matthew Slatter said: "TABCORP is encouraging the remaining Tab shareholders to join Australia's premier gambling and entertainment group and one of the biggest gambling companies in the world."

Mr Slatter added "TABCORP's offer provides Tab shareholders with an exciting opportunity which they should accept now. To accept the offer, Tab shareholders should follow the instructions on the acceptance form they have received previously."

He said the next step was to gain 90% of Tab and then full ownership of the company and integrate Tab into the TABCORP group as a wholly-owned subsidiary.

If Tab shareholders have questions in relation to TABCORP's offer, they should call TABCORP's offer information line on 1800 010 202.

New management

All members of the Tab board resigned yesterday and TABCORP board members Michael Robinson, Tony Hodgson and Matthew Slatter, plus TABCORP's General Counsel & Executive General Manager – Corporate, Legal & Compliance, Peter Caillard and Chief Financial Officer, David Elmslie, have been appointed to the Tab board.

Michael Piggott has been appointed as Chief Executive of Tab in addition to his continuing responsibilities as Chief Executive of Wagering for the TABCORP group.



Mr Slatter said that other members of the new management team appointed to run Tab's wagering and media businesses included new Chief Financial Officer, Laurie Carsley and General Manager of Human Resources, Ronnie Harrington, both of whom were joining from TABCORP.

TABCORP's Wagering Division head office will be relocated from Melbourne to Sydney, although a significant number of Wagering Division staff will remain in Melbourne. TABCORP's corporate headquarters remain in Melbourne.

Mr Piggott said there were many talented people throughout Tab and that he would spend the next few weeks meeting people and developing plans to improve the wagering business.

"I'm thrilled to be leading the Tab team and to create many exciting new opportunities in the Australian wagering industry," he said.

The racing industry in New South Wales

Mr Slatter said a key element of TABCORP's focus would be to build on its sound working relationship with the racing industry in New South Wales.

"Bringing Tab and TABCORP together means shareholders, punters and the racing codes will benefit from an energised and vibrant Australian racing industry."

"TABCORP's acquisition of its controlling interest in Tab heralds a new era in Australian wagering history," Mr Slatter said.

Mr Piggott added: "Together with Tab, TABCORP will continue to focus on building strong partnerships in the racing industry and our main goal is to make a real difference for punters, customers, shareholders and staff and build on a strong wagering business."

Sky Channel

Mr Slatter said the new management team would be working closely with all stakeholders to improve the service offered by Sky Channel.

"Together with Tab, TABCORP will continue to have discussions with the race clubs and work towards a sensible commercial outcome for all parties. We are confident we can resolve any issues."

"A Sky Channel racing program consultative committee will be introduced to improve programming and content," Mr Slatter said.

Bigger pools

Mr Slatter said customers would be the big winners with TABCORP aiming to create a merged \$9 billion wagering pool with economic benefits flowing to all racing codes and shareholders benefiting from a vibrant and flourishing industry. The creation of such a pool would require necessary regulatory approval and agreements with the relevant racing industries to be obtained.



TABCORP corporate information

TABCORP is Australia's premier gambling and entertainment group, operating a unique combination of wagering, gaming and hospitality activities across Australia.

Excluding Tab, the group has 10,000 employees, four casinos (with some 37,000 customers a day using the casinos), 1400 hotel rooms, 22 restaurants and three theatres/showrooms.

The TABCORP group owns or manages leading brands such as TAB and Tabaret in Victoria, Star City casino, Conrad Jupiters, Conrad Treasury, Jupiters Townsville, TAB Sportsbet, Club Keno, and the new Gold Coast Convention and Exhibition Centre.

For more information:

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