

* * * * *

1 July 2014

Levy on gaming machines – Court of Appeal judgment

The Court of Appeal of the Supreme Court of Victoria has today allowed an appeal by the Victorian Government against a decision of the Supreme Court of Victoria, which was handed down in June 2013 in favour of Tabcorp Holdings Limited.

The ruling relates to the Victorian Government's determination in respect of the Health Benefit Levy ("HBL") on Tabcorp's former gaming machine operations. The Victorian Government had applied the HBL for the 2013 financial year without regard to the fact that Tabcorp ceased to operate gaming machines on 15 August 2012.

Tabcorp brought proceedings against the Victorian Government in May 2013 and the Supreme Court decided that the Victorian Government did have a discretion under the *Gambling Regulation Act 2003 (Vic)* to calculate the HBL on a pro-rata basis. However, the Court of Appeal today ruled in favour of the Victorian Government on its appeal.

The decision reinstates the Victorian Government's original determination in respect of the HBL. This will impact Tabcorp's FY14 earnings by an estimated \$19 million after tax and will be disclosed as Discontinued Operations in Tabcorp's financial statements.

Tabcorp is reviewing the reasons for judgment to determine whether it will seek leave to appeal to the High Court of Australia.

For more information:

Financial analysts: Daniel Renshaw, GM Investor Relations, 02 9218 1113

Media: Nicholas Tzaferis, GM Corporate Affairs, 03 9868 2529

Media Release