

3 August 2020

ASX Market Announcements
 Australian Securities Exchange
 20 Bridge Street
 Sydney NSW 2000

Expected non-cash goodwill impairment charges and FY20 preliminary unaudited results

Tabcorp Holdings Limited (**Tabcorp or Company**) today announces that, following the latest review of the carrying value of its assets and in accordance with relevant accounting standards, the Company expects to incur non-cash goodwill impairment charges in the range of \$1,000 million to \$1,100 million⁽¹⁾ in its financial results for the year ended 30 June 2020 (**FY20**)⁽²⁾.

The non-cash goodwill impairment charges relate to the Wagering & Media and Gaming Services businesses. They reflect an assessment based on underlying assumptions which take into account, among other matters:

- the direct impact of the Government and other measures to address the COVID-19 pandemic on these business' operations;
- the possible acceleration of retail contraction and uncertainty regarding any longer term impacts as an indirect result of the pandemic;
- the level of competitive intensity and structural changes in the Wagering & Media business particularly in a digital centric market; and
- the potential decline in consumer confidence and increased economic uncertainty.

The goodwill impairment charges are non-cash and do not impact the Company's financial covenants with its lenders. The book value of goodwill for these segments at 30 June 2019 was \$2,945 million.

In addition, Tabcorp announces that it currently expects FY20 EBITDA (before significant items) to be in the range of \$990 million to \$1,000 million (FY19: \$1,124 million) and net profit after tax (before significant items) to be in the range of \$267 million to \$273 million (FY19: \$396 million).

Final FY20 results, including the goodwill impairment charges, are subject to completion of the external audit and Board review and approval of Tabcorp's FY20 financial statements.

Tabcorp's Managing Director and CEO, David Attenborough said: "COVID-19 has materially impacted our Wagering & Media and Gaming Services businesses. We are facing into a challenging and uncertain environment, and the current operating conditions and those expected into the future are relevant factors in assessing the value of the goodwill in those businesses at this time.

(1) No tax effect. Assessment includes the impact of allocated corporate assets.

(2) The Company's final audited results will be released on 19 August 2020.

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“We remain confident in the strength and resilience of Tabcorp’s diversified portfolio of assets and are pleased that integration is now substantially complete. We are focused on supporting our people and partners during these challenging times while ensuring that Tabcorp emerges strongly post COVID-19.”

This announcement was authorised for release by the Tabcorp Board of Directors.

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